



A Touchstone Energy® Cooperative 

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

866-784-5500

www.twinvalleyelectric.coop

TWIN VALLEY ELECTRIC COOPERATIVE

NEWS

Twin Valley Electric Cooperative, Inc.

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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

www.twinvalleyelectric.coop

Tip of the Month

Flat-panel TVs can consume almost as much electricity as a refrigerator. In general, the bigger the screen, the more power it draws, and HD pulls more, too. Turn to power saver mode, and turn down the LCD backlight to save energy.

FROM THE MANAGER

Twin Valley Returns \$63,000 to Members

The retirement of capital credits is the tangible demonstration of your ownership in Twin Valley Electric Cooperative. As a member-owned cooperative, Twin Valley operates as a not-for-profit utility. This is accomplished through the retirement of capital credits.

In December, Twin Valley mailed capital credit checks totaling \$63,000 to 2011 active and former members like you that were members of the cooperative in 1991.

When you signed up to receive electric service from Twin Valley, you became a member of an electric cooperative. While investor-owned utilities return a portion of any profits back to their shareholders, electric co-ops operate on an at-cost basis.

So, instead of returning leftover funds, known as margins, to folks who might not live in the same region or even the same state as you do, Twin Valley allocates and periodically retires capital credits based on how much electricity you purchased during a year.

On December 7, Twin Valley mailed an allocation notice to each member informing you of

Twin Valley allocates and periodically retires capital credits based on how much electricity you purchased during a year.



Ron Holsteen

the amount of the 2011 margins that had been allocated to your capital credit account. Those capital credits help build, sustain, and grow your local electric cooperative. Twin Valley uses that member equity for a period of years (not to exceed 30 years).

Then, in late December, members from 1991 received capital credits retirements through a check in the mail, reflecting their contribution of capital to, and ownership of, the cooperative during that year.

That may seem like a long time ago. However, those funds helped us keep the lid on rates, reduced the amount of money we needed to borrow from outside lenders to build, maintain, and expand a reliable electric distribution system, and covered emergency expenses.

For more questions and answers about capital credits, please refer to the article on page 16-D.

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Go Paperless Today



Whether you're busy taking care of your family, or just always on the go, we

know how hard it is to get everything done in 24 hours. That's why Twin Valley Electric is proud to offer online bill pay.

You have the ability to pay your bills online, view your account history and your statements with our Online Bill Pay system. Just visit our website at www.twinvalleyelectric.coop and click the Online Bill Pay icon. You'll be directed to our secure site. Once there you will need to create a user ID, the first time you log on. You can then view and pay your bill online. It's really that easy.

Our Online Bill Pay system is secure and designed to protect your account and payment information. Payment methods include personal check, or use your Visa or MasterCard card.

NOTES FROM OPERATIONS

Field Inventory Begins this Month



William Worthy

Satellites, lasers and computers—no, it's not Star Wars. It's part of the new facility mapping system being implemented at Twin Valley Electric Cooperative, Inc.

Employees of Davey Resource Group (DRG) are using the latest technology to record the precise location of every Twin Valley power pole and electric meter.

Once complete, the facility mapping system will provide big benefits to Twin Valley's members and our linemen. In addition to the location of a particular pole, the mapping system will include information about the equipment associated with that pole and any special framing or additional special equipment that may be on it.

DRG's crews will be traveling

throughout Twin Valley's service area with global positioning system (GPS) equipment to record locations of poles and meters. Their equipment is based on technology developed by the U.S. Department of Defense that is now available for public use at an affordable price. It uses signals from satellites to compute map coordinates for a specific location.

Sooner or later you may spot DRG's crew driving slowly down the road in their white truck with its flashing lights. Don't be alarmed if you see one of them pointing a bright yellow “gun” at a pole or a meter. They're just using a laser to quickly and accurately record the location of that particular pole or meter.

Twin Valley remains committed to servicing the needs of its service area. The new facility mapping system will soon be utilized in an effort to better serve all members both residential and commercial.

We're Visiting Your Neighborhood!

Twin Valley Electric Cooperative, Inc. is implementing a geographical information system (GIS) to better serve our members. GIS is a digital mapping system that will give us detailed information about our electrical network. Among other benefits, GIS will help us restore your power more efficiently during outages.

To create our GIS system, we must do a field inventory. This calls for physically visiting and recording information about every pole and meter on our network.

We have contracted Davey Resource Group (DRG), A Division of The Davey Tree Company to do this work.

The DRG professionals will be easily recognized by their uniform, which

DAVEY

RESOURCE GROUP



A Division of The Davey Tree Expert Company

DRG professionals will be sporting yellow backpacks and will have the above logo on their uniforms and equipment.

identify them as GIS contractors.

They will be on foot or riding a four-wheeler, sporting bright yellow backpacks with an antenna and carrying handheld GPS computers.

For more information about our GIS project, visit www.twinvalleyelectric.coop or call us at 866-784-5500. We are happy to answer questions you may have about this project.

Attention High School Juniors

Don't Miss this FREE Trip of a Lifetime!



Each year, students from Kansas join more than 1,500 youth in Washington, D.C., to attend the "Government in Action" Youth Tour. Next year's Youth Tour is scheduled for June 13-20, 2013.



Kansas delegates attend Cooperative Youth Leadership Camp along with students from three other states to develop leadership skills and learn about cooperatives. The 2013 CYLC will be July 13-19, 2013.

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

on Tuesday, March 26 at 2 p.m. to pick the winner. All participating students will receive a prize.

To apply please complete, sign and return the application below to Twin Valley, P.O. Box 368, Altamont, KS 67330.

Youth Tour Selection Process

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

For More Information

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

Application for Youth Tour Contest

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 2013 Youth Tour competition sponsored by Twin Valley Electric Cooperative, Inc.

Signature of Parent or Legal Guardian _____

Common Questions About Capital Credits

What are capital credits?

An electric cooperative operates on an at-cost basis by annually “allocating” to each member, based upon the member’s purchase of electricity, operating revenue remaining at the end of the year.

Later, as financial condition permits, these allocated amounts—capital credits—are retired. Capital credits represent the most significant source of equity for Twin Valley. Since a cooperative’s members are also the people the co-op serves, capital credits reflect each member’s ownership in, and contribution of capital to, the cooperative. This differs from dividends investor-owned utilities pay shareholders, who may or may not be customers of the utility.

Where does the money come from?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans, and provide an emergency reserve.

At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating “margin.”

How are margins allocated?

Margins are allocated to members as capital credits based on their purchases from the cooperative—how much power the member used. Member purchases may also be called patronage.

Do Westar, Altamont or Chetopa retire capital credits?

No. Within the electric industry, capital credits only exist at not-for-profit electric cooperatives owned by their members.

How often do members receive capital credit retirements?

The Twin Valley Board of Directors makes a decision each year by November whether or not to retire capital credits. When the cooperative is strong enough financially and member equity levels high enough, the board directs staff to retire some portion of past years’ capital credits.

Are capital credits retired every year?

Each year, the Twin Valley Board of Directors makes a decision on whether to retire capital credits based on the financial health of the cooperative.

During some years, the co-op may experience high growth in the number of new accounts, or severe storms may result in the need to spend additional funds to repair lines. These and other events might increase costs and decrease member equity, causing the board not to retire

capital credits.

For this reason, Twin Valley’s ability to retire capital credits reflects the cooperative’s strength and financial stability. The board alone decides whether to retire capital credits.

Do I lose my capital credits in the years the co-op decides not to make retirements?

No. All capital credits allocated for every year members have been served by Twin Valley are maintained until such time as the board retires them. Prior to this year, Twin Valley has retired all capital credits through 1990.

What year was retired in December?

Twin Valley retired approximately one half of the capital credits allocated to members who purchased electricity from the cooperative in 1991.

How much was retired in total for 1991?

\$63,000

I did not receive service from Twin Valley in 1991. Will I get any retirement?

No. This year, capital credit retirements will only be made to members who purchased electricity in 1991.

How much has Twin Valley paid in total capital credit retirements since it began in 1945?

Twin Valley has paid more than \$1,335,000 in capital credits retirements to current and former members to date.

How does the retirement work?

Active and inactive or former members who no longer purchase electricity from Twin Valley, but who purchased electricity during the years being retired, were mailed a check in late December.

Due to the expense involved in processing printed checks, the minimum retirement check that will be written to current members will be \$10. Amounts smaller than \$10 will be applied to the next retirement date.

What if I have moved?

If you move or no longer have electric service with Twin Valley, it is important that you inform the cooperative of your current address, so that future retirements can be properly mailed to you.

If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of the Twin Valley service area. If we have your current address, then Twin Valley will send your retirement check by mail.