

NPPD's Quarterly Highlights

Second Quarter 2020

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. Freelend	Kearney
Bill C. Hoyt	McCook
Edward J. Schrock	Holdrege/Elm Creek
Gary G. Thompson	Clatonia

Statistical Highlights

	Six Months Ended June 30	
	2020	2019
Debt Service Coverage	1.85	1.66
System Peak Load, Megawatts (Anytime)	2,398	2,100
Firm Wholesale Electric Sales, Megawatt Hours	4,071,407	4,208,949
Retail Electric Sales, Megawatt Hours	1,571,068	1,604,488
Other Electric Sales, Megawatt Hours	4,187,423	4,151,147
Number of Retail Customers, Average	91,925	91,544



Nebraska Public Power District
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www.nppd.com
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Condensed Financial Highlights

Balance Sheets	As of June 30	
	2020	2019
	<i>(In Thousands - Unaudited)</i>	
Current Assets	\$ 924,106	\$ 1,001,028
Special Purpose Funds	883,290	758,692
Utility Plant - Net	2,553,201	2,533,117
Other Long-Term Assets	294,109	332,292
Deferred Outflows of Resources	261,910	308,623
Total Assets & Deferred Outflows	\$ 4,916,616	\$ 4,933,752
Current Liabilities	\$ 205,548	\$ 197,785
Revenue Bonds	1,329,151	1,427,915
Notes and Credit Agreements	228,129	237,687
Other Long-Term Liabilities	987,793	994,231
Deferred Inflows of Resources	463,287	488,301
Net Position	1,702,708	1,587,833
Total Liabilities, Deferred Inflows & Net Position	\$ 4,916,616	\$ 4,933,752

Statements of Revenues, Expenses and Changes in Net Position	Six Months Ended June 30	
	2020	2019
	<i>(In Thousands - Unaudited)</i>	
Operating Revenues	\$ 521,063	\$ 499,514
Operating Expenses	(484,672)	(474,714)
Operating Income	36,391	24,800
Investment and Other Income	33,254	23,915
Debt and Related Expenses	(25,262)	(30,023)
Increase in Net Position	\$ 44,383	\$ 18,692
Sources of Operating Revenues		
Firm Sales - Wholesale and Retail	\$ 356,795	\$ 381,975
Participation Sales	30,774	29,972
Other Sales	67,425	88,325
Other Operating Revenues	36,298	38,524
Unearned Revenues	29,771	(39,282)
Total Operating Revenues	\$ 521,063	\$ 499,514

Highlights Discussion

For the six months ended June 30, 2020, operating revenues totaled \$521.1 million, which was \$21.5 million more than the same period last year. Firm load demand and energy revenues were both lower for the first six months of 2020 compared to the same period in 2019. Firm revenues were lower than the prior year due to several factors including the weather, a larger refund to wholesale customers through the Production Cost Adjustment rate, additional reductions by certain wholesale customers under the 2002 Contracts, additional reductions for qualifying local generation as allowed under the 2016 Contracts, and a COVID-19 pandemic-related decline in end-use sales to some customers. However, there has been a recent uptick in end-use sales as steps have been taken to re-open the economy. Other sales revenues were \$20.9 million lower than the same period last year due primarily to a decrease in market prices in the Southwest Power Pool Integrated Market.

Unearned revenues were the net activity in rate stabilization and other regulatory accounts. The increase in operating revenues for unearned revenues for the first six months of 2020 was \$69.1 million more than the same period last year due primarily to the recognition of revenues collected in 2019 for the 2020 Cooper Nuclear Station outage and a larger deferral of 2019 revenues for use for rate stabilization in future rate periods.

Operating expenses totaled \$484.7 million, which was \$10.0 million more than the same period last year. The change from the prior year was due primarily to higher costs for purchased power, transmission, administrative & general, and decommissioning expenses. These higher operating costs were partially offset by lower fuel and production costs. Fuel expense was lower than the same period last year due to a decrease in generation as a result of the lower energy sales to firm customers. Production costs were lower due primarily to the District postponing non-critical plant outage work activities to reduce the number of employees and outside contractors at District facilities because of COVID-19.

Investment and other income totaled \$33.3 million, which was \$9.3 million more than the same period last year. The change from the prior year was due primarily to an increase in interest income. Debt and related expenses totaled \$25.3 million, which was \$4.8 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 \$44.4 million, which was \$25.7 million more than the same period last year. The change in net position was higher compared to the same period last year due primarily to planned changes in the year-to-date timing of net revenues and an increase in revenue collections for principal payments for debt service in 2020, which were partially offset by a decrease in revenue collections for capital projects and higher depreciation expense in 2020.