



**WESTERN
COOPERATIVE
ELECTRIC**

A Touchstone Energy® Cooperative 

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WESTERN COOPERATIVE ELECTRIC NEWS

FROM THE MANAGER

Why Self-Regulation?



Darrin Lynch

“Why is another vote necessary for self-regulation?”

The Board of Trustees of Western Cooperative Electric Assn., Inc., has agreed to ask the membership to decide whether the cooperative should be exempt from the jurisdiction, regulation, supervision, and control of the Kansas Corporation Commission (KCC).

The State of Kansas has allowed electric cooperatives the option to self-regulate since 1992. Currently, 28 of Kansas' 29 electric distribution cooperatives are self-regulated. The enabling legislation is K.S.A. 66-104d. In order to be adopted, the proposal for deregulation from the KCC will require approval by a majority of the members voting on the proposition by mail ballot. Western will engage an independent firm to conduct a mail election from April 25 to May 9, 2014.

Western's membership voted to self-regulate in 1994, but when Mid-Kansas Electric Company, LLC (MKEC) was formed to acquire the assets and service territory of Aquila-West Plains Kansas in 2007, the rates for the new members/customers remained regulated under the KCC. As a result, the rates for some of the members served by Western have been self-regulated and the others have been under KCC jurisdiction. That discrepancy has required

Western to invest time and resources to maintain separate records.

Each rate case in which Western has been previously involved under KCC jurisdiction has cost Western members thousands. These costs include hourly fees for legal counsel, KCC staff time to ask questions and to review materials submitted, and costs to officially publish information about the proceedings. Western has also incurred legal and consulting costs to help prepare the proceedings. All of these costs end up in your monthly electric bill.

Time is also a factor. A rate case can take up to a year to process and gain approval through the KCC. On the contrary, with self-regulation at the local level, a rate case tends to take less than six months. A cost of service study is prepared before any rate case adjustment, whether regulated by the KCC or self-regulated, using a historical test year. After a year of KCC consideration and review, the cost of service study is often outdated and no longer useful in assessing the current needs of Western.

Western's Board of Trustees has established a policy that governs the process to change

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Happy Easter

Sunday, April 20

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rates, adding more opportunities for member information and feedback. The steps included in the policy are also required by Kansas law.

First, notice of the time and place of any board meeting when rates will be discussed and voted upon must be sent to members 10 days before an open member meeting.

Second, any rate change must include a notice to members of their right to request that the KCC review the rate changes.

Self-regulation will not eliminate all regulatory requirements for Western. If self-regulation is approved by the membership, Western would continue to be subject to other state and federal environmental, safety, reliability, and labor regulations. Certain functions would remain under KCC authority, regardless of whether the members vote to self-regulate or remain regulated by the KCC.

As an example, the Cold Weather Rule is currently mandated by the KCC. Western would maintain this important protection for residential members under self-regulation per Western's rules and regulations.

The cooperative business model is based upon seven principles, two of those being "Autonomy and Independence" and "Democratic Member Control." The KCC has recognized these cooperative principles, allowing you, the member, to control your own electric cooperative...now that's "Autonomy and Independence" at work!

Western has scheduled public information meetings open to Western members on April 21-24 at various locations within Western's service territory to answer any of your questions or concerns about self-regulation. For times and locations, visit our website at www.westerncoop.com or contact our office at 785-743-5561.

Darrin Lynch, General Manager

2014 Youth Winners Announced

Western Cooperative Electric's annual youth contest was held February 23. The contest winners were selected based on a combination of an interview, quiz, and essay. Each contestant

was given an interview by a judging panel consisting of Anna Foley, Norton; Nathan Staab, Hays; and Darrin Lynch, WaKeeney.

In addition to their interviews, each contestant took a quiz about electric cooperatives on the local, state and national level. Each contestant also wrote a one-page essay on the topic of "Something I am Passionate About."

The top five youth in this year's contest, in order are:

- **SHELBY COBURN**, Quinter High School, daughter of Lance and Rhonda Coburn.
- **SARAH GUSTIN**, TMP-Marian High School, daughter of Brent and Clare Gustin.
- **ISAIAH FABRIZIUS**, Trego Community High School, son of Carl and Sarah Fabrizius.
- **BAYLEE WERTH**, Ellis High School, daughter of Rodney and Cristi Werth.
- **WADE NIERMEIER**, Hoxie High School, son of Fred and Nancy Niermeier.

Scholarships were awarded along with trips to Washington, D.C., and Steamboat Springs, CO. The contestants chose from the available prizes according to placing.

Coburn and Gustin will join 32 Kansas youth and travel to Washington, D.C., June 12-19. They will join about 1,600 other youth experiencing our country's government in action.



Shelby Coburn
DC Trip &
Scholarship Winner



Sarah Gustin
DC Trip &
Scholarship Winner



Isaiah Fabrizius
Colorado Camp &
Scholarship Winner



Baylee Werth
Colorado Camp &
Scholarship Winner



Wade Niermeier
Alternate &
Scholarship Winner

They will visit their legislators and sites of historical significance.

Fabrizius and Werth will join approximately 100 youth from a four-state area participating in the Cooperative Youth Leadership Camp near Steamboat Springs, CO, July 12-18. During their stay, the youth will become acquainted with energy challenges and tour one of the largest electrical generating plants in the Rockies.

Along with the trips, each winner will receive a \$250 scholarship. These scholarships will be sent directly to the college of their choice upon enrollment. Niermeier will receive the \$250 Darrell Brown Memorial scholarship.

The alternates in this year's competition are **CRAIG GARVERT**, Plainville High School, son of John and Michele Garvert; and **KOURTNEY GRAFEL**, Natoma High School, daughter of Kurt and Kristin Grafel.

Western extends congratulations to the winners and thanks all contestants for participating.