

NPPD's Quarterly Highlights

Second Quarter 2019

Overview of NPPD

NPPD, a public corporation and a political subdivision of the State of Nebraska, operates an integrated electric utility system including generation, transmission and distribution facilities.

Control of NPPD and its operations is vested in an 11-member Board of Directors, popularly elected from within NPPD's chartered territory, including all or parts of 86 of Nebraska's 93 counties.

NPPD Board of Directors

Jerry L. Chlopek.....	Columbus
Fred L. Christensen.....	Lyons
Barry D. DeKay	Niobrara
William D. Johnson	Pilger
Mary A. Harding	Plattsmouth
Charlie C. Kennedy.....	Scottsbluff
Ken Kunze	York
Melissa S. Freeland	Kearney
Bill C. Hoyt	McCook
Edward J. Schrock	Holdrege/Elm Creek
Gary G. Thompson	Clatonia

Statistical Highlights

	Six Months Ended June 30	
	2019	2018
Debt Service Coverage	1.66	1.99
System Peak Load, Megawatts (Anytime)	2,100	2,409
Firm Wholesale Electric Sales, Megawatt Hours	4,208,949	4,522,214
Retail Electric Sales, Megawatt Hours	1,604,488	1,693,721
Other Electric Sales, Megawatt Hours	4,151,147	3,438,052
Number of Retail Customers, Average	91,544	91,440

Condensed Financial Highlights

Balance Sheets	As of June 30	
	2019	2018
	<i>(In Thousands - Unaudited)</i>	
Current Assets	\$ 1,001,028	\$ 956,525
Special Purpose Funds	758,692	721,106
Utility Plant - Net	2,533,117	2,579,411
Other Long-Term Assets	332,292	364,879
Deferred Outflows of Resources	308,623	317,229
Total Assets & Deferred Outflows	\$ 4,933,752	\$ 4,939,150
Current Liabilities	\$ 197,785	\$ 223,840
Revenue Bonds	1,427,915	1,539,534
Notes and Credit Agreements	237,687	251,613
Other Long-Term Liabilities	994,231	1,029,068
Deferred Inflows of Resources	488,301	374,774
Net Position	1,587,833	1,520,321
Total Liabilities, Deferred Inflows & Net Position	\$ 4,933,752	\$ 4,939,150
	<i>(In Thousands - Unaudited)</i>	
Statements of Revenues, Expenses and Changes in Net Position	Six Months Ended June 30	
	2019	2018
Operating Revenues	\$ 499,514	\$ 548,906
Operating Expenses	(474,714)	(493,269)
Operating Income	24,800	55,637
Investment and Other Income	23,915	9,952
Debt and Related Expenses	(30,023)	(31,701)
Increase in Net Position	\$ 18,692	\$ 33,888
Sources of Operating Revenues		
Firm Sales - Wholesale and Retail	\$ 381,975	\$ 412,083
Participation Sales	29,972	32,409
Other Sales	88,325	69,983
Other Operating Revenues	38,524	40,138
Unearned Revenues	(39,282)	(5,707)
Total Operating Revenues	\$ 499,514	\$ 548,906

Highlights Discussion

For the six months ended June 30, 2019, operating revenues totaled \$499.5 million, which was \$49.4 million less than the same period last year. Firm wholesale electric sales and energy were lower due to continued reductions from customers under the 2002 Wholesale Power Contracts who will no longer purchase electric service from NPPD beginning in 2022. Firm retail electric sales and energy were lower due primarily to a reduction in sales to industrial customers. Participation sales were lower due primarily to lower generation at participation wind facilities. However, other sales revenues were \$18.3 million greater than the same period last year due primarily to higher energy market sales in the Southwest Power Pool Integrated Market.

Unearned revenues were the net activity in rate stabilization and other regulatory accounts. The reduction in operating revenues for unearned revenues for the first six months of 2019 was \$33.6 million more due primarily to a larger deferral for surplus revenues and the deferral of revenues collected in 2019 for the 2020 Cooper Nuclear Station outage.

Operating expenses totaled \$474.7 million, which was \$18.6 million less than the same period last year. The change from the prior year was due primarily to lower purchased power expense, administrative and general expenses, and depreciation expense, which was partially offset by higher decommissioning expense.

Investment and other income totaled \$23.9 million, which was \$14.0 million more than the same period last year. The change from the prior year was due primarily to increases in the fair market value of invested funds and interest income.

Debt and related expenses totaled \$30.0 million, which was \$1.7 million less than the same period last year. The change from the prior year was due primarily to a decrease in interest expense from fewer outstanding revenue bonds.

The increase in net position totaled \$18.7 million, which was \$15.2 million less than the same period last year. The change in net position was lower compared to the same period in 2018 due primarily to a larger deferral or reduction of revenues and a decrease in revenue collections to pay down debt, partially offset by an increase in revenue collections for construction expenditures, unrealized market gains on investments, and lower depreciation expense.



Nebraska Public Power District

Always there when you need us

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