

Balancing Act

There's an old saying that if this job were easy, somebody else would have done it already.

Sometimes it feels like that when you work in public power.

Back in the 1940s and 1950s, Public Power Districts were being created to run power lines to rural areas and small towns that the for-profit utilities were not interested in serving. Rural folks had some tough challenges to overcome and some disagreements about the best way to do it, but in the end they talked it out, settled on the fairest plan they could come up with, rolled up their sleeves, and got the job done.

These days our customer base is far more diverse. There is more variety in the kind of service they want and need, and the challenges that must be overcome are no less daunting than those pioneers faced 70 to 80 years ago.

On the one hand we face constant pressure to keep rates as low as possible. Electricity is the lifeblood of Nebraska's economy and has gone from being a luxury to a necessity, to dang near a right that people think they have to have all the electricity they want, when they want it, and where they want it.

If the costs get out of hand it busts family budgets, spills red ink into the budgets of farms and ranches and businesses, and stalls the economy from growing (or worse).

On top of that, we want (and need) more electrical horsepower and candlepower in every barn, house, mobile home, store, factory, pump and water well on the map. And some of those users, pushing the technology envelope to deliver amazing productivity gains in agriculture, need that power to be not only abundant and reliable but also very clean, meaning, lacking the kind of voltage fluctuation that can blink

a computer or fry expensive equipment or make a manufacturer's production line resemble a 12-car pileup on the Interstate.

Are we having fun yet?

Let's add some more spice to the recipe: the huge and rising demand for more renewable energy, the rapid advances in ways to make renewable energy, and the tumbling cost of doing so.

So, we have to look back at how the folks who built Nebraska's Public Power system worked their way through tough issues. They listened to each other. They talked it through. They tried to find the right balance, and then they agreed to work together to make it a success.

We need to find the right balance. Actually, we need to find several interlocking right balances. Such as:

- Balancing the need for reliable and clean power against the cost of building a system that could meet those needs to an Nth degree but would simply cost too much.
- Balancing the demand for renewable energy against the need to have power instantly available when the sun is not shining or the wind is not blowing. There are some physics problems in this equation as well as the economic question of how much redundant power generating capacity people can afford.
- Balancing the new technology that allows lots of small renewable generators to be scattered across the landscape against the need to maintain safety, voltage standards, dispatch control, affordability, and fairness in the system that interconnects it all and was originally designed to wheel large scale central station power from the biggest turbine to the smallest and most remote meter in the state.

There's more, but you get the idea. There are no simple answers. Or, as one economics professor used to say, "Everything is connected to everything else."

Our job at Custer Power is to deliver reliable low cost electricity to you. We buy it from Nebraska Public Power District and sell it to you. We have the benefit of having NPPD's diverse generation mix that is always there when you need it.

NPPD's generation mix is 40% carbon free which includes nuclear power, wind and hydro. Coal represents about 54% and gas and oil represent about 2%. The rest comes from purchases outside of the NPPD system. We expect the share provided by coal to decline over time.

Nebraska represents the fourth windiest state in the nation but ranks really low on the amount of wind energy that is being produced. Wind is a variable energy resource. The good news is that Nebraska wind, on an annual basis, is generating about 40 to 50 percent of the maximum output for the generators. That's a really good number, but it's not like a nuclear plant at almost 100% and coal averaging between 80% and 90%.

At the same time, in this part of the state, we dare not overlook the fact that wind farms can substantially increase the local property tax base in our community, and, in turn, can reduce the tax burden on everyone else.

And here we go with another balancing question. Location is key to seeing that tax benefit. Those tax benefits land in only part of our service territory, while our ratepayers are spread across 8,000 square miles of which Custer County is only part. Many bear the cost and risk but don't get to share in the tax gain. We must find the right balance.

A recent study the Bureau of Business Research at the University of Nebraska – Lincoln, found that the use of coal in Nebraska for generating electricity combined with the transportation of coal collectively generates nearly \$4.9 billion in output. The study also found that the combined industries contribute \$1.4 billion in labor income and more than 22,800 jobs for the state.

There are mortgages and operating costs on those coal plants that must be paid, and will be included in your rates, no matter how much electricity comes from there or from some other source.

It's all about finding the right balance. Those who went before us in this business in Nebraska made some smart decisions about not putting all the eggs in any one basket and that put Nebraska in a position that many other states envy.

None of it was without controversy or disagreement but we managed to work our way through it, and I am confident we will do so again as we face these new challenges and find the right balances. It's the Nebraska way.

Attention High School Seniors in the Custer Public Power District Area

Custer Public Power District is Seeking Applicants for the

CPPD Utility Line Scholarship

This Scholarship is for 1 or 2 Year Full Tuition

Requirements for the Scholarship:

High School Graduate

Parents or Guardians are customers of Custer Public Power District

The Custer Public Power District Scholarship Fund is administered by the Directors and Staff of CPPD.

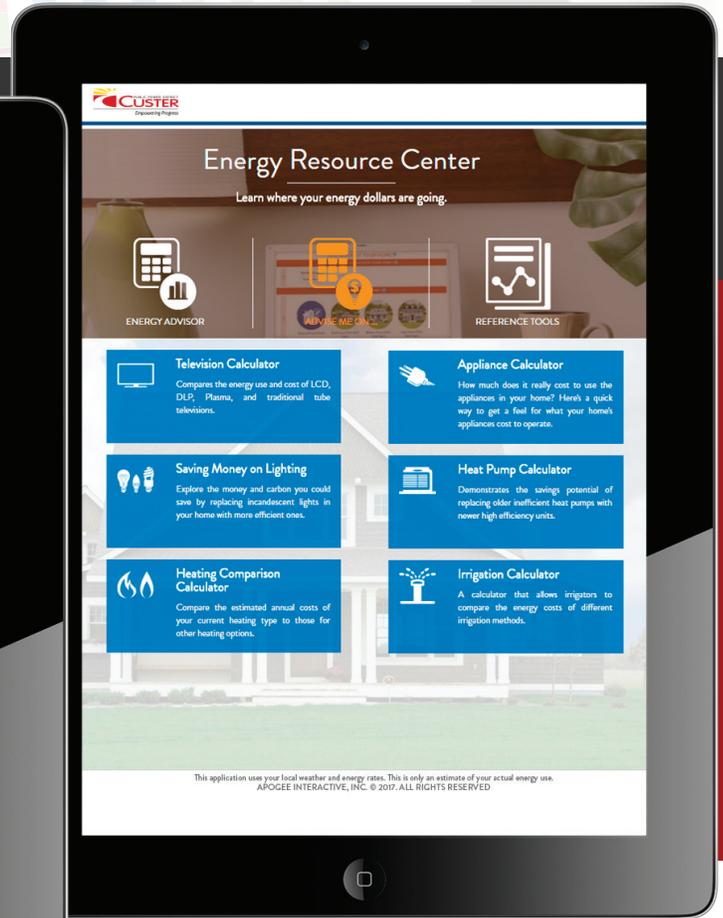
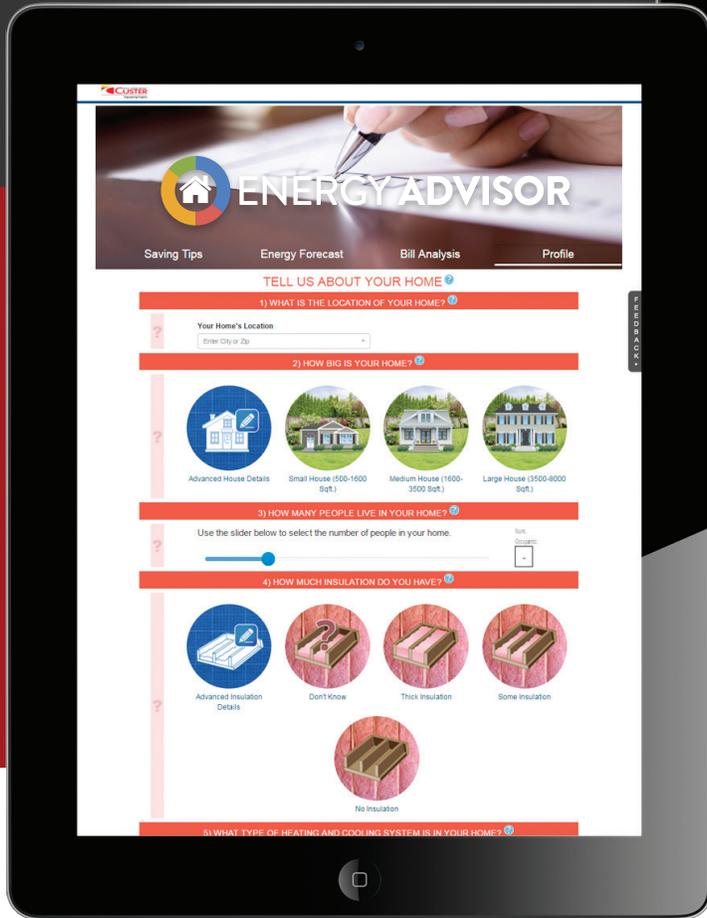
Applications for the Utility Line Scholarship are available on CPPD's website at custerpower.com contact Tarin Burrows at 308.872.2451

Deadline for submitting your application is March 1, 2017



Be Energy Wise.

Learn how you can save energy and money with Custer Power's **free** Energy Advisor and Energy Resource Center.



Our Energy Resource Center includes energy reference libraries, cost calculators and more.

Energy Advisor is as easy as 1...2...3...

Just visit custerpower.com and look for the Energy Advisor link. Energy Advisor breaks down your energy use into dollars and provides recommendations on how to save.



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Visit custerpower.com and start saving today.

White-Chocolate Cherry Shortbread

Ingredients

- 1/2 cup maraschino cherries, drained and finely chopped
- 2 1/2 cups all-purpose flour
- 1/2 cup sugar
- 1 cup cold butter
- 12 ounces white chocolate baking squares with cocoa butter, finely chopped
- 1/2 teaspoon almond extract
- 2 drops red food coloring (optional)
- 2 teaspoons shortening
- White nonpareils and/or red edible glitter (optional)

Directions

1. Preheat oven to 325 degrees F. Spread cherries on paper towels to drain well.

2. In a large bowl, combine flour and sugar. Using a pastry blender, cut in the butter until mixture resembles fine crumbs. Stir in drained cherries and 4 ounces (2/3 cup) of the chopped chocolate. Stir in almond extract and, if desired, food coloring. Knead until smooth and form into a ball (dough will be crumbly at first, but will come together as you work the dough with your hands).



3. Shape dough into 3/4-inch balls. Place balls 2 inches apart on an ungreased cookie sheet. Using the bottom of a drinking glass dipped in sugar, flatten balls to 1-1/2-inch rounds.

4. Bake in preheated oven for 10 to 12 minutes or until centers are set. Cool for 1 minute on cookie sheet. Transfer cookies to a wire rack and let cool.

5. In a small saucepan, combine remaining 8 ounces white chocolate and the shortening. Cook and stir over low heat until melted. Dip half of each cookie into chocolate, allowing excess to drip off. If desired, roll dipped edge in nonpareils and/or edible glitter. Place cookies on waxed paper until chocolate is set. Makes about 60.

Nutrition Facts(White-Chocolate Cherry Shortbread)

Servings Per Recipe 60, Fat, total (g) 5, iron (mg) 0, carb. (g) 9, fiber (g) 0, vit. A (IU) 97, pro. (g) 1, vit. C (mg) 0, cal. (kcal) 87, calcium (mg) 10, sodium (mg) 28, sat. fat (g) 3, chol. (mg) 9

Published on Midwest Living website

<http://www.midwestliving.com/recipe/cookies/white-chocolate-cherry-shortbread>

Premium white chocolate chips can be substituted for white chocolate baking squares and shortening.

Happy Valentine's Day

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,
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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.