



Statement by Mary Spurgeon for Omaha Together One Community

My name is Mary Spurgeon and I live at *****. Thank you to the Board of Directors, the officers, and staff of OPPD for doing your best to make sure that electricity is available to my **all electric apartment** when I need it. I appreciate your commitment to assure that my home and the entire Omaha region has reliable power.

I speak here today with others from Omaha Together One Community (OTOC). As an organization of congregations and community organizations, we are very aware that the whole electric utility industry has entered a period of great change and adjustment. OTOC supports your request for a 4% increase in electric use rates because we know that this increase is needed to assure the reliability of our energy. By law, you have to collect from your customers what it costs to generate our power. We are not afraid of paying fair electric use rates.

We are here today not to scold you for collecting what you need to run our utility, but rather to question why you are considering such a **dramatic shift in how we pay for our electricity?**

This proposal would shift \$95 Million in your annual expenses from **electric usage rates** where everyone pays according to how much they use, to **fixed service charges** where everyone pays equally, regardless of how much electricity they use.

According to the staff, this proposal is revenue neutral—it will bring OPPD no greater revenue to pay the bills each month. But this restructuring does greatly impact how much different people pay for their power. There are 108,000 low use households using between 200 to 700 kwh per month. This group of about 36% of your customers will pay between \$50 and \$225 more per year for the same amount of electricity. Collectively, this group of relatively low use customers will pay an additional \$1 million per month for their electricity or \$11.8 Million per year.



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Another group of 132,000 customers, those using between 1,000 and 2000 kwh each month will do very well. They will pay between \$50 and \$345 per year **less** for using the same amount of energy. Collectively, this 44% of your customers will pay about \$1.6 Million per month less or \$19 Million less per year for using the same amount of energy.

For decades OPPD, like utilities all over the country, has included only costs for billing, meter reading and other administrative costs into the Basic Service charge of about \$10 per month. OPPD, like many other utilities across the country is now trying to include more of your costs into the fixed service charges. We understand your desire to generate a more stable source of income for OPPD. But utilities all over the country are coming up with better solutions than simply tripling the customer service charges.

We have asked your staff for the other alternatives which they examined. Do you know what other alternatives exist? Do you know why they chose this alternative and rejected others? This proposal, if adopted, unchanged, would put OPPD on the path of having the highest customer service charges in the region, if not the nation.

OTOC has a number of questions. Until you can adequately explain why this is the best choice to our community, OTOC believes you should take no action to restructure the service charges in such a dramatic and long lasting way.

Statement by Mary Bamesberger

I am Mary Bamesberger, an educator, a lifelong resident of Omaha, NE.

I have lived in a small home, under 1,000 square feet,
in old Millard, for over 40 years.

I graduated in 1967 from of University of Nebraska, Omaha.



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I taught with Millard Public Schools, initially as a full time teacher, later as a substitute teacher, when I made the decision to spend more time at home while raising my children. Consequently, I did not receive a pension when I retired from teaching in 2011, as a result of dealing with 2 years of cancer treatment .

I tell you this because it is a factor in my managing to live on Social Security.

Conservation of my budget and my life style is a strong characterization of my daily life.

I have made a conscious effort the past several years to keep an energy budget. For example: keeping low settings on my programmable thermostat, replacing major appliances with energy star appliances over the past 4 years; daily implementing green practices.

I was pleased that I was able to keep my electrical energy usage low, as my recent statements bear witness.

Now, I have learned that OPPD plans to re structure the manner in which I will be charged for my usage, by a nearly 30% increase in what I will need to pay for the same amount of usage as in the past. I also understand that there will be a new charge, called a delivery charge that has not been delineated on my statement in past years. As OPPD has stated in public meetings/Open House events, UNDER THIS PROPOSED PLAN, LOWER RESIDENTIAL USERS, SUCH AS MY SELF, A SINGLE SENIOR LIVING IN A SMALL HOME, ON A FIXED INCOME WILL PAY HIGHER COST, no matter what amount of actual kWh s are used. Those who use a higher average amount of kWh will pay relatively the same, and those residential users who use a greater kWh amount (over 600 kWh) per billing period will actually pay less.

I am here today to speak for my self. I also believe I am representative of members of my usage class, who because they are not informed and/or **are** not able to be here because they are working are therefore not present to speak on their own behalf.

I SEE THIS PLAN AS IN EQUITABLE. THIS PLAN DOES NOT ENCOURAGE CONSERVATION OF ENERGY.



Statement by Mark Loscutoff

My name is Mark Loscutoff, address *****. For the past 6 ½ years, I have been the sole proprietor of Omaha Home Energy Analysis and Testing. I am certified by RESNet, the Residential Energy Services Network, to certify new single-family residences for the Energy Star Program. The work involves inspecting the construction, testing and creating an energy-use computer simulation of the house. For the past year, I have been certifying Energy Star homes for Habitat for Humanity of Omaha and Gesu Housing. I also do energy efficiency inspecting and testing (sometimes called an energy audit) for homeowners. I have done several hundred audits.

When a homeowner requests an audit, I usually ask what they hope to gain from the audit. Three motivations come up repeatedly: They want to be more comfortable, they want to save money on their utilities, and they want to protect the environment by conserving energy. They often ask me to assess the cost-effectiveness of new windows or other potential energy-efficiency improvements. An improvement is considered cost-effective if it pays for itself in energy saved over the life of the improvement.

Occasionally, I am asked to verify that a proposed home improvement project is cost-effective for an FHA or a VA loan program. Because the cost of natural gas and electrical energy are low, improvements often do not qualify for these loan programs. This would be even more true if the cost of a kWh were to drop. If the per kWh price were to increase, more people would have greater incentive to participate in these kinds of loan programs.

The proposed pricing changes will reduce the economic incentive for homeowners to invest in energy-efficiency improvements and to adopt energy-saving behaviors. Energy conservation is in the public interest. I hope that OPPD will choose a pricing structure that achieves the financial stability it needs, while maintaining the financial incentive for residents to conserve kilowatt-hours.



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Tim Fickensher Statement to OPPD Board

My name is Tim Fickenscher. I live at *****St in Omaha. I am here today speaking on behalf of OTOC and the neighborhood in North Omaha. I am on OTOC's Environmental Action Team. I'm very concerned about the environment, and also my neighbors. My wife and I live in a lower income older neighborhood in North Omaha. Many of our elder neighbors live on fixed incomes, and younger residents, almost always renters, have low-wage jobs, sometimes more than one. This rate hike will hurt low income families and the environment.

And that brings me to my former neighbor whose house is a mere fifteen feet from mine. She works full time, enjoys doing yard work, has a grown family and delivered a delicious tray of goodies for us at Christmas! When my wife and I saw moving boxes on her front porch, we were alarmed...she is a wonderful neighbor and we did not want to see her move. She said she had to move because the landlord wanted to raise her rent and she could not pay the higher rent and her utility bills for her poorly insulated home. She did move to a smaller, more energy efficient house to make ends meet. Ironically, this plan will likely penalize her efforts to live in an energy efficient home. Our neighbor is part of the working poor. She is conscientious, works hard and still can't seem to get ahead.

I understand that OPPD has to make many changes because people are using more efficient appliances and are using less energy than in previous years. I know that new technologies and conservation are creating real challenges for OPPD.

But there are many ways to address these challenges. The rate structure you propose is not one of the best ways to address this issue because it punishes folks who are conserving. In some cases, those who are hurt the most are the working poor who try to limit their use and those who are helped the most are the affluent who don't need to worry how much they use. The proposed change in rates is not a positive way to move ahead. On behalf of myself and OTOC we urge you to look other options such as adopting a minimum bill and design a plan that encourages conservation and does not penalize the poor.



Statement by Mary Ruth Stegman.

The proposed bill restructuring options that you have placed before the public for review, in which you attempt to cover all of your costs for distribution, transmission, storm repair and many other categories is a “ radical proposal”. It is a radical change in the sense that you are attempting to make a fundamental, deep rooted and long lasting change in how we pay for electricity. Having community meetings where only 98 people attend in a service area of about 900,000 people does not provide sufficient discussion of the impact that this proposed change will have. OTOC is more than willing to help organize community meetings where OPPD can present the rationale for the fundamental change in how we pay for electricity.

We appreciate the OPPD staff and Director Green who came to our meeting at First United Methodist Church on Monday, November 7, 2015, where 38 interested community members attended.

Questions

- 1. Why does OPPD propose to treat all customers equally for fixed service charges, but unequally when it comes to payment for electricity use?**
- 2. How does the proposed new rate structure encourage energy efficiency? It seems that the new rate structure rewards high use customers and punishes low use customers who try to conserve and/or have limited financial resources.**
- 3. The pamphlet, Proposed Restructuring Options reads as of the service charge will continue to increase and usage rates continue to decrease. Will the service charge eventually be 65-70 percent of the customer’s monthly bill?**