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Rolling Blackouts – Who to Blame

The political polarization that we see across the country in just about everything is often based on feelings, not facts. I was reminded of that when I read with interest on-line news articles and letters to the editor regarding the mid-February rolling blackouts, which Governor Ricketts labeled as unacceptable. It seemed like folks wanted to blame the cause of the forced power outages on something that differed from their own beliefs regarding the direction we as a nation should go with respect to power generation.

Before we can assign blame to anyone or anything, we must first look at what event led to power being temporarily shut off for some customers from Texas all the way up through the Dakotas. Make no mistake about it. Frigid temperatures throughout the Midwest was the root cause. It resulted in more energy being used than was being generated. But we have had extremely cold and snowy weather before, right? Even Texas, where the polar vortex produced historically low temperatures in February, has had severe snowstorms in the past. For example, in 1985 a storm left San Antonio buried in a foot of snow. But that pales in comparison to the storm in 1895 that dropped an astounding 20 inches of snow in Houston on Valentine's Day. Think about that for a second, snowstorms in San Antonio and Houston as far back as over one hundred years ago.

Still, if we can all agree that the real culprit that left millions of customers in the south without electricity, and others in the north having their power periodically interrupted, was at the very least unusual weather, then let us look at what happened. In simple terms, the short supply of power can be attributed to the lack of the availability of natural gas and wind generation. Getting natural gas out of the ground in Texas and Oklahoma was reduced, as frozen wells and pipelines made it challenging to deliver the gas needed to generate electricity. Some have argued that the power generators in those states should have seen the possibility of this unusual weather event and made investments to protect the gas system.

At the same time, wind power that was not equipped to run in such cold temperatures froze up. Nearly half of Texas' installed wind power generation capacity was offline because of frozen wind turbines. Critics of renewable energy have contended that if something more reliable than the intermittency of wind generation (and Texas has a lot of it) had been available, the rolling blackouts would not have been necessary. After all, Webster defines 'intermittent' as "occurring at irregular intervals; not continuous or steady." Of course, this would become less of an issue if on-site battery storage became more viable, and renewable energy, whether it be wind or solar, could be stored and released as needed.

What about this outside organization that oversees the bulk electric transmission system and wholesale power market in the central portion of the country? What is it called? Oh yeah, the Southwest Power

Pool, or SPP for short. SPP is one of nine regional transmission organizations in the U.S. and works with its member utilities like Nebraska Public Power District to ensure that all the members produce enough power every day to handle the system's need. Well, that obviously did not happen, so maybe SPP was a little negligent in fulfilling its responsibility. But energy experts throughout the region will tell you that SPP's directive to have NPPD and its other members implement rolling blackouts immediately prevented a collapse of the entire electric system and allowed us to escape the nightmare that millions of people in Texas experienced, as they went without power for days in freezing temperatures. In other words, the system worked as planned.

Then there is NPPD, Omaha Public Power District, Lincoln Electric System, and the other power producers in the state. Aren't they at least a little culpable? Absolutely not. First, I will confess I am biased. Me criticizing Nebraska's power generation companies would be akin to questioning your spouse's judgment, then remembering that he or she married you. But the fact is NPPD and the other publicly owned utility generation companies, who were generating more power than we needed in Nebraska during the brutally cold weather, did precisely what they were supposed to do. As mentioned previously, their temporary curtailment of load on a rolling basis helped saved the electric network from basically crashing and leaving us all in the dark. Also, keep in mind that sometime in the future, the table may be turned. We may be the ones needing power at a time when the



SPP Regional Transmission Organization operations area.

temperature is very high, and air conditioners and irrigation wells are running at their maximum load.

So, who is to blame for the widespread power outage in the south and the rolling blackouts here and in other states in the SPP footprint? Maybe nobody. But I agree with the Governor on this one. We do not ever want to get to the point where we accept occasional rolling blackouts as something that we will just have to deal with from time to time. Regardless of the energy mix, we must have a resilient and reliable power system. One last thought to consider. Imagine if we all owned plug-in electric vehicles and needed to charge our batteries sometime during the power crisis.

DO NOT TAMPER WITH YOUR ELECTRIC METER

Meter tampering can result in electric shock, is illegal and increases electricity rates for other customers.

Electric meters, poles, and lines keep our electric system running smoothly, but they are often overlooked and even abused. Perennial and Safe Electricity urges everyone to stay away from and be respectful of utility equipment in order to keep electrical systems running safely and reliably.

Don't tamper with your electric meter for any reason. Tampering with your meter is illegal, but more importantly, it can cause electrocution and fire. Resulting in injury and damage, even death. If you think there may be a problem with your meter, call Perennial, don't try to fix it yourself.



- Never break a meter seal.
- Never open a meter base.
- Never remove a meter or alter an entrance cable in any manner.

If you know or suspect that someone has tampered with their meter, please contact us immediately.

Thank a Lineworker on April 12



ZONE IN ON SAFETY

Respect roadside work crews.

1 work zone crash occurs every 5.4 minutes



70 work zone crashes result in injuries each day



12 work zone crashes result in at least 1 fatality each week







Don't drive distracted.

Reduce your speed.

Change lanes.

Never plug a generator into a wall outlet in your home or garage. The power that back feeds into the electric line could electrocute a utility worker or neighbor.



DON'T post signs on **utility poles**.

Foreign objects can **tear** utility workers' **protective clothing**, which is the first line of protection from an **electric shock**.

Electric line workers **RANK 10th** on the list of **25 MOST DANGEROUS JOBS** in America. Help keep them safe!



Learn more at Safe Electricity.org

If you were asked to associate an image or a person with Perennial Public Power District, I bet you would picture a lineworker. One of the most visible employees of the power industry, lineworkers work tirelessly to ensure our community receives uninterrupted power 24/7.

"Lineworker" is listed as one of the top 10 most dangerous jobs in the U.S. This is understandable as they perform detailed tasks near high-voltage power lines. Regardless of the time of day, having to brave stormy weather and other challenging conditions, lineworkers must climb 40 feet in the air, often carrying heaving equipment to get the job done.

Being a lineworker is not a glamorous or easy profession. It takes years of specialized training, ongoing education, dedication, and equally important, a sense of service and commitment. How else can you explain the willingness to leave the comfort of your home to tackle a challenging job in difficult conditions, when most are sheltering comfortably at home? This dedication and sense of service to the community is truly what sets them apart. That's why we set aside the second Monday in April to celebrate and recognize the men and women who work around the clock to keep the lights on.

While lineworkers may be the most visible employees at Perennial, it's important to note that there is a team of highly skilled professionals working behind the scenes. Engineers provide ongoing expertise and guidance on the operations side of the District. Customer service representatives are always standing by to take your calls and questions. And these are just a few of the folks who work together to ensure we can deliver the service and reliability you expect and deserve. Without them, our lineworkers wouldn't be able to "bring the light" to our community.

Our dedicated and beloved lineworkers are proud to represent Perennial, and they deserve all the appreciation and accolades that come their way on Lineworker Appreciation Day.

On April 12, and any time you see a lineworker, we hope you'll thank them for their exceptional service. We also hope you'll remember that you have a dedicated team of professionals working behind the scenes at the power district whose commitment to service runs just as deep.

Youth Energy Leadership Camp

Every summer, kids gather from across Nebraska at the State 4-H Camp near Halsey, Nebraska, for a

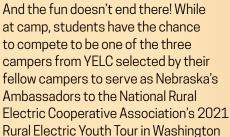
fun and worthwhile experience. Set in the Nebraska National Forest's beauty at Halsey, Youth Energy Leadership Camp (YELC) is casual yet educational, personally challenging, and free. The camp program offers each participant the opportunity to grow socially and learn something valuable at the same time.

While at camp, students will participate in engaging workshops, facilitating demonstrations and presentations by regional experts addressing the many issues affecting the rural electric program. Students will leave camp with a better understanding of public power in Nebraska and its governmental relations. A tour of Gerald Gentleman Power Station and the Kingsley Hydro-Electric Power Plant provides a first-hand look at the process of generating electricity.

While learning is prominent, it's not the only thing we do at camp. The week is intermingled with many fun activities: a dance, banquet, sporting activities, a cookout, and time to make new friends.

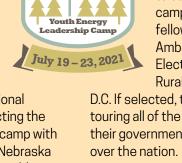
To be eligible for the camp, you must currently be in the 9th, 10th, or 11th grade and be a Perennial

customer. This year's camp will be held **July 19 - 23, 2021**.



D.C. If selected, they'll get to spend a week in D.C. touring all of the historic sites, learning about their government, along with students from all over the nation.

Space is limited, and this popular camp fills up fast! If you are interested in attending this exciting camp, please fill out the application at the bottom of the page and send it back to Perennial or contact Courtney Giesenhagen by phone, 402-362-3355, or email: perennial@perennialpower.com. The application deadline is Tuesday, May 11, 2021.



Youth Energy Leadership Camp Application Form

Name	Age	Current Grade
Address		
City	State	Zip
Name of Parents		

Please send completed application to Perennial or contact Courtney Giesenhagen by phone, 402-362-3355, or email: perennial@perennialpower.com

2020 Financial Report

THE SYSTEM

Perennial Public Power District is a public corporation and political subdivision of the State of Nebraska. Perennial's transmission and distribution system consists of 1,951 miles of line, providing power to approximately 7,500 meters in York and Fillmore counties in Nebraska. Perennial employs 31 people, and the District headquarters is located in York, Nebraska.

ENERGY SALES

The District has several revenue classes that makeup energy sales. The industrial and irrigation classes typically make up the largest portion of sales revenue. The industrial class accounts for 40-45 percent of total sales revenue. The industrial load is more consistent, whereas irrigation is dependent on weather conditions and can vary year to year. Overall, the District had an increase in revenue from energy sales of \$1.728 million in 2020. Revenue in 2020 was \$28.992 million, compared to \$27.264 million in 2019.

The largest component of sales revenue is derived from selling kilowatt-hours (kWh). Total kWh sold in 2019 was 335.573 million, compared to 365,792 million kWh in 2020. The amount of precipitation in 2020 was reflected in the increase of irrigation kWh sold, 26.807 million more than in 2019. In comparison, the industrial class saw an increase of only 6.1 million kWh in 2020.

POWER COST

The District does not have any generating facilities. We purchase 91 percent of our power requirements from Nebraska Public Power District (NPPD). The other 9 percent is purchased from

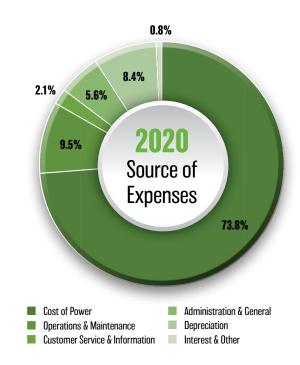
0.4% 14.2% 12.6% Source of 43.1% Revenue 23.1% 3.0% Rural Residential Large Commercial & Industrial Urban **Dryer Sales** Other Revenues Irrigation **Small Commercial**

Bluestem Energy Solutions, which provides power from three wind turbines. Power costs generally amount to 70 percent of total revenue. In 2020, power cost was 64 percent of total revenue, meaning for every dollar of revenue, sixty-four cents goes to purchased power cost. NPPD did not increase power production rates for 2020; therefore, Perennial did not need to raise customer rates.

The District purchased 379.491 million kWh at the cost of \$18.682 million in 2020. In 2019, kWh purchased was 348.281 million at the cost of \$18.616 million. When comparing energy sold to energy purchased, kWh paid for is usually higher than what is sold. This is mostly due to the nature of electricity and how it cannot all be captured in the delivery to the customer. This is called line loss. It is calculated by using the difference between kWh purchased and kWh sold. The goal is to have the lowest amount of line loss possible. Most systems prefer line loss to be less than 5 percent. Perennial's line loss has been 3.7 percent the last three years.

OPERATION & MAINTENANCE EXPENSES (EXCLUDING POWER COST)

In 2020 the District continued to focus on maintaining the system, and due to the pandemic, some construction was delayed. When maintenance is performed, labor and materials are expensed rather than capitalized and added to assets. Operation and maintenance expense (less power cost) was \$4.338 million in 2019, compared to \$4.334 million in 2020.



CONDENSED INCOME STATEMENT - DECEMBER 31, 2019 and 2018

·	2020	2019
OPERATING REVENUE	29,113,053	27,389,793
Cost of Operations		
Cost of Purchased Power	18,682,184	18,616,150
Distribution and		
Transmission Expenses	2,401,140	2,651,112
Customer Service Expenses	522,512	568,507
Administrative and		
General Expenses	1,410,261	1,117,856
Total Cost of Operations	23,016,097	22,953,625
Depreciation and		
Other Expense	2,119,244	2,035,517
Interest on Long-Term Debt	190,555	213,337
TOTAL COST OF OPERATIONS	25,325,896	25,202,479
OPERATING MARGINS	3,787,157	2,187,314
Investment and Other Income	219,948	263,830
NET MARGINS	4,007,105	2,451,144

DEPRECIATION

Depreciation of system and capital assets is the largest nonoperating expense. In 2020 depreciation expense was \$2.118 million, compared to \$2.034 million in 2019.

LONG TERM DEBT

Debt is sometimes necessary to maintain and build the system. Since Perennial Public Power District is a Political Subdivision of the State of Nebraska, it can issue tax-exempt bonds to finance larger projects and purchase large assets. Tax-exempt bonds offer lower interest rates than conventional financing, saving the District interest expense. At the end of 2019, long-term debt was \$9.713 million and interest expense for the year was \$213,337. Perennial has not taken on any new debt since 2017. Total long-term debt was \$8.186 million at the end of 2020 and interest expense for the year was \$190,555.

NON-OPERATING REVENUE

With interest rates declining in 2020, the District did not benefit as much from investments as in 2019. Interest income in 2020 was \$150,068, compared to \$219,138 in 2019.

NET MARGINS

The year ending net margin for 2020 was \$4.007 million. With the increase in irrigation revenue, the net margin was higher than expected. The net margin in 2019 was \$2.451 million.

UTILITY PLANT

Each year the District plans for building and rebuilding areas of the system that need to be added or replaced. Even with a

CONDENSED BALANCE SHEET - DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Total Utility Plant in Service	73,327,380	71,130,481
Construction Work in Progress	481,465	472,843
Total Utility Plant	73,808,845	71,603,324
Accumulated Depreciation	19,430,015	18,647,947
Net Utility Plant	54,378,830	52,955,377
Cash and Investments	12,708,968	11,729,646
Accounts Receivable	2,978,251	2,912,199
Material and Other	1,094,935	1,055,719
Total Current Assets	16,782,154	15,697,564
TOTAL ASSETS	71,160,984	68,652,941
LIABILITIES AND EQUITY		
Operating Margins - Prior Years	55,619,912	53,168,767
Operating Margins -		
Current Year	3,822,623	2,217,642
Non-Operating Margins	184,483	233,503
Other Margins and Equity	483,500	483,500
Total Margins and Equity	60,110,518	56,103,412
Long-Term Debt	8,185,879	9,712,545
Accounts Payable	1,523,574	1,630,810
Consumer Deposits	209,091	195,847
Other Current and		
Accrued Liabilities	1,131,922	1,010,327
Total Current and	11 050 166	40 540 500
Accrued Liabilities	11,050,466	12,549,529
TOTAL LIABILITIES AND EQUITY	71,160,984	68,652,941

continued focus on maintenance and an out of the ordinary year, the District's total utility plant increased \$2.21 million to \$73.81 million. The total utility plant in 2019 was \$71.60 million. At the end of 2020, the District's equity in relation to assets was 84.47 percent, compared to 81.72 percent in 2019.

CASH AND INVESTMENTS

As of December 31, 2020, cash and investments totaled \$11.003 million. Of that, \$1.783 million is restricted funds that are kept for bond debt reserves, rate stabilization, and held in capital membership accounts.

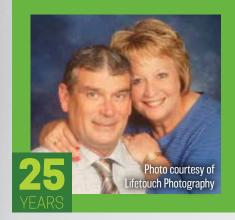
IN SUMMARY

Despite the pandemic and challenges it created, Perennial ended 2020 in a strong financial position. Perennial's management and board of directors always strive to manage the District's funds so that the system can be well maintained while keeping rates as low as possible. If you would like any further information or have any questions, you may contact Mike Haumont, Manager of Finance and Accounting at 402-362-3355.

EMPLOYEE SPOTLIGHT

Randy Martin

Manager of Operations



When a person manages a department at a small business, they tend to be multifaceted. This is true for Perennial's Manager of Operations, Randy Martin. As the Manager of Operations, Martin is responsible for the substations, power

lines, new or change service inquires, vehicles, and outages. Additionally, line technicians, the safety coordinator and the general foreman report to Martin.

Randy began his career in public power at Dawson Public Power District in 1978 as a Line Technician. He worked there for 12 years as a line technician on both the maintenance crew and the construction crew. His final six years at Dawson were spent as an Apparatus Technician. In 1996 Randy was hired at Perennial as the Operations Coordinator. In 2005, Martin was promoted to Assistant Manager of Operations. Lastly, in 2013, he was promoted to his present position of Manager of Operations. Martin stated his

favorite things about working at Perennial is how his career is always changing as technology continues to improve.

Randy resides in York with his wife Gayle. They have three daughters, Jessica (Josh) Stenger of York, Jennifer (Matt) Anderson of Yutan, and Kristi Martin of York, along with six grandsons, as well as a granddaughter. After work, Martin enjoys working on cars and spending time with family. He is active in the community as a member of the Knights of Columbus.

Perennial is very fortunate to have an employee like Randy who takes pride in serving the public and ensuring everyone has safe and reliable electricity. Thank you, Randy, for 25 years of leadership, hard work, and dedication.

Tom Hansen

General Foreman



While most people don't think of a general foreman when they think about line work, the general foreman is an important position when it comes to completing the work in the field.

It is the job of our General Foreman, Tom Hansen, to oversee the safe and proper construction, as well as maintenance of the District's distribution, transmission. and substation facilities. This includes scheduling and managing the daily workload of the District's line technicians.

Hansen grew up in Beaver Crossing, Nebraska, graduating from Centennial High School in 1988. After high school, Tom attended Cloud County Community College in Concordia, Kansas, where he received his Associate of Applied Science Degree in 1990.

Hansen began his career at Perennial in 1991 as a Line Technician, and in 2006 he was promoted to a Lead Line Technician.

In 2013, he was promoted to his current position of General Foreman. Tom mentioned his favorite parts of the job are working with customers, planning out the work that needs to be done, and restoring the power after a storm hits.

Hansen resides with his wife Julie in York, their son, Dylan, works at Nebraska Public Power District, and their daughter Taylor is attending nursing school in Omaha. After work, Tom enjoys fishing, hunting, and spending time with family.

Perennial is lucky to have employees like Tom who delight in helping to provide safe and reliable electricity. Thank you, Tom, for 30 years of dedication to the Operations Department.

Utility Line Scholarship Winners

Calvin Price 2021 York High School Graduate

Will Attend Northeast Community College

Calvin, the son of Ernie and Sarah Price, a soon to be 2021 graduate of York High School, will be one of our two scholarship recipients this vear. This scholarship will help Price follow in the footsteps of his two grandpas, who were linemen. Their stories about their time as linemen have inspired Calvin to pursue a career in utility line.

The Photography In his free time, Calvin enjoys hunting, fishing, working on cars, welding for the York Future Farmers of America (FFA) team, as well as spending time with family and friends. Between his hobbies, enjoyment of heights, and the outdoors, we're sure Calvin will make a great lineman. Additionally, Price has great role models in his two grandfathers. Calvin will be heading to Northeast Community College this fall. The utility line scholarship will award Calvin a \$1000.00 per year scholarship to attend a college with an accredited utility line program.

Congratulations to Calvin, Perennial Public Power District wishes him well as he pursues his career as a utility line technician.

Ezekiel Mason 2021 York High School Graduate

Will Attend Northeast Community College

Ezekiel, the son of Kolby and Bonnie Mason, a soon to be 2021 graduate of York High School, will be one of our two scholarship recipients this year. Mason was inspired to pursue a utility line career while working for his father at Mason Electric during the summer of 2019. During this time, he observed Perennial and Nebraska Public Power District linemen performing meter exchanges. During this job, he concluded that he would be able to help more people in his community as a utility lineman than he would as an electrician. This scholarship will assist Ezekiel in achieving his goal to earn a degree in utility line work.

When Mason has free time, he enjoys working on vehicles, spending time with animals, riding ATVs, and wiring houses. Ezekiel's hobbies will make him a great addition to any line crew and community. Mason will be awarded a \$1,000.00 per year scholarship to attend a college with an accredited utility line program. Ezekiel is heading to Northeast Community College this fall and plans to make good use of the scholarship.

Congratulations Ezekiel, Perennial Public Power District wishes all the best as he pursues his career as a utility line technician.

Improving your yard? Know what's above and below before you start

When the temperature warms to signal the arrival of spring, many of us begin planning improvements to our outdoor spaces. This could include adding or maintaining a swimming pool, building a deck, adding a patio, or assembling play equipment for your family to enjoy. However, it is essential to plan for safety before adding an outdoor structure or improving your yard.

Power line awareness

Being aware of power line locations near your home is vitally important for your and your family's safety. Even dropdown lines — the lines that bring power to a home — have voltages running through them and can be dangerous. Always look up and around for power lines, recognizing that electricity can jump or transfer even without direct contact before starting any outdoor project. Also, it is essential to know what is below before starting any digging job.

Perennial Public Power District and **Safe Electricity** offer these tips to keep in mind while working in your yard:

- Assume that all power lines are always energized and keep at least 10 feet between a power line and you or any item you are holding.
- Perform a hazard assessment of the work area, noting all power line locations.
- Call 811, Nebraska's underground utility locator service, to mark underground utilities as part of the planning process and before any digging. The service is free.
- Utility locators do not mark private lines, however.
 Private underground lines—typically installed by the homeowner or a contractor—include, but are not limited to:
 - Irrigation or septic system lines.
 - Lines that service outbuildings (electric, gas, water, communication).
 - Lines between the meter and your home.
 - Lines to other outdoor items like grills or hot tubs.

Private lines need to be marked by an independent locating service.

- Once underground utilities are marked, the 811 "Call Before You Dig," recommends that the area within 18 to 24 inches of either side of the marked lines be dug by hand with a fiberglass-handled shovel, not by machine.
- Do not install tree houses, playsets or swing sets, pools or decks, and any associated structures within 25 feet of a power line. Consider the height and reach of play equipment (including the arc of a swing), as well as all deck and pool structures in relation to power lines.
- Educate your children about power line safety and how electricity can jump. Teach them to never touch a power line or get too close to one — either directly or with a toy or object — before sending them outside to play. This is especially important if they climb trees, fly kites, or use remote-control (RC) devices, such as an RC airplane or drone.
- Use extreme caution when moving ladders and operating long-handled tools, such as pool skimmers, around trees and power lines.
- Also, use extreme caution and look up and around for power lines when you are elevated, whether on a ladder, a boom lift, scaffolding, or your roof.
- When planting and trimming trees, keep in mind that specialized tree trimming experts certified by the Occupational Safety and Health Administration (OSHA) in utility clearance are the only persons legally allowed to trim within 10 feet of power lines.

Please contact Perennial with questions about specific power line clearance recommendations concerning decks, pools, and play structures in your yard.

For more information about electrical safety, visit SafeElectricity.org.



Working on an outdoor project? Careless digging poses a threat to people, pipelines and underground facilities. Always call 8-1-1 first. Here are five easy steps for safe digging:



1. NOTIFY

Call 8-1-1 or make a request online two to three days before your work begins. The operator will notify the utilities affected by your project.

2. WAIT

Wait two to three days for affected utilities to respond to your request. They will send a locator to mark any underground utility lines.



3. CONFIRM

Confirm that all affected utilities have responded to your request by comparing the marks to the list of utilities the 8-1-1 call center notified.





4. RESPECT

Respect the markers provided by the affected utilities. The markers are your guide for the duration of your project.

5. DIG CAREFULLY

If you can't avoid digging near the markers (within 18-24 inches on all sides, depending on state laws), consider moving your project location.



Source: call811.com

Perennial NEWS

Important Dates to Remember

April - Dig Safe Month and Distracted Driving Awareness Month

April 4, 2021 - Easter

Have a safe and happy Easter!

April 12, 2021 - Lineworker Appreciation Day

Remember to thank a lineworker today!

April 15, 2021 - Load Control Deadline

Load control changes need to be completed by today.

April 26-30, 2021 - Work Zone Awareness Week

April 30, 2021 - Arbor Day

Remember to look up and look down before planting your trees today.

May - Electrical Safety Month

May 11, 2021 - Youth Energy Leadership Camp Deadline Applications for Youth Energy Leadership Camp due today!

May 31, 2021 - Memorial Day
Perennial's office will be closed in observance of Memorial Day.

