



A Touchstone Energy® Cooperative

West Central Electric Cooperative

April 2015

ElectricNews

West Central Electric Cooperative, Inc. ~ Serving our members' needs since 1939

WCE sees changes in staking department

When Senior Staking Technician Wayne Hoefer decided to semi-retire, it opened up a host of changes for WCE's Staking Department and beyond. Hoefer, who started at West Central Electric in 2000, started part-time employment in January, and will continue to draw up construction work plan projects.

"I was ready for a change, but not ready to fully retire," said Hoefer, who just celebrated his 15th anniversary with the cooperative. "This arrangement is good because it gives me more flexibility both at the cooperative and with my family."

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(L-r) Staking engineers Wayne Hoefer and Jeff Rhoades check out the cooperative's new Tapcon system used for staking new services.

grassroots -- (grās'roots', -roots')

noun, (used with a singular or plural verb).

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1. The common or ordinary people in a society or organization; the people who do not have a lot of money and power.
2. The agricultural and rural areas of a country.
3. The people inhabiting these areas, especially as a political, social, or economic group; the lowest or most basic level of an organization or movement.

There are many different ways to define "grassroots," but no matter which definition you choose, they all perfectly describe the same thing -- electric cooperative members and their plight when it comes to rates, and policies and regulations affecting those rates.

In one of the largest grassroots movements involving the nation's electric cooperatives, members across the country joined together to send more than 1.1

million contacts to the EPA regarding pending regulations on new and existing coal-fired power plants.

NRECA CEO Jo Ann Emerson has stressed the importance of electric cooperatives standing together to meet the challenge of government policies and technologies that threaten to disrupt their historic solidarity, as well as the power in speaking with one voice.

"Cooperatives are at their strongest

when we are united against common threats," she told co-op managers, directors and staffers at a regional meeting last fall.

"We are autonomous and independent, yet we depend on cooperation among cooperatives," she said, citing two of the Seven Cooperative Principles. "None of us can accomplish alone what we can all accomplish together."

"Cooperatives are at their strongest when we are united against common threats." -- Jo Ann Emerson

For these reasons, your cooperative and

the Association of Missouri Electric Cooperatives in partnership with NRECA call on you, our members, to lend your voices when we lobby on your behalf to protect you and your local communities from the detriments that pending legislation and regulations could cause.

AMEC Vice President and head of the Legislative Department David Klindt reiterated how important our members are in supporting efforts such as the "Stop

EPA" campaign.

"While legislators always welcome AMEC's lobby team into their offices, it's not the same as when a constituent comes to call," Klint told a group of managers, directors and staff during the cooperatives' annual Grassroots event in February in Jefferson City.

Currently the AMEC legislative staff are following more than 200 bills that have been filed at the state level. Four of these bills that could adversely affect our members are being followed very closely. They are: net metering, EPA coal and water rules, land surveyors mandate and pole attachment.

STATE BILLS BEING FOLLOWED BY AMEC

Net Metering -- Special interest groups are still looking to expand the Net Metering and Easy Connect Act to benefit only a privileged few from paying their share in to-op costs, while the majority of members can't afford to pay to install their own generation and are being required to subsidize for those few who can. **Missouri electric cooperatives strongly oppose any changes to the Net Metering Law (HB481) that unfairly raise the cost of electricity for the majority of co-op members. If changes are made to the law that give co-op boards the power to ensure that those with net metering pay their fair share of co-op costs, that will be supported.**

EPA Coal and Water Rules -- Both of these rules were strongly opposed by electric co-ops across the country and will continue to be until the final rules are published. Until the final rules are published, we are uncertain of the challenges that lie ahead, but we must start preparing for the next 15 years. **Missouri electric co-ops have joined with other electric utilities around the state and DNR to develop a reasonable State Implementation Plan.**

Land Surveyors Mandate -- Senate Bill 809 passed last year and renders invalid any utility easement that has not been prepared and filed by a licensed surveyor. This new mandate is contrary to years of standard co-op practice at the distribution level, adds unnecessary costs to our co-op members and is simply unworkable. **Missouri electric co-ops will support legislation that will exclude utility easements from the new mandate.**

Pole Attachment -- Because co-ops want their members to have access to communications in rural areas, we have allowed cable companies to attach to the co-op poles without federal law dictating we have to provide the easement -- even with problems such as failure to pay and unsafe installation. Now, cable companies want to mandate that co-ops allow attachments and impose an arbitrary federal pole attachment fee formula that does not allow co-ops to recover the costs of allowing the attachments. **Missouri electric co-ops strongly oppose this legislation (HB680). We recently received great news, because of your lobbying efforts, that HB 680 has been withdrawn, but we expect it to come back next year or soon down the road.**

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General Manager:
Mike Gray

*This institution is an equal
opportunity provider and employer.*

Board of Directors:
Densil Allen, Jr. President
Clark Bredehoeft, Vice-Pres.
Dale Jarman, Treasurer
Robert Simmons, Secretary
Stan Rhodes, Asst. Sect.
Max Swisegood, Director
Richard Strobel, Director
Sandra Streit, Director
Jeremy Ahmann, Director



From the Manager...

April 13 is Lineman Appreciation Day

Monday, April 13, will be a special day for the employees of your electric cooperative who work so hard to keep the power flowing. That day has been designated "Lineman Appreciation Day" by the National Rural Electric Cooperative Association.

It takes a special breed of person to be a lineman. They must be willing to work high off the ground. Sometimes they are held there by two steel spikes embedded in a pole. Other times they work from a bucket that seldom sits still.

They need nerves of steel to work inches away from high-voltage power lines. They must wear special equipment and follow a rigid safety routine to keep from being hurt.

They must be ready and willing to

work long hours in the worst possible conditions: rain, sleet, ice, extreme cold and intense heat. They are on call 24 hours a day, seven days a week, ready to spring into action when even one member is without power.

They brave chiggers, ticks, snakes, wasps and other critters that don't always appreciate their efforts. They work in mud and dust.

They must be troubleshooters, electricians, pathfinders, mechanics, acrobats, and at times, diplomats when their trucks leave tracks in someone's field.

Their reward is often creosote-covered splinters, sore backs and sunburns.



That's why the nation's electric cooperatives have set aside this day to pay tribute to these courageous individuals.

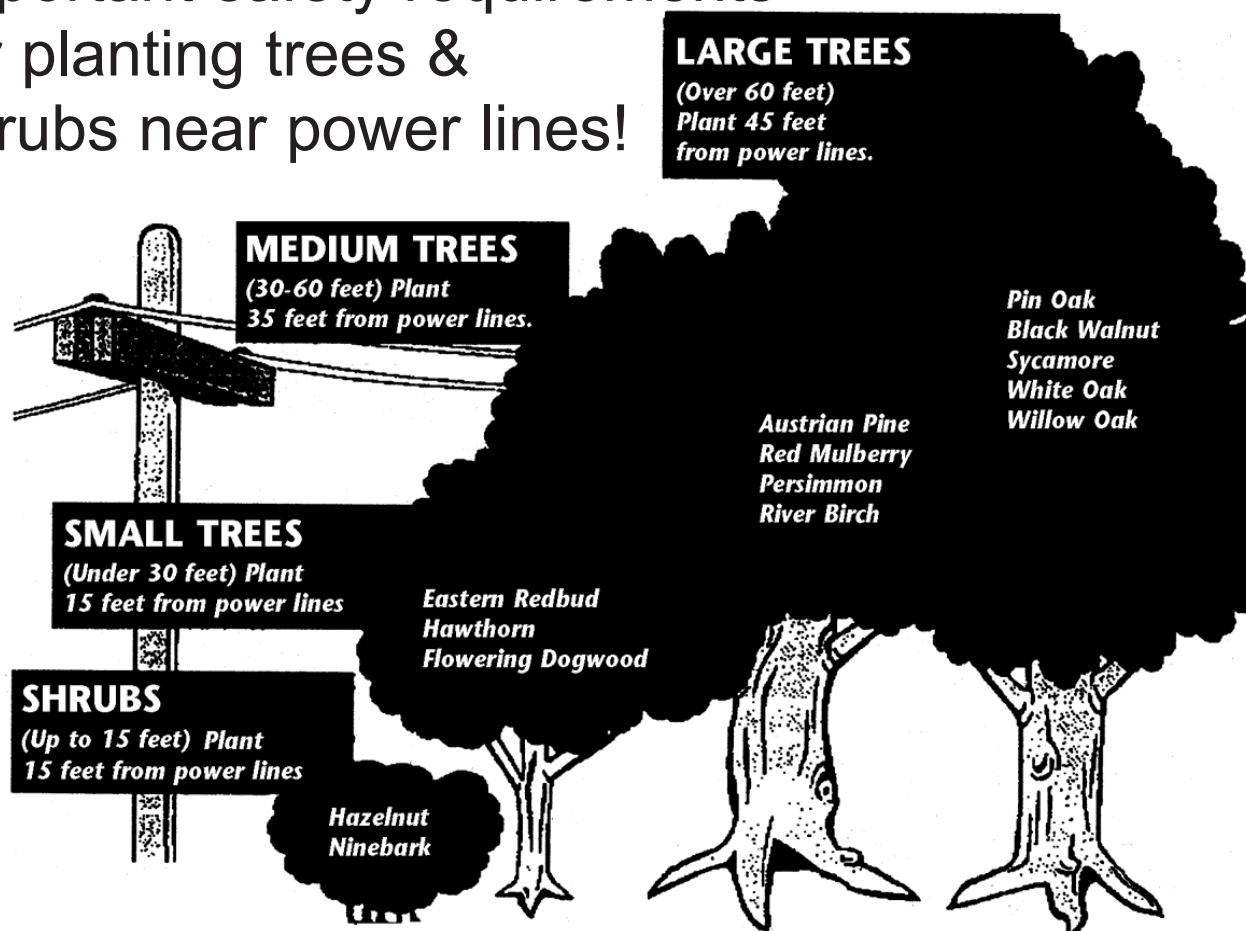
I wish you all could experience just once what linemen do day after day. It's hard work, and not many of us would want to do it. Yet, without exception, our crews love what they do.

They know that their work keeps the power flowing. They take these storms that cause outages personally. It's a challenge to them to restore power, because they know that someone's life could depend on electricity.

I do believe linemen are at their best when the chips are down and some natural disaster has sent the rest of us running for shelter. That's when they will load up the trucks and head into the fray like knights in shining armor.

Please join us in praising these "high-wire heroes" for all they do. Setting aside a day in their honor is the least we can do to say thanks for a job well done.

Spring planting? Don't forget these important safety requirements for planting trees & shrubs near power lines!



West Central allocates capital credits for 2014

West Central Electric Cooperative's margins have been allocated to each member/owner who purchased electric energy in 2014, according to General Manager Mike Gray.

Because rural electric cooperatives' business structure differs from investor-owned utility companies, the money WCE makes as margins (profits) is returned to the member/owners who use the service, rather than to unknown investors. The money is used as equity in the cooperative, and is returned to the members over time as determined by your board of directors.

West Central Electric tries to balance the system by staying financially strong while also returning the profits to its members over time. Each year, the board of directors decides how this will be accomplished.

You can calculate your own allocation for the year by using the formula in the box below.

The percentage used in the formula was determined by the total margins (profits) of the cooperative, and the total cost paid for our wholesale power in 2014. This year, your allocated amount for 2014 appeared on the bill you received in February.

If you have a non-rural/residential account, any questions regarding how to calculate your allocation, or if you do not know your year-to-date patronage, contact Sandy Starke at the Higginsville office at 816-565-4942 or 1-800-491-3803.

Total paid for electricity in 2014
(Beginning with the amount due Feb. 15, 2014,
and ending with the amount due Jan. 15, 2014.)

0.09279365581

2014 allocation
(Applies to rural/residential rate only.)

Example:

\$1,000 total billing for 2014

\$1,000
X
0.09279365581 =
\$92.79
2015 allocation



10 YEARS OF SERVICE...General Manager Mike Gray (left) congratulates employees earning their 10-year Service Award: (l-r) Gray, Member Services Manager Steve Moore, Computer Technician Dru Felkins and Journeyman Lineman Brandon Heck. Not pictured: Journeyman Lineman Matt Schellman.



BOARD MEMBERS HONORED...General Manager Mike Gray (left) congratulates board members receiving years of service awards. (Center) Stan Rhodes has served for five years on the board of directors, and Robert Simmons has been a board member for 10 years.



15 YEARS OF SERVICE...General Manager Mike Gray (left) congratulates employees earning their 15-year Service Award: (l-r) Gray, Data Records Coordinator Lois Brunkhorst and Journeyman Lineman Scott Gard. Not pictured: Staking Engineer Wayne Hoefer and Operations Clerk Tiger Fiene.



25 YEARS OF SERVICE...General Manager Mike Gray (left) congratulates Line Foreman Robert Minnis on his 25 years of service to West Central Electric Cooperative.



35 YEARS OF SERVICE...General Manager Mike Gray (left) recognizes Office Manager Sandy Starke and Serviceman Eric Kirchhoff on their 35-year careers with the cooperative.

NOTICE
to West Central Electric members

Osmose has finished pole inspection training sessions in areas northwest of Oak Grove and around Levasy and will now be moving to areas south of Bates City and south of Oak Grove.

“During this time, there may be numerous vehicles parked along the side of the roads as well as several trainers and trainees in these areas,” WCE Engineering Manager Dan Disberger said.

Training vehicles will be marked with “Contractor for West Central Electric” signs, and will also carry the “Osmose” name. Vehicles may have out-of-state plates since the company is hosting trainees from various areas.

“This arrangement has worked out well for both the cooperative and Osmose,” Disberger said. “They are inspecting the poles at no cost to us because they are training new inspectors for their business, and we are providing the poles for them to use. It’s a win-win situation for both of us, and we are pleased to be working with them.”

Members who have questions are asked to contact the cooperative at 800-491-3803 or 816-565-4942.

From the Boardroom...

Regular meeting of the Board of Directors held January 23, 2015

The meeting was called to order by President Densil Allen. Robert Simmons, Secretary of the Cooperative, caused the minutes of the meeting to be kept. The following Directors were present: Max Swisegood, Clark Bredehoeft, Dale Jarman, Richard Strobel, Densil Allen, Sandra Streit, Jeremy Ahmann, Stan Rhodes and Robert Simmons. Also present were General Manager Mike Gray, Administrative Assistant Kim Lewis and Office Manager Sandy Starke.

APPROVAL OF AGENDA

After discussion, the agenda was approved.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held Dec. 30, 2014, were approved.

REVIEW OF EXPENDITURES FOR DECEMBER

An itemized list of expenditures for December was presented to the board, and the payment of the bills was ratified.

APPROVAL OF REPORTS

The following December 2014 reports were approved: Operating Report (RUS Form 7) and Comparative Operating Statement including the Financial Statistical Report with month and budget comparisons and statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, and KWH sales; Treasurer's Report and the written monthly Construction, Retirement, Maintenance and Operations Report.

SAFETY REPORT

Gray reported no lost time accidents during the month.

MEMBERSHIPS

The applications submitted for membership in the cooperative were accepted and approved. Directors reviewed a list of requests for termination of membership in the cooperative which, along with their requests that their billings be deducted from their deposits and the remainder, if any, be refunded to them, were accepted and approved.

2015 OPERATING BUDGET

The 2015 budget was approved as presented.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported their attendance at the NW board meeting and reported highlights including operations and financials of N.W. and AECL, discussions regarding extension of all requirements contracts, revenue deferral and a manager's report.

AMENDMENT TO WHOLESALE POWER CONTRACT WITH NW

Gray presented the NW amendment to the Wholesale Power Contract which was approved by the board.

DRAWDOWN OF RUS LOAN FUNDS

Gray explained the need to draw down \$4 million in RUS loan funds. The board authorized Gray to draw down the loan funds.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. He reported on the following: The acronym list for directors, a personnel update and a potential commercial loan in the Lone Jack area.

FEBRUARY BOARD MEETING DATE

Gray presented the conflict with NRECA's annual meeting and the regular board meeting. The board changed the February meeting date to Tuesday, March 3.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE SESSION

Directors adjourned into executive session, followed by reconvening to the regular meeting.

STRATEGIC PLANNING

A strategic planning discussion was scheduled for the next regular meeting.

MEETING ADJOURNED

FINANCIAL REPORT • <i>Statement of Operations</i> • January 2015			
	This month	YTD 2015	YTD 2014
Revenue	2,861,473	2,861,473	3,095,907
Power Bill Expense	1,481,930	1,481,930	1,671,945
Operation & Maint. Expense	467,758	467,758	462,027
Depreciation Expense	155,547	155,547	150,316
Interest Expense	109,073	109,073	110,572
Total cost of Srvcs. (Total Expense)	2,214,255	2,214,255	2,394,785
Operating Margins (Revenue less Expenses)	647,218	647,218	701,122
Other Margins	5,010	5,010	17,114
TOTAL MARGINS	652,228	652,228	718,236

Save during Missouri's Sales Tax holiday

Missouri's annual Show-Me Green Sales Tax Holiday is April 19-25. It's an opportunity to save a few bucks on sales tax for qualifying Energy Star-certified appliances in participating counties and cities.

The following items qualify for the retail sales tax exemption and are Energy

Star certified. The first \$1,500 of the purchase price of each item is exempt from tax.

- Clothes washers
- Dishwashers
- Water heaters
- Air conditioners
- Furnaces

WCE sees changes in staking department

Staking changes lend to new duties for several employees

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With that, former operations clerk Jeff Rhoades is taking the helm of staking new services, as well as keeping some of his operations duties.

"I am very excited to advance in the Staking Department at the cooperative," Rhoades said. "I look forward to meeting with members and helping them out with their new electric service."

The remainder of the operations duties have been distributed to fellow employees Dru Felkins and Tiger Fiene. Fiene will handle new service and change service inquiries, regulator and reclosure maintenance records and locates, as well as continuing with some of the cooperative's custodial duties.



Fiene



Felkins

In addition to his computer technician duties, and working with the Exede internet service, Felkins will assist with new service and change service inquiries, as well as mapping updates and changes. He will also continue to handle locates.

Service Inspector Wes Schloman will continue maintaining service inspections, and has also assumed some custodial duties.

"We have some great employees at WCE, and with these changes and the efficiency of today's technology, we were able to use several employees working together to absorb a position," Engineering Manager Dan Disberger said.



Schloman

Employees began training for their new duties in January.

Co-op power: reliable, affordable and environmentally responsible

At West Central Electric Cooperative, we have three top priorities: provide you safe, reliable access to electric power; offer that service as affordably as possible; and do both of those things in a fiscally and environmentally responsible fashion.

Because WCE is a not-for-profit enterprise—which means your money stays local; we don't have to worry about distant shareholders—we are well-positioned to make any necessary investments for ensuring safe, reliable, and affordable electricity. However, fulfilling our commitment to environmental stewardship in a fiscally responsible manner has become more challenging. Today, many environmental laws that were adopted by Congress decades ago are being used by federal agencies and the courts to address issues for which they were never intended.

For example, the federal Clean Air Act is now 40 years old and was last amended in 1990—more than two

decades ago. Much has changed in the intervening years, including technology, our understanding of the environment, and the electric utility industry.

Today, officials with the U.S. Environmental Protection Agency—often under court order—are trying to modify the Clean Air Act to fit new circumstances. Without a doubt, new EPA rules being issued will wind up back in the courts—and lengthy litigation will ensue.

Reasonable people can and will disagree over how to find a balance between protecting the environment, guaranteeing a reliable supply of power, and keeping electric bills affordable. Under the right circumstances, Congress eventually will have to revisit the Clean Air Act and update it to fit the needs of the 21st century. In the meantime, [co-op/PUD/PPD name] will keep you updated on our efforts to encourage lawmakers and regulators to strike the proper balance on these concerns.