

News from the Northeast Nebraska Public Power District

September/October, 2011

Operation Roundup starts November 1, 2011

Operation Roundup is a nationally copyrighted, voluntary program for utility customers to donate the 'loose change' from their bill to community causes and charitable giving. It is called 'Roundup' because electric bills are rounded up to the next whole dollar. It is very similar to the drop box at the drive up window at McDonald's where customers can choose to drop their change to support the Ronald McDonald House charity. Operation Roundup is strictly voluntary. Hundreds of utilities offer this program (or their own version of it) all across the nation. Several are here in Nebraska including the state's largest electric utilities NPPD and Omaha PPD. Over the last couple of months we have put notices on the bills telling customers how they can 'opt out' of making a contribution by calling our office 24 hrs a day. On bills rendered after November 1, the dollar amount will be rounded up and the loose change put into a charitable trust for future community projects and need based giving. The charter for this trust was filed with the Nebraska Secretary of State and the charter requires that a separate Board be appointed to disburse any funds. This means the Power District will not solely decide which community or individuals receive funding. All money collected will be donated in Dixon, Dakota, Thurston, Stanton, Pierce and Wayne Counties. NeNPPD gets solicitations all year long from local groups like schools, ball teams, libraries, social service providers, charities and the like. The NeNPPD does not make charitable contributions from monies collected through electric rates and hence we decline these solicitations however worthy the cause may be. Operation Roundup will provide a voluntary source of funding for these kinds of local needs that will help the people of our area. Several utilities in Nebraska offer this program including NPPD, OPPD, Cuming County PPD, Niobrara Valley EC, and Norris PPD to name a few. Our customers can opt out of having their bill rounded at any time in the future without question. The program will always be 100% voluntary.

The future of wholesale energy costs

As a nation we face many issues that will drive up the cost of electricity. Northeast Nebraska PPD does not make any energy, but you, our customers, will have to pay these increases. The cost of wholesale power is about 70% of your electric bill with the remaining 30% covering the cost of operating and maintaining the wires in the 5 counties in which we operate. Recently, Mr. Jim Rogers the Chairman of the nation's largest utility, Duke Energy, talked to a gathering of State Governor's about what he sees as the pressures that will increase the cost of electric power:

- Power producers (like our supplier NPPD) will have to upgrade and improve their power plants to meet new environmental standards
- Power producers (like NPPD) will have to pay more for fuel as the competition heats up from China and India who are bidding up the prices of oil, gas, coal and nuclear fuels as their demand for fuel increases

Mr. Rogers reminded the Governors that when measured in terms of the amount of a customer's disposable income that electricity has **gone down in price** over the last 50 years to where only now 1.9 percent of non business income is spent on electricity nationwide, but this will increase by 30% in the next decade. After decades of relatively stable prices this will be a shock to many customers. Rogers said, customers will have to become better managers of their energy consumption to lower their cost.

(this information via a story published in the Richmond VA Time-Dispatch on August 20, 2011)

What we are doing:

On September 19, 2011 the NeNPPD Board met to learn about long term changes to ways that wholesale power might be purchased in the future. Work is being done now to establish a wholesale power market for the Midwestern states from Nebraska to Texas. This market might be available to NeNPPD in the future and the Board of Directors wanted to begin understanding the potential risks and benefits and how customers could be affected. All of these considerations are long term, but since wholesale power costs are by far the largest item paid by our customers the Board believes it essential to understand all options. Rural consumers are more likely to use more electricity than the national average and have lower incomes, meaning power cost increases will impact our customers more than the national average.

Prepay Option will be available in the coming month's

The District is working with our billing software provider to give our customers a voluntary choice of a prepay option. By electing to pre-pay rather than establish credit with the District, customers with prepay will not have to pay the \$200 residential security deposit. Those with deposits can get it refunded by switching from credit to prepay. The District anticipates that the program will permit customers to pay any amount they desire and then be notified by automated phone call when that amount is about to run out. However, customers should take this call seriously because if a lineman is dispatched to disconnect because the prepay amount ran out, the customer will pay the \$100.00 trip fees to disconnect and reconnect service.

Customer account numbers will be changing by the end of 2011

Account numbers now end in a 'dash two digit number' like -01. By the end of the year the ending numbers will be 3 digit numbers like -001. Believe it or not, there are some customers like telephone companies that have over a hundred metered locations and this is the need for the change. This change won't affect the way most customers use their account number. However, if you are accustomed to paying your bill by internet, or by telephone with a credit card or by using one of our remote pay stations in Jackson or Woodland Park, then you will have to use the full account number to find your account information. Your account number is always printed on your bill for your reference. When the change does occur you will plainly see it. This change won't affect your payment practice if you pay in person, or by mail, or with a check in the drop boxes in Ponca, Emerson, Osmond or Wayne.

Don't forget our Residential Time of Use Rate (TOU) can save you money

The District has a way for you to shift some of your energy use to cheaper off peak periods of the day, so that you can manage your energy costs. After a year of offering this TOU rate it appears that almost every participant is saving money. Our supplier (NPPD) charges the District more for energy purchased during peak hours of the day. Peak hours for residential customers are defined as 7:00 am to 10:00 am and 4 pm to 10:00 pm Mondays through Saturdays. All other hours and all day Sundays are less expensive off peak hours. Our TOU rate prices off-peak energy 43% cheaper at 4.4¢ per kWh compared with 10.2¢ per kWh for on-peak energy. The rate is only available to residential customers. Residences that are part of larger farm services with varied types of load do not qualify nor do businesses or industry. In the future we will offer a TOU rate to these other customers.

Customers with more than one account can choose a name to help us find a specific bill faster

Most of us only have one account and one meter, but many customers like farmers and businesses have several accounts. To make it easier for these customers and to help our billing employees find the right account faster, customers can name each account something easy to remember, like: 'barn', pivot, 'shop', etc. When customers call in to report an outage or inquire about a bill we can find this account easier by sorting the files by this nickname. We started the program a few months back, but had trouble getting the information transferred to our night answering service. That work is now complete. We welcome any customer with multiple accounts to use this feature to help our staff find the right account faster when they might not know the road directions, 911 address or legal description of the account needed.

Employee news

Daughter Lorelai was born to Matt Sorenson and Lacey Williams on August 23, 2011. Matt is a lineman and the family resides in Wayne. Zach Cook married Amanda Holcomb on September 17th. Zach is a lineman in Wayne and originally from Ponca. The couple will reside in Wayne.

The Board of Directors and Manager are:

Don Larsen, President

Paul Bodlak, Vice President

Tom Gustafson, Treasurer

Dan Gansebom, Secretary

Lowell Birkley

Sy Kneifl

David Lebsock

Larry Silhacek

Mark Shults, Manager

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