



August 2025



Understanding Electricity Costs

The Hidden Factors Behind the Power Supply

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As you know, there are multiple factors which impact the cost of electricity. Some of the largest factors sit outside of the power district's ability to control. In this article, we will be covering four of the factors contributing to the wholesale cost of electricity: fuel prices, extreme weather, infrastructure and equipment costs and energy policy and regulation.

OUTSIDE FACTORS THAT IMPACT ELECTRICITY PRICES



FUEL PRICES

Fuel Prices. The cost of coal, natural gas and oil are contributing factors. In some cases, these are stable costs yet in others these fuel prices fluctuate based on supply/demand, transportation (rail, pipeline, etc). In the case of renewable energy such as hydroelectric, solar and wind the fuel itself isn't costly but the cost to build the generating assets and the cost to operate the assets are the cost drivers.

Continued on 3-B



LUCKY DRAWING



Congratulations to Bob and Margaret Noonan, our June "Lucky Draw Winner"!

Bob and Margaret have three adult children and eight grandchildren. The Noonan's have been Wheat Belt customers for 49 years in the Dalton/Broadwater area where Bob is a lifetime rancher and Margaret is retired from Bass Pro/Cabelas.

The Noonan's received a \$50 credit on their account for their prompt payment. If you would like to be included in our next drawing, and avoid a \$5 delinquent fee, please send your payment before the 16th of the month.

For your convenience, we offer several payment options. Please give us a call at 308-254-5871, or visit wheatbelt.com, and select the Customer Engagement page for more information.



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OUTSIDE FACTORS THAT IMPACT
ELECTRICITY PRICES



EXTREME WEATHER

Extreme Weather. When electric generation companies need to purchase power on the open market, weather becomes a driving factor of the cost. When the weather is temperate, it is not a driving factor of electricity costs.

However, during extreme cold periods or extreme heat periods, the electricity costs can soar to unfathomable prices. In February of 2021 this unfortunately was the perfect scenario, the demand exceeded the supply of electricity and wholesale power costs went through the roof.

OUTSIDE FACTORS THAT IMPACT
ELECTRICITY PRICES



INFRASTRUCTURE &
EQUIPMENT COSTS

Infrastructure and Equipment Costs. In addition to the cost to generate electricity, the transmission of the electricity is costly. The large/tall metal framed electric lines are owned by a transmission operator as most of the taller wooden H structures. These

transmission lines you can think of as the “interstate” or “highway” system of the electrical grid, traffic slows down or speeds up when getting on or off these “highways” – in the electric world this is known as substation transformers. Once the electricity is stepped down to voltage manageable by the electric distribution system (think Wheat Belt) we have our own infrastructure “county roads” and “streets” to get the electricity where it needs to go. Not only does the infrastructure (poles, wires, transformers and other power line equipment) cost money, the labor is highly specialized and therefore expensive. Additionally, the equipment needed to operate and maintain the infrastructure at all levels (“interstate”, “highway”, “county roads” and “streets”) is highly specialized and therefore expensive.

OUTSIDE FACTORS THAT IMPACT
ELECTRICITY PRICES



ENERGY POLICY &
REGULATIONS

Energy Policy and Regulations. Every day local, state and federal entities are creating policies and regulations affecting the generation, operation and construction of electric facilities. Some of these policies are helpful and

others are unfavorable in terms of contributing to the cost of electric generation and transmission.

Our wholesale power supplier is Tri-State G&T. One of the benefits of such organization is they help absorb the

daily and hourly fluctuations in electricity cost. This helps us to set a rate for a year or multiple years at a time, even though the cost to generate and move electricity varies greatly hour by hour.

JUNE
BOARD MEETING UPDATE



- The board reviewed and amended Policies: A-5, Information Use and Cybersecurity; and C-9, Disconnect for Nonpayment. Updated customer policies have been uploaded to Wheat Belt PPD’s website.
- Jay Mendoza and Daniel Thompson with Tri-State G&T were present to give the board an overview of the new Demand Response program that Tri-State will be rolling out in the near future.
- The board reviewed the request for proposals (RFP) from three auditing firms regarding our annual audit. The board will vote at next month’s meeting on which firm will be awarded the contract.
- Per Policy C-11, an irrigation demand was approved to be written off in the amount of \$663.95.
- A strategic plan initiative update was presented to the board regarding; Leverage Financial Strength. (See update on page 3-D)



School will be back
in session soon!



SCHOOL



Please
slow down
in school
zones.

Wheat Belt PPD Employee Feature

Andy Kuhns - IT/AMI Technician



How did you hear about Wheat Belt?

Growing up in the area I've known of the company for most of my life. I heard of the opening for the IT/AMI position through our local newspaper.

Why did you decide to go to work at Wheat Belt?

In 2016 I was getting laid off from my job due to a company shutdown. My family and

I had grown rather fond of food and shelter, so I talked Wheat Belt into hiring me.

What do you like most about working at Wheat Belt?

I enjoy the variety of my daily tasks, as well as looking for opportunities for improvement in our systems and processes.

Is there any special training or education needed for your job/career?

I generally rely on my sparkling personality and boyish good looks to carry me through my days.

Do you need to have continuing education for your type of work/career?

Yes. As systems and technology advance it's important to continue to learn and stay on top of the changes.

Tell us about your family:

My wife, Brandy, is a branch lead and loan officer at a local bank. We will celebrate our 25th anniversary in July. We have two daughters and a grandcat, Tedward. Our oldest daughter, Alaina, lives in Hastings, NE and works in finance. She recently got married so we have inherited a son-in-law, Braden. Our youngest daughter, Madison, is attending college in Hastings, NE. She will receive her associates degree later this year.

What do you like to do in your free time?

I'm a pretty terrible golfer, but I enjoy trying. When I'm not searching for a lost golf ball I like spending time with my family.

You are the IT/AMI Technician for Wheat Belt....

Tell us your thoughts on how efficiency has changed over the recent years and how Wheat Belt has navigated these changes to better serve our customers.

From a technological standpoint, advancements in systems and equipment allow us to work more efficiently. An example is how improvements in our AMI and outage management systems give our crews increased visibility, allowing them to respond to outages and troubleshoot issues faster than ever.

But this doesn't stop with systems. I've had the opportunity to be part of several process improvement projects over the past few years. Through these projects we look at current processes, evaluate the steps and search for improvements and more efficient ways to complete the tasks. Improved efficiency in our processes helps to reduce frustration and eliminate non-essential work for our employees while also providing more consistent, quality service to our customers.

ENERGY EFFICIENCY

TIP OF THE MONTH

Replace your cooling system's filter regularly to maintain strong airflow and boost energy efficiency. A clean filter means your system doesn't have to work as hard, saving energy and lowering your utility bills. Factors like allergies and pets in the home can impact how often filters should be replaced. Check the filter every month and replace it as needed. Changing filters regularly also reduces wear and tear on your cooling system, helping extend the life of the unit.

Source: energy.gov

STRATEGIC PLAN



LEVERAGE FINANCIAL STRENGTH

- Consider and analyze various power supply options
- Adopt a financial planning process
- Develop long-term rate strategy



STRENGTHEN GOVERNANCE

- Identify educational opportunities for board members
- Consider options for board assessment and continuous improvement
- Develop succession planning structures and practices



STRENGTHEN DISTRIBUTION SYSTEM

- Implement a work plan to modernize infrastructure
- Keep up with the pace of technology
- Complete 2024 storm conductor damage work



STRENGTHEN CUSTOMER RELATIONSHIPS

- Increase customer involvement
- Explore grant opportunities available



STRENGTHEN SAFETY CULTURE

- Build a culture of safety awareness and continuous improvement
- Strengthen safety programs

Strategic Plan Update

Leverage Financial Strength

Strengthen Governance
Strengthen Distribution System
Strengthen Customer Relationships
Strengthen Safety Culture

2

Adopt a Financial Planning Process

As budget season is quickly coming upon us, we will work to update the board on the the current 2025 budget and begin to plan for the 2026 budget.

The option of moving to a three-year budget and how it would be structured is currently being reviewed by staff.

1

Consider and Analyze Various Power Supply Options

Analysis has been completed on power supply options. Staff will continue to evaluate options on changing power suppliers or stay with Tri-State G&T.

3

Develop Long-Term Rate Strategy

Continue to work with our rate consultant on current rates, and future rates tied to our power supply options.

Staff has attended some training on rate designs and will continue to research other training opportunities.

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Our Mission

Deliver electricity safely, reliably and efficiently.