

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, October 20, 2023, at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on September 8, 2023.

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

Board Members Absent: David Spinar

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Jason Fortik, Lisa Hale, Kelley Porter, Jim Rigg, Wade Leibbrandt, Mike Murphy, Keith Snyder, Katrinka Dicke, Trish Owens, and Robbie, Seybert.

Others Present: There were numerous virtual participants via Microsoft Teams

News Media Present: None

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

Chair Andrew Hunzeker stated that he needed a motion to amend the agenda to add Committee Reports as Item number 4. Carl Eskridge moved to amend the agenda. Eric Schafer seconded the motion. The vote for the approval to amend the agenda was: **Amendment to Agenda**

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

Nay: None

Absent: David Spinar

Chair Andrew Hunzeker requested approval of the meeting minutes of September 13,14,15, and 29, 2023. Lucas Sabalka moved their approval. Carl seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

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

Nay: None

Absent: David Spinar

Ken Winston, representing Nebraska Interfaith Power & Light and the Nebraska Sierra Club, congratulated the Board on the hiring of the new CEO. He also stated their continued support for the Sustainable Energy Program, the 2024 LES Budget, and the Energy Assistance Program.

Comments from Customers

Carl Eskridge, Chair of the Finance & Audit Committee reported on Committee discussions. Carl reported the third quarter 2023 financial results and year end forecast were reviewed and the financial metrics are currently expected to be favorable to budget at year-end. Other items of discussion included: 1) Internal Audit for third quarter; 2) review of the 2024 internal audit plan, and 3) overview of LES' property and casualty insurance. (Exhibit I)

**Finance & Audit
Committee Report**

Emily Koenig, Vice President, and CFO presented LES' 2024 proposed Operating and Capital Budget and Rates. (Exhibit II)

**Consideration of 2024 LES
Operating and Capital
Budget**

Koenig stated that a variety of efforts are made to share the budget and rates message through communication channels, customer communications, and meetings. Customer comments were sparse, but mainly positive.

The proposed 2024 budget of \$361.7 million includes an operating budget of \$283.2 million and a capital budget of \$78.6 million. The 2024 budget assumes a systemwide rate increase of 3.7 percent. The rate increase is primarily driven by increases in net power costs of \$2.3 million and employee costs increasing by \$8.7 million due to investments in employee recruitment and retention.

Koenig stated that part of the budget process this year was a capital budget authorization change. The goal is to switch from an annual capital budget authorization to a project-based authorization. LES staff will continue to work with the City to finalize the update to section 4.24.090 of the Lincoln Municipal Code by early next year.

Lucas Sabalka moved the adoption of LES Resolution 2023-13 – LES 2024 Operating and Capital Budget. (Exhibit III) Carl Eskridge seconded the motion. The vote for the adoption of the resolution was:

**Approval of LES 2024
Operating and Capital
Budget Resolution 2023-13**

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

Nay: None

Absent: David Spinar

Lucas Sabalka moved the adoption of LES Resolution 2023 -14 approval of LES 2024 Rates. (Exhibit IV). Kate Bolz seconded the motion. The vote for the adoption of the resolution was:

Approval of LES 2024 Rates Resolution 2023-14

Aye: Kate Bolz, Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Lucas Sabalka, Eric Schafer

Nay: Chelsea Johnson

Absent: David Spinar

Jason Fortik, Vice President, Power Supply, provided the Power Report for third quarter of 2023. (Exhibit V)

Third Quarter 2023 Power Supply Report

According to the report, net power costs in the third quarter are about \$9.7M or 11.8% below budget. Natural gas prices remained well below budget as well. Also, Lincoln's market electricity prices dropped below budget during Quarter three. Temperatures trended above average later in the third quarter.

Fortik reported that LES exceeded its previous system peak of 786 MW from August 2011 in both July and August. The new system peak of 819 MW on August 22nd is about a four percent increase from the 2011 peak.

Fortik stated the control area energy consumption was 32 GWh or 3.1 percent below budget for the third quarter: 1) renewable energy production was about nine percent below expectations; 2) coal resource production was about 5 percent above expectations; 3) and natural gas resource production was 22 percent above expectations due to increased market dispatch of the Rokeby and J Street generators.

Fortik reported that TBGS 3 & 4 remained in outage and offsite at the OEM's repair depot during quarter three. WS 4 and GGS1 both experienced boiler tube leaks, and LRS 1 had coal pulverizer and boiler water wall tube leak issues.

Fortik reported the 2023 Market Energy Metrics for July through September.

Emily Koenig, Vice President, and CFO, gave a year-to-date financial update. (Exhibit VI) Results are favorable due primarily to lower than budgeted net power costs and interest income.

Third Quarter 2023 Financial Review

Koenig noted that retail revenue was slightly under budget; Lower energy use by commercial customers was offset by higher energy use by residential customers. Lower than budgeted net power costs drove positive financial results. Net

revenues for year-end are forecasted to be above budget. Projections indicate a year-end capital forecast that is \$0.7M below budget. Finally, year-end financial metrics are forecasted to be favorable to budget.

Kevin Wailes, CEO, discussed Key Performance Indicators for the second quarter of 2023. (Exhibit VII) Financial and Power Supply Indicators were positive. Suspicious Emails, Cyber Events Reported and Cyber Security Risk Assessments were a little more than previous year. SEP demand reduction number is more favorable than previous year. LES' average speed of answering calls is better than forecast, and our outage average time per customer is very favorable.

2023 Third Quarter Key Performance Indicators

Jason Fortik, Vice President, Power Supply presented the Nebraska Power Association 2023 Load & Capability Report. (Exhibit VIII) Nebraska's average annual demand growth rate is 1.5 percent per year from 2023 through 2042. This is much higher than the 0.4 percent growth rate shown in last year's report due to modifications in the methods for including large loads. There are 9,924 MW (nameplate) and 7,689 MW (accredited) in the resource mix. In 2022, about sixty percent of the electrical energy produced in Nebraska came from coal, nineteen percent from wind, and seventeen percent from nuclear.

2023 Nebraska Power Association Load & Capability Report

During winter conditions, about fifteen percent of Nebraska's generators are capable of utilizing dual fuels. Approximately sixty-four percent of Nebraska's generators have in in service more than forty years. The Nebraska utilities have about 2,662 MW (accredited) of new electrical generation being evaluated in various stages of the planning process.

Nebraska meets its Southwest Power Pool reserve margin requirements with existing and committed resources through 2026. The new generation being evaluated should keep Nebraska above the Southwest Power Pool's summer generation margin until 2038.

Several Nebraska utilities have adopted decarbonization goals. The goals have implantation dates that range from 2040-2050 and all are generally based around the concept of net-zero carbon dioxide emissions.

Robbie Seybert, Manager of Human Services, reviewed the LES Employment Agreement for Ameka Anyanwu the newly appointed CEO. (Exhibit IX) Mr. Anyanwu will begin working on January 2, 2024, with a salary of \$610,000.

LES CEO Employment Agreement Resolution 2023-15

Lucas Sabalka moved the adoption of LES Resolution 2023-15 – LES CEO Employment Agreement. Carl Eskridge seconded the motion. The vote for the adoption of the resolution was:

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

Nay: None

Absent: David Spinar

The Revenue and Expense Statements and Financial and Operating Statements for September 2023 are available. The Power Supply Division Monthly Reports for September 2023 are also available. (Exhibit X) **Monthly Financial & Power Supply Reports**

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

Without further business before the Board, Chair Hunzeker declared the meeting adjourned at approximately 11:00 a.m. **Adjournment**

Lucas Sabalka, Secretary

BY: Katrinka Dicke
Katrinka Dicke
Assistant Secretary

Exhibit I



Finance & Audit Committee – October 20, 2023

Attendees: C. Eskridge (Chair), E. Schafer, A. Hunzeker K. Wailes, S. Sahling Zart, E. Koenig, D. Auman, B. Willnerd, *Absent – D. Spinar,*

Third Quarter 2023 Financial Review and 2023 Forecast (Emily)

Emily will be making a presentation on Third Quarter Financials during the Board meeting

- The third quarter 2023 financial results and year end forecast were reviewed with the committee.
- Financial metrics are currently expected to be favorable to budget at year-end due primarily to lower than budget net power costs.

1. Internal Audit Third Quarter Report (David)

- Internal Auditing presented the third quarterly report for 2023. This included a review of the following completed audits:
 - First Quarter of 2023 Purchasing Card Audit
 - Energy Delivery Transmission and Distribution Outage Recovery Plan Audit
 - Meter Services Audit
 - Gerald Gentleman Billings Onsite Audit for the fiscal year ending December 31, 2022
 - LES/DEC Intercompany Purchasing Card Purchases Audit
 - Follow Up Report on Open Audit Recommendations as of September 30, 2023
- The Gerald Gentleman Audit did not have any findings or recommendations associated with the audit. All other audits had minor findings and recommendations.
- Good progress continues to be made on the open recommendations.

3. Review of Internal Audit 2024 Audit Plan (David)

- Internal Auditing presented the first draft of the 2024 Internal Auditing Plan for the committee to review and provide feedback.

4. Overview of LES Property/Casualty Insurance (Bryan)

- A summary of the LES property and casualty insurance renewals for 2023 was provided to the committee.
- Overall, LES stand-alone policy premiums increased by approximately \$80K from 2022.
- Property insurance premiums are responsible for most of the increase due to property value increases and continued inflationary pressures.
- All policy limits and retentions remained unchanged from 2022, with minor policy wording changes.

Exhibit II

2024 Proposed Budget & Rates

LES Administrative Board

October 20, 2023

Emily N. Koenig
CFO & Vice President of Financial Services



LES.com

A variety of efforts are made to share the budget and rates message

Communication channels:

- LES.com
- Message on LES bill
- Lincoln Journal Star
- Board & Customer Meetings
- News Releases
- Social Media

Customer communications and meetings:

- Business Advisory Council – 9/22
- Lincoln Journal Star Editorial Board – 10/4
- Public meeting – 10/5
- LIBA – 10/5
- Key Accounts - various
- LES Call Center – ongoing

Customer comments have been sparse, but mainly positive

Virtual Public Meeting

- One customer attended virtually
- Questions regarding SEP and Payroll & Benefits
- No in-person attendees

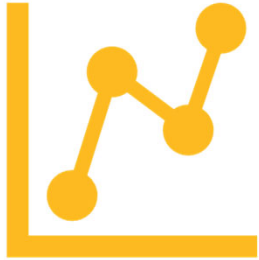
Key Account Customer Contacts

- Feedback includes:
 - *“Thank you for sharing this information with us”*
 - *“I am really grateful for the heads up”*
 - *“Thank you, I appreciate the information”*
 - *Many other “thanks” for the information*
 - *No negative feedback received*

Other

- Letter to the Lincoln Journal Star Editor
- One Customer Email

2024 Budget & Rates at a Glance

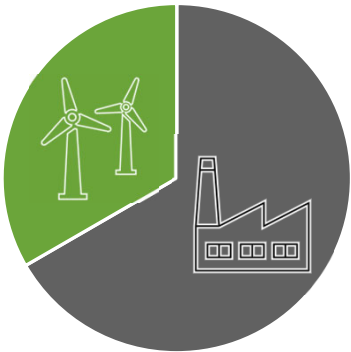


Cost increases result in a 2024 deficit of **\$10.8M**



A **3.7%** system-wide rate increase is required to meet financial metrics

Net Power Cost increased **\$2.3M**



LES' cost to generate and purchase electricity decreased **\$2.6M**; Wholesale revenue decreased **\$4.9M**

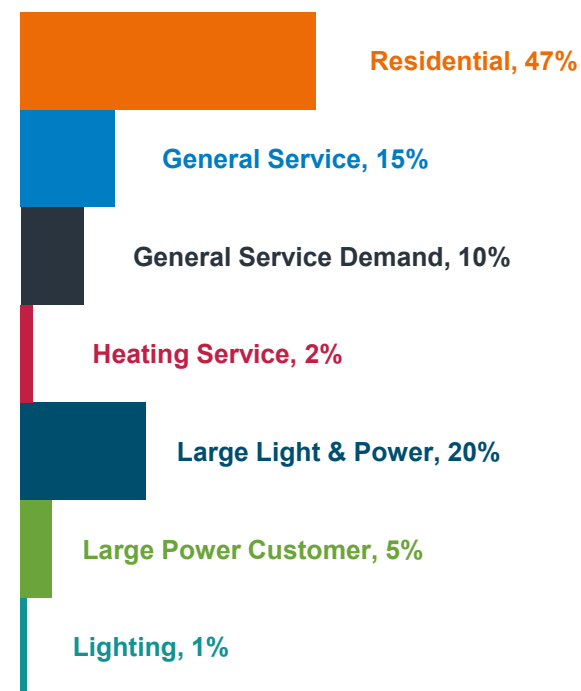


Employee costs increasing **\$8.7M** due to investments in employee recruitment and retention

Proposed rate increases vary slightly by rate class

Rate Class	2024 Rate Increase	2024 Cost of Service	2023 Cost of Service
Residential	3.7%	99.1%	97.4%
General Service	4.2%	100.2%	101.2%
General Service Demand	4.6%	99.4%	99.5%
Heating Service	7.2%	75.5%	86.0%
Large Light & Power	2.1%	107.2%	108.9%
Large Power Customer	4.3%	101.2%	102.6%
Lighting	7.8%	86.2%	69.9%
Total Retail System	3.7%	100%	100%

Percent of Retail Revenue



Rate Targets = 95% to 105% Cost of Service

Capital Budget Authorization Change

- Proposed update to section 4.24.090 – Budget; Expenditures of the Lincoln Municipal Code
- Goal to switch from an annual capital budget authorization to a project-based authorization
- Present to the City Council for action at the same time as 2024 Budget & Rates
 - Take effect for the 2025 Capital Budget

Capital Authorization Example of New Process

SAMPLE NUMBERS – NOT REFLECTIVE OF ACTUAL AMOUNTS

Capital Authorization	Approved Authorization	Life-to-Date Spend 12/31/2024	Remaining	2025 Funds Request	Total Authorization
Capital Projects					
New				\$39,000,000	\$39,000,000
Updated	\$49,500,000	\$8,000,000	\$41,500,000	\$21,500,000	\$71,000,000
Completed	\$19,000,000	\$18,500,000	\$500,000		
Total Capital Projects	\$68,500,000	\$26,500,000	\$42,000,000	\$60,500,000	\$110,000,000
Capital Foundation Work					
Distribution	\$25,000,000	\$24,500,000	N/A	\$24,500,000	\$24,500,000
Generation	\$9,000,000	\$8,000,000	N/A	\$10,500,000	\$10,500,000
Total Capital Foundation Work	\$34,000,000	\$32,500,000	N/A	\$35,000,000	\$35,000,000
Total Capital Authorization				\$95,500,000	\$145,000,000

Capital Authorization – Municipal Code Proposed Changes

4.24.090 Budget; Expenditures.

~~Effective January 1, 1981, the~~The fiscal and budget year for the Lincoln Electric System shall begin on the first day of January of each year and shall end on the last day of December of that year. The Board shall prepare annually a proposed budget for the ~~operation of the~~Lincoln Electric System: to include an operating budget for the ensuing budget year and a capital budget that sets forth a schedule of capital improvements that will be undertaken in any of the succeeding two (2) years. The ~~annual~~ budget shall be a complete financial plan for the ensuing budget year ~~and~~. The unencumbered balances of operating appropriations shall consist of an operating budget lapse at the end of the fiscal year. Unencumbered capital appropriations shall be continuing appropriations, and a capital budget.the Board may transfer the unencumbered balances of such capital appropriations to other budgeted LES capital appropriations. Not later than forty days prior to the beginning of the fiscal and budget year, the Board shall submit its proposed budget to the Council for its consideration and action. Upon submission, the budget shall become a public record and shall be open to inspection. The Council shall determine the time and place at which it will hold a public hearing on the proposed budget. The date for the public hearing shall be scheduled for not later than ten days prior to the budget adoption date. The Council shall have full power at any time prior to the adoption of the budget to revise revenue estimates and to increase or decrease the proposed appropriation. Not later than five days prior to the end of the LES fiscal and budget year, the Council shall, by a vote of four of its members, adopt a budget by resolution and thereby authorize an appropriation for the ensuing budget year. Should the Council fail to adopt a Lincoln Electric System budget on or before the prescribed budget adoption date, the budget proposed by the LES Administrative Board shall be deemed to have been adopted by the Council and shall become the basis of expenditure during the ensuing budget year. All monies received and set apart for the operation and maintenance of the Lincoln Electric System, and all monies received from any source that are required to be applied to the costs of said operation and maintenance, shall be deposited in its operation and maintenance account and paid out upon the order of those persons designated by the Lincoln Electric System Administrative Board. The Board of the Lincoln Electric System shall have the control over the expenditure of all funds budgeted for the Lincoln Electric System. (Ord. [17103](#) §6; December 2, 1996: prior Ord. [15434](#) §9; February 12, 1990: P.C. §2.55.090: Ord. 12887 §1; March 31, 1980: ~~Ord.~~ 10081 §8; November 30, 1970).

2024 Operating & Capital Budget Resolution 2023-13

2024 Budget	
Operating Budget	\$283.2M
Capital Budget	\$78.6M
Total	\$361.7M

Resolution includes the following provisions:

- Adopt 2024 Operating & Capital Budget
- Provide LES ability to reimburse itself for capital expenditures through the future issuance of bonds
- Provide continued eminent domain authority
- Change in capital budget authorization to project based
- Submission of budget to the City Council for action

2024 Retail Rates Resolution 2023-14

Resolution includes the following provisions:

- Adopt 2024 Retail Rate Schedules, which include
 - A system-wide 3.7% rate increase
 - Revenue neutral changes to Residential rates to align fixed costs with fixed charges
 - Minor clarifying changes to payment terms for large customers
 - Service fee changes
- Submission of retail rates to the City Council for action

Dates	Action Item
✓ August 24	Budget & Rates Committee meeting
✓ September 6	Budget & Rates Committee meeting
✓ September 15	Board meeting – 2024 Budget & Rates presentation
✓ September 18	Begin customer outreach
✓ TBD (Sept 18-Oct 10)	Customer meetings (LIBA, LJS, Chamber, Other) as requested
✓ September 22	Large Business Advisory Council
✓ October 5	Public meeting on proposed 2024 Budget & Rates
✓ October 11	Budget & Rates Committee – <i>provided info via email</i>
☐ October 20	Board meeting – action on 2024 Budget and Rates
☐ October 23 - October 27	Individual meetings with City Council members (as requested)
☐ October 30, 5:30 pm	City Council first reading on 2024 Budget & Rates
☐ November 6, 3:00 pm	City Council public hearing on 2024 Budget & Rates
☐ November 20, 5:30 pm	City Council takes action on 2024 Budget & Rates

Exhibit III



Lincoln Electric System

LES RESOLUTION 2023-13

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop and recommend to the City Council of the City of Lincoln (City) for its consideration and action a proposed annual budget for the operation of LES consisting of an operating budget and a capital budget;

WHEREAS, the LES Administrative Board is charged with the responsibility for the control and management of the personnel, property, facilities, equipment, and finances of LES and annually approves the Operating and Capital Budget to guide the financial and operational activities during the upcoming year;

WHEREAS, the Proposed Budget consists of the 2024 LES Operating Budget in the amount of \$283,181,000 and the Proposed 2024 LES Capital Budget in the amount of \$78,556,000 which was reviewed with the Budget & Rates Committee of the LES Administrative Board;

WHEREAS, the Budget & Rates Committee met and reviewed the Proposed Operating and Capital Budget on August 24, 2023 and September 6, 2023 and were also provided customer feedback for consideration and are recommending it to the full Administrative Board for adoption;

WHEREAS, the LES Administrative Board reviewed the Operating and Capital Budget on September 15, 2023, and has been provided customer feedback on the Operating and Capital Budget for review and consideration;

WHEREAS, LES staff provided customer information and outreach on the proposed 2024 Operating and Capital Budget throughout the period September 15, 2023 to October 19, 2023, including a public meeting, with a virtual option, on the Proposed Operating and Capital Budget on October 5, 2023;

WHEREAS, LES has the obligation to make capital improvements necessary to maintain the electric system in good working order and repair, and;

WHEREAS, those expenditures are made from revenues and may be reimbursed to the LES revenue fund or other funds from the issuance of LES electric system revenue obligations;

WHEREAS, obtaining right-of-way is an ongoing and necessary process for construction of transmission and distribution facilities that are identified in capital improvement budgets, the implementation of which on occasion requires the use of eminent domain requiring Lincoln City Council approval;

WHEREAS, LES desires a change to Lincoln Municipal Code Chapter 4.24.010 to provide for a project-based capital budget authorization to provide necessary flexibility to deal with the challenges of supply chain issues and inflationary cost increases that impact multi-year capital projects, among other reasons.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the recommendation of the Budget & Rates Committee, the LES Administrative Board hereby adopts the 2024 LES Operating and Capital Budget in the total amount of \$361,737,000 and directs the LES Chief Executive Officer to transmit said documents to the Lincoln City Council for its consideration and approval.

BE IT FURTHER RESOLVED, that to the extent capital improvements of LES are made from LES revenues, it is intended that the amount of such expenditures, which is not reasonably expected to exceed \$95 million, shall be reimbursable to the LES revenue fund and other funds through the issuance of future electric system revenue obligations, there being no funds of LES or the City reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures other than pursuant to the issuance of such electric system revenue obligations, this Resolution being determined to be consistent with the budgetary and financial circumstances of LES and the City as they exist or are reasonably foreseeable on the date hereof. The proper officers of LES shall keep and maintain records at least annually to determine the amount of such capital expenditures that may be reimbursed from electric system revenue bond proceeds.

BE IT FURTHER RESOLVED, that the LES Administrative Board recommends approval of an amendment to Lincoln Municipal Code Chapter 4.24.010 to authorize project-based capital budget authorization for LES.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby requests that the Lincoln City Council give LES ongoing eminent domain authority for those projects identified in the LES Budget.


Chair

Adopted: October 20, 2023

Exhibit IV



Lincoln Electric System

LES RESOLUTION 2023-14

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop and recommend to the Lincoln City Council Rate Schedules for retail electric service to ratepayers in the LES service area;

WHEREAS, LES staff is proposing several changes to the LES Rate Schedules which are identified in the attached document, including, a) a 3.7% system-wide average retail electric rate increase, b) changes to rate schedules for Residential rates to improve alignment between fixed and variable costs and rates and which are revenue neutral to LES, c) an increase of the maximum megawatts for Tier 2 Renewable Generation Energy Payments to 5 megawatts, d) service fee changes and e) clarifying changes to payment terms for large customers;

WHEREAS, LES staff provided customer information and outreach on the proposed changes to the LES Rate Schedules throughout the period of September 15, 2023 to October 19, 2023;

WHEREAS, a public meeting, with a virtual option, on the proposed 2024 Budget and related changes to the LES Rate Schedules was held on October 5, 2023 to receive public input regarding these items;

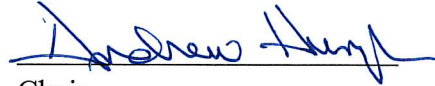
WHEREAS, the LES Administrative Board has reviewed the 2024 Budget and the cost analysis with LES staff and has determined that there is sufficient justification for such change in rates including the 3.7% system-wide average retail electric rate increase, the continuation of the alignment in the Residential fixed and variable costs, an increase of the maximum megawatts for Tier 2 Renewable Generation Energy Payments to 5 megawatts, service fee changes and clarifying language to payment terms for large customers.

WHEREAS, it has been determined that said recommendations are consistent with the LES financial targets and the requirements of the City of Lincoln's Bond Ordinance for LES.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts and approves the recommended changes to the LES Rate Schedules, attached in substantially complete form, which includes, but is not limited to, a) a 3.7% system-wide average retail electric rate increase, b) changes to rate schedules for Residential rates to improve alignment between fixed and variable costs and rates and which are revenue neutral to LES, c) the increase of the maximum megawatts for Tier 2 Renewable Generation Energy Payments to 5 megawatts,

d) service fee changes and e) clarifying language to payment terms for large customers, all changes to be effective January 1, 2024;

BE IT FURTHER RESOLVED, that the LES Administrative Board directs the LES Chief Executive Officer to submit the LES Rate Schedules to the Lincoln City Council for its consideration and approval.

A handwritten signature in blue ink, appearing to read "Andrew Hays", written over a horizontal line.

Chair

Adopted: October 20, 2023

Exhibit V

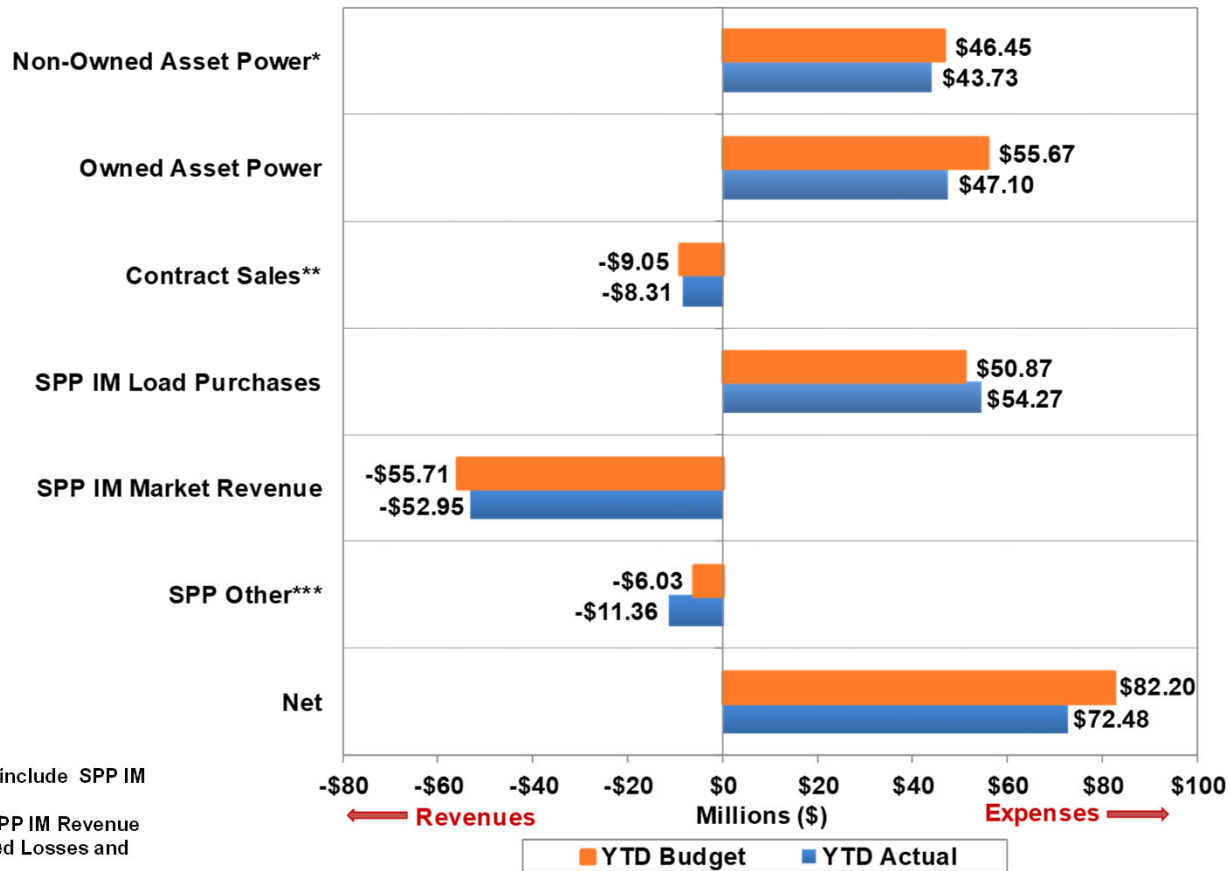
Power Supply Division 2023 Third Quarter Update

October 20, 2023

Jason Fortik
Vice President, Power Supply

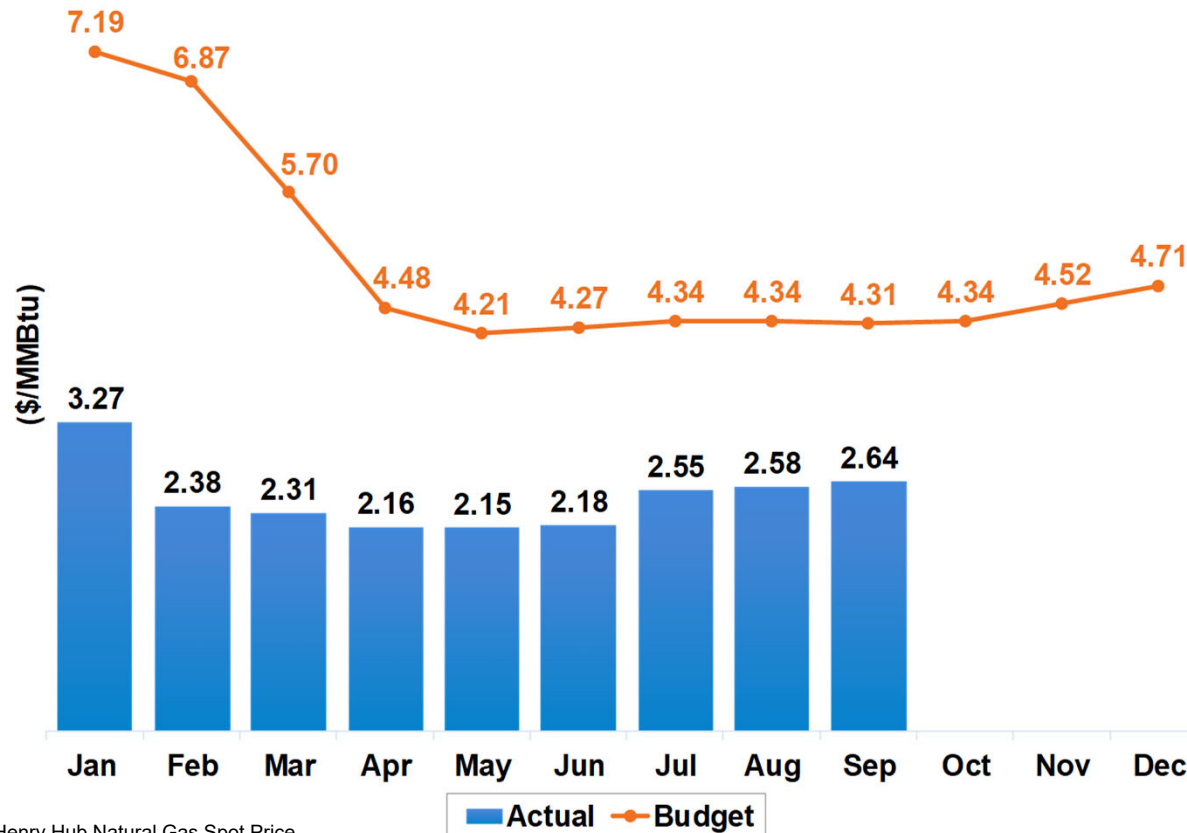


YTD 2023 Net Power Costs are about \$9.7M (11.8%) below Budget. Lower than Budget generation expenses and higher transmission related revenues continued to offset higher energy purchase expenses and reduced market revenues.



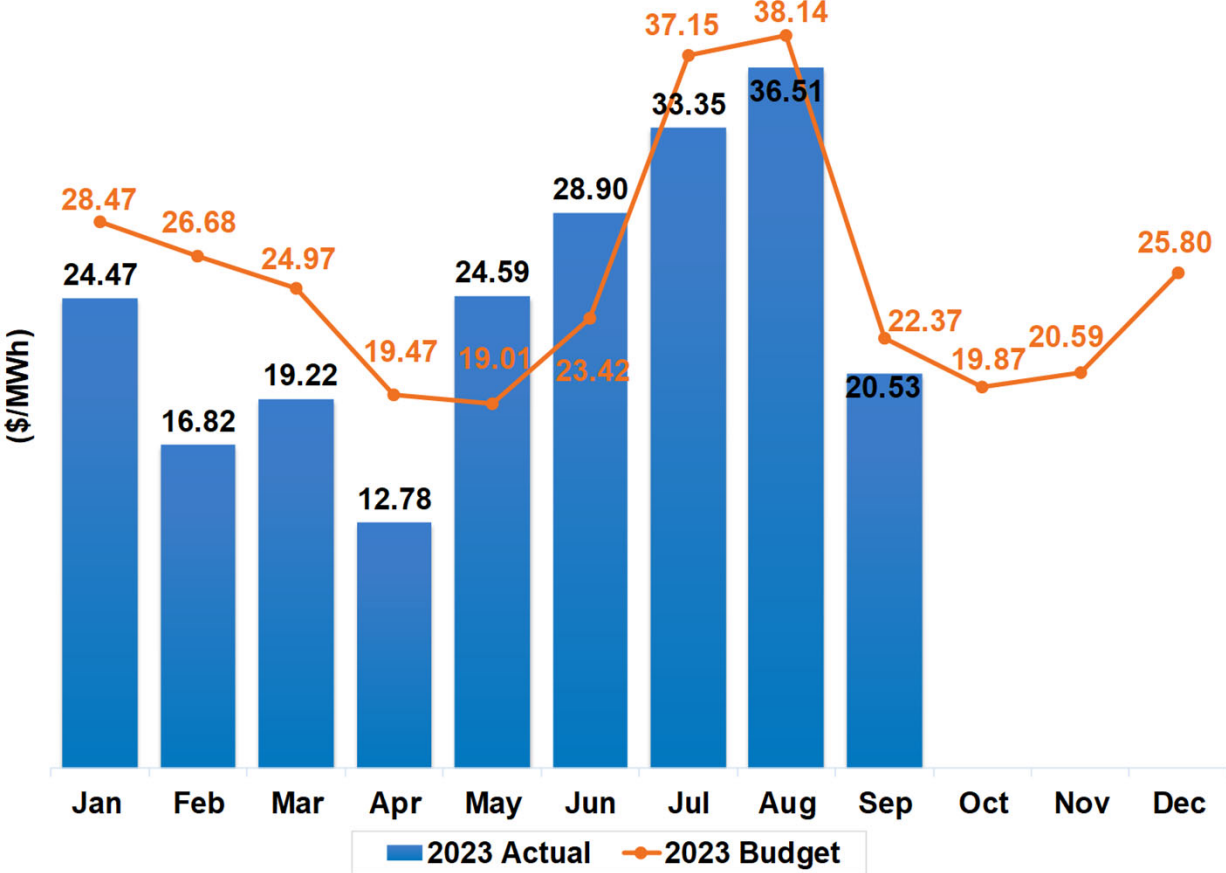
*Non-Owned Asset Power does not include SPP IM Purchased
 **Contract Sales does not include SPP IM Revenue
 ***SPP Other includes Over-Collected Losses and ARR's/TCR

Natural gas prices remained well below Budget in Q3. High domestic production levels, moderate LNG export quantities, and manageable consumption levels for electric generation have kept the quarterly natural gas prices relatively low.

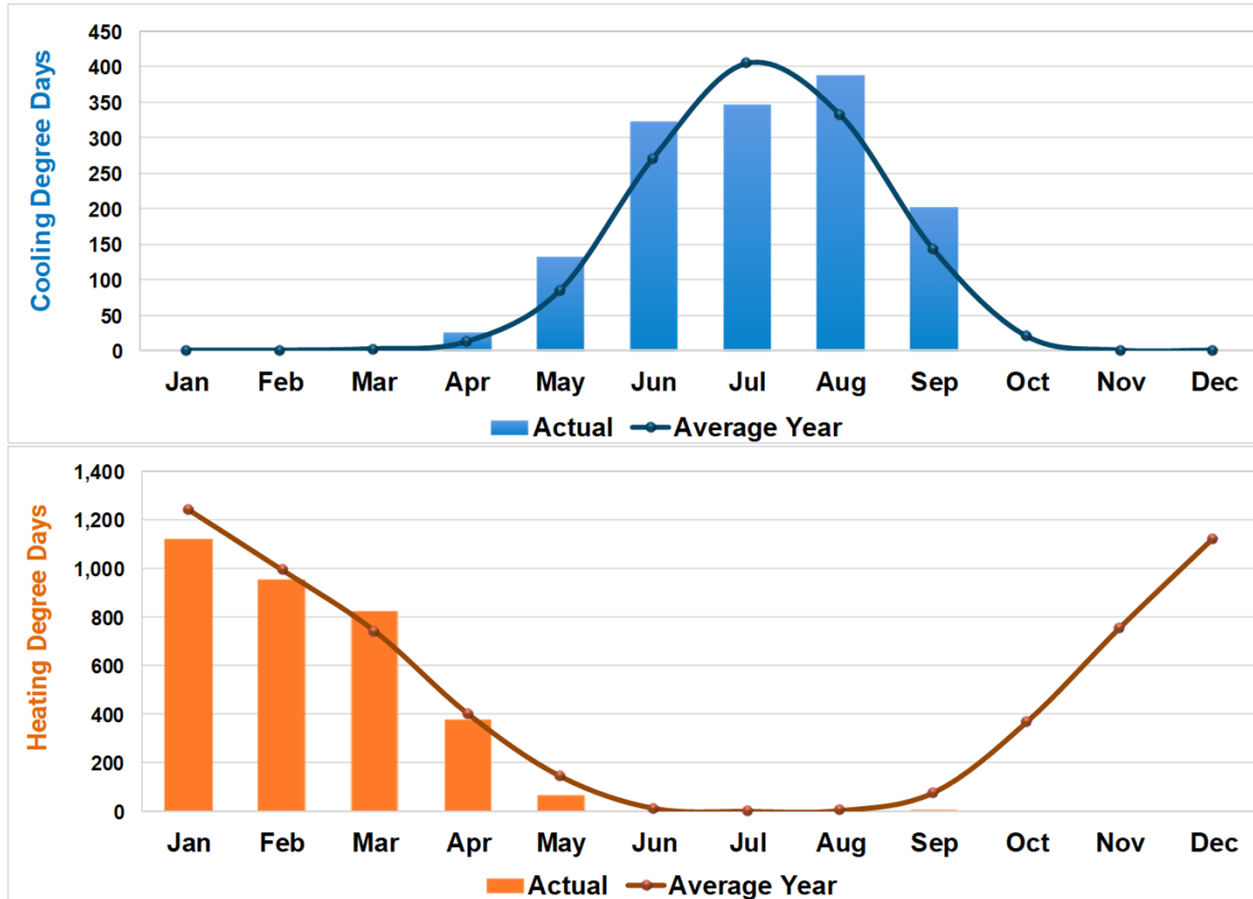


Source: U.S. Energy Information Administration – Henry Hub Natural Gas Spot Price

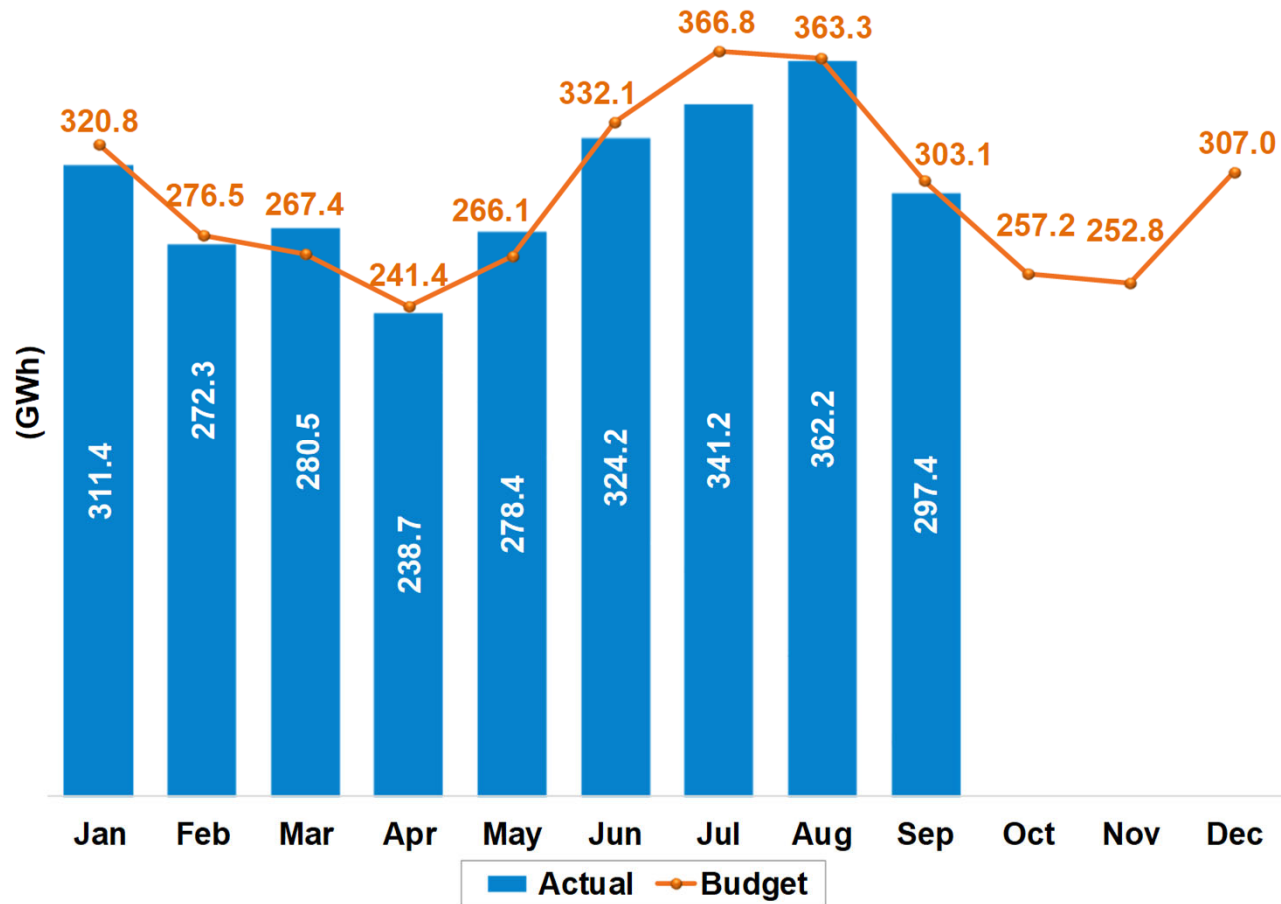
Lincoln’s market electricity prices dropped below Budget during Q3. Despite a slight uptick in footprint generation on outage, lower footprint wind production levels, and higher August customer consumption levels, the low natural gas prices helped keep electricity prices down.



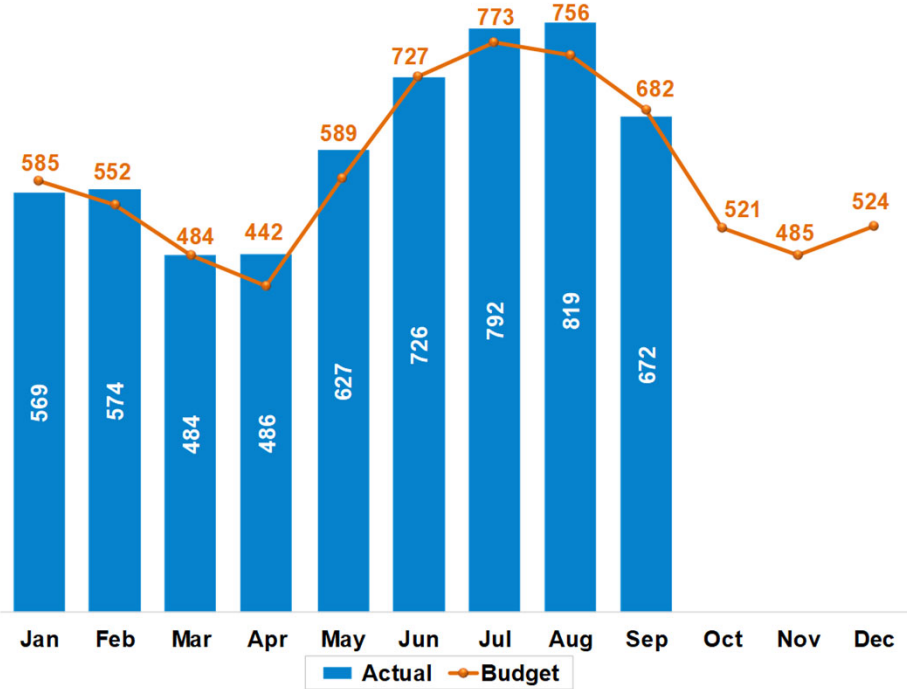
Temperatures trended above average later in Q3, with August cooling degree days being about 16% above expectations and September registering 41% higher than expected.



Q3 Control Area Energy consumption was 32 GWh (3.1%) below Budget.



LES exceeded its previous system peak of 786 MW from August 2011 in both July and August. The new system peak of 819 MW on August 22nd is about a 4% increase from the 2011 peak.

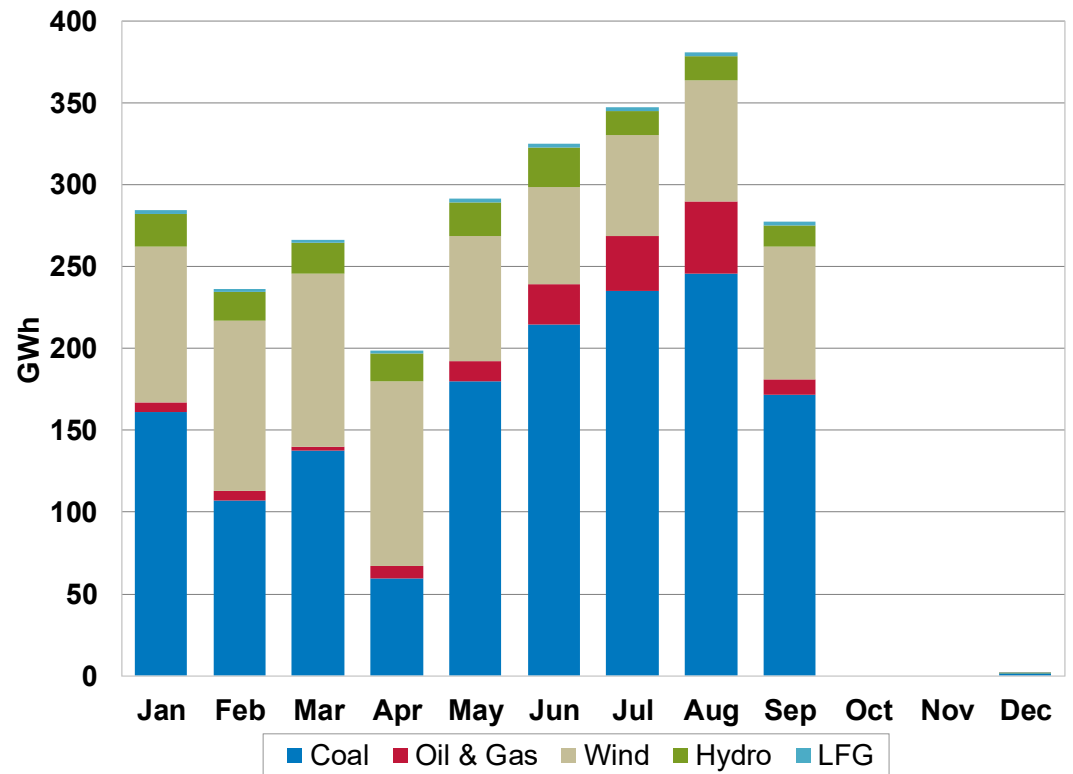


System Peak Load

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

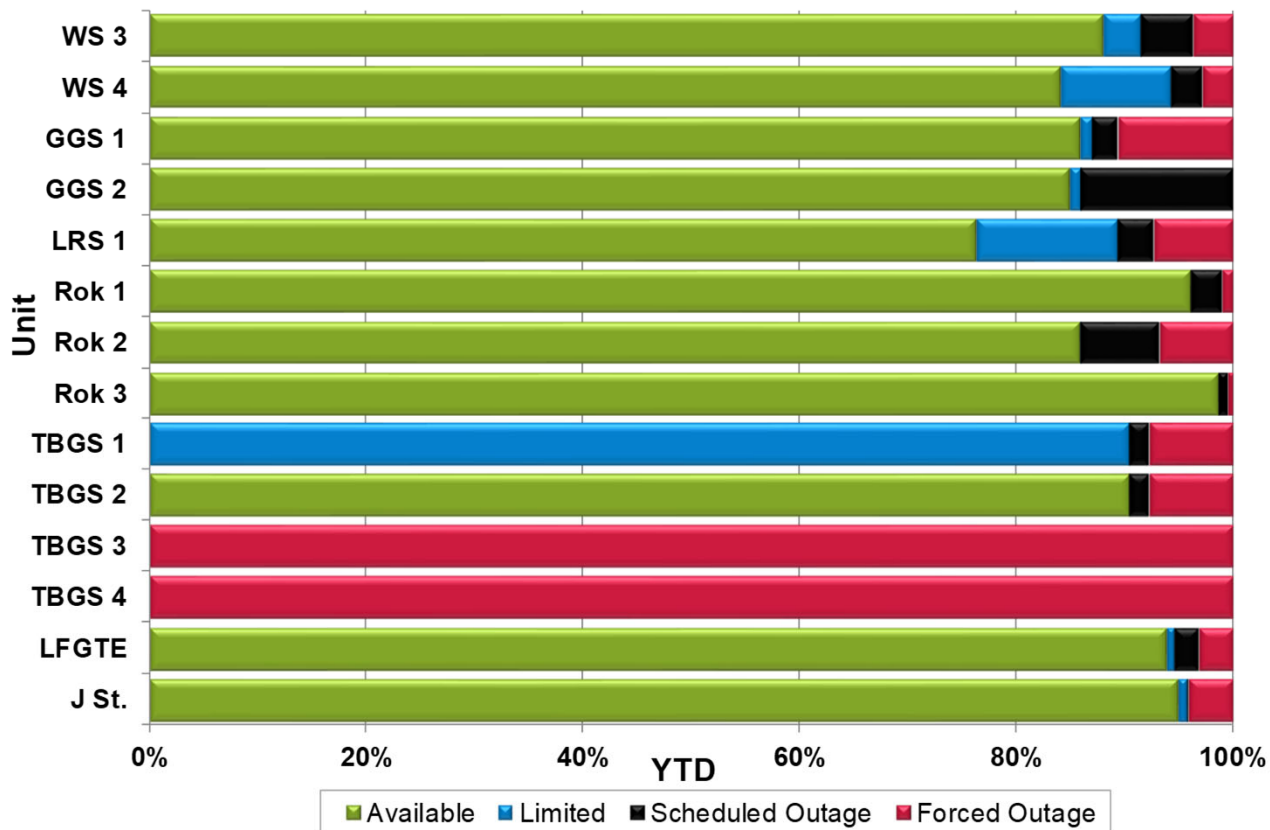
Q3 renewable energy production was about 9% below expectations, coal resource production was about 5% above expectations, and natural gas resource production was 22% above expectations due to increased market dispatch of the Rokeby and J Street generators.

Retail Sales	2023 Q3 Retail Sales: Forecast = 979 GWh Actual = 948 GWh Difference = 31 GWh (-3.2%)
Renewable Energy Production	2023 Q3 Renewable Energy Production Expressed as a Percentage of Retail Sales: Forecast = 32.4% Actual = 30.2%

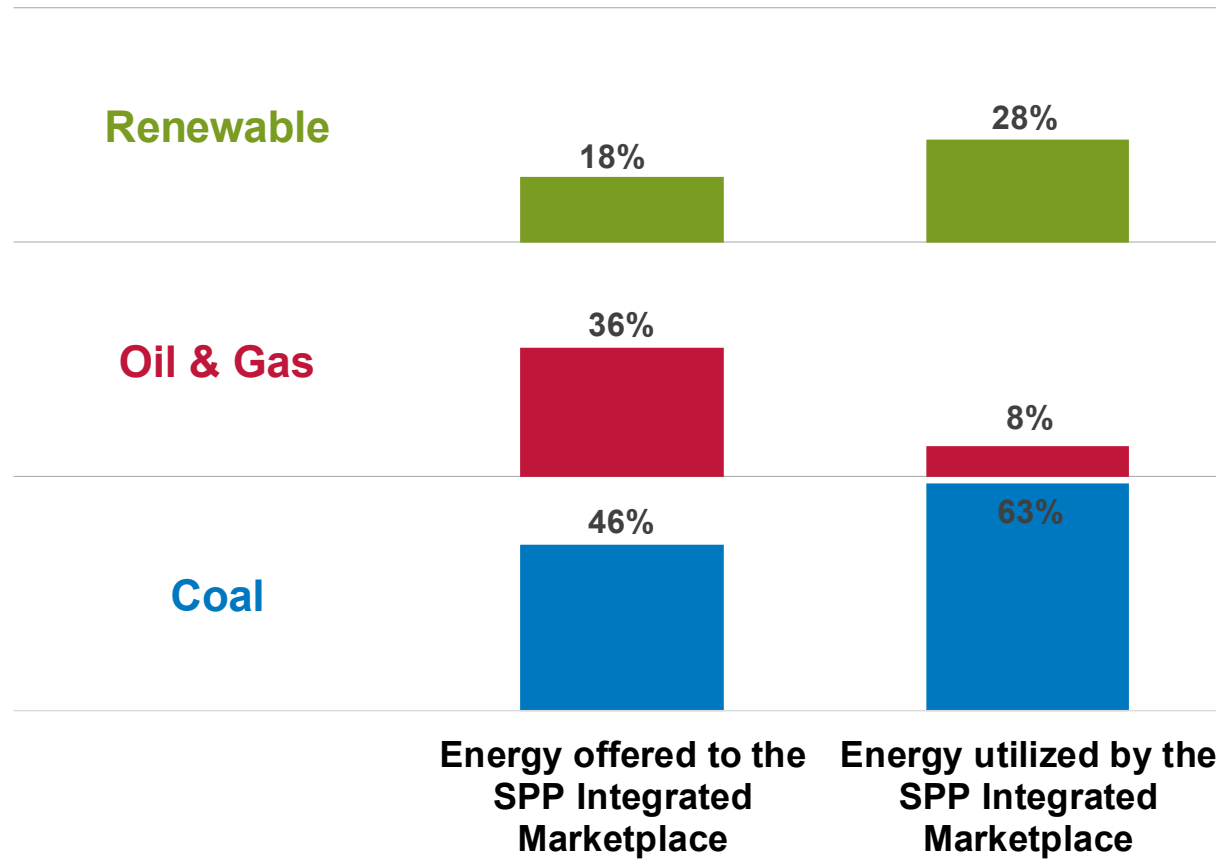


Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

TBGS 3 & 4 remained in outage and offsite at the OEM's repair depot during Q3. WS 4 and GGS 1 both experienced boiler tube leaks, and LRS 1 had coal pulverizer and boiler water wall tube leak issues.



2023 Market Energy Metrics (July through September)



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 VI

September 2023

Year-to-Date Financial Update

Results are favorable due primarily to lower than budgeted net power costs and interest income

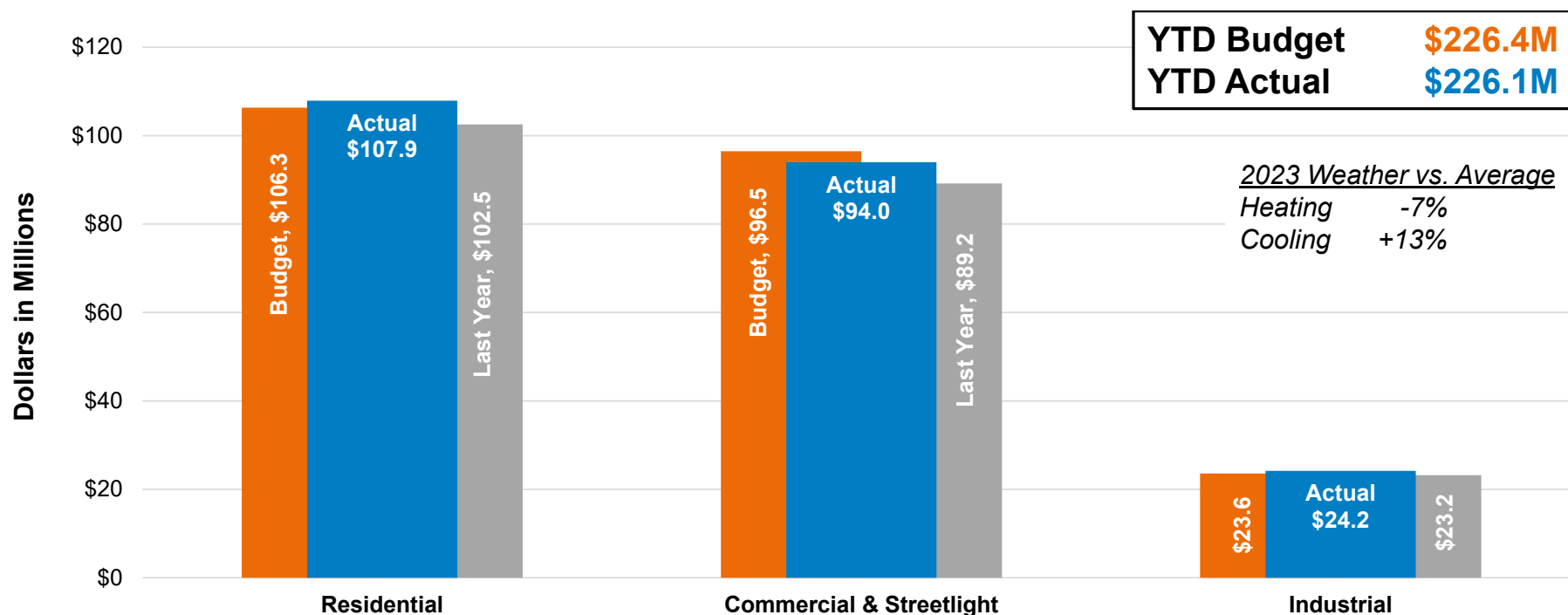
Emily N. Koenig
Vice President & CFO

Administrative Board
October 20, 2023

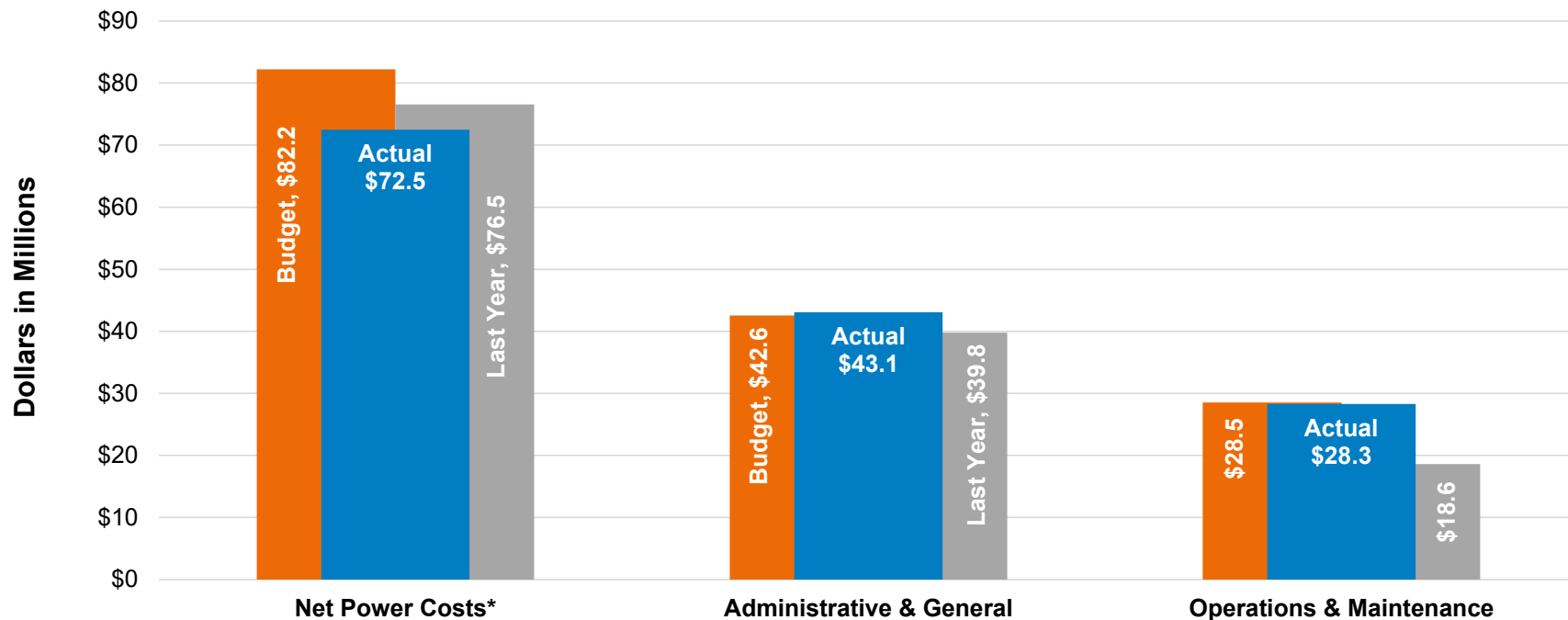


LES.com

Retail Revenue was slightly under budget; Lower energy use by Commercial customers was offset by higher energy use by Residential customers



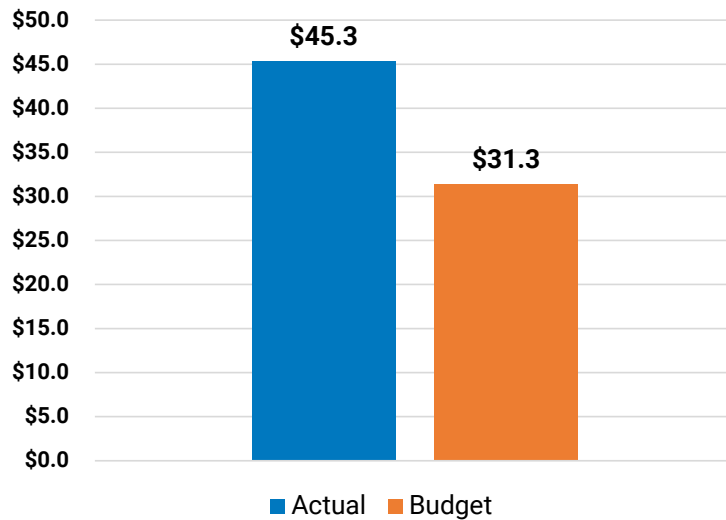
Lower than budget Net Power Costs drove positive financial results



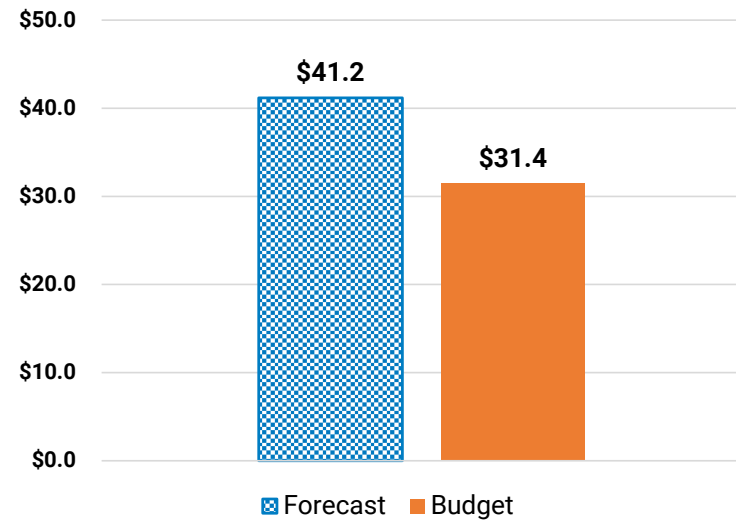
*Net Power Costs = Purchased Power + Produced Power – Wholesale Revenue

Year-end Net Revenue forecast to be above budget

Year-to-Date Net Revenue
(in Millions)



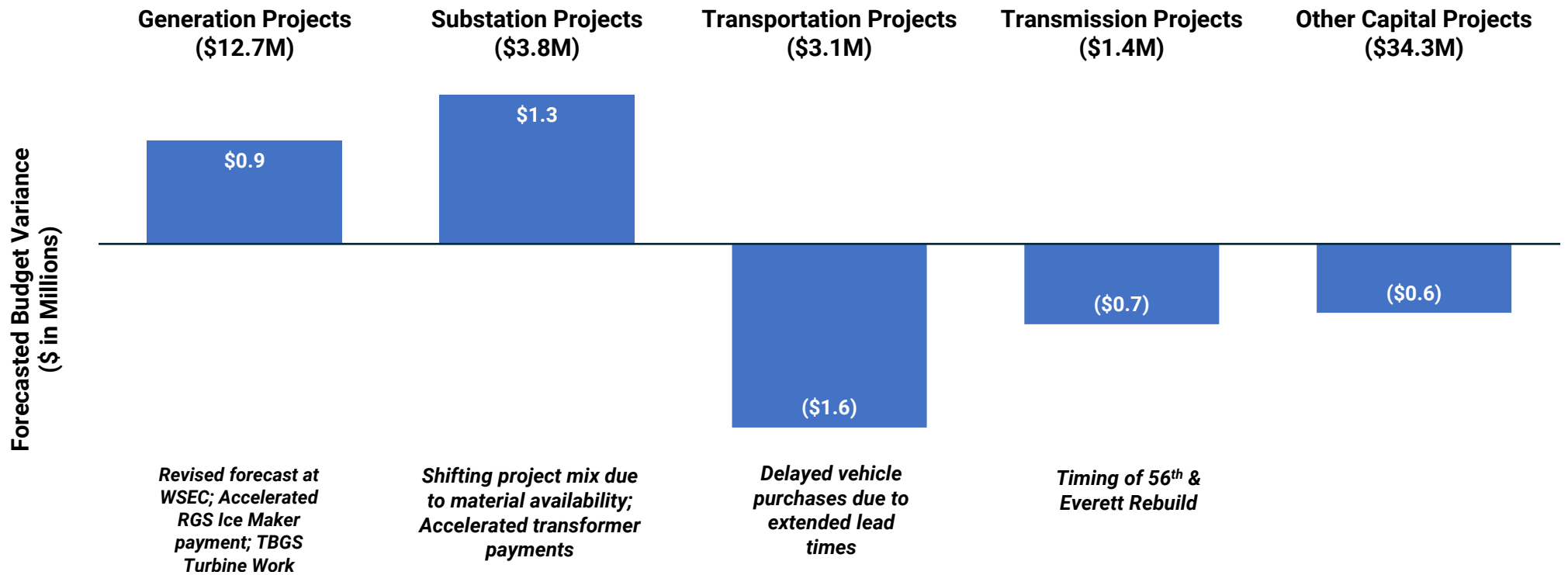
Year-End Net Revenue
(in Millions)



Lower than budget net power cost and higher interest income are the primary drivers of increased net revenue.

Projections indicate a year-end capital forecast that is \$0.7M below budget

2023 Budget: **\$55.3M**
 Year-End Forecast: **\$54.5M**



Year-end financial metrics forecast to be favorable to budget

LES' ability to achieve financial metric targets is key to keeping it's AA credit rating

<p><u>Fixed Charge Coverage Ratio¹</u></p> <p>1.52x</p> <p>Budget: 1.40x <i>(higher is better)</i></p>	<p><u>Debt Service Coverage Ratio</u></p> <p>2.27x</p> <p>Budget: 2.11x <i>(higher is better)</i></p>
<p><u>Net Debt Ratio²</u></p> <p>5.11x</p> <p>Budget: 5.67x <i>(lower is better)</i></p>	<p><u>Days Cash on Hand</u></p> <p>164 days</p> <p>Budget: 161 days <i>(higher is better)</i></p>

¹ Monitored by Standard & Poor's

² Monitored by Fitch Ratings

Exhibit VII

Performance Indicators

3rd Quarter 2023

Administrative Board
October 20, 2023

Integrity & Fiscal Responsibility

Performance Indicator	Actual/ Projection	Forecast/ Target	Indicator	Previous Year Actual/ Projection*	Industry Average
Retail Energy Sales (GWH)	948	979	✓	965	
Projected Debt Coverage (YE)	2.27	2.11	✓	2.34	2.16 ¹
Net Power Costs (\$/MWH)	\$39.16	\$41.42	✓	\$37.58	
SPP Lincoln Locational Marginal Price (\$/MWH)	\$30.13	\$32.55	✓	\$63.68	
Phishing Test Click Rate	1.89%	4.50%	✓	1.80%	<5.00%
Suspicious Emails	163		!	247	
Cyber Events Reported (Opened/Closed)	4/4		!	81	
Cyber Security Risk Assessments (New/Open/Closed)	11/9/15		!	5/2/6	

¹ 2022 Peer Study Average

*Numbers represent 2022 3rd Quarter unless specifically notated as YTD or YE in the Performance Indicator title

Sustainability and Environmental Responsibility

Performance Indicator	Actual/ Projection	Forecast/ Target	Indicator	Previous Year Actual/ Projection*	Industry Average
Sustainable Energy Program (Obligated YTD \$)	\$1.7M	\$1.12M	✓	\$1.12M	
SEP Demand Reduction (YTD MW)	5.4	5.4	✓	5.0	
Renewable Energy (Expressed as an Equivalent % of Retail Sales) ²	30.2%	32.4%	!	32.3%	
CO ₂ Emissions (Thousands of Metric Tons) ³	766	710	✗	834	
CO ₂ Produced (Metric Tons/MWh) ^{2,3}	0.75	0.70	✗	0.72	

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

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

Safety and Employer of Choice

Performance Indicator	Actual/ Projection	Forecast/ Target	Indicator	Previous Year Actual/ Projection*	Industry Average
DART (YTD # of incidents per 100 employees that result in Days Away, Restricted, Transferred)	1.92	1.72	!	1.98	

Reliability and Customer Service

Average Speed of Answer (Seconds)	28.8	37.0	✓	61.0	27.0
Annual Average Outage Time (SAIDI) Per Customer (Normal Weather) (12-month rolling)	17.6	30.0	✓	11.4	119.4 ⁴

⁴ Rolling 5-Year national Average from available EIA date

*Numbers represent 2022 3rd Quarter unless specifically notated as YTD or YE in the Performance Indicator title

Exhibit VIII

Nebraska Power Association 2023 Load & Capability Report

LES Administrative Board Meeting

October 20, 2023

Jason Fortik
Vice President, Power Supply, LES
Chair, NPA Joint Planning Subcommittee

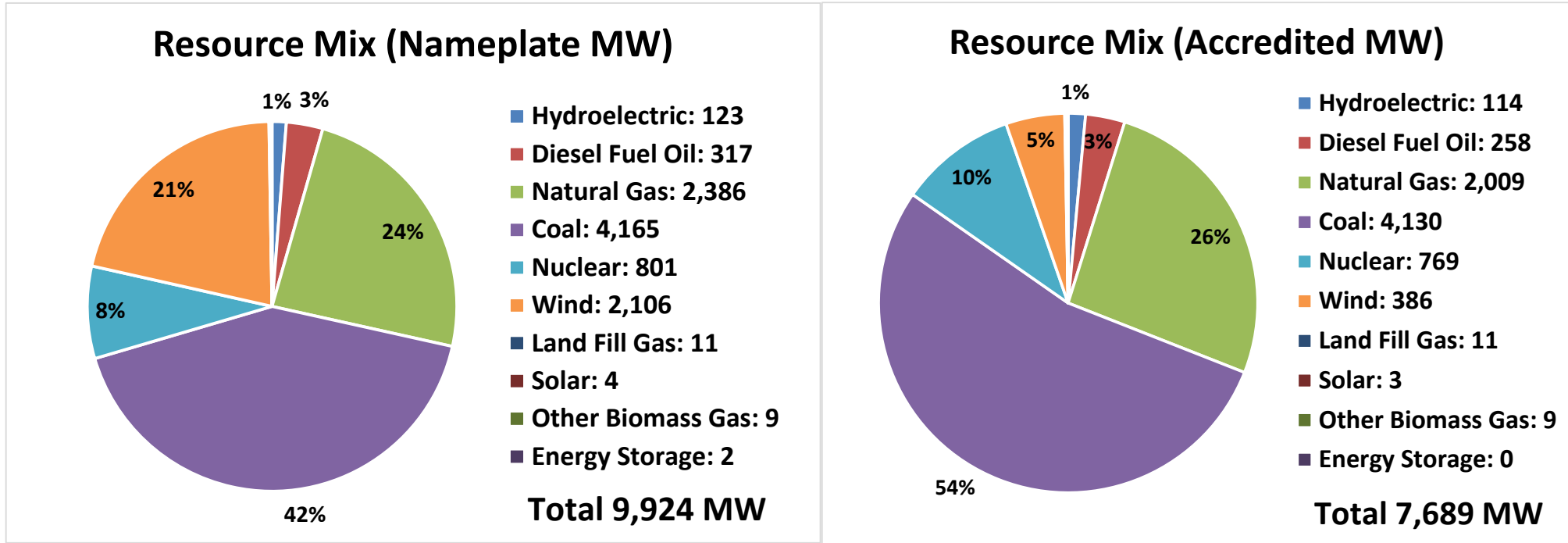
Organizational and Statutory Background Information

- **Nebraska Power Review Board (NPRB)**
 - State agency formed in 1963 to regulate Nebraska's publicly owned electric utility industry
 - Five-member Board approved by the Governor and confirmed by the Legislature
- **Nebraska Power Association (NPA)**
 - Voluntary organization of municipal, public power district, and cooperative electric utilities (166 members)
 - Formed in 1980 to address statewide electricity policies and issues. Administered by LES
- **State Statute 70-1025**
 - Requires an annual statewide report on electric demand and generation for a 20-year period
 - NPA is the designated entity to provide this report to the NPRB

Nebraska's Projected Peak Electrical Demand Growth

- **Average annual demand growth rate is 1.5% per year from 2023 through 2042**
 - The utilities are using probability based rankings to determine the customer electrical loads that are included in the forecast
- **This is much higher than the 0.4% growth rate shown in last year's report due to modifications in the methods for including large loads**

Existing Electrical Generating Resources Categorized by Fuel Type Using both Nameplate and Accredited Ratings*

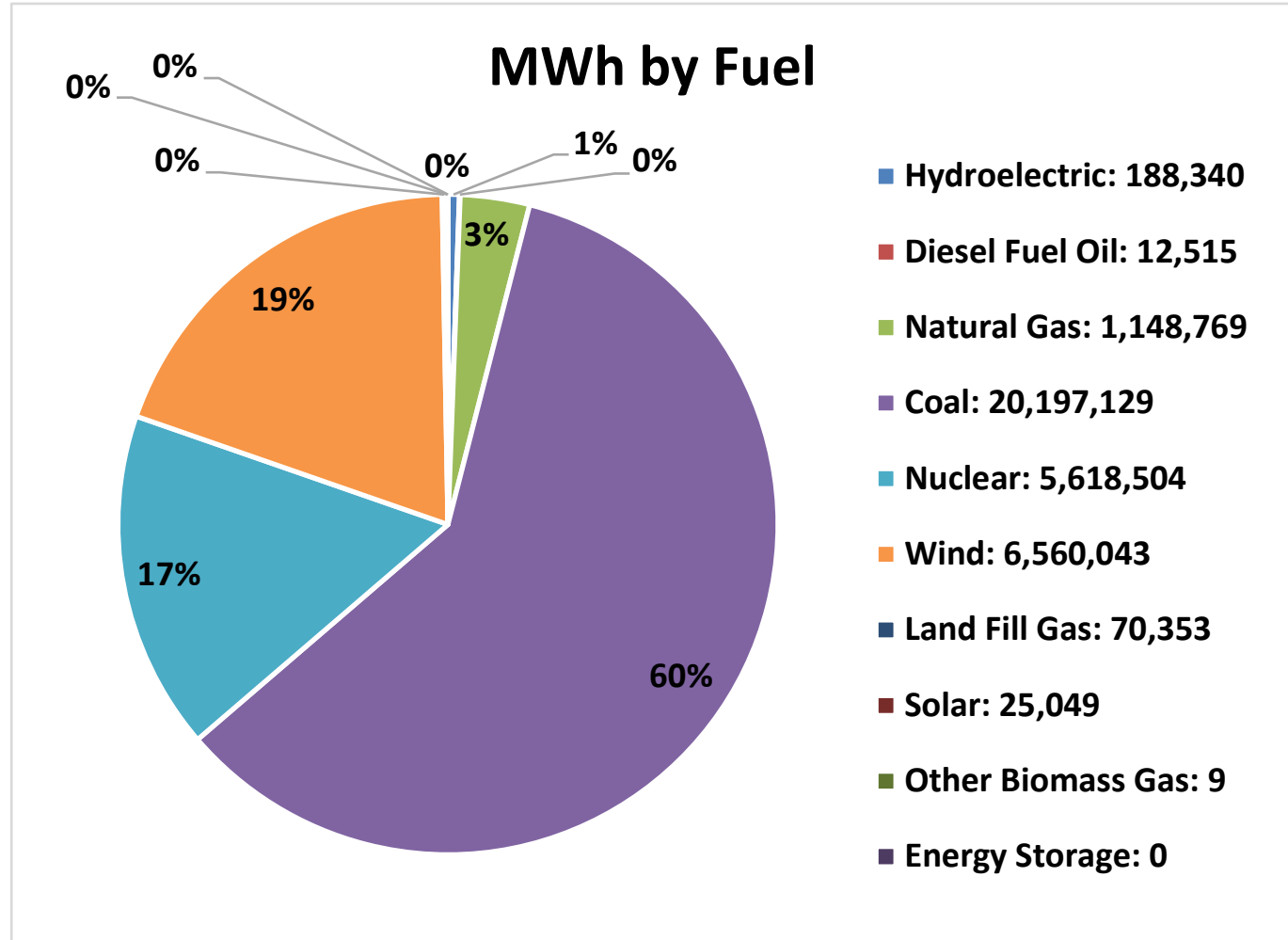


- **1,180 MW of Firm Power Purchases¹**
 - 832 MW Western Area Power Administration (WAPA) Hydro Contracts
 - 348 MW Other Firm Power Contracts
- **124 MW of utility behind the meter nameplate generation (includes solar)**

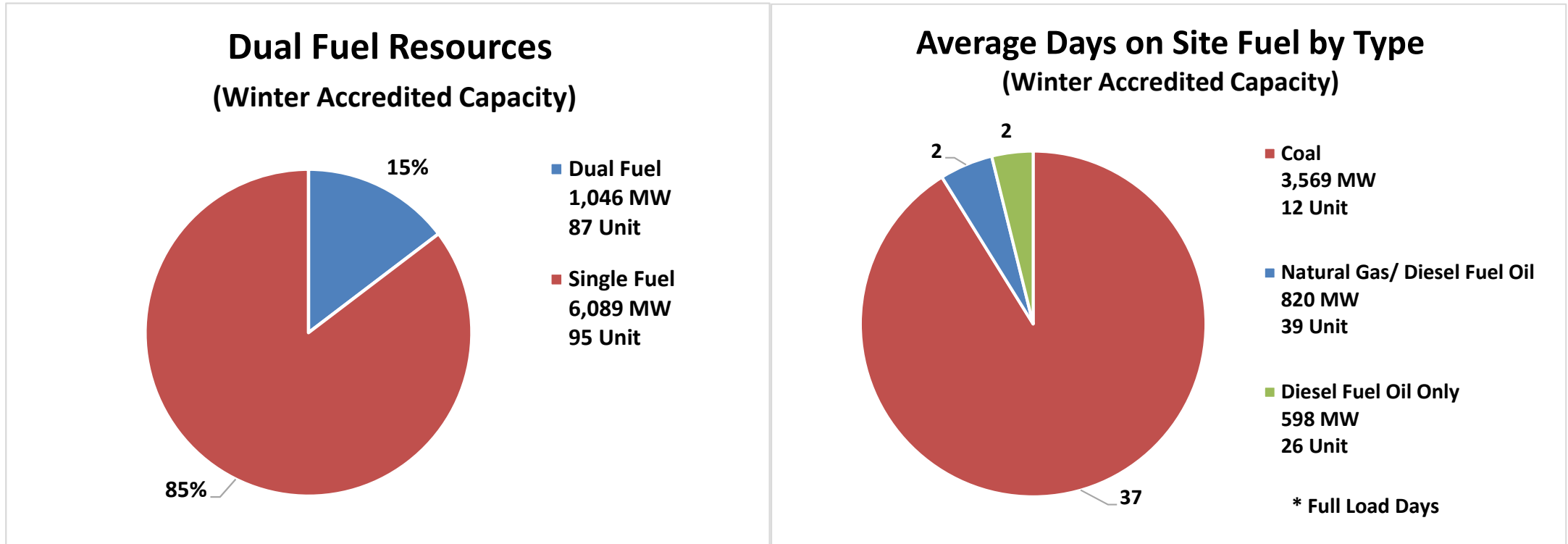
* Electrical generating resources expected to be in service by the summer of 2023.

¹ Capacity reserves are provided by the Firm Power provider

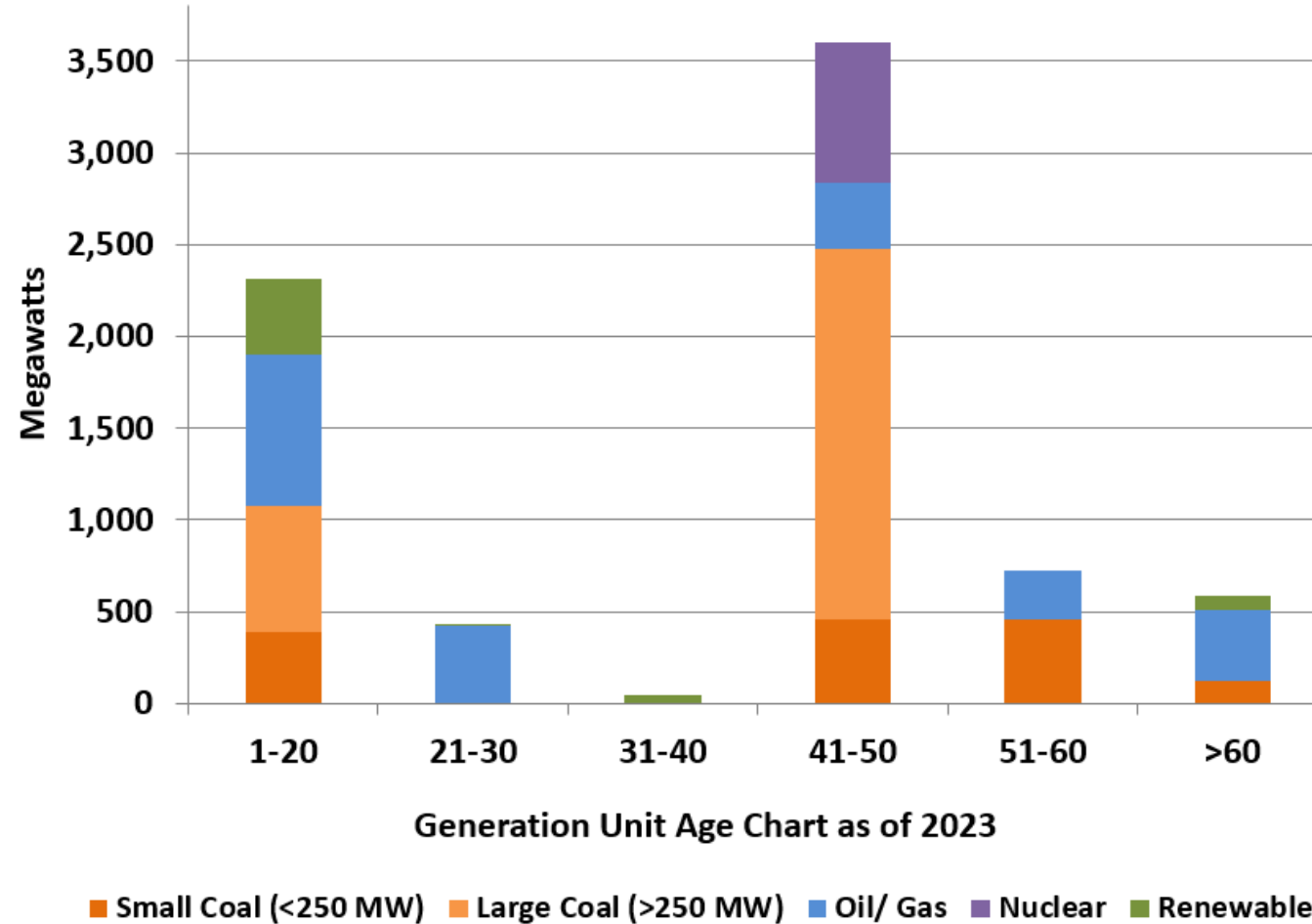
In 2022, about 60% of the electrical energy produced by Nebraska utilities came from coal, with the next highest categories being 19% from wind and 17% from nuclear.



During winter conditions, about 15% of Nebraska’s generators are capable of utilizing dual fuels (natural gas or fuel oil). At full output of the generators, Nebraska’s coal fired generation has about 37 days of fuel stored on site, while the generators that can use fuel oil have about two days of fuel stored on site.



Nebraska's existing generating fleet encompasses a broad range of ages, with a notable group of generators that are twenty years old or less, and another group that is in the 41-50 years old category. Approximately 64% of Nebraska's generators have been in service for more than forty years.



The Nebraska utilities have about 2,662 Megawatts (accredited rating) of new electrical generation being evaluated in various stages of the planning process.

	Renewable	Conventional	Unspecified	Total
Committed	56 (OPPD Platteview Solar)	593 (OPPD Standing Bear Lake NG) (OPPD Turtle Creek NG)	0	649
Planned	0	0	0	0
Studied	872 (OPPD Solar, Wind, Battery Storage, DR)	750 (OPPD CT)	391 (NPPD)	2,013
Total	928	1,343	391	2,662

Southwest Power Pool (SPP) Generation Interconnection Queue for Nebraska (Nameplate) as of June 4, 2023

≈ 1,830 MW Battery Storage

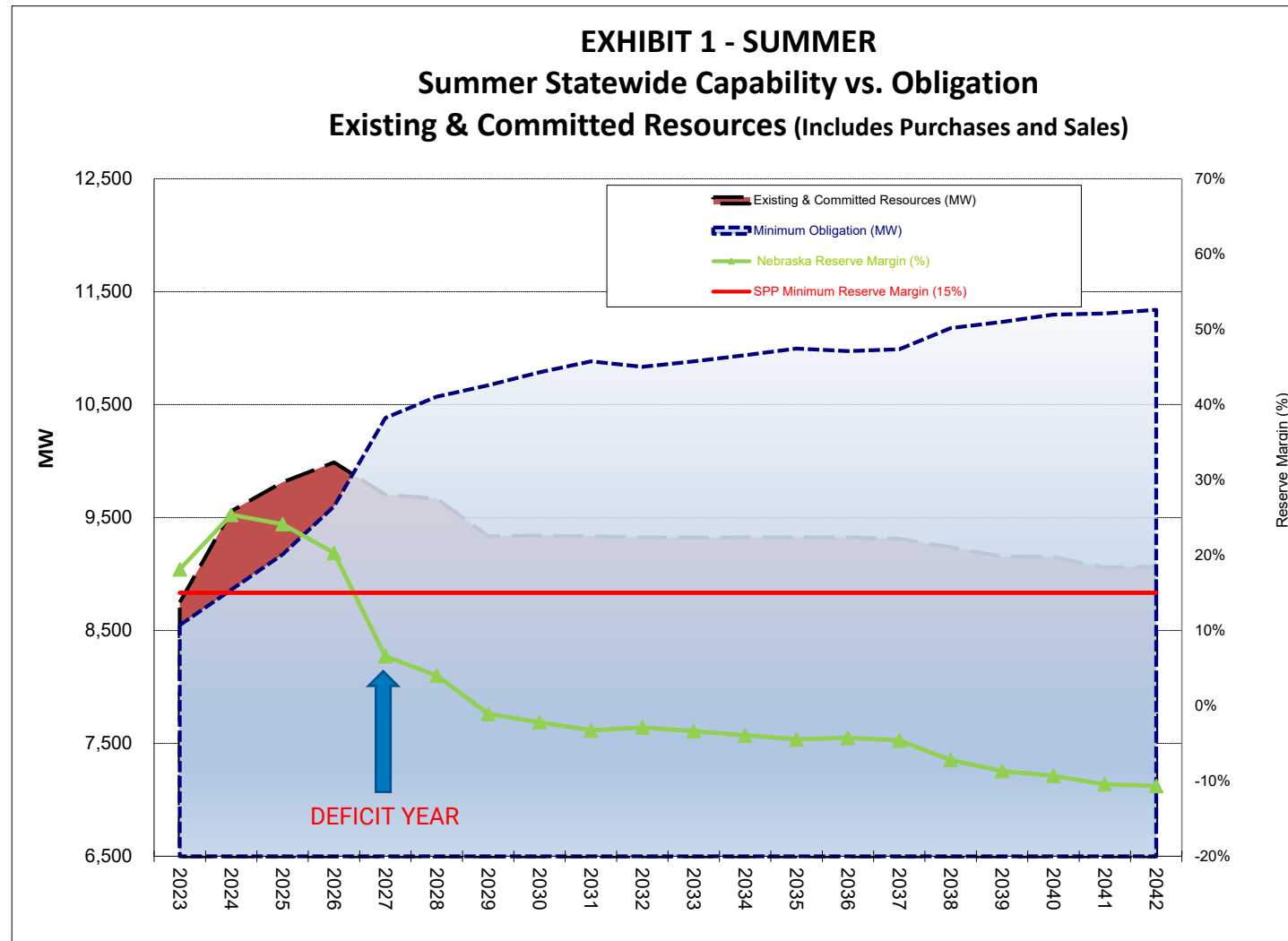
≈ 1,952 MW Hybrid (Typically Solar + Storage)

≈ 5,575 MW Solar

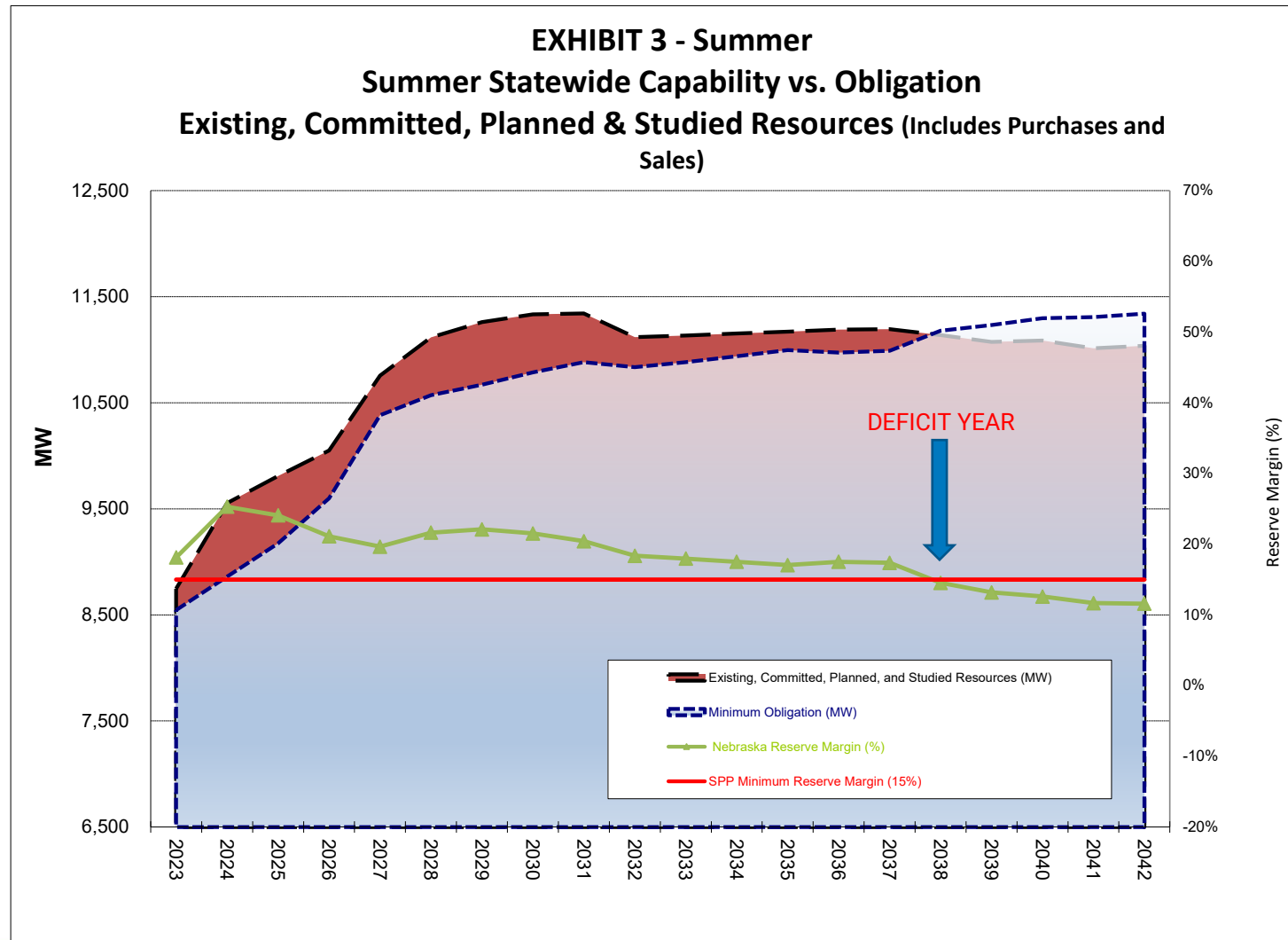
≈ 1,286 MW Conventional

≈ 4,573 MW Wind

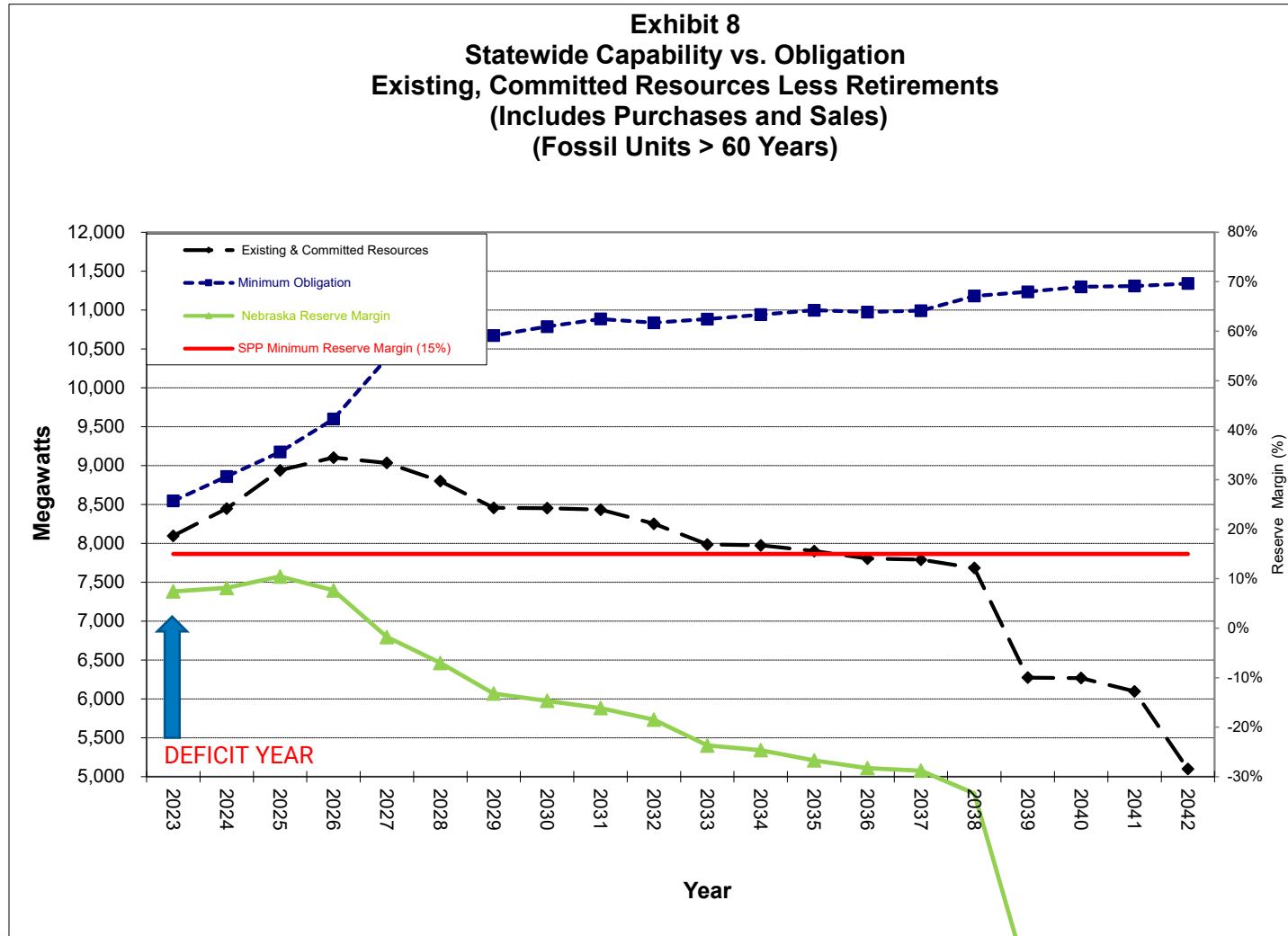
With Nebraska's fleet of Existing and Committed electrical generators, the State would drop below the Southwest Power Pool's recently revised 15% summer Generation Planning Reserve Margin in 2027



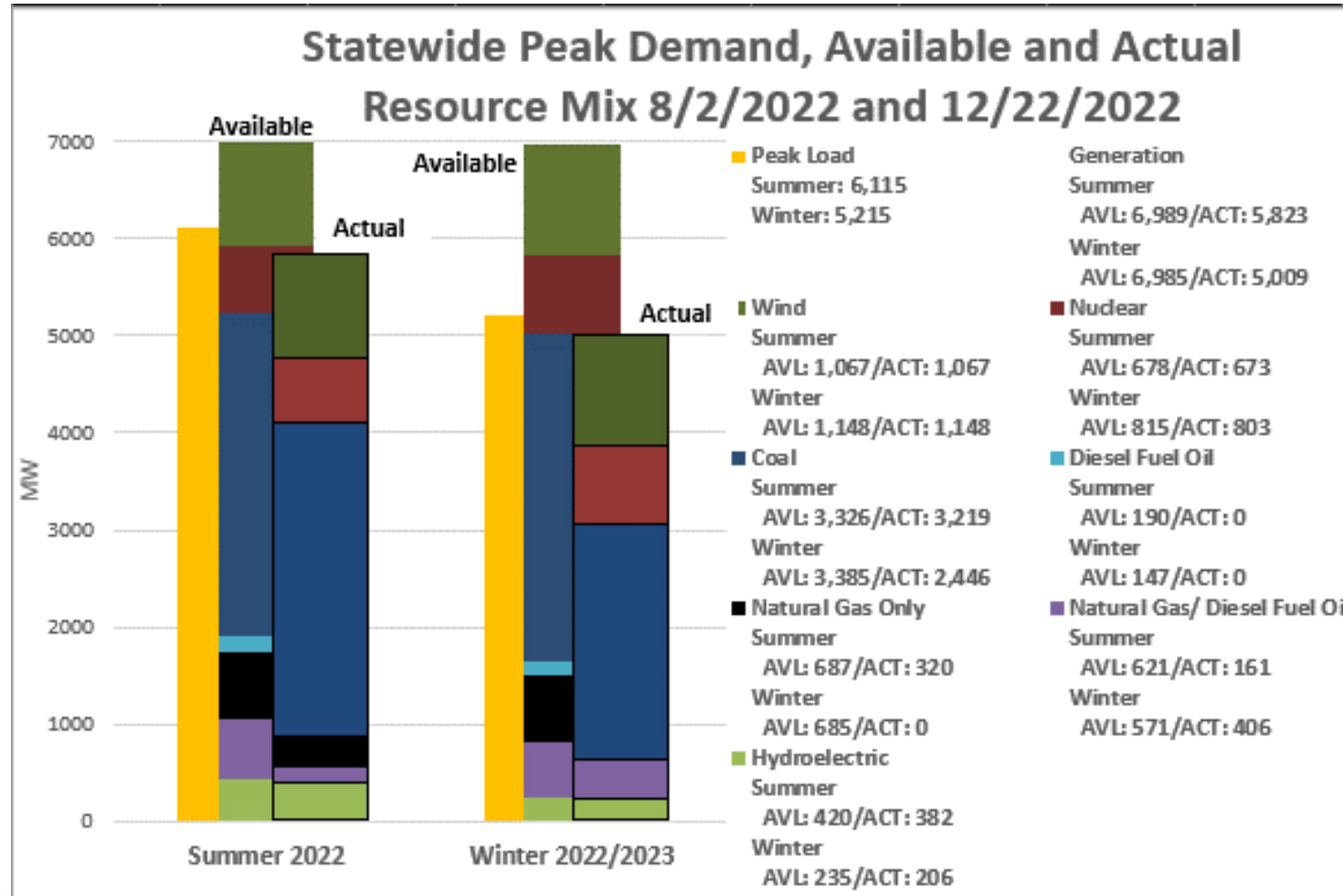
With Planned and Studied electrical generation included, Nebraska would not drop below the Southwest Power Pool's recently revised 15% summer Generation Planning Reserve Margin until 2038



For illustrative purposes only, if the Nebraska utilities retired their Existing & Committed fossil fuel powered generating resources when they reach sixty years of age, the State would drop below the required Generation Planning Reserve Margin in 2023



In 2022, the Nebraska utilities experienced a summer peak on August 2nd, and a winter peak on December 22nd. At those two times, the utilities had more generation available than the amount of customer consumption, but the amount of Nebraska generation actually being operated was lower than consumption due to the availability of competitive and deliverable generation in the SPP Market.



Several Nebraska utilities have adopted Decarbonization Goals. The goals have implementation dates that range from 2040 to 2050 and are all generally based around the concept of net-zero carbon dioxide emissions.

- **Nebraska Public Power District**
 - Board of Directors established strategic directive (SD-05) in 2021
 - The goal is to achieve net-zero carbon emissions from generation resources by 2050
- **Omaha Public Power District**
 - Board of Directors adopted a goal in its Strategic Directives to achieve net-zero carbon production by 2050
 - Recent studies performed are being used to make informed decisions regarding near term proposed generation additions
- **Lincoln Electric System**
 - Administrative Board approved a resolution in late 2020
 - The goal is to achieve net-zero carbon dioxide production from its generation portfolio by 2040
- **Municipal Energy Agency of Nebraska**
 - Board of Directors approved a resolution in early 2020
 - The goal is to achieve a carbon neutral power resource portfolio by 2050

2023 NPA Load & Capability Report Summary

- Nebraska's projected electrical demand growth rate of 1.5% per year is higher than the 0.4% rate shown in last year's report due to modifications in the methods used for including large loads in each utility's forecast.
- Nebraska meets its SPP Reserve Margin requirements with Existing and Committed resources through 2026.
- A significant amount of new electrical generation is proposed by Nebraska utilities and is progressing through various stages of the planning process.
- Each utility that has adopted a decarbonization goal will continue to evaluate its options in the coming years.

Questions and Discussion

Exhibit IX



Lincoln Electric System

LES RESOLUTION 2023-15

WHEREAS, Lincoln Municipal Code, Section 4.24.010, requires the Lincoln Electric System (LES) Administrative Board to appoint a CEO, subject to approval by the Mayor by executive order and the City Council by resolution; and

WHEREAS, LES Resolution 2023-12 approved the appointment of Emeka Anyanwu as LES CEO and authorized the CEO Search Committee to work with the Human Resources Manager to negotiate employment terms and conditions with Emeka Anyanwu and to present an employment agreement to the Board for its review and approval; and

WHEREAS, the CEO Search Committee has completed negotiations and recommends an employment agreement to the Board for its review and approval;

NOW, THEREFORE, BE IT RESOLVED that the LES Administrative Board hereby approves a mutually-negotiated employment agreement between Emeka Anyanwu and LES effective on January 2, 2024 as detailed in Exhibit A which is attached and herein fully incorporated by reference.


Chair

Adopted: October 20, 2023

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this 30th day of October, 2023, but will be effective as the Agreement of the Parties as of January 2, 2024 ("Effective Date"), by and between the City of Lincoln, Neb. d/b/a Lincoln Electric System ("LES") and Emeka Anyanwu ("Executive"). LES and Executive are hereinafter collectively referred to as "Parties.

In consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. EMPLOYMENT.

1.1 Term. LES agrees to employ Executive, and Executive hereby accepts continued employment by LES, upon the terms and conditions set forth in this Agreement. The term of this Agreement shall commence on the Effective Date and be effective through January 2, 2028 (the "Initial Term"), except as provided in Section 4. This Agreement shall be automatically extended for additional, successive periods of one (1) year unless the Agreement has been effectively terminated earlier, as provided in any provision of Section 4 of this Agreement.

1.2 Title. Executive shall have the title of Chief Executive Officer ("CEO") of LES and shall serve in the capacity outlined in the CEO job description.

1.3 Duties. Executive will do and perform all services, acts, or things necessary to manage and conduct the business of LES, and which are normally associated with the position of CEO, consistent with the direction of the LES Administrative Board ("Board") LES Policy 101, and prudent utility practice. Executive shall report directly to the Board.

1.4 Policies and Practices. The employment relationship between Parties shall be governed by this Agreement and the policies and practices established by LES for its employees and other applicable policies and practices established by the Board specifically for Executive. Executive acknowledges that he has read LES' Employee Manual and other applicable employment policies, which govern the terms and conditions of his employment with LES, along with this Agreement. In the event that the terms of this Agreement differ from or are in conflict with LES' policies and practices or LES' Employee Manual, this Agreement shall control.

1.5 Location. Unless the Parties otherwise agree in writing, during the term of this Agreement, Executive shall primarily perform the services he is required to perform pursuant to this Agreement at LES' offices, located in Lincoln, Nebraska;

provided, however, that LES may from time-to-time require Executive to travel to other locations in connection with LES' business. Executive may also avail himself of remote work options, as permitted by LES employee policy, provided such remote work does not interfere with effective performance of the duties of his role.

2. LOYAL AND CONSCIENTIOUS PERFORMANCE.

2.1 Loyalty. During Executive's employment by LES, Executive shall devote his full business energies, interest, abilities and productive time, to the proper and efficient performance of Executive's duties under this Agreement. Notwithstanding the above, with LES' consent, Executive shall be permitted, to the extent that such activities do not substantially interfere with the performance of his responsibilities hereunder, to serve on such public and private committees, boards of directors, and activities of various community or private companies, associations and foundations so long as those activities do not conflict with the policies, activities and procedures of LES.

2.2 No Interference with LES. During the period while this Agreement is in effect and during the one (1) year period following the termination of Executive's employment, Executive will not either directly or indirectly, in any capacity, as advisor, principal, agent, affiliate, promoter, partner, officer, director, employee, stock holder, owner, co-owner, consultant, member of any association, or otherwise, interfere with, impair, disrupt, or damage LES' relationship with any employee or independent contractor with whom the Executive had direct or personal contact; solicit, encourage, or attempt to hire any of LES' employees or independent contractors (not including vendors), or cause or solicit or encourage any of LES' employees or independent contractors to discontinue their employment or services with LES.

3. COMPENSATION OF THE EXECUTIVE.

3.1 Base Salary. Starting on the Effective Date, LES shall pay Executive a Base Salary six hundred and ten thousand and No/100 Dollars (\$610,000) per year (the "Base Salary"), less payroll deductions, and all required withholdings payable in regular periodic payments in accordance with LES policy. Such Base Salary shall be prorated for any partial year of employment on the basis of a 365-day year. By June 1, 2025, and annually thereafter, the Board will review and determine Executive's Base Salary consistent with the terms of paragraph 3.2 and subject to the requirements of applicable law.

3.2 Changes to Compensation. As set forth in paragraph 3.1 of this Agreement, Executive's compensation, including both Base Salary and other appropriate benefits, may be increased annually by review of the LES Administrative Board. The first opportunity for such compensation review and adjustment will take place in April 2025. Each annual review will consider 1) adjustments needed to reflect increases in the cost of living and the competitive market for Executive's services, and 2) adjustments appropriate to recognize and reward Executive's performance. It is anticipated that if

Executive has satisfactorily performed the duties of his position, the compensation will be increased annually.

3.3 Employment Taxes/Withholding. Executive's compensation shall be subject to customary withholding taxes and any employment taxes as are commonly required to be collected or withheld by LES, or which are authorized by Executive.

3.4 General Benefits. Except as otherwise noted in this Agreement, Executive shall, in accordance with LES policy and the terms of any applicable plan documents, be eligible to participate in retirement, deferred compensation, health, life, dental and disability benefits under any benefit plan or arrangement which may be in effect from time to time and made available to LES' employees or to Executive alone or with other eligible employees. Notwithstanding any LES policy to the contrary, Executive shall be provided the equivalent of three weeks of personal leave on the Effective Date and shall accrue at least an additional twenty hours of personal leave per month for each month he is employed.

In recognition of the need for Executive to regularly and reliably transport himself in and around LES' service area as he works to build strong community relationships, and in an effort to lessen the administrative burden of submitting regular mileage reimbursement reports, LES will provide an annual mileage stipend to Executive of two thousand, five hundred and No/100 Dollars (\$2,500).

3.5 Reimbursement of Business, Moving, and Related Expenses. While Executive is employed by LES, he shall be entitled to reimbursement for any valid and reasonable business expenses, consistent with the policies and procedures established by LES and, as applicable, by of the Board. Such policies and procedures shall be consistent with generally recognized tax reporting and accounting or auditing standards, as determined by the duly authorized accounting firm appointed by LES for its audits. Executive will also be reimbursed for moving expenses up to \$35,000 and will be reimbursed for temporary housing, storage, house-hunting trips (limit of 3) and any reasonable related expense up to \$15,000. Executive may utilize unused funds for another category designated above. All reimbursements may be requested as direct payments subject to LES accounting policy or will be submitted according to normal LES reimbursement procedures.

If Executive leaves for any reason within the first year of employment, he agrees to reimburse LES 75% of any reimbursed moving and housing related expenses. If Executive leaves for any reason within the second year of employment, he agrees to reimburse LES 50% of such expenses. If Executive leaves for any reason within the third year of employment, he agrees to reimburse LES 25% of such expenses.

3.6 Annual Physical. LES shall pay the cost of an annual, medical examination (as determined by Executive's personal physician to be medically appropriate). Any costs related to the examination in excess of expenses covered by

LES' health insurance plan shall be reimbursed to Executive by LES within thirty (30) days of Executive submitting an itemized expense claim for the expense.

3.7 Return of LES Property. Upon termination of this Agreement, Executive agrees to return to LES all items, computer equipment, electronic devices, business equipment, cell phones, files, books, keys, security badges, credit cards, records, computer passwords, lists, original copies and any sensitive or proprietary records, whether furnished by LES or prepared by Executive in connection with their employment. Executive shall not make or retain copies of anything that is sensitive or proprietary and/or subject to any exception to the Nebraska public records laws.

4. TERMINATION.

4.1 Termination By LES. Executive's employment with LES may be terminated under the following conditions:

4.1.1 Death or Disability. Executive's employment with LES shall terminate effective upon the date of Executive's death or "Complete Disability" (as defined in Section 4.4.1).

4.1.2 For Cause. LES may immediately terminate the Executive's employment under this Agreement for "Cause" (as defined in Section 4.4.2) by delivery of written notice to the Executive specifying the cause or causes relied upon for such termination.

4.1.3 Without Cause. LES may immediately terminate the Executive's employment under this Agreement at any time and provide the compensation provided for in Section 4.3.2.

4.2 Termination By The Executive. Executive may terminate Executive's employment with LES upon ninety (90) days written notice to LES, or such other notice as the parties may mutually agree.

4.2.1 Termination By the Executive for "Good Reason." The Executive may resign his employment with LES for Good Reason. "Good Reason" means, without the Executive's express written consent, the occurrence of either: (A) a reduction in any material respect in the Executive's position(s), duties or responsibilities with LES or (B) any material breach of this Employment Agreement by LES; provided, however, that the Executive provides written notice to LES of the occurrence of any of the events set forth in clauses (A) - (B) within sixty (60) days after the Executive has knowledge of the circumstances constituting such event and LES fails to correct the circumstances within thirty (30) days after such notice and the Executive resigns within six (6) months after the initial existence of such circumstances. For purposes of this Agreement, an isolated, insubstantial, and inadvertent action taken in good faith, and which is remedied by LES promptly after receipt of notice thereof given by the Executive

shall not constitute "Good Reason."

4.3 Compensation Upon Termination.

4.3.1 Death or Complete Disability. If Executive's employment is terminated by Complete Disability (as defined in Section 4.4.1) or death, LES shall pay Executive's accrued Base Salary, any accrued and approved bonuses, accrued and unused vacation benefits, accrued but not yet funded retirement plan contributions and other benefits earned through the date of termination, if any, subject to standard deductions and withholding, at the rate in effect at the time of termination to Executive and/or Executive's heirs, and assure the payment of any life insurance death benefit provided to Executive. Thereafter, LES shall have no further obligations to Executive and/or Executive's heirs, estate, successors and assigns under this Agreement.

4.3.1 Termination For Cause or by Executive. If Executive's employment shall be terminated by LES For Cause under Section 4.1.2, or if Executive terminates employment hereunder pursuant to Section 4.2, LES shall pay Executive's accrued Base Salary, and accrued and unused vacation benefits and any other benefits earned through the date of termination, at the rate in effect at the time of the notice of termination to or by Executive, subject to standard deductions and withholding. Thereafter, LES shall have no further obligations to the Executive under this Agreement.

4.3.2 Termination Without Cause or for "Good Reason." If, during Executive's employment with LES, LES terminates Executive's employment without Cause under Section 4.1.3 or Executive resigns for "Good Reason" under Section 4.2.1, Executive shall be entitled to Executive's Base Salary, and accrued and unused vacation and other benefits earned through the Termination Date, subject to standard deductions and withholdings. In addition, upon Executive's furnishing to LES an executed waiver and release of claims, in a form to be prepared by LES, Executive shall be entitled to the following severance benefits (collectively referred to as "Severance Benefits"):

- (i) The equivalent of Executive's annual Base Salary, as adjusted, on the date of termination for a period of twelve (12) months, less standard deductions and withholding.
- (ii) The equivalent of Executive's premium cost for health insurance benefits, as adjusted, on the date of termination for a period of twelve (12) months, less standard deductions and withholding.

4.3.3 Termination of Obligations. In the event of the termination of Executive's employment hereunder and pursuant to this Section 4, LES shall have no obligation to pay Executive, after his Termination Date, any Base Salary, bonus or other compensation or benefits, except as provided in this Section 4.3, Section 17, or for

benefits due to Executive (and/or Executive's dependents under the terms of LES' employee benefit plans). Executive acknowledges that LES may offset any amounts Executive owes it against any amount it owes Executive pursuant to this Section 4.3.

4.4 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

4.4.1 Complete Disability. "Complete Disability" shall mean the inability of Executive to perform Executive's duties under this Agreement because Executive has become permanently disabled within the meaning of any policy of disability income insurance covering employees of LES then in force. In the event Executive requires a reasonable accommodation, Executive shall comply with LES' policies in requesting the same and shall cooperate in the interactive process required by law. In the event LES has no policy of disability income insurance covering employees of LES in force when Executive becomes disabled, the term "Complete Disability" shall mean the inability of Executive to perform Executive's duties under this Agreement by reason of any incapacity, physical or mental, which the Board, based upon an opinion provided by a qualified licensed physician in a specialty that is applicable to the disability and acceptable to the Board, determines the Executive to be incapacitated from satisfactorily performing all of Executive's usual services for LES for a period of at least one hundred twenty (120) days during any twelve (12) month period (whether or not consecutive). Based upon such medical advice or opinion, the determination of the Board shall be final and binding and the date such determination is made shall be the date of such Complete Disability for purposes of this Agreement.

4.4.2 For Cause. "Cause" for LES to terminate Executive's employment hereunder, as reasonably determined by LES, shall include, but not be limited to, the occurrence of any of the following events:

- (i) Executive's repeated failure to satisfactorily perform Executive's job duties under this Agreement after thirty (30) days written notice and an opportunity to cure such deficiencies;
- (ii) Executive's failure to comply with material applicable laws in performing Executive's job duties, or in directing the conduct of LES' business after thirty (30) days written notice and an opportunity to cure such deficiencies;
- (iii) Executive's commission of any felony, misdemeanor, or intentionally fraudulent or other act against LES, employees, or agents which demonstrates Executive's untrustworthiness or lack of integrity;

- (iv) Executive's engaging in, or in any manner participating in, any activity which is directly competitive with, or intentionally injurious, to LES, or which violates any material provisions of this Agreement;
- (v) Executive's conviction for any crime (felony or misdemeanor) which can be characterized as moral turpitude or commission of an act of intentional misconduct (including, without limitation, an act of sexual harassment and/or discrimination);
- (vi) Executive's engaging in fraudulent conduct or conduct that materially discredits LES, that is materially detrimental to the reputation, character, business or standing of LES (based on a reasonable standard), after written notice and a 30 (thirty) day opportunity to cure such deficiencies.

4.4.3 Termination Date. "Termination Date" as used in this Agreement means the date on which Executive's termination of employment becomes effective under Section 4 of this Agreement.

4.5 Survival of Certain Sections. Sections 2.2, 5, 5.1, 16 and 17 (including the signature section) of this Agreement will survive the termination of this Agreement.

5. CONFIDENTIAL AND PROPRIETARY INFORMATION. Executive recognizes that Executive's employment with LES will involve contact with information of substantial value to LES, employees, and consultants which is not generally known, and which gives LES an advantage over its competitors who do not know or use it, including but not limited to, trade secrets, expansion plans, techniques, designs, drawings, processes, inventions, know how, strategies, marketing, and/or advertising plans or arrangements, developments, equipment, prototypes, sales, suppliers, service providers, vendors, distributors and customer information, and business and financial information relating to the business, products, services, practices and techniques of LES, prospects and any consultants of LES (hereinafter referred to as "Confidential and Proprietary Information"). Executive will, at all times, regard and preserve as confidential such Confidential and Proprietary Information obtained by Executive from whatever source and not, either during Executive's employment with LES or thereafter, publish or disclose any part of such Confidential and Proprietary Information in any manner at any time, or use the same, except on behalf of LES, without the prior written consent of LES.

5.1 DEFERRED TRADE SECRETS ACT OF 2016 (DTSA) RIGHTS. In

accordance with the DTSA, regardless of any language to the contrary, the following actions shall not be a violation of this Agreement or constitute criminal or civil violation of any Federal or State trade secret laws: (1) the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (2) the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (3) where an individual files a lawsuit for retaliation by an employer for reporting a suspected violation of law and discloses the trade secret to his attorney or uses the trade secret information in the court proceeding, so long as the individual files any document containing the trade secret under seal and does not otherwise disclose the trade secret, except pursuant to court order.

6. ASSIGNMENT AND BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of Executive and Executive's heirs, executors, personal representatives, assigns, administrators and legal representatives. Because of the unique and personal nature of Executive's duties under this Agreement, neither this Agreement, nor any rights or obligations under this Agreement, shall be assignable by Executive. This Agreement shall be binding upon and inure to the benefit of LES and its successors, assigns and legal representatives.

7. NOTICES. All notices or demands of any kind required or permitted to be given by LES or Executive under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or emailed during normal business hours, or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to LES:

Chairperson of the Board
General Counsel
Lincoln Electric System
9445 Rokeby Road
Lincoln, NE 68526

If to Executive:

Emeka Anyanwu
*Address to be provided at a later date

Any such written notice shall be deemed received when personally delivered, received by email, or three (3) days after its deposit in the United States mail as specified above. Either Party may change its address for notices by giving notice to the other Party in the manner specified in this section.

8. CONTROLLING OF LAW. This Agreement is made in Lincoln, Nebraska,

and shall be construed and interpreted in accordance with the laws of the State of Nebraska.

9. INTEGRATION. This Agreement contains the complete, final and exclusive agreement of the Parties relating to the terms and conditions of Executive's employment and supersedes all prior and contemporaneous oral and written employment agreements or arrangements between the Parties.

10. AMENDMENT. This Agreement cannot be amended or modified except by a written agreement approved by the LES Administrative Board and signed by Executive and the LES Administrative Board.

11. WAIVER. No term, covenant or condition of this Agreement, nor any breach thereof, shall be deemed waived, except with the written consent of Party against whom the waiver is claimed, and any waiver or any such term, covenant, condition or breach shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant, condition or breach.

12. SEVERABILITY. The finding by a court or arbitrator of competent jurisdiction of the unenforceability, invalidity or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid or illegal. Such court or arbitrator shall have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision which most accurately represents Parties' intention with respect to the invalid or unenforceable term or provision.

13. INTERPRETATION; CONSTRUCTION. The headings set forth in this Agreement are for convenience of reference only and shall not be used in interpreting this Agreement. Parties acknowledge that each Party, and its counsel, has reviewed and revised, or had an opportunity to review and revise, this Agreement, and the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Executive further agrees that the restrictions set forth in this Agreement, are fair and reasonable and are reasonably required for the protection of the legitimate business interests of LES and its officers, directors, and other employees.

14. REPRESENTATIONS AND WARRANTIES. Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity.


15. COUNTERPARTS. This Agreement may be executed in two counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

16. INJUNCTIVE RELIEF. Executive is obligated under this Agreement to render services and comply with covenants of a special, unique, unusual, and extraordinary character, thereby giving this Agreement peculiar value, so that the loss of such service or violation by Executive of this Agreement could not reasonably or adequately be compensated in damages in an action at law. Therefore, in addition to any other remedies or sanctions provided by law, whether criminal or civil, and without limiting the right of LES and successors or assigns to pursue all other legal and equitable rights available to them, LES shall have the right during Executive's employment hereunder (or thereafter with respect to obligations continuing after the termination of this Agreement) to obtain temporary and permanent injunctive relief, without posting a bond, against violations hereof by Executive, including, but not limited to violations of Sections 2.2 and 5 of this Agreement and, in furtherance thereof, to apply to any court with jurisdiction over Parties to enforce the provisions hereof.

17. COOPERATION IN FUTURE MATTERS. Following Executive's termination of employment for any reason, Executive shall cooperate reasonably with LES in respect to any matters that were under Executive's supervision and control and business operations about which Executive had knowledge during Executive's employment by LES. Any such cooperation shall be performed at scheduled times taking into consideration Executive's other commitments. This cooperation includes, without limitation, all future depositions, litigation or investigations brought by or against LES, or any of its agents, officers, or employees, in which and to the extent that LES deems Executive's cooperation reasonably necessary. If Executive is subpoenaed in connection with any litigation or investigation relating to LES, Executive will promptly notify LES. Any such cooperation shall be performed at scheduled times taking into consideration Executive's other commitments, and Executive will be reimbursed for their reasonable costs and expenses incurred by Executive in complying with these terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, each duly authorized to do so, effective the day and year of the signature by the parties.

October 20, 2023
.....
Date


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

.....
Date

.....
EMEKA ANYANWU

Exhibit X



Revenue & Expense Statement (Condensed)

SEPTEMBER 2023

Year-to-date 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 Actual	2023 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$273,406	\$270,724	\$2,682	1%	Wholesale revenue exceeded budget by 11%, or \$3.3M, primarily due to higher than expected revenues from SPP IM activities, and retail revenue was slightly under budget.
2) Power Costs	104,778	111,199	(6,421)	-6%	Produced power was 15% (\$8.6M) under budget due primarily to lower than budgeted energy costs at TBGS & WS4 and lower operations & maintenance expenses at LRS, TBGS, and Rokeby. Purchased power was over budget by 4% (\$2.2M) due to higher SPP purchases.
3) Other Operating Expenses	71,362	71,102	260	0%	Other operating expenses were lower than budget primarily due to reduced line clearance expenses (\$1.1M) and delay/timing of projects in Technology Services (\$1.6M), partially offset by higher than budgeted payroll and benefits and increased Sustainable Energy Program incentives.
4) Depreciation	<u>26,287</u>	<u>26,319</u>	<u>(32)</u>	0%	
5) Total Expenses	<u>202,427</u>	<u>208,620</u>	<u>(6,193)</u>	-3%	
6) Operating Income	70,979	62,104	8,875	14%	
7) Non-Operating Expense (Income)	<u>25,695</u>	<u>30,763</u>	<u>(5,068)</u>	-16%	
8) Change in Net Position (Net Revenue)	<u>\$45,284</u>	<u>\$31,341</u>	<u>\$13,943</u>	44%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.52x	1.40x			
10) Debt Service Coverage	2.27x	2.11x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand (Days)	172	171			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

September 2023



INDEX

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

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



REVENUE & EXPENSE STATEMENT

CURRENT MONTH

SEPTEMBER 2023

DESCRIPTION	CURRENT MONTH	CURRENT MONTH	VARIANCE FROM BUDGET		LAST YEAR MONTH	VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%
OPERATING REVENUES							
1. Retail	\$27,347,052	\$27,501,470	(\$154,418)	-0.6%	\$25,517,893	\$1,829,159	7.2%
2. Wholesale	2,997,261	2,717,557	279,704	10.3%	6,183,618	(3,186,357)	-51.5%
3. Other Revenue	1,008,725	1,188,596	(179,871)	-15.1%	1,296,227	(287,502)	-22.2%
4. CDFUO (a)	1,113,667	1,041,126	72,541	7.0%	1,007,230	106,437	10.6%
5. Total Operating Revenues	32,466,705	32,448,749	17,956	0.1%	34,004,968	(1,538,263)	-4.5%
OPERATING EXPENSES							
6. Purchased Power	6,534,501	5,285,393	1,249,108	23.6%	7,134,143	(599,642)	-8.4%
7. Produced Power	5,585,696	5,971,274	(385,578)	-6.5%	7,437,829	(1,852,133)	-24.9%
8. Operations	2,129,237	2,164,024	(34,787)	-1.6%	1,218,326	910,911	74.8%
9. Maintenance	1,632,827	1,019,834	612,993	60.1%	849,676	783,151	92.2%
10. Admin. & General	4,780,754	4,756,966	23,788	0.5%	4,376,782	403,972	9.2%
11. Depreciation	2,930,314	2,945,656	(15,342)	-0.5%	2,884,707	45,607	1.6%
12. Total Operating Expenses	23,593,329	22,143,147	1,450,182	6.5%	23,901,463	(308,134)	-1.3%
13. OPERATING INCOME	8,873,376	10,305,602	(1,432,226)	-13.9%	10,103,505	(1,230,129)	-12.2%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,440,129	1,421,546	18,583	1.3%	1,239,596	200,533	16.2%
15. PILOT (c)	1,413,988	1,348,730	65,258	4.8%	1,330,479	83,509	6.3%
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	3,900,506	3,811,402	89,104	2.3%	3,533,215	367,291	10.4%
19. Other (Income)	(41,691)	0	(41,691)	--	0	(41,691)	--
20. Interest (Income)	(795,658)	(115,857)	(679,801)	586.8%	(325,021)	(470,637)	144.8%
21. Total Other Nonoperating (Income)	(837,349)	(115,857)	(721,492)	622.7%	(325,021)	(512,328)	157.6%
22. Total Nonoperating Expenses (Income)	3,063,157	3,695,545	(632,388)	-17.1%	3,208,194	(145,037)	-4.5%
23. Income Before Contributions	5,810,219	6,610,057	(799,838)	-12.1%	6,895,311	(1,085,092)	-15.7%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	31,396	123,848	(92,452)	-74.6%	44,712	(13,316)	-29.8%
25. Contributed Capital Used (d)	(31,396)	(123,848)	92,452	74.6%	(44,712)	13,316	29.8%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$5,810,219	\$6,610,057	(\$799,838)	-12.1%	\$6,895,311	(\$1,085,092)	-15.7%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,532,116 + Variable Interest \$197,221 + Amortization of Issuance Costs on Outstanding Debt \$97,509 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/Premium \$494,493 = \$1,440,129.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

SEPTEMBER 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
OPERATING REVENUES							
1. Retail	\$226,084,279	\$226,434,030	(\$349,751)	-0.2%	\$214,949,648	\$11,134,631	5.2%
2. Wholesale	32,297,320	28,994,971	3,302,349	11.4%	50,792,430	(18,495,110)	-36.4%
3. Other Revenue	6,127,659	6,571,425	(443,766)	-6.8%	7,658,242	(1,530,583)	-20.0%
4. CDFUO (a)	8,897,163	8,723,725	173,438	2.0%	8,048,121	849,042	10.5%
5. Total Operating Revenues	273,406,421	270,724,151	2,682,270	1.0%	281,448,441	(8,042,020)	-2.9%
OPERATING EXPENSES							
6. Purchased Power	57,682,198	55,529,897	2,152,301	3.9%	66,025,534	(8,343,336)	-12.6%
7. Produced Power	47,095,307	55,668,722	(8,573,415)	-15.4%	61,310,675	(14,215,368)	-23.2%
8. Operations	19,326,775	19,374,115	(47,340)	-0.2%	11,342,008	7,984,767	70.4%
9. Maintenance	8,968,128	9,163,039	(194,911)	-2.1%	7,269,371	1,698,757	23.4%
10. Admin. & General	43,067,537	42,564,987	502,550	1.2%	39,792,553	3,274,984	8.2%
11. Depreciation	26,286,956	26,319,177	(32,221)	-0.1%	25,749,972	536,984	2.1%
12. Total Operating Expenses	202,426,901	208,619,937	(6,193,036)	-3.0%	211,490,113	(9,063,212)	-4.3%
13. OPERATING INCOME	70,979,520	62,104,214	8,875,306	14.3%	69,958,328	1,021,192	1.5%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	13,068,423	12,852,028	216,395	1.7%	14,199,325	(1,130,902)	-8.0%
15. PILOT (c)	10,257,594	10,347,682	(90,088)	-0.9%	9,819,259	438,335	4.5%
16. CDFUO Expense (a)	8,751,509	8,746,246	5,263	0.1%	7,880,436	871,073	11.1%
17. Other Expense	153	0	153	--	3,117	(2,964)	-95.1%
18. Total Other Nonoperating Expense	32,077,679	31,945,956	131,723	0.4%	31,902,137	175,542	0.6%
19. Other (Income)	(394,923)	0	(394,923)	--	0	(394,923)	--
20. Interest (Income)	(5,987,358)	(1,182,599)	(4,804,759)	406.3%	(1,181,767)	(4,805,591)	406.6%
21. Total Other Nonoperating (Income)	(6,382,281)	(1,182,599)	(5,199,682)	439.7%	(1,181,767)	(5,200,514)	440.1%
22. Total Nonoperating Expenses (Income)	25,695,398	30,763,357	(5,067,959)	-16.5%	30,720,370	(5,024,972)	-16.4%
23. Income Before Contributions	45,284,122	31,340,857	13,943,265	44.5%	39,237,958	6,046,164	15.4%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	1,322,751	1,114,632	208,119	18.7%	729,110	593,641	81.4%
25. Contributed Capital Used (d)	(1,322,751)	(1,114,632)	(208,119)	-18.7%	(729,110)	(593,641)	-81.4%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$45,284,122	\$31,340,857	\$13,943,265	44.5%	\$39,237,958	\$6,046,164	15.4%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$14,137,831 + Variable Interest \$1,547,517 + Amortization of Issuance Costs on Outstanding Debt \$957,606 + Amortization of Loss on Refunded Debt \$969,986 - Amortization of Discount/Premium \$4,544,517 = \$13,068,423.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

SEPTEMBER 2023

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
REVENUE							
1. Residential	\$12,971,074	\$13,273,893	(\$302,819)	-2.3%	\$11,785,822	\$1,185,252	10.1%
2. Commercial & Street Light	11,546,636	11,699,438	(152,802)	-1.3%	11,088,443	458,193	4.1%
3. Industrial	<u>2,829,342</u>	<u>2,528,139</u>	<u>301,203</u>	11.9%	<u>2,643,628</u>	<u>185,714</u>	7.0%
4. Total Retail	27,347,052	27,501,470	(154,418)	-0.6%	25,517,893	1,829,159	7.2%
5. SPP Sales	1,904,218	1,579,701	324,517	20.5%	5,107,590	(3,203,372)	-62.7%
6. Contract Sales	<u>1,093,043</u>	<u>1,137,856</u>	<u>(44,813)</u>	-3.9%	<u>1,076,028</u>	<u>17,015</u>	1.6%
7. Total Wholesale	<u>2,997,261</u>	<u>2,717,557</u>	<u>279,704</u>	10.3%	<u>6,183,618</u>	<u>(3,186,357)</u>	-51.5%
8. Total	\$30,344,313	\$30,219,027	\$125,286	0.4%	\$31,701,511	-\$1,357,198	-4.3%
ENERGY (MWH'S)							
9. Residential	118,403	119,763	(1,360)	-1.1%	112,977	5,426	4.8%
10. Commercial & Street Light	128,884	133,185	(4,301)	-3.2%	129,716	(832)	-0.6%
11. Industrial	<u>40,819</u>	<u>37,423</u>	<u>3,396</u>	9.1%	<u>38,421</u>	<u>2,398</u>	6.2%
12. Total Retail	288,106	290,371	(2,265)	-0.8%	281,114	6,992	2.5%
13. SPP Sales	42,457	31,580	10,877	34.4%	76,020	(33,563)	-44.2%
14. Contract Sales	<u>32,203</u>	<u>30,645</u>	<u>1,558</u>	5.1%	<u>37,173</u>	<u>(4,970)</u>	-13.4%
15. Total Wholesale	<u>74,660</u>	<u>62,225</u>	<u>12,435</u>	20.0%	<u>113,193</u>	<u>(38,533)</u>	-34.0%
16. Total	362,766	352,596	10,170	2.9%	394,307	(31,541)	-8.0%
CUSTOMERS - AT MONTH END							
17. Residential	132,700	130,460	2,240	1.7%	130,265	2,435	1.9%
18. Commercial & Street Light	17,804	17,787	17	0.1%	17,555	249	1.4%
19. Industrial	<u>236</u>	<u>233</u>	<u>3</u>	1.3%	<u>230</u>	<u>6</u>	2.6%
20. Total Retail	150,740	148,480	2,260	1.5%	148,050	2,690	1.8%
21. Wholesale	<u>7</u>	<u>7</u>	<u>0</u>	0.0%	<u>8</u>	<u>(1)</u>	-12.5%
22. Total	150,747	148,487	2,260	1.5%	148,058	2,689	1.8%



REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

SEPTEMBER 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$107,917,200	\$106,356,747	\$1,560,453	1.5%	\$102,539,553	\$5,377,647	5.2%
2. Commercial & Street Light	93,982,365	96,490,174	(2,507,809)	-2.6%	89,186,004	4,796,361	5.4%
3. Industrial	24,184,714	23,587,109	597,605	2.5%	23,224,091	960,623	4.1%
4. Total Retail	226,084,279	226,434,030	(349,751)	-0.2%	214,949,648	11,134,631	5.2%
5. SPP Sales	23,986,434	19,944,971	4,041,463	20.3%	43,729,854	(19,743,420)	-45.1%
6. Contract Sales	8,310,886	9,050,000	(739,114)	-8.2%	7,062,576	1,248,310	17.7%
7. Total Wholesale	32,297,320	28,994,971	3,302,349	11.4%	50,792,430	(18,495,110)	-36.4%
8. Total	\$258,381,599	\$255,429,001	\$2,952,598	1.2%	\$265,742,078	(7,360,479)	-2.8%
ENERGY (MWH'S)							
9. Residential	1,055,420	1,041,959	13,461	1.3%	1,054,400	1,020	0.1%
10. Commercial & Street Light	1,141,430	1,164,278	(22,848)	-2.0%	1,135,908	5,522	0.5%
11. Industrial	353,238	346,618	6,620	1.9%	348,784	4,454	1.3%
12. Total Retail	2,550,088	2,552,855	(2,767)	-0.1%	2,539,092	10,996	0.4%
13. SPP Sales	381,012	357,682	23,330	6.5%	566,488	(185,476)	-32.7%
14. Contract Sales	233,103	230,974	2,129	0.9%	184,910	48,193	26.1%
15. Total Wholesale	614,115	588,656	25,459	4.3%	751,398	(137,283)	-18.3%
16. Total	3,164,203	3,141,511	22,692	0.7%	3,290,490	(126,287)	-3.8%
CUSTOMERS AVERAGE							
17. Residential	131,898	129,943	1,955	1.5%	129,802	2,096	1.6%
18. Commercial & Street Light	17,721	17,715	6	0.0%	17,520	201	1.1%
19. Industrial	231	233	(2)	-0.9%	231	0	0.0%
20. Total Retail	149,850	147,891	1,959	1.3%	147,553	2,297	1.6%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,857	147,898	1,959	1.3%	147,560	2,297	1.6%



OPERATING EXPENSE STATEMENT

CURRENT MONTH

SEPTEMBER 2023

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
POWER COST							
1. SPP Purchased Power	\$1,530,819	\$388,655	\$1,142,164	293.9%	\$2,369,196	(\$838,377)	-35.4%
2. Non-Owned Asset Power	<u>5,003,682</u>	<u>4,896,738</u>	<u>106,944</u>	2.2%	<u>4,764,947</u>	<u>238,735</u>	5.0%
3. Total Purchased Power	6,534,501	5,285,393	1,249,108	23.6%	7,134,143	(599,642)	-8.4%
4. Produced Power	<u>5,585,696</u>	<u>5,971,274</u>	<u>(385,578)</u>	-6.5%	<u>7,437,829</u>	<u>(1,852,133)</u>	-24.9%
5. Total Power Cost	12,120,197	11,256,667	863,530	7.7%	14,571,972	(2,451,775)	-16.8%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,839,448	2,174,638	664,810	30.6%	1,842,230	997,218	54.1%
7. Transmission	<u>922,616</u>	<u>1,009,220</u>	<u>(86,604)</u>	-8.6%	<u>225,772</u>	<u>696,844</u>	308.6%
8. Total O & M Expense	3,762,064	3,183,858	578,206	18.2%	2,068,002	1,694,062	81.9%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	225,637	250,240	(24,603)	-9.8%	176,769	48,868	27.6%
10. Communication & Corporate Records	200,728	223,940	(23,212)	-10.4%	234,357	(33,629)	-14.3%
11. Corporate Operations	1,021,398	1,123,088	(101,690)	-9.1%	1,011,848	9,550	0.9%
12. Customer Services	1,044,542	917,751	126,791	13.8%	914,725	129,817	14.2%
13. Financial Services	459,352	471,802	(12,450)	-2.6%	398,642	60,710	15.2%
14. Power Supply	436,163	413,321	22,842	5.5%	351,300	84,863	24.2%
15. Technology Services	<u>1,392,934</u>	<u>1,356,824</u>	<u>36,110</u>	2.7%	<u>1,289,141</u>	<u>103,793</u>	8.1%
16. Total A & G Expense	4,780,754	4,756,966	23,788	0.5%	4,376,782	403,972	9.2%
17. DEPRECIATION	2,930,314	2,945,656	(15,342)	-0.5%	2,884,707	45,607	1.6%
18. TOTAL OPERATING EXPENSE	\$23,593,329	\$22,143,147	\$1,450,182	6.5%	\$23,901,463	(\$308,134)	-1.3%



OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

SEPTEMBER 2023

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
POWER COST								
1. SPP Purchased Power	\$13,947,548	\$9,077,549	\$4,869,999	53.6%	\$19,112,549	(\$5,165,001)	-27.0%	
2. Non-Owned Asset Power	43,734,650	46,452,348	(2,717,698)	-5.9%	46,912,985	(3,178,335)	-6.8%	
3. Total Purchased Power	57,682,198	55,529,897	2,152,301	3.9%	66,025,534	(8,343,336)	-12.6%	
4. Produced Power	47,095,307	55,668,722	(8,573,415)	-15.4%	61,310,675	(14,215,368)	-23.2%	
5. Total Power Cost	104,777,505	111,198,619	(6,421,114)	-5.8%	127,336,209	(22,558,704)	-17.7%	
OPERATION & MAINTENANCE (O&M)								
6. Energy Delivery	19,612,934	19,447,397	165,537	0.9%	16,896,966	2,715,968	16.1%	
7. Transmission	8,681,969	9,089,757	(407,788)	-4.5%	1,714,413	6,967,556	406.4%	
8. Total O & M Expense	28,294,903	28,537,154	(242,251)	-0.8%	18,611,379	9,683,524	52.0%	
ADMINISTRATIVE & GENERAL (A&G)								
9. Administration	2,196,372	2,229,226	(32,854)	-1.5%	1,975,258	221,114	11.2%	
10. Communication & Corporate Records	1,803,765	1,838,453	(34,688)	-1.9%	1,738,344	65,421	3.8%	
11. Corporate Operations	10,393,297	9,836,216	557,081	5.7%	9,468,871	924,426	9.8%	
12. Customer Services	8,868,607	8,154,895	713,712	8.8%	7,942,350	926,257	11.7%	
13. Financial Services	3,976,365	3,941,786	34,579	0.9%	3,439,216	537,149	15.6%	
14. Power Supply	3,531,727	3,375,130	156,597	4.6%	3,283,970	247,757	7.5%	
15. Technology Services	12,297,404	13,189,281	(891,877)	-6.8%	11,944,544	352,860	3.0%	
16. Total A & G Expense	43,067,537	42,564,987	502,550	1.2%	39,792,553	3,274,984	8.2%	
17. DEPRECIATION	26,286,956	26,319,177	(32,221)	-0.1%	25,749,972	536,984	2.1%	
18. TOTAL OPERATING EXPENSE	\$202,426,901	\$208,619,937	(\$6,193,036)	-3.0%	\$211,490,113	(\$9,063,212)	-4.3%	



**BALANCE SHEET
SEPTEMBER 2023**

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:			CURRENT LIABILITIES:		
1. Revenue Fund (includes CDFUO)	\$101,231,128	(\$6,572,146)	OTHER LIABILITIES		
2. Payment in Lieu of Tax Fund	8,715,681	(2,822,419)	1. Accounts Payable	\$16,656,115	(\$1,473,475)
3. Rate Stabilization Fund	38,797,672	1,363,423	2. Accrued Payments in Lieu of Taxes	10,108,940	(2,396,609)
4. Bond Principal & Interest Funds	6,290,125	(10,462,514)	3. City Dividend for Utility Ownership Payable	1,046,389	(2,806,171)
5. Other Restricted/Designated Funds (a)	3,481,008	(394,469)	4. Commercial Paper Notes	65,500,000	0
6. Restricted/Designated Funds Total	48,568,805	(9,493,560)	5. Accrued Liabilities	17,659,316	1,143,701
7. Total Current Asset Funds (b)	158,515,614	(18,888,125)	6. Total Other Liabilities	110,970,760	(5,532,554)
8. Receivables Less Uncollectible Allowance	29,990,697	4,342,596	CURRENT LIABILITIES - RESTRICTED ASSETS		
9. Unbilled Revenue	19,883,929	4,399,708	7. Current Portion of Long-Term Debt	37,800,000	7,265,000
10. Accrued Interest Receivable	1,163,411	(277,957)	8. Accrued Interest	1,671,225	(4,767,289)
11. Materials, Supplies & Fuel Inventory	31,353,907	3,662,497	9. Other Current Liabilities (d)	899,343	(47,576)
12. Plant Operation Assets	16,935,079	3,185,614	10. Total Current Liabilities - Restricted Assets	40,370,568	2,450,135
13. Other Current Assets	3,781,821	(947,466)	11. Total Current Liabilities	151,341,328	(3,082,419)
14. Total Current Assets	261,624,458	(4,523,133)	NONCURRENT LIABILITIES:		
NONCURRENT ASSETS:			12. 2012A Bonds	0	0
15. Bond Reserve Funds	9,271,464	(117,898)	13. 2013 Bonds	29,065,000	(16,245,000)
16. Self-Funded Benefits Reserve Fund (IBNP)	741,638	105,311	14. 2015A Bonds	71,400,000	(765,000)
17. Segregated Funds (c)	15,835,989	15,585,989	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	25,849,091	15,573,402	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	2,165,286	(264,792)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	73,848	26,989	18. 2020B Bonds	171,625,000	(13,525,000)
22. Other Noncurrent Assets	1,454,594	178,069	19. Total Revenue Bonds	531,455,000	(30,535,000)
23. Total Noncurrent Assets	\$36,833,260	\$15,730,212	20. Less Current Maturities	37,800,000	7,265,000
CAPITAL ASSETS:			21. Less Unamortized Discounts/Premiums	(36,138,074)	4,544,517
24. Utility Plant in Service	1,825,956,474	15,313,735	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(929,956,496)	(23,246,843)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	105,164,779	13,233,752	24. Net Long Term Debt	529,793,074	(42,344,517)
27. Total Capital Assets	1,001,164,757	5,300,644	25. Liabilities Payable from Segregated Funds (e)	15,832,202	15,582,202
DEFERRED OUTFLOWS OF RESOURCES:			26. Asset Retirement Obligation	3,254,997	74,831
28. Deferred Loss on Refunded Debt	8,450,555	(969,985)	27. Other Noncurrent Liabilities	35,666,038	26,639
29. Deferred Costs for Asset Retirement Obligations	3,254,997	74,831	28. Total Liabilities	735,887,639	(29,743,264)
30. Total Deferred Outflows of Resources	11,705,552	(895,154)	DEFERRED INFLOWS OF RESOURCES:		
			29. Deferred Inflow of Resource	6,961,891	71,711
			30. Total Deferred Inflows of Resources	6,961,891	71,711
			NET POSITION:		
			31. Net Investment in Capital Assets	385,400,054	39,247,291
			32. Restricted for Debt Service	4,697,668	(5,551,533)
			33. Restricted for Employee Health Insurance Claims	1,843,560	(1,012,430)
			34. Unrestricted	176,537,215	12,600,794
			35. Total Net Position	568,478,497	45,284,122
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,311,328,027	\$15,612,569	36. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$1,311,328,027	\$15,612,569



STATEMENT OF CASH FLOWS
SEPTEMBER 2023

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$32,072,634	\$283,247,151
2. Sales Tax Receipts	\$1,695,574	\$12,498,809
3. Paid to Suppliers for Goods & Services	(\$22,847,067)	(\$171,415,783)
4. Paid to Employees for Services	(\$1,652,958)	(\$13,293,660)
5. Payments for Sales Tax	(1,660,848)	(12,015,857)
6. Cash Flow from Operating Activities (a)	7,607,335	99,020,660
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	0	(12,654,204)
8. City Dividend for Utility Ownership Payments	0	(11,557,680)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	0	(24,211,884)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	(5,588,796)	9,954,276
12. Interest Income	1,067,124	5,717,520
13. Cash Flow from (used for) Investing Activities	(4,521,672)	15,671,796
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(3,225,849)	(33,288,958)
15. Salvage on Retirement of Plant	0	212,059
16. Cost of Removal of Property Retired	(78,263)	(1,870,121)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	31,396	1,322,751
20. Cash Received from Leases	41,828	357,285
21. Net Proceeds from Issuance of Long-Term Debt	0	0
22. Principal Payments on Long-Term Debt	(30,535,000)	(30,535,000)
23. Interest Payments on Debt	(9,707,029)	(20,452,645)
24. Cash Flow from (used for) Capital Financing Activities	(43,472,917)	(84,254,629)
24. Cash Flow from (used for) Capital Financing Activities	(40,387,254)	6,225,943
25. Net Increase (Decrease) in Cash and Cash Equivalents	67,403,037	20,789,840
26. Cash and Cash Equivalents Beginning of Period	\$27,015,783	\$27,015,783
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	\$8,873,376	\$70,979,520
2. Noncash items included in operating income	3,021,389	27,073,165
3. Changes in Assets & Liabilities Increase/(Decrease)	(4,287,430)	967,975
4. Net cash flows from operating activities	\$7,607,335	\$99,020,660
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



DEBT SERVICE COVERAGE

SEPTEMBER 2023

DESCRIPTION	----- CURRENT MONTH -----			----- YEAR-TO-DATE -----		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	\$32,466,705	\$32,448,749	\$34,004,968	\$273,406,421	\$270,724,151	\$281,448,441
2. Total Operating Expenses	23,593,329	22,143,147	23,901,463	202,426,901	208,619,937	211,490,113
3. Less Depreciation	(2,930,314)	(2,945,656)	(2,884,707)	(26,286,956)	(26,319,177)	(25,749,972)
4. Operating Expense Net of Depreciation	20,663,015	19,197,491	21,016,756	176,139,945	182,300,760	185,740,141
5. Net Operating Revenue for Debt Service	11,803,690	13,251,258	12,988,212	97,266,476	88,423,391	95,708,300
6. Interest Income (a)	628,051	106,005	264,371	4,804,111	1,094,370	987,480
7. Other Income	41,691	0	0	394,923	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
9. AVAILABLE FOR DEBT SERVICE	12,473,432	13,357,263	13,252,583	102,465,510	89,517,761	96,695,780
10. DEBT SERVICE (b)	\$4,682,116	\$4,682,115	\$4,077,203	\$37,644,495	\$37,644,483	\$37,821,549
11. DEBT SERVICE COVERAGE	2.66	2.85	3.25	2.72	2.38	2.56

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

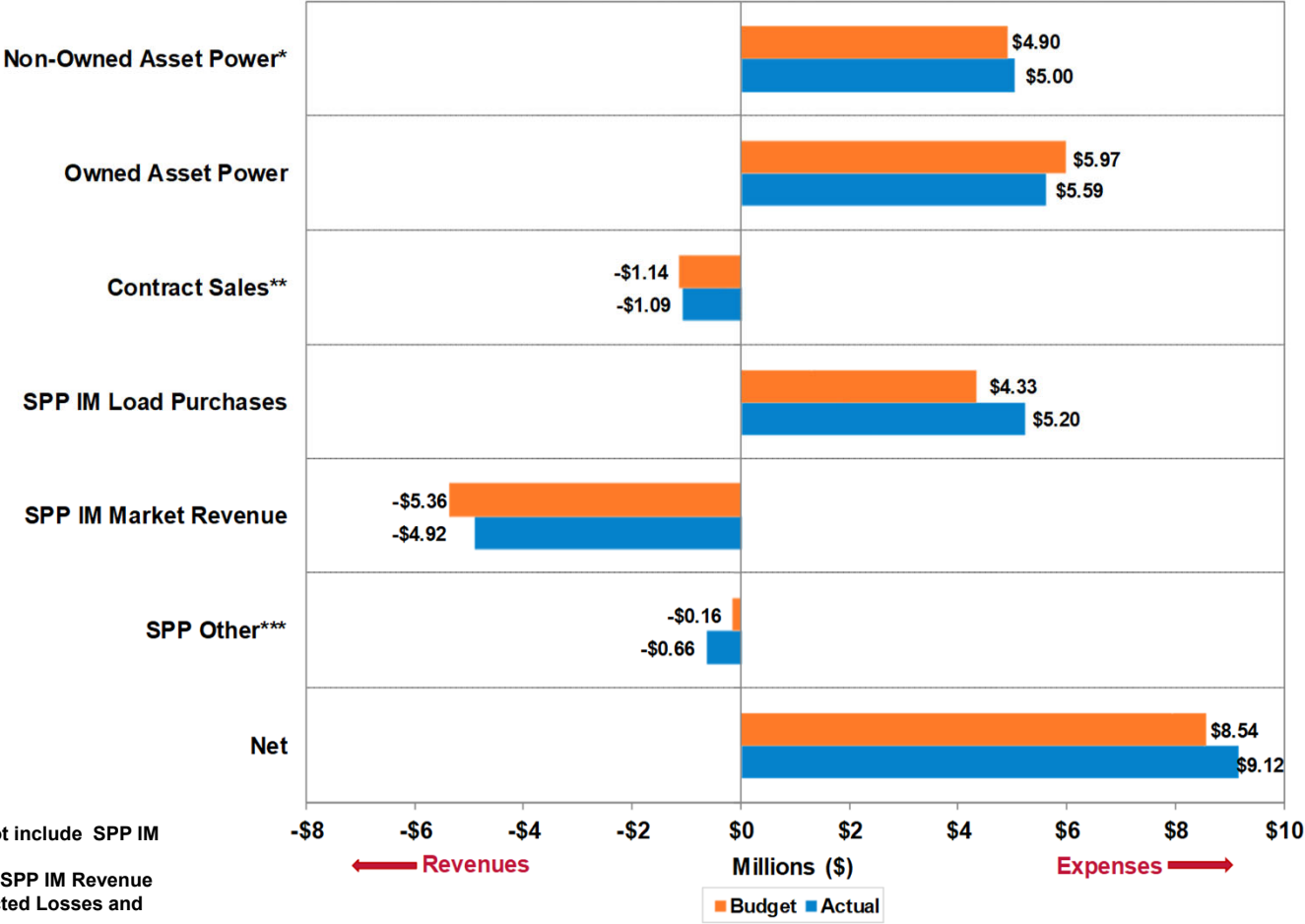
Power Supply Division 2023 September Monthly Report

October 20, 2023

Jason Fortik
Vice President, Power Supply

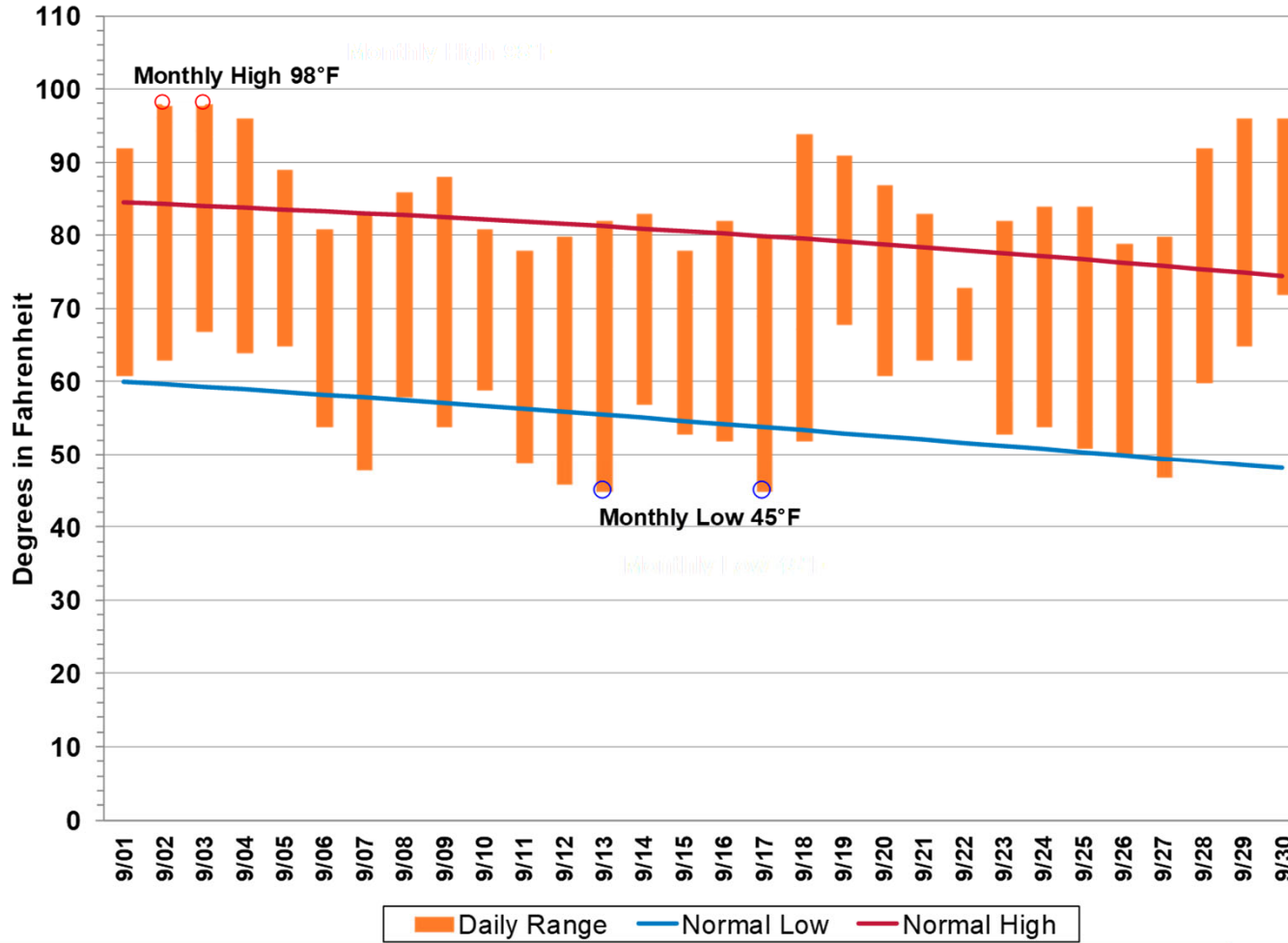


Monthly Actual vs. Budget

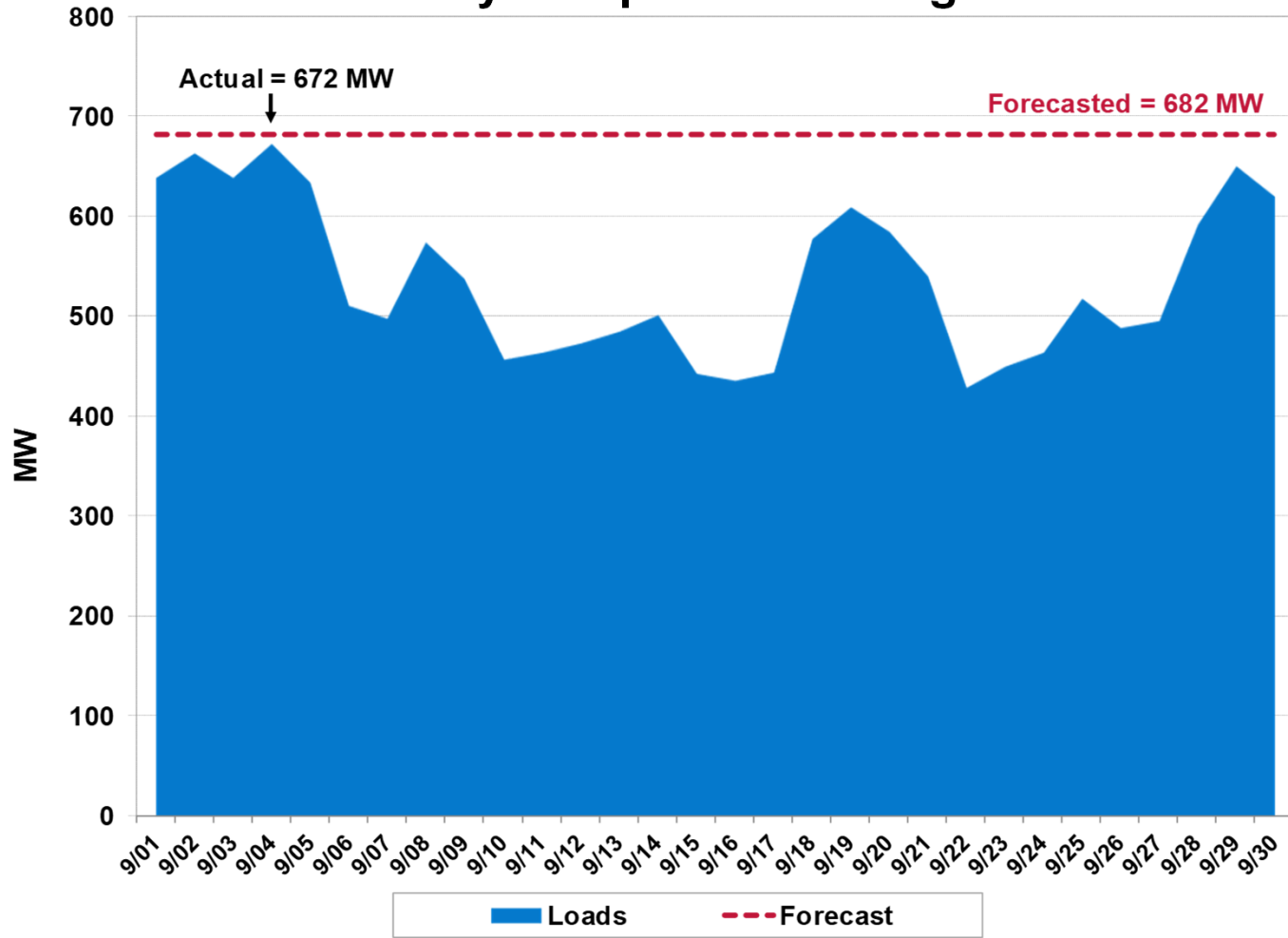


*Non-Owned Asset Power does not include SPP IM Purchased
 **Contract Sales does not include SPP IM Revenue
 ***SPP Other includes Over-Collected Losses and ARR's/TCR

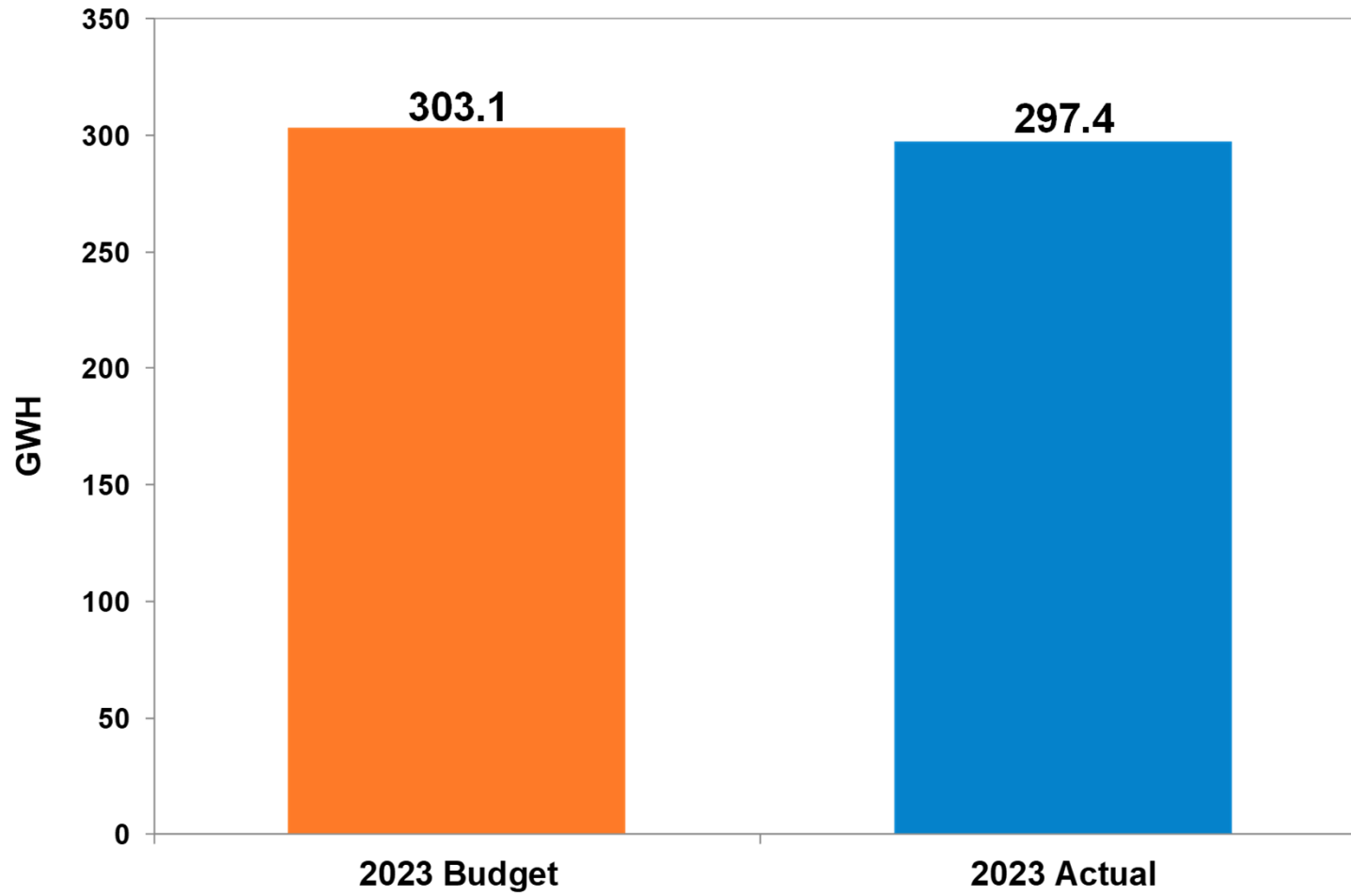
Daily Temperature Range



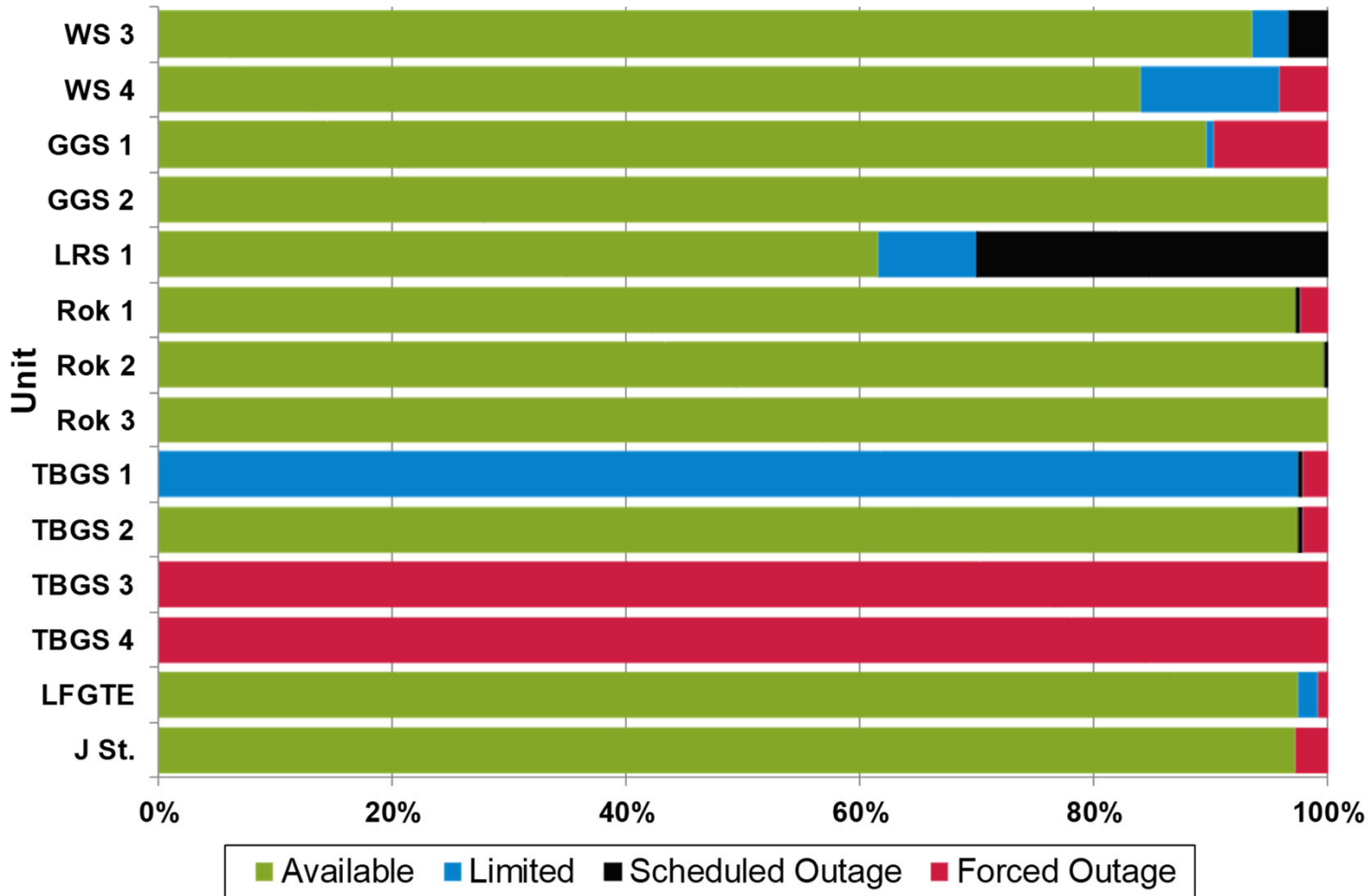
Daily Temperature Range



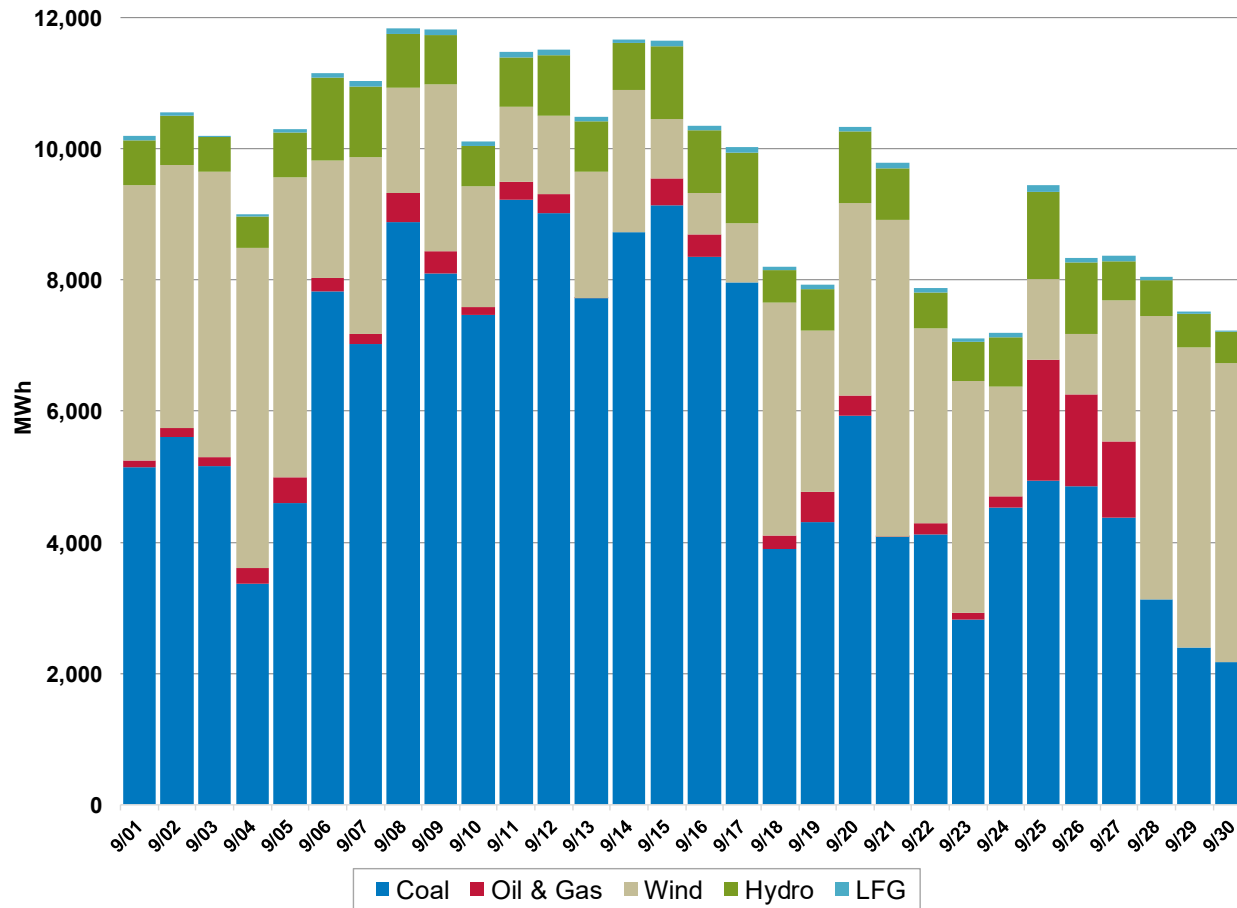
Customer Energy Consumption



Unit Equivalent Availability

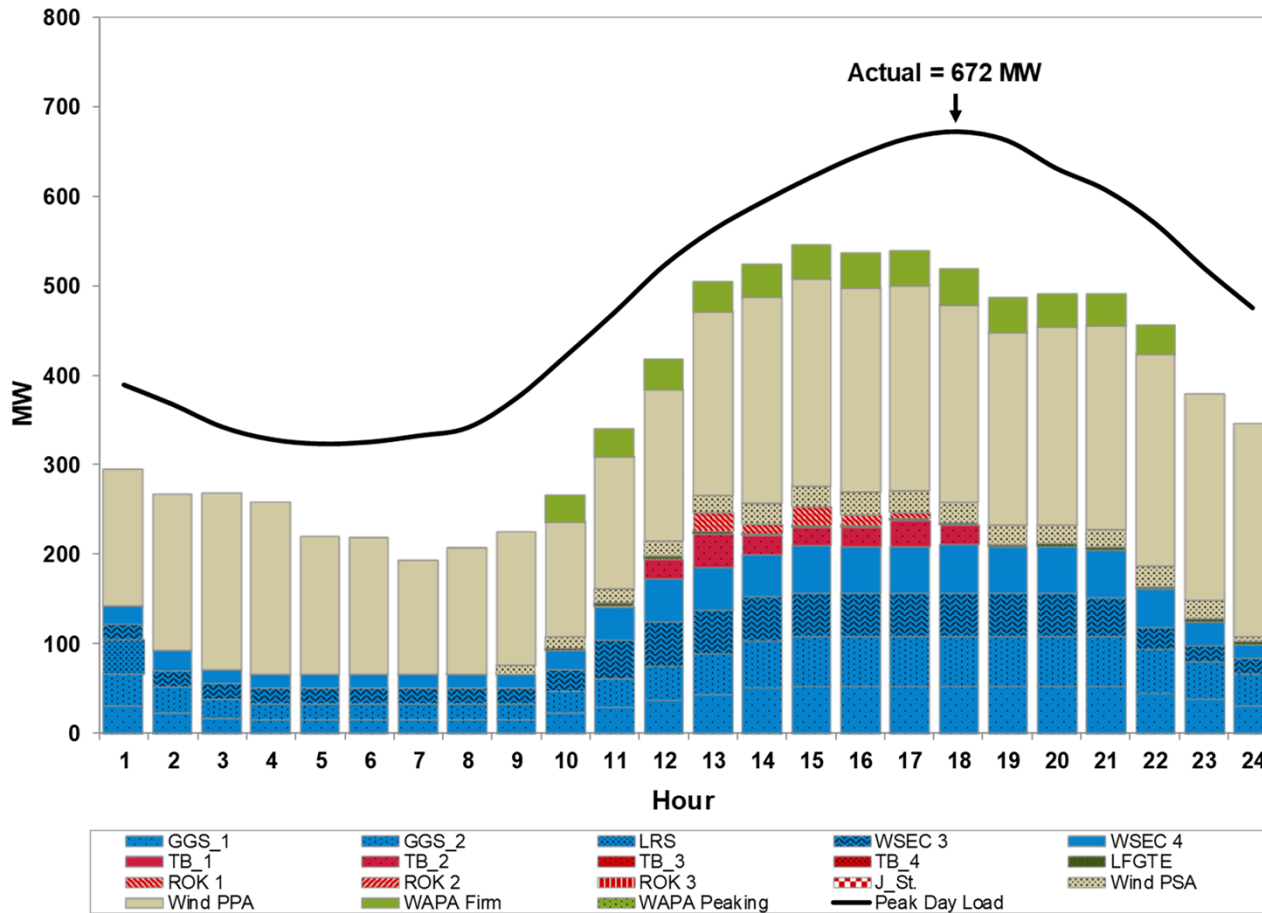


Resource Energy



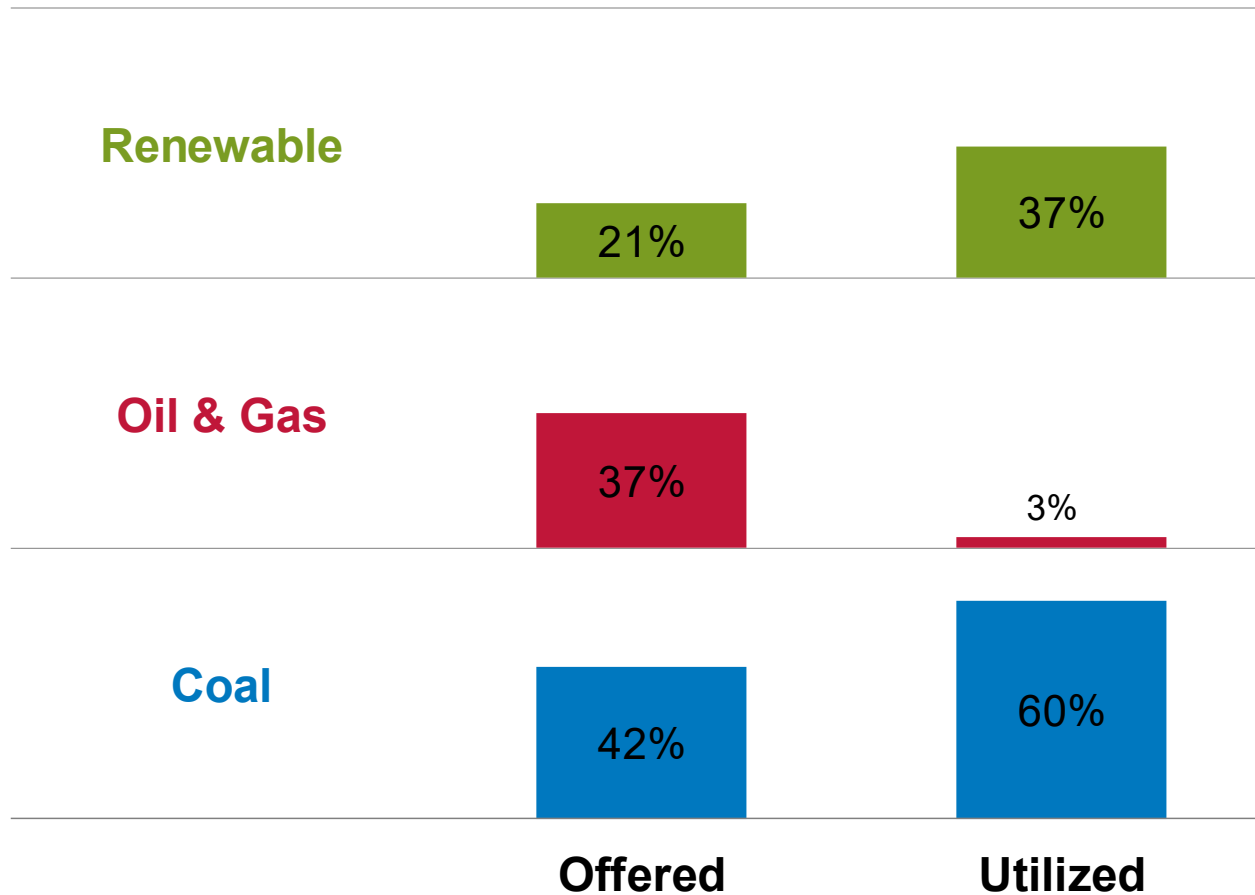
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – September 4, 2023



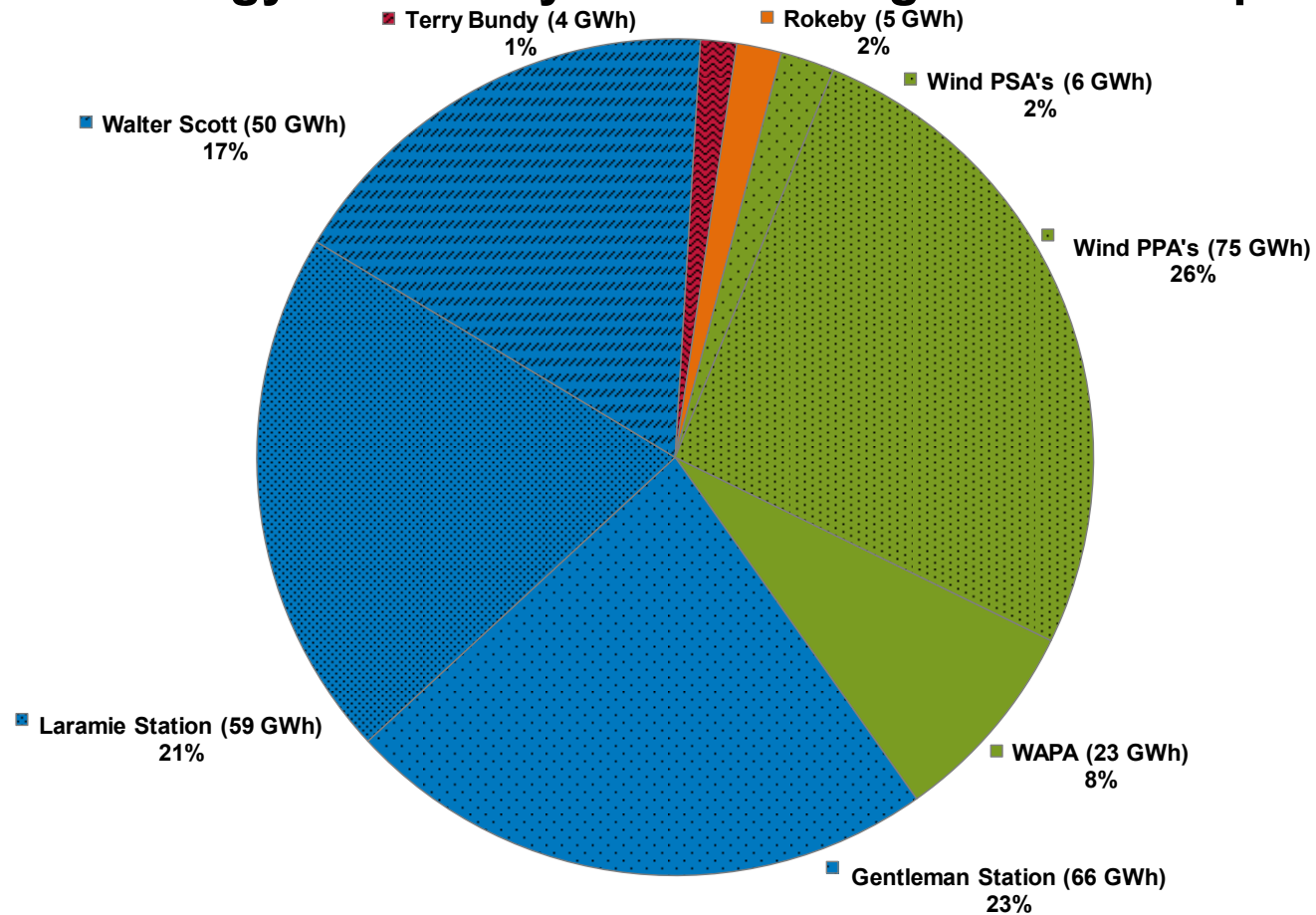
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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