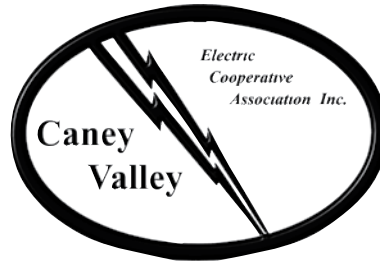


March 2008



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



Board of Trustees
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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... 2007 Finances

The 2007 financial and statistical records show satisfactory results for the year. The records have been audited with no significant exceptions reported by an independent CPA firm.

To the right is a summarized listing of the cooperative's 2006 and 2007 actual revenue and expense statements.

Also, for comparison, we are showing the Board approved 2008 estimated amounts used for planned budget purposes.

It is important to remember that the power cost adjustment (PCA) adder began in 2002. This was implemented in order to maintain the cooperative's financial integrity in light of its wholesale power supplier's significant rate increase at that time.

The basic electric rates charged by the cooperative are the same as implemented in 1993, and then reduced by five percent in 1999. All of the cost increases charged to our members after 2001 are attributable to the increased costs of wholesale power. That is the cost which the cooperative pays to its wholesale power supplier which is above five cents per kilowatt hour (kWh). The five cents per kWh is what the cooperative's regular rates were designed to cover or accommodate in order for the cooperative to have the income to operate at that time.

Cooperative Statistics for Comparison

	Kilowatt Hours		
	2002	2006	2007
Average monthly usage for residential rate accounts	611	706	703
Average monthly usage for all accounts	769	858	826
Meters			
Average meters billed each month for residential rate accounts	3650	3684	3689
Average meters billed each month for all accounts	5173	5298	5379
¢ per kilowatt hour			
	2001	2006	2007
Average cost per kwh for residential rate accounts	11.37	12.87	12.54
Average cost per kwh for all accounts	11.30	12.64	12.35
Percent increase in the cost per kwh from 2001 to 2007—residential	10.3%		
Percent increase in the cost per kwh from 2001 to 2007—all accounts	9.3%		

2007 Caney Valley Expense and Revenue

	2006	2007	2008 Budget
Total Revenue	\$6,793,084	\$6,636,397	\$6,914,600
Purchased Power	\$3,746,133	\$3,578,441	\$3,728,700
Operating Expenses	\$1,646,833	\$1,905,460	\$1,940,000
Depreciation & Interest	\$954,105	\$995,318	\$1,030,000
Operating Margins	\$446,013	\$157,178	\$215,900
Non-operating Income	\$187,947	\$107,625	\$76,000
Total Margins	\$633,960	\$264,803	\$291,900

Outages for January 2008

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 during January.

Date	Area	Consumers Affected	Duration	Cause
1/8	Longton substation	365	5 hr 45 min	Westar off
1/28	Oak Valley	35	1 hr	Tree limb on line
1/29	North of Longton	45	30 min	Maintenance error

Energy Efficiency: Up on the Roof

Roofs are perhaps the important component of an energy-efficient building. Unfortunately, compared to items like doors, windows, and lighting, roofs are generally much less durable and much less energy efficient.

Over the lifetime of a building, a roof needs to be replaced an average of four times. More than 75 percent of the roofing work in the United States involves reroofing, and roofing materials are the second-largest contributor to solid waste in the United States.

Energy-efficient roof technologies are fairly straightforward. Manufacturers have developed lighter-colored shingles and tiles, usually containing a coating of titanium dioxide, since they absorb less heat than a typical asphalt shingle and can

last twice as long. Since lighter surfaces are easily discolored by fungus, a fungicide coating normally gets added. Many of the new roof coatings are even self-cleaning to retain reflectivity properties and reduce air conditioning requirements. Lighter-colored roofs may be slightly more expensive. However, the small cost difference – \$25 for a 1,000-square-foot roof – will easily pay for itself in one summer.

Roof overhangs are another way to trim summer cooling bills. For many homes and businesses in warmer climates, overhangs reduce solar heat gain and interior temperatures. They can also be designed to let direct sunlight into a living space during winter, but keep things shaded in summer.

Operating Statistics

For Month Ending	Dec 2006	Year End 2006	Dec 2007	Year End 2007
Customers Billed (Avg/mo)	5,345	5,298	5,401	5,379
Total Revenue	\$ 520,920	\$ 6,793,084	\$ 526,137	\$ 6,636,397
Purchased Power	\$ 266,745	\$ 3,746,133	\$ 291,500	\$ 3,578,441
Operating Expenses	\$ 122,317	\$ 1,639,740	\$ 193,021	\$ 1,905,461
Depreciation Expenses	\$ 46,350	\$515,651	\$ 48,523	\$562,976
Interest Expenses	\$ 37,599	\$438,455	\$ 34,261	\$428,144
Other Expenses	\$510	\$7,092	\$569	\$4,197
Operating Margins	\$ 47,399	\$446,013	\$ (41,737)	\$157,178
Non-Operating Margins	\$ 3,828	\$187,947	\$ 3,122	\$107,625
Total Margins	\$ 51,227	\$633,960	\$ (38,615)	\$264,803

Annual Meeting Notice

Caney Valley's Annual Meeting will be held Tuesday, May 6, at the Cedar Vale Gymnasium.

The meal will be served by the Lions Club starting at 5:30 p.m., and the business meeting will start at 7 p.m.

Please plan to attend and take part in your cooperative's business!

Meet the New Employee Kevin Kibbee

Caney Valley would like to welcome a new lineman, Kevin Kibbee, who has enrolled in the apprentice lineman's course.



Kevin Kibbee

Kibbee is a native of Burlingame. He graduated high school from Mission Valley in Eskridge, and attended Kansas State University and Friends University.

Welcome and good luck in your new career!

Power Cost Adjustment

The Power Cost Adjustment (PCA) for March is \$.00966/kilowatt hour (kWh). This calculates to an additional \$9.66 per 1,000 kWh used.