

# The CIRCUIT



\*\*\* Proudly Serving Rural Kansas for Over 75 Years

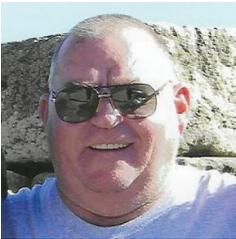
September 2017

## Mike McAllister Retires from Ark Valley

Best wishes to Mike McAllister, who is retiring in October after 47 years of service for the co-op. He has been a part of Ark Valley's growth and development since 1970.

He will be honored with an employee luncheon. We encourage members to show Mike their appreciation by sending a congratulatory note or card.

We all wish Mike the very best in his retirement!



### 47 Years

- Over 17,000 days
- Hundreds of problems solved
- Countless Projects
- Faced the Weather Elements to Restore Outages
- Everlasting Memories

### 1 Happy Retiree

**The Best is Yet to Come**

## Drawing Winner

**JP FAMILY FARMS INC** is the winner of our \$25.00 readership drawing.

JP FAMILY FARMS INC, to claim your prize, please contact Ark Valley by September 29, 2017 & give us the account number from your electric bill.

## You are the Difference

Ark Valley Electric Cooperative is a member-owned, member-governed cooperative. When the co-op was founded back in 1939, members of the community knew that we are a locally-owned business – likely because they or someone they knew played a part in helping found the cooperative. Over time as the novelty of receiving electricity waned, the founders passed on and new people moved into the community, viewing the electric co-op like any other energy provider.

But we are different and the key to that difference is you, the member-owner of our cooperative. Without your support and commitment, we would not exist. Research proves that when people own something they treat it differently, which is why we encourage Ark Valley members to act as an owner rather than a customer. As an owner, you play a critical role in our success. Each year, if our revenue exceeds our expenses (which is always our goal), a certain percentage is allocated back to you – because you are a member of the co-op.

With that ownership comes certain rights like the opportunity to seek election to serve on the board of directors. If that seems like too big a commitment, we still want and need you to participate in the annual elections.

As a local business, we have a real stake in the community, just as you do. That is why we seek opportunities to engage with local organizations like the Kansas State Fair, Community Agriculture Site, Abbyville Senior Center, and area schools.

While electric power is the commodity that your co-op sells, the real power is that together, we empower this local community. When people feel empowered they accomplish great things.

True, the world is different today than it was in 1939 when Ark Valley was founded, but our mission of serving you and our community is constant. Working together with your active participation, we can continue to accomplish great things.

## Understanding Energy Demand and Purchasing

You may not think you need to have an understanding of energy demand and purchasing, but do you ever look at your energy bill and wonder what it all means? If your answer to that question is “yes,” then you might be interested to learn how demand impacts your utility bill.

To start, it is important to understand how electricity is made and how it is delivered to your home.

Before Ark Valley Electric can send electricity to your home, that electricity needs to be generated by our generation and transmission cooperative (G&T), Kansas Electric Power Cooperative (KEPCo). Once the electricity has been generated, it travels over high-voltage transmission lines to substations, where the voltage is reduced to a safer level. The electricity then travels over distribution power lines and finds its way into your home. So while you pay your bill to us—your electric distribution cooperative—we don't actually generate the electricity you use. That is the job of the G&T.

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# Understanding Energy Demand and Purchasing

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We do help to determine how much electricity our members need to power their homes and businesses, and you play a big part in determining how much electricity the G&T needs to create in order to keep the lights on in our community. That is where these terms “consumption” and “demand” come in.

Consumption is measured in kilowatt hours (kWh). Demand is measured in kilowatts (kW). A lightbulb “consumes” a certain number of watts, let’s say 100 watts per hour. If that lightbulb stays on for 10 hours, it “demands” a certain number of kilowatts (in this case, 1 kW) from the generation station producing electricity. Now, if you turn on 10, 100-watt lightbulbs in your home for one hour, you are still consuming the same number of kW. However, you are placing a demand on the utility to have those kW available to you over the course of one hour, instead of ten. This requires the generation and transmission plant to produce more power in less time in order to meet your demand.

Ark Valley Electric purchases kilowatt hours from the G&T based on the average demand of our members. Peak demand refers to the time of day when the demand for electricity is highest. This is typically during the evening when families return home from work or school, cook dinner and use appliances the most. Using electricity during this peak demand period often costs more to both Ark Valley Electric and to our members.

Demand is the reason your electricity bill fluctuates season to season and even year to year. Generating and distributing power can be a tricky and complicated business, but rest assured Ark Valley Electric will always meet the necessary demand to provide safe, reliable and affordable electricity to your family.

## Board Meeting Highlights

The Board of Trustees for the Ark Valley Electric Cooperative Association held its regular meeting for the month of July on July 31, 2017.

The Board reviewed the effectiveness of the irrigation load control devices. At the March 27, 2017 rate hearing, several rate tariffs, including irrigation, were adjusted by increasing the monthly service charge in exchange for lowering the kilowatt hour charge. The new tariff also created a peak demand charge for irrigation service for the months of June and September, in addition to July and August, excluding holidays and weekends. However, the irrigation demand charge is only assessed for days when the Cooperative forecasts its coincident peak demand will be set between the hours of 2:30 pm until 6:00 pm.

When adopted, these changes were calculated to be revenue neutral for irrigators but, by irrigators not pumping during peak, both irrigators and the Cooperative would avoid higher demand charges, which would reduce electric costs.

When the June electric revenue was analyzed, calculations proved the March estimate for the revenue neutral rate tariff changes were nearly perfect. Additionally, Cooperative members experienced a significant reduction of demand charges for the month of June. Approximately \$36,000 in savings was attributable to reducing irrigation peak demand periods, and approximately \$18,000 in savings was attributable to operating the generator during peak demand periods.

Join KEC at the Kansas State Fair on Sept. 11-15, from 9 a.m. to 1 p.m. for a free high-voltage line safety demo sponsored by Kansas electric co-ops and the Touchstone Energy co-ops of Kansas. Look for us in the Ad Astra building, next to the Oz Gallery. We hope to see you there!



**MEET US AT THE KANSAS STATE FAIR**

## OUR MISSION

To provide safe, reliable, high quality *electric energy* to its members at the **lowest cost** while striving to **improve the quality of life** for **all its members** and adhering to **cooperative principles**.

The Ark Valley Electric Cooperative Association, Inc. is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).