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### **Early study results show benefits of a potential merger**

(HOLDREGE, Neb.) – Two public power districts are moving ahead with consolidation talks after finding financial benefit for each. Directors of the Central Nebraska Public Power and Irrigation District and Dawson Public Power District have voted to continue the research process.

“The initial study showed positive outcomes for a merger opportunity,” said Gwen Kautz, Dawson Public Power District General Manager. “Our directors are responsible for the future health and viability of their respective power districts. They are tasked with planning beyond this next decade. This process cannot be rushed, and phase two will scrutinize the advantages and disadvantages for all customers and stakeholders. Weighing the impacts will require objective evaluation. We expect to look at an arrangement that can build on what these two systems together can offer central Nebraska in the short and long term.”

Preliminary findings were presented to members of both boards on March 31. Potential savings were identified in power supply costs and combining of facilities. The study process has four phases before a merger could occur. Each phase requires approval of both boards.

“This discussion is exactly what those who came before us envisioned,” explained Devin Brundage, General Manager of the Central Nebraska Public Power and Irrigation District. “These Districts were formed by people asking if there was a better way for the citizens of Nebraska to find innovative ways and organizations to develop and sustain our natural resources to power their future. We continue that mission today and into the future.”

Power System Engineering of Wisconsin is conducting the consolidation studies. Results of the study’s second phase are expected by late summer.

Central operates a multipurpose hydro-irrigation project providing irrigation, hydroelectric generation, groundwater recharge, recreation and wildlife habitat. A political subdivision, it is governed by a 12-member board of directors elected by the public in Phelps, Kearney, Gosper, Dawson, Lincoln and Keith counties. Central’s hydroelectric facilities are licensed by the Federal Energy Regulatory Commission. Revenues come primarily from providing irrigation delivery service and the wholesale of hydropower to other utilities. Central has offices at Kingsley Dam, Gothenburg, Bertrand and Holdrege, where the administrative headquarters are located. Central has about 100 employees. Central owns and operates

Lake McConaughy, the largest storage reservoir in the state. Its hydro-irrigation project delivers water to about 108,000 acres under contract with Central and to another 100,000 acres that receive water through contracts with Central or other irrigation projects. Central's project also provides groundwater recharge benefits from its canals and laterals to more than 310,000 acres irrigated by wells in and adjacent to its service area.

Dawson Public Power District, also a political subdivision of the State of Nebraska, serves more than 23,000 electric meters and maintains more than 5,800 miles of power lines in south-central Nebraska. It is guided by an elected 11-person board of directors elected by the public that it serves. Dawson PPD employs about 80 people. Dawson PPD's territory includes all the rural areas in Dawson and Buffalo counties, approximately two-thirds of Gosper County, a third of Lincoln County and parts of Custer, Sherman and Frontier counties. The District also serves the towns of Hershey, Maxwell, Brady, Farnam, Eustis, Elwood, Eddyville, Smithfield, Overton, Sumner, Miller, Riverdale, Amherst, Odessa and Pleasanton. Dawson PPD does not serve customers within the cities of North Platte, Gothenburg, Cozad, Lexington, Elm Creek, Kearney, Gibbon, Shelton or Ravenna.

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