

NPPD seeks new power contract from city

Written by Elizabeth Barrett
Friday, 26 April 2013 15:17 -



PAT POPE SCHROCK

City Hall in Gothenburg was just one whistle stop for Nebraska Public Power District officials who want a longer-term power agreement with Gothenburg.

NPPD's chief executive officer Pat Pope said he and other officials are visiting wholesale power customers, like Gothenburg, to talk about new partnership agreements.

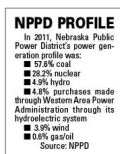
Pope, and NPPD board member Ed Shrock, addressed the Gothenburg City Council on April 16.

Because of needed upgrades to the company's energy-generating facilities like Cooper Nuclear Station in Brownville, Pope said NPPD needs financial resources.

For example, he said upgrades to Cooper alone are estimated to cost between \$250 million and \$450 million.

Cooling towers, which might be required by the US. Environmental Protection Agency at the Gerald Gentleman plant near Sutherland, could cost another \$100 million.

To raise money for improvements to Cooper and other facilities, he said NPPD will go to the bond market.



Longer-term agreements with wholesale customers are needed by the end of the year to reduce what NPPD will need to borrow, Pope said.

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Without the agreements, Pope said NPPD's bond rating will eventually be affected.

As NPPD plans for the future, Pope said several issues such as renewable energy, the decreased price of natural gas, federal environmental mandates and more all affect the power company and its planning.

He said NPPD takes into account customer and NPPD needs and sees what they have in common.

"We look at the lowest costs and the different power sources that produce the lowest cost," Pope said.

Before the recession in 2008, he said NPPD was selling power to outside sources for \$45 to \$50 a megawatt which has dropped to about \$20 a megawatt today,

As a result of that and other developments, Pope said NPPD cut budgets and raised rates.

Former state senator Ed Schrock, who is a NPPD board member, introduced himself to the council. Schrock represents Dawson County and seven other surrounding counties south and east of Gothenburg.

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