

# **City of Scottsbluff, Nebraska**

**Monday, April 6, 2015**

**Regular Meeting**

## **Item Public Inp2**

**Council to receive an update on the Nebraska Public Power District transmission line.**

**Staff Contact: Rick Kuckkahn, City Manager**



Nebraska Public Power District

"Always there when you need us."

# Scottsbluff City Council-Update

April 6, 2015

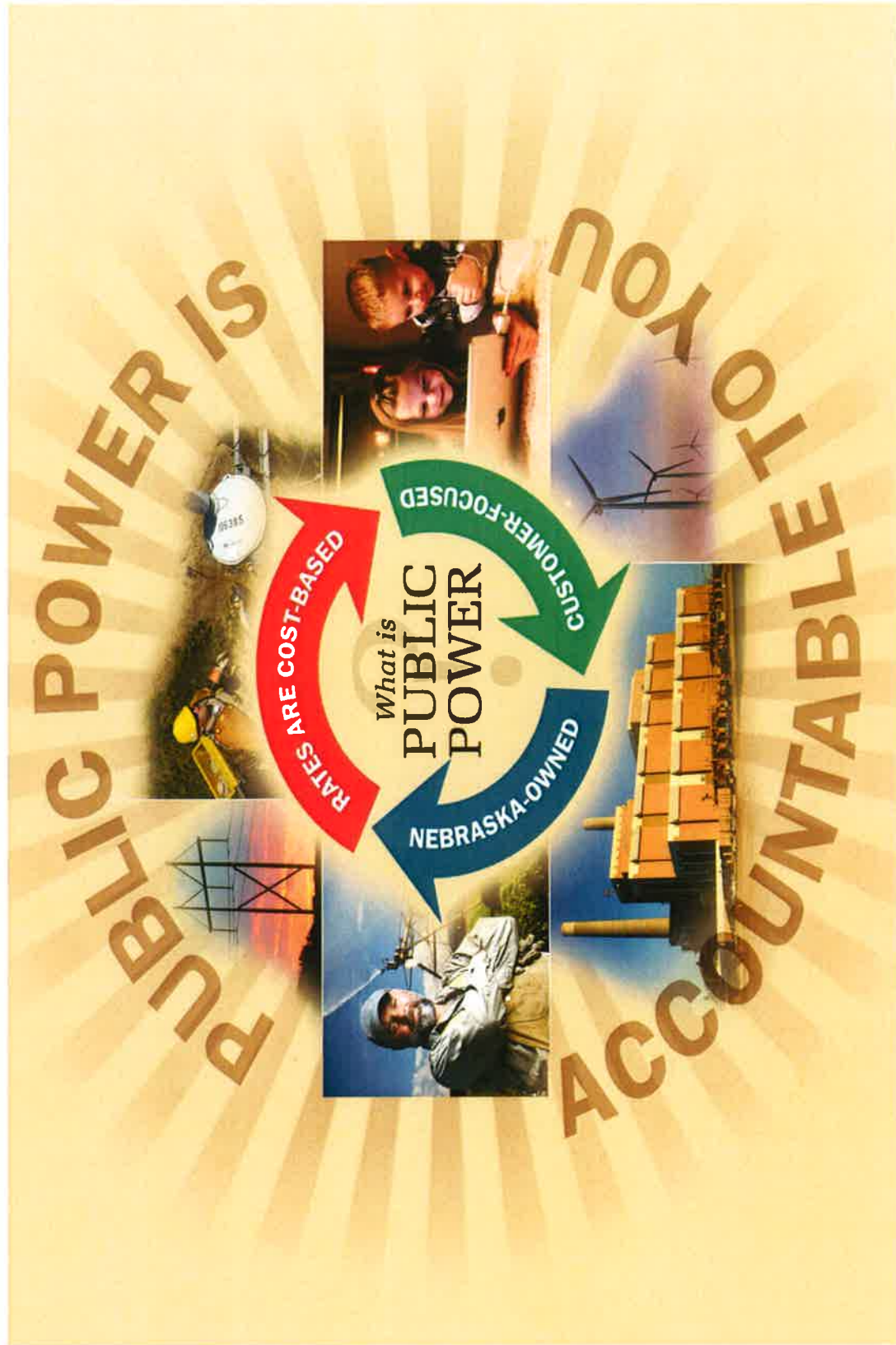
Terry Rajewich, Account Manager

**RELIABILITY / RATE POSITION / RELATIONSHIPS**





# Overview





## Overview

- Nebraska Public Power District (NPPD) is a public corporation and political subdivision of the state of Nebraska.
- NPPD was formed on January 1, 1970 with the merger of the Consumers Public Power District, Platte Valley Public Power & Irrigation District plus purchase of assets owned by the Nebraska Public Power System.
- NPPD is the largest electric utility in the state in terms of gross revenue, kilowatt-hour sales and geographic areas served, either at retail or wholesale.





# Overview

## OUR VISION

DEDICATED TO ENHANCING THE QUALITY  
OF LIFE FOR NEBRASKANS NOW,  
AND IN THE FUTURE.

## OUR MISSION

SAFELY GENERATE AND DELIVER RELIABLE,  
LOW-COST, SUSTAINABLE ENERGY AND  
PROVIDE OUTSTANDING CUSTOMER SERVICE.



**Nebraska Public Power District**

*Always there when you need us*



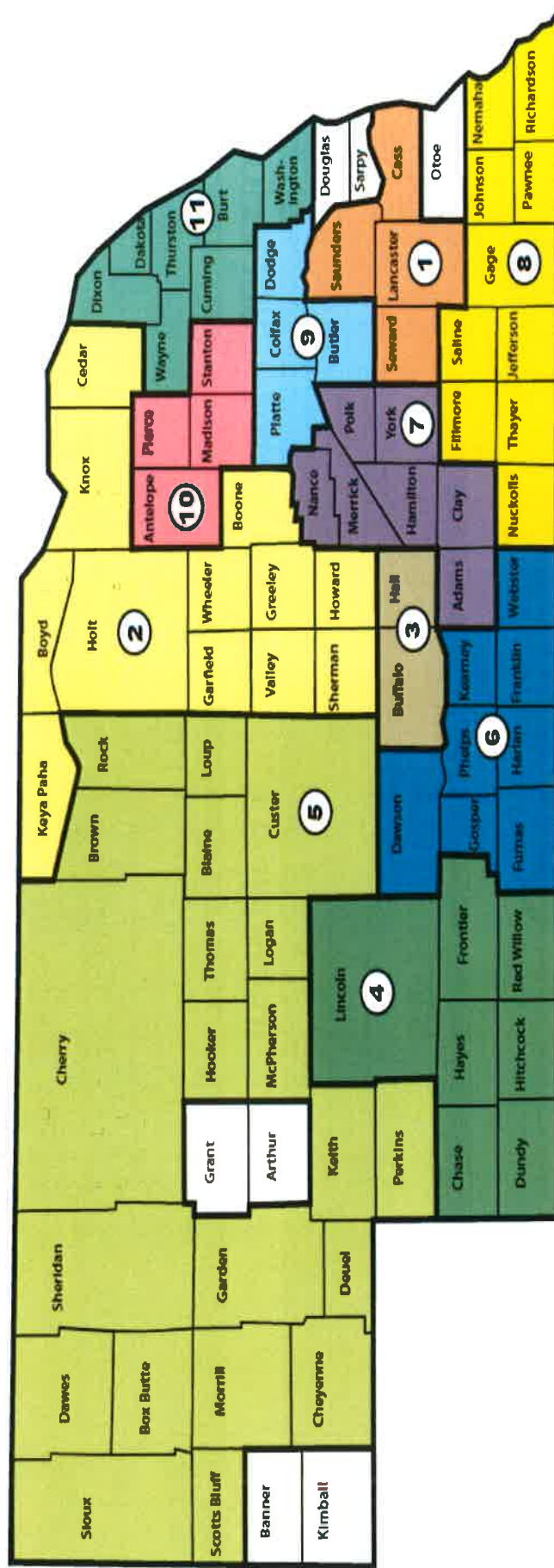
## Overview

- NPPD is a vertically integrated utility, operating a statewide network of generation, transmission and distribution facilities
- NPPD's chartered territory includes all or part of 86 of Nebraska's 93 counties
- Our total operating revenues are about \$1.1 billion
- At wholesale, we serve 50 municipalities and 25 other public power districts and cooperatives
- We serve about 89,000 customers directly at retail
- Governed by an elected Board of Directors, representing 11 subdivisions



# Overview

## DIRECTOR SUBDIVISIONS OF THE AREA AND TERRITORY OF THE NEBRASKA PUBLIC POWER DISTRICT



### DIRECTOR (term expires)

1. **Mary Harding**, Milford (2021)
2. **Barry DeKay**, Niobrara (2021)
3. **Ron Larsen**, Kearney (2017)
4. **Larry Linstrom**, North Platte (2017)
5. **Tom Hoff**, Broken Bow (2019)
6. **Ed Schrock**, Holdrege/Elm Creek (2019)
7. **Ken Kunze**, York (2021)
8. **Gary Thompson**, Beatrice (2017)
9. **Jerry Chlopek**, Columbus (2021)
10. **Virg Froehlich**, Norfolk (2017)
11. **Fred Christensen**, Lyons (2019)

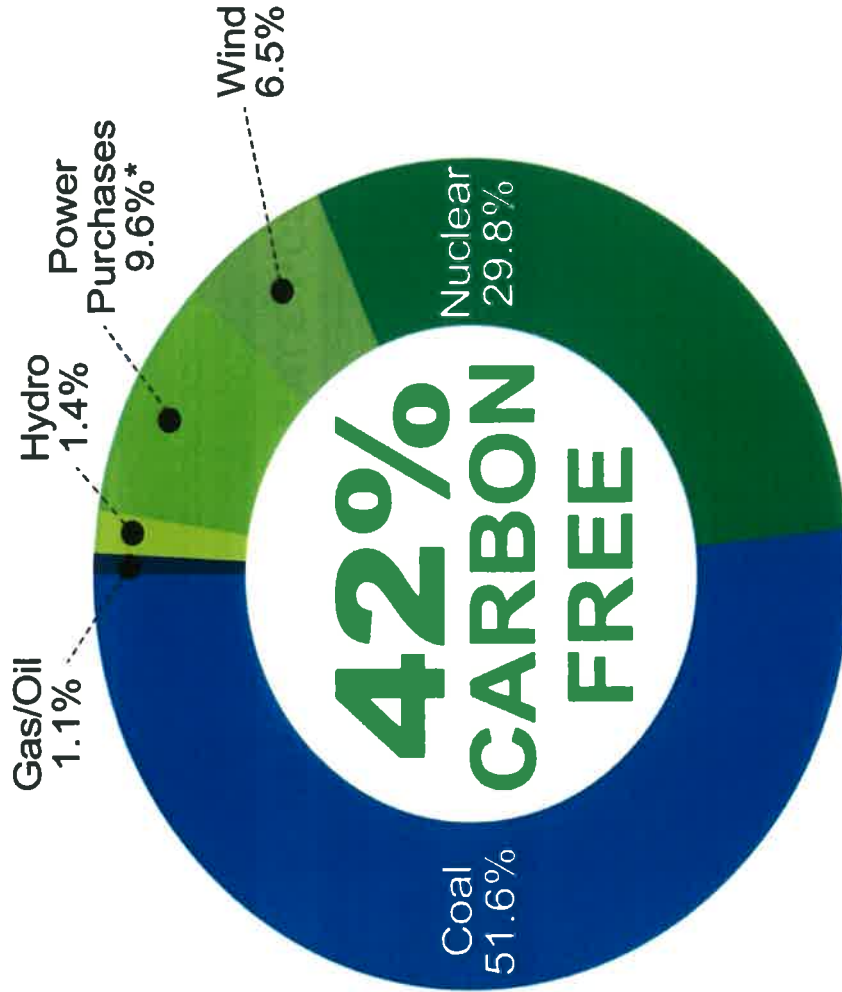
BAD1AA29



# OVERVIEW

## NPPD's Generation Resources - 2014

Data is preliminary. Total resources.



\* Purchases = 3.9% WAPA @ 751 Gwh  
5.7% Others @ 1,092 Gwh

Feb. 2015

7

RELIABILITY / RATE POSITION / RELATIONSHIPS





## LEASE PAYMENT (LP) & GROSS REVENUE TAX (GRT)

- **Lease Payment:** Per PRO Agreement, NPPD pays the City 12% of the gross revenue it receives from customers served off of the City's distribution system (except for customers with municipal discount)
- **Gross Revenue Tax:** Per State Statute, NPPD pays the county 5% of the gross retail electric revenue it receives from customers located within the corporate limits of incorporated cities and villages in the county
- These are percentages of the customer's total bill
  - They are "taxes" on NPPD, not like a sales tax on the customer



## LEASE PAYMENT (LP) & GROSS REVENUE TAX (GRT)

**Example:** Customer's bill on Base Rates is \$100. NPPD is obligated to pay both LP & GRT on the customer's gross revenue. What is the customer's total bill from NPPD?

Answer:  $\$100.00 / 0.83 = \$120.48$

Check result:

Total bill	\$120.48	
less:	(14.46)	= 120.48 x 12% LP
less:	<u>( 6.02)</u>	= 120.48 x 5% GRT

Remainder to cover  
NPPD's costs:      \$100.00 (checks)

- The appropriate factor is to divide by 0.83 (= 1 – 0.12 – 0.05), not multiply by 1.17



# NPPD in Scottsbluff

- NPPD leases the electric system from the City and operates it as part of our statewide system.
- NPPD contributes financially to the City:
  - 2013-2014 FY Lease Payments: \$2,575,980.64
  - 2012-2013 FY Lease Payments: \$2,663,177.03
  - 2011-2012 FY Lease Payments: \$2,480,972.85
- 8851 customers in Scottsbluff and Gering
- 2013-2014 City Sales Tax payments - \$228,163
- NPPD invested over \$1.5 million in the last 3 years to serve new load and make major system improvements.
- 22 employees live in the area and are involved in the community in a variety of ways.



## NPPD Focus

- The electric industry is facing a number of issues that could significantly impact our customers. For example:
  - Regulatory issues
  - New technologies
- 2015 Priorities Include:
  - Continued cost control for minimal or no 2016 rate impact
  - Close monitoring of legislation at State and Federal levels
  - Continued emphasis on customer-focused energy efficiency programs
  - Continued economic development support to our customers



