



Your Touchstone Energy Partner

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

Call Lisa at 1-888-832-3362

KEC'S 4th Annual Touchstone Energy Football bash will be held October 20 at the Cordell vs. Thomas football game.

KILOWATT

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Kiwash Electric Cooperative, Inc.
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KEC Taxes Support Schools! KEC Taxes Add Up!

KEC & WFEC 2004 Taxes Paid

School	Tax amount
Arapaho	\$37,195.95
Burns Flat	15,865.80
Butler	28,364.30
Canute	14,590.34
Clinton	36,364.05
Cordell	41,409.66
Hammon	31,485.98
Hobart	32,125.40
Leedey	48,736.94
Lone Wolf	23,926.33
Mt. View-Gotebo	43,527.92
Sentinel	29,643.00
Snyder	5,645.29
Taloga Oakwood	30,639.71
Thomas-Fay-Custer	51,850.97
Weatherford	38,627.04
Washita Heights	3,870.14

Total Amount Paid to Schools - \$513,868.82

The dollars add up. Each year, Kiwash Electric Cooperative as well as KEC's power supplier, Western Farmers Electric Cooperative (WFEC) pay gross receipts tax to the Oklahoma Corporation Commission. 95% of taxes collected are remitted to area schools based on the miles of power lines located within each school district. In 2004, KEC and Western Farmers Electric Cooperative paid a total of \$513,868.82 to area schools.

Volatile Natural Gas Market Affecting Many Pocketbooks

Escalating fuel prices are definitely impacting utility bills and the pocketbooks of many, as the volatility in the natural gas market continues. Just when it seems it can go no higher, it does. Unfortunately, there appears to be no immediate relief in site.

Hot weather, high crude oil prices, mechanical failures of nuclear generating stations and petroleum refineries have added more pressure to already tense situations. The on and off again threats of hurricanes (which affect the oil and natural gas production in the Gulf of Mexico) and now the catastrophic impact of hurricane Katrina have elevated the pressure that those dependent on the energy industry have been feeling. All of these factors have left their vicious marks on this industry.

These components have and will continue to create an unpleasant situation for most when the electric bill arrives in the mail. There is such a tight natural gas supply versus demand balance, as well as a continuing strong global demand for energy, that the market is easily influenced by anything that poses a threat to either.

Kiwash Electric Cooperative buys its power from Western Farmers Electric Cooperative (WFEC), who serves 19 rural electric cooperatives across two-thirds of the state. WFEC, headquartered in Anadarko, has generating plants in Anadarko, Hugo and Mooreland, and also utilizes wind power generation, hydro purchases and economy power purchases.

Over the past few months, WFEC staff has regularly discussed this continued extreme volatility in the natural gas and purchased power markets, as well as the impacts on the fuel clause, explains Gary Roulet, WFEC chief executive officer.

“WFEC is working diligently to identify ways to help minimize this impact, however, the burden is still hitting home at all levels,” Roulet comments. WFEC staff is just as concerned about this situation and want to ensure members that protection from the full volatility of natural gas prices is a top priority.

Existing strategies are being re-evaluated by WFEC staff to determine additional measures that may help with these costs. However, record price increases are leaving the industry with the highest prices ever for most petroleum related products. Hedging instruments and other risk management tools are in place and have served to lessen the impact of record high prices and the current instability.

Hedging involves taking a position in the futures (financial) market that fully or partially offsets price risks from a present cash (physical) position. The primary principle in hedging is that the gains (losses) in one market tend to offset the losses (gains) in the other market if correctly hedged.

Roulet explains that WFEC staff is also looking closely at additional internal cost controls to stabilize costs that are with-in WFEC’s power, which should help lessen the impact to the member distribution cooperatives. Among these are reducing the allotted work time for scheduled maintenance projects (specifically the coal-fired Hugo Plant) and the delay of other purchases and projects.

However, even with all of these stabilization challenges, Kiwash members’ bills will also be higher due to the extreme volatility and the seasonal hot weather conditions. Naturally, members use more electricity when the weather is hot and humid, and many utilities have already experienced record demand for electricity.

“With the price of natural gas continuing to increase, coupled with an extremely hot and humid summer, high bills are the result,” says Dennis Krueger, general manager.

For most cooperatives, a power cost adjustment (PCA) is used to deal with these fluctuations in fuel. Since the PCA adder (fuel adjustment) is larger when the price of fuel goes up, this adjustment allows Kiwash to pass these increased fuel charges (per 1,000 kilowatts) on to the consumer, whether up or down, rather than having frequent rate increases.

Fortunately, Kiwash’s power provider, WFEC, has a fuel blend of coal and wind energy as well as hydro power, which will help keep the price of electricity from escalating as dramatically as utilizing only natural gas.

WFEC’s year-to-date energy has come from the following sources:

Coal:	45.9 percent
Gas:	13.9 percent
Hydro:	13 percent
Wind:	3.9 percent
Purchased Power:	23.2 percent (natural gas based)

And even more fortunately, once the summer demand for electricity has ended, a large portion of the electricity needed by WFEC’s member systems will be supplied by its coal plant and its hydro power allotment. This should allow some relief in the fuel charge portion of your electric bill. However, this relief is contingent on the natural gas market going down as well, and it is expected to remain at higher levels than seen in the past.



**Kiwash Welcomes
Clinton Daily News and the
Standifer House of Elk City
as new members of the
Co-op Connections Card Program.**

**Your new Co-op Connections card is good for
discounts on products and services at
hundreds of local, state and national businesses.
Be sure to use your card at these local participating businesses.**

B&K Bait House * Foss	10% off all fishing and tackle
Clinton Daily News *Clinton	Existing subscribers – Save \$10 off A one year subscription. New subscribers – Get a one time 50% Discount off regular price subscription Up to 6 months.
Dean’s Greenhouses * Cordell, Elk City, and Weatherford	10% off all plant purchases
Jack’s Flowers and Gifts * Cordell	10% off silk, floral arrangements, wall pictures and lamps
Lindley Farm Equipment, Inc. * Cordell	10% discount on oil and engine oil and fuel fil- ters
Oklahoma Route 66 Museums * Clinton	2 for 1 admission
Petals and Blooms * Cordell	10% off all in stock landscape rock.
Standifer House * Elk City	15% off stay & dinner Or SPA goody basket in room.
Starvin Marvin * Cordell and Hinton	\$3 off any order of \$15 or more or \$5 off any order of \$25 or more
Total Expressions * Cordell	\$5 off membership

Eskimo Joe’s & the Stan Clark Companies – Joe, Buffy and the whole crew have teamed up with Touchstone Energy™ Cooperatives across the state to bring you special discounts at some of Oklahoma’s most beloved restaurants and clothing stores.

Here’s how it works: Show your co-op connections card at any of these businesses and receive the following discount during the month of October.

Eskimo Joe’s - Half price Little Joe hamburger every Wednesday from 4:30 - 6:30 p.m.

Mexico Joe’s - All-you-can-eat taco dinners every Monday from 5 - 9 p.m. for \$4.99

Joseppi’s Italian Kitchen - \$5 single topping pizza every Wednesday from 11 a.m. - 10 p.m.

Eskimo Joe’s Clothes - Free shipping with any internet or phone order over \$30 - Offer ends October 31st.



Kiwash Electric Cooperative Linemen leave for Louisiana

Kiwash Electric Cooperative's five man crew left early Friday morning, September 9 for Franklinton, Louisiana. Lineman Mark Lawson, Manny Macias, Mike Miller, Robert Parsons all of Cordell and apprentice Lineman Jared Baldwin (not pictured) of Thomas spent most of their day Thursday loading trucks with supplies and preparing for their leave. The five man crew also took one digger truck, one double bucket truck, one pickup truck and a 4 wheel drive all terrain vehicle to assist in the restoration process.



The crew is traveling to Franklinton, Louisiana which is east of Baton Rouge where they will be assisting Washington St. Tammany Electric Cooperative. Washington St. Tammany Electric Cooperative normally operates around 260 Megawatts. After the devastation of Hurricane Katrina, the cooperative is running approximately 5 Megawatts, so the cooperative has seen a significant amount of destruction.

The men are expected to be in the gulf for a minimum of two weeks. "We don't know exactly how long the men will be there. There are several electric cooperatives in Louisiana and Mississippi that have been devastated by Hurricane Katrina. As a member of the cooperative family, Kiwash will do whatever we can to help our sister cooperatives," stated Dennis Krueger, general manager. "Kiwash received crews from other cooperatives across the United States during the 2002 ice storm and now it's our turn to step up and help. It's how cooperatives operate. We assist each other in time of need."

Currently, Oklahoma Cooperatives have 80 employees from 14 different cooperatives helping in the restoration process in the gulf.

Kiwash Electric Cooperative's
Fourth Annual Touchstone Energy Football Bash
At the

Cordell
vs.
Thomas
Football Game

Touchstone Energy Football Bash

**When: October 20th – Bash begins at 6:30 p.m.
Game Time – 7:30 p.m.**

Where: Cordell High School Football Stadium

**Look for the Touchstone Energy tents
and a group of Folks having a lot of fun!**

**Free Goodies for the Kids
Prize Drawings for the Adults
Bring the kids and get their picture taken
with the cheerleaders**

**Come on Blue Devil Fans ...
Come on Terrier Fans...
Let's make this year's Bash one to remember**

**Come Early and
Enjoy the Bash!**

BULLETIN BOARD

What's Happening In Your Community

October 8 – 18th Annual Cordell Chamber of Commerce Pumpkin Festival. 7 a.m. – 6 p.m. Downtown Square Cordell. Pancake and Waffle Breakfast, Jack Loftiss Baking Contest, Classic Car Show, and many vendors. For more info call 1-888-CORDELL

October 14 – Western Oklahoma Christian School Annual Hamburger Fry at the Custer County Fair Grounds in Clinton. 5 – 7:30 p.m.

October 15 – Nostalgic Railroad Excursion with the Quartz Mountain Flyer - Fall Fever Weekend. Departs at 10 a.m. Need to arrive by 9:30 a.m. The Flyer departs from the junction at Route 44 & 44A.

October 20 – 4th Annual Touchstone Energy/KEC Football Bash at Cordell. Bash begins at 6:30 p.m. Kick off is 7:30 p.m.

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

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