MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, April 17, 2026, 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 April 10, 2026.

Board Members Present:	Kate Bolz, Carl Eskridge, Donna Garden, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.
Board Members Absent:	Andy Hunzeker.
LES Staff Present:	Emeka Anyanwu, Emily Koenig, Jason Fortik, David Malcom, Katie Lechner, Jim Rigg, Matt Andersen, Joel Dagerman, Sally Jarecke, Keith Snyder, Denise Parrott, Kellie Cave.
Others Present:	Ken Winston, Scott Williams, Kim Morrow, Nathan Svatora, Alyx Knight, and numerous virtual participants via Microsoft Teams.
News Media Present:	None.

Call to Order, Safety Briefing, and Board Member Duties and Responsibilities

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.

***Approval of Minutes**

Chair Sabalka asked for approval of the minutes of the March 20, 2026, Board meeting. David Spinar moved approval of the minutes. Carl Eskridge seconded the motion. The vote for approval of the minutes was:

Aye:	Carl Eskridge, Donna Garden, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.
Nay:	None
Absent:	Andy Hunzeker

Comments from

Ken Winston, speaking on behalf of the Nebraska Chapter of the

Sierra Club, requested the board's attention on four topics:

Customers

- The positive impact of community benefit agreements, and how they could be utilized to benefit ratepayers.
- That now is an appropriate time to invest in renewable energy to help negate rising costs, particularly due to current global conflict.
- That LES should provide new incentives for customers who generate solar energy. He referenced the Value of Solar Study, and noted batteries would increase value of solar at peak demand times. He suggested capacity payments for customers and adjusted rate structures to reimburse those that have solar generation.
- The benefits of a balcony solar policy and suggestion that one should be adopted.

Scott Williams, representing himself as a resident of Lincoln, expressed his appreciation for public power, and thanked the board for the opportunity to speak at public meetings. He encouraged the board to consider accessibility concerns of meetings including location and time that meetings occur. Williams mentioned reliability and encouraged the addition of more solar into the generation portfolio, as well as battery storage to benefit ratepayers.

Operations and Power Supply Committee Report

Chelsea Johnson, Chair of the Operations & Power Supply Committee reported on committee discussions held on April 6, 2026, including: 1) Local Generation Update, 2) SPP Integrated Transmission Plan and 765kV Projects Overview, 3) Value of Solar Study Review. (Exhibit I)

Finance Committee Report

Kate Bolz, Chair of the Finance Committee reported on committee discussions held on April 17, 2026, including: 1) External Audit Review of 2025 Financial Statements, 2) 2026 First Quarter Financial Review, 3) 2026 Bond Issue, 4) 2026 Report to Rating Agencies Financial Model Case, 5) 2026 Technology Services Capital Budget Discussion, 6) Internal Audit 1st Quarter Report & Follow-Up Report. (Exhibit II)

***Acceptance of External Audit Review of 2025 Financial Statements**

Kate Bolz moved acceptance of the External Audit Review of 2025 Financial Statements. Carl Eskridge seconded the motion. The vote for approval was:

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

Nay: None

Absent: Andy Hunzeker

***Approval of 2026 Bond Issuance, LES Resolution 2026-3**

Emily Koenig, VP of Financial Service and CFO, provided a brief overview on the authorization for the bond issuance that had been given in 2024. She noted the Finance Committee had reviewed the terms of the bond issuance, and that LES had not issued any long-term bonds in series ordinance. Koenig indicated the bonds would be issued to fund the TBGS turbine additions, pay down outstanding Commercial Paper, and potentially refund exiting bonds for savings, depending on market conditions.

Kate Bolz moved approval of the 2026 Bond Issuance, LES Resolution 2026-3. (Exhibit III). David Spinar seconded the motion. The vote for approval was:

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

Nay: None

Absent: Andy Hunzeker

2026 State Legislative Report

Matt Andersen, Specialist, Government Relations, briefed the Board on the conclusion of the 2026 Nebraska legislative session which adjourned on day 60. He noted the governor has five days to sign, veto, or allow bills to become law without a signature. Several bills were vetoed, while others that were not acted upon will expire.

Andersen highlighted several bills of interest to LES:

- LB 964 would have required public notice and a hearing before political subdivisions sold, leased or purchased real property. The bill did not advance and will not carry over.
- LB 1010, a priority of the Natural Resources Committee, passed unanimously. The bill defines utility-scale energy storage resources, places them under the Nebraska Power Review Board's jurisdiction and requires privately owned

standalone storage to have power purchase agreements and utility consent. The measure also incorporates provisions from LB 1064 on large-load interconnection standards and LB 1111 on reporting requirements for data centers exceeding 10 megawatts.

- LB 1096, introduced at the governor's request and prioritized by Sen. Bostar, passed 34-15. The bill narrows protections for critical infrastructure from foreign adversaries, limiting restrictions to physical and virtual access. Andersen noted that LES already complies with existing NERC standards.
- LB 161, passed 33-16. The bill allows public electric utilities a limited, five-year option to serve loads of 1,000 megawatts or more by contracting with privately owned generation, while preserving the public power model through governing body approval, retail territory protections and other guardrails. The bill generated extensive legislative debate on topics such as labor standards, Nebraska Power Review Board composition, contract terms and tax treatment before ultimately advancing.

Andersen concluded by noting that LES will remain actively engaged as preparations begin for the next legislative cycle. Members of the board as well as CEO Anyanwu commended Andersen on a successful legislative session and Matt's performance in his role this year. (Exhibit IV)

Value of Solar Study Update

Scott Benson, Director, Strategy & Innovation, presented the results of LES's 2026 Value of Solar study, which evaluates the financial benefits that customer-owned distributed solar provides to the utility. The analysis examined how 25 megawatts of additional distributed solar would affect LES's system over the next 20 years. The study used typical production assumptions based on national solar modeling tools and reflected the mix of panel orientations commonly found in LES' service area. LES reviewed nine categories of potential benefits: SPP market (direct and indirect), SPP ancillary services, SPP transmission, generation capacity, distribution capacity, distribution losses, renewable energy certificates and carbon emissions.

The largest source of value came from avoided energy purchases on the SPP market. Because customer-owned solar reduces the amount of energy LES must buy during daylight hours, it provides a meaningful financial benefit. Other benefits were identified in areas such as ancillary services, distribution losses, RECs and carbon value. The study found no measurable benefit in several categories, including transmission charges and generation or distribution capacity. These results reflect how LES' system operates: transmission charges are based on rules that do not credit distributed generation, and most long-term capacity needs are driven by winter peaks, when solar output is low.

When all categories were combined, the total calculated value of customer-owned solar was $63.55 per megawatt-hour. Benson noted the current solar compensation structure, which includes a one-time capacity payment was also analyzed. He recommended extending the existing structure until customer-owned solar reaches 6 megawatts. The extension allows LES more time to evaluate long-term capacity needs and consider how future rate structures should be designed. He concluded the presentation by comparing LES's findings to national research on the value of solar. While methodologies vary widely across the industry, LES' analysis addressed the benefits most commonly captured in these studies. Benson noted LES will host a public meeting on the Value of Solar study on May 5th. Board Member Martin thanked Scott and his team for their diligent efforts during the process. (Exhibit V)

Chair Sabalka asked for a motion to go into closed session for the purpose of discussing potential litigation. David Spinar made the motion. Chelsea Johnson seconded the motion. The vote for entering executive session was:

Aye:	Carl Eskridge, Donna Garden, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.
Nay:	None.
Absent:	Kate Bolz, Andrew Hunzeker.

The Board entered Executive Session at 12:00pm

The Board came out of Executive Session at 12:19 p.m.

Next Meeting

The next regular meeting of the LES Administrative Board will be Friday, May 15, 2026, at 9:30 a.m.

Without further business before the Board, Chair Sabalka declared the meeting adjourned at approximately 12:19 p.m. **Adjournment**

Carl Eskridge, Secretary

BY: *Kellie Cave*
Kellie Cave, Assistant Secretary

Exhibit I

Operations and Power Supply Committee
Meeting Summary
April 6, 2026

Attendees: C. Johnson (Committee Chair), A. Martin, L. Sabalka, D. Spinar
E. Anyanwu, S. Benson, P. Crist, J. Dagerman, J. Dutton, D. Florom, J. Fortik, E. Koenig, D. Malcom, S. Sahling-Zart, E. Salinas, N. Wischhof

Local Generation Update (Jim Dutton):

- Staff provided an overview of the Terry Bundy Generating Station, Rokeby Generating Station, and J Street Generating Station operating performance for 2025.
- The outage hours for the combustion turbines at the Terry Bundy plant were lower than in 2024 while the steam turbine experienced a noticeable increase in outage hours due to the failure of the steam turbine lube oil pump. Rokeby Unit 1 experienced an uptick in its energy production due to increased market dispatch.
- Several notable projects were conducted in 2025, including an upgrade of the J Street combustion turbine's 480 volt motor control center and the repair of the unit's fuel oil nozzles.

SPP Integrated Transmission Plan and 765kV Projects Overview (Elijah Salinas):

- SPP develops an annual comprehensive integrated transmission plan that produces recommendations for transmission system upgrades to provide economic benefit, reliability and resiliency improvements, and solutions for short circuit issues that are identified.
- The most recent two years' study results indicate a notable increase in the quantity and cost of transmission project upgrades to address large load increases and generating resource additions in the footprint.
- Due to the increasing magnitude of the loads and generation projects that are expected to be added to the system, SPP has proposed 765kV transmission line additions in the footprint. These projects include notable increases in the costs of the total integrated transmission plan portfolio.

Value of Solar Study Review (Scott Benson):

- Staff provided a third review of the Value of Solar Study results that included additional clarifying information requested by the Committee.
- Amongst a review of other methodology questions and benefits assumptions, staff provided a sensitivity analysis on the cost of carbon dioxide.
- An overview of this study is scheduled to be presented at the 4/17/26 LES Administrative Board meeting.

Exhibit II

Finance Committee – April 17, 2026
(In-Person)

Attendees: K. Bolz (Chair), C. Eskridge, E. Schafer, L. Sabalka, E. Anyanwu, E. Koenig, S. Sahling-Zart, D. Malcom, W. Leibbrandt, D. Auman, T. Hopkins, Forvis: Chris Lindner, Abby Dobson, and Daprese Madlock

1. **External Audit Review of 2025 Financial Statements (Forvis)**
   a. Representatives from FORVIS, LES' external audit team, provided the Committee with a review of the audit of LES' 2025 financial statements.
   b. LES received an unmodified (clean) audit opinion. This is the highest level of audit assurance that can be attained.
   c. A copy of the annual report and a communication letter from FORVIS have been provided to board members.
   d. A motion will be requested to accept the 2025 annual audit later in today's meeting.

Please make a motion to "accept" the 2025 annual audit during the CEO's reports part of the meeting.

2. **2026 First Quarter Financial Review (Emily Koenig)**
   a. 2026 first quarter financial results were favorable to budget due to revenue exceeding budget by a greater margin than expense over runs.
      I. Retail revenue was $400 thousand or 0.5% greater than budget.
      II. Net Power Costs were $3.8 million or 11% greater than budget.
      III. Operating Expenses, excluding Power Cost, were $2.8 million or 10% below budget due to lower payroll and benefits, technology expenses, and Sustainable Energy Program funding. It is expected that most expenses will catch up throughout the year.
   b. Capital expenditures were $3.5 million below expected year-to-date cash flow due to credits toward substation and generation projects that will clear throughout the year.
   c. Financial metrics are expected to be near budget at year-end, but it is still early in the year.

3. **2026 Bond Issue (Emily Koenig)**
   a. The committee was provided an overview of the upcoming long-term bond financing currently planned for early June 2026.
   b. Resolution 2026-3 is being presented to the Board today to authorize LES to proceed with the financing this year, which is planned to be between $250 to $300 million depending on market conditions.

Please make a motion to "adopt" Resolution 2026-3 during the CEO's reports part of the meeting.

(See Reverse)

4. **2026 Report to Rating Agencies Financial Model Case** (**Wade Leibbrant**)
    a. In late April and early May LES will meet with Standard & Poor's and Fitch for their annual surveillance of LES' bond ratings and to obtain ratings for the new 2026 bonds.
    b. The committee received an overview of the financial model case that will be presented to the rating agencies during those discussions.
    c. Financial results are similar to those that were reviewed with the board during the budget process. The primary material changes relate to refinement of the financing projections included within the model case.
        I. No significant changes from the budget case in revenue or expenses are known at this time.

5. **2026 Technology Services Capital Budget Discussion (David Malcom)**
    a. The committee received an update on the timing of the planned Outage Management System project, a $3 million initiative that was previously scheduled to begin in 2026.
    b. Based on further evaluation of project sequencing, vendor availability, and coordination with the planned GIS migration, staff is proposing to shift the Outage Management project into 2027.
    c. Staff is also actively reviewing other technology-related capital projects that may be advanced into 2026 to better align with timing and available resources. Should any adjustments be recommended, staff will provide an update to the committee in June.

6. **Internal Audit 1st Quarter Report & Follow-Up Report (David Auman)**
    a. Internal Auditing presented the first quarter Internal Audit Report
    b. The following audit reports were reviewed with the Committee:
        I. Accounts Payable and Expense Management Audit
        II. Peak Rewards Program Audit
        III. Communications and Radio Equipment Audit
    c. The Accounts Payable and Expense Management Audit and the Peak Rewards Program Audit received qualified opinions with minor findings and recommendations.
    d. The Communications and Radio Equipment Audit had no findings and received an unqualified opinion.
    e. Internal Auditing also presented the Audit Follow Up report as of March 31, 2026. Good progress continues to be made on implementing audit recommendations. Internal Auditing continues to receive excellent cooperation from LES management regarding audit findings.

Exhibit III

LES

Lincoln Electric System

LES RESOLUTION 2026-3

WHEREAS, Ordinance No. 17879 ("General Ordinance") was adopted on July 23, 2001 by the Lincoln City Council (the "City Council") and approved by the Mayor of the City of Lincoln (the "City") on July 26, 2001, authorizing and providing for the issuance of all of the revenue bonds to be issued for and on behalf of the Lincoln Electric System ("LES") after the adoption and approval of the General Ordinance;

WHEREAS, LES Resolutions 2023--13, 2024--5 and 2025-9, adopted by the LES Administrative Board (the "Board") on October 20, 2023, October 18, 2024 and October 17, 2025, respectively, provided for reimbursement to LES of capital expenditures through the subsequent issuance of electric system revenue bonds;

WHEREAS, the Board has determined it is necessary, desirable, advisable and in the best interest of the Board, LES and its customers to issue electric system revenue bonds to finance LES' electric system and to reimburse itself for prior expenditures for certain additions, extensions, improvements and betterments to the electric system (collectively the "2026 Project");

WHEREAS, the City has heretofore issued:

(a) $167,800,000 aggregate principal amount of its Electric System Revenue and Refunding Bonds, Series 2015A, of which $69,775,000 aggregate principal amount are outstanding and unpaid,

(b) $116,645,000 aggregate principal amount of its Electric System Revenue Refunding Bonds, Series 2016, of which $65,960,000 aggregate principal amount are outstanding and unpaid,

(c) $121,205,000 aggregate principal amount of its Electric System Revenue Bonds, Series 2018 of which $114,900,000 aggregate principal amount are outstanding and unpaid,

(d) $72,200,000 aggregate principal amount of its Electric System Revenue Bonds, Series 2020A of which $70,740,000 aggregate principal amount are outstanding and unpaid,

(e) $185,150,000 aggregate principal amount of its Electric System Revenue Refunding Bonds, Taxable Series 2020B of which $136,540,000 aggregate principal amount are outstanding and unpaid,

(f) revolving credit agreement and short-term notes secured by System revenues, and

(g) commercial paper notes secured by System revenues, such evidence of indebtedness as described in (a)-(g), collectively, the "Outstanding Bonds," for the purpose of paying the costs of certain improvements to the System;

WHEREAS, (i) since the date of issuance of the Outstanding Bonds, interest rates have declined so that a significant overall savings in debt service to the City and LES may be achieved by conducting a tender for a portion of the Outstanding Bonds and refunding all or a portion of the Outstanding Bonds and (ii) LES has elected to refinance a portion of its variable rate indebtedness with longer-term fixed rate obligations;

WHEREAS, it is necessary, desirable, advisable and in the best interest of the Board and the City to authorize the issuance of revenue bonds under the General Ordinance to provide funds for such tender and payment and redemption of all or part of the Outstanding Bonds and to pay costs associated therewith (including the funding of any required reserves) in an amount as identified in the Twelfth Series Ordinance adopted under the General Ordinance (the "Twelfth Series Ordinance");

WHEREAS, the Board has previously, pursuant to LES Resolution 2024-7, approved the Twelfth Series Ordinance and the issuance of LES Bonds subject to approval of the Board;

WHEREAS, the Twelfth Series Ordinance, which is attached hereto in the form adopted by the City Council as Ordinance No. 21678 on November 18, 2024, authorizes the issuance of the Lincoln Electric System Revenue and Refunding Bonds of the City for such purposes in an amount not to exceed $300,000,000;

WHEREAS, it is necessary, desirable and advisable and in the best interest of the Board and the City to authorize the issuance of revenue bonds under the General Ordinance in an amount not to exceed $300,000,000 to provide funds (1) to pay the costs of the 2026 Project and/or (2) for the tender, payment and redemption of all or a portion of the Outstanding Bonds;

WHEREAS, it is necessary, desirable and advisable that the LES Chief Executive Officer, LES staff, PFM Financial Advisors LLC, LES legal and bond counsel, and all other officers, employees and agents of LES be authorized to proceed with the issuance of Bonds of the City pursuant to the Twelfth Series Ordinance for the purpose of paying the costs of the 2026 Project, conducting a tender for a portion of the Outstanding Bonds, and refunding all or a portion of the Outstanding Bonds and paying costs associated therewith (including the funding of any required reserves) (such additional series of Bonds, the "2026 Bonds");

WHEREAS, certain rules of the Securities and Exchange Commission (SEC), including, without limitation, SEC Rule 10b-5, are applicable to the issuance of the 2026 Bonds;

WHEREAS, LES' Chief Executive Officer, Chief Financial Officer and General Counsel (LES Executive Staff) have reviewed the Preliminary Official Statement in the form before the Board at this meeting and have determined that, to the best of their knowledge, the information contained in the Preliminary Official Statement is true in all material respects and does not omit any material fact (except for the omission of such information in the Preliminary Official Statement as is permitted by Securities and Exchange Commission Rule 15c2-12(b)(1)) necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and that, as of its date, there have been no material adverse changes in the financial condition or affairs of LES and no other events have occurred that need to be disclosed in the Preliminary Official Statement in order to make the statements made therein not misleading in any material respect as of the date thereof;

WHEREAS, the Board has undertaken a review of the Preliminary Official Statement for the purpose of approving the use of the Preliminary Official Statement in connection with the sale of the 2026 Bonds to comply with the applicable rules of the SEC;

NOW, THEREFORE BE IT RESOLVED, that the LES Chief Executive Officer and LES staff are hereby authorized and directed to proceed with the preparation of all documentation necessary (i) in relation to a tender offer for a portion of the Outstanding Bonds including, but not limited to, a dealer manager agreement, an invitation to tender bonds for a purchase, a bond exchange agreement, and such other instruments as may be necessary or appropriate in order to effect a tender offer for a portion of the Outstanding Bonds and to issue the 2026 Bonds for any or all of the purposes stated above;

BE IT FURTHER RESOLVED, that the Board ratifies and approves all action previously taken and all expenses previously incurred by LES staff in connection with the issuance, sale and application of proceeds of the 2026 Bonds;

BE IT FURTHER RESOLVED, that the LES Chief Executive Officer and LES staff are hereby authorized and directed to take any and all further action, including, but not limited to, the execution of all papers, certificates, receipts and documents as they, or any of them, may deem necessary or desirable to provide for the issuance, sale and delivery of the 2026 Bonds and a tender for any Outstanding Bonds in accordance with the terms and conditions of this Resolution and the Twelfth Series Ordinance; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board approves the Preliminary Official Statement, fully incorporated herein by reference, as modified by or with the approval of LES Executive Staff, for use in the sale of the 2026 Bonds consistent with the Twelfth Series Ordinance, and in compliance with the applicable rules of the SEC.

____
Chair

Adopted: April 17, 2026

ATTACHMENT

TWELFTH SERIES ORDINANCE

THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. 21678
(passed Nov. 18, 2024)

CONSTITUTING THE
TWELFTH SERIES ORDINANCE
ADOPTED UNDER
ORDINANCE NO. 17879

Authorizing Not To Exceed

$300,000,000
LINCOLN ELECTRIC SYSTEM
REVENUE AND REFUNDING BONDS

THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. 21678

TWELFTH SERIES ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. 17879 PASSED JULY 23, 2001; AUTHORIZING THE ISSUANCE OF LINCOLN ELECTRIC SYSTEM REVENUE AND REFUNDING BONDS OF THE CITY OF LINCOLN, NEBRASKA IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $300,000,000; FIXING IN PART AND PROVIDING FOR THE FIXING IN PART OF THE DETAILS OF SUCH BONDS; PROVIDING FOR THE SALE OF SUCH BONDS AND THE APPLICATION OF THE PROCEEDS OF SUCH SALE; TAKING OTHER ACTION IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Series Ordinance. This Twelfth Series Ordinance is supplemental to, and is adopted in accordance with Article II, Article III and Article VIII of Ordinance No. 17879 passed by the Council on July 23, 2001, and approved by the Mayor on July 26, 2001 (the "General Ordinance").

Section 1.02. Definitions. (a) All terms which are defined in Section 1.01 of the General Ordinance shall have the same meanings, respectively, in this Twelfth Series Ordinance as such terms are given in Section 1.01 of the General Ordinance except as such terms may be otherwise defined herein.

(b) In this Twelfth Series Ordinance:

"*2013 Bonds*" means the City's Lincoln Electric System Revenue and Refunding Bonds, Series 2013.

"*2015 Bonds*" means the City's Lincoln Electric System Revenue and Refunding Bonds, Series 2015A.

"*2016 Bonds*" means the City's Lincoln Electric System Revenue Refunding Bonds, Series 2016.

"*2018 Bonds*" means the City's Lincoln Electric System Revenue Bonds, Series 2018.

"*2020A Bonds*" means the City's Lincoln Electric System Revenue Bonds, Series 2020A.

"*2020B Bonds*" means the City's Lincoln Electric System Revenue Refunding Bonds, Taxable Series 2020B.

"*2025 Bonds*" means any of the City's Lincoln Electric System Revenue and Refunding Bonds authorized by Article III of this Twelfth Series Ordinance.

"*CEO*" means the general manager or other chief executive officer appointed by the Board pursuant to the provisions of Section 4.24.060 of the Municipal Code of the City.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

"*Continuing Disclosure Undertaking*" means each Continuing Disclosure Undertaking executed by the Board and dated the date of issuance and delivery of a Series of 2025 Bonds, as originally executed and as each may be amended from time to time in accordance with the terms thereof.

"*CP Notes*" means all or any part of the City's Electric System Revenue Commercial Paper Notes issued and outstanding from time to time pursuant to the Note Ordinance.

"*Credit Facility Obligations*" means all or any part of the City's Electric System Revenue Notes issued and outstanding under the Credit Facility Ordinance.

"*Credit Facility Ordinance*" means Ordinance No. 20123 of the City, pursuant to which any Credit Facility Obligations have been issued.

"*2025 Debt Service Reserve Fund*" shall mean the 2025 Debt Service Reserve Fund established pursuant to Section 3.11 of this Twelfth Series Ordinance, in which there shall be established an account for each Series of 2025 Bonds issued pursuant to this Twelfth Series Ordinance.

"*Escrow Agent*" means the financial institution selected by the CEO to act as Escrow Agent under an Escrow Agreement in accordance with the provisions of Section 4.02 hereof.

"*Escrow Agreement*" means each Escrow Agreement dated the date determined by the CEO in accordance with the provisions of Section 4.02 between the City and the Escrow Agent providing for the deposit, investment and application of a portion of the proceeds of a Series of the 2025 Bonds.

"*Note Ordinance*" means Ordinance No. 18584 of the City, pursuant to which the CP Notes and the Short-Term Notes have been issued.

"*Operation and Maintenance Expenses*" means all of the costs and expenses for operation, maintenance, and ordinary repairs, renewals and replacements of the Electric System, including all costs of purchasing, producing and delivering electric power and energy from the Electric System and reserves for items of Operation and Maintenance Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power, fuel costs, costs of transmission service, generating capacity reserve service, regulation, or other interchange and coordination services, rents, administrative and general expenses, engineering expenses, legal, accounting and financial advisory expenses, payments to pension, retirement, health and hospitalization funds, taxes and other governmental charges, insurance and surety bond premiums including obligations to a stock, mutual or reciprocal insurance company or exchange, and any other current expenses or obligations required to be paid by the City under the provisions of this Ordinance or by law or regulation, all to the extent properly allocable to the Electric System, and any fees and expenses incurred in the administration of the Bonds, Parity Obligations and Subordinated Indebtedness. Operation and Maintenance Expenses shall include obligations of the City for a defined purchase price, lease obligations and Derivative

Payments to the extent the same are treated as operation and maintenance expenses pursuant to generally accepted accounting principles for electric utilities. Operation and Maintenance Expenses shall not include any allowance for depreciation.

"*2012 Ordinance*" means, collectively, Ordinance Nos. 17879 and 19683 of the City, pursuant to which the 2013 Bonds have been issued.

"*2015 Ordinance*" means, collectively, Ordinance Nos. 17879 and 20154 of the City, pursuant to which the 2015 Bonds and 2016 Bonds have been issued.

"*2018 Ordinance*" means, collectively, Ordinance Nos. 17879 and 20583 of the City, pursuant to which the 2018 Bonds have been issued.

"*2019 Ordinance*" means, collectively, Ordinance Nos. 17879 and 20847 of the City, pursuant to which the 2020A Bonds and 2020B Bonds have been issued.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Undertaking.

"*Paying Agent*" means the financial institution selected by the CEO to act as Paying Agent with respect to a Series of 2025 Bonds in accordance with the provisions of Section 4.01(a) hereof.

"*Prior Bonds*" means, any of the 2013 Bonds, the 2015 Bonds, the 2016 Bonds, the 2018 Bonds, the 2020A Bonds, the 2020B Bonds or any other bonds issued and outstanding pursuant to the Prior Bond Ordinances.

"*Prior Bond Ordinances*" means, the 2012 Ordinance, the 2015 Ordinance, the 2018 Ordinance, and the 2019 Ordinance pursuant to which the Prior Bonds have been issued.

"*2025 Project*" means capital improvements to the Electric System financed with the proceeds of the 2025 Bonds, as determined by the Board.

"*Redemption Date*" means, with respect to any Bonds, the date on which such Refunded Bonds are redeemed or prepaid.

"*Refunded Bonds*" means those Prior Bonds, if any, which the CEO has determined shall be refunded with proceeds of a Series of 2025 Bonds.

"*Refunded Credit Facility Obligations*" means any Credit Facility Obligations or Subordinate Credit Facility Obligations refunded with proceeds of a Series of 2025 Bonds.

"*Refunded Notes*" means those outstanding CP Notes or Short-Term Notes, if any, which the CEO has determined shall be paid at the maturity thereof pursuant to Section 4.02.

"*Registrar*" means the financial institution selected by the CEO to act as Registrar with respect to a Series of 2025 Bonds in accordance with the provisions of Section 4.01(a) hereof.

"*Reserve Requirement*" means, with respect to any Series of 2025 Bonds, the amount determined by the CEO in accordance with the provisions of Section 4.01(a); provided, however, that such amount shall not exceed the least of (1) 10% of the stated principal amount of such Series of 2025 Bonds, (2) the maximum annual principal and interest requirements on such Series of 2025

Bonds, or (3) 125% of the average annual principal and interest requirements on such Series of 2025 Bonds. If the aggregate initial offering price of a Series of 2025 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in lieu of the stated principal amount.

"*Securities Depository*" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"*Short-Term Notes*" means all or any part of the City's Electric System Revenue Short-Term Notes issued and outstanding from time to time pursuant to the Note Ordinance.

"*Subordinate Credit Facility Obligations*" means all or any part of the City's Electric System Subordinate Credit Facility Revenue Notes issued and outstanding under the Subordinate Credit Facility Ordinance.

"*Subordinate Credit Facility Ordinance*" means Ordinance No. 21477 of the City, pursuant to which any Subordinate Credit Facility Obligations have been issued.

"*Tax Certificate*" means each Federal Tax Certificate dated the date of issuance of a Series of 2025 Bonds, as amended from time to time in accordance with its terms.

Section 1.03. Authority for this Twelfth Series Ordinance. This Twelfth Series Ordinance is adopted pursuant to the provisions of the Act and in accordance with Article II, Article III and Article VIII of the General Ordinance.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.01. Improvements to Electric System. In order to meet the demands on the Electric System, it has been, and is now, necessary, desirable, advisable and in the best interest of the City, the Board and the Electric System that certain acquisitions, constructions, reconstructions, additions, improvements, extensions, equipping and furnishings be made with respect to the Electric System, constituting the 2025 Project. In order to provide funds to pay the Costs of the Electric System incident to the 2025 Project, it is necessary, desirable, advisable and in the best interest of the City, the Board and the Electric System that electric system revenue bonds of the City now be issued and sold as provided herein.

Section 2.02. Refunding of Prior Bonds, CP Notes and Credit Facility Obligations.

(a) To provide funds to finance or refinance the costs of certain capital improvements of the Electric System, the Council has heretofore authorized the issuance of the Prior Bonds pursuant to the Prior Bond Ordinances.

(b) Interest rates have declined or may in the future decline since the issuance, sale and delivery of the Prior Bonds so that substantial overall savings on Debt Service will be made through the refunding of such Prior Bonds, from time to time. To the extent proceeds of a Series of 2025 Bonds are used to provide for the payment and redemption of any Prior Bonds, it is necessary, desirable, advisable and in the best interest of the City and the Board to deposit funds with an Escrow Agent pursuant to an Escrow Agreement with respect to such Prior Bonds which, together with investment earnings thereon, will be sufficient to provide for the payment of the principal of and interest on such Prior Bonds through and including the respective Redemption Dates and to redeem such Prior Bonds on the respective Redemption Dates.

(c) The City has heretofore authorized issuance of its CP Notes and Short-Term Notes from time to time in the aggregate principal amount of not to exceed $150,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such CP Notes and Short-Term Notes as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(d) The City has heretofore authorized the issuance of Credit Facility Obligations from time to time in the aggregate principal amount of not to exceed $50,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such Credit Facility Obligations as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(e) The City has heretofore authorized the issuance of Subordinate Credit Facility Obligations from time to time in the aggregate principal amount of not to exceed $50,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such Subordinate Credit Facility Obligations as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(f) For such purposes, it is necessary, desirable, advisable and in the best interests of the City and the Board that electric system revenue bonds be issued and sold pursuant to the General Ordinance from time to time in one or more Series as herein provided.

Section 2.03. Issuance of Bonds to Pay Refunded Notes, Refunded Bonds, Refunded Credit Facility Obligations and Costs of the 2025 Project. The General Ordinance serves as the basic bond ordinance for the issuance of revenue bonds and other obligations for the Electric System of the City. It is necessary, desirable and advisable that the City now issue bonds from time to time in one or more Series under and pursuant to the General Ordinance, as supplemented by this Twelfth Series Ordinance, to provide for the payment of (a) the Refunded Notes at the maturity thereof, (b) the principal of and interest on the Refunded Bonds through and including their respective Redemption Dates and to redeem on such respective Redemption Dates, the Refunded Bonds, (c) the costs of the 2025 Project, and (d) the costs of issuing the 2025 Bonds.

ARTICLE III

AUTHORIZATION OF 2025 BONDS

Section 3.01. Principal Amount, Designation and Series. Pursuant to the provisions of the General Ordinance, the 2025 Bonds, entitled to the benefit, protection and security of the Ordinance, are hereby authorized from time to time in one or more Series in an aggregate principal amount of not to exceed $300,000,000 as determined by the CEO pursuant to the provisions of Section 4.01(a). The 2025 Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series in such manner as shall be determined by the CEO in accordance with the provisions of this Twelfth Series Ordinance. This authorization shall commence upon the passage of this Twelfth Series Ordinance (supplanting any remaining authorization pursuant to Ordinance No. 21382) and continue through December 31, 2026.

Section 3.02. Purpose. The 2025 Bonds are issued for the purpose of (a) paying the Costs of the 2025 Project and such other improvements as are specified in Section 2.01, (b) paying the principal of and interest on the Refunded Notes at the maturity thereof, (c) prepaying or paying at maturity principal of and interest on the Refunded Credit Facility Obligations, (d) providing funds which, with the investment earnings thereon, will be sufficient to pay the principal of and interest on the Refunded Bonds through and including their respective Redemption Dates and to redeem the Refunded Bonds on their respective Redemption Dates, (e) funding a debt service reserve for each Series of 2025 Bonds, and (f) paying certain costs of issuance of each Series of 2025 Bonds.

Section 3.03. Maturities and Interest. Each Series of 2025 Bonds shall mature on the dates and in the principal amounts, and shall bear interest, payable on such dates and at such rates per annum as shall be determined by the CEO pursuant to the provisions of Section 4.01(a). The CEO shall also establish a record date for the purpose of determining the Owners of each Series of 2025 Bonds to which payments of interest on the 2025 Bonds should be made. Each Series of 2025 Bonds shall bear interest from their dated date as determined by the CEO pursuant to the provisions of Section 4.01(a) hereof, or, if one or more payments of interest on the 2025 Bonds has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has then been paid or duly provided for. A Series of 2025 Bonds may be issued on either a taxable or a tax-exempt basis as determined by the CEO pursuant to the provisions of Section 4.01(a).

Section 3.04. Minimum Denomination, Dates, Numbers and Letters. The 2025 Bonds shall be issued as Book-Entry Bonds in such denominations and shall be dated as shall be determined by the CEO pursuant to the provisions of Section 4.01(a). Unless the CEO shall otherwise direct, each Series of 2025 Bonds shall be numbered from R-1 upward.

Section 3.05. Place of Payment and Paying Agent. Except as shall be provided with respect to Book-Entry Bonds, the principal and Redemption Price of the 2025 Bonds shall be payable at the office of the Paying Agent. Except as provided with respect to Book-Entry Bonds, the interest on the 2025 Bonds shall be payable by check or draft mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of the City kept for that purpose at the designated office of the Registrar.

Section 3.06. Book Entry Bonds; Securities Depository.

(a) The 2025 Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the 2025 Bonds, except in the event the Paying Agent issues replacement bonds as provided in Section 3.06(b). It is anticipated that during the term of the 2025 Bonds, the Securities Depository will make book entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the 2025 Bonds to the Participants until and unless the Paying Agent authenticates and delivers replacement bonds to the beneficial owners as described in Section 3.06(b).

(b) (1) If the Board determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book entry system to the exclusion of any 2025 Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the 2025 Bonds, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% of the 2025 Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book entry system to the exclusion of any 2025 Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the 2025 Bonds, then the Paying Agent shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver replacement bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under clause (1)(A) or (1)(B) of this Section 3.06(b), the Board, with the consent of the Paying Agent, may select a successor securities depository in accordance with Section 3.06(c) hereof to effect book entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one 2025 Bond. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the Board, the Paying Agent or Owners are unable to locate a qualified successor of the Securities Depository in accordance with Section 3.06(c), then the Paying Agent shall authenticate and cause delivery of replacement bonds to Owners, as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the 2025 Bonds. The cost of printing replacement bonds shall be paid for by the Board.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Board may appoint a successor Securities Depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a 2025 Bond or 2025 Bonds for cancellation shall cause the delivery of 2025 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 3.07. Redemption Prices and Terms. Each Series of 2025 Bonds shall be subject to redemption prior to their respective stated maturities at the option of the City on and after such date or dates as shall be determined by the CEO in accordance with the provisions hereof, in whole or in part at any time in such principal amounts and from such maturity or maturities as may be selected by the City in its sole discretion (and in the event that less than all of the 2025 Bonds of any maturity are called for redemption, the particular 2025 Bonds of such maturity to be redeemed shall be selected by lot) at such redemption prices as shall be determined by the CEO in accordance with the provisions hereof together with the interest accrued to the date of redemption.

Any 2025 Bonds that are issued as Term Bonds shall also be subject to mandatory redemption by the City, in part, by lot, prior to maturity only on an interest payment date and upon payment of the principal amount thereof from Sinking Fund Installments at 100% of the principal amount thereof, together with accrued interest thereon to the date of redemption, which Sinking Fund Installments shall be sufficient to redeem on such dates in such years and in such principal amounts as shall be determined by the CEO in accordance with the provisions hereof.

The Sinking Fund Installments shall be applied in the manner and according to the procedure set forth in Section 5.05(b) of the General Ordinance to the redemption and retirement of any 2025 Bonds issued as Term Bonds.

Section 3.08. Application of Proceeds of 2025 Bonds. In accordance with Article II and Article III of the General Ordinance, the proceeds, including accrued interest, of the 2025 Bonds, together with other legally available funds of the Board, shall be received by the Board and applied simultaneously with the delivery of the 2025 Bonds as follows:

(a) There shall be deposited in the Bond Fund the amount representing accrued interest on each Series of 2025 Bonds, for application toward the payment of interest due on such Series of 2025 Bonds on the first interest payment date thereof;

(b) There shall be deposited in the appropriate account in the 2025 Debt Service Reserve Fund established by Section 3.11 hereof, the amount required so that the balance in such account in the 2025 Debt Service Reserve Fund shall equal the Reserve Requirement for the Series of 2025 Bonds for which such account was established calculated immediately after the authentication and delivery of such Series of 2025 Bonds;

(c) There shall be paid to the Escrow Agent with respect to such Series of 2025 Bonds such amount from the proceeds of such Series of the 2025 Bonds as shall be necessary (1) to provide for the refunding (through redemption or otherwise) of the Refunded Bonds to be held and invested in as provided in such Escrow Agreement and used and applied on the respective Redemption Dates as shall be determined by the CEO in accordance with the provisions of Section 4.02 to refund (through redemption or otherwise) the Refunded Bonds and (2) to provide for the payment of the principal of and interest on the Refunded Notes at the maturity thereof to be held and invested in obligations specified in Section 10.03 of the Note Ordinance and used and applied on the maturity dates of the Refunded Notes for such purpose;

(d) There shall be paid to the holder of any Refunded Credit Facility Obligation the amount of the proceeds of such Series of 2025 Bonds as determined by the CEO in accordance with the provisions of Section 4.02 to refinance such Refunded Credit Facility Obligations; and

(e) The balance of the proceeds of each Series of 2025 Bonds which remains after the disbursements from such proceeds required by Section 3.08(a), (b), (c) and (d) shall have been made shall be deposited into the Construction Fund created with the Board in Section 5.02(c) of the General Ordinance to pay the Costs of the 2025 Project and other improvements specified in Section 2.01 hereof and the costs of issuance of such Series of 2025 Bonds.

Section 3.09. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on each Series of 2025 Bonds issued on a federally tax-exempt basis and (2) it will not use or permit the use of any proceeds of any Series of 2025 Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any 2025 Bonds issued on a federally tax-exempt basis. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on each Series of 2025 Bonds issued on a federally tax-exempt basis will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will comply with all requirements of Section 148 of the Code to the extent applicable to each Series of 2025 Bonds, (2) it will use the proceeds of each Series of 2025 Bonds as soon as practicable and with all reasonable dispatch for the purposes for which such Series of 2025 Bonds are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of any Series of 2025 Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause any Series of 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to each Series of 2025 Bonds from time to time. This covenant shall survive payment in full or defeasance of each Series of 2025 Bonds. The City specifically covenants to pay or cause to be paid to the United States of America, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Tax Certificate. Notwithstanding anything to the contrary contained herein, the Tax Certificate may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on each Series of 2025 Bonds, if any.

(d) The City covenants and agrees that it will not use any portion of the proceeds of any Series of 2025 Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any 2025 Bond issued on a federally tax-exempt basis to be a "private activity bond."

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of each Series of 2025 Bonds pursuant to Article X of the General Ordinance or any other provision of the Ordinance, until the final maturity date of all 2025 Bonds Outstanding.

Section 3.10. Form of 2025 Bonds and Registrar's Certificate of Authentication. The form of the 2025 Bonds and the Registrar's certificate of authentication shall be in substantially the following form, with such variations, omissions and insertions as are required or permitted by the Ordinance:

[FORM OF 2025 BONDS]

AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY TRANSFERS THROUGH

THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE ORDINANCE, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE ORDINANCE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR FOR PAYMENT OF THE REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

R- **$**

STATE OF NEBRASKA
COUNTY OF LANCASTER
THE CITY OF LINCOLN
LINCOLN ELECTRIC SYSTEM REVENUE [AND REFUNDING] BOND
SERIES ________

Maturity Date	**Interest Rate**	**Bond Date**	**CUSIP No.**
__________, 20__	_____%	__________, ____	________

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

THE CITY OF LINCOLN, NEBRASKA (the "City"), a city of the primary class and a political subdivision and body politic and corporate of the State of Nebraska, organized and existing under and by virtue of the laws of the State of Nebraska, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above) but solely from the funds pledged therefor, upon presentation and surrender of this Bond at the office of [PAYING AGENT NAME], [PAYING AGENT CITY, STATE] (such entity and any successors thereto being referred to herein as the "Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from ____________, _____, or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on March 1 and September 1 of each year commencing

____________ 1, 20__, at a rate per annum equal to the Interest Rate (stated above), until the City's obligation with respect to the payment of such Principal Amount shall be discharged. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Bond Ordinance hereinafter referred to, be paid to the person in whose name this Bond is registered at the close of business on the regular record date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date, such payment to be made by check or draft of the Paying Agent hereinafter referred to and mailed to such person at the address shown on the registration books of the City kept for that purpose at the office of [REGISTRAR NAME], Bond Registrar. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this Bond is registered on the regular record date, and shall be paid, in the manner described above, to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to registered owners of Bonds of the series of which this Bond is one not less than 10 days prior to such special record date. However, so long as this Bond and the series of which it is one are held in book entry form pursuant to the Bond Ordinance, the provisions of the Bonds, Ordinance governing such book entry form shall govern repayment of the principal or redemption price and interest on such Bonds.

This Bond is one of a duly authorized series of Bonds of the City designated as its "Lincoln Electric System Revenue [and Refunding] Bonds, Series 20__" (the "20__ Bonds"), in the aggregate principal amount of $[AMOUNT] issued under and pursuant to and in full compliance with the Constitution and laws of the State of Nebraska, including the Charter of the City, and Ordinance No. 17879 and all other ordinances amendatory of or supplemental to Ordinance No. 17879, including particularly Ordinance No. _______ (Ordinance No. 17879 and all other ordinances amendatory of and supplemental to Ordinance No. 17879, including Ordinance No. ______, being herein referred to collectively as the "Bond Ordinance"), duly adopted under such Constitution and laws, including the Charter, by the Council of the City. Copies of such ordinances are on file in the office of the Clerk of the City. As provided in the Bond Ordinance, bonds, notes or other evidences of indebtedness of the City may be issued from time to time pursuant to supplemental ordinances in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise differ and vary in their terms and conditions as provided in the Bond Ordinance. The aggregate principal amount of bonds, notes or other evidences of indebtedness which may be issued under the Bond Ordinance is not limited except as provided in the Bond Ordinance, and all bonds, notes or other evidences of indebtedness issued and to be issued under the Bond Ordinance are and will be equally secured by covenants made in the Bond Ordinance, except as otherwise expressly provided or permitted in the Bond Ordinance. All bonds, notes or other evidences of indebtedness issued under and pursuant to the Bond Ordinance, as the same may be amended and supplemented from time to time, and equally secured thereby are hereinafter called the "Bonds."

As provided in the Bond Ordinance, the Bonds are direct and special obligations of the City payable solely from and secured as to payment of the principal or redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Bond Ordinance solely by (a) the proceeds of the sale of the Bonds, (b) the Revenues (as defined in the Bond Ordinance), and (c) all funds established by the Bond Ordinance, including the investments and income, if any, thereof, subject to the provisions of the Bond Ordinance permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Ordinance. Copies of the Bond Ordinance are on file at the office of the City, and reference to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, with respect to giving any approvals or consents, exercising any remedies or taking certain actions pursuant to the Bond Ordinance, the terms and conditions upon which the Bonds are issued and may be issued thereunder, and for the other terms and provisions thereof.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of the Bond Ordinance, or the provisions of any ordinance amendatory thereof or supplemental thereto, may be modified or amended by the City, with the written consent of the registered owners of not less than a majority in principal amount of the Bonds affected by such modification or amendment then outstanding under the Bond Ordinance, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of not less than a majority in principal amount of the Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Bond Ordinance, the consent of the registered owners of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. As provided in the Bond Ordinance (and unless otherwise provided in a supplemental ordinance), if a Credit Facility (as defined in the Bond Ordinance) is provided with respect to the Bonds of any series, or a maturity within a series, if not in default in respect of any of its obligations with respect to such Credit Facility, the provider of such Credit Facility (hereinafter, the "Credit Enhancer"), and not the actual registered owners of, such Bonds shall be deemed to be the registered owner of such Bonds at all times for the purpose of giving such consent. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the registered owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Bond Ordinance) without its written assent thereto.

The Bond Ordinance also contains provisions permitting the City, without the necessity for the consent of the registered owner of any Bond, to modify or amend the Bond Ordinance to cure ambiguities or defects in the Bond Ordinance, to clarify the provisions of the Bond Ordinance or to make any other modification or amendment which the Board determines will not have a material adverse effect on the interests of registered owners.

This Bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose at the above mentioned office of [REGISTRAR NAME], Bond Registrar, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance, and upon payment of the charges therein prescribed. The City, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 20__ Bonds are issuable in the form of fully registered Bonds, without coupons, in the denominations of $5,000 or any integral multiple of $5,000.

The 20__ Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided, (a) by operation of the Bond Fund established under the Bond Ordinance to satisfy the sinking fund installments (1) with respect to the 20__ Bonds, maturing on ________________, _______, commencing on ______________________ and on each _________________, thereafter, (2) with respect to the 20__

Bonds maturing on _______________, _____, commencing on ____________________ and on each __________________, thereafter and (3) with respect to the 20__ Bonds maturing on __________________, _____, commencing on ______________ ____________, and on each __________________, thereafter, in each case at 100% of the principal amount thereof together with accrued interest, if any, to the redemption date and (b) otherwise, in the case of the 20__ Bonds maturing on and after ______________________, at the election of the City on or after ______________________, at any time, as a whole or in part (if in part, the maturity or maturities to be redeemed to be selected by the City in its sole discretion), at the respective redemption prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Period During Which Redeemed (both dates inclusive)	**Redemption Price**

If less than all of the 20__ Bonds of like maturity are to be redeemed, the particular 20__ Bonds to be redeemed shall be selected by the Registrar.

The 20__ Bonds are payable upon redemption at the above mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 20__ Bonds to be redeemed sent not less than 30 days nor more than 60 days prior to the redemption date, but the failure to give notice by mail, or any defect in such notice, to the registered owner of any 20__ Bond will not affect the validity of the proceedings for the redemption of any other 20__ Bonds. If notice of redemption shall have been given as provided, the 20__ Bonds or portions thereof specified in such notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, money for the redemption of all the 20__ Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such date, then from and after the redemption date interest on such 20__ Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This Bond shall be payable, as to principal and redemption price hereof, and interest hereon, solely from the Revenues and other funds of the City as provided in the Bond Ordinance and neither the State of Nebraska nor any political subdivision (other than the City) shall be obligated to pay the principal or redemption price hereof or interest hereon and neither the faith and credit nor the taxing power of the State of Nebraska or any political subdivision thereof is pledged to the payment of the principal or redemption price of, or interest on, this Bond. No registered owner of a Bond or receiver or trustee in connection with the payment of the Bonds shall have any right to compel the State of Nebraska, any political subdivision thereof to exercise its appropriation or taxing powers. No director, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or redemption price of or interest on this Bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Bond Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the 20__ Bonds, together with all other indebtedness of the City, complies in all respects with the applicable laws of the State of Nebraska.

This Bond shall not be entitled to any benefit under the Bond Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated through execution by the Registrar of the Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE CITY OF LINCOLN, NEBRASKA has caused this Bond to be signed by the manual or facsimile signature of its Mayor, countersigned by the manual or facsimile signature of its Finance Director, and its corporate seal imprinted hereon.

THE CITY OF LINCOLN, NEBRASKA

By: (facsimile signature)
Mayor

(facsimile signature)
Finance Director

(Original Seal)

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance.

______________________________, as Registrar

By: ______________________________
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ___________ agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _______________

____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as

it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

____
(Name of Eligible Guarantor Institution)

By:______________________________________
Title:____________________________________

Section 3.11. 2025 Debt Service Reserve Fund.

(a) The City shall establish a 2025 Debt Service Reserve Fund to be held by the Board and an account therein for each Series of 2025 Bonds issued pursuant to this Twelfth Series Ordinance into which the amount determined by the CEO pursuant to the provisions of Section 4.01(a) hereof shall be deposited. All amounts deposited into any account in the 2025 Debt Service Reserve Fund shall be held and administered in accordance with the provisions hereof.

(b) If any withdrawal from any account in the 2025 Debt Service Reserve Fund is made for the purpose of Section 3.11(c)(i), the amount of such withdrawal shall be restored by the Board in no more than 12 substantially equal, consecutive, monthly installments, each payable on the last Business Day of the month, commencing with the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in equal monthly installments over the remainder of the restoration period for the initial withdrawal.

(c) Any money on deposit in any account in the 2025 Debt Service Reserve Fund shall be applied as follows:

(i) On the date of each required payment from the Bond Fund, money in any account in the 2025 Debt Service Reserve Fund shall be applied to cure any deficiency in the Bond Fund with respect to the Series of 2025 Bonds for which such account was established;

(ii) Any amount in any account in the 2025 Debt Service Reserve Fund in excess of the Reserve Requirement on the Series of 2025 Bonds for which such account was established shall be transferred to the Bond Fund and credited against the payments of the principal and interest next becoming due on such Series of 2025 Bonds.

(iii) On the interest payment date immediately preceding the final maturity date of any Series of 2025 Bonds, money held in the account in the 2025 Debt Service Reserve Fund established with respect to such Series of 2025 Bonds shall be deposited into the Bond Fund and credited against the deposits required to be made into the Bond Fund with respect to such Series of 2025 Bonds but only to the extent that, immediately following such crediting and transfer, the amount on deposit in such account in the 2025 Debt Service Reserve Fund is equal to the lesser of (A) the Reserve Requirement with respect to such Series of 2025 Bonds or (B) the amount of principal and interest due in respect of such Series of 2025 Bonds on such final maturity date.

(d) The City and the Board shall be permitted to substitute a letter of credit, surety bond or other credit enhancement (each, a "credit facility") for funds on deposit in any account in the 2025 Debt Service Reserve Fund, provided that:

(i) the credit facility (including any replacement credit facility) is issued by a bank, trust company, national banking association or insurance company whose unsecured long-term debt obligations (in the case of a bank, trust company or national banking association) or whose claims paying abilities (in the case of an insurance company) are rated not lower than the "AAA" Rating Category by a Rating Agency at the time the credit facility is issued and at the time of each extension or renewal thereof;

(ii) the issuer of the credit facility receives as security for any reimbursement obligation in respect of the credit facility a lien solely on the Net Revenues on a parity with any Bonds or Parity Obligations then Outstanding; and

(iii) the credit facility (including any replacement credit facility, if provided by a different issuer) has an initial term of not less than one year and any extension, renewal or replacement (if provided by the same issuer) thereof has a term of not less than one year.

Upon such substitution, funds on deposit in any account in the 2025 Debt Service Reserve Fund which, when added to the face amount of the credit facility, exceed the Reserve Requirement with respect to the Series of 2025 Bonds for which such account was established, shall be applied as provided in Section 3.11(c)(ii) above (subject to yield restriction, if any, as determined by Bond Counsel). Thereafter, the credit facility shall be considered a part of such account in the 2025 Debt Service Reserve Fund and the amount available thereunder shall be included in any calculations of the amount required to be retained in such account in the 2025 Debt Service Reserve Fund; provided that, (A) if the sum of the amount available under the credit facility and the amount of money on deposit in the related account in the 2025 Debt Service Reserve Fund exceeds the amount required to be on deposit pursuant to Section 3.11(a) above, the Board shall be permitted (I) to cause the amount available under the credit facility to be reduced by an amount equal to such excess, or (II) to direct that the excess money be applied as permitted under Section 3.11(d)(ii) above, and (B) if the credit facility is not extended, renewed or replaced at least six months prior to its scheduled expiration or termination date, unless such account in the 2025 Debt Service Reserve Fund is otherwise terminated in accordance with the provisions of this Section 3.11, the Board shall be obligated to restore the difference between the Reserve Requirement and the value of such account in the 2025 Debt Service Reserve Fund computed without regard to the credit facility prior to the expiration or termination date of such credit facility.

(e) The City and the Board shall have the option to terminate any account in the 2025 Debt Service Reserve Fund and to have transferred to the Bond Fund all amounts held therein if the Net Revenues for each of the three preceding Fiscal Years are not less than 140% of Debt Service in such Fiscal Year on all Bond and Parity Obligations then Outstanding, based on the audited financial statements for such Fiscal Year. Upon receipt of the audits described in the preceding sentence, the Board shall transfer all amounts held in such accounts in the 2025 Debt Service Reserve Fund to the Bond Fund and use the same to pay debt service on the Series of 2025 Bonds for which such account was established (subject to yield restriction, if any, as determined by Bond Counsel).

(f) If, after the City and the Board shall have elected to terminate any account in the 2025 Debt Service Reserve Fund in accordance with the provisions of this Section 3.11, the Net Revenues for any Fiscal Year are less than 140% of Debt Service in such Fiscal Year on all Bonds and Parity Obligations then Outstanding, the Board shall within thirty (30) days of such determination deposit in such account in the 2025 Debt Service Reserve Fund an amount equal to the Reserve Fund Requirement with respect to such account.

ARTICLE IV

ADDITIONAL PROVISIONS RELATED TO 2025 BONDS

Section 4.01. Sale, Principal Amount, Interest Rates, Redemption Provisions and Other Terms of 2025 Bonds; Additional Covenants.

(a) Each Series of 2025 Bonds shall be sold through a negotiated or competitive sale as determined by the CEO in accordance with the provisions of Section 4.02 at a price not less than 96.00% of the aggregate principal amount thereof. In connection with and as a part of such sale or sales, the CEO shall (1) fix and determine the form, contents, terms and provisions of each bond purchase agreement with respect to the purchase of each Series of 2025 Bonds and (2) with respect to each Series of 2025 Bonds, fix (A) the dated date, which shall not be later than December 31, 2026, and the designation of such Series of 2025 Bonds; (B) the aggregate principal amount of each Series of 2025 Bonds, including the principal amounts of the respective Serial Bonds and Term Bonds of each Series of 2025 Bonds; provided, however, the aggregate principal amount of the 2025 Bonds shall not exceed $300,000,000; (C) the rate or rates of interest to be borne by each maturity of each Series of 2025 Bonds (specifying whether such interest is intended to be federally taxable or federally tax-exempt), such that each Series of 2025 Bonds shall not have a true interest cost in excess of 7.50% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months; (D) the principal amount of each Series of 2025 Bonds maturing in each year; (E) the Sinking Fund Installments due and the dates thereof with respect to each Series of 2025 Bonds in each year for which the CEO determines that a Sinking Fund Installment shall be due; (F) the dates upon which each Series of 2025 Bonds will be subject to redemption at the option of the City and the Redemption Price of each Series of 2025 Bonds, which shall not, in the case of any federally tax-exempt Series of 2025 Bonds, exceed 106% of the principal amount being redeemed; (G) the identity of the Registrar and the Paying Agent for each Series of 2025 Bonds; and the form and contents of any agreement or agreements under which each Registrar and Paying Agent would serve in such respective capacities with respect to such Series of 2025 Bonds; (H) the Reserve Requirement for such Series of 2025 Bonds, if any; (I) the title of the issue of each Series of 2025 Bonds; and (J) such other terms and conditions of such Series of 2025 Bonds as are not inconsistent with the terms of the General Ordinance or this Twelfth Series Ordinance. Upon the delivery of and payment for any Series of 2025 Bonds, the purchasers also shall pay to the City the interest accrued on such Series of 2025 Bonds from the date thereof to the date of delivery of and payment therefor.

(b) The CEO shall report to the Finance Director the purchase price of the Series 2025 Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Twelfth Series Ordinance. The City Council hereby acknowledges the terms and conditions of the Prior Bonds and affirms and approves all such terms and conditions including, without limitation, the Redemption Price specified relative to the 2020B Bonds.

(c) The CEO, in his sole discretion, may and is hereby authorized to impose such additional covenants, restrictions, terms and conditions with respect to each Series of 2025 Bonds as shall be reasonably required by any Rating Agency to maintain the ratings in effect with respect to the 2025 Bonds on the date of adoption of this Twelfth Series Ordinance.

Section 4.02. Escrow Agreement; Identification and Redemption of Refunded Bonds; Authority of CEO. The preparation, use, distribution, execution and delivery of an Escrow Agreement to be entered into between the City and an Escrow Agent in such form and of such content as the CEO shall, in the exercise of his own independent judgment and absolute discretion determine to be necessary, proper, appropriate, advisable or desirable in connection with the refunding of the Refunded Bonds, be and the same are hereby in all respects authorized, directed, adopted, specified, accepted, ratified, approved and confirmed. The CEO shall determine and select a national or state bank having trust powers to act as Escrow Agent under any Escrow Agreement executed and delivered in connection with the issuance of a Series of 2025 Bonds.

The CEO is hereby authorized and directed to determine from time to time (a) which of the Prior Bonds shall be refunded and shall constitute Refunded Bonds, (b) which of the CP Notes and Short-Term Notes shall be refunded and constitute the Refunded Notes, and (c) which of the Credit Facility Obligations or Subordinate Credit Facility Obligations shall be refunded and constitute the Refunded Credit Facility Obligations. The CEO shall take all actions necessary to call or pay when due (1) the Refunded Bonds for redemption in accordance with the Prior Bond Ordinances, as appropriate, (2) the Refunded Notes in accordance with the Note Ordinance, and (3) the Refunded Credit Facility Obligations in accordance with the Credit Facility Ordinance.

Notice of redemption of the Refunded Bonds to be redeemed shall be mailed by first class mail by the Refunded Bonds Paying Agent, not less than 30 nor more than 60 days prior to the Redemption Date, to each Owner of a Refunded Bond so called for redemption.

Each notice of redemption shall state the date of such notice, the distinguishing designation of the Refunded Bonds to which such notice relates, the date of issue of the Refunded Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and address of the Refunded Bonds Paying Agent), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Refunded Bonds of such maturity to be redeemed and, in the case of Refunded Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on such date there will become due and payable on each of such Refunded Bonds the Redemption Price thereof or of such specified portion of the principal amount thereof in the case of a Refunded Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Refunded Bonds Paying Agent specified in the redemption notice. Neither the City nor the Refunded Bonds Paying Agent shall have any responsibility for any defect in the CUSIP number that appears on any Refunded Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Refunded Bonds Paying Agent shall be liable for any inaccuracy in such numbers.

The CEO is hereby authorized and directed to determine the CP Notes and Short-Term Notes to be refunded and the particular such CP Notes and Short-Term Notes which shall constitute the Refunded Notes to be paid at the maturity thereof.

Section 4.03. Ratification of Prior Actions; General and Specific Authorizations.

(a) All actions heretofore taken by the Board, by the CEO and by all other officers, officials, employees and agents both of the Board and of the City, including without limitation the expenditure of funds, and the selection, appointment and employment of consulting engineers, accountants, financial advisors, underwriters and bond counsel, in connection with the issuance and sale of each Series of 2025 Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

(b) Without in any way limiting the power, authority or discretion elsewhere in this Twelfth Series Ordinance granted or delegated, the Council hereby (1) authorizes and directs the Mayor, Finance Director or Interim Finance Director, Treasurer, Clerk and City Attorney, and authorizes the Board, the CEO and all other officers, officials, employees and agents both of the City and of the Board, to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the underwriter(s) of each Series of 2025 Bonds and their respective counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Twelfth Series Ordinance and the Ordinance, the notice of sale, any bond purchase agreement for each Series of 2025 Bonds, the preliminary and final Official Statement of the City used in connection with the issuance and sale of each Series of 2025 Bonds, and the issuance, sale and delivery of each Series of 2025 Bonds, including without limitation and whenever appropriate the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (2) delegates, authorizes and directs the CEO the right, power and authority to exercise his own independent judgment and absolute discretion in (A) determining and finalizing the terms, provisions, form and contents of, any bond purchase agreement, each Series of 2025 Bonds and the preliminary and final Official Statement hereinbefore mentioned, (B) determining and finalizing all other terms and provisions to be carried by each Series of 2025 Bonds not specifically set forth in this Twelfth Series Ordinance or in the Ordinance, and (C) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of each Series of 2025 Bonds. The execution and delivery by the CEO or by any such other officer, official, employee or agent of any such documents, instruments, certifications and opinions, or the performance by them of any act in connection with any of the matters which are the subject of this Twelfth Series Ordinance, of the General Ordinance, and of each of the other documents referred to herein, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

Section 4.04. Insertion in Copies Hereof of Terms and Identification Information. For the convenience of the City and the Board, the Registrar, the Paying Agent, and the Owners from time to time of such Series 2025 Bonds, there may be inserted, or marked, or noted, in the body of copies of this Twelfth Series Ordinance or in attachments or appendices to such copies (which attachments or appendices may or may not be referred to in the body of such copies) any of the terms of each Series of 2025 Bonds fixed in accordance herewith and the other provisions hereof to be borne by each Series of 2025 Bonds.

Section 4.05. Continuing Disclosure. The Board shall comply with and carry out all of the provisions of each Continuing Disclosure Undertaking. Notwithstanding any other provision of the Ordinance, failure of the Board to comply with any Continuing Disclosure Undertaking shall not be considered an Event of Default; however, any Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Section. For purposes of this Section 4.05, "Beneficial Owner" means any registered owner of a 2025 Bond or person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025

Bonds (including persons holding 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Bonds for federal income tax purposes.

ARTICLE V

MISCELLANEOUS

Section 5.01. Headings, Table of Contents. The headings of sections of this Twelfth Series Ordinance, and any table of contents attached to copies hereof, are set forth therein or are attached to such copies solely for convenience of reference only and shall not affect the construction or interpretation of this Twelfth Series Ordinance or of any section hereof.

Section 5.02. Publication and Effectiveness of Twelfth Series Ordinance. This Twelfth Series Ordinance, after its passage, shall in lieu of and in place of newspaper publication, be posted by the City Clerk in the manner provided for in Article VII, Section 7 of the Charter of the City, and shall take effect and be in force from and after its passage and posting in accordance with Article VII, Section 7 of the Charter of the City. Further, the City Clerk shall publish once in the Lincoln Journal-Star, newspapers published and of general circulation in the City, a notice of such passage in substantially the following form:

> Notice is hereby given that on Nov. 18, 2024, the City Council of The City of Lincoln, Nebraska passed Ordinance No. 21678 entitled: [here shall be set forth the title of this Twelfth Series Ordinance].
>
> Notice is hereby further given that Ordinance No. 21678 was approved by the Mayor of The City of Lincoln, Nebraska, on ____________, 2024.
>
> Copies of Ordinance No. 21678 are on file in the office of the City Clerk of The City of Lincoln, Nebraska, Room 103, County/City Building, 555 South 10th Street, Lincoln, Nebraska 68508, and are available for examination by the public.

[Remainder of Page Intentionally Left Blank]

<table>
<tr><td></td><td>INTRODUCED BY:

PASSED November 18, 2024</td></tr>
<tr><td>ABSENT OR NOT VOTING:
Weber</td><td>AYES: Beckins, Bowers, Carlson, Duden, Shobe, Washington.

NAYS: None</td></tr>
<tr><td>Approved as to Form:

City Attorney</td><td>CONFLICT OF INTEREST:

None</td></tr>
<tr><td>PASSED
NOV 1 8 2024
BY CITY COUNCIL</td><td>APPROVED: 11 / 26, 2024

Mayor</td></tr>
</table>

4889-4593-3036.1

ORDINANCE NO. 21678

AN ORDINANCE Authorizing the issuance of not to exceed $300,000,000 in Lincoln Electric System Revenue and Refunding Bonds. (Related Items: 24-128, 24R-493, 24R-502)

Read First Time	October 28, 2024
Read Second Time	November 4, 2024
Read Third Time	November 18, 2024
Passed	November 18, 2024
Published in	Lincoln Journal Star
on	November 29, 2024

CERTIFICATE

State of Nebraska)
) ss
County of Lancaster)

I, the undersigned, City Clerk of the City of Lincoln, Nebraska, do hereby certify that the within ordinance is the original Ordinance No. **21678** as passed by the City Council of said City, as indicated above, and as approved by the Mayor of said City and as the same appears of record in my office and is now in my charge remaining as City Clerk aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of the City of Lincoln, Nebraska this 21 day of November, 2024.

City Clerk of Lincoln, Nebraska

CITY OF LINCOLN FOUNDED JULY 29, 1867 SEAL INCORPORATED APRIL 7, 1869 LANCASTER COUNTY, NEBRASKA

Exhibit IV

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 759	**Natural Resources Committee** Natural Resources Priority Bill Approved by the Governor	(Brandt) Aligns statutory language to reflect the recent merger of the Department of Environment and Energy and the Department of Natural Resources into the Department of Water, Energy, and Environment. The bill has become the vehicle for a Natural Resources Committee priority package that includes LB 759, LB 760, LB 761, and LB 1076. LES is only monitoring the bill as it advances through floor debate.	Only Monitoring
LB 761	**Natural Resources Committee** Notice of Hearing Jan. 21, 2026	(Brandt) Updates Nebraska's environmental regulatory fee structure by adjusting several existing fees, including water well fees, and adds a new fee for NPDES (water discharge) permits to support state administration and review of such applications. LES currently holds NPDES permits, so the bill would result in a small cost impact.	Only Monitoring
LB 898	**Government, Military and Veterans Affairs Committee** Notice of Hearing Feb. 05, 2026	(Lonowski) Amends the Open Meetings Act to allow public bodies to hold meetings virtually, subject to certain restrictions. Unless a public body's members are appointed or elected on a statewide basis, such body may hold more than half of its meetings virtually, provided at least one meeting is held in person each year. These provisions would allow the LES Administrative Board to meet virtually when necessary.	Support
LB 916	**Natural Resources Committee** Notice of Hearing Jan. 28, 2026	(Meyer G.) Relates to carbon oxide and carbon dioxide pipelines. The bill would prohibit any entity from exercising the power of eminent domain for purposes of constructing or operating a pipeline transporting carbon oxide. It also establishes additional requirements for carbon dioxide storage facilities, including requiring consent from all reservoir estate owners within a defined storage reservoir.	Only Monitoring
LB 935	**Judiciary Committee** Judiciary Priority Bill Passed Apr. 10, 2026	(Bosn) LB 935 is intended to deter frivolous or harassing litigation against a political subdivision by allowing such subdivisions to seek compensation for attorney fees and related court costs when defending against claims determined to be frivolous or intended primarily to harass the subdivision or its public officials. The bill was passed by the Legislature with a committee amendment that incorporates amended versions of LB 789, LB 876, LB 978, LB 1020, LB 1139, LB 1199, and LB 1228.	Monitor, Confer with the City

Last Updated 04/15/2026

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 964	**Government, Military and Veterans Affairs Committee** Notice of Hearing Feb. 05, 2026	(Bostar) Requires a political subdivision to hold a public hearing and publish notice with specified information before entering into a sale, lease, or purchase of real property. LES supports LB 964 if amended by AM 1952, which better balances transparency with prudent use of public resources by avoiding significant administrative burdens associated with the high volume of routine easements while still applying public notice and hearing requirements to larger real estate purchases and transfers.	Support, with Amendments
LB 1003	**Banking, Commerce, and Insurance Committee** Notice of Hearing Feb. 17, 2026	(Meyer G.) Establishes the Renewable Energy Consumer Protection Act, which appears intended to provide additional state-level protections for residential and small business customers from deceptive renewable and battery storage solicitors. While LES supports protecting customer-owners from bad actors, the bill's requirements may be overly restrictive and could negatively impact entities acting in good faith. These provisions could reduce the number of available partners statewide and limit customer access to such renewable and storage programs.	Only Monitoring
LB 1010	**Natural Resources Committee** Natural Resources Priority Bill Passed Apr. 10, 2026	(Brandt) Defines energy storage resources, clarifies Nebraska Power Review Board (PRB) jurisdiction, and establishes additional requirements for privately owned storage not associated with a private renewable generation facility, including a contract with a Nebraska public electric utility and written consent from affected electric suppliers. LB 1010 advanced to General File with a committee amendment that includes targeted changes and incorporates amended versions of LB 1064 (large load interconnection standards) and LB 1111 (data center reporting above 10 MW). An additional amendment was filed subjecting private storage to the nameplate capacity tax; LES is not subject to this tax. An additional amendment was filed on Select File adding additional requirements for data centers related to decommissioning and a community benefit agreement. The bill was passed by the Legislature with all three amendments. LES supports defining energy storage resources and clarifying PRB jurisdiction but is concerned that a mandatory power purchase agreement and consent or waiver provisions are overly broad and could unnecessarily limit storage development. LES is supportive of the LB 1064 provisions, neutral on the LB 1111 reporting provisions, and remains open to continued refinement of appropriate guardrails for private energy storage facilities.	Neutral, seek Amendments

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1026	**Natural Resources Committee** Notice of Hearing Feb. 05, 2026	(Storm, Clouse, DeKay, Sorrentino, Strommen) Prohibits an electric supplier from retiring, shutting down, ceasing operation of, or substantially altering electric generation resources when customers are waiting for electric service, with certain exceptions. As drafted, the bill would materially erode local decision-making authority over generation planning and operations. The bill's broad and imprecise language also introduces increased litigation risk for electric suppliers. LES has historically opposed state or federal level generation portfolio mandates and continues to oppose statutory mandates that limit operational flexibility in generation decision-making.	Oppose
LB 1027	**Natural Resources Committee** Notice of Hearing Feb. 05, 2026	(Storm, Clouse, DeKay, Sorrentino, Strommen) Modifies the Nebraska Power Review Board (PRB) approval process for privately developed renewable energy generation facilities by requiring such facilities to follow the same approval process used for other generation and transmission resources. While the bill appears intended to provide greater uniformity in the approval process, the existing framework applicable to public electric suppliers may not be well suited, as written, for regulating private generation entities. LB 1027 also requires privately developed renewable generation facilities to enter into a power purchase agreement with a public power district. Because LES is a municipal electric utility and not a public power district, this requirement would prevent LES from entering into power purchase agreements with privately developed renewable wind and solar resources located in Nebraska, significantly limiting municipal utilities' generation options. LES supports continued discussion regarding improvements to the PRB approval process but does not believe LB 1027 is the right solution.	Oppose

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1033	**Health and Human Services Committee** General File	(Spivey) Relates to existing funding under Energy Policy Act eligibility for customers struggling to pay utility bills. The bill maintains the threshold of 150% per household and increases the maximum crisis assistance payments under the Low-Income Home Energy Assistance Program from $500 to $800 per year based on extenuating circumstances. The bill would increase flexibility for the Department of Health and Human Services to better match assistance levels to customers' needs without increasing overall program funding. An amendment (AM 3119) was filed intending to attach the contents of LB 1033 to a Health and Human Services package prioritized by Senator Cavanaugh, M., LB 958. LB 958 was passed by the Legislature on April 10, 2026.	Support
LB 1048	**Government, Military and Veterans Affairs Committee** Speaker Priority Bill Passed Apr. 10, 2026	(Arch at the request of the Governor) Makes changes to several statutory reporting requirements for state agencies, including requiring the Department of Environment and Energy to submit a report on energy trends. The Department already reports on energy trends using data from the U.S. Energy Information Administration, and the bill would formalize this requirement in statute while clarifying the focus and purpose of the report.	Only Monitoring
LB 1064	**Natural Resources Committee** Notice of Hearing Feb. 12, 2026	(Bostar) Establishes standards intended to address system reliability and affordability while providing greater clarity for interconnecting large load customers exceeding 20 MW. The bill would allow public power suppliers to require upfront study fees, financial commitments for new infrastructure, establish specific rate tariffs for large load customers, and require load curtailment during emergency conditions. Many of these provisions duplicate existing LES processes used to ensure reliable service while protecting existing customers from affordability and reliability risks.	Support, with Amendments
LB 1093	**Transportation and Telecommunications Committee** Notice of Hearing Feb. 10, 2026	(Ballard) Amends the One Call Act to create an additional exemption for telecommunications, cable, and broadband providers installing facilities no deeper than eighteen inches. LES has concerns that this exemption could increase safety risks, as changes in grade over time may result in buried electric facilities being located closer to the surface than expected, increasing the potential for service disruptions and safety hazards.	Oppose, Confer with the City

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1096	**Judiciary Committee** Senator Bostar Priority Bill Passed Apr. 10, 2026	(Bostar, at the request of the Governor) Seeks to protect critical infrastructure by restricting foreign adversary access and establishing reporting requirements related to ownership, investment, and network connected technologies, including reporting to the Attorney General and the creation of a public list of prohibited technologies. LES is already subject to extensive federal oversight through the North American Electric Reliability Corporation (NERC). As written, certain provisions may create ambiguity regarding an electric supplier's ability to access and operate its own critical infrastructure assets. The proposed state-level requirements would create duplicative oversight and reporting obligations without a corresponding increase in security benefits. LB 1096 has passed the Legislature with an amendment, AM 2726, which was adopted on General File and narrows the scope of the sections applicable to LES, restricting governmental entities from entering into contracts that allow foreign adversaries to directly or remotely access or control critical infrastructure. LES is already subject to NERC standards and maintains internal policies and procedures that protect against such risks.	Neutral, with Amendment
LB 1108	**Government, Military and Veterans Affairs Committee** Passed Apr. 10, 2026	(Clouse) Increases bidding thresholds for public power districts and allows districts to exceed those thresholds in the event of unexpected damage to electric generation facilities in order to complete necessary repairs. As a municipal electric utility, LES is not directly impacted by this bill.	Only Monitoring
LB 1109	**Revenue Committee** General File	(von Gillern at the request of the Governor) Repeals, sunsets, or otherwise eliminates various tax credits and exemptions, including tax credits for renewable energy generation facilities.	Oppose
LB 1111	**Natural Resources Committee** Notice of Hearing Feb. 12, 2026	(Cavanaugh M., McKinney) Relates to large data centers exceeding 20 MW and imposes additional requirements on public power suppliers, including annual reporting, additional service terms, full cost recovery for new infrastructure, and consideration of behind-the-meter or privately owned generation. While the bill appears intended to address potential reliability and financial impacts associated with large data centers, it would significantly limit local decision-making related to rates, service terms, operations, and contract negotiations. LES is opposed to provisions allowing privately owned generation to serve retail load, which are inconsistent with Nebraska’s public power model and raise long-term reliability and affordability concerns for customer-owners.	Oppose

Last Updated 04/15/2026

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1136	**Judiciary Committee** Notice of Hearing Feb. 19, 2026	(Dungan) Modifies the Political Subdivisions Tort Claims Act to require political subdivisions to post information on their websites regarding where claims must be filed and provides protections to claimants when such information is not readily available. The bill is intended to ensure claim-filing information is reasonably accessible.	Monitor, Confer with the City
LB 1145	**Government, Military and Veterans Affairs Committee** Notice of Hearing Feb. 05, 2026	(Lonowski, Andersen, Sanders) Amends the Open Meetings Act by relaxing certain posting requirements and providing that a violation of posting requirements does not automatically void the actions taken at a meeting. While the bill would apply to LES, it would not change current LES posting practices or Board meeting procedures.	Only Monitoring
LB 1172	**Natural Resources Committee** Notice of Hearing Feb. 04, 2026	(Holdcroft) Requires electric suppliers to maintain a generation portfolio consisting of at least 75% dispatchable resources. As a member of the Southwest Power Pool (SPP), LES is already subject to regional resource adequacy standards designed to ensure reliable service. Those standards are dynamic and based on accredited capacity, rather than prescriptive portfolio percentages. As drafted, the bill could conflict with SPP requirements and limit operational flexibility in resource planning. LES maintains that generation portfolio decisions are best made at the local level to ensure utilities can access the full range of resources needed to serve customers reliably and affordably.	Oppose
LB 1186	**Revenue Committee** Notice of Hearing Feb. 19, 2026	(Cavanaugh J.) Establishes the Affordable American Energy and Jobs Act, which addresses renewable energy and battery storage facilities. The bill requires such facilities to have a power purchase agreement with a public power entity, directs the Department of Environment and Energy to develop best practices for project siting and zoning, includes energy storage facilities in the nameplate capacity tax, and modifies how such tax revenues are distributed. The nameplate capacity tax does not directly impact LES, and the siting guidance is advisory rather than mandatory.	Oppose, as Amended

2026 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1193	**Revenue Committee** Notice of Hearing Feb. 11, 2026	(Prokop, Bostar) Addresses the regulation, safety, and taxation of energy storage facilities. The bill subjects energy storage facilities to the nameplate capacity tax, defines such facilities, clarifies Nebraska Power Review Board (PRB) jurisdiction, removes the power of eminent domain for public electric suppliers related to storage facilities, and establishes statewide safety and zoning standards that limit local requirements. While LES supports the definitions and jurisdictional clarity, LES has concerns that reliance on existing PRB approval processes alone may not adequately address the operational and financial impacts of privately owned standalone storage facilities, as those processes were not designed for such resources. As LES does not pay property taxes, the nameplate capacity tax provisions would not affect LES.	Neutral, seek Amendments
LB 1204	**Natural Resources Committee** Notice of Hearing Feb. 12, 2026	(Clouse, Quick) Establishes statewide siting standards for privately owned renewable energy and energy storage resources and subjects energy storage resources to the nameplate capacity tax. The zoning provisions apply only to privately owned resources and do not impact LES. As LES does not pay property taxes, the nameplate capacity tax provisions would also not affect LES.	Only Monitoring
LB 1215	**Government, Military and Veterans Affairs Committee** Notice of Hearing Feb. 26, 2026	(McKinney) Establishes the Political Subdivision Contracting Transparency Act, which creates uniform standards for political subdivision contracts, including payment timing, bidder debriefings, statewide posting requirements, and small business protections. The bill would require the Department of Administrative Services to maintain a public-facing list of solicitations exceeding $50,000. The provisions have greater implications for the City of Lincoln, and LES will continue to monitor and coordinate with the City.	Monitor, Confer with the City
LB 1255	**Judiciary Committee** Notice of Hearing Feb. 26, 2026	(Prokop, Bostar) Prohibits public electric suppliers from exercising the power of eminent domain. Eminent domain is a long-standing, highly regulated tool that allows political subdivisions to construct and maintain critical infrastructure necessary to provide reliable and affordable electric service, including generation, transmission, and distribution facilities. Eliminating this authority would impair LES' ability to plan, site, and maintain necessary infrastructure and would result in higher system costs, which would ultimately be borne by customer-owners.	Oppose

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1259	**Natural Resources Committee** Notice of Hearing Feb. 04, 2026	(Hansen, Sanders) Relates to large load customers exceeding 100 MW and establishes a new process for requesting electric service. The bill would allow such customers to receive all or part of their electric service from private generators and expands Nebraska Power Review Board oversight of large-load contracts, private retail electric suppliers, and flexible tariff structures. The bill would significantly limit local control and raise concerns regarding the long-term viability of Nebraska's public power model, resulting in duplicative infrastructure, increased costs, and heightened risks to reliability and stranded assets for Nebraska ratepayers.	Oppose
LB 1261	**Natural Resources Committee** Senator Moser Priority Bill Passed Apr. 10, 2026	(DeKay, at the request of the Governor, Holdcroft, Meyer F.) Addresses service to single site industrial loads exceeding 1,000 MW by allowing a public electric supplier to contract with privately owned generation solely to serve such loads, while providing safeguards to preserve the public power model and prevent project specific costs from being shifted to existing customer owners. The bill includes a sunset provision reflecting its intent to address near term supply chain constraints. Several amendments have been filed addressing labor standards, governance, contract terms, and tax treatment. The bill passed the Legislature with two amendments adopted on General File requiring governing board approval of the contract and an eminent domain waiver as authorized under the bill and an additional amendment adopted on Select File that clarifies terms related to governing bodies. LES supports the bill based on its narrowly drafted scope and customer protection safeguards. Any expansion of the bill's provisions would require careful reconsideration.	Support

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 349	**Natural Resources Committee** Hearing March 06, 2025	(Prokop) LB 349 specifically defines electric energy storage and is intended to clarify that both public and private electric suppliers can own and operate electric energy storage facilities. In talking to the bill sponsor, it appears the intent of the bill is that if the facility is a standalone energy storage facility, it would have to be approved by the Nebraska Power Review Board (PRB) under the same criteria as any other nonrenewable generation facility. If it is part of a privately developed renewable generation facility, it would be approved subject to the certification provisions in statute for such privately developed facilities. LES has concerns about introducing state statutes regarding battery storage when SPP is still defining guidelines. The latest amendment filed intends to clarify the difference between standalone battery storage and storage associated with a generation resource. However, the language is still unclear whether standalone storage would be approved under the normal PRB approval process. The amendment also changes language in existing statutes regarding eminent domain for public power districts from a public power district “shall have and exercise the power of eminent domain to acquire from any… private corporation any and all property…” to “may exercise…”. This does not affect LES as it only applies to public power districts. An amendment has been filed that intends to align the language in LB 349 closer to the PRB’s guidance document 14. It also expands on the eminent domain language to provide that no property owned, used, or operated by an energy storage resource shall be subject to eminent domain by a consumer-owned electric supplier, which would include municipalities such as LES. While there may not be the intent to exercise its power of eminent domain, LES is opposed to giving it up all together. With the addition of new energy storage bills, conversations around energy storage legislation will likely continue through LB 1010 and LB 1193, in 2026.	Oppose as Introduced, seek Amendments

Last Updated
04/15/2026

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 409	**Natural Resources Committee** Hearing Feb. 20, 2025	(Cavanaugh, J.) LB 409 would change the composition of the Power Review Board to include at least one licensed journeyman electrician who is affiliated with a nonprofit labor organization for electrical workers. The board would still be comprised of five members—an attorney, an engineer, a union member, and two laypersons. It is unclear what purpose would be served by having a journeyman electrician on the PRB. The PRB's role in approving the applications for generation and transmission is more geared toward evaluating the public convenience and necessity of a project and the overall economics of the project. The PRB does not evaluate any technical specifications, nor does it evaluate any aspects of project labor. LES does not see a purpose to be served by adding this requirement on the PRB. A journeyman electrician could already be appointed as one of the three laypersons.	Only Monitoring
LB 413	**Natural Resources Committee** Hearing Feb. 05, 2025	(Clouse) LB 413 relates to rates and charges set by public power districts. This bill adds language to provide that rates and charges may be differentiated based on load size, load factor, firm and nonfirm service, technology risks, length of service commitment, and other objective criteria. It is LES's understanding that the bill was introduced to give utilities greater flexibility in setting appropriate rates for large, transitory loads such as cryptomining. As introduced, the bill does not include municipalities. In addition, LES already has rates and charges that are differentiated based on things like load factor and other criteria, but we still maintain cost of service rates within rate classes that are fair, reasonable, and nondiscriminatory. LES has also evaluated mechanisms to deal with large, transitory loads, but it is not clear that this would provide the desired flexibility. An unofficial amendment has been shared with LES that intends to simplify this bill drastically where it only adds two words to the existing statute to clarify that rates are "not unduly" discriminatory . While this bill only applies to public power districts LES will continue to monitor it as it moves through the process.	Only Monitoring

Last Updated
04/15/2026

2025 CARRY OVER
LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 489	**Natural Resources Committee** Hearing Feb. 05, 2025	(Brandt) LB 489 is intended to prohibit private entities from operating, maintaining, constructing, or acquiring a transmission line or related facility carrying more than seven hundred volts. As written, the language would impact new primary-metered customers who would construct or maintain 15 kV or 35 kV lines. It would also seem to preclude transmission lines built by private developers to interconnect privately developed renewable energy facilities with public power providers. An unofficial amendment has been shared with LES which, if filed, would alleviate LES's concerns. However, there is disagreement among the industry for how private transmission facilities should be handled in the state. LES intends to continue discussions around private transmission facilities to ensure current customers are not unintentionally affected and to close the gap in the approval process.	Oppose as Introduced

Last Updated
04/15/2026

Exhibit V

Value of Solar Study

Scott Benson | Director, Strategy & Innovation

4/17/2026

Value of Solar Study
Scope

- Goal was to quantify the direct financial benefits of customer-owned distributed solar photovoltaics, representing a near dollar-for-dollar match of the associated costs deferred by LES. This is the compensation LES can provide for distributed solar energy production while ensuring no cost shift to non-participants.

- Analyzed benefits included:
  - SPP Market – Direct
  - SPP Market – Indirect
  - SPP Ancillary Services
  - SPP Transmission
  - Generation Capacity
  - Distribution Capacity
  - Distribution Losses
  - Renewable Energy Certificates (RECs)
  - CO_2 Emissions

Value of Solar Study
Methodology

- Modeled 25 MW_{DC} of incremental, local distributed solar – approximately five times the amount on LES' system today – and then compared the results to a pre-solar base case.

- Solar output profile was derived from the National Laboratory of the Rockies (NLR) PVWatts Calculator, assuming a mixed panel orientation consistent with LES' current installed levels:
  - 75% southern facing
  - 25% western facing

- Calculated the total Net Present Value (NPV) benefit per MWh of solar production over a 20-year period (2026 – 2045), representing the equitable fixed solar incentive payment ($/MWh) from LES over that same span.

Value of Solar Study

Levelized Benefits

SPP Market – Direct

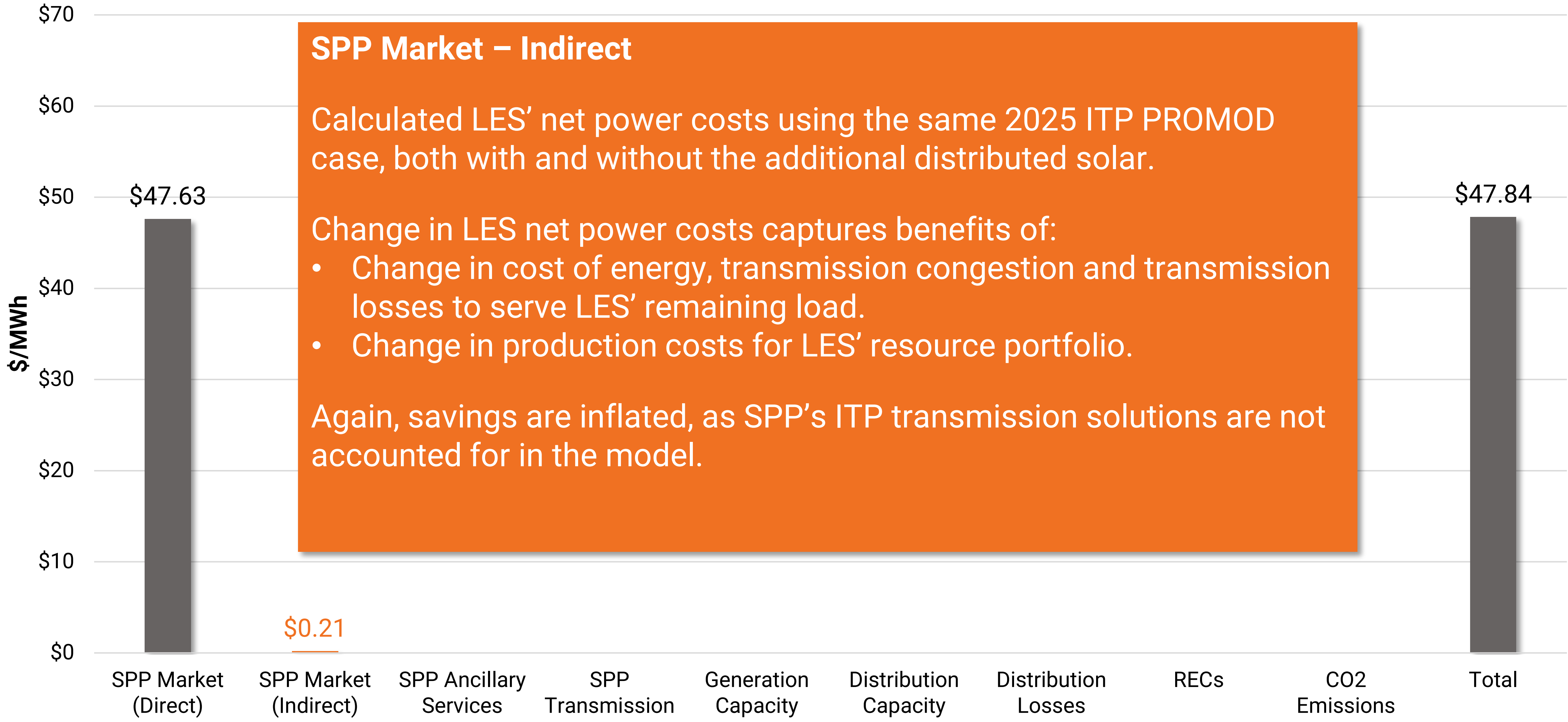
Utilized Hitachi's PROMOD software to analyze SPP's 2025 ITP Future 1 case, representing 30% - 40% increase in current market energy prices.

Source: 2025 Integrated Transmission Planning Assessment Report, Southwest Power Pool, November 25, 2025.

Calculated SPP market purchases at the Lincoln Locational Marginal Price (LMP) – including energy, transmission congestion and transmission losses – directly deferred by the solar production. Savings are inflated, as SPP's PROMOD case includes future pressures (e.g., increased load growth) but not resultant transmission solutions.

Overlaid impacts of a winter storm every three years, with LMPs at 400% of modeled values for 5 days, centered around max LMP for the season.

Value of Solar Study
Levelized Benefits



SPP Market – Indirect

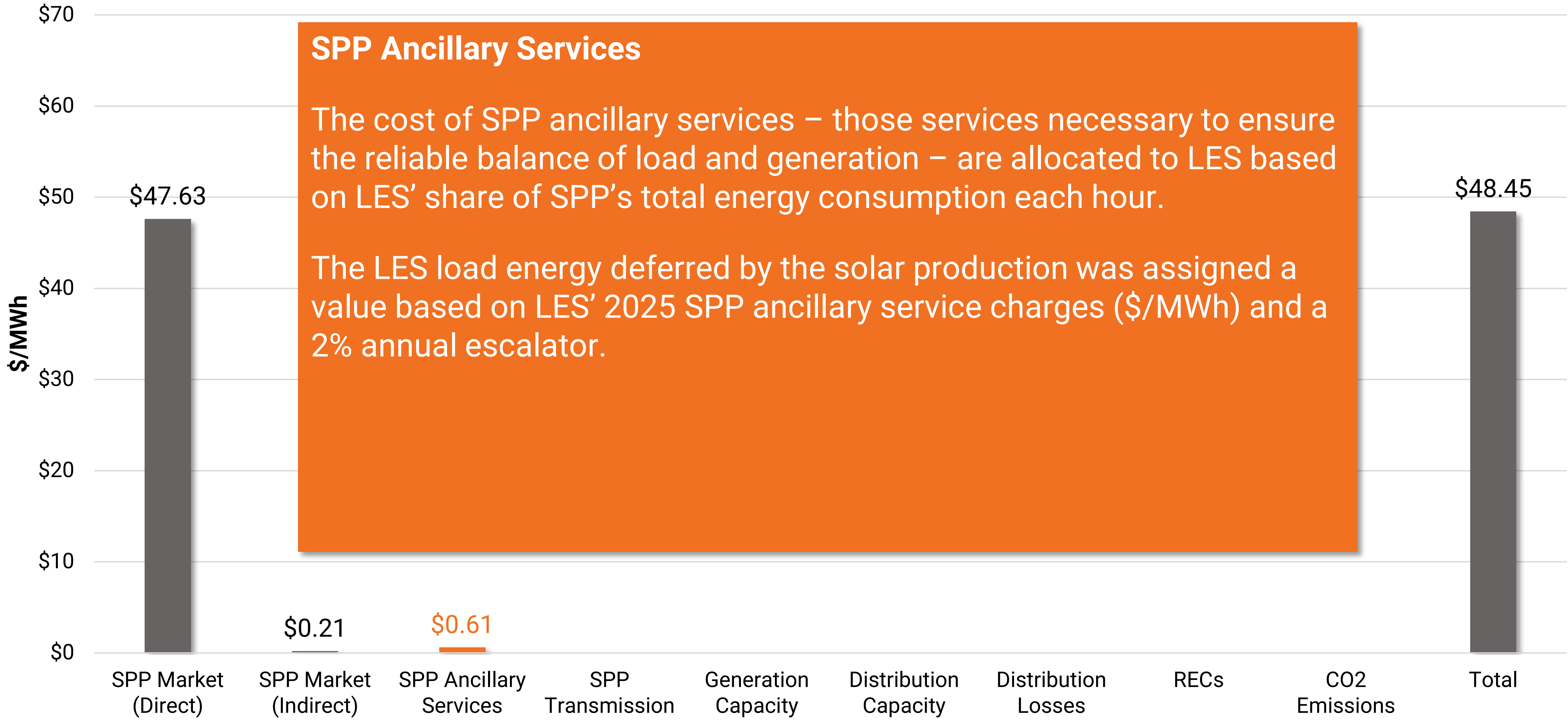
Calculated LES' net power costs using the same 2025 ITP PROMOD case, both with and without the additional distributed solar.

Change in LES net power costs captures benefits of:

- Change in cost of energy, transmission congestion and transmission losses to serve LES' remaining load.
- Change in production costs for LES' resource portfolio.

Again, savings are inflated, as SPP's ITP transmission solutions are not accounted for in the model.

Value of Solar Study
Levelized Benefits

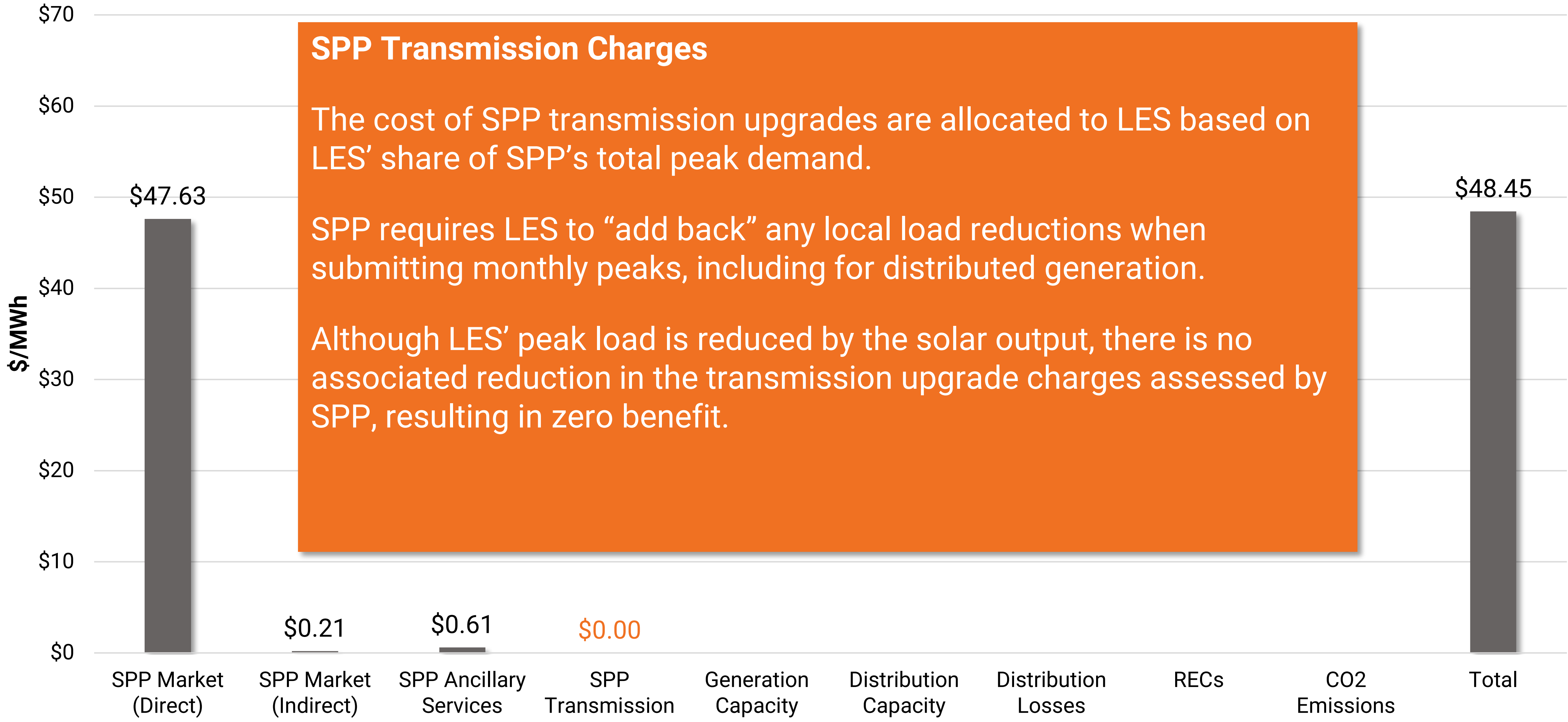


SPP Ancillary Services

The cost of SPP ancillary services – those services necessary to ensure the reliable balance of load and generation – are allocated to LES based on LES' share of SPP's total energy consumption each hour.

The LES load energy deferred by the solar production was assigned a value based on LES' 2025 SPP ancillary service charges ($/MWh) and a 2% annual escalator.

Value of Solar Study
Levelized Benefits



SPP Transmission Charges

The cost of SPP transmission upgrades are allocated to LES based on LES' share of SPP's total peak demand.

SPP requires LES to "add back" any local load reductions when submitting monthly peaks, including for distributed generation.

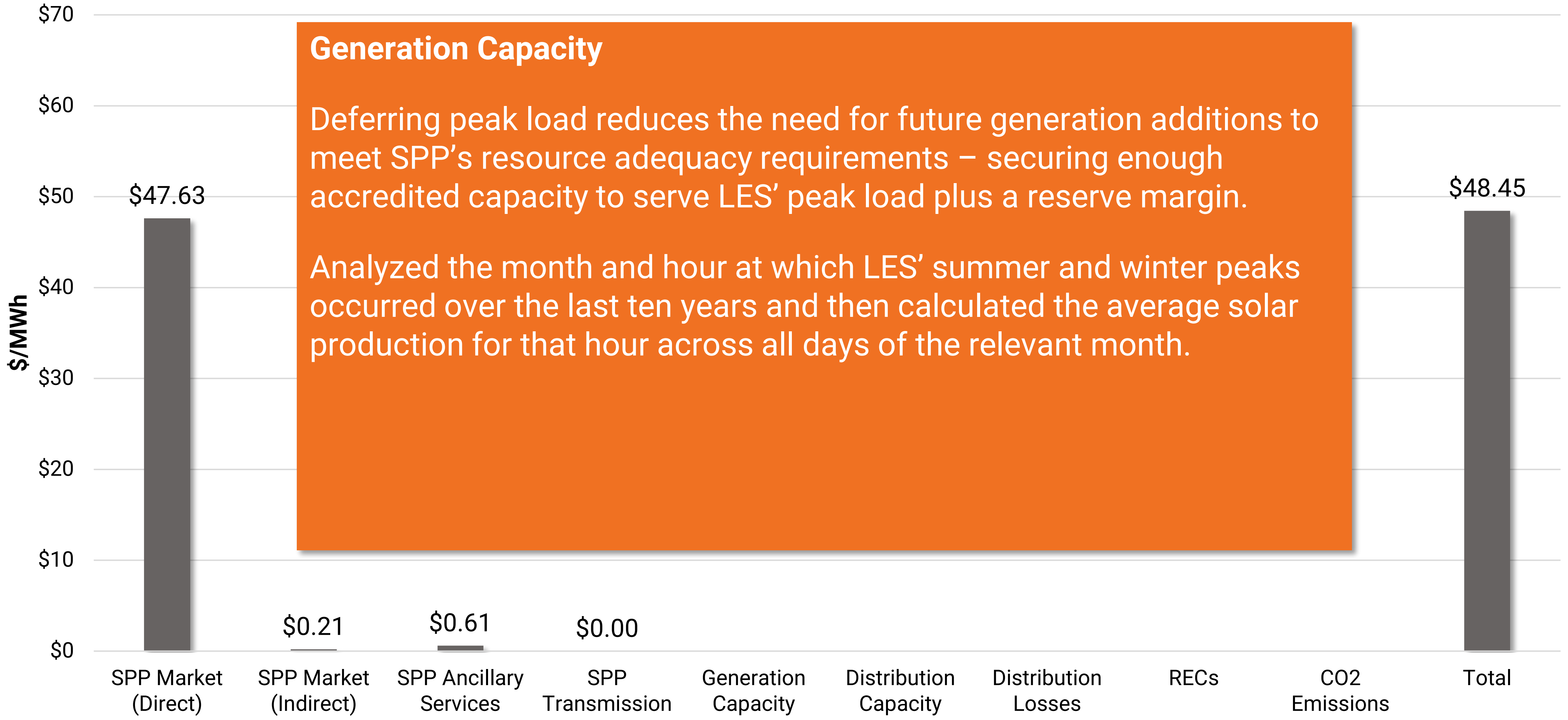
Although LES' peak load is reduced by the solar output, there is no associated reduction in the transmission upgrade charges assessed by SPP, resulting in zero benefit.

Value of Solar Study
Levelized Benefits

Generation Capacity

Deferring peak load reduces the need for future generation additions to meet SPP's resource adequacy requirements – securing enough accredited capacity to serve LES' peak load plus a reserve margin.

Analyzed the month and hour at which LES' summer and winter peaks occurred over the last ten years and then calculated the average solar production for that hour across all days of the relevant month.



LES Historical Peak Loads

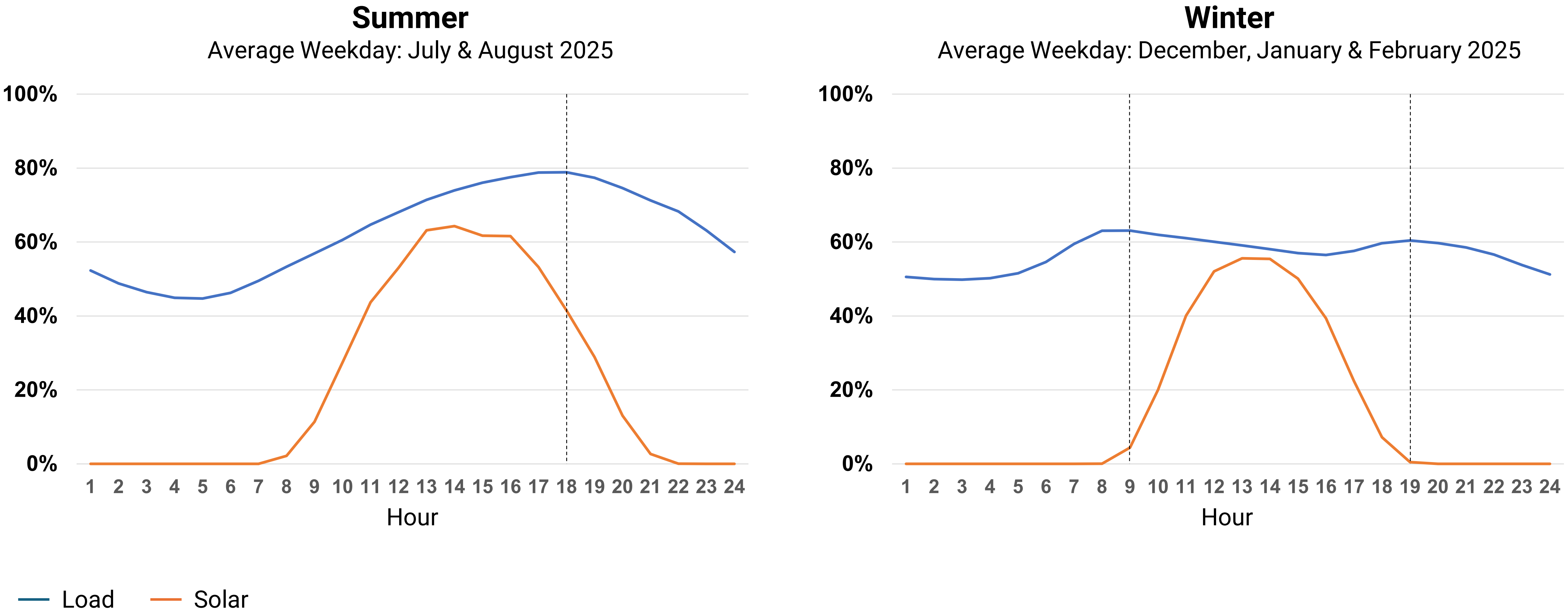
	Summer Peak			Winter Peak		
Year	Date	Time	Solar Output	Date	Time	Solar Output
2025	7/29	5 pm – 6 pm	27%	2/18	11 am – 12 pm	55%
2024	8/26	5 pm – 6 pm	26%	1/15	6 pm – 7 pm	0%
2023	8/22	4 pm – 5 pm	44%	2/24	8 am – 9 am	18%
2022	8/02	4 pm – 5 pm	44%	12/22	5 pm – 6 pm	0%
2021	8/24	4 pm – 5 pm	44%	2/15	10 am – 11 am	42%
2020	8/27	4 pm – 5 pm	44%	2/13	7 am – 8 am	0%
2019	7/17	5 pm – 6 pm	27%	1/30	6 pm – 7 pm	0%
2018	7/12	5 pm – 6 pm	27%	1/15	6 pm – 7 pm	0%
2017	7/21	4 pm – 5 pm	43%	12/27	5 pm – 6 pm	0%
2016	7/21	5 pm – 6 pm	27%	12/17	5 pm – 6 pm	0%

OUTLIER
4-MW delta between mid-day peak and nighttime load.

OUTLIER
Followed Winter Storm Uri load shed.

LES Historical Peak Loads

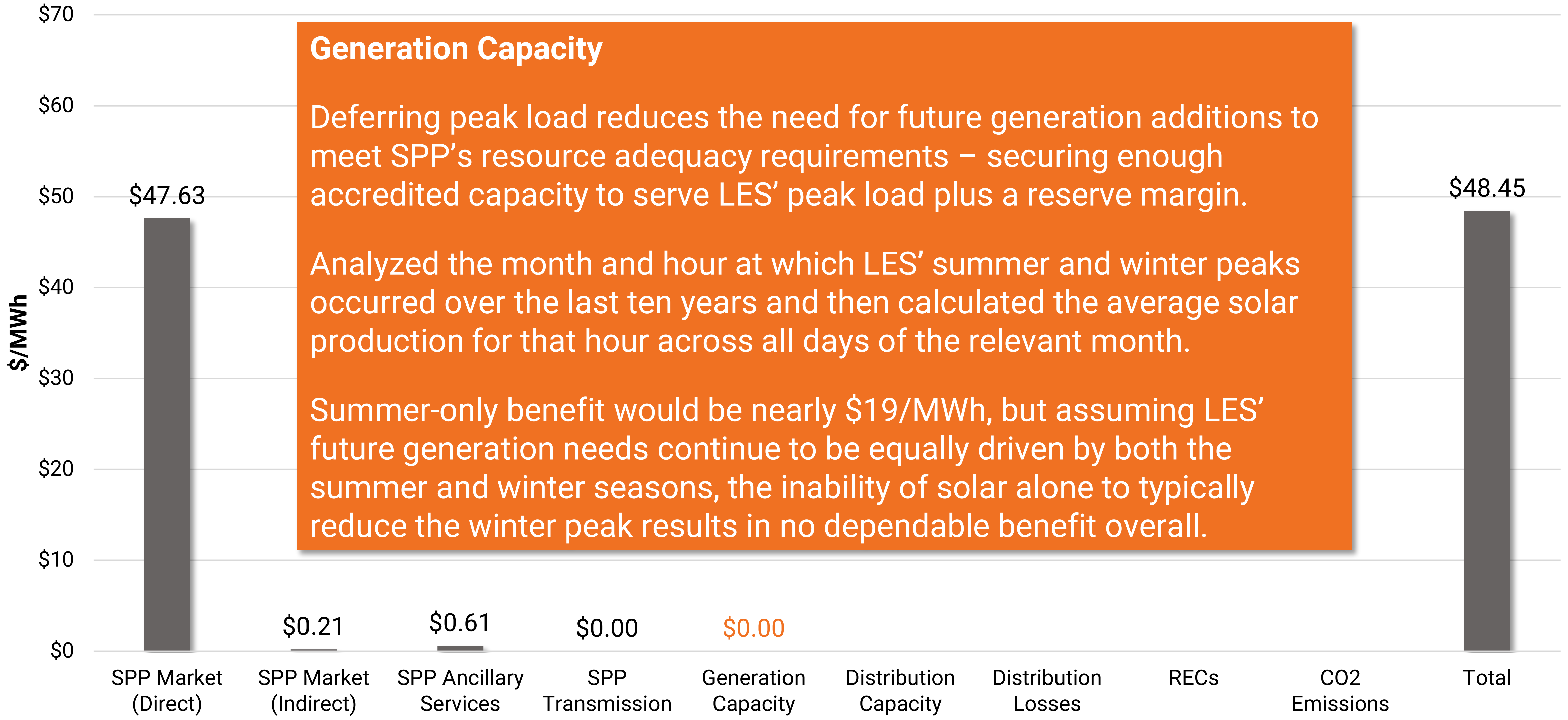
LOC Carport Solar Array Output vs. LES Area Load



LES Load & Capability Projection

LES Summer and Winter capacity needs are effectively balanced.

Value of Solar Study
Levelized Benefits



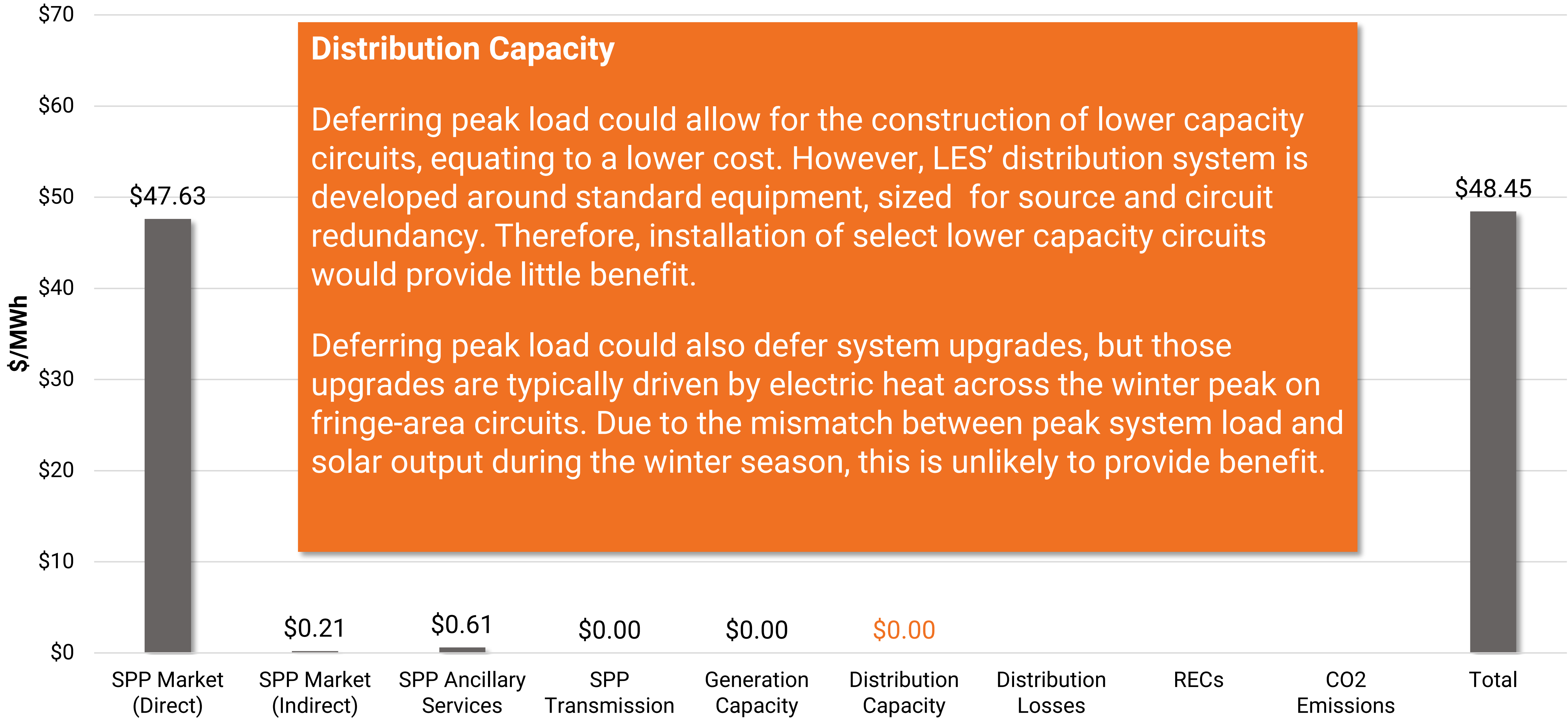
Generation Capacity

Deferring peak load reduces the need for future generation additions to meet SPP's resource adequacy requirements – securing enough accredited capacity to serve LES' peak load plus a reserve margin.

Analyzed the month and hour at which LES' summer and winter peaks occurred over the last ten years and then calculated the average solar production for that hour across all days of the relevant month.

Summer-only benefit would be nearly $19/MWh, but assuming LES' future generation needs continue to be equally driven by both the summer and winter seasons, the inability of solar alone to typically reduce the winter peak results in no dependable benefit overall.

Value of Solar Study
Levelized Benefits

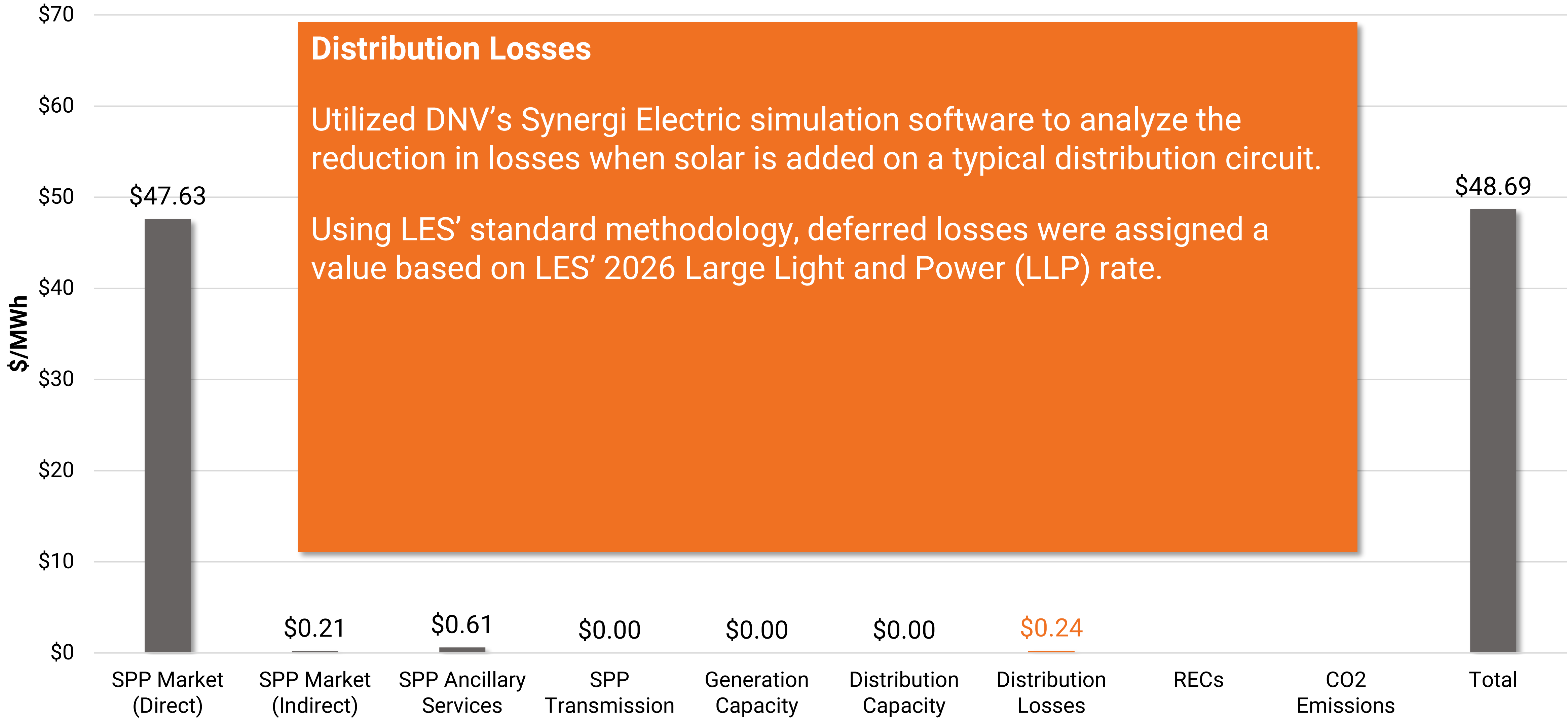


Distribution Capacity

Deferring peak load could allow for the construction of lower capacity circuits, equating to a lower cost. However, LES' distribution system is developed around standard equipment, sized for source and circuit redundancy. Therefore, installation of select lower capacity circuits would provide little benefit.

Deferring peak load could also defer system upgrades, but those upgrades are typically driven by electric heat across the winter peak on fringe-area circuits. Due to the mismatch between peak system load and solar output during the winter season, this is unlikely to provide benefit.

Value of Solar Study
Levelized Benefits



Distribution Losses

Utilized DNV's Synergi Electric simulation software to analyze the reduction in losses when solar is added on a typical distribution circuit.

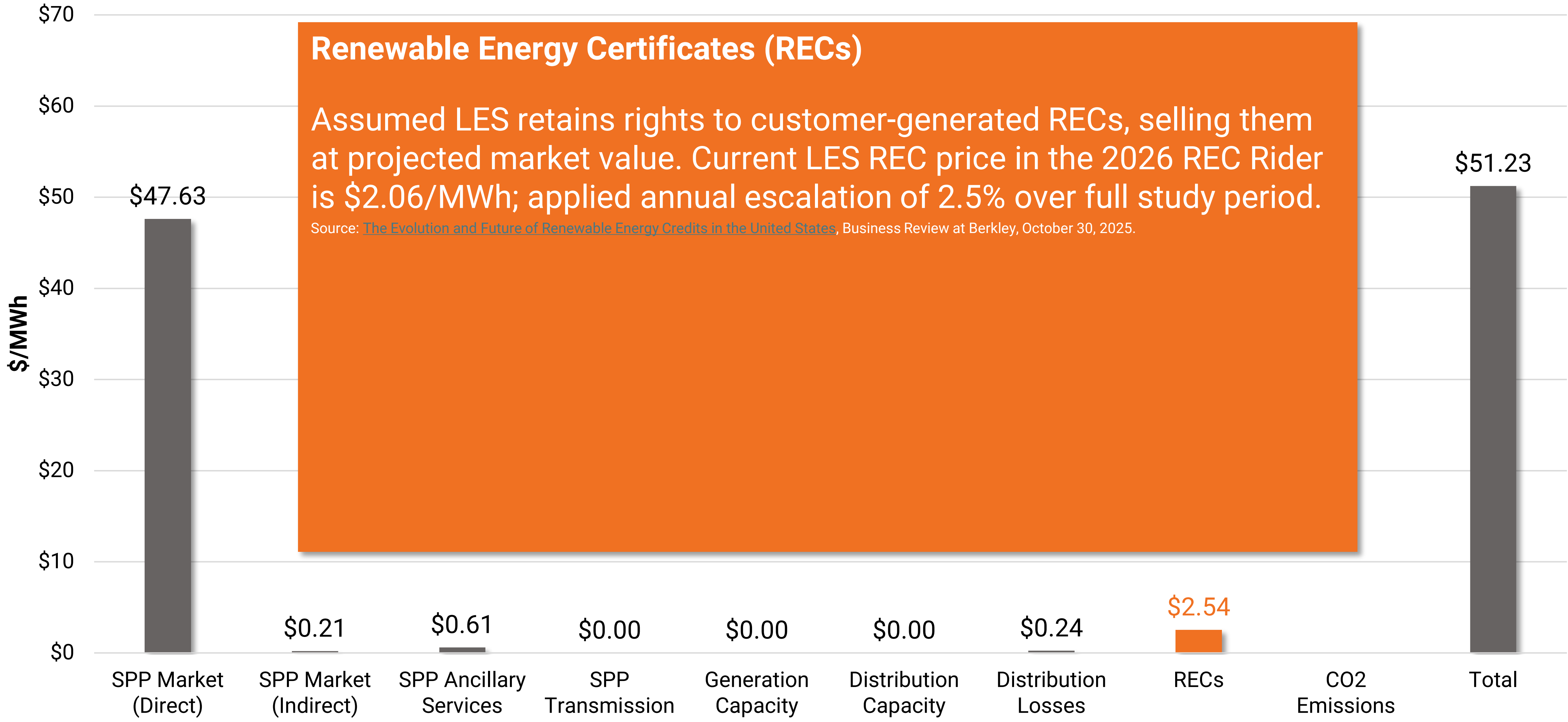
Using LES' standard methodology, deferred losses were assigned a value based on LES' 2026 Large Light and Power (LLP) rate.

Value of Solar Study
Levelized Benefits

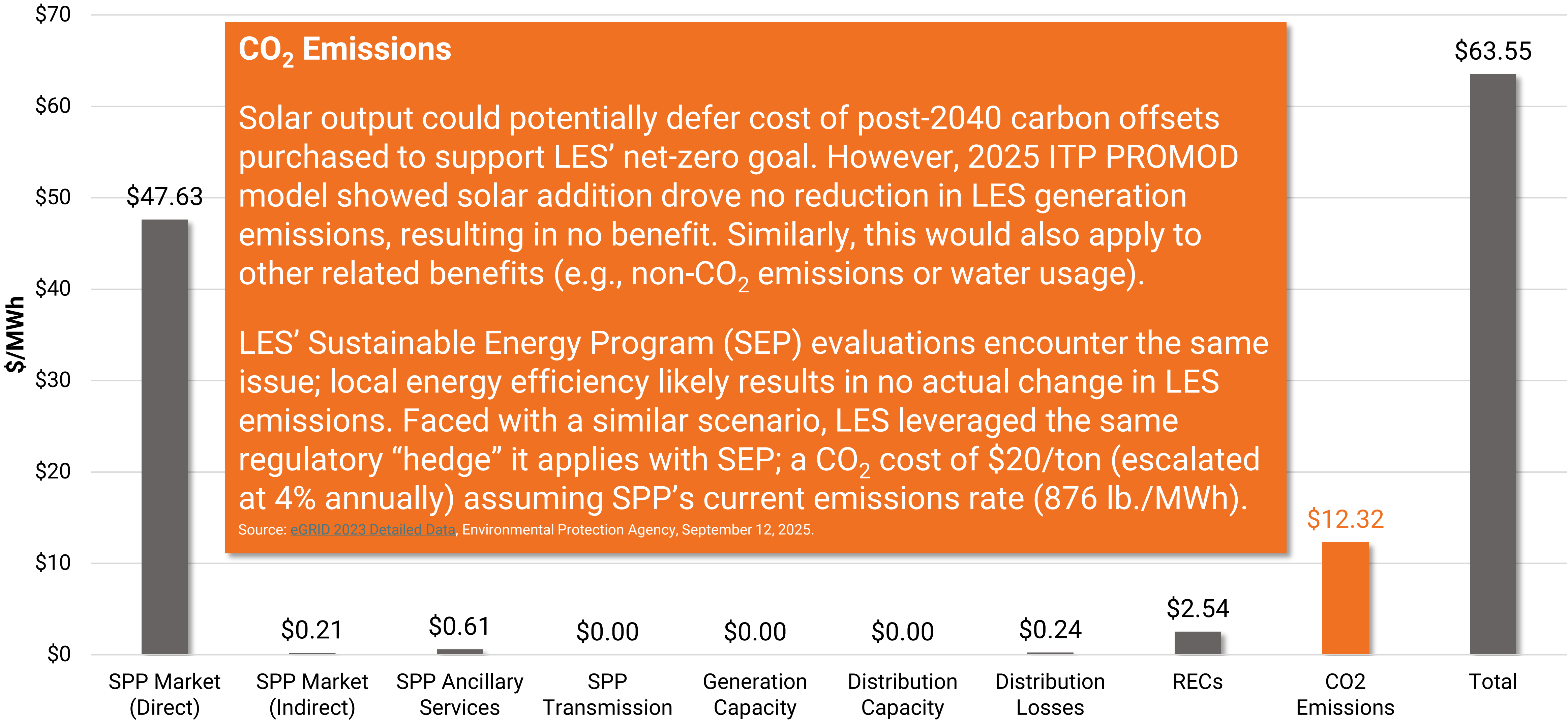
Renewable Energy Certificates (RECs)

Assumed LES retains rights to customer-generated RECs, selling them at projected market value. Current LES REC price in the 2026 REC Rider is $2.06/MWh; applied annual escalation of 2.5% over full study period.

Source: The Evolution and Future of Renewable Energy Credits in the United States, Business Review at Berkley, October 30, 2025.



Value of Solar Study
Levelized Benefits



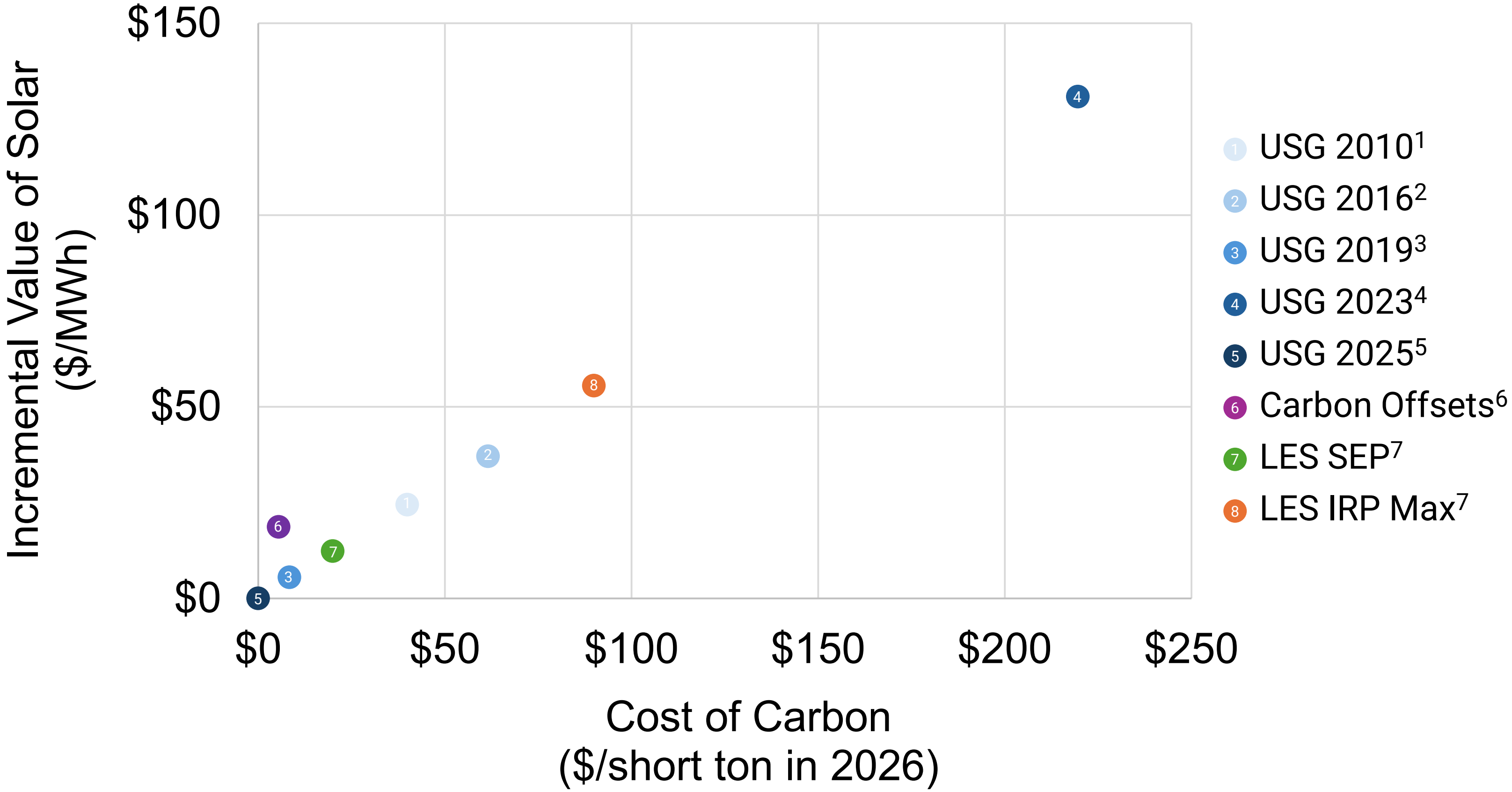
CO_2 Emissions

Solar output could potentially defer cost of post-2040 carbon offsets purchased to support LES' net-zero goal. However, 2025 ITP PROMOD model showed solar addition drove no reduction in LES generation emissions, resulting in no benefit. Similarly, this would also apply to other related benefits (e.g., non-CO_2 emissions or water usage).

LES' Sustainable Energy Program (SEP) evaluations encounter the same issue; local energy efficiency likely results in no actual change in LES emissions. Faced with a similar scenario, LES leveraged the same regulatory "hedge" it applies with SEP; a CO_2 cost of $20/ton (escalated at 4% annually) assuming SPP's current emissions rate (876 lb./MWh).

Source: eGRID 2023 Detailed Data, Environmental Protection Agency, September 12, 2025.

Value of Solar Study
Sensitivity Analysis: Carbon Value

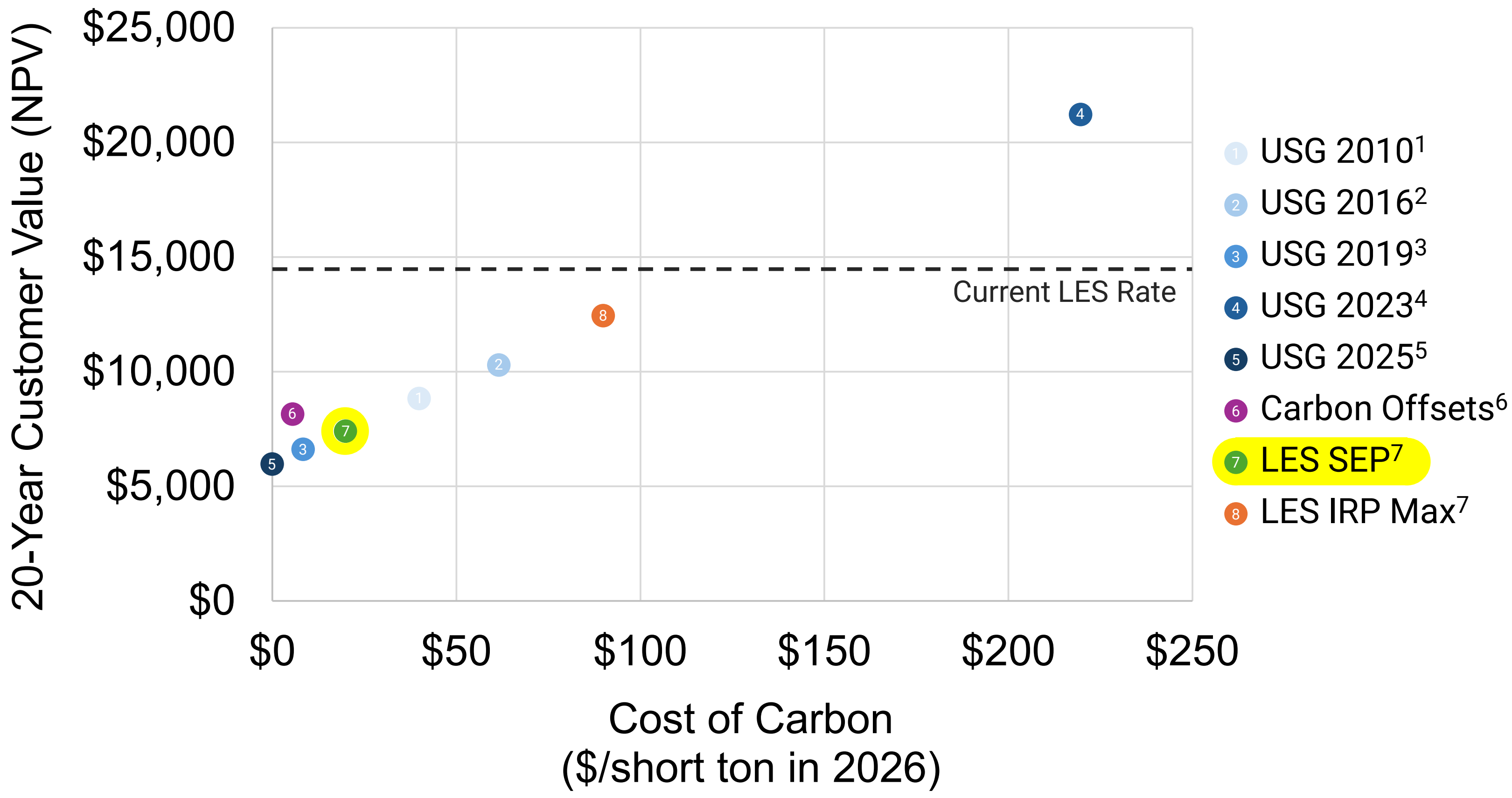


"The SCC is, however, highly uncertain…A VoS based on the low-end SCC would look substantially different from a VoS based on the high-end SCC. Thus, a regulator's subjective choice of an SCC — or updates in SCC estimates in the literature — could result in potentially substantial and arbitrary swings in VoS rates."

Source: A Review of Value of Solar Studies In Theory and In Practice, Lawrence Berkeley National Laboratory, January 2025.

Source:
1) Technical Support Document: Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, IWG, February 2010.
2) Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, IWG, August 2016.
3) Regulatory Impact Analysis for the Repeal of the Clean Power Plan, and the Emission Guidelines for Greenhouse Gas Emissions from Existing Electric Utility Generating Units, US EPA, June 2019.
4) Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances, US EPA, November 2023.
5) Guidance Implementing Section 6 of Executive Order 14154, Entitled "Unleashing American Energy", Executive Office of the President, May 2025.
6) Forecasting the Voluntary Carbon Market, Allied Offsets, March 2025.
7) 2022 Lincoln Cooperative Integrated Resource Plan, LES, October 2022.

Value of Solar Study
Comparison to Current LES Solar Rate



Assuming annual LES rate increases of 2%, compared typical customer's payments (20-year NPV) under value of solar rate to LES' current rate for a 9-kW system (LES average).

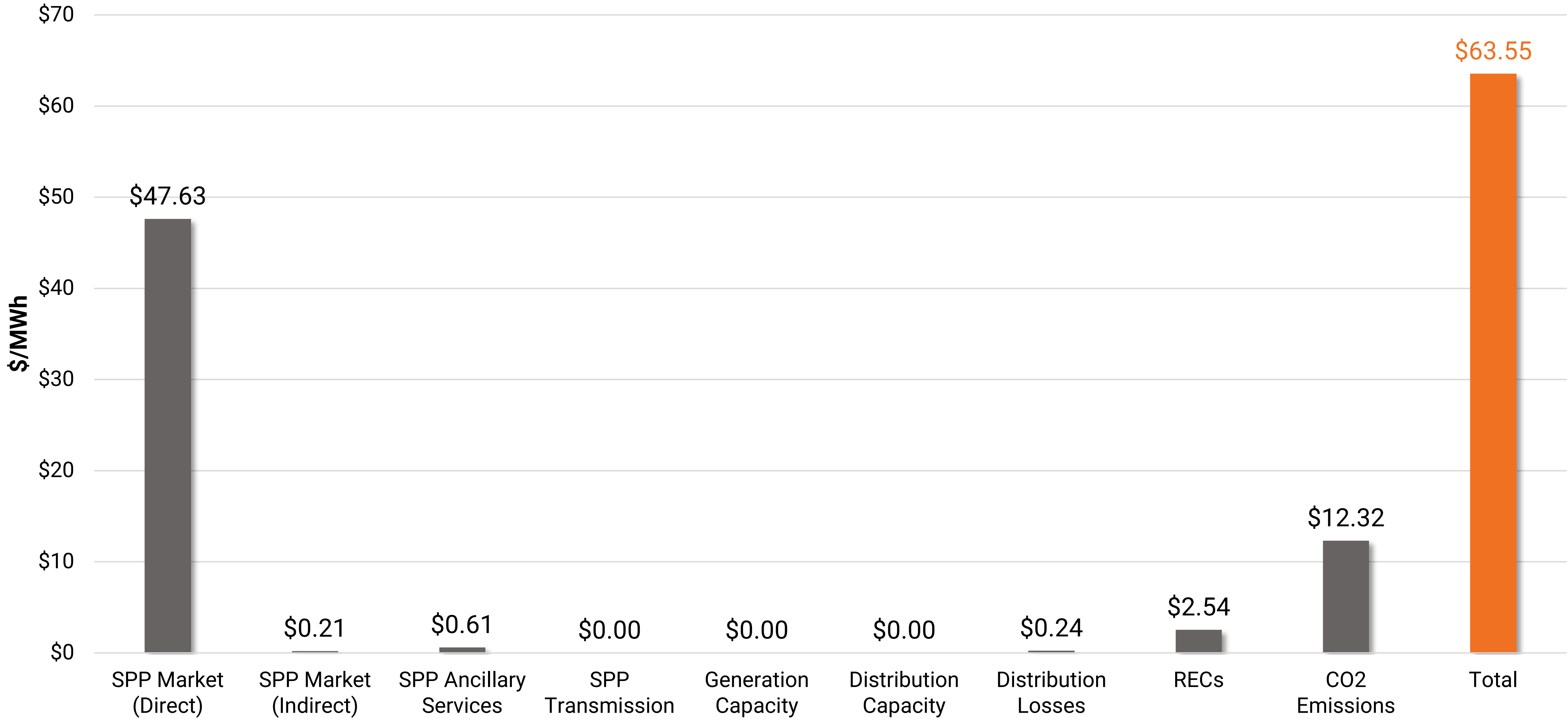
Current rate value includes:

- Energy @ 100% residential rate (60%)
  Inherent under state law.
- $375/kW$_{DC}$ capacity payment (23%)
  *Provided at LES' discretion.**
- ↓ facilities charge by one level (17%)
  Inherent to residential rate structure.

* LES' current rate values capacity in summer only.

Source:
1) Technical Support Document: Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, IWG, February 2010.
2) Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, IWG, August 2016.
3) Regulatory Impact Analysis for the Repeal of the Clean Power Plan, and the Emission Guidelines for Greenhouse Gas Emissions from Existing Electric Utility Generating Units, US EPA, June 2019.
4) Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances, US EPA, November 2023.
5) Guidance Implementing Section 6 of Executive Order 14154, Entitled "Unleashing American Energy", Executive Office of the President, May 2025.
6) Forecasting the Voluntary Carbon Market, Allied Offsets, March 2025.
7) 2022 Lincoln Cooperative Integrated Resource Plan, LES, October 2022.

Value of Solar Study
Levelized Benefits



Value of Solar Study
Going Forward…

- LES' commitment to its current solar rates – including a one-time capacity payment – was set to expire at a total customer-owned solar penetration of 5 MW, which LES just recently eclipsed in 2026.

- LES is comfortable with the current rates and proposes to extend them to 6 MW. This will provide time to further assess the validity of LES' new summer/winter balance with respect to generation capacity, which significantly impacts the value of solar study results.

Value of Solar Study
Primary References

- A Review of Value of Solar Studies In Theory and In Practice
  Lawrence Berkeley National Laboratory, January 2025

- Review of Recent Cost-Benefit Studies Related to Net Metering and Distributed Solar
  ICF, May 2018

Value of Solar Study
Attributes Quantified in Reference Studies (19) and LES Study

	Attribute	Reference	LES Direct Benefit
Generation	Energy	68%	✓
	Capacity	68%	✓
	Renewable Portfolio Standard (RECs)	58%	✓
	Fuel Hedging	42%	
	Market Price Response	37%	✓
	Ancillary Services	16%	✓
Transmission & Distribution	Transmission Capacity	68%	✓
	Line Loss	58%	✓
	Distribution Capacity	58%	✓
	Distribution Operations & Maintenance	11%	
	Resilience and Reliability	0%	
	Voltage and Power Quality	0%	
Costs	Lost Utility Revenue	37%	NA
	Program Admin	37%	
	Integration	32%	
Social	Cost of Carbon	42%	✓
	Other Environmental Costs	37%	✓
	Local Economic Benefit	16%	
	Other	0%	

Source: A Review of Value of Solar Studies In Theory and In Practice, Lawrence Berkeley National Laboratory, January 2025.

Questions

Exhibit VI

Lincoln Electric System

Revenue & Expense Statement (Condensed)

JANUARY 2026

January financial results were lower than budgeted primarily due to higher than budgeted net power costs and lower than budgeted retail revenues

(Dollar amounts in 000)

	YEAR TO DATE	2026 Actual	2026 Budget	Difference	Percentage Difference	Comments
1)	Total Revenue	$33,919	$33,939	($20)	0%	Retail revenue was 8% ($2.4M) under budget. Wholesale revenue was over budget by 91% ($1.5M), primarily due to higher than expected revenues from SPP IM activity. Other revenue was also over budget by 102% ($850K), mainly due to the timing of renewable energy certificate sales and reimbursement of SPP transmission revenue.
2)	Power Costs	21,276	13,052	8,224	63%	Purchased power was 95% ($7.3M) over budget primarily due to higher SPP purchases. Produced power was 18% ($970K) over budget due primarily to higher than budgeted energy costs for TBGS and Rokeby, and higher operations expenses for TBGS, LRS and Rokeby.
3)	Other Operating Expenses	8,960	10,034	(1,074)	-11%	Other operating expenses were under budget, primarily due to the timing of TS and Customer Service invoices received for payment ($400K), reduced line clearance expenses ($325K) and lower Sustainable Energy Program Incentives ($200K).
4)	Depreciation	3,214	3,252	(38)	-1%	
5)	Total Expenses	33,450	26,338	7,112	27%	
6)	Operating Income	469	7,601	(7,132)	-94%	
7)	Noncapital Subsidies	(1,301)	(1,497)	196	13%	
8)	Operating Income and Noncapital Subsidies	(832)	6,104	(6,936)	-114%	
9)	Non-Operating Income (Expense)	(875)	(1,153)	278	24%	
10)	Change in Net Position (Net Revenue)	($1,707)	$4,951	($6,658)	-134%	
		Year End Projection	Year End Budget			
11)	Fixed Charge Coverage	N/A	N/A			
12)	Debt Service Coverage	N/A	N/A			
		Month End Actual	Month End Budget			
13)	Days Cash on Hand	N/A	N/A			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

January 2026

Lincoln Electric System

LES.com

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.

LES

REVENUE & EXPENSE STATEMENT

CURRENT MONTH

JANUARY 2026

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	$29,043,476	$31,438,183	($2,394,707)	-7.6%	$26,621,395	$2,422,081	9.1%
2. Wholesale	3,201,602	1,674,242	1,527,360	91.2%	3,939,948	(738,346)	-18.7%
3. Other Revenue	1,673,947	827,015	846,932	102.4%	1,703,120	(29,173)	-1.7%
4. Total Operating Revenues	33,919,025	33,939,440	(20,415)	-0.1%	32,264,463	1,654,562	5.1%
OPERATING EXPENSES							
5. Purchased Power	14,870,467	7,612,172	7,258,295	95.4%	7,793,410	7,077,057	90.8%
6. Produced Power	6,405,608	5,439,346	966,262	17.8%	5,585,400	820,208	14.7%
7. Operations	2,858,713	2,565,873	292,840	11.4%	2,365,520	493,193	20.8%
8. Maintenance	665,378	1,195,739	(530,361)	-44.4%	1,264,841	(599,463)	-47.4%
9. Admin. & General	5,436,078	6,272,170	(836,092)	-13.3%	4,935,039	501,039	10.2%
10. Depreciation	3,214,420	3,252,259	(37,839)	-1.2%	3,378,339	(163,919)	-4.9%
11. Total Operating Expenses	33,450,664	26,337,559	7,113,105	27.0%	25,322,549	8,128,115	32.1%
12. OPERATING INCOME	**468,361**	**7,601,881**	**(7,133,520)**	**-93.8%**	**6,941,914**	**(6,473,553)**	**-93.3%**
NONCAPITAL SUBSIDIES							
13. CDFUO Revenue (a)	1,277,082	1,230,388	46,694	3.8%	1,080,583	196,499	18.2%
14. CDFUO Expense (a)	(1,274,197)	(1,274,197)	0	0.0%	(1,143,204)	(130,993)	-11.5%
15. PILOT (b)	(1,304,138)	(1,453,603)	149,465	10.3%	(1,199,231)	(104,907)	-8.7%
16. Total Noncapital Subsidies	(1,301,253)	(1,497,412)	196,159	13.1%	(1,261,852)	(39,401)	-3.1%
17. OPERATING INCOME AND NONCAPITAL SUBSIDIES	**(832,892)**	**6,104,469**	**(6,937,361)**	**-113.6%**	**5,680,062**	**(6,512,954)**	**-114.7%**
NONOPERATING INCOME (EXPENSES)							
18. Interest Income	591,740	349,002	242,738	69.6%	361,496	230,244	63.7%
19. Interest Expense (c)	(1,466,365)	(1,501,801)	35,436	2.4%	(1,377,836)	(88,529)	-6.4%
20. Total Nonoperating Income (Expenses)	(874,625)	(1,152,799)	278,174	24.1%	(1,016,340)	141,715	13.9%
21. Income Before Contributions	**(1,707,517)**	**4,951,670**	**(6,659,187)**	**-134.5%**	**4,663,722**	**(6,371,239)**	**-136.6%**
CONTRIBUTED CAPITAL							
22. Contributed Capital Received	3,730,359	64,115	3,666,244	5718.2%	4,066,537	(336,178)	-8.3%
23. Contributed Capital Used (d)	(3,730,359)	(64,115)	(3,666,244)	-5718.2%	(4,066,537)	336,178	8.3%
24. Net Contributed Capital	0	0	0	- -	0	0	- -
25. CHANGE IN NET POSITION	**($1,707,517)**	**$4,951,670**	**($6,659,187)**	**-134.5%**	**$4,663,722**	**($6,371,239)**	**-136.6%**

(a) City Dividend for Utility Ownership.

(c) Bond Interest -$1,400,608 + Software Agreements Interest -$9,478 + Variable Interest -$331,637 + Amortization of Issuance Costs on Outstanding Debt -$86,659 + Amortization of Loss on Refunded Debt -$71,093 - Amortization of Discount/ Premium -$433,110 = -$1,466,365.

(b) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

JANUARY 2026

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	$11,703,740	$14,098,716	($2,394,976)	-17.0%	$13,400,560	($1,696,820)	-12.7%
2. Commercial & Street Light	14,642,973	14,201,809	441,164	3.1%	10,748,134	3,894,839	36.2%
3. Industrial	2,696,763	3,137,658	(440,895)	-14.1%	2,472,701	224,062	9.1%
4. Total Retail	29,043,476	31,438,183	(2,394,707)	-7.6%	26,621,395	2,422,081	9.1%
5. SPP Sales	2,389,959	1,034,270	1,355,689	131.1%	2,837,812	(447,853)	-15.8%
6. Contract Sales	811,643	639,972	171,671	26.8%	1,102,136	(290,493)	-26.4%
7. Total Wholesale	3,201,602	1,674,242	1,527,360	91.2%	3,939,948	(738,346)	-18.7%
8. Total	$32,245,078	$33,112,425	-$867,347	-2.6%	$30,561,343	$1,683,735	5.5%
ENERGY (MWH'S)							
9. Residential	105,628	141,087	(35,459)	-25.1%	149,433	(43,805)	-29.3%
10. Commercial & Street Light	156,176	157,058	(882)	-0.6%	131,621	24,555	18.7%
11. Industrial	35,350	41,329	(5,979)	-14.5%	33,806	1,544	4.6%
12. Total Retail	297,154	339,474	(42,320)	-12.5%	314,860	(17,706)	-5.6%
13. SPP Sales	21,255	16,555	4,700	28.4%	26,328	(5,073)	-19.3%
14. Contract Sales	28,833	21,563	7,270	33.7%	25,731	3,102	12.1%
15. Total Wholesale	50,088	38,118	11,970	31.4%	52,059	(1,971)	-3.8%
16. Total	347,242	377,592	(30,350)	-8.0%	366,919	(19,677)	-5.4%
CUSTOMERS - AT MONTH END							
17. Residential	137,737	138,605	(868)	-0.6%	136,293	1,444	1.1%
18. Commercial & Street Light	18,079	18,393	(314)	-1.7%	18,004	75	0.4%
19. Industrial	239	235	4	1.7%	235	4	1.7%
20. Total Retail	156,055	157,233	(1,178)	-0.7%	154,532	1,523	1.0%
21. Wholesale	5	4	1	25.0%	5	0	0.0%
22. Total	156,060	157,237	(1,177)	-0.7%	154,537	1,523	1.0%

OPERATING EXPENSE STATEMENT
CURRENT MONTH
JANUARY 2026

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 %
POWER COST							
1. SPP Purchased Power	$9,350,347	$1,279,451	$8,070,896	630.8%	$2,374,913	$6,975,434	293.7%
2. Non-Owned Asset Power	5,520,120	6,332,721	(812,601)	-12.8%	5,418,497	101,623	1.9%
3. Total Purchased Power	14,870,467	7,612,172	7,258,295	95.4%	7,793,410	7,077,057	90.8%
4. Produced Power	6,405,608	5,439,346	966,262	17.8%	5,585,400	820,208	14.7%
5. Total Power Cost	21,276,075	13,051,518	8,224,557	63.0%	13,378,810	7,897,265	59.0%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	1,963,814	2,410,030	(446,216)	-18.5%	2,557,959	(594,145)	-23.2%
7. Transmission	1,560,277	1,351,582	208,695	15.4%	1,072,402	487,875	45.5%
8. Total O & M Expense	3,524,091	3,761,612	(237,521)	-6.3%	3,630,361	(106,270)	-2.9%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	755,625	994,840	(239,215)	-24.0%	254,117	501,508	197.4%
10. Communication & Corporate Records	86,671	107,561	(20,890)	-19.4%	154,038	(67,367)	-43.7%
11. Corporate Operations	550,527	294,405	256,122	87.0%	1,428,761	(878,234)	-61.5%
12. Customer Services	858,521	1,328,473	(469,952)	-35.4%	842,156	16,365	1.9%
13. Financial Services	1,041,058	1,258,376	(217,318)	-17.3%	513,419	527,639	102.8%
14. Power Supply	515,087	498,989	16,098	3.2%	419,010	96,077	22.9%
15. Technology Services	1,628,589	1,789,526	(160,937)	-9.0%	1,323,538	305,051	23.0%
16. Total A & G Expense	5,436,078	6,272,170	(836,092)	-13.3%	4,935,039	501,039	10.2%
17. DEPRECIATION	3,214,420	3,252,259	(37,839)	-1.2%	3,378,339	(163,919)	-4.9%
18. TOTAL OPERATING EXPENSE	$33,450,664	$26,337,559	$7,113,105	27.0%	$25,322,549	$8,128,115	32.1%

LES

BALANCE SHEET
JANUARY 2026

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)	$81,495,660	($3,776,319)	*OTHER LIABILITIES*		
2. Payment in Lieu of Tax Fund	14,745,501	1,085,325	1. Accounts Payable	$29,478,833	$5,281,539
3. Rate Stabilization Fund	42,041,150	46,509	2. Accrued Payments in Lieu of Taxes	16,020,693	1,221,262
4. Bond Principal & Interest Funds	22,768,408	4,572,309	3. City Dividend for Utility Ownership Payable	6,370,985	1,274,197
5. Other Restricted/Designated Funds	5,061,899	1,131,968	4. Commercial Paper Notes	150,000,000	0
6. Restricted/Designated Funds Total	69,871,457	5,750,786	5. Accrued Software Interest	47,072	5,827
7. Total Current Asset Funds	166,112,618	3,059,792	6. Accrued Liabilities	20,207,768	(456,831)
8. Receivables Less Uncollectible Allowance	31,097,115	3,246,456	7. Total Other Liabilities	222,125,351	7,325,994
9. Unbilled Revenue	21,423,475	941,478	**CURRENT LIABILITIES - RESTRICTED ASSETS**		
10. Accrued Interest Receivable	661,194	135,611	8. Current Portion of Long-Term Debt	37,580,000	0
11. Materials, Supplies & Fuel Inventory	35,855,269	(1,474,089)	9. Accrued Interest	7,448,578	1,514,712
12. Plant Operation Assets	21,712,344	1,715,736	10. Other Current Liabilities	1,167,648	42,502
13. Other Current Assets	7,498,305	(713,434)	11. Total Current Liabilities - Restricted Assets	46,196,226	1,557,214
14. Total Current Assets	284,360,320	6,911,550	12. Total Current Liabilities	268,321,577	8,883,208
NONCURRENT ASSETS:			**NONCURRENT LIABILITIES:**		
15. Bond Reserve Funds	9,151,444	40,774	13. 2013 Bonds	0	0
16. Self-Funded Benefits Reserve Fund (IBNP)	1,222,539	3,410	14. 2015A Bonds	69,775,000	0
17. Segregated Funds	23,386,513	1,800,000	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total	33,760,496	1,844,184	16. 2018 Bonds	114,900,000	0
19. Unamortized Debt Expense	1,432,583	(23,089)	17. 2020A Bonds	70,740,000	0
21. Accrued Lease Interest	189,422	4,421	18. 2020B Bonds	136,540,000	0
22. Other Noncurrent Assets	6,809,013	110,781	19. Total Revenue Bonds	457,915,000	0
23. Total Noncurrent Assets	$49,776,316	$1,906,658	20. Less Current Maturities	37,580,000	0
			21. Less Unamortized Discounts/Premiums	(22,835,173)	433,110
CAPITAL ASSETS:			22. Note Purchase Agreement	0	0
24. Utility Plant in Service	1,895,923,819	(272,408)	23. Revolving Credit Agreement	0	0
25. Accumulated Depreciation & Amortization	(1,007,141,197)	(3,325,266)	24. Net Long Term Debt	443,170,173	(433,110)
26. Construction Work in Progress	217,895,543	1,551,327	25. Liabilities Payable from Segregated Funds	23,383,401	(641)
27. Total Capital Assets	1,106,678,165	(2,046,347)	26. Asset Retirement Obligation	3,385,218	0
			27. Software Liabilities	2,714,540	3,652
DEFERRED OUTFLOWS OF RESOURCES:			28. Other Noncurrent Liabilities	1,235,130	0
28. Deferred Loss on Refunded Debt	5,616,236	(71,093)	29. Total Liabilities	742,210,039	8,453,109
29. Deferred Costs for Asset Retirement Obligations	3,385,218	0			
30. Total Deferred Outflows of Resources	9,001,454	(71,093)	**DEFERRED INFLOWS OF RESOURCES:**	0	0
			30. Deferred Inflow of Resource	6,846,890	(44,824)
			31. Total Deferred Inflows of Resources	6,846,890	(44,824)
			NET POSITION:		
			32. Net Investment in Capital Assets	486,772,269	(1,468,365)
			33. Restricted for Debt Service	16,067,628	3,098,371
			34. Restricted for Employee Health Insurance Claims	3,757,215	1,102,033
			35. Unrestricted	194,162,214	(4,439,556)
			36. Total Net Position	700,759,326	(1,707,517)
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$1,449,816,255	$6,700,768	***37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION***	$1,449,816,255	$6,700,768

STATEMENT OF CASH FLOWS
JANUARY 2026

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	$30,023,468	$30,023,468
2. Sales Tax Receipts	$1,643,746	$1,643,746
3. Paid to Suppliers for Goods & Services	($20,623,222)	($20,623,222)
4. Paid to Employees for Services	($4,642,805)	($4,642,805)
5. Payments for Sales Tax	(1,447,865)	(1,447,865)
6. Cash Flow from Operating Activities (a)	4,953,322	4,953,322
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	(82,875)	(82,875)
8. City Dividend for Utility Ownership Revenue	1,277,082	1,277,082
9. City Dividend for Utility Ownership Payments	0	0
10. Other	0	0
11. Cash Flow from (used for) Noncapital Financing Activities	1,194,207	1,194,207
CASH FLOWS FROM INVESTING ACTIVITIES:		
12. Net (Purchases) Sales of Investments	(6,618,451)	(6,618,451)
13. Interest Income	437,129	437,129
14. Cash Flow from (used for) Investing Activities	(6,181,322)	(6,181,322)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
15. Acquisition and Construction of Capital Assets	(5,234,723)	(5,234,723)
16. Salvage on Retirement of Plant	0	0
17. Cost of Removal of Property Retired	0	0
18. Debt Issuance Cost Paid	0	0
19. Debt Premiums Collected	0	0
20. Net Capital Contributions	3,729,719	3,729,719
21. Capital Contributions Recv'd in Advance	0	0
22. Cash Received from Leases	41,854	41,854
24. Net Proceeds from Issuance of Long-Term Debt	0	0
25. Proceeds from Commercial Paper Issuance	0	0
26. Principal Payments on Long-Term Debt	0	0
27. Interest Payments on Debt	(217,532)	(217,532)
28. Cash Flow from (used for) Capital Financing Activities	(1,680,682)	(1,680,682)
29. Net Increase (Decrease) in Cash and Cash Equivalents	(1,714,475)	(1,714,475)
30. Cash and Cash Equivalents Beginning of Period	59,343,683	59,343,683
31. Cash and Cash Equivalents End of Period (b)	**57,629,208**	**57,629,208**
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	**$468,361**	**$468,361**
2. Lease Revenue	**($42,460)**	**($42,460)**
3. Noncash items included in operating income	**3,325,266**	**3,325,266**
4. Changes in Assets & Liabilities Increase/(Decrease)	**1,202,155**	**1,202,155**
5. Net cash flows from operating activities	**$4,953,322**	**$4,953,322**
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		

Lincoln Electric System

Revenue & Expense Statement (Condensed)

FEBRUARY 2026

Year-to-date financial results were favorable primarily due to higher than budgeted interest income and lower than budgeted other operating expenses

(Dollar amounts in 000)

	YEAR TO DATE	2026 Actual	2026 Budget	Difference	Percentage Difference	Comments
1)	Total Revenue	$68,117	$64,820	$3,297	5%	Wholesale revenue was over budget by 62% ($2.1M), primarily due to higher than expected revenues from SPP IM activity. Other revenue was also over budget by 23% ($360K), mainly due to the timing of renewable energy certificate sales, and retail revenue was 1% ($800K) over budget.
2)	Power Costs	31,506	25,094	6,412	26%	Purchased power was 46% ($6.4M) over budget primarily due to higher SPP purchases. Produced power was in line with budget, as lower maintenance expenses at LRS and TBGS were offset by higher than budgeted energy costs for TBGS and Rokeby and higher operations expenses for TBGS, Rokeby and LRS.
3)	Other Operating Expenses	17,326	19,761	(2,435)	-12%	Other operating expenses were under budget, primarily due to lower payroll and benefits expenses ($760K), the timing of TS and Customer Service invoices received for payment ($490K), lower Sustainable Energy Program Incentives ($270K), and reduced line clearance expenses ($265K).
4)	Depreciation	6,428	6,505	(77)	-1%	
5)	Total Expenses	55,260	51,360	3,900	8%	
6)	Operating Income	12,857	13,460	(603)	-4%	
7)	Noncapital Subsidies	(2,733)	(2,945)	212	7%	
8)	Operating Income and Noncapital Subsidies	10,124	10,515	(391)	-4%	
9)	Non-Operating Income (Expense)	(1,687)	(2,273)	586	26%	
10)	Change in Net Position (Net Revenue)	$8,437	$8,242	$195	2%	
		Year End Projection	Year End Budget			
11)	Fixed Charge Coverage	N/A	1.53x			
12)	Debt Service Coverage	N/A	2.30x			
		Month End Actual	Month End Budget			
13)	Days Cash on Hand	119	113			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

February 2026

Lincoln Electric System

LES.com

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
FEBRUARY 2026

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	$31,529,797	$28,338,930	$3,190,867	11.3%	$24,058,017	$7,471,780	31.1%
2. Wholesale	2,412,500	1,800,323	612,177	34.0%	3,754,615	(1,342,115)	-35.7%
3. Other Revenue	255,194	741,026	(485,832)	-65.6%	967,078	(711,884)	-73.6%
4. Total Operating Revenues	34,197,491	30,880,279	3,317,212	10.7%	28,779,710	5,417,781	18.8%
OPERATING EXPENSES							
5. Purchased Power	5,433,265	6,266,141	(832,876)	-13.3%	7,225,524	(1,792,259)	-24.8%
6. Produced Power	4,797,034	5,776,660	(979,626)	-17.0%	7,150,779	(2,353,745)	-32.9%
7. Operations	2,570,411	2,529,418	40,993	1.6%	2,523,564	46,847	1.9%
8. Maintenance	983,365	1,048,183	(64,818)	-6.2%	759,013	224,352	29.6%
9. Admin. & General	4,811,807	6,149,523	(1,337,716)	-21.8%	4,913,656	(101,849)	-2.1%
10. Depreciation	3,213,711	3,253,050	(39,339)	-1.2%	3,382,600	(168,889)	-5.0%
11. Total Operating Expenses	21,809,593	25,022,975	(3,213,382)	-12.8%	25,955,136	(4,145,543)	-16.0%
12. OPERATING INCOME	**12,387,898**	**5,857,304**	**6,530,594**	**111.5%**	**2,824,574**	**9,563,324**	**338.6%**
NONCAPITAL SUBSIDIES							
13. CDFUO Revenue (a)	1,303,703	1,238,206	65,497	5.3%	1,103,413	200,290	18.2%
14. CDFUO Expense (a)	(1,274,197)	(1,274,197)	0	0.0%	(1,143,204)	(130,993)	-11.5%
15. PILOT (b)	(1,461,413)	(1,411,144)	(50,269)	-3.6%	(1,230,287)	(231,126)	-18.8%
16. Total Noncapital Subsidies	(1,431,907)	(1,447,135)	15,228	1.1%	(1,270,078)	(161,829)	-12.7%
17. OPERATING INCOME AND NONCAPITAL SUBSIDIES	**10,955,991**	**4,410,169**	**6,545,822**	**148.4%**	**1,554,496**	**9,401,495**	**604.8%**
NONOPERATING INCOME (EXPENSES)							
18. Interest Income	591,552	356,188	235,364	66.1%	727,008	(135,456)	-18.6%
19. Interest Expense (c)	(1,403,994)	(1,476,504)	72,510	-4.9%	(1,498,329)	94,335	-6.3%
20. Total Nonoperating Income (Expenses)	(812,442)	(1,120,316)	307,874	27.5%	(771,321)	(41,121)	-5.3%
21. Income Before Contributions	**10,143,549**	**3,289,853**	**6,853,696**	**208.3%**	**783,175**	**9,360,374**	**1195.2%**
CONTRIBUTED CAPITAL							
22. Contributed Capital Received	(19,609)	64,115	(83,724)	-130.6%	2,433,874	(2,453,483)	-100.8%
23. Contributed Capital Used (d)	19,609	(64,115)	83,724	130.6%	(2,433,874)	2,453,483	100.8%
24. Net Contributed Capital	0	0	0	- -	0	0	- -
25. CHANGE IN NET POSITION	**$10,143,549**	**$3,289,853**	**$6,853,696**	**208.3%**	**$783,175**	**$9,360,374**	**1195.2%**

(a) City Dividend for Utility Ownership.

(b) Payment In Lieu of Tax.

(c) Bond Interest -$1,400,608 + Software Agreements Interest -$9,181 + Variable Interest -$292,299 + Amortization of Issuance Costs on Outstanding Debt -$63,923 + Amortization of Loss on Refunded Debt -$71,093 - Amortization of Discount/ Premium -$433,110 = -$1,403,994.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

FEBRUARY 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
OPERATING REVENUES							
1. Retail	$60,573,273	$59,777,113	$796,160	1.3%	$50,679,412	$9,893,861	19.5%
2. Wholesale	5,614,102	3,474,565	2,139,537	61.6%	7,694,563	(2,080,461)	-27.0%
3. Other Revenue	1,929,140	1,568,041	361,099	23.0%	2,670,197	(741,057)	-27.8%
4. Total Operating Revenues	68,116,515	64,819,719	3,296,796	5.1%	61,044,172	7,072,343	11.6%
OPERATING EXPENSES							
5. Purchased Power	20,303,733	13,878,313	6,425,420	46.3%	15,018,934	5,284,799	35.2%
6. Produced Power	11,202,641	11,216,006	(13,365)	-0.1%	12,736,179	(1,533,538)	-12.0%
7. Operations	5,429,123	5,095,291	333,832	6.6%	4,889,084	540,039	11.0%
8. Maintenance	1,648,744	2,243,922	(595,178)	-26.5%	2,023,854	(375,110)	-18.5%
9. Admin. & General	10,247,885	12,421,693	(2,173,808)	-17.5%	9,848,695	399,190	4.1%
10. Depreciation	6,428,130	6,505,309	(77,179)	-1.2%	6,760,939	(332,809)	-4.9%
11. Total Operating Expenses	55,260,256	51,360,534	3,899,722	7.6%	51,277,685	3,982,571	7.8%
12. OPERATING INCOME	**12,856,259**	**13,459,185**	**(602,926)**	**-4.5%**	**9,766,487**	**3,089,772**	**31.6%**
NONCAPITAL SUBSIDIES							
13. CDFUO Revenue (a)	2,580,785	2,468,594	112,191	4.5%	2,183,995	396,790	18.2%
14. CDFUO Expense (a)	(2,548,394)	(2,548,394)	0	0.0%	(2,286,408)	(261,986)	-11.5%
15. PILOT (b)	(2,765,551)	(2,864,747)	99,196	3.5%	(2,429,519)	(336,032)	-13.8%
16. Total Noncapital Subsidies	(2,733,160)	(2,944,547)	211,387	7.2%	(2,531,932)	(201,228)	-7.9%
17. OPERATING INCOME AND NONCAPITAL SUBSIDIES	**10,123,099**	**10,514,638**	**(391,539)**	**-3.7%**	**7,234,555**	**2,888,544**	**39.9%**
NONOPERATING INCOME (EXPENSES)							
18. Interest Income	1,183,292	705,190	478,102	67.8%	1,088,504	94,788	8.7%
19. Interest Expense (c)	(2,870,359)	(2,978,305)	107,946	-3.6%	(2,876,165)	5,806	-0.2%
20. Total Nonoperating Income (Expenses)	(1,687,067)	(2,273,115)	586,048	25.8%	(1,787,661)	100,594	5.6%
21. Income Before Contributions	**8,436,032**	**8,241,523**	**194,509**	**2.4%**	**5,446,894**	**2,989,138**	**54.9%**
CONTRIBUTED CAPITAL							
22. Contributed Capital Received	3,710,751	128,230	3,582,521	2793.8%	6,500,411	(2,789,660)	-42.9%
23. Contributed Capital Used (d)	(3,710,751)	(128,230)	(3,582,521)	-2793.8%	(6,500,411)	2,789,660	42.9%
24. Net Contributed Capital	0	0	0	- -	0	0	- -
25. CHANGE IN NET POSITION	**$8,436,032**	**$8,241,523**	**$194,509**	**2.4%**	**$5,446,894**	**$2,989,138**	**54.9%**

(a) City Dividend for Utility Ownership.

(b) Payment In Lieu of Tax.

(c) Bond Interest -$2,801,215 + Software Agreements Interest -$18,659 + Variable Interest -$623,936 + Amortization of Issuance Costs on Outstanding Debt -$150,583 + Amortization of Loss on Refunded Debt -$142,186 - Amortization of Discount/ Premium -$866,220 = -$2,870,359.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

FEBRUARY 2026

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	$15,061,874	$13,368,334	$1,693,540	12.7%	$11,402,281	$3,659,593	32.1%
2. Commercial & Street Light	13,473,103	12,711,214	761,889	6.0%	9,891,178	3,581,925	36.2%
3. Industrial	2,994,820	2,259,382	735,438	32.6%	2,764,558	230,262	8.3%
4. Total Retail	31,529,797	28,338,930	3,190,867	11.3%	24,058,017	7,471,780	31.1%
5. SPP Sales	1,580,024	1,035,660	544,364	52.6%	2,671,516	(1,091,492)	-40.9%
6. Contract Sales	832,476	764,663	67,813	8.9%	1,083,099	(250,623)	-23.1%
7. Total Wholesale	2,412,500	1,800,323	612,177	34.0%	3,754,615	(1,342,115)	-35.7%
8. Total	$33,942,297	$30,139,253	$3,803,044	12.6%	$27,812,632	$6,129,665	22.0%
ENERGY (MWH'S)							
9. Residential	158,295	122,737	35,558	29.0%	119,408	38,887	32.6%
10. Commercial & Street Light	162,779	147,476	15,303	10.4%	115,042	47,737	41.5%
11. Industrial	35,467	33,372	2,095	6.3%	35,075	392	1.1%
12. Total Retail	356,541	303,585	52,956	17.4%	269,525	87,016	32.3%
13. SPP Sales	35,414	14,738	20,676	140.3%	36,588	(1,174)	-3.2%
14. Contract Sales	33,561	26,459	7,102	26.8%	32,266	1,295	4.0%
15. Total Wholesale	68,975	41,197	27,778	67.4%	68,854	121	0.2%
16. Total	425,516	344,782	80,734	23.4%	338,379	87,137	25.8%
CUSTOMERS - AT MONTH END							
17. Residential	137,791	138,777	(986)	-0.7%	136,280	1,511	1.1%
18. Commercial & Street Light	18,116	18,411	(295)	-1.6%	18,013	103	0.6%
19. Industrial	239	235	4	1.7%	231	8	3.5%
20. Total Retail	156,146	157,423	(1,277)	-0.8%	154,524	1,622	1.0%
21. Wholesale	5	4	1	25.0%	5	0	0.0%
22. Total	156,151	157,427	(1,276)	-0.8%	154,529	1,622	1.0%

REVENUES, ENERGY & CUSTOMERS
YEAR-TO-DATE
FEBRUARY 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
REVENUE							
1. Residential	$26,765,614	$27,467,050	($701,436)	-2.6%	$24,802,841	$1,962,773	7.9%
2. Commercial & Street Light	28,116,076	26,913,023	1,203,053	4.5%	20,639,312	7,476,764	36.2%
3. Industrial	5,691,583	5,397,040	294,543	5.5%	5,237,259	454,324	8.7%
4. Total Retail	60,573,273	59,777,113	796,160	1.3%	50,679,412	9,893,861	19.5%
5. SPP Sales	3,969,983	2,069,930	1,900,053	91.8%	5,509,329	(1,539,346)	-27.9%
6. Contract Sales	1,644,119	1,404,635	239,484	17.0%	2,185,234	(541,115)	-24.8%
7. Total Wholesale	5,614,102	3,474,565	2,139,537	61.6%	7,694,563	(2,080,461)	-27.0%
8. Total	$66,187,375	$63,251,678	$2,935,697	4.6%	$58,373,975	$7,813,400	13.4%
ENERGY (MWH'S)							
9. Residential	263,923	263,824	99	0.0%	268,841	(4,918)	-1.8%
10. Commercial & Street Light	318,954	304,534	14,420	4.7%	246,663	72,291	29.3%
11. Industrial	70,817	74,701	(3,884)	-5.2%	68,880	1,937	2.8%
12. Total Retail	653,694	643,059	10,635	1.7%	584,384	69,310	11.9%
13. SPP Sales	56,669	31,293	25,376	81.1%	62,916	(6,247)	-9.9%
14. Contract Sales	62,394	48,022	14,372	29.9%	57,998	4,396	7.6%
15. Total Wholesale	119,063	79,315	39,748	50.1%	120,914	(1,851)	-1.5%
16. Total	772,757	722,374	50,383	7.0%	705,298	67,459	9.6%
CUSTOMERS AVERAGE							
17. Residential	137,764	138,691	(927)	-0.7%	136,287	1,477	1.1%
18. Commercial & Street Light	18,098	18,402	(304)	-1.7%	18,008	90	0.5%
19. Industrial	239	235	4	1.7%	233	6	2.6%
20. Total Retail	156,101	157,328	(1,227)	-0.8%	154,528	1,573	1.0%
21. Wholesale	5	4	1	25.0%	5	0	0.0%
22. Total	156,106	157,332	(1,226)	-0.8%	154,533	1,573	1.0%

OPERATING EXPENSE STATEMENT

CURRENT MONTH

FEBRUARY 2026

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 %
POWER COST							
1. SPP Purchased Power	$264,843	$494,155	($229,312)	-46.4%	$1,701,273	($1,436,430)	-84.4%
2. Non-Owned Asset Power	5,168,422	5,771,986	(603,564)	-10.5%	5,524,251	(355,829)	-6.4%
3. Total Purchased Power	5,433,265	6,266,141	(832,876)	-13.3%	7,225,524	(1,792,259)	-24.8%
4. Produced Power	4,797,034	5,776,660	(979,626)	-17.0%	7,150,779	(2,353,745)	-32.9%
5. Total Power Cost	10,230,299	12,042,801	(1,812,502)	-15.1%	14,376,303	(4,146,004)	-28.8%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,275,187	2,236,980	38,207	1.7%	2,171,652	103,535	4.8%
7. Transmission	1,278,589	1,340,621	(62,032)	-4.6%	1,110,925	167,664	15.1%
8. Total O & M Expense	3,553,776	3,577,601	(23,825)	-0.7%	3,282,577	271,199	8.3%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	673,780	979,730	(305,950)	-31.2%	408,372	265,408	65.0%
10. Communication & Corporate Records	157,861	107,245	50,616	47.2%	212,783	(54,922)	-25.8%
11. Corporate Operations	(344,141)	261,190	(605,331)	-231.8%	835,071	(1,179,212)	-141.2%
12. Customer Services	1,143,568	1,255,972	(112,404)	-8.9%	872,732	270,836	31.0%
13. Financial Services	1,095,172	1,345,520	(250,348)	-18.6%	555,146	540,026	97.3%
14. Power Supply	492,930	500,599	(7,669)	-1.5%	469,344	23,586	5.0%
15. Technology Services	1,592,637	1,699,267	(106,630)	-6.3%	1,560,208	32,429	2.1%
16. Total A & G Expense	4,811,807	6,149,523	(1,337,716)	-21.8%	4,913,656	(101,849)	-2.1%
17. DEPRECIATION	3,213,711	3,253,050	(39,339)	-1.2%	3,382,600	(168,889)	-5.0%
18. TOTAL OPERATING EXPENSE	$21,809,593	$25,022,975	($3,213,382)	-12.8%	$25,955,136	($4,145,543)	-16.0%

OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

FEBRUARY 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
POWER COST							
1. SPP Purchased Power	$9,615,190	$1,773,606	$7,841,584	442.1%	$4,076,186	$5,539,004	135.9%
2. Non-Owned Asset Power	10,688,543	12,104,707	(1,416,164)	-11.7%	10,942,748	(254,205)	-2.3%
3. Total Purchased Power	20,303,733	13,878,313	6,425,420	46.3%	15,018,934	5,284,799	35.2%
4. Produced Power	11,202,641	11,216,006	(13,365)	-0.1%	12,736,179	(1,533,538)	-12.0%
5. Total Power Cost	31,506,374	25,094,319	6,412,055	25.6%	27,755,113	3,751,261	13.5%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	4,239,001	4,647,010	(408,009)	-8.8%	4,729,611	(490,610)	-10.4%
7. Transmission	2,838,866	2,692,203	146,663	5.4%	2,183,327	655,539	30.0%
8. Total O & M Expense	7,077,867	7,339,213	(261,346)	-3.6%	6,912,938	164,929	2.4%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	1,429,405	1,974,570	(545,165)	-27.6%	662,488	766,917	115.8%
10. Communication & Corporate Records	244,531	214,806	29,725	13.8%	366,821	(122,290)	-33.3%
11. Corporate Operations	206,387	555,595	(349,208)	-62.9%	2,263,832	(2,057,445)	-90.9%
12. Customer Services	2,002,090	2,584,445	(582,355)	-22.5%	1,714,888	287,202	16.7%
13. Financial Services	2,136,230	2,603,896	(467,666)	-18.0%	1,068,564	1,067,666	99.9%
14. Power Supply	1,008,016	999,588	8,428	0.8%	888,355	119,661	13.5%
15. Technology Services	3,221,226	3,488,793	(267,567)	-7.7%	2,883,747	337,479	11.7%
16. Total A & G Expense	10,247,885	12,421,693	(2,173,808)	-17.5%	9,848,695	399,190	4.1%
17. DEPRECIATION	6,428,130	6,505,309	(77,179)	-1.2%	6,760,939	(332,809)	-4.9%
18. TOTAL OPERATING EXPENSE	$55,260,256	$51,360,534	$3,899,722	7.6%	$51,277,685	$3,982,571	7.8%

BALANCE SHEET
FEBRUARY 2026

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:		
1. Revenue Fund (includes CDFUO)	$66,521,637	($18,750,342)
2. Payment in Lieu of Tax Fund	16,052,577	2,392,401
3. Rate Stabilization Fund	42,318,257	323,616
4. Bond Principal & Interest Funds	27,416,405	9,220,306
5. Other Restricted/Designated Funds	4,309,379	379,448
6. Restricted/Designated Funds Total	74,044,041	9,923,370
7. Total Current Asset Funds	156,618,255	(6,434,571)
8. Receivables Less Uncollectible Allowance	35,783,384	7,932,725
9. Unbilled Revenue	21,468,751	986,754
10. Accrued Interest Receivable	508,329	(17,254)
11. Materials, Supplies & Fuel Inventory	36,383,629	(945,729)
12. Plant Operation Assets	21,832,367	1,835,759
13. Other Current Assets	7,036,509	(1,175,230)
14. Total Current Assets	279,631,224	2,182,454
NONCURRENT ASSETS:		
15. Bond Reserve Funds	9,175,222	64,552
16. Self-Funded Benefits Reserve Fund (IBNP)	1,240,854	21,725
17. Segregated Funds	23,383,402	1,796,889
18. Restricted Funds Total	33,799,478	1,883,166
19. Unamortized Debt Expense	1,409,493	(46,179)
21. Accrued Lease Interest	193,843	8,842
22. Other Noncurrent Assets	6,905,826	207,594
23. Total Noncurrent Assets	$49,866,624	$1,996,966
CAPITAL ASSETS:		
24. Utility Plant in Service	1,897,493,329	1,297,102
25. Accumulated Depreciation & Amortization	(1,008,542,478)	(4,726,547)
26. Construction Work in Progress	221,367,907	5,023,691
27. Total Capital Assets	1,110,318,758	1,594,246
DEFERRED OUTFLOWS OF RESOURCES:		
28. Deferred Loss on Refunded Debt	5,545,143	(142,186)
29. Deferred Costs for Asset Retirement Obligations	3,411,289	26,071
30. Total Deferred Outflows of Resources	8,956,432	(116,115)
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$1,448,773,038	$5,657,551

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT LIABILITIES:		
OTHER LIABILITIES		
1. Accounts Payable	$21,149,919	($3,047,375)
2. Accrued Payments in Lieu of Taxes	17,482,106	2,682,675
3. City Dividend for Utility Ownership Payable	0	(5,096,788)
4. Commercial Paper Notes	150,000,000	0
5. Accrued Software Interest	56,253	15,008
6. Accrued Liabilities	21,089,224	424,625
7. Total Other Liabilities	209,777,502	(5,021,855)
CURRENT LIABILITIES - RESTRICTED ASSETS		
8. Current Portion of Long-Term Debt	37,580,000	0
9. Accrued Interest	8,994,669	3,060,803
10. Other Current Liabilities	1,190,484	65,338
11. Total Current Liabilities - Restricted Assets	47,765,153	3,126,141
12. Total Current Liabilities	257,542,655	(1,895,714)
NONCURRENT LIABILITIES:		
13. 2013 Bonds	0	0
14. 2015A Bonds	69,775,000	0
15. 2016 Bonds	65,960,000	0
16. 2018 Bonds	114,900,000	0
17. 2020A Bonds	70,740,000	0
18. 2020B Bonds	136,540,000	0
19. Total Revenue Bonds	457,915,000	0
20. Less Current Maturities	37,580,000	0
21. Less Unamortized Discounts/Premiums	(22,402,063)	866,220
22. Note Purchase Agreement	0	0
23. Revolving Credit Agreement	0	0
24. Net Long Term Debt	442,737,063	(866,220)
25. Liabilities Payable from Segregated Funds	23,424,568	40,526
26. Asset Retirement Obligation	3,411,289	26,071
27. Software Liabilities	2,714,540	3,652
28. Other Noncurrent Liabilities	1,235,130	0
29. Total Liabilities	731,065,245	(2,691,685)
DEFERRED INFLOWS OF RESOURCES:	0	0
30. Deferred Inflow of Resource	6,804,918	(86,796)
31. Total Deferred Inflows of Resources	6,804,918	(86,796)
NET POSITION:		
32. Net Investment in Capital Assets	490,857,867	2,617,233
33. Restricted for Debt Service	19,193,312	6,224,055
34. Restricted for Employee Health Insurance Claims	2,708,004	52,822
35. Unrestricted	198,143,692	(458,078)
36. Total Net Position	710,902,875	8,436,032
37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	$1,448,773,038	$5,657,551

STATEMENT OF CASH FLOWS

FEBRUARY 2026

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	$29,631,065	$59,654,533
2. Sales Tax Receipts	$1,853,764	$3,497,510
3. Paid to Suppliers for Goods & Services	($22,750,432)	($43,373,654)
4. Paid to Employees for Services	($3,810,463)	($8,453,268)
5. Payments for Sales Tax	(1,643,746)	(3,091,611)
6. Cash Flow from Operating Activities (a)	3,280,188	8,233,510
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(82,875)
8. City Dividend for Utility Ownership Revenue	1,303,703	2,580,785
9. City Dividend for Utility Ownership Payments	(7,645,182)	(7,645,182)
10. Other	0	0
11. Cash Flow from (used for) Noncapital Financing Activities	(6,341,479)	(5,147,272)
CASH FLOWS FROM INVESTING ACTIVITIES:		
12. Net (Purchases) Sales of Investments	(9,368,587)	(15,987,038)
13. Interest Income	725,522	1,162,651
14. Cash Flow from (used for) Investing Activities	(8,643,065)	(14,824,387)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
15. Acquisition and Construction of Capital Assets	(7,534,623)	(12,769,346)
16. Salvage on Retirement of Plant	527,154	527,154
17. Cost of Removal of Property Retired	(29,070)	(29,070)
18. Debt Issuance Cost Paid	0	0
19. Debt Premiums Collected	0	0
20. Net Capital Contributions	21,558	3,751,277
21. Capital Contributions Recv'd in Advance	0	0
22. Cash Received from Leases	42,185	84,039
24. Net Proceeds from Issuance of Long-Term Debt	0	0
25. Proceeds from Commercial Paper Issuance	0	0
26. Principal Payments on Long-Term Debt	0	0
27. Interest Payments on Debt	(146,816)	(364,348)
28. Cash Flow from (used for) Capital Financing Activities	(7,119,612)	(8,800,294)
29. Net Increase (Decrease) in Cash and Cash Equivalents	(18,823,968)	(20,538,443)
30. Cash and Cash Equivalents Beginning of Period	57,629,208	59,343,683
31. Cash and Cash Equivalents End of Period (b)	**38,805,240**	**38,805,240**
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	**$12,387,898**	**$12,856,259**
2. Lease Revenue	**($42,865)**	**($85,325)**
3. Noncash items included in operating income	**3,323,387**	**6,648,652**
4. Changes in Assets & Liabilities Increase/(Decrease)	**(12,388,232)**	**(11,186,076)**
5. Net cash flows from operating activities	**$3,280,188**	**$8,233,510**
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		

Lincoln Electric System

Revenue & Expense Statement (Condensed)

MARCH 2026

Higher than budgeted net power costs were offset by higher than budgeted retail electric sales, interest income, and other revenues along with lower than budgeted other operating expenses and interest expense, leading to favorable year-to-date financial results

(Dollar amounts in 000)

	YEAR TO DATE	2026 Actual	2026 Budget	Difference	Percentage Difference	Comments
1)	Total Revenue	$99,525	$94,956	$4,569	5%	Wholesale revenue was over budget by 52% ($2.6M), primarily due to higher than expected revenues from SPP IM activity. Other revenue was also over budget by 52% ($1.5M), mainly due to reimbursement of SPP transmission expenses and timing of renewable energy certificate sales. Retail revenue was 1% ($440K) over budget.
2)	Power Costs	44,685	38,276	6,409	17%	Purchased power was 34% ($7.2M) over budget primarily due to higher SPP purchases. Produced power was 5% ($790K) under budget, primarily due to lower maintenance expenses at LRS, Rokeby and TBGS, lower energy costs at LRS and WS4; offset by higher operations expenses for TBGS and Rokeby.
3)	Other Operating Expenses	26,514	29,299	(2,785)	-10%	Other operating expenses were under budget, primarily due to lower payroll and benefits expenses ($1M), the timing of TS invoices received for payment ($550K), reduced line clearance expenses ($425K), and lower Sustainable Energy Program Incentives ($290K).
4)	Depreciation	9,649	9,755	(106)	-1%	
5)	Total Expenses	80,848	77,330	3,518	5%	
6)	Operating Income	18,677	17,626	1,051	6%	
7)	Noncapital Subsidies	(4,007)	(4,380)	373	9%	
8)	Operating Income and Noncapital Subsidies	14,670	13,246	1,424	11%	
9)	Non-Operating Income (Expense)	(2,684)	(3,434)	750	22%	
10)	Change in Net Position (Net Revenue)	$11,986	$9,812	$2,174	22%	
		Year End Projection	Year End Budget			
11)	Fixed Charge Coverage	2.37	1.53x			
12)	Debt Service Coverage	1.56	2.30x			
		Month End Actual	Month End Budget			
13)	Days Cash on Hand	122	109			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

March 2026

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

MARCH 2026

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
OPERATING REVENUES							
1. Retail	$26,860,760	$27,219,987	($359,227)	-1.3%	$24,842,536	$2,018,224	8.1%
2. Wholesale	2,101,473	1,601,158	500,315	31.2%	2,211,307	(109,834)	-5.0%
3. Other Revenue	2,446,008	1,314,741	1,131,267	86.0%	863,006	1,583,002	183.4%
4. Total Operating Revenues	31,408,241	30,135,886	1,272,355	4.2%	27,916,849	3,491,392	12.5%
OPERATING EXPENSES							
5. Purchased Power	8,273,425	7,503,599	769,826	10.3%	7,369,502	903,923	12.3%
6. Produced Power	4,905,686	5,678,569	(772,883)	-13.6%	4,459,341	446,345	10.0%
7. Operations	3,158,682	2,599,680	559,002	21.5%	2,411,231	747,451	31.0%
8. Maintenance	706,605	1,065,845	(359,240)	-33.7%	2,495,022	(1,788,417)	-71.7%
9. Admin. & General	5,322,699	5,872,145	(549,446)	-9.4%	5,201,342	121,357	2.3%
10. Depreciation	3,220,512	3,249,573	(29,061)	-0.9%	3,371,804	(151,292)	-4.5%
11. Total Operating Expenses	25,587,609	25,969,411	(381,802)	-1.5%	25,308,242	279,367	1.1%
12. OPERATING INCOME	**5,820,632**	**4,166,475**	**1,654,157**	**39.7%**	**2,608,607**	**3,212,025**	**123.1%**
NONCAPITAL SUBSIDIES							
13. CDFUO Revenue (a)	1,279,806	1,216,223	63,583	5.2%	1,068,172	211,634	19.8%
14. CDFUO Expense (a)	(1,274,197)	(1,274,197)	0	0.0%	(1,143,204)	(130,993)	-11.5%
15. PILOT (b)	(1,278,955)	(1,377,550)	98,595	7.2%	(1,127,750)	(151,205)	-13.4%
16. Total Noncapital Subsidies	(1,273,346)	(1,435,524)	162,178	11.3%	(1,202,782)	(70,564)	-5.9%
17. OPERATING INCOME AND NONCAPITAL SUBSIDIES	**4,547,286**	**2,730,951**	**1,816,335**	**66.5%**	**1,405,825**	**3,141,461**	**223.5%**
NONOPERATING INCOME (EXPENSES)							
18. Interest Income	459,623	344,228	115,395	33.5%	734,191	(274,568)	-37.4%
19. Interest Expense (c)	(1,456,679)	(1,504,632)	47,953	3.2%	(1,489,942)	33,263	2.2%
20. Other Income (Expense)	0	0	0	- -	(102,316)	102,316	-100.0%
21. Total Nonoperating Income (Expenses)	(997,056)	(1,160,404)	163,348	14.1%	(858,067)	(138,989)	-16.2%
22. Income Before Contributions	**3,550,230**	**1,570,547**	**1,979,683**	**126.1%**	**547,758**	**3,002,472**	**548.1%**
CONTRIBUTED CAPITAL							
23. Contributed Capital Received	1,337,446	64,115	1,273,331	1986.0%	3,444,762	(2,107,316)	-61.2%
24. Contributed Capital Used (d)	(1,337,446)	(64,115)	(1,273,331)	-1986.0%	(3,444,762)	2,107,316	61.2%
25. Net Contributed Capital	0	0	0	- -	0	0	- -
26. CHANGE IN NET POSITION	**$3,550,230**	**$1,570,547**	**$1,979,683**	**126.1%**	**$547,758**	**$3,002,472**	**548.1%**

(a) City Dividend for Utility Ownership.

(c) Bond Interest -$1,400,608 + Software Agreements Interest -$10,147 + Variable Interest -$317,351 + Amortization of Issuance Costs on Outstanding Debt -$90,590 + Amortization of Loss on Refunded Debt -$71,093 - Amortization of Discount/ Premium -$433,110 = -$1,456,679.

(b) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUE & EXPENSE STATEMENT
YEAR-TO-DATE
MARCH 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
OPERATING REVENUES							
1. Retail	$87,434,034	$86,997,100	$436,934	0.5%	$75,521,947	$11,912,087	15.8%
2. Wholesale	7,715,574	5,075,723	2,639,851	52.0%	9,905,870	(2,190,296)	-22.1%
3. Other Revenue	4,375,147	2,882,782	1,492,365	51.8%	3,533,204	841,943	23.8%
4. Total Operating Revenues	99,524,755	94,955,605	4,569,150	4.8%	88,961,021	10,563,734	11.9%
OPERATING EXPENSES							
5. Purchased Power	28,577,157	21,381,912	7,195,245	33.7%	22,388,435	6,188,722	27.6%
6. Produced Power	16,108,327	16,894,575	(786,248)	-4.7%	17,195,520	(1,087,193)	-6.3%
7. Operations	8,587,806	7,694,971	892,835	11.6%	7,300,315	1,287,491	17.6%
8. Maintenance	2,355,348	3,309,767	(954,419)	-28.8%	4,518,876	(2,163,528)	-47.9%
9. Admin. & General	15,570,584	18,293,838	(2,723,254)	-14.9%	15,050,037	520,547	3.5%
10. Depreciation	9,648,643	9,754,882	(106,239)	-1.1%	10,132,744	(484,101)	-4.8%
11. Total Operating Expenses	80,847,865	77,329,945	3,517,920	4.5%	76,585,927	4,261,938	5.6%
12. OPERATING INCOME	**18,676,890**	**17,625,660**	**1,051,230**	**6.0%**	**12,375,094**	**6,301,796**	**50.9%**
NONCAPITAL SUBSIDIES							
13. CDFUO Revenue (a)	3,860,590	3,684,817	175,773	4.8%	3,252,166	608,424	18.7%
14. CDFUO Expense (a)	(3,822,591)	(3,822,591)	0	0.0%	(3,429,612)	(392,979)	-11.5%
15. PILOT (b)	(4,044,505)	(4,242,297)	197,792	4.7%	(3,557,268)	(487,237)	-13.7%
16. Total Noncapital Subsidies	(4,006,506)	(4,380,071)	373,565	8.5%	(3,734,714)	(271,792)	-7.3%
17. OPERATING INCOME AND NONCAPITAL SUBSIDIES	**14,670,384**	**13,245,589**	**1,424,795**	**10.8%**	**8,640,380**	**6,030,004**	**69.8%**
NONOPERATING INCOME (EXPENSES)							
18. Interest Income	1,642,915	1,049,418	593,497	56.6%	1,822,695	(179,780)	-9.9%
19. Interest Expense (c)	(4,327,038)	(4,482,937)	155,899	3.5%	(4,366,107)	39,069	0.9%
20. Other Income (Expense)	0	0	0	- -	(102,316)	102,316	-100.0%
21. Total Nonoperating Income (Expenses)	(2,684,123)	(3,433,519)	749,396	21.8%	(2,645,728)	(38,395)	-1.5%
22. Income Before Contributions	**11,986,261**	**9,812,070**	**2,174,191**	**22.2%**	**5,994,652**	**5,991,609**	**99.9%**
CONTRIBUTED CAPITAL							
23. Contributed Capital Received	5,048,197	192,345	4,855,852	2524.6%	9,945,174	(4,896,977)	-49.2%
24. Contributed Capital Used (d)	(5,048,197)	(192,345)	(4,855,852)	-2524.6%	(9,945,174)	4,896,977	49.2%
25. Net Contributed Capital	0	0	0	- -	0	0	- -
26. CHANGE IN NET POSITION	**$11,986,261**	**$9,812,070**	**$2,174,191**	**22.2%**	**$5,994,652**	**$5,991,609**	**99.9%**

(a) City Dividend for Utility Ownership.

(b) Payment In Lieu of Tax.

(c) Bond Interest -$4,201,823 + Software Agreements Interest -$28,806 + Variable Interest -$941,287 + Amortization of Issuance Costs on Outstanding Debt -$241,173 + Amortization of Loss on Refunded Debt -$213,279 - Amortization of Discount/ Premium -$1,299,330 = -$4,327,038.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

MARCH 2026

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	$10,820,797	$10,787,701	$33,096	0.3%	$11,913,124	($1,092,327)	-9.2%
2. Commercial & Street Light	13,344,196	13,705,751	(361,555)	-2.6%	10,236,371	3,107,825	30.4%
3. Industrial	2,695,767	2,726,535	(30,768)	-1.1%	2,693,041	2,726	0.1%
4. Total Retail	26,860,760	27,219,987	(359,227)	-1.3%	24,842,536	2,018,224	8.1%
5. SPP Sales	1,323,400	884,188	439,212	49.7%	1,357,133	(33,733)	-2.5%
6. Contract Sales	778,073	716,970	61,103	8.5%	854,174	(76,101)	-8.9%
7. Total Wholesale	2,101,473	1,601,158	500,315	31.2%	2,211,307	(109,834)	-5.0%
8. Total	$28,962,233	$28,821,145	$141,088	0.5%	$27,053,843	$1,908,390	7.1%
ENERGY (MWH'S)							
9. Residential	86,076	91,851	(5,775)	-6.3%	112,219	(26,143)	-23.3%
10. Commercial & Street Light	169,334	154,232	15,102	9.8%	120,059	49,275	41.0%
11. Industrial	33,908	35,597	(1,689)	-4.7%	36,092	(2,184)	-6.1%
12. Total Retail	289,318	281,680	7,638	2.7%	268,370	20,948	7.8%
13. SPP Sales	32,106	14,533	17,573	120.9%	31,328	778	2.5%
14. Contract Sales	18,105	26,261	(8,156)	-31.1%	13,160	4,945	37.6%
15. Total Wholesale	50,211	40,794	9,417	23.1%	44,488	5,723	12.9%
16. Total	339,529	322,474	17,055	5.3%	312,858	26,671	8.5%
CUSTOMERS - AT MONTH END							
17. Residential	137,808	138,946	(1,138)	-0.8%	136,409	1,399	1.0%
18. Commercial & Street Light	18,082	18,429	(347)	-1.9%	18,003	79	0.4%
19. Industrial	237	235	2	0.9%	237	0	0.0%
20. Total Retail	156,127	157,610	(1,483)	-0.9%	154,649	1,478	1.0%
21. Wholesale	5	4	1	25.0%	5	0	0.0%
22. Total	156,132	157,614	(1,482)	-0.9%	154,654	1,478	1.0%

REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

MARCH 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
REVENUE							
1. Residential	$37,586,412	$38,254,751	($668,339)	-1.7%	$36,715,965	$870,447	2.4%
2. Commercial & Street Light	41,460,272	40,618,774	841,498	2.1%	30,875,682	10,584,590	34.3%
3. Industrial	8,387,350	8,123,575	263,775	3.2%	7,930,300	457,050	5.8%
4. Total Retail	87,434,034	86,997,100	436,934	0.5%	75,521,947	11,912,087	15.8%
5. SPP Sales	5,293,383	2,954,118	2,339,265	79.2%	6,866,461	(1,573,078)	-22.9%
6. Contract Sales	2,422,191	2,121,605	300,586	14.2%	3,039,409	(617,218)	-20.3%
7. Total Wholesale	7,715,574	5,075,723	2,639,851	52.0%	9,905,870	(2,190,296)	-22.1%
8. Total	$95,149,608	$92,072,823	$3,076,785	3.3%	$85,427,817	$9,721,791	11.4%
ENERGY (MWH'S)							
9. Residential	349,998	355,675	(5,677)	-1.6%	381,060	(31,062)	-8.2%
10. Commercial & Street Light	488,289	458,766	29,523	6.4%	366,722	121,567	33.1%
11. Industrial	104,725	110,298	(5,573)	-5.1%	104,973	(248)	-0.2%
12. Total Retail	943,012	924,739	18,273	2.0%	852,755	90,257	10.6%
13. SPP Sales	88,775	45,826	42,949	93.7%	94,244	(5,469)	-5.8%
14. Contract Sales	80,499	74,283	6,216	8.4%	71,158	9,341	13.1%
15. Total Wholesale	169,274	120,109	49,165	40.9%	165,402	3,872	2.3%
16. Total	1,112,286	1,044,848	67,438	6.5%	1,018,157	94,129	9.2%
CUSTOMERS AVERAGE							
17. Residential	137,779	138,776	(997)	-0.7%	136,327	1,452	1.1%
18. Commercial & Street Light	18,092	18,411	(319)	-1.7%	18,007	85	0.5%
19. Industrial	238	235	3	1.3%	234	4	1.7%
20. Total Retail	156,109	157,422	(1,313)	-0.8%	154,568	1,541	1.0%
21. Wholesale	5	4	1	25.0%	5	0	0.0%
22. Total	156,114	157,426	(1,312)	-0.8%	154,573	1,541	1.0%

OPERATING EXPENSE STATEMENT

CURRENT MONTH

MARCH 2026

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 %
POWER COST							
1. SPP Purchased Power	$2,647,776	$1,407,900	$1,239,876	88.1%	$2,033,640	$614,136	30.2%
2. Non-Owned Asset Power	5,625,649	6,095,699	(470,050)	-7.7%	5,335,862	289,787	5.4%
3. Total Purchased Power	8,273,425	7,503,599	769,826	10.3%	7,369,502	903,923	12.3%
4. Produced Power	4,905,686	5,678,569	(772,883)	-13.6%	4,459,341	446,345	10.0%
5. Total Power Cost	13,179,111	13,182,168	(3,057)	0.0%	11,828,843	1,350,268	11.4%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	1,950,640	2,328,135	(377,495)	-16.2%	3,728,392	(1,777,752)	-47.7%
7. Transmission	1,914,648	1,337,390	577,258	43.2%	1,177,861	736,787	62.6%
8. Total O & M Expense	3,865,288	3,665,525	199,763	5.4%	4,906,253	(1,040,965)	-21.2%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	665,064	854,564	(189,500)	-22.2%	419,645	245,419	58.5%
10. Communication & Corporate Records	110,325	115,870	(5,545)	-4.8%	233,680	(123,355)	-52.8%
11. Corporate Operations	188,707	254,640	(65,933)	-25.9%	580,183	(391,476)	-67.5%
12. Customer Services	1,099,409	1,252,416	(153,007)	-12.2%	1,189,703	(90,294)	-7.6%
13. Financial Services	1,266,663	1,308,382	(41,719)	-3.2%	499,505	767,158	153.6%
14. Power Supply	479,662	527,544	(47,882)	-9.1%	509,321	(29,659)	-5.8%
15. Technology Services	1,512,869	1,558,729	(45,860)	-2.9%	1,769,305	(256,436)	-14.5%
16. Total A & G Expense	5,322,699	5,872,145	(549,446)	-9.4%	5,201,342	121,357	2.3%
17. DEPRECIATION	3,220,512	3,249,573	(29,061)	-0.9%	3,371,804	(151,292)	-4.5%
18. TOTAL OPERATING EXPENSE	$25,587,610	$25,969,411	($381,801)	-1.5%	$25,308,242	$279,368	1.1%

OPERATING EXPENSE STATEMENT
YEAR-TO-DATE
MARCH 2026

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
POWER COST							
1. SPP Purchased Power	$12,262,966	$3,181,506	$9,081,460	285.4%	$6,109,825	$6,153,141	100.7%
2. Non-Owned Asset Power	16,314,191	18,200,406	(1,886,215)	-10.4%	16,278,610	35,581	0.2%
3. Total Purchased Power	28,577,157	21,381,912	7,195,245	33.7%	22,388,435	6,188,722	27.6%
4. Produced Power	16,108,327	16,894,575	(786,248)	-4.7%	17,195,520	(1,087,193)	-6.3%
5. Total Power Cost	44,685,484	38,276,487	6,408,997	16.7%	39,583,955	5,101,529	12.9%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	6,189,641	6,975,145	(785,504)	-11.3%	8,458,003	(2,268,362)	-26.8%
7. Transmission	4,753,513	4,029,593	723,920	18.0%	3,361,188	1,392,325	41.4%
8. Total O & M Expense	10,943,154	11,004,738	(61,584)	-0.6%	11,819,191	(876,037)	-7.4%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	2,094,469	2,829,134	(734,665)	-26.0%	1,082,133	1,012,336	93.6%
10. Communication & Corporate Records	354,856	330,676	24,180	7.3%	600,501	(245,645)	-40.9%
11. Corporate Operations	395,094	810,235	(415,141)	-51.2%	2,844,015	(2,448,921)	-86.1%
12. Customer Services	3,101,498	3,836,861	(735,363)	-19.2%	2,904,591	196,907	6.8%
13. Financial Services	3,402,893	3,912,278	(509,385)	-13.0%	1,568,069	1,834,824	117.0%
14. Power Supply	1,487,678	1,527,132	(39,454)	-2.6%	1,397,676	90,002	6.4%
15. Technology Services	4,734,096	5,047,522	(313,426)	-6.2%	4,653,052	81,044	1.7%
16. Total A & G Expense	15,570,584	18,293,838	(2,723,254)	-14.9%	15,050,037	520,547	3.5%
17. DEPRECIATION	9,648,643	9,754,882	(106,239)	-1.1%	10,132,744	(484,101)	-4.8%
18. TOTAL OPERATING EXPENSE	$80,847,865	$77,329,945	$3,517,920	4.5%	$76,585,927	$4,261,938	5.6%

BALANCE SHEET

MARCH 2026

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:		
1. Revenue Fund (includes CDFUO)	$68,225,160	($17,046,819)
2. Payment in Lieu of Tax Fund	17,523,606	3,863,430
3. Rate Stabilization Fund	42,260,326	265,685
4. Bond Principal & Interest Funds	23,593,498	5,397,399
5. Other Restricted/Designated Funds	4,928,550	998,619
6. Restricted/Designated Funds Total	70,782,374	6,661,703
7. Total Current Asset Funds	156,531,140	(6,521,686)
8. Receivables Less Uncollectible Allowance	28,352,973	502,314
9. Unbilled Revenue	20,770,110	288,113
10. Accrued Interest Receivable	571,222	45,639
11. Materials, Supplies & Fuel Inventory	36,634,646	(694,712)
12. Plant Operation Assets	21,661,866	1,665,258
13. Other Current Assets	6,796,728	(1,415,011)
14. Total Current Assets	271,318,685	(6,130,085)
NONCURRENT ASSETS:		
15. Bond Reserve Funds	9,192,750	82,080
16. Self-Funded Benefits Reserve Fund (IBNP)	1,243,916	24,787
17. Segregated Funds	23,424,569	1,838,056
18. Restricted Funds Total	33,861,235	1,944,923
19. Unamortized Debt Expense	1,386,403	(69,269)
21. Accrued Lease Interest	198,264	13,263
22. Other Noncurrent Assets	6,992,893	294,661
23. Total Noncurrent Assets	$49,969,907	$2,100,249
CAPITAL ASSETS:		
24. Utility Plant in Service	1,900,121,693	3,925,466
25. Accumulated Depreciation & Amortization	(1,011,345,410)	(7,529,479)
26. Construction Work in Progress	228,231,545	11,887,329
27. Total Capital Assets	1,117,007,828	8,283,316
DEFERRED OUTFLOWS OF RESOURCES:		
28. Deferred Loss on Refunded Debt	5,474,050	(213,279)
29. Deferred Costs for Asset Retirement Obligations	3,437,871	52,653
30. Total Deferred Outflows of Resources	8,911,921	(160,626)
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$1,447,208,341	$4,092,854

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT LIABILITIES:		
OTHER LIABILITIES		
1. Accounts Payable	$20,605,924	($3,591,370)
2. Accrued Payments in Lieu of Taxes	18,761,061	3,961,630
3. City Dividend for Utility Ownership Payable	1,274,197	(3,822,591)
4. Commercial Paper Notes	150,000,000	0
5. Accrued Software Interest	66,400	25,155
6. Accrued Liabilities	20,596,070	(68,529)
7. Total Other Liabilities	211,303,652	(3,495,705)
CURRENT LIABILITIES - RESTRICTED ASSETS		
8. Current Portion of Long-Term Debt	37,580,000	0
9. Accrued Interest	1,858,490	(4,075,376)
10. Other Current Liabilities	1,198,579	73,433
11. Total Current Liabilities - Restricted Assets	40,637,069	(4,001,943)
12. Total Current Liabilities	251,940,721	(7,497,648)
NONCURRENT LIABILITIES:		
13. 2013 Bonds	0	0
14. 2015A Bonds	69,775,000	0
15. 2016 Bonds	65,960,000	0
16. 2018 Bonds	114,900,000	0
17. 2020A Bonds	70,740,000	0
18. 2020B Bonds	136,540,000	0
19. Total Revenue Bonds	457,915,000	0
20. Less Current Maturities	37,580,000	0
21. Less Unamortized Discounts/Premiums	(21,968,953)	1,299,330
22. Note Purchase Agreement	0	0
23. Revolving Credit Agreement	0	0
24. Net Long Term Debt	442,303,953	(1,299,330)
25. Liabilities Payable from Segregated Funds	24,249,209	865,167
26. Asset Retirement Obligation	3,437,871	52,653
27. Software Liabilities	2,825,408	114,520
28. Other Noncurrent Liabilities	1,235,129	(1)
29. Total Liabilities	725,992,291	(7,764,639)
DEFERRED INFLOWS OF RESOURCES:	0	0
30. Deferred Inflow of Resource	6,762,946	(128,768)
31. Total Deferred Inflows of Resources	6,762,946	(128,768)
NET POSITION:		
32. Net Investment in Capital Assets	497,818,188	9,577,554
33. Restricted for Debt Service	22,524,112	9,554,855
34. Restricted for Employee Health Insurance Claims	2,687,409	32,227
35. Unrestricted	191,423,395	(7,178,375)
36. Total Net Position	714,453,104	11,986,261
37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	$1,447,208,341	$4,092,854

STATEMENT OF CASH FLOWS
MARCH 2026

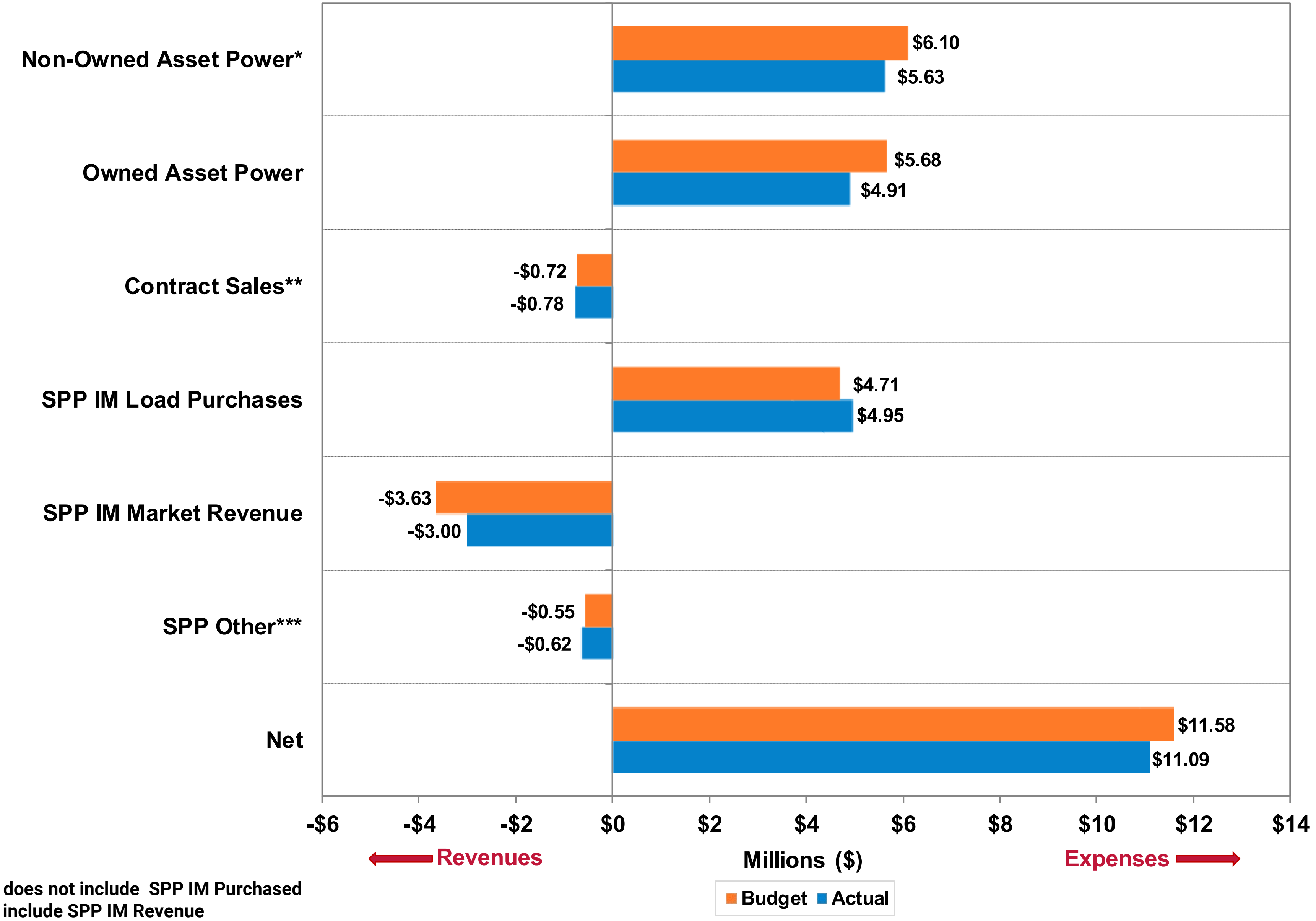
	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	$40,184,402	$99,838,935
2. Sales Tax Receipts	$1,596,999	$5,094,509
3. Paid to Suppliers for Goods & Services	($19,800,349)	($63,174,003)
4. Paid to Employees for Services	($3,847,340)	($12,300,608)
5. Payments for Sales Tax	(1,853,764)	(4,945,375)
6. Cash Flow from Operating Activities (a)	16,279,948	24,513,458
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(82,875)
8. City Dividend for Utility Ownership Revenue	1,279,806	3,860,591
9. City Dividend for Utility Ownership Payments	0	(7,645,182)
10. Other	0	0
11. Cash Flow from (used for) Noncapital Financing Activities	1,279,806	(3,867,466)
CASH FLOWS FROM INVESTING ACTIVITIES:		
12. Net (Purchases) Sales of Investments	9,293,716	(6,693,322)
13. Interest Income	377,889	1,540,540
14. Cash Flow from (used for) Investing Activities	9,671,605	(5,152,782)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
15. Acquisition and Construction of Capital Assets	(11,069,989)	(23,839,335)
16. Salvage on Retirement of Plant	2,579	529,733
17. Cost of Removal of Property Retired	(201,844)	(230,914)
18. Debt Issuance Cost Paid	0	0
19. Debt Premiums Collected	0	0
20. Net Capital Contributions	962,086	4,713,363
21. Capital Contributions Recv'd in Advance	1,200,000	1,200,000
22. Cash Received from Leases	42,185	126,224
24. Net Proceeds from Issuance of Long-Term Debt	0	0
25. Proceeds from Commercial Paper Issuance	0	0
26. Principal Payments on Long-Term Debt	0	0
27. Interest Payments on Debt	(8,854,138)	(9,218,486)
28. Cash Flow from (used for) Capital Financing Activities	(17,919,121)	(26,719,415)
29. Net Increase (Decrease) in Cash and Cash Equivalents	9,268,358	(11,270,085)
30. Cash and Cash Equivalents Beginning of Period	38,805,240	59,343,683
31. Cash and Cash Equivalents End of Period (b)	**48,073,598**	**48,073,598**
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	**$5,820,632**	**$18,676,890**
2. Lease Revenue	**($42,865)**	**($128,190)**
3. Noncash items included in operating income	**3,367,239**	**10,015,892**
4. Changes in Assets & Liabilities Increase/(Decrease)	**7,134,942**	**(4,051,134)**
5. Net cash flows from operating activities	**$16,279,948**	**$24,513,458**
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		

Power Supply Division
2026 March Monthly Report

Jason Fortik | Vice President, Power Supply

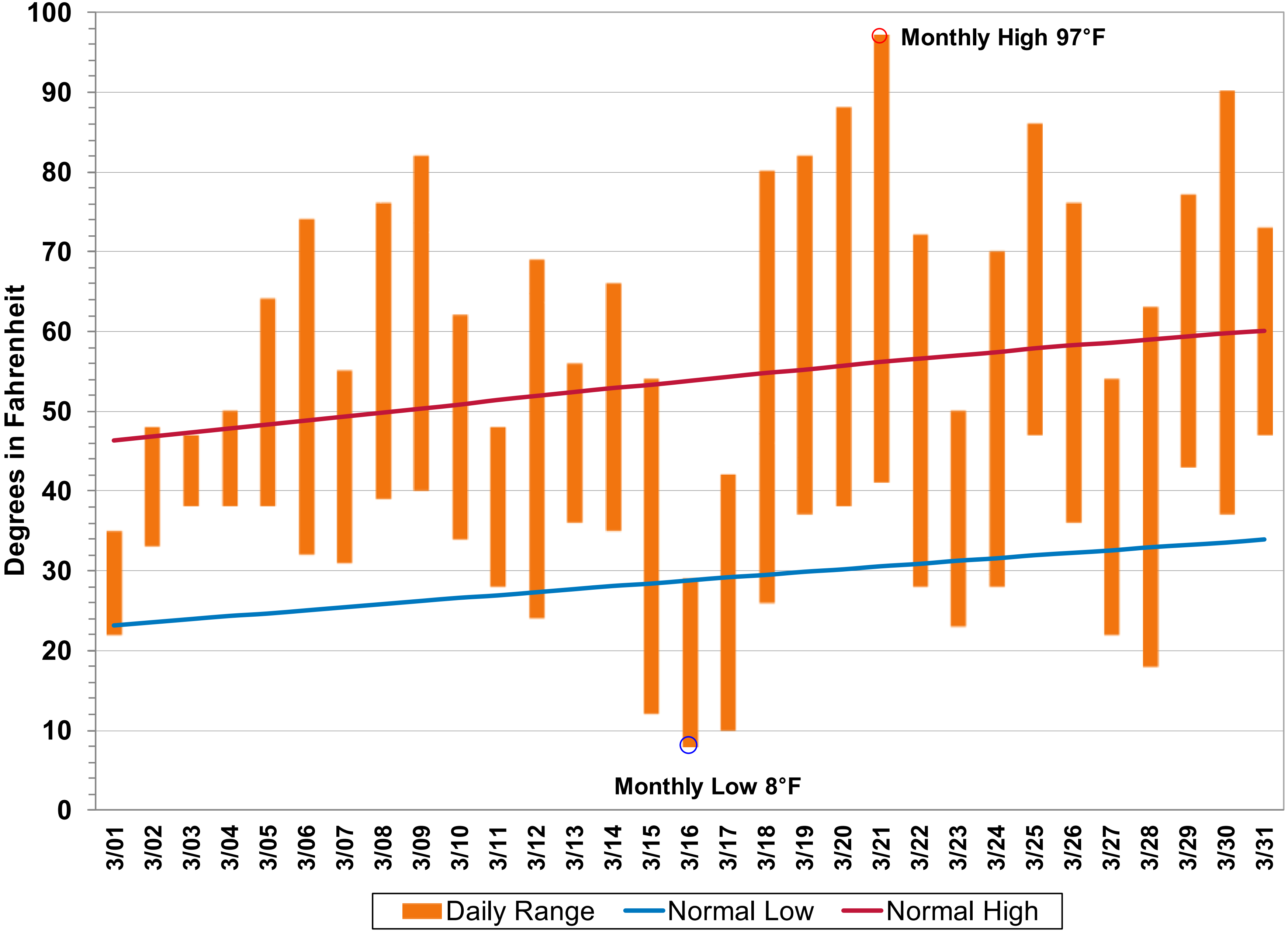
April 17, 2026

Monthly Actual vs. Budget

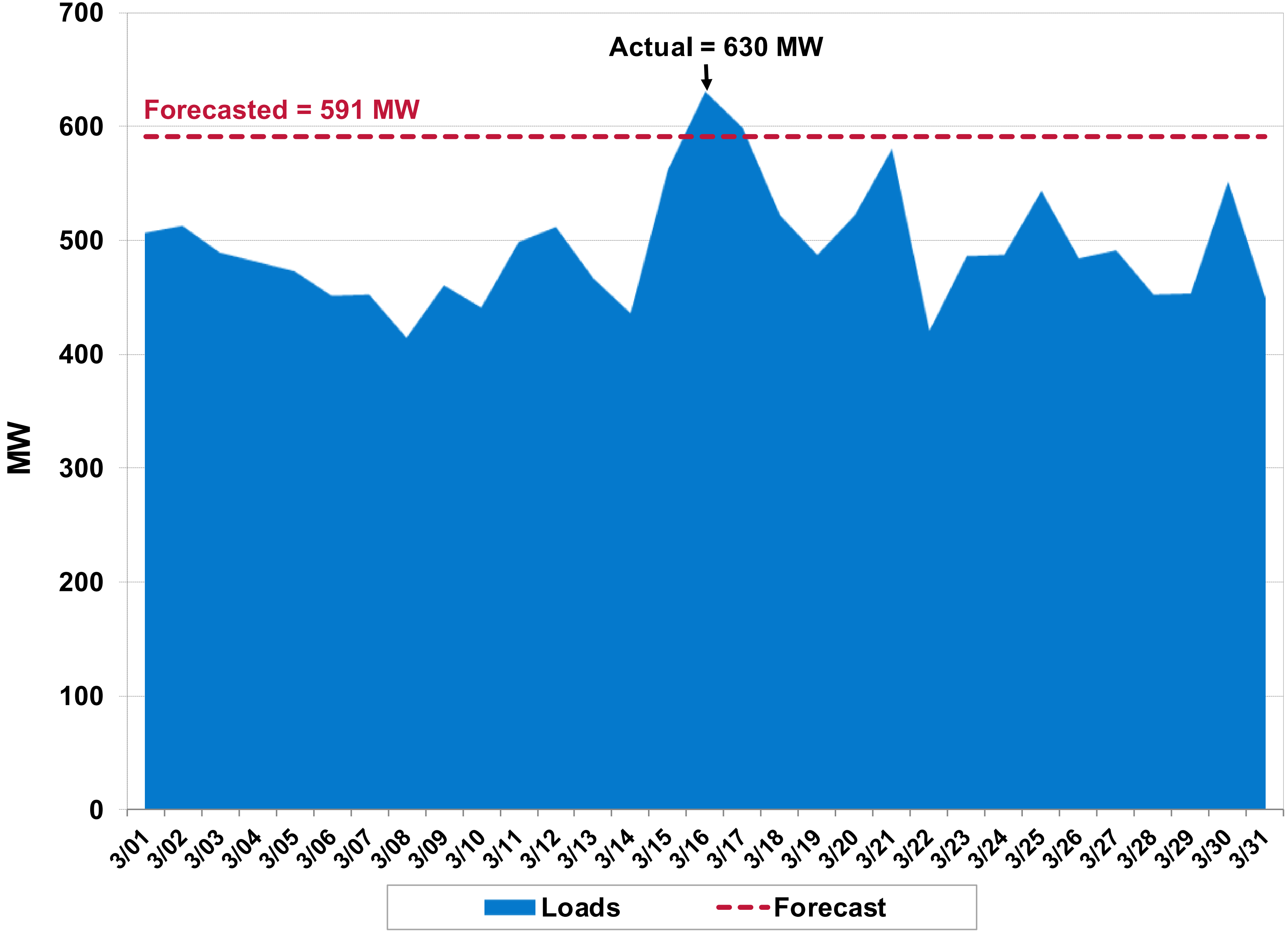


*Non-Owned Asset Power does not include SPP IM Purchased
**Contract Sales does not include SPP IM Revenue
***SPP Other includes Over-Collected Losses and ARR's/TCR

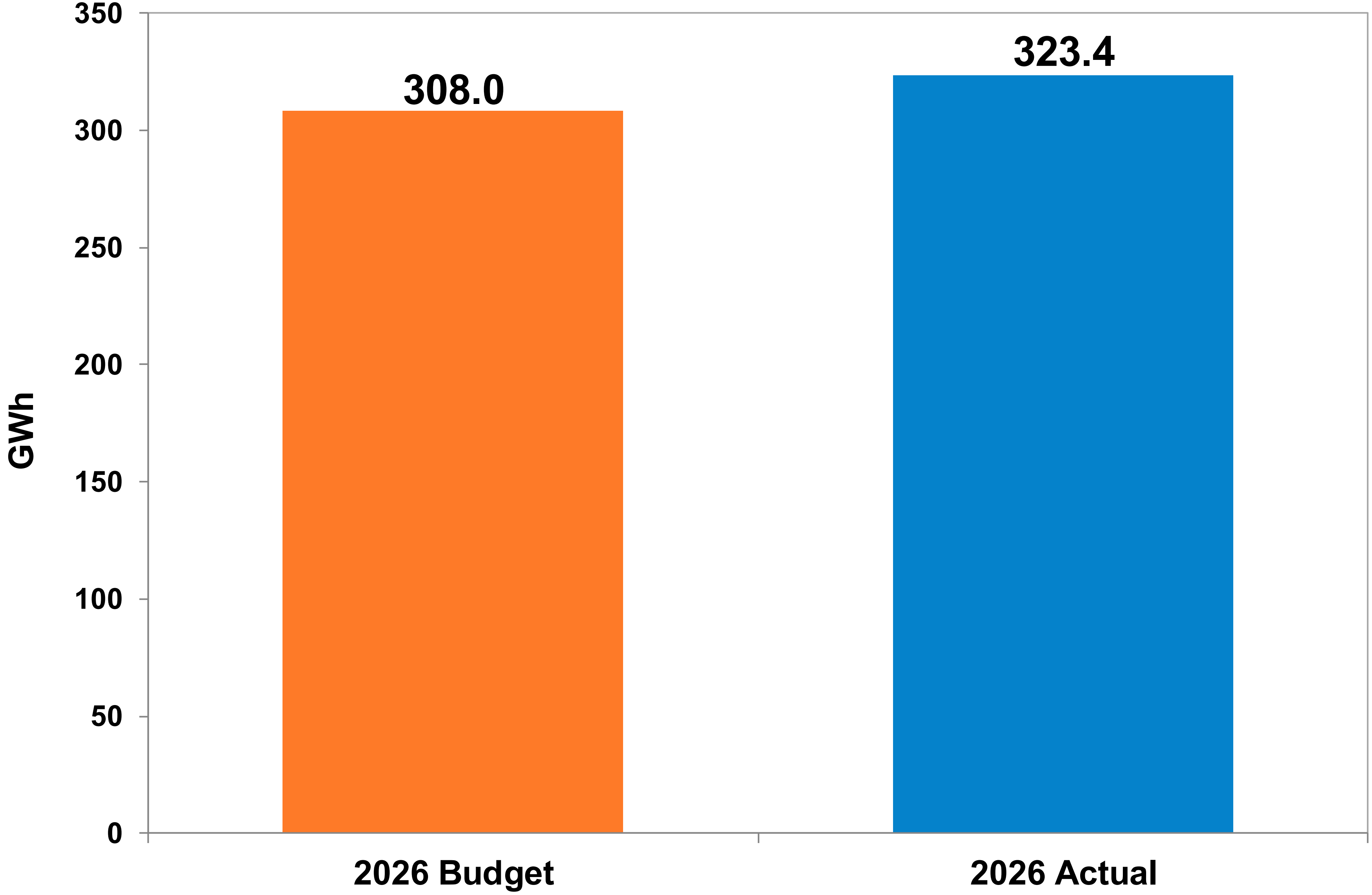
Daily Temperature Range



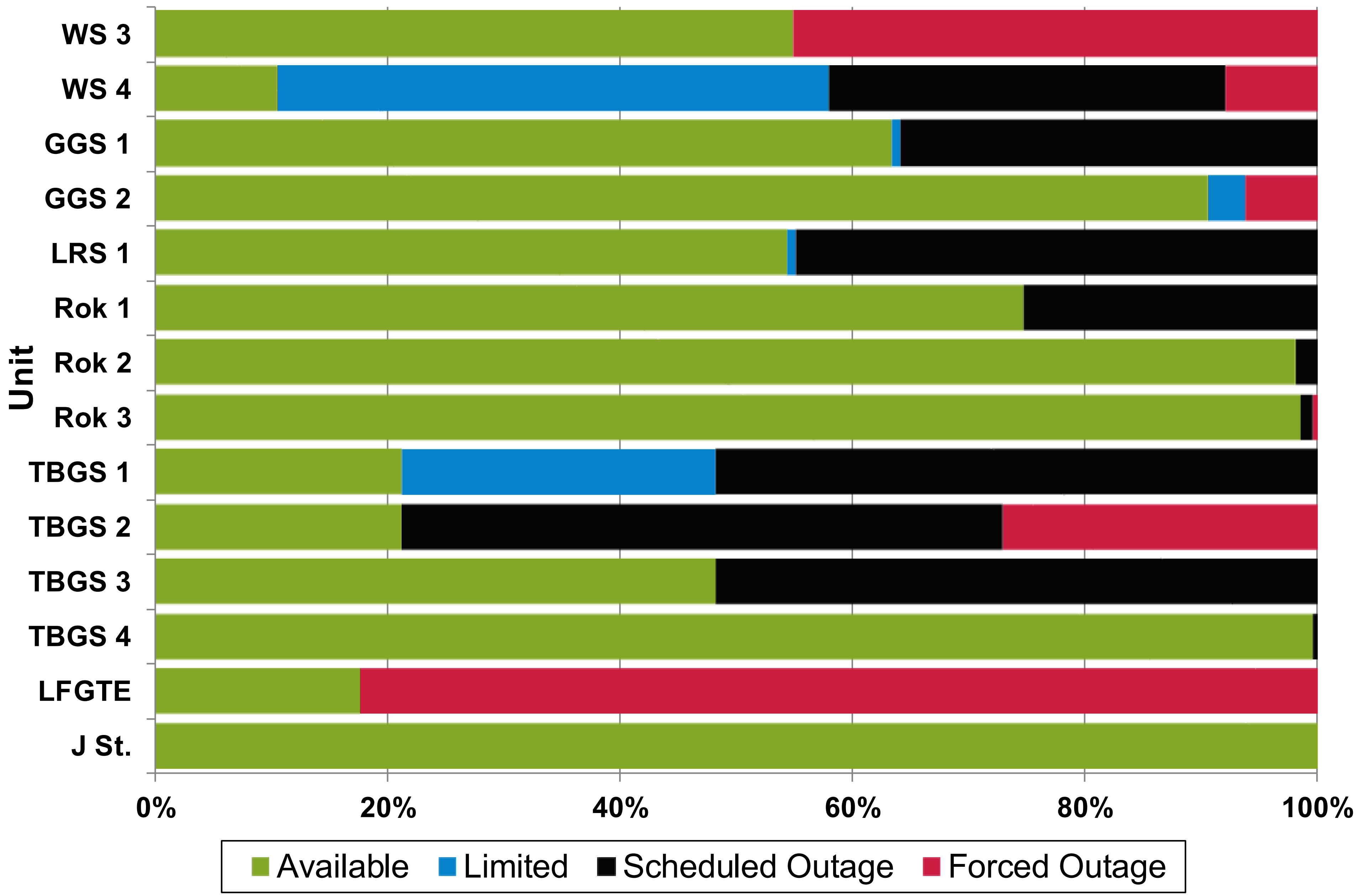
Loads


Actual = 630 MW
Forecasted = 591 MW
700
600
500
400
300
200
100
0
MW
3/01
3/02
3/03
3/04
3/05
3/06
3/07
3/08
3/09
3/10
3/11
3/12
3/13
3/14
3/15
3/16
3/17
3/18
3/19
3/20
3/21
3/22
3/23
3/24
3/25
3/26
3/27
3/28
3/29
3/30
3/31
Loads
Forecast

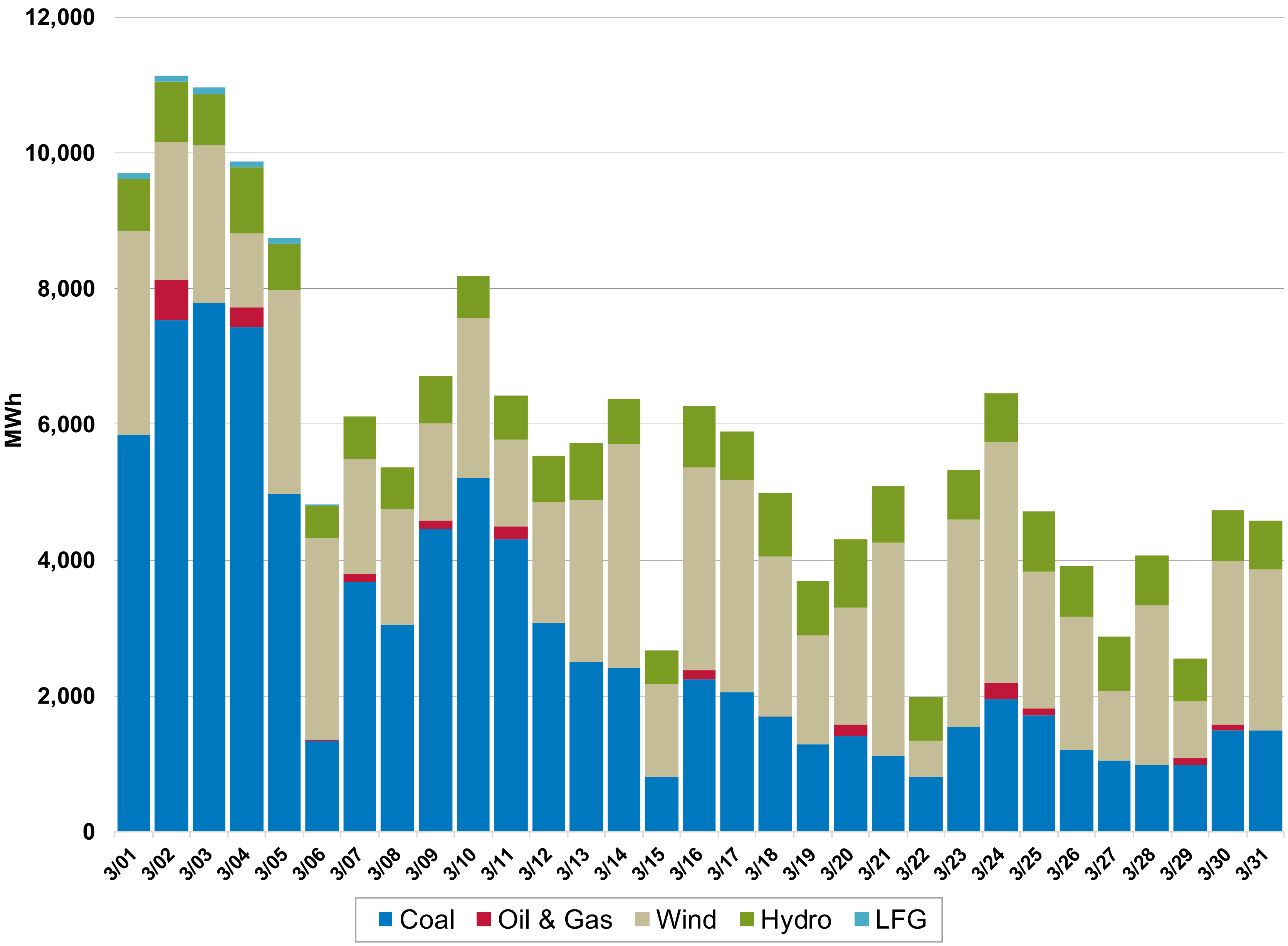
Customer Energy Consumption



Unit Equivalent Availability

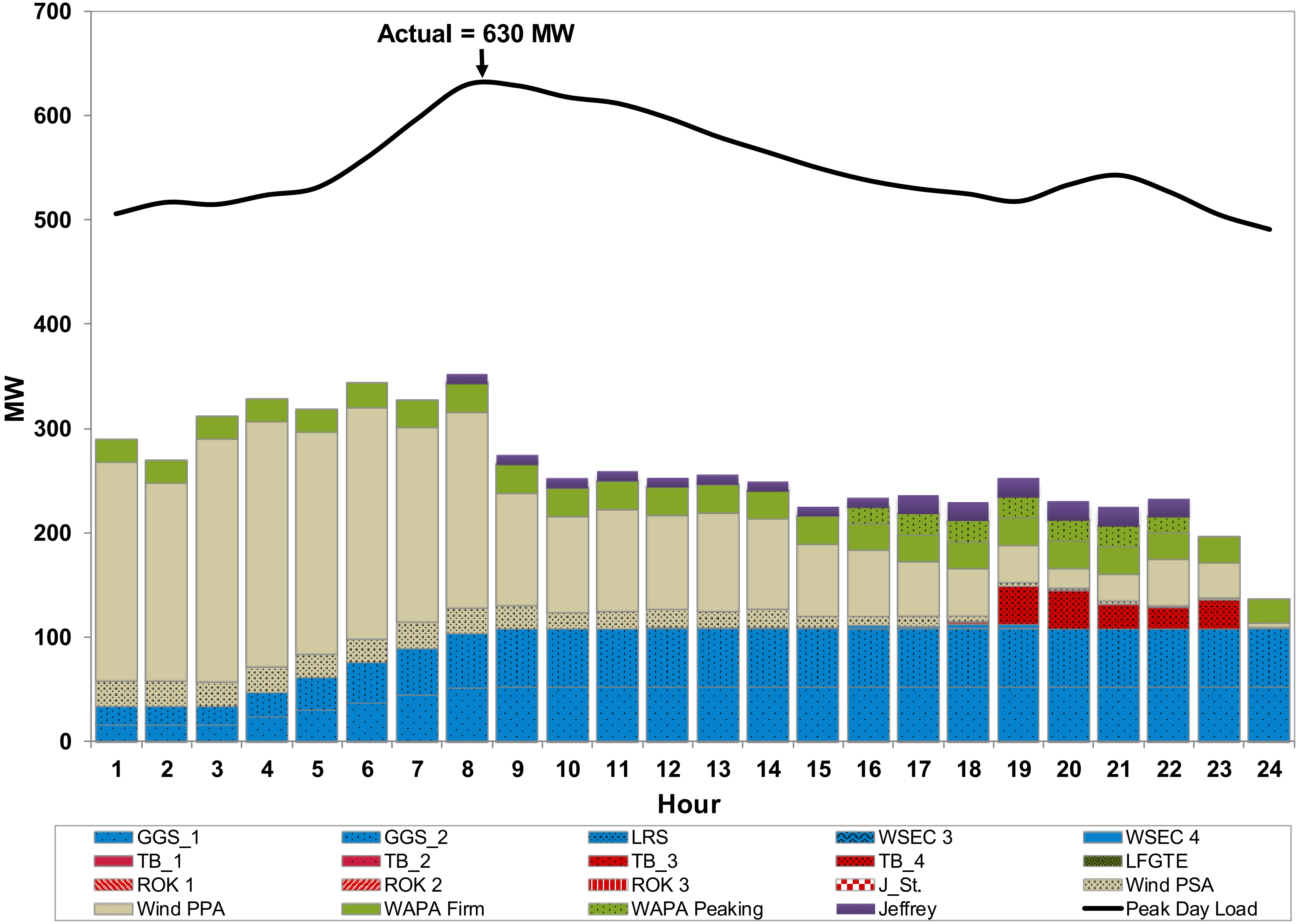


Resource Energy



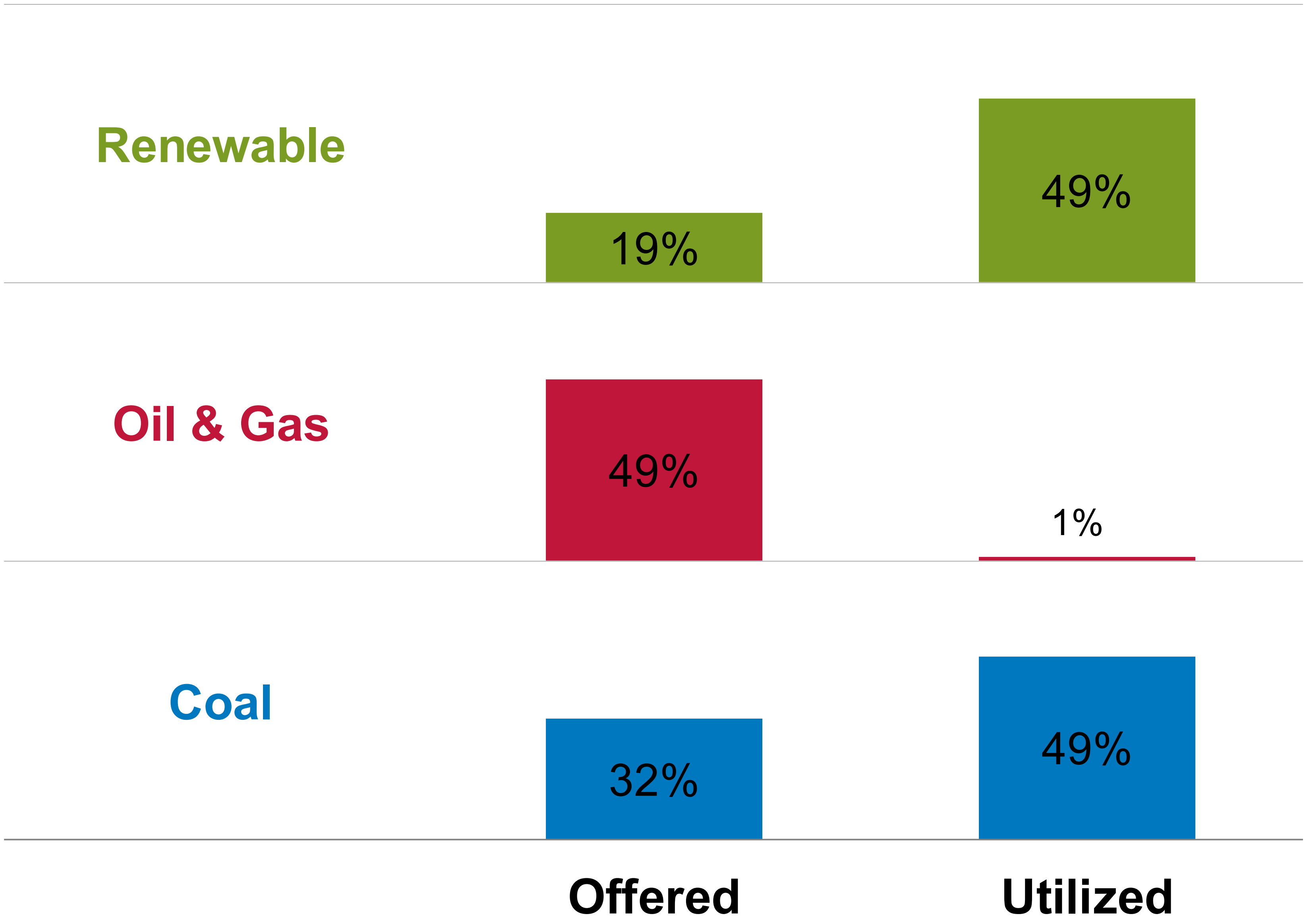
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – March 16, 2026



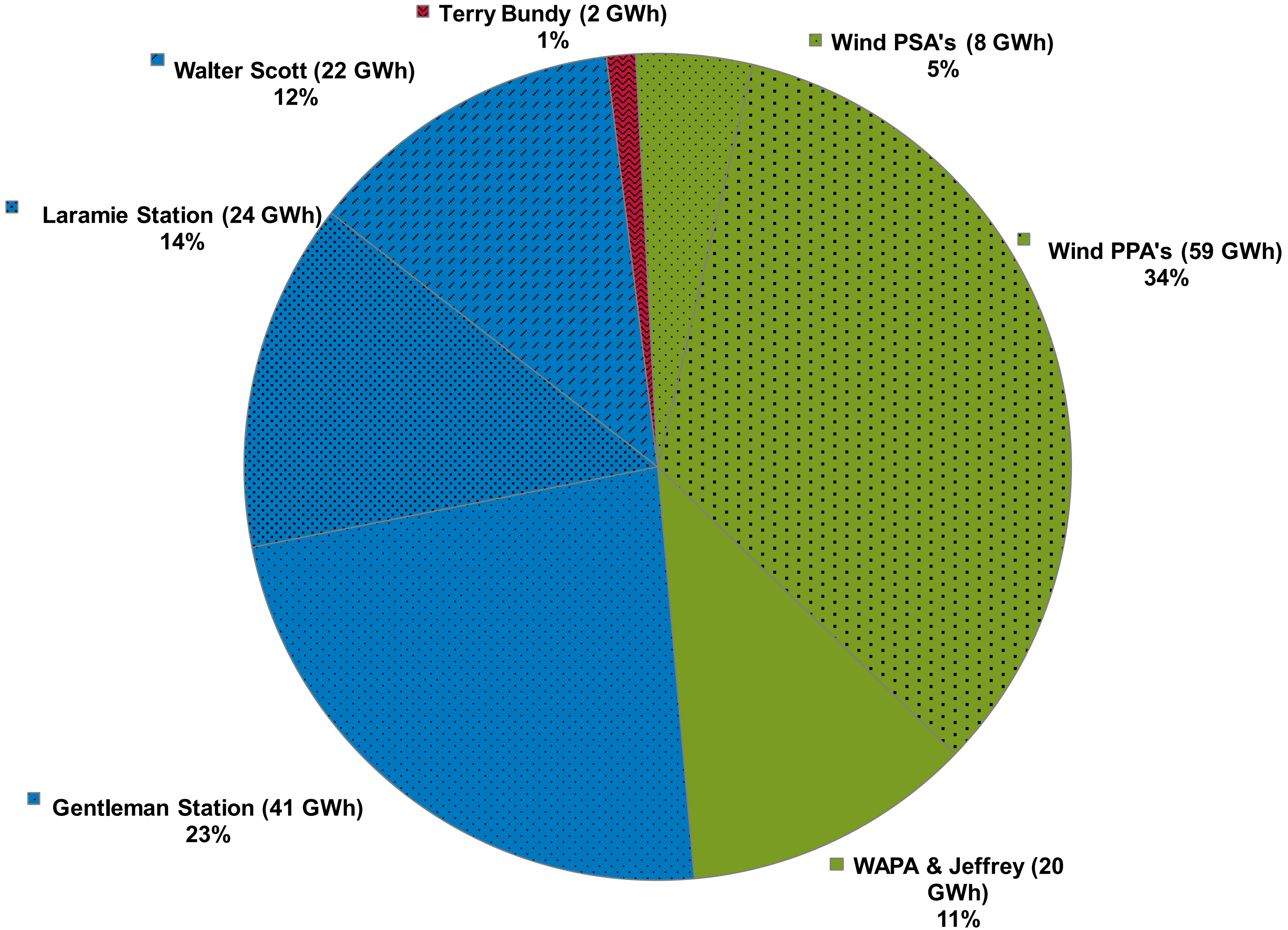
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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

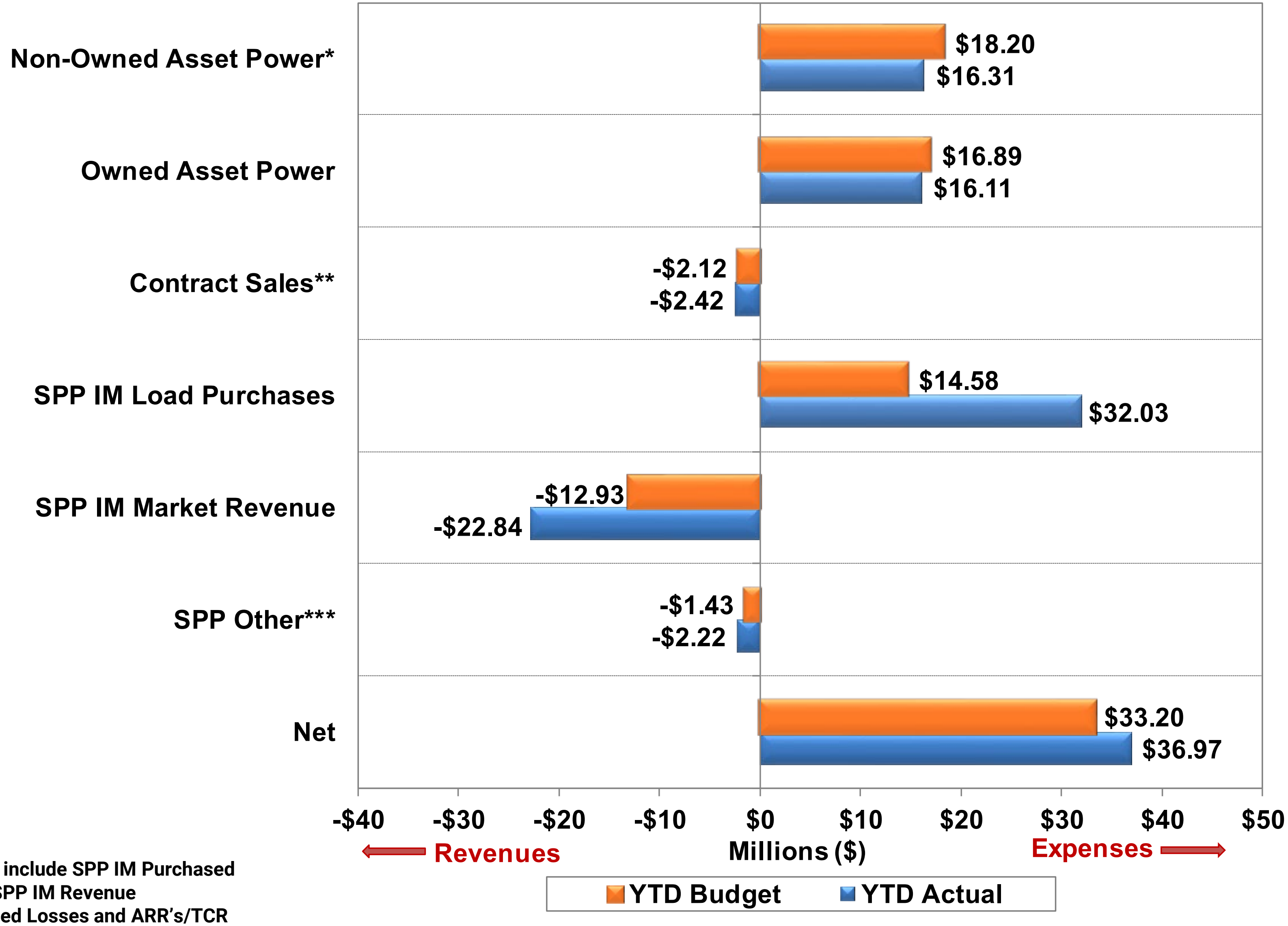
Exhibit VII

Power Supply Division 2026 First Quarter Update

Jason Fortik | Vice President, Power Supply

April 17, 2026

Q1 2026 Net Power Costs were about $3.8M (11.4%) above Budget. Higher than expected load purchase expenses due to the effects of Winter Storm Fern were a factor in Q1 results.

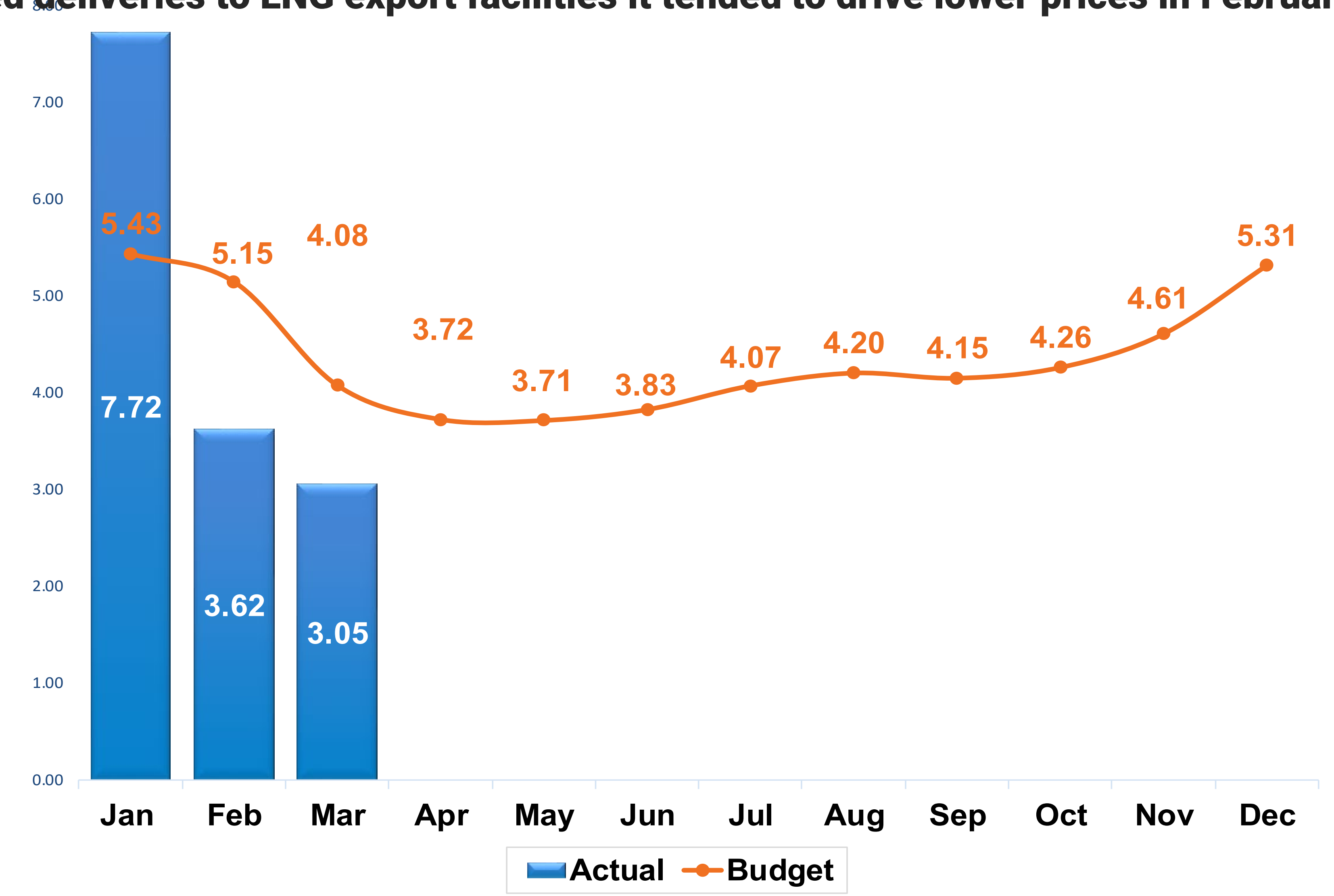


*Non-Owned Asset Power does not include SPP IM Purchased

**Contract Sales does not include SPP IM Revenue

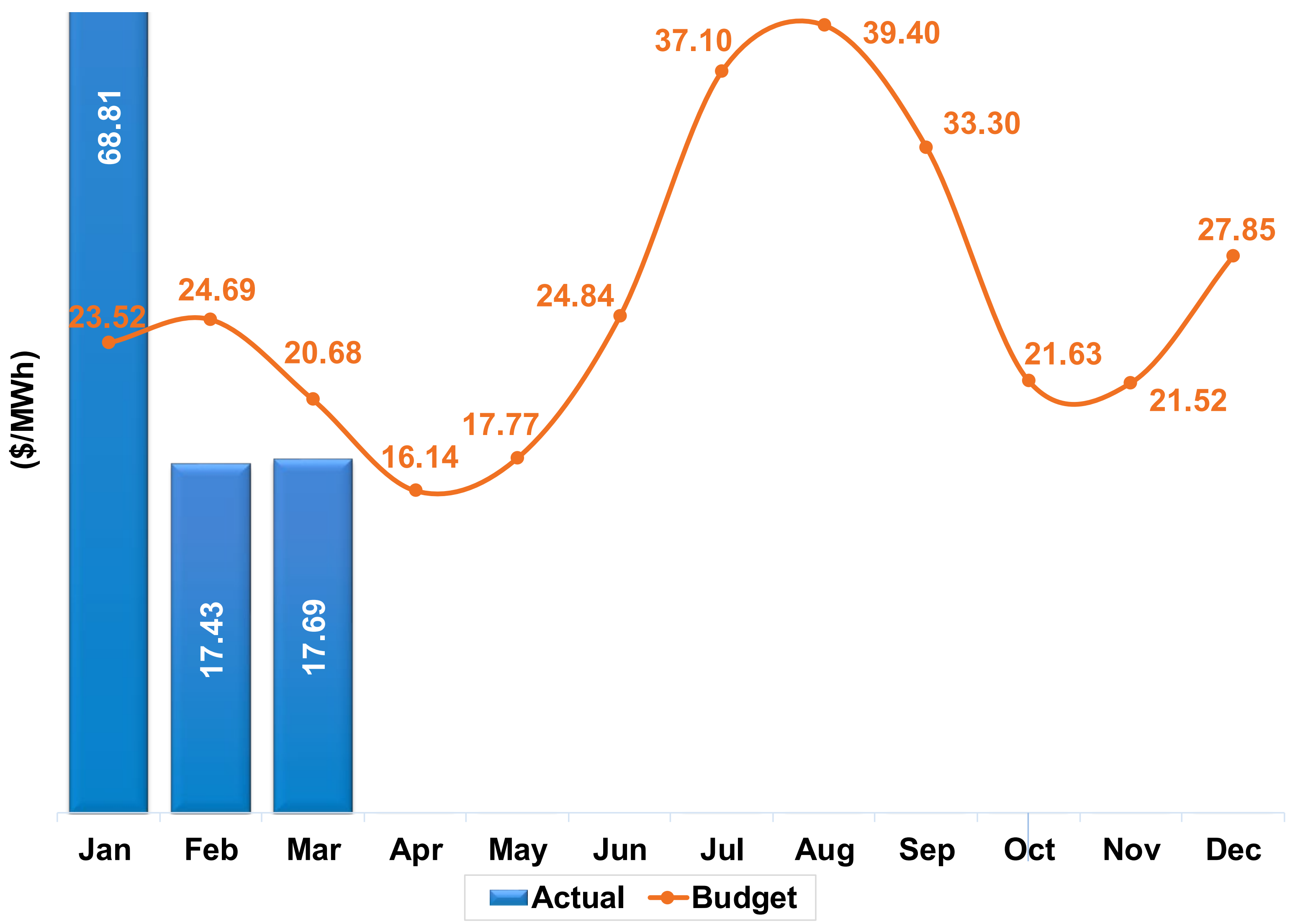
***SPP Other includes Over-Collected Losses and ARR's/TCR

Natural gas storage levels started the year above the five-year average and helped boost supply despite production levels and imports being down, but Winter Storm Fern put significant upward pressure on prices in late January. Natural gas demand dropped across broad sectors of the economy during mid-Q1 and late Q1 and when combined with mixed deliveries to LNG export facilities it tended to drive lower prices in February and March.

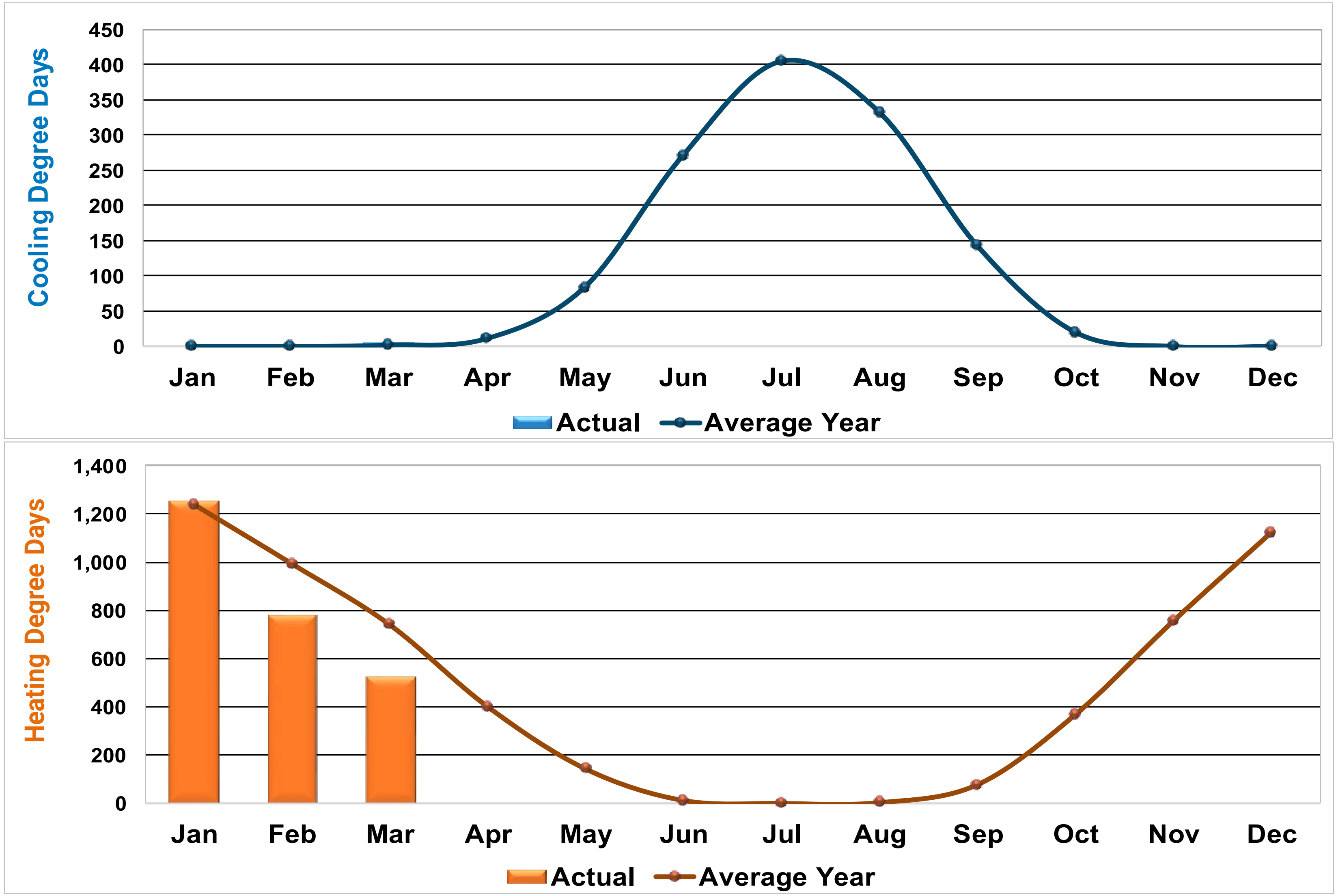


Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

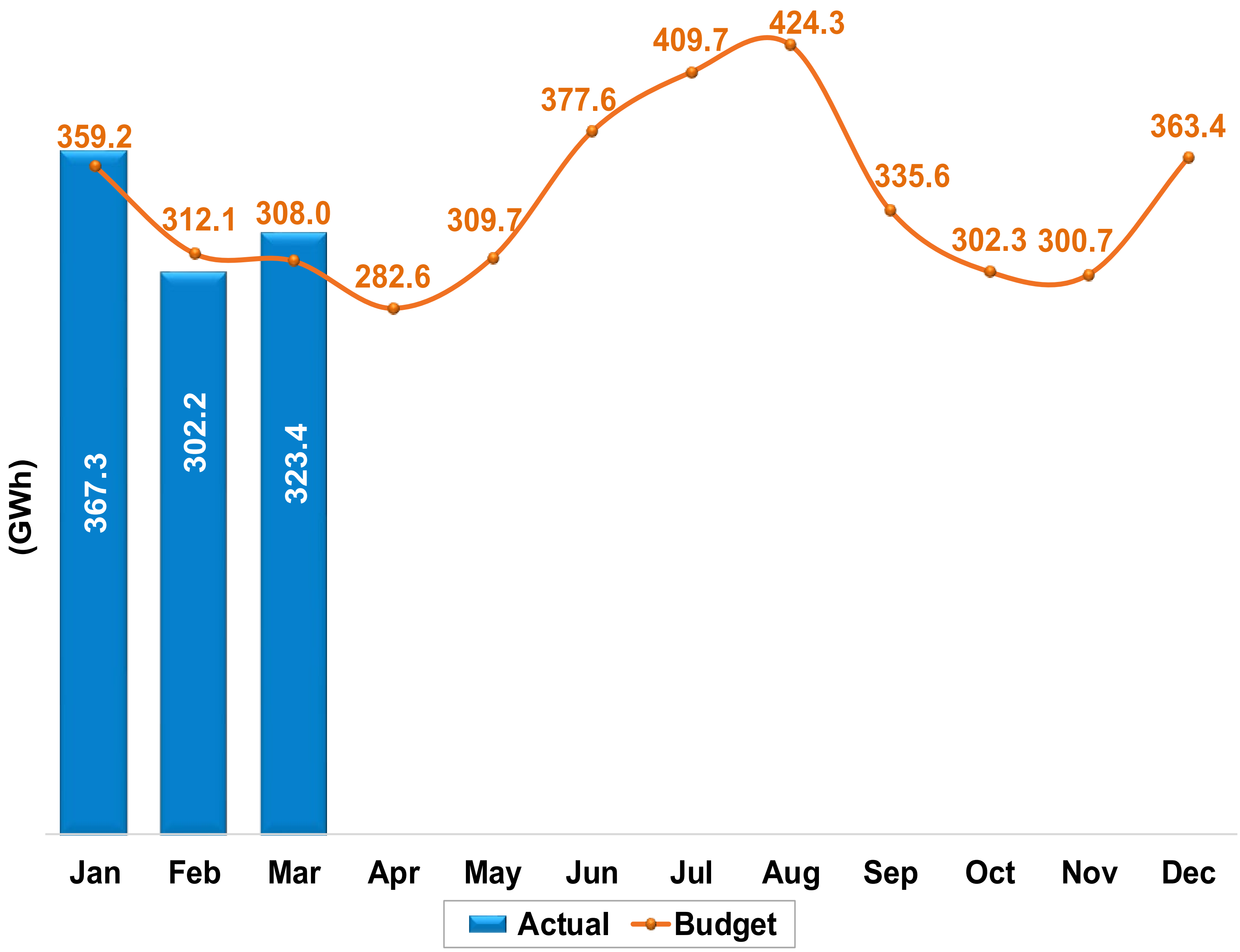
Higher natural gas prices in January drove up Lincoln's market electricity prices despite higher footprint wind production and relatively low levels of generating capacity on outage. A steep decline in natural gas prices during February and March, coupled with manageable footprint load levels, low generator outage levels, and moderate wind production levels, helped keep market electricity prices below Budget during those months.



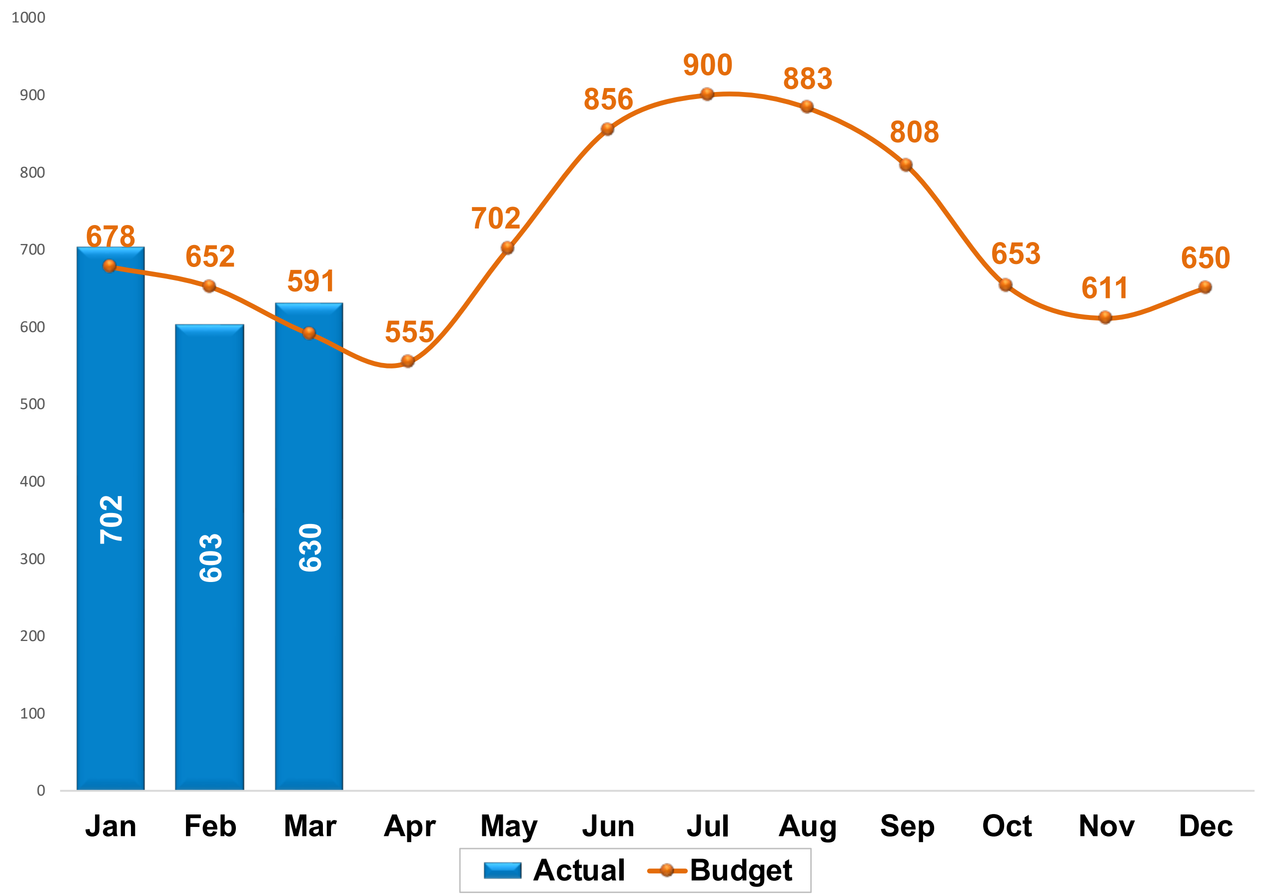
Volatile temperatures in January resulted in heating degree days summing to near normal while warm temperatures in February and March resulted in heating degree days about 22% and 29% below normal, respectively.



Control Area Energy consumption was 13.6 GWh (1.4%) above budget for Q1.

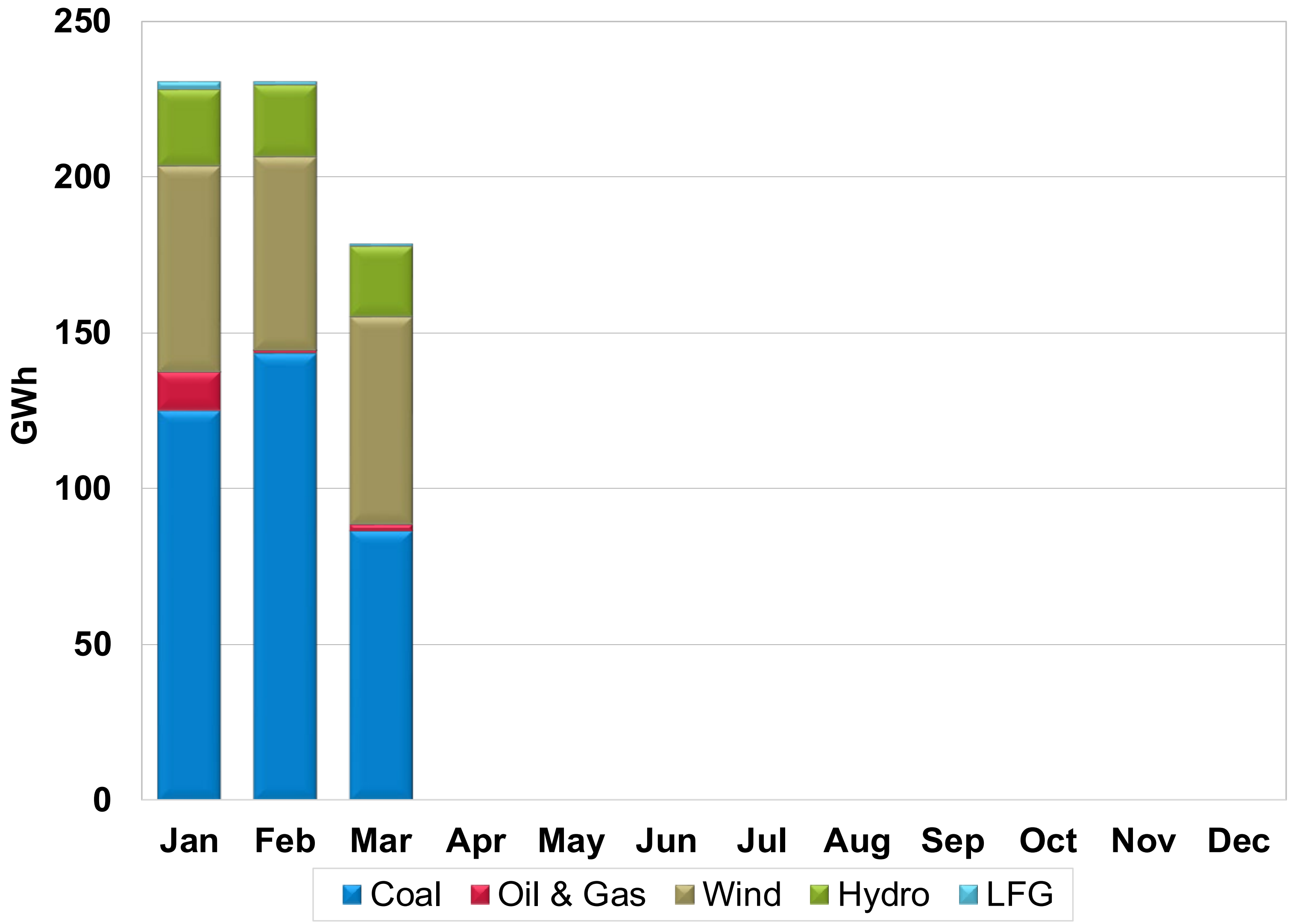


Winter weather in later January and cold days in March pushed up peak demand values in those months. Generally warmer temperatures in February kept peak demand below expectations.



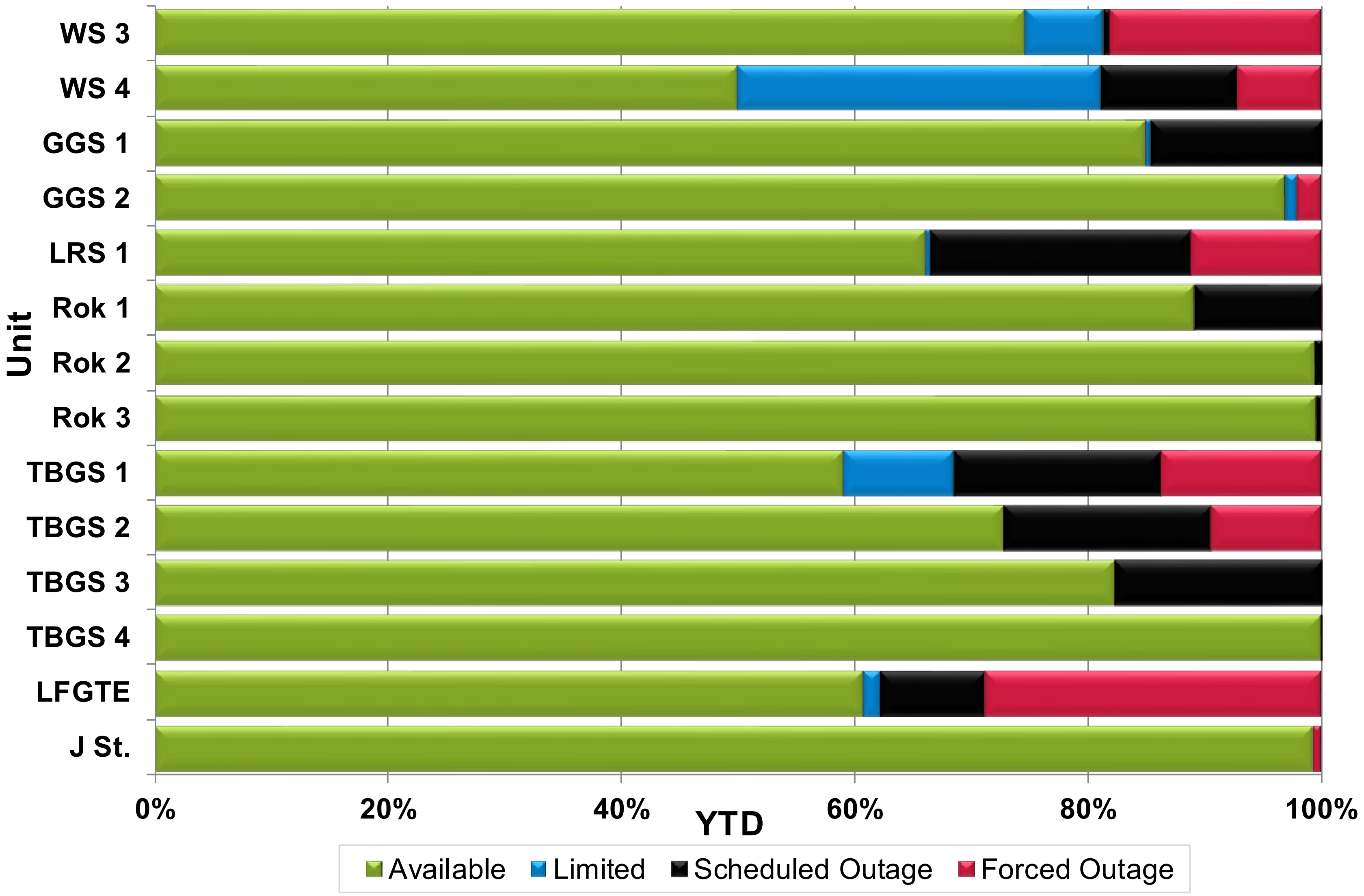
System Peak Load	2026 Peak Load Day = 702 MW, 1/23/2026 All Time System Peak = 819 MW, 8/22/2023

Q1 2026 renewable energy production was about 31% below expectations, coal resource production was 16% below expectations due primarily to below Budget production at Laramie River Station, and natural gas resource production was about 17% below expectations.

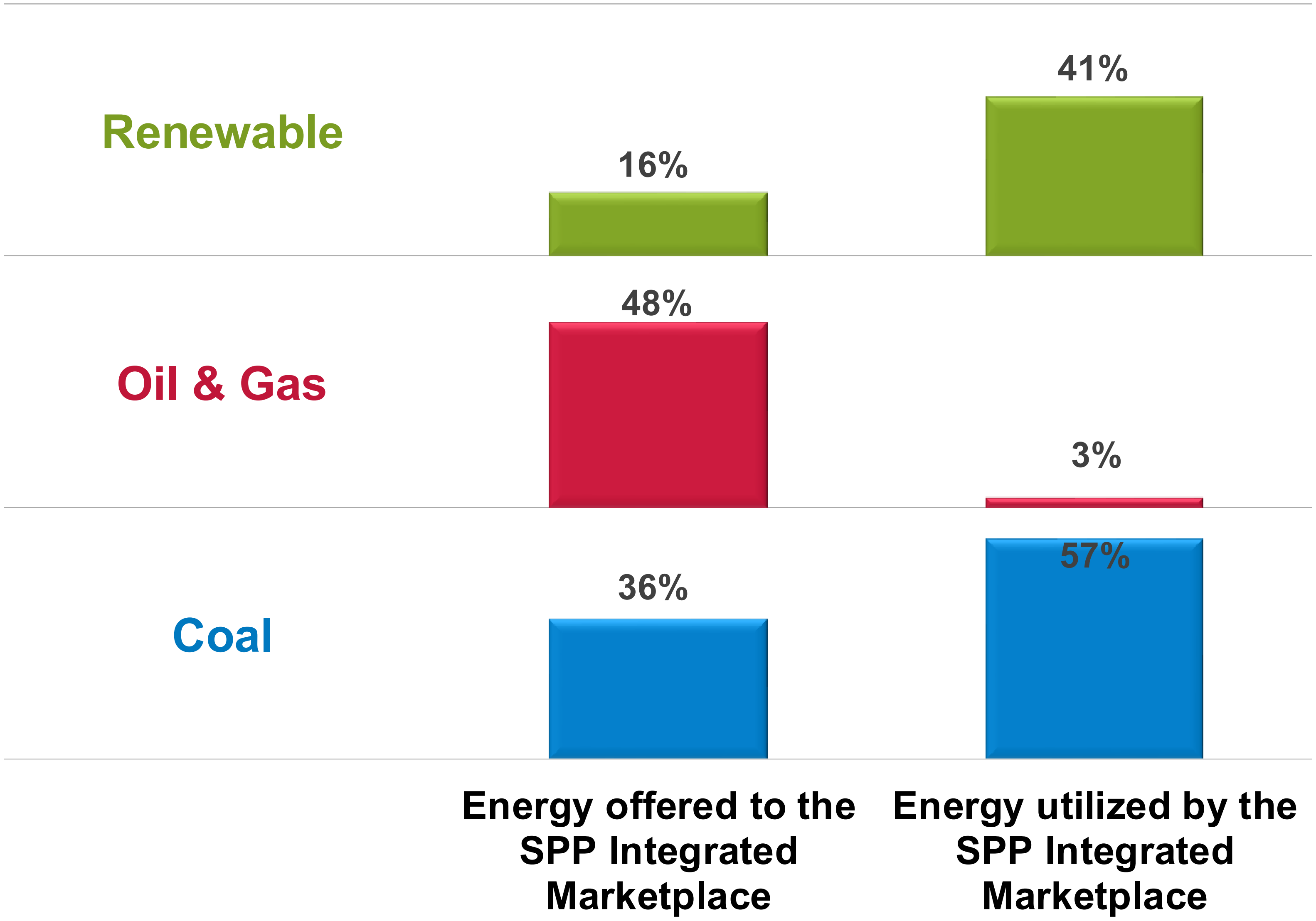


Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Walter Scott 3 experienced outage time for valve repairs and feedwater heater issues. Laramie River Station experienced outage time to repair tube leaks and other maintenance items. TBGS 1 experienced outage time due to lubricating oil pump issues and the landfill gas units experienced outage time for a variety of causes including valve maintenance, fuel supply pressure, and skid blower repairs.



2026 Market Energy Metrics
(January through March)



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

TBGS South Power Block Expansion Project (SPBE)

Nick Wischhof | Manager Projects Engineering

Andrew Nelson | Engineer III, Projects Engineering

April 17, 2026

LES

General Arrangement

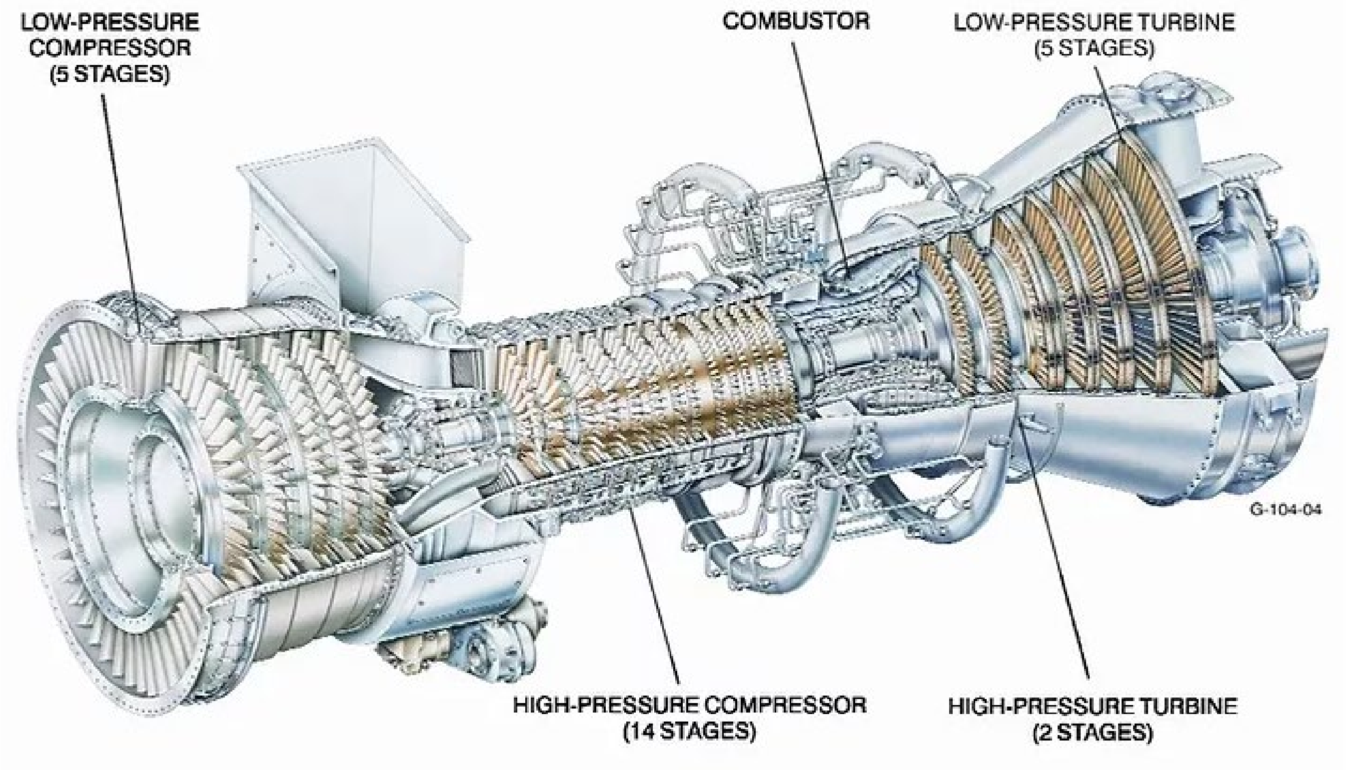
2
Turbines

~100
MW

Dual
Fuel
Capable

Quick
Start
Capable

Source: https://www.geaviation.com/marine/engines/military/lm6000-engine



LPC - Low pressure compressor (5 stages) with a 2.4 : 1 compression ratio
HPC - High pressure compressor (14 stages) with a 12 :1 compression ration
Combustion chamber (**Combustor**)
HPT - High pressure turbine (2 stages)
LPT - Low pressure turbine (5 stages)

CTG = Combustion Turbine Generator
GSU = Generator Step-up Transformer
SCR = Selective Catalytic Reduction
CEMS = Continuous Emissions Monitoring System

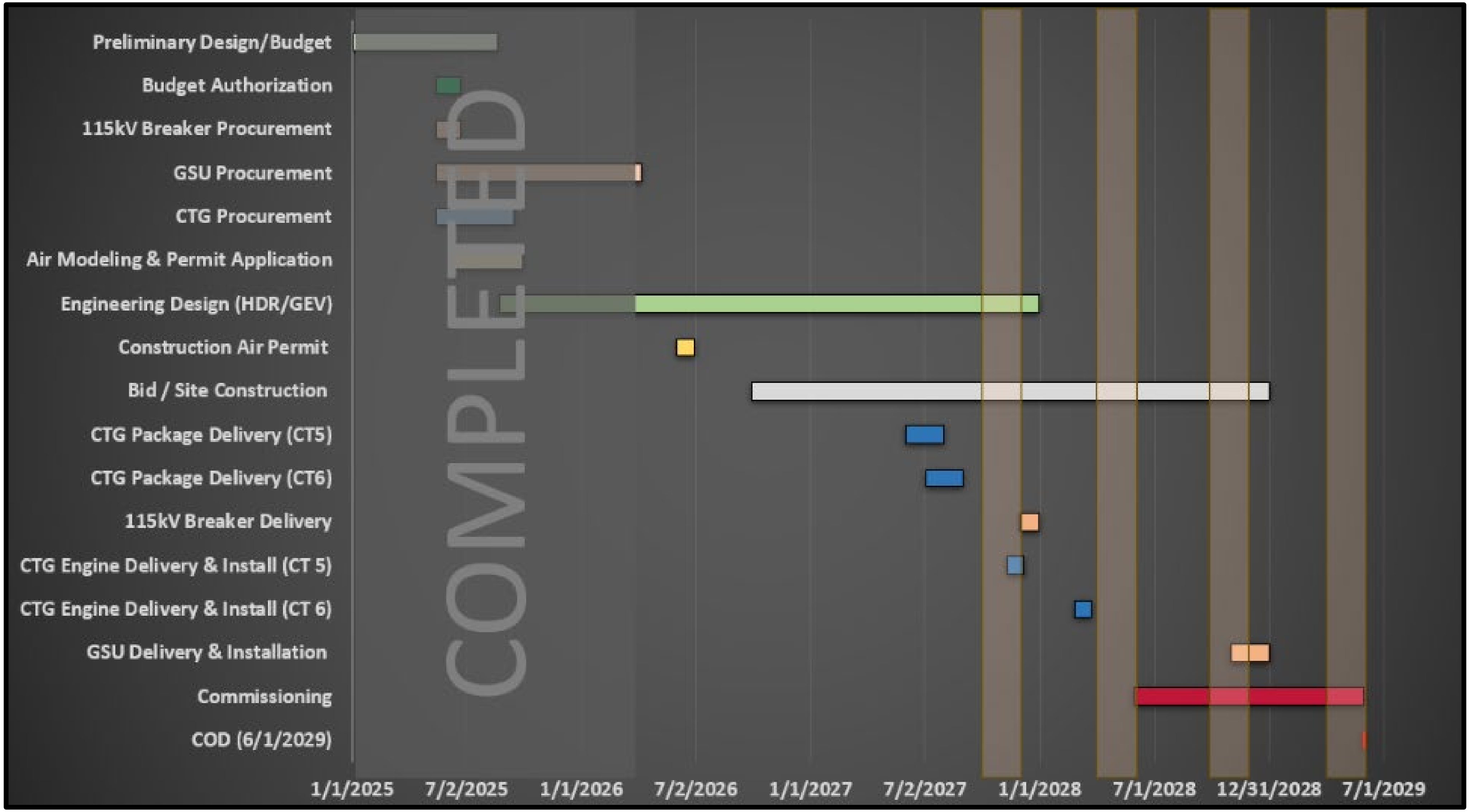
Major Contracts

- *Owner's Engineer (OE)
- *Combustion Turbine Generators (CTG)
- ^Generator Step-Up Transformers (GSU)
- *115kV Circuit Breakers
- ^Control System Integration
- ^CTG Exhaust / SCR / CEMS
- ^Fuel Gas Yard / Heater
- ^Low Voltage Electrical Equipment
- *Medium Voltage Electrical Equipment
- *Skid Building #3
- ^Instrument Air Skid
- Refrigeration Equipment
- Site Construction

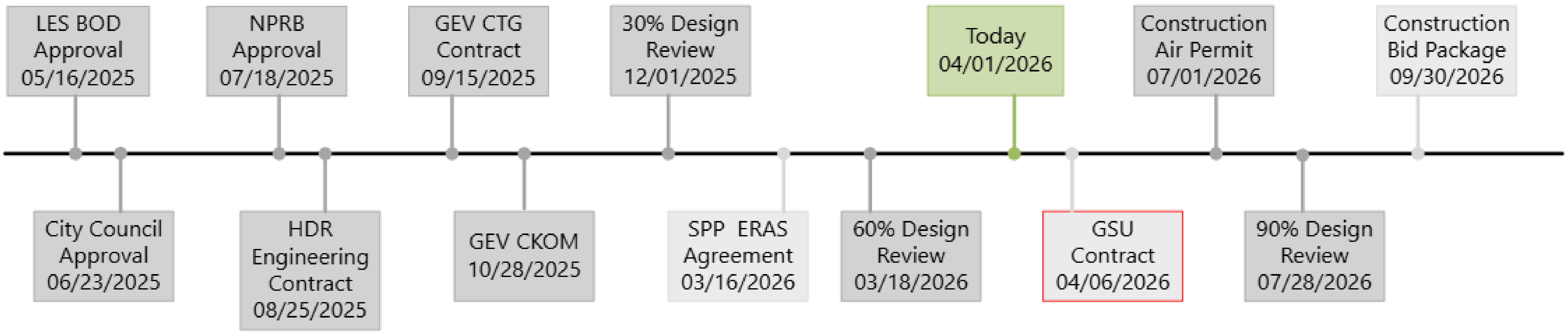
*Contracts executed
^Ongoing contract negotiations

GSU = Generator Step-up Transformer
CTG = Combustion Turbine Generator
COD = Commercial Operation Date

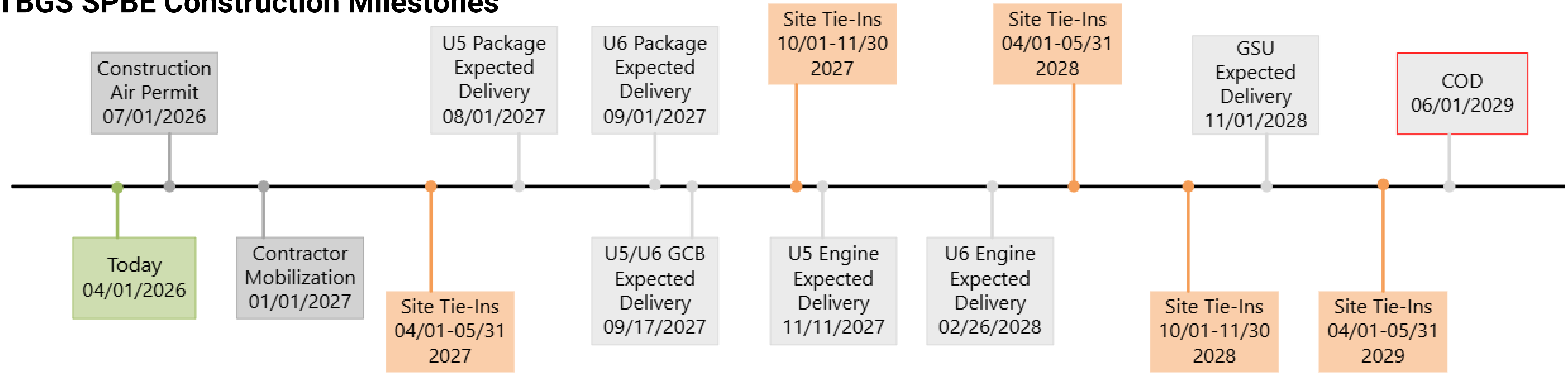
Project Schedule



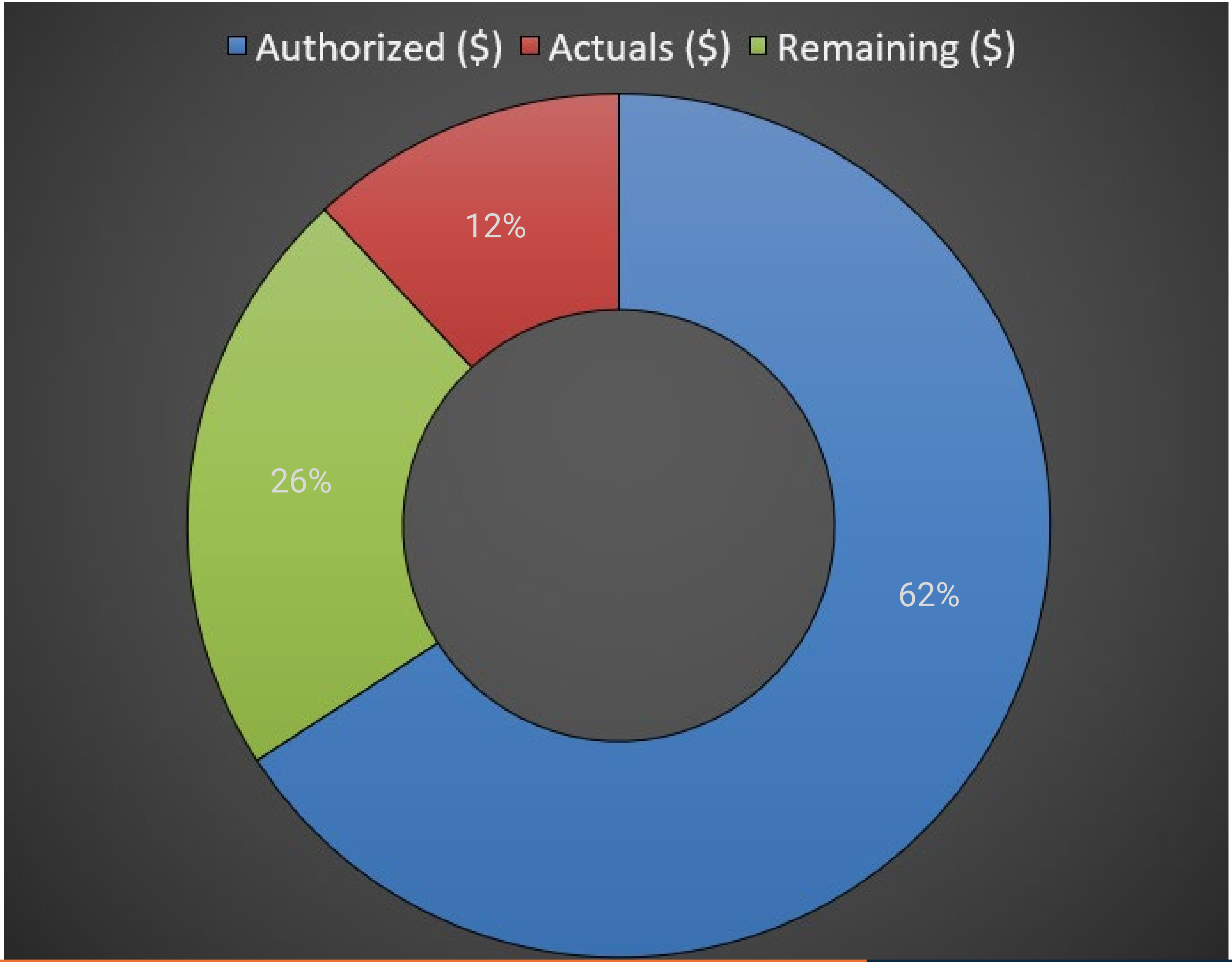
TBGS SPBE Engineering Milestones



TBGS SPBE Construction Milestones



Project Budget ($180M)



Project Risks

Risk: Equipment Delivery

Impact: High, Likelihood: Medium

Concerns:

- Contract execution delays impact design
- Delivery delays could impact COD
- Vendor logistics
- International conflicts
- Storage of equipment
  - Available onsite storage
  - Storage costs
  - Equipment damage
  - Warranty expiration
  - Separate unloading contractor

Mitigation Strategies:

- ➢ Expedite design schedule
- ➢ Early procurement execution
- ➢ Coordinate with vendors & suppliers

Risk: Procurement

Impact: High, Likelihood: Medium

Concerns:

- Bidder interest
  - Vendor / contractor availability
  - Size of project
- Bid process
  - Public bid, bonding requirements, negotiation delays, etc.
- Qualified vendors / contractors
- Tariffs
- Industry project landscape / environment

Mitigation Strategies:

- ➢ Early discussions with potential vendors, contractors, & procurement
- ➢ Alternate sources of supply
- ➢ Expedite design schedule for IFB
- ➢ Minimize but expect some change orders

IFB = Issued for Bid
IFC = Issued for Construction
COD = Commercial Operation Date
LLCHD = Lincoln Lancaster County Health Department
LFG = Landfill Gas
GSU = Generator Step-up Transformer

Schedule risk
Scope risk
$ Budget risk

Questions

Exhibit VIII

2026 Q1 Financial Statements

April 17, 2026

Emily N. Koenig | LES
Chief Financial Officer

2026 Retail Revenue

Retail revenue was slightly above budget, due to increased commercial & street light usage, partially offset by less residential usage.

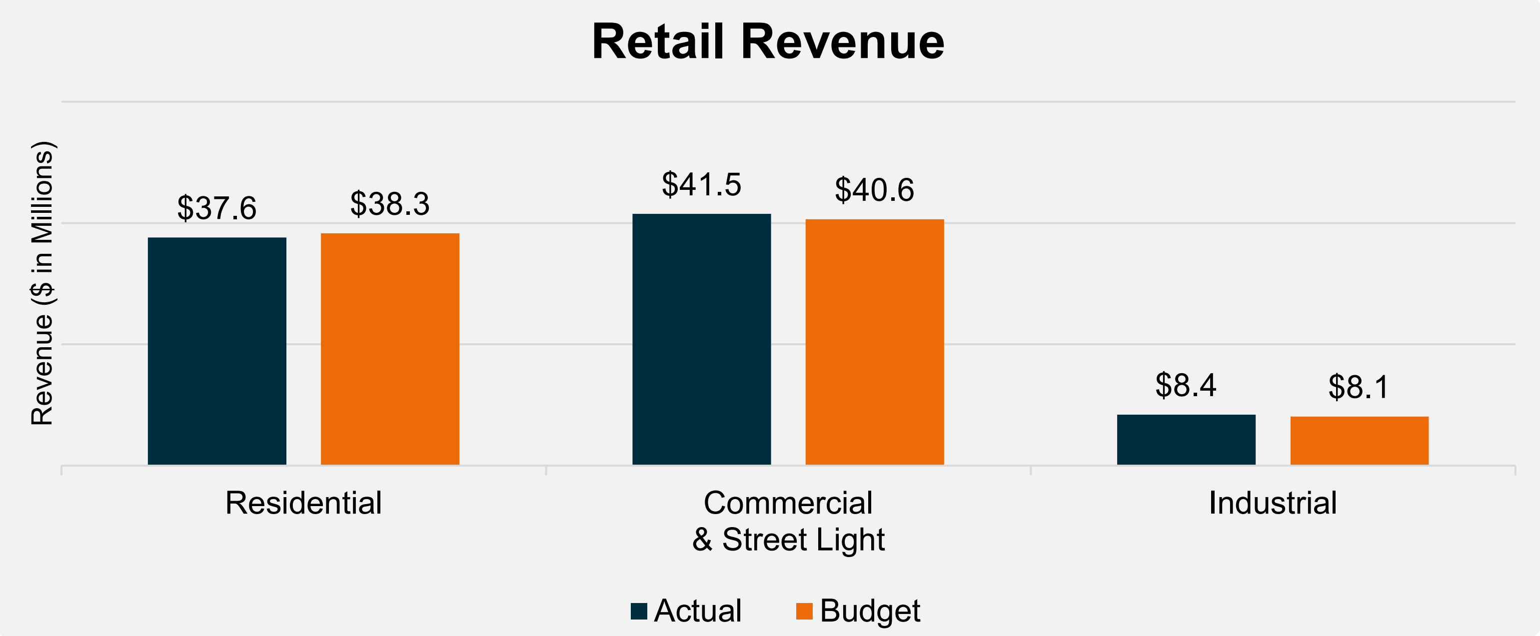
Retail Revenue

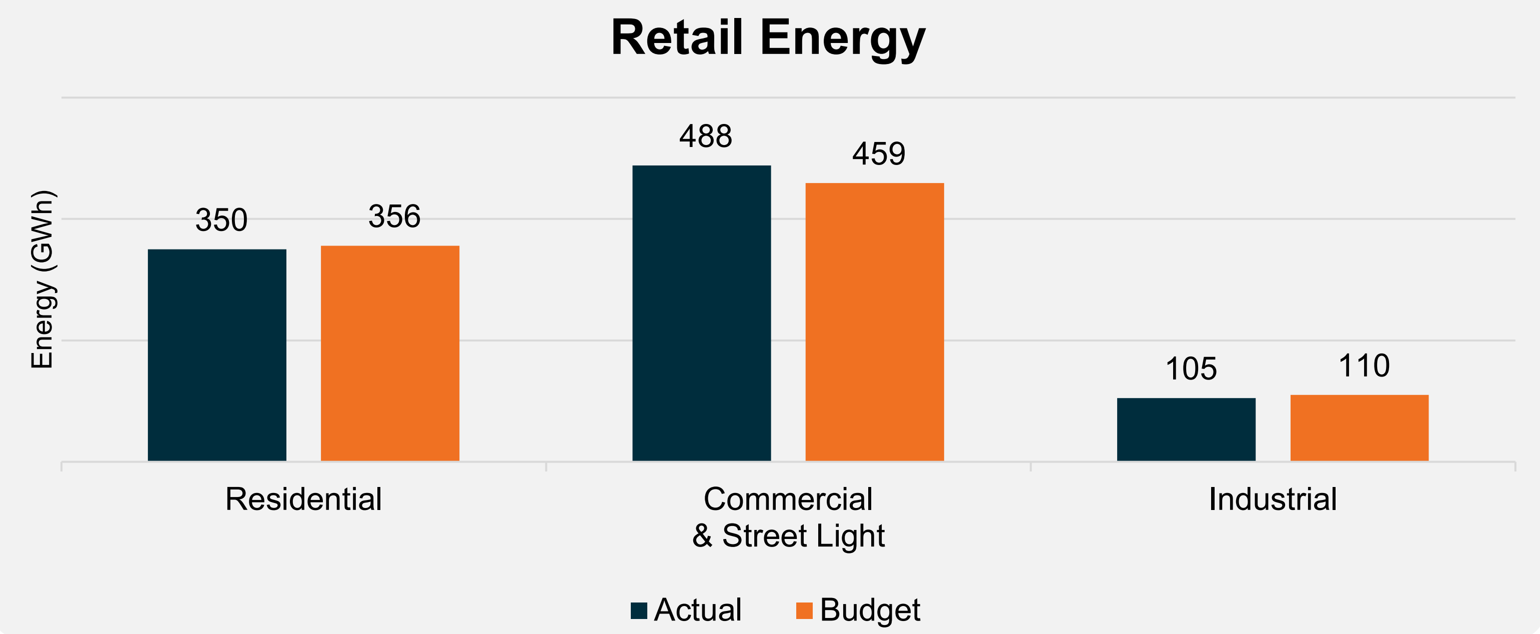
Actual	Budget	Variance
$87.4M	$87.0M	+$0.4M /+0%

Retail Energy

Actual	Budget	Variance
943 GWh	925 GWh	+18 GWh /+2%

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



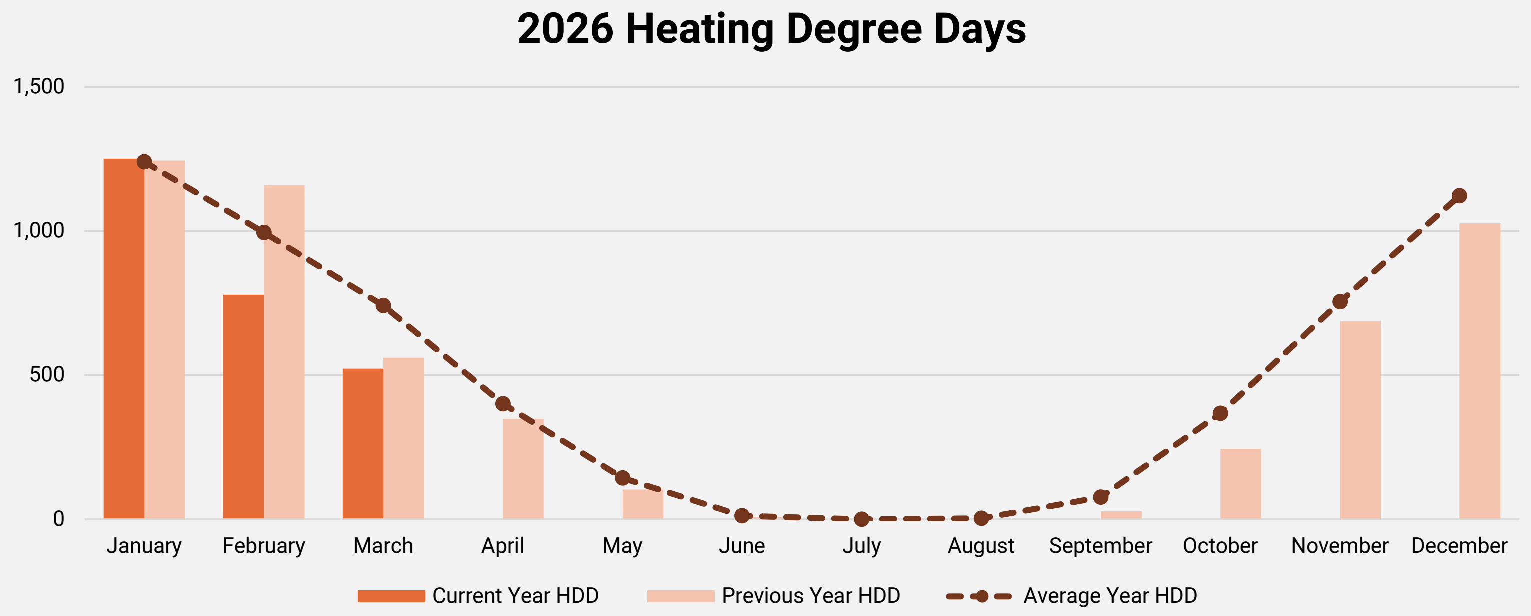


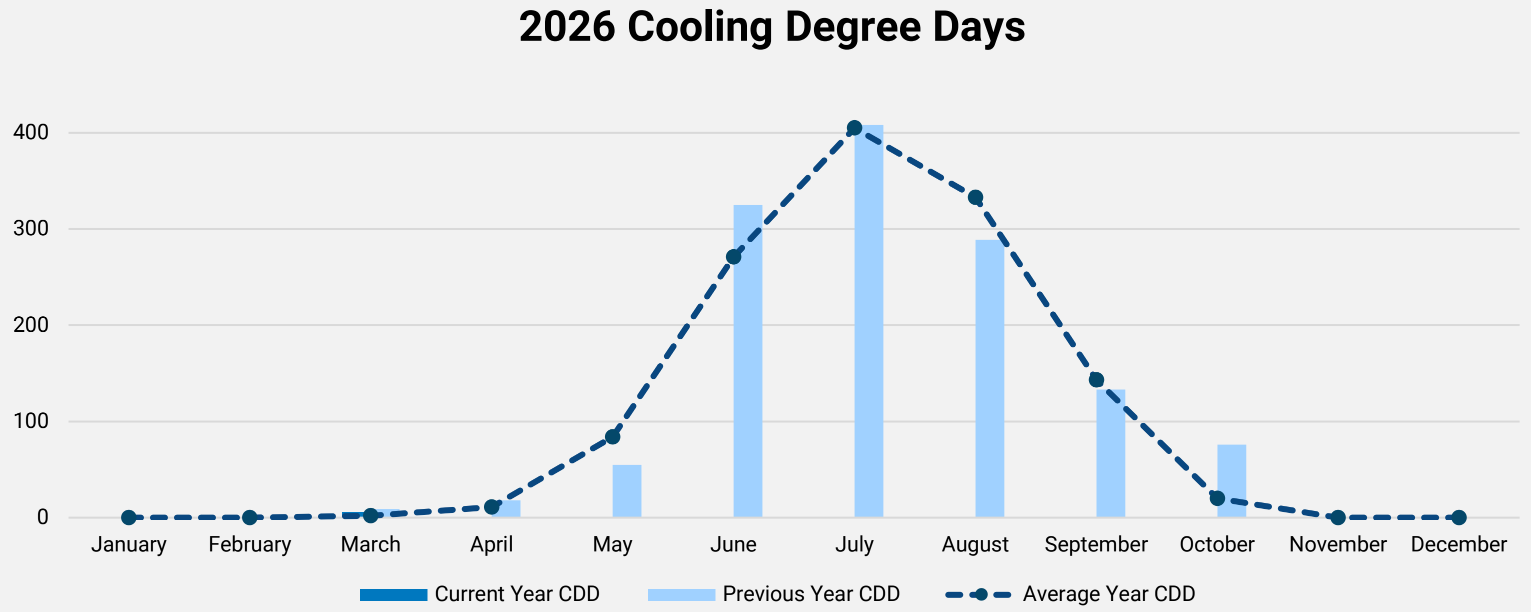
2026 Weather

In Q1 2026, warmer temperatures in February and March resulted in heating degree days being below average by 14.2%, and cooling degree days were near zero.

Warmer temperatures from February and March resulted in heating degree days being below average.

Q1 weather resulted in near-zero cooling degree days, with little variance from the average.





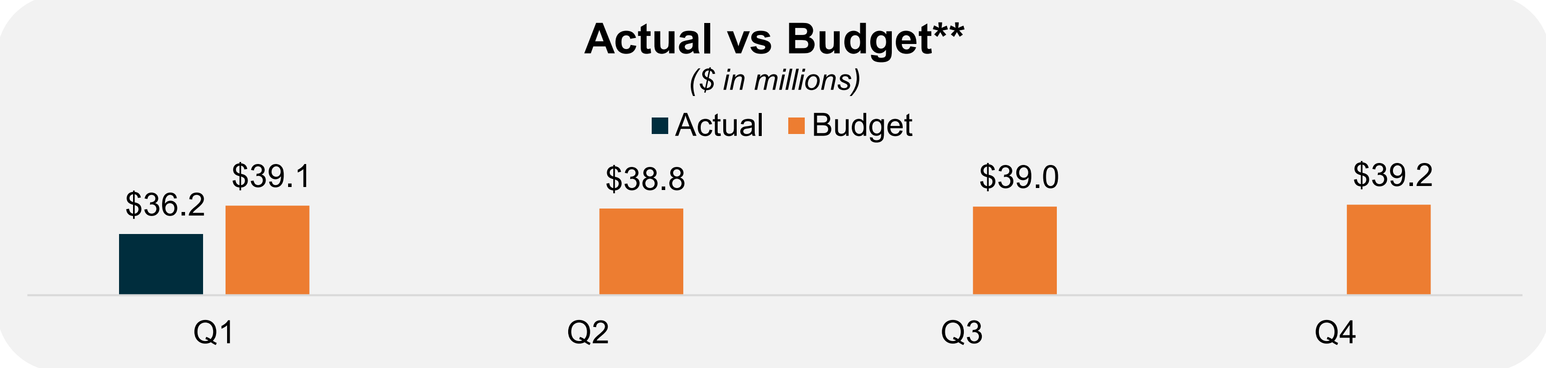
2026 Operating Expenses*

O&M Expenses

Actual	Budget	Variance
$10.9M	$11.0M	-$0.1M /-1%

A&G Expenses

Actual	Budget	Variance
$15.6M	$18.3M	-$2.7M /-15%

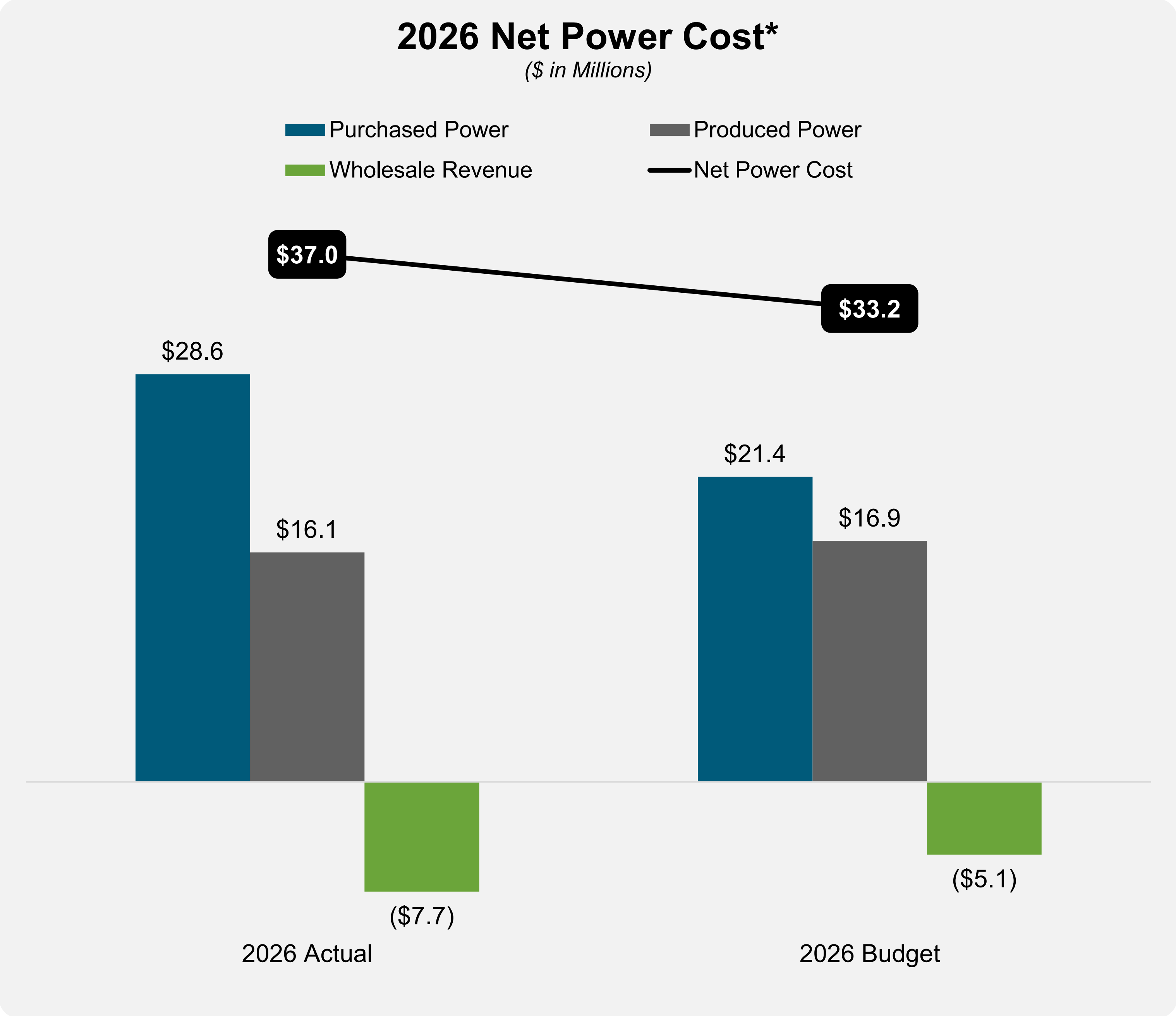


*Excludes Power Cost
** Includes O&M, A&G, and Depreciation Expenses

2026 Net Power Cost

Actual	Budget	Variance
$37.0M	$33.2M	+$3.8M /+11%

- Purchased power was over budget by $7.2M, or 34%, due to higher SPP purchases.
- Produced power was $786K, or 5%, under budget due to reduced maintenance costs at Laramie River Station.
- Wholesale revenue exceeded budget by $2.6M, or 52%, due to revenues from SPP activities.

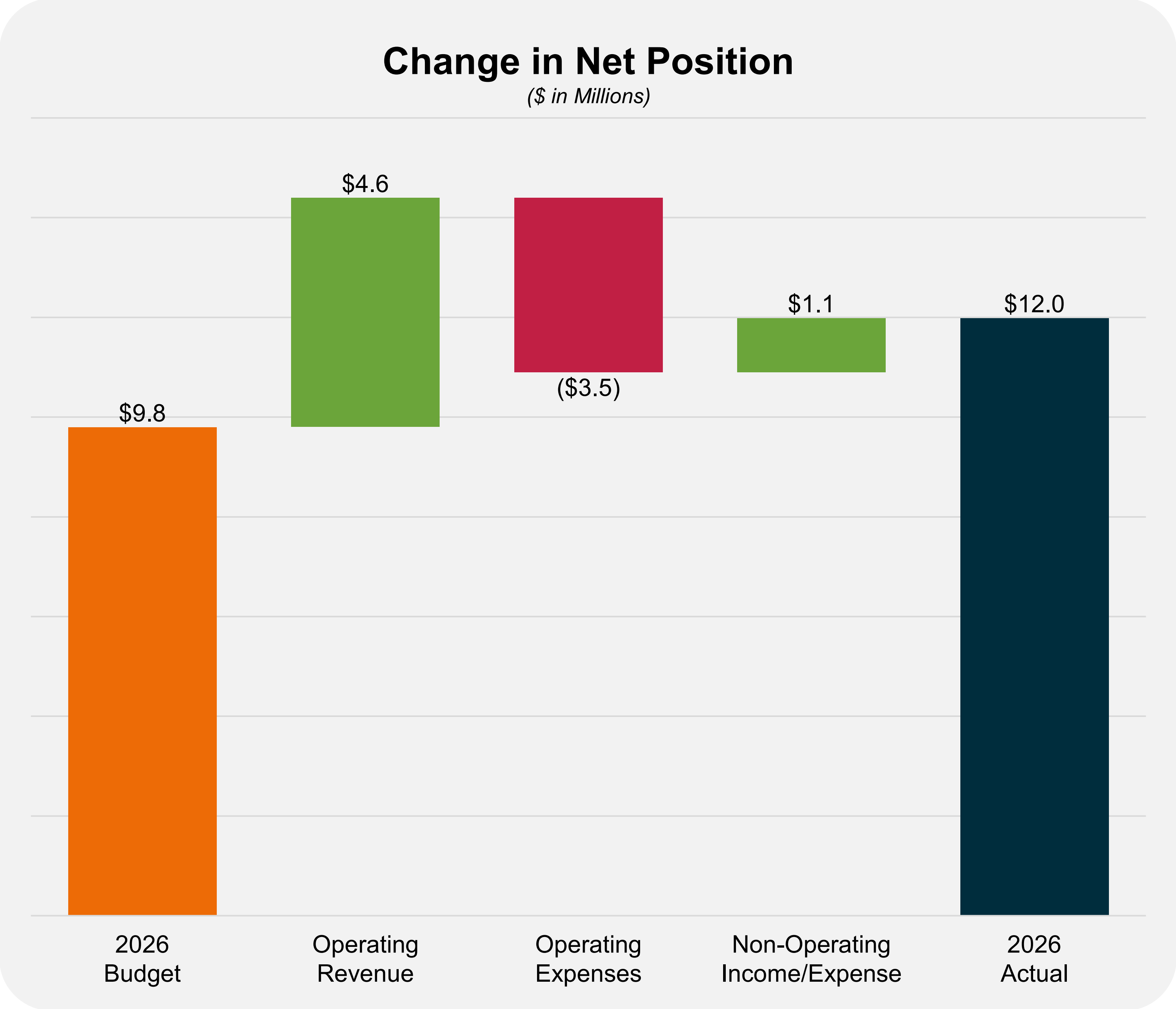


* Includes payroll & benefits

Change in Net Position

Actual	Budget	Variance
$12.0M	$9.8M	+$2.2M / +22%

Higher than expected wholesale and retail revenue resulted in an overall increase in Net Position.



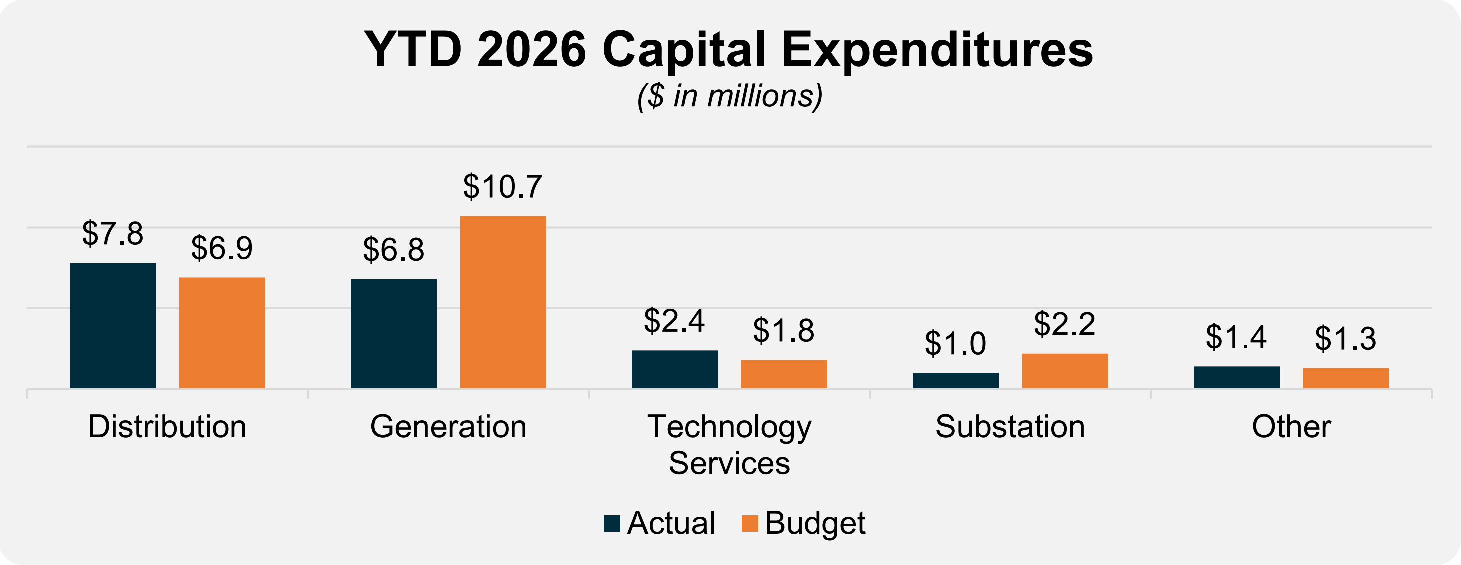
2026 Capital Expenditures

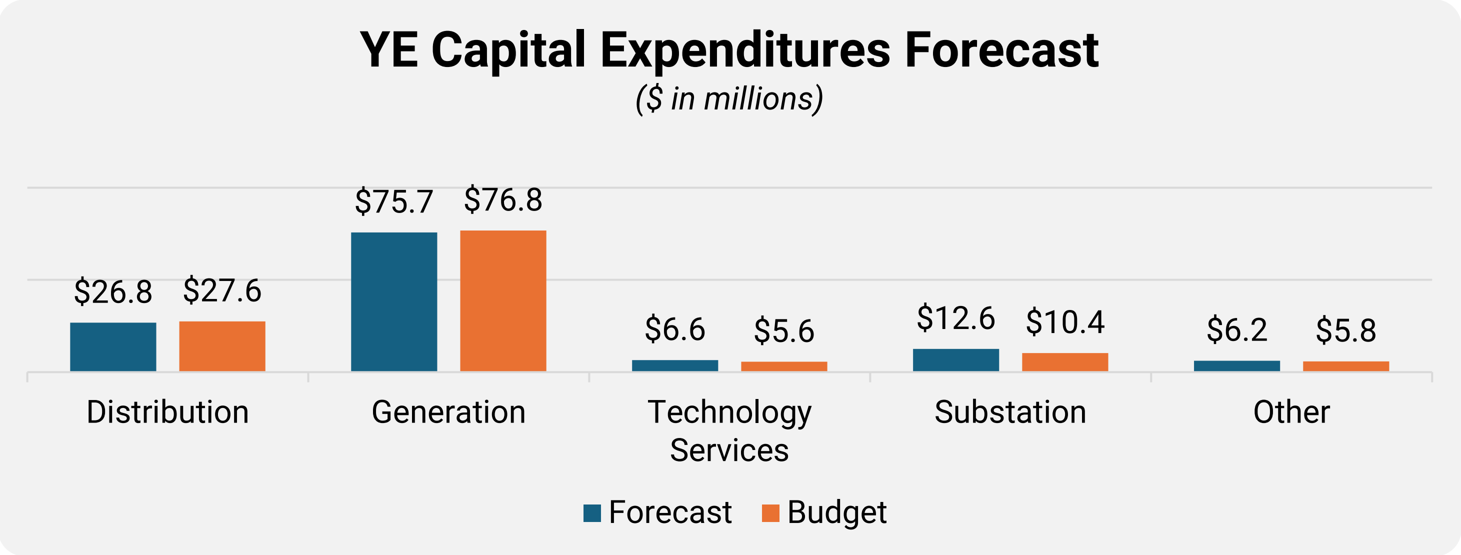
Actual	Budget	Variance
$19.4M	$22.9M	-$3.5M / -15%

Q1 variance is mainly driven by credits toward substation and generation projects expected to be reduced to zero throughout the year, including:

- LFG Refueling, -$1.8M
- Customer Interconnect Deposit, -$1.2M

YE Forecast	Budget	Variance
$127.9M	$126.2M	-$1.7M / -1%





Financial Metrics

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

Fixed Charge Coverage Ratio

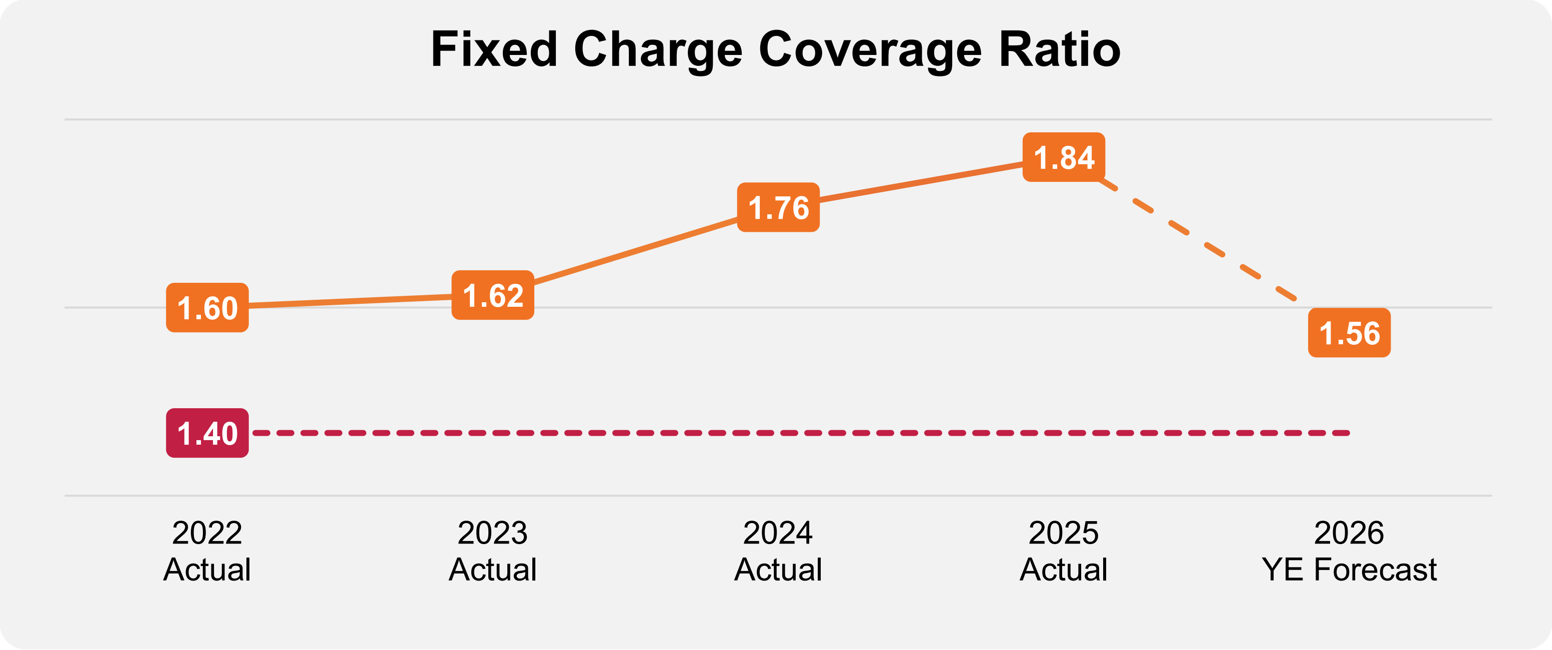
YE Forecast	Budget	Variance
1.56x	1.53x	0.03x

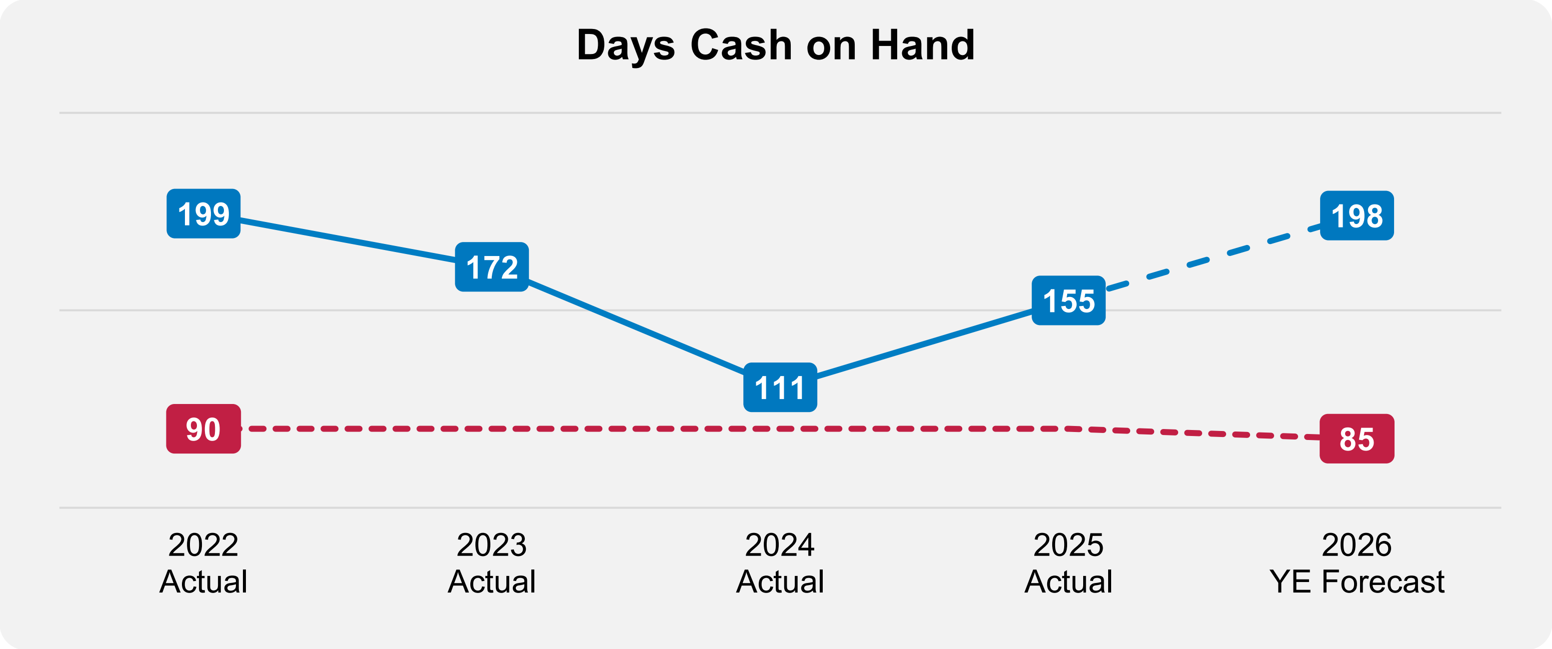
Higher or increasing values are considered favorable.

Days Cash on Hand

YE Forecast	Budget	Variance
198	211	-13

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





Financial Metrics

Debt to Capitalization

YE Forecast	Budget	Variance
48%	51%	-3%

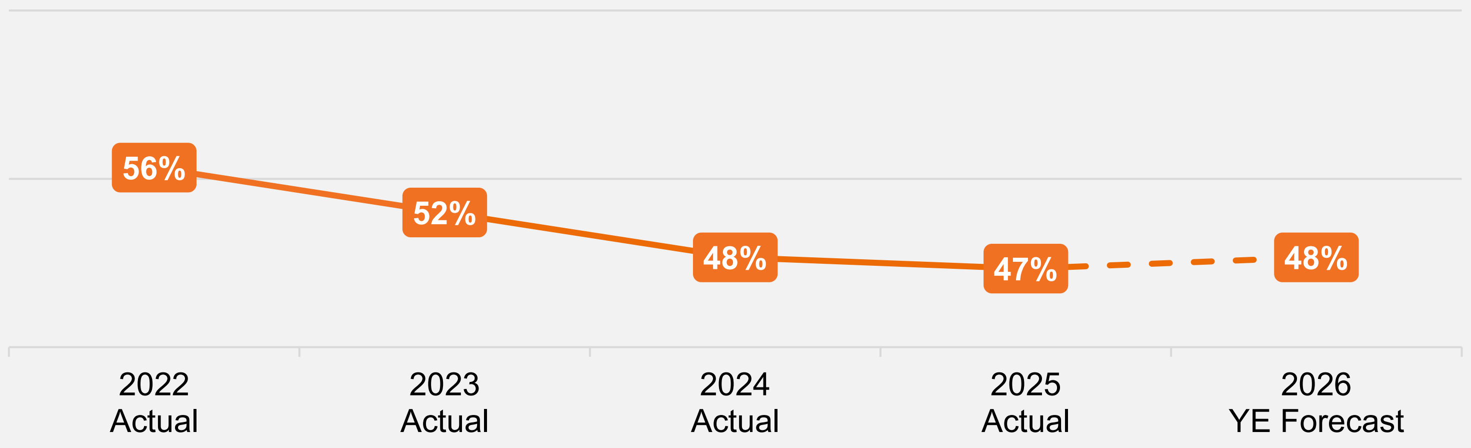
Lower or decreasing values are considered favorable.

Net Debt Ratio

YE Forecast	Budget	Variance
4.53x	4.75x	-0.22x

Lower or decreasing values are considered favorable.

Debt to Capitalization



Net Debt Ratio

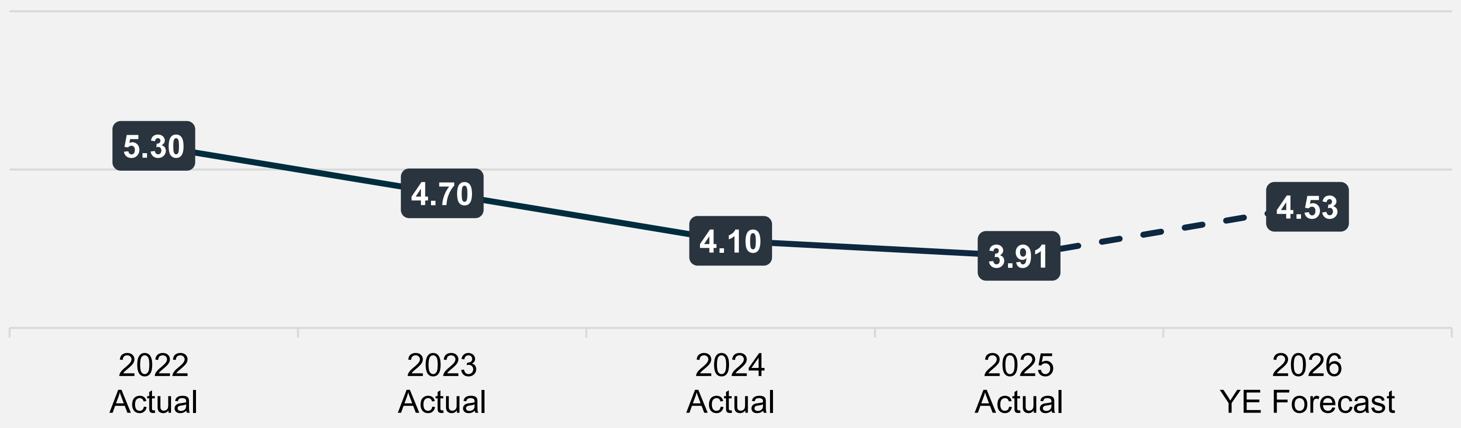


Exhibit IX

2025 Annual Report

HISTORICAL FINANCIAL SUMMARY

(dollars in thousands)

LINCOLN ELECTRIC SYSTEM

(Unaudited)

	2025	2024	2023	2022	2021
Operating Revenues					
Electric retail	$ 326,759	$ 301,140	$ 290,674	$ 275,492	$ 273,557
Electric wholesale	58,925	58,677	38,713	65,330	74,594
Other revenue	10,639	22,952	20,642	20,561	20,747
Total Operating Revenues	**396,323**	**382,769**	**350,029**	**361,383**	**368,898**
Operating Expenses					
Purchased power	86,263	75,110	76,378	90,005	94,240
Produced power	67,456	63,003	61,048	74,377	73,983
Operations	29,711	27,693	25,565	16,797	15,022
Maintenance	15,159	13,254	12,437	9,815	8,070
Administration and general	66,354	66,773	59,032	56,643	51,111
Depreciation and amortization	40,829	35,851	35,555	34,495	35,926
Total Operating Expenses	**305,772**	**281,684**	**270,015**	**282,132**	**278,352**
Operating Income	**90,551**	**101,085**	**80,014**	**79,251**	**90,546**
Noncapital Subsidies (Net)	(15,491)	-	-	-	-
Operating Income and Noncapital Subsidies	75,060	101,085	80,014	79,251	90,546
Nonoperating Expenses (Net)	**(9,692)**	**(35,588)**	**(31,606)**	**(37,627)**	**(41,307)**
Income Before Capital Contributions	**65,368**	**65,497**	**48,408**	**41,624**	**49,239**
Net capital contributions	-	-	-	-	-
Change in Net Position	**65,368**	**65,497**	**48,408**	**41,624**	**49,239**
Total Capital Assets (Net)	**$ 1,108,724**	**$ 1,062,826**	**$ 1,011,884**	**$ 995,864**	**$ 980,496**
Peak Hour Use (MW)	**801**	**784**	**819**	**763**	**769**
Megawatt-Hour Sales (MWh)					
Residential	1,378,273	1,307,692	1,347,649	1,345,068	1,310,455
Commercial [1] & street/highway lighting	1,555,568	1,473,539	1,481,761	1,475,289	1,443,632
Industrial	441,845	469,693	466,063	455,298	477,804
Subtotal retail	3,375,686	3,250,924	3,295,473	3,275,655	3,231,891
Wholesale	630,886	622,119	740,216	968,125	832,831
Total Megawatt-Hour Sales (MWh)	**4,006,572**	**3,873,043**	**4,035,689**	**4,243,780**	**4,064,722**
Revenue from Electric Sales					
Residential	$ 153,700	$ 141,988	$ 137,735	$ 130,691	$ 127,733
Commercial [1] & street/highway lighting	138,918	125,713	121,124	114,501	113,358
Industrial	34,141	33,439	31,815	30,300	32,467
Subtotal retail	326,759	301,140	290,674	275,492	273,557
Wholesale	58,925	58,677	38,713	65,330	74,594
Total Revenue from Electric Sales	**$ 385,684**	**$ 359,817**	**$ 329,387**	**$ 340,822**	**$ 348,151**
Average Number of Customers					
Residential	136,859	134,912	132,338	130,067	128,256
Commercial [1] & street/highway lighting	18,025	17,920	17,751	17,539	17,345
Industrial	236	237	233	231	233
Total Retail Customers	155,120	153,069	150,322	147,837	145,834
Wholesale	5	6	7	7	8
Total Average Number of Customers	**155,125**	**153,075**	**150,329**	**147,844**	**145,842**
Retail (12-Month Average Basis)					
Average kWh/customer	21,762	21,238	21,923	22,157	22,161
Cents/kWh	$ 0.0968	$ 0.0926	$ 0.0882	$ 0.0841	$ 0.0846

[1] Public Authority customers are reported in the Commercial classification.

2025 SIGNIFICANT EVENTS

- In 2025, LES experienced two of the largest storm events in its history. In March, a blizzard damaged 93 poles and left nearly 5,000 customers without power. LES crews restored service to affected customers, and once restoration was complete, LES deployed eight crews to assist neighboring utilities with their restoration efforts. In August, a severe thunderstorm with 91-mph winds impacted approximately 38,000 customers and required mutual aid from utility partners. Despite these significant storm events, LES ranked second in reliability among 82 cities (excluding major event days).

- In response to new resource adequacy requirements adopted by the Southwest Power Pool (SPP), LES' regional transmission organization, LES took steps to ensure sufficient generation capacity to support system reliability. LES executed a power purchase agreement with Central Nebraska Public Power & Irrigation District for the 22 MW Jeffrey Reservoir Hydroplant and added 423 MW of wind capacity in partnership with Google to support Lincoln's new data center. LES also began advancing plans for two natural gas combustion turbines expected to add a total of 100 MW to the Terry Bundy Generating Station. To fund these investments, LES implemented a 4% rate increase effective July 1, 2025.

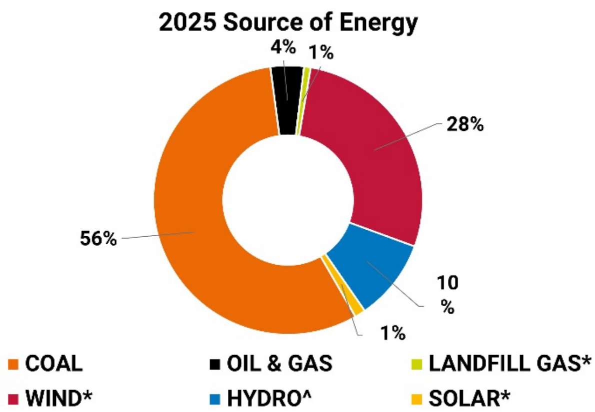
- After nearly two years of construction, LES completed the 56th Street Reliability Project in April. The project relocated overhead distribution lines underground, renewed the transmission line, increased 115 kV capacity, reduced outage risk, and improved neighborhood aesthetics.

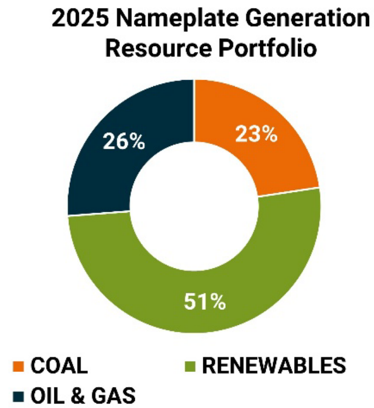
- LES expanded energy-efficiency efforts for affordable housing in Lincoln after receiving $300,000 in funding from Google. The funding supports the installation of high-efficiency heat pumps, insulation improvements, smart thermostats, and other energy-saving technologies for underserved communities.

- After nearly a year of collaboration, LES finalized its strategic plan, Powering LES Forward. The plan establishes strategic priorities to guide the utility while reinforcing its commitment to responsible stewardship and service to the community.

- In September, LES energized the North Bluff Substation, one of the largest substations in LES' history. The substation delivers power to Lincoln's first large-scale data center and, upon completion of all phases, will span approximately 880,000 square feet.

RESOURCES





Sources of energy serve wholesale and retail loads.
* LES sells the Renewable Energy Certificates (RECs), and the renewable attributes are transferred to the REC recipient.
^ Jeffrey Hydroplant and Western Area Power Administration contract purchases, including a small portion of nonhydro, supplemental energy.

OWNED UNITS	Fuel Type	Commercial Operation/ Commencement Date	Net Capability (MW)	LES Share (%)	LES Share (MW)(1)
Laramie River Station (Net to LES)[2]	Coal	1982	1,698	10.5	178
Walter Scott Energy Center #4[3]	Coal	2007	816	12.66	102
J Street Generating Station	Gas/Oil	1972	30	100	30
Terry Bundy Generating Station[4]	Gas/Oil	2003/2004	169	100	169
Rokeby Generation Station[4]	Gas/Oil	1975/1996/2001	253	100	253
Bluff Road Landfill Gas to Energy Plant(5)	Gas	2014	5	100	5
PARTICIPATION UNITS					
Gerald Gentleman Station	Coal	1982	1,365	8	109
Elkhorn Ridge Wind Farm[5]	Wind	2009	80	7.5	6
Laredo Ridge Wind Farm[5]	Wind	2011	80	12.5	10
Broken Bow Wind Farm[5]	Wind	2012	80	12.5	10
Crofton Bluffs Wind Farm[5]	Wind	2012	42	7.5	3
FIRM CONTRACTS					
Arbuckle Mountain Wind Farm[5]	Wind	2015	100	100	100
Buckeye Wind Energy Center[5]	Wind	2015	100	100	100
Prairie Breeze II Wind Energy Center[5]	Wind	2015	73	100	73
Bluestem Wind Project(6)	Wind	2025	198	100	198
Great Western Wind Project(6)	Wind	2025	225	100	225
Community Solar(5)	Solar	2016	4	100	4
Western Area Power Administration	Hydro	1974	-	-	126
Jeffrey Hydroplant(5)	Hydro	2025	22	100	22
TOTAL					**1,723**

(1) Summer net maximum rating.
(2) LES' share is listed after the deduction of participation sales.
(3) LES is a 12.66% joint owner of WSEC #4 operated by MEC. LES has an agreement with MEC whereby MEC will provide 50 MW of WSEC #3 in a swap for 50 MW of LES' share of WSEC #4.
(4) Does not include black start or diesel generators.
(5) LES sells the Renewable Energy Certificates (REC), and the renewable attributes are transferred to the REC recipient
(6) Capacity only. Does not include any energy or renewable attributes.

RENEWABLE RESOURCES

Western Area Power Administration: LES purchases approximately 54 MW of firm power, 72 MW of summer firm peaking and 22 MW of winter firm peaking power from this hydropower resource.

Elkhorn Ridge Wind Farm: LES began receiving energy from a share of the Elkhorn Ridge Wind Farm in 2009, located 5 miles north of Bloomfield in northeast Nebraska. LES entered into a power purchase agreement for 6 MW of the total 80-MW wind project, which consists of 27 wind turbines. This power purchase agreement expires in 2029.

Laredo Ridge Wind Farm: LES began receiving energy from a share of the Laredo Ridge Wind Farm in 2011, located northeast of Petersburg, Nebraska, in Boone County. LES entered into a power purchase agreement for 10 MW of the total 80-MW wind project, which consists of 54 wind turbines. This power purchase agreement expires in 2031.

Crofton Bluffs Wind Farm: LES began receiving energy from a share of the Crofton Bluffs Wind Farm located southwest of Crofton in northeast Nebraska in 2012. LES entered into a power purchase agreement for 3 MW of the total 42-MW wind project, which consists of 22 wind turbines. This power purchase agreement expires in 2032.

Broken Bow Wind Farm: LES began receiving energy from a share of the Broken Bow Wind Farm in 2012. LES entered into a power purchase agreement for 10 MW of the total 80-MW wind project, which consists of 50 wind turbines. The project is located just east of Broken Bow, in central Nebraska. This power purchase agreement expires in 2032.

Bluff Road Landfill Gas to Energy Plant: LES completed construction of a 5-MW landfill gas-generated facility in 2014. The methane fuel is supplied by the Bluff Road Landfill.

Arbuckle Mountain Wind Farm: LES began receiving energy from the Arbuckle Mountain Wind Farm in 2015. LES entered into a power purchase agreement for the full 100-MW project, which consists of 50 wind turbines. The project is in south-central Oklahoma, about 80 miles south of Oklahoma City. This power purchase agreement expires in 2035.

Buckeye Wind Energy Center: LES began receiving energy from the Buckeye Wind Energy Center in 2015. LES entered into a power purchase agreement for the full 100-MW project, which consists of 56 wind turbines. The project is in north-central Kansas, about 5 miles north of Hays, Kansas. This power purchase agreement expires in 2040.

Prairie Breeze II Wind Energy Center: LES began receiving energy from the Prairie Breeze II Wind Energy Center in 2015. LES entered into a power purchase agreement for the full 73-MW project, which consists of 41 wind turbines. The project is in northeast Nebraska, about 5 miles east of Elgin, Nebraska. This power purchase agreement expires in 2040.

Community Solar Project: LES began receiving energy from the Community Solar Project, located on the west edge of Lincoln, Nebraska, in 2016. LES entered into a power purchase agreement for the full facility of approximately 5-MW_{DC}/4-MW_{AC}. The project represents the first utility-scale solar facility in Nebraska and is one of the largest in the region. This power purchase agreement expires in 2036.

Jeffrey Hydroplant: LES has entered into a Power Purchase Agreement for 21.6 MW of capacity and energy from the Jeffrey Reservoir Hydro located in western Nebraska. The power purchase agreement expires in 2037.

Bluestem Wind Project: LES began receiving capacity from the Bluestem Wind Project in 2025. LES entered into an agreement for all capacity associated with the full 198-MW project, consisting of 60 wind turbines. The project is in Beaver County, Oklahoma. This agreement, which expires in 2031, does not include any energy or renewable attributes.

Great Western Wind Project: LES began receiving capacity from the Great Western Wind Project in 2025. LES entered into an agreement for all capacity associated with the full 225-MW project, consisting of 93 turbines. The project is in Woodward and Ellis counties in Oklahoma, near the base of the Oklahoma panhandle. This agreement, which expires in 2031, does not include any energy or renewable attributes.

NATURAL GAS/OIL RESOURCES

J Street Generating Station: LES' oil or natural gas-fired power plant, with one simple-cycle combustion turbine totaling 30 MW, was installed in 1972.

Terry Bundy Generating Station (TBGS): LES' oil or natural gas-fired, 169-MW plant uses waste heat from two aeroderivative combustion turbines to create steam, which is used to operate a steam turbine and generate additional power in a combined-cycle configuration. A third aeroderivative combustion turbine is operated in a simple-cycle configuration. The plant also has a 2-MW "Black Start" unit on-site. The combustion turbines were placed in commercial operation in 2003, with the steam turbine following in 2004.

Rokeby Generation Station: LES' power station with three oil or natural gas-fired simple-cycle combustion turbines, totaling 253 MW, including a 3-MW diesel gen-set. The combustion turbines were installed in 1975, 1996 and 2001.

COAL RESOURCES

Laramie River Station (LRS): LES owns 12.76% of this coal-fired power plant, with approximately 10.50%, or 178 MW, available after ownership and participation sales. Construction was completed in 1982 on the three-unit, 1,710-MW plant.

Walter Scott Energy Center (WSEC) #4: LES owns 12.66% of WSEC Unit 4 along with MidAmerican Energy Company (MEC) and 12 other companies. The coal-fired plant was completed in 2007 and provides LES approximately 102 MW. To further diversify generation, in January 2008, LES executed an agreement with MEC to exchange energy derived from 50 MW of Unit 4 with 50 MW of Unit 3.

Gerald Gentleman Station (GGS): Owned by Nebraska Public Power District (NPPD), LES participates under a life-of-plant contract by purchasing 8.0% of the output, or approximately 109 MW. The final phase of this coal-fired plant was completed in 1982.

Forvis Mazars, LLP
1248 O Street, Suite 1040
Lincoln, NE 68508
P 402.473.7600 | F 402.473.7698
forvismazars.us

Independent Auditor's Report

Administrative Board
Lincoln Electric System
Lincoln, Nebraska

Opinion

We have audited the financial statements of Lincoln Electric System, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Lincoln Electric System's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Electric System, as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Lincoln Electric System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1, the financial statements present only Lincoln Electric System and do not purport to, and do not, present fairly the financial position of the City of Lincoln, Nebraska as of December 31, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, in 2025, Lincoln Electric System adopted Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lincoln Electric System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the historical financial summary and other introductory information but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Lincoln, Nebraska
March 31, 2026

Management's Discussion and Analysis (Unaudited)

This annual report for Lincoln Electric System consists of Management's Discussion and Analysis (MD&A) and the financial statements, including the notes to financial statements. The following MD&A serves as an introduction to the financial statements of LES. It is intended to be an objective and easily understandable analysis of significant financial and operating activities for the fiscal year ended December 31, 2025, compared to the fiscal year ended December 31, 2024. The MD&A should be read in conjunction with the financial statements and the notes to the financial statements.

LES prepares its financial statements in accordance with Generally Accepted Accounting Principles for proprietary funds as prescribed by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 100, *Accounting Changes and Error* Corrections, the prior period information contained in the MD&A was not restated for a change in accounting principle. As a result, the MD&A contains condensed comparative financial information for the prior period ending December 31, 2024, that is not consistent with the current period ending December 31, 2025, due to a change in accounting principle. The change in accounting principle resulted from an accounting pronouncement, GASB Statement No. 103, *Financial Reporting Model Improvements*, which was adopted by LES during 2025. See Note 2 – Accounting Change for additional information regarding this implementation.

OVERVIEW OF THE FINANCIAL STATEMENTS

Statement of Net Position — This statement presents assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Assets and liabilities are each divided to distinguish between current and noncurrent. This statement reveals liquidity, financial flexibility and capital structure.

Statement of Revenues, Expenses, and Changes in Net Position — Operating results are separated into operating revenue and expense, noncapital subsidies, nonoperating revenue and expense, and capital contribution revenue and expense. This statement is useful in analyzing financial health.

Statement of Cash Flows — This statement classifies sources and uses of cash summarized by operating, noncapital financing, capital and related financing, and investing activities.

Notes to Financial Statements — The notes provide additional information to support the Financial Statements.

FINANCIAL SUMMARY AND DETAILED ANALYSES

CONDENSED STATEMENTS OF NET POSITION

	2025	2024
	(Dollars in thousands)	
Current Assets	$ 277,780	$ 227,069
Noncurrent Assets	47,539	50,516
Capital Assets (Net)	1,108,724	1,062,826
Deferred Outflows of Resources	9,072	9,807
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,443,115	$ 1,350,218
Current Liabilities	$ 262,868	$ 179,803
Noncurrent Liabilities	470,888	508,884
Deferred Inflows of Resources	6,892	24,432
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	740,648	713,119
Net Investment in Capital Assets	488,241	487,477
Restricted	15,624	15,243
Unrestricted	198,602	134,379
NET POSITION	702,467	637,099
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,443,115	$ 1,350,218

Comparison of 2025 to 2024

Total assets and deferred outflows of resources increased $92,897,000 (6.9%) in 2025, compared to 2024. Current assets increased by $50,711,000, primarily due to an increase in cash and short-term investments which resulted from commercial paper issuances. Noncurrent assets decreased $2,977,000 in 2025, compared to 2024, primarily due to the use of restricted cash for electric system infrastructure required to serve a new data center. Capital assets increased by $45,898,000 due to increased capital expenditures, net of depreciation. The *Capital Expenditures* section of the MD&A details specific asset additions during 2025. Deferred outflows of resources decreased by $735,000 due to the scheduled amortization associated with debt refunding and bond defeasance.

Current liabilities increased by $83,065,000, primarily due to the issuance of $84,500,000 of commercial paper to finance capital additions. Noncurrent liabilities decreased by $37,996,000, primarily due to payments of bond principal. Deferred inflows of resources decreased by $17,540,000 due to recognition of the remaining deferred revenue resulting from Winter Storm Uri, which occurred in February 2021.

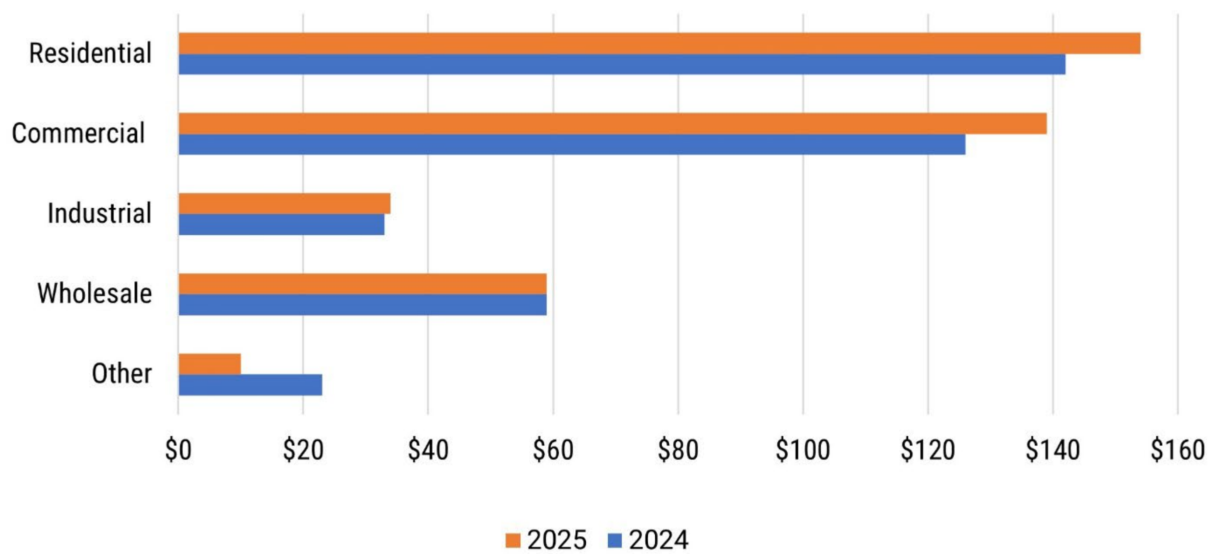
Net position increased by $65,368,000 due to favorable operating results and the recognition of previously deferred revenues, with the increase primarily reflected in unrestricted net position.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024
	(Dollars in thousands)	
Operating Revenues	$ 396,323	$ 382,769
Operating Expenses	(305,772)	(281,684)
Noncapital Subsidies	(15,491)	-
OPERATING INCOME & NONCAPITAL SUBSIDIES	75,060	101,085
Interest Expense	(17,410)	(16,946)
Other Nonoperating Revenues (Expenses) (net)	7,718	(18,642)
TOTAL NONOPERATING EXPENSES	(9,692)	(35,588)
CHANGE IN NET POSITION	$ 65,368	$ 65,497

OPERATING REVENUES

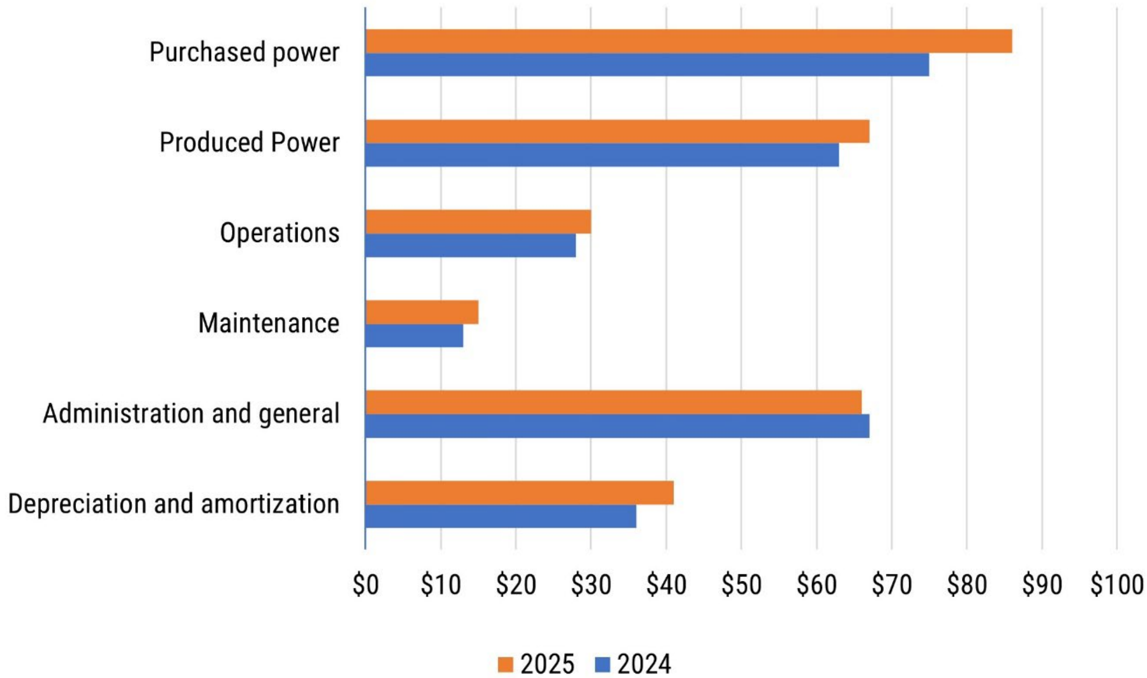
(DOLLARS IN MILLIONS)



Comparison of 2025 to 2024

Operating revenues in 2025 were $396,323,000, up 3.5% from 2024. Retail revenue was $326,759,000, which was 8.5% higher than the 2024 revenue of $301,140,000, primarily due to retail rate increases of 3.3% on January 1 and 4.0% on July 1. Wholesale revenue was $58,925,000, which was comparable to 2024 revenue of $58,677,000. In 2025, $13,817,000 of City Dividend for Utility Ownership revenue was reclassified from operating revenues to noncapital subsidies due to the adoption of GASB 103.

OPERATING EXPENSES
(DOLLARS IN MILLIONS)



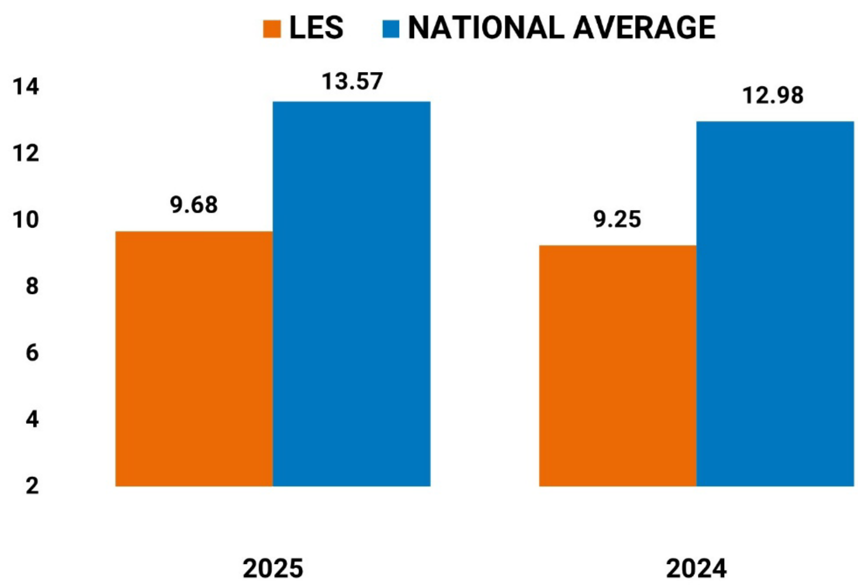
Comparison of 2025 to 2024

Operating expenses in 2025 were $305,772,000, an increase of 8.6% from 2024 expenses of $281,684,000. Purchased power and produced power expenses were $153,719,000, up 11.3% from 2024 expenses of $138,113,000, primarily due to higher SPP purchases, increased energy costs at Laramie River Station, and the addition of the Jeffrey Hydroplant. Depreciation and amortization expenses were $40,829,000, up 13.9% from 2024 expenses of $35,851,000, primarily due to an increase in utility plant assets being depreciated. Administrative and general expenses were $66,354,000, which were similar to 2024 expenses of $66,773,000. Operations and maintenance expenses were $44,870,000, up 9.6% from 2024 expenses of $40,947,000, primarily due to higher storm restoration costs resulting from major storm activity during the year, as well as higher transmission expenses.

RATES

AVERAGE RETAIL RATES

(CENTS PER kWh)



LES' average retail rates per kWh remain competitive as compared to the national average for retail rates (2025 is preliminary) according to the Energy Information Administration (EIA), U.S. Department of Energy. Based on preliminary 2025 EIA data, LES' retail rates were 29% below the national average.

RATES COMPARISON

In 2025, LES implemented a system-wide retail rate increase of 3.3% and a mid-year increase of 4.0%. A six-state regional rate comparison (prepared by LES) shows that LES' residential rates are among the least expensive when ranked among regional utilities. The study showed LES' annual rates for all customer classes remain among the lowest in the region. The regional rate comparison includes cities from Colorado, Iowa, Kansas, Minnesota, Missouri and Nebraska.

FINANCING

No bonds were issued in 2025.

LES uses its Commercial Paper Program to provide liquidity between long-term financings. LES' Commercial Paper Program is authorized for $150,000,000. LES issued $84,500,000 of new commercial paper in 2025, bringing the outstanding amount to $150,000,000 as of December 31, 2025.

In 2018, LES entered into a revolving credit agreement with JPMorgan Chase Bank, National Association. The agreement was amended in 2024, extending the expiration date to August 19, 2027. The revolving credit agreement supports the Commercial Paper Program. No advances were outstanding under the revolving credit agreement as of December 31, 2025.

LES entered into a Note Purchase Agreement simultaneously with entering into the revolving credit agreement with JPMorgan Chase Bank, National Association. The Note Purchase Agreement was amended in 2024, extending the expiration date to August 19, 2027. The Note Purchase Agreement allows LES to issue both Taxable and Tax-Exempt notes. Amounts outstanding under the Note Purchase Agreement reduce the available amount under the revolving credit agreement that supports the Commercial Paper Program. No amounts were outstanding under the Note Purchase Agreement as of December 31, 2025.

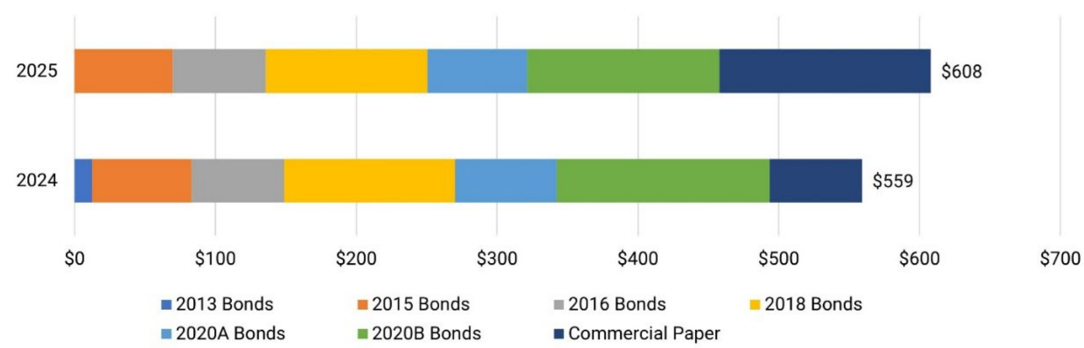
In 2023, LES entered into a revolving credit agreement with Bank of America, National Association. The agreement allows LES to draw up to $50,000,000 on a variable rate basis. The agreement was executed on April 6, 2023, and replaced a similar agreement with U.S. Bank, National Association, which expired on March 17, 2023. The revolving credit agreement with Bank of America, National Association will expire in April 2026. Electric revenues secure the agreement. No amounts were outstanding on the agreement as of December 31, 2025.

Also, in 2023, LES entered into a $50,000,000 revolving credit agreement with Union Bank and Trust Company. The agreement was executed on July 12, 2023, and will expire in August 2026. The agreement is secured by electric revenues and is subordinate to the Bank of America, National Association revolving credit agreement. No amounts were outstanding on the agreement as of December 31, 2025.

The following chart shows outstanding debt as of December 31, 2025, and 2024.

OUTSTANDING DEBT

(DOLLARS IN MILLIONS)



RATINGS

Among other factors, the bond rating agencies assess an entity's operations, stability of customer base, and financial profile when determining an entity's bond rating. Standard & Poor's Global Ratings (S&P) and Fitch Ratings (Fitch) have assigned ratings to LES that are among the highest granted to electric utilities. Bond covenants require LES to have ratings from two rating agencies. The following table provides the current ratings for outstanding debt. LES' ratings have remained unchanged for more than 20 years.

	S&P	Fitch
Revenue Bonds	AA	AA
Commercial Paper	A-1+	F1+

FIXED CHARGE COVERAGE FOR REVENUE BONDS

1.85
2025

1.76
2024

LES' bond ordinance establishes a Debt Service Coverage requirement of 1.00.
LES generally targets a minimum year-end Debt Service Coverage of 2.00 and a year-end Fixed Charge Coverage of 1.40.

FIXED CHARGE COVERAGE RATIO CALCULATION

	2025	2024
	(Dollars in thousands)	
OPERATING REVENUES	$396,323	$382,769
Power Costs	153,719	138,113
Operations & Maintenance	44,870	40,947
Administrative & General	66,354	66,773
OPERATING EXPENSES*	264,943	245,833
NET OPERATING REVENUE	131,380	136,936
Fixed Capacity Charges **	21,704	19,648
Payment in Lieu of Taxes	(15,065)	(13,954)
City Dividend for Utility Ownership	-	(12,944)
Interest Income ***	5,803	5,933
Rate Stabilization Fund Transfers	1,350	-
Other	-	546
OTHER ADJUSTMENTS	13,792	(771)
NET OPERATING REVENUE AND OTHER ADJUSTMENTS	$145,172	$136,165
Long-Term Debt Service	$53,776	$55,280
Short-Term Interest Expense	3,192	2,250
Fixed Capacity Charges **	21,704	19,648
FIXED CHARGES	$78,672	$77,179
FIXED CHARGE COVERAGE RATIO	1.85	1.76

*Excludes depreciation expense

**Includes expenses for Gerald Gentleman Station, Western Area Power Administration and 50% of renewable power purchase agreements

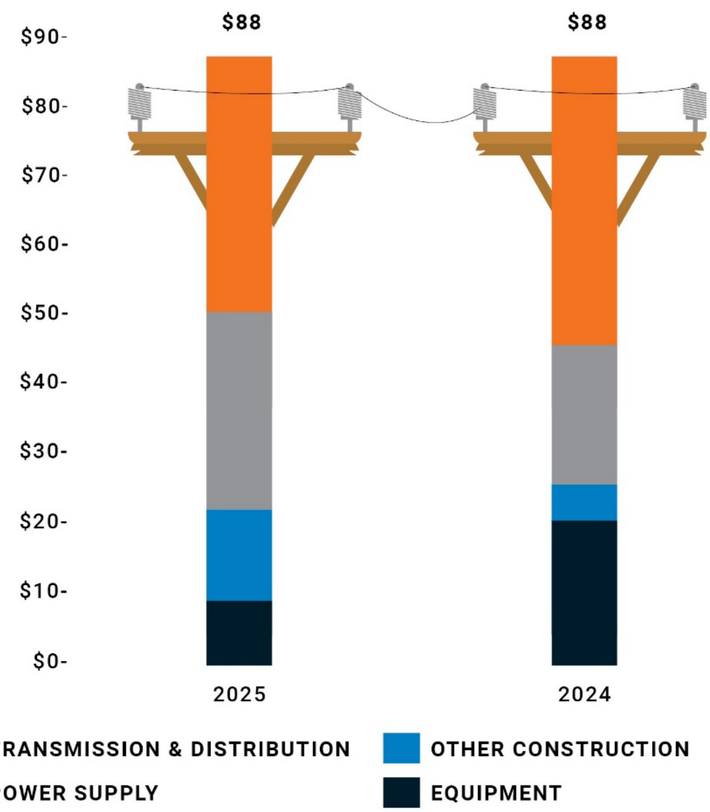
***Excludes interest earned on the Rate Stabilization Fund

CAPITAL EXPENDITURES

Capital expenditures for 2025 and 2024 are shown in the chart below.

CAPITAL EXPENDITURES

(DOLLARS IN MILLIONS)



Includes capital expenditures that will be recovered in future periods according to Note 1 – Recovery of Plant Costs.

Significant capital projects during 2025 included the following:

- Capital improvements at Terry Bundy Generating Station (TBGS) resulted in $16,523,000 in capital costs in 2025. This included $14,546,000 related to the expansion at TBGS.
- LES' share of capital improvements at Laramie River Station (LRS) and Walter Scott, Jr. Energy Center (WSEC), for 2025, were $3,777,000 and $7,204,000, respectively.
- Costs for Underground Rebuilds in 2025 totaled $7,352,000. This project rebuilt existing underground systems due to age, deterioration or other factors.
- Costs for Overhead Rebuilds in 2025 totaled $6,322,000. This project was for the replacement or removal of deteriorated or obsolete facilities.

- Significant work on the Walter A. Canney Service Center's HVAC and electrical systems took place in 2025, totaling $6,095,000. The project has spanned multiple years and is nearing completion. Life-to-date spend on the project as of December 31, 2025, is $17,385,000.

- Costs for Underground Residential Extensions and Development in 2025 totaled $5,166,000. This project installed primary and secondary extensions to new homes, residential developments and apartment complexes.

- Costs for Underground Commercial Extension/Development in 2025 totaled $5,413,000. This project installed primary and secondary extensions for new or existing commercial customers.

- Costs for Underground Relocations in 2025 totaled $3,535,000. This project relocated existing underground equipment in conflict with non-LES projects and converted existing overhead electrical facilities to underground.

CURRENTLY KNOWN FACTS

STRATEGIC PLAN

In August 2025, the LES Administrative Board unanimously approved Powering LES Forward, a long-range strategic plan that provides a roadmap to guide the utility through 2035 and positions LES for success in an evolving energy landscape.

The plan reflects extensive community input gathered through public meetings, surveys and engagement sessions held throughout 2024 and 2025. This broad participation helped shape a plan that aligns customer expectations, operational and performance metrics into a cohesive, future-focused direction.

The plan redefines LES' mission — *Powering our community through responsible stewardship of our shared resources* — and its vision: *Driving our energy future where people and power enable progress.* Grounded in these principles, Powering LES Forward responds to rapid technological change, shifting customer needs, increasingly unpredictable weather patterns, and evolving energy markets.

At the heart of the plan are five strategic objectives that guide the utility's priorities and decision-making:

- Customer & Community: Optimally deploying LES' resources to meet customers' evolving needs while enhancing the customer experience and reducing energy burden.
- Infrastructure: Building and maintaining a reliable, resilient and adaptable grid capable of supporting emerging technologies and extreme weather.
- Financial Health: Ensuring LES maintains strong fiscal stability, including a solid bond rating, sufficient liquidity and transparency in long-term rate planning.
- Workforce Readiness: Retaining, developing, and attracting a talented workforce to support organizational performance and prepare for future operational demands.
- Sustainability: Reducing LES' carbon footprint, caring for the environment and managing demand peaks.

These objectives are supported by defined goals and metrics, with Key Performance Indicators aligned across departments to ensure transparent, measurable progress.

SOUTHWEST POWER POOL (SPP)

LES became an active member of the SPP Regional Transmission Organization (RTO) on April 1, 2009. Through its representation on various committees, LES continues to work with the SPP Board of Directors, members and staff to identify ways to improve energy market operations and overall organizational effectiveness. LES' participation in SPP and its energy market remains successful. Recent winter storms drive new regulatory expectations for SPP and other RTOs in North America. SPP is making system improvements to better address reliability during these events. SPP continues to expand its market footprint with electric utilities west of the existing RTO footprint, effective April 1, 2026.

CYBER AND PHYSICAL SECURITY

LES continues to be heavily involved in the utility industry's cyber and physical security activities. LES staff actively participate in industry groups focused on cyber and physical security. In addition, they work with industry and government representatives to address incidents and best practices for protecting cyber and physical infrastructure, ensuring the electric system's reliability. The LES Administrative Board receives regular updates on cyber and physical security.

RENEWABLE RESOURCES AND DECARBONIZATION

Nebraska does not have a renewable portfolio standard. The electric utility industry continues to experience pressure from customers and regulators to incorporate additional renewable generating resources into generation portfolios. Although their intermittent production capability must be considered when assessing the system's reliability, renewable resources can serve as a hedge against future fossil fuel price volatility and/or environmental regulations. In 2025, LES sourced approximately 26% of its installed nameplate generating capacity from oil and natural gas, 23% from coal, and 51% from renewable resources, which includes hydro, landfill gas, wind, and solar. LES' 2025 energy production from renewable resources is equivalent to 38% of retail sales. In 2020, the LES Administrative Board adopted a 2040 goal to achieve net-zero CO_2 production from the generation portfolio.

ENVIRONMENTAL REGULATIONS

The electric utility industry has repeatedly faced new and proposed environmental regulations. The increase in legislation, and subsequent regulatory uncertainty, is a major issue facing LES and all-electric utility providers. LES continues to work diligently with industry groups and government representatives to help shape legislation and implement cost-effective means to comply with all regulations. Monitoring the rapidly changing requirements within environmental regulations is a priority for LES. The regulations monitored by LES include:

CARBON EMISSIONS FROM EXISTING POWER PLANTS

The Environmental Protection Agency (EPA) has issued several versions of a plan to reduce carbon emissions from existing power plants which would have a significant impact on LES and the industry. The current version of the plan was proposed on May 23, 2023, and finalized in May 2024. The rule requires coal-fired plants to either retire by 2032, or retire by 2039 if cofiring with 40% natural gas by 2030, or install 90% carbon sequestration if operating after 2039. Multiple lawsuits ensued. Additionally, multiple Executive Orders were issued by the current federal administration directing the EPA to remove regulations and policies that impede coal-fired power plants. On June 17, 2025, the EPA proposed repealing all greenhouse gas emission standards for fossil fuel-fired power plants.

PERFORMANCE STANDARDS FOR GREENHOUSE GAS EMISSIONS FROM NEW, MODIFIED AND/OR RECONSTRUCTED STATIONARY SOURCES

LES monitors this rule due to its impact on greenhouse gas emissions from new, modified, and/or reconstructed turbines. On May 23, 2023, the EPA proposed standards which were finalized in May 2024. The final rule required new combustion turbines operating above 40% capacity to install 80% carbon sequestration by 2032. LES and partner facilities are not affected at this time. Additionally, on June 17, 2025, the EPA proposed repealing all greenhouse gas emission standards for fossil fuel-fired power plants.

CROSS-STATE AIR POLLUTION

The Cross-State Air Pollution Rule (CSAPR) was initially issued in 2011 to assist states in complying with ambient air quality standards by limiting downwind pollution. Under this rule, facilities must provide allowances for each ton of nitrogen oxide (NO_x) and sulfur dioxide (SO_2) emitted. Certain states, including Iowa, are also required to provide additional allowances for NO_x emissions during the ozone season. Recent revisions to the rule, referred to as the Good Neighbor Plan, were remanded or withdrawn at this time.

REGIONAL HAZE RULE

The purpose of the regional haze regulations is to improve visibility by reducing regional haze in 156 national parks and wilderness areas (Class I areas) across the country. These regulations impact Gerald Gentleman Station (GGS), Laramie River Station (LRS) and Walter Scott Energy Center (WSEC). After analysis, by the State of Wyoming in 2021, it was determined that additional controls at LRS were unnecessary. The current state plans for Iowa and Wyoming have been approved by the EPA. GGS submitted additional air modeling data on SO_2 emissions, but no action was taken. The current draft of the State of Nebraska State Implementation Plan for Regional Haze does not include additional controls for GGS. However, in 2024 the EPA issued a proposed Federal Implementation Plan (FIP) which would require GGS to install SO2 scrubbers. The FIP has not yet been finalized or withdrawn. In December 2024, the EPA proposed a rule that would extend the due date for state plans submittals for the Regional Haze third planning period until 2031.

ACID RAIN PROGRAM

Implemented under the Clean Air Act Amendments of 1990, the Acid Rain Program is intended to achieve environmental benefits by reducing SO_2 and NO_x emissions. All LES-owned and contracted resources operate within the acid rain regulations.

MERCURY AND AIR TOXIC STANDARDS

In February 2012, the EPA issued the final Mercury and Air Toxic Standards (MATS) rule intended to reduce emissions of toxic air pollutants from power plants. The MATS rule does not apply to simple-cycle and combined-cycle stationary combustion turbines, so TBGS, RGS and J Street Generating Station are not impacted. GGS, LRS and WSEC have installed mercury controls to comply with MATS. Each affected facility must demonstrate ongoing compliance with MATS. In May 2024, the EPA finalized rules that lowered the Particulate Matter (PM) standard and required MATs facilities to add PM monitors. However, an Executive Order was issued in April 2025 that delays the compliance period for recent MATS revisions until mid-2029.

COOLING WATER INTAKE STRUCTURES STANDARDS 316(b)

The EPA developed regulations under Subsection 316(b) of the Clean Water Act that affect facilities with cooling water intake structures. The regulations are intended to ensure that the location, design, construction, and capacity of the cooling water intake structures reflect the best technology available to minimize adverse environmental impacts from impingement or entrainment.

Section 316(b) requirements are implemented through facility-specific National Pollutant Discharge Elimination System (MPDES) permits and associated compliance schedules administered by state permitting authorities. LES does not operate any generating facilities subject to Section 316(b) requirements. However, LES holds ownership or contractual participation interests in facilities owned and operated by other entities such as GGS and WSEC.

Compliance with Section 316(b) requirements, including permitting, engineering design, construction activities and post-construction performance studies is the responsibility of the respective operating agents and is subject to oversight by the applicable state regulatory authorities, including the Nebraska Department of Water, Energy & Environment and the Iowa Department of Natural Resources.

Compliance with Section 316(b) requirements may be allocated to LES based on ownership interests or contractual arrangements. LES continues to monitor regulatory developments, permit implementation, and compliance schedules related to Section 316(b) in coordination with its operating partners to assess potential cost impacts and planning considerations.

COAL COMBUSTION RESIDUALS PROPOSED RULE

The EPA's Coal Combustion Residuals (CCR) rule was first promulgated in April 2015 under Subtitle D of the Resource Conservation and Recovery Act (RCRA), establishing national minimum criteria for the safe management and disposal of coal combustion residuals in landfills and surface impoundments. The CCR regulations became effective in October 2015 and include requirements related to location restrictions, structural integrity, groundwater monitoring, corrective action, closure and post-closure care.

LES does not operate any CCR units directly. However, LES holds ownership or participation interests in facilities owned and operated by other entities, including GGS (operated by Nebraska Public Power District), LRS (operated by Basin Electric Power Cooperative), and WSEC (operated by Berkshire Hathaway Energy).

On May 8, 2024, the EPA issued the Legacy Coal Combustion Residuals Surface Impoundments and CCR Management Units (CCRMUs) Final Rule, which expanded the scope of regulated CCR units to include certain inactive or previously unregulated impoundments and land-based CCR management units. The rule became effective on November 8, 2024. The EPA has since announced that it is undertaking a reconsideration of the 2024 rule, which may result in future revisions to applicability, implementation schedules, or compliance obligations.

During 2025, the EPA finalized and proposed revisions affecting the timing of certain CCR compliance obligations, including extensions of selected deadlines under the Legacy CCR rule and a proposal to extend closure deadlines for certain unlined CCR surface impoundments. These actions were intended to address implementation and reliability considerations and remain subject to further agency action.

CCR compliance activities at facilities in which LES holds an ownership interest, including obligations related to groundwater monitoring, corrective action, closure, or post-closure care, are the responsibility of the respective operating agents. Nevertheless, costs associated with CCR compliance activities may be allocated to LES based on contractual arrangements or ownership participation.

LES continues to monitor CCR regulatory developments, including rule reconsiderations and potential compliance-date adjustments, in coordination with its operating partners in order to evaluate potential compliance obligations, timing considerations, and associated cost impacts.

CONTACT INFORMATION

This financial report is designed to provide a general overview of LES' financial status for 2025 and 2024. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chief Financial Officer located at 9445 Rokeby Road in Lincoln, Nebraska, 68526-9788, or by email at finance@les.com.

LINCOLN ELECTRIC SYSTEM

STATEMENT OF NET POSITION

As of December 31, 2025

		(Dollars in thousands)
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$	140,927
Restricted cash, cash equivalents and investments		22,126
Accounts receivable, net		27,851
Lease receivable		330
Accrued lease interest		1
Unbilled revenues		20,482
Accrued interest receivable		526
Materials, supplies and fuel inventory		37,329
Plant operation assets		19,996
Other current assets		8,212
Total current assets		277,780
Noncurrent Assets		
Restricted cash, cash equivalents and investments		31,916
Lease receivable		7,285
Accrued lease interest		184
Other noncurrent assets		8,154
Total noncurrent assets		47,539
Capital Assets		
Utility plant		1,896,196
Accumulated depreciation		(1,003,816)
Construction work in progress		216,344
Total capital assets		1,108,724
Deferred Outflows of Resources		
Deferred loss on refunded debt		5,687
Deferred costs for asset retirement obligations		3,385
Total deferred outflows of resources		9,072
Total Assets and Deferred Outflows of Resources	$	1,443,115
Liabilities and Deferred Inflows of Resources		
Current Liabilities		
Accounts payable	$	24,197
Accrual for payments in lieu of taxes		14,800
Commercial paper		150,000
Accrued software interest		41
Accrued liabilities		28,944
Current maturities of long-term debt		37,580
Current maturities of software liabilities		1,372
Accrued interest payable		5,934
Total current liabilities		262,868
Noncurrent Liabilities		
Long-term debt, net		443,603
Developer performance deposits		21,326
Health and dental plan reserves		1,235
Asset retirement obligation		3,385
Software liabilities		1,339
Total noncurrent liabilities		470,888
Deferred Inflows of Resources		
Leases		6,892
Total deferred inflows of resources		6,892
Total liabilities and deferred inflows of resources		740,648
Net Position		
Net investment in capital assets		488,241
Restricted for debt service		12,969
Restricted for employee health insurance claims		2,655
Unrestricted		198,602
Total net position		702,467
Total Liabilities, Deferred Inflows of Resources and Net Position	$	1,443,115

See Notes to the Financial Statements.

LINCOLN ELECTRIC SYSTEM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2025

		(Dollars in thousands)
Operating Revenues		
Electric retail	$	326,759
Electric wholesale		58,925
Other		10,639
Total operating revenues		396,323
Operating Expenses		
Purchased power		86,263
Produced power		67,456
Operations		29,711
Maintenance		15,159
Administration and general		66,354
Depreciation and amortization		40,829
Total operating expenses		305,772
Operating Income		90,551
Noncapital Subsidies		
City dividend for utility ownership revenue		13,817
City dividend for utility ownership expense		(14,243)
Payment in lieu of taxes		(15,065)
Total noncapital subsidies		(15,491)
Operating Income and Noncapital Subsidies		75,060
Nonoperating Revenues (Expenses)		
Interest expense		(17,410)
Other expense		(139)
Interest income		7,857
Total nonoperating expenses		(9,692)
Capital Contributions		24,875
Plant Costs Recovered through Capital Contributions		(24,875)
Change in Net Position		65,368
Net Position - Beginning of Year		637,099
Net Position - End of Year	$	702,467

See Notes to the Financial Statements.

LINCOLN ELECTRIC SYSTEM

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

		(Dollars in thousands)
Operating Activities		
Received from sales to customers and users	$	382,005
Sales tax receipts		18,175
Paid to suppliers for goods and services		(221,518)
Paid to employees for services		(49,670)
Payments for sales tax		(17,974)
Net cash provided by operating activities		111,018
Noncapital Financing Activities		
Payment in lieu of taxes		(13,970)
City Dividend for Utility Ownership revenue		13,817
City Dividend for Utility Ownership payments		(13,719)
Net cash used in noncapital financing activities		(13,872)
Capital and Related Financing Activities		
Capital expenditures		(108,883)
Net cost/salvage value of retiring plant		(2,294)
Capital contributions		15,888
Capital contributions received in advance		3,252
Cash received from leases		514
Principal payments on software agreements		(1,419)
Interest payments on software agreements		(113)
Proceeds from commercial paper issuance		84,500
Principal payments on long-term debt		(35,740)
Interest payments on long-term debt		(20,773)
Net cash used in capital and related financing activities		(65,068)
Investing Activities		
Net purchases of investments		(27,960)
Interest received		7,858
Net cash used in investing activities		(20,102)
Net Change in Cash and Cash Equivalents		11,976
Cash and Cash Equivalents - Beginning of Year		47,368
Cash and Cash Equivalents - End of Year	$	59,344
Reconciliation of Cash and Cash Equivalents to the Balance Sheet		
Cash and cash equivalents	$	140,927
Restricted cash, cash equivalents and investments - current		22,126
Restricted cash, cash equivalents and investments - noncurrent		31,916
Total cash, cash equivalents and investments		194,969
Less: investments not classified as cash equivalents		(135,625)
Total cash and cash equivalents	$	59,344

See Notes to the Financial Statements.

LINCOLN ELECTRIC SYSTEM

STATEMENT OF CASH FLOWS – CONTINUED

For the Year Ended December 31, 2025

	(Dollars in thousands)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 90,551
Lease revenue	(531)
Noncash items included in operating income	
Depreciation charged to other accounts	1,320
Depreciation and amortization	40,829
Changes in operating assets and liabilities	
Accounts receivable	(1,804)
Unbilled revenues	(2,475)
Materials, supplies and fuel inventories	(2,395)
Plant operation assets	1,625
Other current assets	(2,436)
Other noncurrent assets	(4)
Accounts payable	(1,189)
Sales tax payable	201
Accrued expenses	5,386
Health and dental plan reserve	72
Reductions in future billings	(18,132)
Net cash provided by operating activities	$ 111,018
Supplemental Noncash Activities	
Capital asset acquisitions included in accounts payable	$ 639
Capital assets acquired through addition of software liabilities	1,697

See Notes to the Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Lincoln Electric System is a municipal utility, owned by the City of Lincoln, Nebraska (the City). LES is operated under the LES Administrative Board, appointed by the mayor, and confirmed by the Lincoln City Council. The City Council, as required by the City Charter, reserves the authority to set the rates and charges, adopt the annual budget and incur debt. LES' service area covers approximately 200 square miles, including the city of Lincoln and surrounding communities.

In evaluating how to define LES, for financial reporting purposes, management has considered all potential component units for which financial accountability may exist. The determination of financial accountability includes consideration of several criteria, including: (1) LES' ability to appoint a voting majority of another entity's governing body and to impose its will on that entity; (2) the potential for that entity to provide specific financial benefits to, or impose specific financial burdens on LES; and (3) the entity's fiscal dependency on LES. Based upon the above criteria, LES has determined that it has no reportable component units.

The financial statements present only LES, and do not purport to fairly present the City's financial position as of December 31, 2025 and the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States (GAAP).

Basis of Accounting and Presentation

LES' activities are accounted for with an economic resources measurement focus and an accrual basis of accounting. LES' accounting records are maintained in accordance with all applicable pronouncements of the Governmental Accounting Standards Board (GASB) and generally follow the Uniform System of Accounts for Public Utilities and Licensees prescribed by the Federal Energy Regulatory Commission (FERC). LES prepares its financial statements as a business-type activity in conformity with GAAP.

LES follows the provisions of GASB Codification Section Re10, *Regulated Operations*, which permits an entity with cost-based rates and board authorization to include certain revenues or costs in a period other than the period in which revenues or costs would be reported by an unregulated entity, to the extent that the rate-regulated entity is recovering, or expects to recover, such amounts in rates charged to its customers. This guidance applies to LES because rates for LES' regulated operations are established and approved by the LES Administrative Board and City Council.

Use of Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates, and assumptions, that affect the reported amounts of assets, liabilities, deferred inflows and outflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results may differ from those estimates.

Revenue Recognition
Electric revenues are recorded based on the related period of customer usage. Billings for electric revenues are rendered monthly on a cycle basis. Unbilled revenues representing estimated consumer usage for the period between the last billing date and the end of the period are accrued in the period of consumption.

Cash Equivalents
LES considers all highly liquid investments with an original maturity of three months or less at the date of purchase, to be cash equivalents. On December 31, 2025, cash equivalents consisted of money market funds, U.S. Treasury bills, U.S. agency discount notes and commercial paper.

Investments and Investment Income
LES maintains various designated and restricted accounts (see Note 3) which are held for debt service obligations, future health claims and other items. Investments in money market mutual funds are carried at cost, which approximates fair value. Investments in U.S. Treasury securities, U.S. agency obligations, and commercial paper are carried at fair value. Fair value is determined based on quoted market prices or yields currently available for comparable securities of issuers with similar credit ratings.

Investment income includes interest income and the net change in the fair value of investments for the year.

Accounts Receivable
Accounts receivable are reported net of the allowance for uncollectible accounts of $3,339,000 on December 31, 2025.

Inventory
Materials, supplies and fuel inventories are stated at the lower of cost or market. Cost is generally determined on a weighted-average basis.

Jointly Owned Facilities
Plant operation assets related to the operation of Laramie River Station (LRS) and Walter Scott Energy Center (WSEC) #4 (see Note 10) are comprised of operating assets, primarily fuel and supplies inventories, and operating cash. These assets are managed by the operating agents of LRS and WSEC #4 and are stated at cost. Operating expenses of LRS and WSEC #4 are included in the corresponding operating expense classifications in the Statement of Revenues, Expenses and Changes in Net Position.

Capital Assets
The costs of electric utility plant additions, replacements of property units and betterments to the electric system are capitalized. These costs include material, labor, vehicle and equipment usage, related overhead costs and certain administrative and general costs. LES’ capitalization threshold was $5,000 in 2025.

Costs of labor, materials, supervision and other costs incurred in making repairs and minor replacements, and in maintaining the plant in efficient operating condition, are charged to operating expenses. When plant assets are retired, the original cost, and removal cost less salvage are charged to accumulated depreciation. Depreciation is computed on a straight-line basis using composite rates, ranging from 2.0% and 20.0%, depending on the asset type.

Leases

LES accounts for leases in accordance with GASB Statement No. 87, *Leases*. Leases are contracts that convey control of the right to use another entity's nonfinancial asset for a specified period of time in an exchange or exchange-like transaction, without the transfer of ownership of the asset. See Note 5 - Leases for additional information regarding leases.

For lessee contracts, lease assets and liabilities are reported on the Statement of Net Position at present value using LES' incremental borrowing rate. The lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. The amortization of the discount is recorded as accrued interest payable on the Statement of Net Position, with the offset to interest expense on the Statement of Revenues, Expenses and Changes in Net Position.

For lessor contracts, lease receivables and deferred inflows of resources are reported on the Statement of Net Position at present value using LES' incremental borrowing rate. The amortization of the discount is recorded as accrued lease interest on the Statement of Net Position, with the offset to interest income on the Statement of Revenues, Expenses and Changes in Net Position. The deferred inflows of resources are amortized over the lease term and lease revenue is recognized as other operating revenues on the Statement of Revenues, Expense and Changes in Net Position.

Subscription-Based Information Technology Arrangements (SBITAs)

LES accounts for SBITAs in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. SBITAs are contracts that convey control of the right to use another party's information technology (IT) software for a specified period in an exchange or exchange-like transaction, without the transfer of ownership of the asset. The subscription term is the period that LES has a noncancellable right to use the underlying IT asset. See Note 6 - Subscription-Based Information Technology Arrangements (SBITAs) for additional information.

For SBITA contracts, subscription assets and liabilities are reported on the Statement of Net Position at present value using LES' incremental borrowing rate. The subscription assets are amortized over the shorter of the contract term or the useful life of the underlying IT assets. The amortization of the discount for SBITA contracts is recorded as accrued software interest on the Statement of Net Position with the offset to interest expense on the Statement of Revenues, Expenses and Changes in Net Position.

Compensated Absences

LES accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. LES accrues vacation leave and vested sick leave when the employee earns the benefit. Since there is no cash payment for non-vested sick leave when an employee terminates or retires, non-vested sick leave is accrued when the employee has earned the benefit, to the extent it is probable that the leave will be used. Salary-related payments, such as payroll taxes, are also accrued with the compensated absence liabilities. The compensated absence liabilities are included in accounts payable and accrued liabilities on the Statement of Net Position.

Deferred Loss on Refunded Debt

Costs incurred in connection with the refinancing of various bond issuances are being amortized over the remaining life of the old bonds, or the life of the new bonds, whichever is shorter. Amortization is recorded as a component of interest expense within nonoperating expenses. The deferred loss on the refunded debt balance was $5,687,000 as of December 31, 2025.

Recovery of Plant Costs

Capital contributions are received from customers and other third parties, primarily to offset the costs associated with expanding LES' electrical system. LES follows FERC guidelines for recording capital contributions. These guidelines direct the reduction of utility plant by the amount of these contributions. To comply with GASB Codification Section N50, *Non-exchange Transactions*, while continuing to follow FERC guidelines, capital contributions are recorded as income and offset by an expense, in the same amount, representing the recovery of plant costs.

Net Position Classification

Net position must be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net investment in capital assets — This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt, are included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted — This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, the law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Revenue bond funds and health insurance funds, net of any related liabilities, are included in this classification.

Unrestricted — This component of net position consists of the net amount of assets and liabilities that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is LES' policy to use restricted resources first, then unrestricted resources as needed.

Classification of Revenues and Expenses

Beginning in 2025, in accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*, LES reports operating revenues and expenses as all revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses.

Payment In Lieu of Taxes

LES makes a payment in lieu of taxes, equal to 5% of its electric retail revenues derived within the city limits of incorporated cities and towns served. In 2025, LES transferred a total of $13,970,000 to the City of Lincoln, Lancaster County, Lincoln Public Schools and the City of Waverly for payment in lieu of taxes. The accrued liability for payment in lieu of taxes was $14,800,000 as of December 31, 2025.

City Dividend for Utility Ownership (CDFUO)

In 2011, the Lincoln City Council approved an ordinance requiring LES to pay an annual dividend to the City of Lincoln for the city's ownership of LES. As amended in 2020, the ordinance states that LES shall remit to the City a dividend for utility ownership in an amount equivalent to 2.4% of the Total Net Position (Net Assets) of LES, as of December 31, based upon the most recent audited year-end financial statements. The dividend is remitted to the City semiannually on the 20th day of February and August each year. Each payment represents 50% of the annual dividend payment. In 2025, LES submitted CDFUO payments totaling $13,719,000.

The CDFUO is assessed on all retail customer billings and is treated as a noncapital subsidy received on the Statement of Revenues, Expenses and Changes in Net Position. LES records the expense for the CDFUO as a noncapital subsidy provided on the Statement of Revenues, Expenses and Changes in Net Position. The accrued liability for CDFUO was $5,097,000 as of December 31, 2025.

Recent Accounting Pronouncements, adopted

GASB Statement No. 102, *Certain Risk Disclosures*, was issued in December 2023, effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide users of the government's financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. LES adopted this statement in 2025 and determined that there are no additional required disclosures or impacts to LES' financial position, operating results, or cash flows.

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued in April 2024, effective for fiscal years beginning after June 15, 2025. LES early adopted this statement in 2025. See Note 2 - Accounting Change for additional information regarding this implementation.

Recent Accounting Pronouncements, not yet adopted

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued in September 2024, effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets and intangible right-to-use assets should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets should also be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class and it requires additional disclosures for capital assets held for sale. LES is currently assessing the disclosure impact of adopting this statement.

GASB Statement No. 105, *Subsequent Events*, was issued in December 2025, effective for fiscal years beginning after June 15, 2026. This statement clarifies the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events, in addition to specifying the information items that are required to be disclosed about subsequent events. The objective of this statement is to improve the financial reporting requirements for subsequent events by enhancing consistency in their application and better meeting the information needs of financial statement users. LES is currently assessing the disclosure impact of adopting this statement.

Note 2: Accounting Change

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, to enhance the financial reporting model's effectiveness in providing information essential to decision-making and assessing a government's accountability. This statement requires LES to reclassify line items on the financial statements. Material reclassifications that affected the Statement of Revenues, Expenses, and Changes in Net Position include reclassifying City Dividend for Utility Ownership revenues from the operating revenues section into a new section, following operating income, called Noncapital Subsidies. Additionally, Payment in lieu of taxes expense and City Dividend for Utility Ownership expense will be reclassified from the Nonoperating Revenues (Expenses) section into the new Noncapital Subsidies section. For more information on the classification of revenues and expenses, please refer to the *Classification of Revenues and Expenses* policy included in Note 1. Other financial reporting requirements established by this statement that affect LES, but did not have a material impact, were modifications to the required supplementary information included in the Management's Discussion and Analysis. This statement had no impact on beginning net position.

Note 3: Deposits and Investments

Deposits

State statute requires banks to issue a bond or pledge government securities to LES for the amount of utility deposits being held. The statute allows pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC). LES' cash deposits are insured up to $250,000 by the FDIC.

Investments

LES may invest in U.S. government securities and agencies, federal instrumentalities, instrumentalities of the United States, repurchase agreements, corporate issues, money market mutual funds, interest-bearing time deposits or savings accounts, state and/or local government taxable and/or tax-exempt debt, and other fixed-term investments, as designated in LES Policy 510 (Investments).

Interest Rate Risk

Interest rate risk is the potential for changes in interest rates to adversely affect an investment's fair value. It is LES' intent to buy and hold securities to maturity, which reduces interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Corporate issues, state and/or local government taxable and/or tax-exempt debt, and money market funds are the only current investment types that require a minimum specific rating. All such investments held as of December 31, 2025, meet the minimum credit rating required by LES' investment policy at the time of purchase. Any investment that falls below the minimum credit rating requirement in LES' investment portfolio will follow the pre-approved guidelines within the investment policy.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, LES would be unable to recover the value of its investment securities held by an outside party. LES manages this risk by holding all investments in LES' name, as required by LES' investment policy.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with the amount of investments LES has with any one issuer. Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement. LES' investment policy places limits on the amount that may be invested in any one type of investment and/or issuer. Investment authorization is measured at the time of acquisition.

Fair Value Measurements

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction among market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. A hierarchy of three levels of inputs may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable, or can be corroborated by observable market data, for the full term of the assets or liabilities.

Level 3 – Unobservable inputs, supported by little or no market activity, and are significant to the fair value of the assets or liabilities.

Money market mutual funds are carried at cost and are therefore not included within the fair value hierarchy.

The table below presents the fair value measurement of LES' assets recognized in the accompanying financial statements, measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurement falls at year-end.

As of December 31, 2025, LES had the following investments (dollars in thousands).

		Maturities in Years			
	Carrying Value	Less Than 1	1-5	Credit Ratings Moody's / S&P	Fair Value Hierarchy Level
Money market mutual funds	$ 24,677	$ 24,677	$ -	Aaa	N/A
U.S. Treasury securities	102,455	102,455	-	Aaa/AA+	1
U.S. agency obligations	26,988	24,386	2,602	P-1/A-1+	2
Corp. Issues (Commercial Paper)	40,849	33,446	7,403	P-1/A-1	2
	$ 194,969	$ 184,964	$ 10,005		

Investment Type	Portfolio Composition	Limits of Individual Issuers	Maturity Limitations
U.S. government securities	100%	None	10 years
U.S. government agencies	100%	None	10 years
Federal instrumentalities	100%	None	10 years
Instrumentalities of the U.S.	20%	5%	10 years
Interest-bearing time deposit or savings accounts	100%	15%	5 years
Repurchase agreements	50%	15%	90 days
Corporate issues	50%	5%	-
Banker's acceptances	-	-	180 days
Commercial paper	-	-	270 days
Corporate notes	-	-	5 years
Money market mutual funds	100%	25%	N/A
State and/or local government taxable and/or tax-exempt debt	30%	5%	3 years
Other fixed-term investments	25%	25%	5 years

On December 31, 2025, LES had the following investment concentrations.

U.S. sponsored agency obligations	
Federal Home Loan Bank	7.89%

Summary of Carrying Values

Deposits and investments were included in the following Statement of Net Position captions on December 31, 2025.

	2025 (Dollars in thousands)
Current Assets	
Cash and cash equivalents	
Operating cash and cash equivalents	$ 98,932
Rate stabilization fund	41,995
Total cash and cash equivalents	140,927
Restricted cash, cash equivalents and investments	
Bond principal and interest funds	18,196
Segregated funds - customer deposits	1,151
Health and dental claims funds	2,779
Total restricted cash, cash equivalents and investments	22,126
Noncurrent Assets	
Restricted cash and investments	
Bond reserve funds	9,110
Segregated funds - developer deposits	21,587
Health and dental claims reserve funds	1,219
Total restricted cash and investments	31,916
Total	$ 194,969

Rate Stabilization Fund

LES maintains a Rate Stabilization Fund (RSF) to mitigate risks arising from unforeseen or one-time events that may have a significant financial impact on LES. It is not the intent to fund routine rate adjustments with funds from the RSF. Deposits to and withdrawals from the RSF are subject to approval by the LES

Administrative Board. An annual liquidity study determines the target RSF balance and evaluates the probability and financial impact of LES' risks, as determined via the Enterprise Risk Management program.

The RSF balance was $41,995,000 as of December 31, 2025.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows (dollars in thousands).

	January 1, 2025	Increases	Decreases	Transfers	December 31, 2025
Construction work in progress (not depreciated)	$ 157,487	$ 85,775	$ (2,294)	$ (24,624)	$ 216,344
Utility plant	1,872,206	2,272	(2,906)	24,624	1,896,196
Less: Accumulated depreciation	(966,867)	(42,149)	5,200	-	(1,003,816)
Totals	$ 1,062,826	$ 45,898	$ -	$ -	$ 1,108,724

Note 5: Leases

LES accounts for leases in accordance with GASB 87 which establishes a single model for lease accounting on the foundational principle that leases are financings of the right to use an underlying asset. See *Leases* policy in Note 1 for additional information.

LES as a Lessee

There were no lease agreements deemed material for reporting under GASB 87 as of December 31, 2025.

LES as a Lessor

LES leases communication tower space to third parties. The leases have contract terms which expire between 2027 and 2060. The leases were measured at lease commencement. The lease receivables balance for these agreements was $7,615,000 on December 31, 2025, of which $330,000 is presented as current, and $7,285,000 as long-term on the Statement of Net Position. LES recognized $531,000 of lease revenue and $217,000 of lease interest income for the year ended December 31, 2025.

Note 6: Subscription-Based Information Technology Arrangements (SBITAs)

LES accounts for SBITAs in accordance with GASB 96, which establishes an accounting model for subscription assets. See *Subscription-Based Information Technology Arrangements (SBITAs)* policy in Note 1 for additional information.

LES has entered into several SBITAs with subscription terms ranging from one to four years. As of December 31, 2025, SBITA assets totaling $7,140,000 and associated accumulated amortization of $2,978,000 are included in utility plant and accumulated depreciation, respectively, on the Statement of Net Position. There were no SBITA impairments as of December 31, 2025.

The following table summarizes future SBITA principal and interest payments as of December 31, 2025 (dollars in thousands).

Year Ending December 31	Principal	Interest	Total
2026	$ 1,372	$ 113	$ 1,485
2027	686	54	740
2028	465	28	493
2029	188	8	196
Total	$ 2,711	$ 203	$ 2,914

Note 7: Long-Term Debt and Liabilities

Long-term debt on December 31, 2025, was presented on the Statement of Net Position as shown below.

	Date Callable	(Dollars in thousands)
Serial Bonds		
2015 Electric revenue and refunding, 3.00% - 5.00%, due from Sep. 1, 2019 to 2036; partially refunded in 2020	2025	$ 29,065
2016 Electric revenue and refunding, 3.00% - 5.00%, due from Sep. 1, 2017 to 2034	2027	65,960
2018 Electric revenue, 3.00% - 5.00%, due from Sep. 1, 2025 to 2034	2027	114,900
2020A Electric revenue, 5.00%, due from Sep. 1, 2025 to 2033	2030	70,740
2020B Electric revenue refunding, taxable, 0.40% - 2.10%, due from Sep 1, 2023 to 2037	N/A	136,540
Term Bonds		
2015 Electric revenue and refunding, 4.00%, due Sep. 1, 2040	2025	40,710
Long-term debt		**457,915**
Bond issuance premiums		23,268
Less: current maturities of long-term debt		(37,580)
Long-term debt, net		**$ 443,603**

Long-term debt and liability activity for the year ended December 31, 2025, was as follows (dollars in thousands).

	January 1, 2025	Increase	Decrease	December 31, 2025	Due Within One Year
Revenue bonds	$ 493,655	$ -	$ (35,740)	457,915	$ 37,580
Bond issuance premiums	28,799	-	(5,531)	23,268	-
Developer performance deposits	25,120	7,252	(8,988)	23,384	2,058
Health and dental plan reserve	1,163	72	-	1,235	-
Software liabilities	2,433	1,697	(1,419)	2,711	1,372
Totals	$ 551,170	$ 9,021	$ (51,678)	$ 508,513	$ 41,010

Debt service requirements for LES' revenue bonds as of December 31, 2025, were as follows (dollars in thousands).

Bond Year Ending August 31	Principal	Interest	Total
2026	$ 37,580	$ 16,807	$ 54,387
2027	39,325	15,063	54,388
2028	40,915	13,458	54,373
2029	42,640	11,735	54,375
2030	43,885	10,485	54,370
2031-2035	189,165	28,290	217,455
2036-2040	64,405	7,378	71,783
Totals	$ 457,915	$ 103,216	$ 561,131

All long-term debt is issued for the construction of additional utility plant, refunding of existing debt, or to reimburse LES for prior capital expenditures. All utility revenues after payment of operation and maintenance expenses are pledged for revenue bonds until the bonds are paid or defeased.

Debt Service for 2025 was $53,776,000. Total gross revenues as reported in the Statement of Revenues, Expenses and Changes in Net Position for the same period were $396,323,000.

Revenue and Refunding Bonds

There were no bond issuances in 2025.

As a result of refundings, the assets and related liabilities for certain defeased bonds are not included in LES' financial statements.

Bond reserves are set in accordance with terms stated upon issuance. All reserves are fully funded.

Revolving Credit Agreement

On April 6, 2023, LES entered into a revolving credit agreement with Bank of America National Association. The agreement allows LES to draw up to $50,000,000 on a variable rate basis. The revolving credit agreement with Bank of America National Association will expire in April 2026. Electric revenues secure the agreement. No amounts were outstanding on the agreement as of December 31, 2025.

Also in 2023, LES entered a revolving credit agreement with Union Bank and Trust Company. The revolving credit agreement allows LES to draw up to $50,000,000 on a variable rate basis. The agreement was executed on July 12, 2023, and will expire on August 12, 2026. The Union Bank and Trust Company revolving credit agreement is secured by electric revenues and is subordinate to the Bank of America National Association revolving credit agreement. No amounts were outstanding on the agreement as of December 31, 2025.

Note 8: Short-Term Obligations

Commercial Paper

Established by city ordinance, LES may borrow up to $150,000,000 under a Commercial Paper Program. The payment of the Commercial Paper Notes is subordinated to the payment of the principal of, and interest, on the outstanding bonds. LES issued a total of $84,500,000 of additional Commercial Paper Notes in 2025, bringing the total amount outstanding to $150,000,000 on December 31, 2025. The notes mature at various dates, but no more than 270 days after the date of issuance. The weighted average interest rate was 2.87% for the year ended December 31, 2025. The outstanding Commercial Paper Notes are secured by a revolving credit agreement with JPMorgan Chase Bank, National Association, that expires on August 19, 2027. No advances were outstanding under the revolving credit agreement as of December 31, 2025. The revolving credit agreement, which secures LES' Commercial Paper Program, also includes a Note Purchase Agreement that allows LES the ability to borrow money on a short-term basis. No amounts were outstanding under the Note Purchase Agreement as of December 31, 2025. Amounts outstanding under the Note Purchase Agreement reduce the amount available under the revolving credit agreement.

LES uses Commercial Paper Notes as part of its long-term financing strategy. As such, commercial paper is typically renewed as it matures. The weighted-average length of maturity of Commercial Paper in 2025 was 55 days.

Commercial Paper activity for the year ended December 31, 2025, was as follows (dollars in thousands).

	January 1, 2025	Increase	Decrease	December 31, 2025	Due Within One Year
Commercial Paper Notes	$ 65,500	$ 620,000	$ (535,500)	$ 150,000	$ 150,000

Note 9: Regulatory Assets and Liabilities

Rates for LES' regulated operations are established and approved by the LES Administrative Board and Lincoln City Council. LES applies the regulated operations provision of GASB Codification Section Re10, *Regulated Operations*, which provides for the deferral of expenses that are expected to be recovered through customer rates over a future period (regulatory assets), and reductions in earnings to cover future expenditures (regulatory liabilities).

Regulatory assets are included in other noncurrent assets on the Statement of Net Position. They are amortized in future rate periods when such costs are included in the revenue requirements to establish electric rates.

The composition of regulatory assets on December 31, 2025, was as follows.

	(Dollars in thousands)	
Improvement costs on projects in which LES participates	$	6,698
Bond issuance costs		1,456
Totals	$	8,154

Regulatory liabilities are recorded as a deferred inflow of resources (reductions of future billings) on the Statement of Net Position, representing revenues related to the outcomes of Winter Storm Uri. The remaining deferred revenue was recognized during 2025 and there was no related regulatory liability as of December 31, 2025.

Note 10: Jointly Owned Facilities

Laramie River Station (LRS)

LES owns a 12.76% share of the Missouri Basin Power Project (MBPP) including LRS, a three-unit, 1,710-MW coal-fired generating station, in eastern Wyoming, and a related transmission system. LES has sold approximately 28 MW, or 13%, of its ownership in LRS to the Municipal Energy Agency of Nebraska (MEAN). Costs, net of accumulated depreciation, and excluding costs allocated to MEAN, for its ownership share associated with LRS of $46,436,000, are reflected in utility plant on the Statement of Net Position on December 31, 2025.

LES has a participation power sales agreement with the County of Los Alamos, New Mexico (the County), under which the County purchases from LES, approximately 10 MW or 5% of LES' capacity interest in LRS. The section of the agreement that provides for the County to pay LES monthly payments for the capital budget, processing and dispatch costs, was amended in September 2016. The monthly payments are subject to true-up based on actual LRS costs (as compared to budget). The agreement remains in effect until the final maturity of any LRS-related debt or until LRS is removed from commercial operation. LES billed the County $2,114,000 in 2025 for demand and energy charges.

LRS has certain post-retirement obligations, which have not yet been billed to the owners, as these costs are not due and payable. Thus, LES has not reflected these costs in its financial statements. As a co-owner of LRS, LES' allocation of these post-retirement obligations was $1,338,000 on December 31, 2025.

GASB Statement No. 83, *Certain Asset Retirement Obligations,* established accounting standards for recognition and measurement, of a liability for an asset retirement obligation, and associated asset retirement cost. In accordance with this standard, LES, as a participant in MBPP, recognizes asset retirement obligations for the reclamation of wells, landfills and ash ponds.

LES recorded the following amounts as asset retirement obligations, which are offset by a deferred outflow of resources on the Statement of Net Position.

	(Dollars in thousands)	
Asset retirement obligations:		
Obligation, beginning of year	$	2,973
Additional obligations		539
Accretion		295
Liabilities settled		(422)
Obligation, end of year	$	3,385

Walter Scott Energy Center #4

MidAmerican Energy Company (MEC) WSEC includes four coal-fired units. LES maintains an ownership interest of 12.66%, or 104 MW of WSEC #4. The 811-MW, coal-fired plant was completed in 2007. To minimize unit outage risk LES executed a power purchase and sales agreement with MEC to "swap" capacity and energy from LES' WSEC #4 ownership with capacity and energy from WSEC #3. Under this agreement, LES schedules 50 MW of capacity and energy from WSEC #3 and 53 MW from WSEC #4. This 20-year agreement can be extended through mutual agreement of the parties. LES is responsible for the operation and maintenance expenses and maintains a fuel inventory at the plant site. LES issued debt in conjunction with the construction of WSEC #4 and has capitalized these costs plus interest. Costs, net of accumulated depreciation associated with WSEC #4 of $100,487,000, were reflected in utility plant on the Statement of Net Position on December 31, 2025.

Note 11: Jointly Governed Organizations

District Energy Corporation (DEC)

DEC was formed in 1989 by the City of Lincoln and Lancaster County to own, operate, maintain and finance the heating and cooling facilities utilized by certain city, county and state buildings. The DEC Board of Directors is comprised of five members: two appointed by the Lancaster County Board of Commissioners, two appointed by the mayor of Lincoln, who the City Council must confirm, and one appointed by LES. No participant has any obligation, entitlement or residual interest.

Under a management agreement, the DEC Board of Directors has appointed LES to supervise and manage the system and business affairs of DEC. LES is reimbursed for these management services based on the actual allocated cost. LES also provides electric energy to DEC on an established rate schedule. The total amount of payments to LES for management operations and maintenance services in 2025 was $2,904,000. The total amount of payments to LES for energy in 2025 was $1,093,000.

Note 12: Employee Benefit Plans

Retirement Plan

LES has a Defined Contribution Retirement Savings Plan, created in accordance with Internal Revenue Code Section 401(k) (401k Plan). Vanguard Fiduciary Trust Company serves as the plan custodian for the 401(k) Plan. The LES Administrative Board established the 401(k) Plan under its authority and is responsible for approving all amendments to the 401(k) Plan. LES' contribution is equal to 200% of the employee contributions, up to 5% of applicable compensation for eligible employees hired prior to January 1, 2011. The contributory rate for eligible employees hired after that date is equal to 100% of the employee contribution, up to 10% of applicable compensation. Vesting of LES matching contributions occurs over a three-year period, with 100% vesting after three years of service.

Employees who have not met the vesting criteria forfeit the employer's matching contributions at termination, which are used to reduce LES' future matching contribution obligations. Forfeitures reduced LES' contributions by $95,000 in 2025. Vested benefits are fully funded. December participant contributions of $308,000 were accrued in accounts payable as of December 31, 2025.

Contribution information for 2025 is shown in the table below:

	(Dollars in thousands)
Employer contributions	$ 6,294
Employee contributions	6,783
Totals	$ 13,077

LES also offers all eligible employees a Deferred Compensation Plan that is created in accordance with Internal Revenue Code Section 457(b). LES' 457(b) Plan custodian, Vanguard Fiduciary Trust Company, manages the 457(b) Plan's assets. The 457(b) Plan permits employees to defer a portion of their salary until termination, retirement, or death. LES does not match any employee contributions to the 457(b) Plan.

Assets and liabilities of the 401(k) Plan and 457(b) Plan are not included in the LES financial statements, as all plan assets are held, managed and administered by the plan custodian. The 401(k) Plan and 457(b) Plan are not considered to be component units or fiduciary activities of LES under the applicable accounting guidance.

Employee Health and Dental Insurance

LES has self-funded health and dental insurance programs with claims processed by a third-party administrator on behalf of the utility. A separate fund has been established into which accruals are made and from which actual claims and other program costs are paid. As part of the health plan, a reinsurance policy has been purchased to cover claims in excess of $150,000 per individual. Accruals to the self-insured account in excess of the claims, and other costs paid, are monitored by LES. Health care claims and fees incurred (prior to reduction for premium payments from participants) were $11,380,000 for the year ending December 31, 2025.

As required by Nebraska law, LES maintains an Incurred But Not Reported (IBNR) claims reserve, which is actuarially determined. The balance of the IBNR reserve was $1,235,000 on December 31, 2025. LES established two separate bank accounts for the self-funded employee health and dental insurance plan reserves to ensure compliance with statutory requirements. Although not required by the statute, LES maintains excess insurance that limits the total claims liability for each plan year to not exceed more than 125% of the expected claims liability, up to an annual aggregate maximum of $1,000,000.

Note 13: Derivatives

LES utilizes Auction Revenue Rights (ARRs) and Transmission Congestion Rights (TCRs) to hedge against congestion costs in the Southwest Power Pool Integrated Market (SPP IM). Awarded ARRs provide a fixed revenue stream to offset congestion costs. TCRs can be acquired through the conversion of ARRs or purchases from SPP auctions. ARRs do not meet the definition of a derivative because, once awarded, they cannot be sold, or assigned, to another party. TCRs meet the definition of a derivative; however, LES' TCRs meet the normal purchases and sales scope exception, of the applicable accounting guidance, because they are used by LES as factors in the cost of transmission. As such, GASB guidance for derivative accounting does not apply. Accrued liabilities included $2,603,000 of ARRs as of December 31, 2025.

Note 14: Risk Management

Insurance

LES is exposed to various risks of loss related to liability and property. LES carries commercially available insurance, subject to certain limits and deductibles, to reduce the financial impact of claims arising from such matters. Claims have not exceeded this coverage in any of the three preceding years.

To protect against other risks, LES participates in the City of Lincoln's self-insurance program, administered by the City's Risk Management Division. Premium amounts are paid annually to the city's Risk Management Division. LES continues identifying, evaluating, and mitigating inherent business risks as part of its Enterprise Risk Management (ERM) Program. LES has implemented a formalized process to expand the scope of risk identification and awareness. Throughout the organization, divisions and departments are encouraged to participate in the identification of risks, implementation of controls, and the mitigation assessment process.

Risk oversight is the responsibility of the LES Executive Team and assigned risk owners. Executive team members, risk owners and subject matter experts manage current risks and recommend new risks as needed. The LES Administrative Board maintains a high-level awareness of significant risks facing LES, potential impacts, and related controls and mitigation strategies. To guide employees in their decision-making, the LES Administrative Board has adopted the following as the risk appetite statement for LES:

> *Risks will be managed in a manner that will not materially jeopardize LES' ability to serve its customers, achieve its performance targets, and maintain its AA-bond rating. LES has high standards of safety, regulatory, legal, and ethical conduct.*

The active participation and engagement of the LES Administrative Board and executive management support the success of LES' ERM Program. A report reflecting the status of LES' ERM Program is presented annually to the LES Administrative Board. Enhancements to the ERM Program are ongoing and will increase risk awareness throughout the organization. The information gathered will improve risk control and mitigation efforts to support LES' strategic plan, prioritize the use of LES resources for decision-making and eliminate duplicative efforts.

LES has a Commercial Risk Management Team (CRMT) to manage the risks associated with operating in the SPP IM. The CRMT provides general oversight of the financial, market and other risk exposures related to operating in the SPP IM. Members of the CRMT include the following LES employees: Energy and Environmental Operations manager (CRMT Chair), chief executive officer, Power Supply vice president, vice president & chief financial officer, vice president & general counsel, and Energy Management supervisor.

Note 15: Commitments and Contingencies

Western Area Power Administration (WAPA)

LES has an allocation from the U.S. Department of Energy, through WAPA, of firm power under contract from Upper Missouri Basin hydroelectric plants of approximately 54 MW. LES also receives an allocation of 72 MW of firm peaking power from WAPA for the six-month summer season and 22 MW for the remaining months. In 2017, LES signed an amendment that extends the contract from 2021 through 2051.

Participation Contracts with Nebraska Public Power District (NPPD)

During 2025, LES had a participation contract in one existing NPPD coal-fired power plant that provided for an entitlement of 8% (109 MW) of the output of the Gerald Gentleman Station (GGS) power plant (nominally rated 1,365-MW).

LES is responsible for its respective participating interests in GGS capital additions and improvements. LES recognizes its share of capital acquisition costs and debt service payments, as power costs in the period the costs are billed, except costs approved for deferral under GASB Codification Section Re10, *Regulated Operations*. Fixed cost payments under the agreement are made on a participation basis, whether the plant is operating or operable.

The participation contract for GGS continues until the facilities are removed from commercial operation or the final maturity of the related debt incurred by NPPD to finance the facilities, whichever occurs later. The payments to NPPD under this contract, including capital additions and improvements, debt service payments, fixed costs and credits, were $8,776,000 in 2025. Through the participation contract, LES may be required to pay costs associated with compliance with environmental regulations for GGS.

Other Power Purchase Agreements

LES participates in three wind plants through direct Power Purchase Agreements with the plant developer/owner: 100-MW Arbuckle Mountain Wind Farm in Oklahoma, 100-MW Buckeye Wind Energy Center in Kansas, and 73-MW Prairie Breeze II Wind Energy Center in Nebraska. In 2015 these wind energy facilities were placed in commercial operation. LES also participates in four Nebraska-based wind plants through

Power Sales Agreements with NPPD: Laredo Ridge (10 MW), Broken Bow (10 MW), Elkhorn Ridge (6 MW) and Crofton Bluffs (3 MW). NPPD has a direct Power Purchase Agreement for each of these plants with the wind plant developer or owner.

In 2025, LES entered into a Power Purchase Agreement with Central Nebraska Public Power and Irrigation District for 21.6 MW of capacity and energy from the Jeffrey Reservoir Hydroplant located in western Nebraska. In addition, LES began receiving capacity from the Bluestem Wind Project in Oklahoma in 2025. LES entered into an agreement with Google for all capacity associated with the full 198 MW project, consisting of 60 wind turbines. This agreement, which expires in 2031, does not include any energy or renewable attributes.

Commitments for Contracts over One Million Dollars

LES has outstanding contract commitments totaling $3,938,000 on December 31, 2025. These are primarily contracts to construct a new metal building at Rokeby Generating Station to store additional equipment used for site maintenance and operations which are currently stored in Conex boxes and a five-year contract to purchase 345 kV circuit breakers as needed.

Claims and Judgments

From time to time, LES is party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel, that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the financial statements of LES.

Note 16: Environmental Regulations

Electric utilities are subject to ongoing environmental regulation. Federal, state and local standards that regulate the environmental impact of electric utilities are subject to change. These changes may arise from continuing legislative, regulatory, executive and judicial action regarding such standards and procedures. Consequently, there is no assurance that LES' facilities will remain subject to the regulations currently in effect, that future requirements can be anticipated with certainty, or that compliance will not require operational changes, capital investment or permitting modifications. An inability to comply with environmental standards could result in additional capital and operating expenditures, reduced operating levels, or the complete shutdown of individual units under certain circumstances. LES will make applications to the appropriate federal and state authorities for any permits, certifications and renewals as required for the operations of its existing plants and for the construction of capital additions and improvements.

Lincoln Electric System

Exhibit X

Upcoming events

Earth Day

Saturday, Apr. 25 | 10 a.m.-2 p.m.

Nebraska Innovation Campus

Board Meeting

Friday, May 15 | 9:30 a.m.

Boardroom

Board Meeting

Friday, June 19 | 9:30 a.m.

Boardroom

Board Meeting

Friday, July 17 | 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