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For emergency outages please call 800-310-8911

THE CANEY VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.

TheVoice

CANEY VALLEY ELECTRIC CO-OP, INC.

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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 May is \$0.00588/kilowatt-hour. This amounts to an additional \$5.88 per 1,000 kilowatt-hours. The PCA was implemented in 2002 to cover only the increase (or decrease) in power costs (over and above 7¢/kWh) charged to us by our wholesale power suppliers. The PCA varies each month depending on the wholesale costs, and is a flow-through on your electric bill.

FROM THE GENERAL MANAGER

Rate Increase Considerations

This article is to communicate the current factors affecting the cooperative's operations. The cooperative's financial condition is unsatisfactory.

Following many years of slow, yet steady, increases in kilowatt-hour (kWh) sales and electric meters served, the cooperative has experienced a significant reversal over the past eight years. Reasons behind the decline may be the result of several factors including oil industry issues, mild summer and winter weather patterns, declining population, and more efficient electric products.

The cooperative board and staff have been monitoring and evaluating this reduction in sales and meters served very closely as we must ensure the cooperative's revenues can meet the required level to cover its operating costs. The use of a fixed or flat charge per electric service meter assures an appropriate amount of revenue is collected to meet operating costs without increasing the kWh rates.

An analysis of the cost to serve each meter is made in order to develop an appropriate customer charge (services availability charge or access charge).

Many electric cooperatives across the state and nation, including Caney Valley Electric, have increased the customer charge during recent years. In 2014, the cooperative's rate increase included raising the residential rate monthly customer charge from \$7 to \$17. The last rate increase was 2018 and 2019, which increased the customer charge to \$29. Recent cost-

ELECTRIC SALES

Year	Annual Sales	Year	Annual Sales
2016	\$61,049,278	2021	\$59,590,460
2017	\$58,184,930	2022	\$61,382,818
2018	\$60,589,748	2023	\$60,032,833
2019	\$59,755,825	2024	\$59,868,059
2020	\$57,849,786		

of-service studies completed by other electric cooperatives show the customer charges should be in the \$50-\$70 range.

Increasing rates by any method is not a pleasant subject. Caney Valley's board and staff diligently strive to control the small percentage of the overall operating costs that are somewhat controllable. Realistically, if the current pattern of reduced electric sales continues, appropriate rate adjustments will have to be made.

As reported in the cooperative's annual meeting report and at the annual meeting, the board of trustees is considering a rate increase to take effect in January 2026. Tentative plans include having an open meeting in September for cooperative members to attend as the board considers details for the rate increase.

The next four issues of "The Voice" will contain additional rate increase information.

We are glad to discuss any questions or concerns you may have. Call or visit in person any time.

ALLEN A. ZADOROZNY,
GENERAL MANAGER

Annual Meeting 2025

Caney Valley Electric held its 77th Annual Meeting Thursday, March 20, 2025, at the Cedar Vale school gymnasium. About 400 members and guests were served a pulled pork meal by the Cedar Vale Lions Club.

TREY CLAPP, STEPHANIE OLLENBORGER and **STEVE CLARK** were all reelected to the board of trustees in Districts I, II and III respectively.

Special guests present included Doug Blex, state representative from District 12, as well as Lee Tafanelli, CEO, Kansas Electric Cooperatives, Inc., and Mark Barbee, senior vice president/chief operating officer, Kansas Electric Power Cooperative.

Eight scholarship winners for the 2025-2026 school year were announced as follows:

- ▶ **KATIE CROCKER** — Cedar Vale High School
- ▶ **AYDEN ROBERTSON** — Cedar Vale High School
- ▶ **HAYLIE SISCO** — Sedan High School
- ▶ **LILY WINGFIELD** — Sedan High School
- ▶ **CLANCY CUMMINGS** — West Elk High School
- ▶ **TRENT HAAG** — West Elk High School
- ▶ **KASE KILL** — West Elk High School
- ▶ **JAXON GATTON** — Winfield High School

Each student will receive \$1,000 to help with tuition and related expenses.

Also attending were winners of the 2025 KEC Youth Leadership Camp in Steamboat Springs: **SHYANN SQUIRES**, Cedar Vale, and **EDWARD METCALF**, West Elk (not present — **JAYLON HARRIS**, Cedar Vale)

In his annual report, Zadorozny stated that the cooperative's revenue requirements were not met in 2024, and that the board is considering increasing the customer charge. Plans are

2025 SCHOLARSHIP WINNERS



Katie Crocker



Clancy Cummings



Jaxon Gatton



Trent Haag



Kase Kill



Ayden Robertson



Haylie Sisco



Lily Wingfield



Kansas State Representative Doug Blex addresses the membership.

to hold a member meeting, possibly in September, to review the financials and gather input from any members that wish to attend. Related to the electric sales and revenues is the lack of increase or maintained number of meters served. After requesting any questions or comments from the audience, and there were none, Zadorozny encouraged members to call or stop by the office at any time to visit.

Barbee gave a highlight of 2024 accomplishments as well as upcoming challenges of the increasing costs of wholesale power and Wolf Creek Generating Station celebrating 40 years in service. He noted that 67% of the wholesale power last year came from carbon-free resources.

Tafanelli spoke about KEC's role in supporting Kansas' rural electric cooperatives through legislative efforts, board and employee trainings, and the *Kansas Country Living* magazine that reports on current state and cooperative activities. He also encouraged members to get involved in Voices for Cooperative Power, a network of electric co-op members working together to influence public policy decisions that impact our way of life.

Kansas State Representative Doug Blex complimented the vital role electric cooperatives provide to the economy and desirable lifestyle of rural Kansas.

All employees were introduced, and then several service awards were given out. Brad Brown was recognized for 25 years of service. Kitty Sweaney and Craig Lampson were recognized for 41 and 46 years, respectively, and received special appreciation gifts as both plan to retire in 2025. Allen Zadorozny was then recognized for reaching 25 years of service.

Numerous door prizes were given away during the meeting. Special thanks go to Border States, Poor Boy Tree Service, KEPCo, KSI Engineering and RMA Engineering LLC, for donating several of the prizes. **PATRICIA POTTER** won the grand prize of a 65-inch Vizio TV and **JACKIE KEGLEY** won a 55-inch TCL TV.

Annual Right-of-Way Herbicide Spraying



Craig Lampson
Line Superintendent

As part of the cooperative's ongoing program to control harmful vegetation near our power lines, we have contracted with Poor Boy Tree Service Inc. of Fairplay, Missouri, to apply

herbicide along our rights-of-way in 2025. Lines off our Burden, Tisdale and Silverdale substation are scheduled to be covered over the next few months. This includes parts of Cowley County including rural areas around Alanta, Burden, Cambridge and west of Dexter.

Poor Boy's two-man crews will be applying high-volume foliar spray herbicide directly to small trees, saplings and harmful re-growth that has occurred since the lines were cleared by tree cutting. They will be using the minimum amount of herbicide judged to be effective and will be targeting specific plants that pose a hazard to the electric system. You should expect to see their pickup and/or ATV with spray equip-

ment working along the rights-of-way under Caney Valley's electric lines.

Caney Valley Electric will be sending out letters to known landowners or members where we propose to treat our rights-of-way. Please, if you have any questions or concerns, or if you do not want us to spray on your property, you need to contact us so we can designate it as "Do Not Spray" for our contractor's crews. The letter may be the only notice you receive before we start.

Trees continue to pose the greatest physical obstacle to providing economical and reliable electric power to the consumers on Caney Valley's system. The problems caused by trees and the costs of controlling them are born by all of our members collectively. We appreciate your support of the cooperative's efforts to reduce tree-related problems in a fair and cost-effective manner. If you have any questions about our spraying or line clearing activities, please call us at 800-310-8911 or 620-758-2262.

CRAIG LAMPSON
LINE SUPERINTENDENT



EMPLOYEE ATTAINS JOURNEYMAN STATUS

BRAIDEN MATTOCKS, an employee with Caney Valley Electric Cooperative, has successfully completed one of the world's most comprehensive training programs for power line personnel. The Merchant Job Training and Safety Program is administered to line personnel in 40 states. Mattocks and the support staff with Caney Valley Electric can be proud of their accomplishment. Each utility has an acting training coordinator assisting their trainees by administering "closed book" testing. The coordinators manage their own people throughout the training process from rules set by the MJTS and the statewide association. **CONGRATULATIONS BRAIDEN! YOU CAN LOOK FORWARD TO A VERY REWARDING LIFELONG OCCUPATION.**



Braiden Mattocks

UNDERSTANDING COOPERATIVE DEBT

Why does the co-op borrow money and incur debt?

Like all electric co-ops, Caney Valley borrows money to fund system improvements and capital items, the large expenses that we don't have cash on hand to pay for. Financing shares the expenses with both current and future members who will benefit from the investment. It would be unfair for current members to pay high electric rates to fund all capital improvements to avoid debt.

It's important to understand how financing works for electric cooperatives. We work with an engineer to create a four-year work plan to maintain, repair and upgrade our infrastructure. Our current four-year work plan is \$6,283,000. Caney Valley must buy the materials and do the work. When a project is completed, the work must be inspected and approved by an engineer. Then the co-op applies to the lender for reimbursement of the expenses. We must cash-flow the expense, then receive reimbursement after the work is complete.

If we paid for all system improvements and investments to avoid incurring debt, the current work plan would cost current members \$1,200 per meter. That is a lot of extra money to ask members to pay. Future members would benefit from the investment without sharing in the cost.

While most people believe it is always preferable to avoid debt if possible, that concept is not always true given the nature of operating a public utility. Oftentimes, borrowing money for long-term (35 years or more) investments is preferable than recovering all of the costs of the investment from the members through rates.

Employee Spotlight

We are going to “spotlight” our employees as space allows, to help our members learn a little bit about our employees.

BRIAN SMYLIE, Sedan, was hired April 16, 2001, as an apprentice lineman. He completed training to advance to journeyman, and then was promoted to line foreman in June 2019. He enjoys learning new aspects of the business, seeing a project finished, and helping the younger guys along in the business.

He enjoys hunting, fishing, shooting guns, traveling and hanging out with his family during his free time.



Brian Smylie

Nondiscrimination STATEMENT

The Caney Valley Electric Cooperative Association, Inc. is a recipient of federal financial assistance from Rural Development, an agency of the U.S. Department of Agriculture. In accordance with federal civil rights law and USDA civil rights regulations and policies, this institution is prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at 800-877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 866-632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Dept of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410; (2) fax: 202-690-7442; or (3) email: program.intake@usda.gov.

OUTAGES FOR MARCH 2025

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

Date	Area	Members Affected	Duration	Cause
3/4	Otto Corner south of Dexter	25	2 hrs	Found floater following rain & wind
3/5	Caney substation north circuit	250	1 hr 30 min	Found floater following rain & wind
3/5	Anderson corner SW of Sedan	35	50 min	Broken jumper
3/14	Longton substation south circuit	60	2 hr 35 min	High winds - shed went through line
3/14	NW of Howard	50	2 hr 15 min	High winds - wires down in pasture
3/14	Line to Wayside	25	3 hr 10 min	High winds - broken jumper
3/14	North of Havana	100	1 hr 45 min	High winds - wires down
3/14	Sedan loop feed	900	30 min	High winds - tree in line
3/14	West of Cedar Vale	100	2 hrs	High winds - floater
3/14	Cedar Vale substation north circuit	400	1 hr 40 min	High winds - reset breaker
3/30	South of Peru	120	3 hr 20 min	Failed fuse barrel
3/31	Cedar Vale substation west circuit	182	40 min	Glass arrestor blew

FEBRUARY OPERATING STATISTICS

For Month Ending	Feb. 2024	Feb. 2025	For Month Ending	Feb. 2024	Feb. 2025	For Month Ending	Feb. 2024	Feb. 2025
Meters Billed	5,167	5,189	Total Revenue	\$ 862,614	\$ 926,655	Other Expenses	\$ 325	\$ 200
kWh Purchased	4,833,891	5,872,766	Purchased Power	\$ 364,763	\$ 456,821	Operating Margins	\$ 121,264	\$ 101,189
Cost Per kWh Purchased	0.07530	0.07764	Operating Expenses	\$ 259,255	\$ 246,346	Non-Operating Margins	\$ 3,753	\$ 2,812
kWh Sold	6,171,503	6,270,664	Depreciation Expenses	\$ 75,461	\$ 77,637	Total Working Margins	\$ 125,017	\$ 104,001
			Interest Expenses	\$ 41,546	\$ 44,462	Margins Year-to-Date	\$ 21,895	\$ (52,232)