cve@caneyvalley.com
www.caneyvalley.com
For emergency outages please call 800-310-8911

THE CANEY VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.

The Voice

Power Cost Adjustment

The Power Cost Adjustment (PCA) for October is $0.04223/kilowatt-hour. This calculates to an additional $42.23 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

Caney Valley Members Increase in 2012

The number of meters billed each month has increased from 5,137 in 2000 to 5,605 this year. That is an average yearly increase of 39 meters per year over the last 12 years.

> "A higher density improves the opportunity for the cooperative to maintain the electric rates as low as possible."

Allen Zadorozny

The good news is the modest increase replaces the trend seen in the 1990s when the number of meters decreased. The majority of the increase is due to new rural residences and the oil industry.

Another contributing factor is that our existing meters are staying connected and not decreasing at the rate experienced in the 1990s.

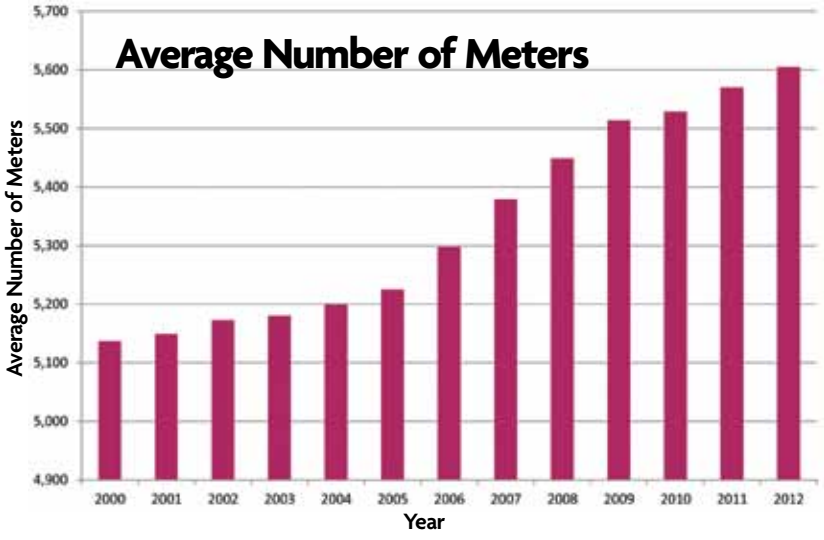
Today, the cooperative serves an average of 3.32 meters per mile of primary electric line. If we take away the meters served in Sedan, Cedar Vale, Chautauqua, Niotaze, Elgin, Havana, Peru and Wayside, that reduces the average to about one meter per mile.

These numbers pale in comparison to the meters per mile of line served by Westar and municipal system, which may average 30 to 40 meters per mile of line.

The meters per mile of line, or "density," is very important to the financial impact to an electric utility. The higher the density, the higher the return on the investment of the expensive electric facilities installed throughout the cooperative's service area.

A higher density improves the opportunity for the cooperative to maintain the electric rates as low as possible.

Allen Zadorozny, Manager



October is Co-op Month

The Co-op Difference

Every October since 1930, not-for-profit cooperatives have celebrated Cooperative Month. During this time, it makes sense to highlight the qualities that make electric cooperatives different from other types of utilities and business.

For starters, electric co-ops are owned by those they serve. That's why those who receive electric service from us are called members, not customers. Without members, there would be no Caney Valley Electric.

Members maintain democratic control of our co-op, which means they elect fellow members to represent them on the board of trustees every July at our annual meeting. We also return margin's (profits) to our members every spring and fall in the form of capital credits.

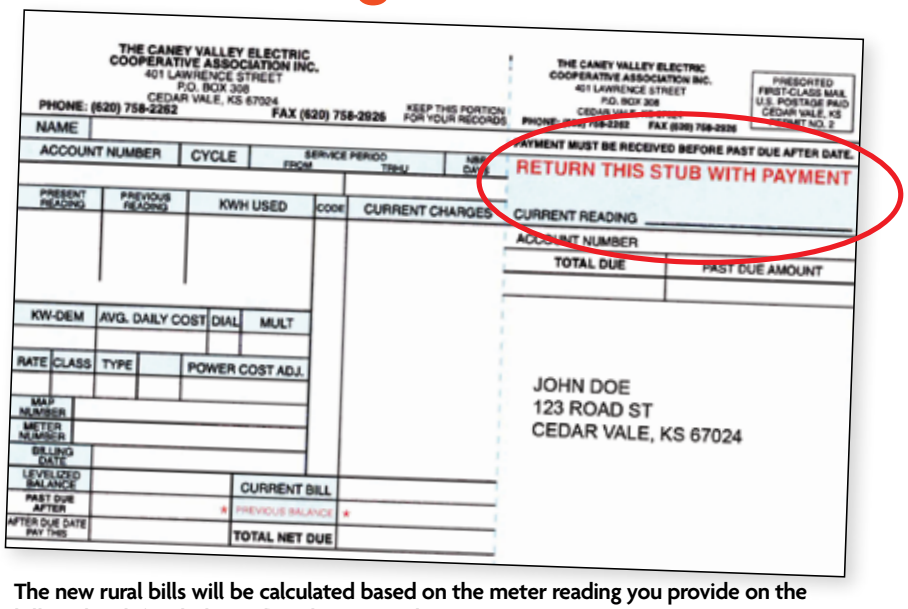
2012 International Year of Cooperatives

One principle that sets us apart from other businesses is our concern for community. As a cooperative, we have a special responsibility to support the areas in which our members live and work. From sponsoring a local school's baseball team to supporting new jobs and industry through economic development efforts, we stand as a driving force in our community.

Of course, co-ops span all industries, including credit unions, dairy operations, health care, housing, and much more. There are more than 29,000 co-ops across the nation. And not all are small or rural. Just look at nationally known co-ops like Sunkist, Ace Hardware, and Land O' Lakes.

Overall, co-ops are more accessible than other types of businesses. We give our members a voice, and we are local-living and working alongside those we serve. That's the cooperative difference.

New Billing System for Rural Accounts begins in November



The new rural bills will be calculated based on the meter reading you provide on the bill card stub (circled in red) and return with your payment.

We are in the process of changing the billing method on our rural meters. Rural members will no longer calculate their own electric bills.

Instead, they will be asked to continue reading their own meters, submit the meter reading to our office and the cooperative will calculate and mail out the bills.

The due date will be moved up to the 15th of each month, and the new bills will be mailed out on the 20th. Any past due balances from the previous month will be due by the 30th to avoid disconnection.

Plans are to implement this "turnaround" billing at the end of October. The new cards will be mailed on October 31. All you will owe on November 15 will be the power cost adjustment (PCA) charge and any unpaid balance from October.

We will bill you on November 20 to the reading you turn in for November 1, and that bill will then be due on December 15.

This new method will greatly reduce the number of billing issues and questions which routinely occur with our present billing system. Also, rural residential members will now have the option of being on a levalized billing plan if they meet qualifications.

Above is a sample bill, which will be sent to each rural member.

We appreciate your cooperation as this change is implemented. Please contact us for any questions or additional information.

Energy Efficiency Tip of the Month

Your kitchen can yield big energy savings. Check the refrigerator door seal for a tight fit. Run only full dishwasher loads, and use the microwave rather than oven to reheat food and make small meals. Finally, unplug small appliances when not in use–many draw power even when turned off. Find more ways to save at TogetherWeSave.com.

ENERGY EFFICIENCY TIPS

Now Get Ready for Winter & Next Summer

BY DOUG RYE

Doug Rye

By the time that you read this, I think that the hot and dry record-setting summer of 2012 will be over. My, my, my, it was a tough one. Just about all of us have felt the pain when we received perhaps the highest summer utility bills ever. Yes, that includes the Doug Rye household. However, just as you would expect, our utility bills were reasonable because our house was built using the energy efficiency methods that the electric cooperatives and I teach.

Because the summer was so hot, I am still receiving lots of calls about hot attics. So, for the first time ever, I am devoting a third consecutive column to that subject. I will use examples of the callers' questions and my responses to those questions in the hope that it will answer your questions.

In almost every hot attic conversation, we talk about insulation. As you probably already know, we nearly always recommend either cellulose or foam insulation. We feel that cellulose is the "greenest" insulation of the two and is usually lower in price. However, in many cases, foam is easier to install and can be the best answer to the problem. Almost every person asks about the foam, so let me give you a short history of it.

As best as I can determine, a German chemist named Otto Bayer invented a type of foam in the late 1930s. It was then introduced in the United States in the 1940s and used primarily for military and aviation purposes. When the idea of super-insulated houses was introduced in the 1970s, the interest in foam increased and several different types came to the marketplace. One type contained formaldehyde and had a problem of shrinking, which led to the banning of that particular product.

It seemed to me that the interest in foam insulation really dropped off for a couple of years and then re-emerged rather rapidly in the 1980s. It was about this time that I started teaching folks about energy efficiency, and common sense told me that ductwork in a hot or cold attic was a major energy problem. But if no crawlspace or basement was available, an alternate location was resisted by the building industry.

I was driving on a hot summer day and noticed a steel-framed building under construction. The sign said that it was to be a new food center. I noticed that the rolled insulation was being installed on the walls and on the sloped roof. I remember thinking, "Wow, that building won't even have an attic. There will just be a flat ceiling installed to look nice and to contain the light fixtures."

It was at that time that I started telling folks at seminars, "Write it down and date it. Doug Rye said that we would see the day when houses didn't even have attics."

Many houses have now been built with no attic. Let me give you three examples of calls from folks concerned about their hot attics.

Rita from Oklahoma

Rita called and I asked these questions about the house: Where is it located? What is the house size? How big is the attic? How much and what type of ceiling insulation is there now? Where is the ductwork located? How much was your last electric bill? And why are you concerned about the temperature of the attic?

Rita said she lives in a 1,200-square-foot one-story house with the ductwork located in the attic and six inches of batt insulation. She told me that her last electric bill was about $180 and she had floored most of the attic, which she used for storage.

Well, this was an easy one to answer. Rita should hire a qualified foam contractor to spray about six inches of foam on the entire attic roof decking and gable ends. In other words, totally encapsulate the attic, which includes eliminating all attic ventilation.

By doing this one thing, it would solve several problems. The ductwork, which includes the leakage, is now in the conditioned space of the house. The storage space is now comfortable. There is more insulation and the utility bills will be lower.

You see, what used to be an attic is now just an odd-shaped room above the ceiling.

Bill from Missouri

Bill called from Kansas City, MO. He has a 2,000-square-foot house with a full basement. The ductwork is in the basement. The attic contains about eight inches of blown insulation. His last electric bill was $157. Again, the answer is simple. Bill needs to add about five inches of blown cellulose over his existing insulation.

Albert from Arkansas

Albert, who has retired in Bella Vista, lives in a one-story 1,400-square-foot house has ductwork in the sealed crawlspace, 13 inches of blown cellulose insulation in the attic, and his last electric bill was $83.

Again, it was a simple solution. I asked Albert if he had any hobbies. He said that he played golf. I told him to go play golf and quit worrying about energy efficiency. We both got a laugh by talking.

Folks, these solutions are also the answers for a cold attic.

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.

Beware of Heater Hype

As the colder weather begins to roll in, many rush out to buy portable heaters to help stay warm. Some even promise to heat your homes for just pennies a day.

However, a watt is still a watt and they don't always say how many pennies a day that can be.

"Space heaters are not the ideal solution for heating homes," Brian Sloboda, a senior program manager with NRECA's Cooperative Research Network said. "The cost of operating multiple portable heaters is almost always significantly more than most central heating systems."

So, consider adding air source and ground source heat pumps and remember to get your HVAC system serviced before winter comes.

Be sure to also watch the video at http://youtu.be/YyZ8TQxmIDgto learn how to seal your duct work to help save more energy and money on your heating and cooling bill.

Caney Valley's Operating Statistics

For Month Ending	July 2012	July 2011
Meters Billed	5,605	5,579
kWh Sold	5,878,051	5,908,330
Total Revenue	$ 881,828	$ 863,876
Purchased Power	$ 661,686	$ 679,748
Operating Expenses	$ 197,627	$ 199,165
Depreciation Expenses	$ 49,825	$ 48,977
Interest Expenses	$ 32,685	$ 29,763
Other Expenses	$ 80	$ 125
Operating Margins	$ (60,076)	$ (93,902)
Non-operating Margins	$ 1,847	$ 1,834
Total Margins	$ (58,229)	$ (92,067)
Margins Year-to-Date	$ (271,578)	$ (217,119)

Cold Weather Rule Begins November 1

The Kansas Corporation Commission (KCC) adopted a statewide, uniform Cold Weather Disconnection Rule (CWDR) on March 20, 1989, which governs termination or restoration of utility service when members are financially unable to pay utility bills from November 1 to March 31 annually.

Caney Valley Electric has adopted this CWDR with certain modifications to accommodate our members.

Cooperative members who are unable to pay their electric service bills during the cold weather period may qualify for this program, provided they fulfill certain good faith requirements when attempting to pay.

The requirements members must meet to qualify for the program are summarized below:

- Members must notify the cooperative and state their inability to pay their service bill in full.
- Members must apply to federal, state, local or other financial assistance programs for which they may be eligible to receive aid in paying utility bills.
- Members must make an initial minimum payment equal to 1/3 of the total amount due the cooperative which includes any arrearage. (Example: If a customer owed an arrearage of $200 and a current bill of $40, they would owe the cooperative a total of $240. The initial payment under the CWDR would be equal to $240 divided by 3, or $80.) All previous arrearage average payment plans must be paid off before entering into another plan.
- Members will be required to enter a level payment plan agreement for past, current and future charges for electric service, with arrears paid in equal installments over the next 2 months. A member and the cooperative may negotiate other payment arrangements mutually agreeable, individualized to the member's situation, providing the most appropriate terms, after the member has been informed that he or she has at least two months in which to pay under the Cold Weather Plan.
- Members will be required to provide sufficient financial information to enable the cooperative to determine an appropriate payment agreement.

Please note that members may be ineligible for the benefits under the CWDR if they fail to follow the above requirements, illegally divert utility service, receive service by tampering as defined by KCC rules or default on a payment agreement.

During the cold weather period, your cooperative will do the following:

- Inform you of agencies or organizations which may provide financial assistance in paying utility bills;
- Not disconnect service until the member is personally contacted or a notice is posted on the member's premises the day before disconnection is to take place.

In no event will the cooperative disconnect service if the temperature is forecast to fall below 30 degrees F. within 24 hours following the time of disconnection.

The CWDR is to ensure that human health and safety are not unreasonably endangered during the cold weather months.

Outages for August 2012

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

Date	Area	Members Affected	Duration	Cause
8/5	Sedan, Cedar Vale, Phillips substations	2,520	2 hrs	Lost 69kV feed at switching station
8/5	North of Dexter	35	1 hr 40 min	Bird on transformer
8/9	Oil field northeast of Sedan	25	2 hrs	Broken jumper on transformer
8/10	North of Moline	60	1 hr	Reset OCR on line
8/25	Elgin	40	2 hrs	Trees in line