

TWIN VALLEY ELECTRIC COOPERATIVE

NEWS



Twin Valley Electric Cooperative, Inc.

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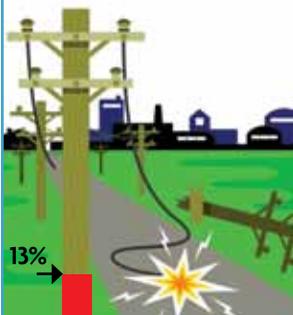
Robert Webster, Jr.
Trustee

Office Hours

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

FEMA Rebuild Update

As of December 18, we have completed 13% of Federal Emergency Management Agency (FEMA) rebuild work.



FROM THE MANAGER

Twin Valley Board Considers Net Metering

The Board of Directors will consider the adoption of a service rider for the cooperative to implement “net metering.” The net metering rider will be available to members operating their own renewable generation resource, such as a small wind turbine. Members must enter into an inter-connection agreement with the cooperative to qualify for the rider.

Net metering, as the name implies, is a metering process designed to determine the net amount of energy provided to the member by the cooperative and the energy provided to the cooperative by the member.

Net metering service is designed primarily to allow a member to offset some or all of their electrical requirements with their own generation. When the member generates some, but not all, of their requirements, net metering simply allows the meter to slow down. But in some instances, the energy generated exceeds the member’s usage. In those instances, net metering allows the meter to run backward, either offsetting prior usage or “depositing” kilowatt hours into the “bank” (the meter) that the member can “with-

draw” up until the end of the billing period.

At the end of the billing period, a member that has used more energy than he supplied pays the cooperative for that usage; however, a member that supplies more energy than he uses during the billing period is not compensated for the excess energy supplied under net metering.

Members desiring to be compensated for generation in excess of what they supply might gain more advantage by inter-connecting under the cooperative’s parallel generation riders. Under parallel generation, the purchase rate for excess energy from a renewable resource is 150 percent of the cooperative’s monthly system average cost of energy, as required by Kansas state law. In either case, the member must pay the standard monthly customer charge required of other members.

For more details on member-owned generation, net metering, or to determine which option might be best for you, contact our office.



Ron Holsteen

Please Update Your Address and Phone Number

Has your address or phone number changed recently? If so, please contact our office. It is very important for Twin Valley Electric to have your most up-to-date contact information.

This information is not only used for

billing purposes, but also the mailing of *Kansas Country Living* magazine, scheduled outage notices, and capital credit checks.

If you need to update your information or have any questions please call our office at 866-784-5500.

Twin Valley Electric Notice of Board of Directors Meeting

Pursuant to K.S.A. 66-104d, please take notice that the Board of Directors of Twin Valley Electric Cooperative, Inc., will meet on Tuesday, January 26, 2010, at 6 p.m. at the cooperative headquarters, 501 S Huston, Altamont, Kansas, to discuss and vote on the adoption or modification of any or all of the following rules, regulations, rate schedules, riders, or terms of service:

The adoption of a net metering rider for member-owned renewable generation.

The Board will consider the adoption of a net metering rider applicable to certain member-owned renewable generation installations installed primarily to offset the member's own energy usage.

The rider would enable members with qualified installations to offset the energy purchased from the cooperative with renewable energy generated by the customer over the length of each billing cycle.

Modifications to Cooperative rules, regulations, and terms of service governing the operation of parallel generation by members.

Under certain terms and conditions set forth in K.S.A. 66-1,184 and the rates, rules and regulations of the cooperative, members may operate generation in parallel with that provided by the cooperative.

The Board of Trustees will consider amendments to the existing rates, rules and regulations to comply with legislative amendments to K.S.A. 66-1,184 and to establish consistency with the terms of other member-owned generation.

The meeting is open to any member that wishes to attend. Any member with questions may contact Ron Holsteen, General Manager.

Attention High School Juniors

Don't Miss this FREE Trip of a Lifetime!

Twin Valley Electric Cooperative, Inc., will send one high school junior to the "Government in Action" Youth Tour in Washington, D.C., and one to the Cooperative Youth Leadership Camp in Steamboat Springs, CO.

To Qualify

The applicant must be a high school junior living within the cooperative's territorial boundaries and the child of a Twin Valley Electric member.

To Apply

Applicants will be expected to study and take a quiz over information sent by Twin Valley regarding electric cooperatives. There will also be a short interview to pick the winner. All participating students will receive a prize.

To apply please complete, sign



Kansas delegates will attend Cooperative Youth Leadership Camp July 10-16, 2010.



Students from Kansas join more than 1,500 youth in Washington, D.C., this year's Youth Tour is scheduled for June 10-17, 2010.

and return the application below to Twin Valley, PO Box 368, Altamont, KS 67330.

Youth Tour Selection Process

Applicants must complete an application and return it to the cooperative office by March 10, 2010. Finalists will be quizzed and interviewed by a panel of judges at the cooperative offices on March 26, 2010.

For More Information

For more information contact Jennifer at 866-784-5500.

Application for Youth Tour Contest—Due March 10

Name of Applicant _____

Address _____

City _____ State _____ Zip _____

Birth Date _____ Twin Valley Account # _____

Name of Parents or Guardians _____

Parents' Phone Number _____

School _____

I agree that all information supplied in this application is accurate and true.

Signature of Applicant _____

I hereby grant permission for the above named applicant to enter the 2010 Youth Tour competition sponsored by Twin Valley Electric Cooperative, Inc.

Signature of Parent or Legal Guardian _____

Twin Valley Announces



QuarterQuest



Twin Valley Board Approves Support Plan to Take Care of Our Own

We now have a practical way of taking care of our own when it comes to providing weekend food for kids who might otherwise go hungry after school when furnished meals end on Friday.

The Twin Valley Electric Board has endorsed "QuarterQuest" a new plan to fund food for kids in the Twin Valley service area selected by their own elementary or middle school to participate in the ongoing Kansas Food Bank (KFB) Backpack program. Twin Valley's QuarterQuest is expected to be in operation in January 2010.

The new plan asks each Twin Valley member to voluntarily authorize the addition of a tax-deductible 25 cents (or more) to their monthly bill. The donations are then sent on to the KFB for the purpose of buying supplies to fill the backpacks for children in the Twin Valley service area at most serious risk of present and future problems stemming from childhood hunger.

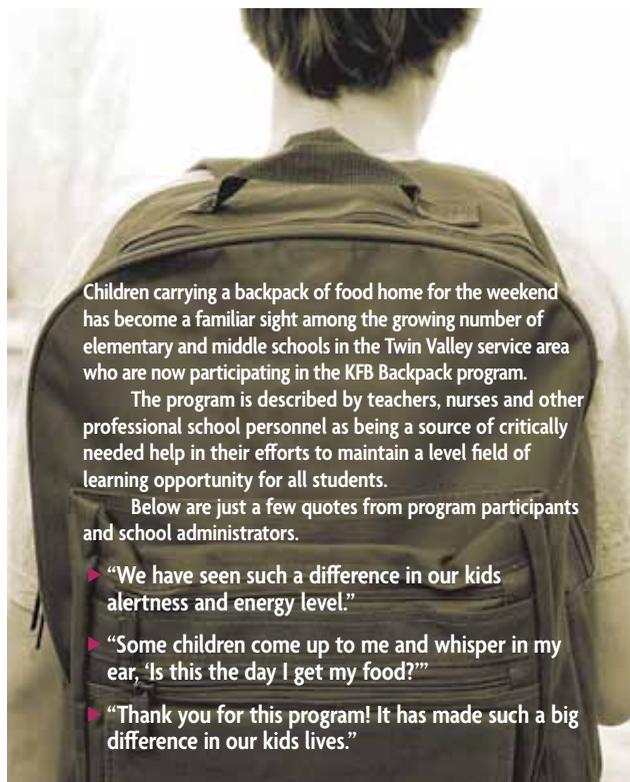
The Kansas Food Bank's Food 4 Kids program to protect Kansas elementary and middle school children from chronic weekend hunger has been in place in Twin Valley service area schools since 2004.

Ten schools in our area participate in the program. QuarterQuest provides more than 103 backpacks a week with food for hungry students. Approximately 12,360 pounds of food were distributed in our area last year.

Backpack Program in Twin Valley Electric's service area schools will start to grow stronger and more secure because of contributions from QuarterQuest.



More than 10,000 hours of volunteer services were needed to assemble 150,000 individual packets of weekend food for 5,000 students helped by the Kansas Food Bank Backpack program over the last 30 weeks of the school year.



Children carrying a backpack of food home for the weekend has become a familiar sight among the growing number of elementary and middle schools in the Twin Valley service area who are now participating in the KFB Backpack program.

The program is described by teachers, nurses and other professional school personnel as being a source of critically needed help in their efforts to maintain a level field of learning opportunity for all students.

Below are just a few quotes from program participants and school administrators.

- ▶ "We have seen such a difference in our kids alertness and energy level."
- ▶ "Some children come up to me and whisper in my ear, 'Is this the day I get my food?'"
- ▶ "Thank you for this program! It has made such a big difference in our kids lives."

Right:
Assembled packets
of kid-friendly,
single-serve, ready-
to-eat weekend
food are boxed for
delivery.



1987 Capital Credits Retired

The Twin Valley Electric Co-operative Board of Directors has authorized retiring the remaining Capital Credits that were earned in 1987.

The Board is excited to return your investment in your electric cooperative with this capital credit retirement. As a member of Twin Valley Electric Cooperative during 1987, you helped provide the funding to build and maintain the electric system. As a not-for-profit cooperative, all funds not used to pay the wholesale power bill and operating expenses are invested in the facilities, as opposed to borrowing all the money needed for upgrades and growth.

The capital credit check you will receive reflects your portion of the margins made and invested during that time period. With this general retirement, over \$1 million has been returned to the members who participated in the cooperative's business. Unlike investor-owned utilities that pay dividends to their stockholders who are often far removed from the service provided, cooperatives return their margins to the members—those who used the service and provided an important investment.

We believe this is just one of the cooperative differences that makes serving you and our communities a pleasure.

Capital Credit Questions & Answers

When was the last time you received a check from your utility provider?

Your electric co-op makes every member an owner of the business. Unlike other electric utilities, your co-op exists to make sure your needs are always met, not to make a profit.

Instead, any revenues over and above the cost of doing business are considered "margins". These margins represent an interest-free loan of operating capital by the membership to the co-op. This capital allows Twin Valley Electric Co-op (TVEC) to finance operations and—to a certain extent—construction, with the intent that this capital will be repaid to you in later years.

We have provided answers to some questions for a better understanding of capital credits.

What's the difference between allocated and retired capital credits?

Allocated capital credits appear as entry on the permanent financial records of the co-op and reflect your equity or ownership in TVEC. When capital credits are retired, a check is issued to you and your equity in the co-op is reduced.

How often will I receive an allocation notice?

You should receive an allocation notice annually after the finances for the previous years books have been completed.

How are capital credits calculated?

The amount of capital credits you earn in a given year is based upon the amount of capital you contribute to the co-op through payment of your monthly bills.

The more electric service you buy, the greater your capital credits account—although the percentage will remain the same. The sum of your monthly bills for a year is multiplied by a percentage to determine your capital credits.

What do I have to do to start accumulating capital credits?

Capital credits are calculated by TVEC for every member that purchased electricity during a year in which the utility earned margins. No special action is required to start a capital

credits account. Your membership activates your capital credits account.

What percent of my bill is returned as capital credits?

The percentage of your total payment that is allocated as capital credits varies from year to year, depending upon the success of the co-op.

Capital credits are only allocated for a year in which TVEC earns margins. Since capital credits are a member's share of the margins, no credits are allocated for a year with no margins.

Do I have to be a member for an entire year to earn capital credits?

No. Capital credits are calculated based upon a member's monthly bills. If you are billed for service for even one month, you will accumulate some capital credits if TVEC earned margins in that year.

What happens to the capital credits of a member that dies?

The capital credits of a deceased member may be paid at a discount without waiting for a general retirement. However, these estate payments are not automatic.

A representative of the estate must request the credits by submitting a certification of entitlement form and a copy of the death certificate. If the membership is jointly held by a spouse, the estate will only be retired after both the member and spouse are deceased.

Will I receive a capital credit check every year?

Not necessarily. The Board of Directors must authorize a retirement before you receive a check. When considering a retirement, the Board analyzes the financial health of the association and will not authorize a retirement if TVEC can not afford it.

What happens to my capital credits when I leave the TVEC service area?

They remain on the books in your name until they are retired. You should ensure that TVEC has your current mailing address.