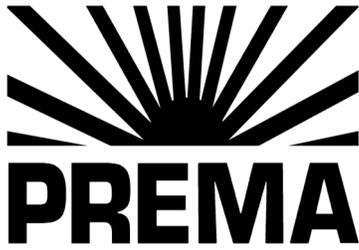


April, 2014



PLUGGED IN WITH . . .

Panhandle Rural Electric Membership Association



The Dawning of a New Era



With the March 14, 2014 retirement of Operations Manager, Dusty Peterson, PREMA has looked from within to fill the vacated position. Staking Engineer, Paul Grosz, has agreed to take the helm of the Operations Department. Paul has been employed by PREMA since 1979 and has worked

closely with Dusty for many years. PREMA anticipates a smooth transition in the weeks to come. Grosz is looking forward to his new role and expects the teamwork of the department will keep things on track.

Alliance Foreman Dale Knapp will be assuming the position of Staking Engineer. Knapp has been with PREMA since 2004 and is excited about his new duties on the cooperative's management staff. He is interested in helping make decisions that will improve PREMA's



service to the customers. In addition to helping the customers with their new service requests, Dale will oversee the inventory of materials needed to complete all projects and upkeep of the system.



And, last but not least, Boone Manion has jumped from being an Alliance Lineman to the Alliance Foreman. With 15 years of experience, Boone is well prepared to lead the Alliance crew. His duties will include planning daily projects and dispatching workers to their various assignments as they work to

keep PREMA's power online and in excellent working condition.

So, if you see any of these fellas, be sure to congratulate them on their recent promotions and wish them the best as they strive to provide safe, reliable, and efficient electricity and services to the PREMA customers.

Election of Board of Directors

The 2014 PREMA Annual Meeting will be held June 4th in Alliance. Districts 6 and 7 will be up for election. Listed below are the requirements as found in the Articles & Bylaws handbook.

ARTICLE IV, BOARD OF DIRECTORS

SECTION 1. General Powers. The business and affairs of the corporation shall be managed by a board of seven members which shall exercise all of the powers of the corporation except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office. The term of a director shall be three years. Directors will be elected in the following rotation; Districts 1 and 2; the following year, Districts 6 and 7; and the next following year, Districts 3, 4 and 5. Directors shall hold office until their successors shall be elected and qualified. If an election of directors shall not be held at the annual meeting, or by written ballot in lieu of a meeting, on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter. Directors shall be elected by a majority vote of the members voting, even if the total votes cast is less than a quorum of the members voting.

SECTION 3. Qualifications. No person shall be eligible to become or remain a director of the corporation who is not a member of the corporation, or who has not been designated as the voting delegate of a firm, association, corporation, or body politic, or subdivision thereof holding membership in the corporation, and who does not have legal residence in the district he or she would represent. Upon establishment by the board of directors of the fact that a director holding office in violation of any of the foregoing provisions, his or her office shall automatically become vacant and the board shall appoint a successor in the same manner as provided in Section 7 of this article. Nothing contained in this section shall effect in any manner whatsoever the validity of any action taken at any meeting of the board.

SECTION 4. Districts. The service area of the corporation shall be divided into seven districts for the election of directors as follows:

District No. 6—Ranges 49 and 50

District No. 7—Ranges 51-56

SECTION 5. Nominations. It shall be the duty of the board of directors to appoint committees on nomination consisting of three members from each district where a nomination is needed. No member of the board may serve on such committees. Each committee shall prepare and post at the principal office of the corporation a list of nominations from each committee. Each committee shall nominate at least one candidate.

Any seven or more members from a district acting together may make nomination by petition for that district and the secretary-treasurer shall post such nominations as committee nominations are posted.

The following timeline shall be observed by the board, nominating committees and members: Any action may be taken before the required date.

Minimum Number of Days

Sixty Days

Forty-Five Days

Thirty-Five Days

Fifteen Days

Action Required

Nomination Committee Appointed

Committee Nomination Posted

Petition Nomination Posted

Written Ballots/Notice Mailed

SECTION 6. Removal of Director by Members. Any member may bring charges against a director and, by filing with the secretary-treasurer such charges in writing together with a petition signed by at least ten percent of the members or 300, whichever is the lesser, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and, the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by majority vote of the members at such meeting without compliance with the foregoing provision with respect to nominations.

SECTION 7. Vacancies. Except as provided in Section 6 thereof, any vacancy occurring in the board for any reason shall be filled by the board until the next annual meeting of the members. At the next annual meeting of the members following a vacancy in the board, such vacancy shall be filled by vote of the members for the remainder of the unexpired term in which such vacancy occurred.

Tri-State G&T to Change Structures Between Lake McConaughy and Hyannis

To accommodate Tri-State's work, it will be necessary for PREMA to transfer all of Hyannis and Arthur substation loads to the Alliance delivery substation. Under normal conditions, this should not affect any of our customers served by these substations. The most vulnerable situation for the Arthur area customers is when the Arthur substation is being supplied by the Alliance substation. These vulnerabilities may include prolonged outages and/or low voltage conditions. PREMA will make every effort to minimize any effect on our consumers. Twenty structures will need changed between Hyannis and Arthur and this work will take place between March 17, 2014 and April 12, 2014. The next phase will be April 21, 2014 through May 10, 2014 and will consist of 10 structure changes between Lake McConaughy and Arthur. Finally, starting May 12, Tri-State will change out three structures between Lake McConaughy and Ogallala, marking the end of this project.

Over the last three years, Tri-State has been responsible for responding to a North American Electric Reliability Corporation (NERC) issued alert for utilities to verify transmission line clearances. This caused quite a problem for the industry which has long relied on surveyor's data from initial line construction. The leading technology for highly accurate mapping of transmission lines was LIDAR (a combination of Light and Radar). LIDAR measures distances using lasers and measuring reflections.

For each of Tri-State's operated, maintained, or owned transmission lines, a helicopter flew at a low altitude and mapped each line to an amazing degree of accuracy. According to the project manager, "the LIDAR equipment-mounted on the belly of a helicopter- {provides} Tri-State with precision mapping of Tri-State's entire transmission system." The LIDAR survey results showed that Tri-State will have to change 33 structures between Hyannis and Lake McConaughy to meet the new Federal Energy Regulatory Commission (FERC) regulations.



The thunderstorm season is just around the corner. With that comes the possibility of power outages. PREMA takes pride in taking care of our customers.

In the event of a disruption of power, it is important to gather some information before calling PREMA.

First, it is extremely helpful if you have

your meter number handy. This "P" number can be found on your monthly bill or on your meter. Second, call your neighbor to see if they have power. Knowing this will help us to determine the extent of the outage. Then, call PREMA at 762-1311 and our line crew will work hard to get your power back on as quickly as possible.



PREMA is looking for contact information for the following people. If you know this person or a close family member, please call Janet at PREMA, 762-1311.

Evelyn Fendrich

Phillip F. Guntle



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

PREMA
251 BRAYTON ROAD
P.O. BOX 677
ALLIANCE, NE 69301-0677

MANAGEMENT AND STAFF

Ryan Reiber—General Manager
Paul Grosz—Operations Manager
Dale Knapp—Staking Engineer
Jerry Mathistad—Office Manager

BOARD OF DIRECTORS

Dale Berndt—Lakeside
Wayne Crawford—Alliance
Marty Larsen—Whitman
Bryan Monahan—Hyannis
RD Sutphen—Lakeside
Jerry Underwood—Alliance
Phil Zochol—Alliance

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