

July
2006



Lane-Scott Electric Cooperative

LANE-SCOTT CONNECTIONS

P.O. Box 758, 410 S. High St., Dighton, KS 67839

Phone 620-397-5327

Official Notice of Annual Meeting

The Annual Meeting of the members of the Lane-Scott Electric Cooperative, Inc., will be held at the Lane County Fairgrounds, Tuesday, July 11, 2006, in Dighton. The events will begin at 6:30 p.m. with a meal catered by Stan Hoss, with the business meeting to follow.

The election of three Trustees, approval of the minutes of the 2005 Annual Meeting, the Treasurer's report and Manager's report are all on the agenda.

The committee on nominations, appointed by the Board of Trustees,

has nominated the following members as candidates for the offices of Trustees. Craig Ramsey, representing Scott and Logan Counties; Richard Jennison, representing Lane and Gove Counties and Harold Hoss, representing Ness County.

Other nominations may be made by petition or from the floor at the meeting.

Of the persons nominated, and any other nominations made by petition, or from the floor, it will be necessary to elect three Trustees to succeed the persons whose terms expire at the meeting.

Annual Meeting Notice

Lane-Scott Electric Cooperative

Where: Lane County Fair Grounds

When: Tuesday, July 11, 2006, at 6:30 p.m.

Please plan to attend.

Lane-Scott Electric Cooperative Newsletter

Telephone (620) 397-5327

Owned & Published by

The Lane-Scott Electric Co-op, Inc.

P.O. Box 758

410 S. High St.

Dighton, KS 67839

Board of Trustees

Larry Jasper, Dighton, President

Dick Jennison, Healy, V. President

Paul Seib, Ness City, Secretary

Richard Sorem, Treasurer

Eric Doll, Garden City

Ed Gough, Dighton

Harold Hoss, Ness City

Craig Ramsey, Scott City

Bruce Wilkens, Scott City

Staff

Earl Steffens, General Manager

Dow Morris, Assistant Manager

Vic Torson, Mgr. of Electrical Operations

Katherine Lewis, Mgr. of Financial Services

Bob Venters, Resale Manager

In Case of Outage

If your electricity is off for more than a few minutes, call Dighton, 1-800-407-2217. Office hours 8:00 a.m. to 5:00 p.m. After hours calls will be answered by the dispatch and forwarded to standby personnel.

After Hours & Weekends Call:

1-800-407-2217

24-Hour Electrician Emergency 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. To request after-hours electrician service, call the following number:

1-800-407-2217

Message From The Manager

On behalf of the Trustees and employees of Lane-Scott, I would like to extend a special invitation for you to attend the 56th Annual Meeting of your cooperative.

Lane-Scott continues to achieve excellence in our safety program. Our employees have worked 285,000 hours with "No Lost Time Accidents," through the end of 2005. Lane-Scott is very proud of this as we continue to build on this total.

Training

The Board of Trustees and management participated in a two-day strategic planning session in October 2005. This strategic planning provided an opportunity for the Board of Trustees and management to exchange ideas and discuss goals and objectives of your cooperative. Ken Nelson, our facilitator, did a good job of providing direction and suggestions for all. The training proved to be a very beneficial. We now have our outlined our goals and we have a "map" to follow for the next couple of years.

Finances

Lane-Scott had a very good year financially. Our margins for 2005 were \$654,900. Lane-Scott is required to make a 1.25 times interest earnings ratio (TIER) to meet our mortgage requirements, this year our TIER was at 3.81.

Our Resale Department showed profits of \$37,240 for the year, as well as, providing a valuable service to our members. Our subsidiary, High Line Services, LLC, showed significant improvement over last year with a profit



Earl Steffens

"Safety is never taken for granted at Lane-Scott. Our goal is to bring our employees home safely to their families each and every day."

of \$8,981 for the year. The High Line Services employees worked a total of 62,600 hours with "No Lost Time Accidents" and there have been none since its creation in October of 2002.

Lane-Scott continues to have a good working relationship with the City of Dighton as we continue to have a wholesale power agreement and operating and maintenance agreement with them. Lane-Scott currently has an equity level of 42%. Lane-Scott has a total utility plant of \$15,955,000.

Operations

Lane-Scott operations department was extremely busy this year. This was the final year of our four-year work plan and we showed good progress by adding just over \$1.2 million to our total plant.

There was only one major project to finish, our three-miles of double circuit work coming out of the Dighton substation. The project was finished May.

Lane-Scott has added 104 new services this year, as compared to other years 30 to 40 new services on the average.

The global information system (GIS) project was completed this year. This will give us valuable information about our total system that we use everyday to

better serve our members and make our own system maps. This type of data will also help our engineers predict where the future line construction projects should be to better serve the needs of our members. This will be an ongoing project, as we continue to build line and improve our plant we will use GIS information to keep current.

In 2005, Lane-Scott had only 9,235 total outage hours for the system, this was more than our all time low of 7,952 hours. In 2005, Lane-Scott purchased 75.5 million-kilowatt hours from our power supplier, Sunflower Electric Power Corporation.

With our line maintenance program we continue to keep our annual line loss at a respectable 7.15% and for all loads combined we have maintained a very good overall power factor of 79%.

Maintaining our electrical system is a big job and our linemen go out in difficult weather conditions to make sure that our members have electricity to run their homes and businesses.

MKEC

In July 2005, Lane-Scott along with the other Sunflower members, formed a limited liability company called Mid-Kansas Electric Cooperative (MKEC) for the purpose of acquiring the Kansas Aquila electric territory that had come up for sale.

In September, MKEC was notified that we were the high bidder and the process to acquire this property was underway. We expect this process to be completed within the next couple of

Trustee Profiles for 2006 Candidates

The following candidates are up for re-election at the Annual Meeting.

Harold Hoss, Ness County



Harold is the incumbent Trustee serving Ness County. He is a lifelong resident of Ness County.

Hoss graduated from Ness City High School and Emporia State University. He and his wife, Joyce, have two grown children.

Hoss has been a member

of the Lane-Scott Electric Cooperative Board of Trustees for 21 years.

He is a past Trustee on the Ness City High School Board and a member of the Ness City American Legion and Knights of Columbus. He is also a past Trustee of the United Credit Union of Ness City.

Richard Jennison, Gove & Lane Counties

Richard (Dick) Jennison is the incumbent Trustee serving Lane and Gove Counties.

Jennison is a lifelong resident of rural Healy in Lane County. He graduated from Healy High School and Kansas State University. He and his wife, Diana, have

three grown children.

Jennison has been a member of the Lane-Scott Electric Cooperative Board of Trustees for 24 years and is currently serving as vice president.

He is also an active member in the United Methodist Church of Healy.



Craig Ramsey, Logan & Scott Counties



Craig Ramsey is the incumbent Trustee serving Scott and Logan Counties. He is a lifelong resident of Scott County.

Ramsey graduated from Scott Community High School, Colby Community College, and Kansas State University.

Ramsey and his wife, Gina, have two grown children.

He has served on the Lane-Scott Electric Board of Trustees since January 2005, when he was appointed to fill the term of his late father, Richard Ramsey, a long time member of the Board.

Message From The Manager...continued from page 16-B

months. For Lane-Scott this will mean adding 2,450 new members and 330 miles of line to our current system. The territory will include the cities and close surrounding areas of Alexander, Arnold, Bazine, Brownell, McCracken, Ness City, Ransom and Utica. Most of this territory lies within our current system and will provide many synergies for the cooperative.

New Power Plant

Sunflower Electric Power Corporation is our power supplier and we are fortunate that this is a coal-fired generation plant; as that is the most economical source at this point and looks like it will be in the future.

Sunflower is in the process of adding new generation to their existing generation and part of this plan will be to give all the Sunflower members a second shaft for generation of electricity in the event that something should happen to the first one. This is also a very significant undertaking and one that will have a significant benefit to western Kansas in

the years to come.

Capital Credits

Lane-Scott continues to retire capital credits and paid back \$173,959 to our members in 2005. These capital credits were from the years of 1984-1986.

Lane-Scott is on a 21-year rotation of capital credits. The Board of Trustees makes a decision each year on the amount of capital credits to retire depending on the financial condition of the cooperative. Lane-Scott has paid back to its members \$1.7 million in capital credits since it began.

Lane-Scott was able to rebate to its members \$200,000 in 2005 in the form of a rate rebate that was given to active members.

Junior Board of Trustees

In 2002, Lane-Scott Electric started a Junior Board of Trustees.

We have one junior board member that will be leaving us this year, Joanna Fay of Dighton. She will be recognized for her time on the Junior Board of Trustees at the Annual Meeting. Lane-Scott hopes this education

was worthwhile to her and will help her in her future.

Youth Tour & Scholarships

Today's youth will be the future of this and other cooperatives. With this in mind, Lane-Scott is sponsoring two youth trips this year, to Washington, D.C., and to Steamboat Springs, CO.

Lane-Scott also offers a \$500 scholarship for a family member of a Lane-Scott member going into the electrical utility field.

Safety

Safety is never taken for granted at Lane-Scott. Our goal is to bring our employees home safely to their families each and every day. You can be proud of your Lane-Scott employees. Their diligence and competence keeps the lights on without causing danger to employees, members or the public.

We appreciate our membership and are thankful for the integrity and dedication of the Lane-Scott Electric Cooperative, Inc., employees.

Lane-Scott Electric Cooperative Has...

**Electricians, Heating and Air Conditioning personnel
on staff for all your residential, agricultural and commercial needs.**

***Free estimates on all jobs!
Just give us a call or stop in for more information!***

Lane-Scott Electric Cooperative - 410 South High, Dighton, KS - (620) 397-5327 or (800) 407- 2217