

A Message from the General Manager

Although it is not my custom to do so, this month I feel that I must bore you with a lot of details. CCPPD just had a Cost of Service Study performed by JK Consulting from Lincoln. The purpose of a Cost of Service Study is to determine if the rates being charged for each rate class are correct for the actual costs incurred and to determine if there are any changes in rates that would be necessary to ensure that rates are fair, reasonable, and non-discriminatory. Following is a synopsis of the findings of the study and the recommendations that were brought forth.

As I mentioned last year around this time, CCPPD has been facing continual upward cost pressure. Intuitively, we thought we would be looking at needing to raise rates about 10% over the next 10 years. However, the analyses completed indicated that a 2.1% rate increase in Fiscal Year (FY) 2019 and a series of 2.0% annual increases in FY 2020 through FY 2024 would be in order. This is closer to 8% than the original 10%. Further, implementing a series of smaller rate increases over time would reduce raising rates expedientially if CCPPD waits until it is beyond necessary to implement rate changes. To put this into the proper perspective, the typical rural general service bill would increase approximately \$3.32 per month with a 2.1% increase in FY 2019. Although the study indicates at this time that increases are likely in FY 2020-2024, we will continue to analyze all of the information to attempt to avoid these increases.

The lion's share of Cost of Service entails determination of revenue requirements and examination of revenue sources. Of the projected

revenue requirements, approximately 56% was for purchased power from the Nebraska Electric Generation & Transmission (NEG&T), including transmission service to deliver these purchases. The larger driver of necessary rate changes is projected expenditures on capital improvements. The CCPPD system requires continual maintenance and upgrades in order to provide safe and reliable service.

The cost of service analysis was completed to assess the amount that each rate class should be paying compared to the revenue that is being collected from existing rates. The analysis also indicated how much revenue is collected in each season compared to the cost of service in the respective season. In general, summer rates will be increased more than winter rates. The rate classes with the largest disparity compared to the calculated cost of service are "grandfathered" rates applicable to services such as all-electric heat, electric water heaters, and discounted municipal services.

The purpose of rate design is to develop rates that reflect the cost of service and accomplish other goals, like system maintenance and upgrades, established by CCPPD. In general, rate changes will be directed toward customer charge components and summer usage components. Irrigation rates have not been adjusted since 2012. They along with Municipal Residential, and discounted grandfathered rates for all-electric water heating and space heating will be increased more than other rate classes in order to maintain proper Cost of Service based rates.

The CCPPD Board will be



Chet McWhorter
CCPPD GM

considering all of the potential rate options over the next few months with the idea of implementing any changes in October of 2019. If you read this column regularly, you know that I don't like to be the bearer of bad news and this discussion on rates is not the best news I've written by any means. That stated, the continual success of CCPPD in providing reliable and safe service at a fair, reasonable, and non-discriminatory rate is my duty. If you have any questions, comments, or suggestions, please let me know or reach out to one of your Directors.

Billing Minimum

Cuming County Public Power District customers will no longer receive a copy of your electric bill until your bill is larger than \$5.00. Irrigation customers will have this happen periodically since irrigation sometimes uses very little electricity. As a reminder, there is no penalty amount charged unless the current bill is larger than \$40. Please let us know if you have any questions or concerns.

Summer Travel and Camps

Summer is a time for vacations and traveling. What better time to be in Washington D.C. or Halsey, Nebraska! In June, Cuming County Public Power District sponsored one



student, Charlie Dvorak, with a trip to Washington D.C. Youth Tour is organized by the Nebraska Rural Electric Association (NREA) and the students qualify by attending the Youth Energy Leadership Camp the previous year. CCPPD also has the student write an essay to our board

explaining “What does public power mean to the State of Nebraska?”

Charlie spent a week with 1,800 other rural high school students from across America. He travelled with 17 other students from Nebraska and they spent time at Mount Vernon, Arlington National Cemetery and numerous historical sites and monuments. They also met with members of the Nebraska Congressional delegation.

Charlie said, “My favorite activity during the NREA Youth Tour was at Gettysburg. The tour was very informative and the stories of ‘brother against brother’ were intriguing to me.”



Charlie also came to the July CCPPD board meeting and talked about his experience in Washington D.C.

Thank you Charlie for representing CCPPD and Nebraska in Washington D.C.



In July, NREA also organizes the Youth Energy Leadership Camp. This year, Cuming County Public Power District sponsored four area students: Tymarie Ott from Wisner, Gwen Donner from Wisner, Brithany Cervantes from West Point and Emmie Dvorak from Dodge.

They spent a week near Halsey, Nebraska at the Nebraska State 4-H Camp. There were 58 campers from across Nebraska. They attended workshops, demonstrations about electricity, toured Gerald Gentleman Power Station & Kingsley Hydro-Electric Power Plant, went canoeing, and had a banquet & a dance.

We would like to congratulate Tymarie Ott on becoming an Ambassador at Youth Energy Leadership Camp and



2019 Ambassadors: Tymarie Ott, Mollie Urkiski & Matt Price.



2019 Good Egg: Brithany Cervantes

will be attending the NREA Youth Tour in Washington D.C. in June next year. Also, congratulations to Brithany Cervantes for being chosen as a Good Egg at camp and will be returning as a youth counselor at the Youth Energy Leadership Camp next year. We are so proud of the great students representing CCPPD at camp!

Thank you Tymarie, Gwen, Brithany and Emmie.

Drones in our Substations

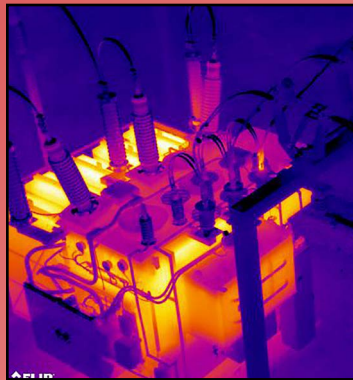
A company by the name of UAV Recon will be conducting drone-based inspections of substations for Cuming County Public Power District in the month of July & August. They will be in white vehicles with CCPPD contractor magnets. They will be flying in the daytime and at night.



Doing the inspection of the substations with a drone allows CCPD to attain a comprehensive conditional assessment of the substation, without incurring any outage time and it significantly reduces danger to personnel. The aerial view of these critical components will yield an inspection we can not attain from the ground.

The drone platform also allows thermal (IR) equipment to be used, allowing us to identify components that are failing and invisible to the human eye. Replacing these components before failure, helps prevent unwanted outages for our customers.

With an office in Kearney, UAV Recon has flown for over half of the public power districts in Nebraska. They are the same entity we elected to use last year for checking some difficult to access areas of 69kV transmission line.



GMS Continues Work

GMS (Global Mapping Solutions) is still contracted by CCPPD to capture GPS (Global Positioning System) information for all CCPPD electrical structures including poles, meters and transformers. They will be working in the middle eastern area of the CCPPD service territory.

Cuming County Public Power District is gathering all of this information for our mapping system. It will allow us to use any electronic device to view all of the equipment and locations of the equipment in our entire system.

GMS will be in the CCPPD service territory for several months completing their work. They will have signs on their vehicles stating they are contracted by CCPPD. We will notify customers by social media, the CCPPD website, press releases, public postings, newspapers and radio on what sections they will work on next. See the map below to view where they are currently working.

If you have questions or concerns, please contact us at 402-372-2463 or 877-572-2463.



Authorization Form

Choose one Option:

- ☐ Yes, I would like to participate in the Operation Round-Up® Program. I wish to have my monthly electric bill rounded up to the next highest dollar.
- ☐ Yes, I would like to participate in the Operation Round-Up® Program. I wish to contribute \$_____ per month to the Operation Round-Up® Program, and the amount will be added to my monthly electric bill.



Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Email: _____
 Phone: _____
 Account Number: _____

Please return to:

CCPPD • PO Box 256 • West Point NE 68788

Please call with any questions: 402-372-2463

KNOW WHAT'S BELOW. CALL 811 BEFORE YOU DIG



Locate Privately Installed Facilities Before Digging...

Call 811 to locate 'utility' lines.

Call your electrician to locate 'private' lines.



Some examples of private facilities are:

- ♦ Gas piping to a garage or out building.
- ♦ Gas grills and pool heaters.
- ♦ Private water systems.
- ♦ Underground sprinkler systems.
- ♦ Customer owned electric lines.
- ♦ Invisible fences.
- ♦ Data communications systems.



Note!

**Cuming County Public
Power District's
phone number is
402-372-2463
or toll free 877-572-2463**

**When new phone lines were
established, all other numbers
were cancelled. If you have
an old number saved and can't
get through to us, please make
sure you have the correct
number above.
Thank you for your patience.**

Cuming County Public Power District
500 South Main Street ♦ West Point NE 68788
402-372-2463 or 877-572-2463

Find us on Facebook, Twitter, and our Blog.
You will find online billpay, tips to save on your electric bill,
newsletters, & so much more on our website: www.ccppd.com

Regular meetings of the CCPPD Board are normally held on
the second Wednesday of each month at the CCPPD office



Greg Strehle, President
402-380-3659



Leroy Mostek, Vice President
402-528-3872



Dennis Weiler, Secretary
402-372-2713



Fred Schneider, Treasurer
402-528-3683



Ed Kaup
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Danny Kluthe
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