



◆ 2017 ◆ **ANNUAL REPORT**

DISTRICT STATISTICS

Founded: 1933

Headquarters: Columbus, Nebraska

Local Offices: Albion, Cedar Rapids, Clarkson,
Columbus, Fullerton, Genoa, Humphrey,
Newman Grove, and St. Edward

Service Centers: Albion, Columbus, and Fullerton

Powerhouses: Columbus and Monroe

Diversion: Genoa Headworks

Wholesale Power: Nebraska Public Power District (NPPD)

Service Area: 2,219 square miles

Miles of Line:

Overhead Distribution — 493
Transmission — 256
Underground — 42

Distribution Substations: 41

Transmission Substations: 12

Customers: 19,199

Employees: 123

2017 *A great year for generation coupled with license woes*



by **Neal Suess**
President/CEO

2017 was a good financial year for the District. Revenues produced were above the District's costs, which is a positive. This contributes to additional reserves for the District, which can be used for capital improvement projects in the future.

Retail sales revenue increased 0.7 percent over 2016. Although revenue from the sales of the hydro system to NPPD was somewhat lower than in 2016, 2017 was still a great year for producing electricity from this resource — 2017 finished in the top ten of annual generation from the hydroelectric facility.

Again in 2017, similar to past several years, the District earned enough money to cover expenses of running the electric and hydroelectric systems and to cover the costs associated with the capital projects the District undertook.

The District's utility plant in service increased by 1.3 percent in 2017, as compared to 2016. In addition, in December 2017, the refinancing of the District's 2007 bond issue was completed, thereby saving approximately \$2.5 million over the next ten years in interest costs.

In May 2017, the District received the new license to operate the hydroelectric facility from the Federal Energy Regulatory Commission.

Due to the water flow requirements, and other monitoring requirements contained in this new license, the District could see significant reductions in revenue from the energy generated from the hydroelectric facility, and see increased costs associated with

monitoring efforts required under the license order.

There are several other regulatory issues that continue to increase costs for the District. These include cyber security efforts, as well as physical security efforts.

These burdens are being placed on all electric utilities, as more and more attacks on computer and physical systems occur throughout the United States.

The District has been able to accomplish the above, without an increase to most retail rates in 2016, 2017 and 2018.

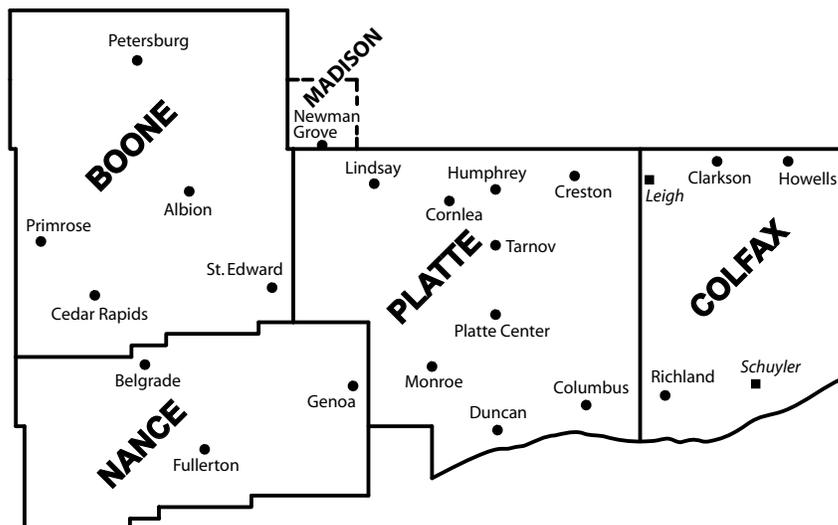
Providing low-cost, reliable electric service to all of our customers is the goal of the District's Board of Directors and something they value deeply.

In addition, the District is purchasing a significant amount of renewable, wind energy, all from the Creston Ridge Wind Farm. The final three turbines from this wind farm went into commercial operation in June 2017.

The Board of Directors, management, and employees of the District are thankful for the support of all of our customers. The electric utility industry is going through changes and challenges on many levels. However working together with our customers, the District can make a difference in your lives.



SERVICE AREA



WHOLESALE CUSTOMERS:
Leigh
Schuyler

FINANCIAL INFORMATION

	2017	2016
ASSETS		
Net Utility Plant	\$102,674,096	\$96,708,464
Cash & Current Assets	57,222,693	53,716,799
Other	2,174,885	10,051,646
Total Assets	\$162,071,674	\$160,476,909
LIABILITIES		
Beg Retained Earnings	\$102,978,325	\$97,725,511
Net Gain (Loss)	4,703,772	5,252,814
Current Liabilities	25,774,722	25,683,546
Deferred Credits	707,544	675,326
Long Term Debt	27,907,311	31,139,712
Total Liabilities	162,071,674	\$160,476,909
REVENUES		
Retail	\$87,109,464	\$86,566,450
Wholesale	9,349,518	9,140,327
NPPD — Hydro Utilization	9,313,039	9,552,875
Other	925,144	906,424
Total Revenue	\$106,697,165	\$106,166,076
EXPENSES		
Purchased Power	\$74,328,155	\$73,140,397
Operations Expenses	9,073,820	9,073,496
Maintenance Expenses	6,027,303	6,164,751
In-Lieu-of-Taxes	6,860,659	6,798,208
TOTAL EXPENSES	\$96,289,937	\$95,176,852
Generated from Operations	\$10,407,228	\$10,989,224
Depr. Charged to O & M	559,079	561,174
Interest Income & Other	-339,855	-708,508
Retired Debt	-2,725,000	-2,635,000
Available for Construction	7,901,452	8,206,890
Construction Expenditures	3,610,459	5,196,423



DAVID BELL
Vice President
of Development/Marketing



DAN HELLBUSCH
Vice President of Operations



WALT WILLIAMS
Vice President of
Administrative Services/CFO



RON ZIOLA
Vice President of Engineering

2017 BOARD OF DIRECTORS



MIKE FLEMING
Chairman
Subdivision 8



RICH AERNI
First Vice Chairman
Subdivision 10



LARRY ZACH
Second Vice Chairman
Subdivision 7



FRANCIS SAND
Secretary
Subdivision 3



DICK TOOLEY
Treasurer
Subdivision 9



BOB CERV
Subdivision 4



JIM DONOGHUE
Subdivision 6



ALAN DROZD
Subdivision 2



ROSS KNOTT
Subdivision 1



CHRIS LANGEMEIER
Subdivision 5

Thirteen Loup employees traveled to Florida in September to help restore power following Hurricane Irma.

