



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for January 27, 2025, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
 - a. Board Policy 113 – Capital Credits
 - b. Board Policy 403 – Employee Involvement in civic clubs.
 - c. Board Policy 407 – General Manager Expense Reporting
 - d. Board Policy 513 – Employee Apparel
 - e. Board Policy 515 – Employee NRECA SelectRE Pension Plan
 - f. Board Policy 534 – Company Credit Card Use Policy
 - g. Tariff Amendment
 - h. NRECA 2025 Voting Delegates
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

KEC Winter Conference	Topeka	Feb. 2-4
Sunflower Board of Trustees meeting	Hays	Feb. 19
LSEC Board of Trustees meeting	Dighton	Feb 26
KEC Board Meeting	Wichita	Mar. 5-6
NRECA Annual Meeting	Atlanta, GA	Mar. 7-13

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**MINUTES OF THE REGULAR DECEMBER 2024
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, December 23, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:06 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Gerome Copeland, Randy Evans, Susan Nuss, Chad Griffith, James Jordan and Craig Ramsey. Also present, Richard McLeon IV, Chris Terhune and Joseph Gasper, Attorney. Eric Doll attended the meeting electronically.

SAFETY PRESENTATION

Chris Terhune, safety coordinator presented a safety update, and the following are highlights of his presentation:

- Chris expressed his gratitude to the board for their support of making safety a very important issue for the cooperative.
- A review of policy 508 was presented to the board.
- The emergency action plan has been completed and the disaster recovery plan is expected to be completed in 2025 with the emergency response plan to be completed in 2026.
- The demo trailer has been completed and used for various displays.
- The LSEC storm restoration guide is completed and used for any contract crews. This document has also been used as a template by KEC and other cooperatives.
- The safety manual is reviewed at least quarterly.
- The safety amp digital inspection forms are online and being used by the crews.
- Erica Paragas spoke to the crews about KDOT requirements.
- The linemen continue to get additional outside training to expand their knowledge and expertise.
- The RESAP report was one of the best reports since 2016.
- KEC commit to zero contacts 2.0 will begin. Phase 1.0 has already been completed.
- OSHA Sharp certification will be reviewed to begin the process as soon as LSEC qualifies.

- All of the linemen have completed the OSHA 10 program and Chris will be working on OSHA 30 in the near future.
- Chris spends at least one day in the office per week working on safety issues.
- The employees have bought in on the safety program.

Chris left the meeting upon completion of his report.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on November 25, 2024, 2024. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

President Jennison called for questions regarding the check list for the month.

There were no questions on the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper discussed a proposed policy for the General Manger reporting and requested input from the board on how to proceed.

REPORT OF SUNFLOWER DELEGATE

A copy of the Sunflower report was included in the board packet and emailed to the trustees.

- There were no additions to the Sunflower Report

KEC REPORT

A copy of the summary report of the KEC Meeting was included in the board packet.

- Trustee Ramsey reported the assessment for December will be reduced.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The Manager expense report was presented to the Trustees for review.
- Total Operating Margins year to date are \$788,875. December will have loan payments and some equipment expenses representing about \$245,000 which will reduce operating margins. The best guess is that LSEC will allocate at or below \$600,000 this year.
- The important financial number is our distribution revenue (total revenue less WPC) which remains above our five-year average. All financial metrics are met. LSEC is on track for a good financial year.
- The January blizzard continues to impact our YTD reliability numbers but our reliability numbers look good.
- YTD dollar sales remain below 2023 (-4.38%) and -2.12% below of the 2019-2024 average.
- YTD kWh sales remain below 2023 (-2.13%) but are 0.51% above the 2019-2024 average.
- YTD total cost of wholesale power is 0.98% above 2023 and 12.83% below the 5-year average. This is about 53.3% of the total LSEC billing.
- November Distribution Revenue is \$756,692 (\$8,078,816 YTD).
- The board discussed whether to keep the pdf form of the packet along with Call to Order. There was consensus to keep the pdf along with Call to Order at this time.
- YTD Operating Margin are \$788,875 with YTD Total Margin of \$1,589,879.
- Cash Balance - \$7,344,060
- TIER – 2.50 (1.25 min.), OPTIER – 1.74 (1.1 min.), DSC – 1.58 (1.25 min.), ODSC – 1.43 (1.1 min.), MDSC – 1.55 (1.35 min.)
- Operations is focused on maintenance. They have completed 22 pole change outs for clearance and pole replacement.
- The antenna has been installed at the Twin Springs tower.
- Cyber Security remains the focus of IT.
- Twelve military packages were sent out.
- LSEC participated in Reality U at the Dighton High School.
- Kathy is wrapping up her special projects.

- Line Material Inventory levels (\$526,618) are looking great at 0.987 inventory turns per year. Retail materials (\$187,966) look good at 0.733 inventory turns.
- Two additional generator units were sold in November. LSEC is scheduled to install 5 new units before year end and are managing 101 Service Agreements.

RECEIPT OF MANAGER'S REPORT

The board received the Manager's report as indicated herein, and there were no follow-up questions.

SAFETY REPORT

A safety report was included in the board packet.

OLD BUSINESS

There was no old business before the board.

NEW BUSINESS

1. 2025 Board Meeting Schedule
 - The Board reviewed the 2025 meeting schedule as contained in the board packet.
2. NRTC Voting Delegate
 - The form for the delegate was unavailable so the appointment of the NRTC voting delegate will be put off until the January meeting.
3. Bank Signatory Forms
 - *A motion to approve the resolution naming Richard A. McLeon IV, Jocelyn Walker, and Carrie Borell, independently, to act as signatories on checks and drafts drawn on accounts held by The Lane-Scott Electric Cooperative, Inc. at the First National Bank of Dighton, Kansas was made, duly seconded, and carried.*

- *A motion to approve the resolution naming Richard A. McLeon IV, Jocelyn Walker, and Carrie Borell, independently, to act as signatories on checks and drafts drawn on accounts held by The Lane-Scott Electric Cooperative, Inc. at the First State Bank of Healy, Kansas was made, duly seconded, and carried.*

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel was made, duly seconded and carried at 8:30 p.m. The Board came out of executive session at 9:07 p.m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:07 p.m., on Monday, December 23, 2024.

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3425 12/10/2024	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Invoice	62.94
3426 12/10/2024	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,710.81
3428 12/11/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Statement	870.94
3427 12/12/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	408.84
3430 12/12/2024	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
52223 12/16/2024	CHK	1	YORK SHOP	Unit 123	798.45
52224 12/16/2024	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch & Alarm Fees-November	2,119.98
52225 12/16/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	66,000.00
52226 12/16/2024	CHK	38	MICHAEL POLLOCK	M.Pollock-Clothing Allowance	189.79
52227 12/16/2024	CHK	79	POSTMASTER	Newsletter Postage	132.98
52228 12/16/2024	CHK	105	CITY OF NESS CITY	November-Pay Station & Postage	616.95
52229 12/16/2024	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	25.32
52230 12/16/2024	CHK	279	IT1 CONSULTING	Trustee-R.Roehl, J.Gasper	782.48
52231 12/16/2024	CHK	291	THE VICTORY ELECTRIC COOPERATIV	Lead Without Speaking Workshop-Eric RH	1,000.00
52232 12/16/2024	CHK	385	PIONEER COMMUNICATIONS	Telephone Directory	434.88
52233 12/16/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly Invoice	807.01
52234 12/16/2024	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice	151.64
52235 12/16/2024	CHK	427	DIGHTON HERALD LLC	Advertising	275.00
52236 12/16/2024	CHK	516	WESTERN KANSAS BROADCAST CENT	Monthly Invoice	80.00
52237 12/16/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Contract on Copiers	113.12
52238 12/16/2024	CHK	790	SUNBELT SOLOMON	TRANSFORMER	26,864.60
52239 12/16/2024	CHK	903	NISC	Monthly Invoice	13,274.83
52240 12/16/2024	CHK	1030	THE SCOTT COUNTY RECORD	Advertisement	197.00
52241 12/16/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Rubber Glove Testing	130.00
52242 12/16/2024	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	291.88
3429 12/18/2024	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	689.17

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3431 12/20/2024	WIRE	101	ATMOS ENERGY	Monthly Statement	178.34
52243 12/23/2024	CHK	5	BARNETT TOD	Estate	175.58
52244 12/23/2024	CHK	5	ESTATE OF RON F BRENNER	Estate	408.20
52245 12/23/2024	CHK	5	ESTATE OF WILMA MARIE CARR	Estate	473.17
52246 12/23/2024	CHK	5	DIANNE DELANEY	Estate	2,809.50
52247 12/23/2024	CHK	5	WILLIAM J DECHANT	Estate	654.36
52248 12/23/2024	CHK	5	MARY A EGBERT	Estate	3,387.98
52249 12/23/2024	CHK	5	JOANNE EMERICK	Estate	183.10
52250 12/23/2024	CHK	5	FRED J HEMBREE	Estate	24,904.23
52251 12/23/2024	CHK	5	AMANDA HOVORKA	Estate	258.42
52252 12/23/2024	CHK	5	JOYCE A HALL	Estate	459.30
52253 12/23/2024	CHK	5	MITCHELL JACOBS	Estate	437.82
52254 12/23/2024	CHK	5	MELISSA K LECLAIRE	Estate	100.05
52255 12/23/2024	CHK	5	MATT MILLER	Estate	258.43
52256 12/23/2024	CHK	5	MYRNA POST	Estate	2,971.93
52257 12/23/2024	CHK	5	CHRISTOPHER POST	Estate	2,971.89
52258 12/23/2024	CHK	5	EVAN POST	Estate	2,972.00
52259 12/23/2024	CHK	5	WENDELL J PFANNENSTIEL	Estate	183.09
52260 12/23/2024	CHK	5	BRIAN RUPP	Estate	100.06
52261 12/23/2024	CHK	5	WARREN SHERWIN TRUST	Estate	3,690.97
52262 12/23/2024	CHK	5	CLAUDIA J SEIB	Estate	799.30
52263 12/23/2024	CHK	5	CHARLOTTE R WANKER	Estate	172.72
52264 12/23/2024	CHK	5	IRVIN L & ROSE A YEAGER IRREV. TRU	Estate	6,272.11
52265 12/23/2024	CHK	5	WALTER W SCHEIB	Estate	459.32
52266 12/23/2024	CHK	5	ROGER L SCHEIB	Estate	459.32
52267 12/23/2024	CHK	5	ROBERT A SCHEIB	Estate	459.30

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52268 12/23/2024	CHK	5	GAYLON C SPEER	Estate	18.86
52269 12/23/2024	CHK	5	GAYLA J SPRADLING	Estate	18.86
52270 12/23/2024	CHK	5	GORDON J SPEER	Estate	18.85
52271 12/23/2024	CHK	790	SUNBELT SOLOMON	TRANSFORMERS	33,135.92
3432 12/26/2024	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	42.02
3433 12/26/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	18,644.57
52272 12/26/2024	CHK	1	SCOTT CITY AREA CHAMBER OF COM	Membership Dues	575.00
52273 12/26/2024	CHK	1	SCOTT COUNTY INDOOR ARENA	Arena Sign Advertising	200.00
52274 12/26/2024	CHK	15	ERIC DOLL	Board Meeting	350.00
52275 12/26/2024	CHK	23	FEDERATED RURAL ELECTRIC	Annual Premium	139,642.00
52276 12/26/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions	5,719.18
52277 12/26/2024	CHK	63	RICHARD JENNISON	Board Meeting	367.42
52278 12/26/2024	CHK	105	CITY OF NESS CITY	Monthly Invoice	4,391.18
52279 12/26/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	498.18
52280 12/26/2024	CHK	114	WHEATLAND ELECTRIC COOPERATIVE	Annual Sum Distribution Capacity	54,000.00
52281 12/26/2024	CHK	122	MYRON SEIB	Clothing Allowance,Supplies,Shop	885.26
52282 12/26/2024	CHK	135	CITY OF BAZINE	Franchise Fee	1,629.55
52283 12/26/2024	CHK	160	SHULL OIL COMPANY	Monthly Invoice	5,480.98
52284 12/26/2024	CHK	164	FAIRBANK EQUIPMENT INC.	RETAIL MATERIAL	991.95
52285 12/26/2024	CHK	172	TYNDALE COMPANY, INC.	L.Ayers,M.Pollock-Clothing allowance	1,079.24
52286 12/26/2024	CHK	179	RAD ROEHL	Board Meeting	362.06
52287 12/26/2024	CHK	202	CHAD GRIFFITH	Board Meeting	400.25
52288 12/26/2024	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee	1,195.00
52289 12/26/2024	CHK	279	IT1 CONSULTING	Trustees J.Jordan-Annual Meeting spare	782.48
52290 12/26/2024	CHK	298	OVERLEASE K-LAWN	Fall Lawn Care-Ness & Dighton	634.73
52291 12/26/2024	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Alexander Substation-Maintenance	4,284.84

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52292 12/26/2024	CHK	449	JOHN ROSS & CO SIGNATURE CATERIN	Christmas Lunch	633.61
52293 12/26/2024	CHK	450	RANDALL G EVANS	NRECA Course-12.9 & 12.10 Online	1,050.67
52294 12/26/2024	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Testing & Inspections	12,424.94
52295 12/26/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	189.61
52296 12/26/2024	CHK	568	SUSAN NUSS	Board Meeting	426.38
52297 12/26/2024	CHK	570	JAMES W JORDAN	Board Meeting	394.22
52298 12/26/2024	CHK	588	GEROME L COPELAND	Board Meeting	398.24
52299 12/26/2024	CHK	589	CINDY FUENTES	Churros & Bunelos-Christmas party	45.00
52300 12/26/2024	CHK	597	SKYHELM LLC	External Cybersecurity Penetration	3,000.00
52301 12/26/2024	CHK	1172	WESTERN SUPPLY COMPANY	Water Efficient Aerator	37.35
52302 12/26/2024	CHK	1200	KASEY JENKINSON	Leadership Academy	102.00
52303 12/26/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	69.15
52304 12/26/2024	CHK	1228	BENJAMIN L MANN	Clothing Allowance	1,106.02
52305 12/26/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing	126.50
52306 12/26/2024	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	361.90
52307 12/26/2024	CHK	1300	CRAIG RAMSEY	Board Meeting, KEC Dec Board Meeting	1,506.83
52308 12/26/2024	CHK	46	LANE COUNTY TREASURER	Tags and Registrations	10,441.08
3436 12/30/2024	WIRE	183	HIBU INC	Monthly Invoice	17.00
3437 12/30/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Statement	143.77
3434 12/31/2024	WIRE	1187	MIDWEST ENERGY	Monthly Statement	130.88
3435 12/31/2024	WIRE	1290	WEX BANK	Monthly Invoice	486.39
3438 12/31/2024	WIRE	586	NETWORK COMPUTING SOLUTIONS	Cyber Security Software	5,465.84
52309 12/31/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	59,500.00
52310 12/31/2024	CHK	150	CHRIS TERHUNE	Clothing Allowance	229.49
52311 12/31/2024	CHK	172	TYNDALE COMPANY, INC.	K.Jenkinson-Clothing Allowance	715.44
52312 12/31/2024	CHK	383	HUXFORD POLE AND TIMBER CO INC	LINE MATERIAL	20,956.05

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52313 12/31/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	63.22
52314 12/31/2024	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	224.27
3439 01/02/2025	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Statement	930.51
3441 01/02/2025	WIRE	59	NRECA	QUARTERLY, 401K EMP EXPENSE	1,289.50
3443 01/02/2025	WIRE	265	HASLER - POSTAGE ACH	Halser Fee	50.00
3442 01/07/2025	WIRE	468	U.S. BANK	Monthly Statement	19,905.83
3440 01/08/2025	WIRE	1267	AFLAC	Monthly Invoice	1,480.63
3444 01/08/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-Jan Group Ins	3,166.91
3445 01/08/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	60,583.60
3446 01/08/2025	WIRE	180	NRECA	NRECA Gr-1 Adm Fee-Jan Gr Ins Adm Fee	247.37
52315 01/10/2025	CHK	1	NESS COUNTY CHAMBER	Membership Dues 2025	100.00
52316 01/10/2025	CHK	5	CRAMER FARMS	Check Rewrite	115.46
52317 01/10/2025	CHK	23	FEDERATED RURAL ELECTRIC	Annual Premium 1/1/25-1/1/26	61,446.00
52318 01/10/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Retirement Seminar Sept 10-11,2024	1,601.40
52319 01/10/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	738.82
52320 01/10/2025	CHK	55	NESS COUNTY NEWS	Monthly Invoice	222.40
52321 01/10/2025	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MATERIAL	20,780.99
52322 01/10/2025	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	92.54
52323 01/10/2025	CHK	145	BUMPER TO BUMPER OF NESS CITY	Truck #201	31.40
52324 01/10/2025	CHK	154	NESS COUNTY CLERK	2025 Antenna Site Rent	600.00
52325 01/10/2025	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	277.28
52326 01/10/2025	CHK	238	ILLINOIS MUTUAL	Monthly Statement-Emp Ins	54.24
52327 01/10/2025	CHK	269	ANIXTER INC	LINE MATERIAL	902.18
52328 01/10/2025	CHK	306	BORDER STATES INDUSTRIES INC	TOOLS	12,654.68
52329 01/10/2025	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice	87.50
52330 01/10/2025	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	Audit Engagement	5,000.00

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52331 01/10/2025	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Testing & Inspections	1,486.14
52332 01/10/2025	CHK	514	SNAP-ON	Battery Charger/Start Advance-All trucks	2,703.30
52333 01/10/2025	CHK	516	WESTERN KANSAS BROADCAST CENT	Monthly Invoice	80.00
52334 01/10/2025	CHK	562	RENSENHOUSE	LCF/RETAIL MATERIAL	1,244.04
52335 01/10/2025	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Invoice	78.02
52336 01/10/2025	CHK	598	STATE AFFAIRS INC	Subscription 2/1/25-1/31/26	500.00
52337 01/10/2025	CHK	903	NISC	iVue Connect/AppSuite Staking Workflow/T	25,207.90
52338 01/10/2025	CHK	1016	KANSAS ONE-CALL SYSTEM INC	December-Locate Fees	48.00
52339 01/10/2025	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	1,081.36
52340 01/10/2025	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	622.36
52341 01/10/2025	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Monthly Invoice	17.37
52342 01/10/2025	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	345.45
52343 01/10/2025	CHK	1251	TECHLINE, LTD	LINE MATERIAL	2,107.62
52344 01/10/2025	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	206.15

Total Payments for Bank Account - 2 : (144) 798,160.28

Total Voids for Bank Account - 2 : (0) 0.00

Total for Bank Account - 2 : (144) 798,160.28

Grand Total for Payments : (144) 798,160.28

Grand Total for Voids : (0) 0.00

Grand Total : (144) 798,160.28



Board Meeting Summary

December 12-13, 2024

BOARD EDUCATION SESSION

ACES Power

Andrew Hall from ACES Power presented on data centers, including the national drivers of data center growth, who is causing the growth, demand forecasts (Goldman Sachs, S&P, EPRI), construction spending, the major U.S. data center markets, national threats to data centers, and risks. He also presented regional data specific to the Southwest Power Pool (SPP) on the current trends, capacity headroom, integrated transmission planning, transmission issues surrounding the rapid growth of data center.

Data centers provide a new source of revenue for utilities. This source of revenue can be used to maintain current infrastructure and provide money for capital through new generation infrastructure, updates to the transmission grid, and new renewable power generation expenditures. Utilities need to anticipate and consider concerns, such as how to hold existing Members harmless from both the physical challenges (capacity, transmission infrastructure, extreme weather priorities) and the financial challenges (credit, timing of bill payment, green goals).

Data centers “want” power suppliers to provide a quick connection, emission-free energy, low-cost power supply, and reliability. Since this isn’t realistic and they cannot have all their “wants,” they will need to compromise. Utilities should consider creative ways to provide “musts” and some “wants.” Hall also discussed tariff provisions, the financial implications, and future considerations and priorities. He encouraged Sunflower and our Members to consider partnership structures and whether the margin a partner takes is worth the risk reduction.

NextEra Energy

Patrick Nash, Marilyn Gunn, and Manny Resch presented on behalf of NextEra Energy. NextEra Energy Resources is developing more than 2.3 GW of wind, solar and storage that can come online by 2031, and their data center infrastructure team is focused on identifying, securing, and developing optimal integrated solutions. Their partnership proposal suggests Sunflower and Wheatland could benefit by charging a retail fee (\$/MWh) to data center customers. NextEra Energy Resources will be responsible for developing and contracting adequate capacity to ensure Sunflower does not bear risk of future changes in effective load carrying capability (ELCC) values. To reduce the impact to existing cooperative members, the data center load can be a separate asset owner with a new Network Integration Transmission Service Agreement (NITSA) to isolate it from Sunflower’s existing load. The next steps in the proposed partnership include a letter of intent, identification of capacity resources by NextEra, a SPP delivery point network study (Attachment AQ), load connection study, and agreements with Sunflower.

1898 & Co.

Joshua Lloyd, PE, and Hannah Morrey-Brown with 1898 & Co. reviewed Sunflower project process. The recap of the electric vehicle (EV) and distributed energy resources (DER) forecast included a residential model example, potential fleet locations, and public DC fast charging. They combined the EV and DER forecasts into one dashboard where users can scale 8760 profiles by EV and DER forecast; create filters to select different forecast years, scenarios by Sunflower Members and zip codes; layer different profiles; adjust fundamental assumptions for EV charging; and provide different views, including basic forecast information, 8760 profiles, net output of solar vs EV, and energy estimation.

In the 1898 & Co. presentation on 2025 federal energy issues and what to expect under a Trump administration, Brown discussed federal energy issues, grant funding expectations, community benefit plans moving forward (Justice40, DEIA, labor engagement), and the EPA under Lee Zeldin.

BOARD MEETING

Current Activities

New Board Director and Alternate Director for Western

Board Action: The Sunflower Board voted and approved Nolan Numrich as director and Stacey Malsam as alternate director representing Western Cooperative Electric.

December 2025 Board Meeting

The Board prefers December 11-12 and to stay in Kansas City for 2025. Melissa will research other options and bring another proposal at the January board meeting.

2025 SunPowered Student Challenge

The SunPowered Challenge is a statewide solar energy competition in Kansas that engages high school students in the growing renewable energy industry. Teams of two to four students design and optimize solar installations, tackling real-world challenges like site selection, solar angles, and energy efficiency. The initiative offers hands-on learning and prepares students for careers in renewable energy while fostering innovation and awareness of sustainable practices. The event founders and hosts are looking to continue the momentum. Sunflower donated last year and was asked to donate again this year.

Board Action: The Sunflower Board approved the donation of \$30,000 to the SunPowered Student Challenge.

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

Clifton Repair/Replace Update

The Solar Titan T350 cost estimate came back lower than expected. The 34-month schedule would allow Sunflower to achieve COD by June 1, 2028, if we issue notice to proceed by August 1, 2025. The facility output is limited to 91.4 MW during hot conditions, but if we were to install an evaporating cooler, it would increase the accredited capacity to reach closer to the interconnection limit of 97.4 MW. While staff wait for feedback from Frank Lil and Sons on various questions pertaining to cost study, Sunflower contracted Burns & McDonnell to perform a study to review the owner/engineering costs. Black & Veatch continue to work on SGT800 Class 3 cost estimate.

Great Bend 3 Outage Expenses

GB3 is currently in a maintenance outage to complete a major turbine/generator open, clean, and close (OCC) inspection. The OCC inspection of the turbine/generator revealed several items that need to be repaired, resulting in costs that are significantly higher than budgeted amounts. Currently, cost projections for identified turbine/generator work are over budget.

Scheduling outages can be challenging, and Sunflower tries to avoid overlapping outages. The scheduling of major outages on S2, GB3, FD4, and H1 within an 18-month period is not ideal. Until last year, all steam-fired gas units ran for many years (19 to 22 years) since the last major turbine/generator OCC outage. The normal time between major turbine outages is approximately ten years, depending on how much the units run. Since our gas-fired steam units were not dispatched much after the SPP Integrated Market was implemented in 2014, we were comfortable extending the timeframe between turbine outages. As we began to get more starts and run hours on the units in 2021, FM Global started pushing to complete OCC inspections. At that time, we began putting OCC outages in the budget on a staggered schedule, but various budget challenges pushed schedules back and, ultimately, S2 was scheduled for 2023 and GB3 for 2024. Holcomb 1 (H1) and Fort Dodge 4 (FD4) also had major outages scheduled in 2024. The H1 outage schedule was driven by a multi-year delivery schedule for secondary superheater tubes. The FD4 outage schedule was driven by synchronous condenser modification. Going forward, staff plan to better stagger the schedule for major outages.

Transmission Planning and Policy

FERC/Court Update

Adrienne Clair presented an update on cost allocation issues for Sunflower zone facilities. She reviewed the timeline of the C2 Byway cost allocation waiver and gave an update on the FERC 205 filing. On November 21, FERC rejected the protestors' arguments on the 205 ruling. It is expected to be in abeyance until early 2024 when FERC will consider the impacts of the C2 appeal. The C2 Byway cost allocation waiver process was initially approved and later reversed by FERC and is currently awaiting the court opinion on the appeal following the recent filing of final briefs and oral arguments.

New Line Builds in the 2024 Integrated Transmission Planning (ITP) Assessment

SPP's ITP assessment indicates the Holcomb-to-Sidney, Neb., project is needed immediately. This project is expected to reduce load shed by an additional 175 MW relative to the full 2024 ITP portfolio. SPP is expected to issue Sunflower an NTC for the \$850 million project in late January 2025. The project is expected to take about four to five years, and the cost will be socialized across SPP. Sunflower pays approximately 2% of the total cost but has an opportunity to earn approximately 8.3% on investment. Sunflower will be required to respond and accept the NTC (cost estimate and construction) within 90 days and will need to coordinate with Tri-State on where to split the NTC. Sunflower staff have engaged with Tri-State and Basin on the Colorado and Nebraska portion of the Holcomb-to-Sidney project.

Also identified in the SPP ITP assessment is the Tobias-to-Elm Creek project. It is slated for completion in 2028, making it a competitive project based on SPP staging timeline. At the same time, the Buffalo Flat-to-Delaware line was also slated for completion by 2028, but upon Evergy's request, it was moved to 2025 to prevent it from being a competitive project. Sunflower staff questioned why one competitive and the other is not. Sunflower could go to FERC about the discrepancy between the two similar projects, but it would require a lot of resources, and the chances of winning at FERC is slim.

Financial Services

October Financials

Overall, Member loads were up .36% from budget for the month and down 1.05% from budget year to date. Large industrial loads were down 10.89% from budget for the month and down 7.03% from budget year to date. Operation and maintenance expenses were down 3.21% from budget for the month and up 2.7% from budget year to date. Member transmission bills will be \$3.4M lower in 2024 due to the implementation of FERC 205. The amount is to be realized July through December 2024.

Patronage Retirement – January 2025

The Sunflower Board previously approved guidelines for patronage retirements through January 2027. The guideline structure, subject to annual Board approval and sufficient financial metrics as determined by the Board, is for \$12 million. Staff presented final numbers. Written unanimous consent will be circulated after the December Board meeting for approval in January 2025. Staff anticipate making the cash patronage retirement on January 10, 2025.

Rate Design Study

Sunflower completed its rate design study in 2023 for the 2024 rate year. The 2024 rate design included a non-coincident peak (NCP) component and decreased the differential between demand rates from the prior wholesale member (WHM) rate. Western Kansas Industrial Electric Consumers (WKIEC) presented an alternative rate design in October 2023. Their proposal included a seasonality component, which increases the summer demand differential while lowering the NCP charge. The suggested design by WKIEC was not adopted, but the Board committed to review rate design seasonality in the future. Rate study options include seasonality (to address the WKIEC proposal), increase NCP rate, and time-of-use rate. Any rate changes will need to be approved at the September 2025 Board meeting to be included in the 2026 budget. Staff will begin working with Power Systems Engineers to discuss rate design options and gather data.

Member Distribution Group

During the November 20 quarterly Member Services meeting, Members stated they would like Sunflower to develop a system to inform Members on various regulatory changes. Sunflower staff are developing a Member distribution list with key personnel from each Member ensure important updates are being communicated timely. Updates will be delivered via email or Teams meetings, depending on the topic.

Staff may schedule various meetings with Member staff to discuss Sunflower rate topics. Charlotte Schulte will contact Members in December to ensure all applicable employees are included on the distribution list.

Board Strategy Follow-through Update

Of the 60 total strategic actions requested by the Sunflower Board during the strategy planning process, 21 items have been completed, 11 of which were in the last quarter. Staff reviewed the specific tasks and activities taken to complete those 11 items.

Sunflower Electric Power Corp. - December 2024, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	21,558	104,443	97,632	79,611	119,716	46,016	98,364	567,340
Demand NCP, kW	23,069	90,684	102,483	87,519	133,070	48,671	102,082	587,578
Wholesale Energy Usage, kWh	14,667,788	76,882,007	63,207,973	52,107,547	74,775,133	31,133,468	60,641,393	373,415,309
RTP Marginal Usage, kWh			1,698		(21,614)			(19,916)
Coincident Peak Load Ratio Share, %	3.80%	18.40%	17.20%	14.00%	21.10%	8.10%	17.30%	100.00%
Coincident Load Factor, %	91.40%	98.90%	87.00%	88.00%	84.00%	90.90%	82.90%	88.50%
Metering Points	10	26	25	28	23	25	34	171
CP Demand Rate, \$/kW	6.97	7.39	6.97	6.97	6.97	6.97	6.97	7.03
NCP Demand Rate, \$/kW	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
CP Demand Charge, \$	150,259.26	771,854.21	680,495.04	554,888.67	834,420.52	320,731.52	685,597.08	3,998,246.30
NCP Demand Charge, \$	70,821.83	278,399.88	314,622.81	268,683.33	408,524.90	149,419.97	313,391.74	1,803,864.46
Demand Charge, \$	221,081.09	1,050,254.09	995,117.85	823,572.00	1,242,945.42	470,151.49	998,988.82	5,802,110.76
Energy Rate, ¢/kWh	0.6943	0.6900	0.6943	0.6943	0.6943	0.6943	0.6943	0.6934
Energy Charge, \$	101,838.45	530,494.01	438,852.96	361,782.70	519,163.75	216,159.67	421,033.19	2,589,324.73
RTP Marginal Usage Charge, \$			78.17		(612.47)			(534.30)
HLF Rider Net Charge, \$	7,050.34	3,412.85	(59,981.94)	25,046.43	(6,520.09)	14,964.87	16,027.51	(0.01)
EDR Rider Net Charge, \$	2,822.59	4,011.03	12,163.41	(38,461.92)	1,804.22	5,991.16	11,669.51	-
ECA Rate (ECA-02), ¢/kWh	1.4790	1.4790	1.4790	1.4790	1.4790	1.4790	1.4790	1.4790
ECA Charge, \$	216,936.58	1,137,084.88	934,845.92	770,670.62	1,105,924.22	460,463.99	896,886.20	5,522,812.42
Meter Rate, \$/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, \$	1,050.00	2,730.00	2,625.00	2,940.00	2,415.00	2,625.00	3,570.00	17,955.00
Schedule 1	2,470.94	13,059.36	11,918.16	8,747.48	12,648.72	5,413.94	13,973.61	68,232.21
Schedule 11 Regional	28,297.05	149,554.96	136,485.98	100,175.56	144,852.31	62,000.14	160,024.88	781,390.88
Schedule 11 Zonal	31,454.56	166,242.98	151,715.70	111,353.60	161,015.59	68,918.40	177,881.17	868,582.00
Schedule 12	1,580.43	8,352.87	7,622.95	5,594.95	8,090.22	3,462.80	8,937.63	43,641.85
Schedule 1a	4,701.82	24,849.95	22,678.42	16,645.10	24,068.56	10,301.90	26,589.62	129,835.37
Schedule 9 SEPC	85,262.89	450,629.62	411,251.02	301,842.71	436,459.92	186,814.95	482,176.95	2,354,438.06
Msc. Transmission	881.00	4,656.26	4,249.42	3,062.54	4,509.88	1,930.26	4,982.19	24,271.55
Transmission Charge, \$	154,648.69	817,346.00	745,921.65	547,421.94	791,645.20	338,842.39	874,566.05	4,270,391.92
Billing Adjustments, \$ (LRR Rider, PGS)		(106,909.85)	(44.55)	20,056.31	(29,282.07)		-	(116,180.16)
ECIR Credit, \$			(8,769.66)					(8,769.66)
Community Solar Adjustments, \$		368.47		100.95	55.52		263.46	788.40
Net Charges, \$ *	705,427.74	3,438,791.48	3,060,808.81	2,513,129.03	3,627,538.70	1,509,198.57	3,223,004.74	18,077,899.10
3-2-1 Credits, \$		(7,748.84)	(281.31)	(14,213.74)	(2,076.89)			(24,320.78)
Total Charges, \$	705,427.74	3,431,042.64	3,060,527.50	2,498,915.29	3,625,461.81	1,509,198.57	3,223,004.74	18,053,578.32
Average all-in ¢/kWh	4.809	4.463	4.842	4.796	4.850	4.848	5.315	4.835
Non-Member energy charges:			<div>⬇</div> <div>⬆</div> <div>➡</div> <div>⬆</div> <div>⬇</div>	Basis for Changes from Previous Month				
Non-Member energy charges:	\$	\$/kWh		<div>1. Holcomb Capacity Factor was 37.1% for the month.</div> <div>2. Smoky Hills #1 WF Capacity Factor was 31.4% for the month.</div> <div>3. Shooting Star capacity factor was 19.7% for the month.</div> <div>4. Smoky Hills #2 WFCapacity Factor was 33.4% for the month</div> <div>5. Johson Corner Solar Capacity Factor was 16.3% for the month</div>				
10 West Cities	635,765.97	0.0463						
4 East Cities	85,581.88	0.0520						
KEPCo	131,841.24							
KMEA - EMP2 (Local Access)	75,781.12							
KMEA - City of Meade - (Local Access)	10,035.31							
AP & NH other contracted services	308,297.50							
KPP - OATT, L.A.C. & MA Charges	31,931.05							
Note:			⬆ = Increase ⬇ = Decrease ➡ = Little Effect					
* Victory and So. Pioneer numbers do not include the full requirement cities.								

Kansas Electric Power Cooperative, Inc. Selects New Executive Vice President and CEO

Posted Tuesday, December 24, 2024 2:11 pm
Concordia Blade-Empire

TOPEKA, KS – December 17, 2024 – The Kansas Electric Power Cooperative board of trustees has selected **Kevin T. Noblet** of Liberty, Missouri, as the new executive vice president and CEO of the organization.

Noblet will replace Steven O. Foss, who has served as KEPCo's interim EVP and CEO since March 2024.

With over 25 years of experience in the electric utility industry, most recently as the president, central region, at Liberty Utilities, Noblet brings an extensive background in utility operations, with an emphasis in generation, transmission, and distribution engineering and planning and customer service. He holds degrees in electrical engineering and physics, a master's degree in business administration, and is a licensed professional engineer, making him uniquely qualified to lead the cooperative in an evolving utility environment.



"We are excited to welcome Kevin as our new CEO," said Charles Goeckel, KEPCo's board president. "His proven track record in the electric utility industry, paired with his deep understanding of the technical and operational aspects of the business, makes him an ideal fit for KEPCo. The electric industry currently is facing many significant challenges, not least of which is the unprecedented increase in generation and transmission costs. Kevin's expertise in generation and transmission planning, coupled with his executive leadership experience, will be instrumental in advancing our mission to provide reliable, affordable, and sustainable energy to our members."

"Additionally, we extend our sincere thanks and appreciation to Steve for helping the board navigate the CEO search process and leading KEPCo during the transition," said Goeckel.

8. General Manager / C.E.O. Report

Rates and Reliability Dashboard

Executive Summary:

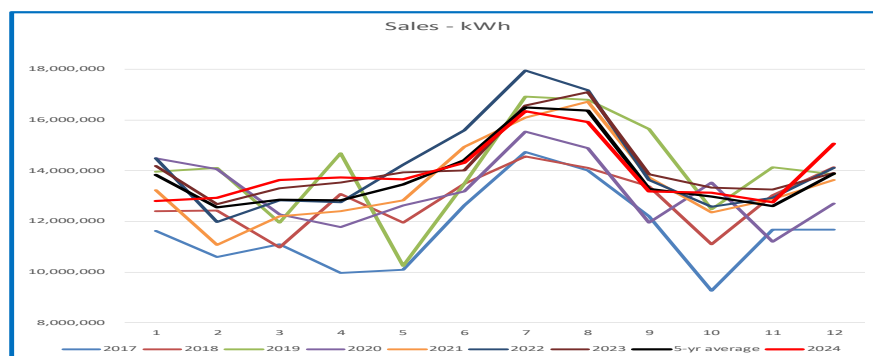
We have had a good financial year. Revenues were \$392,111 (or 2.26%) above our 5-year average while expenses were \$152,742 (or 0.9%) below the same period. This net increase of \$544,853 led us to a projected Rate of Return on Rate Base of 2.35%.

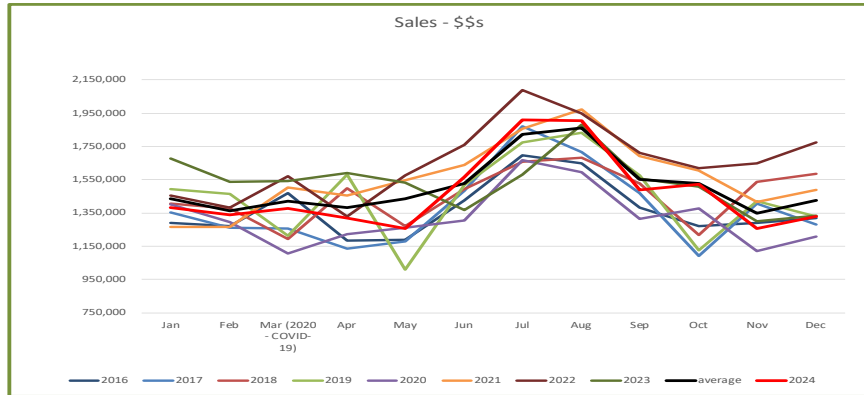
2024 unaudited Total Operating Margins are \$664,266 and Total Margins are \$1,492,994. Total kWh sales are up, but total sales dollars are down due to lower wholesale power costs. This led to 2024 Distribution Revenue of \$8,643,587.

The January 2024 blizzard impacted our YTD reliability numbers but our numbers still look good. Service availability was 99.92% overall.

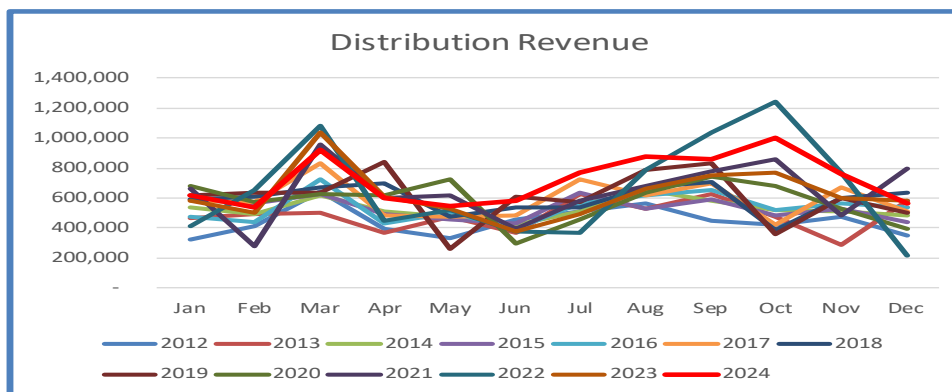
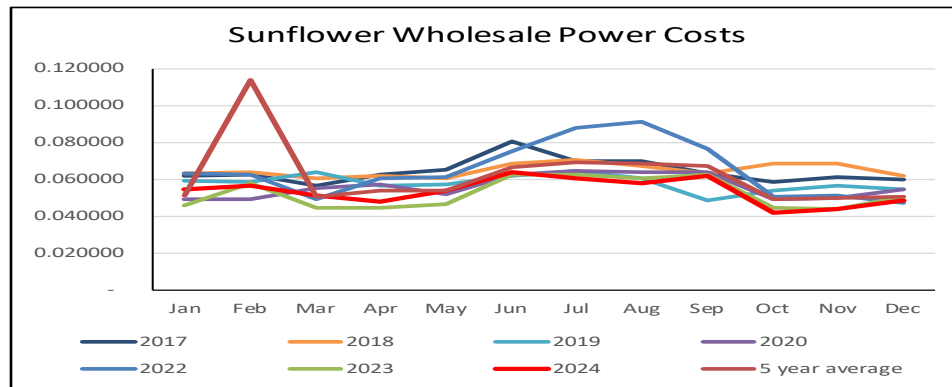
- YTD dollar sales finished below 2023 (-4.09%) and -2.48% below of the 2019-2024 average.
- YTD kWh sales finished below 2023 (-1.28%) but are 1.18% above the 2019-2024 average.
- YTD total cost of wholesale power was 1.00% above 2023 and 12.08% below the 5-year average. Wholesale power accounted for 53.5% of the 2024 total LSEC billing.
- Dec. Distribution Revenue was \$564,771 (\$8,642,587 YTD).
- SAIDI – 6.67
- SAIFI – 1.10
- CAIDI – 6.07
- ASAI – 99.92%

metric	2020	2021	2022	2023	2024	measures
SAIDI	2.45	8.19	3.36	1.64	6.67	Interruption DURATION / average for every member (hrs)
SAIFI	1.16	2.56	1.33	1.02	1.10	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	2.10	3.20	2.53	5.60	6.07	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.97%	99.91%	99.96%	99.94%	99.92%	Service Availability





Form 7 Part O.		Dec-24					
		meters	kWh	%	\$s	%	\$s/kWh
1	Residential Sales	2,216	1,901,396	12.6%	227,413	17.1%	0.1196
2	Residential Seasonal	1,104	175,520	1.2%	41,795	3.1%	0.2381
3	Irrigation Sales	337	54,124	0.4%	4,194	0.3%	0.0775
4	C&I 1000 kVa or less	1,818	4,394,612	29.2%	450,977	33.9%	0.1026
5	C&I over 1000 kVa	183	7,803,442	51.8%	551,740	41.5%	0.0707
6	Public Street and Lighting	12	31,562	0.2%	5,119	0.4%	0.1622
7	Other Sales to Public Authorities	47	31,275	0.2%	4,734	0.4%	0.1514
9	Sales for Resale - Other	1	674,400	4.5%	45,010	3.4%	0.0667
		5,718	15,066,331		1,330,982		0.1236



- Credit Card records. (Are available for the Boards review.)

- Strategic Plan Update

We advanced the 2023-2025 Strategic Plan by 5% in the fourth quarter 2024 to a total completion rate of 88%. The largest gains were:

1. 2. Identify, assess, and mitigate cyber security risks, 14%
2. 4. Develop a comprehensive succession plan for the Board, CEO, and staff, 6%

2023-2025 Strategic Plan Updates		2023			2024				2025				last period changes
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.		Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct	
1	Demonstrate leadership in employee and public safety.	42	67	75	77	87	87	88	91	0	0	0	3
B	Explore improved field communication technology.	CT	23	65	85	85	88	88	88	94			6
4	Evaluate area coverage.	CT	10	10	40	40	50	50	50	75			25
C	Develop improved record keeping.	CT	60	63	65	67	73	73	77	81			3
1	SafetyAmp electronic safety inspection forms	CT	65	69	75	80	80	80	87	97			10
2	Identify, assess, and mitigate cyber security risks.		17	31	36	50	55	59	59	73	0	0	14
E	Conduct an advanced audit.	CB	5	5	5	5	10	15	15	80			65
4	Develop a comprehensive succession plan for the Board, CEO, and staff.		31	53	71	83	87	88	89	95	0	0	6
A	Develop job descriptions, education options for employees.	DK	16	55	77	93	94	94	94	100			3
5	Substation Technician Apprenticeship program	CT	0	15	50	50	50	50	50	100			50
C	Evaluate appropriate human resource needs for the cooperative.	RM	22	33	68	73	82	83	83	88			5
1	Review and update all work flow processes for efficiency.	all	15	25	40	40	45	50	50	65			15
D	Evaluate board nomination process, term options and election process	AMJ	30	65	78	83	83	83	83	95			12
3	Research Board term options	RM	0	0	35	50	50	50	50	85			35
5	Enhance operational excellence by implementing appropriate		12	35	45	58	64	69	77	80	0	0	3
C	Develop analysis and options around emerging technologies such as DER	RM	9	36	46	49	58	60	70	76			6
3	Explore EV charging and DER installation options.	SB	10	20	35	35	40	40	45	70			25
Overall completion rate (%)			21	39	49	61	77	81	83	88	0	0	5

- ACRE / KCRE. The Americas PAC and KCRE 2025 donation forms are provided. As federal borrowers (USDA) we are barred from lobbying. Therefore, we influence legislation personally and make monetary donations through political action committees. If you wish to have your donation deducted from your Board check, please complete the form, and leave it with us. I will get these to Diana tomorrow.
- Line Extension Charges. We update line extension charges semi-annually to reflect current materials costs per mile of line. This is used to project costs to members for new construction as well as for maintenance projects. Wood poles remain the construction standard but if we feel we that need to add an Iron pole to improve resilience, this “up charge” is not passed to the member.

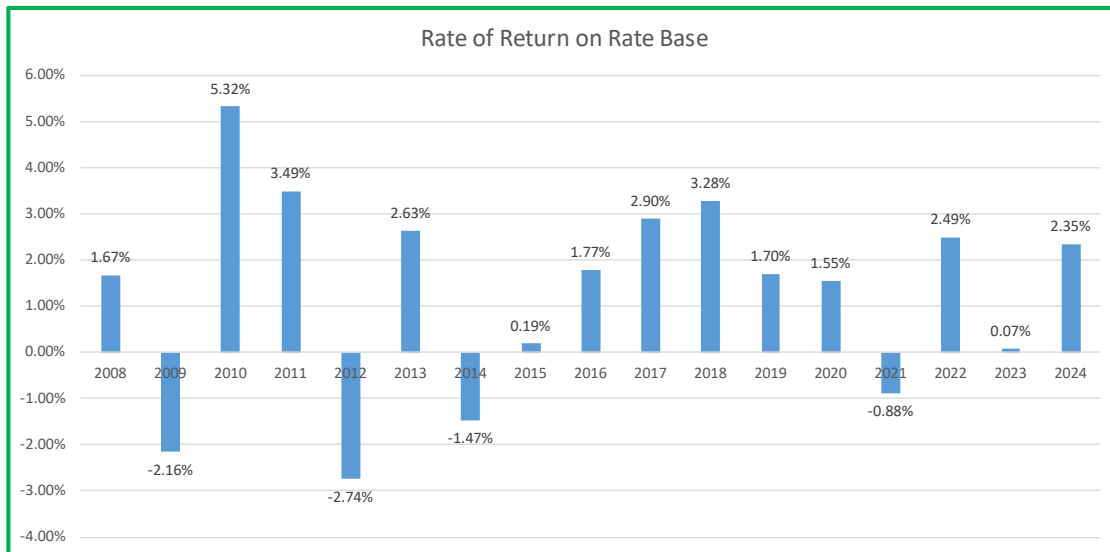
This study showed across the board decreases from 12.17% to 14.97% due to reductions in ACSR conductor costs.

- General Manager Expense Reports. There are two items attached:
 1. The \$500.00 Annual Subscription to State Affairs Pro. This is an electronic subscription service that sends Kansas legislative updates and allows me to track bills based on keywords such as “electric”.
 2. The \$149.00 Hotel bill for the January Sunflower Board meeting. The Distribution Managers typically get together the afternoon before the Board meeting to discuss operational issues related to Sunflower.

- Manager Per Diem Requests. Per Diem request for Manager travel through March are in the Board packet.
- Departments / Sections. (Notable items are below. Full reports follow and are in the Supplemental file)

1) Accounting and Finance. Our financial strength remains very good, and operating metric standards are met.

- 2024 Operating Margin = \$664,266, Total Margin = \$1,492,994
- Cash Balance - \$6,385,213
- Projected Metrics:
 - TIER – 2.29 (1.25 min.), OPTIER – 1.68 (1.1 min.), DSC – 1.40 (1.25 min.), ODSC – 1.30 (1.1 min.), MDSC – 1.41 (1.35 min.)
 - Equity as a % of Assets – 41.85%. and as a % of Capitalization – 44.17%
 - General Funds Level – 10.16%
 - Current Ratio – 2.65%



2) Operations Report (Dal). Operations encompasses construction, maintenance, and engineering for all LSEC plant. As usual, they were focused on distribution and substation maintenance and pole change-outs. Key items were:

- UAM has finished our 2024 pole testing. They tested 4,138 poles in western Lane County and eastern Scott County. Out of the 4,138 tested the found 118 rejected poles bringing our rejection rate to 2.85%. I think this is a great number and shows that our electric system is great shape.
- Completed CIAC pricing updates for 2025.
- Completed substation back feed plans. Strengths, weaknesses, and options were identified. Plans were distributed to all linemen and weaknesses will be addressed in the 2025 Operations Project Management.

- 3) Information Technology and Cybersecurity (Carrie). IT touches every part of the cooperative and drives all our processes.
- We follow the Cybersecurity & Infrastructure Security Agency (CISA) Federal Guidelines which help small organizations enhance cybersecurity foundational practices to protect data, devices, and systems. As of December 2024, CISA Guideline Projects have been completed.
 - Microsoft licensing has been upgraded on all devices with enhanced security risks and multi-Factor authentication implemented where possible.
- 4) Safety (Chris). Worked with Carrie on improving digital inspection forms on safety amp and begin outline for Disaster Recovery Plan. Also,
- Ordering face shield and proper signage for drill press in main shop.
 - Boxed and shipped first half of three phase layout arms for annual cleaning and testing.
 - Signed up for OSHA 30 workshop in Wichita in February.
 - Radio antennas have been installed on Sunflowers Radio tower at the Twin Springs Substation. We continue looking for coverage options in Bazine and McCracken areas.
- 5) Communications (Ann Marie). Ann Marie manages all aspects of Cooperative communications and marketing. Major projects last month were:
- SmartHub. We have 34 new memberships bringing our overall count to 960 members (37.5%) up 57 from 2023.
 - The new Bill Print is on track for February.
 - Facebook. 2024 ended with 1,390 followers and 45,223 contacts.
- 6) Human Resources (Diana). Diana manages all aspects of HR and provides clerical support in accounting. She also maintains training records and administers certain training functions. She lists her top monthly events as:
- Completed Year End Payroll adjustments-Xmas Bonuses, Longevity Pay etc.
 - Performed True-Up on Group Term Life, and all benefits given to the employees in IVUE.
 - Balanced all Employee Benefit Accounts.
 - Update and electronically sent out updated SMM's and SPD's on NRECA and BCBS benefits.
 - Gathered Audit information for auditors.
- 7) Retail Services / Warehouse Report (Scott). Scott manages all warehouse operations, standard utility material purchasing, retail operations (Electricians and Generac sales), and our custodian. He lists his top monthly events as:
- 20 Generators Sold in 2024
 - \$47,355 Net Non-Operating Margin for Electrician through November

Respectfully submitted,

Richard McLeon, M.B.A., M.Sc.
General Manager / CEO

LINE EXTENSION CHARGES

1/7/2025

TYPE OF LINE	WIRE SIZE	Voltage	COST / FOOT	COST / MILE
NEW 1 PHASE OVERHEAD	2 ACSR	7.62KV	\$8.19	\$ 43,259.93
NEW 1 PHASE OVERHEAD	2 ACSR	14.4KV	\$8.65	\$ 45,650.72
NEW 2 PHASE OVERHEAD	2 ACSR	7.62KV	\$9.91	\$ 52,325.91
NEW 2 PHASE OVERHEAD	2 ACSR	14.4KV	\$10.32	\$ 54,465.96
NEW 3 PHASE OVERHEAD	2 ACSR	7.62KV	\$10.82	\$ 57,130.47
NEW 3 PHASE OVERHEAD	2 ACSR	14.4KV	\$12.05	\$ 63,602.35

- 6287³² - 12.69%
 - 6012.5 - 11.64%
 - 12.17% Avg 1Ø

- 10995⁷⁸ - 16.14%
 - 10174³¹ - 13.79%
 - 14.97% Avg 3Ø

**** Conversions from 1ph use corresponding new price ex. 1ph to 3ph = New 3ph****

All Due to reduction in ACSR costs

CONVERSION	WIRE SIZE	Voltage	COST / FOOT	COST / MILE
2 PHASE TO 3 PHASE	2 ACSR	7.62KV	\$6.40	\$ 33,806.37
2 PHASE TO 3 PHASE	2 ACSR	14.4KV	\$7.63	\$ 40,278.25

****All underground project to be priced via new vendor quote due to price volatility****

**** cost matrix for engineering and comparative purposes only****

PRIMARY UNDERGROUND				Trenched		Bored	
Type	Wire Size	Voltage	COST/FOOT	COST/MILE	COST/FOOT	COST/MILE	
NEW 1 PHASE	#2 URD	7.62KV	\$13.25	\$ 69,947.07	\$26.22	\$ 138,467.07	
NEW 2 PHASE	#2 URD	7.62KV	\$24.50	\$ 129,343.60	\$42.72	\$ 225,583.60	
NEW 3 PHASE	#2URD	7.62KV	\$35.99	\$ 190,002.84	\$70.21	\$ 370,722.84	
NEW 1 PHASE	1/0 URD	14.4KV	\$20.44	\$ 107,927.93	\$33.42	\$ 176,447.93	
NEW 2 PHASE	1/0 URD	14.4KV	\$38.88	\$ 205,305.32	\$57.11	\$ 301,545.32	
NEW 3 PHASE	1/0 URD	14.4KV	\$57.41	\$ 303,100.79	\$91.63	\$ 483,820.79	

3 phase 50 HP and above will be soft start or VFD.

100 Amp service - Standard

1ph horsepower maximum 15hp

Consumer must cover cost above and beyond Lane-Scott's recommendation for path of line extension.

The rate will be subject to change for wage and material cost increases.

Single-Phase Connect on Existing Pole

	100A	100A	100A	100A	200A	200A	200A
	5 KVA	10 KVA	15KVA	25 KVA	25 KVA	37.5 KVA	50 KVA
Labor : 2 men @ 2 hours	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
1 - Transformers	\$ 1,398.00	\$ 1,516.00	\$ 1,634.00	\$ 1,752.00	\$ 1,752.00	\$ 1,870.00	\$ 1,988.00
1 - Meter Loop	\$ 300.99	\$ 300.99	\$ 300.99	\$ 300.99	\$ 404.62	\$ 404.62	\$ 404.62
1 - Single-Phase Meter	\$ 224.25	\$ 224.25	\$ 224.25	\$ 224.25	\$ 224.25	\$ 224.25	\$ 224.25
1 - Ground Rod & Clamps	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37
Miscellaneous	\$ 25.32	\$ 25.32	\$ 25.32	\$ 25.32	\$ 25.32	\$ 25.32	\$ 25.32
Sub Total	\$ 2,333.93	\$ 2,451.93	\$ 2,569.93	\$ 2,687.93	\$ 2,791.56	\$ 2,909.56	\$ 3,027.56
New house only	24 mo.	24 mo.	24 mo.	24 mo.	24 mo.	24 mo.	24 mo.
per month for 24 months	\$97.25	\$102.16	\$107.08	\$112.00	\$116.31	\$121.23	\$126.15

Meter pole wo/anchors	\$507.07	\$ 2,841.00	\$ 2,959.00	\$ 3,077.00	\$ 3,195.00	\$ 3,298.63	\$ 3,416.63	\$ 3,534.63
Meter pole w/anchors	\$1,058.89	\$ 3,392.81	\$ 3,510.81	\$ 3,628.81	\$ 3,746.81	\$ 3,850.44	\$ 3,968.44	\$ 4,086.44
Extra 1ph Dead end	\$1,156.65	\$ 3,490.57	\$ 3,608.57	\$ 3,726.57	\$ 3,844.57	\$ 3,948.20	\$ 4,066.20	\$ 4,184.20
Extra 1ph Span	\$666.12							

1/7/2025

2681.77 Avg 2025

+ 24⁹⁹ + .94 % 10

Single-Phase Connect on Existing Pole
Oil Well

1/7/2025

Labor : 2 men @ 2 hours

1 - Transformer

1 - Meter Loop

1 - Single-Phase Meter

1 - Ground Rod & Clamps

1 - Cloverleaf Stand-off

1 - Cut-out Combination

Total

10 KVA	15 KVA	25 KVA	37.5 KVA
\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
\$ 1,591.00	\$1,720.00	\$ 1,849.00	\$2,277.00
\$ 574.88	\$ 574.88	\$ 574.88	\$ 574.88
\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75
\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37
\$ 34.21	\$ 34.21	\$ 34.21	\$ 34.21
\$ 188.96	\$ 188.96	\$ 188.96	\$ 188.96
\$ 3,275.17	\$3,404.17	\$3,533.17	\$3,961.17

Meter pole	wo/anchors	\$507.07
Meter pole	w/anchors	\$1,058.89
Xtra 1ph	Dead End	\$1,156.65
Extra 1ph	Span	\$666.12

\$ 3,782.24	\$3,911.24	\$4,040.24	\$4,468.24
\$ 4,334.05	\$4,463.05	\$4,592.05	\$5,020.05
\$ 4,431.81	\$4,560.81	\$4,689.81	\$5,117.81

V-Phase Connect on Existing Pole

Labor : 2 men @ 2 hours

2 - Transformers

2- Cut-Out Combinations \$188.96 ea.

1 - 3ph Loop (10ft 3/2)

1 - 3-Phase Meter (12S)

1 - Cluster Mount

1 - Ground Rod & Clamps

2 - 8 ft. Cross Arms ("Buck Arms") & Braces

Total

1/7/2025

10 KVA	15 KVA	25 KVA	37.5 KVA
\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
\$ 3,182.00	\$ 3,440.00	\$ 3,698.00	\$ 4,554.00
\$ 377.92	\$ 377.92	\$ 377.92	\$ 377.92
\$ 481.98	\$ 481.98	\$ 481.98	\$ 481.98
\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75
\$ 269.35	\$ 269.35	\$ 269.35	\$ 269.35
\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37
\$ 297.62	\$ 297.62	\$ 297.62	\$ 297.62
\$5,494.99	\$5,752.99	\$6,010.99	\$6,866.99

Meter pole wo/anchors
Meter pole w/anchors
Xtra Vph Dead End

\$507.07	\$6,002.06	\$6,260.06	\$6,518.06	\$7,374.06
\$1,058.89	\$6,553.87	\$6,811.87	\$7,069.87	\$7,925.87
\$1,624.29	\$7,119.28	\$7,377.28	\$7,635.28	\$8,491.28

3-Phase Connect on Existing Pole

1/7/2025

Labor : 2 men @ 2 hours

3 -Transformers

3 - Cut-Out Combinations \$188.96 ea.

1 - 3ph Loop (10ft 4/2)

1 - 3-Phase Meter (16s)

1 - Cluster Mount

1 - Ground Rod & Clamps

2 - 8 ft. X-Arms & Braces

5 KVA	10 KVA	15 KVA	25 KVA	37.5 KVA
\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
\$ 4,386.00	\$ 4,773.00	\$ 5,160.00	\$ 5,547.00	\$ 6,831.00
\$ 566.88	\$ 566.88	\$ 566.88	\$ 566.88	\$ 566.88
\$ 436.84	\$ 436.84	\$ 436.84	\$ 436.84	\$ 436.84
\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75
\$ 269.35	\$ 269.35	\$ 269.35	\$ 269.35	\$ 269.35
\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37
\$ 297.62	\$ 297.62	\$ 297.62	\$ 297.62	\$ 297.62
\$ 6,842.81	\$ 7,229.81	\$ 7,616.81	\$ 8,003.81	\$ 9,287.81

Meter pole	wo/anchors	\$507.07	\$ 7,349.88	\$ 7,736.88	\$ 8,123.88	\$ 8,510.88	\$ 9,794.88
Meter pole	w/anchors	\$1,058.89	\$ 7,901.69	\$ 8,288.69	\$ 8,675.69	\$ 9,062.69	\$ 10,346.69
Xtra 3ph	Dead End	\$1,624.29	\$ 8,467.10	\$ 8,854.10	\$ 9,241.10	\$ 9,628.10	\$ 10,912.10
Extra 3ph	Span	\$975.02					

7796²¹ Avg 2025
 + 47³⁴ + .61⁹⁰ 30

3-Phase Connect on Existing Pole Plus Instr. Metering

1/7/2025

			10 KVA	15 KVA	25 KVA	37.5 KVA	50 KVA
Labor : 2 men X 3hrs			\$ 510.00	\$ 510.00	\$ 510.00	\$ 510.00	\$ 510.00
3 - Transformers			\$ 4,773.00	\$ 5,160.00	\$ 5,547.00	\$ 6,831.00	\$ 8,115.00
3 - Cut-Out Combinations	\$188.96 ea.		\$ 566.88	\$ 566.88	\$ 566.88	\$ 566.88	\$ 566.88
1 - Loop			\$ 517.00	\$ 517.00	\$ 517.00	\$ 517.00	\$ 517.00
1 - 3-Phase Meter (9s)			\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75	\$ 500.75
1 - Cluster Mount			\$ 269.35	\$ 269.35	\$ 269.35	\$ 269.35	\$ 269.35
1 - Ground Rod & Clamps			\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37	\$ 45.37
2 - 8 ft. Cross Arms & Braces			\$ 297.62	\$ 297.62	\$ 297.62	\$ 297.62	\$ 297.62
PT/CT Bracket			\$ 46.28	\$ 46.28	\$ 46.28	\$ 46.28	\$ 46.28
3 - PT's	\$95.31 ea		\$ 285.93	\$ 285.93	\$ 285.93	\$ 285.93	\$ 285.93
3 - CT's	\$168.15 ea		\$ 504.45	\$ 504.45	\$ 504.45	\$ 504.45	\$ 504.45
Total			\$ 8,316.63	\$ 8,703.63	\$ 9,090.63	\$ 10,374.63	\$ 11,658.63

Meter pole	wo/anchors	\$507.07
Meter pole	w/anchors	\$1,058.89
Xtra 3ph	Dead End	\$1,624.29

\$8,823.70	\$9,210.70	\$9,597.70	\$10,881.70	\$12,165.70
\$9,375.51	\$9,762.51	\$10,149.51	\$11,433.51	\$12,717.51
\$9,940.92	\$10,327.92	\$10,714.92	\$11,998.92	\$13,282.92

Travel and Per Diem Requests

The following requests for the General Manager / CEO are prepared for Board approval.

Data is taken from the U.S. General Services Administration website "Meals and incidental expenses (M&IE) rates and breakdown".

<i>date</i>	<i>occasion</i>	<i>expense</i>
Jan 16-17, 2025	SEPC Board Meeting - Hays, KS	\$ -
Feb 2-4, 2025	KEC Winter Conference - Topeka, KS	\$ 170.00
Feb 19-20, 2025	SEPC Board- Hays / KEC Mgrs - Topeka	\$ 102.00
Mar 5-6, 2025	KEC Board Meeting - Wichita, KS	\$ 102.00
Mar 8-13, 2025	NRECA Annual Meeting, Atlanta, GA (Depart / return from Shreveport, LA with personal expense from Dighton to/from Shreveport)	\$ 473.00
Mar 19-20, 2025	SEPC Board- Hays / KEC Mgrs - Topeka	\$ 102.00
<i>total requested per diem:</i>		<u><u>\$ 949.00</u></u>



FY 2025 per diem rates for Kansas

Meals and incidental expenses (M&IE) rates and breakdown

Primary destination	County	M&IE total	Breakfast	Lunch	Dinner	Incidental expenses	First and lastday of travel
Standard Rate	Applies for all locations without specified rates	\$68	\$16	\$19	\$28	\$5	\$51.00
Kansas City / Overland Park	Wyandotte / Johnson / Leavenworth	\$80	\$20	\$22	\$33	\$5	\$60.00



FY 2025 per diem rates for Georgia

Meals and incidental expenses (M&IE) rates and breakdown

Primary destination	County	M&IE total	Breakfast	Lunch	Dinner	Incidental expenses	First and lastday of travel
Standard Rate	Applies for all locations without specified rates	\$68	\$16	\$19	\$28	\$5	\$51.00
Athens	Clarke	\$74	\$18	\$20	\$31	\$5	\$55.50
Atlanta	Fulton / Dekalb	\$86	\$22	\$23	\$36	\$5	\$64.50
Augusta	Richmond	\$74	\$18	\$20	\$31	\$5	\$55.50
Jekyll Island / Brunswick	Glynn	\$86	\$22	\$23	\$36	\$5	\$64.50
Marietta	Cobb	\$74	\$18	\$20	\$31	\$5	\$55.50
Savannah	Chatham	\$80	\$20	\$22	\$33	\$5	\$60.00

employee: Richard McLeon
occasion: KEC Winter Conference - Topeka, KS

Per Diem - Meals and Incidental Expenses (M&IE) only

date	locations	amount
2-Feb	travel day	\$ 51.00
3-Feb	KEC Board and Legislative meetings	68.00
4-Feb	travel day and Committee Mtng	51.00

Total Per Diem:

\$ 170.00

prepared by: Richard McLeon ^{date} 08 Jan 2025

submitted: Submitted to the LSEC Board of Trustees

signature: _____

Office Use

check number: _____

issued to employee: _____

employee: Richard McLeon
occasion: SEPC Board- Hays / KEC Mgrs - Topeka

Per Diem - Meals and Incidental Expenses (M&IE) only

date	locations	amount
19-Feb	travel day - Hays	\$ 51.00
20-Feb	travel day - Topeka	51.00

Total Per Diem: \$ 102.00

prepared by: Richard McLeon *date*
08 Jan 2025

submitted: Submitted to the LSEC Board of Trustees

signature: _____

Office Use

check number: _____

issued to employee: _____

employee: Richard McLeon
occasion: KEC Board Meeting - Wichita, KS

Per Diem only

date	locations	amount
5-Mar	depart Dighton, KS	
	arrive Topeka, KS	\$ 51.00
6-Mar	return to Dighton, KS	51.00

Total Per Diem: \$ 102.00

prepared by: Richard McLeon date
08 Jan 2025

submitted: Submitted to the LSEC Board of Trustees

signature: _____

Office Use

check number: _____

issued to employee: _____

employee: Richard McLeon
occasion: NRECA Annual Meeting, San Antonio, TX

Per Diem only

date	locations	amount
8-Mar	depart Shreveport, LA arrive Atlanta, GA	\$ 64.50
9-Mar	NRECA	86.00
10-Mar	NRECA	86.00
11-Mar	NRECA	86.00
12-Mar	NRECA	86.00
13-Mar	depart Atlanta, GA	64.50

Total Per Diem: \$ 473.00

prepared by: Richard McLeon date
OB Jan 2025

submitted: Submitted to the LSEC Board of Trustees

signature: _____

Office Use

check number: _____

issued to employee: _____

employee: Richard McLeon
occasion: SEPC Board- Hays / KEC Mgrs - Topeka

Per Diem - Meals and Incidental Expenses (M&IE) only

date	locations	amount
19-Mar	travel day - Hays	\$ 51.00
20-Mar	travel day - Topeka	51.00

Total Per Diem:

\$ 102.00

prepared by: Richard McLeon *date*
08 Jan 2025

submitted: Submitted to the LSEC Board of Trustees

signature: _____

Office Use

check number: _____

issued to employee: _____

From: [Billing Department @ State Affairs](#)
To: [Richard McLeon](#)
Subject: [Important] Your invoice is due for payment
Date: Saturday, January 18, 2025 5:37:12 AM

You don't often get email from billing@stateaffairs.com. [Learn why this is important](#)



Your payment is due

Hi Richard McLeon,

This is a friendly reminder that your State Affairs Pro subscription is currently due for renewal. Click the Pay Now button below to make an instant electronic payment.

Invoiced amount

\$500.00

Due since

04-Jan-2025

Pay Now

If you have any questions about your account, please don't hesitate to

reach out to our team.

View payments, update them or manage your account on your customer portal.

[Log into your account now →](#)

☐ Powered by Chargebee

The Lane-Scott Electric Cooperative, Inc. Expense Report

GM / CEO: Richard McLeon

Purpose of Trip: Sunflower Board of Directors meeting - Hays, KS

Section 1

DATE		Sun ___ / ___	Mon ___ / ___	Tues ___ / ___	Wed ___ / ___	Thurs 16-Jan	Fri 17-Jan	Sat ___ / ___	TOTAL
Mile./Personal Veh.									
Mileage Rate		0.700	0.700	0.700	0.700	0.700	0.700	0.700	
Total Mileage Exp.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
									0
									0
Gas/Oil	Co.								0.00
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.						149.00		149.00
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
									0.00
TOTAL EXPENSES		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$149.00	\$0.00	\$149.00

Section 2

Reimbursement
Summary

Total Expense from Section 1
Less: Company Credit Card
Less: Other
Less: Other
Net due to Employee

\$149.00
149.00
0.00
0.00
\$0.00

Section 3

Expense Allocation

Acct. #	Amount
Total	

All expenses on this report were actually incurred
by me while performing company business.

note:

GM / CEO



Date

Presented to LSEC Board of Trustees:

1/27/2025



TownePlace Suites®

4001 General Hays Rd, Hays, KS 67601 P 785.261.9630

Marriott.com/HYSTS

R. Mcleon

Room: 307

Room Type: STKT

Number of Guests: 1

Rate: \$126.00

Clerk:

Arrive: 16Jan25

Time: 06:30PM

Depart: 17Jan25

Time: 11:00AM

Folio Number: 53498

DATE	DESCRIPTION	CHARGES	CREDITS
16Jan25	Room Charge	126.00	
16Jan25	Occupancy TAX	8.82	
16Jan25	State Sales Tax	8.82	
16Jan25	City Tax	2.84	
16Jan25	CID Tax	2.52	
17Jan25	Visa		149.00
CARD #: VXXXXXXXXXXXX5708/XXXX			
AMOUNT: 149.00			
Auth: 051995			
This card was electronically swiped on 16Jan25			
		BALANCE:	0.00

Marriott Bonvoy Account # XXXXX9804. Your Marriott Bonvoy points/miles earned on your eligible earnings will be credited to your account. Check your Marriott Bonvoy account statement or your online statement for updated activity.

See our "Privacy & Cookie Statement" on Marriott.com.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
	PERIOD ENDED December 2024
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	17,842,791	18,598,307	18,928,065	1,339,816
2. Power Production Expense				
3. Cost of Purchased Power	10,346,476	9,954,804	10,634,980	775,045
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,051,121	1,177,166	1,100,691	144,451
7. Distribution Expense - Maintenance	1,062,231	1,204,706	1,167,984	61,856
8. Customer Accounts Expense	258,175	275,935	274,588	31,136
9. Customer Service and Informational Expense	69,604	81,314	72,302	5,192
10. Sales Expense	104,865	91,648	105,359	7,449
11. Administrative and General Expense	1,952,613	1,932,902	1,798,256	172,467
12. Total Operation & Maintenance Expense (2 thru 11)	14,845,085	14,718,475	15,154,160	1,197,596
13. Depreciation and Amortization Expense	1,955,181	2,033,608	1,987,303	170,592
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,216,985	1,157,703	1,175,272	95,367
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,374	6,142	5,319	682
19. Other Deductions	24,588	18,113	23,809	189
20. Total Cost of Electric Service (12 thru 19)	18,047,213	17,934,041	18,345,863	1,464,426
21. Patronage Capital & Operating Margins (1 minus 20)	(204,422)	664,266	582,202	(124,610)
22. Non Operating Margins - Interest	400,256	365,970	388,827	24,305
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	78,836	83,183	72,289	(2,049)
26. Generation and Transmission Capital Credits	501,621	353,677		
27. Other Capital Credits and Patronage Dividends	32,481	25,898	78,566	5,468
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	808,772	1,492,994	1,121,884	(96,886)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2024		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	28	50	5. Miles Transmission		0.00
2. Services Retired	55	64	6. Miles Distribution – Overhead	2,031.47	2,031.47
3. Total Services in Place	6,046	6,064	7. Miles Distribution - Underground	8.92	8.92
4. Idle Services (Exclude Seasonals)	305	346	8. Total Miles Energized (5 + 6 + 7)	2,040.39	2,040.39
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	64,283,277		30. Memberships	0	
2. Construction Work in Progress	834,251		31. Patronage Capital	23,064,057	
3. Total Utility Plant (1 + 2)	65,117,528		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	23,120,400		33. Operating Margins - Current Year	664,265	
5. Net Utility Plant (3 - 4)	41,997,128		34. Non-Operating Margins	2,779,587	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	385,638	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	26,893,547	
8. Invest. in Assoc. Org. - Patronage Capital	12,686,017		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	29,676,675	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	4,321,142	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	0	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	13,611,112		43. Total Long-Term Debt (37 thru 41 - 42)	33,997,817	
15. Cash - General Funds	341,061		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	5,822,069		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	887,494	
20. Accounts Receivable - Sales of Energy (Net)	1,236,414		49. Consumers Deposits	162,800	
21. Accounts Receivable - Other (Net)	158,584				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,407,291	
23. Materials and Supplies - Electric & Other	725,822		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	139,640		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	76,666		53. Other Current and Accrued Liabilities	748,670	
26. Total Current and Accrued Assets (15 thru 25)	8,500,381		54. Total Current & Accrued Liabilities (47 thru 53)	3,206,255	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	159,936		56. Other Deferred Credits	170,938	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,268,557		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,268,557	

10. a. Capital Credits

The Lane-Scott Electric Cooperative generates and receives capital credits. We generate capital credits from Operating Margins as defined in Article VII Nonprofit Operations of the Bylaws addresses Patronage Capital in **Section 2. Patronage Capital in Connection with Furnishing Cooperative Services.**

Operating Margins are accounted on line 21 of the Statement of Operations and described in the bylaws as follows:

In order to induce patronage and to assure that the cooperative will operate on a nonprofit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy ("Operating Margins").

All such amounts more than operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron the Operating Margins in proportion to the value or quantity of electric energy used, received, or purchased by each patron during the applicable fiscal year ("Capital Credits").

Non-Operating Margins are located below line 21 and described in the Bylaws as follows:

Funds and amounts, other than Operating Margins, received by the Cooperative from other sources or for providing Cooperative Services, other than providing electric energy, that exceed the Cooperatives costs and expenses ("Non-Operating Margins") shall, insofar as permitted by law, (a) be used to offset any losses incurred during the current or any prior fiscal year; (b) be allocated as Capital Credits to Patrons in the same proportion as the Cooperative allocates Operating Margins to Patrons; or (c) be used by the Cooperative as permanent, non-allocated capital.

This includes:

Line 22.	Non Operating Margins – Interest
Line 25.	Non Operating Margins – Other
Line 26.	Generation and Transmission Capital Credits
Line 27.	Other Capital Credits and Patronage Dividends

The Bylaws further state:

The Board shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. The Board shall adopt a Board policy regarding the allocating and retiring of capital credits that is:

- A. consistent with state and federal law;*
- B. is consistent with operating on a cooperative basis under federal tax law;*
- C. is fair and reasonable to the Cooperative's members and former members;*

- D. *provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and*
- E. *protects the Cooperative's financial condition.*

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of trustees, acting under policies of general application shall determine otherwise. In addition, the capital credit of any member may be applied by the Cooperative toward any bad debts which are owed to the Cooperative by such member.

Notwithstanding any other provision of these bylaws, the board of trustees, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his or her estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provision of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Capital Credits are blessing and a curse. As a non-profit cooperative, they are part of our DNA and one of the things that sets us apart from IOUS and MOUs. However, our current process is an administrative burden.

1. We manage a very large amount of retired capital that may have some legal liability for escheatment to various states.
2. Estates allocations are retired and liquidated with legal documentation, but any future allocations are recycled when retired. This puts undue stress on the estate's family and the cooperatives employees.
3. Sunflower and Mid Kansas G&T retirements could be capital credits, return on invested capital, or excess margin payments. Staff needs Board direction of what to do with each.

To address these problems, the 2024 Capital Credits Project was assigned to study:

1. LSEC compliance with various state Escheatment requirements,
2. Early Retirement discounts for Estates and/or former patrons,
3. Generation and Transmission allocation and retirement application.

The study found:

1. LSEC compliance with various state Escheatment requirements. The LSEC was not in compliance with numerous state statutes.

The Cooperative sorted undeliverable (returned) capital credit retirements by state. We then worked with our Auditors (Bolinger, Segars, Gilbert, and Moss) and the JMS Advisory Group to

identify our exposure. JMS was recommended by BSGM because they manage escheatment risk, payment , and liability for numerous cooperatives nationally.

We are moving forward with two semi-annual escheatment filings to JMS. The Fall 2024 filing identified escheatment's for 2003 to 2024 to: AR, IN, KY, LA, MN, MO, NC, NE, SD, WA, WI, and WY.

This is summarized as:

Property Amount reported:	\$	119,754.65	
Actual Late Fees:			31,741.26
Potential Interest Assessment:			41,954.60
Potential Late Penalty:			30,500.00
Under Reporting Penalty:			157.66

The next Escheatment Report will be in the Spring 2025. This will probably be larger but will bring us into compliance.

2. Early Retirement discounts for Estates and/or former patrons. The Cooperative currently offer an early retirement option for estates but not for former patrons.

Board Policy 113. Capital Credits Section III, G. Special Capital Credits Retirements states:

G. Special Capital Credits Retirements.

1. The Cooperative may specially retire capital credits allocated to a patron or former patron:
 - a. upon the death of an individual patron or former individual patron, subject to board approval; or
 - b. upon a former patron failing to pay an amount owed to the Cooperative when the Board, in its sole judgment, determines the indebtedness owed to the Cooperative by a patron is uncollectible.
2. The Cooperative may not specially retire capital credits allocated to a patron or former patron:
 - a. during or after the dissolution, liquidation, or cessation of existence of an entity patron or former entity patron. No capital credits held in the name of a trust may be approved for the payment to a trustee, unless the trust was revocable by the member-grantor at death, or the trust was includable in the member-grantor's estate for federal estate tax purposes.;
 - b. during or after the reorganization, merger, or consolidation of an entity patron or former entity patron;
 - c. upon a patron or former patron reaching a certain age; or
 - d. upon a patron becoming a former patron. No payment shall be made to any person until the time to admit a will to probate and the time to file creditor's claims has expired.
3. Payment shall be made directly to those entitled thereto under a decree of descent or under an affidavit of heirship, an example of which is attached.
4. Requests for payment of capital credits to estates of deceased patrons will be paid twice yearly, in June and December, upon approval by the Board of Trustees.

This Special Retirement is currently done at the full-face value of the allocation. The Project recommended :

Estates

1. No change. Allocations are retired at 100% when requested. Future allocations are retired as per Board Policy.
2. Discounted retirement of allocated but unretired distribution amounts with or without waiver of future allocations.
3. Decline Special retirement and request transfer to legal heir and thereafter follow general retirement schedule. This allows the full transfer of all current and future allocated capital credits to another existing account.
4. Joint membership – either
 - a. Discounted retirement of deceased portion and general retirement on remaining portion, or
 - b. Change to individual account and follow general retirement.
5. Generation and Transmission funds –
 - a. Capital Credits
 - i. Full allocation retirement with or without waiver of future allocations.
 - ii. Discounted retirement of allocated but unretired amounts with or without waiver of future allocations.
 - iii. Decline Special retirement and request transfer to legal heir thereafter follow general retirement schedule. This allows the full transfer of all current and future allocated capital credits to another existing account.
 - iv. Joint membership – either
 - a) Discounted retirement of deceased portion and general retirement on remaining portion, or
 - b) Change to individual account and follow general retirement.

Former members – same options as estates.

3. Bad Debt – This is currently written-off when retired by the cooperative resulting in “carrying” the bad debt for years until written-off by the Board. The Study recommended a for write-off at the time of account termination concurrent with a capital credit allocation offset.
4. Generation and Transmission allocation and retirement application.

The Board has the discretion to retire G&T capital credits or not. Other Sunflower cooperatives are mixed on this issue. Some retire while others do not. This discretion is because they are considered “Non-operating margins.”

It is important to remember that the current Sunflower is a corporation, not a cooperative. Therefore, their tax and legal structure is different from ours. LSEC has G&T allocations from Sunflower Cooperative, Mid-Kansas EC, and Sunflower EPC.

Sunflower typically offers three funding mechanisms back to LSEC:

- a. Return of Capital – this is a return of LSECs’ original investment in the G&T. The study recommends that this is ineligible for allocation or retirement.
- b. Capital credits – traditional consumption-based returns. The study recommends that IF the cooperative desires to retire G&T funds, this would be a traditional allocation and retirement upon receipt of retirement funds.

- c. Excess Margins – this is a return of excess profits to help Sunflower manage revenues. The study recommends that this is ineligible for allocation or retirement.

Our opinion is that:

1. The Escheatment risk is being mitigated. We will be in full compliance in the spring. This issue is completed.
2. Early Retirements.
 - a. Estates and Former members should be treated the same.
 - b. Early retirement should be contingent upon a waiver of future allocations and retirements.
 - c. The assignment of future allocations and retirements to an heir who is an active member.
 - d. Bad debt should be applied to offset allocations when written-off by the Board.
3. G&T Funds.
 - a. G&T retirements should be considered “non-operating margins” and retained by the Cooperative.
 - b. Only specific year-designated capital credits should be allocated and/or retired.
 - c. These allocations and retirements should only be made to active members.

The next steps would be to review and amend Board Policy 113 and possibly the Bylaws with the oversight of legal counsel review.

Staff would like the Boards input on whether to proceed on all of part of the project.

10. b. Board Policy 403

The Staff proposes a few amendments to this policy.

1. Renumber the policy from a 400 series (General Manager policies) to a 500 series (Employee Policies) specifically to Board Policy 536. The existing policy states that it is applicable to “management & staff”. We are interpreting “staff” as all employees and not as the GMs Staff.
2. Remove “club” and replace with “activities”. There are a very limited number of civic clubs in our area, but there are many civic activities such as Lions, Rotary, Economic Development, Emergency Management, etc.
3. Defining applicable community organizations. A question has arisen regarding whether this applies to compensated activities such as coaching or first responders. Staff is split on coaching but agrees that other compensated volunteer activities such as first responders and elected or appointed positions should be allowed under the policy. I have not removed coaching from the policy and feel that we can manage that internally.
4. Limitations. Staff believe that employees should be able to participate without taking personal time off for covered activities, but that time spent after hours does not qualify as paid hours.

Staff requests Board approval of the proposed amendments.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: ~~July 26, 1993~~ January 27, 2025
Supersedes Date: ~~February 1968~~

Policy No.: ~~403~~ 536

SUBJECT: Employee involvement in civic ~~clubs activities~~.

I. OBJECTIVE:

A. To encourage management & ~~staff employee~~ participation in civic ~~clubs activities~~ which benefit the community and the cooperative.

B. To set forth the applications for which this policy applies.

II. POLICY:

A. ~~Applicable community organizations and activities:~~

The cooperative shall pay the expenses of the ~~General~~ Manager and ~~staff employees~~ to belong to civic ~~clubs activities~~ and organizations which benefit the community and, in turn, the membership of ~~The~~ Lane-Scott Electric Cooperative.

B. ~~Non-applicable community organizations / activities. Any activity / organization that represents a conflict of interest or does not support the LSEC Code of Ethics.~~

C. ~~Limitations and exceptions:~~

- ~~1. These expenses This policy shall be limited to one organization per employee and determination of whether an organization or club falls under this policy shall be at the discretion of the General Manager. Employees are not prohibited from supporting multiple activities, but only one will be applicable under this policy.~~
- ~~2. Covered expenses shall include dues and meals to regularly scheduled meetings. Travel shall be at the discretion of the General Manager.~~
- ~~3. Employees may attend approved meetings during normal business hours without charging personal time. However, time spent after normal business hours will not be compensated.~~
- ~~4. First Responders receiving compensation are also covered under this policy and are not required to surrender their compensation to the cooperative.~~

III. Responsibility:

The General Manager shall ensure that this policy is implemented. All Supervisors are required to serve as role models for proper compliance with the provisions of this Policy and to review timesheets for accuracy. It is the responsibility of all employees to comply with this policy. Violations of this policy including the fraudulent entry of time worked will be subject to discipline up to and including termination.

ATTESTED: _____ date _____

Secretary

~~Date Reviewed: February 4, 2019~~

Revisions: July 26, 1993
February 1968

(seal)

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: January 27, 2025

Policy No.: 407

SUBJECT: Employee Apparel

I. OBJECTIVE:

To assure accountability of General Manager expenses.

II. POLICY:

In order to fulfill the Board of Trustees oversight duties over the General Manager the following items are required to be completed by the General Manager:

- A. The General Manager shall track all the General Manager's monthly expenses incurred while conducting the General Manager duties of the Cooperative, whether paid directly by the Cooperative or reimbursed to the General Manager by the Cooperative.
- B. The General Manager shall compile a written report of the monthly expenses and submit the written report to the Board of Trustees for their review at the monthly Board of Trustees Meeting.

ATTESTED: _____ date _____
Secretary

(seal)

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: January 27, 2025

Policy No.: 513

SUBJECT: Employee Apparel

I. OBJECTIVE:

To foster a professional image of the Cooperative to members and the ~~general~~ public by promoting a professional appearance among all employees while keeping employees' safety and OSHA requirements foremost.

II. POLICY:

This policy shall apply to all permanent, full-time employees of the Cooperative as follows:

A. ~~Outside Personnel:~~ Employees with regular exposure to electrical arcs

1. All members of the line crew will be required to wear the following attire while on company time:

~~The Board of Trustees shall review and authorize funding for the following policy governing the purchase and required use of Arc Flash Rated Protective Clothing.~~

- a. As required by NESC Rule 410A3, the Cooperative shall perform an Arc Hazard Assessment in order to establish the level of protection that is required throughout the Lane-Scott electrical system.

This assessment shall be ~~sued~~ used to ensure that the proper level of protection is provided to the employees, ~~and required of~~ contractors, and vendors who work on or near energized parts or equipment and are potentially exposed to an electric arc.

- b. In areas found to have an unacceptable level of hazard, steps shall be taken to mitigate the hazard through the required use, or combination of, additional personal protective equipment, safe work practices, electrical equipment upgrades or other reasonable means.
2. The Cooperative shall provide adequate quantities of approved Arc Flash Rated Clothing to all employees that are or may be exposed to electrical arcs while performing their required job duties.
 - a. The provided Arc Flash Rated Clothing shall have a minimum arc thermal performance value equal to HRC 2 unless a task or site-specific Arc Hazard Assessment warrants a higher calorie level of protection, which may be achieved through layering or wearing task-specific Arc Flash Rated Clothing.
 - b. The employee that may be exposed to electrical arcs while performing their regularly scheduled job duties shall be required to wear Arc Flash Rated Clothing, ~~as described in Section B,~~ as the outer most layer of clothing at all

times, ~~while on-duty~~ within arc distance.

B. Personnel with potential exposure to electrical arcs

Employees, vendors, or utility guests, who are not regularly exposed to electrical arcs and do not normally wear Arc Flash Rated Clothing but enter work areas where Arc Flash Rated Clothing is required, shall be issued or have ready access to and be required to wear on Arc Flash Rated garment equal to a minimum HRC 2, unless a task or site specific Arc Hazard Assessment warrants a higher calorie level of protection.

C. Miscellaneous

1. Only natural fibers or non-melting items may be worn as under garments.
2. The employee shall only wear items that are in good serviceable condition. Items with holes or that are frayed must be repaired properly or be removed from service. The Cooperative shall provide suitable materials for the repair of the Arc Flash Rated Clothing.
3. If within one (1) year of employment or receiving their annual allowance of Arc Flash Rated Clothing, should the employee terminate employment, then an amount equivalent to the cost of the Arc Flash Rated Clothing provided will be withheld from the employee's final paycheck. Employees who terminate after the one (1) year period will not be required to reimburse the Cooperative.
4. Gloves - Gloves (other than insulated rubber electrical gloves) may be required for certain job tasks. These gloves should have all leather outer cover and may be insulated if desired. Any rubber gloves needed by employees will be furnished by the Cooperative.
5. The company allocation shall be used at the discretion of the employee providing he/she meets the dress requirement at all times. The yearly allowance will be for the period of January 1 to December 31. No employee will be allowed to work with clothing or other personal protective equipment that does not meet company requirements.

D. ~~Office Personnel:~~ Personnel not exposed to electrical arcs.

1. Employees who are not exposed to electrical arcs but whose duties require exposure to adverse weather, or sharp, falling, or rolling objects shall be issued or have access to an appropriate protective clothing.
2. There will be no requirement for ~~office personnel~~ managerial, professional, administrative, or clerical employees to dress in company uniforms. However, clothing with the company logo may be worn while on company time. Clothing to promote the company image of professionalism is always encouraged. ~~Therefore,~~ the company will provide an annual allowance of \$250 per year for each ~~office-~~ applicable employee. ~~otherwise follow Reference Procedure #22.~~

E. General

1. A procedure administering the program for the initial purchase and annual Safety, Protective, and/or Arc Flash Rated Clothing allowance to replace items that are no longer in serviceable condition shall be established by Management.

The provided Arc Flash Rated Clothing should include, but not be limited to pants, long sleeve shirts, cold weather outerwear, rain gear and reflective traffic vest.

2. Boots – Task appropriate boots will be required in any situation where employees may be exposed to falling or rolling objects.
3. All clothing purchased under this policy should bear the company name as appropriate. Employee discretion is urged when wearing clothing bearing the company name. While such clothing may be worn when the employee is not on company time, extreme care should be exercised. In no instance should an employee wear clothing bearing the company name in places or situations that might reflect negatively on The Lane-Scott Electric Cooperative.
4. All clothing no longer suitable for wear on company time or no longer meets the requirements of this policy shall have the company name removed before wear or use for any other purpose.

III. Responsibility:

The General Manager shall ensure that this policy is implemented. All Supervisors are required to serve as role models for proper compliance with the provisions of this Policy. It is the responsibility of all employees to comply with this policy. Violations of this policy will be subject to discipline up to and including termination.

ATTESTED: _____ date _____
Secretary

Revisions: September 14, 2009
July 6, 2009
November 22, 2004
December 22, 2003
November 25, 1996
April 29, 1996
March 27, 1995
December 26, 1994
November 22, 1993
October 1969
May 1960

(seal)

10. e. Employee NRECA SelectRE Pension Plan (401(k) Plan)

Various typographical errors were found in Board Policy 515. Staff requests Board approval of these corrections.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: ~~December 5, 2022~~ January 27, 2025

Policy No.: 515

SUBJECT: Employee NRECA SelectRE Pension Plan (401(k) Plan)

POLICY:

The Lane-Scott Electric Cooperative shall adopt the NRECA SelectRE Pension Plan. Permanent full-time employees shall be eligible to participate after one full year of employment.

For those employees, ~~hired, rehired, or transferred to the cooperative before July 1, 2018,~~ the normal retirement date shall be 30 years of service or sixty-two (62) years of age. The Cooperative shall contribute to each Participant's account an Employer Matching contribution equal to the following schedule:

Employee Contribution:	Employer Matching Contribution:
2%	2%
5%	3%
8%	4%
10%	5%

All eligible Employees may choose to make pre-tax Employee Elective Contributions up to the limits prescribed by law.

All eligible Employees may also elect to make after-tax Voluntary Employee Contributions (VEC) to their account. Employees may make VEC contributions only without making any Employee Elective Contributions but shall not then receive any Employer Matching Contributions specified above.

ATTESTED: _____ date _____
Secretary

Revisions: December 05, 2022
June 4, 2018
October 1, 2007
October 28, 2002
August 23, 1993
April 23, 1990
August 1978
May 24, 1976
January 26, 1970

(seal)

10. f. Company Credit Card Use

These proposed amendments came about from a security review of our financial operations and have been reviewed and recommended by staff. The initial review did not find any employee fraud but identified a few areas where we should tighten the policy. Notably,

1. II.A.3. states that those purchases above the minimum level set by the General Manager (currently \$1,000.00) but have the prior approval of the GM. We are assuring this through the electronic purchase order system.
2. II.B.2. Card usage is limited to the authorized card holder with three exceptions (GM, Finance Mgr., and Opns Mgr.). The review found that it was a common practice to let other employees use credit cards issued to a specific person.
3. II.B.3. There were no stated repercussions for off-business purchases. Removal of statement that opens the possibility of personal purchases.
4. II.C. Clarifying language throughout.
5. II.D. Clarifying language throughout.
6. III. Addition of Responsibility section.

Staff recommends these amendments to Board Policy 534, pending legal review.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: ~~September 9, 2013~~ January 27, 2025
Supersedes Date:

Policy No.: 534

SUBJECT: Company Credit Card Use Policy

I. OBJECTIVE:

The Lane-Scott Electric, Cooperative will issue company credit cards to certain employees for use in their jobs; this policy sets out the acceptable and unacceptable uses of such credit cards.

II. POLICY: ~~Lane-Scott Electric, Cooperative Issued Cred Cards~~

Use of company-issued credit cards is a privilege, which the Cooperative may withdraw in the event of serious or repeated abuse.

A. Acceptable Uses:

1. Any credit card the Cooperative issues to an employee must be used for business purposes only, in conjunction with the employee's job duties.
2. The Cooperative will not regard expenses for business-related use, such as lodging and meals while on company-approved business trips, as personal purchases, **as long as** if such expenses are consistent with business related use.
3. **Capital expenditures at or above the current minimum management level must have the prior approval of the General Manager.**

B. Unacceptable Uses:

1. Employees with such credit cards shall not use them for cash advances or any non-business, non-essential purpose, (i.e., for any personal purchase or any other transaction that is not authorized or needed to carry out their duties.)
2. **Only the employee to which the credit card is issued is authorized to place charges on the card. The General Manager, Finance Manager, or Operations Manager may pre-approve other employees under their normal direct supervision to use their card in emergency or under mutual aid conditions.**
3. **Charges of a personal, illegal, or unethical nature will result in immediate disciplinary action.**

~~Employees must pay for personal purchases (i.e., transactions for the benefit of anyone or anything other than the Cooperative) with their own funds or personal credit cards.~~

C. Violations.

1. A violation of this policy (i.e., by misuse of the company credit cards) will result in disciplinary action. ~~at the discretion of the General Manager or the Board of Trustees.~~
The minimum disciplinary action shall be as follows:
 - a. If an employee uses a Cooperative credit card for any **unacceptable use** or other type of unauthorized transaction **in violation of this policy**, (i.e., incurs financial liability on the Cooperative's part that is not within the scope of the employee's duties or the employee's authorization to make business-related purchases). The cost of such purchase(s) or transaction(s) will be the financial responsibility of that employee and the employee will ~~be expected to~~ reimburse the Cooperative via deductions from pay or by cash or personal check payment.

- b. If an employee chooses to reimburse the Cooperative via payroll deductions: the amount of the unauthorized purchases will be recovered in full, from the employee's next paycheck; any balance remaining will be deducted in full, from subsequent paychecks until the wage advance is fully repaid. Such deductions may take the employee's pay below minimum wage for the pay period(s) in question.
2. Repeated or gross violations of this policy shall result in **removal of credit card privileges and more severe disciplinary action. ~~at the discretion of the General Manager or Board of Trustees and may be basis for termination of employment.~~**

D. Miscellaneous provisions.

1. Each card will be limited to a maximum set by the **General** Manager, in writing, who will determine the limit on a basis of need and departmental budget.
2. Theft, loss, or damage to the company-issued credit card must be reported immediately to the General Manager. **Charges incurred between the loss and its reporting may become the responsibility of the employee.**
3. It is the responsibility of the employee to return the credit card to the General Manager upon demand, **and to the Cooperative Human Resources Section upon** termination of employment, or before an extended absence from work.
4. Meal receipts will be annotated to reflect required IRS documentation to include the names of the persons eating the meal and the reason for the meal.
5. Credit card receipts will be submitted to the accounting department within ten (10) days **of incurring charges or return from Cooperative travel. ~~following the issuance of the monthly credit card statement by the credit card grantor.~~**
6. Lost receipt charges will be the responsibility of the employee if the charge cannot be reasonably substantiated, in writing, by the employee's supervisor.

III. Responsibility:

The General Manager shall ensure that this policy is implemented. All Supervisors are expected to serve as role models for proper compliance with the provisions of this Policy. It is ultimately the responsibility of all employees to comply with this policy. Violations of this policy will be subject to discipline up to and including termination.

ATTESTED: _____ date _____
Secretary

Revisions: September 9, 2013

(seal)

10. g. Tariff Section II Amendment

Last week our Auditors noticed that there was a discrepancy between our NON-DOMESTIC Tariff rate and the published rate.

The 2024 Cost-of Service-Study recommended that the NON-DOMESTIC rate be raised from \$0.105630 per kWh to \$.110550 per kWh. The new rate of \$0.11055/kWh was used in the public meeting literature and in the information that the Board approved on April 22, 2024. The Tariff revision that the Board approved on May 20, 2024, contained a typo that incorrectly stated the new NON-DOMESTIC rate as \$0.10550 rather than \$0.11055. This is lower than the pre-COSS rate. The June 2024 Kansas Country Living Magazine published the correct \$0.11055 rate.

In December 2024, our noted the difference between the Tariff rate of \$0.1055 per kWh and the published rate of \$0.11055 per kWh. The resulting loss in revenue is about \$843 per month.

The following pages contain:

- the Agenda, materials, and Resolution from the April 22, 2024 meeting, and
- The NON-DOMESTIC SERVICE tariff amendment as presented at the May 20, 2024, Board meeting,
- NON-DOMESTIC Service Rate sheet from May 20, 2024 (with error) ,
- SECTION II Rates and Charges including the NON-DOMESTIC SERVICE (page 8) which corrects the typo, and finally
- Proposed Board Resolution 2025 0127 authorizing the Tariff Rate correction.

Attorney Gasper has been consulted and has prepared Board Resolution 2025 0127. Therefore,

Staff requests the Board approve Resolution 2025 0127 which authorizes the Tariff Amendment.

Please be advised that after the 2024 Audit is completed, Parallel Generation (page 19) and Qualifying Facilities (page 22) will need to be amended to reflect the 2024 System Monthly Average Cost of Power. We will also ask the Board to remove Adjustment 3. February 2021 Regulatory Asset Rider (page 15). The Rider was created expressly to deal with the CoBank loan associated with the excessive costs from Winter Storm Uri. This loan was paid off last year and the rider is no longer applicable.



To: **Board of Trustees and Attorney**

A Special meeting of the Board of Trustees has been scheduled for April 22, 2024, at 6:30 p.m. This meeting is open to all members of the Cooperative.

Proposed Agenda:

1. Call to Order
2. Review of Proposed Rates
3. Review the Kansas Utility Rate Making Process
4. Review Public Meeting comments
5. Consider Resolution 2024 0422
6. Adjourn

Item 2. Review of Proposed Rates

The Board of Trustees approved conducting a Cost-of-Service Study on January 11, 2021, as Strategic Goal #3 of the 2021 Lane Scott Electric Cooperative, Inc. Strategic plan. The Board recognized that while a COSS was conducted in 2021 and implemented in 2022, inflationary pressures have increased exponentially since 2021. Further, the Board acknowledges that conducting a periodic evaluation of the Cooperatives rate is a normal and customary electric utility practice.

Management and Staff worked with Guernsey over several months. Guernsey presented a 10-year Financial Forecast and the results of the Cost-of-Service Study to the Board of Trustees at the March 2024 regular meeting. The test year used was 2023 and was adjusted (normalized) to account for Winter Storm Uri recovery and several loans which will be repaid in 2024.

The Financial Forecast presented a deficit of \$1,571,437 over the next 10 years based on current rates. Mitigating this deficit would require an overall increase of 8.82%. Guernsey then analyzed each LSEC rate classification and found that some classes were being subsidized while some were being overcharged. This is a normal evolution of rates and revenue classes due to members coming and going and various price fluctuations in overhead, transportation, and wages.

Guernsey determined that the most equitable distribution to recover the \$1,571,437 deficit was:

Rate Class	average consumers	2023 kWh sold	Adjusted Revenue	Proposed		
				Total Revenue	dollar increase	percent increase
Residential	3,363	25,817,574	3,445,915	3,816,395	370,480	10.75%
Irrigation	254	8,852,968	1,113,253	1,196,556	83,303	7.48%
GS Small	1,876	50,716,514	5,501,172	6,164,335	663,163	12.05%
GS Large	175	35,978,136	4,018,409	4,279,505	261,096	6.50%
City of Dighton	3	9,335,382	676,223	698,501	22,278	3.29%
Large Industrial	3	38,204,550	2,902,051	3,061,664	159,614	5.50%
Lighting	13	677,150	106,915	118,418	11,503	10.76%
Total	5,687	169,582,274	17,763,938	19,335,374	1,571,437	8.85%

The specific changes are:

	existing	proposed	change \$	change %
Power Cost, per kWh sold	0.057874	0.057874	0	0%
PCRF / ECA Base Cost, per kWh sold	0.06975	0.06975	0	0%
PCRF / ECI Factor, per kWh	-0.011876	-0.011876	0	0%
Property Tax, per kWh sold	0.004718	0.00436	-0.000358	-8%

RESIDENTIAL

Customer Charge	28.00	30.50	2.50	8.93%
Demand Charge, per peak kW	-	0.65	0.65	
Energy Charge, per kWh	0.10297	0.10850	0.00553	5.37%
Heat Pump Charge, per ea.	2.00	2.00	-	0.00%
Heat Pump Credit, per kWh.	-0.03	-0.03	-	0.00%

	existing	proposed	change \$	change %
NON-DOMESTIC				
Customer Charge	22.00	24.50	2.50	11.36%
Demand Charge, per peak kW	-	0.65	0.65	
Energy Charge, per kWh	0.10563	0.11055	0.00492	4.66%
IRRIGATION				
Customer Charge	-	-	-	0.00%
Annual HP, per Billing HP	40	42.5	2.50	6.25%
Energy Charge, per kWh	0.09983	0.10704	0.00721	7.22%
GENERAL SERVICE SMALL				
Customer Charge	28.00	33.00	5.00	17.86%
Demand Charge, per peak kW	-	0.65	0.65	
Energy Charge, per kWh	0.10767	0.11687	0.00920	8.54%
GENERAL SERVICE LARGE				
Customer Charge	65.00	65.00	-	0.00%
Annual Kw, per Billing kW	13.00	15.00	2.00	15.38%
Energy Charge, per kWh	0.07309	0.07327	0.00018	0.25%
CITY OF DIGHTON				
Customer Charge	150.00	300.00	150.00	100.00%
Demand Charge:	2.80	4.25	1.45	51.79%
plus wholesale power				
Energy Charge, per kWh	0.003264	0.00268	(0.000584)	-17.89%
plus wholesale power				
LARGE INDUSTRIAL				
Customer Charge	100.00	150.00	50.00	50.00%
Demand Charge, per Billing kW	12.80	15.50	2.70	21.09%
Energy Charge, per kWh				
1st 250 kWh per billing kW	0.0692	0.06776	(0.00144)	-2.08%
Next 250 kWh per billing kW	0.0567	0.05526	(0.00144)	-2.54%
Over 500 kWh per billing kWh	0.0442	0.04276	(0.00144)	-3.26%
Primary Meter discount	2%	2%	-	0.00%
FAIRGROUNDS AND ATHELETIC LIGHTING				
Customer Charge	17.50	20.00	2.50	14.29%
Energy Charge, per kWh	0.1245	0.13183	0.00733	5.89%
IDLE SERVICES				
Customer Charge	31.50	31.50	-	0.00%
Maximum Annual	378.00	378.00	-	0.00%

	existing	proposed	change \$	change %
VILLAGE STREET LIGHTING				
Area Lighting (per bulb, per month)	9.46	10.41	0.95	10.04%
SECURITY LIGHTING (frozen)				
Security (Decorative) Lighting Service				
75% Coop Single Globe 100W HPS	15.19	16.71	1.52	10.01%
25% Coop Single Globe 100W HPS	9.25	10.18	0.93	10.01%
75% Coop Multi Globe 100W HPS	9.07	9.98	0.91	10.03%
Controlled Private Area Lighting				
<u>MV</u> <u>HP Sodium</u>				
175 100	7.01	7.71	0.70	9.99%
400 200	12.17	13.39	1.22	10.02%
400 (flood) 150	13.88	15.27	1.39	10.01%
1000 (flood) 400	23.25	25.58	2.33	10.02%
Street Light Service Dawn to Dusk				
100 Watt Incandescent	2.91	3.20	0.29	9.97%
Vapor Street Lighting / Ornamental System				
<u>MV</u> <u>HP Sodium</u>				
175 100	7.97	8.77	0.80	10.04%
400 200	10.59	11.65	1.06	10.01%

These are the proposed changes to the current rates for electric service as presented to the Board by Guernsey in March 2024.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
DIGHTON, KANSAS

RESOLUTION 2024 0422

Adopting new Retail Rates and Section III of the Rules and Regulations

Whereas, The Lane-Scott Electric Cooperative, Inc. ("LSEC") is a corporation organized under the electric cooperative act, K.S.A. 17-4601 et seq., and amendments thereto, and

Whereas, LSEC has elected to be exempt from the jurisdiction, regulation, supervision, and control of the state corporation commission by compiling with the provisions of K.S.A. 66-104d subsection (c), and has not terminated that exemption, and

Whereas, the state corporation commission approved said exemption in Docket No. 191,208-U dated August 17, 1994, and in Docket No. 15-LNSE-023-DRC dated September 25, 2014, and

Whereas, this Resolution does not affect the single certified service territory of LSEC or the authority of the state corporation commission with regard to K.S.A. 66-104d subsection (f), and

Whereas, the Cooperative contracted Guernsey (Oklahoma City, OK) to consult and prepare a Cost-of-Service Study and Financial Forecast using 2023 as a test year which recommended changing certain rates, and

Whereas, management concurs with Guernsey and will present the subsequent Tariff amendments to Section III of the LSEC Rules and Regulations at the May meeting of the Board of Trustees, and

Whereas, LSEC has provided not less than 10 days' notice to all members of the time and place of this open meeting of the board of trustees at which rate changes are to be discussed and voted upon, and

Now, therefore, be it resolved, that the Lane-Scott Electric Cooperative, Inc. adopts the rate changes recommended in the 2024 Cost of Service Study as recommended by Guernsey to be effective with June usage and billed beginning July 1, 2024.

CERTIFICATION OF THE SECRETARY

I, Harold Hoss, certify that I am Secretary of The Lane-Scott Electric Cooperative, Inc. Board of Trustees. I further certify that the above is a true excerpt from the Board of Trustees meeting held on the 22nd day of April 2024, at which a quorum was present.

Harold Hoss, Secretary

(Seal)

G. NON-DOMESTIC SERVICE – ND-24

Billing Code: 018

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to non-domestic farm buildings, water pumps and wells, fence chargers or other services not covered in other specific rate schedules. A separate meter is required for service under this schedule. Connected transformer capacity, either dedicated or consumer's requirement of a shared transformer shall not exceed ten (10) kVA.
3. TYPE OF SERVICE. Single or three-phase, 60 Hz service, alternating current at available secondary voltages.
4. RATE.
 - a. Customer Charge: \$ 24.50 per month
 - b. Energy Charge: \$ 0.10550 per kWh
 - c. Demand Charge \$ 0.65 per kW of billing demand
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. MONTHLY MINIMUM BILL.
 - a. The Customer, Demand, and Energy Charges per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
7. TERMS AND CONDITIONS. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

Additionally, for non-domestic connects of a temporary nature, temporary service will be supplied in accordance with this rate except that member shall pay in addition to the established rate the average system cost for the previous twelve months of connecting and disconnecting service, less the value of materials returned to stock.

SECTION II

RATES AND CHARGES

*(The Rates were approved by the Board of Trustees
by Resolution 2024 0422)*

Section II. Rates and Charges

A. APPLICATION OF RATES.

1. Rates will be assigned equitably and based upon many factors including nature and permanency of the load, majority energy usage applicable, etc.
2. Rates are subject to inspection and re-assignment at any time for good cause.
3. A single rate will be charged through a single meter. Therefore, all energy usage metered in a single device will be metered at the majority usage and under the majority usage rate.
4. The delivery point shall be the metering point of the Cooperative.
5. Any required services or utility construction (poles, conductor, etc.) will be according to the Cooperatives Tariff to include Rules and Regulations and Line Extension Policies.

B. RESIDENTIAL SERVICE – RS-24

Billing Codes: 010-012, 015, 016, 020, and 023

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all permanent, full-time residential consumers of the Cooperative, subject to Cooperative's Rules and Regulations. Service under this schedule is limited to individual motors up to ten (10) horsepower unless motors are of a type approved by the Cooperative.
3. TYPE OF SERVICE. Single or three-phase, 60 Hz service, alternating current at the Cooperative's standard secondary distribution voltages for each residential service.
4. RATE.
 - a. Customer Charge: \$ 30.50 per month
 - b. Energy Charge: \$ 0.108500 per kWh
 - c. Demand Charge: \$ 0.65 per billing kW of billing demand
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. MINIMUM MONTHLY CHARGE. Each Member shall be obligated to pay the following charges each billing period for all rates charged under Residential Service:
 - a. The Customer, Demand, and Energy Charges per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
7. TERMS AND CONDITIONS. Service is provided in accordance with the rules and regulations of the Cooperative as they currently exist or may be amended from time to time. Additional terms may apply to specific rate or billing options offered in this section.

8. HEAT PUMP RIDER – HP-24

Billing Code 016

- a. AVAILABILITY. Residential members with permanently installed electric heat pumps may qualify for the Residential Heat Pump Rider.
- b. APPLICABILITY. This rate is applicable to all residential members of the Cooperative, subject to the Cooperative's Rules and Regulations, where the Member permanently installs and uses an electric heat pump as the major source of heating and cooling of the residence. The Member must inform the Cooperative in writing of the equipment installation and receive approval by the Cooperative for the installation. The Cooperative may require a visual inspection of the installation prior to its approval. In addition, the Member agrees to allow and pay for the installation of a separate meter to measure energy use applicable to heat pump equipment to which a credit will be applied as specified below.
- c. RATE. In addition to the rates charged under the consumer's primary rate schedule, the following charges and credit will be applied:
 - i. Heat Pump Sub-meter Charge \$ 2.00 per month
 - ii. Heat Pump Credit \$ 0.03 per sub-metered kWh

9. RESIDENTIAL PRE-PAID SERVICE – RPP-24

Billing Code 023

- a. AVAILABILITY. Cooperative Service Area
- b. APPLICABILITY. This rate is applicable to all standard, residential consumers of the Cooperative, subject to Cooperative's Rules and Regulations.
- c. TERMS AND CONDITIONS OF SERVICE. Consumers taking service under this schedule shall enter and abide by the Supplemental Prepaid Service Agreement.
- d. RATE.
 - i. Customer Charge: \$ 1.00 per day
 - ii. Energy Charge: \$ 0.108500 per kWh
 - iii. Demand Charge: \$ 0.65 per billing kW of billing demand

10. RESIDENTIAL SERVICE – SEASONAL

Billing Code: 20

- a. AVAILABILITY. Cooperative Service Area
- b. APPLICABILITY. This rate is applicable to all permanent, full-time residential consumers of the Cooperative, subject to Cooperative's Rules and Regulations. Service under this schedule is limited to individual motors up to ten (10) horsepower unless motors are of a type approved by the Cooperative.
- c. RATE.
 - i. Customer Charge: \$ 30.50 per month
 - ii. Energy Charge: \$ 0.108500 per kWh
 - iii. Demand Charge: \$ 0.65 per billing kW of billing demand

C. GENERAL SERVICE SMALL – GSS-24

Billing Codes: 040-042, 045, 047, and 049

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all farm, commercial, and municipal water pumping consumers of the Cooperative up to twenty-five (25)kW, subject to Cooperative's Rules and Regulations.
3. TYPE OF SERVICE. Single or three-phase, 60 Hz service, alternating current at the Cooperative's standard secondary available voltages.
4. RATE.
 - a. Customer Charge: \$ 33.00 per month
 - b. Energy Charge: \$ 0.116870 per kWh
 - c. Demand Charge: \$ 0.65 per billing kW of billing demand
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. MINIMUM MONTHLY CHARGE. Each Member shall be obligated to pay the following charges each billing period:
 - a. The Customer, Demand, and Energy Charges per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
7. TERMS AND CONDITIONS OF SERVICE.
 - a. Service is provided in accordance with the rules and regulations of the Cooperative as they currently exist or may be amended from time to time.
 - b. Service under this schedule is limited to individual motors up to ten (10) horsepower unless motors are of a type approved by the Cooperative.
 - c. Motors having a rated capacity on excess of ten (10) horsepower must be three-phase.
 - d. Service under this schedule is limited to loads of 25kW or less. If the demand exceeds 25kW for two (2) consecutive months, the applicable schedule may be applied for a period of not less than one (1) year unless the Member's load changes, thereby requiring reclassification to another rate schedule.

D. GENERAL SERVICE LARGE – GSL-24

Billing Code: 050-053, 055-057, and 059

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all commercial consumers of the Cooperative with a demand of twenty-five (25) kW up to nine-hundred, ninety-nine (999) kW, subject to Cooperative's Rules and Regulations.
3. TYPE OF SERVICE. Three-phase, 60 Hz service, alternating current at the Cooperative's standard primary or secondary available voltages.
4. RATE.
 - a. Customer Charge \$ 65.00 per month
 - b. Energy Charge \$ 0.073270 per kWh
 - c. Demand Charge \$ 15.00 per kW of billing demand
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. POWER FACTOR. The Member agrees to maintain unity power factor as nearly as practicable. Demand may be adjusted to correct for average power factors of less than eighty percent (80%) if the cooperative deems it necessary. The Demand for billing purposes shall be the measured demand increased by one percent (1.0%) for each one percent (1.0%) by which the average power factor is less than eighty percent (80.0%) lagging.
7. MINIMUM MONTHLY BILL. The minimum monthly bill shall be the Customer Charge plus the highest of:
 - a. The demand charge but not less than three-hundred and seventy-five dollars (\$375.00).
 - b. A transformer capacity fee of one dollar and fifty cents (\$1.50) per kVa of actual, required transformer capacity.
 - c. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - d. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
8. PRIMARY METERING ADJUSTMENT. When service is furnished at primary voltage, a discount of two percent (2.0%) shall apply to the monthly demand and energy charges as set forth in this schedule. However, this discount does not supersede the Minimum Monthly Bill as stated herein.
9. TERMS AND CONDITIONS. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

E. LARGE INDUSTRIAL – LI-24

Billing Codes: 085 and 086

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all industrial consumers with a demand of one thousand (1,000) kW and greater, subject to Cooperative's Rules and Regulations.
3. TYPE OF SERVICE. Three-phase, 60 Hz service, alternating current at available primary or secondary voltages.
4. RATE.
 - a. Customer Charge: \$ 150.00 per month
 - b. Demand Charge: \$ 15.50 per kW of billing demand
 - c. Energy Charge:
 - i First 250 kWh/kW \$ 0.067760 per kWh
 - ii Next 250 kWh/kW \$ 0.055260 per kWh
 - iii Over 500 kWh/kW \$ 0.042760 per kWh
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. POWER FACTOR ADJUSTMENT. The Member agrees to maintain unity power factor as nearly as practicable. Demand may be adjusted to correct for average power factors of less than eighty percent (80%) if the cooperative deems it necessary. The Demand for billing purposes shall be the measured demand increased by one percent (1.0%) for each one percent (1.0%) by which the average power factor is less than eighty percent (80.0%) lagging.
7. MINIMUM MONTHLY BILL. The minimum monthly bill shall be the Customer Charge plus the highest of:
 - a. The demand charge but not less than fifteen-thousand five-hundred dollars (\$15,500.00); or
 - b. A transformer capacity fee of one dollar and fifty cents (\$1.50) per kVa of actual, required transformer capacity.
 - c. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - d. Any applicable taxes, franchise, regulatory assessment, or service fees.
8. PRIMARY METERING ADJUSTMENT. When service is furnished at primary voltage, a discount of two percent (2.0%) shall apply to the monthly demand and energy charges as set forth in this schedule. However, this discount does not supersede the Minimum Monthly Bill as stated herein.
9. TERMS AND CONDITIONS. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

F. IRRIGATION SERVICE – IS-24

Billing Code: 030

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all Members of the Cooperative for sprinkler irrigation service, pump irrigation service and reuse pumps, subject to the Cooperative's established Rules and Regulations.
3. TYPE OF SERVICE. Single-phase or three-phase, 60 cycles, alternating current at available secondary voltages. Single phase service may be furnished at the discretion of the cooperative where three phase-service is not available. Not more than one (1) irrigation connection shall be made on any single-phase extension.
4. RATE.
 - a. Annual Horsepower: \$ 42.50 per HP per year
 - b. Energy Charge: \$ 0.107040 per kWh
5. MINIMUM MONTHLY BILL. The minimum annual charge under the above rate shall be the higher of the following:
 - a. Horsepower Charge. Forty-two dollars and fifty cents (\$42.50) per horsepower except that, for motors of less than ten (10) horsepower, it shall be four-hundred twenty-five dollars (\$425.00). No energy shall be allowed for the horsepower charge.
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
6. DETERMINATION OF HORSEPOWER. The horsepower for billing purposes shall be determined, as necessary, by a demand meter or other test each irrigation season and shall be the horsepower input to the motor. However, the billing horsepower shall not be less than any billing horsepower established during the preceding eleven (11) months.

If the member changes or modifies their irrigation system in such a manner as to permanently reduce the metered billing horsepower by ten (10) percent or greater, an adjustment to the billing horsepower will be made to reflect the modified billing horsepower. If the changes or modifications occur prior to July 1, the billing horsepower adjustment will be made in that year. Changes or modifications made after July 1 will result in no change to billing horsepower, however, adjustment will be made to billing horsepower in the following year.

If actual installed or metered horsepower is less than 10 horsepower, the horsepower used for billing purposes shall be ten (10) horsepower.
7. POWER FACTOR ADJUSTMENT. Consumer agrees to maintain unity power factor as nearly as practicable. The horsepower for billing purposes may be adjusted to correct for average power factors of less than eighty percent (80%). Such adjustments will be made by increasing the horsepower one percent (1%) for each one percent (1%) by which the average power factor is less than eighty percent (80%) lagging.
8. TERMS AND CONDITIONS. The annual minimum charge will be billed in March of each year. In cases where connections have not been made by that date, the minimum will be due upon connection. Monthly energy charges shall be billed each month during the irrigation season. Terms of monthly payment shall not exceed six (6) months and will otherwise be in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

G. NON-DOMESTIC SERVICE – ND-24

Billing Code: 018

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to non-domestic farm buildings, water pumps and wells, fence chargers or other services not covered in other specific rate schedules. A separate meter is required for service under this schedule. Connected transformer capacity, either dedicated or consumer's requirement of a shared transformer shall not exceed ten (10) kVA.
3. TYPE OF SERVICE. Single or three-phase, 60 Hz service, alternating current at available secondary voltages.
4. RATE.
 - a. Customer Charge: \$ 24.50 per month
 - b. Energy Charge: \$ 0.110550 per kWh
 - c. Demand Charge \$ 0.65 per kW of billing demand
5. DETERMINATION OF BILLING DEMAND. The billing demand shall be the maximum kilowatt demand established by the Consumer for any fifteen (15) consecutive minute period during the period for which the bill is rendered, as indicated, or recorded by a demand meter and adjusted for power factor. The billing demand shall not be less than seventy percent (70%) of the highest demand indicated for the preceding months of June, July, August, and September.
6. MONTHLY MINIMUM BILL.
 - a. The Customer, Demand, and Energy Charges per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
7. TERMS AND CONDITIONS. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

Additionally, for non-domestic connects of a temporary nature, temporary service will be supplied in accordance with this rate except that member shall pay in addition to the established rate the average system cost for the previous twelve months of connecting and disconnecting service, less the value of materials returned to stock.

H. FAIRGROUND AND ATHLETIC FIELD LIGHTING – AF-24

Billing Code: 021

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This schedule is applicable to publicly owned, tax-supported consumers for the lighting of fairgrounds and outdoor athletic fields, shelter houses, traffic lights and so forth, but not including street lighting, subject to the Cooperative's Rules and Regulations.
3. TYPE OF SERVICE. Single or three-phase, 60 Hz service, alternating current at standard Cooperative voltages.
4. RATE.
 - a. Customer Charge: \$ 20.00 per month
 - b. Energy Charge: \$ 0.131830 per kWh
5. MINIMUM MONTHLY BILL.
 - a. The Customer and Energy Charges per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
6. TERMS AND CONDITIONS.
 - a. Cooperative will furnish only the equipment up to and including the necessary transformers and metering equipment.
 - b. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

I. VILLAGE STREET LIGHTING – VSL-24

Billing Code: 060

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This schedule is applicable for village / municipal street lighting service.
3. TYPE OF SERVICE. Single-phase, 60 Hz service, alternating current at standard Cooperative voltages, lighting fixtures, and bulbs.
4. RATE. The consumer shall pay Cooperative each month for public street lighting service at the following monthly rate: \$10.41 per lamp, per month.
5. MINIMUM MONTHLY BILL.
 - a. The Rate per billing period; and
 - b. Any applicable billing adjustments (such as ECA, etc.) or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, or service fees.
6. TERMS AND CONDITIONS.
 - a. The Cooperative will install, own, operate, and maintain the complete lighting installation.
 - b. Lighting will be provided nightly from dusk to dawn controlled by a photo-electric relay.
 - c. It is the responsibility of the member to notify the Cooperative if the lights need maintenance.
 - d. Wooden poles will be standard construction for all street lighting.
 - e. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

J. SERVICE TO CITY OF DIGHTON – WH-D-24

Billing Code: 070

1. AVAILABILITY. Available to the City of Dighton, Kansas.
2. APPLICABILITY. Applicable to resale usage, subject to the established rules and regulations of Cooperative.
3. TYPE OF SERVICE. Three-phase, 60 cycles, approximately 2,300 volts, primary service.
4. RATE.
 - a. Customer Charge: \$ 300.00 per month
 - b. Demand Charge: \$ 4.25 per kw of billing demand per month.
Plus: Total wholesale demand charges (from wholesale power supplier)
 - c. Energy Charge: \$ 0.002680 per kWh
Plus: Total wholesale energy charges (from wholesale power supplier)
 - d. Demand and Energy Adj.: Any applicable adjustments.
 - e. Assessments: Any applicable assessments.
5. MINIMUM MONTHLY CHARGE. The minimum monthly charge shall be \$3,000.
6. DETERMINATION OF BILLING DEMAND. The billing demand shall be the thirty (30) minute demand coincident with the wholesale power provider's highest system demand during the month, as indicated or recorded by a demand meter(s) at the point of delivery to the member.
7. POWER FACTOR ADJUSTMENT. Consumer agrees to maintain unity power factor as nearly as practicable. Demand may be adjusted to correct for average power factors of less than eighty percent (80%) if the cooperative deems it necessary. The Demand for billing purposes shall be the measured demand increased by one percent (1.0%) for each one percent (1.0%) by which the average power factor is less than eighty percent (80.0%) lagging.
8. TERMS AND CONDITIONS. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

K. IDLE SERVICE – ID-24

Billing Code: 090

1. AVAILABILITY. Cooperative Service Area
2. APPLICABILITY. This rate is applicable to all disconnected and de-energized services subject to Cooperative Rules and Regulations.
3. RATE. The Customer charge shall be \$ 31.50 per month.
4. MONTHLY MINIMUM BILL.
 - a. The Rate per billing period; and
 - b. Any applicable billing adjustments or payment plans; and
 - c. Any applicable taxes, franchise, regulatory assessment, service fees, etc.
5. TERMS AND CONDITIONS.
 - a. Individual line extensions to a given location may be removed by the Cooperative if the Idle Service is discontinued for any reason including non-payment of the monthly minimum bill.
 - b. The cooperative shall have the right to remove the transformer and other special equipment. Transformers and equipment so removed shall be replaced without charge when the applicant or owner requests service resumed provided, however, the idle service charges have been paid.
 - c. Service is provided in accordance with the Rules and Regulations of the Cooperative as they currently exist or may be amended from time to time.

L. PRIVATE AREA LIGHTING SERVICES – PSL-24 - FROZEN

All private area lighting services have been terminated and no new LSEC lights will be installed. Existing lights will be maintained until warehouse parts and stocks are depleted. At which time, the lights will be removed by the cooperative, and the member will have the option to take ownership of the light fixture. Any member may contact the cooperatives retail section to get a bid from a licensed electrician to install lighting behind the cooperatives meter.

Remaining lighting will be charged at the following rates per lamp per month:

<i>Installed wattage</i>	<i>Rate (\$)</i>	<i>Installed wattage</i>	<i>Rate (\$)</i>
100W	10.25	150W	15.37
175W	8.83	200W	13.48
400W	13.48	400W Flood	29.14
1000W Flood	25.75		
<i>Other</i>		<i>\$ per pole per month</i>	
Extra Pole		1.57	

M. ADJUSTMENTS

1. ENERGY COST ADJUSTMENT – ECA-24

Each KWH of energy sold by the Cooperative under Rate Schedules wherein reference to ECA is made shall be increased or decreased per KWH an amount computed as follows:

$$ECA = \frac{C - (B \times S) + E}{S}$$

Where:

ECA = Energy Cost Adjustment expressed in \$0.00000 per kilowatt hour.

C = The total power cost from all suppliers for the most recent month, excluding the power cost directly billed to member at their points of delivery.

E = The difference between actual and recovered cost in prior periods.

S = The total estimated kilowatt hours sold for the billing period.

B = The base wholesale power amount of \$0.06975.

2. PROPERTY TAX ADJUSTMENT- PTA-24

- a. **APPLICABILITY.** This adjustment is applicable to all current and future retail rate schedules of the Cooperative as they currently exist or may be amended.
- b. **METHOD OF BILLING.** There shall be an adjustment upon the total billings for the sale of electricity. This adjustment shall be reflected on the monthly bill for retail electric service as a line item designated as "Property Tax Adjustment".
- c. **FREQUENCY OF COMPUTATION.** This adjustment shall be computed at least once each year with the new adjustment applicable to billings for usage on and after January 1 of each year.
- d. **COMPUTATION OF ADJUSTMENT.** This adjustment shall be calculated by the following formula:

$$PTA = \frac{Tc - Tb + S}{R}$$

Where:

Tc = Annual property tax expense for the most recent twelve-month period ending December 31.

Tb = Annual property tax expense established during the base period.

S = Settlement amount as calculated in the "Settlement Provision".

R = Total revenues received from the sale of electricity for the most recent twelve-month period ending December 31.

- e. **SETTLEMENT PROVISION.** After the effective date of this clause, the Cooperative shall maintain a continuing monthly comparison of the actual increased (decreased) property tax expense as shown on the books and records of the Cooperative and the increased (decreased) property tax expense recovered from the consumer. For each twelve-month billing period ending at the close of December, the cumulative difference for the monthly comparisons for the twelve-month billing period under consideration shall be included in the computation of adjustment for the next year.

- f. Billing Other than Monthly: For those members billed less frequently than monthly, the adjustment will be the average adjustment for the period for which these members are being billed.

3. **FEBRUARY 2021 REGULATORY ASSET RIDER**

APPLICABILITY: This Regulatory Asset Rider (Rider) is applicable to each Member of the Lane-Scott Electric Cooperative, Inc. (LSEC) taking service under existing rates of the current tariff or its successor.

ESTABLISHMENT OF FEBRUARY 2021 REGULATORY ASSET: All extraordinary costs associated with the month of February 2021 Winter Weather Event, shall be booked separately as a regulatory asset, which shall be referred to as the "February 2021 Regulatory Asset."

SUMMARY OF CHARGES: Charges under this Rider will be used to calculate a monthly billing amount for recovery of the outstanding costs with interest associated with the February 2021 Regulatory Asset.

CALCULATION OF CHARGES:

$$(R + (R \times I)) / M = \text{Regulatory Asset Rider Amount}$$

Where:

R = Unrecovered balance of the February 2021 Regulatory Asset.

I = The interest rate, expressed as a monthly rate, incurred associated with the Regulatory Asset.

M = Number of remaining months over which the February 2021 Regulatory Asset will be amortized.

COMPUTATION FREQUENCY: This computation will be made monthly.

N. NET METERING RIDER – NMR-24

Billing Codes: 100 and 101

1. DEFINITIONS.

- a. **MEMBER-GENERATOR.** The owner or operator of a qualified electric energy generation unit which:
 - i. Is powered by a Renewable Energy Resource as defined by Kansas state statutes (see definition below).
 - ii. Is located on a premises owned, operated, leased, or otherwise controlled by the Member-generator.
 - iii. Is interconnected and operated in parallel phase and synchronization with the Cooperative and is in compliance with cooperative standards.
 - iv. Is intended primarily to offset part or all the Member-generator's own electrical energy requirements.
 - v. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
 - vi. Contains a mechanism that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines if service to the Member-generator is interrupted.
 - b. **GENERATING CAPACITY.** The nameplate maximum output of the renewable energy generation source.
 - c. **NET CONSUMPTION.** The kWh supplied by the Cooperative to the Member-generator minus kWh supplied by the Member-generator and returned to the Cooperative's grid during the billing period.
 - d. **NET METERING.** A dual or bi-directional metering process using equipment sufficient to measure the difference between the electrical energy supplied to a member-generator by a retail electric supplier and the electrical energy supplied by the Member-generator to the retail electric supplier over an applicable billing period.
 - e. **PEAK LOAD.** The one-hour maximum annual demand imposed by the Cooperatives retail load.
 - f. **RENEWABLE ENERGY RESOURCES.** Electrical energy produced from an energy resource or technologies defined as renewable in K.S.A. 66-1257, and amendments thereto.
2. **LIMITED AVAILABILITY.** Net metering service is available under this rider at points on the Cooperative's existing electric distribution system, located within its service area, for Members operating a renewable energy resource. The net metering service is available to Member-generators on a first-come, first-served basis until the total rated generating capacity of all net metered systems equals or exceeds one percent (1%) of the Cooperative's peak load for the previous calendar year. Upon reaching this limit, no further net metering service shall be available for that calendar year. This rider shall not be available for any electric service schedule allowing for resale. A Member-generator shall have the alternative option of interconnecting renewable generation under the parallel generation provisions of the Cooperative's rules and regulations. However, renewable Member-generators may not change between the net metering and parallel generation rider without the prior approval of the Cooperative, and such elections shall not be for periods less than one-year.
3. **APPLICABILITY.** This net-metering rider is applicable to Member-generators with a Cooperative-approved interconnection agreement. Each meter connected under this Net Metering Rider defines a member-generator. A generator owned or operated by a member-generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the Member-generator controls the Renewable Energy Resources and meets the requirements and accepts all the obligations of this Net Metering Rider, the Member generator is not required to own the generating facilities.

- a. For member-generators that began operating a renewable energy resource under an interconnection agreement prior to July 1, 2014:
 - i. Residential member-generators to generate electricity subject to net metering up to 25 kilowatts; and
 - ii. Commercial, industrial, school, local government, state government, federal government, agricultural and institutional member-generators to generate electricity subject to net metering up to 200 kilowatts.
 - b. For member-generators that begin operating a renewable energy resource under an interconnect agreement with the utility after July 1, 2014:
 - i. All residential member-generators to generate electricity subject to net metering up to 15 kilowatts;
 - ii. Commercial, industrial, religious institution, local government, state government, federal government, agricultural and industrial member-generators to generate electricity subject to net metering up to 100 kilowatts, unless otherwise agreed to by the utility and the member-generator; and
 - iii. School member-generators to generate electricity subject to net metering up to 150 kilowatts. For the purpose of this section, "school" means any postsecondary educational institution as defined in K.S.A. 74-3201b, and amendments thereto, or any public or private school which provides instruction for students enrolled in grade kindergarten or grades one through 12.
4. CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.
5. BILLING AND PAYMENT. The Cooperative shall render a bill for net consumption at approximately 30-day intervals during the Cooperative's normal billing interval. Any net consumption shall be valued as follows:
 - a. To the extent the net consumption is positive (i.e., member-generator took more kWh from the Cooperative during the billing period than member-generator produced), the eligible member-generator will be billed in accordance with the Cooperative's standard rate for Energy Charges and Energy Cost Adjustments (for the net consumption), and for any Member Charges, Demand Charges, and/or any Minimum Charges that would otherwise be applicable to the Member under the standard rate.
 - b. To the extent the net consumption is negative (i.e., member-generator produced more kWh during the billing period than the Cooperative supplied), the member-generator will pay applicable Member Charges, Demand Charges, or both, depending upon the Cooperative's standard rate applicable to the Member; and the excess electric energy shall be retained by the Cooperative as a contribution to fixed costs associated with owning and maintaining the facilities required to provide electric service when the Member-generator cannot meet its own supply needs.
 - c. To the extent the net consumption is zero (i.e., the member-generator produced the same kWh during the billing period as was supplied by the Cooperative), the member-generator will be billed in accordance with the Cooperative's otherwise applicable standard rate for the eligible member-generator, including any applicable Member Charges, Demand Charges and/or Minimum Charges.
6. TERMS AND CONDITIONS:
 - a. The Cooperative will supply, own, and maintain at its expense all necessary meters and associated equipment utilized for billing. In addition, and for purposes of monitoring member generation and load, the Cooperative may install at its expense, load research metering. The member shall supply, at no expense to the Cooperative, a suitable location for meters and

associated equipment used for billing and for load research. Such equipment shall be always accessible to utility personnel. The member-generator shall reimburse the Cooperative for the cost of any additional distribution facilities necessary to accommodate the member-generators facility.

- b. The member shall furnish, install, operate, and maintain in good order and repair without cost to the Cooperative such relays, locks and seals, breakers, automatic synchronizers, disconnecting devices, and other control and protective devices as shall be designated by the Cooperative as being required as suitable for the operation of the generator in parallel with the Cooperative's system.
- c. The member shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the Member. This isolating device shall also serve as a means of isolation for the member's equipment during any member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the member before a manual switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the member's facilities.
- d. The member may be required to reimburse the Cooperative for any equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the Cooperative's system.
- e. The member shall notify the Cooperative prior to the initial energizing and start-up testing of the member-owned generator, and the Cooperative shall have the right to have a representative present at said test.
- f. If harmonics, voltage fluctuations, or other disruptive problems on the utility's system are directly attributable to the operation of the member's system, such problem(s) shall be corrected at the member's expense.
- g. No member's generating system shall damage the Cooperative's system or equipment or present an undue hazard to Cooperative personnel. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metered facility or for the acts or omissions of a Member-generator that cause loss or injury, including death, to any third party. The Member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the members electrical generation facility and to indemnify the Cooperative against all liability and expense related thereto.
- h. Prior to installing and interconnecting a Renewable Energy Resource the member shall enter a standard interconnection contract with the Cooperative setting forth the conditions related to technical and safety aspects of parallel generation.
- i. Service under this Net Metering Rider is subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board during the term of service.
- j. Applications by a member-generator for interconnection of the qualified generation unit to the distribution system shall be accompanied by the plan for the member-generator's electrical generating system, including, but not limited to, a wiring diagram and specifications for the generating unit, and shall be reviewed and responded to by the Cooperative within ninety (90) days after receipt for all other systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the member-generator shall furnish the Cooperative a certification from a qualified professional electrician or engineer that the installation meets the requirements above. If the application for interconnection is approved by the Cooperative and the member-generator does not complete the interconnection within one year after receipt of notice of the approval, the approval shall expire, and the member-generator shall be responsible for filing a new application. Upon the change in ownership of a qualified Renewable Energy Resource, the new member-generator shall be responsible for filing a new application under this section.
- k. Ownership of all renewable energy credits, greenhouse gas emission credits and any other renewable energy attributes related to any electricity produced by the eligible renewable energy resource shall be retained by the member-generator.

O. PARALLEL GENERATION RIDER-RENEWABLE GENERATION RIDER- PGR-24

1. DEFINITIONS.

- a. Governing Statute. KSA 66-1,184
- b. Member-generator: The owner or operator of a qualified electric energy generation unit which:
 - i. Is powered by a Renewable Energy Resource.
 - ii. Is interconnected and operated in parallel phase and synchronization with the Cooperative for the purpose of feeding excess electrical power which is generated by the members energy-producing system into the Cooperative's system.
 - iii. Has entered a parallel generation contract with the Cooperative.
 - iv. Has an electrical generating capacity of not more than twenty-five (25) kilowatts for residential members or two hundred (200) kilowatts for commercial members.
 - v. Is located on a premises owned, operated, leased, or otherwise controlled by the member-generator.
 - vi. Is appropriately sized to primarily offset part or all the member-generator's anticipated electrical load requirements.
 - vii. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
- c. GENERATING CAPACITY. The nameplate maximum output of the renewable energy generation source.
- d. RENEWABLE ENERGY RESOURCES. Electrical energy produced means wind, solar, photovoltaic, biomass, hydropower, geothermal, waste incineration and landfill gas resources or technologies located in Kansas as defined in KSA 17-4652.
- e. SYSTEM MONTHLY AVERAGE COST. The average cost of wholesale power from the previous calendar year less special purchase contracts. This will be calculated annually from the Cooperatives' audited financial statements.
 - i. 2023 audited power cost: \$ 0.07134784 per kWh
 - ii. PGR-22 payment (150%): \$ 0.10702176 per kWh

- 2. **APPLICABILITY.** This schedule is applicable to all residential members who own and operate a renewable energy generator with a generating capacity of 25 kilowatts or less or to all commercial members who own and operate a renewable energy generator with a generating capacity of 200 kilowatts or less. Service under this section shall be subject to the Cooperative's rules and regulations.
- 3. **AVAILABILITY.** the Cooperative may limit the number and size of renewable generators to be connected to the Cooperative's system due to the capacity of the distribution line to which such renewable generator would be connected, and in no case shall the Cooperative be obligated to purchase a total combined amount greater than four percent (4%) of such Cooperative's (coincidental) peak power requirements.
- 4. **CHARACTER OF SERVICE.** Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.
- 5. **BILLING AND PAYMENT.** The Cooperative shall render a bill for consumption at approximately 30-day intervals during the Cooperative's normal billing interval.
 - a. Billing by the Cooperative to the Member shall be in accordance with the applicable rate schedule. For electrical energy delivered by the Member to the Cooperative from the Renewable Energy Resource, the Cooperative shall pay one-hundred and fifty percent (150%) of the system monthly average cost. Payment for net generation shall be limited to 20% of the member-generator's anticipated electrical load requirement unless otherwise approved by the

General Manager monthly. Any such amount shall be paid at least annually or when such amount is \$25 or more.

- b. Renewable member-generators may not change between the net metering and parallel generation riders without the prior approval of the Cooperative and such elections shall not be for periods of less than one-year.
6. INTERCONNECTION COSTS. As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional expenses caused by the Member's generation facility to include costs of engineering, connection, switching, metering, transmission, distribution, safety provisions and administrative expenses related to the installation and maintenance of the physical facilities necessary to permit interconnected operations.
7. TERMS AND CONDITIONS.
- a. No such apparatus or device shall be attached or energized that could either cause damage to the Cooperative's system or equipment or present an undue hazard to utility personnel.
 - b. Within twenty (20) business days of written notification and application of the member's intent to construct and install parallel generation, the Cooperative shall provide the member a written estimate of all costs that will be incurred by the Cooperative and billed to the member to accommodate the interconnection. The member may be required to reimburse the Cooperative for any engineering or operations studies, equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the Cooperative's service.
 - c. The Cooperative will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring member generation and load, the Cooperative may install at its expense, load research metering. The member shall supply, at no expense to the utility, a suitable location for meters, easement and access, and associated equipment used for billing and for load research.
 - d. The member shall furnish, install, operate, and maintain in good order and repair and without cost to the Cooperative, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the Cooperative as being required as suitable for the operation of the generator in parallel with the Cooperative's system.
 - e. The member shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the member. This isolating device shall also serve as a means of isolation for the member's equipment during any member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the member before a manual switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the member's facilities.
 - f. The Cooperative may require a special agreement for conditions related to technical and safety aspects of parallel generation.
 - g. The member shall notify the Cooperative prior to the initial energizing and start-up testing of the member-owned generator, and the Cooperative shall have the right to have a representative present at such test;
 - h. If harmonics, voltage fluctuations, or other disruptive problems on the Cooperative's system are directly attributable to the operation of the member's system, such problem(s) shall be corrected at the member-generator's expense.
 - i. For the purposes of ensuring the safety and quality of utility system power, the cooperative shall:
 - i. Have the right to require the member, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the member's facility of which the generating facility is a part.
 - ii. Have the right to disconnect the member-generator's facilities subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees.

- j. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of a member-generator that cause loss or injury, including death, to any third party. The member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the parallel generation facility and to indemnify the Cooperative against all liability and expense related thereto.
- k. The meter is the property of the Cooperative. Each meter connected under this Rider defines a member-generator and is the point of ownership transition between the Cooperative and the member-generator.
- l. A generator owned or operated by a member generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the member-generator controls the Renewable Energy Resources and meets the requirements and accepts all the obligations of this Rider, the member-generator is not required to own the generating facilities.
- m. A member who uses the operation of a renewable generator in connection with irrigation pumps shall not have more than 10 irrigation pumps connected to renewable generators be attached or connected to the Cooperative's system.
- n. Service under this Rider is subject to the Cooperative's Tariff as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board during the term of service.

P. QUALIFYING FACILITIES and DISTRIBUTED GENERATION RIDER – DQF - 24

1. DEFINITIONS.

- a. Member-generator: The owner or operator of a qualified electric energy generation unit which:
 - i. Is interconnected and operated in parallel phase and synchronization with the Cooperative for the purpose of feeding excess electrical power which is generated by the members energy-producing system into the utility's system.
 - ii. Has entered a Parallel generation contract with the Cooperative.
 - iii. Is located on a premise owned, operated, leased, or otherwise controlled by the Member-generator.
 - iv. Is appropriately sized to primarily offset part or all the Member-generator's anticipated electrical load requirements.
 - v. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
- b. Distributed Generation. Generation facilities from resources not considered as renewable resources.
- c. Generating Capacity. The nameplate maximum output of the energy generation source.
- d. Qualifying Facility. Generation facilities meeting the definition of Qualifying Cogeneration and Small Power Production Facilities as defined under CFR Title 18, Chapter 1, Subchapter K, Part 292, or the Public Utilities Regulatory Policies Act of 1978.
- e. SYSTEM MONTHLY AVERAGE COST. The average cost per kWh of wholesale power from the previous calendar year less special purchase contracts.

2. AVAILABILITY. Available in all territory served by the Cooperative in accordance with the Cooperative's service rules and regulations and all applicable federal, regional, state, ISO, and local laws and regulations. Service under this Rate rider is contingent upon execution of a written agreement for electric service between the Cooperative and the Member.

3. APPLICATION. Applicable to Distributed Generation ("DG") Facilities and Qualified Facilities ("QFs") having a design capacity less than 1 MW of generation connected in parallel operation to the Cooperative's electric system.

This rate rider is not applicable to temporary, shared, or resale service. This rate rider is available to service supplied at one point of delivery and may not be applicable if total Parallel Generation and DG and QF Facilities exceed 4.0% of the previous LSEC Coincidental Peak. In such case the Cooperative will refer the member-generator to, and assist the DG or QF facility with, the Cooperatives wholesale power supplier.

4. CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.

5. MONTHLY CHARGE/CREDIT. Each billing period the member shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Member Charge:	Determined by Rate Classification
Energy Charge:	Determined by Rate Classification
System Monthly Average Cost (Net G) Credit:	\$0.07134784 per kWh (2023 costs)

6. INTERCONNECTION COSTS. As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional expenses caused by the Member's generation facility to include costs of engineering, connection, switching, metering, transmission,

distribution, safety provisions and administrative expenses related to the installation and maintenance of the physical facilities necessary to permit interconnected operations.

7. BILLING AND PAYMENT. The Cooperative shall render a bill for consumption at approximately 30-day intervals during the Cooperative's normal billing interval.

Billing by the Cooperative to the Member shall be in accordance with the applicable rate schedule. For electrical energy delivered by the Member to the Cooperative (net generator), the Cooperative shall pay the system monthly average cost. Payment for net generation shall be limited to 20% of the member-generator's anticipated electrical load requirement unless otherwise approved by the General Manager monthly. Any such amount shall be paid at least annually.

8. TERMS AND CONDITIONS

- a. No such apparatus or device shall be attached or energized that could either cause damage to the cooperative's system or equipment or present an undue hazard to utility personnel.
- b. Within twenty (20) business days of written notification and application of the member's intent to construct and install generation, the Cooperative shall provide the member a written estimate of all costs that will be incurred by the Cooperative and billed to the member to accommodate the interconnection. The member may be required to reimburse the Cooperative for any engineering or operation studies, equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the Cooperative's service.
- c. The Cooperative will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring member generation and load, the Cooperative may install at its expense, load research metering. The member shall supply, at no expense to the Cooperative, a suitable location for meters, easement and access, and associated equipment used for billing and for load research.
- d. The member shall furnish, install, operate, and maintain in good order and repair and without cost to the Cooperative, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the Cooperative as being required as suitable for the operation of the generator in parallel with the Cooperative's system.
- e. The member shall install and maintain a visible disconnect switch. This switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the member. This isolating device shall also serve as a means of isolation for the member's equipment during any member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the member before a switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the member's facilities.
- f. The Cooperative may require a special agreement for conditions related to technical and safety aspects of parallel generation.
- g. The member shall notify the Cooperative prior to the initial energizing and start-up testing of the member-owned generator, and the Cooperative shall have the right to have a representative present at such test;
- h. If harmonics, voltage fluctuations, or other disruptive problems on the Cooperative's system are directly attributable to the operation of the member's system, such problem(s) shall be corrected at the member-generator's expense and may be added to the member-generators monthly Cooperative billing.
- i. For the purposes of ensuring the safety and quality of Cooperative system power, the cooperative shall:
 - i. Have the right to require the member, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the member's facility of which the generating facility is a part.

- ii. Have the right to disconnect the member-generator's facilities subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees.
 - j. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of a member-generator that cause loss or injury, including death, to any third party. The member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the parallel generation facility and to indemnify the Cooperative against all liability and expense related thereto.
 - k. The meter is the property of the Cooperative. Each meter connected under this service defines a member-generator and is the point of ownership transition between the Cooperative and the member-generator.
 - l. A generator owned or operated by a member-generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the member-generator controls the DG/QF and meets the requirements and accepts all the obligations of this Rider, the member-generator is not required to own the generating facilities.
 - m. A member who uses the operation of a generator in connection with irrigation pumps shall not have more than ten (10) irrigation pumps connected to generators be attached or connected to the Cooperative's system.
 - n. Service under this Rider is subject to the Cooperative's Tariff as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board.
9. SALES TO MEMBER. Sales to a DG/QF member shall be consistent with the applicable retail rate tariff established by the Cooperative and as in use by the member if there were no Distributed Generation or Qualifying Facility installation.
10. DISCONTINUANCE OF PURCHASES. The Cooperative may discontinue metering, purchases, and sales during system emergencies if such would contribute to the emergency.
11. DATA ACCESS – COMMUNICATIONS LINK. In addition to all other charges, the Member will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.
12. CONTRACTS. An interconnection agreement between the member and the Cooperative shall be required in all cases.

Q. SERVICE FEES AND CHARGES. This section provides a summary of, and a quick reference for, the fees and charges found throughout this Tariff. All Fees and charges may be applied in conjunction with other applicable fees and charges.

1. COLLECTION AGENCY FEE. A charge equal to the fees/charges to be incurred from the collection agency, including reasonable legal fees, will be added to any balance owed if the cooperative deems it necessary to submit past due balances to a collection agency.
2. COPY EXPENSE. \$0.30 per sheet plus administrative time at actual rate. This fee will be charged whenever the Cooperative is requested to provide electronic or physical duplications of records as approved in Board Policy.
3. DAMAGE TO OR MISUSE OF COOPERATIVE FACILITIES. A charge equal 115% of the direct labor, mileage, materials, and overhead charges required to repair or replace damaged Cooperative facilities and/or equipment will be assessed against the member or other parties responsible for such damages.
4. DEPOSITS FOR SERVICE. A member deposit may be required or waived on any account in accordance with these Rules and Regulations. Member deposits are not transferable unless authorized in writing by the member in whose name the deposit is recorded.
 - a. Residential two-month avg history or \$240.00
 - i. Residential Seasonal two-month avg history or \$100.00
 - ii. Residential Pre-paid no deposit
 - iii. General Service Small two-month avg, or
(the lesser of) \$10.00 per installed kVA x 2, or \$500.00
 - b. General Service Large two-month avg of the largest months usage, or
(the lesser of) \$15.00 per installed kVA x 2, or \$3,000
 - c. Industrial two-month avg of the largest months usage, or
(the lesser of) \$15.00 per installed kVA x 2, or \$136,000
 - d. Irrigation two-month avg, or
(the lesser of) \$35/installed HP, or \$450.00
 - e. Non-Domestic \$75.00
 - f. Fairground and Athletic Field \$200.00
 - g. Idle Service \$63.00
5. DISCONNECT / RECONNECT FEE. For each disconnection or reconnection of electric services.
 - a. Office \$ 50.00 per disconnection for nonpayment
 - b. Field \$240.00 per trip
 - c. After Hours, Holidays and weekends \$265.00 (Office or Field)
6. INTEREST. Interest charged by the Cooperative shall be 5.0% simple annual. Interest paid on Security Deposits shall be paid pursuant to K.S.A. 12-822.
7. LATE PAYMENT PENATLY. 5.0%. Members shall be charged a penalty for payments received after the due date as stated on the billing.
8. METER READING CHARGE – A special meter reading charge as specified will be made for the cost of reading a member's meter at a time other than regular monthly readings and standard disconnects.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip

9. METER RESEAL CHARGE. When a meter seal is broken without authorization from the Cooperative, a service fee as specified may be charged for each trip made to reseal the meter.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip
10. METER TAMPERING CHARGE. Trip fee plus 115% of the actual cost to repair per incidence. A fee related to the unlawful tampering or interfering with the Cooperatives metering and meter reading system to include all apparatus required therein.
11. METER TEST FEE. \$285.00 per meter. To be charged when a member requests that a meter be tested and the test reports that the meter is within 2.0% accurate.
12. RETURNED CHECK FEE. \$30.00 plus applicable bank fees. Checks returned for insufficient funds will be assessed a charge as specified. If a check rendered to the Cooperative for payment of an account is returned for any reason, then the account will be considered delinquent, and the provisions of these Rules and Regulations will apply.
13. SERVICE / TRIP FEES. The appropriate charges are to be made for service calls when Cooperative personnel respond to any erroneously reported or non-existent outage, incorrect voltage complaint, etc. or when the problem is found to be on the member's side of the meter and circumstances are such that the member should be billed. Similar charges will be made for any work performed for a member or other party by Lane-Scott Electric Cooperative line personnel on equipment or facilities other than those belonging to Lane-Scott.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip
 - c. Materials 115% of actual, current cost
14. SYSTEM IMPACT FEE. Any additional administrative, engineering, or related costs associated with new or upgrading services where existing service capacity or ability to serve could be affected. These will be billed at actual cost.
15. SPECIAL SERVICES. Service Call with a \$150.00 deposit required from non-members. Any member requesting services beyond those normally rendered by the Cooperative will be charged for a Service Call. In the case of community support this charge may be waived by the General Manager.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
DIGHTON, KANSAS

RESOLUTION 2025 0127

Correction to the Tariff for Electric Rates

Whereas, The Lane-Scott Electric Cooperative, Inc. ("LSEC") held a public meeting consistent with Kansas Statute on April 22, 2024, the subject of which, was a proposed rate change based upon the Cost of Service Study and Financial Forecast prepared by Guernsey (Oklahoma City, OK);

Whereas, The Board of Trustees of LSEC adopted Resolution 2024-0422 to change the rates consistent with the proposed Tariff for Electric Rates;

Whereas, Resolution 2024-0422, in paragraph Six, references that Management will present the Subsequent Tariff Amendments to the Board of Trustees at the May Board Meeting;

Whereas, There was a typographical error on the Tariff Amendment that was presented to the Board of Trustees at the May meeting whereby the Non-Domestic Rate was stated as \$0.10550 per kWh, which was incorrect. The correct rate that was presented to the LSEC members is \$0.11055 per kWh;

Now, therefore, be it resolved, that the Lane-Scott Electric Cooperative, Inc. hereby authorizes the Tariff for Electric Rates to be corrected to accurately reflect the rates proposed to the Members of LSEC;

Now, therefore, be it resolved, that the Lane-Scott Electric Cooperative, Inc. corrects the Tariff for Electric Rates to reflect the non-domestic rate as \$0.11055 per kWh , and for this rate to be charged beginning on the next billing cycle.

CERTIFICATION OF THE SECRETARY

I, Rad Roehl, certify that I am Secretary of The Lane-Scott Electric Cooperative, Inc. Board of Trustees. I further certify that the above is a true excerpt from the Board of Trustees meeting held on the 27th day of January 2025, at which a quorum was present.

Rad Roehl, Secretary

seal

10. h. 2025 NRECA Voting Delegates

The NRECA Annual Meeting will be held March 7-12 in Atlanta, GA. Currently, Trustees James Jordan and Craig Ramsey are registered to attend along with Richard McLeon.

The NRECA business meeting is scheduled for 11:00am-12:00pm on Tuesday, March 11 and Mr. Ramsey and Richard are registered to attend that day.

LSEC needs to certify Voting and Alternate Delegates for the Business meeting. Last year, Richard was our Voting Delegate and Mr. Evans was the Alternate.

The NRTC Annual Meeting will be held in conjunction with the NRECA Annual Meeting in Atlanta. Currently, Randy Evans is listed as the Voting Delegate. NRTC requires designation for the Voting Delegate and GM/CEO.

NRECA has requested that the Board select Voting Delegates by February 28, 2025.

NRTC has not posted a deadline, but requests that the Board select the Voting Delegate.

SAFETY PROGRAM

Safety Monthly Summary: Worked with Carrie on improving digital inspection forms on safety amp. Begin outline for Disaster Recovery Plan. Ordering face shield and proper signage for drill press in main shop. Boxed and shipped first half of three phase layout arms for annual cleaning and testing. Signed up for OSHA 30 workshop in Wichita in February.

SAFETY PROJECTS COMPLETED AS OF January 2025

- Rubber gloves changed out.
- Rubber sleeves changed out.
- Three Phase Layout Arms sent in for testing and cleaning.
- KEC Safety Meeting: Lineman- NESC Substation requirements (overhead).
- KEC Safety Meeting: Administration-Stress Management
- FCC radios: Antenna installed on Sunflower Electric's Tower on Highway 156.

Ann Jennings's submitted report:

- Winter Storm Preparedness Kit & Outage Reporting Reminder-Social Media.
- Smart Hub Phishing Awareness & Tips to Avoid Energy Scams-Newsletter & Social Media.
- Underground Digging and Professional Excavation-Newsletter.
- Galloping Lines-Social Media.
- Diana Kuhlman submitted reports:
 - Attended Monthly Safety Meeting.
 - Coordinate Monthly Drug Testing.
 - Submitted No- Time Loss Report to KEC.
 - Submitted the No Time Loss information for No Time Lost Award.
 - Submit OSHA 300
 - Submitted Federated OSHA 300
 - Submit the MCS 150 Form.

SAFETY PROJECTS IN PROGRESS AS OF December 2024

1. SafetyAmp Inspection digital forms to all employees involved.
2. FCC radios: Looking into coverage options for dead spots with radio's in Bazine and McCracken area.
3. Waiting approval of budget items for 2025 year.
4. Waiting approval of budget with Dal for schooling for 2025 year.
5. Safety Council Yearly Walk thru items to resolve. -85% completed
6. RESAP Onsite Observation.
 - Circuits are being identified.
 - The switching procedure for substations. Completed.
 - URD cables being identified and labeled.
 - Pad mount and switch cabinet signage in progress of being updated.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
December 11th, 2024

Chris Terhune called the meeting to order at 9:09 a.m.

Minutes were read: Dal Hawkinson made a motion to approve the November 15th, 2024, minutes. Seconded by Kevin Bradstreet. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Nate Burns, Scott Briand, Carrie Borell, Rebecca Campbell, Ann Jennings, Jocelyn Walker, and Cindy Fuentes Ummel.

Absent: Chad Rupp, Micheal Pollock, Kathy Lewis, and Diana Kuhlman.

Guest:

Truck report of inspections:

105	Taylor Cable	OK
110	Blake McVicker	OK
112	Leighton Ayers	OK
123	Micheal Pollock	OK
132	Taylor Cable	OK
135	Nate Burns	OK
136	Kevin Bradstreet	OK
143	Scott Briand	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
191	Micheal Pollock	OK
200	Ben Mann	OK
201	Blake McVicker	OK
305	Blake McVicker	OK
2401	Myron Seib	OK
2402	Chris Terhune	OK

Trailer and Equipment report of inspections:

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Myron Seib	OK
505	Chris Terhune	OK
508	Chris Terhune	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
700	Chris Terhune	OK
701	Chris Terhune	OK
702	Chris Terhune	OK
512	Scott Briand	OK
514	Scott Briand	OK

Warehouse, building, and pole yard inspections:

Ness City Warehouse	Myron Seib	OK
Ness Pole Yard & Transformer Dock	Myron Seib	OK
Warehouse	Scott Briand	OK
Pole Yard & Transformer Dock	Scott Briand	OK

Personal Tools: All Passed

Gloves Monthly Test Results: All Passed

Line Hoses Annual Test Results: N/A

Blankets Annual Test Results: N/A

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report:

- ♦ Ben Mann: All substations have been inspected this month. Changed out bad 34.5 insulator in Ness 34.5 Sub.

PCB Report: None to Report

Line Clearance: City of Ness City, City of Utica, City of McCracken.

Accident and Near Misses: Nothing to report currently.

Old Business: Nothing to report on.

New Business:

- ♦ Richard McLeon: Monday Dighton City Council extended the power contract for ten years with Sunflower Power Corporation. Meetings for strategic planning and capital budget will be held for projects for the year 2025. Be thinking about items for a possible auction in the spring of 2025. The Board Policy was discussed about community activities.
- ♦ Kasey Jenkinson: 34.5 switch in Ness City has been replaced. Pole for switch in McCracken will be changed out tomorrow.
- ♦ Carrie Borell: Reported that a SmartHub Phishing Scam was reported by NISC. To be proactive Ann reported it on social media and newsletter to bring member awareness.
- ♦ Ann Jennings: Youth tour Applications being accepted for sophomores and juniors. The deadline to register is February 1st, 2025. Christmas light contest is going on, if member is selected, they will receive a bill credit. Smart hub promotion ends December 31st, 2024. A gift certificate of electricity can be purchased for a member of LSEC.
- ♦ Dal Hawkinson: Pole testers are done testing poles. Only a 2.6 percent rejection rate for poles that were tested. KDOT- right of way permits are in progress. Formalized line patrol should be finished by the end of the year. Bring ideas to Dal for 2025-line projects. Boring samples are being done for One Oke substation.
- ♦ Mikey Goddard: Announced Derek Gilsdorf was the new employee for the west district of the statewide. He will begin in January. Mikey covered trouble shooting transformer connections and demoed the VR downed line simulation.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY COUNCIL COMMITTEE MEETING

December 11, 2024

Leighton Ayers called the meeting to order at 2:20pm.

Minutes were read: Leighton Ayers made a motion to approve the November 15th minutes with amendments and Carrie Borell seconded. Minutes were read and approved.

Present: Richard McLeon, Chris Terhune, Leighton Ayers, and Carrie Borell

Old Business:

Completed:

- ◆ RESAP On-Site Observation Corrective Actions Reviewed
 - Ben Mann and Nate Burns completed switching and backfeed procedures for Twin Springs substation and all substations with critical load supply. Employees can accomplish routine procedures and substation switching protocols.
- ◆ Follow Ups:
 - Radio tower signal range and upgrades:
 - Twin Springs Sunflower Tower Share – Coordinating on Sunflower tower S&T fiber connections, and repeater install.
 - Radio coverage issues in McCracken and Bazine are being reviewed.
 - Hineman Land Tower Relocation is still under contract. Joe Gasper and Richard McLeon will negotiate at the contract renewal time.
 - McCracken Radio Signal Issues – Researching options for signal strength in 2025.
 - Fire Alarm Specialist visual fire strobe alert, heat sensors, audio alarm upgrade, and contract for elevator radio fire communicator will need a work plan for **2026** budget to effectively distribute cost. The lineman walk-thru gate heavier magnetic hardware will be moved to 2026 budget.
- ◆ Digital forms completed. Some amendments to existing forms are being done.
- ◆ EAP: Final amendments reviewed and approved. 2025 books will be handed out.
- ◆ Scott Briand and Michael Pollock are doing the OSHA 10-hour training.

New Business:

- ◆ Safety Program 2024 budget report reviewed.

Chris Terhune:

- ◆ Hallway door by board room door is leaking badly.
- ◆ Morton building door access control not working and key is required. ADS contacted to review door options.
- ◆ Starting Disaster Recovery Plan project in 2025.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Compliance Coordinator