

2002 Annual Report

Communities Served

(Color denotes wholesale customer)

Albion	Leigh
Belgrade	Lindsay
Cedar Rapids	Monroe
Clarkson	Newman Grove
Columbus	Petersburg
Cornlea	Platte Center
Creston	Primrose
Duncan	Richland
Fullerton	Schuyler
Genoa	St. Edward
Howells	Tarnov
Humphrey	Nebr. G&T

Local offices in:

Albion — Cedar Rapids — Columbus
Fullerton — Genoa — Humphrey
Newman Grove — St. Edward

Loup Power — June 2003 — NE09960B

"Serving You Electrically"



President's Comments

Loup Power District was organized June 3, 1933 as the first public power district in Nebraska. The local businessmen who founded the District did so to provide jobs in an area struck hard by the Depression of the '30s.



Robert White

created more than 1,000 jobs. The final cost for digging the canal and building the two powerhouses and reservoir lake was \$8.9 million.

Loup is celebrating its 70th anniversary in 2003 and strives to fulfill the following mission:

- To provide reliable electric services to our customers at rates that are fair, reasonable and non-discriminatory, and to bring to our customers the rewards of an efficient and prudent business operation.
- To improve and promote the economic development in our area.
- To make maximum use of the water of the Loup River to generate power. Loup provides recreational areas—two lakes, a bike trail, five parks and about 70 miles of canal right-of-way—to the public for boating, water skiing, fishing, biking, hiking and camping—free of charge.

Between 1933 and 1967 Loup participated in the development of the generation and transmission systems in Nebraska. Loup opted for its present service area during a realignment of Nebraska utilities in 1967. The District's Board of Directors and employees are just as committed to the District's mission as the founders of the District. It is our privilege to serve you.

2002 in Review

At \$57.7 million Loup's total operating revenue in 2002 increased 8.59 percent from 2001's budget, and the highest revenue figure in the history of the District.

Total sales of 1,414,993 megawatt-hours (mwh) increased 3.8 percent from 2001. The hot, drought conditions in 2002 contributed to the increased sales and revenues.

Of 2002's \$61 million operating expenses, approximately \$43.6 million, went to purchase power from NPPD, Loup's wholesale power supplier. In addition, Loup paid \$2.9 million to City and County governments for lease and in-lieu-of-tax payments.

The District invested just more than \$4 million in 2002 construction projects. This is down from \$5 million in 2001. Large construction projects included, \$285,000 to rebuild 3.5 miles of 34.5 kv transmission line west of Cornlea; \$88,200 to convert the town of Duncan from 4.16 kv to 12.5 kv; \$252,000 to purchase and install a 7 MVA Power Transformer at the Columbus South substation; \$215,000 to purchase and install a 7 MVA Power transformer for the Humphrey substation; \$118,000 to rebuild 3.5 miles of 34.5 kv distribution line in the rural area west of Cornlea; \$116,000 to add on to the existing Fullerton office building to provide additional garage space for District vehicles; \$191,000 to replace the District's SCADA computer system; \$114,000 for a new aerial lift truck for the Fullerton service crew; \$96,000 for a new aerial lift truck for the Albion service crew; \$153,000 to replace unit breakers on the hydro generating units in Monroe; \$112,000 to replace remaining trash racks in Monroe; \$72,000 to install new outhouses in District parks and \$13,000 to install warning sirens at the Monroe Powerhouse for water release notice to area users.

Facts

The Loup District provides power to twenty-three communities in Nance, Platte, Colfax, Boone and Madison counties.

Loup operates two hydroelectric generating facilities, at Monroe and Columbus. In total, Loup generates more than 133 million electric kilowatt hours per year.

Total customers 17,692
 Full-time employees 107
 Part-time employees 12
 Distribution substations 39
 Transmission substations 9

- Residential customers paid *5.03 cents per kilowatt hour in 2002. Costs were 4.81 cents per kilowatt hour in 2001.
- Commercial customers paid *5.13 cents per kilowatt hour in 2002. Costs were 4.81 cents per kilowatt hour in 2001.
- Industrial customers paid *3.21 cents per kilowatt hour in 2002. During 2001 they paid 2.90 cents per kilowatt hour.

The latest data from the United States Department of Energy shows the average Nebraska residential cost during 2001 at 6.5 cents, commercial cost at 5.4 cents and industrial cost at 3.6 cents.

*averages

Send questions or comments to:

Sharon Farritor, Communications Coordinator
 Loup Power District, Box 988, Columbus, NE 68602

Balance Sheet

Assets:	2002	2001
Net Utility Plant	\$ 47,591,576	\$ 45,557,502
Cash and Current Assets	\$ 23,797,238	\$ 23,235,393
Other	\$ 5,284,424	\$ 5,263,874
Total Assets	\$ 76,673,238	\$74,056,769
Liabilities:		
Beginning Retained Earnings...	\$ 68,184,673	\$ 65,515,596
Net Income	\$ 1,785,400	\$ 2,669,077
Current Liabilities	\$ 6,703,165	\$ 5,872,096
Total Liabilities	\$ 76,673,238	\$ 74,056,769
Revenues:		
Retail	\$ 39,501,165	\$ 35,483,801
Wholesale - Munies	\$ 4,497,536	\$ 4,082,261
Wholesale - Nebr. G&T	\$ 9,875,145	\$ 9,083,791
N.P.P.D. - Hydro Utilization	\$ 5,093,100	\$ 4,951,320
Other	\$ 735,461	\$ 814,003
Total Revenue	\$59,702,407	\$ 54,415,176
Expenses:		
Purchased Power	\$ 45,786,398	\$ 42,444,167
Operations Expenses	\$ 5,060,372	\$ 4,729,470
Maintenance Expenses	\$ 2,889,932	\$ 2,709,522
In-Lieu-of-Taxes	\$ 3,004,115	\$ 2,698,092
Total Expenses	\$56,740,817	\$52,581,251
Funds Generated From		
Operations	\$ 2,961,590	\$1,833,925
Interest Income and Other	\$ 1,421,703	\$ 3,251,501
Available for Construction	\$ 4,383,293	\$ 5,085,426
Construction Budget	\$ 4,001,700	\$4,940,000

Board of Directors

Chairman William Merrill
1st V. Chairman Ed Svik
2nd V. Chairman Dick Tooley
Treasurer Tom Kumpf
Secretary Chuck Gonka
 Member Lavern Kracl
 Member James Raitt
 Member Francis Sand
 Member Carl Aerni
 Member Ted Theiman



Merrill
Part of Platte
County

2002



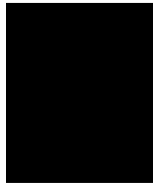
Svik
Part of Colfax,
Platte Counties



Tooley
Part of Platte
County



Kumpf
Part of Platte
County



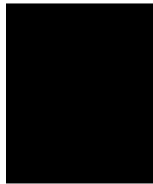
Gonka
Part of Platte
County



Kracl
Part of Colfax
County



Raitt
Nance County and
Part of Boone



Sand
Part of Platte,
Madison Counties



Aerni
Part of Platte
County



Theiman
Part of Boone,
Wheeler, Greeley
Counties

Executive Staff

Robert White President and CEO
 Ron Ziola Engineering Manager
 Ken Christensen Operations Manager
 Kim Grubaugh Admin. Services Mgr.
 David Bell Marketing/Development Mgr.



Grubaugh



Ziola



Bell



Christensen

Hydro Division

John Cieloha Hydro Superintendent
 Gary Pearson Headworks Supervisor
 Ron Cieloha Powerhouses Supervisor

Division Superintendents

Lanny Long Albion
 Dan Hellbusch Columbus
 Arnie Wemhoff Fullerton

Local Superintendents

Guy Imus Cedar Rapids
 Jim Kampschneider Genoa
 Joe Hubenka Humphrey
 Graham Koehler Newman Grove
 Roy Babb St. Edward

Meter and Maintenance

Aaron Brown Engineering Supervisor
 Rick Schaecher Substation M&M Supt.