

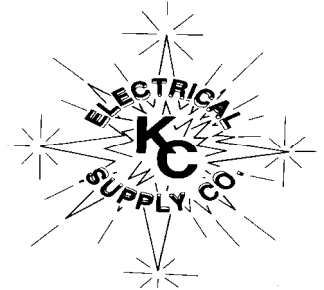
KCES Customer Newsletter

Kansas City Electrical Supply Co.

News from KCES

HOLIDAY SCHEDULE—

We will be **CLOSED Friday the 4th of July** in order for our employees to celebrate America's birthday with their families. In the midst of all the food, fun & fireworks, don't forget to take a few minutes to reflect on what this holiday stands for.



July 2008

COST FOR MATERIALS CONTINUES TO SKYROCKET — Steel pricing is the big story this month, but so is the cost of oil, fuel, plastics and other metals.

Several vendors have announced another round of increases for steel products anywhere from 12-25%—this is on top of increases as recently as May.

Aluminum wire is also on the rise (up 8-12%).

Steel and the cost of steel production (energy costs—related to both manufacture and transport of material) are forcing every manufacturer to constantly adjust their pricing upward.

Oil and the oil-based resins used in plastic & PVC production are rising causing everything made of plastic to escalate.

Gone are the days of annual and semi-annual price increases. It once was customary to receive notice of a price increase months ahead of time—now it is becoming common to only receive 2 weeks notice. We urge you to buy early and use caution in bidding jobs that are too far in the future.

Please see the back of this newsletter each month to see advance notice of the price increases we know about at the time of publication. If you need specific information contact your sales person. Be careful out there.

Effective July 1, 2008:
we will charge a 2 ½% convenience fee to customers paying with a credit card IF your account is past due at the time of payment.

If your account is not past due or you pay with a check, you will not be charged the convenience fee.

NEW PRODUCT SPOTLIGHT

NOW IN STOCK AT KCES: Arlington's recessed TV BOX(TM) for new or old work allows LCD/plasma TVs or furniture to go flush against the wall.

Its double-gang design allows TWO duplex receptacles (or use the voltage separator for one duplex power and one low-voltage outlet). There are two additional built-in mounts for low-voltage use, such as speakers, satellite TV, surround-sound, or other media or data-comm connections.



The 13" wide, non-metallic TV BOX(TM) mounts between 16" o.c. studs for a secure horizontal or vertical installation.

Plugs stay inside the box - don't extend past the wall. Textured, paintable trim plate covers edges of cut drywall. *Devices not included.*

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Page 2 & 3 are available only in the email and online versions.

Visit us on the web to signup for email delivery or to download the full edition.

Kansas City
816 924-7000



Lenexa

913 563-7000

Cash Discounts

Many people have looked at their invoices and tried to figure what percent we offer for a cash discount for those making their payment “on-time” by the tenth of the month.

We use a “pass along” cash discount. We offer a cash discount on those items sold from vendors which offer a cash discount to us. We “pass along” the same discount that we receive from each individual vendor we buy stock material from (over 160 different vendors).

Your discount percentage varies based on the material purchased and the vendors you buy it from. Some vendors offer 2%, some 1% and some do not offer a cash discount to us, so there is nothing to “pass along” to you. Some line-items on your invoice may have a 2% discount, some 1% & some have none.

Also please note: if you choose to pay your balance by credit card we do not allow a cash-discount to be taken. Though it will automatically appear on your statement and invoices, we do not allow that amount to be deducted. The air-miles and credit card bonuses you earn on your card are your reward for paying by credit card. This helps to offset the transaction fees KCES incurs for the card transactions.

We use a “pass along” cash discount. We offer a cash discount on those items sold from vendors which offer a cash discount to us.

Effective July 1, 2008: we will charge a 2 ½% convenience fee to customers paying with a credit card **IF your account is past due at the time of payment.** If your account is not past due or you pay with a check, you will not be charged the convenience fee.

KCES Contact Numbers

We have specialized department numbers to get you to the right person as quickly as possible. For more contact information visit our web page.



Lenexa Sales Counter— Direct Number (913) 563-7000

Lenexa Dispatch/Shipping Receiving (913) 563-7001

Main Business Office Number (913) 563-7002

Credit Department – Jamie Ulmer (913) 563-7005

Billing Dept – Eileen & Linda (913) 563-7006

Quotations Department (913) 563-7004

Troost Sales Counter— KCMO (816) 924-7000 (816) 931-2918

FAX NUMBERS:

(913) 563-7052

(913) 563-7055

(913) 563-7056

(913) 563-7052

Please note: our “541” numbers are being phased out—update your records, CELL PHONES & speed-dials.

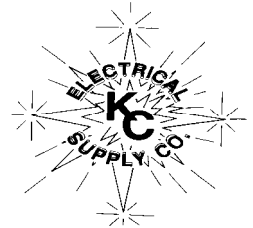
KCES' Mission Statement & Core Values

KCES MISSION STATEMENT

Kansas City Electrical Supply Co. is committed to providing quality electrical products and service that exceed expectations while building long-term relationships with our customers, suppliers and associates based upon honesty, trust and fairness.

CORE VALUES

- We realize that our employees and customers are our biggest assets
- Good communication is crucial to our success
- Treat employees, customers and vendors the way we would like to be treated
- Focus on controlled, profitable growth
- Give back to the communities and industries that we work in
- Our customers' success determines our success
- Strive for professional performance that creates value for our customers
- Provide only high quality products and services
- Ethical business practices
- A company-wide commitment to a safe and fun work environment



WBE CERTIFIED

Kansas City Electrical Supply is
WBE Certified

(Women-Owned Business Enterprise)

thru both the City of Kansas City, Missouri
and the State of Missouri.

*If you need this minority participation on a
job, be sure and ask for details when you
call.*



Serving Kansas City since 1927.

Notice for our Cash Customers.

Effective immediately, we will begin charging a 100% deposit on all orders for nonstock items instead of the previous 50%.

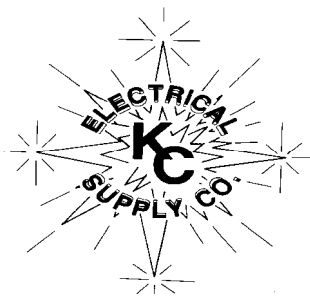
When incoming freight is involved, we will estimate 15% of the sales amount for freight.

We are on the Web!

www.kcelectricalsupply.com



Serving Kansas City Since 1927.



KANSAS CITY ELECTRICAL SUPPLY

Sales Office
 4451 Troost Avenue
 Kansas City, MO 64110
 Phone (816) **924-7000**
 Fax (816) 931-2918

Sales Office
 10900 Mid America Ave
 Lenexa, KS 66219
 Phone (913) **563-7000**
 Fax (913) 563-7050

Business Office
 10900 Mid America Ave
 Lenexa, KS 66219-1235
 Phone (913) **563-7002**
 Fax (913) 563-7052

Invoice & Statement Delivery Options

Did you know we can fax or email your Invoices and Monthly Statement Documents to you?

You can receive them days earlier (allowing you to get more invoices included on your draw) and you will help keep our mailing and handling costs down, saving you money in passed along overhead expenses.

To sign up visit us on the web at www.kcelectricalsupply.com or call our Credit Department at: (913) **563-7005**

Effective July 1st, 2008:

KCES will charge a 2.5% convenience fee for customers paying their open-account with a credit/debit card **IF** the account is past due at the time of payment.

If the account is current or if you pay by check or cash, you will not be charged the convenience fee.

The policy stating that a cash-discount is not available if open-accounts are paid by credit card has not changed.

This newsletter is sent out monthly with your statements and is also available from our website at:

www.kcelectricalsupply.com/news. You can also sign up online to receive them automatically each month via email .

EMPLOYEE ANNIVERSARIES

| | | | |
|----------------------|---------------|-----------|----------|
| John Owens | CFO | July 6th | 25 Years |
| Dan McCauley | Sales Manager | July 9th | 1 year |
| Frank Kasinac | Driver | July 23rd | 15 Years |

Congratulations on your years of service!

UPCOMING FACTORY PRICE INCREASES

| | | | |
|-----------------------------|--|--------------|-----------|
| Thomas & Betts | Steel Boxes | 6/30 | 12-18% |
| Bridgeport | Steel & Die-Cast Fittings | 6/23 | 7-18% |
| ALCAN | Aluminum Wire | 7/1 | 12% |
| Arlington | Steel fittings Aluminum fittings | 6/30 6/30 | 17% 7% |
| Bussman Fuses | Fuses, Fuse Blocks, Disconnects, | 7/1 | 15% |
| BLINE | Strut/Spring Steel Fasteners —Conduit Straps | 8/25 | 5-10% |
| American Fluorescent | Under Cabinet Lighting | 7/7 | 5-10% |
| Appleton | Boxes, Fittings, Cond. Bodies Etc | 8/4 | 6% |
| Siemens | Panels, Circuit Breakers | 8/11 | 6-9% |
| Southwire | Aluminum Flex, Liquid tite Steel Flex | 7/14 | 8-20% |
| Minerallac | Beam Clamps, Pipe Hangers | 8/3 | 8-10% |

See page 2 (or the eVersion) for updated phone number information.