CONNECTED

FALL 2012

1708 Pierce Avenue PO Box 254 Sibley, IA 51249

800.342.7360 712.754.2586

LOCATIONS:

Sibley, IA
Ocheyedan, IA
Hartley, IA
Little Rock, IA
Rock Rapids, IA
Worthington, MN
Fulda, MN
Rushmore, MN
Hills, MN
And surrounding areas

CARDTROL LOCATIONS:

Sibley, IA
Jackrabbit Junction
Old Hwy 60 Downtown
Ashton, IA
Melvin, IA
Ocheyedan, IA
Harris, IA
Hartley, IA
Little Rock, IA
Rock Rapids, IA
Fulda, MN
Worthinton, MN
Interstate CENEX
1200 2nd Avenue

Moving Forward

By Brian Dreessen, Cooperative Energy General Manager

What image pops into your head when you think about Cooperative Energy? Is it the growing number of 24-hour fueling locations including the one in your home town? Or perhaps it is Interstate Cenex or Jackrabbit Junction?

Maybe it's our growing fleet of refined fuel, propane and tire trucks? Or perhaps it's the huge inventory of lubricants, parts and tires we regularly stock to meet our customers' demands?

For me, what always comes to mind is the people; our customers and our loyal employees.

THE CUSTOMER

Cooperative Energy would be nothing without you, our members and customers. It's not a coincidence that the words Commitment and Excellence start with the same letters of the alphabet as Cooperative Energy,

Continuing to provide every one of our members and customers the best in Cenex products, personal service and competitive pricing must

remain our number one goal.

We would not be able to exist without a true Commitment to Excellence by our many loyal employees.

If you ever wonder how much every one of us at Cooperative Energy believe in commitment, just take a moment to read our company's mission statement:

To provide excellent services and products in a safe environment that will

and products in a safe environment that will enhance the profitability of both the patron and the company."

THE EMPLOYEE

But none of that can be accomplished without qualified and dedicated employees.

We depend on our refined fuel and propane delivery specialists, qualified mechanics, location service teams and headquarters' management and accounting staff to take that commitment to a higher level.

I get excited when I look at the changes in the Cooperative Energy team we've been able to put in place during the last six months. I'm as equally excited about the customer-focused changes in

our management structure.

Just as was promised in our last newsletter, we're "notching it up" to make it possible to make quicker decisions at every location, more products, great availability, more visibility, expanded services and a higher level of satisfaction.

The Board of Directors and I believe we have a workable system able to provide measurable results.

I hope you're seeing this overall higher standard in your dealings with Cooperative Energy. If not, I'd like to hear from you personally so I can respond and improve that situation.

CHALLENGES

We will be facing serious challenges, however. The energy industry is currently facing a volatile fuel market created by increased demands from a changing world economy. Once dependable regional raw and refined product sources are now selling to international markets willing and capable of paying higher prices. Government and environmental forces are increasingly making it even more difficult to expand refinery facilities as well as new pipelines for cheaper, safer movement of finished fuel across the Midwest.

But Cooperative Energy, your energy source, is consistently striving to find the best possible prices for our members and customers. We are constantly watching the daily market and placing future orders to keep our reserve tanks full.

Still, there will be changes ahead. We may be forced to restructure some future delivery contracts. We might have to change some current credit and business policies.

But you, our patrons and customers, shouldn't be overly concerned. Everyone at Cooperative Energy continues to understand the need to put you first and to continue our commitment to excellence.

You the customer, as well as the many fine associates I work with, are the reason I look forward to getting up for work every day. I thank you for your dedicated support and look forward to visiting with each and every one of you during the coming year.



WE'RE "NOTCHING IT UP"

AT THE ROCK RAPIDS LOCATION

Members who frequent Cooperative Energy's Rock Rapids' location for fuel and service will notice a number of changes that have recently transpired in Lyon County.

Tony Rasmussen, a 15-year veteran of the energy business has moved from South Dakota to Rock Rapids to assume the responsibility of location manager there.

Joining Tony on his Committed to Excellence Rock Rapids team are new Certified Energy Specialist Trent Hepler, (see additional article in this edition of CONNECTION), long-term mechanical specialist Brian Kroon and recently hired tire and mechanical service associate Kyle Schrick.

Roger DeBey, CE's Rock Rapids refined fuel delivery agent will continue in that role as well as provide assistance at the station when needed.

For geographical reasons and because he obtains most of his fuel from either the Rock Rapids NuStar terminal or Cooperative Energy's bulk plant, Hill's refined fuels delivery driver, Jim Jellema, will also be based out the Rock Rapids location. He was formerly



Kyle, Roger, Tony and Brian are ready to help you with your refined fuel, new tires and mechanical needs.

based out of the Worthington, MN, location.

Many special events and promotions are planned during September to celebrate Rock Rapids' "Notching it up!" Members in that area should watch their local newspaper for details.

POSSIBLE

DIESEL FUEL SHORTAGE

Cooperative Energy's agricultural and over-the-road customers need to be aware that there is a strong possibility of a shortage in diesel fuel during the next few months.

The shortage is being caused by a growing demand for diesel which has been exceeding supply and which probably won't change in the near future.

Refineries naturally prefer to ship their product to areas where they will receive the greatest profit. Most often that market is overseas

Additionally, here in the Midwest, emerging North Dakota oil fields have become home to hundreds of new drilling efforts that require up to 1,500 gallons of diesel fuel per rig per day. Almost 99.9 percent of all diesel fuel from Cenex's McPherson, KS, refinery is being allocated to new North Dakota oil fields.

At Cooperative Energy we've been taking steps to prepare for such a shortage. We've expanded future's contracts to obtain what we believe will be a sufficient diesel supply for our customer's future needs.

Cenex, our regional supplier, has also taken steps to assist us. It has chaired a number of planning meetings to challenge us and other key local cooperatives to maintain a higher than normal diesel inventory.

The worst scenario however, is a greater waiting time to fill our tankers at the Milford and Rock Rapids terminals. We expect those waiting times will be much longer during the coming fall and winter.

But be assured we are taking every step to watch out for the interests of our customers. We understand the importance of assuring adequate supply at the lowest possible cost for our diesel fuel customers.

PROPANE

The good news is that propane prices are expected to remain level to weak this coming winter. The expected lower costs are the result of reduced demand for propane recently.

There was little need for propane for corn drying last fall. Warmer temperatures last winter also reduced demand for home heating and stock operations.

The new North Dakota oil fields also play a part in the lower price expectations. There are currently so many newly drilled wells producing the byproduct that there is a lack of equipment to handle it and facilities to store it. As a result, the drilling companies are currently simply burning it off at the wellhead.

We recommend that Cooperative Energy customers watch the market for changes and keep their tanks filled. But for the moment there seems to be little need for concern regarding the need for extended contracts to guarantee product or delivery.

Introducing Cooperative Energy's New Certified Energy Specialists

WE'RE EXCITED ABOUT THE NEW ENERGETIC CERTIFIED ENERGY SPECIALISTS JOINING THE COOPERATIVE ENERGY TEAM

DAN HEILMAN

Dan, who will be covering the eastern territory, is returning to his roots.

Born in Worthington, Dan spent most of his growing up years in Melvin and is a graduate of H-M-S high school and South Dakota State University with a degree in Animal Science and an ag business minor.

He has 16 years of experience working in agricultural customer service.

Dan and his wife Maureen have two children. "Cooperative Energy is a strong company," he says of his new position. "We've got

he says of his new position. "We've got excellent products and a commitment to quality service. It's wonderful to again work with local producers."

When not working, Dan enjoys being with his family, remodeling his home and playing an occasional game of golf.

TRENT HEPLER

Born in Texas, Trent moved to lowa while just a baby, living first in Storm Lake and then Gilbert, lowa. A graduate of lowa State University, he considers himself a CY-HAWK with even a little bit of purple in his veins.

Trent met Brian during an energy meeting and liked the way Dreessen placed so much emphasis on putting reliability and excellent customer service first.

Trent, who will be servicing Cooperative Energy's western territory, is looking to possibly relocate to Rock Rapids. When not working, he enjoys spending time with his girlfriend Bethany, golfing and fishing.

Of his new job, Trent says, "Cooperative Energy is a great company to work with. I'm thank for the opportunity to be part of a team dedicated to helping our customer's operations better."



Expanded growth for Cooperative Energy's Worthington Lube Terminal

Cooperative Energy's management team was able to complete a new agreement contract with Cenex to be the supplier of Cenex lubricants this summer. The new agreement gives Cooperative Energy the responsibility of delivering Cenex lubricants to an even greater area of Southern Minnesota.

Under the agreement, the Worthington terminal will provide the complete line of quality Cenex oils and lubricants including Enviro-Edge, TMS 15-40, and Qwiklift to all dealers in an area marked by a line about equal with Twin Cities to the entire southern Minnesota border.

This change will benefit Cooperative Energy members in three ways:

- •First, it will result in greater profits for the local company that can be passed on to members in patronage refunds.
- Second it will assure a greater demand for Cenex products at the local warehouse, assuring higher inventories our local patrons can depend upon when they need lubricants for their machinery and vehicles.
- •Thirdly, it will assure that Cooperative Energy will continue to be able to hire and keep the most qualified employees to oversee and grow that part of the Cooperative Energy company.



Annual Meeting Scheduled for September 6

Cooperative Energy's 2012 Annual Meeting is just a couple of weeks. The Annual Meeting will be held on Thursday evening, September 6, and it's vitally important for you be there.

Cooperative Energy, by design, is meant to be member driven. It is important that all members participate in the annual meeting, asking questions and deciding the future of the organization.

The annual meeting is every member's opportunity to hear how the organization is doing financially, where the company is growing and where the directors and management are making changes to guarantee improved services.

It is also a good time to learn about changes and improvements in Cooperative Energy's regional supplier, Cenex.

This year's annual meeting will be held at the Sibley High School. Dinner will be served in the commons area from 5:15 to 7:00. The meeting will begin sometime between 7:15 and 7:30, when everyone is finished eating, in the Sibley High School auditorium.

As in past years, a drawing for door prizes will be held. You must be present to win.



Brian Dreessen, General Manager bricoop@hickorytech.net

Refined Fuels and Propane

Doug Dekkenga - Ocheyedan, IA Kenny Loerts - Ocheyedan, IA Robert Riedemann - Hartley, IA Jerry Tewes - Hartley, IA Kevin Ommen - Sibley & Little Rock, IA Dave Julius - Sibley & Rock Rapids, IA Roger DeBey - Rock Rapids, IA Jim Jellema - Hills, MN Phil Clarke - Worthington, MN Brian Bultmann - Worthington, MN Earl Hokeness - Rushmore, MN Duane Klooster - Rushmore, MN

Certified Energy Specialistsw

Dan Heilman - Cell 712-461-0223 Trent Hepler - Cell 507-329-5084

Sibley Service Center

Mike Groote, Manager

Auto Technicians/Alignment

Mike Appeldorn Preston Shaffer Bruce Harper Jason Hawkins

Diesel Technicians

Dan Liechti Brian Luinstra Dave Hoogers

Tire Shop

Brad Loerts Chad Schons Troy Wollmuth

Rock Rapids Service Station

Tony Rasmussen - Manager Brian Kroon Kyle Schrick

Fulda Service Station

Brad Schweigert - Supervisor

Worthington Service Station and CENEX Lubricant Terminal

Keith Maxwell - Manager Larry Janssen Larry DeBoer Diann Veen

Jackrabbit Junction - Sibley, IA

Melinda Balster - Manager

Interstate CENEX - Worthington, MN

Smitty Ektnitphong - Manager

Credit Department

Bernie Ahlberg - Manager

Accounting Staff - Sibley, IA

Lesa Hommes - Controller Sue Holt Pam Groote Allison Lansink Rachelle Groote



1708 Pierce Avenue - PO BOX 254 Sibley, IA 51249-0254

ANKS OF

TANKS OF THANKS

All of us at Cooperative Energy are pleased to congratulate these local public minded citizens or organizations who have been nominated for Cenex's unique Tanks of Thanks recognition.

WORTHINGTON NOMINEES

- Dennis Weeks Worthington, MN
- Doug Johnson Worthington, MN
- **John Van Ede**Worthington, MN
- Judy Slininger Worthington, MN
- Steve Lohr Worthington, MN
- Jerry Perkin Worthington, MN

ROCK RAPIDS AREA NOMINEES

- •Sno-Lyons
- Lyon County Conservation Department
- Rock RapidsStreet Department
- Jerry Stubbe
- Shari Kastein
- Heartland Racing Association

SIBLEY AREA NOMINEES

- Mike Earll Sibley, IA
- Roberta Snow Sibley, IA
- Willliam Timmerman Sibley, IA
- Atlas of Osceola County
- Rides of Sibley
- Osceola County Ambulance Service Sibley, IA
- Sibley Volunteer
 Fire Department

c/o Ken Huls

This year there are two collector truck fridge calendars!

these great people and organizations!

Thank you for taking time-out to nominate

The 2013 calendars feature a new picture of a Cooperative Energy LP and refined fuel truck parked in front of Jackrabbit Junction and our trucks parked in front of Interstate Cenex in Worthington. Each month is represented with a traditional pull-off sheet.

Calendars are available at all Cooperative Energy locations. Pick up as many of the calendars as you need the next time you fill up or stop by for tires, repairs or an oil change.



2013 Calendars =

Cooperative Energy Company Mission Statement:

To provide excellent services and products in a safe environment that will enhance the profitability of both the patron and the company.