



A Moment with the CEO



As one year comes to an end and a new year begins, a common practice involves reflecting on the previous year's accomplishments, challenges, and lessons learned. With 2018 definitely being a "year of transition" for KEPCo in so many ways, we can already classify 2019 as the "year of opportunities." Last year will be fully summarized in our upcoming annual report; some initial highlights include leadership changes, safety, and rate stability for our members.

Leadership Changes

Suzanne Lane

While 2018 was a unique year for many reasons, a key reason was that KEPCo had three CEOs within those 12 months. KEPCo was blessed to have the leadership of **Marcus Harris** for the first quarter of 2018; we continue to wish him the very best in his new role as CEO of Old Dominion Electric Cooperative in Virginia. **Ken Maginley**, retired General Manager of Bluestem Electric Cooperative, was gracious to come out of retirement to lead KEPCo as interim CEO for the second and third quarters of 2018; his support and assistance, calm demeanor, extensive knowledge and experience, and methodical ways were ideal for KEPCo during that time of transition. **My tenure began on October 1**, along with our new SVP of Government and Regulatory Affairs and General Counsel, **Susan Cunningham**.

Safety

In regards to safety here at KEPCo, 2018 marked yet another year without any safety incidents! I am very pleased with our team on this accomplishment, as we were also recognized by KEC—along with many of our members—for having **10+ years without a lost-time accident!** We have started strong in this arena in 2019, so we look forward to many more years with this important designation.

Rate Stability

Thanks to the great efforts of the KEPCo team, close partnerships with our members, and our established Margin Stabilization Adjustment (MSA), we were thrilled to be able to maintain average member rates at essentially the same rate as 2017.

2019

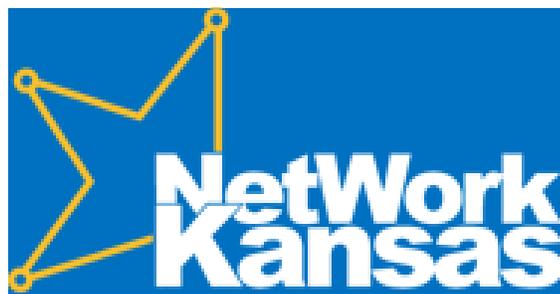
As the "year of opportunities," 2019 is already off to a strong start thanks to the hard work and dedication of the KEPCo staff and membership. We have completed a "**Member Listening Tour**,"

whereby I met on-site with the leaders of all 19 of our members. This was a wonderful opportunity for us to learn more about the needs, desires, challenges, and interests of our members. We will be incorporating this meaningful feedback into not only our day-to-day operations and member services, but also our **2019 strategic planning** efforts, which will occur this summer with our Board of Trustees. Thanks to the dedication and engagement of our members, we are collaborating with them and a consultant to review all aspects of our current and potential **demand-side management programs and services**. This initiative will wrap up later this year, with the goal of implementing any changes before the 2020 peak season if possible. As a result of a recent cyber security issue, **we have partnered with a cyber security consultant**, who has performed an all-inclusive evaluation of KEPCo's systems. We are very pleased to report that our technology, software, and overall system configuration has been deemed "above average" with its protective measures. In addition, we have partnered with the KnowBe4 service to **enhance our security training and awareness** with our team, and we are feeling very positive about all that we have learned and our overall vigilance in this critical area. Our **power supply resources are operating well** overall this year, and we are already seeing the significant savings we forecasted with a new power supply agreement. We continue to **advocate for fair, reasonable transmission costs**, working closely with the Southwest Power Pool and various transmission owners in the State. And last but not least, the **2019 Kansas Legislative Session** has already been a challenging one. We are working closely with KEC and the rest of our Kansas cooperative brothers and sisters to advocate for electric cooperatives, proudly telling our story as electric rates in Kansas take a front seat on issues. We have had some **bittersweet employee changes** at KEPCo already in 2019. As mentioned later in this issue, we are overjoyed to be welcoming Luke and Rick to the KEPCo family! And we wish Jill the very best in her new endeavors at FreeState.

These are just a few of the many activities and opportunities 2019 has already brought before us. We look forward to working closely with our members this year (and beyond!) to assure we are doing everything possible to provide cost-effective, reliable power supply and transmission service, while partnering closely with our members and other allies to provide a top-notch experience for our members!

KEPCo Meets with NetWork Kansas

Suzanne Lane and Phil Wages met with Steve Radley, President and CEO of NetWork Kansas, and Imagene Harris, Manager of Economics and Operations of NetWork Kansas, to discuss economic development opportunities. Many ideas were shared and valuable information was gained as KEPCo continues to explore this important part of our business.



Dale Short Elected KEPCo President



Dale Short

At its November meeting, the KEPCo Board of Trustees elected Mr. Dale Short president of the board. Dale is CEO of Butler Electric Cooperative Association, Inc.

Dale started at Butler in 1989 as the Member Services/Marketing Manager and was promoted to Chief Financial Officer in 1996, Assistant Manager in 1997, and CEO in 2000. Dale has also held the positions of Secretary, Treasurer, and Vice President on the KEPCo Board.

Dale graduated from Friends University with a Bachelors of Administration degree and has completed the NRECA Management Internship Program (MIP). Dale is married to Jeanna and they have two adult children and four grandchildren.

In his spare time, Dale enjoys playing golf and woodworking.

Meet KEPCo's New Employees



Rick Johnson

Mr. Rick Johnson recently joined the KEPCo team as Executive Director of Engineering. Rick is a professional electrical engineer and comes to KEPCo from Otter Tail Power Company, an investor-owned utility in Fergus Falls, Minnesota. Rick was with Otter Tail for twenty-eight years, with his last position being Manager of Delivery Engineering.

Rick attended the University of North Dakota, where he earned his BS in Electrical Engineering. Rick is married to Barbara, and they have three adult children.

In his spare time, Rick enjoys church activities, playing racquetball, pickleball, golf, and spending time with his family.



Luke Zahner

Mr. Luke Zahner has joined KEPCo as an Engineer I. Luke is not new to KEPCo, as he was KEPCo's summer intern in 2017 and 2018, in addition to interning at KEPCo during the winter break and spring break those years as well.

Luke graduated from Kansas State University in December 2018 with a BS in Electrical Engineering.

Luke is from Overland Park. In his spare time, Luke enjoys hiking and outdoor activities.

Jill Taggart Accepts Position at FreeState

Jill Taggart, KEPCo's Director of Forecasting and Planning for the past five years, has accepted a position with FreeState Electric Cooperative, Inc. KEPCo has begun the process to fill the vacancy. Thank you for your service and best wishes from KEPCo staff and the Board of Trustees.

KSI Assists Butler Electric with Solar Facility

KSI provided technical support and project management for the Butler Electric Cooperative Pony Meadows Solar Project. This included developing a Request for Proposals from prospective Engineering, Procurement and Construction (EPC) contractors; analyzing the proposals and assisting the Butler board and staff in selecting an EPC contractor; working with the Butler staff to design and implement the



Pony Meadows solar facility, Butler county.

interconnection at the Pony Meadows Substation; and working with Butler staff and the EPC contractor to oversee the construction and commissioning of the project. The project is located in Butler County about four miles north and 0.5 mile west of Rose Hill. The project reached “substantial completion” in mid-December and has been providing renewable energy to the Butler members since then.