MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, July 18, 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 July 11, 2025.

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

Board Members Absent: Karen Griffin, Chelsea Johnson.

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Lisa Hale, Katie Lechner, Jessica Kneifl, Amy Nguyen, Marc Shkolnick, Brittany Millard, Matt Andersen, Eric Ruskamp, Aaron Anderson, Jonathan Jakub, Dustin Thorne, Kelley Porter, Keith Snyder, Denise Parrott, Kellie Cave.

Others Present: Nathan Svatora, Bud Synhorst, Ken Winston, Scott Williams, Kim Morrow, and numerous virtual participants via Microsoft Teams.

News Media Present: None

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

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

Approval of Minutes

Chair Sabalka asked for approval of the minutes of the June 20, 2025, Board meeting. David Spinar moved approval of the minutes. Carl Eskridge seconded the motion. The vote for approval of the minutes was:

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

Nay: None

Abstain: Alyssa Martin

Absent: Karen Griffin, Chelsea Johnson.

Customer Comments

Ken Winston, representing NE Interfaith Power & Light & Lincoln

Sierra Club spoke in support of the LES Strategic Plan. He asked that the 2040 goal be considered in the adoption of the plan. Winston expressed concern around the utilization of non-renewables, and new federal policies that tax net-zero programs/projects. He encouraged investment in renewable energy projects. Winston also expressed his personal goal to install solar panels on his home. He intends to report back on the experience participating in the SEP program, which he's supported for many years. He thanked the board for the opportunity to speak.

Scott Williams, on behalf of himself as a resident of Lincoln, expressed appreciation for the opportunity to speak, the existing sustainability programs, and continued work toward the 2040 net-zero goal. He referenced the mid-year SEP update (to be given in today's meeting). He inquired about the solar program not being included in the presentation. In response to that, he defined the positive attributes of solar, and described the opportunities to provide the best level of service to ratepayers. Williams asked that solar be considered and included in the Sustainable Energy Program. Chair Sabalka clarified that solar incentives are a part of the Net Metering Program, as opposed to the Sustainability Energy Program.

Introduction & Recognition of Staff

Emeka Anyanwu, CEO, introduced Eric Ruskamp, Manager, Regulatory Compliance, who was recognized by the board for 20 years of service to LES. The board commended Ruskamp on this achievement.

Operations & Power Supply Committee Report

David Spinar, Member of the Operations & Power Supply Committee, reported on Committee discussions held on July 7, 2025, including: 1) Cyber Security Update, 2) Generation Resource Adequacy Update, 3) Virtual Tour Software Demonstration, 4) Energy Resource Evaluation Resolution (verbal only). (Exhibit I)

Finance Committee Report

Carl Eskridge, Chair of the Finance Committee, reported on Committee discussions held on July 18, 2025, including: 1) 2025 Second Quarter Financial Review, 2) Semi-Annual Investment Report, 3) Internal Audit 2nd Quarter Report, 4) Quarterly Ethics Update. (Exhibit II)

Mid-Year Sustainable Energy Program Update

Jessica Kneifl, Specialist in Energy Services, provided an update on the SEP program for the first half of 2025. She indicated $1.1M in incentives have been awarded so far in 2025, which is a 14% decrease from the same time last year (partially due to the discontinuation of the Lighting Update Program and a spike in heat pump installs in 2024). She reviewed net energy savings and net peak demand reduction. Kneifl introduced Amy Nguyen, an intern through the Foundry program. Nguyen has focused her efforts on researching income-qualifying energy assistance programs, including those for multi-family properties. Upon completion of the project, she'll provide recommendations for current programs in a formal report and presentation. Vice Chair Spinar inquired about potential future funding sources. Marc Shkolnick, Manager, Energy Services, discussed the recent elimination of several tax credits for income-qualified energy assistance and residential solar programs and the challenges that could present. (Exhibit III)

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

CEO Anyanwu and other members of LES' Executive Leadership Team presented LES' strategic plan to the board for consideration. The plan, known as Powering LES Forward, addresses how LES will evolve in order to thrive in an ever-changing industry while continuing to meet customer needs. Elements of the strategic plan include five objectives and their five corresponding goals, as well as seven strategic initiatives and the projects that they will accomplish, which were jointly reviewed by executive representatives from each division. Various members of the board acknowledged the efforts of many LES employees and expressed appreciation for the collaboration between LES and PA Consulting to bring the Strategic Plan to its current state (Exhibit IV).

Kate Bolz moved to defer action on the adoption of the Strategic Plan, including LES Resolution 2025-7, to the August Board meeting. David Spinar seconded the motion. The vote to defer approval of the resolution was:

Aye:	Kate Bolz, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Carl Eskridge.
Nay:	None
Abstain:	Andy Hunzeker
Absent:	Karen Griffin, Chelsea Johnson.

Executive Session: Cyber Security Update

Chair Sabalka asked for a motion to go into closed session for the purpose of discussing the Cyber Security Update. David Spinar made the motion. Eric Schafer seconded the motion. The vote for entering executive session was:

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

Nay: None

Absent: Lucas Sabalka, Eric Schafer.

The Board entered Executive Session at 11:26 a.m.

The Board came out of Executive Session at 11:57 a.m.

Next Meeting

The next regular meeting of the LES Administrative Board will be Friday, August 15, 2025, at 9:30 a.m.

Adjournment

Without further business before the Board, Chair Sabalka declared the meeting adjourned at approximately 11:57 a.m.

Carl Eskridge, Secretary

BY: *Kellie Cave*
Kellie Cave, Assistant Secretary

Exhibit I

Operations and Power Supply Committee
Meeting Summary
July 7, 2025

Attendees: K. Griffin, C. Johnson (Committee Chair), L. Sabalka, D. Spinar
E. Anyanwu, J. Fortik, E. Koenig, D. Malcom, S. Sahling-Zart, D. Thorne, N. Wischhof

Cyber Security Update (Dustin Thorne): ***This topic will be covered in an executive session at the 7/18/25 LES Administrative Board meeting.***

- Staff provided an overview of the threat landscape LES's information technology systems and industrial control systems experience from a variety of adversaries, including sources like Nation States.
- LES's cyber security team also provided an overview of hardware functionality and software tools they use to protect LES's systems.

Generation Resource Adequacy Update (Nick Wischhof):

- The processes for acquiring the major equipment for the Terry Bundy Generating Station South Power Block expansion project are underway.
- The public bidding and contracting processes for items like the generator step up transformers, 115kV circuit breakers, and the combustion turbines are expected to extend into August 2025.
- Construction of the battery energy storage system project that connects into the LES microgrid is underway, with final commissioning expected to occur in September 2025.

LiDAR Scan Virtual Tour Demonstration (Nick Wischhof):

- Staff provided an equipment and software overview of a LiDAR based scanning system that LES uses to create high resolution models of infrastructure and building arrangements.
- The dimensionally accurate models are helpful for engineering design work and allow staff to conduct training, research, and verification without needing to travel to the sites.

Energy Resource Evaluation Resolution (Jason Fortik):

- Staff updated the Committee on the status of a proposed Resolution for the Board's future consideration that would provide market information and system capabilities on energy resource technologies.

Exhibit II

Finance Committee – July 18, 2025
(In-Person)

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

1. **2025 Second Quarter Financial Review (Emily)**
    a. Year-to-date financial results as of June were favorable to budget primarily due to higher than budget retail revenues and interest income and lower than budget other operating expenses.
        a) Retail revenue was greater than budget by $1.3 million, or 1%, due to higher revenue from residential and industrial customers.
        b) Net Power Costs were $1.6 million or 3% greater than budget.
        c) Operating Expenses, excluding Power Cost and Depreciation, were below budget $800 thousand, or 1%.
            1. Payroll was below budget $1.1 million (excluding amounts due to the March blizzard).
            2. There are other smaller budget underruns in technology, vegetation management and other administrative and operations costs. These underruns are partially offset by overruns due to the March blizzard storm response of approximately $2.1 million. It is expected that a portion of the underruns will be recovered through FEMA reimbursement.
    b. Capital expenditures were $8.8 million below expected year-to-date cash flows due to timing of substation, distribution, and technology projects. It is expected that costs will catch up some throughout the year but will likely lag budgeted annual cash flows by approximately $4.3 million due to project delays.
    c. Financial metrics are expected to be at or slightly better than the budget at year-end.

2. **Semi-annual Investment Report (Bryan)**
    a. LES managed approximately $167M in investments at the end of the second quarter 2025.
    b. All investments exceeded their benchmark yields due to LES's "hold to maturity" strategy in a declining yield environment.
    c. LES was in compliance with LES Investment Policy 510 during the second quarter 2025.
3. **Internal Audit Second Quarter Report** (**David**)
    a. The internal auditors presented their second quarterly report for the year. There were four (4) audit reports completed during the quarter. They are:
        - Bad Debt Audit
        - On Call Pay Audit
        - Wellness Spending Account Audit
        - Procurement Audit
    b. All of the audits received Qualified Audit Opinions with only relatively minor findings and recommendations. Internal Auditing continues to receive excellent cooperation from all levels of LES staff and Management.

Exhibit III

Sustainability Programs Update

January-June 2025

Jessica Kneifl | Energy Services

July 18, 2025

Summary Headlines

Obligated LES SEP incentives are 14% less than last year

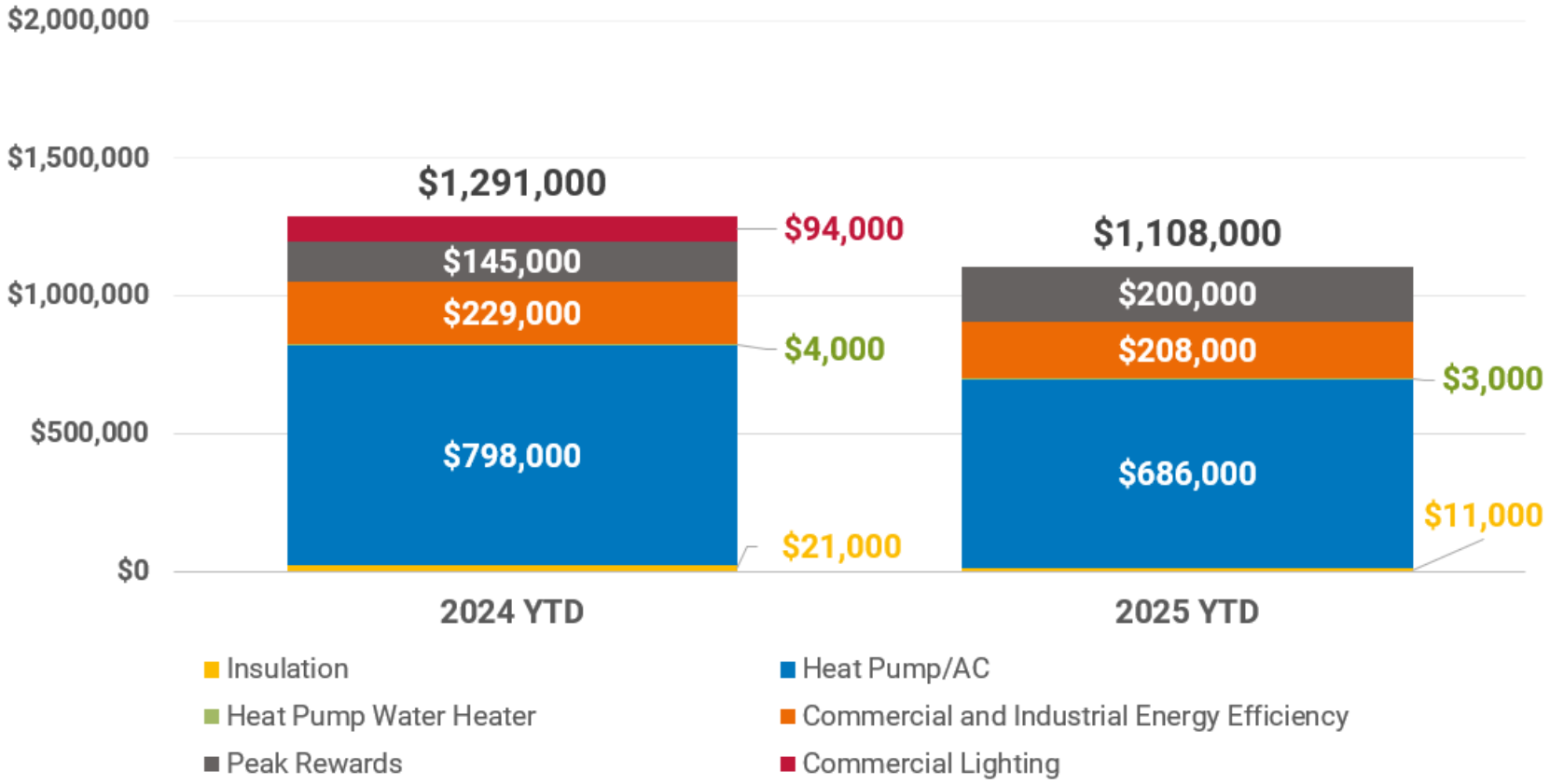
Heat pump installs down; expected to rise again with upcoming City incentives

Peak demand reduction exceeds 2024 mid-year numbers

Collaboration to assist energy burdened continues; research project commences

Sustainable Energy Program (SEP)

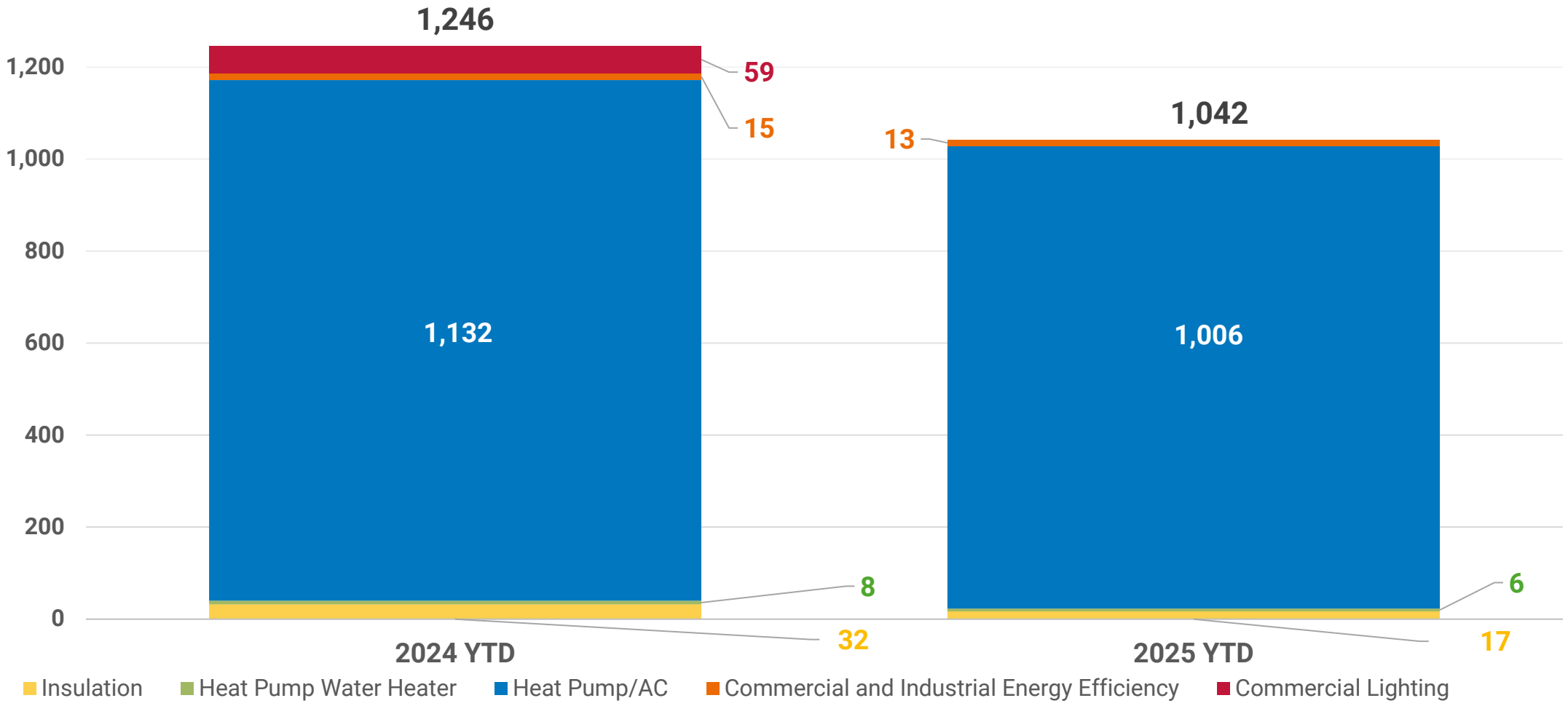
LES Funds Obligated



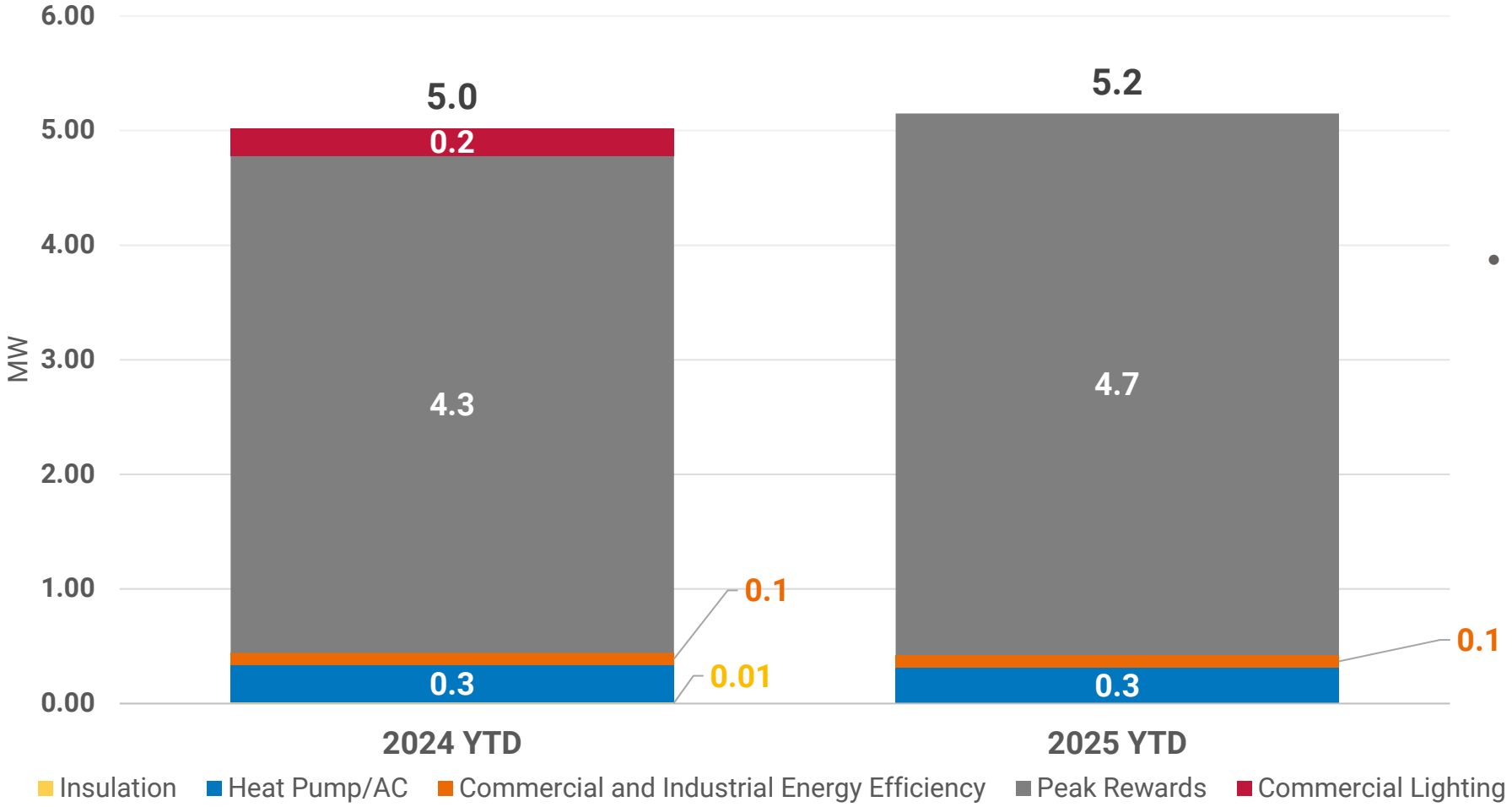
LES funds obligated is 14% less than last year primarily due to:

- **Discontinuation of the lighting program**
- **Last year, City of Lincoln heat pump incentives drove a spike in participation**

Number of Projects

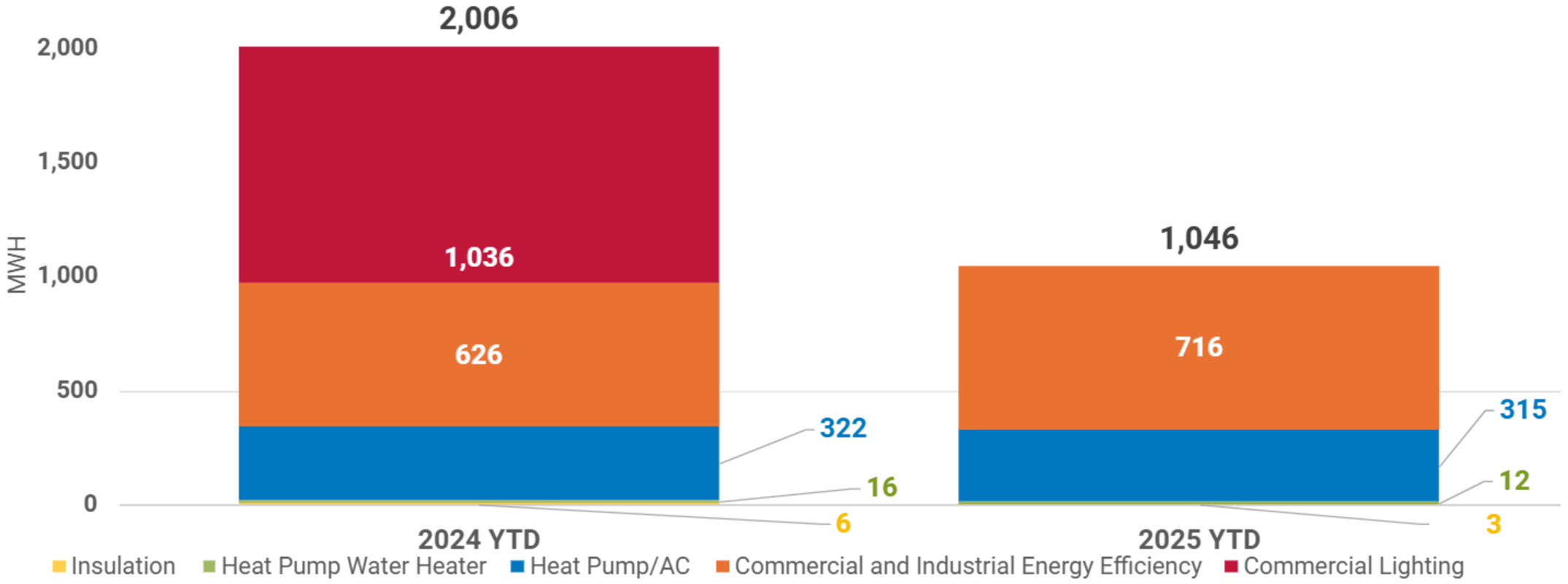


Peak Net Demand Reduction (MW)



- Estimated increase in peak net demand reduction is due to an increase in Peak Rewards participation

Net Energy Savings (MWh)



- **Decrease is primarily due to discontinuation of the lighting program in 2025**
- **Last year, City of Lincoln heat pump incentives boosted participation; City incentives will become available again in September**

Income-Qualifying and Vulnerable Households

Income-Qualifying Projects Updates

- Partnership with Community Action to serve **income-qualifying single-family homes** continues
  - 2025: 4 projects completed; 4 currently in progress
- Partnership with City of Lincoln and NeighborWorks to serve **income-qualifying multi-family properties** continues
  - 2025: The application process closed end of June; properties are currently being selected

Foundry Intern Introduction

- LES formed a partnership with the Foundry for their summer internship program
  - Amy Nguyễn: Income-Qualifying Energy Efficiency research

EST. 2015

FOUNDRY

SUPPORT EDUCATE DEVELOP

Income-Qualifying Research Overview

- Objective of Research
  - Evaluate LES' current pilot for energy efficiency in affordable housing by reviewing comparable low-income programs, identifying trends and best practices, and developing recommendations to enhance and scale the program
- What has been done
  - Meetings with 8 income-qualified program managers
  - Leveraged over 26 secondary resources
  - Attended working group calls
- Where are we and next steps
  - Compiling data into a formal report/presentation

Summary Headlines Recap

Obligated LES SEP incentives are 14% less than last year

Heat pump installs down; expected to rise again with upcoming City incentives

Peak demand reduction exceeds 2024 mid-year numbers

Collaboration to assist energy burdened continues; research project commences

Questions?

Exhibit IV

Strategic Plan

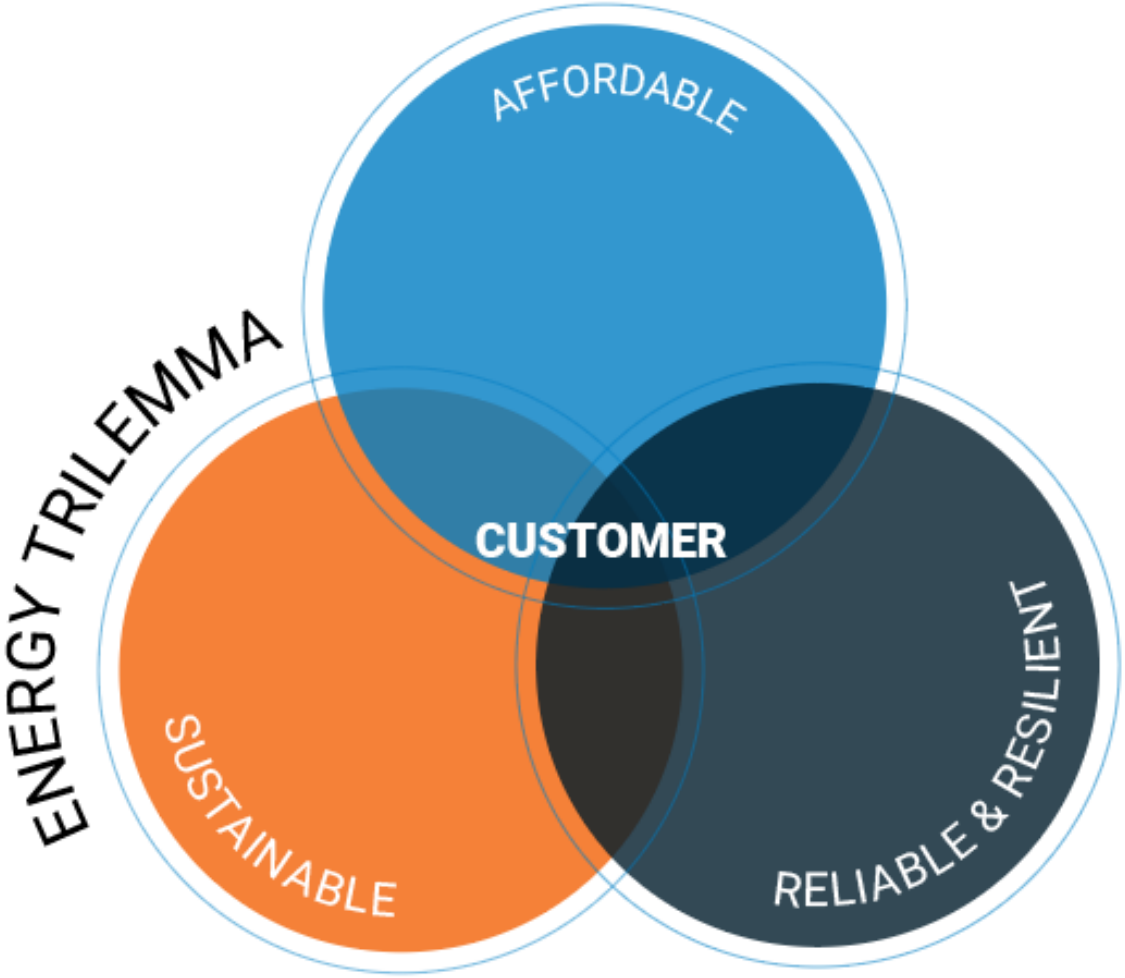
Powering LES Forward

July 18, 2025

LES Administrative Board

We imagined navigating future challenges with a shared direction and a well-defined plan. This presentation will reveal the journey and the exciting path—as we power LES forward.

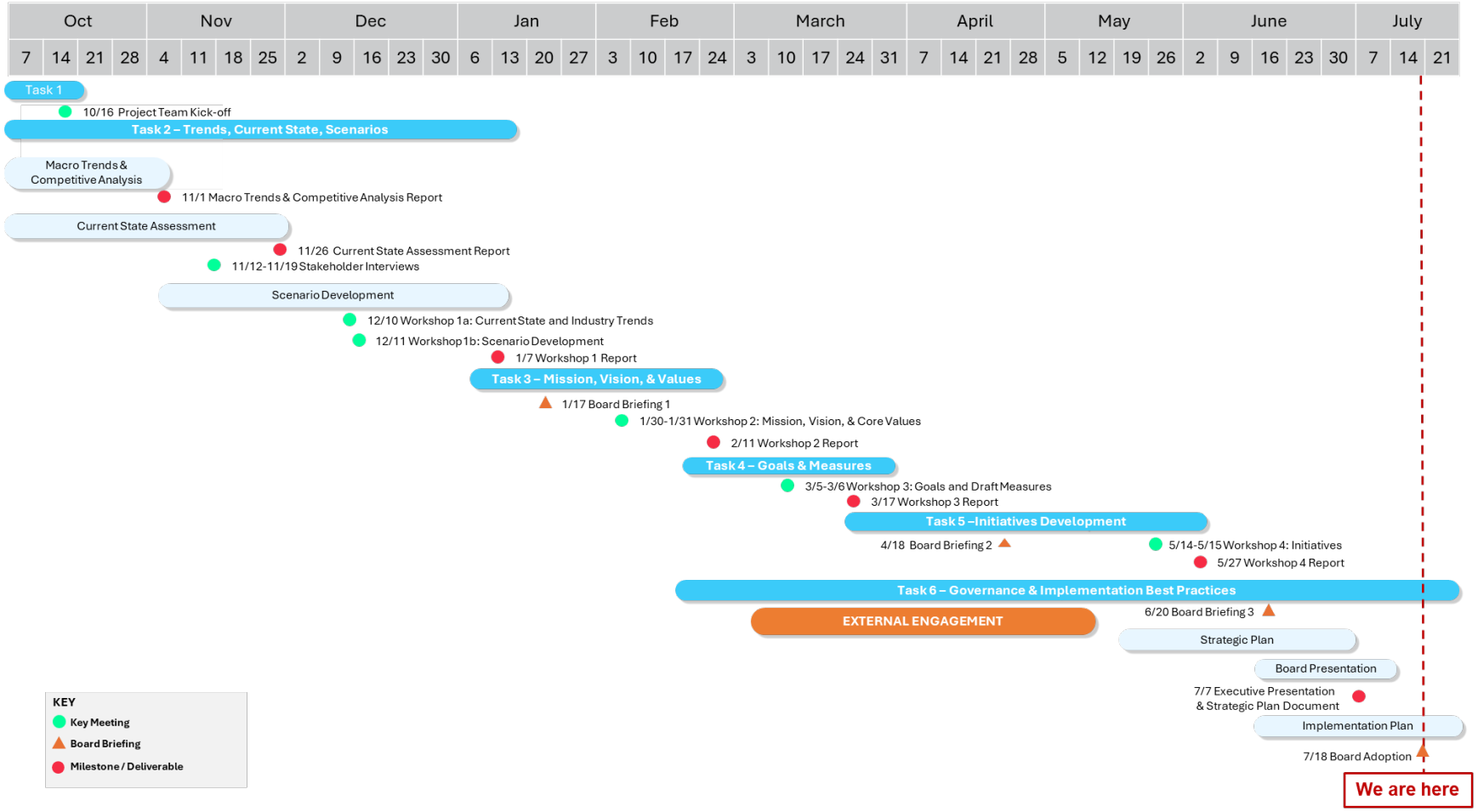
Strategic plan overview



Strategic plan overview

PA Consulting guided LES' strategic planning process using a structured, flexible, and collaborative approach:

- **Task 1:** Align on project goals, success metrics, timelines and key details.
- **Task 2:** Conduct a macro trend analysis, current state assessment and stakeholder interviews, supported by Workshop 1.
- **Task 3:** Review LES' mission, vision and core values and update in Workshop 2.
- **Task 4:** Develop strategic goals and draft measures in Workshop 3.
- **Task 5:** Create Strategic Initiatives in Workshop 4.
- **Task 6:** Prepare a Strategic Plan implementation document and an accompanying presentation summarizing tasks and outcomes.



Strategic planning journey

Since October 2024, the project team engaged the community, Board, Executive Leadership Team (ELT) and employees to co-develop this strategic plan.

20+ stakeholder interviews

- Interviewed each ELT member and Board member individually.
- Interviewed LES employees in small groups.
- Interviewed the Mayor of Lincoln.

Community engagement

- Conducted 7 community meetings (80 attendees)
- Received community feedback through a community survey (1,131 of responses)

Employee

- Received employee feedback through an employee survey (55% engagement / 301 responses)

4 in-person workshops

- Engaged the LES ELT, Board and employees.
- Conducted 10+ mini-sessions with the ELT.
- Reviewed employee, community and Board feedback.
- Continuously refined the strategic plan content.

2 LES employee feedback sessions

- Received feedback on key strategic plan components.

3 Board briefings

- Informed the LES Board of key developments throughout strategic plan development.

Scenarios & community input

ANTICIPATING FUTURE SCENARIOS

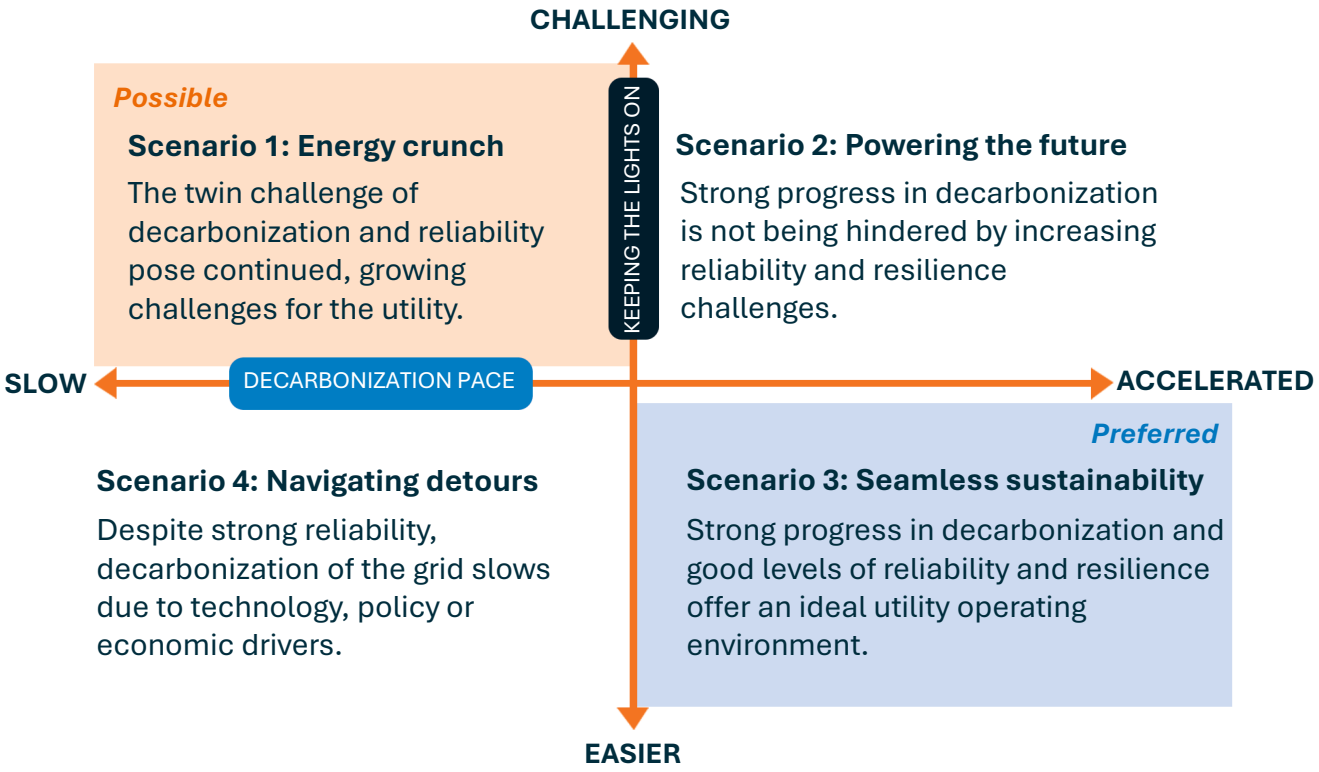


Figure: LES' Strategic Planning Scenarios

COMMUNITY SURVEY

Percentage of survey respondents indicating an investment category was either "Very Important" or "Somewhat Important"

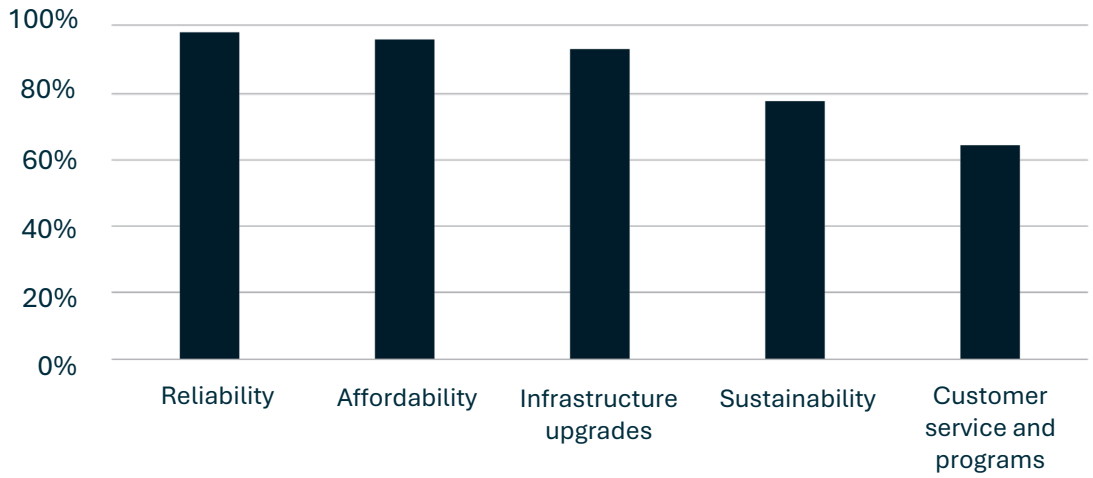


Figure: Community perspectives on LES strategic planning investments priorities

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.

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 CO_2 footprint and manage demand peaks to reduce reliance on fossil fuels.

VALUES

Safety | Integrity | Excellence | Community | Dependability | Curiosity

OBJECTIVES & GOALS

CUSTOMER & COMMUNITY

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 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.
- **Education:** Empower customers to be informed energy users.
- **Service:** Partner with our customers to achieve their energy goals.

OBJECTIVES & GOALS

WORKFORCE READINESS

OBJECTIVE

What we will do

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

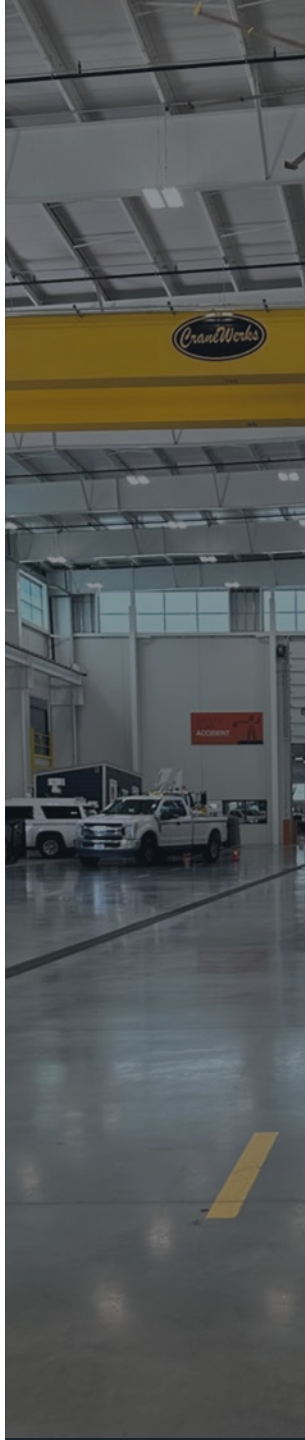
What we will achieve

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.

- **Retain:** Keep talented staff throughout the organization.
- **Develop:** Support and develop employees through career advancement and leadership development.
- **Attract:** Recruit top talent through an efficient hiring process, career fulfillment opportunities and competitive total compensation offerings.



OBJECTIVES & GOALS

INFRASTRUCTURE

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 doing so, we will ensure our systems are prepared to meet the expanding needs and wants of our community and community into the future.

- **Resiliency:** Achieve industry-leading reliability and resiliency across all systems.
- **Capacity:** Provide optimal grid and system capacity.
- **Preparedness:** Future-ready the grid and supporting systems to proactively address increased volatility (i.e., across generation, transmission, distribution and operational/information Technology).

OBJECTIVES & GOALS

SUSTAINABILITY

OBJECTIVE

What we will do

Reduce CO_2 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 CO_2 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 CO_2 emission reductions, sustainable stewardship of environmental resources and demand management solutions.

- **Net-Zero:** Produce net-zero CO_2 emissions from our generation portfolio by 2040.
- **Environmental stewardship:** Demonstrate environmental responsibility across our activities.
- **Demand management:** Reduce seasonal peak demands through customer programs.

OBJECTIVES & GOALS

FINANCIAL HEALTH

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 path, we can responsibly fund strategic priorities while maintaining trust with customers and stakeholders.

- **Liquidity:** Sustain optimal liquidity.
- **Bond Rating:** Maintain a AA Bond rating.
- **Rate Outlook:** Provide a transparent rate outlook.

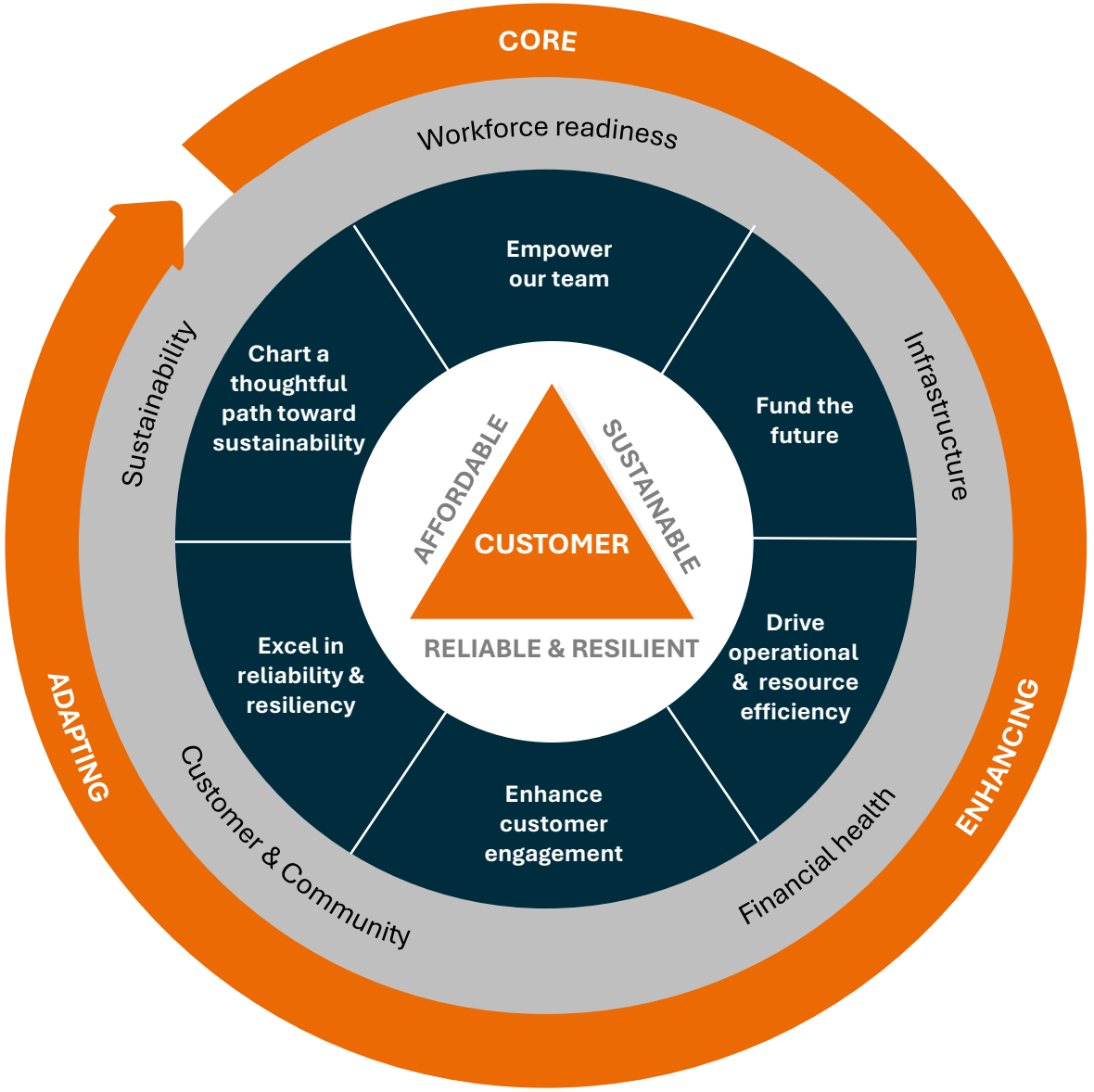
Strategic Initiatives

Bringing our vision and objectives to life

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

Through initiatives, LES will:

- Reinforce our **core** capabilities
- **Enhance** our strengths
- **Adapt** for the future



INITIATIVES

ENHANCE CUSTOMER ENGAGEMENT

This initiative's projects will:

- Foster a more informed, engaged and empowered customer base—one that is equipped to make well-informed decisions about its 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 a collaborative partnership.

INITIATIVES

EMPOWER OUR TEAM

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.

INITIATIVES

EXCEL IN RELIABILITY AND RESILIENCY

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.

INITIATIVES

CHART A THOUGHTFUL PATH TOWARD SUSTAINABILITY

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.

INITIATIVES

FUND THE FUTURE

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.

INITIATIVES

DRIVE OPERATIONAL AND RESOURCE EFFICIENCY

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.

Powering LES Forward

VISION

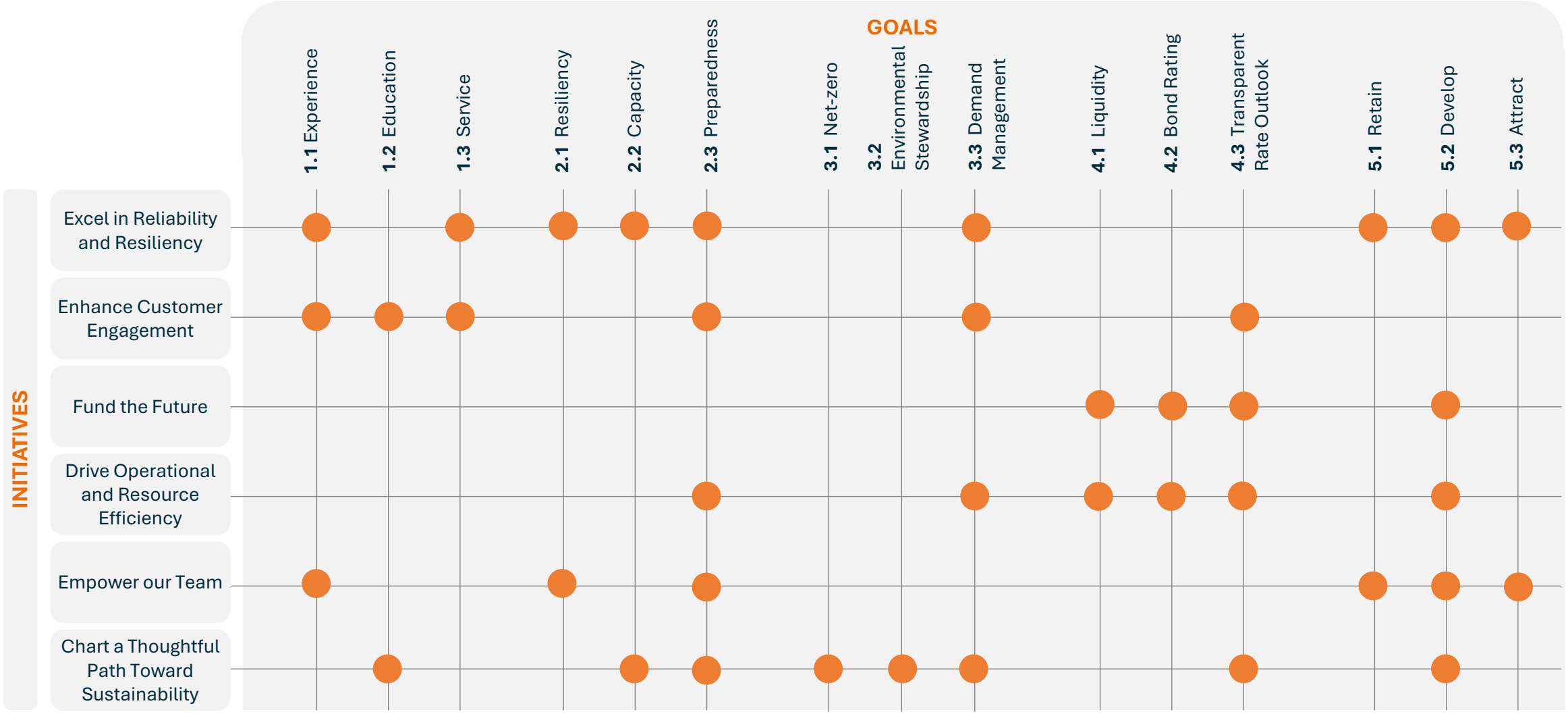
Driving our energy future where people and power enable progress.

MISSION

Powering our community through responsible stewardship of our shared resources.

STRATEGIC OBJECTIVES

CUSTOMER & COMMUNITY | INFRASTRUCTURE | SUSTAINABILITY | FINANCIAL HEALTH | WORKFORCE READINESS



Next steps

Finalize strategic plan elements

- Performance indicators
- Implementation plan

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

Thank you!

LES project team: Eric Ruskamp, Kellie Cave, Emily Koenig, Nathan Walters, Kelley Porter & Amy Svoboda

PA Consulting: Marley Urdanick, Alvina Brieff, Doug McMahon, Dave Cherney, Chris Jackson & Claudia Deflieze

Executive Leadership Team

Subject Matter Expert employee group

Communications, design & community engagement: Amy Svoboda, Alex Wilkason, Sheereen Othman, Ashley Cifuentes-Juarez, Kelley Porter, redthread agency and HDR Inc.

LES employees who engaged throughout the process

Community stakeholders & **customers** who engaged in this strategic planning process

Appendix:
Illustrative Metric Dashboard Reporting

Illustrative

EXECUTIVE DASHBOARD

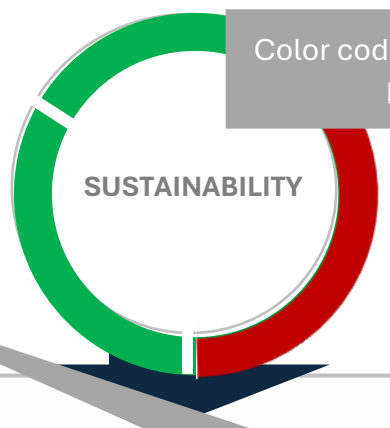
On target
Target at risk in next reporting period
Target currently being missed

STRATEGIC OBJECTIVES - QUARTERLY

Color coding for strategic metric performance

- **Experience** - Industry CSAT Score
- **Education** - Eligible customer enrollment in LES Programs %
- **Service** - % of customers late payment

- **Resilience** - CEMI 3
- **Capacity** – CELID 8
- **Preparedness** - Major Events CAIDI



- **Net Zero** – An… …f CO2 / yr from fleet
- **Environmental Stewardship** – … reduction
- **Demand Management** – Seasonal peak demand offset

- **Liquidity** - Days cash on hand > x days
- **Bond** …

- **Retain** - Annual turnover of employees 'meeting expectations'
- **…p** – x% of leadership roles …ccession plans
- … – Compensation …arking

Our five strategic objectives and key measures per goal to define progress. Objective segments and measures are color coded based on progress *(note, illustrative for now - work in progress to finalize the key measures (KPIs), target performance and/or and what defines progress for each)*

Also important to depict key day to day operational metrics (again, currently illustrative; top indicators to be defined) to show the difference between the day-to-day performance of the business vs progress towards achievement of the strategic plan goals

KEY DAY TO DAY OPERATIONAL PERFORMANCE METRICS -

…ty
- … June….

X.X — **Safety (DART Rate)**
- Target XX
- Three minor incidents in June

X% — **CSAT**
- Target 96%
- Uplift of x% in last month….

X% — **Customer % Late Payment**
- Target <X%
- Monthly comment of note

X.X — **Debt Service Coverage Ratio**
- Target X.X
- Monthly comment of note

AA — **Bond Rating**
- Targe…
- Mont…

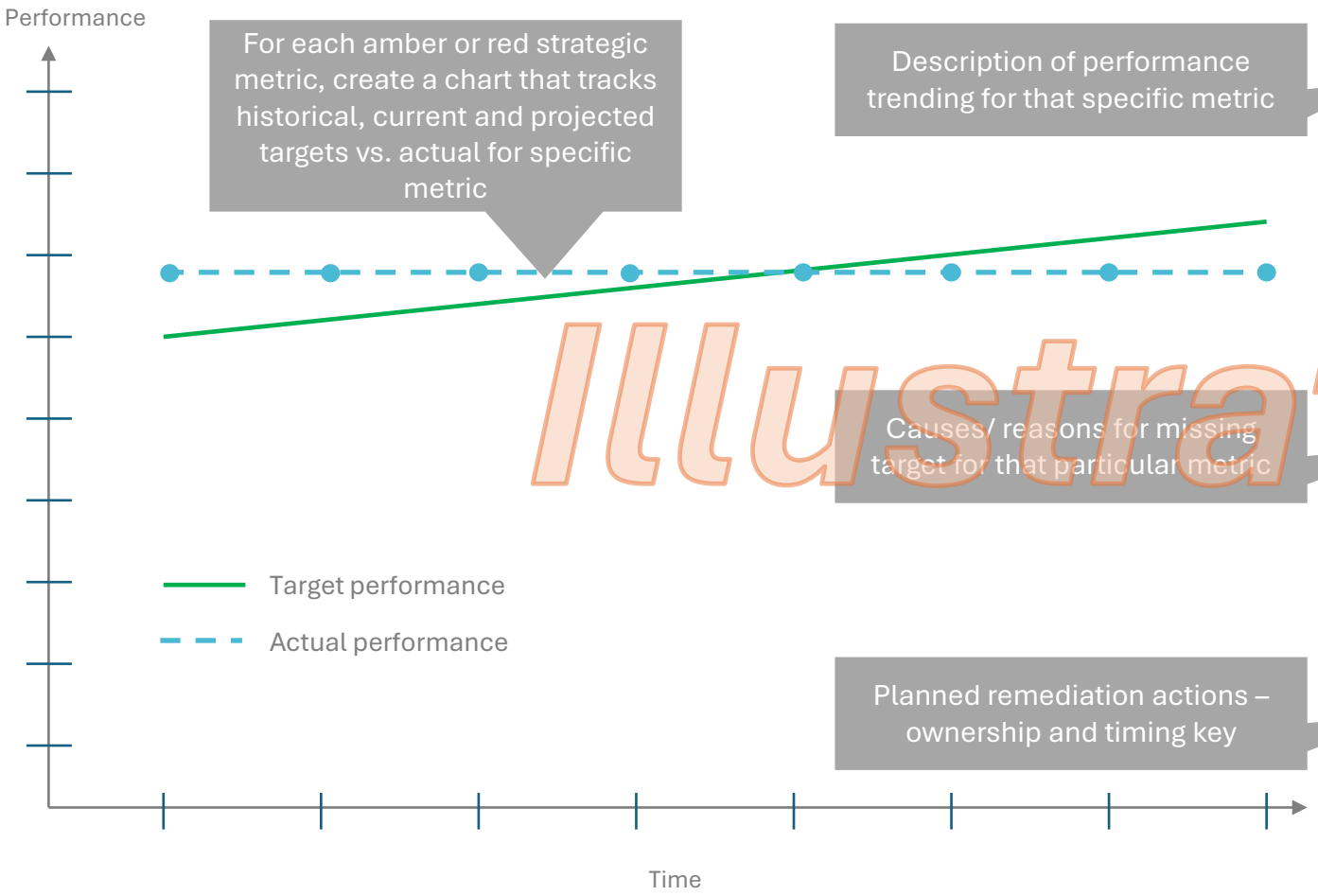
Color coding for day-to-day operational metric performance

Missed target more than once in the last 6 months
Missed target once in the last 6 months
No missed target in the last 6 months

STRATEGIC OBJECTIVES – METRIC DEEP DIVE

ELT Owner	John Smith	Reporting Period	xx/yy

Strategic Objective X: Metric Y



Trend Description

- Trend description for the last six reporting period's - part one.
- Trend description for the last six reporting period's - part two.

Cause of Target Performance

- Cause / reason for missed target – part 1 (include level of impact)
- Cause / reason for missed target – part 2 (include level of impact)

Planned Action

- Planned activity to remediate missed target, owner and due date
- Planned activity to remediate missed target, owner and due date

Powering LES Forward

Strategic Plan

Adopted July 2025

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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.

TABLE OF CONTENTS

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 build better and create an exceptional energy future together — one that maintains and 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.

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

Emeka Anyanwu
CEO

Lucas Sabalka
Board Chair

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 anniversary, 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, entrepreneurship 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 to provide responsible stewardship of 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 & AI	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?

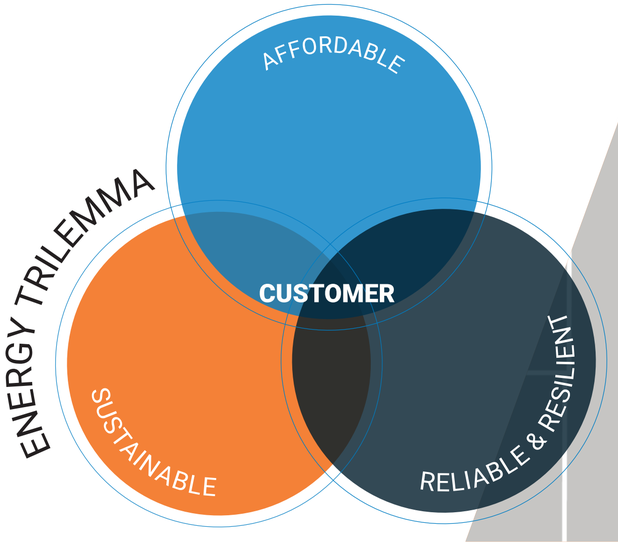
Impact of industry trends on our community & customers

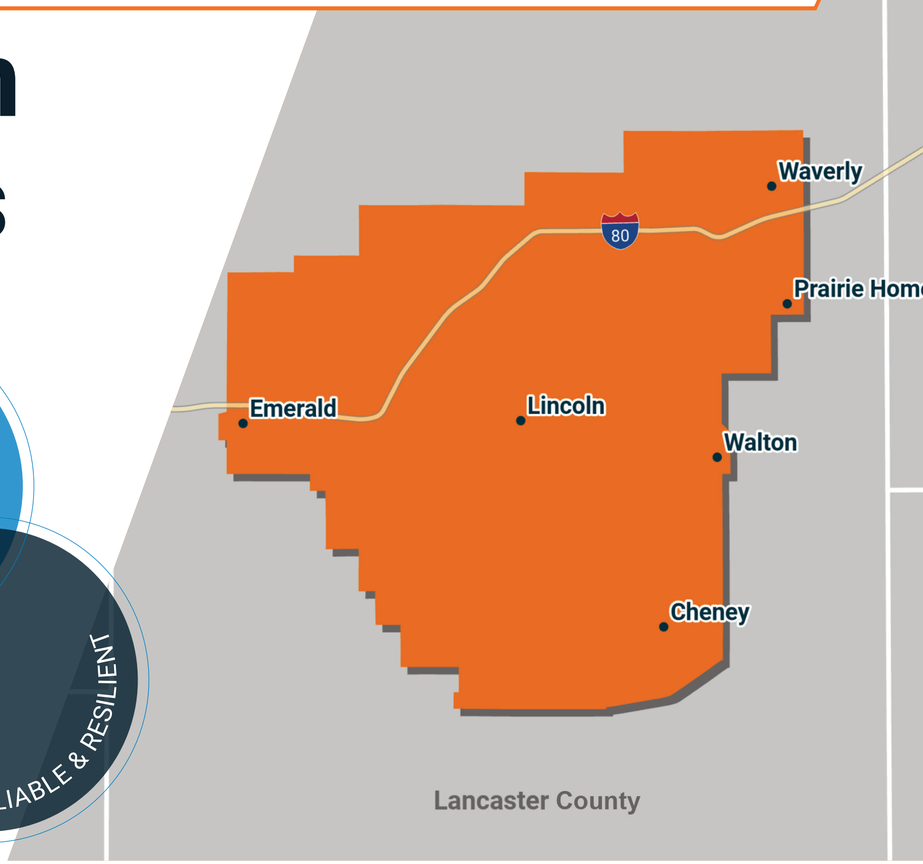
Utilities around the globe need to balance supply and demand, manage the volatile supply and cost of electricity and navigate growing uncertainty associated with shifting industry macro trends.

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

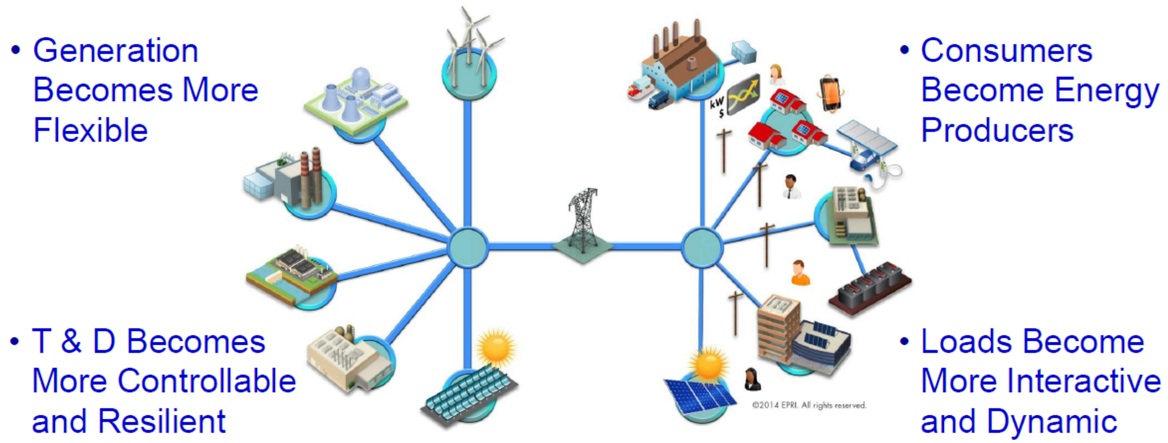
Performing consistently under normal conditions and recovering quickly and continuing work even when things go wrong.

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] The electric grid of the future 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 AI 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.



1. PA Consulting market analysis Q1 2025

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 their 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 helps our customers manage electricity use during peak periods, reducing both costs and environmental impacts. LES' commitment to education has also been on full display at events like the Sustainable Living Festival and the EV Ride & Drive, where we've sparked 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.

The Content Customer

Customers who wish to maintain a simple, traditional role — pay their electricity bills each month and only choose to interact with their electric utility when there is a problem with service.

The Engaged Customer

Customers who are willing to work with their electric utility in terms of educational outreach, exploration of new rates and energy management products but are still looking to sign up for these and let the utility manage it on their behalf.

The Active Customer

Customers who wish to exercise their increasing agency over managing their electricity and broader energy bills — looking for local generation and storage solutions and behind-the-meter programs, as well as electricity management systems that they can control.

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.

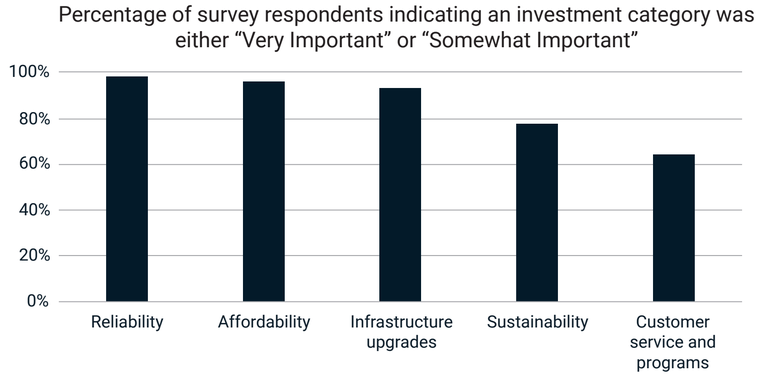


Figure: Community perspectives on LES strategic planing

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 the expectations expressed by our community 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.

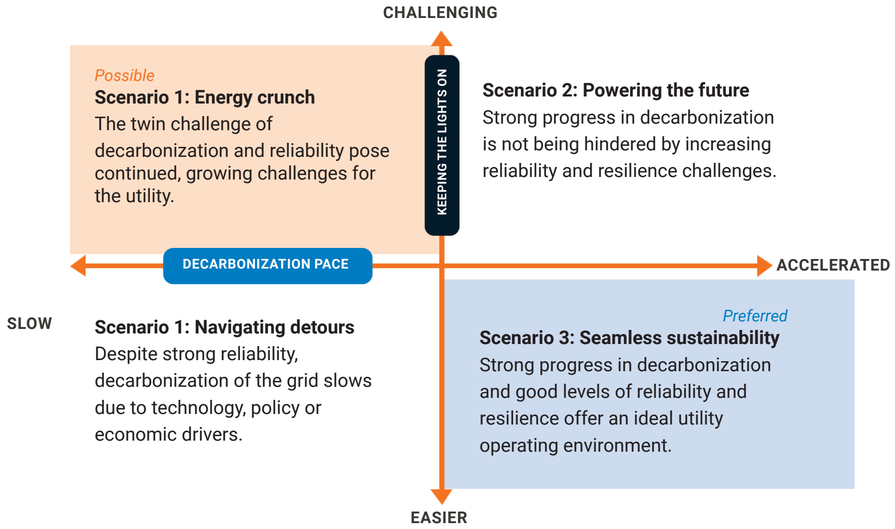


Figure: LES’ Strategic Planning Scenarios

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, measureable 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 Initatives to life e.g. construction projects, technology projects, process improvements, customer programs, etc.

Customer & Community

Infrastructure

Financial Health

Workforce Readiness

Sustainability

Strategic Objectives

OUR STRATEGIC OBJECTIVES & GOALS

CUSTOMER & COMMUNITY

OBJECTIVE

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

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

GOALS

Experience: Deliver an exceptional customer experience.

Education: Empower customers to be informed energy users.

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

INFRASTRUCTURE

OBJECTIVE

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

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

GOALS

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

Capacity: Provide optimal grid and system capacity.

Preparedness: Future-ready the grid and supporting systems to proactively address increased

FINANCIAL HEALTH

OBJECTIVE

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

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

GOALS

Liquidity: Sustain optimal liquidity.

Bond Rating: Maintain a AA Bond rating.

Rate Outlook: Provide a transparent rate outlook.

WORKFORCE READINESS

OBJECTIVE

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

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

GOALS

Retain: Keep talented staff throughout the organization.

Develop: Support employees through career advancement and leadership development.

Attract: Recruit top talent through an efficient hiring process, career fulfilment opportunities and competitive total compensation.

SUSTAINABILITY

OBJECTIVE

Reduce our CO_2 footprint and manage demand peaks to reduce reliance on fossil fuels.

Achieve net-zero CO_2 production from LES' generation portfolio by 2040 while managing our demand peaks and demonstrating environmental stewardship across our utility operations.

GOALS

Net-Zero: Produce net-zero CO_2 emissions from LES generation portfolio by 2040.

Environmental stewardship: Demonstrate environmental responsibility across our activities.

Demand management: Reduce seasonal peak demands through customer programs.

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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.

STRATEGIC OBJECTIVE
Customer & Community

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.

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

STRATEGIC OBJECTIVE
Infrastructure

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.

STRATEGIC OBJECTIVE
Financial Health

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.

STRATEGIC OBJECTIVE
Workforce Readiness

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 CO_2 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 CO_2 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 CO_2 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 CO_2 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.

STRATEGIC OBJECTIVE
Sustainability

KEY ENABLERS:

- Advance environmental and fiscal stewardship by integrating cost-effective decarbonization strategies that balance emissions reduction with long-term affordability for customers.
- Progress toward our net-zero goal by 2040 through targeted investments in technological solutions that balance environmental impact, financial responsibility and reliable service.
- Ensure transparent and accountable progress by establishing regular reporting and stakeholder engagement to build trust and maintain momentum toward net-zero targets.
- Optimize resource planning by incorporating emissions impacts, fuel price volatility and regulatory risks into long-term financial models to support sustainable decision-making.
- Promote innovation and efficiency by leveraging emerging technologies, demand-side management and grid modernization to reduce emissions while maintaining reliability and cost control.
- Implement internal processes and programs that demonstrate environmental stewardship.

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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 & Customer Program Development & Implementation
- Advanced Metering Technology Strategy
- Customer Engagement Strategy & 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.

STRATEGIC INITIATIVES

EXCEL IN RELIABILITY & RESILIENCY

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

- Grid Enhancements
- Outage Communications & Mobile Information Accessing
- Strategic System Hardening
- Generation Maintenance & Operations Enhancements
- Infrastructure Asset Management Strategy
- Technology & 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 CO_2 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.

STRATEGIC INITIATIVES

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 & 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.

STRATEGIC INITIATIVES

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 & Standardization
- Project Management and Governance Standardization
- Function Sourcing Strategy Development

STRATEGIC INITIATIVES

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 & Knowledge Transfer
- Employee Satisfaction & Engagement Survey
- Organizational Change Management
- Employee & Community Engagement Strategies

STRATEGIC INITIATIVES

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.

STRATEGIC INITIATIVES

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, what's next and the future. 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

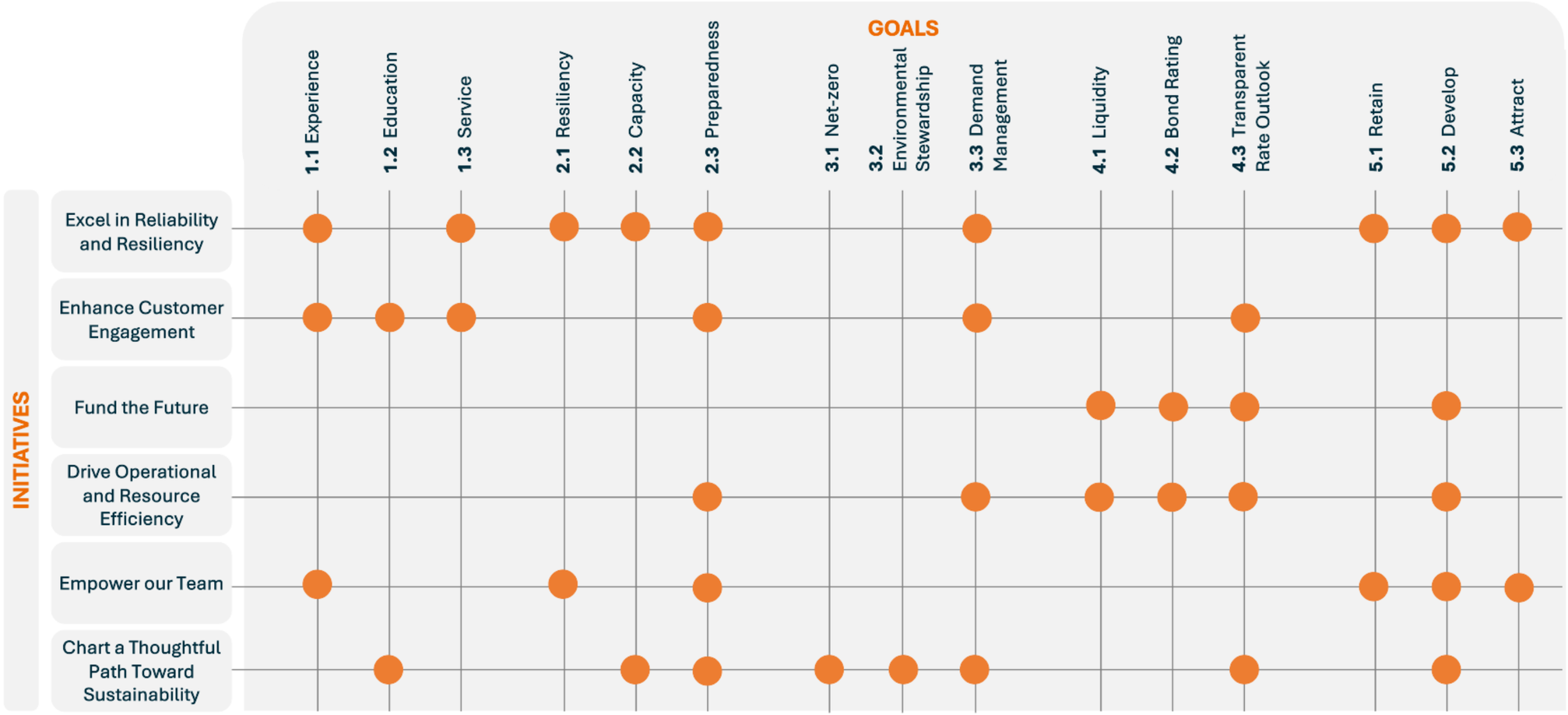
Driving our energy future where people and power enable progress.

MISSION

Powering our community through responsible stewardship of our shared resources.

STRATEGIC OBJECTIVES

CUSTOMER & COMMUNITY | INFRASTRUCTURE | SUSTAINABILITY | FINANCIAL HEALTH | WORKFORCE READINESS



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

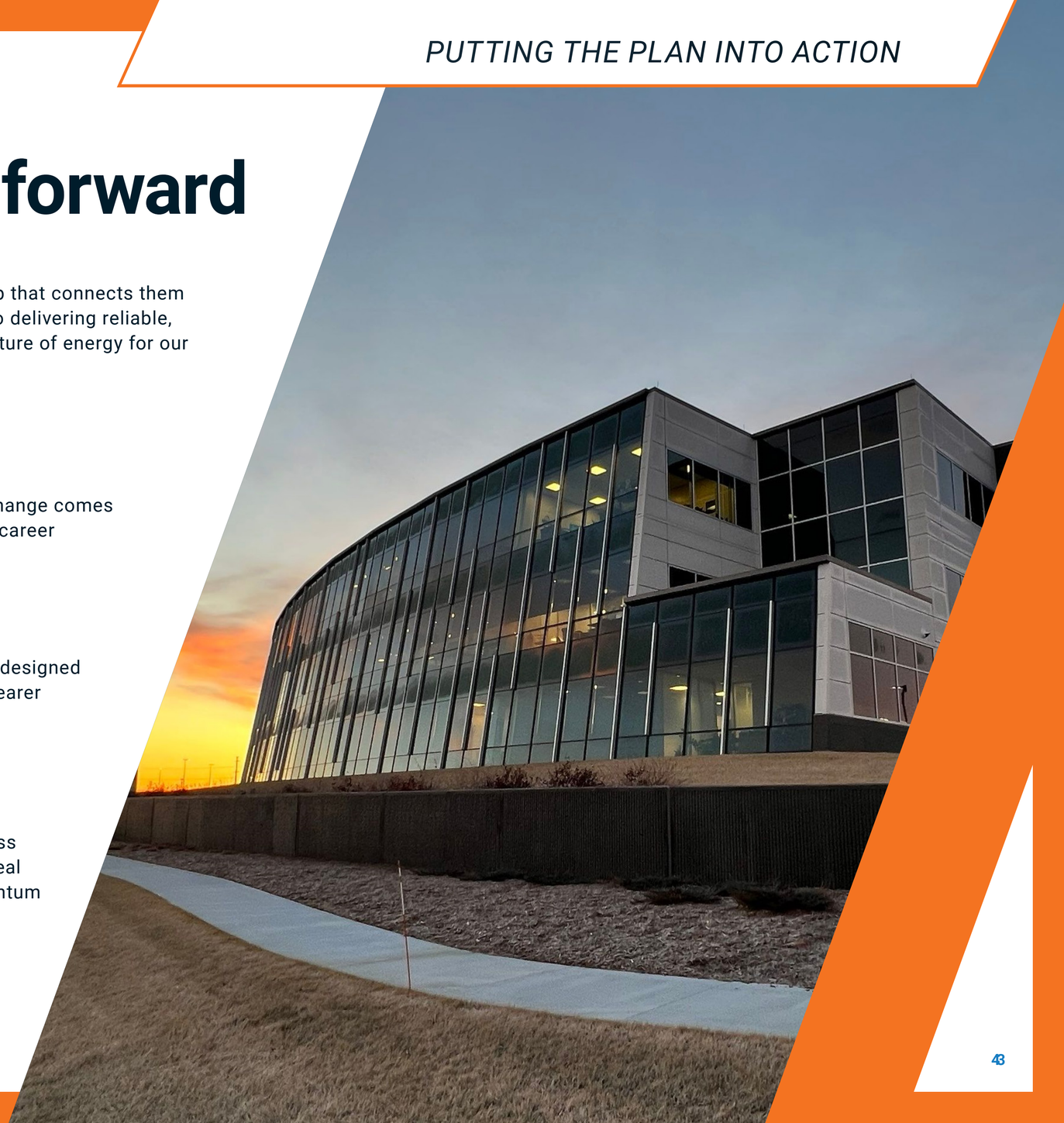
- LES launched a new strategic plan — and every employee is a part of it. With change comes possibility: new challenges to tackle, new roles to grow into and new paths for career development.

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.



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; 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: _____

Exhibit V

Lincoln Electric System

Revenue & Expense Statement (Condensed)

JUNE 2025

Year-to-date financial results were favorable primarily due to higher than budgeted interest income

(Dollar amounts in 000)

	YEAR TO DATE	2025 Actual	2025 Budget	Difference	Percentage Difference	Comments
1)	Total Revenue	$183,647	$172,730	$10,917	6%	Wholesale revenue exceeded budget by 66% ($8.8M), primarily due to higher than expected revenues from SPP IM activities. Other revenue was over budget by 21% ($910K) mainly due to reimbursement of repairs for Rokeby Unit 1 and higher than budgeted customer fees & natural gas capacity releases.
2)	Power Costs	77,373	66,960	10,413	16%	Purchased power was over budget by 16% ($6.0M) due to higher SPP purchases, compensated curtailment charges for Arbuckle Wind Farm resulting from nearby transmission outages, the addition of the Jeffrey Hydro plant, and higher than budgeted demand charges at GGS, WS3 & WAPA. Produced power was 15% ($4.4M) over budget due primarily to higher than budgeted energy costs for LRS, TBGS, Rokeby & J Street; higher maintenance expenses for TBGS, WS4, J St & Rokeby; and higher operations expenses at WS4, TBGS, Landfill Gas, & LRS.
3)	Other Operating Expenses	53,827	54,554	(727)	-1%	Other operating expenses were slightly under budget, primarily due to lower inspection costs ($300K), timing of TS invoices received for payment ($240K), reduced line clearance expenses ($240K), and lower Sustainable Energy Program incentives ($240K); offset by increased payroll and benefits expenses ($300K) primarily due to the March Blizzard response labor ($1.2M).
4)	Depreciation	20,262	21,141	(879)	-4%	
5)	Total Expenses	151,462	142,655	8,807	6%	
6)	Operating Income	32,185	30,075	2,110	7%	
7)	Non-Operating Expense (Income)	18,133	20,144	(2,011)	-10%	
8)	Change in Net Position (Net Revenue)	$14,052	$9,931	$4,121	41%	
		Year End Projection	Year End Budget			
9)	Fixed Charge Coverage	1.80x	1.46x			
10)	Debt Service Coverage	2.79x	2.27x			
		Month End Actual	Month End Budget			
11)	Days Cash on Hand	121	119			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

June 2025

INDEX

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

REVENUE & EXPENSE STATEMENT

CURRENT MONTH

JUNE 2025

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
OPERATING REVENUES							
1. Retail	$29,433,105	$27,752,085	$1,681,020	6.1%	$27,026,520	$2,406,585	8.9%
2. Wholesale	3,237,625	1,389,485	1,848,140	133.0%	2,635,288	602,337	22.9%
3. Other Revenue	428,019	912,931	(484,912)	-53.1%	414,291	13,728	3.3%
4. CDFUO (a)	1,108,592	1,142,680	(34,088)	-3.0%	1,071,984	36,608	3.4%
5. Total Operating Revenues	34,207,341	31,197,181	3,010,160	9.6%	31,148,083	3,059,258	9.8%
OPERATING EXPENSES							
6. Purchased Power	8,353,221	7,385,158	968,063	13.1%	7,614,284	738,937	9.7%
7. Produced Power	5,466,794	5,281,040	185,754	3.5%	5,239,938	226,856	4.3%
8. Operations	2,561,968	2,448,665	113,303	4.6%	3,409,193	(847,225)	-24.9%
9. Maintenance	1,200,122	1,170,673	29,449	2.5%	1,061,319	138,803	13.1%
10. Admin. & General	5,112,013	5,697,272	(585,259)	-10.3%	4,764,613	347,400	7.3%
11. Depreciation	3,378,530	3,519,535	(141,005)	-4.0%	2,977,999	400,531	13.4%
12. Total Operating Expenses	26,072,648	25,502,343	570,305	2.2%	25,067,346	1,005,302	4.0%
13. OPERATING INCOME	**8,134,693**	**5,694,838**	**2,439,855**	**42.8%**	**6,080,737**	**2,053,956**	**33.8%**
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,475,742	1,496,987	(21,245)	-1.4%	1,441,499	34,243	2.4%
15. PILOT (c)	1,169,233	1,266,660	(97,427)	-7.7%	1,145,403	23,830	2.1%
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	- -	3	(3)	-100.0%
18. Total Other Nonoperating Expense	3,788,179	3,906,851	(118,672)	-3.0%	3,633,294	154,885	4.3%
19. Other (Income)	(43,037)	(41,757)	(1,280)	3.1%	(45,464)	2,427	-5.3%
20. Interest (Income)	(1,057,207)	(359,507)	(697,700)	194.1%	(908,036)	(149,171)	16.4%
21. Total Other Nonoperating (Income)	(1,100,244)	(401,264)	(698,980)	174.2%	(953,500)	(146,744)	15.4%
22. Total Nonoperating Expenses (Income)	2,687,935	3,505,587	(817,652)	-23.3%	2,679,794	8,141	0.3%
23. Income Before Contributions	**5,446,758**	**2,189,251**	**3,257,507**	**148.8%**	**3,400,943**	**2,045,815**	**60.2%**
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	730,942	50,199	680,743	1356.1%	440,637	290,305	65.9%
25. Contributed Capital Used (d)	(730,942)	(50,199)	(680,743)	-1356.1%	(440,637)	(290,305)	-65.9%
26. Net Contributed Capital	0	0	0	- -	0	0	- -
27. CHANGE IN NET POSITION	**$5,446,758**	**$2,189,251**	**$3,257,507**	**148.8%**	**$3,400,943**	**$2,045,815**	**60.2%**

(a) City Dividend for Utility Ownership.

(b) Bond Interest $1,477,519 + Software Agreements Interest $8,563 + Variable Interest $264,656 + Amortization of Issuance Costs on Outstanding Debt $92,055 + 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

JUNE 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
OPERATING REVENUES							
1. Retail	$149,826,161	$148,549,092	$1,277,069	0.9%	$142,147,034	$7,679,127	5.4%
2. Wholesale	22,046,612	13,267,954	8,778,658	66.2%	19,308,689	2,737,923	14.2%
3. Other Revenue	5,246,678	4,339,536	907,142	20.9%	5,055,303	191,375	3.8%
4. CDFUO (a)	6,527,265	6,573,630	(46,365)	-0.7%	6,327,517	199,748	3.2%
5. Total Operating Revenues	183,646,716	172,730,212	10,916,504	6.3%	172,838,543	10,808,173	6.3%
OPERATING EXPENSES							
6. Purchased Power	44,697,165	38,665,304	6,031,861	15.6%	37,646,765	7,050,400	18.7%
7. Produced Power	32,676,221	28,294,687	4,381,534	15.5%	29,766,581	2,909,640	9.8%
8. Operations	15,070,446	14,311,294	759,152	5.3%	14,063,191	1,007,255	7.2%
9. Maintenance	8,321,180	7,068,706	1,252,474	17.7%	5,928,069	2,393,111	40.4%
10. Admin. & General	30,435,612	33,174,471	(2,738,859)	-8.3%	29,724,446	711,166	2.4%
11. Depreciation	20,261,604	21,141,080	(879,476)	-4.2%	17,824,259	2,437,345	13.7%
12. Total Operating Expenses	151,462,228	142,655,542	8,806,686	6.2%	134,953,311	16,508,917	12.2%
13. OPERATING INCOME	**32,184,488**	**30,074,670**	**2,109,818**	**7.0%**	**37,885,232**	**(5,700,744)**	**-15.0%**
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	8,775,281	8,735,954	39,327	0.5%	8,532,882	242,399	2.8%
15. PILOT (c)	6,806,372	7,032,284	(225,912)	-3.2%	6,462,721	343,651	5.3%
16. CDFUO Expense (a)	6,859,224	6,859,224	0	0.0%	6,278,334	580,890	9.3%
17. Other Expense	102,315	0	102,315	- -	3	102,312	3410400.0%
18. Total Other Nonoperating Expense	22,543,192	22,627,462	(84,270)	-0.4%	21,273,940	1,269,252	6.0%
19. Other (Income)	(272,112)	(264,798)	(7,314)	2.8%	(273,114)	1,002	-0.4%
20. Interest (Income)	(4,138,454)	(2,218,306)	(1,920,148)	86.6%	(2,622,005)	(1,516,449)	57.8%
21. Total Other Nonoperating (Income)	(4,410,566)	(2,483,104)	(1,927,462)	77.6%	(2,895,119)	(1,515,447)	52.3%
22. Total Nonoperating Expenses (Income)	18,132,626	20,144,358	(2,011,732)	-10.0%	18,378,821	(246,195)	-1.3%
23. Income Before Contributions	**14,051,862**	**9,930,312**	**4,121,550**	**41.5%**	**19,506,411**	**(5,454,549)**	**-28.0%**
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	19,259,227	301,186	18,958,041	6294.5%	1,603,252	17,655,975	1101.3%
25. Contributed Capital Used (d)	(19,259,227)	(301,186)	(18,958,041)	-6294.5%	(1,603,252)	(17,655,975)	-1101.3%
26. Net Contributed Capital	0	0	0	- -	0	0	- -
27. CHANGE IN NET POSITION	**$14,051,862**	**$9,930,312**	**$4,121,550**	**41.5%**	**$19,506,411**	**($5,454,549)**	**-28.0%**

(a) City Dividend for Utility Ownership.

(b) Bond Interest $8,865,113 + Software Agreements Interest $53,099 + Variable Interest $1,535,890 + Amortization of Issuance Costs on Outstanding Debt $523,484 + Amortization of Loss on Refunded Debt $646,657 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.

REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

JUNE 2025

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
REVENUE							
1. Residential	$14,007,078	$12,627,138	$1,379,940	10.9%	$12,229,003	$1,778,075	14.5%
2. Commercial & Street Light	12,473,539	12,022,374	451,165	3.8%	11,747,470	726,069	6.2%
3. Industrial	2,952,488	3,102,573	(150,085)	-4.8%	3,050,047	(97,559)	-3.2%
4. Total Retail	29,433,105	27,752,085	1,681,020	6.1%	27,026,520	2,406,585	8.9%
5. SPP Sales	2,352,391	769,083	1,583,308	205.9%	1,966,096	386,295	19.6%
6. Contract Sales	885,234	620,402	264,832	42.7%	669,192	216,042	32.3%
7. Total Wholesale	3,237,625	1,389,485	1,848,140	133.0%	2,635,288	602,337	22.9%
8. Total	$32,670,730	$29,141,570	$3,529,160	12.1%	$29,661,808	$3,008,922	10.1%
ENERGY (MWH'S)							
9. Residential	118,257	114,069	4,188	3.7%	101,015	17,242	17.1%
10. Commercial & Street Light	135,662	132,654	3,008	2.3%	123,319	12,343	10.0%
11. Industrial	38,752	47,152	(8,400)	-17.8%	39,420	(668)	-1.7%
12. Total Retail	292,671	293,875	(1,204)	-0.4%	263,754	28,917	11.0%
13. SPP Sales	28,585	12,554	16,031	127.7%	28,234	351	1.2%
14. Contract Sales	16,285	24,546	(8,261)	-33.7%	29,465	(13,180)	-44.7%
15. Total Wholesale	44,870	37,100	7,770	20.9%	57,699	(12,829)	-22.2%
16. Total	337,541	330,975	6,566	2.0%	321,453	16,088	5.0%
CUSTOMERS - AT MONTH END							
17. Residential	136,751	136,807	(56)	0.0%	134,704	2,047	1.5%
18. Commercial & Street Light	17,995	18,519	(524)	-2.8%	17,906	89	0.5%
19. Industrial	236	239	(3)	-1.3%	239	(3)	-1.3%
20. Total Retail	154,982	155,565	(583)	-0.4%	152,849	2,133	1.4%
21. Wholesale	6	4	2	50.0%	6	0	0.0%
22. Total	154,988	155,569	(581)	-0.4%	152,855	2,133	1.4%

REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

JUNE 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
REVENUE							
1. Residential	$70,493,495	$69,619,622	$873,873	1.3%	$66,127,962	$4,365,533	6.6%
2. Commercial & Street Light	62,722,710	63,115,224	(392,514)	-0.6%	59,431,400	3,291,310	5.5%
3. Industrial	16,609,956	15,814,246	795,710	5.0%	16,587,672	22,284	0.1%
4. Total Retail	149,826,161	148,549,092	1,277,069	0.9%	142,147,034	7,679,127	5.4%
5. SPP Sales	16,751,940	8,224,989	8,526,951	103.7%	15,122,112	1,629,828	10.8%
6. Contract Sales	5,294,672	5,042,965	251,707	5.0%	4,186,577	1,108,095	26.5%
7. Total Wholesale	22,046,612	13,267,954	8,778,658	66.2%	19,308,689	2,737,923	14.2%
8. Total	$171,872,773	$161,817,046	$10,055,727	6.2%	$161,455,723	10,417,050	6.5%
ENERGY (MWH'S)							
9. Residential	660,890	635,942	24,948	3.9%	617,520	43,370	7.0%
10. Commercial & Street Light	728,439	723,411	5,028	0.7%	710,551	17,888	2.5%
11. Industrial	218,993	223,042	(4,049)	-1.8%	237,171	(18,178)	-7.7%
12. Total Retail	1,608,322	1,582,395	25,927	1.6%	1,565,242	43,080	2.8%
13. SPP Sales	193,608	86,927	106,681	122.7%	150,564	43,044	28.6%
14. Contract Sales	98,708	113,190	(14,482)	-12.8%	106,409	(7,701)	-7.2%
15. Total Wholesale	292,316	200,117	92,199	46.1%	256,973	35,343	13.8%
16. Total	1,900,638	1,782,512	118,126	6.6%	1,822,215	78,423	4.3%
CUSTOMERS AVERAGE							
17. Residential	136,483	136,469	14	0.0%	134,381	2,102	1.6%
18. Commercial & Street Light	18,000	18,453	(453)	-2.5%	17,888	112	0.6%
19. Industrial	235	239	(4)	-1.7%	239	(4)	-1.7%
20. Total Retail	154,718	155,161	(443)	-0.3%	152,508	2,210	1.4%
21. Wholesale	5	5	0	0.0%	6	(1)	-16.7%
22. Total	154,723	155,166	(443)	-0.3%	152,514	2,209	1.4%

OPERATING EXPENSE STATEMENT

CURRENT MONTH

JUNE 2025

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
POWER COST							
1. SPP Purchased Power	$2,954,857	$1,809,918	$1,144,939	63.3%	$2,530,287	$424,570	16.8%
2. Non-Owned Asset Power	5,398,364	5,575,240	(176,876)	-3.2%	5,083,997	314,367	6.2%
3. Total Purchased Power	8,353,221	7,385,158	968,063	13.1%	7,614,284	738,937	9.7%
4. Produced Power	5,466,794	5,281,040	185,754	3.5%	5,239,938	226,856	4.3%
5. Total Power Cost	13,820,015	12,666,198	1,153,817	9.1%	12,854,222	965,793	7.5%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,567,876	2,461,332	106,544	4.3%	2,411,124	156,752	6.5%
7. Transmission	1,194,214	1,158,006	36,208	3.1%	2,059,388	(865,174)	-42.0%
8. Total O & M Expense	3,762,090	3,619,338	142,752	3.9%	4,470,512	(708,422)	-15.8%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	237,457	288,750	(51,293)	-17.8%	235,754	1,703	0.7%
10. Communication & Corporate Records	195,928	261,809	(65,881)	-25.2%	237,056	(41,128)	-17.3%
11. Corporate Operations	873,089	1,312,907	(439,818)	-33.5%	1,112,895	(239,806)	-21.5%
12. Customer Services	1,122,793	1,043,776	79,017	7.6%	953,641	169,152	17.7%
13. Financial Services	525,153	514,298	10,855	2.1%	476,219	48,934	10.3%
14. Power Supply	515,083	525,551	(10,468)	-2.0%	450,111	64,972	14.4%
15. Technology Services	1,642,510	1,750,181	(107,671)	-6.2%	1,298,937	343,573	26.5%
16. Total A & G Expense	5,112,013	5,697,272	(585,259)	-10.3%	4,764,613	347,400	7.3%
17. DEPRECIATION	3,378,530	3,519,535	(141,005)	-4.0%	2,977,999	400,531	13.4%
18. TOTAL OPERATING EXPENSE	$26,072,648	$25,502,343	$570,305	2.2%	$25,067,346	$1,005,302	4.0%

OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

JUNE 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
POWER COST							
1. SPP Purchased Power	$11,950,081	$7,640,142	$4,309,939	56.4%	$9,033,714	$2,916,367	32.3%
2. Non-Owned Asset Power	32,747,084	31,025,162	1,721,922	5.6%	28,613,051	4,134,033	14.4%
3. Total Purchased Power	44,697,165	38,665,304	6,031,861	15.6%	37,646,765	7,050,400	18.7%
4. Produced Power	32,676,221	28,294,687	4,381,534	15.5%	29,766,581	2,909,640	9.8%
5. Total Power Cost	77,373,386	66,959,991	10,413,395	15.6%	67,413,346	9,960,040	14.8%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	16,603,008	14,463,151	2,139,857	14.8%	13,667,710	2,935,298	21.5%
7. Transmission	6,788,618	6,916,849	(128,231)	-1.9%	6,323,550	465,068	7.4%
8. Total O & M Expense	23,391,626	21,380,000	2,011,626	9.4%	19,991,260	3,400,366	17.0%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	2,036,862	1,944,162	92,700	4.8%	1,624,700	412,162	25.4%
10. Communication & Corporate Records	1,194,285	1,442,621	(248,336)	-17.2%	1,296,832	(102,547)	-7.9%
11. Corporate Operations	5,389,546	7,454,580	(2,065,034)	-27.7%	6,434,335	(1,044,789)	-16.2%
12. Customer Services	6,356,803	6,449,838	(93,035)	-1.4%	6,208,178	148,625	2.4%
13. Financial Services	3,056,041	3,059,515	(3,474)	-0.1%	2,894,535	161,506	5.6%
14. Power Supply	2,911,211	3,089,089	(177,878)	-5.8%	2,621,189	290,022	11.1%
15. Technology Services	9,490,864	9,734,666	(243,802)	-2.5%	8,644,677	846,187	9.8%
16. Total A & G Expense	30,435,612	33,174,471	(2,738,859)	-8.3%	29,724,446	711,166	2.4%
17. DEPRECIATION	20,261,604	21,141,080	(879,476)	-4.2%	17,824,259	2,437,345	13.7%
18. TOTAL OPERATING EXPENSE	$151,462,228	$142,655,542	$8,806,686	6.2%	$134,953,311	$16,508,917	12.2%

BALANCE SHEET

JUNE 2025

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:		
1. Revenue Fund (includes CDFUO)	$62,277,570	$18,767,143
2. Payment in Lieu of Tax Fund	5,566,661	(7,122,195)
3. Rate Stabilization Fund	42,361,108	1,004,557
4. Bond Principal & Interest Funds	36,299,547	18,393,028
5. Other Restricted/Designated Funds (a)	3,996,519	(161,414)
6. Restricted/Designated Funds Total	82,657,174	19,236,171
7. Total Current Asset Funds (b)	150,501,405	30,881,119
8. Receivables Less Uncollectible Allowance	27,493,121	1,446,563
9. Unbilled Revenue	21,131,486	3,124,178
10. Accrued Interest Receivable	496,292	(247,308)
11. Materials, Supplies & Fuel Inventory	34,460,360	(473,619)
12. Plant Operation Assets	21,550,724	(70,467)
13. Other Current Assets	4,569,890	(1,206,147)
14. Total Current Assets	260,203,278	33,454,319
NONCURRENT ASSETS:		
15. Bond Reserve Funds	9,629,970	232,371
16. Self-Funded Benefits Reserve Fund (IBNP)	1,193,224	300,704
17. Segregated Funds (c)	20,664,108	(4,458,025)
18. Restricted Funds Total (b)	31,487,302	(3,924,950)
19. Unamortized Debt Expense	1,599,532	(154,500)
21. Accrued Lease Interest	158,476	25,559
22. Other Noncurrent Assets	6,670,943	(23,151)
23. Total Noncurrent Assets	$47,350,166	($3,485,622)
CAPITAL ASSETS:		
24. Utility Plant in Service	1,886,253,403	14,046,848
25. Accumulated Depreciation & Amortization	(985,514,211)	(18,646,966)
26. Construction Work in Progress	177,754,543	20,267,173
27. Total Capital Assets	1,078,493,735	15,667,055
DEFERRED OUTFLOWS OF RESOURCES:		
28. Deferred Loss on Refunded Debt	6,187,253	(646,657)
29. Deferred Costs for Asset Retirement Obligations	2,922,341	(50,762)
30. Total Deferred Outflows of Resources	9,109,594	(697,419)
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$1,395,156,773	$44,938,333

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT LIABILITIES:		
OTHER LIABILITIES		
1. Accounts Payable	$24,140,359	($1,198,182)
2. Accrued Payments in Lieu of Taxes	6,723,252	(6,981,165)
3. City Dividend for Utility Ownership Payable	4,572,816	0
4. Commercial Paper Notes	107,500,000	42,000,000
5. Accrued Software Interest	77,270	47,531
6. Accrued Liabilities	22,805,455	4,377,789
7. Total Other Liabilities	165,819,152	38,245,973
CURRENT LIABILITIES - RESTRICTED ASSETS		
8. Current Portion of Long-Term Debt	35,740,000	0
9. Accrued Interest	6,324,389	370,967
10. Other Current Liabilities (d)	1,080,553	61,936
11. Total Current Liabilities - Restricted Assets	43,144,942	432,903
12. Total Current Liabilities	208,964,094	38,678,876
NONCURRENT LIABILITIES:		
13. 2013 Bonds	12,385,000	0
14. 2015A Bonds	70,605,000	0
15. 2016 Bonds	65,960,000	0
16. 2018 Bonds	121,205,000	0
17. 2020A Bonds	72,200,000	0
18. 2020B Bonds	151,300,000	0
19. Total Revenue Bonds	493,655,000	0
20. Less Current Maturities	35,740,000	0
21. Less Unamortized Discounts/Premiums	(25,950,378)	2,848,962
22. Note Purchase Agreement	0	0
23. Revolving Credit Agreement	0	0
24. Net Long Term Debt	483,865,378	(2,848,962)
25. Liabilities Payable from Segregated Funds (e)	19,979,728	(5,139,795)
26. Asset Retirement Obligation	2,922,341	(50,762)
27. Software Liabilities	2,174,956	(257,840)
28. Other Noncurrent Liabilities	19,294,213	0
29. Total Liabilities	737,200,710	30,381,517
DEFERRED INFLOWS OF RESOURCES:	0	0
30. Deferred Inflow of Resource	6,805,595	504,954
31. Total Deferred Inflows of Resources	6,805,595	504,954
NET POSITION:		
32. Net Investment in Capital Assets	462,003,252	(25,473,675)
33. Restricted for Debt Service	30,740,015	18,254,432
34. Restricted for Employee Health Insurance Claims	2,449,368	(307,306)
35. Unrestricted	155,957,833	21,578,411
36. Total Net Position	651,150,468	14,051,862
37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	$1,395,156,773	$44,938,333

STATEMENT OF CASH FLOWS
JUNE 2025

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	$35,101,226	$185,204,712
2. Sales Tax Receipts	$1,385,158	$8,198,491
3. Paid to Suppliers for Goods & Services	($9,229,290)	($101,065,478)
4. Paid to Employees for Services	($4,117,599)	($24,952,117)
5. Payments for Sales Tax	(1,196,230)	(8,060,666)
6. Cash Flow from Operating Activities (a)	21,943,265	59,324,942
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(13,787,537)
8. City Dividend for Utility Ownership Payments	0	(6,859,224)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	0	(20,646,761)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	9,914,733	(31,664,793)
12. Interest Income	1,069,361	4,283,865
13. Cash Flow from (used for) Investing Activities	10,984,094	(27,380,928)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(10,449,673)	(57,679,362)
15. Salvage on Retirement of Plant	36,752	36,752
16. Cost of Removal of Property Retired	(85,987)	(253,740)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	46,561	10,119,431
20. Capital Contributions Recv'd in Advance	0	0
21. Cash Received from Leases	41,445	261,982
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	0	(10,030,035)
27. Cash Flow from (used for) Capital Financing Activities	(10,410,902)	(15,544,972)
27. Cash Flow from (used for) Capital Financing Activities	22,516,457	(4,247,719)
28. Net Increase (Decrease) in Cash and Cash Equivalents	20,488,497	47,367,673
29. Cash and Cash Equivalents Beginning of Period	$43,004,954	$43,119,954

STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	**$8,134,693**	**$32,184,488**
2. Noncash items included in operating income	**3,484,673**	**20,895,303**
3. Changes in Assets & Liabilities Increase/(Decrease)	**10,323,899**	**6,245,151**
4. Net cash flows from operating activities	**$21,943,265**	**$59,324,942**

(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.

DEBT SERVICE COVERAGE

JUNE 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	$34,207,341	$31,197,181	$31,148,083	$183,646,716	$172,730,212	$172,838,543
2. Total Operating Expenses	26,072,648	25,502,343	25,067,346	151,462,228	142,655,542	134,953,311
3. Less Depreciation	(3,378,530)	(3,519,535)	(2,977,999)	(20,261,604)	(21,141,080)	(17,824,259)
4. Operating Expense Net of Depreciation	22,694,118	21,982,808	22,089,347	131,200,624	121,514,462	117,129,052
5. Net Operating Revenue for Debt Service	11,513,223	9,214,373	9,058,736	52,446,092	51,215,750	55,709,491
6. Interest Income (a)	840,126	285,003	907,376	3,075,455	1,738,281	2,503,125
7. Other Income	43,037	41,757	45,464	272,112	264,798	273,114
8. Rate Stabilization Fund	0	0	0	0	1,350,000	0
9. AVAILABLE FOR DEBT SERVICE	**12,396,386**	**9,541,133**	**10,011,576**	**55,793,659**	**54,568,829**	**58,485,730**
10. DEBT SERVICE (b)	**$4,455,852**	**$4,455,851**	**$4,682,116**	**$26,735,111**	**$26,735,106**	**$28,092,696**
11. DEBT SERVICE COVERAGE	**2.78**	**2.14**	**2.14**	**2.09**	**2.04**	**2.08**

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

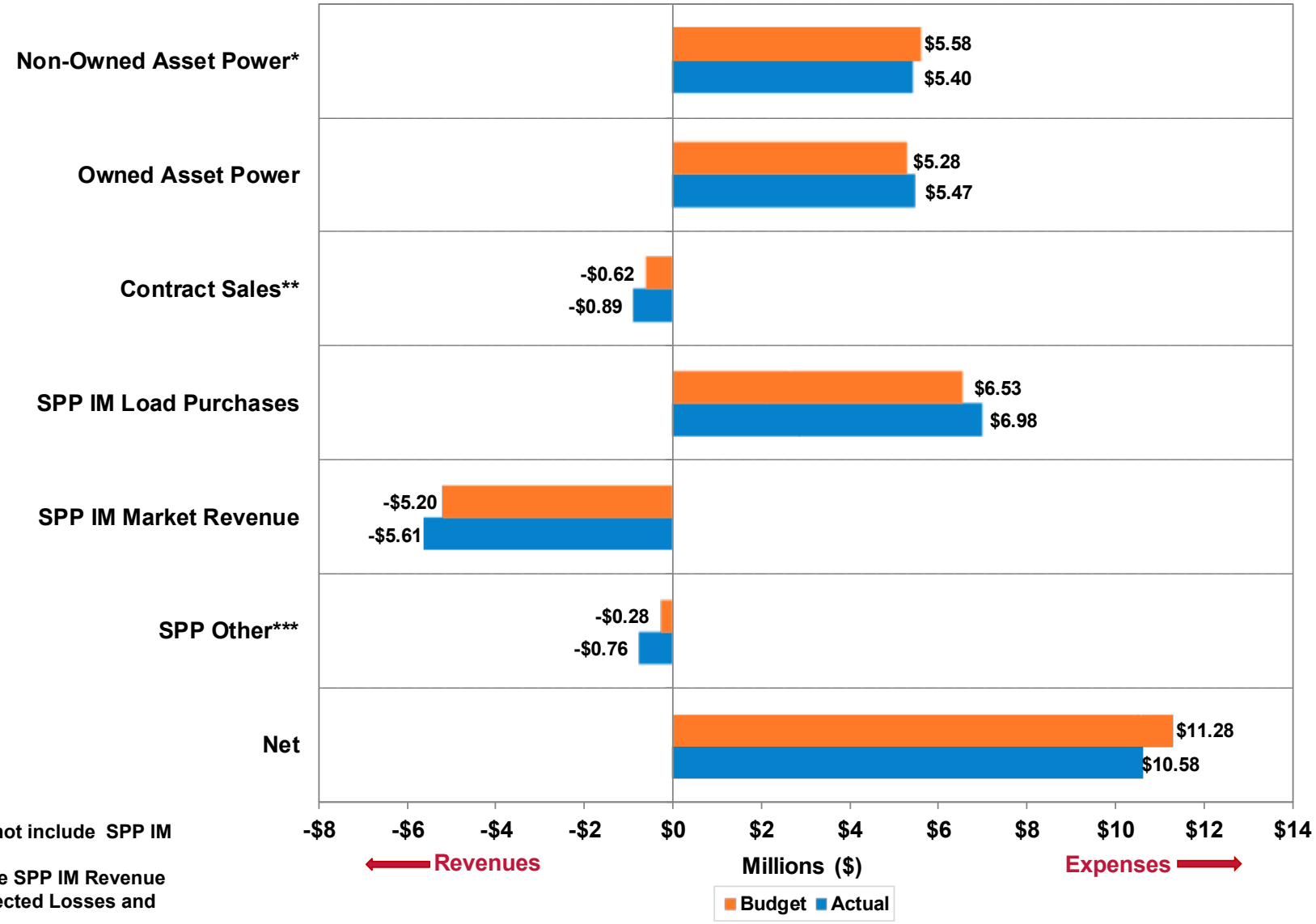
Power Supply Division
2025 June Monthly Report

July 18, 2025

Jason Fortik

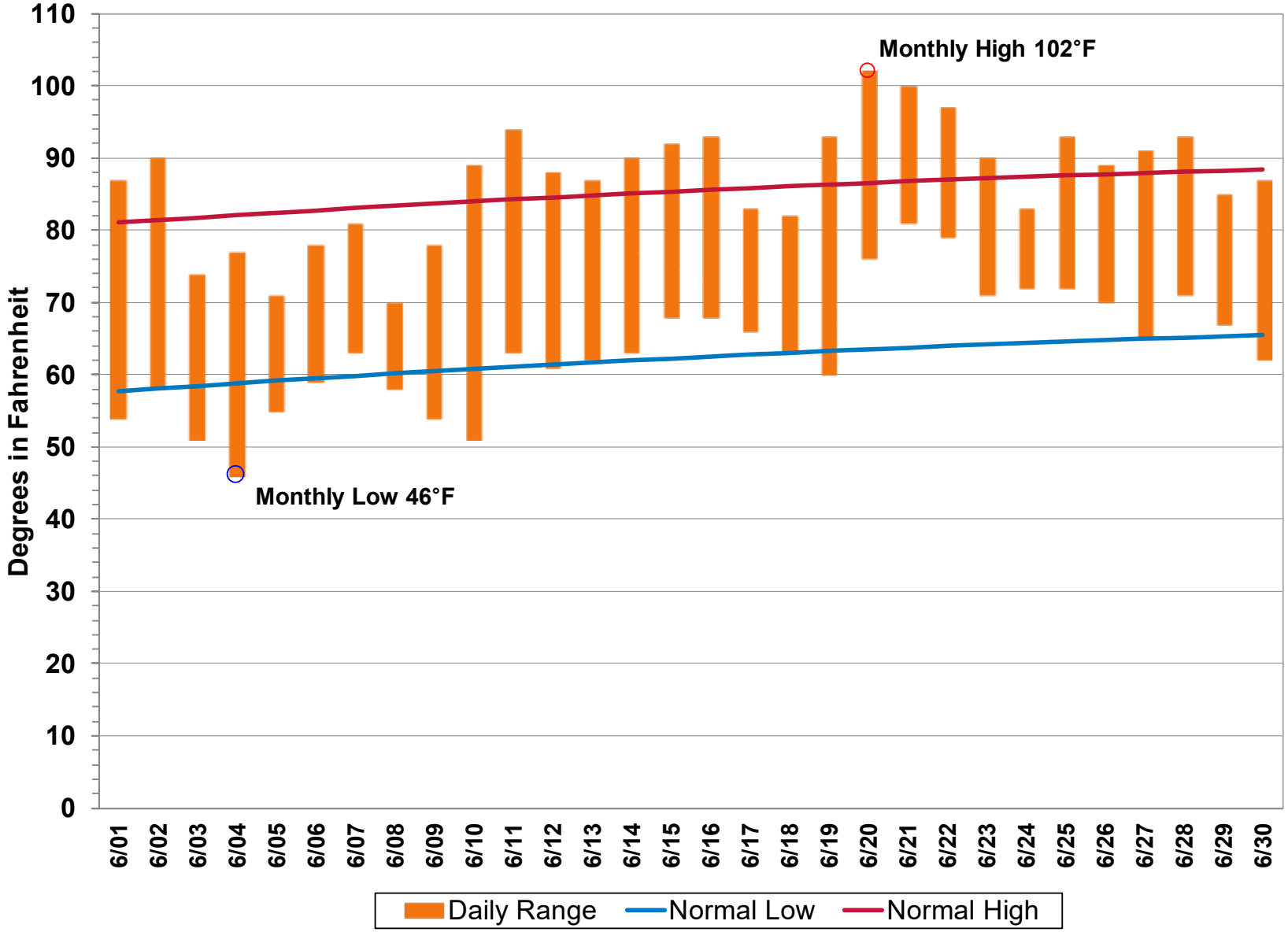
Vice President, Power Supply

Monthly Actual vs. Budget

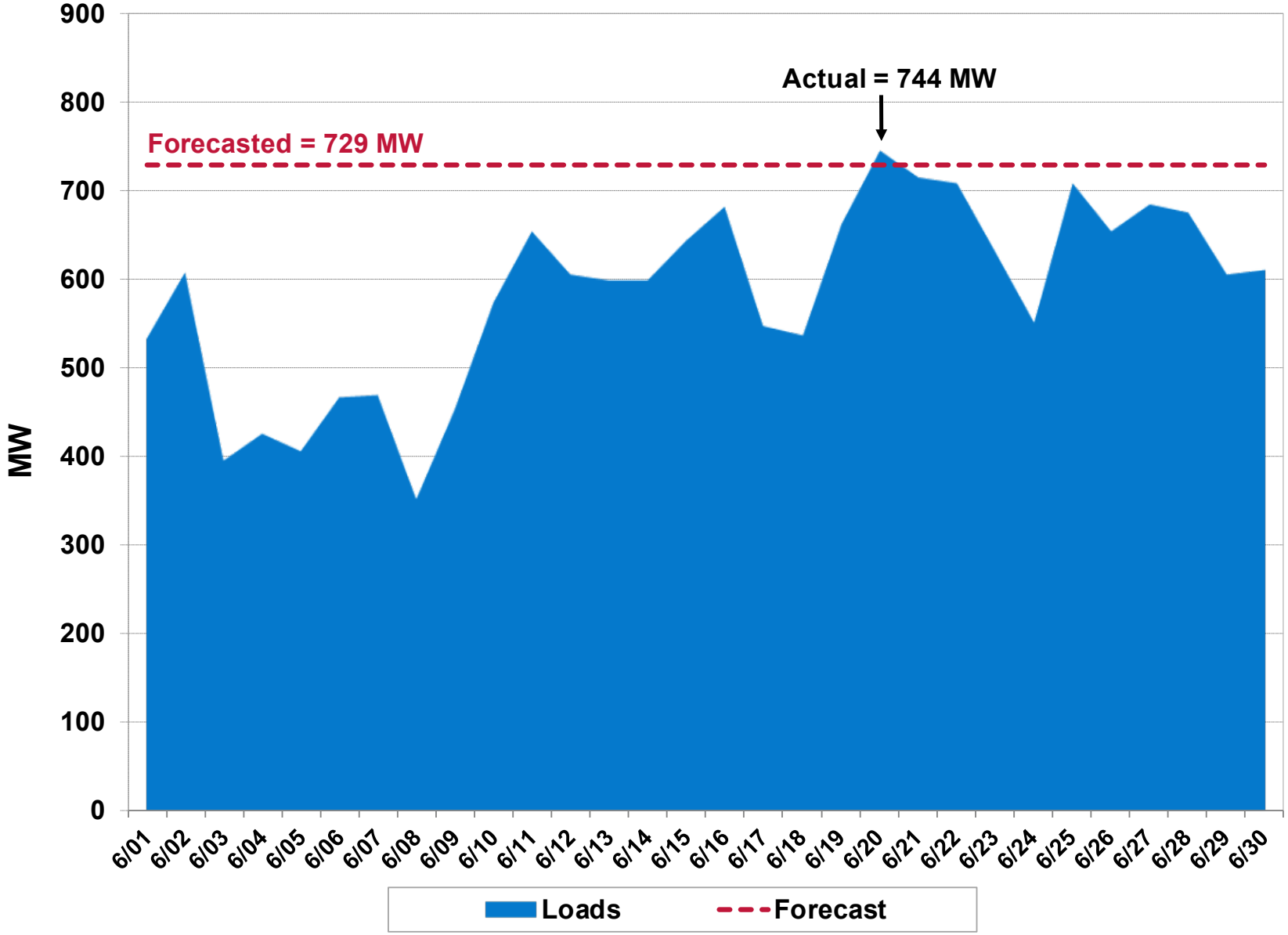


*Non-Owned Asset Power does not include SPP IM Purchased
**Contract Sales does not include SPP IM Revenue
***SPP Other includes Over-Collected Losses and ARR's/TCR

Daily Temperature Range



Loads


Actual = 744 MW
Forecasted = 729 MW
MW
900
800
700
600
500
400
300
200
100
0
6/01
6/02
6/03
6/04
6/05
6/06
6/07
6/08
6/09
6/10
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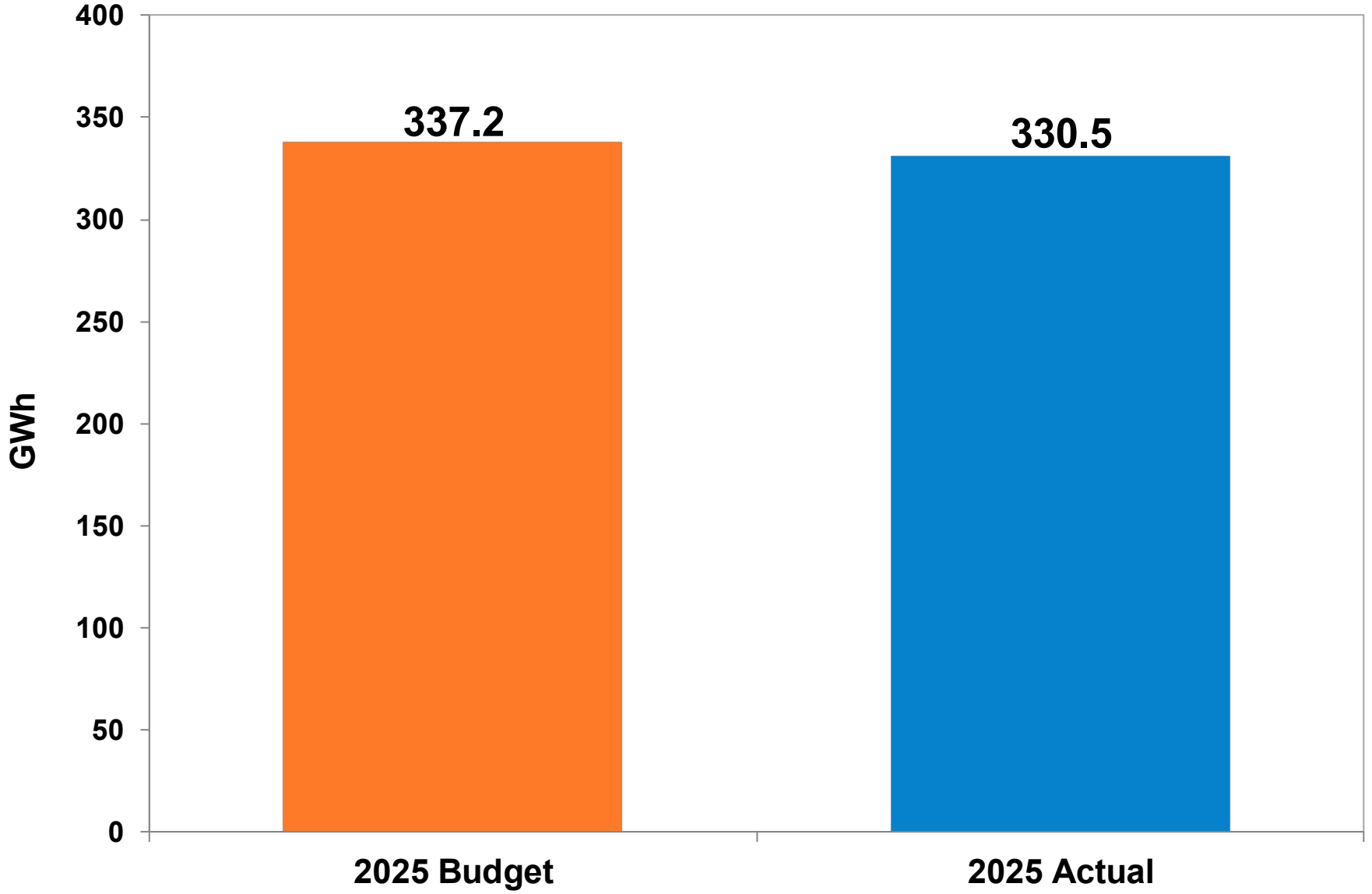
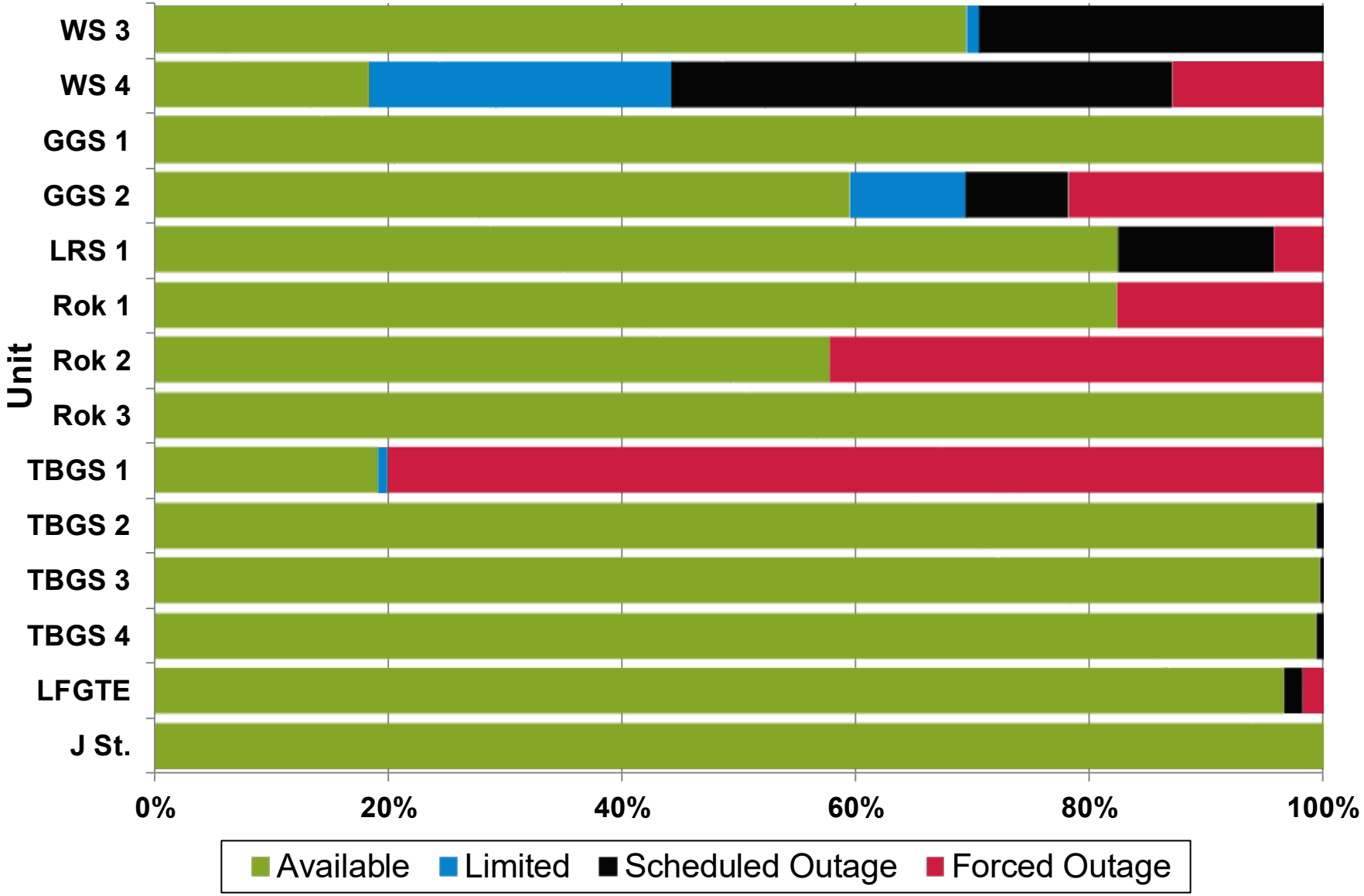
6/29
6/30
Loads
Forecast

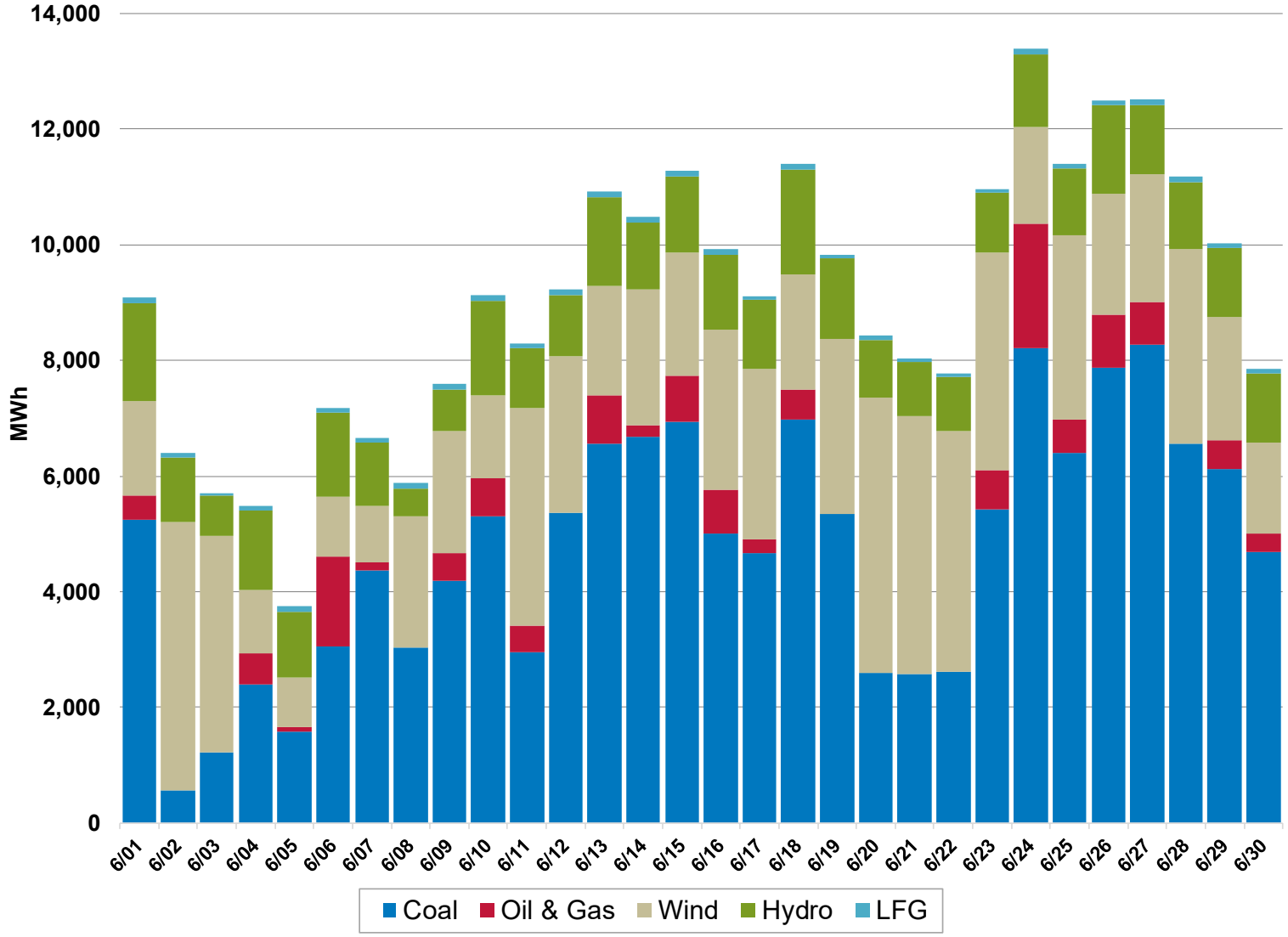
Customer Energy Consumption



Unit Equivalent Availability

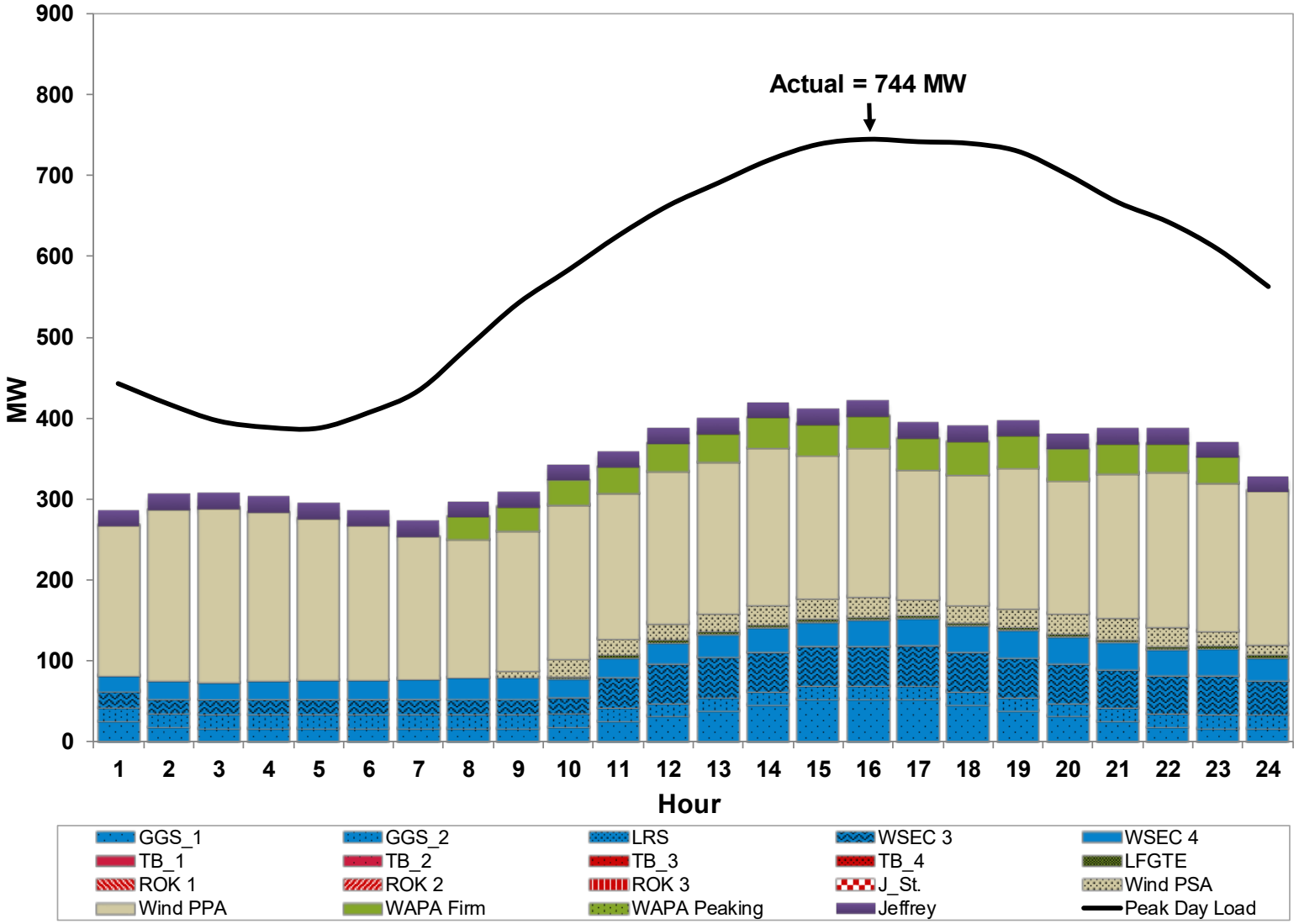


Resource Energy



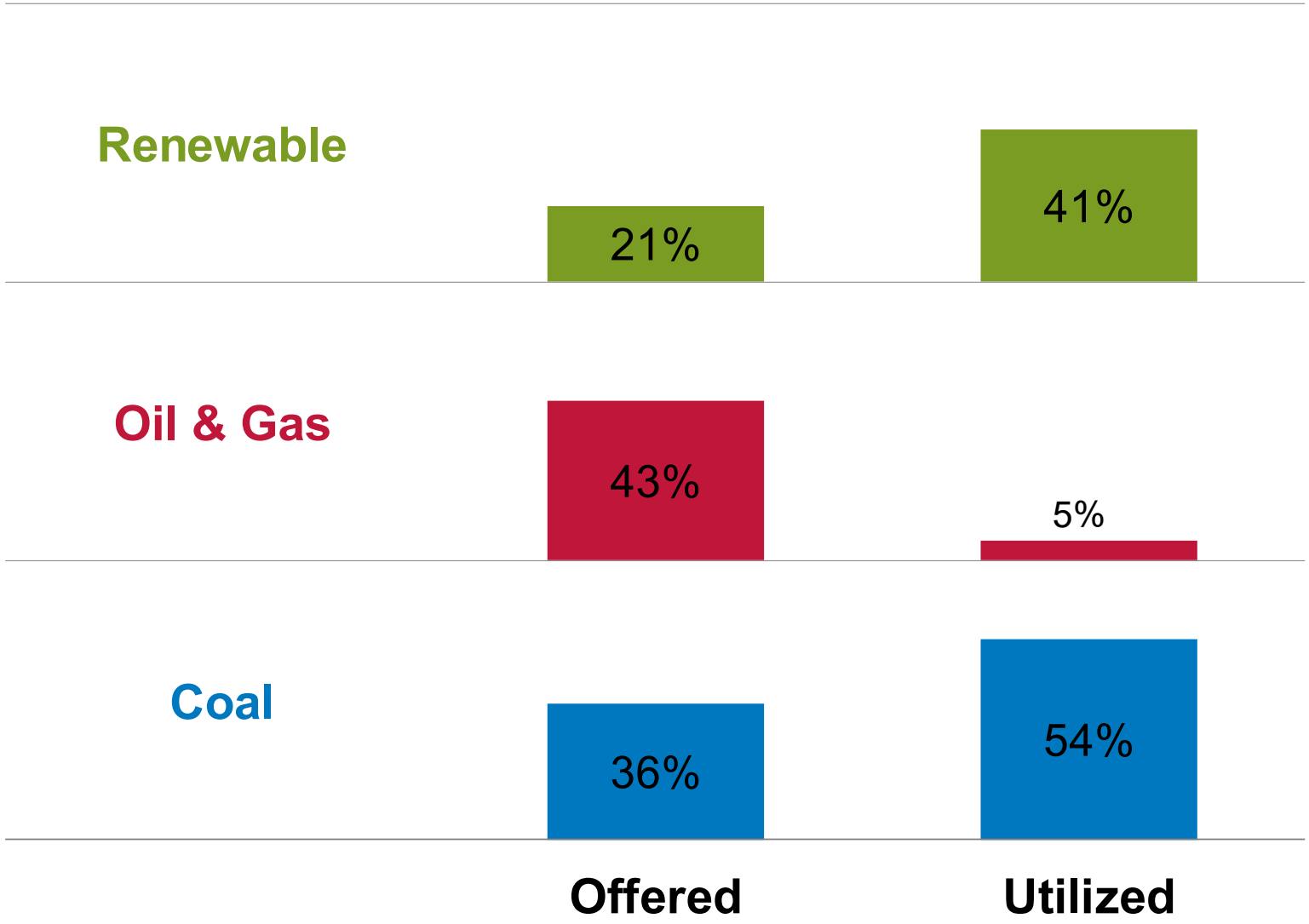
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – June 20, 2025



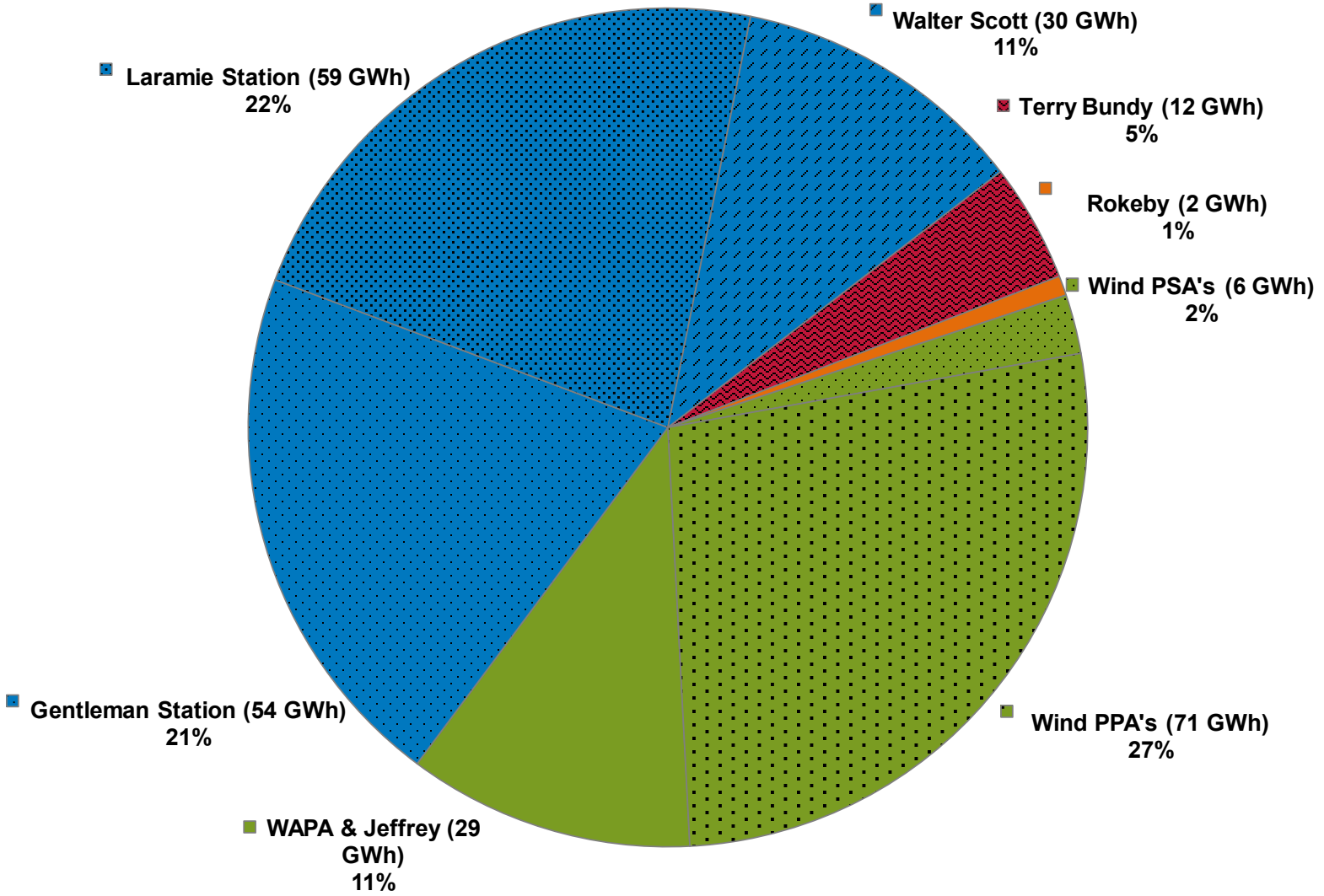
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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



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

Energy Utilized by the SPP Integrated Marketplace



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

Exhibit VI

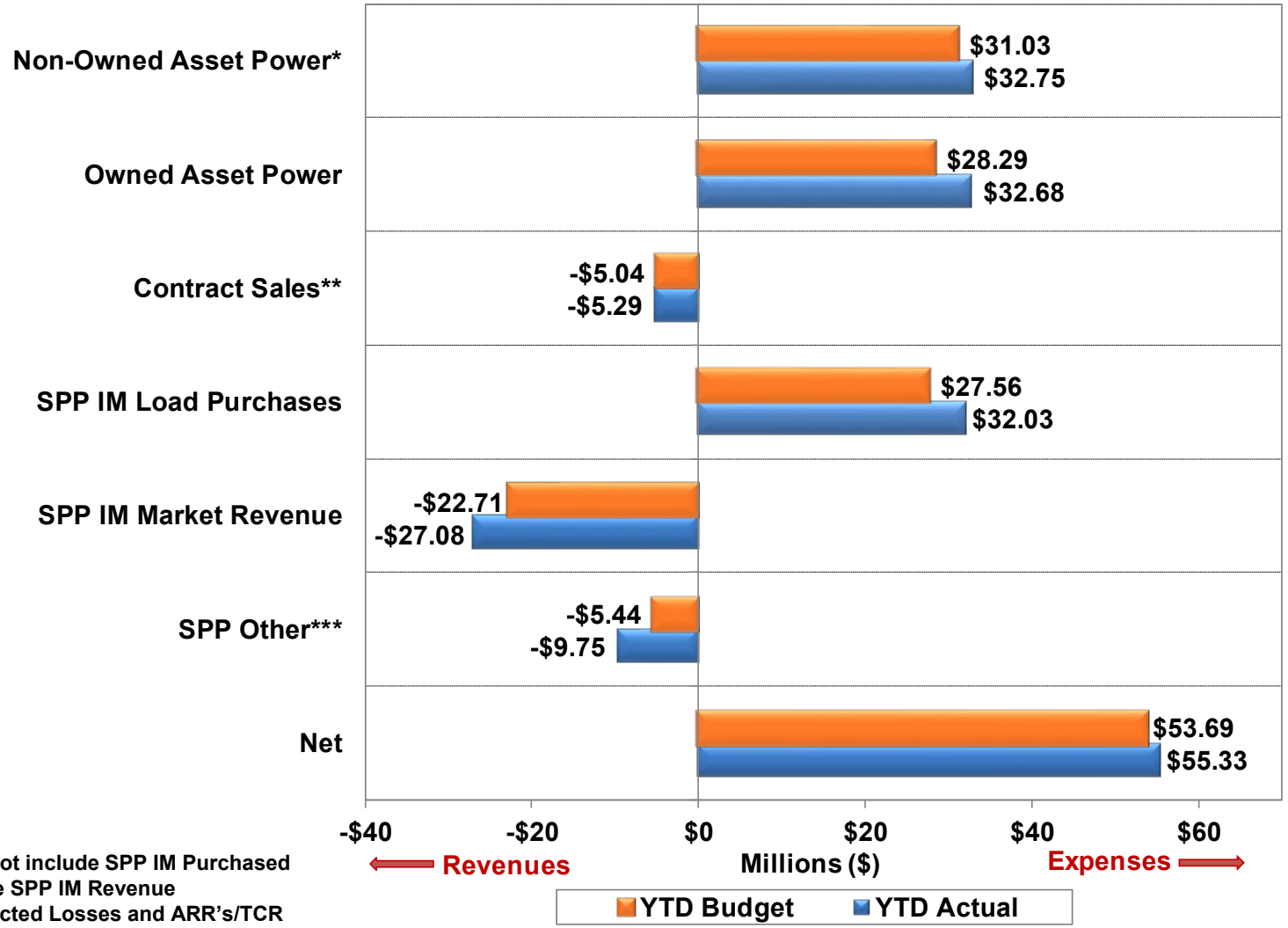
Power Supply Division
2025 Second Quarter Update

July 18, 2025

Jason Fortik

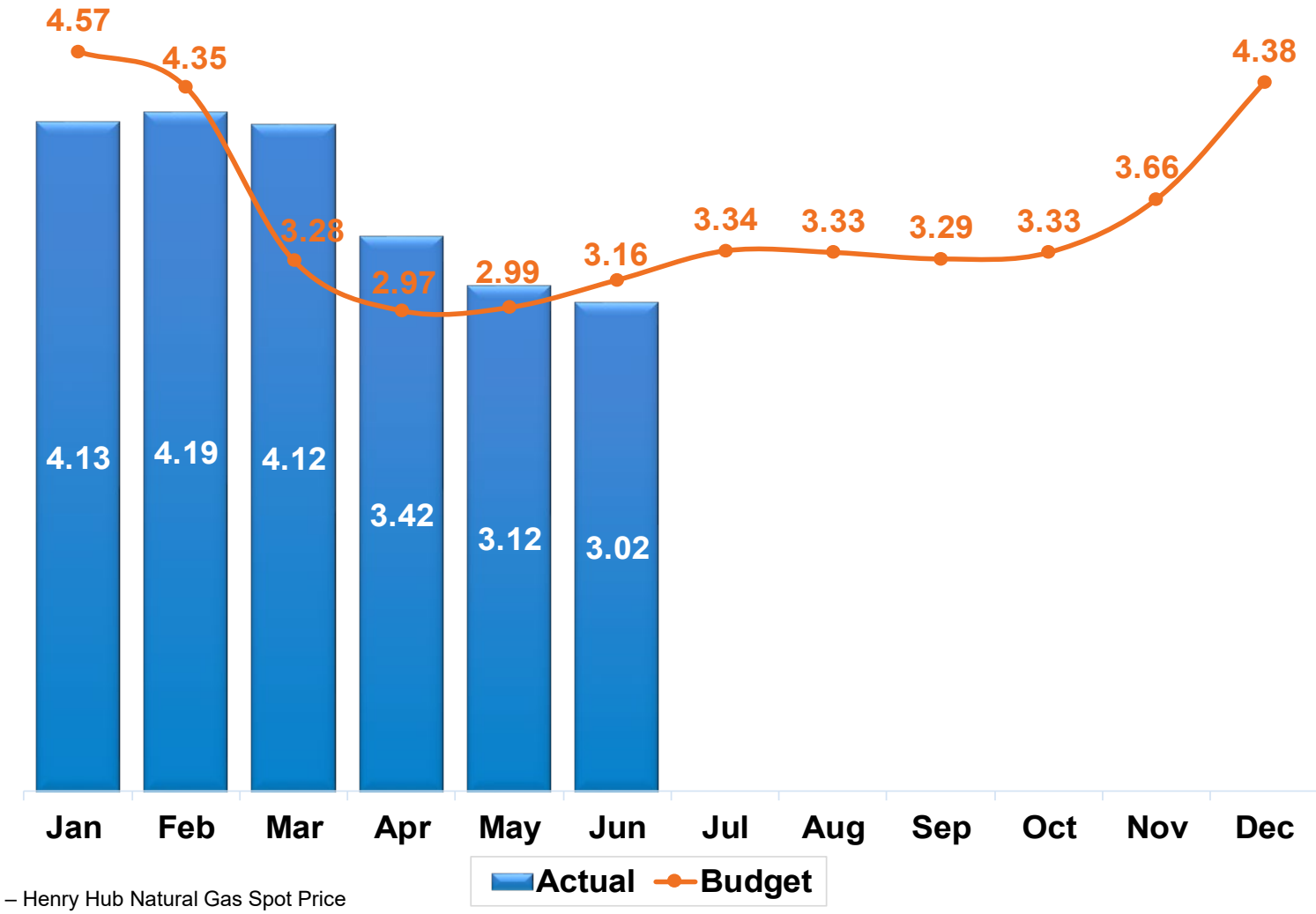
Vice President, Power Supply

YTD 2025 Net Power Costs are about $1.6M (3.0%) above Budget. Higher generation and load purchase expenses outpaced better than Budget revenue from market sales and other market activity.



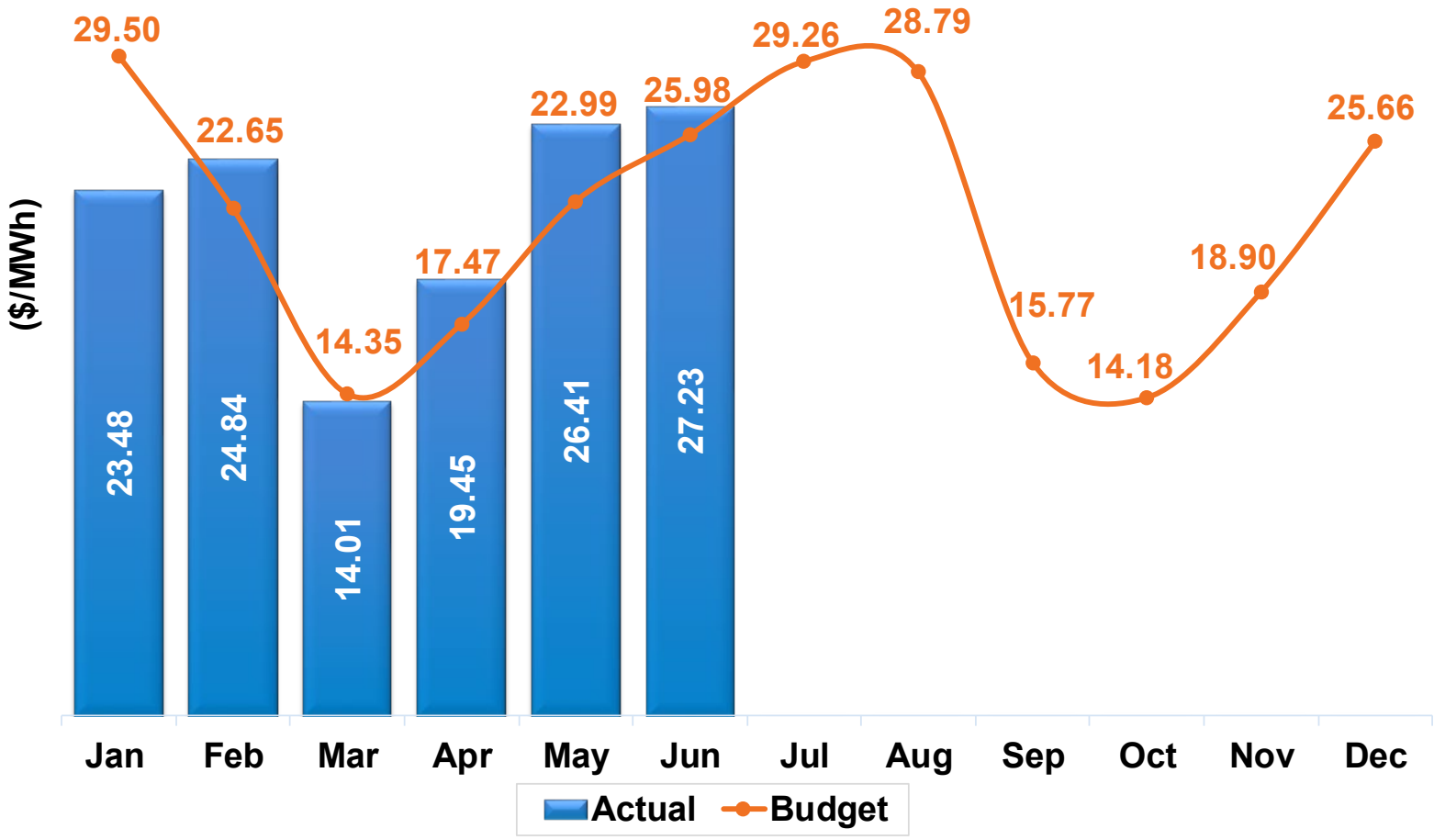
*Non-Owned Asset Power does not include SPP IM Purchased
**Contract Sales does not include SPP IM Revenue
***SPP Other includes Over-Collected Losses and ARR's/TCR

Natural gas demand early in Q2 was up in the residential, commercial, and industrial sectors, with exports to Mexico and LNG shipments either steady or slightly increased, all of which put upward pressure on prices. Later in the quarter, slightly increasing natural gas supplies along with moderated LNG usage and exports put downward pressure on prices.

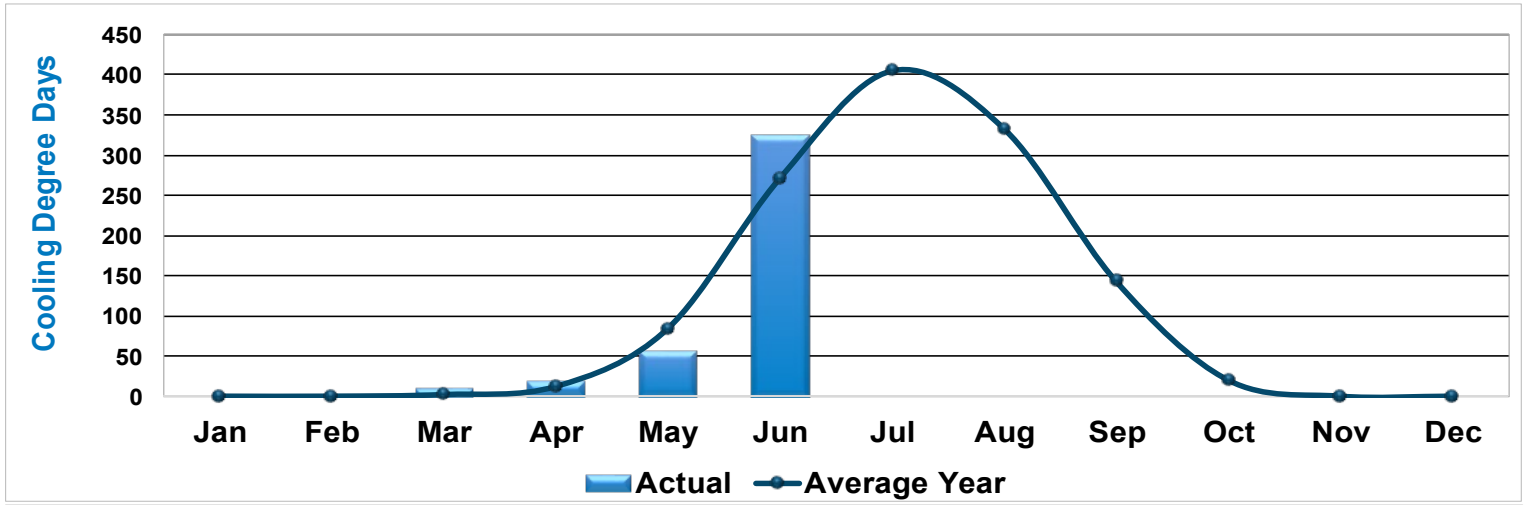


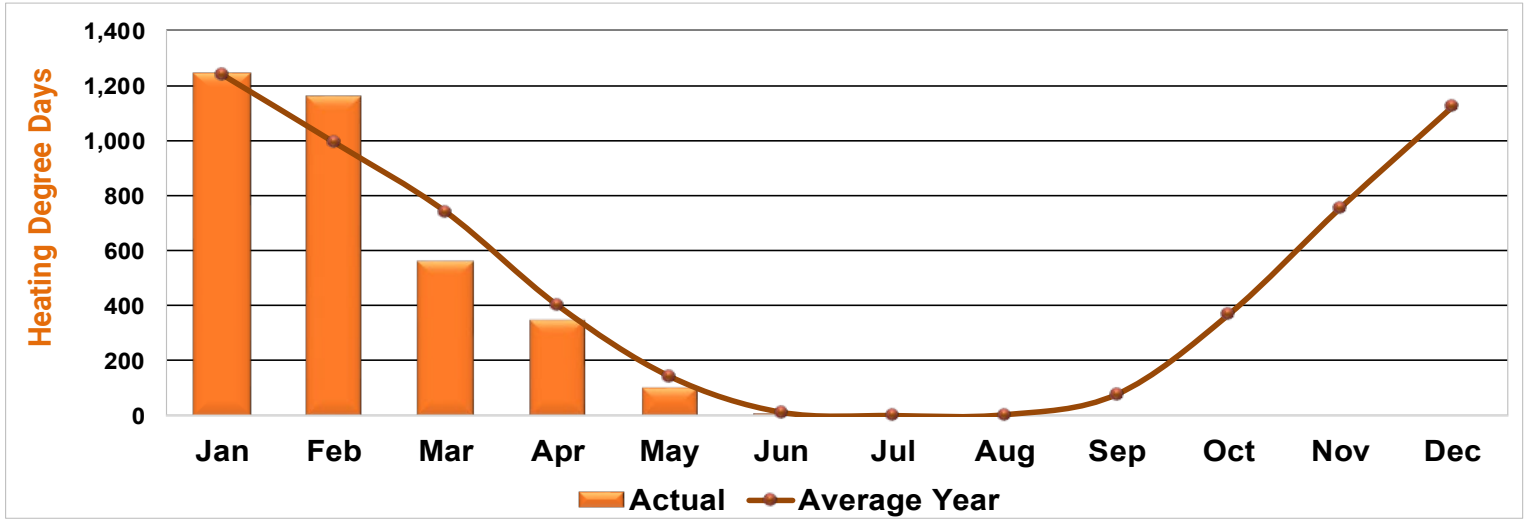
Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

Slightly elevated natural gas prices and lower wind production throughout the SPP footprint put upward pressure on Lincoln's electricity prices in Q2.

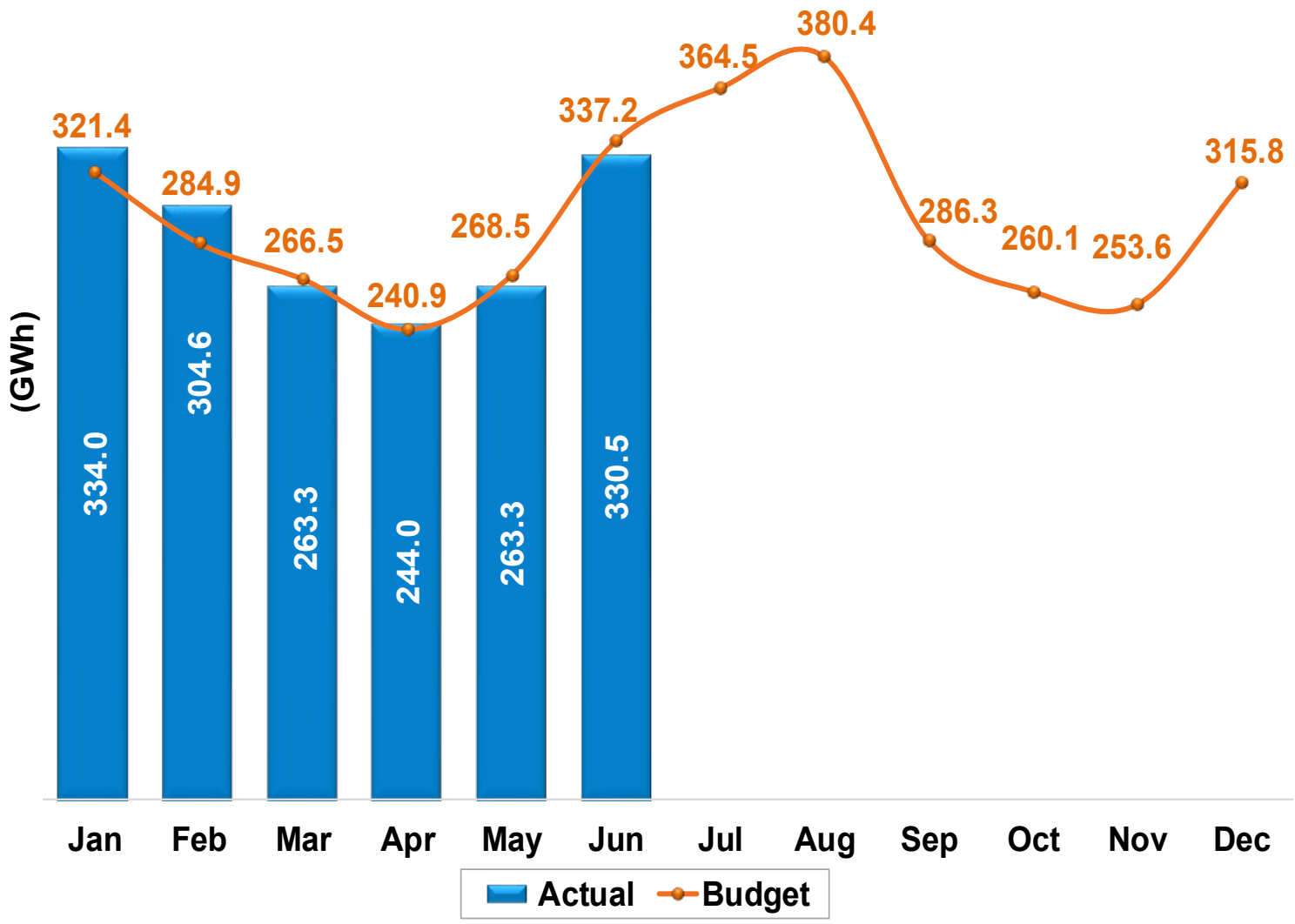


April and May temperatures were warmer than normal, with heating degree days 13% and 28% below average, respectively. June temperatures were also warm, with cooling degree days nearly 20% above expectations.

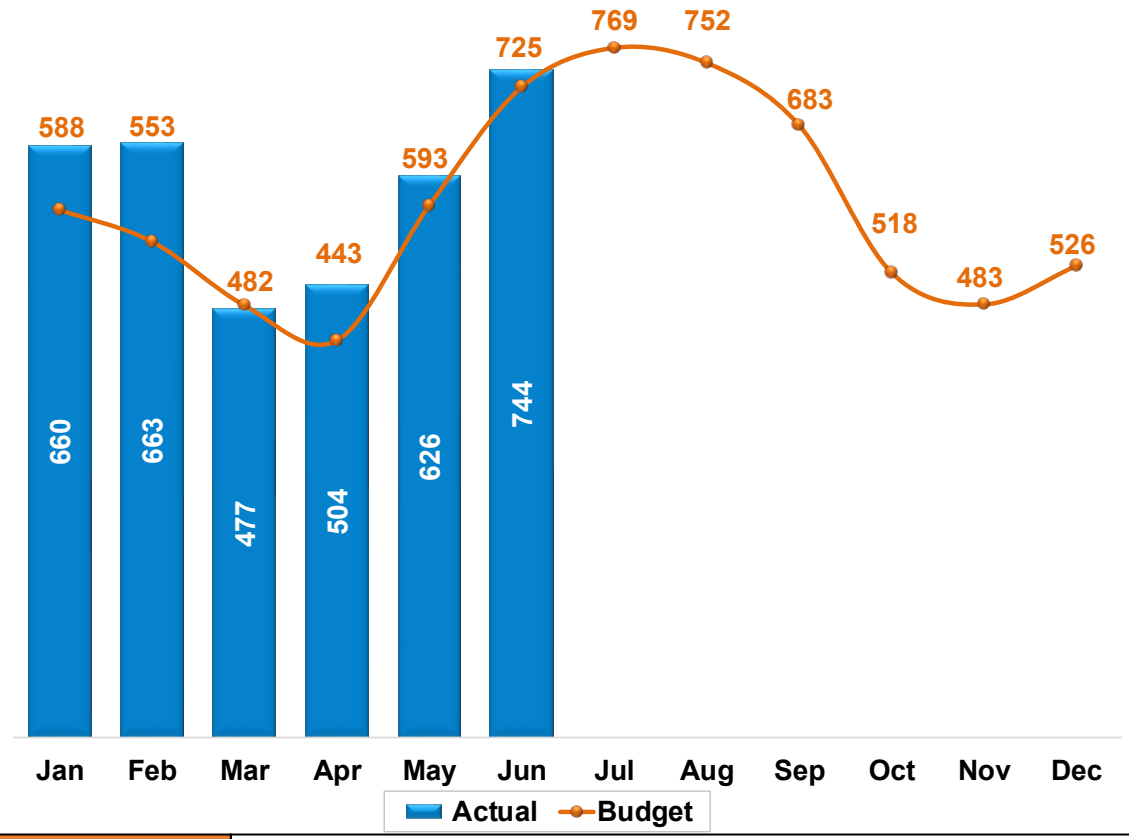




Control Area Energy consumption was 8.8 GWh (1%) lower than Budget for Q2



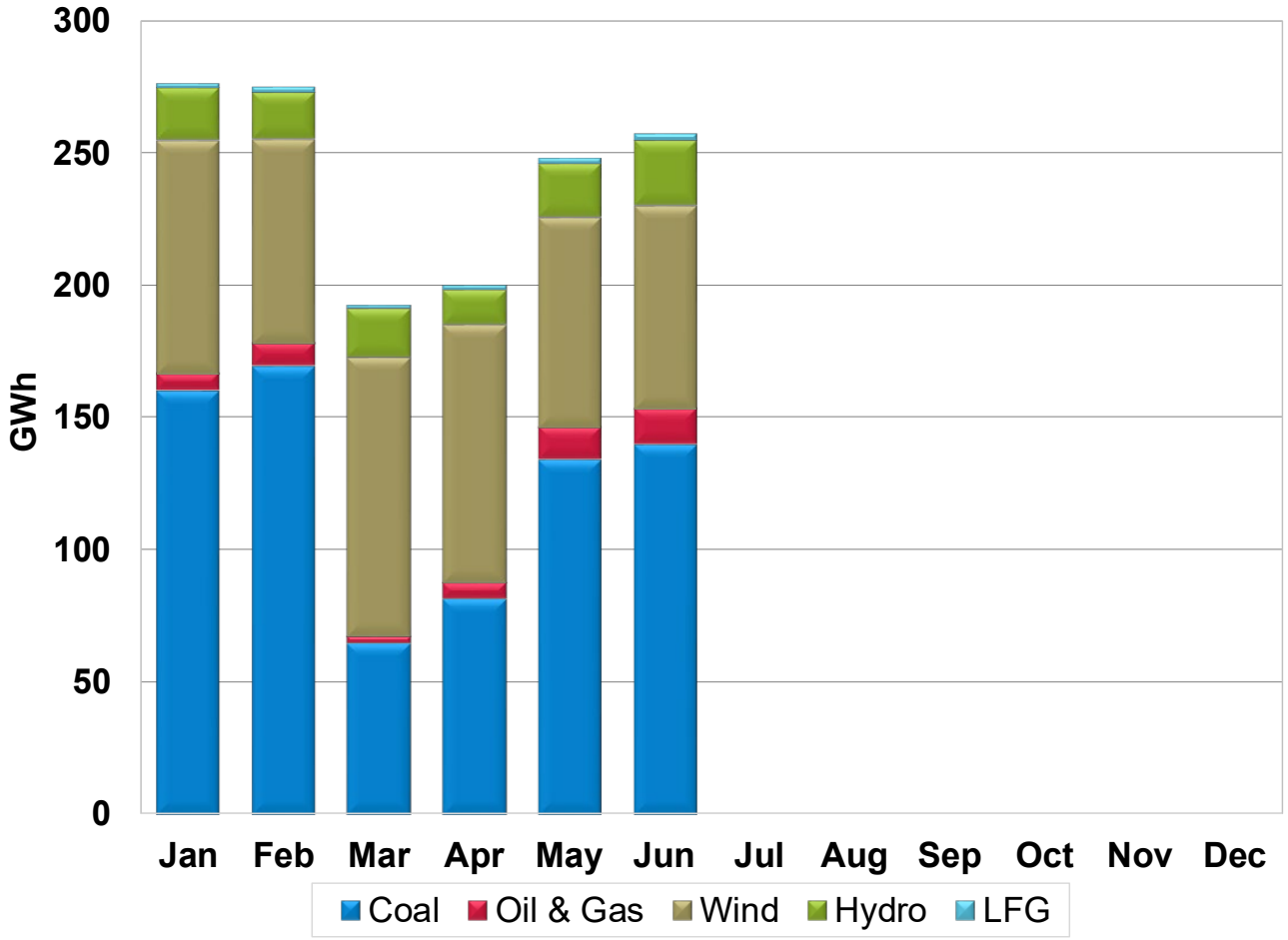
High temperature days in April, May, and June pushed the peak demand values for those months above budget.



System Peak Load	2025 Peak Load Day = 744 MW, 6/20/2025 All Time System Peak = 819 MW, 8/22/2023

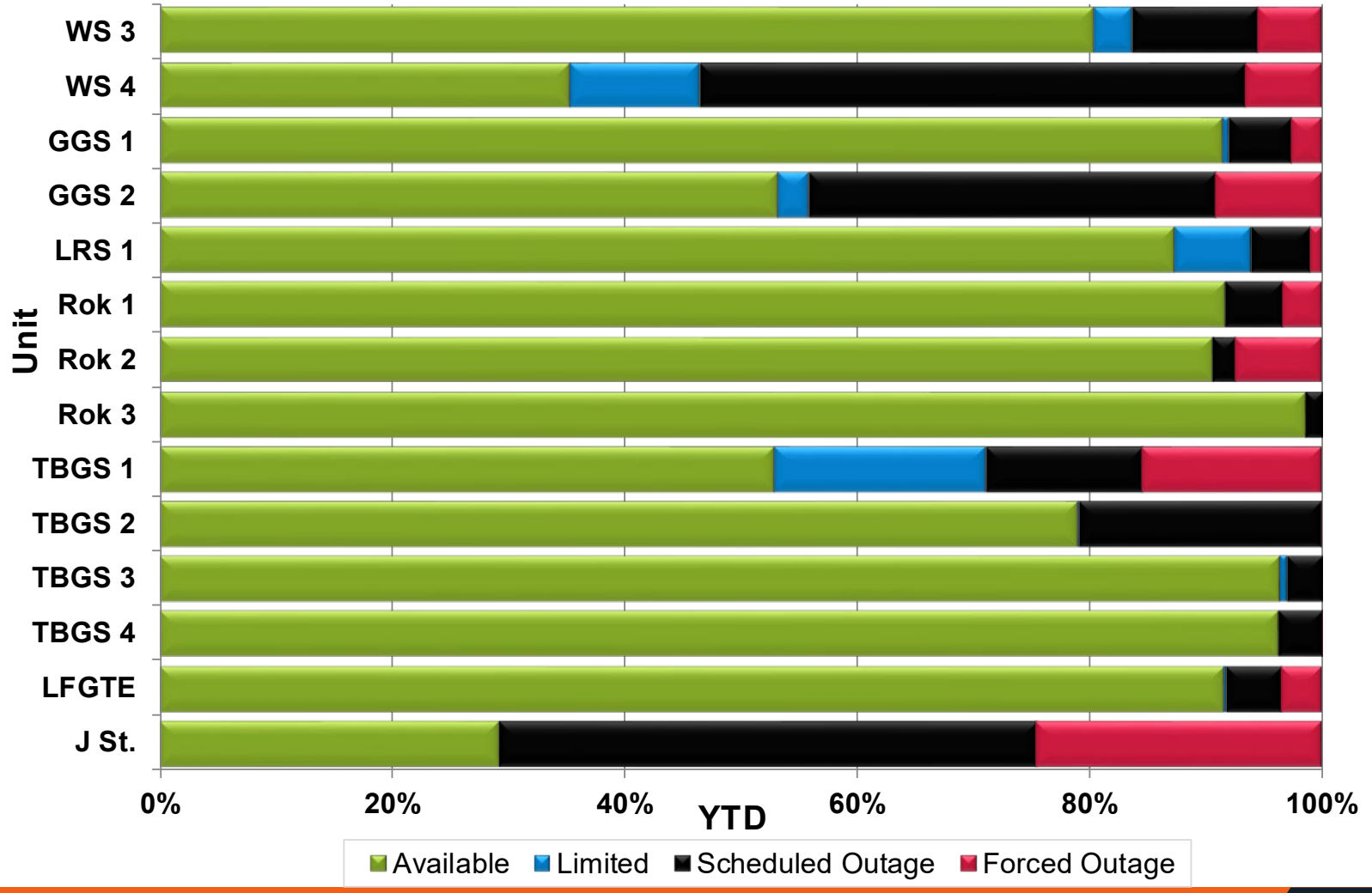
Q2 2025 renewable energy production was about 6% below expectations, coal resource production was about 16% above expectations, and natural gas resource production was about 38% above expectations due mostly to increased production at Terry Bundy Generating Station.

Retail Sales	**Q2 2025 Retail Sales:** Forecast = 773 GWh Actual = 756 GWh Difference = -17 GWh (-2.2%)
Renewable Energy Production	**Q2 2025 Renewable Energy Production Expressed as a Percentage of Retail Sales:** Forecast = 45.5% Actual = 45.0%

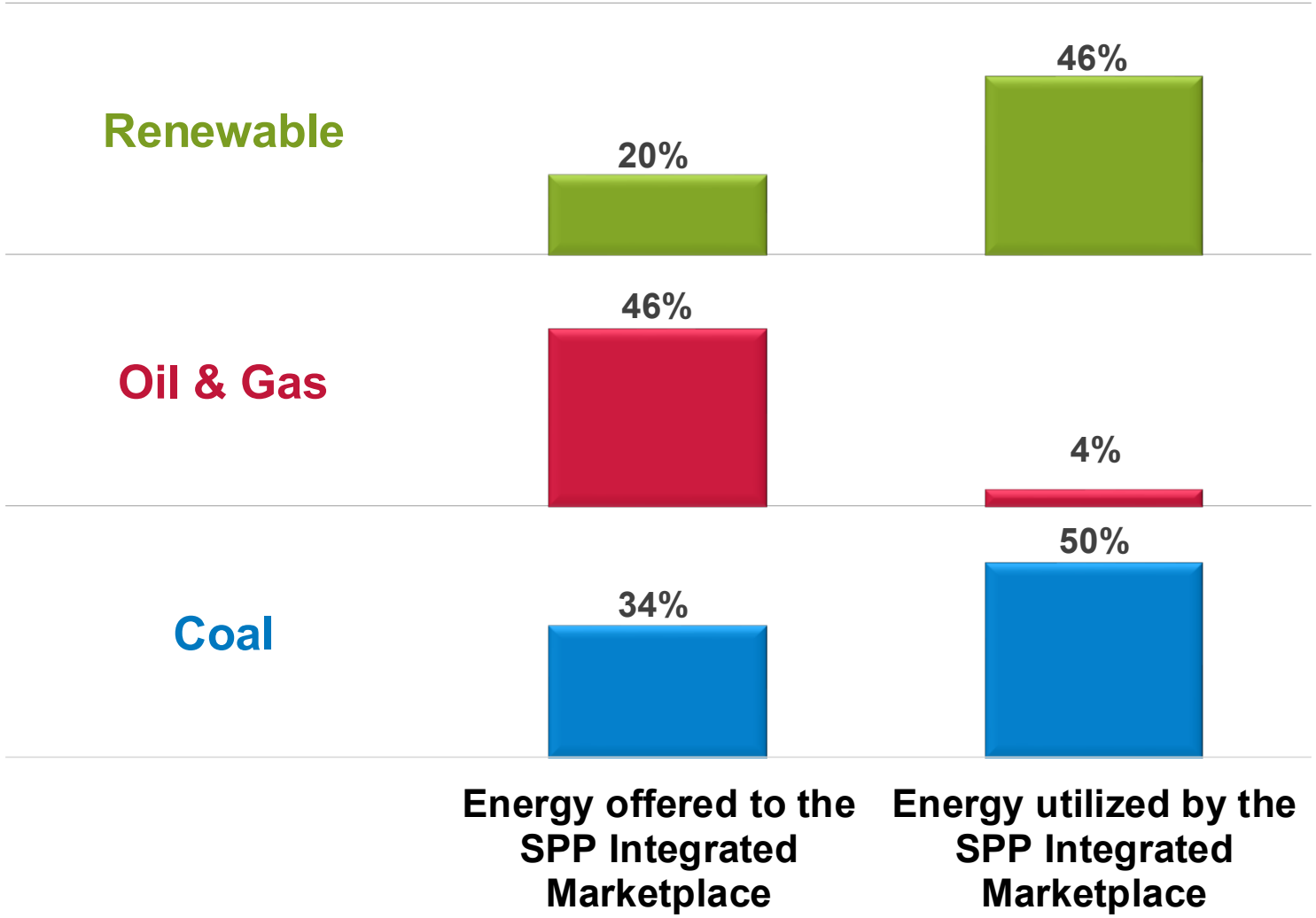


Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Walter Scott 4 and Gerald Gentleman 2 were out of service for planned spring outage events. TBGS 1 experienced outage time due to lubricating oil pump issues and J Street took outage time for fuel oil nozzle repairs.

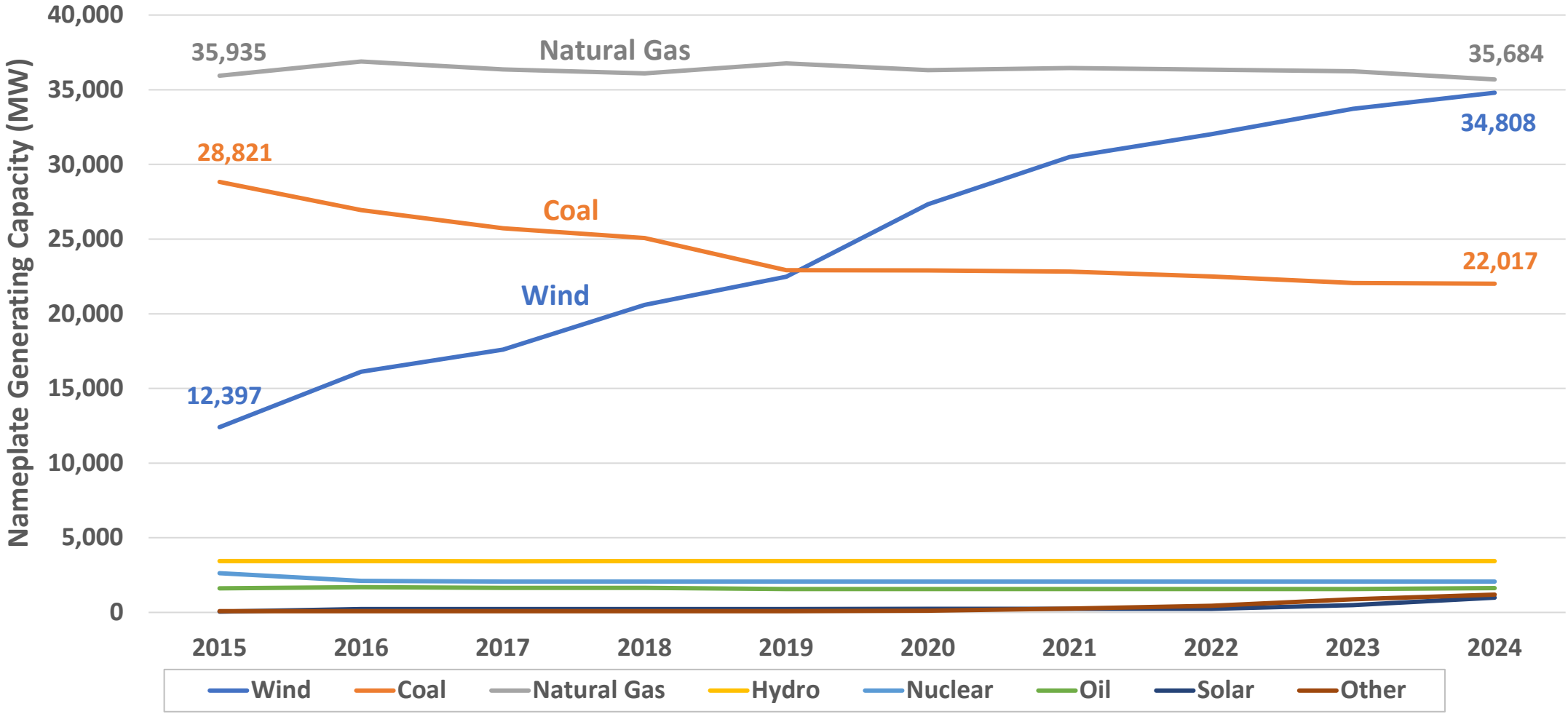


2025 Market Energy Metrics
(April through June)



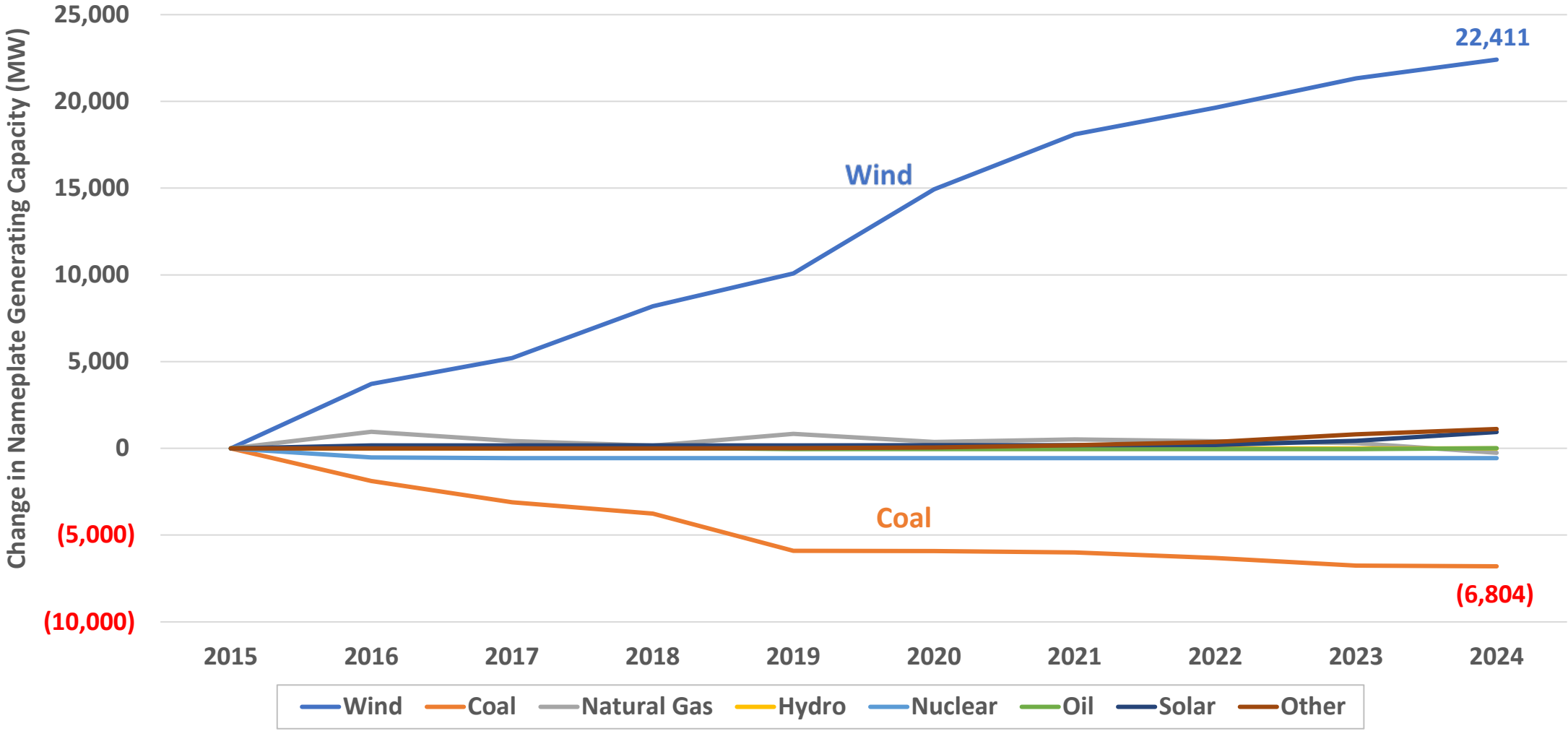
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

The quantity of nameplate wind generating capacity in the SPP footprint has grown considerably over the last several years, while nameplate coal has declined and other resource types are relatively stable.



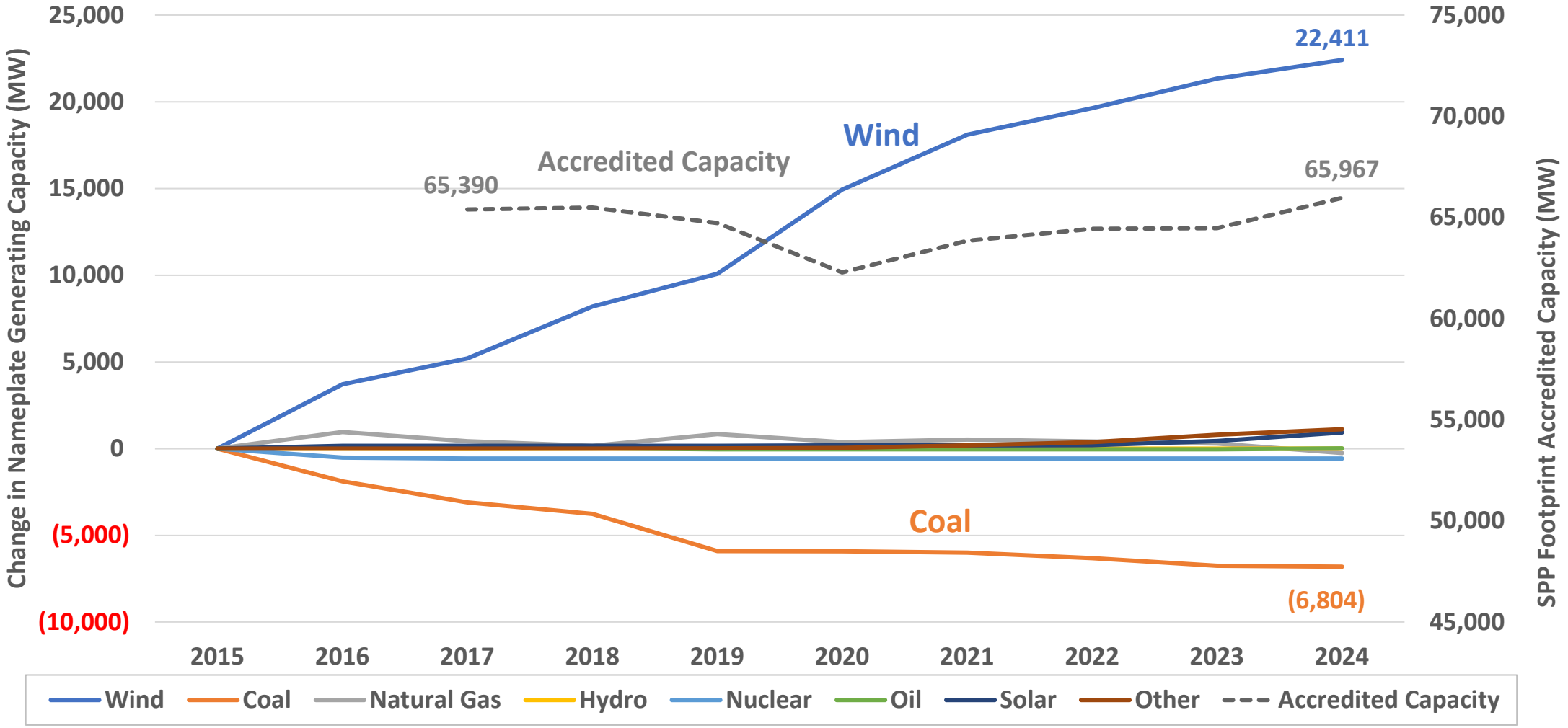
Data Source: State of the Market Report and Resource Adequacy Report

The installed nameplate capacity of wind generation has grown by 181% since 2015 while the nameplate capacity of coal resources has decreased by nearly 24%.



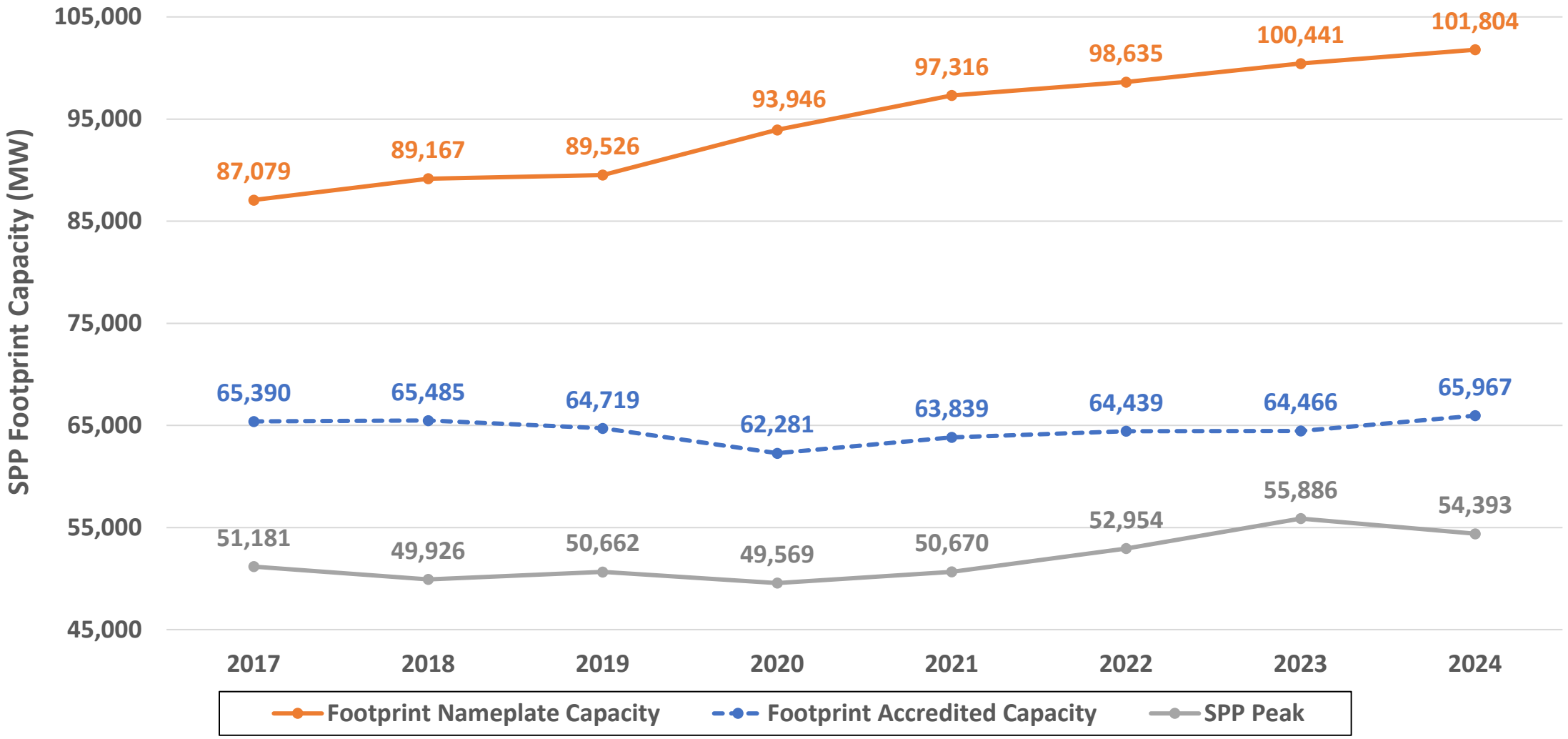
Data Source: State of the Market Report and Resource Adequacy Report

From 2017 to 2024, the accredited generating capacity in the footprint has increased by approximately 0.9%.



Data Source: State of the Market Report and Resource Adequacy Report

The general trends indicate that Nameplate Capacity in the footprint has increased steadily, Accredited Capacity has increased slightly, and the summer peak load in the footprint has moderated recently.



Data Source: State of the Market Report and Resource Adequacy Report

Exhibit VII

2025 Q2 Financial Statements

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

2025 Retail Revenue - YTD

Retail revenue and sales are both slightly above budget for the year

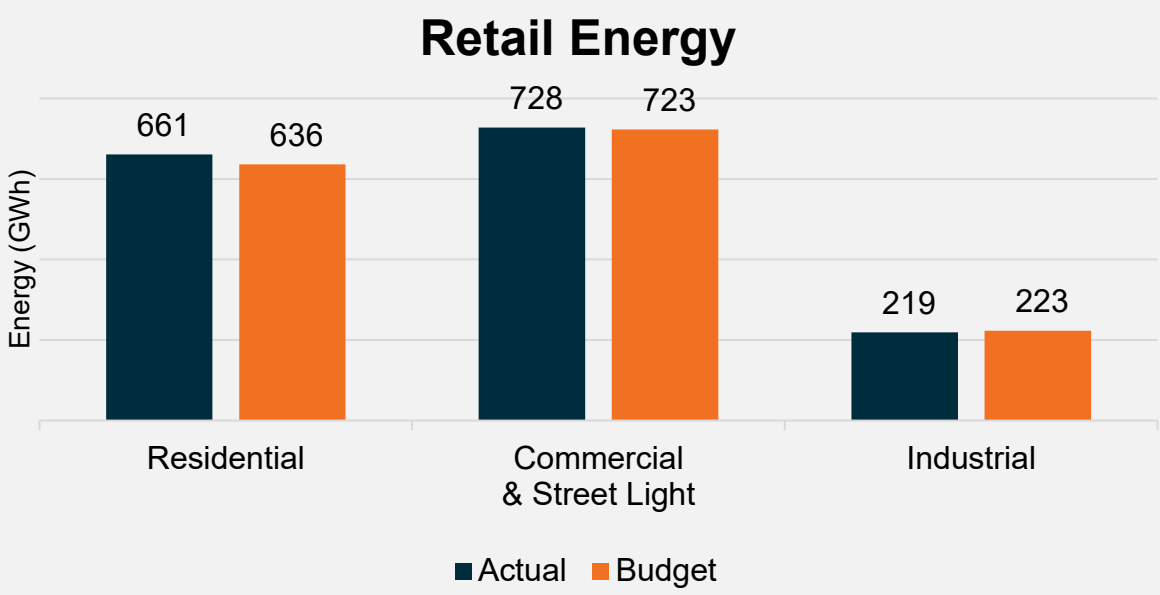
Retail Revenue

Actual	Budget	Variance
$149.8M	$148.5M	+$1.3M /+1%

Retail Energy

Actual	Budget	Variance
1,608 GWh	1,582 GWh	+26 GWh /+2%

Totals and other calculations throughout this presentation may show slight inconsistencies due to rounding.

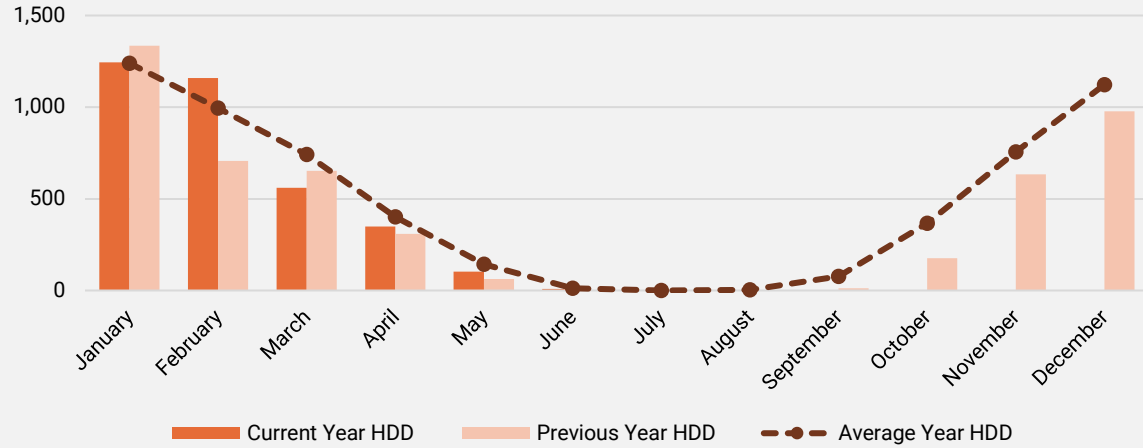


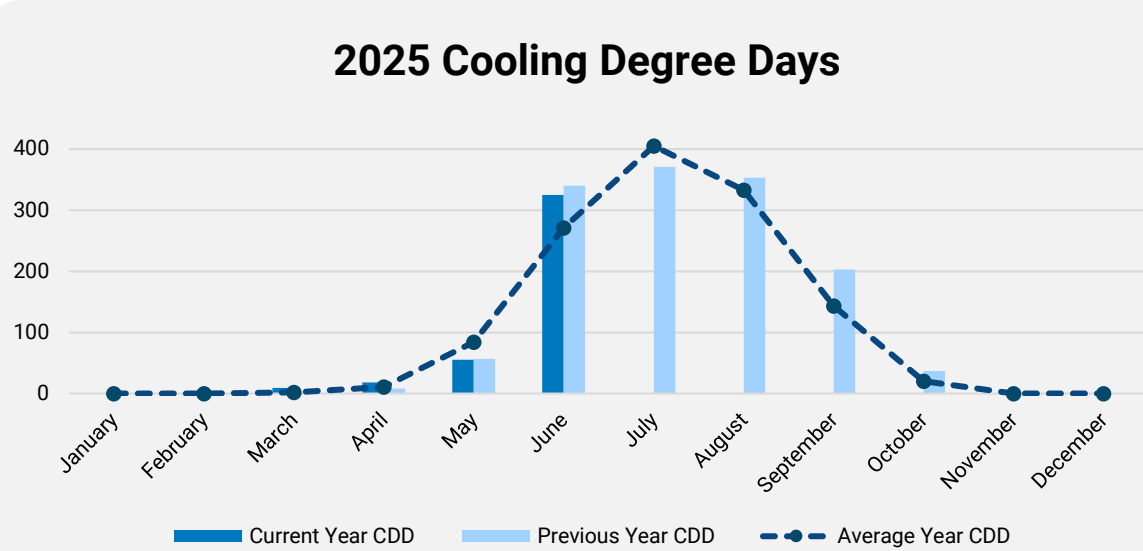
2025 Weather - YTD

Warmer temps in March through May, resulted in heating degree days being below average by 3.1%. Cooling degree days are 10.4% above normal due to a warmer June.

Below normal temperatures through March and May have resulted in YTD heating degree days being below average.

Above normal temperatures in June have resulted in above average YTD cooling degree days.





2025 Operating Expenses* - YTD

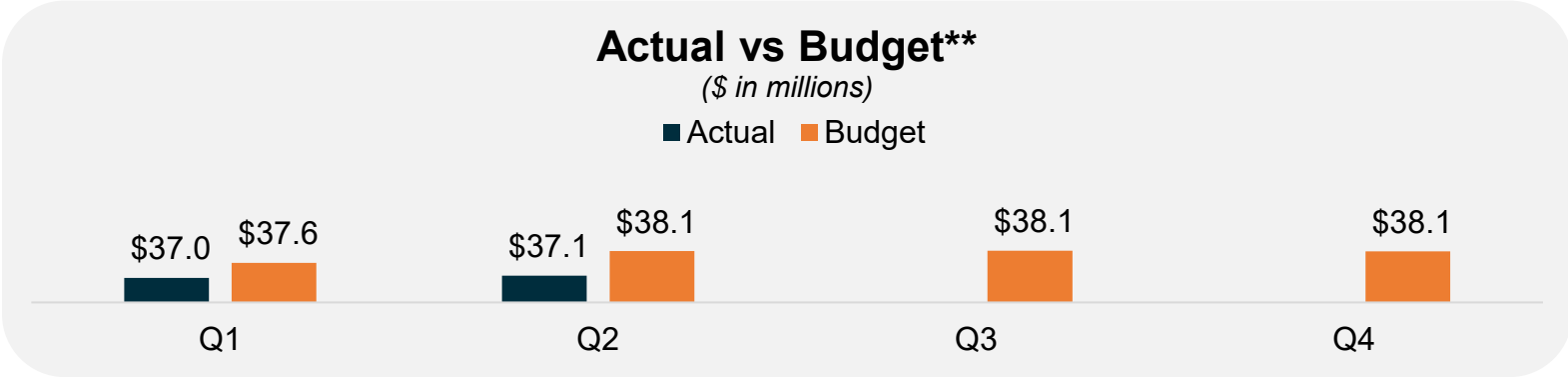
O&M Expenses

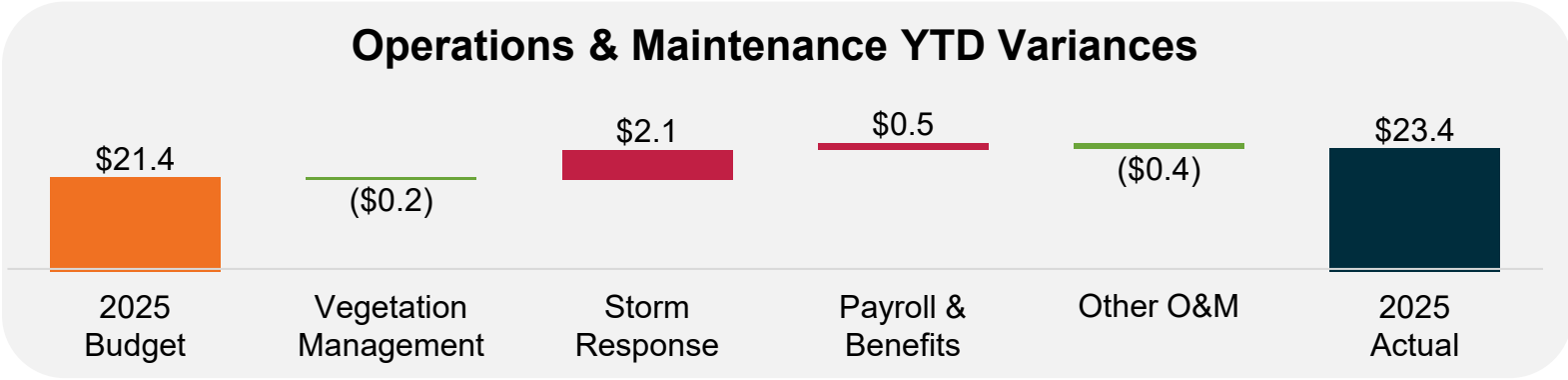
Actual	Budget	Variance
$23.4M	$21.4M	+$2.0M /+9%

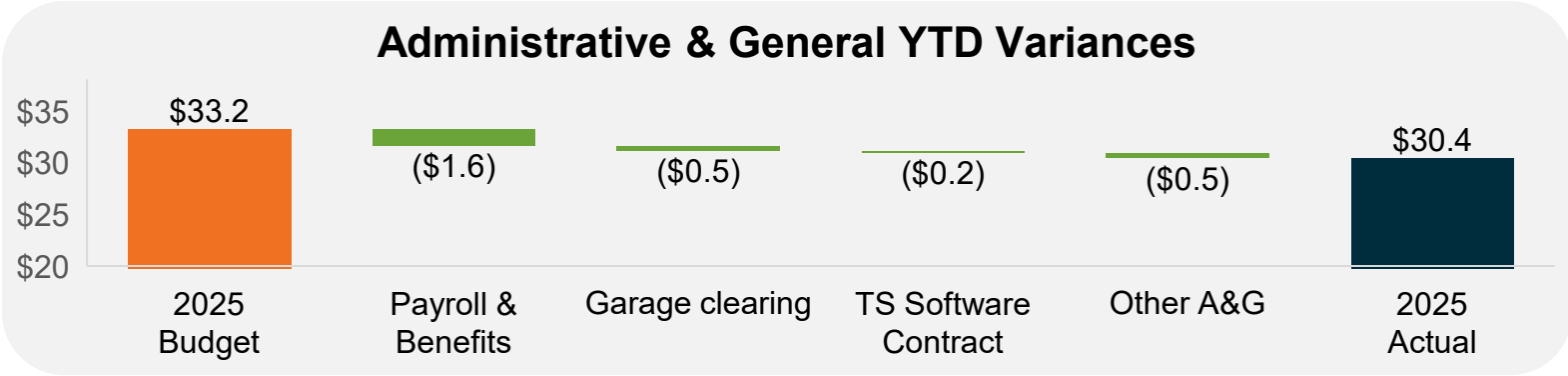
A&G Expenses

Actual	Budget	Variance
$30.4M	$33.2M	-$2.8M /-8%

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



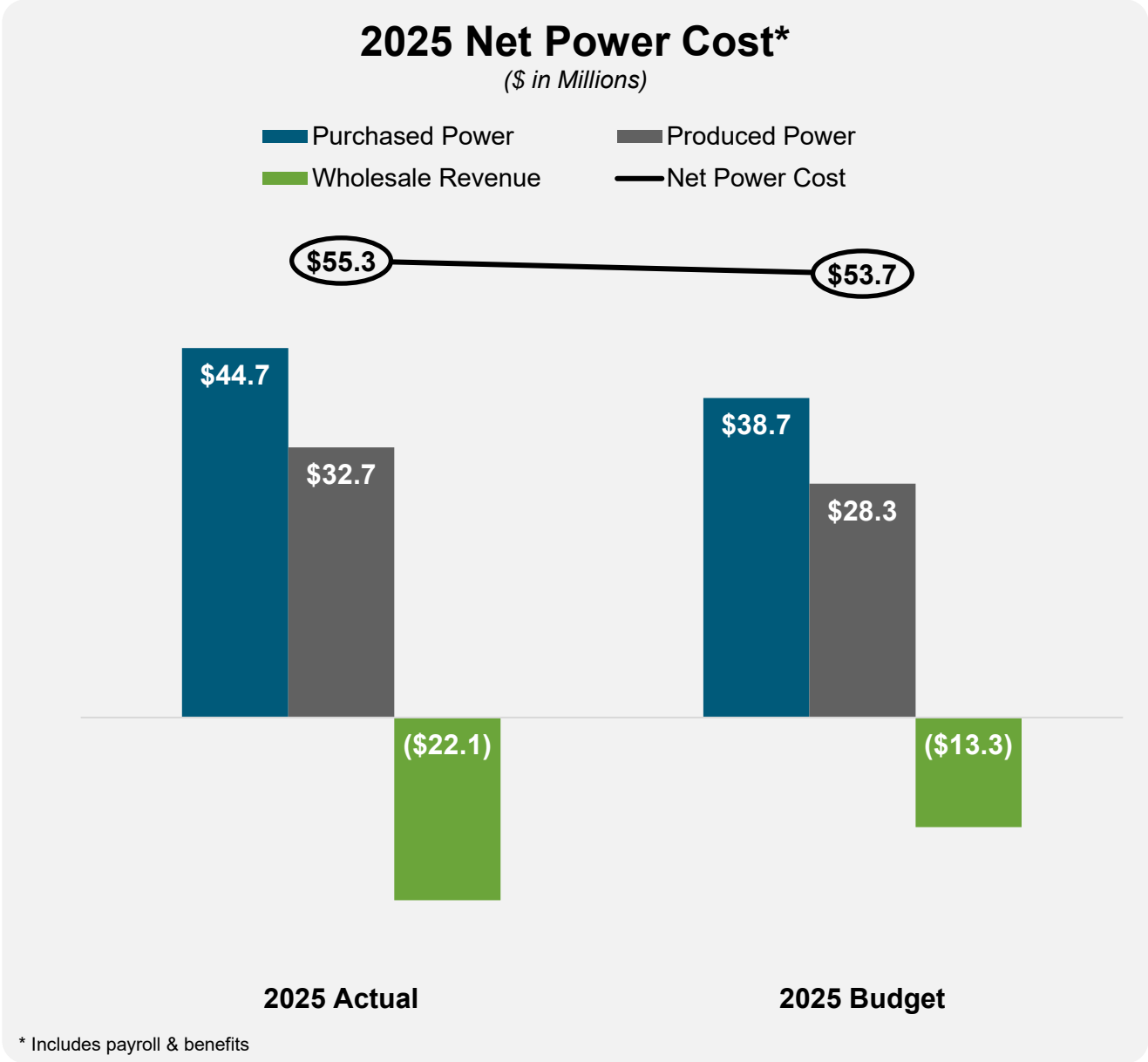




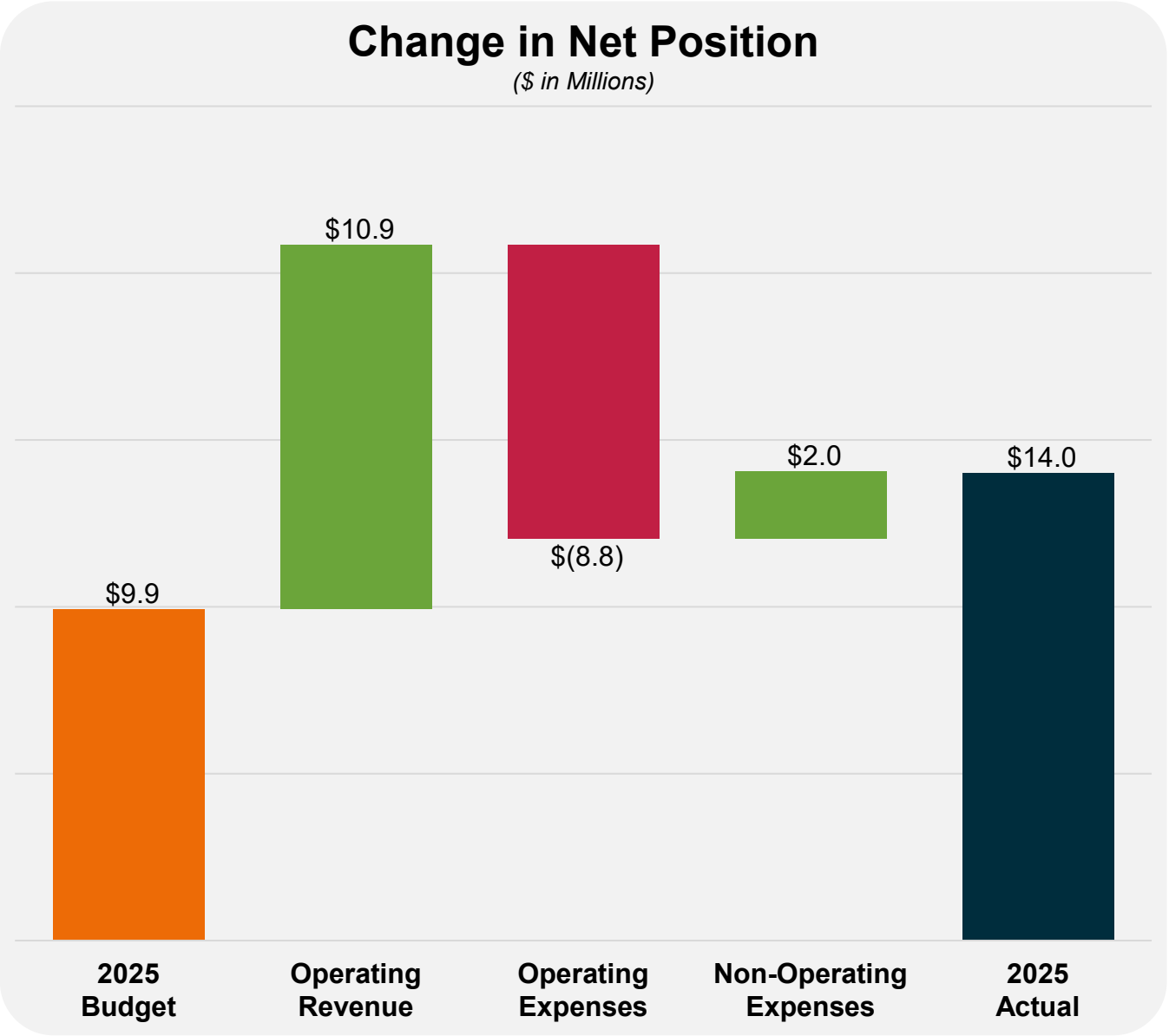
2025 Net Power Cost - YTD

Actual	Budget	Variance
$55.3M	$53.7M	+$1.6M /+3%

- Purchased power was over budget by $6.0M, or 16%, due to higher SPP purchases, Wind PPAs, and the addition of Jeffery Hydro.
- Produced power was $4.4M, or 16%, over budget due to increased energy costs at Laramie River Station, Rokeby Generation Station, and Terry Bundy Generation Station.
- Wholesale revenue exceeded budget by $8.8M, or 66%, due to revenues from SPP activities.



* Includes payroll & benefits

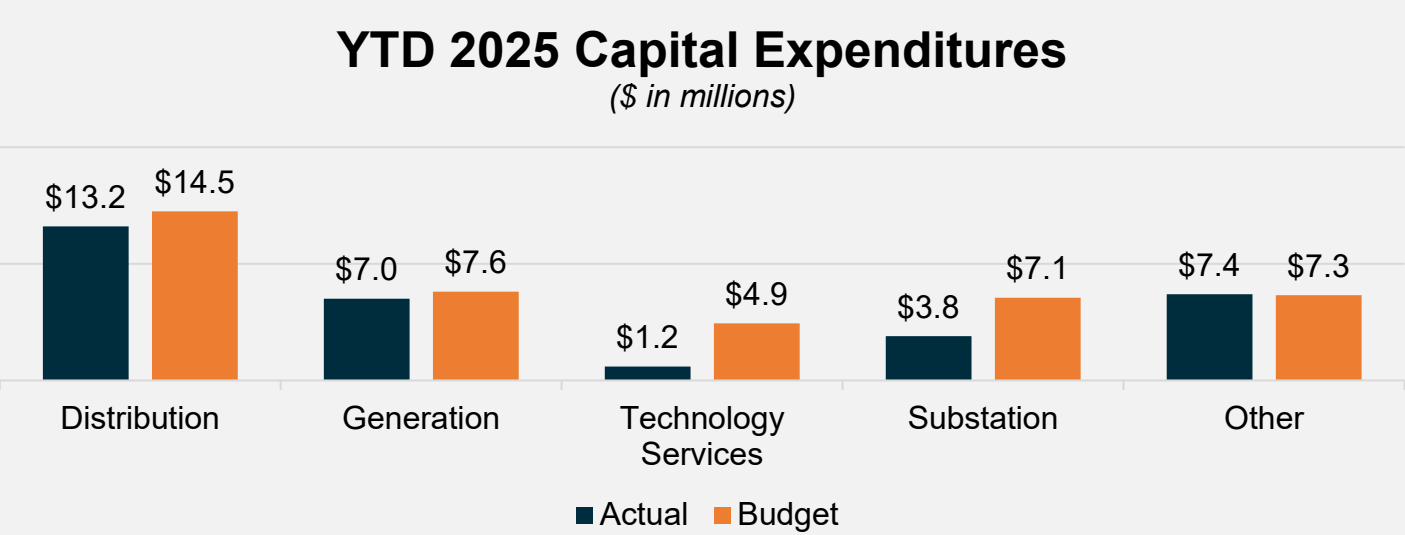


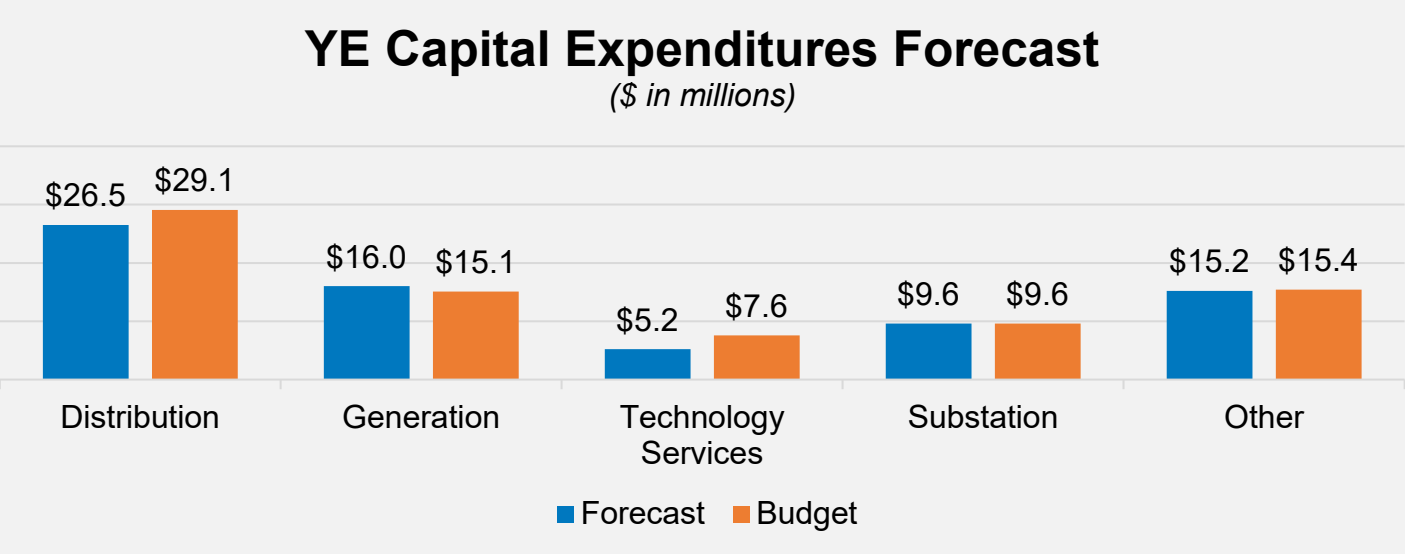
Change in YTD Net Position or "Net Revenue"

Actual	Budget	Variance
$14.0M	$9.9M	+$4.1M / +41%

Higher than expected Wholesale Revenue was partially offset by higher Power Costs, resulting in an overall increase in Net Revenue.

2025 Capital Expenditures - YTD





2025 Capital spending is below budget

Actual	Budget	Variance
$32.6M	$41.4M	-$8.8M / -21%

YTD variance is mainly driven by timing of Substation and Distribution projects. Delays in several technology projects are also contributing to the underrun.

Forecast	Budget	Variance
$72.5M	$76.8M	-$4.3M / -6%

YE forecast includes several delayed technology and distribution projects

Financial Metrics

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

Fixed Charge Coverage Ratio

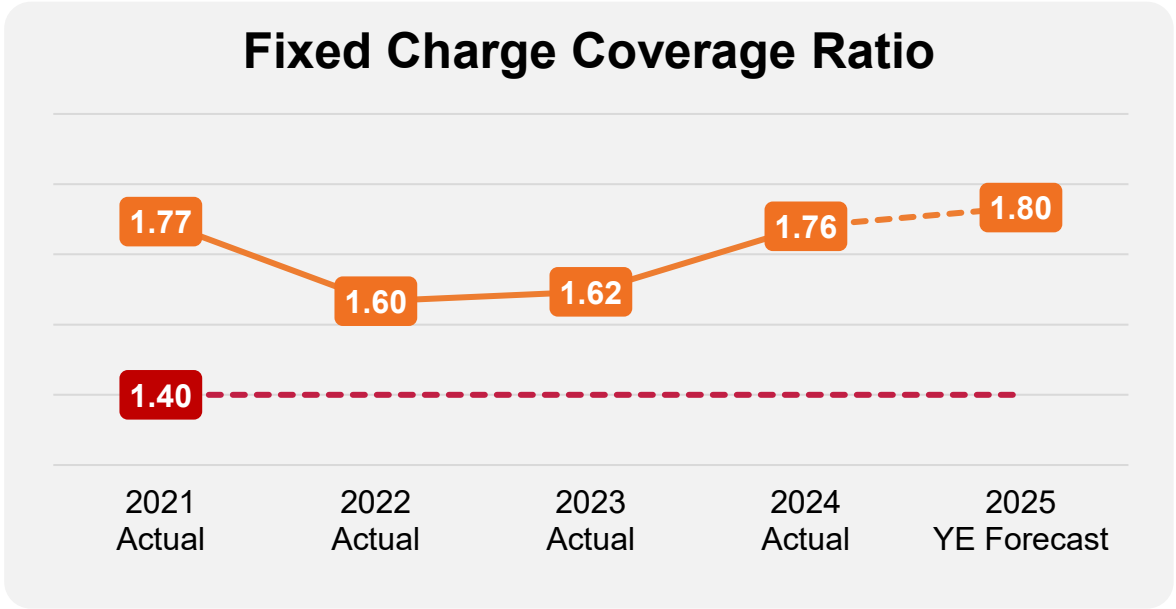
YE Forecast	Budget	Variance
1.80x	1.46x	0.34x

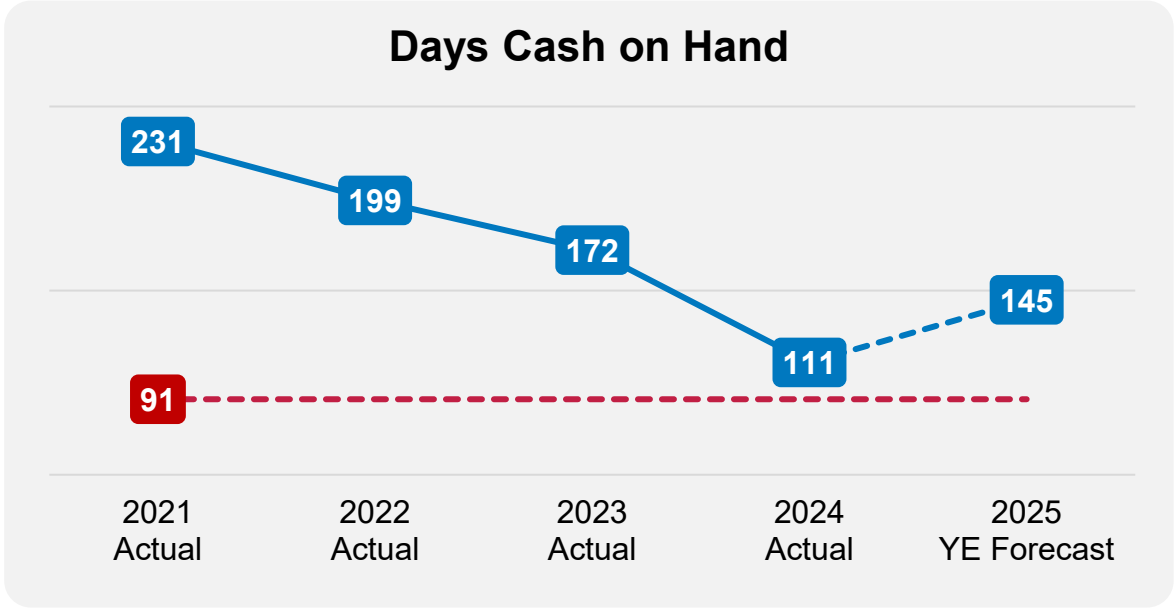
Higher or increasing values are considered favorable.

Days Cash on Hand

YE Forecast	Budget	Variance
145	104	+41

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





Financial Metrics

Debt to Capitalization

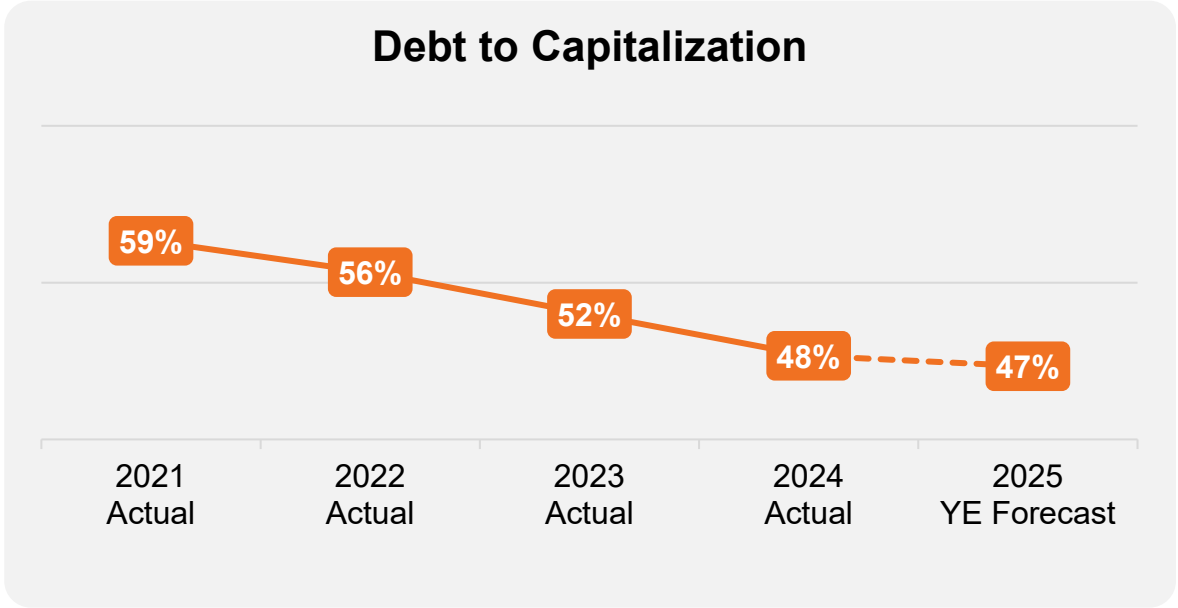
YE Forecast	Budget	Variance
47%	47%	0%

Lower or decreasing values are considered favorable.

Net Debt Ratio

YE Forecast	Budget	Variance
4.04x	5.21x	-1.17x

Lower or decreasing values are considered favorable.



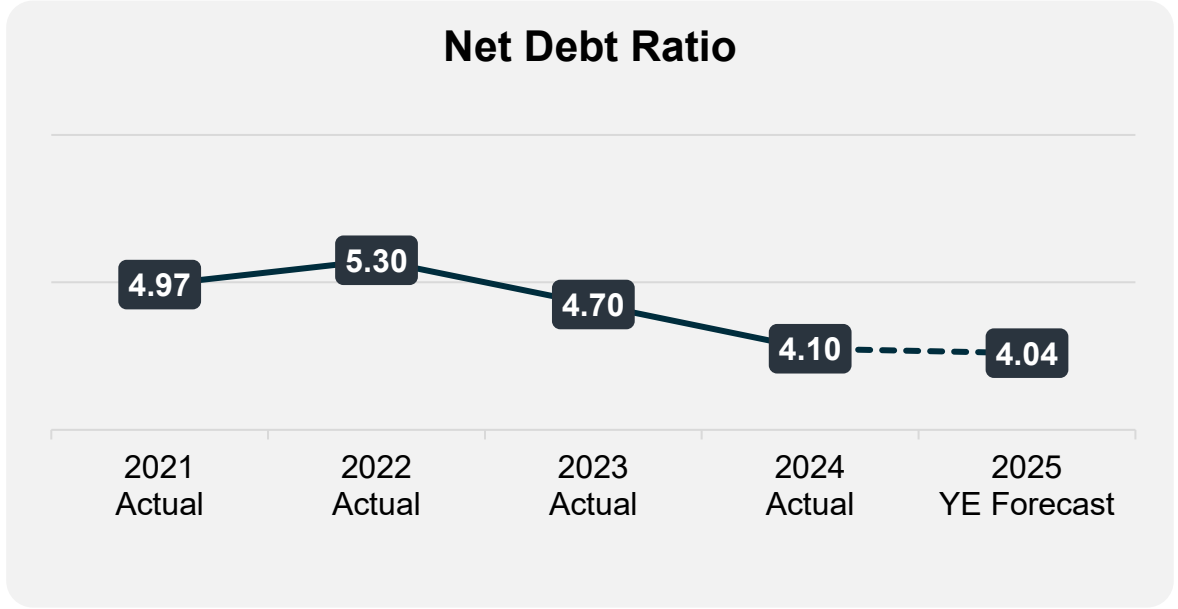


Exhibit VIII

MEMORANDUM

Date: July 8, 2025
To: LES Administrative Board, Emeka Anyanwu
From: Emily Koenig, Bryan Willnerd
Subject: Lincoln Electric System Claims Report for the six-months ending June 30, 2025

Background

LES Policy 511 *(Claims Processing)* requires that all claim resolutions shall be reported to the Administrative Board semi-annually. Additionally, the Claims Policy allows the Chief Executive Officer or the Chief Financial Officer to approve the settlement of all claims under $25,000. Claim payments exceeding $25,000 are subject to ratification by the Administrative Board.

Six-Month Claim Activity

Total claim activity for the six-month period ending June 30, 2025, is as follows *(also outlined on the attached Exhibits A & B)*:

	# Claims	$ Amount
Total Claims Paid	6	$22,460
Total Claims Denied	3	$235,062
Total Claims Processed	**9**	**$257,522**

LES Claim Ratification

For the six-month period ending June 30, 2025, LES did not incur any single claim greater than $25,000, requiring Board ratification.

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

Five-Year Claim Activity

Total claim activity for the five-year period ending June 30, 2025, is as follows:

Annual Total Claims Paid:

	# of Claims	$ Amount
2021	7	$21,618
2022	4	$10,826
2023	15	$42,644
2024	10	$53,105
2025 *(as of June 30)*	6	$22,460
Total Claims Paid	**42**	**$150,653**

Annual Total Claims Denied:

	# of Claims	$ Amount
2021	10	$34,111
2022	8	$46,120
2023	9	$3,548
2024	7	$33,801
2025 *(as of June 30)*	3	$235,062
Total Claims Denied	**37**	**$352,642**

Update on Pending Lawsuit Claims

There were two significant claims against LES, one which was closed and one that remains active as of 6/30/2025. The most-recent update is provided below ***(italicized)***.

Claim 1 (Closed): In April 2020, a lawsuit was filed against LES arising from a streetlight pole that fell onto A Street in Lincoln. The plaintiff claims that she experienced personal injuries to her back and knee because the vehicle she was operating collided with the streetlight pole. LES is defending this matter in court as it believes that LES did not proximately cause the injuries alleged by the plaintiff. The plaintiff's deposition took place in April 2021.

A court hearing took place on January 27, 2025, permitting LES to pay the judgement proceeds of $6,149.46 to the court. LES issued the payment in January, closing this claim.

Claim 2 (Active): In October 2023, LES installed a pole which caused the collapse of a nearby clay sewer line, resulting in sewage backup in the basement utility room at the residence. LES paid $15,826 to the property owner that included restoration costs as well as alternative lodging for the occupying tenant of the property.

A lawsuit was filed by the tenant against LES in October 2024 seeking damages in the amount of $29,000 for damage to personal property *($12,000)* and inconvenience *($17,000)*. An answer has been filed on behalf of the City of Lincoln and LES and written discovery requests have been sent to the plaintiff.

As of June 30th, 2025 LES is actively negotiating a settlement with the plaintiff. If a settlement cannot be reached, a trial may be held later in the year.

LES will provide appropriate updates to the status of the above claims to the Administrative Board as developments occur.

Prepared By: _____

Bryan Willnerd
Manager, Treasury and Risk Management

Approved By: _____

Emily N. Koenig
Vice President and Chief Financial Officer

c: Paul Crist
Shelley Sahling-Zart
Richard Grabow

Exhibits: Six-Month Period Ending June 30, 2025

Exhibit A - Paid Claims:

	Claimant	Description of Claim	The Claim Was Paid Because...	Amount Paid
1	Angela N.	Collision with a fallen light pole.	LES failed to make the necessary repairs prior to a light pole falling, causing a collision.	$6,149.46
2	Century Auto	Damage to furnace.	LES caused damage to customer property despite following the prescribed protections during a meter replacement.	$650.00
3	Nebraska Department of Transportation	Damage to sewer line.	LES paid the customer as a gesture of goodwill. LES is currently pursuing settlement with our contractor.	$10,942.50
4	Zacady Properties	Damage to sewer line.	LES damaged the sewer line when boring an underground service line.	$2,191.91
5	Harley H.	Damage to personal property.	LES damaged a flowerpot while working on an overhead line.	$85.79
6	Charter Communications	Damage to underground facilities.	LES damaged the underground facilities while working in the area.	$2,440.00
			Total Amount in Claims Paid	**$22,459.66**

Exhibit B - Denied Claims:

	Claimant	Description of Claim	The Claim Was Denied Because...	Amount Denied
1	University of Nebraska	Outage related damages.	LES is not responsible for damage caused by service disruptions *(Squirrel)* per Service Regulations B.1.3.	$85,062.10
2	Kristopher K.	Outage related damages.	Claim was not within the LES Service Area.	$150,000.00
3	Shannon G.	Damage to personal property.	LES had not worked in the area.	$0.00
			Total Amount in Claims Denied	**$235,062.10**