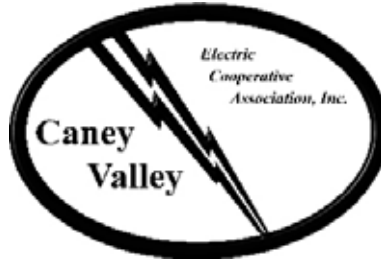




A Communication Service To Our Members

Website: www.caneyvalley.com • E-mail: cve@caneyvalley.com
In case of an outage, please call 1-800-310-8911

February 2007



Board of Trustees
Ron Lenington, DVM, President
Richard Craft, Vice-President
Patrick Steward, Secretary/Treasurer
Fred McAdam, Dale Clubine,
Kenneth Bates, William McCormick,
Dwane Kessinger, Mack Chrisman,

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

ATTENTION: High School Seniors Scholarships Available!

Caney Valley Electric has scholarships available for high school seniors going on to college or a vocational-technical school. Seven \$600 scholarships are available. They will be divided into \$300 per semester for the first year.

If you are a high school senior and are interested please contact your high school counselor or Caney Valley Electric at (620) 758-2262.

Mailing Labels

Just a reminder to all members that if you are low on mailing labels, we will be mailing more out in April when we mail our Annual Meeting notice.

Power Cost Adjustment

The Power Cost Adjustment (PCA) for February is \$.00422. This calculates to an additional \$4.22 per 1,000 kilowatt hours used.

From the Manager's Desk...

On December 28, a wide-spread ice storm covered western Kansas bringing down thousands of miles of electric lines. Several hours of severe weather conditions enabling the build-up of ice on power lines and structures, caused damages that will take months and years to repair at costs in the millions.

Here at Caney Valley, we are still in the process of restoring electric line facilities damaged by the January 4, 2005, storm. In order to obtain funding from the State of Kansas and the federal government, we have contracted with them to follow a mutually agreed-upon restoration plan estimated to cost \$8 million.

Currently, we are about 60% complete at an expenditure near \$3 million. Projections call for completing the work by mid 2008.



The New Years ice storm left 46,300 western Kansas residents without power and 10,900 poles down. Some members went without power for more than 12 days.

Of course, the plans assume several factors including no large ice storms coming through.

During this time involving ice storm restoration efforts, your cooperative will continue to work at providing you dependable electric service and personal responses to your requests. Please feel free to contact me at your convenience.

Allen A. Zadorozny, Manager

2007 Annual Meeting & Board Elections

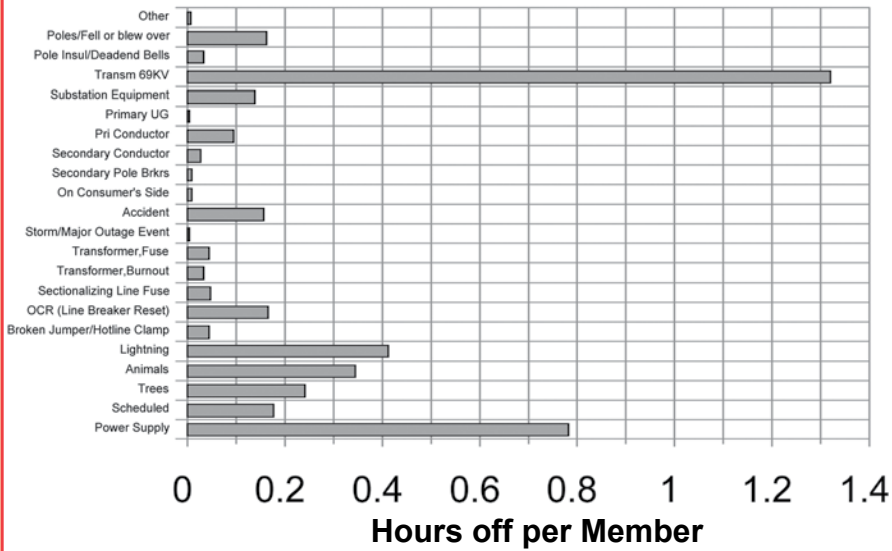
Caney Valley Electric is required to give a summary of the bylaws section on the election process prior to the nominating committee meeting to select individuals for Board of Trustee positions. The following is taken from Article III (Trustees), Section 3, Nominations, of Caney Valley's current bylaws:

"It shall be the duty of the

Board of Trustees to appoint, not less than 30 days nor more than 90 days before the date of a meeting at which Trustees are to be elected, a committee on nominations consisting of not less than five nor more than 11 members, who shall be selected so as to give equitable representation to the area served or to be served by the Cooperative. No officer or member of the Board

(continued on 16-C)

Caney Valley Outages 2006



The above table shows Caney Valley's total outages for 2006. As a reference, we've listed average hours off per member for the previous 10 year period below. The larger outages in 2002 and 2005 were due to January ice storms, and in 2000 was due to a March snow storm.

Caney Valley Outages 1996-2006

Year	Total Hours Off	Average Hours Off
2006	21,901.00	4.19
2005	89,467.50	17.12
2004	21,890.50	4.21
2003	13,728.25	2.63
2002	603,878.25	116.49
2001	38,445.75	7.38
2000	94,630.50	18.42
1999	41,524.75	8.14
1998	26,268.50	5.10
1997	17,357.95	3.32
1996	52,106.75	9.99

Attention High School Juniors: Win A FREE Trip!

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, Kansas, Oklahoma and Wyoming. 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.

Operating Statistics		
For Month Ending	Nov. 2005	Nov. 2006
Customers Billed	5,236	5,350
kWh Sold	3,822,062	4,001,601
Total Revenue	\$ 502,544	\$ 473,005
Purchased Power	\$ 237,908	\$ 265,766
Operating Expenses	\$ 66,928	\$ 62,706
Depreciation Expenses	\$ 41,301	\$ 44,015
Interest Expenses	\$ 32,404	\$ 37,549
Other Expenses	\$ 100	\$ 83
Operating Margins	\$ 123,903	\$ 62,886
Non-operating Margins	\$ 3,296	\$ 4,499
Total Margins	\$ 127,199	\$ 67,385
Margins Year-to-Date	\$ 582,907	\$ 582,732

2007 Annual Meeting (continued from page 16-A)

of Trustees shall be appointed a member of such committee. Said committee shall nominate at least two members as candidates for each Trustee to be elected at any annual meeting. The committee shall prepare and post at the principal office of the cooperative, at least 25 days before the meeting, a list of nominations for Trustees; but any 15 or more members may

make other nominations in writing over their signatures not less than 20 days prior to the meeting, and the secretary shall post the same at the same place where the list of nominations made by the committee is posted... Nothing contained herein shall, however, prevent additional nominations being made from the floor at the meeting of the members."

The Caney Valley Board of Trustees will be selecting a nominating committee at their February 13 Board meeting. If you would like to serve on this committee, please contact one of your district's Trustees prior to that date.

The Annual Meeting for Caney Valley Electric will be held Tuesday, May 1, at Sedan.