

Cuming County Public Power District

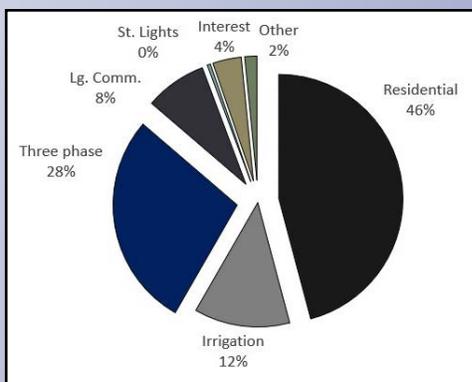
A Few Words From GM, Chet McWhorter

August 2021

Each year for the past several years, I've devoted this space to a discussion of CCPPD's financial position at least once. It's my way of showing you all about the operation of CCPPD. Cuming County Public Power District has always been conservative in financial matters. To this end, CCPPD has always attempted to maintain a higher equity level and a positive net cash position. CCPPD has worked to maintain and add to their system but does so at a slower pace which allows for the debt load to be less. Using a couple of graphs and some written explanation, I'll try to shed some light on CCPPD's finances.

As you'll note in the pie graph below, CCPPD derives revenue from more than electric sales. While our solitary business is the delivery of electrical energy, we also have a portfolio of investments. Currently, CCPPD has a little over \$12.3 million invested in various notes and securities. As shown below, this invested money provides 4% of the total annual revenue to the power district. The investment money is laddered out over several years and isn't liquid in the same sense as a savings or checking account. The investments mature at different dates so we have things set up so that we have them maturing and becoming available for use frequently in the case that we might need to utilize the money. If the cashflow is not needed for business purposes, the money is reinvested and the wheels keep turning. We look at this interest income as a tool to stabilize rates. In 2020, for example, the operation of CCPPD lost money to the tune of about \$420,000. Most of these operational losses were due to the Veterans' Day storm. Thankfully, we had enough in investment interest income to come out ahead at the end of the year. Ultimately, this is an advantage for our consumers in the form of steady rates that are below regional averages.

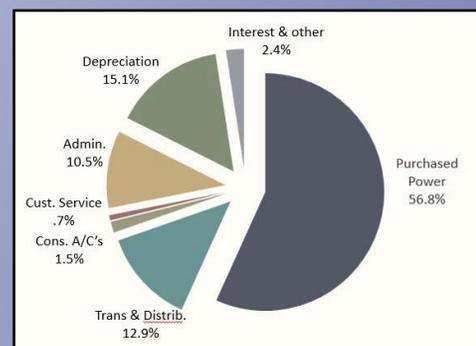
2020 Revenue Breakdown



Unfortunately, we can't discuss revenue without discussing expenses. In electrical distribution, the largest expense is usually purchased power. Because CCPPD does not own any generation resources, we must buy the power that we distribute to each of our consumers. In 2020, nearly 57 cents of every dollar we spent went towards this expense. It costs about 25 cents per dollar to operate the system. These are the areas of administration, billing, customer service, transmission and distribution line operations, and general accounting. Another big piece of our expenses is depreciation. CCPPD has a total utility plant value of just north of \$48 million. The expense of depreciating or amortizing this plant costs us about 15 cents per dollar spent. The other expense that we have is interest on long term debt. We have borrowed money at very reasonable interest rates. Right now, our blended interest rate is 2.2%. That stated it still costs about 2 cents per dollar spent to cover the interest on the \$8.8 million that CCPPD owes to electric revenue bond holders. While \$8.8 million may sound like a large amount of debt, I'll remind you now of the \$12.3 million that sits in investments. The difference between the invested money and the money owed is our net cash position, currently \$3.5 million.



2020 Expense Breakdown



Hopefully, this article has been interesting to you. Being a public entity, transparency and openness are very important. To that end, and because you own public power, I thought it necessary to attempt to shine some light on how CCPPD handles its finances. If you have any questions or comments on this please let me know. Also, always feel free to reach out to any of the Board of Directors with comments or ideas. Thank you for reading and have a great day.

Highway 275

Brian, Tristan, Eric & Trevor doing underground work near Scribner to get ready for work on Highway 275. The highway will go from two lanes to a four lane highway. The work started this summer and will take a few years to complete.



Dodge

The CCPPD linemen worked to take power lines down so workers could begin razing the school building in Dodge to make way for the new elementary building.



Lawn Mowers

According to the United States Environmental Protection Agency, we use about 580 million gallons of gas in lawn mowers each year. While this is only about 0.4% of the total 146,000,000,000 gallons of gasoline consumed annually, could switching to an electric mower make a difference while providing benefits to you?

Let's assume your lawn's size is the same as Nebraska's average of 17,393 square feet. Using a 20-inch push mower and averaging a speed of 3 miles per hour, it will take you 43 minutes each time you mow. During that time, an average gasoline-powered push mower will use about 0.52 gallons while a cordless battery-powered unit will need about 0.42 kilowatt-hours (kWh) of electricity to complete the job.

Over the course of a full season, you mow 25 times. That calculates to using 13 gallons of gasoline or

about 10.5 kWh of electricity to charge your mower's battery. With gas at \$3.00 per gallon and electricity at 10¢ per kWh, you will spend \$39.00 or \$1.05 for fuel respectively. J.D. Power and Associates reports that the average lifespan of a lawn mower ranges between seven and 10 years. Over its lifetime, the battery-powered mower saves \$266 to \$380 in energy costs!

When it comes to efficiency, electric mowers leave their gas-powered counterparts in the dust! All fuels, including electricity, can be measured by the number of British thermal units (Btus) they contain. Gasoline has around 114,000 Btus per gallon. Electricity has 3,413 Btus per kWh. Using the values from above, a savings of more than 97% is accredited to electric lawn mowers.

Other reasons for choosing electric mowers are:

- No emission of nitrogen

oxides, carbon dioxide, carbon monoxide or other air-borne particulates

- 75 percent quieter than gasoline mowers – no need for ear plugs
- Less maintenance – no oil, spark plug or air filter changes necessary
- No concern about spilling gas
- Lighter and easier to store. Some models fold up against a wall
- Current lithium ion batteries can complete most lawns with one charge

Now, Cuming County Public Power District and Nebraska Public Power District want to help make the conversion even easier with a 10% incentive on any new battery powered or corded electric lawn mower. Contact CCPPD at 402-372-2463 or visit www.nppd.com to find further details, as well as information on other EnergyWiseSM incentives for implementing energy efficient technologies.



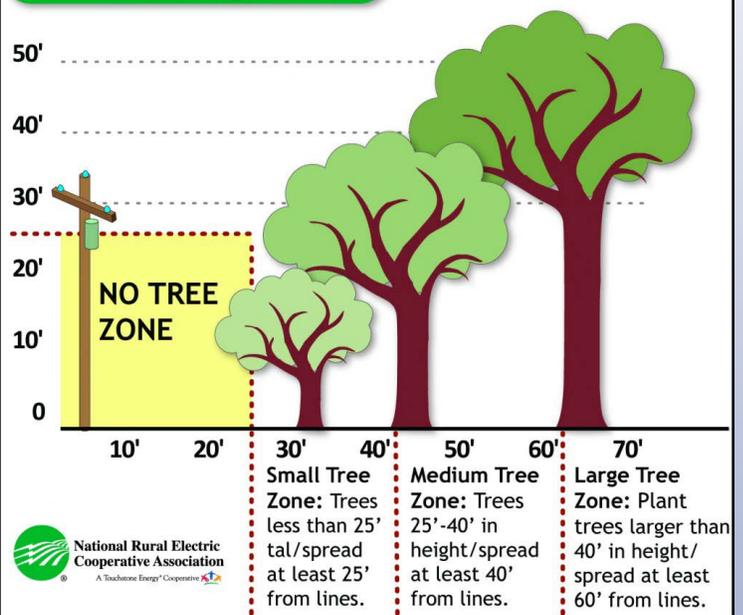
Planting Near Electrical Boxes

CCPPD linemen need a clearance of 10 feet in front of the padmount transformer to safely work.

Please do not put objects, such as a fence, in front of a transformer, as this restricts the work that can be done. Also, please don't plant shrubs close to the transformer. In an emergency CCPPD would need to remove a fence, cut shrubs or remove anything obstructing the transformer.



Tree Planting Guide



ne1call.com

Nebraska 811

Know what's below.
811 before you dig.

Dorm 101

Make Room For Safety

The car is loaded up and check-in is about to start on college campuses across the country. While you want to have all the comforts of home at school, there are some **electrical safety tips** to keep in mind as you set up your new space.



Source: SafeElectricity.org

- 1 Do not overload outlets, extension cords, or power strips.
- 2 Use power strips with overcurrent protectors. This will shut off the power if there is too much power being drawn.
- 3 Only purchase and use electrical products tested for safety. Some commonly approved safety labels include UL, CSA, and MET.
- 4 Unplug small appliances when not in use and all electronics when away for extended periods.
- 5 Keep all electrical appliances and cords safely away from bedding, curtains, papers, and other flammable material.

Check with your school's housing department before planning to bring hot plates, coffee makers, toasters, microwaves, & portable heaters.

CCPPD Board of Directors

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



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