

News from the Northeast Nebraska Public Power District

February 2011

Tree cutting practices changing to reduce costs and increase reliability

The NeNPPD over the years has been conservative in its tree trimming practices. We have (most of the time) avoided cutting trees without first talking to the customer about their preferences; trying to trim by shaping the tree; not cutting to the ground trees that are growing straight up into the electric lines; and trimming limbs only out of the line rather than taking the limb completely off. These practices are slow and often permit the tree to grow right back into the line in a year or two costing extra money to cut frequently. The most recent two summers have been ideal for tree growth with lots of rain and cooler temperatures and our crews find themselves behind in trying to keep up with this rapid growth. Also, it was just over a year ago that we had a massive ice storm. Icing breaks limbs which then fall into and break the electric lines. In order to meet our requirements for good reliability at the lowest costs possible, we are asking our crews to make some changes to the ways they trim trees. These changes include:

- Taking limbs off at the trunk rather than leaving most of the limb by cutting nearer the wires. Arborists say that cutting a limb at the trunk is healthier for the tree than rounding or shaping a tree. Cutting many smaller limbs leaves the tree more susceptible to bugs and disease and the limbs usually fork and grow at a rapid pace putting more growth back into the electric lines.
- Limbs near power lines are potentially an electrocution hazard for tree climbing children. Better for everyone to remove the hazard. Also, squirrels and birds that can hop easily from nearby limbs to poles and wires are more likely to cause outages. Removing the entire limb reduces these animal outages.
- Trees directly under the wires will be removed entirely or shortened substantially.
- If time permits and customers request, our crews will try to shape yard trees if possible. We have to be sure a good clearance is obtained, but always want to help our customers if time permits.

The cost of sending a crew out to cut trees and then have the same tree in the line within a couple of years is avoidable if we cut the most we can while on site. A good, clean right of way also decreases outages due to wind, ice and animals. Your understanding and good will is an important part of this work and will benefit everyone. We want our customers to understand that notice may not always be given prior to cutting and that cutting may be more substantial than in the past.

Old Man Winter is socking it to electric bills

December, 2010 was a cold month with an average temperature of 24.3 degrees, but January, 2011 had an average of 16.3 degrees. Heating equipment professionals use a measurement called 'Degree Days' to add perspective to how much fuel is required to heat a dwelling to 65 degrees. The number of Degree Days in January was 24% greater than in Dec 2010. In addition, January bills also reflect the 2011 increase in wholesale power costs required by NPPD. Our staff is familiar with comparing monthly usage with weather information and a customer's known consumption history. We stand ready to help you understand your electric consumption and charges. You may want to visit www.nnppd.com to get information on ways to save energy and complete a home energy audit. We also offer a Residential Time of Use rate which might provide yet another way to help you lower your electric bill.

E-Billing is green

We offer the opportunity to go completely paperless by sending your electric bill by email and accepting payment electronically. Even when receiving a paper bill, we provide many ways to accept electronic payment to save you time, fuel and postage. Customers can call 24/7 and pay over the phone with a credit card; or can view their account history and make payment directly over the web at www.nnppd.com. Payments can be made automatically with bank draft or scheduled credit card and e-check payment options. We also have pay stations at Gene's Road Runner in Woodland Park and at the Jackson AmPride. Of course we are always pleased to see you should you stop by and pay in person. Drop boxes are available in Ponca, Osmond, Emerson and Wayne.

Electricity is a silent servant always doing work

One kilowatt-hour (kWh) is about the same amount of work that can be done by a horse in one hour's time or a human working for 8 hours. To try and imagine the amount of work done by electric tools and appliances think of this: a professional grade electric circular saw is rated at 2 kW in power. If it takes 3 seconds to slice the end off a 2x4, then 20 boards could be cut in a minute. In 60 minutes the saw could cut through 1,200 boards and consume 2 kWh's. The electric costs would be about 14¢ at today's prices. Consider the human effort required to use a hand saw to cut 1,200 boards and 14¢ looks like an unbelievable bargain. Now consider that your monthly bill is likely between 1,000 and 2,500 kWh's. A fantastic amount of work is always going on at your house to power computers, appliances, tools, heating and air-conditioning.

Speaking of power costs.....

About 68¢ of every dollar paid for electric bills goes to purchase wholesale power from NPPD. NPPD has done a great job of making Nebraska one of the lowest cost places in the country for electricity. But things are changing all over the country for many reasons and electric bills will be steadily increasing in years to come. On the national stage the biggest reasons are:

- Increased environmental regulation for green house gasses and other pollutants emitted by coal fired generating plants. Our country is heavily invested in coal. This happened after nuclear energy was abandoned as a national policy in the 70's. Coal seemed a logical choice to meet growing electrical demand: it was cheap, abundant and available inside the USA. Utilities like NPPD are having to decide to invest billions of dollars per coal plant to keep them running or to shut down coal operations and switch to higher cost, but cleaner fuels like natural gas. Natural gas is the primary choice because the generator can run when customers demand power and not just when the wind blows or the sun shines. Wind and solar will definitely play an increasing role in the future, but are higher in cost than existing fossil fueled plants.
- Electric infrastructure is aging fast. Much of the electric lines and equipment in service today are decades old and it is common for equipment to be 50 years old. Within 10 to 20 years much of what is now in place will have to be rebuilt at today's costs.
- Global competition for any electrical equipment. The rise of India and China means they are building power plants by the dozens each year and building electric lines out into the countryside for the first time. Even though the suppliers of much of this gear are American companies, the trade is global and prices are bid up by the demand from emerging countries.
- Power plants are needed here at home too. American demand for electricity has increased steadily for years, but uncertainties in Federal regulations and policy have made utilities slow to commit to expensive new plants. Nationally, these investments will soon be required to meet demand and at prices many times higher than then existing plants in service today.

In proper perspective, the price of electricity has steadily decreased in terms of a percentage of a paycheck required to pay the electric bill or in terms of an absolute dollar adjusted for inflation over the years. Events on the horizon mean the cycle of price decreases is over and that electricity is expected to increase in price faster than inflation in the future.

Congratulations to Lynn Bailey and Lydell Heggemeyer Lynn was a lineman for 37 years and retired last month. Lydell is the District's new warehouseman.

The Board of Directors and Manager are:

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