



# Farmers' Electric Cooperative, Inc.

"Together, We Have The Power To Make A Difference"

Highway 36 East P.O. Box 680 Chillicothe, MO 64601 646-4281 1-800-279-0496 If you have an Outage 1-800-927-5334

## Six essay contest winners heading out on summer trips

Three area high school juniors won all-expense paid trips to Washington, D.C., courtesy of Farmers' Electric Cooperative. The students won the trips for winning the top three spots in the cooperative's annual essay contest.

This year's first-place winner was Jordan Smith, the daughter of Carol and Charlie Smith, Meadville. The second-place winner was Drew Van Dyke, the son of Mary and Harold Van Dyke, Meadville, and the third-place winner was Emily Snyder, the daughter of Nancy and Dean Snyder, Hamilton.

Three additional students have also won the opportunity to attend

the C.Y.C.L.E. event, the Cooperative Youth Conference and Leadership Experience, in Jefferson City this summer. The winners of the C.Y.C.L.E. event are Catherine Jones, the daughter of Susan Jones, Jameson; Kristin Holcer, the daughter or Jana and Ron Holcer, Meadville; and Alisha Clem, the daughter of Tena and Mike Clem, Meadville. 110352

"We always enjoy being able to reward academic excellence," said Mike Sanders, Executive Vice-President/CEO of Farmers' Electric Cooperative. "We thank all 18 students for entering the competition and the teachers who promoted our

essay contest."

Junior class English instructors received the essay contest information and applications in early January. Three judges were used to grade the essays and determine this year's winners. This year's topic was "What would life be like without electricity."

The Washington, D.C., trip winners will join approximately 80 other Missouri essayists in mid-June. The C.Y.C.L.E. winners will be joining around 60 fellow students the end of July at the state capitol. The Association of Missouri Electric Cooperatives coordinates and chaperones the students for both trips.

## Water heater install fee will be \$95 effective July 1, 2006

The installation fee for electric waters through the cooperative's contractor will be \$95, effective July 1, 2006.

The water heater installation fee was adjusted due to the additional fuel expenses incurred in traveling throughout the cooperative's nine-county service territory.

Free electric water heaters are available from the cooperative. Contact Member Services for more information.

## FEC Annual Meeting Draws 526 registered members; three on board re-elected

(Continued From Back Page)

ished his career in the rural electric cooperative field.

"We have had great leadership for the last 24 years," Cornett said. "We are well respected nationally through Dan's efforts on the NRECA Board of Directors and as the long-time President of N.W.'s Board of Directors."

Cornett thanked Bryan for his dedicated service to FEC and presented Bryan with a Resolution from the cooperative's board of directors.

Bryan's report to the membership held the common theme of "The Times They Are A Changing." Bryan touched on the 700 jobs that had been added in the area thanks, in part, to the work of FEC in bringing industry to the cooperative's Industrial Park, located along the eastern edge of Chillicothe. 180531

"Folks when we sell all of those kilowatt hours in that industrial park, this helps us stabilize our rates to you,"

Bryan stressed. "For example, we had a rate increase from our power supplier in April and this time we were able to absorb that increase without passing it along to our members."

Bryan cited changes in new technology that would allow the cooperative to "better serve" its membership.

"We are in the process of converting everyone to an automatic meter reading system," said Bryan. "These meters are more accurate and when we have completed the installation process you will

no longer have to read your meter. I think it's one of the best things we've done."

Bryan also pointed out that the cooperative had recorded a history of "great rate stability over the last 25 years."

"We have had only one rate increase in the last 15 years and only three rate increases in the last 25 years. We also had a rate decrease in the last 15 years, too."

Bryan said the average member on the FEC system spends about \$4 a day, or around 16-cents an hour for electricity. "That's pretty cheap labor," Bryan said. "Where can you get any labor for \$4 a day that provides you anything close to what your electricity gives you?"

Bryan said the cooperative would probably see rate increases over the next 10 to 15 years, but the increases would be less than other utilities in the area.

Bryan closed out his report to the membership by bringing his wife, Mary,

up on the stage, thanking the members for their support over the last 24 years and presenting photos to show five reasons why he decided to retire. The photos were of the couple's five grandchildren.

Following the conclusion of Bryan's report to the membership, Cornett introduced Dean Brookshier, representing Congressman Sam Graves, and State Representative John Quinn. Brookshire and Quinn presented Bryan with Resolutions from their respective legislative

branches praising Bryan for his leadership in the rural electric cooperative system and wishing him well upon his retirement.

Cornett then introduced FEC's new CEO Mike Sanders to the membership. Sanders thanked Bryan and the Board of Directors for bringing him into the FEC leadership. He provided the members with a brief history of his involvement in rural electric cooperatives over the last 25 years.

"In 2005, we paid out over \$860,000 in capital credit retirements," said Sanders. "Overall, we have returned to our members almost \$13.9 million in capital credits over the years. If you received power from an investor owned utility, the profits would have been paid to the stockholders as dividends."

Sanders noted the challenges in the future, with the biggest challenge being that of rising energy costs. "In 2004, we had our first rate increase in almost 14 years," Sanders said. "We will not see that kind of rate stabilization in the near future. What we will do is everything we can to continue to provide to you with safe, reliable electricity at a reasonable cost." 274515

FEC attorney Lloyd Cleaveland conducted the business meeting of the cooperative, which included the election of the members to the board of directors, the election of the 2007 Committee on Nominations, and a by-law change pertaining to the eligibility of members for positions on the cooperative's board of directors. A total of 526 members were registered at the meeting.


Elected to the Committee on Nominations were Kenneth Lee, Dennis Farmer, James A. Waters, Vernon L. Williams, Charlotte F. Miller, Judy Holcer and Dennis Widhalm.



**Big TV Winners Eugene and Mona Rennison, Braymer, right, won the Big Screen TV. FEC CEO Mike Sanders is at left.**

# A Monthly Publication of The FEC Companies

# THE BACK PAGE

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## FEC Annual Meeting draws 526 members; Cornett, Hoyt and Anderson re-elected

Approximately 950 people of all ages attended the 68th Annual Meeting of Farmers' Electric Cooperative Tuesday night (June 6) at the Gary Dickinson Performing Arts Center in Chillicothe.

Member/owners of the cooperative re-elected three members to FEC's board of directors and over 120 door prizes were given away at the conclusion of the business meeting. Mona and Eugene Rennison, Braymer, won the grand prize, a 52-inch big screen television.

Re-elected to the cooperative's board of directors were Ron Cor-

nett, Pattonsburg, Richard Anderson, Carrollton, and Warren Hoyt, Dawn. The men will serve three-year terms on the cooperative's board. 20632

Cornett, the cooperative's Board President, called the meeting to order at 7 p.m. In his President's Message to the membership Cornett noted that while FEC's rates had gone up a "little bit in 2004, the increase was nothing compared to the other energy sources in the area, including gas and propane. Take a look at the price hikes the municipal utilities in the area have been

announcing."

Cornett also touched on the new power plant that will be under construction west of Norborne.

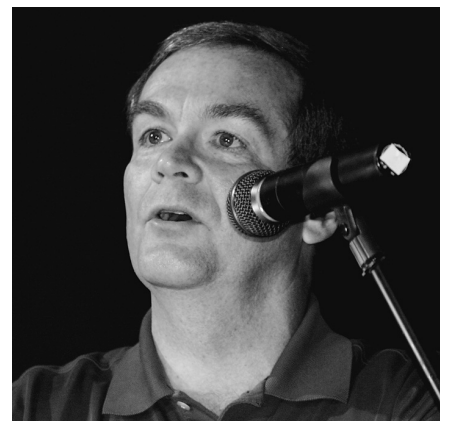
"In Missouri, we don't want to end up like California where they wouldn't allow the construction of power plants in the state," Cornett said. "We want to make sure we have an adequate supply of affordable electricity now and into the future."

Cornett also noted that at the conclusion of the annual meeting, FEC CEO Dan Bryan would have fin-

*(Turn Back One Page)*



**Ron Cornett**



**Mike Sanders**

## Price hike to FEC will not be passed on to residential members

Farmers' Electric Cooperative received an eight percent hike in its power bill, effective April 1, 2006.

"This was an expected rate hike to us," stated FEC CEO Mike Sanders. "Associated Electric Cooperative has done a great job of keeping us informed as to the rate changes coming in the future, so this wasn't a surprise."

Associated Electric (AECI) had announced in April of 2004 they would be passing along rate hikes

every other year to the electric cooperatives in their system beginning in 2006. The rate hikes are the result of AECI spending over \$1.3 billion on environmental controls at their Thomas Hill and New Madrid power plants, as well as the \$1.2 billion to be spent on a new power plant, which will be located just west of Norborne. 60828

"We will probably be looking at a rate hike sometime in 2007, but we're not going to pass along this

rate hike to our residential members," Sanders said.

The last rate increase by FEC was October 1, 2004. Prior to that the last rate hike to FEC members was January 1, 1991. The cooperative also had a rate decrease April 1, 1995.

Based on the power bill FEC received in 2005, the expected cost of power will increase \$700,000 to \$800,000 in 2006.



**Dan Bryan**

## Quality of service will continue

by Mike Sanders, fec ceo

I feel honored to be selected as the fourth General Manager in the history of Farmers' Electric Cooperative. I have 25 years in the rural electric program, and have been at Farmers' Electric for the last two years as the Chief Financial Officer.

I have worked at three other rural electric cooperatives. I also worked for a computer software company that provided software to electric cooperatives, which allowed me to visit over 50 cooperatives across the country.

My predecessors at Farmers' have built a strong organization with a history of providing reliable service at a reasonable cost. While there will be some changes made, our Number One priority will remain to provide our members with reli-

able, low-cost electric service.

We will continue our right-of-way program, which includes both spraying and tree trimming. Maintaining our right-of-way reduces the number and length of outages. We will also continue our program to convert all of our meters to Automated Meter Reading (AMR). As mentioned in previous articles, the advantages to the AMR program include: helping us to identify equipment failures, validate that all members are back on following an outage, and provide accurate and timely meter readings.

We face some tough challenges, with the major issue being rising electric rates. In 2004 we had our first rate increase in almost 14 years. While we will not have another period of rate stabiliza-

tion like that in the foreseeable future, Farmers' Electric will do what it can to minimize the amount of the increases without reducing the reliability of our electric service.

I want to thank Dan Bryan for his many years of leadership at Farmers' Electric. He leaves behind a strong organization that is ready to face the challenges that lie ahead. His help has made my transition to CEO much easier. I am excited about this new opportunity and will do my best to work with our employees to continue to give you the quality of electric service you have come to expect from Farmers' Electric.

