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OPPD Considering Rate Hike

(OPPD)-- At its regular monthly meeting Thursday, the Omaha Public Power District Board of Directors heard a presentation on an electric service rate adjustment proposal that is expected to be included in the utility's budget proposal for next year.

The proposal calls for an average general rate increase of four percent across all customer classes. The Board will vote on the 2016 Corporate Operating Plan (COP) at its Dec. 17 meeting.

Chief Financial Officer Edward Easterlin said the proposed adjustment is a result of decreased revenue. He said many of the contributing factors are due to situations that OPPD has little or no control over, including lower market prices for off-system sales largely due to lower natural gas prices; in addition, energy efficiency improvements that have resulted in less usage; and very little growth of OPPD's customer base.

"OPPD is faced with tough decisions in order to balance its budget," said Easterlin. "And we have done extensive work to control costs as well as to improve our processes, finding savings where possible."

Through these measures – some starting now and some starting next year – the district has removed \$65.3 million from its 2016 budget.

While the cuts will impact internal operations, customers will not see a direct impact on their service.

"We have a robust plan in place to manage rates over the next several years and keep the utility strong," Easterlin added.

The Board also heard another presentation on a separate rate issue, a restructuring proposal that would raise the monthly service charge for residential customers while lowering the energy usage charge.

The idea is one way OPPD is transforming the way it does business, aiming to strike a better balance between fixed and variable costs so that bills more accurately reflect the cost of delivering energy. Under this revenue neutral proposal, two-thirds of customer bills would be variable, so they would still see considerable savings by lowering their energy usage.

A resolution on this matter is also expected to go before the Board for a vote at next month's meeting.

OPPD has met with focus groups to gauge customer sentiment on the topic, and it recently held a series of eight open houses throughout its service territory to discuss the concept with its customer-owners. Many attendees have provided written feedback for the Board. In addition, an ongoing online meeting is available at oppdlistens.com, where customers are encouraged to provide feedback. They may do so over the next month, leading up to the Board vote.

At today's meeting, the board also:

approved rescinding of resolution 4495, which will be replaced by the District's procedure for the sale, lease or disposal of real property.

accepted the Monitoring Report for Board policy Strategic Directive-6: Safety.

approved the sale of surplus property at 13200 Fort Crook Road South, Bellevue, which is no longer

needed to support District operations..

approved authorization for the District to negotiate for and purchase replacement parts for a turbine restoration project at Nebraska City Station Unit 2.

approved the Board meeting schedule for 2016.

and received the President's monthly State of the Utility Report. You can view that report after it is posted, as well as other presentation materials, by visiting oppd.com/boardmeeting.

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