



A Touchstone Energy® Cooperative 

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www.lanescott.coop

**LANE-SCOTT
ELECTRIC COOPERATIVE**

Connections

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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.

Questions Answered About Self-Regulation

As you may have read in last month's Kansas Country Living magazine, the members of Lane-Scott will soon have the opportunity to vote to self-regulate. To understand the need for the upcoming vote to self-regulate, it's important to know a little of the history behind self-regulation. In 1911, the Kansas Legislature created a three-member Public Utilities Commission to regulate various public utilities including all power companies with the exception of those owned by municipalities. In 1992, however, the Kansas Legislature decided that the democratic business model of electric cooperatives, which gives each member a vote, provides oversight for rate issues. Therefore, the Legislature chose to allow electric cooperatives to self-regulate if the majority of their members elect to do so. In 1994, Lane-Scott's native members voted to self-regulate and currently 28 of Kansas' 29 electric distribution cooperatives are self-regulated.

So why, you may be asking, is Lane-Scott having another vote on self-regulation?

As I mentioned last month, in 2005, Lane-Scott, along with the other five Sunflower member cooperatives, formed Mid-Kansas Electric Company, LLC (Mid-Kansas), to acquire the electric assets of Aquila's Kansas Electric Network. Since 2007 Mid-Kansas customers (former customers of Aquila) have been receiving service from Lane-Scott. The final stage of the acquisition included transfer of the former Aquila custom-

ers from Mid-Kansas to Lane-Scott, and the growth in membership necessitates another vote on who should set rates for Lane-Scott.

We are here to answer any questions you might have about self-regulation. In doing so it is our hope that you will agree that keeping control of electric rates at home is in the best interest of all Lane-Scott members.



Ed Wiltse

What is the proposal?

The Board of Trustees of Lane-Scott has scheduled a vote to let the membership decide if the cooperative should be exempt from the jurisdiction, regulation, supervision, and control of the Kansas Corporation Commission (KCC). The enabling legislation is K.S.A. 66-104d. In order to be adopted, the proposal for deregulation from the KCC requires approval by a majority of the members voting on the proposition by mail-in ballot. Lane-Scott will engage an independent firm to conduct a mail election in June.

What does self-regulation mean to me as an electric customer of Lane-Scott?

A vote for self-regulation of Lane-Scott means you trust your fellow cooperative members to set rates for electric service in a way that maintains the reliability and safety of the system. The other alternative is to

have the Kansas Corporation Commission oversee the rate-making process.

What are the benefits of self-regulation?

Lower costs for cooperative members. The costs incurred by the KCC and the Citizens Utility Ratepayer Board (CURB) to process a rate case are passed on to the utility. These costs include hourly fees for lawyers, staff time to ask questions, staff time to review the answers, staff time to review materials submitted to the agency, and costs to officially publish information about the proceedings in the Kansas Register. Lane-Scott also incurs costs for lawyers and consultants to help prepare the proceedings. All of these costs end up in your monthly electric bill.

Increased flexibility and efficiency. It is the mission of Lane-Scott to provide the best possible service at the lowest possible cost. Rates are set in a way to deliver on this mission. Unfortunately, weather or other unforeseen situations cause disruptions in service. If weather causes damage to the poles and wires that deliver your electricity, the cooperative needs flexibility to adjust rates in a way that the funds are available

to get power flowing as quickly as possible.

Even more local control. The democratically elected members of the Board are chosen by you. The Board is responsible for instituting policies that govern the cooperative. In governing Lane-Scott, the Board sets the rates in a way that protects the cooperative finances so funds are available to build, repair and improve reliability of the system. These Board members are owners of the cooperative just like you, and rate changes impact their pocketbook, too.

Will our members have a voice in setting new rates?

Yes. The Board of Directors has established a policy that governs the process to change rates, adding more opportunities for member information and feedback. Two of the steps included in the policy are also required by Kansas law: members must be given at least a 10-day notice of any Board meeting, which must be open to members, when rates will be discussed and voted on; and any rate change must include a notice to members of their right to request the KCC to review rate changes.

Will self-regulation eliminate all regulatory requirements?

No. Lane-Scott will continue to be subject to other state and federal environmental, safety, reliability and labor regulations even after self-regulation.

What if I have a dispute about my bill or quality of service?

Lane-Scott will continue to focus on quality service and Lane-Scott employees will continue to be the first line of contact for service and account issues. However, members may escalate unresolved complaints to the Manager or Board of Directors.

What if members don't like the effects of self-regulation later?

The same Kansas law that allows for self-regulation also allows the return to full KCC regulation if members make that choice. No cooperative has ever conducted a vote to do so.

I hope you find this information helpful. If you have further questions or concerns regarding self-regulation, I encourage you to visit our website at www.lanescott.coop or contact Lane-Scott staff at 620-397-5327 or 800-407-2217.

Thank You Notes from Those We Served During the Holidays

Lane-Scott Electric,

The Ransom Public Library Board would like to thank you for your donation to the Christmas raffle. It is greatly appreciated.

Sincerely, Cindy Berry

Lane-Scott Electric Board,

Thank you for the Chamber Bucks. I appreciate the opportunity to assist you in extending your services to include the Ness City pay station.

Sincerely, Wanda Gabel

