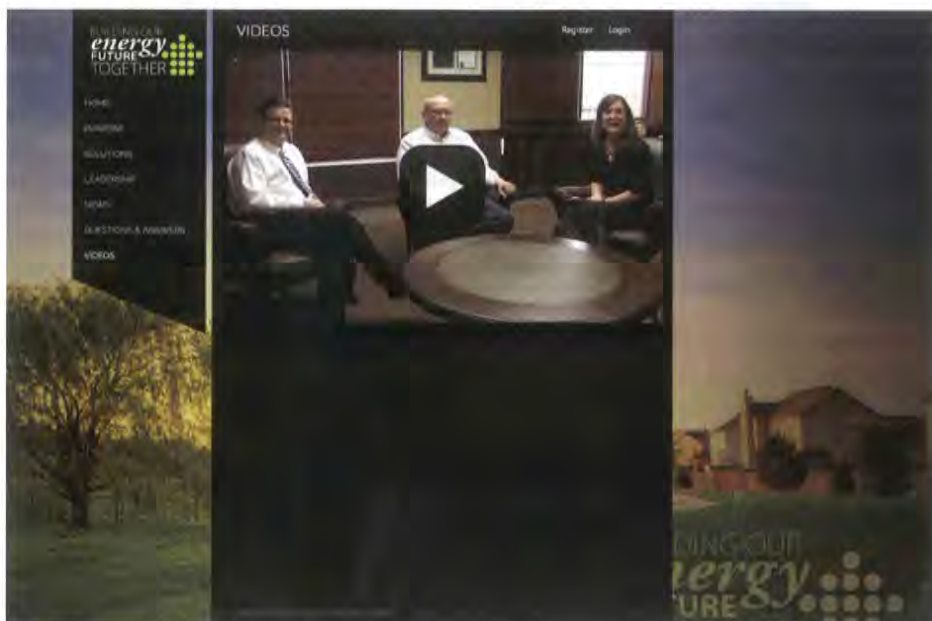




Cooperative CEOs Converge about Consolidation



As the Cooperative Finance Corporation completes the feasibility study on the potential consolidation between Canadian Valley Electric Cooperative and Central Rural Electric Cooperative, talks continue between the two boards and management as they work on the framework of the potential new cooperative. Recently, the CEOs from the two

cooperatives sat down to answer questions about the consolidation, including how the original discussion began.

“Consolidation has always been a term in the vernacular of electric cooperatives because there are so many electric cooperatives,” said George Hand, CVEC CEO. “At one point, Oklahoma may have needed 26 electric cooperatives but we

believe in the best interest of the members that is not still true today.”

Members of both cooperatives were notified in September 2013 that the two boards had entered into discussions about the potential consolidation. Since that time, third-party studies have commenced that include an in-depth analysis of the two cooperatives’ rates and financials. The ultimate goal of the consolidation is to build upon the strengths of both organizations, thus creating a stronger organization, said David Swank, CREC CEO.

“George has used a statement I really like about being a better servant,” Swank said. “How can this new entity serve the membership better than we have in the past?”

Swank added that keeping the best interests of the membership is always kept in the forefront.

“We all know one of the most important things to the member is affordable rates,” Swank said. “Maintaining affordable rates has been a big driver of

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By George

In January trustees of Canadian Valley Electric Cooperative and Central Rural Electric Cooperative met in joint session at the headquarters of the CH Guernsey engineering firm. Purpose of the meeting was to review information developed by Guernsey’s Rates and Financial Matters department. Guernsey had been engaged to study retail rates and retail rate structures of both CVEC

and CREC and make recommendations on combining the rates to one set of rates for a possible consolidation of the two cooperatives. Their report was very positive and presented a plan for establishing a single set of rates with little disruption to the memberships. The consultant stated it appeared combining the two rates into a single set was something that could be readily accomplished in a single step. Also present were representatives from the staff of the Oklahoma Corporation Commission. They indicated they were pleased with their understanding

of the report. They also encouraged and complimented both electric cooperatives and their trustees for their efforts in this process.

A financial study prepared by the National Rural Utilities Cooperative Finance Corporation (CFC) studying the possible consolidation of the two cooperatives was presented to the trustees. CFC is a lender to Canadian Valley and Central Rural, as well as most of the electric cooperative across the country.

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CANADIAN VALLEY
ELECTRALITE

P.O. Box 751 Seminole, Okla.
Serving Hughes, Lincoln, McIntosh,
Okfuskee, Pottawatomie, Seminole
and portions of Oklahoma,
Cleveland and Creek counties

Main Office and Headquarters

Interstate 40 at the Prague/Seminole Exit

Area Office

35 W. JC Watts Street, Eufaula

Office Hours

8 a.m. to 5 p.m., Monday - Friday

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In Case of Trouble

1. Check for blown fuse or tripped circuit breakers.
2. Check with your neighbors. Ask if their electricity is off and if they have reported it.
3. If not call the office and report the trouble.

	<u>Read</u>	<u>Billing date</u>	
Cycle 1	26th-31st	5th	1-1/2% penalty is
Cycle 2	6th-11th	15th	applied 20 days
Cycle 3	16th-21st	25th	after billing date

Operating Statistics for December

	2012	2013
Operating Revenues	\$4,423,678	\$5,559,975
Wholesale Cost of Power	\$3,631,139	\$4,346,454
Percentage WPC is of Revenue	82.08	78.17
Revenue per Mile of Line	\$853.00	\$1,068.40
Consumers per Mile of Line	4.60	4.61
KW Peak Demand - This month	144,732	162,978
Billing kW demand	115,112	109,236
KW Peak Demand - YTD	160,468	162,978
KWh Purchased - This month	69,810,410	80,293,460
Taxes Paid	\$91,932	\$114,528
Interest on Long Term Debt	\$178,785	\$182,166
System Load Factor	64.8	66.2

New Services Staked in January

During the month of January 34 new services were staked. The total new services staked in 2014 is 34. This compares to 23 for the same period in 2013.

By George *Continued from page 1.*


While not declaring an automatic savings from consolidation, the study indicated substantial savings were possible in combining the efforts of the two cooperatives.

Also present was Eddie Moran, field representative for Rural Utilities Service (RUS), the primary lender for both electric cooperatives. He reported RUS supports the consolidation considerations and that RUS would make incentives available to encourage the consolidation. Since both cooperatives are now financially strong, this offer may not be something we would access. However, the support of RUS is encouraging and necessary.

After discussing these studies and other considerations, trustees of both co-ops overwhelming authorized proceeding with the possible consolidation and presenting it to the members of each cooperative for their consideration and action. It appears final decision on the consolidation will be presented to the membership later this year. We will continue to develop this effort.

At this point, the financial and rates studies indicate substantial benefits to the memberships of both co-ops would be possible through consolidation. Both boards are directing management and assigned committees to work on necessary agreements with preparation of taking this decision to the membership.

There is still much work to be done. We will keep you updated as we move forward with the myriad of details to be addressed. We want this to be a positive step and a win for our memberships and employees. Both boards reiterated their support of the employees, knowing this is an important part of making the consolidation positive.



FINANCIAL STATEMENT

BEGINNING BALANCE 12/31/13....	\$195,542.65
DEPOSITS.....	8,053.28
INTEREST INCOME	10.46
CHECKS ISSUED	11,524.97
APPROVED, NOT YET PAID	-6,027.38
BALANCE 1/31/14.....	\$186,054.04

CVEC Foundation administers and disburses funds collected through CVEC's Operation Round-Up Program.

Be in the Loop with GoGoGeo Challenge

Want to be in the loop? Take the GoGoGeo Challenge and discover the potential savings that are available by retrofitting your home with state-of-the-art ground source heat pump technology. For just a few moments of your time, this survey will show you the projected energy savings, tax incentives and environmental benefits of geothermal technology.

The GoGoGeo Challenge is a unique educational opportunity and sweepstakes created by Touchstone Energy® Cooperatives, and sponsored by Bosch, ClimateMaster, and the International Ground Source Heat Pump Association. The 2014 Challenge will be conducted between Feb. 1 and Nov. 21, 2014 with a goal of providing geothermal technology information to a wide range of audiences.

Entering is simple. Go to the Challenge website: www.gogogeochallenge.com and view the Calendar of Events to find where program representatives will be available, such as county and state fairs and cooperative annual meetings. Also, check with your local Touchstone Energy Cooperative, as they too can tell you the nearest location to take the Challenge.

When taking the challenge, a representative will enter information into a software program designed to estimate the possible savings of retrofitting your home with geothermal technology. A brief savings summary, in addition to any tax credits and other incentives offered by each respective electric cooperative, will then be provided.

By taking the GoGoGeo Challenge, you are registered to win some great prizes, such as one of three Kawasaki utility or all-terrain vehicles that are the grand prizes, courtesy of the House of

Kawasaki. Additional prizes, including Yukon Cooler/Lockers and Visa Gift Cards, will be given away regionally throughout the sweepstakes period. The three grand prizes will be awarded in December 2014, while the other prizes will be given away at various regional events during the year. Check the website to learn more about which venues will have specific prize drawings.

So, go ahead – get in the loop – the geothermal loop. And, take the GoGoGeo Challenge.



CEOs Converse about Consolidation

Continued from page 1.

this effort. We believe the membership is going to see no overall rate increase.”

The fact that there will not be an overall rate increase is surely something to make members of both cooperatives cheer, not to mention the fact that both cooperatives are financially sound. And the direction the new cooperative is headed is one filled with strong leadership from both the managers and the boards of trustees, however, there will be one man who will take the reins if the consolidation is passed by both memberships.

“I can’t imagine this new organization being led by anyone other than David Swank,” Hand said. Hand has worked for electric cooperatives for nearly 43 years and is looking toward the next chapter of his life, which will always involve supporting the electric cooperative program.

Hand added that his confidence in Swank’s leadership is what makes him comfortable with the consolidation process, while Swank mentioned that Hand will be heavily involved in the construction of the new organization.

The respect both co-op managers have for one another is evident as they

openly embrace the opportunities they see with the consolidation. They continue to echo the sentiment that the members’ best interests have been kept in mind during the entire process, and that the membership 903154600 will ultimately make the final decision.

Hand and Swank visit candidly about the consolidation and answer questions on several things from leadership and employees to rates and having two generation and transmission cooperatives.

To watch the entire interview, visit the Videos page on BuildingOurEnergyFutureTogether.com, and continue to watch your newsletter and website for more information about the potential consolidation.

Find Your Hidden Account Number and Win \$25

If you find your account number hidden in this issue of The Electralite, you could win \$25.

In order to win, the account number must be your own.

You need to report finding the number to us by the 15th of the month.

And you need to report finding it by phone, mail or in person. Good luck!

Trading Center Classifieds

Each CVEC member family is limited to ONE free classified ad per month. The form below must be used. The length of the ad cannot exceed three lines on the form. Ads run only one time. Area codes are not used unless outside the 405 area.

All INFORMATION BELOW MUST BE COMPLETED

Name _____
 Address _____
 Account # _____ Phone # _____

Classified must be received by the 5th of the month to appear in the following edition of The Electra-Lite.

Automobiles

2005 Ford Mustang GT Premium, loaded, metallic silver, 71K miles, \$13,500, 642-0346.

1992 Chevy work truck w/ utility bed, TommyLift, diesel, rebuilt transmission, good tires, 303K miles, 567-4310, 567-7833.

Farm

348 J. D. sq. baler; 660 J.D. rake; 1120 Hesston swather; 450 J.D. grain drill, 567-3393.

Sawmill, portable, electric, 4 hydraulic movement, plus blade sharpener, 918-716-8482.

3 pt. 8' spring-tooth harrow, 4' spring-tooth, 1 headgate, old drag manure spreader, 2 bot drag plow, 567-3685.

Mower - 7 gang, 11" wide, 0-turn, reversible, \$1,250, 380-6823.

Miscellaneous

Two lots in Garden of Love, Resthaven Cemetery, Shawnee, 255-0261.

4'x5' rnd. bales of wheat & oat hay, \$30; sm. sq. bales of grass hay, \$3, 567-4334.

Two Bushnells - 1 3x9x40 Swift, and 1 Burris AR-132 Red Dot, 1x32mm, 273-7887.

Two 12" color TVs, \$20 ea.; Super 8 movie camera, \$10, Knight kit CB & oscilloscope, \$50 for both, 273-0817.

Split, seasoned firewood, delivered & stacked, 10 mile radius of Prague, \$60/rick, 214-9626.

100 5'x5.5' rnd. bales mixed grass hay, string-tied, good quality John Deere bales, 496-2137.

Gym Tronic exercise machine, \$100 OBO, 788-5754.

Tappan propane range, as is, \$100; side-by-side refrigerator, as is, \$300, 279-3638.

200 sq. bales of prairie hay, \$5/ea.; 4'x5.5' rnd. bales of mixed grass hay, \$40/ea.; camper shell, fits 1&1/2 cab Chevy, \$100, 820-3862.

Burning barrels w/lids, \$10/ea.; feed barrels, \$12/ea.; 3-4 doz. qt. size canning jars, \$3/doz., 567-7921.

Electric glass top stove, \$300; Kenmore washer & dryer, \$200; ice box, \$100, 275-3419.

Glass fireplace doors, new in box, \$100; various O/S storm doors, \$50-\$125, 918-866-2440.

Two lots in Garden of Hope in Resthaven Cemetery, \$3,000 for both, 273-1331.

Stamp collection - thousands of U.S. & foreign commemoratives, mint & 1st day of issue, 382-2520.

House full of yard sale items, sell all for 1 money, 944-5724.

Buy, sell and repair clocks, 513-2986.

Three mobile home axles, 2 have brakes, \$100 ea. or \$250 for all, 356-2828.

Two 30" bar stools, solid wood, \$50 for the pair, 567-7167.

Console stereo, \$50; component stereo, \$40; stereo w/ separate speakers, \$20; 3 bicycles, \$5-\$10 ea.; Vitamix blender, \$100 OBO, 273-0817.

Square bales of prairie hay, \$5 ea.; firewood, \$40/rick, 598-5860.

4'x5' net-wrapped rnd. bales mixed grass hay, \$30-\$35, 942-4538, 517-8507.

Meeker Schools yearbooks, 1st-12th grades, 1969-1978, 8 books, \$40 ea., 273-1845.

White Kenmore upright freezer, frost-free, works fine, \$125, 863-3419.

1968 Chevy 396 cu. in. short block, fresh build, \$995, 598-2260.

Bermuda & prairie grass hay, good quality, 4'x6' rnd. bales, net-wrapped, \$40/bale, 382-5045.

Sq. bale wheat hay, \$3; sq. bale grass hay, \$4, 567-3393.

Collectors items - glass & wood bowls, Elvis records, bells & baskets, 598-3449.

Pets/Livestock

Adorable kittens - gold striped & calico, DOB 12-2-13, free to animal lovers only, 598-6274.

Two Molly mules, \$600/pr.; 1 John mule, \$150 OBO, 468-7255.

Real Estate

3 BDR brick home, 1,608 sq. ft., lg. bonus sun room, 2-car garage, 2 storage bldgs., 4405 Bison Rd., Shawnee, 275-0119.

3 BDR house on 9 acres in Earlsboro on Hwy. 9A, \$125,000, 761-6314.

5 acres, Bethel Schools, 8 miles south of I-40 on SH 102, 760-3244.

12'x60' mobile home, \$2,500, OBO, 380-6823.

Tiny Hobbit house to be moved off, ice box, stove & can be furnished, 2 can live in it, 589-1202.

2.5 acres w/20'x36' bldg., Hwy. 102, north of Britton Rd., 918-225-7869, 918-223-5827.

'02 Southern mobile home to be moved, 3 BDR, 2 BA, new 30 yr. roof, all appliances, \$20,000, 584-0441.

RV/Marine

1954 14' Newman trailer & 40 hp Johnson motor, \$350, 279-3638.

30' bumper-pull Jaco travel trailer, \$4,500, 275-3294.

Yamaha, 86 Maxim X 700, \$1,200, 380-6823.

Services

FREE - Haul away unwanted major appliances, scrap metal, car batteries, w/ 15 mile radius of Shawnee, 609-4365.

Small electric motor & portable generator repair, 1 phase to 10 hp., AC & DC, 580-279-7360.

Wanted

Front cowling for 2006 Kawasaki Ninja 250, 664-4483.

Household Batteries Need Attention

Almost as frustrating as discovering you don't have any batteries for your flashlight when the power goes out is learning that the ones you do have aren't working.

You can extend the life of your household batteries, use them more safely and dispose of them properly by following some advice from battery manufacturers:

- Batteries should be clean before you put them into a flashlight, radio or other device. If yours has gunk on it, rub it with a pencil eraser.
- If you're not going to use your battery-operated device for a few months, remove the batteries. They will last longer if you do.
- Remove batteries from your flashlight or other device as soon as they stop working.
- If your battery-powered appliance also has an electrical cord, remove the batteries before you plug it in.
- Store batteries in a dry place at normal room temperature. Don't store them in the refrigerator or freezer; that doesn't make them last longer. Similarly, avoid leaving your batteries or battery-powered gadgets out in the heat. That will reduce battery performance. Even "dead" batteries can leak if they get too hot.
- You can't recharge a battery that's not rechargeable.