



## **Harris Completes MIT Nuclear Reactor Course**



Marcus Harris

In June, Marcus Harris, KEPCo EVP & CEO, attended the Reactor Technology Course for Utility Executives at the Massachusetts Institute of Technology in Cambridge, MA. The course is an intensive three weeks of study designed to provide a fundamental understanding of the principles of nuclear technology as they relate to the management and operation of commercial

nuclear electric generating units. The course also enables utility executives to recognize the limits of their knowledge of reactor technology and how these limits should be respected when making related management decisions, as well as imbue utility executives with a greater sense of importance of personal involvement, ownership, and respect for the reactor core and nuclear safety.

Les Evans, KEPCo Senior Vice President and Chief Operating Officer, completed the course in 2012.

## **Deutscher Completes NRECA Training**



Terry Deutscher

Terry Deutscher, KEPCo Manager, SCADA & Meter Maintenance, completed the NRECA Supervisor Training course. The course teaches the core competencies required of supervisors in the areas of leadership,

communication and administrative skills. The curriculum, developed by NRECA, is based on the set of supervisory competencies identified by experienced cooperative supervisors and CEOs.

## **REDLG Loan Awarded**

RBK Manufacturing, Inc., an aftermarket automotive parts manufacturer located in Coffeyville, Kansas, was recently awarded a loan through the USDA Rural Economic Development Loan & Grant Program (REDLG). The loan was facilitated through Twin Valley Electric Cooperative.



## **NRECA Legislative Conference**

A contingent of over 30 Kansas electric cooperative representatives attended the NRECA Legislative Conference in Washington, D.C. on May 3, 4, and 5. Marcus Harris, EVP & CEO, Bill Riggins, Senior Vice President, Chief Strategic Officer and General Counsel, and Phil Wages, Director of Member Services, Government Affairs, and Business Development represented KEPCo.



Members of the Kansas contingent in Washington, D.C.

Issues discussed with House and Senate members included the Ratepayer Protection Act (Clean Power Plan), Waters of the United States, non-hazardous designation of coal ash, funding of the RUS program, FEMA funding, and the Endangered Species Act (Lesser Prairie Chicken).

Nearly 2,000 electric cooperative representatives from 42 states were 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.

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Tuesday morning, one of the keynote speakers during the general session was Senator Jerry Moran (Kansas). Sen. Moran addressed the conference attendees, providing insight and perspective on topics that included the EPA, the Endangered Species Act, Congress, and the importance of rural communities and farms, among others.

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## **2015 Legislative Roundup**

After a record setting 113-day legislative session, the bills concerning electric utilities can be summarized into three topics; Clean Power Plan, Renewable Portfolio Standard, and taxes.

From January to May, all of the electric utilities, the Kansas Department of Health and Environment (KDHE), the Kansas Corporation Commission (KCC), and the Americans For Prosperity worked on a bill that would detail the timeline and agency interaction needed for the KDHE and the KCC to submit a state

implementation plan, by the mandated deadline, to comply with the Environmental Protection Agency's (EPA) Clean Power Plan. The final rule from the EPA is expected to be released late this summer. After numerous iterations, re-writes, meetings, and amendments, HB2233 was the final work product that establishes a Memorandum of Understanding between the KDHE and the KCC, provides for an Attorney General review of the plan as it relates to constitutionality and potential impacts on current and future litigation,

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State Capitol —Topeka, Kansas

and establishes a special legislative committee for review of the proposed state implementation plan. The bill also explicitly states that the KDHE shall file a state implementation plan with the EPA before the filing deadline.

During the 2014 legislative session, an attempt was made to repeal Kansas' Renewable Portfolio Standard, which proved unsuccessful. This session, the attempt was made again and a compromise was reached among involved

parties. The statutory requirement of 20% renewable capacity by the year 2020 was changed to a goal, rather than a mandate. In addition, the lifetime property tax exemption was removed and replaced with a ten year property tax exemption for most renewable resources built after December 31, 2016, and excludes individuals or companies that generate electricity from renewable resources from the definition of public utility, unless the taxpayer prefers to remain a public utility for tax purposes.

As legislators faced the challenge of finding \$400 million in revenue, reducing expenses, or a combination of both, to balance next year's budget, utilities were concerned about the possibility of the legislature imposing state sales tax on utility bills (electricity, natural gas, and propane). The current sales tax rate for utility bills is 0.00%. The idea was contemplated, in the form of SB261. The bill received a hearing, in which all utilities testified against the bill. In addition, every electric utility in Kansas, investor-owned, municipal, and co-op alike, sent letters to nearly every legislator asking to not impose the tax. The idea did not garner much traction throughout the session and was not debated any further. If imposing state sales tax on utility bills is considered again in coming years, KEPCo and every other Kansas utility will remain steadfast in opposition to the idea.

After weeks of numerous tax proposals, caucuses, floor debates, and several failed attempts to reach a compromise, the final budget deficit-eliminating bill package that was passed is a combination of new taxes and tax adjustments. HB2109 increases the state sales tax from 6.15% to 6.5%, increases the tax on cigarettes by 50 cents per pack, imposes a tax on e-cigarettes, and imposes new fees on managed care organizations. Individual income tax rates will remain constant until 2018, when the rates will decrease by 0.1 percent. In addition, cities and counties will be prohibited from raising property taxes in excess of inflation without a public vote, though some exceptions, such as increases for construction or bond payments, were included.

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### **Look What The Stork Brought**

Kelsey Schrempp, KEPCo Administrative Assistant & Benefits Analyst, delivered a bundle of joy, Kolin Charles Schrempp, on April 18. Kolin weighed 7 lbs. 13 oz. and was 19.75 inches long. Kelsey and Kolin are doing great. Congratulations to Kelsey, her husband Randy, and son Kason!



Kelsey & Kolin Schrempp

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### **KEPCo Selects Summer Intern**



Dylan Stidham

Dylan Stidham was selected as the second recipient of the Stephen E. Parr Engineering Internship. Dylan graduated from Free State High School in Lawrence, KS. and will be a junior entering the fall semester at Kansas State University, majoring in Electrical Engineering.

The goal of the internship is to introduce a student to the electric cooperative business model, to provide exposure to the opportunities and challenges confronting the electric utility industry, to build upon classroom knowledge and to foster personal and professional growth.