

City electricity rates to rise

Written by Elizabeth Barrett

Thursday, 16 December 2010 13:22 - Last Updated Thursday, 16 December 2010 13:24



City council introduces increase because of higher supply costs.

Residents and business owners better brace for an overall 6.5% hike in electricity costs.

Because of a 10.5% increase in wholesale power costs to the city by its supplier—Nebraska Public Power District—the city has no alternative to raising rates, according to city administrator Bruce Clymer.

At their Dec. 7 meeting, Gothenburg City Council members passed the measure on first reading. Two more readings are needed for final passage.

Clymer pointed out that the increase to the community doesn't cover the total cost.

“But we're sitting well where we're at with our electricity fund,” he said.

However he cautioned that the action may mean a larger increase in future years.

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Clymer said NPPD is facing increased costs because of changes it will have to make due to federal legislation.

Because of the large number of coal-fired plants NPPD uses to generate power, officials say it will be expensive to reduce greenhouse gases the plants emit because of the technology and resources required to do it.

Those measures are required under the American Clean Energy and Security Act.

Electricity rates were raised 6.5% in January of 2010 and 5% in 2009 because of what city officials said were rising wholesale power costs.

The council also added, on first reading, wording in the utility fee ordinance that customers will be billed \$20 for insufficient fund checks plus any fees accrued.

Clymer said he hopes the addition will prevent payment for utilities with insufficient funds checks.

There is no increase planned in 2011 for water and sewer rates.

Mayor Joyce Hudson questioned whether sewer rates need to be raised because of costs to investigate and prevent inflow and infiltration of water into sewer pipes in some areas of town.

Clymer said officials don't know the exact cost yet.

"I'd like to hold off until I know where we are," he said.

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On a related matter, council members then approved an agreement to pay Miller & Associates Consulting Engineers of Kearney \$5,000 to oversee the televising of sanitary sewer lines.

At an earlier meeting, the council voted to spend an estimated \$46,500 to film

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