216 S. Vine, El Dorado, KS 800-464-0060 www.butler.co-op

THE ELECTRIC COMPANY THAT DOESN'T STOP AT YOUR METER

Butler REC

From the Manager



R. Dale Short

It's hard to believe Thanksgiving is only four weeks away. The older I get, the faster time slips by. The Thanksgiving and Christmas holidays are still my favorite time of the

year. I am looking forward to spending time with my kids, their spouses and especially my grandsons. They live in Albuquerque, NM, which is too far away according to Grandma and me. I hope you and your families are able to spend some quality time together during these special holidays.

Copper Theft

Co-ops across the state are seeing an increase in theft of some specialty metals like copper and brass.

Thieves have become so brazen that they have broken into substations and destroyed components that cost thousands of dollars to replace or repair.

Members should also be aware of a rash of thefts of brass fittings off of propane tanks.

Challenges Concerning Your Electric Bill

I hope to explain some of the major challenges we are currently facing as a co-op and how we are working to help you with the high electric bills that are the result.

Please read the entire article because I think we have some good news to talk about in the last few paragraphs.

There are several issues that are negatively affecting your electric bills. I have previously discussed all of the increased costs that we are seeing due to the EPA's new rules regarding carbon and other emission from coal and gas fired generation plants. They continue to be a major cost driver that increases your electric bill on a monthly basis.

In addition to those costs, we have experienced several anomalies this year that have added to the significant rise in electric costs.

First, we continue to have a shortage of hydro electricity due to the drought in Texas and other parts of the country. This is our least expensive source of power and, when available, can offset some of the other higher cost supplies.

Then the floods on the Missouri River caused the latan II plant to run at reduced output, because trains could not deliver the coal needed to operate the plant at full power.

In addition, the extended refuel outage at the Wolf Creek Nuclear Plant this past spring created cost overruns caused by the 90-plus day outage has added approximately a half cent per kilowatt-hour to your electric bill and that cost will continue for the next 12 months.

Last and certainly not least, was the extremely hot summer with the record number of 100-plus degree days.

All that adds up to power cost for both you and our co-op at record levels.

Better News

You have done an exceptional job of controlling your peak usage during the 5 to 8 p.m. time frame. I am very proud of how you have responded to that challenge.

Butler has become the poster child for developing a rate that gives members more control over their monthly electric bills. Utilities around the nation are starting to look at what we have accomplished and several are starting the process of making a change to rates that are very similar to what we have.

Even though your electric bills were high, they were far better than they might have been without your exceptional efforts to conserve. As a co-op, we have a responsibility to you, our members, to give you our very best efforts to provide reliable and affordable electricity.

In these hard economic times, we have a significant number of members who struggle to pay their electric bills. The reality facing our industry is that even more members will find it hard to afford electric power in the future.

At this month's Kansas Electric Power Cooperative (KEPCo), our generation and transmission provider, board meeting we discussed this very issue and the fact that our focus should be on you, the

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From the Manager

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members, while still maintaining financially stability in a manner not to jeopardize reliability of service.

The KEPCo board unanimously passed a resolution instructing their management to contact the Rural Utility Service (RUS) and the National Rural Utilities Cooperative Finance Corp. (CFC) to devise a way to return profits earned this year that were above what is needed to maintain our commitments to them and maintaining financial stability.

RUS and CFC are the government and co-op financing resources used to build the generation sources that Butler, along with 18 other co-ops and two investor-owned utilities, share in ownership.

At this time, we are fairly confident that Butler will receive a credit of approximately \$300,000 that we will then distribute to you before the end of the year.

We hope this demonstrates to you that we are here working on your behalf to keep electricity as affordable as possible. This would never happen outside the co-op world, because in a stockholderowned company the excess profits would go the stockholders.

I am hopeful that we can give you a small Christmas present next month with a holiday bill credit of some kind. Have a great holiday season.

Butler REC Cold Weather Rule: Effective November 1

The Cold Weather Rule (CWR) allows for special payment and disconnection procedures for any qualifying Residential Member. The rule allows a qualifying member the opportunity to retain or restore electric service throughout the cold weather period, which extends from November 1 through March 15, and for the development of payment agreements between the cooperative and the Member.

To qualify for the benefits of the Cold Weather Rule and to avoid disconnection, the member shall,

- a) inform the cooperative of the Member's inability to pay the bill in full;
- b) give sufficient information to allow the cooperative to make a payment agreement;
- c) make an initial payment of the arrearage plus any required charges, fees and deposits plus the bill for consumption during the most recent billing period for which service was provided, divided by three;
- d) enter a payment plan agreement for past, current and future charges for electric service under the Member's Electric Service Agreement, the cooperative's rate schedules, and these Rules and Regulations as negotiated with the utility for the payment

of the arrears and for current and future consumption.

- e) not obtain electric service by tampering as defined in Section 3 A (2) (c); and
- g) not default on a payment plan which includes but not limited to issuance of an insufficient funds payment for the initial payment or for any installment of the payment plan, unless subsequently cured by the member, shall constitute a default of the payment plan.

At the cooperative's discretion a Remote Disconnection Switch may be installed. Such switch shall be used to disconnect the service when the temperature is above 35° F. Power shall be restored when the temperature falls below 35° F. Organizations to contact where funds are available to assist with payment of utility bills are: Mid-Cap, SRS, Red Cross, Salvation Army and area churches.

If you have a complaint, call the Butler REC office at one of the numbers listed on your bill. Provide the cooperative with all the facts concerning your complaint. Then if you are not satisfied with the cooperative's plan, you may submit a written complaint to the Board of Trustees.



Holiday Office Closing

Our office will be closed on November 24-25 for Thanksgiving. We hope you have a safe and happy holiday.

Co-op Connections Card Butler REC A Touchstone Energy Cooperative

Get Discounts from these Local Vendors & More!

Click on the Co-op Connections Card on our website www.butler.coop for information.

- ▶ Andover Hair Co
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- ▶ Precious Nails
- Silver Hill Interiors and Floral
- ▶ Treescapes



FRONT DOOR TO THE IRON HORSE CONCERT HALL

Unclaimed 2010 Capital Credit Checks

Please call the Butler REC office at 800-464-0060 if you have any contact information for the individuals listed below.

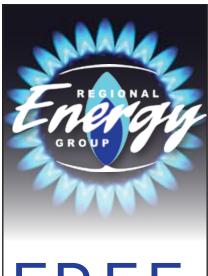
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