

THE CANEY VALLEY ELECTRIC
COOPERATIVE ASSOCIATION, INC.

The Voice

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.

Power Cost Adjustment

The Power Cost Adjustment (PCA) for June is \$0.03000/kilowatt-hour. This calculates to an additional \$30.00 per 1,000 kWh used.

The PCA was implemented in 2002 to cover only the increase in power costs (over five cents/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 bill.

FROM THE MANAGER

Rate Increase to be Considered July 8

Included in this issue of "The Voice" are the proposed rate increases the cooperative's Board of Trustees will consider at the July 8, 2014, meeting.

The cooperative members are invited to the meeting to learn details behind the need for an increase in rates. The reasons for the need to increase the basic electric rates established in 1993 have been presented in several "Voice" issues over the past two years, and discussed in the previous two annual meeting reports to the members.

The decisions and methods implemented to control operating cost increases over the past 20 years have enabled the basic electric rates to remain stable. The costs of operating the cooperative have overcome cost control efforts to the point that the basic rates need to be raised.

We are very much aware of the burden we place on our members, which includes all of the Cooperative's board and employees, when there is an increase in the cost of something as necessary as electricity. The proposed increase is needed to continue to provide adequate, efficient and reliable utility service and to maintain the financial stability of the cooperative.

On a more pleasant subject, I want to thank the good number of members who braved the extra warm weather to attend the May 6 annual meeting. Your important participation in the election of the three board trustees and listening to the reports from the Board and Manager assured a successful meeting.

As always, please contact me to discuss the rates, or any other concerns, suggestions, or questions you may have.

Allen Zadorozny



Allen Zadorozny

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Holiday Office Closing—July 4

In observance of Independence Day the Caney Valley offices will be closed on Friday, July 4. **Have a Safe Holiday!**

Notice to Members: Board to Consider Rate Increase

The Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., will meet on Tuesday, July 8, 2014, at 6:30 p.m. to discuss proposed rate changes. This meeting will be held at the Caney Valley offices located at 401 Lawrence Street in Cedar Vale.

Action on the rates may be taken at that time, and become effective with billings calculated on or after October 1, 2014.

This meeting is open to all members. Members have the right to request that the Kansas Corporation Commission review any rate change by the Cooperative as provided by K.S.A. 66-104d(g).

If you are unable to attend or have any questions, call the office at 620-758-2261, or send written comments to PO Box 308, Cedar Vale, KS 67024-0308.

Members are encouraged to attend the meeting on July 8 to discuss the rate increase.

Monthly Customer Charge

In order to have the best projection of the amount a rate increase will create, most of the rate increase is derived from the customer charge. The Monthly Customer Charge is designed to recover the cost of providing the equipment, materials, labor and business overheads to serve each meter regardless of the amount of electricity used. These costs are the same for an electric service using 50 kilowatt-hours (kWh) or 2,000 kWh per month.

The increase in the customer charges will come closer to covering the actual cost of serving each meter. Studies have shown customer charges should be in the \$25 to \$45 range, depending on the number of meters served by the utility.

Energy (kWh) Charge

The Energy Charge for all rate schedules will be increased equally except for the General Service Small.

The Energy Charge will increase by 2.0¢, which is the increase in the Power Cost Adjustment (PCA) base. The increase in the PCA base is "rolled-in" or now embedded in the Energy Charge.

In addition to increasing for the PCA base, the Energy Charge for General Service Small will be increased to make it the same as the Rural Residential Service and Town Residential Service rates.

Summer Rates Example

Following is an example of how the rate increase affects Rural and Town Residential Service Rates, when the wholesale power cost is 7.5¢/kWh

	Current	Proposed	% Increase
Customer Charge	\$ 7.00	\$ 17.00	
PCA Base	\$0.05	\$0.07	
Energy Charge	\$0.1066	\$0.1266	
1,000 kWh	\$138.60	\$148.60	7.2%
2,000 kWh	\$270.20	\$280.20	3.7%
3,000 kWh	\$401.80	\$411.80	2.5%

	Existing	Proposed
PCA Base	\$0.05	\$0.07
Rural & Town Residential Service		
Customer Charge	\$7.00	\$17.00
Energy Charge: Summer	10.66¢	12.66¢
Energy Charge: Winter	10.06¢	12.06¢
General Service Small		
Customer Charge:		
Single Phase	\$8.00	\$20.00
Three Phase	\$11.00	\$23.00
Energy Charge: Summer	10.12¢	12.66¢
Energy Charge: Winter	9.52¢	12.06¢
Large Commercial and Industrial Service		
Demand Charge	\$7.75	\$8.25
Energy Charge	8.41¢	10.41¢
Large Power Load Control Rate		
<i>Usage for the months of June, July, August & September:</i>		
Coincident Peak Demand	\$16.25	\$16.25
Non-Coincident Peak Demand	\$1.00	\$1.50
<i>Usage for the months of October through May:</i>		
Non-Coincident Peak Demand	\$1.00	\$1.50
Energy Charge	7.65¢	9.65¢
Municipal Rates		
Energy Charge	9.41¢	11.41¢

Demand (kW) Charge

The Large Commercial and Industrial Service rate, and the Large Power Load Control rate, have a Demand Charge (kW).

Meters served under this rate require much more investment and maintenance costs to serve.

The Demand Charge is designed for this. The Demand Charge is increased \$0.50 on both rate schedules, except for the Large Power Load Control rate's Coincident Peak Demand Charge, which remains unchanged.

All Trustees Re-elected at Annual Meeting

Caney Valley's 66th Annual Meeting was held Tuesday, May 6, 2014, at the school gymnasium in Cedar Vale.

The following trustees were all re-elected—District I, **CORAL ANN MAGNUS**; District II, **DAVID EVANS**; and District III, **DAN HUBERT**.

Special guests in attendance included Coleen Wells, Vice President and Chief Financial Officer, Kansas Electric Power Cooperative (KEPCo), and Larry Freeze, Editor of *Kansas Country Living*, Kansas Electric Cooperatives (KEC), both in Topeka. Freeze was recently selected for the George W. Haggard Memorial Journalism Award, an award for the nation's most outstanding electric cooperative magazine editor.

In his annual report, manager Allen Zadorozny advised of the need to consider a rate increase as all expenses

have increased considerably since 1999, the last year the rates were adjusted.

He advised that the cooperative Board recently approved the installation of an automated metering system, which will improve the efficiency and methods under which the cooperative operates.

He also emphasized the importance of safety around electric lines and equipment, and encouraged members to be mindful of safety and talk about it with their children and grandchildren.

Scholarship winners for the 2014-2015 school year were announced including: **JONATHAN HOWARD**, Caney Valley High School; **LONDON CLAPP**, Cedar Vale High School; **GARRETT WALLINGFORD**, Central of Burden;

KAYLA POWELL, Dexter High School; **ALEX DUKE**, Elk Valley High School; **ZANE MILLS**, Sedan High School; and **HANNAH WILLIAMS**, Sedan High School.



Manager Allen Zadorozny addresses the membership.

The winners of the Cooperative Youth Leadership Camp in Steamboat Springs, CO, in July were also announced. They are **EMILY PERKINS**, West Elk High School; and **JUSTINE VOGELE**, Dexter High School.

CHARLES and **GRACE MCMILLAN** won the grand prize of a 32" flat screen TV, and numerous other prizes were given out. The following companies contributed several of the prizes: KEPCo, KEC, ElectricComm, Northeast Rural Services, and Kriz-Davis.



Caney Valley scholarship winners from left are Zane Mills, Alex Duke, London Clapp, Hannah Williams, Jonathan Howard and Garrett Wallingford. Kayla Powell not pictured.



Meeting entertainment was provided by the Sedan High School Choir.

McMillan Retires after 33 Years of Service

JOHN MCMILLAN, Operations Agent, retired from Caney Valley Electric on April 15, after working for 33 years for the cooperative.

McMillan initially started in 1966 as a lineman. He resigned for a time in the mid-1970's to mid-1980's to pursue other activities, one as an electrical contractor. He returned in 1988 as a journeyman lineman, and advanced to line foreman and eventually operations agent.

To recognize his dedicated service to the cooperative, a retirement reception was held on April 11 at Caney Valley Electric. We all wish John well in his retirement!



Manager Allen Zadorozny, along with Caney Valley staff, family and friends, congratulated John McMillan on his retirement at his farewell party.

Statement of Nondiscrimination

This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call 866-632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax 202-690-7442 or email at program.intake@usda.gov.

Tip of the Month

When replacing incandescent bulbs from recessed light fixtures, use energy-efficient bulbs that are rated for that purpose. For example, the heat buildup in downlights will significantly shorten the life of spiral CFLs.

Caney Valley's Operating Statistics

For Month Ending	Mar 2014	Mar 2013
Meters Billed	5,557	5,570
kWh's Purchased	6,451,946	5,780,732
Cost per kWh	\$ 0.07511	\$ 0.07989
kWh Sold	6,337,317	5,620,225
Total Revenue	\$ 776,128	\$ 749,523
Purchased Power	\$ 484,663	\$ 461,868
Operating Expenses	\$ 168,742	\$ 191,210
Depreciation Expenses	\$ 52,856	\$ 50,980
Interest Expenses	\$ 31,536	\$ 28,026
Other Expenses	\$ 100	\$ 300
Operating Margins	\$ 38,230	\$ 17,138
Non-operating Margins	\$ 26,925	\$ 23,159
Total Margins	\$ 65,155	\$ 40,297
Margins Year-to-Date	\$ (87,069)	\$ 44,248

Include Home Energy Savings in Vacation Plans

For members going on vacation this summer, the nation's electric utilities advise them to make sure their home's energy use takes a vacation as well. Simple tips can save members money while they are away.

- ▶ **Air Conditioning**—Set the thermostat to a higher setting, such as 85 degrees. If it is a programmable thermostat, use the “hold” or the “vacation” setting to keep it at that temperature.
- ▶ **Electronics**—Computers, CD/DVD players, TVs, and VCRs – these and other electronic appliances use electricity, even when they are not turned on. Unplug them before leaving.
- ▶ **Water Heating**—Turn the water heater's temperature down to the lowest setting. Many water heaters have a “vacation” setting for this purpose. Leave a reminder to turn it back up upon returning home.
- ▶ **Lighting**—Members can improve their energy savings, and their home's security, by using timers to operate lights each night. And by installing compact fluorescent bulbs, or CFLs, in those lamps,



To save this summer, set the thermostat to a higher setting. If it is a programmable thermostat, use the “hold” or the “vacation” setting to keep it at that temperature.

- members will be saving more energy, up to 66 percent less in each lamp, and the bulb will last approximately 10 times longer than a regular incandescent bulb.
- ▶ **Refrigerator**—Adjust the refrigerator control to a warmer setting. If going on an extended trip, consider emptying the fridge and turning it off. Remember to leave the door open to prevent mildew.

For more information on how to use your energy more efficiently this summer, and all year round, visit www.TogetherWeSave.com.

Outages for April 2014

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

Date	Area	Members Affected	Duration	Cause
4/7	North of Niotaze	35	2 hr 35 min	Bad insulator burned wire down
4/12	Northwest of Grenola	34	1 hr 30 min	Broken jumper on transformer
4/13	Elk Falls area	40	4 hrs 40 min	Lightning
4/13	Wayside area	35	4 hrs 45 min	Tree fell through line
4/13	Caney substation	838	3 hrs	Westar off - storms
4/13	Sedan substation	1607	1 hr	Westar off - storms
4/13	Chautauqua substation	889	3 hrs	Westar off - storms
4/13	Maple City area	40	2 hrs	2 poles blew down
4/24	East of Atlanta	30	7 hrs	Lightning
4/30	North of Havana	50	1 hr 40 min	Guy wire hit by tractor