



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.

Ron Holsteen General Manager

### Board of Directors

**Daniel Peterson**  
President

**Bryan Coover**  
Vice President

**Ronald McNickle**  
Secretary

**Larry Hubbell**  
Treasurer

**Michael Allison**  
Trustee

**Tom Ellison**  
Trustee

**Bryan Hucke**  
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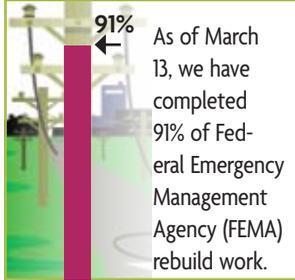
**Wayne Revell**  
Trustee

**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  
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## FEMA Rebuild Update



## FROM THE MANAGER

# Twin Valley Begins Rate Study

Have you ever wondered how the rates you pay for electric service are established? The revenue derived from the rates paid by the members for electric service funds the operation of the electric cooperative.

It is the responsibility of the board of directors and management to examine rates periodically to be sure that they are just and reasonable and will allow the cooperative to fulfill its obligations to the members and the cooperative's lenders. Twin Valley is beginning the process of a rate study to accomplish this. Over the next few months, we will explain the different parts of the rate study process.

Rate studies are complicated. In a sense, they are an attempt to predict the future, or at least the answers to a few questions. What revenue will be required to fund the operations of the cooperative for the foreseeable future and what is the fairest way to collect that revenue through rates? What external factors will have an effect on the cooperative's financial picture in the future? What will the weather be like in the coming years?

While we may never ac-

curately predict the weather in the future, an attempt can be made to predict the other variables that affect rates. We have retained the services of Doug Shepherd at Kansas Electric Cooperatives, Inc., in Topeka to assist us with our rate study.

The rate study has several stages. First, we will use existing data to determine what revenue will be required to operate the cooperative successfully in the future.

Next, we will perform a cost-of-service study to assign the costs to provide electric service to customer classes using traditional ratemaking principles.

And last, we will design rates to meet the cost recovery obligations, to recover the revenue fairly from each customer class, and to meet any other strategy or goals identified by the board in the rate study process.

When the rate study is completed, it will be reviewed by the board in detail. Kansas law then requires that we provide the membership with notice of the time and place of any meeting of the board of directors where rate changes will be discussed and voted on.



Ron Holsteen

*The board takes its responsibility to set fair rates very seriously.*

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## NOTES FROM OPERATIONS

## The Value of a Light Bulb



William Worthy

Nothing would transform our lives, or cause more heartache if it were no more, than the light bulb.

As I approach 30 years in the electric cooperative world, I am often asked what my favorite part of the job is. I always answer the same, “lighting up the dark.” We could live our lives very easily, and some a whole lot more quietly, if we did not have some of the “conveniences” we have today. Nothing would transform our lives, or cause more heartache if it were no more than the light bulb.

It only took 2,480 years after Thales of Miletus charged two pieces of amber by rubbing them together that Thomas A. Edison finally patented the modern incandescent bulb. Patent number 223,898 (U.S.) was issued to Edison on January 27, 1880, for the first practical, modern prototype for the light bulb. Regardless of this patent, and the fame and notoriety that Edison received, he was neither the first nor the only person trying to invent an incandescent bulb.

In 1850, Joseph W. Swan began working on a light bulb using carbonized paper filaments. Swan’s first demonstration of the light bulb was at a lecture in Newcastle on December 18, 1878, but he did not receive a patent until November 27, 1880, (patent No. 4933 (U.K.) after improvement to the original lamp. His house in Gateshead, England, was the first in the world to be lit by a light bulb, and the world’s first electric-light illumination in a public building was for a lecture by Swan in 1880.

Other men were making advancements at the same time as Edison and Swan, and this includes Heinrich (later Henry) Goebel who became involved in litigation against Edison for credit in producing the first incandescent light. In 1893, the public in the USA and in Europe took notice of Henry Goebel. Magazines and newspapers reported that Henry Goebel had developed the incandescent light bulb,

comparable to those invented in 1880 by Edison, 25 years earlier. Goebel had never applied for a patent. Judges of four courts threw out the claims saying there was no clear and convincing proof for Goebel. However, in some countries, the legend is still believed Goebel was the inventor of the practical incandescent bulb.

One of the most amazing things about the incandescent light bulb is that the light bulb itself is not a complicated item. The modern light bulb, which hasn’t changed much since its invention, is made of only a handful of parts. Two metal contacts at the base connect the bulb to the electrical circuit; the metal contacts attach to two stiff wires which are attached to a filament.

The filament itself has been the only significant change. It used to be made of a highly resistive wire that would glow red hot but the life was limited and the filament would be fragile when heated. The fragility led to shorter life, especially if the light was moved around while lit. The filament is now made of tungsten (wolfram) that, in its purest form, is a more durable filament. The filament sets in the middle of a glass bulb which is filled with an inert gas such as argon.

As with anything, a latest, greatest and better alternative will come up and try to corner the market. As of right now, nothing will make the incandescent light bulb go away. It is the cheapest to make and one of the brightest bulbs there is. It is, however, not the most efficient in the long haul, but I still don’t see it going anywhere. Plus, I can’t imagine someone having a new idea and one of those squiggly looking bulbs popping up over their head.

As always, I welcome any feedback or ideas for this or future articles. You can contact me at [wworthy@wavewls.com](mailto:wworthy@wavewls.com).

### 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](http://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.



## Twin Valley Begins Rate Study

Continued from page 16-A ►

That meeting notice will appear in the pages in this section of the magazine and an attempt will be made to provide you with as much detail as possible on any proposed changes to the rates. You will have the opportunity to attend the board meeting to hear the discussion and vote of the board, and even express your opinion on the changes, if you desire.

You show confidence in your board of directors when you cast a vote for their election to the position. The board takes its responsibility to set fair rates very seriously. After all, they are members of the cooperative and pay the same rates. Kansas law also allows members to petition the Kansas Corporation Commission for review of any rate changes after the changes are adopted.

We will keep you informed as this rate study progresses. Next month, we will discuss the revenue requirement aspect of the rate study.

## Cool Off with TogetherWeSave.com

Scorching temperatures and high electric bills don't need to arrive hand-in-hand this summer. At Twin Valley Electric, we are committed to providing you with not only safe and reliable electric service, but also with information you need to save energy and keep electric bills affordable when the heat is on.



You can save around \$280 a year just by programming your thermostat.

One of the most powerful tools in Twin Valley Electric's energy-saving arsenal is TogetherWeSave.com. The website offers nine applications focusing on different actions that, once completed, show an actual savings calculation.

Take the Virtual Home Tour on TogetherWeSave.com to find even more ways to cut costs. You will "walk" through a home's family room, kitchen, laundry room, bedroom, basement and attic. Each area reveals at least two actions to improve your home's energy efficiency. As you move through the room and complete the suggested changes, you will see a running tally of potential energy dollar savings.

It's remarkable that co-op members just like you from across the country have already visited TogetherWeSave.com and collectively saved an estimated \$40 million by making small energy-related changes at home.

We want to help you reach your energy-saving goals. So go ahead: flip a switch, lower the blinds and raise the temperature on your thermostat. To find more ways to save, visit TogetherWeSave.com and find out how little changes can cool off your electric bill.

## Twin Valley Electric Balance Sheet as of December 31, 2011

The following financial information was provided to members at the cooperative's Annual Meeting. Please call the cooperative office if you have any questions.

ASSETS AND OTHER DEBITS	2011
Total Utility Plant in Service	\$18,332,731
Construction Work in Progress	\$159,771
<b>Total Utility Plant</b>	<b>\$18,492,502</b>
Accum. Provision for Depr. & Amort.	\$6,170,055
<b>Net Utility Plant</b>	<b>\$12,322,447</b>
Invest. in Assoc. Org. - Patronage Capital	\$1,305,556
Invest. in Assoc. Org. - Other - General Funds	\$27,502
Invest. in Assoc. Org. - Other - Non-general Funds	\$156,649
Investments in Economic Development Projects	\$1,029,166
<b>Total Other Property &amp; Investments</b>	<b>\$2,518,873</b>
Cash - General Funds	\$158,350
Accounts Receivable - Net Electric	\$500,547
Accounts Receivable - Net Other	\$1,926,999
Prepayments	\$23,093
Other Current & Accrued Assets	\$1,973
<b>Total Current &amp; Accrued Assets</b>	<b>\$2,610,962</b>
Other Deferred Debits	\$13,511
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>\$17,465,793</b>

LIABILITIES & OTHER CREDITS	2011
Memberships	\$9,745
Patronage Capital	\$5,684,525
Operating Margins - Current Year	\$174,954
Non-Operating Margins	\$277,426
Other Margins & Equities	\$362,329
<b>Total Margins &amp; Equities</b>	<b>\$6,508,979</b>
Long-Term Debt - RUS (Net)	\$2,645,767
Long-Term Debt - RUS - Economic Development (Net)	\$1,040,000
Long-Term Debt - FFB - RUS Guaranteed	\$4,296,740
<b>Total Long-Term Debt</b>	<b>\$7,982,507</b>
Notes Payable	\$1,960,000
Accounts Payable	\$316,259
Consumer Deposits	\$233,556
Other Current & Accrued Liabilities	\$270,567
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$2,780,382</b>
Other Deferred Credits	\$193,925
<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<b>\$17,465,793</b>

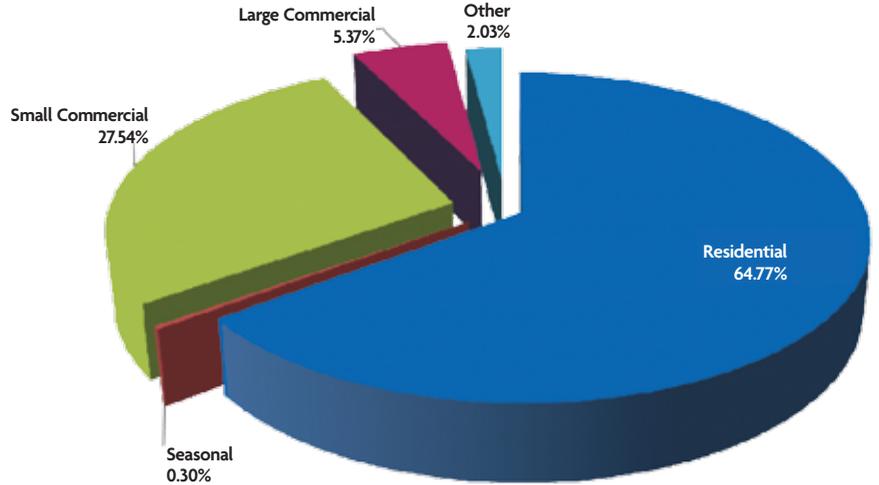
# 2011 Electric Operating Statistics

The following financial information was provided to members at the cooperative's Annual Meeting. Please call the cooperative office if you have any questions.

## Operating Revenue & Patronage Capital

Class	Avg # meters	Dollars Received	%
Residential	2162	\$3,785,142	64.77%
Seasonal	32	\$17,395	0.30%
Small Commercial	1003	\$1,609,399	27.54%
Large Commercial	15	\$313,634	5.37%
Other	0	\$118,648	2.03%
<b>Total</b>	<b>3212</b>	<b>\$5,844,218</b>	<b>100.00%</b>

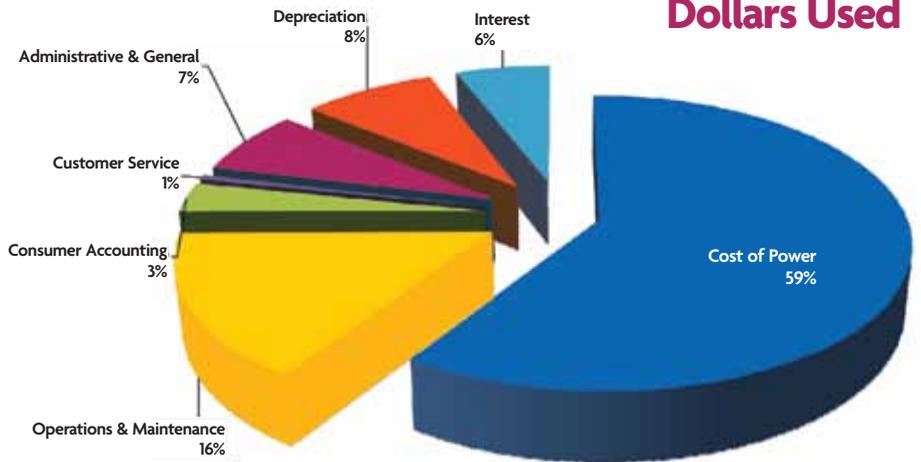
## Revenue Received



## Operating Expenses

Description	Dollars Spent	%
Cost of Power	\$3,358,222	59%
Operations & Maintenance	\$888,260	16%
Consumer Accounting	\$188,568	3%
Customer Service	\$31,755	1%
Administrative & General	\$405,978	7%
Depreciation	\$467,281	8%
Interest	\$329,200	6%
<b>Total Cost of Electric Service</b>	<b>\$5,669,264</b>	<b>100%</b>

## Dollars Used



## Miscellaneous Statistics

New Services Connected	50
Services Retired	7
Percentage of kWh Lost	9.53%
Month with the highest demand for electricity	August