



August 2008 Vol. 33 Issue 7

Essent

Essential news for NMPP Energy members

NEWSLETTER

Nebraska Municipal Power Pool • Municipal Energy Agency of Nebraska • Public Alliance for Community Energy • National Public Gas Agency

IN THIS ISSUE

Warm welcome: Communities turn out welcome mat for cyclistsPage 3

Legislative Notes: U.S. Supreme Court looks at long-term power contracts.....Page 4

Community Clips: Shopping local has many benefits.....Page 6

Maximize your community's cable franchise agreement

Analyzing needs is first step toward fulfilling city's best interest

By **Kevin Wickham,**
Communications Specialist

When the notice arrives announcing a city's cable franchise is up for renewal it puts the wheels in motion to what many city officials may think is a confusing and complex process.

The notice, often referred to as the "626 letter", is generally sent by the city's cable television operator within two-and-a-half to three years before the current franchise agreement expires.

To get the most out of a new franchise agreement, says Bob Duchon, vice president of River Oaks Communication Corporation, a community should know its needs.

"Cities need to figure out what to ask for," said Duchon, who has worked with several NMPP member communities regarding cable franchise agreements. Some of the items cities may want to think about when beginning to negotiate a new agreement include:

- Making sure gross revenues are broadly defined according to federal law to maximize franchise fees to the community;
- Channels for special programming such as government or educational access;
- Insurance coverage from the cable company and indemnification to protect the City;



- Customer service standards;
- Length of the franchise agreement.

Communities that simply extend the existing franchise agreement instead of taking a closer look could be missing out on maximizing benefits for their community, said Duchon.

"The cable company may want to just extend the current franchise or offer up a new franchise that is less than what the City could negotiate and that is where the lost opportunity could be," he said.

Going in together

Another way to improve a community's negotiating position at the

"The cable company may want to just extend the current franchise or offer up a new franchise that is less than what the City could negotiate and that is where the lost opportunity could be."

— Bob Duchon,
vice president, River Oaks
Communications Corp.

time of franchise renewal is to form a consortium with other communities. The communities typically are located nearby, are served by the same cable company and have each of their franchise agreements expire in relatively the same time period.

If those criteria are met, Duchon said it may make sense for communities to group together to get a better deal and save money by sharing any consulting costs.

The typical length of today's franchise agreements is around 10 years. In the 1980s and 1990s it was fairly common to see longer-term agreements. Duchon suggests communities renewing cable franchises carefully consider the length of the new franchise due to advancing technology and changing business and legislative environments within the

See 'CABLE FRANCHISE' on page 7

River Oaks Communications Corp.

River Oaks Communications Corp. is a champion business of NMPP Energy. For more on its services, see the Champions section on page 7.



NMPP Energy photo

“The last 24 years have been very rewarding” said Bill Leung. “It’s a great company with a great membership to work for.”

After 24 years, Leung bids farewell

Former NMPP staff member accepts ARPA position

When Bill Leung joined the staff at the Nebraska Municipal Power Pool in 1984 to work as an electric rates analyst and budget planner there were just over 70 member communities and the organization was simply known as NMPP/MEAN.

Twenty-four years later as Leung announced his decision to leave NMPP Energy, the joint action agency includes nearly 200 member communities and four organizations that cover seven states. Leung accepted an offer to serve as the interim general manager for the Arkansas River Power Authority beginning July 1. He will serve a minimum of one year at ARPA before deciding his future plans.

Leung served several positions at NMPP Energy, with the majority of his time assigned to the Municipal Energy Agency of Nebraska (MEAN), including director of energy markets and chief operating officer.

The things he said that characterized MEAN through the years were the sense of teamwork and dedication among its members to accomplish its goals.

“I think this is a great place,” he said. “The membership has always been very cohesive. ...they trust in the staff and trust in our recommendations and we continue to deliver what we promise, which reinforces that trust.”

Leung helped with the creation of the National Public Gas Agency and the Public Alliance for Community Energy by helping acquire new resources, negotiate contracts and set prices during the early Choice Gas selection periods.

He noted the two main changes he’s seen during his time at NMPP Energy are the growth of the organization — in terms of geographic size and revenue — and the energy landscape with regard to electric and

natural gas regulatory issues.

Among his proudest accomplishments at NMPP Energy, Leung noted the construction of the MEAN Wind Project at Kimball, which was the first utility-scale wind farm in Nebraska; the Whelan Energy Center Unit 2 power plant currently under construction near Hastings, Neb.; and contributing to the creation and development of the other three NMPP Energy organizations.

In starting this new chapter in his professional career, Leung moves forward while fondly remembering fellow NMPP staff he’s come to know and work beside the past two decades.

“I’ve had the good fortune of working with the best group of people,” he said. “They are so dedicated and so driven and focused on the results. They will spend an unlimited amount of time and effort to get the job done. That is just the way they are.”

Between sweat beads, cyclists revel in charm of small towns

If anyone around the NMPP Energy offices saw me last month walking with a slight hitch in the 'ol giddy-up, there was good reason.

In June, I participated in a five-day, 300-mile bicycle tour

Editorial



By Kevin Wickham

around central Nebraska with 200 of my closest friends. Trust me – when you ride, eat, sweat and bathe with the same people for multiple days, you get well acquainted.

The event is known as Tour de Nebraska. This year's route included several NMPP member communities. It began in **St. Paul** and had overnight stops in **Burwell, Neligh, Atkinson** and **Genoa** before returning to St. Paul.

I also rode on last year's 20th anniversary TdN, which revisited some of the same towns and cities it did during its inaugural year, including NMPP member communities **Syracuse, Fairbury** and **Wilber, Neb.**

The tour is nothing short of day care for adults with lots of lycra and sweating thrown in for good measure.

Cyclists from as far away as Hawaii, Texas and Pennsylvania participated this year. Some rode hard and fast, others were content to amble down the remote highways, soaking up the country air and sprawling landscape. All shared the desire to leave convenient lifestyles in favor of a simpler life experienced from a bicycle seat and filled with the charm that only a small town can provide.

Events such as this are as much a celebration of small town America as they are about bicycles. Many of the participants are from larger cities and revel in the tranquil and friendly feel that a smaller, rural community has to offer.

At each stop, communities welcomed us in a simple yet genuine way.

In Clearwater, two young sisters entered the local establishment with a hearty "Welcome to Clearwater!" and a tray of baked goods made by their mother. They walked out with huge smiles and a wad of cash for their generosity.

It's the kind of priceless moment only a small town can provide.

In Neligh, the businesses decorated storefronts with



NMPP Energy photo

The Burwell, Neb., Chamber of Commerce welcomed cyclists to their city.

vintage bikes and window art and Mayor Jeri Anderson visited the campgrounds to chat with cyclists. Several groups also toured the Neligh Mill, the only 19th century flour mill in the state with all of its original equipment intact.

In Ewing, hungry cyclists were amazed at the size of bratwurst sizzling on an outdoor grill.

In Atkinson, cyclists gleefully turned back the clock 50 years with a visit to a soda fountain in the R F Goeke Variety Store.

Burwell's welcoming committee made sure each cyclist received plenty of information about the area and places to visit.

Rolling into St. Paul after 60 miles of sun-drenched rolling hills on the final day, I couldn't help but reflect on my experience and what Nebraska's small towns have to offer.

I embarked on the tour thinking what a treat it would be for towns to host 200 two-wheeled guests. It turned out, we were the ones treated with open arms and unending hospitality and it left me with a taste of wanting more.

NMPP Energy conveys well wishes to West Point community

The entire staff of NMPP Energy conveys its well wishes to the two city employees injured at the West Point, Neb., power plant in June as well as all the City of West Point

employees and the entire community.

The West Point News reported in mid-July the employees returned home and the healing process is going well.

Court looks at long-term power contracts

Is a long-term electric supply contract always a binding long-term power contract? The answer is still being hashed out in court.

Legislative Notes & Quotes



By Chris Dibbern

In the case involving Morgan Stanley Capitol Group Inc. vs. Public Utility District No. 1 of Snohomish County, the U.S. Supreme Court, in a divided opinion, ruled that contracts can be reviewed but did not instruct the Federal Energy Regulatory Commission (FERC) to reform

“It is dangerous to be right when the government is wrong.”

— Voltaire

the contracts.

The Supreme Court sent the case back to the Ninth Circuit Court of Appeals to allow FERC to determine if the public interest was harmed by the energy supply contracts signed in 2001.

The case arose when several utilities on the Western power grid purchased inflated long-term power contracts to avoid the then-skyrocketing wholesale spot market prices as part of the California energy crisis. Once the crisis passed, the utilities asked FERC to allow them to change the contracts to reflect newly lowered electricity prices. FERC ruled against the utilities, but the Ninth Circuit Court of Appeals ordered FERC to permit the changes.

Aquila sale complete

Great Plains Energy Incorporated received final permission

“Success isn’t permanent and failure isn’t fatal.”

— Mike Ditka

to purchase Aquila and will acquire all outstanding shares and debt of Aquila this summer.

Immediately prior to Great Plains Energy’s acquisition of Aquila, the Black Hills Corporation will acquire from Aquila its utilities and natural gas utility properties along with the associated liabilities. This results in the sale of Aquila’s natural gas utilities in Colorado, Kansas, Nebraska and Iowa and Colorado electric utility properties.

The Black Hills Corporate name will be used in the Midwest effective August 2008.

Chris Dibbern is general counsel of NMPP Energy. Contact her at cdibbern@nmppenergy.org or (800) 234-2595.

Stauffer selected for APPA Executive Committee



APPA photo

NMPP Energy Executive Director Gary Stauffer (middle back row) is joined on the APPA Executive Committee by (front row l-r) Lonnie Carter, Maude Grantham-Richards, Phyllis Currie, Terry Huval; (back row) Marc Gerken, Jorge Rodriquez Ruiz, Jesse Tilton, David Walters. Not pictured is Mark Bonsall.

NMPP Energy Executive Director Gary Stauffer was selected to serve on the American Public Power Association’s Executive Committee for 2008-09.

The Executive Committee consists of officers and selected members from APPA’s 36-member Board of Directors. Stauffer, who has served on the board since 2006, was selected for the Executive Committee by APPA Board Chair Maude Grantham-Richards, electric utility director of the Farmington, N.M., Electric Utility System, during the APPA National Conference in New Orleans in late June.

“I look forward to continuing working with leaders of public power utilities across the country in seeking solutions to the many challenges we face,” said Stauffer, who has more than 37 years of experience in the energy and primary metals industries.

Along with his service on the APPA Executive Committee, Stauffer also serves on the APPA Blue Ribbon Climate Change Task Force, the APPA Hometown Connections Board of Directors and as president of the Nebraska Power Association.

Ribbon-cutting ceremony part of West Point festivities

West Point, Neb., had plenty to celebrate over the July 4th weekend. The community of more than 3,600 marked its 150th anniversary with festivities throughout weekend and held a ribbon-cutting ceremony for the new Donald E. Nielsen Community Center.

The facility also includes the Shirley and Jake Weber Educa-



Member News

tion Center, which is the new regional home for Northeast Community College (NECC). The

NECC main campus is in Norfolk, Neb.

Construction on the 43,000 square-foot community center is scheduled to be completed soon. Pavers continue to be sold to raise funds for the center, which is being financed by private funds.

The community center features movable walls, allowing maximum flexibility to accommodate small groups or groups as large as 1,000. The front entrance features a brick mural depicting the West Point Mill that was originally built in the immediate area.

"The Donald E. Nielsen Community Center will be a tremendous asset to the community of West Point," said West Point Mayor Marlene Johnson. "This is a different kind of economic development tool. The trade shows, seminars, conferences and events that will be occurring will bring people from near and



West Point News photo

West Point, Neb., Mayor Marlene Johnson joins Nebraska Gov. Dave Heineman and other dignitaries in the ribbon cutting ceremony of the Donald E. Nielsen Community Center during the city's 150th anniversary celebration.

far. This is a wonderful way to showcase our City and surrounding area. We are fortunate that our City and area residents have the vision to make a building like this become a reality."

The street leading to the center was reconfigured into a divided street with old fashioned street lights in the median. The lights replicate the original downtown lights.

Along with the ribbon-cutting ceremony, the anniversary weekend was filled with different activities nearly every hour.

Lincoln Electric System

The American Public Power Association recently awarded Lincoln Electric System Administrator and Chief Executive Officer Terry Bundy with its 2008 James D. Donovan Individual Achievement Award.

Bundy was one of four individuals honored with the award.

The award recognizes public power executives who have made substantial contributions to the electric industry with a special commitment to public power.

Waverly Light & Power

Waverly, Iowa was hit hard by the June flooding in central Iowa. Waverly Light and Power was forced to shut off power to 25 percent of its customers after the Cedar River overflowed and flooded a portion of the city, according to the American Public Power Association.

The utility's board of trustees met in emergency session after the flood to address the situation. The board lowered its summer rate schedule to accommodate customers who may be forced to use more electric equipment such as sump pumps and dehumidifiers.

The board also dropped the requirement of having an energy audit to qualify for its HVAC rebate program, better accommodating flood-affected customers who need new heating and air conditioning equipment.

Gothenburg, Neb.

A groundbreaking ceremony was held in July for the Monsanto Water Utilization Learning Center. The \$6 million learning center is expected to be completed in April 2009, according to the North Platte Telegraph.

The site will focus on the development of drought-tolerant corn hybrids that will spur more consistent yields during periods of low moisture.



Shopping local has many benefits

If you have ever thought about the concept of shopping locally – here are 15 reasons to consider or reconsider:

Community Development Clips



By Corrinne Pedersen

1. Local businesses employ local people.
2. Local employees pay local taxes.
3. Local business people usually support other local businesses.
4. Local employees often support other local businesses.
5. Local businesses are often called on for local charities.
6. Local businesses contribute far more to local charities.
7. Local businesses support local athletic teams and other school/youth organization activities.
8. Local businesses provide many of the members of local service clubs, fire and ambulance volunteers.
9. Local service clubs are primarily dedicated to helping others “in need” as well as supporting many other good charitable causes.
10. Local businesses provide personal service to its customers.

11. Local businesses usually address problems directly, rather than directing the customer to contact the main office located elsewhere.

12. Local businesses are not constantly “merging” and “spinning-off.”

13. Local businesses support the local Chamber of Commerce/Commercial Club.

14. Local Chambers of Commerce provide many services and public activities which benefit the whole community.

15. Local businesses are us!

Is your Web site up to date?

When was the last time you looked at your Web site? It’s easy to forget to review it regularly, but remember, this may be the only connection your community has with a prospect.

I recently visited several member Web sites – community, utility, chamber of commerce and economic development sites – and found some sites interesting and well done, linked correctly and up to date. However, some had misspelled words and titles, incorrect numbers or incomplete or missing information and broken links.

If it was new in 2003, the word “new” needs to be deleted – it dates your site.

If you are constructing or updating your site, here are a few things to consider:

- Look at your community/organization from a visitor’s perspective and ask/answer questions from that perspective.

- Identify your target audience.

- For recruiting new businesses and industries, give facts, figures and appropriate maps and photos. It is said 90 percent of a decision to relocate or locate in a community is completed by looking at the Web site;

- If it’s for local resident use, use a different menu of options and appropriate information.

- Work with Web site builders who understand your community or organization and your mission and have the training to provide you the appropriate finished product.

- Is the content current, sourced and dated, and compelling? Be sure to factor in the time and talent to keep the site updated and relevant.

- Check for clear navigation, with all pertinent information in three clicks or less from the home page.

- Make it easy for visitors to make contact by including current contact information on each page.

Corrinne Pedersen is manager of member development of NMPP Energy and can be contacted at cpedersen@nmppenergy.org or (800) 234-2595.

Champions are businesses and organizations that support NMPP Energy's effort to provide products and services to members.



Consider these businesses when your utility or municipality has a business need. If your business is interested in becoming an NMPP Energy Champion, call Tim Sutherland at (800) 234-2595.

THIS MONTH'S FEATURED CHAMPION

River Oaks Communications Corporation

River Oaks Communications Corporation, based in Denver and Colorado Springs, Colo., has provided consulting services on cable television, wireless or other telecommunications matters in more than 30 states. The company provides consulting services for local governments that involve a variety of cable television, Wi-Fi and telecommunications projects.

River Oaks has successfully worked with several NMPP members. The principals of River Oaks have had their work published and have spoken at national, regional and local conferences on a variety of cable television issues.

River Oaks has extensive experience in negotiating cable franchise agreements with large and small cable companies; handling cable franchise renew-

als and transfers; conducting community needs assessments; drafting, finalizing and analyzing subscriber surveys; participating in broadband feasibility studies and meeting and working with local government staff personnel. Additionally, because consulting on cable and telecommunications matters is the core of River Oaks' business, the principals are very knowledgeable about and stay current on federal governmental issues and regulatory matters.

Given the complexity of FCC Orders and state legislation which impact cable television franchise renewals with existing cable operators and entry into the video marketplace by telephone companies, we encourage you to contact us. For more about River Oaks' services, call Bob Duchon at (303) 721-0653.

Cable franchise

Continued from page 1

industry.

Also, telephone companies are increasingly becoming active participants in providing cable television services. The federal rules and requirements governing the telephone companies' entry in the cable television marketplace

are lengthy and complicated.

It may be wise for a city to consider seeking an outside specialist to handle the cable franchise renewal process as well as when a telephone company enters the cable television market. Federal and state laws continue to change and the processes can

Champions Directory

Financial Services

Ameritas Investment Corp. Omaha, Neb.
Banc of America Securities LLC Denver, Colo.
Chapman and Cutler, LLP Salt Lake City, Utah
D.A. Davidson & Co. Omaha, Neb.
Goldman Sachs & Co. New York, N.Y.
Nebraska Energy Federal Credit Union
Columbus, Neb.
RBC Dain Rauscher Denver, Colo.
Smith Hayes Financial Corporation Lincoln, Neb.

Utility Services & Supplies

American Marking Corporation Omaha, Neb.
CheckVantage, Inc. Austin, Texas
EnergySolutions, Inc. Omaha, Neb.
Kriz-Davis Co. Grand Island, Neb.
NovaTech Lenexa, Kan.
PDS, Inc. Omaha, Neb.
Solomon Corporation Solomon, Kan.

Computer/Technology Services

i2rd Lincoln, Neb.
Midland Computer Lincoln, Neb.
Salt Creek Software, Inc. Lincoln, Neb.

Engineering Services

HDR Omaha, Neb.
JEO Consulting Group, Inc. Wahoo, Neb.
Lutz, Daily & Brain, LLC Overland Park, Kan.
Olsson Associates Lincoln, Neb.
Sawvel & Associates, Inc. Findlay, Ohio
Sega Inc. Stilwell, Kan.
Stanley Consultants, Inc. Muscatine, Iowa
Utility Engineering Corp. Omaha, Neb.

Legal Services

Spiegel & McDiarmid Washington D.C.

Telecommunication Services

River Oaks Communications Corp. Centennial, Colo.

be complex for those not dealing with these on a regular basis.

If you need assistance or more information about cable franchise renewals or telephone companies entering the cable television business, contact Bob Selzer at NMPP at (800) 234-2595.

Employment

Community/Economic Development Director

The City of **Arapahoe**, Neb., is seeking an energetic community/economic development professional. The community/economic development director is a full-time position under the general direction of the Arapahoe City Council and will coordinate all activities, programs, and operations of the economic development committee to enhance community and economic development in the City of Arapahoe. Requirements for this position include a bachelor's degree with advanced training and experience in economic development preferred and a valid Nebraska driver's license. Salary to be based upon qualifications and experience; benefits include vacation, sick leave, health insurance, and retirement package. Job description outlining complete requirements is available on the City's Web site: www.arapahoe-ne.com.

Please submit a cover letter and resume, including salary history, if available, to: City Clerk, City of Arapahoe, PO Box 235, Arapahoe, NE 68922. Position is open until filled. EOE.

Utilities Foreman

The City of **Chappell**, Neb., is accepting applications for the position of utilities foreman. The position is responsible for the management, operations and maintenance of the City-owned electric distribution system and water system. Electrical lineworker certification and municipal experience is preferred. Must be able to obtain a grade 4 water operator license; \$19-25/hour based on lineman qualifications; quality benefits package. Please forward resume and references to 757 2nd Street, Chappell, NE 69129 or e-mail cityhall@kci.net. Position will be open until filled. EOE.

Utility Worker

The Village of **Hemingford**, Neb., (pop. 993) is accepting applications for utility worker. A valid Nebraska driver's license is required. Work duties include testing, repair and maintenance of the municipal electric, water and sewer systems and streets. Wage is based on experience, including an excellent fringe benefit package. Position is open until filled. Applications can be obtained from the Village of Hemingford, P.O. Box 395, Hemingford, NE 69348; phone: (308) 487-3465. EOE

To submit an ad

NMPP members can advertise for free in the Essent newsletter. The deadline is the 15th of each month to run the following month. E-mail Kevin Wickham at kwickham@nmppenergy.org.

Essent is published as a service to NMPP Energy members. The subscription rate for nonmembers is \$50 per year. Send comments to: **Essent**, Attn: Editor, P.O. Box 95124, Lincoln, NE 68509 or e-mail: kwickham@nmppenergy.org; phone: (800) 234-2595 • Fax: (402) 474-0473 • www.nmppenergy.org

Publisher: J. Gary Stauffer, CEO, NMPP Energy

Editor: Bob Selzer, Director, Communications & Information Technology

Managing Editor: Kevin Wickham, Communications Specialist

NON PROFIT ORG
U.S. POSTAGE
PAID
PERMIT 402
LINCOLN, NE

NEW S L E T T E R
Essent

P.O. Box 95124
Lincoln NE 68509

