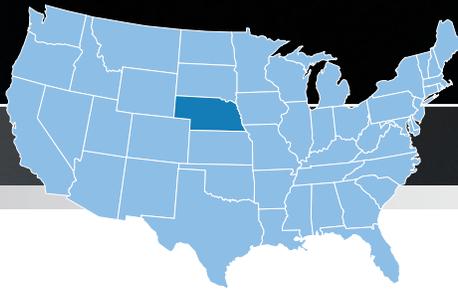


Nebraska Overview

Economic Development

Economic News from
Nebraska Public Power District

Winter 2013–14



NPPD Helps BD Reach Its Sustainability Goals



Becton, Dickinson and Company (BD), a leading global medical technology company, has signed an agreement with Nebraska Public Power District (NPPD) to purchase renewable energy credits (RECs) from the Steele Flats Wind Farm for the next 20 years.

BD, headquartered in Franklin Lakes, New Jersey, is the first industrial customer to directly receive the REC benefit from a wind farm operating in Nebraska. The agreement enables BD to purchase RECs based on 30 megawatts of generation from the 44-turbine wind farm to provide the beneficial environmental attributes for electricity used at its manufacturing facilities in Columbus and Holdrege as well as acquiring a 20-year hedge against rising fossil fuel prices and potential carbon legislation. This is an important milestone for the company's worldwide sustainability program, which includes a target of obtaining 25 percent of its global electricity use from renewable resources. This agreement will further increase BD's global renewable energy consumption, which is currently 35 percent.

"This project with BD was a unique situation where an industrial customer of two of our wholesale customers was seeking the opportunity to meet its sustainability goals," said NPPD President and CEO Pat Pope. **"Through many discussions and negotiations, we were able to get BD what they were seeking for their Nebraska operations and sustainability goal, while at the same time adding cost effective wind energy to our energy portfolio and moving us closer to our Board-established goal for renewable energy."**

The 75-megawatt Steele Flats Wind Farm is owned and operated by NextEra Energy, based out of Juno Beach, Florida. NPPD will be purchasing all output through a power purchase agreement.

The Steele Flats Wind Farm project, located between Steele City and Odell, Nebraska, puts NPPD at 7.9 percent of its 10 percent by 2020 renewable energy goal.

BD will continue to purchase 100 percent of its electricity from its current suppliers, Loup Power District and the city of Holdrege, wholesale utility customers of Nebraska Public Power District.

Economic Development Rate Lowered in 2014

Nebraska Public Power District's (NPPD's) Board of Directors voted in December to lower the utility's wholesale economic development incentive rate first adopted in 2012. The change allows its retail service providers the opportunity of offering a retail rate of approximately 4.0 cents per kilowatt hour.

Prospective or expanding industrial customers are eligible to receive the new economic development rate for up to five years, IF they receive retail service from NPPD or one of NPPD's wholesale customers AND meet the following criteria:

- Have a projected new or additional electrical load of 10 megawatts or greater,
- Have a minimum monthly load factor of 75 percent, and
- Are accepted by the State of Nebraska to receive economic development incentives under the Nebraska Advantage Act.

"NPPD's wholesale economic development rate offers new or expanding businesses an energy solution to grow and prosper in Nebraska."

Patrick L. Pope, President & CEO
Nebraska Public Power District

Diversity Helping to Grow Kearney's Economy

Kearney, Nebraska, believes the strength of its economy comes from its diverse economic base. This is evident in the recent growth in their business pillars of distribution, manufacturing, medical, hospitality, and corporate sectors.

“The economic pillars of Kearney are very strong and because of this our community is able to enjoy sustainable growth and prosperity. They function independently yet the support received from the other pillars in the community provide outstanding community dynamics that define the progressive culture of Kearney and the surrounding area,” said Stan Clouse, mayor of Kearney.

Baldwin Filters, a manufacturer of high-quality, heavy-duty lube, air, fuel, coolant, and hydraulic filters, broke ground in May 2013 on a \$40-million expansion in Kearney. This new 400,000-square-foot facility will be built on the east side of the current 600,000-square-foot manufacturing and distribution complex.

The new distribution center will more than double the number of loading docks and will feature an upgraded warehouse management system to increase productivity and efficiency.

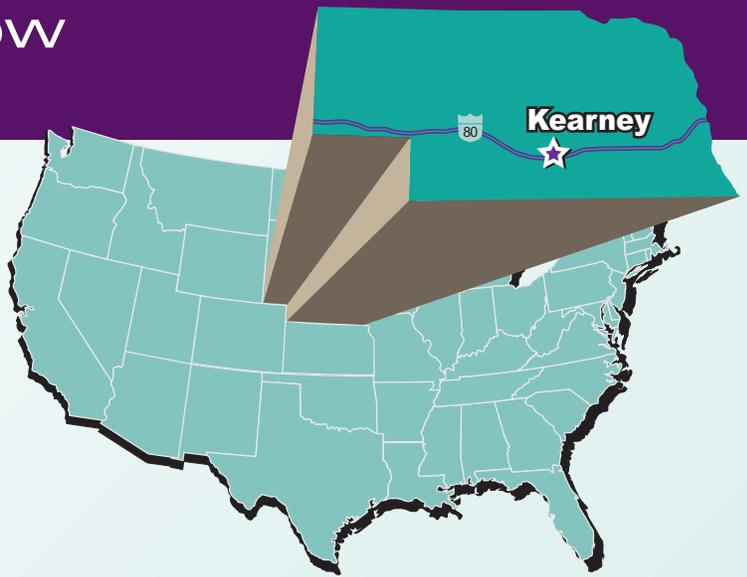
Construction is expected to be completed by the end of 2014. Baldwin currently employs approximately 1,000 people in Kearney and has plants in Gothenburg, Nebraska, and Yankton, South Dakota.

Cash-Wa Distributing Co. added 70,000 square feet (2.8 million cubic feet) in 2013, to an existing 75,000-square-foot freezer built in 2009. The 17th largest broadline foodservice distributor in the nation, with an inventory of more than 20,000 SKUs, Cash-Wa's products include high quality food and beverage to equipment and supplies and more. Their customer base includes grocery stores, fast food restaurants, convenience stores, health care facilities, schools, and white tablecloth restaurants.

The company has grown to include three complete distribution centers and several sales offices with representatives serving all or part of nine Great Plains States. An additional 20 employees have been added to the Kearney workforce for a total of 540 employees.

Cash-Wa was founded in 1934 and bought by Harvey Henning in 1957. Since that time, this privately owned company, has stayed in the Henning family with second and third generations.

Midland Molding, Inc., a full-service, custom injection molding manufacturing company, has expanded its operations in Kearney. Midland Molding completed a 40,000-square-foot expansion in December 2013. The original 32,000-square-foot facility sits near the newly constructed facility. Both structures house industrial offices, production, and a warehouse.



Midland Molding, locally owned and operated, has been in business for more than 20 years. The company currently employs 37 and expects to create 15 new jobs as a result of the expansion.

The Buckle, Inc., a leading retailer of casual apparel, footwear, and accessories, plans to construct a new 79,200-square-foot corporate office building in Kearney.

The two-story building, with a 39,600-square-foot footprint, is being built to accommodate staff and make room for growth. The Buckle plans to relocate 100–150 of its current employees working in the existing 261,000-square-foot corporate headquarters building located across the street from the new facility. This facility currently houses corporate offices, as well as online fulfillment center, returns, and redistribution area. The relocation of the corporate offices frees up additional space for other departments within the current facility. The Buckle's 240,000-square-foot distribution center built in 2010 is also located in Kearney. Currently, The Buckle's work force is more than 600 employees at its three corporate sites.

Construction of the new corporate office is estimated to be complete in Fall 2014. The company has 452 stores in 43 states, under the names **Buckle** and **The Buckle**.

“Since 2009 Kearney has experienced over 2.2 million square feet of new development and many more projects are in the queue,” said Darren Robinson, president of Economic Development Council of Buffalo County. **“The city, county, and community leaders in Kearney work together and get along second to none, cooperation and collaboration fuels growth. The atmosphere of supporting each other to accomplish goals is 100 percent energized in this community.”**

The city of Kearney is served electrically by Nebraska Public Power District.

Honduran Cheese Manufacturer Locates in Columbus, Nebraska

A Honduran specialty cheese maker now calls Columbus, Nebraska, home. Owners Carlos and Marlon Reyes of Central American Foods, LLC, have renovated a portion of an existing building for their cheese-making operation. The Honduras-based company has been exporting cheese to the U.S. for five years. Columbus is the company's first U.S. production facility and currently employs five people, with a goal to expand to 10 employees within a year, according to Marlon Reyes.

The Columbus location, which began operations in October 2013, produces and sells cheese through existing brokers in the southeast and along the East Coast, as well as new markets in the western U.S.

Marlon Reyes described their product as a dry cheese similar to parmesan that is used for seasoning and said the product is primarily used by people of Central American descent.

“Establishing a business from scratch in the United States is not an easy task,” said Marlon Reyes. **“It is a new environment and all the regulations and laws are different. The Columbus Economic Council has been not only helpful, but a guide every step of the way. The level of support from everyone in the city of Columbus has made this dream possible. We look forward to call Columbus our home for many years to come.”**

The Columbus City Council previously approved a \$91,000 loan request, which was used to assist Central American Foods with the cost of equipping their new location. Funding for a



Central American Foods Owners, Marlon and Carlos Reyes

zero-interest loan comes from the city's LB840, Progress and Jobs program, which utilizes a portion of a voter-approved local sales tax to promote business development and expansion in the city.

David Bell, vice-president of development and marketing at Loup Power District, said, **“It has been fun working with Marlon and Carlos Reyes. The high level of cooperation and support from Nebraska Public Power District, Nebraska Department of Economic Development, City of Columbus, Platte County, Northeast Nebraska Economic Development District, and US Bank were key to pulling this project together.”**

Central American Foods is served electrically by Loup Power District, a wholesale customer of Nebraska Public Power District.

C.J. Foods Included in Top 5,000 Fastest Growing Companies

According to *Inc.* magazine, C.J. Foods, Inc., located in Pawnee City, Nebraska, ranks 2,653 on the national list that encompasses all U.S. companies. If the list was pared down to just manufacturing companies, C.J. Foods would rank in the top 100.

The Pawnee City company which produces premium dog and cat food, grew 132 percent from 2010 to 2012. And according to *Inc.*'s list, C.J. Foods produced \$135.2 million in revenue last year, compared to \$58.2 million in 2009.

C.J. Foods was founded in 1985 with less than 10 employees. Today C.J. Foods produces 10,000 tons of pet food monthly and employs more than 300 workers between their two locations—Pawnee City with 170 employees and a second factory in Bern, Kansas, with 140 employees.

The C.J. Foods facility in Pawnee City is served electrically by Nebraska Public Power District.



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NEBRASKA to Exhibit at IPPE



Atlanta, Georgia, will be the location of the January 28–30, 2014, International Production & Processing Expo (IPPE). Nebraska Public Power District will exhibit in partnership with the Lincoln Partnership for Economic Development and Nebraska Department of Economic Development.

In 2013 the International Meat Expo, International Poultry Expo, and International Feed Expo integrated their tradeshow under the International Production & Processing Expo.

IPPE is the world's largest annual display of technology, equipment, supplies, and services used in the production and processing of eggs, meats, and poultry and those involved in feed manufacturing. The 2014 IPPE will bring together more than 1,100 exhibitors and over 25,000 attendees.

Visit Nebraska representatives at **Booth #6946** at the IPPE show in Atlanta.

For more information, visit: www.ippexpo.org.

N-fact Nebraska Economic Fact

Nebraska ranks...

- 4th Best Run State in America, *24/7 Wall St.*
- 6th Best State for Business 2013, *Forbes.com*
- 7th Most Debt-free States in America, *Experian-Oliver Wyman Market Intelligence Reports & Experian IntelliView, ABCnews.go.com*