



A Communication
Service To Our Members

OICE

November
2005



Website: 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.**

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From the Manager's Desk... The PCA Roller Coaster

The power cost adjustment (PCA) saga continues this month on your December bills. As you experienced the cost of the gasoline and diesel fuels increasing to unseen levels, a similar trend affected the Caney Valley PCA this summer, causing it to reach its highest costs, about two cents per kilowatt hour.

The last wholesale power bill received for October's usage showed a significant decrease which will lower the PCA factor for your December bills to 1.087¢/kwh. This is about a 50% decrease in the PCA from your November billing.

A quick comparison to your December 2004, PCA shows that

this December's factor of 1.087¢/kwh is about twice the amount of the PCA of last year, which was .628¢/kwh.

As you can see from these figures, the electric wholesale power costs which affect your charges made through the PCA factors are quite volatile and difficult to predict, much like the recent costs for gasoline and diesel.

We are hoping the PCA will remain near the same level as it is this December, but only time will tell. Please feel free to come to our offices, or give me a call to discuss the PCA cost patterns or any other subject on which you may have concerns or questions.

Allen A. Zadorozny, Manager

2005 Energy Policy Act Highlights

In Your Home

- Credit of up to 30% of the cost for installing solar-powered hot-water systems used for purposes other than pools & hot tubs
- Credits up to \$500 for upgrading thermostats, caulking leaks and preventing energy waste
- Credit up to \$200 for new energy efficient windows
- Credit up to \$300 for purchasing high efficiency air conditioner, heat pump or water heater
- Credit up to \$150 for installation of high efficiency boiler or furnace

Operating Statistics

For Month End	September 2004	September 2005
Customers Billed	5,211	5,240
kWh Sold	4,687,318	5,640,282
Total Revenue	\$ 599,542	\$ 763,322
Purchased Power	\$ 265,796	\$ 339,178
Operating Expense	\$ 138,349	\$ 161,552
Depreciation Expense	\$ 45,028	\$ 42,517
Interest Expense	\$ 25,905	\$ 33,758
Other Expenses	\$ 100	\$ 0
Operating Margins	\$ 124,364	\$ 186,317
Non-operating Margins	\$ 2,316	\$ 13,222
Total Margins	\$ 126,680	\$ 199,539
Margins Year-to-Date	\$ 63,373	\$ 356,930

Power Cost Adjustment

The Power Cost Adjustment
(PCA) for

December is .01087.

This calculates to an
additional \$10.87 per

1,000 kilowatt hours sold.

Conditions of Service

Caney Valley Electric strives to provide continuous electric service to all of its consumer members. However, we can not guarantee continuity of service 100 percent of the time. The following conditions of service are taken from the Cooperative's Rules and Regulations. If you have any questions about these conditions of service, please contact our office.

Delivery of Electric Service:

1) The obligation of the cooperative to supply electric service shall be completed by the supplying of such electric service at the members point of delivery. The responsibility of the cooperative for the quality of service and operation of its facilities ends at the point of delivery.

2) The point of delivery, at which electric energy is furnished to members will be the cooperative's meter on member's premises, unless otherwise defined by the member's Electric Service Agreement.

3) The cooperative will not be liable for any loss, damage or injury whatsoever caused by leakage, escape or loss of electric energy after it has passed the point of delivery, nor for defects in the member's wiring, appliances or equipment.

4) The cooperative shall be required only to furnish, install, and maintain one connection from its distribution facilities, service conductors from such connection to the member's point of delivery, and one meter installation to measure such electric service to the member for each class of service.

5) The cooperative shall not be obligated to supply electric service to a member for a portion of the electrical requirements on the premises of the member, except pursuant to a special Electric Service Agreement.

Continuity of Service:

The cooperative will use reasonable diligence to supply continuous electric service, but does not guarantee the supply of electric service against irregularities or interruptions. In no event shall the cooperative be liable for damages from irregularities or interruptions of service caused by, but not limited to failure of facilities, breakdowns or injury

to equipment, extraordinary repairs, an act of God, public enemy, accidents, labor disturbance, strikes or their equivalent, sabotage, legal process, federal, state or municipal interferences and restraint by public authority, any emergency or cause beyond the cooperative's control.

Protection of Member's Equipment:

The protection of the member's equipment is the full responsibility of the member. Any member desiring protection against interruptions, phase failure, phase reversal, voltage variations or other temporary irregularities or failure of part or all of the electric service shall, at his own expense, furnish on such member's installation such protective equipment.

Liability of the Cooperative:

The cooperative shall not be considered in default of the Electric Service Agreement and shall not otherwise be liable on account of any failure by the cooperative to perform any obligation if prevented from fulfilling such obligation by reason of any delivery delay, breakdown or failure of or damage to facilities, an electric disturbance originating on or transmitted through electrical systems with which the cooperative's system is interconnected, act of God or public enemy, strike or other labor disturbance involving the cooperative or the member civil military or governmental authority, or any cause beyond the control of the cooperative.

Outages for October 2005

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 October:

Date	Area	Consumers Affected	Duration	Cause
10/10	Peru Area	97	2 hours	Tree on the line.
10/16	Maple City Area	35	2 hours	Cat on the breaker.

Merry

Christmas

*From the Board and staff of
Caney Valley Electric.*

*Our offices will be closed
December 26th and Jaunary 2nd*