

# Consolidation Discussions Continue

Discussions about a potential consolidation between Canadian Valley Electric Cooperative and Central Rural Electric Cooperative continue, as the boards of trustees wait for the results of the comprehensive study being conducted by the Cooperative Finance Corporation.

We encourage you to continue to visit the website [www.buildingourenergyfuturetogether.com](http://www.buildingourenergyfuturetogether.com) to learn more about the two cooperatives. Here are some quick facts about both cooperatives to get you started.

## Canadian Valley Electric Co-op

Headquarters: Seminole, OK  
Website: [www.canadianvalley.org](http://www.canadianvalley.org)  
Miles of line: 4,873  
Meters: 23,430  
Employees: 59  
CEO: George Hand  
Board Chairman: Yates Adcock  
Service area: Creek, Hughes, Lincoln, McIntosh, Okfuskee, Oklahoma, Pottawatomie and Seminole counties

## Central Rural Electric Co-op

Headquarters: Stillwater, OK  
Website: [www.crec.coop](http://www.crec.coop)  
Miles of line: 4,169  
Meters: 22,819  
Employees: 79  
CEO: David Swank  
Board Chairman: Gary McCune  
Service area: Garfield, Lincoln, Logan, Noble, Oklahoma, Pawnee and Payne counties

## By George

Those of you who regularly pay attention to this column know Canadian Valley Electric Cooperative and Central Rural Electric Cooperative, our neighboring electric cooperative to the North, are considering a possible consolidation of our operations to better serve our collective memberships. We are in the process of studying various aspects of our operations to determine the effects of combining our efforts to “build a better servant” electric cooperative for the people of the part of Oklahoma we serve. We are inviting and asking other organizations and entities, with which we regularly interact, to review the possible consolidation and give us their advice and feedback. These include our primary lenders: the Rural Utilities Service (RUS), CoBank, and the National Rural Utilities Cooperative Finance Corporation (CFC). We have and will continue to hold discussions with our wholesale power suppliers as well as our statewide organization, the Oklahoma Association of Electric Cooperatives. We plan to have professionals in this area of cooperative consolidations who work with cooperatives nationwide through the National Association of Electric Cooperatives (NRECA) review the proposed consolidation plan and give us their input. One of our similarities is that both co-ops have for years used the services of the same engineering firm - CH Guernsey Engineers - for electric system design and other purposes. While headquartered in Oklahoma, this firm is a well respected, nationally recognized engineering firm. We will be asking this firm to study and review the synergies of combining the operations of the two cooperatives focusing on the benefits to the combined membership both economi-

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## Annual Essay Contest Winners Recognized

Winners of the 13th Annual American Legion-Canadian Valley Electric Cooperative essay contest are Kariah Hester and Drake Irby.

Hester is a student of Debra Reid at Luther High School. She is the daughter of Lakesha Hester and Anthony Thompson.

Irby is a student of Pamela Anderson at Chandler Jr. High School, and the son of Joseph and Tracy Irby.

The winners were recognized at the recent American Legion-Canadian Valley Electric Co-op annual Flag Retirement Ceremony, and were each awarded \$250.





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, Dustin .....        | District 8 |
| Vice President - Joe Semtner, Konawa .....    | District 6 |
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| J.P. Duvall, Seminole .....                   | District 7 |
| George E. Hand .....                          | Manager    |
| J. Roger Henson .....                         | Attorney   |

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

**Operating Statistics for September**

|                              | 2012        | 2013        |
|------------------------------|-------------|-------------|
| Operating Revenues           | \$4,530,808 | \$5,055,392 |
| Wholesale Cost of Power      | \$3,365,594 | \$3,728,668 |
| Percentage WPC is of Revenue | 74.28       | 73.76       |
| Revenue per Mile of Line     | \$874       | \$972.38    |
| Consumers per Mile of Line   | 4.60        | 4.61        |
| KW Peak Demand - This month  | 152,950     | 144,320     |
| Billing kW demand            | 115,112     | 109,236     |
| KW Peak Demand - YTD         | 160,468     | 151,092     |
| KWh Purchased - This month   | 60,625,160  | 63,812,990  |
| Taxes Paid                   | \$104,769   | \$112,621   |
| Interest on Long Term Debt   | \$177,448   | \$177,837   |
| System Load Factor           | 55.1        | 61.4        |

**New Services Staked in October**

During the month of October 46 new services were staked. The total new services staked in 2013 is 351. This compares to 341 for the same period in 2012.

**By George** *Continued from page 1.*


cally and operationally. Equally important we are asking them to look for any problems, obstacles or roadblocks in attempting to consolidate two already successful cooperatives.

Additionally we are working with the staff of the Oklahoma Corporation Commission to assure positive outcomes as we keep our members first in these studies and considerations. At this point, we have received encouragement from the staff of the Corporation Commission for considering this consolidation and their offer to be involved in this process. We will keep the Commission informed as we move forward and ask for their input.

Both electric cooperatives are taking a very methodical, deliberate approach to this possibility of consolidation. We don't want to become overly enamored with the obvious positives of combining our efforts to provide better, more efficient and reliable electric service than we can separately. There are many details of our operations that have developed over 70 years of side by side, yet separate operations that must be brought together. This has not been done in Oklahoma before. If there are 1303131800 roadblocks that might prevent the positive outcome we are working toward, we want to find them now.

Both CREC and CVEC are financially sound and operationally successful electric cooperatives. Separately we have expenses that are duplicated. Together these dollars would only be spent once. Through their monthly electric bills, our member/customers provide the dollars to cover

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## FINANCIAL STATEMENT

|                                |              |
|--------------------------------|--------------|
| BEGINNING BALANCE 9/30/13..... | \$213,918.63 |
| DEPOSITS.....                  | 8,070.12     |
| INTEREST INCOME .....          | 11.34        |
| CHECKS ISSUED .....            | 16,703.60    |
| APPROVED, NOT YET PAID .....   | 30,318.29    |
| BALANCE 10/31 / 13.....        | \$174,978.20 |

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



## 2012 Capital Credit Allocation Formula

CVEC capital credit assignments are based on the co-op's revenues in excess of its expenses. These numbers are recorded as capital furnished by the members and are referred to as capital credits. In 2012, this amounted to \$1,838,860.99. This amount is not represented as cash, but as the co-op's equity interest in its distribution system.

Canadian Valley also receives capital credits from its generation and transmission cooperative, Western Farmers Electric Cooperative, from whom we purchase electricity. For 2012, WFEC paid CVEC capital credits in the amount of \$1,351,247.78.

This is your notice regarding the assignment of your 2012 capital credits. This method avoids the expense of printing and mailing individual notices. You can request specific information about your account by contacting the co-op.

The 2012 capital credits are assigned to consumers as a book figure on the co-op's records. They are payable to the membership only upon dissolution of the co-op after all indebtedness is paid. Any remaining balance will be retired on a prorated basis at the time, provided the board of trustees makes a partial retirement prior to such event after determining the financial condition of the co-op won't be impaired. Capital credits are not cash and cannot be applied as payments on electric bills.

Here is how to determine your capital credit:

1. Add up the amount of your 2012 electric bills, for each CVEC account you have.
2. Locate your rate code on a recent electric bill, and match it to one of the classifications below.
4. Take the classification's decimal factor times the total of your 2012 bills.
5. This amount is your 2012 capital credits.

Example: 2012 total billing - \$1,000. Rate code - 2

$\$1,000 \times .042414502 = \$42.41$  2012 CVEC capital credit

$\$1,000 \times .021237497 = \$21.24$  2012 WFEC capital credit

| <u>Classification</u>         | <u>Rate Code</u> | <u>CVEC Factor</u> | <u>WFEC Factor</u> |
|-------------------------------|------------------|--------------------|--------------------|
| Residential                   | 1-4              | 0.042414502        | 0.021237497        |
| Small Commercial & Irrigation | 10-18            | 0.052216333        | 0.019086734        |
| Large Power                   | 24, 26           | 0.023313627        | 0.025824794        |
| Large Power - 2               | 30-39            | 0.008766524        | 0.029318449        |

### 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!

## By George

*Continued from page 2.*

these expenses. There is reason to believe that together we could do better at managing our member's dollars.

Even though CREC and CVEC are both in the top ten of the 26 electric cooperatives in Oklahoma, combined we still would not be the largest co-op in Oklahoma. Nationwide, there are electric co-ops that serve several times the number of members that the consolidated cooperative would serve. The point is that we are trying to "build a better servant cooperative" by combining our efforts and resources for the benefit of our member-owners. As you can see we are not creating a "monster" electric cooperative.

Finally, any consolidation of CREC and CVEC will not happen without the approval of the co-ops' member-owners. If the boards of both CREC and CVEC decide after the studies and reviews are completed that combining the operation of the two cooperatives is in the best interest of the memberships, then member meetings will be held by both co-ops to vote on whether or not the members approve proceeding. At both meetings, quorums must be present, and a vote held with 2/3 of those voting approving a consolidation. We are being careful and deliberate with this process. However, we do not intend to unnecessarily drag out the decision. If the studies and

considerations indicate a benefit in proceeding for the members, the best estimate would be that these meetings of the members to consider the issue of a possible consolidation of CREC and CVEC would be held during the year 2014.

A saying I have often heard is, "If you always do what you have always done, you will always get what you always got." In many ways that proves true. I don't believe that applies here. Whether or not a consolidation occurs, electric utilities or all ilks are being required to rapidly change to meet the ever changing and increasing requirements being placed on electric utilities by federal regulations and the expectations of their customers. Continuing to "do what you have always done" will put us out of business quickly in today's environment. These required changes cost money. I fear electricity will become a luxury as prices go up to meet the changing requirements. Let's be as efficient as we possibly can.

We will provide more information for you to consider as the studies are finished and well before we ask you to meet and vote and decide the future of your electric cooperative. Just like some very progressive people in our area got together and formed these electric cooperatives more than 75 years ago, we truly are "Building our Energy Future Together."





## 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.

### Farm

5' brush hog, good cond., \$300, 615-1045.

'72 Chevy 2-ton 18 1/2', all steel flatbed, \$2,500; '53 Ford 1-ton flatbed, \$2,500; cattle & utility trailer, \$195-\$1,795; 60-gal. air compressor, \$475; generator, \$385, 606-9113.

3-piece Brownie microcomputer set \$40; 5-ton Simplex jack, \$50; belsaw, \$150; PowerKraft 225 amp welder, \$150, 454-2046.

2 chainsaws, 878-6697.

Tarp top stock trailer, \$4,500; John Deere cab tractor w/lift, \$17,000, 944-5840.

Rototiller power edger, 7-blade reel lawn mower, \$80 ea.; Brady garden tractor 2 motors & 2 implements, \$150, 328-4151.

59" belly mower w/PTO shaft, new bearings, very good cond., \$475, 208-2938.

4,200-Watt Craftsman generator, \$400, 249-0909.

500-gal. propane tank, \$425, 383-2404.

John Deere 450 grain drill, good cond., cutting torch w/ bottles & cart, John Deere rake, 567-3393.

### Miscellaneous

Cuisnart Elite die cast food processor w/all accessories, 382-6652.

Queen bedroom set, 2

yr. old, turn of the century saddle, high back, Mercedes, 598-1202.

No book, no classes. Learn Spanish, quick & simple, New! 24 audio CDs. Best program developed, \$150, originally \$369, 598-2679.

30+ used lights & poles for rodeo arenas, parking lots, etc., \$400 for a pole & light, 25% off new price, 964-3553.

Health & fitness body inverter, excellent cond., \$100, 386-5201.

55 4'x6' rmd bales of hay, net-wrapped, \$40/bale, 382-5045.

4'-5' rmd. bales of hay, \$30-\$40, 100 sq. bales prairie hay, \$5/bale, 820-3862.

Round bales of hay, 382-3504.

6-7 used 6'x8'x4' chain-link dog kennels, \$80 ea., 217-7857.

750 lbs. rmd. bales of hay, 2013 cutting, \$25 ea., no delivery, 567-4424.

Maple dining table w/6 chairs & 3 leaves, will seat up to 10 people, very good cond., \$200 OBO; 567-7279.

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

Upright freezer, \$100, 964-3149.

4'x5' rmd. bales of grass hay, \$40 OBO, 942-4538, 333-2501.

Round maple table w/leaves & 4 chairs, excellent cond., 567-4495.

Twin mattress & box springs, \$35, 543-9652.

60" projection TV, \$400; night vision monocular, \$75, 413-3892.

Large assortment of ceramic molds, most are used, some are new, prices are negotiable, 964-4464.

Used wooden attic stairs, 22.5"x54", open length - 11.5", \$50 OBO, 615-2616.

5'x5' rmd. bales of Bermuda mix hay, in field, sprayed, \$40, Dustin, 918-656-3275, 652-1877.

Buy, sell & repair clocks, 513-2986.

7 cu. ft. freezer, \$150, 52" flat screen TV, \$100, 328-4151.

Antique organ, love seat, pool table, juke box, 273-1331.

Small square bales of prairie hay, 249-1532.

Large fiberglass dog house - 36"L, 29"W, 29"H, \$50, 454-3157.

Alfalfa hay, 567-3393.

4'x5' rmd. bales of grass hay, \$35 & \$40, 205-8706.

Square bales of prairie hay, \$6/bale, firewood, \$40/rick, 598-5860.

4'x6' lg. rmd. bales mixed grass hay, \$40/bale, Blue stem hay, \$45/bale, 567-4467, 990-5838.

Kenmore washer & dryer, \$200; refrigerator, \$100; LP gas cook, \$100; electric stove, \$100, 275-3419.

Star Wars Darth Vader head, no figurines, \$200, 273-1845.

### Pets/Livestock

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

Guineas - 4 females & 1 male, young, just started laying, 275-4528, 365-3524.

Registered AI Angus bulls, also Lim-Flex virgin bulls, big, stout, black & polled, 997-3311, 640-1170.

Christmas presents - mini horses & saddle, \$400 & up, stallions & mares, yearlings, weanlings, 382-3504.

Sugar Bar stallion AQHA-reg., 21-mos. old, Black Angus bull, \$1,500; AQHA easily smash mare, \$500, 580-925-2436.

High tech/low tech Bob White quail, flight conditioned, NPIP certified, state licensed breeder, 527-0730.

### Real Estate

25 acres 2 miles west of Tecumseh, good for development or pasture, 308-3899.

3 BDR, 2 BA brick home on 5 ac., recently remodeled, well water, septic, Carson-Dustin area, \$65,000, 918-652-5621.

Lease - 159 acres (m/l), farm off Hwy. 3, 1.5 miles south on Hwy. 9A, 878-0707.

### RV/Marine

1994 Jayco motor home, 67K miles, excellent cond., needs generator work, \$10,500 OBO, 889-2426.

28'x8' Gulf Coast travel trailer w/slide out, has all appliances, \$6,500, 964-4161.

Hitchiker travel trailer & pontoon boat, 273-1331.

### Services

FREE - will haul metal of any kind, obsolete, or burned farm equipment, trailer-house frames, and vehicles of any kind, 567-5163.

FREE - haul away unwanted major appliances, scrap metal, car batteries, within 15-mile radius of Shawnee, 609-4365.

### Wanted

Looking for someone who wants a part-time job. Sell my items on the Internet. 312-8881.

Big screen TV for free, 964-7855.

Need 2 Red Limousine bulls, 631-1505.

BUILDING OUR  
*energy*  
FUTURE  
TOGETHER

Canadian Valley offices will close  
at Noon on Tuesday, Dec. 24  
and be closed all day  
Wednesday, Dec. 25 and Jan. 1.

Have a Safe and Happy  
Holiday Season

