

**LANE-SCOTT
ELECTRIC COOPERATIVE**

Connections

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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.

Lane-Scott Offers \$500 Scholarship

Lane-Scott Electric offers a \$500 scholarship to an individual going into the electric utility field.

We provide this scholarship to support the development of effective leaders through educational opportunities. This scholarship is awarded annually to an eligible applicant. Eligibility is based on the following requirements.

Applicants

Each scholarship applicant must be a senior or high school graduate planning to further his or her education in the electric utility field and enrolled as a full-time student in an accredited university or college. Junior, community, and vocational or technical colleges also apply.

Each applicant for the scholarship shall be considered on the criteria without regard to race, age, color, religion, gender, national origin or existence of physical handicap. The successful applicant will be chosen on scholarship merit based on the following: scholastic achievement, extra-curricular activities and community service. Preference will be given to an individual in the Lane-Scott Electric service territory.

Selection Procedure

The scholarship committee will make the selection based on the above criteria. Each applicant must be willing to be interviewed by the committee.

Payment

The scholarship recipients shall notify Lane-Scott Electric in writing of their college enrollment. The cooperative will submit payment to the institution. Should the recipient withdraw from college, payment of the scholarship monies shall cease and reimbursement of unused monies shall be made to Lane-Scott Electric.

To Apply

Contact Lane-Scott Electric for an application, or visit www.lanescott.coop to download the application. Completed applications must be postmarked and/or returned to Lane-Scott **BY APRIL 30, 2016.**

Mail Applications to

Scholarship Committee, Lane-Scott Electric Cooperative, P.O. Box 758, Dighton, KS 67839. Questions about the scholarship program should be directed to Bob Venters at 620-397-5327.

Efficiency Tip of the Month

On Earth Day, April 22, give back to the environment by planting a deciduous tree near your home. Deciduous trees lose their leaves during the fall, allowing sunlight to warm your home. The extra shade during summer months will keep your home cooler and give your air conditioner a much needed break.



Rate Study Part 2: Revenue Requirement

Last month, you were informed that the cooperative engaged the services of a consultant to perform a rate study. The purpose of the rate study is to determine whether the existing rates are sufficient to enable the cooperative to meet its service obligations to the members and its financial obligations to its lenders. There are several phases to the rate study, and this month we will discuss the revenue requirement phase.

The purpose of the rate study is to determine whether the existing rates are sufficient to enable the cooperative to meet its service obligations.

The revenue requirement is an analysis of the cooperative's existing revenues and expenses, which will serve as a tool to predict future revenues and expenses. If we could accurately predict the future, this would be an easy process, but fortune-telling is not a recognized science. Instead, the traditional rate process utilizes a "test year." The test year is a twelve-month period of time that is used to predict future periods. Usually the most recent year is selected as a test year for the purposes of conducting a rate study, and that is what the cooperative has done. But as everyone knows, not every year is the same. If unusual events

occurred during the year selected to be the test year, those events are "normalized" to more accurately reflect a normal year. Examples of normalizing a test year would be adjusting for unusual weather such as ice storms, prolonged heat waves and drought.

The revenue requirement aspect of the study also examines the power plant in service to provide electric service to the members. A determination is made as to what plant will be included in

the rate base used to determine rates. Any plant that becomes part of the cooperative's rate base must be used and useful in providing electric service to our members.

The revenue requirement aspect of the study also looks at the cooperative's rate of return and examines how much patronage capital is contributed by the members and how much debt is taken on by the cooperative. The study also examines the cooperative's capital credit policy and whether patronage capital objectives are being met through current rates.

The cooperative will also examine

the cost of the debt it incurs versus the cost of its members' equity used in financing the operation of the cooperative. While most people believe it is always preferable to avoid debt if possible, that concept is not always true given the nature of operating a public utility. Oftentimes, borrowing some money for long-term (30-year or more) investments is more preferable than recovering all of the costs of the investment from the members through rates.

Finally, the study will examine how much margin the cooperative should recover in rates. Margin is simply the difference between what the cooperative receives for providing electric service applied against what it costs to provide electric service. As you know, these margins, if any, are allocated to the members at the end of each year in accordance with the cooperative's not-for-profit member-owned status.

At the conclusion of the revenue requirement aspect of the study, we will know what revenue will need to be collected from the members to fulfill our mission to you to provide sufficient electric service. Next month, we will examine how the decision is made to recover the revenue through the use of a cost-of-service study.

Three Tips to Help Save You Energy and Money

Celebrate Earth Day on April 22 by making your home more energy efficient. Here are three efficiency tips from energy expert Brian Sloboda of the National Rural Electric Cooperative Association:

- 1** Look around your home for no-cost ways to be efficient. Close the curtains in the summer and open them in the winter. Turn off your computers overnight. Also turn off video game consoles when they're not being used. Better yet, keep them off and send the kids outside to play baseball.
- 2** Look for small steps you can take and do-it-yourself. Caulk around drafty windows. Check the attic for the correct amount of insulation. Switch to LED light bulbs. Plant a deciduous tree on the sunny side of your house; in a few years the leaves will

cool your home against the sun in summer, then fall off to warm it in the winter. Update your old cable TV boxes to a more efficient Energy Star-rated cable box. If you have a major appliance—like a refrigerator, washing machine or dryer—that's more than 10 years old, don't keep making repairs. Instead, invest in a newer model that will likely pay for itself with energy savings in a few years. Before buying any appliance, look for the Energy Star label and learn to read it and compare products.

- 3** Call your Lane-Scott Electric about energy-saving programs. We may be able to offer advice, rebates or a home energy checkup. You might be surprised to find out what's really driving up your energy costs.