



A Touchstone Energy® Cooperative 
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FLINT HILLS RURAL ELECTRIC COOPERATIVE NEWS

Flint Hills RECA

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Learn How to Reduce Your Energy Bill with Flint Hills' "Together We Save" Site

Flint Hills RECA encourages you to see how making little changes can add up on your electricity bill.

Flint Hills RECA, a Touchstone Energy cooperative, recently launched "Together We Save," the brand's new energy-efficiency themed campaign.

The campaign is aimed at inspiring you to be part of an energy and money-saving movement. At TogetherWeSave.com, you will find tools to help you and your family reduce your energy bill.

The interactive home tour allows you to "travel" from room-to-room of a virtual house to make energy decisions and shows how those small changes can affect your yearly energy savings. The site also provides videos with tips on lighting, weatherizing, insulation, heating and cooling systems, which can make your home more energy efficient.



Flint Hills RECA encourages you to see how making little changes can add up on your electricity bill by visiting www.TogetherWeSave.com.

CO-OP Connections Update		Have you taken advantage of your Connections Card yet?	
		Prescriptions Filled	Savings to Flint Hills' Members
		August	\$590.27
		2009 Total	\$3,711.74

What's the Difference?

Co-ops & Investor-Owned Utilities Compared

Each October, cooperatives all across America celebrate the role, accomplishments and contributions of our nation's cooperatives.

Research shows that when consumers find out a business is a cooperative, they are more likely to do business with it. And with consumer trust in cooperatives topping investor-owned companies, doing business with a cooperative is a win-win proposition.

A common question members ask is how being a co-op member is different from an Investor-Owned Utilities (IOU) customer?

Ownership

CO-OP: Owned by members—the people who buy the goods or use the services of the co-op.

IOU: Owned by outside shareholders who may or may not use the goods and services of the business.

Control

CO-OP: Democratically controlled by the members on a one-member,

one-vote basis (all members have an equal voice in the business regardless of their equity share).

IOU: Controlled by shareholders according to their investment share. Shareholders must meet a threshold of ownership to have any meaningful control over the company.

Board Membership

CO-OP: The Board is made up of the co-op members who are elected by the members. Most, if not all, trustees are independent—they are not selected by the CEO and do not work for or have any business relationship with the co-op other than their patronage of it.

IOU: The Board is made up of a combination of independent trustees, management and other trustees with financial or business ties to the organization. CEOs often serve as Board chair.

Board Compensation

CO-OP: Board members typically serve on an uncompensated, volunteer basis.

IOU: Significant financial compensation provided.

Board Nominations

CO-OP: Candidates are nominated by membership either directly (including self-nomination), or by a nominating committee made up of the members. Co-ops circulate a single election ballot including all nominated candidates.

Co-op bylaws generally allow any member to nominate a trustee-candidate. Where a petition is required to place a candidate's name on the slate, the threshold for signatures is generally low (e.g. 100 signatures or one percent of membership).

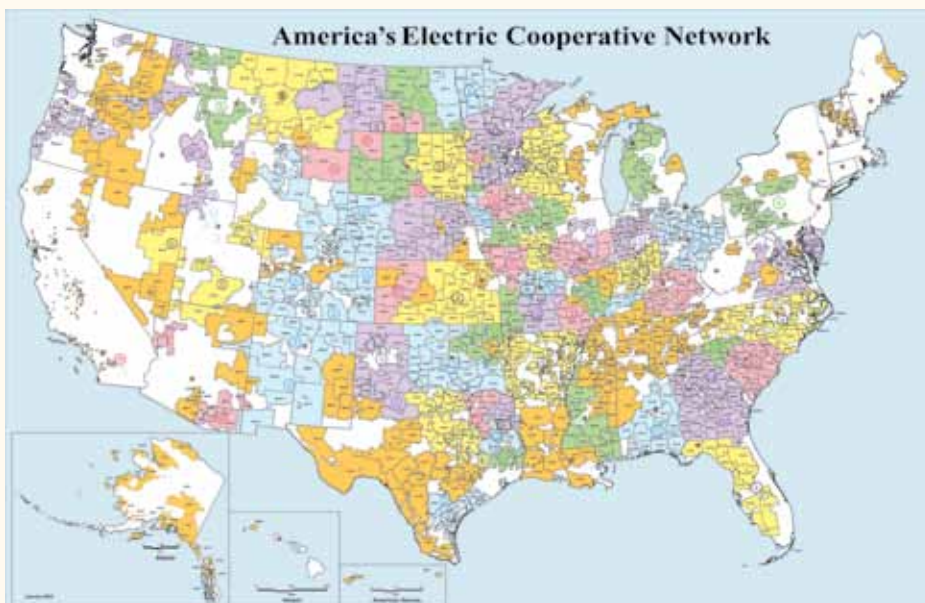
IOU: Candidates nominated by the Board of trustees and management, often by a nominating committee. Management maintains careful control over Board candidates. Board proxy materials include only Board nominees.

Shareholders have only limited ability to nominate their own trustee candidates and must do so on a separate proxy statement that they circulate and tabulate at their own expense. Shareholders must also execute that separate proxy card to vote for other candidates. Shareholders may recommend nominees to the nominating committee, but companies rarely nominate such candidates. Shareholders may also nominate trustees in person at the annual meeting, but few shareholders attend and such nominees rarely receive sufficient support.

Board Elections

CO-OP: Board is elected by the members on a one-member, one vote basis. Contested elections are the norm, not the exception. Members vote in-person at the annual meeting, by mail, or electronically, or by a combination of these methods.

IOU: Board elections are better characterized as shareholder "ratifica-



Pictured above is the service area for the 930 systems that make up the America's electric cooperatives. Cooperatives serve approximately 42 million members in 47 states. The cooperative service area is about 75 percent of the United States land mass.

tion" of the uncontested, management/Board-selected slate offered on the proxy statement. Because the Board typically nominates only enough candidates, often incumbents, to fill open seats, whether or not a shareholder submits a proxy matters little. Shareholders submit proxy in advance or must attend the annual meeting to vote in person.

Accountability

CO-OP: Board members are directly accountable to members through these nomination and election procedures. Board members can be, and often are, voted out in contested elections.

IOU: Election and nomination procedures afford little meaningful oversight to shareholders. It is difficult and costly for shareholders to remove Board members.

Dividends

CO-OP: Any surplus revenues (profits) earned by the co-op are reinvested in the business and/or returned to members based on how much business they conducted with the co-op that year—their patronage—or through lower prices or fees. Many co-ops are obligated to return a portion of their "surplus revenues"—if there are any—to members each year.

IOU: Profits returned to shareholders based on their ownership share. Corporations are generally not obligated to pay out dividends.

Motivation

CO-OP: Maximize member-service.

IOU: Maximize shareholder returns.

Structure

CO-OP: Co-ops operate on a not-for-profit basis. Depending on the type, co-ops can organize under a variety of structures—as co-ops, as non-profits, and as regular corporations. All co-ops operate according to co-op principles.

IOU: Generally organized as for profit corporations.

Scam Artists Target Utilities

Electric co-op members and customers of investor-owned utilities are receiving telephone calls from scam artists demanding immediate credit card payment to avoid disconnection of service.

In one instance, a member reported that she provided a credit card number, but suspecting something didn't seem quite right, she immediately reported it to the credit card company.

"We encourage all members to protect themselves from fraudulent callers," said Bill Wessel, Director of Member Services at Flint Hills RECA. "We urge members to use extra caution if they're asked for personal information or access to their home."

Flint Hills RECA recommends the following tips to customers who are approached or contacted by someone claiming to be a Flint Hills RECA employee.

► **Always ask for company identification or an employee identification number.** All Flint Hills RECA em-

ployees, and employees working for companies contracted by Flint Hills RECA, carry company-issued photo identification and can provide this information immediately.

► **If you are not certain a telephone call is coming from Flint Hills RECA or one of its contractors, do not provide any personal or banking information.** Flint Hills RECA recommends asking the caller to provide their employee number and to verify the customer's account number, or simply hang up and call Flint Hills RECA customer service at 620-767-5144.

► **Flint Hills RECA employees may, on occasion, be dispatched to a customer's home for unscheduled routine maintenance.** If a visitor or caller is unable or unwilling to provide their name or employee identification number, please call Flint Hills RECA customer service at 620-767-5144 and report it to local law enforcement authorities.

Cold Weather Rule Effective November 1

The provisions of the Cold Weather Rule allow for special payment and disconnection procedures for any qualifying residential member. The rule allows a qualifying member to retain or restore electric service throughout the cold weather period and for the development of payment agreements between the cooperative and the member. Members on prepay residential services are not qualified members under this rule.

Flint Hills RECA will not disconnect a qualified member's residential service between November 1 and March 31 when the local National Weather Service office forecasts the temperature will drop below 35 degrees in the 24-hour period following the time of disconnection.

It will be the responsibility of the cooperative during the cold weather period to make a telephone call attempt with the member of record at least 5 days prior to termination of service. On the day of disconnection, the cooperative must receive a 24-hour forecast above the activating temperature from the National Weather Service. The member can avoid disconnection by bringing his/her electric bill current to the scheduled disconnect time.

The Cold Weather Rule is to insure that human health and safety are not unreasonably endangered during the cold weather months. For more information concerning assistance with your bill, please contact Flint Hills RECA at 620-767-5144.

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