

**THE CANEY VALLEY ELECTRIC  
 COOPERATIVE ASSOCIATION, INC.**

**TheVoice**

**Caney Valley Electric  
 Cooperative Assn., Inc.**  
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**Contact Us**

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**Office Hours**

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

**FROM THE MANAGER**

**Reviewing 2012 Operating Reports**



**Allen Zadorozny**

The 2012 financial and statistical reports are complete. 2012 produced adequate operating margins and related administrative standards.

The one main drawback to the year was a continued increase in the cost of wholesale power. The best positive result was the reduction in the operating costs per kilowatt-hour (kWh) sold. This has enabled the cooperative to maintain its basic electric rates structure.

For comparison purposes, we have included the figures for five and 10 years ago. Please contact me if you have any questions or comments concerning the information provided.

*Allen Zadorozny, Manager*

Revenue & Expenses	2002	2007	2012
kWh's Sold	47,733,928	53,296,881	63,848,589
Total Revenue	\$ 5,766,067	\$ 6,636,397	\$ 9,208,162
kWh's Purchased	52,689,532	58,789,338	68,941,577
Wholesale Power	\$ 2,895,637	\$ 3,578,441	\$ 5,813,707
Operating Expenses	\$ 1,473,382	\$ 1,905,462	\$ 2,174,555
Depreciation & Interest	\$ 852,543	\$ 995,317	\$ 954,598
Operating Margins	\$ 544,505	\$ 157,178	\$ 265,302
Non-Operating Margins	\$ 52,513	\$ 72,066	\$ 59,119
Total Working Margins	\$ 597,018	\$ 229,244	\$ 324,421
G&T Margins (non-cash)	-0-	\$ 35,559	\$ 407,212

**Power Cost Adjustment**

The Power Cost Adjustment (PCA) for March is \$0.02693 kilowatt-hour. This calculates to an additional \$26.93 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.

Cooperative Statistical Comparison	2002	2007	2012
Average Monthly Usage – Residential Rate Accounts (kWh)	661	703	718
Average Monthly Usage – All Accounts (kWh)	771	826	953
Average Meters Billed Monthly – Residential Rate Accounts	3,650	3,699	3,693
Average Meters Billed Monthly – All Accounts	5,173	5,379	5,586
Average Cost Per kWh – Residential Rate Accounts (¢/kWh)	11.94	12.54	14.78
Average Cost Per kWh – All Accounts (¢/kWh)	11.87	12.35	14.30
Residential Accounts Cost Increase (%)	--	5.03%	17.90%
All Accounts Cost Increase (%)	--	4.04%	15.80%
All Expenses Less Power Costs Per kWh Sold (¢/kWh)	4.87¢	5.44¢	4.90¢
All Expenses Less Power Costs Per kWh Sold Increase (%)	--	11.70%	10% (-)
Wholesale Power Increase			
Average kWh Cost for Wholesale Power (¢/kWh)	5.50¢	6.09¢	8.43¢
Percent Increase	--	10.73%	38.40%

## Johnson Attains Journeyman Lineman Status



Montana Johnson

**MONTANA JOHNSON**, an employee at Caney Valley Electric since April 2007, earned his Journeyman Lineman status in January.

Johnson, originally from Mulvane, was hired at Caney

Valley after completing the lineman training program through the Manhattan Area Technical Center.

He recently completed the four-year Merchant Job Training and Safety (MJTS) program. MJTS not only provides practical training for apprentice linemen, it serves as valuable skill advancement for experienced linemen and supervisory personnel. Among those who use and endorse the MJTS program are private utilities, rural electric associations, municipal associations, and contractors.

MJTS provides academic training over a period of four years. The curriculum content is both comprehensive and practical, drawing upon the author's extensive industry and classroom experience.

The material identifies key competencies a trainee needs on the job, organizing them into 16 units of instruction. Once a trainee completes all units of instruction in a section, his training coordinator administers the section test, closed book.

After completing all four years of instructional material, trainees take a comprehensive examination that tests their knowledge for all four years.

Congratulations to Montana on this achievement and his promotion to Journeyman Lineman.

# A Spotter's Guide to

Ever look up at a utility pole and wonder: "What is all that stuff?" While wires are easy—everyone knows they carry electricity—how about those attached metal boxes and other mysterious gadgets? What are they called, and what purpose do they serve?

With a little information, you can understand a lot more about the utility line

you pass every day. Not only could "pole spotting" shed light on the work done by your local electric co-op, you just might be able to impress your friends and family, a guide to pole spotting follows. Enjoy, but please keep in mind:

- ▶ Utility poles are not for climbing! Looking is OK, but keep a safe distance from all equipment described here.
- ▶ The measurements and descriptions given here represent common configurations, but in the real world, design varies greatly. Part of why electric co-op employees undergo such extensive training is to enable them to identify components in the field with a high level of confidence and certainty.

### Transmission vs. Distribution

First, make sure that the pole you're looking at is a distribution pole and not a transmission pole.

Distribution poles are those you see in your neighborhood, unless your distribution lines run underground. They are generally up to 55 feet high



Capacitors improve the power factor on the utility lines—they prevent power from being wasted and help boost the voltage on long rural distribution lines.

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**With a little information, you can understand a lot more about the utility line you pass every day.**

and made of wood. Power running through distribution lines ranges from 4,600 volts to 33,000 volts.

Transmission lines are designed to carry electricity longer distances and at higher voltages—69,000 volts and above. Relative to distribution poles, transmission poles are much larger—from 55 feet to more than 100 feet—with the conductors higher off the ground. Some large transmission lines use steel poles and tower structures.

In cases where a pole carries both transmission and distribution lines, the transmission lines will run above distribution lines. An easy rule to follow is the lower the voltage of the line, the lower it is on the pole.

# Distribution Poles

BY MAURICE MARTIN

## Four Common Distribution Devices

**TRANSFORMERS** are something most people can already spot—they're hefty metal cylinders that hang off poles. The transformer that connects your home to a distribution line lowers the distribution voltage to what you need in your house—generally 120 volts for your outlets and 240 volts for your air conditioner and clothes dryer. Look at the top of a transformer and you'll see bushings—ceramic projections with several disks running around the outside. On the inside of bushings are metal conductors; the outsides are insulators, so that when they attach to a transformer the metal casing doesn't become electrically charged.

**CAPACITORS** look somewhat like transformers, with bushings on top, but have flat, rectangular casings. While transformers change voltage, capacitors improve the power factor on the utility lines—they prevent power from being wasted and help boost the voltage on long rural distribution lines.

**RE Closers** protect lines and members from short circuits. For example, if a tree branch touches a line, electric current will flow through the tree, burning it and overheating the wire. Eventually, this will result in a fault that causes a protective device, like a fuse or circuit breaker, to operate and interrupt the power. Circuit breakers “open” the circuit, cutting off the power. Because many shorts correct themselves in a few seconds—as the high current will usually burn a tree limb away from the line—most modern circuit breakers have a mechanism that allows them

to reclose a moment later (hence the name recloser). Like transformers and capacitors, reclosers also have bushings. They tend to be rectangular, like capacitors, but squatter.

**FUSES** are also designed to protect lines and homes from short circuits. But fuses are one-shot devices—a fault, like the tree branch described above, on the load side of the fuse will cause them to burn out. High-voltage fuses look like a bar offset from the pole by one or more insulators. When a fuse blows, line workers have to go out and find why the fuse blew, fix the problem, and refuse the line to restore power.

These four devices are the most common on distribution poles. Once you know what they look like, you'll realize you've been seeing them every day for years.

**MAURICE MARTIN** is senior program manager for the Cooperative Research Network, a service of the National Rural Electric Cooperative Association.



Reclosers protect lines and members from short circuits, and they allow temporary faults to clear, which helps keep service energized to the member without needless interruptions.

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Transformers lower voltage to a level that's safe for use in your home. Homes served by electric co-ops can often be identified by transformers sporting redundant mounting brackets on the outside of the canister.

# 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.

## Reminder to Rural Members

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. Thank you!

## Budget Billing Programs Available

Caney Valley Electric has two payment programs available to help our residential members manage payment of your electric bills.

The first is called **Levelized Billing**. The payment on this program readjusts slightly each month as it figures your bill based on the average of the previous 12 months, plus it factors in any actual balance on your account. Members can sign up on this program at any time.

The second is called **Budget Billing**. Residential members are allowed to sign up for this program in October and March. Members are required to pay a set amount each month, which may be adjusted every six months depending on actual kilowatt-hour costs, including power



Caney Valley offers two programs to help you manage your electric bill.

costs. At the end of a 12-month period, you will be required to pay and bring to date any amounts still owing on your account. For both programs, members must be current on their bills and must have paid without penalty for the previous 12-month period.

If you are interested in either of these programs, please contact our office at 620-758-2262.

### Caney Valley's Operating Statistics

For Month Ending	Dec 2012	Dec 2011	Year-Ending 12/31/12	Year-Ending 12/31/11
Meters Billed	5,577	5,571	Avg 5,586	Avg 5,572
kWh's Purchased	6,047,063	6,153,887	68,941,577	69,967,585
Cost per kWh	\$ 0.07571	\$ 0.04794	\$ 0.084337	\$ 0.078187
kWh Sold	4,735,535	4,565,415	63,848,589	63,983,709
Total Revenue	\$ 665,689	\$ 663,795	\$ 9,208,162	\$ 9,080,922
Purchased Power	\$ 457,109	\$ 295,161	\$ 5,813,707	\$ 5,470,554
Operating Expenses	\$ 191,286	\$ 168,503	\$ 2,174,555	\$ 2,146,533
Depreciation Expenses	\$ 50,924	\$ 48,207	\$ 596,390	\$ 586,628
Interest Expenses	\$ 29,315	\$ 29,130	\$ 349,900	\$ 344,731
Other Expenses	\$ 540	\$ 724	\$ 8,308	\$ 6,101
Operating Margins	\$ (63,487)	\$ 122,070	\$ 265,302	\$ 526,375
Non-operating Margins	\$ 1,811	\$ 1,858	\$ 59,119	\$ 51,582
Total Working Margins	\$ (61,675)	\$ 123,928	\$ 324,421	\$ 577,957
G&T Capital Credits	\$ 407,212	\$ 369,833	\$ 407,212	\$ 369,833
Total Margins	\$ 345,537	\$ 493,761	\$ 731,633	\$ 947,790
Margins Year-to-Date	\$ 731,633	\$ 947,790	\$ 731,633	\$ 947,790

### Outages for January 2013

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

Date	Area	Members Affected	Duration	Cause
1/21	North of Havana	50	45 min	Backhoe got into line
1/29	East of Chautauqua	15	2 hr 5 min	Tree on line
1/31	North of Sedan	16	2 hr 30 min	Regulator failed after hit by lightning