

TWIN VALLEY ELECTRIC COOPERATIVE

NEWS



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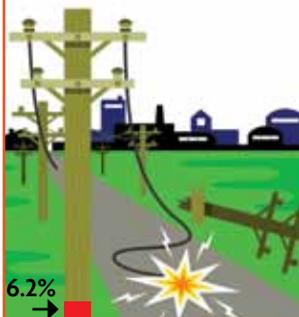
Robert Webster, Jr.
Trustee

Office Hours

Monday-Friday
8 a.m. to 4:30 p.m.

FEMA Rebuild Update

As of August 31, we have completed 6.2% of Federal Emergency Management Agency (FEMA) rebuild work.



FROM THE MANAGER

Wholesale Power Contract Approved for 37 Years

It's hard to believe that summer is over and we are already enjoying the cooler temperatures and beauty of the fall season.

This summer was very unusual in that we didn't have any periods of prolonged heat and therefore did not set a new peak demand. Normally our July and August kWh sales and kW demand is the highest of the year. This year we peaked in June.

The good news from that scenario is that our wholesale cost of power should be lower for the next eight months as the summer peak set in July or August is used to determine the demand (or fixed) charges from October to May.

In December 2007, I had informed you that our wholesale power supplier, Kansas Electric Power Cooperative (KEPCo), had negotiated a new long term wholesale power contract with Westar that would provide us with a cost-based reliable source of power for another 37 years.

At that time, the new

contract would have lowered our wholesale power costs almost five percent. That contract was signed in August 2007, but could not be put in effect until it had the approval of the Rural Utilities Service (RUS, formerly REA) and the Federal Energy Regulatory Commission (FERC).

Additionally, KEPCo was required to make a new rate filing with the Kansas Corporation Commission (KCC) to pass those savings on to its members including Twin Valley. The KCC approved the new KEPCo tariff and RUS approved the wholesale power contract. However, several parties contested the contract through the FERC proceedings resulting in FERC not taking action on the contract until late in August of this year, two years later. FERC has now approved the contract and it will be put into effect with our September wholesale power bill.

The demand costs in the new contract have increased significantly over the past two years due to investments that Westar

has made in their generating facilities including installing pollution controls on existing power plants and the installation of wind generation facilities and the new natural gas-fired turbines at Emporia. The higher demand costs will be offset by lower energy costs. At this time, we still expect the new wholesale rate to result in a slight decrease in our power costs.

Twin Valley benefits by receiving 50 percent of our power from non-greenhouse gas emitting sources (nuclear and hydro) and now we have locked in our remaining power needs under a cost-based contract for many years in the future. Allowing us to provide you with a reliable and stable priced source of electric power.

We must remain vigilant to ensure that Congress does not unnecessarily add additional costs to your power bills.



Ron Holsteen

Attaching Signs to Utility Poles is Unsafe—And It's Illegal



Staples, nails, and tacks used to hang signs pose dangers to Twin Valley Electric's linemen.

Although seemingly innocent enough, putting signs or other items on utility poles creates serious safety hazards.

Staples, nails, and tacks used to hang signs—as well as the signs themselves—pose dangers to

Twin Valley Electric's linemen who must climb poles when either restoring power following storms or while performing routine maintenance to ensure system reliability.

Posters or other objects (birdhouses, balloons, flags, and even basketball nets) can create dangerous obstacles. Also, the nails and tacks left behind from signs can snag utility workers' boots or puncture their insulating rubber gloves and safety clothing making linemen vulnerable to slipping or even electrocution.

In addition to being hazardous, tampering with utility poles can be costly. Posting signs or attaching other objects to utility poles is illegal. Twin Valley Electric encourages co-op members to contact local zoning officers to inquire about where signage can be posted legally.

Twin Valley Sponsors Local Youth at Cooperative Youth Leadership Camp

Aaron Pearce, Parsons, joined 26 other Kansas youth at the Cooperative Youth Leadership Camp, July 11-17 in Steamboat Springs, CO.

During his weeklong stay in Colorado, the students created a candy cooperative. When students arrived at camp, they elected the board and manager, paid dues, while in the evenings they marketed their product, candy, at the canteen. Like a real cooperative, the group decided how to handle any profit margins at the end of the week.

"I loved camp, I had so much fun," Pearce said.

The campers also took part in legislative presentations, a light and high voltage display and a competition to build a transmission line from craft supplies. They explored Steamboat Village, Old Town Steamboat Springs and toured the Craig Power Plant and Trapper Mine.

"Twin Valley is proud to support this camp and send our youth to



Aaron Pearce enjoys the view at Fish Creek Falls.

learn valuable leadership skills," said Ron Holsteen, Manager. "Our hope is that local students will gain some awareness of how our cooperative system works and how important it is for youth to be involved in our community."

Each year, Twin Valley sponsors one trip to Steamboat Springs. For more information, contact Jennifer at 866-784-5500.



The 2009 campers build a human pyramid on top of Mt. Werner.

COOPERATIVE MONTH

Cooperatives Hit the Mark with Consumers in National Playground

Playgrounds flood with games during school recess. A great example is hopscotch. The game can be played by one child or a large group, and the rules are simple. A course is laid out, typically drawn in chalk on pavement. Blocks are numbered in the order they must be hopped in, with a home, or safe, spot at the end. Then players toss a marker into designated squares and hop through the course.

In some ways, the game reflects how cooperatives were formed. Co-ops—not-for-profit, member-owned businesses—may serve a few people or large groups. But all co-ops use the same “course,” following seven key principles. By “hopping” on each principle, co-ops provide an efficient consumer resource focused on service, not profit.

October is National Cooperative Month. To celebrate we’re taking a look at the important role co-ops play in our community.

What Are Co-ops?

Cooperatives are owned by their members—the people who receive services from them—and are found in many industries. For example, more than 900 electric co-ops serve 42 million Americans. According to the National Cooperative Grocers Association, 30 percent of farmers’ products are marketed through more than 3,000 farmer-owned cooperatives in America. Familiar brands like SunKist, Land O’Lakes, Cabot Creamery, Ocean Spray, and Sun-Maid are all co-ops formed to help farmers distribute products.

In banking, 10,000 credit unions provide financial services to 84 million members across the nation. Co-ops have also been formed to provide child care, insurance, and housing. Nearly 30,000 cooperatives operate at 73,000 locations nationally.

Guiding Principles

The cooperative movement traces its roots to a store started by weavers in the town of Rochdale, England in 1844. The Rochdale model revolved around a set of guidelines drawn up by one of its members, Charles Howarth. When introduced into the U.S. by the National Grange in 1874, these “Rochdale Principles” fueled a cooperative

explosion.

Although stated in many ways, the Rochdale Principles hold that a cooperative must provide:

1. Voluntary And Open Membership: Membership in a cooperative is available to all who can reasonably use its services, regardless of race, religion, sex, or economic circumstances.

2. Democratic Member Control: Co-ops are democratically controlled, with each member having one vote. As a result, control remains in the hands of all customers. Directors are elected from the membership.

3. Members’ Economic Participation: Cooperatives provide services “at cost” and remain not-for-profit regardless of the value of benefits delivered. Any money left over after all expenses are paid—margins—belongs to the members. Each member’s share in the margin is determined by the amount of his or her use of the co-op’s services.

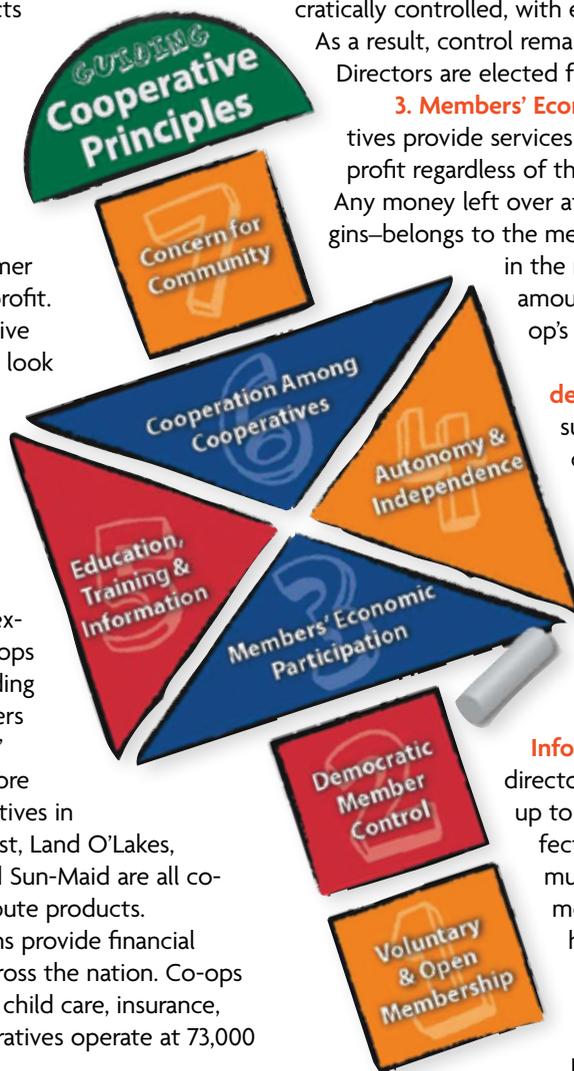
4. Autonomy And Independence: Cooperatives are self-sustaining, self-help organizations controlled by their members. If cooperatives enter into agreements with others or raise money from outside sources, they do so on terms that maintain democratic control as well as their unique identity.

5. Education, Training, and Information: Keeping members, directors, managers, and employees up to date on issues so they can effectively govern the co-op. Communication, particularly with young members and opinion leaders, helps generate necessary public support for cooperatives.

6. Cooperation Among Cooperatives: Mutual support helps cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

7. Concern For Community: Cooperatives develop communities with programs supported by the membership.

To learn about electric cooperatives, visit www.nreca.coop. For details on different types of cooperatives, visit www.go.coop.





**I THOUGHT I WAS TIGHT
WITH MY MONEY. NOW
I'M AIRTIGHT.**

All it took was a tube of caulk and half an afternoon. Now, I'm saving \$212 a year by sealing a few cracks around the house. What can you do? Find out how the little changes add up at TogetherWeSave.com.



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