



January 2017 Vol. 42 Issue 1

Essent

Essential news for NMPP Energy members

N E W S L E T T E R

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

INSIDE

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

Looking ahead to a new year...

As a new calendar year begins and a busy slate of board meetings in November and December in the rear-view mirror, I wanted to take a moment to share a brief update on a few activities of the NMPP Energy organizations.

From the Executive Director



By Bob Poehling

Nebraska Municipal Power Pool

NMPP recently joined the Midwest States Public Power Association. This group consists of public power state trade organizations from Kansas, Missouri, Iowa and Illinois. With NMPP's membership, the group's footprint now includes Colorado, Nebraska and Wyoming. The association plans to meet annually to share ideas, discuss successful (and unsuccessful) strategies regarding various public power issues.

NMPP staff have been extremely busy since the start of the fiscal year (April 2016). Staff visited nearly 60 percent of member communities and have conducted 23 official meetings. Utility cost of service studies continue to be a valuable service as staff has completed 15 studies and more than 70 are under contract through the cost-based service.

Municipal Energy Agency of Nebraska

MEAN completed an extremely successful bond refinancing in late October, resulting in significant long-term savings for the organization and the communities served wholesale electricity by MEAN. Though not the most glamorous of topics, the refinancing result is worth noting. The refinancing decreased cash required for debt service by approximately \$18.1 million. This amounts to \$800,000 annually in savings for MEAN and its participating communities.

Along with the refinancing, two rating agencies (S&P Global Ratings and Fitch Ratings) each issued overall positive ratings for MEAN. The agencies cited several positive key rating drivers while reiterating the importance of MEAN's participating municipalities to remain financially healthy.

With the MEAN Kimball Wind Project approaching its 15th year of operation, the MEAN Board is assessing a possible replacement and expansion of wind energy in the same location, just outside of Kimball, Neb. MEAN issued request for proposals in November and will be working on this issue in 2017.

National Public Gas Agency

The NPGA Board is currently reviewing its rate design structure, including the consideration of a fixed cost component and evaluating a tiered structure for small and large volume natural gas users.

Management attended the LDC Gas Forums in Denver, Colo., in October. These types of events provide valuable opportunities to network and develop contacts for other potential natural gas suppliers along with hearing from industry experts and learning of industry trends.

Public Alliance for Community Energy

ACE conducted a strategic planning session in October. The session included three members of the ACE Executive Board as well as staff members assigned to various roles for ACE.

The one-day session focused on the future of ACE and its participation in the Nebraska Choice Gas program. The program, which has been in existence since the late 1990s, is facing an uncertain future since SourceGas, the previous program administrator, was acquired by Black Hills Energy in February 2016. The planning session identified strategies and action items in moving forward.

See 'LOOKING AHEAD' on page 4

Database upgrade complete for PowerManager software

The transition to a new back-end database for the PowerManager® software suite was recently completed, which should provide many more years of reliable service for users of the software.

The software now uses the Advantage Database Server (ADS) - a client-server database platform. The ADS will improve data integrity and provide a reliable platform for the software. The new database replaces the Borland Database Engine, which is no longer supported.

"We've put many hours of work into transitioning to the new system," said Mitch Mullins of Salt Creek Software, which partners with the Nebraska Municipal Power Pool (NMPP) in providing PowerManager software and customer service expertise. "We think PowerManager users will be happy with the results. There are many behind-the-scenes changes users won't see and a few they will, but the changes affect every part of the suite."

With a client-server database engine, the individual workstation "asks" the server for specific data. The server then processes the data request and sends the results back to the workstation for more processing. This structure results in improved data corruption protection against workstation or application failures.

Salt Creek staff are in the process of converting PowerMan-



NMPP developed PowerManager software in 1983 to assist municipalities with their utility billing needs. Over the years, it expanded its software programs to address service orders, payroll and inventory and more. For more about PowerManager programs, contact Nicole Kubik at NMPP (nkubik@nmpenergy.org) or Mitch Mullins at Salt Creek Software (mmullins@SaltCreek.com).

ager workstations to the new database while minimizing down time for users as much as possible. This installation process is typically done remotely and will not overwrite users' existing PowerManager program, configuration or data files. Please call Salt Creek staff at (402) 476-7115 to arrange a time for your update and data conversion.

Happy retirement Lana!

A retirement reception was held for Lana Claycomb in early December at the NMPP Energy offices in Lincoln. Lana recently retired from NMPP Energy as business software coordinator for the PowerManager software suite after 23 years. PowerManager's software and customer service



NMPP Energy photo

Lana Claycomb retired after 24 years as the business software coordinator with NMPP Energy.

remains in good hands as Nicole Kubik took over for Lana last June.

Upcoming events

If you are attending the following conferences and workshops, please stop by the PowerManager booth.

Jan. 12-13 – Utilities/Public Works Section Annual Conference, Embassy Suites, Lincoln;

Feb. 27-28 - Midwinter Conference, Cornhusker Marriott Hotel, Lincoln;

March 20-24 – Nebraska Municipal Clerk Institute and Academy, Ramada Inn, Kearney, Neb.

March 28-30 – NMPP Annual Conference, South Sioux City, Neb.



NMPP Energy photo

A Lincoln Electric System employee shares information to NMPP board members during a recent tour of the Holdrege Solar Center.

NMPP Board tours LES solar facility

Several Nebraska Municipal Power Pool board members toured Lincoln Electric System's Holdrege Solar Center after their November board meeting in Lincoln, Neb. The nearly five-megawatt facility went on line in June 2016. LES receives power from the facility through a 20-year power purchase agreement.

In Memoriam

Richard "Doc" Pedersen

Dr. Richard "Doc" Pedersen of Burwell, Neb., passed away Nov. 18. He was a longtime advocate for the community of Burwell and the organizations of NMPP Energy. He served on the boards of the Municipal Energy Agency of Nebraska and the Public Alliance for Community Energy for many years and served as Burwell's members council representative for the Nebraska Municipal Power Pool. He was the recipient of the 2011 Rudy Hultgren Dedicated Service



Richard "Doc" Pedersen

Award, presented by the Municipal Energy Agency of Nebraska for his dedication to the public power industry.

Doc served the community of Burwell in many ways, including as mayor for 12 years and on the city council for six years. He also served on the local rodeo board and school board.

The NMPP Energy organizations send its deepest condolences to the Pedersen family and the community of Burwell.

William "Bill" Patterson

Longtime ACE Board representative William "Bill" Patterson of Oshkosh, Neb., passed away in June 2016.

Bill began working as the Oshkosh city clerk/treasurer and

administrator in 1962. He served on the League of Nebraska Municipalities and was president from 1978-79 and many



William "Bill" Patterson

legislative committees for more than 21 years. He also served on the Board of Educational Service Unit No. 14 and was part of the Oshkosh Volunteer

Fire Department, serving as fire chief from 1978-83.

The NMPP Energy organizations send its deepest condolences to the Patterson family and the community of Oshkosh.

NPGA, APGA oppose DOE's proposed furnace rule

The National Public Gas Association (NPGA) and the American Public Gas Association (APGA) recently submitted comments opposing the U.S. Department of Energy's (DOE) proposed furnace efficiency rule, which the two groups believe would financially harm consumers and ultimately undermine energy efficiency.

APGA is a not-for-profit nationwide association for municipal and community-owned natural gas utilities and has more than 700 members in 37 states. From the smallest to the largest community-owned gas system, APGA advocates of the behalf of NPGA member utilities. APGA membership provides access to the latest industry trends on safety, regulations and other important issues.

Chris Anderson, city administrator of Central City, Neb., an NPGA member municipality,

is serving his first term on the APGA Board of Directors.

The rule proposes a nationwide mandate of 92 Annual Fuel Utilization Efficiency (AFUE) with an exemption to small furnaces (under 55,000 Btu). All furnaces above the threshold would be required to be condensing units. The rule would go into effect five years after the rule is finalized.

According to APGA, if implemented the proposed rule would cause uneconomic fuel switching as many consumers – especially in southern states – would be compelled to switch their natural gas furnaces to electric heat pumps. Electric heat relies on the indirect combustion of natural gas to generate power rather than the more efficient direct-use of natural gas in residential furnaces.

APGA President and CEO Bert Kalisch previously stated that "in theory, higher furnace efficiency standards sound like a good thing...however, the impact ... would lead many consumers to switch from natural gas furnaces to heating alternatives that are less

expensive on a first-cost basis, but are ultimately less energy efficient and result in higher consumer costs in the long term.

"Only condensing furnaces can meet the proposed 90 percent AFUE standard. Extensive and expensive venting modifications must be made to accommodate a 90 percent condensing furnace. This high first costs would deter landlords from installing natural gas furnaces in investment properties, resulting in less efficiency and higher heating costs for tenants."

One size does not fit all. The DOE and other interested stakeholders can work on a new set of furnace standards that will meaningfully increase energy efficiency, reduce emissions and save consumers dollars. A new furnace rule that respects regional differences, different technologies and the cost pressures facing by U.S. consumers is needed.

* * *

Chris Dibbern is general counsel of NMPP Energy. Contact her at cdibbern@nmppenergy.org or (800) 234-2595.

Legislative Notes



By Chris Dibbern

Looking ahead

Continued from page 1

ACE will again be competing in the Choice Gas program in 2017, with the selection period set for April 13-27. Staff is busy gearing up ACE's planning and marketing efforts.

* * *

In closing, the NMPP Energy organizations received some sad

news recently with the passing of George Michael of **Haxtun**, Colo., Dr. Richard "Doc" Pedersen of **Burwell**, Neb., and Bill Patterson of **Oshkosh**, Neb. These three individuals served as longtime advocates for their respective communities and our organizations in a selfless, dedicated manner.

George was active within MEAN, serving on the MEAN Management Committee and as a Board of Director. Doc served on MEAN and ACE Boards and the NMPP Members Council. Bill served on the ACE Board. We send our deepest condolences to their families and the communities they so faithfully served.

Effective key accounts program critical for success

Communities thrive on business and commerce. The common thread in strong communities is the relationships forged by local business and the partnerships that help them thrive. One of those key partnerships is the locally owned and operated municipal utility.

Public power is the secret sauce that adds tremendous value to a business community, which is why a solid and principle driven key accounts program is critical for long-term success.



Erick Rheam

Erick Rheam, former key accounts representative, will share timeless principles with NMPP Energy Annual Conference attendees that make a key accounts program successful as well as illustrate why a new paradigm at how a program is deployed in a community is important in today's environment.

Plan to attend!
March 28-30
South Sioux City, Neb.



Registration form available online after January 10

The NMPP Energy Annual Conference registration form will be available online at www.nmppenergy.org after January 10. A hard-copy registration mailer will be sent out in mid-January. Contact Carol Brehm (cbrehm@nmppenergy.org) with any questions.

Distributed generation, rate design resources available through APPA website

A suite of new resources produced by the American Public Power Association (APPA) is now available on APPA's Public Power Forward web page (go to www.publicpower.org and click on "Topics" then "Public Power Forward"). These may be helpful resources to utilities in addressing the growing trend of distributed generation (rooftop solar) and its impact on rate designs.

Two papers are available under the Rate Design section. "Rate Design Options for Distributed Energy Resources" explains how Distributed Energy Resources (DERs) impact utility revenue recovery and offers several alternative rate design options, including the pros and cons of each approach. The

"Value of Solar Primer" provides an overview of methods utilities and analysts have used for value of solar studies, explains why different studies have produced disparate results, and discusses the pros and cons of adapting a value of solar tariff.

Under the Solar and Other Distributed Resources link, APPA also published a "Community Solar A-Z" guidebook for public power utilities (member login is required). This guidebook walks utilities through the major decision points regarding developing a community solar project.

Each of these papers is accompanied by an infographic, also available on the Public Power Forward page.



Several other resources are available on the website, including a spreadsheet calculator designed to help utilities assess the potential impacts of distributed energy resources on utility revenues and customer rates.



Courtesy photo

Holiday spirit in Bayard

A group of carolers brought holiday cheer to the City offices of Bayard, Neb., in December.

THIS MONTH'S FEATURED CHAMPION BUSINESS



Air Regulations Consulting serves municipalities across region

Air Regulations Consulting, LLC (ARC) is proud to be the only environmental consulting firm locally owned and operated

solely by engineers from the University of Nebraska. Located in Lincoln, Neb., ARC has exemplified Clean Air Act expertise, engineering tactics, and entrepreneurial force, including assistance to numerous municipal organizations in Nebraska, Iowa, Kansas, Missouri, and Colorado. ARC has avidly worked with municipalities and private industries offering excellent environmental solutions



Eric Sturm



and assistance, expert testimony, with a focus on air quality regulatory matters. Specifically, ARC provides the following services: annual compliance reporting (status notifications and certifications of compliance), NES-HAP ZZZZ assistance, emission inventories, regulatory analysis, permit applications, stack testing assistance, compliance audits, and negotiations with state and federal agencies.

ARC's mission is to address their client's regulatory problems as their own through environmental excellence, expertise,

and efficiency. ARC is the only Nebraska-based consulting firm with Federal EPA and Nebraska DEQ experience. Additionally, the firm holds PE certifications in Nebraska and Colorado. For upcoming annual certifications and reports, ARC's environmental expertise and services will continue to be a major benefit for NMPP members, now as an NMPP Champion.

Eric Sturm is the president and lead engineer of ARC. He grew up in Wayne, Neb., and those life experiences have instilled in him a sincere appreciation for small towns and local communities along with a strong work ethic. Eric is available by phone at (402) 310-4211 or email at eric@airregconsulting.com.

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

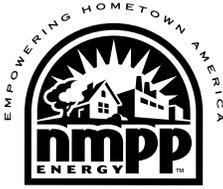
Chapman and Cutler, LLP (chapman.com) Salt Lake City, Utah
Spiegel & McDiarmid (spiegelmcd.com) Washington, D.C.

Telecommunication Services

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

Upcoming Board/Committee Meetings

January 18 - ACE Board/MEAN Committees, North Platte, Neb.
January 19 - MEAN Board/Management Committee, North Platte, Neb.
February 16 - NPGA Board, Lincoln, Neb.



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Employment Opportunities

Journeyman lineman

The City of **Carlisle**, Iowa, (Des Moines suburb; 4,168 est. pop.), seeks 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 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.

Public Works Director

The City of **Central City**, Neb., is currently seeking candidates for a new position of Public Works Director. The Director will assist in the planning, review and oversight of the daily activities and operations of the electric, gas, water, sewer, streets, parks and wastewater treatment departments; will coordinate assigned activities with other City departments, consultants and outside agencies; assist in compliance with regulations associated with these departments; and provide policy, technical and administrative sup-

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 Kevin Wickham at kwickham@nmppenergy.org.

port to the Mayor, City Council and City Administrator. Starting salary will be competitive and will depend on experience and qualifications. The City provides a highly competitive benefits package. A City application must be completed, and may be supplemented by a resume. Application materials will be received until the position is filled. Applications are available at City Hall, 1515 17th Street, P.O. Box 418, Central City, NE 68826 or by calling (308) 946-3806.

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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