



PREMA

February 2023

PLUGGED IN WITH . . .

Panhandle Rural Electric Membership Association

Cover Story	1
Meet The New General Manager	2
Help PREMA	2
Emp. Recognition	3
Reminders	3
Load Management	4

PREMA RATES

PREMA Aligning Rates With Costs

PREMA contracted with Utility Financial Solutions to perform a cost-of-service study. As part of this study, a slate of retail rates were developed that are supported by the cost-of-service study. These rates were approved at the December 28th, PREMA Board of Directors meeting.

The new rate structure began being applied to the electric use January 1, 2023. These rates are designed to support the budgeted five percent retail rate increase which was approved by the PREMA Board at the November 22nd meeting.

The primary objective of a cost-of-service study is to determine, as precisely as possible, what it costs the cooperative to provide electricity to an individual rate class. A rate class is a grouping of electric users that have similar characteristics like residential customers or irrigating customers.

The secondary objective of a cost-of-service study is to determine how costs will be allocated to each rate class. Cost-of-service studies also provide information about which rate classes are providing revenues in excess of their costs and which rate classes are providing revenues insufficient to cover their costs. These studies can be used as guides in designing retail rates.

Most of PREMA's costs are fixed or semi-fixed meaning, the costs do not change when customers use a lot of electricity or very little electricity. PREMA's goal is to continue to move toward a rate structure, similar to a cell phone rate, where it does not matter how much is used. All customers will pay a fair amount for their electric service.

Rate Changes for 2023

The Cost of Service Study (CoSS) showed a need to increase the service charge and decrease the kWh charge. The long-term goal being to have retail rates that recover costs based on the CoSS. PREMA will continue to adjust rates in this manner over time, with the service charge increasing and the kWh usage charge decreasing.

The "Service Charge", referred to on the bill, is a monthly, fixed charge designed to recover costs that are fixed (regardless of how much electricity is used) such as depreciation, taxes, interest, insurance and labor cost of maintaining the electric system. The Service Charge is not affected by the amount of electric power consumed by any one customer.

Meet The New General Manager Zac Bryant



Zac Bryant was recently named the new General Manager of PREMA. He brings with him over 21 years of industry experience, 17 of them being with Nebraska Public Power District. Zac will be a great addition to the team. If you get time stop in and welcome him aboard.



Contact Info:

308-762-1311

zbryant@prema.coop

Help PREMA Serve You Better!

Please update your contact information. This helps us contact our members when planned outages are necessary or we have billing questions. We have added a medical condition field. Please let us know if you have a medical condition that is compromised with a power outage.

We have several ways for you to update your contact information.

1. Go online to www.prema.coop.
2. Call the office at (308) 762-1311.
3. Email billing@prema.coop.
4. Mail to PREMA, P.O. Box 677, Alliance, NE 69301.



Thank you for your help. We appreciate your membership!

Thank you for your service to
PREMA
& its members!



ANNIVERSARY

Celebrating

Kayla Bishop (pictured above) is the Operations Clerk and just recently celebrated 10 years with PREMA.

Reminders

Irrigators-if you will be making any changes to your irrigation arrangements such as rentals, leasing, etc., it is important to make PREMA aware of these changes by April so the correct name and address will be billed. Also this is a great time to notify our office if your contact information has changed or if there are additional phone numbers that need to be added to your account. Please contact Allison at our office 308-762-1311. Thank you.

PREMA Scholarship Applications are due February 10th in the PREMA Office by 4:30 pm.



Notes from Load Management

The 2023 irrigation season is fast approaching. The guideline letter for Load Management has been sent out. If you are an irrigator and have not received this letter, please contact the office. Load Management signup deadline is Friday March 3rd.

If you are an owner or operator of an irrigation account, please notify Customer Accounting (Allison) of any changes to the bill. Changes can also be emailed to Allison at billing@prema.coop or by calling the office at 308-762-1311.



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

PREMA

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Boone Manion—Operations Manager
Dale Knapp—Staking Engineer

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