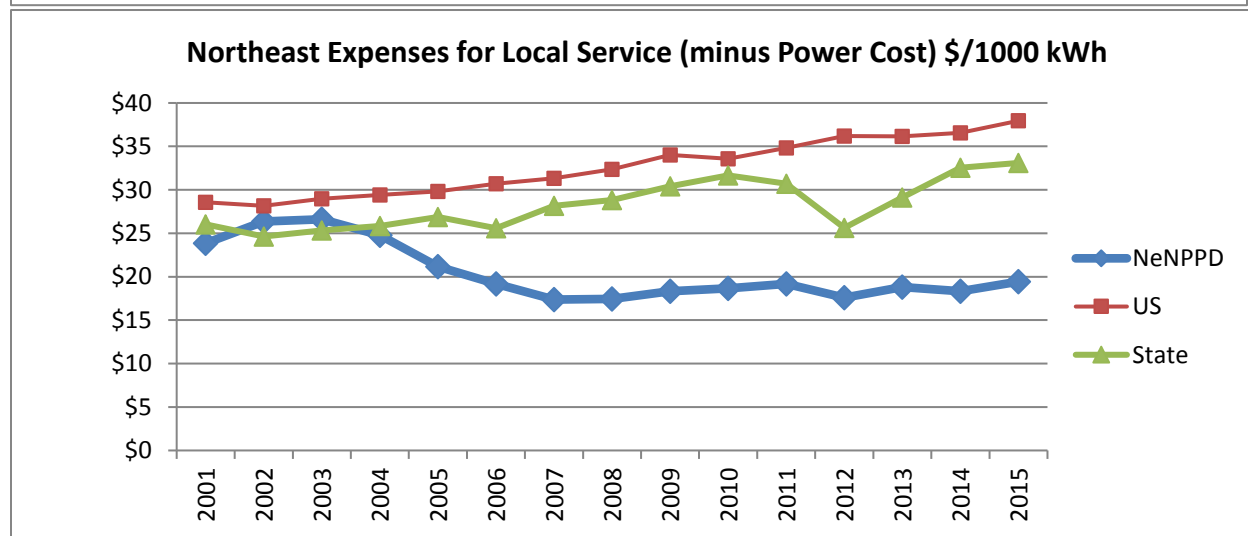
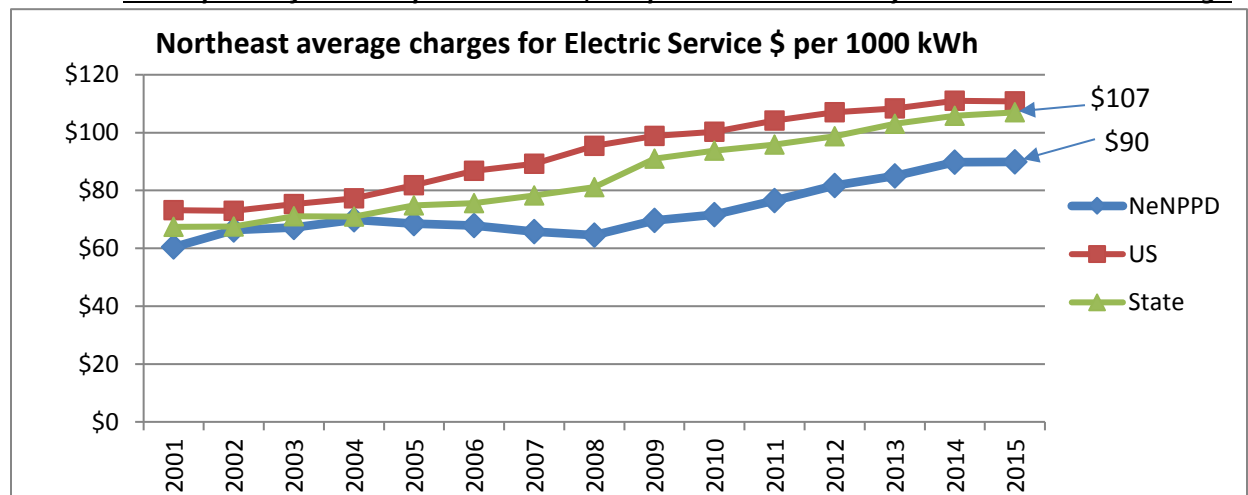


News from the Northeast Nebraska Public Power District

July/August 2016

How is your money spent? And what is being done to save you money?

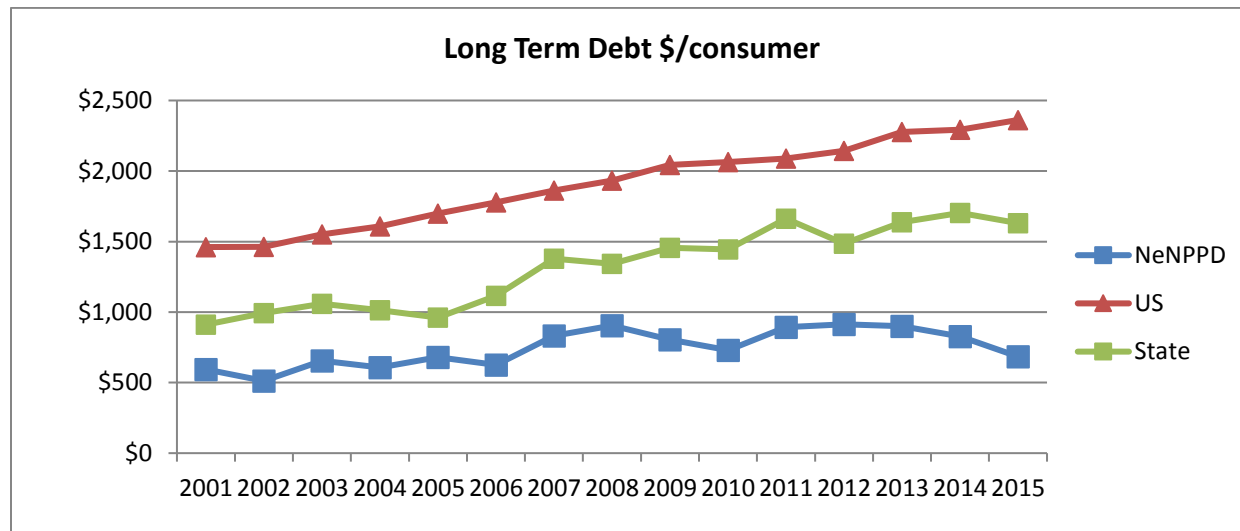
Every newsletter offers some information about how the District spends your electric bill money. Almost 70 cents of every dollar our customers pay in their electric bill goes to pay for the cost of delivered wholesale bulk power. This is by far the single largest expense to Northeast Power District. We have made future plans to reduce this cost so that more money stays in your pocket or is used locally to improve service. Northeast's next largest expense is the construction and replacement of local electric lines to provide service to homes, businesses and farms. Northeast Power has about 3,000 miles of energized electric lines that require constant maintenance, repair from storms, and new line construction when needed to replace old lines or improve service and reliability. Maintaining 3,000 miles is a big job, but only requires about 20 cents out of each dollar we collect. Billing, Administrative cost, Payments on Debt etc. make up the rest. Below are a few graphs that compare Northeast Power to other rural electric providers across the State and Nation. Since wholesale power is generally the same cost in Nebraska, notice that it is Northeast Power's lower operating cost that keeps your electric bills less. ***Our expenses for local operations are \$100 per meter less each year than the State average.***



Notice that Northeast was able to perform more efficiently and at less cost after the 2001 merger of the Wayne County PPD, the Northeast Rural PPD, and the towns assigned by NPPD for Northeast Power to provide service at retail after 2001. Also note average retail costs are the same nationally and for the State.

Now is not the time for large amounts of Utility Debt

Wholesale power is our single largest expense. While competitive bidding between wholesale power suppliers has been an opportunity to save our customers' money, other changes are coming in how our customers will use (or lessen their use) of electric power generated at remote plants and delivered over our wires. Renewable energy is becoming cost effective and popular. The Board of Northeast Power set in motion a series of financial plans which will enable our customers to take advantage of future opportunities to become more efficient without Northeast having to raise future rates because we borrowed too heavily against future revenues. At the end of last year our customers had 82% equity in our local poles and wires and we are on track to be essentially debt free by 2020, all while still spending adequately to replace high voltage lines and keeping rates much lower than the average for the State and the Nation.



Dr. Tom Etter from Ponca is the newest Northeast Power Board Member – Dr. Etter has replaced former Director David Lebsock on the Northeast Board. Dr. Etter resides in Ponca with his wife Amy and daughters Audrey and Sydney. We welcome him and look forward to working together.

Your “Personally Identifiable Information” (PII) is being protected

The Board of Directors has established strict controls and security measures to make it as difficult as we can for computer hackers to gain access to our customer records. Northeast Power has purged all our billing records of all social security and driver's license numbers to protect you.

We can help you find an Electrician if you need one

Often our crews respond to a power outage and learn upon arrival that the problem is somewhere in the customer's own wiring. When this happens the customer is often unsure how to call an electrician. Our office maintains a list of local electricians and can share this information over the phone. Our line crews now carry this list in their trucks to give customers who may need a local electrician but don't know one. We also have a check list for the customer to share with the electrician, once he/she arrives. Some of the electrician's work may require an inspection by the State Inspector. Northeast Power is responsible up to the weather-head mast whether that be located on the house or the meter pole at the road/driveway. Generally, the wiring from the power pole to the meter is ours to fix, but wires past the meter base belong to the customer and will require an electrician to fix.

The Board of Directors and Manager are:

Don Larsen, President

Dan Gansebom, Secretary

Larry Silhacek

View this and all previous newsletters at our website www.nnppd.com

Paul Bodlak, Vice President

Diane Newton

Tom Etter

Tom Gustafson, Treasurer

Sy Kneifl

Mark Shults, Manager