

News from the Northeast Nebraska Public Power District

April 2006

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**.

Union Substation and Transmission Line work progressing rapidly

Our newest substation is located in Dixon County, six miles north of Wayne and 2.5 miles east of Hwy 15 on 862 Rd. The Union Substation will be fed by 11 miles of new 69,000 volt transmission line now under construction. The transmission line portion of the project was delayed by a shortage of large poles because of Hurricane Katrina. Material was diverted to rebuild the gulf coast. Our contractor is on the job and has set most of the poles. Our crews have been working to build about 5 miles of new 3 phase distribution feeder lines out of the Union Substation. These lines will allow us to relieve loading on the Wayne and Allen Substations and will give us the flexibility to back feed customers in both Wayne and Dixon Counties to improve reliability. This is the first project that joins the electric lines of the old Wayne Co. PPD and the old Northeast Rural PPD. In the future, the new transmission line will also allow us to provide the City of Wakefield with another feed for reliability. The estimated cost of this project is \$1.3 million. In the last 3 years NeNPPD has upgraded the transformers in substations at Sholes, McLean, Willis, and Pierce and have built new substations at Ponca and Hoskins in addition to the Union Substation. New power lines have also been built to provide better service. All of this work has been done with no increase in electric rates.

FEMA to reimburse 70% of the cost of last year's ice storm

All of NeNPPD's service area in Pierce County and about half of Wayne County was affected by last November's ice storm. At one time we had nearly 4,000 customers out of power. Our crews and operations managers did a fantastic job of restoring power to everyone within 2 ½ days. The wind and ice tore down miles of wire and even shook dozens of transformers off the poles. It took months and about \$250,000 to repair the damage. Our accountants are now working with FEMA to secure reimbursement of an estimated \$160,000 of this expense.

Billing information that's good to know

Most of our customers are rural and they provide their own monthly meter readings and calculate their own bill. It is easy for customers to make any number of small mistakes and we understand this. But eventually a small mistake, like forgetting to add sales tax to a security light, can add up. All sorts of errors, like transposing a meter reading or even not including the reading, can result in our records being way off from what the customer thinks is correct. The only way we have of starting to talk with customers is to send the usual late notice when our records show an account balance of \$10.00 or more. We set this limit low to avoid big and unpleasant surprises on the amount owed. If you get a late payment notice that you don't understand, then call us. We need the opportunity to talk and get our records matching the customer's. If you call promptly this could avoid any late fees to be assessed. Rural Self-read, Self-bill customers should remember that mailed payments must be received in our office by the 10th of each month to avoid late payment fees. Years ago the rule was the postmark date, but that is no longer the case. If mailing is not convenient we have payment drop boxes in Emerson, Osmond, Wayne and Ponca which are checked daily and can be used to avoid late fees. If you have any question about your account at anytime, then please call us. If you read your own meter, then you are a critical part of the process of keeping your account information up to date and we need your help. Remember that monthly charges for leased security lighting have gone up. If you have a District owned light then call us to verify the monthly rate.

Why not put lines underground?

With the recent damage due to ice and wind, we get questions about the feasibility to put the electric lines underground. It is really a matter of costs. Sometimes for new power lines it is overall less cost to install underground in situations where there are obstructions or lots of trees to cut. Typically, in rural Nebraska it is easier and less costly to build overhead lines. Overhead construction has the advantage of being up where problems can be seen. Overhead construction typically lasts longer than underground. We have overhead lines still in service that are 50+ years old. Typically, when underground wire is 30 years old it

is beyond repair. It is true that overhead lines are exposed to more hazards. We consider the cost of each method and try to go with the lowest cost to install and maintain in order to keep your rates low.

What is ‘Net Metering’?

Right now there is quite a bit of interest in small wind power units for homes and farms. Salesmen of these generators often do their calculations about how fast the generator investment can pay back based on the concept of ‘net metering’. Net metering subtracts the kilowatt-hours generated off the electric company’s meter and the customer pays only the difference or the “net” amount. This works well for the customer with the generator because they get a subsidy from all of the other customers that don’t own a generator. This subsidy comes in the form of local electric company giving away the revenue that would have been used to pay for local wires, poles, service, transformers, and substations. Since the generator owner certainly wants access to all of this equipment when the wind isn’t blowing, then he/she should continue to pay their reasonable share of these costs. Net metering allows the generator owner to pass all of these costs along to other ratepayers. The Northeast Nebraska PPD has a policy that says we will safely connect any wind generator and we will pay the same amount for wholesale power that we would have otherwise paid NPPD. We do not use ‘net metering’ or in other ways subsidize the installation of generators. Our policy does not forgive the costs of our wires and poles, which would still be needed to move any power we buy from the generator and needed to provide reliable service to the customer when the wind isn’t blowing. This keeps rates low for everyone.

Board Meeting Schedule

The Board of Directors of the Northeast Nebraska PPD meet monthly in open session and invite customers to come and observe or make comments. The Board posts the monthly agenda at all offices and mails to all area Villages and Towns for posting. Additionally, the agenda is submitted to local newspapers. Beginning in May 2006 the Board will meet in the Training Room of the District’s new warehouse at 1410 W. 7th Street in Wayne, NE.

Schedule of Meeting Dates in 2006 for the Board of Directors of the NeNPPD

Month	Date	Day	Time	Location	Purpose
January	25	Wednesday	10:00 am	Wayne	Regular Meeting
February	28	Tuesday	10:00 am	Wayne	Regular Meeting
March	28	Tuesday	10:00 am	Wayne	Regular Meeting
April	25	Tuesday	7:30 pm	Wayne	Regular Meeting
May	23	Tuesday	7:30 pm	Wayne	Regular Meeting
June	27	Tuesday	7:30 pm	Wayne	Regular Meeting
July	25	Tuesday	7:30 pm	Wayne	Regular Meeting
August	22	Tuesday	7:30 pm	Wayne	Regular Meeting
September	26	Tuesday	7:30 pm	Wayne	Regular Meeting
October	24	Tuesday	7:30 pm	Wayne	Regular Meeting
November	28	Tuesday	10:00 am	Wayne	Regular Meeting
December	19	Tuesday	10:00 am	Wayne	Regular Meeting

Best Wishes

We are pleased to announce the birth of James Doyle to Lineman Boyd Doyle and his wife April. Boyd works out of our Osmond location. After 27 years of service, Carolyn Strong, Billing Clerk in Wayne, recently retired. We are pleased to announce the employment of two linemen Dustin Liable and Tim Reinke. Also, Joey Stansberry and John Bessmer have begun work as Apprentice Linemen. Vicki Meyer and Cynthia Hurlbert have joined our billing staff.

The Board of Directors and Manager are:

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

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