

Perennial NEWS

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PERENNIAL PUBLIC POWER DISTRICT

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2022 Financial Report

Information on the financial health of the district.

Thank a Lineworker

April is the 10th is Lineworker Appreciation Day.



2022 Financial Report

THE SYSTEM

Perennial's transmission and distribution system consists of 1,951 miles of line, providing power to approximately 7,647 meters in York and Fillmore counties in Nebraska. Perennial employs 33 people and the District is headquartered in York, Nebraska.

ENERGY SALES

The District has several revenue classes that make up energy sales. The industrial and irrigation classes typically make up the largest portion of sales revenue. In 2022 the industrial class accounted for 41.3% of total sales revenue. Industrial load is more consistent, whereas irrigation is dependent on weather conditions and can vary year to year. Irrigation revenue was 26.5% of total revenue in 2022. The District had slight decrease in revenue from energy sales of \$333,704 in 2022. Revenue in 2022 was \$29.515 million, compared to \$29.849 million in 2021.

The largest component of sales revenue is derived from selling kilowatt-hours (kWh). Total kWh sold in 2022 was 369.899 million,

compared to 379.115 million kWh in 2021. In 2022, despite several storms damaging pivots and crops, irrigation kWh sold was slightly higher than in 2021 by 998,366 kWh. The industrial class had a minor decrease of 9.753 million kWh in 2022.

POWER COST

The District does not have any generating facilities. It purchases 91 percent of its power requirements from Nebraska Public Power District. The other 9 percent is purchased from Bluestem Energy Solutions, which provides power from three wind turbines. Power costs were 73.7 percent of total cost of electric service in 2022. This means for every dollar spent 74 cents goes to purchased power cost. Perennial did not raise customer base rates in 2023.

The District purchased 385.109 million kWh, at a cost of \$19.627 million in 2022. Power purchased from NPPD amounted to 349.096 million kwh at a cost of \$17.648 million. Power received from Bluestem was 36.014 million kwh at a cost of \$1.979 million. In 2021, total kWh purchased was 393.771 million at a cost of \$19.558 million.

OPERATION & MAINTENANCE EXPENSES (EXCLUDING POWER COST)

In addition to purchased power costs, the District spends dollars to keep the electric system reliable and efficient. Operation and maintenance expenses (less power cost) was \$4.484 million in 2022, compared to \$4.429 million in 2021. Due to a few major storms in 2022, had many miles of damaged line and related equipment. The costs to the District



Mike Haumont
Manager of Finance
and Accounting

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Perennial Public Power District
2122 South Lincoln Avenue
York, NE 68467

Phone: (402) 362-3355

www.perennialpower.com

email: perennial@perennialpower.com

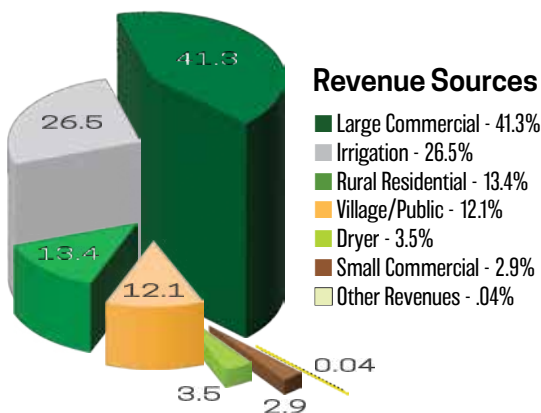
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On Our Cover:

Perennial crews prepare for hot line training.

Total Cost of Electric Service

Cost of Purchased Power	19,626,666.38
Depreciation Other Expense	2,363,612.79
Distribution Expense - Maintenance	1,676,809.22
Administrative and General Expense	1,228,713.09
Distribution Expense - Operation	806,987.94
Customer Accounts Expense	458,725.06
Interest on Long Term Debt	163,695.00
Customer Service and Informational Expense	124,400.56
Sales Expense	108,726.38
Transmission Expense	80,028.02
Total Cost of Electric Service	26,638,364.44

for repair of the damage amounted to nearly \$1.3 million. In certain circumstances, reimbursement from the government (FEMA/NEMA) may be available. Unfortunately, the District received less than \$100,000 in reimbursement.

DEPRECIATION

Depreciation of system and capital assets is the largest non-operating expense. In 2022 depreciation expense was \$2.363 million, compared to \$2.207 million in 2021.

LONG TERM DEBT

In 2022 the District did not incur any new debt. A bond issue from 2014 was paid off, leaving total bond debt at \$9.2 million.

NON-OPERATING REVENUE

With interest increasing in 2022 the District was to earn more from investments. Interest income in 2022 was \$152,651 compared to \$43,983 in 2021.

UTILITY PLANT

Each year the District plans for building and rebuilding areas of the system that need to be added or replaced. The District's total utility plant increased \$3.054 million to \$80.116 million. Total utility plant in 2021 was \$77.062 million. At the end of 2022, the District's equity in relation to assets was 82 percent.

CASH AND INVESTMENTS

As of December 31, 2022, cash and investments totaled \$14.655 million. Of that, \$2.877 million is restricted funds that are kept for rate stabilization and held in capital membership accounts.

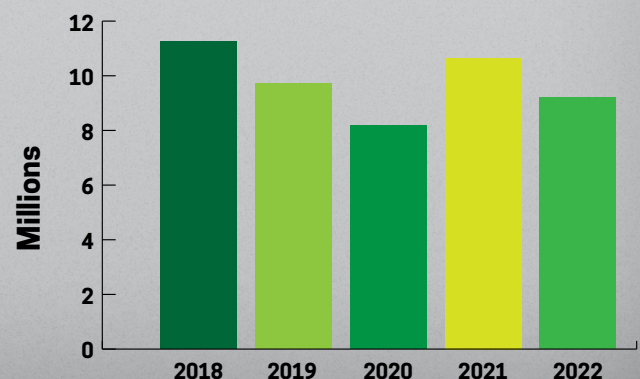
IN SUMMARY

Perennial ended 2022 once again in a strong financial position, despite unexpected storm damage costs. 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 the Manager of Finance and Accounting at 402-362-3355.

CONDENSED BALANCE SHEET - DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Total Utility Plant in Service	79,171,561	75,950,435
Construction Work in Progress	944,235	1,111,825
Total Utility Plant	80,115,796	77,062,260
Accumulated Depreciation	20,564,545	20,273,550
Net Utility Plant	59,551,252	56,788,710
Cash and Investments	15,475,252	17,055,587
Accounts Receivable	2,694,458	2,737,010
Material and Other	1,299,530	926,214
Total Current Assets	19,469,239	20,718,811
TOTAL ASSETS	79,020,491	77,507,521
LIABILITIES AND EQUITY		
Operating Margins - Prior Years	63,151,610	59,627,017
Operating Margins - Current Year	2,933,354	3,443,308
Non-Operating Margins	187,294	81,284
Other Margins and Equity	483,500	483,500
Total Margins and Equity	66,755,758	63,635,109
Long-Term Debt	9,200,000	10,650,000
Accounts Payable	1,527,248	1,659,112
Consumer Deposits	520,428	507,120
Other Current and Accrued Liabilities	1,017,057	1,056,180
Total Current and Accrued Liabilities	12,264,733	13,872,412
TOTAL LIABILITIES AND EQUITY	79,020,491	77,507,521
OPERATING REVENUE		
29,514,920	29,848,624	
Cost of Operations		
Cost of Purchased Power	19,626,666	19,558,306
Distribution and Transmission Expenses	2,563,825	2,509,897
Customer Service Expenses	691,852	632,191
Administrative and General Expenses	1,228,713	1,286,699
Total Cost of Operations	24,111,057	23,987,093
Depreciation and Other Expense	2,363,613	2,273,546
Interest on Long-Term Debt	163,695	189,743
TOTAL COST OF OPERATIONS	26,638,364	26,450,382
OPERATING MARGINS	2,876,556	3,398,242
Investment and Other Income	244,092	126,350
NET MARGINS	3,120,648	3,524,592

Bond Debt Balance



Electric distribution utilities, such as Perennial Public Power District, require the efforts of people with a wide range of skill sets and job descriptions, ranging from accounting to warehousing and several in between, to perform well. This year, April 10, 2023 is set aside as the day to honor one particular skill set, that of the electric lineworker.

Perennial has 16 lineworkers, making it the largest employee classification at Perennial. This fact hints at the volume of work necessary to perform their fundamental task of keeping electricity flowing to homes, farms, and businesses. The fact that Perennial operates 2,033 miles of line within its service area is a gross oversimplification of what is required. Tens of thousands of poles, millions of feet of aerial and underground conductors combined, thousands of transformers and meters, and countless pieces of line apparatus make up those 2,033 miles.



Crews complete hot line training.

All of Perennial's electrical facilities were built by lineworkers and must be maintained and repaired by lineworkers for the rest of us to enjoy the benefits of electricity. We most often see them climbing poles or working out of basket trucks, usually in relatively pleasant weather, and some of us might think, "What a wonderful job, enjoying the great outdoors." It is true, we often see them out working in good weather, however almost none of us see them working in the dangerous and challenging situations they face during and after storms.

Even during pleasant weather, linework can require lifting, moving, and repairing or replacing heavy or cumbersome objects near energized

Like Electricity? Thank a Lineworker & Keep Them Safe

high voltage electric lines. Decades ago, linemen often shut off electric lines before working on or near them. However, today most power line work is performed while the electric lines are still energized to minimize inconvenience to electric customers. Specialized work procedures, better equipment and specialized training make "hot-line" work possible. The lineworker's training, experience and the watchful eyes of their co-workers are key to their very survival.

Bad weather does not just happen during normal working hours. While they have regular working hours like most people, lineworkers must additionally make themselves available 24/7 to respond to power system outages and emergencies. Since most power lines run along the edge of road rights-of-way, Perennial's line trucks must be parked on road shoulders, or in the case of county roads, literally on one side of the road for our lineworkers to do their jobs whether by climbing poles or working out of line trucks. In any case, lineworkers need access to the line trucks parked on or near the road to get tools, equipment, and materials to perform their work.

If you're driving and see one of our crews on the side of the road, we ask that you please slow down and move over if possible and give them a little extra space to work. We deeply care about the safety of all, and this extra precaution helps ensure just that.

To summarize, if you approach a crew while driving on a two-lane road, moving over to the next lane might not be an option. In this case, please slow down or stop if necessary when approaching roadside crews. If you approach a crew while driving on a four-lane road, and safety and traffic conditions allow, we ask that you move over into the lane away from the one the crew is working near.

Utility crews aren't the only ones who could use the extra space. Emergency responders, such as police officers, firefighters, and emergency medical technicians, often find themselves responding to emergency situations near or on roadways. We ask that you follow the procedures mentioned above to help keep these crews safe.

Let's work together to keep everyone safe on our local roadways.

So while April 10, 2023 is set aside as the day to honor the electric lineworker, we really need to thank them for their efforts to keep electricity available every day and the extraordinary effort required to restore electric service after nasty weather events.



Crews repair storm damage from summer storm in 2022.

We hope you will join us in thanking the many electric lineworkers--both locally and around the world--that light our lives. Remember, your power works because they do! Use #ThankALineworker on social media to show your support.



P E R E N N I A L EMPLOYEE SPOTLIGHT

Grant Snyder

Journeyman Line Technician



5
YEARS

Grant Snyder will be celebrating working at Perennial for five years in May. Snyder attended the Utility Line program at Metro Community College in Omaha after he graduated from Fillmore Central High School.

Grant was hired at Perennial in 2018 as an apprentice line technician. Apprentice lineman must complete Perennial's apprentice line program and perform satisfactorily in the field for a number of years before they can advance to a journeyman

line technician. Today, Snyder serves Perennial as a journeyman line technician. Snyder stated, "working outages and power restoration are his favorite parts of the job."

Grant lives in York with his fiancé Alison along with his sons Bowen and Ridge. After work, Snyder enjoys hunting, golfing, going to the lake, traveling, and participating in demolition derbies.

Congratulations on your 5 year anniversary Grant!

Jim Rumery

Engineering Technician



30
YEARS

Photo by Becky Stuhr with Stuhr Photography LLC.

Jim Rumery will celebrate working 30 years at Perennial in May. After high school Rumery attended the Utility Line program at Northeast Community College in Norfolk.

Jim started his career at Perennial in 1993 as an apprentice line technician. In 1997 he was promoted to a journeyman lineworker, and in 2005 he was promoted to an engineering technician. Today he still serves Perennial as an engineering technician. When asked why he enjoys

being an engineering technician at Perennial he said, "problem solving and designing the single phase and three phase line projects."

Jim lives in York with his wife Lynn and children Morgan, Shelby, and Gunner. In his spare time Rumery enjoys spending time with his family along with bow hunting, fishing and time outdoors.

Congratulations on your 30 year anniversary Jim!



DIG SAFELY
Call 811 first



Hendrickson Joins Board of Directors



Dan Hendrickson of Shickley took the Oath of Office as a new board member at Perennial Public Power District's January board meeting.

Hendrickson represents Subdivision Two, which includes the majority of Fillmore County.

Dan was raised in Shickley and currently resides in Shickley with his wife Lisa. They have three children Amy, Nathan, and Caleb. Amy is married to Nathan Goodner and has a son named Eli. Hendrickson enjoys serving his community by

being a member of the Fillmore County Agricultural Society, the Swedish Cemetery Association, the Shickley Sons of American Legion Squadron #164, the Shickley FFA Alumni Association and the Salem Mennonite Church.

In Dan's free time, he enjoys playing cards, playing board games, tinkering on the farm as well as spending time with his children and grandson. Perennial is excited to have Dan serve on our Board, please help us welcome him.

Perennial 2023 board officers were elected at the January board meeting. The officers for 2023 will be as follows:

Officers:

President - Jeff Obermier
Vice President - Mark Becker
Secretary - Steve Wright
Treasurer - Matt Clark

Directors:

Orie Friesen
Dan Hendrickson

Important Dates to Remember

April - Dig Safe Month and Distracted Driving Awareness Month

April 9, 2023 - Easter
Have a safe and happy Easter!

April 10, 2023 - Lineworker Appreciation Day
Remember to thank a lineworker today!

April 15, 2023 - Load Control Change Deadline

April 17-21, 2023 - Work Zone Awareness Week

April 28, 2023 - Arbor Day
Remember to look up and look down before planting your trees today.

May - Electrical Safety Month

May 10, 2023 - Youth Energy Leadership Camp Deadline

May 29, 2023 - Memorial Day
Perennial's office will be closed in observance of Memorial Day.



NREA Youth Energy Leadership Camp

July 9 - 13, 2023

High school students, grades 9 - 11
Camp Comeca, Cozad, Neb.

Win a Free Trip to Washington, D.C.

Contact Perennial
for more information
402-362-3355



Spring Cleaning

Washing windows and screens is a great way to practice energy efficiency during spring cleaning. Clean windows and screens make your home brighter by allowing more sunlight in, reducing the need for lamps and fixtures. Clean screens also allow more fresh air in the home when the windows are open to recycle indoor air. Natural light and clean air are energy savers, and they enhance overall health and productivity.