



A Touchstone Energy® Cooperative   
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 www.lanescott.coop

**LANE-SCOTT  
ELECTRIC COOPERATIVE**

# Connections

**Lane-Scott Electric  
Cooperative, Inc.**

**Board of Trustees**

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President

**Craig Ramsey**  
Vice President

**Paul Seib**  
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**Ed Wiltse**  
General Manager

**Dow Morris**  
Assistant Manager

**Nate Burns**  
Manager of Electrical Operations

**Katherine Lewis**  
Manager of Financial Services

**Bob Venters**  
Resale Manager

**In Case of an Outage**

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

**24-hour Electrician Service**

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

## Vote “Yes” for Self Regulation

*Self-regulation saves money, as well as maintains safety and reliability*

During the past few months, I've introduced you to the concept of self-regulation and the benefits it presents to Lane-Scott's members. As a recap of that message, a “yes” vote gives Lane-Scott's member-elected board of trustees the decision-making authority to self-regulate the electric rates for Lane-Scott's members, a responsibility currently held by the Kansas Corporation Commission (KCC) in Topeka.

This month, I would like to focus on the financial savings to the cooperative and our members. Lane-Scott's members voted to self-regulate in 1994, but when Mid-Kansas Electric Company (MKEC) was formed to acquire the assets and customers of Aquila's Kansas electric assets in 2007, those new members remained regulated under the KCC.

As a result, the rates for some of the members served by Lane-Scott have been self-regulated and the others have been under KCC jurisdiction. This has required the cooperative to invest significant time and staff resources to keep separate rates, accounting records and financial reports for both the native system and the MKEC system. The recent transfer of customers from MKEC to Lane-Scott means that all Lane-Scott members will have the opportunity to vote again for self-regulation.

**KCC Fees & the Cost of a KCC Rate Case**

The MKEC division of Lane-Scott has been involved in two rate cases since 2007, and in the most recent rate case, the costs to Lane-Scott were in excess of \$300,000. This money was used to pay for the costs incurred by the KCC and the Citizens Utility Ratepayer Board (CURB) to process the rate case, hourly fees for lawyers, KCC staff time to ask questions, KCC staff time to review the answers, KCC staff time to review materials submitted to the agency, and costs to officially publish information about the proceedings.

In addition to charges from the KCC, Lane-Scott also incurred costs for lawyers and consultants to help prepare the proceedings. All of these costs are ultimately passed on to you via your monthly electric bill.

**Cost of a Self-regulated Rate Case**

In contrast, the native, self-regulated members of Lane-Scott had a rate increase in 2011. Lane-Scott paid approximately \$23,274 for consulting fees relating to that rate increase.



Ed Wiltse

*Why is a vote necessary for self-regulation?*

## Time Difference

A rate case can take up to a year to process and gain approval through the KCC. However, a rate case under self-regulation tends to take less than six months with the majority of this time used to conduct the cost-of-service study.

## Value of Self-Regulation

Lane-Scott's member-elected board of trustees is entrusted with making financial decisions for the cooperative, including rate changes and adjustments. They are members too, and any increased electric rates affect their electric bill the same as all other members.

We feel electricity is still a great value. In fact, Lane-Scott Electric has the third cheapest residential electric price (average rate per kilowatt-hour) among the 29 Kansas cooperatives. Lane-Scott's average residential bill is \$98.71 per month, whereas the average residential bill for investor-owned utilities in Kansas is \$104.94 per month. Lane-Scott is also competitively priced for our industrial and commercial members.

## Join us May 1 to Discuss Self-Regulation

Lane-Scott will hold a public meeting on May 1, 2014, at 7 p.m. at the corporate offices of Lane-Scott at 410 South High in Dighton to discuss self-regulation and answer member questions. We hope you can attend!

## Protection for Members Continues

Kansas law requires that the cooperative provide notice of the time and place of any board meeting when rates will be discussed and voted on. Notice must be sent to members at least 10 days before the meeting, and that meeting must be open to members. Kansas law also requires that any rate change must include a notice to members of their right to request the KCC to review rate changes.

Self-regulation will not eliminate all regulatory requirements for Lane-Scott. We will continue to be subject to other state and federal environmental, safety, reliability and labor regulations, even after self-regulation. Certain functions would remain under KCC authority, regardless of the members' vote.

For example, the Cold Weather

Rule is currently mandated by the KCC. Lane-Scott would maintain this important protection for residential members under self-regulation.

Lane-Scott's intention with self-regulation is not about raising rates, it's just the opposite. Our goal as a not-for-profit electric cooperative is always to provide power as close to cost as possible, while maintaining reliability in a safe and efficient manner.

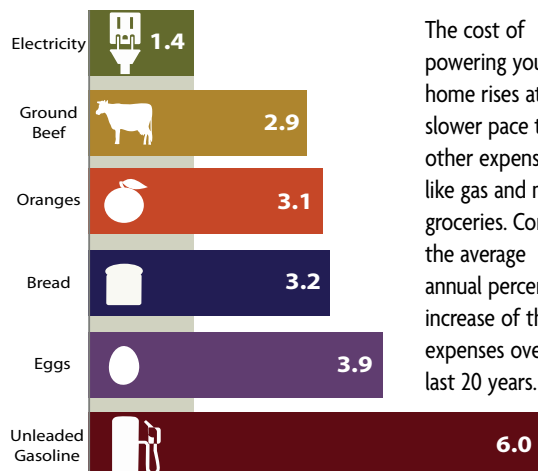
You will be hearing more about self-regulation in the coming months. The vote on self-regulation is slated for June 2014. We have also scheduled a public meeting for May 1, 2014, at 7 p.m. at the cooperative's office at 410 South High in Dighton. We will answer any of your questions or concerns about self-regulation. For more information, please call 800-407-2217 or visit [www.lanescott.coop](http://www.lanescott.coop).

**Thanks, Ed Wiltse**

## The Value of Your Dollar

Electricity is still a great value. Lane-Scott Electric has the third cheapest residential electric price/rate per kilowatt-hour (kWh) among the 29 Kansas cooperatives. Lane-Scott's average residential bill is \$98.71 per month, whereas the average Kansas residential bill for investor-owned utilities is \$104.94 per month.

### Average Annual Price Increases



The cost of powering your home rises at a slower pace than other expenses like gas and many groceries. Compare the average annual percentage increase of these expenses over the last 20 years.

### Monthly Residential Electric Bill

