

News from the Northeast Nebraska Public Power District

November 2009

Wholesale Power Costs to Increase in 2010

Our supplier, the Nebraska Public Power District in Columbus, has announced an increase in the cost of wholesale power of 5.9% for 2010. About 70 cents of every dollar paid by our customers goes directly to pay for power. We estimate that this increase will result in an increase in retail bills on average between 4.5% and 5.5%, but this has not been determined. A 5.0% increase would cost our typical residential customer an additional \$4.00 per month. NPPD says most of the rate increase will be used to fund high voltage transmission line projects, but some additional money is needed to make up shortfalls in revenue because of less than expected sales to other out of state utilities. The NeNPPD Board has commissioned a "Cost of Service Study" to help guide the Board in passing along this increased cost in the fairest way. One suggestion by the rate consultant is that electric bills need to be broken into two parts: 1) the costs for energy as purchased from NPPD and 2) the cost for delivering this energy, which is what NeNPPD, does. Delivery costs are fixed costs and not very dependent upon the amount of energy purchased by customers. Customers will soon start seeing these two charges as line items on their bill.

Something to Think About

No one likes to think about paying the electric company more money. One way to add perspective on the wholesale power cost increase is to think about what it would cost you to generate your own electricity. The District recently had a call from a businessman who was considering becoming a dealer for wind generators. He is considering selling a 10 kW wind generator (enough to power a home while the wind is blowing) for an installed price of \$60,000. Just imagine how much money would be needed to build generators large enough to power every home, business and industry in Nebraska if the investment per home was \$60,000! NPPD has 3,136,000 kW of installed generation capacity, which has a book value of \$3.7 Billion. NPPD is able to produce with an average investment of \$1,161/kW. This represents the 'book value' of investments made decades ago and not today's replacement costs. NPPD's investment in generating capacity to meet the needs of a single home is between \$7,000 and \$11,000, (assuming a home's load is between 6 kW and 10 kW). The investment for new generation is much greater. Sometimes an electric bill seems high, but remember the very costly investments that have been made to be able to provide customers with electricity on demand 24 hours a day. Investments in wires, meters and transformers to deliver the power are also great and account for 30% of your electric bill.

Do Not Give Out Your Credit Card Number If Called

Nationwide there have been increasing incidents of fraud where a caller represents themselves as the power company and says that the bill is past due and the caller needs a credit card number to avoid disconnection of service. **WHILE WE DO MAKE COURTESY CALLS TO HELP AVOID DISCONNECTION, WE WILL NOT ASK FOR YOUR CREDIT CARD NUMBER!** Our billing clerks have been instructed to only take credit card information over the phone when you, the customer have called us. So if we call and you want to pay by credit card at that time, then we will ask your patience to call us back on our toll free number. It may seem strange, but it is our effort to protect you.

Pay Your Bill At the Road Runner Quick Mart – Get Your Bill by Email – Two New Options

We are installing a computer pay station inside the Roadrunner Mart, 99 Woodland Dr., on Hwy 35 just northeast of Norfolk. Customers will be able to pay by credit card, debit card, or e-check. The pay station has a touch screen and is easy to follow. A printed receipt will be available. The transaction is in real time and updates the account balance. Customers without Internet service between Winside and Norfolk and in southeast Pierce County may find this option convenient. To use the pay station customers will need to know their **customer number** as printed on the bill. Customers now can receive their monthly bill by email. Choices are email only or email and a mailed paper copy. If interested call our office and we will set up the email delivery.

Climate Change Legislation is Forthcoming

We don't intend to take sides on the issue of whether climate change is real or not. But we do intend to keep you informed about the cost of legislation being considered by the US Congress. Congress seems to be leaning towards a scheme called Cap and Trade, which first will place a 'limit' or 'Cap' on the amount of carbon greenhouse gasses that can be emitted from power plants. The 'Trade' would set up a marketplace for power companies to competitively bid for scarce allowances to emit carbon. Since there isn't a technology to capture and store carbon gasses, the 'Cap' could potentially limit production of electricity and force use of higher priced fuels and technologies. Most utility experts seem to think that a flat tax on carbon would ultimately be less costly for consumers than the Wall Street type of trading for these allowances, which would ultimately be controlled by the government as a funding source. The most recent bill, called the Waxman-Markey Bill, provides a greater supply of free allowances to utilities along the coasts. This Bill aims to put a disproportionate amount of the cost of the Climate Legislation on consumers in the Midwest. For more information about the issues and ways you can be heard: go to our website www.nppd.com and link to www.itsyourpower.org or www.ourenergy.coop or call our office.

Two Ways to Save on Your Electric Bill

As mentioned earlier in this newsletter, we have a consultant helping to set rates in a way that will provide cost savings for customers that want to shift use away from peak times. These rates are called Time-of-Use rates and we have used them successfully with irrigation loads for years. In 2010 we want to expand the effort to residential customers. We believe with some small changes in daily habits customers can shift some use away from high priced times to lower cost times and pocket the savings. We will do this on a voluntary basis and if you are interested in participating, then please call our office and put your name on a list for more information. You may also want to perform an energy audit of your home or office by using our web based program. You can perform a step-by-step audit of your home and get an estimate of your energy savings at www.touchstoneenergysavers.com or www.nppd.apogee.net/homesuites.

Fundraising Opportunity to Promote Energy Conservation

The Northeast Nebraska PPD has the opportunity to obtain a number of Compact Fluorescent Light bulbs (CFL's) through NPPD. We are starting a program, for a limited time, whereby clubs and organizations can apply for a supply of these bulbs (to be provided at no cost) for use as fundraising aids. The bulbs can be sold, raffled, used in silent auctions, etc. to help non-profit community groups raise money to support their activities. We have an application form, which can be filled out on line, at www.nppd.com or we can mail or fax the form to you. The bulbs are Energystar® rated and put out the equivalent light of a 60 watt bulb, but use only 13 watts.

Welcome to Two New Employees

We are pleased to have Luke McGill of Ponca and Korey Eriksen of Homer join our crew of linemen. Luke graduated Lineman Training School in Colorado and Korey graduated from Metro Tech in Omaha.

The Board of Directors and Manager are:

Don Larsen, President	Paul Bodlak, Vice President	Sy Kneifl, Treasurer
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