



## **DEPARTMENT SPOTLIGHT**

### ***\$ RATES \$***

Rising rates have been a hot topic over the last two years in the cooperative world. We have all heard about inflation, increased fuel and energy costs, supply chain issues and many other factors that have contributed to making affordable and reliable electricity harder to achieve.

NEA implemented a rate increase in May of 2023 due to our rising costs of keeping our infrastructure maintained and in anticipation of a proposed rate increase by our wholesale power supplier, Tri-State G&T.

Tri-State formed a rate design committee in 2022 which consisted of CEO's and Directors from each of the 42 members, Director Wilson represented NEA. This committee met over the course of a year to try and create a new rate structure which would meet Tri-State's budgetary needs yet treat each member favorably. There were many factors to be considered such as how much revenue would be needed to meet the debt covenants required by lenders and still keep members rates affordable and competitive.

Ultimately, Tri-State filed with the Federal Energy Regulatory Commission (FERC) an average rate increase of 6.36% (NEA will see a 6.44% increase in our rates, some members were much higher and some were slightly lower) which will be implemented January 1st, 2024, the last rate increase proposal was in 2017. As stated above, NEA anticipated this increase and figured that into the rate increase imposed in May of 2023, therefore, we will not be raising our rates again at this time.

Along with this percentage increase, the formulary rate will also come with a "true up" methodology which means at the end of each year, beginning in 2024, depending on Tri-State's margins, each of the members of Tri-State will be faced with a +/- (debit or credit) number to either be paid to Tri-State if they do not meet their debt covenants or to be refunded to the members by Tri-State if there is an excess. This will be passed on to you our members in the form of a Power Cost Adjustment Factor (PCA) you will begin seeing on your bill in 2025. We still have a few logistics to calculate so more information will be coming soon on how that will be implemented.

We hope you all had a safe and happy holiday season and look forward to serving you in 2024!

### Office Hours

Monday—Thursday

7:00 a.m.— 5:00 p.m.

Closed Fridays and Holidays

(New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving and Christmas)

Phones numbers for outages.

After hours:

SRS Dispatch

1-800-322-0544

During Business Hours

307-334-3221

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### SAFETY MESSAGE

Niobrara Electric always operates from a safety centered standard, we are also governed by specific legal code as well as State and Federal laws. A couple of areas of concern with safety and legal codes we want to stress to our membership is in new construction builds, hay stacking, and tree planting.

Our power lines are safely designed and must meet stringent standards. This will not keep people from harm if you break rules regarding safe construction, planting or other activities around energized power lines and the structures supporting both transmission and distribution service.

The **planning stage** is the perfect time to visit with NEA about safe clearance distances. Our operations department will gladly visit with members to be sure their needs are met with safety being the top priority.

Vertical distance under a primary power line is a minimum of 14.5 feet of clearance between building, rooftop decks, loading docks, etc.

Horizontal distance to a primary power line is 7.5 feet to any structure.

Triplex, a secondary line, has a minimum vertical distance of 10 feet of clearance over accessible areas. And 3.5 feet over rooftops that are not readily accessible. Horizontal minimum is 5 feet. Below are pictures of other safe distances to keep in mind.

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