



Proposed 4Rivers Energy Cooperative, Inc. Fact Sheet

1. The Board of Directors for Radiant Electric Cooperative (REC) headquartered in Fredonia, Kansas, and for Lyon-Coffey Electric Cooperative (LCEC) headquartered in Lebo, Kansas, have announced a proposal to consolidate their cooperatives by January 2020 to:

- Provide forecasted cost savings of almost \$9 million over a 10 year period.
- Delay the potential for rate increases in the next 1 to 3 years.
- Ensure best-in-class services to their combined 12,793 meters/customer accounts.
- Put the two cooperatives in a stronger financial position for the long term.

2. If approved by both cooperatives' customer/members during special votes in November, the consolidation will create a **new legal entity called 4Rivers Energy Cooperative, Inc.** Under the consolidation agreement:

- All jobs will be maintained creating a combined workforce of 48. The management team will be determined once the consolidation is approved.
- The communities and members served under the consolidation will experience no changes in their reliable electric service.
- The existing REC and LCEC board of directors will combine to oversee the consolidated cooperative.
- Business offices will remain in Fredonia (current REC office) and in Lebo (current LCEC office).

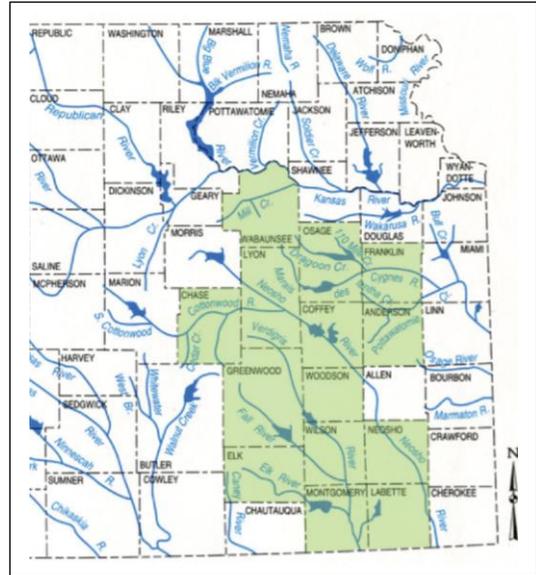
3. The consolidation is focused on limiting future rate increases for the cooperatives' member/customers without affecting their high quality and reliable electric service by:

- Combining purchasing, accounting, billing, information technology and member service functions.
- Sharing equipment, software and engineering services.
- Incorporating best practices and processes from both cooperatives.
- Enhancing mutual assistance and emergency response during storm management challenges.

4. The cooperatives are an excellent match for consolidation because:

- They are almost identical operationally. Business processes are similar, and both use much of the same technology, computer software and equipment – all of which will allow for efficient and effective combining of their functions to maximize cost savings.
- Both cooperatives are among the 19 member-owners of the Kansas Electric Power Cooperative, Inc. (KEPCo), a not-for-profit generation and transmission cooperative headquartered in Topeka. It is KEPCo's responsibility to procure an adequate and reliable power supply for its rural electric cooperative members at a reasonable cost.

- Both have served their members and communities more than 75 years. They are dedicated to being good stewards of the environment, while enhancing and developing the communities they serve.
- Consolidated operations would serve members in 14 neighboring east central and southeast Kansas counties as follows:
 1. Anderson
 2. Chase
 3. Coffey
 4. Elk
 5. Franklin
 6. Greenwood*
 7. Labette
 8. Lyon
 9. Montgomery
 10. Neosho
 11. Osage
 12. Wabaunsee
 13. Wilson
 14. Woodson*



*Current shared service area for REC and LCEC

5. The name of the proposed consolidated cooperative, 4Rivers Energy Cooperative, has been chosen to celebrate all of the beautiful rivers that run through the consolidated 14 county service area.

6. The consolidation plan was developed with the help of an independent consultant who is an expert in electric cooperatives. The process involved a thorough, careful evaluation of options available to hold down future rate increases, maintain high quality and reliable electric service, and put the cooperatives in a stronger position for the long term.

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