



The Cooperative Way.

By Brian Dreessen, General Manager

Your member cooperative continues to be successful. Your team is devoted to its tag line: *to bring service, value and trust to its members*. We have an incredible team that delivers on its commitment to our members.

Today, we have a team of 82 Iowa employees and 15 in Minnesota. We operate many different departments, not one being more important than the other. These departments are refined fuels, propane, lubricants, c-store, service centers, accounting, sales, and the Cenex[®] Lubricant Terminal. Each bring value to our members.

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THE BOARD'S MESSAGE

Customer service continues to stay at the top of CEC's priority list and I can tell you with 100% confidence that Brian Dreessen is dedicated to finding ways to serve the CEC customers better. I speak for the entire board of directors when I say that we appreciate his focus on customer service. Our success is contingent upon how well we listen to the needs of our members. We rely on you to tell us how we can be better at delivering service, value and trust, so don't hesitate to reach out to a board member with any questions or concerns you might have. That is why we are here.

Cooperatives today are still very unique—owned by members who elect the board of directors, who gives direction to the general manager, then profits are returned to the members in the form of cash and equity patronage.

It seems like so long ago that we ended our fiscal year on May 31st, 2017. Sometime in December, we will return to our members 40% cash on \$0.11 per gallon on gas and diesel, \$0.133 on premium diesel (Roadmaster and RubyFieldmaster), \$0.124 per gallon on propane, and 3.5% on merchandise and service. Try to find another company that returns to its members the way Cooperative Energy does. We hope our members appreciate what CEC is doing for them and the value we bring them. Please understand that a lot of emphasis is put on daily service, value and trust.

Our staff continues to measure efficiencies and daily challenges to meet the needs of the members. We have an awesome team today, but as we get older, finding replacements for these great people is troublesome for department heads. We're working on ways to recruit young talent, as well as get acquainted with new technologies, so we can be better at what we do. We still enjoy the idea of being an energy-only cooperative.

Thanks to our members for your continued business and support. If you have ideas for improvement, please, PLEASE share them with our board members or general manager.

Again, thank you for your business!

Stay safe on the job and best wishes for success in your farm/business/operation in the months to come.

Your Cooperative Energy Company Board of Directors:
Nate Schulte; President, *Rock Rapids, IA*
John Penning; Vice President, *Wilmont, MN*
Kyle Thomsen; Secretary, *Royal, IA*
Greg DeBoer, *Little Rock, IA*
Doug Block, *Ocheyedan, IA*
Darin Henning, *Fulda, MN*
Randy Vaupel, *Sibley, IA*
Dave Schwaller, *Milford, IA*



CEC TEAM MEMBERS PER STATE



COOPERATIVE ENERGY COMPANY
1708 Pierce Avenue - Sibley, IA 51249

SIBLEY LOCATION

1708 Pierce Avenue
Sibley, IA 51249
712-754-2586

ROCK RAPIDS STATION

102 1st Avenue
Rock Rapids, IA 51246
712-472-3731

SPENCER LOCATION

5715 Highway Boulevard E
Spencer, IA 51301
712-580-4051

WORTHINGTON LOCATION

1200 2nd Avenue
Worthington, MN 56187
507-376-5121

ALSO SERVING

IOWA: Ashton - Harris - Hartley - Little Rock - Melvin - Milford - Ocheyedan
MINNESOTA: Fulda - Hills - Rushmore - Ellsworth

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Sibley | Rock Rapids | Spencer | Worthington and surrounding communities

Fall 2017

STAYING connected



ATTENTION LUBRICANT CUSTOMERS: A Drum Update From Cenex[®]

Starting Nov. 1, Cenex Lubricants has made the decision to market their products in non-returnable drums. This decision is not new to the industry. Many other major companies have already implemented this practice, but it is a significant policy change that will impact co-ops as well as you, the end-user.

As of Nov. 1, Cooperative Energy is no longer charging a deposit on drums picked up or delivered from any of our locations. Once a customer takes possession of that drum, it is theirs to keep and cannot be returned to

Cooperative Energy. We will provide a transition period for customers who purchased drums prior to Nov. 1, in which case deposits may be reimbursed up until April 30, 2018. After that date, no drums will be accepted, and drum deposits will be forfeited. Cooperative Energy wants this change to go smoothly.

Please feel free to direct any questions to Keith Maxwell, CLT Manager in Sibley, at 507-360-4031, or talk to the manager at your preferred Cooperative Energy location.



Stay updated on what is happening at Cooperative Energy Company! To be the first to hear about our great promotions, email b.vanderzee@coopenergyco.com to join our email list.

Like us on Facebook, follow us on Twitter and check out our YouTube channel!

Combines aren't the only equipment out in the field this fall. The On-Farm Tire Team is on deck to keep farmers in the field.



THE BOARD'S MESSAGE Customer Service Stays at the Top

By Nate Schulte, Board President



On behalf of Cooperative Energy Company's (CEC) board of directors, we are pleased to report that CEC had another positive fiscal year.

both Doug Block and Kyle Thomsen were re-elected to the board and we are very happy to have them back.

Going into 2018, again, our focus is on providing the best customer service. This is why we are excited to be taking over Kunkel Tire in Hartley, Iowa. We saw a need in this region to bring better service to our members, and with the acquisition of this tire service station, we will be able to do just that.

It was great to be at our annual meeting in Sibley this past August and listen to General Manager Brian Dreessen, deliver the good news to the nearly 100 members in attendance. At the meeting,

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The Future of Propane: Heating Things Up.

Being a part of the Cooperative Energy propane service team means each day on the job is different from the one before. One day, you might find yourself in a 6-foot hole, making room for a 500-gallon underground tank. The next day you could be on the top rung of a ladder, connecting foot after foot of pipe in a hog containment facility. But that should come as no surprise. With all of the amazing things you can do with propane these days, the list of CEC's propane services continues to expand.

"Twenty years ago, the majority of our propane jobs involved delivery and hooking up tanks for home heat. Today, we are doing anything

from the complete piping of new hog facilities to swapping out tanks on our forklift cylinder route," notes Todd Zeitler, CEC Spencer location manager.

Recently, our full-time propane team of 12 has been occupied with the hog facility construction boom. With the expansion of a local, major hog processing facility, there's simply a need for more hogs. "Over the past several months, we've been setting tanks and trenching gas lines to brand new facilities, repairing heaters in existing facilities, and replumbing hog facilities that have been sitting empty for years but will soon be occupied again," Zeitler adds.

But it isn't just the big propane jobs keeping our guys busy. Some of the smaller jobs are ones that require the most attention and are high on the priority list. One of those tasks is replacing tank regulators. "Regulator change-outs is something our company takes very seriously and something the insurance industry requires. Regulators are the heart of the propane system. If they fail, the system fails and that can cause serious problems," Randy Bos, CEC Rock Rapids location manager, emphasizes.

Jobs like regulator replacements and tank painting typically take place during the summer months when the need for propane delivery declines. But, with a wet fall like we've had, you can just bet what our team is doing in the fall months.

Of course, the Cooperative Energy region is not the only region in the mid-west that experienced a wet fall. Having the supply to meet the corn drying and heating demands is a concern on every LP suppliers mind. "Fortunately for our members, we have the largest storage capacity in the area. We have a delivery fleet of 9 and 3 individuals dedicated to services outside of delivery. When the world around us is scrambling to get ready for the dreaded cold of winter, our trucks are loaded, and our team is ready," Bernie Ahlberg, CEC Worthington location manager, tells us.

As supply and demand continue to fluctuate, the exporting of LP continues to increase and new uses for propane are continually discovered. During this time, CEC's propane team does what any strong team would do--TRAIN. Education and training is the only way to stay ahead of the propane game and that's something Cooperative Energy strives to do. It's also the only way to ensure you are the safest. Being safety conscious doesn't always make you the most popular, but Cooperative Energy knows you can never spend too much time on the subject. "Safety is always at the top of the list, and that is why all of our



Levi Ringquist (top) and Brian Rons (bottom) use their piping skills to bring an empty hog barn back to life.

propane personnel have to take part in the National Certified Employee Training Program (CTEP). Along with the CTEP certifications, we take advantage of timely, continued educational opportunities provided by the Iowa Propane Gas Association and other industry sources. Our most recent training took place this September and brought us up to date on National Fire Protection Association Code changes – again, safety being the overall theme." Zeitler, the Spencer location manager, takes the training just as seriously as he expects his team members to.

Safety, supply, service personnel—this propane department has its ducks in a row. And because these services come from an energy-only company, there is nothing to distract them from bringing their customers the best service in the area—regardless of the time of year. Randy Bos makes a very valid point, "A really good team always has a deep bench. With over 130 years of combined experience, you could say we have one talented propane team."

THE CENEX® TOTAL PROTECTION PLAN WARRANTY:

Proof That It Really Is "No Nonsense, No Questions."

Dean's Kubota was running just fine until, for some reason, the PTO would not turn off. It didn't really matter what the reason was or how it happened. Dean worked with Kent Gaston, Cooperative Energy Certified Energy Specialist, and had already gotten signed up for the Cenex® Total Protection Plan Warranty. And because Dean was using a combination of Cenex premium diesel fuel and Cenex lubricants, Dean's equipment was protected by the best coverage in the industry.

This is a warranty that covers issues as small as a hub repair (\$1,519.42) and as big as a transmission Repair (\$70,399.11). CHS will pay for costs, including installation and labor, to repair or replace covered parts that fail during normal use, as long as you are using Cenex lubricants and fuels exclusively—and they've paid claims as big as \$71,357.85. "In today's farming economy that includes potentially costly equipment repairs, the Cenex warranty is the best way to protect your investment and minimize overall equipment expenses," CES Scot Hermanson makes very clear.



Jim Hargens of CHS and Roger DeBey from the CEC Fuel Team join CES Scot Hermanson in presenting a TPP Claim Check to Russ Pedersen.



Dean Christopherson receives his TPP Claim Check from CES Kent Gaston.

CES Kent Gaston adds, "and it's so inexpensive, I just don't know why you wouldn't." Inexpensive it is, as \$299 gets you coverage for new equipment, and \$399 gets you coverage for your used equipment. When Dean Christopherson of Christy Enterprises received his check for \$5,557.98, he agreed the warranty was worth every penny. "It's a WONDERFUL thing to have," he affirmed.

Alvin Runia of Runia Farms also attests to the warranty's worth. He acknowledged that not only was it worth the small investment, but it was easy to do! To put it simply, Alvin described it saying, "no nonsense, no questions." His claim check for \$4,073.32 covered rings in the transmission broken by the clutch.

And just how easy is it to get signed up? Very. One of our Certified Energy Specialists will meet the customer in person at their farm or business operation, and work with them through the entire process from start to finish. Russ Pedersen of Pedersen farms says, "you'd be silly not to take advantage of it." Russ was presented with a check for \$14,523.45 back in March of 2017, covering almost all of the costs of major tractor engine repair. "Russ called and said his tractor needed to go in for a major engine repair and wondered if the warranty would cover the repair. I assisted him in taking an engine sample and opened up a claim. Russ chose the repair shop and received a check about 30 days later. It was a quick and easy process," CES Scot Hermanson explains.

Just this past month, another TPP claim was rewarded to Steve and Dorward Dykstra of D&S Hilltop Farms near Bigelow, MN. CES Kent Gaston was there to present the check for \$7,258.43 for repairs made to the front and rear final drive on the farm's telehandler. With the addition of the Dykstra's paid claim, as well as a second smaller paid claim, the Cooperative Energy CES team delivered nearly \$30,000 in successful claims in the past 12 months. And a claim success rate of 100% in the last 12 months indicates not very many farmers are taking advantage of what this warranty has to offer. CES Kent Gaston adds,



Steve and Dorward Dykstra receive their TPP Claim Check from CES Kent Gaston.

"I've never seen a claim denied in the 3 years I've been at Cooperative Energy."

"Our experience shows this warranty is worth every penny. CHS is faithful to our fuel and lubricant customers and stays true to the warranty's promise," Sales Manager, Randy Bos makes clear.

Bringing the coverage, assisting with the lube scans and submitting the Cenex TPP Warranty claims are just some of the many ways the Cooperative Energy CES team brings service, value and trust to our members. CES Scot Hermanson sums it up saying, "It's superior risk management, and it's our job as certified energy specialists to bring solutions to our customers. That's why we're here."

Model Fuel Trucks Are Ready for Delivery

DCP 1:64 Cooperative Energy fuel transport trucks are now available to members for only \$79 (retail value \$110). Call Beth at 712-754-2586 to reserve one. We do have a few DCP 1:64 propane transport trucks remaining.

Hurry and get both while available! After placing your order, you can pick up your truck at the Cooperative Energy location closest to you.

