

# Annual Report



2025



**SOUTHERN**  
public power district

4550 W Husker Hwy.  
Grand Island, NE 68803

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## Mission, Vision & Values

### Mission

To safely provide our customers with highly reliable and competitively priced electricity, superior customer service and innovative energy solutions.

### Vision

Powering a brighter future for our customers and communities while supporting public power in Nebraska.

### Values

- We value our employee and customer opinions.
- We work together to support, trust and respect each other.
- We conduct business in a safe and honest manner.
- We do what is right, treat others the way we want to be treated and lead by example.
- We strive for excellence.

## PRESIDENT'S MESSAGE

### Meeting Record Energy Demand While Investing in Reliability

Electricity demand across the United States reached record levels in 2025. Much of the increase was driven by the rapid expansion of artificial intelligence, which requires significant computing power and energy to operate large data centers.

To support this growth and maintain reliability, utilities across the country are making significant investments in electric infrastructure. According to the Edison Electric Institute, U.S. electric companies invested more than \$208 billion in grid improvements and modernization.

At the same time, utilities are beginning to adopt artificial intelligence within their own operations. AI technology is helping utilities improve predictive maintenance, forecast energy demand and analyze smart meter data. These tools help increase efficiency, improve reliability and enhance service for customers.

### Supporting Growth Across the District

Southern Public Power District continues to experience steady load growth across the district. New demand is coming from irrigation systems, residential development and large commercial customers.

In total, the district added nearly 70 MW of new load, representing an increase of almost 20% of the system's total load. Supporting this growth requires careful engineering, long-term planning and continued investment in electric infrastructure.

### Strengthening the Electric System

One of SPPD's major capital projects is the subtransmission conversion project, which is nearing completion. The project upgrades portions of the district's system from 34.5 kV to 69 kV.

Increasing the system voltage expands capacity and improves reliability for customers across the district, helping ensure the system can meet growing demand well into the future.

### Rate Adjustments in 2026

The SPPD Board of Directors continues to guide the district with a focus on maintaining affordable electric service while ensuring a reliable system for all customers.



**Chad Waldow**  
Chief Executive Officer

In 2026, SPPD implemented its first electric rate increase since 2012. Even with the adjustment, careful financial planning and forecasting allow SPPD to continue maintaining and investing in the infrastructure needed to provide safe, reliable and affordable electric service.

### Rate Adjustment Highlights

- 2.5% increase to the cost of energy
- 50% reduction in the Power Cost Adjustment (PCA)
- A residential customer with a \$150 monthly bill will see an increase of about \$5.70 per month before taxes
- Residential rates had not increased since 2012
- Even with the increase, 2026 residential rates remain lower than 2013 rates due to previous rate reductions
- SPPD has returned more than \$16 million in PCA credits to customers since 2019
- 70 cents of every dollar collected by SPPD goes to NPPD for wholesale power costs
- NPPD is increasing wholesale power costs in 2026

### A Dedicated Team Serving Our Communities

Delivering reliable and affordable electricity requires a strong team working together across the organization. From lineworkers responding to severe weather events, such as the storms in March 2025, to engineers planning system improvements and customer service staff assisting customers throughout the district, every employee plays a role in powering our communities.

Southern Public Power District is proud of the team that serves our customers every day. Together, we remain focused on meeting future challenges while continuing to power a brighter future for the communities we serve.

# Executive Staff



**SHANNON PEARD**  
Chief Financial Officer



**ZEB GRAHAM**  
Manager of Operations



**TRAVIS DAHLIN**  
Manager of Engineering



**SAM REINKE**  
Energy Services Manager



**AMANDA GROFF**  
Communications Manager



**TRAVIS DOHT**  
Information Technology  
Manager

# Board of Directors



**Wayne  
Anderbery**  
Chairman  
Kearney County



**Kevin  
Choquette**  
Vice Chairman  
Franklin County



**Joel  
Kuehn**  
Secretary  
Kearney County



**Curtis  
Rohrich**  
Treasurer  
Hall County



**Larry  
Benson**  
Merrick County



**Courtney  
Retzlaff**  
Merrick County



**Rick  
Bergman**  
Phelps County



**Lee  
Grove**  
Phelps County



**Robert  
Kieborz**  
Hall County



**Dana  
Meyer**  
Franklin County



**Justin  
Katzberg**  
Adams County



**Arlon  
Jacobitz**  
Adams County



**Joe  
Gustafson**  
Hamilton County



**Dean  
Klute**  
Hamilton County

# About Our District

Southern Public Power District is a publicly-owned electric distribution system providing electricity to customers in south central Nebraska.

We are a political subdivision of the State of Nebraska. Policies and rates are established by an elected 14-member board of directors. Each county served by Southern is represented by two Directors who serve six-year terms.

Southern operates 6,182 miles of lines that are served by 72 substations located throughout the District's 4,028 square mile service area. Southern purchases all of its power from Nebraska Public Power District (NPPD)

headquartered in Columbus, Nebraska. Our chartered service area extends through rural areas of seven counties: Adams, Franklin, Hall, Hamilton, Kearney, Merrick and Phelps County.

Throughout those seven counties, retail electric service is provided to Alda, Archer, Atlanta, Axtell, Ayr, Bertrand, Bloomington, Cairo, Campbell, Chapman, Doniphan, Funk, Hansen, Heartwell, Holstein, Hordville, Keene, Kenesaw, Inland, Loomis, Macon, Marquette, Naponee, Norman, Palmer, Pauline, Philips, Prosser, Riverton, Roseland, Stockham, Trumbull, Upland and Worms. Wholesale electric service is provided to Franklin, Giltner and Wood River.



# 2025 System Overview



## Sub-Transmission Upgrades

- ✓ North Hampton to North Aurora Tap 5 Miles
- ✓ Carbon Capture projects at our ethanol plants
- ✓ Prosser data center - Customer Owned substation
- ✓ North Aurora Substation upgrade to 69 kV
- ✓ Sub-T removal project from Grand Island to Central City (still in progress)

## Distribution System Improvements

- Upgraded 32 miles of distribution lines throughout the district
- Replaced rejected poles through our Osmose pole inspection program
- Upgraded line and equipment in the villages of Hordville and Campbell

## Other System Improvements

- Meter audit on all our large power customers
- Upgraded SCADA Equipment at various locations for improved monitoring
- Breaker maintenance and protection equipment program on multiple substations
- Updated capacitor equipment and controls
- Moved village of Campbell from wholesale electric service to retail electric service

# Statements of Net Position

Years ended December 31, 2025, and 2024

Assets and Deferred Outflows of Resources

	2025	2024
<b>Capital Assets</b>	\$348,540,278	\$338,181,171
Less: Accumulated Depreciation	(122,266,733)	(115,898,188)
<b>Net Capital Assets</b>	<b>226,273,545</b>	<b>222,282,983</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Debits	626,888	1,095,276
<b>Non-Current Assets:</b>		
Unamortized Bond issues Costs	207,156	256,020
Unamortized Pension Costs	1,229,021	1,414,804
Other Assets	91,527	100,680
Investments in Associated Organizations	3,863,643	3,205,659
<b>Total Non-Current Assets</b>	<b>5,391,347</b>	<b>4,977,163</b>
<b>Current Assets:</b>		
Cash and Cash Equivalents	15,641,430	19,981,543
Cash and Cash Equivalents Restricted	8,350,457	15,855,013
Investments, Unrestricted	12,162,373	5,000,000
Investments, Restricted	10,250,000	
Accounts Receivable, less allowance for doubtful accounts of \$100,000 in 2025 and 2024	7,305,145	7,628,989
Unbilled Revenue	1,289,631	1,561,303
Interest Receivable	16,221	38,117
Materials and Supply Inventory	15,715,542	18,265,671
Prepaid Expenses	453,790	402,484
<b>Total Current Assets</b>	<b>71,184,589</b>	<b>68,733,120</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$303,476,369</b>	<b>\$297,088,542</b>

# Statements of Net Position

Years ended December 31, 2025, and 2024

Liabilities, Deferred Inflows of Resources and Net Position

	2025	2024
<b>Net Position:</b>		
Investments in Capital Assets, Net of Related Debt	\$210,143,466	\$201,368,725
Unrestricted	46,643,360	47,507,659
<b>Total Net Position</b>	<b>256,786,826</b>	<b>248,876,384</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Credits	15,328,960	13,699,011
<b>Non-Current Liabilities</b>		
Revenue Bonds Payable	16,337,235	21,170,278
Less Current Maturities	(4,835,220)	(4,833,045)
<b>Total Non-Current Liabilities</b>	<b>11,502,015</b>	<b>16,337,233</b>
<b>Current Liabilities</b>		
Accounts Payable	6,931,699	6,536,078
Accrued Expenses	4,194,888	3,813,020
Consumer and Other Deposits	3,896,761	2,993,771
Current Maturities of Revenue Bonds	4,835,220	4,833,045
<b>Total Current Liabilities</b>	<b>19,858,568</b>	<b>18,175,914</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$303,476,369</b>	<b>\$297,088,542</b>

# Statements of Revenue & Expense and Changes in Net Position

Years ended December 31, 2025 and 2024

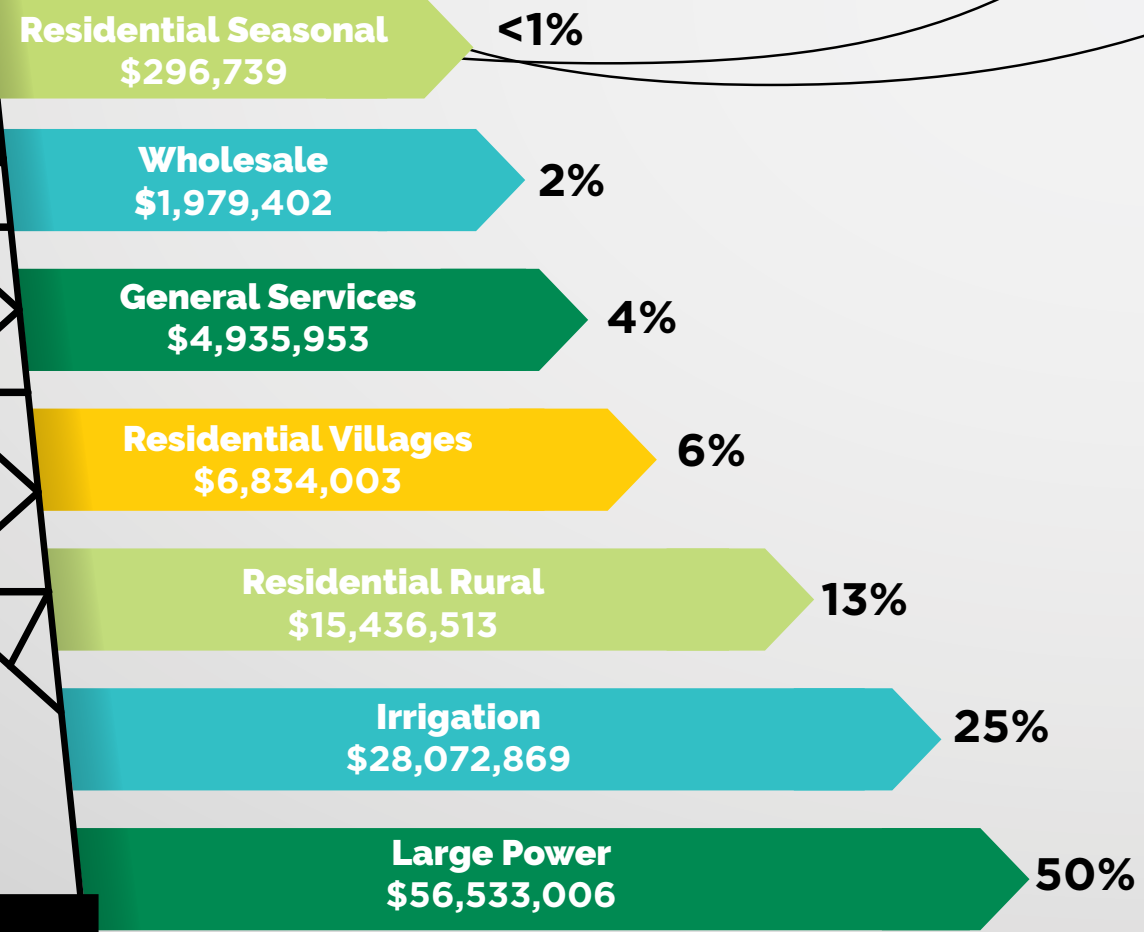
	2025	2024
<b>Operating Revenues</b>		
Residential Sales - Rural	15,436,513	14,890,951
Residential Sales - Seasonal	296,739	304,276
Residential Sales - Villages	6,834,003	6,580,884
Irrigation	28,072,869	27,840,484
General Services	4,935,953	4,772,079
Large Power	56,533,006	48,615,368
Wholesale	1,979,402	1,941,527
<b>Total Electric Revenues</b>	<b>114,088,485</b>	<b>104,945,569</b>
Rate Stabilization	(1,783,724)	(2,514,600)
Sub-Transmission Wheeling Revenue	59,864	58,859
Other Electric Revenue	676,139	508,640
<b>Total Operating Revenues</b>	<b>113,040,764</b>	<b>102,998,468</b>
<b>Operating Expenses</b>		
Cost of Power	79,528,659	71,122,718
Transmission - Operations	328,453	274,748
Distribution - Operations	1,491,405	1,402,717
Customer Accounts	1,078,123	1,094,102
Customer Service and Information	411,454	382,670
Administrative and General	3,587,300	3,437,236
Maintenance Expense	8,701,721	7,973,679
Depreciation and Amortization	11,650,929	11,237,030
Taxes	36,050	33,566
<b>Total Operation Expenses</b>	<b>106,814,094</b>	<b>96,958,466</b>
<b>Operating Income</b>	<b>6,226,670</b>	<b>6,040,002</b>

# Statements of Revenue & Expense and Changes in Net Position

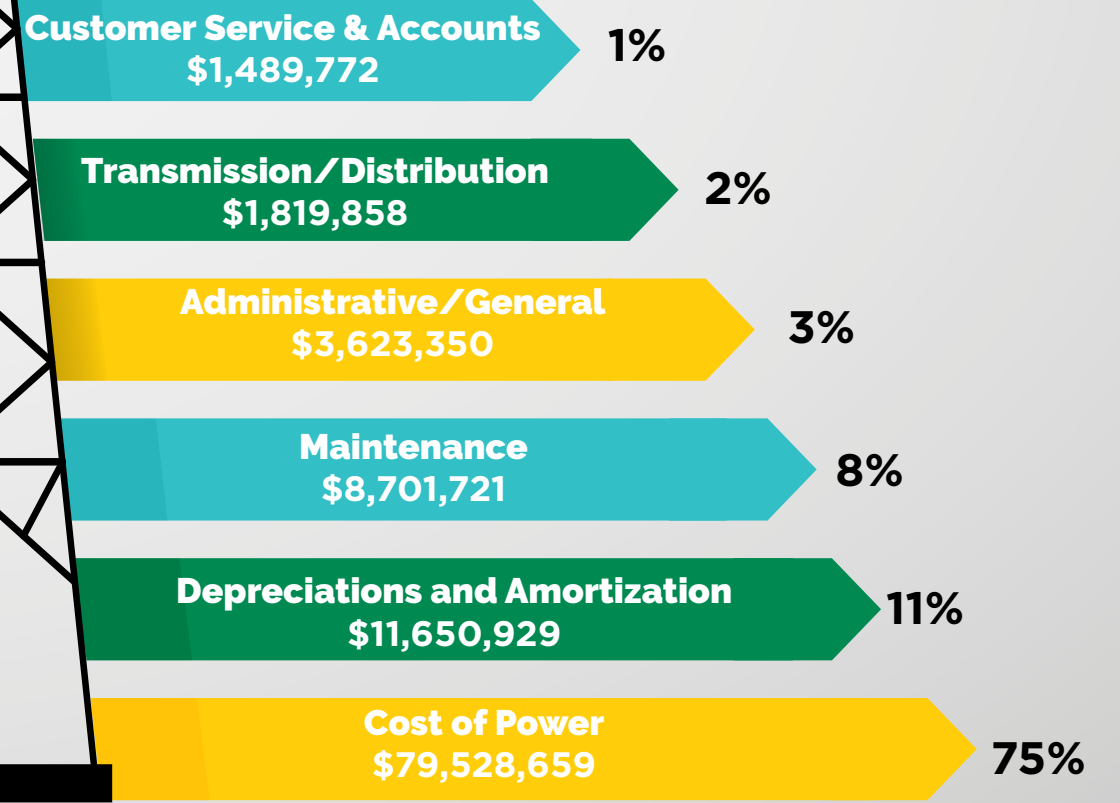
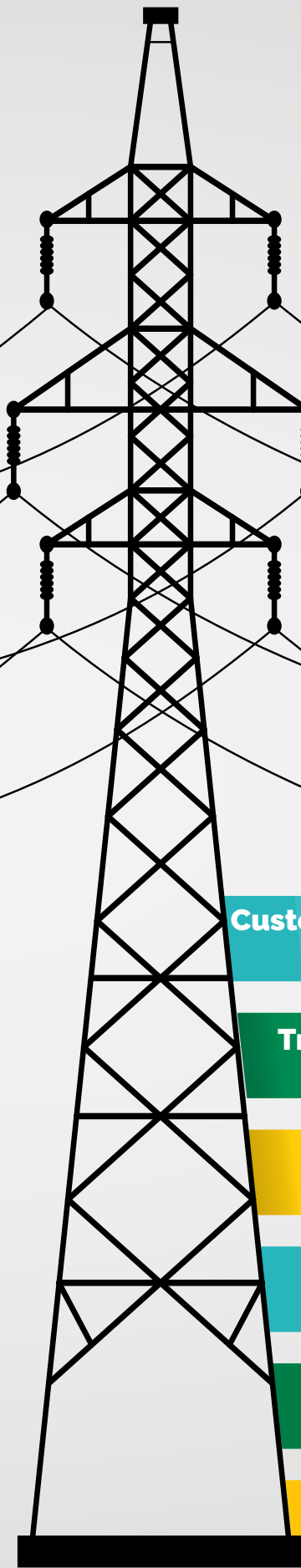
Years ended December 31, 2025 and 2024

	2025	2024
<b>Operating Income</b>	<b>\$6,226,670</b>	<b>\$6,040,002</b>
<b>Investment and Other Income</b>		
Interest Revenue	1,539,977	2,103,913
Other Income	1,792,033	2,129,472
<b>Total Investment and Other Income</b>	<b>3,332,010</b>	<b>4,233,385</b>
<b>Income Before Debt and Other Expenses</b>	<b>9,558,680</b>	<b>10,273,387</b>
<b>Debt and Other Expenses</b>		
Interest on Long-Term Debt	(529,078)	(714,575)
Amortization of Bond Issue Costs	(48,865)	(48,865)
Other Expenses	(1,070,295)	(27,055)
<b>Total Debt and Other Expenses</b>	<b>(1,648,238)</b>	<b>(790,495)</b>
<b>Increase in Net Position</b>	<b>7,910,442</b>	<b>9,482,892</b>
<b>Net Position, Beginning of Year</b>	<b>248,876,384</b>	<b>239,393,492</b>
<b>Net Position, End of Year</b>	<b>\$256,786,826</b>	<b>\$248,876,384</b>
<b>Debt Coverage Ratio</b>	<b>3.95</b>	<b>4.21</b>

# 2025 Electric Revenue Sources



# 2025 Expenses



# Operation Round Up



Categories Awarded To:



Health & Safety  
**\$240,184**



Recreation/Quality of Life  
**\$122,806**



Community Facilities  
**\$198,556**



Youth & Education  
**\$135,412**

	2025	Since 2014
Adams	\$6,500	\$131,645
Franklin	\$20,275	\$112,796
Hall	\$9,200	\$148,625
Hamilton	\$14,000	\$80,854
Kearney	\$11,102	\$78,962
Merrick	\$10,000	\$65,179
Phelps	\$4,147	\$78,897
<b>Total 2025</b>	<b>\$75,224</b>	<b>\$696,958</b>



# Energy Services

A variety of energy efficiency incentives are available to SPPD customers through the EnergyWise program. Below is a breakdown of how those incentives were paid out to customers.



## Incentives

\$98,900 Heat Pump	\$2,165 Prescriptive Lighting	\$21,980 Irrigation	\$2,700 Irrigation VFD
\$1,560 Cooling Tune Up	\$2,782 Attic Insulation	\$2,151 Smart Thermostate	\$1,200 Heat Pump Water Heater
\$1,978 Induction Cooktop/Range	\$136,416 Total Incentives		

## Beneficial Electrification

\$1,170 Charging Station	\$1,072 Residential Wiring/ EV Charger	\$16,114 Lawn and Garden
\$18,356 Total Incentives		



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