



26th year 14th Issue

July 2014

INSIDE THIS ISSUE:

<i>"This Old House"</i>	1
<i>Annual Meeting</i>	2
<i>SmarrHub</i>	3
<i>"This Old House" continued</i>	4
<i>Boardroom News</i>	4

Government agencies are proposing legislation that, if enacted, will change what you pay for electricity. Become aware, educate yourself, be involved; you can make a difference. Go to www.action.coop for information with Cooperative Action Network.

This old house.

Power systems like ours can be looked at very similar to an older house. There always seem to be parts that are in decent shape, and there's always another project, something getting older that needs to be updated or repaired, a closet of old stuff that needs to be thrown out and sometimes there are things that come up unexpectedly.

I'd look at any storm damage as the last item, no different than the unpleasant surprise of a broken pipe, or a hole in the roof. It must get fixed fast, and safely, to keep things going. If the cost of repair gets too high, some of the general repairs that were planned end up getting set back a bit. The storms of October took down around 400 poles, or about 25 miles of line. We had planned to rebuild 10-20 miles this summer, but our priorities got "adjusted".

In the decent shape category, we've got some line that has been built or rebuilt in the last 20-25 years. Our substations seem solid, and our 69kv transmission lines, that make up the foundation of the system, look good.

Some services that haven't been used in a while need to get removed, since poles and wire in the air still need maintenance and still use a little power to keep energized, which take up resources we could apply on other things. It is sort of like freeing up space in the basement or cleaning out a closet.

The more pressing project areas are the three phase lines that offer a backup to the high voltage transmission lines by tying substations together, like the recent Lusk-Manville project. Followed by more three phase lines that support load on the system, and then the single phase lines, particularly those that give us the most trouble. We review these types of items on a regular basis through our work plan process. Recently, we've been spending around \$500,000 per year for those types of improvements.

Some of the projects are less visible, and need evaluation, like new windows or insulation on a house. Phase balancing is one of those projects. Depending on how out of balance things have become over the years, we may be spending extra money just trying to get power down the line. Also, coordinating the protection on the system. No different than adding tools in the shop or appliances in the kitchen, as we add customers, the fuses and breakers may need to get sized differently, and they must be coordinated so the right one trips for a given area and has the least effect on others. This can be a source of annoying blinks or even extended outages.

Not unlike most homeowners, we are forced to scratch our heads and ask "How are we going to pay for that?"

One option is right out of the general funds today, cash from our wallet so to speak. If we do that, it has to be built into the rates we charge today and becomes tomorrow's capital credits that we will have to pay out at some time in the future.

Continued on page 4.



Nearly all of the thirteen scholarship recipients came out to receive their awards at Annual Meeting. Congratulations, Winners!



Above, Board President John Hester presenting Chris Rejda with her 25 year service award. Right, NEA General Manager Kenny Ceaglske giving his report.





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Touchstone EnergySM

Office Hours

Monday—Thursday

7:30 am—5:00 pm

**Fridays 7:30 am—
4:00 pm**

Electricians Department

7:00 am—5:30 pm (M-F)

Outages1-800-322-0544
or 307-334-3221

Phones are answered 24 hours a day. Phones will be answered by Niobrara Electric Association during office hours and the Niobrara County Sheriff's office will take all other calls and dispatch NEA personnel.

The other option is to utilize our bankers, RUS (originally REA), CFC, or CoBank, taking out a "home equity loan", of sorts. While this doesn't immediately have a large impact on rates like paying up front, it obligates us to debt down the road, with interest. This has smaller impact on rates today, but sticks with the rates for 30+ years as a portion of our annual expenses. Not any different than a home mortgage.

We balance the tow options as best we can, making long term, larger scale improvements with financing, and smaller, short-term improvements with cash. Occasionally, we are fortunate enough to have new load helping with the costs of rebuilding aging lines, as we did with the ONEOK project along Kirtley Rd. We have a few smaller scale projects on the horizon this year that will be improving existing infrastructure on the way.

All this "home improvement" makes up a good portion of your bills, after the cost of power. Unfortunately, initial construction on our "project house" was mostly done in the 1950-1970 range and poles last an average of 30-40 years so, we have a substantial part of the system that needs attention all at the same time.

The other big question, "who will do all the work?" We have qualified staff to do most of the work, but there is enough of it that we get overloaded. There are times when we need special equipment or knowledge. When that is the case, we bring in contactors or in the case of emergencies, neighboring coops. Smaller jobs are good for our crews, they can travel from our office to a jobsite with little or no oversight, find it and get back to the shop bringing just the needed tools and materials. Similar to minor projects around the house, a quick trip to the hardware store and tools from your toolbox should be enough to get the job done in an afternoon. Big projects are a good job to hand off to contactors, they can supply the staff and equipment and focus on a specific area without being called off for outages or other miscellaneous work.

Sometimes home projects are big enough to take multiple weekends. That is the plan anyway, except for the weekends that the kids have a tournament, weddings, fair time, or whatever. So a contractor may have finished in a few weeks, but as a do it yourself project, it stretched into months, or longer. It does add to expenses to bring in the contractor versus using the existing employees, but the added efficiency and focus is usually worth it. In the case of a home DIY project, you have to ask "what are my weekends worth?" That is another balance we need to make as we look at the workload and improvements.

There's a lot more behind the scene that has to happen but this is a good basic comparison to a subject a bit closer to home. I hope this helped give you a better understanding of what we do at NEA on a regular basis.

BOARD OF DIRECTORS

District

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

Boardroom News

May Board Meeting

- Director Hammond spoke regarding Tri-State business.
- Director Keener discussed NREA business.
- Director Greer shared WREA information.
- Attorney Stecher spoke on collection matters.
- Line Superintendent Rick Bridge gave an operations report.
- Manager Ceaglske gave the managers report.