



February 2017 Vol. 42 Issue 2

Essent

Essential news for NMPP Energy members

NEWSLETTER

Nebraska Municipal Power Pool • Municipal Energy Agency of Nebraska • National Public Gas Agency • Public Alliance for Community Energy

**Our Product is Energy
Our Mission is Service
Our Power is People**

INSIDE

ACE STICKS TO MISSION: ACE stays true to its mission as another Choice Gas selection period is upcoming **Pages 4-5**

MEAN board, committee approve targeted revenue requirement

Overall requirement decreases for 2nd straight year

At its Jan. 19 joint meeting, the Municipal Energy Agency of Nebraska (MEAN) Board of Directors and Management Committee approved a 1.9 percent decrease in targeted revenue requirement for its 56 long-term Participants for fiscal year 2017-18 compared to its current year requirement. It is the second straight year MEAN decreased its targeted revenue requirement, which is the total net revenue required for MEAN to cover the cost of operation on behalf of its members.

Decreases in total electric energy costs, debt service and capital needs during MEAN's budget year, which runs April 1-March 31, led to the decrease in funds required (the targeted revenue requirement) to cover these costs.

The targeted revenue requirement for 2017 is the last year of a multi-year phase-in of a rate restructure the MEAN Board and Management Committee approved and implemented in 2015. Each Participants' specific adjustment may be more or less than the 1.9 percent decrease in MEAN's targeted revenue requirement due to the rate restructure being phased in over multiple years.

The MEAN Board and Management Committee annually review and establish rates and charges to ensure

operating revenues are sufficient to pay operating expenses, including aggregate debt service obligations, capital costs, as well as to have an adequate rate stabilization fund and sufficient cash reserves in accordance with policies approved by the MEAN Board.

MEAN's wholesale electric rate structure includes a flat energy rate (usage) and a fixed cost recovery charge that allows MEAN to recover certain known costs and better handle energy usage volatility due to weather and other unpredictable factors.

MEAN's two largest sources of revenue come from the fixed cost recovery charge and sales from electric energy.

Recovering Fixed Costs

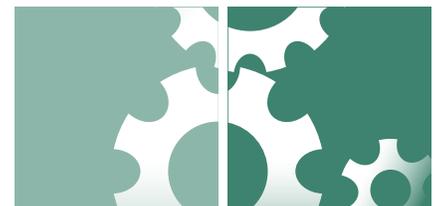
The Fixed Cost Recovery Charge is nearly 40 percent of MEAN's targeted revenue requirement. It covers certain known costs related to MEAN's ownership of power resources in the region and power contracts. This charge is allocated to long-term (Schedule M) and 10-year (Schedule K) Participants based on each Participants' three-year historical average peak electric demand. Accounting for certain known costs protects MEAN Participants from revenue volatility from energy sales caused by unre-

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NMPP Energy Annual Conference March 28-30, 2017

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Two complimentary registrations will be given to elected officials with every paid member registration.

See you in South Sioux City!

ACE, MEAN elect officers for fiscal year 2017-18

The Public Alliance for Community Energy (ACE) elected new board of director officers and at-large executive committee members for fiscal year 2017-18 at the ACE board annual meeting Jan. 18 in North Platte, Neb.

Those elected as board of director officers for a 1-year term beginning April 1 were:

- Bruce Clymer, city administrator, **Gothenburg**, Neb., chair;
- Andrew Devine, city administrator, **Albion**, Neb., vice chair;
- Wes Olson, utility superintendent, **Red Cloud**, Neb., secretary/treasurer.;

Those elected to the at-large Executive Committee were:

- Doug Schultz, city administrator/clerk/treasurer, **Curtis**, Neb.
- Randy Horst, village board chairperson, **Gurley**, Neb.
- Dale Wilkinson, city council representative, **Neligh**, Neb.
- Chris Rector, city administrator, **Gibbon**, Neb.
- Paul Markowski, utility superintendent, **Ord**, Neb.

The Executive Committee assists governing the organization between board meetings as necessary.

* * *

The Municipal Energy Agency of Nebraska (MEAN) elected

officers for its board of directors and management committee for fiscal year 2017-18 at its annual meeting Jan. 19 in North Platte, Neb.

Those elected to one-year terms as officers of the MEAN board of directors beginning April 1 were:

- Tom Goulette, city administrator/utility superintendent, **West Point**, Neb., chair;
- Tom Ourada, city administrator, **Crete**, Neb., vice chair;
- Darrel Wenzel, chief executive officer, **Waverly** (Iowa) **Utilities**, secretary/treasurer.

The board acts as the final authority on rates and charges to MEAN long-term, total requirements participants.

The management committee officers elected were:

- Mike Palmer, electric superintendent, **Sidney**, Neb., chair;
- Jeremy Tarr, electric line foreman, **Burwell**, Neb., vice chair;
- Rob Stangel, general manager, **Indianola** (Iowa) **Municipal Utilities**, secretary.

Among the committee's functions is planning current and future power supply. It includes a designated representative from each of MEAN's wholesale power participant communities.

Iowa unveils statewide energy plan

Iowa Lt. Gov. Kim Reynolds recently announced a statewide energy plan to be used to set state priorities and provide strategic guidance for Iowa's energy future. The plan assesses current and future energy supply and demand, examines energy policy and programs and identifies emerging challenges and opportunities.

Iowa Energy Plan Online

The plan's executive summary and full report can be accessed at www.iowaenergyplan.org

The plan is a culmination of a year-long process that consisted of soliciting statewide public input via working groups and community forums and meetings with representatives from state agencies and industry associations and organizations.

The plan is built on four foundational pillars: Economic Development and Energy Careers, Iowa's Energy Resources, Transportation and Infrastructure and Energy Efficiency and Conservation.

The Iowa Energy Plan's vision statement represents the collective understanding of Iowa's ideal future in terms of its energy use and resources. The vision considers a planning horizon of 10 years, with 15 objectives and 45 strategies outlined in the 100+ page report.



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Kansas Municipal Utilities photo

Kansas Municipal Utilities' new training center in McPherson, Kan., will be used for regional training center for municipal utilities.

Training opportunities a possibility at new KMU facility

Nebraska Municipal Power Pool staff members attended a ribbon-cutting ceremony in November for a new training center owned by Kansas Municipal Utilities (KMU). The 20,000 square-foot facility is located in McPherson, Kan.

NMPP Energy is an associate member of KMU. Through this affiliation, three of the four organizations of NMPP Energy (Nebraska Municipal Power Pool, Municipal Energy Agency of Nebraska and Na-

tional Public Gas Agency) are looking into possible future partnership opportunities for training their respective members at the facility.

KMU plans to use the facility as a training center for municipal utilities across the state and region to train the current municipal utility workforce and the next generation of utility workers.

The \$3.1 million training center building includes three primary areas: classroom training, hands-on training space, and office space for the

organization.

KMU is the statewide association representing Kansas cities and other public or not-for-profit agencies involved in the ownership and operation of municipal utilities. Formed in 1928, KMU provides assistance and information to members with regard to legislative and regulatory issues, training and educational programs, and numerous other services toward the advancement of municipal utilities.

Decrease in revenue requirement approved

Continued from page 1

dictable factors such as weather-related usage fluctuations, unplanned resource outages, fuel costs and transmission congestion/outages.

Electric Energy Sales

This source of revenue makes up approximately 58 percent of MEAN's targeted revenue requirement. Unlike the

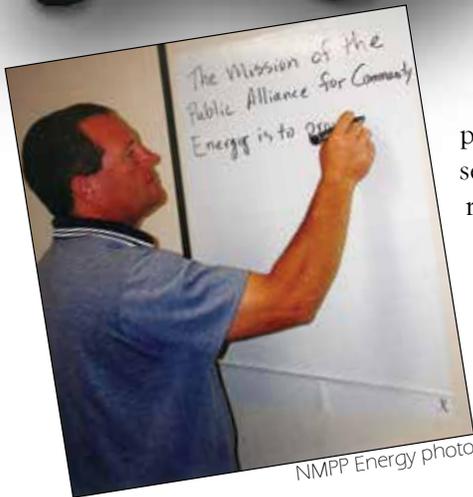
fixed cost recovery charge, energy sales are highly variable as usage depends on consumer need, which varies due to weather, time of day, conservation, etc.



Twenty Year



ACE continues mission of lowering n



Board members develop ACE's mission during a meeting in its first year.

The Nebraska Choice Gas program will be marking its 20th selection period in April (set to run April 13-27).

ACE, the Public Alliance for Community Energy, has participated in the program every year since 1998. It's the only community-owned, not-for-profit natural gas supplier in the program.

The formation of ACE occurred largely out of the desire for small communities to have a public, not-for-profit voice in Nebraska natural gas service. Competition, community leaders

believed, would benefit residents through lower rates.

"There was a lot of unrest in the gas business in the State of Nebraska cost-wise and distribution-wise," said City of Ord Utility Superintendent Paul Markowski, who served as ACE board chair for several years. "The cost was skyrocketing and at that time the local gas provider decided that they were going to come up with a choice program... a few of the communities got together and saw an opportunity of adding competition. I'm sure at that time (the

rs of Choice Gas



The ACE Board of Directors consist of representatives from each ACE member community.

NMPP Energy photo

natural gas rates through competition to benefit Nebraskans

gas supplier) wasn't counting on a (supplier) that wasn't privately owned for profit to step into the Choice Gas program."

The charter communities of ACE each paid a start-up fee to get the organization on its feet. The start-up fees were fully reimbursed to the communities after just five years of operation. Overall, more than \$1.6 million has been returned to ACE member communities through ACE's revenue return program. ACE's membership now stands at 72 member communities and one public power district.

"Sitting in on the start of it and looking at it now, we wouldn't even have dreamt we would still be in existence," said Markowski. "We started from scratch and a lot of other communities liked what we were doing and then it progressively grew. Nowhere in our imagination we would have dreamt that we would have the membership that we do now."

Striving to keep rates low and returning money back to Nebraska communities continues to be a winning formula for ACE.

Choice Gas program faces uncertain future

Black Hills Energy acquired SourceGas Distribution LLC in February 2016. SourceGas was the previous administrator of the Choice Gas program.

With the acquisition, the long-term future of the Nebraska Choice Gas program is uncertain. In negotiations with ACE and other competing suppliers Black Hills Energy agreed to operate the program and its annual April selection period for three years, starting in 2016. The upcoming selection period (April 13-27) will be the second year of that commitment.

ACE will be actively monitoring developments and advocating on behalf of its member communities to support the long-term sustainability of the Choice Gas program for the benefit of natural gas customers.



UNICO Group — where connections make a difference

UNICO Group is an insurance and financial provider that offers a consultative and relational approach to the insurance process. With four locations and more than 120 team members across seven states, UNICO has grown to become an industry leader in the Midwest.

In October 2014, UNICO merged with Midlands Financial Group to create a one-stop shopping environment for all of your business and personal insurance and financial needs. Services at UNICO now range from commercial insurance, workers' compensation, and employee benefits, to personal insurance and financial planning.

UNICO Services:

- **Commercial Insurance** - UNICO customizes the right coverage to help you effectively manage risk and protect every aspect of your business. It doesn't matter the size of the company. UNICO can provide innovative

solutions to help ensure your future will be protected should something happen.

- **Employee Benefits** - UNICO offers an easy to understand, fair, well-organized benefits package that is a must for retention and recruitment as well as the long list of employee expectations such as health, life, disability, and long-term care now also include, wellness services and financial benefits.

- **Work Compensation Solutions** - UNICO WorkComp Solutions offers a valuable solution for injury management, OSHA and safety training, supervisory training, claims advocacy and more. UNICO is the only agency in the Midwest that has Certified WorkComp Advisors.

- **Personal Insurance** - Our insurance agents work with you to develop a custom-tailored, affordable insurance program to safeguard you and your family as well as your home, auto and

other valuable possessions.

- **Human Resource Solutions** - Our cloud-based HR platform integrated with live experts helps you resolve urgent workforce issues and ensure HR compliance. The service offers direct access to certified SPHR/PHR consultants, unlimited access to 200+ employee training courses and a comprehensive HR library that has guides for federal and state laws.

- **Financial Services** - UNICO's financial services division, Midlands Financial, helps you gain clarity about retirement, estate planning, financial planning, and other financial areas. Midlands Financial's advisors give you the skills and knowledge you need to prioritize your finances and make progress toward your long-term goals.

To learn more about how UNICO can help you or your business, contact us at (402) 434-7200 or visit www.unicogroup.com.

A complete listing of NMPP Energy Champion Businesses is on page 7

APPA unveils branding design

The American Public Power Association launched a new brand designed to help raise awareness of the benefits of public power.

The Association represents community-owned, not-for-profit public power utilities that power homes and businesses in 2,000 communities — from small towns to large cities. These utilities safely provide reliable, low-cost

electricity to more than 49 million Americans, while protecting the environment.

The essence of the new brand is reflected in the tagline, "Powering Strong Communities."

The logo uses spanning power lines to connect the public to the power, evoking communities and the vital role public power utilities play in them. "The new brand raises us



Powering Strong Communities

above the acronym-overload in the electricity industry and the association world. It positions us to better tell the public power story," said Sue Kelly the Association president and CEO.

Champions are businesses and organizations that support NMPP Energy’s effort to provide products and services to members. Consider these businesses when your utility or municipality has a business need. If your business is interested in becoming an NMPP Energy Champion, call Andrew Ross at (800) 234-2595.



Champions Business Directory

Financial Services

Ameritas Investment Corp. (Ameritas.com)..... Omaha, Neb.
D.A. Davidson & Co. (Davidsoncompanies.com) Omaha, Neb.
UNICO Group, Inc. and Midlands Financial Benefits (unicogroup.com) Lincoln, Neb.
Nebraska Energy Federal Credit Union (ne-fcu.com) Columbus, Neb.
RBC Capital Markets (rbc.com)..... Denver, Colo.

Regulatory/Compliance Services

Power Plant Compliance (Powplant.com) Oketo, Kan.
NAQS Environmental Experts (naqs.com)..... Lincoln, Neb.

Utility Services & Supplies

EnergySolutions, Inc. (Energysolutions-inc.com)..... Omaha, Neb.
Hometown Connections, LLC (Hometownconnections.com) Lakewood, Colo.
JK Energy Consulting, LLC (JKenergyconsulting.com) Lincoln, Neb.
Kriz-Davis Co. (Krizdavis.com)..... Grand Island, Neb.
NovaTech (Novatechweb.com) Lenexa, Kan.
PDS, Inc. (PDSinc.biz) Omaha, Neb.
Protective Equipment Testing Laboratory (petl.com) Great Bend, Kan.
REM Electric, Inc. (Davidsoncompanies.com)..... Nebraska City, Neb.
RESCO (Rural Electric Supply Cooperative) (resco1.com) Ankeny, Iowa
Solomon Corporation (Solomoncorp.com)..... Solomon, Kan.
Stanley Consultants, Inc. (Stanleyconsultants.com) Muscatine, Iowa

Computer/Technology Services

VentureTech (venturetech.net) Lincoln, Neb.
Salt Creek Software, Inc. (Saltcreek.com) Lincoln, Neb.

Engineering Services

EPSIM Corporation (epsim.us) Boulder, Colo.
HDR (hdrinc.com)..... Omaha, Neb.
JEO Consulting Group, Inc. (jeo.com) Wahoo, Neb.
Lutz, Daily & Brain, LLC (ldbeng.com)..... Overland Park, Kan.
Olsson Associates (Olssonassociates.com) Lincoln, Neb.
Sega Inc. (segainc.com) Stilwell, Kan.

Legal Services

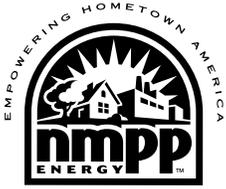
Chapman and Cutler, LLP (chapman.com) Salt Lake City, Utah
Spiegel & McDiarmid (spiegelmcd.com) Washington, D.C.

Telecommunication Services

Consortia Consulting (consortiaconsulting.com) Lincoln, Neb.
River Oaks Communications Corp. (rivoaks.com) Centennial, Colo.

Upcoming Meetings

- February 16** - NPGA Board, Lincoln, Neb.
- March 28-30** - NMPP Energy Annual Conference, South Sioux City, Neb.
- March 28** - ACE Board
- March 29** - NMPP Members Council and NMPP Board



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Employment Opportunities

Director of Utilities-Town Engineer

The Town of Lyons, Colo., seeks a Director of Utilities-Town Engineer. This professional position reports to the Town Administrator and is a member of the executive team providing collaborative leadership to the overall operations of the Town. This individual performs administrative and professional engineering work and coordinates projects involving the Public Utilities Department with other town departments. Provides management and supervision to engineering projects and to the utility departments, which includes: Town water, wastewater and electric enterprises, as well as storm water and GIS operations. The individual maintains an operation through which all utility projects are properly planned, designed and operated. A driving record will be investigated, and drug test obtained pre-employment. The Town of Lyons will not discriminate against qualified individuals with disabilities on the basis of disability in its hiring or employment practices or in its services, programs, or activities. Persons needing accommodations or special assistance should contact the Town at hr@townoflyons.com

as soon as possible. Please use this link to view complete job description and to apply: www.townoflyons.com/jobs.

Journeyman lineman

The City of Carlisle, Iowa, (Des Moines suburb; 4,168 est. pop.), seeks a full time electric journeyman lineman. Duties include operating and maintaining an overhead and underground electric distribution system. Radio reading and servicing meters, substation inspection and maintenance, operating construction equipment. Class (A) CDL driver's license needed. Salary DOQ. EOE. Send resume to City of Carlisle, 195 N. 1st Street. Carlisle, Iowa 50047 or dmiller@carlisleiowa.org. For more information please contact Don Miller at (515)-989-0840, or Andy Lent at (515)-989-3224.

Electric journey line worker and Electric apprentice line worker

The City of Alliance, Neb., (pop. 8,500) is accepting applications for the position of full-time electric journey line worker with a pay range of \$22.42-\$28.97 per hour DOQ. This individual

To submit an ad

NMPP members can advertise job openings for free in the Essent newsletter and on the NMPP Energy Web site. The newsletter deadline is the 15th of each month. E-mail info@nmppenergy.org.

will perform skilled line work in the operation, construction, maintenance and repair of overhead and underground electric distribution and transmission systems. The City will also accept applications for electric apprentice line worker, pay range of \$17.03-\$21.12 DOQ utilizing the City of Alliance's Apprenticeship Program. Applications with resumes will be accepted until the position is filled. A complete job description for both positions and an Application is available at www.cityofalliance.net. This position includes an excellent benefit package including health insurance, retirement, vacation, sick leave and paid holidays.

To submit an ad: NMPP members can advertise job openings for free in the Essent newsletter and on the nmppenergy.org website. E-mail your job opening to: info@nmppenergy.org.

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