

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, June 20, 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 June 13, 2025.

Board Members Present: Lucas Sabalka, Carl Eskridge, David Spinar, Andy Hunzeker, Kate Bolz, Karen Griffin.

Board Members Absent: Eric Schafer, Chelsea Johnson, Alyssa Martin

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, Paul Crist, David Malcom, Jason Fortik, Lisa Hale, Dan Nehls, Eric Ruskamp, Rodney Carstenson, Marc Shkolnick, Richard Grabow, Kelley Porter, Marc Shkolnick, Keith Snyder, Denise Parrott, Kellie Cave.

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

News Media Present: None

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

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

Chair Sabalka asked for approval of the minutes of the May 16, 2025 board meeting. David Spinar moved to amend the May board meeting minutes to reflect that Carl Eskridge, rather than David Spinar, made the motion to approve LES Resolution 2025-4. Carl Eskridge seconded the motion. The vote to amend the minutes was:

### **Approval of Minutes**

Aye: Kate Bolz, Andy Hunzeker, David Spinar, Karen Griffin, Lucas Sabalka, Carl Eskridge.

Nay: None

Absent: Eric Schafer, Chelsea Johnson, Alyssa Martin.

David Spinar moved to approve the minutes of the May 16, 2025 board meeting as amended. Carl Eskridge seconded the motion. The vote to approve the minutes as amended was:

Aye: Kate Bolz, Andy Hunzeker, David Spinar, Karen Griffin, Lucas Sabalka, Carl Eskridge.

Nay: None

Absent: Eric Schafer, Chelsea Johnson, Alyssa Martin.

Nancy Packard, a resident of Lincoln, expressed her concern about home insurance rates as they relate to climate change. She described the availability of sun and wind in Nebraska and how renewable resources could benefit the community. She encouraged the board to explore estimates for LES to move toward 100% renewable energy.

### **Customer Comments**

Ken Winston, spoke on behalf of Nebraska Interfaith Power & Light and the Nebraska Sierra Club. He indicated he had testified at the Lincoln City Council meeting on June 9<sup>th</sup>. He expressed his support of LES' low rates, dependability, and resiliency. Winston noted while he is unable to support fossil fuel investment or additional non-renewable generation, he was grateful for the information presented by Scott Benson on the topic. He described the potential unreliability of cost estimates for small-modular nuclear generation. Winston encouraged investment in wind, solar, and other renewable resources. He also spoke on the derate that occurred after gas units being unavailable during Winter Storm Uri.

Jason Fortik, Vice President of Power Supply, introduced Rodney Carstenson, Coordinator – Maintenance & Inventory, Terry Bundy Generation Station, who was recognized by the board for 20 years of services to LES. The board commended Carstenson on this achievement.

### **Introduction & Recognition of Staff**

Karen Griffin, Operations & Power Supply Committee member, reported on Committee discussions held on June 10, 2025, including: 1) 2026 Long Range Forecast & Revenue Expectations, 2) Vegetation Management Update, 3) 56<sup>th</sup> Street Reliability Project Completion. (Exhibit I)

### **Operations & Power Supply Committee Report**

Carl Eskridge, Chair of the Finance Committee, reported on Committee discussions held on June 20, 2025, including: 1) 2024 Investment Committee Annual Report, 2) 2026 Long Range Forecast & Revenue Expectations, 3) 2026 Budget Schedule, Guidelines, & Assumptions, 4) Ethics Update. (Exhibit II)

**Finance Committee Report**

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

**Quarterly DEC Update**

LES CEO, Emeka Anyanwu, as well as Marley Urdanick of PA Consulting, provided an update on the current state of the Strategic Plan including an update from the latest workshop, a review of the strategic objectives and initiatives, and the goals associated with those initiatives. He also presented a final external engagement update, which included the outcomes of the community survey and community meetings conducted in the spring. Common themes throughout the engagement efforts included the importance of reliability and affordability amongst customer groups and varied perspectives on the strategic objectives. Members of the board commended the process and outcome thus far. Anyanwu commended PA Consulting for their work, the board for their involvement, as well as the LES employees involved in the process. (Exhibit IV)

**Strategic Planning Update**

The proposed changes to the LES Service Regulations were reviewed with the board at the May board meeting. Marc Shkolnick, Manager, Energy Services, noted that the revisions were also posted for public comment on the LES website over the past month. No comments were received.

**\*Approval of 2025 LES Service Regulations, LES Resolution 2025-6**

David Spinar moved adoption of LES Resolution 2025-6, approving the revised LES Service Regulations to be effective July 1, 2025 (Exhibit V). Carl Eskridge seconded the motion. To vote to adopt the resolution was:

Aye: Kate Bolz, Andy Hunzeker, David Spinar, Karen Griffin, Lucas Sabalka, Carl Eskridge.

Nay: None

Absent: Eric Schafer, Chelsea Johnson, Alyssa Martin.

Richard Grabow reviewed the background and proposed updates to Policy 325 (Exhibit VI), which details the process for non-union employee discipline. The proposed changes include the composition of the Appeal Panel. Chair Sabalka requested minor revisions that had been sent to Richard. **\*Approval of Policy 325 Updates**

David Spinar moved approval of Policy 325 updates as revised. Carl Eskridge seconded the motion. The vote to approve the updated policy as revised was:

Aye: Kate Bolz, Andy Hunzeker, David Spinar, Karen Griffin, Lucas Sabalka, Carl Eskridge.

Nay: None

Absent: Eric Schafer, Chelsea Johnson, Alyssa Martin.

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

Without further business before the Board, Chair Sabalka declared **Adjournment** the meeting adjourned at approximately 11:10 a.m.

Carl Eskridge, Secretary

BY: Kellie Cave  
Kellie Cave, Assistant Secretary

# **Exhibit I**



## Operations and Power Supply Committee Meeting Summary June 10, 2025

**Attendees:** K. Griffin, C. Johnson (Committee Chair), L. Sabalka, D. Spinar  
E. Anyanwu, J. Cocklin, P. Crist, J. Dagerman, J. Fortik, L. Hale, E. Koenig, D. Malcom, J.  
Rasmussen, F. Rumery, S. Sahling-Zart

### **2026 Long Range Forecast (Joe Cocklin):**

- Staff shared the 2026 customer energy consumption and system demand forecasts through 2054.
- 2026 energy sales are expected to increase from the 2025 forecast by about \$32M (10%) and the 2026 peak demand is expected to increase from the 2025 forecast by 61 MW (7.9%) due primarily to increases in the commercial sector.
- Staff also shared analysis results from different weather scenarios and electric vehicle adoption rates and the effects on future system peak demand values and retail energy consumption.

### **Vegetation Management Update (John Rasmussen):**

- Staff provided an overview of the Asset Management & Planning (AMP) Department and the structure, purpose, programs, and budget for various vegetation management programs.
- The AMP Department strives to be a data driven organization that manages assets through engineering analysis, proper operation, and the application of business acumen.
- LES's transmission & distribution facilities have interactions with vegetation that cause outages and safety and reliability issues. Several technology based solutions are being implemented to improve system performance along with customer outreach and information sharing efforts to raise awareness.

### **56<sup>th</sup> Street Reliability Project Completion (Fredrick Rumery):**

- After approximately five years of engineering, procurement, and construction activity, staff was able to brief the Committee on the completion of the project to rebuild a 2.5 mile section of 115kV transmission line along South 56th Street and the conversion of overhead distribution facilities in this same area to an underground configuration.
- The combined projects were completed within approximately one month of their scheduled completion dates with the total project cost being below budget by more than \$900k.

# **Exhibit II**



## Finance Committee – June 20, 2025 (In-Person)

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

### 1. 2026 Budget Schedule, Guidelines & Assumptions (Wade)

- a. An overview of key dates and financial assumptions associated with the proposed 2025 budget was provided to the committee.
- b. Staff is currently compiling the proposed budget using a top-down approach, which is different than past practice. This approach is being used to focus on adherence to financial targets given the recent mid-year rate adjustment proposal, in addition to other work process considerations.
- c. The committee will review the budget proposal at its late August meeting.

### 2. Long Range Forecast and Revenue Expectations (Chris)

- a. The 2026 energy sales and system demand forecast were shared with the committee, including modeling scenarios related to weather and electric vehicles.
- b. Energy sales are forecasted to increase by 9% in 2026 as compared to 2025.
- c. Revenue, prior to any potential rate increase identified through the 2026 budget, is expected to increase from the 2025 forecast by about \$32M or 10%.
- d. Large increases in energy and demand are expected due to an increase in the commercial sector.

### 3. Investment Committee 2024 Annual Report (Bryan)

- a. An overview of 2024 year-end metrics regarding the 401k & 457b retirement plans was provided to the committee.
- b. LES currently offers a diverse portfolio of funds to participants. No fund changes were made in 2024.
- c. Key 2024 activities included:
  - a) External audit of the retirement plans with no major findings.
  - b) Implementation of the Self-Directed Brokerage Option for participants
  - c) Approval of CapTrust to provide advice services to participants at the beginning of 2025 with related fees included in the Plan Administration Fees to be paid by participants.

# **Exhibit III**



## Summary of DEC Board of Directors Meeting on April 22, 2025

### Management

- Aaron Evans, the new DE (District Energy) Manager, was introduced to the board. Aaron previously worked at UNL and has over 10 years of experience. He earned an undergraduate degree in mechanical engineering and a master's in engineering management. Aaron is a licensed professional engineer in Nebraska.
- Service interruptions for the 1st quarter included several planned outages for repairs. There also were a few unplanned outages due to power outages. Those locations were able to continue operating on DEC's backup generators.
- Fuel costs for the period were greater than budgeted, due largely to the Black Hills transmission fee increases that were not known when the budget was set. Fuel quantities consumed for the period were very close to budget.
- Capital projects reviewed included the CADF geothermal loop cooler, the State DA vessel replacement, and the WHM boiler project.
- Staff presented data showing a 5-year snapshot of DEC's greenhouse gas emissions and gave an update on potential new customers, including the new convention center.

### Financial

- DEC's 1st quarter revenue was very close to budget and expenses were 8% below budget. Overall, the change in net position was 80% better than budget, due to lower payroll costs, increased investment income, and the delayed timing of some operating expenses. Capital spending is expected to show an increase in the second quarter.
- Staff presented the 2024 audit report, which was recently completed by Forvis Mazars and provided a clean opinion. The audit report was approved by the board.
- Compliance steps for tax-exempt financing were reviewed. All items on the annual checklist have been completed and approved.

### Miscellaneous

- DEC's General Counsel, David Levy, gave an update on Legislative bills that could be relevant to DEC. All four bills being watched remained in committee and are not expected to move forward this year, but they will carry forward to next year.
- The location of the next board meeting was discussed, and it was decided to hold future meetings at the County City building, in the Chambers room, provided it remains available.

# **Exhibit IV**



# Board Briefing

## *LES Strategic Planning*

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June 20, 2025

**Bringing Ingenuity to Life.**  
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# 01

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## Strategic Planning Journey

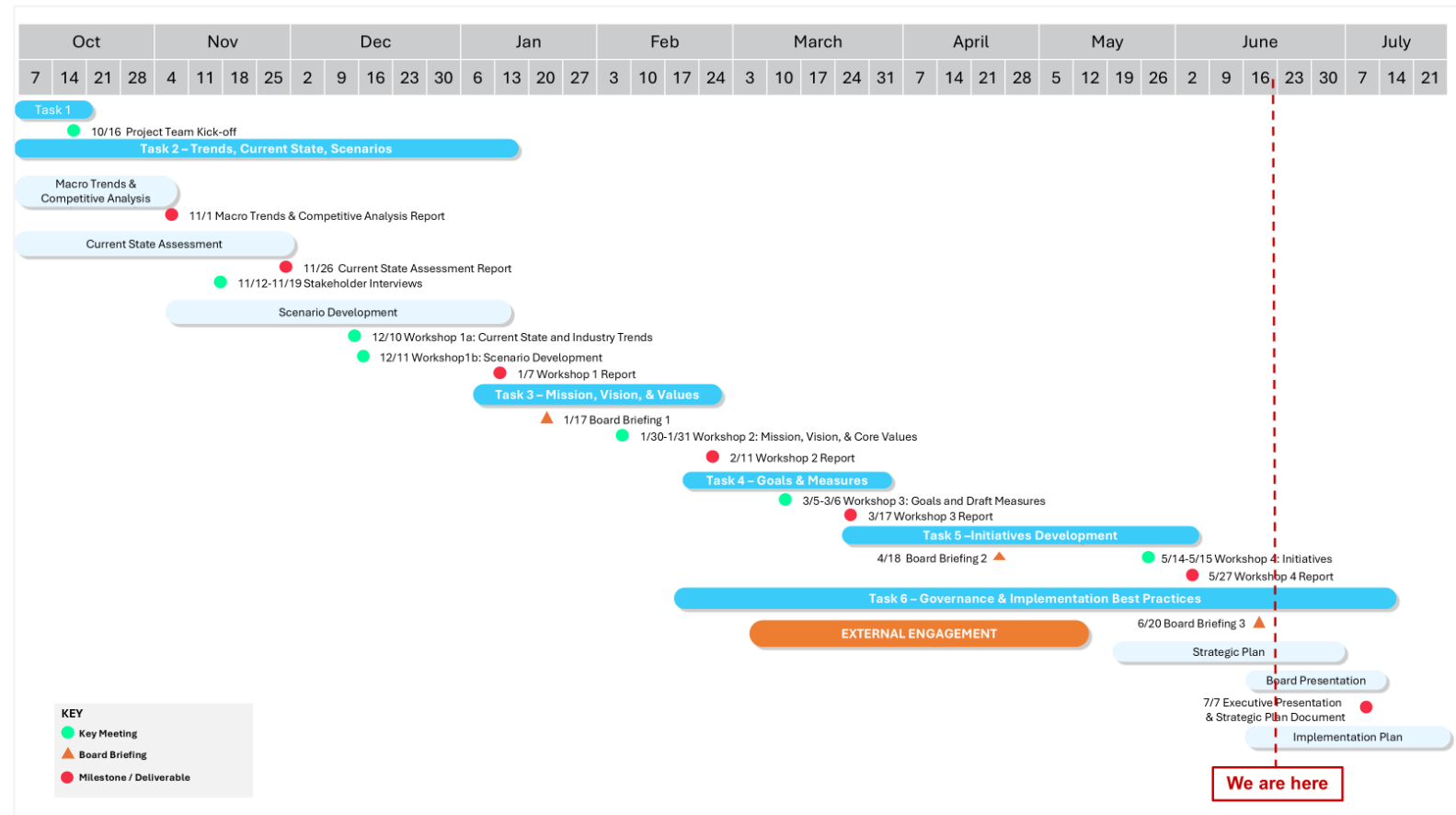


# Strategic Planning Program Overview

*Tasks 1-5 are complete and the Task 6 timeline was extended to incorporate Community feedback from the external engagement efforts*

We are following a structured, flexible, and collaborative approach to guide LES' strategic planning:

- **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: Scenarios Development.
- **Task 3:** Review LES' mission, vision, and core values, updating them in Workshop 2: Mission, Vision & Core Values.
- **Task 4:** Develop strategic goals and draft measures in Workshop 3: Goals & Draft Measures.
- **Task 5:** Create Strategic Initiatives in Workshop 4: Initiatives.
- **Task 6:** Prepare a Strategic Plan implementation document and an accompanying executive presentation summarizing tasks and outcomes for board delivery.



# 02

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## Program Updates



# Task 5: Strategic Initiatives Development

## Day 1:

- Reviewed the strategic initiative framework and criteria for effective Strategic Initiatives
- Examined best practice industry examples
- Discussed the desired level of detail for each initiative and its associated projects
- Introduced a common taxonomy of elements that make up the strategic plan
- Explored approaches to understanding the energy trilemma
- Conducted a capital portfolio review
- Breakout groups collaborated to develop and evaluate potential Strategic Initiatives

## Day 2

- Began with a review of Day 1 results
- Developed project details and mapped projects to objectives and goals
- Evaluated projects and identified overarching strategic themes



**LES Strategic Planning Workshops**

**Topic: Strategic Initiatives**

**Date: May 14 -15, 2025**

# Strategic Planning Taxonomy

Common terminology used through the strategic planning process

## STRATEGIC OBJECTIVES

provide the structure for the Strategic Plan and bridge from the Vision to annual Goals & Initiatives execution.

**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 focused, cross-organizational execution.

1

## OBJECTIVES

*Where LES is going*

## GOALS

*What LES must achieve to get there*

2

3

## INITIATIVES

*How LES will get there*

## PROJECTS

*Specific work that will get done within each initiative*

4

**STRATEGIC GOALS** are statements in the Strategic Plan that translate each Strategic Objective into specific, measurable outcomes. They sit between the Strategic Objectives and the actionable Initiatives.

**PROJECTS** are the specific, time-bound efforts & investments that bring Strategic Initiatives to life e.g. construction projects, technology projects, process improvements, customer programs, etc.

# Overview: Progress on the Strategic Plan

*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.

*“People, Power, Progress”*

## MISSION

Powering our community through responsible stewardship of our shared resources.

## 2030 STRATEGIC OBJECTIVES UPDATED



### CUSTOMER & COMMUNITY

Optimally deploy our resources to help meet all our customers’ and 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 its Mission and Vision.



### WORKFORCE READINESS

Attract, develop, and retain a talented workforce to boost organizational performance.



### SUSTAINABILITY

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

## VALUES UPDATED

Safety

Dependability

Integrity

Community

Curiosity

Excellence

# Recap: Strategic Objectives

For each Strategic Objective, we have defined where we want to go as an organization by 2030.

**STRATEGIC OBJECTIVES** define the impact LES wants to make by 2030 and provide structure for the Strategic plan to articulate what we will focus on to achieve our Vision.



## CUSTOMER & COMMUNITY

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

**Dynamic products and services, minimize energy burden, enable community goals – all while delivering an exceptional customer experience.**



## INFRASTRUCTURE

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

**An adaptable grid that delivers industry leading reliability, resiliency, and customer experience in an increasingly complex operating environment.**



## FINANCIAL HEALTH

*Ensure that LES can fund the activities required to achieve its Mission and Vision.*

**Financial health through a strong bond rating, sufficient liquidity, and a transparent rate path to operate in an increasingly complex environment.**



## WORKFORCE READINESS

*Attract, develop, and retain a talented workforce to boost organizational performance.*

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



## SUSTAINABILITY

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

**Net zero CO<sup>2</sup> production from LES' generation portfolio by 2040 while managing our demand peaks and demonstrating environmental stewardship across our utility operations.**

What we will do

What we will achieve

# What's New: Strategic Goals

We have developed fifteen (draft) enterprise-level goals to drive performance across the organization.

**GOALS** translate Strategic Objectives into specific, measurable outcomes. They sit between the Strategic Objectives and actionable Initiatives.



## CUSTOMER & COMMUNITY

**Experience:** Deliver exceptional customer experience.

**Education:** Empower customers to be “informed energy users”.

**Service:** Partner with our customers to manage their energy goals.



## INFRASTRUCTURE

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

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

**“Future ready”** the grid and supporting systems to proactively address increased volatility (G, T, D, IT).



## FINANCIAL HEALTH

**Liquidity:** Achieve 'optimal' liquidity by YE 2027.

**Bond Rating:** Maintain AA Bond rating.

**Rate Path:** Maintain transparent rate path.



## WORKFORCE READINESS

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

**Develop:** Develop and support employees through career advancement and leadership development.

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



## SUSTAINABILITY

**Net-Zero:** Net-Zero CO<sup>2</sup> emissions from LES generation portfolio by 2040.

**Environmental Stewardship:** Prioritize sustainable utility operations practices and customer education to protect and preserve natural resources and reduce harm to ecosystems.

**Demand Management:** Evaluate and deploy existing and emerging solutions to flatten load peaks and mitigate the need for new generation.

# What's new: Draft Strategic Initiatives

We are in the process of refining six (draft) Strategic Initiatives

**STRATEGIC INITIATIVES** are efforts LES will pursue to turn its 2030 objectives into action. They translate the strategic framework into focused, cross-organizational execution.



# 03

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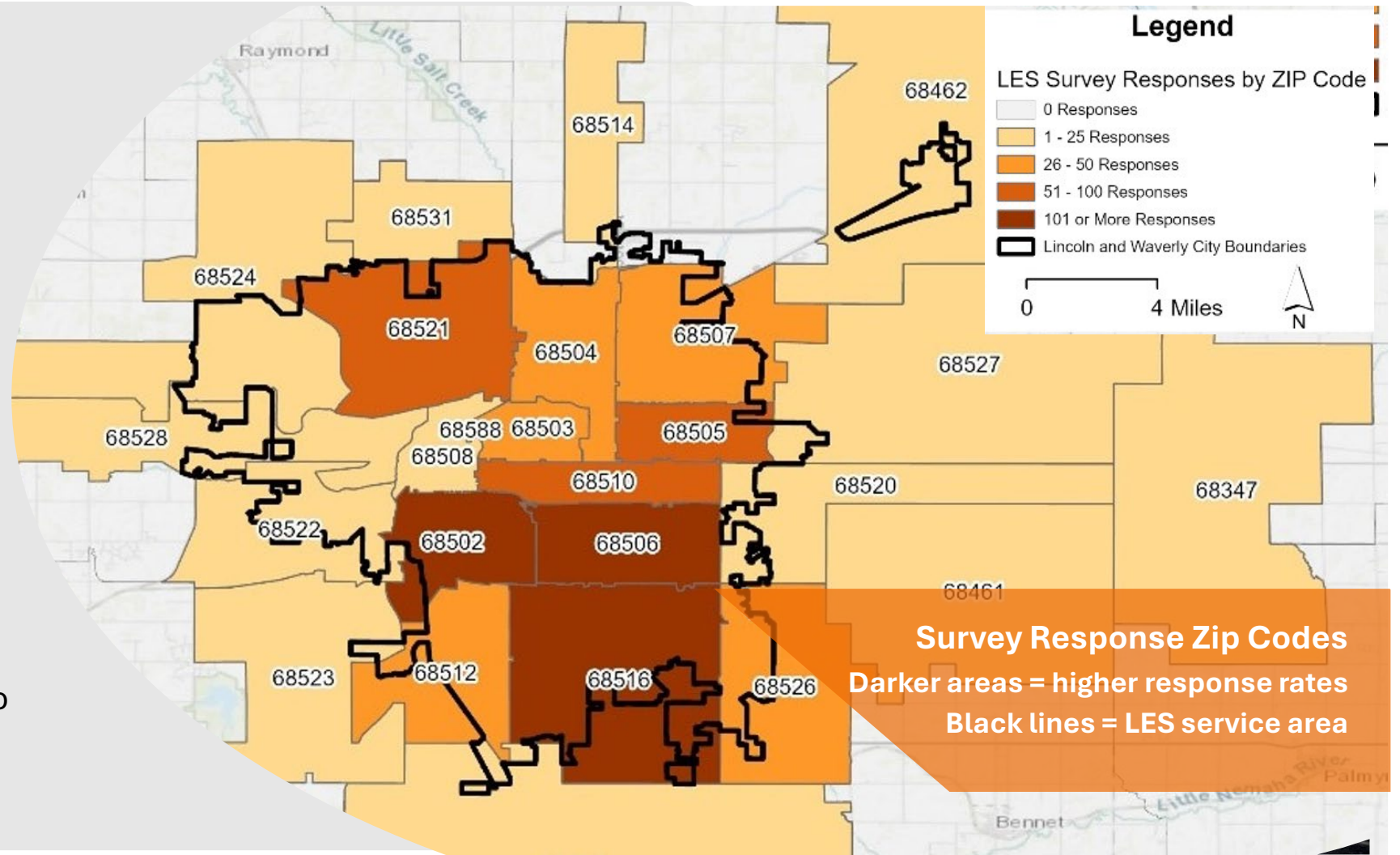
## External Engagement Update



# Community Engagement

## Community Survey

- Open from March 1 - April 30.
- Conducted digitally.
- Promoted through a variety of tactics, including news releases, emails, LES lobby materials, bill messaging, online advertising, radio ads, QR codes in libraries and community centers, LES.com and social media.
- **1,131** responses collected.
- Respondents chose whether to provide demographic information.





# Community Engagement

## Community Meetings

- Seven 90-minute meetings between April 7 and April 16.
- Held across the LES service area at various times, sessions were a mix of in-person, virtual and hybrid.
- Promoted through a variety of tactics, including a targeted email series, LES.com, organic and paid social posts, personal asks and residential and commercial e-newsletters.
- 90 meeting attendees, including local leaders, residential customers, key accounts and local nonprofits.



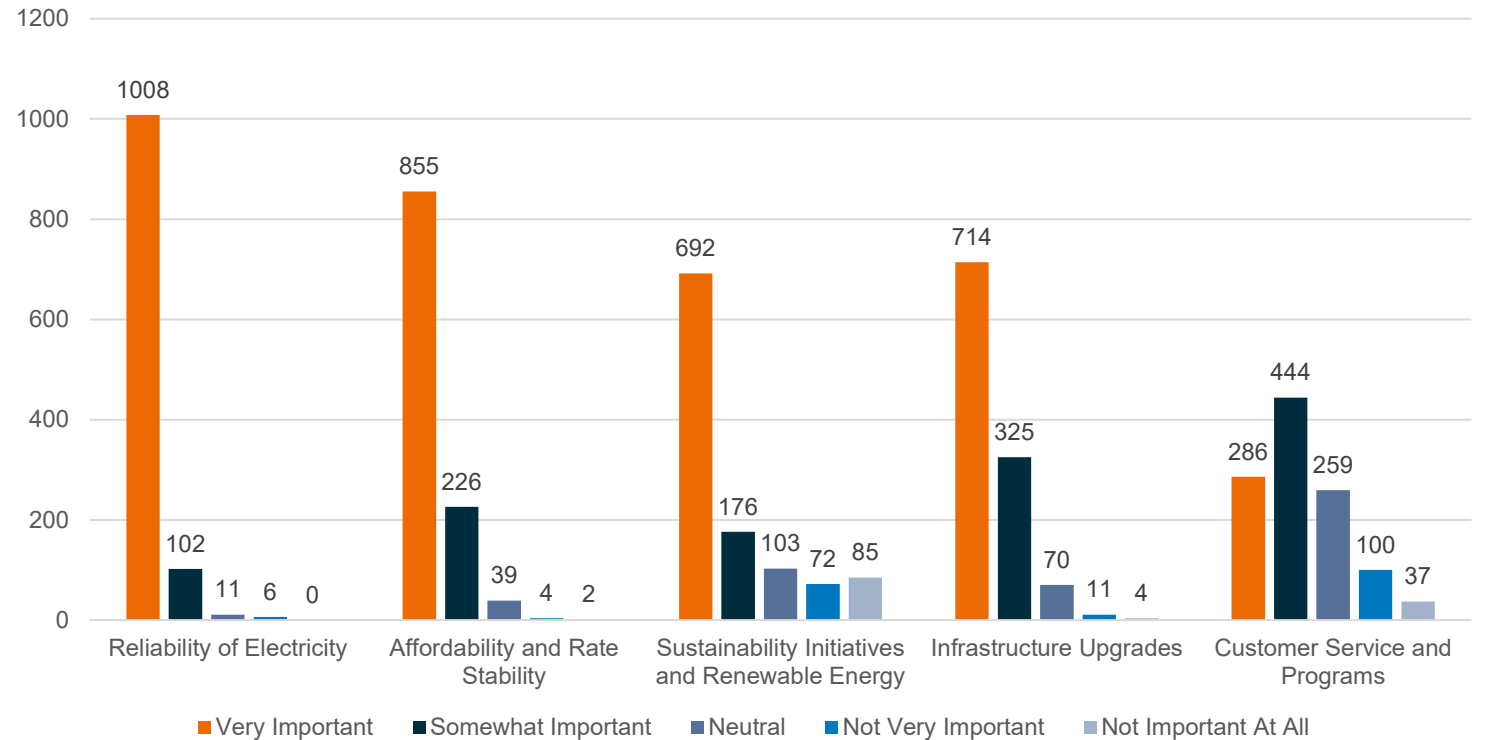
# Results

## SURVEY

All types of businesses and residential customers, including homeowners, renters and landowners, followed the overall pattern of importance for each area.

1. Reliability of electricity (676 respondents ranked this most important)
2. Affordability and rate stability (233)
3. Sustainability initiatives and renewable energy (189)
4. Infrastructure upgrades (24)
5. Customer service and programs (8)

Importance of Investment Areas\*



\*Some survey respondents are included in more than one category due to overlap between residential, business customers and employees.



# Results

## SURVEY

All types of businesses and residential customers, including homeowners, renters and landowners, followed the overall pattern of importance for each area.

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### Top survey response themes included:

- Affordability
- Burying power lines
- Climate change/sustainability
- Renewable energy sources
- Cybersecurity
- DEI
- Remaining public power
- Customer assistance/education
- Community investment
- Managing growth
- Minimizing environmental impacts

### General tone of survey responses:

- 90% of comments were neutral.
- Approx. 3% of comments were positive.
  - Positive comments: LES current and past operations practices.
- Approx. 7% of comments were negative.
  - Negative comments: LES spending, investment in renewable energy, current rates.

*\*Some survey respondents are included in more than one category due to overlap between residential, business customers and employees.*

# Key Findings/Takeaways

## COMMUNITY MEETINGS

### Strategic Objectives

Attendees were presented with five strategic objective areas of the Strategic Plan, including an objective and intent for each, and asked to provide feedback on each one.

Perspectives varied, and all data was provided to PA Consulting and the LES Executive Leadership Team to inform decisions through this process.

### Discussion related to Strategic Objectives



#### Customer & Community

Communication with the community.  
Energy burden.  
Defining “community goals.”  
What “dynamic” means.



#### Workforce Readiness

LES' ownership of this area.



#### Financial Health

Transparency around how rates are calculated.  
Community's desire to keep rates low.  
Responsible stewardship.



#### Infrastructure

Define the “grid.”  
Inclusion of adaptability.



#### Generation Resource Planning

Have the needed resources for the community in LES' service area.  
Regulatory environment of public power.  
Decentralization.  
Balancing reliability and affordability.  
Cost of power and keeping costs affordable.

# 04

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## Next Steps & Discussion



# Strategic Planning Program

## Next steps

### Finalize Strategic Plan Elements

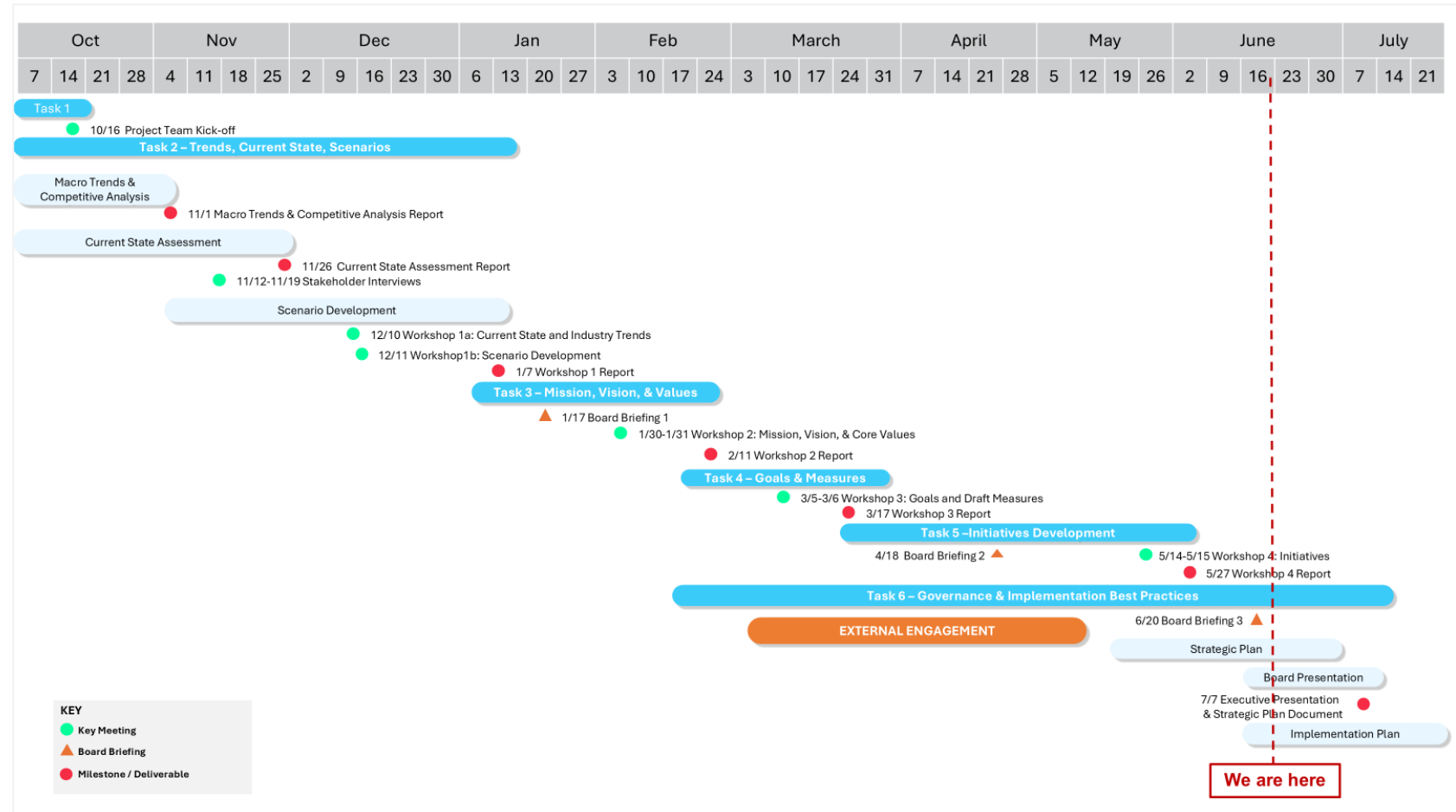
- Strategic Initiative details
- Performance indicators
- Implementation Plan document (includes strategic planning playbook)

### Develop Strategic Plan

- **6/9 – 7/03** develop Strategic Plan and Board Presentation
- **7/7-7/16** Board materials will be published in advance of the Board Adoption meeting on 7/18

### Program Updates

- **7/18** Board Adoption Presentation



# **Exhibit V**

# SERVICE REGULATIONS



Effective July 1, 2025  
Supersedes July 1, 2024

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# LES SERVICE REGULATIONS

## A. INTRODUCTION AND DEFINITIONS

### A.1. INTRODUCTION

Lincoln Electric System (LES) is proud to be able to serve your electric energy needs. For over 50 years, LES has provided reliable, low-cost, efficient electric energy to Lincoln and surrounding communities, encompassing over 200 square miles of Service Area, currently serving over 150,000 customer metered accounts.

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

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

### A.2. DEFINITIONS

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

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

- *Aid-to-Construction* is required to:
  - Fairly apportion costs and reduce potential financial risks to Customers
  - Recover costs for service requests that would not otherwise be performed by LES.

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

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

Schedule. Billing Periods for non-metered services are based on a monthly schedule set by LES.

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

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

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

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

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

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

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

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

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

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

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

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

## **B. SERVICE REGULATIONS – GENERAL**

### **B.1. GENERAL GUIDELINES**

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

#### **B.1.1. Duty to Provide Service to All**

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

#### **B.1.2. Cost of Service Rate Design**

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

#### **B.1.3. System Disturbances and Service Disruptions**

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

- 1) Failure of service or damages to a Customer’s property due to or as a result of, but not limited to, fire, strike, riot, flood, lightning, storm, forced curtailments, civil disturbance, war, cyber-attacks, acts of terrorism, animals, vehicle accidents, construction work, action of a public authority, failure of equipment on LES lines, pandemic and other unforeseeable events;
- 2) Interruptions of service for repairs, alterations or inability of LES to obtain power in a reasonable and economical manner;
- 3) Disconnection of electric service initiated by LES, with or without notice, for legal and justifiable reasons as set forth in the Disconnection of Electric Service provisions contained within these Service Regulations (see Section B.7.1. – Disconnection of Electric Service);
- 4) Interruption of service to a dual service (primary and secondary); and
- 5) Actions or omissions of LES employees, contractors/vendors or agents that result in a disturbance or disruption of service, including change of phase rotation or discontinuity of three-phase current.

When LES determines the operation of the Customer's equipment has or will result in (a) disturbances, (b) load ramp rates in excess of specified limits, or (c) costs to LES not otherwise recovered through established rates, LES will require the Customer to take corrective action, as approved by LES, to resolve the issues or pay the costs incurred by LES as a result of these issues. LES may immediately disconnect service if issues are disrupting LES operation or if the Customer has not taken corrective actions within an appropriate timeframe as determined by LES (see Section B.7.1. – Disconnection of Electric Service).

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

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

#### **B.1.4. Service Response**

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

#### **B.1.5. Illegal or Prohibited Acts**

##### **B.1.5.1. Meter Tampering**

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

##### **B.1.5.2. Data Transmission on the Distribution System**

Third-party use of LES electric power lines for the purposes of data transmission, control and communication is prohibited. The discovery of a Customer misusing LES electric power lines will result in the immediate

disconnection of electric service without notice to the Customer (see Section B.7.1. – Disconnection of Electric Service).

### **B.1.5.3. Unauthorized Distributed Generation and Battery Storage**

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

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

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

## **B.2. CONNECTING TO LES**

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

### **B.2.1. Customer Requirements for Service Connection**

#### **B.2.1.1. Application for Electrical Permit**

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

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

#### **B.2.1.2. Required Notice Period**

LES must receive notice of an Application for Electrical Permit according to the timeframes listed below. If adequate time is not given, the interconnection date is subject to availability of equipment and LES' work schedule.

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

#### **B.2.1.3. Disconnecting Means and Overcurrent Protective Devices**

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

#### **B.2.1.4. Additional Requirements**

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

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

- All obstacles have been removed to provide unobstructed access to the Service Entrance.
- Conduit (if required) is in place.
- A transformer pad (if required) and any other required items are in place.
- Aid-to-Construction payments (if required) have been received.

### **B.2.2. LES Service Voltages**

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

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

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

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

**B.2.3. Rate Code Assignment**

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

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

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

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

**B.2.4. Easements**

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

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

**B.2.5. Service Entrance**

Permanent single-phase or three-phase extensions will normally be built in the most direct route from the nearest source of supply to one Service Entrance location. Multiple points of service are not standard and, if permitted, may require

an Aid-to-Construction. If one location has more than one Point of Delivery, the electrical use will be measured by the Meter at each point and each will be considered a separate service. Customer-owned equipment that can transfer load between separately metered services will not be allowed unless approved by LES for services at the same location and on the same Rate Code.

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

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

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

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

#### **B.2.6. Installation and Equipment**

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

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

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

The attachment at the Point of Delivery of the overhead Service Wires on a building must be of sufficient height to provide the required clearances listed in the latest edition of the National Electrical Safety Code. It is the responsibility of the Customer to maintain proper clearances between the overhead Service Wires and tree growth or other obstructions (see Section B.5. – LES Access to Equipment). It

is the responsibility of the Customer and/or contractor to provide and install a service mast or other approved structure to terminate service conductors. The termination structure must be of adequate strength to support the service conductors as per loading requirements supplied by LES.

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

## **B.2.7. Metering**

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

### **B.2.7.1. Metering Devices and Technology**

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

### **B.2.7.2. Data Acquisition from Billing Meters**

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

As technology continues to change, LES does NOT guarantee this service will continue as certain meters do not support this technology.

### **B.2.7.3. Location of Meters and Metering Equipment**

Metering equipment must be located on the exterior of new and rewired building constructions. LES may grant exceptions under certain circumstances. Interior Meter locations in existence prior to January 1, 1996, are considered exceptions until the electric wiring is modified subsequent to this date. Other exceptions may be granted for an LES-approved interior location that allows for direct, unobstructed access to all Meters through no more than one keyed or lockable door. The Property

Owner must ensure that LES is in possession of, or has 24-hour access to, the key granting access to LES Meters. If the manner of access changes, LES must be notified of the change and provided with information regarding the modified access. Contact LES for information on how to apply for approval for an interior Meter location. Approval is not guaranteed.

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

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

#### **B.2.7.4. Vacant Meter Sockets**

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

#### **B.2.7.5. Meter Billing**

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

#### **B.2.7.6. Non-Metered Services**

LES only allows the non-metered services listed below.

- Security lighting (see Section C.5.5. – Area Security Lighting and Rate Schedule Security Lighting – 20)
- Festoon outlets (see Section C.5.7. – Banner, Sign Attachments, Festoon Outlets and Rate Schedule Security Lighting – 20)
- Traffic lighting for publicly-owned and maintained traffic lighting service conforming to LES traffic lighting specifications (see Rate Schedule Traffic Lighting Service – 24)

- Street lighting to public agencies for street lighting service conforming to LES street lighting specifications (see Rate Schedule Street Lighting Service – 26)
- **NOTE** – This is applicable for lighting of vehicle accessible public streets and alleyways as well as pedestrian/bike accessible tunnels under public streets. Civil defense sirens (outdoor storm warning devices) (Section B.7.7)
- Lights on driver information signage where energy consumption is fixed and the signage is constantly lit or controlled by a photocell

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

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

### **B.3. LES CUSTOMER SERVICES**

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

#### **B.3.1. Residential Service**

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

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

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

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

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

#### **B.3.1.1. Meter Pole Ownership**

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

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

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

In the event an emergency situation occurs on or past Meter poles, pedestals or current transformer (CT) cabinets, and it is possible to do so in a safe manner, LES will make temporary repairs to restore service to the residence or correct other service problems provided there is a working main breaker (overcurrent protection) that has not been bypassed. The Customer will be required to hire an electrician at their own expense when an electrical inspection is required. LES will follow up

with the Customer to ensure corrections and/or repairs have been made in a timely fashion. If corrections and/or repairs have not been made, LES will initiate disconnection of electric service (see Section B.7.1. – Disconnection of Electric Service).

### **B.3.2. Residential Overhead to Underground Conversion**

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

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

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

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

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

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

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

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

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

### **B.3.4. Installation of Distribution Facilities**

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

- The digging of trenches and bores for the placement of conduit/ducts at the locations specified by LES and the backfill of the trenches after the conduits/ducts have been laid. Developer shall be responsible for placing locate requests through Nebraska One-Call/811 and locating all private underground facilities including those used for water, sanitary sewer and stormwater.
- The installation and proofing of conduit/duct in accordance with LES specifications. Proofing shall consist of pulling an LES-approved mandrel through installed conduits to verify a clear path. All conduits and ducts shall be purchased by the developer at its cost and approved by LES prior to installation. The conduits and ducts shall have an LES-approved mule tape installed for the subsequent installation of cables by LES.
- The installation of pedestals, purchased and provided by LES, installed true and level in accordance with LES specifications.
- The installation of ground rods, purchased and provided by LES, installed vertically to specified depth in accordance with LES specifications.
- The installation of transformer pads purchased and provided by LES, with proper back tamping under the pad with a minimum compaction of 90%, installed true and level in accordance with LES specifications.
- The developer shall thereafter be responsible for any subsequent tamping, backfill, street repair or reconstruction, or other remediation or restoration which may be necessary due to the settling of the initial backfill, and LES shall not be liable for any injury to person or property which may occur by virtue of the developer's failure to make any subsequent tamp or backfill of any trench.
- Upon completion of the work, the developer shall have its work on the project segment inspected by a licensed professional engineer who shall execute a written acknowledgement to LES that the developer has performed its work on the project segment in accordance with LES specifications. The developer shall

have the sole responsibility to employ and pay all fees invoiced by the professional engineer responsible for inspecting the project segment.

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

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

- The installation of cables/wires in developer installed conduits/ducts.
- The installation of pad mounted transformers.
- The terminations of said cables/wires in transformers and pedestals.

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

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

Should LES determine that the developer has not adequately performed the tasks as previously stated, it shall notify the developer in writing of the deficiencies and the developer shall correct any defects in its performance at its sole expense prior to LES completing its work on the deficient portions of the project segment. LES may, at its discretion, bill the developer for any corrections required due to improper materials or installation.

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

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

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

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

The Customer must supply, install and maintain the secondary conduit(s), bus duct and transformer pad or vault which must meet LES specifications (see the Meter

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

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

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

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

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

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

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

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

LES will not install more than one padmount transformer on a property to serve a Customer or multiple Customers, unless the Customer peak load exceeds the

maximum available LES transformer size for requested voltage or is determined by LES to be justified for multiple points of service on a large property with multiple buildings and service locations within the same property. Where a Customer or multiple Customers are served from a single transformer, the Customer(s) will be required to provide a step-up or step-down transformer on the Customer side of the point of service where a different voltage other than the specified LES transformer voltage is desired.

### **B.3.9. Service Relocation Initiated by LES**

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

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

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

### **B.3.10. Temporary Service Installation**

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

LES may establish special procedures for handling temporary service to short-term or seasonal retail locations, such as fireworks stands, holiday displays or special

events. Fees for kilowatt-hour usage and service connection charges will be determined by LES.

## **B.4. BILLING**

### **B.4.1. General Billing Information**

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

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

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

The LES website provides a convenient means of electronic bill payment including automated clearing house (ACH) payments for Customers in all Rate Codes and situations where available. LES also reserves the right to limit payment methods based on payment history.

Residential customers are eligible for budget billing if they have been at their current residence for at least 12 months and are current on their electric bill. LES will set the amount customers pay each month based on their average of the most recent 12 months of electric bills. LES reviews and recalculates budget regularly. Recalculated budget amounts can fluctuate based on the Customer's 12-month average and account balances or credits. Additional billing and payment information can be found on the LES website.

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

### **B.4.2. Miscellaneous Accounts Receivable**

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

### **B.4.3. LES Service Fees**

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

#### **B.4.3.1. New Service Fee**

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

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

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

#### **B.4.3.2. Security Deposit**

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

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

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

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

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

#### **B.4.3.3. Disconnection Charge for Non-Payment**

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

#### **B.4.3.4. Late Payment Fee**

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

#### **B.4.3.5. Returned Payment Fee**

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

#### **B.4.3.6. Inaccessible Meter Fee**

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

#### **B.4.3.7. Meter Tampering Fee**

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

#### **B.4.3.8. Mislabeled Meter Sockets or Cross Wiring Fee**

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

#### **B.4.3.9. Temporary Service Fee**

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

#### **B.4.3.10. After-Hours Reconnection Fee**

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

#### **B.4.3.11. Past Due Reminder Fee**

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

#### **B.4.3.12. Customer Requested Maintenance & Switching Fee**

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

### **B.4.4. Billing Adjustment**

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

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

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

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

### **B.4.5. Delinquent Account Balance**

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

### **B.4.6. Special Billing Considerations**

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

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

## **B.5. LES ACCESS TO EQUIPMENT**

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

### **B.5.1. Unobstructed Access**

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

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

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

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

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

Residential transformers are typically sited by LES in rear lot areas. Customers, Property Owners and/or occupants must ensure that obstructions do not hinder LES accessibility. Commercial transformer locations include Customer-owned conduits and concrete pads. LES works with commercial Customers for the placement of the transformer pad to avoid some of the difficulties associated with service restoration and replacement (see Section B.2.7.3. – Location of Meters and Metering Equipment for information on the location of Meters and associated equipment).

### **B.5.3. Vegetation Management**

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

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

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

### **B.5.4. Transmission Line Corridor Restrictions**

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

## **B.6. LANDLORD/TENANT INFORMATION**

### **B.6.1. General Information**

Electric service must be in the name of the Customer who is responsible for the electric bill. The new service fee is waived only when a tenant transfers service to a landlord who has a Landlord Options form on file with LES or has registered their accounts in the online customer portal. (see Section B.4.3.1. – New Service Fee).

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

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

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

## **B.7. ADDITIONAL INFORMATION**

### **B.7.1. Disconnection of Electric Service**

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

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

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

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

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

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

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

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

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

### **B.7.2. Resale and Redistribution of Electric Service**

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

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

### **B.7.3. Claims Processing**

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

### **B.7.4. Notification of Load Increase**

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

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

### **B.7.5. Painting Padmount Transformers**

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

- The paint is environmentally safe and suitable for use on metallic surfaces in outdoor locations.
- The transformer is sanded in a manner that allows the new paint to adhere properly.

- Spray paint or a paint roller is used (applying paint with a brush is not allowed).
- LES-installed numbers and decals are masked prior to painting and the masking is removed after painting has been completed.

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

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

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

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

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

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

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

#### **B.7.8. Joint Trench Occupancy and Pole Attachments**

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

website at [www.les.com](http://www.les.com)). Antenna and antenna equipment are prohibited except pursuant to a negotiated agreement.

#### **B.7.9. Grade Changes, Settlement and Erosion**

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

#### **B.7.10. Ramp Rate**

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

### **C. SERVICE REGULATIONS – SPECIAL**

#### **C.1. CUSTOMER-OWNED GENERATION**

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

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

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

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

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

agreement. Contact LES or visit the LES website ([www.les.com](http://www.les.com)) for additional information on Customer-Owned Generation.

### **C.1.2. Non-Qualifying Facilities**

Standby and emergency generation facilities that do not meet the criteria for Qualifying Facilities are only allowed to operate in parallel with LES for periodic testing purposes or at the direction of LES. Any generation produced during testing that is in excess of a Customer's/entity's load will not be compensated by LES. Customers/entities that operate in parallel for more than testing purposes may only do so under agreement with and at the direction of LES.

All non-qualifying facilities operating in parallel must meet all applicable LES interconnection requirements, including, but not limited to, submission of an application for parallel operation as well as entering into an interconnection agreement. Contact LES or visit the LES website ([www.les.com](http://www.les.com)) for additional information on Customer-Owned Generation.

## **C.2 JURISDICTIONAL FILINGS RELATED TO ELECTRICAL FACILITIES**

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

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

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

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

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

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

- 15th Street Corridor (Goodhue Boulevard/Centennial Mall) – Washington Street to R Street
- J Street Corridor – 10th Street to Capitol Parkway including J Street beyond Capitol Parkway to 35th Street

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

### **C.2.2. Nebraska Public Service Commission**

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

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

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

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

### **C.2.4. Railroad Crossing**

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

### **C.2.5. Lincoln Municipal Airport**

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

### **C.2.6. Federal Aviation Administration**

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

### **C.2.7. Salt Creek Levee Protection Zone**

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

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

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

#### **C.2.8. West Haymarket Redevelopment Area**

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

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

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

### **C.3. AID-TO-CONSTRUCTION CHARGES**

LES supplies electric service to Customers by providing the Service Drop to a Customer's Point of Delivery. In many cases, this service is provided only with a new service fee (see Section B.4.3. – LES Service Fees). However, LES may require an Aid-to-Construction in some cases, such as for a major construction project, specialized equipment, work that must be completed or installed in order for the Customer to receive service or relocations not initiated by LES. The Aid-to-Construction may be charged to private entities or to public entities, depending on the project.

### **C.3.1. Electrical Facility Conflict and Coordination**

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

### **C.3.2. Facilities Investment Cost**

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

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

In addition, electric service up to 2.5 MW will be identified as speculative or transitory if a Customer's business operations meet four or more of the following criteria:

1. High energy use density
2. High load factor
3. Ability to quickly relocate business operations in response to economic signals
4. Highly sensitive to volatile commodity or asset prices
5. Need for more than customary or routine alterations to the LES electric service facilities to maintain safety and reliability
6. Highly variable load growth or load reduction

A customer seeking speculative or transitory electric service may be required to sign and remit payment for a Load Serving Study Deposit Agreement. No equipment will be ordered, and no work will be scheduled until the Customer agrees to a subsequent Service Agreement.

Electric service facility investment costs for new or expanded services above 2.5 MW are subject to negotiation with LES.

### **C.3.3. Underground Service in New Residential Areas**

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

### **C.3.4. Underground Residential Service Relocation**

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

### **C.3.5. Overhead to Underground Line Construction or Relocation**

#### **C.3.5.1. City of Lincoln**

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

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

#### **C.3.5.2. City of Waverly**

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

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

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

#### **C.3.5.3. Natural Resources District**

Natural Resources District projects may require an Aid-to-Construction for the relocation of an LES facility in a Natural Resources District right-of-way/property. Joint City and Natural Resources District projects will be reviewed on a case-by-case basis to determine any required Aid-to-Construction.

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

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

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

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

#### **C.3.5.5. Discretionary Projects and Requests**

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

Public or private entities or individuals requesting existing overhead facilities to be installed underground or requesting the relocation of

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

### **C.3.6. Temporary Service Installation**

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

## **C.4. CONSTRUCTION BILLING GUIDELINES**

### **C.4.1. No Billing**

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

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

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

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

- Standby, switching or barricading LES equipment when LES personnel are not required to be on-site at a specific time or to remain on-site;
- De-energizing primary and secondary underground cable; and

- Applying a protective cover to an overhead line to facilitate Customer construction or non-electrical maintenance to the Customer's own facilities for situations that last less than a week and which meet LES' operating requirements.

#### **C.4.2. Billing**

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

- Standby, switching or barricading LES equipment when LES personnel must be on-site at a specific time according to the Customer's/electrician's schedule or remain on-site;
- Switching or de-energizing LES equipment because the Customer does not want to operate the Customer-owned equipment that would de-energize the same equipment;
- Raising conductors to move houses;
- Installation of service conductors for new or rewired service that the Customer/electrician requests be installed ahead of LES' schedule;
- Authorized work on Customer-owned electric utility equipment;
- Installation of permanent service that the Customer/electrician requests be installed outside of normal LES working hours to avoid de-energizing temporary construction service; and
- Customer requests for LES to perform work outside of normal LES working hours in order for the Customer to avoid having an outage during their normal working hours even though the LES work would take a short amount of time (i.e., less than one hour) if the LES work for this only affects the service of the requesting Customer and does not require other Customers to be de-energized.

#### **C.5. OUTDOOR LIGHTING**

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

### **C.5.1. Requests for Standard Residential Street Lighting**

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

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

### **C.5.2. Ornamental Street Lighting**

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

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

### **C.5.3. Street Light Relocation**

Individuals can initiate requests for street light relocation via a phone call, a plan for development or another project plan. The individual requesting the relocation will be required to pay the full cost of the project. The costs will be reviewed with the

individual and must be paid in full prior to any work being performed. Relocation requests made by public entities are billed to the public entity for the full cost of the project. Contact LES for more information on street light relocation requests.

#### **C.5.4. Arterial Lighting**

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

#### **C.5.5. Area Security Lighting**

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

#### **C.5.6. Private Roadway Lighting**

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

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

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

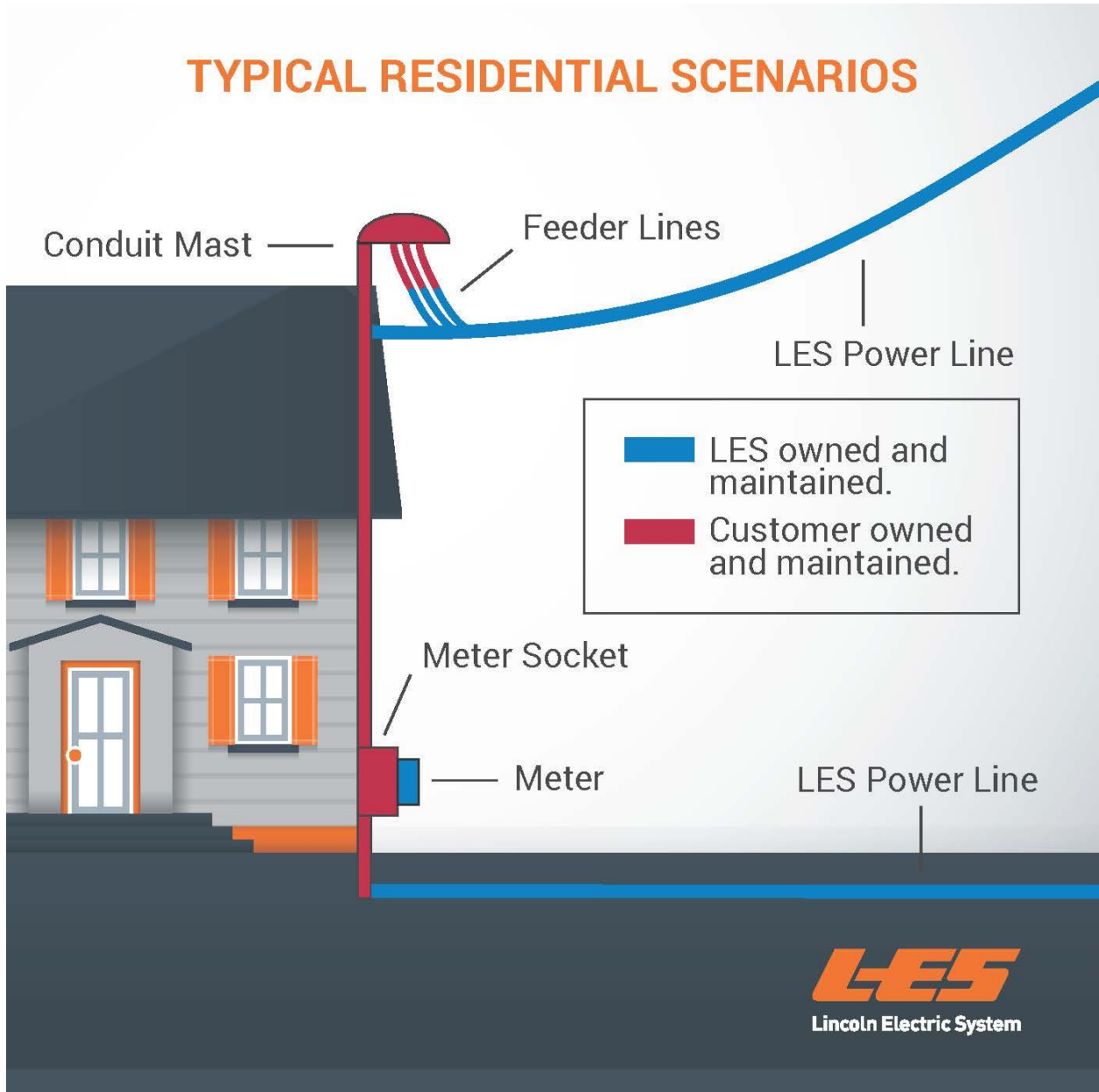
#### **C.5.7. Banner, Sign Attachments and Festoon Outlets**

Attaching anything to an LES or City-owned pole without the express written approval of LES is prohibited. Government or private entities authorized to attach banners or signs to LES or City-owned poles are determined solely by LES. Any

entity requesting the placement of an attachment to a pole must meet LES' minimum standards. These standards will be explained by LES to the entity prior to LES' authorization.

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

APPENDIX A – ELECTRIC SUPPLY GRAPHIC





**LES RESOLUTION 2025-6**

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

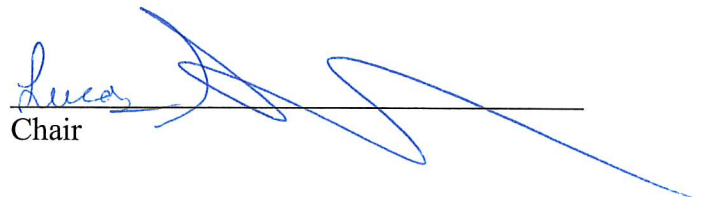
WHEREAS, LES proposes a new provision authorizing the assessment of a Load Service Study Deposit to cover costs associated with conducting interconnection studies for “Speculative or Transitory” electric service and incorporate other revisions to enhance verbiage consistency throughout the Service Regulations;

WHEREAS, LES staff provided customers information on the proposed Service Regulations changes through the period May 19, 2025, to June 13, 2025;

WHEREAS, a redline document on the Service Regulations changes was posted to LES.com on May 19, 2025, to receive public input and answer questions regarding the proposed changes; and

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

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the recommended changes to the Service Regulations to be effective July 1, 2025, in substantially the form as attached.

  
Chair

Adopted: 20 June 2025

# **Exhibit VI**

# LES Policy 325 Updates

Richard Grabow | Associate General Counsel

June 20, 2025



# Policy 325 Background

- LES policy that covers discipline of non-union employees who have come off of probation
- Addresses what conduct can lead to discipline (generally) and what rights an employee has to challenge or appeal disciplinary action
- Policy is in place to comply with legal and constitutional requirements applicable to LES



# Proposed Changes to LES Policy 325

- Time period to have Appeal Hearing may be extended beyond 30 days if scheduling in 30 days is unfeasible
- Composition of Appeal Panel is expanded to include more possible individuals
- More detailed procedural requirements that were previously incorporated into other documents have been included in Policy 325



# Questions

# **LES** Policy

**SUBJECT:** Progressive Discipline

**POLICY NO.** 325

**RESPONSIBLE AREA:** Corporate Operations

**PAGE 1 OF 5**

## **POLICY OBJECTIVE**

To outline expectations and state Lincoln Electric System's (LES) position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace while documenting options available to the affected employee. To delegate to LES Management the authority to administer discipline for cause in accordance with this policy.

To reduce the need for formal disciplinary action through effective leadership that encourages ongoing communication with employees. Counseling can often be used to address issues and effectively correct conduct or behavior. However, when conduct or behavior is not improved by counseling, formal disciplinary action should occur.

## **DEFINITIONS**

Appeal Hearing – A formal evidentiary hearing held within 30 days after receipt of the appeal from the employee unless the Chairperson of the LES Administrative Board determines that a hearing cannot feasibly be set within 30 days in which case the Appeal Hearing shall be set for as soon as practicable after receipt of the appeal from the employee.

Appeal Panel – A three-member panel determined by the Chairperson of the LES Administrative Board consisting of any of the following individuals:

- Current LES Administrative Board members (including the Chairperson)
- Past LES Administrative Board members or
- Retired members of the LES Executive Leadership Team

Due Process Hearing – An informal, non-evidentiary hearing at which time the employee may present information orally, through documentation, or through witnesses, demonstrating why he or she should not be terminated or suspended without pay.

LES Executive Leadership Team – individuals employed by LES with the title of Administrator, Chief Executive Officer, Vice President, or similar standing that report either directly to the LES Administrative Board or the LES Chief Executive Officer/Administrator.

LES Management – All levels of supervisory relationships throughout the organization, from the crew leader or lead to the Chief Executive Officer.

Progressive Discipline – With respect to disciplinary action, this means increasing levels of discipline will normally be applied but the level of discipline imposed will ultimately be determined in accordance with the nature and severity of the underlying conduct giving rise to the disciplinary action and the employee's disciplinary and performance history. Disciplinary action imposed shall only consist of Counseling, Verbal Warning, Written Warning, Unpaid Suspension and Termination. The following examples are offered only as guidelines and are subject to the level of discipline necessitated by severity, frequency, or number of violations.

- Counseling – A business-like exchange of expectations and corrective action needed from the employee guided by LES Management.

- Verbal Warning – A first level violation less serious in nature (e.g., tardiness, unauthorized use of LES property).
- Written Warning – Any additional repeat violation or a first offense more serious in nature (e.g., insubordination, violation of a safety rule).
- Unpaid Suspension – Any additional or repeat violation or a first offense of a very serious nature (e.g., negligence or improper conduct leading to damage or injury).
- Termination – Any additional or repeat violation or a first offense of dangerous or egregious nature (e.g., violence, theft) or the failure to satisfactorily complete a performance improvement plan (PIP) or maintain satisfactory performance for a period of one year following the conclusion of a PIP

**REQUIREMENTS**

1. The purpose of any disciplinary action is to correct the conduct issue, prevent recurrence, and prepare the employee for satisfactory conduct in the future. It is in LES' and its employees' best interest to ensure fair treatment of all employees and ensure that disciplinary actions are prompt, uniform, and impartial. By using Progressive Discipline, LES hopes that employees learn from their mistakes and correct conduct issues at an early stage, benefiting both the employee and LES.
2. Conduct that may lead to disciplinary action includes but is not limited to: violations of LES Policy 208 – LES Ethics and Code of Conduct; the prohibited conduct in the Employment Standards section of the LES Employee Manual; violations of LES Policies and failure to successfully complete a Performance Improvement Plan (PIP) or maintain satisfactory performance for one year following completion of a PIP. LES Management may impose disciplinary action consisting of the following levels depending on the severity of the underlying conduct and the employee's disciplinary and performance history: Counseling, Verbal Warning, Written Warning, Unpaid Suspension, and/or Termination. There may be circumstances where one or more levels are bypassed. LES recognizes that some employee conduct issues are serious enough to justify either a suspension or, in extreme situations, termination of employment without going through the usual steps of Progressive Discipline. Upon failure to satisfactorily complete a PIP or maintain satisfactory performance for a period of one year following completion of a PIP, the only disciplinary action available to be imposed is termination of employment.
  - a. Counseling – Counseling is a private matter between LES Management and the employee. Counseling conversations need to be documented by LES Management but do not need to be formally acknowledged by the employee or filed in the employee's official personnel file located in Human Resources.
  - b. Verbal Warning – Verbal warnings should be documented by LES Management, formally acknowledged by the employee, and kept in the employee's official personnel file located in Human Resources.
  - c. Written Warning – Written warnings need to be documented by LES Management, formally acknowledged by the employee, and kept in the employee's official personnel file located in Human Resources.
  - d. Unpaid Suspension – See Process 325.02, Due Process.
  - e. Termination – See Process 325.02, Due Process and the Employee Separation Checklist.
3. An employee who has been notified that he or she is being terminated or suspended without pay shall be afforded the opportunity to participate in a Due Process Hearing. No termination or suspension without pay shall be final until such a hearing has been conducted (unless waived by the employee)

and LES Management has considered such additional information, if any, that may have been provided by the employee during the Due Process Hearing.

- a. The decision of LES Management following the Due Process Hearing can be appealed in writing by the employee to the Chief Executive Officer within ten business days following receipt of notice pursuant to the Due Process Hearing. Upon receipt of the notice, an Appeal Hearing will be conducted within 30 days unless the Chairperson of the LES Administrative Board determines that a hearing cannot feasibly be set within 30 days in which case the Appeal Hearing shall be set for as soon as practicable after receipt of the appeal from the employee.
  - b. The employee shall have a right to be represented by an attorney at the Appeal Hearing. If an employee proceeds without legal counsel, they will be expected to conform to the procedures contained herein and the directions and requirements imposed by the Appeal Panel.
  - c. Legal counsel shall be retained for the Appeal Panel to advise the Appeal Panel members regarding any legal matters related to the Appeal Panel's decision and may serve as hearing officer for the Appeal Panel. Under no circumstances shall the legal counsel for the Appeal Panel be a voting member of the Appeal Panel.
  - d. No formal rules of evidence apply at the Appeal Hearing except the Nebraska statutes related to evidentiary privileges shall apply. The Appeal Hearing shall be conducted in an orderly manner with both the appellant employee and LES Management, presenting testimony through witnesses in a question-and-answer format. The Appeal Panel members may ask questions of any witness and both parties may object to any questions and cross-examine any witness.
  - e. At the Appeal Hearing the burden of proof shall be on LES Management to prove by a preponderance of the evidence that (1) the employee committed the offense(s) alleged or failed to satisfactorily perform in accordance with the terms of a PIP or for a period of one year following completion of a PIP; and (2) that the discipline imposed was authorized pursuant to LES policies under the circumstances. In the case of an employee terminated for failure to successfully complete a PIP or satisfactorily perform for a period of one year after completion of a PIP, if the employee's direct supervisor provides testimony that the employee did not meet the direct supervisor's performance expectations, the Appeal Panel shall sustain the employee's termination. The Appeal Panel shall issue a final written determination within ten LES business days following the Appeal Hearing of the suspension or termination that either affirms, modifies or reverses of the decision of LES Management, however in the appeal of an employee terminated for failure to satisfactorily complete a PIP or satisfactorily perform for one year following completion of a PIP, the Appeal Panel may only affirm or reverse the decision of LES Management. The determination of the Appeal Panel is final. The Appeal Panel's determination may be appealed to the district court as provided by state law.
  - f. Additional requirements and procedures for Appeal Hearings may be found in LES Process 325.02 in addition to those found herein but in the event of any conflict between language in LES Process 325.02 and this policy, the language in this policy shall take precedence.
4. Generally, if more than five years have passed since the last disciplinary action, the Progressive Discipline process will start over.

**RESPONSIBILITIES**

1. LES Management:

- a. Follow Process 325.01, Progressive Discipline regarding an employee's conduct when necessary. Consultation with Human Resources prior to suspension or termination is required.
- b. Ensure finalized and signed disciplinary documentation and forms are sent to Human Resources for retention.
- c. Partner with Human Resources during Due Process Hearing proceedings.

2. Human Resources:

- a. Answer questions about applicable processes and forms.
- b. Train LES Management on the Progressive Discipline process.
- c. Partner with LES Management during the Progressive Discipline process regarding the execution, documentation, and discussions required.
- d. File finalized and signed disciplinary documentation and forms in the official personnel files located in Human Resources.
- e. Manage Due Process Hearing requirements, including assistance with any or all steps, such as drafting the notice of intent to terminate or suspend, conducting the Due Process Hearing, and issuing the final status determination.
- f. Consult with legal counsel regarding the legality of the employment action and Due Process Hearing requirements.

3. General Counsel:

- a. Review proposed employment action to evaluate the legal merits of the proposed disciplinary action.
- b. Represent the position of LES Management in any Appeal Hearing.
- c. Retain outside counsel to serve as legal counsel for the members of the Appeal Panel.

4. Administrative Board:

- a. Chairperson shall select individuals to serve on the Appeal Panel.
- b. Participate as members of the Appeal Panel for Appeal Hearings as requested.

5. Employee:

- a. Maintain an appropriate level of professionalism and conduct in the workplace and recognize disciplinary notices as an opportunity to improve.

**REFERENCES**

- 1. Policy 208 LES Ethics and Code of Conduct
- 2. Process 325.01 Progressive Discipline
- 325.02 Due Process
- 607.01 Information Systems Access
- 702.04.05 Access Revocation
- 3. LES Employee Manual
- 4. Employee Separation Checklist
- 5. SuccessFactors Performance Module

**APPROVED BY** \_\_\_\_\_ **CHIEF EXECUTIVE OFFICER**  
 EMEKA ANYANWU **TITLE** \_\_\_\_\_ **DATE**

**APPROVED BY** \_\_\_\_\_ **ADMINISTRATIVE BOARD**  
 LUCAS SABALKA **CHAIR**  
**TITLE** \_\_\_\_\_ **EFFECTIVE DATE**

<b>REVISION HISTORY</b>			
<b>Supersedes</b>	<b>Revision Date</b>	<b>Revised By</b>	<b>Revision Description</b>
Program 304.06 dated 7/8/2016	11/27/2017	Human Resources	Converted Program to Policy and updated to include Appeal Hearing details.
Policy 325 dated 12/20/2017	12/14/2018	Legal	Clarified that CEO has delegated authority to impose discipline to all members of LES Management and that the Appeal Panel's final decision may be appealed to district court.
Policy 325 dated 12/20/2018	6/27/2025	Legal	Updated the process for the Appeal Panel. Changes to who determines who is on the appeal panel and added description to employee rights at an appeal hearing.

# **Exhibit VII**



## Revenue & Expense Statement (Condensed)

MAY 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	\$149,439	\$141,533	\$7,906	6%	Wholesale revenue exceeded budget by 58% (\$6.9M), primarily due to higher than expected revenues from SPP IM activities. Other revenue was over budget by 41% (\$1.4M) mainly due to reimbursement of repairs for Rokeby Unit 1, REC sales, and higher than budgeted natural gas capacity releases.
2) Power Costs	63,553	54,294	9,259	17%	Purchased power was over budget by 16% (\$5.1M) 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. Produced power was 18% (\$4.2M) over budget due primarily to higher than budgeted energy costs for LRS, TBGS, WS4, Rokeby & J Street; higher maintenance expenses for TBGS & J St; and higher operations expenses at WS4 & TBGS.
3) Other Operating Expenses	44,953	45,238	(285)	-1%	Other operating expenses were slightly under budget, primarily due to the timing of TS invoices received for payment (\$240K), lower inspection costs (\$240K), reduced line clearance expenses (\$240K), and lower Sustainable Energy Program incentives (\$220K); offset by payroll and benefits expenses related to the March Blizzard response (\$450K)
4) Depreciation	16,883	17,622	(739)	-4%	
5) Total Expenses	<u>125,389</u>	<u>117,154</u>	<u>8,235</u>	7%	
6) Operating Income	24,050	24,379	(329)	-1%	
7) Non-Operating Expense (Income)	<u>15,445</u>	<u>16,639</u>	<u>(1,194)</u>	-7%	
8) Change in Net Position (Net Revenue)	<u>\$8,605</u>	<u>\$7,740</u>	<u>\$865</u>	11%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.70x	1.46x			
10) Debt Service Coverage	2.61x	2.27x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand	112	121			

# LINCOLN ELECTRIC SYSTEM

## FINANCIAL AND OPERATING STATEMENT

May 2025



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



**REVENUE & EXPENSE STATEMENT**

**CURRENT MONTH**

**MAY 2025**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>OPERATING REVENUES</b>							
1. Retail	\$23,341,591	\$25,574,374	(\$2,232,783)	-8.7%	\$23,460,514	(\$118,923)	-0.5%
2. Wholesale	6,668,228	4,939,393	1,728,835	35.0%	5,727,434	940,794	16.4%
3. Other Revenue	487,488	433,769	53,719	12.4%	412,365	75,123	18.2%
4. CDFUO (a)	1,084,056	1,094,835	(10,779)	-1.0%	1,046,899	37,157	3.5%
5. Total Operating Revenues	31,581,363	32,042,371	(461,008)	-1.4%	30,647,212	934,151	3.0%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	6,862,408	7,029,615	(167,207)	-2.4%	5,950,431	911,977	15.3%
7. Produced Power	5,105,660	4,659,548	446,112	9.6%	6,294,417	(1,188,757)	-18.9%
8. Operations	2,624,367	2,444,945	179,422	7.3%	1,754,803	869,564	49.6%
9. Maintenance	1,055,685	1,166,030	(110,345)	-9.5%	912,523	143,162	15.7%
10. Admin. & General	4,988,141	5,444,425	(456,284)	-8.4%	5,163,718	(175,577)	-3.4%
11. Depreciation	3,378,128	3,527,346	(149,218)	-4.2%	2,976,874	401,254	13.5%
12. Total Operating Expenses	24,014,389	24,271,909	(257,520)	-1.1%	23,052,766	961,623	4.2%
<b>13. OPERATING INCOME</b>	<b>7,566,974</b>	<b>7,770,462</b>	<b>(203,488)</b>	<b>-2.6%</b>	<b>7,594,446</b>	<b>(27,472)</b>	<b>-0.4%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	1,464,239	1,483,351	(19,112)	-1.3%	1,435,577	28,662	2.0%
15. PILOT (c)	1,025,850	1,065,678	(39,828)	-3.7%	1,001,989	23,861	2.4%
16. CDFUO Expense (a)	1,143,204	1,143,204	0	0.0%	1,046,389	96,815	9.3%
17. Other Expense	0	0	0	--	0	0	--
18. Total Other Nonoperating Expense	3,633,293	3,692,233	(58,940)	-1.6%	3,483,955	149,338	4.3%
19. Other (Income)	(48,814)	(44,609)	(4,205)	9.4%	(88,443)	39,629	-44.8%
20. Interest (Income)	(496,405)	(356,803)	(139,602)	39.1%	867,582	(1,363,987)	157.2%
21. Total Other Nonoperating (Income)	(545,219)	(401,412)	(143,807)	35.8%	779,139	(1,324,358)	170.0%
22. Total Nonoperating Expenses (Income)	3,088,074	3,290,821	(202,747)	-6.2%	4,263,094	(1,175,020)	-27.6%
<b>23. Income Before Contributions</b>	<b>4,478,900</b>	<b>4,479,641</b>	<b>(741)</b>	<b>0.0%</b>	<b>3,331,352</b>	<b>1,147,548</b>	<b>34.4%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	2,932,698	50,199	2,882,499	5742.1%	157,654	2,775,044	1760.2%
25. Contributed Capital Used (d)	(2,932,698)	(50,199)	(2,882,499)	-5742.1%	(157,654)	(2,775,044)	-1760.2%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$4,478,900</b>	<b>\$4,479,641</b>	<b>(\$741)</b>	<b>0.0%</b>	<b>\$3,331,352</b>	<b>\$1,147,548</b>	<b>34.4%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,477,519 + Software Agreements Interest \$8,563 + Variable Interest \$272,791 + Amortization of Issuance Costs on Outstanding Debt \$72,417 + 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

MAY 2025

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>OPERATING REVENUES</b>							
1. Retail	\$120,393,057	\$120,797,007	(\$403,950)	-0.3%	\$115,120,514	\$5,272,543	4.6%
2. Wholesale	18,808,986	11,878,469	6,930,517	58.3%	16,673,401	2,135,585	12.8%
3. Other Revenue	4,818,659	3,426,605	1,392,054	40.6%	4,641,012	177,647	3.8%
4. CDFUO (a)	5,418,673	5,430,950	(12,277)	-0.2%	5,255,533	163,140	3.1%
5. Total Operating Revenues	149,439,375	141,533,031	7,906,344	5.6%	141,690,460	7,748,915	5.5%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	36,343,944	31,280,146	5,063,798	16.2%	30,032,482	6,311,462	21.0%
7. Produced Power	27,209,427	23,013,647	4,195,780	18.2%	24,526,642	2,682,785	10.9%
8. Operations	12,508,478	11,862,628	645,850	5.4%	10,653,998	1,854,480	17.4%
9. Maintenance	7,121,058	5,898,034	1,223,024	20.7%	4,866,750	2,254,308	46.3%
10. Admin. & General	25,323,600	27,477,199	(2,153,599)	-7.8%	24,959,833	363,767	1.5%
11. Depreciation	16,883,073	17,621,545	(738,472)	-4.2%	14,846,260	2,036,813	13.7%
12. Total Operating Expenses	125,389,580	117,153,199	8,236,381	7.0%	109,885,965	15,503,615	14.1%
<b>13. OPERATING INCOME</b>	<b>24,049,795</b>	<b>24,379,832</b>	<b>(330,037)</b>	<b>-1.4%</b>	<b>31,804,495</b>	<b>(7,754,700)</b>	<b>-24.4%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	7,299,538	7,238,967	60,571	0.8%	7,091,383	208,155	2.9%
15. PILOT (c)	5,637,139	5,765,624	(128,485)	-2.2%	5,317,318	319,821	6.0%
16. CDFUO Expense (a)	5,716,020	5,716,020	0	0.0%	5,231,945	484,075	9.3%
17. Other Expense	102,315	0	102,315	--	0	102,315	--
18. Total Other Nonoperating Expense	18,755,012	18,720,611	34,401	0.2%	17,640,646	1,114,366	6.3%
19. Other (Income)	(229,075)	(223,041)	(6,034)	2.7%	(227,650)	(1,425)	0.6%
20. Interest (Income)	(3,081,247)	(1,858,799)	(1,222,448)	65.8%	(1,713,969)	(1,367,278)	79.8%
21. Total Other Nonoperating (Income)	(3,310,322)	(2,081,840)	(1,228,482)	59.0%	(1,941,619)	(1,368,703)	70.5%
22. Total Nonoperating Expenses (Income)	15,444,690	16,638,771	(1,194,081)	-7.2%	15,699,027	(254,337)	-1.6%
<b>23. Income Before Contributions</b>	<b>8,605,105</b>	<b>7,741,061</b>	<b>864,044</b>	<b>11.2%</b>	<b>16,105,468</b>	<b>(7,500,363)</b>	<b>-46.6%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	18,528,285	250,987	18,277,298	7282.2%	1,162,615	17,365,670	1493.7%
25. Contributed Capital Used (d)	(18,528,285)	(250,987)	(18,277,298)	-7282.2%	(1,162,615)	(17,365,670)	-1493.7%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$8,605,105</b>	<b>\$7,741,061</b>	<b>\$864,044</b>	<b>11.2%</b>	<b>\$16,105,468</b>	<b>(\$7,500,363)</b>	<b>-46.6%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$7,387,594 + Software Agreements Interest \$44,536 + Variable Interest \$1,271,234 + Amortization of Issuance Costs on Outstanding Debt \$431,428 + Amortization of Loss on Refunded Debt \$538,881 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



**REVENUES, ENERGY & CUSTOMERS**

**CURRENT MONTH**

**MAY 2025**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>REVENUE</b>							
1. Residential	\$10,257,677	\$11,431,689	(\$1,174,012)	-10.3%	\$10,822,277	(\$564,600)	-5.2%
2. Commercial & Street Light	10,005,706	11,250,701	(1,244,995)	-11.1%	9,807,091	198,615	2.0%
3. Industrial	<u>3,078,208</u>	<u>2,891,984</u>	<u>186,224</u>	6.4%	<u>2,831,146</u>	<u>247,062</u>	8.7%
4. Total Retail	23,341,591	25,574,374	(2,232,783)	-8.7%	23,460,514	(118,923)	-0.5%
5. SPP Sales	5,967,412	4,106,904	1,860,508	45.3%	5,116,692	850,720	16.6%
6. Contract Sales	700,816	832,489	(131,673)	-15.8%	610,742	90,074	14.7%
7. Total Wholesale	<u>6,668,228</u>	<u>4,939,393</u>	<u>1,728,835</u>	35.0%	<u>5,727,434</u>	<u>940,794</u>	16.4%
8. Total	\$30,009,819	\$30,513,767	-\$503,948	-1.7%	\$29,187,948	\$821,871	2.8%
<b>ENERGY (MWH'S)</b>							
9. Residential	83,931	88,592	(4,661)	-5.3%	98,993	(15,062)	-15.2%
10. Commercial & Street Light	117,100	124,132	(7,032)	-5.7%	128,335	(11,235)	-8.8%
11. Industrial	<u>40,680</u>	<u>40,249</u>	<u>431</u>	1.1%	<u>43,011</u>	<u>(2,331)</u>	-5.4%
12. Total Retail	241,711	252,973	(11,262)	-4.5%	270,339	(28,628)	-10.6%
13. SPP Sales	34,402	16,745	17,657	105.4%	27,181	7,221	26.6%
14. Contract Sales	<u>5,920</u>	<u>16,444</u>	<u>(10,524)</u>	-64.0%	<u>16,285</u>	<u>(10,365)</u>	-63.6%
15. Total Wholesale	<u>40,322</u>	<u>33,189</u>	<u>7,133</u>	21.5%	<u>43,466</u>	<u>(3,144)</u>	-7.2%
16. Total	282,033	286,162	(4,129)	-1.4%	313,805	(31,772)	-10.1%
<b>CUSTOMERS - AT MONTH END</b>							
17. Residential	136,595	136,676	(81)	-0.1%	134,578	2,017	1.5%
18. Commercial & Street Light	17,987	18,494	(507)	-2.7%	17,891	96	0.5%
19. Industrial	<u>237</u>	<u>239</u>	<u>(2)</u>	-0.8%	<u>239</u>	<u>(2)</u>	-0.8%
20. Total Retail	154,819	155,409	(590)	-0.4%	152,708	2,111	1.4%
21. Wholesale	<u>5</u>	<u>5</u>	<u>0</u>	0.0%	<u>6</u>	<u>(1)</u>	-16.7%
22. Total	154,824	155,414	(590)	-0.4%	152,714	2,110	1.4%



**REVENUES, ENERGY & CUSTOMERS**

**YEAR-TO-DATE**

**MAY 2025**

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>REVENUE</b>							
1. Residential	\$56,486,418	\$56,992,484	(\$506,066)	-0.9%	\$53,898,959	\$2,587,459	4.8%
2. Commercial & Street Light	50,249,171	51,092,850	(843,679)	-1.7%	47,683,930	2,565,241	5.4%
3. Industrial	<u>13,657,468</u>	<u>12,711,673</u>	<u>945,795</u>	7.4%	<u>13,537,625</u>	<u>119,843</u>	0.9%
4. Total Retail	120,393,057	120,797,007	(403,950)	-0.3%	115,120,514	5,272,543	4.6%
5. SPP Sales	14,399,548	7,455,906	6,943,642	93.1%	13,156,016	1,243,532	9.5%
6. Contract Sales	<u>4,409,438</u>	<u>4,422,563</u>	<u>(13,125)</u>	-0.3%	<u>3,517,385</u>	<u>892,053</u>	25.4%
7. Total Wholesale	<u>18,808,986</u>	<u>11,878,469</u>	<u>6,930,517</u>	58.3%	<u>16,673,401</u>	<u>2,135,585</u>	12.8%
8. Total	\$139,202,043	\$132,675,476	\$6,526,567	4.9%	\$131,793,915	7,408,128	5.6%
<b>ENERGY (MWH'S)</b>							
9. Residential	542,633	521,873	20,760	4.0%	516,504	26,129	5.1%
10. Commercial & Street Light	592,778	590,757	2,021	0.3%	587,232	5,546	0.9%
11. Industrial	<u>180,241</u>	<u>175,890</u>	<u>4,351</u>	2.5%	<u>197,752</u>	<u>(17,511)</u>	-8.9%
12. Total Retail	1,315,652	1,288,520	27,132	2.1%	1,301,488	14,164	1.1%
13. SPP Sales	165,023	74,373	90,650	121.9%	122,330	42,693	34.9%
14. Contract Sales	<u>82,422</u>	<u>88,644</u>	<u>(6,222)</u>	-7.0%	<u>76,944</u>	<u>5,478</u>	7.1%
15. Total Wholesale	<u>247,445</u>	<u>163,017</u>	<u>84,428</u>	51.8%	<u>199,274</u>	<u>48,171</u>	24.2%
16. Total	1,563,097	1,451,537	111,560	7.7%	1,500,762	62,335	4.2%
<b>CUSTOMERS AVERAGE</b>							
17. Residential	136,430	136,402	28	0.0%	134,316	2,114	1.6%
18. Commercial & Street Light	18,000	18,440	(440)	-2.4%	17,884	116	0.6%
19. Industrial	<u>235</u>	<u>239</u>	<u>(4)</u>	-1.7%	<u>239</u>	<u>(4)</u>	-1.7%
20. Total Retail	154,665	155,081	(416)	-0.3%	152,439	2,226	1.5%
21. Wholesale	<u>5</u>	<u>5</u>	<u>0</u>	0.0%	<u>6</u>	<u>(1)</u>	-16.7%
22. Total	154,670	155,086	(416)	-0.3%	152,445	2,225	1.5%



**OPERATING EXPENSE STATEMENT**

**CURRENT MONTH**

**MAY 2025**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>POWER COST</b>							
1. SPP Purchased Power	\$1,450,159	\$1,689,871	(\$239,712)	-14.2%	\$1,526,223	(\$76,064)	-5.0%
2. Non-Owned Asset Power	<u>5,412,249</u>	<u>5,339,744</u>	<u>72,505</u>	1.4%	<u>4,424,208</u>	<u>988,041</u>	22.3%
3. Total Purchased Power	6,862,408	7,029,615	(167,207)	-2.4%	5,950,431	911,977	15.3%
4. Produced Power	<u>5,105,660</u>	<u>4,659,548</u>	<u>446,112</u>	9.6%	<u>6,294,417</u>	<u>(1,188,757)</u>	-18.9%
5. Total Power Cost	11,968,068	11,689,163	278,905	2.4%	12,244,848	(276,780)	-2.3%
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>							
6. Energy Delivery	2,549,739	2,462,022	87,717	3.6%	2,307,500	242,239	10.5%
7. Transmission	<u>1,130,313</u>	<u>1,148,953</u>	<u>(18,640)</u>	-1.6%	<u>359,826</u>	<u>770,487</u>	214.1%
8. Total O & M Expense	3,680,052	3,610,975	69,077	1.9%	2,667,326	1,012,726	38.0%
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>							
9. Administration	321,009	349,029	(28,020)	-8.0%	286,218	34,791	12.2%
10. Communication & Corporate Records	204,103	251,601	(47,498)	-18.9%	275,986	(71,883)	-26.0%
11. Corporate Operations	812,964	1,211,327	(398,363)	-32.9%	933,374	(120,410)	-12.9%
12. Customer Services	991,816	1,070,046	(78,230)	-7.3%	1,251,234	(259,418)	-20.7%
13. Financial Services	412,284	512,399	(100,115)	-19.5%	473,386	(61,102)	-12.9%
14. Power Supply	476,769	556,339	(79,570)	-14.3%	426,457	50,312	11.8%
15. Technology Services	<u>1,769,196</u>	<u>1,493,684</u>	<u>275,512</u>	18.4%	<u>1,517,063</u>	<u>252,133</u>	16.6%
16. Total A & G Expense	4,988,141	5,444,425	(456,284)	-8.4%	5,163,718	(175,577)	-3.4%
<b>17. DEPRECIATION</b>	3,378,128	3,527,346	(149,218)	-4.2%	2,976,874	401,254	13.5%
<b>18. TOTAL OPERATING EXPENSE</b>	\$24,014,389	\$24,271,909	(\$257,520)	-1.1%	\$23,052,766	\$961,623	4.2%



**OPERATING EXPENSE STATEMENT**

**YEAR-TO-DATE**

**MAY 2025**

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
<b>POWER COST</b>								
1. SPP Purchased Power	\$8,995,224	\$5,830,224	\$3,165,000	54.3%	\$6,503,427	\$2,491,797	38.3%	
2. Non-Owned Asset Power	<u>27,348,720</u>	<u>25,449,922</u>	<u>1,898,798</u>	7.5%	<u>23,529,055</u>	<u>3,819,665</u>	16.2%	
3. Total Purchased Power	36,343,944	31,280,146	5,063,798	16.2%	30,032,482	6,311,462	21.0%	
4. Produced Power	<u>27,209,427</u>	<u>23,013,647</u>	<u>4,195,780</u>	18.2%	<u>24,526,642</u>	<u>2,682,785</u>	10.9%	
5. Total Power Cost	63,553,371	54,293,793	9,259,578	17.1%	54,559,124	8,994,247	16.5%	
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>								
6. Energy Delivery	14,035,133	12,001,819	2,033,314	16.9%	11,256,587	2,778,546	24.7%	
7. Transmission	<u>5,594,403</u>	<u>5,758,843</u>	<u>(164,440)</u>	-2.9%	<u>4,264,161</u>	<u>1,330,242</u>	31.2%	
8. Total O & M Expense	19,629,536	17,760,662	1,868,874	10.5%	15,520,748	4,108,788	26.5%	
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>								
9. Administration	1,799,405	1,655,412	143,993	8.7%	1,388,945	410,460	29.6%	
10. Communication & Corporate Records	998,356	1,180,812	(182,456)	-15.5%	1,059,776	(61,420)	-5.8%	
11. Corporate Operations	4,516,458	6,141,673	(1,625,215)	-26.5%	5,321,440	(804,982)	-15.1%	
12. Customer Services	5,234,010	5,406,062	(172,052)	-3.2%	5,254,537	(20,527)	-0.4%	
13. Financial Services	2,530,889	2,545,217	(14,328)	-0.6%	2,418,317	112,572	4.7%	
14. Power Supply	2,396,128	2,563,538	(167,410)	-6.5%	2,171,078	225,050	10.4%	
15. Technology Services	<u>7,848,354</u>	<u>7,984,485</u>	<u>(136,131)</u>	-1.7%	<u>7,345,740</u>	<u>502,614</u>	6.8%	
16. Total A & G Expense	25,323,600	27,477,199	(2,153,599)	-7.8%	24,959,833	363,767	1.5%	
<b>17. DEPRECIATION</b>	16,883,073	17,621,545	(738,472)	-4.2%	14,846,260	2,036,813	13.7%	
<b>18. TOTAL OPERATING EXPENSE</b>	\$125,389,580	\$117,153,199	\$8,236,381	7.0%	\$109,885,965	\$15,503,615	14.1%	



**BALANCE SHEET**

**MAY 2025**

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION**

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
1. Revenue Fund (includes CDFUO)	\$54,773,824	\$11,263,397	<b>OTHER LIABILITIES</b>		
2. Payment in Lieu of Tax Fund	4,545,737	(8,143,119)	1. Accounts Payable	\$17,634,866	(\$7,703,675)
3. Rate Stabilization Fund	42,091,908	735,357	2. Accrued Payments in Lieu of Taxes	5,554,019	(8,150,398)
4. Bond Principal & Interest Funds	31,735,772	13,829,253	3. City Dividend for Utility Ownership Payable	3,429,612	(1,143,204)
5. Other Restricted/Designated Funds (a)	3,848,359	(309,574)	4. Commercial Paper Notes	107,500,000	42,000,000
6. Restricted/Designated Funds Total	77,676,039	14,255,036	5. Accrued Software Interest	68,707	38,968
7. Total Current Asset Funds (b)	136,995,600	17,375,314	6. Accrued Liabilities	22,775,496	4,347,830
8. Receivables Less Uncollectible Allowance	32,499,886	6,453,328	7. Total Other Liabilities	156,962,700	29,389,521
9. Unbilled Revenue	16,812,444	(1,194,864)	<b>CURRENT LIABILITIES - RESTRICTED ASSETS</b>		
10. Accrued Interest Receivable	526,378	(217,222)	8. Current Portion of Long-Term Debt	35,740,000	0
11. Materials, Supplies & Fuel Inventory	33,831,242	(1,102,737)	9. Accrued Interest	4,582,214	(1,371,208)
12. Plant Operation Assets	22,978,658	1,357,467	10. Other Current Liabilities (d)	1,071,298	52,681
13. Other Current Assets	5,929,229	153,192	11. Total Current Liabilities - Restricted Assets	41,393,512	(1,318,527)
14. Total Current Assets	249,573,437	22,824,478	12. Total Current Liabilities	198,356,212	28,070,994
<b>NONCURRENT ASSETS:</b>			<b>NONCURRENT LIABILITIES:</b>		
15. Bond Reserve Funds	9,569,369	171,770	13. 2013 Bonds	12,385,000	0
16. Self-Funded Benefits Reserve Fund (IBNP)	1,189,249	296,729	14. 2015A Bonds	70,605,000	0
17. Segregated Funds (c)	21,978,670	(3,143,463)	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	32,737,288	(2,674,964)	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	1,625,282	(128,750)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	154,055	21,138	18. 2020B Bonds	151,300,000	0
22. Other Noncurrent Assets	6,591,525	(102,569)	19. Total Revenue Bonds	493,655,000	0
23. Total Noncurrent Assets	\$48,568,942	(\$2,266,846)	20. Less Current Maturities	35,740,000	0
<b>CAPITAL ASSETS:</b>			21. Less Unamortized Discounts/Premiums	(26,425,204)	2,374,136
24. Utility Plant in Service	1,885,434,196	13,227,641	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(982,286,559)	(15,419,314)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	170,141,841	12,654,471	24. Net Long Term Debt	484,340,204	(2,374,136)
27. Total Capital Assets	1,073,289,478	10,462,798	25. Liabilities Payable from Segregated Funds (e)	20,664,108	(4,455,415)
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			26. Asset Retirement Obligation	2,900,000	(73,103)
28. Deferred Loss on Refunded Debt	6,295,029	(538,881)	27. Software Liabilities	2,520,861	88,065
29. Deferred Costs for Asset Retirement Obligations	2,900,000	(73,103)	28. Other Noncurrent Liabilities	19,294,213	0
30. Total Deferred Outflows of Resources	9,195,029	(611,984)	29. Total Liabilities	728,075,598	21,256,405
			<b>DEFERRED INFLOWS OF RESOURCES:</b>		
			30. Deferred Inflow of Resource	6,847,577	546,936
			31. Total Deferred Inflows of Resources	6,847,577	546,936
			<b>NET POSITION:</b>		
			32. Net Investment in Capital Assets	457,082,181	(30,394,746)
			33. Restricted for Debt Service	27,857,814	15,372,231
			34. Restricted for Employee Health Insurance Claims	2,446,570	(310,104)
			35. Unrestricted	158,317,146	23,937,724
			36. Total Net Position	645,703,711	8,605,105
			<b>37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>		
<b>31. TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,380,626,886</b>	<b>\$30,408,446</b>		<b>\$1,380,626,886</b>	<b>\$30,408,446</b>



**STATEMENT OF CASH FLOWS**  
**MAY 2025**

	CURRENT MONTH	YEAR-TO-DATE
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Received from Sales to Customers and Users	\$25,423,499	\$150,103,486
2. Sales Tax Receipts	\$1,196,230	\$6,813,333
3. Paid to Suppliers for Goods & Services	(\$21,659,098)	(\$91,836,188)
4. Paid to Employees for Services	(\$3,970,048)	(\$20,834,518)
5. Payments for Sales Tax	(1,246,593)	(6,864,436)
<b>6. Cash Flow from Operating Activities (a)</b>	<b>(256,010)</b>	<b>37,381,677</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
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
<b>10. Cash Flow from (used for) Noncapital Financing Activities</b>	<b>0</b>	<b>(20,646,761)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
11. Net (Purchases) Sales of Investments	(1,066,872)	(41,579,526)
12. Interest Income	429,502	3,214,504
<b>13. Cash Flow from (used for) Investing Activities</b>	<b>(637,370)</b>	<b>(38,365,022)</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
14. Acquisition and Construction of Capital Assets	(9,258,299)	(47,229,689)
15. Salvage on Retirement of Plant	0	0
16. Cost of Removal of Property Retired	(1,479)	(167,753)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	1,618,136	10,072,870
20. Capital Contributions Recv'd in Advance	0	0
21. Cash Received from Leases	47,297	220,537
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	(739,000)	(10,030,035)
<b>27. Cash Flow from (used for) Capital Financing Activities</b>	<b>(8,333,345)</b>	<b>(5,134,070)</b>
27. Cash Flow from (used for) Capital Financing Activities	(9,226,725)	(26,764,176)
28. Net Increase (Decrease) in Cash and Cash Equivalents	29,805,222	47,367,673
<b>29. Cash and Cash Equivalents Beginning of Period</b>	<b>\$20,578,497</b>	<b>\$20,603,497</b>
<b>STATEMENT OF CASH FLOW FOOTNOTES</b>		
<b>(a) Reconciliation of operating income to cash flows from operating activities</b>		
1. Net Operating Revenue	\$7,566,974	\$24,049,795
2. Noncash items included in operating income	3,484,297	17,410,629
3. Changes in Assets & Liabilities Increase/(Decrease)	(11,307,281)	(4,078,747)
4. Net cash flows from operating activities	(256,010)	37,381,677
<b>(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.</b>		



**DEBT SERVICE COVERAGE**

**MAY 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	\$31,581,363	\$32,042,371	\$30,647,212	\$149,439,375	\$141,533,031	\$141,690,460
2. Total Operating Expenses	24,014,389	24,271,909	23,052,766	125,389,580	117,153,199	109,885,965
3. Less Depreciation	(3,378,128)	(3,527,346)	(2,976,874)	(16,883,073)	(17,621,545)	(14,846,260)
4. Operating Expense Net of Depreciation	20,636,261	20,744,563	20,075,892	108,506,507	99,531,654	95,039,705
5. Net Operating Revenue for Debt Service	10,945,102	11,297,808	10,571,320	40,932,868	42,001,377	46,650,755
6. Interest Income (a)	431,463	282,546	(595,595)	2,235,329	1,453,278	1,595,750
7. Other Income	48,814	44,609	88,443	229,075	223,041	227,650
8. Rate Stabilization Fund	0	0	0	0	1,350,000	0
<b>9. AVAILABLE FOR DEBT SERVICE</b>	<b>11,425,379</b>	<b>11,624,963</b>	<b>10,064,168</b>	<b>43,397,272</b>	<b>45,027,696</b>	<b>48,474,155</b>
<b>10. DEBT SERVICE (b)</b>	<b>\$4,455,852</b>	<b>\$4,455,851</b>	<b>\$4,682,116</b>	<b>\$22,279,259</b>	<b>\$22,279,255</b>	<b>\$23,410,580</b>
<b>11. DEBT SERVICE COVERAGE</b>	<b>2.56</b>	<b>2.61</b>	<b>2.15</b>	<b>1.95</b>	<b>2.02</b>	<b>2.07</b>

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

# **Exhibit VIII**



MEMORANDUM

Date: June 5, 2025  
To: LES Administrative Board  
From: Emily N. Koenig, Vice President Financial Services & CFO  
Subject: Tax-Exempt Compliance Update

In accordance with LES' Tax-Exempt Financing Compliance Procedure (the "Procedures") this memo is to provide notice to the LES Administrative Board that as of June 5, 2025, LES is in compliance with all requirements of the Procedures.

Additionally, the Procedures have been reviewed for potential updates per the 5-year requirement for review. The Exhibit A, which outlines the bonds covered by the procedures, will be updated to include all bonds that have been issued since the last update of the procedure in 2019 (the 2020 and 2020A Series).

# **Exhibit IX**



# 2024 Investment Committee Annual Report

LES Administration Board | June 20, 2025

Bryan Willnerd | Lincoln Electric System  
Manager, Treasury & Risk Management

# LES's Investment Committee provides oversight of the retirement plans in accordance with LES Policies



## LES Administrative Board

- Designates Investment Committee members
- Adopt amendments to the Plan documents
- Authorize execution of provider agreements



## Investment Committee

- Chief Executive Officer
- VP Financial Services and CFO
- VP Communications & Corporate Records and General Counsel
- VP Energy Delivery (Interim)
- Manager, Human Resources



## Internal Audit

- Performs an audit of the plans every four years

# External parties administer the retirement plans in accordance with LES policies



## Third-Party Administrator & Recordkeeping Services

- Vanguard
- Began relationship in 2013
- Renewed the Vanguard agreement in 2023 via a Request for Proposal



## Third-Party Investment Consultant

- CapTrust
- Began relationship in 2016
- Renewed contract in 2022
- Began offering financial advice to participants in 2025



## External Legal Counsel

- Cline Williams
- Ongoing relationship



## Third-Party Audit Consultant

- The Angell Pension Group
- Specializes in Retirement Plan Audits
- Third-party audits are every four years

# LES Retirement plan data as of December 31, 2024

	401k Plan	457b Plan
Plan Asset Size	\$213M	\$16M
# Available Funds To Participants <sup>1</sup>	14 Funds + Target Date Funds	
Plan Participation Rate % / VG Benchmark	98% / 80%	9%
Participant Match	Yes	No
Auto-Enrollment / Auto-Escalation	Yes	No
LES vs Peer Fund Expense Ratio <sup>1,2</sup>	0.18% / 0.33%	0.27% / 0.47%

<sup>1</sup> Calculated on a "Weighted Average" basis

# LES offers diverse investment options to participants

## **Tier 1: Target Date / Hybrid**

- Vanguard Target Retirement Funds
- Vanguard Wellington

## **Tier 2: Passively Managed**

- Vanguard Total Stock Market Index Institutional
- Vanguard Total International Stock Index Admiral
- Vanguard Total Bond Market Index Institutional

## **Tier 3: Actively Managed Funds**

- Vanguard Equity Income Admiral
- Victory Sycamore Established Value Fund
- Fidelity Contrafund
- MFS Mid Cap Growth Fund CT
- DFA U.S. Small Cap Institutional
- Dodge & Cox International Stock
- Vanguard Retirement Savings Trust III
- Vanguard Inflation-Protected Securities Admiral
- Allspring Core Bond Fund
- DFA Emerging Markets Core Equity Institutional

## **LES's Retirement Fund Portfolio Includes:**

- Domestic & International Equity, Bond Funds

## **Asset Classes:**

- Small, Middle, Large
- Value, Blend, Growth, Emerging

## **2024 Fund Changes:**

- No fund changes made in 2024
- There were two funds with share class changes
  - Fidelity Contrafund (0.10% reduction in expense ratio)
  - Dodge & Cox (0.10% reduction in expense ratio & no revenue-sharing)

# The Investment Committee discusses routine and specific items at quarterly meetings

## **Routine items:**

- Investment performance benchmarking
- Market trends and asset class performance
- Policy compliance and Plan amendments
- Fund management changes *(As needed)*
- Participant inquiries *(As needed)*
- Participant communications & education
- Review of uncashed participant checks

## **2024 specific items:**

- Monitoring progress of APG audit recommendations
- April implementation of Self-Directed Brokerage Option for LES participants
- Selection of CapTrust for participant advisory services for implementation of Q1 2025
- Policies 315 & 316 update, including updated Committee membership and responsibilities
- Investment Committee Fiduciary Training

# Questions



# 2024 Annual LES Retirement Plan Report

Prepared by:  
LES Investment Committee, June 2025



The Lincoln Electric System Investment Committee (*the "Committee"*) administers the Lincoln Electric System Employees' 401k Retirement Plan (*the "401k Plan"*) and the Deferred Compensation Plan of Lincoln Electric System, City of Lincoln, Nebraska (*the "457b Plan"*) (*collectively, the "Plan(s)"*).

This report summarizes the Committee's actions during the 2024 calendar year.

I. **LES Policies and Committee Members:** As outlined in **Policy 316 - Retirement Plan and Deferred Compensation Plan Model of Plan Governance (MPG)**, the composition of the Investment Committee is determined by the position held at Lincoln Electric System (*LES*). The following individuals served on the Committee in 2024:

- **Emeka Anyanwu**, Chief Executive Officer
- **Emily Koenig**, Vice President Financial Services and Chief Financial Officer
- **Trish Owen**, Vice President Corporate Operations (*Presided on the Committee until December 13, 2024, due to retirement from LES*)
- **Shelley Sahling-Zart**, Vice President Communications & Corporate Records and General Counsel
- **Robbie Seybert**, Manager, Human Resources

Guidelines for overseeing and monitoring the investments offered under the Plans are provided to the Committee by **Policy 315 – Retirement Plan and Deferred Compensation Plan Investment Policy Statement (IPS)**. Requirements of the MPG and IPS policies were adhered to during the reporting timeframe.

II. **Supporting Services:** The following vendors support the administration of the plans. There have been no changes to the service providers since the last report.

1. **Third-Party Administrator (TPA) and Recordkeeping Services:** Vanguard has provided recordkeeping and third-party administration (*TPA*) services for the Plans since 2013.
2. **Third-Party Investment Consulting:** LES entered into an agreement with CapTrust in 2016 for third-party consulting services. CapTrust provides investment advice to the Committee regarding investment options made available to participants under the Plans. CapTrust also provides quarterly updates on fund performance, recommends placing underperforming funds on a watchlist for potential replacement, offers fiduciary training opportunities, and communicates miscellaneous retirement-related industry topics. In 2024, the Committee approved for CapTrust to provide advice services to LES participants beginning in 2025.
3. **External Legal Counsel:** Cline Williams serves as the Committee's outside counsel and works with LES's General Counsel and Human Resources department to ensure compliance with the Plans' legal and regulatory requirements and assess potential impacts from changes within the retirement industry.
4. **External Audit Services:** Angell Pension Group (APG) served as LES's provider to audit the LES retirement plans as directed by LES Policy 316. An external audit is required every four years. APG has served as the provider for both 2020 and 2024 retirement plan audits.

**III. Plan Administration Fees:** Plan Administration Fees (PAFs) are charged to participants (as a percentage of their account balance) every quarter to cover administrative costs associated with the Plan, including but not limited to recordkeeping/TPA services, third-party consulting, legal, and other participant plan-related costs. PAFs are reviewed and approved annually by the Committee based on the forecasted portfolio balance, participant enrollment numbers, and plan cost information. In 2024, the PAF declined for both plans (401k and 457b) due to:  
**401k Plan:** higher-than-expected average account balances in 2023 (\$178M vs \$173M) resulting in higher than forecasted Plan income. Plan expenses came in as forecasted.  
**457b Plan:** higher-than-expected average account balances in 2023 (\$14.8 vs \$14.5M) resulting in higher-than-forecasted Plan income. Plan expenses came in as forecasted.

Below is a summary of the last five-year annual Plan Administration Fees paid by participants.

	401k	457b
2020	0.076%	0.100%
2021	0.064%	0.080%
2022	0.050%	0.080%
2023	0.075%	0.109%
2024	0.055%	0.090%

**IV. Plan Information as of 12/31/2024:**

	401k Plan	457b Plan
Total Participant Assets	\$212,928,297	\$16,235,281
Total Participants (With A Balance)	722	83
Percentage of Active Employees who make deferrals	98%	8.7%
Average Account Balance	\$294,729	\$195,606
Average Annual Deferral Rate / \$ Amount <sup>1</sup>	10.3%	\$3,305
LES / Peer Weighted Average Fund Expense Ratio (Not inclusive of Plan Administrative Fees)	0.18% / 0.33%	0.27% / 0.47%

**Plan Information as of 12/31/2023:**

	401k Plan	457b Plan
Total Participant Assets	\$188,824,518	\$14,573,145
Total Participants (With A Balance)	709	83
Percentage of Active Employees who make deferrals	98%	12%
Average Account Balance	\$266,325	\$175,580
Average Annual Deferral Rate / \$ Amount <sup>1</sup>	10.0%	\$3,485
LES / Peer Weighted Average Fund Expense Ratio (Not inclusive of Plan Administrative Fees)	0.20% / 0.35%	0.29% / 0.47%

<sup>1</sup> The Average Annual Deferral Rates reflect how deferrals are selected by participants in each Plan (i.e., 401k as a percent of pay or 457b as a flat dollar amount).

- V. Plan Investment Options:** The below Plan options allow participants to diversify their portfolios to appropriately meet their retirement goals. As the chart above indicates, the weighted-average expense ratios as of 12/31/2024 for both plans were below their respective peer averages (**401k:** 0.18% vs. 0.33%; **457b:** 0.27% vs. 0.47%).

Throughout 2024, the performance of the investment options was reviewed quarterly to ensure funds met the minimum requirements of the IPS for the selection of any new or current funds in the portfolio.

The LES Plan utilizes a three-tier approach to focus on specific Participant investment objectives. Below is a list of funds and associated asset class included in LES's retirement plan portfolio by tier.

**i. Tier 1: Allocation Tier**

1. **Vanguard (VG) Target Retirement Funds** (*Target Date Series*)
2. **Vanguard Wellington Admiral** (*Moderate Allocation*)

**ii. Tier 2: Passive Tier**

1. **VG Total Stock Market Index Institutional** (*Large Company Blend*)
2. **VG Total International Stock Index Admiral** (*Foreign Large Blend*)
3. **VG Total Bond Market Index Institutional** (*Intermediate Core Bond*)

**iii. Tier 3: Active Tier**

1. Domestic Equity:
  - a. **VG Equity Income Admiral** (*Large Company Value*)
  - b. **Victory Sycamore Established Value Fund** (*Medium Company Value*)
  - c. **Fidelity Contrafund** (*Large Company Growth*)
  - d. **MFS Mid Cap Growth Fund CT** (*Medium Company Growth*)
  - e. **DFA U.S. Small Cap Institutional** (*Small Company Blend*)
2. International Equity:
  - a. **Dodge & Cox International Stock** (*Foreign Large Value*)
3. Bond Fund:
  - a. **VG Retirement Savings Trust III** (*Stable Value*)
  - b. **VG Inflation-Protected Securities Admiral** (*Inflation Protected Bond*)
  - c. **Allspring Core Bond Fund** (*Intermediate Core Bond*)
4. Other Funds:
  - a. **DFA Emerging Markets Core Equity Institutional** (*Emerging Markets*)

**Investment Option Actions:**

1. CapTrust analyzes LES's investment share class on an annual basis to identify opportunities for participants to move to a different share class at a lower cost. CapTrust identified two share-class opportunities with the Fidelity Contrafund and Dodge & Cox International Stock Institutional funds. Both options reduced the expense ratio cost to participants by 0.10%. The fund share class changes were implemented on or about June 13, 2024.

**VI. Summary of Meetings and Major Topics Discussed:** The Committee conducted regular quarterly meetings and met on the following dates during 2024 with the identified topics discussed:

- **March 12, 2024:**
  - Reviewed the Q4 2023 plan performance, market, and asset class trends.
  - Assessed student loan provisions of the Secure 2.0 Act.
  - Received an overview of Vanguard's current and proposed advice services and online financial wellness tools available to LES participants.
  - PAFs approved by the Investment Committee in January 2024 by email for the 2024 Plan year were noted for the minutes. PAFs approved were: 401k-0.055% and 457b-0.09%.
  - Advised the Investment Committee that the external plan audit by APG would begin Q2 2024.
  - Approved the share class change of the Fidelity Contrafund and Dodge & Cox International Stock Institutional funds to alternate share classes per CapTrust's recommendation, resulting in greater cost transparency and overall cost reduction to plan participants.
  
- **May 29, 2024:**
  - Reviewed the Q1 2024 plan performance, market, and asset class trends.
  - The Self-Directed Brokerage Option (SBDO) service was implemented on 04/22/2024 and is available to LES employees on both LES plans (401k/457b).
  - LES opted to not move from the Edelman Financial Engines to Vanguard Advice Services following additional consideration after the March 12, 2024, meeting.
  - CapTrust provided an overview of advice services offerings at LES's request.
  - Advised the Investment Committee that \$96,057.04 in unvested matching fund forfeitures were used to offset LES's contributions for the April 25, 2024, pay cycle.
  - CapTrust provided an overview of the Department of Labor's new Fiduciary Rule that was set to take effect by the end of 2024. The rule provides more transparency between recordkeepers, brokers, and participants to ensure fiduciary responsibilities are being met when rolling over funds.
  
- **September 6, 2024:**
  - Reviewed the Q2 2024 Plan Performance, market, and asset class trends.
  - Vanguard informed the Committee that Vanguard's partner, Infosys, experienced a cyber incident in November 2023; however, LES participants were not affected.
  - The Investment Committee selected CapTrust for new advice services with an estimated implementation date of January 1, 2025.
  - An overview of the external audit by APG was discussed. There were less than twenty unique recommendations; none of them were significant findings. The Investment Committee will review the status of the recommendations on a quarterly basis until they are resolved.
  - CapTrust provided annual Fiduciary training to the Investment Committee members.
  
- **November 5, 2024:**
  - Reviewed the Q3 2024 plan performance, market, and asset class trends.
  - The external audit by APG was completed and twelve of nineteen recommendations had been closed as of the date of the Investment Committee meeting. FS will continue to work with responsible parties to close out the remaining recommendations and will provide quarterly updates until all have been completed.

- The Committee discussed potential temporary replacements for Trish Owen as a result of her upcoming retirement. It was decided that Shelley Sahling-Zart would draft an amendment to the Model Plan of Governance policy to be presented to the Board at the December 2024 meeting, to include language allowing the Board to assign an interim replacement member to the Investment Committee until a permanent replacement is selected. Paul Crist was nominated informally for the interim replacement.
- Due to recent litigation regarding the use of forfeiture funds, LES contacted Cline Williams to gauge if LES was at risk. It was discussed that due to the fact LES's plan documents specify how forfeiture funds are to be used, LES should not be exposed to any litigation issues.
- CapTrust discussed the Roth In-Plan and after-tax contributions with the Investment Committee. CapTrust did not believe it would benefit LES participants much since LES offers both a 401k and 457b plans. The Investment Committee opted not to pursue at this time.

**VII. Participant Communication:** The following were communicated to participants during 2024.

- Several communications were sent to participants throughout the year from LES and Vanguard.
- Examples of LES communications include:
  - Plan Administration Fees for 2024,
  - Share class changes to the Fidelity Contrafund and Dodge & Cox International Stock Institutional funds,
  - CapTrust providing advisory services to LES participants in 2025, and
  - 2025 contribution limits for participants.
- Examples of Vanguard communications include:
  - Information on investments
  - Saving more in the plan
  - Catch-up eligibility
  - Beneficiaries
  - Emergency savings