



THE WIRE



CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

July 2019

Serving the Elkhorn River Valley since 1940

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XUAN ZOUBEK, NEW HIRE

When you call into Elkhorn Rural Public Power District, you will hear a new voice on the phone. It is our new hire Xuan (rhymes with Dawn but with an “s”) Zoubek.

She joined the Elkhorn family on Thursday, May 30, as our new CSR/Office Tech Specialist.

In looking at our staffing needs with Joyceln Vogel retiring, we looked at what trends would bring back value for our customers. We needed someone with excellent customer service skills to answer the phone, do billing, answer customer questions, but also to be able to utilize and train others on software programs that would be used to aggregate and display data - such as Microsoft Excel and

Access.

After our hiring process, Xuan was our selection as she brings technical expertise with Excel as well as great customer service.

Her background includes an Associates in Accounting from Northeast as well as a Bachelors in General and Public Administration from the University of Nebraska Omaha.

She has been working at Faith Regional Health Services for the last eight years. Her most recent position there was as lead in the business office.

Xuan is almost a Norfolk native, as she moved there when she was in 1st grade.

She lives with her husband



Pictured above Xuan (rhymes with Dawn, but with an “s” sound) Zoubek, Customer Service Rep/Office Technology Specialist

Zach, their 15 month old son, Bodhi, and 12-year old stepson, Draven.

We are excited to welcome Xuan to the ERPPD family.

IT'S A PICNIC - ERPPD VALUE

It's summertime and who doesn't like a picnic? Some people might think discussing financials is boring! However, Carmen Thelen, CFO, thinks its a picnic! She loves picnics and financials.

ERPPD financials show you what a good value your electricity is for you.

First, as you can see from the graph to the right, the price of electricity in general has remained steady over time and well below the price increases of rent,

TV and education.

At ERPPD, we look at several key statistics to determine how we are providing an good value to our customers.

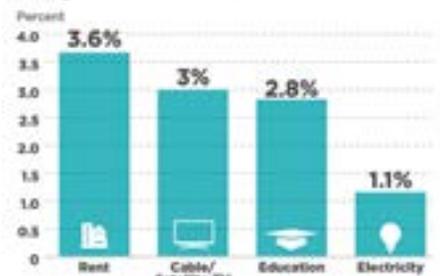
Operating revenue is the first financial statistic we will look at: where does the money come from to run our business?

In 2018 our total operating revenues were \$26.1 million. Interestingly, this is a 10% decrease from 2017 and it exemplifies how dependant we **continued on page 2**

ELECTRICITY REMAINS A GOOD VALUE

The cost of powering your home rises slowly when compared to other common expenses. Looking at price increases over the last five years, it's easy to see electricity remains a good value!

Average Annual Price Increase 2013-2018



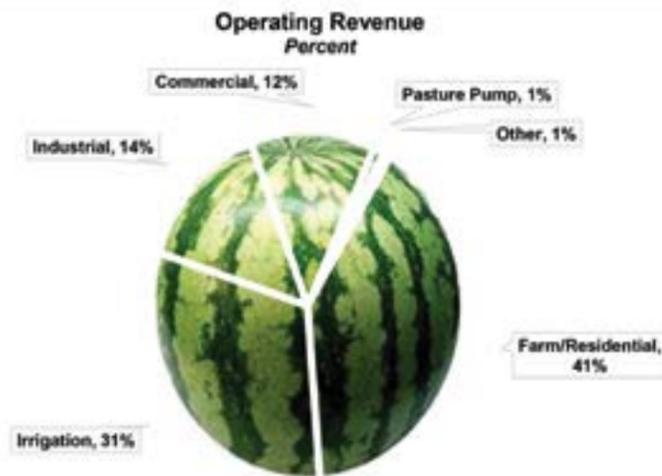
Source: U.S. Bureau of Labor Statistics, Consumer Price Index



Picnic - continued from front page

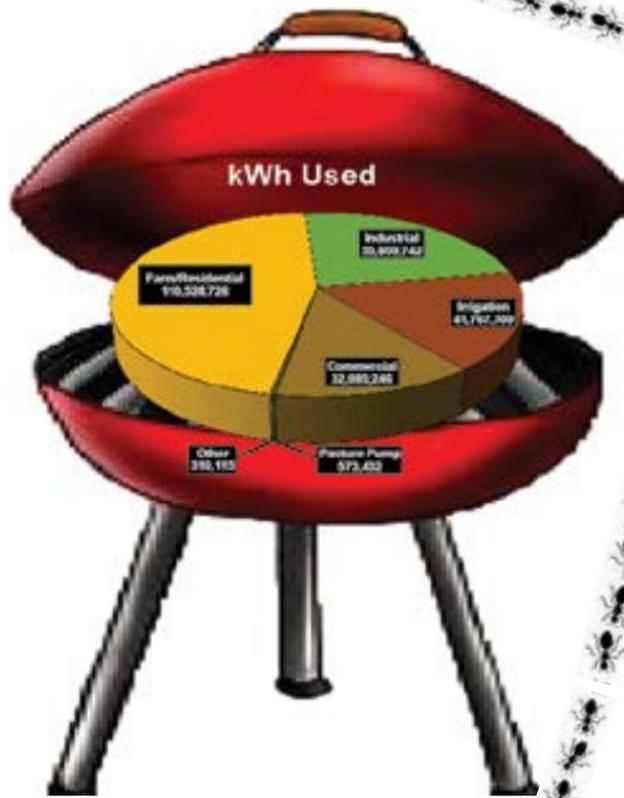
are on weather. June and July 2017 were some of the driest on record and the whole year was warmer than 2018, so we had more revenue in 2017, mostly due to irrigation.

Let's start our picnic with juicy slices of watermelon. Our watermelon of operating revenue is sliced up into different rate classes. As you can see on the watermelon to the right, the largest slice of operating revenue is from farm residential and residential customers at 41%. Following closely behind is irrigation at 31%. Pasture pumps and other revenue round out the whole melon.



As we heat up the grill to cook up our burgers for our picnic, we are looking at how much electricity is used by each of our rate classes. Usage is measured in kilo Watt hours (kWh) In 2018, the total amount of electricity consumed was just over 241 million kWh. In 2017, 276 million kWh were consumed.

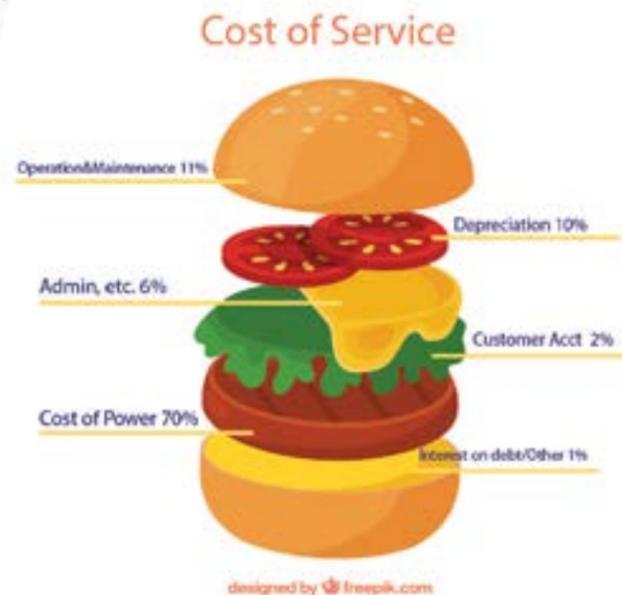
The pie chart to the left shows the break down by rate class. Farm residential/residential -110.5 million; industrial -55.8 million; irrigation - 41.86 million; commercial -32 million and pasture pumps/other - 441,774 kWh to



round out the chart.

Knowing our revenue and how much electricity is consumed, brings us to what it costs to put our 'burger' together. How are the revenues spent? Or you can think of it as the percentage of the whole burger.

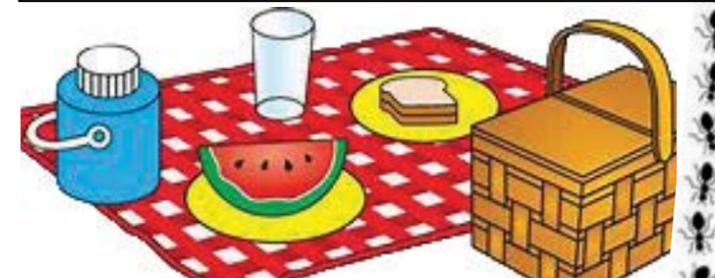
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Power costs are ERPPD's largest expense or the "meat" of expenses - that is the electricity we purchase from our wholesale power provider to distribute along our lines to provide energy to you. Operations & Maintenance (O&M) is the next largest expense. O&M is our reliability piece. Included in this expense is the cost of fixing line, vegetation management, safety training, load control expenses, as well as labor expense for our linemen etc. Administration and customer accounting covers such costs as insurance, office personnel, billing software, meter expenses, director fees and in lieu of taxes. Total expenses in 2018 were \$24 million.

What is a picnic without some corn on the cob? Probably about the same as electricity without any lines to distribute it!

ERPPD invests primarily in the distribution portion of our system (as seen to the right) - the part that connects your service to the "grid" and provides electricity. Distribution includes the wires, poles, meters etc. that make up our system. Our system is 33% depreciated, which makes it a pretty new system. We have a work plan in place and dollars from margins, that in an investor owned utility would go to shareholders, are invested back into the system to make sure all parts of the system are reviewed, maintained and upgraded to provide the



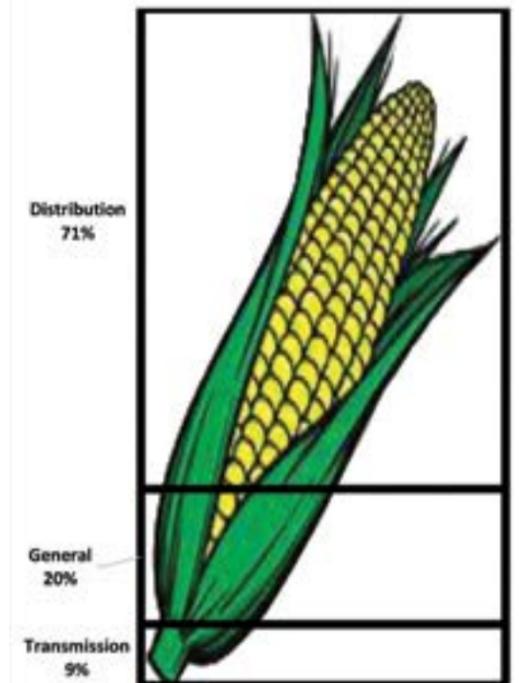
best service. This provides a 99.98% reliability factor to you.

General utility plant reflects 20% of our investment. This includes such things as buildings, trucks, tools etc. that help us conduct business.

Not specifically reflected in the above numbers is our commitment to safety, customer service and cost effectiveness.

We have made a commitment to Zero Contacts through the National Rural Electric Cooperative Association and our insurance carrier Federated Rural Insurance Exchange. We will do what it takes to make sure everyone goes home whole and healthy to their families. In addition, keeping our employees and customers safe, keeps

Investment in Utility Plant



our costs down and, ultimately, your rates lower.

Through employee and process evaluation, we make sure that we can provide a great service to you. We take pride in the fact that we still answer the phone on the 1st or 2nd ring and you are able to speak to a person to answer your questions or pay your bill.

There has not been an overall rate increase in the last 6 years. The average cost for residential kWh is 9.6 cents. That rates considerably below the national average of 12.70 cents (*US Energy Information Agency*). Elkhorn's residential rates are also below the Nebraska state average of 10.9 cents according to statistics from the Nebraska Generation and Transmission Coop.

It is also our commitment to continue to provide good value to you as we fulfill our mission of safe, reliable cost effective electricity to all our customers.

We hope you have a great summer and many fun and delicious picnics!

SAFETY FOR FIREFIGHTERS

Safety for our employees, customers and communities is a number one priority for Elkhorn. Helping to train our communities' 1st responders about how to handle high voltage electricity is a great privilege, as we get to explain what we do (see pictures) and help them to go home to their families.

We were able to provide training in February in Neligh for the volunteer fire departments of Clearwater, Elgin, Ewing, Neligh, Royal and Tilden. Fifty-eight firefighters were in attendance. Thank you to Marc Ahlers, Kenneth Capler and Taylor Stanley for taking time to provide that training.

In May, several of our staff went to Norfolk to present our high voltage electrical safety demo trailer. Thank you to Kenneth Capler, Chris Tillotson and Brian Suckstorf for helping train 45 firefighters from Battle Creek, Hadar, Hoskins, Meadow Grove and Norfolk Fire Departments on the safety issues with high voltage electricity.

There is a video from Adam Becker, Nebraska Stock Photography, on our Facebook page if you would like to see the whole demonstration #nationalelectricalsafetymonth.



Pictured top right going clockwise: Chris Tillotson shows participants a "hot stick" as Kenneth Capler explains how it is used; Kenneth Capler shows pole climbing gaff to several firefighters; Firefighters watch the high voltage demonstration; and below Brian Suckstorf demonstrates with a pickle what can happen when contact is made with a high voltage wire.



Energy Efficiency Tip of the Month

When it's warm out, avoid using the oven. Try cooking on the stove, using the microwave or grilling outside instead.

Source: energy.gov



ERPPD offices will be closed on Independence Day, July 4th