



Touchstone Energy[®]

The power of human connections

Touchstone Energy Member Guide

For Basin Electric Member Cooperatives

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Basin Electric Touchstone Energy Contact Personnel

Basin Electric Toll-Free: 800-242-2372

Please contact Jeremy Woeste 701-557-5746 jwoeste@bepc.com for the following:

- General information, sign ups and investment structure
- Advertising reimbursements
- Advertising and media buying
- Brand and graphics standards
- Education and training programs
- Cooperative Connections discount program
- Surveys and ACSI scoring

Touchstone Energy Initial Signups and Renewals

Initial Signups

When a distribution co-op is ready to become a Touchstone Energy Cooperative, staff should contact Jeremy Woeste at Basin Electric.

Touchstone Energy staff will be notified, and the new member cooperative will receive a *New Member Kit* along with an invoice and *Licensee Agreement*. The Agreement must be completed and returned to Touchstone Energy.

Receiving Additional Information

Upon completion of the *Licensee Agreement*, Touchstone Energy will send a national staff representative to the cooperative to conduct new member orientation with the employees and management team. Access to all Touchstone Energy resources will be available to the new member through Cooperative.com which will help guide a co-op through the on-boarding phase of their membership. Some of the resources available are:

1. Licensee Requirements
2. The Brand Book
3. Touchstone Energy Fact Sheets & Boilerplate Language
4. Brand News
5. Advertising & Marketing Guidelines
6. Member Engagement Programs
7. Sample Press Release
8. "The Road to Member Engagement" Workshop - A 90-minute workshop designed to educate co-op employees on the cooperative advantage and focuses on electric cooperative purpose, branding, and the power of the co-op network.
9. Plus more information, programs, guides and brochures that will assist the cooperative in meeting their Touchstone Energy requirements.

It is essential that personnel responsible for the Touchstone Energy program read and understand the material available on the website including the Brand Book. This information is key to a successful Touchstone Energy program.

Touchstone Energy Investment Structure

Touchstone Energy members have three separate investment requirements:

1. Initiation Fee
2. Annual Investment
3. Local / Regional Advertising Commitment

Initiation Fee

All cooperatives must pay a one-time, \$2,500 initial fee upon becoming a member of Touchstone Energy. This one-time fee *is the sole responsibility of the distribution cooperative*. Cooperatives will be billed directly by Touchstone Energy.

Annual Dues

Touchstone Energy collects dues annually which are used for programs, services, research, and national advertising. The Basin Electric board of directors has directed Basin Electric to pay 50% of its member systems' annual investment fees. Some regional G&T members may also pay a portion of the remaining investment.

Basin Electric receives an invoice from Touchstone Energy for all of Basin Electric's Touchstone Energy members for whom Basin Electric is the regional partner. This includes all member cooperatives except Tri-State, East River and Corn Belt members as these G&T's are Touchstone Energy regional partners. Basin Electric pays the invoice and then invoices each member for its *Annual Investment, less 50%*. For Tri-State, East River and Corn Belt members, the same 50% applies, but a reimbursement is issued to these G&Ts.

Local Advertising Commitment / Requirement

The advertising commitment is a separate investment which is double the amount of the co-op's annual dues. Member cooperatives may qualify for 50% reimbursement from Basin Electric for dollars invested in advertising. Member co-ops are required to spend their advertising commitment dollars throughout the year. When a co-op has met or exceeded their advertising commitment, proof of expenditures should be sent to Basin Electric for 50% reimbursement. Co-ops may refer to the Touchstone Energy member's website for recommendations on allocating advertising dollars.

To qualify for reimbursement, a cooperative must place ads that:

1. Focus on Touchstone Energy and its four core values of Integrity, Accountability, Innovation and Commitment to Community.
2. Product-specific ads qualify only if the focus of the ad is on Touchstone Energy and not a product. Co-ops should include a statement which is in-line with current Touchstone Energy brand messaging on product specific advertising. These statements combined with proper Touchstone Energy co-branding as listed in the Touchstone Energy Brand Book will qualify an ad for reimbursement.

Timeline for Requesting Advertising Reimbursement

The request for Touchstone Energy advertising reimbursement from Basin Electric must be made by the end of the first quarter of each year for the prior year's expenses.

How to Request Advertising Reimbursement

Complete the summary and detail templates that have been sent to each member cooperative. This template includes sections for each of the media types (i.e. television, radio, print, digital, billboards and sponsorships). Attach backup information to include:

- Tear sheets on print ads (or title of the ad used)
- Scripts of television and radio ads (or a title of the ad used)
- Invoices as necessary to explain expenditures
- Narrative summary of sponsorships to explain how the events further the Touchstone Energy message.

Touchstone Energy Advertising Guidelines

- Keep messages on strategy
- Include core message of Touchstone Energy
- Include cooperative values
- Include how electric cooperatives are unique
- Ensure proper use of logo trademark
- Use high quality ads
- Remember to maintain consistency and repetition

Qualifying / Non-qualifying Ads for Touchstone Energy

Below are some examples of Touchstone Energy ads that do or do not qualify for Touchstone Energy local/regional advertising reimbursement.

It is recommended to stay as close as possible to the national and regional ads produced by Touchstone Energy and/or Basin Electric.

- All nationally produced ads such as Trusted Energy Partners, Your Source, Vintage Fresh, etc., are qualifying ads for Touchstone Energy advertising reimbursement.
- Co-branded promotional items such as jackets, shirts, cups, pens, etc. qualify at up to 25% of a co-ops annual advertising commitment. Items must be co-branded with the Touchstone Energy logo. There is no cap in the first year of Touchstone Energy membership.
- Signage on vehicles and buildings qualifies for reimbursement only during the co-op's first year of Touchstone Energy membership.
- Signature ads and business card style ads which contain only the Touchstone Energy logo and a tag line do not qualify.
- Holiday greetings are not qualifying ads. Adding a footnote mentioning Touchstone Energy does not make it a qualifying ad.
- Product specific ads for the purpose of promoting the use of electricity do not qualify.
- Business cards are not eligible for advertising reimbursement unless they include a specific message that directly speaks to the key strategic message of Touchstone Energy or its core values.
- Labor costs associated with ad development, artwork, audio/video production, running a booth, writing articles, etc. do not qualify for reimbursement.
- Touchstone Energy articles written for a cooperative newsletter or annual meeting book do not qualify. These are part of your cooperative's ongoing communication with your members and are a cost of operations.

If there is a question on whether an ad qualifies for reimbursement, please contact Basin Electric in advance of running the ad for approval or assistance in modifying the ad.

A good mix of advertising platforms (i.e. digital, television, radio, print, billboards, etc.) is recommended for educating members and the public about the Touchstone Energy message.

Cooperative Connections: Reimbursement of Program Expenses

If a member cooperative implements the Cooperative Connections Card Program, some expenses qualify for reimbursement.


- Connections cards and key fob printing costs are reimbursable expenses in the initial start-up year only.

Annual Investment and Advertising Commitment


The formula used to determine the Annual Investment and Advertising Commitment is based upon each distribution co-op's number of consumers served, as self-reported by the cooperative on RUS Financial and Operating Report Electric Distributions (formerly known as RUS Form 7), on CFC Form 7, or directly to the NRECA membership department using the most current data available. For MWh sales, as self-reported by the cooperative on RUS Form 12, CFC Form 12, or directly to the NRECA membership department using the most current data available. The fee structure is summarized below.

Touchstone Energy - Fee Structure

Distribution Members

	Consumers Served ²		Base Rate ³	+	Rate Per Consumer Served ⁴	X	Count Above Upper Limit of Previous Tier
	Lower	Upper					
DC Tier 1	-	10,000	\$1,500		\$0.700		Consumers Served
DC Tier 2	10,001	20,000	\$8,500		\$0.650		Consumers Served - 10,000
DC Tier 3	20,001	30,000	\$15,000		\$0.550		Consumers Served - 20,000
DC Tier 4	30,001	40,000	\$20,500		\$0.450		Consumers Served - 30,000
DC Tier 5	40,001	50,000	\$25,000		\$0.350		Consumers Served - 40,000
DC Tier 6	50,001	60,000	\$28,500		\$0.250		Consumers Served - 50,000
DC Tier 7	60,001	70,000	\$31,000		\$0.150		Consumers Served - 60,000
DC Tier 8	70,001	80,000	\$32,500		\$0.050		Consumers Served - 70,000
DC Tier 9	80,001	90,000	\$33,000		\$0.025		Consumers Served - 80,000
DC Tier 10	90,001	100,000	\$33,250		\$0.015		Consumers Served - 90,000
DC Tier 11	100,001	293,830	\$33,400		\$ -		Consumers Served - 100,000

Generation & Transmission Members

	MWh Sales ²		Base Rate ³ +	$\left(\begin{array}{l} \text{Rate Per} \\ \text{MWh Sold}^4 \end{array} \right) \times$	$\left(\begin{array}{l} \text{Count Above} \\ \text{Upper Limit of} \\ \text{Previous Tier} \end{array} \right)$
	Lower	Upper			
GT Tier 1	-	1,500,000	\$15,000	\$0.0085	MWh Sales
GT Tier 2	1,500,001	3,000,000	\$27,750	\$0.0075	MWh Sales - 1,500,000
GT Tier 3	3,000,001	4,500,000	\$39,000	\$0.0065	MWh Sales - 3,000,000
GT Tier 4	4,500,001	6,000,000	\$48,750	\$0.0055	MWh Sales - 4,500,000
GT Tier 5	6,000,001	7,500,000	\$57,000	\$0.0045	MWh Sales - 6,000,000
GT Tier 6	7,500,001	9,000,000	\$63,750	\$0.0035	MWh Sales - 7,500,000
GT Tier 7	9,000,001	10,500,000	\$69,000	\$0.0025	MWh Sales - 9,000,000
GT Tier 8	10,500,001	12,000,000	\$72,750	\$0.0015	MWh Sales - 10,500,000
GT Tier 9	12,000,001	13,500,000	\$75,000	\$0.0005	MWh Sales - 12,000,000
GT Tier 10	13,500,001	100,000,000	\$75,750	\$ -	MWh Sales - 13,500,000

Generation Service Provider Members \$5,000

²Consumers served as self-reported by the cooperative on RUS Financial and Operating Report Electric Distributions (formerly RUS Form 7), on CFC Form 7, or directly to the NRECA membership department using the most current data available. For MWh sales, as self-reported by the cooperative on RUS Form 12, CFC Form 12, or directly to the NRECA membership department using the most current data available.

³Base rate covers consumers served or MWh sales at upper limit of previous tiers.

⁴Rate per consumer served or per MWh sold is multiplied by count from lower limit of tier.

Touchstone Energy Licensee Requirements

Touchstone Energy member cooperatives are expected to meet standards requirements in the following three areas:

1. Basic Requirements
2. Customer Relations
3. Brand Building Requirements

Basic Requirements

Member co-ops agree to operate in accordance with the *Seven Cooperative Principles* and incorporate and uphold the four core values of Touchstone Energy -- Integrity, Accountability, Innovation and Commitment to Community.

Customer Relations

Member co-ops agree to strive to achieve continually higher standards in the delivery of all products and services.

Member co-ops will ensure that cooperative employees are provided with the necessary tools to meet member needs. Member co-ops are encouraged to provide employee training that focuses on three areas:

Customer Service Training

Cooperative employees are an integral part of Touchstone Energy. It is essential that they provide exceptional customer service. To aid in this effort, Touchstone Energy co-ops are asked to provide customer service training to all employees.

Touchstone Energy Training

As a Touchstone Energy cooperative, it is important that all employees know and understand the purpose and philosophy of Touchstone Energy and how it affects them and the cooperative.

Regional G&T's or Basin Electric personnel are available to conduct on-site training sessions designed around each cooperative's needs.

Employee Needs Assessment

As a Touchstone Energy member, cooperatives are asked to conduct periodic *Employee Needs Assessments*. These assessments are conducted in-house by distribution management to evaluate and determine if employees have the proper tools, equipment and training necessary to successfully and safely do their jobs.

Brand Building

Member co-ops agree to inform consumers of the unique values of Touchstone Energy and use the Touchstone Energy logo, name and artwork in all cooperative internal and external communication, advertising and publicity. Member co-ops are also expected to participate in the surveys mentioned below.

Touchstone Energy Surveys

National and local surveys are great tools for gauging the success of Touchstone Energy cooperatives and therefore an essential part of the Touchstone Energy program is the American Customer Satisfaction Index™.

The American Customer Satisfaction Index™ (ACSI)

This nationally renowned annual customer service survey is coordinated by NRECA at the national level. ACSI consists of thousands of surveys and gauges the success of companies in more than 40 industries. Hundreds of companies (including Touchstone Energy) participate on an annual basis. To obtain an accurate sample, ACSI surveys distribution cooperative members and the general public throughout the United States.

The survey consists of the four questions, as follows:

- 1 – On a scale of 1-10, how satisfied are you with *[INSERT Cooperative]*?
- 2 – On a scale of 1-10, rate to what extent *[INSERT Cooperative]* falls short of or meets your expectations.
- 3 – On a scale of 1-10, compare how *[INSERT Cooperative]* compares with the ideal utility company.
- 4 – If you could choose any energy company, what is the likelihood (on a scale of 1-10) that you would choose *[INSERT Cooperative]*?

Each corporate survey participant is assigned a score based on a scale from 1 – 100 and results are published in *The Wall Street Journal*.

Basin Electric will reimburse each Touchstone Energy member cooperative up to \$1,050/year for the costs incurred in conducting an ACSI survey of their membership.

If your cooperative would like to conduct a customer satisfaction survey specific to your membership only, please contact Basin Electric for more information.
