

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, August 15, 2025, at the Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on August 9, 2025.

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

Board Members Absent: Karen Griffin, Eric Schafer.

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Lisa Hale, Katie Lechner, Marc Shkolnick, Armando Lezama, Aaron Anderson, Kelley Porter, Keith Snyder, Kellie Cave.

Others Present: Nathan Svatora, Ken Winston, Scott Williams, Kim Morrow, Kathleen Wingard, Deborah Nicholson, and numerous virtual participants via Microsoft Teams.

News Media Present: Neal Franklin, Lincoln Journal Star; Nolan Dorn, KLKN Ch. 7 TV (virtual); Naomi Delkamiller, Flatwater Free Press/UNL (virtual).

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

Chair Sabalka asked for approval of the minutes of the July 18, 2025, Board meeting. David Spinar moved approval of the minutes. Carl Eskridge seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

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

Nay: None.

Abstain: Chelsea Johnson.

Absent: Eric Schafer, Karen Griffin.

Customer Comments

Kathleen Wingard, speaking on behalf of herself as a resident of Lincoln, reported on the energy usage of her personal residence over several years. She asked the board to consider the rebates and incentives that aren't available to some residential customers. She also encouraged the board to review current policies and adopt changes that would provide broader availability of rebates and incentives specific to heat-pumps. Wingard commended LES Staff for their assistance and explanation of the policies specific to her situation. She suggested rebates and/or incentives be considered for energy-efficient refrigerators and electric vehicle charging equipment. Shelley Sahling-Zart, General Counsel, received her comments in print and will coordinate follow-up from the Customer Services division.

Ken Winston, representing NE Interfaith Power & Light and Lincoln Sierra Club, thanked the LES staff for their efforts during the recent storm restoration. He commented on the Strategic Plan and expressed appreciation to the board for extending the time the public could review the plan. His suggestions include specificity in initiatives, more clean energy language, and plans to address the energy burden for members of the community. Winston also suggested detailed plans for renewable energy and resilience hubs. He recommended LES invest in renewable energy resources to take advantage of available tax credits. He thanked LES for prior engagement in the Nebraska Youth Climate Summit and provided this year's conference information.

Scott Williams, speaking on behalf of himself as a resident of Lincoln, thanked the board, LES employees, and LES Executive Leadership Team for their work and progress on the Strategic Plan. He mentioned current federal legislative bills and potential interference with progress toward clean energy advancement. Williams described the price change in solar panels and battery storage over the last several years for residential customers, as well as purchasing options for customers. He urged the board to be open to adopting and implementing new technologies to assist ratepayers in pursuit of renewable options for their homes.

Deborah Nicholson, speaking on behalf of herself as a resident of Lincoln, thanked LES leadership for planning for the future and for the opportunity for the public to read and comment on the Strategic Plan. Furthermore, Nicholson expressed appreciation for LES's investment in clean energy, including the subsidy from LES to install solar panels on her personal

residence. She suggested language be added to the Strategic Plan to show prioritization of 2040 net-zero goal as it relates to affordability. She also encouraged LES to expand programs for weatherization and electrification of homes for energy-burdened consumers.

Chelsea Johnson, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on August 6, 2025, including: 1) 2026 Power Cost Review, 2) 2025 Second Quarter Generation Review & Cost Report 3) Clean Energy Resolution. (Exhibit I)

**Operations & Power
Supply Committee Report**

Carl Eskridge, Vice-Chair of the District Energy Corporation (DEC), reported on the recent DEC Board meeting held July 22, 2025. Items discussed included: 1) Management Report, 2) Financial Report, 3) Miscellaneous business. (Exhibit II)

Quarterly DEC Report

CEO Anyanwu provided a brief review of the strategic plan process thus far. He highlighted the key points that make up the plan and detailed any changes that have been made since the draft was presented in July. He briefly described the implementation plan, as well as the plans to review progress on a regular basis. Anyanwu indicated updated KPIs would be presented to the board, as well as a suite of metrics that would be tracked on a departmental and divisional level. He expressed appreciation for the board and the public's involvement. (Exhibit III)

***Approval of Strategic
Plan, LES Resolution
2025-7**

David Spinar moved approval of the LES Strategic Plan, LES Resolution 2025-7, Kate Bolz seconded the motion. The vote to approve the resolution was:

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

Nay: None

Absent: Eric Schafer, Karen Griffin.

Paul Crist, VP of Energy Delivery, briefed the board on the August 9th storm, nicknamed the Early Bird Fury. He reported on wind speeds and temperatures recorded during the storm. He provided preliminary outage numbers, and described how the Outage Recovery Plan and Incident Command Structure

were stood up to facilitate damage assessment and power restoration. Crist noted mutual aid was received from Grand Island and Nebraska Public Power District. He provided details on positive changes in processes since the last major event, touched on two safety incidents that occurred, and after comparing various metrics for the last several storms, expressed profound appreciation for the crews and all other employees that participated in the efforts. CEO Anyanwu commended Crist on his leadership during the event. He also indicated the safety incidents that occurred are being reviewed closely to ensure future incidents are avoided. Various members of the board echoed the gratitude for all that participated in the restoration, including the mutual aid crews. (Exhibit IV)

The next regular meeting of the LES Administrative Board will be **Next Meeting** Friday, September 19, 2025, at 9:30 a.m.

Without further business before the Board, Chair Sabalka declared **Adjournment** the meeting adjourned at approximately 10:42 a.m.

Carl Eskridge, Secretary

BY: *Kellie Cave*
Kellie Cave, Assistant Secretary

Exhibit I



Operations and Power Supply Committee Meeting Summary August 6, 2025

Attendees: K. Griffin, C. Johnson (Committee Chair), L. Sabalka, D. Spinar
L. Anderson, S. Benson, P. Crist, J. Fortik, L. Hale, K. Lechner, D. Malcom, S. Sahling-Zart,

2026 Power Cost Review (Scott Benson):

- The projected 2026 Power Cost net expenditure is \$148.6M, which is \$32.5M higher than the 2025 Power Cost Budget.
- A combination of increasing fixed expenses at the generating resources for maintenance related equipment renewals and replacements, increasing fuel expenses, and the purchase of additional energy in the SPP market to serve local customer load additions are the primary drivers of the Power Cost increase.

2025 2nd Quarter Generation Revenue and Cost Report (Lee Anderson):

- Staff presented an analysis of the financial performance of LES's generating resources in the SPP Integrated Marketplace through Q2 2025.
- Q2 natural gas demand was up in the residential, commercial, industrial, and export sectors, putting upward pressure on prices. The higher natural gas prices contributed to higher market electricity prices in the Lincoln area.
- LES's generating fleet posted overall net negative results through Q2, driven primarily by negative returns at the wind generating plants.

Energy Resource Evaluation Resolution (Jason Fortik):

- Staff shared a draft Resolution with the Committee that would provide market information on energy resource technologies and assessments of energy efficiency and demand side management technologies.
- Based on the discussion at the meeting, revisions will be made to the draft Resolution for review by the Committee and future consideration by the Board.

Exhibit II



Summary of DEC Board of Directors Meeting on July 22, 2025

Public Comment:

- Curt Donaldson, representing himself as a Lincoln resident, spoke about the potential benefits of district energy in regard to the new downtown library and for Lincoln Public Schools. He asked for the board to make a motion to initiate, or continue, discussions with the developers for those projects. The board agreed, and the motion passed.

Management Report

- Aaron Evans, DE (District Energy) Manager, presented details about the natural gas purchasing program. He then introduced Meg Maloney, from World-Kinect Energy Services. Kinect is the fuels consultant for DEC. Meg provided details about the range of services provided, including cost breakdowns, timelines, RFPs, and suppliers.
- Aaron continued with an operations update, this included information about service interruptions, fuel costs, and fuel usage for the 2nd quarter.
- An update on all capital projects was provided, with specific details regarding the CADF fluid cooler project and the State DA vessel replacement.
- The report concluded with information regarding potential expansion opportunities, particularly the O Street project, the downtown library, and the convention center.

Financial Report

- Wade Leibbrandt, DEC's CFO, presented the 2nd quarter financial data. The change in net position showed 73.7% above budget, and the investment income was 84.8% above budget.
- Revenue YTD shows a variance from budget of +1.2%.
- YTD Sales show a heating variance of +4.1% and a cooling variance of +21.5%.
- And expenses YTD were 7.1% below budget.
- Also presented was financial metric data and a summary of capital projects compared to budget.
- The semi-annual investment report was also presented, giving details about DEC's \$11M investment portfolio.

Miscellaneous

- DEC's General Counsel, David Levy, requested that the board go into executive session for the agenda item to discuss NSP bonds and future status. The executive session lasted approximately 15 minutes.
- The board decided that the next meeting, on October 21st, would be at the LES Operations Center and that the following 2 meetings (January and April 2026) would be at the County-City building.

Exhibit III



Strategic Plan

Powering LES Forward

August 15, 2025

LES Administrative Board



OUR VISION

Driving our energy future where people and power enable progress.

MISSION

Powering our community through responsible stewardship of our shared resources.

CORE VALUES

Safety

We champion the safety of our people and our customers, at work and at home.

Integrity

We do what we say we're going to do in a way that inspires trust and earns respect through stewardship.

Excellence

We do what it takes, every day, to bring value to our team, customers and community.

Community

We put people first, supporting our employees and customers through opportunities, collaboration and partnerships.

Dependability

We provide our community with reliable, resilient services they can count on, day in and day out.

Curiosity

We foster a culture that challenges the status quo and sparks innovation.

Overview: Powering LES Forward

Our strategic framework provides overall direction and focus for development of the strategic plan

VISION

Driving our energy future where people and power enable progress.

MISSION

Powering our community through responsible stewardship of our shared resources.

VALUES

Safety

Integrity

Excellence

Community

Dependability

Curiosity

STRATEGIC OBJECTIVES



CUSTOMER & COMMUNITY

Optimally deploy our resources to help meet customers' and the community's evolving power needs.



INFRASTRUCTURE

Build and maintain a reliable, resilient and adaptable grid and supporting systems.



FINANCIAL HEALTH

Ensure that LES can fund the activities required to achieve our mission and vision.



WORKFORCE READINESS

Retain, develop and attract a talented workforce to boost organizational performance.



SUSTAINABILITY

Reduce our CO₂ footprint and manage demand peaks to reduce reliance on fossil fuels.

Next steps

+ Finalize strategic plan elements

- Implementation plan
 - *Draft under review – on track for mid September completion*
- Performance indicators
 - *Board update in Q4*

+ Launch strategic plan

- Internal
- External

+ Community engagement

- Implement communications plan
- Close the feedback loop

+ Internal plan implementation

- Align project planning and budget
- Infuse our new mission, vision and core values into the LES culture



Powering LES Forward Strategic Plan

Adopted August 2025

DRAFT

The logo for LES, consisting of the letters 'LES' in a bold, italicized, white sans-serif font.



Intro

Our strategic plan, Powering LES Forward, equips LES to effectively navigate an evolving energy future shaped by technological change and shifting consumer needs. LES plays a pivotal role in our community, and this plan proactively positions us, our customers and our community for long-term success. The plan establishes strategic objectives and goals that set a dynamic direction for our utility and maintains LES' commitment to ensuring responsible stewardship as we execute our strategic vision.

For nearly 60 years, LES has safely provided reliable and affordable electricity to Lincoln and the surrounding communities. Powering LES Forward builds on that legacy. This plan reinforces our proud tradition of providing quality service and strong value to our customers while guiding our utility — and our community — for years to come.

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On behalf of Lincoln Electric System, we are excited to share our strategic plan, Powering LES Forward, with you. This dynamic roadmap reflects LES' critical mission of powering Lincoln and the surrounding communities through responsible stewardship of our shared resources.

We're living in a time of rapid change. Customer needs are evolving, energy markets are shifting, the regulatory environment is changing and weather patterns are less predictable. With affordability, reliability and sustainability always in a critical balance, we've built a plan that not only addresses today's challenges but also positions us – and the communities we serve – to thrive in an evolving energy landscape.

This plan is more than a document – it's a collective vision shaped by the voices of our customers, employees, board members and community leaders. It reflects countless hours of thoughtful dialogue, collaboration and engagement. It's the result of a desire to create an exceptional energy future together – one that further enhances Lincoln's reputation as a great place to live, work and do business.

Powering LES Forward navigates change with clarity and purpose. It includes:

The mission that defines the work we're committed to doing, every day.

The vision that describes the destination we're moving toward, together.

The core values that determine how we serve, grow and make decisions.



**Emeka
Anyanwu**
CEO



**Lucas
Sabalka**
Board Chair

At the heart of this plan are five strategic objectives that will guide our work:

Customer & Community: Meeting our customers' and community's evolving power needs.

Infrastructure: Investing in reliable, resilient and adaptable systems.

Financial Health: Ensuring we can achieve our mission and vision.

Workforce Readiness: Retaining, developing and attracting a talented workforce.

Sustainability: Reducing our carbon footprint, caring for our environment and managing demand peaks.

Each objective is supported by clear goals and measurable outcomes – because transparency and accountability are non-negotiable. These objectives ensure we stay focused and aligned with what matters most – delivering exceptional value to the community we've called home for 60 years.

At Lincoln Electric System, we're proud of the path that's brought us here, and we're even more inspired by the road ahead. We embrace change while remaining affordable, reliable and increasingly resilient. We're striving to be the "Quality of Life" capital of the country, served by the same public power utility our community knows and trusts. But we're also progressing. Discover what's next for our utility in our strategic plan.



"The City of Lincoln is proud to work alongside Lincoln Electric System to advance a reliable, affordable and sustainable energy future. LES' strategic plan reflects the voices of our residents and the insights of experts who are helping shape a successful, secure and forward-looking community. This plan plays a key role in guiding our shared efforts to build a resilient energy system for generations to come."

- MAYOR LEIRION GAYLOR BAIRD



A legacy of serving people & enabling progress

On Feb. 1, 1966, Lincoln Electric System was formed in Lincoln, Nebraska.

The public utility was built on the simple idea that electricity should be reliable, affordable and managed by the people who use it every day. In 1970, Lincoln voters approved the creation of a semi-autonomous board made up of everyday citizens to help guide LES. It wasn't about profit. It was about taking control, making sure decisions were made close to home and putting the community first.

Now, as we approach our 60th year, that same spirit still powers LES. It's a foundation built on trust, local values and a commitment to keeping energy costs low while investing in the future.

LES' public power model is a cornerstone of our success. This model fosters transparency, trust and a shared commitment to progress. By prioritizing local governance and community engagement, we deliver energy solutions that are not only reliable and cost-effective, but also aligned with the values and expectations of the customers we serve.

We are proud to support Lincoln and its surrounding communities by helping businesses grow, families thrive and neighborhoods stay

strong. We are committed to deepening our connection with the community through strategic partnerships that advance shared priorities, including sustainability, economic development and equitable access to energy resources. The community's priorities are our priorities.

LES continues to demonstrate operational excellence, financial resilience and industry-leading reliability, serving as a fundamental benefit to Lincoln and the surrounding areas. These strengths enable us to anticipate challenges, innovate with purpose and deliver measurable value to our stakeholders.

LES has a tradition of quiet excellence, innovation and stewardship. Year after year, LES employees have powered up solutions to address challenges in a complex industry, like building some of Nebraska's first wind turbines, developing energy demand reduction programs and launching a new, robust customer portal.

While much has changed in our industry since 1966, our legacy of people and progress has not wavered, and we are proud to carry that legacy forward.



The need for a strategic plan emerged

We are proud of our achievements over the last six decades. But our industry is navigating a period of tremendous change, and we must adapt. In this rapidly evolving operating environment, the key pillars of utility service excellence remain. LES joins other utilities in the industry that must meet the challenges of this increasingly dynamic landscape to continue providing safe, reliable, sustainable and affordable electricity.

Some drivers of change recall previous periods in the industry's history, including the period of rapid rural electrification, during which Nebraska's legacy began as the only all-public-power state. At this time, utilities were charged with building and maintaining the expanding grid, addressing growth and power demand and restoring power after weather events. However, in many ways, today's challenges are completely novel. These challenges include the emergence of digitization, automation and AI, the need to decarbonize and accommodating and empowering increasingly engaged customers.

By undertaking a robust strategic planning exercise, LES continues to meet our obligation to our customer-owners by responsibly stewarding our community's utility. This next step will allow LES to adapt to changing market conditions, prioritize critical infrastructure upgrades and manage risks associated with economic volatility and evolving consumer demands.

Industry macro trend	Implications/key questions informing scenarios and strategic planning
Decarbonization of Power	How should utilities balance decarbonization goals with affordability and risk, while meeting customer expectations?
Evolving Market Design	New market rules introduce new challenges. What are the impacts on reliability and costs?
Decentralization	To what extent should utilities enable and incentivize distributed generation? Are load forecasts aligned with distributed energy resource growth? Is grid capacity enough, or is deeper integration needed?
Large Load Growth	How should utilities accommodate demand from new large users in a way that balances the goals of customers and the broader community?
Resiliency/Reliability	How can utilities maintain their strong reliability as challenges increase? Should resiliency be a focus in addition to reliability?
Affordability & A Just Transition	Can utilities keep rates low amid transition pressures? Do other energy investments threaten affordability? What is the utilities' role in ensuring an equitable transition?
Digitization, Automation & Artificial Intelligence	Are utilities ready to implement digital tools and AI? Should utilities be leaders, fast-followers or laggards in digital adoption?
Replacement of Aging Infrastructure	How should utilities prioritize spending between replacing old infrastructure and supporting transition needs? Can projects be bundled for greater impact?

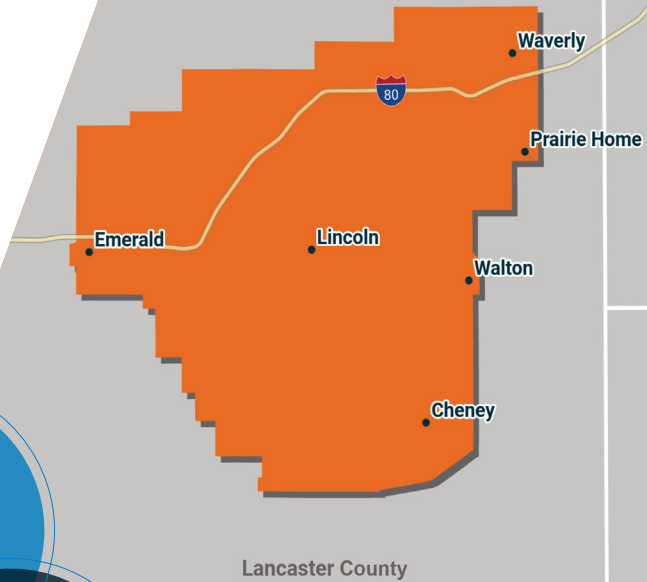
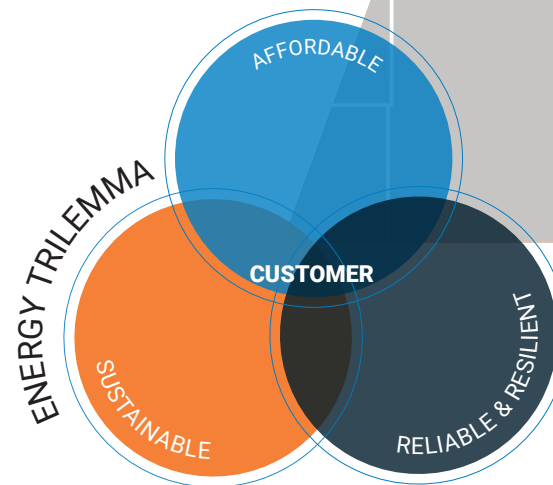
Impact of industry trends on our community & customers

Utilities around the globe need to balance supply and demand, manage the volatile supply and cost of electricity and navigate growing uncertainty associated with shifting industry macro trends.

There are new pressures placed on the system, forcing utilities to rethink how they provide products and services to customers. Looking ahead, we know our energy systems will need to deliver more capability than ever before while still balancing reliability, affordability and sustainability.

This “energy trilemma” presents mounting pressure to make passive trade-offs between equally critical priorities. The energy trilemma requires stakeholders to make difficult choices and find innovative solutions that minimize trade-offs between these three critical dimensions.

We envision a future in which partnering with our customers enables them to play a greater role in addressing these challenges. Our customers have greater ability and desire to participate in how their energy needs are met, and our community will benefit from capitalizing on this new era of utility-customer collaboration.



NAVIGATING THE “ENERGY TRILEMMA”

⚡ SUSTAINABLE

Maintaining or continuing over time without causing harm to people, the environment or future resources.

Sustainability is how a company balances environmental, social and economic issues and decisions to ensure the long-term viability of the company itself, the community and the environment.

⚡ AFFORDABLE

Being reasonably priced and accessible to individuals without placing undue financial burden or limiting their ability to meet other essential needs.

Energy affordability is the ability of a household to pay for its energy use while also paying for other basic living expenses without having to choose between them or be overburdened.

⚡ RELIABLE & RESILIENT

Performing consistently under normal conditions and recovering quickly and continuing work even when things go wrong.

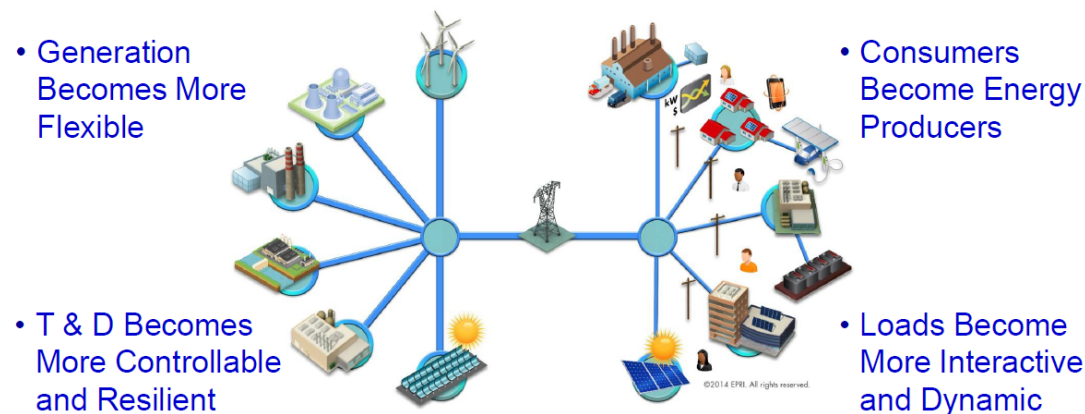
Reliability is the ability of the system and its components to withstand instability and failures during routine or reasonably expected events. Resiliency is the ability of the system and its components to recover following a non-routine, high-impact disruption.

The industry view of the electric grid of the future

Today's electric grid must evolve to meet community sustainability goals while addressing emerging changes — from customer expectations to climate resilience and cybersecurity. But LES isn't the only entity thinking of tomorrow's grid. Planning for the electric grid of the future is a challenge that requires immediate, coordinated action by everyone, including policymakers, customers and utilities. Here's why we must begin investing in critical grid capabilities today:

- ⚡ By 2050, over 50% of U.S. electricity generation capacity is expected to come from renewable sources.¹ Tomorrow's grid must account for significant expansion of clean energy generation across all levels — bulk, local and behind-the-meter.
- ⚡ Electricity consumption is projected to grow by approximately 50% by 2050,¹ driven by the electrification of transportation, the proliferation of data centers and broader digital transformation across industries.

- ⚡ Tomorrow's grid must be intelligent and flexible, leveraging digitization, data analytics and artificial intelligence to balance variable generation with increasing and dynamic consumption patterns.
- ⚡ Without proactive management, peak electricity demand could rise by as much as 400% by 2050.¹ Unlike traditional loads, many of these emerging demands will be more variable, with sharper peaks, greater flexibility in timing and, in some cases, mobility.
- ⚡ This shift presents both challenges and opportunities. Strategic planning and advanced technologies will be essential to manage these dynamic load patterns, mitigate these surges and maintain grid stability.
- ⚡ The electric grid of the future must be significantly more resilient than today's grid to withstand extreme weather events and cyber threats. This includes modernizing transmission and distribution infrastructure and deploying energy storage at scale.



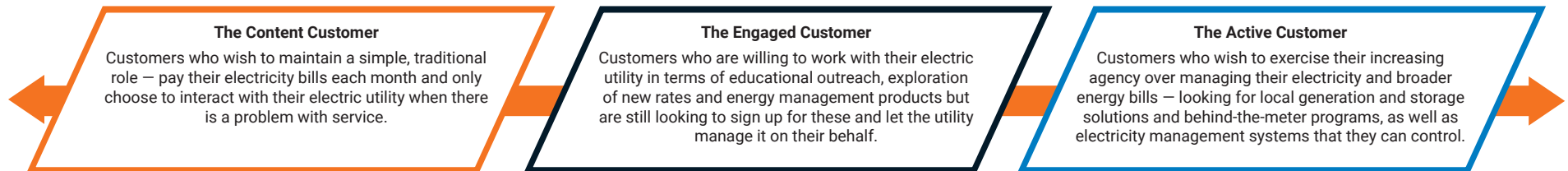
The customers & communities we serve are at the heart of the strategic plan

At LES, community isn't just part of our mission – it's the foundation. Our relationship with our customer-owners has enabled us to deliver meaningful and forward-looking energy solutions since our founding. LES invests where our community values lie – sustainability, education and innovation. For example, our new customer portal demonstrates our commitment to continuously improving service to our customers. More than just a digital tool, this portal is fast becoming a vital communication and feedback loop, offering customers greater access to their account and billing information while providing LES with insights into customer preferences and process improvement opportunities.

LES' partnerships with local businesses also underscore our customer-first approach. One such collaboration, spanning many years with the University of Nebraska-Lincoln, has added thermal energy storage to its systems and utilized LES' Sustainable Energy Program for other projects across both campuses to achieve award-winning efficiency. Another example is our Peak Rewards demand response program, which engages customers to help reduce demand during summer peak periods without sacrificing comfort. LES' commitment to education has also been on full display at events like the Sustainable Living Festival and the EV Ride + Drive, sparking interest in sustainable living practices and electrification.

Looking ahead, as the electricity grid continues to evolve, so is the way in which many of our customers interact with it. At LES, we understand the critical role we can play in enabling and optimizing this by further deepening our relationship with both residential and commercial customers through initiatives that support distributed generation, electric vehicle adoption and other behind-the-meter technologies. These efforts will support our customers' increasing agency in managing their electricity consumption and contributing to the energy supply, particularly during peak periods, leading to lower bills, reduced demand on the grid and enhanced environmental outcomes for the community. This is a shared journey. Customer engagement is essential for success.

To help customers achieve their energy goals, LES will also continue to invest in robust educational outreach through collaboration with schools, community organizations and businesses. Additionally, LES will use a wide range of communication channels to deliver targeted programming, ensuring that all areas of our community have access to the knowledge and tools required to become savvy energy users. By cultivating these partnerships and fostering energy literacy, customers will benefit as advanced energy users and champion a brighter energy future for all.



LES customers have the autonomy to choose their level of engagement with our utility.

Technology

An increasingly important part of electric utilities' DNA

Technology continues to shape the ways in which we experience the world around us, and its role in the evolution of the electric grid is no different. The future grid will be as much digital as it is physical, shaped by a growing network of data, automation and connected systems that inform how energy is generated, delivered and used. As this shift accelerates, technology will play an increasingly foundational role in strengthening reliability, enhancing customer experience and enabling a smarter, more responsive utility. While emerging tools like advanced analytics, automation and AI offer exciting possibilities, LES approaches innovation with purpose. We aim to balance forward-looking exploration with the disciplined, pragmatic approach our customers expect. The goal is not to adopt technology for its own sake but to ensure it helps us deliver long-term value.

We understand the importance of deploying technology in a very deliberate and timely way – one that is focused on maintaining reliability and affordability while managing the risks of doing so on behalf of our customers. Technology is playing a foundational role in most investments to improve the grid. We will continue to adopt the following key principles when introducing innovation and technological advancements into the grid.

We will invest in technology with specificity and purpose and use it to create meaningful value to the people, communities and businesses we serve in support of our mission, vision and specific goals and not based on hype or novelty, or simply because the technology exists.

We will prioritize technologies that meet our customers' long-term needs and fit within a connected ecosystem. When platforms are integrated and share insight across systems and teams, they unlock greater value: faster service, more targeted maintenance and smarter investment in reliability, resiliency and affordability.

We will continue to collaborate with our customers in the exploration and adoption of technology. We believe in the power of partnership and early engagement with our customers in the successful delivery and adoption of energy products and services deriving from technology investments.

Examples of how technology could be deployed in the advancement of our strategic plan goals and objectives:

Service resiliency

We see an opportunity for technology to allow us to be more proactive in how we strengthen the grid. Advancements in technology and data-informed system management tools will help us better anticipate outages, pinpoint problem areas more accurately and respond more effectively when outages occur. Over time, these capabilities can help us reduce both the number and duration of service disruptions, strengthening grid reliability and resiliency.

Empowered energy customers

We want to be an active part of the shift toward more informed energy use. By improving how customers access and understand their energy data, we can help them make smarter choices and work alongside them on solutions that support efficiency, sustainability and cost management.

Workforce readiness

We want to equip employees with the tools, information and flexibility to solve problems and serve customers more effectively. That means easier access to the data they need, a stronger voice in improving how work gets done and systems that are seamlessly integrated to provide enhanced operational insight. We'll also invest in capturing and sharing knowledge across the organization, so good ideas and effective practices can scale faster.

Foresight & collaboration

Our plan is based on scenario planning and informed by stakeholder engagement

To ensure effective strategic planning, it is crucial to anticipate future trends and actively engage with the community to understand its needs. Early in the strategic planning process, LES leadership developed four potential scenarios that would likely reflect how the full spectrum of power generation and delivery could evolve. This scenario-based approach strengthened our strategic plan by stress-testing it against a range of uncertainties and ensuring the plan remains adaptable.

Among the myriad of uncertainties explored, two stood out as the most impactful: the degree to which maintaining reliability will be challenged and the speed and ease of decarbonizing power supply.

Meanwhile, community survey data reinforces that maintaining reliability and affordability, along with continued decarbonization and high-quality customer service, are all priorities for LES customers. These priorities are interconnected; success in one pillar of the energy trilemma cannot come at the expense of another. A balanced approach is essential.

The survey data and scenario analysis concludes that over the next ten years, LES must continue to excel at the activities we currently do well, while simultaneously evolving to meet the challenges we have identified on the horizon. This is essential in meeting community expectations and continuing to be stewards of the community’s electric utility.

Fortunately, LES is embarking on this plan from a position of strength, having achieved top decile reliability and affordability, all while reducing the carbon emissions from our generation fleet by 50% from 2010 to 2024. That said, analyses of technology, economic, demographic and power market trends highlight the need for LES to prepare for a future that is more challenging and dynamic than the present.

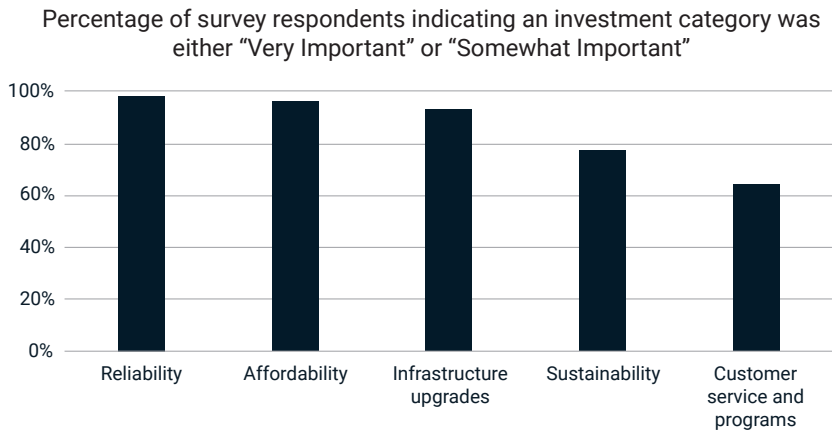


Figure: Community perspectives on LES strategic planning

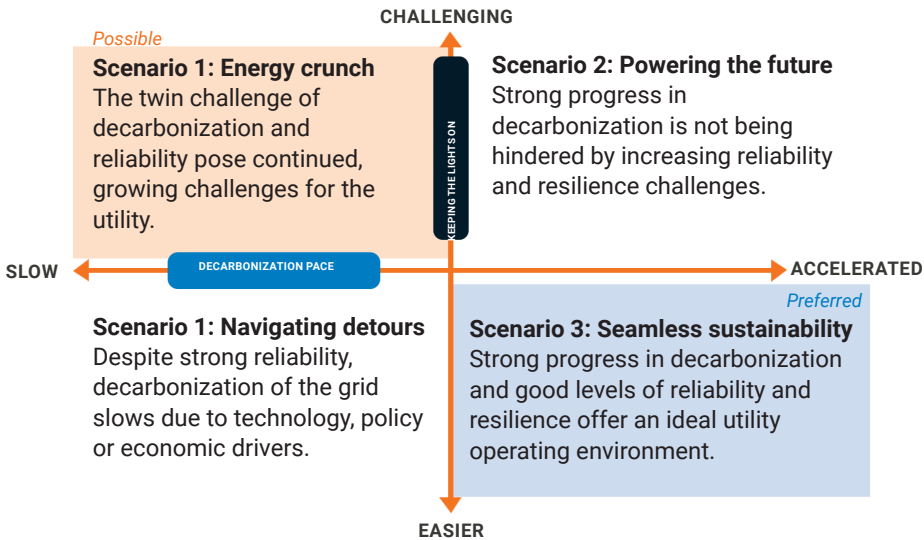


Figure: LES' Strategic Planning Scenarios



MISSION, VISION & CORE VALUES

In an era where change is constant – from advancing technologies to climate challenges – LES stays grounded by our mission, vision and core values.

These foundational principles provide clarity, align decisions, unify our organization and keep us focused on delivering responsible, future-ready energy solutions. They are essential for navigating change with the integrity, dependability and innovation that reflects the needs of the people LES serves.

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 CORE VALUES

Safety

We champion the safety of our people and our customers, at work and at home.

Integrity

We do what we say we're going to do in a way that inspires trust and earns respect through stewardship.

Excellence

We do what it takes, every day, to bring value to our team, customers and community.

Community

We put people first, supporting our employees and customers through opportunities, collaboration and partnerships.

Dependability

We provide our community with reliable, resilient services they can count on, day in and day out.

Curiosity

We foster a culture that challenges the status quo and sparks innovation.

STRATEGIC PLANNING STRUCTURE

COMMON TERMINOLOGY USED THROUGH THE STRATEGIC PLANNING PROCESS



STRATEGIC OBJECTIVES

WHERE LES IS GOING

Strategic objectives provide the structure for the Strategic Plan and bridge from the vision to goals & initiatives execution.



STRATEGIC GOALS

WHAT LES MUST ACHIEVE TO GET THERE

Strategic goals are statements in the Strategic Plan that translate each strategic objective into specific, measurable outcomes. They sit between the strategic objectives & the actionable Initiatives.



STRATEGIC INITIATIVES

HOW LES WILL GET THERE

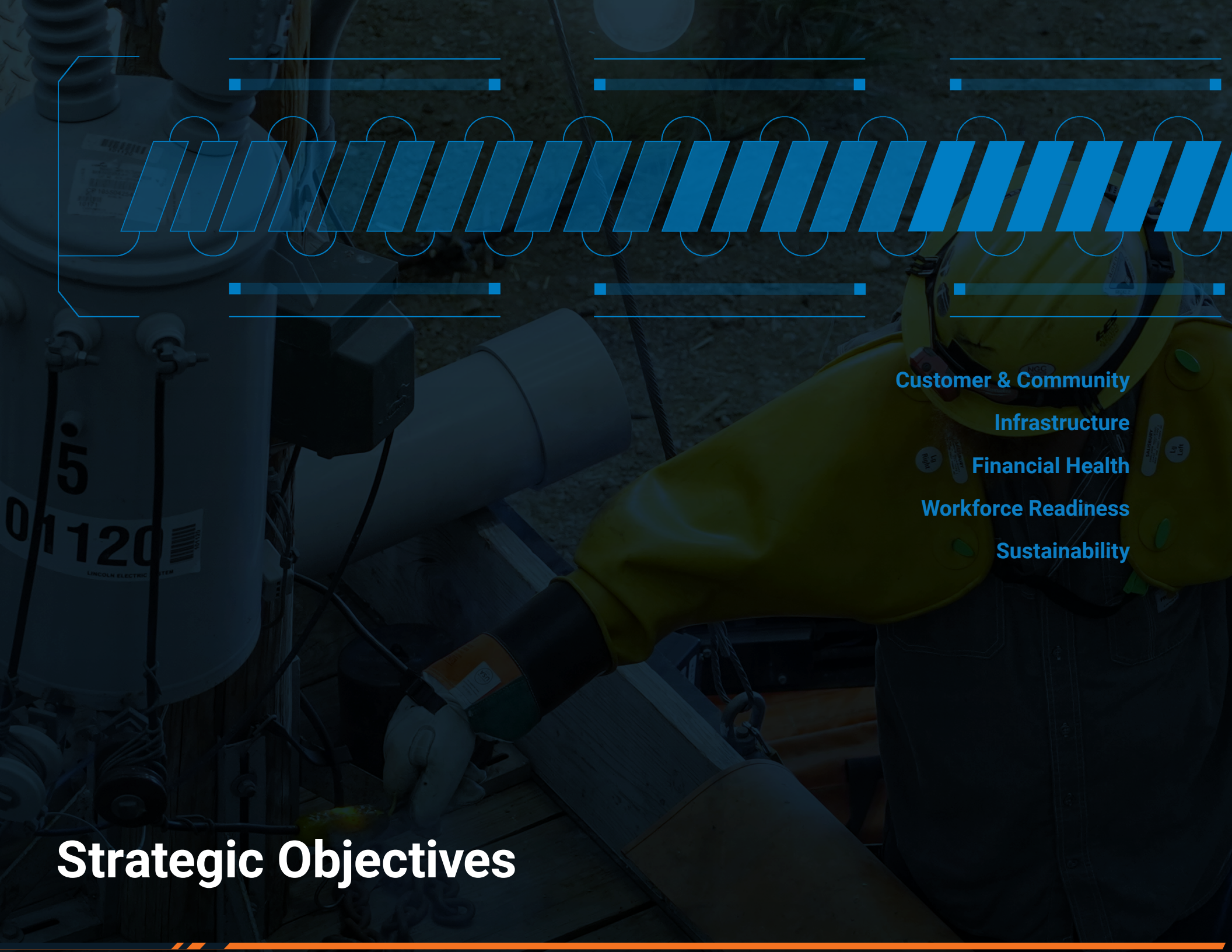
Strategic initiatives are the major umbrella themes that LES will pursue to turn its long-term objectives into action. They translate the Strategic Plan into a focused, cross-organizational execution.



PROJECTS

SPECIFIC WORK THAT WILL GET DONE WITHIN EACH INITIATIVE

Projects are the specific, time-bound efforts and investments that bring strategic initiatives to life e.g. construction projects, technology projects, process improvements and customer programs.



Strategic Objectives

- Customer & Community
- Infrastructure
- Financial Health
- Workforce Readiness
- Sustainability

OUR STRATEGIC OBJECTIVES



CUSTOMER & COMMUNITY



INFRASTRUCTURE



FINANCIAL HEALTH



WORKFORCE READINESS



SUSTAINABILITY

OBJECTIVE	<p>Optimally deploy our resources to help meet customers' and the community's evolving power needs.</p> <p>Provide an exceptional customer experience by delivering dynamic products and services, minimizing energy burden and enabling community goals.</p>	<p>Build and maintain a reliable, resilient and adaptable grid and supporting systems.</p> <p>Provide a future-ready grid that anticipates risk, accelerates restoration and supports new technologies and customer expectations.</p>	<p>Ensure that LES can fund the activities required to achieve our mission and vision.</p> <p>Prioritize financial health through a strong bond rating, sufficient liquidity and a transparent rate outlook to operate in an increasingly complex environment.</p>	<p>Retain, develop and attract a talented workforce to boost organizational performance.</p> <p>Foster a culture of belonging, collaboration and growth by investing in people, offering career fulfillment opportunities and aligning with strategic priorities.</p>	<p>Reduce our CO₂ footprint and manage demand peaks to reduce reliance on fossil fuels.</p> <p>Achieve net-zero CO₂ production from LES' generation portfolio by 2040 while managing our demand peaks and demonstrating environmental stewardship across our utility operations.</p>
GOALS	<p>Experience: Deliver an exceptional customer experience.</p> <p>Education: Empower customers to be informed energy users.</p> <p>Service: Partner with our customers to achieve their energy goals.</p>	<p>Resiliency: Achieve industry- leading reliability and resiliency across all systems.</p> <p>Capacity: Provide optimal grid and system capacity.</p> <p>Preparedness: Future-ready the grid and supporting systems to proactively address increased volatility.</p>	<p>Liquidity: Sustain optimal liquidity.</p> <p>Bond Rating: Maintain a AA Bond rating.</p> <p>Rate Outlook: Provide a transparent rate outlook.</p>	<p>Retain: Keep talented staff throughout the organization.</p> <p>Develop: Support employees through career advancement and leadership development.</p> <p>Attract: Recruit top talent through an efficient hiring process, career fulfillment opportunities and competitive total compensation.</p>	<p>Net-Zero: Produce net-zero CO₂ emissions from LES generation portfolio by 2040.</p> <p>Environmental stewardship: Demonstrate environmental responsibility across our activities.</p> <p>Demand management: Reduce seasonal peak demands through customer programs.</p>



STRATEGIC OBJECTIVE

Customer & Community

We are committed to transparency and even deeper collaboration with our customers. Our public power model prioritizes local accountability, reinvests in the community and makes decisions guided by stewardship and long-term value rather than profit. We empower customers to be active participants in their energy future through open communication, relevant and innovative programs and collaborative engagement.

As expectations evolve, we will deliver responsive, forward-looking energy solutions that reflect the needs of our growing and diverse community. As a trusted community partner, we help reduce energy burden, support customer goals and contribute to a thriving community.

Success means we will be recognized not just as a utility partner, but as an energy advisor that leads with integrity, fosters innovation and partners with the community to create a more sustainable and equitable future.

OBJECTIVE

What we will do

Optimally deploy our resources to help meet our customers' and community's evolving power needs.

What we will achieve

We will provide an exceptional customer experience by delivering dynamic products and services, minimizing energy burden and enabling community goals.

GOALS

These goals aim to strengthen our relationship with customers by delivering exceptional service experiences, empowering informed energy decisions and partnering to achieve shared energy goals. By understanding the diverse needs of the community, we can provide more personalized and impactful services.

Experience: Deliver an exceptional customer experience.

We strive to set a high standard for customer service by creating seamless, responsive and meaningful interactions that reflect our commitment to excellence.

Education: Empower customers to be informed energy users.

Through accessible education and user-friendly tools, we help customers understand their energy use and make informed choices that align with their values and needs.

Service: Partner with our customers to achieve their energy goals.

We work alongside our customers – residential, commercial and community-based – to support their unique energy goals and foster long-term collaboration.

KEY ENABLER

- Targeted use of technology solutions to improve accessibility and convenience.
- Implement a customer-focused communication and engagement strategy that ensures clear, timely and inclusive outreach across customer segments.
- Develop customer-centric programs and rate structures that reflect evolving needs, support energy management and promote equity.
- Strengthen system reliability and resiliency through improved outage management, infrastructure upgrades and enhanced estimated time of restoration communication.
- Leverage enterprise data and insights to personalize services, inform decision-making and continuously improve the customer experience.
- Expand service offerings to meet diverse customer and community energy goals.

STRATEGIC OBJECTIVE

Infrastructure

The increasing frequency of extreme weather events is placing stress on infrastructure, while heightened customer outage expectations reflect a growing expectation of uninterrupted electricity in daily life. Rising cyber risks and system vulnerabilities are driving demand for a more robust grid to meet customer needs.

This objective aims to develop a grid that is reliable, resilient and adaptable. This new grid encompasses all utility infrastructure, including supporting technology, to ensure grid stability and meet customer experience expectations, including during extreme events.

Success means building a grid that ensures power quality, withstands extreme weather events and meets evolving customer demands.

OBJECTIVE

What we will do

Build and maintain a reliable, resilient and adaptable grid and supporting systems.

What we will achieve

We will provide a future-ready grid that anticipates risk, accelerates restoration and supports new technologies and customer expectations.

GOALS

These goals are designed to enhance our grid by prioritizing resiliency, capacity and future readiness. In so doing, we will ensure our systems are prepared to meet the expanding needs and wants of our customers and community into the future.

⚡ **Resiliency:** Achieve industry-leading reliability and resiliency across all systems.

This goal will incorporate a range of industry-leading metrics to benchmark us against peer utilities.

⚡ **Capacity:** Provide optimal grid and system capacity.

This goal will empower customers to integrate distributed energy resources, ensure sufficient hosting capacity for electric vehicles and offer products and services that support and accommodate demand reduction events — all while ensuring our growing community can support new economic growth.

⚡ **Preparedness:** Future-ready the grid and supporting systems to proactively address increased volatility (i.e., across generation, transmission, distribution and operational/information technology).

This goal will strengthen the grid against future extreme weather events and cybersecurity risks and proactively integrate distributed energy resources.

KEY ENABLERS

⚡ Quick incident recovery with a strong focus on customer experience and communication and minimizing the number and duration of service disruptions.

⚡ Strengthen infrastructure by investing in grid hardening initiatives, including system automation, undergrounding and advanced materials to reduce outage frequency and duration.

⚡ Enhance customer satisfaction through targeted infrastructure upgrades that improve service quality, reduce disruptions and support the integration of distributed energy resources.

⚡ Promote transparency and trust by engaging customers in infrastructure planning processes and clearly communicating the benefits of investments.

⚡ Leverage data and predictive analytics to proactively identify infrastructure vulnerabilities and prioritize grid modernization efforts that deliver the greatest value to customers.







STRATEGIC OBJECTIVE

Financial Health

Strong financial health is the backbone of our ability to deliver on all strategic goals. With a clear and transparent rate outlook, especially in times of rising costs, we help customers feel confident about the road ahead and reinforce our role as a reliable, trusted resource.

This objective ensures we stay financially sound by maintaining strong liquidity, managing risk and upholding a high bond rating. At the same time, it honors our commitment to the community by offering more transparency into how rates are forecasted and why.

Success is more than just numbers. It means we remain financially resilient, continue to deliver real value and give customers the clarity and trust they deserve.

OBJECTIVE

What we will do

Ensure that LES can fund the activities required to achieve our mission and vision.

What we will achieve

We will prioritize financial health through a strong bond rating, sufficient liquidity and a transparent rate outlook to operate in an increasingly complex environment.

GOALS

These goals are designed to ensure our long-term financial strength and operational flexibility. By focusing on optimal liquidity, a strong bond rating and a transparent rate outlook, we can responsibly fund strategic priorities while maintaining trust with customers and stakeholders.

⚡ **Liquidity:** Sustain optimal liquidity.

Strike the right balance between maintaining sufficient cash reserves and enabling investment in strategic initiatives that drive long-term value.

⚡ **Bond rating:** Maintain a AA Bond rating.

Preserve financial strength and access to favorable financing by upholding a strong bond rating through disciplined fiscal management.

⚡ **Rate outlook:** Provide a transparent rate outlook.

Provide customers with clear visibility into future rate plans, reinforcing our role as a trusted service provider.

KEY ENABLERS

- ⚡ Enhance financial risk and liquidity management through proactive strategies, including inventory oversight, rate design adjustments and scenario planning for extreme events.
- ⚡ Ensure rate transparency by developing and maintaining a long-term rate plan that balances customer expectations with operational realities and financial prudence.
- ⚡ Align financial planning with enterprise goals to ensure we can sustainably invest in infrastructure, innovation and community impact.
- ⚡ Invest in support, training and tools to facilitate effective budget development and financial management.

STRATEGIC OBJECTIVE

Workforce Readiness

Our workforce is foundational to ensuring the long-term success of LES. In today's evolving workplace, prioritizing people and purpose helps us retain, develop and attract top talent while delivering greater impact to customers and communities.

This objective is about creating an environment where employees feel valued, supported and inspired to thrive through personalized development and inclusive collaboration.

Success means a highly engaged workforce, strong retention and a reputation as a place of belonging where people want to grow and stay.

OBJECTIVE

What we will do

Retain, develop and attract a talented workforce to boost organizational performance.

What we will achieve

We will foster a culture of belonging, collaboration and growth by investing in people, offering career fulfillment opportunities and aligning with strategic priorities.

GOALS

These goals aim to build a resilient and future-ready team. We are focused on retaining top talent, developing employees through meaningful growth opportunities and attracting new talent with a creative, competitive and efficient hiring approach. We will also invest in tools, training and supportive systems to maximize opportunities for employee success, growth and job satisfaction.

⚡ **Retain:** Keep talented staff throughout the organization.

Foster a supportive environment and offer clear career paths.

⚡ **Develop:** Support and develop employees through career advancement and leadership development.

Invest in growth through personalized development, leadership pipelines and succession planning.

⚡ **Attract:** Recruit top talent through an efficient hiring process, career fulfillment opportunities and competitive total compensation offerings.

Maintain a reputation as a premier employer to bring in top candidates.

KEY ENABLERS

⚡ Define and communicate a clear compensation philosophy that aligns with our values and supports goals.

⚡ Develop robust succession planning frameworks to ensure continuity in critical roles and leadership pipelines.

⚡ Foster a culture of knowledge sharing and management to preserve institutional knowledge and support continuous learning.

⚡ Encourage employee-led community engagement and volunteerism as a reflection of our commitment to social impact and belonging.

⚡ Create clear career pathways that define success and long-term growth.

⚡ Strengthen a culture of collaboration where employees feel seen, heard and empowered to contribute.

⚡ Modernize talent acquisition strategies to attract future employees through efficient, values-aligned hiring practices.





STRATEGIC OBJECTIVE

Sustainability

As the need to manage load peaks and integrate new energy sources increases, so does the responsibility to safeguard our shared environmental resources.

This objective underscores the importance of ensuring resource adequacy and maintaining fiscal responsibility on the path to net-zero. It supports the need to achieve our 2040 Net-Zero goal sustainably and responsibly and acknowledges our wider commitment to responsible operating practices.

Success means achieving our 2040 Net-Zero goal while ensuring a reliable energy supply and upholding fiscal and environmental stewardship.

OBJECTIVE

What we will do

Reduce our CO₂ footprint and manage demand peaks to reduce reliance on fossil fuels while maintaining resource adequacy and fiscal responsibility.

What we will achieve

We will achieve net-zero CO₂ production from LES' generation portfolio by 2040 while managing our demand peaks and demonstrating environmental stewardship across our utility operations.

GOALS

These goals are designed to support our 2040 Net-Zero target and sustainability commitment by prioritizing CO₂ emission reduction, responsible stewardship of environmental resources in our operations and demand management solutions in partnership with customers and through system solutions.

⚡ **Net-Zero:** Produce net-zero CO₂ emissions from our generation portfolio by 2040.

Establish a practical and achievable pathway to the 2040 Net-Zero goal.

⚡ **Environmental stewardship:** Demonstrate environmental responsibility across our activities.

Preserve natural resources and empower the community through education.

⚡ **Demand management:** Reduce seasonal peak demands through customer programs.

Integrate smart grid technologies, distributed energy resources and energy efficiency programs to enhance demand management.

KEY ENABLERS

- ⚡ Targeted use of technology solutions to improve accessibility and convenience.
- ⚡ Implement a customer-focused communication and engagement strategy that ensures clear, timely and inclusive outreach across customer segments.
- ⚡ Develop customer-centric programs and rate structures that reflect evolving needs, support energy management and promote equity.
- ⚡ Strengthen system reliability and resiliency through improved outage management, infrastructure upgrades and enhanced estimated time of restoration communication.
- ⚡ Leverage enterprise data and insights to personalize services, inform decision-making and continuously improve the customer experience.
- ⚡ Expand service offerings to meet diverse customer and community energy goals.



Enhance customer engagement

Excel in reliability & resiliency

Chart a thoughtful path toward sustainability

Fund the future

Empower our team

Drive operational and resource efficiency

Strategic Initiatives

ENHANCE CUSTOMER ENGAGEMENT

Customer expectations are always changing. We want to understand what both residential and commercial customers need and expect – now and in the future – regardless of their situation, size or income. This is especially important as we work to keep the power on reliably, be prepared for anything, move towards a net-zero goal and keep things affordable for everyone.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Foster a more informed, engaged and empowered customer base – one that is equipped to make well-informed decisions about their energy needs. LES will ensure customers understand the “why” behind new programs and are informed to take meaningful action.
- ⚡ Create a continuous feedback loop to support exceptional customer engagement, ensuring LES remains responsive to evolving needs and expectations.
- ⚡ Support the development of targeted programs and services that help reduce energy burdens, particularly for low- to moderate-income customers, ensuring equitable access to affordable, reliable energy solutions.
- ⚡ Strengthen LES' role as a trusted energy partner by transforming the utility-customer relationship – moving from a transactional event-based relationship to an ongoing, mutually beneficial relationship and focusing on collaborative partnership.

This initiative will promote greater customer participation in grid-edge and behind-the-meter programs, helping to manage peak demand, reduce system costs and enhance overall grid flexibility.

LES will address key challenges such as affordability, digital accessibility and evolving customer expectations while unlocking opportunities to personalize services, enhance operational efficiency and deepen community partnerships.



ENHANCE CUSTOMER ENGAGEMENT

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Rates and customer program development and implementation

Advanced metering technology strategy

Customer engagement strategy and implementation

Customer experience transformation

Customer operations optimization

Sustainable Energy Program strategy review and implementation

Community education and outreach strategy and implementation



EXCEL IN RELIABILITY & RESILIENCY

More frequent and severe weather events are causing increased outages, and customers expect uninterrupted service. Swift and effective responses to these outages are crucial for utility performance. Reliability and resiliency are not just operational targets; they are essential for maintaining public trust, regulatory compliance and long-term sustainability.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Strengthen LES' outage management capabilities and grid resilience through innovative, cost-effective strategies.
- ⚡ Deliver measurable improvements in system reliability, resiliency and customer satisfaction.
- ⚡ Modernize outage management, enhance grid capacity and integrate predictive technologies to achieve industry-leading performance across all systems.
- ⚡ Invest in LES' highly skilled workforce — an essential asset that enables rapid recovery and operational excellence. By continuing to develop talent and foster innovation, LES will maintain our leadership in outage resilience.
- ⚡ Invest in technologies that make sense for LES — at the right time and for the right reasons — including predictive analytics, hardened infrastructure and integrated response systems that support reliability, transparency and recovery speed.

Our customers care about the status of our system and their services, accelerating recovery times and building smarter, more responsive energy infrastructure.

Improved reliability and faster recovery will elevate the customer experience. Through transparent communication, data-driven insights and enhanced workforce expertise, LES will continue our path as a resilient, responsive electric utility — one that delivers exceptional service while supporting the long-term needs of the communities we serve.



EXCEL IN RELIABILITY & RESILIENCY

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Grid enhancements

Outage communications and mobile information accessing

Strategic system hardening

Generation maintenance and operations enhancements

Infrastructure asset management strategy

Technology and data strategy

Distributed and grid-edge asset optimization



CHART A THOUGHTFUL PATH TOWARD SUSTAINABILITY

LES is advancing a comprehensive sustainability strategy that goes beyond decarbonization to include environmental stewardship, demand management and balanced resource planning. This initiative supports LES' commitment to achieving net-zero CO₂ emissions from our generation portfolio by 2040 and aligns with the City of Lincoln's goal of reducing community-wide greenhouse gas emissions by 80% by 2050. This effort will leverage LES' evolving decarbonization generation plan while including systemwide solutions that result in meaningful and visible progress.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Strive to manage the trilemma of maintaining affordability, enhancing reliability and reducing environmental impact
- ⚡ Make measurable progress toward LES' 2040 Net-Zero goal while expanding the goal's focus to include environmental stewardship and demand management.
- ⚡ Support sustainable utility operations, reduce peak demand and empower customers to participate through education and energy-saving programs.
- ⚡ Integrate sustainability into infrastructure planning and customer engagement.
- ⚡ Define and execute a balanced path toward sustainability that integrates decarbonization, environmental stewardship and demand management.
- ⚡ Deliver thoughtful execution and open communication through transparent reporting, integrated planning and a deep understanding of customer needs – embedding sustainability across operations in line with community values.
- ⚡ Combine utility-scale investments with grid-edge and behind-the-meter strategies to build a more flexible, efficient and environmentally responsible energy system.

CHART A THOUGHTFUL PATH TOWARD SUSTAINABILITY

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Long-term strategy for bulk generation

Evaluating carbon-free advanced generation

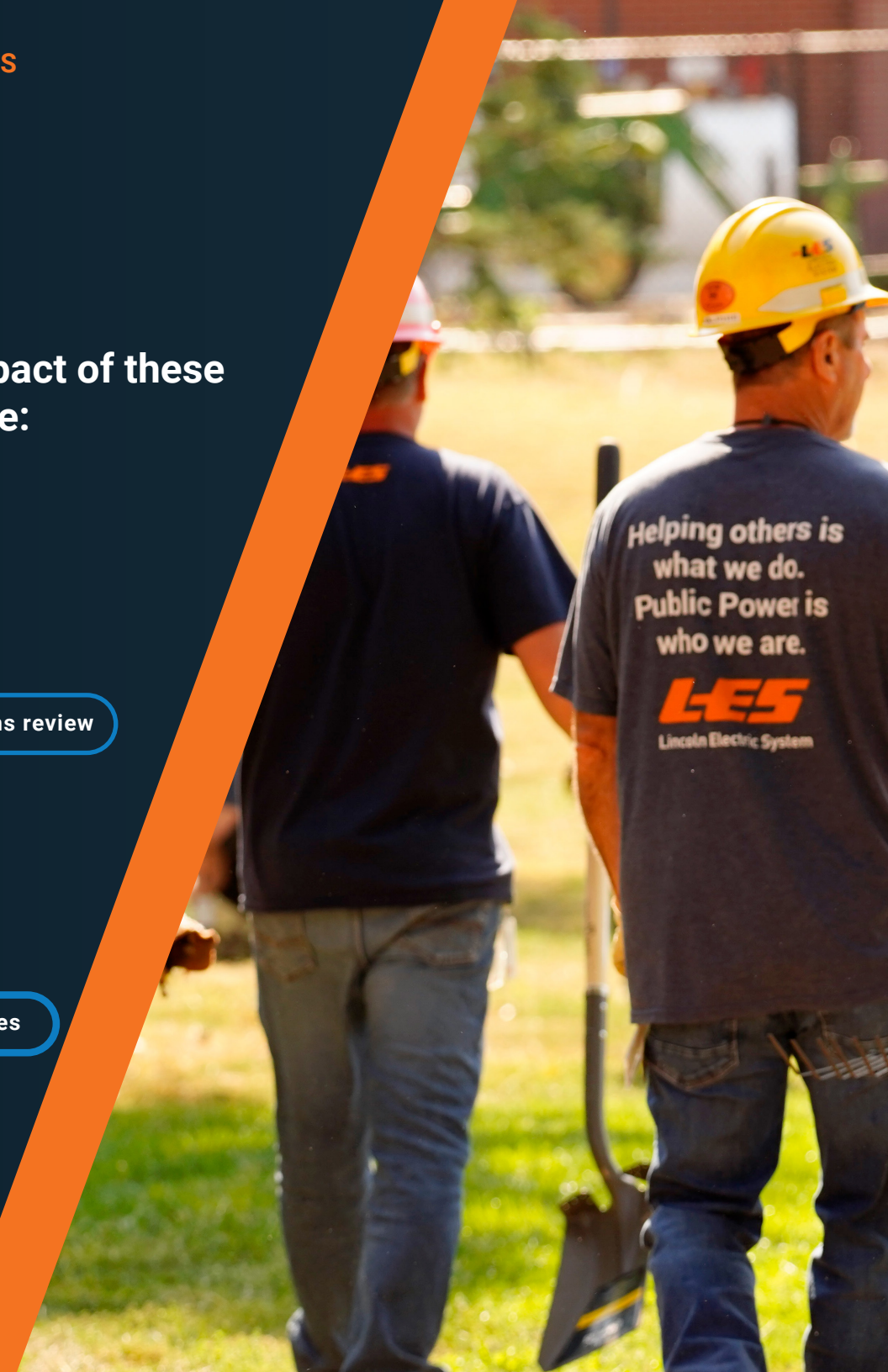
Demand management behind-the-meter, and incentive programs review

Renewables and energy storage portfolio analysis

Advanced system planning concepts

Assessing District Energy Corporation's role in Energy Services

Enterprise-level environmental stewardship activities



FUND THE FUTURE

LES is entering a period of significant capital investment across generation, transmission, distribution and supporting systems. These investments will maintain our high standards of reliability and affordability, while navigating the rapidly transforming landscape, which includes greater risk of disruptive events, technology advancements, policy and economic uncertainty, along with ambitious decarbonization goals. These investments are essential to modernize infrastructure, support operational resilience and prepare for a more dynamic and distributed energy future. Funding the future ensures that LES can continue to deliver reliable, affordable service while minimizing energy burden — particularly for vulnerable customer groups — through thoughtful, forward-looking financial strategies.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Strengthen LES' ability to fund critical infrastructure while maintaining long-term financial health.
- ⚡ Ensure LES has the financial capacity to sustain core operations and invest in strategic priorities that support long-term reliability, innovation and community impact.
- ⚡ Support disciplined planning, transparent rate strategies and proactive risk management to preserve LES' strong bond rating, optimal liquidity and operational flexibility.
- ⚡ Strengthen LES' financial foundation through disciplined portfolio management, enhanced governance and forward-looking rate strategies that align with LES' mission and evolving customer needs.
- ⚡ Foster clear communication and engagement with our customers to convey the value of their ownership of LES and build upon their confidence in LES' financial stewardship.

Initiative projects represent a strategic commitment to agile, transparent and resilient financial operations. Together, they will help LES navigate increasing cost pressures, maintain a strong bond rating and provide customers with visibility into the future rate outlook. By aligning financial planning with enterprise goals, LES can invest in the future while protecting affordability and minimizing energy burden.



FUND THE FUTURE

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Liquidity strategy review

Multi-year rate plan

Bond rating criteria evaluation

Return on investment measures development and standardization

Project management and governance standardization

Function sourcing strategy development



EMPOWER OUR TEAM

As the energy landscape becomes more complex and customer expectations continue to evolve, LES must ensure that our internal capabilities keep pace. The ability to deliver on future goals depends on having a high-performing organization. LES' success hinges on our people, processes and systems. As the utility grows and modernizes, we must build the internal foundation needed to power the future.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Position LES to retain, develop and attract a talented, diverse and community-connected workforce.
- ⚡ Foster a culture of belonging, collaboration and growth by investing in people, creating visible career pathways and aligning talent strategies with LES' long-term priorities.
- ⚡ Streamline and modernize hiring practices, strengthening leadership pipelines and supporting employee development to build a resilient, high-performing team that reflects our community.
- ⚡ Refresh and elevate LES as a premier employer where people feel seen, heard and valued and where a culture of belonging and excellence drives organizational performance.
- ⚡ Prepare LES to retain top talent, attract new voices and support employees through meaningful career development and modern workplace practices.
- ⚡ Ensure that LES employees are equipped with tools, technology, knowledge and training that allows them to maximize their potential.

This initiative will empower employees to lead with purpose, which will contribute meaningfully to LES' mission and to the community at large. By building on LES' strong foundation, this initiative will strengthen our ability to deliver exceptional results for our employees, customers and community.



STRATEGIC INITIATIVES

EMPOWER OUR TEAM

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Enhancing the employee experience

Alternative career pathways development

Clear compensation philosophy/strategy

Succession planning and knowledge transfer

Employee satisfaction and engagement survey

Organizational change management

Employee and community engagement strategies



DRIVE OPERATIONAL AND RESOURCE EFFICIENCY

Delivering long-term reliability, advancing resiliency and staying on course toward net-zero emissions will require substantial financial investment. To meet these demands while preserving affordability, LES must embed resource efficiency into our daily operations — eliminating waste, upskilling employees and accelerating the adoption of purposeful, high-impact technologies that produce measurable value. This initiative is especially critical in the probable future scenario, where decarbonization and reliability challenges intensify, placing greater pressure on financial health and cost control.

THIS INITIATIVE'S PROJECTS WILL:

- ⚡ Streamline processes, adopt scalable technologies and enhance workforce productivity to fund critical investments without compromising affordability.
- ⚡ Strengthen LES' financial foundation through organization-wide cost discipline.
- ⚡ Embed operational efficiency and data-driven decision-making to enhance LES' agility to respond to economic pressures and emerging risks, reinforcing our reputation as a fiscally responsible, community-focused utility.
- ⚡ Use technology as a "force-multiplier" to maximize the value of our assets, people and resources.
- ⚡ Optimize data and equipment in areas that will enable LES to take on new challenges without significantly increasing overhead costs.
- ⚡ Leverage technology to accelerate process flows and expand our capacity to adopt new capabilities, while minimizing operational expenditures.

This initiative will enable LES to deliver long-term value while maintaining the trust and confidence of our customers and stakeholders.



DRIVE OPERATIONAL AND RESOURCE EFFICIENCY

To illustrate the practical application and impact of these strategic initiatives, several key examples are:

Data-informed decision making

Supply chain optimization

Organizational change management

Service cost transparency and value measurement

Knowledge management

Improved outage detection and restoration

Resource capacity management



Strategic initiatives

Bringing our vision & objectives to life

As we work toward future energy systems and balance the equally important elements of the energy trilemma, our customers will continue to be at the center of all we do. Here's how our strategic initiatives and goals will work together:

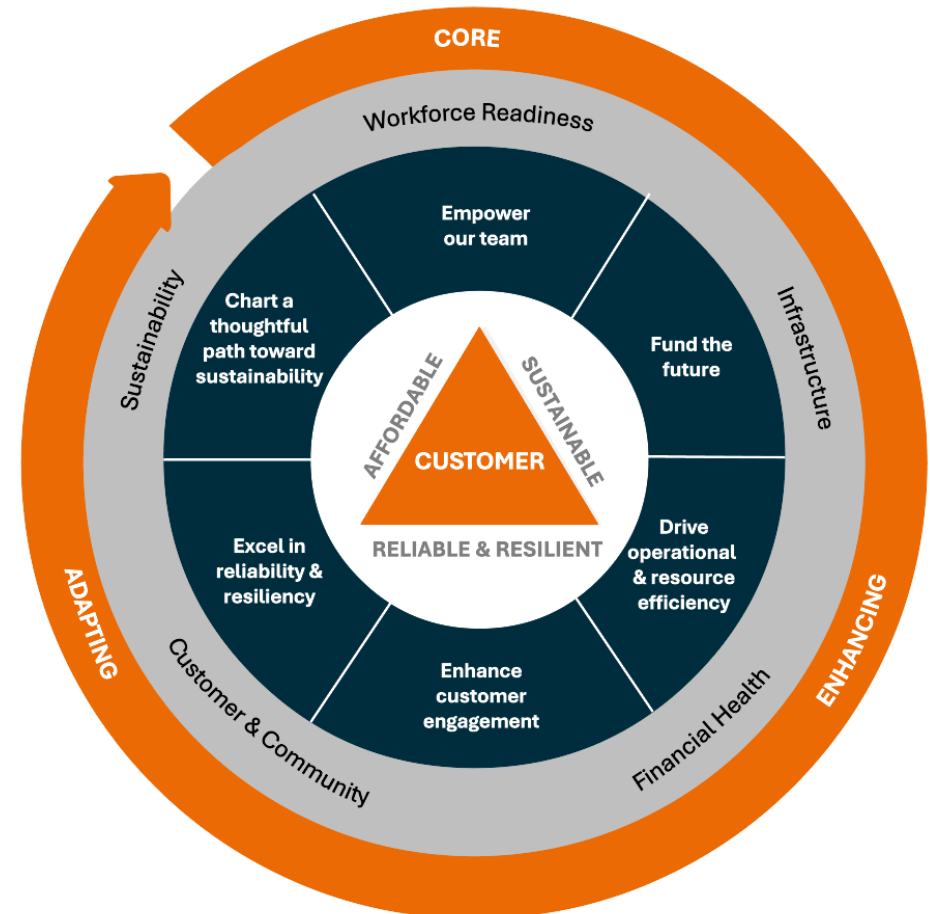
Core capabilities

The foundation for LES' strategic vision is our people, financial strength and efficiency. This series of initiatives focuses internally and is designed to ensure that LES has the right people with the right skills and access to cost-effective resources to work better and more efficiently, as well as future planning that minimizes energy burden and protects affordability. Core internal initiatives support our external initiatives.

Enhancing our strengths and adapting for the future

These investments double down on what LES already does well by leveraging our key strengths to continuously improve performance in the areas of reliability and resiliency, customer engagement and sustainability. Additionally, we will be making investments to excel under changing conditions of the future.

Although there are some intuitive alignments between initiatives and objectives, all of the strategic initiatives will be cross-cutting and support multiple objectives to varying levels of impact. They represent portfolios of complementary work that will deliver the assets, processes and functions needed to achieve the targeted strategic outcomes. LES has an ongoing responsibility to plan for now and what's next. Strategic initiative activities will be a mix of near-, medium- and long-term implementation and will take place in all three horizon windows.



Powering LES Forward

VISION

Driving our energy future where people and power enable progress.

MISSION

Powering our community through responsible stewardship of our shared resources.

STRATEGIC OBJECTIVES

CUSTOMER & COMMUNITY

INFRASTRUCTURE

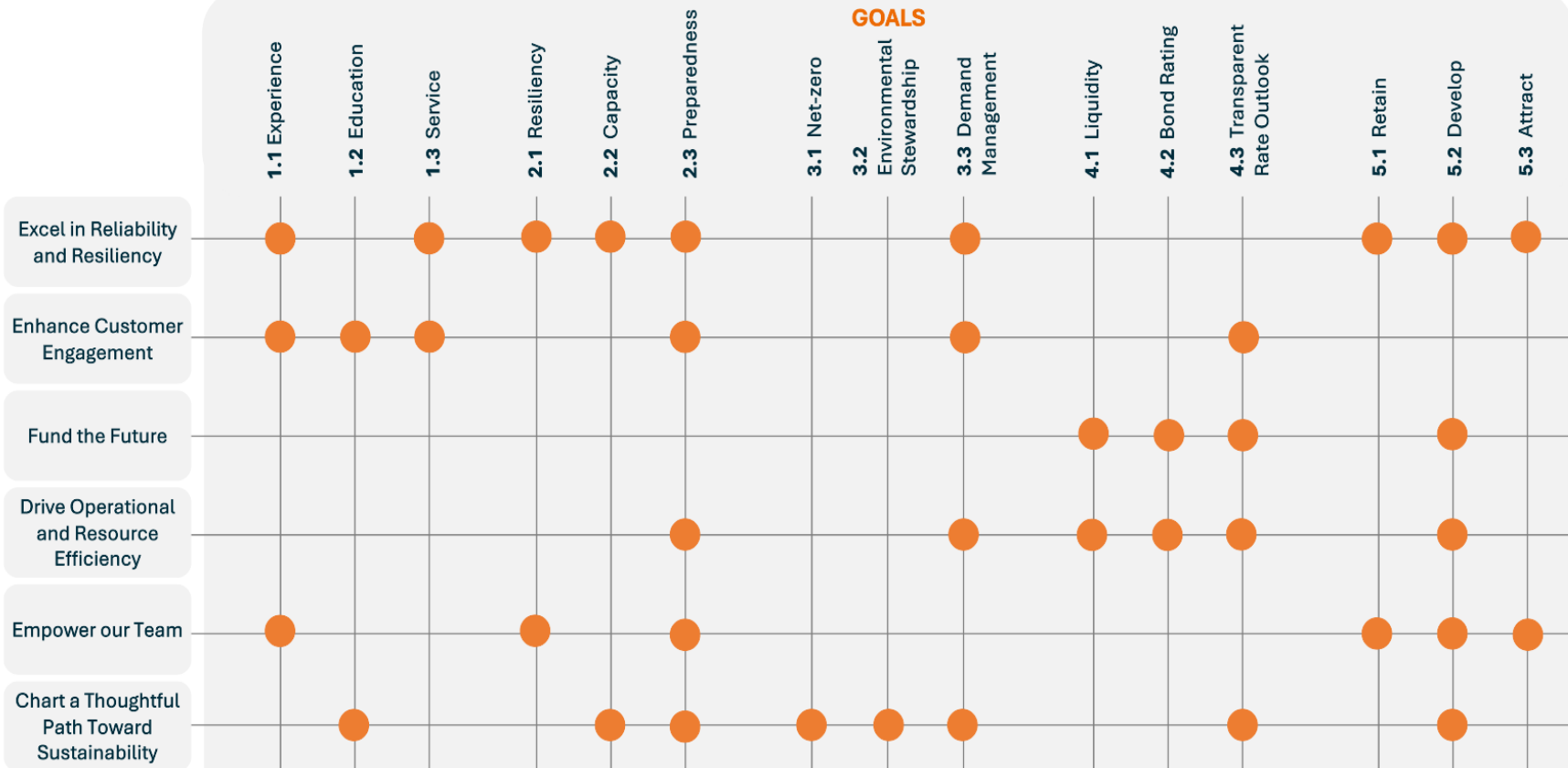
SUSTAINABILITY

FINANCIAL HEALTH

WORKFORCE READINESS

INITIATIVES

GOALS



Together, we power LES forward

Every team at LES brings something unique, but Powering LES Forward is the roadmap that connects them all. It builds on our strengths, sets a clear path and reflects our shared commitment to delivering reliable, affordable and sustainable services. No matter your role, you're part of shaping the future of energy for our community. Together, we're not just keeping pace with change – we're helping lead it.

A NEW CHAPTER

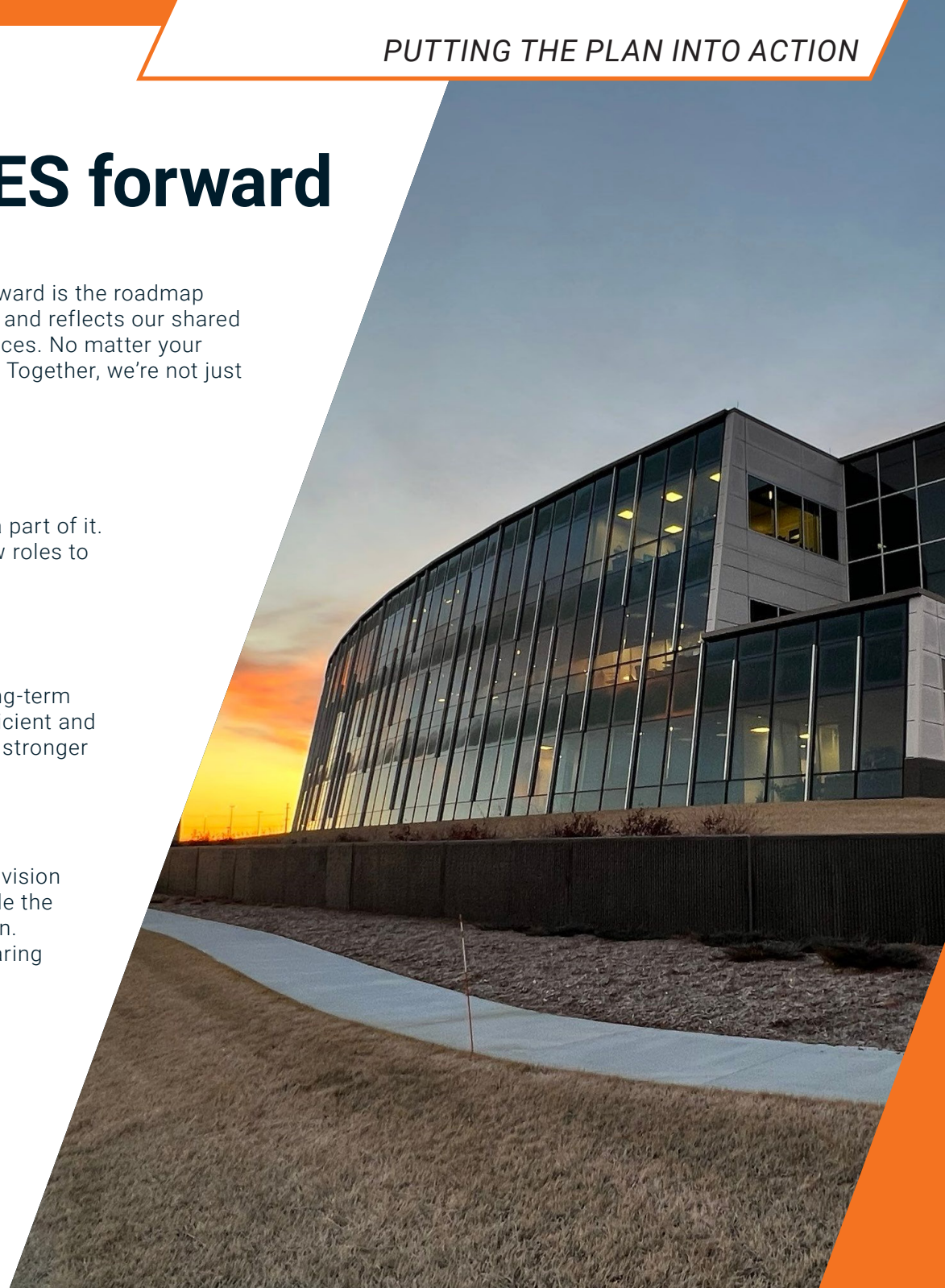
- ⚡ LES launched a new strategic plan – and every employee is a part of it. With change comes possibility: new challenges to tackle, new roles to grow into and new paths for career development.

IMPACT YOU CAN FEEL

- ⚡ This plan touches every corner of LES, from daily tasks to long-term goals. It's designed to make work more meaningful, more efficient and more rewarding. Imagine clearer priorities, better tools and a stronger sense of purpose in everything we do.

MOVING FORWARD TOGETHER

- ⚡ We're building a team of change champions to help bring the vision to life across the organization. Our people managers will guide the way with resources and real conversations to execute the plan. Our executive sponsors will keep the momentum going – sharing progress, celebrating wins and keeping us all inspired.







LES
Lincoln Electric System



LES RESOLUTION 2025-7

WHEREAS, the Lincoln Electric System (LES) Administrative Board and management determined a need to develop a new strategic plan to guide LES over the next ten years;

WHEREAS, in October 2024 LES retained PA Consulting to facilitate a structured, flexible, and collaborative strategic planning process;

WHEREAS, the process involved extensive stakeholder engagement including seven community meetings, community and employee surveys, more than twenty stakeholder interviews, two employee feedback sessions, four in-person workshops with the executive leadership team, board and employees, and three board briefings;

WHEREAS, the strategic planning process identified macro trends driving the electric utility industry and requiring utilities, including LES, to critically assess how to navigate the “energy trilemma” – the balance of reliability, affordability, and sustainability;

WHEREAS, LES staff developed four potential scenarios that reflect how the full spectrum of power generation and delivery could evolve, providing a way to test strategic goals and initiatives against a range of uncertainties to ensure the strategic plan remains robust and adaptable;

WHEREAS, the final strategic plan includes a new vision and mission statement, six core values, five strategic objectives and fifteen enterprise-level strategic goals, and a broad range of strategic initiatives to drive performance across the organization;

WHEREAS, the LES Administrative Board and staff are committed to supporting progress towards the values, objectives, goals, and initiatives outlined in the plan and ensuring discussion of the organization’s performance at public meetings no less than two times each fiscal year, and

WHEREAS, the final strategic plan, “Powering LES Forward”, is presented to the LES Administrative Board for approval and implementation.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the “Powering LES Forward” strategic plan, attached hereto and fully incorporated herein, and directs the LES CEO and executive leadership team to effectuate implementation of the plan.


Chair

Adopted: Aug 15, 2025

Exhibit IV

EARLY BIRD FURY

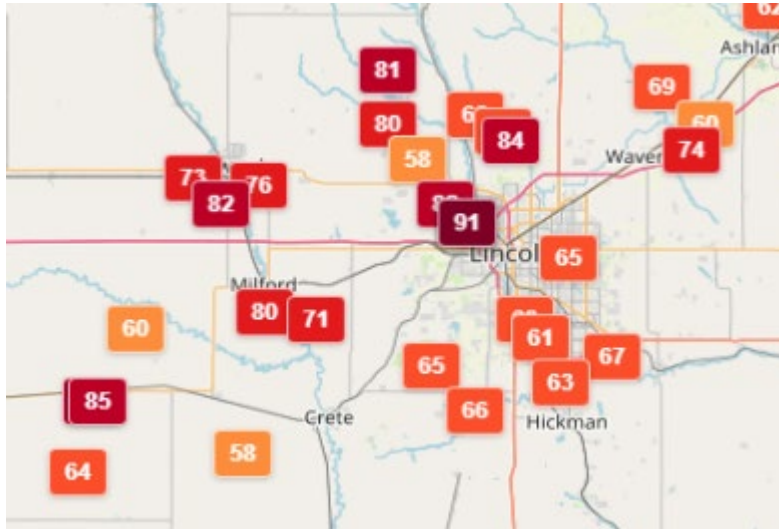


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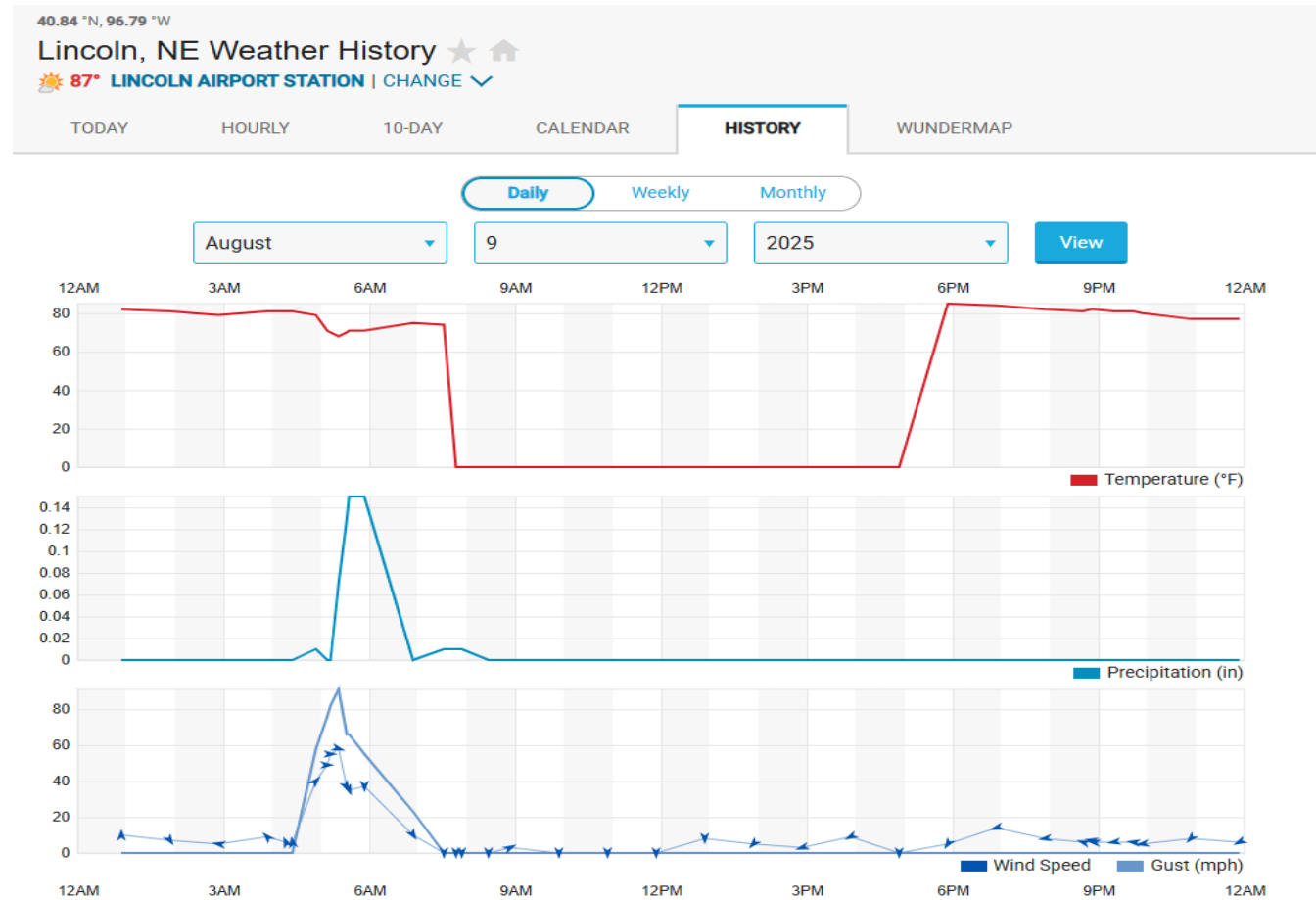
Aug. 9 – Aug. 13 **Early Bird Fury** Preliminary Storm Report

Aug. 15, 2025

The Weather



Wind Gusts



4:25 a.m. 6 MPH Wind (81 degrees)

5:22 a.m. 58 MPH Wind (91 MPH Gust – 68 degrees)

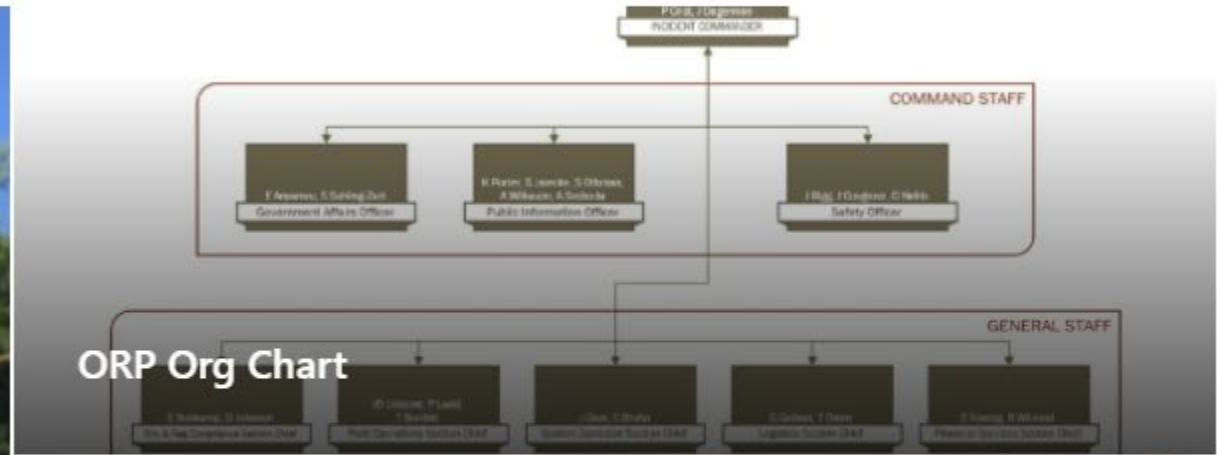
6:54 a.m. 10 MPH Wind (23 MPH Gust – 74 degrees)

The Storm

- Outages started coming in at 4:53 a.m.
- Approximately 30,000 Customers lost power by 6:45 a.m.
- 25 breaker lockouts
- 331 incidents



Storm Response



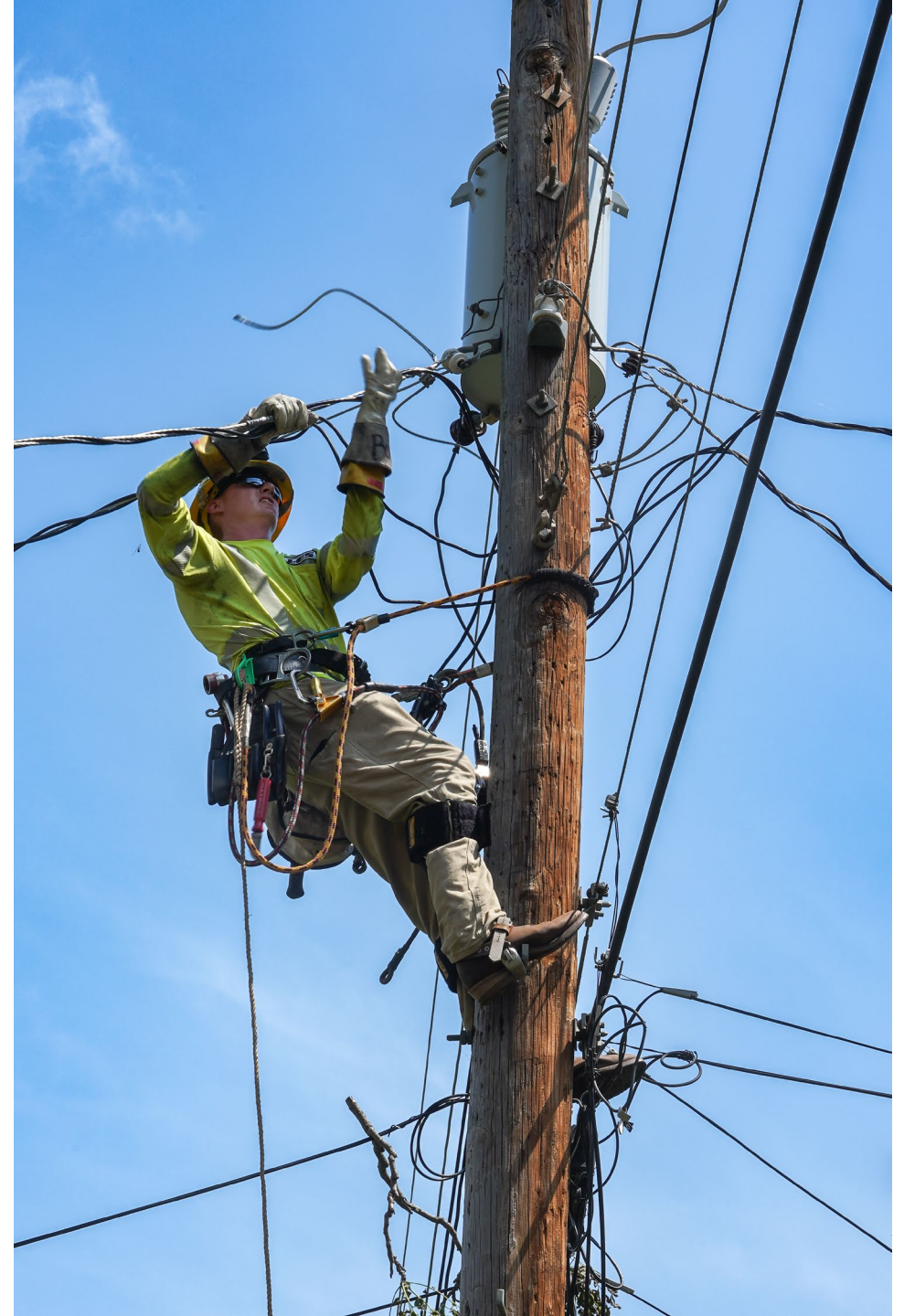
ORP ICS Structure



F. Rumery/P. Ladd
Planning Section (new)

Timeline For Response

- **Situational outage assessment started at 5:30 a.m.**
- **Started calling in crews**
- **Requesting mutual aid**
- **ORP personnel start arriving at LOC**
- **1st ORP storm update call at 9:00 a.m.**
 - 6 Grand Island line techs arriving at 1:30 p.m.
 - 33,000 customers out, 25 breaker lockouts



Timeline For Response

- **Crews scheduled to work 16 hours on and 8 off**
- **2nd storm update call at 12:00 p.m.**
 - 17,000 customers out, 13 lockouts restored
 - NPPD sending 16 line techs for mutual aid
 - Prepare documentation for FEMA (if needed)
- **3rd storm update call at 4:00 p.m.**
 - 10,000 customers out, 3 lockouts remain
 - Call center calling customers
 - Social media posts
 - Slow going for crews with tree damage
 - GI on-site, NPPD en route
 - Rain/storms forecasted next 24 hours



Timeline For Response

- **4th storm update call at 9:00 p.m.**
 - 7,000 Customers Out, No Breakers Out
 - Keep some crews overnight
 - Crews worked through hot/humid conditions
- **5th storm update call 8:00 a.m. (Sunday)**
 - Storms overnight locked out 2 breakers
 - 2,500 Customers Impacted
- **Continued calls until 2:00 p.m. Tuesday**
 - ~ 10 customers left Tuesday night
 - Longest customer out 88 hours
- **Ended storm work 5:00 p.m. Wednesday**



Support Staff

Teamwork

- Crew Field Support
- Hotels
- Food
- Material
- Media requests
- Customer Calls
- Vehicle Repairs
- Crew Scheduling
- Safety Briefings
- Outage Incident Management
- Note Taking
- Damage assessors
- Janitorial Staff
- FEMA Reporting
- And many other activities

THANK YOU TO ALL INVOLVED!

The Numbers

2 safety incidents



Material Usage (so far)

Material Description	Howler	Fury
Poles	53 ea.	58 ea.*
Fuses (216-65A Fuses)	540 ea.	551 ea.**
Cross Arms	101 ea.	72 ea.**
Secondary Wire	~14,000 ft.	~13,000 ft.**
Primary Wire	~13,000 ft.	~10,000 ft.**
OH Transformers	19 ea.	20 ea.

*More evaluation needed. May include street light poles and other poles.

**Based on quantities checked out. Some material will be returned.



Major Storm History

Storm:	10/9/70	12/27/82	7/8/93	10/25/97	7/31/2024	3/19/2025	8/9/2025*
Total # of Customers	54,300	82,000	97,500	104,919	150,919	152,311	152,812
# of Customers Out (%)	30,000 (55%)	40,000 (49%)	50,000 (51%)	55,000 (52%)	39,790 (26%)	17,965 (12%)	~34,600* (23%) (Peak)
Outage Days	8 Days?	2.5 Days	2.6 Days	8 Days	3.9 Days	3.5 Days	~3.7 Days*
SAIDI (Hours)	N/A	2.35 Hours	2.65 Hours	39.2 Hours	2.54 Hours	.83 Hours	~2.75 Hours*
Outside Personnel	80	47	115	348	36**	0	22**
Restoration Costs	N/A	\$360,000	\$1,300,000	\$5,000,000	\$1,950,000	\$1,700,000	>\$2,000,000*
Cause	7" of wet snow; 41 MPH Winds	Freezing rain and snow with high winds	80 MPH Straight Winds	13" of Wet Snow	83 MPH+ Straight Winds	74 MPH Gusts with 2" Icing (88 Poles Replaced)	91 MPH Wind Gust and 60 MPH Wind Speeds

*All numbers for 8/9/2025 are preliminary and subject to change.

**Does not include outside tree trimming crews.

Questions?



Exhibit V



Revenue & Expense Statement (Condensed)

JULY 2025

Year-to-date financial results were favorable primarily due to higher than budgeted retail electric sales, interest income and other operating revenues

(Dollar amounts in 000)

YEAR TO DATE	2025 Actual	2025 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$226,509	\$210,710	\$15,799	7%	Wholesale revenue exceeded budget by 74% (\$11.3M), primarily due to higher than expected revenues from SPP IM activities. Retail revenue exceeded budget by 1.5% (2.8M). Other revenue was over budget by 30% (\$1.4M) mainly due to reimbursement of repairs for Rokeby Unit 1, REC sales, and higher than budgeted customer fees & natural gas capacity releases.
2) Power Costs	92,453	80,362	12,091	15%	Purchased power was over budget by 18% (\$7.9M) due to higher SPP purchases, the addition of the Jeffrey Hydro plant, compensated curtailment charges for Arbuckle Wind Farm resulting from nearby transmission outages, and higher than budgeted demand charges at GGS. Produced power was 12% (\$4.2M) over budget due primarily to higher than budgeted energy costs for LRS, TBGS & Rokeby; higher operations expenses at WS4 & TBGS; and higher maintenance expenses for WS4, TBGS, J St & Rokeby.
3) Other Operating Expenses	62,657	63,676	(1,019)	-2%	Other operating expenses were slightly under budget, primarily due to lower inspection costs (\$350K), timing of TS invoices received for payment (\$350K), lower payroll and benefits expenses (\$230K), lower Sustainable Energy Program incentives (\$230K), and reduced line clearance expenses (\$220K); partially offset by payroll and benefits due to the March Blizzard response labor (\$1.2M).
4) Depreciation	<u>23,694</u>	<u>24,675</u>	<u>(981)</u>	-4%	
5) Total Expenses	<u>178,804</u>	<u>168,713</u>	<u>10,091</u>	6%	
6) Operating Income	47,705	41,997	5,708	14%	
7) Non-Operating Expense (Income)	<u>21,714</u>	<u>23,953</u>	<u>(2,239)</u>	-9%	
8) Change in Net Position (Net Revenue)	<u>\$25,991</u>	<u>\$18,044</u>	<u>\$7,947</u>	44%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.84x	1.46x			
10) Debt Service Coverage	2.86x	2.27x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand	119	124			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

July 2025



INDEX

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



REVENUE & EXPENSE STATEMENT

CURRENT MONTH

JULY 2025

DESCRIPTION	CURRENT MONTH	CURRENT MONTH	VARIANCE FROM BUDGET		LAST YEAR MONTH	VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%
OPERATING REVENUES							
1. Retail	\$35,941,222	\$34,383,246	\$1,557,976	4.5%	\$31,490,482	\$4,450,740	14.1%
2. Wholesale	4,496,621	1,976,118	2,520,503	127.5%	2,583,963	1,912,658	74.0%
3. Other Revenue	1,259,123	433,214	825,909	190.6%	500,762	758,361	151.4%
4. CDFUO (a)	1,165,314	1,187,303	(21,989)	-1.9%	1,091,491	73,823	6.8%
5. Total Operating Revenues	42,862,280	37,979,881	4,882,399	12.9%	35,666,698	7,195,582	20.2%
OPERATING EXPENSES							
6. Purchased Power	7,931,811	6,029,538	1,902,273	31.5%	7,598,824	332,987	4.4%
7. Produced Power	7,147,340	7,371,982	(224,642)	-3.0%	5,323,321	1,824,019	34.3%
8. Operations	2,503,565	2,389,836	113,729	4.8%	2,360,874	142,691	6.0%
9. Maintenance	1,233,919	1,166,565	67,354	5.8%	1,123,675	110,244	9.8%
10. Admin. & General	5,091,960	5,564,993	(473,033)	-8.5%	5,039,970	51,990	1.0%
11. Depreciation	3,432,209	3,534,221	(102,012)	-2.9%	2,985,246	446,963	15.0%
12. Total Operating Expenses	27,340,804	26,057,135	1,283,669	4.9%	24,431,910	2,908,894	11.9%
13. OPERATING INCOME	15,521,476	11,922,746	3,598,730	30.2%	11,234,788	4,286,688	38.2%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,481,440	1,498,924	(17,484)	-1.2%	1,398,871	82,569	5.9%
15. PILOT (c)	1,571,077	1,558,783	12,294	0.8%	1,414,312	156,765	11.1%
16. CDFUO Expense (a)	1,143,204	1,143,204	0	0.0%	1,046,389	96,815	9.3%
17. Other Expense	0	0	0	--	0	0	--
18. Total Other Nonoperating Expense	4,195,721	4,200,911	(5,190)	-0.1%	3,859,572	336,149	8.7%
19. Other (Income)	(44,989)	(38,908)	(6,081)	15.6%	(45,498)	509	-1.1%
20. Interest (Income)	(569,607)	(353,007)	(216,600)	61.4%	(1,146,411)	576,804	-50.3%
21. Total Other Nonoperating (Income)	(614,596)	(391,915)	(222,681)	56.8%	(1,191,909)	577,313	-48.4%
22. Total Nonoperating Expenses (Income)	3,581,125	3,808,996	(227,871)	-6.0%	2,667,663	913,462	34.2%
23. Income Before Contributions	11,940,351	8,113,750	3,826,601	47.2%	8,567,125	3,373,226	39.4%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	2,160,879	50,207	2,110,672	4203.9%	388,164	1,772,715	456.7%
25. Contributed Capital Used (d)	(2,160,879)	(50,207)	(2,110,672)	-4203.9%	(388,164)	(1,772,715)	-456.7%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$11,940,351	\$8,113,750	\$3,826,601	47.2%	\$8,567,125	\$3,373,226	39.4%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,477,519 + Software Agreements Interest \$11,971 + Variable Interest \$273,458 + Amortization of Issuance Costs on Outstanding Debt \$85,543 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

JULY 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
OPERATING REVENUES							
1. Retail	\$185,767,383	\$182,932,338	\$2,835,045	1.5%	\$173,637,516	\$12,129,867	7.0%
2. Wholesale	26,543,232	15,244,072	11,299,160	74.1%	21,892,652	4,650,580	21.2%
3. Other Revenue	6,505,800	4,772,750	1,733,050	36.3%	5,556,065	949,735	17.1%
4. CDFUO (a)	7,692,580	7,760,933	(68,353)	-0.9%	7,419,008	273,572	3.7%
5. Total Operating Revenues	226,508,995	210,710,093	15,798,902	7.5%	208,505,241	18,003,754	8.6%
OPERATING EXPENSES							
6. Purchased Power	52,628,976	44,694,842	7,934,134	17.8%	45,245,589	7,383,387	16.3%
7. Produced Power	39,823,561	35,666,669	4,156,892	11.7%	35,089,901	4,733,660	13.5%
8. Operations	17,574,011	16,701,130	872,881	5.2%	16,424,064	1,149,947	7.0%
9. Maintenance	9,555,099	8,235,271	1,319,828	16.0%	7,051,745	2,503,354	35.5%
10. Admin. & General	35,527,572	38,739,464	(3,211,892)	-8.3%	34,764,417	763,155	2.2%
11. Depreciation	23,693,813	24,675,301	(981,488)	-4.0%	20,809,505	2,884,308	13.9%
12. Total Operating Expenses	178,803,032	168,712,677	10,090,355	6.0%	159,385,221	19,417,811	12.2%
13. OPERATING INCOME	47,705,963	41,997,416	5,708,547	13.6%	49,120,020	(1,414,057)	-2.9%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	10,256,721	10,234,878	21,843	0.2%	9,931,752	324,969	3.3%
15. PILOT (c)	8,377,448	8,591,067	(213,619)	-2.5%	7,877,034	500,414	6.4%
16. CDFUO Expense (a)	8,002,428	8,002,428	0	0.0%	7,324,723	677,705	9.3%
17. Other Expense	102,316	0	102,316	--	3	102,313	3410433.3%
18. Total Other Nonoperating Expense	26,738,913	26,828,373	(89,460)	-0.3%	25,133,512	1,605,401	6.4%
19. Other (Income)	(317,102)	(303,706)	(13,396)	4.4%	(318,611)	1,509	-0.5%
20. Interest (Income)	(4,708,061)	(2,571,313)	(2,136,748)	83.1%	(3,768,416)	(939,645)	24.9%
21. Total Other Nonoperating (Income)	(5,025,163)	(2,875,019)	(2,150,144)	74.8%	(4,087,027)	(938,136)	23.0%
22. Total Nonoperating Expenses (Income)	21,713,750	23,953,354	(2,239,604)	-9.3%	21,046,485	667,265	3.2%
23. Income Before Contributions	25,992,213	18,044,062	7,948,151	44.0%	28,073,535	(2,081,322)	-7.4%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	21,420,106	351,393	21,068,713	5995.8%	1,991,416	19,428,690	975.6%
25. Contributed Capital Used (d)	(21,420,106)	(351,393)	(21,068,713)	-5995.8%	(1,991,416)	(19,428,690)	-975.6%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$25,992,213	\$18,044,062	\$7,948,151	44.0%	\$28,073,535	(\$2,081,322)	-7.4%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$10,342,632 + Software Agreements Interest \$65,069 + Variable Interest \$1,809,348 + Amortization of Issuance Costs on Outstanding Debt \$609,027 + Amortization of Loss on Refunded Debt \$754,434 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

JULY 2025

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
REVENUE							
1. Residential	\$17,875,933	\$16,934,886	\$941,047	5.6%	\$15,348,576	\$2,527,357	16.5%
2. Commercial & Street Light	14,724,236	14,638,959	85,277	0.6%	13,001,822	1,722,414	13.2%
3. Industrial	<u>3,341,053</u>	<u>2,809,401</u>	<u>531,652</u>	18.9%	<u>3,140,084</u>	<u>200,969</u>	6.4%
4. Total Retail	35,941,222	34,383,246	1,557,976	4.5%	31,490,482	4,450,740	14.1%
5. SPP Sales	3,085,768	1,153,740	1,932,028	167.5%	1,911,335	1,174,433	61.4%
6. Contract Sales	<u>1,410,853</u>	<u>822,378</u>	<u>588,475</u>	71.6%	<u>672,628</u>	<u>738,225</u>	109.8%
7. Total Wholesale	<u>4,496,621</u>	<u>1,976,118</u>	<u>2,520,503</u>	127.5%	<u>2,583,963</u>	<u>1,912,658</u>	74.0%
8. Total	\$40,437,843	\$36,359,364	\$4,078,479	11.2%	\$34,074,445	\$6,363,398	18.7%
ENERGY (MWH'S)							
9. Residential	161,479	154,497	6,982	4.5%	145,243	16,236	11.2%
10. Commercial & Street Light	155,642	150,134	5,508	3.7%	145,507	10,135	7.0%
11. Industrial	<u>43,672</u>	<u>40,822</u>	<u>2,850</u>	7.0%	<u>43,483</u>	<u>189</u>	0.4%
12. Total Retail	360,793	345,453	15,340	4.4%	334,233	26,560	7.9%
13. SPP Sales	42,566	17,899	24,667	137.8%	26,438	16,128	61.0%
14. Contract Sales	<u>36,877</u>	<u>35,167</u>	<u>1,710</u>	4.9%	<u>35,791</u>	<u>1,086</u>	3.0%
15. Total Wholesale	<u>79,443</u>	<u>53,066</u>	<u>26,377</u>	49.7%	<u>62,229</u>	<u>17,214</u>	27.7%
16. Total	440,236	398,519	41,717	10.5%	396,462	43,774	11.0%
CUSTOMERS - AT MONTH END							
17. Residential	136,807	137,011	(204)	-0.1%	134,933	1,874	1.4%
18. Commercial & Street Light	18,019	18,544	(525)	-2.8%	17,909	110	0.6%
19. Industrial	<u>236</u>	<u>239</u>	<u>(3)</u>	-1.3%	<u>236</u>	<u>0</u>	0.0%
20. Total Retail	155,062	155,794	(732)	-0.5%	153,078	1,984	1.3%
21. Wholesale	<u>6</u>	<u>4</u>	<u>2</u>	50.0%	<u>6</u>	<u>0</u>	0.0%
22. Total	155,068	155,798	(730)	-0.5%	153,084	1,984	1.3%



REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

JULY 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$88,369,428	\$86,554,508	\$1,814,920	2.1%	\$81,476,538	\$6,892,890	8.5%
2. Commercial & Street Light	77,446,946	77,754,183	(307,237)	-0.4%	72,433,222	5,013,724	6.9%
3. Industrial	<u>19,951,009</u>	<u>18,623,647</u>	<u>1,327,362</u>	7.1%	<u>19,727,756</u>	<u>223,253</u>	1.1%
4. Total Retail	185,767,383	182,932,338	2,835,045	1.5%	173,637,516	12,129,867	7.0%
5. SPP Sales	19,837,708	9,378,729	10,458,979	111.5%	17,033,447	2,804,261	16.5%
6. Contract Sales	<u>6,705,524</u>	<u>5,865,343</u>	<u>840,181</u>	14.3%	<u>4,859,205</u>	<u>1,846,319</u>	38.0%
7. Total Wholesale	<u>26,543,232</u>	<u>15,244,072</u>	<u>11,299,160</u>	74.1%	<u>21,892,652</u>	<u>4,650,580</u>	21.2%
8. Total	\$212,310,615	\$198,176,410	\$14,134,205	7.1%	\$195,530,168	16,780,447	8.6%
ENERGY (MWH'S)							
9. Residential	822,369	790,439	31,930	4.0%	762,762	59,607	7.8%
10. Commercial & Street Light	884,082	873,545	10,537	1.2%	856,059	28,023	3.3%
11. Industrial	<u>262,665</u>	<u>263,864</u>	<u>(1,199)</u>	-0.5%	<u>280,654</u>	<u>(17,989)</u>	-6.4%
12. Total Retail	1,969,116	1,927,848	41,268	2.1%	1,899,475	69,641	3.7%
13. SPP Sales	236,174	104,826	131,348	125.3%	177,002	59,172	33.4%
14. Contract Sales	<u>135,585</u>	<u>148,357</u>	<u>(12,772)</u>	-8.6%	<u>142,200</u>	<u>(6,615)</u>	-4.7%
15. Total Wholesale	<u>371,759</u>	<u>253,183</u>	<u>118,576</u>	46.8%	<u>319,202</u>	<u>52,557</u>	16.5%
16. Total	2,340,875	2,181,031	159,844	7.3%	2,218,677	122,198	5.5%
CUSTOMERS AVERAGE							
17. Residential	136,530	136,547	(17)	0.0%	134,460	2,070	1.5%
18. Commercial & Street Light	18,002	18,466	(464)	-2.5%	17,890	112	0.6%
19. Industrial	<u>235</u>	<u>239</u>	<u>(4)</u>	-1.7%	<u>239</u>	<u>(4)</u>	-1.7%
20. Total Retail	154,767	155,252	(485)	-0.3%	152,589	2,178	1.4%
21. Wholesale	<u>5</u>	<u>5</u>	<u>0</u>	0.0%	<u>6</u>	<u>(1)</u>	-16.7%
22. Total	154,772	155,257	(485)	-0.3%	152,595	2,177	1.4%



OPERATING EXPENSE STATEMENT

CURRENT MONTH

JULY 2025

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
POWER COST							
1. SPP Purchased Power	\$2,251,081	\$615,525	\$1,635,556	265.7%	\$2,667,427	(\$416,346)	-15.6%
2. Non-Owned Asset Power	<u>5,680,730</u>	<u>5,414,013</u>	<u>266,717</u>	4.9%	<u>4,931,397</u>	<u>749,333</u>	15.2%
3. Total Purchased Power	7,931,811	6,029,538	1,902,273	31.5%	7,598,824	332,987	4.4%
4. Produced Power	<u>7,147,340</u>	<u>7,371,982</u>	<u>(224,642)</u>	-3.0%	<u>5,323,321</u>	<u>1,824,019</u>	34.3%
5. Total Power Cost	15,079,151	13,401,520	1,677,631	12.5%	12,922,145	2,157,006	16.7%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,493,812	2,394,665	99,147	4.1%	2,414,498	79,314	3.3%
7. Transmission	<u>1,243,672</u>	<u>1,161,736</u>	<u>81,936</u>	7.1%	<u>1,070,051</u>	<u>173,621</u>	16.2%
8. Total O & M Expense	3,737,484	3,556,401	181,083	5.1%	3,484,549	252,935	7.3%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	310,777	377,440	(66,663)	-17.7%	265,462	45,315	17.1%
10. Communication & Corporate Records	200,407	240,746	(40,339)	-16.8%	257,226	(56,819)	-22.1%
11. Corporate Operations	975,126	1,240,122	(264,996)	-21.4%	908,022	67,104	7.4%
12. Customer Services	1,109,982	1,073,860	36,122	3.4%	1,314,989	(205,007)	-15.6%
13. Financial Services	498,606	528,085	(29,479)	-5.6%	453,553	45,053	9.9%
14. Power Supply	476,135	505,031	(28,896)	-5.7%	428,298	47,837	11.2%
15. Technology Services	<u>1,520,927</u>	<u>1,599,709</u>	<u>(78,782)</u>	-4.9%	<u>1,412,420</u>	<u>108,507</u>	7.7%
16. Total A & G Expense	5,091,960	5,564,993	(473,033)	-8.5%	5,039,970	51,990	1.0%
17. DEPRECIATION	3,432,209	3,534,221	(102,012)	-2.9%	2,985,246	446,963	15.0%
18. TOTAL OPERATING EXPENSE	\$27,340,804	\$26,057,135	\$1,283,669	4.9%	\$24,431,910	\$2,908,894	11.9%



OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

JULY 2025

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
POWER COST								
1. SPP Purchased Power	\$14,201,162	\$8,255,667	\$5,945,495	72.0%	\$11,701,141	\$2,500,021	21.4%	
2. Non-Owned Asset Power	<u>38,427,814</u>	<u>36,439,175</u>	<u>1,988,639</u>	5.5%	<u>33,544,448</u>	<u>4,883,366</u>	14.6%	
3. Total Purchased Power	52,628,976	44,694,842	7,934,134	17.8%	45,245,589	7,383,387	16.3%	
4. Produced Power	<u>39,823,561</u>	<u>35,666,669</u>	<u>4,156,892</u>	11.7%	<u>35,089,901</u>	<u>4,733,660</u>	13.5%	
5. Total Power Cost	92,452,537	80,361,511	12,091,026	15.0%	80,335,490	12,117,047	15.1%	
OPERATION & MAINTENANCE (O&M)								
6. Energy Delivery	19,096,820	16,857,816	2,239,004	13.3%	16,082,208	3,014,612	18.7%	
7. Transmission	<u>8,032,290</u>	<u>8,078,585</u>	<u>(46,295)</u>	-0.6%	<u>7,393,601</u>	<u>638,689</u>	8.6%	
8. Total O & M Expense	27,129,110	24,936,401	2,192,709	8.8%	23,475,809	3,653,301	15.6%	
ADMINISTRATIVE & GENERAL (A&G)								
9. Administration	2,347,640	2,321,602	26,038	1.1%	1,890,161	457,479	24.2%	
10. Communication & Corporate Records	1,394,692	1,683,367	(288,675)	-17.1%	1,554,058	(159,366)	-10.3%	
11. Corporate Operations	6,364,672	8,694,702	(2,330,030)	-26.8%	7,342,358	(977,686)	-13.3%	
12. Customer Services	7,466,785	7,523,698	(56,913)	-0.8%	7,523,168	(56,383)	-0.7%	
13. Financial Services	3,554,647	3,587,600	(32,953)	-0.9%	3,348,088	206,559	6.2%	
14. Power Supply	3,387,346	3,594,120	(206,774)	-5.8%	3,049,487	337,859	11.1%	
15. Technology Services	<u>11,011,790</u>	<u>11,334,375</u>	<u>(322,585)</u>	-2.8%	<u>10,057,097</u>	<u>954,693</u>	9.5%	
16. Total A & G Expense	35,527,572	38,739,464	(3,211,892)	-8.3%	34,764,417	763,155	2.2%	
17. DEPRECIATION	23,693,813	24,675,301	(981,488)	-4.0%	20,809,505	2,884,308	13.9%	
18. TOTAL OPERATING EXPENSE	\$178,803,032	\$168,712,677	\$10,090,355	6.0%	\$159,385,221	\$19,417,811	12.2%	



BALANCE SHEET

JULY 2025

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:			CURRENT LIABILITIES:		
1. Revenue Fund (includes CDFUO)	\$59,128,404	\$15,617,977	OTHER LIABILITIES		
2. Payment in Lieu of Tax Fund	6,654,329	(6,034,527)	1. Accounts Payable	\$20,770,115	(\$4,568,426)
3. Rate Stabilization Fund	42,388,403	1,031,852	2. Accrued Payments in Lieu of Taxes	8,212,037	(5,492,380)
4. Bond Principal & Interest Funds	40,890,326	22,983,807	3. City Dividend for Utility Ownership Payable	5,716,020	1,143,204
5. Other Restricted/Designated Funds (a)	4,207,968	50,035	4. Commercial Paper Notes	107,500,000	42,000,000
6. Restricted/Designated Funds Total	87,486,697	24,065,694	5. Accrued Software Interest	40,959	11,220
7. Total Current Asset Funds (b)	153,269,430	33,649,144	6. Accrued Liabilities	22,566,584	4,138,918
8. Receivables Less Uncollectible Allowance	35,440,636	9,394,078	7. Total Other Liabilities	164,805,715	37,232,536
9. Unbilled Revenue	23,288,392	5,281,084	CURRENT LIABILITIES - RESTRICTED ASSETS		
10. Accrued Interest Receivable	562,426	(181,174)	8. Current Portion of Long-Term Debt	35,740,000	0
11. Materials, Supplies & Fuel Inventory	34,568,331	(365,648)	9. Accrued Interest	7,366,981	1,413,559
12. Plant Operation Assets	19,932,090	(1,689,101)	10. Other Current Liabilities (d)	1,076,776	58,159
13. Other Current Assets	4,419,193	(1,356,844)	11. Total Current Liabilities - Restricted Assets	44,183,757	1,471,718
14. Total Current Assets	271,480,498	44,731,539	12. Total Current Liabilities	208,989,472	38,704,254
NONCURRENT ASSETS:			NONCURRENT LIABILITIES:		
15. Bond Reserve Funds	9,670,103	272,504	13. 2013 Bonds	12,385,000	0
16. Self-Funded Benefits Reserve Fund (IBNP)	1,198,623	306,103	14. 2015A Bonds	70,605,000	0
17. Segregated Funds (c)	19,979,727	(5,142,406)	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	30,848,453	(4,563,799)	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	1,573,782	(180,250)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	162,897	29,980	18. 2020B Bonds	151,300,000	0
22. Other Noncurrent Assets	6,636,851	(57,243)	19. Total Revenue Bonds	493,655,000	0
23. Total Noncurrent Assets	\$46,967,342	(\$3,868,446)	20. Less Current Maturities	35,740,000	0
CAPITAL ASSETS:			21. Less Unamortized Discounts/Premiums	(25,475,550)	3,323,790
24. Utility Plant in Service	1,889,774,253	17,567,698	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(988,964,409)	(22,097,164)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	179,082,204	21,594,834	24. Net Long Term Debt	483,390,550	(3,323,790)
27. Total Capital Assets	1,079,892,048	17,065,368	25. Liabilities Payable from Segregated Funds (e)	19,955,786	(5,163,737)
DEFERRED OUTFLOWS OF RESOURCES:			26. Asset Retirement Obligation	2,759,099	(214,004)
28. Deferred Loss on Refunded Debt	6,079,477	(754,433)	27. Software Liabilities	2,596,948	164,152
29. Deferred Costs for Asset Retirement Obligations	2,759,099	(214,004)	28. Other Noncurrent Liabilities	19,294,213	0
30. Total Deferred Outflows of Resources	8,838,576	(968,437)	29. Total Liabilities	736,986,068	30,166,875
			DEFERRED INFLOWS OF RESOURCES:		
			30. Deferred Inflow of Resource	7,101,577	800,936
			31. Total Deferred Inflows of Resources	7,101,577	800,936
			NET POSITION:		
			32. Net Investment in Capital Assets	464,382,401	(23,094,526)
			33. Restricted for Debt Service	34,328,335	21,842,752
			34. Restricted for Employee Health Insurance Claims	2,608,369	(148,305)
			35. Unrestricted	161,771,714	27,392,292
			36. Total Net Position	663,090,819	25,992,213
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,407,178,464	\$56,960,024	37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$1,407,178,464	\$56,960,024



STATEMENT OF CASH FLOWS
JULY 2025

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$32,538,182	\$217,742,894
2. Sales Tax Receipts	\$1,958,434	\$10,156,925
3. Paid to Suppliers for Goods & Services	(\$21,930,858)	(\$122,996,336)
4. Paid to Employees for Services	(\$3,992,923)	(\$28,945,040)
5. Payments for Sales Tax	(1,385,159)	(9,445,825)
6. Cash Flow from Operating Activities (a)	7,187,676	66,512,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	(82,292)	(13,869,829)
8. City Dividend for Utility Ownership Payments	0	(6,859,224)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	(82,292)	(20,729,053)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	5,751,656	(25,913,137)
12. Interest Income	484,206	4,768,071
13. Cash Flow from (used for) Investing Activities	6,235,862	(21,145,066)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(6,865,310)	(64,544,672)
15. Salvage on Retirement of Plant	56	36,808
16. Cost of Removal of Property Retired	(51,699)	(305,439)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	2,136,937	12,256,368
20. Capital Contributions Recv'd in Advance	0	0
21. Cash Received from Leases	44,371	306,353
23. Net Proceeds from Issuance of Long-Term Debt	0	0
24. Proceeds from Commercial Paper Issuance	0	42,000,000
25. Principal Payments on Long-Term Debt	0	0
26. Interest Payments on Debt	(708,385)	(10,738,420)
27. Cash Flow from (used for) Capital Financing Activities	(5,444,030)	(20,989,002)
27. Cash Flow from (used for) Capital Financing Activities	7,897,216	3,649,497
28. Net Increase (Decrease) in Cash and Cash Equivalents	42,659,049	47,367,673
29. Cash and Cash Equivalents Beginning of Period	\$50,556,265	\$51,017,170
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	\$15,521,476	\$47,705,963
2. Noncash items included in operating income	3,575,013	24,470,316
3. Changes in Assets & Liabilities Increase/(Decrease)	(11,908,813)	(5,663,661)
4. Net cash flows from operating activities	\$7,187,676	\$66,512,618
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



DEBT SERVICE COVERAGE

JULY 2025

DESCRIPTION	----- CURRENT MONTH -----			----- YEAR-TO-DATE -----		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	\$42,862,280	\$37,979,881	\$35,666,698	\$226,508,995	\$210,710,093	\$208,505,241
2. Total Operating Expenses	27,340,804	26,057,135	24,431,910	178,803,032	168,712,677	159,385,221
3. Less Depreciation	(3,432,209)	(3,534,221)	(2,985,246)	(23,693,813)	(24,675,301)	(20,809,505)
4. Operating Expense Net of Depreciation	23,908,595	22,522,914	21,446,664	155,109,219	144,037,376	138,575,716
5. Net Operating Revenue for Debt Service	18,953,685	15,456,967	14,220,034	71,399,776	66,672,717	69,929,525
6. Interest Income (a)	481,926	278,255	1,145,827	3,557,381	2,016,536	3,648,952
7. Other Income	44,989	38,908	45,498	317,102	303,706	318,611
8. Rate Stabilization Fund	0	0	0	0	1,350,000	0
9. AVAILABLE FOR DEBT SERVICE	19,480,600	15,774,130	15,411,359	75,274,259	70,342,959	73,897,088
10. DEBT SERVICE (b)	\$4,455,852	\$4,455,851	\$4,682,116	\$31,190,963	\$31,190,957	\$32,774,813
11. DEBT SERVICE COVERAGE	4.37	3.54	3.29	2.41	2.26	2.25

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

Power Supply Division 2025 July Monthly Report

August 15, 2025

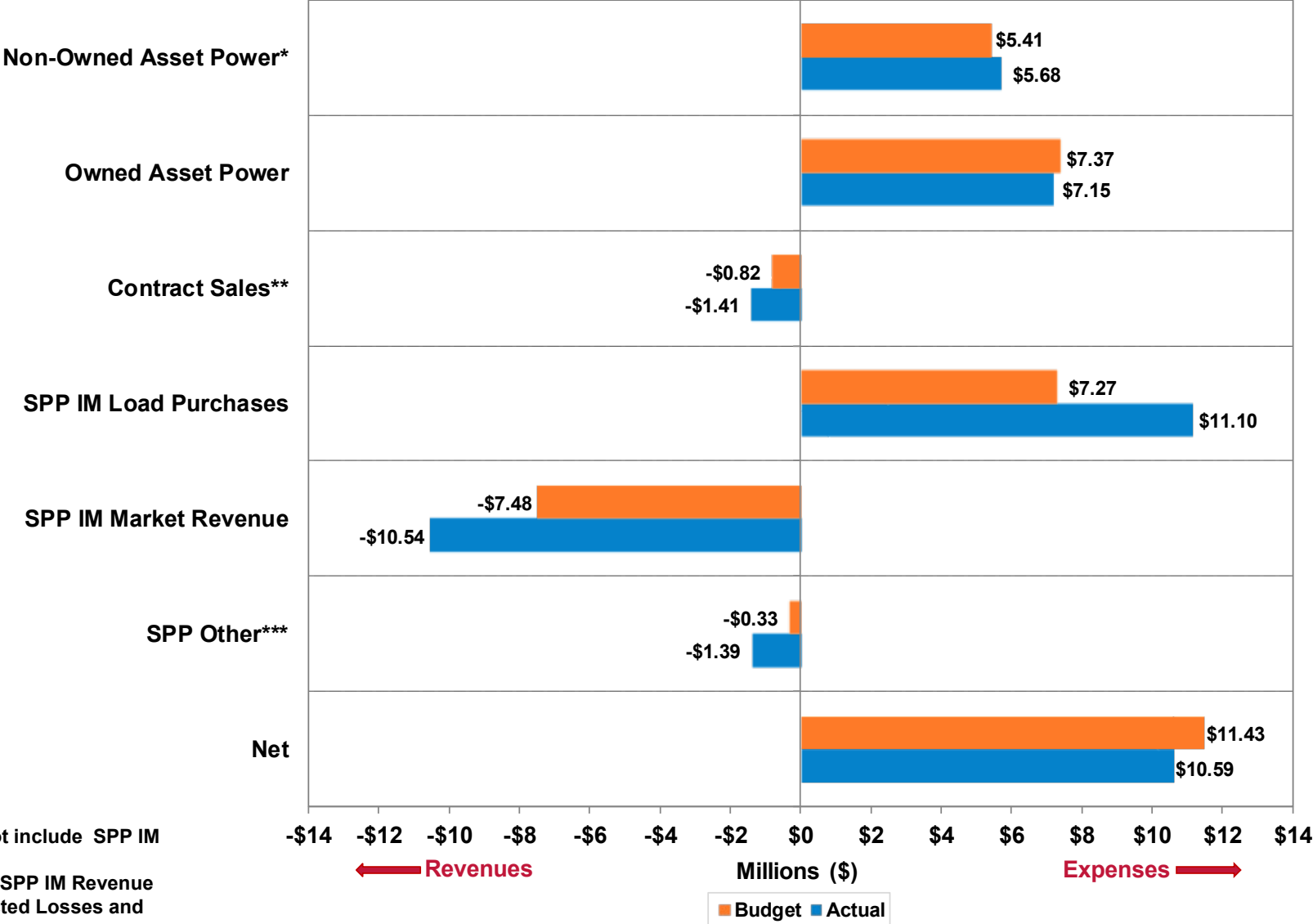
Jason Fortik

Vice President, Power Supply



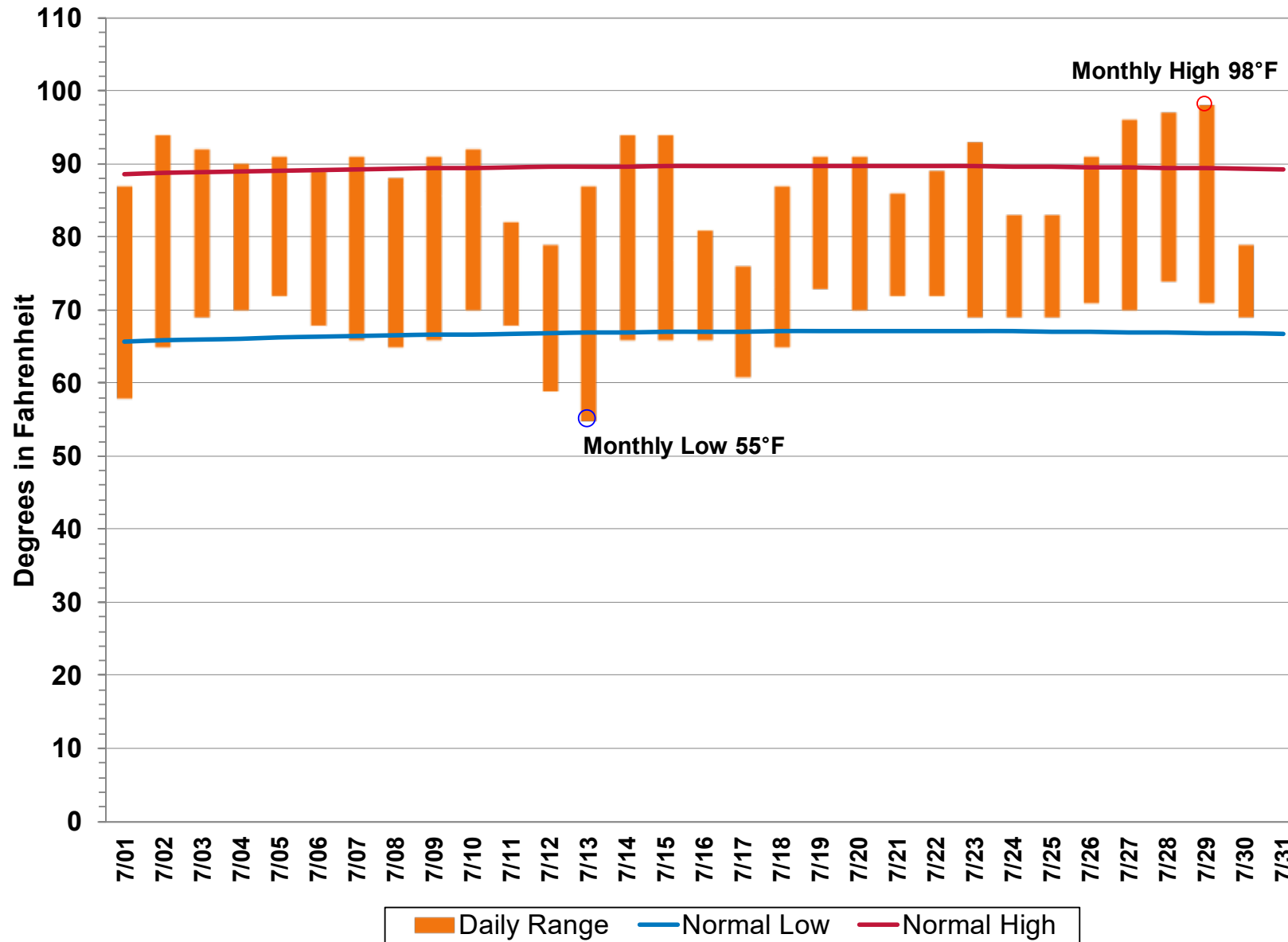
Lincoln Electric System

Monthly Actual vs. Budget

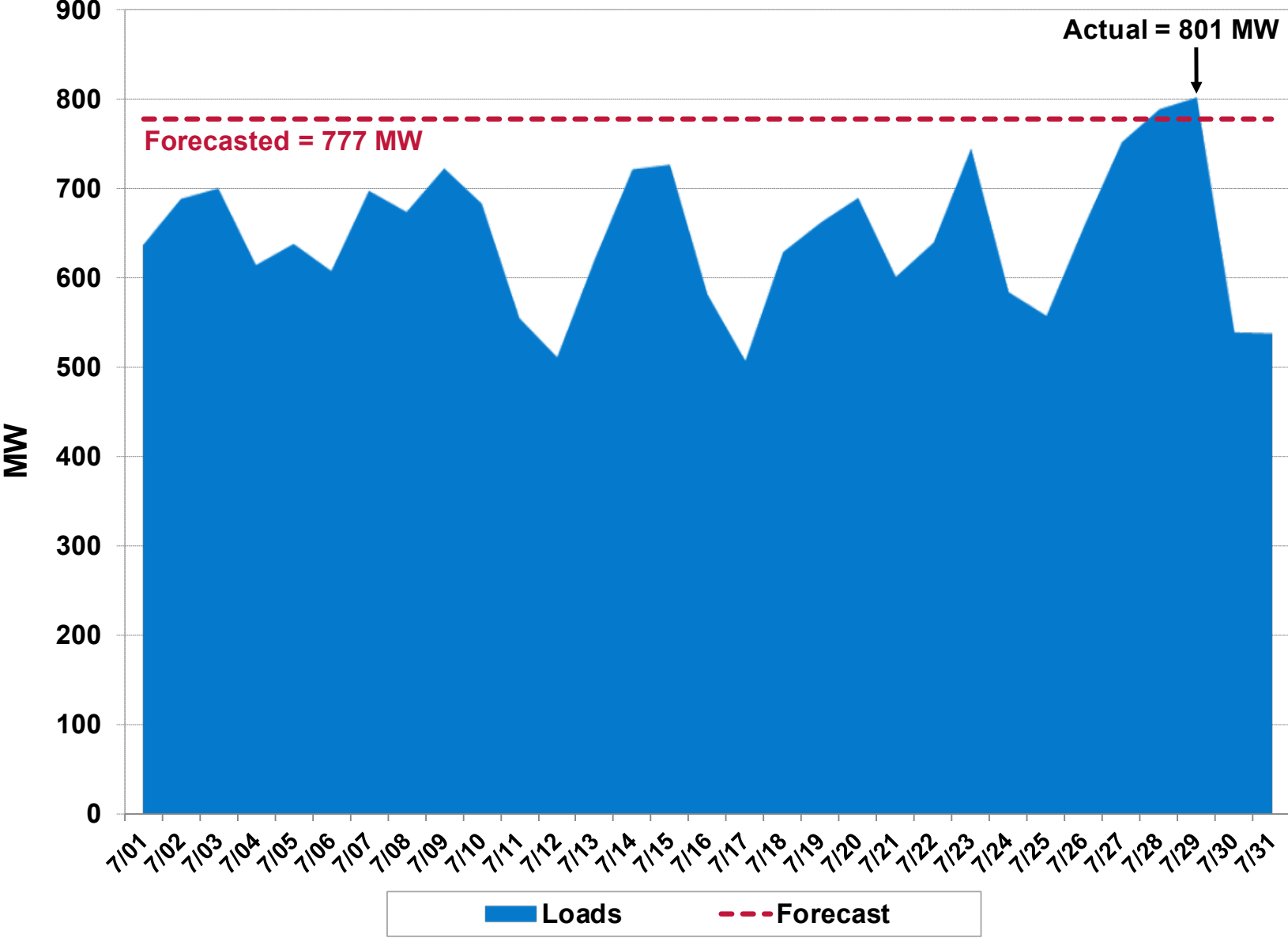


*Non-Owned Asset Power does not include SPP IM Purchased
 **Contract Sales does not include SPP IM Revenue
 ***SPP Other includes Over-Collected Losses and ARR's/TCR

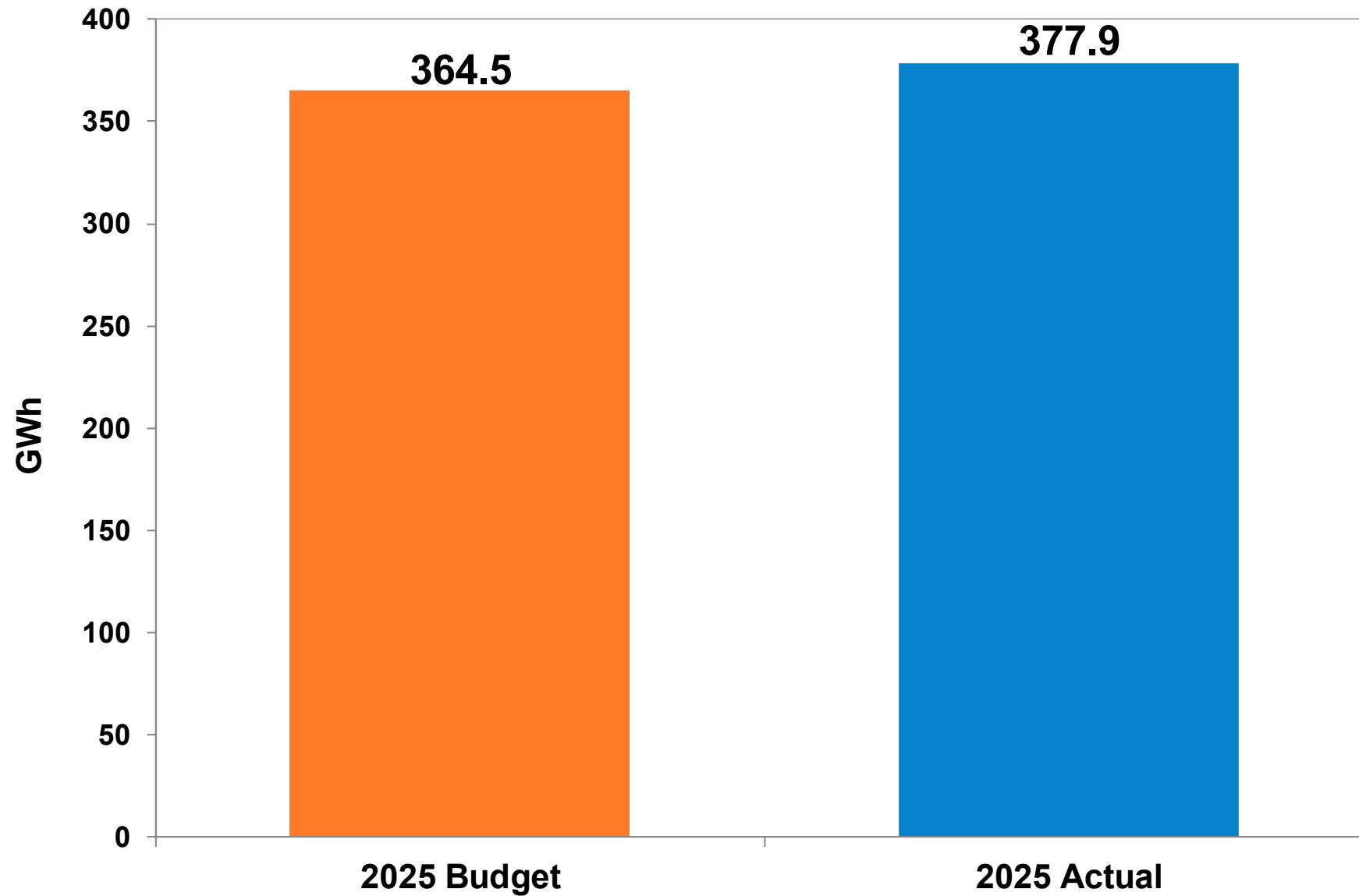
Daily Temperature Range



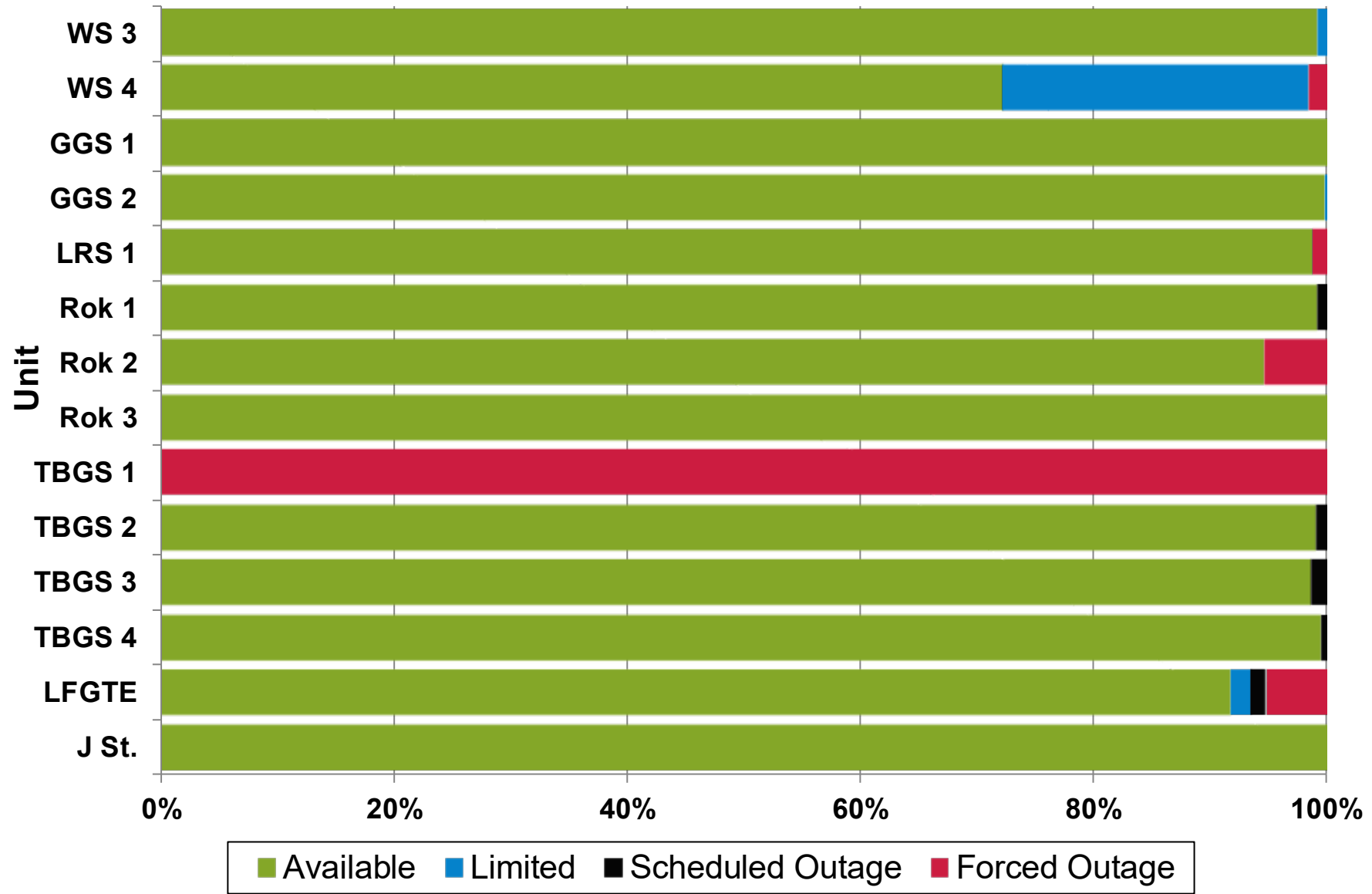
Loads



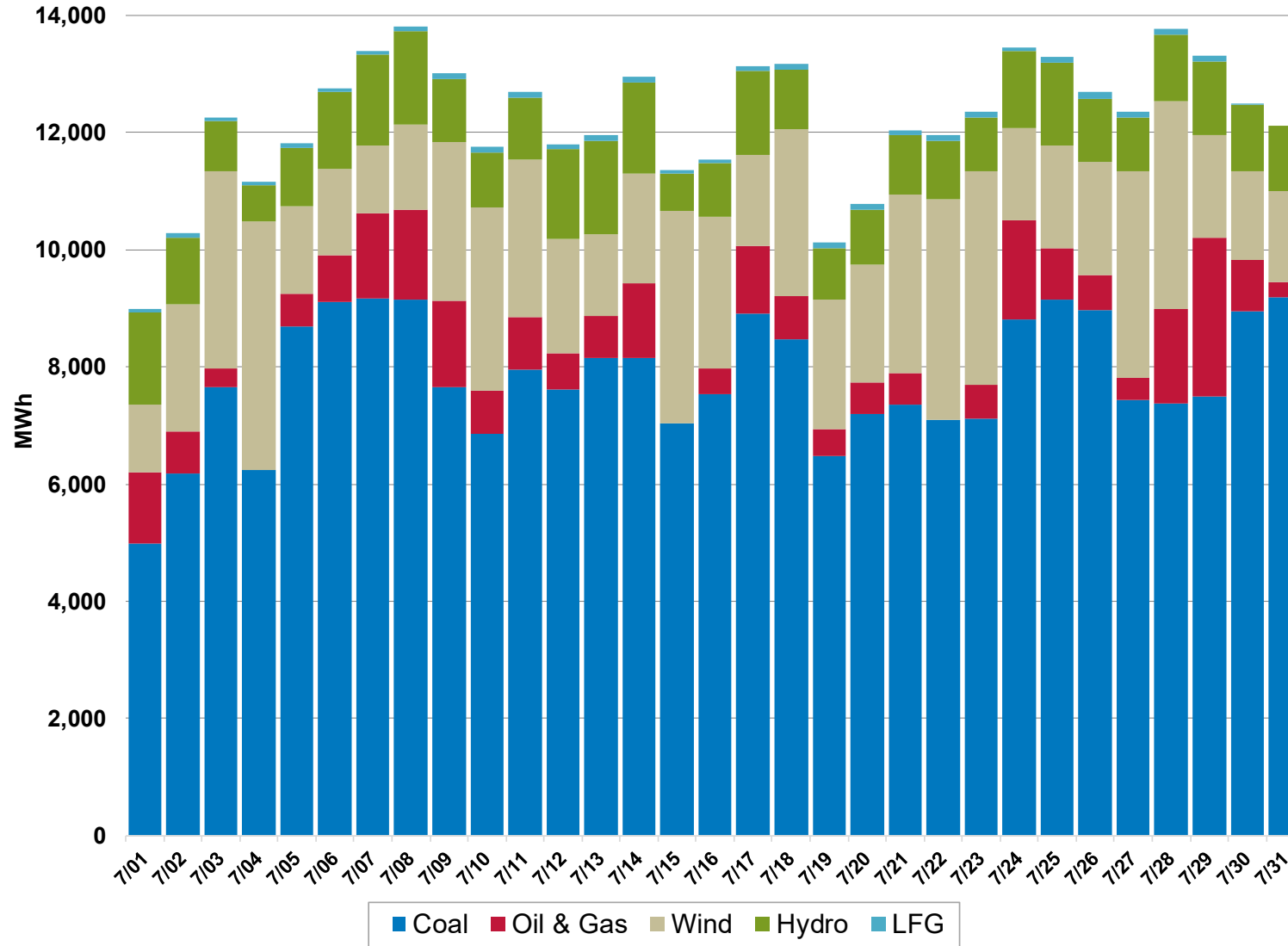
Customer Energy Consumption



Unit Equivalent Availability

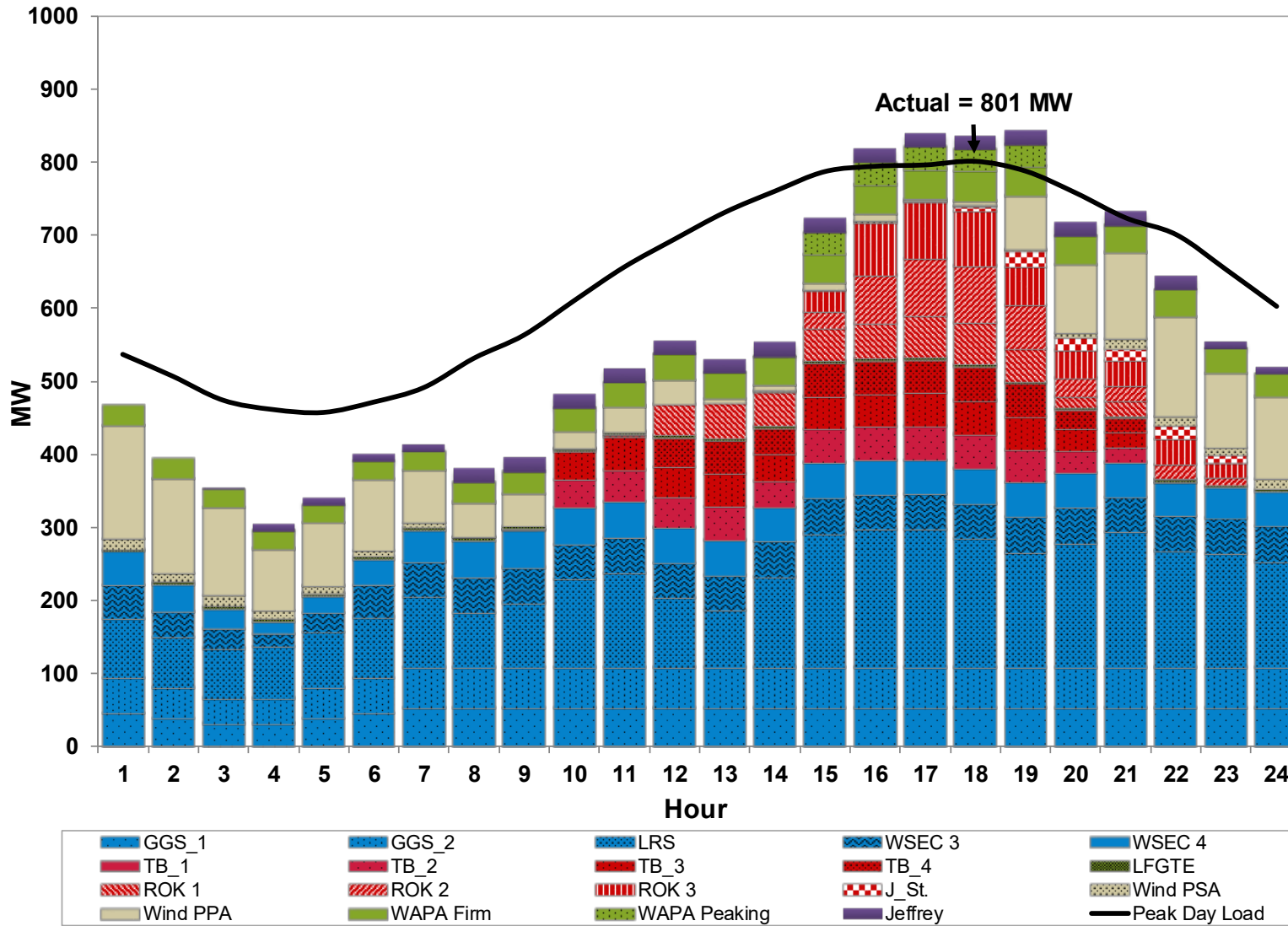


Resource Energy



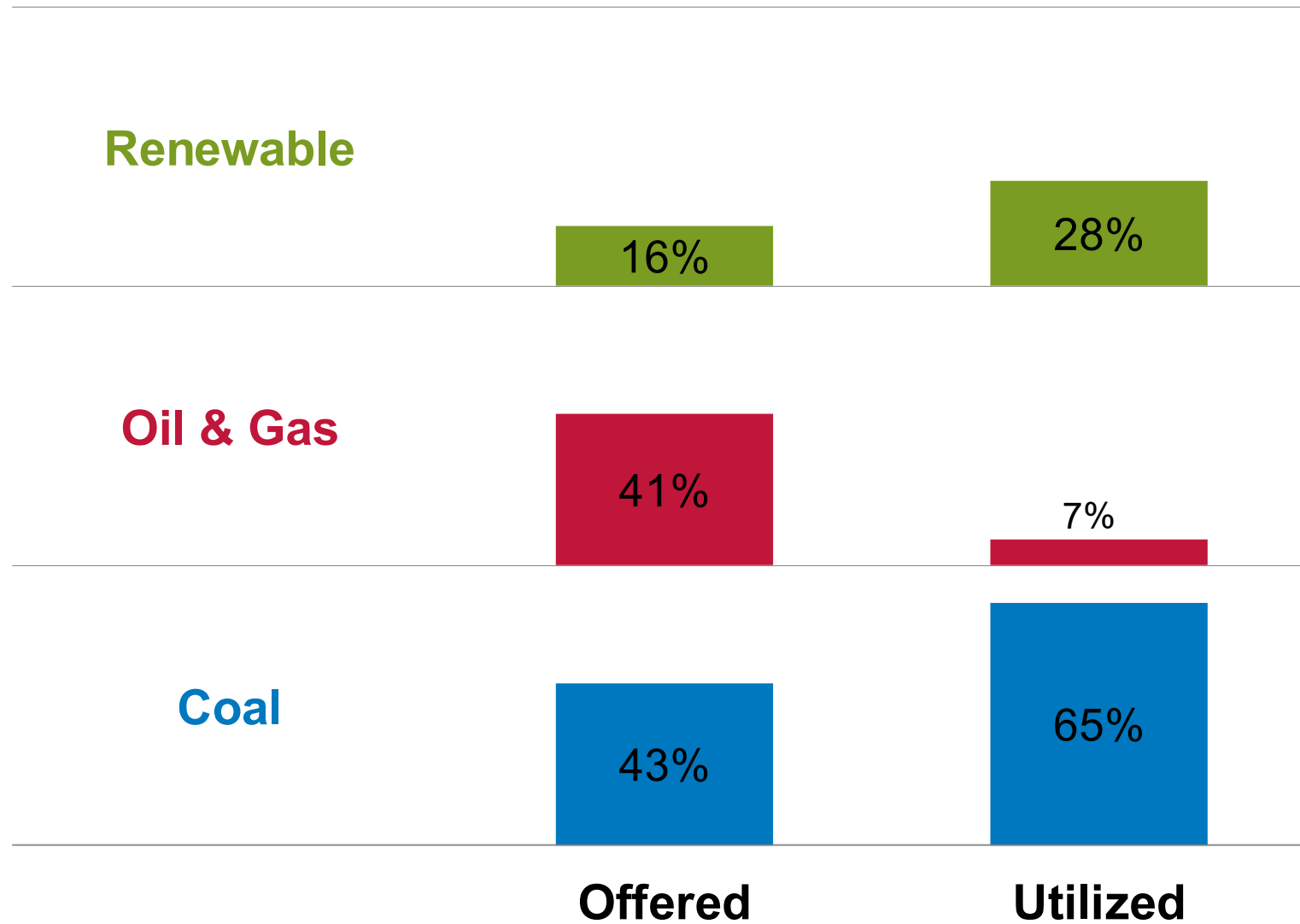
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – July 29, 2025



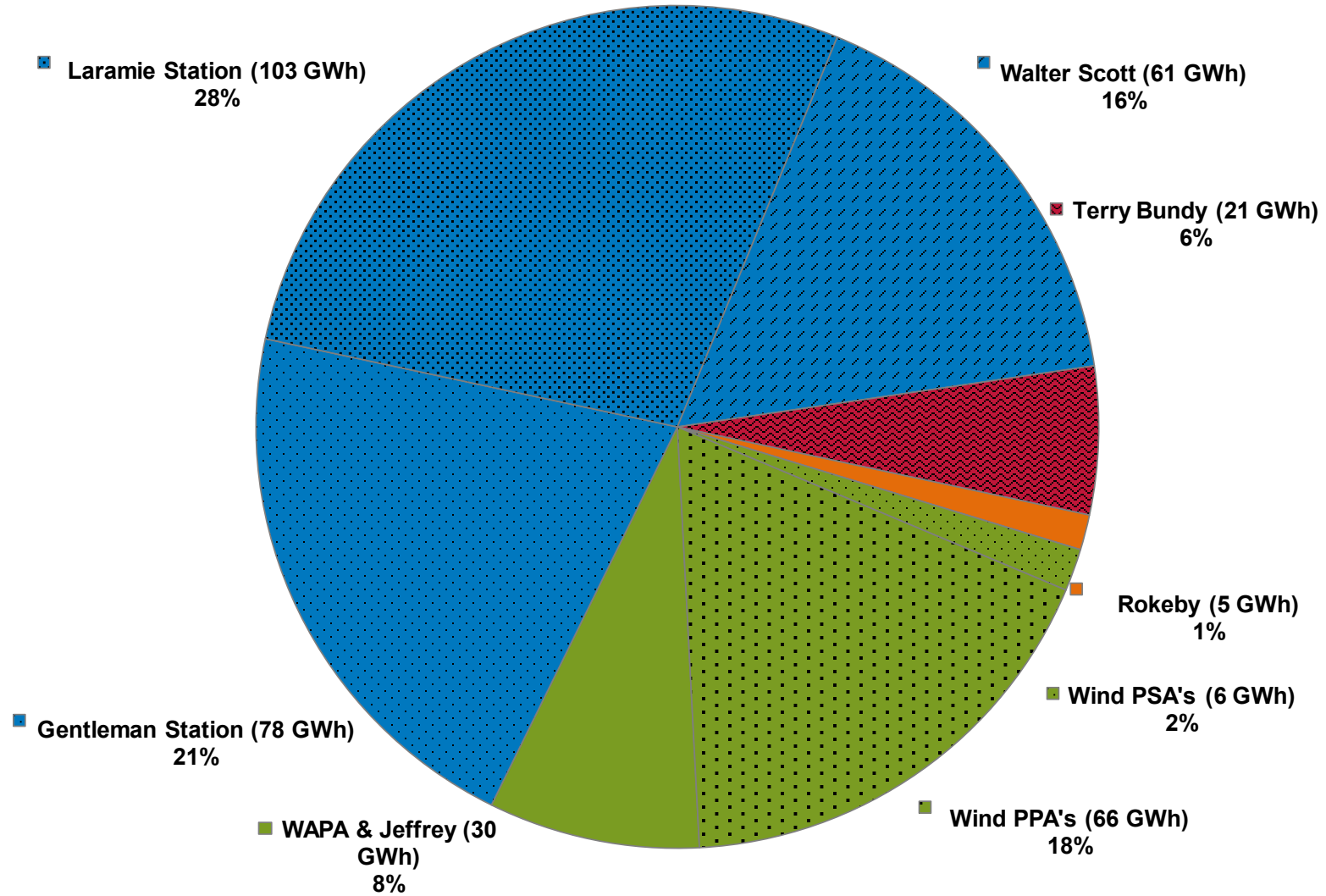
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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



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

Energy Utilized by the SPP Integrated Marketplace



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