

THE CANEY VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.

TheVoice

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

Jack Newcomb
Trustee

Dale Steward
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 \$0.0277/kilowatt-hour. This calculates to an additional \$27.70 per 1,000 kWh used.

The PCA was implemented in 2002 to cover only the increase in power costs (over and above 5¢/kWh) 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 bill.

From the Manager

Your cooperative's Board and Management are continually reviewing the cost of electricity for members. It is disconcerting to us that your electricity costs continue to rise. The increases experienced since 1993 are all due to the price of the wholesale power Caney Valley Electric has to pay.

The current basic electric rates used to calculate your bills were established in 1993, and, in fact, reduced in 1999 by 3.5 percent. The basic rates were set at a level that would cover the wholesale power cost of five cents per kilowatt-hour. The rates were also set to cover the necessary operating expenses needed to maintain the electric line infrastructure, business administration and to meet the financial stability requirements.

The rates satisfactorily met the financial requirements of the cooperative until 2002. That year, our wholesale electric supplier, Kansas Electric Power Cooperative (KEPCo), needed to increase its rates due to significant cost increases incurred from their power generation and transmission sources. This was when many years of predictable, relatively stable electricity generation and transmission costs ended.

In order to maintain the financial integrity of Caney Valley Electric, it was determined that a power cost adjustment (PCA) method be implemented to accommodate the increasing, unpredictable wholesale power increases, which were much above five cents per kWh. This option was chosen over the need to continually change the basic rate schedules, which would require guessing future wholesale power costs.

Due to modest increases in the kilowatt-hours sold over the past several years, in addition to cost-controlling efforts, the basic electric rates have satisfactorily provided the

necessary revenue to meet the cooperative's general operating expenses other than the wholesale power costs.

As you can understand from your personal cost of living experience over the past 20 years, there have been ongoing increases. The same trend of increases is affecting the cooperative's basic rates. Logically, at some point it will become necessary to increase the cooperative's rates.

Your Board and Management are very sensitive about increasing your rates. We will continue to closely monitor the cooperative's operations in order to address this issue in an open, proper, and timely manner.

Following is an excerpt from a letter the cooperative received recently accompanying the vendor's statement:

"The two things on everyone's mind lately are where the economy is going and job creation. We hear it daily on the news or read about it on the internet. Prices for food, gas, insurance and just about everything we achieve for, is costing us more each day. Small business with increased shipping cost, higher training costs, taxes, parts, etc., have absorbed these costs as part of doing business. It's been a challenge, but "this company" chose to put the Customer first without passing on these costs. To continue to provide the service you expect on your equipment with these rising costs, we find it necessary...to implement a 3% increase on all...contracts."

Please contact me to discuss this matter, or any other questions, suggestions, or concerns you may have.

Allen Zadorozny, Manager



Allen Zadorozny

ATTENTION

High School
Seniors
Apply
NOW
for
Caney Valley
Electric
Scholarships



Application
Deadline
March 31

Caney Valley Electric Offers Scholarships to High School Seniors

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, 2013.

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

Award recipients will be announced at our Annual Meeting on May 7, 2013.

2013 Annual Meeting Trustee 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 coop-

Trustee Terms Expiring in 2013

- ▶ **District 1**
KENNY BATES
- ▶ **District 2**
CARL JOHNSON JR.
- ▶ **District 3**
JAMES E. CLARK JR.

erative, 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 12, 2013, 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 or agree to serve as a Board member if nominated.

The Annual Meeting will be held on Tuesday, May 7, 2013, at Cedar Vale.

Caney Valley's Operating Statistics

For Month Ending	Nov. 2012	Nov. 2011
Meters Billed	5,584	5,574
kWh's Purchased	5,222,327	5,201,015
Cost per kWh	\$ 0.08082	\$ 0.08170
kWh Sold	4,730,389	4,441,890
Total Revenue	\$ 714,054	\$ 710,709
Purchased Power	\$ 422,049	\$ 424,948
Operating Expenses	\$ 162,827	\$ 162,164
Depreciation Expenses	\$ 50,743	\$ 50,248
Interest Expenses	\$ 26,686	\$ 28,780
Other Expenses	\$ 0	\$ 50
Operating Margins	\$ 51,749	\$ 44,520
Non-operating Margins	\$ 9,181	\$ 1,816
Total Margins	\$ 60,929	\$ 46,336
Margins Year-to-Date	\$ 386,096	\$ 454,029

Rural Members Please Remember to Read Your Meter

We are receiving a large number of payments from our rural members without a new reading submitted.

This is just to remind you that you still need to read your meter on the first of each month (as you have always done) and submit the reading

along with your payment by the 15th. If a reading is not turned in, your bill will be estimated based on the last three months usage.

If you have any questions, please call our office at 620-758-2262. Thank you for your assistance.

Outages for December 2012

Occasionally, a part or parts of the delivery system fail and an outage occurs. Listed below are the larger outages that occurred in December.

Date	Area	Members Affected	Duration	Cause
12/14	Sedan	20	1 hr 30 min	Broken jumper
12/25	Maple City area	18	1 hr 35 min	Broken jumper
12/26	Northwest of Sedan	15	1 hr	Line fuse out

Cooperative Youth Leadership Camp

July 13-19, 2013, to Steamboat Springs, CO

Attention High School Juniors

Win a FREE Trip!

The Caney Valley Electric Cooperative is sponsoring two students to an all-expenses-paid trip to Steamboat Springs, Colorado, July 13-19, 2013.

This trip is part of a four-state Cooperative Youth Leadership Camp sponsored by rural electric cooperatives in Colorado, Kansas, Oklahoma and Wyoming.

Contest winners will learn about electrification, cooperatives, energy problems, safety, and interpersonal communications.

The contest is open to all current high school juniors in Caney Valley's service area, whose residence is served by Caney Valley Electric.

Why should students apply?

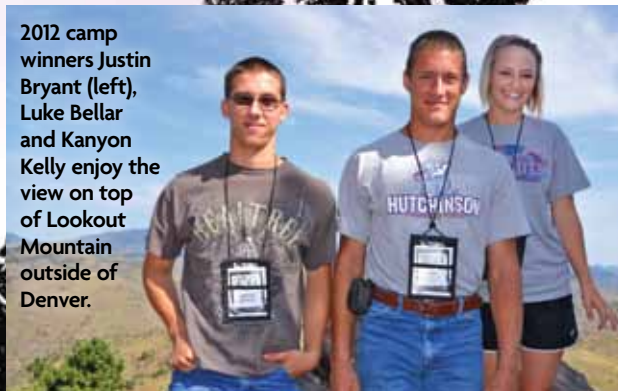
- ▶ Make new friends from across Kansas, Colorado, Oklahoma and Wyoming.
- ▶ Experience the beautiful Rocky Mountains.
- ▶ "Attended Cooperative Youth Leadership Camp" will look great on your resume.
- ▶ Whitewater rafting, dancing, shopping and volleyball—all in one camp.
- ▶ It's all FREE!

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 COOPERATIVE
PO BOX 308
CEDAR VALE, KS 67024

2012 camp winners Justin Bryant (left), Luke Bellar and Kanyon Kelly enjoy the view on top of Lookout Mountain outside of Denver.



Apply for Your FREE Trip Today!

Complete and return this application to Caney Valley Electric (PO Box 308, Cedar Vale, KS 67024) by **February 16, 2013.**

Name _____ Electric Account # _____

Address _____ City/State _____ Zip _____

Birth Date _____ Grade _____ School _____

Name of Parent/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 2013 Youth Tour competition sponsored by Caney Valley Electric.

Unused Services & Distribution Lines

The many uses of electronics in our homes and businesses are placing a greater need for high levels of electric system reliability, which emphasizes the need for high levels of system maintenance. The continuing increases in energy costs make system efficiency more important than ever before.

For these reasons, Caney Valley Electric is placing additional emphasis on retiring idle services and distribution lines. Services and lines that have not been used in recent years are being scheduled for removal.

This removal process eliminates the risk of failure that these segments in our line pose to the distribution system during storms. In many cases, it also eliminates line that has been overtaken by trees and contributes to line blinks and high line losses.

In more cases, the system being retired is very old and not capable of reliable operation. In those instances, removal is the only economic way to eliminate the risks for everyone using service from those circuits.

We often hear the argument that “I might want electric service there again someday” and “that old line isn’t costing anything.”

We must respectfully answer that “someday” does not cover the cost of maintaining those lines and the maintenance and replacement of old lines is very expensive. There is also the added expense of property taxes on these lines. Those expenses must be paid by those who are using the service.

As the years go by, this will continue to be an issue. Your Board and staff will continue to work on policies and procedures that treat these issues fairly and consistently.

ENERGY EFFICIENCY TIPS

The More Things Change... BY DOUG RYE



Doug Rye

ways that we could best help you in 2013, I also reflected on the past.

I thought about many of the ways that the world has changed since I wrote my first column. I also thought about how much faster and busier life seems to be with the technology revolution. Then I thought about the great opportunity that we have had to help so many people have more energy efficient and affordable houses.

Just last evening a man said to me, “Y’all have done a good job teaching folks about energy construction. I walked through several houses under construction recently and all of them were using Marathon water heaters and cellulose insulation. I believe that they learned to do that from y’all.” With further discussion, I learned that “y’all” was referring to me and the electric co-ops. Well, I love to hear comments like that.

What we teach is good for the consumer, good for the environment and good for our nation. I have never had a single person say to me that teaching energy efficiency is a bad thing. So we will continue to teach in 2013; and we will try to do our best ever. We will use several methods to help you have a more energy-efficient house including this column, seminars and www.smartenergytips.org.

As I thought about the ways that things have changed through the years, it occurred to me that energy efficiency, as relating to houses, has remained the same. I believe that if we made a list of every item that affected the

Yes, you know the rest, the more they remain the same. It is unbelievable, isn’t it? Another year has passed. As I was thinking about this column and the

energy efficiency of both a 30-year-old house and a brand new house, the two lists would be essentially the same. Of course, we would expect the new house to be the most energy efficient of the two, and, in most cases, it would be—but not always. If the owner of an older home has corrected the house’s energy inefficiency issues, it could easily be more energy efficient than a newer house.

I often get a call at the office where the caller starts by saying, “I live in a 50-year-old house and ...” I can tell by the sound of the caller’s voice that he/she has doubts as to what can be done or if there is even anything feasible to do that will make the older house more energy efficient. Well, the answer is nearly always, yes.

It should be obvious by now that a list is important. And what is on that list? Well, it needs to identify the energy efficiency needs of your house only. That list should be based on facts and not guesses.

In the 2013 columns, we are going to do our best to help you know what needs to be on that list and to teach you how to make improvements, so that you can start reducing the number of items on the list. We encourage you to not only read the columns, but to save them for further references.

Let’s get started. Without a doubt, the best way to know about the energy efficiency of any house is to obtain a detailed energy audit. I often tell folks that you will learn more about your house in a couple of hours with a good energy audit than you will learn in years without one. If your house has comfort problems or high utility bills, I suggest that you get an energy audit. The sooner you call, the better.

DOUG RYE is a licensed architect and the popular host of the “Home Remedies” radio show. You can contact Doug at 501-653-7931. Source: Arkansas Electric Cooperatives Corporation.