

# News from the Northeast Nebraska Public Power District

November 2010

## **Nebraska Public Power District in Columbus, NE announces increase in cost of wholesale power**

Our wholesale energy provider, NPPD, has announced a 10% increase in the cost of power to the Northeast Nebraska PPD (NeNPPD). NeNPPD doesn't produce any energy, but rather provides the wires and transformers required to delivery energy to homes, businesses and farms. NeNPPD operates nearly 3,000 miles of electric lines in 5 counties in northeast Nebraska. NeNPPD pays about \$13 million a year for the power it delivers to about 8,500 customers. This increase will add another \$1.3 million to our expenses that are collected from customers. NeNPPD is working to absorb most, if not all, of its own cost increases so that bills will only have to go up by the amount of the wholesale power increase. Most bills have a line item charge for the cost of wholesale power. Closer to the first of the year we will publish new rates and show on the bills the increased price per kWh. There are 3 reasons why wholesale power will cost more next year according to NPPD: 1) There will be 2 outages of power plants for scheduled maintenance. NPPD's plants are very efficient and it will cost millions to purchase power to replace what could have been generated at a lower cost; 2) NPPD's plants typically run so well that often there is surplus power to sell to neighboring States. This earns a profit for NPPD, but due to the poor economy, there is less demand for energy and the prices have fallen in the daily spot markets for bulk energy, meaning less money to NPPD and 3) fuel costs have risen with the global demand for coal and uranium fuels. Fuel is NPPD's single largest expense in making electric energy. To NPPD's credit, they have imposed a wage freeze and postponed other expenses to trim \$45 million from next year's budget, but still require the rate increase to avoid operating at a loss. There is a link on our web page, [www.nnppd.com](http://www.nnppd.com) to an NPPD video with more information about the 2011 rate increase. We anticipate retail bills to increase an average of about 7% with summer bills increasing around 3% and winter bills around 9%. The rate increase will be effective on bills rendered after January 15, 2011.

## **Check your account balance on the web at [www.nnppd.com](http://www.nnppd.com)**

We now offer 24 hour ability to check your individual account balance and pay on-line. Avoid having to go out into the weather or delays with the mail. You can also review your bill histories and view a copy of your last statement. For those without internet service, we also provide the convenience of e-check, credit and debit card payments by telephone 24 hours a day by calling 800-750-9277 or credit/debit card payments can be made at **Gene's Road Runner Market** on Hwy 35 near Norfolk or the **Ampride Market** in Jackson, NE.

## **All electronic payments require the complete account number**

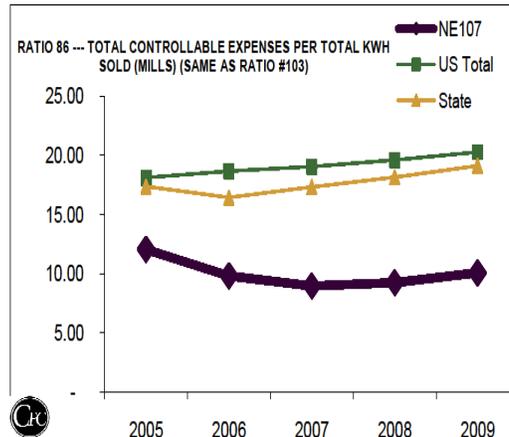
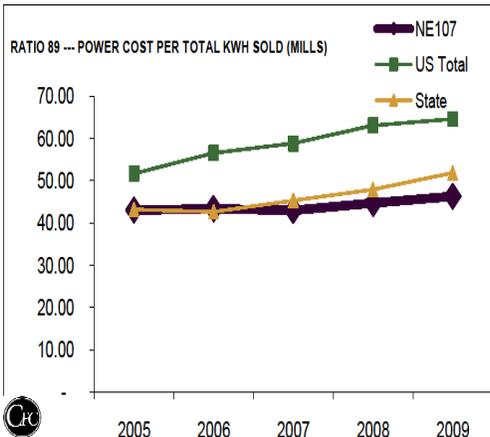
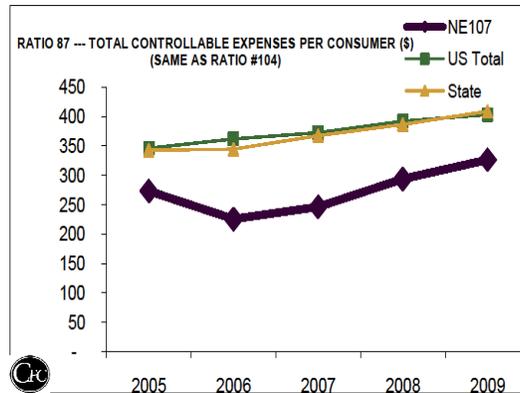
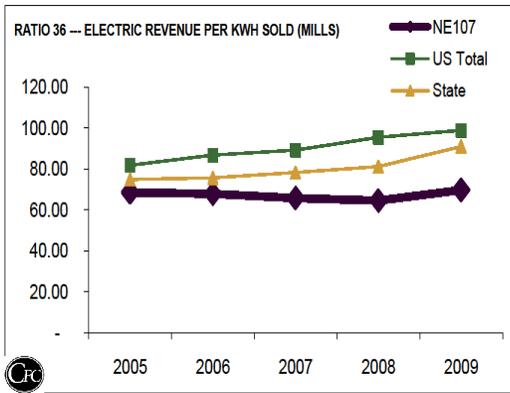
Last month's bills had a message about paying by on-line. To make electronic payments work correctly you must enter the full electric account number without the 'dash' but including the 01 or 02 etc, at the end of the account number. Otherwise the payment will not process correctly. This could result in late fees or some other misunderstanding that everyone would like to avoid.

## **2011 Irrigation list of construction projects submitted to the District's Engineer**

For several years, NeNPPD has limited new electric irrigation loads to around 35 or so new pivots per year. We do this to hold down the cost of building new substations for large seasonal motor loads. Annually we submit a list of farmers requesting new electric irrigation to our Engineer who determines how the new load will affect the existing lines and substations. Based on his report (usually between Jan. and March each year) we begin to notify farmers about the availability of electric service for irrigation pumping. We have now turned over the requests to the engineer for 2011 construction plans.

## **Small wind generators may not be cost effective**

The wind is free, but the equipment to capture wind power to make electricity is not free. With several small units having operated in the area for some time the following picture has emerged: A 2 kW wind generator can cost up to \$16,000 installed. A typical residence has a load of about 5 or 6 kW (a hand held hair dryer = 1kW). 2 kW wind turbines metered at schools and homes have produced about 2,700 kWh in a year's time or offset retail electric purchases by about \$190.00 per year. If reducing your electric bill is the goal, then we suggest improving your home's efficiency through insulation, efficient appliances, and a more frugal life style. These steps cost much less to achieve the same or greater cost savings. Speaking of efficiency and cutting energy costs: please visit [www.togetherwesave.com](http://www.togetherwesave.com) for effective tips on reducing your energy costs.



NE107 is NeNPPD's designation with the Cooperative Finance Corp. (CFC) one of our lenders.

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