

Utility rates to rise

Written by Elizabeth Barrett
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Council proposes rate increases for electricity, water.

Equipment needs coupled with a 5.9% increase in wholesale power costs means rising electrical rates for Gothenburg consumers.

Water rates are also poised to go up.

At their Jan. 5 meeting, local city council members passed a utility rate ordinance on first reading in which electrical rates will rise 6.5% overall.

City administrator Bruce Clymer said a cost-of-service study by the Nebraska Municipal Power Pool and presented at a council retreat in December recommended the increase.

Nebraska Public Power District sells wholesale power to the city.

“Typically our increase is less than NPPD’s,” Clymer said.

But not this time.

The city administrator said there are equipment needs in the department within the next four to five years, pointing to the recent purchase of digger truck the city bought with a \$135,000 price tag.

Council member Jim Aden said the increase is also to keep the city’s cash reserve from dwindling.

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When separated from the rest of the utilities, Clymer said both the water and sewer department operated at a deficit in 2009.

At this time last year, the council raised electrical rates an overall 5% because of an increase in NPPD's operational costs—including a 7% rise in wholesale power.

Water rates weren't raised.

Under the new proposal however, costs for customers using three-quarter-inch water pipes—the size of most lines in Gothenburg—will increase a dollar, from \$14.70 to \$15.70 a month.

Users of larger sizes of pipes will also pay \$1 more monthly.

The council also proposes to raise the cost of a water hydrant hook-up fee from a one-time user fee of \$15.75 and water costs to \$100 plus water costs.

Clymer said it costs the city time to get hydrants ready for contractors and other users.

No change in sewer and solid waste rates are proposed at this time.

If the utility rate measure passes on final reading at the Feb. 2 meeting, the increase will be reflected on utility bills for January.

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