

February 2011



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Panhandle Rural Electric Membership Association



Nebraska's Electric Rates Low

PREMA Trying Hard to Mirror Nebraska



LB 901 is the Legislature's response to the recommendation of LR 455, which was passed in 1996 and completed in 1999. LR 455 consisted of Phase I completed in 1997, which studied the history and the then current status of Nebraska's electric industry; and, Phase II which examined the transition of the electric utility industry nationwide and developments at the federal level and in other states related to possible impacts and options for Nebraska's electric industry. Phase II recommended the conditions certain study approach.

To carry out the mandate of LB 901 the Nebraska Power Review Board (NPRB) formed Technical Groups comprised of experts from Nebraska's electric industry to conduct research and prepare the part of the study corresponding to each of the five conditions outlined in the legislation and formed a Review Group to allow for participation in the process by a wide spectrum of interested parties.

As part of this process a report is done periodically with 2010 being the last in a series of reports. It seems appropriate to bring you part of that report showing

Wyoming	6.08
Idaho	6.49
Kentucky	6.50
Washington	6.63
West Virginia	6.64
Utah	6.78
North Dakota	6.81
Oklahoma	7.08
Nebraska	7.16
Louisiana	7.16

ing how Nebraska's retail rates stack up against other states. We also want to show you why PREMA has been unable to achieve retail rate levels as low as other Nebraska rural electric systems. As you can see from the table to the left (as of December 2009, found in the latest report produced by the NPRB) Nebraska tied for the ninth lowest average retail rates in the nation as depicted in cents per kWh.

PREMA's average retail rate for 2009 was 12.1 cents which is considerably higher than the Nebraska average of 7.16. This average includes many municipal electric systems who typically have lower rates than

rural electrics. Some of the reason PREMA's average retail rate is above the Nebraska average is because of PREMA's low density (meters per mile of line) and low load factor (a very high peak in the summer and low in the winter).

But most of the difference is found in PREMA's cost of wholesale power.

A recent study showed the rate charged to PREMA by Tri-State, (PREMA's power provider) is around 50% greater than other power providers in the region. This has been a trend for many years and the gap is widening. The PREMA Board recognized that it must fulfill its responsibility to the membership and attempt to correct the situation.

Several years ago the PREMA Board helped form a group called the Nebraska Power Supply Issues Group (NPSIG) for the purpose of dealing with this issue. The NPSIG had numerous meetings with Tri-State producing no change of rates by Tri-State. **Continued on page two.**

Continued from page one.

Therefore, it was the decision of the members of the NPSIG that the next step must be taken. On September 29th, 2009, the NPSIG

“This suit has been, and will be expensive, but if PREMA is successful the financial payback will be well worth the price of litigation,” said Ryan Reiber, General Manager.

filed a lawsuit with the U.S. District Court in Nebraska against Tri-State. As you probably know, the wheels of justice turn slow. To date, a change of venue motion was granted to move the case to Colorado. The NPSIG is now waiting for decisions from the Colorado Federal Court concerning discovery of evidence and on a Motion to Dismiss. This suit has been and will be expensive, but if PREMA is successful the financial payback will be well worth the price of litigation. If you have any questions about the lawsuit, please do not hesitate to call the office.

RD Sutphen Joins Board From District 4

Please join PREMA in welcoming RD Sutphen as the new Director for District 4. RD takes the place of Allen Bright who moved out of the district. Some of RD's goals are to help insure that service is improved without diminishing it and to contain costs as much as possible.

RD ranches south of Lakeside with his wife Marianne and children Kara and Ty. He graduated from Hyannis High in 1980 and Chadron State College in 1984, with a degree in Industrial Agriculture. He is currently a director on the board for the Heart of Hills Rural Fire Protection District.

**PREMA is
happy to
announce
that there will
be no rate
increase for
2011.**

Do You Know These People?

If you have addresses for any of the following people, please contact Lorraine at PREMA. We are holding checks for them.

Thank you!

Darlene King

Susan Thomas

Cameon Ravenscroft

William Delinger

Larry R. Case

Jerry D. Kisinger

Steve Foster

Franklin Jackson

Bill Rose

Valley View-Greg & Jenna Frye

Alan Taylor

Vicki Macke

Roger K. Horton

Roger White

Michael G. Bannon

Robin Leishman

Ed Bishop

James P. Taylor

Sandhills Bar & Grill—Mike Boots

Lyle Wurst

Notes From Load Management . . .



Load Management is in place for the 2011 irrigation season. There will be no changes to the program. If you are interested in signing up, or have questions about Load Management, you can stop by the office or call 308-762-1311 and ask for Tim Sherlock. Deadline to sign up for Load Management is Monday, February 28th, 2011.

Electricity Theft/Copper Theft

Copper theft has reached an epidemic level that is not only affecting the United States, but is international and creating immense global havoc. According to the U.S. Department of Energy the theft of copper costs the national economy around \$1 billion per year. The increase in copper theft has disrupted the flow of electricity, created electrical hazards, slowed down construction projects, and knocked out electrical networks across the United States.

Safe Electricity offers these tips to help safeguard against electrical dangers and prevent copper theft:

- * Never enter or touch equipment inside a substation; stay away from power lines and anything touching a power line.
- * If you notice anything unusual with electric facilities, such as an open substation gate, open equipment, hanging wire, etc. contact your electric utility immediately.
- * If you see anyone around electric substations or electric facilities other than utility personnel or contractors, call the police.
- * Install motion-sensor lights on the outside of your house and business to deter possible thieves.
- * Store tools and wire cutters in a secure location, and never leave them out while away.
- * If you work in construction, do not leave any wires unattended or leave loose wire at the job site, especially overnight. Consider hiring a night security guard.
- * Help spread the word about the deadly consequences that can result from trying to steal copper.



Parents, Caregivers Urged to Help Protect the Smallest Among Us

Electrical Hazards are Present Indoors and Out

Whether indoors or outdoors, Safe Electricity encourages families and caregivers to learn about electrical safety and to use that information to educate their youngsters about the threat of electric shock.

“At this time of year children are often restless and bored from being cooped up inside during the winter. This might inspire them to be just as curious and adventurous indoors as they are outside,” Safe Electricity Executive Director Molly Hall said. “Luckily there are some really affordable and convenient ways to make a home less hazardous.”

Safe Electricity recommends investing in the following measures to protect your loved ones:

- * **Tamper Resistant Outlet Receptacles**—These receptacles have built-in shutter systems that prevent single-pronged objects like hairpins and paper clips from being inserted. Unlike plastic outlet caps, the new receptacles are permanent, automatic and reliable. They install just like standard outlets and are marginally more expensive.
- * **Ground Fault Circuit Interrupters (GFCIs)** - These devices are used in interior outlets of the home in rooms with high water use such as the kitchen, bathroom, laundry and basement. GFCIs should also be installed on exterior outlets as well. GFCIs stop the flow of electricity instantly if there is a problem and should be professionally installed. When properly used, they save lives. It’s important to know how to test and re-set them. Portable GFCIs are available for use on outdoor outlets if they do not have them.
- * **Professional Electrical Inspections**—Hiring an electrical professional ensures home safety by making certain home electrical systems and wiring is adequate to support increased electric demands of a growing and active family. An older home may be inadequately wired for today’s electrical consumption, putting your family at risk for fire and electrical shock. Replace work and outdated circuitry and add enough outlets for appliances and electronics. Safe Electricity strongly recommends not trying to do this yourself.



Nonetheless, safety outdoors is always a concern. Make sure everyone in the family knows to stay away from downed power lines and wires, and tell children to report any fallen or dangling wires to an adult. Always assume that any power line is fully charged and stay far away. Call your local electric company immediately if you or your child encounters a downed power line.

For more information, visit www.SafeElectricity.org.

Adding a home gym or theater? Call an electrician . . .

If you're lucky enough to have an unused room to convert to a home office, a home gym or a home theater, add one more item to your "to do" list: Call an electrician.

Setting up any of those rooms involves moving in a lot of big, electronic equipment, like a treadmill, a big-screen TV, computers and printers, and stereo components. It's quite possible that the electrical receptacles in the room won't be able to handle equipment that uses as much electricity as those pieces do.

You also might not have enough outlets for all of the things you'll need to plug in. Sure, you can buy a power strip that allows you to plug multiple pieces of equipment into a single outlet. But that power strip won't add any juice to the circuit that powers that single outlet—which means you can overload it and set yourself up to trip your circuits or even cause overheating or a fire.



So before you start using your home gym to get in shape, get the room in shape first. Ask a licensed electrician to inspect the room's outlets and power supply and determine if you need to upgrade.

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