

The Twin Valley Electric Cooperative, Inc.

"Owned By Those We Serve"



October 2006

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From the Manager...

Cooperatives Keep Rising Electricity Rates in Check

Many Americans do business with a cooperative everyday. They exist in almost every industry from energy to news reporting to healthcare. Co-ops are a huge part of the economy here in the United States and serve some 120 million members, or four in 10 Americans.

While cooperatives may resemble most companies in some ways, they are very different in others. One of the most important differences is that co-ops are not driven by profit. For-profit companies aim to return a profit to their shareholders. After all, these shareholders have invested their money in the business.

A co-op's mission, on the other hand, is meeting its members' needs for goods or services. Electric co-ops are part of this tradition of doing business, one that has a long history going back to 1752 when Ben Franklin started the first cooperative in Philadelphia.

A cooperative, however, is still going to see its operating costs rise when the price of doing business goes up. There's no better example of this than right now when the cost of fuel to run power

plants is at a record high. We work everyday to achieve operating efficiencies as we

face these cost increases. We will work with you to make sure you have the information and help you need to use energy wisely. But if we find it necessary to pass along power supply increases, you can trust that the decision was based on keeping the business financially strong on behalf of all members. We are not driven by the profit motive to make money for outside investors.

At a time when Americans' electric bills are going up around the country—in some places by as much as 40 percent—the co-op way of doing business is an important way to keep costs manageable.

We are not profit-driven and we don't have to impress Wall Street every quarter. Rather, we are service-driven and operate at cost. You can bank on the cooperative difference.



Ron Holsteen

National Cooperative Month

Benjamin Franklin put it eloquently during those trying times when America's forefathers were struggling for freedom and independence. He understood how risky and perilous trying to overthrow an established ruling order would be. Therefore, he offered these words of caution for his associates. "We must all hang together, or, most assuredly, we shall all hang separately."

Franklin understood the value of "hanging together" and cooperating. It was the value he saw when he organized the first cooperative in the country, the Philadelphia Contributorship for the Insurance of Homes from Loss of Fire. Today, more than 39 million Americans enjoy the same values as members of electric cooperatives.

Electric cooperatives were established to provide electricity to people living in rural communities. The idea of providing federal assistance to accomplish rural electrification took shape when President Roosevelt took office in 1933 and began his New Deal programs. After President Franklin D. Roosevelt created the Rural Electrification Administration (REA) in 1935, electric cooperatives began to spread across the country.

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Working on the Line



From left to right: Kyle Schaper, Journeyman Lineman; Tyler Kennett, fourth year Apprentice Lineman; and Tom Shelton, Crew Foreman, are shown installing three current transformers to improve the Altamont Metering point for TWACS. TWACS is an automatic meter reading system that will allow the office to retrieve readings and monitor members' usage.

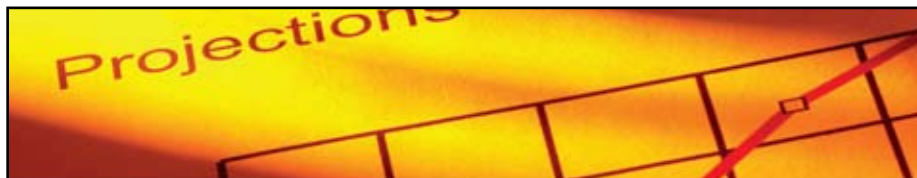
National Cooperative Month, *continued from page 16-B*

A year later, the passage of the REA Act marked the first steps in a public-private partnership.

Currently, there are more than 900 electric cooperatives supplying power from fishing villages in Alaska to dairy farms in Vermont and the suburbs and rural communities in between. Electric cooperatives are different from other forms of business, and members of cooperatives notice this difference. Cooperatives put members

first because the members are the owners. Co-ops are locally owned and operated and are committed to providing safe, reliable power at the lowest possible cost.

This October, your electric cooperative is joining all types of cooperatives across the country to celebrate National Cooperative Month. Cooperatives are about neighbors helping neighbors. "Hanging together"—that's the cooperative difference.



Economic Impact.

From Main Street storefronts to Fortune 500 companies, cooperative business creates jobs and economic growth.

We generate over \$229 billion in revenues annually.

We employ more than half a million Americans.

Our payrolls top \$15 billion a year.

And because cooperatives are owned by their customers, what's spent there stays there, benefiting our communities again and again.

Cooperatives.

Owned by Our Members,
Committed to Our Communities.

Heat Pumps & What They Can Do For You

Did you know that you can live more safely, comfortably, and efficiently with an electric ground-source or air-source heat pump?

When you install an electric ground-source heat pump, you're using the earth's energy to substantially reduce your heating and cooling costs. In fact, for year-round comfort a ground-source heat pump is simply the most efficient heating and cooling system available.

When you install an electric air-source heat pump, you and your family are surrounded with year-round comfort and savings. An air-source heat pump heats and cools your home efficiently and economically by using the air's heat to work for you in both summer and winter.

An electric heat pump also means there's no danger of gas leaks if the pilot light goes out and no worries about carbon monoxide poisoning from a faulty gas heating system. There are no flames, fumes or flues; so there's nothing to light, vent or clean.

So keep your family safe and comfortable, and your energy costs low, from a very reliable source an electric ground-source or air source heat pump.

Twin Valley Electric and our power provider Kansas Electric Power Cooperative (KEPCo) have come together to give our member's rebates toward your electric accounts when you have installed either type of heat pump. If you are planning on installing a heat pump or an electric heating system please call the office and we will assist with the documentation we will need to help get you a rebate credit on your electric account.