

January
2006

A Communication
Service To Our Members

OICE

Website: www.caneyvalley.com • E-mail: cve@caneyvalley.com
In Case of an Outage, Please call 1-800-310-8911



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The Caney Valley Electric Cooperative Assn., Inc.

P.O. Box 308, 401 Lawrence
Cedar Vale, Kansas 67024
Phone (620) 758-2262 • Fax (620) 758-2926

From the Manager's Desk....

The new year is here! What lies ahead in 2006? It would have to be quite a year if it tops 2005 as far as the influence of the energy industries. The huge increases experienced in the costs of gasoline, diesel, propane, and natural gas affected us all. Electric generation plants fueled by natural gas were blamed for extremely high costs which were passed on down to electric utility consumers here and across the country, especially during the summer. These much higher costs have challenged individuals and businesses to develop strategies to accommodate these increases while attempting to conduct day-to-day activities as usual.

So, in our relatively small area of the world, what can you expect from your electric cooperative in 2006? As far as your costs for electric service, it is very difficult to predict. We know that it is unlikely that your electric bills will go down significantly. However, the hope is that, at the worst, they will be a

very small percentage higher overall.

We can tell you that the monthly wholesale power costs experienced by your cooperative will determine how much your electric bills fluctuate, assuming your kilowatt hour electric consumption is about the same. **The basic electric rates have not increased since 1993.**

In addition, we can tell you that our goal is to provide conscientious, responsive, and personal service to our members. You will contact a real person, who is an employee, or after-hours answering service personnel, when you telephone us. You will not have to wait through an automated answering system. Your cooperative offices are located in Cedar Vale, and we welcome you to come visit us at any time.

Please contact me personally if there are any questions or suggestions you have. I will be glad to discuss them with you. Have a great 2006!

Allen A. Zadorozny, Manager

Caney Valley Electric
wishes you a
Happy & Safe
New Year!



Power Cost Adjustment

The Power Cost Adjustment (PCA)
for January is \$.00904.

This calculates to an additional \$9.04
per 1,000 kilowatt hours sold.

Operating Statistics

For Month Ending:	October 2004	October 2005
Customers Billed	5,227	5,228
Kilowatt Hours Sold	4,358,641	4,884,391
Total Revenue	\$ 586,384	\$ 655,392
Purchased Power	\$ 211,482	\$ 240,565
Operating Expenses	\$ 158,138	\$ 134,063
Depreciation Expenses	\$ 46,261	\$ 40,975
Interest Expenses	\$ 25,878	\$ 32,415
Other Expenses	\$ 70	\$ 125
Operating Margins	\$ 144,555	\$ 207,249
Non-Operating Margins	\$ 2,439	\$ 2,539
Total Margins	\$ 146,994	\$ 209,788
Margins Year-to-Date	\$ 210,367	\$ 455,708

Outages for November 2005

Occasionally, a part or parts of the delivery system fail and an outage occurs. The following is a summary of the larger outages and their causes that occurred in November

Date	Area	Consumers Affected	Duration	Cause
11/12	Grenola and Howard Areas	398	2 hrs 45 min	Westar off due to loose crossarm.
11/14	Burden and Atlanta Areas	50	1 hr 45 min	Westar lost phase at meter point.
11/18	Havana, Niotaze, Elk City & Wayside Areas	248	1 hr 30 min	250 amp fuse out in substation.
-	-	-	-	-
11/18	Havana, Niotaze, Elk City & Wayside Areas	496	30 minutes	250 amp fuse out in substation.
-	-	-	-	-
11/26	Longton Area	15	2 hrs 30 min	Pole fell over in high winds.

Attention High School Juniors: Win A FREE Trip!

Students will travel to
Cooperative Youth Leadership Camp in Colorado
ALL At Our Expense!

The Caney Valley Electric Cooperative is sponsoring an all-expense-paid trip to Steamboat Springs, Colorado, July 15-21, 2006.

This trip is part of a four-state "Youth Leadership Camp" sponsored by rural electric cooperatives in Colorado, Wyoming, Oklahoma and Kansas. Contest winners will learn about electrification, cooperatives, energy problems, safety, and interpersonal communications.

The contest is open to all current high school juniors in Caney Valley's service area, whose parents or guardians are members of

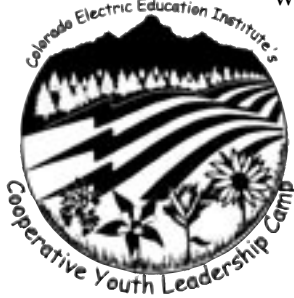
Caney Valley Electric.

Contest entrants may be interviewed and will be required to take a brief, written test covering material that will be made available to each contestant. A short one-page essay on "How Electricity Affects My Life" will also be required.

If you are a high school junior and are interested in this trip, please complete the application form below and send by **February 15, 2006** to:

Caney Valley Electric Cooperative

Attn: J.D. Sanders
P.O. Box 308
Cedar Vale, KS 67024



Please complete and mail the application below so that it reaches our offices
NO LATER THAN February 15, 2006.

Application for Youth Tour Contest

Name of Applicant _____

Address _____ Town _____ Zip _____

Birth Date _____ Year in School _____

Name of Parents or Guardian _____

Parents' Phone Number _____ School _____

I agree that all information supplied in this application is accurate and true. _____

(Signature of Applicant)

I hereby grant permission for _____ to enter the 2006 Youth Tour competition sponsored by

Caney Valley Electric Cooperative Association, Inc. _____

(Signature of Parent or Legal Guardian)