

Public Power

**POWERING
THE GOOD LIFE**



Cornhusker
Public Power District

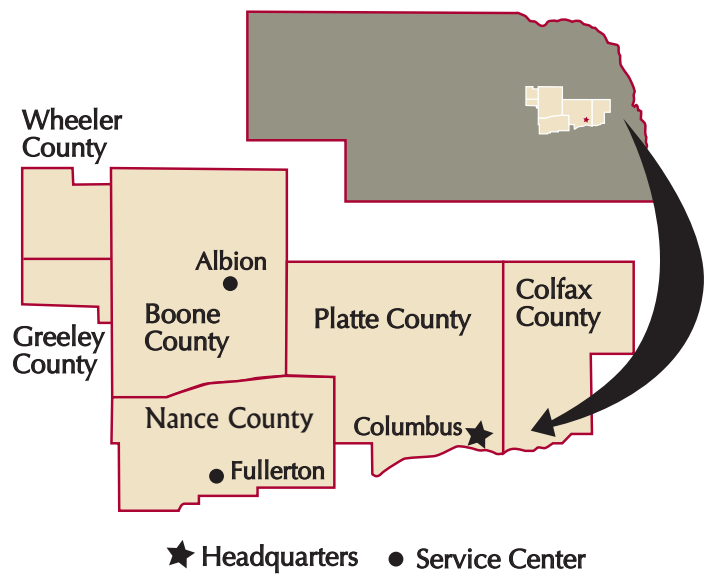
Your Touchstone Energy® Partner 

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.

AT A GLANCE

	NUMBER OF METERS	OPERATING REVENUE	MILES OF LINE	KILOWATT- HOURS SOLD
2017	9,947	\$37,890,998	3,241	392,336,550
2016	9,876	\$34,568,958	3,240	356,054,331



PROFILE

- Cornhusker Public Power District 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 9,947 electric services over 3,241 miles of distribution line.
- Customers per mile of line is 3.07.
- 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

EXECUTIVE message

Cornhusker Public Power District powers the good life for you, our customers.

Our Board of Directors and employees are moving forward to ensure Cornhusker Public Power District remains a great value for all of you. We sincerely hope as you read this biannual business report, you see our commitment to provide safe, fair and affordable electricity.

We encourage you to contact your elected Board of Director or our office with concerns and/or ideas; we truly want to understand how we can better serve you!



LAWRENCE FRANZEN
Board President



CLAY A. GIBBS
CEO/GM

Photo top (l-r): CEO/GM Clay Gibbs,
Board President Lawrence Franzen

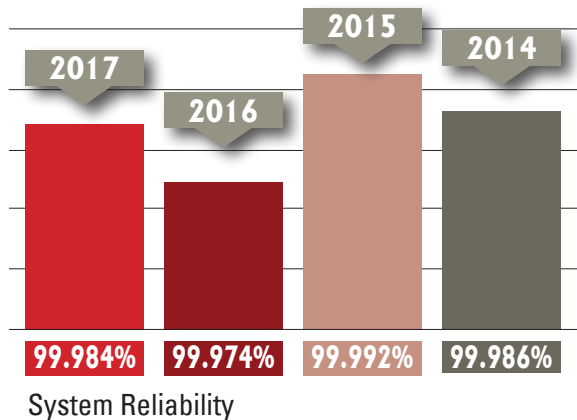
Photo bottom: "PUBLIC POWER WORKS FOR
NEBRASKA" was the message utility professionals took
to the Nebraska State Capitol while testifying on LB660
and LB657. February, 2017



RELIABLE SERVICE

system upgrades

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 four years, we have been able to provide 99.984 percent reliability, based on average outage hours per customer per year.



System upgrades improve reliability

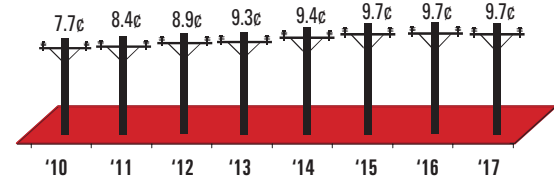
Cornhusker Public Power District works to ensure stable voltage and increase capacity when needed.

Engineering and Planning Director Bobby Jones said, "We are truly powering the good life here in eastern Nebraska. We engineered, built, and energized three substations in our service territory in 2016 - 2017. The substations: one south of Lindsay, one on East 14 Avenue, and one near Tarnov came online June 2016, October 2016 and May 2017, respectively," said Jones.

Three 2500 KVA transformers and one 1500 KVA transformer were added for Cargill Meat Solutions, two

1500 KVA padmounts were installed for the new Pillen Feed Mill near Albion, and a 500 KVA padmount was installed at Farmers Union Coop Fertilizer Plant near Howells.

Underground was installed for Shell Valley Ridge residential subdivision, Eagle Wood Lake and Lake Oconee. Twenty-four new or upgraded irrigation services were built in 2017. Other system upgrades were underground and overhead line extensions including four miles of 3-phase line east of the Creston substation and two miles of 3-phase line north of St. Edward.



Average Cost of Kilowatt Hours Sold

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 \$.0234 per kWh and a state median of \$.0215 per kWh.

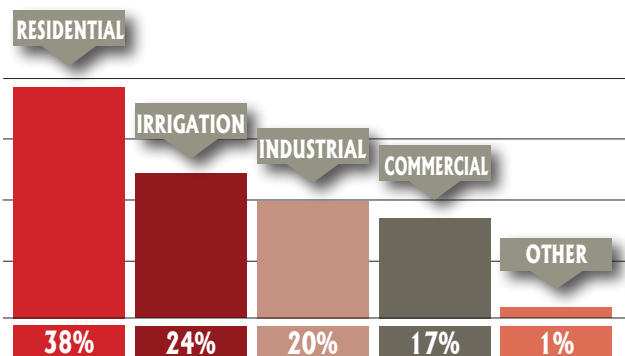
Cornhusker Public Power District's total controllable expenses per kWh sold is 43.16% below the national median and 37.7% below the state median. The figures compiled by the National Rural Utilities Cooperative Finance Corporation compare over 809 non-profit rural electrics.

LOW COST ELECTRICITY

at work for you

How it was earned

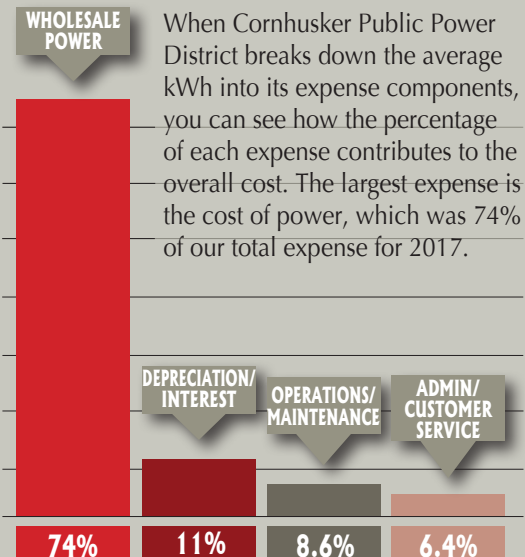
Residential revenues continued to constitute the largest portion of revenues at 38%. Irrigation revenues accounted for 24% of total revenues. Cornhusker Public Power District makes use of revenue in a manner that balances short-term operating expenses with long-term planning.



Comparison of Revenue to Sales in 2017

Type of Customer	kWh Sales	Revenue
Residential/Seasonal	129,211,828	\$14,340,986
Irrigation	68,587,897	\$9,038,902
Commercial	74,616,677	\$6,484,889
Industrial	115,395,610	\$7,607,644
Other	4,524,538	\$378,730

How it was spent



Utility plant worth

Cornhusker Public Power District realized a 4.8 % increase in utility plant worth from year ended 2015 to year ended 2016; from \$90,400,000 to \$95,050,000. Year-end 2017, utility plant worth was \$97,985,000.

Operating revenue

Cornhusker Public Power Districts' operating revenue has increased over the past five years. In 2016, the District operated on a revenue of \$34,568,958. In 2017, the amount was \$37,890,998.

USING ENERGY wisely & safely

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 2017, Cornhusker Public Power District served 2,306 electric irrigation wells. Of those, 2,213 participated in the irrigation load control program. Load was controlled 18 days in 2016 and 19 days in 2017.

New training lab built

July 2017, Cornhusker Public Power District crews built an outdoor training lab at the District's headquarters in Columbus. Cornhusker Public Power District is committed to providing both apprentice and veteran line technicians with workplace training and education focused on safety, using up-to-date occupational practices and equipment.

Operations Director Mike Stockwell said, "The outdoor training lab creates real-life scenarios our line technicians encounter while working. The lab allows them to develop their skills. Learning proper techniques to execute the job safely and efficiently is important."

Different simulations are used to teach line technicians transformer connections and trouble shooting. One section of the training lab focuses attention on underground facilities, locating a fault and replacing underground conductor.

Incentive programs offered

Cornhusker Public Power District offered two new ENERGYWISESM incentive programs in 2016-2017; The Corner Pivot VFD program was introduced in 2016. In 2017, a rebate program incenting heat pump water heaters started.

Efficiency programs help customers by reducing their energy costs. They also help the environment by reducing the amount of natural resources required to produce electricity.

In 2016, \$60,895 was incented to customers in the form of rebate checks or bill credits. The demand reduction caused by customers installing ENERGYWISESM efficiency measures was 147.3 KW and the energy reduction was 9,172,943 kWh. In 2017, \$84,086 was incented to participating customers with a demand reduction of 152.4 KW and an energy reduction of 9,790,198 kWh.

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

Photo left: Fullerton Lead Line Technician Brad Dudek restores power after an ice storm. January 2017



ELECTRICAL SAFETY

awareness

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 805 fifth grade students in the Cornhusker Public Power District service area participated in school classroom electrical safety programs in 2016 and 2017.

"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.

Day Camps

Cornhusker Public Power District's Jessica Kurpgeweit taught electrical safety at the Progressive Agriculture Safety Day Camp for third graders at the Boone County Fairgrounds. One hundred and four students learned about safety in 2016 and one hundred twenty-nine students participated in 2017.

Photo left: Marketing Assistant Jessica Kurpgeweit teaches electrical safety to fifth-grade students in Schuyler, NE. October, 2017

Photo right: Line Technician Bryce Theilen shows students from Leigh Community Schools the rubber sleeves and rubber gloves he wears when working around electricity. October, 2017

Ag producer meetings

In 2016 and 2017, Cornhusker Public Power District taught electrical safety to farmers before private pesticide applicator trainings. A total of eleven sessions in the towns of Albion, Columbus, Fullerton, Leigh, Lindsay, St. Edward and Schuyler reached 493 farming customers.

During the Nebraska Cattlemen Annual Convention in Kearney, December 2016 and 2017, Board Director Galen Frenzen and employees Jessica Kurpgeweit and Karen Schlautman taught step potential electrical safety to attendees. A step potential illustration is located on the back cover.

Vehicle Day

In the fall of 2016 and 2017, Cornhusker Public Power District participated in two Vehicle Days at Ag Park. Over 800 Columbus Public School first graders viewed vehicles from area business, industry and city operations showing students how certain vehicles help their community.



COMMUNITY beyond electric service

Goodwill Fund donations exceed \$323,000

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 2016, \$22,375.00 was given to area charities including a total of \$5,875 given to schools in Albion, Cedar Rapids, Clarkson, Columbus, Fullerton, Genoa, Howells, Humphrey, Leigh, Lindsay, Newman Grove, Platte Center, St. Edward, Schuyler and Spalding. In 2017, \$20,150.00 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 2016, Genoa, Columbus, and Newman Grove hosted meetings. In 2017, host towns were St. Edward and Albion. People from surrounding communities come together for a town tour, program and dinner. Cornhusker Public Power District takes pride in helping small towns prosper.

Let's continue to *Power the Good Life*

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.

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.

Photo: Line Technician Eric Brabec operates the new digger derrick truck. June, 2017



FINANCIALS



Photos from top: Goodwill Fund recipients pictured are: Zion Preschool in Leigh, Keep Columbus Beautiful, Genoa Military Support Group, Spalding Rescue Service. May 2017

CORNHUSKER PUBLIC POWER DISTRICT COLUMBUS, NEBRASKA STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Electric energy sales	\$37,851,151	\$35,584,177
Other revenues	187,548	193,751
Total operating revenues	<u>38,038,699</u>	<u>35,777,928</u>
OPERATING EXPENSES		
Cost of power	24,556,003	22,982,702
Transmission	375,549	323,609
Distribution	1,247,885	1,358,038
Consumer accounts	338,592	367,702
Sales	219,334	218,241
Administrative and general	1,531,978	1,436,484
Maintenance	1,217,130	1,387,708
Depreciation	3,016,973	2,934,046
Total operating expenses	<u>32,503,444</u>	<u>31,008,530</u>
OPERATING INCOME	<u>5,535,255</u>	<u>4,769,398</u>
INVESTMENT AND OTHER INCOME		
Interest revenue	77,511	60,370
Other income	31,589	64,361
Total investment and other income	<u>109,100</u>	<u>124,731</u>
OTHER EXPENSES		
Rate stabilization	<u>(500,000)</u>	<u>—</u>
INCREASES IN NET POSITION BEFORE DEBT	<u>5,144,355</u>	<u>4,894,129</u>
DEBT		
Interest on long-term debt	(630,346)	(645,112)
Bond issue costs	(60,580)	(11,060)
Total debt	<u>(690,926)</u>	<u>(656,172)</u>
INCREASE IN NET POSITION	4,453,429	4,237,957
NET POSITION, beginning of year	<u>53,401,404</u>	<u>49,163,447</u>
NET POSITION, end of year	<u>\$57,854,833</u>	<u>\$53,401,404</u>

CORNHUSKER PUBLIC POWER DISTRICT COLUMBUS, NEBRASKA STATEMENT OF NET POSITION DECEMBER 31, 2017 AND 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2017	2016
CAPITAL ASSETS	\$97,986,007	\$95,050,214
Less accumulated depreciation	<u>(26,795,406)</u>	<u>(25,274,587)</u>
Net capital assets	<u>71,190,601</u>	<u>69,775,627</u>
NONCURRENT ASSETS		
Restricted investments - Debt Reserve Fund	1,731,433	1,721,205
Investments in associated organizations	<u>952,300</u>	<u>1,025,461</u>
Total noncurrent assets	<u>2,683,733</u>	<u>2,746,666</u>
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	9,739,959	8,165,486
Restricted investments - Debt Service Fund	1,968,965	2,120,273
Accounts receivable - less allowance for doubtful accounts of \$141,105 in 2017 and \$133,722 in 2016	2,716,531	2,655,488
Interest receivable	8,789	10,156
Materials and supplies inventory	1,827,867	1,883,925
Prepaid expenses	<u>1,171,268</u>	<u>1,381,985</u>
Total current assets	<u>17,433,379</u>	<u>16,227,313</u>
TOTAL ASSETS	<u>91,307,713</u>	<u>88,749,606</u>
DEFERRED OUTFLOWS	<u>70,178</u>	<u>131,718</u>
Deferred charges		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$91,377,891</u>	<u>\$88,881,324</u>

Cornhusker Public Power District Line Technicians build a new training lab at the District. July, 2017

**CORNHUSKER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
STATEMENTS OF NET POSITION
DECEMBER 31, 2017 AND 2016**

NET POSITION, DEFERRED INFLOWS
OF RESOURCES, AND LIABILITIES

	2017	2016
NET POSITION		
Invested in electric plant, net of related debt	\$45,705,779	\$41,837,345
Restricted	3,700,398	3,841,478
Unrestricted	8,448,656	7,722,581
Total net position	<u>57,854,833</u>	<u>53,401,404</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred customer credits	461,824	437,895
Deferred rate stabilization	<u>2,000,000</u>	<u>1,500,000</u>
Total deferred inflows of resources	<u>2,461,960</u>	<u>1,937,895</u>
NONCURRENT LIABILITIES		
Revenue bonds payable	25,555,000	28,070,000
Less current maturities	(2,300,000)	(2,515,000)
Post-retirement benefit obligation	<u>1,783,960</u>	<u>1,812,325</u>
Total noncurrent liabilities	<u>25,038,690</u>	<u>27,367,325</u>
CURRENT LIABILITIES		
Accounts payable	2,269,501	2,178,511
Accrued expenses	964,523	999,061
Consumer deposits	488,250	482,128
Current maturities of long-term debt	<u>2,300,000</u>	<u>2,515,000</u>
Total current liabilities	<u>6,022,274</u>	<u>6,174,700</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$91,377,891</u>	<u>\$88,881,324</u>



Employees and family members of Cornhusker Public Power District, Loup Power District and Nebraska Public Power District promote public power at the Columbus Day's Parade.
August, 2017

STEP POTENTIAL

know what to do



“Many people do not know about step potential and the ripples of voltage found in the ground near accidents involving power lines,” said Board Director Galen Frenzen. “Knowing about step potential could save a life,” said Frenzen.

Stay on the equipment. Once you get off the energized equipment and step from one voltage level to another, you allow the body to become a path for electricity and electrocution is the tragic result. Call or signal for help. It is safe to use a cell phone. Warn others who may be nearby to stay away, and wait until the electric utility arrives to de-energize the power line.

The only exception would be if the equipment is on fire. In that case, the proper action is to jump with both feet hitting the ground at the same time. Do not allow any part of your body to touch the equipment and ground at the same time. Hop or shuffle your feet to safety, keeping both feet together as you leave the area.

Actual voltage depends on the source, resistance of the object and soil conditions, which include material and moisture. Voltage is highest at the source and fades as the energy moves across the ground.

Always consider all equipment, lines and conductors to be energized. Remembering these safety rules could save your life.

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