

The Twin Valley

Electric Cooperative, Inc.

January 2006

501 Huston St. ❖ P.O. Box 385 ❖ Altamont, Kansas 67330-0385

Phone: (866)-784-5500

Fax: (620) 784-2464

"Owned By Those We Serve"



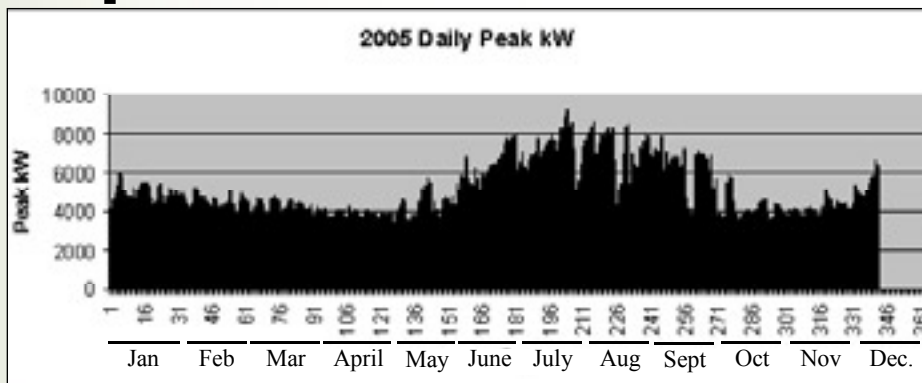
Analyzing Cooperative Power Costs

Twin Valley's wholesale cost of power is determined by two factors: (1) the peak demand created by the cooperative and (2) the amount of energy purchased (measured in kWh's).

The chart shows the peak demand created by the members of Twin Valley for the first 340 days in 2005. It is easy to see that Twin Valley is a summer peaking cooperative, meaning that our summer loads, primarily air-conditioners, are much greater than our winter loads, such as electric heat.

The demand portion of the power bill represents the costs associated with the generation and delivery of the power required by our members. Put simply, it is Twin Valley's share of the cost of the generation plants and transmission facilities needed to produce and deliver the electricity to our substations and metering points. The demand portion is set by the peak amount of power Twin Valley is using at the same time the generation facilities reach their peak.

Last summer, that peak was reached at 6 p.m. on Friday, July 22nd



(day 203). That peak determined the demand portion of Twin Valley's cost of power for the next 12 months.

Twin Valley pays for the actual demand set in June, July, August and September. The other eight months of the year, the demand is set at 70% of that peak day in the summer. Twin Valley was using 8660 kW when the peak was set. Thus, Twin Valley has to pay for 6062 kW each month from October 2005 - May 2006.

The graph clearly shows why it is important for our members to control their usage during those hot summer days when the temperature reaches 95 degrees, or higher. If everyone could curtail their electric

usage during the hours of 5 p.m. - 9 p.m. during those few days where the overall usage reaches it peak, Twin Valley could save significant amounts on the wholesale cost of power.

Twin Valley has higher rates during the summer months to pay the power costs determined by the peak demand and also to encourage our members to control their usage during those peak hours.

Twin Valley offers a lower rate during the winter months to encourage more usage to help balance our usage of power and create more loads to fill the void between the demand we have to pay for and our actual demand.

Bryan Coover Trustee of the Month

Bryan, his wife, Debbie, and their four children live in Galesburg.

He has been the owner of Coover Feed Company since 1986. He is on the Board of Trustees and the Vice President of the Twin Valley Electric Cooperative, Inc. Bryan has recently been re-elected



Treasurer of KEPCo Board of Trustees.

KEPCo is a generation and transmission electric co-op headquartered in Topeka, with 19 member electric distribution co-ops that provide electricity and other services to about 300,000 rural Kansans.

Mark Your Calendars For the 2006 Annual Meeting

The date of the 59th Annual Meeting has been set for March 31, 2006, at 7 p.m. This meeting is for the members of Twin Valley Electric Cooperative, Inc. The meeting will be held at Harrison Auditorium on the campus of Labette County High School in Altamont, Kansas.

The Board of Trustees of Twin Valley Electric Cooperative, Inc. announces the following trustee's terms will expire in

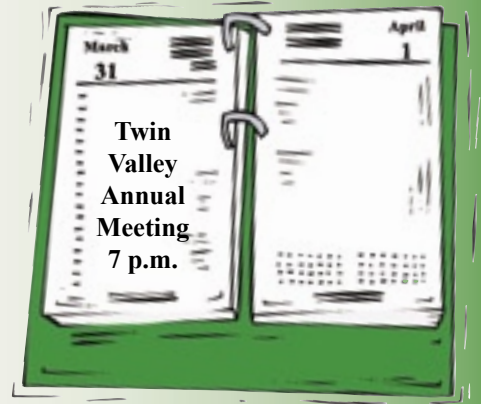
2006 and their positions are open for election.

District 1: Bryan W. Coover

District 2: Larry D. Hubbell

District 3: Robert E. Webster

The Board will be announcing a nominating committee prior to the meeting. Members who wish to serve will be nominated by committee or petition to the cooperative office with the signatures of 15 valid members within the district they are to represent.



Panicked Over Propane Prices?

Stop worrying about your propane or natural gas bills this



winter. Switch to the efficiency and comfort of an electric heat pump.

Electric heat pumps are a time-tested technology for heating and cooling and geothermal heat pumps can be as much as four times as efficient as an older gas furnace. Plus, if installed with an electric water heater, you could receive 70% of your hot water for free!

Call our energy experts today to learn more about the latest technology in electric heat pumps! Plus, substantial cash rebates are available!

**Twin Valley
Electric Cooperative**

(866)-784-5500

Planning Ahead for Winter Outages

Winter is a season that you want to make sure that you are prepared for outages.

For people who rely on life support equipment at home, a blackout could be a matter of life and death. If someone in your home depends on an electrically operated health aid, take these steps to prepare for power outages.

- Plug in electronic devices into surge suppressors and consider using uninterrupted power supplies on important devices. A USP acts as a battery backup and can provide electricity to some devices for several hours.

- Consider investing in a portable generator that can power vital equipment in the event of an extended blackout. Consult with a qualified electrician before installing the device, as improperly

rigged generators can back feed electricity into electric cooperative power lines and injure or even kill electrical workers.

- Make arrangements to move in temporarily with friends or family, or even to a hospital, during a power failure if a generator is impractical.

- Keep an adequate supply of prescription drugs and medical equipment on hand in case a storm prevents you from going out for refills.

- Recharge cell phones frequently so you're not caught with a dead battery when the power goes out. Keep a corded land line operating in your home, as cordless phones need power and will not work without electricity.

- Report all outages quickly. Don't assume that we know that you are out of power.

