



A Touchstone Energy® Cooperative 
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**LANE-SCOTT
ELECTRIC COOPERATIVE**

Connections

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Cooperative, Inc.**

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In Case of an Outage

If your electricity is off for more than a few minutes, call 800-407-2217. Office hours are 8 a.m. to 5 p.m. After-hours calls will be answered by the dispatch and standby personnel.

24-hour Electrician Service

If you are without electricity or have an electrical emergency on your side of the meter, we have a master electrician on staff available 24 hours a day.

Rate Study Part 3: Cost-of-Service Study

In the last two months, we have discussed the rate study being undertaken by the cooperative. A rate study is a necessary responsibility of management and the board of trustees of the cooperative to ensure that the cooperative continues to operate in a financially sound manner. In the first article, we discussed the rate study process from beginning to end. Last month, we discussed one aspect of the study, that being the study of the cooperative's **revenue requirement**. This month, we will examine another aspect of the cooperative's rate study, the cost-of-service study.

The **cost-of-service study**, as the name implies, is simply an analysis of the cooperative's costs identified during the revenue requirement study. While the revenue requirement study will examine what the costs are, the cost-of-service study will examine how and why the costs are incurred. Answering the questions of how and why the costs are incurred allows for the costs to be assigned fairly and appro-

priately using traditional ratemaking principles. The costs and expenses of the cooperative are examined in a number of different ways as part of this study. For example, there are costs associated with the generation and transmission of power and energy. These costs are paid to our power supplier. There are also costs incurred in distributing the electric power and energy to you, the member, such as the costs for poles and lines, trucks and buildings, and employees. An attempt is made to assign and apportion those costs according to the appropriate category.

Costs are also analyzed by function. Each month, your bill includes a customer charge. The customer charge is identical for each of the members of that particular customer class. The cost-of-service study will identify the appropriate costs for the customer charge. The remainder of your bill is typically represented by a **per-kilowatt-hour charge**. This charge includes a component for your **demand** (the amount of energy you require at a

given point in the month or year) and **energy** (the amount of energy you consume).

The plant that is included in rate base, the revenues derived from electricity and the expenses incurred are then assigned to the different customer classes at the cooperative. Allocating the rate base revenues and expenses to each of the customer classes allows the cooperative to then project the rates of return of each customer class. One goal of any rate is to have a fair rate of return for each of the customer classes at the cooperative.

Members always question why a rate for one type of service is different from another type of service. How much energy you use, when you use it, and how your usage varies all have an effect on the cost to provide you with electric service. Those varying costs are examined as part of the cost-of-service study.

Next month, we will examine the final phase of the cooperative's rate study, rate design.

Essays from Lane-Scott's 2016 Youth Tour Winners

Lane-Scott Electric has selected two local youth to attend leadership trips through our annual youth competition for area high school juniors.

This year, students were asked to write an essay that answers the question: "How have the services from Lane-Scott Electric Cooperative made our lives better?"

Below you will find the essays from the winners of this year's competition.



Alexis Clarke

Imagine, if you will, just waking up in the morning. It's still dark outside, but you need to start getting ready for the day. You get up and go turn on the lights; however, when you flip the switch, nothing happens. You are surrounded by the chilling darkness. This is what our life would be like with no electricity. Without it, our lives would

be extremely different in today's world. We would be set back hundreds of years with our discoveries, along with many other important things.

Take for an example the medical field which is the field I want to go into. Doctors use X-rays and MRIs to see if there is anything wrong with a patient. All of those machines use electricity and power to keep them operating. Without electricity, our advancements in science would not be as great, and medicine would be set back centuries. There would be no microscopes to make new discoveries, or even computers to electronically publish your findings so that other people could read about them and learn what you have discovered.

Along with computers, phones are another one of the many things that would not exist without having electricity. Phones are perhaps the most popular electronic device we use today. Without them, we would not have social media and other things to distract us from work, school, or even dinner with our families, like so many kids are today. But on the other hand, we could not connect with anybody in the world like we do currently. Families and friends could not share pictures in an instant or talk on the phone. We would go back to writing letters and sending them by the good old Pony Express, because cars wouldn't exist without factories and machines putting them together.

All in all, electricity provides us with so much and we don't even take the time out of our day to appreciate it or the people who help make it possible. Lane-Scott has always had dependable electricity and have worked very hard to keep it that way. I know the next time I wake up in the morning and turn on the light switch and the lights come on, I will think of and be grateful for the hard working people who make it happen.

Each year, Lane-Scott sends two students to the Electric Cooperative Youth Tour in Washington, D.C. The 2016 winners are **ALEXIS CLARKE** and **BRENDAN WHIPPLE**.

They will join 35 Kansas youth and travel to Washington, D.C., June 11-18. They will join 1,700 other youth seeing the United States government in action. They will visit their congressmen, various government agencies and sites of historical significance.



Brendan Whipple

Electricity effects our lives every day. Lane-Scott Electric has helped that to happen. They have made my life a lot easier in many different ways.

First, they have helped me a lot through 4-H. Without services from Lane Scott, I would not be able to do a lot of the things that I do in 4-H. I probably wouldn't have animals for 4-H this year, because we needed electricity for heat lamps for our baby pigs. Without it, they would have gotten cold and died. They also help me with other 4-H projects, such as beef and goats. I have to use electricity to shave the hair off of both of them to show them. Another reason I would not have animals without Lane-Scott is they help supply them with water. It is a lot easier to use a hydrant to give animals water than using a hand well every day.

Second, they have made life a lot easier at home. Without their services, I probably would not be very clean. I would not have water to take a shower or brush my teeth every day. Electricity can also help our health. Without it we would not be able to keep things cold in a refrigerator, because food would get old and rotten. It also helps to be able to cook food quicker and not have to start a fire to cook something. Also, I don't have to go outside to the outhouse every time I have to go to the bathroom. I can just use the toilet in my house. Thanks to Lane-Scott.

In conclusion, Lane-Scott electric makes my life better in many ways. Without them, things would not be as easy in livestock in 4-H. Lane-Scott Electric changes lives daily with providing electricity.

**Congratulations
to our 2016 Youth
Tour Winners!**

Nominating Committee Meeting Notice

The Board-appointed nominating committee will meet on Monday, June 13, 2016, at 6:30 p.m. at the Lane-Scott Electric safety room for the purpose of nominating Trustees. The Trustees whose terms expire in 2016 are **RAD ROEHL**, representing Lane and Gove Counties; **ERIC DOLL** representing Finney and Hodgeman counties; and **CHAD GRIFFITH**, representing Scott and Logan counties.

Campaign Developed to Increase Voter Participation

As the nation gears up for another general election in November, electric cooperatives across the heartland have launched their own campaign—an effort to promote civic engagement and voter participation in the communities they serve. The effort is designed to "REV" up the public: Register, Educate and Vote.

The nationwide campaign, called Co-ops Vote, was announced during the 74th annual meeting of the National Rural Electric Cooperative Association (NRECA). The objective of the campaign is to encourage participation in the political process by keeping members informed about how to get and stay involved in local, state and national elections.

"The level of interest in politics varies from person to person," said Clare Gustin, vice president of member services and external affairs at Sunflower. "What everyone should care about is understanding the process. This campaign is designed to help people become aware of the political process, how to register, and when and where to vote."

The Co-ops Vote initiative will focus on eight issues that are important to the health and prosperity of communities served by electric cooperatives:

- ▶ Rural Broadband Access
- ▶ Hiring and Honoring Veterans
- ▶ Low-Income Energy Assistance
- ▶ Cybersecurity
- ▶ Water Regulation
- ▶ Rural Health Care Access
- ▶ Affordable and Reliable Energy
- ▶ Renewable Energy

Electric cooperatives—like

Sunflower and its six member cooperatives including Lane-Scott, which utilize a democratically-based business model—are perfectly designed to encourage civic engagement and to help address important issues that affect electric utility rates, the livelihood of Kansans, quality of life, and the rural economy.

Getting involved early in Kansas politics is essential.

"Historically, races have been won in the primary election," Gustin said. "Candidates for some positions in a heavily partisan district may only have opposition in the primary election as the voter registration tends to be very partisan."

This year primaries will be held in Kansas on Aug. 2. Prior to the primary election, citizens can do the following to learn about the candidates in their districts:

- ▶ Research candidates online. Both the Republican and Democrat parties have pages for each local candidate on their state websites. This will provide information about the candidates, including their experience and thoughts about main issues.
- ▶ When a candidate comes to your door, be prepared to ask about issues

important to you. If he/she doesn't visit you, call the candidate.

- ▶ Attend local candidate forums.

A new website, www.vote.coop, offers co-op members information about the voter registration process in their states, dates of elections, information about the candidates running in those elections, and explanations of the eight key issues the campaign aims to address. In keeping with its non-partisan goals, the initiative will not be endorsing specific candidates for office.

"We want to make sure our government knows that rural America matters," said Mel Coleman, president of NRECA. "Co-op Vote is not about divisive, partisan issues, but rather real people in real places facing real challenges. It's about our co-ops living out the principles of our movement—concern for community and democratic control."





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ALL OF OUR LINES ARE CUSTOMER SERVICE LINES.

Some deliver electricity. Others deliver information. All must deliver on the Touchstone Energy Co-operatives mission: to provide you with service that's just as dependable as the energy you count on us for every day. Learn more about your locally-owned and operated Touchstone Energy cooperative at TouchstoneEnergy.com.

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