

Energy for Generations
PERENNIAL™ NEWS
PUBLIC POWER DISTRICT

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PERENNIAL PUBLIC POWER DISTRICT • YORK, NEBRASKA

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Automated meter reading is here

Our electronic meter installation is complete, which means you will no longer need to read your meter and then phone, mail or email the reading to our office. The change will take place with the bill mailed to you in November 2010.



Also beginning in December, your meter will automatically be read approximately the 8th of each month. Your due date will not change from what you were used to.

The date and reading boxes on the lower left hand portion of your bill will be eliminated, as we no longer need that information from you.

There are many expected benefits this system will bring to our District. A few of these include no self-reads for customers, troubleshooting and analyzing the metering devices, and a reduced number of estimated bills.

If there are any questions please contact our office by phoning 402-362-3355 or 800-289-0288.

The village meter installation has been completed and we have been remotely reading those meters for some time now. Therefore, village customers won't see a change.

Bill Downer retires after 45 years of service

by Mick Northrop

Employees, board members, family and friends gathered on Friday September 17th, to honor Bill Downer for 45 years of service to Perennial. General Manager, Jamey Pankoke presented Downer with a lineman statue to commemorate his years of service as a lineman. Co-workers shared stories and watched a slideshow that captured events

of the past.

Downer began working for Perennial PPD (at that time known as York County Rural Public Power District), on June 1, 1965. Eight months later he was drafted into the Vietnam War and shipped off to basic training for six months, after which he spent the next 2 1/2 years stationed in Germany. After serving his country, Downer returned back to his job at Perennial in York.

In the late 1960's farming operations were growing rapidly as more farmers were adding electric irrigation systems and crop drying and storage facilities. Modern hydraulic equipment was just starting to make the scene during that time and was scarce at the District. The days were long and backbreaking as much of the line equipment still had to be lifted by hand or hoisted with ropes by linemen on the poles.

In March of 1976, a terrible ice storm hit the District breaking off more than 50% of the poles and knocking out service to every Perennial customer. Crews from all over Nebraska and even from other states, were brought in to help rebuild the District. Power was not restored to all customers for a month.

The 1976 Ice Storm marked the beginning of big change for the District. The following year Perennial purchased their first small bucket truck which was used primarily for maintenance work. Late the following year, they purchased a larger bucket truck which would be used by Bob



Bill Downer

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Plan on rate increase for 2011

While we continue to work on improving efficiencies and delivering electricity as reliably and economically as possible, like most utilities across the country we are faced with rising electricity costs. As a result of these increased costs, we will need to increase our rates in 2011, even though we know that increases in electricity prices are difficult for many of our customers during these challenging economic times.



Jamey Pankoke

The need to raise rates is based on several factors, the largest of which is purchased power. To meet your electric needs, we purchase one hundred percent of our power from Nebraska Public Power District. Recently, NPPD announced that it is proposing a 9.7% increase in wholesale power rates in 2011. The biggest reasons for the wholesale rate increase are related to NPPD's cost of producing and selling power, and the fact that it has seen lower than expected revenue from the sale of excess energy to utilities outside of Nebraska.

Fuel costs are NPPD's second largest expense associated with providing electric service. Unfortunately, the cost of fuel for their nuclear and fossil fuel power plants has increased dramatically over the past few years. For example, the price of coal for Gerald Gentleman Station and Sheldon Station, NPPD's fossil plants has gone up 40 percent over the last 4 years. In 2006, coal prices were around seven dollars per ton. Today it ranges from 11 to 13 dollars per ton. To put it in perspective, NPPD uses about seven million tons of coal per year. In addition to the price of the coal, the cost of transporting it by rail is expected to increase substantially in the

near future.

The main driver of NPPD's wholesale rate increase, however, is non-firm energy sale prices. Often times, NPPD can generate more energy than wholesale customers like Perennial need, and as a result, the excess energy can be sold to other utilities outside of Nebraska. This helps offset some fixed costs that otherwise have to be paid by Nebraska customers. The problem is the market price for this energy has gone down considerably. In 2008, NPPD sold energy on the market at an average of 48 dollars per megawatt-hour. In 2009, the price had dropped to 26 dollars per megawatt-hour, and this year it will only be slightly higher. One reason for the drop in wholesale market prices is the recession, which has reduced the demand for energy in the region. The other reason is the supply of natural gas in the U.S. has increased significantly, which means natural gas plants are able to produce energy at more competitive prices. This drives down energy prices on the open market and results in NPPD not being able to create millions of dollars of revenue from outside sources.

To keep costs under control, we realize that we need to do everything possible to cut expenses in other areas of our business, as well as help our customers with activities that will reduce their bills. Some things that we are doing include:

- Looking at every phase of our operation to reduce costs and improve efficiency.
- Deferring capital expenditures in areas that will not jeopardize service, reliability, or safety.
- Offering programs such as energy audits to identify opportunities for reducing power consumption.
- Assisting customers in making their homes and businesses as energy efficient as possible.
- Offering a levelized billing program to avoid large bills several times throughout the year.

We know that customers like advanced

notice about rate increases, and that is the primary intent of this article. However, what we don't know at this time is exactly how much we will be raising retail rates next year. We are working on our 2011 Work Plan and Budget, and analyzing the costs that will ultimately determine how much rates will go up. Our preliminary estimate is that the increase will be in the 7.5% to 8.5% range. Our current plan is to put the new rates into effect January 1, 2011.

Although it's little consolation, other utilities in the region are experiencing the same costs pressures, and are raising rates for basically the same reasons as described above. And Nebraska still has the 7th lowest electric rates in the nation. In spite of recent and upcoming rate changes electricity is still a good value, especially when considering the significant amount of investment that we have made to our electric system in recent years.

After new rate schedules have been established, we will communicate the changes and impact to each customer class in future newsletters and our website. In the meantime, do not hesitate to contact me or our dedicated staff if you have questions about rates.

Year of changes

by Jim Winchell

The year of 2010 brought a few changes in Perennial's billing process. The changes involve the method meters are being read, irrigation billing and customer read meters.

The method of reading meters is called Automated Meter Reading or Advanced Metering Infrastructure. This enables the personnel at Perennial PPD to read the meter at the office instead of the customer or meter reader. Reading the meters at the office assists in analyzing and troubleshooting the meters as well as reducing the number of estimated readings. This will save time by eliminating unnecessary trips to troubleshoot a meter or equipment

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Buller for doing “hot-work.” Buller trained Bill Downer how to do hot-work then in 1980, a second large bucket truck was purchased and operated by Downer. As hot-line foremen, the duo went on to teach their skills to dozens of new linemen and help transform the operating procedures into what we use today.

Most who worked with Downer described him as having a quiet nature and someone who would go out of his way to teach you what he knew and make sure you didn't get hurt in the process.

Bill may say that the last 45 years were “just his job,” but the rest of us know better. Bill helped shape this District into what it is today, and he did it longer than any employee in the history of Perennial. Congratulations Bill and enjoy your retirement!

Wanted... highly motivated safety-conscious individuals who want to become line technicians

Perennial PPD is offering a \$1,000 per year scholarship to a student planning to enroll in a utility line program. Applicants must reside within Perennial's service area to be eligible.

We are a strong and growing company which is experiencing a high workload for new construction and maintenance. Combined with the fact that many senior line technicians are nearing retirement age, we are anxious to train and hire new line technicians for the future.

Receiving this scholarship does not guarantee future employment with Perennial, but recipients will receive strong consideration. Call us for more information at (402) 362-3355 or go to our website at www.perennialpower.com.



Earn a \$1,000 scholarship to attend a utility line college



Attention high school and middle school students!

Energy Efficiency Video Contest - We are looking for creative, energetic, and wacky energy efficiency videos. This contest is open to Nebraska junior and senior high schools in communities served by NPPD and its wholesale partner utilities (including Perennial PPD). The contest gives students across Nebraska the chance to write and star in their own television commercial, learn the importance of conserving energy, build awareness about energy-wasting habits, and promote energy-saving alternatives. **Great prizes are available!** Learn more about it at www.perennialpower.com. or see us on Facebook.

Attention 5th grade students and teachers!

Schools throughout Nebraska to participate in the Nebraska LivingWise® Program

This Program is sponsored by the State of Nebraska's Energy Office and Perennial PPD as part of our commitment to reduce energy and water consumption and demand in the

home, and to teach about responsible stewardship of the Earth's natural resources. This science and math based enrichment program is designed to educate fifth-grade students about using energy and water

resources wisely, and features free Energy Education materials for each student. The overall objective of these materials is to teach students the fundamental concepts of energy efficiency and give them an opportunity to put those concepts into action in measurable ways. We would like to offer the LivingWise Program to 5th grade teachers in our service area as an enhancement of what is already a rich Nebraska curriculum. Perhaps the best part is that the entire Program will be provided to teachers at no cost. Please call us for details at (402) 362-3355. You can also find more information at www.perennialpower.com.



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out in the field.

Billing for Irrigation Services has been increased from two to four billings in a year. The months the customer is scheduled to receive an irrigation bill are April, August, September and October. There is a possibility that an irrigation user may not receive four bills, because if irrigation watering is not used in these months a bill will not be issued. If irrigation watering is completed before the 10th of September a bill for October would not be issued since there was no usage to bill. A bill is not issued if it is \$5.00 or less.

The irrigation meters are scheduled to be read from the 1st to 10th of the month. This allows Perennial personnel to go out and read the meter if the Automated Meter Reading program fails to communicate with the meter.

The last item is for customers that have been reading their meter, will no longer need to read the meter. Effective with the billing that is received in November 2010, the boxes in the lower left hand corners will be removed from the bill and Perennial will start reading the meter around the 8th of each month. The bill due date will not change.

Refrigerator/Freezer recycling program ends for season

2010 was another good year for the Energy Wise Refrigerator/Freezer Recycling Program. Statewide through the month of August, the number of units recycled was 1,035, with eighteen of those coming from Perennial's service area. Of course those customers each received a \$35 check and a free pickup of the appliance.

JACO Environmental, the company hired to facilitate the program, will stop picking up appliances in mid November. You still should have time to schedule a pickup, but time is running out fast!

Older refrigerators and freezers can use up to 3 times as much electricity as new EnergyStar rated models. Now is the time to think about retiring that old (2nd) refrigerator or freezer in your basement or garage or shop.

To schedule a pickup this fall, call Jaco Environmental at (866) 444-9160. The program will resume in March 2011.

Perennial PPD Provides Cutting-Edge Energy Audit Technology Online

HomeEnergySuite™

We continue to provide our customers with the latest technology available to access accurate and detailed energy efficiency information online. Located at www.perennialpower.com the HomeEnergySuite™ allows customers to easily see the impact of the weather on their energy use. In addition, this intuitive interface allows users to view charts that break

down energy use system by system. Clicking on the chart then hovering over the bars displays dollar amounts representing energy costs broken down by cooling, heating, lighting, cooking hot water heating and big screen TVs.

Many customers are not aware of the additional energy used by high definition televisions. HomeEnergySuite calculates the impact of the increased energy use.

The ability to run an energy analysis specific to a homes construction, local weather and utility rates provides valuable data to homeowners allowing them to make cost-effective energy choices.

Perennial PPD is committed to providing our customers with the most reliable energy efficiency information. Our website provides the most effective way to educate our customers on how they can become more aware of energy use. The online energy audit is letting homeowners know how much money can be saved by their conservation efforts.

The HomeEnergySuite is run by a sophisticated energy use analysis system developed by APOGEE Interactive, Inc. a software development firm based in Atlanta Georgia that specializes in online solutions for the energy industry. According to Apogee's president Susan Gilbert, "The issue of energy efficiency is of great concern to utilities, nationwide many of which have added this educational feature to their websites. Its ability to answer customers' questions 24/7 and reduce customer inquiries, helps Perennial PPD in accomplishing its goal of increasing customer satisfaction while lowering operating costs." Home Energy Suite is one of many Energy Wise programs available to Perennial customers.

