

News from the Northeast Nebraska Public Power District

February 2007

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**.

Ice Storm

For the 2nd year in a row, Nebraska was hit by a wide-spread Holiday Ice Storm. Ice is so devastating to electric lines for two reasons: 1) The build up of ice adds so much weight that exceeds the lines ability to hold up and 2) The ice build up catches and multiplies the force of the wind on wires. The force of the wind is measured in pounds just like the force of the added weight of the ice. Electric lines are built to handle 2 or 3 times their normal weight. The Northeast Nebraska PPD missed most of the storm, but had dozens of poles broken in the Foster and Plainview areas. In the early hours of the storm we lost power to about half the system (from Winside westward) due to the high voltage lines owned by NPPD being damaged. Our crews rerouted what they could and restored power to all but about 500 people by the end of the first day. It took another day to get everyone but 8 customers back in power. Wind did cause a 6 hour outage in western Dixon County on New Year's Eve. The timing couldn't have been worse for Holiday plans. Our crews had the lights back on in Dixon County by 7:30 pm New Year's Eve. Throughout this entire storm, our phones were answered by NPPD's call center in Norfolk. There have been some reports of confusion about what the call center personnel told folks about where and when our crews were working. I have talked to NPPD about this situation and regret any confusion. We sent crews westward to Battle Creek and Creighton because the damage was much worse in the center of the State. In fact, we still have four men working around Battle Creek. It will take about a year for all electric lines throughout the State to be returned to their pre-storm condition.

NPPD to raise the cost of Wholesale Power – Retail rates to pass this cost along starting in April

Here at the Northeast Nebraska PPD, we have successfully worked not to raise retail rates since 2003. This means that we have absorbed all of our cost of doing business including increases in wages, fuel and materials (the price of truck fuel and metal wire skyrocketed since 2003). Since 2003, we have absorbed two price adjustments in the cost of wholesale power without increasing retail rates. Our wholesale power provider, NPPD has indicated that our cost of power will increase by nearly 4% for 2007 and continue 4% increases annually for the next several years. It has also been reported in the media that NPPD may need additional rate increases to fund the repairs required by this year's ice storm.

The Board of Directors of the NeNPPD commissioned a rate study to advise the Board and Management on the amount of a retail rate increase for 2007, but also the manner in which it is collected. This rate study is timely since no changes in rates (except leased lighting charges) have been made since 2003. One intent of the study is to look at the costs to serve different kinds of customers and to set rates so that one type of customer (called a 'rate class') doesn't overpay and subsidize another rate class. The results of this study will be presented at the February 27 meeting of the Board of Directors. The Board will set new retail rates based on the adjustments required by our cost of doing business, the increased cost of wholesale power and the adjustments required to keep rate classes equitable. It is the intention of the Board to not collect more than 4 % increase in total revenues..

How to cope with long power outages

Can anything be more inconvenient than the loss of power for days or weeks? Probably not. But it is still very much a possibility, as folks in the central part of the state now know. Bad weather is usually the blame for long power outages and extreme temperatures can make being without power unbearable or deadly. Everyone should have an emergency plan of action to protect themselves, their property and businesses when the power is out for days or weeks. The customers of Northeast Nebraska PPD have been lucky the last two years to miss the worst of the storms, but our day will come when most of our lines are torn down by ice and wind, in fact it could still happen this year.... No one ever knows. For family members that are elderly or require medical attention, perhaps the best plan is to leave the area if possible and move in with family or check into a hotel. Customers often are concerned with refrigerators and freezers, which usually are fine for days if the doors are kept closed. Refrigerated goods are much less a concern in winter temperatures than during summer. If repairs take longer than a couple of days, utilities will typically make announcements through the media about the progress in restoring power. You might imagine that the phone lines stay overwhelmed as people either report outages or make inquiries. If the weather is bitter cold then water pipes must be a concern to address, as is water for livestock. Portable generators can provide a minimum amount of emergency power to typically run one appliance and a light

or two. It is usually expensive to get a generator large enough run any form of heat. Customers are reminded that they must hire an electrician to install a double throw safety switch if they want to hook a generator into the home's wiring. A generator improperly connected into the home's wiring can feed out onto the electric lines and be deadly to our linemen out working. Of course stand-alone generators that are not connected to the home's wiring do not present this concern. Most really wide spread and long outages are caused by weather however, severe outages can be caused by failures in equipment, materials, or human error and these too can happen at anytime.

You should know that utility personnel are on duty around the clock when major outages strike. Our entire focus is to restore service as quickly and as safely as we can. Our employees have many year's experience and know the standard protocols for restoring power. The main high voltage lines and substations must work or no one in the area served by that substation has power. This work takes priority over distribution feeders out of the subs. Once work starts on the distribution feeders then the priority is how to get the most number of people back on the quickest. Isolated customers at the ends of lines will typically be out of power the longest. We do not make individual decisions about restoring power. Everyone is important and we try to get as many back in service as fast as possible. Our crews work very long days with very little rest. Our control center is manned 24 hours a day when a big storm strikes. If need be crews will be brought in from other areas to help, just as we sent crews west. Everything humanly possible will be done to get the lights back on, but each customer is ultimately responsible for their own individual situation and must make their own decisions regarding their comfort and safety.

Open Board Meetings

The Board of Directors of the Northeast Nebraska PPD holds all of its meetings in accordance with the State of Nebraska's 'Open Meeting Laws'. The general public is welcome to attend any meeting at any time and attendees are invited to address the Board at each meeting. Below is the schedule of meetings for 2007. This schedule is also available at www.nnppd.com. All meetings for 2007 will be held in the Training Room, Wayne Operations Center, 1410 W. 7th St., Wayne, Nebraska.

| <u>Month</u> | <u>Date</u> | <u>Day</u> | <u>Time</u> | <u>Location</u> | <u>Purpose</u> |
|--------------|-------------|------------|-------------|-----------------|-----------------|
| February | 27 | Tuesday | 10:00 am | Wayne | Regular Meeting |
| March | 27 | Tuesday | 10:00 am | Wayne | Regular Meeting |
| April | 24 | Tuesday | 7:30 pm | Wayne | Regular Meeting |
| May | 22 | Tuesday | 7:30 pm | Wayne | Regular Meeting |
| June | 26 | Tuesday | 7:30 pm | Wayne | Regular Meeting |
| July | 24 | Tuesday | 1:00 pm | Wayne | Regular Meeting |
| August | 28 | Tuesday | 1:00 pm | Wayne | Regular Meeting |
| September | 25 | Tuesday | 1:00 pm | Wayne | Regular Meeting |
| October | 23 | Tuesday | 7:30 pm | Wayne | Regular Meeting |
| November | 27 | Tuesday | 7:30 pm | Wayne | Regular Meeting |
| December | 18 | Tuesday | 1:00 pm | Wayne | Regular Meeting |

Welcome New Employees

We are pleased to announce that **Cathy Dempcy**, Billing Clerk and **David Dredge**, Apprentice Lineman have begun work for the District. Both Cathy and David are from Randolph. **Jodi Hingst** from Pilger has started work as a Billing Clerk. **Scott Abraham** of Wayne has accepted the job of Technician and will lead our efforts to install Automated Meter Reading equipment this year.

In Memory

Since our last newsletter we are saddened at the loss of John A. Bessmer, Apprentice Lineman from Pender. John was killed in a one-vehicle accident in November, 2006. John was a good man and fine employee and we miss him.

Safety Tip: Always assume all downed power lines to be energized and stay away. Report 24/7 to 800-750-9277.

The Board of Directors and Manager are:

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

View this and previous newsletters at our website www.nnppd.com