



# Proposed 2023 operating & capital budget and rates

After five years with no rate increase, LES is proposing an average rate increase of 4.8% for 2023.

The rate increase primarily is due to increases in power and transmission costs, which are the costs to generate and deliver electricity to customers. LES has limited ability to influence these costs.

Similar to other Lincoln businesses, LES is experiencing inflationary and supply chain pressures. While some cost reductions have been included in the proposed budget, it is necessary to implement a rate increase to ensure the financial health of our customer-owned electric utility.

Each residential customer will be impacted differently based on their energy use. An LES residential customer using 1,000 kilowatt-hours per month on average will see an increase of approximately \$5 on their monthly bill, or 4.8%.

Even with the proposed rate increase, LES rates are projected to remain among the lowest in the country.

## THE AVERAGE LES RESIDENTIAL CUSTOMER BILL REMAINS UNDER \$3 PER DAY

LES is hosting its budget and rates public meeting on Oct. 4. Customers can view information and materials, as well as provide comments via email, at [LES.com/Budget](https://LES.com/Budget).

### Budget & Rates Public Meeting

LES will host the 2023 Budget & Rates Public Meeting on Tuesday, Oct. 4, 6-7:30 p.m. at the LES Operations Center, 9445 Rokeby Road. Customers can join virtually through a link available on [LES.com/Budget](https://LES.com/Budget).

LES Administrative Board action on the budget is planned to occur at the Oct. 21 Board meeting. If approved, the proposed budget and rates will be considered by the Lincoln City Council at a public hearing in November. If approved, rate changes will become effective Jan. 1, 2023.

Business and residential customers can use LES' online rate calculator to see an estimated bill with the proposed rate, found at [LES.com/BillCalculator](https://LES.com/BillCalculator).

LES recognizes any increase can be challenging for customers and every effort was made to make reductions in the budget while continuing to maintain safe, affordable and reliable electric service. Payment assistance options are available at [LES.com/FinancialAssistance](https://LES.com/FinancialAssistance) or 402-475-4211. For energy-saving tips, visit [LES.com/Hometips](https://LES.com/Hometips).

Financial incentives are also available for residential and business customers making energy-efficiency improvements through LES' Sustainable Energy Program, available at [LES.com/SEP](https://LES.com/SEP).

### RATE ADJUSTMENT BY CLASS OVER 10 YEARS\*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	Prop. 2023	10 yr avg
Residential	2.9%	0%	0%	3.5%	0%	0%	0%	0%	0%	4.8%	1.1%
General Service	1.0%	0%	0%	0.7%	0%	0%	0%	0%	0%	5.4%	0.7%
Large Light & Power	4.2%	0%	0%	4.4%	0%	0%	0%	0%	-3.7%	4.3%	0.9%
System Average	2.9%	0%	0%	3.0%	0%	0%	0%	0%	-1.0%	4.8%	1.0%

\* Rates are set at +/- 5% cost of service which results in varying rate changes for each class.

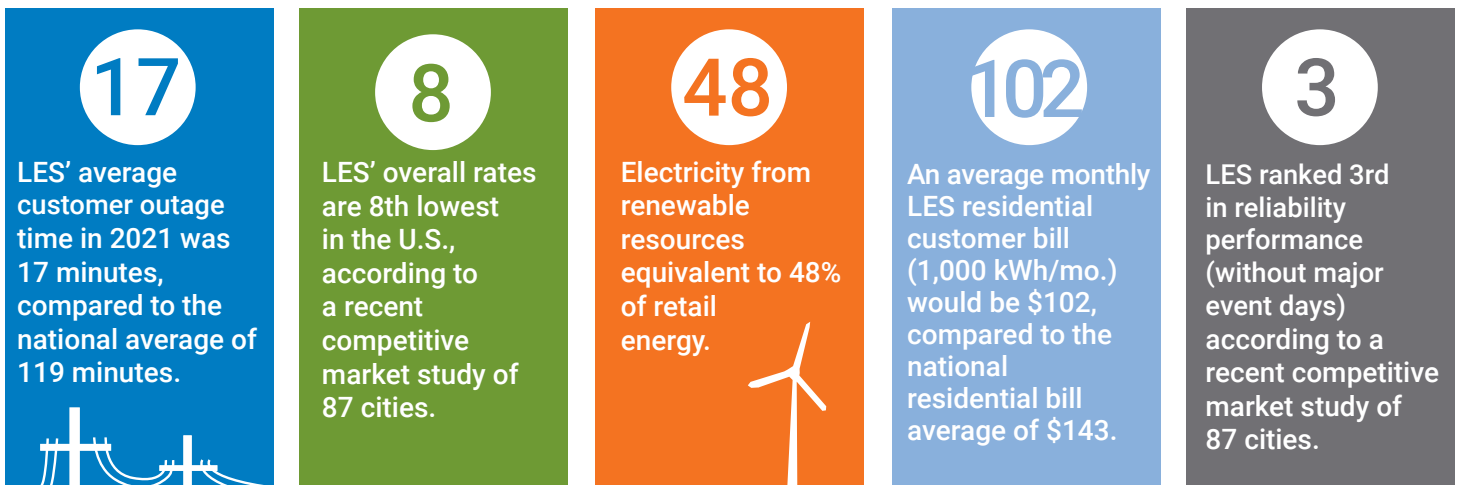
# LES proposes 2023 budget

LES is proposing a 2023 total budget of \$331 million. The total budget includes the operating (\$276 million) and capital (\$55 million) budgets.

## Budget highlights

- Net power costs are up \$3.5 million. Transmission costs are up \$9.6 million. LES' ability to impact these costs is limited.
- Reductions in other operating expenses helped reduce the overall rate adjustment.
- Sustainable Energy Program funding is planned at \$1.5 million for 2023.

Major Capital Programs/Projects	2023 Budget
Underground Relocations	\$7.0M
Laramie River Station	\$5.0M
Overhead Rebuilds	\$4.8M
Underground Rebuilds	\$3.9M
Terry Bundy Generating Station	\$3.3M
All other projects <\$2.0M each	\$31.3M
<b>Total</b>	<b>\$55.3M</b>



## Where your dollar goes

**\$0.48 for operation and maintenance of the electric system** – covers the cost of producing electricity and delivering it to where you live, work and play.

**\$0.05 for payment in lieu of taxes to local governments** – our version of property taxes.



**\$0.28 for construction projects and debt payments** – essential investments to keep our community's power safe and reliable.

**\$0.19 for payroll and benefits** – helps us hire and keep talented employees.