

North Central's News

Serving Parts of Knox, Antelope, Pierce, and Holt Counties Since 1945



Thoughts and Comments from General Manager, Keith E. Harvey

RPS - The Totally “Ridiculous Political Solution”

Well a New Year is upon us with its fresh starts and endless possibilities.

Then again the state and federal legislative bodies are in session and thus by definition the exercise of any common sense is thereby outlawed. Nebraska has been slow and deliberate in the pursuit of Renewable Portfolio Standards (RPS for those of you who really want to be in the know among renewable zealots) because as a state we are conservative and like to let the legislators of other states have the opportunity to test the waters before we jump in. Currently 28 states and the District of Columbia have

Renewable Portfolio Standards and other states including Nebraska will soon be looking at enacting legislation to establish them.

So just exactly what is an RPS? Someone, somewhere – probably in California or California-east (Colorado) decided that renewable energy just wasn't being built and integrated into the American power system at a rapid enough pace so laws were enacted requiring a certain percentage of the utilities' electricity to be generated from renewable resources by some future date-certain. It is interesting that hydroelectric power does not count in this percentage because it already exists.

Most of the standards already enacted range from 10% to 30% by somewhere between 2018 and 2025. Some states have allowed energy efficiency gains to count toward the standard and five states have passed non-binding renewable goals. However it is done it still amounts to one thing – applying a half-baked political solution to a problem that is governed by the laws of physics and rooted in local, state, national and international economics. When politicians want to perform an experiment you would think that they would start smaller than tinkering with something that could significantly lower the standard of living for millions of

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January Rate Adjustment Announced

When customers receive their January 2009 billing statement, depending on their rate class they will see an increase. In December, North Central's Board of Directors approved a 7.5 percent retail rate increase effective January 1, 2009. All rate classes will have an increase ranging from 5.5% to 9.5% with the exception of the Idles Service Rate. This rate will remain the same.

According to Keith Harvey, General Manager “Rate adjustments are never easy to announce”. There are a lot of variables that impact a rate adjustment. The major impact is primarily related to the cost of power from our wholesale supplier Nebraska Public Power District (NPPD). They are faced with increased power plant fuel (coal, natural gas and uranium) costs, new transmission line

facilities costs, and capital improvements at power plants to meet the new clean air standards of the Environmental Protection Agency. The costs for these investments will be shared by all of NPPD's wholesale customers in the state. Other variables that also impact North Central's rate adjustment include increased costs of electrical equipment like transformers, wire and poles; and increases in the everyday costs of doing business.

Because, North Central is a non-profit public power district, it sells electricity at a cost-of-service rate to its customers. All of the rates were set with the aid of the cost of service study, which included the wholesale power cost increase. The District's largest class of customers, rural residential, will see around a 7.06% increase. This rate class includes half of the

entire customer base and includes only single phase customers. To over simplify it, if a customer's average bill was \$100 it will now be \$107.06, plus state sales tax.

Customers use electricity every day, and in today's high-tech world, it would be difficult to function without it. While the price of everything seems to be increasing—electricity included—it remains a great value for the money. Harvey, said “North Central's management and directors continue to work diligently to provide for our customers power needs at the lowest possible cost. We want all our customers to know that we are working hard to safely deliver electricity, keep the District in sound financial position and exceed expectations in service reliability.”

Rudloff accepts new position with neighboring utility

December 31, 2008 marked Tom Rudloff's last day as North Central's Operations Manager. After 19 years of service with our District, Rudloff has decided to advance his career in the electric utility industry by accepting the CEO position at Elkhorn Rural Public Power District our neighboring utility to the south. Rudloff began his career in the electric industry as a local electrician. In 1989 he began his employment with the District as a lineman working his way up to Operations Manager. During his employment at the District, Rudloff has furthered his education, obtaining his Masters Degree. He also completed the Management Internship Program designed for CEOs and individuals in top level management positions. It has been a goal of Rudloff's to become a CEO of an electric utility. He has accomplished his goal and the management, employees and directors wish him the best in his new position.

RPS *continued from page 1*

people and even plunge the whole country back into third world status - the electrical supply for the nation.

I reiterate – no matter how many well-intentioned laws our esteemed political gurus pull out of their magic, black hats one thing remains – electricity follows the laws of physics and if those are violated then many, many people will suffer varying degrees of hardship and financial loss. According to a study by the Carnegie Mellon University “overly ambitious renewable portfolio standards (RPS) can be counterproductive and actually slow the arrival of ‘green’ generation...” Even of greater concern, the authors of Generating Electricity from Renewables: Crafting Policies that Achieve Society's Goals contend that “forcing too-rapid implementation of [renewable] technologies could lead to blackouts and unnecessarily high electric prices.” The contention that unnecessarily high electric prices could result has already been borne out in at least one of the states that implemented a very rigorous standard. High prices for something as essential as electricity truly becomes a regressive tax

Waldow named new Operations Manager



January 1, 2009 not only marks the start of a new year, but it also marks the beginning of Chad Waldow's position as North Central's new Operations Manager. General Manager Harvey stated, “Chad fills this position with a strong working knowledge of the utility line industry, excellent work ethics, strong customer relations skills and he displays exceptional leadership skills. He is a great asset to our district and I'm pleased to name him as our new Operations Manager.”

Chad started his career with North Central in 1995 as a co-op student and over the past 12 years has worked his way up filling the positions of Apprentice Lineman, Journeyman Lineman, Lead Lineman, and Assistant Operations Manager. Chad is also furthering his education and currently is in the process of obtaining his Masters Degree. As we welcome Chad as our new Operations Manager we also say good-bye to Tom Rudloff and wish him well in his new position as CEO at Elkhorn Rural Public Power District, in Battle Creek, NE.

and thus puts a greater percentage burden on the poor and further lowers their standard of living.

Higher prices for electricity are not welcome by any means but will not begin to compare to the firestorm that will sweep this country when blackouts and brownouts become the norm rather than the exception. I know that if this does come to pass all of our Teflon-coated legislators will stomp their feet, gnash their teeth, and blame everything on the unwillingness of electric utilities to implement the laws that were passed. The problems with an RPS are many: wind turbine manufacturers are 18 months behind on deliveries; maintenance issues continue to plague the wind energy industry; siting issues because people don't want to live near the wind farms or transmission lines necessary for moving power from the rural areas where it is generated to the populated areas where it is needed; the extremely high cost of transmission facilities; and the fact that wind and solar cannot be counted on during peak demand times.

And how is this for a kick in the collective teeth of the customers of Bay State Utility in Massachusetts? Their RPS was that 3.5% of electricity sold in 2008 must be made up of renewables. This utility could not meet that goal so they are paying penalties to the state. Want to guess who they pass the cost of those penalties on to? Right! It is paid by their customers. I once again must ask you – Is this a great country or what? Actually the Carnegie Mellon

University study suggests the use of energy efficiency, carbon capture and storage and nuclear power be used to meet the goals of energy security, reliability and affordability. Finally here is something that begins to border on genuine unbiased and thoughtful thinking.

Mary Ann Ralls, NRECA (National Rural Electric Cooperative Association) senior principal regulatory counsel says: “RPS laws are poorly designed tools to promote renewable energy because they carry unrealistic deadlines and don't take into consideration market constraints such as limited transmission capacity and NIM-BYism [Not In My Backyard resistance to construction of new transmission lines and power plants]. In general, state RPS statutes fail to address these underlying challenges while saddling consumers with unnecessary increases in electric bills.” All quotes in this article came from an article entitled RPS: You Can't Get There From Here, Rural Electric Magazine, January 2009, page 18.

Finally, I read somewhere the other day that it would be a great idea to have all politicians wear uniforms like NASCAR drivers with all of their sponsors and special interest groups embroidered on them so the people would know who their legislators really represent.

Until next month – work safe, play safe and live safe. We'll do our absolute best to keep the lights on for you.

From our homes to yours . . . Tried & Tasted Delicacies



Curry Chicken Croissants

2 1/2 C cubed cooked Chicken
1/2 C chopped Walnuts
1/3 C finely chopped Celery
2 Tbls. grated Onion
1/2 C Mayonnaise
2 Tbls. Sour Cream
3/4 Tsp. Curry Powder
1/8 Tsp. Cajun Seasoning
Lettuce Leaves
4 to 6 Croissants, split

In a food processor or blender, process chicken until finely chopped. Transfer to a large bowl; add walnuts, celery and onion. In a small bowl, combine mayonnaise, sour cream, curry powder and cajun seasoning; mix well. Pour over chicken mixture and stir well. Refrigerate for at least 1 hour. Place lettuce and about 3/4 cup chicken mixture on each croissant. Yield: 4-6 servings.

Saving ideas for customers with seasonal services

North Central Public Power District has some money saving ideas for landowners and renters to consider when choosing the right rate for locations that may have only occasional use. In a recent examination of NCPPD's seasonal services it was noticed that many customers with seasonal services had zero usage. After reviewing your personal seasonal service accounts on your billing statement you may want to consider the following:

Does your seasonal service account have zero kWh usage for the last billing period? Yes. Maybe you should consider placing your seasonal service on North Central's idle service rate. This rate is \$88.29 annually and the service is disconnected.

If you choose to have your seasonal service disconnected and you do not pay the idle service fee, your service will be subject to retirement. Once a service is flagged to be retired, it is removed

permanently. To replace the service after retirement would result in charging the customer for rebuilding the service. At today's cost that could result in thousands of dollars direct cost to you. Even though you may not be currently using your service, it is still a valuable improvement to your property, so careful consideration should be used before requesting a service be disconnected and retired.

Is your seasonal service account using less than 2000 kWh for the last billing period? Yes. You are on the correct rate. The seasonal service rate is intended for the customer that has a low usage and perhaps intermittent usage. Annually in December all seasonal services are read and billed by North Central.

Does your seasonal service use more than 2000 kWh usage annually? Yes. You may want to consider going to a commercial service rate. Although you will be required to submit a meter reading

into our office each month and you will be billed each month, your cost per kWh will be less and your annual cost will be less.

In the end it is your personal decision as to which rate works best for your situation. Our customer service representatives at North Central Public Power District can help you assess each of your accounts and provide you with the necessary information for you to make the best business decision.

Verdigré Alumni FFA Farm and Home Show

Saturday, January 17th
11:00 a.m. - 8:00 p.m.
Verdigré School Auditorium

Stop at North Central's booth and learn about the high efficiency heat pump rebates we are offering and registers for our hourly and grand prize drawings.

The Bargain Barn

For Sale: Parting out 915 Combine, radiator, big tires with rims 231x26 size; 25 gallon sprayer 12 volt fits on 4-wheeler; 8 ft. stock tank (like new); metal pickup stock rack. Please call (402) 887-5647.

For Sale: Ford 8N tractor, 1948, refinished, looks and runs great - \$3,000; 2000 Dixon riding mower, 30" deck, 14 HP, in great shape - \$1,000; 40' contractors extension ladder, heavy duty - \$300; 155 gallon round stainless milk tank - \$200; 6.5' Seed drill, converted pull behind - \$100. Please call (402) 338-5379 or (402)-394-7351.

North Central Public Power District



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North Central is pleased to offer an email reminder service for our customers who want to be reminded to submit a meter reading. This service will forward an email to customers by the 25th of each month reminding them to read their meter(s) and submit

their meter reading(s) by the 28th. Customers who would like to utilize this new service will need to send an email to ncentral@ncppd.net requesting to receive the monthly meter reading reminder by email. We currently have several customers utilizing this service and again we are pleased to be able to provide this service to our customers.

Meter Reading Reminder for Rural Customers



Please **Call** or **E-Mail** your meter readings into North Central's office between

January 20 and 28, 2009

**358-5112 • 1-800-578-1060 •
ncentral@ncppd.net • www.ncppd.com**

**Meter Readings Must Be Received by
5:00 p.m. on January 28, 2009**

RURAL CONSUMERS please read your meter between the 20th and the 28th. If you are calling your meter reading(s) into our office use our local or toll free "800" telephone number. If you call after our normal business hours 8:00 a.m. to 5:00 p.m. Monday through Friday, you may leave your reading on our answering service. To e-mail your meter readings - log on to our web site at www.ncppd.com and click Submit Your Meter Readings. If you are unable to call your meter reading(s) into our office, you can mail your readings into our office by the date listed above.

Town meters are read by North Central PPD personnel.

✂

Name: _____

Meter Number	Meter Reading
_____	_____
_____	_____

Please use this section to record your meter reading before you call your reading into our office.