

News from the Northeast Nebraska Public Power District

April 2005

This newsletter is to keep you informed of how the Board of Directors, Management and Employees of the Northeast Nebraska PPD are working to serve you. We want to continue to make ourselves available for your comments and suggestions. Please let us hear from you by calling **800-750-9277**.

A Safety Message for Farmers

Soon farm machinery will be in the fields and on the roads. When operating farm machinery and trucks in and out of fields please remain aware of the location and height of power lines. Every year we have machinery bump into poles and sometimes we have tall haystacks or trucks actually contact the overhead wires. While often there is damage to the farmer's equipment and to our lines we are always grateful that no one so far has been hurt. Augers are particularly hazardous around power lines because they are tall, made of metal and have people in contact with the auger and the ground. All of us are so accustomed to seeing power lines that we forget about them. We ask that you take a minute and evaluate your path and locate power lines so that you can stay in the clear.

Why won't the Power District replace my computer if I think there has been a power surge?

This is a frequent question. Certainly we feel bad when something happens that causes a problem for a customer. There are surprisingly very many things that can be damaged by high voltage or low voltage. Large and expensive motors can be damaged by a power outage on one of three phase wires. When damage to private property occurs, we understand that the customer didn't do it and that they aren't happy about losing their TV, computer, or motor. Power companies from time to time are sued in court for damages, but courts have always ruled that the power company is not liable for damages unless they have been negligent in some way. Negligence is when the power company could have foreseen some event and no action was taken to avoid it. Courts have tried to be practical and have determined that the responsibility for protecting a customer's equipment or property rests with each individual customer. In other words there is a risk in accepting electric service and each customer must determine how much insurance they require to protect themselves from a possible electrical problem. There are low cost devices like surge protectors and UPS (uninterrupted power supply) systems that will protect costly electronic gear. If power companies were to be held liable for any and all damages, then electric rates would skyrocket in a similar manner, as has been the case with medical malpractice insurance.

Late Fees Lowered

Have you ever wondered why we charge a late fee? Some people think it is so we can raise more money, but that isn't the case. Everyone has an electric bill due every month. Ninety-four percent (94%) of our customers pay on time and have never paid a late fee. However, about 500 to 600 customers each month miss the due date on the bill and this requires us to send a first class letter out as a reminder to pay and to provide information about what happens if payment is not received. It is a lot of work to print, stuff and mail these letters and we think it fair that the customers who receive the letter be the one who pays for the cost of sending it. Otherwise this cost would have to be put in the rates for everyone to pay. In January 2005 the Board set the late payment fee at \$10.00. This lowered the fee for the town customers (former NPPD customers), which had been \$15.00 and lowered the fee for the rural self-bill customers, which previously paid \$10.00 or 10% whichever was more. This is one of several business practices that we have needed to change so that all customers are treated equally.

Financial Audit due at April 26th Board Meeting

Lots of good work has been done to improve the financial record keeping of the District. Our auditors, Schmidt and Co., have visited the District and we expect them to report to the Board that the financial records of the District are in order and in keeping with accounting principals. Significant efforts were made this year by the Foremen and management to improve our record keeping regarding inventory. Because of the increased efforts of all of the employees of the Power District: the financial health of the company has improved; the value of the company has improved; greater investment in equipment, trucks, substations and lines have been made; and all increases in the price of wholesale power, fuel, poles and wire have been absorbed without a rate increase to customers in over two years. The District's financial statements will be published in the next newsletter. The auditors met last month with some of the Directors to give a preliminary report.

New Garage and Warehouse is in the works

A new facility for the Wayne crew, trucks and materials is in the final stages of planning. The facility will be located just west of Pac-n-Save Grocery in Wayne. Presently, crews have to go to three different locations each day to pick up trucks and materials. The existing facilities in Wayne are undersized and inadequate for today's larger equipment and materials. The facility will not have an impact on rates because it will be funded from the proceeds of the sale of the District's satellite television business. A special thank you to Rick Robins and staff who successfully built and managed this satellite TV program for about fifteen years.

Why must things change?

Occasionally, we get a question about some change or another being implemented at the Power District. There are many answers as to why we must change, but the most important answer is to better serve our customers and to hold our rates down. To this we are committed and we are being successful. New technologies in communications, computing and even line trucks and equipment let us do more work with fewer people than in the past. We serve a very rural area with only 3.2 customers per mile of line and most of these customers are smaller users of power, like homes and farms. By comparison a power company like NPPD has 35 customers per mile of line and many more of these customers are businesses and industry. To hold costs down to customers, (and we have), we have to be very efficient. This doesn't mean that we are perfect and don't make mistakes, but it does mean that we first have to try ourselves to do better in the way we operate before we ask the rate payer for more money. We may no longer do everything the way it was done in the past, but if we did, then you would have to pay substantially more.

Holly Hurlbert begins work at NeNPPD

Holly began work as a billing clerk in the Wayne Office on April 1, 2005. She is a graduate of Wayne State College and is married to Trevor and has two daughters and a son. We are confident that Holly will help us to improve our billing operations.

Tree Trimming Work Intensified

Keeping tree limbs out of power lines is perhaps the single best thing we can do to improve the reliability of your electric service. We have put a lot of effort into trimming trees during the last two winters, especially this winter. With the progress we have made and the pace we have set, we estimate that we may be on about a five-year cycle to trim limbs on all 2500 miles of line. We also walk our Rights of Way and chemically spray small trees, which are growing under the lines. This winter we worked in Ponca, which completes our work in each of the 16 towns and Villages we serve.

Schedule of Board Meeting Dates and Locations for 2005

Month	Date	Day	Time	Location	Purpose
January	25	Tuesday	10:00 am	Wayne	Regular Meeting
February	22	Tuesday	10:00 am	Wayne	Regular Meeting
March	22	Tuesday	1:00 pm	Ponca	Regular Meeting
April	26	Tuesday	7:30 pm	Wayne	Regular Meeting
May	24	Tuesday	7:30 pm	Osmond	Regular Meeting
June	28	Tuesday	7:30 pm	Wayne	Regular Meeting
July	26	Tuesday	7:30 pm	Wayne	Regular Meeting
August	23	Tuesday	7:30 pm	Emerson	Regular Meeting
September	27	Tuesday	7:30 pm	Wayne	Regular Meeting
October	25	Tuesday	7:30 pm	Wayne	Regular Meeting
November	22	Tuesday	7:30 pm	Wayne	Regular Meeting
December	20	Tuesday	10:00 am	Wayne	Regular Meeting

The Board of Directors and Manager are:

Don Larsen, President	Paul Bodlak, Vice President	Sy Kneifl, Treasurer
Dan Loberg, Secretary	Lowell Birkley	Dan Ganseboom
Tom Gustafson	Larry Silhacek	Jim Decker
Mark Shults, Manager		