

News from the Northeast Nebraska Public Power District

June 2008

Audit for FY2007

On April 22, 2008 the entire Board heard the results of the 2007 audit via teleconference with the firm of Schmidt and Co., which serves as the Board's independent auditor. The findings were that management is maintaining the District's financial records in a way that fairly present the financial condition of the District in all material respects and that conform to all accepted accounting principles. Highlights from the audit for 2007:

- The value of the utility plant increased by \$3,325,139 from \$35,602,603 to \$38,927,742
- Revenues increased by \$2,177,829 from \$13,025,605 to \$15,203,434
- Operating expenses increased by \$1,876,930 from \$11,414,627 to \$13,291,557, (Largely because of an increase in the cost of wholesale power. Expenses under management control increased \$275,886.)
- Retail rates increased by an average 4% to cover the increased cost of power purchased from NPPD. (Purchased power required 64 cents of every dollar paid to the District in electric sales. Wholesale power costs increased in 2007 by \$1,600,073, reflecting both the increased cost of power and increased purchases.)

The financial statements for 2007 can be viewed on our web page at www.nnppd.com.

Balance Sheet 2007

<u>Assets</u>		<u>Liabilities</u>		<u>Income Statement 2007</u>	
Electric Plant	\$ 38,927,742	<u>EQUITY</u>	\$ 23,625,639	Electric Sales	\$ 14,814,831
Less Depreciation	(13,217,600)			Other Revenue	388,603
<u>NET ELECT. PLANT</u>	25,710,142			<u>TOTAL REVENUE</u>	15,203,434
				Cost of Power	9,479,393
				Transmission Expense	200,868
				Operation Expenses	375,113
				Maintenance Expenses	481,261
				Consumer Acc't Expenses	411,196
				Other Expenses	41,618
				Administrative & General Exp	722,246
				Depreciation	1,024,526
				Taxes	555,336
				<u>TOT. OPERATING EXP.</u>	13,291,557
<u>INVESTMENTS</u>	2,253,731	<u>TOTAL DEBT</u>	6,822,410	<u>INTEREST EXPENSE</u>	300,423
Cash	1,986,991	Current debt payments	497,600	<u>NET INCOME from OPERATIONS</u>	1,611,454
Other Securities	798,000	Accounts payable	1,098,285	Interest revenue	236,028
Receivables	1,218,764	Accrued Expenses	168,600	Other Non-Operations Rev.	88,412
Materials and Supplies	678,485	Accrued Taxes	332,868	Capital Credits Earned	50,653
Prepayments	43,397	Customer Deposits	143,520	<u>TOT.NON-OPER. REV.</u>	375,093
<u>TOT.CURRENT ASSETS</u>	4,725,637	<u>TOT.CURR. LIAB.</u>	2,240,873	<u>NET INCOME FOR 2007</u>	\$ 1,986,547
<u>DEFERRED DEBITS</u>	102,963	<u>DEFERRED CREDITS</u>	103,551		
<u>TOTAL ASSETS</u>	\$ 32,792,473	<u>TOT. EQUITY & LIABILITIES</u>	\$ 32,792,473		

“Phantom” energy loss can increase your bill

Many of today's electronic appliances continue to use electricity even after you push the 'off' button. The amount of electricity a typical household may lose to these 'phantom' loads can range from 4% to 12%. That might be an extra \$70.00 a year. A common misconception is that an electronic device lasts longer if it is never turned off. This is not true. An easy way to 'unplug' TV's and computers after they are turned off is to use a power strip with an on/off switch.

Electricity is a tremendous value for home heating

Many customers ask if they get a better rate if they switch to electric heat. The answer is yes, but it isn't a special 'heating' rate. All of the District's residential rates go down in price as more energy is used per month in the winter. All customers can purchase winter electricity up to 1500 kWh per month at 6.75¢ which covers use for lights, water heating and appliances. The charge for use above 1500 kWh in a month goes down to 4.25¢ per kWh. People with electric heat can expect to use more than 1500 kWh per month.

To purchase the equivalent of 100,000 British Thermal Units of heat would cost \$2.36 for propane at \$2.15 per gallon and only a \$1.24 for electricity at 4.25¢ per kWh. Combine the low cost of electricity with the efficiency of an electric heat pump and the cost could drop by 50% or 62¢ per 100,000 BTU's.

NeNPPD joins Touchstone Energy

Our customers will soon gain some advantages of being a part of a nationwide network of rural electric providers. The Touchstone Energy web page can provide information and education for customers wanting to do their own home energy audit, learn how to save electricity, learn about electrical safety, learn about what Touchstone Energy Partners are doing to use renewable energy sources, and there is even a kids section. An exciting benefit we hope to share with each customer this fall is a 'Connections Card' which gives cardholders discounts with national and local merchants including prescription drug discounts. We plan to include a card in each bill this fall. Go to www.touchstoneenergy.cooperative.com to learn more.

Motor and Appliance protection is the customer's responsibility

Fact is, an electric company (like NeNPPD) isn't responsible for financial loss of the customer due to problems with electric service. This is perhaps the toughest thing to explain to a customer who has a damaged motor/appliance or who lost frozen food due to an outage, lightning strike or other surge, or low voltage. The reason why isn't easy to understand at first. If the electric company carried insurance to replace every TV set, freezer, etc. plugged into the electric lines, then ratepayers would have to pay more as they would be buying insurance through electric rates for all of our customers. Since most electrical damage is caused by storms, animals, or even a problem with wholesale power miles away, it is more clear cut and less expensive for each customer to purchase for themselves the amount of homeowner's insurance they need to financially protect themselves against such losses.

New AMR meters can help determine if power is off

Sometimes it is hard to know if an outage is a result of the service drop from the meter to the house or if the power is off on the electric line. Many farm places and businesses have substantial customer owned wiring beyond the electric meter. A quick check is to look at the new electronic AMR meter. If the meter display is blank then call and report an outage. If the power is out, but the AMR meter display shows a reading, then the problem is on the customer side of the meter and an electrician should be called.

Electric bills are due monthly even if not delivered by the mail

We occasionally talk to a customer who didn't get their bill. We understand that mail can get lost, nobody is perfect. However, everyone has a monthly electric bill to pay. Just because the bill didn't arrive doesn't release the customer from their obligation to pay. If a bill is misplaced, simply call our office and we will give you the amount owed or send you a duplicate bill in the mail. We would be pleased to do this. To avoid problems we send a written notice of non-payment and make several phone calls when we don't receive payment. You can even pay on line at www.nnppd.com. Help us protect you from disconnection by being sure we have a current phone number on file for those times when we need to reach you.

Overhead line clearance can change. Help us keep you safe.

We often see earthwork and tilling on farms and with road maintenance where the ground level is raised under our lines. This means that a power line that might once have been 19 feet above ground is now only 16 feet or less. This may not be enough to let large farm equipment and trucks safely pass under the line. With over 3,000 miles of line to maintain, NeNPPD crews don't see all of our line every month or even every year. If you have filled dirt in around our poles or under the lines and our line needs to be raised, please call us and report the situation.

The Board of Directors and Manager are:

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