

For Immediate Release

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2010 Rate Increase

The Board of Directors at Cuming County Public Power District voted at the January 6th meeting to raise electric rates in 2010. The main driver is the 5.9% increase the District will see on their wholesale bill from Nebraska Public Power District. Increased coal and nuclear costs, demand for energy on the system and increased operating expenses caused NPPD to require a rate increase.

NPPD also raised rates 7.04% at the beginning of 2009, at which time CCPPD did not. The rates go into effect on January 1st and are reflected in the bills that will be mailed to customers in February.

Increases will vary from 3.70% to 6.70% depending on the results of the cost of service study. The increase for rural residential customers will be 3.70%. An average customer (using 1900 kWh a month) will see a \$4.85 increase in the summer and \$5.42 in the winter. The cost of service study showed that municipal customers needed an increase of 6.70%. The average municipal residential customer (using 1500 kWh a month) will see a \$7.35 increase in the winter and \$7.27 in the summer.

The three phase or commercial rural customers who use around 3600 kWh will see an increase of \$10.32 in the summer and \$9.60 in the winter.

Irrigation rates will also see a 6.70% increase. Capacity charges for anytime control will increase by \$3.32 per kW for a total of \$27.32. The every other day rate class will see an increase of about \$4.80 per kW for a total cost of \$40.80 per kW. No control customers will see an increase of \$5.57, which will equal \$61.57 per kW. The average irrigator will see an annual increase between \$125 to \$199 per system. The irrigation energy charges will remain the same as they have been since 2007.

In recent years CCPPD has been focusing on adjusting rates so that costs are collected in the monthly charge and energy rates more accurately reflect the actual cost of energy. Making these changes has been approached in a series of steps through recent years.

Management has been working on financial forecasts and an updated cost of service study since the wholesale increase was announced in 2009. Findings were presented to the board at the December board meeting. They chose the increase they felt would best meet the financial needs of the District now and into the future.

“The board along with management explores every avenue to keep rate increases to a minimum,” General Manager Elwood Moore states, “Last year we were able to absorb the 7% increase that our wholesaler NPPD implemented.” Mr. Moore continues, “We do our best to invest in the most efficient upgrades that will benefit the District and uphold the high reliability that our customers expect.”

One of the major challenges that the District faces is how to effectively manage and recover a “fixed cost”. These are the costs that are present due to the fact that a customer is being served power, and they do not increase or decrease based on how much energy is being used. These “fixed costs” include routine maintenance, depreciation, insurance, administrative, billing and accounting expenses. It’s similar to having service fees on a phone line. There is a fee just to have the service running to your home. This is the “fixed cost” on your bill for having power into your home.

We continually look for ways to improve our process to continue to provide you with as low cost electric service as possible.

If you have any questions, please feel free to stop in or call 402-372-2463 or 877-572-2463.

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