

June, 2010



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Panhandle Rural Electric Membership Association



# Energy Costs Rise Faster than Electricity Costs

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Half of American families can expect to spend an average of 19 percent or more of their after-tax income on energy-related expenses in 2010, as energy costs consume a growing share of household budgets, according to an assessment of energy costs by the American Coalition for Clean Coal Electricity (ACCCE).

The study, based on information from the U.S. Department of Energy and the Census Bureau, found that while the cost of gasoline and residential natural gas has roughly doubled since 2001, the cost of residential electricity has increased about 48 percent. By comparison, the Consumer Price Index increased 69 percent over the past decade. ACCCE attributes the slower rate of increase for electricity in part to electric utilities' reliance on inexpensive coal-fired generation, which provides about half of America's electricity supply.

The study also found that lower- and fixed-income families are more vulnerable to energy cost increases than higher-income families because the cost of energy is a larger portion of their budget (see chart).

The impact of increasing energy costs can be seen in the increase in requests for assistance from the federal Low Income Home Energy Assistance Program (LIHEAP). The National Energy Assistance Directors' Association projected

that 8.8 million consumers will request LIHEAP assistance in 2010—a 15-percent increase over 2009. The increase is attributable in part to the rise in unemployment.

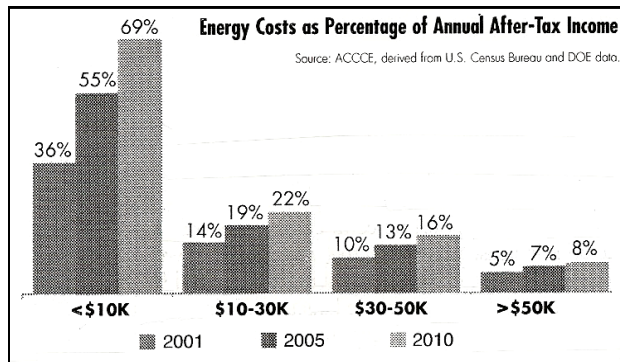
The federal government appropriated \$4.5 billion for block grants to states through the LIHEAP program and \$590 million in emergency contingency funds for fiscal year 2010. A bipartisan group of lawmakers has asked that LIHEAP funding be increased to \$5.1 billion in FY 2011 plus nearly \$600 million in additional emergency funds.

ACCCE said its findings are particularly timely as federal and state policymakers debate energy and environmental proposals, some of which could significantly raise energy prices

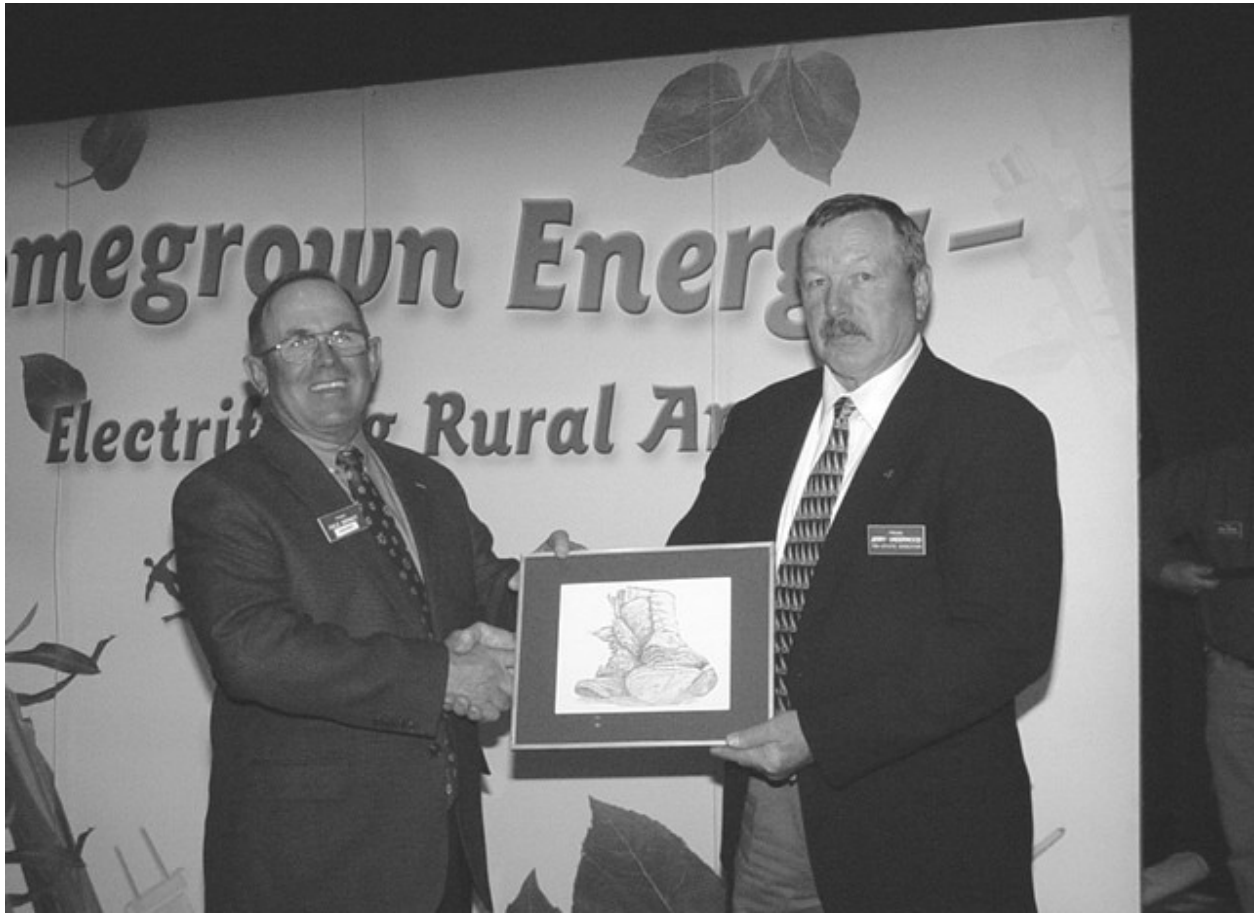
Energy costs are still eating away at family budgets," said Joe Lucas, ACCCE senior vice-president of

Communications. "As we continue to rebuild our economy and help those who are having the hardest time making ends meet, policies that ensure access to affordable, reliable electricity should be a high priority. That is why low-cost coal—the largest domestically produced source of energy—is so important."

ACCCE is a partnership of industries involved in producing electricity from coal. A copy of "Energy Cost Burdens on American Families" is available on the ACCCE Web site, [www.americaspower.org](http://www.americaspower.org)



# PREMA 65th Annual Meeting



Panhandle Rural Electric Membership Association (PREMA) held its 65th Annual Meeting Thursday, April 29th, in Hyannis, NE.

Dale Berndt, President of the Board of PREMA, called the meeting to order and reported that Harry Merrihew from District #1 and Bryan Monahan from District #2 were re-elected to the PREMA board of directors.

Ryan Reiber, General Manager, reviewed the financial report and construction projects for 2009. PREMA received \$10.6 M in operating revenue. The major operating expense was power cost at \$6.5 M. PREMA ended the year with total net margins of \$547,335. Total assets as of December 31, 2009, are \$33.4 M.

Jerry Underwood, PREMA representative on the Tri-State G.&T. Board of Directors, gave the Tri-State Report. President Berndt then presented Mr. Underwood with an appreciation gift for representing PREMA on the Tri-State Board for 20 years, 17 of which he was its Treasurer.

A short video was shown on Global Warming and James Dukesherer from the Nebraska Rural Electric Association talked on state and federal legislation dealing with global warming and carbon emissions.

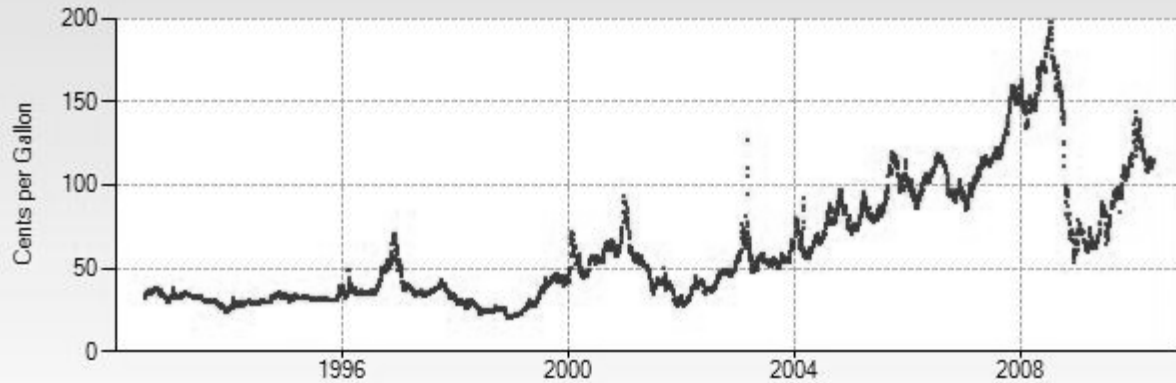
Following the meeting PREMA's version of "Deal or No Deal" was played with members having the opportunity to win as little as \$50, or as much as \$200, off their PREMA electric bill.

No one was the winner of the \$200 prize during the game, but the prize was added into other door prizes handed out after the game and the winner was Kelly Hisel.



Jo Davis and Bill Stevens playing PREMA's version of "Deal or No Deal."

### Daily Mont Belvieu, TX Propane Spot Price FOB



Source: U.S. Energy Information Administration

## PREMA STATEMENT OF NON DISCRIMINATION

Panhandle Rural Electric Membership Association is the recipient of Federal Loans from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Ryan Reiber, General Manager. Any individual, or any specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulation from the Secretary of the U.S. Department of Agriculture, Washington, D.C. 20250, or the Administrator, Rural Utility Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

## Light only the space you use . . .

Are you lighting your whole kitchen, home office or family room every time you sit down to read or work on the computer? If so, you're wasting energy.

If you're just occupying a small portion of a room, light your spot up with task lighting. That allows you to reduce lighting costs while adding character and ambiance to a room.

Both track lights and recessed lights offer a streamlined look that can make a room feel bigger, add more light or highlight certain areas of a room.

Track lighting and recessed lighting were once restricted to incandescent and halogen bulbs—which use a lot of energy and produce heat along with light, which can make a room hotter in the summer. Today, you have energy-efficient options in the form of compact fluorescent light bulbs (CFLs).

You can buy track lighting fixtures designed especially for CFL's, and CFL replacement bulbs for your existing track lighting system. For recessed lighting, choose a CFL that's marked especially for recessed lighting, with a reflector to push light out into the room.

Follow these tips for effective task lighting:

- \* For a reading or desk area, place the light directly above where you sit so your head and shoulders won't block the light.
- \* Task lighting can increase visibility and safety above kitchen counters. Place lighting directly above kitchen islands, but center them over the edge of countertops with cabinets.
- \* When creating a row of lights, place the first light about three feet from the wall to avoid making the corners look dark.
- \* Recessed lighting will typically light an area of floor space equal to the height of the ceiling. To brighten the room, space the bulbs so the area of each halo of light overlaps. A spacing of six to eight feet typically distributes the light evenly.
- \* Give yourself some lighting options by having your electrician wire different sets of lights to multiple switches so you can turn only one set on for specific tasks, or turn them all on to illuminate the entire room.





# News From Operations...

## IMPORTANT INFORMATION REGARDING DISCONNECT SWITCHES

PREMA has installed disconnect switches on irrigation services as a means for you to disconnect the power supply when you need to make repairs. This saves you and PREMA time, etc., because you can begin your repairs and you don't have to contact PREMA to shut things down before you start.

**Disconnect switches are not to be used to turn the well on and off**, this will cause arcing which will damage or destroy the switch. These switches are only to be opened when there is no load on the switch.

**Repair or replacement of switches damaged or destroyed by arcing from misuse will be billed to the consumer.**

S. & L. Pole Testing will begin the 2010 Pole Inspection/Testing around the first of June.

# LOOK UP AND LIVE!

## Notes From Load Management . . .



PREMA does offer a text messaging service for those signed up for Load Management. Participants will receive a text message every time PREMA begins controlling. To receive this service you will need to call PREMA at 762-1311, or mail your cell number and provider (ALLTEL, VERIZON or VIAERO) to PREMA at P.O. Box 677, Alliance, NE 69301. This service is optional and is just one way for PREMA to notify you when controlling begins and ends.

Load Management participants can also check to see if PREMA is controlling by logging on to PREMA's web page at (<http://www.prema.coop>). Participants can also check load control status by calling the office at 762-1311, after-hours calls will be forwarded to PREMA's answering service.



**Serving Arthur, Box Butte, Cherry, Garden, Grant, Hooker, McPherson,  
Morrill, Sheridan, Sioux and Dawes Counties**

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### BOARD OF DIRECTORS

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