



# THE WIRE



CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

July 2023

Serving the Elkhorn River Valley since 1940

Volume 32, Number 6

## MARK JOHNSON STARTS

Mark Johnson has been named Chief Executive Officer (CEO) for Elkhorn Rural Public Power District. He started his duties on Monday, June 26.

Mark joins only six other leaders of the organization. He follows Tom Rudloff, who retired in May after 14 years as General Manager. See below for a listing of all the ERPPD managers.

Mark was, most recently, the Member Services Manager at St. Croix Electric Cooperative in Hammond, Wisconsin. Prior to his employment at St. Croix Electric Cooperative, he worked in the Member Services Department at Minnesota Valley Cooperative Light and Power Association in Montevideo, Minnesota. He received a bachelor's degree in finance from Minnesota State University, Mankato.

He is passionate about serving the rural communities and is committed to following ERPPD's mission statement of providing



**Mark Johnson, CEO, left, is pictured with Mark Miller, board president.**

safe, reliable, cost-effective electricity for all customers.

Mark grew up in small rural communities in Minnesota and Iowa. He and his wife, Miranda, are excited to be moving to the Battle Creek area and look forward to making this their home.

### ERPPD General Managers Through the Years.

Below are listed and pictured the six managers that have lead ERPPD to where it is today.

A.H. "Pete" Lewis  
(1939-49) No Picture

Roy L. King (1949-52)  
No Picture



**LeRoy Hansen**  
(1952-1973)



**Milton Smith**  
(1973-1992)



**Terry Carson**  
(1992-2009)



**Thomas E. Rudloff**  
(2009-2023)

# 2022 RECORD YEAR FOR ERPPD



Carmen Christensen, CFO

2022 was a record setting year for ERPPD. In April, we hit 10,000 services, which is about a 25% growth rate since 2000!

There were also record sales in all customer classes and a total of 350,770,903 kWh was sold, about 15% higher than 2021. Most of the additional usage was due to irrigation load and the dry conditions we are experiencing in our area of Nebraska.

AND we took a 4% overall rate decrease - more on how we are keeping rates cost-effective later.

All this with a pandemic, supply chain issues and record inflation.

Much of this is possible because the board of directors and staff at Elkhorn work for our customers to continue to provide value by watching costs, finding efficiencies, and following our mission statement, "ERPPD is dedicated to providing SAFE, RELIABLE, COST-EFFECTIVE electricity for ALL customers."

Let's break down how the mission statement directs our

decisions and helps to keep rates cost-effective and your lights on.

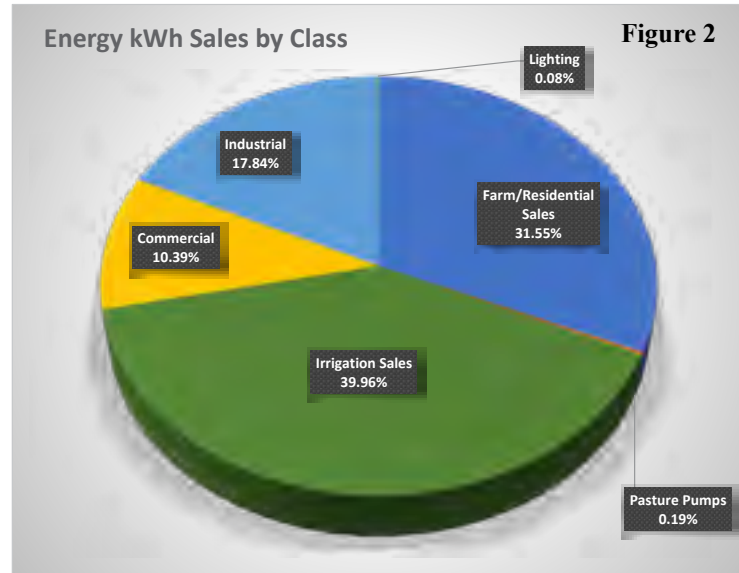
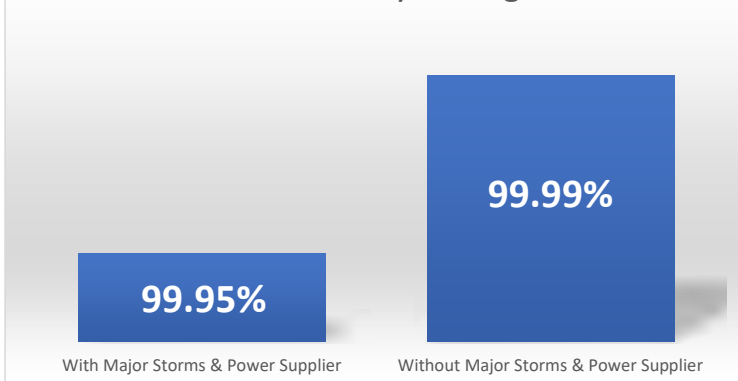
**Safety** is listed first in the mission statement because it is our number one priority for our customers and employees.

We strive to make sure everyone goes home whole and healthy to their families. Keeping our customers and employees safe keeps our costs down and, ultimately, your rates lower.

**Reliability** of our system is important to ERPPD. We know how important it is for the lights to come on when you flip that switch.

In 2022, ERPPD customers experienced less than 4 hours of outages per service last year. Compare this with the Energy Information Administration's Annual Electric Power Industry Report that states, "U.S. electricity customers averaged 7 hours of

Figure 1 Service Reliability During 2022



ence. See Figure 1. It shows what impact the May 12, 2022, weather event had on service reliability last year. ERPPD has programs like vegetation management, pole testing, construction standards, etc., to help mitigate these outages.

**Cost-Effective** this is where the rubber meets the road, especially for customers and for Chief Financial Officers!

As you can see from Figure 2 above, irrigation and farm/residential are our largest customer classes, accounting for almost 72% of all customers. We are very agriculturally dominate in our area but are fortunate to have industrial and commercial customers to balance our load in the winter months to make the best use of our distribution system.

Revenue, this is how ERPPD generates money to operate, was \$33,358,386 in 2022. As Figure 3 opposite shows, 99% of the revenue generated comes from operating income. This is the income sent in by you, the customer. Figure 4 shows the breakdown of operating revenue for each class.

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This will vary from year to year because of the weather, but over the last few years, we have adjusted our rate structure to reflect the cost of service. While this affects each customer differently, we were able to have revenue neutral rate adjustments from 2013-2021 and passed on rate decreases the last two years totaling 6%. Adjusting our rate schedule has helped take some of the weather adjustments out of revenue fluctuations. The goal is collect revenue to cover the cost of service. Any net income is put back into the distribution system to make is more reliable for all customers. Our distribution system is about 35% depreciated, meaning we have a lot of newer infrastructure in the field.

There are seven expense categories that contribute to the overall cost to service. As depicted in Figure 5, purchased power is the largest expense. For every dollar of revenue paid by you, about 70 cents is used to pay the whole sale power purchase, the other 30 cents is used for all other operating expenses. This includes depreciation, payroll expenses for maintaining and building the system, payroll expenses for maintaining customer accounts, interest on long-term debt,

Figure 4

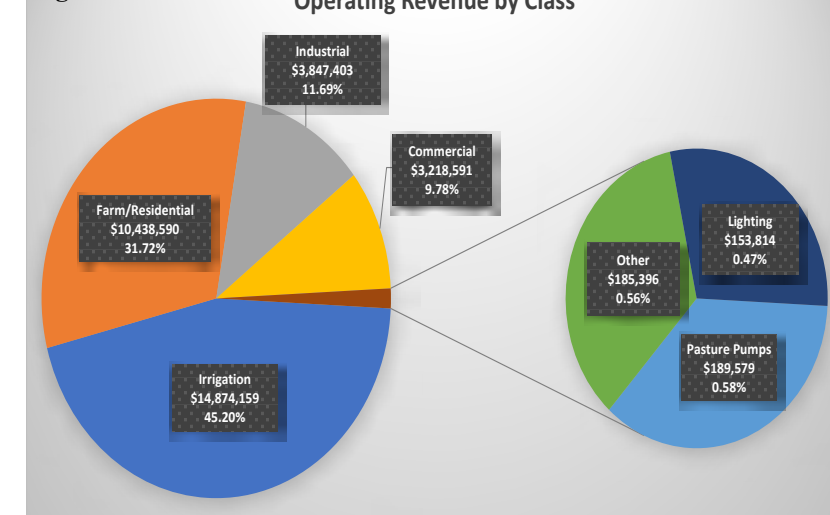


Figure 5

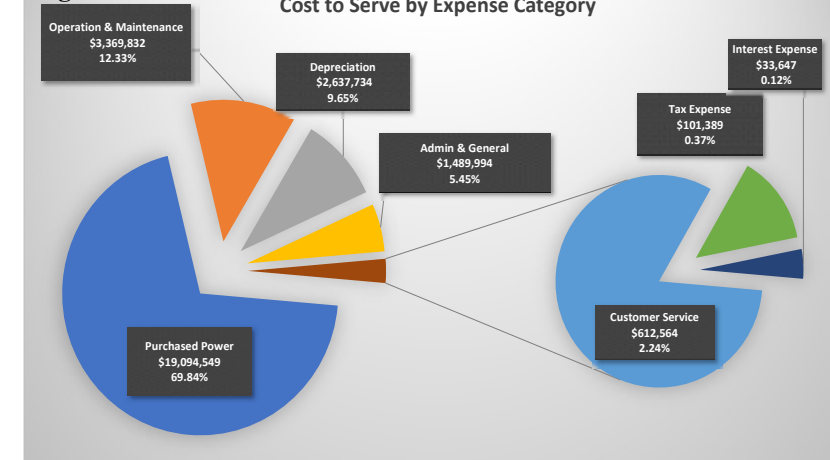
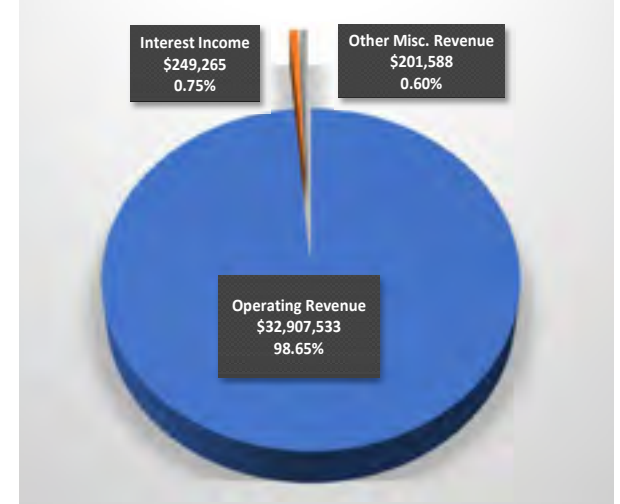


Figure 3 Total Revenue by Category



and tax expense.

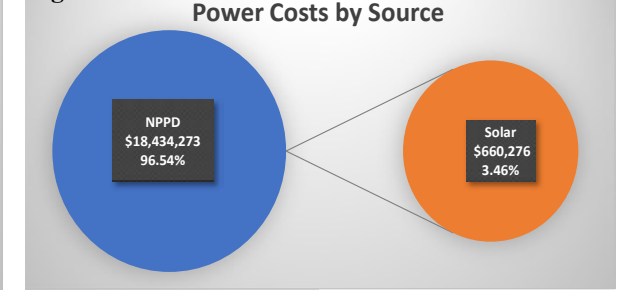
There are two sources of purchased power for ERPPD. As Figures 6 indicates, a majority, about 97%, of our purchased power is from NPPD, Nebraska Public Power District.

In 2020, Elkhorn signed a purchased power agreement (PPA), with SunVest Solar for 6.5 MW solar energy. This energy is purchased at a fixed price of \$0.045 per kWh. This has been beneficial for the district during the summer months as it allows additional energy sales during peak control times.

Having a stable financial position, allows us to be adaptive when unexpected changes or opportunities arise. And like the records that were set in 2022, we have a bright future ahead.

However, what the numbers do not show is the dedication of the ERPPD board and staff to follow our mission to provide SAFE, RELIABLE, COST-EFFECTIVE electricity for ALL customers.

Figure 6





# ELECTRIFYING LAWN AND GARDEN TOOLS?

INTERESTED in going electric for your lawn and garden tools? There is an 20% incentive from ERPPD and EnergyWise<sup>SM</sup> when you purchase any new electric chain saw, tiller, snow blower, or lawn mower, which includes riding, walk behind or robotic!)

Why might you want to go electric for your lawn and garden tools? Below are 4 reasons:

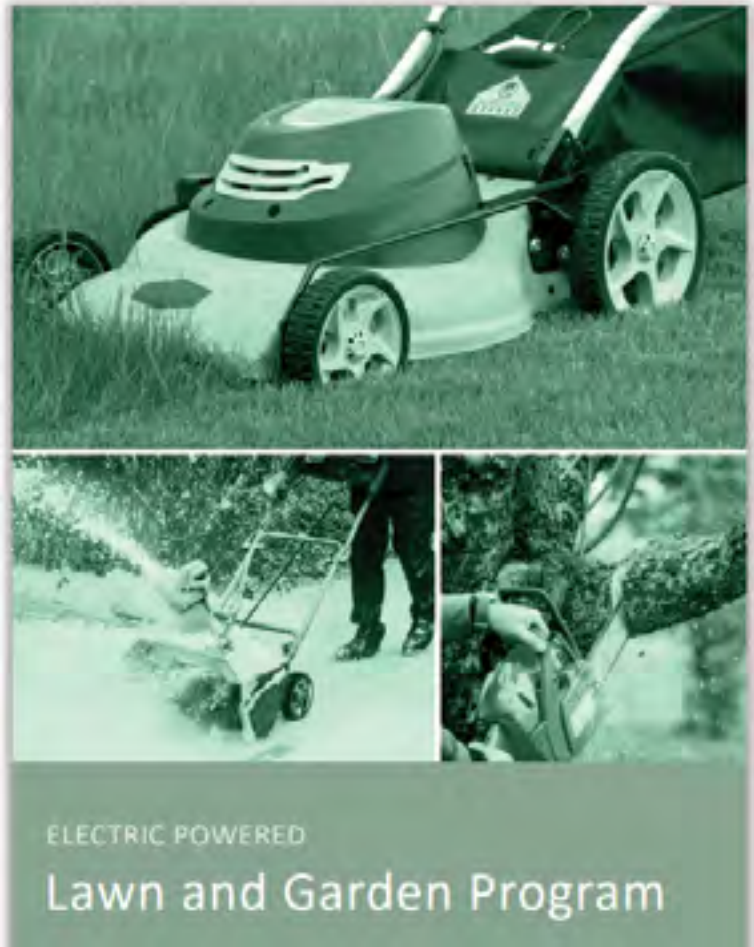
1. Lower energy costs - changing to electric can cut the operation costs to approximately half of the cost of the gas powered option
2. Less maintenance - no sparkplugs, air filters, fuel filters or oil change
3. Quieter operation - for example electric mowers create up to 75 decibels of sound, which is like a washing machine. Gasoline mowers can exceed 95 decibels, which is comparable to a motorcycle on the highway
4. Eco-friendly - no toxic gas emissions from nitrogen oxides, airborne particulates, carbon monoxide, or carbon dioxide.

How can you obtain your 20% incentive? Follow these steps:

1. Purchase your NEW battery powered or corded equipment.
2. Go to [www.erppd.com](http://www.erppd.com), click on the EnergyWise<sup>SM</sup> logo on the left hand side of the page. Then click on the "Incentives for Your Lawn & Garden" icon or you can pick up an application at the Battle Creek office.
3. Click on the "Apply Now" button.
4. Fill out the application and return it to ERPPD c/o Brian Suckstorf.

For more incentives or information you can call the office at 402-675-2185 and ask for Brian Suckstorf or go to [www.erppd.com](http://www.erppd.com) and click on the EnergyWise<sup>SM</sup> logo.

**ENERGYWISE<sup>SM</sup>**  
Use less. Spend less. Do more.



## Energy Efficiency Tip of the Month

Summer is a prime opportunity to enjoy the great outdoors. To reduce home energy use, avoid using your oven and use a grill instead. Not only will cooking outdoors eliminate the electricity used to power the stove, but it will also avoid raising the temperature inside your home, reducing the need for air conditioning or cooling.

You can also avoid using the oven with tasty no-bake recipes. Get creative in the kitchen (or the backyard) and find new ways to save energy!

Source: Dept. of Energy

