

THE CANEY VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.

The Voice

Caney Valley Electric Cooperative Assn., Inc.

Allen Zadorozny—General Manager

Board of Trustees

Kenneth Bates
President

Jim Clark
Vice President

Coral Ann Magnus
Secretary/Treasurer

David Evans
Trustee

Dan Hubert
Trustee

Carl Johnson, Jr
Trustee

Dwane Kessinger
Trustee

Fred McAdam
Trustee

Jack Newcomb
Trustee

Contact Us

401 Lawrence, P.O. Box 308
Cedar Vale, KS 67024
620-758-2262, Fax: 620-758-2926
cve@caneyvalley.com.

Office Hours

Monday - Friday, 8 a.m. to 4:30 p.m.

Power Cost Adjustment

The Power Cost Adjustment (PCA) for February is a credit of \$0.00225/kilowatt-hour. This calculates to a credit of \$2.25 per 1,000 kWh used (a subtraction on your bill).

The PCA was implemented in 2002 to cover only the increase (over and above 5¢/kWh) in power costs charged to us by our wholesale power supplier, Kansas Electric Power Cooperative (KEPCo) in Topeka. The PCA varies each month depending on the wholesale charges from KEPCo, and is a flow-through on your electric bills based on the factor for the month.

From the Manager



Allen Zadorozny

This month, the Board of Trustees will appoint a nominating committee to select candidates to run for election to the Board during the annual meeting. The annual meeting will be held

on May 1 in Cedar Vale.

The nominating committee is an important part in the democratic process from which the board members are elected by the membership. It would be very helpful if

you would serve on the committee if asked to do so. At times in the past, it has been difficult to fill the nominating committee as the bylaws require.

The committee will meet in late February or early March at the cooperative's offices to nominate at least two candidates from each of the three districts in the cooperative's service territory.

Please contact me for additional information, or for any questions you may have about this or any other matter concerning your cooperative.

Allen Zadorozny, Manager

2012 Annual Meeting Board of Trustees Elections

Caney Valley Electric is required to give a summary of the bylaws section on the election process prior to the nominating committee meeting selecting individuals for Board of Trustee position. The following is taken from Article III (Trustees), Section 3 (Nominations) of Caney Valley's current bylaws:

"It shall be the duty of the Board of Trustees to appoint, not less than 30 days nor more than 90 days before the date of a meeting at which Trustees are to be elected, a committee on nominations consisting of not less than five nor more than 11 members, who shall be selected so as to give equitable representation to the area served or to be served by the cooperative.

No officer or member of the Board of Trustees shall be

appointed a member of such committee. Said committee shall nominate at least two members as candidates for each Trustee position to be elected at any annual meeting. The committee shall prepare and post at the principal office of the cooperative, at least 25 days before the meeting, a list of nominations for Trustees; but any 15 or more members may make other nominations in writing over their signatures not less than 20 days prior to the meeting, and the secretary shall post the same at the same place where the list of nominations made by the committee is posted... Nothing contained herein shall, however, prevent additional nominations be made from the floor at the meeting of the members."

The Caney Valley Board of

Trustees will be selecting a nominating committee at their February 14, 2012, Board meeting.

In the past, it has been difficult to find members able to participate on this committee, and to serve on the board if nominated. It would be very helpful to have any member contact a trustee or the cooperative office to let us know you would like to be considered to serve on the committee and/or agree to serve as a board member if nominated.

The Annual Meeting for the cooperative will be held Tuesday, May 1, 2012, at Cedar Vale.

Trustee Terms Expiring in 2012

DISTRICT 1
Fred McAdam

DISTRICT 2
Dwane Kessinger

DISTRICT 3
Jack Newcomb

Insulation Installation Safety Tips

When tackling home insulation installation on your own, safety should be top of mind. Follow these tips on safe insulation installation practices.

Wear appropriate clothing.

To reduce the chances of skin irritation, wear a head cover, gloves and loose-fitting, long-sleeved, long-legged clothing.

Wear proper personal protective equipment. Safety glasses and respiratory protection may be necessary, depending on your work environment. The U.S. Occupational Health and Safety Association offers guidelines in its Respiratory Protection Standard that may be helpful.

Take care if fibers get on your skin or eyes. If insulation fibers collect on your skin, don't rub and scratch or remove with compressed air. Instead, lay tape, adhesive-side down, and then remove it gently, so the fibers are pulled from the skin. If fibers get in your eyes, never rub—flush with water or eyewash solution. Contact your doctor if you have continued irritation.

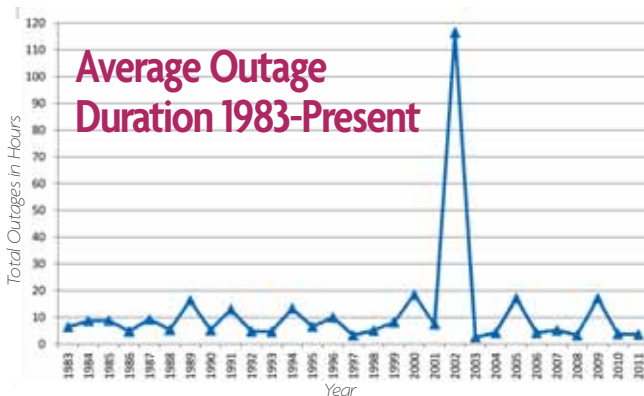
Keep dust to a minimum.

Leave the materials in packaging for as long as possible. Use tools that create the least amount of dust; power tools should have dust-collection devices. Put scrap materials in the trash and don't let equipment wander too far from the work site.

Maintain adequate ventilation. Determine whether your work site needs a dust-collection system. Also, exhausted air containing fibers should be filtered before being recirculated into inside workspaces. Finally, ventilation systems used to capture fibers should be regularly checked.

Caney Valley's 2011 Outage Overview

As you can see by the reference chart at the right, the outages experienced by Caney Valley members in 2011 were below our normal average (excluding major storms) at 3.59 hours per member.



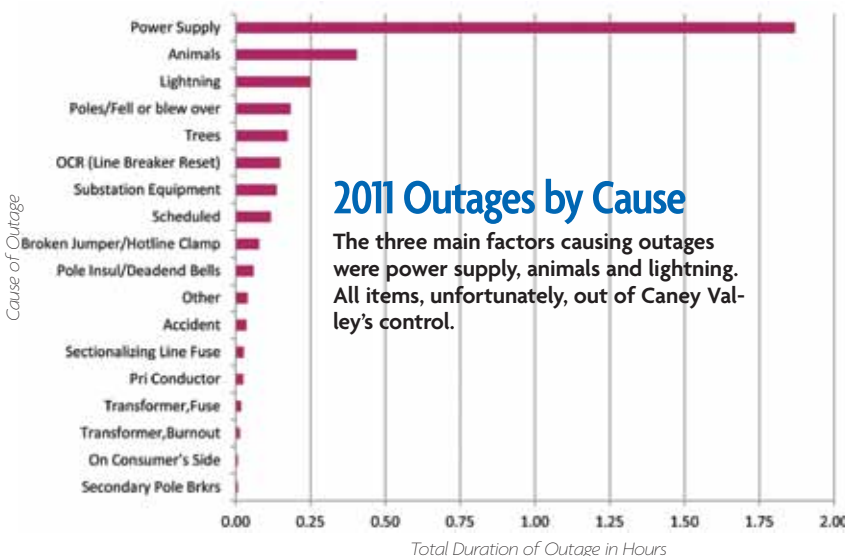
Many factors, such as those listed in the graph below can contribute to outages. In 2002, 2005 and 2009 ice storms increased outages. In 2000, storms in March and May increased outages.

More than half of the 2011 outages were due to Westar's lines being off, which directly affects our lines. Other major causes included outages caused by animals, lightning, and trees.

Caney Valley Electric strives to provide reliable, continuous electric service to all of our consumer

members, and we have an excellent and improving record. However, we cannot guarantee continuity of service 100 percent of the time, and some outages must be expected.

We intend to keep doing our best to prevent service interruptions to our members.



2011 Outages by Cause

The three main factors causing outages were power supply, animals and lightning. All items, unfortunately, out of Caney Valley's control.

Outages for December 2011

Occasionally, a part or parts of the delivery system fail and an outage occurs. Below are the larger outages for December.

Date	Area	Members Affected	Duration	Cause
12/5	Chautauqua/Peru areas	100	35 min	Burndown on line
12/19	East of Grenola	35	2 hrs	Line OCR off

Attention High School Juniors

Caney Valley will send TWO students on a FREE summer trip!

The Caney Valley Electric Cooperative is sponsoring two all-expense-paid trips to Steamboat Springs, CO, July 14-20, 2012.

While at camp, you will stay at the scenic Glen Eden Resort in the beautiful Rocky Mountains. You will join winners from other cooperatives in Kansas, Colorado, Oklahoma and Wyoming. Contest winners will learn about electrification, cooperatives, energy issues, safety and leadership.



From left: Luke Bellar, Victoria Wittmeier and Matt Womacks enjoy the view at Lookout Mountain just outside of Denver.

The contest is open to all current high school juniors whose residence is served by Caney Valley Electric.

If you are a high school junior and

are interested in this trip, please complete the application form below and send by **February 16** to: Caney Valley Electric, P.O. Box 308, Cedar Vale, KS 67024.



The Cooperative Youth Leadership Camp brought students together from Colorado, Kansas, Oklahoma and Wyoming.



ATTENTION High School Seniors Scholarship Deadline is March 31

Caney Valley Electric Cooperative has scholarships available for high school seniors going on to college or a vocational-technical school.

Application deadline for August enrollment is March 31, 2012.

Please contact Caney Valley Electric or your high school counselor for further information.

Award recipients will be announced at our Annual Meeting on May 1, 2012.

Cooperative Youth Leadership Camp Application

For an eligible high school junior to enter the competition, the cooperative office should receive this coupon by **February 16, 2012.**

Name of Applicant _____

Address _____ City/State _____ Zip _____

Birth Date _____ Grade _____ School _____

Name of Parents/Guardian _____ Parents' Phone # _____

I agree that all information supplied in this application is accurate and true. _____
(Signature of Applicant)

I hereby grant permission for _____ to enter the 2012
(Applicant Name)

Cooperative Youth Leadership Camp competition sponsored by Caney Valley Electric Cooperative, Inc.

(Signature of Parent/Legal Guardian)

Efficiency Tip of the Month

Air is drawn into your home from low areas, so inspect your foundation for potential air-infiltration points. Fixing these leaks makes a bigger impact on your electric bill than sealing doors and windows! Caulk all cracks and gaps around your home including spaces around wires for telephone, electrical, cable, and gas lines, water spigots, and dryer vents. Find more ways to save at TogetherWeSave.com.

Caney Valley Introduces New Policy on Power Theft

Due to continuing problems with some cooperative members found tampering with the meter or other electrical devices and the resulting theft of services, the Caney Valley Electric Board of Trustees has implemented a new policy on power theft as follows:

Members are advised that Caney Valley Electric will hold members responsible both civilly and criminally for any theft of electric energy and/or meter tampering, pursuant to Kansas Statutes, plus any fees that may arise as a result of same.

Kansas Statute 21-3704 specifies that theft of services is:

- ▶ a) Obtaining services from another by deception, threat, coercion, stealth, tampering or use of false token or device.
- ▶ b) "Services" within the meaning of this section includes, but is not limited to,...public or municipal utility services... and rural electric cooperatives shall be considered public utilities.
- ▶ c) "Tampering" within the meaning of this section includes, but is not limited to:
 - ▶ 1) Making a connection of any wire, conduit or device to any

service or transmission line owned by a public or municipal utility...;

- ▶ 2) Defacing, puncturing, removing, reversing or altering any meter or any connections for the purpose of securing unauthorized or unmeasured electricity...;
 - ▶ 3) Preventing any such meters from properly measuring or registering;
 - ▶ 4) Knowingly taking, receiving, using or converting to such person's own use, or the use of another, any electricity...which has not been measured; or
 - ▶ 5) Causing, procuring, permitting, aiding or abetting any person to do any of the preceding acts.
 - ▶ d) In any prosecution under this section, the existence of any of the connections of meters, alterations or use of unauthorized or unmeasured electricity...shall be evidence of intent to violate the provisions of this section.
 - ▶ e) Theft of services of the value of:
 - ▶ 1) Less than \$1,000 is a class A misdemeanor
 - ▶ 2) At least \$1,000 but less than \$25,000 is a level 9 felony.
- Indications of meter tampering or obvious theft witnessed by an employee or member of the public



Caney Valley's Power Theft Policy could mean legal charges and fines if a member is found tampering with their meter or diverting power for any reason.

will be immediately investigated. The reporting party's name and other information shall be held confidential.

Members will be charged a \$100 fee if an account is found, for a second time, to have missing or tampered-with sealing devices. For any subsequent occurrence, the members will also be responsible for all time and materials needed to repair and install any additional locking devices.

If a member is found to have willfully diverted power to any account for any reason, that account will be immediately disconnected. Power will not be restored until the account holder has paid a diversion charge of \$250 plus any estimated lost revenue charges. Any damage to cooperative property will be billed on a time and material basis. Willfully diverting power a second time will result in a fee of \$500 plus any other charges. Management may seek prosecution under Kansas Statute #21-3704 of any person found diverting power or tampering with the meter.

Caney Valley's Operating Statistics		
For Month Ending	Nov. 2011	Nov. 2010
Meters Billed	5,574	5,544
kWh Sold	4,441,890	4,034,401
Total Revenue	\$ 710,709	\$ 563,608
Purchased Power	\$ 424,948	\$ 355,961
Operating Expenses	\$ 162,164	\$ 143,547
Depreciation Expenses	\$ 50,248	\$ 47,612
Interest Expenses	\$ 28,780	\$ 32,769
Other Expenses	\$ 50	\$ 385
Operating Margins	\$ 44,520	\$ (16,667)
Non-operating Margins	\$ 1,816	\$ 1,847
Total Margins	\$ 46,336	\$ (14,819)
Margins Year-to-Date	\$ 454,029	\$ 401,931