

KANSAS ELECTRIC POWER COOPERATIVE, INC.

NEWSMAKER

A Touchstone Energy® Cooperative



Fall 2013



Stephen E. Parr

Stephen E. Parr Engineering Internship

In honor of Steve Parr's dedication and contributions to KEPCo and KEPCo's member cooperatives, the KEPCo Board of Trustees have established the Stephen E. Parr Engineering Internship.

KEPCo staff will interview applicants from Kansas universities who have accumulated at least 48 credit hours and have an interest in electric power. The internship will run from mid-May through mid-August and will expose the student to several facets in electric generation and distribution. Chuck Terrill, KEPCo EVP & CEO knows first-hand the value of an internship. "If it were not for a summer internship, I would not have been able to complete my education. The internship not only provided me with the financial resources to attend school, it also introduced me to the engineering discipline I wanted to pursue," said Chuck.

Iatan Honored for Operational Excellence

In September, Iatan received the prestigious 2012 Power Plant Operational Excellence & Stewardship Award from GP Strategies. Representatives from this performance improvement company visited Iatan to deliver the award, which recognizes efficiency and environmental stewardship.

Iatan 2 achieved the best 2012 heat rate in the U.S., and the entire Iatan Generating Station was the most efficient Powder River Basin coal-fired plant in the nation.

"Being the most efficient plant means less coal, less emissions and less CO₂, and that's something we should all be proud of," said Plant Manager Tom Mackin. "We've had to work together to be the best in the country, and that's an amazing accomplishment."

The award also recognized the efforts to restore 106 acres of Missouri River wetlands, which house rare wildlife, like peregrine falcons and bald eagles.



[from left to right: Darrel Hensley, KCP&L Senior Director of Generation; Les Evans, KEPCo Senior Vice President and Chief Operating Officer; Bill Green, GP Strategies Corporation Director – Work Force Development; and Tom Mackin, Iatan Plant Manager]

KEPCo Assisting Rural Hospitals

Seventy-two million Americans live in rural areas and depend upon the hospital serving their community as an important, and often only, source of care. The nation's nearly 2,000 rural community hospitals frequently serve as an anchor for their region's health-related services, providing the structural and financial backbone for physician practice groups, health clinics and post-acute and long-term care services. In addition, these hospitals often provide essential, related services such as social work and other types of community outreach.



The Patient Protection and Affordable Care Act calls for major reforms of the health care system, including its medical record keeping practices. By 2015, health care providers are required to start using electronic records to a "meaningful use" degree or face escalating penalties, specifically the trimming of Medicare and Medicaid reimbursements. Critical Access Hospitals (CAH) across the state are finding themselves challenged by the financial investment necessary to meet the new requirements.



KEPCo staff participated in two meetings attended by over twenty rural CAH's (less than 25 bed facilities located in rural areas), state and federal USDA officials, Kansas Department of Health & Environment, the Health Information Network of Kansas and the Kansas Hospital Association. The purpose of the meetings was to introduce rural hospitals to the availability of funding the change to electronic record keeping with the Rural Economic Development Loan & Grant (REDLG) program.

The change-over cost is substantial, and because of their small budgets compared to most urban hospitals, CAH's are the most challenged to convert to the new technology. And with a large percentage of their patients being low-income and/or retired, they will also likely be the hardest hit if they lose their government funding.

Under the REDLG program, applicants, such as rural hospitals, are eligible to borrow up to two million dollars, interest-free. KEPCo's nineteen member electric cooperatives are eligible borrowers under the REDLG program and have supported and utilized the program for many years, successfully securing loan funds for over 90 applicants within the state. KEPCo understands the importance of healthcare to rural communities and is looking forward to working with the rural hospitals as plans are developed to meet the new requirements.

KEPCo Appeals Capitalization Rate

In May, KEPCo successfully appealed the Department of Revenue's notice of property valuation. In June, KEPCo, along with four electric distribution cooperatives, worked with KEC to retain the services of CPA firm MarksNelson to further appeal the appraisal before the Court of Tax Appeals (COTA). They argued that the capitalization rate used by the department to establish the value was too low. The lower the capitalization rate, the higher the value.

In September, KEPCo and the Department of Revenue entered into an agreement stipulating a reduced value. COTA later issued an order approving the agreement, which resulted in additional tax savings for KEPCo.

Promotions and New Position Announced

Bill Riggins, KEPCo Senior Vice President, Chief Administrative Officer & General Counsel has been promoted to Senior Vice President, Chief Strategic Officer & General Counsel. Under Bill's management will be the creation of a new position, responsible for the development of KEPCo's financial modeling and use of the model for all needed financial studies.

Terry Deutscher, EMS/SCADA System Specialist has been promoted to Manager, SCADA & Meter Maintenance. Terry will be responsible for the day-to-day operations and management of KEPCo's EMS/SCADA systems.

Kelsey Schremp, Administrative Assistant, has been promoted to Administrative Assistant/Benefits Specialist. Kelsey, in addition to her current duties, will assume the responsibility of managing KEPCo's health insurance plan.



Bill Riggins



Terry Deutscher



Kelsey Schremp

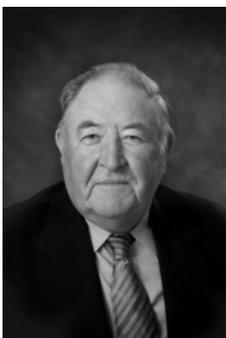
Terry Janson Retires

At the August KEPCo Board of Trustees meeting, Terry Janson, manager of Victory Electric Cooperative in Dodge City, was recognized for his 12 years of service on the KEPCo Board.

Terry retired at the end of August after 42 years of service to Victory Electric. Mr. Shane Laws has been hired to replace Terry as Manager of Victory Electric.



Terry Janson addresses the KEPCo Board



Dale Bodenhausen

Dale Bodenhausen, Former KEPCo President, Passes

Mr. Dale Bodenhausen, KEPCo president from 1991 to 1992, passed away September 23rd at the University of Kansas Medical Center from injuries suffered in a farming accident.

Dale served on the Brown-Atchison Electric Cooperative Board from 1972 to 2009, and served on the KEPCo Board from 1978 to 2009. Dale provided KEPCo with 31 years of strategic leadership and guidance. Our condolences to his family.

Matt Sunseri Announces Retirement

With Wolf Creek's improved NRC regulatory position, Matt Sunseri, Wolf Creek President & CEO, has decided to move forward with his personal plans and has announced his retirement. In order to assure continuity of leadership and a smooth transition, Matt has agreed to stay affiliated with Wolf Creek during the transition to a new CEO.

During the transition, the three owners of Wolf Creek, Westar Energy, KCP&L, and KEPCo, will look to Matt to remain as CEO in his primary nuclear oversight role as the outward-facing executive with the industry, INPO and the NRC. Russell Smith, Wolf Creek VP and Chief Nuclear Operating Officer, will be the executive responsible for establishing site priorities and operating directives.



Wolf Creek Nuclear Generating Station

*Happy Thanksgiving
from the staff at KEPCo*

