Another year dawns with bright promise. What will 2005 hold for HMU?

In December, the Board met for its annual strategic planning session. This is when HMU Management and the Board of Trustees review last year's goals and lay out the blueprints for the near and long term future.

Electric: The main issues facing us continue to be transmission, supply and completing the upgrade of our in-town infrastructure.

Uncertainty as to how electric transmission will be deregulated at the federal and regional level still exists and how any proposal would impact HMU and Harlan. This is an issue that carries significant ramifications and I am personally watching any developments.

Our studies indicate that if our rate of electric use growth continues at its current pace, we will need to either purchase additional capacity during the summer months or install another generating unit. Both proposals have merit. One way to delay any long term financial commitment to purchasing additional load on the open market is to manage our load at the local level. See the backside of this newsletter for a survey on expanding our energy rebate program.

We're on track to begin our underground project this spring. Materials are arriving and the contractors are scheduled. I'll cover this project in detail in the February newsletter.

Renewable energy continues to be a topic of discussion. We're still involved in the ISEP project as well as investigating the feasibility of using wind power and biodiesel.

Gas: HMU has most or part of our gas load purchased through 2007 at prices below the prevailing market rate. Firm supply contracts are in place although transportation companies are asking us to sign a new higher priced contract.

Water: Federal water quality standards are increasing and we will meet or exceed them with new processes and equipment. Facility security is also under the microscope across the US. 2005 will see us adding additional protections to the supply and treatment chain.

Telecom: 2004 saw tremendous growth in HMU Internet service and a modest gain in the number of HMU cable TV customers. The biggest financial pressure facing Cable service is the cost of programming. We've made a commitment to keep prices as low as possible but increasing costs are making that very difficult.

More and more of you are asking about HDTV and digital cable service. We have started discussion on upgrading and converting the current system to offer new services including HDTV. I see this being addressed further in 2005 with possible widespread system changes in 2006.

We'll continue to add more locally produced programming to the system over the next year as well as some new twists!

Telephone: WOW! When we looked at the end of year figures, we were thrilled at the number of you that now choose HMU as your local telephone provider. The number of lines served grew by 24%. Thank you for trusting us to be your provider. Using a telephone system owned by you can only mean a bright future.

Year end audit: Financially HMU looks as strong as ever. We continue to evaluate our costs to minimize or delay any rate increases.

2004 was a year of great growth and change. We expect 2005 to be similar. How will it all play out? We'll find out together one year from now.

Have a great 2005!
Now available on HMU cable channel 31

Winter reminders:

- Please do not pile snow on or near HMU electric or telecom boxes.
- Watch for boxes, gas meters and fire hydrants when using bobcats, tractors or snow plows.
- Please keep areas around meters clear for HMU meter readers.
- Watch Ch12 for postings of school closings or show emergencies

Studies indicate that with the current rate of growth in our summer electric load, HMU will need to purchase additional energy on the open market or an additional generating unit. One way to slow the growth and delay these purchases is consumer energy conservation. Our current rebate program includes lighting and select appliances.

One option is to expand the rebate program to include customers that switch appliances from Electric to Gas. Before we expand the rebate program, we’ll need to determine how many customers are using electric appliances and if there is an interest in switching if a rebate is offered. Please fill out the survey below by checking the appropriate box and returning it. As an incentive, returning the survey will automatically register you for a DVD/VCR player giveaway. If you have any questions concerning the type of appliances you have contact the HMU office at 755-5182.

<table>
<thead>
<tr>
<th>Appliance</th>
<th>Gas</th>
<th>Electric</th>
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<tr>
<td>My Water Heater is</td>
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<tr>
<td>My Clothes Dryer is</td>
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<tr>
<td>My Stove is:</td>
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If HMU were to expand its appliance rebate program to include water heaters, clothes dryers or stoves, would you consider switching your appliances from electric to gas?

Yes_________ No_________ Maybe__________________

Comments:

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DVD/VCR Giveaway Registration Form

Name _______________________________ Phone # ______________

Drawing open to HMU Electric or Gas customers only. One entry per household or business account. Registration forms must be received at HMU offices before 4:30 PM February 11, 2004. Drawing held Monday, Feb 14, 2005. Winner’s name posted at www.HMU-Harlan.com, HMU front desk and March 2005 HMU newsletter. Winner must pick up DVD/VCR at HMU offices during normal business hours. HMU employees and immediate family not eligible to enter.
"Mr. Tom's Neighborhood"
by Tom Gaffigan
Chief Executive Officer
Harlan Municipal Utilities

Topic 41: "Puxatawney Phil"

Old Puxatawney Phil emerged from his subterranean home February 2nd, took one look at his shadow, and made a mad dash back to the comfort of his den. Six more weeks of winter is the prognostication from the legendary marmot who's been in the weather prediction business since 1871.

What does Puxatawney Phil seeing his shadow have to do with Harlan Municipal Utilities? Strictly speaking, not much. But, regardless of Phil's batting average, spring is just around the corner, and that means the construction season is not far behind.

As I mentioned in our March, 2004 newsletter (Topic 32) we are aggressively engaging in an electric rebuild and conversion program. Our 2004-05 Underground Conversion Project is one of the most ambitious in the history of HMU. We will be installing approximately 8.6 miles of underground line, and upgrading much of the system from 4 kilovolt (kV) to 12kV. Reliability will be greatly enhanced by the conversion from overhead to underground, and moving a portion of the three phase line that serves downtown Harlan to 9th street will be beneficial. A map of the Underground Conversion Project is on the back of this month's newsletter.

When completed the Underground Conversion Project will have the additional benefit of enhancing the beauty of our community. Some two hundred utility poles will be removed, along with the accompanying spans of wire, transformers, capacitors and switchgear. Street lights will be mounted on metal standards rather than the existing wood poles. Pad mounted transformers, pedestals, and switchgear, most located in the city right of way, will provide the new electric highway in Harlan.

To get a feel of what the area will look like once the project is complete, take a stroll on 6th street between Elm and Chatburn. Not too long ago, the east side of 6th street was lined with poles and overhead wires. Then take a walk on 10th St. and imagine all of the lines gone. You can see the scope of this project.

Our primary contractor, Michels Power, will make every effort to ensure this project progresses as smoothly and efficiently as possible. There will be electric service interruptions during the conversion. Our goal is to keep you informed of any outages, and limit their duration. Construction activity of this magnitude also brings with it a certain amount of inconvenience. Please be patient with us as we complete this most important improvement to our electric system.

While Puxatawney Phil sleeps, we are actively preparing for the upcoming construction project. Most of the electric equipment is already on site. The plan is to begin work on the 6th of April and complete this phase of our long term plan by mid-October, 2005.

You can keep up to date on the project by visiting Har-Tel.com for current pictures and news releases. If you don't have Internet access, watch for updates in the Harlan Newspapers or listen to KNOD radio.

The Harlan Municipal Utilities will always do its best to see that your utility service works efficiently at all times. However, if you do have questions or complaints about the service, you can contact an HMU utility representative at the following address and phone number:

Harlan Municipal Utilities
405 Chatburn Avenue.
Harlan, IA  51537
712  755-5182

HMU representatives are available Monday through Friday between 7:30 a.m. and 4:30 p.m. If your complaint is related to service disconnection, safety, or renewable energy, and we do not resolve it, you may request assistance from:

Utilities Division
Department of Commerce
Lucas State Office Building
Des Moines, IA  50319
515  281-5979
Combining HMU expanded basic cable TV with local telephone service saves you money. $34.95/mo at home. $38.95 for commercial accounts.

Main work area of rebuild project.
Details and pictures posted on HMU-Harlan.com.
NOTE: Lines along Chatburn Ave will not be placed underground.
Visit Har-Tel.com for a color detail map
“Mr. Tom’s Neighborhood”
by Tom Gaffigan
Chief Executive Officer
Harlan Municipal Utilities

Topic 42: Potpourri

By the time the last of you receive this newsletter, we should be underway on our underground rebuild project. Crews will remove poles and lines through the middle third of Harlan roughly along the 10th street axis. Construction should last through September. We ask that you watch out for crews when driving through construction zones. See a map of the project and more details on our website HMU-Harlan.com.

I attended the annual Iowa Association of Municipal Utilities meeting in Des Moines. This gives me a chance to hear insights and predictions from energy industry experts on what they think the future holds for the electric and gas markets. I also get to spend time with managers and CEOs from other municipal utilities across Iowa. We may swap a tale or two but we learn how other utilities are adapting to changing markets and improving efficiency.

Operations Manager Scott Jensen tells me that this year’s gas use is almost the same as last year. Use through February is only 2% below what it was compared to last year. Watch for a full update on gas use and prices in the April newsletter.

We’ve expanded our coverage of local government meetings on Channel 26. We’re now taping the Myrtue Memorial Hospital Board meetings. See the scrolling schedule on Channel 26 for days and times.

I’d like to give a nod to our Telecom guys for the work they did in upgrading the local weather coverage on Ch 58, the Weather Channel. More local weather information is now displayed during the local updates.

Please mark your calendars for Thursday June 16th. That’s the day we’ve chosen for the annual HMU celebration. Watch for details in upcoming newsletters. I enjoy the celebration. It gives me a chance to talk with you about your utility in a more relaxed setting. We’re also looking forward to seeing you at the Home Show on March 19th and 20th at Veteran’s Memorial Auditorium.

We’re completing a new electric capacity study to complement the one done in 2002. This will help us plan for the future and ensure we’re able to meet electric demand through 2008.

Our wind generation study will also be completed this month.

Conversion of HMU infrastructure to a GIS format is progressing. Watch the March 24th HMU Board meeting live or replayed on Ch 26 for an update.

HMU telecom packages save you money.

See us for complete details
Underground Gas Pipe Maintenance Notice

If you have a natural gas line that runs underground, for example to a heater in a garage, this line is after the gas meter. Here is a safety recommendation:

We operate our gas system with an emphasis on safety. We’re required to design, operate and maintain our underground natural gas pipeline system according to prescribed federal standards.

HMU does not maintain any gas piping that occurs AFTER the meter. This is the responsibility of the customer who owns the pipe. If a buried pipe is not properly maintained it may be subject to corrosion or leakage.

To ensure continued safe and reliable operation, these lines should be checked periodically. You, or the building owner if you live in rental property, are advised to contact a licensed plumber or heating contractor to assist you in locating and inspecting your buried lines. If any unsafe condition is discovered, repairs should be made as soon as possible.

If we can answer any questions, please call us at 755-5182.

As always, call Iowa One Call before digging!

Call Iowa One Call 1-800-292-8989 before you dig!

Iowa One Call must be notified anytime an excavation or digging is made in excess of 12 inches.

- Call Iowa One Call toll free
- They will notify all affected utilities
- A trained locator will mark all underground utility lines

Calls to Iowa One Call are monitored. An immediate response can be coordinated for emergency requests.

Non-emergencies require a minimum 48 hour prior notification. Iowa One Call is a free service.

Plan Ahead - Be Safe!

A Word to Budget Billing Customers:

Your new Budget Billing payment will be calculated on the April billing statement. Now is a good time to examine your account balance to determine if your budget payments are going to cover your actual usage for the past year.

The “Account Balance” shown on your statement is the amount you owe before payment of this bill. If it is a negative amount (CR), you have a credit balance and have paid in more than you have actually used. If it is a positive amount, this is the amount you still owe.

Any positive or negative balance remaining when we recalculate will be rolled over into your new payment. You may use this month to use up any excess credit or to “settle up” your remaining balance by making an additional payment.

IMPORTANT: If you are on ACH (Auto-Pay) and you wish to pay more or less than your regular budget amount this month, you must notify our office before your due date.

Please call our office if you would like to discuss your account.

Interested in Budget Billing? Now is the time to sign up.

HMU Budget Billing program runs from April through March of each year. If you are interested in leveling out your utility payments over 12 months, now is the best time to enroll in the program. Call our office to learn more. (Minimum of twelve months’ billing history at your current residence & current account status required.)
2005 Rebuild Update

March 31 brought the start of the largest electric infrastructure transformation since the original distribution system was installed as crews from HMU and Michel’s power marked the route of the new underground feeder. The feeder will be a main interconnection line running between HMU’s west substation at 19th and Chatburn to the north substation at 8th and Cyclone.

Underground boring began April 5th as crews worked along Chatburn and College place.

The map shows the feeder route and associated areas of construction. Virtually all HMU electric and telecom distribution lines and lines to customers homes along the construction route will go underground. Placing lines underground will decrease storm, animal and accident outages and increase reliability. System voltage will be upgraded to contemporary standards.

Crews are expected to complete the conversion in early to mid October.

Interesting details
- Over 19 miles of new primary feeder line, 8.5 miles of secondary distribution and lines to customer home’s and 12 miles of telecom cabling are on hand for installation.
- 80 new pad mounted transformers will replace overhead transformers
- 94 street light poles will be installed
- 244 new fault indicators will be installed and help crews find the source of outages

Visit HMU-Harlan.com for more information and pictures.
Appliance Rebate Update

HMU offers rebates as an incentive to purchase certain energy saving appliances. Participation levels changed effective April 1, 2005.

In order to keep up with Federal energy standards, the minimum rating needed to qualify for a central air or ground source heat pump unit rebate is 13 Seasonal Energy Efficiency Rating (SEER).

Window A/C units still require an EER rating of 10 or more to qualify. All refrigerators and washing machines with the Energy Star label qualify.

Before you shop for a new appliance, call HMU to confirm rebate funds are still available. While shopping for any new appliance, look for the Energy Star logo.

When it’s time to submit a rebate request, pick up a form at HMU, attach your original Energy Guide and a copy of the invoice. Send the information to HMU. Checks usually arrive within 3-4 weeks.

Rebates effective 4/1/05:
- Washing Machine: $50
- Room A/C: $50
- Central A/C: 13 SEER: $100
- 14+ SEER: $150
- Refrigerator: $50
- Programmable Thermostat: 1/2 of purchase price up to $25

Appliance Rebate Survey Results

We included a brief survey in the January newsletter asking if the appliance rebate program were expanded, would you consider switching some of your electric appliances to gas.

Here are the results:

147 replies were received

- 17 said “Yes” they would switch electric appliances to gas if a rebate was offered
- 54 said “Maybe”
- 73 said “No” they would not switch

Just over 48% of the respondents said they might or would switch if a rebate was offered.

If we look at appliances used we find:
- 115 (78%) have a gas water heater
- 29 (19.7%) use gas for drying clothes
- 26 (17.6%) use gas for cooking

Thanks to everyone that submitted a survey response. Customer feedback is one tool used to design and implement energy saving programs.

Free Cell phone with HMU local service

Sign up for local telephone service from HMU by May 2nd and receive a free cell phone from Heartland Cellular in Harlan upon activation of local service. See promotion details at Har-Tel.com or stop by our offices at 405 Chatburn.

Weather information on HMU Cable

Spring storms can blow up quickly. Watch Ch58, The Weather Channel, for local and regional weather, tune to broadcast channels 2-13 for storm emergencies and for the most current Harlan weather updates, watches and warnings, KNOD-FM is carried on HMU Ch12.

Green City Energy is an ongoing customer contribution program designed to help fund exploration of renewable energy appropriate for use in Harlan. Current contributions have been used to partially fund a study to see if adding wind power is appropriate for HMU.

More details are available at our offices 405 Chatburn in Harlan or visit HMU-Harlan.com
National Electric Safety Month

It’s invisible, it’s silent, it’s odorless and it’s tasteless. It’s powerful. It can be our greatest friend or a dangerous enemy. Electricity. May is National Electric safety month. It’s a good time to look around your home and eliminate potentially deadly electric hazards.

Start with your wiring. Homes over 40 years old may not be wired to handle today’s electric load. Today’s house may draw more electricity due to an increased number of TVs, Microwaves, computers and other electrical devices. A complete electrical inspection may be in order to ensure your wiring and fuse box can handle the desired load.

Check outlets. Older homes may still have two prong outlets. Adapters or ’cheater’ plugs that convert three prong cords to two prong outlets are a temporary fix. Replace outlets with modern three prong receptacles and keep things safe. Cover unused outlets accessible to children. Replace missing, broken or cracked wall plates.

Check power cords. Make sure all power cords are in good condition not frayed, cracked, cut or chewed by pets. Have a qualified person replace the cord if necessary. Never remove the ground pin (the third prong). Change the outlet to accommodate the plug. A polarized plug has one large or wide prong and one narrow one to make sure the plus is inserted into the outlet correctly. Never force a polarized plug into a non-polarized outlet or trim the wide prong to fit. Again, change the receptacle if necessary for a permanent, safe solution.

Extension cords. Another temporary fix. If power is needed in an area that doesn’t have an outlet, install one instead of permanently using an extension cord. Continual use, especially those cords carrying a heavy electrical load, can degrade insulation. Use properly rated cords and never overload the cord’s rated capacity.

Power Strips. Over reliance on power strips also indicates you may not have enough circuits. It’s easy to exceed the capacity of a power strip. Know the capacity of the strip, the circuit and the devices plugged into the strip. Strips with a ‘surge suppressor’ built in can help manage small surges and spikes generated by the turning on and off of appliances. They may even protect against a large surge generated from outside sources like lightning but usually a surge suppressor is a one-time-use protector and will likely have to be replaced.

Outdoor Safety. When painting, cleaning gutters or doing work requiring a ladder always look up for overhead power lines. Of course, never fly a kite near power lines or climb a tree that has power lines nearby.
“Mr. Tom’s Neighborhood”  
by Tom Gaffigan  
Chief Executive Officer  
Harlan Municipal Utilities  

**Topic 43: Wind Power**

HMU recently completed a wind power viability study to determine costs and the impact of adding a wind turbine to our generation mix.

Wind power has its advantages and disadvantages. Technology has made the new generation of turbines more efficient and reliable. Operation and maintenance costs are lower than previous versions. It is a renewable form of energy. There is no third party commodity cost as there is for coal, diesel or natural gas fired generators.

The biggest drawback to wind turbines is the inconsistency of generation. On hot summer days when demand for electricity is high, the wind may not blow and therefore no power is generated. We’d still need to seek an additional source of power.

Previously, federal tax incentives made installing wind generation more cost effective. These incentives are not currently available but are being debated as part of the federal energy bill. Our study shows that without incentives, installing a wind turbine is not financially feasible at this time.

Wind turbines provide generation, that is, the ability to provide energy in the form of kilowatt hours, but do not address the issue of capacity, the ability to meet a strong, but brief, demand for electricity.

Our comprehensive electric system study shows we need to increase our ability to meet capacity demands. We feel adding wind power to our generation mix is still a potential future option if appropriate incentives enhance operational costs and once we address more pressing system capacity requirements.

In closing, I encourage you to participate in Memorial Day activities. Whether you attend a formal service like the one at the Harlan cemetery, take the time to hang a flag on your home or simply pause for a moment for thoughtful reflection on the significance of the holiday, make an effort to honor and remember our country’s service people who have given their lives while serving.

Water Quality report


This required report is designed to be a plain language explanation of water quality and relevant health concerns. As we do not mail copies to customers, watch for a copy of the report published in the May 24th Harlan newspaper, posted around town or pick up a copy at our offices. You can also see the report on-line at Harlannet.com

In honor of Memorial Day, HMU offices closed Monday, May 30th.

Emergency calls taken at 755-5182
Rebuild Update

About one third of the total 2005 rebuild project is complete. If we had to use one phrase to describe the progress so far it would be "cautiously optimistic". Any project of this size and scope requires a tremendous amount of coordination between engineers, suppliers, contractors, employees, media and you the customer. We appreciate your patience in understanding things will be different than normal until the end of the project.

We're on track to meet the projected October 2005 completion date. Our long term goal is to increase electric reliability by decreasing the potential of tree, storm, animal and accident related outages, meet contemporary electrical requirements by upgrading system capacity and enhance the beauty of Harlan by removing hundreds of poles and miles of overhead lines.

What's been accomplished so far:

- The main connection line between the West and North Substations is installed.
- Existing electrical load is being transferred to the new system. Eventually the plant substation near the HMU office will be retired saving customers $250-300,000 in replacement costs.
- New underground feeder lines are being installed and prepared for activation.
- New underground residential and commercial electric and telecom services are being installed and prepared for activation.
- New redundant loops are being installed.

Watch for updates as the project continues.
Everyday more and more people are saving money with HMU telephone, Cable TV and High Speed Internet. Choose the money saving package that fits you.

Project Share

Project Share is a plan created by HMU to assist needy households in paying energy bills and make home improvements to reduce future energy bills.

You can help by adding a regular Project Share contribution to your monthly utility payment or by making a direct donation to Project Share. Your contribution is voluntary, flexible, and tax-deductible. People qualifying for help will be carefully identified by an area social service agency and the entire program is overseen by a local committee.

To participate, just fill out this coupon and return it to the Harlan Municipal Utilities, 405 Chatburn Ave., Harlan, IA 51537.

Dear Harlan Municipal Utilities,

I’d like to help a neighbor in need with a contribution to Project Share.

_____________________________
Name

_____________________________
Address

I will contribute $______ per month to Project Share. I understand this amount will be added to my bill.

I have enclosed a one time $______ donation to Project Share.

Saving energy and money during hot weather

Here are some easy energy and money saving tips for hot weather

- Set air conditioners at 78 degrees unless you have an elderly or young family member that needs it cooler for health reasons.
- Keep windows and doors closed as much as possible.
- Draw shades and blinds.
- Check and change your AC system filters regularly. Systems with clean filters use less electricity.
- Have a qualified service person check your central air system, including filters and ducts, to ensure efficient operation.
- Use fans to circulate air.
- Turn off lights and appliances not in use.
- Use electric ovens, dryers and other major appliances before noon or after 7:00 PM. Use a microwave oven if possible.
- If it’s time to replace your old air conditioner, install a high efficiency unit. HMU offers rebates for energy saving systems.

HMU offices closed Monday July 4th.

Emergency Calls taken at 755-5182

Flag Day
June 14th
July 4th
Independence Day

Fly your flag

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Flag Day
June 14th
July 4th
Independence Day

Fly your flag
Thanks to all who made our Celebration a success!
See more pictures at HarlanNet.com
Find out why more and more people are switching to HMU telephone, Cable TV and Internet.

- Multi service discounts
- 120 minutes per month in free long distance
- Great local programs
- The convenience of one provider and one bill

If you move within the HMU service territory, please update your on-line account.

If you have questions about your HMU account number(s) please call us at 755-5182. Contact your financial institution with questions about paying bills on-line.

Channel position Changes

- Is now Channel 52 on the HMU cable system
- Is now Channel 78 on the HMU cable system

Making the Grade

A semi annual report card is included this month. Please take the time to fill it out and return. Your feedback is important to us!

Dispute Resolution Notice—Telephone service.

If you have any dispute or complaint regarding your HMU local telephone service, please contact us for assistance. Normal office hours are 7:30 AM - 4:30 PM Monday through Friday. Or you may write to us or stop at 405 Chatburn, Harlan, Iowa 51537. We can be reached by calling 755-5182.

If HMU does not resolve your complaint, you may request assistance from the Utilities Division, 350 Maple Street, Des Moines Iowa 50319 or call toll free (877)565-4450

On Line Bill Pay Reminders

If you pay bills on-line this information will help make sure your payments are posted to the correct accounts.

Please set up two separate bill paying accounts: one for electric, gas and water and one for telecom services. Please use your utility account number for the electric, gas and water payment and use your telecom Billing Number, not the Account Number, to pay for telephone, Cable TV and Internet service. Both numbers are listed on your monthly statements.

If you have several accounts with different account numbers, make sure to set up a separate payment account for each bill you receive. For example, if you receive a bill for electric service at your home and a separate bill for a garage, storage building, or apartment building you own, set up a payment account for each bill you receive. Additional properties are not billed under the same account number.

If you move within the HMU service territory, please update your on-line account.
Some victories are large, some are small. On July 29th, crews from HMU and Michael’s Power began removing overhead electric and telecom lines along Morningside Drive. While the distance of the lines was short, about two blocks, it symbolizes a long leap in the 2005 Rebuild project. It means we’ve reached the point that the lines and equipment we’ve installed since March are ready to carry electricity and telecom services underground and we can begin to remove old overhead material.

A quick recap of the project:

• All HMU underground boring, with the exception of some individual home services, is done. Any new boring you see going on is being done by other companies preparing to move their lines from our poles.

• About two-thirds of our electric customers with overhead service to the home have been converted to underground service.

• A little over half of the telecom lines have been converted from overhead to underground service.

• Crews are converting more of the main distribution system power delivery from old overhead lines to new underground everyday.

• The north and west substations have been upgraded from a 4,160 volt system to 12,470 volts which means a more modern distribution capacity.

We are still on track to meet our October target date. There is much left to do before then but Harlan should look different by Halloween.

Far too many people have been involved in this project to name individually but as CEO, I am immensely pleased and proud of how well everyone has worked together as a team with a common goal; to improve the reliability and capacity of the HMU distribution system.

________

My thanks go out to those that returned their Report Card in last month’s mailing. It is important to me to hear what you have to say, good and bad, about our performance. We do read the suggestions on what we can do to serve you better and look at the cost and practicality of implementing new policies or procedures.

HCHS events on HCTV

With school back in session, we’re looking forward to bringing you another year of Cyclone sports and fine arts events on HCTV-Channel 25. We’re planning on increasing our sports coverage this year. As details aren’t finalized, we can’t let the cat out of the bag but as a hint….we’re looking for someone with experience in volleyball color commentary. If you would like to be a part of our broadcasts, or think you know someone that would be a good commentator, please get in touch with Leah Spieker or Doug Hammer at HMU.

If you’re not a current HMU Cable TV subscriber, now’s the time to sign up if you want to see HCHS sports, plays and concerts you won’t find anywhere else.
Business District
Gas Leak Survey
Scott Jensen,
Operations Manager

During July, the HMU Gas Utility conducted our annual survey of the downtown and Chatburn Avenue business district using gas detector equipment. The survey included testing the atmosphere surrounding manholes, storm sewer inlets, cracks in pavement and sidewalks, and other locations providing an opportunity for detecting gas leaks. The survey is conducted at intervals not exceeding 15 months, but at least once each calendar year. It ensures continued safe operation of the gas distribution system.

One of the pieces of equipment used in the survey is a Flame Ionization (FI) detector. The FI detector uses hydrogen fuel to power a small flame in a detector cell. A pump passes continuous air samples through the detector cell. If the air contains hydrocarbons, such as natural gas, they’ll be burned or ionized in the hydrogen flame. Any such burning is electronically detected and displayed on a meter readout. This equipment is able to sense very small concentrations of gas in the atmosphere. If any leaks are detected, we schedule them for immediate repair.

All patrolling, leakage surveys and inspection and servicing of key valves and regulator station components are conducted in accordance with the Federal Pipeline Safety Regulation. In addition to scheduling inspections, all Gas Utility personnel are expected to watch for and report any operating conditions or activities that may present a hazard to the safe operation of the gas system.

ICE and Cell phones

A simple initiative, conceived by a paramedic in Britain, designed to aid emergency responders in time of crisis has gained momentum in the US. Cell users are being urged to put the acronym ICE -- "In Case of Emergency" -- before the names of the people they want to designate as next of kin in their cell address book, creating entries such as "ICE -- Dad" or "ICE -- Alison."

Paramedics, police and firefighters often waste valuable time trying to determine which name in a cell phone to call when disaster strikes. Many people identify their spouse by name in their cell, making them indistinguishable from other entries.

The idea was conceived by Bob Brotchie, a clinical team leader for the East Anglian Ambulance service, after years of trying to reach relatives of people he was treating. He began the ICE initiative in April, but it gained momentum only after the bombings in London, when information about the plan spread by e-mail.

Users that set up their cell phone list using ICE should review names and numbers quarterly to make sure information is current and correct.
By the time all of you have received this newsletter, the bucolic town of Harlan will look different.

Crews from Michaels Power and HMU have worked diligently since March to convert a major portion of Harlan from overhead electric and telecommunications lines to underground. We expect all of the HMU lines to be off the poles by the end of September. The poles will be removed once all telecom providers have vacated the poles.

What have we gained with the rebuild project?

Greater reliability of service to all customers. With every wind or ice storm, my level of anxiety increased. I knew it was just a matter of time before we had another major outage from a tree falling into the 10th street feeder line. When this line was damaged, it affected all customers as it tied the west and north substations together. Underground lines are less susceptible to storm damage.

The ability to serve contemporary customer requirements. The voltage capacity of the lines was increased. On hot summer days when electric requirement is highest, we now have a greater flexibility to meet demand. When the long term project is complete, all parts of the system will be one voltage.

The ability to remove, instead of refurbish, our plant substation. Upgrading the voltage capacity in other parts of town means we can take the plant substation out of service instead of spending over $250,000 on upgrades and replacing a 40 year old transformer.

And we have to consider the aesthetics of the lines coming down. We’ll publish some before and after pictures once poles are removed to show the visual difference.

What’s next in the long term plan? We’ve already begun engineering work for the area north of Cyclone. This portion of Harlan is tentatively scheduled for conversion in 2006. As I write this column from my well lit and dry office, hundreds of thousands of people are without power due to hurricane Katrina. Projects such as ours may be delayed due to electric infrastructure and construction crews being diverted to the South.

Once again, I want to express my gratitude to all that have worked to make the 2005 overhead conversion project a success. Thank you.
Natural Gas pricing—Cheaper to Heat in Harlan

Recent media reports focused on the increase of natural gas prices for the upcoming winter. Harlan Municipal Utilities customers will not see the dramatic price increases predicted for other towns.

HMU signed contracts in 2002 and 2003 locking in an average price of $4.43 per one thousand cubic feet of gas (MCF), the common measurement of gas commodity, for the upcoming 05-06 heating season. Pricing on the September 2, 2005 New York Mercantile Exchange for the same volumes HMU has under contract was $11.56 per MCF.

“Our job is to look out for the best interest of HMU customers.” stated Scott Jensen, Operations Manager at HMU. “We have 73% of our previous two year average use under contract. If we had to go out today and buy gas for this winter at current prices, would be paying about 264% more. Comparing what we have locked in to recent prices, the contract saves our customers around $1,200,788.”

On very cold high demand days, HMU needs to purchase additional gas, known as swing gas, on the daily market. It’s the purchase of swing gas that can cause wide fluctuations in heating bills.

Jensen continues, “If we have a short mild winter in Harlan, we may not need to purchase very much additional gas which means the price our customers pay would still be far below market price. If a customer uses the same amount of gas this year as they did last year and if swing market prices stay where they are today, customers would see their cost go up about 10% over last year. Regardless of what actually happens this winter, we know that HMU customers will be paying a lot less for natural gas than customers in other towns.”

Can’t make it to the game? Don’t have Internet?
Harlan Sports Fan web casts can be heard on HMU Channel 12

Project Share assists needy households in paying energy bills and making home improvements to reduce future energy bills.

You may add a regular Project Share contribution to your monthly utility payment or by making a direct donation. Your contribution is voluntary, flexible, and tax-deductible. People qualifying for help are carefully identified by an area social service agency and the entire program overseen by a local committee. Contact HMU for more details.

Fall sports on HCTV-CH25

Watch replays of fall Cyclone sports on HCTV-Channel 25 again this year. Bruce Pfannkuch, Jim Stessman, Pete Green, and Robert “Smoky” Klindt will cover all home and away football games. New this year are replays of select Cyclone volleyball games.

Have you seen harlansports-fan.com? We've partnered with them to bring you expanded coverage of Cyclone sports. Listen to simulcasts of Harlansports-fan.com web casts on Ch12.
Mr. Tom’s Neighborhood—For the People

In 1891, Benjamin Harrison was in the White House and the Wrigley Company was established in Chicago as a soap manufacturer (Juicy Fruit was two years away). The kinetoscope debuted and radio was patented. Dr. James Naismith, cures winter boredom by inventing a new sport called basketball. HMU was established by public vote to provide electricity and water to the town of Harlan.

Much has changed since then but in many ways, it’s still the same. Residents want reliable electric service for light, heat and entertainment and they want to control their own destiny instead of leaving it in the hands of Fate.

HMU understands that by providing safe and affordable electricity to customers we give them power to turn on more opportunities in their lives. As one of the nation’s more than 2,000 “public power” systems our goal is to provide electricity as a public service in a caring, yet business-like manner, and at a reasonable cost. We are committed to exceeding the expectations of our customers, who also are our family members, neighbors, and friends.

Much has changed since then but in many ways, it’s still the same. Residents want reliable electric service for light, heat and entertainment and they want to control their own destiny instead of leaving it in the hands of Fate.

HMU customers can trust service is available to them whenever they want. They can trust that we are committed to serving their needs.

Oct. 3-9 was Public Power Week, an annual event for the nation’s more than 2,000 community-owned electric utilities. We celebrate because HMU has been providing electricity for the people for 114 years.

Hydrant Flushing

HMU crews will flush hydrants Oct 18-20. Check for rusty water during this period before using water for laundry or other purposes. If water is not clear, let faucets run until cloudiness is gone. If is does not clear within a reasonable amount of time, call our service department at 755-5182.

Office closed November 11—Veteran’s Day

HMU office closed Friday November 11th. Join us as we honor America’s Veterans. Emergency Calls taken at 755-5182.
Carbon Monoxide—Stay safe this winter

Carbon monoxide (CO) gas is an odorless, colorless gas created by an incomplete burning of oil or gas by-products. Potential sources include automobiles, gas appliances, gas furnaces, chimneys, charcoal grills and portable kerosene heaters.

While death attributed to CO poisonings is rare, it is a threat which is largely preventable and about which the public, health care providers and emergency providers must continue to be vigilant.

Some common symptoms of CO poisoning are: nausea, vomiting, headache, dizziness, persistant cough, fatigue, eye and upper respiratory tract irritation, wheezing or increased angina in people with coronary disease.

Where there is a suspected CO problem in the home, it is important to promptly leave the building and call emergency responders to gain the appropriate medical and home inspection assistance to ensure it is safe to return home.

While CO alarms can be a useful secondary line of defense, the primary line of protection is prevention, which includes regular, professional, inspection of gas and other fuel burning appliances. Regularly check your furnace intake and exhaust vents. Snow can pile up and plug an outside vent. Never leave a car running in a closed garage, especially a garage attached to or under living quarters. Chimney flues should be cleaned regularly. Never use charcoal or propane grills inside as a heating source or for cooking.

Simple regular maintenance and inspection of appliances and safe habits can lower your chances of carbon monoxide poisoning.

Think Safety First if you suspect a gas leak

The smell in natural gas doesn’t come naturally. We add a special odor to help you detect leaks. If you smell odorant or suspect a gas leak in your home or business:

• Do not light matches or do anything that will cause a flame or spark
• Do not turn light switches or anything electrical On or Off. This could cause a spark.
• Leave the building and, If possible, notify everyone else in the building to leave immediately.
• Call HMU, 755-5182, from a neighbor’s phone or a cell phone outside the building. We’ll send out a qualified professional to check for leaks.
• Do not re-enter the building until HMU personnel have told you it is safe.
It doesn’t take long for the uncommon to become common. Now that all of the overhead lines and poles are gone along many streets in Harlan, it’s becoming hard to remember what areas looked like before the rebuild project. Some before and after pictures are printed on the back to help jog your memory.

My next before and after is a little more melancholy. Kathleen “Kate” Schomer-Kohorst is leaving the HMU board of Trustees.

She has served our community well these past 15 ½ years. To list the litany of projects and initiatives that have occurred during her tenure takes more space than my editor allows. She has been a critical asset to HMU strategic planning and direction since 1990.

I continue to be impressed with Kate’s attention to detail, and her sincere efforts to do what is best for both the citizens of Harlan and our utility. Kate empowered me to do the job for which I was hired, while holding me responsible and accountable for my actions. As an employee, I cannot ask for more. Without question Kate’s experience, insight, enthusiasm and leadership will be sorely missed.

It’s difficult to remember the Board before Kate and she will be missed after her departure. Amy Keast will become the newest HMU Trustee later this month.

A parting note from Kate Kohorst

It is with a little sadness that I write this message to you, our owners. I have enjoyed being on the Board of Trustees. I have learned so much about our community and this business. I have been privileged to work with superb staff and dedicated fellow Board Members. But, looking back, I most appreciate Harlan’s support of our utilities. Even as the competing telephone, Internet and cable companies try to entice us with rates unavailable in communities without a home-owned telecommunication company, a vast majority of our citizens stand firm in supporting our business. For that, I will always be grateful. Know that each member of the Board tries to give you the best possible product at the lowest possible price….and we will always keep the money here at home. Amy Keast will be a wonderful replacement. If you see her, be sure to thank her for volunteering her time to serve on the HMU Board.
Next Board meeting- November 21st

405 Chatburn
Harlan, IA 51537
Telephone: 755-5182
Website: harlannet.com

Harlan's Premier Provider

12th street looking south from College Boulevard

10th street looking north at Baldwin

Corner of 10th and Elm looking east
Mr. Tom’s Neighborhood– 2005 in review

“Already?” was my reaction when reminded it was December and time for my year in review column. It seems hard to believe that 2005 is drawing to a close and 2006 is on our doorstep.

Of course the most visible project this year, and the one with long lasting implications, was the electric infrastructure rebuild project. It was probably the most ambitious undertaking since the original system was installed.

From a strategic standpoint, it was necessary to replace aging poles and lines while upgrading system capacity and decreasing the likelihood of outages. We met those goals and are committed to upgrading and integrating other portions of town. As part of the 15 year strategic plan, we are laying the ground work to convert other sections of town from overhead to underground distribution.

Cross country transmission issues are still at an impasse. Several plans have been proposed but none that seem to address all concerns. This tends to be an “out of sight out of mind” issue for customers but how it is finally settled does have an impact on your rates.

Our biggest achievement in the Gas utility is locking in lower commodity prices during 2002. As this issue goes to press, record cold temperatures across the northern Midwest and Northeast are driving up the price of natural gas to 3-4 times over our contract. Single digit temperatures in December will mean a higher than average heating bill but HMU customers will see significantly lower bills than customers in other towns.

2005 saw the Water utility conduct a leak survey. Detection and correction of system leaks decreased water lost by about 10%. Our annual consumer confidence report indicates that our water quality meets all guidelines.

Telecommunications– If I may borrow from the Energizer bunny we’re “Still growing”. The number of customers choosing HMU cable TV, Internet and telephone increases. Choosing HMU means local service and keeping dollars in Harlan for future expansions and upgrades. Cable programming costs continue to escalate. Our costs for programming alone will be about 20% higher in 2006 compared to 2004 and will only continue to grow. Without divulging details, HMU continues to explore offering digital TV service with HDTV capability. Internet use, both in terms of the number of customers and the use by each customer, is increasing. The number of telephone lines we serve is increasing also.

The annual audit shows HMU is financially strong and able to meet it’s obligations and strategic plans.

2005 was a good year for HMU. We look forward to serving you in 2006.

Gas Key Valve inspection scheduled for January, 2006

During January, the Gas utility will conduct its annual Key Valve inspection. Key valves are those capable of shutting down the entire system or a portion of the system in case of emergency. Valves are checked to ensure smooth opening and closing and to make sure they meet all safety and operational guidelines. Distribution valves are on a three year inspection cycle and will be inspected in January also.

Happy Holidays from all of us at HMU

Free energy saving guides

Book two of the four book series is out. This free guide shows how to save energy and money with energy efficient heating and cooling. Available at HMU.
Digital TV—

Television is entering an exciting transformation from traditional analog broadcasting to digital transmission. What does this mean to you the viewer? We’ll cover some frequently asked questions regarding digital TV in upcoming newsletters. You may also visit these websites to find out more: dtv.gov and fcc.gov/dtv/. Links to these sites are posted at har-tel.com.

What is digital television (DTV)?

Digital television (DTV) is a new type of broadcasting technology that will transform television as we now know it. By transmitting the information used to make a TV picture and sound as “data bits” (like a computer), a digital broadcaster can carry more information than is currently possible with analog broadcast technology. For example, the technology allows the transmission of pictures with higher resolution for dramatically better picture and sound quality than currently available – called High Definition Television (HDTV) - or the transmission of several “standard definition” TV programs at once – called “multicasting.” “Standard definition” digital TV pictures would be similar in clarity and detail to the best TV pictures being received and displayed today using the current analog broadcast system and TV receivers.

What is analog television?

Analog television service is the traditional TV system. Analog television has been the standard broadcast technology since the inception of television using magnetic waves to transmit and display pictures and sound.

Analog broadcasting will continue until the end of the transition period, which currently is set to continue through the year 2006. A law passed by Congress would extend the time period for continuation of analog service beyond the year 2006 if DTV service and equipment are not widespread.

Winter Reminders

- Please do not pile snow on or near HMU electric or telecom boxes.
- Watch for boxes, gas meters and fire hydrants when using bobcats, tractors or snow plows.
- Please keep areas around meters clear for HMU meter readers.
- Watch Ch12 or visit HarlanNet.com for postings of school closings or snow emergencies.

Winter sports on HCTV-CH25

Watch replays of Cyclone sports on HCTV-Channel 25. Veteran announcer Jim Stessman is behind the microphone again this year for exciting play by play of boy’s basketball while Mick Angel joins the team and covers girl’s hoops. Robert “Smoky” Klindt handles the camera work for both boy’s and girl’s games.

Watch expanded coverage of HCHS wrestling during the 2005-2006 season with Dave Clark calling the action and Luke Clark behind the camera.

Can’t make it to the game? Listen to KNOD and Harlan Sports Fan broadcasts on HMU Ch12.

See the complete HCTV-Ch25 broadcast schedule can be found on Ch25 or find it online at HarlanNet.com.