

## Looking Ahead in 2016

by Jamey Pankoke

**W**hile reflecting on the work that we need to do this year to provide the quality of service that you expect and certainly deserve, I wanted to take a moment to share with you a few items of interest that will impact the reliability and price of service in which we will deliver.

### No Rate Increase

I'm happy to report that there will be no rate increase for our customers in 2016. I'm even more pleased that this will be the fourth consecutive year that our customers will be served under the same rates. As I have reported to you in the past, approximately 70 cents of every dollar that we collect from you is for the wholesale power that we purchase on your behalf from Nebraska Public Power District. The good news is this year NPPD did not raise their production rates, or in other words the rates in which they use to bill us for their cost of generating electricity at the power plants. In fact, NPPD's current forecast shows that production rates will not need to increase for the next two or three years. Although in 2016 NPPD did raise the price it charges for the high voltage transmission lines and substations in which they use to deliver energy to us from the power plants, the transmission charges only comprise about 14 percent of our overall wholesale power bill, and these increased costs will not need to be passed on to customers this year. NPPD is projecting that further rate increases will



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General Manager

be needed over the next several years to pay for improvements to the transmission system, but hopefully the majority of these increases can also be absorbed by the District.

### New Wholesale Power Contract

For more than two years we have been involved in negotiations with NPPD for a new long-term power contract. At its December meeting, after considering other alternatives, the District's board of directors approved the acceptance of a new 20 year contract with NPPD, through the execution

of an Agreement with the Nebraska Electric Generation & Transmission Cooperative, our association who administers contractual requirements for wholesale power supply and delivery for us and twenty other rural electric utilities in Nebraska.

The new long-term power contract includes performance standards that offer NPPD incentives to keep their wholesale rates low, as well as provide us an opportunity to purchase power from other wholesale suppliers if NPPD's rates increase beyond a predefined threshold. Historically, NPPD has had very low wholesale rates, and it was important that the new contract had provisions that would result in NPPD focusing on keeping its costs down, so that our customers would continue to receive competitively priced electricity.

Another key feature of the new power contract is a

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# 2016 EnergyWise Program changes

**D**id you make a New Year's resolution to be more energy efficient? If so, Perennial has a rebate program for you. Our EnergyWise programs help you make energy efficient improvements within your home or business. The EnergyWise incentives have been updated for 2016 in response to the latest industry trends. The purpose of the EnergyWise program is to encourage customers to adopt new energy efficiency standards.

## Residential Incentives

### New Program: Heat Pump Water Heater

Incentive amount: \$200 - \$500

Air source heat pump water heaters with an efficiency factor greater than 1.9. \$200

Ground source heat pump water heaters with an efficiency factor greater than 2.8. \$500

### Attic Insulation

Incentive amount: \$0.15/square foot (max. \$300)

Attic insulation may qualify when six or more inches are added to an existing amount of less than six inches.

Must have a heat pump, electric furnace or permanently installed electric heat (baseboard, radiant, etc.)

Rebate applied to existing homes only; excludes new construction.

### Cooling System Tune-Up

Incentive amount: \$30

Qualifying systems include residential central-air conditioners, air source and water source heat pumps that are inspected and tuned-up by an HVAC (heating, ventilation, air conditioning) contractor.

Customers are eligible for the EnergyWise \$30 incentive every three years.

Rebate will be applied to your account in the form of a bill credit.

### Residential LED Lighting

Incentive amount: \$3/bulb

Maximum 15 incentives per account per year.

Bulb must be a minimum of 800 lumens to qualify.

Rebate will be applied to your account in the form of a bill credit.

### High Efficiency Heat Pump

Incentive amount: \$200 - \$1700

The following incentives are available for homeowners:

15 SEER HP, 12.5 EER, 8.5 HSPF \$200

16-18 SEER HP, 12.5 EER, 8.5 HSPF \$400

18+ SEER HP, variable capacity,  
12.5 EER, 9.0 HSFP \$600

Water/ground source HP- 1 or 2 stage, Any EER \$1200

Water/ground source HP, variable capacity, 35+ EER,  
5.0+ COP in GLHP- partial load column of AHRI or  
Energy Star certificate \$1700

\*An AHRI or Energy Star certificate is required for all 15+ equipment meeting the above requirements.

## Commercial Incentives

### Prescriptive LED Lighting

High, low bay and exterior dusk-to-dawn:

9-65 watt LED \$20

66-130 watt LED \$40

131-240 watt LED \$60

LED Exit signs, under 8 watt \$10

Linear replacement or retrofit LED:

15-22 watt LED \$5

23-45 watt LED \$10

46-68 watt LED \$15

69-90 watt LED \$20

Freezer/refrigerator case lighting (4'-6') \$20

Occupancy sensor \$15

10-15 watt PAR 30 LED retro kit \$5

12-26 watt PAR 38 LED retro kit \$5

### Commercial HVAC Incentive

A variety of incentives are available if you are updating commercial heating and cooling systems. Minimum cooling efficiency (SEER) is 15 and the minimum heating efficiency (HSPF) is 8.5. Program details are available on our website: [www.perennialpower.com](http://www.perennialpower.com).

# Looking Ahead

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provision that will allow us to supply up to 10 percent of our power needs from renewable resources (wind, solar, etc.) installed in our electric system.

Other factors weighed in on the decision to continue purchasing power from NPPD. For one, they have a diverse generation portfolio, with power being produced from coal, natural gas, nuclear, and renewable resources. In total, 42 percent of NPPD's generation comes from non-carbon emitting resources, which puts them at a good starting point when having to contend with environmental regulations. That number will increase to 46 percent when the recently announced Monolith project is online and operational, which will result in NPPD replacing an existing coal-fired boiler at its Sheldon Station plant near Hallam, NE with one that uses clean-burning hydrogen fuel.

We have a long and productive working relationship with NPPD employees and directors, and we utilize many of their good service offerings. Examples include maintenance of our substation transformers; testing of the rubber goods that our line technicians use to help keep them safe when working near power lines; and answering and responding to telephone calls from our customers after regular business hours. We look forward to continue using these and other services from NPPD to aid us in serving you.

With the electric industry being in a period of rapid change, nobody knows for sure what the future might bring with respect to the price of wholesale power over the long haul. But in the near-term, barring an unforeseen event NPPD is positioned to hold costs down and keep any rate increases minimal. The bottom line is NPPD has been a reliable and cost competitive wholesale power supplier for many years, and we are moving forward under a new power contract in anticipation that this will continue.

## 2016 Work Plan

In addition to \$1.4 million of maintenance expense that we anticipate will be incurred this year as our crews perform maintenance activities on the electric system, our 2016 Construction Work Plan includes \$1.8 million in various line construction projects and service work throughout the District. Many of these projects will be highlighted in this newsletter over the course of the year.

Whether it is maintenance of existing lines and equipment, or construction of new facilities, all of the work will be done in an effort to continually maintain and improve service reliability. And I can assure you that we are committed to doing what we can to make sure that electric service continues to be affordable.

## Operations Report

### Distribution Projects:

As the year begins Perennial Public Power District crews will be working on upgrading three miles of distribution line between Geneva and Milligan. A second project that is scheduled to start in late January is a two mile distribution line upgrade south of Henderson along Road B. Right of Way (R.O.W) clearance will continue in the villages that Perennial serves as well as the rural areas. Crowl Tree Service will continue to work clearing R.O.W. in the Benedict and Arborville areas. Any new miscellaneous service work that is required will be completed on an as needed basis.

### Sub-Transmission Projects:

No Sub-T projects are scheduled at this time.

### Irrigation deadlines:

#### March 15, 2016

Are you planning on a new irrigation service in 2016? If so, please notify Perennial before March 15, 2016 so the work can be scheduled.

#### April 15, 2016

Irrigation load control deadline.

## Energy Efficiency Tip

Save energy and money by lowering your water heater thermostat to 120 degrees Fahrenheit. This will also slow mineral buildup and corrosion in your water heater and pipes.

Source: U.S. Department of Energy

# Beware of Scams

Recently there has been an increase in the number of 'phishing' and 'spoofing' scams. Perennial will never send you an e-mail or call you with a request asking for your account number, password, personal information, or the request to go purchase a prepaid debit card.



Phishing scams find ways to redirect you to a page that looks like the login to a utility or financial institution website. Once you are on the fraudulent website, if you type in your login information, it will be sent to the "bad guys", even though it looks like a site you trust. Always look at the Uniform Resource Locator (URL), which is the web pages full address. A fraudulent web site usually includes other sub-domain names listed in front of the original domain name.

Spoofing scams involve callers claiming to represent a utility company. The scammer identifies themselves as a utility employee collecting a past due amount on your electric bill. They threaten to shut off your power if the bill is not paid immediately. They will sometimes ask to have the bill paid by credit card or a pre-paid debit card. The scammers' goal is to steal the customer's identity or get the numbers of a pre-paid credit card. Sometimes the scammer's caller identification is falsified so the call appears to be originated from the utility company.

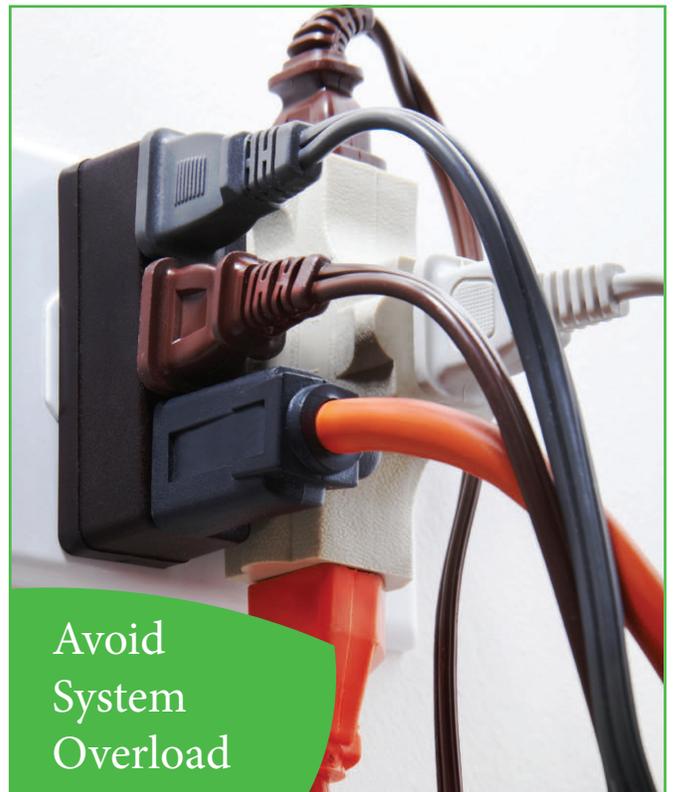
How to avoid falling for scams?

- Be wary of giving your personal information over the phone. Never provide your social security number, credit card number or banking information to anyone requesting it over the phone or at your home unless you initiated the contact and feel confident with whom you are speaking.
- Do your research. If you receive a call claiming to be your utility company and feel pressured for immediate payment or personal information, hang up the phone and call the customer service number on your bill.
- Beware of the door-to-door sales approach. Never allow anyone into your home to check electrical wiring, natural gas pipes or appliances unless you

scheduled an appointment or reported a problem to your utility provider. Always ask utility employees for proper identification.

- Be proactive. If you already have provided information to someone claiming to offer this service, contact your bank immediately. Also contact the three national credit bureaus – Equifax, Experian, and TransUnion – and request a notation made on your account so that it doesn't impact your credit rating.
- Inform others. Share this information with friends and family so they do not become victims. The elderly are common victims of these types of scams, but anyone who pays a utility bill is a potential victim. Contact local law enforcement about any suspicious phone calls or emails.

## Stay Safe



### Avoid System Overload

Avoid inconvenient power outages and hazardous conditions. Prevent your electrical circuits from being overloaded. If the outlet is warm to the touch, a fuse blows, or your lights flicker, shut off power and call an electrician.

402-362-3355  
800-289-0288  
402-362-3357- Outages

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Office Hours  
7:30 a.m. ~ 4:30 p.m.  
Monday ~ Friday