



News Release

(HOLDREGE, Neb.) - Two public power districts are moving forward into the next phase of consolidation talks after receiving positive findings from the latest assessment. Directors of The Central Nebraska Public Power and Irrigation District and Dawson Public Power District both voted on Monday to advance to phase three of the process. The study has four phases before a merger could occur and each phase requires approval of both boards.

Phase two findings were presented in a report done by Power Systems Engineering (PSE) of Wisconsin. They showed the merger has both financial benefit to the companies as well as subjective value for central Nebraska. A joint meeting of the boards was held on Feb. 3 in Kearney to provide the opportunity for both boards to hear from PSE as well as interact with each other. Following that discussion, each District's boards voted during their regular monthly board meeting to advance the study.

"This is all about our customers and stakeholders; doing the best job possible managing the resources, providing the most value in the services we provide and continuing to honor the vision for Nebraska for which our Districts were created," said Central General Manager Devin Brundage.

PSE detailed in their consolidation assessment that a total overall savings of \$11.7 million could be realized over seven years if the two companies consolidate. The savings are derived from Dawson's ability to use 20 megawatts (MW) of power from one of Central's hydro generation plants as well as efficiencies, realignment and reduction workforce through natural attrition as employees retire.

Through consolidation, Dawson PPD will add renewable power while Central realizes a reliable, stable and local customer for the energy produced without being impacted by ongoing market volatility. Merging these two companies adds flexibility in how they react or manage the future of energy. The two companies can be a stronger legislative influence and economic driver for central Nebraska. Shared resources also mean more efficient use of equipment and manpower.

The next step in the process within phase three of the study will be to develop a consolidation charter of the two companies into one for consideration and look deeper into the challenges ahead such as board representation, name, headquarters and overall entity setup.

"It's important that directors do not look only at the numbers which represent significant savings for our customers, but also at the subjective values a merger could provide," said Gwen Kautz, Dawson Public Power District General Manager.

Central owns and operates hydroelectric generation facilities in addition to providing irrigation, groundwater recharge, recreational opportunities and wildlife habitat. Dawson PPD purchases wholesale electricity, distributing and selling it to end-use customers. The two districts are both political subdivisions of the state of Nebraska and serve territories in central Nebraska. Central is governed by a 12-member board of directors elected by the public in Phelps, Kearney, Gosper, Dawson, Lincoln and Keith counties. Dawson has a 11-member elected board representing Lincoln, Dawson, Buffalo and Gosper counties.

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