

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, October 17, 2025, at the Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on October 12, 2025.

Board Members Present: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Board Members Absent: Karen Griffin.

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Lisa Hale, Katie Lechner, Jim Rigg, Marc Shkolnick, Chad Gebers, Bryan Willnerd, Ben Hostetler, Wade Leibbrandt, Kelley Porter, Keith Snyder, Denise Parrott, Kellie Cave.

Others Present: Nathan Svatora, Kim Morrow, and numerous virtual participants via Microsoft Teams.

News Media Present: None.

Chair Lucas Sabalka declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Sabalka noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that a copy of the Act is located on the wall at the back of the room and with the Assistant Secretary. Shelley Sahling-Zart, General Counsel, reviewed duties and responsibilities of LES Board members. **Call to Order, Safety Briefing, and Board Member Duties and Responsibilities**

Chair Sabalka asked for approval of the minutes of the September 19, 2025, Board meeting. Carl Eskridge moved approval of the minutes. David Spinar seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

Aye: Kate Bolz, Andy Hunzeker, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None.

Abstain: Alyssa Martin

Absent: Karen Griffin.

There were no customer comments from those in-person or online.

Comments from Customers

Chair Sabalka indicated the LES Employee to be recognized for their service anniversary was unable to attend the meeting. Item will be moved to November agenda.

Introduction and Recognition of Staff

Chelsea Johnson, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on October 6, 2025, including: 1) Google Construction Site Update, 2) Service Center Geothermal & Mechanical Systems Remodel, 3) Pollinator Projects Update. (Exhibit I)

Operations & Power Supply Committee Report

Carl Eskridge, Chair of the Finance Committee, reported on Committee discussions held on October 17, 2025, including: 1) 2025 Third Quarter Financial Review, 2) 2026 Budget & Rates Proposal, 3) Rate Stabilization Fund Proposal, 4) Overview of Property and Casualty Insurance & Service Providers, 5) Physical Security Update, 6) Internal Audit Third Quarter Report. (Exhibit II)

Finance Committee Report

Emily Koenig, VP of Financial Services and CFO, provided an overview of the proposed 2026 Budget and Rates and detailed the public communication and engagement that has taken place. She noted the neutral-to-positive sentiment of customers around the proposed budget and rates, as well as positive feedback on the rate outlook. The intent of each resolution was also reviewed. Chair Sabalka and various other board members commended LES's Financial Services team for the budget preparation process thus far, and thoughtful consideration of the future rate path. Koenig addressed board member questions and comments and provided a schedule of upcoming meetings with City Council, wherein the information will be presented for their approval. (Exhibit III)

***Approval of 2026 LES Operating and Capital Budget, LES Resolution 2025-9**

Carl Eskridge moved approval of the 2026 LES Operating and Capital Budget, LES Resolution 2025-9. (Exhibit IV) David Spinar seconded the motion. The vote for approval was:

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None.

Absent: Karen Griffin.

David Spinar moved approval of the 2026 LES Rates, LES Resolution 2025-10 (Exhibit V). Carl Eskridge seconded the motion. The vote for approval was:

***Approval of 2026 LES Rates, LES Resolution 2025-10**

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None.

Absent: Karen Griffin.

Koenig provided a brief overview of the request to transfer funds from the Rate Stabilization Fund to the Revenue Fund. Excess Sustainable Energy Program Funds of \$1.35 million were set aside in the Rate Stabilization Fund in 2018 for future customer benefit. The funds have now been fully obligated for income qualifying energy conservation projects and for administrative ease have been paid from the Revenue Fund.

***Approval of 2025 Transfer from Rate Stabilization Fund to Revenue Fund, LES Resolution 2025-11**

Carl Eskridge moved approval of 2025 Transfer from Rate Stabilization Fund to Revenue Fund, LES Resolution 2025-11 (Exhibit VI). Chelsea Johnson seconded the motion. The vote for approval was:

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None.

Absent: Karen Griffin.

Bryan Willnerd, Manager of Treasury and Risk Management, provided a brief description of the instances in which the board would be asked to approve claim payment over \$25,000, including details on the instance at hand.

***Ratification and Approval of Claim Payment over \$25,000, LES Resolution 2025-12**

David Spinar moved approval of Ratification and Approval of Claim Payment over \$25,000, LES Resolution 2025-12 (Exhibit

VII). Chelsea Johnson seconded the motion. The vote for approval was:

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None.

Absent: Karen Griffin.

Chair Sabalka asked for a motion to go into closed session for the purpose of discussing Pending and Potential Litigation. No action was taken. Chelsea Johnson made the motion. David Spinar seconded the motion. The vote for entering executive session was: **Executive Session: Pending and Potential Litigation**

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Chelsea Johnson, Carl Eskridge.

Nay: None

Absent: Karen Griffin.

The Board entered Executive Session at 10:07 a.m.

The Board came out of Executive Session at 10:57 a.m.

The next regular meeting of the LES Administrative Board will be **Next Meeting** Friday, November 21, 2025, at 9:30 a.m.

Without further business before the Board, Chair Sabalka declared **Adjournment** the meeting adjourned at approximately 10:57 a.m.

Carl Eskridge, Secretary

BY: Kellie Cave
Kellie Cave, Assistant Secretary

Exhibit I



Operations and Power Supply Committee Meeting Summary October 6, 2025

Attendees: K. Griffin, L. Sabalka

E. Anyanwu, P. Crist, J. Dutton, J. Fortik, C. Gebers, M. Landis, T. Rajewski, S. Sahling-Zart

Google Construction Site Update (Tim Rajewski):

- LES began providing low voltage temporary construction electrical service to the Google site in April 2024, permanent distribution level service in October 2024, and placed the first phase of the new high voltage substation for the customer into service in September 2025.
- Major equipment and construction work included site grading, foundation work, control building and cable trench installation, and transmission line and electrical bus structure installation.
- Additional transmission and substation work and equipment deliveries will continue for the next phases of the project.

Service Center Geothermal & Mechanical Systems Remodel (Chad Gebers):

- A facilities assessment performed in the fall of 2021 indicated that several mechanical and electrical systems at the site were past their useful life.
- Project work began in Q4 2023 to address these issues and included upgrading the main electrical equipment, replacing the heating and cooling equipment with a geothermal based system, and updating the interior finishes in several areas.
- The project scope expanded to include emergent items like drain tile repairs and window leak repairs that needed to be performed, but the approximately \$19M project is scheduled to be completed by the end of 2025 and will produce significant energy efficiency improvements and building finishes modernization relative to the original systems.

Pollinator Projects Update (Melissa Landis):

- Staff from LES's Environmental Department continued their partnerships with research institutions and conservation and advocacy groups to provide educational opportunities and customer outreach on pollinator issues.
- LES's service area has a mix of urban and rural landscapes that help support pollinator habitat areas at the Kevin Wailes Operations Center, the 8th & N Substation, the 21st & N Substation, and the Terry Bundy Generating Station. These sites incorporate pollinator friendly vegetation and maintenance practices.
- LES has also coordinated with the Nebraska Wildlife Federation and the Downtown Lincoln Association to support pollinator friendly plantings in the 13th Street Flyway corridor.

Exhibit II



Finance Committee – October 17, 2025 (In-Person)

Attendees: C. Eskridge (Chair), K. Bolz, E. Schafer, L. Sabalka, E. Anyanwu, E. Koenig, S. Sahling-Zart, B. Willnerd, C. Gebers, T. Hopkins

1. 2025 Third Quarter Financial Review (Emily)

- a. Year-to-date financial results as of September were favorable to budget primarily due to higher than budget retail revenues and interest income and lower than budget other operating expenses.
 - a) Retail revenue was greater than budget by \$6.7 million, or 3%, due to higher sales to residential customers and the mid-year 4% rate increase for all customers.
 - b) Net Power Costs were \$1.7 million or 2% greater than budget.
 - c) Operating Expenses, excluding Power Cost and Depreciation, matched budget with offsetting variances in increased payroll and benefits and reductions in inspection costs, vegetation management and the Sustainable Energy Program.
- b. Capital expenditures were \$8.3 million below expected year-to-date cash flows due to timing of substation, generation, and technology projects. It is expected that costs will be over the original 2025 budget due to spending related to the capital budget amendment for the Terry Bundy Generating Station additions.
- c. Financial metrics are expected to be at or slightly better than the budget at year-end.

2. 2026 Budget & Rates Proposal (Emily)

Note: This information will be presented in detail by Emily during the presentation of the proposed budget and rates at today's board meeting. Additionally, there will be two related resolutions that will require a motion during the board meeting.

- a. LES staff have been using various methods to communicate the proposed 2026 budget and rates increase information over the past month.
- b. Primarily customer comments have been neutral to positive.
- c. Resolutions for the budget and rates will be considered at today's board meeting.

3. Rate Stabilization Fund Proposal (Emily)

Note: This information will be discussed by Emily during today's board meeting. Additionally, there will be a related resolution that will require a motion during the board meeting.

- a. LES staff is proposing a transfer of funds from the Rate Stabilization Fund to the Revenue Fund, which requires LES Administrative Board approval.
- b. In 2018, due to lower than anticipated requests from customers, \$1.35 million in Sustainable Energy Program funds were set aside in the Rate Stabilization Fund for customer energy efficiency and conservation use in a future fiscal year.
- c. LES staff has now obligated the full \$1.35 million through the Low-Income Energy Efficiency Program and for administrative convenience the amounts are being paid from the Revenue Fund, which now must be reimbursed from the Rate Stabilization Fund.

(Continued on next page)

- 4. Overview of Property and Casualty Insurance & Service Providers (Bryan)**
 - a. A review of the 2025/2026 LES property and casualty insurance program was provided.
 - b. No significant coverage, deductible, or premium changes for LES's casualty policies.
 - c. LES switched property carriers from FM Global to AEGIS due to lower and more broad deductible options.

- 5. Physical Security Update (Chad)**
 - a. A review of the 2025 penetration test results was provided to the committee.
 - b. Additionally, examples of security related events at LES facilities including substations and corporate facilities were reviewed as well as future plans for LES Physical Security.
 - c. Highlights of some of the preparedness and training events that have been undertaken this year, including the enterprise-wide implementation of Incident Command System, were shared.

- 6. Internal Audit Third Quarter Report (Troy)**
 - a. Internal Auditing presented its third quarter report for 2025. There were four complete audits and one review. The audits included the Technology Services Incident Response Process Audit and the Customer Refunds Audit which received Qualified Audit Opinions meaning they had minor findings, Additional audits included the Investment Policy Audit, and the NERC GADS / SPP CROW data entry audit which had Unqualified Opinions with no findings.
 - b. Internal Auditing also completed a review of the Early Bird Fury Storm Restoration Payroll. A review is similar to an audit but has a much narrower scope and no audit opinion is rendered.
 - c. A report on audit findings follow-up activities was also provided. Internal Auditing continues to enjoy excellent cooperation and support from LES management, and LES continues to make timely progress implementing audit recommendations.
 - d. Internal Auditing is in the process of creating its audit plan for 2026. If there are any areas that the Board would like to see audited in the coming year, please contact Shelley Sahling-Zart, David Auman or Troy Hopkins at your convenience.

Exhibit III



2026 Proposed Budget & Rates

LES Administrative Board | October 17, 2025

Emily N. Koenig | LES
Vice President, Financial Services & CFO

Budget & Rate Adjustment Objectives



LES has a long-standing history of valuing

- A resilient, safe and well-maintained system
- Reliable electric service
- Rate stability, affordability and equity
- Sustainability

The electric utility industry is experiencing transformations and disruptions

- Market factors (generation resource adequacy, volatile pricing)
- Regulatory and policy requirements
- Electrification
- Cost increases (inflation, supply chain, workforce)



The 2026 Proposed Budget and Rate Adjustment will support increased net power costs and transmission expense in 2026 and anticipated future transmission cost increases.



Budget Authorization



Operating*
\$328.8M



Capital
\$384.9M



Total
\$713.7M

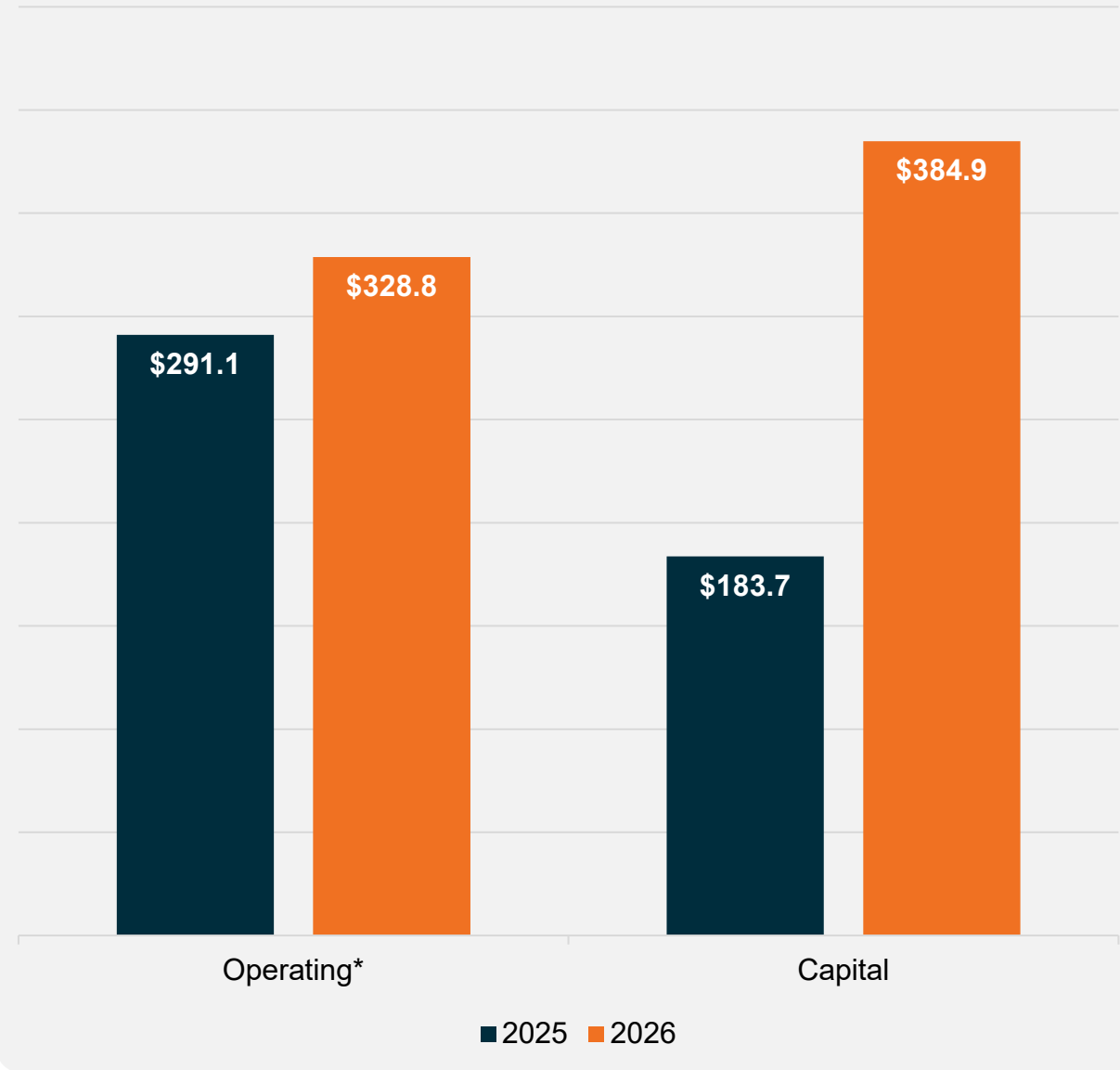
Projected Cash Flow Comparison

	2025	2026	Variance
Operating*	\$291.1M	\$328.8M	+\$37.7M/+13%
Capital	\$76.8M	\$126.2M	+\$49.4M/+64%
Total	\$367.9M	\$455.0M	+\$87.1M/+24%

*Excludes PILOT

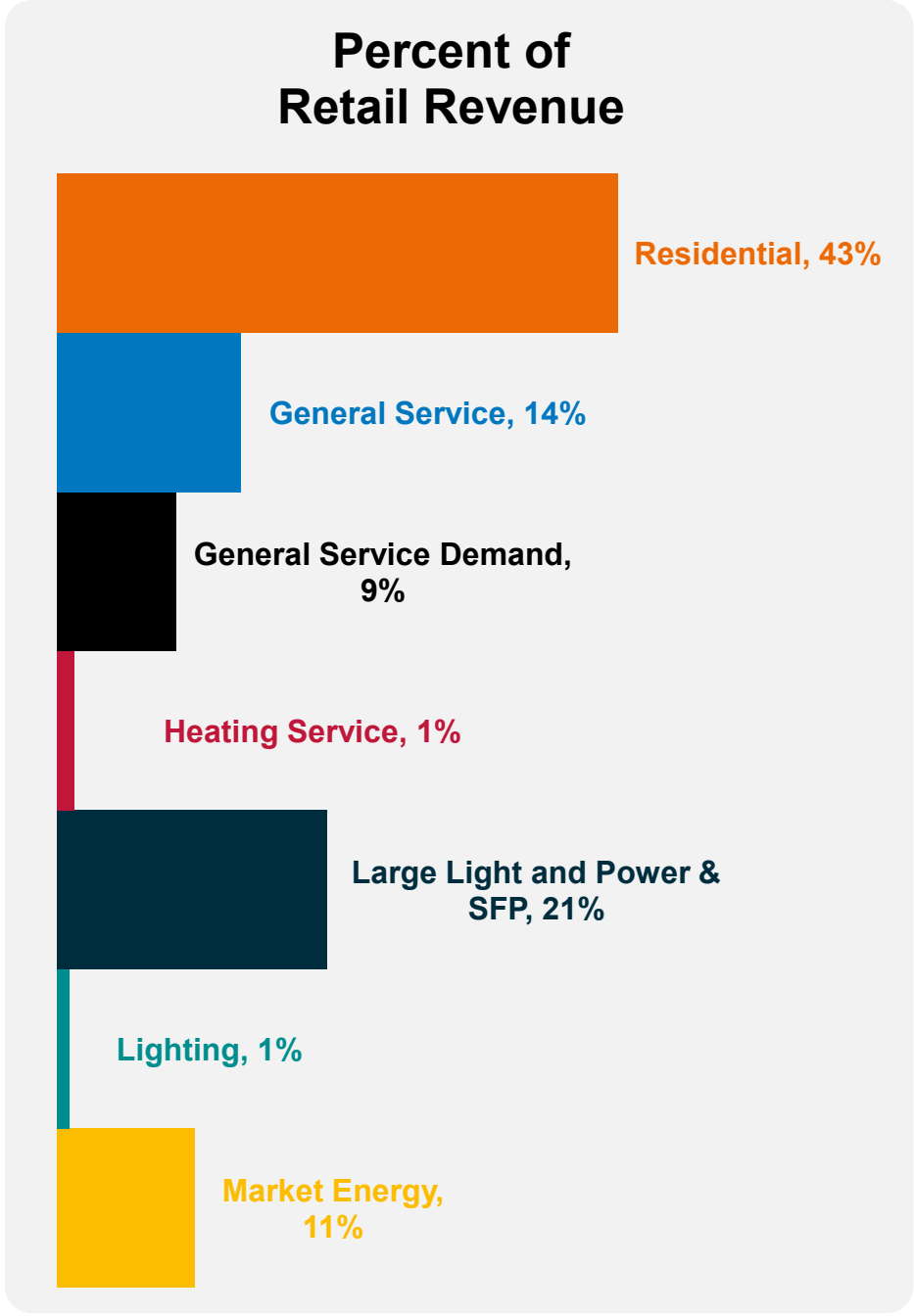
Budget Authorization

(\$ in millions)



Proposed rate increases vary by rate class

Rate Class	2026 Rate Increase
Residential	3.0%
General Service	3.4%
General Service Demand	3.9%
Heating Service	10.0%
Large Light & Power*	1.2%
Street Lighting	9.7%
Market Energy	N/A**
Total Retail System	3.0%



* Large Power Customer class closed to new customers in 2026; Customers moved to Large Light & Power class
 **2025 Rates reflect a partial year of service; rate comparisons exclude pass through SPP Market Energy Charges

A variety of efforts are made to share the budget and rates message

Communication Channels:

- *LES.com*
- *Message on LES Bill*
- *Newspapers*
- *Television Interviews*
- *Board & Customer Meetings*
- *News Releases*
- *Grow Lincoln Radio Interview*
- *Social Media*

Customer communications and meetings:

- *Business Advisory Council – 9/23*
- *Lincoln Chamber of Commerce – 10/7*
- *Public Meeting – 10/9*
- *Lincoln Journal Star Editorial Board – 10/14*
- *Interviews with 10/11, KLIN, and NTV*
- *Key Accounts - ongoing*
- *LES Call Center - ongoing*

Customer comments sparse, but primarily positive



Public Meeting

- Five customers were in attendance on Thursday, October 9th
- 10/11 News was in attendance and conducted a short interview
- The Lincoln Journal Star was in attendance
- Feedback generally neutral, with several questions about projected load increases and how drivers for the 2026 rate increase differ from the 2025 mid-year increase

Other feedback

- Key Accounts: generally neutral to positive feedback
- Business leaders appreciated the forward rate outlook
- Meeting comments/questions
 - “What’s driving the SPP Integrated Transmission Plan?”
 - “How does this increase differ from the 2025 mid-year increase?”
 - “What’s driving the increase in Net Power Costs?”
 - “How do anticipated load increases impact rates?”



2026 Operating & Capital Budget Resolution 2025-9

2026 Budget	
Operating Budget	\$328.8M
Capital Budget	\$384.9M
Total 2026 Budget	\$713.7M

Resolution includes the following provisions:

- Adopt the 2026 Operating Budget
- Authorize a schedule of capital improvements that will be undertaken in the succeeding two years
- Authorize potential use of Governmental Accounting Standards Board Statement No. 62 to amortize O&M costs related to the Rokeby C-Inspection
- Provide continued eminent domain authority
- Submission of budget to the City Council for action

2026 Retail Rates Resolution 2025-10

Resolution includes the following provisions:

Adopt the 2026 Retail Rate Schedules, which include

- A system-wide 3.0% rate increase, amounts vary by rate class
- Updates to Large Power with Market Energy rate
- Adding eligibility and rates to the Renewable Generation Capacity Standby Rider to include General Service Demand rate class
- removal of ramp limits from the Large Light & Power (LLP), LLP Time-Of-Use Demand, LLP Off-Peak Daily, LP-M, Supplemental Firm Power (SFP), and Large Power Customer (LPC) classes terms and conditions
- Closing the LPC and LPC Off-Peak Daily rate categories to new customers effective January 1, 2026, and discontinuing the two rates entirely on January 1, 2027
- Submission of budget to the City Council for action

Dates

- ✓ August 22
- ✓ September 19
- ✓ September 22
- ✓ TBD (Sept 22-Oct 16)
- ✓ September 23
- ✓ October 9
- ✓ October 13
- ✓ October 17
- ☐ **October 17**
- ☐ October 27, 5:30 pm
- ☐ November 3, 3:00 pm
- ☐ November 17, 3:00 pm

Budget & Rates Schedule

- Finance Committee meeting
- Board meeting – 2026 Proposed Budget & Rates presentation
- Begin customer outreach
- Customer meetings (LJS, Chamber, Others) as requested
- Business Advisory Council
- Public meeting on proposed 2026 Budget & Rates
- Finance Committee – review public comments (If needed - Virtual)
- Finance Committee
- Board meeting – action on 2026 Budget and Rates**
- City Council first reading on 2026 Budget & Rates
- City Council public hearing on 2026 Budget & Rates
- City Council takes action on 2026 Budget & Rates

Exhibit IV



Lincoln Electric System

LES RESOLUTION 2025-9

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop and recommend to the City Council of the City of Lincoln (City) for its consideration and action each year a proposed budget for the operation of LES consisting of an operating budget and a capital budget;

WHEREAS, the LES Administrative Board is charged with the responsibility for the control and management of the personnel, property, facilities, equipment, and finances of LES and annually approves the Operating and Capital Budget to guide the financial and operational activities during the upcoming year;

WHEREAS, the Proposed Budget consists of the 2026 LES Operating Budget in the amount of \$328,787,000 and the Proposed 2026 LES Capital Budget in the amount of \$384,864,000 which was reviewed with the Finance Committee of the LES Administrative Board;

WHEREAS, on January 29, 2024, the City approved a change to the Lincoln Municipal Code Chapter 4.24.090 stating that the LES Operating Budget consists of costs for the ensuing calendar year, and the LES Capital Budget sets forth a schedule of capital improvements that will be undertaken in either of the succeeding two years;

WHEREAS, the Finance Committee met and reviewed the Proposed Operating and Capital Budget on August 22, 2025, and were also provided customer feedback for consideration and are recommending it to the full Administrative Board for adoption;

WHEREAS, the LES Administrative Board reviewed the Operating and Capital Budget on September 19, 2025, and has been provided customer feedback on the Operating and Capital Budget for review and consideration;

WHEREAS, LES staff provided customer information and outreach on the proposed 2026 Operating and Capital Budget throughout the period September 19, 2025, to October 16, 2025, including a public meeting on October 9, 2025;

WHEREAS, LES has the obligation to make capital improvements necessary to maintain the electric system in good working order and repair, and;

WHEREAS, those expenditures are made from revenues and may be reimbursed to the LES revenue fund or other funds from the issuance of LES electric system revenue obligations;

WHEREAS, obtaining right-of-way is an ongoing and necessary process for construction of transmission and distribution facilities that are identified in capital improvement budgets, the implementation of which on occasion requires the use of eminent domain;

WHEREAS, Governmental Accounting Standards Board (GASB) Statement No. 62, allows special accounting or amortization of certain expenses subject to certain requirements, including a plan to recover such costs through future rates and regulatory body approval; and

WHEREAS, LES may desire to defer expensing 2026 maintenance costs for an extended outage at Rokeby Generation Station in an amount not to exceed \$8.0 million, and instead realize the 2026 maintenance costs through LES rates over a two-year period beginning in 2026 as allowed pursuant to GASB Statement No. 62.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the recommendation of the Finance Committee, the LES Administrative Board hereby adopts the 2026 LES Operating and Capital Budget in the total amount of \$713,651,000 and directs the LES Chief Executive Officer to transmit said documents to the Lincoln City Council for its consideration and approval.

BE IT FURTHER RESOLVED, that the LES Administrative Board also approves the potential application of GASB Statement No. 62 to amortize up to \$8.0 million of maintenance costs for an extended outage at Rokeby Generation Station over a two-year period beginning in 2026 as allowed pursuant to GASB Statement No. 62.

BE IT FURTHER RESOLVED, that to the extent capital improvements of LES are made from LES revenues, it is intended that the amount of such expenditures, which is not reasonably expected to exceed \$130 million in 2026, shall be reimbursable to the LES revenue fund and other funds through the issuance of future electric system revenue obligations, there being no funds of LES or the City reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures other than pursuant to the issuance of such electric system revenue obligations, this Resolution being determined to be consistent with the budgetary and financial circumstances of LES and the City as they exist or are reasonably foreseeable on the date hereof. The proper officers of LES shall keep and maintain records at least annually to determine the amount of such capital expenditures that may be reimbursed from electric system revenue bond proceeds.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby requests that the Lincoln City Council give LES ongoing eminent domain authority for those projects identified in the LES Budget.

A handwritten signature in blue ink, appearing to read "Lucas", written over a horizontal line.

Chair

Adopted: October 17, 2025

Exhibit V



Lincoln Electric System

LES RESOLUTION 2025-10

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop and recommend to the Lincoln City Council Rate Schedules for retail electric service to ratepayers in the LES service area;

WHEREAS, LES staff is proposing several changes to the LES Rate Schedules which are identified in the attached document, including:

- a. a 3.0% system-wide average retail electric rate increase,
- b. updating the Large Power with Market Energy (LP-M) rate to reflect the following changes: billing at the MW level, the possible execution of other agreements between LES and the customer, and removal of 345kV eligibility from the rate,
- c. adding eligibility and rates to the Renewable Generation Capacity Standby Rider to include the General Service Demand (GSD) rate class,
- d. removal of ramp limits from the Large Light & Power (LLP), LLP Time-Of-Use Demand, LLP Off-Peak Daily, LP-M, Supplemental Firm Power (SFP), and Large Power Customer (LPC) classes terms and conditions,
- e. closing the LPC and LPC Off-Peak Daily rate categories to new customers effective January 1, 2026 and discontinuing the two rates entirely on January 1, 2027.

WHEREAS, LES staff provided customer information and outreach on the proposed changes to the LES Rate Schedules throughout the period of September 19, 2025 to October 16, 2025;

WHEREAS, a public meeting on the proposed 2026 Budget and related changes to the LES Rate Schedules was held on October 9, 2025 to receive public input regarding these items;

WHEREAS, the LES Administrative Board has reviewed the 2026 Budget and the cost analysis with LES staff and has determined that there is sufficient justification for the rate changes proposed by staff ; and

WHEREAS, it has been determined that said recommendations are consistent with the LES financial targets, financial strategy and the requirements of the City of Lincoln's Bond Ordinance for LES.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts and approves the recommended changes to the LES Rate Schedules, attached in substantially complete form, which includes, but is not limited to,

- a. a 3.0% system-wide average retail electric rate increase,
- b. updating the Large Power with Market Energy (LP-M) rate to reflect the following changes: billing at the MW level, the possible execution of other agreements between LES and the customer, and removal of 345kV eligibility from the rate,
- c. adding eligibility and rates to the Renewable Generation Capacity Standby Rider to include the General Service Demand (GSD) rate class,
- d. removal of ramp limits from the Large Light & Power (LLP), LLP Time-Of-Use Demand, LLP Off-Peak Daily, LP-M, Supplemental Firm Power (SFP), and Large Power Customer (LPC) classes terms and conditions, and
- e. closing the LPC and LPC Off-Peak Daily rate categories to new customers effective January 1, 2026 and discontinuing the two rates entirely on January 1, 2027.

BE IT FURTHER RESOLVED, that the LES Administrative Board directs the LES Chief Executive Officer and staff to submit the LES Rate Schedules to the Lincoln City Council for its consideration and approval.


Chair

Adopted: October 17, 2025

Exhibit VI



Lincoln Electric System

LES RESOLUTION 2025-11

WHEREAS, Lincoln Electric System (LES) established the Rate Stabilization Fund in 1998 with Supplemental Ordinance No. 17453 approved by the City Council and LES Resolution 98-18;

WHEREAS, LES re-established the Rate Stabilization Fund in 2014 by LES Resolution 2014-2 as all bonds under Ordinance 17453 had been paid and discharged in full;

WHEREAS, the Rate Stabilization Fund is used for the payment of expenses to mitigate risks that may occur from unforeseen or one-time events which may have a significant financial impact on LES or for such purposes as may be directed by the Board from time to time;

WHEREAS, LES established the Sustainable Energy Program (SEP) in 2008 by LES Resolution 2008-1 for the purpose of increasing investment in energy efficiency, conservation and renewable energy technologies;

WHEREAS, the SEP 2018 budget of \$3.0 million had a considerable balance of \$1.35 million at year-end due to lower than anticipated requests from customers;

WHEREAS, the LES Administrative Board Finance & Audit Committee reviewed the balance of unspent SEP 2018 budgeted funds, and recommended the \$1.35 million balance be transferred from the Revenue Fund to the Rate Stabilization Fund to make the funds available for customer energy efficiency and conservation use in a future fiscal year;

WHEREAS, the LES Administrative Board directed a transfer be made from the Revenue Fund to the Rate Stabilization Fund, in an amount of \$1.35 million, representing the balance of the SEP 2018 budgeted funds.

WHEREAS, the SEP contains a Low-Income Energy Efficiency program that was identified by the LES Finance Committee as a reasonable use of the unspent SEP 2018 budgeted funds;

WHEREAS, the total amount obligated to customers through the Low-Income Energy Efficiency program since its inception exceeded \$1.35 million in 2025 and for administrative convenience has been paid from the Revenue Fund and which now requires a reimbursement transfer from the Rate Stabilization Fund;

NOW THEREFORE BE IT RESOLVED that, the LES Administrative Board directs LES staff to transfer \$1.35 million of SEP 2018 budgeted funds currently being held in the Rate Stabilization Fund to the Revenue Fund by December 31, 2025 to reimburse the Revenue Fund for money obligated to customers through the SEP program for Low Income Energy Efficiency.


Chair

Adopted: October 17, 2025

Exhibit VII



Lincoln Electric System

LES RESOLUTION 2025-12

WHEREAS, on May 5, 2025, the City of Lincoln Transportation and Utilities department (LTU) provided notice of a claim for a damaged sanitary sewer line at approximately North 45th Street & Leighton Avenue in Lincoln, NE to LES;

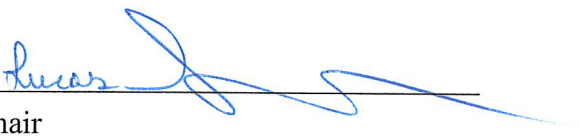
WHEREAS, after investigating the circumstances of the claim, LES determined that Nielsen Construction, acting as a contractor for LES in 2021, was at fault for the damage to the sanitary sewer line in the amount of \$66,962.71;

WHEREAS, to resolve this matter expeditiously with LES's partner, LTU, in good faith, LES has made payment to LTU in the amount of \$66,962.71 and is seeking reimbursement from Nielson Construction's liability insurer;

WHEREAS, LES Policy 511 – Claims Processing requires the LES Administrative Board to ratify the payment of any tort claim exceeding \$25,000; and

WHEREAS, the LES Administrative Board believes the payment to LTU for the damages alleged in its claim received May 5, 2025 should be ratified.

NOW, THEREFORE, BE IT RESOLVED that the LES Administrative Board ratifies the payment made to LTU for its claim that was received on May 5, 2025.

A blue ink signature, appearing to read "Lucas", is written over a horizontal line. The signature is stylized and extends to the right of the line.

Chair

Adopted: October 17, 2025

Exhibit VIII



Revenue & Expense Statement (Condensed)

SEPTEMBER 2025

Year-to-date financial results were favorable primarily due to higher than budgeted retail electric sales, interest income and lower than budgeted A&G expenses

(Dollar amounts in 000)

YEAR TO DATE	2025 Actual	2025 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$300,363	\$279,936	\$20,427	7%	Wholesale revenue exceeded budget by 64% (\$12.3M), primarily due to higher than expected revenues from SPP IM activities. Retail revenue exceeded budget by 3% (\$6.7M). Other revenue was over budget by 23% (\$1.5M) mainly due to reimbursement of repairs for Rokeby Unit 1 and higher than budgeted customer fees & natural gas capacity releases.
2) Power Costs	118,141	104,181	13,960	13%	Purchased power was over budget by 21% (\$11.7M) due to higher SPP purchases, the addition of the Jeffrey Hydro plant, higher than budgeted demand charges at GGS, and compensated curtailment charges for Arbuckle Wind Farm resulting from nearby transmission outages. Produced power was 5% (\$2.3M) over budget due primarily to higher than budgeted energy costs for LRS; higher maintenance expenses for TBGS, Rokeby, WS4 & J Street; and higher operations expenses for WS4 & TBGS.
3) Other Operating Expenses	82,282	82,052	230	0%	Other operating expenses were slightly over budget, primarily due to higher payroll and benefits expenses (\$1.3M) mainly due to storm response labor; partially offset by lower inspection costs (\$300K), reduced line clearance expenses (\$200K), and lower Sustainable Energy Program incentives (\$180K).
4) Depreciation	30,531	31,746	(1,215)	-4%	
5) Total Expenses	<u>230,954</u>	<u>217,979</u>	<u>12,975</u>	6%	
6) Operating Income	69,409	61,957	7,452	12%	
7) Non-Operating Expense (Income)	<u>28,513</u>	<u>31,628</u>	<u>(3,115)</u>	-10%	
8) Change in Net Position (Net Revenue)	<u>\$40,896</u>	<u>\$30,329</u>	<u>\$10,567</u>	35%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.81x	1.46x			
10) Debt Service Coverage	2.79x	2.27x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand	121	115			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

September 2025



INDEX

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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

SEPTEMBER 2025

DESCRIPTION	CURRENT MONTH	CURRENT MONTH	VARIANCE FROM BUDGET		LAST YEAR MONTH	VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%
OPERATING REVENUES							
1. Retail	\$30,270,660	\$27,904,153	\$2,366,507	8.5%	\$27,947,698	\$2,322,962	8.3%
2. Wholesale	2,978,845	1,873,925	1,104,920	59.0%	4,093,978	(1,115,133)	-27.2%
3. Other Revenue	705,019	964,390	(259,371)	-26.9%	468,325	236,694	50.5%
4. CDFUO (a)	1,227,273	1,230,172	(2,899)	-0.2%	1,167,060	60,213	5.2%
5. Total Operating Revenues	35,181,797	31,972,640	3,209,157	10.0%	33,677,061	1,504,736	4.5%
OPERATING EXPENSES							
6. Purchased Power	7,155,309	5,219,242	1,936,067	37.1%	6,128,701	1,026,608	16.8%
7. Produced Power	5,521,442	5,576,523	(55,081)	-1.0%	7,448,275	(1,926,833)	-25.9%
8. Operations	2,483,988	2,405,403	78,585	3.3%	2,396,483	87,505	3.7%
9. Maintenance	1,491,127	1,165,696	325,431	27.9%	1,366,051	125,076	9.2%
10. Admin. & General	6,578,441	5,694,991	883,450	15.5%	4,843,797	1,734,644	35.8%
11. Depreciation	3,453,286	3,538,165	(84,879)	-2.4%	2,998,532	454,754	15.2%
12. Total Operating Expenses	26,683,593	23,600,020	3,083,573	13.1%	25,181,839	1,501,754	6.0%
13. OPERATING INCOME	8,498,204	8,372,620	125,584	1.5%	8,495,222	2,982	0.0%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,385,304	1,404,493	(19,189)	-1.4%	1,392,331	(7,027)	-0.5%
15. PILOT (c)	1,488,565	1,524,115	(35,550)	-2.3%	1,373,914	114,651	8.3%
16. CDFUO Expense (a)	1,274,197	1,230,172	44,025	3.6%	1,143,204	130,993	11.5%
17. Other Expense	0	0	0	--	1	(1)	-100.0%
18. Total Other Nonoperating Expense	4,148,066	4,158,780	(10,714)	-0.3%	3,909,450	238,616	6.1%
19. Other (Income)	(42,588)	(38,908)	(3,680)	9.5%	(45,498)	2,910	-6.4%
20. Interest (Income)	(551,222)	(277,656)	(273,566)	98.5%	(1,305,222)	754,000	-57.8%
21. Total Other Nonoperating (Income)	(593,810)	(316,564)	(277,246)	87.6%	(1,350,720)	756,910	-56.0%
22. Total Nonoperating Expenses (Income)	3,554,256	3,842,216	(287,960)	-7.5%	2,558,730	995,526	38.9%
23. Income Before Contributions	4,943,948	4,530,404	413,544	9.1%	5,936,492	(992,544)	-16.7%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	1,320,201	50,199	1,270,002	2529.9%	546,043	774,158	141.8%
25. Contributed Capital Used (d)	(1,320,201)	(50,199)	(1,270,002)	-2529.9%	(546,043)	(774,158)	-141.8%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$4,943,948	\$4,530,404	\$413,544	9.1%	\$5,936,492	(\$992,544)	-16.7%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,400,608 + Software Agreements Interest \$16,483 + Variable Interest \$240,571 + Amortization of Issuance Costs on Outstanding Debt \$89,659 + Amortization of Loss on Refunded Debt \$71,093 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

SEPTEMBER 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
OPERATING REVENUES							
1. Retail	\$251,038,082	\$244,290,525	\$6,747,557	2.8%	\$233,671,676	\$17,366,406	7.4%
2. Wholesale	31,462,258	19,163,521	12,298,737	64.2%	29,382,538	2,079,720	7.1%
3. Other Revenue	7,720,327	6,269,081	1,451,246	23.1%	7,032,281	688,046	9.8%
4. CDFUO (a)	10,142,728	10,212,672	(69,944)	-0.7%	9,767,396	375,332	3.8%
5. Total Operating Revenues	300,363,395	279,935,799	20,427,596	7.3%	279,853,891	20,509,504	7.3%
OPERATING EXPENSES							
6. Purchased Power	67,261,380	55,572,004	11,689,376	21.0%	58,966,612	8,294,768	14.1%
7. Produced Power	50,879,273	48,608,865	2,270,408	4.7%	49,006,035	1,873,238	3.8%
8. Operations	22,438,929	21,518,502	920,427	4.3%	20,884,490	1,554,439	7.4%
9. Maintenance	12,902,043	10,565,278	2,336,765	22.1%	11,171,834	1,730,209	15.5%
10. Admin. & General	46,940,750	49,967,837	(3,027,087)	-6.1%	44,692,278	2,248,472	5.0%
11. Depreciation	30,530,669	31,745,588	(1,214,919)	-3.8%	26,789,535	3,741,134	14.0%
12. Total Operating Expenses	230,953,044	217,978,074	12,974,970	6.0%	211,510,784	19,442,260	9.2%
13. OPERATING INCOME	69,410,351	61,957,725	7,452,626	12.0%	68,343,107	1,067,244	1.6%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	13,088,108	13,113,345	(25,237)	-0.2%	12,780,096	308,012	2.4%
15. PILOT (c)	11,448,853	11,731,575	(282,722)	-2.4%	10,745,038	703,815	6.6%
16. CDFUO Expense (a)	10,419,829	10,375,804	44,025	0.4%	9,514,316	905,513	9.5%
17. Other Expense	102,316	0	102,316	--	4	102,312	2557800.0%
18. Total Other Nonoperating Expense	35,059,106	35,220,724	(161,618)	-0.5%	33,039,454	2,019,652	6.1%
19. Other (Income)	(402,279)	(381,522)	(20,757)	5.4%	(409,607)	7,328	-1.8%
20. Interest (Income)	(6,143,923)	(3,211,001)	(2,932,922)	91.3%	(6,273,006)	129,083	-2.1%
21. Total Other Nonoperating (Income)	(6,546,202)	(3,592,523)	(2,953,679)	82.2%	(6,682,613)	136,411	-2.0%
22. Total Nonoperating Expenses (Income)	28,512,904	31,628,201	(3,115,297)	-9.8%	26,356,841	2,156,063	8.2%
23. Income Before Contributions	40,897,447	30,329,524	10,567,923	34.8%	41,986,266	(1,088,819)	-2.6%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	23,734,093	451,791	23,282,302	5153.3%	2,596,180	21,137,913	814.2%
25. Contributed Capital Used (d)	(23,734,093)	(451,791)	(23,282,302)	-5153.3%	(2,596,180)	(21,137,913)	-814.2%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$40,897,447	\$30,329,524	\$10,567,923	34.8%	\$41,986,266	(\$1,088,819)	-2.6%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$13,220,759 + Software Agreements Interest \$90,514 + Variable Interest \$2,302,155 + Amortization of Issuance Costs on Outstanding Debt \$773,104 + Amortization of Loss on Refunded Debt \$933,302 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

SEPTEMBER 2025

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
REVENUE							
1. Residential	\$13,816,831	\$13,334,066	\$482,765	3.6%	\$13,201,797	\$615,034	4.7%
2. Commercial & Street Light	13,345,458	11,891,787	1,453,671	12.2%	11,814,179	1,531,279	13.0%
3. Industrial	<u>3,108,371</u>	<u>2,678,300</u>	<u>430,071</u>	16.1%	<u>2,931,722</u>	<u>176,649</u>	6.0%
4. Total Retail	30,270,660	27,904,153	2,366,507	8.5%	27,947,698	2,322,962	8.3%
5. SPP Sales	2,225,046	1,163,102	1,061,944	91.3%	2,273,997	(48,951)	-2.2%
6. Contract Sales	753,799	710,823	42,976	6.0%	<u>1,819,981</u>	<u>(1,066,182)</u>	-58.6%
7. Total Wholesale	<u>2,978,845</u>	<u>1,873,925</u>	<u>1,104,920</u>	59.0%	<u>4,093,978</u>	<u>(1,115,133)</u>	-27.2%
8. Total	\$33,249,505	\$29,778,078	\$3,471,427	11.7%	\$32,041,676	\$1,207,829	3.8%
ENERGY (MWH'S)							
9. Residential	105,822	111,243	(5,421)	-4.9%	110,833	(5,011)	-4.5%
10. Commercial & Street Light	130,427	130,193	234	0.2%	127,509	2,918	2.3%
11. Industrial	<u>38,215</u>	<u>40,095</u>	<u>(1,880)</u>	-4.7%	<u>39,744</u>	<u>(1,529)</u>	-3.8%
12. Total Retail	274,464	281,531	(7,067)	-2.5%	278,086	(3,622)	-1.3%
13. SPP Sales	31,285	26,600	4,685	17.6%	44,235	(12,950)	-29.3%
14. Contract Sales	<u>8,971</u>	<u>28,900</u>	<u>(19,929)</u>	-69.0%	<u>27,066</u>	<u>(18,095)</u>	-66.9%
15. Total Wholesale	<u>40,256</u>	<u>55,500</u>	<u>(15,244)</u>	-27.5%	<u>71,301</u>	<u>(31,045)</u>	-43.5%
16. Total	314,720	337,031	(22,311)	-6.6%	349,387	(34,667)	-9.9%
CUSTOMERS - AT MONTH END							
17. Residential	137,164	137,412	(248)	-0.2%	135,327	1,837	1.4%
18. Commercial & Street Light	18,048	18,593	(545)	-2.9%	17,935	113	0.6%
19. Industrial	<u>236</u>	<u>239</u>	<u>(3)</u>	-1.3%	<u>232</u>	<u>4</u>	1.7%
20. Total Retail	155,448	156,244	(796)	-0.5%	153,494	1,954	1.3%
21. Wholesale	<u>6</u>	<u>4</u>	<u>2</u>	50.0%	<u>6</u>	<u>0</u>	0.0%
22. Total	155,454	156,248	(794)	-0.5%	153,500	1,954	1.3%



REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

SEPTEMBER 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$119,255,271	\$116,249,146	\$3,006,125	2.6%	\$110,310,006	\$8,945,265	8.1%
2. Commercial & Street Light	105,373,816	103,948,322	1,425,494	1.4%	97,595,159	7,778,657	8.0%
3. Industrial	<u>26,408,995</u>	<u>24,093,057</u>	<u>2,315,938</u>	9.6%	<u>25,766,511</u>	<u>642,484</u>	2.5%
4. Total Retail	251,038,082	244,290,525	6,747,557	2.8%	233,671,676	17,366,406	7.4%
5. SPP Sales	23,460,385	11,824,852	11,635,533	98.4%	21,620,162	1,840,223	8.5%
6. Contract Sales	<u>8,001,873</u>	<u>7,338,669</u>	<u>663,204</u>	9.0%	<u>7,762,376</u>	<u>239,497</u>	3.1%
7. Total Wholesale	<u>31,462,258</u>	<u>19,163,521</u>	<u>12,298,737</u>	64.2%	<u>29,382,538</u>	<u>2,079,720</u>	7.1%
8. Total	\$282,500,340	\$263,454,046	\$19,046,294	7.2%	\$263,054,214	19,446,126	7.4%
ENERGY (MWH'S)							
9. Residential	1,071,273	1,053,977	17,296	1.6%	1,017,857	53,416	5.2%
10. Commercial & Street Light	1,165,044	1,164,630	414	0.0%	1,132,287	32,757	2.9%
11. Industrial	<u>343,335</u>	<u>346,221</u>	<u>(2,886)</u>	-0.8%	<u>363,501</u>	<u>(20,166)</u>	-5.5%
12. Total Retail	2,579,652	2,564,828	14,824	0.6%	2,513,645	66,007	2.6%
13. SPP Sales	292,206	145,823	146,383	100.4%	252,480	39,726	15.7%
14. Contract Sales	<u>154,724</u>	<u>208,995</u>	<u>(54,271)</u>	-26.0%	<u>204,475</u>	<u>(49,751)</u>	-24.3%
15. Total Wholesale	<u>446,930</u>	<u>354,818</u>	<u>92,112</u>	26.0%	<u>456,955</u>	<u>(10,025)</u>	-2.2%
16. Total	3,026,582	2,919,646	106,936	3.7%	2,970,600	55,982	1.9%
CUSTOMERS AVERAGE							
17. Residential	136,650	136,721	(71)	-0.1%	134,622	2,028	1.5%
18. Commercial & Street Light	18,011	18,492	(481)	-2.6%	17,899	112	0.6%
19. Industrial	<u>236</u>	<u>239</u>	<u>(3)</u>	-1.3%	<u>237</u>	<u>(1)</u>	-0.4%
20. Total Retail	154,897	155,452	(555)	-0.4%	152,758	2,139	1.4%
21. Wholesale	<u>5</u>	<u>5</u>	<u>0</u>	0.0%	<u>6</u>	<u>(1)</u>	-16.7%
22. Total	154,902	155,457	(555)	-0.4%	152,764	2,138	1.4%



OPERATING EXPENSE STATEMENT

CURRENT MONTH

SEPTEMBER 2025

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
POWER COST							
1. SPP Purchased Power	\$1,914,371	\$396,840	\$1,517,531	382.4%	\$1,088,483	\$825,888	75.9%
2. Non-Owned Asset Power	<u>5,240,938</u>	<u>4,822,402</u>	<u>418,536</u>	8.7%	<u>5,040,218</u>	<u>200,720</u>	4.0%
3. Total Purchased Power	7,155,309	5,219,242	1,936,067	37.1%	6,128,701	1,026,608	16.8%
4. Produced Power	<u>5,521,442</u>	<u>5,576,523</u>	<u>(55,081)</u>	-1.0%	<u>7,448,275</u>	<u>(1,926,833)</u>	-25.9%
5. Total Power Cost	12,676,751	10,795,765	1,880,986	17.4%	13,576,976	(900,225)	-6.6%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,764,635	2,418,301	346,334	14.3%	2,587,971	176,664	6.8%
7. Transmission	<u>1,210,480</u>	<u>1,152,798</u>	<u>57,682</u>	5.0%	<u>1,174,563</u>	<u>35,917</u>	3.1%
8. Total O & M Expense	3,975,115	3,571,099	404,016	11.3%	3,762,534	212,581	5.6%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	269,704	334,058	(64,354)	-19.3%	269,261	443	0.2%
10. Communication & Corporate Records	208,991	270,712	(61,721)	-22.8%	224,387	(15,396)	-6.9%
11. Corporate Operations	2,233,451	1,335,071	898,380	67.3%	1,055,007	1,178,444	111.7%
12. Customer Services	1,154,723	1,153,976	747	0.1%	982,173	172,550	17.6%
13. Financial Services	548,553	531,137	17,416	3.3%	592,481	(43,928)	-7.4%
14. Power Supply	449,173	538,671	(89,498)	-16.6%	428,478	20,695	4.8%
15. Technology Services	<u>1,713,846</u>	<u>1,531,366</u>	<u>182,480</u>	11.9%	<u>1,292,010</u>	<u>421,836</u>	32.6%
16. Total A & G Expense	6,578,441	5,694,991	883,450	15.5%	4,843,797	1,734,644	35.8%
17. DEPRECIATION	3,453,286	3,538,165	(84,879)	-2.4%	2,998,532	454,754	15.2%
18. TOTAL OPERATING EXPENSE	\$26,683,593	\$23,600,020	\$3,083,573	13.1%	\$25,181,839	\$1,501,754	6.0%



OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

SEPTEMBER 2025

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
POWER COST								
1. SPP Purchased Power	\$18,412,013	\$9,083,018	\$9,328,995	102.7%	\$15,564,211	\$2,847,802	18.3%	
2. Non-Owned Asset Power	<u>48,849,367</u>	<u>46,488,986</u>	<u>2,360,381</u>	5.1%	<u>43,402,401</u>	<u>5,446,966</u>	12.5%	
3. Total Purchased Power	67,261,380	55,572,004	11,689,376	21.0%	58,966,612	8,294,768	14.1%	
4. Produced Power	<u>50,879,273</u>	<u>48,608,865</u>	<u>2,270,408</u>	4.7%	<u>49,006,035</u>	<u>1,873,238</u>	3.8%	
5. Total Power Cost	118,140,653	104,180,869	13,959,784	13.4%	107,972,647	10,168,006	9.4%	
OPERATION & MAINTENANCE (O&M)								
6. Energy Delivery	24,967,680	21,690,200	3,277,480	15.1%	22,405,659	2,562,021	11.4%	
7. Transmission	<u>10,373,292</u>	<u>10,393,580</u>	<u>(20,288)</u>	-0.2%	<u>9,650,665</u>	<u>722,627</u>	7.5%	
8. Total O & M Expense	35,340,972	32,083,780	3,257,192	10.2%	32,056,324	3,284,648	10.2%	
ADMINISTRATIVE & GENERAL (A&G)								
9. Administration	2,965,347	3,050,759	(85,412)	-2.8%	2,445,830	519,517	21.2%	
10. Communication & Corporate Records	1,881,494	2,207,568	(326,074)	-14.8%	2,010,290	(128,796)	-6.4%	
11. Corporate Operations	9,333,731	11,238,925	(1,905,194)	-17.0%	9,269,939	63,792	0.7%	
12. Customer Services	9,706,570	9,763,419	(56,849)	-0.6%	9,590,099	116,471	1.2%	
13. Financial Services	4,610,380	4,638,709	(28,329)	-0.6%	4,417,460	192,920	4.4%	
14. Power Supply	4,333,324	4,636,122	(302,798)	-6.5%	3,912,174	421,150	10.8%	
15. Technology Services	<u>14,109,904</u>	<u>14,432,335</u>	<u>(322,431)</u>	-2.2%	<u>13,046,486</u>	<u>1,063,418</u>	8.2%	
16. Total A & G Expense	46,940,750	49,967,837	(3,027,087)	-6.1%	44,692,278	2,248,472	5.0%	
17. DEPRECIATION	30,530,669	31,745,588	(1,214,919)	-3.8%	26,789,535	3,741,134	14.0%	
18. TOTAL OPERATING EXPENSE	\$230,953,044	\$217,978,074	\$12,974,970	6.0%	\$211,510,784	\$19,442,260	9.2%	



**BALANCE SHEET
SEPTEMBER 2025**

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:			CURRENT LIABILITIES:		
1. Revenue Fund (includes CDFUO)	\$57,345,511	\$13,835,084	OTHER LIABILITIES		
2. Payment in Lieu of Tax Fund	9,822,785	(2,866,071)	1. Accounts Payable	\$22,833,346	(\$2,505,195)
3. Rate Stabilization Fund	42,794,859	1,438,308	2. Accrued Payments in Lieu of Taxes	11,283,443	(2,420,974)
4. Bond Principal & Interest Funds	4,526,089	(13,380,430)	3. City Dividend for Utility Ownership Payable	1,274,197	(3,298,619)
5. Other Restricted/Designated Funds (a)	4,384,949	227,016	4. Commercial Paper Notes	107,500,000	42,000,000
6. Restricted/Designated Funds Total	51,705,897	(11,715,106)	5. Accrued Software Interest	64,656	34,917
7. Total Current Asset Funds (b)	118,874,193	(746,093)	6. Accrued Liabilities	21,657,171	3,229,505
8. Receivables Less Uncollectible Allowance	33,514,369	7,467,811	7. Total Other Liabilities	164,612,813	37,039,634
9. Unbilled Revenue	22,529,400	4,522,092	CURRENT LIABILITIES - RESTRICTED ASSETS		
10. Accrued Interest Receivable	596,966	(146,634)	8. Current Portion of Long-Term Debt	37,580,000	1,840,000
11. Materials, Supplies & Fuel Inventory	34,565,943	(368,036)	9. Accrued Interest	1,399,410	(4,554,012)
12. Plant Operation Assets	21,427,906	(193,285)	10. Other Current Liabilities (d)	1,073,496	54,879
13. Other Current Assets	7,259,640	1,483,603	11. Total Current Liabilities - Restricted Assets	40,052,906	(2,659,133)
14. Total Current Assets	238,768,417	12,019,458	12. Total Current Liabilities	204,665,719	34,380,501
NONCURRENT ASSETS:			NONCURRENT LIABILITIES:		
15. Bond Reserve Funds	9,018,950	(378,649)	13. 2013 Bonds	0	(12,385,000)
16. Self-Funded Benefits Reserve Fund (IBNP)	1,208,110	315,590	14. 2015A Bonds	69,775,000	(830,000)
17. Segregated Funds (c)	19,937,361	(5,184,772)	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	30,164,421	(5,247,831)	16. 2018 Bonds	114,900,000	(6,305,000)
19. Unamortized Debt Expense	1,524,942	(229,090)	17. 2020A Bonds	70,740,000	(1,460,000)
21. Accrued Lease Interest	171,739	38,822	18. 2020B Bonds	136,540,000	(14,760,000)
22. Other Noncurrent Assets	6,673,545	(20,549)	19. Total Revenue Bonds	457,915,000	(35,740,000)
23. Total Noncurrent Assets	\$46,227,883	(\$4,607,905)	20. Less Current Maturities	37,580,000	1,840,000
CAPITAL ASSETS:			21. Less Unamortized Discounts/Premiums	(24,567,613)	4,231,727
24. Utility Plant in Service	1,890,902,331	18,695,776	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(994,109,578)	(27,242,333)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	189,243,183	31,755,813	24. Net Long Term Debt	444,902,613	(41,811,727)
27. Total Capital Assets	1,086,035,936	23,209,256	25. Liabilities Payable from Segregated Funds (e)	19,934,996	(5,184,527)
DEFERRED OUTFLOWS OF RESOURCES:			26. Asset Retirement Obligation	2,806,804	(166,299)
28. Deferred Loss on Refunded Debt	5,900,608	(933,302)	27. Software Liabilities	3,121,618	688,822
29. Deferred Costs for Asset Retirement Obligations	2,806,804	(166,299)	28. Other Noncurrent Liabilities	19,294,213	0
30. Total Deferred Outflows of Resources	8,707,412	(1,099,601)	29. Total Liabilities	694,725,963	(12,093,230)
			DEFERRED INFLOWS OF RESOURCES:		
			30. Deferred Inflow of Resource	7,017,632	716,991
			31. Total Deferred Inflows of Resources	7,017,632	716,991
			NET POSITION:		
			32. Net Investment in Capital Assets	506,041,156	18,564,229
			33. Restricted for Debt Service	3,741,983	(8,743,600)
			34. Restricted for Employee Health Insurance Claims	3,136,960	380,286
			35. Unrestricted	165,075,954	30,696,532
			36. Total Net Position	677,996,053	40,897,447
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,379,739,648	\$29,521,208	37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$1,379,739,648	\$29,521,208



**STATEMENT OF CASH FLOWS
SEPTEMBER 2025**

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$38,329,563	\$295,323,451
2. Sales Tax Receipts	\$1,774,223	\$13,853,194
3. Paid to Suppliers for Goods & Services	(\$19,162,947)	(\$162,935,840)
4. Paid to Employees for Services	(\$3,979,703)	(\$38,131,549)
5. Payments for Sales Tax	(1,922,046)	(13,326,305)
6. Cash Flow from Operating Activities (a)	15,039,090	94,782,951
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(13,869,829)
8. City Dividend for Utility Ownership Payments	0	(13,718,448)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	0	(27,588,277)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	(4,010,065)	11,013,096
12. Interest Income	527,902	6,131,017
13. Cash Flow from (used for) Investing Activities	(3,482,163)	17,144,113
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(6,212,809)	(77,801,119)
15. Salvage on Retirement of Plant	0	39,395
16. Cost of Removal of Property Retired	(75,961)	(1,942,204)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	1,317,835	14,549,565
20. Capital Contributions Recv'd in Advance	0	0
21. Cash Received from Leases	41,445	389,242
23. Net Proceeds from Issuance of Long-Term Debt	0	0
24. Proceeds from Commercial Paper Issuance	0	42,000,000
25. Principal Payments on Long-Term Debt	(35,740,000)	(35,740,000)
26. Interest Payments on Debt	(9,338,504)	(20,076,924)
27. Cash Flow from (used for) Capital Financing Activities	(50,007,994)	(78,582,045)
27. Cash Flow from (used for) Capital Financing Activities	(38,451,067)	5,756,742
28. Net Increase (Decrease) in Cash and Cash Equivalents	91,059,070	47,367,673
29. Cash and Cash Equivalents Beginning of Period	\$52,608,003	\$53,124,415
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	\$8,498,204	\$69,410,351
2. Noncash items included in operating income	3,559,301	31,519,252
3. Changes in Assets & Liabilities Increase/(Decrease)	2,981,585	(6,146,652)
4. Net cash flows from operating activities	\$15,039,090	\$94,782,951
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



DEBT SERVICE COVERAGE

SEPTEMBER 2025

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	\$35,181,797	\$31,972,640	\$33,677,061	\$300,363,395	\$279,935,799	\$279,853,891
2. Total Operating Expenses	26,683,593	23,600,020	25,181,839	230,953,044	217,978,074	211,510,784
3. Less Depreciation	(3,453,286)	(3,538,165)	(2,998,532)	(30,530,669)	(31,745,588)	(26,789,535)
4. Operating Expense Net of Depreciation	23,230,307	20,061,855	22,183,307	200,422,375	186,232,486	184,721,249
5. Net Operating Revenue for Debt Service	11,951,490	11,910,785	11,493,754	99,941,020	93,703,313	95,132,642
6. Interest Income (a)	383,895	202,404	801,177	4,551,912	2,505,971	4,582,685
7. Other Income	42,588	38,908	45,498	402,279	381,522	409,607
8. Rate Stabilization Fund	0	0	0	0	1,350,000	0
9. AVAILABLE FOR DEBT SERVICE	12,377,973	12,152,097	12,340,429	104,895,211	97,940,806	100,124,934
10. DEBT SERVICE (b)	\$4,532,275	\$4,532,273	\$4,455,852	\$40,179,091	\$40,179,079	\$41,912,781
11. DEBT SERVICE COVERAGE	2.73	2.68	2.77	2.61	2.44	2.39

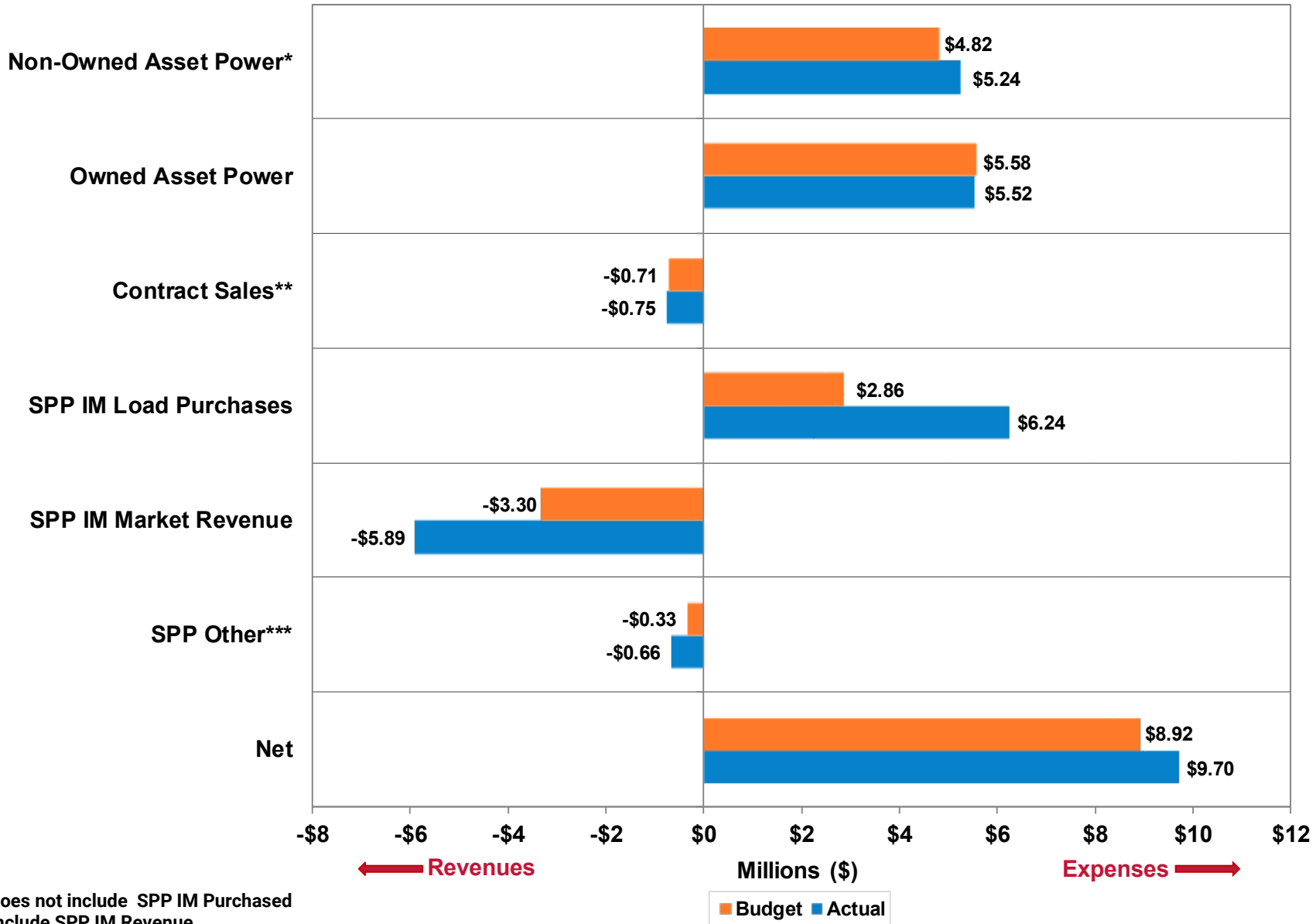
(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

Power Supply Division 2025 September Monthly Report

Jason Fortik | Vice President, Power Supply
October 17, 2025

Monthly Actual vs. Budget

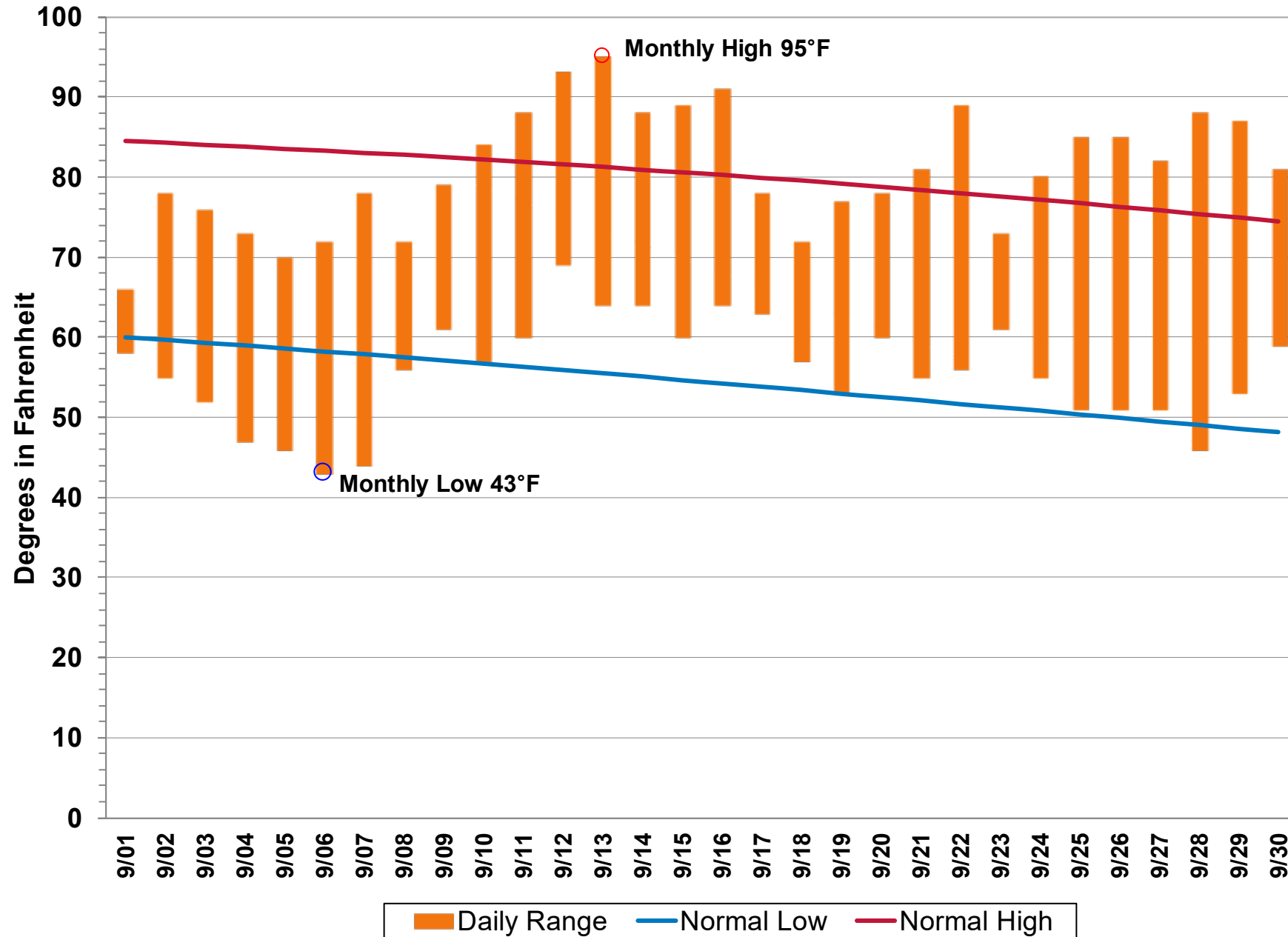


*Non-Owned Asset Power does not include SPP IM Purchased

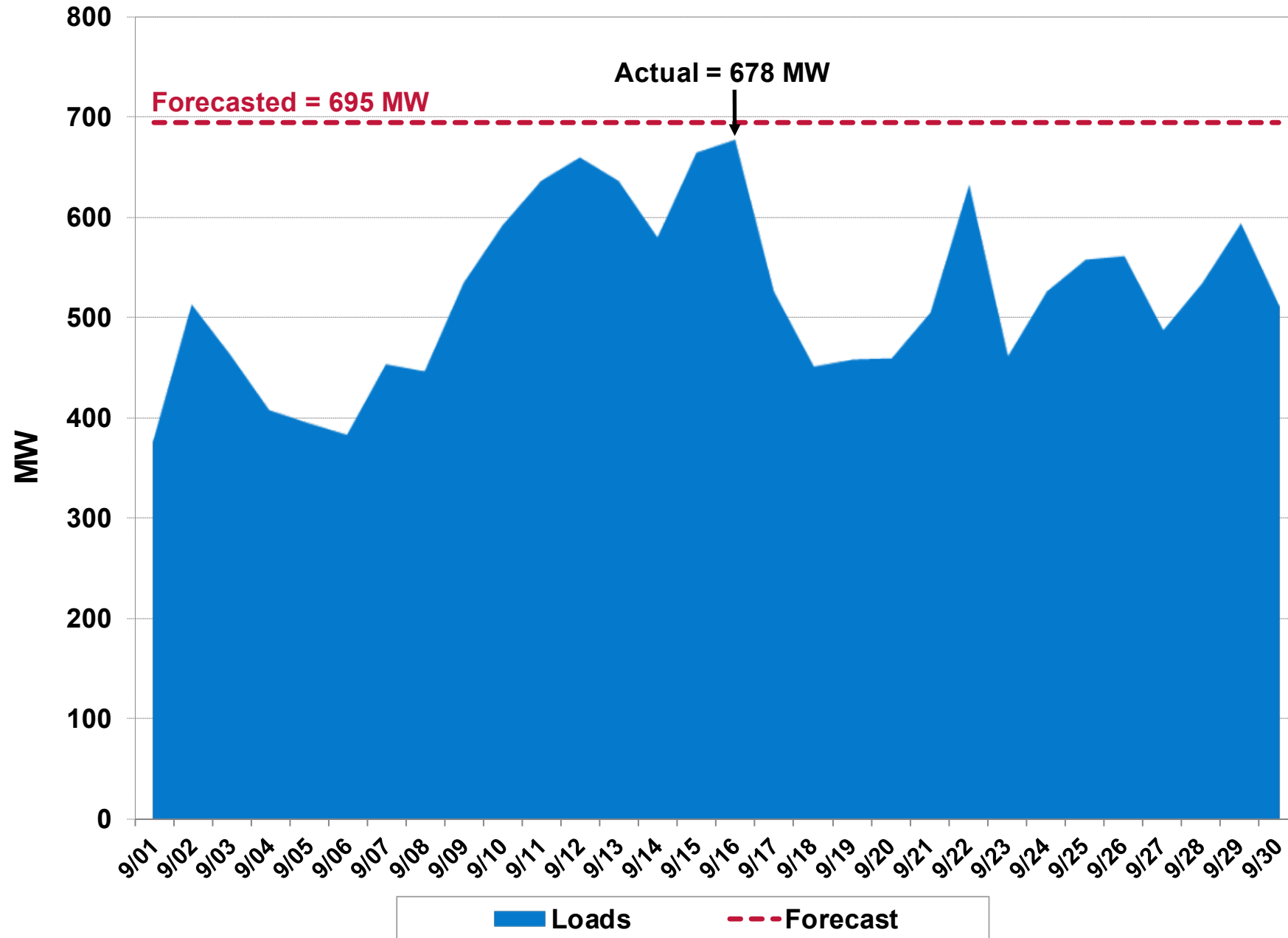
**Contract Sales does not include SPP IM Revenue

***SPP Other includes Over-Collected Losses and ARR's/TCR

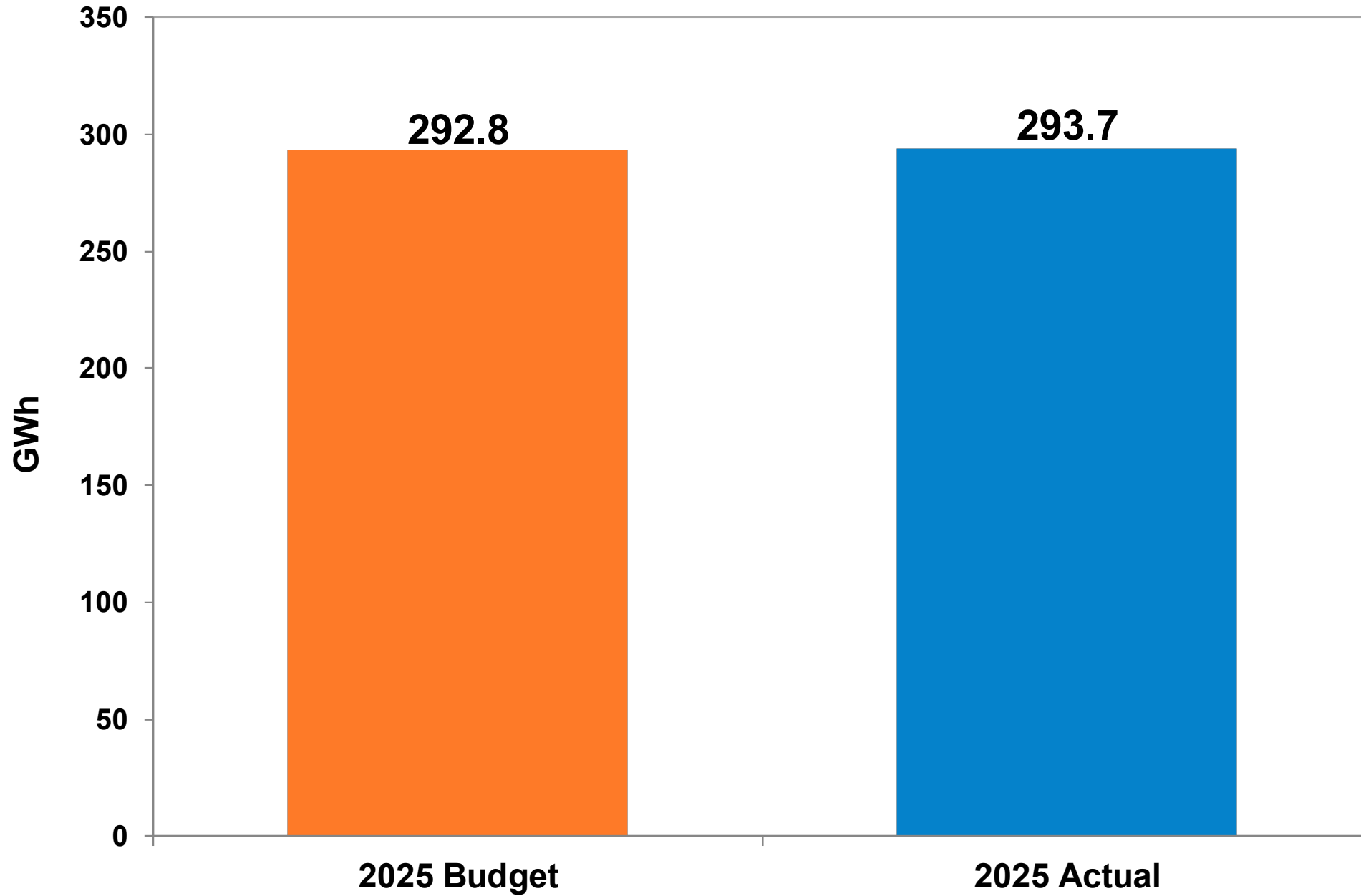
Daily Temperature Range



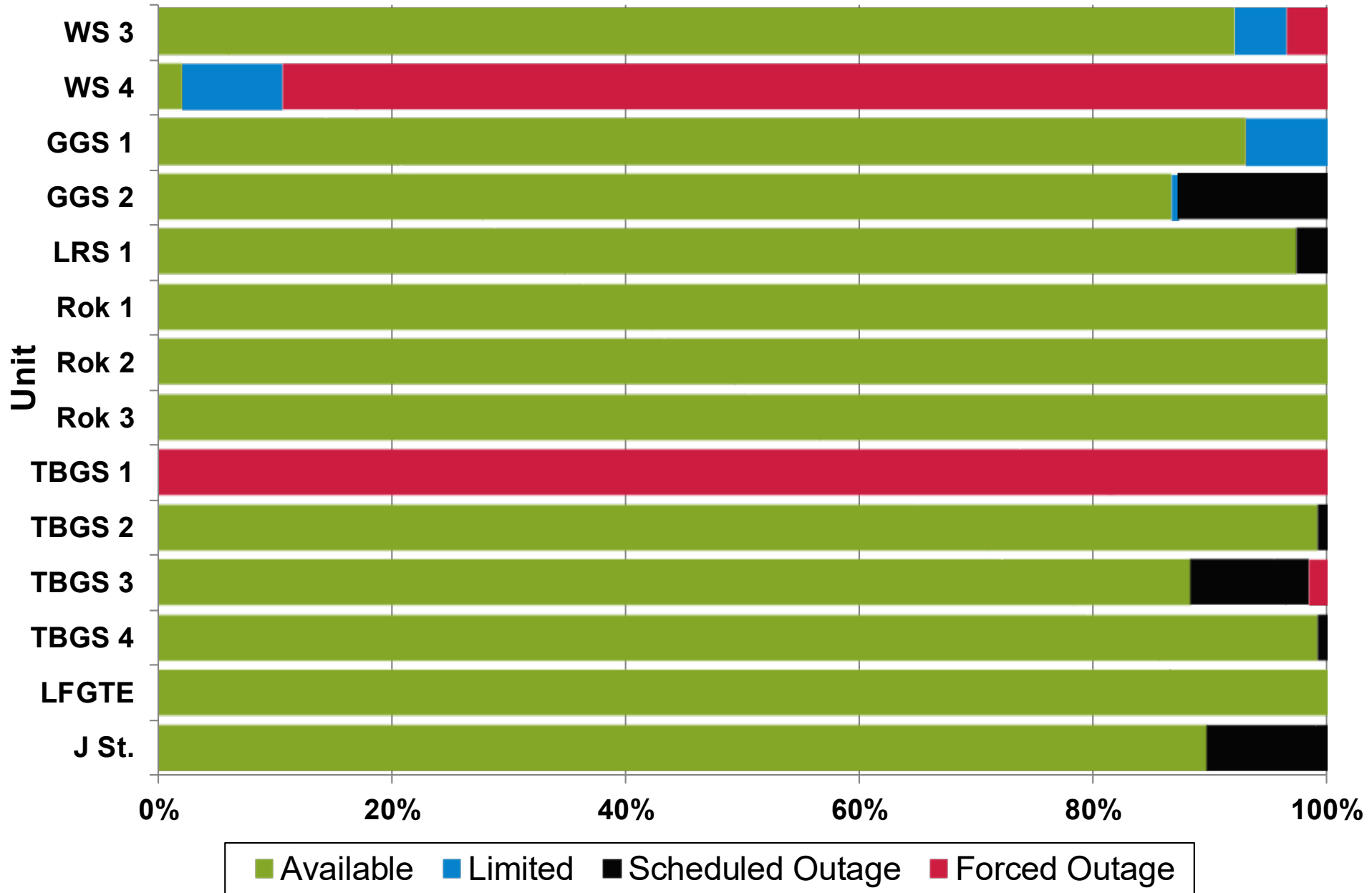
Loads



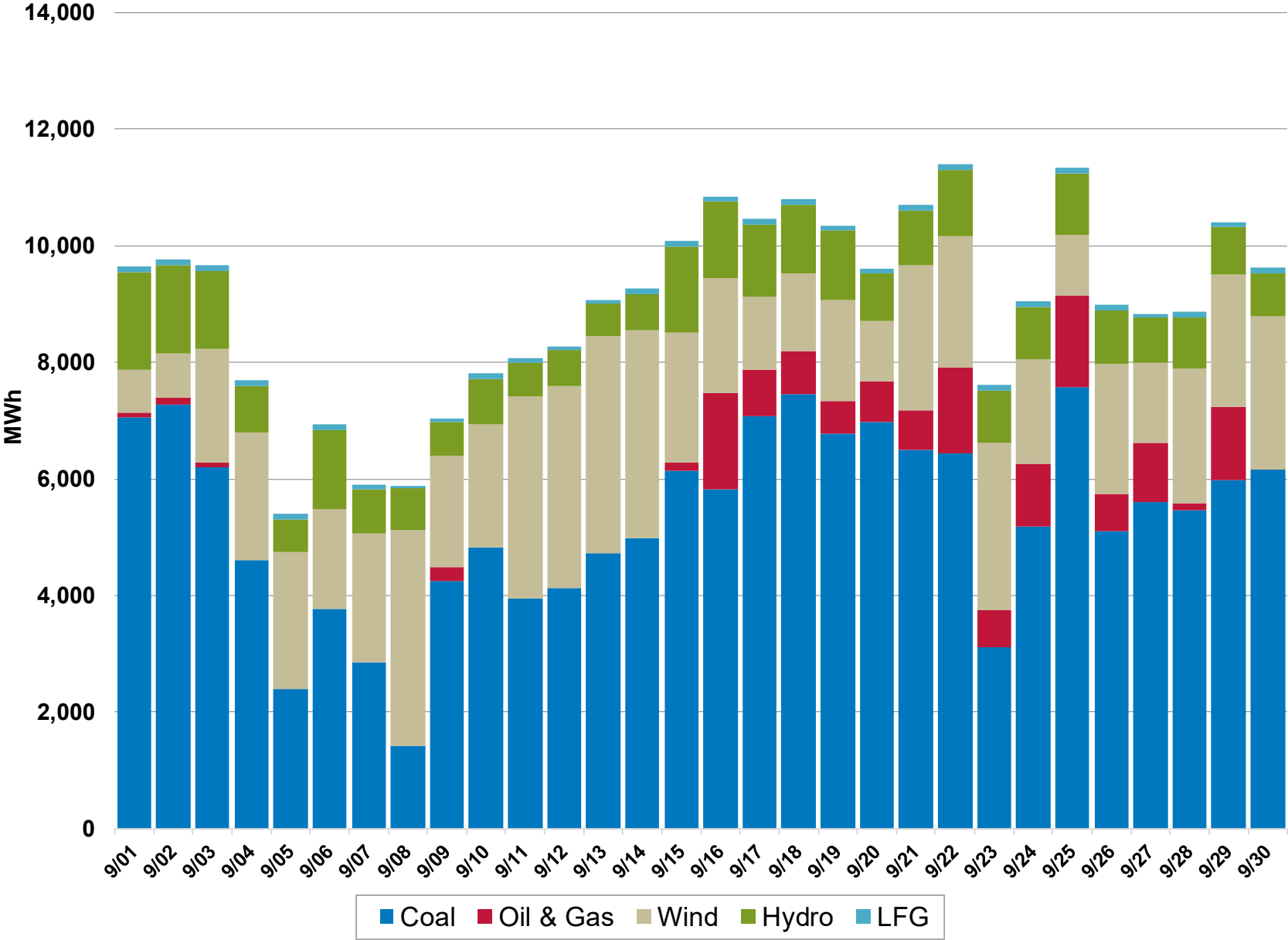
Customer Energy Consumption



Unit Equivalent Availability

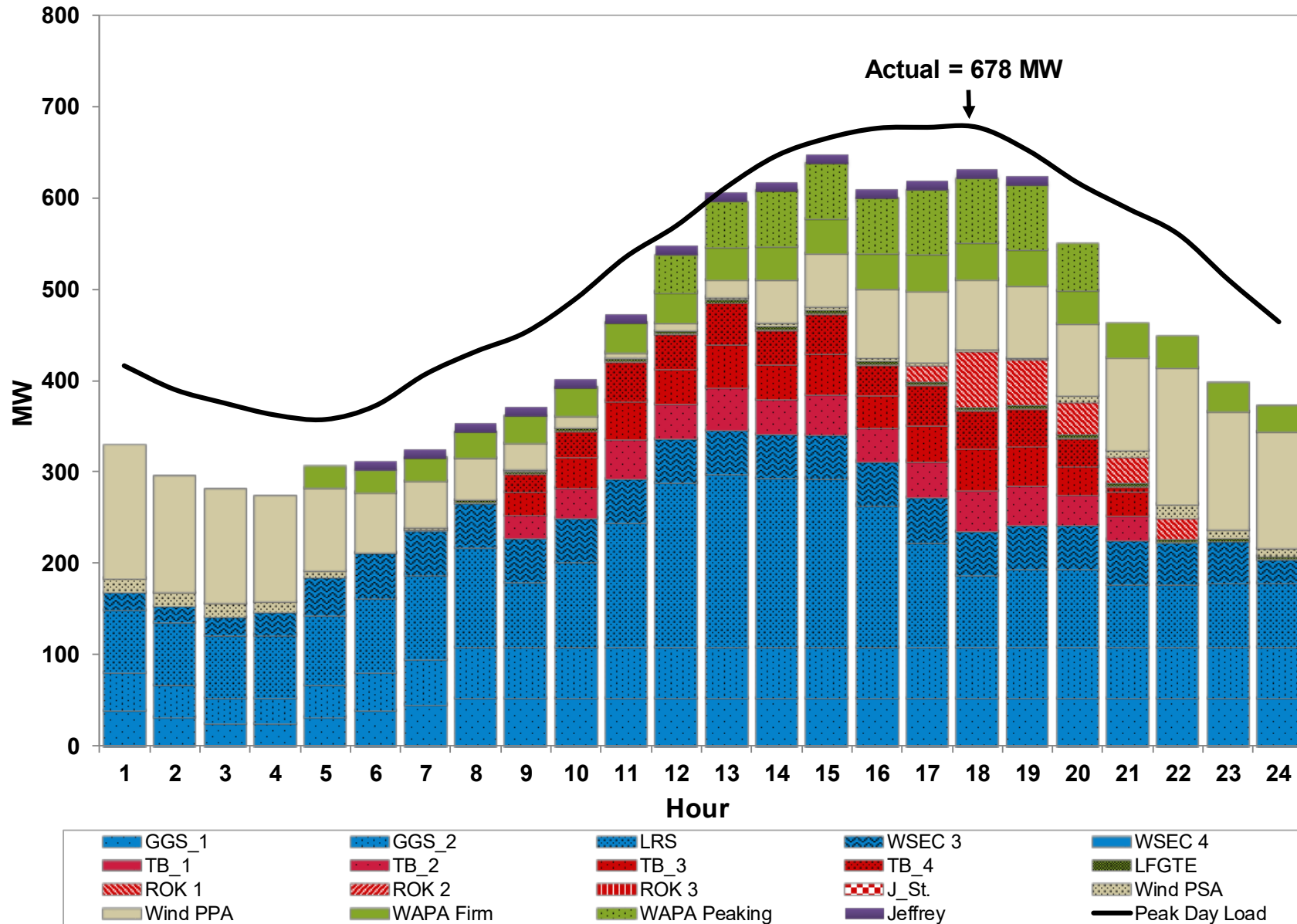


Resource Energy



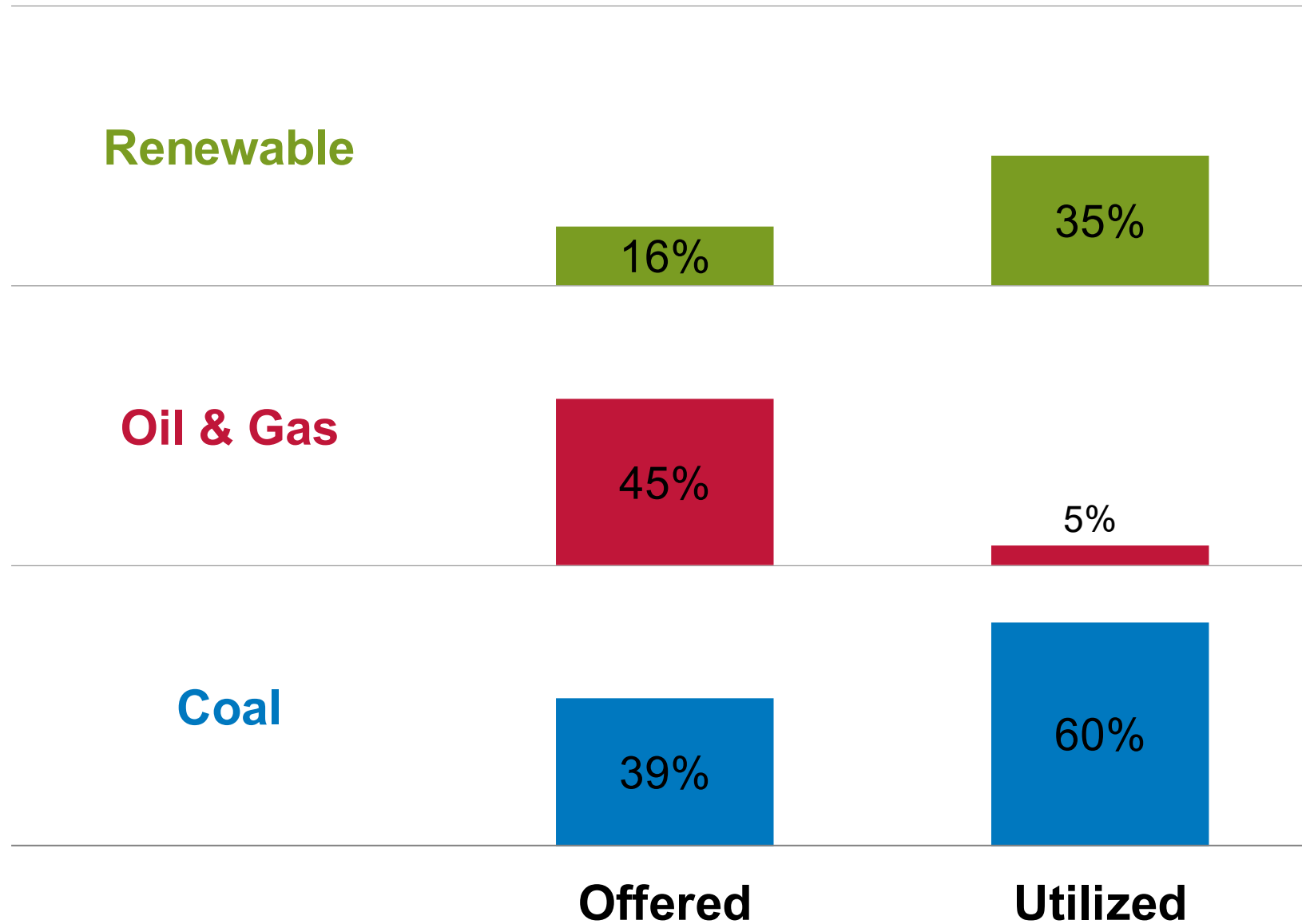
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – September 16, 2025



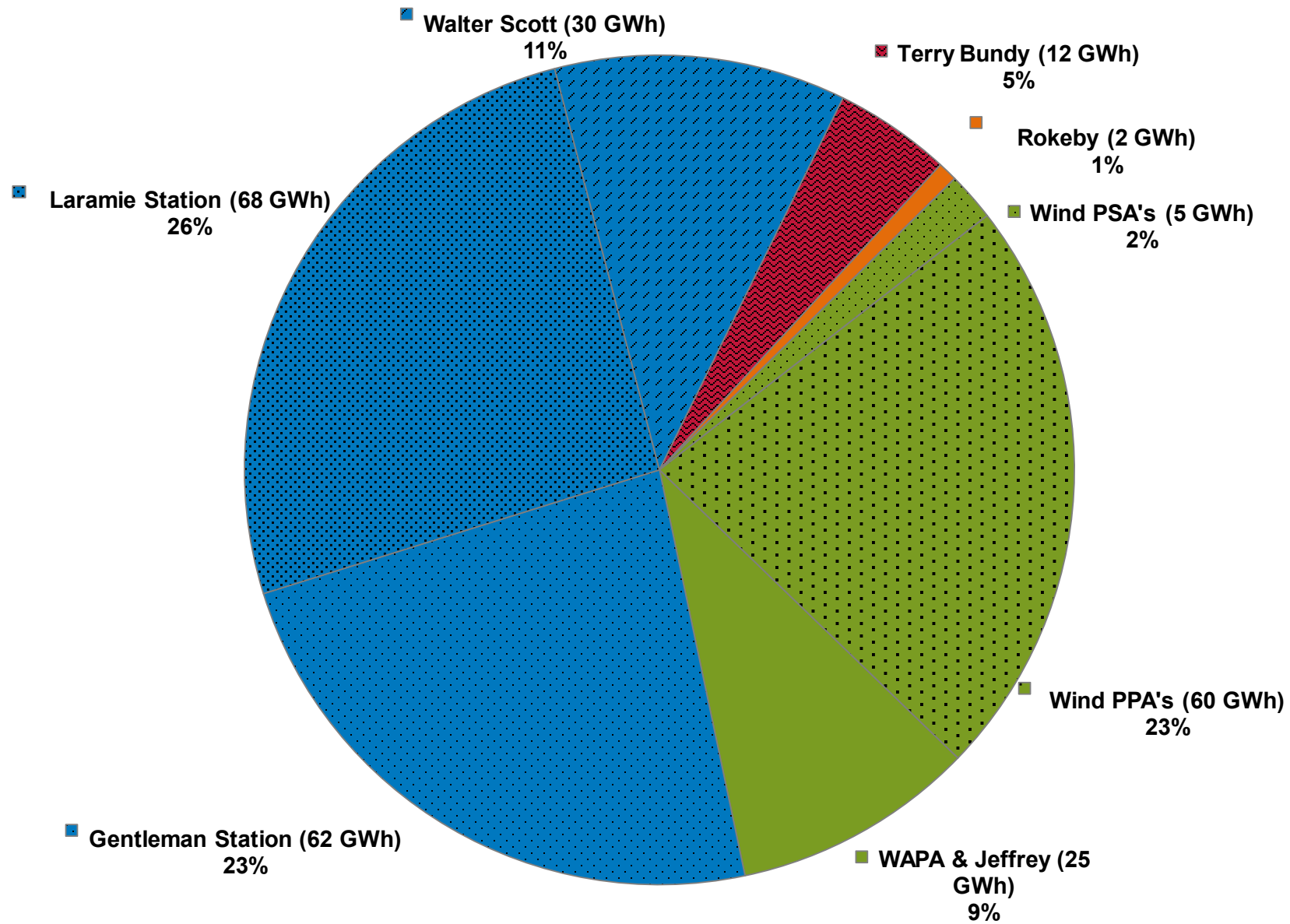
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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

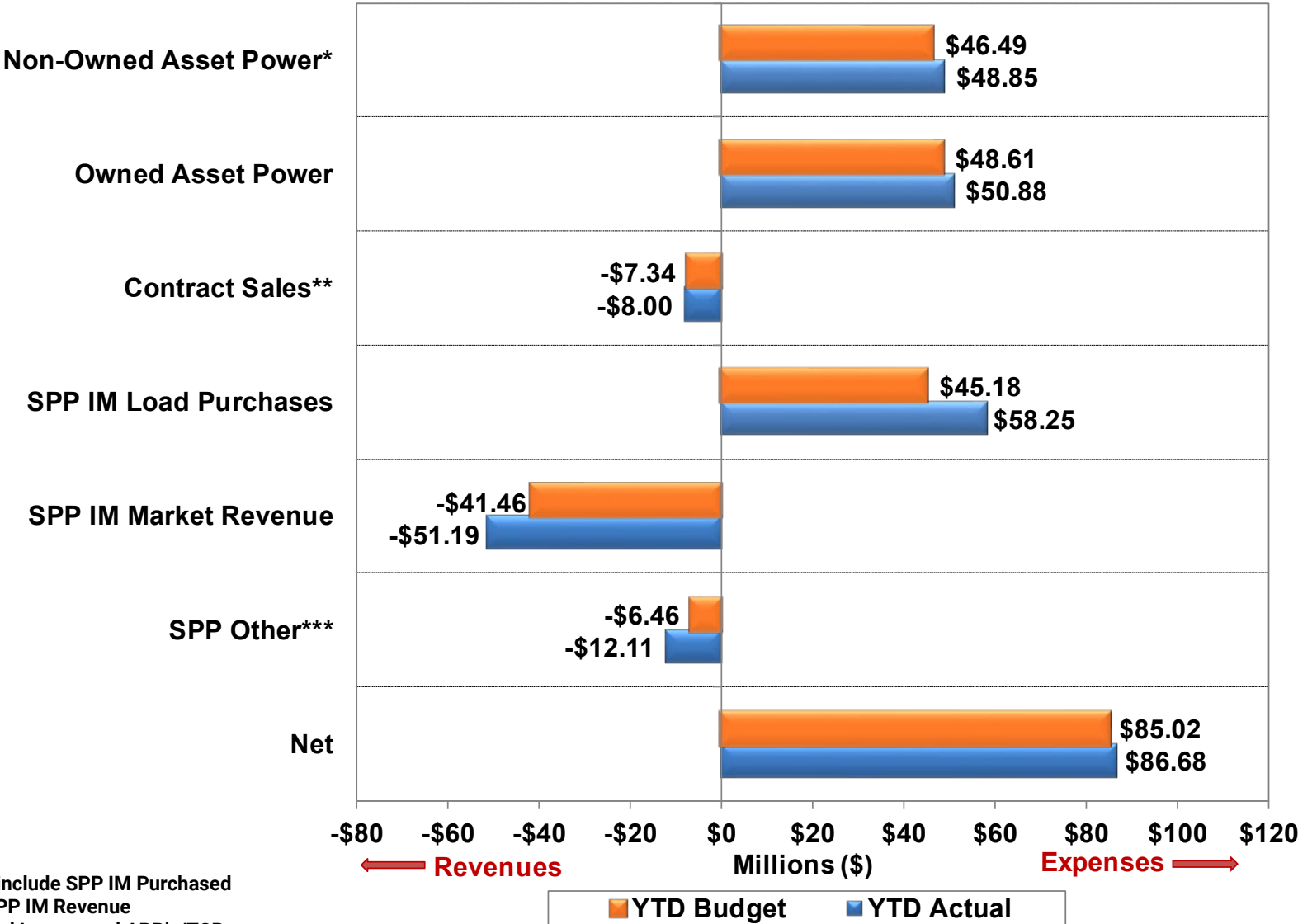
Exhibit IX

Power Supply Division 2025 Third Quarter Update

Jason Fortik | Vice President, Power Supply

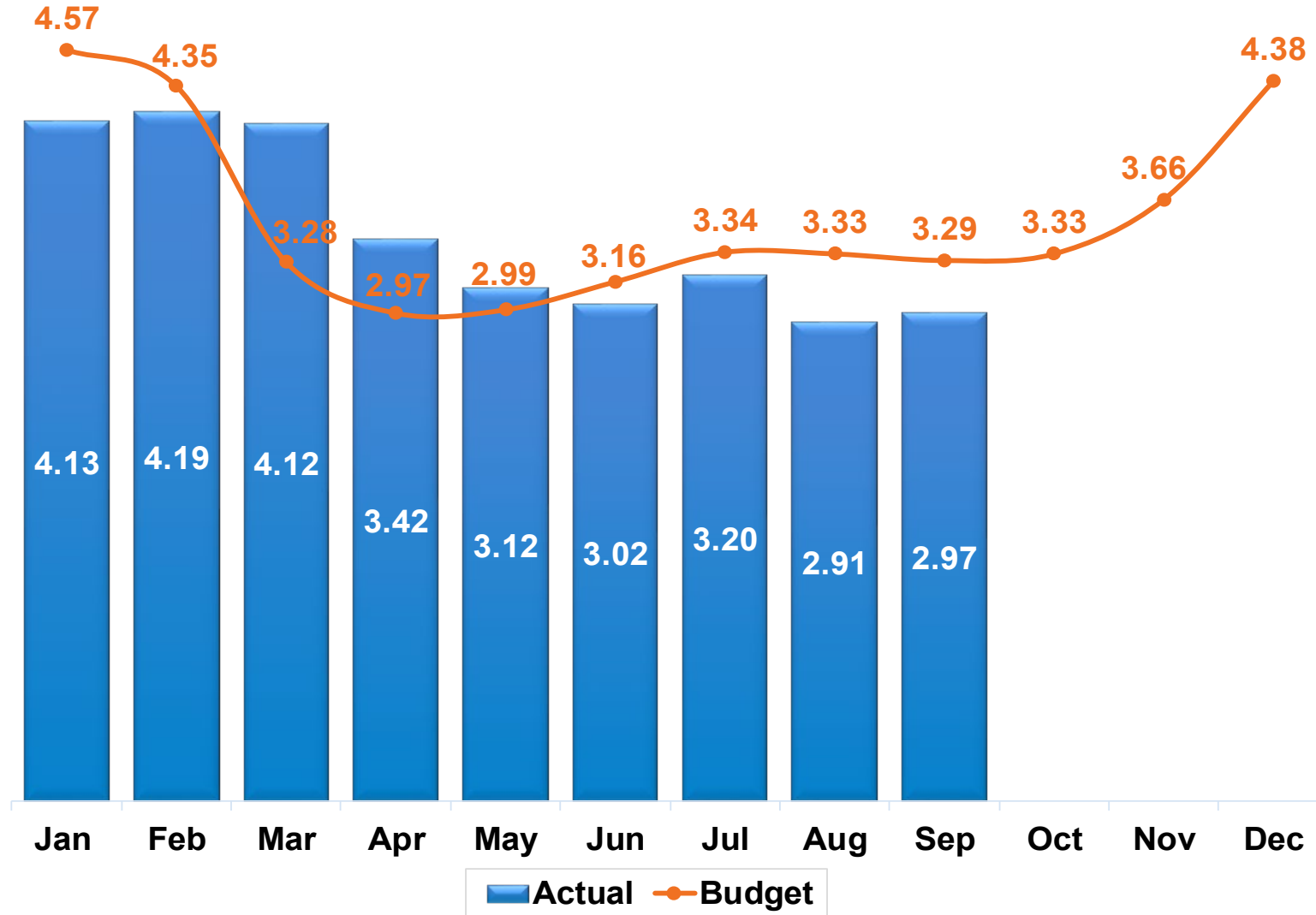
October 17, 2025

YTD 2025 Net Power Costs are about \$1.7M (2.0%) above Budget. Higher generation expenses and load purchase expenses outpaced better than Budget revenue from market sales and other market activity.



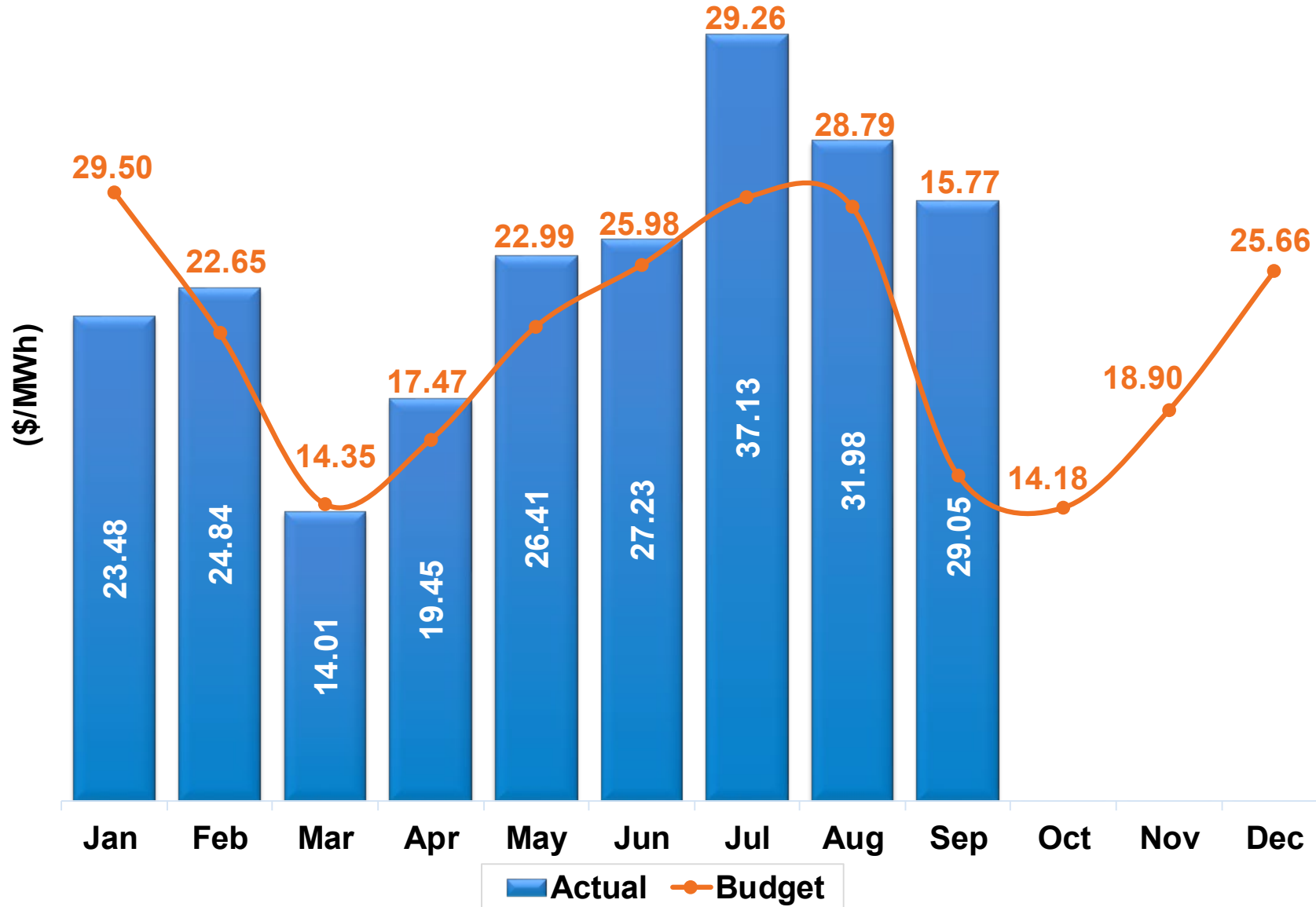
*Non-Owned Asset Power does not include SPP IM Purchased
 **Contract Sales does not include SPP IM Revenue
 ***SPP Other includes Over-Collected Losses and ARR's/TCR

Natural gas demand early in Q3 was up in the power generation, residential, and commercial sectors, with LNG exports slightly increased. Although natural gas supplies were generally flat in the later part of the quarter, storage levels that exceeded the five-year average and uncertainty about the impact of tariffs are being factored into prices.

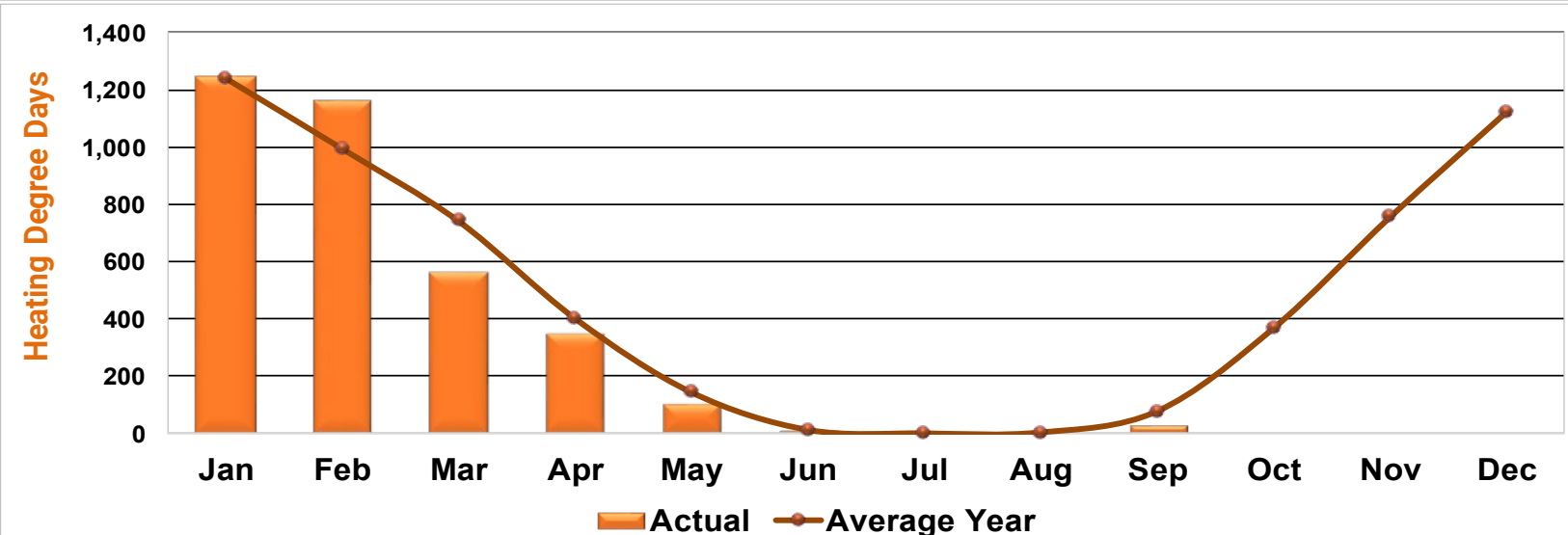
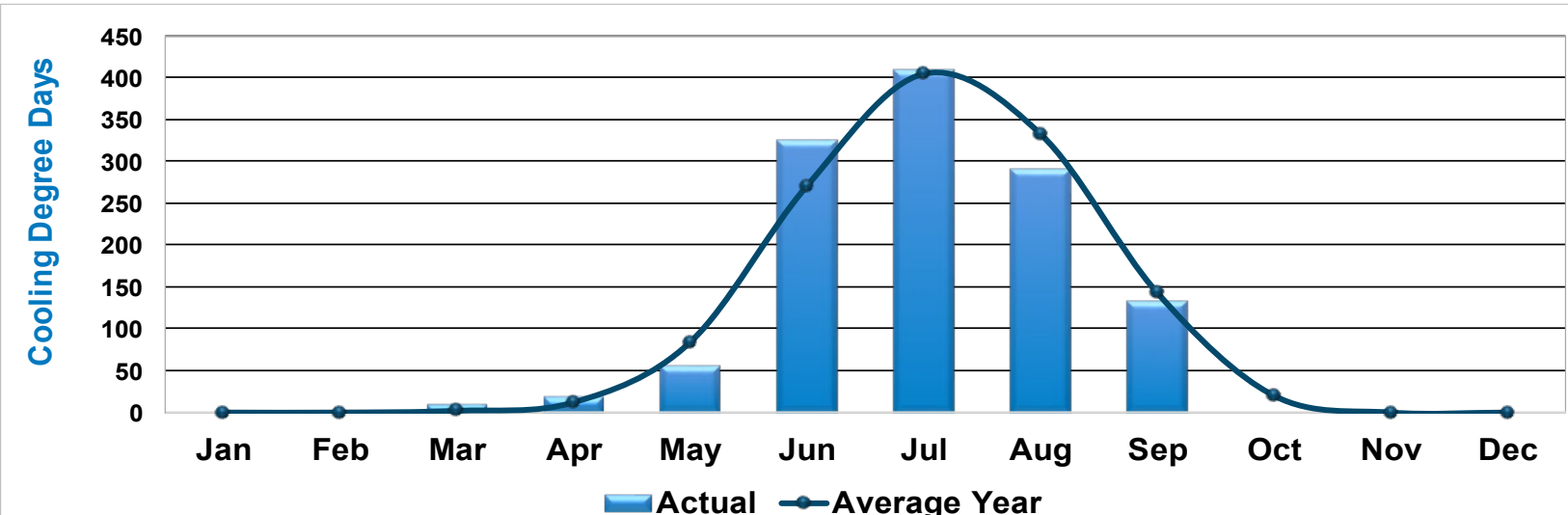


Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

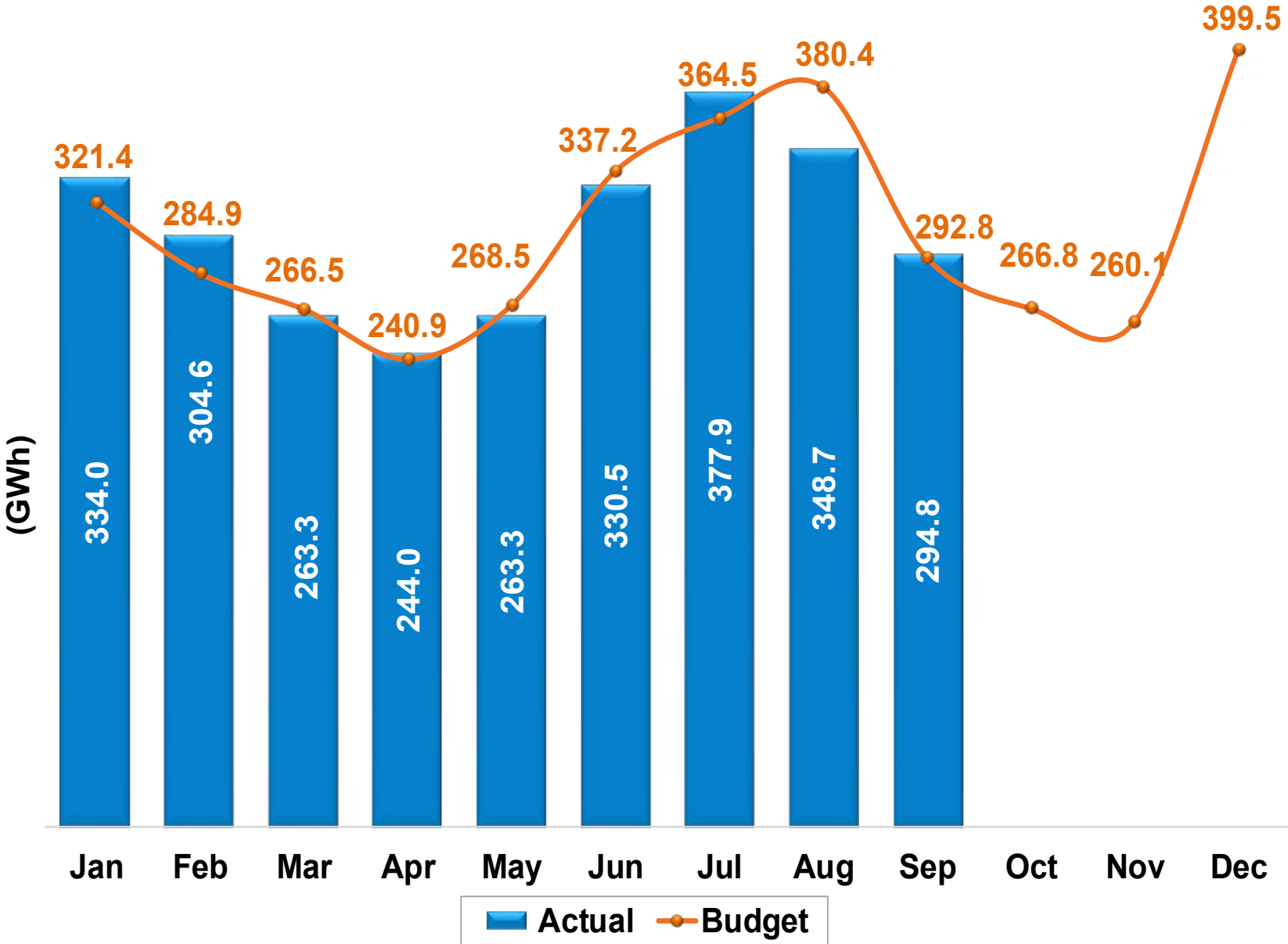
Slightly decreased wind production throughout the SPP footprint and congestion caused by transmission facility outages put upward pressure on Lincoln's electricity prices in Q3.



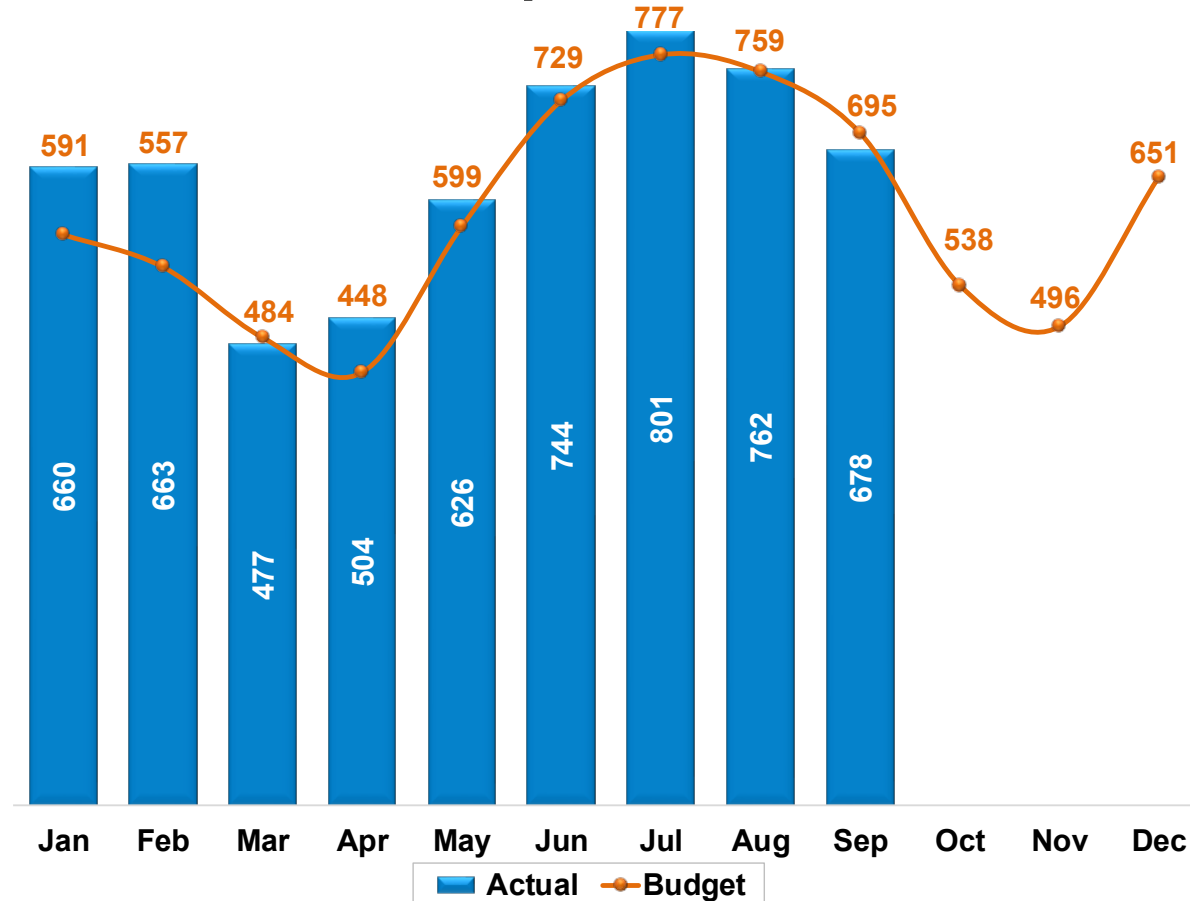
July temperatures were near normal, while August temperatures were below normal, resulting in August cooling degree days 13% below average. September temperatures were also cooler than normal, resulting in cooling degree days 7% below average.



Control Area Energy consumption was 17 GWh (1.7%) lower than Budget for Q3



Sustained days of high temperatures in July pushed peak demand above budget while temperature volatility in August and September kept peak demand in those months either near or below expectations.



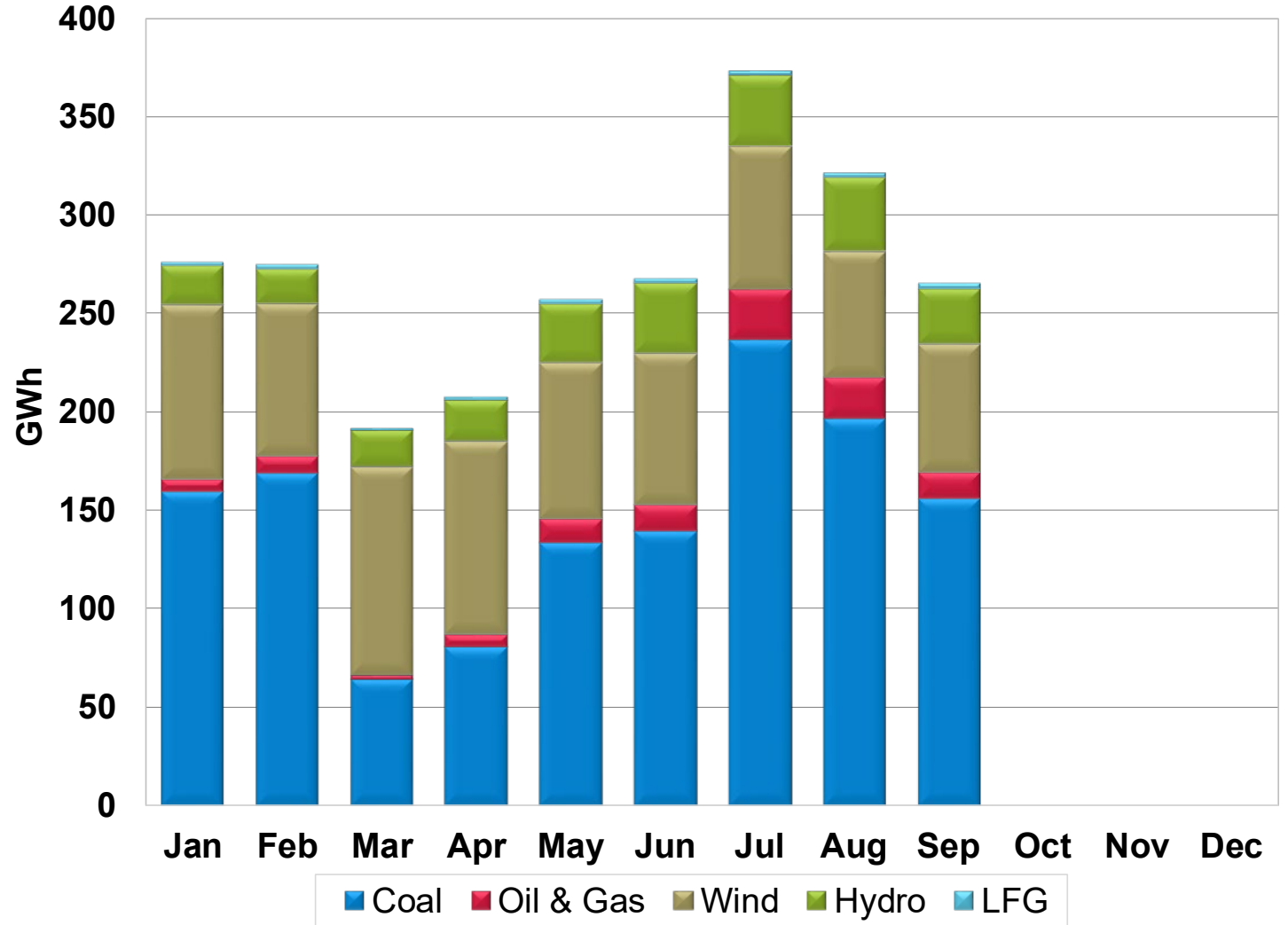
System Peak Load

2025 Peak Load Day = 801 MW, 7/29/2025
All Time System Peak = 819 MW, 8/22/2023

Q3 2025 renewable energy production was about 1% above expectations, coal resource production was about 5% above expectations, and natural gas resource production was nearly 47% below expectations due mostly to decreased production at Terry Bundy Generating Station.

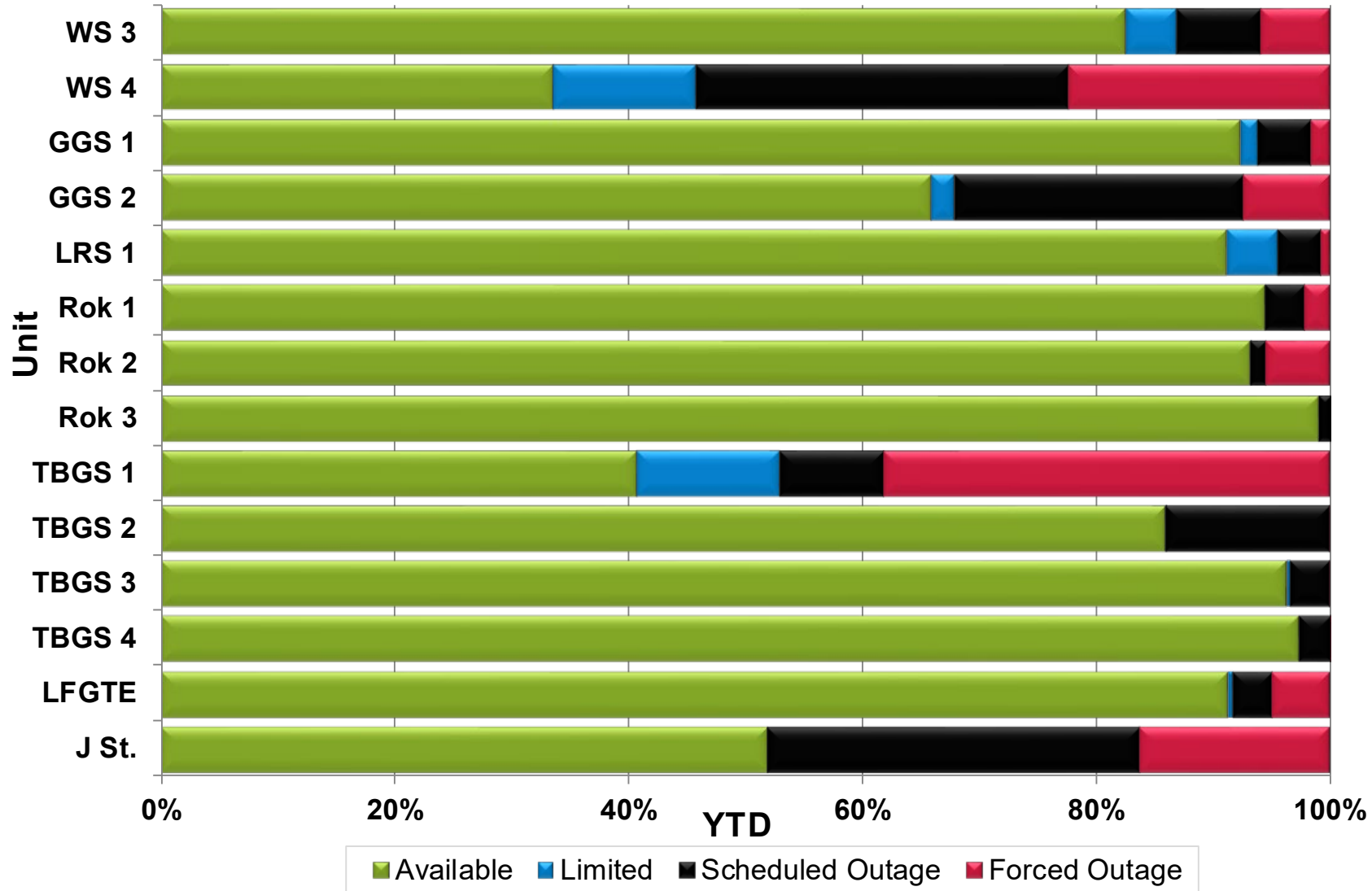
Retail Sales
Q3 2025 Retail Sales:
 Forecast = 982 GWh
 Actual = 971 GWh
 Difference = -11 GWh (-1.1%)

Renewable Energy Production
Q3 2025 Renewable Energy Production Expressed as a Percentage of Retail Sales:
 Forecast = 30.2%
 Actual = 30.9%

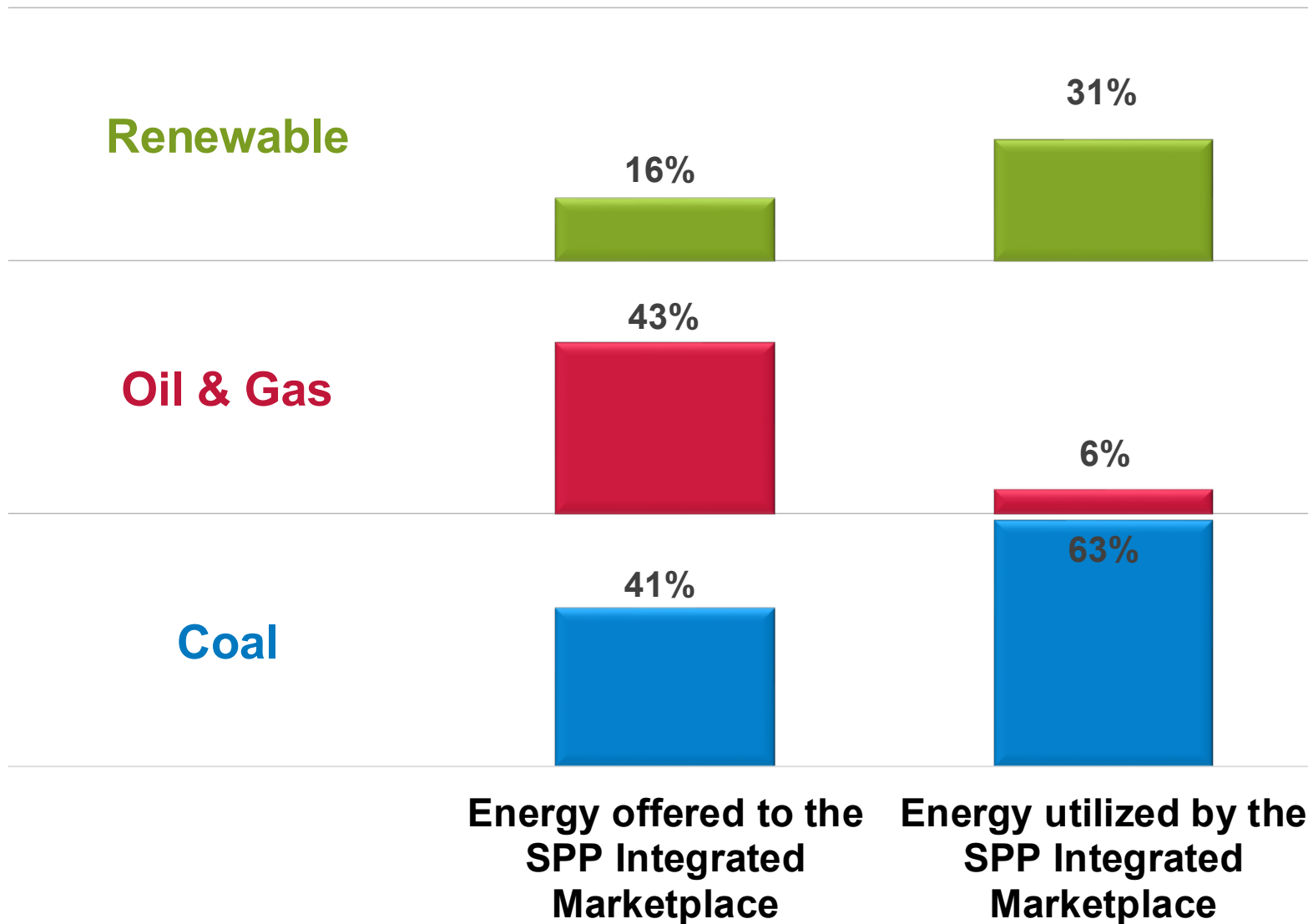


Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Walter Scott 4 and Gerald Gentleman 2 were out of service for planned spring outage events. TBGS 1 continues to experience outage time due to lubricating oil pump issues. J Street took outage time for fuel oil nozzle repairs earlier in the year, but has been available for essentially all of Q3.



2025 Market Energy Metrics (July through September)



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

Exhibit X



2025 Q3 Financial Statements

October 17, 2025

Emily N. Koenig | LES
Vice President, Financial Services & CFO

2025 Retail Revenue

YTD Retail Revenue and Energy are both slightly above budget for the year



Retail Revenue

Actual	Budget	Variance
\$251.0M	\$244.3M	+\$6.7M /+3%

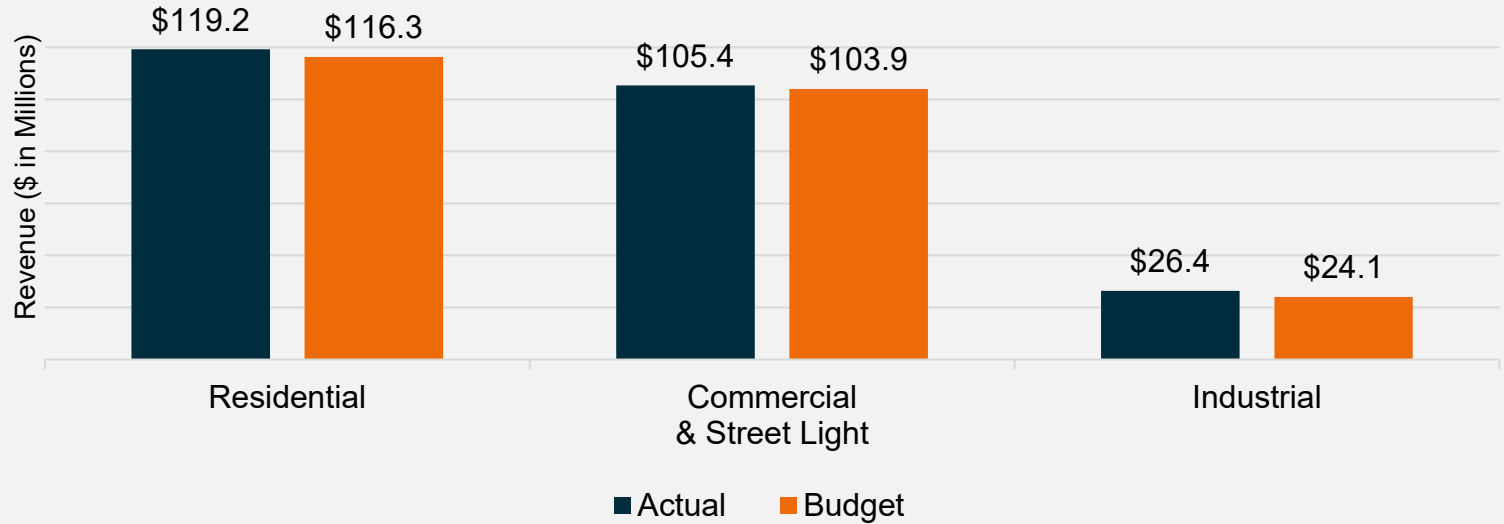


Retail Energy

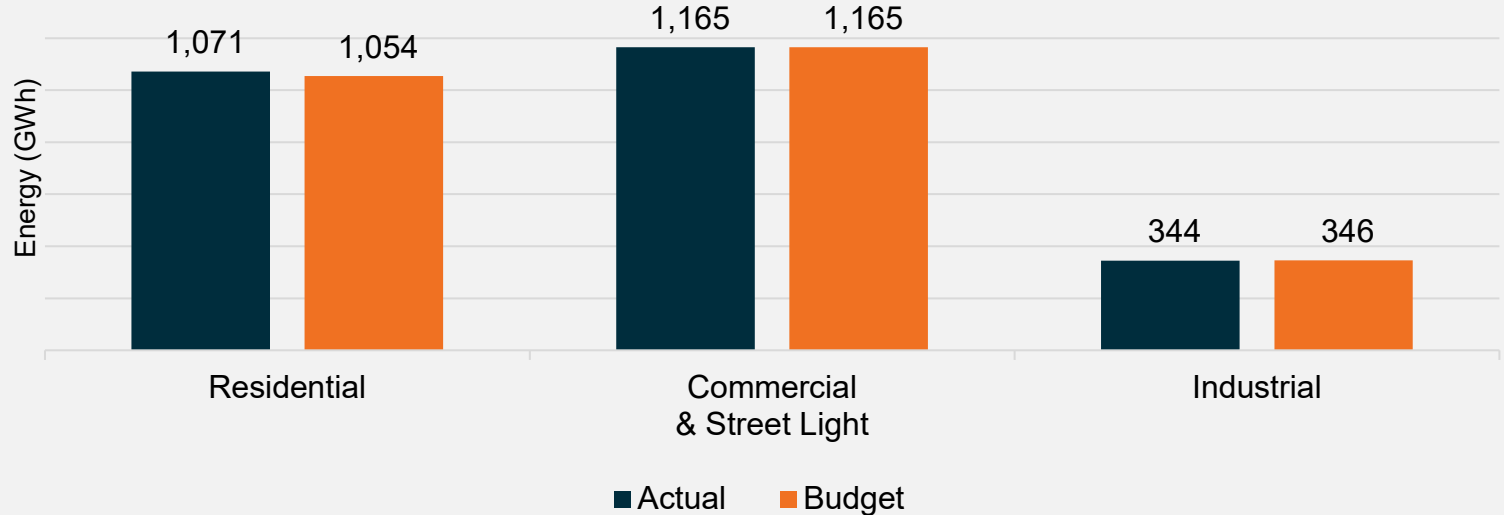
Actual	Budget	Variance
2,580 GWh	2,565 GWh	+15 GWh /+1%

Totals and other calculations throughout this presentation may show slight inconsistencies due to rounding.
 Figures throughout this presentation are YTD unless otherwise noted.

Retail Revenue



Retail Energy

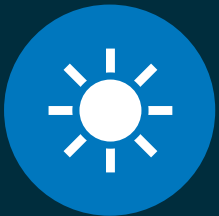


2025 Weather

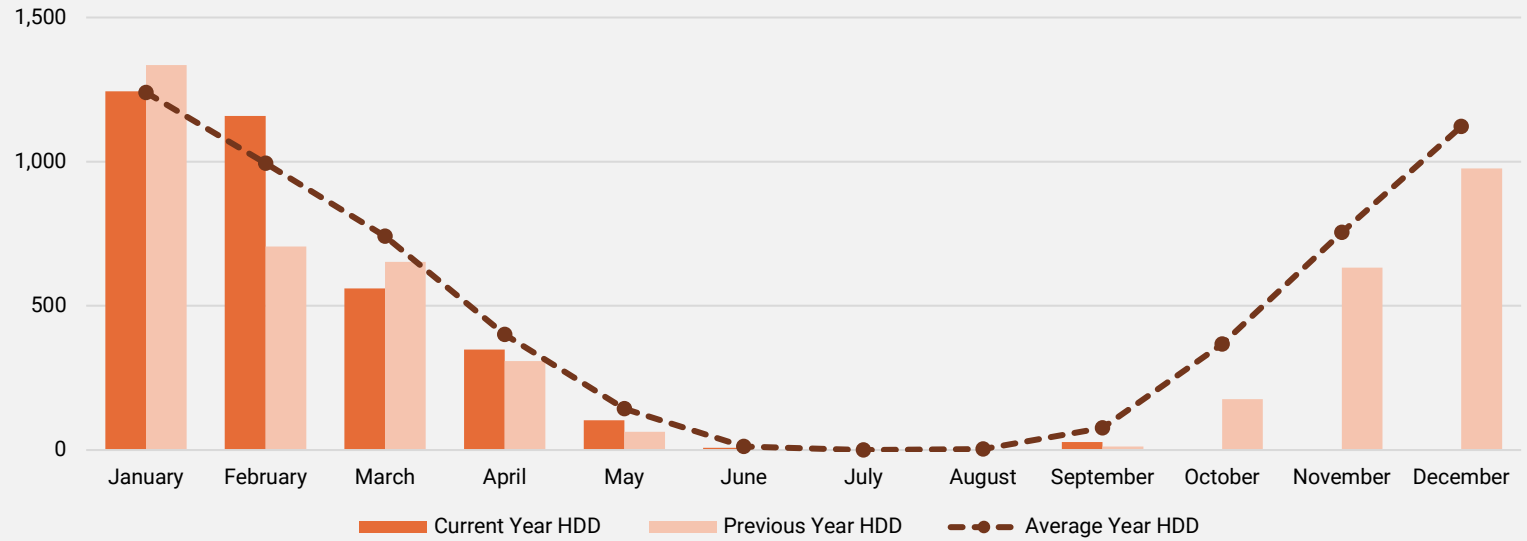
Warmer temps starting in March resulted in heating degree days being below average by 4.4%. Cooling degree days are 1.1% below normal due to a milder August.

Warmer temperatures from March through May have resulted in YTD heating degree days being below average.

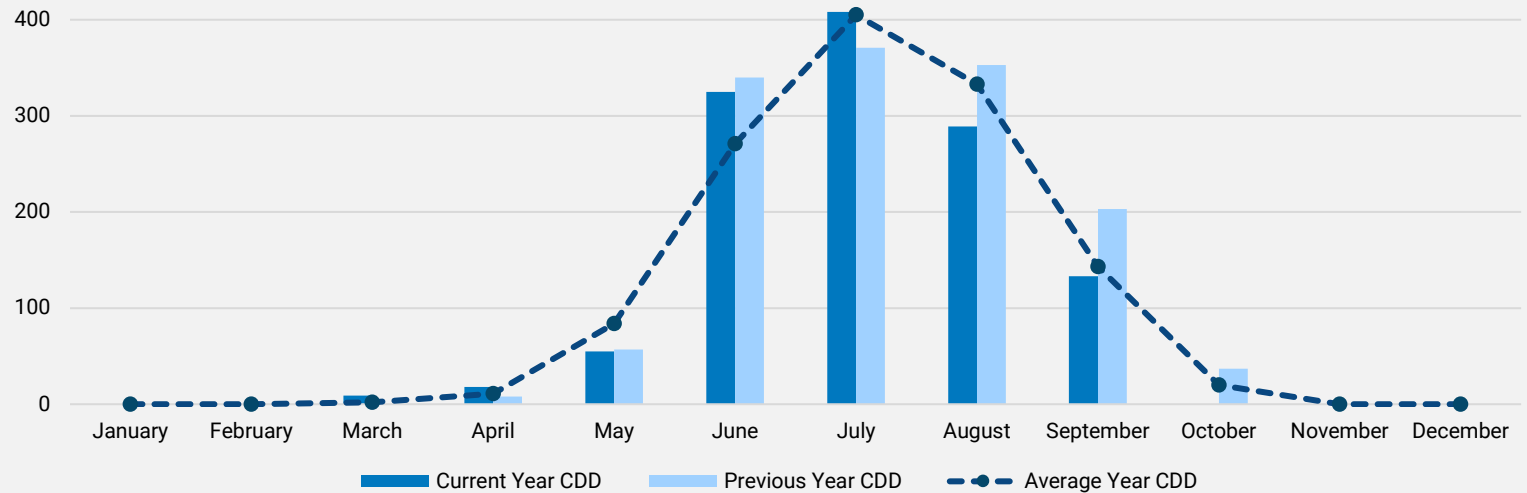
Lower than normal temperatures in August have resulted in slightly below-average YTD cooling degree days.



2025 Heating Degree Days



2025 Cooling Degree Days



2025 Operating Expenses*



O&M Expenses

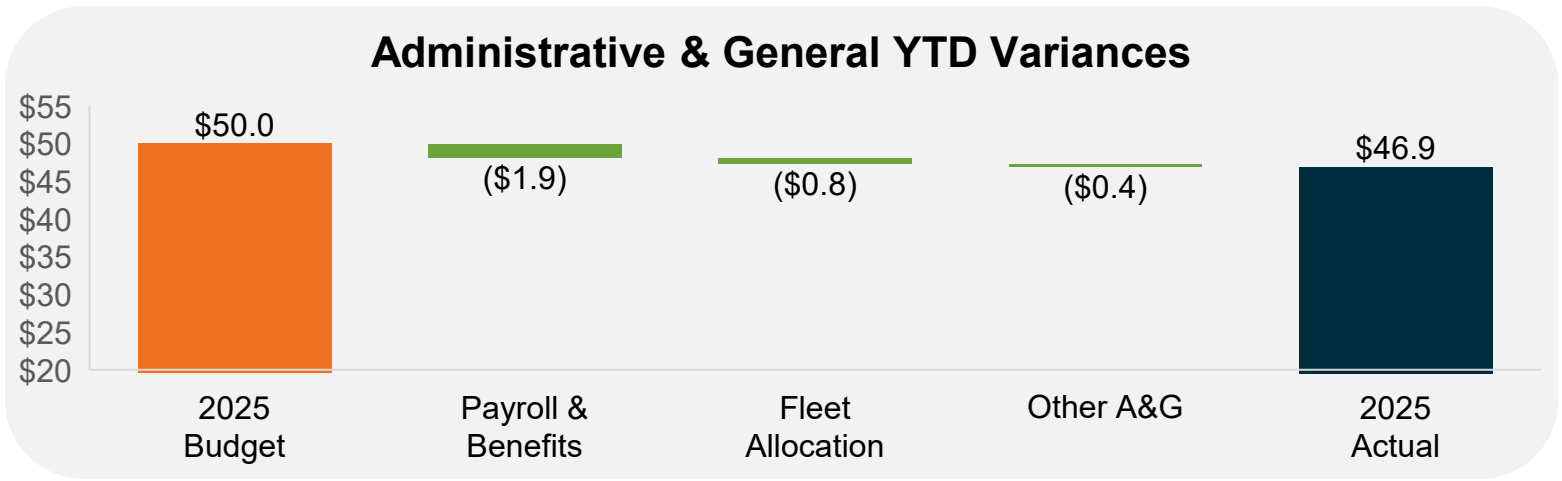
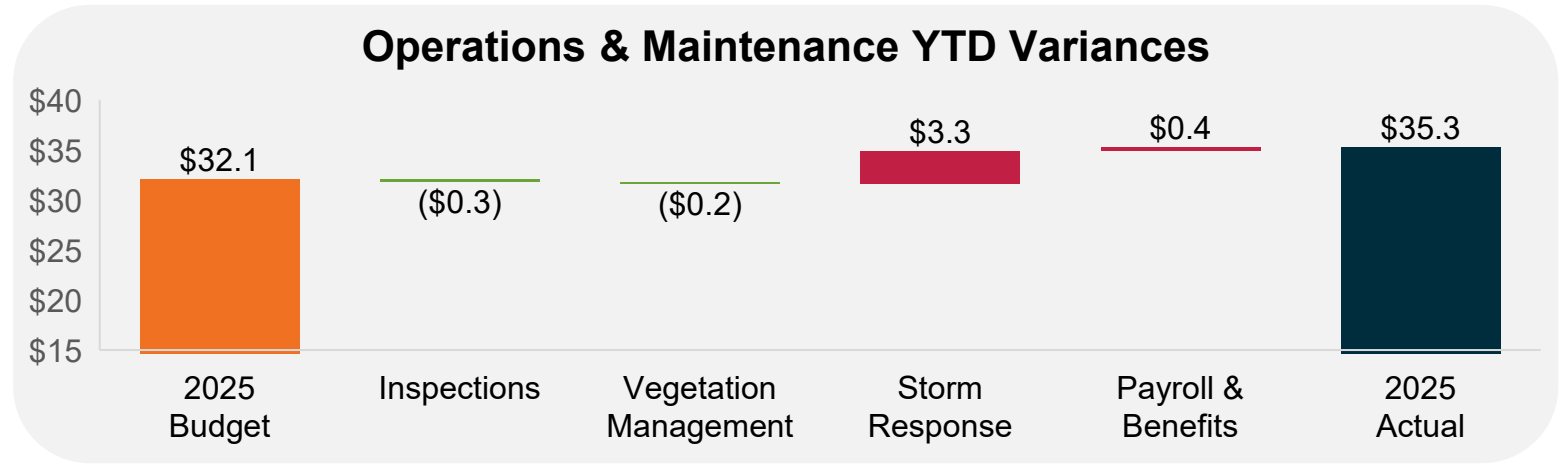
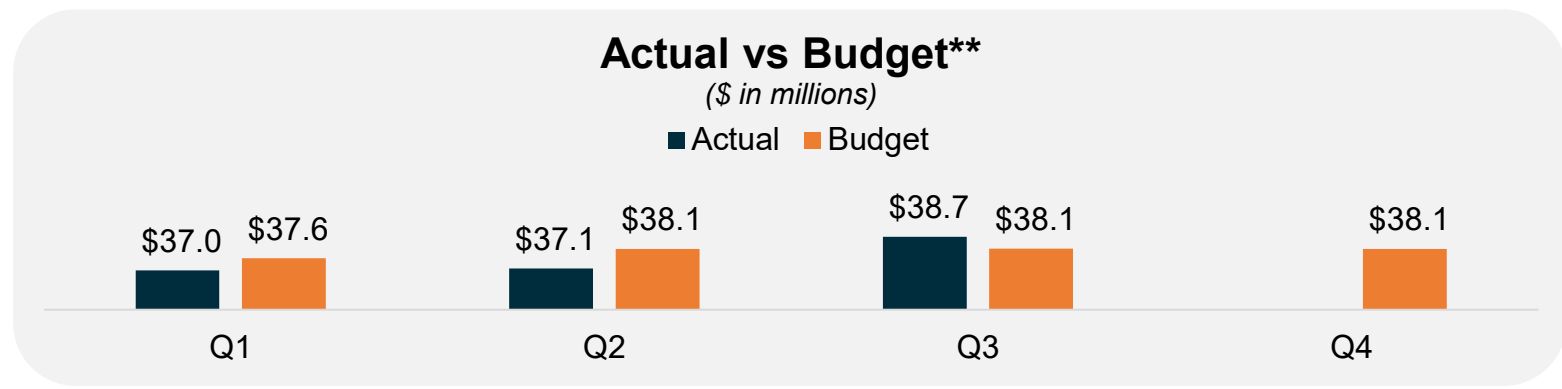
Actual	Budget	Variance
\$35.3M	\$32.1M	+\$3.2M /+10%



A&G Expenses

Actual	Budget	Variance
\$46.9M	\$50.0M	-\$3.1M /-6%

*Excludes Power Cost
 ** Includes O&M, A&G, and Depreciation Expenses



2025 Net Power Cost

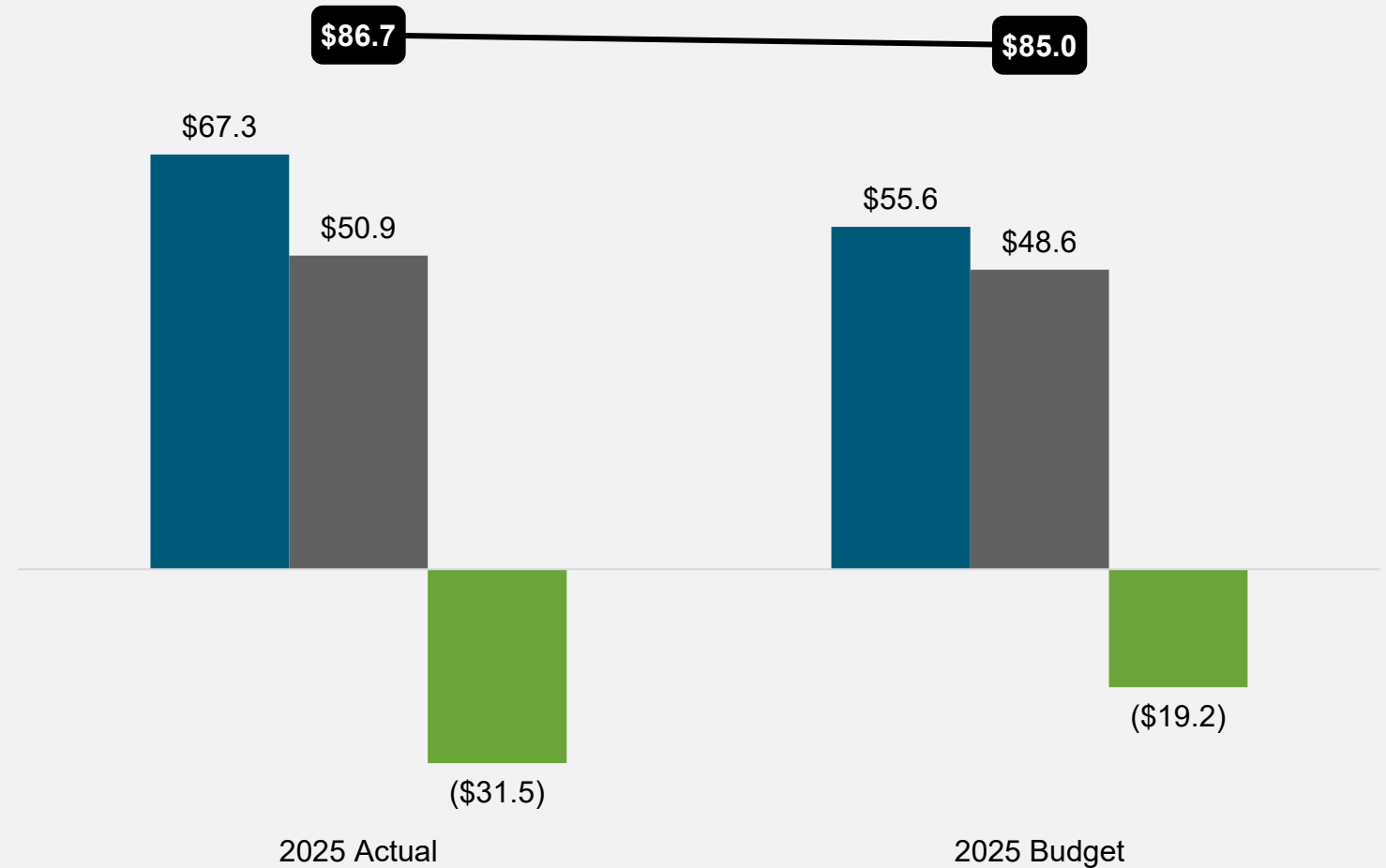
Actual	Budget	Variance
\$86.7M	\$85.0M	+\$1.7M /+2%

- Purchased power was over budget by \$11.7M, or 21%, due to higher SPP purchases, Wind PPAs, and the addition of Jeffery Hydro.
- Produced power was \$2.3M, or 5%, over budget due to increased energy costs at Laramie River Station.
- Wholesale revenue exceeded budget by \$12.3M, or 64%, due to revenues from SPP activities.

2025 Net Power Cost*

(\$ in Millions)

■ Purchased Power ■ Produced Power
■ Wholesale Revenue — Net Power Cost



* Includes payroll & benefits

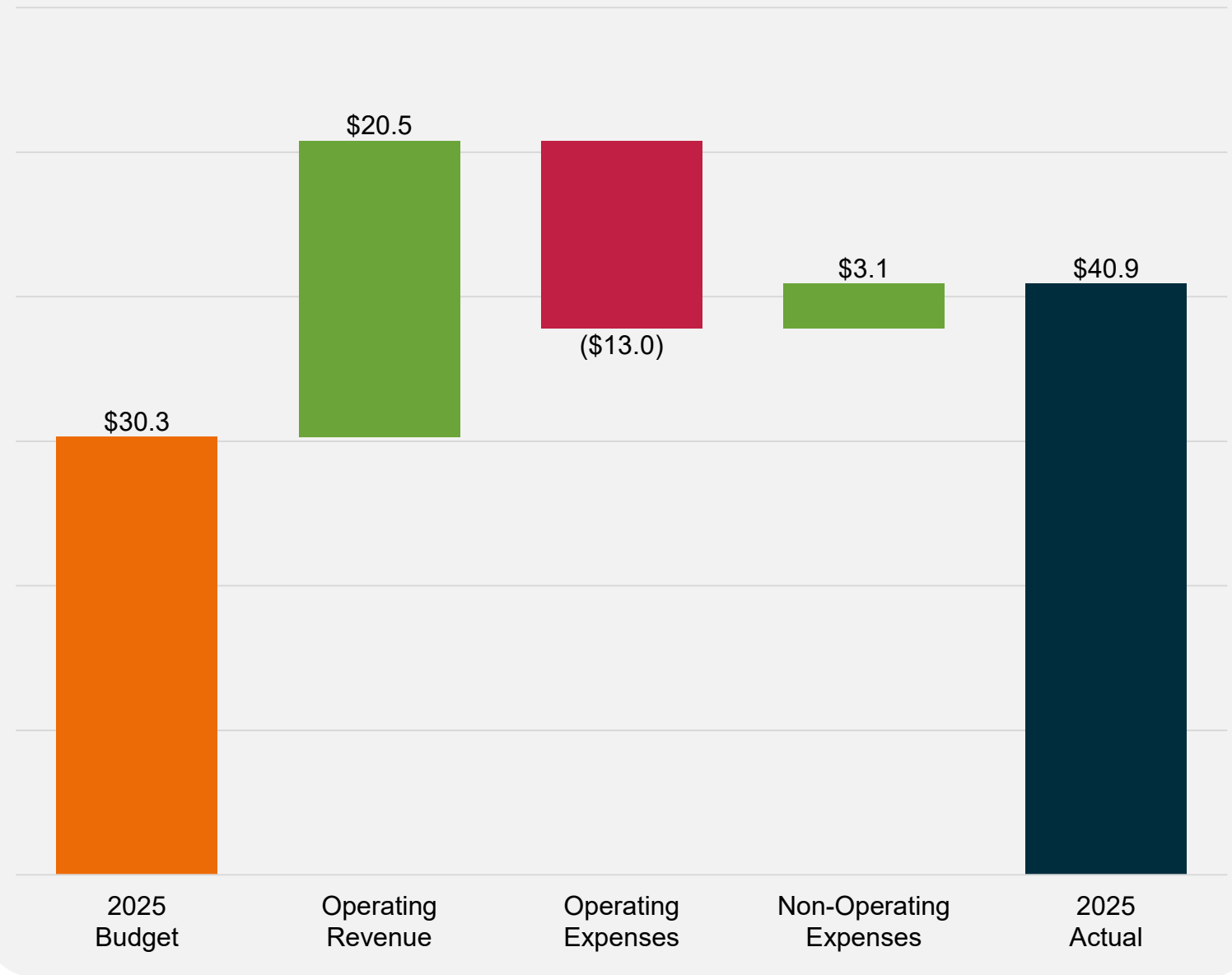
Change in Net Position

Actual	Budget	Variance
\$40.9M	\$30.3M	+\$10.6M / +35%

Higher than expected Retail Revenue, resulted in an overall increase in Net Position.

Change in Net Position

(\$ in Millions)



2025 Capital Expenditures

Actual	Budget	Variance
\$50.3M	\$58.6M	-\$8.3M / -14%

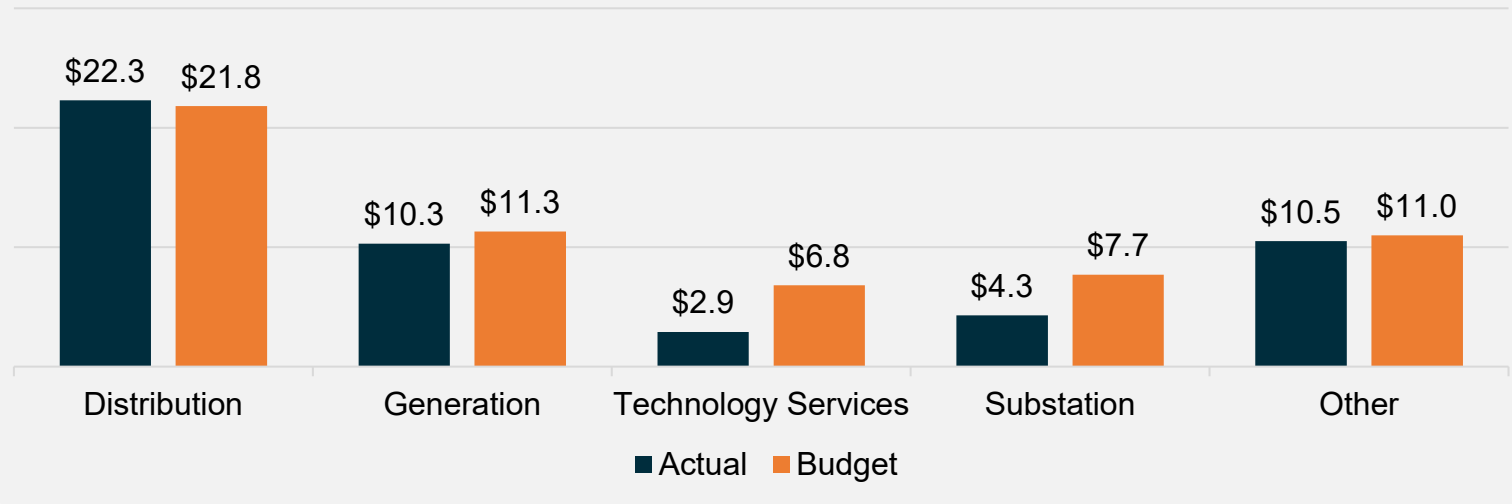
The YTD variance is mainly driven by delays in several technology projects. The timing of several Substation projects is also causing a variance YTD.

Forecast	Budget	Variance
\$88.0M	\$76.8M	+\$11.2M / +15%

YE forecast includes \$14M of spend for additional units at TBGS

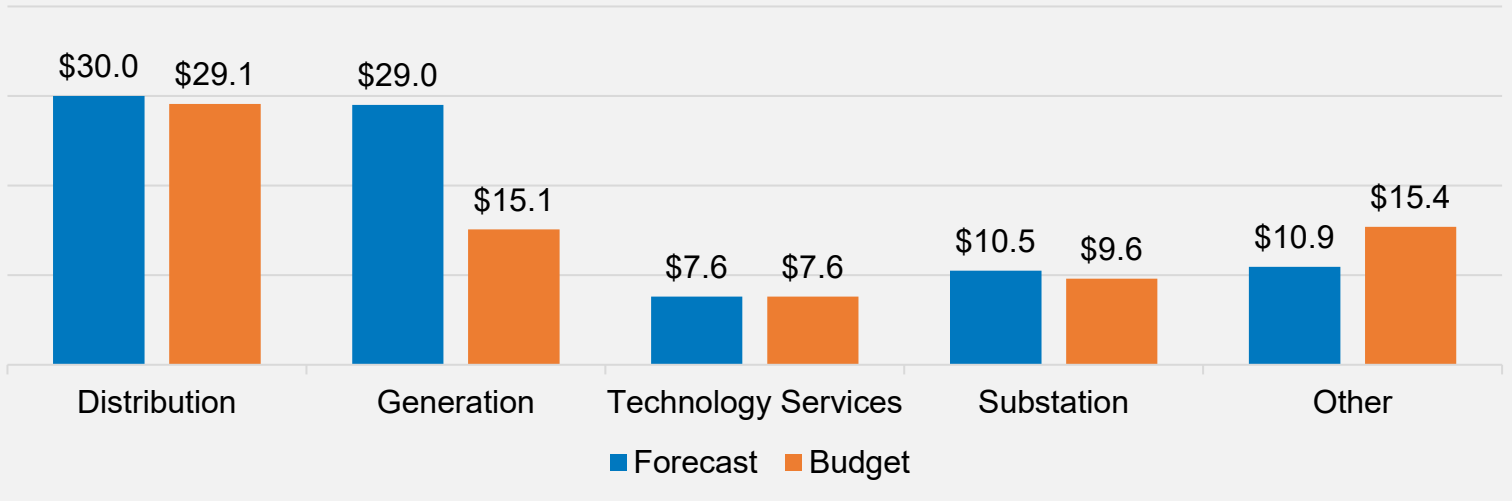
YTD 2025 Capital Expenditures

(\$ in millions)



YE Capital Expenditures Forecast

(\$ in millions)



Financial Metrics

LES has minimum target values for financial ratios when setting customer rates.



Fixed Charge Coverage Ratio

YE Forecast	Budget	Variance
1.81x	1.46x	0.35x

Higher or increasing values are considered favorable.

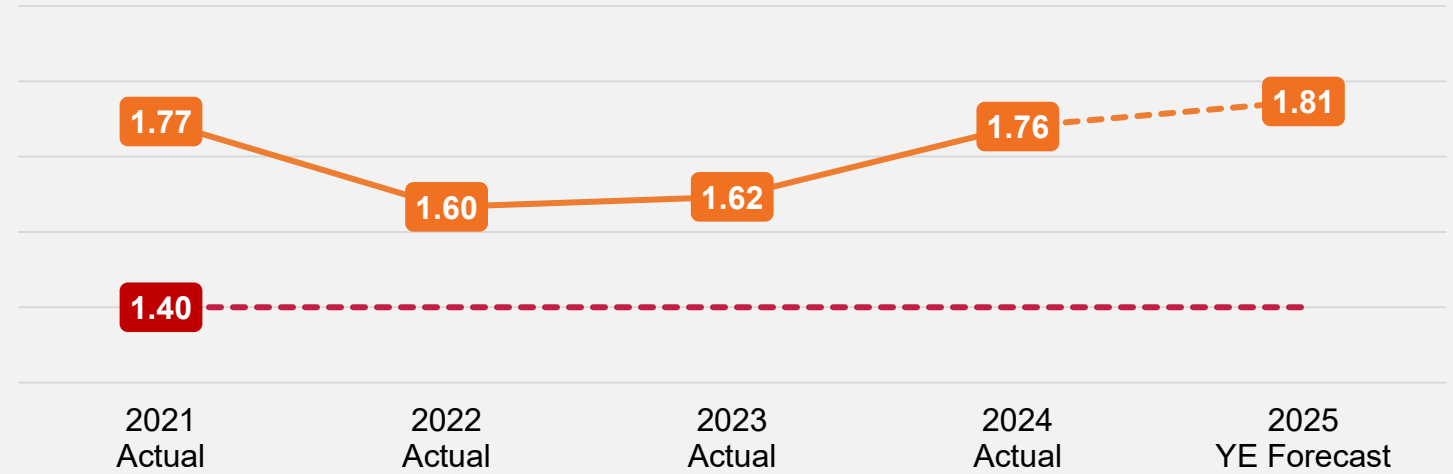


Days Cash on Hand

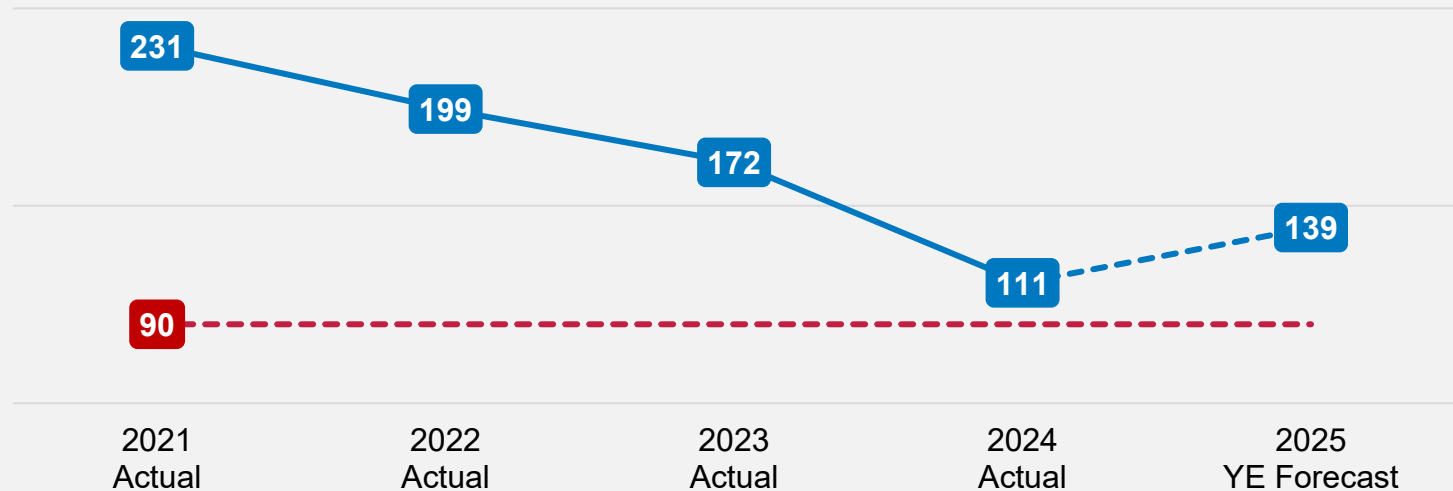
YE Forecast	Budget	Variance
139	104	+35

When LES approaches the minimum target, short or long-term borrowings are utilized to replenish the cash balance.

Fixed Charge Coverage Ratio



Days Cash on Hand



Financial Metrics



Debt to Capitalization

YE Forecast
47%

Budget
47%

Variance
0%

Lower or decreasing values are considered favorable.



Net Debt Ratio

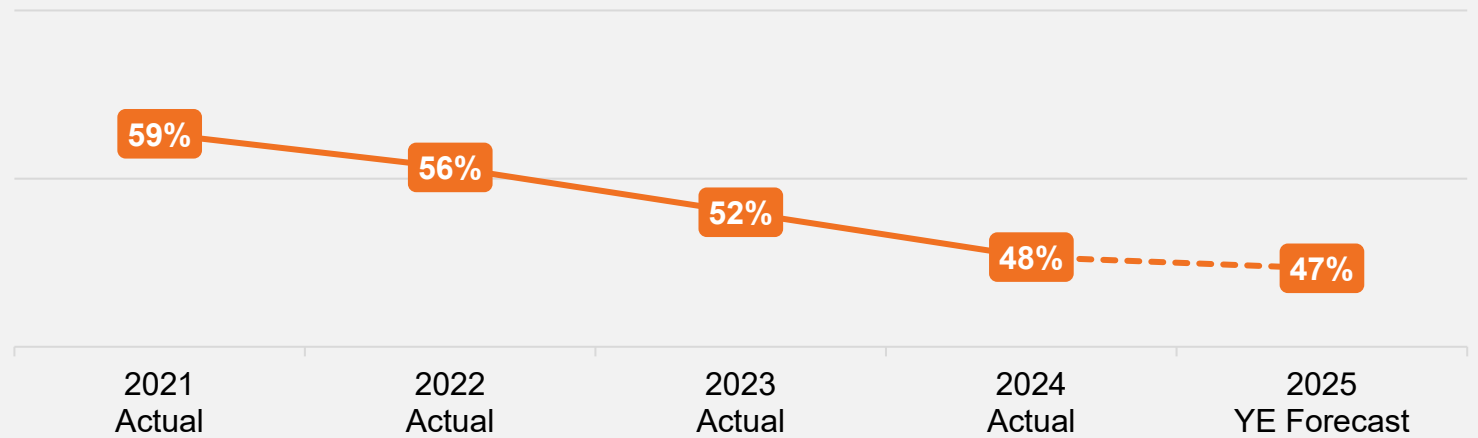
YE Forecast
4.10x

Budget
5.21x

Variance
-1.11x

Lower or decreasing values are considered favorable.

Debt to Capitalization



Net Debt Ratio

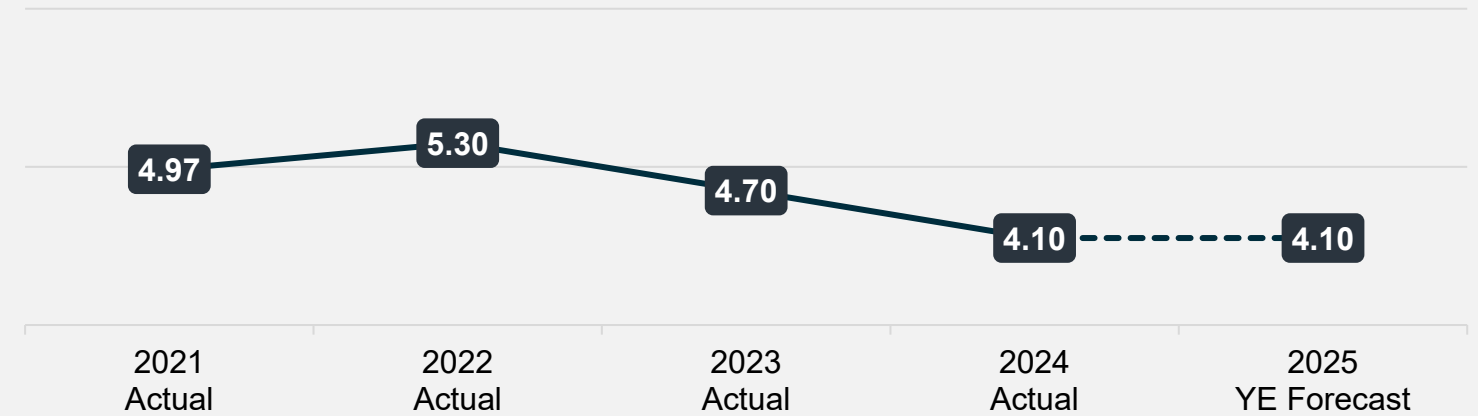


Exhibit XI



Upcoming events

Board Meeting

Friday, Nov. 21 | 9:30 a.m.
Boardroom

Zoo Lights Powered by LES

Nov. 21-Dec. 30
Lincoln Children's Zoo

Board Meeting

Friday, Dec. 19 | 9:30 a.m.
Boardroom

Board Meeting

Friday, Jan. 16 | 9:30 a.m.
Boardroom

Nebraska Builders Home & Garden Show

Feb. 13-15
Sandhills Global Event Center

Board Meeting

Friday, Feb. 20 | 9:30 a.m.
Boardroom

Board Meeting

Friday, Mar. 20 | 9:30 a.m.
Boardroom

Our Mission

Powering our community through responsible stewardship
of our shared resources.

Our Vision

Driving our energy future where people and power enable
progress.

Our Values

Safety | Community | Integrity
Dependability | Excellence | Curiosity