

## From the desk of the Manager

# Complexity of Wild Weather and Rates

To say the weather has been a wild ride so far this year from a power company's perspective is a huge understatement. From the cold winter that switched directly over to a hot spring with no mild temps in between, to the above average rainfall and everything from snow, ice, wind, and hail storms followed now with the mild August temperatures, has made for a very interesting year to date. This was obviously not forecasted in the yearly financial budget, but it is too early to say how things will turn out. One thing is for certain, with living in Nebraska, these weather swings are something we have become quite accustomed to and thus an integral part in our rate design process, especially for our irrigators.

When, exactly these large swings in weather will happen are impossible to predict, but as a Public Power system in Nebraska, we have to make the assumption that over the years, we will see them. If you remember, at the beginning of the year, we took a revenue neutral rate change where we raised facility base charges and lowered the energy kilo-watt hour (Kwh) charges. We did this so we are not subsidizing cost in our energy price, when in fact it is a facility cost. This year's weather is one good reason of why we plan to continue moving toward this methodology in the future.

On residential rates if we do not have cost properly set we could be over or under collecting on energy (kwh's) and then trying to offset with the facility charge which in some cases can lead to a minor variation from actual cost. On an average year this usually balances out and is not a factor. However, in years with extreme temperatures it can have adverse effects depending on energy usage per account that can cause cross subsidizing on rates. We want to achieve fair and steady rates so we are not chasing drastic changes due to weather events.

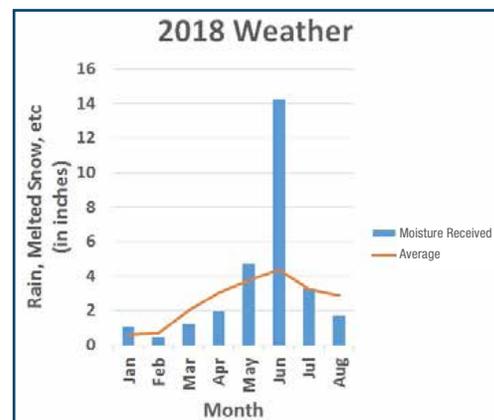
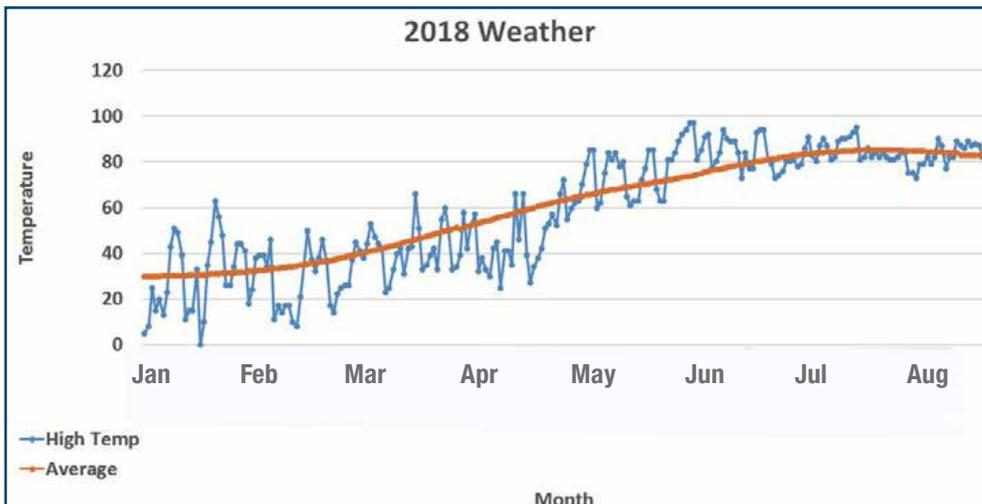
For irrigation rates this is a little different, because we bill on actual measured HP in the spring each year that is the equivalent to a facility/base charge. So we are collecting all twelve months of this charge in one billing. This charge is much higher than a residential rate because it consists of a piece we refer to as "capacity" (the maximum amount needed). Irrigation services are simply much higher demands on the system than an average house, and need more capacity which we collect in the KW (Kilo-Watt) or HP charge. This requires much larger infrastructure to provide this amount of electricity; substations, larger poles, wires, and additional equipment

are all needed to maintain a reliable system thus the increase in cost versus a residential rate. In years like this, where a pivot may not even move the tires so to speak, we as a power delivery system still have to be ready to provide enough infrastructure to maintain the system to full load amounts at any time. We are still maintaining and engineering our system for full load potential, which requires constantly making improvements for reliability and future growth. Unfortunately, these things all come at a cost and while I understand that some feel because they have not used any electricity this year on irrigation, they should get the HP charge refunded in some way, but we simply still have the same amount of facility cost in our system. Just a year ago Cedar-Knox reached all-time high peaks on the system that we have never seen and yet maintained reliable power quality on all services.

Weather and rates both have many components, but rate design is often said to be an art not a science and we want to be certain to be fair to all rate payers. With some of the lowest rates in the state we want to strive to continue the CKPPD tradition to our customers of providing the convenience of hitting the start button on a microwave, television or irrigation and know the system will provide **safe, reliable, and affordable power** at any time.



Mike Lammers



Sources: National Oceanic & Atmospheric Administration (NOAA), [www.usclimatedata.com](http://www.usclimatedata.com), and [www.wunderground.com](http://www.wunderground.com)



## YELC Camp

Ethan Lammers, son of Ben and Stacie Pinkelman, of Wynot, Nebraska was our camper this year in Halsey for the Youth Energy Leadership Camp. Ethan reported that he had a great time and we would like to send more kids to this camp next year. We realize that high school kids are busy in the summer with jobs, family vacations and other camps, but we want to encourage them to make time for this camp, as it is very worthwhile and lots of fun! This camp is open to you if your parents/guardians are CKPPD ratepayers and you are a current Freshman, Sophomore or Junior in high school. Many students, after attending this camp, come back and ask us if they can go back again the next year!! Unfortunately, that is not the case, but while at this camp you have an opportunity to compete for a free trip to Washington DC, which is a trip of a life time. Please contact us at 402-254-6291 with any questions as we hope to see your application next spring.

## Make Time for Safety This Harvest Season

Harvest season often means putting in long hours, which can make it difficult to stay alert and on the lookout for potential hazards.

Be prepared for potential emergencies before the rush of harvest season begins. Be sure that you can see well in work areas. Consider adding extra lighting around grain bins and augers.

Take the time to look up and look out for electrical lines. Always be aware of where they are in relation to your equipment. Keep a minimum of 10 feet away from all electrical equipment, and lower extensions before moving equipment. If you see a power line that is sagging or low, contact CKPPD. Also keep an eye out for guy wires. While these wires are not energized, they can bring down live lines.

## Dedication

August 7th 2018 was the anniversary of our former General Manager, Dan Leise's passing. We marked the day by placing a bench in his memory outside the Cedar-Knox PPD Office. Employees, and a few family and friends joined us for a brief gathering and remembrance.

*"Gone, but not forgotten"*



### Additional electrical safety tips include:

- Use a spotter when operating large machinery near lines.
- Look up and use care when moving any equipment such as extending augers or raising the bed of grain trucks around power lines.
- Always set extensions to the lowest setting when moving loads to prevent contact with overhead lines. Grain augers should always be positioned horizontally before being moved.
- Never attempt to move a power line out of the way or raise it for clearance.

If the machinery you are operating does make contact with a power line, stay on the equipment. Immediately call 911, warn others to stay away, and wait for the utility crew to cut the power.

Only on the rare occasion that the machinery catches fire should you leave the vehicle after contact is made. If this is the case, jump off the equipment with your feet together and without touching the ground and machinery at the same time. Then, still keeping your feet together, hop to safety as you leave the area. Never touch anything that is in contact with a power line.

Source: [SafeElectricity.org](http://SafeElectricity.org)

## "Auto Pay Blitz"

We are running a promotion from **September 1st to December 1st** to sign-up customers for autopay. Below is a form for you to fill out if you want us to automatically deduct from your bank account the amount of your bill due each month.

Please contact us with any questions and sign up in the months of **September, October and November** to be eligible for a drawing of a one-time **\$250 credit** on your account. This is a perfect opportunity to take advantage of this time saver for you.

### CEDAR KNOX PUBLIC POWER DISTRICT • AUTOMATED BANK AUTHORIZATION

Name of Financial Institution: \_\_\_\_\_ Date: \_\_\_\_\_

Bank Location (City & State): \_\_\_\_\_  Checking  Savings

Bank Routing Number: \_\_\_\_\_ Bank Account Number: \_\_\_\_\_

\*I hereby authorize Cedar Knox PPD to collect payment of my monthly billed electrical bill from the above account until such time that I cancel this agreement.

Customer Signature: \_\_\_\_\_ Account Number: \_\_\_\_\_

Customer Service Address & City: \_\_\_\_\_

