

January 2010

Moving Forward

By Rick Nelson, General Manager

It always feels good to start a new year and I look forward to a 2010 that will be both interesting and challenging. The new year is a good time to remind everyone of where we're at.

Custer Public Power District is in business for only one reason: to provide safe, reliable electric service at the lowest possible cost. Nebraska Public Power District (NPPD) announced a 5.9% average wholesale increase for 2010. Unfortunately, Custer's increase was larger than the average, our power will increase by over 7%. This is a challenge, since wholesale power represents 58% of our total costs to operate.

Why are wholesale power costs going up? Nothing unusual is going on. NPPD faces increased costs for fuel, material and labor. Another major factor was the reduced demand for electricity in 2009 due to the economic downturn. When more kilowatt hours of electricity are sold, the overhead costs can be spread out. Likewise, because of the slower economy NPPD had less revenue from selling excess power to other utilities.

When preparing our budget, the goal was to hold the total cost increase down to 6%. This includes both wholesale power and the ever increasing cost of distributing that power to you.



I talked extensively about what we did to reduce costs on my radio show on KBBN/KCNI. To meet our short term goal, we trimmed expenses to the tune of \$200,000 and eliminated \$1,000,000 in capital expenses for construction and line upgrades.

Although we have trimmed back for 2010, please don't be mistaken. We cut costs wherever possible, buy only what is needed, and pool our buying power with other PPD's to get the lowest price. The costs

we trimmed were not fluff; they are needed to keep up with the growth and maintenance of the system. We save money and improve service by investing in training and keeping our employees long-term.

Knowing that every dollar counts more in your household budget, we're planning more efforts to help you save energy through energy efficiency.

We enter 2010 confident that we can meet these challenges and confident in the resolve of Nebraskans to weather trying times and emerge stronger for it. In the meantime, we will continue to work hard to safely deliver electricity to our customer/owners, keep the District in a sound financial position, and exceed your expectations in service and reliability. Together, we have the power to make a difference.

Our Voices Are Being Heard

As we begin the new year, I want to thank everyone who signed up for the Our Energy Our Future Campaign. As of mid-December, 65% of you indicated your support of fair legislation that accounts for regional differences in how electricity is produced, keeps our rates affordable, and makes certain that any mandates will be realistic.

Many have said to me, "I don't want cap and trade at all." I agree with that statement if we're talking about the current bill passed by the House and the one being debated in the Senate. They are both bad bills. However, there is an opportunity to shape legislation that is fair, affordable and achievable. As long as that opportunity exists, we'll be negotiating.

We need that strategy because there is serious danger that the alternative, in the form of Environmental Protection Agency regulation hovering over the horizon, could be even worse.

On December 7, 2009, the EPA started down a path of regulation by holding a press conference stating that greenhouse gases endanger human health and that humans are contributing to the problem.



It doesn't matter whether you think those statements are true or not, the legal fact and political reality are that EPA is going to be controlling carbon. That announcement came at the beginning of the International Conference on Climate Change.

That leaves us, literally, with a choice between the lesser of two evils. Court rulings have made it clear that EPA regulation of greenhouse gas is coming unless we have a bill that restricts greenhouse gas emissions another way.

Cap & trade legislation appears to be the alternative. It is vital that the interests of rural Nebraskans be represented at that bargaining table. If we just say no, heck no, then we won't be at that table. That's the reality when dealing with a Congress dominated by urban interests.

For whatever it may be worth, it is interesting to note that many environmentalists also oppose cap & trade. They'd rather see a carbon tax instead.

So where does that leave you? I will keep you updated on the legislative front through Facebook, Twitter, radio (KCNI/KBBN), this magazine, editorials, and public education advertisements.

Many of you have received letters from Senator Nelson, Senator Johanns and Congressman Smith describing their positions on cap and trade. Their response shows the strength of numbers and confirms the value of your help.

If you haven't received a letter from your representatives, please log onto www.ourenergyourfuture.coop and sign up to have a message automatically sent to your representatives. It takes just a few minutes and adds your name to the 65% of your fellow Custer PPD consumers who have made their views known.

Our representatives need to know we're here, we're paying attention, and we're determined to make our voices heard. They need to hear those voices because they're under a lot of pressure from all sides of the issue. Their ability to show how the ratepayers back home feel about this issue helps them take and defend the right stand.

I wish there were easier answers, but sometimes we just have to do the best we can with the cards we've been dealt. In such cases, your help, your patience, and your understanding are even more valuable. Many thanks!

Buckeye Bars

What You Need!

1/2 cup (1 stick) butter, softened
3/4 cup crunchy peanut butter
22 NILLA Wafers, crushed
2 cups powdered sugar
1/2 of 8-oz. tub COOL WHIP Whipped Topping (Do not thaw.)
3 squares BAKER'S Semi-Sweet Chocolate

Make It!

LINE 8-inch square pan with foil, with ends of foil extending over sides. Beat butter and peanut butter with mixer until blended. Mix in wafer crumbs. Gradually add sugar, mixing well after each addition. Press onto bottom of pan.

MICROWAVE COOL WHIP and chocolate in microwaveable bowl on HIGH 1 min.; stir. Microwave 15 to 30 sec. or until chocolate is melted; stir until blended. Spread over peanut butter layer.

REFRIGERATE 2 hours. Use foil handles to lift dessert from pan before cutting to serve.

Kitchen Tips

Serving Suggestion

Serve in holiday-colored foil candy cups.

Make Ahead

Store in airtight container in freezer up to 1 month. Thaw in refrigerator before serving. Refrigerate leftovers.

Size-Wise

Dessert can be a part of a balanced diet, but remember to keep tabs on portions.

CUSTER CURRENTS

Newsletter of the CUSTER PUBLIC POWER DISTRICT

Broken Bow, NE - Phone 872-2451
www.custerpower.com

Serving Custer, Loup, Blaine, Thomas,
Hooker, McPherson, Logan and parts of
Sherman, Garfield, Brown, Cherry,
Lincoln, and Dawson Counties

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and Loss Control
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Administration

Board Meetings

The regular monthly meeting of the Custer Public Power District Board of Directors is on the last Thursday of each month, beginning at 10:00 a.m. in the main office in Broken Bow on Hwy. 2.

An agenda for each regular meeting of the board is available for public inspection during business hours.

In the event of matters of an emergency nature or conflicts with other meeting dates, the Board of Directors will set changes. Any change in the monthly meeting date will be posted in the legal notice at the main headquarters building at Broken Bow and at each of the District's area service centers located in Callaway, Sargent, Stapleton and Thedford, Nebraska.