



KANSAS ELECTRIC POWER COOPERATIVE, INC.

NEWSMAKER

A Touchstone Energy® Cooperative



Summer 2018

Ken Maginley Selected as KEPCo EVP & CEO



Mr. Ken Maginley was selected as KEPCo Executive Vice President and Chief Executive Officer (EVP & CEO), to serve in the capacity until an individual is selected for the position to replace Mr. Marcus Harris, KEPCo's previous EVP & CEO.

Mr. Maginley spent 41 years in the electric cooperative industry, most recently as the manager of Bluestem Electric Cooperative in Wamego, Kansas, a position he held for 19 years, until his retirement in January 2018.

Ken Maginley

Mr. Maginley started his career as the Office Manager/Accountant at Lyon County Electric Cooperative in 1977, then accepted the position of assistant manager at PR&W in Wamego, Kansas in 1981, became manager of PR&W in 1983, and was the manager of both PR&W and C&W (Clay Center) beginning in 1996, and in 1999 became the manager of Bluestem Electric, the cooperative resulting from the consolidation of PR&W and C&W. Mr. Maginley was also president of the KEPCo Board of Trustees from 2004 to 2009.

"The electric cooperative industry, and those that work in it, hold a special place in my life. When the Board asked if I would accept the position of EVP & CEO until the position was filled on a permanent basis, I was both humbled and honored to be considered. It is truly a special honor to serve in this capacity and to carry out the responsibilities of the position," said Mr. Maginley.

RUS Approves Addendum Five and Addendum Six

In late April, Mr. David Hui of Rural Utilities Services (RUS) notified KEPCo that Addendums Five and Six to the Wholesale Power Contracts between KEPCo and its members had received RUS Administrative approval.

Addendum Five will allow KEPCo's members to increase the amount of peak capacity and energy requirements that they can self-supply from distributed generation resources from five percent to ten percent, plus another five percent of solar generation. This will provide an overall benefit to KEPCo and its members because it provides members with additional peak shaving and cost saving opportunities.

Addendum Six rescinds existing Addendum Two to the Wholesale Power Contract between KEPCo and its members. Addendum Two, executed in 1988, details KEPCo's transmission obligations and limitations. It was executed under the transmission paradigm that was in place at that time. Transferring the current language contained in Addendum Two to a Board policy permits KEPCo to explore the possibility of new transmission investment opportunities that bring value (monetary and/or reliability), while also maintaining appropriate restrictions on KEPCo's involvement with "local" transmission.

KEPCo Attends NRECA Legislative Conference



A contingent of 27 Kansas electric cooperative representatives attended the NRECA Legislative Conference in Washington, D.C. on April 9, 10, and 11. Suzanne Lane, Vice President Member Services and Government Affairs, and Phil Wages, Director of Member Services, Government Affairs, and Business Development, represented KEPCo at the conference.

Over 2,000 electric cooperative representatives from across the country were

Kansas electric cooperative representatives with U.S. Senator Jerry Moran.

present in Washington to convey industry issues to their respective Congressional leaders. Each year the conference is the largest electric cooperative grass roots event in the nation's capitol. "This was my first NRECA Legislative Conference, but it was immediately obvious to me that this conference is a valuable tool for communicating with our Kansas delegation about collective industry concerns, as well as concerns specific to Kansas electric cooperatives, and to discuss bills being considered in Congress that affect our industry as a whole," said Ms. Lane.

Issues discussed with the Kansas delegation included supporting the expansion of high-speed internet access in rural Kansas; supporting many aspects of rural development detailed in the 2018 Farm Bill; decreasing the premiums paid by electric cooperatives to the Pension Benefits Guaranty Corporation; and opposing the Administration's position of privatizing the Power Marketing Administration's transmission assets.



Kansas cooperative representatives visit with Senator Jerry Moran regarding key issues affecting Kansas electric cooperatives.

2018 Legislative Session Update



Kansas State Capitol

The 2018 session ended with little fanfare after the introduction and debate of numerous bills targeting the electric utility industry, particularly the pronounced interest in electric utility rates reportedly being higher than other states within the region, and ensuring electric utilities would adjust electric rates to reflect the new tax reform laws passed by Congress. In the end, only two bills impacting electric utilities were signed into law. The first, which is detailed in the article below, was Sub. SB323, and the second was the establishment of a statewide broadband task force.

KEPCo Attends Ceremonial Bill Signing

Kansas Governor Jeff Colyer hosted Kansas Legislators and electric cooperative representatives from across the state for a ceremonial signing of Sub. SB 323. Key provisions of the bill will improve the opportunity for an electric cooperative to retain electric service to its territory when it is annexed by a municipality. The bill



Governor Colyer and other participants in the Sub. SB323 bill signing.

also enhances the compensation due a cooperative if its certified territory is lost to an annexation. Participating in the ceremony standing left to right: Doug Shepherd, Mike Morley, Suzanne Lane, Leslie Kaufman, Kathleen O'Brien, Bruce Mueller, Rep. Joe Seiwert, Rep. Randy Garber, Sen. Rick Billinger, Bruce Graham, Sen. Rob Olson, Sen. Mike Peterson, Sen. Randall Hardy, Sen. Rick Wilborn, Sen. Tom Hawk, and Alex Orel.

KEPCo Provides REDLG Education

For decades, KEPCo and its member cooperatives have supported the USDA Rural Economic Development Loan and Grant Program (REDLG). The program has enabled businesses across rural Kansas to obtain zero-percent interest loans that have empowered those businesses to increase productivity, entrepreneurs to start their dreams, fire departments to purchase equipment, hospitals to purchase medical equipment, and for jobs and employment opportunities to remain in rural communities.



As part of KEPCo's on-going educational series at its Board meetings, KEPCo recently presented information regarding the REDLG program to the Board, which included a history of the program, a list of what is required in an application, KEPCo's responsibility, the cooperative's responsibility, and how the applicant selection process and timelines operate.



Phil Wages discusses REDLG loans with the KEPCo Board.