

THE WIRE

CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

October 2010

Serving the Elkhorn River Valley since 1940

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Pricing Electricity

Sometimes when customers open their electric bills, they question the amount of their bill especially when they believe they have used a lower amount of kilowatt-hours than the bill states. It should be first stated that the amount of electricity used in a month is in the eye of the beholder – what may not seem like many kilowatt-hours may actually be a fairly substantial amount when compared to other customers in the same rate class. In 2009, the average usage by a residential customer in Elkhorn Rural Public Power District (ERPPD) was 1,597 kWh per month resulting in an average electrical charge of \$125.15. It should be remembered that some customer's bills also have additional fees such as the:

- 5.5% state sales tax,
- A few customers have the 1% local sales tax,
- and the 12% lease fee, 5% gross revenue tax per individual villages.

Regardless of which residential class that a customer falls into, the largest component of their bill is the cost of power that ERPPD has purchased from Nebraska Public Power District (NPPD) for resale. For every dollar that a customer pays to ERPPD for electricity about 59¢ is paid to NPPD. The next highest category is 14¢ for employee costs. Materials for maintenance make up 10¢ of every dollar, not including materials used in the construction process. The remainder is transportation and miscellaneous costs.

There are many benefits that customers receive from the 14% that goes to employee costs. If ERPPD did not have a single employee, and assuming that

somehow, without any employees, the District could magically render a statement to all of its residential customers they would still have monthly electric bills close to \$94.89. So what does an Elkhorn Rural Public Power District customer get for the 14% of their bill that is paid for employee costs?

You, the customer, receive 24/7 maintenance and upkeep on 2,900 miles of line ranging from 7,200 volts to 69,000 volts. Additionally you get 41 employees all of whom are professional and well-trained. Due to the fact that ERPPD is a quasi-governmental agency and has issued tax-exempt bonds, it is subject to stringent accounting practices that require an independent, in-depth audit annually. It takes dedicated, educated employees to follow the record of all the financial transactions that occur during the course of business at the District. ERPPD employees have to deal with the EPA, OSHA, FEMA, NEMA and the U.S. Fish and Wildlife Commission as well as many other state and federal regulatory agencies on a daily basis with such things as PCBs, safety, spill containment, migratory bird and raptor protection, fire retardant clothing and on and on.

Upper management creates short and long term financial forecasts and works with an engineering firm to plan and project future growth and maintenance needs as well as budgeting to ensure that funding is available without driving rates up unnecessarily.

However, the true test is what you get when a cold, winter storm comes through the District and destroys part of the distribution system - plunging hundreds of people into darkness and cold. At this point the employees will move into their power restoration mode. The damage will be assessed and crews from other systems and

even other states will be contacted and called in to help with the effort. As the linemen work in harsh conditions, the operations supervisors will be overseeing everything to ensure safety while determining which lines need to be restored first to get the most customers on the quickest. Other employees will be arranging for food and lodging for mutual aid crews coming in to help. Someone will be dealing with the media while someone else will be arranging for proper emergency financing to make sure that funds are available as needed. To someone looking in from the outside it might look like a cross between a fire drill and blind man's bluff, but the restoration effort is a well orchestrated utilization of all of the District's assets with the main focus being on human resources.

One final point that often is overlooked by customers is that the 59 percent of the bill that is paid to NPPD for power costs includes, but is not limited to, the following generation and transmission costs: fuel, maintenance, construction, debt service, labor, regulatory fees and legal fees. ***ERPPD is dedicated to providing SAFE, RELIABLE, COST-EFFECTIVE electricity for ALL customers.*** If you have any questions, please call the office at 800-675-2185.

October is Public Power Month



IT'S YOUR POWER.



Arista Ranch

Jana Olsen of Norfolk always dreamed of training and working horses. Her dream came true this year when she opened the Arista Ranch, Norfolk's newest equestrian facility.

The Arista Ranch is located 2 miles west of Divots on US Highway 275. Elkhorn Rural Public Power District is proud to supply the facility with electricity

The Arista Ranch offers boarding, training, lessons, individual and family riding memberships. They also are able to host children's birthday parties and family retreats with a kitchen area. Also available are guest quarters with space to sleep up to 12 people and offers easy access to local recreational lakes and trails.

Jana is assisted by trainers Josie Ketelsen and Kristine Stahla.

The facility has a large, heated indoor arena, a 150'x200' outdoor arena, outside paddocks, and indoor and outdoor boarding. Also, the property contains 72 acres of trail riding to the Elkhorn River.

For more information, you can contact Jana Olsen at (402) 992-0445 or email at jolsen@aristaranch.com. The website address for Arista Ranch is www.aristaranch.com



Ribbon Cutting Ceremony on August 11, 2010



View of the main lobby from the loft area.



A view of the stable area.



Arista Ranch headquarters includes hospitality suite, indoor arena, stables, and tack room.

ENERGY NEWS

EnergyWiseSM

Tip: LED vs CFL

As the days of the standard incandescent light bulb grow dimmer, many are faced with the dilemma of what to screw into the socket next. In late 2007, Congress passed a law to begin the phase-out of incandescent bulbs beginning with the 100-watt in 2012 and ending in 2014 with the 40-watt. All light bulbs must use 25 percent to 30 percent less electricity by 2014. By 2020, bulbs must be 70 percent more efficient than they are today.

While the technology of compact fluorescent lamps (CFLs) has been with us for nearly 35 years, recent improvements in light-emitting diodes (LEDs) have many people considering them as an option for home use. Before you try to figure out which bulb you want to buy, consider what you want to accomplish with that light. Here are a few points to consider:

- **Lumens** “Lumens is the term used to express brightness or how much light a bulb produces. A 40-watt incandescent generates about 450 lumens. Depending on the brand, a 9 to 13-watt CFL delivers

the same amount of light, while a comparable LED uses 5 watts. It is easy to recognize that CFLs are about three to four times and LEDs are around 10 times more efficient at converting electricity to light than the incandescents. Currently it is difficult and costly to find LEDs to replace higher wattage lamps, more and more options are becoming available every day.

- **Lifespan** Most 40-watt incandescents are rated for 1,000 hours of operation, while an Energy Star CFL is rated at 8,000 hours, and LEDs are rated for 25,000 to 100,000 hours!
- **Bulb Price** You can find CFLs for less than \$2 per lamp, depending on the quality, but if you want an LED, be prepared to spend quite a bit more. The LED lamp that will replace a 40-watt incandescent will run around \$20. Prices are coming down as the technology catches on.
- **Cost to Operate** If we compare our choices for the 40-watt incandescent over 50,000 hours we get some shocking results. Over this time period, we would have to replace that incandescent lamp 50 times, and would cost around \$200 to operate. We would replace a CFL five times and pay only \$65 for the electricity. Finally, the LED would not require replacement and would use only \$25 worth of electricity.

Though these four points cover some of the most important considerations on lighting choice, other factors may also weigh on which lamp you ultimately purchase. In the end, whether you go with CFL or LED, either choice puts you a step further towards being EnergyWiseSM!

Residential Electricity Costs

Residents of Nebraska enjoy some of the lowest electricity rates in the country. According to the 2008 US Energy Information Administration data, the average price nationwide was 11.3¢/kwh, while Nebraskans paid an average of 7.9¢/kwh. In comparison, Hawaii residents pay an average of 32.5¢/kwh.

The 7.9¢ rate ranked Nebraska as the 5th lowest in the nation. States that had better rates were Idaho (7.0¢), West Virginia (7.1¢), Washington (7.5¢), and North Dakota (7.5¢).

Rates for Nebraska’s neighbors are Colorado (10.1¢), Iowa (9.5¢), Kansas (8.9¢), South Dakota (8.3¢), and Wyoming (8.2¢)

Some of the reasons for Nebraska’s excellent rates are 1. Local control through the public power structure, 2. Low-cost coal baseload generation, 3. Not-for-profit utilities (no stockholders to satisfy), 4. Dedicated employees.

Elkhorn RPPD’s mission statement says it all: ***ERPPD is dedicated to providing SAFE, RELIABLE, COST-EFFECTIVE electricity for ALL customers.***

Will we have the affordable electricity we need in the future?



Our Energy, Our Future

A Dialogue With America

Start the dialogue with your elected officials at:

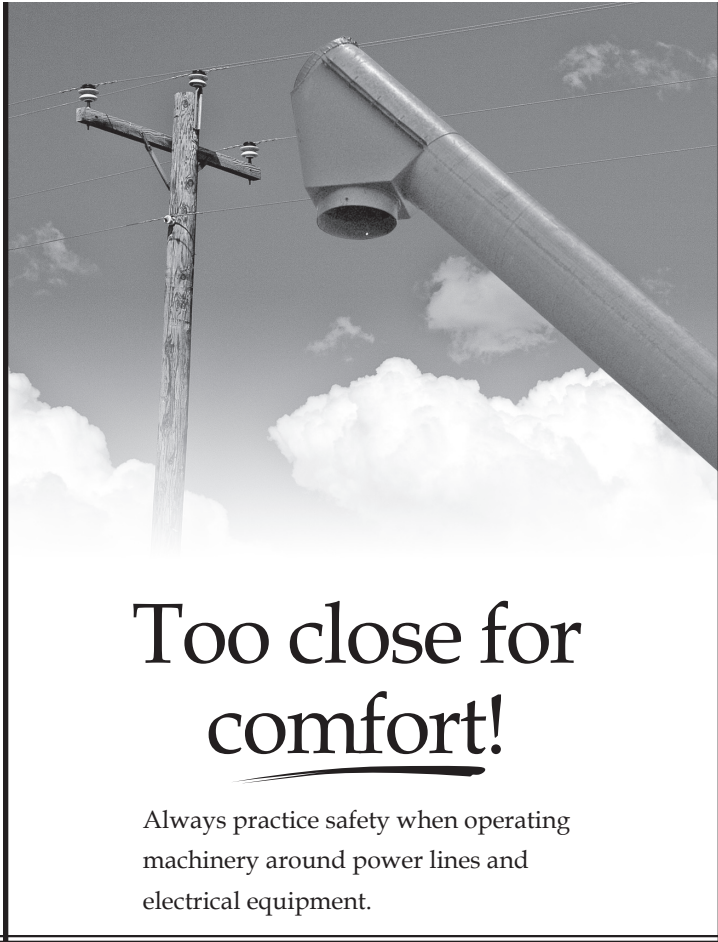
www.OurEnergy.coop

or contact our office for a postcard to get signed up.

Energy Efficiency Tip of the Month

It may be time to replace your refrigerator. A fridge made before 1993 could cost more than \$100 each year to operate. A new ENERGY STAR qualified model could cut your related energy costs in half. In addition, newer models keep food fresher longer.

Source: U.S. Department of Energy



Too close for comfort!

Always practice safety when operating machinery around power lines and electrical equipment.

Automatic Meter Reading Project

At this point of our automatic meter reading project, we have installed over 5,000 of the new meters, but still have nearly 1,200 to install.

We will not be reading the new meters for billing purposes until April 2011, after we have installed all the new meters and tested the system for accuracy, so if you are required to read your own meter **please continue reading your meter each month until we notify you that we are taking over the meter reading function from the office.**

We appreciate your patience and cooperation with this project. If you ever have any questions about the project or the new meters, please call the office at 1-800-675-2185

BOARD OF DIRECTORS

with Board position and subdivision

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- Tim Means
Vice President ..II
- Larry Lindahl
SecretaryIII
- Dennis Kuchar
Treasurer I
- Robert Kee
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- Mark Miller
Director I
- Joe Thiele
DirectorIII
- Greg Weidner
Director I
- David Hoefar
DirectorIII

MANAGER

Tom Rudloff

For Emergency Service or Outage Reporting 1-800-675-2185

After Hours Note:

The entire 800-number *must* be dialed, even for a local call.

Communicate Electronically With ERPPD

Internet: www.erppd.com

E-mail: erppd@erppd.com



**Know what's below.
Call before you dig.**

**It's the law!
Call 811 Before
You Dig!**

Or 1-800-331-5666
Diggers Hotline
of Nebraska

Outage Checklist

In the case of an outage:

- First check to see if the fuses below the meter are good.
 - If you have breakers, make sure they are on and have not kicked out.
 - If you have a double-throw switch for standby power, make sure it is in the correct position.
 - Check with neighbors to see if they have power.
- By doing this before calling us, we can determine if it is a line or an individual outage. This can help cut down on outage duration.
- Please, be prepared to give the name on the account, plus the consumer number and/or the legal location. This will assist us in sending our crews to the correct place.

Questions about your bill?

Please call the ERPPD office at 402-675-2185 or toll-free, 1-800-675-2185, during office hours, 8 a.m.-4:30 p.m. M-F, in regards to billing questions. When calling the office concerning billing problems, it will save time if you would have your meter serial number or customer account number and current meter reading. Remember to call the Battle Creek office if you have billing questions. All account payments should be mailed to:

**Elkhorn Rural
Public Power
District
P.O. Box 310
Battle Creek, NE
68715**