



You Asked and We are Answering!

A Q&A with your Cooperative about the Potential Consolidation between CVEC and CREC

Is this a merger or a buyout?

A potential consolidation between the two cooperatives is being proposed, not a merger, buyout or acquisition.

When considering this, it is helpful to look at the term definitions. Consolidate means “to bring together into a single or unified whole; unite; combine.” Often, people use consolidation, merger, acquisition, takeover or buyout interchangeably and wrongfully. A consolidation is not a statutory combination of two or more corporations by property transfer to one surviving corporation, which is a merger and it is not one entity gaining possession over another, or an acquisition. In these instances, the less important company loses its identity and becomes part of the more important corporation, which retains its identity. In a consolidation, entities lose identities and unite to form a new entity with a new name.

All cooperatives are founded on seven cooperative principles so if there is a new cooperative with a new name, your cooperative’s founding principles and business practices will stay the same.

What is the member approval process?

Each cooperative’s membership will have the opportunity to vote on the consolidation at separate meetings. CVEC will notify its membership of meeting details, and CREC will notify its membership of meeting details. A quorum must be present at each meeting, and both cooperatives must have a 2/3 majority in favor of the consolidation in order for it to take place.

When are we going to vote?

The membership vote will be in 2015. Both cooperative’s boards of trustees want to ensure you have the information needed prior to asking for a vote. More information about the consolidation will continue to be released via newsletters, websites, direct mail pieces and member meetings this fall and next spring. If you have questions about the consolidation, we encourage you to watch your mail for invitations to membership meetings.

What’s the territory of both cooperatives, and will this affect outage response time?

Below is a map of the two cooperatives’ service areas. The service area of the new cooperative will be these territories combined. The consolidation will not affect outage response



time as both cooperatives’ facilities will be used for daily operations. Because the two territories border each other, there are some locations where the other cooperative is closer. In those instances, we see potential for a faster outage response time. There

are times when one cooperative’s service area is affected by a storm while the other is not. In these instances, there will be the opportunity for immediate mutual aid.

When will information be available to members?

Information will be released to the members as it becomes available. This information will be reviewed during member meetings and distributed to members in print communications after those meetings. It is the desire of the boards of trustees to give as much information to you, the member-owners, as possible before asking for a vote, which is why the vote will not take place in 2014. The extra time will allow more information about the consolidation to be given to members.

Are residential energy audits in future plans?

Yes. Currently, CREC offers home energy audits to its

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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

Board of Trustees

President - Yates Adcock, DustinDistrict 8
Vice President - Joe Semtner, KonawaDistrict 6
Sec.-Treas. - Robert Schoenecke, MeekerDistrict 2
Asst. Sec/Treas. - Steve Marak, MeekerDistrict 1
Gary Crain, Prague.....District 3
Clayton Eads, ShawneeDistrict 4
Matt Goodson, TecumsehDistrict 5
J.P. Duvall, SeminoleDistrict 7
George E. HandManager
J. Roger HensonAttorney

Telephone Numbers

Seminole (405) 382-3680
Shawnee, Tecumseh Earlsboro (405) 273-4680
Eufaula (918) 689-3232
Toll-free (877) 382-3680

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
Cycle 2	6th-11th	15th	is applied 20
Cycle 3	16th-21st	25th	days after billing

Operating Statistics for May

	2013	2014
Operating Revenues	\$4,720,761	\$5,623,170
Wholesale Cost of Power	\$3,429,401	\$4,158,516
Percentage WPC is of Revenue	72.65	73.95
Revenue per Mile of Line	\$909.06	\$1,079.93
Consumers per Mile of Line	4.60	4.63
KW Peak Demand - This month	123,040	133,102
Billing kW demand	109,236	109,675
KW Peak Demand - YTD	146,172	184,404
KWh Purchased - This month	57,478,670	60,636,870
Taxes Paid	\$92,444	\$106,737
Interest on Long Term Debt	\$188,281	\$189,986
System Load Factor	62.8	61.2

New Services Staked in June

During the month of June 32 new services were staked. The total new services staked in 2014 is 204. This compares to 195 for the same period in 2013.

By George

Canadian Valley Electric Cooperative last changed its electric retail rates in February 2009. At that time, the rates were based on expense levels from 2007 and 2008. Current rates have now been in place for more than five years and are not projected to provide enough revenue to allow the cooperative to meet its financial obligations going forward. The board of trustees has asked for, and received, an independent review of the rates and charges of the cooperative. This independent study was performed by C.H. Guernsey Engineering firm. This Oklahoma firm is nationally recognized for its work in electric utility engineering and rate making.

The board's direction to the consulting firm was to review all of the co-op's rates for adequacy and fairness, to assure all members are being treated equitably. This review, study and recommendation by Guernsey Engineering has been completed and presented to the board. The study recommends changes in the co-op's retail rates. Management has concurred these changes are necessary as recommended.

After accepting the study report and its findings, the board has directed management to begin the process of implementing the rates changes. The board concluded that in order to maintain the financial integrity of the cooperative and to meet the financial performance requirements stated by our lenders in our mortgage agreement, a rate increase needs to be implemented. The proposed new electric rates are expected to be made effective December 1, 2014 and will result in an annual increase in revenues of 2.89% to the cooperative overall.

Your board is dedicated to providing reliable and effi-

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FINANCIAL STATEMENT

BEGINNING BALANCE 5/31/14.....	\$202,885.71
DEPOSITS.....	8,177.77
INTEREST INCOME	43.81
CHECKS ISSUED	-11,370.83
APPROVED, NOT YET PAID	-13,228.20
BALANCE 6/30/14.....	\$186,508.26

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

Consolidation Q & A

Continued from page 1.

membership and if the consolidation occurs, the service of home energy audits to CVEC members will be provided. Shared services are one of the benefits of the potential consolidation. The two cooperatives will be able to provide more value-added services at a lower cost than they can currently do alone.

How will you consolidate the Foundation boards of directors?

Both cooperatives offer the Operation Round Up® program to their members and distribute those funds back to the community in the form of grants. Operation Round Up® gives members the option to round up their electric bill to the nearest dollar. The foundation boards will be consolidated in parallel with the boards of trustees. In the beginning, the boards of trustees will combine with the idea through attrition and over time, the board will become smaller.

Where will annual meeting be?

Final decisions have not been made about the location of annual meeting. There have been discussions about having a live location in the northern part of the service area and video streaming the meeting at a location in the southern part of the service area, and switching each year. Several cooperatives rotate the location of their annual meeting throughout their service area to provide convenience to the entire membership. With the use of telecommunications, it is our desire to ensure all members have the opportunity to attend in the most convenient way possible.

Will the two cooperatives have a new name?

Yes. If the consolidation occurs, the independent cooperatives will fold into a new cooperative with a new name. The name of the cooperative will be communicated to both memberships prior to the vote.



Come and Join the Celebration!

CVEC's 75th Annual Meeting

Saturday, September 13, 2014

Shawnee Heart of Oklahoma Exposition Center
U.S. Hwy. 177 & Independence St.

Receive a FREE CVEC cap and registration gift when you register your attendance!

Enjoy a health fair and live music!

Be eligible to win one of the numerous door prizes!

Registration - 10 a.m.

Lunch - 11 a.m.

Business Meeting - 1 p.m.

By George

Continued from page 2.

cient electric service to you at the most economic price consistent with sound business practices. The board has the fiduciary duty and the legal obligation to operate Canadian Valley Electric in a manner that maintains the physical and financial integrity and ability of the cooperative to provide electric power and energy to the member/owners.

We believe we have waited as long as we prudently can to take this action to ensure the co-op meets its obligations and commitments as an electric cooperative and a dependable electric utility.

Each of you has or will receive a letter in the mail with more information on this rate change. By the time the new rates are in place, likely December of this year, it will be almost six years since the last time CVEC increased its rate tariffs for its consumers. We believe we 913350801 have waited as long as we prudently can while maintaining the ability of the co-op to meet its obligations to its member/owners. We believe this action is necessary at this time.

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 Chrysler convertible, \$8,000, 997-3251.

1984 Chevy pickup, 1989 Comfort King Chase tractor, \$3,000 for both, OBO, 454-2228.

1975 El Camino SS, all original motor & body, yellow & black, runs good, 918-724-2970.

2001 Ford Winstar minivan, good tires, good condition, 386-7364.

Farm

214 John Deere square baler, \$400, 684-0626.

2011 Vermeer 10-wheel V-rake, excellent condition, \$4,250, 833-0773.

Two horse drawn plows, new handles, \$150 ea.; Sears transit level, \$100; antique sausage stuffer, \$40, 454-2046.

John Deere moco disc mower conditioner, 13' 6" cut, field ready, \$10,000 OBO, 830-0524.

Wood chipper/shredder, \$350, 303-0032.

Miscellaneous

Kelvinator side-by-side refrigerator, \$200 OBO, 279-3638.

Antique Dr. Pepper machine, original, needs work, good condition, \$400; 2 camper AC units, \$300/both, 395-8481.

Bruno Joey electric rear car chairlift, load your mobility equipment into the interior of your vehicle at the push of a button, with Pronto electric chair, \$1,800 firm, no checks, 584-0934.

Old armoire, 1 large door, 1 small door, 3 drawers, \$100, 598-0216.

Three lg. velvet wall hanging tapestries - 2 horses, 1 polar bear, excellent condition, \$75 ea., 454-1507.

Extreme performance wind turbine generator, HDPE blades, radial hubs & sealed bearing swivel assys., designed, tested for our extreme Oklahoma wind conditions, 788-7758.

Twin grave plots, Shawnee Resthaven Cemetery, Masonic Garden, 598-1202.

1/2-ton Dodge factory chrome 20-inch rims, \$300; Jeep Wrangler aluminum rims, \$200; ferret cage, \$60, 303-0032.

Brand new Spectra 4 20" sand filter for swimming pool, \$200, 881-0951.

Portable dishwasher, \$25; dining room table, \$40; 8-pc. set of dishes, \$10, 567-3393.

Kenmore washer and dryer, 220-volt AC, \$125, 110-volt AC, \$50, ice box, \$100, gas cook stove, \$100, 275-3419.

Kids' swings set, kids' picnic table, above-ground pool ladder, \$70, 878-6697.

Street legal 2010 Tomberline Emerge E2 500 LE golf cart,

2,500 miles, runs good & up to 25 mph, new cables & complete cleaning of batteries & battery compartment, track cover zips snugly & is easy to install & remove, has trunk for road use or trunk lid removable for golf, good condition, \$3,250 OBO, 878-6630.

Crafts, glassware, fishing supplies, much more, 637-6049.

Child's old metal pedal car, fire engine design, needs some restoration, paint, \$130, 382-2520.

Four Bridgestone Potenza tires & spare, 205/55R16 (-50 miles), \$350, 918-606-3570.

New Dyson DC50 vacuum, still in box, \$200, 273-5980.

Queen-size mattress w/box springs, \$90; 34 angels, \$130 for all or \$5 & up for ea., 398-4912.

Kenmore washer, \$25; futon frame, \$10; free highchair, 432-6383.

T-ball tee, bat & helmet, \$35, 273-0817.

Bicycle with engine & impressive dual headlights, \$600, 580-925-2443.

Avon bottles, 598-6711.

Old fishing reels, dead bolts, entry locks in packages, \$10, 598-5286.

Pets/Livestock

FREE - barn cats, Shawnee, 820-2419.

AKC Siberian Huskies - adults & puppies, \$400-\$800, 796-0899.

Buckeye chickens, May 2014 hatch date, \$8 ea., 398-4975.

Bantam chickens, 598-6711

Beautiful 12-year-old Palomino, kid broke, nice saddle, 2 blankets, tack, lots of extras, \$900, 694-1081.

Full-blood Angus bulls, 16-18 mo. old, farm-raised, Shawnee, 275-0689, 919-3630.

Real Estate

12'x38' 1 BDR cabin, to be moved, wired & plumbed, \$20,000 OBO or partial trade, 406-3823.

2.5 acres on Whispering Oak Dr., north of Jacktown, off Hwy. 177, \$20,000 OBO, 279-3638.

4.1 acre w/2 mobile homes - 10'x40' & 14'x80' - 4 outbuildings, storm cellar, \$45,000, 550-9851.

RV/Marine

1988 bumper-pull 32' travel trailer, \$2,000 OBO, 598-1202.

2011 Yamaha Rhino 700, 4x4, lots of extras, excellent condition, \$8,000, 964-3553.

2002 25' 5th wheel w/slide, microwave & ceiling fan, \$7,000, 598-5286.

Completely new custom-built Harley/VW trike, 0 mileage, \$15,000 or trade for equal value, 200-5974.

2007 Yamaha Vino 125 scooter, 570 miles, 85 mpg., \$1,300 firm, 918-373-4549.

Services

Will tear down barns & houses free for the lumber & metal, will haul off old metal, washers & dryers, dump sites, 382-2243.

Wanted

House painters, must do good work at a reasonable price, McLoud, 964-2959.

Cook Less, Quicker When Weather is Hot

Cooking during the summer can heat up your house, compete with the air conditioning and make everyone uncomfortable.

Cooking less, can save energy and keep you cooler.

Some tips for the quick cook:

- Prepare your main course outdoors on the barbecue grill. Even if it's hot outdoors, you won't add heat to the inside of your home.

- When a cooler day or evening rolls in, prepare two or three meals at once and freeze them, so all you'll have to do is thaw and heat them in the microwave next time it's too hot to cook.

- Enjoy cold meals and snacks that need no cooking, like vegetable salads; fruit, cheese and bread; hummus or guacamole and chips or celery; sandwiches; cold soups; and smoothies.

- If you must cook, use the microwave oven or a covered pan on the stovetop. Either one pushes less heat into the kitchen than a hot oven.

- Choose foods that cook quickly, like fish and vegetables. Chopping veggies into small, evenly sized pieces speeds cooking time.

- Don't use the microwave or oven to defrost frozen food. Instead, place the frozen item in the refrigerator and let it thaw out overnight before cooking it the next day.

- Preparing food in an electric skillet, wok or crock pot adds less heat than cooking on the stove.