



A Touchstone Energy® Cooperative 

501 S. Huston Ave, P.O. Box 368, Altamont, KS 67330  
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www.twinvalleyelectric.coop

TWIN VALLEY  
ELECTRIC COOPERATIVE

# NEWS

## Twin Valley Electric Cooperative, Inc.

Ron Holsteen General Manager

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

**Contact Us**  
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### FEMA Rebuild Update

**100%** As of June 8  
**100 percent**  
of Federal  
Emergency  
Management  
Agency (FEMA)  
rebuild work.

### FROM THE MANAGER

## Rate Study: Cost-of-Service Study

In the last two months, we have discussed the rate study undertaken by the cooperative. A rate study is a necessary responsibility of management and the board of directors of the cooperative to ensure that the cooperative continues to operate in a financially sound manner.

In the first article, we discussed the rate study process from beginning to end. Last month, we discussed one aspect of the study, that being the study of the cooperative's revenue requirement. This month, we will examine another aspect of the cooperative's rate study, the cost-of-service study.

The cost-of-service study, as the name implies, is simply an analysis of the cooperative's costs identified during the revenue requirement study. While the revenue requirement study will examine what the costs are, the cost-of-service study will examine how and why the costs are incurred. Answering the questions of how and why the costs are incurred allows for the costs to be assigned fairly and appropriately using traditional rate-making principles.

The costs and expenses of the cooperative are examined in a number of different ways as part of this study. For example, there are costs associated with the generation and transmission of power and energy. These costs are paid to our power supplier, Kansas Electric Power Cooperative (KEPCo). There are also costs incurred in distributing the electric power and energy to you, the member, such as the costs for poles and lines, trucks and buildings, and employees. An attempt is made to assign and apportion those costs according to the appropriate category.

Costs are also analyzed by function. Each month, your bill includes a customer charge. The customer



Ron Holsteen

“The cost-of-service study, as the name implies, is simply an analysis of the co-op's costs.”

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## NOTES FROM OPERATIONS

**BBQ—A Great Tradition**

William Worthy

“Less time and work can be attributed to the advances of cooking with electricity.”

As you can tell by the theme of this month's newsletter, summer is upon us. Swimming holes, hotter weather, school's out, cold watermelon and barbeque are the signs that it is truly summertime.

Wikipedia states: “Barbeque or barbecue (common spelling variant) is a method and apparatus for cooking meat, poultry, and occasionally fish with the hot smoke of a fire, smoking wood, compressed wood pellets, or hot coals of charcoal. Typically to grill is to cook in this manner quickly, while barbeque is typically a much slower method utilizing less heat than grilling, attended to over an extended period of several hours. The term as a noun can refer to the meat, the cooking apparatus itself (the “Barbeque grill” or simply “Barbeque”) or to a party that includes such food or such preparation methods. The term as an adjective can refer to foods cooked by this method. The term is also used as a verb for the act of cooking food in this manner.”

As varied as the term barbeque (BBQ) is, the techniques vary by 10-fold when it comes to regions of the U.S. One thing is certain, no matter where you are, it's all good. I have sampled BBQ from all over this great country (trust me, you don't keep a physique like mine by eating salads) and I have yet to push an unfinished plate away from me.

As with many things we take for granted these days, cooking BBQ was born out of necessity. The workers and folks that were not as fortunate, would have to do with what was left or what they could afford. The more well-to-do would pick over the carcass of a cow or pig and take the short loin, ribs, etc., leaving only the large tougher pieces of meat such as the shoulder and round. These pieces of meat had to be cooked “low and slow” for them to resemble anything consumable. A lot of man-hours had to go into taking care of the heat source and that also depended on the weather conditions, the type of wood and ventilation. But, as with anything, times were changing.

In the early 1820s the first gas stove was

developed, but these remained experimental for some time. In 1826, a patent was issued in England for a gas stove. At the World Fair in London in 1852 a gas stove was displayed, but it wasn't until the 1880s that it finally took off. Again though, times were changing.

U.S. Patent #25532 was issued to George B. Simpson in 1859 for an ‘electro-heater.’ It was basically a platinum coil powered by batteries. Thomas Ahearn received Patent #39916 in 1892 for an electric oven. In 1893, the electric stove was unveiled at the Chicago World's Fair, where an entire electrified kitchen was shown. The need for cities and rural areas to be electrified and people not being familiar with the technology kept the electric stove sales down for awhile.

This changed in the 1930s as the technology had developed further and electric lines were being installed from coast to coast. Electric stoves began to replace gas stoves, especially in household settings due to its ease of use, steady temperature and safer features not found in gas stoves of the time.

Advances have been made as far as more safety features and better efficiency, but the overall design has basically stayed the same. Of course, now they are called ranges, ovens and cook tops. We also have microwaves, George Foreman grills and something that touts in the commercial, “Set it and forget it!” No matter what you choose to do the cooking, less time and work can be attributed to the advances of cooking with electricity.

So, the next time you stay up late or rise early to fire up ‘Ol Smokey, whether you marinate or brine, wet rub or dry rub, sop or mop, use Oak, Hickory, Hedge, Walnut or even Texas Mesquite, we are taking part in a great tradition that always bring people together for good times and memories that will last a lifetime.

As always, if you have comments, questions or suggestions, you can contact me at [wworthy@wavewls.com](mailto:wworthy@wavewls.com). Have a great summer and I'll see you next month!

# Rate Study: Cost-of-Service Study

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charge is identical for each member of that particular customer class. The cost-of-service study will identify the appropriate

costs for the customer charge. The remainder of your bill is typically represented by a per-kilowatt-hour charge. This charge includes a component for your demand (the amount of energy you require at a given point in the month or year) and energy (the amount of energy you consume).

The investments included in the rate base, the revenues derived from electricity and the expenses incurred are then assigned to the different customer classes at the cooperative. The cooperative currently has four customer classes, including residential, small commercial, oil and gas wells and large commercial.

Allocating the rate base rev-

**How much energy you use, when you use it, and how your usage varies all have an effect on the cost to provide you with electric service.**

enues and expenses to each of the customer classes allows the cooperative to then project the rates of return of each customer class. One goal of any rate is to have a fair rate of return for each of the customer classes at the cooperative.

Members always question why a rate for one type of service is different from another type of service. How much energy you use, when you use it, and how your usage varies all have an effect on the cost to provide you with electric service. Those varying costs are examined as part of the cost-of-service study.

Next month, we will examine the final phase of the cooperative's rate study: rate design.

## Labette Avenue Gives Discount to Twin Valley Members

Twin Valley Electric Cooperative customers can read the Labette Avenue newspaper at a discount, thanks to an offer being made in this *Kansas Country Living* magazine.

Editor Rena Russell said the weekly newspaper, published in Oswego, is a totally-local reading product and it covers schools in the USD 506, 504 and 505 districts.

"When your current subscription comes due, just drop by our office at 711 4th in Oswego and tell us you are a Twin Valley customer," Russell said. "We'll knock the price down from \$36.50 to \$30 per year."

Russell said Labette Avenue has many readers who reside in the Twin Valley service area, and she hopes many of them will take advantage of this special offer.

The newspaper is known for its coverage of the Labette County Fair and its locally written columns and editorials which have received national recognition.

Labette Avenue and its predecessor newspapers (*Oswego Independent*, *Chetopa Advance*, *Altamont Journal*, *Mound Valley Times-Journal* and *Edna Sun*) has served Labette County since the Civil War days.



**Twin Valley customers always get a discount on new or existing subscriptions!**

Normally  
**\$36.50**

With Twin Valley discount:

Only **\$30**

One-year by mail

Or **\$25**

E-Edition via your color computer screen!

**Drop by the Labette Avenue office in Oswego to get your discount!**

620 795-2550

Labette  Avenue

711 4th Street

# THESE POLES HAVE ROOTS.

These poles stand for something. They bring us reliable, affordable electricity.

They also carry a vision that began back before the World War II. These poles rose above the dust of the Great Depression, through blood, sweat, and tears. Cooperatives brought light to darkness and electrified this country.

Power was no longer confined to the big city limits. Lines stretched out to farms, ranches and schoolhouses. Appliances came to life. Factories sprouted up.

America spread her wings.

But these poles didn't just appear out of thin air.

These poles are pillars that were founded on principle by people with principles. Neighbors banded together, and communities came together to share ownership of the electricity that would advance everyone.

Today, these poles are yours. They come to you with a history, and they come to you with a responsibility.

It's up to all of us to take care of what we have and use only what we need. It's the cooperative way. It also happens to be the right thing to do.

By using electricity wisely, we can continue to build on a dream that started decades ago. And we can ensure that the spirit on which it was built continues for generations to come. Reliable, affordable electricity for all.



Touchstone Energy<sup>SM</sup>

[TOGETHERWESAVE.COM](http://TOGETHERWESAVE.COM)