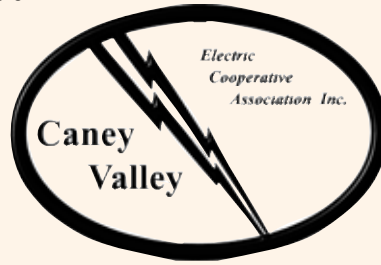




October 2007



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 In case of an outage, please call 1-800-310-8911

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In Memoriam

The Board and staff of Caney Valley Electric were saddened to learn of the death of Carl A. Steward, 91, of Cedar Vale, on September 4.

Steward was hired to work for Caney Valley as superintendent in July 1945, and was appointed as the first manager for the cooperative in April 1946. He filled that position until his retirement in October 1974.

He was an instrumental force in the early years of the cooperative, and was also very active in community activities.

Our condolences go out to his wife, Nola, and their family.

We were also saddened to learn of the death of Jack Hutchinson on September 9.

He was a retired manager at Sedgwick County Electric, Cheney, and served as interim manager for Caney Valley in the mid 90s. Our condolences to out to his wife, Aileen, and their family.

Power Cost Adjustment

The Power Cost Adjustment (PCA) for October is .02312/ kilowatt hour. This calculates to an additional \$23.12 per 1,000 kilowatt hours used.

From the Manager's Desk...

The number of meters billed has increased from 5,137 in 2000 to 5,368 so far this year. That is an average increase of 38 meters per year for the past seven years.

Year	Meters Billed (Average/Month)
2000	5,137
2001	5,149
2002	5,173
2003	5,180
2004	5,199
2005	5,225
2006	5,298
2007	5,368

The good news is the modest increase replaces the trend seen in the 90s where the number of meters was decreasing.

The majority of the increases are due to new residences being built in our areas, and also to the oil and gas industry. Another contributing factor to the increase, is that our previously existing meters are staying connected and not decreasing in large numbers.

Today the cooperative serves an average of 3.2 meters per mile of primary electric line. If we take away the meters billed in Sedan and Cedar Vale, that reduces the density to less

than one meter per mile of line.

The meters per mile of line, or "density," is important to be as high as practical in order to enhance the return on the investment of the electric plant or facilities in place. Tied to this, of course, is the ability to maintain the electric rates as low as possible as a result of the economies of scale.

Allen Zadorozny, Manager

Outages During August 2007

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 August.

Date	Area	Consumers Affected	Duration	Cause
8/6	Dexter area	45	4 hr 15 min	Pole down
8/13	Niotaze and Havana	20	3 hr	Bird on transformer
8/15	Chautauqua	15	1 hr	Breaker out
8/24	Belknap	30	2 hr	Bad regulator

Caney Valley Electric Welcomes New Linemen

Caney Valley Electric hired two apprentice linemen this year, both of whom graduated in December 2006 from the Lineman Program at the Manhattan Area Technical Center, Manhattan.

Brad Hoover is a 2005 graduate of Hartford High School in Hartford. He is the son of Scott and Norma Hoover, and has two sisters, Amy and Lori.

In his spare time, he likes to hunt and fish.

Montana Johnson is a 2005 graduate of Mulvane High School, Mulvane.

He is the son of Blaine and Sherry Johnson, and has one brother, Wyatt, and one sister, Sara.



Brad Hoover



Montana Johnson

In his spare time, he likes to go four-wheeling, hunting or fishing.

Both men are currently enrolled in the four-year Merchant Job Training and Safety program. The program is administered to line personnel in 38 states, and is one of the most comprehensive training programs for power line personnel in the world. It is a home-study program administered through computers and fax machines to complement on-the-job training each lineman

receives. Caney Valley Electric has an acting training coordinator who assists students by administering “closed book” tests.

We would like to welcome both Brad and Montana to the cooperative family!

Head Off Blackouts, Brownouts by Reducing Energy Usage

With all of today’s technologies, computers, printers, air conditioners, TVs, VCRs, and microwaves, consumers are more “plugged in” than ever before.

Caney Valley urges businesses and consumers to be part of the solution. Below are some tips you can follow to easily and comfortably lighten the power load in your home — and cut energy bills too:

- Turn off everything not in use such as lights, TVs, printers and computers and unplug cell phone and battery chargers.
- Reduce utility bills by as much as 30 percent. Look for the Energy Star label, the symbol for energy efficiency, when shopping for major appliances, lighting, windows, and home electronics. Find retailers near you at www.energystar.gov.
- Shift energy-intensive tasks, laundry and dishwashing, to off-peak energy demand hours nights and weekends, and remember to do full loads.
- Install compact fluorescent light bulbs (CFLs). Replacing four 75-watt incandescent bulbs with 23-watt CFLs that use about two-thirds less energy and last up to 10 times longer saves \$190 over the life of the bulbs.
- Switch to cold water washing of laundry in top-loading washing machines to save energy and up to \$63 a year—detergents formulated for cold water get clothes just as clean.

Operating Statistics

For Month Ending:	July 2006	July 2007
Customers Billed	5,314	5,385
kWh Sold	4,998,470	4,254,781
Total Revenue	\$ 622,698	\$ 545,012
Purchased Power	\$ 493,223	\$ 391,542
Operating Expenses	\$ 150,611	\$ 185,381
Depreciation Expenses	\$ 42,786	\$ 46,820
Interest Expenses	\$ 38,075	\$ 37,416
Other Expenses	\$ 1,633	\$ 1,300
Operating Margins	\$ (103,630)	\$ (117,447)
Non-operating Margins	\$ 3,376	\$ 3,732
Total Margins	\$ (100,254)	\$ (113,715)
Margins Year-to-Date	\$ (36,277)	\$ 8,660