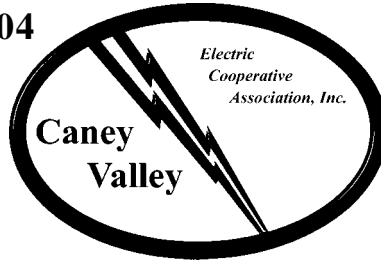




A Communication
Service To Our Members

VOICE

June
2004



Website: caneyvalley.com • E-mail: cve@caneyvalley.com
In Case of an Outage, Please call 1-800-310-8911

Board of Trustees

Ron Lenington, DVM, President
Richard Craft, Vice-President
David Evans, Secretary/Treasurer
Floyd Montgomery, Bernard Lemert,
William McCormick, Dwane Kessinger,
P.J. Buck, 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

From the Manager's Desk...

The summer months are here and it's time to remind us to be aware when we use our large electrical appliances and equipment. Caney Valley ECA purchases its wholesale power from KEPCo, a cooperative company which is owned by other cooperatives like Caney Valley ECA. KEPCo is responsible for supplying all the electricity Caney Valley ECA requires. The electric rates KEPCo uses to charge Caney Valley ECA are based upon charges for kilowatt hour demand (capacity) and for kilowatt hours used (energy). The PEAK CONTROL program targets reducing the KW demand during the 4 p.m. to 8 p.m. time frame on weekdays during June, July, August and September: the KW demand levels set in the summer affect the "off-peak" months' billings. It is important to keep the summer KW demand as low as possible.

Following is an excerpt from a previous "VOICE" citing an example of possible savings that could result:

The time that KEPCo's PEAK DEMAND hits is compared to what each of their customers (such as Caney Valley ECA) KW DEMAND meter readings were at that time. The customer's KW DEMAND at the time of KEPCo's PEAK DEMAND matters most in the summer months of July and August. Whatever the customer's KW DEMAND is at the time of KEPCo's highest PEAK DEMAND in July or August will be what the customer's demand charges will be based upon from October through the next May.

For example, if KEPCo's PEAK DEMAND hits at 6:00 p.m. on August 12, and if Caney Valley's KW DEMAND at 6:00 p.m. on August 12 is 13,000 KW, then Caney Valley's KW DEMAND billing

for each month, October through May, will be 70% of the 13,000 KW, or 9,100 KW. If Caney Valley could control our PEAK DEMAND to the point of registering 12,500 KW instead of 13,000 KW, then the KW DEMAND billing for each month, October through May, would be 70% of 12,500 KW, or 8,750 KW. In this example, this difference in the Caney Valley summer coincidental PEAK DEMAND of 500 KW would save \$3,150 (500 KW x 70% x \$9.00) per month for eight months for a total savings of \$25,200. This could be accomplished by all of Caney Valley's members being mindful about altering their use of larger electric appliances and equipment such as clothes dryers, washing machines, dishwashers, ranges, welders and large motors. Reasonable thermostat settings on air conditioners and water heaters is also very important. Significant savings can also be attained in the summer months of June, July, August and September. During these months, Caney Valley's KW DEMAND billing is 100% of its KW DEMAND as of the time of KEPCo's PEAK KW DEMAND.

When are the times during the day that we need to control our demand? Historically, peak demands usually happen between the hours of 4 p.m. to 8 p.m. This time frame is the most critical to controlling our demand. If you can help us each warm summer weekday during these four hours, we are sure to see long-term benefits year around.

As we begin the PEAK CONTROL campaign this summer, please contact me or any of our office personnel to discuss any questions that you have. We look forward to working with you.

Allen Zadorozny, General Manager

OPERATING STATISTICS

For Month Ending:	March, 2003	March, 2004
Customers Served (average)	5,148	5,212
kWh Sold	3,894,106	4,198,425
Revenue	\$439,706	\$475,971
Purchased Power	\$216,964	\$225,552
Operating Expenses	\$125,070	\$143,022
Depreciation Expenses	\$ 39,561	\$ 42,997
Interest Expenses	\$ 28,266	\$ 26,040
Other Expenses	\$ 350	\$ 314
Operating Margins	\$ 29,495	\$ 38,046
Non-Operating Margins	\$ 2,621	\$ 2,409
Total Margins	\$ 32,116	\$ 40,455
Margins Year-to-Date	\$122,000	\$ 71,619

**POWER COST
ADJUSTMENT**

**The Power Cost
Adjustment (PCA)
for June is \$0.0976.
This calculates to an
additional \$9.76 per
1,000 kilowatt hours
used.**

Caney Valley Holds 56th Annual Meeting

There was a large turnout for Caney Valley Electric's Annual Meeting held Tuesday, May 4, 2004, at the Cedar Vale School Gymnasium. Close to 500 people were in attendance, with 315 registered members plus their guests. Special guests included Steve Parr, Executive Vice-President/CEO of the Kansas Electric Power Cooperative, Inc. (KEPCo), Phil Wages, Member Services & Marketing Coordinator, KEPCo, and Doug Shepherd, Vice-President of Member Services and Kansas Electric Cooperatives, Inc. (KEC) all of Topeka.

A big thanks goes to the Cedar Vale Lions Club who served a free hamburger meal to all members and guests, and John Wiseman's band who provided musical entertainment for all present. Assisting with child care and serving the meal were members (and designated helpers) of the FCCLA of Cedar Vale High School, under the guidance of Mrs. Madelyn Gurney. Thank you to all of you!

Richard Craft, Sedan, and William McCormick, Cambridge, were both re-elected to serve a third 3-year term on the board. Sam Wilson, Hewins, was elected to replace Bernard Lemert, who chose not to run again.

Allen Zadorozny, Manager, gave a report covering calendar year 2003. He mentioned that the cooperative has spent about \$6,000,000 to date on ice storm restoration work, following the ice storm of January 30, 2002. The Federal Emergency Management Association (FEMA) has covered about 75% of that cost, with Kansas Emergency Management (KEM) covering another 10%. Plans are to have ice storm repairs completed by the end of 2004. The cooperative had a good financial year, generating adequate cash flow so that no loan funds had to be borrowed. Zadorozny asked members to voluntarily help control power costs this summer by curtailing electric usage during the heat of the day, Monday through Friday, as rates for the whole year are based on a percentage of the peak demand in July or August.

Scholarship winners for the 2004-2005 school year were announced, and recipients present came forward to accept a



Members of the John Wiseman Band perform for the crowd attending Caney Valley's Annual Meeting

certificate giving them \$600 (\$300 per semester for the first year of college): (1) Matthew Tatum, Central High School, Burden, (2) Matthew Dowell, Elk Valley, Longton, (3) Cody Deal and (4) JoAnna Wilson, Sedan High School, (5) Marc Champlin, Cedar Vale High School, (6) Sherry Wedman, West Elk High School, Howard, and (7) Hope Lewis, Dexter High School. Congratulations to all the recipients!

Drawings were held for numerous attendance prizes. Special thanks goes to Wright Tree Service for providing a 20" Magnavox Color TV (won by Frances Carpenter), KEPCo for providing a \$50 credit on an electric bill (won by Margaret Halderman) and a George Foreman grill (won by Thomas Brown), Northeast Rural Services for providing an electric leaf blower (won by Bob Fowler), and three \$100 credits against electric bills provided by Power Utility Service, Inc., Donald White, President (won by Loren Smith, Jim Kirchner and Julian Cochran).

Thank you to all members present for participating in your annual meeting!

Keeping You Informed...

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 April, 2004:

Consumers				
<u>Date</u>	<u>Area</u>	<u>Affected</u>	<u>Duration</u>	<u>Cause</u>
Apr 9	So Chautauqua	60	1 hour	Squirrel on line
Apr 20	Dexter	20	1 ½ hrs	Reset OCR
Apr 23	Grenola, substation	89	5 ½ hrs	KG&E/Westar off-storm
Apr 23	Longton substation	343	5 hours	KG&E/Westar off-storm
Apr 23	Silverdale substation	137	3 ½ hrs	KG&E/Westar off-barn through line
Apr 23	Burden, Atlanta	80	1 hour	KG&E/Westar off-storm
Apr 23	No of Caney	560	40 min	KG&E/Westar off-storm
Apr 23	Sedan substation	1569	1 ¼ hrs	KG&E/Westar off-storm
Apr 23	Chautauqua substation	844	¾ hour	KG&E/Westar off-storm
Apr 23	Hale area	40	4 hours	Storm – poles down
Apr 23	Wayside	40	7 hours	Storm – poles down
Apr 23	No of Havana	45	4 ½ hrs	Storm – poles down
Apr 23	W of Sedan	25	2 hours	Storm – pole down
Apr 23	No of K38	25	2 ½ hrs	Storm – reset OCR
Apr 23	NE of Sedan	15	12 ½ hrs	Storm – tree on line
Apr 23	No of Dexter	55	4 hours	Storm – poles down
Apr 23	W of Cedar Vale	25	2 ½ hrs	Storm-wires down