

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, February 17, 2023, at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on February 10, 2023.

Board Members Present: Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Board Members Absent: Kate Bolz

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Jason Fortik, Lisa Hale, Trish Owen, Travis Moore, Amber Tate, Kelley Porter, Jim Rigg, Jessica Meyer, Scott Benson, Robbie Seybert, Joe Cocklin, Winston Larson

Others Present: Ken Winston (virtually)

News Media Present: None

Chair Andrew Hunzeker declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Chair Hunzeker noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that copies of the Act are located with the Board Assistant Secretary.

Call to Order & Safety Briefing

Chair Andrew Hunzeker asked for approval of the January 20, 2023, meeting minutes. David Spinar moved their approval. Carl Eskridge seconded the motion. The vote for approval of the minutes was:

Approval of Minutes

Aye: Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: Kate Bolz

Ken Winston, representing the Nebraska Chapter of the Sierra Club and Nebraska Interfaith Power and Light, discussed several bills pending before the Nebraska Legislature.

Customer Comments

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions which included: 1) 2022 Fourth Quarter Generation Revenue and Cost Report; 2) an update on Lincoln on the Move Projects; 3) an update on

Operations & Power Supply Committee Report

local generation; and 4) Ten Year Transmission & Substation Plan and Asset Management Efforts. (Exhibit I)

David Spinar, Chair of the Budget & Rates Committee, reported on Committee discussions which included: 1) 2022 Capital Budget Carryovers; 2) 2023 Competitive Market Study; 3) 2023 Winter Regional Bill Comparison; and 4) DEC update. (Exhibit II)

Budget & Rates Committee Report

Carl Eskridge, Chair of the Finance & Audit Committee, reported on Committee discussions which included: 1) Semi-Annual Investment Report; 2) 2022 Unaudited Financial Results; 3) Internal Audit 2022 Fourth Quarter Report; 4) Revolving Credit Agreement Renewal; and 5) DEC Update. (Exhibit III)

Finance & Audit Committee Report

Carl Eskridge, the LES Representative on the DEC Board, provided an update, which included: 1) Appointment Notices and Election of Officers; 2) DEC Management Report; 3) Financial and Investment Report; 4) Miscellaneous Business Items. (Exhibit IV)

District Energy Corporation (DEC) Update

Chelsea Johnson, a Communications & Customer Services Committee member, reported on Committee discussions which included: 1) LES Energy Assistance Program Annual Update; 2) Zoo Lights Powered by LES; 3) Education Plan; and 4) LES Campaigns. (Exhibit V)

Communications & Customer Services Committee Report

Travis Moore, Legislative & Corporate Policy Analyst, Corporate Governance & Records, provided a report on state legislative matters. (Exhibit VI) Moore noted that Thursday, February 16, 2023, marked the 30th day of the 90-day session, scheduled to adjourn on June 9, 2023. Moore also noted that all-day committee hearings are finished and are scheduled to conclude the second to last week of March.

2023 Legislative Report

Moore also reviewed the following bills: LB 255, LB 399, LB 505, LB 565, LB 568, and LB 709.

Robbie Seybert, Manager, Human Resources, discussed the agreement between LES and IBEW Local 1536 Trades & Crafts. The agreement provides for a three-year contract and wage increases of four percent in the first year and three percent in each of the last two years of the contract for represented positions, effective May 1, 2023, through April 30, 2026.

Agreement Between LES & IBEW Local 1536 Trades & Crafts – LES Resolution 2023-3

David Spinar moved the adoption of LES Resolution 2023-3 (Exhibit VII). Eric Schafer seconded the motion. The vote for approval of the resolution was:

Aye: Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: Kate Bolz

Jessica Meyer, Specialist, RTO/FERC Regulatory, provided a briefing on PURPA 111 (d) "Shall Consider" Standards as amended by the Infrastructure Investment and Jobs Act. (Exhibit VIII)

PURPA 111 (d) "Shall Consider" Standards Briefing

Because LES has total retail sales exceeding 500 million kilowatt-hours, LES must comply with the PURPA consideration requirements and decide on the applicable federal standard(s). LES has commenced the consideration process and will be hosting a public hearing for customers to provide feedback to LES on the recent federal standards. LES is required to make its determination on the applicable standard(s) by November 15, 2023.

Jason Fortik, Vice President, Power Supply, gave the 2022 Year-End Review for the Power Supply Division. (Exhibit IX) Fortik noted that last year's net power costs were about \$7.4 million, or seven percent below budget.

Power Supply 2022 Year-End Review

According to the report:

- Energy purchase prices remained high, but market energy and notably higher transmission revenue offset higher market energy expenses and generation expenses.
- Natural gas prices remained well above budget this year due to pressure from the global market and concerns about the situation in Europe. Still, weather-driven demand and ongoing delays in the return of an LNG export facility kept prices lower in the 4th quarter.
- Lincoln's market electricity prices remained above budget during the year due to higher natural gas prices and increased footprint electrical consumption. However, generally favorable generation outage levels in the 4th quarter helped to keep prices lower.

- Control Area Energy consumption was 27 gigawatt-hours, or 3.3 percent, above budget for the 4th quarter and 69 GWh, or 1.9 percent, above budget for the year.
- August's 763 megawatts demand nearly met this year's projected peak of 765 MW but are still below the all-time system summer peak of 786 MW. December's 672 MW set a new all-time winter peak for LES, exceeding the previous winter peak of 624 MW from February 15, 2021 (Winter Storm Uri).
- Renewable energy production was about six percent below expectations, and output from our coal resources was about 12 percent below expectations. In comparison, output from our natural gas resources was about 44 percent above expectations.

Emily Koenig, Vice President and CFO, presented LES' 2022 unaudited financial performance. (Exhibit X)

2022 Unaudited Year-End Financial Review

The year-end results were favorable due primarily to lower-than-budgeted net power costs combined with higher revenue. Retail Revenue was \$1.5M, or 0.6 percent, above budget primarily due to higher energy usage by residential customers. Net Power Costs were lower than budgeted by \$7.3M, or seven percent, which drove positive year-end financial results.

LES monitors several key metrics to ensure financial health for 2022: 1) Debt service coverage ratio was 2.33x compared to the budget of 2.15x (higher is better). 2) Fixed charge coverage ratio was 1.59x compared to the budget of 1.48x (higher is better; S&P monitors this ratio). 3) Net debt ratio of 5.30x compared to the budget of 6.02x (lower is better; Fitch Ratings monitor this ratio).

LES' capital expenditures were \$3.7M higher than budgeted. This overage is primarily due to increased volume and higher costs for underground distribution, turbine work, increased Laramie River Station, and carryover generation projects.

Kevin Wailes, CEO, reported on LES' Business Indicators for 2022. (Exhibit XI) The performance indicators were broken into four categories.

LES Business Indicators – 2022 Year-End Report

- Integrity & Fiscal Responsibility: LES met its benchmarks for total retail revenue, net power costs, retail energy sales, and debt coverage in 2022.

- Sustainability & Environmental Responsibility: LES met its KPI benchmarks for the Sustainable Energy Program, both for obligating funds and for meeting the utility's demand reduction target of 5.6 MW.
- Safety & Employer of Choice: The company's Days Away, Restricted, Transferred (DART) rate missed its 2022 target.
- Reliability & Customer Service: The annual average outage time per customer continued to meet LES' industry-leading standards.

Winston Larson, Engineer, System Planning, reported on LES' power interruptions and outages from 2022. (Exhibit XII)

2022 Interruption/Outage Report

According to the report, LES had one major event day, and normal day System Average Interruption Duration Index was 13.8 minutes, well below the utility's 30-minute goal. The Customer Average Interruption Duration Index was 74.5 minutes, just over its 2022 goal of 60 minutes and well below the national average of 117 minutes.

2022's leading cause of outages was overhead problems, followed by underground problems and trees.

Joe Cocklin, Manager, Rates & Analytics, discussed the LES Competitive Market Study with the Board. (Exhibit XIII) The study is a comprehensive report of electric utility metrics created in 2022 to allow LES to benchmark its performance with other utilities.

2023 Competitive Market Study

Based on 2021 data, LES ranked 16th out of 87 cities for the lowest average all-in price and third best for a residential all-in price. LES ranked 8th for the most stable rates over the past ten years. LES' reliability ranking (*without major event days) ranks first best overall, up from third in the prior year. LES is ranked 10th lowest overall. LES' affordability is further demonstrated by its 17th-place ranking for the lowest residential bill as a percentage of household income.

The Revenue and Expense Statements, Financial and Operating Statements for December 2022 are available, and the Power Supply Division Monthly Reports for December 2022. (Exhibit (XIV))

Monthly Financial and Power Supply Reports

Chair Andrew Hunzeker asked for a motion to enter a closed Executive Session to discuss confidential and proprietary all-in generation costs and sensitive competitive market information. David Spinar made the motion. Carl Eskridge seconded the motion. The vote for approval to go into Executive Session was:

**Executive Session – 2022
"All-in" Generation Costs
("Market Sensitive Information)**

Aye: Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: Kate Bolz

The Board entered Executive Session at 11:55 a.m.

The Board came out of Executive Session at 12:24 p.m. No action was taken.

The next regular meeting of the LES Administrative Board will be **Next Meeting**
Friday, March 17, 2023, at 9:30 a.m.

Without further business before the Board, Chair Hunzeker declared **Adjournment**
the meeting adjourned at approximately 12:25 p.m.

Lucas Sabalka, Secretary

BY: *S/Travis Moore*
Travis Moore
Assistant Secretary

Exhibit I



Operations and Power Supply Committee Meeting Summary February 6, 2023 (virtual)

2022 4th Quarter Generation Revenue and Cost Report (Brad Lafler):

- Staff presented its analysis of the financial performance of LES's generating resources in the SPP Integrated Marketplace for 2022.
- Natural gas prices remained elevated throughout the year, which put upward pressure on market electricity prices.
- LES's generating fleet posted overall positive net revenue results for the year, driven primarily by positive returns at the traditional generating plants during the summer months.

"Lincoln on the Move" Projects (Fredrick Rumery):

- The City of Lincoln implemented a ¼ cent sales tax in 2019 to fund reconstruction, rehabilitation, and new street construction over a broad geographic area within Lincoln. The majority of the influences on LES's electrical infrastructure come from the "growth" category of street projects.
- The street improvement projects have varying degrees of impact to LES's facilities but can result in the need to relocate significant portions of LES's existing infrastructure. The "Lincoln on the Move" projects identified in the program are estimated to cost LES approximately \$4.3 million.
- Energy Delivery staff are coordinating the "Lincoln on the Move" projects with projects from the "Discretionary Overhead to Underground Conversion Program" and the City's "Capital Improvement Plan."

Local Generation Update (Jim Dutton):

- Staff provided an overview of the Rokeyby Generating Station, Terry Bundy Generating Station, J Street Generating Station, Landfill Gas to Energy Plant, and Salt Valley Wind Turbines operating performance for 2022.
- The energy output from the natural gas plants increased significantly from 2021, due primarily to market conditions and increased dispatch instructions from SPP.
- Several sizable maintenance projects were initiated in 2022, with some of the most notable being lubricating oil system repair projects at Rokeyby and J Street, and major maintenance work on the three combustion turbines at Terry Bundy.

Ten Year Transmission & Substation Plan and Asset Management Efforts (Joel Dagerman):

- Staff provided an overview of LES's major transmission and substation assets and the factors influencing their maintenance and upgrade decisions. Supply chain issues and equipment delivery times are causing the planning periods for project completion cycles to be extended.
- Aging assets that receive appropriate maintenance continue to perform well, but ongoing investments in these assets and the installation of new infrastructure will be required over the next ten years to maintain reliability, system stability, and accommodate customer growth.

Exhibit II



Budget & Rates Committee Meeting – February 15, 2023

Attendees: D. Spinar (Committee Chair), E. Schafer, A. Hunzeker (Board Chair), E. Koenig, K. Wailes, J. Cocklin, J. Gamboa, M. Andersen, *Absent - L. Sabalka*

2022 Capital Budget Carryovers (Emily)

- An update was provided to the Committee on the 2022 Capital Budget Carryovers.
- The carryover of spending does not increase the 2023 Capital budget, but rather allows for spending on projects that were not previously identified in the 2023 capital budget or did not include sufficient budget funds.
- Management has committed to updating the Committee any time there is a carryover of \$250,000 or greater in capital budget funds for a specific project from one year to the next.
- Carryovers from 2022 to 2023 totaled approximately \$450,000. Only one carryover was greater than \$250,000 which was related to a vehicle purchase.

2023 Competitive Market Study (Joe)

Note: This information will be presented by Joe at today's board meeting

- The 2023 LES Competitive Market Study was presented to the committee.
- The study compares electricity prices, residential affordability, and system reliability for 87 cities. Additionally, the metrics are compared across all 50 state and the District of Columbia.
- LES compares favorably in all areas and is ranked 16th out of 87 cities for lowest average all-in price.

2023 Winter Regional Bill Comparison (Joe)

- The 2023 Winter Regional Bill Comparison, which compares LES bills to electric bills in a 6-state region, was reviewed with the committee.
- The comparison calculates bills for specific energy usage levels, differing from the Competitive Market Study which uses broader Energy Information Administration data.
- LES ranks favorable in all five bill categories within the comparison, ranking within the top two lowest bills in four of the categories.

DEC Update (Emily)

Carl will provide a DEC update at today's board meeting, following this committee report.

- An overview of the January 2023 DEC Board meeting was provided to the committee.
- Carl Eskridge has joined the DEC Board as LES' representative. Additionally, Kim Morrow and Rick Vest joined the board in January.
- Preliminary financial results indicate that DEC's financial metrics will be near budget for 2022 year-end.

Exhibit III



Finance & Audit Committee Meeting – February 17, 2023

Semi-annual Investment Report (Bryan)

- At the end of the 2022, LES was managing a portfolio balance of approximately \$174M.
- LES was in compliance with its Investment Policy at the end of 2022.

2022 Unaudited Financial Results (Emily)

Emily will present this information at today's board meeting.

- Financial metrics were better than budget at year-end due primarily to lower Net Power Costs.
- LES ended the year essentially matching its authorized budget spending, which includes operating and capital expenditures.

Internal Audit 2022 4th Quarter Report (David A.)

- Internal Auditing presented the fourth quarterly report for 2022. The User Access Management Audit was discussed.
- As part of the year-end activities, Internal Auditing presented a report outlining the audits completed during the 2022; the annual report on executive purchasing card activity; and the statement of Internal Auditor Independence for the planned audits for 2023.

Revolving Credit Agreement Renewal (Emily)

- LES' revolving credit agreement with U.S. Bank expires in March 2023.
- The credit agreement allows LES to borrow up to \$50M on a taxable or tax-exempt basis with relatively short notice.
- The committee was provided an overview of options that are being considered for renewing the agreement.

DEC Update (Emily)

Carl will provide a DEC update at today's board meeting, following this committee report.

- An overview of the January 2023 DEC Board meeting was provided to the committee.
- Carl Eskridge has joined the DEC Board as LES' representative. Additionally, Kim Morrow and Rick Vest joined the board in January.
- Preliminary financial results indicate that DEC's financial metrics will be near budget for 2022 year-end.

Exhibit IV



Summary of DEC Board of Directors Meeting on January 24, 2023

Appointment Notices and Election of Officers

- Tammy Ward (City Council) was reappointed.
- Kim Morrow (City Council) was appointed to fill the seat that was formerly held by Miki Esposito.
- Rick Vest (Lancaster County Commissioner) was appointed.
- Carl Eskridge (LES Board) was appointed.
- Results for Election of Officers are as follows: Chair-Sean Flowerday, Vice Chair-Carl Eskridge, Secretary-Kim Morrow.

Management Report

- No unplanned service interruptions were experienced in 2022. Staff provided support to customers relating to equipment issues within their systems.
- Reviewed natural gas contract information and associated natural gas pricing outlook.
- Reviewed capital projects from 2022 that were carried forward to 2023 and discussed upcoming 2023 capital projects.
- Reviewed the 2022 outage report and the associated reliability metrics.
- After extensive outreach efforts with the existing State Plant customers and potential future customers, the decision has been made to not extend new services from the State Plant. A decision from developers on extending service from the West Haymarket Plant to a potential development at 9th & P is expected in Q1 2023.

Financial & Investment Report

- The preliminary 2022 year-end financials were reviewed with the board.
 - Energy sales were slightly over budget, due to colder than average temperatures and operational variations at two plants.
 - Revenues closely followed budget, and expenses were slightly over budget due primarily to higher than budgeted natural gas costs.
 - Debt Service Coverage was slightly lower than the budget, due to higher expenses.
 - 2022 Capital spending was \$411 thousand below budget, pending year-end adjustments.
- The semiannual investment report was also presented to the board.

Miscellaneous Business Items

- The International District Energy Association conference, to be held in June 2023, was discussed.
- DEC's General Counsel presented information on proposed Nebraska legislation that may impact DEC.

Exhibit V



Communications and Customer Services Committee Meeting – February 9, 2023 (Virtual)

LES Energy Assistance Program Annual Update (Kelli Detty)

- In 2022, 963 households were assisted by the LES Energy Assistance Program in the amount of \$330,398.
- 2022 was the 20th year of the program. In 2002 when it began, the program was funded with \$67,500, or 5 cents per residential customer per month.
- The new customer portal, which will be implemented in 2023, will make the process of applying for and getting assistance much more efficient.
- In addition to the LES Energy Assistance Program, customers received nearly \$7 million in utility assistance from other sources such as HHS, various COVID funds, and other small agencies.

Zoo Lights Powered by LES (Kelley Porter)

- 2022 was the 4th year that LES has partnered with the Lincoln Children's Zoo to present Zoo Lights Powered by LES
- The event ran from late November through December, with more than 46,000 community members attending.
- LES hosted four Energy Nights where LES volunteers discussed energy-saving tips and LES programs and used the gingerbread house display to interact with younger members of the public.
- LES also provided 100 tickets to Community Action for families who might otherwise not be able to attend.

Education Plan (Kelley Porter)

- We continue to find new ways to engage with targeted audiences to build awareness of safety, energy efficiency, careers in energy and LES programs.
- Educational programming is offered through the schools, libraries, and community events.
- Classroom education includes snap circuits, hazard hamlet and wind turbine kits.
- New this year is the LES Solar Car Challenge with LPS. Middle school students will build and race solar cars, learning about solar power and careers in energy while doing so.

LES Campaigns (Kelley Porter)

- Many LES campaigns are underway, including: LES Peak Rewards, promotion of the Sustainable Energy Program, Virtual Net-Metering, LES' Sustainability Series, outage reporting, daily electricity value, energy-saving tips, careers in energy, safety around electricity and renewable energy credits.
- This is the second year for the Sustainability Series, which will create meaningful interactions through targeted messaging and LES' involvement in a series of smaller events throughout the year (i.e., Earth Wellness Festival, Lincoln Earth Day, NRD Nights, Streets Alive). Go to LES.com/Sustain for dates and details.
- LES will also be hosting our 2nd EV Ride & Drive event later this year. Stay tuned for more details as they become available.
- LES' value campaign has been updated to reflect the current residential rate and is still only \$2.88 per day. This year's focus will be moments spent with family and everyday hobbies.

Exhibit VI



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 49	Judiciary Committee Hearing February 23, 2023	(Dungan) Changes provisions relating to solar energy and wind energy, declares certain instruments void and unenforceable, and provides for a civil cause of action. LB 49 permits counties and municipalities to consider a "right to direct sunlight" in its zoning regulations to encourage solar or wind energy. It also proposes to prohibit any deed or ownership document or homeowners' association covenant from forbidding or restricting the installation of a solar energy system.	Monitor
LB 57	Business & Labor Committee Hearing January 30, 2023	(M. Cavanaugh) Adopts the Paid Family and Medical Leave Insurance Act. It creates an insurance program to provide partial wage replacement for eligible employees to care for themselves or a family member following a serious illness or to care for a new child through birth, foster care, or adoption. Leave can also be used for military needs. The program is financed through employer contributions to the program, but an employer may also satisfy the requirements through an employer-provided insurance plan.	Monitor/Confer with the City
LB 61	Transportation Committee Hearing February 21, 2023	(Brandt) Authorizes the leasing of dark fiber and eliminates certain powers of the Public Service Commission. LB 61 was introduced at the request of OPPD and is intended to facilitate broadband development by amending statutory provisions regarding the lease, sale or license of dark fiber to eliminate provisions that have been a barrier to dark fiber leases. The goal of LB 61 is to promote effective public-private partnerships between communications providers and public power entities that own fiber infrastructure.	Monitor
LB 63	Transportation Committee Hearing February 14, 2023	(Bostar) Requires the withholding of distributions to telecommunications companies from the Nebraska Telecommunications Universal Services Fund.	Monitor
LB 79	Revenue Committee Introduced	(Erdman) Adopt the Nebraska EPIC Option Consumption Tax Act. EPIC stands for the elimination of property, income, and corporate taxes. LB 79 would repeal state income, sales, inheritance, and property taxes and replace them with a consumption tax.	Monitor
LB 120	Natural Resources Committee Hearing February 16, 2023	(Bostelman) Eliminates obsolete provisions from 2014 requiring a transmission study that was completed by the Nebraska Power Review Board and its consultant, the Brattle Group, in 2014. LES supports repeal of these outdated statutes.	Support
LB 122	Transportation Committee Hearing January 31, 2023	(Bostelman) Changes provisions relating to the One-Call Notification System Act to establish an Underground Excavation Safety Committee. The committee would review complaints submitted to the State Fire Marshal alleging violations of the One-Call Notification System Act and make recommendations on resolving complaints. LES questions whether the committee will be any more effective than the current structure.	Monitor/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 133	Government Committee Hearing February 10, 2023	(J. Cavanaugh) Provides that entities exercising the power of eminent domain are subject to the Open Meetings Act. As a public entity, LES is already required to comply with the Open Meetings Act, but the bill will be monitored for any other amendments that may impact eminent domain authority.	Monitor
LB 134	Transportation Committee Hearing February 21, 2023	(J. Cavanaugh) Amends the Small Wireless Facilities Deployment Act to require an authority (e.g., city) to provide reasonable notification to adjacent property owners prior to installation of a small wireless facility or installation of any new or modified pole to accommodate a small wireless facility. This bill appears to be in response to a situation in Omaha where a wireless provider installed a new pole literally in the middle of a public sidewalk restricting pedestrian traffic. LES agrees with the requirement to provide notice but would prefer to see responsibility placed on the wireless providers rather than the authority. We will discuss this matter with Sen. Cavanaugh.	Support/Confer with the City
LB 161	Business & Labor Committee General File	(McDonnell) Amends the Workplace Privacy Act to prohibit employers from requiring employees to wear a communication device that tracks their physical location, travel patterns, or contacts with other employees, except in a state of emergency declared by the Governor. LES does not require this of its employees, but we will monitor the bill for any other amendments.	Monitor/Confer with the City
LB 164	Urban Affairs Committee Hearing January 24, 2023	(McKinney) Adopts updates to building and energy codes to align with the 2021 edition of the International Building Code, International Residential Code, and International Energy Conservation Code. These changes are on the customer side of the meter, but we will monitor for general awareness.	Monitor/Confer with the City
LB 169	Judiciary Committee Introduced	(Hunt) Prohibits discrimination based upon sexual orientation and gender identity. LES policies already prohibit discrimination based upon sexual orientation and gender identity, but the bill will be monitored for any amendments that may exceed LES policies.	Monitor/Confer with the City
LB 172	Urban Affairs Committee General File	(Bostar) Updates the Nebraska State Electrical Code to align with the minimum standards set forth in the 2023 National Electrical Code. These changes do not impact LES, but we will monitor for general awareness.	Monitor/Confer with the City
LB 205	Government Committee General File	(von Gillern) Adopts the Government Neutrality in Contracting Act to prohibit political subdivisions from, among other things, issuing RFPs or bid specifications that include language that requires, prohibits, encourages, or discourages bidders for public contracts from entering into or adhering to a collective bargaining agreement.	Monitor/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 209	Revenue Committee Introduced	(Bostar) Provides tax exemption relating to data centers. LB 209 provides personal property tax exemption and a sales and use tax exemption for computers and related equipment used in the operation or maintenance of a data center, including servers, temperature control infrastructure, and electrical power infrastructure. LB 209 also exempts the electricity used by the data center from sales and use taxes. The sales and use tax exemption has no impact to LES, but it would result in less tax revenue for the State and also the City. The Chamber of Commerce supports the bill.	Monitor/Confer with the City
LB 237	Appropriations Committee Hearing March 13, 2023	(Wayne) Appropriates \$1 million in FY 2023-24 and \$1 million in FY 2024-25 to the Department of Environment and Energy for the Low-Income Weatherization Assistance Program to aid in carrying out energy efficiency audits and weatherization improvements.	Support
LB 255	Natural Resources Committee Hearing February 22, 2022	(Brewer) LB 255 prohibits LES, NPPD, and OPPD from exercising the power of eminent domain to acquire property to construct or operate a wind or solar generation facility. LES opposes any efforts to erode eminent domain authority. LES's preference is always to work with property owners to negotiate a mutually acceptable purchase, but eminent domain is sometimes a necessary tool to fulfill a public purpose. If LB 255 passes, the result will likely be significant increases in property acquisition as property owners would be free to command a much higher purchase price without the fear of condemnation. The price could be significant depending on the type of facility and the size of the facility (megawatt production), including the geographic footprint of property necessary which could range from tens to hundreds of acres per facility site. LB 255 also amends other provisions related to special generation applications, which would not impact LES.	Oppose
LB 267	Business & Labor Committee General File	(Brewer) Adopts the Critical Infrastructure Utility Worker Protection Act. The bill was introduced at the request of OPPD. The bill would ensure that critical infrastructure utility workers are provided priority access to personal protective equipment, medical screening and testing, medical treatment and vaccines in the event of any civil defense emergency, disaster, or emergency involving a severe threat to human health. Utility workers would have priority access at least equal to that of hospital and medical personnel, law enforcement personnel, or other emergency responders.	Support
LB 289	Natural Resources Committee General File	(Bostelman) LB289 amends the Municipal Cooperative Financing Act to allow municipal cooperatives to own and operate, contract to operate, or lease advanced metering infrastructure technology and provide advanced metering infrastructure services regarding a public owned utility system. The bill was introduced on behalf of NMPP Energy and does not directly impact LES. However, LES is a member of NMPP Energy and is supportive of this clarification.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<u>LB 297</u>	Government Committee Hearing February 16, 2023	(Sanders) Adopts the Personal Privacy Protection Act which seems to amend the Administrative Procedure Act. LB 297 prohibits the State or any political subdivision from requesting or disclosing personal information which is defined to mean any list, registry or other information that identifies a person as a member, support, volunteer of, or donor to any nonprofit organization certified as a 501(c) entity under the Internal Revenue Code. Staff is working to learn more about what prompted this legislation.	Monitor
<u>LB 304</u>	Government Committee Hearing February 9, 2023	(Linehan) Requires each political subdivision to disclose on its website membership dues paid annually to any association or organization, including the amount of dues paid. It also requires disclosure of fees paid to any individual lobbyist or lobbying firm or such association other than those that may be included in the membership dues. It is unclear what problem or concern LB 304 seeks to address. While LES supports transparency and would provide this information upon request, LES does not see a purpose to be served in merely adding more information to its website. LES works to provide information on its website that is of greatest importance or use to LES customers and to make that information easy to locate. That said, LES is happy to make the information available to any member of the public upon request.	Oppose/Confer with the City
<u>LB 367</u>	Business & Labor Committee Hearing March 13, 2023	(Conrad) Adopts the Fair Chance Hiring Act to prohibit employers and employment agencies from asking an applicant to disclose information concerning the applicant's criminal record or history until after the applicant has received a conditional offer of employment from the employer. This provision would not apply if a criminal history is otherwise required by state or federal law. This seems to be consistent with LES hiring practices.	Monitor/Confer with the City
<u>LB 394</u>	Judiciary Committee Hearing February 23, 2023	(Erdman) Changes provisions relating to eminent domain to require that for agricultural land only the damages shall be two times the fair market value of the condemned property and severance damages shall include the replacement cost of dwellings, garages, sheds, barns, wells, septic systems, fences, and other permanent structures.	Oppose



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 399	Natural Resources Committee Hearing February 22, 2023	(Brewer) Changes provisions relating to privately developed renewable energy generation facilities (PDREGF) to require Nebraska Power Review Board (NPRB) approval of such facilities. Under current law PDREGF are only required to certify to the NPRB that they have complied with the requirements of the statute, such as providing a decommissioning plan and certifying that the applicant has a joint transmission development agreement and has consulted with Game and Parks to address and impacts to species. LB 399 would require a hearing before the NPRB and subsequent approval. The application would be approved if the NPRB finds that the requirements have been met and that the application is "not outweighed by any testimony or evidence in opposition to the application offered by power suppliers, other interested parties, or members of the public." This language is overly broad and vague. While this provision does not apply to the generation applications made by public power entities, this standard could set a precedent for changes in the public power approval criteria.	Oppose
LB 408	Government Committee Hearing February 15, 2023	(M. Cavanaugh) Changes provisions relating to conflicts of interest under the Nebraska Political Accountability and Disclosure Act. It requires members of nonelective government bodies to file a conflict-of-interest statement if the member is required to take action or make a decision in the discharge of their official duties that may cause financial benefit or detriment to the member or the member's immediate family or business. This provision is consistent with existing conflict of interest provisions in the Lincoln Municipal Code so there is no impact to LES board members.	Monitor/Confer with the City
LB 450	Natural Resources Committee Hearing February 8, 2023	(Brewer) Prohibits land disposal of wind turbine blades and their component parts. While LES has power purchase agreements with several wind projects, LES only owns two wind turbines. The matter of disposing of wind turbine blades is a continuing challenge nationwide and there is ongoing research and development regarding new technologies to deal with blade disposal.	Monitor
LB 496	Revenue Committee Hearing February 10, 2023	(Linehan) LB 496 provides a sales and use tax exemption on the gross receipts from the sale, lease, rental, and storage of business inputs. A business input is defined as a product or service purchased by a business entity from a retailer which is used in the regular production of a product or the provision of a service, and the cost of which is passed on to the customer and the customer is the ultimate consumer of such product or service. We will monitor until we learn more about the intent of the legislation.	Monitor/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 505	Revenue Committee Introduced	(Bostar) LB 505 relates to electric vehicles and commercial electric vehicle (EV) charging stations. It increases the motor vehicle registration of EVs from \$75 to \$200 and imposes a per-kilowatt-hour excise tax on electric energy used at commercial EV charging stations. In addition, it provides that a commercial EV charging station operator that sells electricity at a charging station on a kilowatt-hour basis is not a retail provider of electricity. Under state law, only public power utilities with a certified retail service area are authorized to sell electricity at retail. The public power industry agreed to this very narrow exception to the retail service provisions following months of discussions with various parties, including truck stop and convenience store representatives and representatives of road and highway construction contractors. Following introduction of LB 505, the truck stop and convenience store owners have expressed concern regarding other issues related to public power such as being subject to demand charges and public power having a competitive advantage. LES, and other public power utilities, will oppose additional amendments to LB 505 that require development of EV rates or impose additional requirements on utilities that were not discussed during the past year of negotiations.	Support as introduced/Confer with the City
LB 513	Government Committee General File	(Brewer) Changes proof of publication requirements for legal notices and requirements for published notice and virtual conferencing under the Open Meetings Act. It allows for alternatives for public posting of meeting agendas if there is no newspaper of general circulation within the public body's jurisdiction. The bill does not impact LES, but will be monitored for amendments.	Monitor
LB 541	Government Committee Introduced	(Lowe) Provides for nomination and election of public power district and public power and irrigation district directors on the partisan ballot. The bill does not directly impact LES, but will be monitored as it relates to the public power industry in Nebraska.	Monitor
LB 560	Appropriations Committee Hearing March 6, 2023	(Blood) States the intent of the Legislature to seek all federal funds available through the Inflation Reduction Act of 2022 for the purposes of energy efficiency in homes and businesses, electric vehicle infrastructure, upgrading utility infrastructure, assisting the transition to cleaner energy, supporting drought-resistant agricultural practices, and creating jobs.	Support
LB 565	Natural Resources Committee Hearing February 1, 2023	(Bostelman) LB 565 appropriates \$250,000 from the General Fund for FY23-24 and FY24-25 to the Department of Economic Development to provide grants to a public power districts serving a majority of counties in the state to be used for engineering and modeling work for a U.S. Department Energy regional clean hydrogen hub designation and associated federal funding.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 566	Executive Board Hearing February 24, 2023	(Bostelman) Provides \$30,000 for a study of, among other things, intermittent renewable energy generation including an analysis of the short-term and long-term costs and economic risks of replacing baseload generation with intermittent renewable generation. The study would be conducted by the Natural Resources Committee who could contract with an outside consultant subject to approval by the Executive Board. The study is to be completed by November 15, 2023. LES is opposed to LB 566 as drafted because it frames a study with a bias. It seeks to evaluate the impacts of intermittent generation and the benefits of coal, hydrogen and nuclear. A study of generation should be framed as an objective evaluation of all generation resources.	Oppose
LB 567	Natural Resources Committee Hearing February 2, 2023	(Bostelman) LB 567 has two distinct purposes. First, it eliminates existing statutory language that prohibits high level managers of a public power district from serving on a board of any public power district. This provision does not impact LES, but it will be monitored as it relates to the public power industry. Second, the bill provides a definition of reliability, but it is unclear what purpose is served by adding the definition as it is not substantively used elsewhere in the statutes. The definition is the same definition used by the Southwest Power Pool. While LES does not disagree with the definition, it remains unclear what purpose is served by simply adding a definition into the statutes.	Monitor
LB 568	Natural Resources Committee Hearing February 16, 2023	(Bostelman) Adopts the Nuclear and Hydrogen Development Act and creates the Nuclear and Hydrogen Industry Work Group. The work group consists of 11 members, with one representative of a public power district who is appointed by the Governor. The work group will determine the workforce training needs of the nuclear and hydrogen industries in conjunction with the Nebraska Community College System and Nebraska State College system to develop education training course. \$5 million dollars is transferred to the Nuclear and Hydrogen Development Act fund and awarded to community colleges and state colleges that implement education training courses. The fund terminates on July 31, 2028.	Support
LB 569	Government Committee Hearing February 15, 2023	(Bostelman) LB 569 would prohibit a member of a county board or county planning commission, or a member of his or her immediate family, from having a financial interest in any entity that is involved in the development, construction, management, or operation of an electric generation facility or owns or leases property relating to a electric generation facility.	Monitor/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<u>LB 636</u>	Natural Resources Committee Hearing February 8, 2023	(Albrecht) Prohibits political subdivisions from enacting ordinances or implementing any resolution, regulation, or policy that restricts or prohibits the sale, use, or supply of natural gas or propane. The bill does not impact LES, but it will be monitored for any amendments that may expand the scope to other types of energy.	Monitor/Confer with the City
<u>LB 637</u>	Government Committee Hearing February 24, 2023	(Albrecht) Requires members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Current law does not require public comment at every open meeting. LES currently allows for public comment at each monthly board meeting.	Monitor/Confer with the City
<u>LB 644</u>	Banking Committee Hearing January 30, 2023	(McDonnell) Transfers \$80 million to the Site and Building Development Fund to support the identification, evaluation, and development of sites to attract advanced manufacturing, processing, trade, technology, aerospace, automotive, clean energy, life science and other transformational industries to Nebraska.	Support/Confer with the City
<u>LB 650</u>	Government Committee Introduced	(McDonnell) Amends the public records statutes to provide that certain cybersecurity records may be lawfully withheld from the public. A few years ago LES successfully secured similar legislation for critical energy infrastructure information. The provisions of LB 650 would also apply to LES and would provide additional protections for cybersecurity records.	Support/Confer with the City
<u>LB 670</u>	Business & Labor Committee Hearing February 13, 2023	(Hunt) Prohibits discrimination under the Nebraska Fair Employment Practice Act on the basis of gender identity or sexual orientation and prohibit discrimination by employers regardless of size. As stated previously, this bill is consistent with existing LES employment policies.	Monitor/Confer with the City
<u>LB 709</u>	Banking, Commerce & Insurance Committee Hearing January 31, 2023	(Wishart, Ballard, Geist) Creates the Convention and Event Center Capital Construction Fund to provide \$71 million in funding, the bulk of which would go toward site acquisition and construction of a new convention center in Lincoln. The total cost of a convention center is estimated at \$110-\$120 million. The bill does not directly impact LES, but this would be a major economic development project for the City.	Support/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 725	Natural Resources Committee Hearing March 2, 2023	(Dungan) LB 725 was introduced to prohibit electric companies and electric cooperative corporations from using ratepayer funds for campaign/election purposes. LES does not contribute ratepayer funds to election campaigns as such contributions are already prohibited. However, the bill is drafted in a manner that poses unintentional consequences. The bill defines ratepayer proceeds to mean any money, funds, compensation, or property received from a ratepayer. It then goes on to prohibit a 'recipient of ratepayer proceeds' from contributing such proceeds to an election. Technically the bill could prohibit any utility employee, for example, from even contributing to a campaign in their individual capacity. This is likely an unintended consequence. LES will work with Sen. Dungan for an amendment to clarify this language. With clarification, LES would be neutral on the bill.	Monitor/Confer with the City/ Seek Amendments
LB 726	Natural Resources Committee Hearing March 2, 2023	(Dungan) Adopts the Nebraska Electric Consumer Rights to Transparency and Local Control Act which would require LES to publish on its website the following: (1) Board meeting dates, times, locations, and agendas 10 days before the meeting; (2) Board meeting minutes 10 days after the date of the meeting; (3) current rate schedules, fees, rents, and other charges made or levied by the Board; (4) a full and complete list of the receipts and disbursements; (5) fiscal year budget; (6) list of all Board Members currently serving; (7) a method by which to contact Board Members; and (8) a method by which to contact LES staff. Much of this information is already available on LES' website and is subject to request under the public records laws. Some of the items are overly broad and could be an administrative burden to maintain, such as providing all receipts and disbursements. It is simply unclear what problem LB 726 seeks to address.	Oppose/Confer with the City
LB 733	Transportation Committee Hearing February 21, 2023	(Bostar) Adopts the Broadband Pole Placement and Undergrounding Fund Act to provide funds for telecom providers to seek reimbursement for pole replacement costs they incur when installing broadband services in unserved areas. The bill does not directly impact LES as the Lincoln area would not be deemed an unserved area, but we will continue to monitor the bill for any amendments that would expand the scope.	Monitor/Confer with the City
LB 734	Judiciary Committee Introduced	(Bostar) Provides an enhanced Class II felony for damage to certain infrastructure facilities that are a significant factor contributing to the death or serious bodily injury of another person. This bill was introduced in response to the recent shooting attacks on several substations across the country. While LES supports punishment for perpetrators of attacks on electric infrastructure, the bill is unlikely to deter such activity.	Support/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<u>LB 743</u>	Banking Committee Hearing February 13, 2023	(Kauth) LB 743 adopts the Investment Neutrality in Public Funds Act. The intent of the bill is to prohibit governing bodies of political subdivisions from making or supervising investment actions that in any way further social, political, or ideological interests. The bill defines fiduciary at the “governing body of a political subdivision acting as an investment manager or proxy advisor” which arguably does not apply to LES. Nonetheless LES opposes the bill as an attempt to erode local control.	Oppose/Confer with the City
<u>LB 768</u>	Appropriations Committee Hearing March 14, 2023	(DeKay) Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund. The bill does not further identify the purpose for the funding. Staff will contact Senator DeKay to learn more about the purpose for the funds.	Monitor
<u>LR 21</u>	Executive Board Hearing February 24, 2023	(Brewer) Provide for a special committee of the Legislature to be known as the Small Modular Nuclear Reactor Study Committee. There are no funds yet identified for the committee. LES is supportive of continued discussion and evaluation regarding the feasibility of advanced nuclear technologies in Nebraska.	Support

Exhibit VII



Lincoln Electric System

LES RESOLUTION 2023-3

WHEREAS, Lincoln Electric System (LES) has recognized the International Brotherhood of Electrical Workers (IBEW) Local 1536 as the bargaining agent for certain positions in the Trades and Crafts Classification;

WHEREAS the existing Agreement between LES and the IBEW expires April 30, 2023;

WHEREAS, negotiations between LES and IBEW for a new Agreement were conducted during January 2023 and a tentative agreement between the parties has been reached;

WHEREAS, IBEW has gained the approval of their membership of the terms and conditions of this tentative Agreement which is attached hereto and fully incorporated by reference;

WHEREAS, the tentative Agreement provides for a three-year contract and wage increases of 4 percent in the first year and 3 percent in each of the last two years of the contract for represented positions; and

WHEREAS, LES management and the LES negotiating team recommend approval of the tentative Agreement by the LES Administrative Board.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the IBEW Agreement, attached hereto and fully incorporated herein by reference, which becomes effective May 1, 2023, and will expire April 30, 2026.

Adopted: 2/17/2023



Chair

AGREEMENT

Lincoln Electric System

And

International Brotherhood of

Electrical Workers

Local 1536

Trades & Crafts Unit

Effective

May 1, 2023

Table of Contents

ARTICLE I – RECOGNITION	2
ARTICLE II – RIGHTS AND OBLIGATIONS	3
ARTICLE III – TERMS AND CONDITIONS OF EMPLOYMENT	4
Section I – LES Employment Policies	4
A. LES Employment Principles.....	4
B. Management Rights	4
C. Personnel Records	5
D. Conditions of Employment	6
E. Reporting Location	6
F. Initial Probationary Period	6
G. Retirement	7
H. Resignation.....	7
I. Vacancies – Job Postings and Promotions	7
J. Training.....	8
K. Reduction in Force/Layoff.....	8
L. Discipline Procedure	9
M. Grievance Procedure	10
N. Safety.....	13
O. Workers' Compensation	13
Section II – Compensation.....	14
A. Job Descriptions and Evaluations	14
B. Employee Status.....	14
C. Performance Appraisals	15
D. Pay Increases.....	15
E. Work Hours.....	15
F. Alternate Work Schedules.....	16
G. Time Sheets.....	17

H.	Overtime.....	17
I.	Mutual Aid and Storm Restoration	Error! Bookmark not defined.
J.	Job-Site Reporting.....	21
K.	Temporary Assignments.....	21
L.	Pay Day.....	22
M.	Pay Advances	22
N.	Termination Pay.....	22
O.	Death Benefits.....	22
P.	Pay Transparency Policy Statement.....	23
Q.	On-call Pay for Telecommunication Technicians and Telecommunication Specialists	Error! Bookmark not defined.
	Section III – Time Off Benefits.....	23
A.	Personal Leave	23
B.	Sick Leave	24
C.	Holidays.....	26
D.	Leaves of Absence.....	26
E.	Leave Donation Program.....	29
	Section IV – LES Group Insurance and Retirement Programs	30
A.	Electri-Flex	30
B.	Post-Employment Health Plan (PEHP).....	30
C.	Health Care Programs	30
D.	Dental Care Program	30
E.	Life Insurance	31
F.	Long-Term Disability Insurance.....	31
G.	LES Employees' Retirement Plan.....	31
H.	Phased Retirement.....	32
I.	Deferred Compensation Plan.....	32
	Section V – Miscellaneous Benefits, Work Rules and Services	33
A.	Drug-Free Work Place	33

B.	Loss of Driving Privileges	33
C.	On-Time Reporting to Work	35
D.	Inclement Weather.....	35
E.	Storm Suits	35
F.	Tools and Equipment	36
G.	Identification Cards.....	36
H.	Computing Facilities	36
I.	Bulletin Boards and/or PowerNet	36
J.	Uniform Program.....	36
K.	LES Employee Assistance Program.....	37
L.	Tobacco-Free	37
M.	Prescription Safety Glasses	37
N.	Educational Tuition Assistance Program	37
O.	Veteran's On-The-Job Training	38
P.	Fitness Center Reimbursement.....	38
	ARTICLE IV – WAGE SCALE AND JOB PAY FACTOR LEVELS	39
	ARTICLE V – TERM OF AGREEMENT	40
	ARTICLE VI – DUES.....	41
	ARTICLE VII – SUCCESSORS AND ASSIGNS	42
	EXHIBIT A.....	43
	EXHIBIT B.....	47
	EXHIBIT C.....	48
	EXHIBIT D.....	49
	EXHIBIT E.....	50
	INDEX.....	51

Lincoln Electric System & International Brotherhood of Electrical Workers Local 1536 Trades & Crafts Agreement

This Agreement is effective as of May 1, 2023, by and between the CITY OF LINCOLN, d/b/a LINCOLN ELECTRIC SYSTEM, hereinafter referred to as LES, and the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 1536, hereinafter referred to as IBEW.

WHEREAS, LES recognizes IBEW Local 1536 as the bargaining agent for its trades and crafts jobs only who are employed by LES; and

WHEREAS, LES and IBEW desire to state, in writing, their understanding and agreement with regard to such recognition by LES of IBEW as the bargaining agent for the members of IBEW employed by LES as hereinafter set forth.

NOW, THEREFORE IT IS HEREBY AGREED by and between the parties as follows:

ARTICLE I – RECOGNITION

LES does hereby recognize IBEW Local 1536 as the bargaining agent for its represented jobs who are employed by LES in the following jobs:

Building Maintenance Aide	Meter Technician
Building Maintenance Mechanic	Network & Cable Technician
Equipment Mechanic	Night Service Technician
Field Technician, Credit	Protection & Controls Relay Specialist
Hydrovac Excavation Operator	Protection & Controls Relay Technician
Heavy Equipment Operator	Substation Construction Technician
Heavy Equipment/Mobile Crane Operator	Substation Technician
Line Technician	System Maintenance Technician
Locating Technician	Telecommunications Specialist
Material Handler	Telecommunications Technician
Mechanic Aide	Tool Repair Technician
Meter Data Specialist	

ARTICLE II – RIGHTS AND OBLIGATIONS

Certain management rights must, by law, be exercised by LES and the Administrative Board, and cannot, by law, be the subject of negotiations. They must be vested solely in the LES Administrative Board and its designated appointees. No agreement may be entered into by LES that is contrary to Lincoln City Charter or Ordinances of the City of Lincoln, or with any other state or federal law.

Whenever there is a conflict between a written LES Policy or Program and this contract, this contract shall prevail, provided, however, LES has the right to alter Policies and Programs that do not affect terms and conditions of employment negotiated with the IBEW. It is understood that any law or regulation, LES Retirement Plan Document, or insurance plan document takes precedence over the provisions of this Agreement; however, should such events occur, LES will provide notice to the IBEW and will meet to answer questions with its representatives.

Further, nothing contained herein is intended or shall be used to violate any safety rule or standard.

It is agreed that should any of the above circumstances occur, this document shall be modified to the extent necessary to comply with the law, regulation, LES Retirement Plan Document, insurance plan document or safety rule.

ARTICLE III – TERMS AND CONDITIONS OF EMPLOYMENT

Section I – LES Employment Policies

A. LES Employment Principles

The following principles guide LES in its relationship with its employees:

- To practice equal opportunity in employment on the basis of skill and ability;
- To recognize each employee as an individual;
- To welcome resourceful suggestions for improvement to enhance the work environment and services to LES customers;
- To promote planned training and career development as an investment for the mutual benefit of all employees and LES;
- To fill each employment opportunity or new job with a qualified internal applicant whenever possible and practical;
- To provide eligible employees the opportunity to participate in LES-sponsored benefit programs; and
- To maintain and promote a safe and productive work environment.

B. Management Rights

LES reserves to itself those rights which must be vested exclusively in management, including, but not limited to, the following:

1. The right to determine, effectuate, and implement the goals and objectives of LES;
2. The right to manage and supervise all operations and functions of LES;
3. The right to establish, allocate, schedule, assign, modify, and change work assignments, evaluate jobs, reclassify jobs and change, add, or discontinue LES operations, work shifts, and working hours;
4. The right to establish, modify, change and discontinue performance standards in order to determine productivity standards and employee work quality;
5. The right to employ, promote, or demote for organizational purposes;
6. The right to discipline, discharge, or demote (for disciplinary reasons) employees for just cause. Just cause includes, but isn't limited to:
 - Unsatisfactory performance in the discharge of duties;
 - Conduct unbecoming of an employee;
 - Abusive or inconsiderate treatment of a customer or co-worker;
 - Theft of LES property;
 - Use, distribution, possession, or being under the influence of alcohol or the misuse of a legal drug or use, distribution, possession, or being under the influence of illegal drugs while on duty;

- Misconduct;
- Three unexcused absences, or repeatedly arriving late for work, as long as prescribed disciplinary procedures have been followed;
- Incompetence;
- Refusing to accept job assignments;
- Willful misuse of LES property;
- Insubordination;
- Falsification of previous employment records, including medical history;
- Gross neglect of duty;
- Attempt to disrupt the orderly operation of LES, or making threats of physical violence against LES property or any LES employee;
- The submission or providing of documents that the employee knows contain false information or data with the intent to deceive or defraud;
- Willful or reckless violation of any LES safety rule; or
- Any other legitimate business reason not prohibited by law.

7. The right to increase, reduce, change, modify, or alter the size of the work force;
8. The right to determine, establish, set, and implement policies for the selection, training, and promotion of employees;
9. The right to create, establish, change, modify, or discontinue an LES function, operation, department, or to effect any other change to the LES organizational structure;
10. The right to adopt, modify, change, enforce, or discontinue rules, regulations, programs, and policies that are not in direct conflict with any provisions of established policies and items contained herein.
11. The right to hold all employees to the provisions and standards of the LES Policy 208 - LES Ethics and Code of Conduct.

C. Personnel Records

Personnel Records

LES maintains personnel records in the Human Resources Department for all employees. The personnel records located in the Human Resources Department are confidential and shall be withheld from the public to the extent permitted by law. Employees have the right to review their own personnel record in the presence of a Human Resources Department employee, and obtain copies of any information contained herein. LES management with a need to examine documents within an employee's personnel record and Human Resources Department employees have access to such records.

Department/Division Files

IBEW acknowledges that all management employees have the right to make and retain files comprised of notes and documents regarding LES employees for a multitude of

reasons and that such files are not subject to review by employees. The contents of such files can be used for any purpose deemed appropriate by LES management. However, if such department/division files contain documents or notes relating to any disciplinary action initiated against any employee for subsequent disciplinary purposes, and such documentation or notes are in excess of five years old, such documents or notes will be disregarded with reference to a current disciplinary action.

D. Conditions of Employment

Employees under eighteen years of age will not be assigned to any job determined by management to be hazardous. Newly hired employees, rehired employees, student interns, and temporary employees may be asked to submit to and pass a post-offer pre-employment drug screen and a post-offer job-related pre-employment physical, if applicable, prior to beginning work.

E. Reporting Location

All employees shall be assigned a normal reporting location upon hire. Normal reporting locations are subject to change but shall not be changed more than once every 180 days. The first consideration in changing a normal reporting location shall be on a volunteer basis within the same classification provided all other factors are equal. If no employee volunteers to change normal reporting location within a classification, LES shall select the employee who will change normal reporting location based upon consideration of all relevant factors including reverse seniority. LES shall provide 30 days' written notice to employees when an employee's normal reporting location has changed.

These provisions do not apply when an employee applies for and accepts a job with a different normal reporting location or when there is a sudden change in LES's business needs including but not limited to: a natural disaster; property damage or loss to an LES facility; or FMLA or injury leave, military deployment, separation of employment of another LES employee, etc. When a temporary normal reporting location change is required due to business needs, LES agrees to pay \$14 per day during the temporary location change.

If LES has an open assignment, an employee working in the same classification shall have first consideration to move to the open assignment at a different normal reporting location before the open assignment is posted for external hiring.

F. Initial Probationary Period

Employees are subject to an initial probationary period of six months' elapsed time, commencing on each employee's start date. At the discretion of the department manager, with the approval of the appropriate Executive Staff member, this time can be shortened to less than six months or extended for longer than six months.

In no case can it be shortened to less than three months or extended beyond twelve months from the date of employment.

During the initial probationary period, an employee may be given notice of dismissal by his or her supervisor with no right to review and no obligation of LES to provide a reason for the dismissal. Such notification shall be in writing. Any employee so dismissed shall be paid for services through the last day actually worked.

Employees shall earn and be allowed to use earned personal leave and sick leave hours during the initial probationary period with supervisor approval. Employees in their initial probationary period shall be entitled to LES-recognized holidays occurring during the period and are allowed to take personal holidays with supervisor approval. No accrued sick leave will be paid to an employee terminated or quitting during the initial probationary period.

The successful completion of this period should not be construed as creating a contract of employment or as guaranteeing employment for any specific duration.

Nothing in this section shall alter, amend, or add to or detract from LES' obligation to employees with regard to sick leave, upon their separation from employment as set forth by applicable State and Federal Law and applicable State and Federal Regulations.

G. Retirement

Retiring employees are requested to give a ninety-day advance written notification to their supervisor. Criteria for retirement eligibility are as indicated in the LES Retirement Plan Document.

H. Resignation

All employees are requested to give two weeks' notice in advance of the day they intend to terminate employment.

I. Vacancies – Job Postings and Promotions

Job Postings

Notice of employment opportunities for Trades & Crafts jobs are posted internally for at least ten working days and may also be concurrently advertised externally. Posting of supervisory, professional, or newly created jobs is not required.

Employees interested in applying for a posted job may do so via LES' applicant tracking system. Human Resources must receive the application electronically within the posting period. Employees within their initial probationary period can apply for posted jobs.

Selections for open jobs are determined by supervisory personnel. Applicants should be selected on the basis of qualifications. If all relevant employment considerations are substantially equal, seniority will prevail. Nothing in this section prevents LES from making employment decisions necessary to meet Affirmative Action goals or other legal obligations.

Any employee having reached first class status in their current job who accepts another Trades & Crafts job shall not be required to take a pay decrease of more than two grades below the first class rate of pay of either their current job or the new job, whichever is the lower of the two. Progression to first class shall thereafter be based on work performance in the new job.

Promotions

Employees offered a promotion shall have two working days to accept or refuse the promotion. Employees refusing promotions may remain in their existing job at regular pay. Failure to accept a promotion shall not prejudice an employee's eligibility for future promotion opportunities.

Employees accepting promotions, or new or different jobs, shall be subject to a probationary period, usually six months. If a promoted employee does not succeed in the new job, that employee may return to his or her job only if the job is still available. If an employee returns to a prior job under such circumstances, the employee will retain the same seniority standing in the job possessed prior to the promotion.

Before an employee advances to the top step or level of certain jobs in the Trades and Crafts class, LES will require, for reasons of competency and safety, satisfactory completion of a written test, skills competency tests, and a supervisor's recommendation for advancement to the top pay grade. An employee may be recommended by management for testing any time after reaching the level immediately below the top pay level, but advancement shall not be made until after the required period of time. Employees failing any required tests may retake the tests after six months or within such shorter period as may be approved by the appropriate division management. Supervisory approval is required for each test of any employee.

J. Training

Any employee may be required to attend LES-sponsored training or seminars for the purpose of facilitating advancement to higher levels of performance. The foregoing provision does not apply to participants in apprenticeship programs in Trades and Crafts who are required to pass a specified course of study in order to advance through the apprentice program. In all other cases, LES shall pay all costs of required training.

K. Reduction in Force/Layoff

A department manager may lay off an employee without prejudice due to lack of funds or curtailment of work, after giving written notice of at least ten working days. No employee may be laid off from any department for the above reason(s) while there are employees working under a temporary classification serving in the same job in the same department performing essentially the same work, or in their initial probationary period.

Whenever a reduction in force becomes necessary, employees in the same department performing essentially the same work shall be laid off in reverse order of total length of service with LES when the qualifications and other employment qualifications of the employees available to perform the available work are substantially equal.

LES will not use temporary workers from the same department performing essentially the same work to perform any work of laid off employees, and they shall be considered as not having substantially equal qualifications for purposes of layoff or recall from layoff.

LES shall notify laid-off employees of all employment opportunities at LES for a period of one year from the date of layoff by mail at the last known address of such employees. If the job the employee held prior to layoff becomes available during the one-year period, that employee who has the required qualifications shall be recalled to that job. If qualifications are substantially equal, total length of service in that job shall determine the recall order.

LES will not, during the period of this Agreement, lay off any LES employee and replace said employee, or the duties performed by said employee, with a contracted worker employed with and provided by a contract provider unless it is for an organizational, economic, or business-related purpose, and all employees in the jobs being eliminated will be trained at LES expense to perform other work at LES for substantially equivalent pay. This provision shall not in any way prohibit LES from laying off any LES employee due to economic reasons or gains in efficiency or productivity through technology or equipment acquisitions or advancement. In any such cases, the provisions of this Agreement governing layoffs shall apply and be followed.

L. Discipline Procedure

The primary consideration for any disciplinary action is the employee's performance of assigned duties and responsibilities. Fairness in treatment of each employee, with an opportunity to improve performance or conduct, is the philosophy and practice of LES. The following procedure shall be utilized in imposing discipline upon an employee:

- The First Warning consists of a verbal discussion with the employee regarding the specific action or misconduct. A written record of the verbal discussion will be completed on a pre-determined template.

The employee will be advised that the above information will be filed in their personnel file and will be given the opportunity to acknowledge by his or her signature. The employee's only right to appeal, review or grieve a First Warning shall be to the LES CEO. Any request to appeal, review or grieve a First Warning shall be made in writing to the CEO within ten business days of an employee receiving the First Warning. The CEO may review any documents or other evidence and interview any individuals, including the employee who has requested the appeal, in order to determine a resolution to any issues raised in the request for appeal, review or grievance of a First Warning. The CEO has ten business days to issue a written response to the employee under this subsection. The CEO's written response shall be final and binding on all parties and there shall be no further right to review, grieve or appeal to courts, administrative bodies or arbitration.

- The Second Warning consists of a discussion with the employee and a written report including the information on the pre-determined template. It's filed in the employee's personnel file in Human Resources. This report must be

acknowledged by the employee, the department manager, and the appropriate Executive Staff member. Probation or other disciplinary action taken is recorded in the report. If an employee fails to acknowledge the written report, it must be noted by the department manager.

If the receipt of a first and second warning fails to improve the conduct or work performance, the Manager, Human Resources and the appropriate Executive Staff member shall be notified. The department manager is authorized to take any action necessary, including suspension (not to exceed fifteen working days without pay), demotion, or dismissal. Any disciplinary action shall be recorded, signed by the department manager, and acknowledged by the appropriate Executive Staff member. the disciplinary report shall be placed in the employee's personnel file in Human Resources. An employee terminated for disciplinary purposes shall not be eligible for rehire without the written approval of the CEO.

An employee who has been notified that he or she is being terminated, demoted, or suspended without pay shall be afforded the opportunity to participate in a pre-termination, pre-demotion, or pre-suspension hearing with LES management. This shall be an informal, non-evidentiary hearing at which management shall explain the reasons for termination, demotion or suspension without pay and the employee may present information orally, through documentation, or through witnesses, demonstrating why he or she should not be terminated, demoted, or suspended without pay. No termination, demotion, or suspension without pay shall be final until such a hearing has been conducted and management has considered such additional information, if any, as may have been provided by the employee.

The decision of management following such hearing can be appealed to the CEO, within ten business days following receipt of notice pursuant to the due process hearing, who shall issue a final written determination within ten business days following receipt of the appeal of the termination, demotion, or suspension. Following the CEO's final determination, either party shall have the right to submit the final determination on termination, demotion, or suspension to binding arbitration in accordance with the procedure set forth in Step Four of the Grievance Procedure in paragraph L of this Section of the Agreement. The parties agree that the binding arbitration as provided herein shall be in lieu of and to the exclusion of any other right of appeal to a court or administrative agency.

Nothing shall prevent LES from exercising the right of discharge, suspension, or demotion for just cause.

In addition to any other action taken by appropriate governmental authorities for violations of law, LES management reserves the right to take disciplinary action against participants in illegal strikes, work stoppages, slow-downs, and walk-outs.

M. Grievance Procedure

It is the policy of LES to give employees an opportunity to discuss their grievances with supervisors in order to find mutually satisfactory solutions as rapidly as possible. In the presentation of grievances at any supervisory level, employees are insured freedom from restraint, interference, discrimination, or retaliation.

A grievance consists of a written complaint filed by an employee, or by the IBEW on behalf of an identified employee or group of employees, involving interpretation or application of any of the provisions of this Agreement, except that the following shall not be grievable:

- Subjects that fall within the provisions relating to the management rights;
- Selection or assignment of non-represented employees;
- Any question relating to the LES retirement plan or group insurance plan, or other practices of LES with respect to group insurance.
- The issuance of or any matter relating to a First Warning issued under the first bullet point of Art. III, Section I, L. of this Agreement.
- Management's determination regarding the amount of relevant prior experience of a new hire or existing employee that is credited for determining the employee personal leave accrual rate under Art. III, Section III, A of this Agreement.

In the case of a possible grievance, the employee should first discuss the problem with his or her immediate supervisor. Failing to resolve the problem, the employee must proceed through the grievance procedure.

The employee can be represented at any step of the grievance procedure by any person of his or her choice, including an authorized union representative.

No union representative, union stewards or grievance committee members can solicit grievances. They may receive, discuss, and handle grievances on the premises during working hours, except where such activities unreasonable interfere with work. No union employee will leave his or her place of work without first advising an immediate supervisor and obtaining such permission. Such permission will not be unreasonably withheld.

A grievance can be heard at any step in the grievance procedure by mutual agreement of both LES and the employee.

Grievance Procedure

Step One: The employee files a written grievance with his or her department manager within ten working days of the date of the occurrence being grieved. The department manager reviews the matter and responds in writing to the grievant within five working days of the date of the grievance is received.

Step Two: If the grievant is not satisfied with the written response of the department manager, he or she has five working days from the date of the receipt of that response to appeal the decision, in writing, to the appropriate Executive Staff member. The appropriate Executive Staff member investigates the grievance and responds in writing to the grievant within ten working days of the date the appealed grievance was received.

Step Three: If the grievant is not satisfied with the response received in Step Two, he or she has five working days from the date of receipt of the Step Two response to appeal the grievance, in writing, to the LES Administrator and CEO. The Administrator and CEO

furnishes a written response to the grievant within ten working days after having received the appealed grievance.

Step Four: If the grievant is not satisfied with the Administrator and CEO's response in Step Three, he or she has ten working days from the date of receipt of the Administrator and CEO's response to submit the grievance to binding arbitration. To accomplish this, the grievant submits a written request to the Manager, Human Resources (the "Filing Date").

Once the grievance is submitted to binding arbitration, the grievant/union shall notify LES of the identity the grievant's legal representative, if any, for purposes of processing of the arbitration, and LES shall likewise notify the grievant/union of the identity of its legal representative for purposes of the arbitration, not later than the third working day following the request for binding arbitration. Following the identification of respective legal representatives by the parties, and not later than the fifth working day following submission of the grievance to binding arbitration, the party submitting the issue to arbitration shall be responsible for beginning the process of selection of an arbitrator by requesting a panel of potential arbitrators from the Federal Mediation and Conciliation Service (FMCS). In connection with the request to the FMCS for issuance of a panel of potential arbitrators, the FMCS shall be notified of the identity, mailing address, e-mail address, telephone number, and facsimile number, of each of the parties' legal representatives, who shall be the official contacts for the FMCS.

The panel of potential arbitrators requested from the FMCS shall consist of no less than seven potential arbitrators, and each party shall have the right to reject or strike no more than one entire panel of potential arbitrators. If either party rejects or strikes the initial entire panel of arbitrators, the party requesting arbitration shall request a second panel of no less than seven potential arbitrators, which panel shall only be subject to a strike or rejection by the party which did not strike the initial panel of arbitrators. In the event that this party strikes or rejects the second panel of potential arbitrators supplied by the FMCS, the party requesting arbitration shall request from the FMCS a third and final panel of no less than seven potential arbitrators, which shall be the final panel for consideration.

As soon as a panel of potential arbitrators is accepted by both parties for consideration, or upon the issuance by the FMCS of the third and final panel of potential arbitrators, the arbitrator shall be selected through a normal alternate striking process in which each party shall have three "strikes" through which each party shall strike one of the potential arbitrators from the listed panel. The party requesting that the issue be submitted to binding arbitration shall make the first strike, and the one arbitrator remaining after each party has exercised its alternating three strikes shall become the arbitrator who will preside over the arbitration and issue the ultimate decision.

The Arbitrator shall adopt a schedule which enables the presentation of evidence and issuance of a final decision not later than ninety working days following the Filing Date unless the parties mutually agree to waive or extend this deadline. Unless otherwise specifically provided for, the Arbitrator shall follow the rules of procedure adopted by the American Arbitration Association as in effect at that time. The arbitration hearing is not open to the public unless the parties mutually agree.

The Arbitrator shall have no authority to alter, in any way, the terms and conditions of this Agreement, and its decision shall be confined to a determination of the facts, an interpretation, and an application of this agreement.

The parties agree that the binding arbitration as provided herein shall be in lieu of and to the exclusion of any other right of appeal to a court or administrative agency; provided, however, this provision shall not be construed to preempt the right of an individual employee to seek redress in a court of competent jurisdiction or before an appropriate administrative agency for any alleged violation of a state or federal civil rights statute.

Each party shall bear one half the fee of the arbitrator in addition to one half of any other costs incurred in the arbitration process.

N. Safety

LES strives to provide a work environment that protects employees from accidents and incidents in all phases of operations. Employees shall actively support and participate in safe work practices at all times by regularly attending safety meetings, adhering to all safety rules and immediately reporting all potential hazards and accidents and incidents to the Safety and Physical Security department and the employee's management team. It shall be the responsibility of each supervisor and employee to see that each job is undertaken in a safe manner and to recognize and report any potential hazard and to thereafter act in a manner to avoid an accident or incident.

Disciplinary action for violations of known safety rules may be imposed per the established disciplinary process. A knowing and willful violation of a safety rule shall constitute just cause and an employee may be terminated, demoted, or suspended for such violation. Employees found to have violated a safety rule who are subsequently terminated for just cause shall not be eligible for rehire.

Each employee shall have access to a current Safety Manual, which, for purposes of this agreement, shall be that version that is located on the LES PowerNet. Employees are responsible for knowing the safety rules applicable to their jobs. Employees shall have the responsibility of accurately maintaining any paper copies of the Manual by promptly and properly inserting or deleting materials, which will be made available by the Safety and Physical Security department. IBEW 1536 input will be sought when revisions to the Safety Manual are under consideration.

O. Workers' Compensation

LES participates in the Nebraska Workers' Compensation program. Employees injured on the job shall be entitled to benefits available under this program.

Benefit determinations are made pursuant to Nebraska Workers' Compensation law or set by the Workers' Compensation Court. LES shall assist in facilitating an injured employee's return to work.

Section II – Compensation

A. Job Descriptions and Evaluations

A description of each job within LES shall be established and maintained by LES. The Human Resources Department, subject to the approval of the CEO, shall allocate each job to the appropriate classification on the basis of duties and responsibilities.

An employee occupying a revised job shall continue in the job only if he or she possesses the qualifications required for such job. If an employee is no longer qualified to continue in the job and is not reassigned, the layoff provisions contained herein shall apply.

An employee whose job is evaluated due to a change in duties in the same job may, at the discretion of the appropriate Executive Staff member, qualify for the job, but shall agree to participate in any training or educational requirements to do so.

An employee in an evaluated job that is allocated to another pay factor level will be notified prior to the time the pay factor level change is effective.

B. Employee Status

Employees are categorized as Full-time, working a scheduled 40 hours per week or Part-time, working less than 40 scheduled hours per week.

LES has three employee classifications recognized under this agreement:

Regular

- Employed on a regular basis to conduct LES business.
- Pay commensurate with Pay Grade.
- They qualify for all rights, benefits and obligations contained herein and in LES policies.

Transitional

- Used for an employee that is making the transition into retirement in conjunction with the Phased Retirement Program or to be used in anticipation of department retirements.
- Pay commensurate with new Pay Grade.
- Eligible for full benefits as allowed by applicable LES policies, programs and plan documents.
- Newly vacated FTE does not have to be used to fill the same job.

Temporary

- Hired for a budgeted period of time to perform specific duties.
- Pay at 80% of entry level rate of pay.
- Not eligible for benefits.

C. Performance Appraisals

Performance appraisals normally occur on an annual basis unless an employee changes jobs, with the exception of an apprentice. An apprentice shall be evaluated on a semi-annual basis to provide for the employee's proper progression.

D. Pay Increases

Employees shall be eligible for pay increases only if performance indicates that an increase is warranted. When an employee is eligible for an increase, the increase will be reviewed as noted below:

Apprentices

Upon completion of six months service in a job;

Each six months, thereafter until the apprenticeship program is complete, or until the top of the scale for the job is reached, or at an interval determined by the Human Resources Department.

All Other Employees

Annually, or at other intervals as may be applicable.

Dates for Pay Increases

LES employees shall be paid at least twice a month, resulting in no less than twenty-four pay periods a year. The following chart shall determine effective dates of pay increases from scheduled dates of increases:

<u>Scheduled Date of Pay Increase</u>	<u>Effective Date of Pay Increase</u>
1 st through 8 th day of month	1 st day of current month
9 th through 15 th day of month	16 th day of current month
16 th through 23 rd day of month	16 th day of current month
24 th through last day of month	1 st day of following month

Monthly payroll deductions including insurance premiums and union dues, among others, are withheld from the first and second paycheck of each month. Retirement, among others, will be withheld as required by law.

E. Work Hours

Trades and Crafts employees generally work an eight-hour day, Monday through Friday, between the hours of 6:30 a.m. and 6 p.m., with either a 30 or 60-minute lunch break. Some departments have employees on duty throughout the night and on weekends. Department managers are authorized to establish work schedules for their respective departments in advance. The supervisors shall advise each employee of a work schedule that varies from the normal work week. Work hours not materially different from

a normal work week meet the definition of a normal work week. No employee shall be required to take time off to accommodate work to be done outside the currently assigned normal work day.

LES has the right to develop and manage work hours for any division or department at LES. LES has the right to develop and implement work schedules to meet workloads or for efficiency purposes. Such schedules, when implemented, shall constitute normal work hours for the relevant employee group.

Lunch Periods

All Trades and Crafts employees shall be allowed a lunch period which, except as provided below, shall be without pay. Such lunch periods may vary from one-half hour to one hour and shall generally be taken between 11:00 a.m. and 1:00 p.m. Length of the lunch period shall be determined by each department manager or the appropriate Executive Staff member. All employees shall take at least a thirty-minute lunch period.

Employees with scheduled work hours outside of normal LES work hours who are required to be available to work seven days a week, 365 days a year, may take a thirty-minute lunch period, with pay, during work hours, in which case the employee shall not be entitled to payment under the overtime meal allowance provisions.

Rest Periods

All LES employees shall be allowed to take fifteen-minute breaks at mid-morning and mid-afternoon. Supervisors shall have the responsibility and authority to schedule the rest period in order to optimize productivity and efficiency within work groups. Rest periods taken by LES field crews and crew members during normal work hours shall be taken in the field.

F. Alternate Work Schedules

- The Trades and Crafts employees / departments affected by the alternate work schedule shall work a ten (10) hour day, Monday through Thursday or Tuesday through Friday year-around, beginning at a regularly-scheduled time (between 6 a.m. and 6 p.m.) with a $\frac{1}{2}$ hour lunch period (11:00 a.m. – 1:00 p.m.); or any other alternative work schedule approved by LES for represented employees and implemented in accordance with this section.
- All employees shall be allowed to take 15-minute breaks at mid-morning and mid-afternoon.
- Saturday and Sunday shall always be designated days off for all employees affected by this agreement. Whether Monday or Friday is the third designated day off is dependent on the schedule adopted by the department.
- In the event of a recognized LES holiday, the scheduled work week shall go back to the original work week of five (5) days a week, eight (8) hours a day.
- Eight (8) hours of straight-time holiday pay shall be paid for LES observed holidays. The normal practice of recognizing a LES holiday shall apply, including those that fall on a Saturday or Sunday. For the three (3) personal holidays, one (1) day's pay shall be paid by LES.

- A 30-day notice shall be given at the time of any schedule change involving a shift from Monday-Thursday to Tuesday-Friday, which may be waived upon agreement by LES and IBEW 1536.
- Upon joint review, a determination to implement or cancel the use of AWS shall require 60-days' notice from either IBEW 1536 or LES. LES reserves the right to make a final determination, however, for all work schedules, per Article III, Section I, B. Management Rights.
- The 30-day notice to change AWS days and the 60-day notice cancelling the use of AWS shall be waived in the case of an on-the-job injury requiring restricted duty work that may require moving the employee to a different work schedule for the duration of the restricted duty assignment.

G. Time Sheets

Employees who are responsible for documenting their own work hours shall record the exact number of hours worked each day. Hours for time off such as sick leave, personal leave or holidays are also to be recorded. Time shall, as much as practicable, be recorded daily and must be verified by the supervisor or appropriate Executive Staff member each pay period. Falsifying or aiding in falsifying time records shall constitute stealing from LES and shall be considered just cause for disciplinary action.

H. Overtime

Generally

It shall be normal practice of LES full-time employees to work forty-hour workweeks. LES maintains the right and sole discretion to call upon employees to work additional hours. All employees are expected to be available for overtime work during emergencies or, when in the opinion of LES, such overtime work is necessary for continuing efficient operations or service to LES customers. All scheduled overtime shall be arranged to distribute the hours as equally as practical among employees in specific areas of responsibility. For purposes of this Agreement, "Normal Work Hours" shall mean the period of time each day, regardless of whether the day is a typical work day for the employee, between the employee's typical start time and typical quitting time (for example, if an employee typically starts work at 8 A.M. and quits work at 4 P.M. Monday through Friday, the employee's "Normal Work Hours" shall be 8 A.M. to 4 P.M. every day of the week including Saturdays, Sundays and LES recognized/observed holidays).

Scheduled Overtime

For purposes of this Agreement, "Scheduled Overtime" shall mean any overtime hours worked that management scheduled the employee to work prior to the day the hours were worked. An employee shall be paid one and one-half times the employee's regular rate of pay for all hours of Scheduled Overtime worked which are in excess of forty hours in the employee's workweek or outside of the employee's regularly scheduled hours. Scheduled Overtime worked on a Sunday or on a LES recognized/observed holiday shall be paid at two times the employee's regular rate of pay. Employees working four or more consecutive hours of Scheduled Overtime outside of the employee's Normal Work Hours shall be entitled to a meal allowance at the rate indicated in Exhibit D of this Agreement. After qualifying for the first meal allowance and taking the meal break under this subsection, an employee must continue to work for full six-hour increments before

qualifying for additional meal allowances. The number of meal breaks or meal allowances shall not exceed four in any twenty-four hour period. Meal breaks shall be taken at reasonable intervals as determined by the crews unless otherwise directed by management. When meal breaks are to be taken at the end of a Scheduled Overtime assignment outside Normal Work Hours, the employee will be released from work and receive an hour of pay at the applicable overtime rate, in lieu of taking a meal break. For purposes of minimum rest periods, the rest period begins when the employee is released from work.

Emergency Overtime

For purposes of this Agreement, "Emergency Overtime" shall mean any overtime hours worked that management did not schedule the employee to work prior to the day the hours were worked. An employee shall be paid one and one-half times the employee's regular rate of pay for all hours of Emergency Overtime worked which are in excess of forty hours in the employee's workweek or outside of the employee's regularly scheduled hours except Emergency Overtime worked on a Sunday or an LES recognized/observed holiday shall be paid at two times the employee's regular rate of pay. If an employee is required to remain on duty two hours after having been on duty for at least six hours, works four or more hours of consecutive Emergency Overtime or is directed by management to work Emergency Overtime entirely through a lunch period, the employee shall be entitled to a meal allowance at the rate indicated in Exhibit D of this Agreement. After qualifying for the first meal allowance and taking the meal break under this subsection, an employee must continue to work for full six-hour increments before qualifying for additional meal allowances. The number of meal breaks or meal allowances shall not exceed four in any twenty-four hour period. Meal breaks shall be taken at reasonable intervals as determined by the crews unless otherwise directed by management. When meal breaks are to be taken at the end of an Emergency Overtime assignment, the employee will be released from work and receive an hour of pay at the applicable overtime rate, in lieu of a meal break. For purposes of minimum rest periods, the rest period begins when the employee is released from work.

If an employee is called to return to an LES facility to work Emergency Overtime more than two hours after having been released from work on a regularly scheduled workday or more than one hour before the beginning of a regular workday and reports to the LES facility within 45 minutes of being called, the employee shall be paid for one half hour of Emergency Overtime for the travel time to the LES facility. If an employee is required to return to an LES facility to work Emergency Overtime more than two hours after having been released from work on a regularly scheduled workday or more than one half hour before the beginning of a regularly scheduled workday, the employee shall be entitled to the greater of the number of hours of Emergency Overtime worked including the aforementioned half hour of travel time or three hours of Emergency Overtime. If the one-half hour of travel time and the Emergency Overtime hours worked when added together do not exceed three hours, the employee will receive three hours of total Emergency Overtime. If an employee is released from Emergency Overtime in less than three hours and is then called back to return to work within three hours of the first call to duty, the employee shall not be entitled to an additional three hour minimum of Emergency Overtime but will instead be treated as if the employee remained on duty between the first and subsequent calls to duty. An employee working two hours of Emergency Overtime past their regularly scheduled hours, shall receive an overtime meal allowance.

If an employee is called and returns to an LES facility to work Emergency Overtime two hours or less following Normal Work Hours, the three-hour minimum shall not apply and the employee shall be paid the applicable overtime rate beginning at the end of Normal Work Hours.

Travel and Training Overtime

This subsection shall be the applicable subsection for determining the compensable time for employees attending training, conferences and competitions.

An employee will be paid for all hours spent travelling to and from and attending training at the appropriate rate of pay as if the employee was engaged in typical work activities when no overnight stay is required.

If an overnight stay is required, an employee will be paid at the appropriate rate of pay for any time spent operating a motor vehicle to travel to LES-required training when LES has not authorized the employee to utilize public transportation. From the time the employee departs for the training to when the employee returns, the employee shall be compensated at the appropriate rate for all hours the employee is away that coincide with an employee's Normal Work Hours even if those hours are on a day that is an employee's regularly scheduled day off. The mode of transportation and the timing of travel for an employee's LES-required training shall be determined in the sole and complete discretion of LES.

An employee shall be eligible for reimbursement for the actual cost of all meals consumed during any travel to LES-required training which requires an overnight stay in accordance with LES's policies on travel and out-of-pocket reimbursements from the time the employee departs either their residence or an LES facility to the training to the time the employee returns to the employee's residence or an LES facility.

Nothing herein shall be construed as requiring LES to compensate an employee for the time spent commuting to and from an employee's regular reporting location.

Minimum Rest Periods for Overtime

An employee may be required to work sixteen hours or more in any twenty-four hour period. Once released, the employee is entitled to a minimum rest period of eight hours before the beginning of his or her normal workday; he or she is expected to report for work at the normal starting time. If the eight-hour rest period extends into the first half of the next normal workday, the employee is expected to report to work at the beginning of the second half of the normal workday. The employee is paid at a straight-time hourly rate for the first half of the day. If the eight-hour rest period extends into the second half of the workday, the employee is not required to report to work on that day and is paid for a full day at the straight-time hourly rate. In the case of emergency overtime, the rest period begins after being released from work and after 2100 hours. If an employee is provided a paid meal break at the time the employee is released from work to eat a meal to be purchased with a meal allowance, the employee's minimum rest period shall begin at the time the employee is released from work and the paid time to eat the meal shall be considered to be part of the eight-hour rest period.

I. LES Storm Restoration

LES Service Area Storm Restoration Event

LES shall have the sole and complete discretion to declare a "Storm Restoration Event". All work performed during the Storm Restoration Event shall be compensated at one and one-half times

the employee's regular rate of pay unless the employee would be otherwise entitled to receive double the employee's regular rate of pay during the particular time of the Storm Restoration Event (i.e. work performed on a LES recognized/observed holiday or a Sunday). Meal allowances and meal breaks shall be administered in accordance with the Emergency Overtime section of this contract.

Corporate Operations Employees

This section (I) shall only apply to Corporate Operations employees who are directed by Corporate Operations management to either report to work at least one hour prior to the employee's regularly scheduled start time or stay at least two hours beyond the employee's regularly scheduled end time to assist in the Storm Restoration Event. Corporate Operations management shall have the sole discretion to determine how much staff, if any, are required to work for Corporate Operations in support of the Storm Restoration Event. If Corporate Operations management determines staffing is needed, the staffing will first be made by volunteers, and if there are no volunteers, by assignment from management. Corporate Operations management will have sole and complete discretion to determine the schedule of employees working in support of the Storm Restoration Event, including rest and meal breaks, and shall not be bound by any schedule utilized by the Energy Delivery division.

J. Mutual Aid

Selection of Employees for Mutual Aid Assignments

LES shall have sole and complete discretion to determine the number of employees and which employees will be assigned to Mutual Aid work. Mutual Aid work shall be voluntary and LES shall only assign employees to Mutual Aid work who have volunteered to perform particular Mutual Aid assignment. Temporary Apprentice Line Technicians shall not be eligible for Mutual Aid work assignments.

Rate of Pay during Mutual Aid Assignments

Each employee working on storm restoration outside of LES' service area shall be paid his or her normal hourly base rate, or the applicable overtime rate, for all hours in which the employee is travelling in a vehicle to and from the mutual aid assignment. The hours of travel and the route to and from a mutual aid assignment shall be determined in the sole discretion of LES management. Once the employee reaches the location of the mutual aid assignment, all hours worked until all service is restored or the employee is no longer needed for storm restoration shall be paid at 200% of the employee's normal hourly base rate of pay.

Meal Allowances and Meal Breaks

Employees travelling to a Mutual Aid assignment or performing work on a Mutual Aid assignment shall be eligible to receive up to three meal allowances per day at the rate indicated in Exhibit D of this Agreement unless the host utility provides meals that do not conflict with an employee's religious or health-based dietary restriction. Employees shall be provided meal breaks or opportunities to eat their meals as determined in the sole discretion of management.

K. Job-Site Reporting

Employees may be required to report directly to a temporary job-site other than their normal reporting location at the start of a workday provided that the temporary job-site is within twenty miles (measured by a compass) of the employee's normal reporting location. For purposes of this section, a "job-site" shall be any location, other than the Lincoln Electric Building, LES Lincoln Operations Center or Walter A. Canney Service Center, where an employee is required to report at the beginning of a shift and which is a location where the employee will be performing construction or maintenance of LES facilities. Job-site reporting will only be used for jobs of five consecutive working days or more. Employees required to do temporary job-site reporting will be given at least twenty-four-hours' notice before being required to report to the temporary job-site.

Employees will receive \$16.00 for each day or part of a day the employee reports to a temporary job- site other than their normal reporting location. Only one allowance may be earned per day, regardless of the number of times an employee reports.

LES will provide heated job-site facilities placed on a hard or graveled surface. Mail and important communications that are at the normal reporting location will be delivered to the temporary job-site daily, except in the case of an emergency. Employees who are on temporary job-site reporting status will be allowed to return to their normal reporting location for required training and safety meetings.

Payment for job-site reporting shall be made through the payroll process and shall be included as part of regular pay checks.

This section shall not apply to any "normal reporting location" or job-site reassignment as a result of a COOP (Continuity of Operations Plan) event.

L. Temporary Assignments

When an employee is temporarily assigned to a job having a pay factor higher than that of his or her job, such assignment shall be noted in the employee's personnel record. Employees may be assigned duties in different classifications or higher pay factor levels. When such assignment exceeds sixty working days in any twelve-month period, a corresponding change in wages or salary is required.

An employee temporarily performing duties of a job in a higher classification, for which they have been fully trained and are fully qualified, shall receive "Temporary Assignment Premium Pay" at 5% of their current job. Temporary assignment to the following jobs entitles an employee to Temporary Assignment Premium Pay:

Mobile Crane Operator
System Maintenance Technician

Network & Cable Technician
Night Service Technician (when on duty between 4 p.m. and 11 p.m.)

This pay applies only in situations where the temporary assignment is for a minimum of two hours.

Employees enrolled in an LES-sponsored training program may be required to perform duties of a higher pay factor level, without change in wage or salary, until such time as the employee has completed the training program and assumes the duties and responsibilities associated with such job.

M. Pay Day

Pay shall be earned and paid at least twice a month, resulting in no less than twenty-four pay periods per year. An Earnings Statement shall be produced each pay period and include itemized gross earnings, net pay, applicable payroll deductions, and balance of personal leave and sick leave hours.

N. Pay Advances

Under no circumstances will advances in pay be made to any employee.

O. Termination Pay

An employee's final pay shall be directly deposited into the employee's designated bank account on the regular pay day for the pay period including the last day worked. The Earnings Statement will be mailed by Human Resources to the employee's last known mailing address on file. Accumulated and earned personal leave shall be included in final pay. Employee's terminating employment shall be paid only through the last day actually worked.

An employee filing notice of resignation that is accepted by LES shall be entitled to receive pay through the stated termination date. Personal leave shall not be allowed beyond the last day actually worked for terminating employees. Sick leave is unavailable for use by an employee after LES receives notice of resignation.

Employees who are retiring pursuant to Article III, Section I, G. Retirement can choose to take their personal leave before or after their last day of work. An employee who has submitted a notice of retirement may use available sick leave as appropriate until the last day actually worked.

All identification cards, keys or entry cards to LES facilities or other LES property must be returned to supervisors. If a terminating employee has an unpaid balance for an employee-authorized payroll deduction for a personal account for goods or services received from LES, or other financial obligations to LES, payment arrangements should be made with Accounts Receivable prior to the last date of employment.

P. Death Benefits

In the event of the death of an employee, either on or off duty, LES shall pay the amount of the employee's salary up to and including the day of death, unused personal holidays, accrued

personal leave, and 100 percent of the employee's accrued sick leave. Final payment(s) shall be paid per regulatory requirements in place at the time of death.

Q. Pay Transparency Policy Statement

LES will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

Section III – Time Off Benefits

A. Personal Leave

Each employee's personal leave earning rate shall be based on length of service. Each Full-time Employee shall earn personal leave hours as follows:

Years	Personal Leave Per Month
During the first four years of employment	9 hours
From beginning of fifth year to end of ninth year	11 hours
From beginning of tenth year to end of fourteenth year	13 hours
From beginning of fifteenth year to end of nineteenth year	15 hours
From beginning of twentieth year to end of twenty-fourth year	16 hours
From beginning of twenty-fifth year	17 hours

Part-time Employees shall accumulate personal leave hours at a rate of one-half that of Full-time Employees.

LES recognizes relevant prior work experience for purposes of personal leave accrual upon hire. LES Management has sole discretion to determine relevant experience and the decision of LES shall not be subject to grievance. Employees are given one year of credit for every two years of such relevant work experience towards their accrual rate. If rehired within 5 years of their termination date from LES, employees will also be given one year of credit for every year worked at LES towards their accrual rate. Employees who were in good standing when leaving LES and are rehired within 12 months of their termination date will have their accrual rate restored upon rehire.

Personal leave use is subject to management approval. Same-day requests for personal leave are discouraged. If more than one member of a department requests personal leave for the same time period, and such request creates a staffing problem, first consideration shall be given to the person or persons with the most seniority. Approvals for personal leave made well in advance of the planned leave time shall not be withdrawn for the benefit of a higher-seniority employee who has made a subsequent leave request for the same time period.

Advancing personal leave hours shall not be permissible. If an employee has hours to cover a period of absence otherwise chargeable to personal leave, a payroll deduction shall be made for the time lost for the pay period in which the absence occurred.

Personal leave hours may be accumulated to a maximum of two times an employee's annual earning rate.

Written supervisory permission must be obtained prior to any employee using more than the equivalent of one year's personal leave hours at one time. Personal leave shall not be waived for the purpose of receiving double compensation nor may it be given to other employees.

B. Sick Leave

Sick leave is allowed for the following circumstances:

1. When an employee is unable to perform work duties due to personal illness, bodily injury or disease, appointments with health/dental care professionals, or exposure to a contagious disease that endangers the health of other employees or the public;
2. When an employee's Injury Leave has expired, pursuant to an on-the-job injury, for necessary medical appointments. Employees shall not be required to use sick leave in such circumstances. Employees shall have the option of using sick leave or receiving Workers' Compensation pay for such medical appointments. Sick Leave shall not be used during the period of temporary total disability to supplement Workers' Compensation pay after Injury Leave has expired;
3. For the illness, injury, or medical/dental appointment of an immediate family member, or for the birth, adoption or placement of a child, leave shall be administered in accordance with the family sick leave procedures of LES Policy 310 – LES Leave. Such usage of sick leave is limited to eighty hours per calendar year, and these hours are deducted from the employee's sick leave balance.

Sick leave is provided subject to the following conditions:

1. Full-time Employees shall earn sick leave at the rate of eight hours for each month of service, to a maximum accumulation of 1,280 hours.
2. Part-time Employees shall earn sick leave at the rate of four hours per month to a maximum accumulation of 1,280 hours.
3. Use of sick leave beyond thirty working days shall require a doctor's certificate stating that an employee is unable to perform his or her duties. Supervisors may request a doctor's certificate prior to thirty days. If an employee must discontinue working prior to the birth of a child, the employee shall provide the department manager with a statement indicating the date that the employee shall discontinue working. The employer may require a physician's statement upon an employee's return to work to confirm that the employee is able to perform the duties and

responsibilities of his or her job. Paternity does not qualify for the use of personal sick leave.

If there is a question regarding an employee's use of sick leave, supervisors may request a doctor's statement justifying subsequent absences. Failure to submit a statement when requested shall bar the employee from receiving sick leave for the date in question, and the time off shall be charged to the employee's personal leave accumulation or deducted from the employee's pay if there is insufficient personal leave accumulation. This is then recorded as an unexcused absence. The accumulation of three unexcused absences in any one calendar year may result in the imposition of disciplinary action.

Employees are encouraged to schedule routine medical/dental appointments either before or after regularly scheduled work hours, early in the morning, late in the work day, or on weekends.

Sick leave must be earned before it is granted. Advancing sick leave hours is prohibited. If an employee has insufficient sick leave hours to cover a personal absence due to illness or injury, the employee may use up accumulated personal leave hours. If circumstances are appropriate, the employee may be authorized to take unpaid leave.

If an employee's regularly scheduled hours occur outside of normal working hours, and the employee is scheduled to work on a holiday, but is unable to work due to an illness or injury, the employee shall be paid for eight hours sick leave plus eight hours holiday pay.

Forfeited Sick Leave - Employees accumulating over 1,280 hours sick leave shall be paid twenty-five percent of sick leave forfeited each month during the payroll year. Payment for forfeited sick leave shall be based on the employee's year-end wage, and shall be paid during the first quarter of the following payroll year.

Vesting of Sick Leave – Payment for up to twenty percent of accumulated sick leave shall be made at retirement or termination of employment. The amount paid shall be determined by the amount of sick leave the employee has used during each full payroll year of employment. For each full payroll year that such employee uses thirty-two hours or less of sick leave, such employee shall be vested with one percent of his or her accumulated sick leave at retirement or termination of employment, up to the maximum twenty percent. Part-time Employees shall be vested at a rate of one-half of one percent for each full payroll year.

For employees who are retiring, payment will be made in the form of an LES contribution into a retiree-only Health Reimbursement Arrangement. The amount contributed shall be equal to one-hundred percent of accumulated sick leave over 900 hours at retirement in addition to the earned vested amount for all hours under 900. This vesting provision shall not apply in the event of the death of an employee.

Nothing in this section shall alter, amend, or add to or to detract from LES' obligation to employees with regard to sick leave upon their separation from employment beyond what is explicitly set forth within this section and what is required of LES by applicable State and Federal Law and applicable State and Federal Regulations.

C. Holidays

There shall be eleven recognized holidays each calendar year. There shall be eight regularly scheduled holidays and three personal holidays. The scheduled holidays shall be:

New Year's Day
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
Christmas Day

Requests for personal holidays shall be made forty-eight hours in advance and shall require supervisory approval. Each holiday is recognized for the twenty-four-hour period starting at midnight and ending at midnight of the designated day. Personal holidays will be paid at the straight-time hourly rate for the number of hours the employee is scheduled to work on that day. Employees shall not be paid for holidays beyond the last day actively worked except in retirements. Part-time Employees receive holiday pay at a rate of one-half that of Full-time Employees. Employees in their initial probationary period are entitled to scheduled holidays falling during this period, including personal holidays.

Employees Working Normal Work Hours – When a recognized holiday falls on a Sunday, Monday shall be observed as a holiday. When the holiday falls on Saturday, Friday shall be observed as a holiday. LES reserves the right to select either Friday or Monday for the observance of such holidays, based on service needs. Eight hours of straight-time holiday pay shall be paid on observed holidays.

Pay for working on a recognized/observed holiday shall be two times the employee's basic hourly rate. Such pay provisions shall not apply on personal holidays.

Employees Working Other Than Normal Work Hours – Such employees shall work when recognized holidays fall during regularly scheduled work hours. Such employees shall receive double time for the day's work, plus eight hours of straight-time holiday pay. Such employee's holiday shall be considered the actual holiday if this differs from the day observed by employees working normal work hours. When a holiday falls on an employee's regularly scheduled day off, the employee will receive pay for an additional eight hours at straight time, rather than qualifying for another day off, in lieu of the holiday. Such provisions do not apply for the personal holidays.

D. Leaves of Absence

Family and Medical Leave Act

Employees of LES are entitled to leave in accordance with the provisions of the Family and Medical Leave Act (FMLA).

Unpaid Leave of Absence

The following conditions shall apply:

1. An unpaid leave of absence of five working days or less may be granted by a department manager. A written record of the absence shall be made.
2. Requests for unpaid leave of absence of more than five working days, not to exceed ninety days, shall be on a Leave of Absence Request Form, and approved by the department manager and the appropriate Executive Staff member. Such request shall be kept in the employee's personnel file.
3. Unpaid leave of absence requests for more than ninety calendar days or extensions of a leave in excess of ninety calendar days shall be on a Leave of Absence Request Form. Approval of the department manager, appropriate Executive Staff member, and the LES CEO shall be required. Such request shall be kept in the employee's personnel file.
4. Requests for unpaid leave of absence or extension of unpaid leave shall be considered on an individual basis, and decisions thereon shall not be grievable.
5. If employees on unpaid leave of absence fail to return to work at the conclusion of the approved leave, or accept employment elsewhere without LES approval, their employment shall be terminated.
6. Seniority shall not be interrupted for leave not exceeding ninety calendar days.
7. If the unpaid leave of absence is due to illness or injury:
 - a. Personal leave and sick leave shall not accrue, nor will payment be made for LES recognized holidays, during any unpaid leave of absence in excess of thirty calendar days unless the leave is approved FMLA leave or the employee is receiving short-term disability benefits.
 - b. If group insurance coverage is desired, the employee's portion of the premiums shall be paid in advance. LES will continue to pay the employer's portion of the premium during an unpaid leave that does not exceed 150 calendar days. Beginning the first of the month following 150 days, the full premium is the employee's responsibility while employed.
8. If the unpaid leave of absence is not due to illness or injury:
 - a. Personal leave and sick leave will not accrue, nor will payment be made for LES recognized holidays, during any unpaid leave of absence in excess of thirty calendar days.

- b. If group insurance coverage is desired, the employee's portion of the premiums shall be paid in advance. LES will continue to pay the employer's portion of the premium during an unpaid leave that does not exceed ninety calendar days. Beginning the first of the month following ninety days, the full premium is the employee's responsibility while employed.

Injury Leave

Injury Leave as contemplated by this section is to be applied in accordance with LES Program 401.02 On-The-Job Injuries Requiring Medical Care.

An employee suffering an on-the-job injury which results in a temporary total disability shall be entitled to Injury Leave. In conjunction with Workers' Compensation, employees shall receive eighty percent of full salary during the period of temporary total disability, not to exceed one year from the date of injury.

Military Leave

LES shall comply with the requirements of all State and Federal laws regarding Military Leave when employees are called to active duty by authority of the State of Nebraska or the United States Government.

Jury Leave

Employees called for jury duty on regularly scheduled work days and during regularly scheduled work hours shall be allowed time off without loss of pay at straight-time hourly earnings, not to exceed one day.

Payment for jury duty, minus expenses, shall be signed over to LES. Employees shall not be paid by LES for jury duty performed on days that are not regularly scheduled work days or that are not regularly scheduled work hours. Employees shall retain any fees for jury service on such days. To be eligible for jury duty payment, employees shall give notice of summons to supervisors as soon as possible and provide adequate proof of dates, time served and compensation received.

If excused by the court within a reasonable time after reporting for jury duty, employees shall return to work.

An employee called for jury duty during time not part of regularly scheduled work hours is entitled to keep the pay for those services. If such employee is required to serve as juror and such requirement runs into regularly scheduled work hours, then the employee must reimburse LES for that portion of pay that is proportionate to the time the employee would have been required to work.

The above doesn't preclude the right of management to temporarily reassign an employee to normal work hours during the time required to be on jury duty, in which case, all pay for jury duty will be turned over to LES, and the employee will be paid at straight-time hourly earnings, not to exceed one day.

Witness Leave

Employees shall be provided time off without loss of pay when subpoenaed to testify or participate in a court case or administrative hearing on regularly scheduled work days, except when the employee is a party to the action. Any employee appearing voluntarily as a witness shall use personal leave for preparation for the case and for the court appearance.

Funeral Leave

Employees shall be eligible for funeral leave in accordance with LES Policy 310 – LES Leave.

Pallbearer Leave

Employees asked to serve as a pallbearer at a funeral shall be entitled to a leave with pay not to exceed one day per occurrence, but such leave shall not be in addition to leave authorized for Funeral Leave if serving as a pallbearer for the funeral of a listed relative. Arrangements shall be made with your supervisor.

Leave for Union Duties

An employee called upon to transact business between LES and the Union, temporarily requiring the employee's absence from duty, may do so with proper notice and with supervisory permission. Such employee shall be allowed sufficient time to transact business and shall not lose pay or benefits.

An employee called upon by the Union President to conduct Union business or to attend a conference or seminar on behalf of the Union may be granted up to four days per occurrence of leave without pay from LES. Such leave may be granted provided the Union President provides LES a copy of the agenda, outline, advertisement, or proof of such conference or seminar at least seven days prior to the beginning of the leave and approval is received from LES. The Local Unit Chair, the Local Unit Officers and two Local Unit Stewards are eligible for such leave. Total annual Union leave allowed under this paragraph shall not exceed thirty days for all eligible members. Prior to each calendar year, the Local Unit Chair will provide to LES the names of employees occupying the above jobs for the upcoming year. Members authorized to participate in leave approved for conferences or seminars for bargaining unit business shall have their pay, including all adders, reimbursed to LES by their bargaining unit.

E. Leave Donation Program

Leave Donation shall be administered to all employees in accordance with LES Policy 313 - Leave Donation.

Section IV – LES Group Insurance and Retirement Programs

Insurance and Retirement Program information sheets and summary plan descriptions contain only highlights and should not be relied upon to fully describe coverage. Full benefits and terms are contained in the appropriate Plan documents, policies, or contracts available upon request.

A. Electri-Flex

All employees who meet the eligibility requirements of the Plan document shall be eligible to participate as long as the program remains in effect. Participation shall be voluntary. Enrollment forms must be completed each year, and are irrevocable, except in certain circumstances as defined by the Internal Revenue Service.

B. Post-Employment Health Plan (PEHP)

LES shall make available to IBEW represented employees a retiree-only Health Reimbursement Arrangement in the form of a modified Post-Employment Health Plan ("PEHP") for Insurance Premiums Only. Upon retirement LES will contribute the employee's currently contracted sick leave vesting amount into such a retiree-only Health Reimbursement Arrangement. LES shall pay the administrative fees of such a plan.

C. Health Care Programs

All employees, who meet the eligibility requirements imposed by the insurance carrier, and their eligible dependents, can elect to participate in any LES group health insurance program. Employees are eligible to participate upon employment, and LES will begin paying its share of the premium upon enrollment.

LES pays three-fourths of the total premium for eligible employees for the insurance program in effect.

If application is not made during the first thirty-one days of employment, waiting periods and benefit limitations may be imposed by the insurance carrier.

Employees retiring under the Early Retirement provisions are eligible to remain in an LES group health insurance program until becoming eligible for Medicare. Such retirees shall be required to pay one-hundred percent of the premium, plus a two percent administrative cost if choosing to remain in the group health insurance program.

LES complies with the requirements of the Consolidated Omnibus Budget Reconciliation Act (COBRA). In certain circumstances as prescribed by law, an employee or an eligible dependent is allowed to continue participation in an LES group health insurance program for a specified period of time.

D. Dental Care Program

All employees, who meet the eligibility requirements imposed by the insurance carrier, and their eligible dependents, can elect to participate in LES' group dental insurance program. Employees are eligible to participate upon employment, and LES will begin

paying its share of the premium upon enrollment. LES pays three-fourths of the total premium for eligible Employees. If application is not made during the first thirty-one days of employment, waiting periods and benefit limitations may be imposed during the first twelve months from the effective date of the coverage.

E. Life Insurance

All employees, who meet the eligibility requirements imposed by the insurance carrier, and their eligible dependents, can elect to participate in LES' life insurance program. This includes Accidental Death and Dismemberment coverage for employees. Individual employee coverage is based on one and one-half times annual salary adjusted to the next highest one thousand dollars. A fixed amount of life insurance is available for eligible dependents.

Employees are eligible to participate upon employment and LES will begin paying its share of the premium upon enrollment. LES pays 80% of the total premium of this coverage for eligible employees.

If application is made during the first thirty-one days of employment, no proof of insurability is required.

Additional employee term life insurance is available. The premium is paid by the employee and proof of insurability is required.

F. Long-Term Disability Insurance

Employees enrolled in group life insurance automatically receive long-term disability coverage. Such coverage shall be available only to employees participating in the group life insurance plan. The entire premium for the long-term disability insurance shall be paid by LES. Benefits shall begin after a 150-day elimination period from the date of a disability. Benefits shall be paid based on a percent of monthly salary. This benefit is reduced by any other income benefits or offsets as specified in LES' contract with the carrier. An employee shall be required to exhaust all personal sick leave hours prior to receiving any benefits under this clause. The 150-day elimination period, however, begins on the date of disability, not the date of exhaustion of personal sick leave hours.

G. LES Employees' Retirement Plan

Employees may voluntarily participate in the LES Employees' Retirement Plan according to eligibility determined by the Plan document. Deposits into the fund shall be made on a pre-tax basis, and Social Security taxes shall be withheld from the contribution.

Employees may contribute gross earnings as provided in the Plan document. For existing employees as of December 31, 2010, LES shall match the employee's contribution, on a two-for-one basis, or two hundred percent of the employee's contribution, up to five percent of gross earnings. For employees being rehired or beginning employment at LES on or after January 1, 2011, LES shall match the employee's contribution on a one-for-one basis, or one hundred percent of the employee's contribution, up to ten percent of gross earnings.

Employees may no longer contribute to the Plan after employment with LES is terminated.

H. Phased Retirement

Represented employees shall be eligible to participate in the Phased Retirement program offered to all LES employees.

I. Deferred Compensation Plan

Employees may participate in the Deferred Compensation Plan by contributing a minimum of \$25.00 per pay period on a tax-deferred basis and shall be allowed to select from several investment options.

Section V – Miscellaneous Benefits, Work Rules and Services

A. Drug-Free Work Place

LES shall work with employees to assist them in obtaining assistance in dealing with any drug or alcohol-related illness. Such cooperation shall depend on the employee's demonstration of desire or willingness to overcome the problem. An employee's denial that a performance problem exists, refusal to participate in an Employee Assistance Program (EAP) recommended course of treatment, and/or continued performance problems may result in dismissal. Participation in a recommended course of treatment may be made a condition of continued employment.

All employees are subject to the provisions of LES Policies 407 through 411 related to Drug and Alcohol Testing and Substance Abuse. When reasonable suspicion exists that an employee is working impaired or is using drugs or alcohol while on duty in violation of Policy 410 such employee shall be subject to testing and all other provisions of the policy. Employees working in safety sensitive jobs shall participate in random drug and alcohol testing in accordance with LES Policies 409 and 411.

An employee using any drug under doctor's orders which may impair work performance shall report such usage to his or her supervisor.

Employees illegally distributing drugs on the job shall be subject to immediate discharge.

Time Off for Treatment of a Chemical Dependency – LES shall grant a Leave of Absence for an employee when:

1. The employee is found, to be working impaired, and such treatment is recommended by EAP; or
2. The employee recognizes a problem, and the result of a self-referral to EAP is that treatment be obtained.

The Family and Medical Leave Act shall apply as required by law. Insurance coverage for treatment of a chemical dependency shall be available as provided in the insurance plan in effect at that time. Requests for a second Disability Leave or leave of Absence for treatment of a chemical dependency shall be reviewed on a case-by-case basis, considering all relevant factors, including competent medical opinions and EAP recommendations, among other things. Insurance coverage for second or subsequent treatment shall be available as provided in the plan in effect at that time.

Alcohol or drug abuse shall not be an acceptable excuse for attendance or other performance-related problems or for violation of any LES policy or work rule.

B. Loss of Driving Privileges

Employees shall hold a valid driver's license of the type specified, when license is required by their job description.

When an employee loses his or her license, or loss is imminent, the employee shall advise LES of this fact. Failure to provide notice constitutes just cause to take appropriate disciplinary action, including discharge, demotion or suspension.

The following provisions shall apply for employees other than Field Technicians, Credit and Meter Data Specialists required to possess a valid license who lose such license:

1. 0 - 7 months – The loss of a license shall be accommodated once during employment;
2. 7 - 13 months or the second loss of a license for six months or less – LES shall have the option to accommodate, terminate or suspend an employee without pay. The employee may be allowed to return to work if a job commensurate with his or her skills is available at the time that driver's license is reinstated. There shall be no guarantee there will be available jobs.
3. For longer than 13 months or the third time loss of a license for any period time – The employee shall be terminated.
4. During the period an employee is without a driver's license, the employee's regular rate of pay shall be reduced 25%.

If a Meter Data Specialist or a Field Technician, Credit, loses his or her driver's license for any period of time, the employee's employment may be subject to termination, after a grace period of 45 days of unpaid leave, unless they have sufficient accrued personal leave and personal holidays to cover the entire period of license suspension or revocation.

If the loss of the employee's driver's license is for thirteen months or less, resulting in the loss of a Commercial Driver's License (CDL) for any period, and the employee's job description requires them to have and maintain a CDL, the employee will be accommodated for the loss of their CDL pursuant to the following:

1. The accommodation is limited to one time during employment at LES;
2. The accommodation period shall commence upon revocation or suspension of the CDL and shall extend for no more than 13 months from the date of conviction.
3. The employee's wage shall be reduced by 25 percent during time LES is required to accommodate the loss of the CDL; however, the employee shall be expected to complete all normal duties and responsibilities except for operating a commercial motor vehicle; and
4. The employee must agree to a referral to a Continuum Employee Assistance Program (EAP) or a Substance Abuse Professional (SAP) and must follow up with any counseling or treatment plan recommended by EAP or the SAP.

If the employee fails to meet all requirements of an EAP or SAP, or if they are unable to obtain the CDL at the expiration of the thirteen-month accommodation, they will be terminated.

C. On-Time Reporting to Work

Employees shall report to work, prepared to begin assignments at the time assigned by supervisors. Employees who anticipate being late, for any reason, shall call to advise their supervisor as soon as possible in advance of normal starting time. Disciplinary procedures may be invoked for violation of this clause. An employee having more than three consecutive absences without advising his or her supervisor shall be treated as having resigned. The supervisor shall have authority to determine whether sufficient extenuating circumstances exist to subsequently approve the unauthorized absence as personal leave, sick leave, or authorized unpaid leave of absence.

D. Inclement Weather

It is the responsibility of division management to determine when crews should be called in. Employees may be required to work in unreasonable weather conditions if necessary to protect life, property, or maintain or restore reasonable service to LES customers. Weather conditions that merit consideration for inclement weather can include conditions such as heat, rain, snow, sleet, hail, and lightning.

LES shall use the following as a guideline when determining inclement weather:

Severe cold weather: Less than 0 degrees F. or a wind chill less than -10 degrees F.;

Hot weather: Temperature above 100 degrees F. or a Heat Index above 105 degrees F. and at least 95 degrees F.

Crews have the ability to stand down if weather is temporarily inclement in their areas. Safety is always a primary consideration. LES shall retain the right to require employees to work during inclement weather if their work shelters them from the weather, such as in substations, inside buildings, in vehicles or other work as LES so designates that shelters employees from the weather. In the alternative, LES shall have the right to assign employees to work other than their normal work at LES.

The source for the determination of whether or not inclement weather exists shall be the National Weather Service.

E. Storm Suits

Storm suits shall be provided to employees required to respond to outdoor emergency calls in adverse weather conditions. Issuance of such suits shall be made at the discretion of management. Storm suits shall be kept in individual bags. The suits are the property of LES and will not be used for purposes other than for LES duty. Individuals assigned storm suits shall be accountable and responsible for their proper care.

F. Tools and Equipment

Employees shall furnish, at their own expense, hand tools such as line worker's body tools, including hammer, screwdrivers, wrenches, pliers, skinning knife, and climbers as required for their job.

To ensure that the above tools are of good quality and are safe for intended use, all tools must be on a list of accepted tools maintained by the LES Toolroom. They must be inspected and approved by the LES Toolroom. When employee-supplied tools and equipment are condemned by the Toolroom or the field supervisor, requiring replacement for use at LES, they'll be replaced at LES expense. Any lost or stolen tools will be purchased/replaced at the employee's expense. A supervisor may prohibit an employee from working and suspend without pay until such lost or stolen tools are replaced.

Replacement tools become the property of the employee, and the condemned tools the property of LES. Old tools condemned and replaced by LES will be destroyed.

LES furnishes all required personal protective equipment. Such materials shall be the property of LES and shall not be used for purposes other than LES duty.

LES Safety Manual rules shall be complied with at all times in the use of tools and equipment.

G. Identification Badges

Employee identification badges shall be issued to all employees. The badges are to be carried at all times while on duty in a manner that is visible to others unless doing so would create a safety hazard. Employees shall comply with LES Policy 414 – Access Control and Issuance of ID Badge and all associated processes and forms as if those documents were fully set forth herein.

H. Computing Facilities

Employees are subject to the provisions of policies and programs that address authorized use of LES computing facilities.

I. Bulletin Boards and/or PowerNet

LES bulletin boards and/or PowerNet are available for dissemination of information. General information of interest to all LES employees, notices of job opportunities when required, appointments to jobs, and promotions shall be posted. Items to be posted must be approved in advance by the Human Resources or Customer and Corporate Communications Department.

J. Uniform Program

LES will maintain a Uniform Program to meet the uniform needs of employees requiring Fire-Retardant and Non-Fire-Retardant clothing. LES will exercise good faith in discussing with and seeking input from IBEW 1536 prior to any substantial changes to

such Program or changes to garments provided. Substantial changes would include any change to the program in a manner that would affect terms and conditions of IBEW 1536 represented jobs. This program shall also include an annual payment to each employee for uniform or footwear needs in an amount indicated in Exhibit E. Employees working in the Meter Data Specialist shall be permitted to wear shorts while performing LES duties but such shorts must be purchased at the employee's own expense.

K. LES Employee Assistance Program

The Employee Assistance Program (EAP) shall be available to employees and immediate family members. Requests for or receipt of assistance or treatment in self-referrals shall be strictly confidential.

Employees may be referred to EAP through a supervisor based on unsatisfactory job performance. When referred by a supervisor, employees must participate in problem-solving counseling at EAP. If an EAP counselor makes a referral for services outside EAP in such a referral, the employee must follow through with this referral. If the employee fails to follow through with such a referral, and continued work performance-related problems continue, the employee shall be subject to disciplinary or other necessary action.

L. Tobacco-Free

Effective January 1, 2021, the use of tobacco products, including but not limited to chewing tobacco, cigarettes, vaping, e-cigarettes, cigars and pipe tobacco, is prohibited on all LES properties (outdoors), in LES buildings, including buildings on substation sites, and vehicles. An employee's use of tobacco in violation of this section shall be just cause for discipline up to and including termination. For purposes of this section, "LES properties" shall include all real property (including parking lots and driveways) where an LES office is located, including but not limited to the Lincoln Electric Building, Walter A. Canney Service Center and Lincoln Operations Center and all real property where an LES-owned generation facility is located including but not limited to: Terry Bundy Generating Station, Rokeby Generation Station and J Street Generation Station.

M. Prescription Safety Glasses

All Trades and Crafts employees are allowed to have one pair of clear prescription safety glasses and one pair of tinted or photo grey (transition) prescription safety glasses every two years, unless the required corrective prescription has changed, in which case LES will comply with the doctor's prescription. If the employee's prescription safety glasses are accidentally damaged beyond repair while on the job they will be replaced by LES as soon as possible.

N. Educational Tuition Assistance Program

Employees shall be eligible to participate in the educational tuition assistance program which shall provide reimbursement for tuition and fees for successful completion of approved job-related academic, vocational, or adult education courses or programs that contribute to the performance of duties at LES. Employees must receive advance

approval by department managers and appropriate Executive Staff member, with eligibility confirmed by Human Resources.

LES reserves the right to deny or limit reimbursement for courses conducted at institutions not approved by LES or where cost is not commensurate with other programs of institutions providing similar education courses or training. Employees who voluntarily terminate their employment with LES must repay any educational tuition reimbursements made by LES in the previous two years.

O. Veteran's On-The-Job Training

LES is an approved training agency qualified to offer on-the-job / apprenticeship training to veterans under provisions of United States Code, Title 38, Chapter 34.

Employees who are veterans and who have completed their initial probationary period and who meet all requirements established by law shall be eligible. Payment by the Veterans Administration shall be in addition to LES pay and shall be for regular payroll hours worked by the employee in accordance with regulations then in effect.

P. Fitness Center Reimbursement

Represented jobs shall be eligible to participate in a LES Fitness Center Reimbursement program as offered to all LES employees.

ARTICLE IV – WAGE SCALE AND JOB PAY FACTOR LEVELS

The parties do hereby adopt “Trades & Crafts Wage Scale and Job Pay Factor Levels,” Exhibit A, attached hereto and fully incorporated herein, and do hereby adopt and ratify the same during the term of this Agreement.

Exhibit B, attached hereto and fully incorporated herein, details the parties agreement regarding Acting Crew Leader status and pay for listed jobs.

Exhibit C, attached hereto and fully incorporated herein, details the parties’ agreement regarding Senior Pay provisions for listed jobs.

Exhibit D, attached hereto and fully incorporated herein, details the parties’ agreement regarding Overtime Meal Allowance.

Exhibit E, attached hereto and fully incorporated herein, details the parties’ agreement regarding Uniform Allowance.

ARTICLE V – TERM OF AGREEMENT

This contract becomes effective on May 1, 2023, and terminates on April 30, 2026.

If either party desires to negotiate a new contract, to be effective upon the termination of this Agreement, the party desiring the new contract must notify the other party, in writing, by November 30 of the last year of the then current contract term. If either party provides written notice to the other party of an intent to negotiate a new contract as contemplated in this paragraph, the parties shall exchange proposals simultaneously by December 31 of the last year of the then current contract term.

If neither IBEW or LES provides notice of intent to open contract negotiations by the dates specified above, then the terms and conditions of this contract shall be extended for one year beyond the current contract term, including benefits in effect immediately prior to the expiration of this contract; provided, however, that wages only shall increase at the same percentage of increase as in the previous year.

ARTICLE VI – DUES

Section 1 – Dues Checkoff – LES agrees to deduct for members of IBEW employed by LES, and remit such initiation fees, dues and assessments of IBEW members employed by LES to IBEW, following receipt of the following written assignment signed by individual members of IBEW:

I hereby appoint and direct LES to deduct union membership initiation fees, dues and assessments from my pay in the amounts fixed in accordance with the bylaws of Local Union 1536 in the constitution of the International Brotherhood of Electric Workers as certified to by Local Union 1536, and direct LES to pay the same to Local Union 1536 or its designated representative. This authorization shall remain in full force and effect until revoked in writing by the undersigned after which time it shall no longer be of any force and effect. Such notice of revocation shall be given to both LES and IBEW by the last day of the month prior to the month upon which said authorization is to be revoked.

Signature

Date

Section 2 – Indemnification of LES – IBEW agrees to indemnify LES and hold it harmless against any and all suits, claims, and demands or other liabilities arising out of or resulting from the application of the provisions of this Article.

Section 3 – Deductions – Deductions shall begin in the month following the month in which such written authorization is received by LES.

Section 4 – Checkoff Discontinuation – In the event that IBEW or any of its members shall violate any of the terms or conditions of this Agreement, and after notice to IBEW from LES of such violation, and the failure within five days of IBEW to correct the violation of this contract, either on behalf of IBEW or any of its members, LES, at its option, may discontinue making checkoffs for and on behalf of IBEW unless and until such violation of either IBEW or any of its members has been corrected.

ARTICLE VII – SUCCESSORS AND ASSIGNS

All obligations of either party set forth in this Agreement shall bind the IBEW and LES and their respective successors and assigns.

Dated this _____ day of _____, 2023

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION NUMBER 1536, LINCOLN ELECTRIC SYSTEM

By _____
Paul Moody, Business Manager

CITY OF LINCOLN, d/b/a LINCOLN ELECTRIC SYSTEM

By _____
Kevin Wailes, CEO

EXHIBIT A
LINCOLN ELECTRIC SYSTEM
TRADES & CRAFTS HOURLY WAGES BY JOB

<u>Position</u>	<u>Pay Grade</u>	<u>Effective 5/1/2023</u>	<u>Effective 5/1/2024</u>	<u>Effective 5/1/2025</u>
Building Maintenance Aide IA	UH-4	\$ 18.91	\$ 19.48	\$ 20.06
Building Maintenance Aide IB	UH-6	\$ 20.87	\$ 21.50	\$ 22.15
Building Maintenance Aide IIA	UH-7	\$ 21.90	\$ 22.56	\$ 23.24
Building Maintenance Aide IIB	UH-8	\$ 23.02	\$ 23.71	\$ 24.42
Building Maintenance Aide	UH-9	\$ 24.17	\$ 24.90	\$ 25.65
Mechanic Aide IA	UH-7	\$ 21.90	\$ 22.56	\$ 23.24
Mechanic Aide IB	UH-9	\$ 24.17	\$ 24.90	\$ 25.65
Mechanic Aide IIA	UH-10	\$ 25.34	\$ 26.10	\$ 26.88
Mechanic Aide IIB	UH-11	\$ 26.66	\$ 27.46	\$ 28.28
Mechanic Aide IIIA	UH-12	\$ 27.97	\$ 28.81	\$ 29.67
Mechanic Aide IIIB	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Mechanic Aide 1st Class	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Building Maintenance Mechanic IA	BG-01	\$ 28.26	\$ 29.11	\$ 29.98
Building Maintenance Mechanic IB	BG-02	\$ 31.09	\$ 32.02	\$ 32.98
Building Maintenance Mechanic IIA	BG-03	\$ 32.65	\$ 33.63	\$ 34.64
Building Maintenance Mechanic IIB	BG-04	\$ 34.28	\$ 35.31	\$ 36.37
Building Maintenance Mechanic IIIA	BG-05	\$ 35.97	\$ 37.05	\$ 38.16
Building Maintenance Mechanic IIIB	BG-06	\$ 37.78	\$ 38.91	\$ 40.08
Building Maintenance Mechanic 1st Class	BG-07	\$ 39.72	\$ 40.91	\$ 42.14
Tool Repair Technician IA	UH-11	\$ 26.66	\$ 27.46	\$ 28.28
Tool Repair Technician IB	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Tool Repair Technician IIA	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Tool Repair Technician IIB	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Tool Repair Technician IIIA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Tool Repair Technician IIIB	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Tool Repair Technician IVA	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Tool Repair Technician 1st Class	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Material Handler IA	UH-11	\$ 26.66	\$ 27.46	\$ 28.28
Material Handler IB	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Material Handler IIA	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Material Handler IIB	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Material Handler IIIA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Material Handler IIIB	UH-17	\$ 35.71	\$ 36.78	\$ 37.88

Material Handler IVA	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Material Handler 1st Class	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Field Technician, Credit I	UH-12	\$ 27.97	\$ 28.81	\$ 29.67
Field Technician, Credit II	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Field Technician, Credit III	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Field Technician, Credit IV	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Field Technician, Credit V	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Field Technician, Credit VI	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Heavy Equipment Operator IA	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Heavy Equipment Operator IB	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Heavy Equipment Operator IIA	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Heavy Equipment Operator IIB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Heavy Equipment Operator IIIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Heavy Equipment Operator IIIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Heavy Equipment Operator IVA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Heavy Equipment Operator 1st Class	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Heavy Equipment/Mobile Crane Operator	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Hydrovac Excavation Operator I	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Hydrovac Excavation Operator II	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Hydrovac Excavation Operator 1st Class	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Equipment Mechanic IA	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Equipment Mechanic IB	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Equipment Mechanic IIA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Equipment Mechanic IIB	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Equipment Mechanic IIIA	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Equipment Mechanic IIIB	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Equipment Mechanic IVA	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Equipment Mechanic 1st Class	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Substation Construction Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Substation Construction Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Substation Construction Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Substation Construction Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Substation Construction Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Substation Construction Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Substation Construction Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Substation Construction Technician 1st Class	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Locating Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Locating Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74

Locating Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Locating Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Locating Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Locating Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Locating Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Locating Technician 1st Class	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Meter Technician Apprentice	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Meter Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Meter Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Meter Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Meter Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Meter Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Meter Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Meter Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Meter Technician 1st Class	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
System Maintenance Technician	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Substation Technician Apprentice	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Substation Technician IA	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Substation Technician IB	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Substation Technician IIA	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Substation Technician IIB	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Substation Technician IIIA	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Substation Technician IIIB	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Substation Technician IVA	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Substation Technician 1st Class	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Network Technician Apprentice	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Network & Cable Technician IA	UH-17	\$ 35.71	\$ 36.78	\$ 37.88
Network & Cable Technician IB	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Network & Cable Technician IIA	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Network & Cable Technician IIB	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Network & Cable Technician IIIA	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Network & Cable Technician IIIB	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Network & Cable Technician IVA	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Network & Cable Technician 1st Class	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Line Technician Apprentice	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Line Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Line Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Line Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Line Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86

Line Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Line Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Line Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Line Technician 1st Class	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Night Service Technician	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Telecommunications Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Telecommunications Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Telecommunications Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Telecommunications Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Telecommunications Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Telecommunications Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Telecommunications Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Telecommunications Technician IVB	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Telecommunications Technician 1st Class	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Telecommunications Specialist	UH-26	\$ 55.38	\$ 57.04	\$ 58.75
Protection & Controls Relay Technician IA	UH-16	\$ 34.00	\$ 35.02	\$ 36.07
Protection & Controls Relay Technician IB	UH-18	\$ 37.46	\$ 38.58	\$ 39.74
Protection & Controls Relay Technician IIA	UH-19	\$ 39.33	\$ 40.51	\$ 41.73
Protection & Controls Relay Technician IIB	UH-20	\$ 41.34	\$ 42.58	\$ 43.86
Protection & Controls Relay Technician IIIA	UH-21	\$ 43.40	\$ 44.70	\$ 46.04
Protection & Controls Relay Technician IIIB	UH-22	\$ 45.57	\$ 46.94	\$ 48.35
Protection & Controls Relay Technician IVA	UH-23	\$ 47.83	\$ 49.26	\$ 50.74
Protection & Controls Relay Technician IVB	UH-24	\$ 50.23	\$ 51.74	\$ 53.29
Protection & Controls Relay Technician 1st Class	UH-25	\$ 52.75	\$ 54.33	\$ 55.96
Protection & Controls Relay Specialist	UH-26	\$ 55.38	\$ 57.04	\$ 58.75
Meter Data Specialist I	UH-11	\$ 26.66	\$ 27.46	\$ 28.28
Meter Data Specialist II	UH-12	\$ 27.97	\$ 28.81	\$ 29.67
Meter Data Specialist III	UH-13	\$ 29.37	\$ 30.25	\$ 31.16
Meter Data Specialist IV	UH-14	\$ 30.83	\$ 31.75	\$ 32.70
Meter Data Specialist V	UH-15	\$ 32.36	\$ 33.33	\$ 34.33
Meter Data Specialist VI	UH-16	\$ 34.00	\$ 35.02	\$ 36.07

EXHIBIT B

ACTING CREW LEADER EFFECTIVE MAY 1, 2023

Acting Crew Leader or Lead Person Pay shall be calculated at 6% of base hourly wages.

Individuals assigned as "acting" crew leaders or lead persons are paid this rate for any time approved by management over two hours that they actually serve as an "acting" crew leader or lead person. This assignment can only be given to individuals in "first class" jobs. It applies only when two or more people are assigned to the individual for a minimum of two hours. The two-hour minimum will not apply in overtime situations:

"Acting" Crew Leader or Lead Classification

Crew Leader, Transmission & Distribution
Crew Leader, Transmission & Distribution
Crew Leader, Transmission & Distribution
Supervisor, Transmission & Distribution
Supervisor, Transmission & Distribution
Supervisor, Transmission & Distribution
Supervisor, Protection & Controls
Crew Leader, Telecommunications
Supervisor, Meter Services
Crew Leader, Substation Maintenance
Crew Leader, Substation Construction
Crew Leader, Network & Cable
Crew Leader, Transportation
Supervisor, Stores
Supervisor, Toolroom
Crew Leader, Building Maintenance
Crew Leader, Grounds

Crew Leader or Lead Person

Line Technician 1st Class
Heavy Equipment Operator 1st Class
Heavy Equipment/Mobile Crane Operator
Locating Technician 1st Class
System Maintenance Technician
Night Service Technician
Protection & Controls Relay Specialist
Telecommunications Specialist
Meter Technician 1st Class
Substation Technician 1st Class
Substation Construction Technician 1st Class
Network & Cable Technician 1st Class
Equipment Mechanic 1st Class
Material Handler 1st Class
Tool Repair Technician 1st Class
Building Maintenance Mechanic 1st Class
Building Maintenance Aide 1st Class

EXHIBIT C

SENIOR PAY EFFECTIVE MAY 1, 2023

1. Senior Pay shall be calculated at 3% of base hourly wages.
2. Senior Pay is limited to those individuals who are at top-of-scale or who are in a 1st Class status except as otherwise specifically designated.
3. Senior Pay shall be applied when a regularly scheduled crew consisting of two people is:
 - a. Working independently on their own assignment;
 - b. For at least two hours per day, except during overtime situations.
4. Responsibilities for an individual designated to receive Senior Pay consist of all duties related to the assignment including but not limited to:
 - a. All administrative paperwork;
 - b. Safety;
 - c. Vehicle use; and
 - d. Efficient scheduling of all labor, materials, and equipment at their disposal.
5. Jobs designated by * below are eligible to receive Senior Pay:

Building Maintenance Aide	Meter Technician*
Building Maintenance Mechanic*	Network & Cable Technician*
Equipment Mechanic*	Night Service Technician*
Field Technician, Credit	Protection & Controls Relay Specialist*
Hydrovac Excavation Operator*	Protection & Controls Relay Technician*
Heavy Equipment Operator*	Substation Construction Technician*
Heavy Equipment/Mobile Crane Operator*	Substation Technician*
Line Technician*	System Maintenance Technician*
Locating Technician*	Telecommunications Specialist*
Material Handler*	Telecommunications Technician*
Mechanic Aide	Tool Repair Technician*
Meter Data Specialist	

6. Exceptions to eligibility for Senior Pay include:
 - a. When two or more crews of one or more individuals per crew are combined and a regular or Acting Crew Leader is at the job-site;
 - b. When a crew of any size is working under the direction of a regular or Acting Crew Leader at the job-site;
 - c. During periods of training and inclement weather;
 - d. When work is not related directly to an assignment;
 - e. During holidays, vacation, sick leave or other leaves with pay.
7. LES reserves the right to further limit the applicability of this rate.

EXHIBIT D

OVERTIME MEAL ALLOWANCE

The overtime meal allowance, as provided for in this contract, being subject to the rules specified in Article III, Section II, H. Overtime, shall be payable in the amount of:

\$20.00

EXHIBIT E
UNIFORM ALLOWANCE

The uniform and footwear allowance, as provided for in Article III, Section V, J. Uniform Program shall be \$300.00 per person per year for the term of this contract.

INDEX

A

Acting Crew Leader Pay	48
Alternate Work Schedules.....	16

B

Bulletin Boards and/or PowerNet	37
---------------------------------------	----

C

Computing Facilities.....	37
Conditions of Employment	6

D

Death Benefits	22
Deferred Compensation Plan.....	33
Dental Care Program	31
Department/Division Files	5
Discipline Procedure	9
Drug-Free Work Place	34

E

Educational Tuition Assistance Program	38
Electri-Flex.....	31
Employee Status.....	14

F

Family and Medical Leave Act	27
Fitness Center Reimbursement.....	39
Forfeited Sick Leave	26
Funeral Leave	29

G

Grievance Procedure	10
---------------------------	----

H

Health Care Programs	31
Holidays	26

I

Identification Cards	37
----------------------------	----

Inclement Weather.....	36
Initial Probationary Period	6
Injury Leave	28

J

Job Descriptions and Evaluations	14
Job Postings	7
Job-Site Reporting	20
Jury Leave	29

L

Leave Donation Program	30
Leave for Union Duties.....	30
Leaves of Absence	27
LES Employee Assistance Program.....	38
LES Employees' Retirement Plan	32
LES Employment Principles	4
Life Insurance	32
Long-Term Disability Insurance.....	32
Loss of Driving Privileges	34
Lunch Periods.....	16

M

Management Rights.....	4
Meal Allowances During Overtime	19
Military Leave.....	29
Minimum Call-Back Overtime Pay.....	18
Minimum Rest Periods for Overtime.....	18
Mutual Aid and Storm Restoration.....	20

O

On-call Pay for Telecommunication Technicians and Telecommunication Specialists.....	23
On-Time Reporting to Work	36
Overtime	17
Overtime Meal Allowance	50
Overtime Meal Breaks.....	20

P

Pallbearer Leave.....	30
Pay Advances	22
Pay Day	21
Pay Increases	15
Pay Rates for Overtime.....	18
Pay Transparency Policy Statement	22
Performance Appraisals.....	15
Personal Leave	24
Personnel Records	5
Phased Retirement	33
Post-Employment Health Plan (PEHP)	31

Prescription Safety Glasses	38
Promotions.....	8

R

Reduction in Force/Layoff	8
Reporting Location.....	6
Resignation.....	7
Rest Periods	16
Retirement	7

S

Safety	13
Senior Pay	49
Sick Leave	24
Storm Suits	36

T

Temporary Assignments	21
Termination Pay.....	22
Time Sheets.....	17
Tobacco-Free	38
Tools and Equipment.....	37
Training.....	8
Travel Time for Overtime	19

U

Uniform Allowance	51
Uniform Program.....	37
Unpaid Leave of Absence	27

V

Vesting of Sick Leave.....	26
Veteran's On-The-Job Training	39

W

Wages	44
Witness Leave	29
Work Hours	15
Workers' Compensation.....	13

Exhibit VIII

The Infrastructure Investment and Jobs Act Amendments to the Public Utility Regulatory Policies Act §111(d) “Shall Consider” Standards

Jessica Meyer – RTO/FERC Regulatory Specialist
LES Administrative Board Meeting
February 17, 2023

Overview

- **Background**
 - Public Utility Regulatory Policies Act Title I
- **Infrastructure Investment and Jobs Act Amendments to PURPA Title I Standards**
 - 2021 PURPA §111(d) Standards
- **Requirements of Consideration**
- **Proposed Schedule**

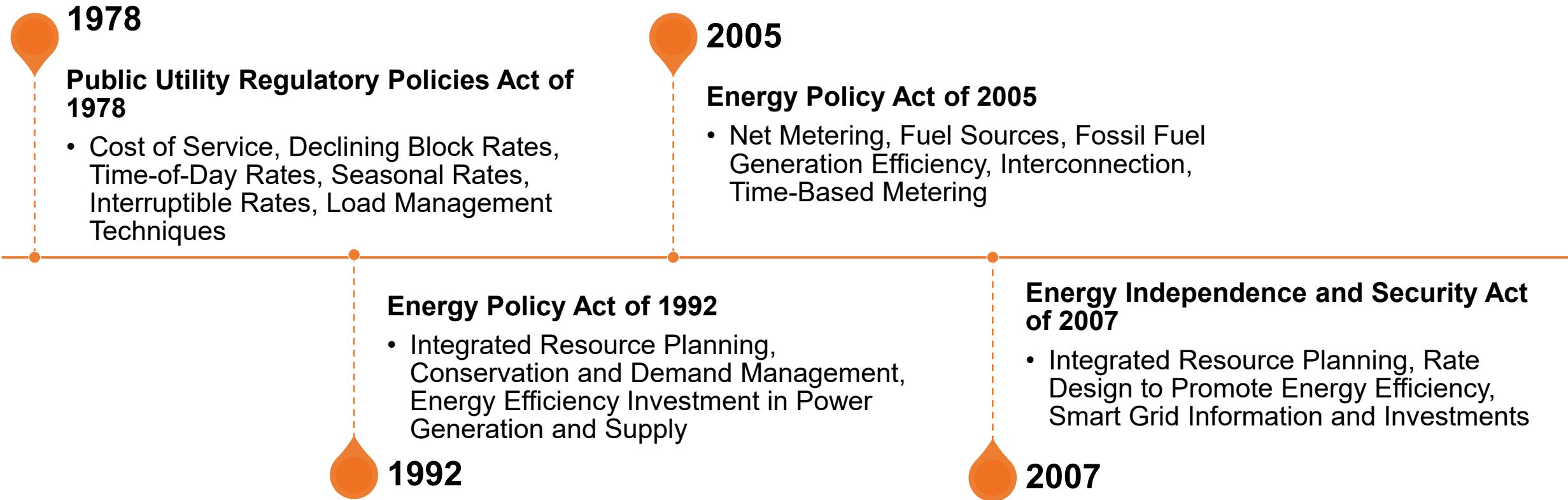
Public Utility Regulatory Policies Act of 1978

Title I – Retail Regulatory Policies for Electric Utilities

Applies to each electric utility with total sales exceeding 500 million kilowatt-hours

Sec. 111(a) Each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall consider each standard established by subsection (d) and make a determination concerning whether or not it is appropriate to implement such standard to carry out the purposes of this title.

Prior §111(d) “Shall Consider” Standards



Infrastructure Investment and Jobs Act Amendments to §111(d)

Sec. 40104. Utility Demand Response.

(20) Demand-Response Practices. Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

Sec. 40431. Consideration of Measures to Promote Greater Electrification of the Transportation Sector.

(21) Electric Vehicle Charging Programs. Each State shall consider measures to promote greater electrification of the transportation sector

- Promotion of affordable and equitable electric vehicle charging options
- Improvement of the customer experience associated with electric vehicle charging
- Acceleration of third-party investment in electric vehicle charging
- Recovery of the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure

“Shall Consider” Requirements for LES

Public Notice and Hearing

Consideration of the pertinent federal standard(s)

Determination

- In writing
- Based upon findings included in such determination and upon evidence presented at the hearing
- Publicly-available
- May implement a standard, decline to implement a standard or adopt and implement a modified standard
- By November 15, 2023

Resolution from the LES Administrative Board

Proposed Schedule

Q1 2023

- ❑ Education on PURPA “Shall Consider” Requirements

Q2 2023

- ❑ Internal review and discussion with Subject Matter Experts
- ❑ Preparations for Public Meeting

Q3 2023

- ❑ Public Notice and Meeting (August 2023)
- ❑ Final Determination made by LES
- ❑ Present Determinations and Recommendations to the LES Administrative Board and obtain Resolution(s)

Q4 2023

- ❑ Action of the Lincoln City Council to adopt Recommendation of the LES Administrative Board

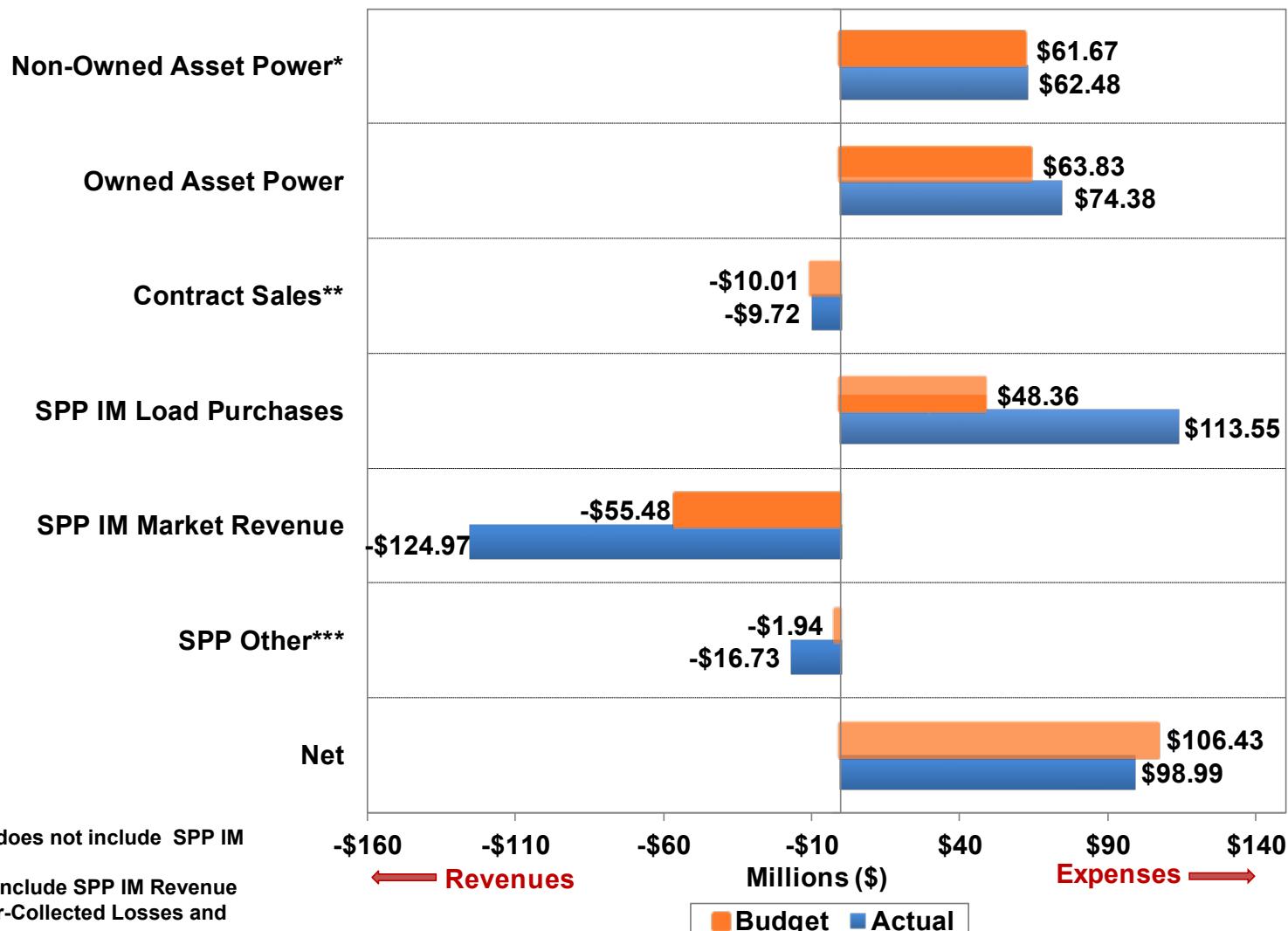
Exhibit IX

Power Supply Division 2022 Year End Review

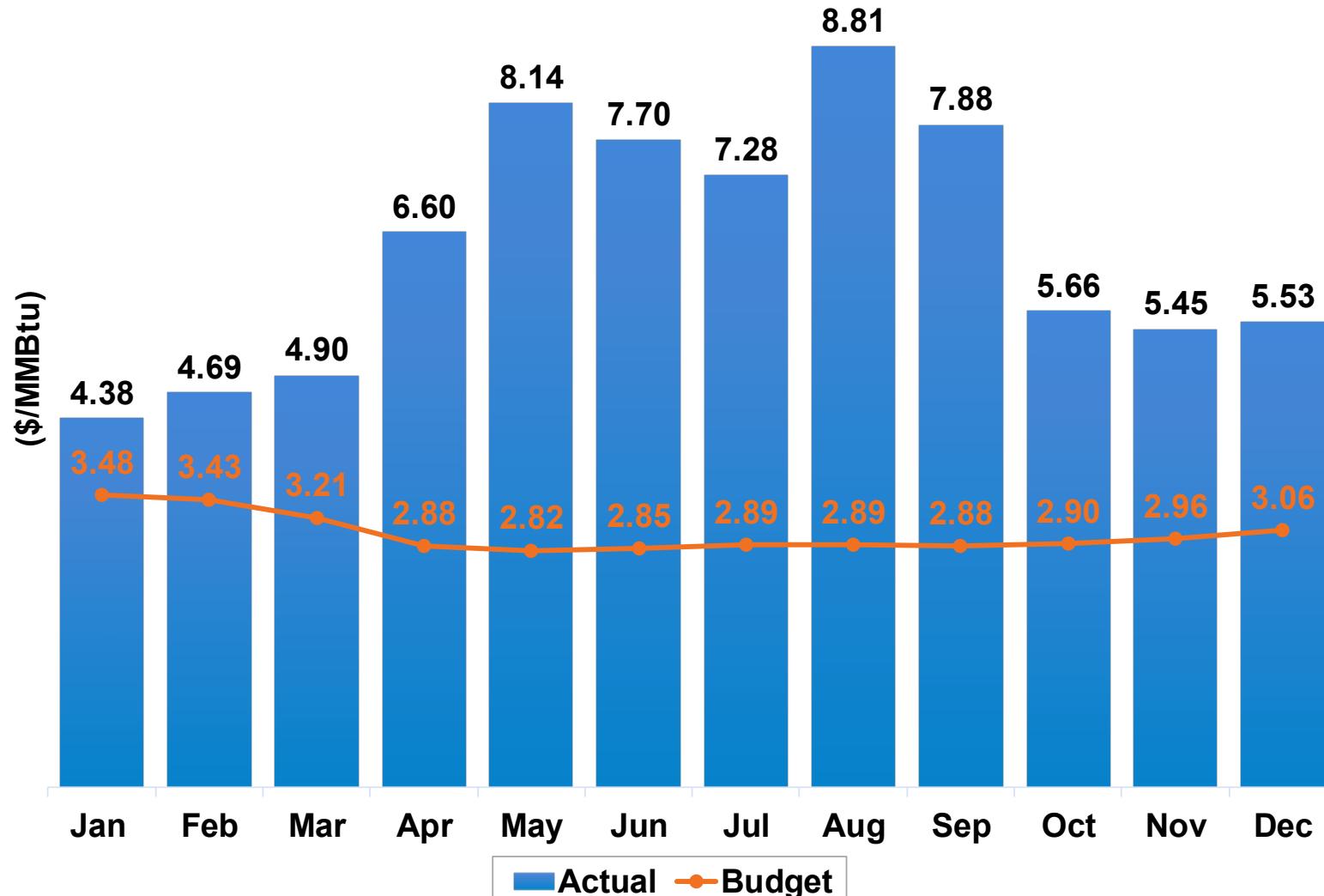
February 17, 2023

**Jason Fortik
Vice President, Power Supply**

2022 Net Power Costs are about \$7.4M (7.0%) below Budget. Energy purchase prices remained high, but market energy revenue and notably higher transmission revenue offset higher market energy expenses and generation expenses.

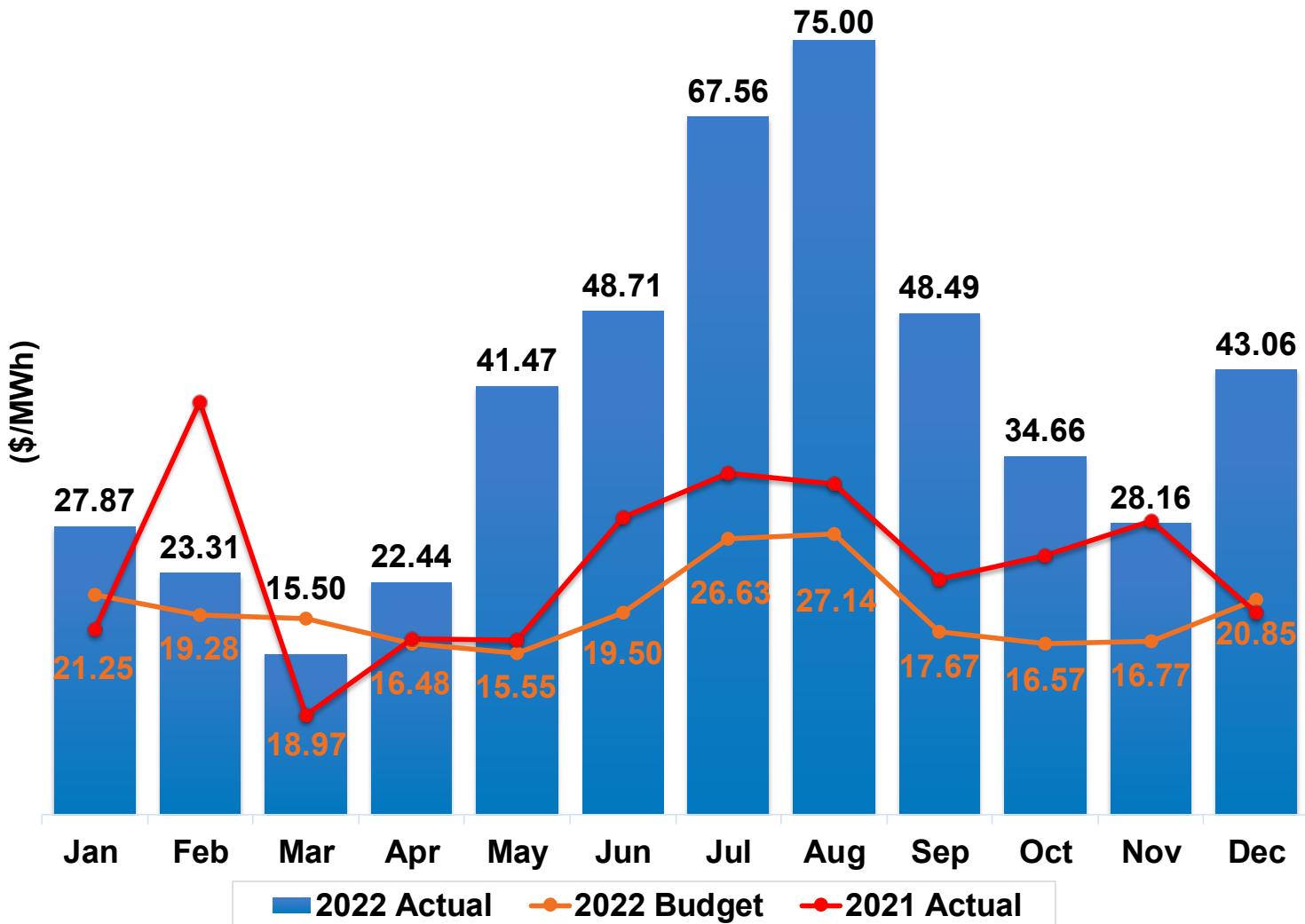


Natural gas prices remained well above Budget this year due to pressure from the global market and concerns about the situation in Europe, but weather driven demand and ongoing delays in the return of an LNG export facility kept prices lower in Q4.

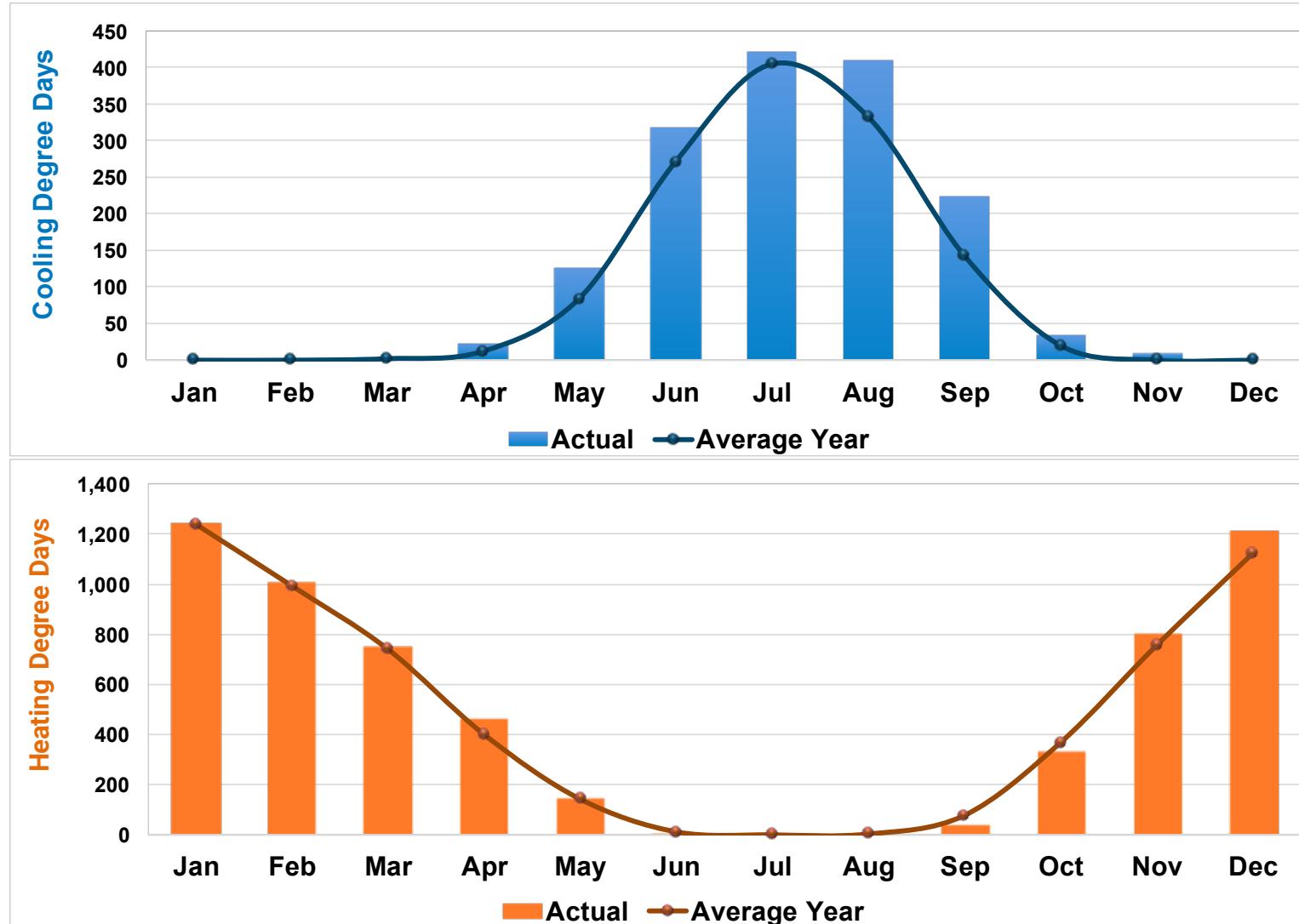


Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

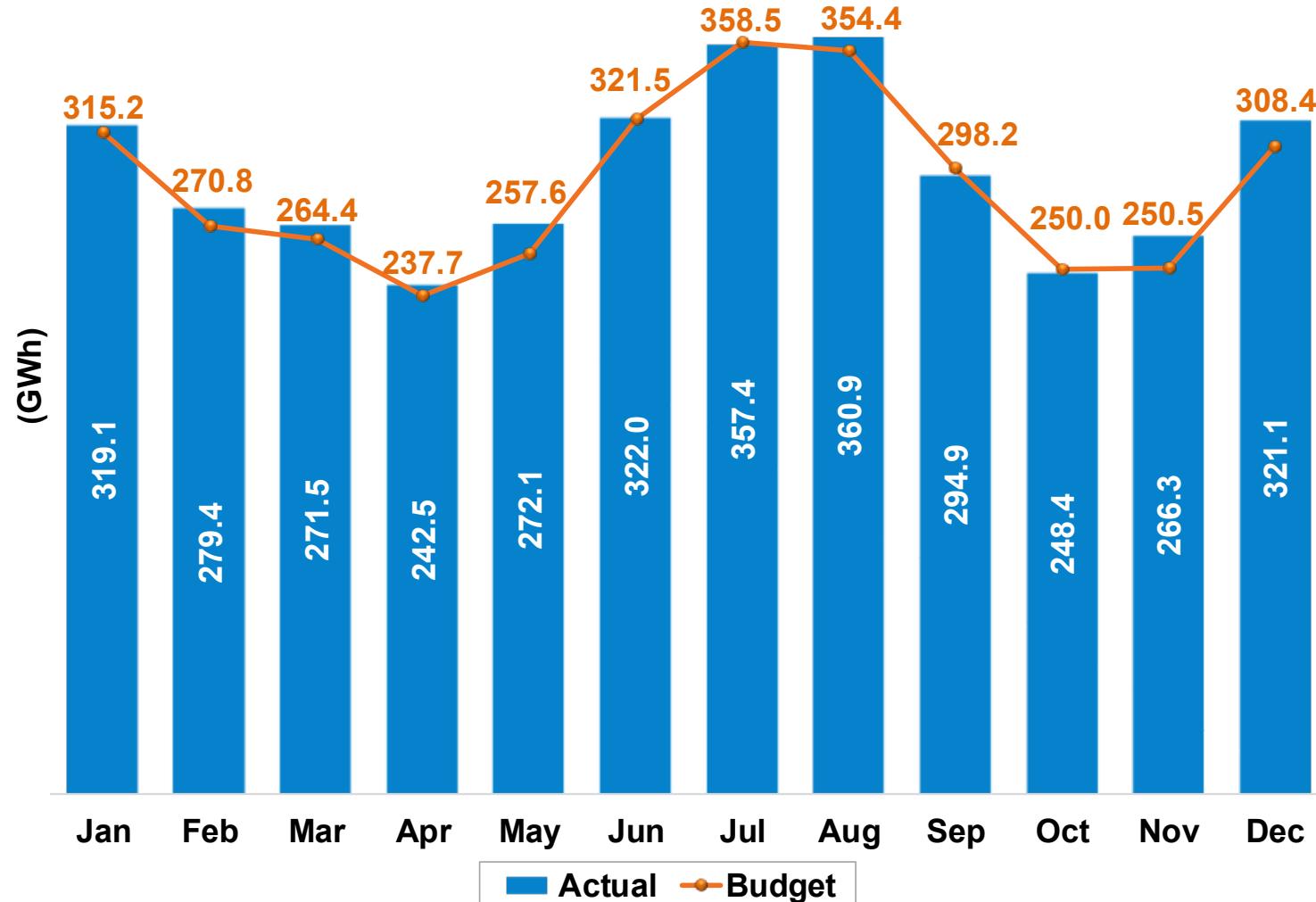
Lincoln's market electricity prices remained above Budget during the year due to higher natural gas prices and increased footprint electrical consumption, although generally favorable generation outage levels in Q4 helped to keep prices lower.



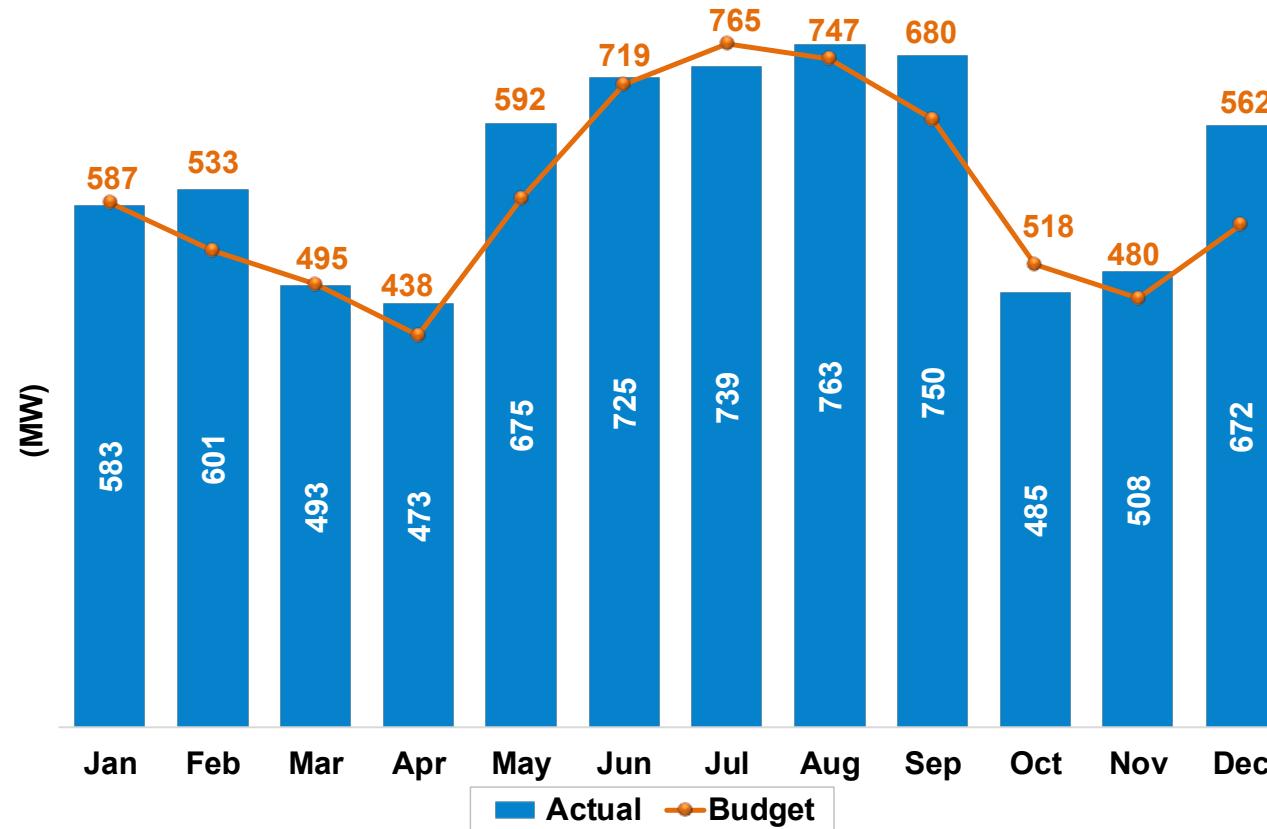
With the exception of a few months, both heating and cooling degree days exceeded expectations throughout the year.



**Control Area Energy consumption was 27 GWh (3.3%) above Budget for Q4
and 69 GWh (1.9%) above Budget for the year.**



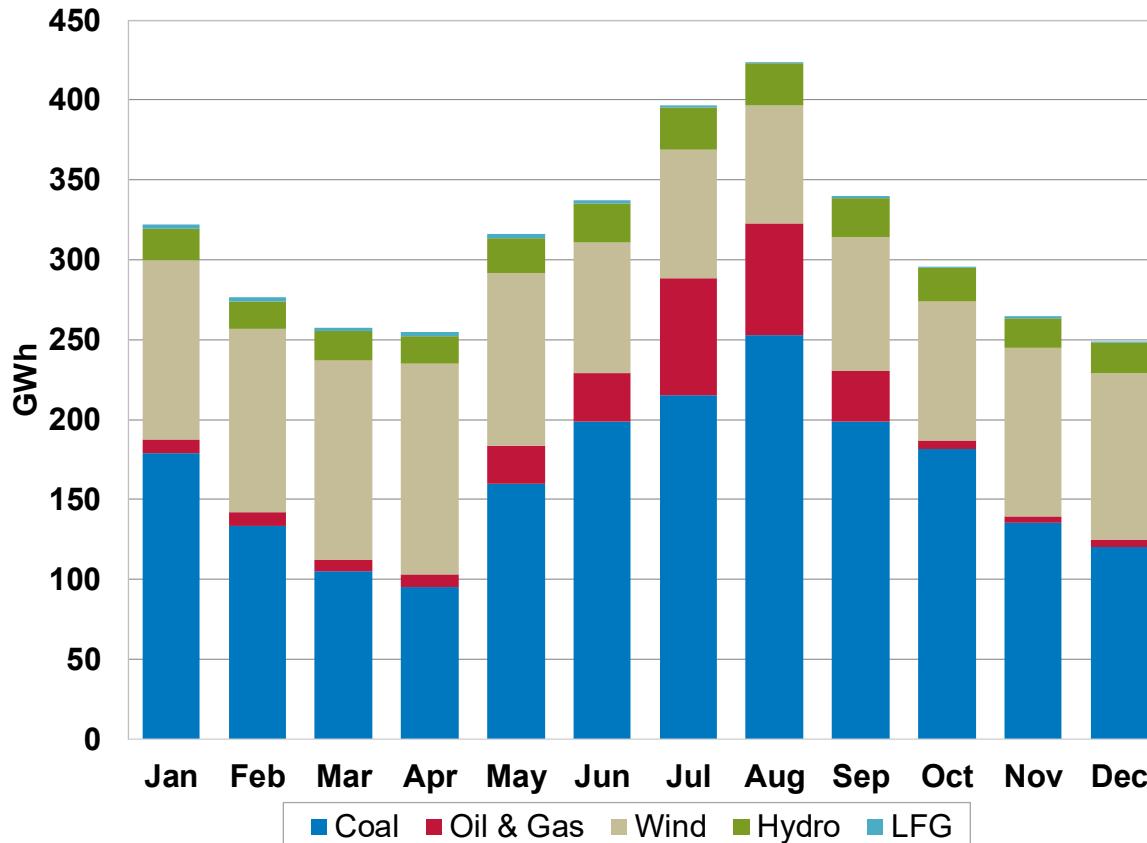
August's 763 MW demand nearly met this year's projected peak of 765 MW, but is still below the all time system summer peak of 786 MW. December's 672 MW set a new all time winter peak for LES, exceeding the previous winter peak of 624 MW from 2/15/21.



System Peak Load

2022 Peak Load Day = 763 MW, 8/2/2022
All Time System Peak = 786 MW, 8/1/2011

This year's renewable energy production was about 6% below expectations and output from our coal resources was about 12% below expectations, while output from our natural gas resources was about 44% above expectations.



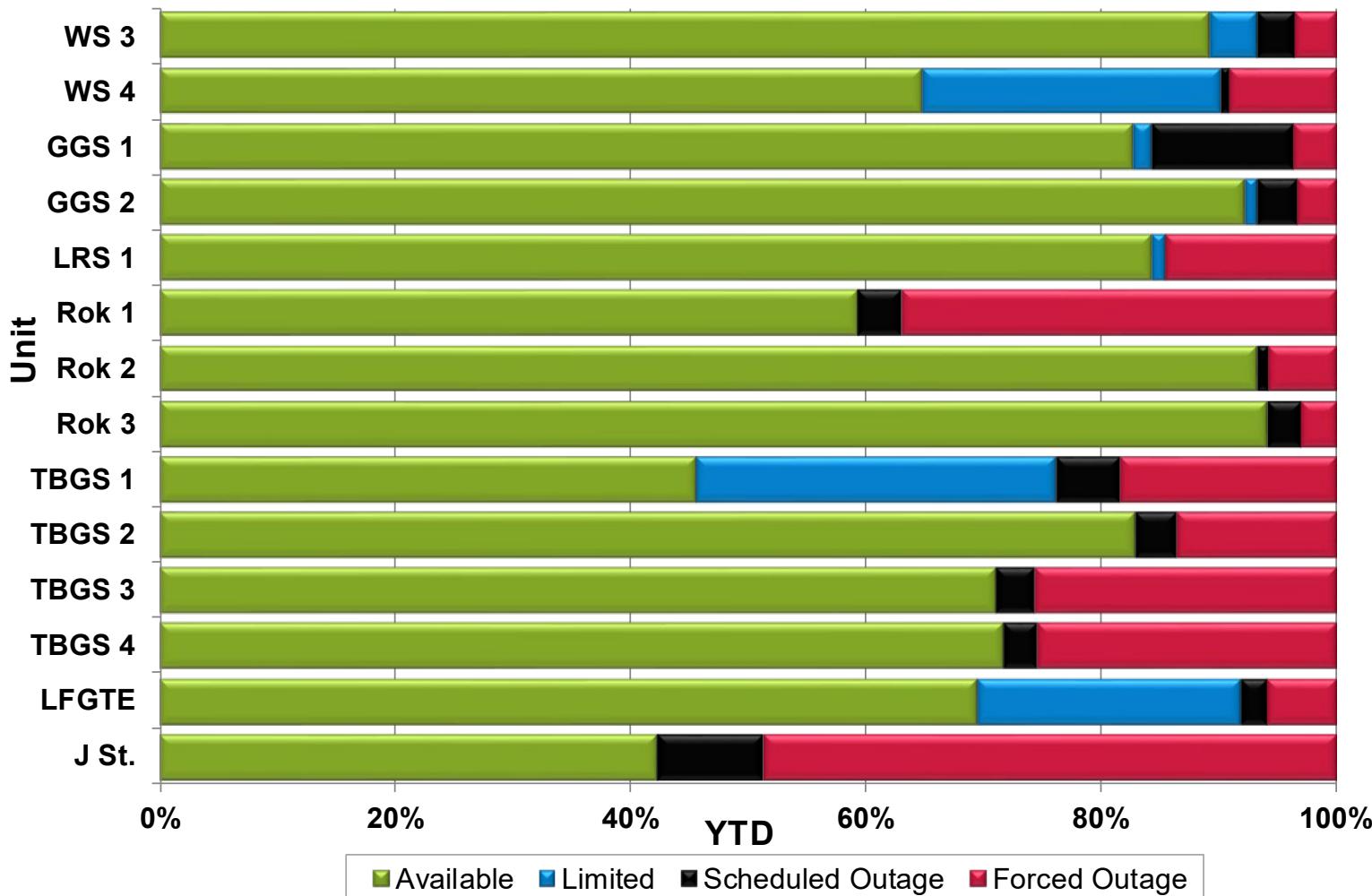
Renewable Energy Production

2022 Renewable Energy Production Expressed as a Percentage of Retail Sales:

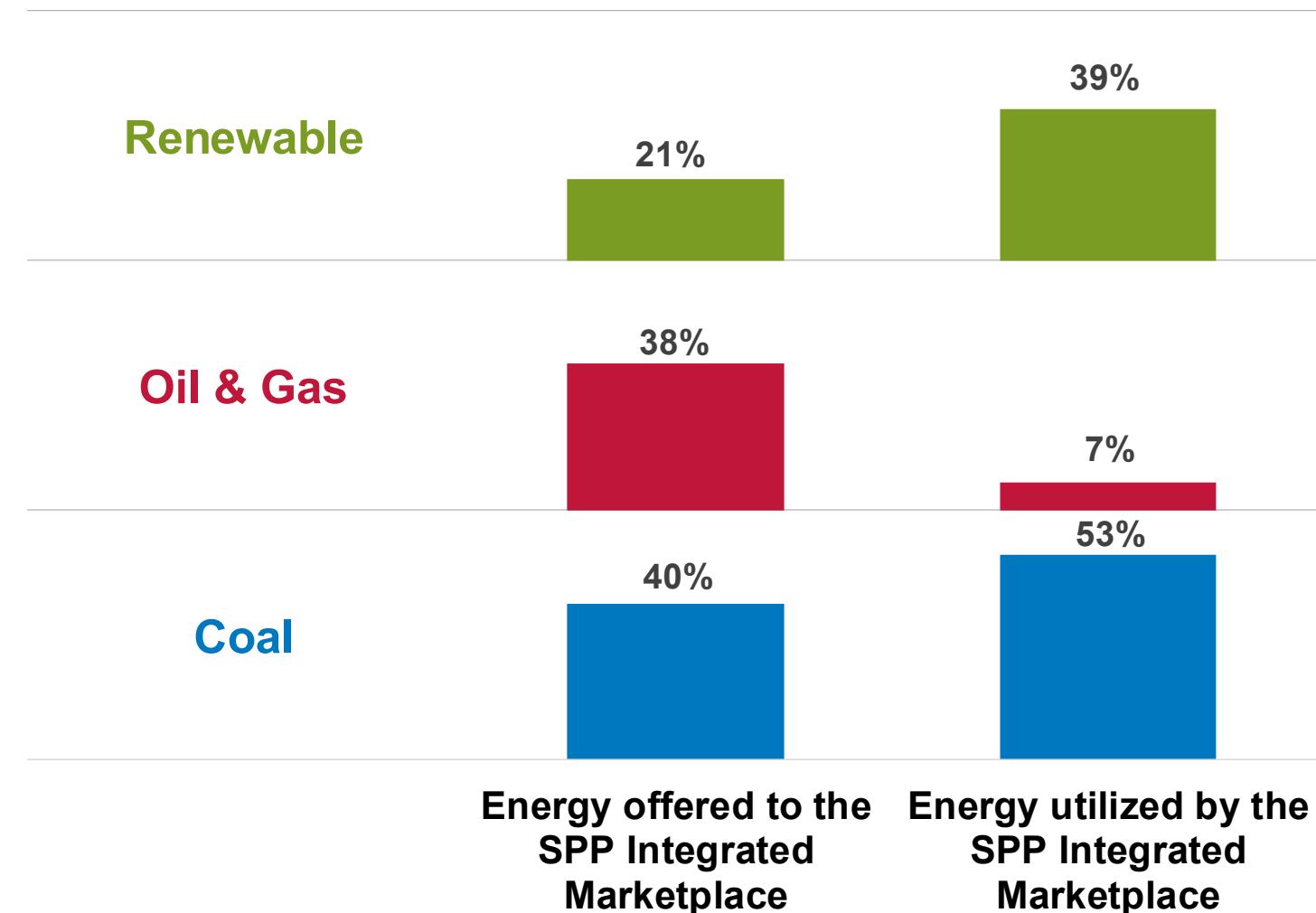
Forecast = 48.1%
Actual = 44.5%

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

The entire generating fleet experienced unplanned outage time this year, with local generating units experiencing notable events due to equipment failures and accelerated component degradation, and the coal resources experiencing boiler tube leaks, lube oil induced bearing damage, and various ancillary system issues.



2022 Market Energy Metrics (January through December)



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

Exhibit X

December 2022

Financial Update (Unaudited)

***Year-end results were favorable due primarily
to lower than budgeted net power costs
combined with higher revenue***

Emily N. Koenig
Vice President & CFO

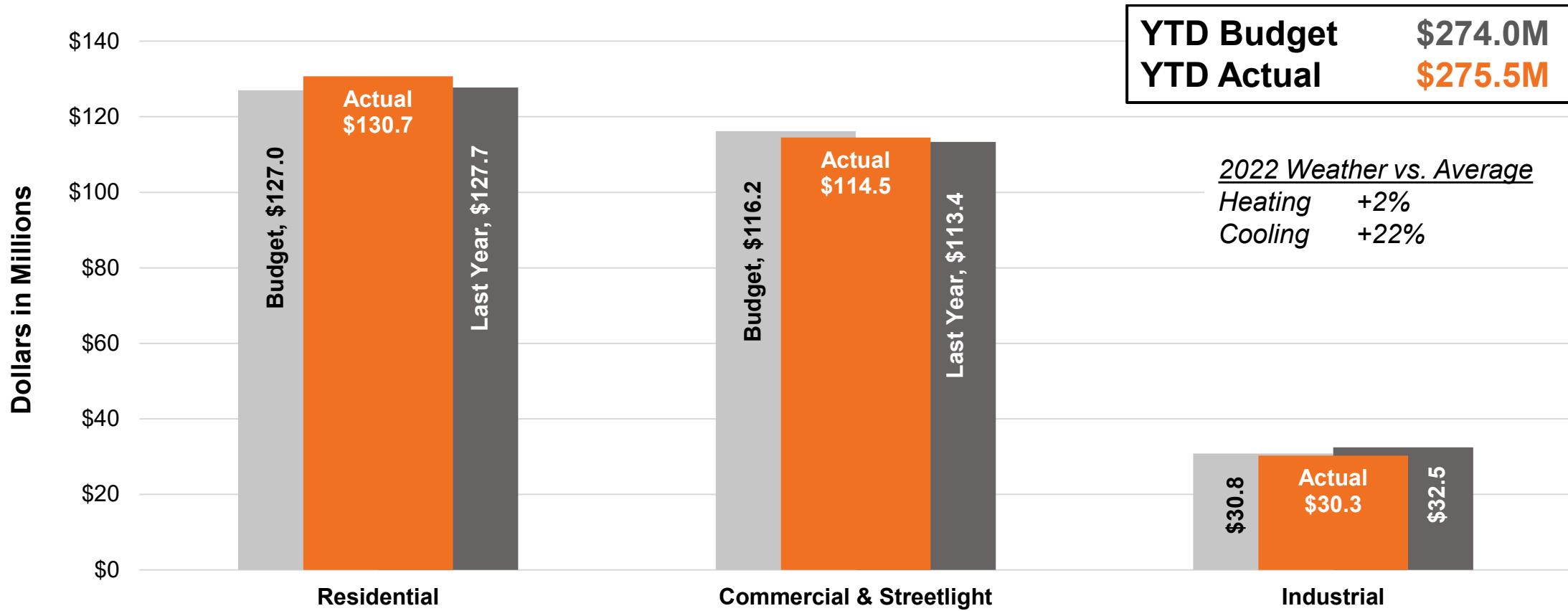
Administrative Board
February 17, 2023

Despite strong headwinds in 2022, the overall financial position for the year was positive

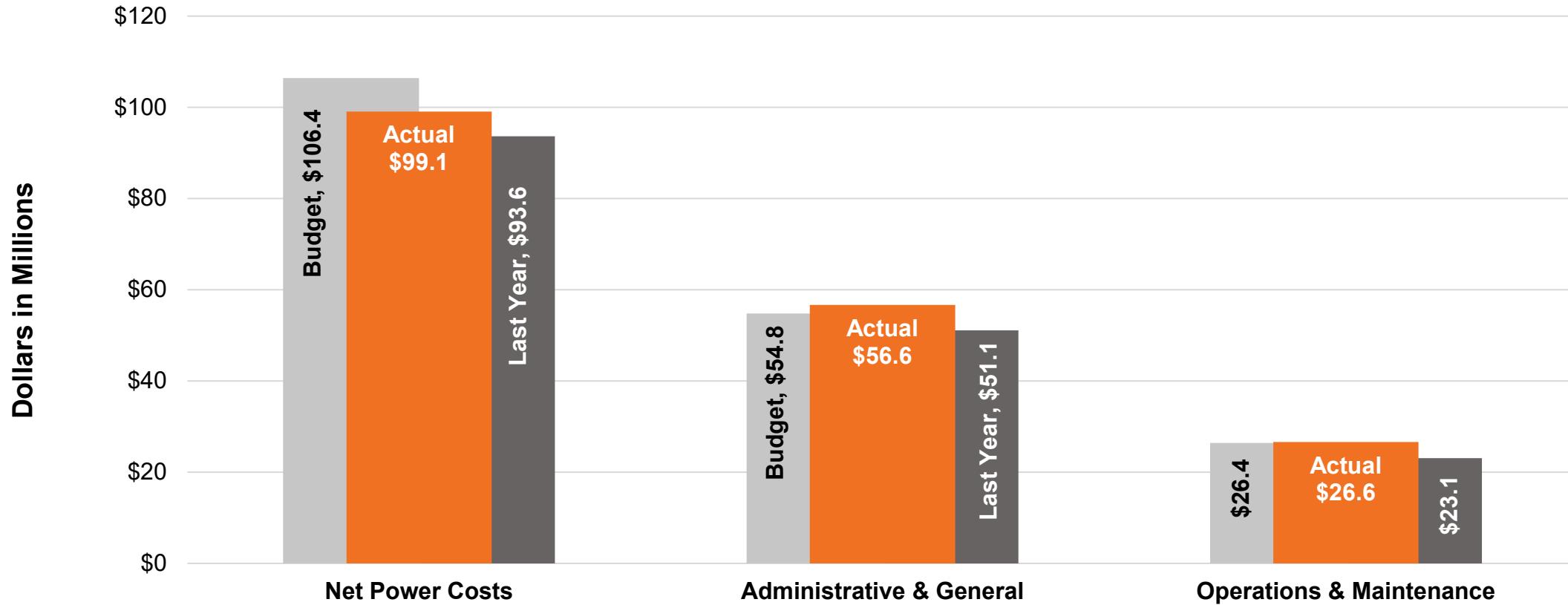
2022 Budget vs. 2022 Unaudited Financials	Variance
Retail Revenue	\$1.5M
Wholesale & Other Revenue	\$38.0M
Total Change in Operating Revenues	\$39.6M
Power Cost (Excluding Payroll)	\$31.2M
Toolroom Inventory Write-Off	\$1.8M
Transmission	\$1.4M
Payroll & Benefits	\$.4M
Travel & Training	-\$0.6M
Vegetation Management	-\$0.5M
Other Changes	-\$0.1M
Total Change in Operating Expenses	\$33.6M
Interest Income (Excludes Interest from RSF)	\$2.9M
Total Change in Debt Service and Interest Income	\$2.9M
Total Change in Funds Available for Debt Service	\$8.9M

Totals may vary slightly due to rounding

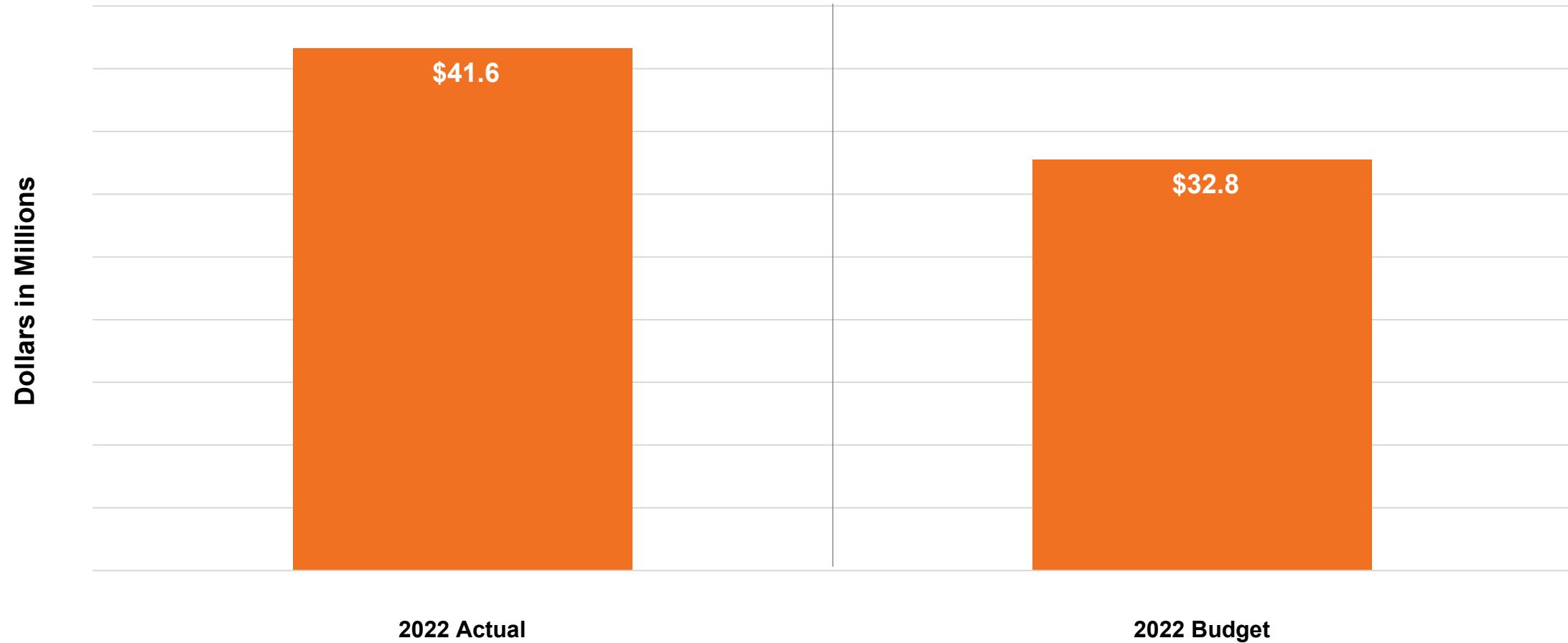
Retail Revenue was 0.6% above budget primarily due to higher energy usage by Residential customers



Lower than budgeted Net Power Costs drove positive year-end financial results

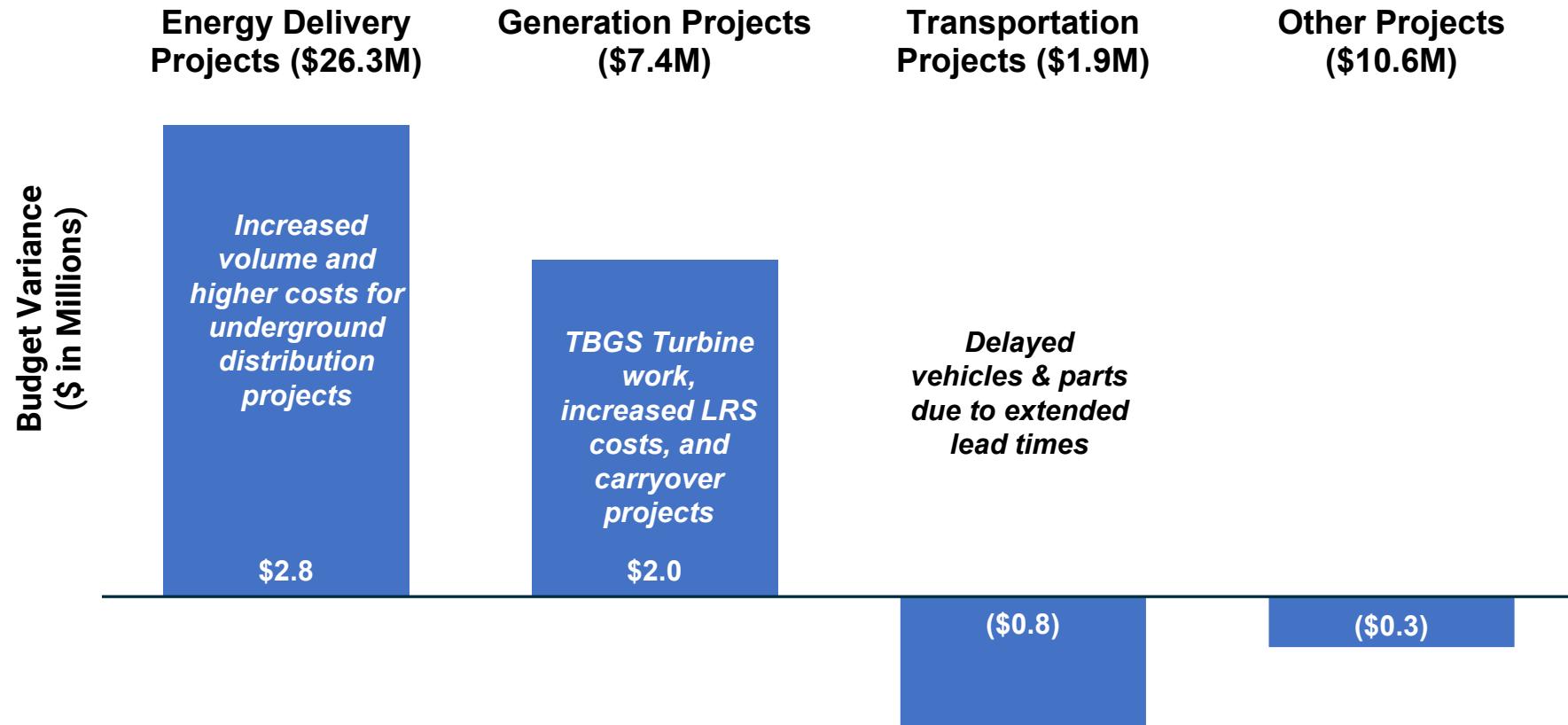


Increased revenues combined with lower expenses resulted greater than budgeted Net Revenue



2022 Capital Spending Ended the Year \$3.7M Above Budget

2022 Budget	\$46.2M
2022 Actuals	\$49.9M



2022 financial metrics end year on positive note

<u>Fixed Charge Coverage Ratio¹</u> 1.59x Budget: 1.48x (higher is better)	<u>Debt Service Coverage Ratio</u> 2.33x Budget: 2.15x (higher is better)	<u>Net Debt Ratio²</u> 5.30x Budget: 6.02x (lower is better)
<u>Days Cash on Hand</u> 199 days Budget: 180 days (higher is better)	<u>Debt to Capitalization</u> 56% Budget: 57% (lower is better)	<u>Retail Energy Sales</u> 3,276 GWh YoY Growth: 1.4%

- LES' ability to achieve financial metrics is key to keeping its AA credit rating
- 2022 performance indicates the overall financial health of the organization is strong or very strong

¹ Monitored by Standard & Poor's

² Monitored by Fitch Ratings

2022 Budget Authorization Comparison

	2022		2022		Total Variance	
	Actuals	Authorization	Actuals	Authorization	Actuals	Authorization
Operating	\$ 282,132	\$ 247,724	\$ 34,408	\$ 34,408	13.9%	13.9%
Capital	49,929	46,185	3,744	3,744	8.1%	8.1%
Total Authorization	332,061	293,909	38,152	38,152	13.0%	13.0%
Wholesale Revenue	65,330	26,361	38,969	38,969	147.8%	147.8%
Total	\$ 266,731	\$ 267,547	\$ (817)	\$ (817)	-0.3%	-0.3%

- While the Total Authorization was exceeded, the largest driver of this was power costs (+\$31.6M), which is more than offset by revenue made in the SPP Integrated Market
- LES monitors its authorization on a monthly basis to ensure the overall authorization (net of Wholesale Revenue) is maintained

Note: Amounts shown in thousands

Exhibit XI

Performance Indicators

Fourth Quarter and YTD 2022

Administrative Board

February 17, 2023

Integrity & Fiscal Responsibility

Performance Indicator	4th Quarter					2022				
	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average
Retail Energy Sales (GWH)	737	735	✓	722		3,276	3,226	✓	3,232	
Debt Coverage (YE)						2.33	2.15	✓	2.55	2.16 ¹
Net Power Costs (\$/MWH)	\$38.65	\$43.88	✓	\$39.34		\$37.48	\$39.92	✓	\$36.19	
SPP Lincoln Locational Marginal Price (\$/MWH)	\$35.29	\$18.06	✗	\$24.33		\$39.69	\$19.72	✗	\$63.83	
Phishing Test Click Rate	0.98%	<4.5%	✓	1.28%	<5.0%	1.32%	<4.5%	✓	3.04%	<5.0%
Suspicious Emails	514		!	1,412		2,503		!	5,305	

¹ 2022 Peer Study Average

Integrity & Fiscal Responsibility

Performance Indicator	4th Quarter					2022				
	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average
Cyber Events Reported (Opened/Closed)	64/64		!	116/116		320/320		!	720/720	
Cyber Security Risk Assessments (New/Open/Closed)	3/1/6		!	13/3/17		23/20/3		!	47/3/46	
Debt (\$) per kWh Sold*						\$0.19		✓	\$0.20	
Average Residential Bill*						\$97.16		✓	\$97.47	
Uncollectible Accounts (per retail \$)*						0.35%		✓	0.40%	

* Year-end ONLY Performance Indicator

Sustainability and Environmental Responsibility

Performance Indicator	4th Quarter					2022				
	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average	Actual	Forecast/ Target	Indicator	Previous Year Actual	Industry Average
Sustainable Energy Program (Obligated YTD \$)						\$1.4M	\$1.5M	✓	\$1.6M	
SEP Demand Reduction (YTD MW)						5.6	5.0	✓	4.8	
Renewable Energy (Expressed as an Equivalent % of Retail Sales) ²	47.8%	53.9%	!	51.9%		44.5%	48.1%	!	43.1%	
CO ₂ Emissions (Thousands of Metric Tons) ³	465	610	✓	461		2,297	2,570	✓	2,103	
CO ₂ Produced (Metric Tons/MWh) ^{2,3}	0.59	0.64	✓	0.56		0.64	0.66	✓	0.61	

² LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient

³ Preliminary estimate based on emissions rates for the previous calendar year

Safety and Employer of Choice

Performance Indicator	4th Quarter					2022				
	Actual	Forecast/Target	Indicator	Previous Year Actual	Industry Average	Actual	Forecast/Target	Indicator	Previous Year Actual	Industry Average
DART (YTD # of incidents per 100 employees that result in Days Away, Restricted, Transferred)	2.70	1.50	✖	3.75		2.16	1.50	✖	3.08	
Tenure (years)*						11		!	12	
Retirement Rate*						2.5%		!	3.1%	
Average Turnover*						14.5%		✖	9.0%	

Reliability and Customer Service

Average Speed of Answer (Seconds)	35.0	37.0	✓	32.2	37.0	42.0	37.0	!	25.2	37.0
Annual Average Outage Time (SAIDI) Per Customer (Normal Weather) (12-month rolling)						13.8	30.0	✓	17.1	119.4 ⁴

*Year-end ONLY Performance Indicator

⁴ Rolling 5-Year national Average from available EIA data

Exhibit XII

2022 Interruption/Outage Report

Winston Larson
Engineer, ED System Planning

February 17, 2023

Reliability Statistics Indices

- ASAI – Average Service Availability Index
- SAIDI – System Average Interruption Duration Index
 - LES Goal: < 30 minutes (normal day)
- CAIDI – Customer Average Interruption Duration Index
 - LES Goal: < 60 minutes (normal day)

Outage Statistics

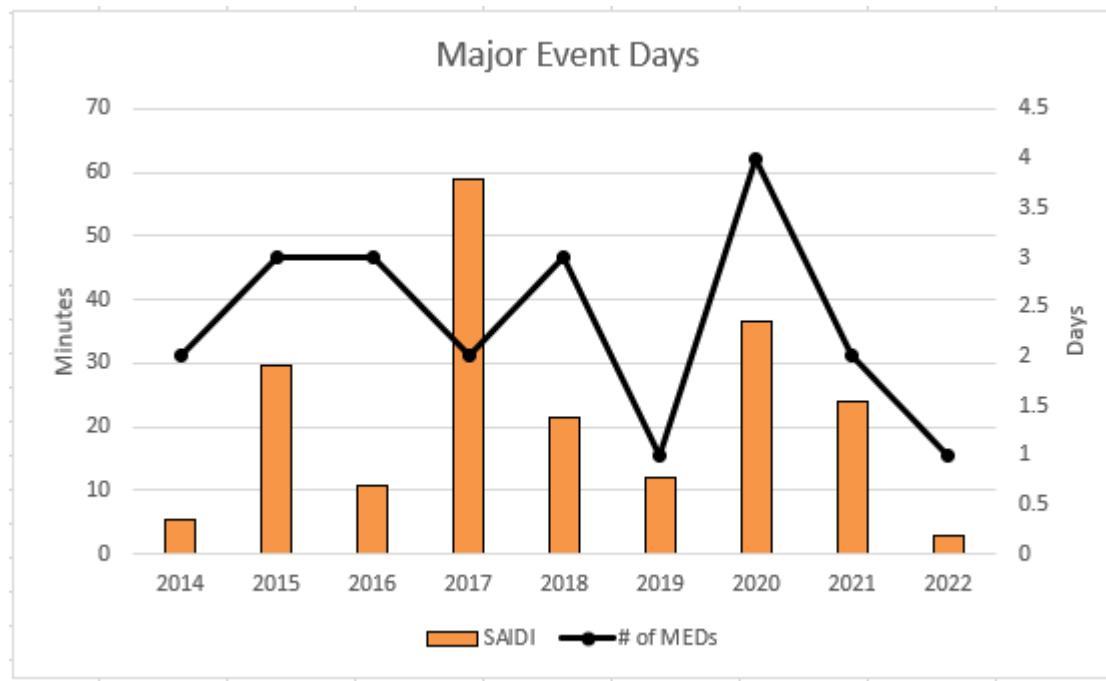
	2018	2019	2020	2021	2022	5 Year Average
Number of Major Event Days	3	1	4	2	1	2.2
ASAI (%)	99.9920	99.9951	99.9890	99.9922	99.9974	99.9931
SAIDI (Minutes) (LES ND Goal <30)	AD ND	41.9 20.3	25.6 13.5	58.1 21.6	41.2 17.1	16.5 13.8
CAIDI (Minutes) (LES ND Goal <60)	AD ND	86.5 57.4	91.8 62.4	96.7 60.0	68.9 65.8	76.1 74.5

AD – All Days (including Major Event Days)

ND – Normal Days (excluding Major Event Days)

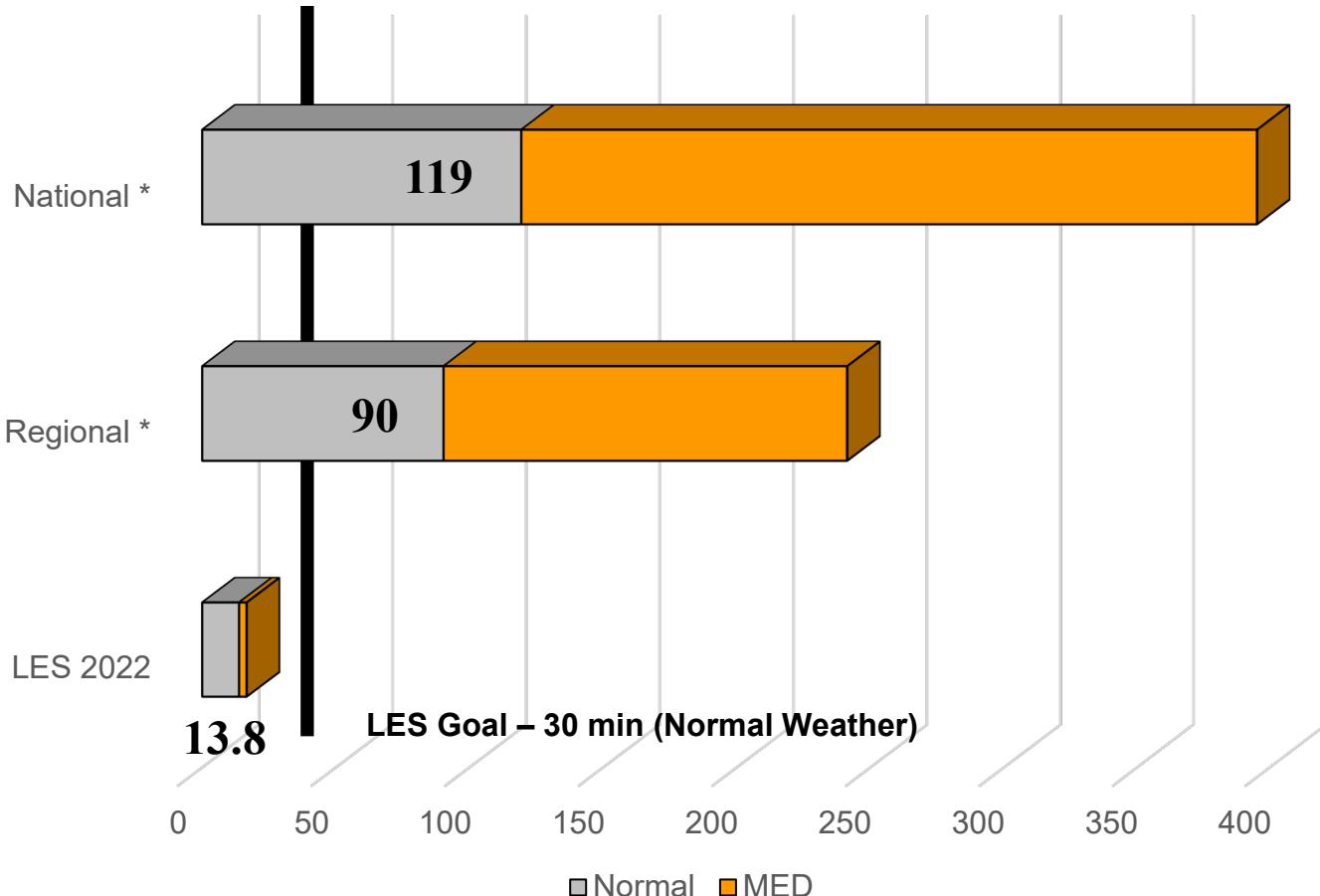
2022 Major Event Day Statistics

Dates	Cause	Outages	SAIDI	CAIDI	Cust Off
5/12	Strong Winds / Thunderstorm	16	2.8	85.3	3,710



SAIDI

(average outage time per customer)

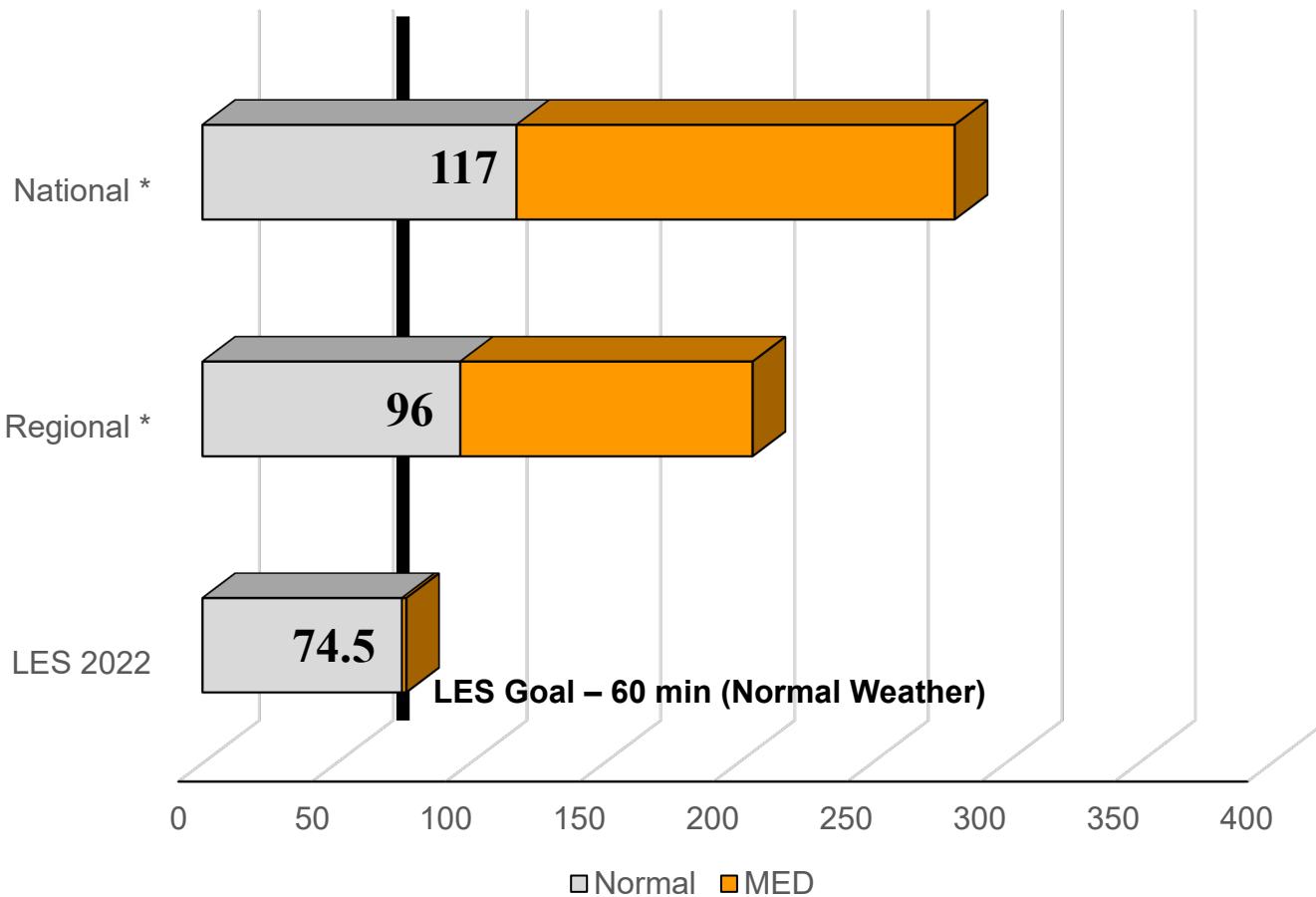


Source: U.S. Energy Information Administration, 2021 Electric power sales, revenue, and energy efficiency Form EIA-861 detailed data files

* Rolling 5-year average of available data (2017-2021)

CAIDI

(average restoration time)



Source: U.S. Energy Information Administration, 2021 Electric power sales, revenue, and energy efficiency Form EIA-861 detailed data files

* Rolling 5-year average of available data (2017-2021)

2022 Outage Causes (Normal Day)

Cause Category	Total Outages	Customer Minutes	Annual SAIDI Contribution (min)	% of Annual SAIDI Contribution (ND)
Trees	77	510,806	3.53	26%
Overhead Problem	158	347,070	2.40	17%
12kV Underground Primary Cable/Splice Failure	43	197,944	1.37	10%
12kV Underground Primary Cable Cut	26	193,739	1.34	10%
Squirrels	53	148,075	1.02	7%
Vehicle Accident	24	140,456	0.97	7%
Wind	17	132,440	0.92	7%
Lightning	25	110,322	0.76	6%
Misc. Errors	31	91,274	0.63	5%
Underground Problem	114	63,035	0.44	3%
Birds & Other Creatures	18	50,142	0.35	3%

Proactive Efforts to Improve Our System

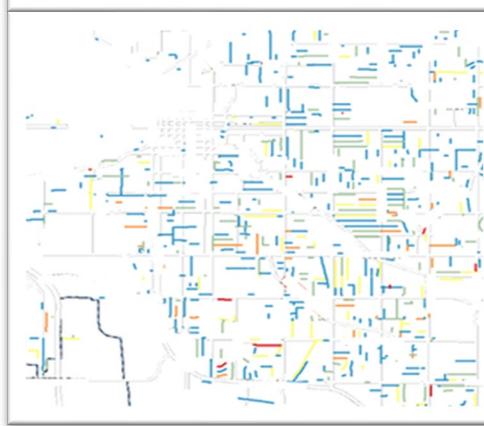
Distribution Outage Analysis Team

- (Est. 1996) Investigates root cause of component failures or specific outage incidents



Cable Replacement Program (CRP)

- (Ongoing) Replaces aged 12kV underground primary cable



Overhead Distribution Asset Management Program (ODAM)

- (Ongoing) Inspects the overhead distribution system and tests and treats wood poles

Precision Undergrounding Program (PUP)

- (2023 Pilot) Identifies overhead line segments that have accumulated the most incident duration minutes and converts attached LES facilities to underground

Underground Distribution Asset Management Program (UDAM)

- (2023 Develop/Test) Exterior & Interior inspection and infrared scanning of 12kV padmounted equipment

Questions?



Exhibit XIII

LES Competitive Market Study

Comparisons of Price, Affordability, and Reliability

LES Administrative Board
February 17, 2023

Joe Cocklin
Manager, Rates & Analytics

Agenda

- Introduction
- Process and Metrics of the Competitive Market Study
- Study results for LES and Nebraska





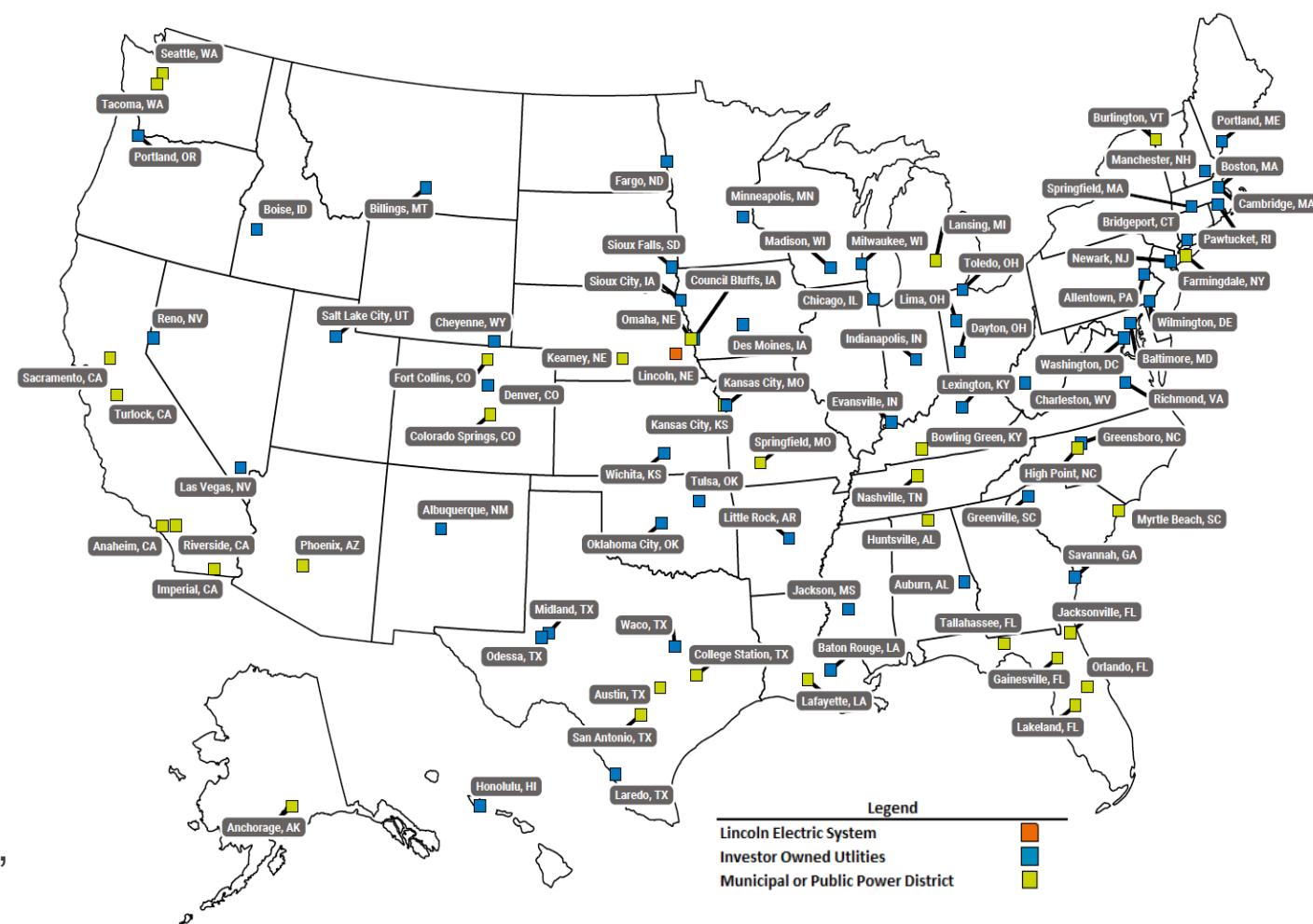
What is the Competitive Market Study?

- A comprehensive report of electric utility metrics
- The study was created in 2022 to allow LES to benchmark its performance with other utilities
- In addition to comparing across other utilities within the same year, the 2023 Competitive Market Study also includes comparisons to the prior year
- This longitudinal approach allows LES to watch trends over time

Competitive Market Study Process and Metrics

- The city selection process

- Who do we compare to?
 - 87 cities for most metrics
 - Site selection cities and other peers
 - Large utilities in remaining states
 - 33 public power, 54 investor-owned utilities
 - State-level comparison
 - Use government data (EIA and Census Bureau) which is reliable, defensible, and easy to acquire
 - Based on the most current data available
2021



Study Metrics Cover a Broad Scope to Match Customer Priorities

- **What are the metrics?**

- Electricity Price by Sector
 - All-in rate (Average Price of Electricity)
 - Price Stability
 - Residential Affordability
 - Reliability
- *Lower numbers are better in all the following metrics*



LES Electricity Prices Low Overall, Especially for Residential and Commercial Customers

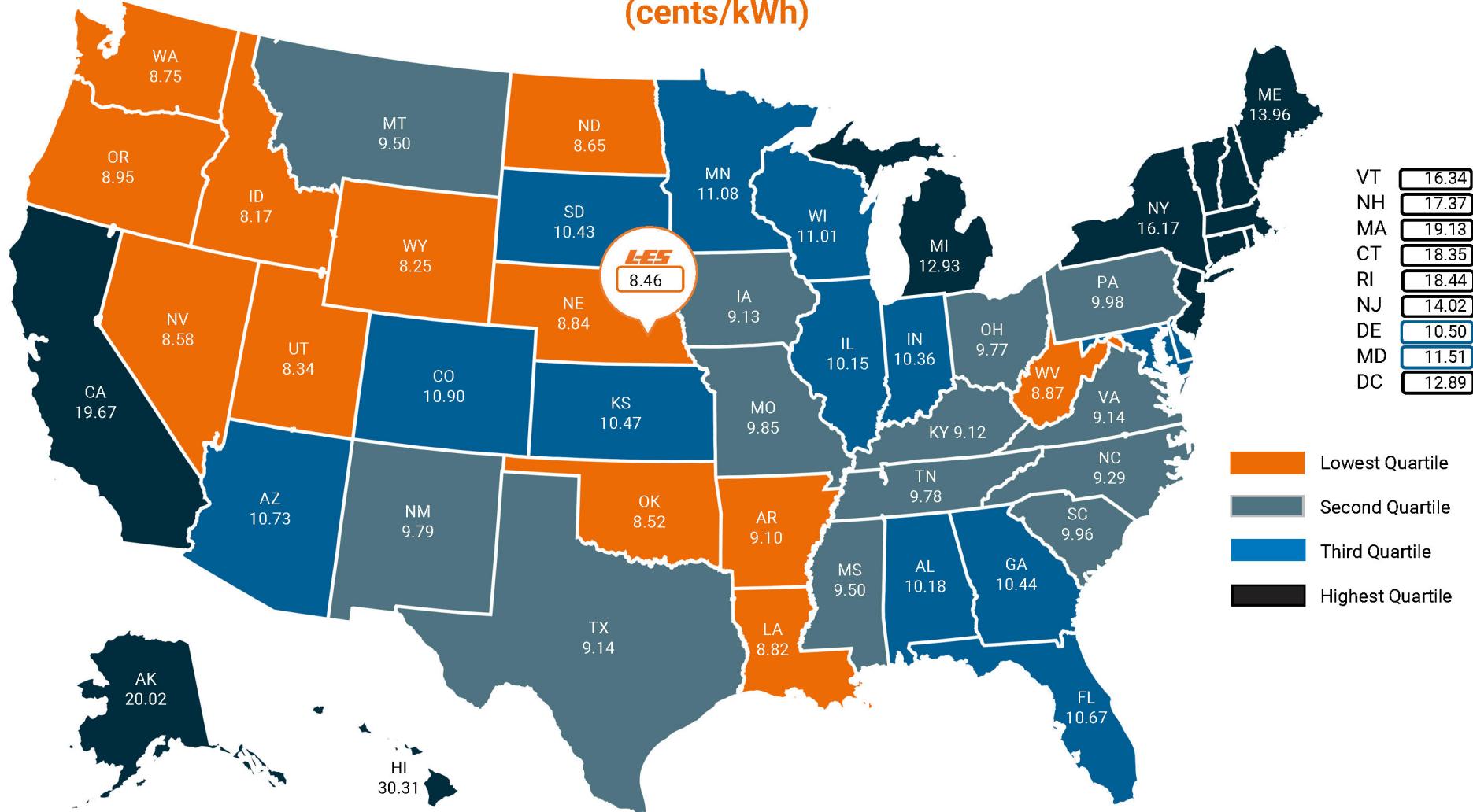
Metric	Average All-In Price Metrics Rankings			
	LES (Cents/kWh)	LES Ranking ¹ (Out of 87 Cities)	NE (Cents/kWh)	NE Ranking (Out of 51 States)
Residential	9.75	3	10.75	4
Commercial	7.85	5	8.81	8
Industrial	6.80	32	7.26	28
All Retail Sectors	8.46	16	8.84	9

For Cents/kWh, lower is better

- Average all-in price is calculated from EIA data for revenue and energy sold in each sector for each utility
 - Overall, LES is ranked 16th out of 87 cities in the study, a decrease in rank from 15th in 2022, and is in the lowest 10 for Residential and Commercial energy price, with Residential improving by 5%
 - At the state level, Nebraska is ranked 9th out of 50 states and the District of Columbia, an improvement from 14th in the 2022 study

¹ College Station Utilities, Lafayette Utilities System, Orlando Utilities Commission, City of Tallahassee Electric Utility, Long Island Power Authority, and Potomac Electric Power Company are not included in Industrial rankings for both metrics as they don't report Industrial revenue to EIA.

State All Retail Sectors Average All-In Price (cents/kWh)



Data Source(s): 2021 Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers

LES Ranks 8th Best Overall in Price Stability

Metric	Price Stability Metrics Rankings		NE Stability	NE Ranking (Out of 51 States)
	LES Stability	LES Ranking ¹ (Out of 87 Cities)		
Residential	1.87%	7	2.04%	10
Commercial	1.36%	4	1.34%	2
Industrial	2.18%	6	2.55%	7
All Retail Sectors	1.58%	8	1.84%	8

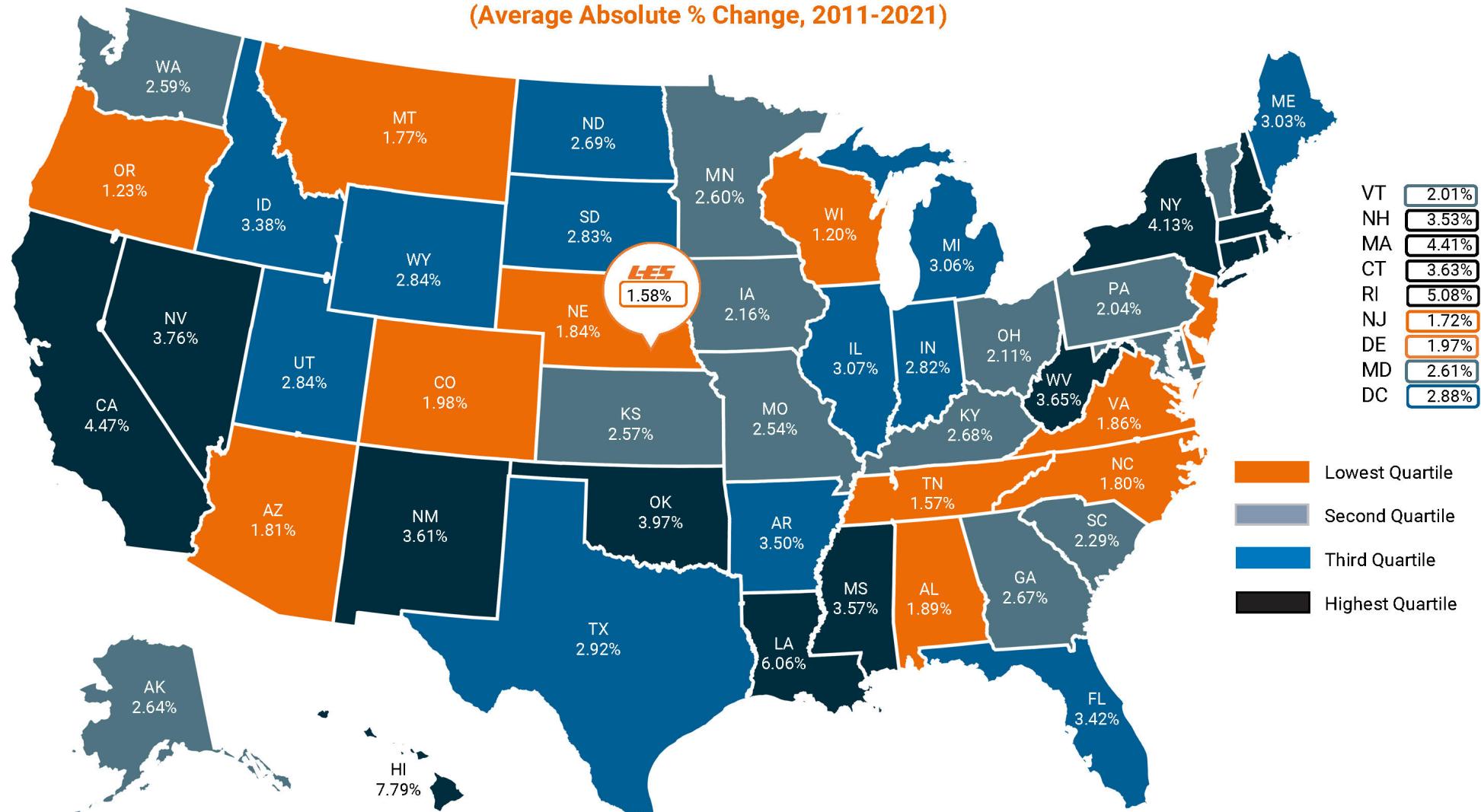
For stability metrics, a lower score is better

- Price stability is important for customers, particularly large industrial customers, who can plan for the medium and long term with more confidence, reducing their exposure to volatile energy prices
- Price stability is calculated by taking the average absolute percent change in average prices across a 10-year period in each sector
 - *Overall, LES is ranked 8th out of 87 cities in the study, a decrease of one from the 2022 rank of 7th, and inside the lowest 10 across all sectors*
 - *At the state level, Nebraska is ranked 8th out of 50 states and the District of Columbia, an improvement from the 2022 rank of 15th*

¹ College Station Utilities, Lafayette Utilities System, Orlando Utilities Commission, City of Tallahassee Electric Utility, Long Island Power Authority, and Potomac Electric Power Company are not included in Industrial rankings for both metrics as they don't report Industrial revenue to EIA.

State All Retail Sectors All-In Price Stability

(Average Absolute % Change, 2011-2021)



Data Source(s): 2011-2021 Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers

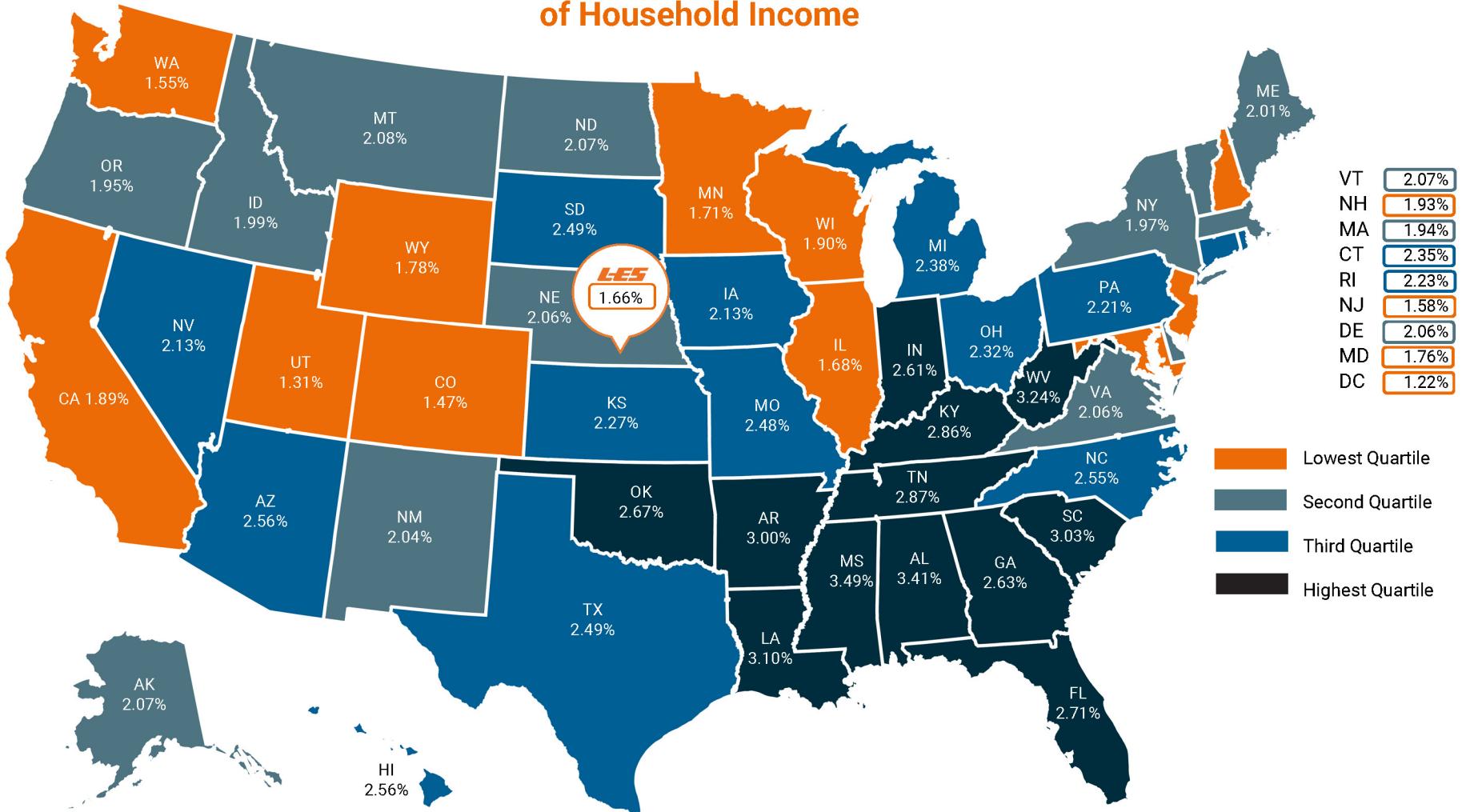
LES Maintains Affordable Residential Rates, Even When Accounting for Household Income

Metric	Affordability Metrics Rankings		NE Metric Value	NE Ranking (Out of 51 States)
	LES Metric Value	LES Ranking (Out of 87 Cities)		
Average Monthly Residential Bill	\$ 82.99	10	\$ 108.09	14
Residential Average Cost per Day	\$ 2.73	10	\$ 3.55	14
Residential Electric Bill % of Household Income	1.66%	17	2.06%	19

For all above metrics, lower is better

- The affordability of electricity, especially for residential customers, impacts how households manage their finances
- Average bill is calculated by multiplying the average price of electricity to the average monthly energy usage in kilowatt-hours for that city or state, normalized for that city/state's typical energy use
 - Overall, LES is ranked 10th out of 87 cities in the study, an improvement from 12th in the 2022 study
 - Nebraska ranked 14th out of 50 states and DC, an improvement from 17th last year
- Residential electricity bill as a percent of household income is calculated using the average bill as a proportion of the city or state's median household income
 - LES remained ranked 17th out of 87 cities, with Nebraska coming in at 19th out of all 50 states and DC

State Residential Electric Bill Percent of Household Income



Data Source(s): 2021 Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers; United States Census Bureau American Community Survey 5-Year Estimates (2016-2020)

LES is Among the Most Reliable Utilities

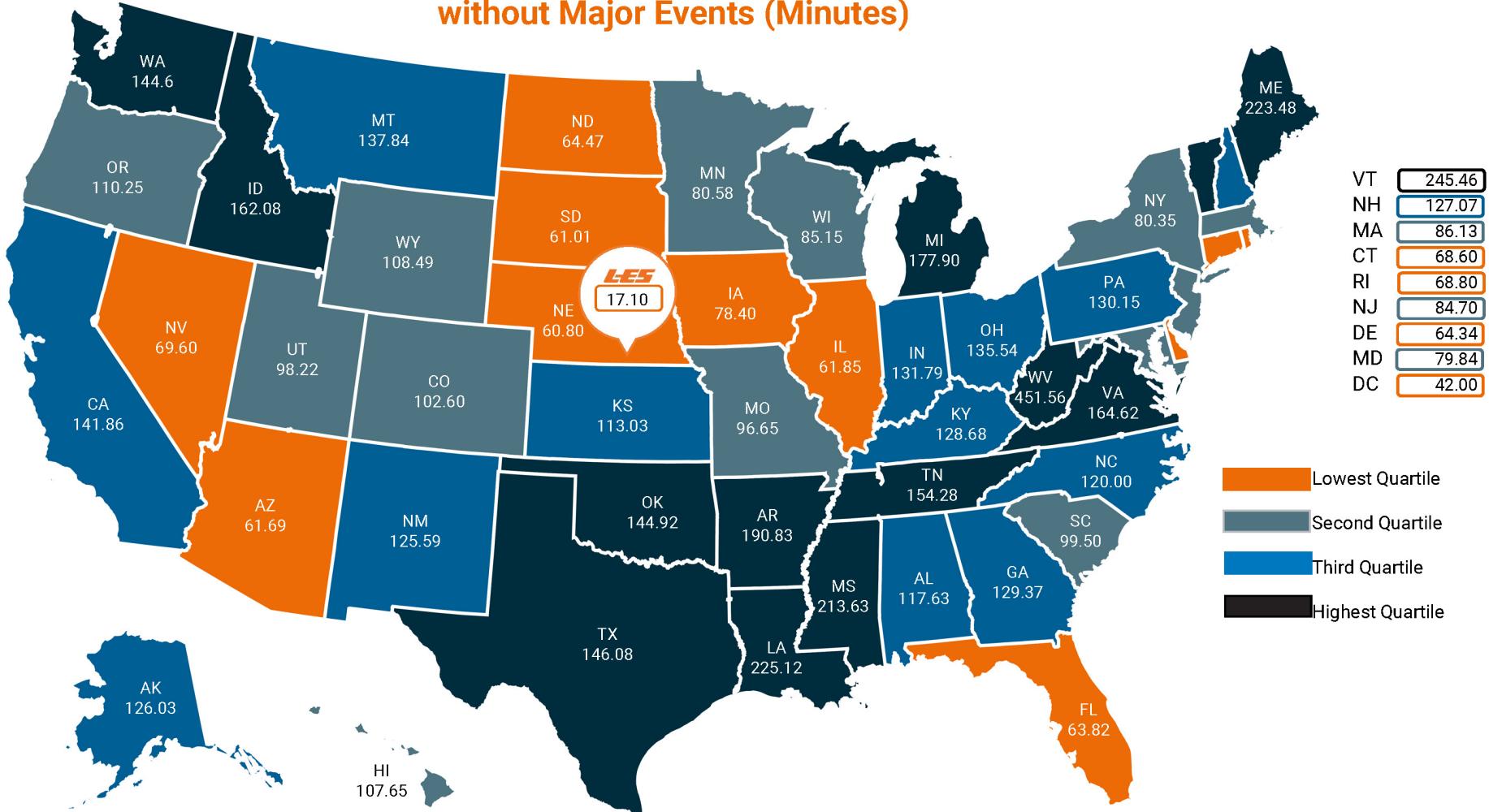
Metric	Reliability Metrics Rankings			
	LES Reliability	LES Ranking ¹ (Out of 82 Cities)	NE Reliability	NE Ranking (Out of 51 States)
SAIDI With Major Event Day	41.20	4	516.01	42
SAIDI Without Major Event Day	17.10	1	60.80	2

For SAIDI, a lower score is better

- One of the foremost responsibilities of electric utilities is providing reliable service to its customers
- System Average Interruption Duration Index (SAIDI) with Major Event Days was obtained through EIA to measure reliability, with lower scores being better
 - Overall, LES is ranked 4th out of 82 cities in the study, an improvement from 14th in 2022
 - Nebraska ranked 42nd out of 50 states and DC, a significant decline in rank from 8th in 2022
- System Average Interruption Duration Index (SAIDI) without Major Event Days, was obtained through EIA to measure reliability
 - LES is ranked 1st out of 79 cities, an improvement from 3rd in 2022
 - Nebraska ranked 2nd when compared to all 50 states and DC, an improvement from 7th in 2022

¹ SAIDI values with and without MED rankings don't include TXU Energy, Reliant Energy, and City Burlington Electric as they do not report these values to EIA. SAIDI values without MED rankings also exclude City Utilities of Springfield, Chugach Electric Association Incorporated, and City of Tallahassee Electric Utility.

State System Average Interruption Duration Index (SAIDI) without Major Events (Minutes)



Data Source(s): 2021 Form EIA-861 Annual Electric Power Industry Report, Reliability



- The 2023 Competitive Market Study will be published on LES.com after Friday's Board Meeting
- The final report shows all the results for each utility and state in detail

Exhibit XIV



Revenue & Expense Statement (Condensed)
DECEMBER 2022
UNAUDITED

Year-end financial results were favorable primarily due to lower Net Power Costs

(Dollar amounts in 000)

YEAR TO DATE	2022 Actual	2022 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$361,383	\$321,807	\$39,576	12%	Wholesale revenue exceeded budget by 148%, or \$38.9M, primarily due to higher than expected revenues from SPP IM activities.
2) Power Costs	164,382	132,787	31,595	24%	Purchased power was 31%, or \$21M, over budget due to higher SPP IM purchases and prices. Produced power was 17%, or \$10.5M over budget due to increased energy output at Terry Bundy (TBGS) and Rokeby Generating Stations and increased maintenance at TBGS. This is partially offset by decreased output and expenses at Laramie River Station.
3) Other Operating Expenses	83,255	81,233	2,022	2%	
4) Depreciation	<u>34,495</u>	<u>33,704</u>	<u>791</u>	2%	
5) Total Expenses	<u>282,132</u>	<u>247,724</u>	<u>34,408</u>	14%	
6) Operating Income	79,251	74,083	5,168	7%	
7) Non-Operating Expense (Income)	<u>37,627</u>	<u>41,318</u>	<u>(3,691)</u>	-9%	Interest Income exceeded budget by \$3.5M due to higher earning rates and fund balances.
8) Change in Net Position (Net Revenue)	<u>\$41,624</u>	<u>\$32,765</u>	<u>\$8,859</u>	27%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Debt Service Coverage	2.33	2.15			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
10) Days Cash on Hand (Days)	199	180			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

December 2022

Unaudited



INDEX

REVENUE & EXPENSE STATEMENT - CURRENT MONTH -----	1
REVENUE & EXPENSE STATEMENT - YEAR-TO-DATE -----	2
REVENUES, ENERGY & CUSTOMERS - CURRENT MONTH-----	3
REVENUES, ENERGY & CUSTOMERS - YEAR-TO-DATE -----	4
OPERATING EXPENSE STATEMENT - CURRENT MONTH-----	5
OPERATING EXPENSE STATEMENT - YEAR-TO-DATE -----	6
BALANCE SHEET-----	7
STATEMENT OF CASH FLOWS-----	8
DEBT SERVICE COVERAGE-----	9

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

UNAUDITED

DECEMBER 2022

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
OPERATING REVENUES							
1. Retail	\$22,344,574	\$21,367,155	\$977,419	4.6%	\$20,576,133	\$1,768,441	8.6%
2. Wholesale	4,083,530	2,225,367	1,858,163	83.5%	2,713,051	1,370,479	50.5%
3. Other Revenue	695,076	1,720,534	(1,025,458)	-59.6%	1,603,843	(908,767)	-56.7%
4. CDFUO (a)	934,967	867,913	67,054	7.7%	844,246	90,721	10.7%
5. Total Operating Revenues	28,058,147	26,180,969	1,877,178	7.2%	25,737,273	2,320,874	9.0%
OPERATING EXPENSES							
6. Purchased Power	11,871,511	6,251,633	5,619,878	89.9%	7,549,116	4,322,395	57.3%
7. Produced Power	1,947,489	4,611,818	(2,664,329)	-57.8%	4,668,113	(2,720,624)	-58.3%
8. Operations	2,120,253	2,045,352	74,901	3.7%	1,389,144	731,109	52.6%
9. Maintenance	1,018,346	749,293	269,053	35.9%	901,346	117,000	13.0%
10. Admin. & General	8,185,120	4,390,513	3,794,607	86.4%	6,209,694	1,975,426	31.8%
11. Depreciation	2,945,654	2,867,366	78,288	2.7%	2,856,337	89,317	3.1%
12. Total Operating Expenses	28,088,373	20,915,975	7,172,398	34.3%	23,573,750	4,514,623	19.2%
13. OPERATING INCOME	(30,226)	5,264,994	(5,295,220)	-100.6%	2,163,523	(2,193,749)	-101.4%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,398,852	1,279,226	119,626	9.4%	1,576,243	(177,391)	-11.3%
15. PILOT (c)	989,026	1,013,163	(24,137)	-2.4%	904,548	84,478	9.3%
16. CDFUO Expense (a)	963,140	881,956	81,184	9.2%	864,662	98,478	11.4%
17. Other Expense	0	0	0	--	67	(67)	-100.0%
18. Total Other Nonoperating Expense	3,351,018	3,174,345	176,673	5.6%	3,345,520	5,498	0.2%
19. Other Income	(500,135)	0	(500,135)	--	0	(500,135)	--
20. Interest Income	(1,674,044)	(22,076)	(1,651,968)	7483.1%	(50,457)	(1,623,587)	3217.8%
21. Total Other Nonoperating Income	(2,174,179)	(22,076)	(2,152,103)	9748.6%	(50,457)	(2,123,722)	4209.0%
22. Total Nonoperating Expenses (Inc)	1,176,839	3,152,269	(1,975,430)	-62.7%	3,295,063	(2,118,224)	-64.3%
23. Income Before Contributions	(1,207,065)	2,112,725	(3,319,790)	-157.1%	(1,131,540)	(75,525)	-6.7%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	1,112,035	56,751	1,055,284	1859.5%	19,134	1,092,901	5711.8%
23. Contributed Capital Used	(1,112,035)	(56,751)	(1,055,284)	1859.5%	(19,134)	(1,092,901)	5711.8%
24. Net Contributed Capital	0	0	0	--	0	0	--
25. CHANGE IN NET POSITION	(\$1,207,065)	\$2,112,725	(\$3,319,790)	-157.1%	(\$1,131,540)	(\$75,525)	-6.7%



REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

UNAUDITED

DECEMBER 2022

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
OPERATING REVENUES							
1. Retail	\$275,491,673	\$273,954,203	\$1,537,470	0.6%	\$273,557,215	\$1,934,458	0.7%
2. Wholesale	65,330,161	26,361,463	38,968,698	147.8%	74,594,078	(9,263,917)	-12.4%
3. Other Revenue	9,616,000	10,789,321	(1,173,321)	-10.9%	11,056,470	(1,440,470)	-13.0%
4. CDFUO (a)	10,944,809	10,702,365	242,444	2.3%	9,691,016	1,253,793	12.9%
5. Total Operating Revenues	361,382,643	321,807,352	39,575,291	12.3%	368,898,779	(7,516,136)	-2.0%
OPERATING EXPENSES							
6. Purchased Power	90,005,272	68,955,910	21,049,362	30.5%	94,240,305	(4,235,033)	-4.5%
7. Produced Power	74,376,526	63,830,902	10,545,624	16.5%	73,982,448	394,078	0.5%
8. Operations	16,797,449	16,343,053	454,396	2.8%	15,022,385	1,775,064	11.8%
9. Maintenance	9,814,869	10,082,695	(267,826)	-2.7%	8,070,490	1,744,379	21.6%
10. Admin. & General	56,642,734	54,807,122	1,835,612	3.3%	51,110,997	5,531,737	10.8%
11. Depreciation	34,494,817	33,703,920	790,897	2.3%	35,925,809	(1,430,992)	-4.0%
12. Total Operating Expenses	282,131,667	247,723,602	34,408,065	13.9%	278,352,434	3,779,233	1.4%
13. OPERATING INCOME	79,250,976	74,083,750	5,167,226	7.0%	90,546,345	(11,295,369)	-12.5%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	18,381,494	17,763,972	617,522	3.5%	19,503,740	(1,122,246)	-5.8%
15. PILOT (c)	12,738,082	13,398,335	(660,253)	-4.9%	12,638,446	99,636	0.8%
16. CDFUO Expense (a)	10,769,856	10,445,117	324,739	3.1%	9,358,648	1,411,208	15.1%
17. Other Expense	3,133	0	3,133	--	401	2,732	681.3%
18. Total Other Nonoperating Expense	41,892,565	41,607,424	285,141	0.7%	41,501,235	391,330	0.9%
19. Other Income	(500,135)	0	(500,135)	--	0	(500,135)	--
20. Interest Income	(3,765,742)	(289,252)	(3,476,490)	1201.9%	(194,112)	(3,571,630)	-1840.0%
21. Total Other Nonoperating Income	(4,265,877)	(289,252)	(3,976,625)	1374.8%	(194,112)	(4,071,765)	-2097.6%
22. Total Nonoperating Expenses (Inc)	37,626,688	41,318,172	(3,691,484)	-8.9%	41,307,123	(3,680,435)	-8.9%
23. Income Before Contributions	41,624,288	32,765,578	8,858,710	27.0%	49,239,222	(7,614,934)	-15.5%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	2,039,282	681,034	1,358,248	199.4%	1,062,663	976,619	91.9%
23. Contributed Capital Used	(2,039,282)	(681,034)	(1,358,248)	199.4%	(1,062,663)	(976,619)	91.9%
24. Net Contributed Capital	0	0	0	--	0	0	--
25. CHANGE IN NET POSITION	\$41,624,288	\$32,765,578	\$8,858,710	27.0%	\$49,239,222	(\$7,614,934)	-15.5%



REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

DECEMBER 2022

UNAUDITED

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	%	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	%
REVENUE							
1. Residential	\$11,278,031	\$10,257,098	\$1,020,933	10.0%	\$9,665,919	\$1,612,112	16.7%
2. Commercial & Street Light	8,766,023	8,796,113	(30,090)	-0.3%	8,452,942	313,081	3.7%
3. Industrial	2,300,520	2,313,944	(13,424)	-0.6%	2,457,272	(156,752)	-6.4%
4. Total Retail	22,344,574	21,367,155	977,419	4.6%	20,576,133	1,768,441	8.6%
5. SPP Sales	3,038,227	1,423,087	1,615,140	113.5%	2,209,166	829,061	37.5%
6. Contract Sales	1,045,303	802,280	243,023	30.3%	503,885	541,418	107.4%
7. Total Wholesale	4,083,530	2,225,367	1,858,163	83.5%	2,713,051	1,370,479	50.5%
8. Total	\$26,428,104	\$23,592,522	\$2,835,582	12.0%	\$23,289,184	\$3,138,920	13.5%
ENERGY (MWH'S)							
9. Residential	131,293	121,302	9,991	8.2%	109,414	21,879	20.0%
10. Commercial & Street Light	121,005	118,727	2,278	1.9%	112,844	8,161	7.2%
11. Industrial	34,151	37,975	(3,824)	-10.1%	36,086	(1,935)	-5.4%
12. Total Retail	286,449	278,004	8,445	3.0%	258,344	28,105	10.9%
13. SPP Sales	21,404	50,316	(28,912)	-57.5%	42,934	(21,530)	-50.1%
14. Contract Sales	35,126	25,528	9,598	37.6%	5,326	29,800	559.5%
15. Total Wholesale	56,530	75,844	(19,314)	-25.5%	48,260	8,270	17.1%
16. Total	342,979	353,848	(10,869)	-3.1%	306,604	36,375	11.9%
CUSTOMERS - AT MONTH END							
17. Residential	130,928	130,263	665	0.5%	128,892	2,036	1.6%
18. Commercial & Street Light	17,598	17,811	(213)	-1.2%	17,423	175	1.0%
19. Industrial	230	233	(3)	-1.3%	232	(2)	-0.9%
20. Total Retail	148,756	148,307	449	0.3%	146,547	2,209	1.5%
21. Wholesale	7	8	(1)	-12.5%	7	0	0.0%
22. Total	148,763	148,315	448	0.3%	146,554	2,209	1.5%



REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

DECEMBER 2022

UNAUDITED

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$130,690,759	\$127,035,701	\$3,655,058	2.9%	\$127,732,596	\$2,958,163	2.3%
2. Commercial & Street Light	114,501,136	116,171,519	(1,670,383)	-1.4%	113,357,576	1,143,560	1.0%
3. Industrial	30,299,778	30,746,983	(447,205)	-1.5%	32,467,043	(2,167,265)	-6.7%
4. Total Retail	275,491,673	273,954,203	1,537,470	0.6%	273,557,215	1,934,458	0.7%
5. SPP Sales	55,608,173	16,349,589	39,258,584	240.1%	65,644,132	(10,035,959)	-15.3%
6. Contract Sales	9,721,988	10,011,874	(289,886)	-2.9%	8,949,946	772,042	8.6%
7. Total Wholesale	65,330,161	26,361,463	38,968,698	147.8%	74,594,078	(9,263,917)	-12.4%
8. Total	\$340,821,834	\$300,315,666	\$40,506,168	13.5%	\$348,151,293	-\$7,329,459	-2.1%
ENERGY (MWH'S)							
9. Residential	1,345,068	1,295,752	49,316	3.8%	1,310,455	34,613	2.6%
10. Commercial & Street Light	1,475,289	1,468,121	7,168	0.5%	1,443,632	31,657	2.2%
11. Industrial	455,298	462,157	(6,859)	-1.5%	477,804	(22,506)	-4.7%
12. Total Retail	3,275,655	3,226,030	49,625	1.5%	3,231,891	43,764	1.4%
13. SPP Sales	702,528	710,150	(7,622)	-1.1%	589,333	113,195	19.2%
14. Contract Sales	265,597	343,037	(77,440)	-22.6%	243,498	22,099	9.1%
15. Total Wholesale	968,125	1,053,187	(85,062)	-8.1%	832,831	135,294	16.2%
16. Total	4,243,780	4,279,217	(35,437)	-0.8%	4,064,722	179,058	4.4%
CUSTOMERS AVERAGE							
17. Residential	130,067	129,452	615	0.5%	128,256	1,811	1.4%
18. Commercial & Street Light	17,539	17,709	(170)	-1.0%	17,345	194	1.1%
19. Industrial	231	233	(2)	-0.9%	233	(2)	-0.9%
20. Total Retail	147,837	147,394	443	0.3%	145,834	2,003	1.4%
21. Wholesale	7	8	(1)	-12.5%	8	(1)	-12.5%
22. Total	147,844	147,402	442	0.3%	145,842	2,002	1.4%



OPERATING EXPENSE STATEMENT

CURRENT MONTH

DECEMBER 2022

UNAUDITED

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET AMOUNT	VARIANCE FROM BUDGET %	LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR AMOUNT	VARIANCE FROM LAST YEAR %
POWER COST							
1. SPP Purchased Power	\$6,077,155	\$806,863	\$5,270,292	653.2%	\$1,331,612	\$4,745,543	356.4%
2. Non-Owned Asset Power	5,794,356	5,444,770	349,586	6.4%	6,217,504	(423,148)	-6.8%
3. Total Purchased Power	11,871,511	6,251,633	5,619,878	89.9%	7,549,116	4,322,395	57.3%
4. Produced Power	1,947,489	4,611,818	(2,664,329)	-57.8%	4,668,113	(2,720,624)	-58.3%
5. Total Power Cost	13,819,000	10,863,451	2,955,549	27.2%	12,217,229	1,601,771	13.1%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,095,852	1,852,760	243,092	13.1%	2,080,910	14,942	0.7%
7. Transmission	1,042,747	941,885	100,862	10.7%	209,580	833,167	397.5%
8. Total O & M Expense	3,138,599	2,794,645	343,954	12.3%	2,290,490	848,109	37.0%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	233,961	245,563	(11,602)	-4.7%	210,332	23,629	11.2%
10. Communication & Corporate Records	230,420	175,540	54,880	31.3%	182,859	47,561	26.0%
11. Corporate Operations	3,210,447	880,201	2,330,246	264.7%	2,202,795	1,007,652	45.7%
12. Customer Services	1,101,980	887,585	214,395	24.2%	1,016,838	85,142	8.4%
13. Financial Services	423,444	395,337	28,107	7.1%	402,404	21,040	5.2%
14. Power Supply	325,801	396,189	(70,388)	-17.8%	425,666	(99,865)	-23.5%
15. Technology Services	2,659,067	1,410,098	1,248,969	88.6%	1,768,800	890,267	50.3%
16. Total A & G Expense	8,185,120	4,390,513	3,794,607	86.4%	6,209,694	1,975,426	31.8%
17. DEPRECIATION	2,945,654	2,867,366	78,288	2.7%	2,856,337	89,317	3.1%
18. TOTAL OPERATING EXPENSE	\$28,088,373	\$20,915,975	\$7,172,398	34.3%	\$23,573,750	\$4,514,623	19.2%



OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

DECEMBER 2022

UNAUDITED

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
POWER COST							
1. SPP Purchased Power	\$27,522,814	\$7,286,721	\$20,236,093	277.7%	\$34,067,405	(\$6,544,591)	-19.2%
2. Non-Owned Asset Power	62,482,458	61,669,189	813,269	1.3%	60,172,900	2,309,558	3.8%
3. Total Purchased Power	90,005,272	68,955,910	21,049,362	30.5%	94,240,305	(4,235,033)	-4.5%
4. Produced Power	74,376,526	63,830,902	10,545,624	16.5%	73,982,448	394,078	0.5%
5. Total Power Cost	164,381,798	132,786,812	31,594,986	23.8%	168,222,753	(3,840,955)	-2.3%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	22,669,810	23,909,862	(1,240,052)	-5.2%	21,411,126	1,258,684	5.9%
7. Transmission	3,942,508	2,515,886	1,426,622	56.7%	1,681,749	2,260,759	134.4%
8. Total O & M Expense	26,612,318	26,425,748	186,570	0.7%	23,092,875	3,519,443	15.2%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	2,557,563	2,824,531	(266,968)	-9.5%	2,562,445	(4,882)	-0.2%
10. Communication & Corporate Records	2,463,270	2,435,733	27,537	1.1%	2,071,202	392,068	18.9%
11. Corporate Operations	14,778,107	11,415,680	3,362,427	29.5%	10,751,854	4,026,253	37.4%
12. Customer Services	10,871,729	11,165,775	(294,046)	-2.6%	10,718,291	153,438	1.4%
13. Financial Services	4,597,458	4,725,292	(127,834)	-2.7%	4,320,715	276,743	6.4%
14. Power Supply	4,348,550	4,531,375	(182,825)	-4.0%	5,532,942	(1,184,392)	-21.4%
15. Technology Services	17,026,057	17,708,736	(682,679)	-3.9%	15,153,548	1,872,509	12.4%
16. Total A & G Expense	56,642,734	54,807,122	1,835,612	3.3%	51,110,997	5,531,737	10.8%
17. DEPRECIATION							
	34,494,817	33,703,920	790,897	2.3%	35,925,809	(1,430,992)	-4.0%
18. TOTAL OPERATING EXPENSE							
	\$282,131,667	\$247,723,602	\$34,408,065	13.9%	\$278,352,434	\$3,779,233	1.4%



**BALANCE SHEET
DECEMBER 2022**

ASSETS & DEFERRED OUTFLOWS OF RESOURCES			LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			UNAUDITED
DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	
CURRENT ASSETS:			CURRENT LIABILITIES:			
1. Revenue Fund (includes CDFUO)	\$107,803,274	(\$18,007,959)	OTHER LIABILITIES			
2. Payment in Lieu of Tax Fund	11,538,100	42,505	1. Accounts Payable	\$18,129,590	(\$1,852,947)	
3. Rate Stabilization Fund	37,434,249	269,842	2. Accrued Payments in Lieu of Taxes	12,505,549	105,986	
4. Bond Principal & Interest Funds	16,752,639	(117,385)	3. City Dividend for Utility Ownership Payable	3,852,560	393,912	
5. Other Restricted/Designated Funds (a)	3,875,477	1,824,083	4. Commercial Paper Notes	65,500,000	0	
6. Restricted/Designated Funds Total	<u>58,062,365</u>	<u>1,976,540</u>	5. Accrued Liabilities	<u>16,515,615</u>	<u>2,507,976</u>	
7. Total Current Asset Funds (b)	177,403,739	(15,988,914)	6. Total Other Liabilities	116,503,314	1,154,927	
8. Receivables Less Uncollectible Allowance	25,648,101	4,825,455	CURRENT LIABILITIES - RESTRICTED ASSETS			
9. Unbilled Revenue	15,484,221	(56,312)	7. Current Portion of Long-Term Debt	30,535,000	330,000	
10. Accrued Interest Receivable	1,441,368	1,282,090	8. Accrued Interest	6,438,514	(371,066)	
11. Materials, Supplies & Fuel Inventory	27,691,410	3,689,042	9. Other Current Liabilities (e)	946,919	32,398	
12. Plant Operation Assets	13,749,465	469,490	10. Total Current Liabilities - Restricted Assets	37,920,433	(8,668)	
13. Other Current Assets	<u>4,729,287</u>	<u>611,260</u>	11. Total Current Liabilities	154,423,747	1,146,259	
14. Total Current Assets	266,147,591	(5,167,889)	NONCURRENT LIABILITIES:			
NONCURRENT ASSETS:			12. 2003 Bonds	0	0	
15. Bond Reserve Funds	9,389,362	(800,999)	13. 2012A Bonds	0	(14,000,000)	
16. Self-Funded Benefits Reserve Fund (IBNP)	636,327	22,467	14. 2013 Bonds	45,310,000	(15,475,000)	
17. Segregated Funds (c)	<u>250,000</u>	<u>250,000</u>	15. 2015A Bonds	72,165,000	(730,000)	
18. Restricted Funds Total (b)	10,275,689	(528,532)	16. 2016 Bonds	65,960,000	0	
19. Unamortized Debt Expense	2,430,078	(383,387)	17. 2018 Bonds	121,205,000	0	
20. Lease Receivable (d)	7,120,757	7,120,757	18. 2020A Bonds	72,200,000	0	
21. Other Noncurrent Assets	<u>1,276,524</u>	<u>(369,584)</u>	19. 2020B Bonds	185,150,000	0	
22. Total Noncurrent Assets	\$21,103,048	\$5,839,254	20. Total Revenue Bonds	561,990,000	(30,205,000)	
CAPITAL ASSETS:			21. Less Current Maturities	30,535,000	330,000	
23. Utility Plant in Service	1,810,642,739	39,070,078	22. Less Unamortized Discounts/Premiums	(40,682,591)	6,535,409	
24. Accumulated Depreciation & Amortization	(906,709,653)	(32,710,541)	23. Note Purchase Agreement	0	0	
25. Construction Work in Progress	<u>91,931,027</u>	<u>9,008,495</u>	24. Revolving Credit Agreement	0	0	
26. Total Capital Assets	995,864,113	15,368,032	25. Net Long Term Debt	572,137,591	(37,070,409)	
DEFERRED OUTFLOWS OF RESOURCES:			26. Liabilities Payable from Segregated Funds (f)	250,000	250,000	
27. Deferred Loss on Refunded Debt	9,420,540	(3,124,685)	27. Asset Retirement Obligation	3,180,166	(330,281)	
28. Deferred Costs for Asset Retirement Obligations	<u>3,180,166</u>	<u>(330,281)</u>	28. Other Noncurrent Liabilities	35,639,399	74,394	
29. Total Deferred Outflows of Resources	12,600,706	(3,454,966)	29. Total Liabilities	765,630,903	(35,930,037)	
30. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,295,715,458	\$12,584,431	DEFERRED INFLOWS OF RESOURCES:	0	0	
			30. Deferred Inflow of Resources	6,890,180	6,890,180	
			31. Total Deferred Inflows of Resources	6,890,180	6,890,180	
NET POSITION:			NET POSITION:	0	0	
32. Net Investment in Capital Assets	339,262,583	42,198,755	32. Net Investment in Capital Assets	339,262,583	42,198,755	
33. Restricted for Debt Service	10,249,201	204,157	33. Restricted for Debt Service	10,249,201	204,157	
34. Restricted for Employee Health Insurance Claims	2,855,990	1,815,681	34. Restricted for Employee Health Insurance Claims	2,855,990	1,815,681	
35. Unrestricted	<u>170,826,601</u>	<u>(2,594,305)</u>	35. Unrestricted	<u>170,826,601</u>	<u>(2,594,305)</u>	
			36. Total Net Position	523,194,375	41,624,288	
			37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$1,295,715,458	\$12,584,431	



STATEMENT OF CASH FLOWS

DECEMBER 2022

UNAUDITED

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$26,884,724	\$378,332,777
2. Paid to Suppliers for Goods & Services	(19,978,306)	(250,501,210)
3. Paid to Employees for Services	(1,473,134)	(18,665,732)
4. Cash Flow from Operating Activities (a)	5,433,284	109,165,835
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
5. Payment in Lieu of Tax	0	(12,632,097)
6. City Dividend for Utility Ownership Payments	0	(10,375,944)
7. Other	0	0
8. Cash Flow from (used for) Noncapital Financing Activities	0	(23,008,041)
CASH FLOWS FROM INVESTING ACTIVITIES:		
9. Net (Purchases) Sales of Investments	(8,462,436)	9,935,236
10. Interest Income	1,271,398	2,296,371
11. Cash Flow from (used for) Investing Activities	(7,191,038)	12,231,607
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
12. Acquisition and Construction of Capital Assets	(7,694,148)	(53,595,378)
13. Salvage on Retirement of Plant	12,356	33,091
14. Cost of Removal of Property Retired	(271,432)	(1,599,164)
15. Debt Issuance Cost Paid	0	0
16. Debt Premiums Collected	0	0
17. Net Capital Contributions	60,757	988,004
18. Cash Received from Leases	421,467	421,467
19. Net Proceeds from Issuance of Long-Term Debt	0	0
20. Principal Payments on Long-Term Debt	0	(30,205,000)
21. Interest Payments on Debt	0	(21,050,003)
22. Cash Flow from (used for) Capital Financing Activities	(7,471,000)	(105,006,983)
22. Cash Flow from (used for) Capital Financing Activities	(9,228,754)	(6,617,582)
23. Net Increase (Decrease) in Cash and Cash Equivalents	30,018,594	27,407,422
24. Cash and Cash Equivalents Beginning of Period	\$20,789,840	\$20,789,840
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	(\$30,226)	\$79,250,976
2. Noncash items included in operating income	3,029,536	35,428,103
3. Changes in Assets & Liabilities Increase/(Decrease)	2,433,974	(5,513,244)
4. Net cash flows from operating activities	\$5,433,284	\$109,165,835
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



DEBT SERVICE COVERAGE

DECEMBER 2022

UNAUDITED

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	\$28,058,147	\$26,180,969	\$25,737,273	\$361,382,643	\$321,807,352	\$368,898,779
2. Total Operating Expenses	28,088,373	20,915,975	23,573,750	282,131,667	247,723,602	278,352,434
3. Less Depreciation	(2,945,654)	(2,867,366)	(2,856,337)	(34,494,817)	(33,703,920)	(35,925,809)
4. Operating Expense Net of Depreciation	25,142,719	18,048,609	20,717,413	247,636,850	214,019,682	242,426,625
5. Net Operating Revenue for Debt Service	2,915,428	8,132,360	5,019,860	113,745,793	107,787,670	126,472,154
6. Interest Income (a)	1,391,969	19,553	91,831	3,120,352	258,946	210,261
7. Other Income	0	0	0	0	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
9. AVAILABLE FOR DEBT SERVICE	4,307,397	8,151,913	5,111,691	116,866,145	108,046,616	126,682,415
10. DEBT SERVICE (b)	\$4,120,301	\$4,120,303	\$4,218,042	\$50,225,539	\$50,225,539	\$49,686,773
11. DEBT SERVICE COVERAGE	1.05	1.98	1.21	2.33	2.15	2.55

(a) Excludes interest from Rate Stabilization Fund.

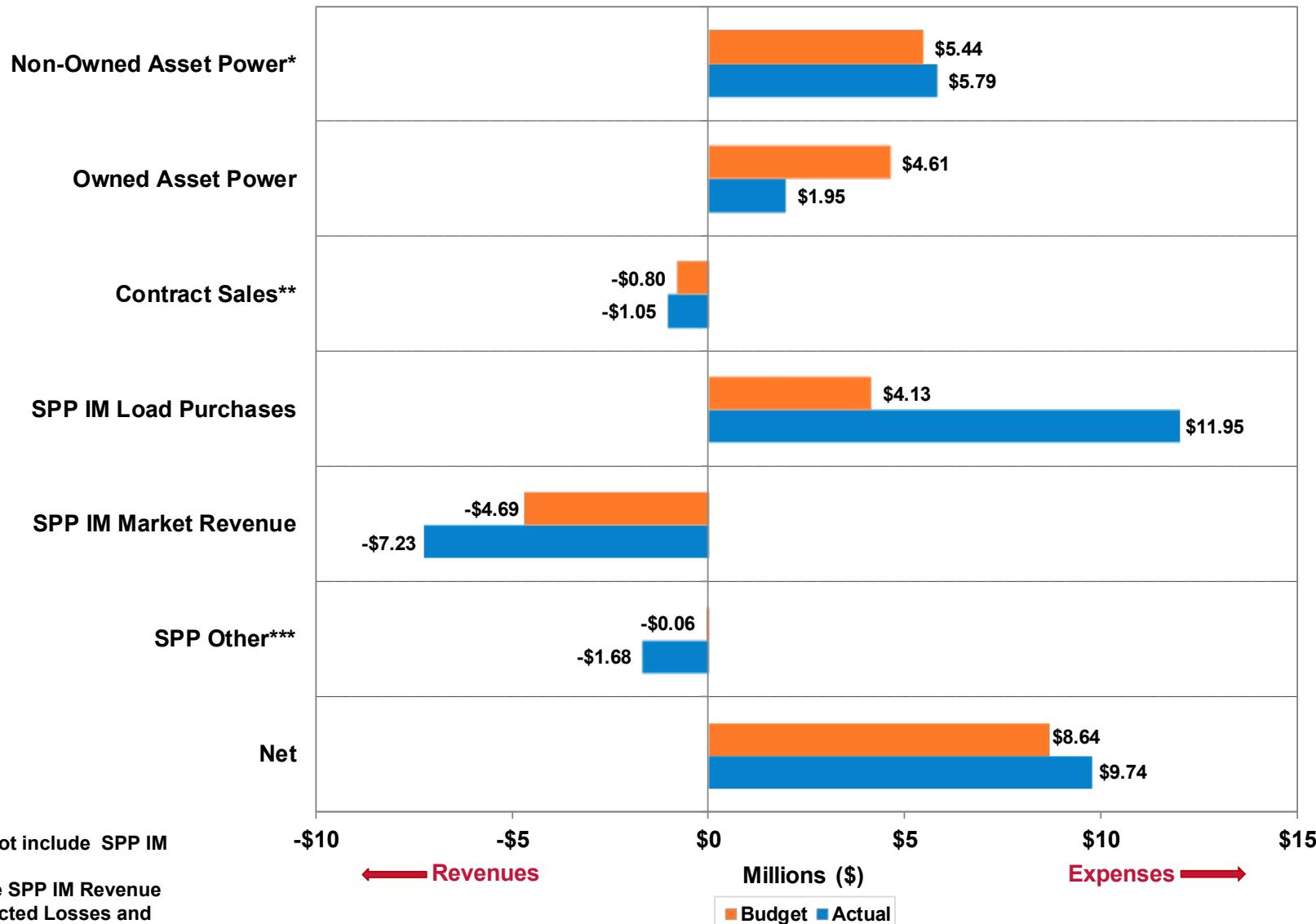
(b) Includes Bond Principal & Interest only.

Power Supply Division 2022 December Monthly Report

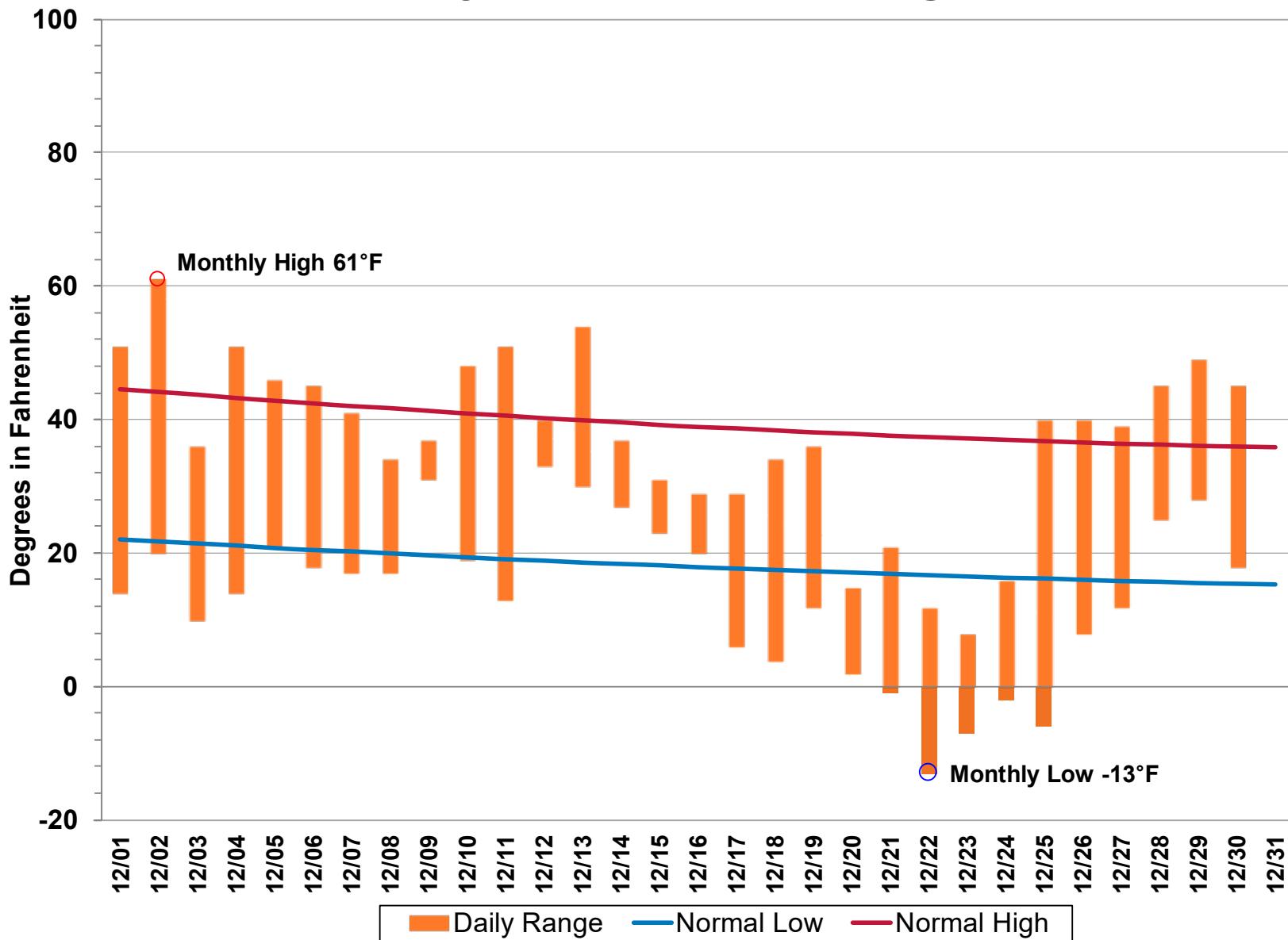
February 17, 2023

**Jason Fortik
Vice President, Power Supply**

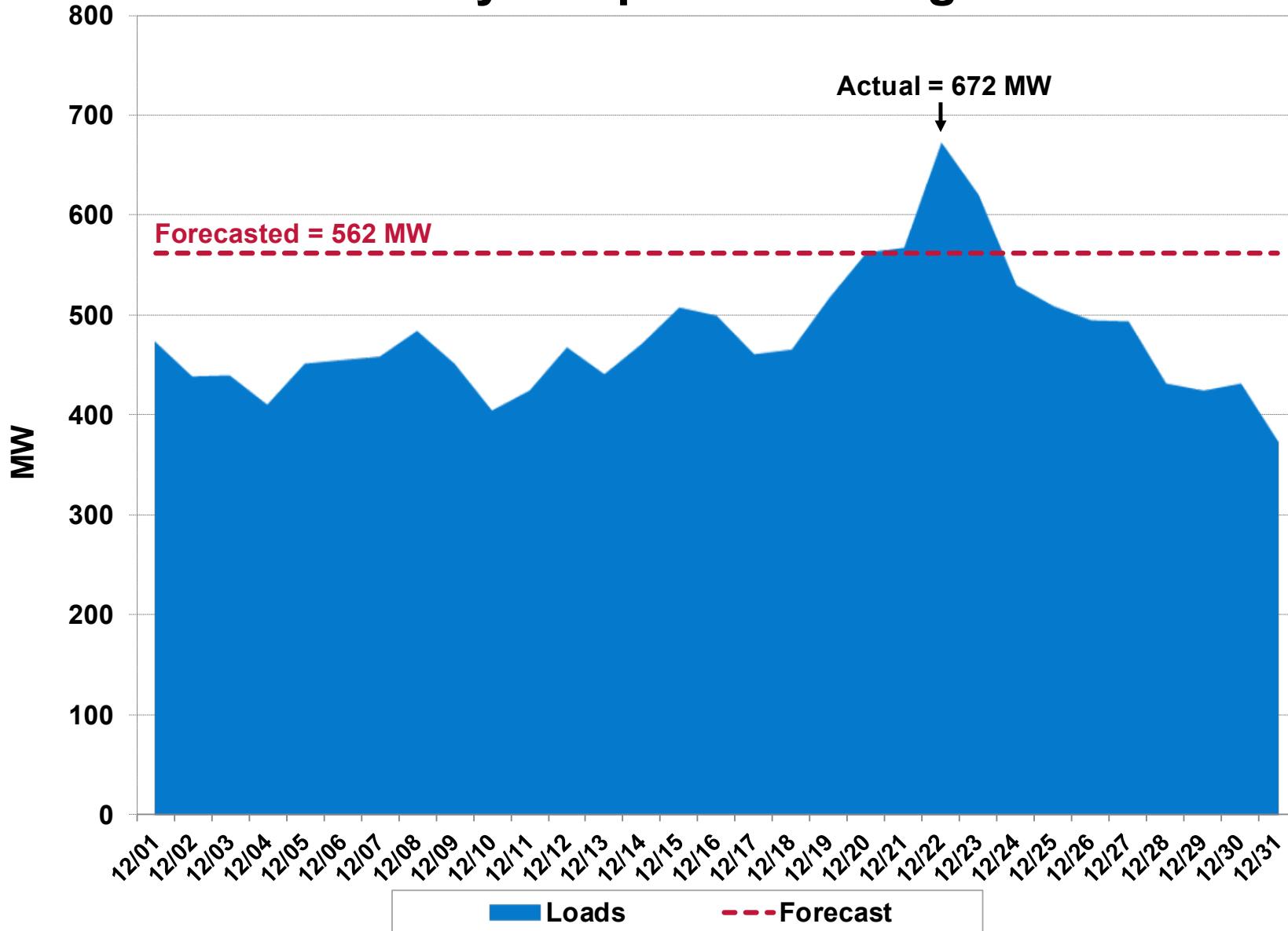
Monthly Actual vs. Budget



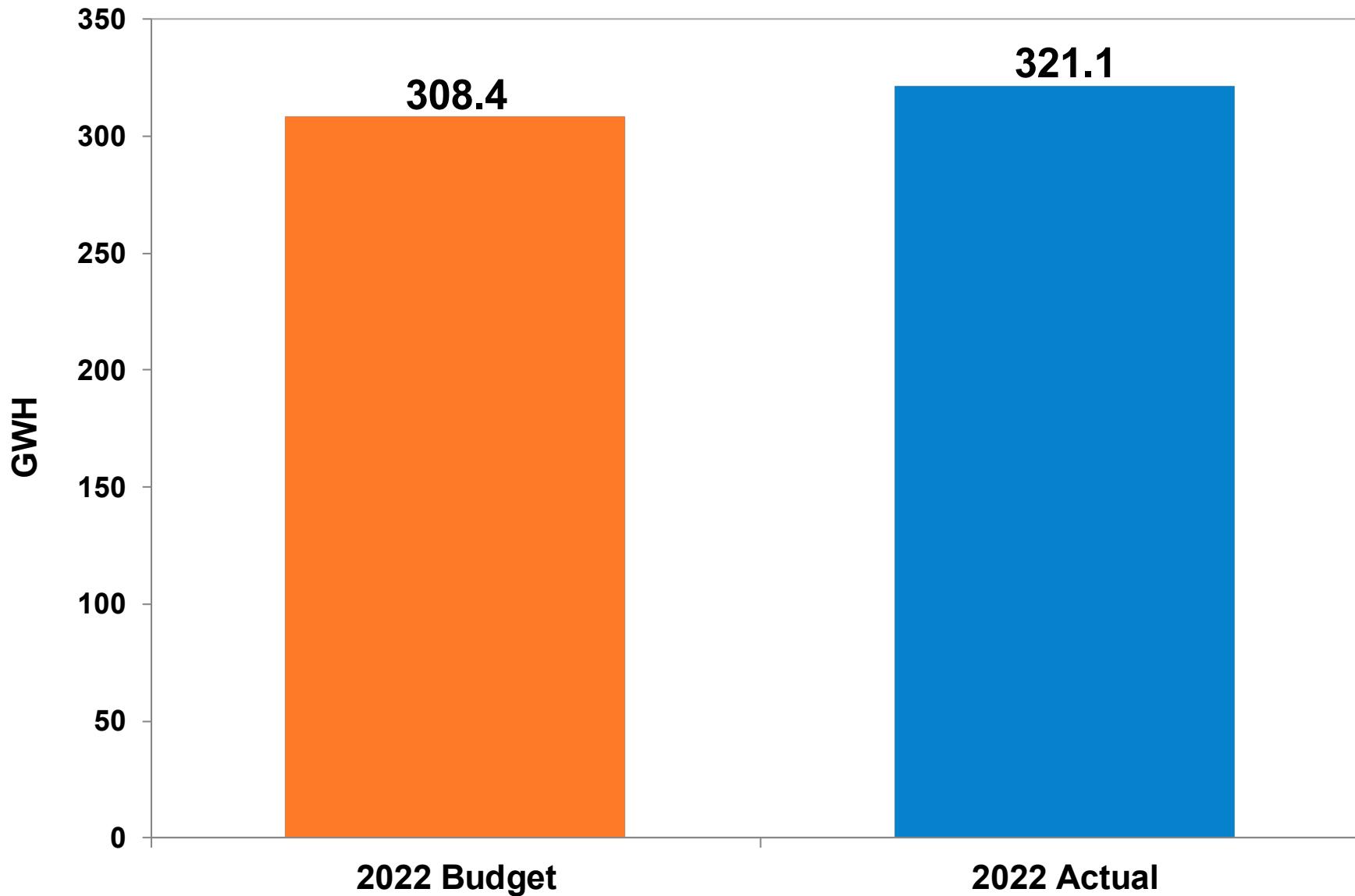
Daily Temperature Range



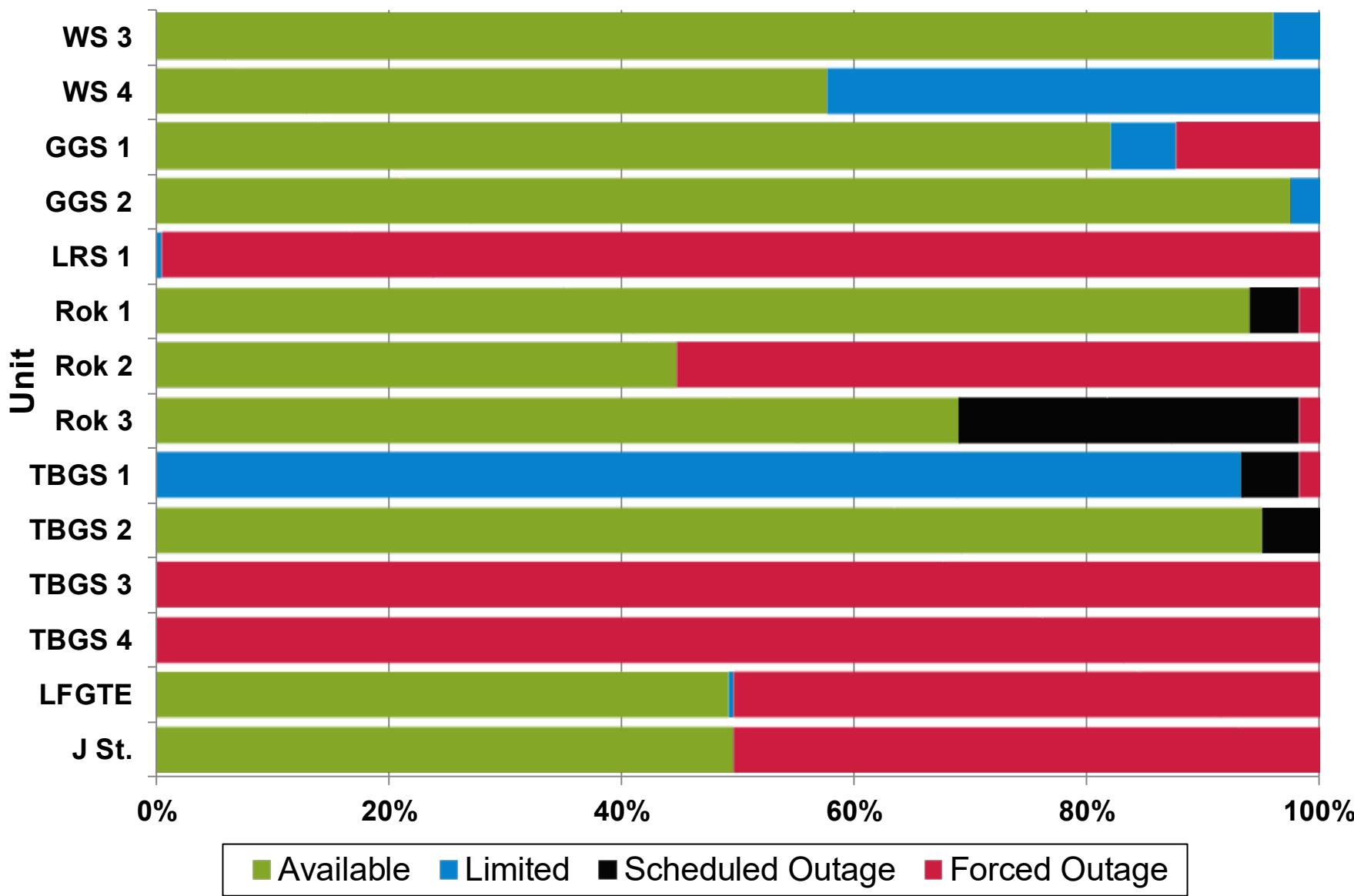
Daily Temperature Range



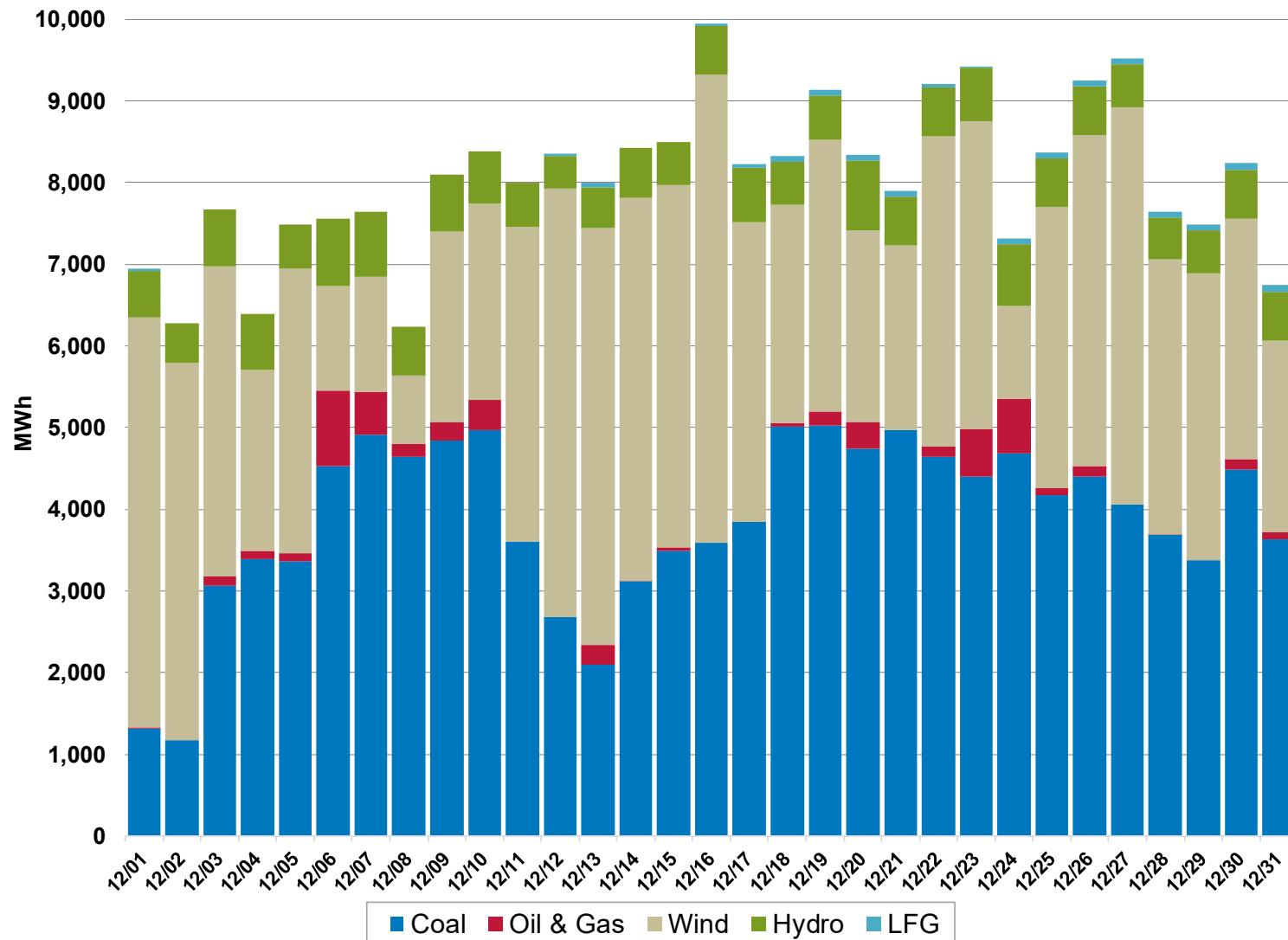
Customer Energy Consumption



Unit Equivalent Availability

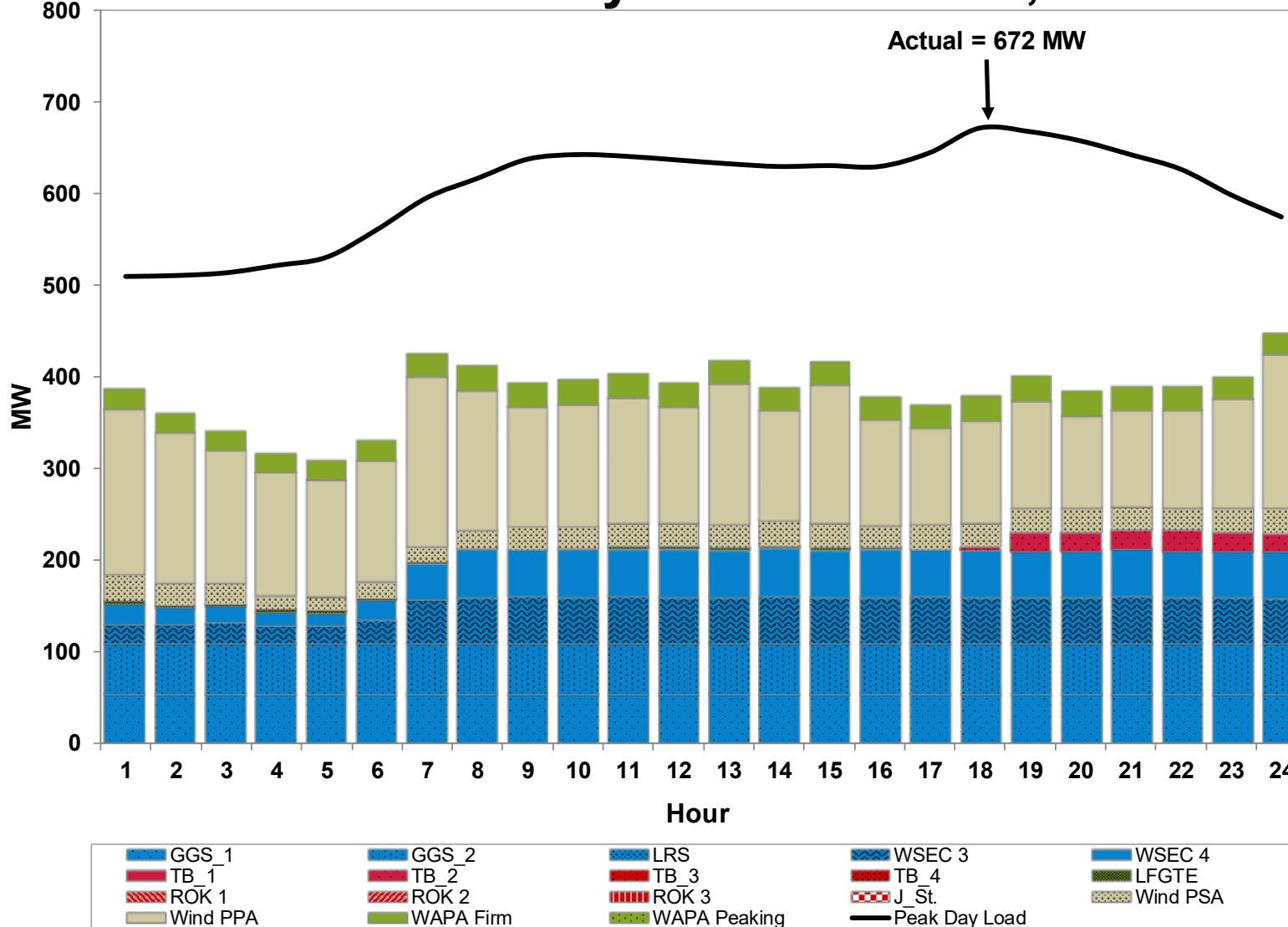


Resource Energy



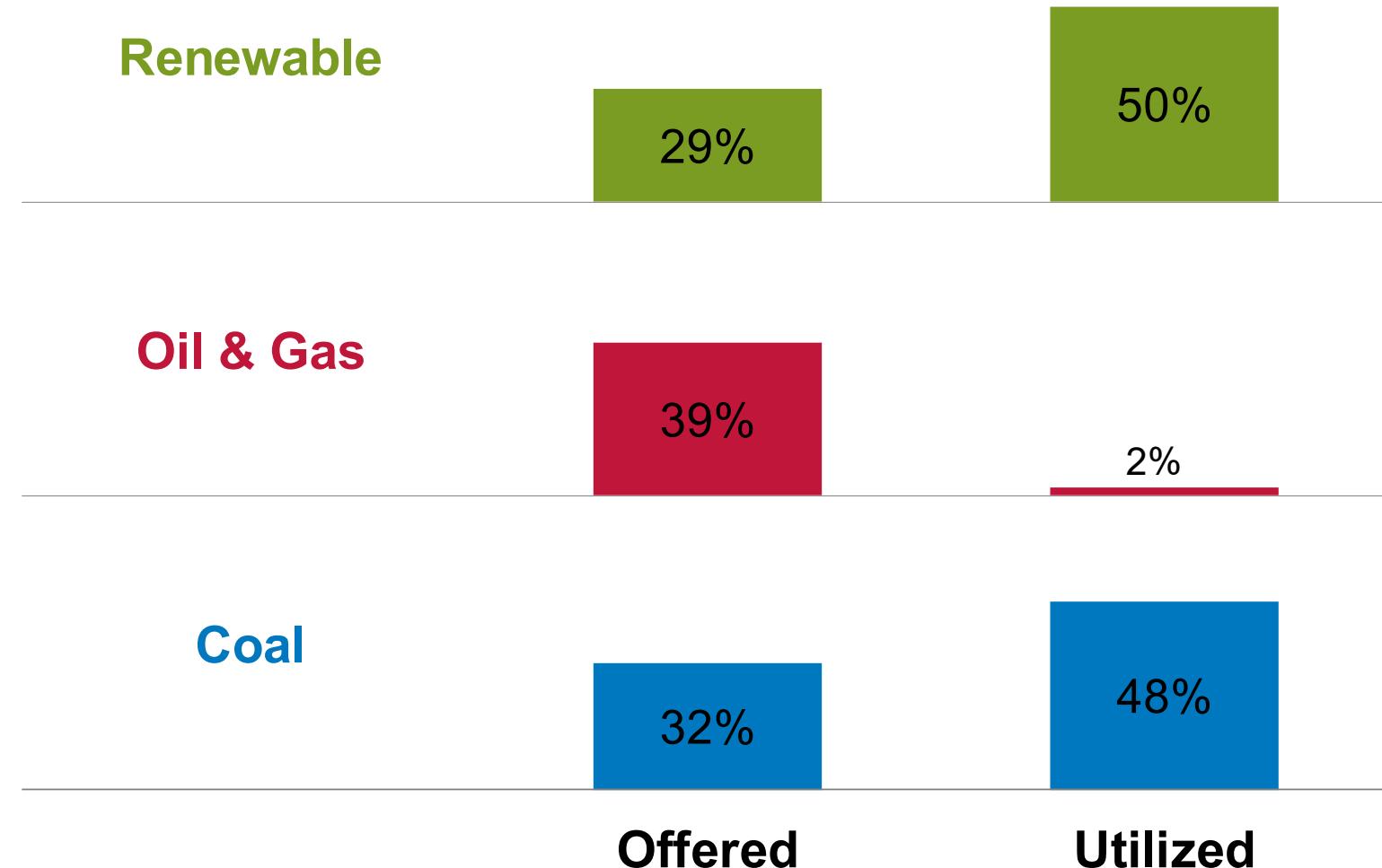
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – December 22, 2022



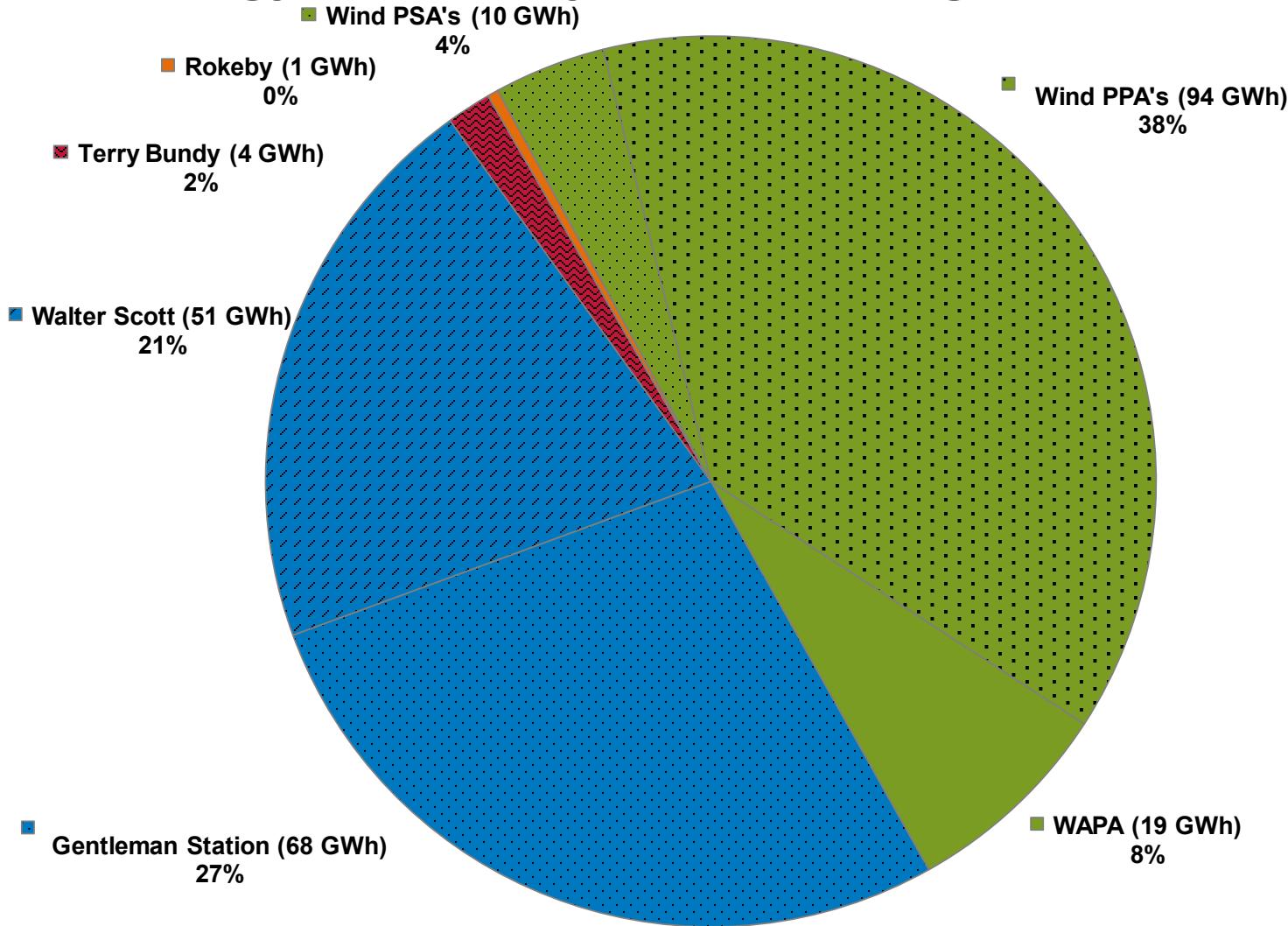
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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



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

Energy Utilized by the SPP Integrated Marketplace



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

Total percentage may not add up to 100% due to rounding