

# News from the Northeast Nebraska Public Power District

June 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**.

## New Warehouse and Garage now under Construction in Wayne

Our Wayne crews presently work out of 3 different locations to park trucks and store materials. The material yard in Wayne has been undersized for many years. Over time, the increased demand for electricity has resulted in an increase in the size of materials, like poles and wire, needed to carry the load and improve reliability. This has brought about a corresponding increase in the size of the trucks and equipment needed to handle these materials. The District recently purchased 11 acres on the west side of Wayne near Pac-N-Save grocery. We are in the process of building a new warehouse and garage facility that will allow the two crews stationed in Wayne to consolidate their operations and materials. This will save considerable time each morning in ferrying trucks and loading materials out of different locales in town. The new facility is expected to be complete in the late fall of 2005 and we plan an 'open house' event to let customers see our operation and meet our employees.

## Fiscal Year 2004 Audit Results

For your review, here are the FY 2004 Balance Sheet and Income Statement. We attained an 'unqualified opinion', which is the highest rating an audit firm can provide. The 'unqualified opinion' simply means that the auditors have determined management is being diligent in keeping the District's financial records and that the financial statements below fairly represent the financial condition of the District. If we can answer any questions related to this information, then please call us.

Even though operating revenues for 2004 were slightly down by about \$100,000 from the previous year, and the cost of purchased power rose slightly by about \$30,000, we were able to reduce our operating expenses by over \$550,000 in 2004 from 2003 levels. These savings will be given back directly to the ratepayers in 2005 because the District will fully absorb an increase in the cost of wholesale power of approximately \$300,000 per year. Additionally, over \$1.8 million was spent on additions to the electric plant in 2004 and \$300,000 of debt was retired.

### **Balance Sheet 2004**

<u>Assets</u>		<u>Liabilities</u>		<u>Income Statement 2004</u>	
Electric Plant	\$ 30,058,511	<u>EQUITY</u>	\$ 18,227,470	Electric Sales	\$ 11,959,358
Less Depreciation	( 13,253,049)			Other Revenue	350,553
<u>NET ELECT. PLANT</u>	16,805,462			<u>TOTAL REVENUE</u>	12,309,911
				Cost of Power	7,266,758
				Transmission Expense	202,226
				Operation Expenses	572,316
				Maintenance Expenses	683,860
				Consumer Acc't Expenses	469,841
				Other Expenses	48,396
				Administrative & General Exp	917,500
				Depreciation	791,828
				Taxes	517,368
				<u>TOT. OPERATING EXP.</u>	11,470,093
<u>INVESTMENTS</u>	3,851,268	<u>TOTAL DEBT</u>	4,843,373	<u>INTEREST EXPENSE</u>	221,089
Cash	1,552,895	Current debt pymnt	347,200	NET INCOME from	
Other Securities	1,097,050	Accounts payable	921,747	<u>OPERATIONS</u>	618,730
Receivables	1,116,476	Accrued Expenses	98,892	Interest revenue	173,378
Materials and Supplies	478,649	Accrued Taxes	305,294	Other Non-Operations Rev.	1,183,612
Prepayments	33,372	Customer Deposits	99,470	Capital Credits Earned	33,899
<u>TOT.CURRENT ASSETS</u>	4,278,443	<u>TOT.CURR. LIAB.</u>	1,772,603	<u>TOT.NON-OPER. REV.</u>	1,390,889
				<u>NET INCOME FOR 2004</u>	2,009,619
<u>DEFERRED DEBITS</u>	59,805	<u>DEFFER.CREDITS</u>	151,531		
<u>TOTAL ASSETS</u>	24,994,977	<u>TOT. EQUITY &amp; LIABILITIES</u>	24,994,977		

### **Drop Boxes are available for your convenience**

Many customers don't know that they can pay their bill in Osmond, Emerson, Ponca and Wayne 24 hours a day by using our convenient drop boxes. These boxes are checked daily to give customers every benefit to avoid late payment penalties. Some customers who may have problems with mail delivery, use the boxes regularly. In Ponca our building is across from Cook's County Store, in Osmond we are at the corner of Maple St. and Hwy 20, in Emerson at 511 Main St. and in Wayne at 303 Logan St.

### **NeNPPD Offers Information through a new Web Page**

If you need information about the Power District, some of its policies and practices, or want to know who to contact with a question, you can now use the world wide web to get some answers. The web page isn't complete, but does now have some information that may be useful to you. Go to [www.nnppd.com](http://www.nnppd.com) .

### **New Transmission Line and Substation Construction due to start in July**

Construction will begin in just a few weeks on the new Union Substation and Transmission Line north of Wakefield. The transmission line will run east and west along 863<sup>rd</sup> Road in Dixon County. This project will electrically tie together portions of Wayne and Dixon county and improve service and reliability. A new substation gives the District more options in restoring power after storms and other problems. There will also be constructed a number of new feeder lines coming out of the station to move customers to the new Union Substation from other substations farther away.

### **Ground Fault Circuit Interruptors can save your life**

Special projects around the house often require using electric tools outdoors. Electricity as a power source is always trying to find a pathway to the ground, and occasionally due to a faulty tool or cut or frayed cord or even through plumbing, that pathway can be through your body, causing injury or death. One of the best devices to protect you is a "ground fault circuit interruptor" (GFCI) which can cut off the flow of electricity in less than a second if there is a problem. We recommend that you have them professionally installed in outlets located in kitchens, bathrooms and outdoors.

### **Power Contracts signed with four Villages and Towns**

Five years ago, the Nebraska Public Power District (NPPD) began a process of transferring the operation of dozens of Villages and Towns across Nebraska to rural power district's like NeNPPD. The Northeast Nebraska PPD has worked over the last two years with fourteen Villages and Towns to execute new fifteen year contracts. This process was completed recently with the execution of contracts between NeNPPD and Ponca, Newcastle, Martinsburg and Maskell. NeNPPD was able to offer several features to the contracts that are advantages to the Villages and Towns. NeNPPD offered exactly the same contract to all fourteen Villages and Towns to avoid any set of ratepayers paying more or getting a benefit that was not available to all customers.

### **Lil Schmale Retires from NeNPPD after 38 years of service**

Lil Schmale, who began her career with NeNPPD in 1967, retired recently. Lil was a native of Emerson and worked in the Emerson and Wayne offices. She was well known to hundreds of customers and we will miss her. Joe Krivalovek was recently promoted to Journeyman Lineman having completed his four year apprentice program at NeNPPD. Joe is a lineman at our Osmond shop. Dan Coughlin, Lineman in Ponca, is recovering from surgery.

### **Automated Meter Reading Pilot is Scheduled**

The District is working with Advanced AMR, Inc. to demonstrate the feasibility of installing meters that will report usage readings automatically. We are beginning to study the time, money and effort required to move away from our present system of 'self-read, self-bill'. The 'self-read, self-bill' system does create confusion and problems when readings are not obtained timely or accurately. We hope to have 30 to 50 meters installed this summer that report in automatically. If the test is successful, then a 3 to 5 year schedule for implementation could begin in 2006.

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

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