

cve@caneyvalley.com
www.caneyvalley.com
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 October is \$0.01124/kilowatt-hour. This amounts to an additional \$11.24 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 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 GENERAL MANAGER

Your Cost for Electrical Service

Now that we have experienced the hot summer months, many of you have received your highest electric bills of the year.

Your Board of Trustees closely monitors the financial operations of your cooperative to assure you are paying electric rates that are fair and reasonable. Caney Valley's electric rates historically have been higher than we would like them to be. There are many reasons why this is the case, and I would be glad to discuss them personally with you in detail.

The average cost all of the members are paying is 19% more than the cost 10 years ago. This cost includes the effect of an 8% increase in rates which began in October 2014. Also, the customer charge per meter was increased \$12 over the last two years.

The average cost per kilowatt-hour in 2009 was 12.6¢. The average cost in 2019 is 15.0¢. A condition adversely affecting the Cooperative's operations is that about 30% of the meters served use less than 100 kilowatt-hours per month.

We are continually working to hold the line on rates. As you know from your experiences with your personal and business finances, prices and costs for goods and services rarely stay the same or decrease. Usually, costs overall continue to rise. It is the same with the cooperative's operations as we work to provide reliable electric service at a justifiable cost to the members.

Please contact me if you have any questions or comments about the cost or quality of your electric service.

Allen A. Zadorozny, General Manager

Energy Efficiency Tip of the Month

Heating requires more energy than any other system in your home, typically making up about 42% of your energy bill. With proper equipment maintenance and upgrades, you can save about 30% on your energy bill. **Source: energy.gov**



By the Community, for the Community

October is National Co-op Month

When you think of October, pumpkins, Halloween and beautiful fall foliage naturally come to mind. But October is notable for another reason—it's National Co-op Month! This is the time of year when cooperatives across the country, including Caney Valley Electric, celebrate who we are and more importantly, the members we serve.

Cooperatives are different than other types of businesses. When the market declines to offer a product or service or does so at a very high price, co-ops intervene to fill the need.

Similar to how Caney Valley Electric was built by members who came together to bring electricity to our community, cooperatives are conveners for the common good. Your electric co-op exists to provide safe, reliable and affordable energy to you, the members of the co-op. Equally important is our mission to enrich the lives of the members we serve.

As a co-op, we are well-suited to meet the needs of the community

because we are locally governed. Caney Valley Electric's leadership team and employees live right here in the community. Our board of trustees, who help set long-term priorities for the co-op, live locally on co-op lines. These board members have been elected to the position by neighbors like you.

We know our members (that's you!) have a valuable perspective. That's why we are continually seeking your input. Whether through community events, our social media channels or the annual meeting, we want to hear from you.

Our close connection to the community ensures we get a firsthand perspective on local priorities, thereby enabling us to make more informed decisions on long-term investments, such as equipment and technology upgrades to better serve you.

Another feature that sets our co-op apart from a traditional utility is one of our core principles, "Concern for Community." We participate in the Youth Leadership Camp, where we take our

community's brightest young people to Steamboat Springs, Colorado, for a weeklong immersion to experience the workings of a cooperative, and build their leadership skills through hands-on workshops. We also donate to numerous community programs such as 4-H, summer sports activities, and several area foundations.

Ultimately, the larger community benefits from these programs because of you and your neighbors. You empower the co-op through your membership and through your participation in and support of these programs.

We hope you will think of Caney Valley Electric as more than your energy provider, but instead as a local business that supports this community and powers economic development and prosperity for the people.

We will continue to learn from our members about their priorities so that we can better serve you—because your electric co-op was built by the community, for the community.

Cooperative Principle No. 7: Concern for Community

Cooperative involvement in the community goes beyond business.

It includes youth programs, donations, community events and more.



October is National Co-op Month

Cybersecurity Starts with All of Us

This October, Caney Valley Electric is observing National Cybersecurity Awareness Month, and as a reminder, you are our first line of defense against cybersecurity threats. It only takes one click on a malicious email, website or attachment to enable a bad actor to gain access to our network.

The energy sector continues to be a target for cyberattacks, and we will continue to face threats that target our employees, our supply chains and our partners. It is critical that we stay vigilant because we are not only a part of one of our nation's critical infrastructures, we are the infrastructure all of the others rely upon. We want our members—and the world—to know we take our role in managing cybersecurity threats to our members' data and our operations seriously.

Ransomware, credential theft, phishing emails and other attempts at cybercrime are no longer a question of if, but of when. Anyone with a password is a possible access point into our systems for bad actors. As we continue to add online options for our members, it's important to note bad actors can also access our systems through member accounts. This reality spreads the responsibility of keeping our systems secure to all members of our co-op's staff, not just those on our information technology team and members with online access. If you use our co-op's computers, mobile devices, network or online account system, you have a role in protecting our co-op.

Here are some simple things you can do to protect our systems from cybersecurity threats. Remember, the actions and steps you learn here to protect Caney Valley Electric can also help protect you at home.

Keep Your Defenses Up!

- ▶ Make sure all your computer software—including your web browser—is updated with the latest version.

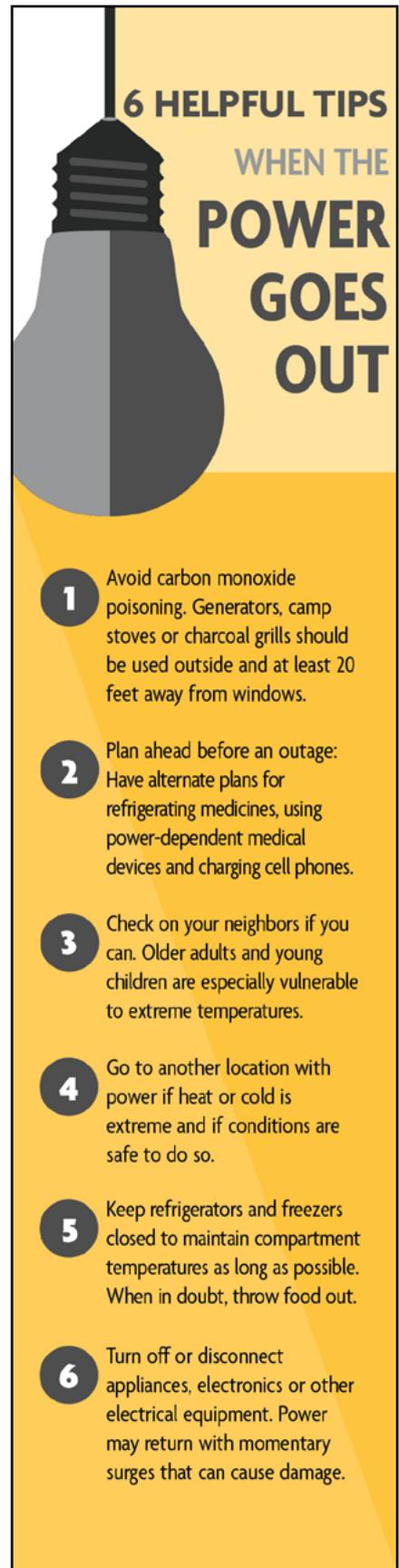
Keeping software up-to-date ensures security patches being deployed so our security team can succeed in blocking cyberthreats.

- ▶ Create a strong password and keep it private—it can take five days to crack a nine-character password, but more than two centuries to crack a password consisting of 12 characters or more.
- ▶ Treat all Wi-Fi networks as a potential security risk. Never check financial or other sensitive accounts when using public Wi-Fi at a conference, meeting or when you're on the road. Encrypt sensitive data when using a public Wi-Fi network.

Don't Fall for a Phish!

- ▶ Be on the lookout for emails, phone calls and other messages that try to gain access to co-op and member information. If it sounds too good to be true, it probably is. If something seems off, trust your instinct and convey your concerns to our cooperative. Be sure account emails are coming from our cooperative.
- ▶ Think before you click! Don't click links or attached files in emails or text messages from senders you don't know. Even if you do know the sender, hover over the link before you click, which will show you the target of the link. If the URL or domain name doesn't match your intended destination or if the destination is an IP address—something that has only numbers—don't trust it. You can also validate a link in an email by copying the link and pasting it into Notepad or a word processing document to see exactly what the destination is without risking accidentally going there in the web browser.
- ▶ There are many ways to spot a phish, and you can visit www.staysafeonline.org to see them all.

Remember, you are Caney Valley Electric's first line of defense against cybersecurity threats.



6 HELPFUL TIPS WHEN THE POWER GOES OUT

- 1 Avoid carbon monoxide poisoning. Generators, camp stoves or charcoal grills should be used outside and at least 20 feet away from windows.
- 2 Plan ahead before an outage: Have alternate plans for refrigerating medicines, using power-dependent medical devices and charging cell phones.
- 3 Check on your neighbors if you can. Older adults and young children are especially vulnerable to extreme temperatures.
- 4 Go to another location with power if heat or cold is extreme and if conditions are safe to do so.
- 5 Keep refrigerators and freezers closed to maintain compartment temperatures as long as possible. When in doubt, throw food out.
- 6 Turn off or disconnect appliances, electronics or other electrical equipment. Power may return with momentary surges that can cause damage.

NOTICE: Cold Weather Rule Begins November 1

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

Caney Valley Electric has adopted this Cold Weather Disconnection Rule with certain modifications to accommodate our consumers.

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, as 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. Your cooperative can inform you of agencies or organizations which may provide financial assistance.

► **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 Cold Weather Rule 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 consumer and the cooperative may negotiate other payment arrangements mutually agreeable, individualized to the consumer's situation, providing the most appropriate terms, after the consumer has been informed that he or she has at least 2 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 consumers may be ineligible for the benefits under the Cold Weather Disconnection Rule 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.

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.

Please be advised that once an agreement has been made and those terms are defaulted on, the agreement becomes null and void and the member's electric service will be subject to immediate disconnection.

It is the belief of some that once the CWR is in effect, electric bills can be ignored and the cooperative will not disconnect service; this is not true. The cooperative can and will disconnect for non-payment if the above criteria are not met.

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

Caney Valley's Operating Statistics		
For Month Ending	July 2019	July 2018
Meters Billed	5,291	5,367
kWh Purchased	6,303,722	6,533,523
Cost per kWh	0.08030	0.08336
kWh Sold	5,045,151	5,617,090
Total Revenue	\$ 834,887	\$ 893,579
Purchased Power	\$ 507,404	\$ 545,503
Operating Expenses	\$ 237,120	\$ 218,379
Depreciation Expenses	\$ 67,893	\$ 66,933
Interest Expenses	\$ 48,676	\$ 43,258
Other Expenses	\$ 1,082	\$ 1,020
Operating Margins	\$ (27,289)	\$ 18,487
Non-Operating Margins	\$ 1,961	\$ 1,933
Total Margins	\$ (25,328)	\$ 20,420
Margins Year-to-Date	\$ (113,659)	\$ 15,456

Outages for August 2019

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

Date	Area	Members Affected	Duration	Cause
8/13	Sedan Sub - loop feed	665	15 min	Reset OCR
8/16	Caney Sub - north circuit	200	1 hr 30 min	Owl on breaker
8/16	Burden & Tisdale Subs	237	1 hr 30 min	Westar off
8/18	Hale area	35	2 hr 30 min	Jumper burned off breaker
8/21	Sedan Sub - loop feed	500	25 min	Contractor hit wire at fairgrounds
8/21	North of Cambridge	30	2 hr 15 min	Lightning
8/30	Cedar Vale Sub - west circuit	206	1 hr 10 min	Lightning