

The Strategic Planning Puzzle

To say that “planning” is a critical part of our operation is an understatement. As loads increase, equipment & facilities age, and technology continues to change, we need to stay ahead of the game when it comes to training our workforce and maintaining & upgrading our electrical system – or it’s “lights out”. Extensive planning is a routine process that Cedar-Knox has done for years and years, but there’s genuine concern as Nebraska utilities try to plan long-range around our energy future.

We don’t actually generate the electricity that we distribute to our consumers, but instead have a long-term contract with the Nebraska Public Power District (NPPD) to purchase the wholesale electricity that is needed by our customers. This power purchase makes up most of our budget, so we have a genuine interest in the issues that affect the costs to generate the electricity. NPPD is currently in the process of updating their Strategic Plan and as their wholesale customer; a CKPPD board member and I recently attended one of their open forums in South Sioux City to engage in the process.

As the group discussed possible scenarios for the future, many of the usual challenges that utilities typically face came to the surface, but the industry is clearly on the cusp of change and some major cost issues are lurking, making planning and managing existing and future generation resources very difficult. One key item is federal regulation of carbon emissions. The heart of this country (including Nebraska) is electrified mostly with economical but carbon-emitting coal generation. As you may have heard, Congress did not pass a comprehensive climate bill last year. This January the U.S. Environmental Protection Agency (EPA) began the process of regulating greenhouse gasses – an action made possible by a 2007 Supreme Court decision, followed by rulings allowing the EPA to use the Clean Air Act to progressively curb carbon emissions. Policies dealing with coal ash and even more stringent controls on other power plant emissions, along with state renewable energy requirements

could also lead to higher costs. Some utilities might ultimately be faced with abandoning their most economical generating resources prematurely to comply with new regulations.

It’s going to be very interesting to see how the recent tragic events in Japan will affect the future of nuclear energy in this country and across the world. Nuclear power has been gaining favor for its increasingly safe record and ability to generate carbon-free clean energy. NPPD owns and operates the 800-megawatt “Cooper” nuclear generation plant near Brownville, Nebraska and was just recently granted a 20-year license extension. This resource will be increasingly more valuable as carbon regulations become prevalent.

FROM THE DESK
OF THE MANAGER

DAN LEISE



It’s hard to predict the future, but one thing seems certain: ramping government regulations are going to increase the cost of doing business. However, new regulations won’t be the only culprit since prices for generation fuel, materials and equipment will continue to rise while other developing country’s appetite for energy continues to grow creating more competition for resources.

Legislation, regulation, smart grid, electricity storage, aging workforce and tighter financial markets are all a part of the planning discussion. Is there a “game-changing” technology around the corner that will change the industry – such as the cell phone changed the telephone industry? We’ll see, but our main “plan” will always be to provide the Cedar-Knox consumers safe, reliable and affordable electricity.

Be a part of the 2011 Youth Energy Camp

Cedar-Knox PPD will be hosting campers again this year to the Youth Energy Camp in Halsey, Nebraska, July 11-15, 2011. If your parents are residential rate payers to Cedar-Knox PPD and you are currently a 9, 10, or 11th grade, we want to hear from you. Even if you are not interested in a career in this area, you will be interested in this camp. Besides interesting tours to Gerald Gentleman Power Station and Kingsley Hydro-Electric Plant, there are fun activities such as sport tournaments, canoeing, talent show, dance and fun team building activities. Anyone interested in a trip to Washington DC can compete for this opportunity. Cedar-Knox PPD is proud to say that we have had 4 of our campers win this trip in the past few years. Pretty amazing!

Cedar-Knox PPD provides all travel arrangements to and from camp. If you have any questions, please contact us at 1-800-891-5196. To enter, complete the form below and mail to CKPPD at PO Box 947, Hartington, NE 68739, no later than May 1, 2011. These sign up forms will also be available with your local high school counselor.

2011 Youth Energy Camp Form

Name _____ AGE _____

Current Grade _____

Address _____

Phone number () _____

City _____ State _____ Zip _____

Name of parents of guardian _____

Sponsoring rural electric system _____

Grassroots: You have the Power; Make a Difference

When the Nebraska Legislature convened in January, the Nebraska Rural Electric Association (NREA) began its third year of the Grassroots Initiative. The Grassroots Initiative is an effort by the NREA to bring together the members of Nebraska's rural electric public power districts and cooperatives to increase awareness of the issues we face and to increase communication between our elected officials and those they are elected to represent.

With a host of important issues being discussed in Lincoln and Washington, D.C., Nebraska's public power districts and cooperatives are turning to their consumer member-owners to help keep Nebraska's electric rates affordable.

Unlike a well-funded media campaign, a grassroots movement mobilizes the individual, increases awareness of the issues, and seeks to shape the political debate from the bottom up. Every consumer-owner in Nebraska has the opportunity to become active. You can start by joining the Our Energy, Our Future campaign at www.ourenergy.coop. By doing so, you will send an email to your members of Congress asking them to keep energy legislation fair, affordable, and achievable for Nebraska's electric ratepayers. In addition, joining this campaign will sign you up for the NREA Grassroots Initiative and will ensure you receive important email notices about legislation and issues concerning the electric industry in Nebraska.

With so much emphasis on individual participation, a grassroots movement is by no means easily organized. It can be difficult for each individual to understand the importance of their active participation. Collectively, however, a well-organized grassroots movement can be an incredibly powerful advocacy tool if a critical mass of participants is mobilized behind a shared message. Currently, more than 12,000 Nebraskans have signed up for the Our Energy, Our Future campaign. These individuals have done their part to send more than 3.7 million emails and postcards nationwide to Congress. With such widespread participation, this campaign has played a vital role in shaping the energy policy debate

occurring in Washington; but more can be done.

As a result of term limits and the recent elections, 47 of the 49 senators representing Nebraska have six or less years of experience in the Unicameral. With so many new faces in this legislative body, building strong relationships with our elected leaders can be vital to ensuring they are aware of the issues affecting the electric industry and feel comfortable working with the NREA. The NREA Grassroots Initiative provides you with the tools you need to become well informed on the issues and to reach out to your elected representatives. Log on to the grassroots section of the NREA website at www.nrea.org



By JAMES DUKESHERER
GRASS ROOTS COORDINATOR OF NREA

Here you will find action alerts, bill summaries, the monthly grassroots newsletter, and a host of additional materials which are designed to keep you up-to-date on the issues affecting our industry.

There has never been a more important time for rural electric consumers to become involved in shaping the legislation that will determine our future electric rates. If we truly are to make a difference, however, we must each embrace our individual duties in this collective effort. A grassroots campaign is a continuous process, one that will take a persistent effort from everyone who participates. Once we do so, we will begin to see how an increased understanding of the issues, better relationships with elected leaders, and thousands of concerned ratepayers will truly make an impact.

Second Refrigerator Costs More Than You Think

Even though the average life of a refrigerator is 12 years, many operate for years beyond that. The number of U.S. households with two or more refrigerators has increased, and the secondary refrigerators are typically older and less efficient than the primary models. In fact, about 25% of U.S. households have a second refrigerator, and that share is steadily increasing, according to a study released in December 2010 by the U.S. Department of Energy.

According to ENERGYSTAR, 27 million inefficient units manufactured before 1993 are still in use. If you are one of the Nebraskans who has a top freezer model around 22 cubic feet in size, plan an additional 2,347 kilowatt-hours of electricity on your bill per year. At eight cents per kilowatt-hour, that is over \$180.00!

Here are some ideas for reducing the cost –

1. Only plug in and operate the second refrigerator when you know it is needed. Turn the unit on only a few hours before the event and unplug it after it is no longer needed.

2. Clean the coils! If you must keep your old unit, clean the coils, at a minimum, annually. Clean more frequently if the unit is in a dust or dirty environment.

3. If you really need a second refrigerator, consider purchasing a compact unit that is ENERGYSTAR qualified. These units consume less than one third the energy when compared to larger units manufactured before 1980.

4. Finally, another idea is to participate in the ENERGYWISE Refrigerator Recycling Program. This program is a recycling program of your old refrigerator, where the Jaco Company will schedule a free pick up of your old refrigerator and send you \$35.

Refrigerators or freezers must be between 10 and 30 cubic feet in size and operational at time of pick-up. So call Jaco at 866-444-9160 if you have an old refrigerator for them to pick up, and recycle valuable materials and put some cash in your pocket that you could put toward a new energy efficient compact refrigerator.

IMPORTANT NOTICE

Let Cedar-Knox PPD know if you are planning to add load to an existing service. Proper transformer sizing is crucial in providing you adequate power and dependable service.

IRRIGATOR REMINDER

Horsepower prepayment billing will be sent out May 2nd this year, so if you want to change type of control you were on from last year, you must contact us before May 1 to avoid extra charges. Also, we should be notified of all transfers prior to May 1st. Thank you

RECIPE CORNER

Easter Hunt Pie

Ingredients

1 (6 oz.) prepared graham cracker pie crust
1 (8 oz.) package cream cheese, softened
1 (14 oz.) can Eagle Brand® Sweetened Condensed Milk
3/4 cup cold water
1 (4-serving size) package instant vanilla flavor pudding mix
1 1/2 cups frozen whipped topping, thawed
Jelly beans, marshmallow candies or other small Easter candy
Toasted coconut for garnish

Instructions

BEAT cream cheese in large bowl until fluffy; gradually beat in sweetened condensed milk until smooth. Add water and pudding mix; on low speed, beat until smooth. Gently fold in whipped topping.

SPOON filling into pie crust. Chill 3 hours. Garnish top of pie with jelly beans, marshmallow candies and toasted coconut as desired and serve.

* For young children, use holiday marshmallow

