

# NPPD's Quarterly Highlights

## Third 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

	Nine Months Ended	
	September 30 2020	September 30 2019
Debt Service Coverage	2.30	2.32
System Peak Load, Megawatts (Anytime)	2,848	2,603
Firm Wholesale Electric Sales, Megawatt Hours	7,060,554	6,733,889
Retail Electric Sales, Megawatt Hours	2,439,028	2,410,203
Other Electric Sales, Megawatt Hours	5,094,056	6,412,556
Number of Retail Customers, Average	92,242	91,698



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## Condensed Financial Highlights

Balance Sheets	As of September 30	
	2020	2019
	<i>(In Thousands - Unaudited)</i>	
Current Assets	\$ 950,762	\$ 1,033,069
Special Purpose Funds	877,860	773,096
Utility Plant - Net	2,559,968	2,539,275
Other Long-Term Assets	281,843	331,304
Deferred Outflows of Resources	91,718	256,334
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 4,762,151</b>	<b>\$ 4,933,078</b>
Current Liabilities	\$ 181,952	\$ 173,477
Revenue Bonds	1,325,747	1,423,904
Notes and Credit Agreements	235,502	227,864
Other Long-Term Liabilities	783,811	960,628
Deferred Inflows of Resources	456,693	486,441
Net Position	1,778,446	1,660,764
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b>\$ 4,762,151</b>	<b>\$ 4,933,078</b>

Statements of Revenues, Expenses and Changes in Net Position	Nine Months Ended	
	September 30 2020	September 30 2019
	<i>(In Thousands - Unaudited)</i>	
Operating Revenues	\$ 858,192	\$ 815,747
Operating Expenses	(745,309)	(713,668)
Operating Income	112,883	102,079
Investment and Other Income	44,422	33,939
Debt and Related Expenses	(37,184)	(44,395)
<b>Increase in Net Position</b>	<b>\$ 120,121</b>	<b>\$ 91,623</b>
<b>Sources of Operating Revenues</b>		
Firm Sales - Wholesale and Retail	\$ 604,244	\$ 618,431
Participation Sales	47,183	44,042
Other Sales	81,139	131,460
Other Operating Revenues	52,948	57,126
Unearned Revenues	72,678	(35,312)
<b>Total Operating Revenues</b>	<b>\$ 858,192</b>	<b>\$ 815,747</b>

## Highlights Discussion

For the nine months ended September 30, 2020, operating revenues totaled \$858.2 million, which was \$42.4 million more than the same period last year. Firm energy revenues were lower for the first nine months of 2020 compared to the same period in 2019 due to several factors including a larger refund to wholesale customers through the Production Cost Adjustment rate, additional reductions by certain wholesale customers under the 2002 Contracts, and additional reductions for qualifying local generation as allowed under the 2016 Contracts. Firm energy sales, which had been down year-to-date June 2020 from the prior period in part due to COVID-19, were higher year-to-date September 2020 over the prior period due primarily to a hotter, drier summer. Other sales revenues were \$50.3 million lower than the same period last year due primarily to lower energy market sales and prices in the Southwest Power Pool (SPP) Integrated Market. The lower energy market sales were due primarily to an unplanned outage at Gerald Gentlemen Station (GGS) Unit 2.

Unearned revenues were the net activity in rate stabilization and other regulatory accounts. The increase in operating revenues for unearned revenues for the first nine months of 2020 was \$108.0 million more than the same period last year due primarily to the recognition of revenues collected in 2019 for the 2020 Cooper Nuclear Station (CNS) outage, a larger deferral of 2019 revenues for use for rate stabilization in future rate periods, and an increase in rate stabilization funds used in 2020.

Operating expenses totaled \$745.3 million, which was \$31.6 million more than the same period last year. The change from the prior year was due primarily to higher costs for power purchased, production, and decommissioning expenses. Power purchased was higher due to additional energy purchases from wind facilities and increased purchases from SPP because of the GGS Unit 2 outage. Production expenses were higher due primarily to pre-outage costs incurred at CNS. Decommissioning expense, which consists of amounts collected in rates and the investment income on decommissioning funds, was higher due primarily to an increase in investment income. Fuel expense was lower than the same period last year due primarily to the unplanned outage at GGS Unit 2.

Investment and other income totaled \$44.4 million, which was \$10.5 million more than the same period last year. The change from the prior year was due primarily to an increase in investment income for decommissioning funds. Debt and related expenses totaled \$37.2 million, which was \$7.2 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 \$120.1 million, which was \$28.5 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 the recognition of revenues collected in 2019 for the 2020 CNS outage 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, a decrease in unrealized market gains on investments, and higher depreciation expense in 2020.