



When and Where did OPPD Board and Staff Discuss Alternatives: Over the last three years, in what Board and Committee Meetings did the OPPD Board and Staff discuss any of the alternatives to generate revenue that are suggested in the OTOC Issue Brief or which are being used by other utilities such as Rocky Mountain Power(Utah) (\$6.00 service fee, inclining block rate, minimum bill); Minn P&L(\$6 service fee, inclining block rates); and ExCel Energy (Colorado) (\$7.63 fee, seasonal inclining block rate) or any similar utilities? What are the reasons that the Staff and Board have articulated for rejecting these alternatives at this time?

Fiduciary Duty as Regulators: Do you believe OPPD Board members have a fiduciary duty as regulators to carefully consider alternatives before agreeing to Staff's recommendation that this rate restructuring is in the best interest of the customers as well as the company? If so, how did the Board do that? If not, what entity in Nebraska is responsible for assessing fees and rate structures to protect the interests of rate payers?

Why should OPPD have the highest service fee in US: It is the long history of the utility industry for regulators to allow companies a small "customer service fee" of \$5 to \$10 to cover billing, meter reading and other administrative costs. While many utilities are seeking to raise fixed fees, regulators are not typically allowing a nearly 200% increase in the service fees. What is so unique about OPPD or its current financial situation that the regulators of this utility, the OPPD Board, should raise the customer service charge to the highest level in the United States for a major utility? Why not review this annually? Why not sunset it?

Public Feedback: Once OPPD's proposal became public, how many total comments has OPPD received regarding the initial and revised proposals? How many comments are opposing the restructuring? How many comments are supporting OPPD's proposal? How many organizations have signed letters of opposition to the rate restructuring? How many have endorsed it? How many individual customers wrote to OPPD asking them to reduce their kWh usage rates and increase their service charges so that OPPD is "more fair" to them?

Impact on low and high use households: According to data provided to OTOC by OPPD, increasing the service fee to \$30 and decreasing kWh rates by 22% will mean:

78,000 low use households (200 to 600 kWh) will pay \$70 to \$175 more per year for the same energy use.
67,500 high use households (1,300 kWh to 2,000 kWh) will pay \$100 to \$275 less for same energy use.
Based on their historic pattern of use, how many of the "low use" households will qualify for assistance of \$2.50 to \$7.50 per month if they are able to apply annually and qualify as very low income (\$31,005 for family of 4)? How many of the "high use" households are very low income? How many of the "high use" households does OPPD expect to contribute some of their windfall to energy assistance programs to help low income?

Why not be more transparent: OTOC believes OPPD could take this opportunity to educate the public, business leaders and community organizations that the company needs both more income and a more reliable income stream. OTOC believes that most customer/owners would accept a small increase in service fees and an increase in kWh use rates, as needed, in order to cover the costs of running our electric utility? Although the board may have been discussing restructuring for years, the public discussion has lasted just two months. Why must OPPD rush to adopt this service fee increase when OPPD could benefit by taking time to educate the public and other policy makers about OPPD's economic reality?

Preparing for Future: President Burke indicated that increasing the Service Fee from \$10.25 to \$30 will prepare OPPD and the customer/owners for the energy future when smart meters will be installed? What is OPPD's rationale for this position? How does reducing the amount of the bill based on kWh usage accustom a customer for smart meters which will precisely measure and charge based on energy used and time of use? How much in capital costs are required to transition to smart meters? How will these funds be generated? Why can't OPPD set demand charges or other measures to send price signals to customers prior to the existence of a fully integrated, self healing network briefly described by President Burke on December 14?