

March 12, 2009

Dear Electrician,

In recent years there has been rapid growth in rural motor loads for electric irrigation, grain drying and handling. Because of the increasing size of new loads (especially grain bins) the Northeast Nebraska Public Power District may not have adequate capacity at any spot desired by a customer to install a new pivot or grain bin. This letter is to ask your help to encourage customers to contact us first about new electric service or upgrades to services.

It is difficult for us when the customer assumes that a single phase line has enough capacity to handle any number of new motors, especially when the service is all ready connected to 50 HP or more. This year we have seen a sharp increase in the number of transformers and meter bases that have burned up due to overloads. These overloads have occurred over time with the steady increase of new load connected to existing services.

Often more is required than the upgrade of our transformer. Sometimes the electric line must be upgraded to 3 phase to provide service at a location desired by the customer. Since we have a policy of requiring customers to assist in the financial cost of these upgrades, they should be in contact with us during their initial planning to avoid wasted time and money.

The District has written policies governing the procedures to:

- Install new large motors. At this writing new single phase motor loads over 25 HP must be approved by the District prior to connection. Written Pole motor loads can be up to 40 HP, 2-phase loads up to 50 HP and 3 phase total loads up to 100 HP without prior approval. The District reserves the right to be more restrictive when capacity is limited. These limits on motor sizes will be reduced depending upon how much load is all ready being served from the line. We ask our engineer to help us evaluate the line's ability to serve more load.
- Determine the location of grain bins to prevent electrocution hazards. Our practice is to install bin services underground to minimize risk to the farmers, but we would appreciate a voice in locating the new bin to avoid having to charge the farmer to move a line later.
- Share the costs of new lines or upgrades. When the benefit of the line extension is for the individual customer, then it is most fair for the customer to pay some or all of the costs of the upgrade rather than put these costs into rates for other customers to pay. The price of a kWh of electricity is not sufficient for the District to build any amount of

line to serve any load. In extending new lines, we try to strike a balance between what benefits the new line might have to the District as a whole and what benefits the new customer only. We provide written estimates for line extension work and customers should be aware there is no guarantee a new line or upgrade will be possible or timely to their needs.

- Set a limit on the number of new electric irrigation pumps. The District offers power for irrigation at a low cost and it is popular. As a result we have many requests for new services that would require more time and money for construction than can be done in a season. We maintain a list of requests for new irrigation service and annually ask our consulting engineer to approve the connection of up to 30 new services on our lines. At present, there are some portions of our electric system that are restricted from new growth until capacity improvements are made.

It is easy for customers to take for granted that adequate capacity to serve any new load is available at any location. Some of the new loads are challenging to serve economically in that large motors require an investment in substations, wires, poles and transformers that often sits idle most of the year.

For us to be of the best possible service to customers, it is important that we are contacted as soon as possible with specific information about new loads of all sizes. This will help get all of the options and the costs before us and the customer. We ask your help in encouraging your customers to call us early in their decision making.

Thank you for your help with this matter.

Sincerely,

Mark C. Shults
General Manager