

The Twin Valley Electric Cooperative, Inc.

"Owned By Those We Serve"



December 2006

501 Huston St. ❖ P.O. Box 368 ❖ Altamont, Kansas 67330-0385

Phone: (866)-784-5500

Fax: (620) 784-2464

From the Manager...

This has been a very busy year for Twin Valley Electric Cooperative.

We have built lines to almost 200 new services during the year. Many of these services are for the methane gas development in our service territory. Twenty new homes have been built this year, and we upgraded services for over 25 other accounts. We project that our electric power sales will increase by almost 5% by the end of the year. Unfortunately, our cost of power has increased over 9% this year. This increase was caused by the rising cost of fuels needed to generate our power.

The Board of Directors have spent a considerable amount of time analyzing the financial impact of our growth and the effect that the rising power costs have had on our financial position.

Last year the Board authorized the installation of a new metering system for Twin Valley. We were experiencing a lot of meter failures due to the age of the old mechanical meters. Our billing system did not provide us with timely or accurate information on the usage of our members. In order for Twin Valley to accurately monitor our line losses, we need to read the meters at the

same time as our power supplier reads Twin Valley's meters. With the self read, self bill system, we were not able to process the retail sales until almost a month after the wholesale power had been purchased.

The new electronic meters that we have installed with the TWACS monitoring will allow us to read all of our meters simultaneously with the reading of the power purchased meters at our metering points and substations. This will give us real time information on our system and allow us to detect any problems almost immediately. Additionally, you will benefit by getting accurate billings from Twin Valley, you don't have to remember to read your meter on a certain date, and you won't have to calculate your own bill from a rate chart.

By the time you read this newsletter, we should have almost installed all of the new meters. Those members on the Oswego metering point will be the last to receive the meters.

In conjunction with the installation of the TWACS system, Twin Valley is upgrading its accounting and billing software. This upgrade will be implemented on January 4, 2007. The new

billing software will allow us to change the format of the billing statements that will be mailed to all members. A sample of the new billing statement is on the following page.

The new statements will provide you with your history, so that you can see how your usage changes throughout the year and compare the current months usage to the previous year. If you have any questions about your usage, the TWACS system will provide us with a complete picture of your usage, hour-by-hour or day-by-day. The new statements will provide more detail on your billing, giving you a breakdown of how the bills are calculated.

Currently, you only see an amount on your rate chart for the kilowatt-hour (kWh) usage that you had. The new bills will show the detail of that calculation, showing the customer charge, the energy charge, any demand charges (if applicable), the energy cost adjustment and applicable sales taxes. The only portion of the bill calculation that is new from what you are currently being



Ron Holsteen

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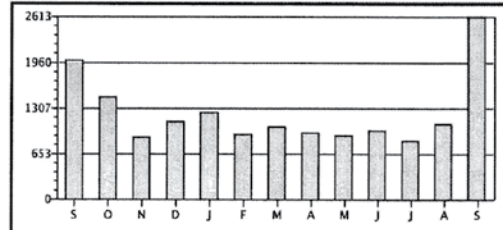
P.O. Box 368
Altamont, KS 67330-0368

Customer Service Hours are 8:00 a.m. to 4:30 p.m. Monday-Friday
Emergency Service Available 24 hours per day 620-784-5500
www.twinvalleyelectric.coop

Name
Address
City, State Zip



kWh Usage History



Service From	Service To	Days	Type of Bill
10/01/2006	10/31/2006	30	Estimate

COMPARISONS	Total kWh	Avg kWh/Day	Avg. Cost/Day
Current Billing Period	2613	34	3.83
Previous Billing Period	1077	37	4.23
Same Period Last Year	1985	58	6.28

Account Number	Meter Number	Rate	Service Location	Billing Date
1234	12345678	001	B12-34-56-C7891	11/07/2006

IMPORTANT INFORMATION

Current Billing Activity

kWh Charge			118.65
750 kWh@ .1000		75.00	
382 kWh@		28.65	
Meter Charge			15.00
Labette County Tax			1.49
Total Amount Due			120.14

Meter Reading Details

Meter Number	12345678	
Current Reading	10/31/2006	41001
Previous Reading	09/18/2006	39869
Total Usage		1132
Days Served		43

If paying in person, please bring the entire statement. If paying by mail, please return bottom portion with payment.

PLEASE INDICATE CHANGE OF ADDRESS/PHONE NUMBER HERE

Mailing Address		
City	State	Zip
Location Phone Number	Other Phone Number	
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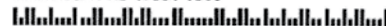
Account Number	1234
Amount Due By 11/16/2006	120.14
Amount Due After 11/16/2006	132.15
Amount Paid	

Name
Address
City, State Zip



THE TWIN VALLEY
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PO BOX 368
ALTAMONT KS 67330-0368

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charged is the Energy Cost Adjustment (ECA), which has been discussed in several newsletters earlier this year.

With the new software and technology, we may find that we will need to make some changes in the billing dates so that we can read the meters, prepare the bills

and mail them in a timely fashion. We will be reviewing the dates that we mail the bills and the dates they become delinquent so as to give everyone time to get the bills paid. Anytime we upgrade software and/or technology, we always find a few glitches that need to be worked out.

Our employees are getting a lot of training with the new billing software and the TWACS system and expect to have a very smooth transition with the end result, giving you the members much better service in the future. As always, if you have any questions, please give us a call.