



KANSAS ELECTRIC POWER COOPERATIVE, INC.

NEWSMAKER

A Touchstone Energy® Cooperative



Winter 2019

A Moment with the CEO



Suzanne Lane

2019 - A Year in Review

KEPCo's Resources Provided Significant Value and Reliable Service in 2019

KEPCo's main purpose is to partner with our member-owners to economically power rural Kansas, and we couldn't have done so in 2019 without our diverse resource portfolio. This was a strange year for weather, as extreme precipitation kept temperatures relatively low in the early summer, but once the heat arrived, it ultimately stayed later, causing higher demands and energy consumption in the July to September period compared to 2018. Thankfully, our owned and purchased resources were very reliable this summer.

The Wolf Creek Generating Station (Wolf Creek) team earned an "exemplary" rating – the industry's highest rating – for performance during the two most recent, 18-month operating cycles, which occurred from fall 2016 through fall 2019. The definition of "exemplary" is as follows: *Overall performance is exemplary. Industry standards of excellence are achieved in most areas. No significant operational nuclear safety performance weaknesses are noted.* Wolf Creek achieved the top rating in each area - Operations, Maintenance, Radiation Protection, and Engineering - as well as all cross-functional areas such as configuration management and operational focus.



Wolf Creek Nuclear Generating Station

In November 2019, Wolf Creek safely completed its twenty-third scheduled refueling and maintenance outage (RF23). The start of the outage marked Wolf Creek's second consecutive breaker-to-breaker run. The plant operated continuously for 491 days between refueling outages. Prior to this outstanding run, Wolf Creek achieved a 495-day continuous run between outages.

In addition to replacing approximately one-third of the fuel assemblies in the reactor, the Wolf Creek team completed several major projects and more than 9,000 maintenance tasks during RF23. Projects include upgrades in the electrical switchyard and replacing large pump motors as part of long-term preventive maintenance strategies to increase reliability.

Our Southwest Power Administration and Western Area Power Administration hydro resources continue to be low-cost, reliable power supply sources; a benefit of the extreme precipitation is that low-cost, supplemental energy was available this year. KEPCo's 1st solar farm, Prairie Sky, continues to produce as expected, and our Sharpe Generating Station was called to operate a record number of hours to help the Southwest Power Pool.

ATTENTION

Effective after this issue, the Newsmaker will transition to an electronic newsletter. If you wish to receive the Newsmaker electronically, please send your email address to newsmaker@kepco.org prior to March 1, 2020. If you do not wish to receive the Newsmaker electronically, the Newsmaker will continue to be available on the KEPCo website.

continued from page 1

KEPCo's 2019 Success is Only Possible Because of People

KEPCo would not be able to serve our members if it weren't for the people serving KEPCo...the Board of Trustees and staff. Once again, the Board provided constant support, asked thoughtful questions, offered meaningful challenges, and demonstrated genuine encouragement. They truly drive us to give members the best experience and lowest rates possible.

We've all been talking about the "electric industry retirement boom," and it has definitely arrived. Half of the KEPCo Board is new since 2016, largely due to retirements. In the past year alone, we have seen 6 of the 38 seats around our Board table change, with more to come in 2020.

As for the KEPCo staff, we would be nothing without the dedication, hard work, knowledge, experience, and passion of our team. A few highlights from the past year include enhanced cyber security and safety training, which led to ZERO CYBER SECURITY OR SAFETY INCIDENTS; continued financial strength, with all of our financial targets being met; participating in all Co-ops Vote events; actively representing our members in various dockets at the Kansas Corporation Commission and Federal Energy Regulatory Commission, including Westar generation and transmission dockets and the Sunflower/Mid-Kansas merger dockets, to name a few; and we have now fully-staffed KEPCo Services Incorporated (KSI), our wholly-owned engineering subsidiary. We also participated in team and community-focused events, like walking in honor of National Trails Day, volunteering at Ronald McDonald House and the Boys and Girls Club food pantry, and donating \$18,000 of employees' funds to local charities.

KEPCo's Continued Efforts Towards Progress Were Evident in 2019

Proudly partnering to power rural Kansas at a reasonable price and with the best people is an honor, but we must always make progress and never rest...and the past year was a great example. In order to fully incorporate the thoughts of our new Board members and staff, we completed our first strategic planning session since 2016. Staff partnered with our Board to define four areas of focus: risk management, emerging technologies, load management, and rates and rate design. These areas will be coupled with our additional core goals of financial strength, member and employee experience, reliability, cyber security and safety, and regulatory compliance to create KEPCo's corporate-wide goals for 2020.

Also in 2019, we completed KEPCo's first-ever Demand-Side Management (DSM) study. We contracted with GDS Associates, Inc. to determine the DSM programs and/or enhancements that offer the best opportunities for cost-savings for our members.

In addition, 2019 brought the completion of the first "CEO Listening Tour." These meaningful, face-to-face meetings with both KEPCo Members and employees provided useful, impactful feedback associated with areas of strength and opportunity.

Another key element of 2019's success involved the inaugural Employee Experience Team. This cross-functional employee team met regularly to discuss and implement enhancements to KEPCo's work environment. Key items implemented were a "dress for the day" policy, volunteering opportunities, employee gifts, clean-up day, and general team bonding.

Finally, KEPCo continues to make significant progress in providing our members with stable rates. In fact, we are proud to say that our average member rate for 2019 was the lowest since 2010, being reduced by 8.3%. This is even more monumental considering transmission rates for KEPCo have increased over 160% in the past 15 years. With the energy market prices remaining low (and the lucrative capacity pricing we are seeing for power supply opportunities), additional DSM programs, hard work by and innovative solutions from our team, and strong operations from our resources, we are optimistic that **we will continue to maintain stable rates to our members.**

KEPCo Elects Officers and Executive Committee



Back row (left to right): Dale Short, Doug Jackson, Steve Foss, and Dean Allison

Front row (left to right): Chuck Goeckel, Mike Morton, and Kirk Thompson

The 45th KEPCo Annual Meeting was held November 20 in Mayetta, KS at the Prairie Band Casino and Resort. Suzanne Lane, KEPCo EVP & CEO reviewed accomplishments made in 2019 and provided insight on the items KEPCo will focus on in 2020. The following day, the KEPCo Board of Trustees unanimously re-elected Dale Short, President (Butler), Doug Jackson, Vice President (Rolling Hills), Steve Foss, Secretary (FreeState), and Dean Allison (DS&O). Elected to the Executive Committee were Chuck Goeckel (Flint Hills), Mike Morton (Bluestem), and Kirk Thompson (CMS).

KEPCo Donates to Charities



Members of the Boys and Girls Club receiving the KEPCo donation.

Through KEPCo's Charitable Giving Program, KEPCo and KEPCo staff donated nearly \$18,000 to local and regional charities. The charities, which were chosen by KEPCo staff for 2020, include: Topeka Rescue Mission, Court Appointed Special Advocates (CASA), Harvesters, Disabled American Veterans, Breakthrough House, TARC, and Osage County Help House. These charities do amazing and valuable work and KEPCo is proud to support their efforts.

KEPCo also held a food drive for the Boys and Girls Club and donated a large quantity of food items that will be enjoyed and appreciated by Club members in Topeka.

KEPCo Submits REDLG Applications

KEPCo, and its member cooperatives, have a long, successful history of utilizing the USDA Rural Economic Development Loan and Grant (REDLG) program for economic development opportunities in rural Kansas communities. This year, KEPCo worked with several applicants across the state and submitted REDLG applications to USDA on their behalf. If each application is approved, over \$2.6 million in capital will be brought into rural Kansas and nearly 50 jobs will be created or saved.



“Get-To-Know” KEPCo Employees



Stephanie Anderson

Stephanie Anderson has been with KEPCo for six years and currently serves in the role of Financial and Benefits Analyst II. Prior to joining KEPCo, Stephanie worked for the audit firm of Meyer, Hoffman, and McCann as a Senior Financial Auditor.

Stephanie is from the Pomona, KS area and attended Pomona High School. She graduated from Emporia State University with a BS in Accounting.

Stephanie is married to Trevor and they have one son, Grayson (4), and a four-legged “child,” Seymour. Trevor is a Chemistry Technician at Wolf Creek and also farms 200 acres of corn and soy beans. The family resides in Osage City.

In her spare time, Stephanie enjoys spending time with her family, doing home projects, traveling, and cheering on the KC Royals and KC Chiefs.



Shawn Geil

Shawn Geil is the Executive Director, Technical and Energy Services, and has been with KEPCo for nine years. Prior to joining KEPCo, Shawn was a Senior Systems Manager at Washburn University.

Shawn was raised in rural Butler county and attended Quinter High School. He graduated from Washburn University with a BBA in Accounting and Finance, a BA in Computer Information Systems, and an MBA.

Shawn is married to Robin and they have one daughter, Mikayla (16).

When not at work, Shawn enjoys spending time with his family, reading, and officiating USA and Kansas high school swim meets.