

*Help your neighbor*

## Please give to Heat Aid

Last year, four thousand customers pledged 17 percent more dollars than the previous year to help their neighbors through the Heat Aid Fund. Contributions from all sources totaled \$175,487.

Since it was established by M.U.D. in 1983, approximately 15,000 customers have received help. Administered by the Salvation Army, the Fund helps needy older and physically-challenged customers, as well as those in crisis, pay winter heating bills. Last year, nearly 1,000 households received more than \$231,000 in assistance.

The Heat Aid Fund has been particularly crucial this heating season, in light of high natural gas prices. During the last three months of 2000, 432 households received nearly \$105,000 in assistance.

The Fund began the heating season at \$346,562. At the end of 2000, it stood at approximately \$305,000 with most of the winter still remaining. That's why your support is vital. To make a tax-deductible pledge, call 554.6666 or complete and mail the enclosed card. No postage is needed.

## Why is my gas bill so high?

November and December 2000 were the coldest back-to-back for those two months on record, according to the National Weather Service. In addition, natural gas costs have reached historic highs. M.U.D. is doing everything possible to keep your gas costs down.

We recognize the stress of trying to figure out how to pay your utility bills can be overwhelming. However, we're here to help. Call us at **449.8092**. We will work out a personal payment plan for you.

If you're having difficulty paying your utility bill, the sooner you contact us, the easier it will be to help you work out a solution.

You even may be eligible for financial assistance. Representatives from the United Way of the Midlands will be in our downtown lobby from 8 a.m. to 4:30 p.m., weekdays, through March 30 to provide financial counseling. We've provided this service for our customers since 1985.

We encourage all of our customer-owners to get on the Level Payment Plan to avoid high monthly bills. To get on the plan, your account needs to have a zero balance. Call **554.6666** for information.

If you're concerned about someone you know or would like to help, here are a some options:

- **Energy gift certificates:** You may buy gift certificates in any amount to give to relatives and friends. You don't have to sign your name on the certificate, so it can be anonymous. Stop by our downtown office, 1723 Harney St., to buy certificates.
- **Third Party Notification:** If you have a friend or relative who may face the possibility of a service shutoff, ask that person to list you on the Third Party Notification. If a shutoff notice goes out, a copy will be mailed to you.

While you aren't responsible for the bill, it gives you a chance to help out. Call **554.6666** for more information.

- **Give to the Heat Aid Fund.**  
(See story on the left)



1723 Harney St • Omaha NE 68102  
[www.mudomaha.com](http://www.mudomaha.com)  
Customer-Owned: Value for Your Dollar

# Why are prices so high?

The demand for natural gas has outstripped production of new supplies. The low cost of natural gas the past two winters discouraged exploration.

**Demand.** With rising oil prices, large industrial customers with the ability to switch fuel began using natural gas because it costs less than oil.

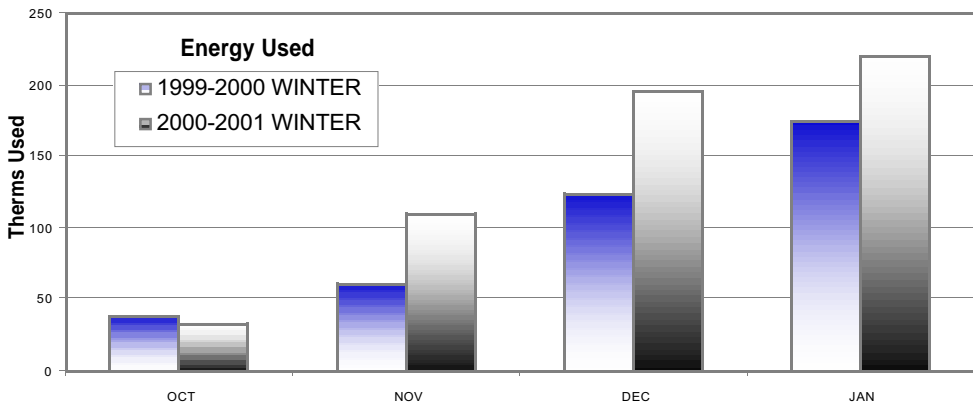
Electric utilities began using natural gas instead of coal or oil to generate electricity to meet new demands because natural gas helps electric utilities meet strict government clean air standards. It also was less expensive than coal and oil.

The nationwide cold temperatures also put demands on supplies already shared by industry and electric utilities.

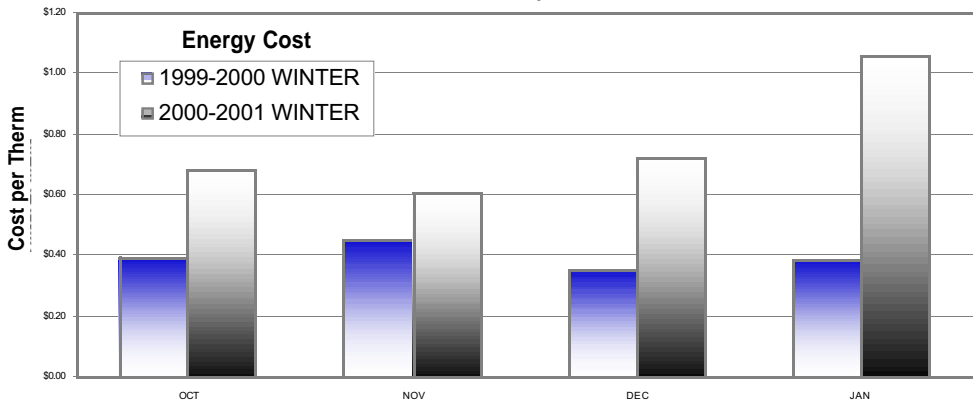
**Supply.** Most of the natural gas consumed in the U.S. is produced in America. In contrast, most of the petroleum we use is imported from foreign countries.

During 1998-1999, the price producers got for natural gas was fairly low because the winters were warm and we didn't need as

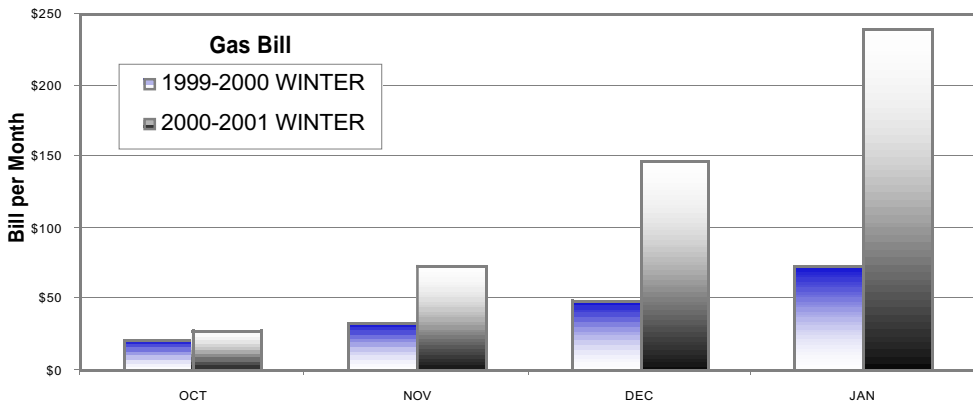
Average Residential Spaceheating Energy Used per Month



Natural Gas Cost per Therm



Average Residential Spaceheating Costs per Month



much natural gas to heat our homes.

The low price for gas contributed to a decline in the number of rigs drilling for new supplies of natural gas. The rig count fell to the 300-400 range. However, the number of rigs rebounded to more than 810 in September 2000 (43 percent above a year earlier).

### **How is M.U.D. controlling the cost for you?**

Many natural gas utilities buy gas and store it underground for use during times of strong customer demand. This practice also allows distribution companies, like M.U.D., to insulate customers to some extent from even higher prices by diversifying the supply portfolio.

M.U.D. locked in 20 percent of the gas needed for this winter when prices were lower in mid-2000. Using system storage and peakshaving facilities (propane air and liquefied natural gas, stored at 117th & Fort Sts.) reduced energy expenses by \$2.6 million in December. These facilities also save our customer-owners \$7.5 million a year in pipeline fees that otherwise would be required to reserve pipeline space for transporting additional gas.

### **Where does your gas dollar go?**

Every dollar on your gas bill is distributed as follows:

- 81 cents for the gas you use and transporting it to Omaha
- 17 cents to operate and maintain the system
- 2 cents for in-lieu-of-tax payments to cities in our service area

### **Who gains from the increase in gas prices?**

M.U.D. does not get additional revenue from higher gas costs. The price we pay the producer for gas is passed directly to the consumer without any added cost. The producers use the revenue from the increased gas costs to drill for new supplies.

Even though producers are drilling for new supplies now, a significant price relief is not expected this winter because it takes a year to 18 months for a new supply source to go into production. We may see some price relief at the end of this year, however prices will not be as low as they were in 1998 and 1999.

### **Wise energy use**

1. Have your heating system and chimney inspected annually. It's good maintenance and will help prevent carbon monoxide from escaping into your home.
2. Set your thermostat at 65 degrees in winter. You can lower it another five degrees or so at bedtime, or when you'll be away for any length of time.
3. Clean or replace furnace filters once a month or as needed.
4. Replace an older furnace with a high-efficiency natural gas model. It can lower heating costs as much as 30 percent or more and may pay for itself in energy savings in just a few years.

*(Continued on next page)*

## **5% loans for energy improvements**

The Nebraska Energy Office offers homeowners, regardless of income, loans up to \$25,000 for qualifying home, building or system energy improvements. These projects can be financed with a 5 percent loan for up to 10 years or five years for appliances.

Typical loan improvements include:

- Refrigerator, freezer, dishwasher or clothes washer replacements.
- Insulation added to walls, floors, ceilings, attics.
- Window and door replacements and repairs.
- High efficiency heating systems and water heaters.

For details, call **402.471.2867**

## **Safety tips from firefighters**

Electric space heaters, wood fireplaces and wood stoves are major factors in residential fires, according to the Omaha Fire Department.

If you use an electric heater:

- Do not overload the circuit. Only use extension cords with the necessary rating to carry the amp load.
- Do not use electric heaters in areas where they may come in contact with water, such as the bathroom.
- Give space heaters at least three feet between the heater and combustibles even if there are cut-off switches or heating element guards.

With wood fireplaces and stoves:

- Wood stoves should have a 36-inch clearance from combustible surfaces along with proper floor support and protection.
- Do not use flammable liquid to start or accelerate any fire.
- Never burn charcoal indoors.

Be sure every level of your home has a working smoke alarm.

Check batteries every month.

## Wise energy use

5. Insulate, weather-strip and use storm windows and storm doors. Caulk around doors and windows.
6. Keep the fireplace damper closed unless a fire is going. Keeping the damper open is like keeping a 48-inch window wide open during the winter; it allows warm air to go right up the chimney.
7. Check ducts for air leaks. First look for sections that should be joined but have separated and then look for obvious holes. If you use duct tape to repair and seal your ducts, look for tape with Underwriters Laboratories (UL) logo to avoid tape that degrades, cracks and loses its bond with age.
8. Clean warm-air registers. Make sure they are not blocked by furniture, carpeting or drapes.
9. Keep drapes and shades on south-facing windows open during the day to allow sunlight to enter your home. Close them at night to reduce the chill you may feel from cold windows.

For tips on saving energy and lowering your utility bill, call us at **554.6666** for a free copy of “**Energy Savers: Tips for Saving Energy and Money at Home.**” The booklet also is available on the Internet ([www.eren.doe.gov/consumerinfo/energy\\_savers](http://www.eren.doe.gov/consumerinfo/energy_savers)).

Other websites with natural gas and energy conservation information include:

- American Gas Association ([www.aga.org](http://www.aga.org))
- Alliance to Save Energy ([www.ase.org](http://www.ase.org))
- Association of Home Appliance Manufacturers ([www.aham.org](http://www.aham.org))
- Energy Star Energy Efficient Appliances ([www.epa.gov/appdstar/hvac](http://www.epa.gov/appdstar/hvac))
- Nebraska Energy Office ([www.nol.org](http://www.nol.org))

## Hydrant care

Because you and your family's safety is a top priority, make sure firefighters can quickly locate and use water hydrants in an emergency. Clear the snow from around hydrants during winter months.

## Change is coming

By the end of 2001, we plan to change the way we treat your drinking water to make it even safer. To view find out more about the change, check out the video at your library, “Making a Superior Product Even Better,” or see our website: [www.mudomaha.com](http://www.mudomaha.com)

*(printed on recycled paper)*

## Summer employment

We hire college students for the summer and are accepting applications through March 31. Last summer the rate was \$8.50 per hour. The rate for this summer is yet to be determined.

Applicants must be 18 years of age before June 1 and have completed one year of college or trade school. Vacation is not granted, except to attend military reserve training.

Individuals selected must take a medically administered and evaluated drug screen as a condition of employment. To apply, call **554.7735**.

## 2001 chairperson



**John S. McCollister**

The M.U.D. Board of Directors unanimously elected **John S. McCollister** chairperson for 2001. He was elected to the board in 1978 and re-elected in 1984, 1990 and 1996. McCollister is president of McCollister & Co., a manufacturer of lubricants.

**Thomas F. Dowd** was elected vice-chairperson. He was first elected to the board in 1975 and has nearly 24 years of service to the District. He is an attorney and senior partner with Dowd & Dowd.

Other directors are: **Mary Kay Begley, Timothy W. Cavanaugh, Mark Doyle, David Friend** and **Jack Frost**.

## Board Meetings

9 A.M., February 7,  
March 7, April 4, May 2, June 6,  
July 3, August 8, September 5

## Committee Meetings

8:15 A.M., February 2, March 2,  
April 27, June 1, June 29

1723 Harney St., Omaha, NE  
Call 449.8153 or  
see agenda on our website

## Customer Service

7:30 A.M. - 5:15 P.M., weekdays

**554.6666**

e-mail:

[customer\\_service@mudnebr.com](mailto:customer_service@mudnebr.com)  
Website: [www.mudomaha.com](http://www.mudomaha.com)