



# 2022 Annual Report



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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

Annual reports are always great opportunities to reflect back on the year just completed. It allows us to express our appreciation for the tireless efforts of our Board of Directors and the staff of our District to enhance our reputation for outstanding customer service by meeting the needs and expectations of our customers. 2022 was no exception as we met the challenges presented to us and set strategic goals to maintain high performance levels from our dedicated staff, proactively pursue innovative growth opportunities, maintain a reliable electric system and search for new ways to provide innovated power solutions for our customers.

While we continue to experience an increasing pace of change within our industry, we continue to be focused on providing a reliable source of electric power at rates that are competitive within the industry. In 2022, on average, our customers experienced less than 1.5 hours of interruption, an accomplishment we are proud of and a result of our ongoing maintenance programs and continued investment in our electric system. We also lowered rates at the start of 2022 that reduced our customer's costs. Low rates are important to our customers and help provide the economic growth of the area we serve. The average cost to our customers fell 2.3% in 2022. We lowered rates early in 2022 and also passed through to our customers \$2.6 million in surplus credits generated by our wholesale provider, NPPD. This ongoing program of passing through surplus credits has now reached over \$9.5 million since 2019.

Other events in 2022 included an open house in August at our new Funk Service Center which we first opened in 2020. Unfortunately, with the COVID-19 virus, we were unable to open the center up to the public at that time. We received many compliments from the customers who attended.

In September, operations commenced at our 2-turbine 5.6 MW wind project near Upland. This was the District's first renewable energy project

that will provide clean energy at a fixed price for the next 30 years. Not only was it considered for the clean energy it will produce but the project will also provide a hedge against future wholesale cost increases.

We also were active in recruiting commercial and industrial prospects to our 7-county service area and in particular our Energy Park located west of Grand Island. Working with the economic development organizations of our local communities and the departments at the State of Nebraska and NPPD, we engaged with numerous projects looking for sites in Nebraska. Two new projects are scheduled for construction in our Energy Park in 2023. This significant body of work should reap benefits in the upcoming years for the District.

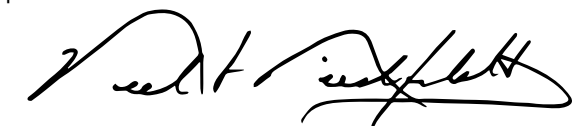
I would like to extend a special thank you to our three outgoing Board members, Mike Lowry from Cairo, Marvin Fishler from Central City and Kevin Reeson from Giltner. These three individuals dedicated a combined 45 years to representing and serving our customers. Their contributions were much appreciated and we wish them well in their future endeavors.

On behalf of our Board of Directors and our very dedicated employees, we thank you for allowing us to serve you this past year and look forward to serving you in the years to come. With the dedicated team that we have here at Southern Public Power District, I have no doubts we will continue our reputation for outstanding service and not only meet, but exceed our customers' expectations.



**Neal Niedfeldt**

Chief Executive Officer





# Executive Staff



**Aaron Brown**

Engineering/Operations  
Manager



**Shannon Peard**

Chief Financial Officer



**Amanda Groff**

Public Relations Manager



**Sam Reinke**

Energy Services Manager



**Jack Welch**

Information Technology  
Manager

# Board of Directors



**Arlon Jacobitz**

Chairman



**Dana Meyer**

Vice Chairman



**Wayne Anderbery**

Secretary



**Kevan Choquette**

Treasurer



**Larry Benson**

Merrick County



**Marvin Fishler**

Merrick County



**Rick Bergman**

Phelps County



**Lee Grove**

Phelps County



**Robert Kieborz**

Hall County



**Mike Lowry**

Hall County



**Neal Katzberg**

Adams County



**Joel Kuehn**

Kearney County



**Kevan Reeson**

Hamilton County



**Dean Klute**

Hamilton County



## 2022 PROJECTS

Major construction projects included sub-transmission lines, substations and distribution line upgrades, South Cairo substation, North Hampton substation, North Holdrege substation, Sub-T Northwest to Cairo Town tap, Sub-T South Cairo to Cameron, Sub-T Cairo Town tap to South Cairo, South Hampton Circuit #2, Campbell to Riverton Road, Ridge Road upgrade, Denman West Circuit, Stuhr Road, Denman South Kenesaw Blacktop, Oregon Trail Shiloh, Little Brown Church, Assumption to Showboat Road, replacement of rejected Poles and new irrigation installations and upgrades

## 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 non-profit 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 7,088 miles of lines 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, 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 Campbell, Franklin, Giltner and Wood River.

### Substation Projects

- **South Cairo Substation**  
Upgraded transformer to 69kV
- **North Hampton Substation**  
Upgraded transformer to 69kV
- **Alda Substation**  
Upgraded transformer to 69kV
- **North Holdrege Substation**  
Installed 69kV transformer and removed High voltage transformer 34.5/69kV
- **Substation Revitalization**  
Various substation equipment including reclosers, regulators, fuse assemblies and other equipment
- **Substation Relay Replacement**  
Replacement of equipment that can no longer be repaired

### Subtransmission Line Projects

- **Northwest to Cairo Sub**  
7 miles of 69kV T2-4/0
- **South Cairo to Cameron Sub**  
6 1/2 Miles of 69kV T2-4/0
- **Cairo Town Tap to South Cairo**  
1 1/2 Miles of 69kV T2-4/0
- **69kV Switch Replacements**  
Turner 3-way switch replacements for 10 switches throughout the District

### Other System Projects

- **Distribution Line Improvements and Installations**  
40 miles of new or upgraded lines.

# Statements of Net Position

Years ended December 31, 2022, 2021, and 2020

Assets and Deferred Outflows of Resources

	2022	2021	2020
<b>Capital Assets</b>	\$307,603,044	\$294,495,042	\$286,458,084
Less: Accumulated Depreciation	(106,329,261)	(99,770,663)	(95,453,889)
<b>Net Capital Assets</b>	<b>201,273,783</b>	<b>194,724,379</b>	<b>191,004,195</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Debits	2,244,058	2,902,389	3,612,235
<b>Non-Current Assets:</b>			
Investments, Unrestricted	20,000,000	1,000,000	2,500,000
Unamortized Bond issues Costs	353,751	402,615	451,480
Unamortized Pension Costs	1,783,745	2,799,267	3,107,022
Other Assets	118,985	253,042	261,612
Investments in Associated Organizations	1,982,625	1,862,755	1,811,454
<b>Total Non-Current Assets</b>	<b>24,239,106</b>	<b>6,317,679</b>	<b>8,131,568</b>
<b>Current Assets:</b>			
Cash and Cash Equivalents	9,448,386	30,943,031	31,943,261
Cash and Cash Equivalents Restricted	11,533,805	7,142,878	2,442,500
Investments, Unrestricted	16,000,000	20,000,000	18,500,000
Accounts Receivable, less allowance for doubtful accounts of \$100,000 in 2021, 2020 and 2019	5,596,563	5,578,778	5,077,128
Unbilled Revenue	2,107,354	1,416,142	1,607,018
Interest Receivable	246,958	51,114	117,927
Materials and Supply Inventory	9,929,288	8,261,904	6,883,732
Prepaid Expenses	248,620	246,688	294,251
<b>Total Current Assets</b>	<b>55,110,974</b>	<b>73,640,535</b>	<b>66,865,817</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$282,867,921</b>	<b>\$277,584,982</b>	<b>\$269,613,815</b>

# Statements of Net Position

Years ended December 31, 2022, 2021, and 2020

Liabilities, Deferred Inflows of Resources and Net Position

	2022	2021	2020
<b>Net Position:</b>			
Investments in Capital Assets, Net of Related Debt	\$171,116,926	\$160,100,593	\$152,002,938
Unrestricted	59,861,169	63,174,321	63,488,208
<b>Total Net Position</b>	<b>230,978,095</b>	<b>223,274,914</b>	<b>215,491,146</b>
<b>Deferred Inflows of Resources:</b>			
Deferred Credits	10,298,937	5,640,608	1,869,161
<b>Non-Current Liabilities</b>			
Revenue Bonds Payable	30,510,608	35,026,401	39,452,736
Less Current Maturities	(4,618,137)	(4,515,794)	(4,426,335)
<b>Total Non-Current Liabilities</b>	<b>25,892,471</b>	<b>30,510,607</b>	<b>35,026,401</b>
<b>Current Liabilities</b>			
Accounts Payable	5,587,675	8,393,595	8,424,672
Accrued Expenses	3,399,745	3,239,123	3,319,117
Consumer and Other Deposits	2,092,861	2,010,341	1,056,983
Current Maturities of Revenue Bonds	4,618,137	4,515,794	4,426,335
<b>Total Current Liabilities</b>	<b>15,698,418</b>	<b>18,158,853</b>	<b>17,227,107</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$282,867,921</b>	<b>\$277,584,982</b>	<b>\$269,613,815</b>



# Statements of Revenue & Expense

Years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
<b>Operating Revenues</b>			
Residential Sales - Rural	\$15,541,014	\$15,658,345	\$15,076,172
Residential Sales - Seasonal	308,697	286,133	270,808
Residential Sales - Villages	6,727,467	6,675,173	6,869,519
Irrigation	30,036,238	26,621,515	28,350,052
General Services	4,594,288	4,322,778	4,167,803
Large Power	34,138,201	33,349,154	33,729,244
Wholesale	1,893,220	1,886,258	1,922,589
Unbilled Revenue Adjustment	419,297	(190,877)	143,152
<b>Total Electric Revenues</b>	<b>93,658,422</b>	<b>88,608,479</b>	<b>91,529,339</b>
Rate Stabilization	(4,317,885)	(3,833,087)	(1,609,339)
Sub-Transmission Wheeling Revenue	58,887	55,708	52,381
Other Electric Revenue	430,641	362,468	337,184
<b>Total Operating Revenues</b>	<b>89,980,065</b>	<b>85,193,568</b>	<b>90,309,565</b>
<b>Operating Expenses</b>			
Cost of Power	58,570,552	55,976,040	58,786,602
Transmission - Operations	294,073	287,383	279,921
Distribution - Operations	1,200,730	1,340,173	1,231,903
Customer Accounts	805,128	764,890	773,528
Customer Service and Information	1,195,397	313,271	349,552
Administrative and General	2,928,574	2,572,966	2,315,588
Maintenance Expense	7,134,161	6,564,486	6,363,194
Depreciation and Amortization	10,158,507	9,854,906	9,499,622
Taxes	48,389	49,261	49,152
<b>Total Operation Expenses</b>	<b>82,335,511</b>	<b>77,723,376</b>	<b>79,649,062</b>
<b>Operating Income</b>	<b>\$7,494,554</b>	<b>\$7,470,192</b>	<b>\$10,660,503</b>

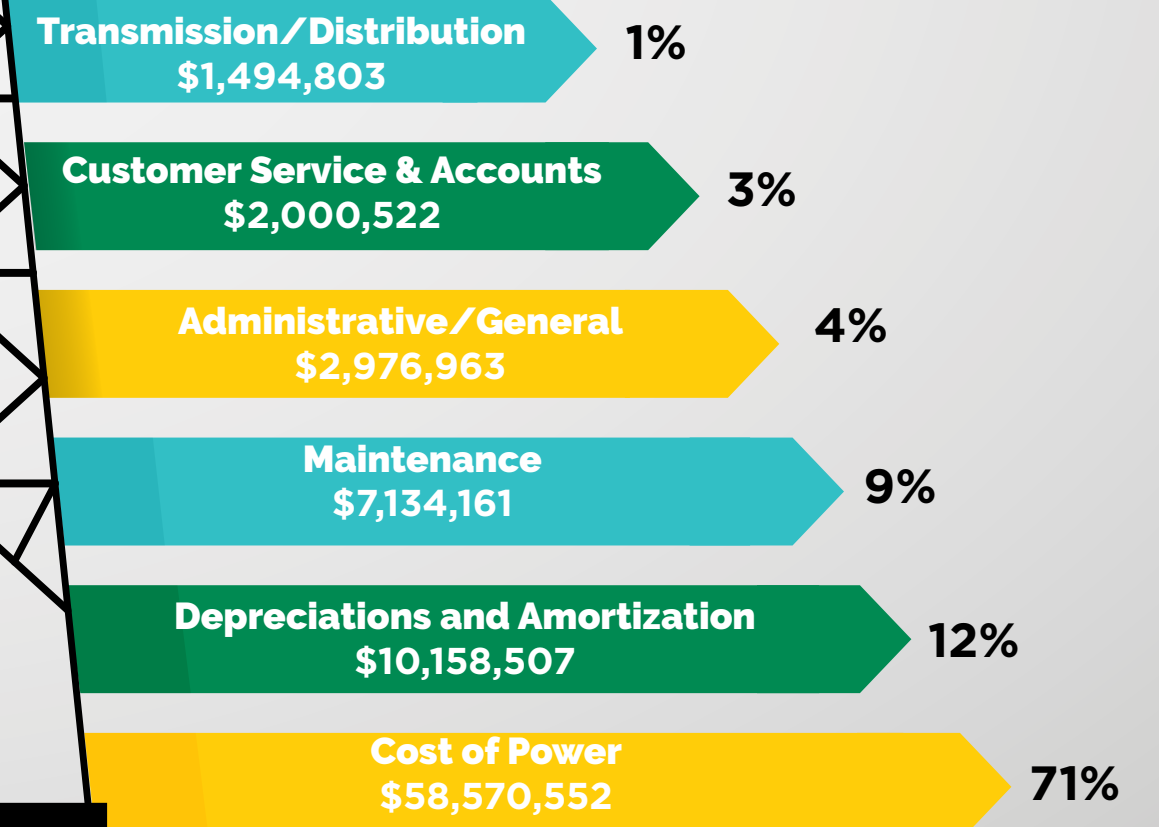
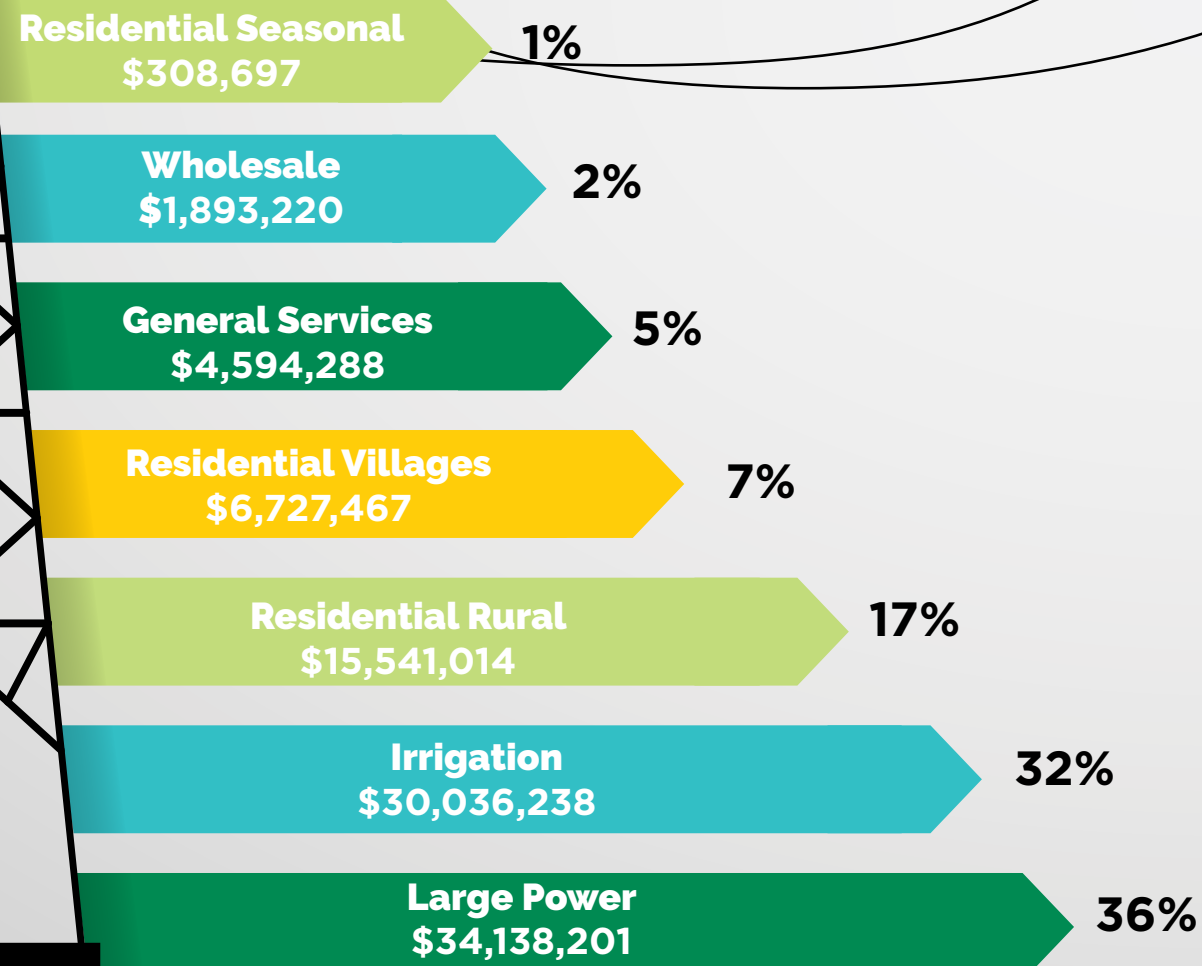
# Statements of Changes in Net Position

Years ended December 31, 2022, 2021, and 2020

	2022	2021	2020
<b>Operating Income</b>	<b>\$7,494,554</b>	<b>\$7,470,192</b>	<b>\$10,660,503</b>
<b>Investment and Other Income</b>			
Interest Revenue	774,573	353,118	813,643
Other Income	741,711	1,186,181	1,006,910
<b>Total Investment and Other Income</b>	<b>1,516,284</b>	<b>1,539,299</b>	<b>1,820,553</b>
<b>Income Before Debt and Other Expenses</b>	<b>9,010,838</b>	<b>9,009,491</b>	<b>12,481,056</b>
<b>Debt and Other Expenses</b>			
Interest on Long-Term Debt	(1,027,942)	(1,157,078)	(1,271,195)
Amortization of Bond Issue Costs	(48,865)	(48,865)	(34,529)
Other Expenses	(230,850)	(19,780)	(20,758)
<b>Total Debt and Other Expenses</b>	<b>(1,307,657)</b>	<b>(1,225,723)</b>	<b>(1,326,482)</b>
<b>Increase in Net Position</b>	<b>7,703,181</b>	<b>7,783,768</b>	<b>11,154,574</b>
<b>Net Position, Beginning of Year</b>	<b>223,274,914</b>	<b>215,491,146</b>	<b>204,336,572</b>
<b>Net Position, End of Year</b>	<b>\$230,978,095</b>	<b>\$223,274,914</b>	<b>\$215,491,146</b>
<b>Debt Coverage Ratio</b>	<b>3.73</b>	<b>3.73</b>	<b>5.29</b>

## 2022 Revenue Sources

## 2022 Expenses





## 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.

## 2022 REVIEW



### Board Members

Top Row: Joel Bergman, Phelps County; Jay Meyer, Franklin County; Mark Utter, Adams County. Seated: Terry Sorensen, Kearney County; Jayne Smith, Hamilton County; Terry Connick, Hall County; and Bill Bolte, Merrick County.

	2022	Since 2014
Adams	\$23,600	\$108,645
Franklin	\$7,000	\$84,121
Hall	\$11,325	\$100,775
Hamilton	\$6,337	\$52,502
Kearney	\$3,675	\$49,260
Merrick	\$7,500	\$39,179
Phelps	\$4,500	\$51,750
<b>Total 2022</b>	<b>\$63,937</b>	<b>\$486,232</b>

Categories Awarded To:
Health & Safety \$164,755
Recreation/Quality of Life \$92,606
Community Facilities \$122,161
Youth & Education \$106,710

<b>Heat Pump</b>	<b>\$119,800</b>
<b>Prescriptive Lighting</b>	<b>\$17,454</b>
<b>Irrigation</b>	<b>\$9,450</b>
<b>Attic Insulation</b>	<b>\$321</b>
<b>Smart Thermostat</b>	<b>\$2,133</b>
<b>Heat Pump Water Heater</b>	<b>\$400</b>
<b>Induction Cooktop/Range</b>	<b>\$1,939</b>
<b>Total Incentives</b>	<b>\$153,119</b>





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**Phone**

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