



2015 IN REVIEW

**\$79.3
MILLION**

Total Operating Revenue

**\$66.4
MILLION**

Total Operating Expenses

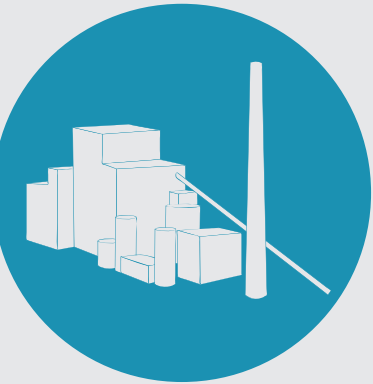
**135.7
MW**

Peak Demand

**855,651
MWH**

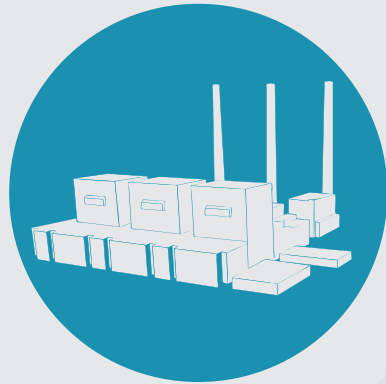
Total Customer Sales

WHELAN ENERGY CENTER UNIT 2



91% Availability
71.6% Capacity Factor
419,977 MWh Generation

LARAMIE RIVER STATION UNIT 1



65.8% Availability
86.1% Capacity Factor
254,859 MWh Generation

WESSINGTON SPRINGS WIND ENERGY CENTER



98.9% Availability
47.2% Capacity Factor
208,758 MWh Generation

OPERATIONS

EQUIPMENT UPGRADES



1,382
Light fixtures
and LED bulbs



8
Heating
and cooling
units

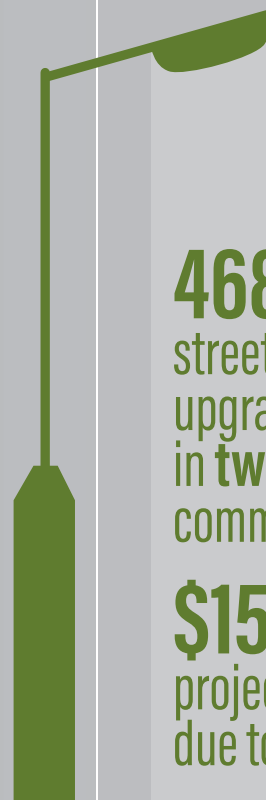


65
Household
appliances



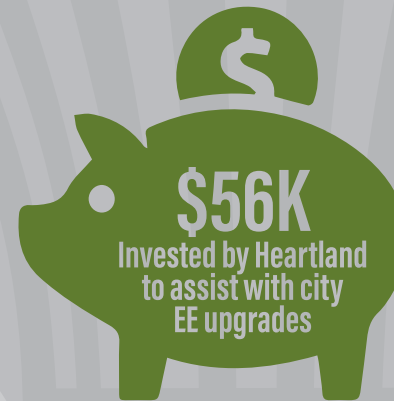
28
Lifetime
electric water
heaters

GRANTS



468
street lights
upgraded to LEDs
in **twelve** customer
communities

\$15K / 14 MWh
projected annual savings
due to street light upgrades



\$56K
Invested by Heartland
to assist with city
EE upgrades



\$26K
Projected annual
customer savings



2
smart meter
upgrade projects

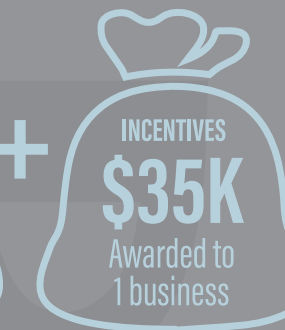
ENERGY EFFICIENCY



Awarded to
7 communities



Awarded to
28 businesses



Awarded to
1 business



Awarded to
3 businesses

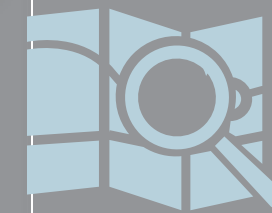
= \$1.71 MILLION DIRECT ECONOMIC IMPACT



15.7 MWh
New energy



12.8 MWh
Expanded energy



RESEARCH PROJECT

Key demographic and economic development
data collected from customer cities for use with
prospective businesses, community developers
and site selectors

ECONOMIC DEVELOPMENT



SPP INTEGRATION

October 1, 2015: At midnight, operation began
within Regional Transmission Organization
Southwest Power Pool; generation resources
and customer load assets were transferred
to SPP Integrated Marketplace

PURPA ASSISTANCE

Filed motion for waiver with FERC to allow Heartland
to purchase power from any qualifying facility on
behalf of our customers



**AUBURN, IOWA &
GARDEN CITY, KANSAS**

Added to customer base

CUSTOMER HIGHLIGHTS



AURORA, SD: Completed and energized new substation to provide a new delivery point for the city's power from Heartland and Western Area Power Administration

BRYANT, SD: Received over \$400,000 in Hazard Mitigation Grant money from FEMA to help bury seven miles of transmission line from the city's substation to city limits

GROTON, SD: Electric Superintendent Ward Gilchrist retired after nearly 45 years in the electric industry



HOWARD, SD: Received a \$1.7 million loan from the South Dakota Board of Water and Natural Resources for a wastewater project

LAKE CRYSTAL, MN: Launched 'Beat the Peak' residential load management program to help control peak demand

MADELIA, MN: Hosted portion of Minnesota Municipal Utilities Association Generation School

MADISON, SD: Celebrated Capital for a Day with Governor Dennis Daugaard; hosted U.S. Senate cybersecurity field hearing at Dakota State University; Electric Superintendent Dennis Poppen retired after 40 years of service



MARSHALL, MN: Utility General Manager Brad Roos received James D. Donovan Individual Achievement Award from American Public Power Association

MCLAUGHLIN, SD: Finance Officer Della Hauck and Utility Manager Lornie Hach were inducted into the South Dakota Municipal League Hall of Fame after 31 years of service and 36 years of service, respectively

PARKER, SD: Finance officer Jeanne Duchscher retired after 15 years of service

SIoux FALLS, SD: Launched a Workforce Development Pilot Program to support workforce growth and development within the community; received two loans totaling \$31.45 million from the South Dakota Board of Water and Natural Resources for wastewater work

TYNDALL, SD: Received a \$1.5 million loan from the South Dakota Board of Water and Natural Resources for a drinking water project



WESSINGTON SPRINGS, SD: Received over \$700,000 in loans and grants from the South Dakota Board of Water and Natural Resources for replacing water and sewer infrastructure damaged by a 2014 tornado

HEARTLAND/2015



BOND REFUNDING

Public Power Generation Agency advance refunded \$280 million of bonds used to build Whelan Energy Center Unit 2

\$25.6 M

Savings over life of bonds

\$9.2 M

Heartland savings over life of bonds

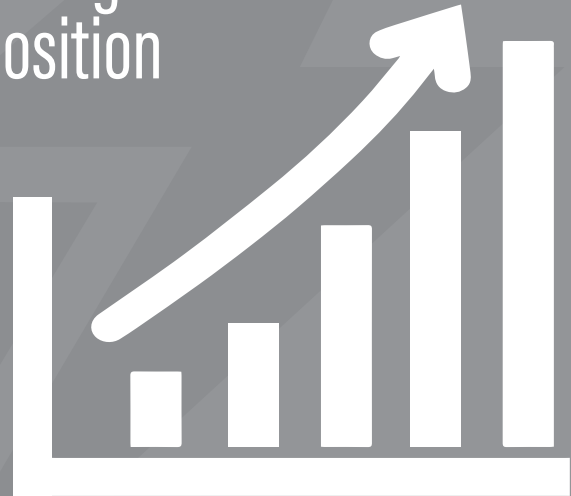
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STABLE OUTLOOK FITCH RATING

Financial policies and targets viewed positively and should ensure the district remains on sound financial footing

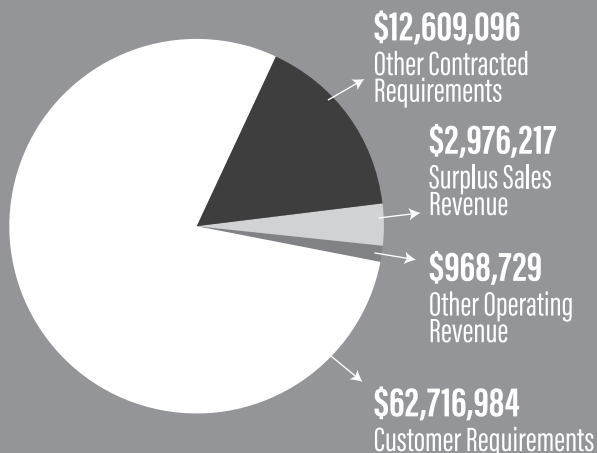
\$11.7 MILLION

Change in net position



\$79,271,026

2015 OPERATING REVENUES



\$66,360,177

2015 OPERATING EXPENSES

