

# NPPD's Quarterly Highlights

## First Quarter 2016

### Overview of NPPD -

NPPD is a public corporation and a political subdivision of the State of Nebraska, operating an integrated electric utility system which includes facilities for the generation, transmission and distribution of electric power and energy to wholesale and retail customers.

Control of NPPD and its operations are vested in a Board of Directors consisting of 11 members popularly elected from districts comprising subdivisions of NPPD's chartered territory.

The NPPD Board of Directors is authorized to establish rates.

### NPPD Board of Directors

Jerry L. Chlopek.....	Columbus
Fred L. Christensen.....	Lyons
Barry D. DeKay.....	Niobrara
Virgil L. Froehlich.....	Norfolk
Mary A. Harding.....	Milford
Thomas J. Hoff.....	Broken Bow
Ken R. Kunze.....	York
Ronald W. Larsen.....	Kearney
Larry E. Linstrom.....	North Platte
Edward J. Schrock.....	Holdrege/Elm Creek
Gary G. Thompson.....	Beatrice

### Statistical Highlights -

	Three Months Ended March 31	
	2016	2015
Debt Service Coverage	2.21	1.69
System Peak Load, Megawatts (Anytime)	2,139	2,151
Firm Wholesale Electric Sales, Megawatt Hours	2,184,441	2,282,338
Retail Electric Sales, Megawatt Hours	814,080	846,689
Other Electric Sales, Megawatt Hours	1,915,848	2,107,964
Number of Retail Customers, Average	90,603	90,176

### Condensed Financial Highlights -

Balance Sheets	As of March 31	
	2016	2015
	<i>(In Thousands - Unaudited)</i>	
Current Assets	\$ 792,293	\$ 767,395
Special Purpose Funds	745,187	805,896
Utility Plant - Net	2,517,930	2,478,924
Other Long-Term Assets*	341,885	802,744
Deferred Outflows of Resources	46,412	44,672
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 4,443,707</b>	<b>\$ 4,899,631</b>
Current Liabilities	\$ 208,550	\$ 217,397
Revenue Bonds	1,584,849	1,724,465
Commercial Paper Notes	110,150	92,000
Revolving Line of Credit	157,486	176,458
Other Long-Term Liabilities*	742,266	1,172,258
Deferred Inflows of Resources	268,203	253,784
Net Position	1,372,203	1,263,269
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b>\$ 4,443,707</b>	<b>\$ 4,899,631</b>
	<small>*The Asset Retirement Obligation for Cooper Nuclear Station and related regulatory asset was reduced by \$477.8 million based on the results of an updated study and refreshed assumptions in December 2015.</small>	
Statements of Revenues, Expenses and Changes in Net Position	Three Months Ended March 31	
	2016	2015
	<i>(In Thousands - Unaudited)</i>	
Operating Revenues	\$ 281,218	\$ 272,947
Operating Expenses	238,475	242,124
Operating Income	42,743	30,823
Investment and Other Income	12,204	8,739
Debt and Other Expenses	14,928	17,417
<b>Increase in Net Position</b>	<b>\$ 40,019</b>	<b>\$ 22,145</b>
Sources of Operating Revenues		
Firm Sales - Wholesale and Retail	\$ 194,316	\$ 203,144
Participation Sales	18,932	20,898
Other Sales	23,122	33,825
Other Operating Revenues	16,583	15,625
Unearned Revenues	28,265	(545)
<b>Total Operating Revenues</b>	<b>\$ 281,218</b>	<b>\$ 272,947</b>

### Highlights Discussion -

For the three months ended March 31, 2016, operating revenues totaled \$281.2 million, which was \$8.3 million greater than the same period last year. However, firm and other revenues were \$20.5 million less than the same period last year due primarily to a weather-related decrease in energy sales and lower market prices in the Southwest Power Pool Integrated Market. The net increase in operating revenues was due primarily to the recognition of \$28.8 million more in unearned revenues than the same period last year.

Operating expenses totaled \$238.5 million, which was \$3.6 million less than the same period last year. The change from the prior year was due primarily to reduced power generation with related decreases in fuel and operation and maintenance expenses. These expense reductions were partially offset by higher administrative and general costs due to an increase in funding for other post-employment benefits and higher purchased power expense. The increase in purchased power expense was primarily due to greater purchases from Nebraska City 2, as this station was in an extended outage during the same period last year.

Investment and other income totaled \$12.2 million, which was \$3.5 million more than the same period last year. The change from the prior year was due primarily to an increase in the fair market value of invested funds.

Debt and other expenses totaled \$14.9 million, which was \$2.5 million less than the same period last year. The decrease from the prior year was due primarily to lower average interest cost on outstanding debt.

The increase in net position totaled \$40.0 million, which was \$17.9 million greater than the same period last year. The change was due primarily to an increase in revenue requirements for debt service principal payments and a refund of higher unearned revenues for the three months ended March 31, 2016, compared to the revenue requirements for the same period in 2015.



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