



PREMA

January 2022

PLUGGED IN WITH . . .

Panhandle Rural Electric Membership Association

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PREMA Rates

PREMA Aligning Rates With Costs

Recently 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 November 23, PREMA Board of Directors meeting.

The new rate structure will apply to electric use beginning January 1, 2022. These rates are designed to be revenue neutral.

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 2022

The Cost of Service Study (CoSS) showed a need to increase the service charge and decrease the kWh charge. This rate change was a restructuring, with 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.

Stay warm on the coldest days

January and February typically are the coldest months of the year. That doesn't mean you have to be cold for two months, especially inside your own home.

Dressing in layers, wearing socks with your slippers and staying active are no-cost, no-tech ways to stay cozy indoors even when all you can see for miles is snow and ice. Also:

Block drafts. If your windows are old or made from a single pane of glass, it's time to upgrade. Energy-efficient glass—and windows with double panes—will go a long way toward keeping cold air from blowing into your house. They also could reduce the amount of money you spend on winter energy bills.

Seal leaks. Also great draft-blockers, weather-stripping and caulk can plug holes around windows and doors, and wherever the inside of an outdoor wall is penetrated by a cable or phone line.

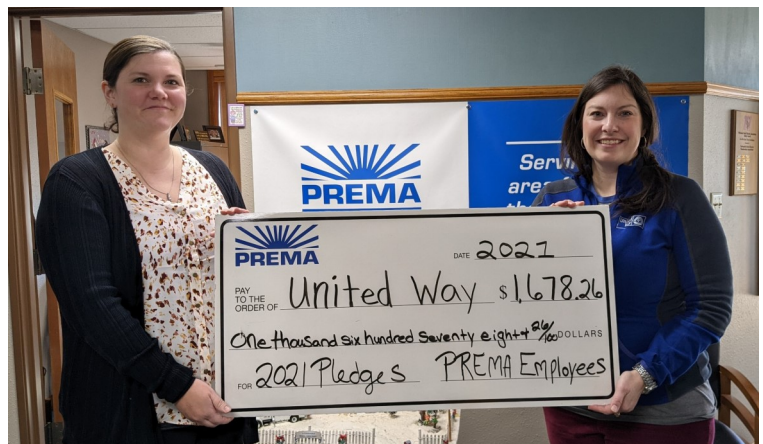
Make the bed. An electric blanket—one with an automatic shut-off and the seal of approval from a safety organization like UL—can keep you cozy at bedtime even when you turn the whole-house thermostat down to save energy overnight.

Make 2022 the year you finally switch to a programmable thermostat that will turn the heat up when the home is occupied and everyone is awake, and down at bedtime and when the family leaves for the day.

Giving Back



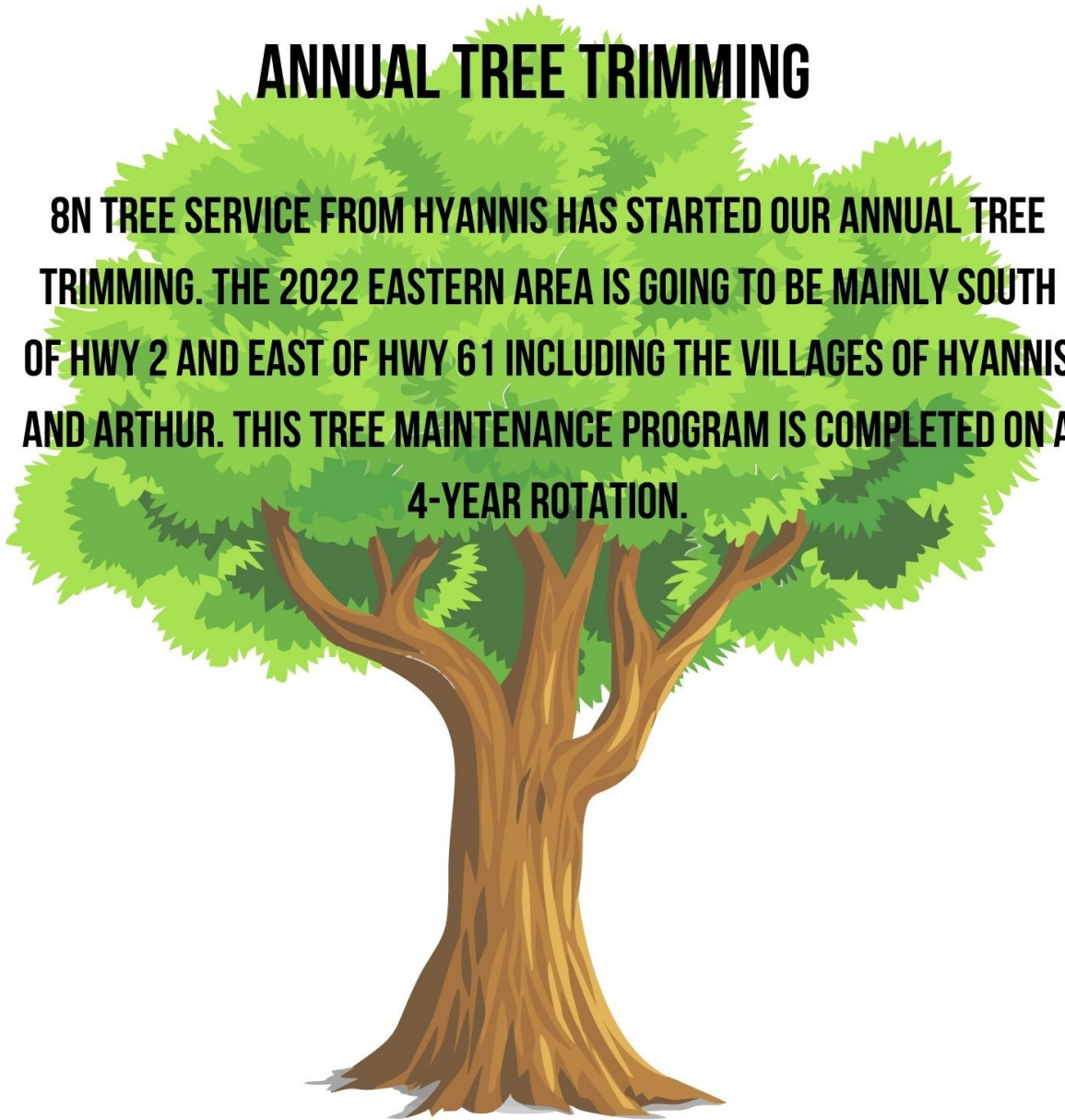
PREMA's employees donated \$1,678.26 in 2021 to United Way of Western Nebraska. These donations are given on a volunteer basis and each employee chooses the amount they donate.



Pictured above is Stevi Buskirk (PREMA HR) and Karen Benzel with United Way.

ANNUAL TREE TRIMMING

8N TREE SERVICE FROM HYANNIS HAS STARTED OUR ANNUAL TREE TRIMMING. THE 2022 EASTERN AREA IS GOING TO BE MAINLY SOUTH OF HWY 2 AND EAST OF HWY 61 INCLUDING THE VILLAGES OF HYANNIS AND ARTHUR. THIS TREE MAINTENANCE PROGRAM IS COMPLETED ON A 4-YEAR ROTATION.



These are the vehicles and equipment used by 8N Tree Service.



Notes from Load Management

The Load Management program is in place for the 2022 irrigation season. By participating in Load Management, irrigators receive a discount on the monthly kW charge; this discount is slightly larger for 2022.

PREMA consumers with irrigation accounts will be receiving a letter explaining guidelines and rates for Load Management. Those not receiving the letter can call the office for information at 308-762-1311 or can email Tim Sherlock at tims@prema.coop.



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

PREMA

251 BRAYTON ROAD
P.O. BOX 677

ALLIANCE, NE 69301-0677

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(308) 762-1311 or 800-585-4837
FAX—(308) 762-5750

