



December 2015

The Ginners

Newsletter of the Texas Cotton Ginners' Association

Assessment of the internship program

In 2016, we will begin the ninth year of the TCGA internship program. It is hard to believe the program has been in place since 2008. The program started with the goal of bringing young people with a technical skillset into the industry and the goal remains very similar today. Several managers of Texas gins came by way of the Biological & Agricultural Engineering Department at Texas A&M University, so when we began the program, that is where we focused our effort. Since that time we have expanded our effort to include Texas Tech University where we have worked with the Agriculture & Applied Economics Department to promote our program. In 2016, we will broaden that effort further opening up the program to the Agricultural Education Department as well. Both universities have produced quality people and we will continue to seek the best way possible to promote our program and recruit students from both institutions.

Let's take a look at our interns over the past eight years...

2008 – Josh Watson

Josh was from East Texas and had a ranching background. He graduated from Texas A&M with a degree in Agricultural Systems Management (AGSM). According to his Linked In page, he is now managing a feedlot near Houston. He interned for Liberty Co-op Gin in Lubbock and Edcot Co-op Gin in Odem.

2009 – Steven Craig (AGSM), Drew Mahaffey (AGSM)

Steven Craig grew up in Alvarado near Dallas. Another AGSM graduate, Steven landed at Halfway Co-op gin right out of college. After a short time there, Steven went to work United Ag Co-op in El Campo where he had spent part of his summer internship with TCGA. Steven remains with United Ag Co-op today. Steven interned with Slaton Co-op Gin and United Ag Co-op in El Campo.

Drew Mahaffey grew up in Georgetown near Austin. Drew graduated with a degree in AGSM as well. Upon graduation from Texas A&M, he was hired by Texas Cotton Ginners' Trust as a loss control specialist. Later, he was hired by United Ag Co-op in El Campo where he also had spent part of his TCGA internship. This year, Drew was hired by Winter Garden Co-op Gin in Batesville as the manager. He is the first of our interns to be named general manager of a cotton gin.

2010 – Jordan Chambers, (AGSM) Daniel Luehrs (AGSM)

Again, both became AGSM graduates from Texas A&M University. Jordan interned for North Gin and Coastal Plains Gin. Jordan became the assistant manager at Panhandle Compress in Plainview and looked poised to take over as manager of the compress at some point in the future. Jordan was from Kaufman, Texas. After working as an assistant manager, Jordan decided to move back to Kaufman to get married. We lost touch with him after that.

Daniel Luehrs grew up in Corpus Christ. His dad works for Allenberg Cotton Company. After the TCGA internship, Daniel interned with Texas Ag Co-op Council the following summer. He interned with United Cotton Growers in Levelland and Smith Gin Co-op while with TCGA. After earning a masters degree at Texas A&M University, he went to work for Edcot Co-op Gin in Odem. He recently spent several months ginning in Australia and is now back working at Edcot Co-op Gin.

2011 – Steven Birkenfeld (BAEN), Tommy Gilley (AGSM)

Steven Birkenfeld was the first engineer we hired through the TCGA internship program. The Nazareth native (near Olton) interned with Sam Jackson, Inc. the following summer and looked poised to go to work there upon graduating from college. Instead, Steven went to work for Gerry Kasberg at Birome Gin near Waco. He worked there several years, before switching jobs this year. He is now working for Top of Texas Gin in Hereford, which is much closer to where he grew up. Steven interned with Oasis Gin in Seminole and Willacy Co-op in the Rio Grande Valley.

Tommy Gilley grew up in Corpus Christi. He was hired as a loss control specialist for Texas Cotton Ginners' Trust upon graduation from Texas A&M University. After about a year with the TCGT, Tommy moved onto Koppers in Somerville, Texas where he remains today. Koppers provides railroad products and services.

2012 – Daniel French (AGSM), Jake Schwartz (AGSM)

Daniel French grew up in Monahans. Upon graduation, he went to work for Oasis Gin in Seminole and remains employed there today. He interned with Williams Gin & Grain in Frost, Texas and Moreman Gin in Port Lavaca while with TCGA.

Jake Schwartz grew up in Garden City on a cotton farm. Upon graduation from college, Jake pursued a career in the oil field. He is back in Garden City and farming with his father. He interned with Edcot Gin in Edmonson, Texas and LaFeria Co-op Gin in the Rio Grande Valley.

See assessment of internship program (continued on page 2)

Assessment of the internship program (continued from page 1)

2013 – Will Carter (BAEN), Jacob Copeland (AGSM), Victoria Kalina (AAEC)

Will Carter was the second engineer we hired through the TCGA internship program. He grew up in Houston. According to Linked In, he is now working for Liberty Pipeline Services in Houston. While with TCGA, he interned with Tokio Co-op Gin and United Ag Co-op in El Campo.

Jacob Copeland grew up in Wharton. While with TCGA, he interned with Welch Gin and United Ag Co-op in El Campo. The last contact we had with Jacob, he was planning to attend game warden school if accepted. His came from a family with a background in law enforcement.

Victoria Kalina grew up in Miles, Texas and attended Texas Tech University and earned a degree in Agriculture & Applied Economics. Victoria completed her masters degree in AgriBusiness at Texas Tech University this December. While with TCGA, she interned for Kasberg Gin in Miles, Texas and Birome Gin in Birome, Texas. Victoria was our first intern from Texas Tech University. She has been hired by Sanders, Inc, in Roscoe, Texas and will serve as operations manager. She will also be getting married in January.

2014 – Curtis Hard (AGSM), Zackary Skrabanek (AGSM), Brian Hirt (AAEC)

Curtis Hard grew up in Weatherford, Texas. He should graduate from Texas A&M University in May 2016. While with TCGA, he interned with Farmers Co-op Amherst and Willamar Operating, L.P. in the Rio Grande Valley.

Zack Skrabanek – Zack grew up in Holland, Texas near Waco. He graduated in May 2015 and went to work for J.R. Simplot in Holland, Texas. He is the warehouse manager. The facility stores seed, fertilizer and herbicide. While with TCGA, he interned with Carson County Gin in White Deer, Texas and Willacy Co-op Gin in Harlingen.

Brian Hirt grew up in Garden City, Texas on a cotton farm. He graduated from Texas Tech University with a degree in Agriculture and Applied Economics. While with TCGA, he interned with Street Gin in Kress, Texas and Edcot Co-op Gin in Odem. He currently works as a credit analyst for First Bank & Trust in Lubbock.

2015 – Oscar Herrera (BAEN)

Oscar was the only TCGA intern in 2015. Oscar is an engineering (BAEN) student at Texas A&M University and is set to graduate in May 2016. He grew up in Weslaco, Texas. While with TCGA, Oscar spent nearly all of his internship with United Cotton Growers Cooperative in Levelland. He finished his internship in Weslaco and toured several gins in the Rio Grande Valley and South Texas in his last week on the job. Luis Garcia with Texas Cotton Ginners' Trust took him around to several gins. Oscar spent his last day on the job at Ross Gin in Mercedes.

In total, we have now had sixteen interns go through our program. Hiring interns is probably much like hiring people for your own operation... it is not an exact science! Some end up being great fits while others find out that ginning cotton is not something they want to pursue. Some look like they could be a great fit and end up not working out for various reasons. Some have started working in the cotton industry and then something draws them back to their hometown. This kind of thing is just going to happen.

We have given some young students a chance to see the cotton ginning industry that without this internship most likely would have never had that chance. The experience works two way... it is a chance for a college student to demonstrate their skills to a potential employer. The host gin gets a chance to see if the intern has a skillset that would benefit their operation in the future. There is benefits for both sides!

It take has taken a financial investment from TCGA members and the willingness of many managers to invest time and effort into the program. It takes money to bring these interns on board each summer as we are competing with several other programs. Host managers along with their staffs have committed to making sure our interns are able to gain "real world" experience. The TCGA staff is very thankful to those managers who have hosted interns the past eight years. Without commitment from host managers to make this a meaningful experience, we simply would not be able to pull this off.

We hope that you will consider hosting an intern in future years. Some managers have been reluctant to do this, because the situation was not exactly right. We are not looking for the perfect situation in particular. Some reluctant managers have ended up participating and they would probably tell you they were glad they did! All we are trying to say here is give it a try.

Who knows what 2016 will bring? Normally, moisture in the Fall and Winter months sets the table for a pretty good crop the following year. Perhaps, 2016 will be the year you think seriously about bringing an intern to your operation. If you have questions, please give the staff a call at the Association office. We would be glad to visit with you about the internship and what the expectations are. All this to say... as many of you finish up the 2015/2016 crop and begin to think your plans for 2016, keep the internship program in mind. You never know what you are missing until you give it a try! How 'bout an intern for your Christmas stocking? On a related note, for those of you that will be ginning into January, think about putting a South Plains College student to work. We have had a couple of students express interest since the cotton gin tour that was conducted for the students last month. These students are looking for some "real world" experience out in the gin. Contact Aaron Nelsen (512/476-8388) if you are interested!



SPS puts a rate case in their Christmas stocking

When I write my newsletter article each month, I often pull up the article from the previous year to use as a template, so I don't have to do the formatting from scratch. This year, when I pulled up the article from last year, I decided to just use the same title two years in a row. Last December, SPS had just settled Docket 42004, and had just filed their next case, Docket 43695. This new docket was just another in a fairly long series of rate cases, and all these cases had been settled. As a matter of fact, SPS had not litigated a rate case since the late 1970's. Since then, every case has settled.

Well, who would have guessed that it would be a full year later before I could report back to you about Docket 43695. This case turned out very differently for SPS. First of all, the PUC Staff said from the beginning that SPS needed to go through the full ratemaking process, in order to get a record developed on their costs and income. The other major parties in the case agreed, and said they would settle, but only if SPS agreed to a rate decrease.

SPS originally asked for an increase of \$64.75 million. This was later reduced to \$58.85 million, then reduced again to \$42.07 million. The case did go through the full hearing process, and the administrative law judge has forwarded the proposed ruling up to the PUC commissioners for their signature. The PUC commissioners could change the ruling, of course, but the draft order probably gives us a pretty good picture of how this case will come out.

From a big picture standpoint, the draft order includes a recommended de-

crease of \$4.0 million dollars. This is a \$68.75 million dollar drop from their original request. During the case, SPS had said that they will be immediately filing another rate case if they don't get a significant increase in this case, but once the parent company sees that they actually received a rate decrease, this may have a tendency to dampen their enthusiasm for filing one rate case after another in such quick succession.

With the understanding that the rate numbers are not final, and are likely to change somewhat, we can compare the results of the number running against our current rates to get a feel for what the new rates will look like. For Secondary General Service, our summer demand will drop from \$15.95/kW to about \$13.59/kW. Our winter demand will drop from \$12.97/kW to about \$11.05/kW. The energy charge is actually going up, but it is very small to begin with, and this change will likely be offset by a decrease in the fuel factor.

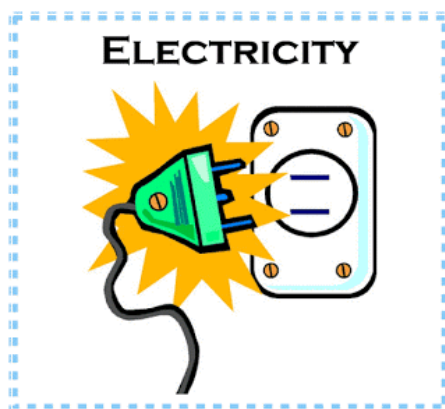
In addition, SPS has two additional options under the Secondary General Service group of rates. They have an off-peak demand charge of \$10.14/kW in a time of use rate. Under this rate, you will get the lower demand charge for all off peak use, but you will pay an additional \$0.10/kWh if you run on peak. Essentially, if you use this rate and run on peak, they are going to double your rate as a penalty for all energy used during peak periods, but most cotton gins would not run during the on-peak period. This rate may be a very good option for cotton gins in the near future. I am sure you all will be hearing from the SPS account representatives when this rate is actually finalized.

There is also a Low Load factor option available, and it is a little harder to explain in a short article, but I think it will end up being much like the Time of Use rate. In any case, all three of these options have the same customer charge and the same energy charge. Each rate has different demand charges, and for the sake of simplicity, it looks to me like you could save about \$0.90/kW by agreeing to stay off peak. I don't think it will be a large amount of money necessarily, but I also don't think it will be a large amount of work to stay off peak.

If you are on SPS, keep an eye out for any kind of notices related to your new rates coming into effect. If we see any significant differences in the rates as this case gets finalized, we will be sure to let you all know. Stay tuned for next year – so far we see a fuel case for SPS and a rate case for Sharyland during the upcoming year. We really have no more details than that, but we will keep you all informed as these cases move forward.



KELLEY'S KOLUMN



2016 Beltwide Cotton Conferences (BWCC)

The '16 Beltwide Cotton Conferences (BWCC) will be held on Jan. 5-7 at the New Orleans Marriott Hotel. Instructions for registration and housing, a schedule of events and general information are at www.cotton.org/beltwide, where the final BWCC program is posted. On-site conference self-registration kiosks will be available 24 hours a day beginning on the evening of Jan. 4. Beginning on the morning of Jan. 5, NCC staff will be available for attendees needing assistance with registration and name badge printing.

With the exception of the Safety Specialist Forum and the Executive Committee meeting, other meetings are open and all NCGA board or committee members are welcome and encouraged to attend. In addition, any ginner attending the BWCC is welcome to attend the NCGA committee meetings.

There are a number of very important issues that may have National Cotton Council policy implications, so please try to attend if you can. Technical Conferences will be held including the Ginning and Engineering Conferences. NCGA meetings will take place in conjunction with BWCC. Please take a look at the schedule below.



Date and Times	Committee	Room(s)
Tuesday, Jan. 5	Safety Specialist Forum	Studio 4
Tuesday, Jan. 5	NCGA Safety and Labor Committee	Studios 2-3
Tuesday, Jan. 5	NCGA Technology – Air Quality Subcommittee	Studios 2-3
Wednesday, Jan 6	NCGA Technology Committee	Studios 2-3
Wednesday, Jan 6	NCGA Executive Committee	Bonaparte
Wednesday, Jan 6	Ginning Conference	Studios 2-3
Thursday, Jan. 7	Ginning Conference	Studios 2-3

If you have any questions or comments, please contact Harrison Ashley at the NCGA office in Cordova. His phone number is 901/274-9030 and his email address is hashley@cotton.org.

Dennis Horak

Dennis Ray Horak (64) was born February 26, 1951 in Waxahachie, Texas the son of Jerry and Geraldine (Belha) Horak. He passed away at Baylor Hospital in Dallas, Texas after a short but hard fought battle with lung cancer on November 27, 2015. Dennis was a graduate of Waxahachie High School, class of 1969 and a graduate of Southwestern University, Georgetown, Texas. He was the owner of Boyce Feed & Grain and Boyce Cotton Gin, was passionate about agriculture and had a strong work ethic. He rarely missed a day of work til the very end. He always said “you have to put two feet on the ground and get going.” Dennis was always in charge, and there was never a doubt about where you stood with him. He was a strong supporter of the Ellis County Youth Expo, having served as co-chair during the days when it was known as the Ellis Royal Stock Show. He enjoyed attending the sale each year and looked forward to purchasing animals from the young people of the county. He was an Eagle Scout and was quite proud of that accomplishment. Dennis was a Christian, and a member of The First United Methodist Church in Waxahachie where he had served on various committees through the years. He was also a member of the Texas Grain and Feed Association and had served several terms on the board of directors.

Dennis is survived by his wife of twenty years, Beverly (Smith) Horak. He is also survived by daughters, Maudie Cox, and her husband Paris, Allison Manly and her husband Chad and Bekah Roebuck. He also leaves to cherish his memory, four precious grandchildren, Sterling Tomlin, Spencer Cox, Kate Manly and Cash Manly.

Dennis had a favorite quote from Babe Ruth and lived by it to the end... “It’s hard to beat a person who never gives up”.

Memorials in his honor may be made to the Dennis Horak Memorial Fund at First United Methodist Church, 505 W Marvin Ave, Waxahachie, TX 75165 or the Dennis Horak Memorial Scholarship Fund, in care of Tommy Hamilton, Citizens National Bank of Texas, P O Box 717, Waxahachie, TX 75168.



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Where Service to Ginners Comes First!

We are on the web!

www.tcga.org

The Texas Cotton Ginners' Association was first formed in 1897. The creators believed that a statewide Association could generate enough influence to attract a favorable response from the state legislature. They also hoped to find, through collective discussions, solutions to their mutual problems.

This purpose and hope continues today in the Association. Problems facing the ginning and cotton industry are addressed and solutions are derived through collective discussions. Goals and strategies are developed and then are pursued by the TCGA staff and its leadership. Through this process the needs of the industry are addressed.