

# News from the Northeast Nebraska Public Power District

December 2005

This newsletter is to keep you informed about 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**.

## **No increase in retail rates for nearly four straight years**

The Board of Directors at their regular meeting on November 22<sup>nd</sup>, voted to approve a budget for 2006 that does not increase electric rates again for the third straight budget year. Retail rates were last raised in March of 2003 when NPPD increased the cost of wholesale power and with the action by NeNPPD there will not be another increase in retail rates before January 2007. NPPD also raised wholesale power rates in 2005 but the Northeast Nebraska PPD was able to absorb this increased cost. NeNPPD has also absorbed the increased cost of fuel, labor, vehicles, poles, wires, and transformers while at the same time investing steadily in improvements to the electric system. The Board did vote to increase the monthly rental on leased lighting for customers. This increase in lighting charges will result in less than \$45,000 a year in additional revenues out of the District's \$12,300,000 in annual revenues. The increase in lighting rental charges is intended to make up for the losses now incurred as a result of increased costs of maintaining the lights.

## **New Features available on the NeNPPD Web Site**

- Customers may now use the web to save time and travel expense to apply for service by using [www.nppd.com](http://www.nppd.com). Go to the tab labeled "Billing" and click on "Application for Electric Service." Fill in the blanks and follow the instructions regarding payments and deposits.
- Customers can now use [www.nppd.com](http://www.nppd.com) to report their security lights out or other non-emergency items. We have always had a way for customers to email, but this new feature gives a special report to us about trouble that needs to be fixed. Go to the 'Customer Service' tab and select "Report a Problem".
- We have added the ability for our rural 'self-read' customers to pay their bills electronically through their bank and our web site. We still need a monthly reading, which may also be submitted via the web page. To get started, call our office for the details. Check our web site to get information about billing due dates and charges.
- Budget Billing is a new feature for our rural 'self-read, self-bill' customers. To enroll see the requirements below.

## **Budget Billing now available to all customers**

We have made improvements in our billing software and processes, which will now allow our 'self-read, self-bill' customers to participate in the Budget Billing Program. Budget Billing is where customers pay the same amount each month. Once a year in May, we settle the difference between what was actually owed and what was paid. Here are the requirements to be eligible for Budget Billing:

- Customers must have at least 12 month's billing history so that an accurate monthly bill estimate is possible.
- Participating customers must have a good payment history
- At the time of enrollment the customer account must have a zero balance due.
- Rural 'self-bill, self-read' customers will still be required to submit a monthly meter reading no later than the 10<sup>th</sup> of each month, or the account will be estimated. This reading can be submitted via the Internet through our web page.
- Failure to pay the budget amount for two months in a row will cause the customer to be removed from the Budget Billing program and the customer will be required to pay the account balance in full. The customer cannot be re-enrolled in the Budget Billing program for the following 12 months.

To enroll either call the office or use the enrollment form found under the heading of Billing at [www.nppd.com](http://www.nppd.com).

**Heat Rebate Program to be discontinued January 1, 2006**

NeNPPD has participated in an incentive program to promote the installation of electric heat and water heating. As the price of natural gas, propane and fuel oil has increased dramatically, we find this incentive is no longer needed. Electric rates from NeNPPD have remained stable and are structured in such a way that energy for home heating is priced at only 4.7 cents a kilowatt-hour. Electric heat and water heating is an economical load to serve because it makes more efficient use of our facilities, which are typically sized to meet peak summer loads. We also can buy wholesale power from NPPD at a lower cost in the winter for the same reason. New heating systems purchased before December 31, 2005 will remain eligible for the incentive payment.

**Monthly charges for private leased security lighting to increase**

Effective January 1, 2006 NeNPPD will increase the monthly fees for security lighting for rural ‘self-read, self-bill’ customers. These charges have not been adjusted since 2003. The increase is needed to offset the District’s increased cost of maintaining the lights and paying for the energy. The increase in charges will not affect municipal streetlights. The charges to town customers will change slightly as we move to one flat fee rather than using the present formula of charging for pole and lamp fixture separately. The increase for private leased lighting in towns is about 4.5%. Rural ‘self-read, self-bill’ customers should use the charges below for their January bill which is due on February 1, 2006 and payable without penalty by February 10.

New monthly fees for private leased security lighting (All Customers):

175 watt mercury vapor bulb	\$ 6.50	100 watt high pressure sodium bulb	\$ 6.50
250 watt mercury vapor bulb	\$ 8.00	150 watt high pressure sodium bulb	\$ 8.00
400 watt mercury vapor bulb	\$11.00	250 watt high pressure sodium bulb	\$12.50
400 watt mercury vapor flood light	\$15.00	250 watt high pressure sodium flood light	\$19.00
		400 watt high pressure sodium flood light	\$23.50

These increases represent about \$45,000 a year to the Power District out of our total yearly revenues of \$12.3 million.

**Electric Heating is a great deal for several reasons**

Electric heating is safe without an open flame. The air source heat pump (the most common and type of central electric heat) is also a proven technology that has been in widespread use for decades. Electric heat is a great value because:

- Heat pumps move ‘free’ heat from outdoor air rather than creating heat. Today’s heat pumps can operate efficiently down to temperatures of near zero and average moving 2 to 3 times the heat into your home as the energy they consume to do this work.
- NeNPPD rates are reasonable and have remained stable. The cost of electricity for heating and water heating drops to about 4.7 cents a kWh in the winter after the first 1,500 kWh are consumed (750 kWh for town customers).

Comparing the cost of the fuel alone:

1 kilowatt-hour contains 3,413 British Thermal Units (BTU is a standard measure of heat) and cost 4.7cents  
1 gallon of propane contains 91,000 BTUs or 27 kWh and can costs \$1.35/gallon about equal to electricity  
1 Therm of natural gas contains 100,000 BTUs or 30 kWh and can costs \$1.20, about equal to electricity

The big difference is in the efficiency of the equipment. The gas equipment can only be 80% to 95% efficient in converting the fuel to heat into your home. Because the heat pump is 200% to 300% efficient at delivering useable heat into the home the cost of heating with the electric heat pump can be about half the cost of using other fuels. The ground source heat pump, which captures the heat from 40-degree ground water or the earth, is phenomenally efficient at capturing heat for home use. For more information and to use a free heating cost calculator click on [http://www.nppd.com/My\\_Home/default.asp](http://www.nppd.com/My_Home/default.asp) and select “Residential heating cost calculator”.

**The Board of Directors and Manager are:**

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