MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, June 16, 2023, at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on June 9, 2023.

Board Members Present:	Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar
Board Members Absent:	Kate Bolz
LES Staff Present:	Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Jason Fortik, Lisa Hale, Trish Owen, Travis Moore, Kelley Porter, Adam Powers, Mike Murphy, Keith Snyder, Katrinka Dicke, Joel Dagerman, Marc Shkolnick, Scott Benson, Robbie Seybert
Others Present:	Ken Winston
News Media Present:	None

Call to Order & Safety Briefing

Chair Andrew Hunzeker declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Chair Hunzeker noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that copies of the Act are located with the Board Assistant Secretary.

Approval of Minutes

Chair Andrew Hunzeker requested approval of the meeting minutes on May 19, 2023. Carl Eskridge moved their approval. David Spinar seconded the motion. The vote for approval of the minutes was:

Aye:	Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar
Nay:	None
Absent:	Kate Bolz

Customer Comments

Ken Winston, Nebraska Interfaith Power & Light, addressed comments to the LES Administrative Board.

Operations & Power Supply Committee Report

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions, including: 1) Vegetation Management Update; 2) 2023 Q1 Generation

Revenue & Cost Report; 3) SPP Performance Based Accreditation Overview; 4) 2023 Long Range Forecast; 5) Terry Bundy Generating Station Turbine Repair Status; 6) Energy Storage Project Update; and 7) Economic Development Project Status Update. (Exhibit I)

Budget & Rates Committee Report

David Spinar, Chair of the Budget & Rates Committee, reported on Committee discussions, including: 1) 2024 Budget Schedule, Guidelines, and Assumptions; 2) Long-Range Forecast & Revenue Expectations; and 3) Five Year Forecast. (Exhibit II)

State Legislative Report

Travis Moore, Legislative & Corporate Policy Analyst, Corporate Governance & Records, summarized the 108th Session of the Nebraska Legislature. (Exhibit III)

Moore noted that the Legislature adjoined sine die on Thursday, June 01, 2023. Of the 820 bills introduced, 291 bills (contained in a total of 38 bills) were adopted and will become law.

LES identified 50 bills of interest at the beginning of the session, 41 of which will carry over and be considered next year.

During the interim, LES will monitor the progress of several interim study resolutions and engage as necessary.

2023 Construction Review & Outlook

Joel Dagerman, Manager, System Planning, provided a review and outlook for construction activities for 2023. (Exhibit IV) The factors driving projects and programs are customer growth, reliability/asset health, and strategic/regulatory requirements.

Over the past 15 years, LES spent its capital on new and replacement distribution infrastructure. The direct impact of customer growth is feeder cable, neighborhood cable, and electrical services. The indirect effect is related to substations and transmission projects. Through the Overhead Distribution Asset Management Program, staff inspected 8,500 poles in 2023.

LES coordinated with the City of Lincoln on several road and bridge projects and continues its overhead to underground rebuilds. LES' Transformer PCB Mitigation project is restarting following supply chain constraints. Contract labor pricing continues to increase due to labor issues.

Tax-Exempt Financing Compliance Update

Emily Koenig, Vice President & CFO, provided an update on LES' Tax-Exempt Financing Compliance. (Exhibit V)

The issuance of LES debt is authorized by city ordinance. The diversity of financing mechanisms, short-term and long-term debt, provides a financial benefit to LES. Several factors are considered when issuing debt: projected liquidity (cash) levels; at least 50 percent routine capital funding with cash; debt service coverage in the year prior to debt issuance; reimbursement financing; and compliance with financial metrics. Koenig noted that market timing matters to minimize cost and that LES' existing debt profiles influence the structure of bond maturities.

LES has about $562 million of outstanding long-term bonds, $377 million of which are subject to tax-exempt compliance.

In 2012, the LES Board adopted financing compliance procedures and updated these procedures in 2019. LES compliance procedures require an annual status update to the Board. Koenig noted that tax-exempt bond compliance is currently in maintenance mode. Compliance procedures and the Internal Revenue Service require that LES make all transcripts, tax forms, bid documents, and related documents available. Bond files will be completed as new financings are completed, and LES will continue to monitor compliance monthly. In 2021, an internal audit was conducted with no significant findings.

Approval of Revised LES Service Regulations – LES Resolution 2023-10

Marc Shkolnick, Manager, Energy Services, presented LES' updated Service Regulations. (Exhibit VI). Changes to the Service Regulations include verbiage regarding customer financial responsibilities for costs associated with relocated obstructed service drops; verbiage regarding limits on load ramp rates for commercial services; and various enhancements to verbiage consistency.

Lucas Sabalka moved the adoption of LES Resolution 2023-10 – Revised LES Service Regulations. David Spinar seconded the motion. The vote for the adoption of the resolution was:

Aye: Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: Kate Bolz

Energy Storage Project Update

Scott Benson, Manager, Resource & Transmission Planning, updated the Board regarding LES' energy storage project. (Exhibit VII)

Benson provided an overview of the Request for Proposal. He explained the differences between the base proposal (a lithium-ion battery) and the alternatives (a non-lithium-ion battery) options.

An alternative proposal was selected as the lowest per-unit cost project; a 3MW/ 4-hour zinc battery. The project's site preparation and net operating costs are estimated at approximately $5.7 million. A Power Purchase Agreement plus the relatively small size of the project allowed LES to be much more aggressive than usual in pursuing a newer technology with a smaller developer.

The project developer is Watt More, a Colorado-based clean technology company and renewable projects development company specializing in energy management software and battery storage management.

Projected benefits streams of LES' battery storage project include: 1) support of transmission and distribution system reliability by deferring load during peak periods; 2) load-related energy arbitrage; 3) load-related ancillary services; 4) further development of energy storage knowledge and experience within LES; and 5) it strengthens the LES community microgrid.

PURPA 111(d) "Shall Consider" Standards Update

Marc Shkolnick, Manager, Energy Services, updated the Board on PURPA "Shall Consider" Standards. (Exhibit VIII) LES is required to submit comments no later than August 11, 2023.

Shkolnick covered the next steps for the third and fourth quarters of 2023, including a public meeting scheduled for July 25, 2023. Final determinations will be presented to the LES Administrative Board for consideration, and the Lincoln City Council will have to take action to adopt the recommendations of the LES Board.

2022 Sustainability Initiatives Report

Scott Benson, Manager, Resource & Transmission Planning, reported on LES' 2022 Sustainability Initiatives. (Exhibit IX)

According to the report, LES saw a slight uptick in C02 emissions in 2022 due to higher-than-usual natural gas prices. These higher natural gas prices drove higher SPP market prices, resulting in more energy production from LES' fossil resources. From 2010 to 2022, there has been a 36 percent overall reduction in C02 emissions.

Benson provided a sneak peek of the 2023 report, including adding new electric vehicles to the LES fleet and the battery storage project.

Executive Session – Chief Executive Officer (CEO) Search Discussion with Recruiter

Chair Andrew Hunzeker asked for a motion to enter a closed Executive Session for the purpose of meeting with the CEO recruiting consultant to discuss feedback received from stakeholder surveys regarding expectations for the CEO position and to prevent needless injury to the reputation of any individuals who may be specifically identified in the stakeholder feedback. David Spinar made the motion. Karen Griffin seconded the motion. The vote for approval to go into Executive Session was:

Aye: Martha Durr, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: Kate Bolz, Carl Eskridge

The Board entered Executive Session at 11:22 a.m.

The Board came out of Executive Session at 11:49 a.m. No action was taken.

LES Executive Search Committee Update

Andrew Hunzeker, Chair of the Executive Search Committee, reported that the Executive Search Committee met and finalized the proposed timeline for the CEO interview and selection process. (Exhibit X) The overall process should take approximately five months.

The Committee reviewed and finalized the CEO job description and competency model. The consultant, Lanie Mycoff, conducted one-on-one discussions with LES Board members regarding desired CEO characteristics and LES'

strategic direction, goals, and challenges. Internal and external stakeholder questionnaires were also sent out and will be reviewed at the next committee meeting.

Monthly Financial & Power Supply Reports

The Revenue and Expense Statements and Financial and Operating Statements for May 2023 are available. The Power Supply Division Monthly Reports for May 2023 are also available. (Exhibit XI)

Next Meeting

The next regular meeting of the LES Administrative Board will be Friday, July 21, 2023, at 9:30 a.m.

Adjournment

Without further business before the Board, Vice Chair Spinar declared the meeting adjourned at approximately 11:51 a.m.

Lucas Sabalka, Secretary

BY: *S/Travis Moore*
Travis Moore
Assistant Secretary

Exhibit I

Operations and Power Supply Committee
Meeting Summary
June 5, 2023 (virtual)

Attendees: C. Johnson, L. Sabalka (Committee Chair), S. Benson, J. Cocklin, P. Crist, J. Dagerman, J. Dutton, J. Fischer, C. Goering, S. Koehler, E. Koenig, B. Lafler, T. Owen, F. Rumery, Fd. Rumery, S. Sahling-Zart, N. Vanous, K. Wailes

Vegetation Management Update (Fredrick Rumery):

- Staff provided an overview of the structure, purpose, programs, work history, and budget for various vegetation management programs.
- Vegetation interactions with LES facilities are a source of outages and safety and reliability issues, so LES has implemented several technology and customer outreach and information sharing efforts to raise awareness and help improve the system's performance.

2023 Q1 Generation Revenue & Cost Report (Brad Lafler):

- Staff presented its analysis of the financial performance of LES's generating resources in the SPP Integrated Marketplace for Q1 2023.
- Natural gas prices declined notably from last year and were well below the Budget expectations. This put downward pressure on market electricity prices.
- LES's generating fleet posted overall negative net revenue results for the quarter, driven primarily by negative returns from the wind resources.

SPP Performance Based Accreditation Overview (Scott Koehler):

- Staff provided background information on SPP's generation accreditation processes and the changes to those processes currently underway that are intended to provide a more accurate measurement of the generating resources' ability to serve market needs.
- New methods for calculating the capacity values will lead to fluctuating accreditation, and separate summer and winter ratings will now be implemented to recognize the recent impacts from weather events.
- The changes could be quite impactful to generator ratings. The processes are currently planned to be implemented over a five-year timeline.

2024 Long Range Forecast (Chris Goering):

- The 2024 energy sales and system demand forecasts were shared with the committee.
- 2024 energy sales are expected to be similar to 2023. Revenue, prior to any potential rate increase identified through the 2024 budget work, is expected to increase by approximately $0.8M in comparison to the 2023 budget.

Terry Bundy Generating Station (TBGS) Turbine Repair Status (Jim Dutton):

- Two of the combustion turbines at TBGS that were taken out of service last September remain out of service and are still located at the original equipment manufacturer's repair depot due to supply chain issues and labor shortages.
- A final repair scope and pricing have not been finalized due to additional component degradation that has been discovered, but a late fall 2023 return to service at a repair cost of approximately $8M are expected.

Energy Storage Project Update (Scott Benson):

- Staff provided an update on the interactions with the potential vendor.

Economic Development Project Status Update (Scott Benson):

- Staff provided an update on the potential project, including current activities and ongoing discussions.

Exhibit II

Budget & Rates Committee Meeting – June 15, 2023
(Virtual)

Attendees: D. Spinar (Chair), L. Sabalka, E. Schafer, A. Hunzeker (Board Chair),K. Wailes, S. Sahling-Zart, E. Koenig, L. Hale, W. Leibbrandt, J. Cocklin, C. Goering, M. Shkolnick

2024 Budget Schedule, Guidelines and Assumptions (Wade)

- An overview of key dates and financial assumptions associated with the proposed 2024 budget and rates was provided to the committee. Preliminary discussion regarding SEP funding was included in the conversation.
- Staff is currently compiling the proposed budget which the committee will review at its next meeting on August 24.

Long-Range Forecast & Revenue Expectations (Chris)

- The 2024 energy sales and system demand forecast was shared with the committee.
- 2024 energy sales are expected to be similar to 2023. Revenue, prior to any potential rate increase identified through the 2024 budget, is expected to increase by $800 thousand in comparison to the 2023 budget.

Five Year Forecast (Wade)

- The Committee received a thorough review of projected operating revenues, operating expenses, and capital expenditures as well as information related to key financial metrics, planned financing activities, and projected rate increases.
- Overall, the forecast indicates that LES will remain in a strong financial position.

Exhibit III

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 49	Judiciary Committee **Hearing February 23, 2023**	(Dungan) Changes provisions relating to solar energy and wind energy, declares certain instruments void and unenforceable, and provides for a civil cause of action. LB 49 permits counties and municipalities to consider a "right to direct sunlight" in its zoning regulations to encourage solar or wind energy. It also proposes to prohibit any deed or ownership document or homeowners' association covenant from forbidding or restricting the installation of a solar energy system.	Monitor
LB 57	Business & Labor Committee **Hearing January 30, 2023**	(M. Cavanaugh) Adopts the Paid Family and Medical Leave Insurance Act. It creates an insurance program to provide partial wage replacement for eligible employees to care for themselves or a family member following a serious illness or to care for a new child through birth, foster care, or adoption. Leave can also be used for military needs. The program is financed through employer contributions to the program, but an employer may also satisfy the requirements through an employer-provided insurance plan.	Monitor/Confer with the City
LB 61	Transportation Committee **General File**	(Brandt) Authorizes the leasing of dark fiber and eliminates certain powers of the Public Service Commission. LB 61 was introduced at the request of OPPD and is intended to facilitate broadband development by amending statutory provisions regarding the lease, sale or license of dark fiber to eliminate provisions that have been a barrier to dark fiber leases. The goal of LB 61 is to promote effective public-private partnerships between communications providers and public power entities that own fiber infrastructure.	Monitor
LB 63	Transportation Committee **Indefinitely Postponed**	(Bostar) Requires the withholding of distributions to telecommunications companies from the Nebraska Telecommunications Universal Services Fund. A Transportation Committee amendment requires all telecommunication providers to certify annually with the PSC that they do not use or provide any communications equipment or services deemed to pose a threat to national security identified on the FCC covered list. Additionally, the amendment changes the Broadband Bridge Program application to restrict eligibility if an applicant uses or provides any telecommunications equipment or services deemed to pose a threat to national security identified on the FCC covered list. **Provisions of LB 63 have been amended into LB 683, which has been passed.**	Monitor
LB 79	Revenue Committee **Hearing March 3, 2023**	(Erdman) Adopt the Nebraska EPIC Option Consumption Tax Act. EPIC stands for the elimination of property, income, and corporate taxes. LB 79 would repeal state income, sales, inheritance, and property taxes and replace them with a consumption tax.	Monitor

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 120	Natural Resources Committee **Hearing February 16, 2023**	(Bostelman) Eliminates obsolete provisions from 2014 requiring a transmission study that was completed by the Nebraska Power Review Board and its consultant, the Brattle Group, in 2014. LES supports repeal of these outdated statutes.	Support
LB 122	Transportation Committee **Indefinitely Postponed**	(Bostelman) Changes provisions relating to the One-Call Notification System Act to establish an Underground Excavation Safety Committee. The committee consists of the State Fire Marshal, three excavators, three facility operators, and two alternatives who participate in the event of a conflict of interest. All members are appointed by the Governor and no member shall participate in a hearing in which the member's business is a party to. The committee meets monthly to review complaints submitted to the State Fire Marshal alleging violations of the One-Call Notification System Act and make recommendations on resolving complaints. Any civil penalties assessed exceeding $10,000 should be referred to the Attorney General for prosecution. **Provisions of LB 122 have been amended into LB 683, which has been passed.**	Monitor/Confer with the City
LB 133	Government Committee **Hearing February 10, 2023**	(J. Cavanaugh) Provides that entities exercising the power of eminent domain are subject to the Open Meetings Act. As a public entity, LES is already required to comply with the Open Meetings Act, but the bill will be monitored for any other amendments that may impact eminent domain authority.	Monitor
LB 134	Transportation Committee **Hearing February 21, 2023**	(J. Cavanaugh) Amends the Small Wireless Facilities Deployment Act to require an authority (e.g., city) to provide reasonable notification to adjacent property owners prior to installation of a small wireless facility or installation of any new or modified pole to accommodate a small wireless facility. This bill appears to be in response to a situation in Omaha where a wireless provider installed a new pole literally in the middle of a public sidewalk restricting pedestrian traffic. LES agrees with the requirement to provide notice but would prefer to see responsibility placed on the wireless providers rather than the authority. We will discuss this matter with Sen. Cavanaugh.	Support/Confer with the City
LB 161	Business & Labor Committee **General File**	(McDonnell) Amends the Workplace Privacy Act to prohibit employers from requiring employees to wear a communication device that tracks their physical location, travel patterns, or contacts with other employees, except in a state of emergency declared by the Governor. LES does not require this of its employees, but we will monitor the bill for any other amendments.	Monitor/Confer with the City
LB 164	Urban Affairs Committee **Hearing January 24, 2023**	(McKinney) Adopts updates to building and energy codes to align with the 2021 edition of the International Building Code, International Residential Code, and International Energy Conservation Code. These changes are on the customer side of the meter, but we will monitor for general awareness.	Monitor/Confer with the City

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 169	Judiciary Committee **Hearing March 1, 2023**	(Hunt) Prohibits discrimination based upon sexual orientation and gender identity. LES policies already prohibit discrimination based upon sexual orientation and gender identity, but the bill will be monitored for any amendments that may exceed LES policies.	Monitor/Confer with the City
LB 172	Urban Affairs Committee **General File**	(Bostar) Updates the Nebraska State Electrical Code to align with the minimum standards set forth in the 2023 National Electrical Code. These changes do not impact LES, but we will monitor for general awareness.	Monitor/Confer with the City
LB 205	Government Committee **General File**	(von Gillern) Adopts the Government Neutrality in Contracting Act to prohibit political subdivisions from, among other things, issuing RFPs or bid specifications that include language that requires, prohibits, encourages, or discourages bidders for public contracts from entering into or adhering to a collective bargaining agreement.	Monitor/Confer with the City
LB 209	Revenue Committee **Hearing March 1, 2023**	(Bostar) Provides tax exemption relating to data centers. LB 209 provides personal property tax exemption and a sales and use tax exemption for computers and related equipment used in the operation or maintenance of a data center, including servers, temperature control infrastructure, and electrical power infrastructure. LB 209 also exempts the electricity used by the data center from sales and use taxes. The sales and use tax exemption has no impact to LES, but it would result in less tax revenue for the State and also the City. The Chamber of Commerce supports the bill.	Monitor/Confer with the City
LB 237	Appropriations Committee **Hearing March 13, 2023**	(Wayne) Appropriates $1 million in FY 2023-24 and $1 million in FY 2024-25 to the Department of Environment and Energy for the Low-Income Weatherization Assistance Program to aid in carrying out energy efficiency audits and weatherization improvements.	Support

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 255	Natural Resources Committee **Hearing February 22, 2022**	(Brewer) LB 255 prohibits LES, NPPD, and OPPD from exercising the power of eminent domain to acquire property to construct or operate a wind or solar generation facility. LES opposes any efforts to erode eminent domain authority. LES's preference is always to work with property owners to negotiate a mutually acceptable purchase, but eminent domain is sometimes a necessary tool to fulfill a public purpose. If LB 255 passes, the result will likely be significant increases in property acquisition as property owners would be free to command a much higher purchase price without the fear of condemnation. The price could be significant depending on the type of facility and the size of the facility (megawatt production), including the geographic footprint of property necessary which could range from tens to hundreds of acres per facility site. LB 255 also amends other provisions related to special generation applications, which would not impact LES. **An amendment was offered to expand the scope of the bill to restrict the use of eminent domain by a City of the Primary Class outside of LES' service territory. Additionally, the amendment sought to prohibit an electric utility from applying to the PRB for a generation facility or project, if by the power of eminent domain (1) includes more than 50 acres of real property in fee simple or (2) is located outside of the applicant's own service area. The bill and amendment remain in the Natural Resources Committee.**	Oppose
LB 267	Business & Labor Committee **Indefinitely Postponed**	(Brewer) Adopts the Critical Infrastructure Utility Worker Protection Act. The bill was introduced at the request of OPPD. The bill would ensure that critical infrastructure utility workers are provided priority access to personal protective equipment, medical screening and testing, medical treatment and vaccines in the event of any civil defense emergency, disaster, or emergency involving a severe threat to human health. Utility workers would have priority access at least equal to that of hospital and medical personnel, law enforcement personnel, or other emergency responders. **Provisions of LB 267 were amended into LB 191, which has been passed.**	Support
LB 289	Natural Resources Committee **Indefinitely Postponed**	(Bostelman) LB289 amends the Municipal Cooperative Financing Act to allow municipal cooperatives to own and operate, contract to operate, or lease advanced metering infrastructure technology and provide advanced metering infrastructure services regarding a public owned utility system. The bill was introduced on behalf of NMPP Energy and does not directly impact LES. However, LES is a member of NMPP Energy and is supportive of this clarification. **Provisions of LB 289 were amended into LB 565, which has been passed.**	Support

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 297	Government Committee **General File**	(Sanders) Adopts the Personal Privacy Protection Act which seems to amend the Administrative Procedure Act. LB 297 prohibits the State or any political subdivision from requesting or disclosing personal information which is defined to mean any list, registry or other information that identifies a person as a member, support, volunteer of, or donor to any nonprofit organization certified as a 501(c) entity under the Internal Revenue Code. **An amendment offered by the Government Committee adds a maximum of $2,500 liquidated damages per violation, and appropriate preliminary, equitable, or declaratory relief.**	Monitor
LB 304	Government Committee **General File**	(Linehan) Requires each political subdivision to disclose on its website membership dues paid annually to any association or organization, including the amount of dues paid. It also requires disclosure of fees paid to any individual lobbyist or lobbying firm or such association other than those that may be included in the membership dues. It is unclear what problem or concern LB 304 seeks to address. While LES supports transparency and would provide this information upon request, LES does not see a purpose to be served in merely adding more information to its website. LES works to provide information on its website that is of greatest importance or use to LES customers and to make that information easy to locate. That said, LES is happy to make the information available to any member of the public upon request. **It appears LB 304 was advanced to General File due to a lack of opposition testimony during the hearing.**	Oppose/Confer with the City
LB 367	Business & Labor Committee **Hearing March 13, 2023**	(Conrad) Adopts the Fair Chance Hiring Act to prohibit employers and employment agencies from asking an applicant to disclose information concerning the applicant's criminal record or history until after the applicant has received a conditional offer of employment from the employer. This provision would not apply if a criminal history is otherwise required by state or federal law. This seems to be consistent with LES hiring practices.	Monitor/Confer with the City
LB 394	Judiciary Committee **Hearing February 23, 2023**	(Erdman) Changes provisions relating to eminent domain to require that for agricultural land only the damages shall be two times the fair market value of the condemned property and severance damages shall include the replacement cost of dwellings, garages, sheds, barns, wells, septic systems, fences, and other permanent structures.	Oppose

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 399	Natural Resources Committee **Hearing February 22, 2023**	(Brewer) Changes provisions relating to privately developed renewable energy generation facilities (PDREGF) to require Nebraska Power Review Board (NPRB) approval of such facilities. Under current law PDREGF are only required to certify to the NPRB that they have complied with the requirements of the statute, such as providing a decommissioning plan and certifying that the applicant has a joint transmission development agreement and has consulted with Game and Parks to address and impacts to species. LB 399 would require a hearing before the NPRB and subsequent approval. The application would be approved if the NPRB finds that the requirements have been met and that the application is "not outweighed by any testimony or evidence in opposition to the application offered by power suppliers, other interested parties, or members of the public." This language is overly broad and vague. While this provision does not apply to the generation applications made by public power entities, this standard could set a precedent for changes in the public power approval criteria.	Oppose
LB 408	Government Committee **Hearing February 15, 2023**	(M. Cavanaugh) Changes provisions relating to conflicts of interest under the Nebraska Political Accountability and Disclosure Act. It requires members of nonelective government bodies to file a conflict-of-interest statement if the member is required to take action or make a decision in the discharge of their official duties that may cause financial benefit or detriment to the member or the member's immediate family or business. This provision is consistent with existing conflict of interest provisions in the Lincoln Municipal Code so there is no impact to LES board members.	Monitor/Confer with the City
LB 450	Natural Resources Committee **General File**	(Brewer) Prohibits land disposal of wind turbine blades and their component parts. While LES has power purchase agreements with several wind projects, LES only owns two wind turbines. The matter of disposing of wind turbine blades is a continuing challenge nationwide and there is ongoing research and development regarding new technologies to deal with blade disposal.	Monitor
LB 496	Revenue Committee **Hearing February 10, 2023**	(Linehan) LB 496 provides a sales and use tax exemption on the gross receipts from the sale, lease, rental, and storage of business inputs. A business input is defined as a product or service purchased by a business entity from a retailer which is used in the regular production of a product or the provision of a service, and the cost of which is passed on to the customer and the customer is the ultimate consumer of such product or service. We will monitor until we learn more about the intent of the legislation.	Monitor/Confer with the City

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 505	Revenue Committee **Indefinitely Postponed**	(Bostar) LB 505 relates to electric vehicles and commercial electric vehicle (EV) charging stations. It increases the motor vehicle registration of EVs from $75 to $200 and imposes a per-kilowatt-hour excise tax on electric energy used at commercial EV charging stations. In addition, it provides that a commercial EV charging station operator that sells electricity at a charging station on a kilowatt-hour basis is not a retail provider of electricity. Under state law, only public power utilities with a certified retail service area are authorized to sell electricity at retail. The public power industry agreed to this very narrow exception to the retail service provisions following months of discussions with various parties, including truck stop and convenience store representatives and representatives of road and highway construction contractors. Following introduction of LB 505, the truck stop and convenience store owners have expressed concern regarding other issues related to public power such as being subject to demand charges and public power having a competitive advantage. LES, and other public power utilities, will oppose additional amendments to LB 505 that require development of EV rates or impose additional requirements on utilities that were not discussed during the past year of negotiations. **Due to a lack of consensus, Senator** Bostar offered an amendment to gut the bill and instructed the committee not to advance it. We will continue to work on this issue in anticipation of next year's session. **Proposed Amendment 1971 would gut the bill and replace it with a bill modifying the tax deed certification system (LB 577).**	Neutral/Confer with the City
LB 513	Government Committee **General File**	(Brewer) Changes proof of publication requirements for legal notices and requirements for published notice and virtual conferencing under the Open Meetings Act. It allows for alternatives for public posting of meeting agendas if there is no newspaper of general circulation within the public body's jurisdiction. The bill does not impact LES, but will be monitored for amendments.	Monitor
LB 541	Government Committee **Hearing March 15, 2023**	(Lowe) Provides for nomination and election of public power district and public power and irrigation district directors on the partisan ballot. The bill does not directly impact LES, but will be monitored as it relates to the public power industry in Nebraska.	Monitor
LB 560	Appropriations Committee **Hearing March 6, 2023**	(Blood) States the intent of the Legislature to seek all federal funds available through the Inflation Reduction Act of 2022 for the purposes of energy efficiency in homes and businesses, electric vehicle infrastructure, upgrading utility infrastructure, assisting the transition to cleaner energy, supporting drought-resistant agricultural practices, and creating jobs.	Support

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 565	Natural Resources Committee **Approved by the Governor**	(Bostelman) LB 565 appropriates $250,000 from the General Fund for FY23-24 and FY24-25 to the Department of Economic Development to provide grants to a public power districts serving a majority of counties in the state to be used for engineering and modeling work for a U.S. Department Energy regional clean hydrogen hub designation and associated federal funding. **Provisions of LB 567, LB 568 (as amended), LB 723, and LB 289 were amended into LB 565.**	Support
LB 566	Executive Board **General File**	(Bostelman) Provides $30,000 for a study of, among other things, intermittent renewable energy generation including an analysis of the short-term and long-term costs and economic risks of replacing baseload generation with intermittent renewable generation. The study would be conducted by the Natural Resources Committee who could contract with an outside consultant subject to approval by the Executive Board. The study is to be completed by November 15, 2023. LES is opposed to LB 566 as drafted because it frames a study with a bias. It seeks to evaluate the impacts of intermittent generation and the benefits of coal, hydrogen and nuclear. A study of generation should be framed as an objective evaluation of all generation resources.	Oppose
LB 567	Natural Resources Committee **Hearing February 2, 2023**	(Bostelman) LB 567 has two distinct purposes. First, it eliminates existing statutory language that prohibits high level managers of a public power district from serving on a board of any public power district. This provision does not impact LES, but it will be monitored as it relates to the public power industry. Second, the bill provides a definition of reliability, but it is unclear what purpose is served by adding the definition as it is not substantively used elsewhere in the statutes. The definition is the same definition used by the Southwest Power Pool. While LES does not disagree with the definition, it remains unclear what purpose is served by simply adding a definition into the statutes. **Provisions of LB 567 were amended into LB 565, which has been passed.**	Monitor
LB 568	Natural Resources Committee **Hearing February 16, 2023**	(Bostelman) Adopts the Nuclear and Hydrogen Development Act and creates the Nuclear and Hydrogen Industry Work Group. The work group consists of 11 members, with one representative of a public power district who is appointed by the Governor. The work group will determine the workforce training needs of the nuclear and hydrogen industries in conjunction with the Nebraska Community College System and Nebraska State College system to develop education training course. $5 million dollars is transferred to the Nuclear and Hydrogen Development Act fund and awarded to community colleges and state colleges that implement education training courses. The fund terminates on July 31, 2028. **AM 849 reduces the funding ask from $5M to $200k. Provisions of LB 568 were amended into LB 565, which has been passed.**	Support

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 569	Government Committee **General File**	(Bostelman) LB 569 would prohibit a member of a county board or county planning commission, or a member of his or her immediate family, from having a financial interest in any entity that is involved in the development, construction, management, or operation of an electric generation facility or owns or leases property relating to a electric generation facility.	Monitor/Confer with the City
LB 636	Natural Resources Committee **General File**	(Albrecht) Prohibits political subdivisions from enacting ordinances or implementing any resolution, regulation, or policy that restricts or prohibits the sale, use, or supply of natural gas or propane. The bill does not impact LES, but it will be monitored for any amendments that may expand the scope to other types of energy.	Monitor/Confer with the City
LB 637	Government Committee **General File**	(Albrecht) Requires members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Current law does not require public comment at every open meeting. LES currently allows for public comment at each monthly board meeting.	Monitor/Confer with the City
LB 644	Banking Committee **General File**	(McDonnell) Transfers $80 million to the Site and Building Development Fund to support the identification, evaluation, and development of sites to attract advanced manufacturing, processing, trade, technology, aerospace, automotive, clean energy, life science and other transformational industries to Nebraska.	Support/Confer with the City
LB 650	Government Committee **General File**	(McDonnell) Amends the public records statutes to provide that certain cybersecurity records may be lawfully withheld from the public. A few years ago LES successfully secured similar legislation for critical energy infrastructure information. The provisions of LB 650 would also apply to LES and would provide additional protections for cybersecurity records.	Support/Confer with the City
LB 670	Business & Labor Committee **Hearing February 13, 2023**	(Hunt) Prohibits discrimination under the Nebraska Fair Employment Practice Act on the basis of gender identity or sexual orientation and prohibit discrimination by employers regardless of size. As stated previously, this bill is consistent with existing LES employment policies.	Monitor/Confer with the City
LB 709	Banking, Commerce & Insurance Committee **Indefinitely Postponed**	(Wishart, Ballard, Geist) Creates the Convention and Event Center Capital Construction Fund to provide $71 million in funding, the bulk of which would go toward site acquisition and construction of a new convention center in Lincoln. The total cost of a convention center is estimated at $110-$120 million. The bill does not directly impact LES, but this would be a major economic development project for the city. A Banking Committee amendment expands the definition of eligible applicants to include cities of the first class. **Provisions of LB 709 were amended into LB 814 and LB 818, which have been passed.**	Support/Confer with the City

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 725	Natural Resources Committee **Hearing March 2, 2023**	(Dungan) LB 725 was introduced to prohibit electric companies and electric cooperative corporations from using ratepayer funds for campaign/election purposes. LES does not contribute ratepayer funds to election campaigns as such contributions are already prohibited. However, the bill is drafted in a manner that poses unintentional consequences. The bill defines ratepayer proceeds to mean any money, funds, compensation, or property received from a ratepayer. It then goes on to prohibit a 'recipient of ratepayer proceeds' from contributing such proceeds to an election. Technically the bill could prohibit any utility employee, for example, from even contributing to a campaign in their individual capacity. This is likely an unintended consequence. LES will work with Sen. Dungan for an amendment to clarify this language. With clarification, LES would be neutral on the bill.	Monitor/Confer with the City/ Seek Amendments
LB 726	Natural Resources Committee **Hearing March 2, 2023**	(Dungan) Adopts the Nebraska Electric Consumer Rights to Transparency and Local Control Act which would require LES to publish on its website the following: (1) Board meeting dates, times, locations, and agendas 10 days before the meeting; (2) Board meeting minutes 10 days after the date of the meeting; (3) current rate schedules, fees, rents, and other charges made or levied by the Board; (4) a full and complete list of the receipts and disbursements; (5) fiscal year budget; (6) list of all Board Members currently serving; (7) a method by which to contact Board Members; and (8) a method by which to contact LES staff. Much of this information is already available on LES' website and is subject to request under the public records laws. Some of the items are overly broad and could be an administrative burden to maintain, such as providing all receipts and disbursements. It is simply unclear what problem LB 726 seeks to address.	Oppose/Confer with the City
LB 733	Transportation Committee **Hearing February 21, 2023**	(Bostar) Adopts the Broadband Pole Placement and Undergrounding Fund Act to provide funds for telecom providers to seek reimbursement for pole replacement costs they incur when installing broadband services in unserved areas. The bill does not directly impact LES as the Lincoln area would not be deemed an unserved area, but we will continue to monitor the bill for any amendments that would expand the scope.	Monitor/Confer with the City
LB 734	Judiciary Committee **Hearing March 24, 2023**	(Bostar) Provides an enhanced Class II felony for damage to certain infrastructure facilities that are a significant factor contributing to the death or serious bodily injury of another person. This bill was introduced in response to the recent shooting attacks on several substations across the country. While LES supports punishment for perpetrators of attacks on electric infrastructure, the bill is unlikely to deter such activity.	Support/Confer with the City

2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 743	Banking Committee **Hearing February 13, 2023**	(Kauth) LB 743 adopts the Investment Neutrality in Public Funds Act. The intent of the bill is to prohibit governing bodies of political subdivisions from making or supervising investment actions that in any way further social, political, or ideological interests. The bill defines fiduciary at the "governing body of a political subdivision acting as an investment manager or proxy advisor" which arguably does not apply to LES. Nonetheless LES opposes the bill as an attempt to erode local control.	Oppose/Confer with the City
LB 768	Appropriations Committee **Hearing March 14, 2023**	(DeKay) Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund. The bill does not further identify the purpose for the funding. Staff will contact Senator DeKay to learn more about the purpose for the funds. **Provisions of LB 768 were amended into LB 814 and LB 818, which have been passed.**	Monitor
LR 21	Executive Board **Hearing February 24, 2023**	(Brewer) Provide for a special committee of the Legislature to be known as the Small Modular Nuclear Reactor Study Committee. There are no funds yet identified for the committee. LES is supportive of continued discussion and evaluation regarding the feasibility of advanced nuclear technologies in Nebraska.	Support
LR 133	Natural Resources Committee	(Bostelman) Interim study to examine issues under the jurisdiction of the Natural Resources Committee.	Monitor
LR 178	Executive Board	(Brewer) Interim study to examine the feasibility of constructing and operating small modular nuclear reactors to generate electric power in Nebraska.	Monitor
LR 184	Transportation Committee	(Moser) Interim study to examine the deployment of broadband services within the State of Nebraska.	Monitor
LR 185	Transportation Committee	(Moser) Interim study to examine issues under the jurisdiction of the Transportation and Telecommunications Committee.	Monitor
LR 216	Natural Resources Committee	(Dungan) Interim Study to examine the economic and climate impacts of the current reliance on fossil fuel energy generation in Nebraska.	Monitor
LR 242	Revenue Committee	(Jacobson) Interim study to examine methods to promote the development of a competitive electric vehicle charging market in Nebraska and the creation of electric infrastructure to support such market.	Monitor
LR 247	Government Committee	(J. Cavanaugh) Interim study to examine issues raised in LB 133, 2023, relating to laws regarding the use of eminent domain by state agencies, boards, commissions, and other political subdivisions.	Monitor
LR 248	Natural Resources Committee	(J. Cavanaugh) Interim study to survey Nebraska's small public utilities, municipalities, and cooperatives in a comprehensive manner, which consolidates information relating to rate classifications and equipment.	Monitor

Exhibit IV

Energy Delivery Construction Review & Outlook

Board Meeting

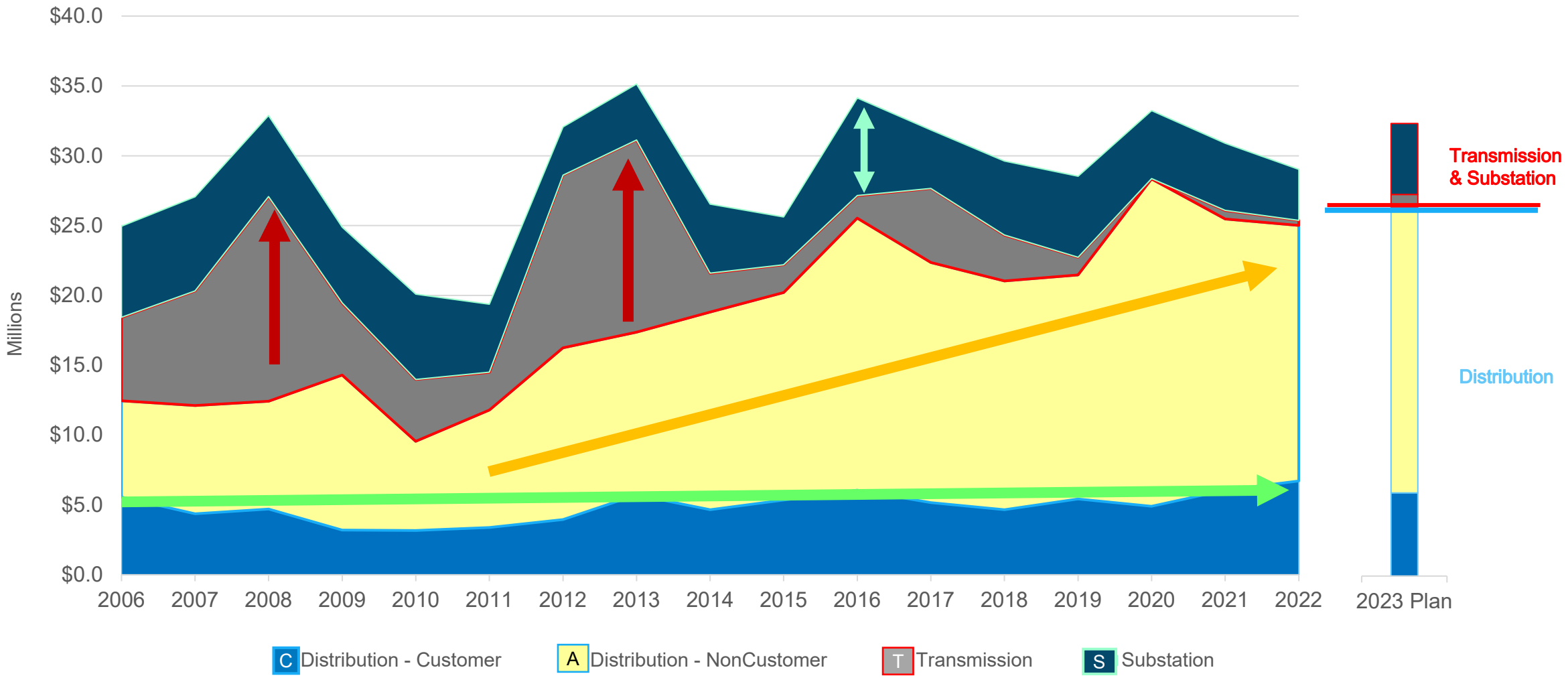
Joel Dagerman

June 16, 2023

Overview

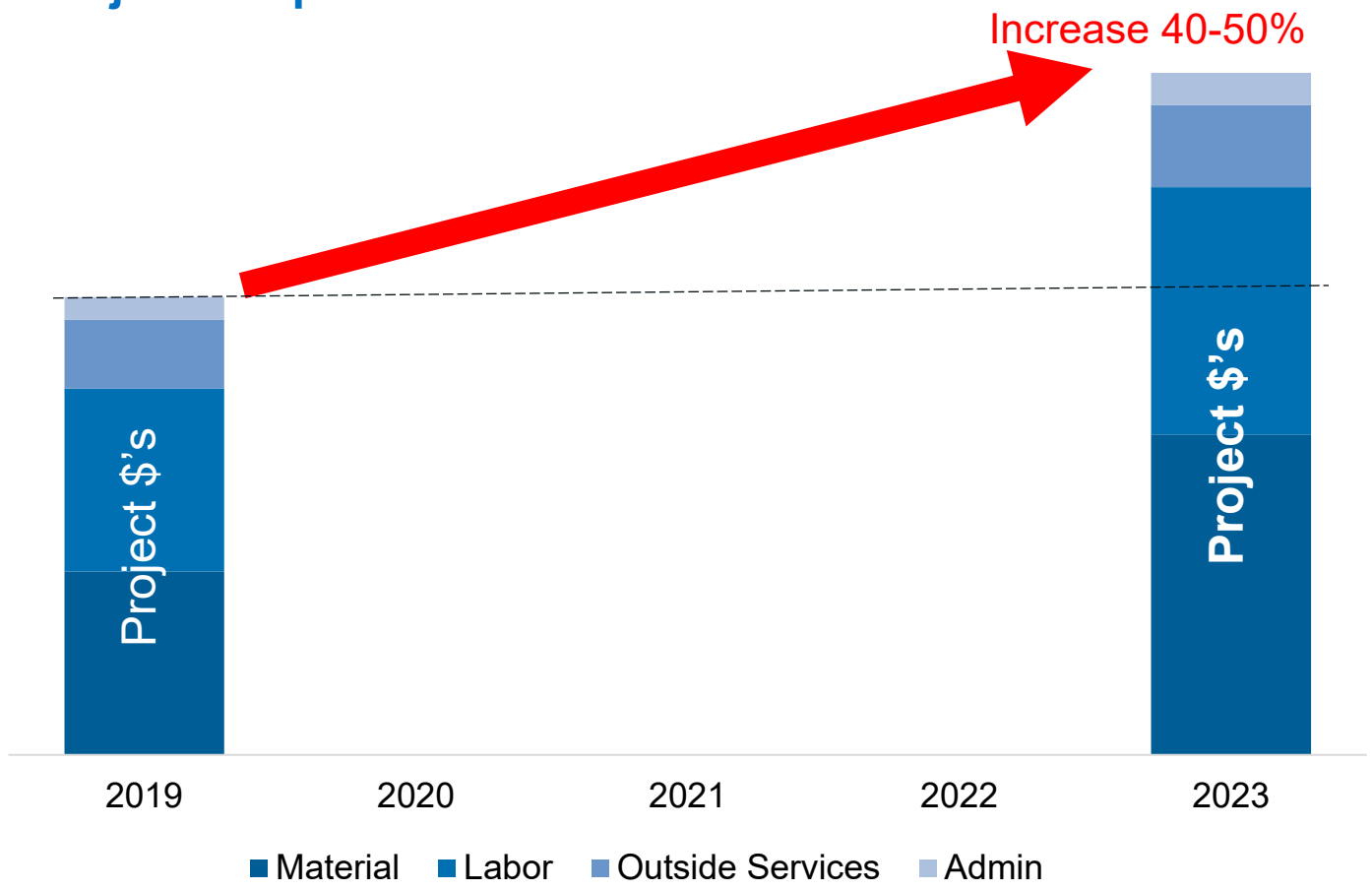
- **Construction Outlook in 2023**
- **Project Drivers & Programs**
  - Customer Growth
  - Reliability/Asset Health
  - Strategic / Regulatory
- **Work Labor and Contracting**

ED 2006-2022 Actual + 2023 Plan Capital Spend by Project Driver



Current Project Costs Relative to 2019

Same Project Scope 2019 vs. 2023



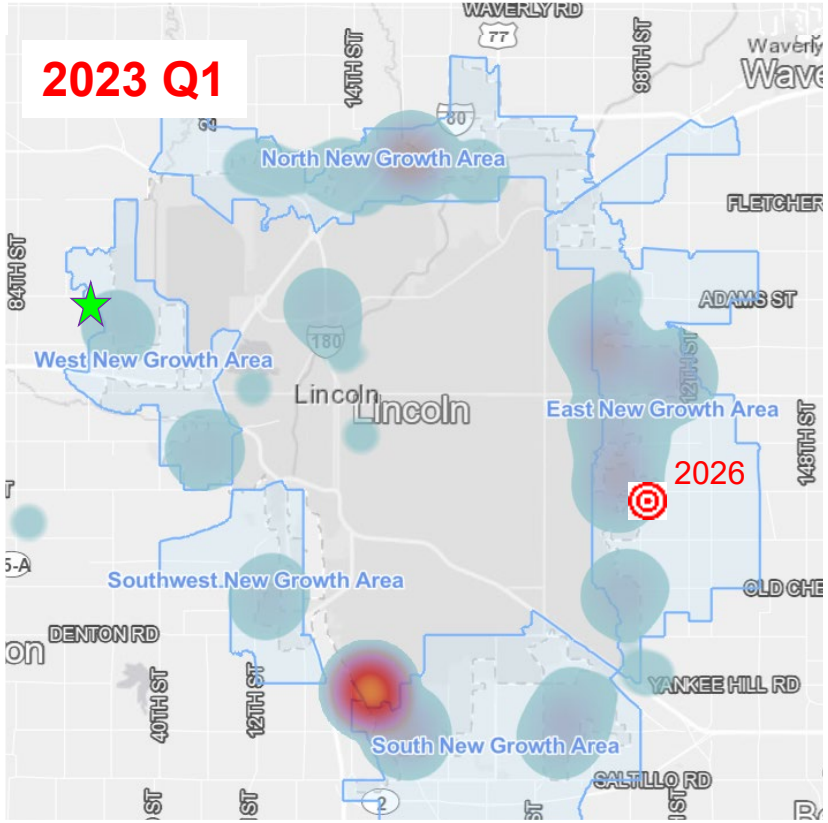
Typical Aggregated Increases

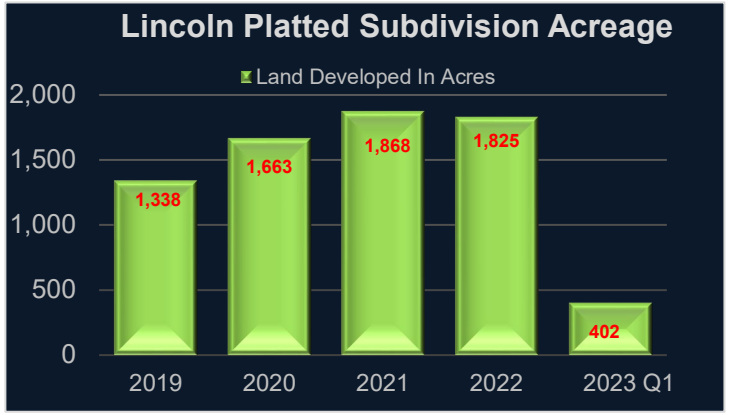
Labor	+20-32%
Transformers	+240%
Conduit/Duct	+189%
Cable	+173%
Switchgear	+169%

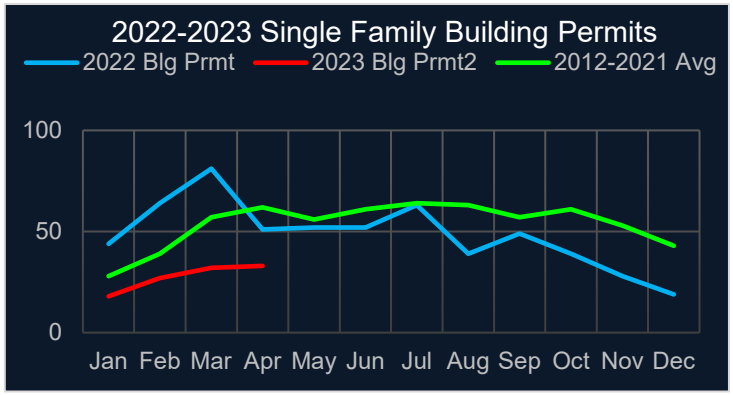
Customer Driven Work Trends

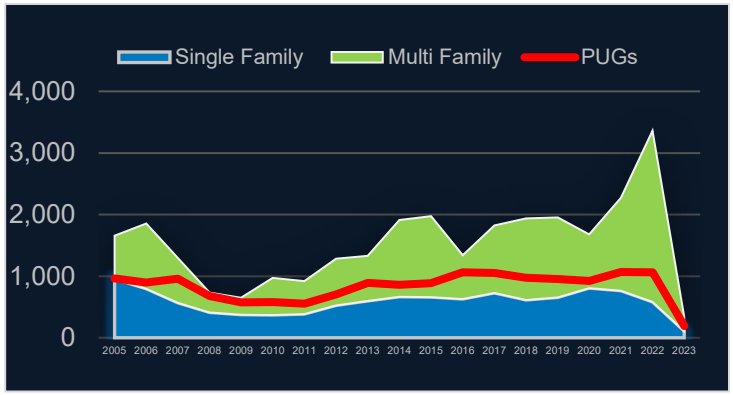
Recent Energy Delivery Substations
Future Energy Delivery Substations

C









2023 Reliability - Asset Health

- **Transmission activities >115kV**
  - Annual line patrol
  - Vegetation management
  - ROW Assurance
- **Substations activities**
  - 8th & “N” transformer replacement
  - 57th & Garland transformer replacement
  - Misc. equipment available projects
    - 19th & Alvo Breaker/Relays/Control Systems
    - 84th & Fletcher Control Systems
    - 56th & Pine Lake Breakers / Relays
    - Misc. fencing replacement projects

2023 Asset Health - UG Distribution

- **Largest share of activity**
  - Feeders
  - Subdivision
  - Relocations
  - Replacement
- **Cable Replacement Program**
  - CRP1 – 1960's cable ✓
  - CRP2F – 1970's cable ✓
  - CRP2D – 1970's cable ✓ 75 miles
  - CRP3F – 1980-1984 ✓
  - CRP3D – 1980-1984 ✓ 71 miles

2023 Asset Health - Overhead Distribution

- **Overhead Distribution Asset Management Program (ODAM)**
  1. Above Grade Inspection (AGI) 6,500-8,500 poles/year
     - **2023 - 8,500 poles (high density area)**
     - **Contract labor – but reviewing 2024**
  2. Below Grade Inspection (BGI) 10-year cycle ground line pole inspection & treatment ~3,000 poles/year
  3. Average Poles Replaced: ~400/year

A

2023 UDAM - Underground Distribution Asset Management

- **Inspecting medium voltage (12kV) groundline distribution assets**
  - Padmounted Transformers
  - Primary Cable Junction Enclosures
  - Padmounted Capacitor Banks
  - Padmounted Switchgears
- **Detailed Visual Inspection**
- **Infrared Scanning**
- **Maintenance**

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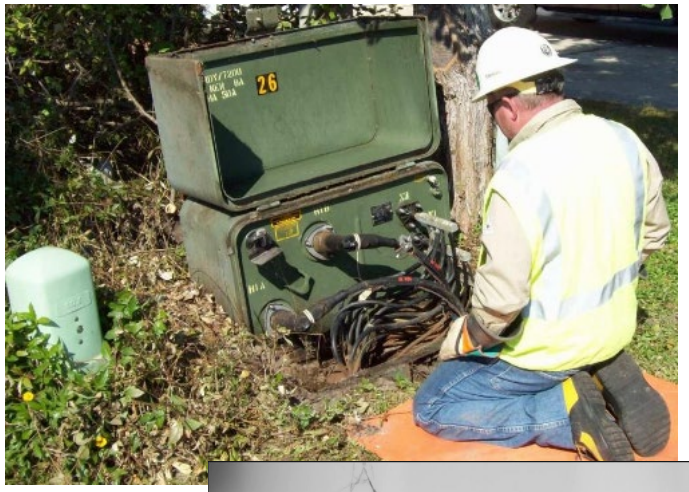

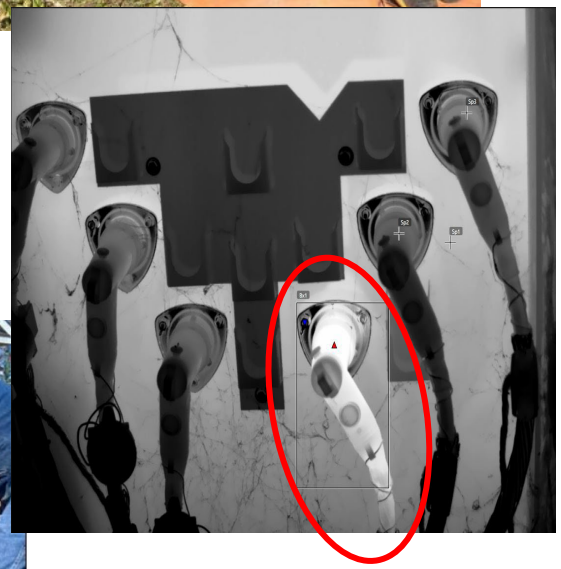

Non-IR Image Source: Osmose Utility Services Padmounted Transformer Inspection & Maintenance Brochure

2023 PUP- Precision Underground Program

- **PUP-targeted overhead (OH) to underground (UG) conversion based on data analytics**
- **Extensive asset research, prioritization & program development**
- **Pilot Project(1): 3000’; South 27th area;**
- **Design, Customer engagement & easement acquisition in 2023; Construction 2024**

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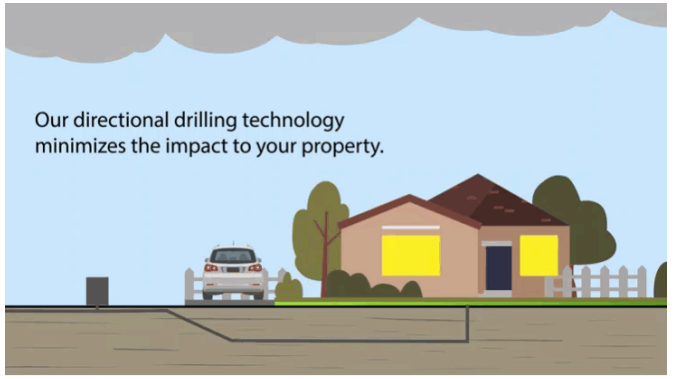

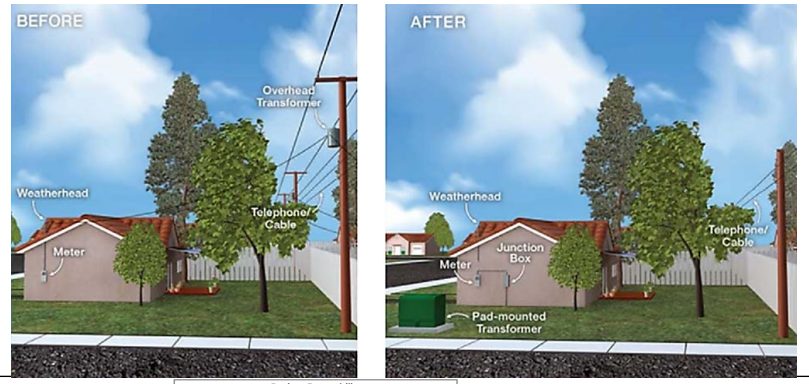

Project Favorability

Weighted Total	Project Total Disc. Duration Minute Ranking	Quantity Customers Impacted by Incidents on Target Line	Quantity of Service Conversions	Quantity of Above Grade Equipment Easements	Quantity Easement Needed	Loop Complexity	Design Difficulty	Equity Consideration (% below poverty in area, % minority)	Estimated Front Lot Construction Application	DOAT Priority
73	MIDDLE	LOW	MEDIUM-LOW	MEDIUM-LOW	MEDIUM-LOW	LOW	LOW	NONE	NOT FEASIBLE	NO
68	TOP	HIGH	MEDIUM-HIGH	HIGH	HIGH	MEDIUM-HIGH	HIGH	NONE	POTENTIALLY FEASIBLE	YES
65	HIGH	LOW	MEDIUM-LOW	HIGH	MEDIUM-HIGH	MEDIUM-LOW	LOW	NONE	POTENTIALLY FEASIBLE	NO
59	TOP	LOW	MEDIUM-HIGH	HIGH	MEDIUM-HIGH	MEDIUM-LOW	MEDIUM	NONE	NOT FEASIBLE	NO
57	MIDDLE	MEDIUM-LOW	MEDIUM	HIGH	MEDIUM-HIGH	MEDIUM-LOW	MEDIUM	NONE	POTENTIALLY FEASIBLE	NO
53	BOTTOM	LOW	MEDIUM	MEDIUM-HIGH	MEDIUM	MEDIUM-LOW	LOW	NONE	POTENTIALLY FEASIBLE	NO
47	BOTTOM	LOW	MEDIUM-HIGH	MEDIUM-HIGH	MEDIUM	MEDIUM-LOW	MEDIUM-LOW	NONE	NOT FEASIBLE	NO
46	HIGH	MEDIUM-LOW	HIGH	HIGH	HIGH	MEDIUM-HIGH	HIGH	MEDIUM-LOW	NOT FEASIBLE	NO
44	LOW	MEDIUM-LOW	MEDIUM-LOW	HIGH	MEDIUM-HIGH	HIGH	MEDIUM-HIGH	NONE	NOT FEASIBLE	NO
42	LOW	MEDIUM	HIGH	HIGH	HIGH	MEDIUM	HIGH	LOW	NOT FEASIBLE	NO

Strategic and Regulatory Projects/Programs

- **Projects**
  - Transformer PCB Mitigation (TPM) – Restarting overhead replacements after supply chain constraints wain slightly
  - Rebuild Overhead to Underground
    - **2023**
      - 70th, Logan to Knox
      - South 56th Street
      - 45th, Vine – R
    - **2024**
      - South 56th Street (end DIST, start TRN)
      - A, 40th - 68th
    - **2025**
      - A, 40th - 68th (Finish)
      - 70th, Van Dorn - Pioneers
- **Road/bridge projects**
  - **Coordinating with City on projects**
    - 40th, Rokeby – Yankee Hill (2023)
    - 33rd & Cornhusker (Railroad Transp. Safety District - 2025+)
    - 14th & Old Cheney (2024)
    - Other various LOTM projects

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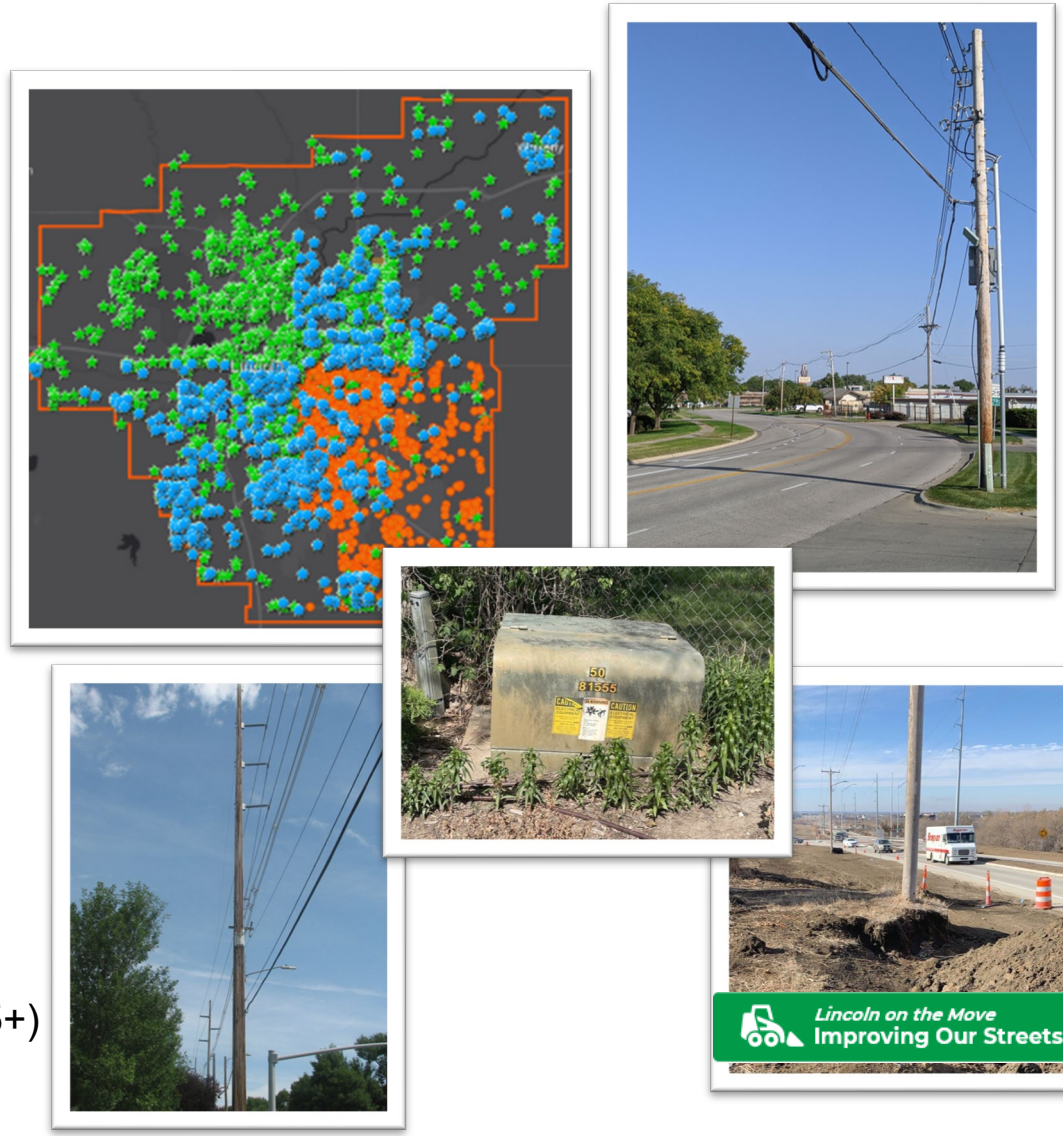
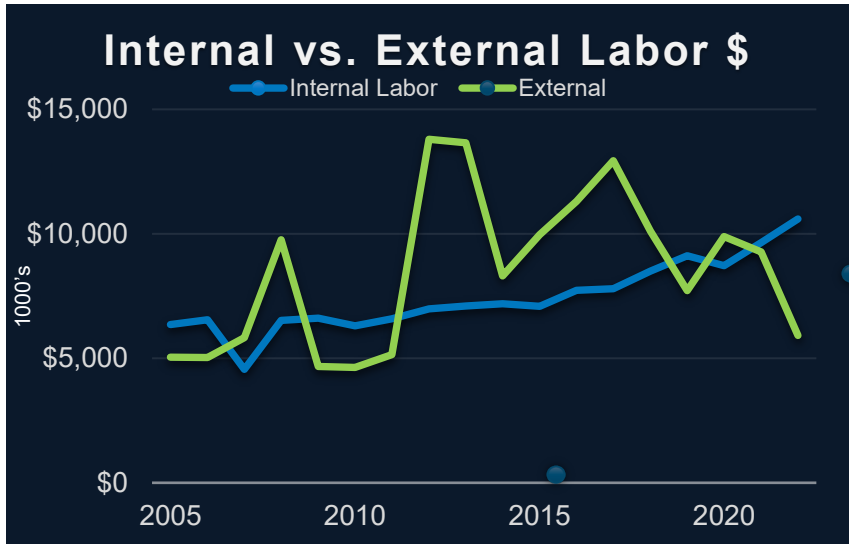
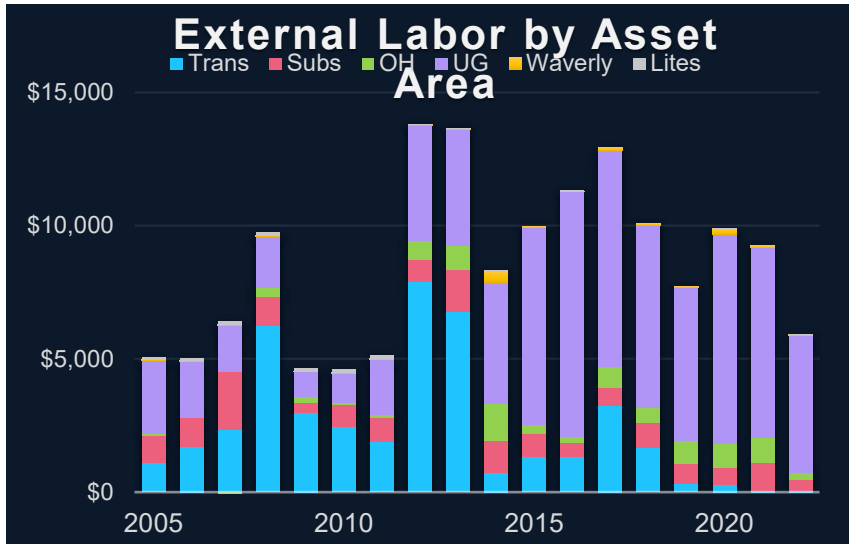


ED Internal vs. External Labor Resources

- **External labor resources supplement internal workforce**
  - Rarely used specialized equipment
  - Less Technical (or lower voltage)
  - Below Grade / Underground Activities:
    - **Substation Foundations**
    - **Directional Drilling (CRP, Discr. etc.)**
    - **Service Installation**
- **2023 no external resources on 12kV electrical distribution**
- **2024 anticipate 115kV transmission contractors**





T&D Construction Summary

- **Supply Chain Issues** (Slightly Better, Continue to monitor & adjust)
- **Work/Project Drivers & Programs**
  - Customer Growth (May be slowing slightly…monitor)
  - Reliability/Asset Health (Always work to improve worst performers)
  - Strategic / Regulatory (Doesn't slow…)
- **Contract Labor Increase Pricing**(Continue to evaluate and shift internally, as needed)


Questions?

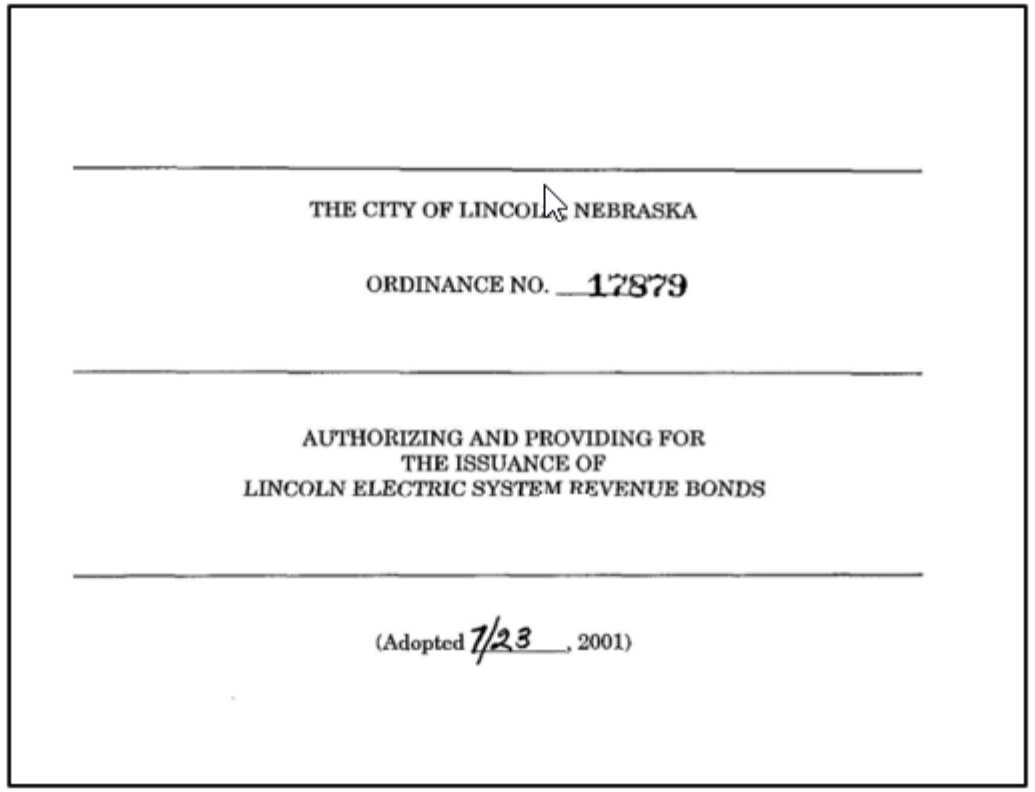
Exhibit V

2023 Tax-Exempt Bond Disclosure and Compliance Update

LES Administrative Board
June 16, 2023

Emily N. Koenig
Vice President and Chief Financial Officer

Issuance of LES debt is authorized by City Ordinance



THE CITY OF LINCOLN NEBRASKA

ORDINANCE NO. 17879

AUTHORIZING AND PROVIDING FOR
THE ISSUANCE OF
LINCOLN ELECTRIC SYSTEM REVENUE BONDS

(Adopted 7/23, 2001)

Ordinance #17879 Provisions

- LES debt is not a liability of the City
- LES revenues are the security (payment mechanism) for LES debt
- LES debt issuances require LES Administrative Board and City Council approval
- Allows for the issuance of tax-exempt and taxable:
  - *Short-term debt*
  - *Long-term bonds*

Diversity of financing mechanisms provides financial benefit to LES

Short-term Debt

$150M Commercial Paper Note Program

- *Typically used as a "bridge" between Long-term debt issuances*
- *Provides diversity in interest rate risk*

Revolving Credit Agreements

$50M Bank of America Line

$50M Union Bank & Trust Line*

- *Support liquidity (cash) needs on an interim or emergency basis*

**Pending City Council action on 6/26/2023*

Long-term Debt

Revenue Bond Program

- *Senior Bonds*
- *Used to finance capital projects*
- *May also be used to refinance existing bonds on a taxable basis*

LES targets maintaining 10-15% of total debt as short-term debt to mitigate interest rate risk.

LES Lien Structure

The payment priority order

Operation & Maintenance Expenses

- Includes CDFUO & PILOT Payments

Senior Bonds

- Ordinance No. 17879 *(2001)*
  - Eleventh Series Ordinance No. 21382 *(2022)*
- Includes Revenue & Refunding Bonds

Available Authorization through December 2024 = $300M
Currently Outstanding = $562M

Commercial Paper

- Ordinance No. 18584 *(2005)*
- Includes CP Revolving Credit Agreement/Liquidity Facility and Note Purchase Agreement with JP Morgan *(2018)*

Total Authorization = $150M
Currently Outstanding = $65.5M

2014 Senior Credit Facility

- Ordinance No. 20123 *(2014)*
- Revolving Credit Agreement with Bank of America *(2023)*

Only drawn upon one time as a precautionary measure at the beginning of the COVID-19 pandemic

Total Authorization = $50M
Currently Outstanding = $0

2023 Subordinate Credit Facility

- Ordinance No. TBD
- Proposed Credit Agreement with Union Bank & Trust

Total Authorization = $50M

Many factors are considered when issuing debt

Projected liquidity (cash) levels are a key consideration

- Maintain minimum levels of cash on a monthly basis, based on LES' annual Liquidity Study

Target 50% of routine capital funded with cash

- Generally, do not borrow for generation projects, with the exception of large, significant projects
- Debt maturities cannot exceed the life of the financed asset

Ordinance #17879 requires 1.0x debt service coverage in the year prior to debt issuance

Reimbursement financings are typical

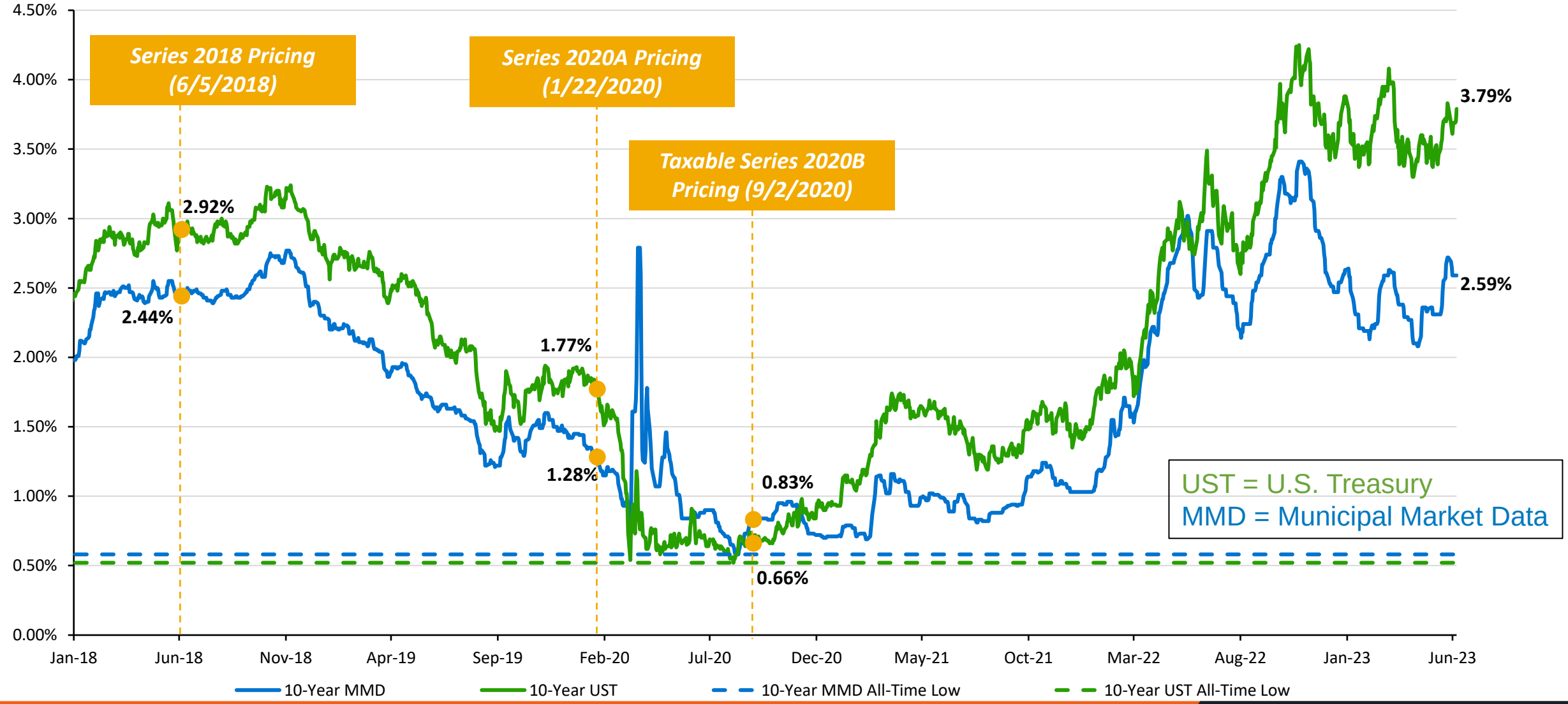
- Allows for easier compliance and tracking of bond proceeds

Tax-exempt advance refundings have been a valuable tool, but since 2018 are no longer available

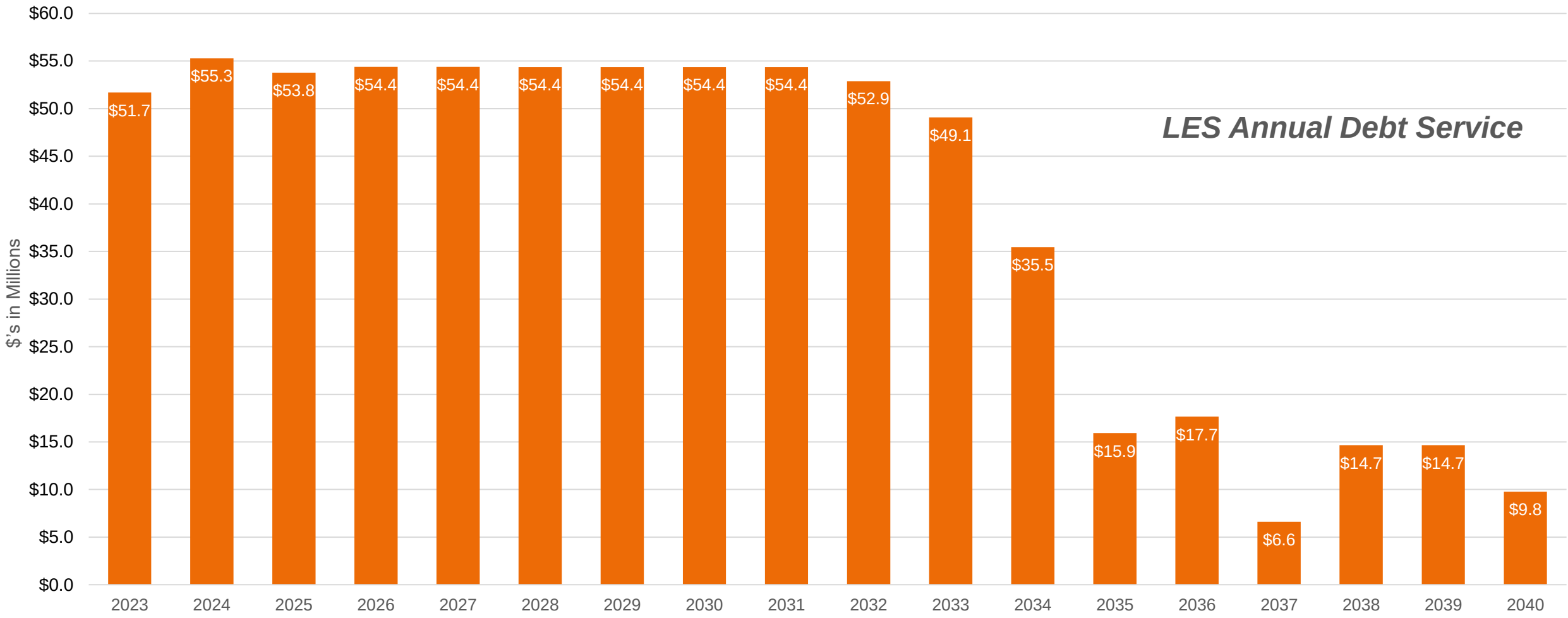
- Continue to evaluate taxable advance refunding opportunities

Financial metrics must be maintained which influences timing, amount and structure of long-term bonds

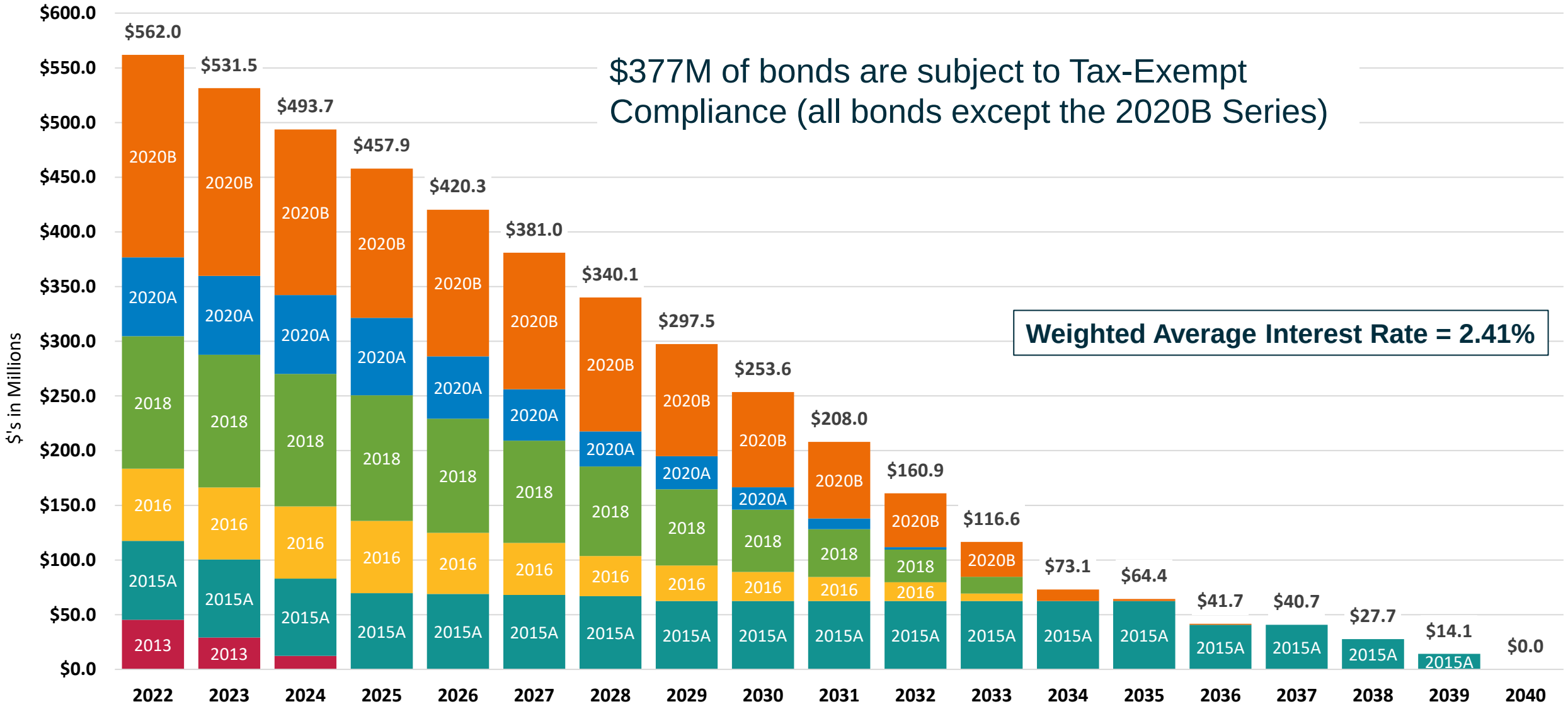
Market timing matters to minimize cost



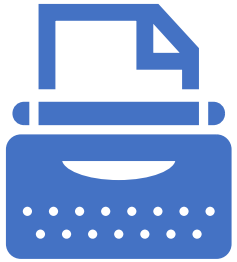
Existing debt profile influences structure of bond maturities



LES has ~$562.0M of long-term bonds outstanding



Issuers of tax-exempt bonds receive oversight from many sources



The Securities and Exchange Commission (SEC)

Tax exempt issuers are exempt from SEC registration

SEC Rule 15c-212: underwriters must require tax-exempt issuers to provide ongoing data

Securities Act of 1933 and Securities Exchange Act of 1934: ensures buyers have access to information to make an informed decision (Official Statements)

Designated the Electronic Municipal Market Access (EMMA) as the official source for municipal securities data and disclosure documents.

SEC and IRS cooperate to enhance compliance through rules and laws

The Municipal Securities Rulemaking Board (MSRB)

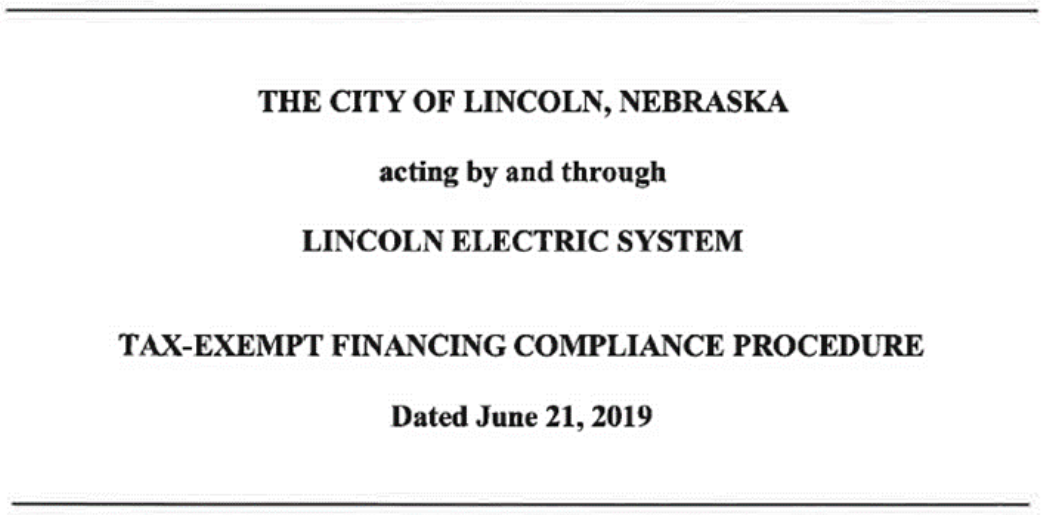
Writes rules for municipal securities dealers

Make rules regulating banks that underwrite municipal securities and municipal advisors

Charged by Congress to promote a fair and efficient municipal market

Subject to oversight by SEC

LES Administrative Board adopted Financing Compliance Procedures in 2012 *(and updated procedures in 2019)*



THE CITY OF LINCOLN, NEBRASKA

acting by and through

LINCOLN ELECTRIC SYSTEM

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

Dated June 21, 2019

- In exchange for the ability to issue tax-exempt debt, the IRS imposes ongoing requirements focused on the use and expenditure of financing proceeds
- IRS states that all tax-exempt issuers should have written procedures regarding ongoing compliance with federal tax requirements
- As a tax-exempt issuer, LES is also required to provide ongoing disclosures of certain financial and operating data and file notices if certain material events occur
- Resolution 2012-11 designates CFO as “Bond Compliance Officer”

As a tax-exempt issuer, LES has 10 days to disclose these 16 material events

- Principal and interest payment delinquencies
- Non-payment related default
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to rights of security holders
- Bond calls and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes
- Bankruptcy, insolvency or receivership
- Merger, acquisition or sale of all issuer assets
- Appointment of successor trustee
- Incurrence of a financial obligation of LES that affects security holders
- Default, event of acceleration, termination event, modification of terms, or other similar events related to financial obligation

Compliance procedures require an annual status update to the Board

2023 annual checklists have been completed and compliance review found no deficiencies

Checklist includes items such as: financial assets ownership, arbitrage calculations, continuing disclosure filings, etc.

CFO, as Bond Compliance Officer, has certified and filed the annual review

Lincoln Electric System (LES)
Annual Compliance Checklist

Name of tax-exempt bonds ("Bonds") financing	$72,200,000
Financed Asset:	Lincoln Electric System Revenue Bonds Series 2020A
Issue Date of Bonds:	January 30, 2020
Placed in service date of Project Facility:	Various Dates – See Bond Files
Name of Bond Compliance Officer:	Emily Koenig
Period covered by request ("Annual Period"):	May 2022 - May 2023

Item	Question	Response	
1	Was the entire Project Facility owned by LES during the entire Annual Period?	Yes	X
		No	
Ownership			
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer?	Yes	
		No	
	If Yes, include copy of the Opinion in the Tax-Exempt Bond File.		

Bond Compliance Officer: Emily N-Koenig

Date Completed: 5/30/23

4

Tax-exempt bond compliance is now in maintenance mode

Compliance Procedures (and IRS) require that we have available all transcripts, tax forms, bid documents, etc.:

- For each bond issue credit agreement and commercial paper currently outstanding, and,
- Any bond issues that were refunded by an outstanding bond issue
  - Over 25 electronic bond files have been prepared and audited
  - Similar compliance work has been completed for DEC

Bond files will be completed as new financings are completed

Will continue to monitor compliance on a monthly basis

Internal audit completed in 2021

Exhibit VI

Lincoln Electric System

LES RESOLUTION 2023-10

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop Service Regulations which provide the conditions for receiving electric service in the LES service area;

WHEREAS, LES staff has prepared a document entitled "Service Regulations" which includes changes to verbiage regarding customer financial responsibilities for costs associated with relocated obstructed service drops; verbiage regarding limits on load ramp rates for commercial services; and, various other verbiage clarifications and changes to enhance verbiage consistency;

WHEREAS, LES staff provided customers information on the proposed Service Regulation changes through the period May 19, 2023, to June 14, 2023;

WHEREAS, a redline document on the Service Regulations changes was posted to LES.com on May 19, 2023, to receive public input and answer questions regarding the proposed changes; and

WHEREAS, the LES Administrative Board has reviewed the changes to the Service Regulations with LES staff and supports the recommended revisions.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the recommended changes to the Service Regulations to be effective July 1, 2023, in substantially the form as attached.

Andrew Hinrichs
Chair

Adopted: 6-16-2023

SERVICE REGULATIONS

Lincoln Electric System

Effective July 1, 2023
Supersedes July 1, 2022

Lincoln Electric System
9445 Rokeby Road
Lincoln, NE 68526-9788
p: 402.475.4211 LES.com

TABLE OF CONTENTS

LES SERVICE REGULATIONS

A. INTRODUCTION AND DEFINITIONS

A.1. INTRODUCTION

Lincoln Electric System (LES) is proud to be able to serve your electric energy needs. For over 50 years, LES has provided reliable, low-cost, efficient electric energy to Lincoln and surrounding communities, encompassing over 200 square miles of Service Area, currently serving over 144,000 Customers.

The LES Administrative Board has officially adopted these Service Regulations to ensure LES meets your electric energy expectations and fully informs you of what is required of LES and of you to receive electric service. These Service Regulations will guide both you and LES staff in Customer interactions from the inception of an idea to locate a business or residence in the LES Service Area throughout the time you are a Customer of LES. During this relationship, LES will strive to provide you reliable, low-cost, efficient electric energy and will work to meet the needs of your business and residence in a fair and non-discriminatory manner.

These Service Regulations may be revised, amended, superseded or repealed at any time by the LES Administrative Board. Where applicable within these Service Regulations, reference will be made to additional LES documentation that provides more detailed information. Where there is conflict, an agreement or contract for electric service, the Rate Schedules or an LES Administrative Board resolution will supersede the Service Regulations.

A.2. DEFINITIONS

The following defined terms are used throughout these Service Regulations. Unless otherwise indicated, the terms defined in this section have the meanings assigned.

Aid-to-Construction – A payment required from the Customer to LES involving a portion of construction costs. Such payment does not entitle the Customer to a right of ownership of LES equipment or facilities. The amount and manner of payment of the Aid-to-Construction cost will be determined by LES.

Authority Having Jurisdiction – Defined in the National Electrical Code as an organization, office or individual responsible for enforcing the requirements of a code or standard or for approving equipment, materials, an installation or a procedure.

Billing Period – Bills for metered service are rendered based on the scheduled Meter reading dates or a date agreeable with LES for final readings. Under normal conditions, Billing Periods typically range from 27 to 35 days unless otherwise stated in the LES Rate Schedule. Billing Periods for non-metered services are based on a monthly schedule set by LES.

Customer – Any person or entity requesting and/or receiving service from LES..

Customer-Owned Generation – Any equipment or device that produces electric energy and is owned and operated by a Customer or entity within the LES Service Area.

Meter – The device or devices, including all auxiliary equipment necessary to measure and register an electrical quantity (energy, demand and reactive power), that is supplied by LES to a Customer at a Point of Delivery.

Point of Delivery – The point where LES supplies service to a Customer. Unless otherwise agreed upon between LES and the Customer, the Point of Delivery is the point where the LES Service Wires are joined to the Customer's service terminals or conductor. For flat rate underground secondary service without a Meter, the Customer-owned disconnecting means/overcurrent protective device will be the Point of Delivery with the exception of public traffic signal service. For underground secondary service, the Meter socket and/or the Customer's current transformer (CT) cabinet will be the Point of Delivery.

Property Owner – Any person, partnership, association, firm, corporation (public or private) or government agency holding title to, and represented by that title, as having all rights and privileges of the property described in the title.

Qualifying Facilities – Defined by the Public Utility Regulatory Policies Act (PURPA) as cogeneration and small power production facilities.

Rate Code – A designation assigned to every electric service account, based on size and type of service, which determines the applicable Rate Schedule for Customer bills. LES assigns Customers to the appropriate Rate Code.

Rate Schedules – The document that defines the rates, charges and rules that apply to LES Customers. Rate Schedules are approved by the LES Administrative Board and the Lincoln City Council.

Service Area – The area within which the Nebraska Power Review Board has authorized LES to exclusively provide retail service.

Service Drop – For overhead conductors, the Service Drop is the Service Wires extending from the last pole or other aerial support, including splices, if any, connecting to the Point of Delivery at the Customer's building or other structure. For underground conductors, the Service Drop is the Service Wires between the pedestal, transformer, riser pole or other last point of supply and the first point of connection to the Service Entrance conductors in a terminal box, Meter or other enclosure inside or outside of a building.

Service Entrance – The single Point of Delivery through which LES delivers electricity. The Service Entrance includes the necessary equipment, usually consisting of a circuit breaker(s) or switch(es), fuse(s) and Meter socket(s) and accessories, connected to the load end of service conductors to a building or other structure, or otherwise designated area, and intended to constitute the main control and cutoff of supply.

Service Wires – The LES lines connecting the LES distribution system to a Customer's Point of Delivery.

B. SERVICE REGULATIONS – GENERAL

B.1. GENERAL GUIDELINES

The following describes the overall guidelines for the day-to-day operation of LES.

B.1.1. Duty to Provide Service to All

LES, as a publicly-owned municipal electric utility, has a duty to provide electric service to every location in the LES Service Area where LES' service requirements and standards are met for purposes of interconnection.

B.1.2. Cost of Service Rate Design

LES' rates are developed and implemented based on the principle of cost of service. LES has published Rate Schedules which are based on the cost to serve each Rate Code group. LES will measure and charge for all electricity usage, with minor exceptions (see Section B.2.7.6. – Non-Metered Services), as noted within these Service Regulations and in the Rate Schedules.

B.1.3. System Disturbances and Service Disruptions

LES does not guarantee uninterrupted service, is not liable for service interruptions that may occur and is not responsible for any loss or damages caused by, but not limited to:

1) Failure of service or damages to a Customer's property due to or as a result of, but not limited to, fire, strike, riot, flood, lightning, storm, forced curtailments, civil disturbance, war, cyber-attacks, acts of terrorism, animals, vehicle accidents, construction work, action of a public authority, failure of equipment on LES lines, pandemic and other unforeseeable events;

2) Interruptions of service for repairs, alterations or inability of LES to obtain power in a reasonable and economical manner;

3) Disconnection of electric service initiated by LES, with or without notice, for legal and justifiable reasons as set forth in the Disconnection of Electric Service provisions contained within these Service Regulations (see Section B.7.1. – Disconnection of Electric Service);

4) Interruption of service to a dual service (primary and secondary); and

5) Actions or omissions of LES employees, contractors/vendors or agents that result in a disturbance or disruption of service, including change of phase rotation or discontinuity of three-phase current.

When LES determines the operation of the Customer's equipment has or will result in (a) disturbances, (b) load ramp rates in excess of specified limits, or (c) costs to LES not otherwise recovered through established rates, LES will require the

Customer to take corrective action, as approved by LES, to resolve the issues or pay the costs incurred by LES as a result of these issues. LES may immediately disconnect service if issues are disrupting LES operation or if the Customer has not taken corrective actions within an appropriate timeframe as determined by LES (see Section B.7.1. – Disconnection of Electric Service).

The Customer is responsible for providing any devices necessary to protect the Customer's equipment from loss or damage due to LES disturbances.

The Customer is responsible for the installation, operation, maintenance, replacement and renewal expenses of all Customer-owned equipment. The Customer is also responsible for loss or damage to the Customer-owned equipment caused by the Customer-owned equipment's failure or disturbances. Appendix A provides an example of a typical residential scenario depicting LES-owned and maintained equipment and Customer-owned and maintained equipment.

B.1.4. Service Response

LES strives to meet all Customer needs in a timely manner. However, LES will not complete any electrical interconnection until all required conditions have been met. These conditions may include, but are not limited to, obtaining the proper inspections, approvals and easements; making payments for Aid-to-Construction; obtaining approval from other jurisdictional entities to authorize requested electrical services; or acquiring special electrical equipment.

B.1.5. Illegal or Prohibited Acts

B.1.5.1. Meter Tampering

Tampering with, bypassing, or in any way altering, damaging, misusing or interfering with an LES Meter is prohibited by law. The discovery of a Customer tampering with, bypassing or otherwise misusing an LES Meter will result in the immediate disconnection of electric service without notice to the Customer (see Section B.7.1. – Disconnection of Electric Service). LES will bill the Customer for expenses incurred due to the tampering, bypassing or unauthorized metering, as well as costs associated with disconnection, reconnection, service calls, equipment, investigations and any legal actions including damages and reasonable attorney's fees. Additionally, a Meter tampering fee will be assessed (see Section B.4.3.7. – Meter Tampering Fee). Meter tampering and bypassing is illegal under state law and LES may advise appropriate authorities.

B.1.5.2. Data Transmission on the Distribution System

Third-party use of LES electric power lines for the purposes of data transmission, control and communication is prohibited. The discovery of a Customer misusing LES electric power lines will result in the immediate disconnection of electric service without notice to the Customer (see Section B.7.1. – Disconnection of Electric Service).

B.1.5.3. Unauthorized Distributed Generation

Unauthorized grid-connected Customer-owned distributed generation is prohibited. All grid-connected Customer-Owned Generation including, but not limited to, emergency or standby generation and net-metered solar generation, must go through any required submission and approval process of LES and the Authority Having Jurisdiction. See Section C.1. – Customer-Owned Generation for information on interconnection of Qualifying Facilities and non-qualifying facilities.

B.1.6. Damage or Injury caused by LES Contractors or Vendors

LES is not responsible for property damage or bodily injury or loss caused by the acts of omissions of its contractors or vendors. Claims for damage, injury or loss caused by contractors and vendors should be made directly to the respective contractor or vendor.

B.2. CONNECTING TO LES

Customers should contact LES as soon as it is known that a connection for electric service is going to be required. Providing LES with the specifics of the planned project and timing needs will allow LES to obtain the necessary equipment and properly schedule the work. An additional benefit of early contact with LES is that it provides LES the opportunity to advise Customers on all aspects of the planned service connection, including determining availability of service and the equipment to be used, available phase and voltage for the electric service, Service Entrance specifications, Meter locations and costs for any required Aid-to-Construction.

B.2.1. Customer Requirements for Service Connection

B.2.1.1. Application for Electrical Permit

Before a service connection to LES can be made, the Customer must submit an Application for Electrical Permit. This application can be obtained from the City of Lincoln Building and Safety Department, other Authority Having Jurisdiction or LES. It is the Customer's responsibility to submit a copy of the application to LES or verify that the Authority Having Jurisdiction has submitted a copy of the application to LES.

The Application for Electrical Permit is required for new service connections and wire replacements or upgrades involving any LES metering and/or service work. For information regarding how a Customer can put an existing service connection in their name, see Section B.3. – LES Customer Services.

B.2.1.2. Required Notice Period

LES must receive notice of an Application for Electrical Permit according to the timeframes listed below. If adequate time is not given, the

interconnection date is subject to availability of equipment and LES' work schedule.

- **200 Amps or Less, Secondary Voltage (600 Volts or Less)**
    - 14 calendar days before final inspection if primary distribution facilities are in place
    - 45 calendar days before final inspection if primary distribution facilities must be extended
- **Between 201 and 1,000 Amps, Secondary Voltage (600 Volts or Less)**
    - 45 calendar days before final inspection
- **Greater Than 1,000 Amps (600 Volts or Less) or Primary Voltage (601 Volts to 34,500 Volts)**
    - As much advance notice as possible (six months or more may be required)

B.2.1.3. Disconnecting Means and Overcurrent Protective Devices

Each service must have a disconnecting means and overcurrent protective device(s) for service less than 600 volts. These may be one device. For Customers taking primary voltage service, the disconnecting means and overcurrent protective device(s) must be mutually agreed upon by LES and the Customer.

B.2.1.4. Additional Requirements

LES will make the service connection as soon as practical after final inspection notice from the Authority Having Jurisdiction, provided certain requirements are met. These include, but are not limited to, the requirements listed below.

- LES has received the Application for Electrical Permit with complete and accurate data according to the timeframe noted within these Service Regulations.
- All easements (if required) have been obtained and provided to LES.
- Final grade is established.
- Lot pins are in place.
- All obstacles have been removed to provide unobstructed access to the Service Entrance.

- Conduit (if required) is in place.
- A transformer pad (if required) and any other required items are in place.
- Aid-to-Construction payments (if required) have been received.

B.2.2. LES Service Voltages

LES provides service voltage extensions of 60 Hertz alternating current under the appropriate load conditions and availability as follows:

- From overhead secondary distribution lines:
  - 120 volts, single-phase, two wire
  - 120/208 volts, single-phase, three wire
  - 120/240 volts, single-phase, three wire
  - 120/240 volts, three-phase, four wire
  - 120/208 volts, three-phase, four wire
  - 277/480 volts, three-phase, four wire
- From underground secondary distribution lines:
  - 120 volts, single-phase, two wire
  - 120/208 volts, single-phase, three wire
  - 120/240 volts, single-phase, three wire
  - 120/208 volts, three-phase, four wire
  - 277/480 volts, three-phase, four wire
- From the downtown Lincoln underground network secondary distribution lines (approximately 9th to 17th, M to P Streets):
  - 125 volts, single-phase, two wire
  - 125/216 volts, single-phase, three wire
  - 125/216 volts, three-phase, four wire
  - 277/480 volts, three-phase, four wire
- From primary distribution lines:

- 7,200/12,470 volt, three-phase, four wire
- 34,500 volt, three-phase, three wire

If a service connection at a voltage other than those listed above is required, contact LES to determine if other voltages can be made available for appropriate loads. LES will provide dual primary service in certain situations. Contact LES for more information.

B.2.3. Rate Code Assignment

All LES Customers are assigned a Rate Code based on the size and type of the installed service. This assignment is made when LES receives and processes the Application for Electrical Permit prior to Meter installation. The assigned Rate Code may be changed at a later date if an error in Rate Code assignment is identified or when usage and/or load characteristics change. In the event a Customer's usage is determined to be different than initially determined, the Customer will be assigned a new Rate Code (see the LES Rate Schedules).

Newly installed temporary and permanent services for non-residential Customers will be initially assigned a Rate Code based on the following table.

Service Size (Amps)	208V or 240V 1-phase	208V or 240V 3-phase	480V 1-phase	480V 3-phase	12,470V 1- or 3-phase
200 or less	GS	GS	GS	GS	GSD
201 to 399	GS	GS	GS	GSD/LLP	LLP
400 to 599	GS	GS	GSD	GSD/LLP	LLP
600 to 999	GS	GSD	GSD	GSD/LLP	LLP
1,000 or greater	GS	GSD	GSD	GSD/LLP	LLP

(GS is General Service; GSD is General Service-Demand; LLP is Large Light & Power.)

B.2.4. Easements

Customers, without expense to LES, must provide LES with any required easements on their property. LES will not be required to install service connections until all necessary easements have been provided. LES may disconnect an existing service if necessary easements have not been granted (see Section B.7.1. – Disconnection of Electric Service).

Easement documents are filed within the office of the Lancaster County Register of Deeds. LES will coordinate with other utilities and entities such as cable or communications companies for any necessary inclusion within an easement to the extent that the needs are known and consistent with LES' needs.

B.2.5. Service Entrance

Permanent single-phase or three-phase extensions will normally be built in the most direct route from the nearest source of supply to one Service Entrance location. Multiple points of service are not standard and, if permitted, may require an Aid-to-Construction. If one location has more than one Point of Delivery, the electrical use will be measured by the Meter at each point and each will be considered a separate service. Customer-owned equipment that can transfer load between separately metered services will not be allowed unless approved by LES for services at the same location and on the same Rate Code.

If the Service Entrance is installed without regard to the location of LES facilities and the Service Entrance equipment could have been planned for and installed closer to LES facilities, an Aid-to-Construction will be required for the additional cost to LES.

B.2.5.1. Mislabeled Meter Sockets or Cross-Wiring to a Service Entrance

LES is not responsible for and will not adjust erroneous Customer billing resulting from mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electrical system. Administrative costs associated with mislabeled Meter sockets or cross-wiring to a Service Entrance may be charged to the Property Owner at LES' discretion.

LES may be available to provide consultation about these matters to the Property Owner or a designated representative. LES will, under no circumstances, open or remove a Customer-owned cover which would result in exposure of electrical components or wiring with the exception of LES-sealed enclosures containing LES metering equipment. LES will not operate Customer-owned circuit breakers or electrical main switches for this purpose. If the investigation requires these procedures, the Property Owner must provide, at their own expense, a qualified electrical worker to perform these duties.

B.2.6. Installation and Equipment

The route of the service, the location of the service connection and the metering equipment will be determined by LES in coordination with the Customer. Any wiring installed without first determining the location of the service connection and/or Meters must be brought into conformance upon notification from LES or disconnection of electric service may be initiated (see Section B.7.1. – Disconnection of Electric Service).

Prior to connection with LES equipment, the Customer's wiring and other electrical equipment must conform to all requirements of the City of Lincoln's Municipal Code or the requirements of any applicable Authority Having Jurisdiction.

It is the Customer's responsibility to obtain information from LES regarding the maximum fault current available at the Point of Delivery. This information is utilized in the design of the Customer's protection equipment.

The attachment at the Point of Delivery of the overhead Service Wires on a building must be of sufficient height to provide the required clearances listed in the latest edition of the National Electrical Safety Code. It is the responsibility of the Customer to maintain proper clearances between the overhead Service Wires and tree growth or other obstructions (see Section B.5. – LES Access to Equipment). It is the responsibility of the Customer and/or contractor to provide and install a service mast or other approved structure to terminate service conductors. The termination structure must be of adequate strength to support the service conductors as per loading requirements supplied by LES.

All instrument transformer enclosures, Meter enclosures, Meter sockets and conduits or raceways for Meter wiring must be furnished and installed by the Customer and must be an LES-approved type (see the Meter Services Specification Guide located on the LES website at www.les.com).

B.2.7. Metering

Metering requirements not otherwise contained in these Service Regulations are set forth in the LES Meter Services Specification Guide located on the LES website (www.les.com).

B.2.7.1. Metering Devices and Technology

All electric usage must be measured by an LES-owned metering device. LES has the right to implement any metering technology deemed to measure electrical usage accurately and adequately at LES' sole discretion. This includes Meters for purposes of interval recording for load survey. When the safety of LES personnel is potentially compromised, metering with remote disconnect capabilities will be used. LES retains the right to access, test and maintain its Meters and metering devices at any time. LES also retains the right to remove dormant Meters and other vacant assets at any time.

B.2.7.2. Data Acquisition from Billing Meters

At the Customer's request, LES will provide energy data pulses (KYZ) from LES-owned Meters equipped with pulse initiators via an isolation relay. The Customer is responsible for all costs incurred by LES to purchase and install any equipment necessary to provide this data. LES will own, operate and maintain the equipment. LES is not liable for any Customer losses and/or damages resulting from failure of this equipment or the operation thereof. Pulses may be interrupted during periods of annual Meter testing conducted by LES.

B.2.7.3. Location of Meters and Metering Equipment

Metering equipment must be located on the exterior of new and rewired building constructions. LES may grant exceptions under certain circumstances. Interior Meter locations in existence prior to January 1, 1996, are considered exceptions until the electric wiring is modified subsequent to this date. Other exceptions may be granted for an LES-

approved interior location that allows for direct, unobstructed access to all Meters through no more than one keyed or lockable door. The Property Owner must ensure that LES is in possession of, or has 24-hour access to, the key granting access to LES Meters. If the manner of access changes, LES must be notified of the change and provided with information regarding the modified access. Contact LES for information on how to apply for approval for an interior Meter location. Approval is not guaranteed.

Customers taking electric service through primary metering will own all equipment including transformers on the load side of the primary Meter. LES will furnish metering equipment required to measure the electricity and will maintain equipment accuracy within reasonable limits. Customers must furnish adequate space and access in a suitable location for LES metering equipment. The Customer is responsible for installing the LES metering equipment in accordance with the Meter Services Specification Guide (located on the LES website at www.les.com). LES will wire the metering equipment.

All Meter locations obtaining service from an overhead Service Drop must meet National Electrical Safety Code requirements for overhead clearances.

B.2.7.4. Vacant Meter Sockets

Meter sockets that have had the Meter removed for longer than a two-year period will require an inspection from the Authority Having Jurisdiction prior to Meter installation and re-energization. LES also reserves the right to have the Customer-owned Meter socket and service inspected by the Authority Having Jurisdiction at any time prior to Meter installation. The Customer will be required to pay for the inspection and any required repair.

B.2.7.5. Meter Billing

LES will not totalize metering of separate service connections. Where LES is required to provide multiple services due to infrastructure limitations, metering intervals will be totaled and the coincident peak will be used for billing.

B.2.7.6. Non-Metered Services

LES only allows the non-metered services listed below.

- Security lighting (see Section C.5.5. – Area Security Lighting and Rate Schedule Security Lighting – 20)
- Festoon outlets (see Section C.5.7. – Banner, Sign Attachments, Festoon Outlets and Rate Schedule Security Lighting – 20)

- Traffic lighting for publicly-owned and maintained traffic lighting service conforming to LES traffic lighting specifications (see Rate Schedule Traffic Lighting Service – 24)

- Street lighting to public agencies for street lighting service conforming to LES street lighting specifications (see Rate Schedule Street Lighting Service – 26)

- **NOTE** – This is applicable for lighting of vehicle accessible public streets and alleyways as well as pedestrian/bike accessible tunnels under public streets. Civil defense sirens (outdoor storm warning devices) (Section B.7.7)

- Lights on driver information signage where energy consumption is fixed and the signage is constantly lit or controlled by a photocell

  NOTE – Signage where the lights are only lit occasionally or the energy usage changes must be metered.

LES reserves the right to periodically coordinate with the responsible entity to ensure accuracy in service and billing details for non-metered services.

B.3. LES CUSTOMER SERVICES

LES requires each service connection to be in the name of the Customer who is responsible for the bill. Customers moving into or out of a property in the LES Service Area must have the electrical service put in or taken out of their name by contacting LES or by going to www.les.com. Property Owners and/or managers are also allowed to put service in the name of a tenant (see Section B.6. – Landlord/Tenant Information for additional Property Owner information). LES reserves the right to back date requests for service n the event timely notification of change of service has not been received.

B.3.1. Residential Service

LES will own, install, operate and maintain the Service Wires to the Customer's Point of Delivery.

For mobile homes, LES provides service to the Customer-owned Meter pedestal or Meter loop. The Customer owns, installs and maintains all conductors to the mobile home. Meter centers will be required where two or more mobile homes are placed on the same lot; LES will serve up to the Meter center.

LES will, over time, eliminate existing Customer ownership of Service Wires. The most common occurrence of this is when LES has assumed new service territory in rural areas where Customers have electric poles with Meter sockets located on their property. In some cases, one Meter provided service to one or more residences, along with services to barns, outbuildings, wells and yard lights. Existing Customer ownership of Service Wires does not need to be changed as stated above in B.2.7.3 until the Customer replaces/rewires the service equipment,

at which time the installation must comply with current LES service requirements. LES will manage this circumstance as outlined below.

Where there is a Customer-owned Meter socket and a main disconnect on a pole, pedestal or current transformer (CT) cabinet, LES will maintain existing residential Service Wires from the Meter point to the residence if there are no other conductors to yard lights, outbuildings, wells or other structures on the load side of the Meter. Where there are multiple loads past the Meter, Meter pedestal, or CT cabinet, the Customer will continue to own and maintain the Meter socket, CT cabinet, pedestal, disconnect switch and Meter loop, along with all conductors to residences, yard lights, outbuildings and other structures.

In existing underground residential distribution subdivisions, LES will continue to own and maintain pedestals (with more than one Meter) and Meter sockets installed by a predecessor electric utility. In the event the conductor to the residence from the pole, pedestal or CT cabinet fails and there are no other connected conductors, LES will pay for an electrician to install a Meter socket on the residence as well as install replacement underground service at no charge to the Customer. The Meter socket will thereafter be owned and maintained by the Customer.

B.3.1.1. Meter Pole Ownership

LES will not install a Meter pole for new services. Customer-owned equipment is not allowed on LES poles. If a Meter pole is located on a Customer's property and ownership is unclear (not clearly marked as LES' or LES has more than a Service Drop attached to it), LES will consider it to be an LES pole. If a Meter pole needs to be replaced or relocated, or if the pole can be removed, LES will install underground service at no charge if the Customer moves the Meter to their residence and all other secondary service requirements are met, including, but not limited to, providing a clear path, any required easements and Service Entrance equipment to accommodate underground service.

At LES' discretion, LES will consider other options for the Customer-owned equipment to be removed from the pole at the least possible cost to the Customer. Such options include but are not limited to: setting a new LES pole to be used for LES equipment and using the Customer's existing pole exclusively for metering purposes; paying for an electrician to install a Meter socket on the residence to save LES the cost of setting and owning an extra pole; or replacing the existing pole and transferring the Customer's metering equipment to the new pole with the pole thereafter owned by the Customer.

B.3.1.2. Emergency Repair of Customer-Owned Equipment on/past Meter Poles and Meter Pedestals

In the event an emergency situation occurs on or past Meter poles, pedestals or current transformer (CT) cabinets, and it is possible to do so in a safe manner, LES will make temporary repairs to restore service to the residence or correct other service problems provided there is a

working main breaker (overcurrent protection) that has not been bypassed. The Customer will be required to hire an electrician at their own expense when an electrical inspection is required. LES will follow up with the Customer to ensure corrections and/or repairs have been made in a timely fashion. If corrections and/or repairs have not been made, LES will initiate disconnection of electric service (see Section B.7.1. – Disconnection of Electric Service).

B.3.2. Residential Overhead to Underground Conversion

If at the request of the Customer, LES will trench, at no charge, overhead residential Service Drops to underground if such work is deemed feasible by LES. However, the Customer is responsible for providing Service Entrance equipment to receive an LES underground service lateral with a minimum conductor size of #1/0 stranded aluminum. The Customer is also responsible for locating privately-owned utility lines, including, but not limited to, sewer, electric, gas, water and communications (see Section B.7.6. – Buried Cable (Call Before You Dig) for additional locating details). Furthermore, the Customer is responsible for repair of damage to flowers, garden shrubs, tree roots, sprinkler systems, hard-surface paving or other incidental damage resulting from the service installation, as well as removal of all obstructions, trench settling, resodding or reseeding. LES will offer the option of installing the service using directional boring equipment in which case the Customer will be billed the boring costs. LES will provide the exact cost if a Customer chooses this option.

If a clear path is not provided, the Customer must provide conduit for the cable path around or under present and future obstructions such as patios, driveways, sidewalks, tree roots and retaining walls. The Customer must also provide a separate conduit for communication wires, if applicable. All conduits are installed, owned and maintained by the Property Owner. PVC electric conduit must be UL Listed, gray and minimum schedule 40. Coilable smooth-wall conduit must meet LES specifications and be black with red stripes.

If an overhead Service Drop restricts the use of a residential Customer's property, including, but not limited to, the inability to maintain National Electrical Safety Code clearances, LES will relocate the Service Drop at no charge to a Customer-provided attachment point.

If code required clearances cannot be met by an overhead Service Drop, LES will install the service underground at no charge. The Customer, at their expense, will need to remodel the Service Entrance to accept an underground service, provide a clear path on their property including providing a conduit, if required, and restore the trench.

If the Service Drop in question crosses another Customer's property line, relocation will normally be done at no charge. However, approval from LES is required due to the potential of encountering unusual circumstances, such as a requirement to obtain an easement to set a yard pole.

If the Service Drop relocation is initiated by LES as part of a larger project, LES will pay for the relocation costs.

B.3.3. Underground Service in New Residential Areas (Single-Family Dwellings, Townhouses, Duplexes with a Meter Center and Mobile Homes)

LES will own, install, operate and maintain an underground distribution system, including the Service Wires and Meter on the outside of the house or structure, per the requirements stated in Section B.3.4. – Installation of Distribution Facilities.

In mobile home parks, the Customer or developer must own, install and maintain the Meter pedestal or Meter center. An Aid-to-Construction is required (see Section C.3.3. – Underground Service in New Residential Areas).

B.3.4. Installation of Distribution Facilities

Work to be performed by the developer at its sole cost shall include:

- The digging of trenches and bores for the placement of conduit/ducts at the locations specified by LES and the backfill of the trenches after the conduits/ducts have been laid. Developer shall be responsible for placing locate requests through Nebraska One-Call/811 and locating all private underground facilities including those used for water, sanitary sewer and stormwater.

- The installation and proofing of conduit/duct in accordance with LES specifications. Proofing shall consist of pulling an LES-approved mandrel through installed conduits to verify a clear path. All conduits and ducts shall be purchased by the developer at its cost and approved by LES prior to installation. The conduits and ducts shall have an LES-approved mule tape installed for the subsequent installation of cables by LES.

- The installation of pedestals, purchased and provided by LES, installed true and level in accordance with LES specifications.

- The installation of ground rods, purchased and provided by LES, installed vertically to specified depth in accordance with LES specifications.

- The installation of transformer pads purchased and provided by LES, with proper back tamping under the pad with a minimum compaction of 90%, installed true and level in accordance with LES specifications.

- The developer shall thereafter be responsible for any subsequent tamping, backfill, street repair or reconstruction, or other remediation or restoration which may be necessary due to the settling of the initial backfill, and LES shall not be liable for any injury to person or property which may occur by virtue of the developer's failure to make any subsequent tamp or backfill of any trench.

- Upon completion of the work, the developer shall have its work on the project segment inspected by a licensed professional engineer who shall execute a written acknowledgement to LES that the developer has performed its work on the project segment in accordance with LES specifications. The developer shall have the sole responsibility to employ and pay all fees invoiced by the professional engineer responsible for inspecting the project segment.

- The developer shall assume the risk of loss and be responsible for the replacement of any damaged, stolen or lost pedestals, ground rods, transformer pads or other equipment provided by LES once the developer receives possession of said materials from LES.

Work performed and equipment/materials provided by LES will include:

- The installation of cables/wires in developer installed conduits/ducts.

- The installation of pad mounted transformers.

- The terminations of said cables/wires in transformers and pedestals.

  The developer shall independently determine where boring is appropriate in lieu of trenching (i.e., roadway crossings, steep grades, pedestrian ways, drainage areas, water retention areas, wetlands, out lots, etc.). LES shall not be liable for any damages caused by the developer's trenching or boring.

LES shall not be liable for any damage or loss occasioned by the failure of LES to complete installation of the distribution system within a reasonable time.

Should LES determine that the developer has not adequately performed the tasks as previously stated, it shall notify the developer in writing of the deficiencies and the developer shall correct any defects in its performance at its sole expense prior to LES completing its work on the deficient portions of the project segment.

B.3.5. Underground Service in Existing Residential Areas for New Constructions (Single-Family Dwellings, Townhouses and Duplexes with a Factory-Assembled Duplex Meter Socket)

LES will own, install, operate and maintain the underground Service Wires to the Customer-owned Meter socket wherever there is a clear path, as determined by LES, allowing for direct burial access. If there is not a clear path, the Customer is responsible for providing other means for LES to install service cable.

B.3.6. Underground Service to Newly Constructed Multi-Family Dwellings, Condominiums and Commercial Buildings (Excluding Duplexes with a Factory-Assembled Duplex Meter Socket)

LES will own, install, operate and maintain the primary and secondary conductors to the point of termination at the Customer's switchgear, bus ducts, CT cabinet or metering point.

The Customer must supply, install and maintain the secondary conduit(s), bus duct and transformer pad or vault which must meet LES specifications (see the Meter Services Specification Guide located on the LES website at www.les.com). In cases where LES does not require a transformer pad or vault, the Customer must supply and install the secondary conduit(s) to a point that meets LES specifications. Service from transformer vaults is not standard and, if allowed, may require an Aid-to-Construction.

B.3.7. New Overhead Commercial Service Initiated by a Customer

For overhead service the Customer must own, install and maintain the Meter loop. The Meter loop is comprised of the Meter socket or current transformer (CT) cabinet, conduit from the Meter socket/CT cabinet up to the conduit mast, the conduit mast, conduit from the Meter socket/CT cabinet into the service disconnect and all the conductor inside the conduit. The Customer must also own, install and maintain an approved attachment with sufficient anchorage for the LES service conductors. LES will own, install and maintain the overhead service conductors, Meter and other required metering equipment.

LES will not install more than one overhead transformer or transformer bank on a property to serve a Customer or multiple Customers, unless the Customer peak load exceeds the maximum available LES transformer size for requested voltage or is determined by LES to be justified for multiple points of service on a large property with multiple buildings and service locations within the same property. Where a Customer or multiple Customers are served from a single transformer or transformer bank, the Customer(s) will be required to provide a step-up or step-down transformer on the Customer side of the point of service where a different voltage other than the specified LES transformer voltage is desired.

B.3.8. New Underground Commercial Service, Overhead to Underground Conversion and Rewire to Underground Initiated by a Customer

For underground service from a pole, the Customer must own, install and maintain the conduit from the pole to the metering point. The Customer must also own, install and maintain the first 10 feet of conduit up the pole. This conduit must be rigid galvanized steel. LES will own, install and maintain the service conductor and Meter. LES will not assume responsibility for any future problems attributable to the installation of the service conduit.

For underground service from a padmount transformer, the Customer must own, install and maintain the transformer pad and conduit from the pad to the metering point. LES will own, install and maintain the padmount transformer, service conductor and Meter. LES will not assume responsibility for any future problems attributable to the installation of Customer-installed facilities.

Requests for commercial rewire require approval from LES. For approved requests, LES will install an underground secondary service lateral at no charge to the Customer if the Customer installs Service Entrance equipment to receive an LES underground service lateral and installs conduit to LES specifications. These specifications are determined on a case-by-case basis.

LES will not install more than one padmount transformer on a property to serve a Customer or multiple Customers, unless the Customer peak load exceeds the maximum available LES transformer size for requested voltage or is determined by LES to be justified for multiple points of service on a large property with multiple buildings and service locations within the same property. Where a Customer or multiple Customers are served from a single transformer, the Customer(s) will be required to provide a step-up or step-down transformer on the Customer side of the point of service where a different voltage other than the specified LES transformer voltage is desired.

B.3.9. Service Relocation Initiated by LES

There may be circumstances where it is necessary to relocate a Customer's service. This may require an overhead service to be relocated underground. Such circumstances could include, but are not limited to, road/street widening where the entire LES distribution line is relocated or placed underground.

For overhead to underground conversions and underground relocations initiated by LES, LES will install the transformer pad and conduit. For residential service, LES will also hire an electrician to complete the Service Entrance work, if required. For commercial service, the Customer is required to hire an electrician to complete any required Service Entrance work and LES will reimburse the Customer for the cost of the hired electrician. LES will contact the Customer to identify the conduit route, pad location and any required Service Entrance work. The Customer will own and maintain the transformer pad and conduit. LES will not assume responsibility for any future problems attributable to the installation of the transformer pad and service conduit.

If relocation of a Customer's Service Wire(s) becomes necessary as a result of an obstruction of the Service Wire(s) (i.e., placement of a structure or paving over an underground Service Wire) on the Customer's property, LES will relocate the Service Wire(s) and will invoice the Customer for the full cost of the relocation of the Service Wire(s). Customer agrees to hold LES and its employees and contractors harmless for any damage to vegetation or other personal property that occurs during repair, maintenance or relocation of a Service Wire(s).

B.3.10. Temporary Service Installation

An identifiable address is required before temporary service is provided. A one-time charge for installation and removal will be made for each temporary overhead or underground service connection. Overhead temporary service consists of the LES Service Wires and Meter. Underground temporary service consists only of connecting Customer-owned temporary service wires to an LES source and installing an LES Meter. LES has the right to disconnect service for non-payment of charges for temporary electric service installations (see Section B.7.1. – Disconnection of Electric Service). If the Customer and/or contractor becomes delinquent in paying the charges for temporary service, payment in advance may be required prior to providing additional service. An Aid-to-Construction may be required (see Section C.3.6. – Temporary Service Installation).

LES may establish special procedures for handling temporary service to short-term or seasonal retail locations, such as fireworks stands, holiday displays or special events. Fees for kilowatt-hour usage and service connection charges will be determined by LES.

B.4. BILLING

B.4.1. General Billing Information

LES requires each service connection to be in the name of the Customer who is responsible for the bill. The Customer must have a U.S. mailing address. LES bills all Customers for the electricity used during the previous billing cycle according to their Billing Period.

LES will accept credit card payments from Customers in the following Rate Codes (credit card payments will not be accepted from Customers billed on any other Rate Code):

- Residential (Rate Code 01 and Rate Code 03)
- General Service (Rate Code 10 and Rate Code 13)
- Security Light and Heating Service (Rate Code 20 and Rate Code 21, excluding Large Heating Service)

The LES website (www.les.com) provides a convenient means of electronic bill payment including automated clearing house (ACH) payments for Customers in all Rate Codes for which credit card payments are not accepted. After being in their home for a period of 12 months, Residential Customers can access information on the LES website and sign up for Budget Billing, a way to levelize bill payments throughout the year to avoid unexpected high bills during periods of high electricity use. Additional billing and payment information can be found on the LES website.

A new Customer taking service from an account with an existing demand history will not incur demand charges based on the previous Customer's load. However, if the new Customer only represents a name change for the existing Property Owner, historical demand will be used in calculating demand charges unless waived by the LES Vice President of Customer Services.

B.4.2. Miscellaneous Accounts Receivable

Payment will be required for items that are not retail electric service or wholesale energy sales. This includes charges to Customers for materials purchased from LES or services provided by LES, charges to appropriate individuals for damage to LES property, as well as charges to responsible parties for routine monthly billings and/or contractual arrangements.

B.4.3. LES Service Fees

In addition to requiring payment for the amount billed per the applicable Rate Code, LES also assesses certain fees pursuant to the LES Rate Schedules. LES service fees include, but are not limited to, the following fees/charges:

B.4.3.1. New Service Fee

A new service fee is applied to each new account, including circumstances where an existing Customer moves to a new address or transfers electric service to another name at a current address. In the event of construction of an apartment building, the new service fee will only be imposed on the Meter that supplies service to the common area of the apartment building.

A new service fee is also applied to a bill when a service reconnection is required. In the case of a current transformer (CT) Meter installation or if a conductor reconnection is required, the Customer will be assessed a fee in addition to the new service fee to cover actual labor, material and equipment expenses.

The new service fee is waived only when a tenant transfers service to a landlord who has a Landlord Options form on file with LES or has registered their accounts in the online portal. (see Section B.6. – Landlord/Tenant Information) or if temporary service is being replaced by permanent service.

B.4.3.2. Security Deposit

LES will assess a security deposit to a residential Customer if the Customer:

- Has been disconnected for non-payment of an electric bill;
- Has an unpaid debt to LES that has been sent to a collection agency or has resulted in a write-off; and/or
- Knowingly provided inaccurate information when establishing service with LES.

LES will assess a security deposit from any nonresidential Customer desiring to continue service whose payment history with LES includes one or more of the following:

- Disconnection for nonpayment of the bill;
- Previous service that has been turned over to a collection agency or has resulted in a write-off; and/or
- Misrepresentation by providing false information when establishing service with LES.

- When management determines that a Customer is at financial risk of failure to pay future bills.

B.4.3.3. Disconnection Charge for Non-Payment

A disconnection charge for non-payment of an electric bill will be assessed on the account at the time the disconnection is entered into LES' system. The charge will be billed on the next regular billing (see Section B.7.1. – Disconnection of Electric Service).

B.4.3.4. Late Payment Fee

A late payment fee will be assessed after the due date of an unpaid electric bill.

B.4.3.5. Returned Payment Fee

A returned payment fee may be assessed when payment is returned to LES from a financial institution.

B.4.3.6. Inaccessible Meter Fee

An inaccessible Meter fee may be assessed for each attempt by LES to read or service an obstructed or inaccessible Meter (see Section B.5.1. – Unobstructed Access).

B.4.3.7. Meter Tampering Fee

A Meter tampering fee will be assessed each time LES discovers a tampered, bypassed or otherwise misused Meter (see Section B.1.5.1. – Meter Tampering).

B.4.3.8. Mislabeled Meter Sockets or Cross Wiring Fee

To ensure there are no cross-wired services, LES will conduct a one-time initial Meter verification for multi-family and multi-tenant commercial properties. Subsequent to this verification, a fee will be assessed to the Property Owner each time LES is required to correct a mislabeled Meter socket or cross-wiring to a Service Entrance within a building's electrical system (see Section B.2.5.1. – Mislabeled Meter Sockets or Cross-Wiring to a Service Entrance).

B.4.3.9. Temporary Service Fee

A temporary service fee will be assessed when a Customer requests a temporary service installation (see Section B.3.10. – Temporary Service Installation).

B.4.3.10. After-Hours Reconnection Fee

Applicable when line crew reconnects service outside of normal weekday business hours on an account that was disconnected due to delinquency.

B.4.3.11. Past Due Reminder Fee

Applicable when a credit representative visits the premises for disconnection due to delinquency but does not disconnect service.

B.4.3.12. Customer Requested Maintenance & Switching Fee

Customer requested work will be billed at differing rates depending on when the work is completed as specified in Schedule SF-Service Fees.

B.4.4. Billing Adjustment

If a Customer is inadvertently overcharged for electric service as the result of reasons other than tampering, diversion, subterfuge, mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electric system, LES will adjust the bill going forward and refund or credit amounts due, without interest, to the Customer for whichever is the least of the following:

- The entire period of the inaccurate billing;
- The period of occupancy; or
- The 48 months prior to the discovery of the overcharge, in accordance with state statute.

If a Customer is inadvertently undercharged for electric service as the result of reasons other than tampering, diversion, subterfuge, mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electric system, LES will bill the Customer for whichever is the least of the following:

- The entire period of the inaccurate billing;
- The period of occupancy; or
- Twelve months.

B.4.5. Delinquent Account Balance

LES retains the right to transfer any delinquent account balance to any other service location or LES account for which the Customer with a delinquent balance is liable or becomes liable.

B.4.6. Special Billing Considerations

A Customer must arrange with LES in advance for any special billing considerations to be made concerning abnormal electric demands resulting from the Customer testing equipment. The Customer must contact LES at least seven calendar days before each expected abnormal electric demand occurrence. LES

will inform the Customer in writing of any allowed conditions and provisions for special billing consideration, including, but not limited to, time, duration and frequency of occurrence, as well as any LES representatives required to be present during the testing process. (See Section B.7.4. – Notification of Load Increase.)

B.5. LES ACCESS TO EQUIPMENT

It is the Customer's, Property Owner's and/or occupant's responsibility to ensure that LES has unobstructed access to Meters and any other underground, at-grade, or overhead electric facilities (e.g., poles, wires, guys, transformers, pedestals, switchgears, overhead/underground electric lines, etc.). This means that LES must have a clear path and full access to such equipment, unimpeded by domestic animals, vegetation, fencing, landscaping, sheds, playsets and other obstructions. Additional information regarding the required clearances and correct placement can be found on the LES website (www.les.com) or by contacting LES.

B.5.1. Unobstructed Access

In an emergency, LES will take whatever steps are necessary to access obstructed LES equipment, including, but not limited to, contacting Animal Control, removing vegetation and dismantling structures to the extent necessary to access equipment. LES is not responsible for replacement or repair of vegetation or structures that were impacted by the steps LES took to access equipment.

If obstructed access is found during the course of routine Meter reading, maintenance, testing or inspection, LES will ask the Customer, Property Owner or occupant to remove the obstruction. This may require the installation of a gate, the removal of panels or other acts to facilitate LES access or operation of its equipment. If unobstructed access is not provided, LES will take necessary steps to ensure access or initiate disconnection of service (see Section B.7.1. – Disconnection of Electric Service). An inaccessible Meter fee will be assessed for each attempt by LES to read or service an obstructed and inaccessible Meter (see Section B.4.3.6. – Inaccessible Meter Fee).

B.5.2. Placement of Vegetation, Fencing, Structures and Equipment

If a Customer, Property Owner and/or occupant contacts LES about the placement of obstructions around, under, along or adjacent to LES equipment, LES will work with the Customer, Property Owner and/or occupant to ensure that the obstruction(s) complies with LES' operating and maintenance needs.

Whenever LES installs new or replacement electric facilities, every attempt will be made to place the equipment on or near an area free from existing obstructions in order to facilitate accessibility by LES crews and/or contractors. If this is not possible, LES will work with the Customer, Property Owner and/or occupant to determine the best option while also ensuring system reliability, safety and accessibility.

Residential transformers are typically sited by LES in rear lot areas. Customers, Property Owners and/or occupants must ensure that obstructions do not hinder

LES accessibility. Commercial transformer locations include Customer-owned conduits and concrete pads. LES works with commercial Customers for the placement of the transformer pad to avoid some of the difficulties associated with service restoration and replacement (see Section B.2.7.3. – Location of Meters and Metering Equipment for information on the location of Meters and associated equipment).

B.5.3. Vegetation Management

LES has a vegetation management program to ensure that trees and other vegetation do not interfere with LES lines and/or at-grade equipment or present a safety hazard. LES has the legal right to trim and remove trees, including removing limbs, to avoid vegetation-related outages, safety hazards, system interference or other system interruptions. All trimming is completed by certified arborists. LES makes every effort to notify Customers, Property Owners and/or occupants when tree trimming will occur. LES will clean up any debris due to routine LES maintenance.

If trees, limbs or other debris have fallen as a result of storm conditions or other unavoidable events, it is the Customer's, Property Owner's and/or occupant's responsibility to clean up the debris so LES has access to its electric facilities at all times. If trees, limbs or other debris in the natural path of falling are suspended onto LES lines or other at-grade electric facilities, LES is not responsible for any damage that may occur as a result of freeing the tree, limb or debris and continuing the natural fall path. The Customer, Property Owner, and/or occupant is responsible for any property damage resulting from the trimming of storm damaged trees for LES' service restoration efforts.

LES works cooperatively with the City of Lincoln and other jurisdictions within the Service Area and in rights-of-way outside the Service Area to maintain all vegetation in order to avoid system interruptions.

B.5.4. Transmission Line Corridor Restrictions

LES transmission corridors connect the high voltage power grid and are subject to right-of-way easement restrictions to help ensure public safety, maintain reliability and provide ready access by LES crews and/or contractors. These high voltage power lines are patrolled annually to identify safety hazards, line maintenance needs, obstructions and encroachments. LES reserves the right to remove fencing, if necessary, to maintain these high voltage transmission lines. LES works with Customers, Property Owners and/or occupants to correct issues identified during line patrols. Items prohibited within LES transmission corridors include the following: vegetation not meeting LES guidelines, structures, swimming pools, lagoons, ponds, grade changes, billboards, poles, antennas, bulk materials, hay bales, large equipment, combustible materials and anything that may endanger, impede access or interfere with LES operations. Additional information regarding required clearances and correct placements can be found on the LES website (www.les.com) or by contacting LES.

B.6. LANDLORD/TENANT INFORMATION

B.6.1. General Information

Electric service must be in the name of the Customer who is responsible for the electric bill. A new service fee will be charged when a service transfer occurs unless covered under a Landlord Options form which can be obtained from LES upon request (see Section B.4.3.1. – New Service Fee).

A Customer must notify LES regarding disconnection of service in their name, at which time LES will place the service in the name of the Property Owner or their agent if a Landlord Options form is on file with LES. If there is no Landlord Options form on file, electric service will be disconnected until LES receives, a new request for service.

Landlords are not responsible for unpaid bills by a tenant while the service is in the tenant's name.

Landlords or designated third parties cannot resell or redistribute electric service (see Section B.7.2. – Resale and Redistribution of Electric Service).

B.7. ADDITIONAL INFORMATION

B.7.1. Disconnection of Electric Service

LES will remove or disconnect service at the request of, and upon notice from, the Property Owner if the Property Owner occupies the service address or the service address is vacant (see Section B.6. – Landlord/Tenant Information). Customers who are members of a protected class under federal law are not exempt from disconnection.

LES will disconnect electric service with notice to the Customer due to:

- Non-payment of an account
- Failure to provide and maintain unobstructed access to LES Meters or other LES equipment (see Section B.5.1. – Unobstructed Access);
- Failure or refusal to provide a required security deposit (see Section B.4.3.2. – Security Deposit);
- Withdrawal of or failure to furnish required permits, easements and rights-of-way (see Section B.2.4. – Easements);
- Improper interconnection of Customer-Owned Generation (see Section C.1. – Customer-Owned Generation);
- Failure to provide assurance of payment for future electric bills in a timely manner after filing a petition of bankruptcy; and/or

- Violation or non-compliance with any provision of these Service Regulations except those conditions where notice of disconnection is not required as outlined below.

LES will disconnect electric service without notice to the Customer due to:

- Apparent hazardous conditions or safety concerns as determined by LES or an Authority Having Jurisdiction, including, but not limited to, the following:
    - Temporary wiring that connects Service Wires to a permanent Meter socket;
    - Conduit or other approved ducts containing LES wires that have pulled away from a structure or have become disjointed, broken or separated from metering equipment;
    - Attachments supporting overhead Service Wires that are damaged or pulled out of the structure;
    - Customer-owned wires or equipment that interfere with LES wires or equipment; and/or
    - Inadequate or insufficient working clearance.
- Improper use of equipment that may affect LES equipment or LES' service to others; and/or
- Apparent theft or unauthorized use of service in whatever form it may take, including, but not limited to, tampering with LES equipment, as defined by state law (see Section B.1.5. – Illegal or Prohibited Acts).

LES will disconnect or interrupt service without notice to the Customer or a third-party designee and without providing the Customer an opportunity for a hearing for a disputed electric bill when such disconnection or interruption of service is necessary for reasons of repair or maintenance or to protect the health or safety of the Customer, the general public or the integrity of the LES distribution system (see Section B.1.3. – System Disturbances and Service Disruptions).

LES will notify Customers prior to disconnection of service as required by state law and allow eligible Customers the right to appeal a notice of intent to disconnect electric service. LES can provide additional information regarding the process of disconnection of electric service upon request.

LES does not notify Customers prior to reconnecting services disconnected as a result of reasons described in Section B.7.1. – Disconnection of Electric Service. Customers/Property Owners are responsible to ensure flammable items are clear of potential electric hazards prior to reconnection of service.

B.7.2. Resale and Redistribution of Electric Service

Electric service purchased by a Customer is for the sole use of the Customer in and upon the premises to which such service is supplied. Customers are prohibited from reselling energy as well as rendering a bill on a kilowatt-hour basis to lessees, tenants and others. Existing sub-metered facilities can remain as is if the end user does not pay more for electric consumption than the applicable LES rate. Violations may result in legal recourse. The Nebraska Power Review Board and Guidance Document No. 12 should be consulted for further guidance regarding a non-utility providing electricity to third parties.

LES will, in general, require separate metering for electric power to each individual residential, industrial or commercial unit. Exceptions can be requested and will be considered through an application process under limited circumstances. LES can provide additional information regarding master metering upon request.

B.7.3. Claims Processing

Claims against LES for incidents of suspected bodily injury or property damage due to LES activities must be filed with the Lincoln City Clerk within one year from the date the damage or loss was discovered pursuant to the Nebraska Political Subdivisions Tort Claims Act. Upon request, LES will provide Customers with instructions on filing a claim with the Lincoln City Clerk.

B.7.4. Notification of Load Increase

A Customer must notify LES of expected load increases that are more than 20 percent of the highest kilowatt demand recorded for that service in the previous 12 Billing Periods. Examples of when this notification may be required include, but are not limited to, situations in which a Customer installs or adds new equipment, expands operations or is testing equipment.

The Customer is responsible for any damage to Customer-owned equipment and LES equipment related to a load increase that was not disclosed. The Customer is also responsible for personal injuries resulting from failing to notify LES of changes and failing to provide LES with adequate time to engineer and install the required electrical equipment, as well as damage or injury that results from the Customer's service having been loaded above its designed limit. The Customer is solely responsible if changes in load result in a change in Rate Code and billing-related modifications (see Section B.4.6. – Special Billing Considerations).

B.7.5. Painting Padmount Transformers

Property Owners may paint an LES padmount transformer if the requirements listed below are met.

- The paint is environmentally safe and suitable for use on metallic surfaces in outdoor locations.

- The transformer is sanded in a manner that allows the new paint to adhere properly.

- Spray paint or a paint roller is used (applying paint with a brush is not allowed).

- LES-installed numbers and decals are masked prior to painting and the masking is removed after painting has been completed.

  NOTE – Decals, wraps or other decorations are not allowed on the transformer.

B.7.6. Buried Cable (Call Before You Dig)

State statutes pertaining to the One-Call Notification System Act require any person who excavates to first notify the statewide one-call notification center (at 811 or 800-331-5666) at least two business days, but not more than 10 business days, before they start to excavate. There are civil penalties, fines and strict liability repair assessments for failure to call before excavating.

The one-call notification center identifies buried, noncustomer-owned facilities before digging or other underground work is performed. Each underground facility member/owner, including LES, is to either mark its facilities, issue a clearance that no facilities are nearby or offer to meet jointly with the excavator to discuss the request. LES and the one-call notification center have information available regarding the request process.

B.7.7. Fire Alarms, Fire Water Pumps, Exit Lights and Civil Defense Sirens (Outdoor Storm Warning Devices)

All fire alarm systems, fire water pumps, and exit lights must be metered. This may require the Customer to install a Meter socket exclusively for these circuits. The installation must conform to all applicable code requirements and LES specifications (see the Meter Services Specification Guide located on the LES website at www.les.com).

A Customer requesting service to a civil defense siren (outdoor storm warning device) must submit an Application for Electrical Permit obtained from the City of Lincoln Building and Safety Department, other Authority Having Jurisdiction or LES. It is the Customer's responsibility to submit a copy of the application to LES or verify that the Authority Having Jurisdiction has submitted a copy of the application to LES. Civil defense sirens are generally non-metered (see Section B.2.7.6. – Non-Metered Services) and the account is billed on the current General Service Rate Schedule. Civil defense sirens that have a rectifier for battery operation or other load in addition to the motor must be metered.

B.7.8. Joint Trench Occupancy and Pole Attachments

Customer-owned equipment is not allowed on LES facilities or in LES provided trenches. However, LES will allow joint trench occupancy and joint pole attachments with other utilities and certain entities that have the right to occupy public rights-of-way. Joint use agreements must be executed prior to joint occupancy. Payment for pole attachments is subject to Rate Schedule Pole Attachment – 50 (see the LES Rate Schedules for applicable conditions and fees). Any powered equipment must comply with these Service Regulations and LES

specifications (see the Meter Services Specification Guide located on the LES website at www.les.com). Antenna and antenna equipment are prohibited except pursuant to a negotiated agreement.

B.7.9. Grade Changes, Settlement and Erosion

The Property Owner is responsible for all costs incurred for the relocation and repair of LES overhead and underground facilities necessitated by grade changes, settlement and erosion on the property.

B.7.10. Ramp Rate

Distribution-level services shall generally be limited to a load ramp rate – the rate of change for both increases and decreases – of no more than the greater of 1 MW or 20 percent of the Customer's nominal peak load, per minute, provided this rate of change doesn't prove detrimental to other Customers as determined by LES. Transmission-level services shall be limited to a load ramp rate of no more than 8 MW/minute. These limits are not applicable to (a) Customer load reductions as a result of forced outages, or (b) Customer load changes conducted in coordination with, or under the direction of, LES or the Southwest Power Pool.

C. SERVICE REGULATIONS – SPECIAL

C.1. CUSTOMER-OWNED GENERATION

The Federal Energy Regulatory Commission (FERC), through the Public Utility Regulatory Policies Act (PURPA), sets forth the requirements and guidelines for Customer-Owned Generation. The LES Administrative Board, as required by law, has considered and approved the PURPA guidelines that apply to Qualifying Facilities as defined below.

LES does not allow Customer-Owned Generation to export power onto LES secondary spot or grid networks (i.e., the LES downtown network). In these applications, production from Customer-Owned Generation shall be limited in real time to Customer's load minus an LES-determined safety margin.

C.1.1. Qualifying Facilities (Cogeneration and Small Power Production)

Under the PURPA guidelines, cogeneration and small power production facilities are considered Qualifying Facilities. A cogeneration Qualifying Facility is a generating facility that sequentially produces electric energy and another form of useful thermal energy (e.g., heat or steam) in a way that is more efficient than the separate production of both forms of energy. A small power production Qualifying Facility is a generating facility of 80 megawatts or less whose primary energy source is renewable (i.e., hydro, wind, or solar), biomass, waste, or geothermal resources. Cogeneration and small power production Qualifying Facilities include, but are not limited to, conventional facilities as well as renewable generation.

Cogeneration and small power production Qualifying Facilities are covered by PURPA and have specific requirements for interconnection with LES. In order to operate in parallel with LES, the Qualifying Facility must meet all applicable LES interconnection requirements, including, but not limited to, submission of an

application for parallel operation as well as entering into an interconnection agreement. Contact LES or visit the LES website (www.les.com) for additional information on Customer-Owned Generation.

C.1.2. Non-Qualifying Facilities

Standby and emergency generation facilities that do not meet the criteria for Qualifying Facilities are only allowed to operate in parallel with LES for periodic testing purposes or at the direction of LES. Any generation produced during testing that is in excess of a Customer's/entity's load will not be compensated by LES. Customers/entities that operate in parallel for more than testing purposes may only do so under agreement with and at the direction of LES.
All non-qualifying facilities operating in parallel must meet all applicable LES interconnection requirements, including, but not limited to, submission of an application for parallel operation as well as entering into an interconnection agreement. Contact LES or visit the LES website (www.les.com) for additional information on Customer-Owned Generation.

C.2 JURISDICTIONAL FILINGS RELATED TO ELECTRICAL FACILITIES

There are a variety of laws, regulations, committees, commissions, districts and boards that may have jurisdiction over specific projects involving the installation of electrical facilities. Required submissions of plans or designs to these entities may delay or otherwise impact construction and development timelines. Coordination with these entities should be factored into every project's schedule.

C.2.1. Urban Design Committee, Historic Preservation Commission and Nebraska Capitol Environs Commission

The City of Lincoln Planning Department coordinates work with the Urban Design Committee, Historic Preservation Commission and the Nebraska Capitol Environs Commission.

The Urban Design Committee reviews projects involving construction within a historic district or within 300 feet of a historic landmark. Review is not required for work that involves only the replacement of comparable facilities.

The Historic Preservation Commission reviews projects in historic areas with the goal of preventing the obstruction of scenic vistas.

The Nebraska Capitol Environs Commission reviews activities regarding height restrictions and beautification work in the street corridors as they extend from the State Capitol Building. This includes the following areas:

- 15th Street Corridor (Goodhue Boulevard/Centennial Mall) – Washington Street to R Street

- J Street Corridor – 10th Street to Capitol Parkway including J Street beyond Capitol Parkway to 35th Street

LES will prepare an estimate for review by the Nebraska Capitol Environs Commission to bury electric lines when there is a project to rebuild lines in these areas.

C.2.2. Nebraska Public Service Commission

Approval from the Nebraska Public Service Commission is required for any new extensions and/or alterations of existing lines (e.g., an increase in voltage, phasing, number of wires or relocation of lines) greater than 700 volts located outside the limits of any incorporated city (Lincoln and Waverly) or village. Cheney, Emerald, Prairie Home and Walton are not incorporated and will require approval from the Nebraska Public Service Commission.

Approval from the Nebraska Public Service Commission is not required to extend service to a single Customer between an existing transmission or distribution line on the same side of the road as the Customer's transformer location if no part of it is along a section line, public road or property owned by another. This only covers primary voltage extensions to a single Customer. The line cannot be extended to serve another Customer.

C.2.3. Utilities on State Highway Right-of-Way

LES must meet the requirements for filing with the Nebraska Department of Transportation to use and occupy a state right-of-way. LES will work with the Nebraska Department of Transportation to obtain and submit any applicable permits. LES must also meet the requirements for filing with the Nebraska Department of Environment and Energy for projects in which more than one acre of ground is disturbed.

C.2.4. Railroad Crossing

LES must obtain an easement or agreement from the railroad to cross any railroad right-of-way. LES will take into account all railroad crossings even if the crossing is in a public right-of-way. LES will work with the appropriate railroad to meet any applicable policies, procedures and application processes.

C.2.5. Lincoln Municipal Airport

Height permits may be required for the construction of electrical facilities in defined zones around the Lincoln Municipal Airport. Applicable regulations and applications can be obtained from the Lincoln Airport Authority and the City of Lincoln Building and Safety Department.

C.2.6. Federal Aviation Administration

There may be requirements to file with the Federal Aviation Administration for the proposed construction of electrical facilities. Applicable requirements and applications can be obtained from the Federal Aviation Administration.

C.2.7. Salt Creek Levee Protection Zone

Construction work associated with providing new service within the Salt Creek Levee Protection Zone as identified by the U.S. Army Corps of Engineers will, at a minimum, require coordination with the Lower Platte South Natural Resource District but could further require full review in accordance with federal law. Construction work requiring this type of review includes, but is not limited to, excavation, installation of drainage structures and directional drilling. Coordination with the proper regulatory review body and the associated review process can take up to twelve months. The development of required documentation for regulatory review involves a more extensive timeframe and should be factored into the project schedule. Special requirements and work practices may be required for construction activities in the Salt Creek Levee Protection Zone including, but not limited to, grouting bores, soil sampling and sealed submittals.

LES is responsible for restoration and stabilization of any soil that is disturbed. An Aid-to-Construction from the Customer may be required for costs related to the use of a third party consultant specializing in soil restoration and stabilization.

A map of the Salt Creek Levee can be obtained from the Lower Platte South Natural Resource District.

C.2.8. West Haymarket Redevelopment Area

Construction work associated with providing new service within the City of Lincoln's West Haymarket Redevelopment Area must conform to the West Haymarket Area Environmental Operations and Maintenance Plan and any use limitations applicable to the work area. The construction activity must, at a minimum, be coordinated with the City of Lincoln and the West Haymarket Joint Public Agency but could further require coordination with the Nebraska Department of Environment and Energy. Construction work requiring this type of coordination includes, but is not limited to, excavation, installation of drainage structures and directional drilling. As a result of regulatory coordination, special requirements and work practices may be required for construction activities in the West Haymarket Redevelopment Area.

LES is responsible for restoration and stabilization of any soil that is disturbed. An Aid-to-Construction from the Customer may be required for costs related to the use of a third-party consultant specializing in soil restoration and stabilization.

A map of the West Haymarket Redevelopment Area can be obtained from the City of Lincoln Public Works Department.

C.3. AID-TO-CONSTRUCTION CHARGES

LES supplies electric service to Customers by providing the Service Drop to a Customer's Point of Delivery. In many cases, this service is provided only with a new service fee (see Section B.4.3. – LES Service Fees). However, LES may require an Aid-to-Construction in some cases, such as for a major construction project, specialized equipment, work that must be completed or installed in order for the Customer to receive service or relocations

not initiated by LES. The Aid-to-Construction may be charged to private entities or to public entities, depending on the project.

C.3.1. Electrical Facility Conflict and Coordination

There may be times when existing electrical facilities conflict with proposed projects. The conflict may require coordination with City, County or State Engineering or with developers. When a conflict is identified, an Aid-to-Construction may be required to cover LES costs in providing the electric service. LES will determine the amount of the required Aid-to-Construction and will notify the affected party or parties of the amount that must be received prior to scheduling the work or ordering materials. The amount will be determined based on the cost of replacing comparable facilities in order to complete the project.

C.3.2. Facilities Investment Cost

LES takes into consideration a facilities investment cost when determining which projects will require an Aid-to-Construction. The facilities investment cost is a calculation that considers the total cost to LES, including design, material, equipment, labor and labor overheads, to build and install additional facilities above and beyond the existing facilities or to reinforce existing facilities in order to serve a Customer's load or additional load.

Subject to all other requirements of these Service Regulations, electric service will be installed at no charge for new or existing services up to 5 MW if the facilities investment cost to LES does not exceed 2.5 times the estimated additional annual revenue resulting from providing the service. Generally, if the facilities investment cost to LES does exceed 2.5 times the estimated additional annual revenue resulting from providing the service, an Aid-to-Construction will be charged. The Aid-to-Construction for services up to 5 MW that will be charged will be the difference between the facility investment cost and 2.5 times the estimated additional annual revenue from providing the service. Revenue estimates to determine the required Aid-to-Construction are based upon projected electric usage calculations or upon LES records of average usage for similar types of service. LES will notify the Customer of the required Aid-to-Construction. No equipment will be ordered and no work will be scheduled until this payment is received from the Customer.

Electric service facility investment costs for new or expanded services above 5 MW are subject to negotiation with LES.

C.3.3. Underground Service in New Residential Areas

LES will coordinate with the Customer or developer to minimize the permanent electric facilities required to serve a new residential development. The Customer or developer will be required to provide an Aid-to-Construction for any temporary facilities and for any facilities in excess of what would otherwise be required to provide electric service to the development.

C.3.4. Underground Residential Service Relocation

An Aid-to-Construction equivalent to the cost of replacing comparable facilities is required for underground relocations. LES will provide payment quotes for the Customer's consideration. The Customer is responsible for all restoration work, including, but not limited to, resodding, reseeding, trench settling and hard-surface paving repair.

C.3.5. Overhead to Underground Line Construction or Relocation

C.3.5.1. City of Lincoln

City of Lincoln projects may require an Aid-to-Construction for:

- Relocation of an LES facility in an easement area that falls within a City of Lincoln right-of-way due to the City expanding the right-of-way;
- Relocation of street lights;
- Relocation of an LES facility not in a City of Lincoln right-of-way; and
- Relocation of an LES facility in a City of Lincoln right-of-way when: the relocation is a result of a City water/sanitary sewer project not related to a City road project; the relocation is a result of an executive order requiring construction of streets or other infrastructure (the Aid-to-Construction will be billed to the applicable private entity); or the LES facility is on a state right-of-way.

C.3.5.2. City of Waverly

LES operates pursuant to a franchise agreement inside the city limits of the City of Waverly. There is no charge to the City of Waverly when the City of Waverly requests the relocation of an LES facility in a City of Waverly right-of-way/property. This includes relocations required due to the City of Waverly widening or improving its public rights-of-way.

City of Waverly projects may require an Aid-to-Construction for:

- Relocation of an LES facility in an easement area that falls within a City of Waverly right-of-way/property due to the City expanding the right-of-way/property; and
- Relocation of an LES facility not in a City of Waverly right-of-way/property.

C.3.5.3. Natural Resources District

Natural Resources District projects may require an Aid-to-Construction for the relocation of an LES facility in a Natural Resources District right-of-way/property. Joint City and Natural Resources District projects will be

reviewed on a case-by-case basis to determine any required Aid-to-Construction.

C.3.5.4. Rural Arterial Roads and Existing Urban Arterial Widening and Rehabilitation

New, rebuilt and relocated lines for rural arterial roads are installed or remain overhead unless the area is developed at final grade and underground lines can be in an easement 60 to 75 feet from the street center line. An Aid-to-Construction may be required from the applicable government agency.

For existing urban arterial widening, LES will install the distribution circuit underground if the existing pole line must be removed or if the poles will be less than a reasonable distance, as determined by LES, from the back of the curb after the arterial is widened. If feasible, overhead lines will be replaced with underground lines when the pole line conflicts with a four-lane widening. Poles of overhead lines that cross the arterial are generally relocated and remain overhead. An Aid-to-Construction may be required from the applicable government agency.

For existing urban arterial rehabilitation, when a project has a conflict with poles, LES will move or replace the affected poles to avoid conflict. LES will assess the feasibility of underground conversion. An Aid-to-Construction may be required from the applicable government agency.

C.3.5.5. Discretionary Projects and Requests

The LES Administrative Board, through the annual budget process, approves an amount dedicated to discretionary overhead to underground rebuild or relocation projects. Projects are recommended by LES and may or may not be in conjunction with other projects associated with a public entity. There is no Aid-to-Construction required for this process. The City of Lincoln, through the Comprehensive Plan, encourages a program, whenever feasible and affordable, to relocate existing overhead utility lines underground.

Public or private entities or individuals requesting existing overhead facilities to be installed underground or requesting the relocation of existing overhead or underground facilities may be required to pay an Aid-to-Construction. LES will determine the feasibility of such conversions or relocations, as well as the associated Aid-to-Construction cost.

C.3.6. Temporary Service Installation

Temporary service may require an Aid-to-Construction if LES has to extend facilities and the extension will not be used for permanent service. The Aid-to-Construction is non-recoverable and must be paid in full prior to the start of LES construction. Material used in providing temporary service may be used in the permanent connection when conversion to a permanent service is requested. Total

charges for the permanent connection will not be considered in determining the connection charge for the temporary service.

C.4. CONSTRUCTION BILLING GUIDELINES

C.4.1. No Billing

LES will not bill the Customer for costs incurred for work initiated by LES or for work that is a benefit to LES which must be completed outside of normal LES line crew working hours. Such work includes, but is not limited to:

- Distribution rebuilds;
- Replacing an overloaded transformer;
- Repairing a damaged transformer or damaged secondary/service conductors;
- Installation of service conductors for new or rewired service if the work is completed according to LES' schedule; and
- Replacing bar connectors inside a transformer and current transformer (CT) cabinet to accommodate an additional service if the work is completed according to LES' schedule.

NOTE – Whenever possible, this work will be scheduled to occur during normal LES line crew working hours. All non-emergency construction work for residential Customers will be done during normal LES line crew working hours.

LES will also not bill the Customer for costs incurred for work that is initiated by a Customer or electrician when the Customer/electrician needs minor assistance from LES to work safely on their own facilities. Such work includes, but is not limited to:

- Standby, switching or barricading LES equipment when LES personnel are not required to be on-site at a specific time or to remain on-site;
- De-energizing primary and secondary underground cable; and
- Applying a protective cover to an overhead line to facilitate Customer construction or non-electrical maintenance to the Customer's own facilities for situations that last less than a week and which meet LES' operating requirements.

C.4.2. Billing

LES will bill for all costs at the appropriate prevailing rates (regular, overtime or holiday) incurred for planned or emergency work that is initiated by a Customer or electrician that is not a benefit to LES and/or that occurs outside of normal LES line crew working hours. Such work includes, but is not limited to:

- Standby, switching or barricading LES equipment when LES personnel must be on-site at a specific time according to the Customer's/electrician's schedule or remain on-site;

- Switching or de-energizing LES equipment because the Customer does not want to operate the Customer-owned equipment that would de-energize the same equipment;

- Raising conductors to move houses;

- Installation of service conductors for new or rewired service that the Customer/electrician requests be installed ahead of LES' schedule;

- Authorized work on Customer-owned electric utility equipment;

- Installation of permanent service that the Customer/electrician requests be installed outside of normal LES working hours to avoid de-energizing temporary construction service; and

- Customer requests for LES to perform work outside of normal LES working hours in order for the Customer to avoid having an outage during their normal working hours even though the LES work would take a short amount of time (i.e., less than one hour) if the LES work for this only affects the service of the requesting Customer and does not require other Customers to be de-energized.

C.5. OUTDOOR LIGHTING

LES installs, operates and maintains the street light systems in the Cities of Lincoln and Waverly, as well as within the Service Area for the Lancaster County Board and Nebraska Department of Transportation. LES designs street light facilities in a manner that encourages energy conservation while also providing for public safety. Standard street lights are installed on a wood pole with a mast arm luminaire at predetermined interval spacing. All City of Lincoln street lighting will adhere to 3.100, City of Lincoln's Design Standards for Outdoor Lighting. LES installs, replaces and maintains standard street lighting wherever provisions have not been made for other types of lighting installations. LES bills the appropriate government agency per Rate Schedule Street Lighting Service – 26.

C.5.1. Requests for Standard Residential Street Lighting

Individuals can request additional lighting on a street or alley. Upon receipt of a request, LES will inspect to determine if there is a need for additional lighting. If a need is identified, the individual submitting the request will receive information explaining the petition street light process. This information will include a map, addresses of homes that will be directly affected by the additional lighting and a petition form. The individual submitting the request will need to obtain the signatures of the Property Owners in the affected area. If 100 percent of the affected Property Owners approve, a street light will be installed.

If a request is approved through the petition process, LES will install a standard street light at no cost to the requesting individual or other Property Owners. However, if the individual is requesting an underground feed to the new light in an overhead distribution area, the individual must pay the difference in costs between the overhead and underground service. If the individual is requesting something other than a standard street light, the individual must pay the difference in costs. If an individual requests a new street light in an area that already has ornamental (i.e., non-standard) lighting, there will be no charge to provide the matching luminaire if the current spacing of street lights warrants the installation of a new pole.

C.5.2. Ornamental Street Lighting

When a new subdivision is approved, the developer of the subdivision is required to designate a lighting design on the plans. The developer must post a bond guaranteeing the installation of the street lights by a specified date. To obtain ornamental street lighting, the developer has the options of obtaining an executive order, in which case the developer is responsible for all lighting installation costs (this is the majority of cases), or establishing an Ornamental Lighting District, in which case the entity requesting the Ornamental Lighting District pays all lighting installation costs and assesses the installation costs to the benefited properties.

In existing subdivisions or neighborhoods, Ornamental Lighting Districts can be set up by Property Owners or developers if they obtain approval from 51 percent of front footage Property Owners through a petition process. The street lights will either match the neighboring area or the style will be designated by the developer. All designs must be approved by LES and meet LES' minimum standards. The entity requesting the Ornamental Lighting District is billed for LES engineering and design services, as well as for LES to stake, make final connections to obtain service and inspect the completed project. The requesting entity or the Customer and/or developer will be billed for all distribution extension costs for Ornamental Lighting Districts that exceed the amount assessed to the City of Lincoln for street lights.

C.5.3. Street Light Relocation

Individuals can initiate requests for street light relocation via a phone call, a plan for development or another project plan. The individual requesting the relocation will be required to pay the full cost of the project. The costs will be reviewed with the individual and must be paid in full prior to any work being performed. Relocation requests made by public entities are billed to the public entity for the full cost of the project. Contact LES for more information on street light relocation requests.

C.5.4. Arterial Lighting

Arterial lighting projects are initiated by the public entity. LES works with the requesting entity by completing drawings and design details for interconnection, removing and replacing existing street lights, and making final connections. Once the construction is complete, LES operates and maintains the arterial lighting. If there are existing unlit arterials within the City of Lincoln, LES will work with the City to determine required lighting installations.

C.5.5. Area Security Lighting

LES will consider requests for area security lighting. Residential area security lighting may require approval from Property Owners adjacent to the light location through a petition process. Commercial area security lighting normally does not require a petition if such lighting is requested unless the location of the requested light is immediately adjacent to a residential area. Area security lighting will be installed only on existing utility-owned poles. Payment for area security lighting is subject to Rate Schedule Security Lighting – 20 (see the LES Rate Schedules for applicable conditions and fees).

C.5.6. Private Roadway Lighting

LES will work with the Customer and/or developer to ensure private roadway lighting designs meet the same standards as those of a public street. All costs are paid by the Customer and/or developer. The lighting circuit must be terminated at the Customer-installed Meter pedestal. The developer or homeowner association is responsible for Meter charges, as well as all maintenance and upkeep costs for the lighting system.

If areas with existing private roadway lighting or subdivision with no street lighting are annexed by the City, existing or newly installed lighting remains privately owned and the Property Owner is responsible for maintenance and operation unless the public entity provides written acceptance agreeing to ownership, in which case the public entity is responsible for all energy and maintenance expenses.

Newly annexed subdivisions with no existing lighting on public streets will not be required to install lighting. Private roadway lighting requests may be initiated either through a petition request or the Ornamental Lighting District process (see Section C.5.2. – Ornamental Street Lighting).

C.5.7. Banner, Sign Attachments and Festoon Outlets

Attaching anything to an LES or City-owned pole without the express written approval of LES is prohibited. Government or private entities authorized to attach banners or signs to LES or City-owned poles are determined solely by LES. Any entity requesting the placement of an attachment to a pole must meet LES' minimum standards. These standards will be explained by LES to the entity prior to LES' authorization.

Payment for festoon outlets is subject to Rate Schedule Security Lighting – 20. Customers must contact LES for specific guidelines for a festoon outlet installation.

APPENDIX A – ELECTRIC SUPPLY GRAPHIC

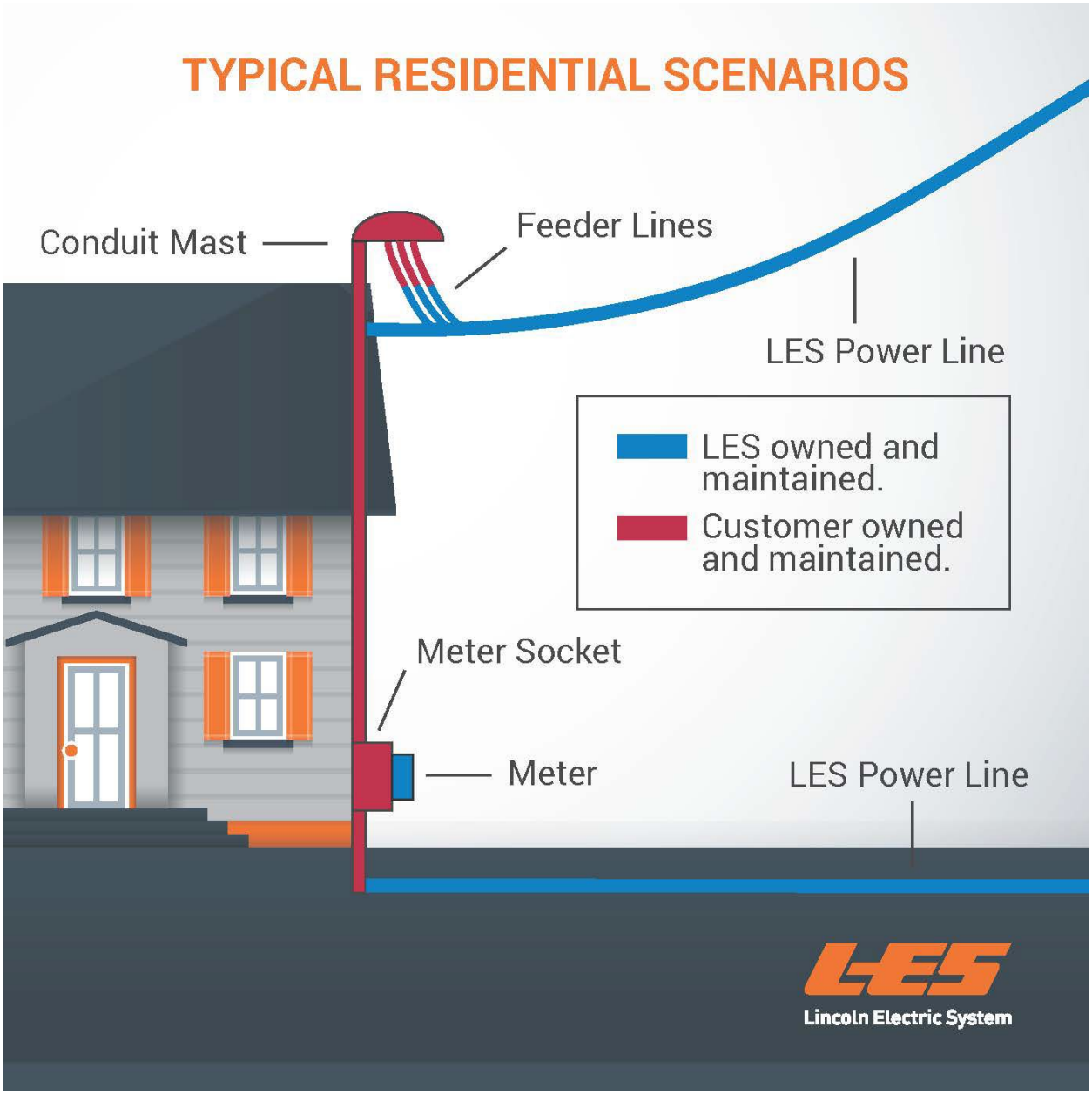


Exhibit VII

Energy Storage Request for Proposals

Contract Announcement

Scott Benson
Manager, Resource & Transmission Planning

June 16, 2023

RFP Summary
Issued September 2021

Specification	Base Proposal	Alternate Proposal
Site	……Existing 2nd & N substation……	
SPP Interconnection	……Behind-the-meter……	
Contract Structure	……10-year PPA ($/$kW_{AC}$-month)……	
Technology	Lithium-Ion	Non-Lithium
Size	1 – 3 MW / 2 – 4 hours	At least 250 kW / 2 hours

RFP Summary
Issued September 2021

Specification	Base Proposal	Alternate Proposal
Site	Existing 2nd & N substation	
SPP Interconnection	Behind-the-meter	
Contract Structure	10-year PPA ($/kW$_{AC}$-month)	
Technology	Lithium-Ion	Non-Lithium
Size	1 – 3 MW / 2 – 4 hours	At least 250 kW / 2 hours
Proposals	46	5

Project Quick Hits

Alternate proposal selected as lowest per-unit cost option (net $/MWh):
3 MW / 4-hour zinc battery, expected to reach COD in 2025.

Many inherent advantages to Lithium-Ion proposals, but lower round trip efficiency and higher self-discharge rate will be operational considerations.

Site preparation and net operating costs projected at approximately $5.7M; slightly more than 2015 $4.7M Burlington Northern and Santa Fe Railroad settlement earmarked for the project.

PPA arrangement plus relatively small size of project allowed LES to be much more aggressive than normal, pursuing a newer technology with a smaller developer.

At the time of the RFP launch:

- Only one such battery system was in commercial operation world-wide.
- Capacity and energy ratings of LES' project would have exceeded all previous and in-progress installations of such battery systems…combined.

Project Developer

Colorado-based clean technology and renewable project development company, specializing in energy management software and battery storage management.

Co-developing a microgrid for a native American tribal reservation casino facility and several other tribal buildings.

Providing energy management system services and microgrid controls for a 16-story apartment building.

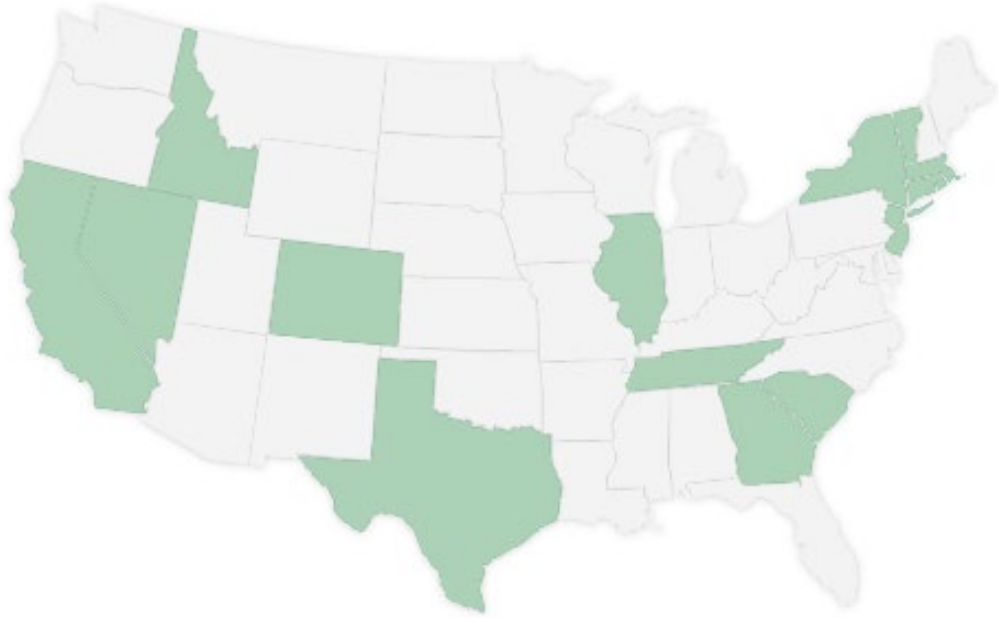
Working with a New York based battery manufacturer to create portable solutions that allow construction sites to use batteries in a densely packed urban environment, reducing noise and pollution.

Financing Partner

TRUE GREEN CAPITAL

Renewable energy infrastructure private equity fund manager investing in distributed solar power generation projects, batteries, and microgrids in the U.S. and Europe.

- ~ 539 MW operating, construction, and construction-ready project portfolio.
- 39 investments in 14 different U.S. states representing ~ $510M in equity capital.



Eos Zinc Battery

Next generation Z3 product in development/testing, slated to be used for LES' project

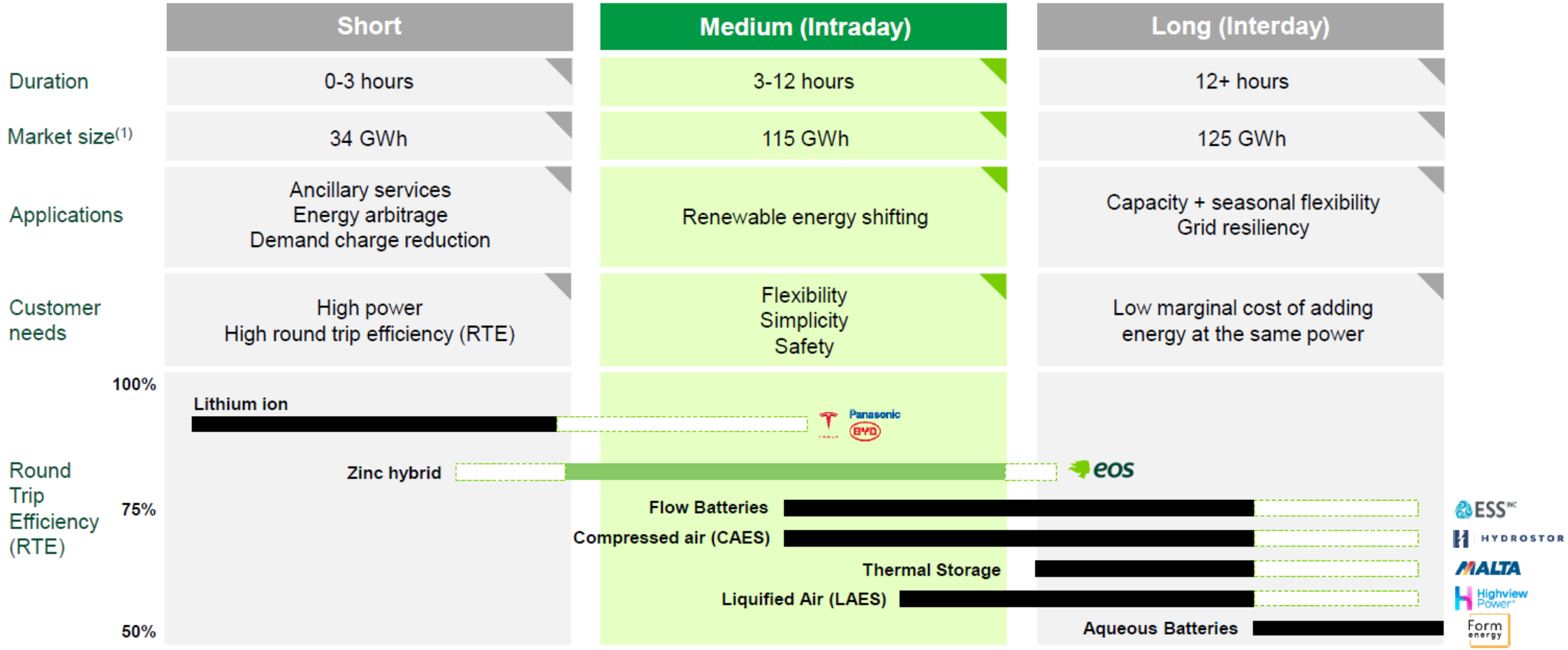
Eos Zynth Gen 2.3

Sources: Eos Cube Brochure/https://www.eose.com, Eos Energy Enterprises

Source: Eos Energy Enterprises, Inc. – Company Overview, Eos Energy Enterprises, June 2022

Eos Zinc Battery

Taking the next step in longer duration storage



Source: Eos Energy Enterprises, Inc. – Company Overview, Eos Energy Enterprises, June 2022

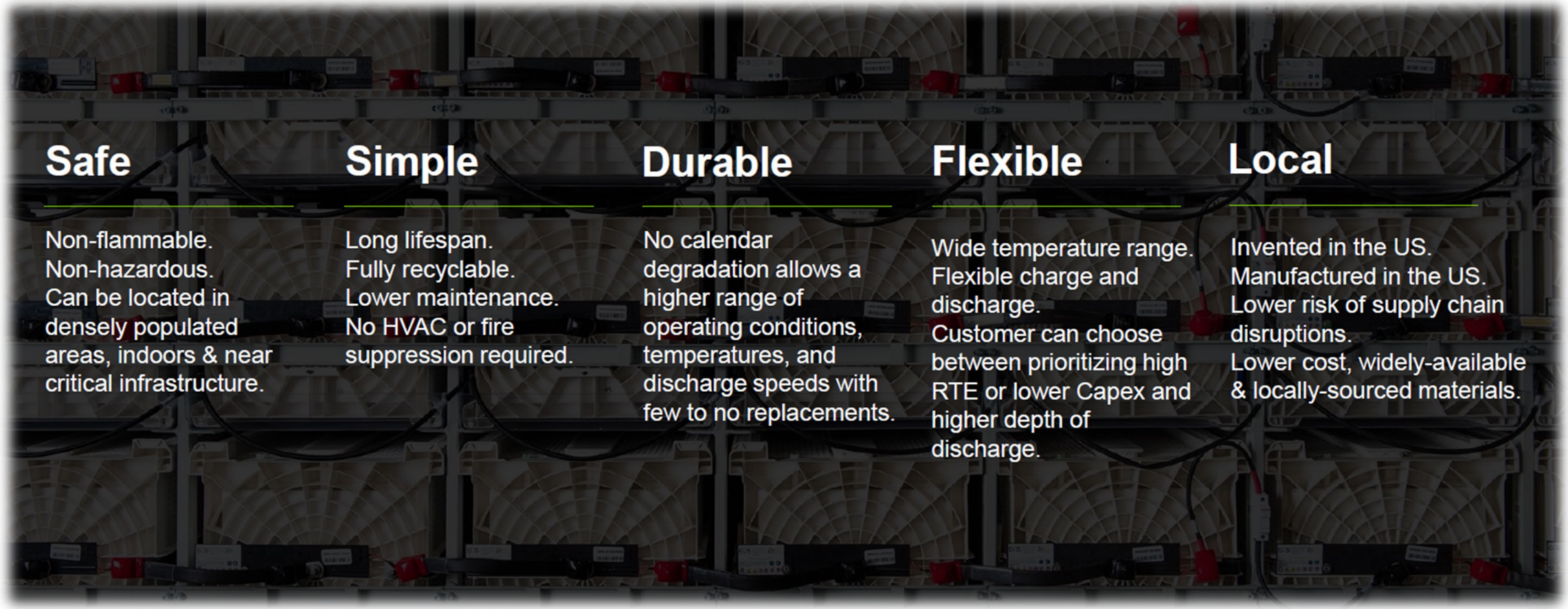
Eos Zinc Battery

Long Duration Energy Storage Council – Technology providers

Source: www.ldescouncil.com/#

Eos Zinc Battery

Additional advantages beyond being LES' lowest evaluated cost proposal



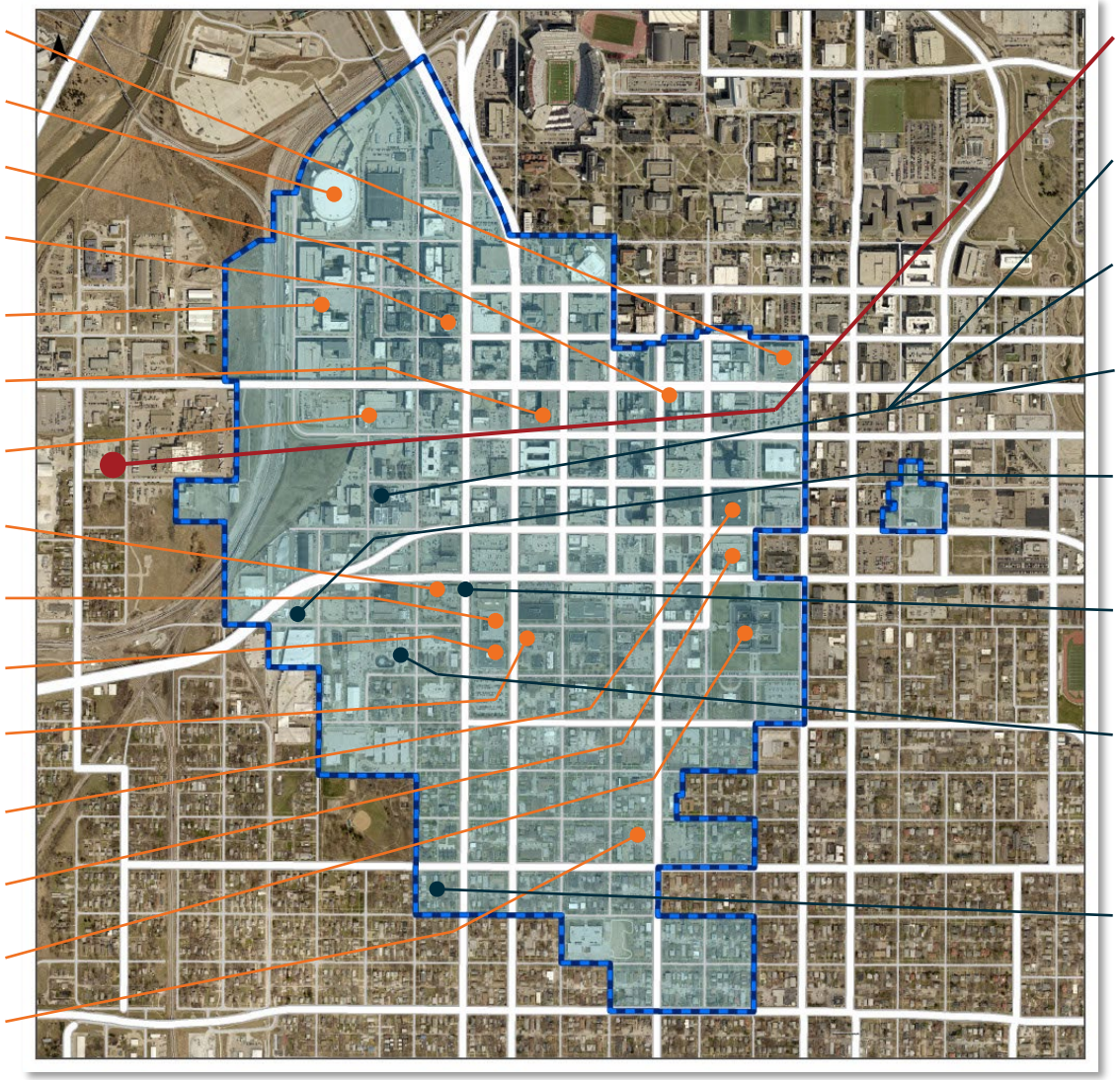
Source: Eos Energy Enterprises, Inc. – Company Overview, Eos Energy Enterprises, June 2022

Battery Storage Project

Projected benefit streams

1. Support transmission and distribution system reliability by deferring load during peak periods.
2. Load-related energy arbitrage; charge (buy) at low market prices and discharge (sell) at higher prices.
3. Load-related ancillary services; assist the market with reliably balancing load and generation.
4. Further development of energy storage knowledge and experience within LES.
5. Strengthen the LES community microgrid.

LES Community Microgrid



Federal Bldg
Arena
Pharmacy
Gas Station
District Energy for Arena
Radio Tower
Grocery Store
District Energy for City/County Bldgs
City/County Bldg
Lincoln Police Dept/County Sheriff
Gas Station
State Office Bldg
District Energy for State Bldgs
State Capitol
Gas Station

Battery Storage
4 hours @ 3 MW
(Physical Location)

Solar
99 kW

Solar
99 kW

Solar
94 kW

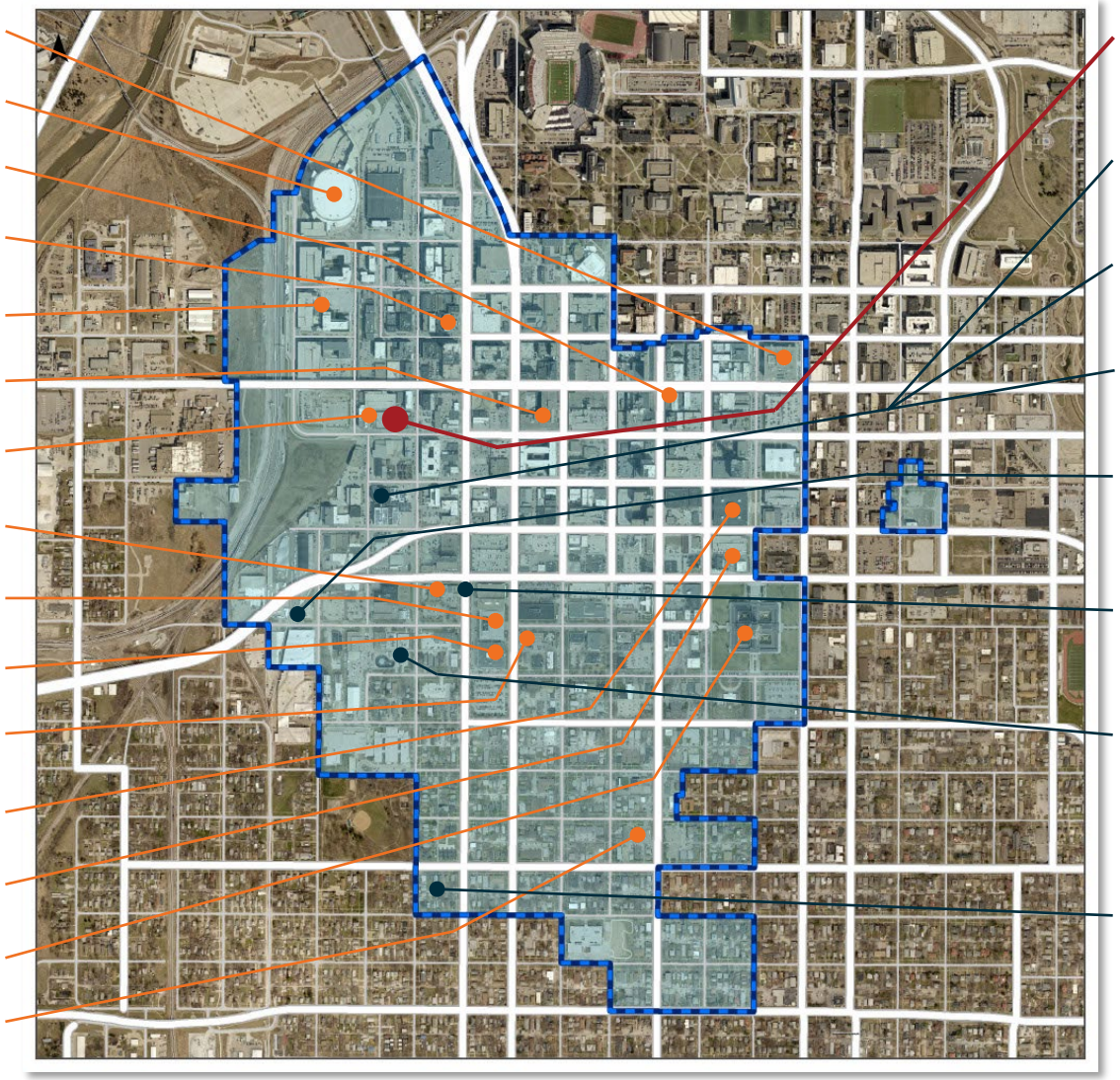
Solar
5 kW

Thermal Energy Storage
6 hours @ 500 kW

LES Generator
29 MW

Solar
7 kW

LES Community Microgrid



Federal Bldg
Arena
Pharmacy
Gas Station
District Energy for Arena
Radio Tower
Grocery Store
District Energy for City/County Bldgs
City/County Bldg
Lincoln Police Dept/County Sheriff
Gas Station
State Office Bldg
District Energy for State Bldgs
State Capitol
Gas Station

Battery Storage
4 hours @ 3 MW
(Electrical Location)

Solar
99 kW

Solar
99 kW

Solar
94 kW

Solar
5 kW

Thermal Energy Storage
6 hours @ 500 kW

LES Generator
29 MW

Solar
7 kW

Exhibit VIII

PURPA Shall Consider Presentation

Marc Shkolnick
Manager, Energy Services
June 16, 2023

STANDARDS TO BE CONSIDERED

Infrastructure Investment and Jobs Act Amendments to §111(d)

Sec. 40104. Utility Demand Response.

(20) Demand-Response Practices. Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

Sec. 40431. Consideration of Measures to Promote Greater Electrification of the Transportation Sector.

(21) Electric Vehicle Charging Programs. Each State shall consider measures to promote greater electrification of the transportation sector

- Promotion of affordable and equitable electric vehicle charging options
- Improvement of the customer experience associated with electric vehicle charging
- Acceleration of third-party investment in electric vehicle charging
- Recovery of the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure

Demand Response

Peak Rewards

- Launched in 2018
- 3,300+ smart thermostats enrolled
- 5 MW of peak demand reduction
- $25 enrollment incentive/$25 annual billing credit

EV Pilot

- Engaged ~ 60 vehicles in winter/summer of 2021
- Text/email requests
- $10 bill credit per month
- 90% participation in any given event
- 70% participation in all events monthly

TOU Rates

Courtesy: EnergySage

- **LLP/LPC Off-Peak Daily**
- Annual reduced demand charges for off-peak use
- Off-peak is 2 pm to 8 pm, Weekdays, June-Sept

TOU Rates

Courtesy: EnergySage

- **LLP Time of Use Demand**
- Reduced demand charges for off-peak use
- Winter on-peak, 12-7 am & 12-6 pm, Nov-April
- Summer on-peak, 12-9 pm, June-Sept
- Shoulder on-peak, 12-9 pm, May & Oct

Interruptible Service Rider

Courtesy: EnergySage

- Annual demand credit per kW of firm, interruptible load
- Mandatory and immediate reduction of firm load
- Interruptions can be called anytime throughout the year with 30-minutes notice

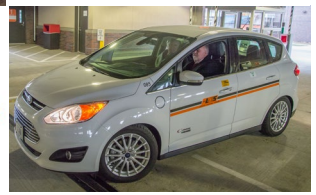
Demand Response

Curtailment Rider

Courtesy: EnergySage

- Demand credit per kW of reduced load per event
- Voluntary reduction of load
- Interruptions called in summer months between 4 and 8 pm

EV Charging Programs



LES Fleet Electrification

- 76% of light duty passenger fleet is hybrid, plug-in hybrid or all-electric
- Awaiting delivery of several medium duty electric pickups
- Installed first public charging stations in 2015

Research Activities

- Engaged > 90 customers in residential EV charging study from 2019-2021
- Participated in EPRI "Barriers & Drivers of EV Adoption Study"

Promotional Activities

- Promoted VW Settlement grants to fund installation of public charging at 7 new locations
- Secured NET grant funding for vehicle rebates

Community Engagement

- Coordinated various workshops and webinars
- Conducted state's first Ride & Drive that attracted > 200 customers
- 2023 Ride & Drive: Sept. 24

Next Steps

Q1 2023

- Education on PURPA "Shall Consider" Requirements

Q2 2023

- Internal review and discussion with Subject Matter Experts
- Preparations for Public Meeting

Q3 2023

- Public Notice and Meeting (July 25, 2023 @ 6 pm)
- Final Determination made by LES
- Present Determinations and Recommendations to the LES Administrative Board and obtain Resolution(s)

Q4 2023

- Action of the Lincoln City Council to adopt Recommendation of the LES Administrative Board

Next Steps

Submit comments no later than Aug 11, 2023:

www.les.com/PURPA

Exhibit IX

2022 LES Sustainability Initiatives

The following is a summary of the various sustainability initiatives either introduced or continued by LES in 2022.

LOC solar

LES installed 144 kW_{DC} of solar photovoltaics on the roof of the new reel & transformer storage building constructed at the LES Operations Center (LOC). The solar panels were arranged to represent the LES logo when viewed from above.

LOC solar

Installation of EV charging stations at the TBGS and RGS sites

LES installed Level 2 EV-charging stations in the parking areas at the Terry Bundy Generating Station and Rokeby Generation Station sites. The chargers are accessible to both employees and visitors.

Continued sponsorship of the Low-Carbon Resources Initiative

LES continued its role as an anchor sponsor, and participant in, the Low-Carbon Resources Initiative, or LCRI, a six-year joint effort by the Electric Power Research Institute (EPRI) and the Gas Technology Institute (GTI) to accelerate the development and demonstration of low- and zero-carbon energy technologies. LES contributed approximately $90,000 to the ongoing effort in 2022.

Continued Energy Storage Request for Proposals (RFP)

LES continued with its efforts to install an energy storage pilot project. The project is expected to provide market and reliability benefits and is also justified in part by the support it would provide to the LES community microgrid. LES engaged in contract negotiations with the lead respondent throughout the year.

Retail rate restructuring

LES initiated Phase II of its revenue-neutral restructuring of residential rates, moving fixed costs associated with the transmission system into fixed charges. Phase I, which did the same thing for the distribution system, was completed in 2019. Properly aligning fixed and variable charges improves the financial stability of LES, better preparing it for future generation-related expenditures.

Gatehouse Rows Efficiency upgrades

LES entered into an agreement with Hoppe Development to support the installation of smart electric water heaters at their new 98-unit Gatehouse Rows affordable housing complex near Wyuka Cemetery. In exchange, LES will have the rights to conduct a water heater demand response pilot. LES also supplied smart thermostats for each unit in exchange for conducting a future pilot of its Peak Rewards program in a multi-family facility.

Participation in the South of Downtown Rental Rehabilitation Pilot Program (ReRAP)

Open to rental property owners in a city-designated area of town, LES is collaborating with the City of Lincoln and program administrator NeighborWorks Lincoln to provide funding for structural and energy efficiency upgrades for qualifying applicants.

Geothermal HVAC upgrade of LES Service Center

LES completed a feasibility study for a geothermal heating and cooling retrofit of its existing LES Walter A. Canney Service Center (SVC) located at 27th & Fairfield. Based on the promising results of the study, LES moved forward with more detailed analysis and preliminary design.

Continued expansion of LES Peak Rewards

LES continued to provide incentives and marketing to increase participation in its smart thermostat demand response program, LES Peak Rewards. By allowing LES to make brief, limited thermostat adjustments over the summer months, customers in this program helped to reduce LES' peak demand by 4.7 MW in 2022.

Development of the Solar Trade Ally Network (STAN)

To educate and inform customers about solar, LES developed the Solar Trade Ally Network (STAN). These trade allies underwent training about LES' rates and incentives and pledged to fully disclose accurate information to potential buyers so they can make an informed decision about investing in solar. LES continues to provide incentives, including upfront capacity payments, for customer-owned solar projects purchased through a STAN-participating installer.

Continued support of the LES Sustainable Energy Program (SEP)

LES contributed another $1.4M to its SEP, incentivizing customers to pursue enhanced energy-efficient building practices and equipment. The 2022 installations equated to an estimated peak demand reduction of 5.6 MW, reducing LES' future need for generation resources. They also represented an estimated annual energy savings of 5.1 GWh. As part of the 2022 Integrated Resource Plan (IRP), LES began preparations for offering new incentives for high-efficiency commercial kitchen equipment.

Continued support of customer-owned solar projects

LES incentives, including new upfront capacity payments of approximately $400,000, supported 123 new customer-owned solar installations totaling approximately 1 MW_{AC}.

Saving with Solar Program

LES partnered with Habitat for Humanity and the Leon Lowenstein Foundation on a new solar program to support low-income households. Under this program, facilitated by the World Resources Institute, virtual net metering panels from LES' community solar project were gifted to two households.

LPS Solar Car Pilot Program

To help foster STEM-related careers, LES collaborated with the Lincoln Public Schools (LPS) to introduce a solar car pilot program as part of LPS' sixth-grade Design Thinking initiative. Students got the chance to create, build and race their own solar cars against fellow classmates.

Participation in the Climate-Smart Collaborative

LES, along with the University of Nebraska Lincoln, Lincoln Public Schools, Lancaster County and the City of Lincoln, continued participation in their Climate-Smart Collaborative. The collaborative developed an electric vehicle readiness plan which detailed a community-wide strategy for EV-charging infrastructure throughout the city.

Continued TBGS Energy Audit

Based on the recommendations of a consultant and internal review, LES converted much of the Terry Bundy Generating Station administration building and Construction Office (COW) building to LED lighting.

Feasibility evaluation of integrating a low CO_2 fuel at generating sites or DEC thermal plants

LES evaluated the supply, transportation, delivery and utilization factors related to operating with a low CO_2 fuel (e.g., hydrogen, ammonia, synthetic liquid fuels, biofuels) for either electricity production or thermal energy production at one of its generating sites or the District Energy Corporation plants.

Investigation of offering demand response aggregation services to customers

LES continued to investigate the feasibility of offering demand response aggregation services to its customers. The services would comply with Federal regulatory requirements and wholesale market protocols.

Continued LOC-TBGS pollinator projects

LES continued its support of pollinator-friendly habitat, such as areas at both the LOC and TBGS sites, including public outreach and education efforts. In 2022, the TBGS site renewed efforts to remove noxious weeds, manage cold-season grasses, and increase the density and diversity of pollinator-friendly plant species.

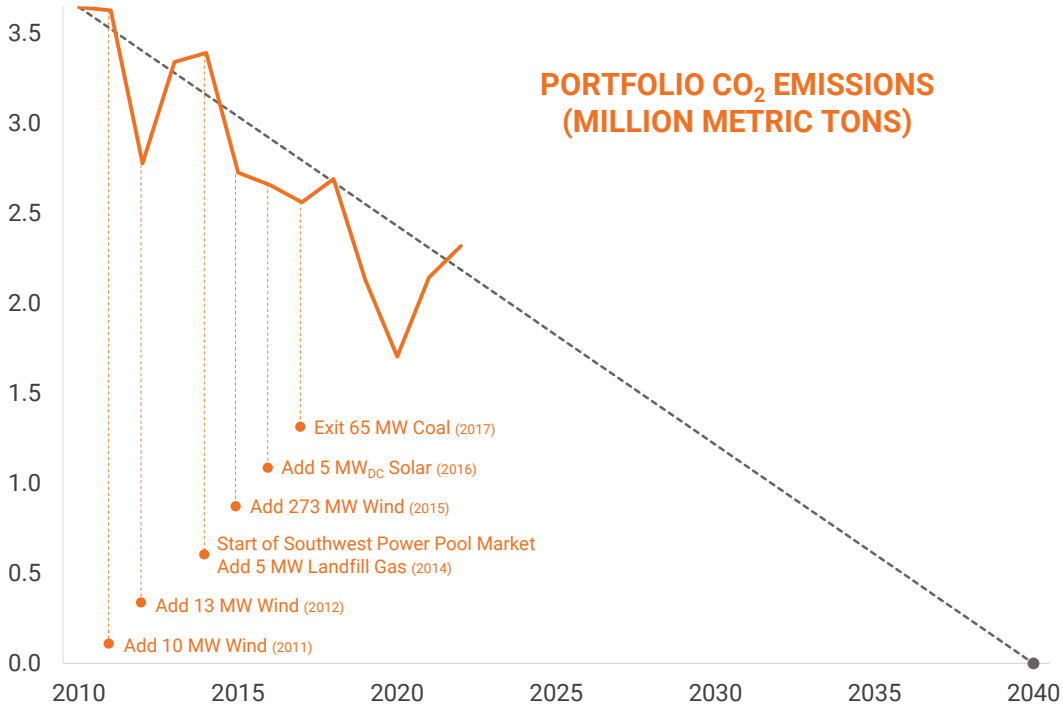
Energy Summit

LES held its annual meeting with business and community leaders. The keynote speaker was David Porter, Senior Director of Electrification and Sustainable Energy Strategy for the Electric Power Research Institute (EPRI). He provided an overview of strategies and technologies needed to achieve decarbonization; regional comparisons for achieving “zero” targets; the impacts of electrification on energy, demand and the environment; and new approaches and customer and community benefits. *(Due to scheduling difficulties, the 2022 Energy Summit was actually held in early 2023.)*

Decarbonization goal

LES continued to track the state’s most aggressive electric utility decarbonization goal to date, achieving net-zero CO_2 emissions from its generation portfolio by 2040. In addition, LES leveraged the 2022 IRP analysis to map out an initial plan for achieving most of the goal.

Decarbonization Goal



Sneak peek at things to come in the 2023 report…

Electric vehicle orders

In June 2023, LES took delivery of a new Ford F-150 Lightning. LES has pending orders for two other all-electric pickups, a Rivian R1T and a Silverado EV. Outside of the direct environmental benefits, vehicles like these are poised to further change the load LES serves, so it's useful to gather firsthand experience with them.


Ford F-150 Lightning

Battery storage project

In June 2023, LES announced the ongoing energy storage RFP resulted in a 10-year power purchase agreement for a new 3 MW/12 MWh battery storage project. The zinc-based battery technology used for the project is in its infancy, but with durations of up to 12 hours, it's poised to help the industry take the next step in longer duration storage. The project is to be located within the LES Community Microgrid, helping to ensure resiliency and continuity of service in the downtown Lincoln area in the event of widespread outages.

Exhibit X

LES EXECUTIVE SEARCH COMMITTEE

Meeting Summary

Thursday, May 25 – 1:00pm

Attendees: A. Hunzeker (Chair), D. Spinar, L. Sabalka, T. Owen, and R. Seybert

- The Executive Search Committee met and finalized the proposed timeline for the CEO interview and selection process. The overall process should take approximately five months. The Committee reviewed and finalized the CEO job description and competency model. Lanie Mycoff conducted one-on-one discussions with the LES Administrative board members regarding desired CEO characteristics and LES' strategic direction, goals, and challenges. Internal and external stakeholder questionnaires were also sent out and will be reviewed at the next committee meeting.

- Karen Griffin accepted the invitation to serve as the fourth member of the Executive Search Committee and will join Andrew Hunzeker, David Spinar, and Lucas Sabalka.

Exhibit XI

Lincoln Electric System

Revenue & Expense Statement (Condensed)

MAY 2023

Year-to-date financial results were favorable due primarily to lower than budgeted net power costs

(Dollar amounts in 000)

	YEAR TO DATE	2023 Actual	2023 Budget	Difference	Percentage Difference	Comments
1)	Total Revenue	$136,496	$134,533	$1,963	1%	Wholesale revenue exceeded budget by 6%, or $1.1M, primarily due to higher than expected revenues from SPP IM activities and retail revenue was 1%, or $1.3M above budget.
2)	Power Costs	54,486	57,704	(3,218)	-6%	Produced power was 20% ($5.8M) under budget due primarily to lower than budgeted energy at TBGS and lower maintenance expenses at J Street, LRS, Rokeby, and TBGS. Purchased power was over budget 9% ($2.6M) due to higher SPP purchases.
3)	Other Operating Expenses	37,744	38,516	(772)	-2%	Other operating expenses were lower than budget primarily due to lower than budgeted line clearance expenses ($1.2M), and delay / timing of projects in Technology Services ($750k), partially offset by higher than budgeted payroll and benefits.
4)	Depreciation	14,581	14,564	17	0%	
5)	Total Expenses	106,811	110,784	(3,973)	-4%	
6)	Operating Income	29,685	23,749	5,936	25%	
7)	Non-Operating Expense (Income)	14,168	16,247	(2,079)	-13%	
8)	Change in Net Position (Net Revenue)	$15,517	$7,502	$8,015	107%	
		Year End Projection	Year End Budget			
9)	Fixed Charge Coverage	1.45	1.40			
10)	Debt Service Coverage	2.17	2.11			
		Month End Actual	Month End Budget			
11)	Days Cash on Hand (Days)	162	159			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

May 2023

INDEX

NOTE: Federal Energy Regulatory Commission accounting guidance for the Southwest Power Pool Integrated Market (SPP IM) transactions (purchases, sales and other charges) requires netting together these transactions based on the time increments. If, during the time increment, sales to SPP are greater than purchases from SPP, the net amount is recorded as wholesale revenue. If, during the time increment, purchases from SPP are greater than sales to SPP, the net amount is recorded as purchased power cost. Because of this netting process, the energy (MWH's) amounts no longer directly correlate to wholesale revenue.

REVENUE & EXPENSE STATEMENT

CURRENT MONTH

MAY 2023

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
OPERATING REVENUES							
1. Retail	$21,462,022	$21,783,039	($321,017)	-1.5%	$20,356,880	$1,105,142	5.4%
2. Wholesale	6,803,129	6,141,073	662,056	10.8%	9,018,986	(2,215,857)	-24.6%
3. Other Revenue	568,841	433,383	135,458	31.3%	466,915	101,926	21.8%
4. CDFUO (a)	941,151	933,267	7,884	0.8%	852,783	88,368	10.4%
5. Total Operating Revenues	29,775,143	29,290,762	484,381	1.7%	30,695,564	(920,421)	-3.0%
OPERATING EXPENSES							
6. Purchased Power	5,658,032	5,715,817	(57,785)	-1.0%	7,220,776	(1,562,744)	-21.6%
7. Produced Power	5,233,005	5,812,633	(579,628)	-10.0%	6,505,106	(1,272,101)	-19.6%
8. Operations	1,986,707	2,172,734	(186,027)	-8.6%	1,341,202	645,505	48.1%
9. Maintenance	972,303	1,013,966	(41,663)	-4.1%	988,639	(16,336)	-1.7%
10. Admin. & General	4,836,454	4,699,989	136,465	2.9%	4,281,052	555,402	13.0%
11. Depreciation	2,910,570	2,928,964	(18,394)	-0.6%	2,843,995	66,575	2.3%
12. Total Operating Expenses	21,597,071	22,344,103	(747,032)	-3.3%	23,180,770	(1,583,699)	-6.8%
13. OPERATING INCOME	**8,178,072**	**6,946,659**	**1,231,413**	**17.7%**	**7,514,794**	**663,278**	**8.8%**
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,445,875	1,431,485	14,390	1.0%	1,655,422	(209,547)	-12.7%
15. PILOT (c)	910,381	928,444	(18,063)	-1.9%	890,502	19,879	2.2%
16. CDFUO Expense (a)	963,140	963,140	0	0.0%	864,662	98,478	11.4%
17. Other Expense	0	0	0	- -	2,161	(2,161)	-100.0%
18. Total Other Nonoperating Expense	3,319,396	3,323,069	(3,673)	-0.1%	3,412,747	(93,351)	-2.7%
19. Other Income	(45,060)	0	(45,060)	- -	0	(45,060)	- -
20. Interest Income	(750,108)	(123,888)	(626,220)	505.5%	(83,394)	(666,714)	799.5%
21. Total Other Nonoperating Income	(795,168)	(123,888)	(671,280)	541.8%	(83,394)	(711,774)	853.5%
22. Total Nonoperating Expenses (Inc)	2,524,228	3,199,181	(674,953)	-21.1%	3,329,353	(805,125)	-24.2%
23. Income Before Contributions	**5,653,844**	**3,747,478**	**1,906,366**	**50.9%**	**4,185,441**	**1,468,403**	**35.1%**
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	36,898	123,848	(86,950)	-70.2%	82,642	(45,744)	-55.4%
25. Contributed Capital Used (d)	(36,898)	(123,848)	86,950	70.2%	(82,642)	45,744	55.4%
26. Net Contributed Capital	0	0	0	- -	0	0	- -
27. CHANGE IN NET POSITION	**$5,653,844**	**$3,747,478**	**$1,906,366**	**50.9%**	**$4,185,441**	**$1,468,403**	**35.1%**

(a) City Dividend for Utility Ownership.

(b) Bond Interest $1,575,714 + Variable Interest $181,958 + Amortization of Issuance Costs on Outstanding Debt $86,679 + Amortization of Loss on Refunded Debt $107,777 - Amortization of Discount/Premium $506,253 = $1,445,875.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

MAY 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
OPERATING REVENUES							
1. Retail	$110,398,558	$109,073,186	$1,325,372	1.2%	$103,785,090	$6,613,468	6.4%
2. Wholesale	18,611,866	17,545,777	1,066,089	6.1%	20,831,486	(2,219,620)	-10.7%
3. Other Revenue	2,768,349	3,238,836	(470,487)	-14.5%	4,698,264	(1,929,915)	-41.1%
4. CDFUO (a)	4,717,552	4,675,225	42,327	0.9%	4,285,367	432,185	10.1%
5. Total Operating Revenues	136,496,325	134,533,024	1,963,301	1.5%	133,600,207	2,896,118	2.2%
OPERATING EXPENSES							
6. Purchased Power	31,516,768	28,928,114	2,588,654	8.9%	33,633,392	(2,116,624)	-6.3%
7. Produced Power	22,969,257	28,775,690	(5,806,433)	-20.2%	23,309,528	(340,271)	-1.5%
8. Operations	10,041,813	10,329,750	(287,937)	-2.8%	6,118,969	3,922,844	64.1%
9. Maintenance	4,010,434	5,015,187	(1,004,753)	-20.0%	3,754,278	256,156	6.8%
10. Admin. & General	23,691,932	23,170,930	521,002	2.2%	21,487,063	2,204,869	10.3%
11. Depreciation	14,581,110	14,564,134	16,976	0.1%	14,229,193	351,917	2.5%
12. Total Operating Expenses	106,811,314	110,783,805	(3,972,491)	-3.6%	102,532,423	4,278,891	4.2%
13. OPERATING INCOME	**29,685,011**	**23,749,219**	**5,935,792**	**25.0%**	**31,067,784**	**(1,382,773)**	**-4.5%**
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	7,118,000	7,071,367	46,633	0.7%	7,998,430	(880,430)	-11.0%
15. PILOT (c)	5,022,656	5,025,420	(2,764)	-0.1%	4,789,497	233,159	4.9%
16. CDFUO Expense (a)	4,815,700	4,815,700	0	0.0%	4,323,310	492,390	11.4%
17. Other Expense	153	0	153	- -	2,879	(2,726)	-94.7%
18. Total Other Nonoperating Expense	16,956,509	16,912,487	44,022	0.3%	17,114,116	(157,607)	-0.9%
19. Other Income	(218,052)	0	(218,052)	- -	0	(218,052)	- -
20. Interest Income	(2,570,195)	(665,501)	(1,904,694)	286.2%	(206,579)	(2,363,616)	1144.2%
21. Total Other Nonoperating Income	(2,788,247)	(665,501)	(2,122,746)	319.0%	(206,579)	(2,581,668)	1249.7%
22. Total Nonoperating Expenses (Inc)	14,168,262	16,246,986	(2,078,724)	-12.8%	16,907,537	(2,739,275)	-16.2%
23. Income Before Contributions	**15,516,749**	**7,502,233**	**8,014,516**	**106.8%**	**14,160,247**	**1,356,502**	**9.6%**
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	258,904	619,240	(360,336)	-58.2%	394,643	(135,739)	-34.4%
25. Contributed Capital Used (d)	(258,904)	(619,240)	360,336	58.2%	(394,643)	135,739	34.4%
26. Net Contributed Capital	0	0	0	- -	0	0	- -
27. CHANGE IN NET POSITION	**$15,516,749**	**$7,502,233**	**$8,014,516**	**106.8%**	**$14,160,247**	**$1,356,502**	**9.6%**

(a) City Dividend for Utility Ownership.

(b) Bond Interest $7,878,572 + Variable Interest $788,494 + Amortization of Issuance Costs on Outstanding Debt $443,318 + Amortization of Loss on Refunded Debt $538,881 - Amortization of Discount/Premium $2,531,265 = $7,118,000.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

MAY 2023

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
REVENUE							
1. Residential	$9,510,305	$9,439,719	$70,586	0.7%	$8,959,851	$550,454	6.1%
2. Commercial & Street Light	9,246,000	9,586,328	(340,328)	-3.6%	8,852,841	393,159	4.4%
3. Industrial	2,705,717	2,756,992	(51,275)	-1.9%	2,544,188	161,529	6.3%
4. Total Retail	21,462,022	21,783,039	(321,017)	-1.5%	20,356,880	1,105,142	5.4%
5. SPP Sales	5,917,641	5,308,248	609,393	11.5%	8,410,353	(2,492,712)	-29.6%
6. Contract Sales	885,488	832,825	52,663	6.3%	608,633	276,855	45.5%
7. Total Wholesale	6,803,129	6,141,073	662,056	10.8%	9,018,986	(2,215,857)	-24.6%
8. Total	$28,265,151	$27,924,112	$341,039	1.2%	$29,375,866	-$1,110,715	-3.8%
ENERGY (MWH'S)							
9. Residential	84,763	81,211	3,552	4.4%	86,447	(1,684)	-1.9%
10. Commercial & Street Light	120,688	118,551	2,137	1.8%	117,805	2,883	2.4%
11. Industrial	41,113	39,561	1,552	3.9%	37,794	3,319	8.8%
12. Total Retail	246,564	239,323	7,241	3.0%	242,046	4,518	1.9%
13. SPP Sales	47,719	71,131	(23,412)	-32.9%	76,872	(29,153)	-37.9%
14. Contract Sales	24,470	19,380	5,090	26.3%	11,961	12,509	104.6%
15. Total Wholesale	72,189	90,511	(18,322)	-20.2%	88,833	(16,644)	-18.7%
16. Total	318,753	329,834	(11,081)	-3.4%	330,879	(12,126)	-3.7%
CUSTOMERS - AT MONTH END							
17. Residential	131,806	129,893	1,913	1.5%	129,820	1,986	1.5%
18. Commercial & Street Light	17,722	17,714	8	0.0%	17,527	195	1.1%
19. Industrial	230	233	(3)	-1.3%	231	(1)	-0.4%
20. Total Retail	149,758	147,840	1,918	1.3%	147,578	2,180	1.5%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,765	147,847	1,918	1.3%	147,585	2,180	1.5%

REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

MAY 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
REVENUE							
1. Residential	$52,527,971	$51,450,968	$1,077,003	2.1%	$48,749,092	$3,778,879	7.8%
2. Commercial & Street Light	45,458,508	45,374,986	83,522	0.2%	42,809,559	2,648,949	6.2%
3. Industrial	12,412,079	12,247,232	164,847	1.3%	12,226,439	185,640	1.5%
4. Total Retail	110,398,558	109,073,186	1,325,372	1.2%	103,785,090	6,613,468	6.4%
5. SPP Sales	14,642,514	13,236,117	1,406,397	10.6%	18,003,661	(3,361,147)	-18.7%
6. Contract Sales	3,969,352	4,309,660	(340,308)	-7.9%	2,827,825	1,141,527	40.4%
7. Total Wholesale	18,611,866	17,545,777	1,066,089	6.1%	20,831,486	(2,219,620)	-10.7%
8. Total	$129,010,424	$126,618,963	$2,391,461	1.9%	$124,616,576	4,393,848	3.5%
ENERGY (MWH'S)							
9. Residential	537,874	516,353	21,521	4.2%	519,146	18,728	3.6%
10. Commercial & Street Light	586,161	579,230	6,931	1.2%	573,849	12,312	2.1%
11. Industrial	180,994	180,006	988	0.5%	185,036	(4,042)	-2.2%
12. Total Retail	1,305,029	1,275,589	29,440	2.3%	1,278,031	26,998	2.1%
13. SPP Sales	174,760	215,285	(40,525)	-18.8%	253,992	(79,232)	-31.2%
14. Contract Sales	90,036	98,930	(8,894)	-9.0%	58,966	31,070	52.7%
15. Total Wholesale	264,796	314,215	(49,419)	-15.7%	312,958	(48,162)	-15.4%
16. Total	1,569,825	1,589,804	(19,979)	-1.3%	1,590,989	(21,164)	-1.3%
CUSTOMERS AVERAGE							
17. Residential	131,510	129,717	1,793	1.4%	129,492	2,018	1.6%
18. Commercial & Street Light	17,677	17,679	(2)	0.0%	17,494	183	1.0%
19. Industrial	230	233	(3)	-1.3%	231	(1)	-0.4%
20. Total Retail	149,417	147,629	1,788	1.2%	147,217	2,200	1.5%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,424	147,636	1,788	1.2%	147,224	2,200	1.5%

OPERATING EXPENSE STATEMENT

CURRENT MONTH

MAY 2023

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
POWER COST							
1. SPP Purchased Power	$880,881	$390,879	$490,002	125.4%	$1,571,646	($690,765)	-44.0%
2. Non-Owned Asset Power	4,777,151	5,324,938	(547,787)	-10.3%	5,649,130	(871,979)	-15.4%
3. Total Purchased Power	5,658,032	5,715,817	(57,785)	-1.0%	7,220,776	(1,562,744)	-21.6%
4. Produced Power	5,233,005	5,812,633	(579,628)	-10.0%	6,505,106	(1,272,101)	-19.6%
5. Total Power Cost	10,891,037	11,528,450	(637,413)	-5.5%	13,725,882	(2,834,845)	-20.7%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,037,676	2,180,571	(142,895)	-6.6%	2,163,566	(125,890)	-5.8%
7. Transmission	921,334	1,006,129	(84,795)	-8.4%	166,275	755,059	454.1%
8. Total O & M Expense	2,959,010	3,186,700	(227,690)	-7.1%	2,329,841	629,169	27.0%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	246,534	217,815	28,719	13.2%	203,236	43,298	21.3%
10. Communication & Corporate Records	280,460	207,164	73,296	35.4%	172,068	108,392	63.0%
11. Corporate Operations	1,138,994	1,114,974	24,020	2.2%	1,072,165	66,829	6.2%
12. Customer Services	1,139,521	867,501	272,020	31.4%	847,501	292,020	34.5%
13. Financial Services	441,081	417,959	23,122	5.5%	350,290	90,791	25.9%
14. Power Supply	371,478	384,159	(12,681)	-3.3%	370,856	622	0.2%
15. Technology Services	1,218,386	1,490,417	(272,031)	-18.3%	1,264,936	(46,550)	-3.7%
16. Total A & G Expense	4,836,454	4,699,989	136,465	2.9%	4,281,052	555,402	13.0%
17. DEPRECIATION	2,910,570	2,928,964	(18,394)	-0.6%	2,843,995	66,575	2.3%
18. TOTAL OPERATING EXPENSE	$21,597,071	$22,344,103	($747,032)	-3.3%	$23,180,770	($1,583,699)	-6.8%

OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

MAY 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
POWER COST							
1. SPP Purchased Power	$7,079,092	$3,618,424	$3,460,668	95.6%	$6,860,122	$218,970	3.2%
2. Non-Owned Asset Power	24,437,676	25,309,690	(872,014)	-3.4%	26,773,270	(2,335,594)	-8.7%
3. Total Purchased Power	31,516,768	28,928,114	2,588,654	8.9%	33,633,392	(2,116,624)	-6.3%
4. Produced Power	22,969,257	28,775,690	(5,806,433)	-20.2%	23,309,528	(340,271)	-1.5%
5. Total Power Cost	54,486,025	57,703,804	(3,217,779)	-5.6%	56,942,920	(2,456,895)	-4.3%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	9,340,479	10,304,806	(964,327)	-9.4%	9,035,206	305,273	3.4%
7. Transmission	4,711,768	5,040,131	(328,363)	-6.5%	838,041	3,873,727	462.2%
8. Total O & M Expense	14,052,247	15,344,937	(1,292,690)	-8.4%	9,873,247	4,179,000	42.3%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	1,228,349	1,190,536	37,813	3.2%	1,074,800	153,549	14.3%
10. Communication & Corporate Records	940,260	938,922	1,338	0.1%	894,550	45,710	5.1%
11. Corporate Operations	6,174,788	5,445,582	729,206	13.4%	5,235,031	939,757	18.0%
12. Customer Services	4,673,089	4,420,401	252,688	5.7%	4,310,479	362,610	8.4%
13. Financial Services	2,212,833	2,168,697	44,136	2.0%	1,868,353	344,480	18.4%
14. Power Supply	1,874,775	1,845,035	29,740	1.6%	1,863,776	10,999	0.6%
15. Technology Services	6,587,838	7,161,757	(573,919)	-8.0%	6,240,074	347,764	5.6%
16. Total A & G Expense	23,691,932	23,170,930	521,002	2.2%	21,487,063	2,204,869	10.3%
17. DEPRECIATION	14,581,110	14,564,134	16,976	0.1%	14,229,194	351,916	2.5%
18. TOTAL OPERATING EXPENSE	$106,811,314	$110,783,805	($3,972,491)	-3.6%	$102,532,424	$4,278,890	4.2%

BALANCE SHEET
MAY 2023

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:		
1. Revenue Fund (includes CDFUO)	$98,085,760	($9,717,514)
2. Payment in Lieu of Tax Fund	4,047,957	(7,490,143)
3. Rate Stabilization Fund	37,416,315	(17,934)
4. Bond Principal & Interest Funds	27,965,293	11,212,654
5. Other Restricted/Designated Funds (a)	3,246,478	(628,999)
6. Restricted/Designated Funds Total	68,628,086	10,565,721
7. Total Current Asset Funds (b)	170,761,803	(6,641,936)
8. Receivables Less Uncollectible Allowance	24,854,943	(793,158)
9. Unbilled Revenue	17,075,759	1,591,538
10. Accrued Interest Receivable	2,464,673	1,023,305
11. Materials, Supplies & Fuel Inventory	30,053,876	2,362,466
12. Plant Operation Assets	15,314,034	1,564,569
13. Other Current Assets	6,668,051	1,938,764
14. Total Current Assets	267,193,139	1,045,548
NONCURRENT ASSETS:		
15. Bond Reserve Funds	9,506,310	116,948
16. Self-Funded Benefits Reserve Fund (IBNP)	741,557	105,230
17. Segregated Funds (c)	1,064,988	814,988
18. Restricted Funds Total (b)	11,312,855	1,037,166
19. Unamortized Debt Expense	2,282,097	(147,981)
21. Accrued Lease Interest	61,563	14,704
22. Other Noncurrent Assets	1,391,770	115,245
23. Total Noncurrent Assets	$22,530,796	$1,427,748
CAPITAL ASSETS:		
24. Utility Plant in Service	1,818,308,547	7,665,808
25. Accumulated Depreciation & Amortization	(918,459,490)	(11,749,837)
26. Construction Work in Progress	98,222,111	6,291,084
27. Total Capital Assets	998,071,168	2,207,055
DEFERRED OUTFLOWS OF RESOURCES:		
28. Deferred Loss on Refunded Debt	8,881,659	(538,881)
29. Deferred Costs for Asset Retirement Obligations	3,225,818	45,652
30. Total Deferred Outflows of Resources	12,107,477	(493,229)
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$1,299,902,580	$4,187,122

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT LIABILITIES:		
OTHER LIABILITIES		
1. Accounts Payable	$16,625,157	($1,504,433)
2. Accrued Payments in Lieu of Taxes	4,947,206	(7,558,343)
3. City Dividend for Utility Ownership Payable	2,889,420	(963,140)
4. Commercial Paper Notes	65,500,000	0
5. Accrued Liabilities	18,216,757	1,701,142
6. Total Other Liabilities	108,178,540	(8,324,774)
CURRENT LIABILITIES - RESTRICTED ASSETS		
7. Current Portion of Long-Term Debt	30,535,000	0
8. Accrued Interest	4,753,962	(1,684,552)
9. Other Current Liabilities (d)	921,960	(24,959)
10. Total Current Liabilities - Restricted Assets	36,210,922	(1,709,511)
11. Total Current Liabilities	144,389,462	(10,034,285)
NONCURRENT LIABILITIES:		
12. 2012A Bonds	0	0
13. 2013 Bonds	45,310,000	0
14. 2015A Bonds	72,165,000	0
15. 2016 Bonds	65,960,000	0
16. 2018 Bonds	121,205,000	0
17. 2020A Bonds	72,200,000	0
18. 2020B Bonds	185,150,000	0
19. Total Revenue Bonds	561,990,000	0
20. Less Current Maturities	30,535,000	0
21. Less Unamortized Discounts/Premiums	(38,151,327)	2,531,264
22. Note Purchase Agreement	0	0
23. Revolving Credit Agreement	0	0
24. Net Long Term Debt	569,606,327	(2,531,264)
25. Liabilities Payable from Segregated Funds (e)	1,088,007	838,007
26. Asset Retirement Obligation	3,225,818	45,652
27. Other Noncurrent Liabilities	35,666,038	26,639
28. Total Liabilities	753,975,652	(11,655,251)
DEFERRED INFLOWS OF RESOURCES:	0	0
29. Deferred Inflow of Resource	7,215,804	325,624
30. Total Deferred Inflows of Resources	7,215,804	325,624
NET POSITION:		
31. Net Investment in Capital Assets	350,527,372	4,374,609
32. Restricted for Debt Service	23,263,355	13,014,154
33. Restricted for Employee Health Insurance Claims	1,586,850	(1,269,140)
34. Unrestricted	163,333,547	(602,874)
35. Total Net Position	538,711,124	15,516,749
36. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	$1,299,902,580	$4,187,122

STATEMENT OF CASH FLOWS
MAY 2023

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	$23,438,767	$138,452,854
2. Sales Tax Receipts	$1,059,105	$6,165,854
3. Paid to Suppliers for Goods & Services	($17,873,139)	($90,942,221)
4. Paid to Employees for Services	($1,554,913)	($8,072,561)
5. Payments for Sales Tax	(1,153,302)	(6,319,372)
6. Cash Flow from Operating Activities (a)	3,916,518	39,284,554
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(12,580,999)
8. City Dividend for Utility Ownership Payments	0	(5,778,840)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	0	(18,359,839)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	6,810,142	20,548,542
12. Interest Income	240,416	1,400,148
13. Cash Flow from (used for) Investing Activities	7,050,558	21,948,690
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(4,918,523)	(16,758,103)
15. Salvage on Retirement of Plant	11	211,284
16. Cost of Removal of Property Retired	(40,140)	(1,557,192)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	36,898	258,904
20. Cash Received from Leases	40,388	193,144
21. Net Proceeds from Issuance of Long-Term Debt	0	0
22. Principal Payments on Long-Term Debt	0	0
23. Interest Payments on Debt	(366,924)	(10,351,625)
24. Cash Flow from (used for) Capital Financing Activities	(5,248,290)	(28,003,588)
24. Cash Flow from (used for) Capital Financing Activities	5,718,786	14,869,817
25. Net Increase (Decrease) in Cash and Cash Equivalents	29,940,871	20,789,840
26. Cash and Cash Equivalents Beginning of Period	$35,659,657	$35,659,657
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	**$8,178,072**	**$29,685,011**
2. Noncash items included in operating income	**2,996,963**	**15,010,283**
3. Changes in Assets & Liabilities Increase/(Decrease)	**(7,258,517)**	**(5,410,740)**
4. Net cash flows from operating activities	**$3,916,518**	**$39,284,554**
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		

DEBT SERVICE COVERAGE

MAY 2023

DESCRIPTION	-------- CURRENT MONTH ----------			---------- YEAR-TO-DATE ----------		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	$29,775,143	$29,290,762	$30,695,564	$136,496,325	$134,533,024	$133,600,207
2. Total Operating Expenses	21,597,071	22,344,103	23,180,770	106,811,314	110,783,805	102,532,423
3. Less Depreciation	(2,910,570)	(2,928,964)	(2,843,995)	(14,581,110)	(14,564,134)	(14,229,193)
4. Operating Expense Net of Depreciation	18,686,501	19,415,139	20,336,775	92,230,204	96,219,671	88,303,230
5. Net Operating Revenue for Debt Service	11,088,642	9,875,623	10,358,789	44,266,121	38,313,353	45,296,977
6. Interest Income (a)	593,775	114,085	78,415	1,941,446	616,607	138,603
7. Other Income	0	0	0	0	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
9. AVAILABLE FOR DEBT SERVICE	**11,682,417**	**9,989,708**	**10,437,204**	**46,207,567**	**38,929,960**	**45,435,580**
10. DEBT SERVICE (b)	**$4,120,297**	**$4,120,296**	**$4,218,043**	**$20,601,487**	**$20,601,480**	**$21,090,216**
11. DEBT SERVICE COVERAGE	**2.84**	**2.42**	**2.47**	**2.24**	**1.89**	**2.15**

(a) Excludes Interest from Rate Stabilization Fund and Lease Revenue.

(b) Includes Bond Principal & Interest only.

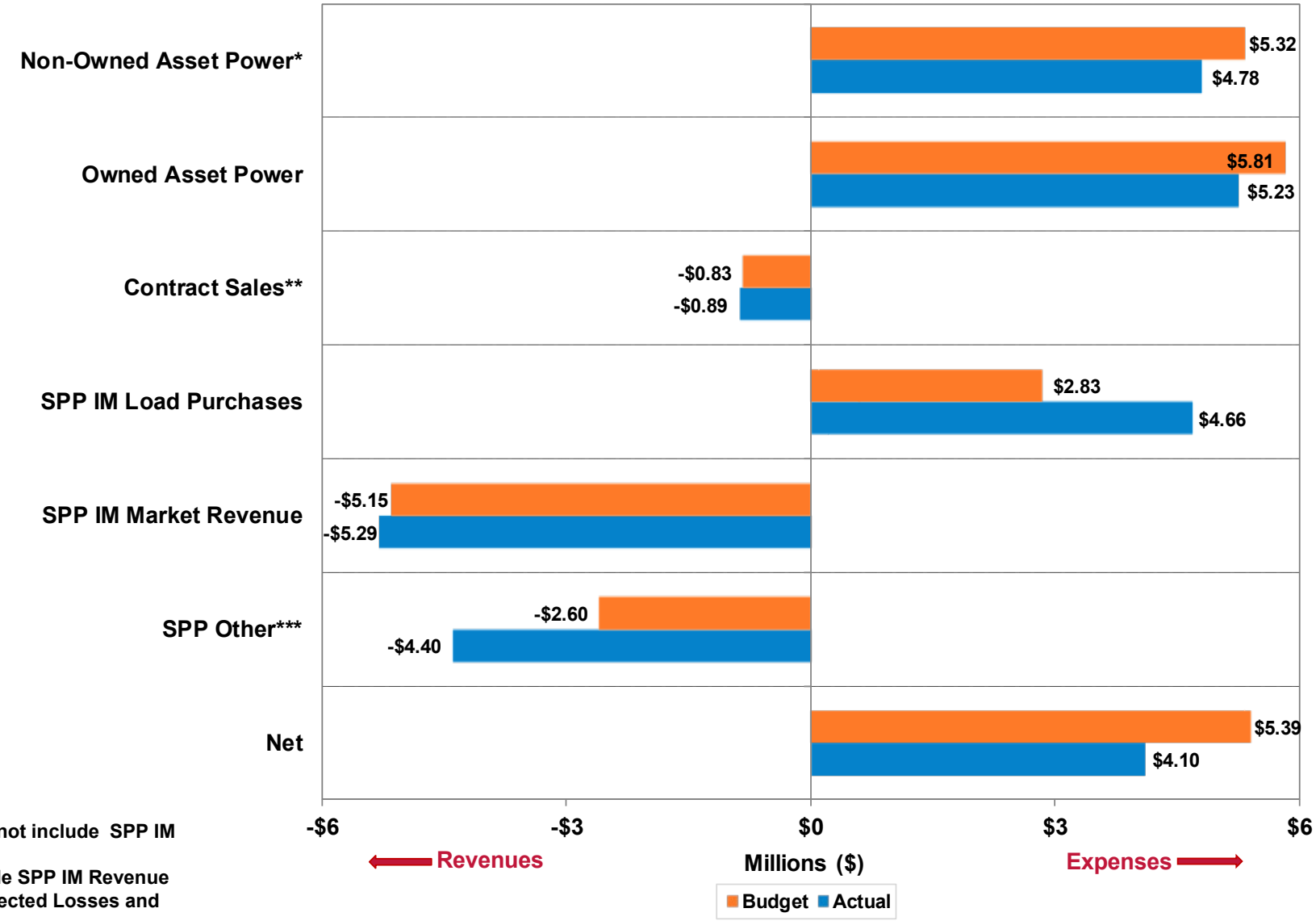
Power Supply Division
2023 May Monthly Report

June 16, 2023

Jason Fortik

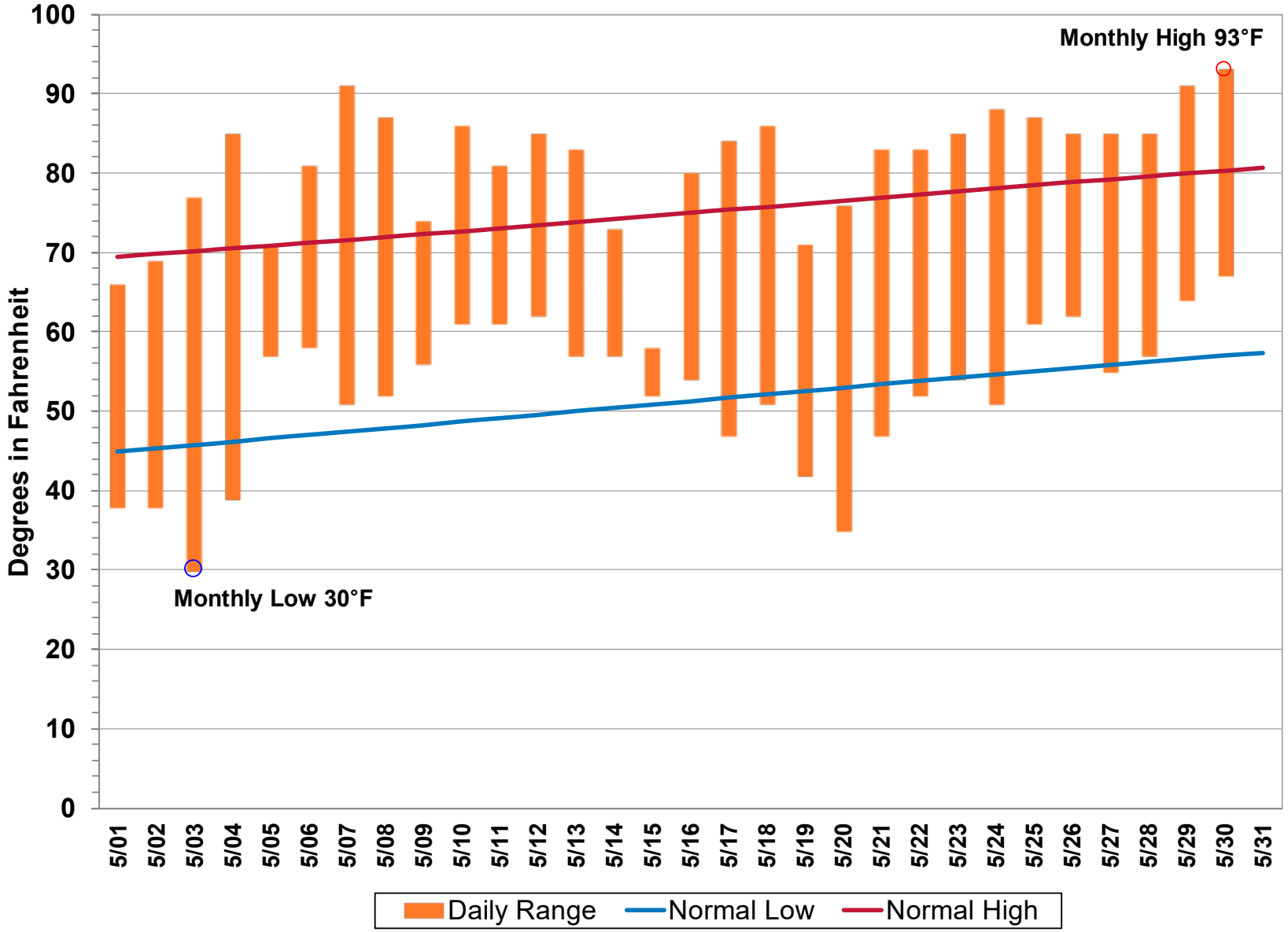
Vice President, Power Supply

Monthly Actual vs. Budget

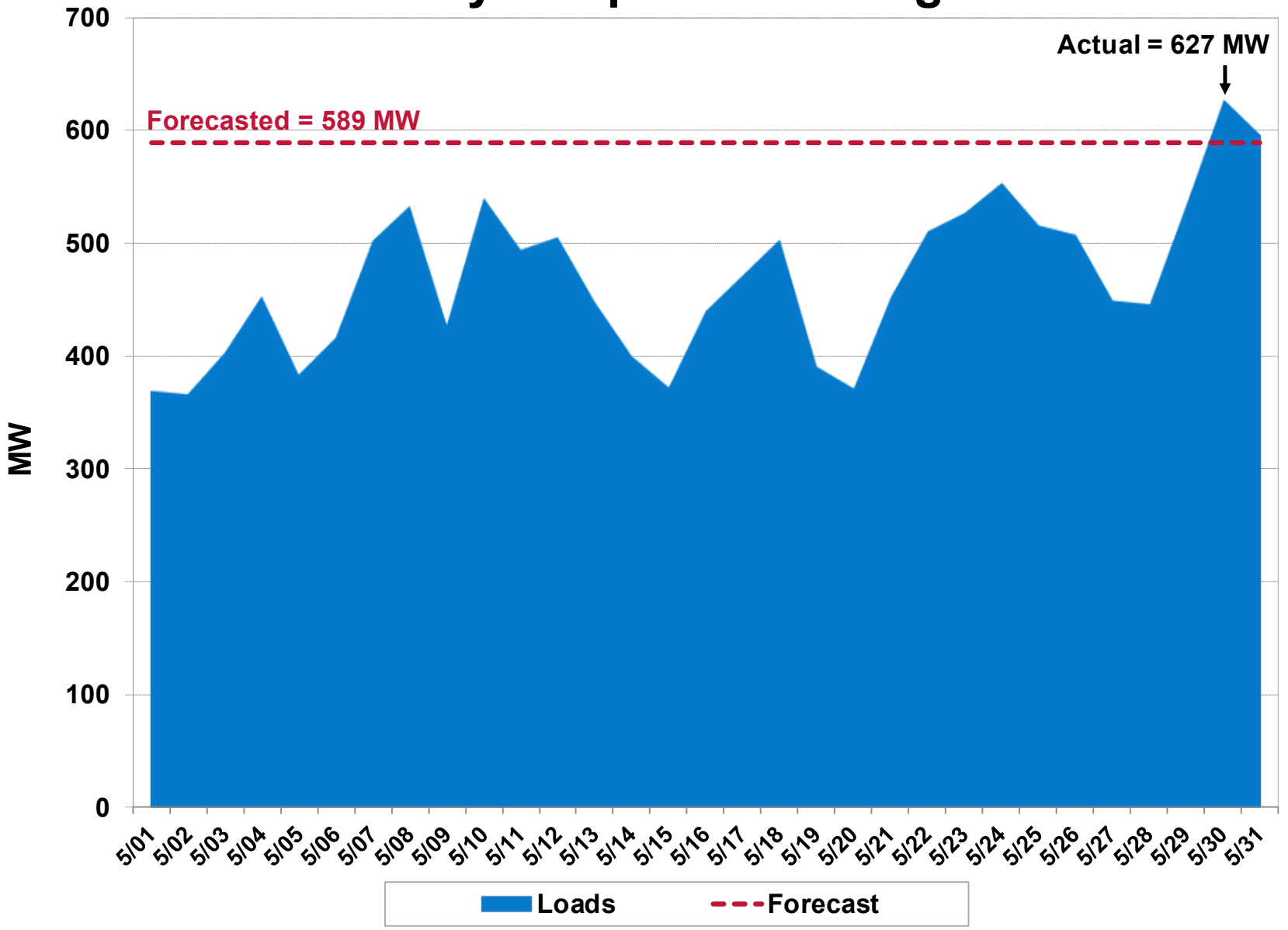


*Non-Owned Asset Power does not include SPP IM Purchased
**Contract Sales does not include SPP IM Revenue
***SPP Other includes Over-Collected Losses and ARR's/TCR

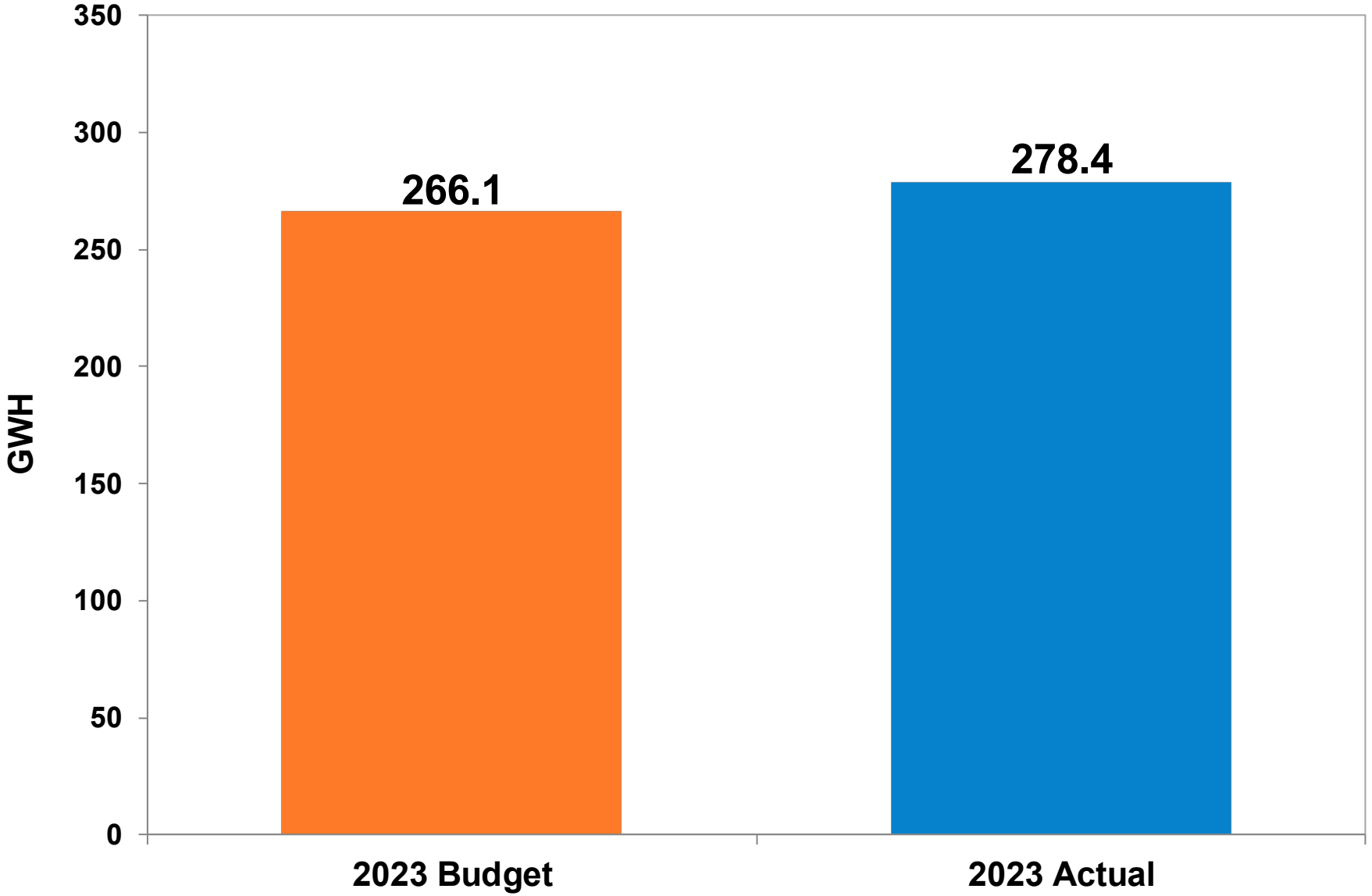
Daily Temperature Range



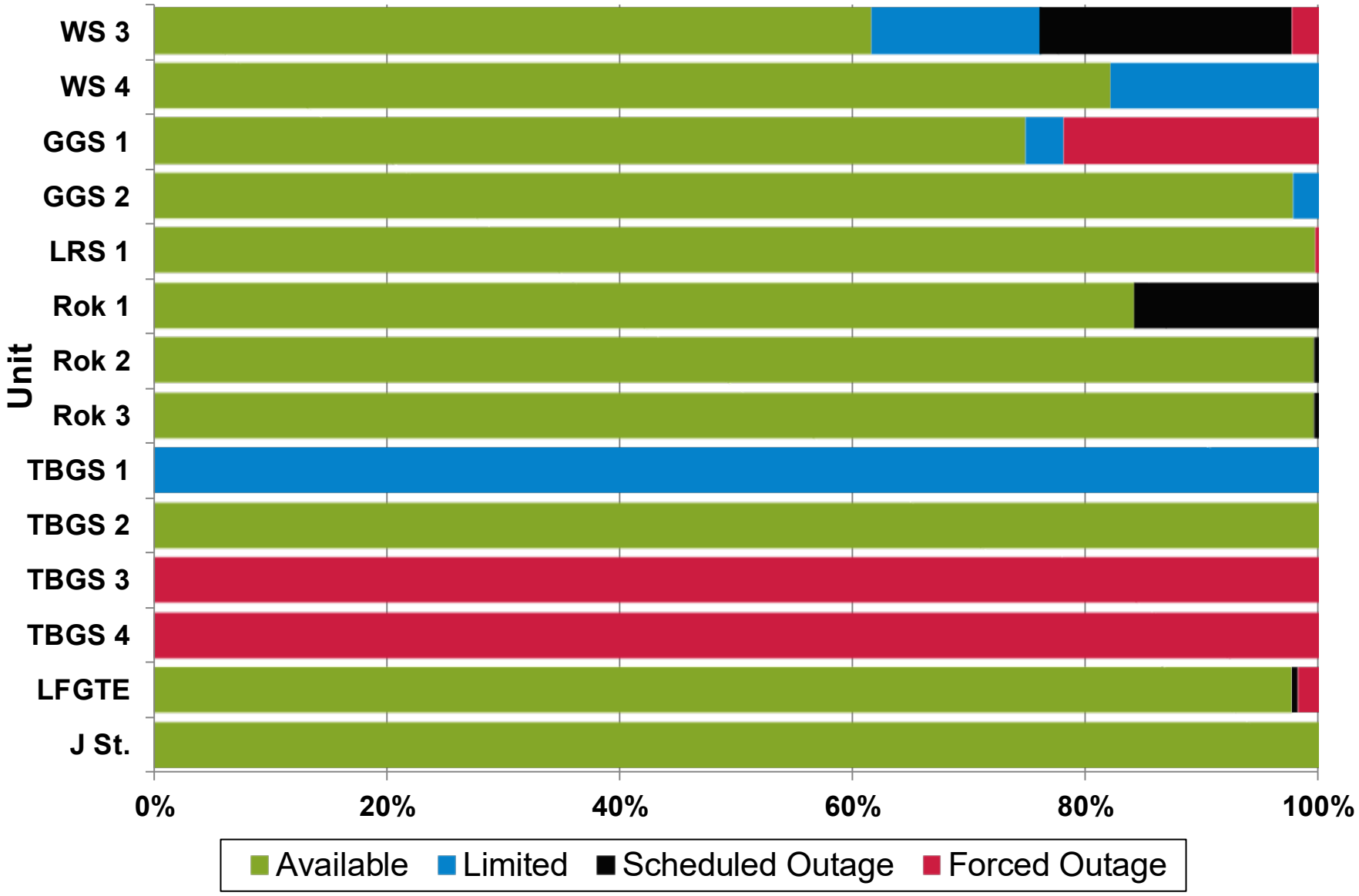
Daily Temperature Range



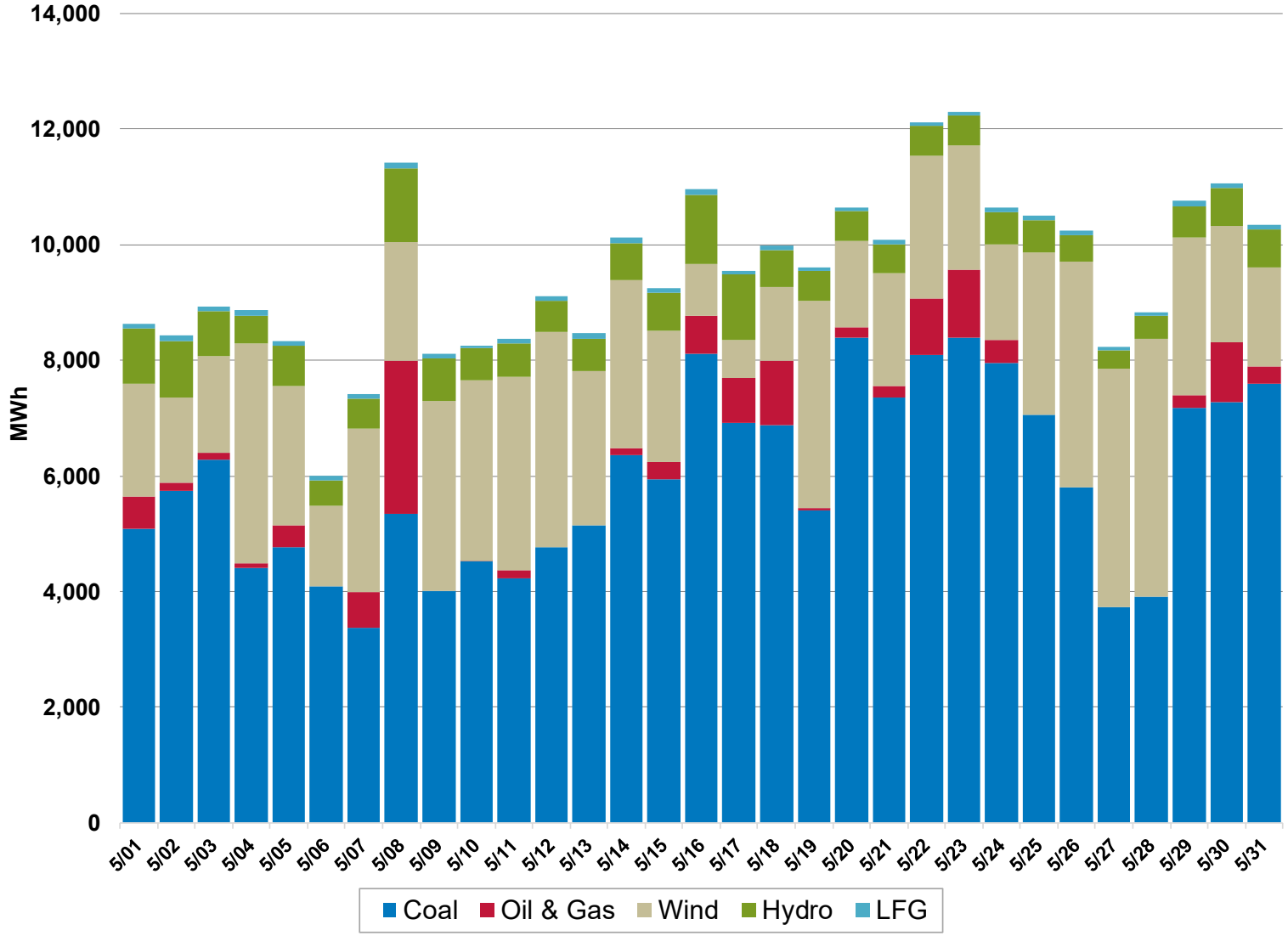
Customer Energy Consumption



Unit Equivalent Availability

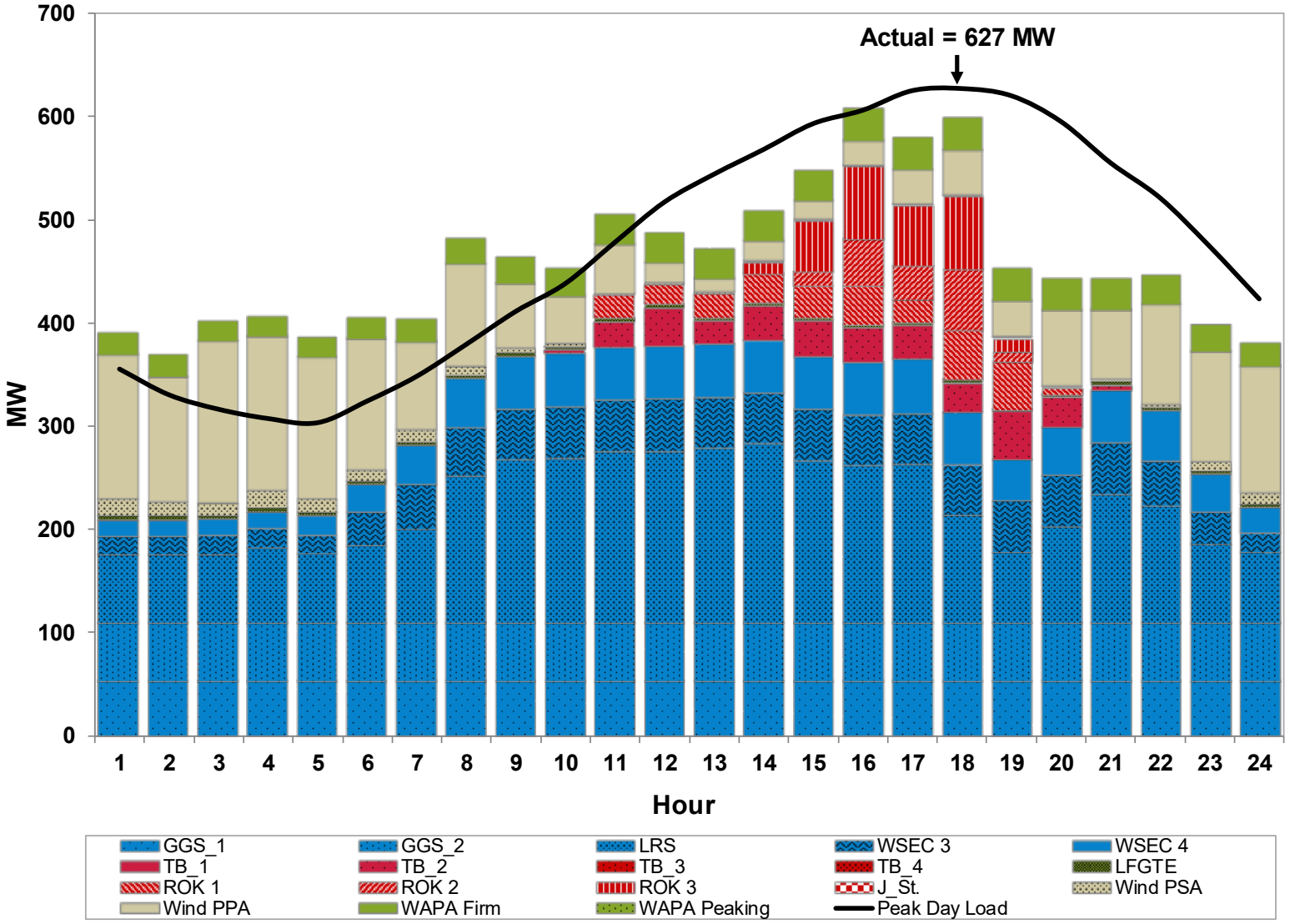


Resource Energy



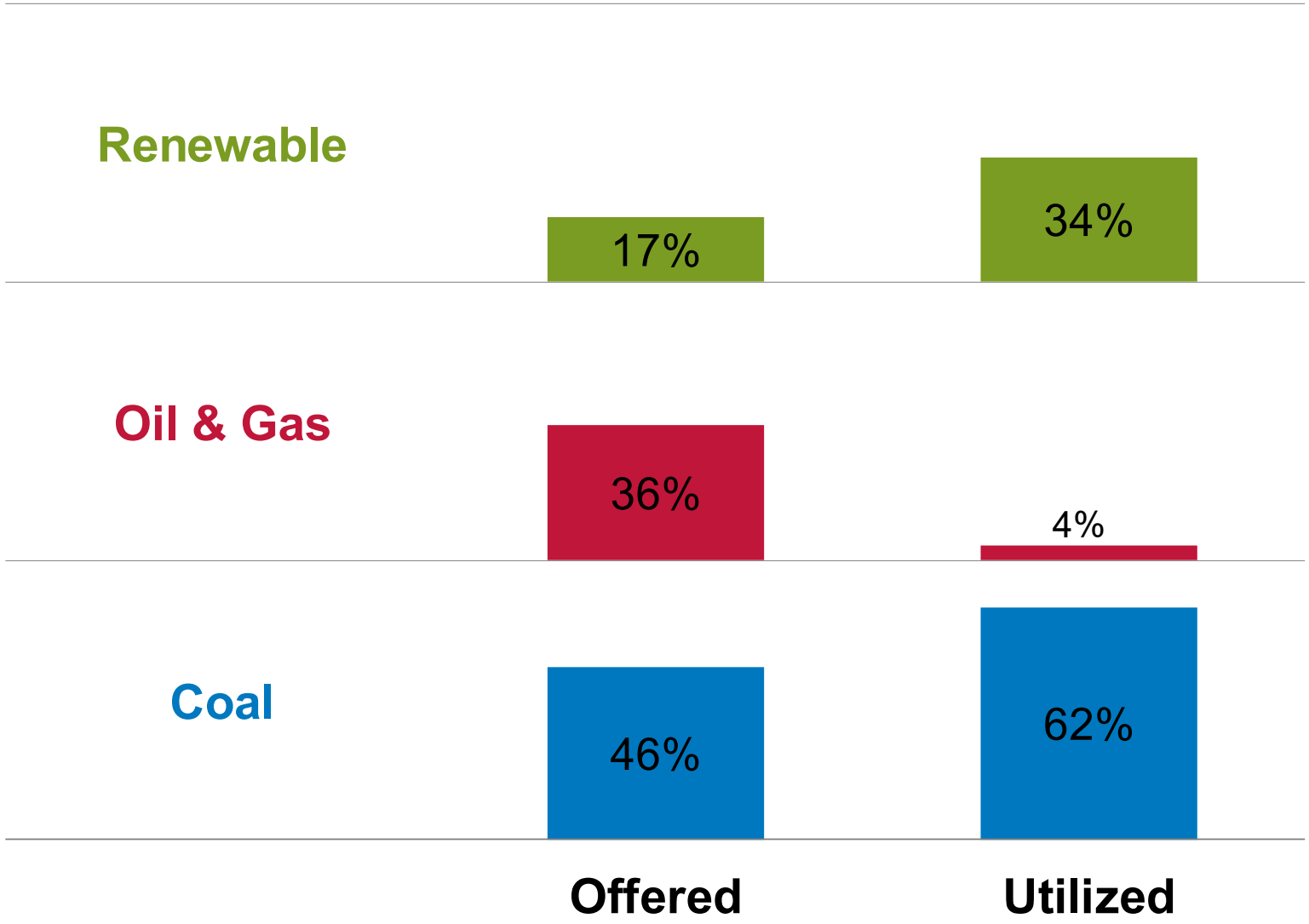
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – May 30, 2023



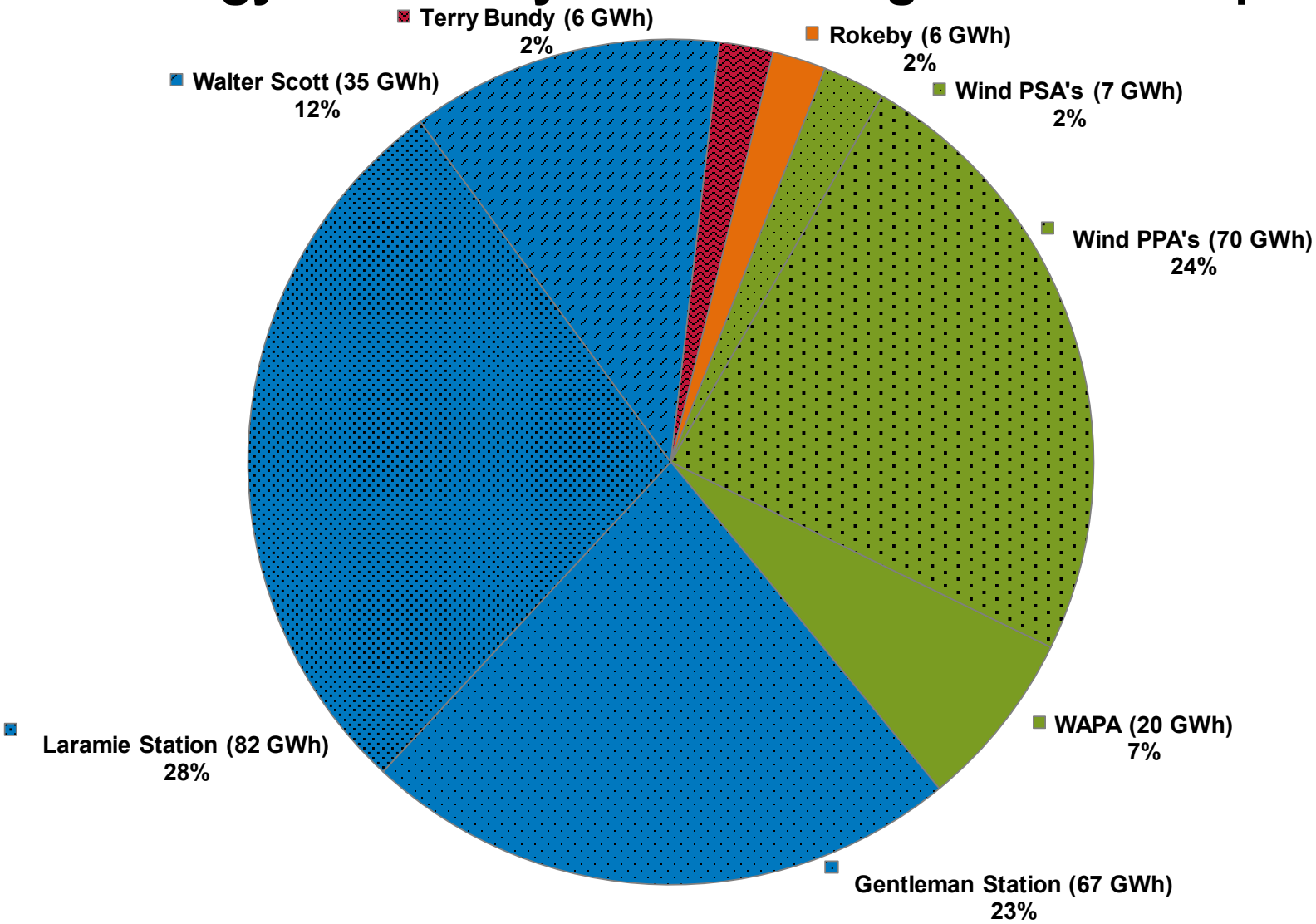
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Energy Offered and Utilized by the SPP Integrated Marketplace (Fuel Type)



Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.
Total percentage may not add up to 100% due to rounding

Energy Utilized by the SPP Integrated Marketplace



Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.
Total percentage may not add up to 100% due to rounding