



planning for the future



Cornhusker Public Power District
2014/2015 Business Report

greetings!

Greetings to all our customers. As you read this biannual business report you will see Cornhusker Public Power District is actively planning for the future. Installing an advanced metering system and building a new substation encompass some of the system improvements being done for the District's future growth.

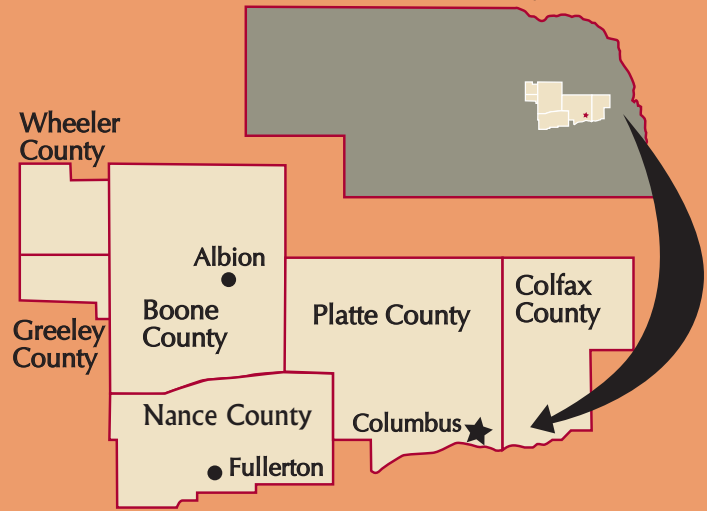
Cornhusker Public Power District did extensive research on advanced metering systems. A pilot program was launched and was very successful. Our customer meters are being replaced with Grid-stream meters. We are now in the final phase of the project.

The Board of Directors and the Management team understand we are entrusted with your hard earned dollars and we are to invest those dollars wisely to ensure we are able to provide you with safe, fair and affordable electricity.

I encourage you to contact your elected Board of Director or our office with concerns and/or ideas; as we are truly here to serve you now and into the future!

Andrew Daniels, Board President
Clay A. Gibbs, CEO/GM

Service Map



our mission

The mission of Cornhusker Public Power District is to safely provide our customers with quality electric and customer service that is competitively priced. Cornhusker Public Power District will continue to develop load management techniques and marketing programs to improve load factor. It is further the mission to improve the quality of life to individuals by striving to bring economic development and other services to the area through participation in area development. This will be accomplished with a highly trained and efficient staff in conjunction with well-informed customers.

about us

- Cornhusker Public Power is a not-for-profit electric distribution utility that sells electricity at cost to industrial tracts and rural portions of Platte, Colfax, Boone, Nance, Greeley and Wheeler counties.
- Cornhusker Public Power District has 43 full-time and three part-time employees.
- The District buys power from Nebraska Public Power District and distributes it to 9,809 electric services over 3,234 miles of distribution line.
- Customers per mile of line is 3.03.
- The service area covers 2,250 square miles.
- Cornhusker Public Power District was organized on January 2, 1943.
- Ten publicly elected board of directors make policy decisions.
- Headquarters:
Columbus, Nebraska
- Service Centers:
Albion, Nebraska
Fullerton, Nebraska

reliable service

There's not a lot that stops power in Nebraska. The lights stay on, in part, to the hard work and dedication of our crews. As a result, we enjoy some of the most reliable power anywhere. Over the last five years, we have been able to provide 99.985 percent reliability, based on average outage hours per customer per year.

System Reliability

2015 **99.992%**

2014 **99.986%**

2013 **99.969%**

2012 **99.992%**

2011 **99.988%**

System upgrades improve reliability

Cornhusker Public Power District works to ensure stable voltage and increase capacity. Several system upgrades were made including building three new regulator banks and rebuilding three regulator banks for added load.

Engineering and Planning Director Bobby Jones said, "Our Engineering Department always plans for future growth. We engineered and built a new low profile substation with provisions for six transformers located northwest of Belgrade (81-34) with initial capacity of 7.5 MVA." The new substation came online June 2014.

A 2500 KVA transformer was added near Superior Industries, a 500 KVA padmount installed at Gene Steffy Ford, and 500 KVA padmount installed at Niewohners north of Spalding.

Other systems upgrades were completed included various underground and overhead line extensions for 8 hog units, various grain bin services, rebuilds, and irrigation services.

low cost electricity

Cornhusker scores high on operational efficiency

Cornhusker Public Power District scores high in operational efficiency compared to other state and national utilities.

Cornhusker Public Power District's average total operation expense per kilowatt hour (kWh) sold is \$.0134. This compares to the national median of \$.0222 per kWh and a state median of \$.0197 per kWh.

Cornhusker Public Power's total operating expense per kWh is 39.6% below the national median and 31.9% below the state median.

The figures compiled by the National Rural Utilities Cooperative Finance Corporation compare over 813 non-profit rural electrics.

Rates

Cornhusker Public Power District's rates are among the lowest in the country according to the Key Trend Analysis report.

In the U.S., Cornhusker Public Power District's rates ranks 155 out of 813 systems. Cornhusker Public Power District's rates are 15.5% below the national median and

11.4% below the state median. Cornhusker Pub-

lic Power District is committed to providing rural Nebraskans with affordable electricity, as well as outstanding reliability and customer service.



Lead Meter Technician Dean Fuchser and Engineering Supervisor John Kaup use a tablet to access information in the field. August, 2015

Irrigation load control cuts wholesale power bill

We work to make our power bill as low as possible using load control technology to manage costs efficiently.

The cost for wholesale electricity is based on the highest peak. When we cut the peak, everyone saves. At the end of 2015, Cornhusker Public Power District served 2,291 electric irrigation wells. Of those, 2,186 were in the irrigation load control program. Load was controlled 16 days in 2015 and 11 days in 2014.

Operating Revenue — For the Years Ended

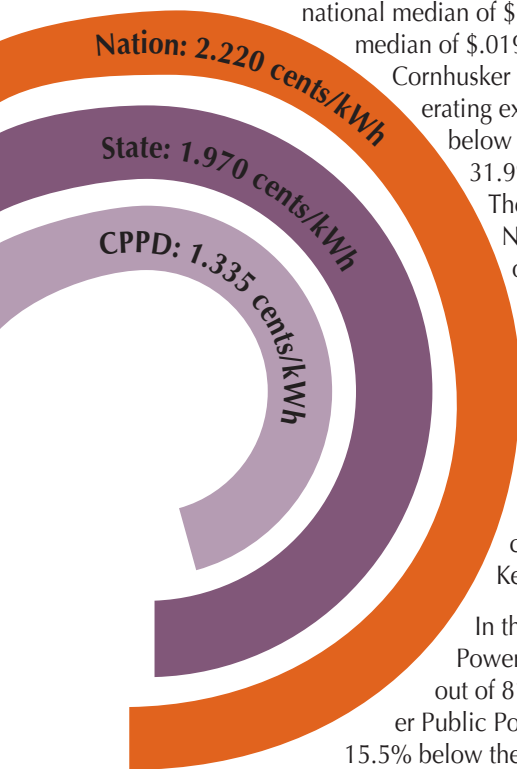
2015 \$34,600,000

2014 \$35,350,000

2013 \$36,300,000

2012 \$35,000,000

2011 \$28,700,000

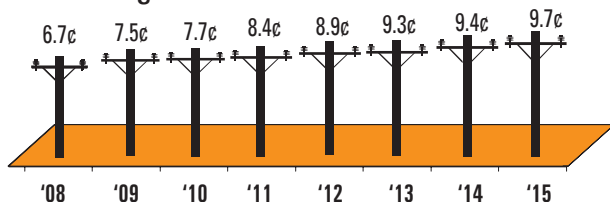


Bond rating at AA-/Stable

Cornhusker Public Power District's rating from *Standard and Poor's* for issuing tax-exempt bonds is AA-/Stable. Cornhusker Public Power District's good rating reflects a solid and reliable financial performance supported by the following credit strengths:

- Consistently stable financial performance over the past three years (2012-2015)
- Cost-based purchased-power agreement with Nebraska G&T acting on behalf of Nebraska Public Power District provides Cornhusker Public Power District with very competitively priced purchased power
- A voluntary and highly subscribed-to load management program shifts the bulk of irrigation load to off-peak hours in the summer, saving an estimated \$2 million annually in wholesale power costs

Average Cost of Kilowatt Hours Sold

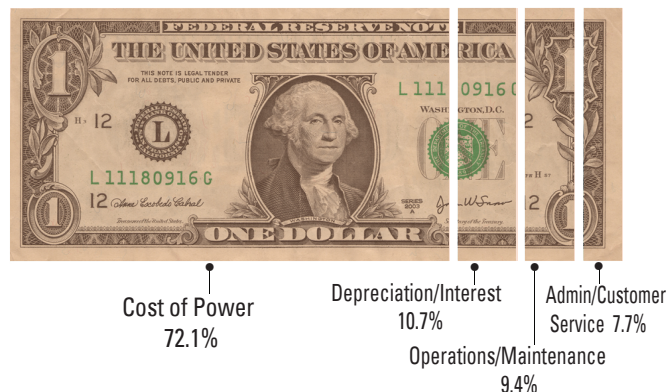


Line Technicians (from left) Jim Baumert, Clint Williams and Eric Brabec install a three-phase service. May, 2015

operations

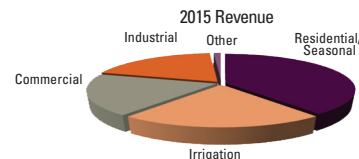
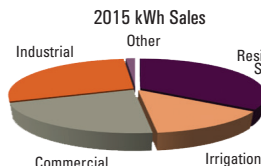
When Cornhusker Public Power District breaks down the average kWh into its expense components, you can see how the percentage of each expense contributes to the overall cost. The largest expense is the cost of power, which was 72.1% of our total expense for 2015.

How Is My Electricity Dollar Spent?



Comparison of Revenue to Sales in 2015

Type of Customer	kWh Sales	Revenue
Residential/Seasonal	122,721,934	\$13,557,684
Irrigation	48,808,839	\$7,431,879
Commercial	76,324,028	\$6,521,303
Industrial	104,026,635	\$6,674,325
Other	5,617,826	\$406,250



A strong mix of commercial, industrial and farming sales supported by a reliable residential load provides excellent diversity to a solid customer base..

Utility Plant Worth— For the Years Ended

2015 \$90,400,000

2014 \$86,100,000

2013 \$81,400,000

2012 \$78,500,000

2011 \$75,100,000

New automated meters installed

In March 2014, Cornhusker Public Power District started switching-out customer meters with new automated meters (AMI). The new digital meters benefit both Cornhusker Public Power District and our customers. The benefits are: improved meter reading capability; improved power quality and reliability; and improved outage notification.

“By improving the efficiency of both operations and electricity delivery we can keep costs down for customers,” said Metering Director Terry Ludden.

“With meter information received in real-time, it helps when operating irrigation load and with the self-disconnect on the meter, it also cuts down on service calls,” he



IT/Communication Supervisor Brett Olson (left) and Metering Director Terry Ludden (right) display a new AMI meter. February, 2014

added. In addition to reducing operational costs, the AMI meters receive and send meter data to computers in our office. The new technology allows detection of problems quickly and the location of outages more precisely. “In some cases, we can fix the problem before customers know their power is off,” said Ludden.

The meters, which provide information about power use, will help customers understand how and when they are using electricity. With this information, Cornhusker Public Power District customer service representatives can help customers address billing inquiries.

Incentive programs offered

Cornhusker Public Power District offered two new ENERGYWISESM incentive programs in 2014; the residential LED lighting program and the hog mat incentive program.

Efficiency programs make sense for the customer by reducing their energy costs. They make sense for the environment by reducing the amount of natural resources required to produce electricity.

In 2014, \$76,464 was incented to customers in the form of rebate checks or bill credits. The demand reduction caused by customers installing ENERGYWISESM efficiency measures was 127.1 KW and the energy reduction was 9,013,032 kWh. In 2015, \$95,775 was incented to participating customers with a demand reduction of 206.3 KW and an energy reduction of 13,614,732 kWh.

ENERGYWISESM brochures, complete program guidelines, and application forms are available on our website: www.cornhusker-power.com.



here's a
bright
idea



safety

Electrical safety awareness

Teaching the public to be safe around electricity is one of the most important outreaches a power district can offer. Cornhusker Public Power District offers safety programs to schools and day camps. Businesses often request safety programs for their employees as well.

Schools

A total of 876 fifth grade students in the Cornhusker Public Power District service area participated in school classroom electrical safety programs in 2014 and 2015.

"After the one hour class, students better understand conductors, insulators, and that electricity is always seeking the ground. They understand the importance of treating electricity with respect," said Information and Marketing Director Karen Schlautman.

Farm meetings

In 2014 and 2015, Cornhusker Public Power District taught electrical safety to farmers before private pesticide applicator trainings. A total of twelve sessions in the towns of Albion, Columbus, Fullerton, Humphrey, St. Edward and Schuyler reached 715 farming customers.

Day Camps

Cornhusker Public Power District's Karen Schlautman taught electrical safety at the Progressive Agriculture Safety Day Camp for third graders at the Boone County Fairgrounds. Seventy-four students learned about safety in 2014 and seventy-six students participated in 2015.

community

Goodwill Fund donations exceed \$281,000

Approximately 56% of Cornhusker Public Power District customers voluntarily round-up their electricity bill to the next highest dollar. All funds collected are placed in the Cornhusker Power Goodwill Fund and are used exclusively for charitable purposes.

In 2015, \$14,670 was given to area charities including \$4,180 given to schools in Albion, Cedar Rapids, Clarkson, Columbus, Genoa, Howells, Humphrey, Leigh, Newman Grove, Richland, St. Edward, Schuyler and Spalding. In 2014, \$13,963.63 was given to area charities.

Strengthening our communities

Cornhusker Public Power District partners with Loup Public Power District and Central Community College to help communities share examples of economic successes, introduce them to available resources and help them learn ways to improve their communities.

In 2015, Petersburg, Lindsay, Fullerton and Schuyler hosted

meetings. In 2014, host towns were Clarkson and Cornlea. People from surrounding communities come together for a town tour, program and dinner. Cornhusker Public Power District takes pride in helping small towns prosper.



Cornhusker Power Goodwill Fund Trustee Magdaline Svec (c) presents \$500 to Howells Volunteer Fire Department's Fire Chief Michael Semerad (r) and Austin Coufal (l). November, 2015



Information and Marketing Director Karen Schlautman taught electrical safety to 76 Boone County area third-grade students in Albion, NE. April, 2015



At Vehicle Day, Line Technicians Eric Brabec (l) and Bryce Theilen (r) answer students' questions about the digger derrick truck. September, 2015

Vehicle Day

In the fall of 2014 and 2015, Cornhusker Public Power District participated in two Vehicle Days at Ag Park. Over 650 Columbus Public School first graders viewed vehicles from area business, industry and city operations showing students how certain vehicles help their community.

Online bill payments

Cornhusker Public Power District introduced ebill in 2014. Customers can pay their electric bill online with the touch of a button. Customers simply go to www.cornhusker-power.com and click on the ebill link to sign up. Advantages to ebill are unlimited bill payment access (24 hours a day/seven days a week) and no phone delays or waiting time.

serving you

Planning for the future

We have a responsibility to ensure the concerns of rural electric providers and consumers are heard by our elected representatives.

We must work together to ensure a balanced debate occurs and a greater understanding of our issues is developed by elected officials.

In the legislative arena, the key difference between successful organizations and those who are not, is the active involvement and participation of its membership. Cornhusker Public Power District's and Nebraska Rural Electric Association's Grassroots Initiative is designed to help you become aware of the issues facing our industry and give you the tools you need to reach out to your elected representatives. By increasing the dialogue among representatives and constituents, the Grassroots Initiative builds strong relationships with our elected officials, educates our customers and increases awareness of the important issues facing rural electrification.

In January 2015, over 750 Cornhusker Public Power District customers submitted comments to the Environmental Protection Agency (EPA) in opposition to the agency's proposal to limit carbon dioxide emissions from existing power plants. These customers also had their names added to the NREA's grassroots campaign in an effort to keep future electric bills affordable.

"A sincere thank you to everyone who took the time to send comments to the EPA. I encourage those of you that have not signed up yet; please consider doing so. This is a great way to get involved and to voice your position on regulations that may impact your future energy bills," said CEO/GM Clay Gibbs.

"Also, I invite you to visit cornhusker-power.com to check out the



Columbus crew (from left) Todd Backman, Aaron Stuart, Derek Hanson and Bryce Theilen secure poles to the new expandable pole trailer. September, 2015

new "Working for Nebraska" campaign. Each month or so, a new video features the value of public power and how it serves the electrical needs of rural Nebraskans. Please join us in working to protect and plan for Nebraska's future," said Gibbs.

THE POWER OF ONE MILLION COMMENTS

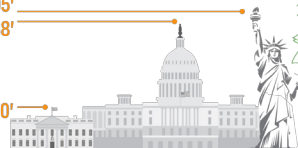


One million comments would tower nearly ten stories higher than the Statue of Liberty!

400'

305'
288'

70'



White House U.S. Capitol Statue of Liberty 1,000,000 comments

VISIT ACTION.COOP TODAY!

Visit cornhusker-power.com, click on NREA's - Working for Nebraska logo.



Working for
Nebraska

financials

CORNHUSKER PUBLIC POWER DISTRICT COLUMBUS, NEBRASKA STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Electric energy sales	34,591,442	35,330,424
Other revenues	191,421	173,468
Total operating revenues	<u>34,782,863</u>	<u>35,503,892</u>
OPERATING EXPENSES		
Cost of power	22,930,737	24,186,838
Transmission	316,802	327,731
Distribution	1,185,950	1,180,037
Consumer accounts	410,904	404,830
Sales	230,198	236,243
Administrative and general	1,691,327	1,712,939
Maintenance	1,484,555	1,502,381
Depreciation	2,711,181	2,545,850
Total operating expenses	<u>30,961,654</u>	<u>32,096,849</u>
OPERATING INCOME	<u>3,821,209</u>	<u>3,407,043</u>
INVESTMENT AND OTHER INCOME		
Interest revenue	59,727	55,884
Amortization of bond defeasance	23,979	43,086
Other income	53,614	70,543
Total investment and other income	<u>137,320</u>	<u>169,513</u>
INCREASES IN NET POSITION BEFORE DEBT	3,958,529	3,576,556
DEBT		
Interest on long-term debt	(699,004)	(783,407)
Bond issue costs	<u>(127,344)</u>	<u>(110,755)</u>
Total debt	<u>(826,348)</u>	<u>(894,162)</u>
INCREASE IN NET POSITION	3,132,181	2,682,394
NET POSITION, beginning of year	<u>47,092,651</u>	<u>44,410,257</u>
NET POSITION, end of year	<u>50,224,832</u>	<u>47,092,651</u>



Lead Line Technician Derek Hanson practices rescue pole top rescue using a 150 pound mannequin. Once each year all line technicians practice the procedure. Safety is our culture at Cornhusker Public Power District. August, 2015

**CORNHUSKER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2015	2014
CAPITAL ASSETS	90,429,012	86,144,356
Less accumulated depreciation	(24,786,683)	(23,617,528)
Net capital assets	<u>65,642,329</u>	<u>62,526,828</u>
NONCURRENT ASSETS		
Restricted investments - Debt Reserve Fund	1,721,101	2,553,135
Investments in associated organizations	998,325	971,002
Total noncurrent assets	<u>2,719,426</u>	<u>3,524,137</u>
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	9,490,565	8,649,663
Cash and cash equivalents, restricted	636,104	
Restricted investments - Debt Service Fund	1,874,883	2,088,937
Accounts receivable - less allowance for doubtful accounts of \$125,304 in 2015 and \$120,683 in 2014	1,617,876	1,716,892
Unbilled revenue	2,515,702	2,631,618
Interest receivable	10,156	10,156
Materials and supplies inventory	1,856,446	1,629,040
Prepaid expenses	1,589,452	1,795,034
Total current assets	<u>19,591,184</u>	<u>18,521,310</u>
TOTAL ASSETS	<u>87,952,939</u>	<u>84,572,275</u>
DEFERRED OUTFLOWS		
Deferred charges	<u>141,849</u>	<u>152,751</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>88,094,788</u>	<u>84,725,026</u>

**CORNHUSKER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
STATEMENTS OF NET POSITION
DECEMBER 31, 2015 AND 2014**

NET POSITION, DEFERRED INFLOWS
OF RESOURCES, AND LIABILITIES

	2015	2014
NET POSITION		
Invested in electric plant, net of related debt	35,479,178	32,139,579
Restricted	3,595,984	4,642,072
Unrestricted	11,149,670	10,311,000
Total net position	<u>50,224,832</u>	<u>47,092,651</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred customer credits	422,907	405,588
Deferred rate stabilization	1,500,000	1,500,000
Total deferred inflows of resources	<u>1,922,907</u>	<u>1,905,588</u>
NONCURRENT LIABILITIES		
Revenue bonds payable	30,305,000	30,540,000
Bond defeasance costs, less accumulated amortization of \$4,276,778 in 2015 and \$4,252,799 in 2014	282	24,261
Post-retirement benefit obligation	1,800,610	1,563,310
Less current maturities	<u>(2,235,000)</u>	<u>(2,545,000)</u>
Total noncurrent liabilities	<u>29,870,892</u>	<u>29,582,571</u>
CURRENT LIABILITIES		
Accounts payable	2,254,975	2,135,593
Accrued expenses	1,054,231	1,073,612
Consumer deposits	531,951	390,011
Current maturities of long-term debt	<u>2,235,000</u>	<u>2,545,000</u>
Total current liabilities	<u>6,076,157</u>	<u>6,144,216</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>88,094,788</u>	<u>84,725,026</u>



Your Touchstone Energy® Partner

conclusion

Cornhusker Public Power District was created to serve the people to whom it provides power, not to provide profits to out-of-town power company investors. The principle on which we were founded, service to our local communities, is just as strong today as the day we turned on the power. Regardless of how much electricity you use, Cornhusker Public Power District will do everything it can to help you get the most out of your power dollar.

Day to day Cornhusker Public Power District works hard to provide you with safe, affordable, and reliable electricity. When you come home at night you can count on a well-lit home, and should outages occur, we are on the job to restore power quickly.

Lineman Appreciation Day



*Photo illustration: Lead Line Technician Jim Baumert
April, 2015*



Information Requests:

Cornhusker Public Power District
23169 235th Avenue
PO Box 9
Columbus, NE 68602-0009
cornhusker@cppd.us
www.cornhusker-power.com



On the cover: Crew Foreman Jay Wemhoff
and son Carter