



A Touchstone Energy® Cooperative 

501 S. Huston Ave, P.O. Box 368, Altamont, KS 67330  
866-784-5500

[www.twinvalleyelectric.coop](http://www.twinvalleyelectric.coop)

TWIN VALLEY  
ELECTRIC COOPERATIVE

# NEWS

## Twin Valley Electric Cooperative, Inc.

Ron Holsteen General Manager

### Board of Directors

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**Wayne Revell**  
Trustee

**Robert Webster, Jr.**  
Trustee

### Office Hours Monday-Friday

8 a.m. to 4:30 p.m.

### Contact Us

501 S. Huston Ave., P.O. Box 368  
Altamont, KS 67330  
620-784-5500

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## Time Change Nov. 4

On November 4, remember to turn your clocks back one hour. This is also a great time to do the following:

- ▶ Change the batteries in smoke detectors.
- ▶ Have a professional check your fire extinguishers.

## Notice to Members of Twin Valley Electric Board Meeting to Consider Rate Increase

The board of directors will discuss and vote upon a rate change proposal at their October board meeting. This meeting is open to the membership and will be held on Monday, October 22, 2012, at 6 p.m. at the cooperative's office at 501 S. Huston Avenue in Altamont.

If you are unable to attend and still have questions, you may call the office at 620-784-5500 or send written comments to Twin Valley Electric Cooperative, Inc., P.O. Box 368, Altamont, KS 67330-0368. Members have the right under K.S.A. 66-104d(g) to request Kansas Corporation Commission review of any rate change.

## Rate Study Shows Rate Increase is Needed

This spring, the board engaged a consultant to prepare a study of the cooperative's costs of providing electric service and the rates charged for this service. The purpose of this study was to determine the revenue needed to cover the cooperative's operating expenses and debt obligations and to examine the equitability of rates among the various customer classes.

This study showed that overall electric rate revenues must be increased by \$390,468, or 6.7 percent. This increase is needed to cover increased expenses for wholesale power, building and repairing the electric distribution facility, wages and benefits, and the overall cost of doing business. The study also showed that the rate structure of some customer classes need adjustments to better track the cost of providing electric service.

### Monthly Customer Charges

One part of the proposal is to increase the monthly customer charges. This charge is designed to recover those costs, which do not vary with the amount of electricity used.

A portion of the cooperative's costs are the same for all customers whether they use 50 kWh per month or 2,000 kWh per month. The cooperative has made similar investments in poles, wires, transformers and meters for all customers and incurs similar costs for reading meters, billing and consumer accounting.

Increasing the customer charge closer to the actual cost helps to minimize the amount of increase on the energy charges and more accurately tracks the costs of providing electric service.

### Energy Cost Adjustment

The cooperative's average cost of

wholesale power varies monthly depending largely on seasonal demand charges and the fuel cost adjustment from its power supplier. The cooperative uses an Energy Cost Adjustment (ECA) clause to pass along fluctuations in parts of the wholesale costs. The ECA is an additional charge or credit applied to the monthly energy use of a member based on the difference between the cooperative's monthly cost of power and the established base cost of power.

The new base cost of power will include all components of the wholesale power costs and is \$0.08272 per kWh. When the monthly wholesale power cost is greater than this base, the ECA will be a charge and, conversely, when the monthly wholesale power cost is less than this base, the ECA will be a credit.

**Rate Change Summary**

The amount of the rate change will vary by customer class. The cost to provide service varies with each customer class depending on the size of the loads and the relative level of consumption. Based on the current rates and the costs to provide service, the cost-of-service study showed that some classes needed more of an increase than others to cover the cooperative's cost of providing service. The table at left gives a more detailed explanation of the current and proposed rates for each class.

**What Can You Do Reduce Your Electric Bill?**

Reducing the cooperative's wholesale power costs is the most significant action that can keep your electric bills low and you can help by voluntarily shifting some of your electric use to the morning or late evening. This will reduce the amount of power we have to buy "on peak," which will help to lower power costs year round. You could also reduce your home's energy use by conducting an energy audit or by asking us for energy efficiency advice when building a new home.

For more information on energy audits and energy efficiency advice, contact our office. If you have further questions on any of our programs or this rate change proposal, you may call the cooperative office at 620-784-5500.

**Twin Valley Proposed Rates**

Class	Current	Test Year ECA(1)	"Effective Net Rate"	Change	Proposed
<b>Farm &amp; Residential</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.10000	\$0.03292	\$0.13292	(\$0.00042)	\$0.13250
Energy Charge (Winter) - First 750 kWh	\$0.10000	\$0.03292	\$0.13292	(\$0.00042)	\$0.13250
Energy Charge (Winter) - Excess kWh	\$0.07500	\$0.03292	\$0.10792	\$0.00458	\$0.11250
<b>Air Source HP and/or All Electric Home</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.08629	\$0.03292	\$0.11921	\$0.00328	\$0.12249
Energy Charge (Winter) - First 750 kWh	\$0.07429	\$0.03292	\$0.10721	\$0.01528	\$0.12249
Energy Charge (Winter) - Excess kWh	\$0.07429	\$0.03292	\$0.10721	\$0.00528	\$0.11249
<b>Air/Ground Source HP &amp;/or AE Home</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.09000	\$0.03292	\$0.12292	(\$0.00053)	\$0.12239
Energy Charge (Winter) - First 750 kWh	\$0.06000	\$0.03292	\$0.09292	\$0.02947	\$0.12239
Energy Charge (Winter) - Excess kWh	\$0.06000	\$0.03292	\$0.09292	\$0.00447	\$0.09739
<b>All Electric &amp;/or Air Source HP</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.08629	\$0.03292	\$0.11921	\$0.00328	\$0.12249
Energy Charge (Winter) - First 750 kWh	\$0.08629	\$0.03292	\$0.11921	\$0.00328	\$0.12249
Energy Charge (Winter) - Excess kWh	\$0.07429	\$0.03292	\$0.10721	\$0.00528	\$0.11249
<b>Ground Source Heat Pump</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.09000	\$0.03292	\$0.12292	(\$0.00053)	\$0.12239
Energy Charge (Winter) - First 750 kWh	\$0.09000	\$0.03292	\$0.12292	(\$0.00053)	\$0.12239
Energy Charge (Winter) - Excess kWh	\$0.06000	\$0.03292	\$0.09292	\$0.00447	\$0.09739
<b>Cabins-Seasonal</b>					
Customer Charge	\$15.00			\$10.00	\$25.00
Energy Charge (Summer)	\$0.14862	\$0.03292	\$0.18154	(\$0.05341)	\$0.12813
Energy Charge (Winter)	\$0.13662	\$0.03292	\$0.16954	(\$0.05341)	\$0.11613
<b>Commercial Small</b>					
Customer Charge	\$20.00			\$10.00	\$30.00
Energy Charge (Summer)	\$0.11799	\$0.03292	\$0.15091	(\$0.00414)	\$0.14677
Energy Charge (Winter)	\$0.10599	\$0.03292	\$0.13891	(\$0.00414)	\$0.13477
<b>Commercial Large</b>					
Customer Charge	\$80.00			\$20.00	\$100.00
Demand Charge	\$17.50			\$1.25	\$18.75
Energy Charge	\$0.05074	\$0.03292	\$0.08366	(\$0.00168)	\$0.08198
<b>Wholesale WD #4</b>					
Customer Charge	\$100.00			\$0.00	\$100.00
Demand Charge	\$17.50			\$1.25	\$18.75
Energy Charge	\$0.04226	\$0.03292	\$0.07518	\$0.00680	\$0.08198

(1) The Energy Cost Adjustment (ECA) will fluctuate with the cooperative's wholesale cost of power. This adjustment is the difference between the cooperative's actual cost of power and the base cost of power. During the twelve months ending July 31, 2012, this difference was an average of \$0.03292 per kWh.