

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, February 16, 2024, 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 9, 2024.

Board Members Present: Kate Bolz, Carl Eskridge, Karen Griffin, Chelsea Johnson, Lucas Sabalka, Eric Schafer

Board Members Absent: Andrew Hunzeker, David Spinar, one vacant board seat

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, David Malcom, Jason Fortik, Lisa Hale, Trish Owen, Joel Dagerman, Katrinka Dicke, Kelley Porter, Jim Rigg, Kelli Detty, Garrett Klein, Joe Cocklin, Mike Murphy, Keith Snyder, Paul Ladd, Robbie, Seybert, Scott Benson

Others Present: One member of the public and numerous virtual participants via Microsoft Teams

News Media Present: None

Secretary Lucas Sabalka declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Spinar noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that a copy of the Act is located in the back of the Board room. **Call to Order & Safety Briefing**

Secretary Lucas Sabalka asked for approval of the January 19, 2024, meeting minutes. Carl Eskridge moved their approval. Eric Schafer seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

Aye: Kate Bolz, Carl Eskridge, Karen Griffin, Chelsea Johnson, Lucas Sabalka, Eric Schafer

Nay: None

Absent: Andrew Hunzeker, David Spinar

There is one vacant seat on the board

Ken Winston, representing Nebraska Interfaith Power & Light and the Nebraska Sierra Club, and himself expressed his opposition to LB399 and LB1370 which have both been prioritized. **Comments from Customers**

Shelley Sahling Zart, Vice President and General Council reviewed the changes and recommendations that the Policy 101 Special Committee had finalized to Policy 101. **Approval of Revisions to Policy 101**

Secretary Lucas Sabalka asked for a motion to approve LES Policy 101 as revised. (Exhibit I) Carl Eskridge moved approval. Eric Schafer seconded the motion. The vote for approval of the revised LES Policy 101 was:

Aye: Kate Bolz, Carl Eskridge, Karen Griffin, Chelsea Johnson, Lucas Sabalka, Eric Schafer

Nay: None

Absent: Andrew Hunzeker, David Spinar

There is one vacant seat on the board.

Carl Eskridge, Chair of the Finance & Audit Committee reported on Committee discussions. Carl reported the 2023 unaudited financial results were favorable to budget. Other items of discussion included: 1) Semi-annual investment report; 2) internal 4<sup>th</sup> quarter audit report, and 3) DEC update. (Exhibit II) **Finance & Audit Committee Report**

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on February 5, 2024, including: 1) Design Automation Project Status Update; 2) Local Generation Update; 3) 2023 Fourth Quarter Generation Revenue and Cost Report; 4) Pollinator Projects Update. (Exhibit III) **Operations & Power Supply Committee Report**

Carl Eskridge, Vice-Chairman of the District Energy Corporation (DEC), reported on the recent DEC Board meeting held January 23, 2024. Items discussed including: 1) Management report; 2) Financial and Semi-Annual Investment Report; 3) Miscellaneous Business items. (Exhibit IV) **Quarterly District Energy Corporation (DEC) Update**

Pursuant to LES Policy No. 101 Secretary Lucas Sabalka announced the board committee appointments for 2024. (V) **Appointment of 2024 Board Committees**

Shelley Sahling-Zart, Vice President & General Counsel, reported on legislation LES is monitoring. (Exhibit VI) **State Legislative Report**

She noted that all new bills on LES's tracking list and LES positions were reviewed in detail with the board Legislation & Governmental Affairs Committee. The Legislature is halfway through the 60-day session which is scheduled to adjourn on April 18, 2024. Sahling-Zart specifically reported on bills that have a priority designation as those without priority are not likely to receive consideration this session.

Earlier this week staff learned of an amendment to LB 399 which was designated as a personal priority bill by Senator Bostelman. Sahling-Zart reminded the board that there have been discussions over the past year between public power and Senators Bostelman and Brewer who would prefer that public power and private renewable energy developers be treated similarly with regard to Power Review Board generation approval. The proposed amendment to LB 399 would provide that private developers would have to receive approval from the PRB based on the same requirements that today they are allowed to self-certify to the PRB. In addition, both public power suppliers and private developers

would be required to hold a public meeting in any county where a proposed generation facility is proposed to be constructed and provide an opportunity for property owners or ratepayers to comment on the project. It would also require that at least 50 percent of the public power supplier's governing body participate at the public meeting with at least one member required to be physically present at the meeting. Sahling-Zart noted that LES is discussing with Senator Bostelman some slight changes to the language but recommends that LES stand down on the bill if acceptable language is agreed upon. There was significant discussion with at least one board member indicating a preference that LES continue to oppose LB 399 believing it will be detrimental to future renewable energy development in Nebraska. When another version of the amendment is available with changes recommended by public power, Sahling-Zart will review the amendment with the Legislation & Governmental Affairs Committee and any other developments on the bill.

LB 1370 requires that if a utility decommissions a dispatchable generating facility (coal, natural gas, nuclear, hydro, hydrogen), the utility must replace it with another dispatchable generating facility of equal or greater nameplate capacity. As introduced, the bill has 25 co-sponsors. Several public power representatives testified in opposition to the bill at the public hearing last week. Senator Bostelman shared a proposed amendment this week that would strike the original provisions from LB 1370 and replace it with language that would provide that if a utility is considering decommissioning of a dispatchable unit, it must notify the Power Review Board. The PRB may choose to hold a closed hearing after which it would provide the utility with an advisory-only recommendation from the PRB regarding the decommissioning of the facility that the governing body of the utility must consider as it makes its final decision regarding decommissioning. If the utility's decision is not consistent with the PRB recommendation, the utility must provide a written explanation to the PRB detailing its reasons for its decision. Sahling-Zart noted that the amendment is a significant step back from the original bill that acknowledges many of the concerns raised by public power, specifically regarding local control. Sahling-Zart will also review this amendment with the Legislation & Governmental Affairs Committee but will recommend that LES support the amendment. Allowing the PRB an opportunity provide nonbinding input into a decommissioning decision is not unreasonable and is consistent with requirements in other states. LB 1370 was designated as a committee priority by the Natural Resources Committee, and it will include several other legislative bills, none of which LES opposes.

LB 1300 was introduced by Senator Bostar on behalf of the Governor to adopt the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act. The objective of the bill is to identify threats from China to the State, political

subdivisions, and critical infrastructure and to better prepare to mitigate, eliminate, or manage those threats and risks. LES supports the objective of the bill but has concerns about provisions in the bill that may put sensitive information about critical infrastructure in the public domain. Sahling-Zart is working with Senator Bostar on an amendment that preserves the intent of the bill but addresses LES's concerns. LES would stand down on the bill with such an amendment.

Sahling-Zart also noted that the public hearing on LB 1218 regarding commercial electric vehicle charging stations will be held on February 22. The bill does not have a priority designation but could potentially be included in the Revenue Committee's priority bill.

Jason Fortik, Vice President, Power Supply provided the Power Supply Year End Review. (Exhibit VII) Fortik stated that the 2023 Net Power Costs are about \$11.2 million or 10.2 percent below budget.

**Power Supply Year End Review**

According to the report:

- Natural gas prices remained well below budget throughout the year.
- Apart from May and June, Lincoln's market electricity prices were below budget for 2023.
- Fourth quarter temperatures trended warmer than normal, pushing cooling degree days above budget and heating degree days below budget.
- Control Area Energy consumption was 12 GWh or 1.5 percent below budget for the fourth quarter and 43 GWh or 1.2 percent below budget for the year.
- LES set a new system peak of 819 MW on August 22, 2023, exceeding the August 2011 peak of 786 MW by about 4 percent.
- 2023 renewable energy production was about 11 percent below expectations, coal resource production was about 11 percent below expectations, and natural gas resource production was 21 percent below expectations.

Emily Koenig, Vice President, and CFO presented LES' 2023 unaudited financial performance. (Exhibit VIII)

**2023 Unaudited Year-End Financial Review**

Koenig stated the year-end results were favorable primarily to lower-than budgeted net power costs combined with higher interest income. Financial metrics continue to improve due to favorable results and paydown of debt. Also, cash balances remain healthy with no borrowings projected in 2024.

Koenig stated 2023 retail revenue and energy sales were above budget. In addition, overall temperatures in 2023 were warmer



than usual.

LES' operating expenses were 2 percent below budget despite being over budget on payroll and benefits. Investment in employee retention and recruitment contributed to LES' budget variance.

LES' capital expenditures ended the year 6.8 percent below budget. This is primarily due to project delays and generation costs were lower than expected.

LES' 2023 was \$11.6 million or 3.9 percent under the City Council approved Budget Authorization. LES monitors the authorization monthly.

Emily Koenig, Vice President and CFO, reported on LES' Business Indicators for 2023. (Exhibit IX) The performance indicators were broken into four categories.

**LES Business Indicators –  
2023 Year-End Report**

- Integrity & Fiscal Responsibility: LES met its benchmarks for total retail revenue, net power costs, retail energy sales, SPP Lincoln Locational Marginal Price, phishing test click rate, suspicious emails, cyber events reported, cyber and cyber security risk assessment in 2023.
- 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 5.0 MW, CO<sub>2</sub> emissions and CO<sub>2</sub> produced.
- Safety & Employer of Choice: The company's Days Away, Restricted, Transferred (DART) met its 2023 target. LES's average turnover and retirement rate goals were met.

Reliability & Customer Service: The annual average outage time per customer continued to meet LES' industry-leading standards.

Garrett Klein, Asset Management and Planning Engineering, Supervisor, reported on LES' power interruptions and outages from 2023. (Exhibit X)

**2023 Interruption/Outage  
Report**

According to the report, LES did not experience any major event days during 2023. System Average Interruption Duration Index was 19.1 minutes, well below the utility's 30-minute goal. The Customer Average Interruption Duration Index was 63.9 minutes, just over its 2023 goal of 60 minutes and well below the national average of 118 minutes.

2023's leading cause of outages was trees, followed by overhead problems and squirrels.

Kelli Detty, Manager, Meter Services, gave the 2023 Year-End Report for the Energy Assistance Program, (EAP). (Exhibit XI) According to the report, LES provided \$324,72 to 3,195 people in 1,100 households in 2023. The program saw its' largest monthly spending in January and March. In 2024 customers will begin to utilize the Agency Portal to apply for assistance. LES provided \$5,978,318 million in other assistance to customers during 2023.

**2023 Energy Assistance Program Year End Report**

Joe Cocklin, Manager, Rates & Analytics, discussed the LES Competitive Market Study with the Board. (Exhibit XII) The study is a comprehensive report of electric utility metrics created in 2023 to allow LES to benchmark its performances with other utilities. This longitudinal approach allows LES to watch trends over time and includes comparisons to prior years.

**2023 Competitive Market Study**

Based on 2022 data, LES ranked 8<sup>th</sup> out of 87 cities for the lowest average all-in price and second best for a residential all-in price. At a state level, Nebraska is ranked 5<sup>th</sup> out of 50 states. LES is ranked 4<sup>th</sup> for the most stable rates over the past ten years and at a state level Nebraska is ranked 1<sup>st</sup>.

LES is ranked 7<sup>th</sup> for affordability which is up from 10<sup>th</sup> place last Year. LES' affordability is further demonstrated by its 12<sup>th</sup> place ranking for the lowest residential bill as a percentage of household income. LES' reliability ranking (\*without major event days) ranks first best overall, maintaining its ranking from 2023.

The Power Supply Division Monthly reports for January are available. (Exhibit XIII)

**Monthly Power Supply Reports**

The 2023 Unaudited Financial Report is available. (Exhibit XIV)

**2023 Unaudited Financial Report**

Secretary Lucas Sabalka asked for a motion to enter a closed Executive Session for the discussion of "All-In Generation Costs which includes competitive and sensitive market information that LES is permitted to withhold from public disclosure pursuant to Neb.Rev.Stat. Section 70-763. Karen Griffin made the motion. Kate Bolz seconded the motion. The vote for approval to go into Executive Session was:

**Executive Session – 2023 "All-in" Generation Costs ("Market Sensitive Information)**

Aye: Carl Eskridge, Karen Griffin, Chelsea Johnson, Lucas Sabalka, Eric Schafer, Kate Bolz

Nay: None

Absent: Andrew Hunzeker, David Spinar

There is one vacant seat on the board.

The Board entered Executive Session at 11:25 a.m.

The Board came out of Executive Session at 12:08 p.m. No action was taken.

The next regular meeting of the LES Administrative Board will be Friday, **Next Meeting** March 15, 2024, at 9:30 a.m.

Without further business before the Board, Secretary Sabalka declared the **Adjournment** meeting adjourned at approximately 12:08 p.m.

Lucas Sabalka, Secretary

BY: Katrinka Dicke  
Katrinka Dicke  
Assistant Secretary

# **Exhibit I**

## **LES** Policy

**SUBJECT:** Administrative Board

**POLICY NO.** 101

**RESPONSIBLE AREA:** Administration

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### **POLICY OBJECTIVE**

To clarify the administrative powers and responsibilities of the Lincoln Electric System (LES) Administrative Board.

### **REQUIREMENTS**

1. A governing board of nine (9) members to be known as the "Lincoln Electric System (LES) Administrative Board" shall be nominated by the Mayor, or in certain instances the City Council, and confirmed by a majority vote of the City Council. (See Article II, Section 1 and Article IV, Section 25 of the Charter of the City of Lincoln and Title 4, Chapter 4.24 of the Municipal Code of the City of Lincoln.)
2. The Administrative Board shall have charge, control and management of the property, personnel, facilities, equipment, and finances of LES subject to the provisions of Chapter 4.24 of the Municipal Code of the City of Lincoln.
3. The Administrative Board recognizes that the nature of its existence makes it necessary that the responsibility of overall operations should be delegated to a manager with the board's management role being reserved for broad policy decisions, monitoring performance, reviewing operational activities for conformity to policy and for considering plans and concerns for the future.

Per Lincoln Municipal Code Chapter 4.24, the Administrative Board shall appoint a manager, subject to approval by the Mayor by executive order and the City Council by resolution.

The manager shall be referred to as the LES Chief Executive Officer (CEO) with the following delegation of authority:

- To institute such actions as are necessary to manage the overall operations of Lincoln Electric System (LES) in the most effective manner possible in accordance with the LES Administrative Board's collective decisions and policies using management skill and judgment to ensure the continued successful operation of LES.
- To engage in all actions which are consistent with state or federal law or regulations, the Lincoln Municipal Code, or specific Board policy except for those responsibilities and approvals that are specifically conferred upon or reserved to the LES Administrative Board or the Lincoln City Council.
  - The CEO is authorized to approve and execute legal settlements and property claims that do not exceed \$25,000 . This authority includes approving payment of any deductible amount provided for in the Public Entity Liability Insurance policy
- To produce results and to provide the LES Administrative Board with an accounting of his or her activities and the operations of LES.

[The Administrative Board shall annually evaluate the performance of the CEO with specific consideration of the following expectations:](#)

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- Effective collaboration and communication with the Administrative Board and its committees reflecting the status of services, finances, operations and operational plans, and organization activities of LES or any additional information necessary for the Board to make informed decisions and fulfill its oversight responsibilities.
- Leading development and implementation of a corporate strategic plan, in collaboration with the Administrative Board and executive leadership, including the corporate vision, mission, core values, strategy, and performance goals and metrics.
- Active community representation of LES and engagement with the public and with business, government, and civic organizations to further acceptance and understanding of LES programs, policies, and services.

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#### **REQUIREMENTS (Continued)**

4. Administrative Board members will serve for a term of three (3) years from and after their appointment. No Board member may serve more than three (3) consecutive terms.
5. In the event of a) an unexpected CEO vacancy due to death or immediate discharge for cause, b) or if the CEO becomes temporarily or permanently incapacitated, or c) there is an interim vacancy following the retirement of the CEO but prior to a successor CEO's start date, the Executive Committee is authorized to appoint one of the Vice Presidents to serve as Acting CEO. At its next regular meeting the Administrative Board shall take action to either ratify the Executive Committee's appointment of such Vice President as Acting CEO or otherwise appoint an Acting CEO. The Acting CEO shall serve at the pleasure of the Board, until such time as the CEO is able to resume the responsibilities in the case of the temporary incapacitation of the CEO, or the Administrative Board has completed the appointment of the successor CEO pursuant to LMC 4.24.010. The appointment of an Acting CEO shall be reauthorized by the Administrative Board every six months. The Administrative Board shall also determine the salary of the Acting CEO for the period of time the individual serves in the position of Acting CEO.
6. Officers
  - a. The Administrative Board Chair (Chair) will be elected by a vote of the Administrative Board.
  - b. The Chair shall appoint a nominating committee consisting of at least three (3) Administrative Board members on or before the regular meeting in December of each year.
  - c. The nominating committee nominates the Administrative Board officers from the Administrative Board membership.
  - d. The Administrative Board officer nominees will consist of: Chair, Vice-Chair, and a Secretary and such other officers as the Administrative Board may authorize.
  - e. The nominating committee shall report its officer nominees to the Administrative Board at the regular meeting in January .
  - f. The Administrative Board elects the officers at the regular January meeting of each year.
    - A staff assistant secretary may be designated by the Administrative Board. This member will aid the secretary in the physical preparation of the minutes and perform such other duties as may be directed by the Administrative Board from time to time. This member may come from outside the Administrative Board membership.
  - g. Elected or appointed officers of the board shall generally hold such office for a period of one (1) two (2) years or until their successors have been duly elected and qualified, unless an officer reaches the maximum term of service after one year or is not reappointed for continued service.
  - h. The Chair shall preside at all meetings and shall be an *ex officio* member of all Administrative Board Committees.
  - i. The Vice-Chair shall act as Chair in the absence of the Chair and when so acting shall have full authority of the Chair.

- j. The Secretary shall perform all those duties concerned with the custody of the records, agendas, and notices for Administrative Board Meetings and Administrative Board Minutes as directed by the Administrative Board.

7. Meetings

- a. The Administrative Board shall hold a regular meeting on the third Friday of each month (unless otherwise determined by the Administrative Board) to consider all business pertaining to LES.
- b. All Administrative Board meetings are open to the public and shall be held in compliance with the Nebraska Open Meetings Act.
- c. Special meetings may be called by the Administrative Board Chair and also shall be called within fourteen (14) days of the receipt of the written request from one-third (1/3) of the Administrative Board members.
  - Written notice of a special meeting shall be given in writing, by email, or in person to each Administrative Board member at least two (2) days before the date of said special meeting.

**REQUIREMENTS (Continued)**

- d. Matters to be considered at any meeting will be set forth in the agenda announcing the meeting to be published by the Monday preceding any regular meeting, or as set forth in the call notice of any special meeting.
- e. For regular or special meetings, a quorum shall consist of five (5) members who must be present for the transaction of business and five (5) affirmative votes shall be required for final action in any manner acted upon by the Administrative Board. (See Section 4.24.050 of the Lincoln Municipal Code.)
- f. Any member of the public may appear before the Administrative Board at any meeting, however the Administrative Board may establish reasonable rules regarding the conduct of persons attending and speaking at meetings of the Board.

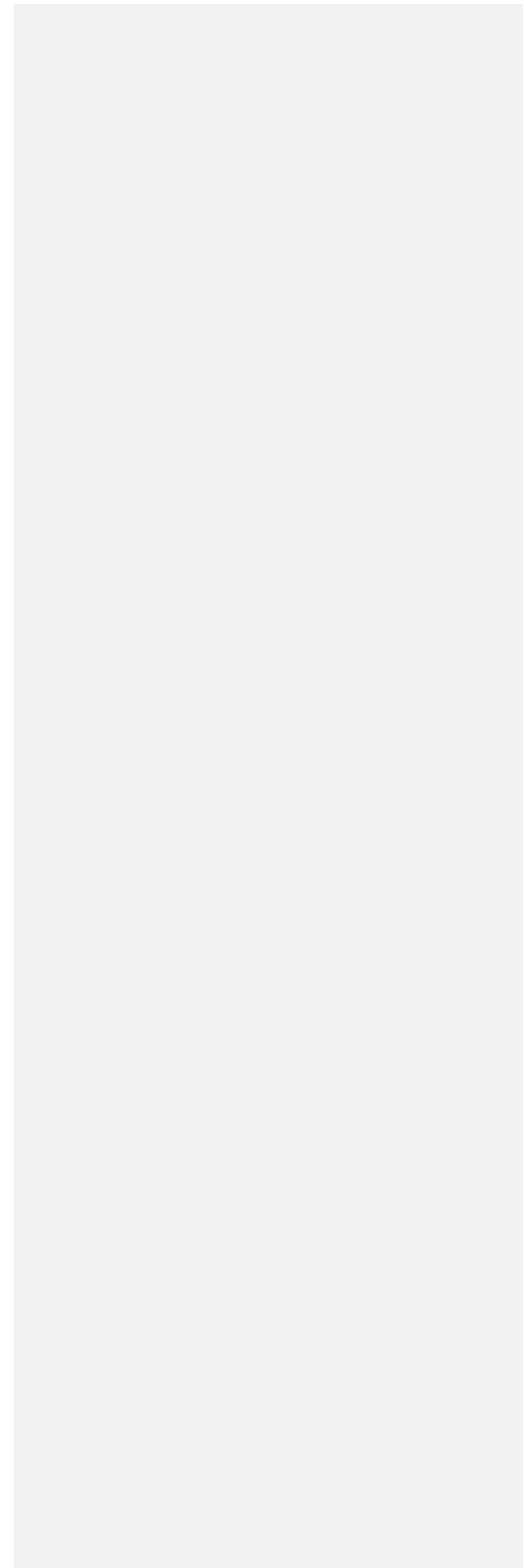
8. Committees

- a. The Executive Committee of the board, which will consist of the current officers and the most immediate past Chair serving on the board, is responsible for matters that are outside the jurisdiction of a standing committee, matters of an emergency nature, or matters of corporate governance.
- b. The ~~Administrative Board Chair~~ Executive Committee shall appoint all committees with consideration given to individual board member tenure and committee preference.
- c. A quorum at a committee meeting shall be two (2) committee members.
- d. There are two types of Administrative Board committees: standing or special.
  - Standing Committees:
    - Appointed not later than the regular February meeting of each year.
    - Serve for one (1) year or until their successors are appointed unless sooner terminated.
    - Include the following and such other standing committees as the Administrative Board may from time to time authorize:
      - Personnel and Organization Committee
        - Consists of three (3) members of the Administrative Board.
        - Responsible for providing general policy guidance and direction to the CEO related to the subjects of company organization, personnel functions, diversity and inclusion, and oversight of the performance evaluation process and compensation for the CEO.
      - Finance ~~and Audit~~ Committee
        - Consists of three (3) members of the Administrative Board.
        - Responsible for providing policy guidance and direction to the CEO and the direct relationship with General Counsel and Internal Auditing regarding financial, accounting, enterprise risk management, cyber and physical security and insurance matters. It shall provide policy direction and review of audit programs by direct access to the internal audit staff and independent public accountants.
        - Responsible for providing policy guidance and direction to the CEO related to the subjects of budgets and rates.
      - Operations and Power Supply Committee
        - Consists of three (3) members of the Administrative Board.
        - Responsible for providing policy guidance and direction to the CEO related to the subjects of engineering services and design, power supply sources, construction programs, and operation and maintenance of LES' physical facilities.
      - ~~Budgets and Rates Committee~~
        - ~~Consists of three (3) members of the Administrative Board.~~
        - ~~Responsible for providing policy guidance and direction to the CEO related to the subjects of budgets and rates.~~
      - Legislation and Governmental Affairs Committee
        - Consists of three (3) members of the Administrative Board.

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- Responsible for providing policy guidance and direction to the CEO related to state, national, and local legislative matters.



**REQUIREMENTS (Continued)**

- Communications and Customer Services Committee
  - Consists of three (3) members of the Administrative Board.
  - Responsible for providing policy guidance and direction to the CEO regarding external communications, communications programs, customer service programs, and service regulations.
- Special Committees:
  - May be appointed by the Administrative Board chair for such special tasks as circumstances warrant.
    - Shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except such as specifically conferred by the Administrative Board.
    - Upon completion of the tasks for which appointed, such special committee shall be disbanded.
  - A Labor Negotiations Committee consisting of two (2) Administrative Board members shall be established by the CEO to observe bargaining unit negotiations.

9. Responsibilities Regarding LES Employee Compensation

- a. The Administrative Board will establish the relative target pay level used to set the midpoint of pay ranges, approve payroll budget allocations, and approve material employee benefit program changes.
- b. The Administrative Board shall review the performance of the CEO annually to determine appropriate merit increase.

10. Travel

- a. Administrative Board members who attend conferences, meetings or seminars on behalf of LES will be reimbursed for business-related expenses similar to LES employees as provided in LES policy. Conferences, meetings, or seminars requiring air travel must be authorized by the Chair and the CEO.
- b. In order for three (3) or more Administrative Board members to travel to a pre-scheduled conference, in which they will incur expenses in excess of \$500 per board member, such board members shall obtain the authorization of the entire Administrative Board.
- c. No more than three (3) Board members may travel together on the same airline flight.

11. Requests for Information

- a. Administrative Board members receiving requests for information from third parties are encouraged to contact the CEO or Executive Staff at any time.
- b. Administrative Board members may confer with General Counsel, [internal auditors, or external auditors](#) directly on matters relating to all aspects of LES operations or board member responsibilities.
- c. All requests for formal legal opinions from the Administrative Board members shall be submitted to and be approved by the [Administrative Board Chair Executive Committee](#).
  - Following approval by the Administrative Board Chair, General Counsel shall render such opinion to the entire Administrative Board and the CEO.
  - Requests that in the opinion of General Counsel would require significant research, time, reallocation of legal staff/priorities or a formal legal opinion will require the approval of the full Administrative Board.
- d. The Administrative Board, if applicable, may direct the CEO to complete information requests on their behalf.

**REQUIREMENTS (Continued)**

**12. Indemnification**

- a. Each Administrative Board member shall be indemnified against any liability and claim (not otherwise covered by insurance) arising by reason of any action or omission in any manner relating to the performance, attempted performance, or failure of performance of official duties as an Administrative Board member.
- b. Any Administrative Board member shall advise the CEO in writing promptly upon learning of any actual or threatened claim, suit or other legal action against the Administrative Board member which is or may be covered under this policy and shall cooperate fully with the CEO and General Counsel in defending or otherwise resolving the claim, suit or other legal action.
- c. LES will provide and select legal counsel, when needed.
- d. Indemnification shall exclude any act resulting in any personal profit or advantage to which they were not legally entitled, acts of active and deliberate dishonesty with actual dishonest purpose and intent, or any willful violation of any statute, ordinance, regulation, or policy with actual knowledge that the act constituted a violation.
- e. Indemnification shall include, but is not limited to, all costs of defense including attorney fees, costs, and expenses, all settlement amounts, and all final judgments rendered against the Administrative Board member.
- f. The indemnification provided for herein is self-executing and shall be in full force and effect from and after adoption by the Administrative Board.
- g. It is the intention of this policy that it provides the maximum indemnification for personal liability which is legally permissible and it shall be construed and interpreted accordingly.
- h. Settlements:
  - Any settlement entered into must first be approved by the CEO in consultation with General Counsel. All settlements shall be reported to the Administrative Board per LES claims processing requirements.
  - If directed by the CEO, the Administrative Board member shall consult with General Counsel to settle any case on such terms and conditions as LES shall prescribe consistent with prudent business practices.
  - The Executive Committee of the Administrative Board is authorized to settle claims between \$25,000 to \$50,000 with reporting to the Administrative Board.
  - Settlements for amounts in excess of \$50,000 shall require the prior approval of the full Administrative Board.

13. If some portion of this policy is determined by a court of law of competent jurisdiction to be invalid for any reason, the remaining provisions hereof shall nevertheless remain in full force and effect.

14. Language in this policy may be incorporated into the contracts of LES officers and employees, but shall be in full force and effect as to each Administrative Board member whether or not made a part of their written contracts.

**REFERENCES**

- 1. Policy 501 Business Travel, Purchasing Card (P-Card), and Cash Expense Reimbursement
- 2. Lincoln Municipal Code
- 3. Nebraska Open Meetings Act

**APPROVED BY** \_\_\_\_\_ **VICE PRESIDENT AND GENERAL COUNSEL**  
SHELLEY SAHLING-ZART **TITLE** **DATE**

**APPROVED BY** \_\_\_\_\_ **CHIEF EXECUTIVE OFFICER**  
KEVIN G. WAILESEMEKA ANYANWU **TITLE**  
DATE

**APPROVED BY** \_\_\_\_\_ **ADMINISTRATIVE BOARD CHAIR**  
DANAY KALKOWSKI ANDREW HUNZEKER **TITLE**  
EFFECTIVE DATE

| <b>REVISION HISTORY</b>  |                      |   |  |
|--|----------------------|---|--|
| <b>Supersedes</b>  | <b>Revision Date</b> | <b>Revised By</b>   | <b>Revision Description</b>  |
| Policy 1 dated 01-21-2000,<br>Policy 2 dated 12-05-1995,<br>Policy 40 dated 06-01-1982,<br>Policy 41 dated 02-15-1985,<br>Policy 48 dated 11-18-1996 | 07-27-2017           | Corporate Governance & Records  | Reformatted into the new corporate governance documentation structure. There were no changes to the content of the document.   |
| Policy 101 dated 07-27-2017  | 11-20-2020           | Corporate Governance & Records, General Counsel, and Corporate Operations | Added wording to detail Administrative Board responsibilities regarding compensation, unexpected CEO vacancy details, and other changes to reflect current business practices. |
| Policy 101 dated 11-20-2020  | 12-16-2022           | Corporate Governance & Records, General Counsel, and Financial Services   | Increased the monetary amount of legal settlements and property claims that that can be approved by the CEO and the Executive Committee.                                       |

# **Exhibit II**



## Finance & Audit Committee – February 16, 2024

**Attendees:** C. Eskridge (Chair), E. Schafer, E. Anyanwu, S. Sahling Zart, E. Koenig, D. Auman, T. Hopkins, B. Willnerd

### 1. 2023 Unaudited Financial Results (Emily)

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

- a. Financial metrics were favorable as compared to budget primarily due to lower Net Power Costs and higher Interest Income.
- b. LES ended the year approximately \$11 million under its authorized budget spending, which includes operating and capital expenditures.

### 2. Semi-annual Investment Report (Bryan)

- a. At the end of 2023, LES was managing a portfolio balance of approximately \$180 million.
- b. LES was in compliance with its Investment Policy at the end of 2023.

### 3. Internal Audit 2023 4<sup>th</sup> Quarter Report (David)

- a. Internal Auditing discussed the 4<sup>th</sup> Quarter Report with the Committee. Included in the report were the Group Life, Disability and Long-Term Care Audit; the Purchase Order Audit; the annual year-end Internal Audit activity memo; the Executive Purchasing Card Review Memo; and the Internal Audit Independence Statement for 2024.
- b. Internal Auditing will be distributing a 2023 activity memo to the entire board. If you have any questions regarding the memo, please contact Internal Auditing or Shelley.

### 4. DEC Update (Emily)

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

- a. An overview of the January 2024 DEC Board meeting was provided to the committee.
- b. Preliminary financial results indicate that DEC's financial metrics will be near budget for 2023 year-end.
- c. The DEC Board is planning a special meeting to discuss the possibility of a decarbonization goal.

# **Exhibit III**



## Operations and Power Supply Committee Meeting Summary February 5, 2024 (virtual)

**Attendees:** C. Eskridge, A. Hunzeker, C. Johnson, L. Sabalka (Committee Chair), E. Anyanwu, P. Crist, J. Dutton, J. Fortik, L. Hale, J. Jakub, D. Johnson, B. Lafler, M. Landis, JD Linscott, D. Malcom, S. Sahling-Zart

### **Design Automation Project Status Update (Jonathan Jakub, JD Linscott):**

- Staff from multiple LES departments and a team of external consultants have been working on a significant enhancement to the Enterprise Asset Management processes and technology.
- Known as the Design Automation Project, the effort aims to integrate computer aided design, geospatial information, and Enterprise Resource Planning software to standardize and automate the design process for distribution and streetlight projects.
- The approximately \$5.8M project began in early 2022 and is expected to be operational by mid-2024.

### **Local Generation Update (Jim Dutton):**

- Staff provided an overview of the Rokeby Generating Station, Terry Bundy Generating Station, J Street Generating Station, Landfill Gas to Energy Plant, and Salt Valley Wind Turbines operating performance for 2023.
- The energy output from the Terry Bundy plant was significantly lower than 2022 due to the ongoing combustion turbine outages, while output from Rokeby Unit 1 and J Street was higher than 2022 due primarily to market conditions and increased dispatch instructions from SPP.
- Several sizable projects were either underway or conducted in 2023, with some of the most notable being the Terry Bundy turbine work, Rokeby fuel oil system work, and staff training related enhancements to better prepare the technicians to perform their work scope.

### **2023 4<sup>th</sup> 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 2023.
- Natural gas prices remained well below Budget throughout the year, which put downward 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.

### **Pollinator Projects Update (Melissa Landis):**

- Staff from LES's Environmental Department continued their partnerships with groups like the UNL Environmental Engagement Class, Wachiska Audubon Society, Save Our Monarchs, Lincoln Public Schools, and the Nebraska Statewide Arboretum, to provide educational opportunities and customer outreach on pollinator issues.
- LES has pollinator pilot project areas at the Kevin Wailes Operations Center, the 8<sup>th</sup> & N Substation, and the Terry Bundy Generating Station, that incorporate pollinator friendly vegetation and maintenance practices.
- 2023 pollinator events included LES sponsored outreach to employees and community groups, while future activities are anticipated to include expanding the outreach efforts, exploring opportunities for additional pollinator plots, and establishing relationships with contractors that have skill sets tailored to site maintenance at pollinator plots.



# **Exhibit IV**



## Summary of DEC Board of Directors Meeting on January 23, 2024

### Election of Officers

The officers for 2024 are: Chair Sean Flowerday, Vice Chair Carl Eskridge, and Secretary Kim Morrow

### Management Report

- Staff presented details of all planned and unplanned service interruptions for the 4th quarter of 2023, showing minimal interruptions.
- Data was presented that compares monthly natural gas prices to budget for 2023 and projections for 2024. The natural gas volumes consumed in 2023 closely matched budget.
- The list of capital projects for 2023 was reviewed, including updates on projects that will carry forward. The 2024 project list includes: Safety & security improvements for all plants, electric boiler additions at West Haymarket, geothermal loop cooler, backup circulating water pumps, and multistack upgrades at County Adult Detention Facility (CADF), and geothermal loop heating for LES Operations Center.
- Outage metric data was shared for year 2023, with details regarding how the data is compiled and what is considered a service interruption. The data presented was broken down by heating, cooling, and the specific delivery point.
- Potential opportunities for DEC growth were discussed. The projects mentioned were: new convention center, multimodal center, supportive housing, K Street redevelopment, and Block 5 development in the West Haymarket.

### Financial Report and Semi-Annual Investment Report

- The preliminary year-end financials for 2023 were reviewed, with audited financials expected by early April. Results were favorable with sales and revenue nearly matching budget and expenses 2% below budget.
- Capital expenses were also lower than budget. This was due primarily to project delays that will carry forward to 2024.
- DEC ended the year with \$9.1M in the investment portfolio. Investment performance and policy compliance were reviewed with the Board.
- The Board approved changes to the DEC Investment Policy, to update language, and make it more closely match the LES policy.

### Miscellaneous

- The dates for the 2024 International District Energy Association summer conference were announced. The conference is being held in Orlando, in mid-June.
- Information about legislative bills that could impact DEC was presented. Those bills are: LB 951, LB 1342, and LB 1366.
- The topic of a DEC decarbonization goal was brought forward. The board decided to schedule a special meeting for further discussion. The special meeting will be held in February to discuss this topic, as well as other expansion opportunities, and the option of having more frequent DEC board meetings.

# **Exhibit V**



## 2023 LES ADMINISTRATIVE BOARD COMMITTEES

The Board Chair is an Ex Officio Member of Each Committee

### **Personnel & Organization**

David Spinar, Chair  
Eric Schafer  
Vacant (new board member)

### **Finance**

Carl Eskridge, Chair  
David Spinar  
Kate Bolz

### **Operations & Power Supply**

Lucas Sabalka, Chair  
Karen Griffin  
Chelsea Johnson

### **Communications & Customer Services**

Chelsea Johnson, Chair  
Eric Schafer  
Lucas Sabalka

### **Legislation & Governmental Affairs**

Karen Griffin, Chair  
Carl Eskridge  
Kate Bolz

### **Executive**

Board Officers  
Past Chair

### **Labor Negotiations**

Andy Hunzeker  
David Spinar

# **Exhibit VI**



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION   | SUMMARY OF LEGISLATION   | LES POSITION                 |
|------------------------|---|--|------------------------------|
| <a href="#">LB 49</a>  | Judiciary Committee   | (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                      |
| <a href="#">LB 57</a>  | Business & Labor Committee                                      | (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 |
| <a href="#">LB 61</a>  | Transportation Committee<br><b>Select File</b>                  | (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                      |
| <a href="#">LB 79</a>  | Revenue Committee   | (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                      |
| <a href="#">LB 120</a> | Natural Resources Committee<br><b>Hearing February 22, 2024</b> | (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                      |
| <a href="#">LB 133</a> | Government Committee  | (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                      |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION                                      | SUMMARY OF LEGISLATION  | LES POSITION                 |
|------------------------|--|---|------------------------------|
| <a href="#">LB 134</a> | Transportation Committee                                   | (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 |
| <a href="#">LB 161</a> | Business & Labor Committee                                 | (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 |
| <a href="#">LB 164</a> | Urban Affairs Committee<br><b>Hearing January 16, 2024</b> | (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 |
| <a href="#">LB 169</a> | Judiciary Committee  | (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 |
| <a href="#">LB 172</a> | Urban Affairs Committee                                    | (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 |
| <a href="#">LB 205</a> | Government Committee                                       | (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 |
| <a href="#">LB 209</a> | Revenue Committee  | (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 |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION       | SUMMARY OF LEGISLATION   | LES POSITION |
|------------------------|-----------------------------|--|--------------|
| <a href="#">LB 237</a> | Appropriations Committee    | (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      |
| <a href="#">LB 255</a> | Natural Resources Committee | (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. An amendment was offered to expand the scope of the bill to restrict the use of eminent domain by a City of the Primary Class outside of LES' service territory. Additionally, the amendment sought to prohibit an electric utility from applying to the PRB for a generation facility or project, if by the power of eminent domain (1) includes more than 50 acres of real property in fee simple or (2) is located outside of the applicant's own service area. The bill and amendment remain in the Natural Resources Committee. | Oppose       |
| <a href="#">LB 297</a> | Government Committee        | (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. An amendment offered by the Government Committee adds a maximum of \$2,500 liquidated damages per violation, and appropriate preliminary, equitable, or declaratory relief.  | Monitor      |





## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION                      | SUMMARY OF LEGISLATION   | LES POSITION                 |
|------------------------|--|--|------------------------------|
| <a href="#">LB 304</a> | Government Committee<br><b>Select File</b> | (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  |
| <a href="#">LB 367</a> | Business & Labor Committee                 | (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 |
| <a href="#">LB 394</a> | Judiciary Committee                        | (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                       |
| <a href="#">LB 399</a> | Natural Resources Committee                | (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                       |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION       | SUMMARY OF LEGISLATION   | LES POSITION                 |
|------------------------|-----------------------------|--|------------------------------|
| <a href="#">LB 408</a> | Government Committee        | (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 |
| <a href="#">LB 450</a> | Natural Resources Committee | (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                      |
| <a href="#">LB 496</a> | Revenue Committee           | (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 |
| <a href="#">LB 513</a> | Government Committee        | (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                      |
| <a href="#">LB 541</a> | Government Committee        | (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                      |
| <a href="#">LB 560</a> | Appropriations Committee    | (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                      |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION                      | SUMMARY OF LEGISLATION  | LES POSITION                 |
|------------------------|--|---|------------------------------|
| <a href="#">LB 566</a> | Executive Board                            | (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                       |
| <a href="#">LB 567</a> | Natural Resources Committee                | (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. Provisions of LB 567 were amended into LB 565, which has been passed.                                 | Monitor                      |
| <a href="#">LB 568</a> | Natural Resources Committee                | (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. AM 849 reduces the funding ask from \$5M to \$200k. Provisions of LB 568 were amended into LB 565, which has been passed. | Support                      |
| <a href="#">LB 569</a> | Government Committee<br><b>Select File</b> | (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 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION                   | SUMMARY OF LEGISLATION  | LES POSITION                                  |
|------------------------|---|---|---|
| <a href="#">LB 636</a> | Natural Resources Committee             | (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                  |
| <a href="#">LB 637</a> | Government Committee                    | (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                  |
| <a href="#">LB 644</a> | Banking Committee<br><b>Select File</b> | (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                  |
| <a href="#">LB 650</a> | Government Committee                    | (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                  |
| <a href="#">LB 670</a> | Business & Labor Committee              | (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                  |
| <a href="#">LB 725</a> | Natural Resources Committee             | (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 |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION       | SUMMARY OF LEGISLATION  | LES POSITION                 |
|------------------------|-----------------------------|---|------------------------------|
| <a href="#">LB 726</a> | Natural Resources Committee | (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  |
| <a href="#">LB 733</a> | Transportation Committee    | (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 |
| <a href="#">LB 734</a> | Judiciary Committee         | (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 |
| <a href="#">LB 743</a> | Banking Committee           | (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  |
| <a href="#">LB 768</a> | Appropriations Committee    | (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. Provisions of LB 768 were amended into LB 814 and LB 818, which have been passed.  | Monitor                      |



## 2023 CARRYOVER LEGISLATION IMPACTING LES

| LEGISLATIVE BILL       | STATUS OF LEGISLATION       | SUMMARY OF LEGISLATION  | LES POSITION |
|------------------------|-----------------------------|---|--------------|
| <a href="#">LR 21</a>  | Executive Board             | (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      |
| <a href="#">LR 133</a> | Natural Resources Committee | (Bostelman) Interim study to examine issues under the jurisdiction of the Natural Resources Committee.  | Monitor      |
| <a href="#">LR 178</a> | Executive Board             | (Brewer) Interim study to examine the feasibility of constructing and operating small modular nuclear reactors to generate electric power in Nebraska.  | Monitor      |
| <a href="#">LR 184</a> | Transportation Committee    | (Moser) Interim study to examine the deployment of broadband services within the State of Nebraska.   | Monitor      |
| <a href="#">LR 185</a> | Transportation Committee    | (Moser) Interim study to examine issues under the jurisdiction of the Transportation and Telecommunications Committee.  | Monitor      |
| <a href="#">LR 216</a> | Natural Resources Committee | (Dungan) Interim Study to examine the economic and climate impacts of the current reliance on fossil fuel energy generation in Nebraska.  | Monitor      |
| <a href="#">LR 242</a> | Revenue Committee           | (Jacobson) Interim study to examine methods to promote the development of a competitive electric vehicle charging market in Nebraska and the creation of electric infrastructure to support such market.  | Monitor      |
| <a href="#">LR 247</a> | Government Committee        | (J. Cavanaugh) Interim study to examine issues raised in LB 133, 2023, relating to laws regarding the use of eminent domain by state agencies, boards, commissions, and other political subdivisions.   | Monitor      |
| <a href="#">LR 248</a> | Natural Resources Committee | (J. Cavanaugh) Interim study to survey Nebraska's small public utilities, municipalities, and cooperatives in a comprehensive manner, which consolidates information relating to rate classifications and equipment.  | Monitor      |



## 2024 NEW LEGISLATION IMPACTING LES

| LEGISLATIVE BILL        | STATUS OF LEGISLATION   | SUMMARY OF LEGISLATION   | LES POSITION                              |
|-------------------------|---|--|---|
| <a href="#">LB 866</a>  | Natural Resources Committee<br><b>Hearing January 24, 2024</b>                          | (Bostelman) LB 866 was introduced at the request of the Nebraska Power Review Board (NPRB). The primary objective of the bill is to promote better continuity for the NPRB representation on the SPP Regional State Committee. The key provisions of the bill include: 1) removing the requirement to have an accountant on the board; 2) permitting at least one NPRB member to be any individual who previously worked as a director, officer, or employee of any electric utility within the four years preceding the member’s appointment to serve on the NPRB, provided the member refrains from voting or engaging on any proceedings involving their utility for a period of four years; 3) increasing NPRB terms from two to three consecutive four-year terms; and 4) increasing the member per diem from \$60 to \$100. The public power industry supports LB 866. | Support                                   |
| <a href="#">LB 951</a>  | Government, Military and Veterans Affairs Committee<br><b>Hearing February 15, 2024</b> | (Linehan) Adopts the Public Officials on Private Boards Open Meetings Act to require that meetings of the governing boards of private entities comply with the Nebraska Open Meetings Act when the board is comprised of a majority of public officials. This bill does not directly impact LES, but will be monitored for any amendments that may impact LES.   | Monitor                                   |
| <a href="#">LB 956</a>  | Natural Resources Committee   | (Bostar, Brewer) LB 956 requires that light-mitigating technology be installed on any new wind energy conversion system or whenever an existing wind energy conversion system is repowered on or after July 1, 2025. The technology is designed to be activated when aircraft is near to mitigate the continuous strobe effect on property owners.   | Support                                   |
| <a href="#">LB 977</a>  | Judiciary Committee<br><b>Hearing January 26, 2024</b>                                  | (Blood) LB 977 would prohibit discrimination on the basis of military or veteran status.   | Support/Confer with the City              |
| <a href="#">LB 991</a>  | Banking, Commerce and Insurance Committee<br><b>Hearing January 30, 2024</b>            | (Bostar) Adopts the Blockchain Basics Act. The intent is to prohibit political subdivisions from enacting zoning and other requirements that treat digital cryptomining differently than data centers.   | Oppose as introduced/Confer with the City |
| <a href="#">LB 1018</a> | Government, Military and Veterans Affairs Committee<br><b>Hearing February 2, 2024</b>  | (Holdcroft, et al.) LB 1018 provides that a public employer, such as LES, may not require than a job applicant possess a postsecondary degree, provided the applicant has qualifying career and life skills. It does not apply to collegiate positions, judges, or positions for which a degree is required by state or federal law.   | Oppose/Confer with the City               |
| <a href="#">LB 1033</a> | Transportation and Telecommunications Committee<br><b>Hearing January 23, 2024</b>      | (Lippincott, et al.) Provides for enforcement of the prohibition against using a handheld wireless communication device while operating a motor vehicle as a primary action. Current law provides it can only be enforced as a secondary action to some other offense. We will monitor this bill for its impact to employees operating LES fleet vehicles.   | Monitor/Confer with the City              |



## 2024 NEW LEGISLATION IMPACTING LES

| LEGISLATIVE BILL        | STATUS OF LEGISLATION   | SUMMARY OF LEGISLATION  | LES POSITION                 |
|-------------------------|---|---|------------------------------|
| <a href="#">LB 1076</a> | Government, Military and Veterans Affairs Committee<br><b>Hearing February 22, 2024</b> | (Cavanaugh, M.) LB 1076 is similar to LB 951. It requires a governing body of a provides that sets policy for, makes decisions regarding, or supervises matters relating to any public contract to which the provider is a party to comply with open meeting provisions. There is not a direct impact to LES, but the bill will be monitored.   | Monitor/Confer with the City |
| <a href="#">LB 1104</a> | Executive Board<br><b>General File</b>  | (Aguilar) LB 1104 increases lobbyist registration fees from \$200 to \$300 and provides that such fees will be split between the offices of the Clerk of the Legislature and the Nebraska Accountability and Disclosure Commission. LES has one or two registered lobbyist in any given year.   | Monitor                      |
| <a href="#">LB 1112</a> | Transportation and Telecommunications Committee<br><b>Hearing February 12, 2024</b>     | (Clements) Restricts local government control regarding permits and fees for the placement of communications infrastructure on poles and towers of the local government or utility. It provides that a local governing entity may not charge a fee that exceeds its reasonable costs but goes on to cap such fees at \$100 for an application fee and \$250 for a permit. These caps may in many cases not cover the actual costs of reviewing and processing an application. | Oppose/Confer with the City  |
| <a href="#">LB 1119</a> | Judiciary Committee<br><b>Hearing January 25, 2024</b>                                  | (Dungan) LB 1119 prohibits homeowner associations from restricting the installation and use of solar panels in any covenant, declaration, bylaw, deed contract, or other agreement. The bill does not directly impact LES, but it will be monitored for its relation to LES customer generation policies.   | Monitor/Confer with the City |
| <a href="#">LB 1139</a> | Business and Labor Committee<br><b>Hearing February 5, 2024</b>                         | (Cavanaugh, M.) Adopts the Paid Family and Medical Leave Insurance Act. The bill is very similar to LB 57 introduced by Sen. Cavanaugh last session, but not yet advanced out of committee.   | Monitor/Confer with the City |
| <a href="#">LB 1186</a> | Transportation and Telecommunications Committee<br><b>Hearing February 27, 2024</b>     | (Sanders) Amends the Nebraska One-Call Notification System Act to provide that an excavator will not be strictly liable to an operator for repair costs to any underground telecommunications line on residential property if it is buried at a distance of 12" or more from a building and at a depth of less than 10". LES is both an excavator and an operator under the Act and we will monitor this bill for an amendments.  | Monitor/Confer with the City |





## 2024 NEW LEGISLATION IMPACTING LES

| LEGISLATIVE BILL        | STATUS OF LEGISLATION   | SUMMARY OF LEGISLATION   | LES POSITION                 |
|-------------------------|---|--|------------------------------|
| <a href="#">LB 1218</a> | Revenue Committee<br><b>Hearing February 22, 2024</b>                                   | (Bostar) Allows commercial electric vehicle (EV) charging stations to charge on a kilowatt-hour basis. Selling electricity on a kWh basis is considered a retail sale of electricity and state law provides that only utilities a certified retail service area may do so. The bill also proposes to significantly restrict the ability of public entities like LES from installing direct current fast-charging stations by providing that a public entity would have to provide public notice of an intent to install a DC fast charging station and give private entities a 90-day window to exercise a right of first refusal to install a station thereby precluding the public entity from doing so. LES and the public power industry have supported a narrow carve out to allow private EV charging stations to charge on a kWh basis. However, LES and public power strongly oppose any provisions that erode local control and restrict the core business of electric utilities. | Oppose/Confer with the City  |
| <a href="#">LB 1219</a> | Urban Affairs Committee<br><b>Hearing February 13, 2024</b>                             | (Cavanaugh, J.) Provides for adoption of updated building and energy codes, including the 2021 International Energy Conservation Code.   | Monitor/Confer with the City |
| <a href="#">LB 1234</a> | Appropriations Committee<br><b>Hearing February 2, 2024</b>                             | (Wayne) LB 1234 appropriates to the Department of Environment and Energy \$1 million for fiscal year 2023-24 and \$1 million for fiscal year 2024-25 for the Low-Income Weatherization Assistance Program.   | Support/Confer with the City |
| <a href="#">LB 1277</a> | Government, Military and Veterans Affairs Committee<br><b>Hearing February 23, 2024</b> | (Wayne) This bill allows the Governor to issue an emergency disaster proclamation for multiple counties when requested by a political subdivision that supplies electricity, natural gas, water, or sewer service without having to first request an emergency proclamation from each county. This provision will help to expedite disaster relief for essential services. While LES's service area is entirely in one county, the bill would provide assistance to the City of Lincoln for water service and also for LES's utility partners.   | Support/Confer with the City |
| <a href="#">LB 1294</a> | Banking, Commerce and Insurance Committee<br><b>Hearing January 30, 2024</b>            | (Bostar, et al.) LB 1294 adopts the Data Privacy Act is primarily aimed at companies in the state that produce a product or service and engage in the sale of personal data. Among other things, it would require such companies to obtain consent to process or sell personal data. The bill as introduced specifically exempts the State, political subdivisions, and electric suppliers, among others, but the bill will be monitored for amendments that may expand the scope to include political subdivisions.   | Monitor/Confer with the City |



## 2024 NEW LEGISLATION IMPACTING LES

| LEGISLATIVE BILL        | STATUS OF LEGISLATION  | SUMMARY OF LEGISLATION   | LES POSITION   |
|-------------------------|--|--|--|
| <a href="#">LB 1300</a> | Government, Military and Veterans Affairs Committee<br><b>Hearing February 8, 2024</b>   | (Bostar, at the request of the Governor) Adopts the Pacific Conflict Stress Test Act and Foreign Adversary Contracting Prohibition Act with the emergency clause. It requires a state risk assessment that includes preparation of risk scenarios and threats, with focus on supply chain. The report is required to include identified vulnerabilities in critical infrastructure, military installations, cybersecurity, and public health, among others. We have identified concerns about releasing critical infrastructure information that would be published. Senator Bostar is willing to consider amendments that achieve the overall objective without comprising sensitive information.   | Oppose as introduced and seek amendment/Confer with the City |
| <a href="#">LB 1302</a> | Government, Military and Government Affairs Committee<br><b>Hearing February 8, 2024</b> | (Lippincott) Adopts the Cybersecurity Preparedness Act to provide funding to the State Chief Information Officer to procure hardware, software, or services to expand the state’s cybersecurity defense and response capabilities. The bill requires and provides support for cyber preparedness training and cyber drills. It also establishes a \$2 million program to provide grants to political subdivisions for the purpose of upgrading critical information technology infrastructure.   | Support/Confer with the City                                 |
| <a href="#">LB 1319</a> | Revenue Committee<br><b>Hearing February 1, 2024</b>                                     | (Linehan) LB 1319 repeals a sales and uses tax exemption for data centers. Since 2012, sales and use taxes have not been imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption of personal property and services of a data center. This bill does not directly impact LES, but it will be monitored given Google’s pending construction of a data center in Lincoln.   | Monitor/Confer with the City                                 |
| <a href="#">LB 1342</a> | Revenue Committee  | (Wayne) LB 1342 would exempt residential sales and purchases of electricity and natural gas from sales and use taxes. Sales and use tax is a pass-through for LES so there is no financial impact to LES. However, the bill would result in less sales tax revenue for the City. We will confer with the City and support the City’s position on the bill.   | Monitor/Confer with the City                                 |
| <a href="#">LB 1366</a> | Judiciary Committee<br><b>Hearing February 2, 2024</b>                                   | (Cavanaugh, J., Bostelman, Brewer) LB 1366 would significantly change the eminent domain authority of public entities. While LES could support provisions in the bill to clarify and encourage good faith efforts to negotiate with property owners, there are other provisions in the bill that are unacceptable. One of the primary objectionable provisions would prohibit a political subdivision from taking property outside the boundaries of the political subdivision through the use of eminent domain unless a majority vote of the governing body of the county, city, or village where the property is located approves the taking. This could significantly impact LES’s ability to site transmission lines outside of its service area. This would also hamper the City’s efforts related to securing a secondary water source. | Oppose/Confer with the City                                  |



## 2024 NEW LEGISLATION IMPACTING LES

| LEGISLATIVE BILL        | STATUS OF LEGISLATION  | SUMMARY OF LEGISLATION   | LES POSITION                 |
|-------------------------|--|--|------------------------------|
| <a href="#">LB 1369</a> | Natural Resources Committee                                    | (Cavanaugh, J.) LB 1369 would require a local electric distribution utility to interconnect and operate in parallel with an agricultural self-generation facility with a rated capacity of 100 kW or less that produces electricity using methane, wind, solar, biomass, hydropower, or geothermal resources as its energy source. LB 1369 specifically provides that such a system is not used for purposes of net metering. This would only apply where land meets the definition of agricultural or horticultural land.   | Monitor/Confer with the City |
| <a href="#">LB 1370</a> | Natural Resources Committee<br><b>Hearing February 1, 2023</b> | (Bostelman, + 24) LB 1370 would provide that prior to retiring an existing dispatchable electric generation facility in Nebraska, and electric supplier must certify to the Nebraska Power Review Board (NPRB) that the supplier has a) 'secured and placed on the state's electric grid' a dispatchable generation facility with an equal or greater to nameplate capacity as the one being retired; and b) 'adequate' transmission infrastructure necessary to interconnect the new dispatchable generation facility. This bill would not apply if a unit retirement is mandated by federal law. Dispatchable generation means a facility using hydropower, coal, natural gas, hydrogen, or nuclear power to generate electricity. The bill raises a number of questions. As drafted, it would not apply to two of LES's major resources at the Laramie River Station and the Walter Scott Energy Center as those plants are outside of Nebraska. It also would not seem to apply to LES's participation in the Gerald Gentleman Station in that LES is a minority participant and not an owner, but would place an inordinate burden on NPPD to replace capacity it may not need. The legislation is a serious erosion of local control—both of the local utility governing bodies and the communities they serve. There are 25 original cosponsors on the bill which represents half of the 49-member Legislature. Several of these senators have expressed concern about what they perceive as an over-reliance on renewable energy generation. | Oppose                       |

# **Exhibit VII**

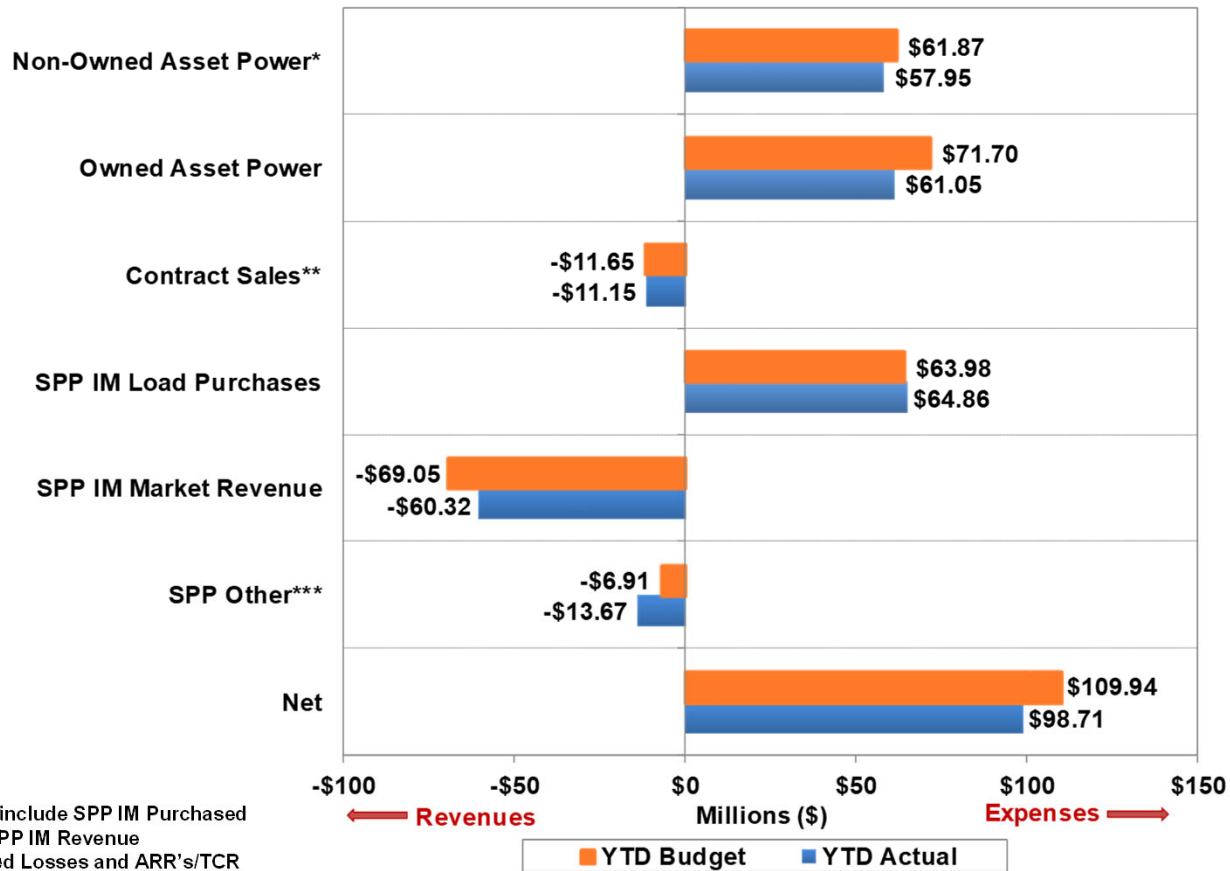
# Power Supply Division 2023 Year End Review

February 16, 2024

Jason Fortik  
Vice President, Power Supply

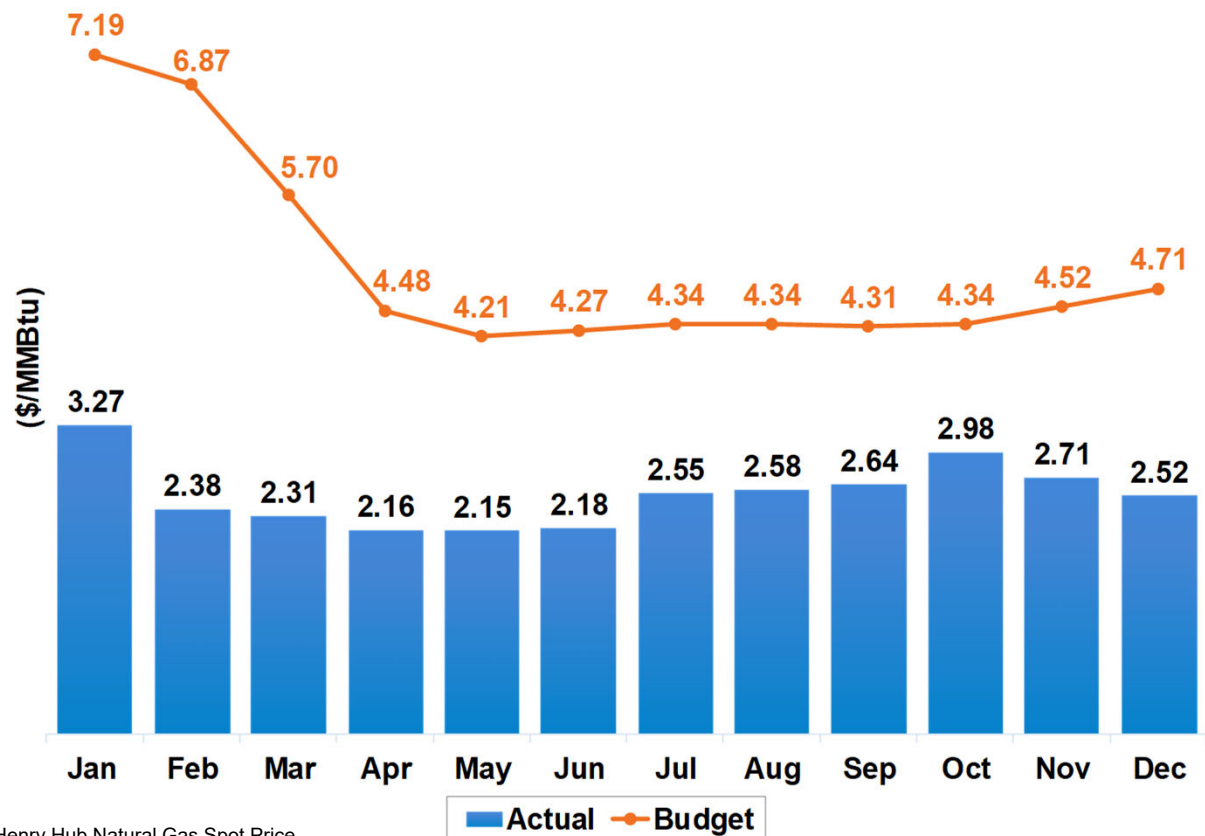


**2023 Net Power Costs are about \$11.2M (10.2%) below Budget. Lower than Budget generation expenses and higher transmission related revenues more than offset below Budget market revenues.**



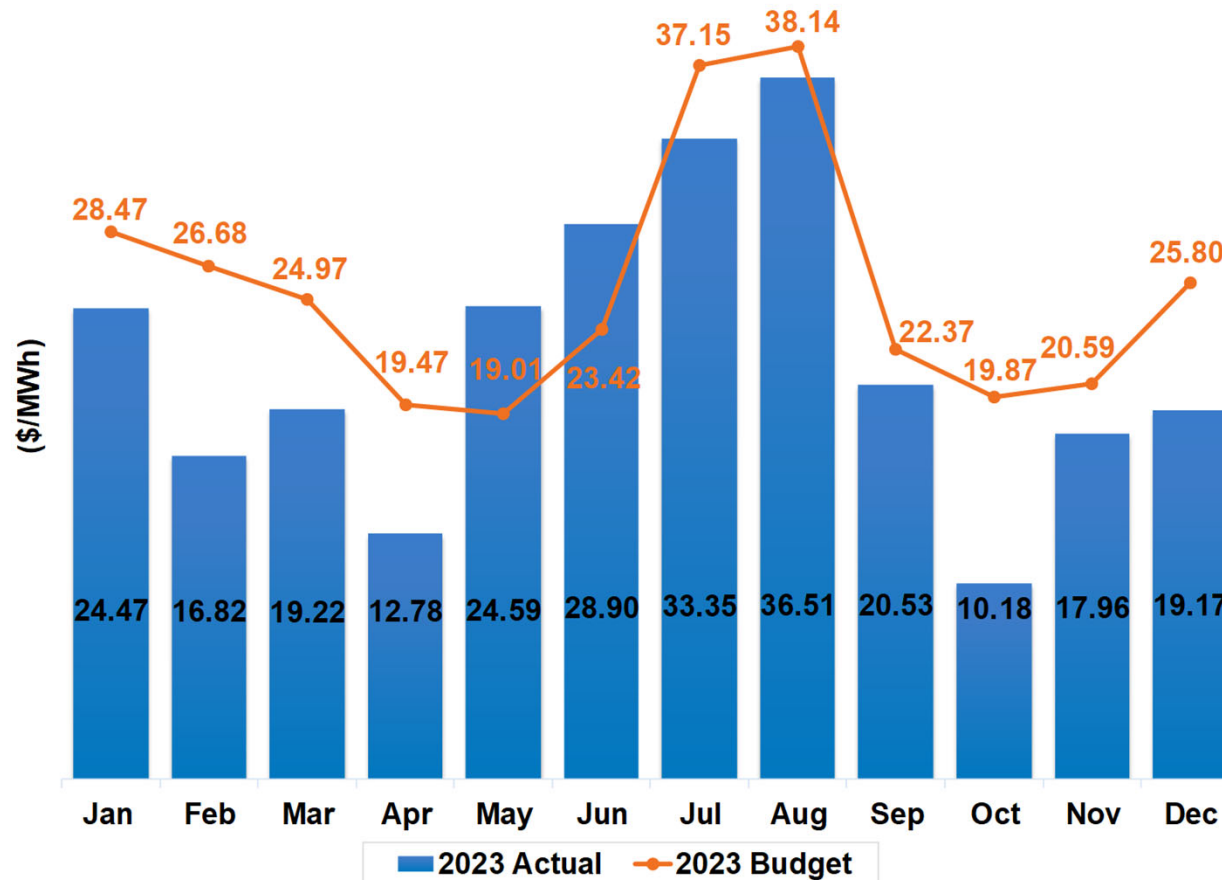
\*Non-Owned Asset Power does not include SPP IM Purchased  
 \*\*Contract Sales does not include SPP IM Revenue  
 \*\*\*SPP Other includes Over-Collected Losses and ARR's/TCR

Natural gas prices remained well below Budget throughout the year. Stable domestic production levels, manageable consumption and LNG export levels, and lower European market prices, combined to put downward pressure on U.S. prices.



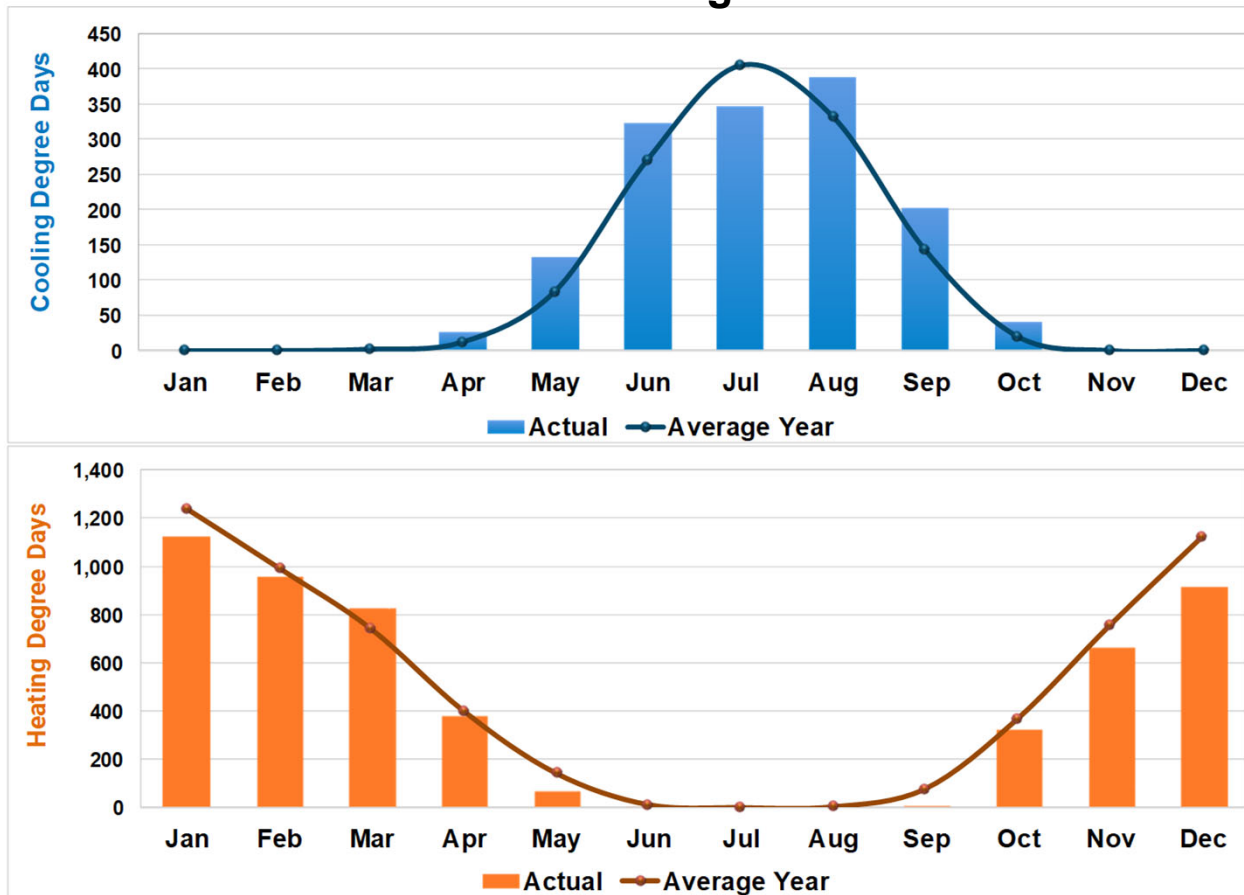
Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

With the exception of May and June, Lincoln's market electricity prices were below Budget during 2023. The consistently low natural gas prices dampened the upward price pressure from lower wind output and several months with increased levels of generating capacity on outage.

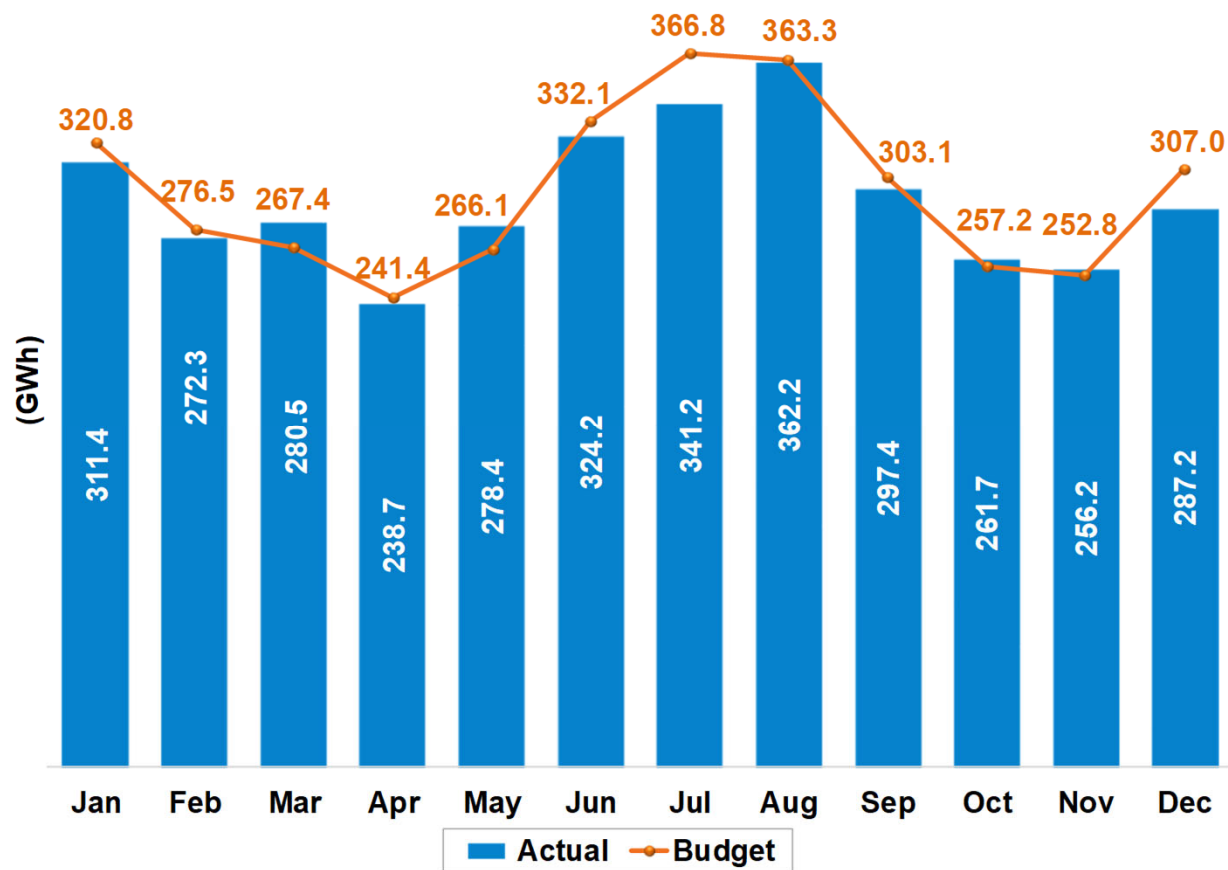




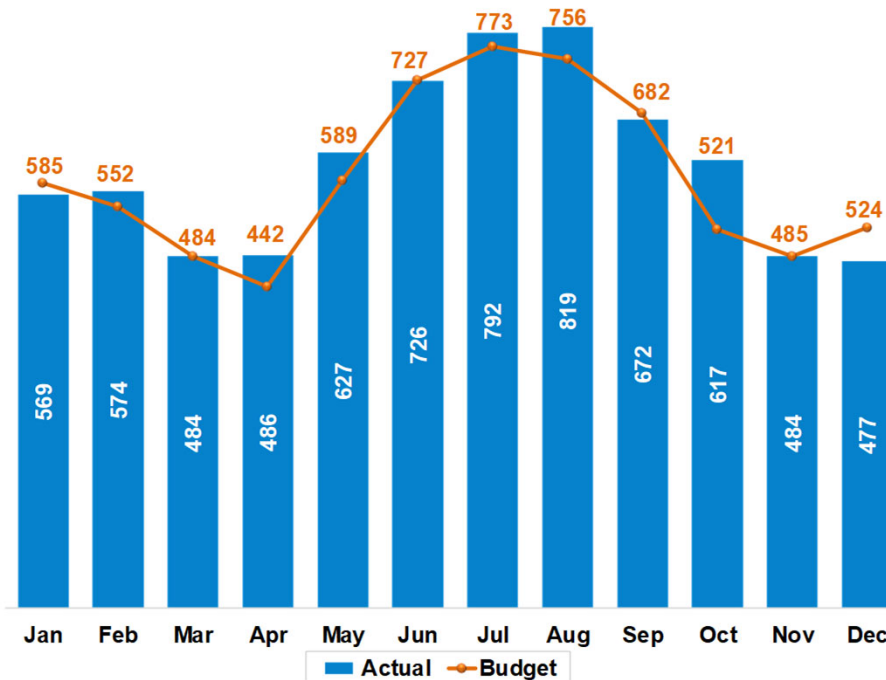
**Q4 temperatures trended warmer than normal. For the year, several months experienced above average temperatures, pushing cooling degree days above Budget and heating degree days below Budget.**



**Control Area Energy consumption was 12 GWh (1.5%) below Budget for Q4 and 43 GWh (1.2%) below Budget for the year**



High temperatures in early October pushed customer demand well above the monthly Budget, while 2023 saw LES set a new system peak of 819 MW, exceeding the August 2011 peak of 786 MW by about 4%.

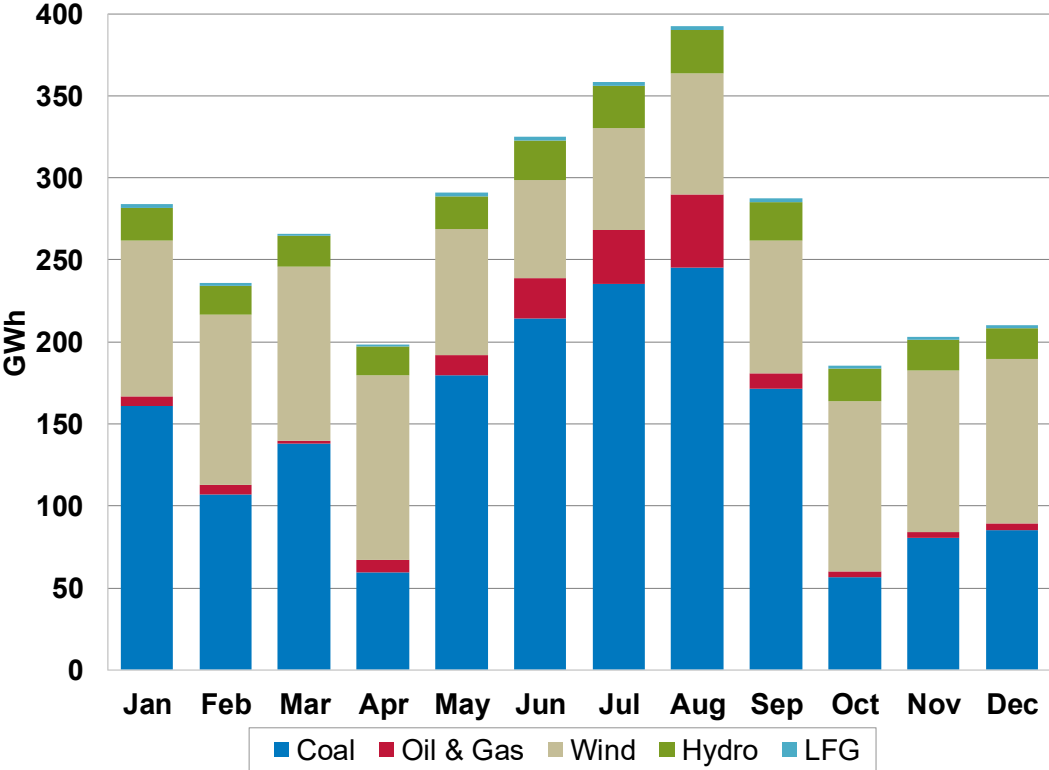


**System Peak Load**

**2023 Peak Load Day = 819 MW, 8/22/2023**  
**All Time System Peak = 819 MW, 8/22/2023**

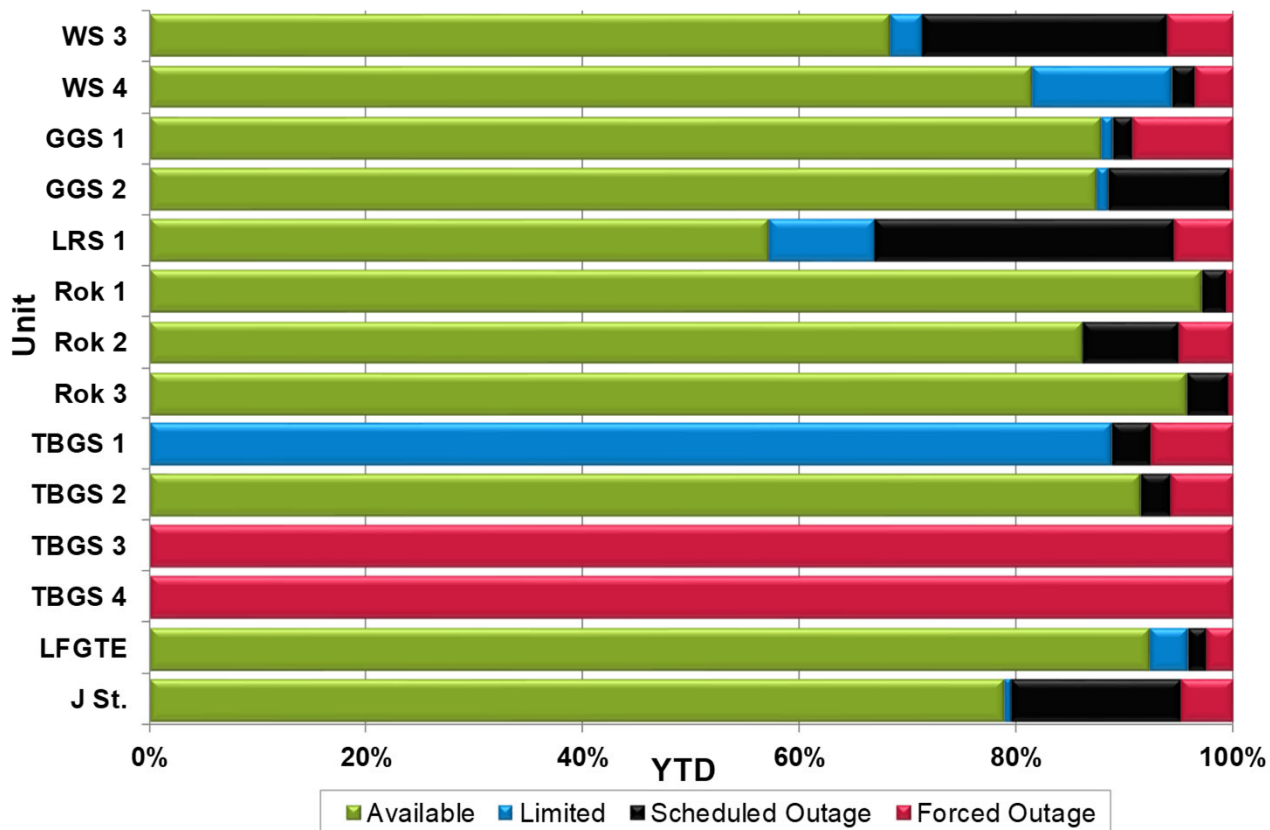
**2023 renewable energy production was about 11% below expectations, coal resource production was about 11% below expectations largely due to reduced output from Laramie River Station, and natural gas resource production was 21% below expectations due mainly to the extended outages at the Terry Bundy Generating Station.**

|                                    |  |
|------------------------------------|--|
| <b>Retail Sales</b>                | <b>2023 Retail Sales:</b><br>Forecast = 3,292 GWh<br>Actual = 3,295 GWh<br>Difference = 3 GWh (0.1%)                     |
| <b>Renewable Energy Production</b> | <b>2023 Renewable Energy Production Expressed as a Percentage of Retail Sales:</b><br>Forecast = 44.7%<br>Actual = 39.6% |

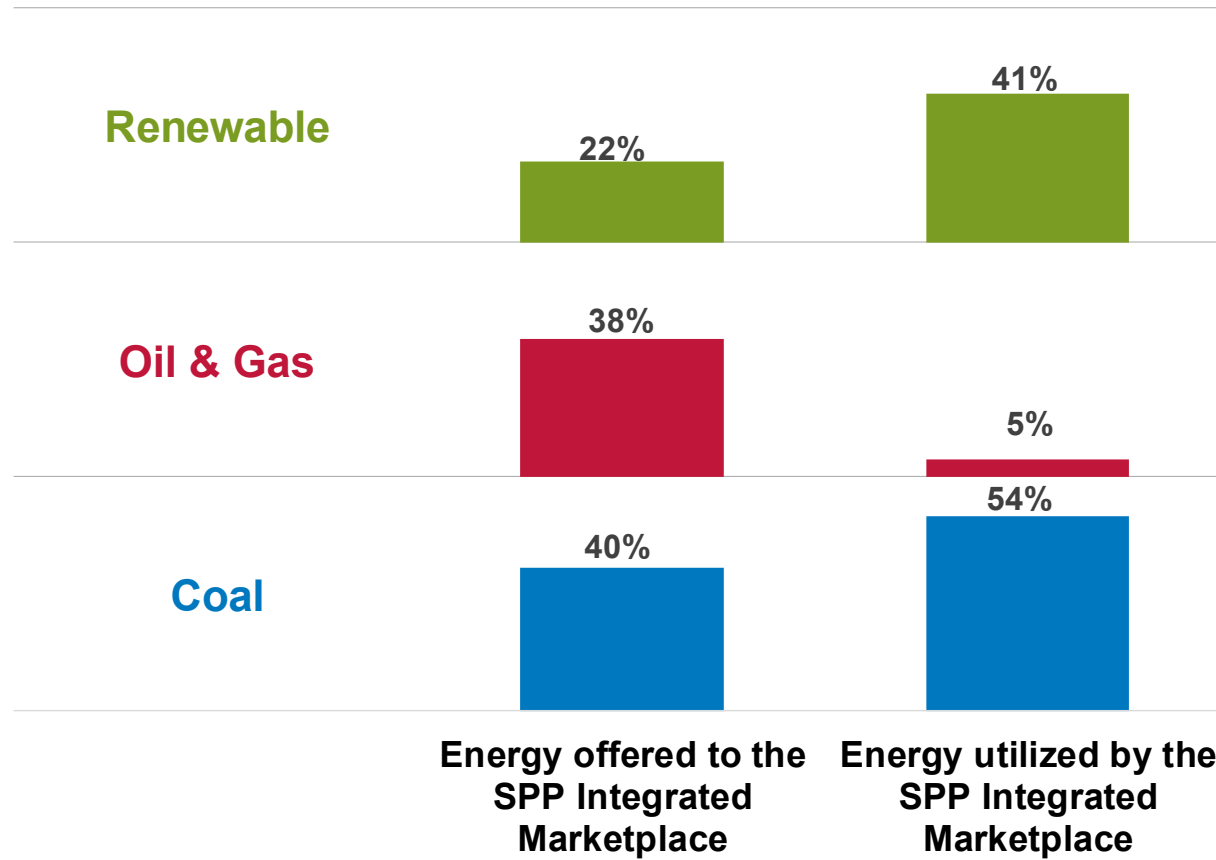


Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

**Walter Scott 3 had a planned maintenance outage in Q4 and Laramie River Station also had extended outage time in Q4 due to turbine blade damage. Terry Bundy Generating Station Units 3 & 4 remained in outage and offsite at the OEM's repair depot all year.**

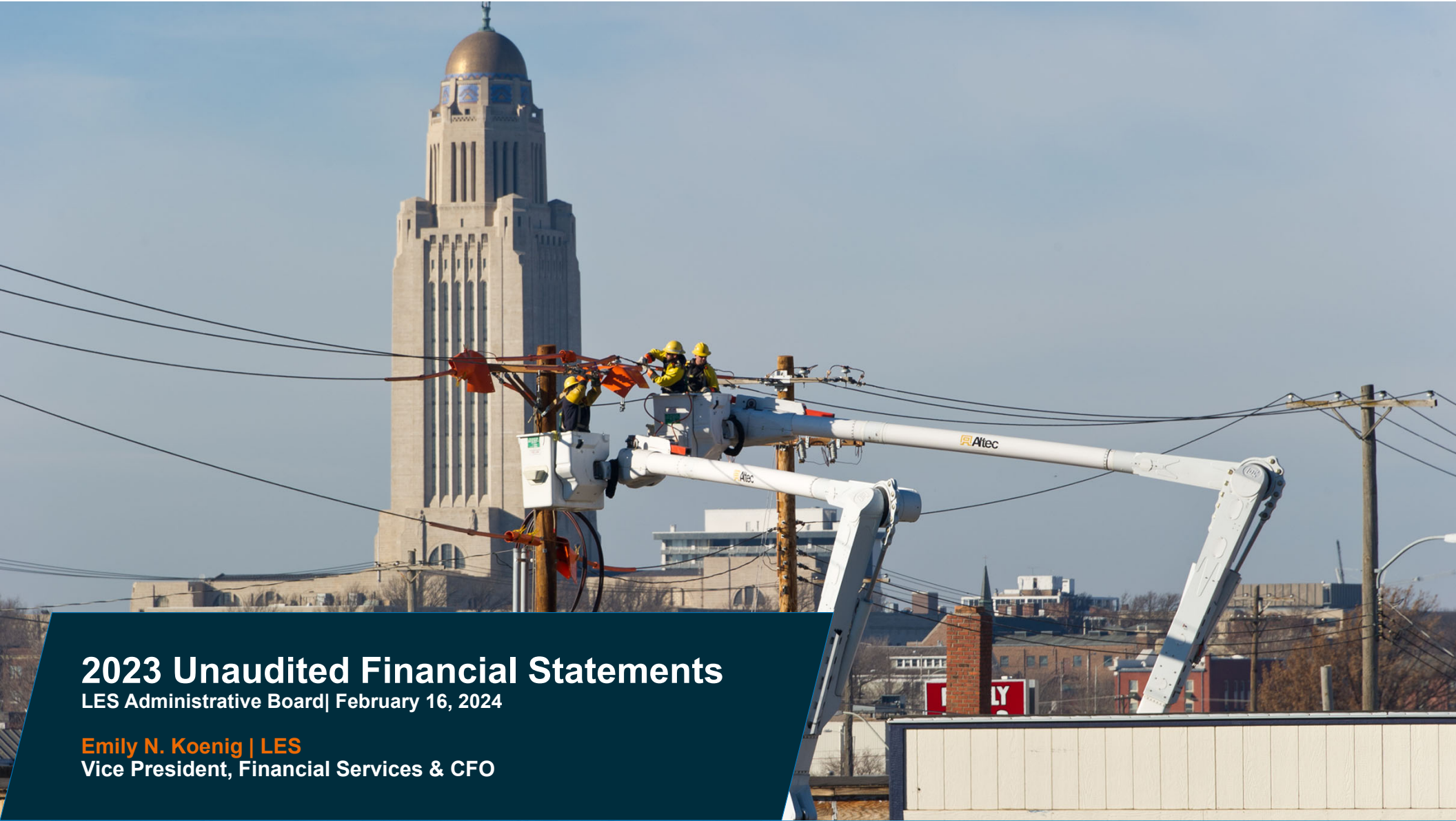


## 2023 Market Energy Metrics (January through December)



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 VIII**



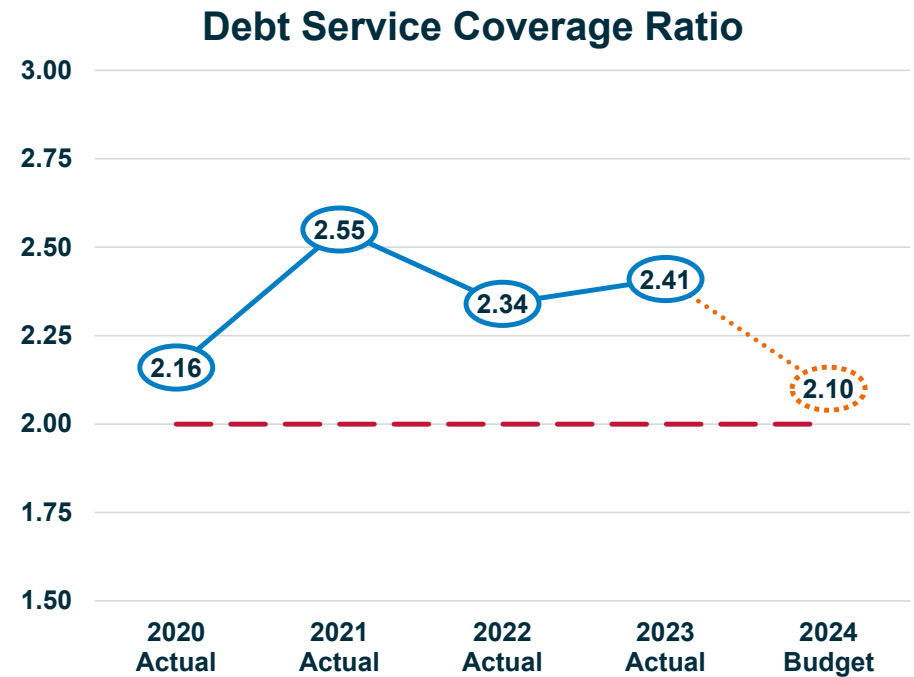
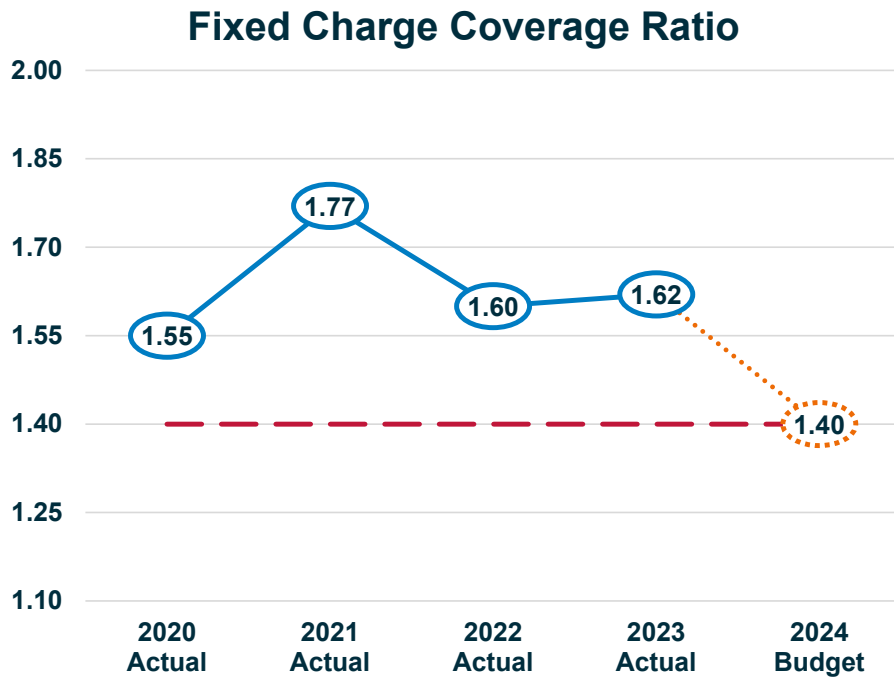
# 2023 Unaudited Financial Statements

LES Administrative Board | February 16, 2024

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

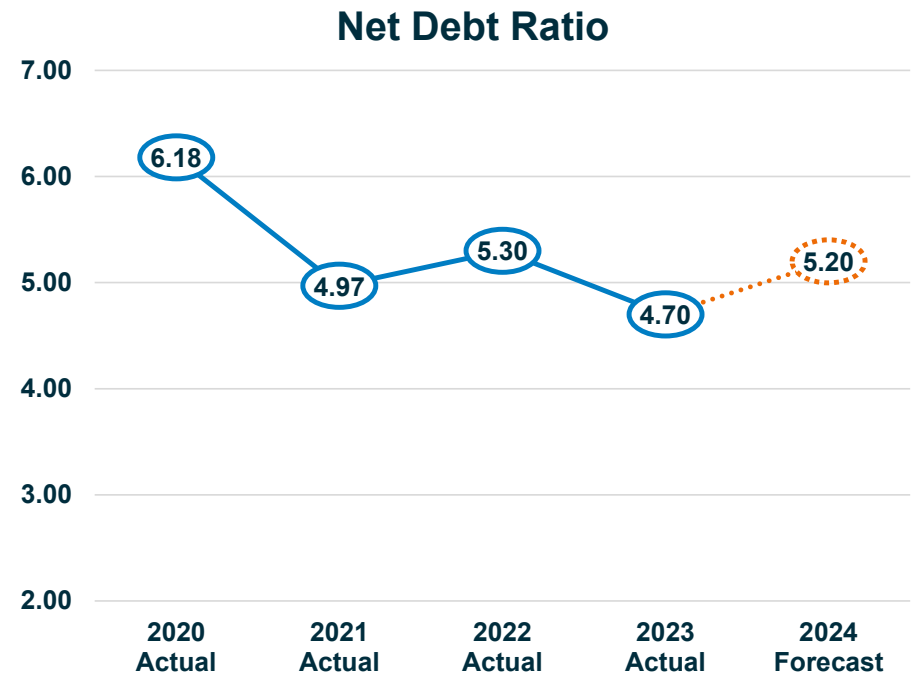
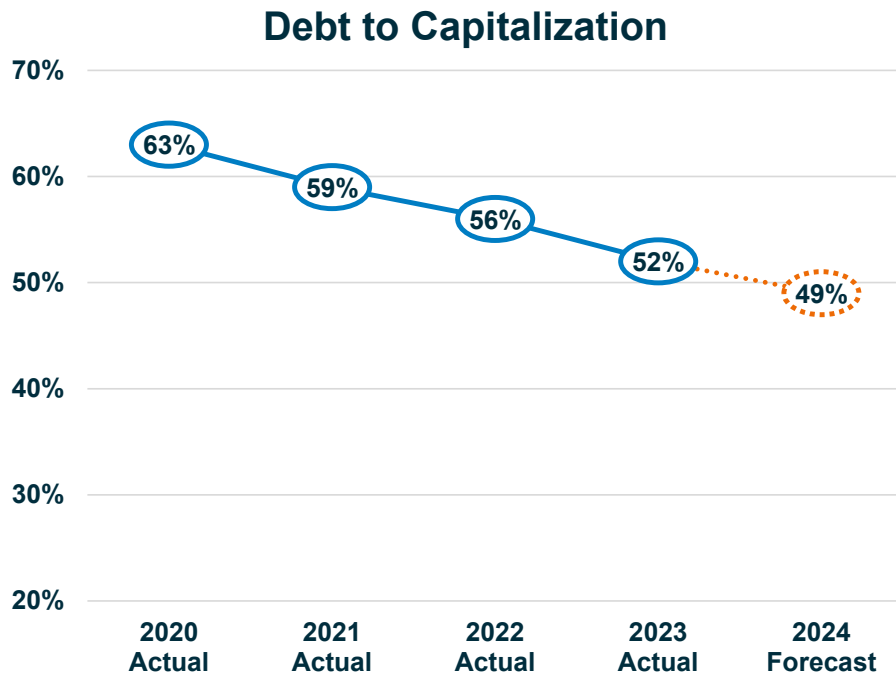


# Lower 2023 net power costs and higher interest income positively impacted financial metrics



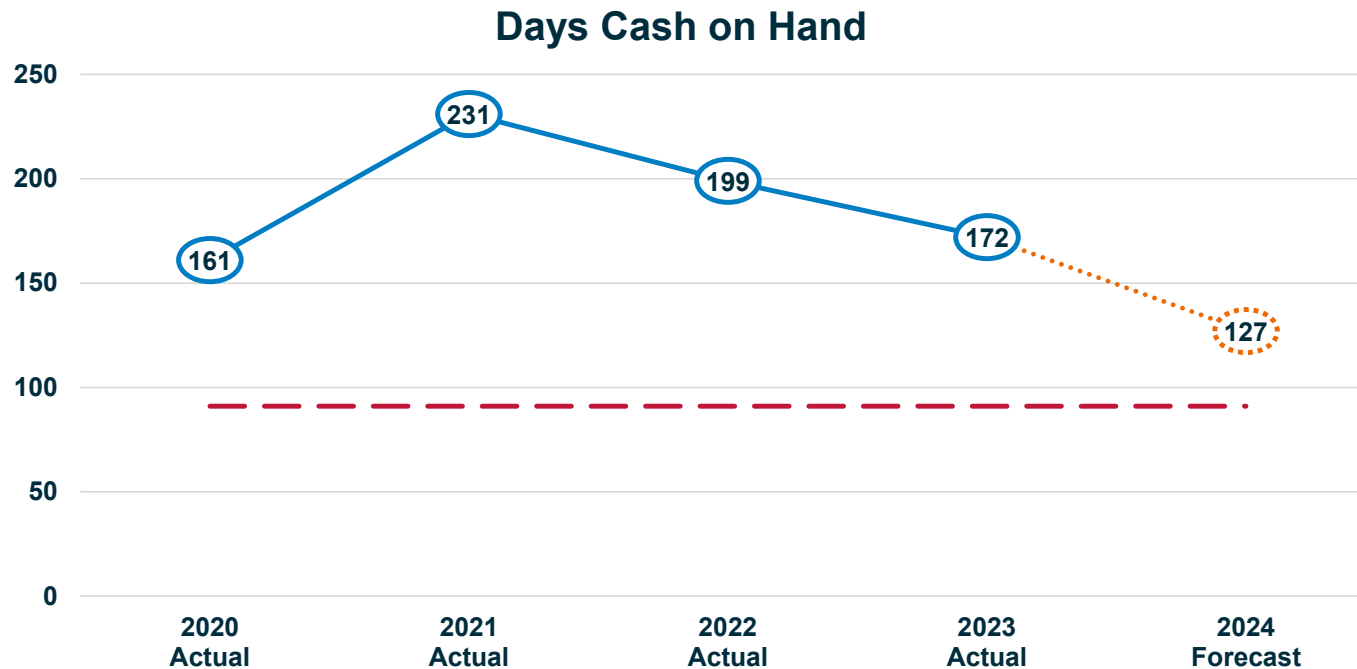
- Higher or increasing values are considered favorable for both ratios.
- LES has minimum values for these ratios when setting customer rates.

# Financial metrics continue to improve due to favorable results and paydown of debt



- Lower or decreasing values are considered favorable for both ratios.

# Cash balances remain healthy with no borrowings projected in 2024



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

# 2023 Revenue and Energy Sales

Higher use by Residential Customers was offset by lower Commercial use.

## Retail Revenue

Actual = \$290.7M; Budget = \$290.4M  
 Variance = +\$294K / 0.1%

Residential and Industrial revenues were 2.1% and 2.4% higher than budget. Commercial and Street Light revenues were 2.7% and 0.4% lower than budgeted.

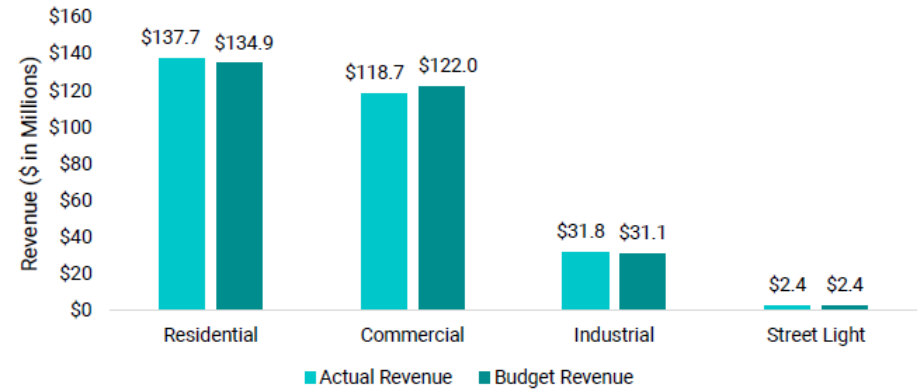
## Retail Energy Sales

Actual = 3,295 GWh; Budget = 3,292 GWh  
 Variance = +3 GWh / 0.1%

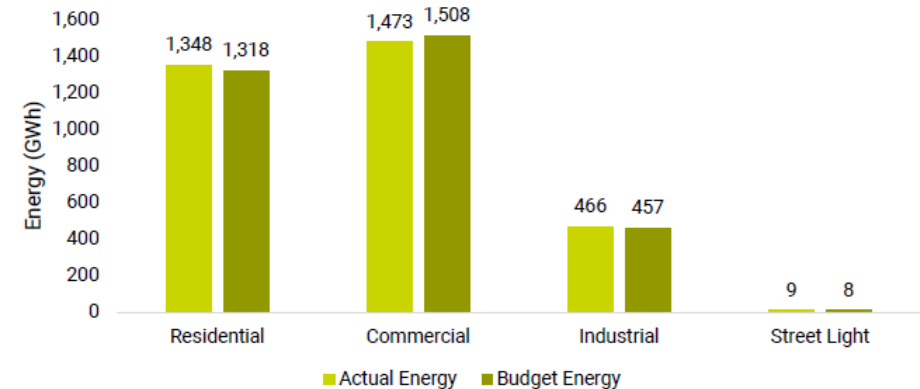
Residential, Industrial, and Street Light energy sales were 2.2%, 1.9%, and 0.7% higher than budgeted. Commercial revenue was 2.3% lower than budgeted.



2023 Actual vs. Budget Revenue



2023 Actual vs. Budget Energy



# 2023 Weather

In 2023, overall temperatures were warmer than usual with heating degree days being 10.3% lower and cooling degree days 14.8% above normal.

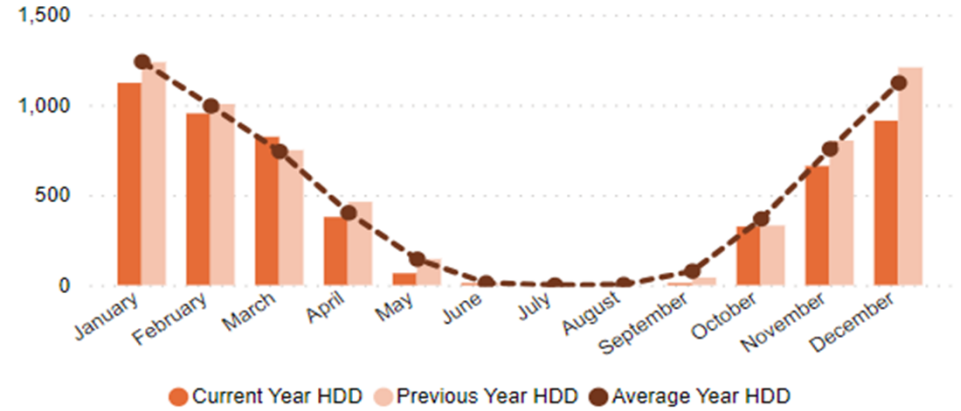


Winter temperatures were warmer than usual, with heating degree days coming in 9.1% below normal.

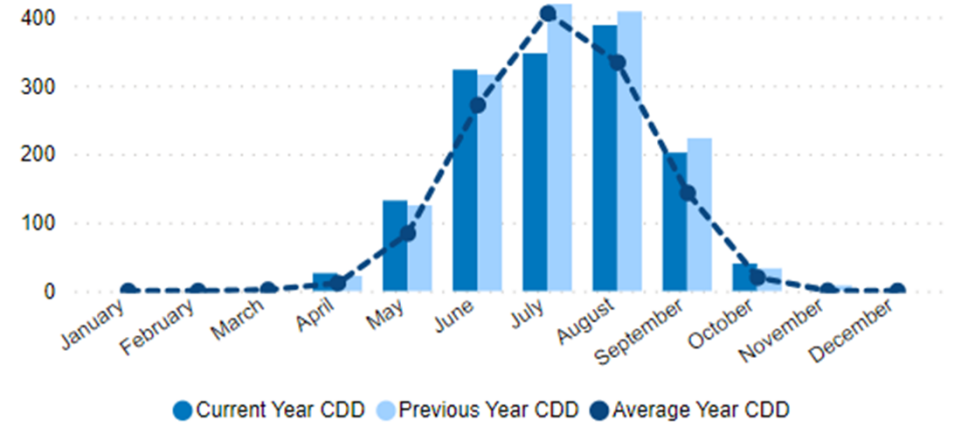


Summer temperatures were warmer than usual, with cooling degree days coming in 9.4% above normal. The main driver of the variation was the August heatwave that produced record-breaking electric demand

2023 Heating Degree Days



2023 Cooling Degree Days



# 2023 Operating expenses were 2.0% below Budget

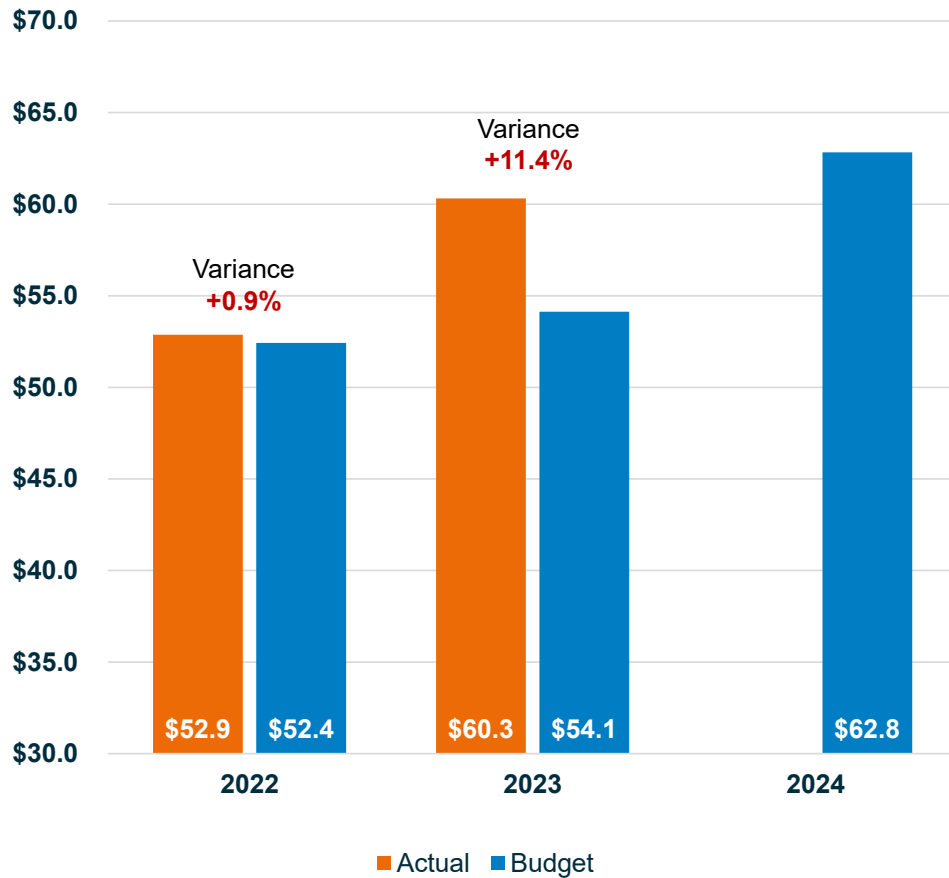
- Operating expenses were \$5.5M, or 2.0%, below budget despite being \$6.2M over budget on payroll and benefits.
- The Board approved additional Sustainable Energy Program (SEP) spending in 2023 due to high demand for the program.
- Power cost (excluding payroll) was \$9.3M, or 6.7%, below budget.
- Lower than anticipated spending on technology projects and software combined with an accounting adjustment resulted in Technology Services being \$1.9M, or 11.0% below budget.

| 2023 Budget vs. Actual              | 2023 Variances vs. Budget |                    |              |                |                |                |                | 2023 Actual    |
|-------------------------------------|---------------------------|--------------------|--------------|----------------|----------------|----------------|----------------|----------------|
|                                     | 2023 Budget               | Payroll & Benefits | SEP          | Power Cost     | Cyber & ES*    | GASB 96        | Other Costs    |                |
| <b>Power Cost</b>                   |                           |                    |              |                |                |                |                |                |
| Purchased Power                     | \$74.5                    |                    |              | \$1.9          |                |                |                | \$76.4         |
| Produced Power                      | \$71.7                    | \$0.5              |              | (\$11.1)       |                |                |                | \$61.0         |
| <b>Total</b>                        | <b>\$146.2</b>            | <b>\$0.5</b>       |              | <b>(\$9.3)</b> |                |                |                | <b>\$137.4</b> |
| <b>Operations &amp; Maintenance</b> |                           |                    |              |                |                |                |                |                |
| Energy Delivery                     | \$25.1                    | \$2.4              |              |                |                |                | (\$1.1)        | \$26.4         |
| Transmission                        | \$12.1                    |                    |              |                |                |                | (\$0.5)        | \$11.6         |
| <b>Total</b>                        | <b>\$37.2</b>             | <b>\$2.4</b>       |              |                |                |                | <b>(\$1.6)</b> | <b>\$38.0</b>  |
| <b>Administrative &amp; General</b> |                           |                    |              |                |                |                |                |                |
| Administration                      | \$2.9                     | \$0.1              |              |                |                |                | (\$0.2)        | \$2.9          |
| Communication & Corporate Records   | \$2.5                     | \$0.0              |              |                |                |                |                | \$2.4          |
| Corporate Operations**              | \$13.1                    | \$3.1              |              |                |                |                |                | \$16.2         |
| Customer Services                   | \$10.9                    | (\$0.1)            | \$0.8        |                |                |                |                | \$11.9         |
| Financial Services                  | \$5.3                     | \$0.1              |              |                |                |                | (\$0.1)        | \$5.3          |
| Power Supply (Non-Generation)       | \$4.5                     | \$0.3              |              |                |                |                | (\$0.1)        | \$4.7          |
| Technology Services                 | \$17.6                    | (\$0.2)            |              |                | (\$1.4)        | (\$0.5)        | \$0.2          | \$15.7         |
| <b>Total</b>                        | <b>\$56.8</b>             | <b>\$3.3</b>       | <b>\$0.8</b> |                | <b>(\$1.4)</b> | <b>(\$0.5)</b> | <b>\$0.0</b>   | <b>\$59.0</b>  |
| <b>Depreciation</b>                 | <b>\$35.2</b>             |                    |              |                |                |                | <b>\$0.3</b>   | <b>\$35.6</b>  |
| <b>Total Operating Expense</b>      | <b>\$275.5</b>            | <b>\$6.2</b>       | <b>\$0.8</b> | <b>(\$9.3)</b> | <b>(\$1.4)</b> | <b>(\$0.5)</b> | <b>(\$1.2)</b> | <b>\$270.0</b> |

\* Enterprise Solutions

\*\* Includes unbudgeted benefit enhancements

## Total Operating Payroll & Benefits (\$ in Millions)



## Investments in employee retention and recruitment contribute to LES' budget variance



2024 budgeted staffing has increased by 33 FTEs, or 6.3%, since 2022. LES continues to add bench strength and bring contracted functions in-house.



Budgeted cost per FTE (total compensation) is up 12.7% since the 2022 budget was created. General inflation was about 12.4% during that time.

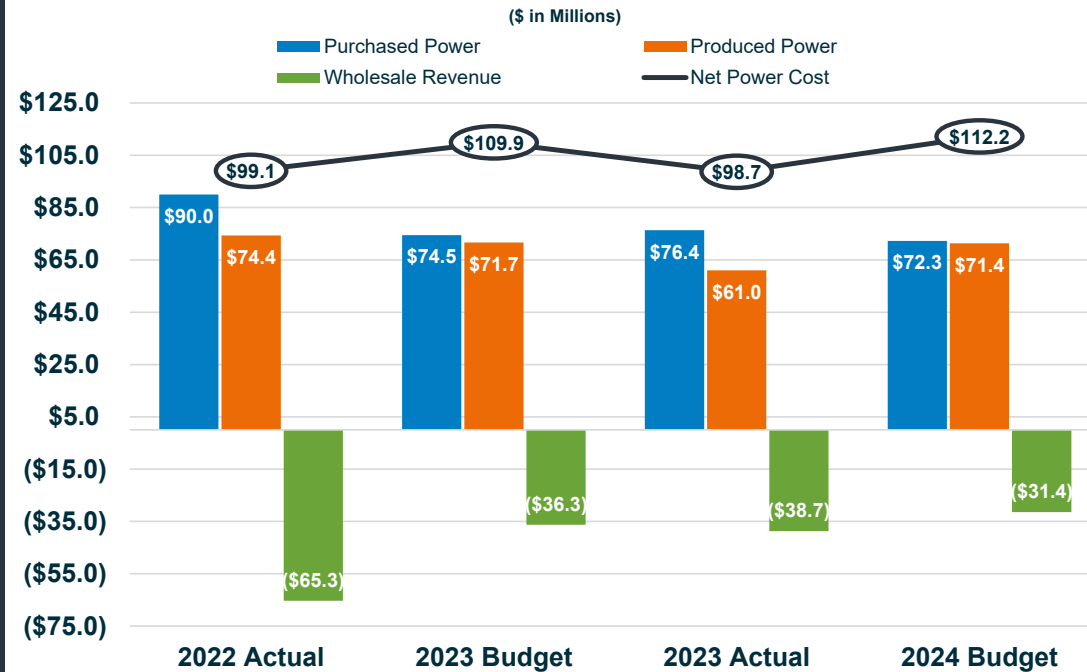


Payroll and benefits was the major driver behind a 3.7% retail rate increase in 2024.

# Net power cost was \$11.2M, or 10.2% below budget due to lower produced power costs

- Purchased power was over budget by \$1.9M, or 2.5%, due to higher SPP purchases partially offset by lower energy output at Walter Scott #3 and wind resources.
- Produced power was \$10.7M, or 14.9%, under budget due to lower energy costs at TBGS, LRS and Walter Scott #4 and lower O&M expenses at TBGS & Rokeby.
- Wholesale revenue exceeded budget by \$2.4M, or 6.7%, due to revenues from SPP activities.

## 2022-2024 Power Cost\*



\* Includes payroll & benefits



# Nonoperating expenses were favorably impacted by higher interest rates in 2023

- LES' exposure to high borrowing rates is mitigated by having only 10.4% of total debt as variable rate debt.
- LES' next long-term borrowing is currently forecasted in 2027.

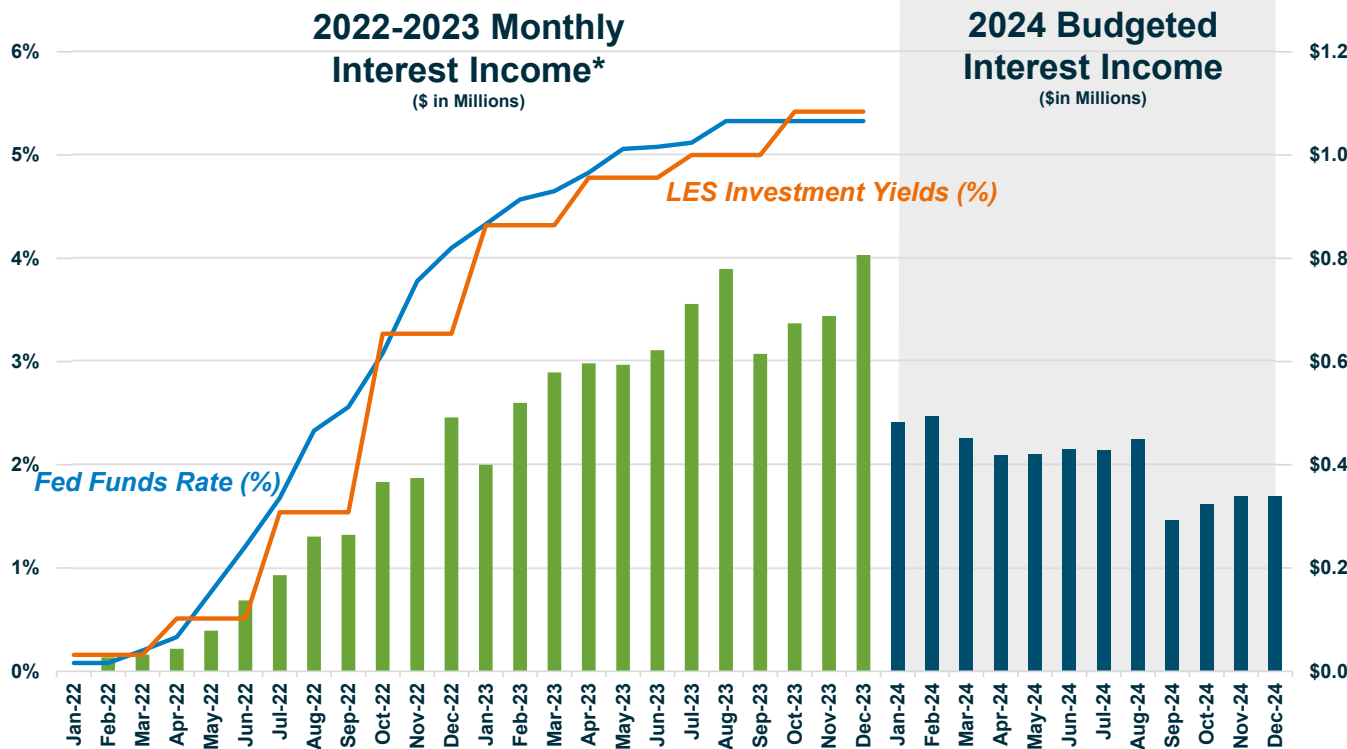
(\$ in Millions)

| 2023 Budget vs. Actual                       | 2023 Variances vs. Budget |                           |                               |                                  | 2023 Actual   |
|--|---------------------------|---------------------------|-------------------------------|----------------------------------|---------------|
|  | 2023 Budget               | Income from Invested Cash | Higher Commercial Paper Costs | GASB 87 (Pole Attachment Income) |               |
| <b><i>Nonoperating Expenses (Income)</i></b> |                           |                           |                               |                                  |               |
| Interest Expense                             | \$17.1                    |                           | \$0.3                         |                                  | \$17.4        |
| PILOT & CDFUO Expense                        | \$25.3                    |                           |                               |                                  | \$25.3        |
| Other Expense (Income)                       | \$0.0                     |                           |                               | (\$0.6)                          | (\$0.6)       |
| Interest (Income)                            | (\$1.5)                   | (\$8.9)                   |                               |                                  | (\$10.5)      |
| <b>Total Nonoperating Expenses (Income)</b>  | <b>\$40.9</b>             | <b>(\$8.9)</b>            | <b>\$0.3</b>                  | <b>(\$0.6)</b>                   | <b>\$31.6</b> |

\$8.6M net impact of higher interest rates

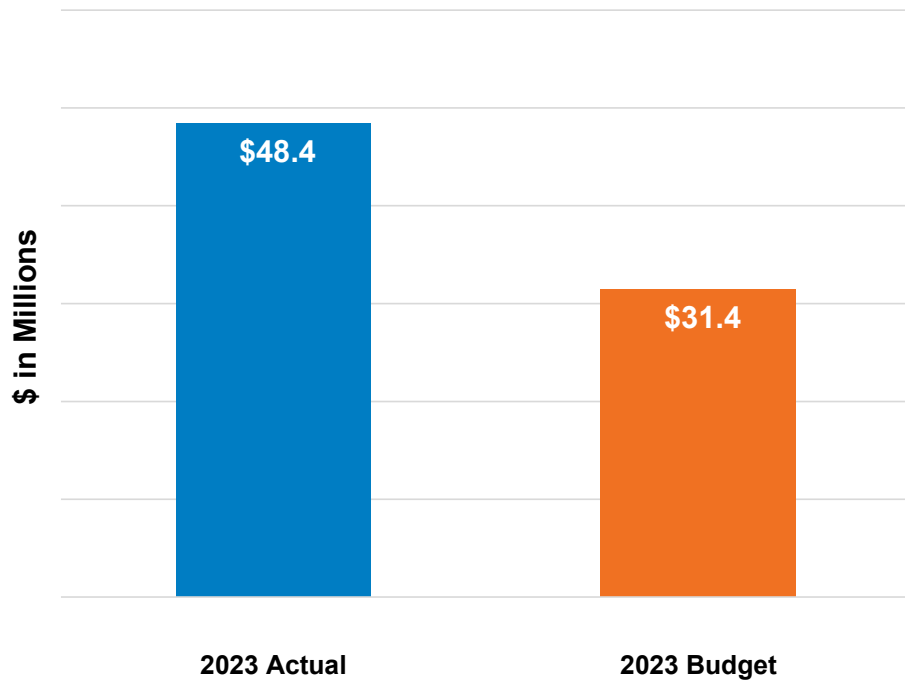
Accounting change went into effect last year. This income was budgeted as operating revenue in 2023.

# LES continues to see higher yields on invested cash



- Primary objectives of the LES Investment Program include:
  - Safety of principal
  - Maintenance of liquidity to meet cash flow requirements
  - Maximizing performance while not compromising the other objectives
- At 2023 year-end the Investment Portfolio was \$180.3M.
- Based on the current interest rate environment it is likely that LES will exceed the 2024 Interest Income Budget.

\* Actual interest income excludes year-end fair market adjustments



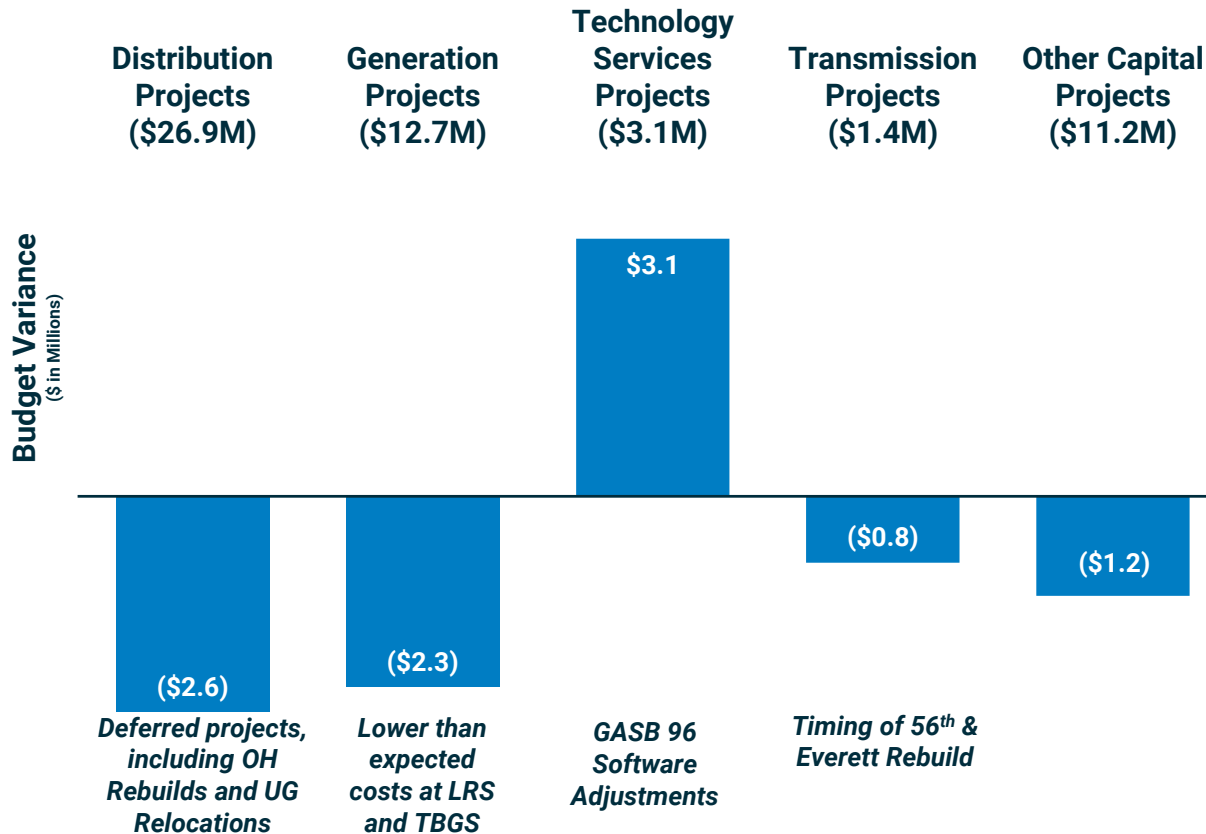
## 2023 Change in Net Position or “Net Revenue”

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

Actual = \$48.4M; Budget = \$31.4M

Variance = +\$17.0M / 54.1%

# 2023 Capital Expenditures



2023 Capital spending ended the year below budget.

Actual = \$51.5M; Budget = \$55.3M  
 Variance = -\$3.8M / 6.8%



Project delays contributed to reductions in Transmission & Distribution Project spending.

Generation project costs were lower than expected.




GASB 96 Implementation increased technology capital expenditures.

# 2023 Budget Authorization

2023 spending was \$11.6M or 3.9% under the City Council approved Budget Authorization.

- LES monitors the authorization monthly.
- If LES exceeds the Total Budget Authorization it must request that the City Council ratify the budget increase.

(\$ in Thousands)

|  | 2023<br>Actuals   | 2023<br>Authorization | Total Variance     |              |
|--|-------------------|-----------------------|--------------------|--------------|
| Operating  | \$ 270,015        | \$ 275,457            | \$ (5,442)         | -2.0%        |
| Capital  | 51,519            | 55,260                | (3,740)            | -6.8%        |
| <b>Total Authorization</b>   | <b>321,535</b>    | <b>330,717</b>        | <b>(9,182)</b>     | <b>-2.8%</b> |
| Wholesale Revenue  | 38,713            | 36,286                | 2,426              | 6.7%         |
| <b>Total</b>   | <b>\$ 282,822</b> | <b>\$ 294,430</b>     | <b>\$ (11,609)</b> | <b>-3.9%</b> |

# **Exhibit IX**

# Performance Indicators 2023 Fourth Quarter and Year End

Administrative Board  
February 16, 2024

# Integrity & Fiscal Responsibility

| Performance Indicator                          | 4th Quarter |                 |           |                      |                  | 2023    |                 |           |                      |                    |
|--|-------------|-----------------|-----------|----------------------|------------------|---------|-----------------|-----------|----------------------|--------------------|
|  | Actual      | Forecast/Target | Indicator | Previous Year Actual | Industry Average | Actual  | Forecast/Target | Indicator | Previous Year Actual | Industry Average   |
| Retail Energy Sales (GWh)                      | 745         | 740             | ✓         | 737                  |                  | 3,295   | 3,292           | ✓         | 3,276                |                    |
| Debt Coverage (YE)                             |             |                 |           |                      |                  | 2.41x   | 2.11x           | ✓         | 2.33x                | 2.14x <sup>1</sup> |
| Net Power Costs (\$/MWh)                       | \$45.83     | \$47.11         | ✓         | \$38.65              |                  | \$40.23 | \$43.04         | ✓         | \$37.48              |                    |
| SPP Lincoln Locational Marginal Price (\$/MWh) | \$15.77     | \$22.09         | ✓         | \$35.29              |                  | \$22.04 | \$25.50         | ✓         | \$39.69              |                    |
| Phishing Test Click Rate                       | 4.50%       | <5.00%          | ✓         | 0.98%                | <5.00%           | 3.60%   | <5.00%          | ✓         | 1.32%                | <4.50%             |
| Suspicious Emails                              | 346         |                 | ✓         | 514                  |                  | 1,633   |                 | ✓         | 2,503                |                    |

<sup>1</sup>2023 Peer Study Average



# Integrity & Fiscal Responsibility

| Performance Indicator                             | 4th Quarter |                 |           |                      |                  | 2023     |                 |           |                      |                  |
|---|-------------|-----------------|-----------|----------------------|------------------|----------|-----------------|-----------|----------------------|------------------|
|   | Actual      | Forecast/Target | Indicator | Previous Year Actual | Industry Average | Actual   | Forecast/Target | Indicator | Previous Year Actual | Industry Average |
| Cyber Events Reported (Opened/Closed)             | 0/0         |                 | ✓         | 64/64                |                  | 615/615  |                 | ✓         | 320/320              |                  |
| Cyber Security Risk Assessments (New/Open/Closed) | 9/15/9      |                 | ✓         | 3/1/6                |                  | 38/15/29 |                 | ✓         | 23/20/3              |                  |
| Debt (\$) per kWh Sold*                           |             |                 |           |                      |                  | \$0.18   |                 | ✓         | \$0.19               |                  |
| Average Residential Bill*                         |             |                 |           |                      |                  | \$102.20 |                 | ✓         | \$97.16              |                  |
| Uncollectible Accounts (per retail \$)*           |             |                 |           |                      |                  | 0.36%    |                 | ✓         | 0.35%                |                  |

\*Year-end ONLY Performance Indicator

# Sustainability and Environmental Responsibility

| Performance Indicator  | 4th Quarter |                 |           |                      |                  | 2023   |                 |           |                      |                  |
|--|-------------|-----------------|-----------|----------------------|------------------|--------|-----------------|-----------|----------------------|------------------|
|  | Actual      | Forecast/Target | Indicator | Previous Year Actual | Industry Average | Actual | Forecast/Target | Indicator | Previous Year Actual | Industry Average |
| Sustainable Energy Program (Obligated YTD \$)                                |             |                 |           |                      |                  | \$2.3M | \$1.5M          | ✓         | \$1.4M               |                  |
| SEP Demand Reduction (YTD MW)  |             |                 |           |                      |                  | 5.9    | 5.0             | ✓         | 5.6                  |                  |
| Renewable Energy (Expressed as an Equivalent % of Retail Sales) <sup>2</sup> | 47.7%       | 50.7%           | !         | 47.8%                |                  | 39.6%  | 44.7%           | !         | 44.5%                |                  |
| CO <sub>2</sub> Emissions (Thousands of Metric Tons) <sup>3</sup>            | 218         | 518             | ✓         | 465                  |                  | 1,951  | 2,240           | ✓         | 2,297                |                  |
| CO <sub>2</sub> Produced (Metric Tons/MWh) <sup>2,3</sup>                    | 0.37        | 0.60            | ✓         | 0.59                 |                  | 0.61   | 0.62            | ✓         | 0.64                 |                  |

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

<sup>3</sup> Preliminary estimate based on emissions rates for the previous calendar year

# Safety and Employer of Choice

| Performance Indicator   | 4th Quarter |                 |           |                      |                  | 2023   |                 |           |                      |                  |
|---|-------------|-----------------|-----------|----------------------|------------------|--------|-----------------|-----------|----------------------|------------------|
|   | 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) | 0.87        | 0.00            | ✓         | 3.60                 |                  | 1.67   | 0.00            | ✓         | 2.37                 |                  |
| Tenure (years)*   |             |                 |           |                      |                  | 11     |                 | !         | 11                   |                  |
| Retirement Rate*  |             |                 |           |                      |                  | 1.5%   |                 | ✓         | 2.5%                 |                  |
| Average Turnover*   |             |                 |           |                      |                  | 8.3%   |                 | ✓         | 14.5%                |                  |

# Reliability and Customer Service

|   |      |      |   |      |      |      |      |   |      |                    |
|---|------|------|---|------|------|------|------|---|------|--------------------|
| Average Speed of Answer (Seconds)   | 25.0 | 37.0 | ✓ | 35.0 | 37.0 | 22.0 | 37.0 | ✓ | 42.0 | 37.0               |
| Annual Average Outage Time (SAIDI) Per Customer (Normal Weather) (12-month rolling) |      |      |   |      |      | 19.1 | 30.0 | ✓ | 13.8 | 123.0 <sup>4</sup> |

\* Year-end ONLY Performance Indicator

<sup>4</sup> Rolling 5-year national average of available EIA data

# **Exhibit X**

# 2023 Interruption/Outage Report

Garrett Klein, P.E.

Supervisor, Asset Management & Planning  
Engineering

February 16, 2024



*AI Image generated using  
Microsoft CoPilot*

# Reliability Statistics Indices

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

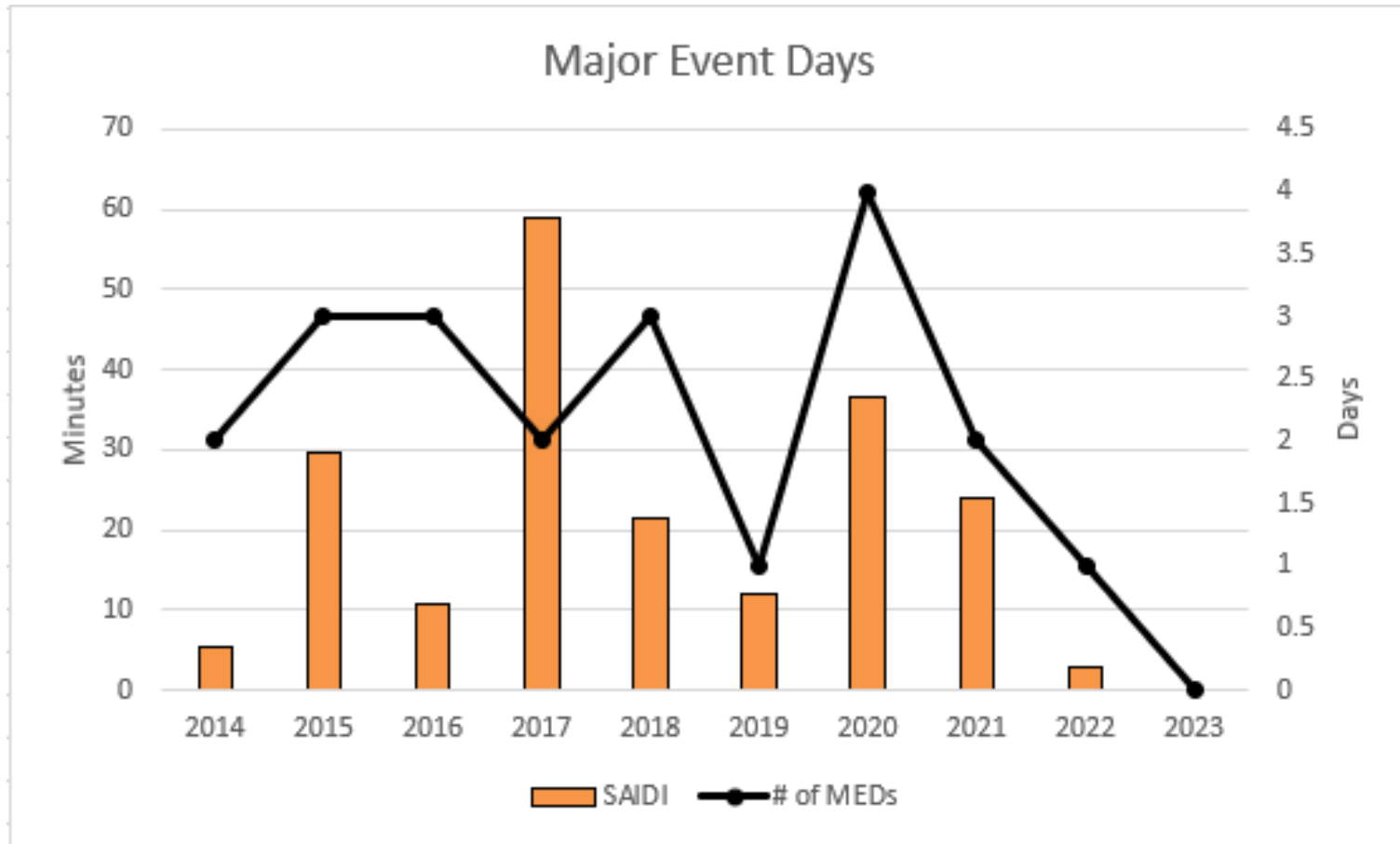
# Outage Statistics

|                                      |    | 2019    | 2020    | 2021    | 2022    | 2023    | 5 Year Average |
|--------------------------------------|----|---------|---------|---------|---------|---------|----------------|
| Number of Major Event Days           |    | 1       | 4       | 2       | 1       | 0       | 1.6            |
| ASAI (%)                             |    | 99.9951 | 99.9890 | 99.9922 | 99.9974 | 99.9964 | 99.9940        |
| SAIDI (Minutes)<br>(LES ND Goal <30) | AD | 25.6    | 58.1    | 41.2    | 16.5    | 19.1    | 32.1           |
|                                      | ND | 13.5    | 21.6    | 17.1    | 13.8    | 19.1    | 17.0           |
| CAIDI (Minutes)<br>(LES ND Goal <60) | AD | 91.8    | 96.7    | 68.9    | 76.1    | 63.9    | 79.5           |
|                                      | ND | 62.4    | 60.0    | 65.8    | 74.5    | 63.9    | 65.3           |

AD – All Days (including Major Event Days)

ND – Normal Days (excluding Major Event Days)

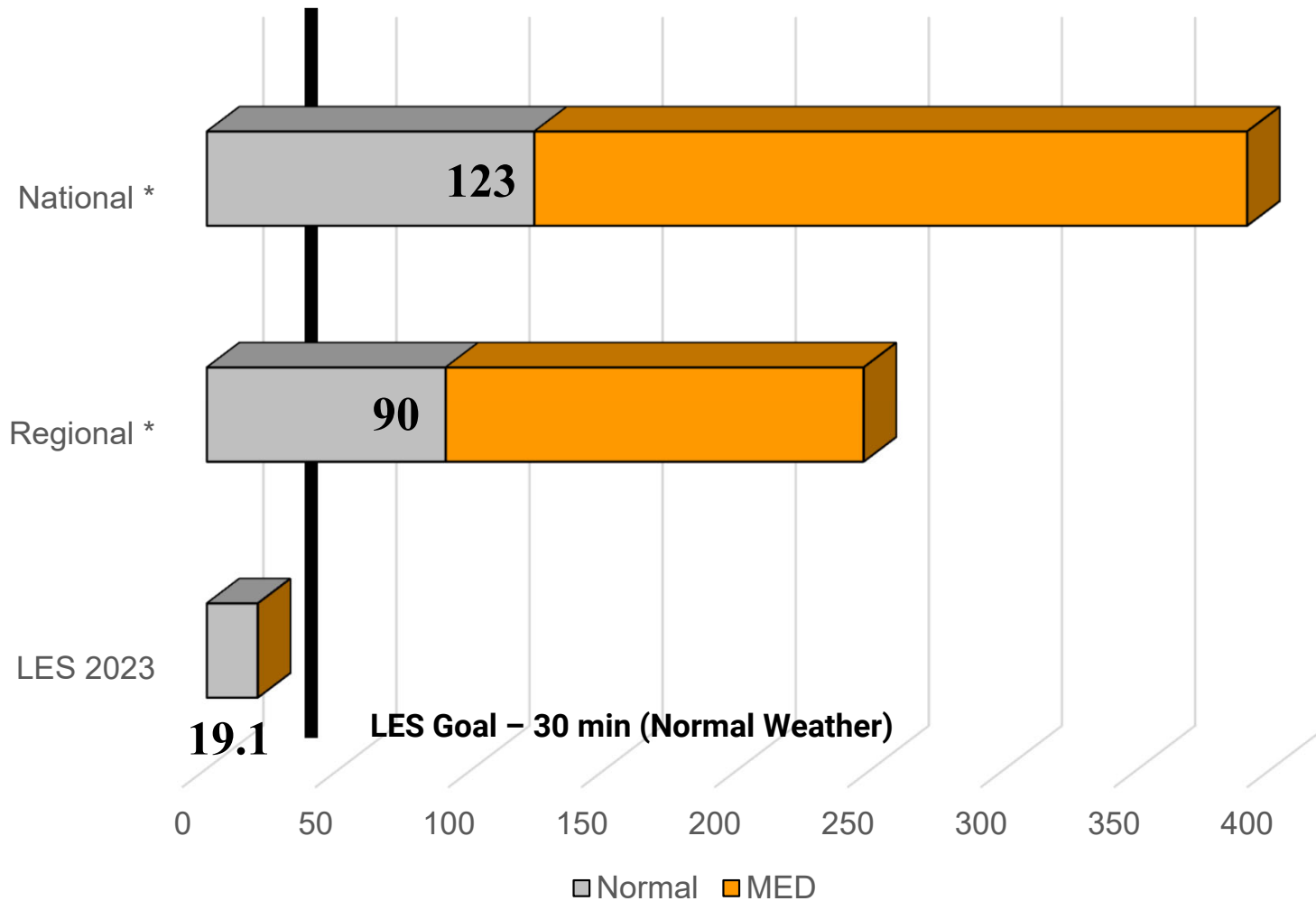
# SAIDI and Major Event Day History





# SAIDI

(average outage time per customer)

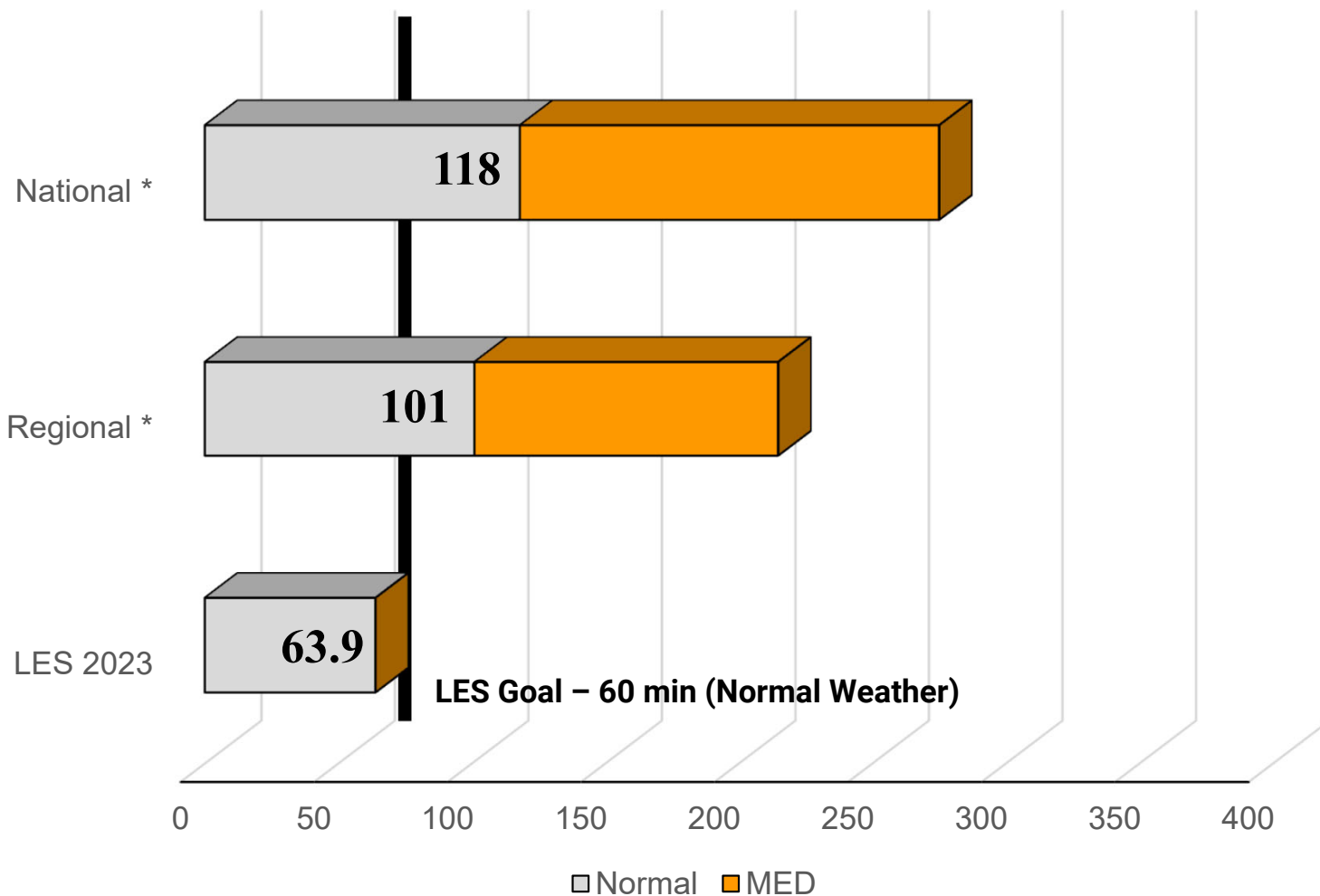


Source: U.S. Energy Information Administration, Electric power sales, revenue, and energy efficiency Form EIA-861 detailed data files

\* Rolling 5-year average of available data (2019-2023)

# CAIDI

(average restoration time)



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

\* Rolling 5-year average of available data (2019-2023)

# 2023 Outage Causes (Normal Day)

| Cause Category                       | Total Outages | Customer Minutes | Annual SAIDI Contribution (min) | % of Annual SAIDI Contribution (ND) |
|--------------------------------------|---------------|------------------|---------------------------------|-------------------------------------|
| Trees                                | 91            | 811,509          | 5.45                            | 29%                                 |
| Overhead Problem                     | 150           | 491,347          | 3.30                            | 17%                                 |
| Squirrels                            | 79            | 390,208          | 2.62                            | 14%                                 |
| Vehicle Accident                     | 26            | 317,519          | 2.13                            | 11%                                 |
| UG Switchgear/Compartment Failure    | 1             | 211,910          | 1.42                            | 7%                                  |
| 12kV UG Primary Cable/Splice Failure | 39            | 209,756          | 1.41                            | 7%                                  |
| 12kV UG Primary Cable Cut            | 16            | 179,844          | 1.21                            | 6%                                  |
| Lightning                            | 23            | 64,615           | 0.43                            | 2%                                  |
| Birds & Other Creatures              | 15            | 57,194           | 0.38                            | 2%                                  |
| Misc. Errors                         | 34            | 53,551           | 0.36                            | 2%                                  |
| Underground Problem                  | 96            | 39,131           | 0.26                            | 1%                                  |
| Wind                                 | 4             | 11,827           | 0.08                            | 0%                                  |

# Proactive Efforts to Improve Our System

## Distribution Outage Analysis Team

- Investigates root cause of component failures or outages

## Vegetation Management

- Up to 5 Year Cycle, Contractor, \$4.6 M

## Cable Replacement Program (CRP) / Discretionary UG

- Replaces aged 12kV underground primary cable, \$1.9 M
- Converts existing overhead feeder to underground, \$2.0 M

## Overhead Distribution Asset Management Program (ODAM)

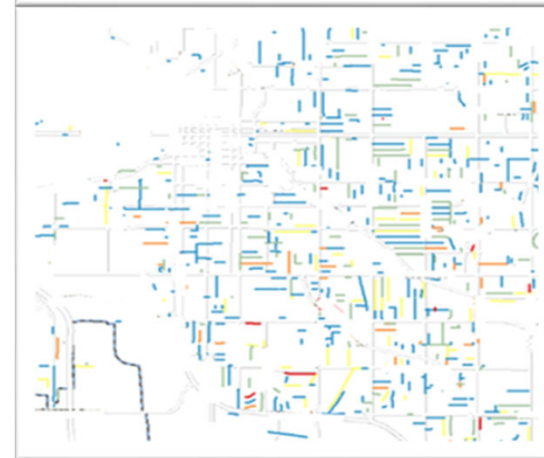
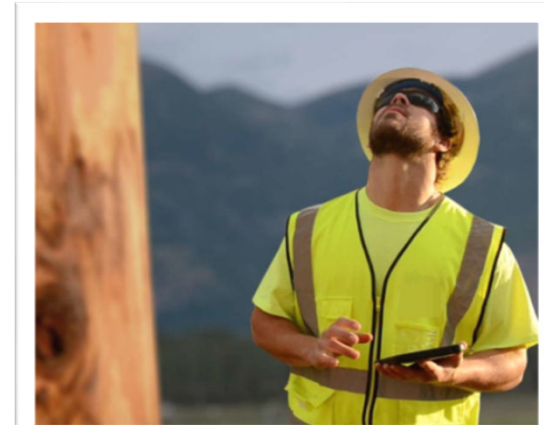
- Inspects overhead wood poles facilities, treats, replace, \$2.2 M

## Underground Distribution Asset Management Program (UDAM)

- Exterior & Interior inspection and infrared scanning of 12kV pad-mounted equipment ~\$0.5 M

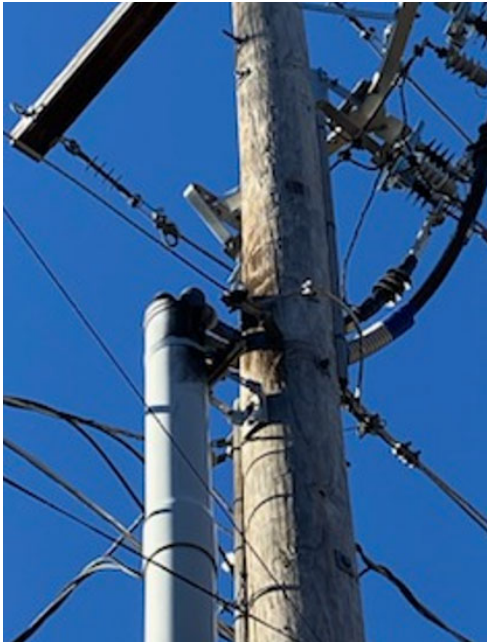
## Precision Undergrounding Program (PUP)

- Identifies overhead line segments that have accumulated the most incident duration minutes and converts attached LES facilities to underground ~\$0.3-\$1.0 M





# Questions?



# Questions?

COURTESY: DAVE STANCZYK



# **Exhibit XI**

# 2023 Energy Assistance Program Review

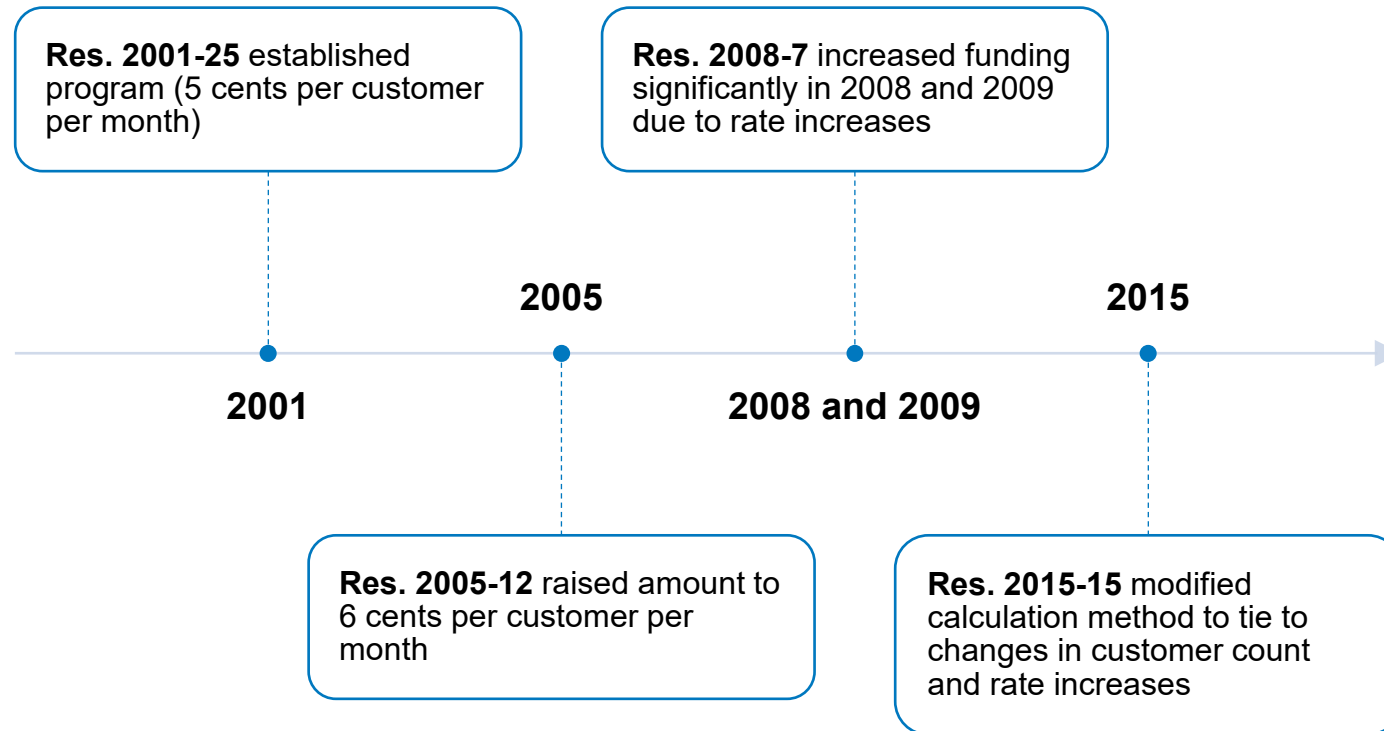
**Kelli Detty**

**Billing and Meter Solutions**

**February 16, 2024**



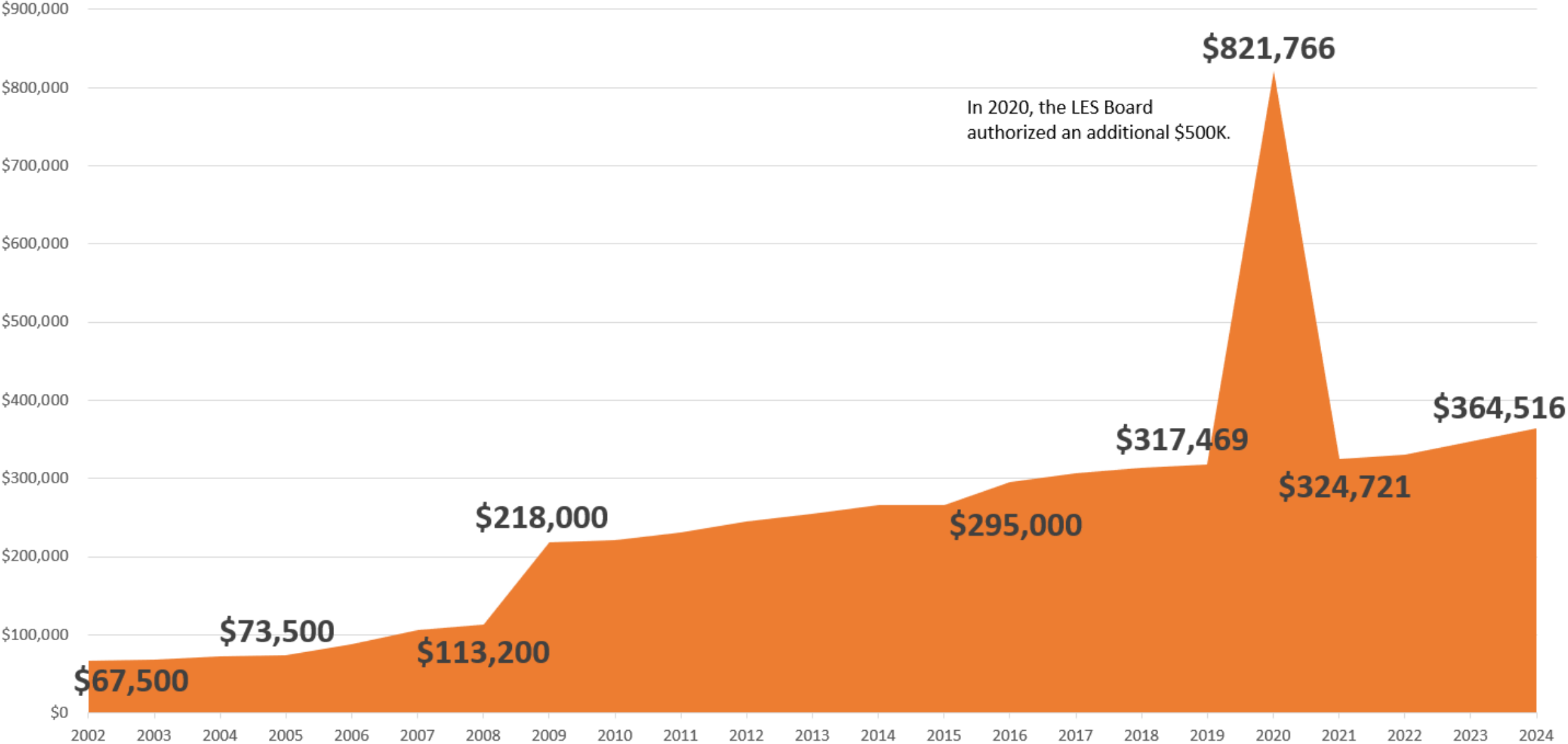
# LES Energy Assistance Program (EAP) History



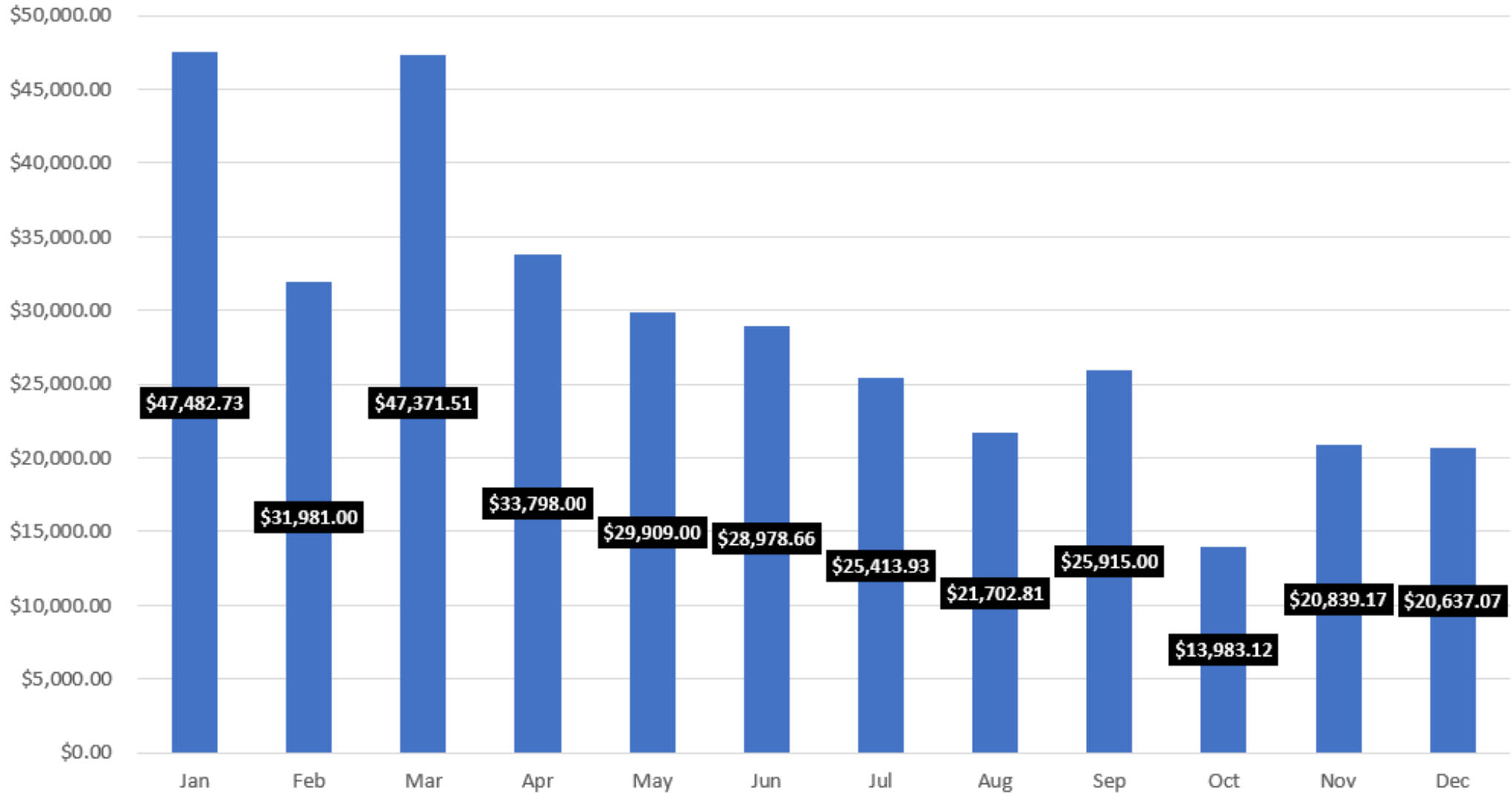
The **program budget** is determined by taking the current year's budgeted amount and increasing it by the following factors:

- **Rate increase** (or if none is proposed, this isn't factored into the change to the budget amount)
- **Estimated increase in the number of customers**

# Year Over Year LES Assistance



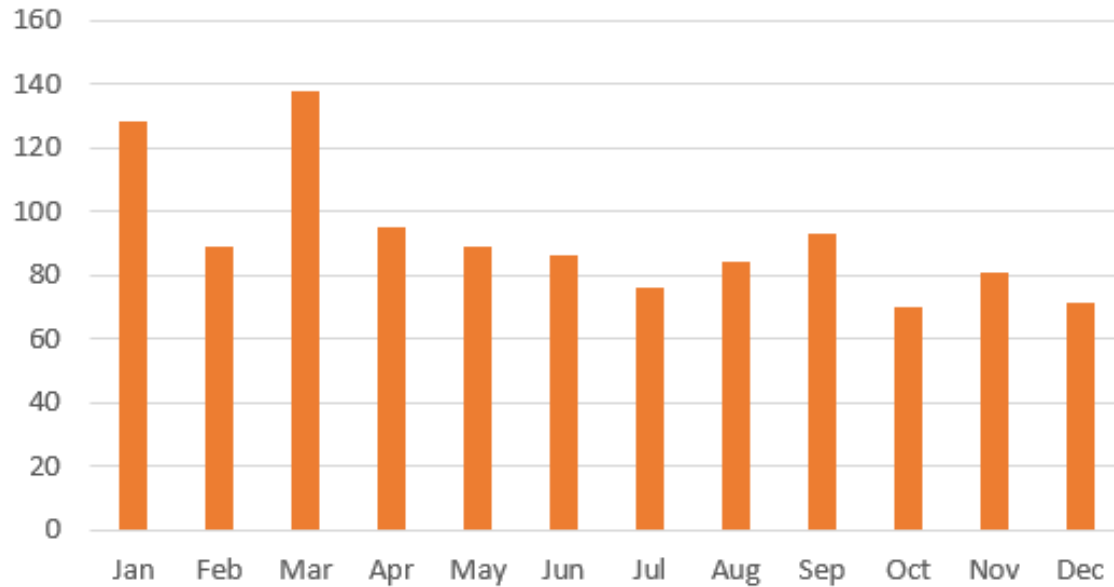
# Monthly Spending in 2023



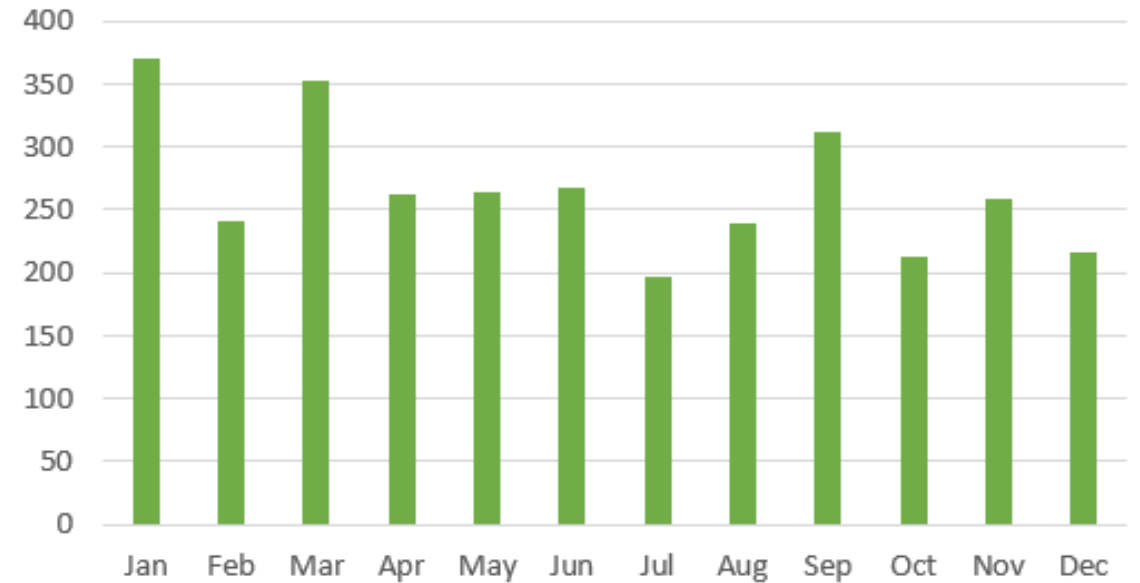
# Customers Assisted

In 2023, our program assisted 3,195 people in 1,100 households.

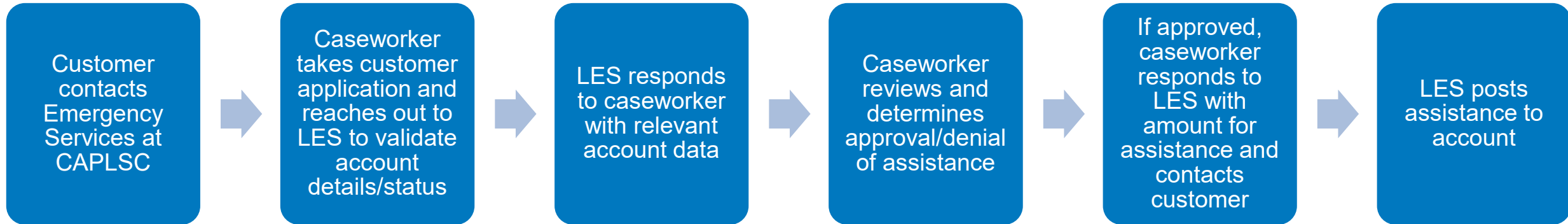
Households



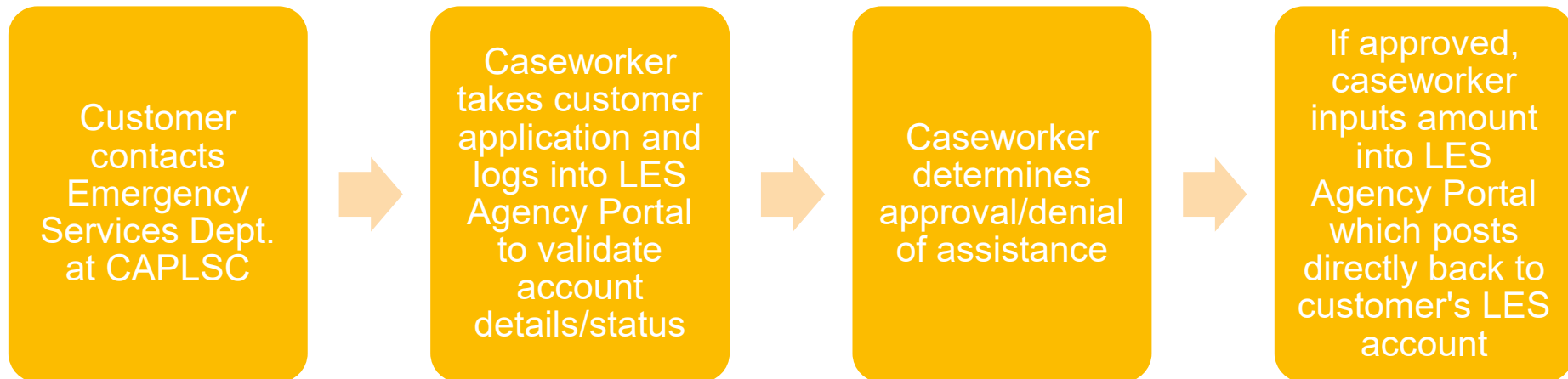
People



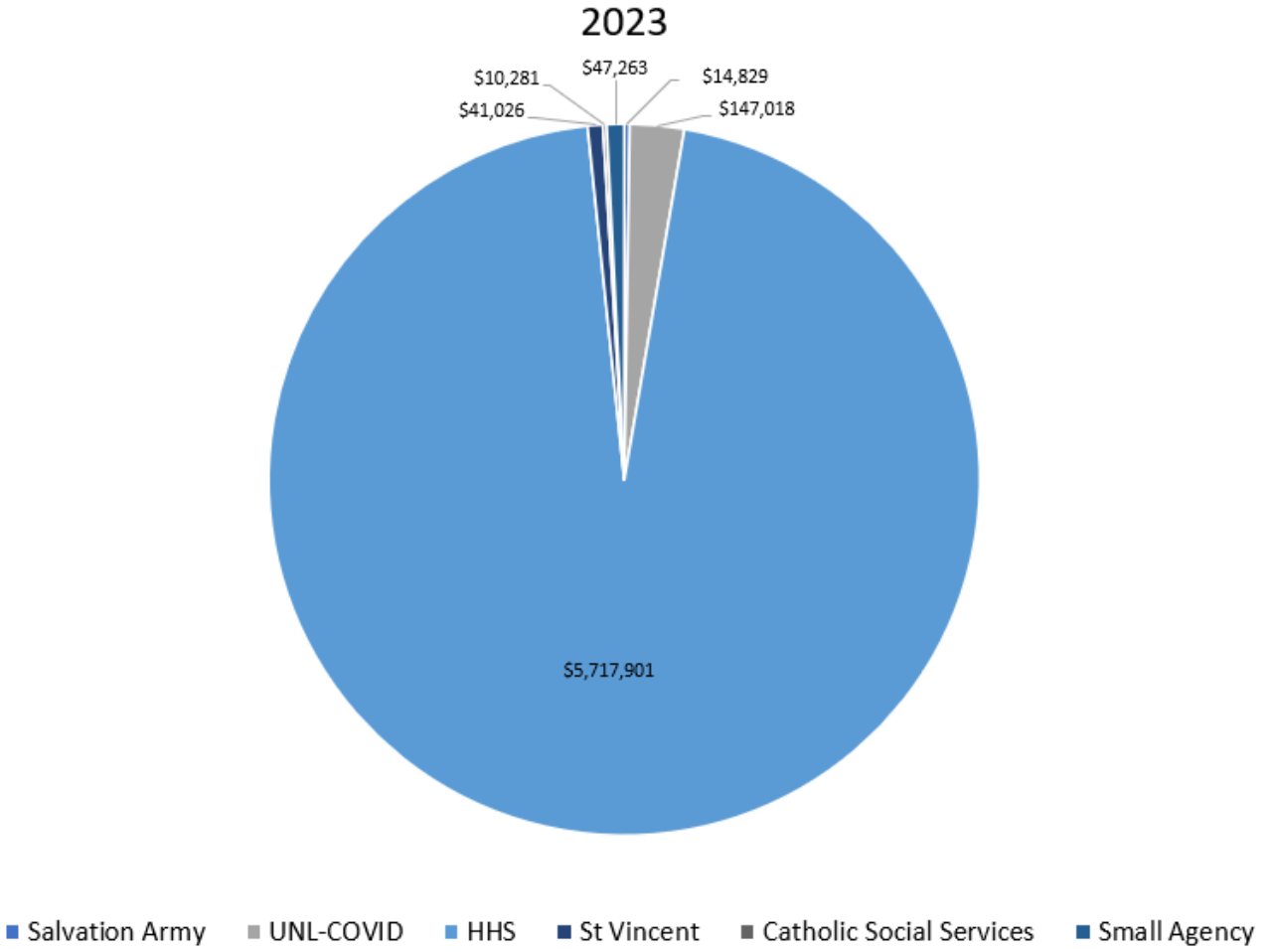
# Current Customer Experience



# Future State Experience with Agency Portal (2024)



# Other Assistance to Customers



# Customer Stories

“We received a call from a mother with two children in the household. Their power was **due to be shut off** the next day. She was frantic because she used a CPAP machine and one of the children had insulin in the fridge that they could not afford to replace. We were **able to alleviate the pending disconnect** so she could use the medical equipment and the daughter’s medicine would not be ruined.”



“A single mom of 3 called in stating her power **was shut off**. She works from home and was enrolled in online college courses. She was concerned about the impact to her job. We were **able to help her get the power restored** and get back to work on back on track with school.”

# Customer Stories



“One caller was a woman over 70. She had taken in two other roommates, both over 70, as they were all struggling with the high cost of living. Their **power was disconnected**, and they were concerned about the heat and some ongoing health issues. We were **able to assist these ladies with getting the power back on.**”

“I received a call from a woman whose family we were able to help in the past. She and her spouse have always been so kind and appreciative of what we can offer. She called crying, her spouse had **unexpectedly passed away** a few days prior and her electric bill was past due and **up for disconnection**. She did not have anyone to turn to and didn’t know how she was going to get help. We were **able to pay down her balance to keep her service from being disconnected.**”



**Thank you to the LES  
Administrative Board for their  
continued support of the  
Energy Assistance Program.**

# **Exhibit XII**

# LES Competitive Market Study

*Comparisons of Price, Affordability, and Reliability*

**LES Administrative Board Meeting  
February 16, 2024**

Joe Cocklin  
Manager, Rates & Analytics

# Agenda

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





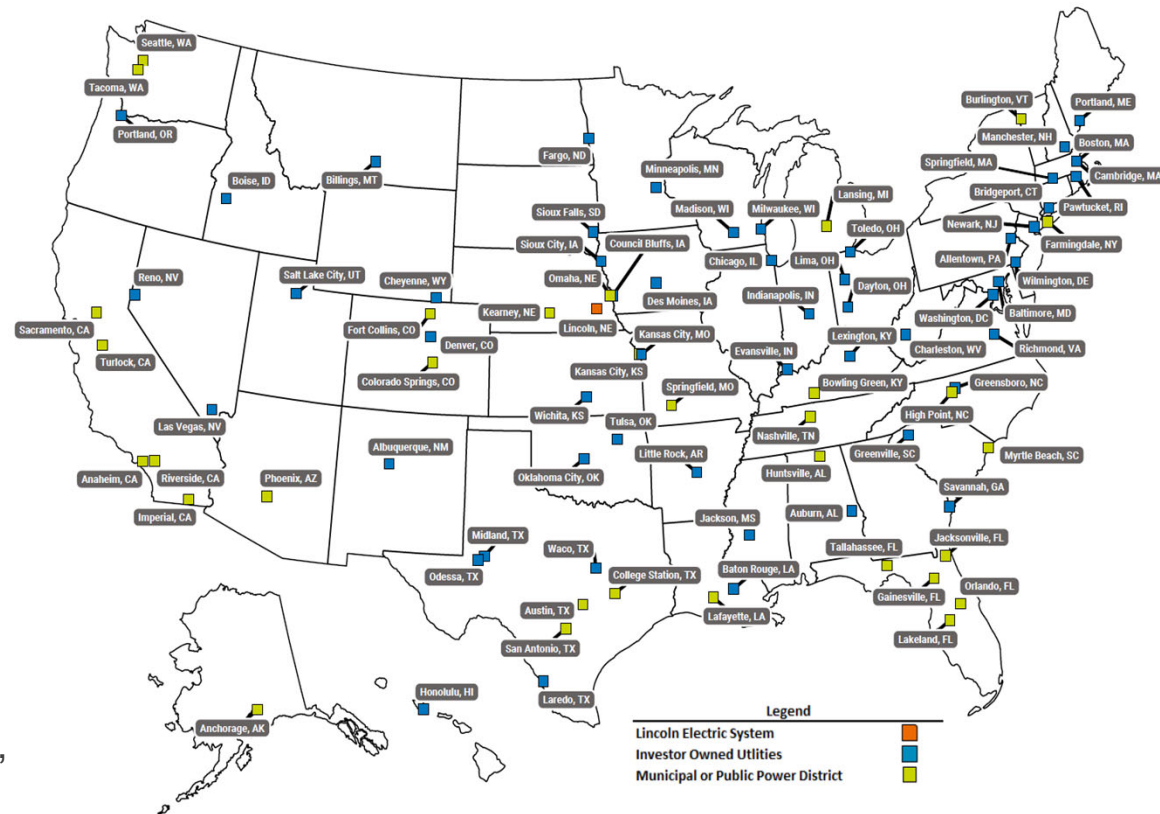
# What is the Competitive Market Study?

- 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 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, 2022





# 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

| Average All-In Price Metrics Rankings |                    |  |                   |                                  |
|---------------------------------------|--------------------|--|-------------------|----------------------------------|
| Metric                                | LES<br>(Cents/kWh) | LES Ranking <sup>1</sup><br>(Out of 87 Cities) | NE<br>(Cents/kWh) | NE Ranking<br>(Out of 51 States) |
| Residential                           | 9.72               | 1  | 10.79             | 3                                |
| Commercial                            | 7.76               | 2  | 8.82              | 5                                |
| Industrial                            | 6.65               | 13   | 7.21              | 15                               |
| All Retail Sectors                    | 8.41               | 8  | 8.83              | 5                                |

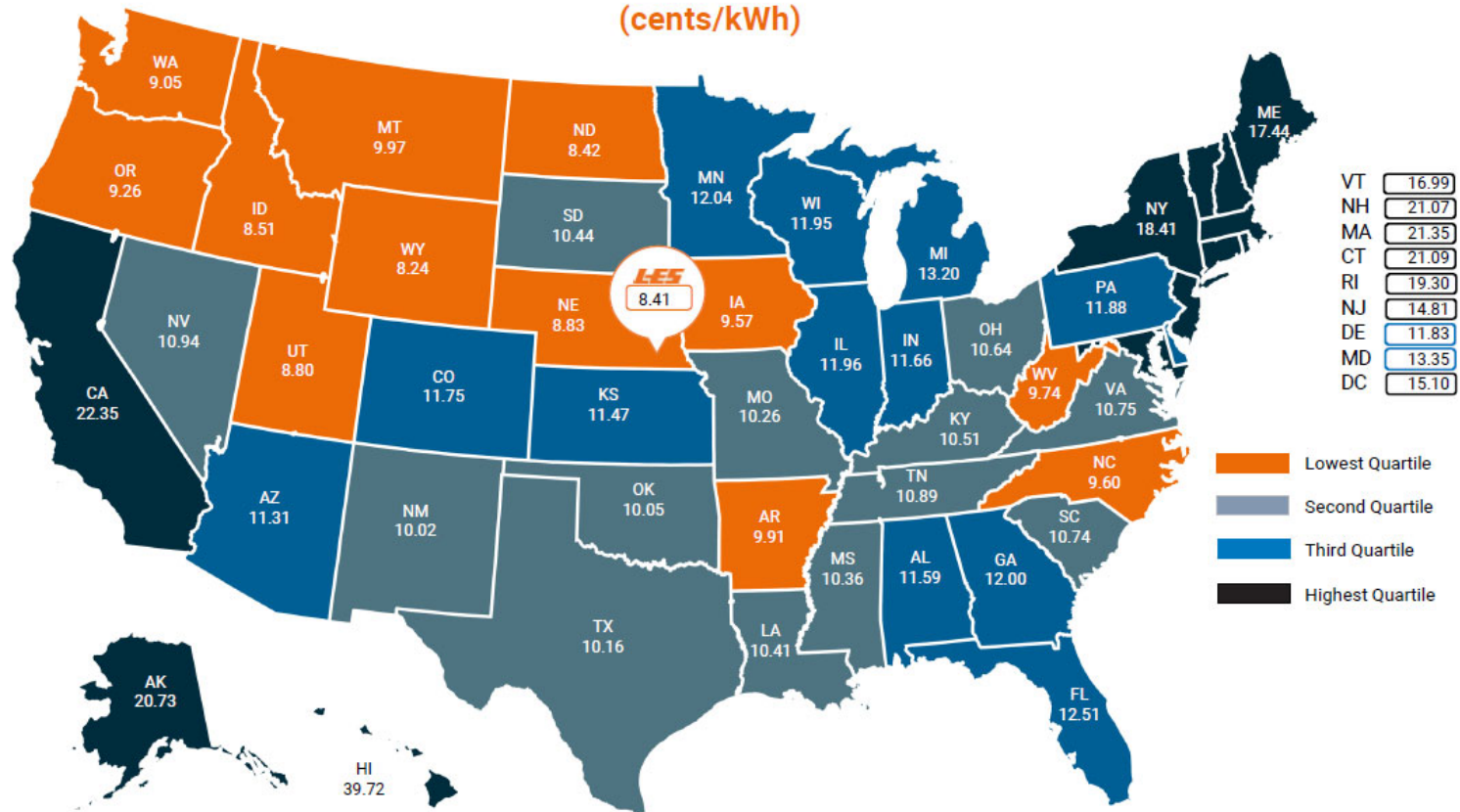
For Cents/kWh, lower is better

- Average all-in price is calculated from EIA data for revenue and energy sold in each sector for each utility
  - Overall, LES is ranked 8<sup>th</sup> out of 87 cities in the study, an increase in rank from 16<sup>th</sup> in 2023, and is ranked 1<sup>st</sup> and 2<sup>nd</sup> for Residential and Commercial, with Residential improving by 3
  - At the state level, Nebraska is ranked 5<sup>th</sup> out of 50 states and the District of Columbia, an improvement from 9<sup>th</sup> in the 2023 study

<sup>1</sup> 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): Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers

# LES Ranks 4<sup>th</sup> Best Overall in Price Stability

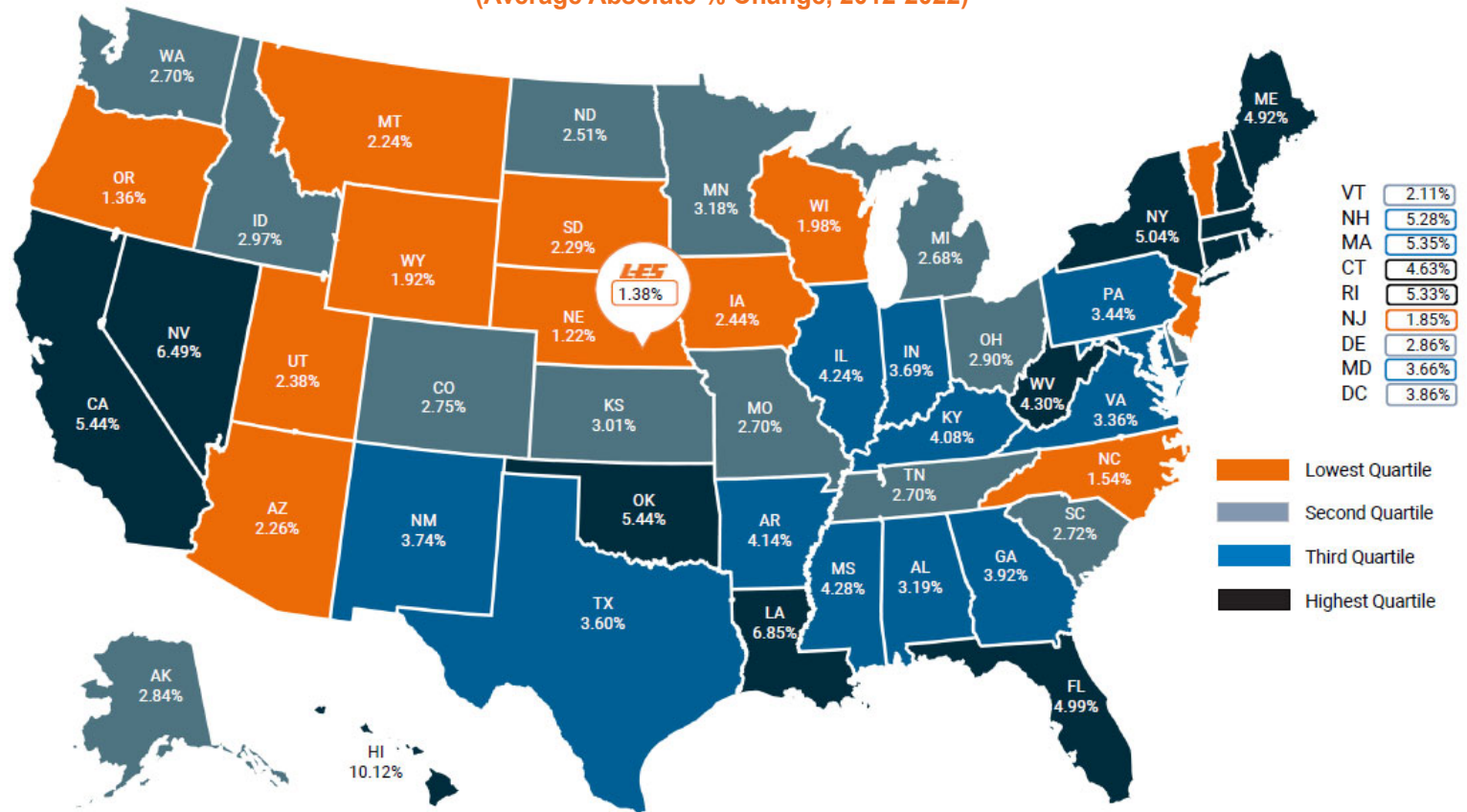
| Price Stability Metrics Rankings |               |  |              |                                  |
|----------------------------------|---------------|--|--------------|----------------------------------|
| Metric                           | LES Stability | LES Ranking <sup>1</sup><br>(Out of 87 Cities) | NE Stability | NE Ranking<br>(Out of 51 States) |
| Residential                      | 1.46%         | 4  | 1.30%        | 2                                |
| Commercial                       | 1.30%         | 3  | 0.86%        | 1                                |
| Industrial                       | 2.26%         | 4  | 1.72%        | 1                                |
| All Retail Sectors               | 1.38%         | 4  | 1.22%        | 1                                |

*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 4<sup>th</sup> out of 87 cities in the study, an increase of four from the 2023 rank of 8<sup>th</sup>, and inside the lowest 5 across all sectors*
  - *At the state level, Nebraska is ranked 1<sup>st</sup> out of 50 states and the District of Columbia, an improvement from the 2023 rank of 8<sup>th</sup>*

<sup>1</sup> 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, 2012-2022)



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

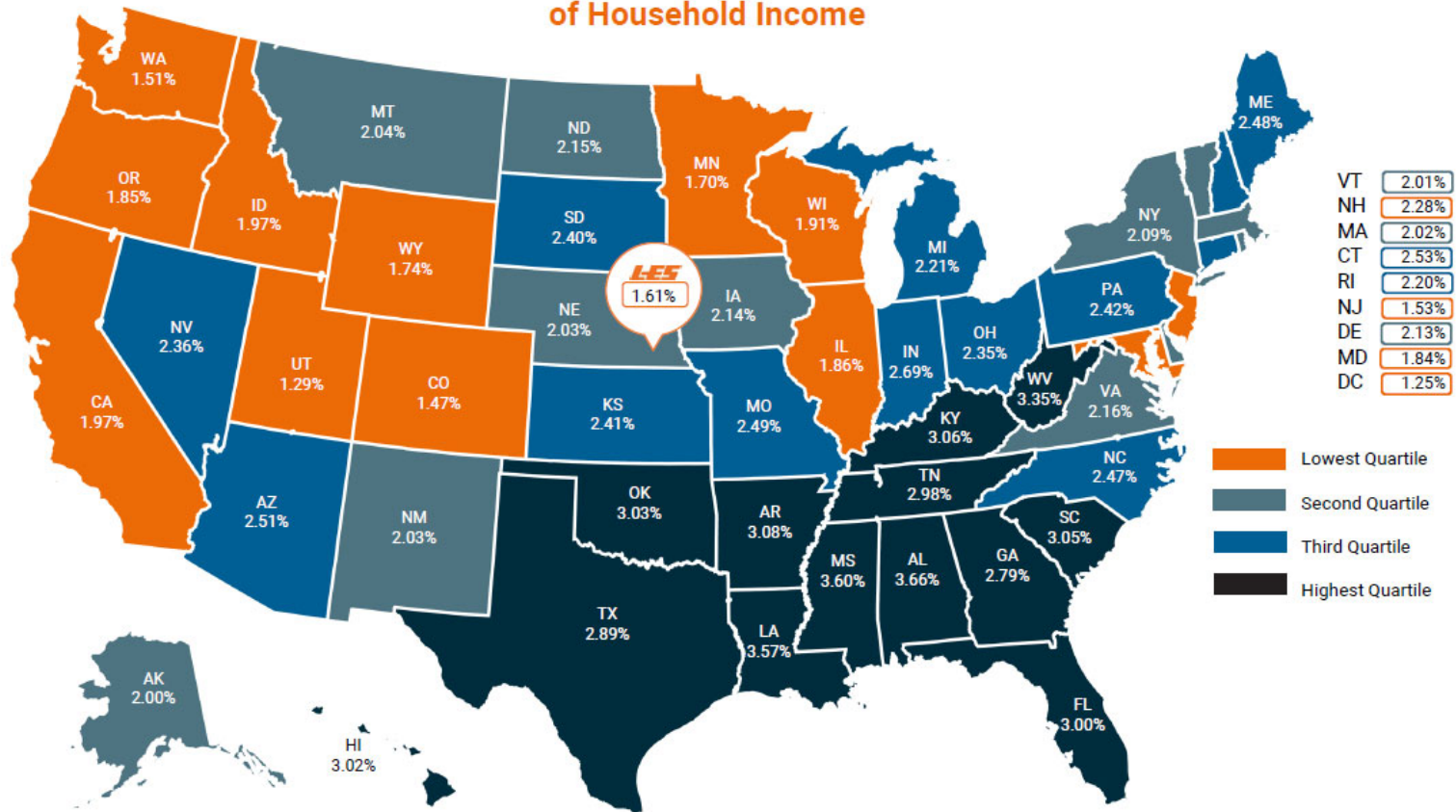
# LES Maintains Affordable Residential Rates, Even When Accounting for Household Income

| Metric  | Affordability Metrics Rankings |                                |                 |                               |
|---|--------------------------------|--------------------------------|-----------------|-------------------------------|
|   | LES Metric Value               | LES Ranking (Out of 87 Cities) | NE Metric Value | NE Ranking (Out of 51 States) |
| Average Monthly Residential Bill                | \$ 83.73                       | 7                              | \$ 112.57       | 12                            |
| Residential Average Cost per Day                | \$ 2.75                        | 7                              | \$ 3.70         | 12                            |
| Residential Electric Bill % of Household Income | 1.61%                          | 12                             | 2.03%           | 17                            |

*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 7<sup>th</sup> out of 87 cities in the study, an improvement from 10<sup>th</sup> in the 2023 study
  - Nebraska ranked 12<sup>th</sup> out of 50 states and DC, an improvement from 14<sup>th</sup> 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 12<sup>th</sup> out of 87 cities, with Nebraska coming in at 17<sup>th</sup> out of all 50 states and DC

## State Residential Electric Bill Percent of Household Income



Data Source(s): EIA Electric Sales, Revenue, and Average Price, Table 5A; Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers

# LES is Among the Most Reliable Utilities

| Reliability Metrics Rankings  |                 |   |                |                               |
|-------------------------------|-----------------|---|----------------|-------------------------------|
| Metric                        | LES Reliability | LES Ranking <sup>1</sup> (Out of 82 Cities) | NE Reliability | NE Ranking (Out of 51 States) |
| SAIDI With Major Event Day    | 16.54           | 2   | 82.06          | 4                             |
| SAIDI Without Major Event Day | 13.76           | 1   | 62.33          | 4                             |

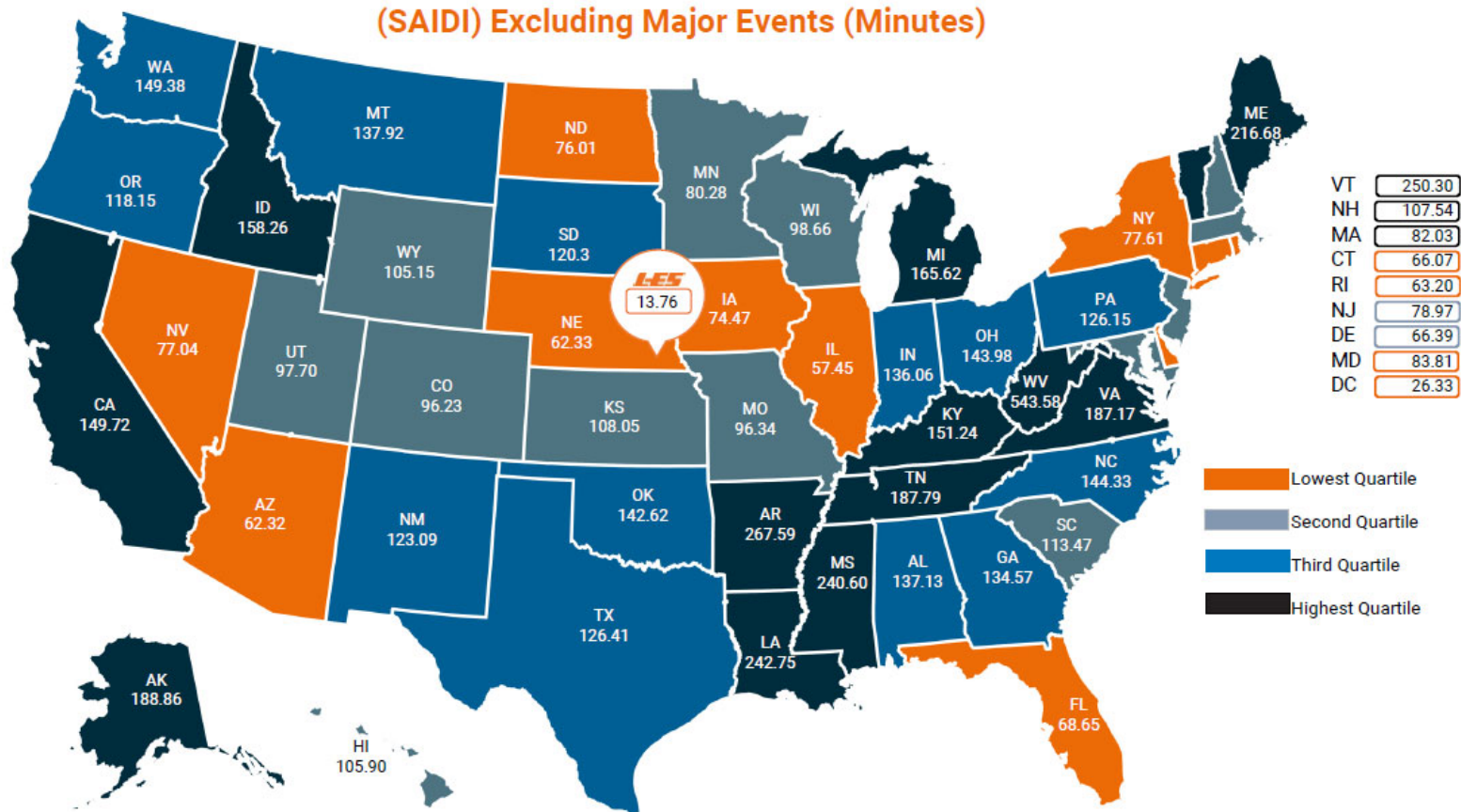
*For SAIDI, a lower score is better*

- One of the foremost responsibilities of electric utilities is to provide 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 2<sup>nd</sup> out of 82 cities in the study, an improvement from 4<sup>th</sup> in 2023*
  - *Nebraska ranked 4<sup>th</sup> out of 50 states and DC, a significant increase in rank from 42<sup>nd</sup> in 2022*
- System Average Interruption Duration Index (SAIDI) without Major Event Days was obtained through EIA to measure reliability
  - *LES is ranked 1<sup>st</sup> out of 79 cities, maintaining its ranking from 2023*
  - *Nebraska ranked 4<sup>th</sup> when compared to all 50 states and DC, a decline from 2<sup>nd</sup> in 2023*

<sup>1</sup> 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) Excluding Major Events (Minutes)



Data Source(s): EIA Electric Sales, Revenue, and Average Price, Table 5A; Form EIA-861 Annual Electric Power Industry Report, Sales to Ultimate Customers



- **The 2024 Competitive Market Study will be published on LES.com after the Board Meeting today**
- **The final report shows all the results for each utility and state in detail**



# **Exhibit XIII**

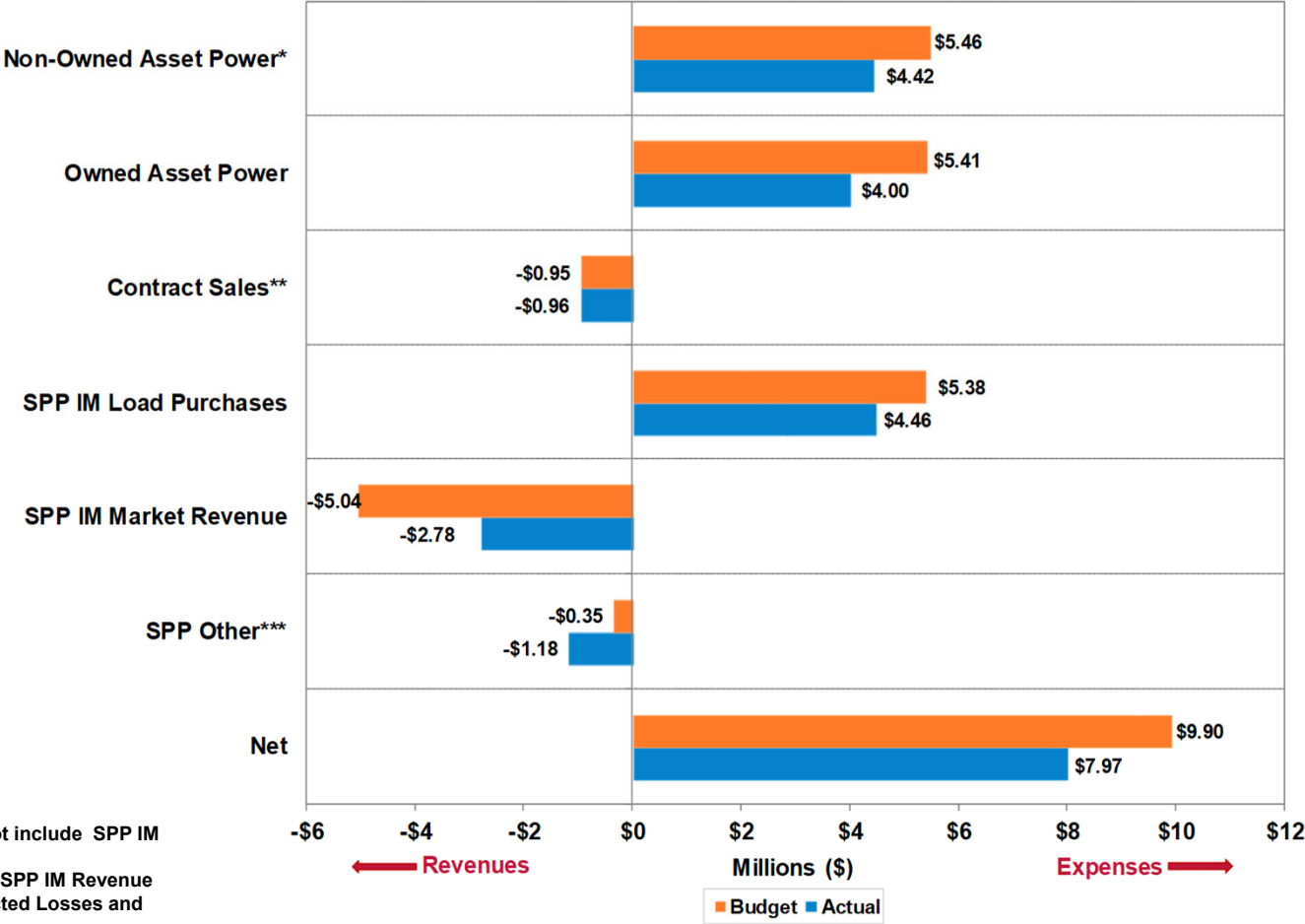
# **Power Supply Division 2023 December Monthly Report**

**February 16, 2024**

**Jason Fortik**  
**Vice President, Power Supply**

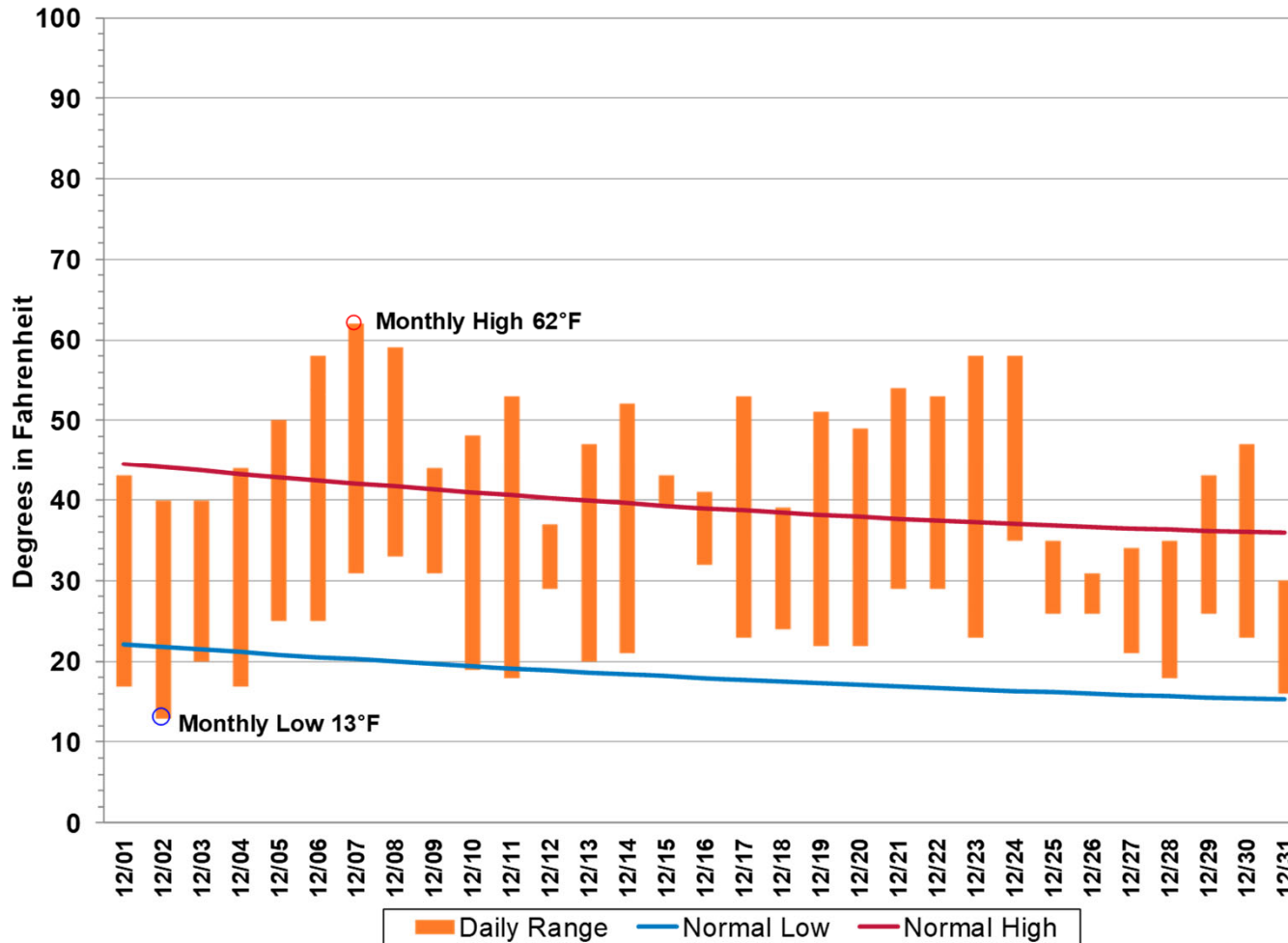


# Monthly Actual vs. Budget

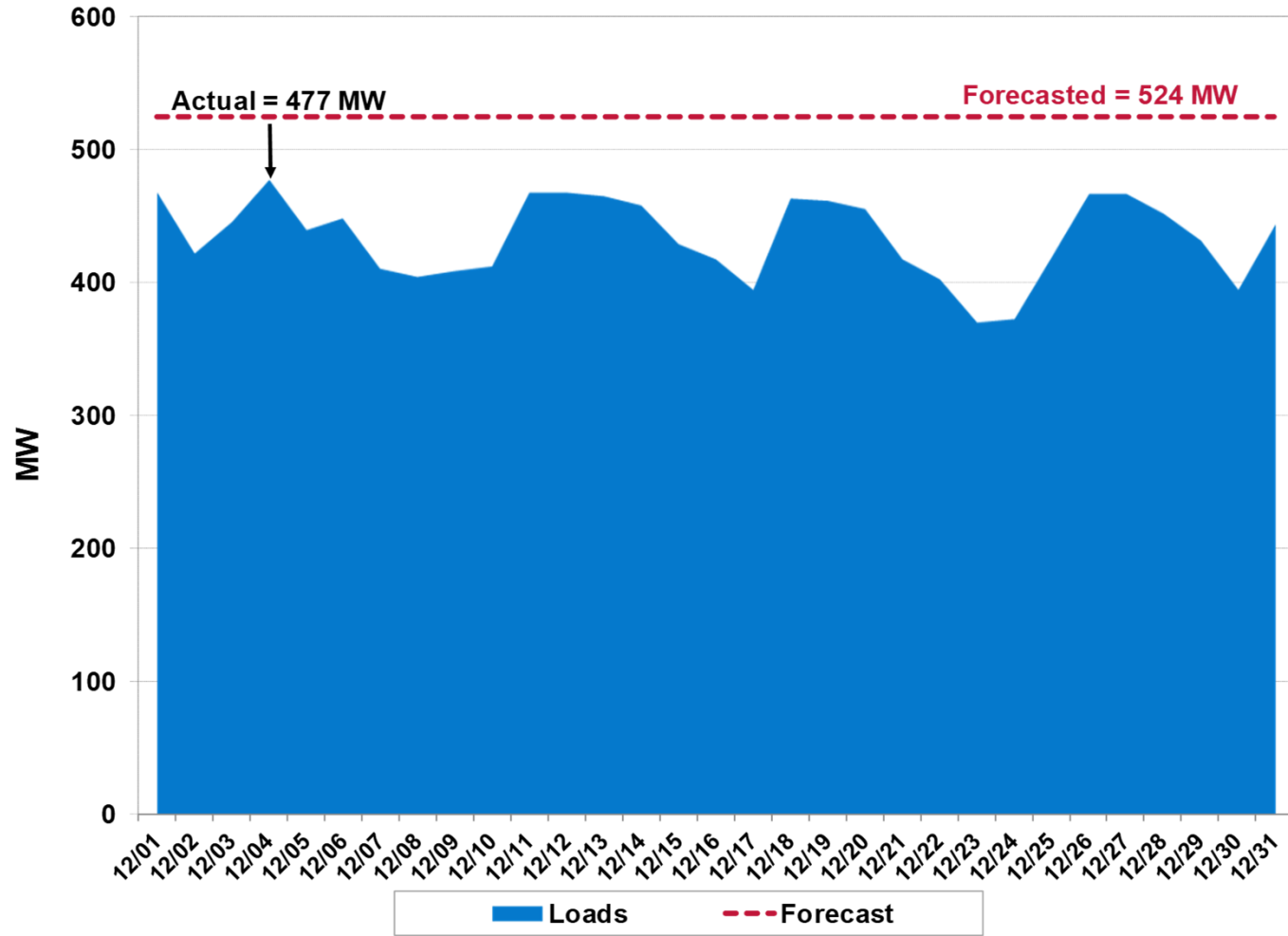


\*Non-Owned Asset Power does not include SPP IM Purchased  
 \*\*Contract Sales does not include SPP IM Revenue  
 \*\*\*SPP Other includes Over-Collected Losses and ARR's/TCR

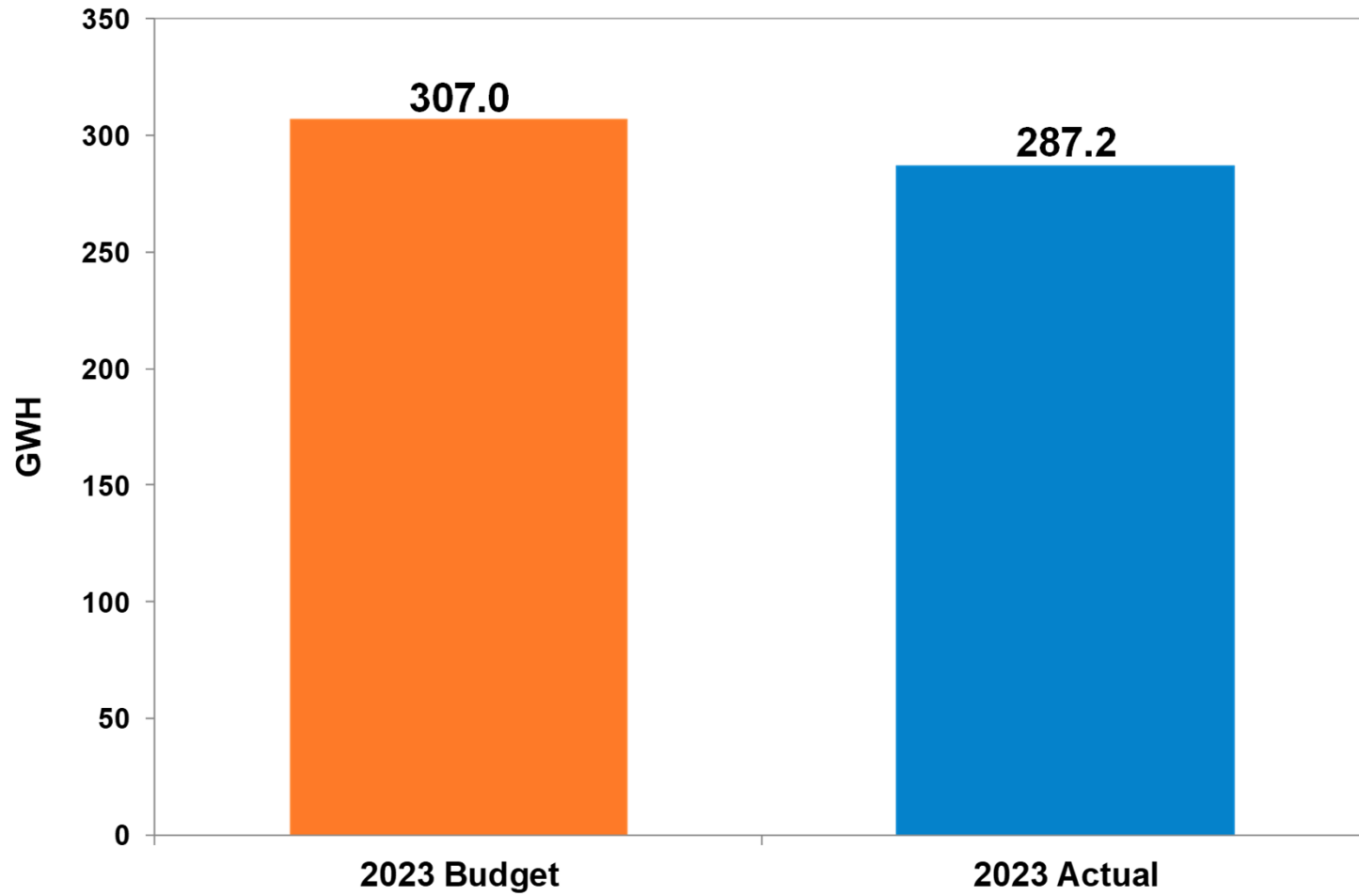
# Daily Temperature Range



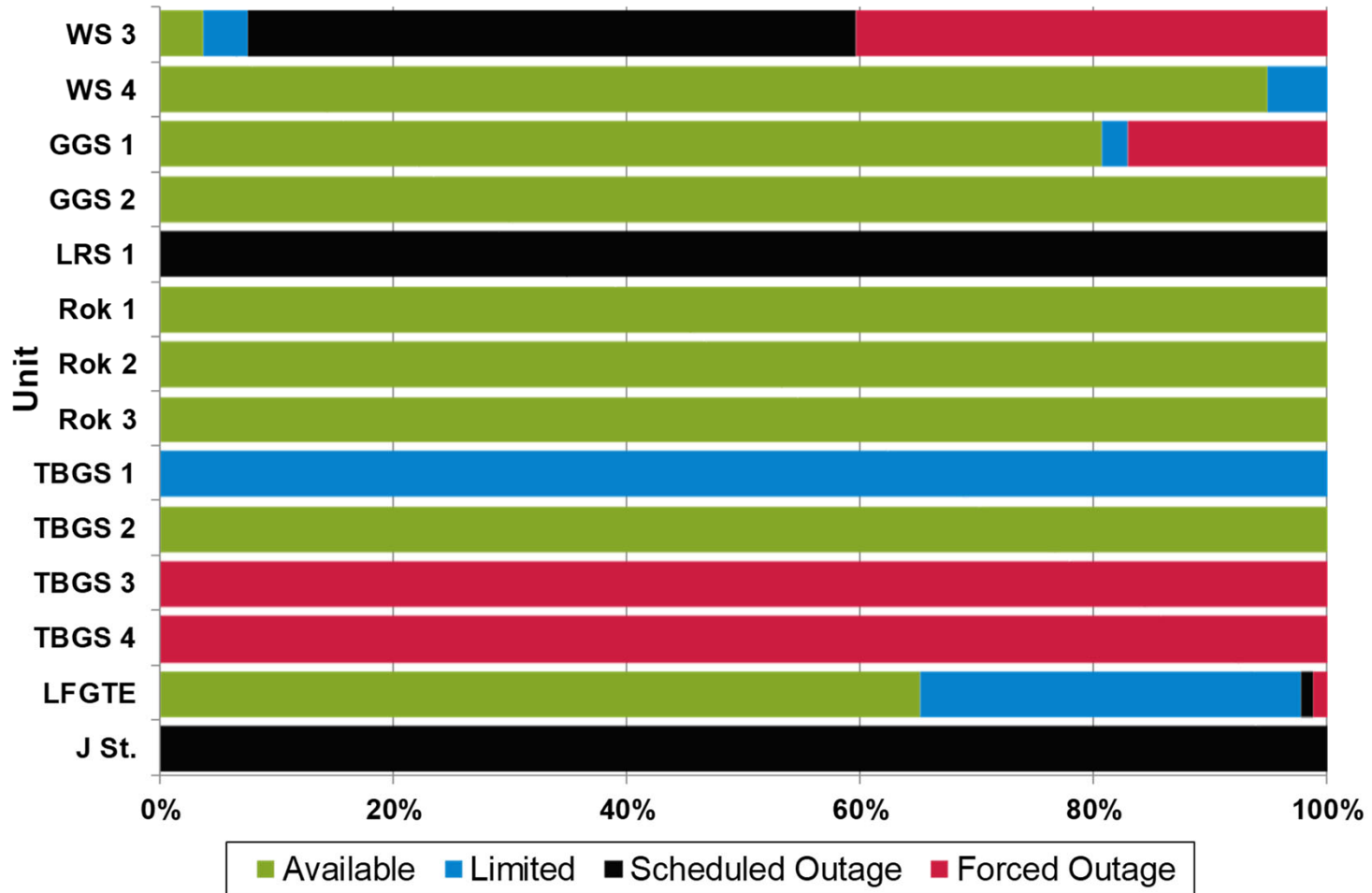
# Loads



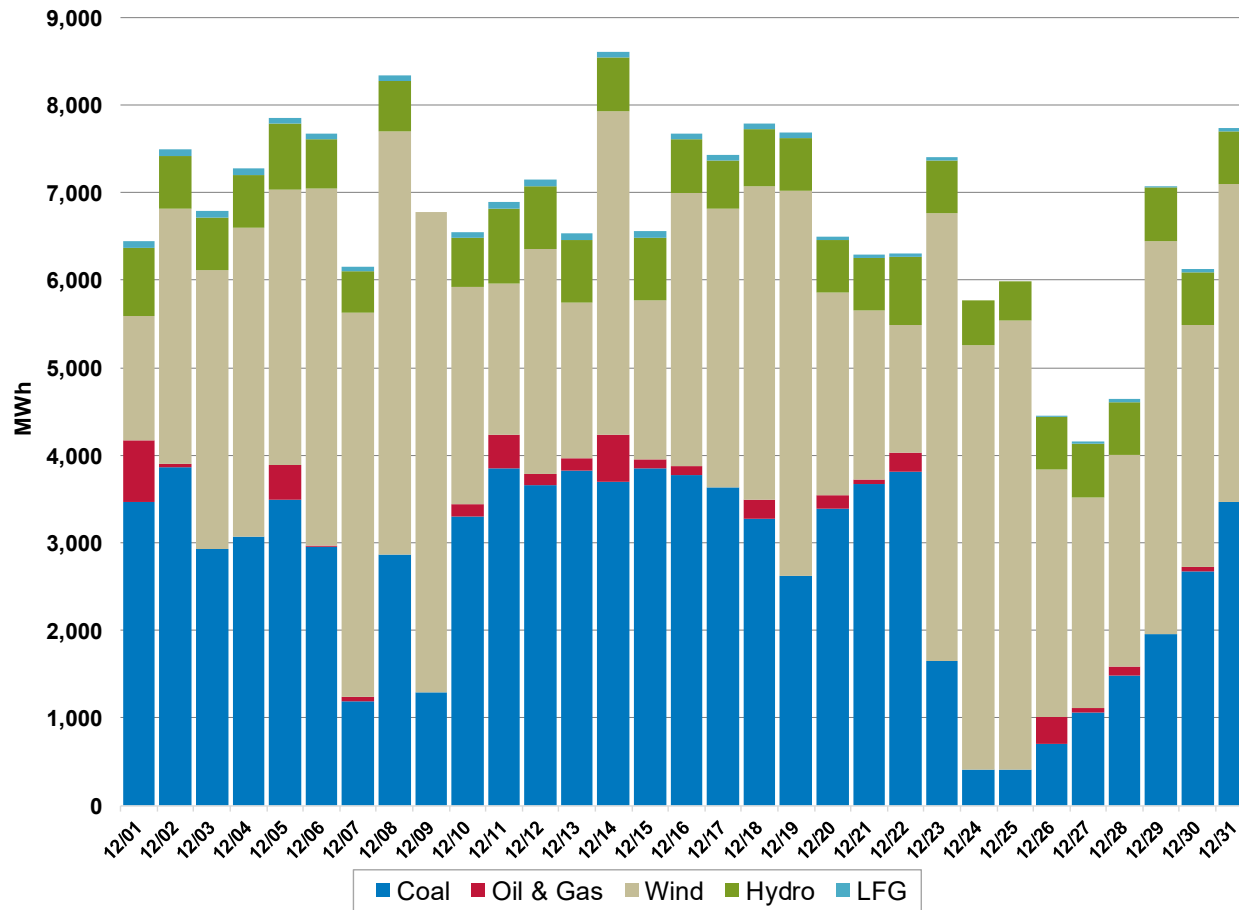
## Customer Energy Consumption



# Unit Equivalent Availability



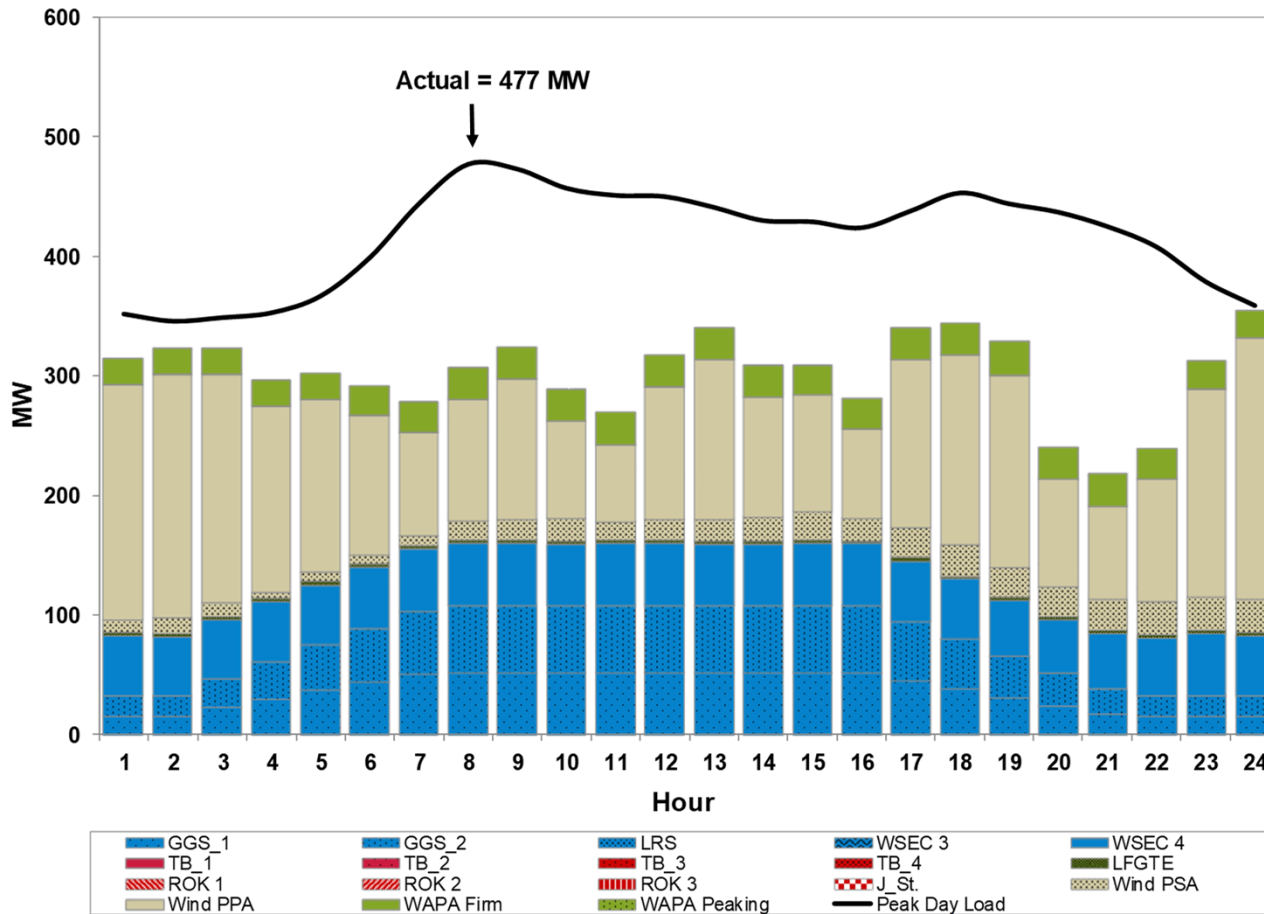
# Resource Energy



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

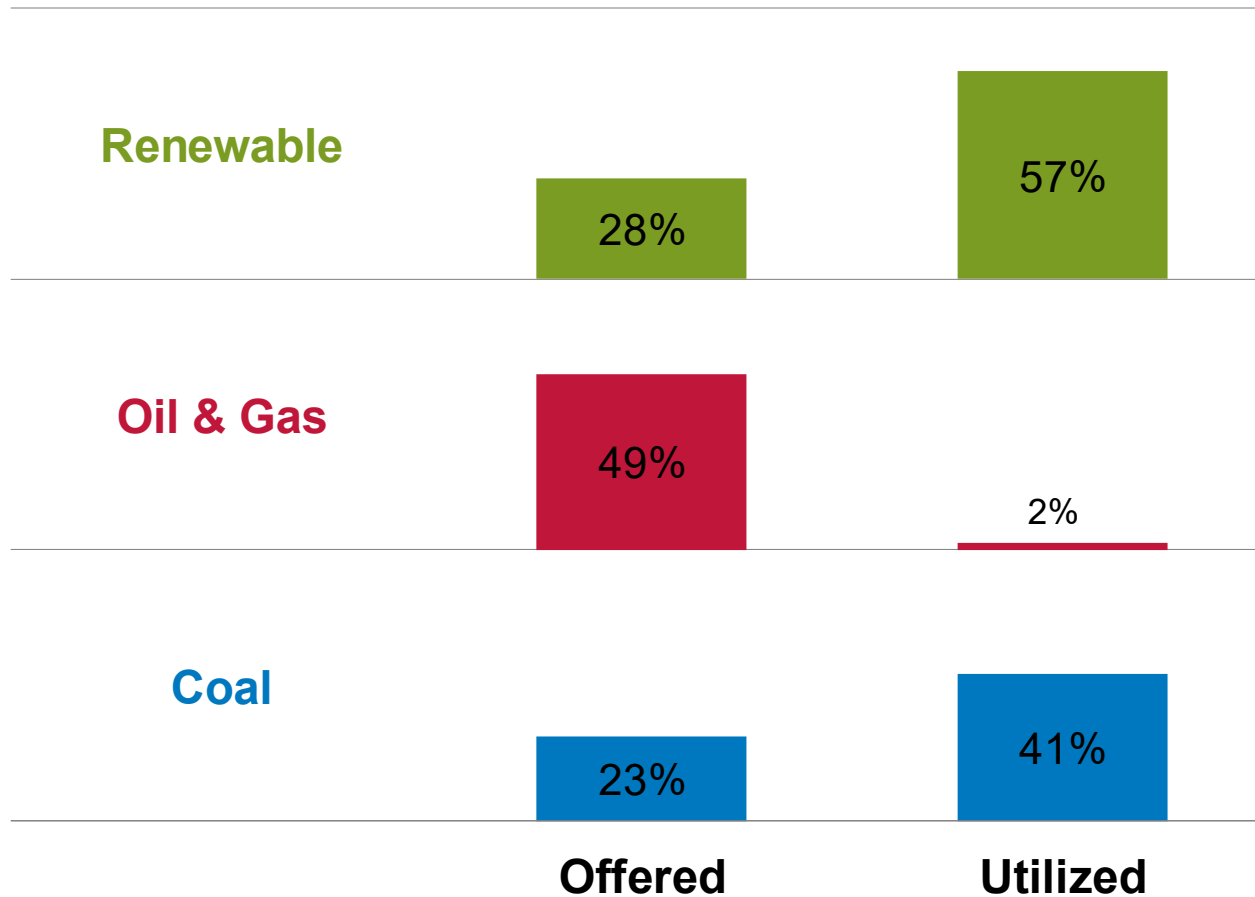


# Peak Load Day – December 4, 2023



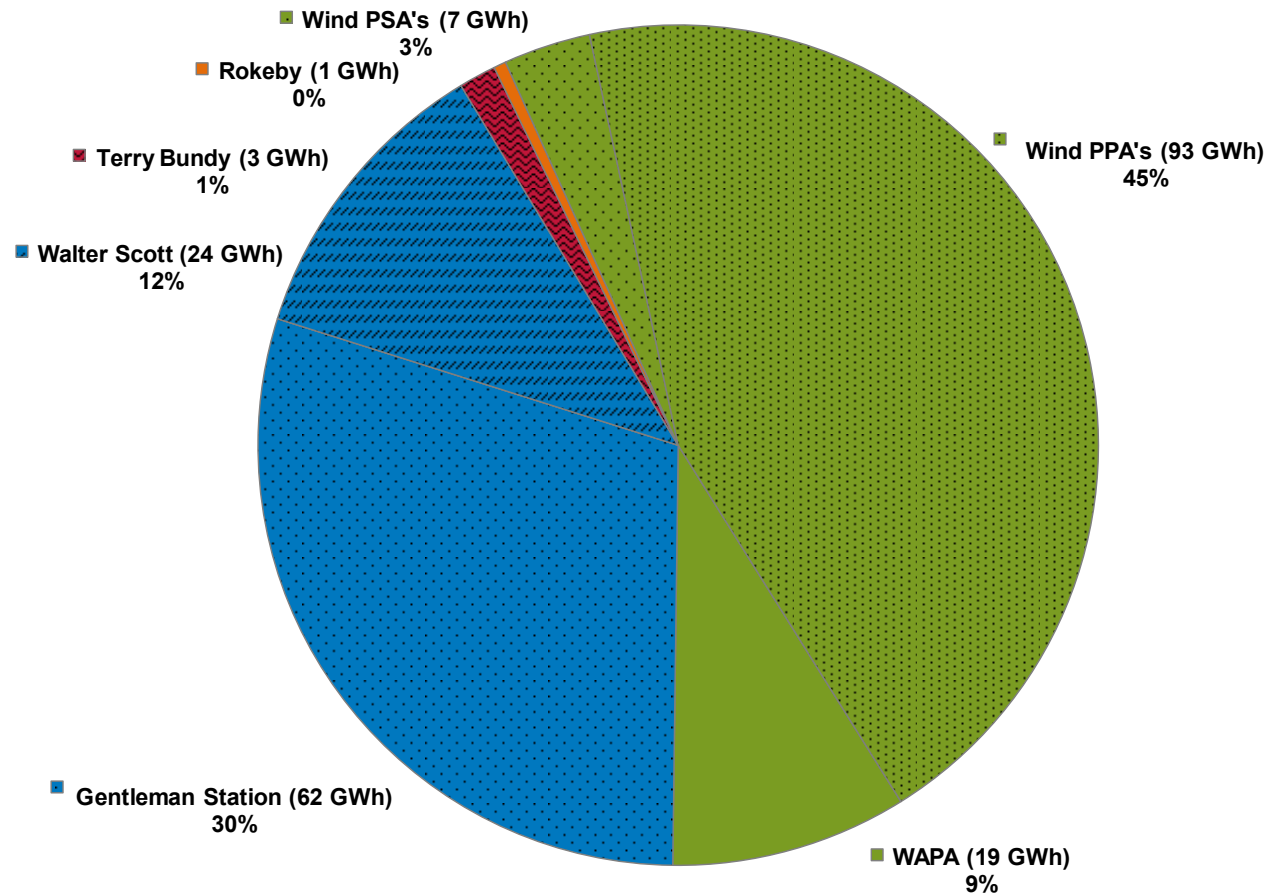
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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



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

# Energy Utilized by the SPP Integrated Marketplace



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

# **Exhibit XIV**



## Revenue & Expense Statement (Condensed)

DECEMBER 2023  
UNAUDITED

**Year-end financial results were favorable due primarily to lower than budgeted net power costs and favorable interest income**

(Dollar amounts in 000)

| YEAR TO DATE                            | 2023<br>Actual          | 2023<br>Budget          | Difference      | Percentage<br>Difference | Comments  |
|---|-------------------------|-------------------------|-----------------|--------------------------|---|
| 1) Total Revenue                        | \$350,029               | \$347,751               | \$2,278         | 1%                       | Wholesale revenue exceeded budget by 7%, or \$2.4M, primarily due to higher than expected revenues from SPP IM activities, and retail revenue was slightly higher than budget (\$290k).   |
| 2) Power Costs                          | 137,426                 | 146,226                 | (8,800)         | -6%                      | Produced power was 15% (\$10.7M) under budget due primarily to lower than budgeted energy costs at TBGS, LRS & WS4 and lower operations & maintenance expenses at TBGS and Rokeyby. Purchased power was over budget by 2% (\$1.9M) due to higher SPP purchases partially offset by lower energy output at WS3 and wind resources. |
| 3) Other Operating Expenses             | 97,034                  | 94,026                  | 3,008           | 3%                       | Other operating expenses were slightly over budget primarily due to higher than budgeted payroll and benefits and increased Sustainable Energy Program incentives (\$800k), partially offset by delay/timing of projects in Technology Services (\$2.6M) and reduced line clearance expenses (\$100k).                            |
| 4) Depreciation                         | 35,555                  | 35,205                  | 350             | 1%                       |   |
| 5) Total Expenses                       | <u>270,015</u>          | <u>275,457</u>          | <u>(5,442)</u>  | -2%                      |   |
| 6) Operating Income                     | 80,014                  | 72,294                  | 7,720           | 11%                      |   |
| 7) Non-Operating Expense (Income)       | <u>31,607</u>           | <u>40,858</u>           | <u>(9,251)</u>  | -23%                     |   |
| 8) Change in Net Position (Net Revenue) | <u>\$48,407</u>         | <u>\$31,436</u>         | <u>\$16,971</u> | 54%                      |   |
|   | <u>Year End Actual</u>  | <u>Year End Budget</u>  |                 |                          |   |
| 9) Fixed Charge Coverage                | 1.62x                   | 1.40x                   |                 |                          |   |
| 10) Debt Service Coverage               | 2.41x                   | 2.11x                   |                 |                          |   |
|   | <u>Month End Actual</u> | <u>Month End Budget</u> |                 |                          |   |
| 11) Days Cash on Hand (Days)            | 172                     | 161                     |                 |                          |   |

# **LINCOLN ELECTRIC SYSTEM**

## **FINANCIAL AND OPERATING STATEMENT**

**December 2023**

**Unaudited**



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



**REVENUE & EXPENSE STATEMENT**

**CURRENT MONTH**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                              | CURRENT MONTH      | CURRENT MONTH      | VARIANCE FROM BUDGET |               | LAST YEAR            | VARIANCE FROM LAST YEAR |                 |
|--|--------------------|--------------------|----------------------|---------------|----------------------|-------------------------|-----------------|
|  | ACTUAL             | BUDGET             | AMOUNT               | %             | MONTH ACTUAL         | AMOUNT                  | %               |
| <b>OPERATING REVENUES</b>                |                    |                    |                      |               |                      |                         |                 |
| 1. Retail                                | \$23,342,807       | \$22,761,135       | \$581,672            | 2.6%          | \$22,344,574         | \$998,233               | 4.5%            |
| 2. Wholesale                             | 2,508,332          | 2,720,083          | (211,751)            | -7.8%         | 4,083,530            | (1,575,198)             | -38.6%          |
| 3. Other Revenue                         | 1,050,694          | 1,369,207          | (318,513)            | -23.3%        | 695,076              | 355,618                 | 51.2%           |
| 4. CDFUO (a)                             | 1,028,706          | 1,041,126          | (12,420)             | -1.2%         | 934,967              | 93,739                  | 10.0%           |
| 5. Total Operating Revenues              | 27,930,539         | 27,891,551         | 38,988               | 0.1%          | 28,058,147           | (127,608)               | -0.5%           |
| <b>OPERATING EXPENSES</b>                |                    |                    |                      |               |                      |                         |                 |
| 6. Purchased Power                       | 6,486,452          | 7,211,634          | (725,182)            | -10.1%        | 11,871,511           | (5,385,059)             | -45.4%          |
| 7. Produced Power                        | 4,002,188          | 5,407,978          | (1,405,790)          | -26.0%        | 1,947,489            | 2,054,699               | 105.5%          |
| 8. Operations                            | 2,053,771          | 2,052,545          | 1,226                | 0.1%          | 2,120,253            | (66,482)                | -3.1%           |
| 9. Maintenance                           | 1,216,845          | 663,074            | 553,771              | 83.5%         | 1,018,346            | 198,499                 | 19.5%           |
| 10. Admin. & General                     | 6,011,688          | 4,865,043          | 1,146,645            | 23.6%         | 8,185,120            | (2,173,432)             | -26.6%          |
| 11. Depreciation                         | 3,401,245          | 2,974,457          | 426,788              | 14.3%         | 2,945,654            | 455,591                 | 15.5%           |
| 12. Total Operating Expenses             | 23,172,189         | 23,174,731         | (2,542)              | 0.0%          | 28,088,373           | (4,916,184)             | -17.5%          |
| <b>13. OPERATING INCOME</b>              | <b>4,758,350</b>   | <b>4,716,820</b>   | <b>41,530</b>        | <b>0.9%</b>   | <b>(30,226)</b>      | <b>4,788,576</b>        | <b>15842.6%</b> |
| <b>NONOPERATING EXPENSES (INCOME)</b>    |                    |                    |                      |               |                      |                         |                 |
| 14. Interest Expense (b)                 | 1,500,986          | 1,421,576          | 79,410               | 5.6%          | 1,398,852            | 102,134                 | 7.3%            |
| 15. PILOT (c)                            | 983,229            | 1,030,061          | (46,832)             | -4.5%         | 989,026              | (5,797)                 | -0.6%           |
| 16. CDFUO Expense (a)                    | 1,046,389          | 1,041,126          | 5,263                | 0.5%          | 963,140              | 83,249                  | 8.6%            |
| 17. Other Expense                        | 0                  | 0                  | 0                    | --            | 0                    | 0                       | --              |
| 18. Total Other Nonoperating Expense     | 3,530,604          | 3,492,763          | 37,841               | 1.1%          | 3,351,018            | 179,586                 | 5.4%            |
| 19. Other (Income)                       | (90,522)           | 0                  | (90,522)             | --            | (500,135)            | 409,613                 | -81.9%          |
| 20. Interest (Income)                    | (2,764,232)        | (123,536)          | (2,640,696)          | 2137.6%       | (1,674,044)          | (1,090,188)             | 65.1%           |
| 21. Total Other Nonoperating (Income)    | (2,854,754)        | (123,536)          | (2,731,218)          | 2210.9%       | (2,174,179)          | (680,575)               | 31.3%           |
| 22. Total Nonoperating Expenses (Income) | 675,850            | 3,369,227          | (2,693,377)          | -79.9%        | 1,176,839            | (500,989)               | -42.6%          |
| <b>23. Income Before Contributions</b>   | <b>4,082,500</b>   | <b>1,347,593</b>   | <b>2,734,907</b>     | <b>202.9%</b> | <b>(1,207,065)</b>   | <b>5,289,565</b>        | <b>438.2%</b>   |
| <b>CONTRIBUTED CAPITAL</b>               |                    |                    |                      |               |                      |                         |                 |
| 24. Contributed Capital Received         | 74,707             | 123,848            | (49,141)             | -39.7%        | 61,835               | 12,872                  | 20.8%           |
| 25. Contributed Capital Used (d)         | (74,707)           | (123,848)          | 49,141               | 39.7%         | (61,835)             | (12,872)                | -20.8%          |
| 26. Net Contributed Capital              | 0                  | 0                  | 0                    | --            | 0                    | 0                       | --              |
| <b>27. CHANGE IN NET POSITION</b>        | <b>\$4,082,500</b> | <b>\$1,347,593</b> | <b>\$2,734,907</b>   | <b>202.9%</b> | <b>(\$1,207,065)</b> | <b>\$5,289,565</b>      | <b>438.2%</b>   |

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,532,116 + Software Agreements Interest \$38,943 + Variable Interest \$217,676 + Amortization of Issuance Costs on Outstanding Debt \$98,968 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.





**REVENUE & EXPENSE STATEMENT**

**YEAR-TO-DATE**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                              | YEAR TO DATE<br>ACTUAL | YEAR TO DATE<br>BUDGET | VARIANCE FROM<br>BUDGET |              | LAST YEAR<br>YEAR TO DATE<br>ACTUAL | VARIANCE FROM<br>LAST YEAR |              |
|--|------------------------|------------------------|-------------------------|--------------|-------------------------------------|----------------------------|--------------|
|  |                        |                        | AMOUNT                  | %            |                                     | AMOUNT                     | %            |
| <b>OPERATING REVENUES</b>                |                        |                        |                         |              |                                     |                            |              |
| 1. Retail                                | \$290,674,568          | \$290,380,188          | \$294,380               | 0.1%         | \$275,491,673                       | \$15,182,895               | 5.5%         |
| 2. Wholesale                             | 38,712,908             | 36,286,455             | 2,426,453               | 6.7%         | 65,330,161                          | (26,617,253)               | -40.7%       |
| 3. Other Revenue                         | 8,555,593              | 9,237,654              | (682,061)               | -7.4%        | 9,616,000                           | (1,060,407)                | -11.0%       |
| 4. CDFUO (a)                             | 12,086,268             | 11,847,103             | 239,165                 | 2.0%         | 10,944,809                          | 1,141,459                  | 10.4%        |
| 5. Total Operating Revenues              | 350,029,337            | 347,751,400            | 2,277,937               | 0.7%         | 361,382,643                         | (11,353,306)               | -3.1%        |
| <b>OPERATING EXPENSES</b>                |                        |                        |                         |              |                                     |                            |              |
| 6. Purchased Power                       | 76,378,567             | 74,525,470             | 1,853,097               | 2.5%         | 90,005,272                          | (13,626,705)               | -15.1%       |
| 7. Produced Power                        | 61,047,656             | 71,700,479             | (10,652,823)            | -14.9%       | 74,376,526                          | (13,328,870)               | -17.9%       |
| 8. Operations                            | 25,565,184             | 25,548,808             | 16,376                  | 0.1%         | 16,797,449                          | 8,767,735                  | 52.2%        |
| 9. Maintenance                           | 12,436,854             | 11,638,649             | 798,205                 | 6.9%         | 9,814,869                           | 2,621,985                  | 26.7%        |
| 10. Admin. & General                     | 59,032,291             | 56,838,598             | 2,193,693               | 3.9%         | 56,642,734                          | 2,389,557                  | 4.2%         |
| 11. Depreciation                         | 35,554,802             | 35,205,149             | 349,653                 | 1.0%         | 34,494,817                          | 1,059,985                  | 3.1%         |
| 12. Total Operating Expenses             | 270,015,354            | 275,457,153            | (5,441,799)             | -2.0%        | 282,131,667                         | (12,116,313)               | -4.3%        |
| <b>13. OPERATING INCOME</b>              | <b>80,013,983</b>      | <b>72,294,247</b>      | <b>7,719,736</b>        | <b>10.7%</b> | <b>79,250,976</b>                   | <b>763,007</b>             | <b>1.0%</b>  |
| <b>NONOPERATING EXPENSES (INCOME)</b>    |                        |                        |                         |              |                                     |                            |              |
| 14. Interest Expense (b)                 | 17,428,713             | 17,125,519             | 303,194                 | 1.8%         | 18,381,494                          | (952,781)                  | -5.2%        |
| 15. PILOT (c)                            | 13,354,300             | 13,408,934             | (54,634)                | -0.4%        | 12,738,082                          | 616,218                    | 4.8%         |
| 16. CDFUO Expense (a)                    | 11,890,676             | 11,869,624             | 21,052                  | 0.2%         | 10,769,856                          | 1,120,820                  | 10.4%        |
| 17. Other Expense                        | 153                    | 0                      | 153                     | --           | 3,133                               | (2,980)                    | -95.1%       |
| 18. Total Other Nonoperating Expense     | 42,673,842             | 42,404,077             | 269,765                 | 0.6%         | 41,892,565                          | 781,277                    | 1.9%         |
| 19. Other (Income)                       | (577,260)              | 0                      | (577,260)               | --           | (500,135)                           | (77,125)                   | 15.4%        |
| 20. Interest (Income)                    | (10,490,077)           | (1,546,319)            | (8,943,758)             | 578.4%       | (3,765,742)                         | (6,724,335)                | 178.6%       |
| 21. Total Other Nonoperating (Income)    | (11,067,337)           | (1,546,319)            | (9,521,018)             | 615.7%       | (4,265,877)                         | (6,801,460)                | 159.4%       |
| 22. Total Nonoperating Expenses (Income) | 31,606,505             | 40,857,758             | (9,251,253)             | -22.6%       | 37,626,688                          | (6,020,183)                | -16.0%       |
| <b>23. Income Before Contributions</b>   | <b>48,407,478</b>      | <b>31,436,489</b>      | <b>16,970,989</b>       | <b>54.0%</b> | <b>41,624,288</b>                   | <b>6,783,190</b>           | <b>16.3%</b> |
| <b>CONTRIBUTED CAPITAL</b>               |                        |                        |                         |              |                                     |                            |              |
| 24. Contributed Capital Received         | 1,947,955              | 1,486,176              | 461,779                 | 31.1%        | 989,082                             | 958,873                    | 96.9%        |
| 25. Contributed Capital Used (d)         | (1,947,955)            | (1,486,176)            | (461,779)               | -31.1%       | (989,082)                           | (958,873)                  | -96.9%       |
| 26. Net Contributed Capital              | 0                      | 0                      | 0                       | --           | 0                                   | 0                          | --           |
| <b>27. CHANGE IN NET POSITION</b>        | <b>\$48,407,478</b>    | <b>\$31,436,489</b>    | <b>\$16,970,989</b>     | <b>54.0%</b> | <b>\$41,624,288</b>                 | <b>\$6,783,190</b>         | <b>16.3%</b> |

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$18,734,179 + Software Agreements Interest \$38,943 + Variable Interest \$2,181,256 + Amortization of Issuance Costs on Outstanding Debt \$1,209,016 + Amortization of Loss on Refunded Debt \$1,293,315 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



**REVENUES, ENERGY & CUSTOMERS**

**CURRENT MONTH**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                     | CURRENT      | CURRENT      | VARIANCE FROM |        | LAST YEAR    | VARIANCE FROM |        |
|---------------------------------|--------------|--------------|---------------|--------|--------------|---------------|--------|
|                                 | MONTH        | MONTH        | BUDGET        | %      | MONTH        | LAST YEAR     | %      |
|                                 | ACTUAL       | BUDGET       | AMOUNT        |        | ACTUAL       | AMOUNT        |        |
| <b>REVENUE</b>                  |              |              |               |        |              |               |        |
| 1. Residential                  | \$11,627,296 | \$10,105,100 | \$1,522,196   | 15.1%  | \$11,278,031 | \$349,265     | 3.1%   |
| 2. Commercial & Street Light    | 9,226,483    | 9,906,935    | (680,452)     | -6.9%  | 8,766,023    | 460,460       | 5.3%   |
| 3. Industrial                   | 2,489,028    | 2,749,100    | (260,072)     | -9.5%  | 2,300,520    | 188,508       | 8.2%   |
| 4. Total Retail                 | 23,342,807   | 22,761,135   | 581,672       | 2.6%   | 22,344,574   | 998,233       | 4.5%   |
| 5. SPP Sales                    | 1,546,528    | 1,765,991    | (219,463)     | -12.4% | 3,038,227    | (1,491,699)   | -49.1% |
| 6. Contract Sales               | 961,804      | 954,092      | 7,712         | 0.8%   | 1,045,303    | (83,499)      | -8.0%  |
| 7. Total Wholesale              | 2,508,332    | 2,720,083    | (211,751)     | -7.8%  | 4,083,530    | (1,575,198)   | -38.6% |
| 8. Total                        | \$25,851,139 | \$25,481,218 | \$369,921     | 1.5%   | \$26,428,104 | -\$576,965    | -2.2%  |
| <b>ENERGY (MWH'S)</b>           |              |              |               |        |              |               |        |
| 9. Residential                  | 121,398      | 115,222      | 6,176         | 5.4%   | 131,293      | (9,895)       | -7.5%  |
| 10. Commercial & Street Light   | 117,875      | 126,242      | (8,367)       | -6.6%  | 121,005      | (3,130)       | -2.6%  |
| 11. Industrial                  | 36,602       | 38,343       | (1,741)       | -4.5%  | 34,151       | 2,451         | 7.2%   |
| 12. Total Retail                | 275,875      | 279,807      | (3,932)       | -1.4%  | 286,449      | (10,574)      | -3.7%  |
| 13. SPP Sales                   | 16,962       | 35,577       | (18,615)      | -52.3% | 21,404       | (4,442)       | -20.8% |
| 14. Contract Sales              | 29,772       | 21,595       | 8,177         | 37.9%  | 35,126       | (5,354)       | -15.2% |
| 15. Total Wholesale             | 46,734       | 57,172       | (10,438)      | -18.3% | 56,530       | (9,796)       | -17.3% |
| 16. Total                       | 322,609      | 336,979      | (14,370)      | -4.3%  | 342,979      | (20,370)      | -5.9%  |
| <b>CUSTOMERS - AT MONTH END</b> |              |              |               |        |              |               |        |
| 17. Residential                 | 133,839      | 130,854      | 2,985         | 2.3%   | 130,928      | 2,911         | 2.2%   |
| 18. Commercial & Street Light   | 17,846       | 17,843       | 3             | 0.0%   | 17,598       | 248           | 1.4%   |
| 19. Industrial                  | 239          | 233          | 6             | 2.6%   | 230          | 9             | 3.9%   |
| 20. Total Retail                | 151,924      | 148,930      | 2,994         | 2.0%   | 148,756      | 3,168         | 2.1%   |
| 21. Wholesale                   | 7            | 7            | 0             | 0.0%   | 7            | 0             | 0.0%   |
| 22. Total                       | 151,931      | 148,937      | 2,994         | 2.0%   | 148,763      | 3,168         | 2.1%   |



**REVENUES, ENERGY & CUSTOMERS**

**YEAR-TO-DATE**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                   | YEAR TO DATE<br>ACTUAL | YEAR TO DATE<br>BUDGET | VARIANCE FROM<br>BUDGET |        | LAST YEAR<br>YEAR TO DATE<br>ACTUAL | VARIANCE FROM<br>LAST YEAR |        |
|-------------------------------|------------------------|------------------------|-------------------------|--------|-------------------------------------|----------------------------|--------|
|                               |                        |                        | AMOUNT                  | %      |                                     | AMOUNT                     | %      |
| <b>REVENUE</b>                |                        |                        |                         |        |                                     |                            |        |
| 1. Residential                | \$137,735,501          | \$134,904,740          | \$2,830,761             | 2.1%   | \$130,690,759                       | \$7,044,742                | 5.4%   |
| 2. Commercial & Street Light  | 121,123,963            | 124,406,519            | (3,282,556)             | -2.6%  | 114,501,136                         | 6,622,827                  | 5.8%   |
| 3. Industrial                 | <u>31,815,104</u>      | <u>31,068,929</u>      | <u>746,175</u>          | 2.4%   | <u>30,299,778</u>                   | <u>1,515,326</u>           | 5.0%   |
| 4. Total Retail               | 290,674,568            | 290,380,188            | 294,380                 | 0.1%   | 275,491,673                         | 15,182,895                 | 5.5%   |
| 5. SPP Sales                  | 27,567,022             | 24,638,633             | 2,928,389               | 11.9%  | 55,608,173                          | (28,041,151)               | -50.4% |
| 6. Contract Sales             | <u>11,145,886</u>      | <u>11,647,822</u>      | <u>(501,936)</u>        | -4.3%  | <u>9,721,988</u>                    | <u>1,423,898</u>           | 14.6%  |
| 7. Total Wholesale            | <u>38,712,908</u>      | <u>36,286,455</u>      | <u>2,426,453</u>        | 6.7%   | <u>65,330,161</u>                   | <u>(26,617,253)</u>        | -40.7% |
| 8. Total                      | \$329,387,476          | \$326,666,643          | \$2,720,833             | 0.8%   | \$340,821,834                       | (11,434,358)               | -3.4%  |
| <b>ENERGY (MWH'S)</b>         |                        |                        |                         |        |                                     |                            |        |
| 9. Residential                | 1,347,649              | 1,318,328              | 29,321                  | 2.2%   | 1,345,068                           | 2,581                      | 0.2%   |
| 10. Commercial & Street Light | 1,481,761              | 1,516,799              | (35,038)                | -2.3%  | 1,475,289                           | 6,472                      | 0.4%   |
| 11. Industrial                | <u>466,063</u>         | <u>457,295</u>         | <u>8,768</u>            | 1.9%   | <u>455,298</u>                      | <u>10,765</u>              | 2.4%   |
| 12. Total Retail              | 3,295,473              | 3,292,422              | 3,051                   | 0.1%   | 3,275,655                           | 19,818                     | 0.6%   |
| 13. SPP Sales                 | 442,912                | 495,049                | (52,137)                | -10.5% | 702,528                             | (259,616)                  | -37.0% |
| 14. Contract Sales            | <u>297,304</u>         | <u>285,021</u>         | <u>12,283</u>           | 4.3%   | <u>265,597</u>                      | <u>31,707</u>              | 11.9%  |
| 15. Total Wholesale           | <u>740,216</u>         | <u>780,070</u>         | <u>(39,854)</u>         | -5.1%  | <u>968,125</u>                      | <u>(227,909)</u>           | -23.5% |
| 16. Total                     | 4,035,689              | 4,072,492              | (36,803)                | -0.9%  | 4,243,780                           | (208,091)                  | -4.9%  |
| <b>CUSTOMERS AVERAGE</b>      |                        |                        |                         |        |                                     |                            |        |
| 17. Residential               | 132,338                | 130,140                | 2,198                   | 1.7%   | 130,067                             | 2,271                      | 1.7%   |
| 18. Commercial & Street Light | 17,751                 | 17,742                 | 9                       | 0.1%   | 17,539                              | 212                        | 1.2%   |
| 19. Industrial                | <u>233</u>             | <u>233</u>             | <u>0</u>                | 0.0%   | <u>231</u>                          | <u>2</u>                   | 0.9%   |
| 20. Total Retail              | 150,322                | 148,115                | 2,207                   | 1.5%   | 147,837                             | 2,485                      | 1.7%   |
| 21. Wholesale                 | <u>7</u>               | <u>7</u>               | <u>0</u>                | 0.0%   | <u>7</u>                            | <u>0</u>                   | 0.0%   |
| 22. Total                     | 150,329                | 148,122                | 2,207                   | 1.5%   | 147,844                             | 2,485                      | 1.7%   |



**OPERATING EXPENSE STATEMENT**

**CURRENT MONTH**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                                   | CURRENT             | CURRENT             | VARIANCE FROM      |              | LAST YEAR           | VARIANCE FROM        |               |
|---|---------------------|---------------------|--------------------|--------------|---------------------|----------------------|---------------|
|   | MONTH               | MONTH               | BUDGET             | %            | MONTH               | LAST YEAR            | %             |
|   | ACTUAL              | BUDGET              | AMOUNT             |              | ACTUAL              | AMOUNT               |               |
| <b>POWER COST</b>                             |                     |                     |                    |              |                     |                      |               |
| 1. SPP Purchased Power                        | \$2,061,470         | \$1,753,072         | \$308,398          | 17.6%        | \$6,077,155         | (\$4,015,685)        | -66.1%        |
| 2. Non-Owned Asset Power                      | <u>4,424,982</u>    | <u>5,458,562</u>    | <u>(1,033,580)</u> | -18.9%       | <u>5,794,356</u>    | <u>(1,369,374)</u>   | -23.6%        |
| 3. Total Purchased Power                      | 6,486,452           | 7,211,634           | (725,182)          | -10.1%       | 11,871,511          | (5,385,059)          | -45.4%        |
| 4. Produced Power                             | <u>4,002,188</u>    | <u>5,407,978</u>    | <u>(1,405,790)</u> | -26.0%       | <u>1,947,489</u>    | <u>2,054,699</u>     | 105.5%        |
| 5. Total Power Cost                           | 10,488,640          | 12,619,612          | (2,130,972)        | -16.9%       | 13,819,000          | (3,330,360)          | -24.1%        |
| <b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>  |                     |                     |                    |              |                     |                      |               |
| 6. Energy Delivery                            | 2,252,271           | 1,706,087           | 546,184            | 32.0%        | 2,095,852           | 156,419              | 7.5%          |
| 7. Transmission                               | <u>1,018,345</u>    | <u>1,009,532</u>    | <u>8,813</u>       | 0.9%         | <u>1,042,747</u>    | <u>(24,402)</u>      | -2.3%         |
| 8. Total O & M Expense                        | 3,270,616           | 2,715,619           | 554,997            | 20.4%        | 3,138,599           | 132,017              | 4.2%          |
| <b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b> |                     |                     |                    |              |                     |                      |               |
| 9. Administration                             | 196,071             | 258,463             | (62,392)           | -24.1%       | 233,961             | (37,890)             | -16.2%        |
| 10. Communication & Corporate Records         | 193,579             | 186,727             | 6,852              | 3.7%         | 230,420             | (36,841)             | -16.0%        |
| 11. Corporate Operations                      | 3,218,736           | 1,067,720           | 2,151,016          | 201.5%       | 3,210,447           | 8,289                | 0.3%          |
| 12. Customer Services                         | 878,684             | 952,768             | (74,084)           | -7.8%        | 1,101,980           | (223,296)            | -20.3%        |
| 13. Financial Services                        | 443,452             | 451,687             | (8,235)            | -1.8%        | 423,444             | 20,008               | 4.7%          |
| 14. Power Supply                              | 375,685             | 383,557             | (7,872)            | -2.1%        | 325,801             | 49,884               | 15.3%         |
| 15. Technology Services                       | <u>705,481</u>      | <u>1,564,121</u>    | <u>(858,640)</u>   | -54.9%       | <u>2,659,067</u>    | <u>(1,953,586)</u>   | -73.5%        |
| 16. Total A & G Expense                       | 6,011,688           | 4,865,043           | 1,146,645          | 23.6%        | 8,185,120           | (2,173,432)          | -26.6%        |
| <b>17. DEPRECIATION</b>                       | <b>3,401,245</b>    | <b>2,974,457</b>    | <b>426,788</b>     | <b>14.3%</b> | <b>2,945,654</b>    | <b>455,591</b>       | <b>15.5%</b>  |
| <b>18. TOTAL OPERATING EXPENSE</b>            | <b>\$23,172,189</b> | <b>\$23,174,731</b> | <b>(\$2,542)</b>   | <b>0.0%</b>  | <b>\$28,088,373</b> | <b>(\$4,916,184)</b> | <b>-17.5%</b> |



**OPERATING EXPENSE STATEMENT**

**YEAR-TO-DATE**

**UNAUDITED**

**DECEMBER 2023**

| DESCRIPTION                                   | YEAR TO DATE  |               | VARIANCE FROM BUDGET |        | LAST YEAR YEAR TO DATE |                | VARIANCE FROM LAST YEAR |  |
|---|---------------|---------------|----------------------|--------|------------------------|----------------|-------------------------|--|
|   | ACTUAL        | BUDGET        | AMOUNT               | %      | ACTUAL                 | AMOUNT         | %                       |  |
| <b>POWER COST</b>                             |               |               |                      |        |                        |                |                         |  |
| 1. SPP Purchased Power                        | \$18,433,442  | \$12,653,395  | \$5,780,047          | 45.7%  | \$27,522,814           | (\$9,089,372)  | -33.0%                  |  |
| 2. Non-Owned Asset Power                      | 57,945,125    | 61,872,075    | (3,926,950)          | -6.3%  | 62,482,458             | (4,537,333)    | -7.3%                   |  |
| 3. Total Purchased Power                      | 76,378,567    | 74,525,470    | 1,853,097            | 2.5%   | 90,005,272             | (13,626,705)   | -15.1%                  |  |
| 4. Produced Power                             | 61,047,656    | 71,700,479    | (10,652,823)         | -14.9% | 74,376,526             | (13,328,870)   | -17.9%                  |  |
| 5. Total Power Cost                           | 137,426,223   | 146,225,949   | (8,799,726)          | -6.0%  | 164,381,798            | (26,955,575)   | -16.4%                  |  |
| <b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>  |               |               |                      |        |                        |                |                         |  |
| 6. Energy Delivery                            | 26,394,160    | 25,077,758    | 1,316,402            | 5.2%   | 22,669,810             | 3,724,350      | 16.4%                   |  |
| 7. Transmission                               | 11,607,878    | 12,109,699    | (501,821)            | -4.1%  | 3,942,508              | 7,665,370      | 194.4%                  |  |
| 8. Total O & M Expense                        | 38,002,038    | 37,187,457    | 814,581              | 2.2%   | 26,612,318             | 11,389,720     | 42.8%                   |  |
| <b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b> |               |               |                      |        |                        |                |                         |  |
| 9. Administration                             | 2,854,786     | 2,910,394     | (55,608)             | -1.9%  | 2,557,563              | 297,223        | 11.6%                   |  |
| 10. Communication & Corporate Records         | 2,439,782     | 2,460,249     | (20,467)             | -0.8%  | 2,463,270              | (23,488)       | -1.0%                   |  |
| 11. Corporate Operations                      | 16,173,067    | 13,091,736    | 3,081,331            | 23.5%  | 14,778,107             | 1,394,960      | 9.4%                    |  |
| 12. Customer Services                         | 11,947,394    | 10,948,439    | 998,955              | 9.1%   | 10,871,729             | 1,075,665      | 9.9%                    |  |
| 13. Financial Services                        | 5,276,347     | 5,307,552     | (31,205)             | -0.6%  | 4,597,458              | 678,889        | 14.8%                   |  |
| 14. Power Supply                              | 4,686,314     | 4,524,349     | 161,965              | 3.6%   | 4,348,550              | 337,764        | 7.8%                    |  |
| 15. Technology Services                       | 15,654,601    | 17,595,879    | (1,941,278)          | -11.0% | 17,026,057             | (1,371,456)    | -8.1%                   |  |
| 16. Total A & G Expense                       | 59,032,291    | 56,838,598    | 2,193,693            | 3.9%   | 56,642,734             | 2,389,557      | 4.2%                    |  |
| 17. DEPRECIATION                              | 35,554,802    | 35,205,149    | 349,653              | 1.0%   | 34,494,817             | 1,059,985      | 3.1%                    |  |
| 18. TOTAL OPERATING EXPENSE                   | \$270,015,354 | \$275,457,153 | (\$5,441,799)        | -2.0%  | \$282,131,667          | (\$12,116,313) | -4.3%                   |  |



**BALANCE SHEET  
DECEMBER 2023**

| 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 |           |
| <b>CURRENT ASSETS:</b>                                       |                        |                          | <b>CURRENT LIABILITIES:</b>  |                        |                          |           |
| 1. Revenue Fund (includes CDFUO)                             | \$97,436,306           | (\$10,366,968)           | <b>OTHER LIABILITIES</b>   |                        |                          |           |
| 2. Payment in Lieu of Tax Fund                               | 12,248,158             | 710,058                  | 1. Accounts Payable  | \$21,640,172           | \$3,510,582              |           |
| 3. Rate Stabilization Fund                                   | 39,244,147             | 1,809,898                | 2. Accrued Payments in Lieu of Taxes   | 13,119,535             | 613,986                  |           |
| 4. Bond Principal & Interest Funds                           | 18,809,828             | 2,057,189                | 3. City Dividend for Utility Ownership Payable                                 | 4,185,556              | 332,996                  |           |
| 5. Other Restricted/Designated Funds (a)                     | 4,106,849              | 231,372                  | 4. Commercial Paper Notes  | 65,500,000             | 0                        |           |
| 6. Restricted/Designated Funds Total                         | 62,160,824             | 4,098,459                | 5. Accrued Software Interest   | 25,826                 | 25,826                   |           |
| 7. Total Current Asset Funds (b)                             | 171,845,288            | (5,558,451)              | 6. Accrued Liabilities   | 16,641,175             | 125,560                  |           |
| 8. Receivables Less Uncollectible Allowance                  | 23,097,498             | (2,550,603)              | 7. Total Other Liabilities   | 121,112,264            | 4,608,950                |           |
| 9. Unbilled Revenue  | 17,618,150             | 2,133,929                | <b>CURRENT LIABILITIES - RESTRICTED ASSETS</b>                                 |                        |                          |           |
| 10. Accrued Interest Receivable                              | 2,292,672              | 851,304                  | 8. Current Portion of Long-Term Debt   | 37,800,000             | 7,265,000                |           |
| 11. Materials, Supplies & Fuel Inventory                     | 31,726,934             | 4,035,524                | 9. Accrued Interest  | 6,375,051              | (63,463)                 |           |
| 12. Plant Operation Assets                                   | 17,789,657             | 4,040,192                | 10. Other Current Liabilities (d)  | 905,416                | (41,503)                 |           |
| 13. Other Current Assets                                     | 4,546,650              | (182,637)                | 11. Total Current Liabilities - Restricted Assets                              | 45,080,467             | 7,160,034                |           |
| 14. Total Current Assets                                     | 268,916,849            | 2,769,258                | 12. Total Current Liabilities  | 166,192,731            | 11,768,984               |           |
| <b>NONCURRENT ASSETS:</b>                                    |                        |                          | <b>NONCURRENT LIABILITIES:</b>   |                        |                          |           |
| 15. Bond Reserve Funds                                       | 9,398,859              | 9,497                    | 13. 2012A Bonds  | 0                      | 0                        |           |
| 16. Self-Funded Benefits Reserve Fund (IBNP)                 | 774,267                | 137,940                  | 14. 2013 Bonds   | 29,065,000             | (16,245,000)             |           |
| 17. Segregated Funds (c)                                     | 15,832,202             | 15,582,202               | 15. 2015A Bonds  | 71,400,000             | (765,000)                |           |
| 18. Restricted Funds Total (b)                               | 26,005,328             | 15,729,639               | 16. 2016 Bonds   | 65,960,000             | 0                        |           |
| 19. Unamortized Debt Expense                                 | 2,081,217              | (348,861)                | 17. 2018 Bonds   | 121,205,000            | 0                        |           |
| 21. Accrued Lease Interest                                   | 85,662                 | 85,662                   | 18. 2020A Bonds  | 72,200,000             | 0                        |           |
| 22. Other Noncurrent Assets                                  | 1,555,243              | 278,719                  | 19. 2020B Bonds  | 171,625,000            | (13,525,000)             |           |
| 23. Total Noncurrent Assets                                  | \$36,928,856           | \$15,825,808             | 20. Total Revenue Bonds  | 531,455,000            | (30,535,000)             |           |
| <b>CAPITAL ASSETS:</b>                                       |                        |                          | 21. Less Current Maturities  | 37,800,000             | 7,265,000                |           |
| 24. Utility Plant in Service                                 | 1,842,990,235          | 32,347,496               | 22. Less Unamortized Discounts/Premiums  | (34,654,594)           | 6,027,997                |           |
| 25. Accumulated Depreciation & Amortization                  | (935,838,485)          | (29,128,832)             | 23. Note Purchase Agreement  | 0                      | 0                        |           |
| 26. Construction Work in Progress                            | 104,731,744            | 12,800,717               | 24. Revolving Credit Agreement   | 0                      | 0                        |           |
| 27. Total Capital Assets                                     | 1,011,883,494          | 16,019,381               | 25. Net Long Term Debt   | 528,309,594            | (43,827,997)             |           |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                       |                        |                          | 26. Liabilities Payable from Segregated Funds (e)                              | 15,832,090             | 15,582,090               |           |
| 28. Deferred Loss on Refunded Debt                           | 8,127,225              | (1,293,315)              | 27. Asset Retirement Obligation  | 5,190,120              | 2,009,954                |           |
| 29. Deferred Costs for Asset Retirement Obligations          | 5,190,120              | 2,009,954                | 28. Software Liabilities   | 1,439,500              | 1,439,500                |           |
| 30. Total Deferred Outflows of Resources                     | 13,317,345             | 716,639                  | 29. Other Noncurrent Liabilities   | 35,653,164             | 13,765                   |           |
|  |                        |                          | 30. Total Liabilities  | 752,617,199            | (13,013,704)             |           |
|  |                        |                          | <b>DEFERRED INFLOWS OF RESOURCES:</b>  |                        |                          |           |
|  |                        |                          | 31. Deferred Inflow of Resource  | 6,827,492              | (62,688)                 |           |
|  |                        |                          | 32. Total Deferred Inflows of Resources  | 6,827,492              | (62,688)                 |           |
|  |                        |                          | <b>NET POSITION:</b>   |                        |                          |           |
|  |                        |                          | 33. Net Investment in Capital Assets   | 395,812,715            | 49,659,952               |           |
|  |                        |                          | 34. Restricted for Debt Service  | 12,640,940             | 2,391,739                |           |
|  |                        |                          | 35. Restricted for Employee Health Insurance Claims                            | 2,945,206              | 89,216                   |           |
|  |                        |                          | 36. Unrestricted   | 160,202,992            | (3,733,429)              |           |
|  |                        |                          | 37. Total Net Position   | 571,601,853            | 48,407,478               |           |
|  |                        |                          |  |                        |                          |           |
| <b>31. TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b> | <b>\$1,331,046,544</b> | <b>\$35,331,086</b>      | <b>38. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b> | <b>\$1,331,046,544</b> | <b>\$35,331,086</b>      |           |



**STATEMENT OF CASH FLOWS  
DECEMBER 2023**

**UNAUDITED**

|  | CURRENT MONTH        | YEAR-TO-DATE         |
|--|----------------------|----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>  |                      |                      |
| 1. Received from Sales to Customers and Users  | \$11,843,042         | \$355,747,812        |
| 2. Sales Tax Receipts  | \$1,171,115          | \$16,127,199         |
| 3. Paid to Suppliers for Goods & Services  | (\$12,916,195)       | (\$224,493,230)      |
| 4. Paid to Employees for Services  | (\$1,464,518)        | (\$18,100,410)       |
| 5. Payments for Sales Tax  | (1,145,113)          | (16,168,706)         |
| <b>6. Cash Flow from Operating Activities (a)</b>  | <b>(2,511,669)</b>   | <b>113,112,665</b>   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |                      |                      |
| 7. Payment in Lieu of Tax  | 0                    | (12,740,315)         |
| 8. City Dividend for Utility Ownership Payments  | 0                    | (11,557,680)         |
| 9. Other   | 0                    | 0                    |
| <b>10. Cash Flow from (used for) Noncapital Financing Activities</b>   | <b>0</b>             | <b>(24,297,995)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                      |                      |
| 11. Net (Purchases) Sales of Investments   | (7,407,303)          | 4,057,699            |
| 12. Interest Income  | 2,582,597            | 9,457,401            |
| <b>13. Cash Flow from (used for) Investing Activities</b>  | <b>(4,824,706)</b>   | <b>13,515,100</b>    |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>   |                      |                      |
| 14. Acquisition and Construction of Capital Assets   | (9,589,022)          | (51,830,520)         |
| 15. Salvage on Retirement of Plant   | 2,211                | 222,264              |
| 16. Cost of Removal of Property Retired  | (335,115)            | (2,663,823)          |
| 17. Debt Issuance Cost Paid  | 0                    | 0                    |
| 18. Debt Premiums Collected  | 0                    | 0                    |
| 19. Net Capital Contributions  | (403,212)            | 1,470,036            |
| 20. Capital Contributions Recv'd in Advance  | 16,060,010           | 16,060,010           |
| 21. Cash Received from Leases  | 87,706               | 529,630              |
| 23. Net Proceeds from Issuance of Long-Term Debt   | 0                    | 0                    |
| 24. Principal Payments on Long-Term Debt   | 0                    | (30,535,000)         |
| 25. Interest Payments on Debt  | (30,685)             | (20,978,906)         |
| <b>26. Cash Flow from (used for) Capital Financing Activities</b>  | <b>5,791,893</b>     | <b>(87,726,309)</b>  |
| 26. Cash Flow from (used for) Capital Financing Activities   | (1,544,482)          | 14,603,461           |
| 27. Net Increase (Decrease) in Cash and Cash Equivalents   | 36,937,783           | 20,789,840           |
| <b>28. Cash and Cash Equivalents Beginning of Period</b>   | <b>\$35,393,301</b>  | <b>\$35,393,301</b>  |
| <b>STATEMENT OF CASH FLOW FOOTNOTES</b>  |                      |                      |
| <b>(a) Reconciliation of operating income to cash flows from operating activities</b>                                      |                      |                      |
| 1. Net Operating Revenue   | \$4,758,350          | \$80,013,983         |
| 2. Noncash items included in operating income  | 3,500,405            | 36,622,319           |
| 3. Changes in Assets & Liabilities Increase/(Decrease)   | (10,770,424)         | (3,523,637)          |
| <b>4. Net cash flows from operating activities</b>   | <b>(\$2,511,669)</b> | <b>\$113,112,665</b> |
| <b>(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.</b> |                      |                      |



**DEBT SERVICE COVERAGE**

**DECEMBER 2023**

**UNAUDITED**

| DESCRIPTION                               | ----- CURRENT MONTH ----- |                     |                     | ----- YEAR-TO-DATE ----- |                     |                     |
|---|---------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|
|   | ACTUAL<br>THIS YEAR       | BUDGET<br>THIS YEAR | ACTUAL<br>LAST YEAR | ACTUAL<br>THIS YEAR      | BUDGET<br>THIS YEAR | ACTUAL<br>LAST YEAR |
| 1. Total Operating Revenues               | \$27,930,539              | \$27,891,551        | \$28,058,147        | \$350,029,337            | \$347,751,400       | \$361,382,643       |
| 2. Total Operating Expenses               | 23,172,189                | 23,174,731          | 28,088,373          | 270,015,354              | 275,457,153         | 282,131,667         |
| 3. Less Depreciation                      | (3,401,245)               | (2,974,457)         | (2,945,654)         | (35,554,802)             | (35,205,149)        | (34,494,817)        |
| 4. Operating Expense Net of Depreciation  | 19,770,944                | 20,200,274          | 25,142,719          | 234,460,552              | 240,252,004         | 247,636,850         |
| 5. Net Operating Revenue for Debt Service | 8,159,595                 | 7,691,277           | 2,915,428           | 115,568,785              | 107,499,396         | 113,745,793         |
| 6. Interest Income (a)                    | 2,273,980                 | 113,647             | 1,240,061           | 8,472,065                | 1,428,459           | 2,968,444           |
| 7. Other Income                           | 90,522                    | 0                   | 0                   | 577,260                  | 0                   | 0                   |
| 8. Rate Stabilization Fund                | 0                         | 0                   | 0                   | 0                        | 0                   | 0                   |
| <b>9. AVAILABLE FOR DEBT SERVICE</b>      | <b>10,524,097</b>         | <b>7,804,924</b>    | <b>4,155,489</b>    | <b>124,618,110</b>       | <b>108,927,855</b>  | <b>116,714,237</b>  |
| <b>10. DEBT SERVICE (b)</b>               | <b>\$4,682,119</b>        | <b>\$4,682,133</b>  | <b>\$4,120,301</b>  | <b>\$51,690,846</b>      | <b>\$51,690,846</b> | <b>\$50,225,539</b> |
| <b>11. DEBT SERVICE COVERAGE</b>          | <b>2.25</b>               | <b>1.67</b>         | <b>1.01</b>         | <b>2.41</b>              | <b>2.11</b>         | <b>2.32</b>         |

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.