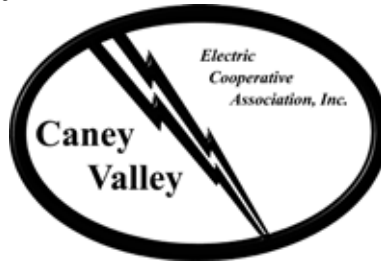


January 2007

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

In Memoriam

Caney Valley Electric was saddened to hear of the death of Gerald "Shorty" Magnus on November 22, 2006.

Shorty worked at Caney Valley Electric for 35 years, starting as a lineman in May 1956. He also served in the positions of Work Order & Material Clerk, Assistant Manager, and was Acting Manager in 1990. He resigned in 1991 after purchasing a local grocery store, which became known as Short's Supermarket.

Our condolences go out to his wife, Coral Ann, and their children and family.

Operating Statistics

Month Ending	Oct. 2005	Oct. 2006
Customers Billed	5,228	5,315
kWh Sold	4,884,391	4,170,821
Total Revenue	\$ 655,392	\$ 588,934
Purchased Power	\$ 240,565	\$ 281,460
Operating Expenses	\$ 134,065	\$ 137,880
Depreciation Expenses	\$ 40,975	\$ 43,867
Interest Expenses	\$ 32,415	\$ 37,576
Other Expenses	\$ 125	\$ 203
Operating Margins	\$ 207,249	\$ 87,948
Non-Operating Margins	\$ 2,539	\$ 3,248
Total Margins	\$ 209,788	\$ 91,196
Margins Year-to-Date	\$ 455,708	\$ 515,348

Power Cost Adjustment

The Power Cost Adjustment (PCA)
for January is .01377.

This calculates to an additional \$13.77
per 1,000 kilowatt hours used.

From the Manager's Desk...

The new year is here! What lies ahead in 2007? It would have to be quite a year to top 2006, as far as the influence of the energy industries.

The extreme increases in the costs of gasoline, diesel, propane, and natural gas affected us all in 2006. Electric generation plants fueled by natural gas were blamed for much higher power costs, which were passed along to electric utility consumers here and across the country, especially during the summer. These large energy industry cost increases have challenged individuals and businesses to develop strategies to accommodate their effects 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 2007? As far as your cost for electric service, it will depend upon the wholesale power costs. We are hoping that they do

not increase significantly. If they do not, then you will see about the same electric bills as last year if you use the same amounts of electricity. This is because 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. When you telephone us, you will contact a real person, who is an employee or an after-hours answering service person. You will not have to wait through an automated answering system. Your cooperative office is 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 2007!

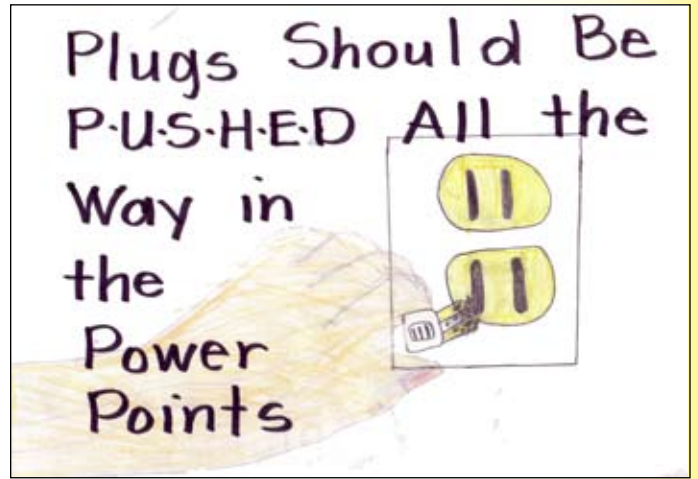
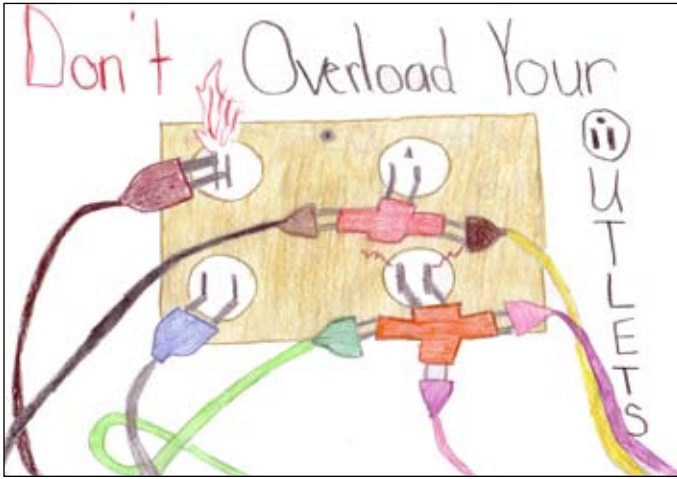
Allen A. Zadorozny, Manager

Outages for November 2006

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
11/7	Dexter	85	2 hr 15 min	Westar off
11/12	NE of Sedan	30	1 hr 30 min	Breaker out
11/29	SE of Chatauqua	30	1 hr 15 min	Breaker out (ice/snow)
11/29	SE of Chatauqua	30	1 hr 45 min	Breaker out (ice/snow)
11/29	N of Sedan	25	3 hr 15 min	Phase burndown (ice/snow)
11/30	Longton	60	1 hr 45 min	C-phase OCR out in sub (ice/snow)

Cooperative Month Coloring Contest Winners



As a part of Cooperative Month, Caney Valley Electric held a contest for all area fifth graders to design an electrical safety ad. One winner from each of the schools represented was selected. Above left is Sarah Bellar's winning ad. Sarah is our \$25 prize winner from Severy Elementary. Above right is our \$25 winner from Elk Valley Elementary, Brian Ostrander. Congratulations, Sarah and Brian!

Attention High School Juniors: Win A FREE Trip!

Students will travel to
Cooperative Youth Leadership Camp
 in Steamboat Springs, Colorado **ALL At Our Expense!**

The Caney Valley Electric Cooperative is sponsoring an all-expense-paid trip to Steamboat Springs, Colorado, July 14-20, 2007.

This trip is part of a four-state "Cooperative 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.

If you are a high school junior and are interested in this trip, please complete the application form below and send by February 15, 2007, 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, 2007.

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 2007 Youth Tour competition sponsored by Caney Valley Electric Cooperative Association, Inc. _____

(Signature of Parent or Legal Guardian)