

27th year 2nd Issue March 2015

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### Co-op Connections Participating Businesses:

- The Fine Grind (10% off purchase)
- Country Corner Hair Shop (10% off retail products)
- Miller Soap Company LLC (10% off purchase. Does not include shipping)
- Same As It Once Was (10% off purchase)
- Herren Brothers (10% off True Value items not currently on sale or marked at discount)
- Lickety Stitch Quilts (Free pattern with purchase)

Co-op Connections cards for the membership will be arriving in late March. When we receive them, we will mail them to you or you are welcome to stop in the office and pick one up.

We want to thank the local businesses that have already chosen to join in the program and look forward to adding more soon.

Current participating businesses are listed in this newsletter as well as our NEA website and on www.connections.coop,

where you can find **ALL** of the nation-wide participating businesses. Also, download the Co-op Connection's mobile app for Android & Apple devices from the homepage.

Businesses may change offers throughout the year and new businesses may join, so the website will be your best source for information.

# Co-op Connections<sup>®</sup> Program



# Added Benefits! More Savings!



#### 2015 Irrigation General Information Letter is coming out soon. Please read your irrigation paperwork carefully.

Mid-March, you will be receiving the yearly irrigation letter. The normal irrigation season is May 1 through October 31. In the past, there have been some consumers who have requested to be turned on for April instead of waiting until May. We can meet such a request *IF* we get a bank letter or the pre-payment(s) required in the office and processed at least a week *PRIOR* to Wednesday, April 1, 2015. The linemen will connect any services that are ready on April 1st. If you do not inform us in time for the April 1st turn on date, you will be charged a trip fee (\$30.00 plus mileage @ .84 per mile) to connect on any other work day in April. The next scheduled turn on date will be the traditional date of May 1st.

#### **Connection of Account**

NEA will not connect any irrigation account without a prepayment or bank letter of guarantee. The electric service will be kept in the landowner's name, in the event of a lease agreement. Connected accounts will be required to meet 100% of annual minimum charges.

#### Prepayment

The prepayment will be based on your three highest billings from the previous irrigation year or the annual minimum charge times three, whichever is greater. *The prepayment must be received, in the office, by April 16th, 2015.* After receiving prepayment, service will begin on May 1, 2015. NEA will retain this prepayment until the service is disconnected or October 31, 2015. The prepayment will be applied to the final bill and any credits will be returned to consumers by November 30, 2015.

#### **Bank Letter of Guarantee**

You have the option of obtaining a bank letter of guarantee rather than paying the prepayment. The bank letter of guarantee will be based on your three highest billings from previous irrigation year or the annual minimum charge times three, whichever is greater. *The bank letter of guarantee must be received, in the office, by April 16, 2015.* After receiving the letter of guarantee, service will begin on May 1, 2015.

#### **Idle Systems**

Please notify NEA prior to April 16, 2015 if you do not plan to operate your irrigation system. An idle service charge will be applied if you do not want the lines and services removed.

#### Maintenance on customer side equipment

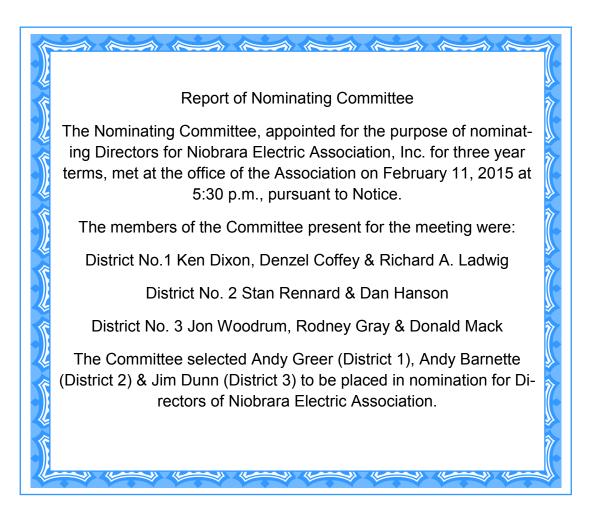
Any services disconnected for maintenance on your equipment during the irrigation season will be required to meet National Electric Code prior to reconnection of the service. This includes getting an electrical permit and a fused disconnect at the metering point.

#### New Irrigation rate effective 1-1-2015

NEA has made significant changes to the rate for irrigations. In the past you were charged the facilities charge as a lump sum on month of connect. With the new rate, the facilities charge will apply each month that the service is connected. This change removes the need for the old "off-season" minimum.

IRRIGATION SERVICE		Facilities Charge	\$60.00	per month
(I)	(130)	Annual Minimum	\$9.75	per HP (10 HP Min)
		Demand Charge	\$15.40	per kW per month
		Energy Charge	\$0.05571	per kWh
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#### If you have any questions concerning the changes, please feel free to contact our billing department.





Juniors, consider applying for Youth Energy Leader Camp 2015.

NEA is looking for motivated youth to represent us at Camp. If you want to learn more about the many facets of the Cooperative world, expand your leadership skills and have the opportunity to earn a trip to Washington DC, then you'll want to attend this camp.

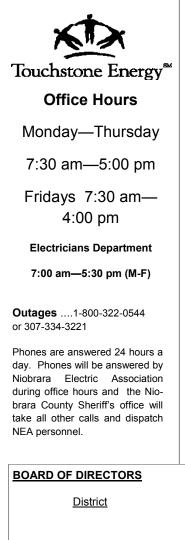
Watch for more information on facebook. Applications will be at both Sioux and Niobrara County high schools or call and visit with Twyla 307-334-3221 for more information.

www.niobrara-electric.org www.facebook.com/NiobraraElectric NEA NEWS is a publication of Niobrara Electric Association., Inc

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John Hester	1	Keeline, WY	President
Andy Barnette	2	Lusk, WY	
David Keener	3	Marsland, NE	Sec./Treas
Bill Wilson	3	Harrison, NE	
Jack Hammond	1	Lance Creek, WY	
Jim Dunn	3	Harrison, NE	
Kenny DeGering	2	Lusk, WY	
Andy Greer	1	Lance Creek, WY	
JD Wasserburger	2	Lusk, WY	Vice President

Activity in the oil field area is slowing down with the recent decrease in oil prices. How does NEA deal with those expenses and the costs of all the new lines out there?

The official term is "contribution in aid to construction", it is the money paid to NEA to help fund the additional poles and wires needed to serve the new load. In the early days of coops, funding to build the initial lines were a combination that was heavily RUS loan funds (REA at the time) and some local funds (low or near zero). This was the way it was done for many years, until "everybody" was hooked up. As some of the early "oil boom" was happening this was still the practice, and as it went from boom to bust, we got left with lines that were financed, only now they weren't generating any revenue to pay the construction loans. This is a concept called "stranded cost", or money spent on something that won't be paying back.

Since that time, the concept on how to pay for those additions has changed. Now NEA pays an initial amount for the construction, around \$1000 per connection and leaves it up to the new service owner to cover the rest of the costs so that all the other members are not paying for the service. We set up a five year contract with the new service in exchange for accepting a portion of the costs in monthly installments. This method protects the existing members from incurring costs from new growth. In the case of load that is indeterminate, or possibly short lived, we don't offer the support, and in fact can add the possible removal costs to the bill. Another key word is "contribution" in aid to construction, not purchase. After these lines are built, ownership and the responsibilities that go with that stay with NEA.

As far as the monthly revenue side of the slow down, we budget to the best of our abilities and go from there. So far the prices for oil haven't fallen below production costs, so the revenue from the wells has stayed up. It has just slowed exploration and new development. As with past oil events, it's a cycle and it will probably boom again, how soon depends on whose crystal ball you look through. I've been working with a few companies on projects, and most seem to see things picking up by fall, so in the meantime, enjoy the lower prices at the pump.

Kenny Ceaglske

## **Boardroom News**

### **February Board Meeting**

- Director Hammond spoke regarding Tri-State business. Director Keener discussed NREA business and Director Greer shared WREA information.
- Attorney Skavdahl spoke on collection matters.
- Line Superintendent Rick Bridge reported that the new voltage regulators feeding the west end of the system were running, and recommended updating the high load escort costs.
- Manager Ceaglske reported on the 2015 Budget and it was approved at just under \$1,000,000 with about \$500,000 in margins. He also updated the board on west oil load.