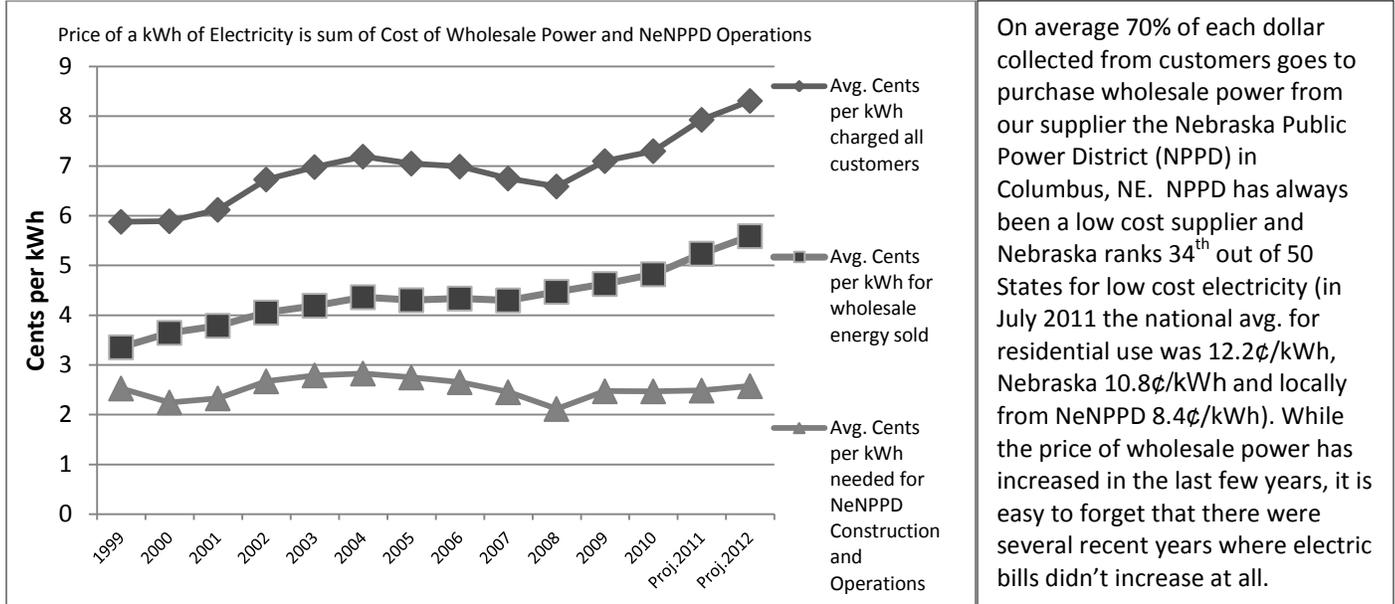


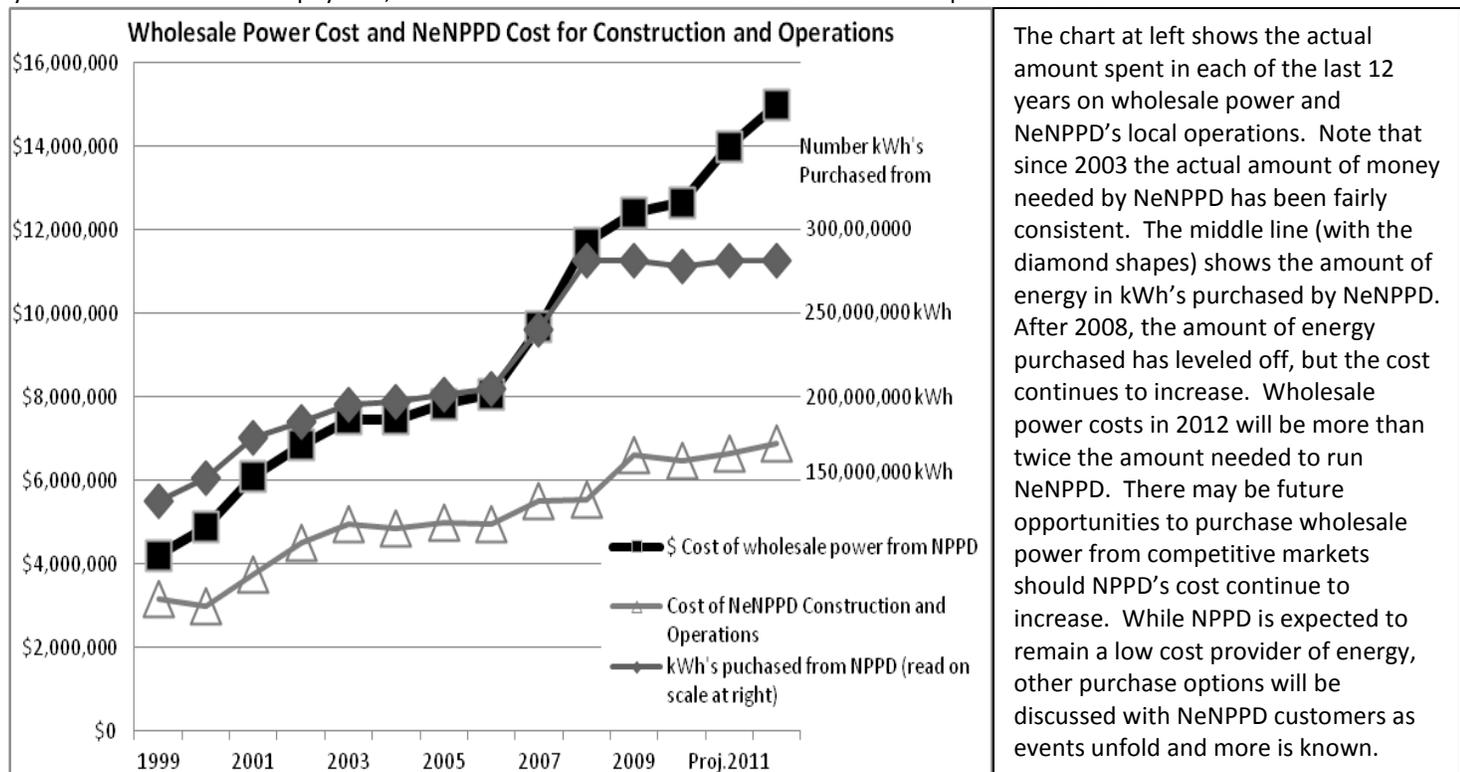
News from the Northeast Nebraska Public Power District

November/December, 2011

Wholesale Power Cost Increase of 7.0% means 5.0% Increase in Customer Bills in 2012



The chart above shows the average price per kWh paid for wholesale power (shown by the middle line with squares) by Northeast Nebraska PPD (NeNPPD) since 1999. Please note that the average retail price per kWh charged by NeNPPD was flat for five years between 2003 and 2008, in part because wholesale power per kWh didn't increase much. In the 12 years between 1999 and 2011 the US Bureau of Labor Statistics says inflation was 36% and this is exactly the increase between 6¢/kWh in 1999 and 8.0¢/kWh in 2011. Notice that the portion of the price of a kWh required by NeNPPD to do local projects and to operate the local Power District is about the same today as in 1999. NeNPPD has held costs down to customers and since 1999 we have invested \$22.5 million in improving the electric system. So far in 2011 our crews have set 750 new poles. In recent years we began reading meters so customers no longer have to, and have systems that let customers pay bills, check their account and do business 24 hours to improve service.



Most of the increase in the cost of wholesale power is in the winter months

Below are some sample bill illustrations using NeNPPD’s 2011 retail rates and 2012 rates after the increase. Note that charges for summer months don’t change much. Most of the increase is for winter wholesale energy.

kWh billed	2011		2012		2011	2012
	Winter	Winter	Summer	Summer	Avg. \$ amount Wint.&Summ.	Avg. \$ amount Wint.&Summ.
800	\$75.75	\$81.00	\$90.15	\$93.00	\$82.95	\$87.00
1,300	\$109.75	\$117.50	\$133.15	\$137.00	\$121.45	\$127.25
2,000	\$157.35	\$168.60	\$193.35	\$198.60	\$175.35	\$183.60
3,000	\$225.35	\$241.60	\$279.35	\$286.60	\$252.35	\$264.10
4,000	\$293.35	\$314.60	\$365.35	\$374.60	\$329.35	\$344.60

North Martinsburg Substation has been revamped and is back in service

We want to thank the customers around Martinsburg, Maskell, Obert and northwest Dixon County for their patience while we did much needed work on this Substation. The Sub was old and in a difficult location to maintain. We shut the Substation down for several weeks and completely rebuilt the Substation with new transformers, breakers, electric lines in and out of the Sub and insulating covers to protect against bird and animal outages because of this work. There were a few extra outages during the time. We very much needed to do this work and we hope that our customers in the area see the benefits of the time and money spent on this substation.

Please protect your expensive appliances and equipment

Most people are now ‘hi-tech’ with numerous computers and digital TV’s and expensive electronics throughout their homes and offices. Unfortunately, anything can happen at any time on the electric lines that can damage your gear. Lightning, animal outages, cars hitting poles, equipment failure in the Substations and on and on, can create high or low voltage that can ruin your electronics. Protect yourself from loss by installing battery back-up power supply systems, surge protectors or both on your expensive appliances. \$20 to \$30 spent on protection could save an out of pocket loss or insurance claim.

Reminder that account numbers will be changing soon!

In the last newsletter, we informed customers that all account numbers will be changed to end in a three digit number after the dash. For example: xxxxxx-001. ***If you are accustomed to paying by internet, telephone or one of our remote pay stations, then you must be careful to enter all three numbers.*** This change will be implemented soon. Your account number is always printed on your bill for your reference. When this change occurs you will plainly see it. If you pay in person, by mail, or with a drop box the change may not immediately affect you, however electronic payments will not process without the correct three digits at the end of the account number.

Welcome new employees

We are pleased to have Sarah Beckwith and Hillary Kuhlman, both of Wayne, who have joined our office staff.

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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