

KILOWATT

An Oklahoma Living Supplement

Published monthly for the Members of Kiwash Electric Cooperative, Inc. Cordell, Oklahoma • www.kiwash.coop

January, 2007



Your Touchstone Energy® Partner

Got a suggestion for a story in a future issue of Kilowatt?

Call Lisa at 1-888-832-3362

Kiwash Electric Cooperative, Inc. will be closed Monday, January 15 for an all employee training day.

KILOWATT

Published Monthly for the members of
Kiwash Electric Cooperative, Inc.

P.O. Box 100

Cordell, Oklahoma

www.kiwash.coop

Dennis Krueger, Manager

Mark Wesner, Attorney

Editor: Lisa Willard

BOARD OF TRUSTEES

Ralph CunninghamPresident

Stan FunkhouserVice President

Jack SawatzkySecretary/Treasurer

Rex EaganAsst. Secretary/Treasurer

Directors

Jonathan Bartel

Louis Fariss

Leslie Hinds

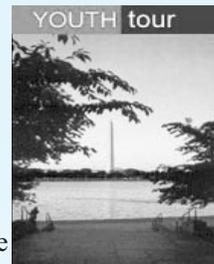
Robert Travis

Virginia Walker

High School Juniors!
This Is Your Chance To.....

WIN A TRIP TO WASHINGTON!!!!!!!!!!!!

Youth Tour 2007



If you are a high school junior, you could be a winner of the Rural Electric Cooperative Youth Tour to Washington, D.C. for a week during June. It's free, it's exciting and it's fun! You'll join some 1300 high school juniors from across the United States to learn more about government, rural electrification, leadership and electric cooperatives.

The trip begins with a "Get Acquainted Banquet" in Oklahoma City, where everyone meets, makes new acquaintances and has an evening of fun. After arriving in Washington, D.C., the tour of our nation's capitol includes days filled with sight-seeing, a riverboat trip on the Potomac and breakfast with Oklahoma's Congressional delegation. Students also attend a series of educational seminars to learn more about government, the cooperative form of business, and the business of rural electrification.

Kiwash Electric's Director of Marketing, Lisa Willard will visit each of the schools in KEC's service area during the month of January. Lisa will distribute application forms and information packets to each student who would like to participate in the contest. From this information, a test, consisting of true/false, multiple choice, fill in the blank, and short essay questions will be given. Test dates will be announced at the time the applications and information packets are distributed. From these tests, the four finalists are selected and will be the guests of honor at a banquet where a panel of judges will conduct an oral test to determine the placement of winners. The top two students will be awarded the all expense paid trip to Washington D.C.

The Youth Tour has three main objectives:

1. To educate youths on all aspects of rural electrification in order to promote a better understanding of the value of rural electric cooperatives.
2. To provide an opportunity for youth to visit monuments, government buildings and cooperative-related organizations in order to become familiar with the historical and political environment of their nation's capital.
3. To provide an opportunity for youth to meet elected officials in order to better understand how their federal government works.

The Oklahoma Association of Electric Cooperatives has been an active sponsor of the Youth Tour since 1963. More than 2,000 students have been sponsored on trips to the nation's capital in the last thirty-seven years. Kiwash Electric Cooperative has been offering the Youth Tour Program for the past 23 years.



Manager's Monologue
Dennis Krueger

Rate Increase Ahead



The first winter blast of the season came galloping through western Oklahoma with arctic cold weather on the last day of November. Winds of 30 miles per hour with overnight gusts reaching 55 miles per hour dropped the temperatures in excess of 45 degrees in the first 24 hours. The ice stayed to our east, temperatures fell dramatically and the snow fall totaled around 3 inches.

Kiwash Electric Cooperative dodged the ice bullet and did not have any outages during the first storm of the season. Having no outages during this first major winter storm can be attributed to two things: 1. Luck of missing the ice, and 2. System improvement over the last 4 years, including wire and pole replacements.

Since the 2002 ice storms of January and December, Kiwash has replaced 467 miles of wire (conductor) and plan to complete another 75 miles in 2007. The 467 miles of wire replacement represents about seventeen percent (17%) of the Kiwash total system. Your Cooperative has also replaced over 6,000 power poles during this same time period. The power pole replacement program represents about thirteen percent (13%) of the Kiwash total system.

Following this devastating series of ice storms in 2002, we estimate that another 375 to 424 miles of wires (conductor) should be scheduled for replacement between the years of 2008 and 2013 with another 2,000 power poles included in those future projects. The cost of up-grading these existing distribution lines do not come cheap. We have averaged about \$12,000 per mile on this program and have borrowed funds on a thirty-five year loan to cover the cost of our system improvements.

Let's review a few of the articles that appeared in the Kilowatt last year:

- In October, we informed you that only twenty cents on the dollar is a controllable expense by Kiwash and the other eighty cents on the dollar went to purchasing power, depreciation of the distribution plant, loan interest and taxes.
- In September, we discussed the higher cost of operating this cooperative due to price increases in power poles, fuel, and transformers along with other items.
- In March, we indicated delinquent bill payers (our own member-owners) are increasing our short-term debt causing additional interest costs that needs to be factored into our business model. In an average month, there are 361 delinquent account holders resulting in the necessity to borrow about \$60,000 on short-term monthly loans. A delinquent account holder is defined as not paying their regular monthly bill on or before the 15th day of the month.
- The Kilowatt basically explained that the cost of operating and up-grading the Kiwash's distribution system is increasing.

All of these factors including, but not limited to, system improvements, material costs, interest rates on loans, and delinquent accounts have driven up the cost of your monthly power bill.

On March 1st, the Kiwash Electric Cooperative Board of Directors will raise the electric rates. The Board hired an outside consultant to analyze the rate structure and make recommendations as to the best method of keeping this Cooperative economically viable. The results of this analysis, along with management's input, were carefully reviewed and studied by the Board of Directors before making the final decision.

The results were an overall 4.83% electric rate increase with the bulk of this increase being in the larger commercial/industrial rates of the cooperative. All customer charges for residential meters have been raised to \$15.00 with members receiving no energy usage for the minimum. Non-Residential customer charges have also been raised to \$20.00 with members receiving no energy usage for the minimum. The wholesale power charge has been raised to a level closer to WFEC's rate that is passed to us, which should lower the members Power Cost Adjustment (PCA).

The majority of our readership will be interested in the following rates:

- Residential – Farm & Home rate will see a 1.40% increase. An average November electric bill would have seen a \$1.47 increase.
- All Electric Residential rates will see a 0.38% increase. An average November electric bill would have seen a \$0.64 increase.
- Non-Residential Service rates will increase 7.38%. A typical bill on this rate supplies small amounts of energy to rural barns, fence charges and cattle water wells and will raise their monthly bill by \$2.00.
- Small commercial rates will see an increase of 1.00%. An average November electric bill would have seen a \$1.31 increase.
- Irrigation rates should not be affected by this realignment of the minimum charges and PCA.

Next month we will publish information that we hope will answer some more questions regarding rate calculations.

The quality and reliability of electric service has increased over the last four years because of a commitment by the Board of Directors to make the necessary system improvements. Kiwash Electric Cooperative serves over 5800 meters in a 6 county region with more than 5800 miles of electric lines in service. The Board, along with the Management of Kiwash, is dedicated to bringing you "The Service That Lights Up Your Life" and to do so the rates are being modified to meet your service expectations

Going South for the Winter?



With Kiwash Electric Cooperative's Snowbird program, great low rates are available wherever your residence may be. Enjoy knowing you can call anywhere in the continental U.S.* anytime and remain under Kiwash Electric Cooperative's customer care.

Call us today and have a safe and enjoyable winter season!

1-877-859-3033



*Taxes and other regulatory charges not included. Domestic rates apply within the contiguous 48 states. Certain restrictions may apply. Please call for details. Services provided by TransWorld Network.

Rustic Nut Bars

Ingredients

1 tablespoon plus 3/4 cup cold butter, divided
2-1/3 cups all-purpose flour
1/2 cup sugar
1/2 teaspoon baking powder
1/2 teaspoon salt
1 egg, lightly beaten

TOPPING:

2/3 cup honey
1/2 cup packed brown sugar
1/4 teaspoon salt
6 tablespoons butter, cubed
2 tablespoons heavy whipping cream
1 cup chopped hazelnuts, toasted
1 cup roasted salted almonds
1 cup salted cashews, toasted
1 cup pistachios, toasted



In a greased 11-in. x 7-in. x 2-in. baking dish, combine the bread cubes and cheese. In a large bowl, whisk the eggs, milk, mustard, salt and pepper; pour over bread and cheese. Top with bacon. Cover and refrigerate overnight.

Remove from the refrigerator 30 minutes before baking. Bake, uncovered, at 350° for 50-55 minutes or until a knife inserted near the center comes out clean. **Yield:** 6-8 servings.

Attention 2007 Graduates... Win a \$500 Scholarship

Four \$500 scholarships will be offered through Kiwash Electric Cooperative's Youth Program to be used toward college tuition. This scholarship program is offered to all Kiwash Electric Cooperative members' children who will be a high school graduate from a school within KEC's service area.

The applicant must attend a two or four year university or a two year technical school to be eligible for this scholarship. Any student receiving scholarship funds must maintain proper minimum hour requirements according to the specific university or technical school he/she is attending in order to maintain a full time student status. The student must maintain a grade point average of 2.5 (on a scale of 4.0) each semester to remain eligible for additional scholarship funds. Any tuition refund must be returned to the cooperative.

HERE'S HOW TO ENTER:

Type a 500 word, double-spaced essay on the chosen subject – "How has rural electrification changed country living in your area?"

1. Prepare a cover sheet including your name, home, address, telephone number, name of school, email address (if available) and a recent photograph of yourself.

2. Have the essay completed and delivered or mailed to Kiwash Electric Cooperative, Attn: Lisa Willard, P.O. Box 100, Cordell, OK 73632, by March 15, 2006. Essays can also be emailed to lwillard@kiwash.coop. A scanned picture will also need to accompany the essay.

Essays will be judged on the student's understanding and knowledge of the subject, originality, creativity, composition, neatness and grammar. Relatives of KEC's trustees or employees are not eligible to participate. Relative is defined as child or grandchild by blood or in-law. For more information, contact your school counselor or Lisa Willard at Kiwash Electric at 1-888-832-3362.

BULLETIN BOARD

What's Happening In Your Community

January 22 – 25 – West Central Basketball Tournament in Clinton

January 23 – Panorama Events – Harlem Gospel Choir, 7:30 – 10:00 p.m.

February 3 – Corn Bible Academy Annual German Feast. 11:30 a.m. – 1:30 p.m. Auction will follow as well as evening meal.

KILOWATT

To report the events in your community, or for more information, call Kiwash Electric Cooperative.
1-888-832-3362