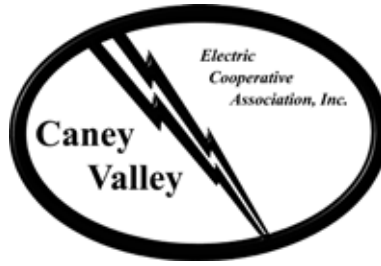


July 2006

A Communication
Service To Our Members

VOICE

Website: www.caneyvalley.com • E-mail: cve@caneyvalley.com
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From the Manager's Desk...



Allen A. Zadorozny

This month we are emphasizing the "Peak Control" program. This voluntary program has been promoted since

2002 due to the method by which Caney Valley ECA is billed for its wholesale power.

Caney Valley is billed, in part, for the months of October through May based upon the peak demand for electricity during July and August. The lower Caney Valley's peak demand is these two months, then the lower the wholesale electric power bills will run in the

eight off-peak months of October through May. For further details please read *Participate in Peak Control* below.

Of course, the variations in summer heat and weather patterns play a large part in how much demand for electricity is registered in July and August.

In the chart above you will see a comparison of how the July-August peak demands affected

	2003	2004	2005
Excess Demand	4,943 kW	3,916 kW	4,800 kW
Rate per KW	X \$ 9	X \$ 9	X \$ 9
	-----	-----	-----
	\$44,487	\$35,244	\$43,200
	X 8 months	X 8 months	X 8 months
	-----	-----	-----
	\$355,896	\$281,952	\$345,600
Affecting PCA	1.03¢/kWh	.82¢/kWh	1 ¢/kWh

Assuming 4,300,000 kWh's purchased per month.

the past three years from October to May, our eight month off-peak period.

In this VOICE, there are details on what you can do to participate. We greatly appreciate your continued cooperation and support.

Participate in Peak Control June - September

What is Peak Control? - Peak Control is a voluntary program in which our members can participate to hold down electricity costs to both Caney Valley ECA and themselves.

What Can Members Do To Participate in Peak Control? - Members can participate by voluntarily monitoring when they use electric equipment and appliances which require larger amounts of electricity.

When Do Members Need to Participate in Peak Control? - During the hours of 4 p.m. to 8 p.m. every weekday from June 1 through September 30. The actual peak demand for June, July, August and September is the billing demand for each respective month. **Special emphasis is placed**

during July and August, as the peak electricity demand registered by Caney Valley ECA during those two months drives the electricity billings for the following eight months. Be aware of days that have high temperatures forecasted above 90 degrees, these are the type of days when peak demands usually occur.

What Benefit May the Members See From Taking Part in Peak Control? - By helping hold the line for the kW demand charges on Caney Valley ECA's wholesale electric bill, the member will also limit the amount of the resulting power cost adjustment (PCA) charges added to his/her electric bills.

Please contact our office at (620) 758-2261 or 800-310-8911 if you have any questions.

EPA Act Affects Mercury Vapor Lights

Spending money to save energy is a common theme within the Energy Policy Act signed into law August 8, 2005, by President Bush. The act will increase energy efficiency, but there will be an increase in costs for outdoor lighting fixtures.

Effective January 1, 2008, no mercury vapor lamp (MVL) ballasts can be manufactured or imported. This means that no more MVL fixtures can be purchased or installed. Also, as existing MVL lights fail, these fixtures must be replaced, probably at a higher cost. Many customers prefer the "white light" from the MVL fixture and will want a comparable replacement. However, the standard replacement will be a high pressure sodium (HPS) fixture that, though very efficient, provides a "yellowish" light.

(An interesting aside is that research conducted in 2004 concluded

that the color of the light does affect a person's ability to see, especially in their peripheral vision. The blue-green spectrum of light, which is missing in the yellowish HPS light, is essential for good peripheral vision. A person has the ability to "see" or detect peripheral objects better under an MVL than an HPS light.)

What this all means is that Caney Valley Electric will need to develop a program to change out the inefficient MVL's with more efficient lighting. This will result in higher plant investment since other fixtures are more costly. We will also be reviewing rates and policies on outdoor lighting service so that both the cooperative's financial position and its public relations will remain in good standing with you, our members.

*Information taken from
TransActions, a publication of
GDS Associates, Inc., April 2006*

Power Cost Adjustment

The PCA factor for July is \$.01082.

This calculates to an additional \$10.82 per 1,000 kilowatt hours sold.

Operating Statistics

For Month Ending:	April 2005	April 2006
Customers Billed	5,217	5,271
Kilowatt Hours Sold	3,647,735	3,873,265
Total Revenue	\$ 436,186	\$ 473,187
Purchased Power	\$ 206,233	\$ 262,481
Operating Expenses	\$ 134,651	\$ 149,782
Depreciation Expenses	\$ 44,171	\$ 41,917
Interest Expenses	\$ 30,428	\$ 35,072
Other Expenses	\$ 100	\$ 193
Operating Margins	\$ 20,603	\$ (16,258)
Non-Operating Margins	\$ 2,326	\$ 2,963
Total Margins	\$ 22,929	\$ (13,295)
Margins Year-to-Date	\$ 263,854	\$ 180,346

Tips From Yesteryear

From "See Your Home in a New Light – 22 Recipes for Better Living in a Better Lighted Home."

The booklet is not dated, but was found with some other materials dated in 1949.

Use an unshielded ceiling fixture when standing at the sink or range. Benefits: You won't be working in your own shadow, you'll be able to see easily that the dishes are clean, and it's energy and disposition saving.

Use a pair of dressing table or vanity lamps when putting on facial make-up. Benefits: This provides light on both sides of the face- you really see yourself as others will see you, and there's no color distortion to deceive you on your appearance.

Use a circular metal reflector with a 150-watt silvered bowl lamp bulb when standing at laundry trays. Benefits: Plenty of light here speeds laundry work, washing is less drudgery – easier on your disposition, and you can easily see that clothes are clean.

Use a fluorescent tubes fixture over the ironing board. Benefits: Because you can see clearly, you'll iron faster and do better work. You don't have to crouch over to see, and you can see wrinkles – iron them properly!