

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, September 15, 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, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Board Members Absent: Karen Griffin (Griffin was unable to attend in person but participated virtually, but pursuant to the Nebraska Open Meetings Act she cannot be counted as present or vote)

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Chad Luebbe, Sally Jarecke, Lisa Hale, Kelley Porter, Jim Rigg, Mike Murphy, Keith Snyder, Katrinka Dicke, Trish Owens, Jim Rigg, Joe Cocklin, Wade Leibbrandt, Nick Wischof, 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 requested approval of the meeting minutes of August 18, 2023. Lucas Sabalka moved their approval. David Spinar seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

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

Nay: None

Absent: Karen Griffin

Paul Crist, Vice President, Energy Delivery, introduced Chad Luebbe, Coordinator of Substation Maintenance and Delivery, who was recognized by the Board for 20 years of service to LES. **Introduction & Recognition of Staff**

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions, including: 1) Second Quarter Generation Revenue and Cost Report; 2) 2023 NERC Audit Results Overview; 3) Cyber Security Update; 4) Proposed Nebraska State Penitentiary Site Infrastructure Interfaces. (Exhibit I)

**Operations & Power  
Supply Committee Report**

David Spinar, Chair of the Budget & Rates Committee, reported on Committee discussions, including: 1) 2024 Power Cost Review; 2) 2023 Mid-Year Capital Review; 3) 2024 Preliminary Budget Review; 4) Capital Budget Authorization Change; 5) 2024 Cost of Service & Proposed Rates. (Exhibit II)

**Budget & Rates  
Committee Report**

Emily Koenig, Vice President, and CFO provided an overview of the 2024 Proposed Operating and Capital Budget and Rates. (Exhibit III)

**2024 Proposed Operating  
& Capital Budget and  
Rates Overview**

Koenig reviewed revenue expectations, operating and capital cost changes, financial metrics and targets, and rate adjustment drivers.

She reviewed the proposed 2024 rate adjustments which would include a system-wide average rate increase of 3.7%, individual rate class changes and service fee adjustments.

Koenig reviewed the proposed Capital Budget Authorization change which is a goal to switch from an annual to project-based authorization.

The proposed total operation and capital authorization is \$361.7 Million. A public hearing on the budget and rates proposal is scheduled for October 5, 6:00 p.m., and the Board is scheduled to take action on the proposal at the October 20 board meeting.

Sally Jarecke, Communications Specialist, reported on the 2023 United Way Campaign results. LES employees raised \$116,180 and reached 116% of its goal including 63 new donors. This is the 100<sup>th</sup> Year for United Way. LES hosted several employee activities to support the campaign. (Exhibit IV)

**2023 United Way  
Campaign Report**

Andrew Hunzeker, Chair of the Executive Search Committee, reported that LES Administrative Board held special board meetings on September 13<sup>th</sup> and 14<sup>th</sup> to interview the four

**Other Business**

finalists for the CEO position. Each of the candidates also met with Mayor Gaylor Baird and the Board search committee will meet with the mayor next week to discuss the mayor's feedback regarding the candidates. The Board is scheduled to take action to select a final candidate at a special meeting of the LES Administrative Board on September 29<sup>th</sup>. The Board's final selection is subject to approval by the Mayor and Lincoln City Council.

Kelley Porter, Manager of Customer & Corporate Communications, **Other Business**  
recapped LES' involvement in the Guardians of Freedom Airshow that was held on August 26<sup>th</sup> and 27<sup>th</sup>.

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

The next meeting of the LES Administrative Board will be a Special Meeting on Friday, September 29, 2023, at 12:30 p.m. The next regular meeting of the board will be on October 20, 2023. **Next Meeting**

Without further business before the Board, Chair Hunzeker declared the meeting adjourned at approximately 10:48 a.m. **Adjournment**

Lucas Sabalka, Secretary

BY: *Katrinka Dicke*  
Katrinka Dicke  
Assistant Secretary

# **Exhibit I**



## Operations and Power Supply Committee Meeting Summary September 5, 2023 (virtual)

**Attendees:** C. Eskridge, C. Johnson, L. Sabalka (Committee Chair),  
P. Crist, J. Fortik, B. Lafler, D. Malcom, E. Ruskamp, S. Sahling-Zart, D. Thorne, K. Wailes

### **2023 Q2 Generation Revenue & Cost Report (Brad Lafler):**

- Staff presented its analysis of the financial performance of LES's generating resources in the SPP Integrated Marketplace for Q2 2023.
- Natural gas prices remained below the Budget expectations in the second quarter. The lower natural gas prices put downward pressure on market electricity prices, but other generation supply related issues pushed local electricity prices above Budget later in the quarter.
- LES's generating fleet posted positive net revenue results overall in the second quarter.

### **2023 NERC Audit Results Overview (Eric Ruskamp):**

- Onsite audits are scheduled every three years. LES's previous compliance audit was conducted January - May 2020 but was conducted fully remote due to COVID19. This year's audit began with data collection beginning on January 2<sup>nd</sup> and the onsite portion of the audit occurring on May 22<sup>nd</sup>.
- Prior to the audit, staff performed its annual internal review of all NERC standards applicable to LES so to best prepare for the audit. The compliance audit included an audit team focused on the NERC Operations & Planning standards and an audit team focused on the NERC Critical Infrastructure Protection standards.
- There were no identified Potential Violations, one identified Area of Concern that was due to a slight discrepancy in some planning model data, and four Recommendations that represented relatively minor issues.
- The auditors noted that LES exhibited a strong "culture of compliance" and that the LES subject matter experts were very open and responsive in their interactions with the audit team.

### **Cyber Security Update (Dustin Thorne):**

- Staff provided an overview of the threat landscape LES's information technology systems experience from issues like ransomware, and the threats to operations technology systems from sources like Nation States.
- Artificial Intelligence is being recognized as an evolving tool for both attackers and defenders of cyber systems.
- LES is implementing real-time network monitoring tools to aid in the defense of its critical systems.

### **Proposed Nebraska State Penitentiary Site Infrastructure Interfaces (Jason Fortik):**

- Staff briefed the Committee on possible LES facilities conflicts with the latest proposed Nebraska State Penitentiary site.

# **Exhibit II**



## Budget & Rates Committee Meetings – August 24 and September 6, 2023

### August 24 Meeting (In-Person)

**Attendees:** D. Spinar (Committee Chair), L. Sabalka, E. Schafer, E. Koenig, K. Wailes, S. Sahling-Zart, W. Leibbrandt., L. Hale, J. Fortik, S. Benson; *Absent – A. Hunzeker (Board Chair)*

#### 2024 Power Cost Review (Scott)

**Note:** *This information was provided in the Operations & Power Supply Committee Update at the August Board Meeting, but has been updated slightly*

- The proposed 2024 Net Power Cost budget is \$112.2 million, which is \$2.2 million higher than the 2023 Net Power Cost budget.
- Increased generating plant maintenance expense and lower anticipated energy sales revenue in the SPP market are the primary drivers of the Net Power Cost increase.

#### 2023 Mid-Year Capital Review (Wade)

- An overview of the year to date and forecasted year-end capital spending was provided to the committee.
- While capital spending is currently about \$8 million, or 25%, under budget, it is forecasted that year-end capital spend will be approximately \$1.3 million, or 2% over budget due primarily to supply chain and inflationary issues.

#### 2024 Preliminary Budget Review (Emily & Wade)

**Note:** *This information will be presented in detail by Emily during the presentation of the proposed budget*

- The committee reviewed the proposed 2024 Budget which initially required a 4.6% system-wide rate increase to meet financial targets. The committee was updated on reductions that were implemented which reduced the required rate increase to 3.7%.
- The total operating and capital budget requested authorization is \$361.7 million, which is \$31 million more than the 2023 budget authorization.
- Primary factors causing the operating budget increase include investments in the workforce, increased Net Power Cost and higher debt service for long-term bonds.

### September 6 Meeting (In-Person and Virtual)

**Attendees:** D. Spinar (Committee Chair), L. Sabalka, A. Hunzeker (Board Chair), E. Koenig, K. Wailes, S. Sahling-Zart, W. Leibbrandt., J. Cocklin, L. Hale; *Absent – E. Schafer*

#### Capital Budget Authorization Change (Wade)

**Note:** *This information will be presented by Emily during the presentation of the proposed budget*

- The committee reviewed a proposal to change capital budget authorization requirements that are outlined in the Municipal Code.
- The objective is to switch from an annual capital budget authorization to a project-based authorization.
- A related resolution will be presented for the board's consideration at the October board meeting.
- The proposed change will require City Council approval.

**(CONTINUED ON THE BACK)**

## **2024 Cost of Service & Proposed Rates (Emily & Joe)**

***Note: This information will be presented in detail by Emily during the proposed budget and rates presentation***

- The 2024 cost of service analysis, which supports the staff proposed system-wide rate increase, was provided to the committee for their review.
- In addition to the rate increase, other rate schedule changes were discussed with the committee which include: Service Fee changes, modifications to Renewable Generation provisions and other minor clarifying changes.



# **Exhibit III**

# 2024 Proposed Budget & Rates

LES Administrative Board

September 15, 2023

Emily N. Koenig  
CFO & Vice President of Financial Services



# Today's Objectives

- **Review Proposed 2024 Operating and Capital Budget**
  - Revenue Expectations
  - Operating & Capital Cost Changes
  - Financial Metrics and Targets
  - Rate Adjustment Drivers
- **Review Proposed 2024 Rate Adjustments**
  - System-wide rate increase of 3.7%
  - Individual rate class changes
  - Service Fee Adjustments
- **Proposed Change to Capital Budget Authorization**
- **Schedule of Next Steps**

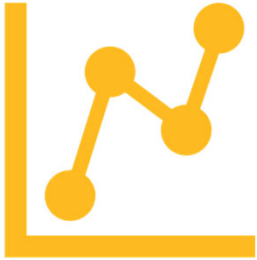
No action will be taken at today's board meeting (LES Board action is scheduled for October 20<sup>th</sup>)

*Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided*

# The path to the 2024 Proposed Budget and Rates

May	June	July	August	September	October	November
Staffing requests due	Finalize assumptions & guidelines	Power Costs Budget Review	CEO Budget Review	B&R Committee reviews budget & rates	Public meeting	City Council Public Hearing
	Capital Business Cases due	Sales Forecast complete	B&R Committee reviews budget	Board Meeting with presentation of proposed budget & rates	B&R Committee reviews public comments	City Council Action
	Budgets received from Phase 1 divisions	Budgets received from Phase 2 divisions			Board Meeting with action on budget & rates	
		Budgets received from Phase 3 divisions			Budget & Rates sent to City Council	
					City Council first reading	
					Public & City Council Outreach	

# 2024 Budget & Rates at a Glance

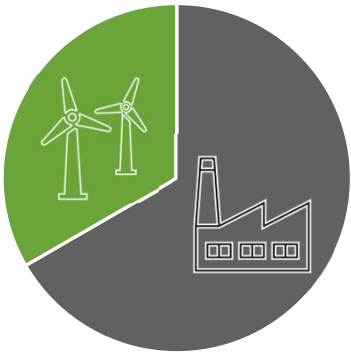


Cost increases result in a 2024 deficit of **\$10.8M**



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 2024 Operating Revenue



## Total revenue decreasing \$4.2M, or 1.2%, prior to any rate adjustment

	2023 Budget	2024 Budget (No Rate Adj)	\$ Variance	% Variance
Retail Revenue	\$290.4M	<b>\$291.3M</b>	+\$0.9M	+0.3%
Wholesale Revenue	\$36.3M	<b>\$31.4M</b>	-\$4.9M	-13.4%
Other & Miscellaneous	\$9.2M	<b>\$7.9M</b>	-\$1.3M	-14.4%
CDFUO	\$11.8M	<b>\$12.9M</b>	+\$1.1M	+8.9%
<b>Total Revenue</b>	<b>\$347.8M</b>	<b>\$343.5M</b>	<b>-\$4.2M</b>	<b>-1.2%</b>

*The 2023 Forecast is \$343.3M, due to lower wholesale revenue*

- Retail Revenue increase due to load growth
  - Retail Energy Sales 3,293 GWh, up 0.2% from 2023
- Wholesale Revenue decreased mostly due to lower sales in the SPP Integrated Marketplace

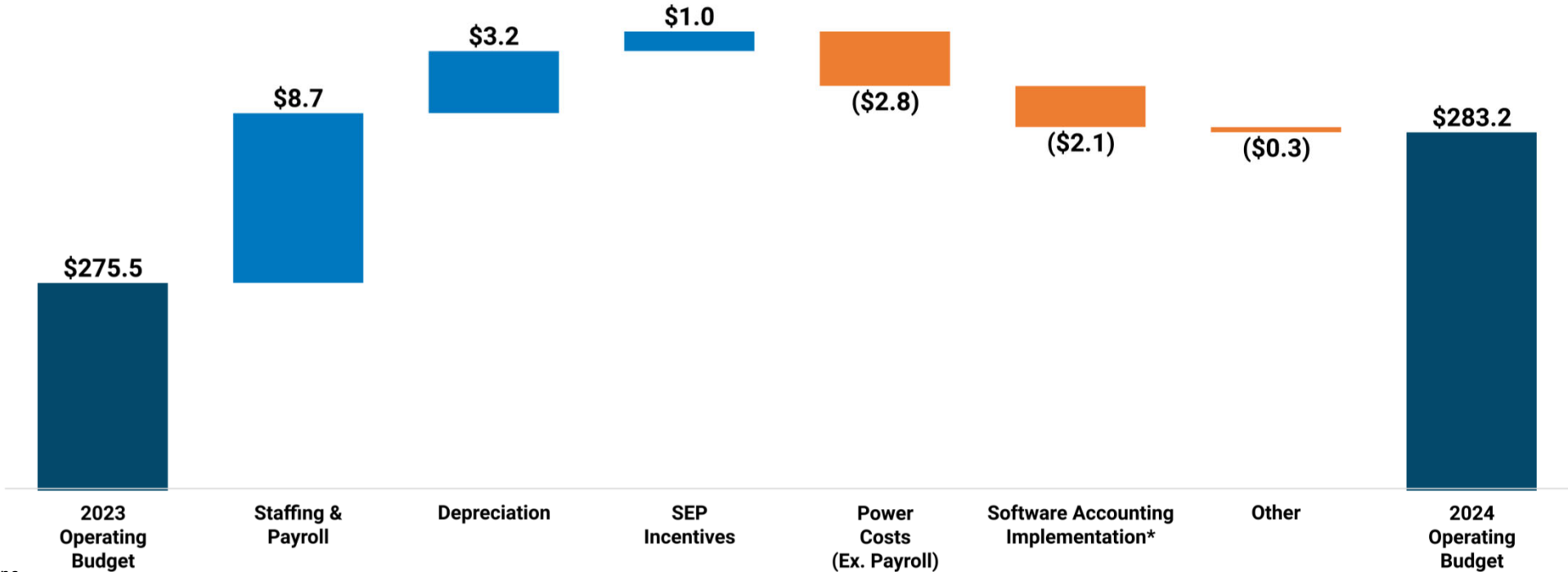
# Proposed 2024 Operating Budget





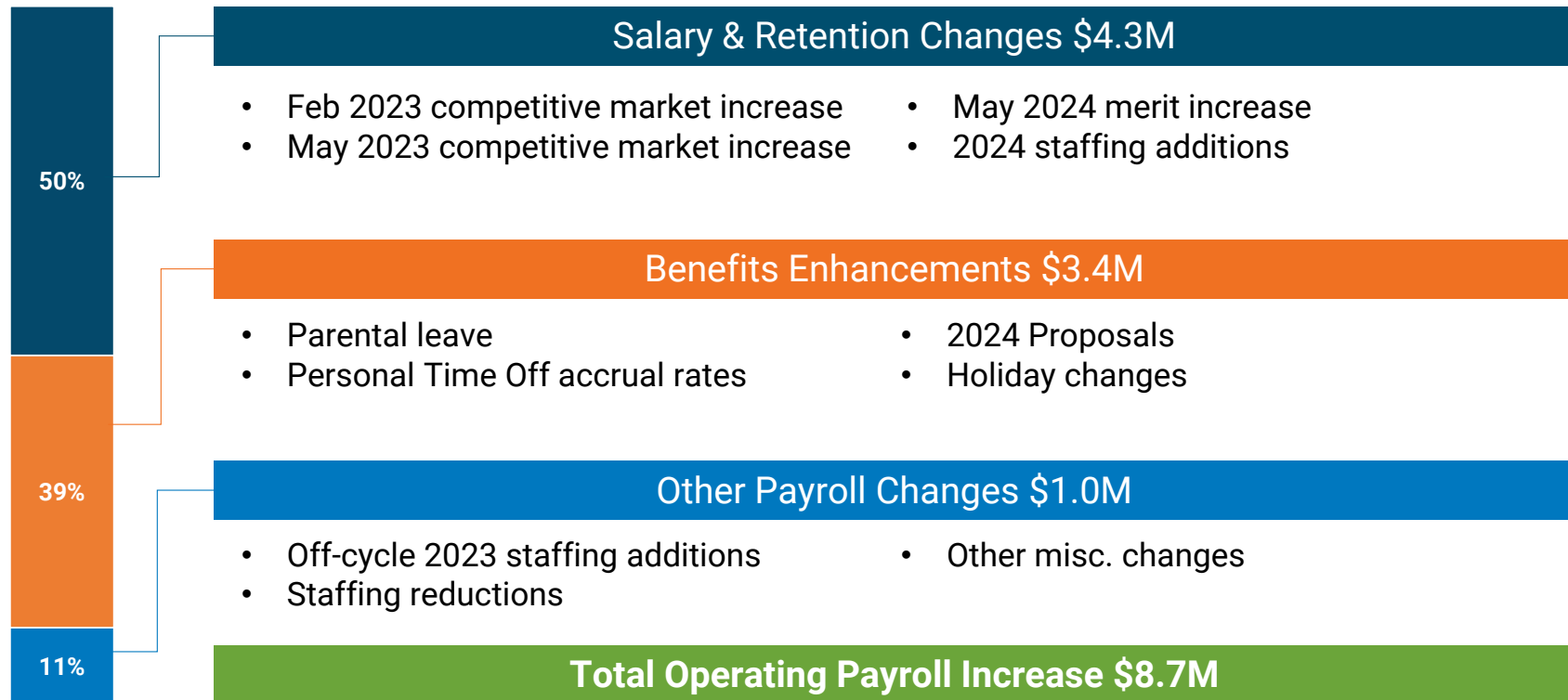
# The Operating Budget is driven by Payroll, Power Costs, and new accounting treatment for software

Year-Over-Year Budget Drivers

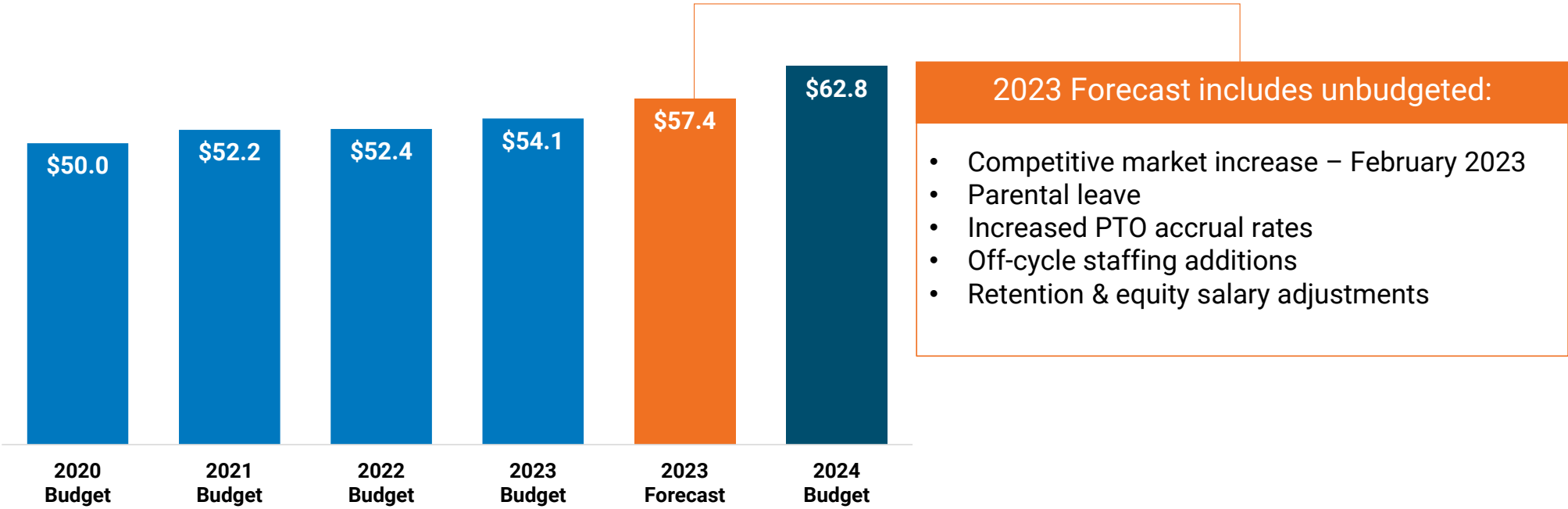


\$ in Millions  
 \* Impact of GASB 96 implementation

# Payroll and benefit enhancements continue for recruiting and retention

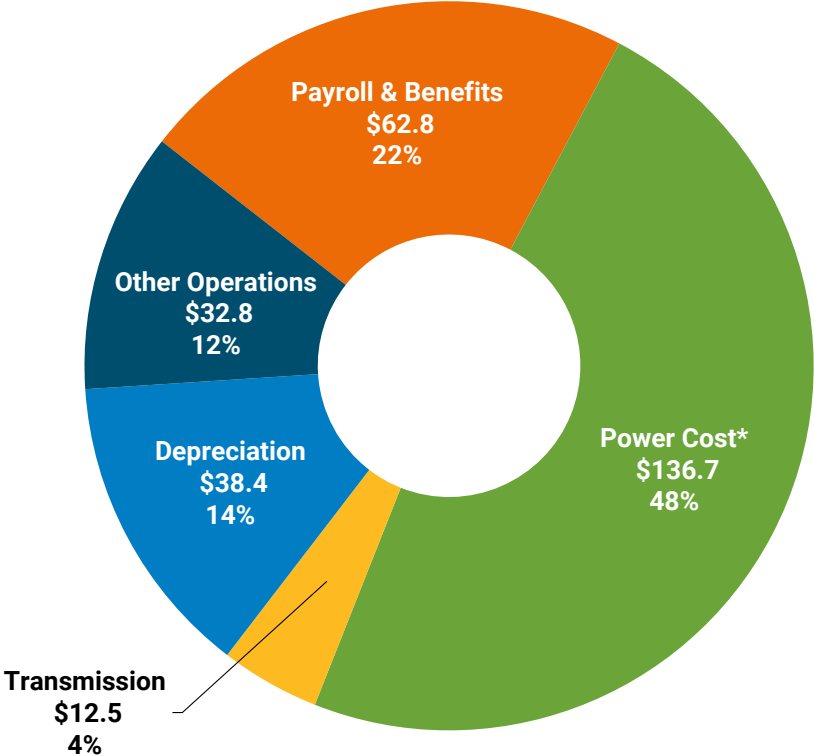


# Payroll & Benefits Operating Budget Five-Year Trend



\$ in Millions

# Power Cost continues to be most impactful to the Operating Budget



\* Power Cost varies from other parts of the presentation due to labor costs that are reported through Payroll & Benefits in the chart above.

\$ in Millions

# LES continues to provide incentives and assistance to customers

2024 Sustainable Energy Program Budget



2023 Funding = \$1.5M

2024 Energy Assistance Program Budget

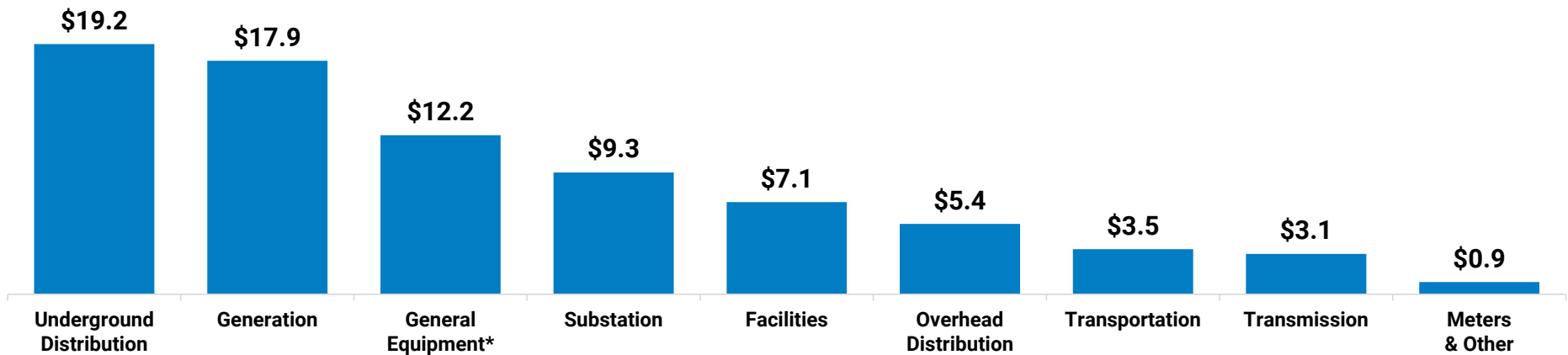


2023 Funding = \$348K

# Proposed 2024 Capital Budget



# 2024 Proposed Capital Budget is \$78.6M



\* Impact of GASB 96 implementation

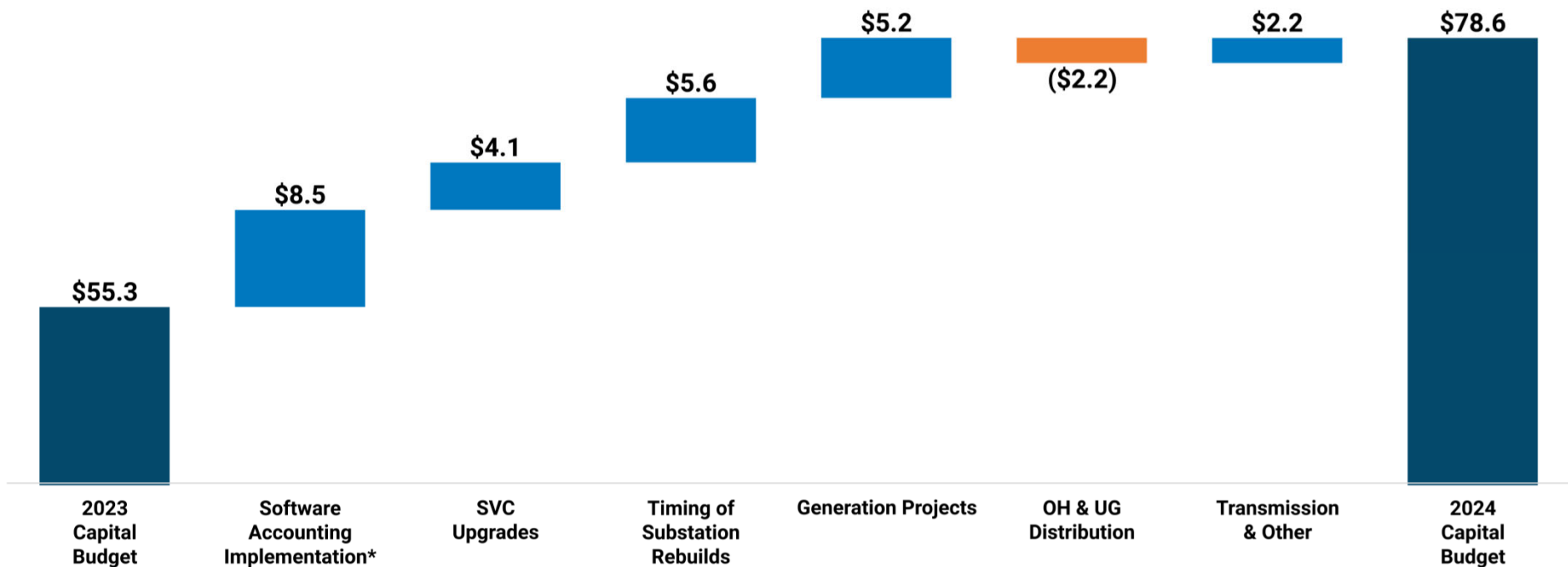
## Major Projects > \$2.0M

- \$6.1M – Walter A. Canney Service Center HVAC Upgrades
- \$4.1M – 57<sup>th</sup> & Garland Transformer Replacement
- \$3.4M – TBGS Unit 2 Turbine Upgrades
- \$2.3M – 56<sup>th</sup>, Everett to Elkcrest Transmission Project
- \$2.2M – RGS Ice Maker Upgrades
- \$2.2M – 8<sup>th</sup> & N Transformer Replacement

\$ in Millions

# The Capital Budget is significantly impacted by new accounting treatment for software

Year-Over-Year Capital Budget Drivers



\$ in Millions

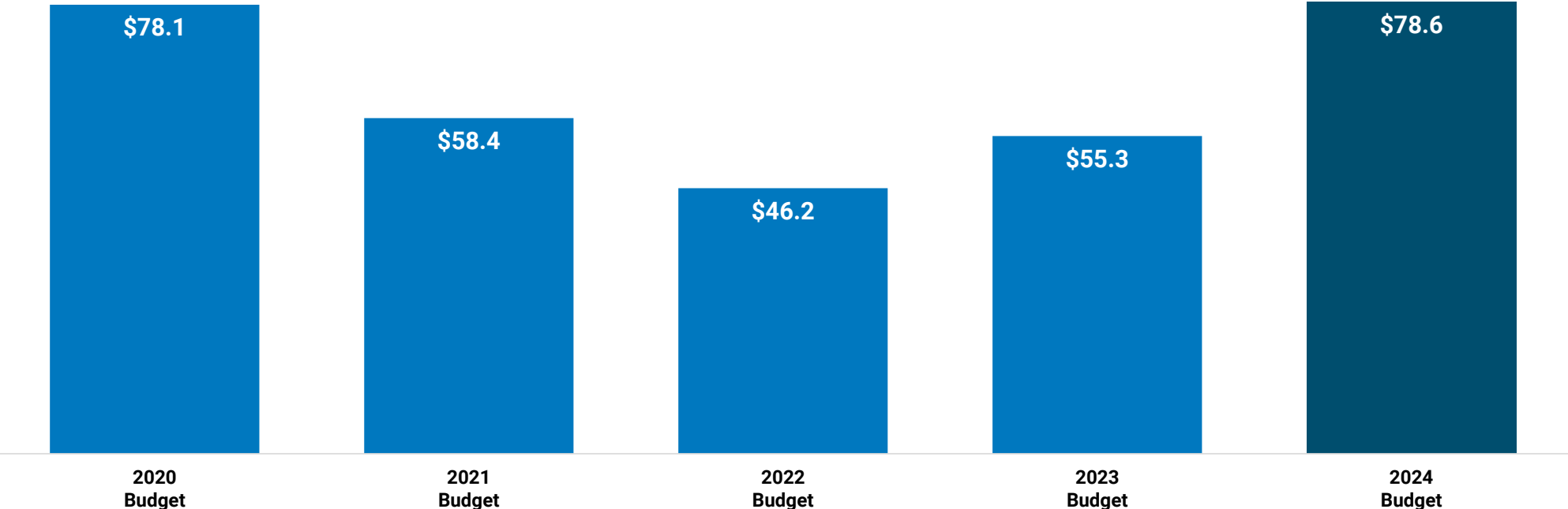
\* Impact of GASB 96 implementation



# Total Capital Budget Five-Year Trend

*Completion of LES Operations  
Center construction*

*Service Center construction, Technology  
Projects accounting change*



\$ in Millions



# 2040 Net Zero Carbon Emissions Goal Related Initiatives in the 2024 Budget

## Capital Projects

Service Center Facility Electrical & Mechanical Upgrades	6,100,000	Conversion to a geothermal system
Terry Bundy Generating Station Unit 2 Combustion System Turbine Upgrades	3,400,000	Maintain operational efficiency of the turbine which reduces fossil fuel consumption
Rokeyby Ice Makers & Associated Piping	2,200,000	Increased power output with no additional CO2 produced
Battery Storage Site Preparations	408,000	
	<b>\$ 12,108,000</b>	

## Operating Expense

Terry Bundy Unit 2 Hot Section Replacement	650,000	Replacement ensures lowest emissions possible
Terry Bundy Unit 4 Hot Section Replacement	600,000	Replacement ensures lowest emissions possible
Rokeyby Ice Makers & Associated Piping	400,000	Increased power output with no additional CO2 produced
Local Wind Turbine Operating Costs	182,000	Zero emission resource
EPRI Low Carbon Resource Initiative Participation	94,000	
Proposed Solar Resource Consulting	50,000	Site research, layout and compatibility report
Labor for research and industry participation	14,000	
Potential dispatchable generation additions consulting services	10,000	Seeking hydrogen and/or ammonia fuel capable units
Various operational activities to maximize efficiency, reducing CO2 produced	788,000	
	<b>\$ 2,788,000</b>	

## Other

- Sustainable Energy Program
- Peak Rewards
- Geothermal well field loop demand response pilot project at LES Operations Center District Energy Corporation site
- Allocation of Rate Stabilization Funds for future decommissioning of fossil fuel units
- New credit facility to support financing of new resources
- Monitoring opportunities to pay down debt for fossil fuel resources
- Exploration of Electric Vehicle Charging and Renewable Rate Options

# Total Budget Authorization



# The 2024 Budget is \$31.0M more than the 2023 Budget

	2023 Budget	2024 Budget	Change
Operating Budget	\$275.5M	\$283.2M	+\$7.7M
Capital Budget	\$55.3M	\$78.6M	+\$23.3M
<b>Total</b>	<b>\$330.7M</b>	<b>\$361.7M</b>	<b>+\$31.0M</b>

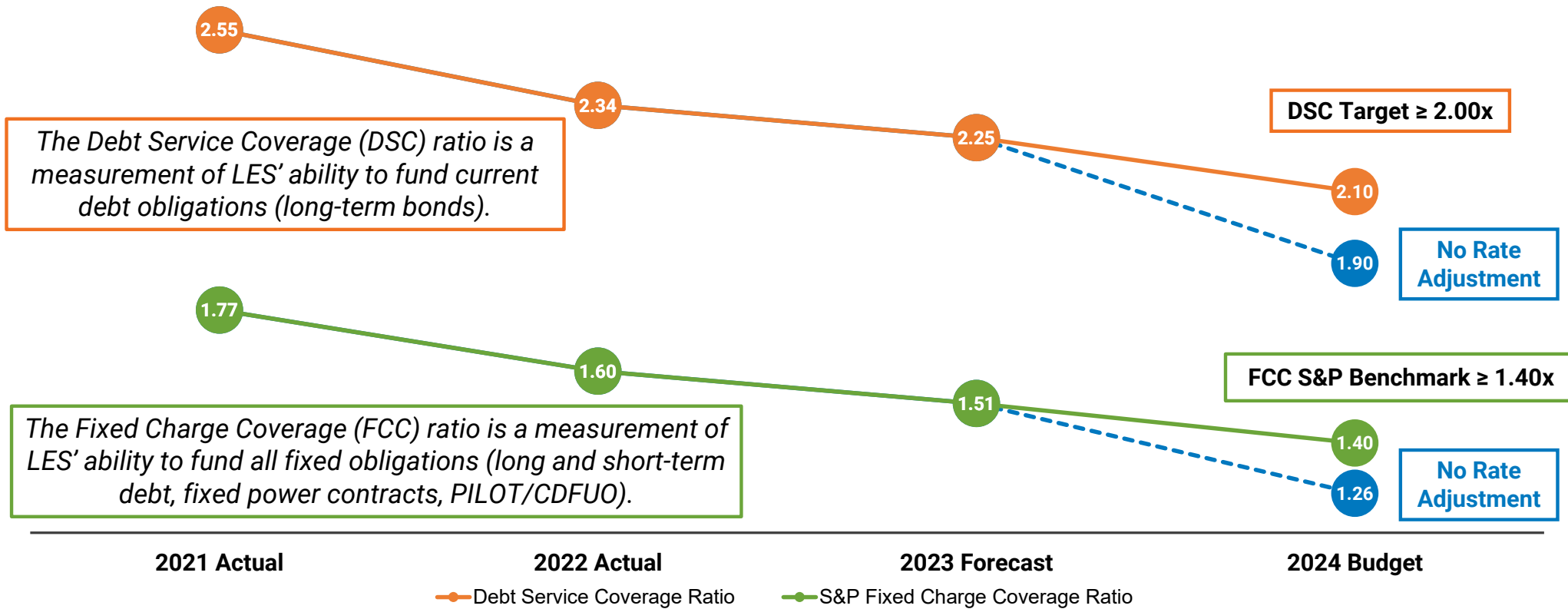
# 2024 Financial Metrics



# Financial metrics drive the rate adjustment proposal

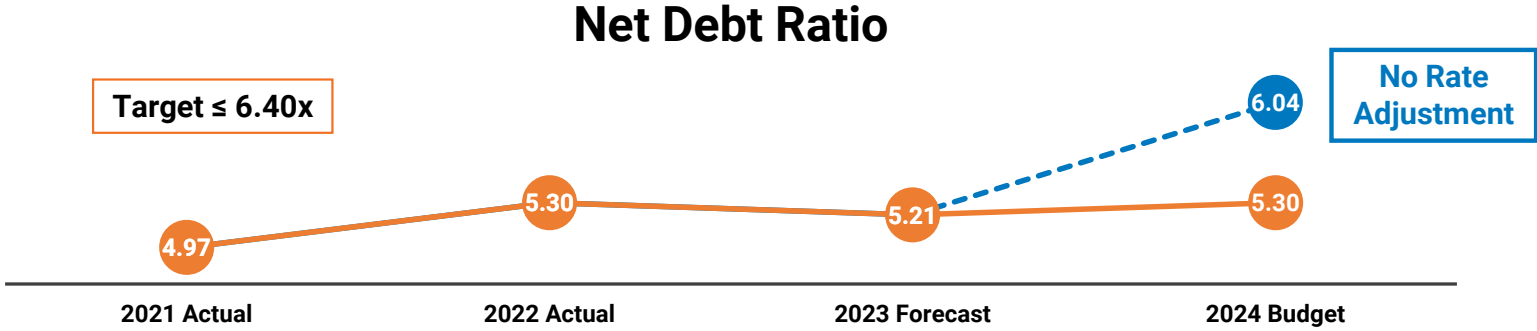
- Bond rating agencies review LES financial metrics at least annually to ensure their AA bond rating is appropriate
- LES has established Policy 520: Financial Metrics and Targets to ensure long-term financial stability
- Key metrics identified in the Policy include:
  - Fixed Charge Coverage
  - Debt Service Coverage
  - Net Debt Ratio
  - Liquidity
- During budget and rate setting, financial metrics are monitored to ensure compliance with established targets

# Debt Service Coverage & Fixed Charge Coverage Ratios



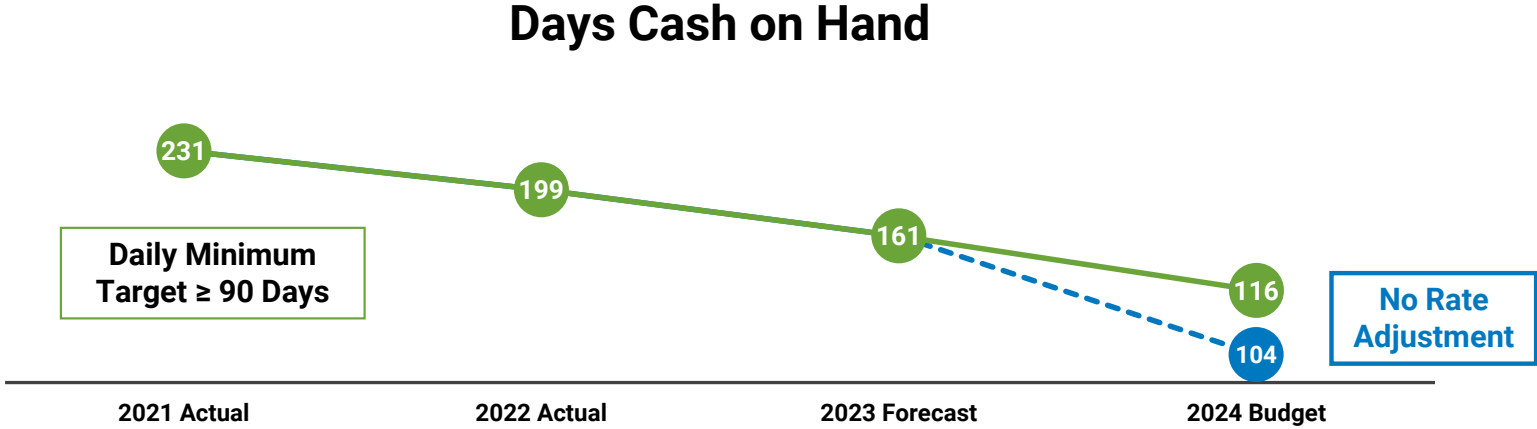
# Net Debt Ratio & Liquidity

LES targets to be aligned with its Peer Group (similarly structured and rated utilities).



LES performs an annual Liquidity Study to determine the minimum target for Days of Cash on Hand.

One "day of cash" is projected to be ~\$879K.





# Revenue increase needed to meet metrics

	2024 Budget (Preliminary)	Adjustment	2024 Budget (Adjusted)
Funds Available for Debt Service	\$105.1M	+\$10.8M	\$115.8M
Debt Service Coverage Ratio	1.90x	+0.20x	2.10x
S&P Fixed Charge Coverage Ratio	1.26x	+0.14x	1.40x
Days Cash on Hand	104 Days	+12 Days	116 Days
Net Debt Ratio	6.04x	-0.74x	5.30x

- 2024 Preliminary Budget results in Debt Service Coverage and Fixed Charge Coverage ratios below their respective targets of 2.00x and 1.40x
- A revenue adjustment totaling \$10.8M is necessary to bring the ratios into compliance
- \$10.8M of additional revenue equates to a 3.7% Retail Revenue increase

# Budget deficit driven mostly by payroll and debt service

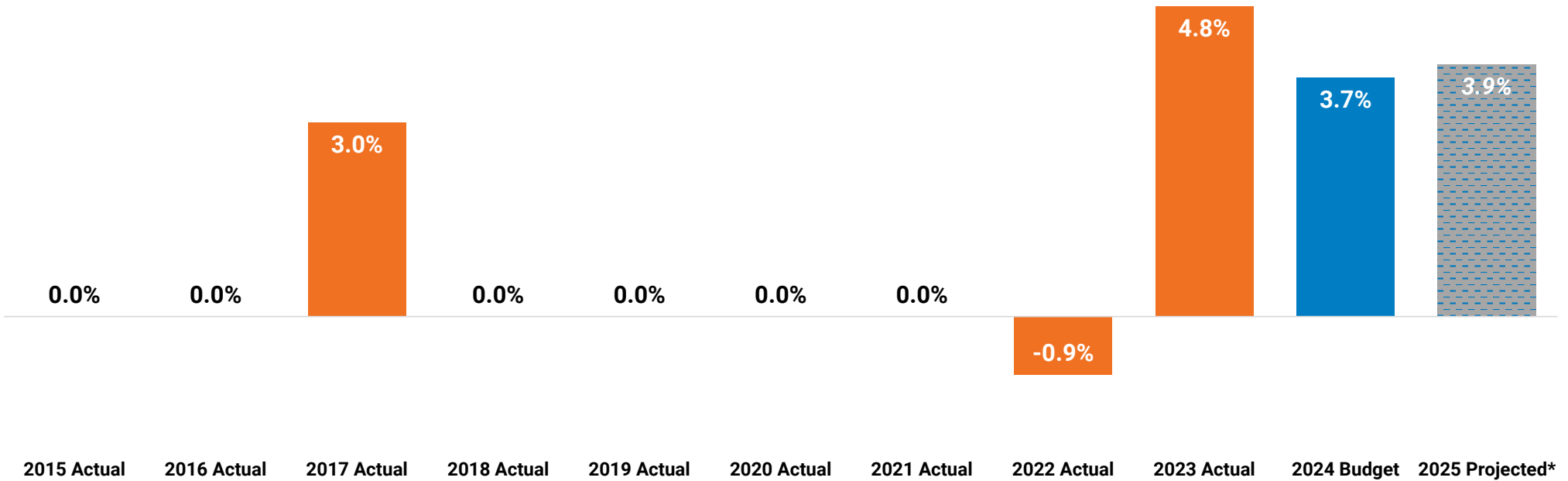
2023 Budget vs. 2024 Preliminary Budget	\$ Variance
Retail Revenue (Excluding Rate Adjustments)	+\$0.9M
Wholesale & Other Revenue	-\$5.1M
<b>Revenue Budget</b>	<b>-\$4.2M</b>
Staffing Changes and Payroll & Benefits	-\$8.7M
SEP Incentives	-\$1.0M
Power Cost (Excluding Payroll)	+\$2.8M
Software Capitalization (GASB 96)	+\$2.1M
Other Operating Costs	+\$0.2M
<b>Operating Budget</b>	<b>-\$4.6M</b>
<b>Interest Income (Excluding RSF Interest)</b>	<b>+\$4.4M</b>
<b>Fixed Charges (LT Debt Service, ST Interest, PPA's)</b>	<b>-\$5.2M</b>
<b>Other Non-Operating Costs/Income</b>	<b>-\$1.2M</b>
<b>Preliminary Budget Deficit</b>	<b>-\$10.8M</b>
<i>(Amount required to meet minimum Fixed Charge Coverage Ratio target)</i>	

# Proposed 2024 Rate Adjustments



# LES rate increases average just above 1% annually over 10 years

System-Wide % Rate Change

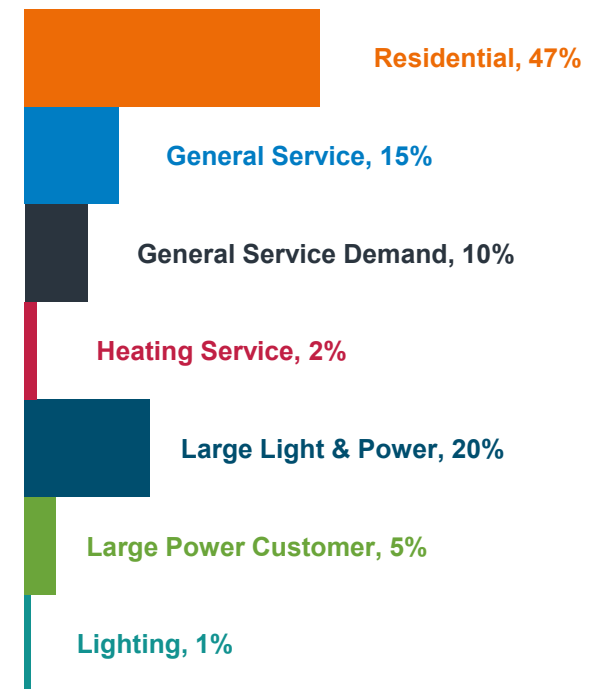


*\*Projected Rate Adjustment, subject to change*

# 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%
<b>Total Retail System</b>	<b>3.7%</b>	<b>100%</b>	<b>100%</b>

Percent of Retail Revenue

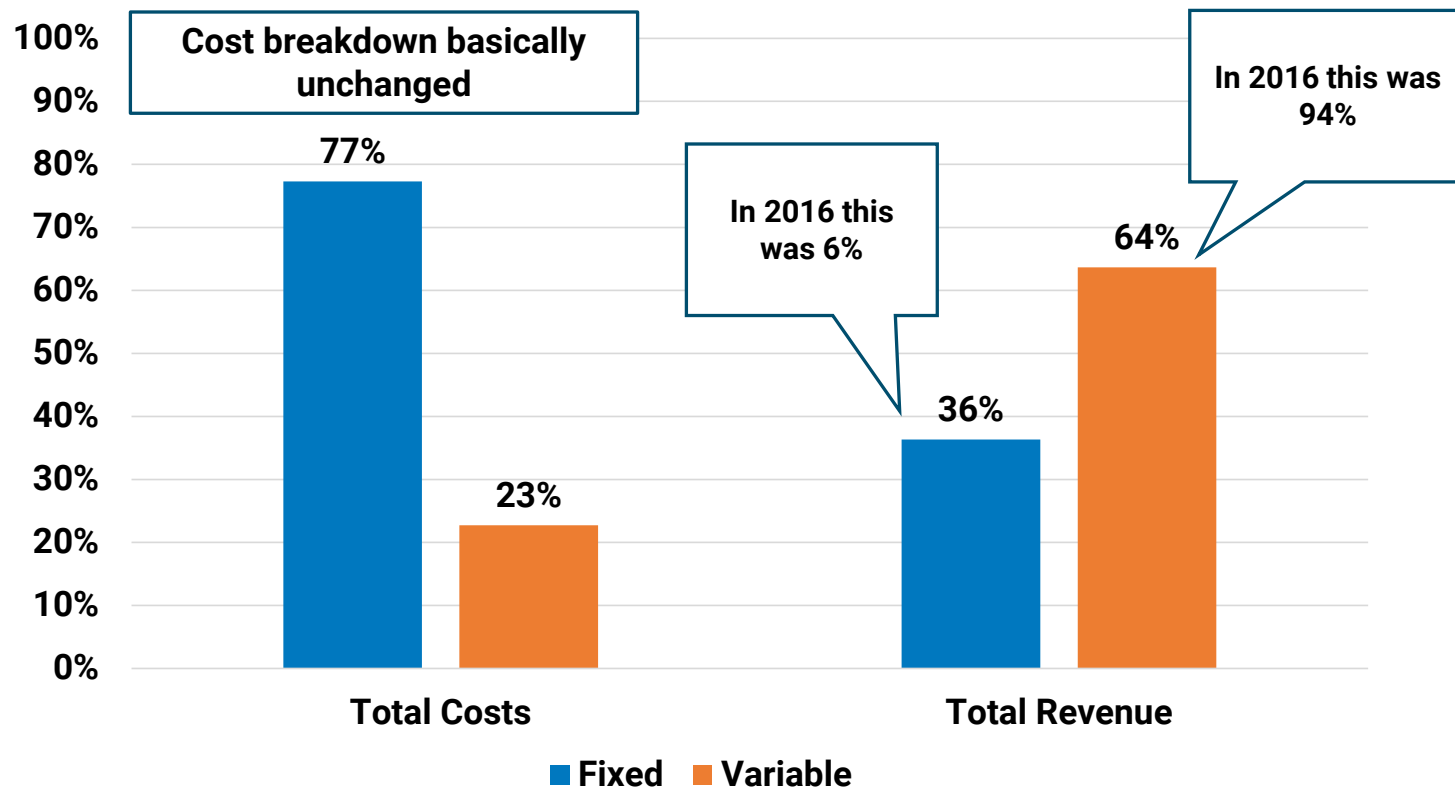


Rate Targets = 95% to 105% Cost of Service

# Four types of changes are proposed with a common goal: aligning costs and revenues

1. Implementation of system-wide 3.7% rate increase
2. Aligning fixed/variable costs with fixed/variable revenue for the Residential class (Rate Restructuring)
3. Continued adjustments working toward +/- 10% cost of service for rate components
4. Continued Street Light maintenance rate adjustments

# Eight years of changes has resulted in improvements for non-demand classes



# What is the impact of the restructuring for non-demand customers?

- ✓ **Phase 1: ~\$30 million moved from variable revenue to fixed revenue**
  - Completed in 2016 to 2019 timeframe
- **Phase 2: ~\$23 million of Residential Transmission costs**
  - 2022 rates added about \$4.6 million to fixed revenue
  - 2023 rates added about \$5.0 million, and
  - 2024 rates adds about \$6.4 million
- **Phase 3: ~\$51 million remaining (with uncertain timing)**
  - Moving fixed (capacity) revenues from the variable energy revenue is not easy



# 2024 Proposed Residential Rate Changes

(includes 3.7% increase and continued rate restructuring)

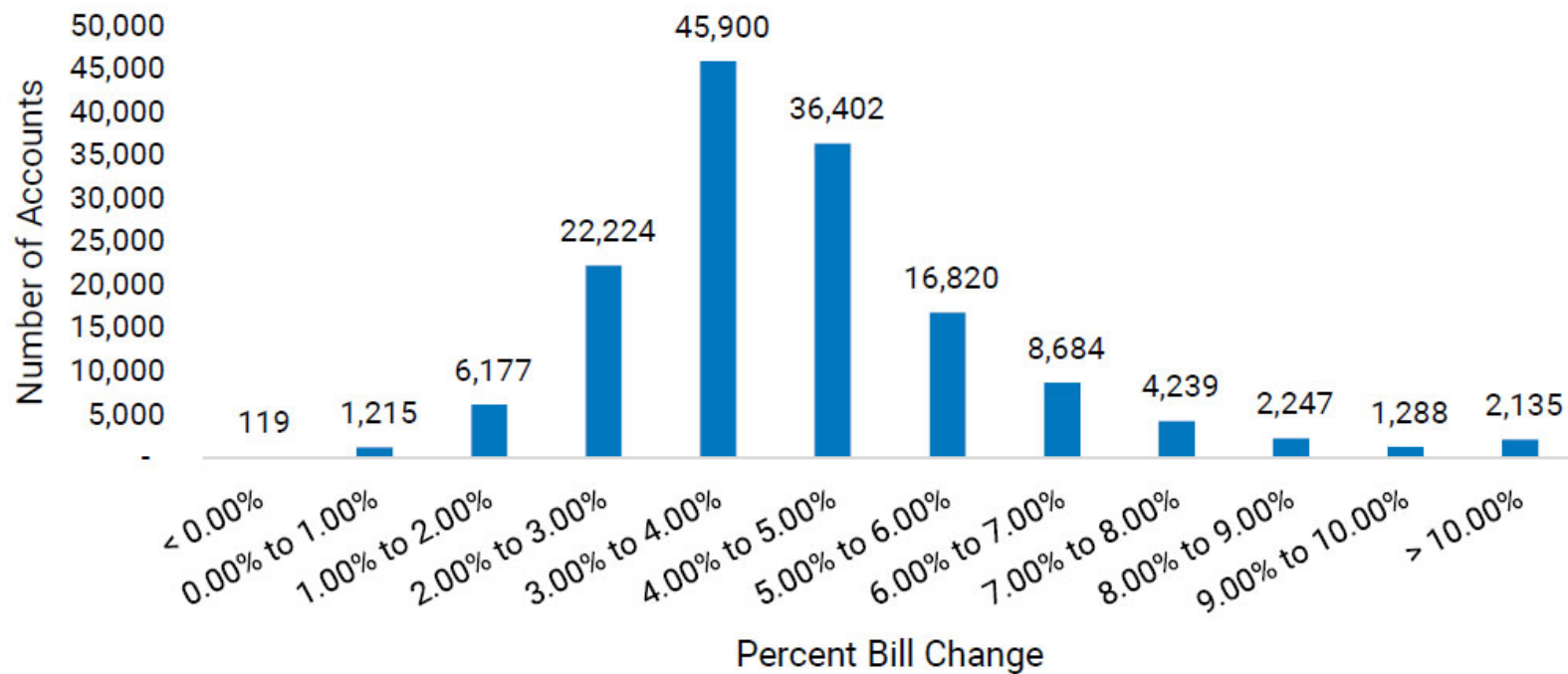
	<i>Average Monthly Usage</i>	2023	2024 Proposed	Unit
Customer Charge		\$5.00	\$5.00	Month
Energy (Summer)		\$0.0728	\$0.0719	kWh
Energy (Winter)		\$0.0550	\$0.0540	kWh
Facilities Level 1	<i>0 - less than 800 kWh</i>	\$22.50	\$25.75	Month
Facilities Level 2	<i>800 - 1,500 kWh</i>	\$33.25	\$38.00	Month
Facilities Level 3	<i>Greater than 1,500 kWh</i>	\$52.25	\$57.75	Month
Facilities 3-Phase		\$52.25	\$57.75	Month

# 2024 Sample Residential Bill Changes

Facilities Level	Monthly Energy	2023 Monthly Bill	2024 Proposed Monthly Bill	Proposed Bill Change
1	100 kWh	\$33.59	\$36.75	\$3.16
1	700 kWh	\$70.15	\$72.73	\$2.58
2	800 kWh	\$87.00	\$90.97	\$3.97
2	1,500 kWh	\$129.65	\$132.95	\$3.30
3	2,000 kWh	\$179.12	\$182.68	\$3.56
3	4,000 kWh	\$300.98	\$302.62	\$1.64

# Most Residential customers will see monthly changes that are less than \$4

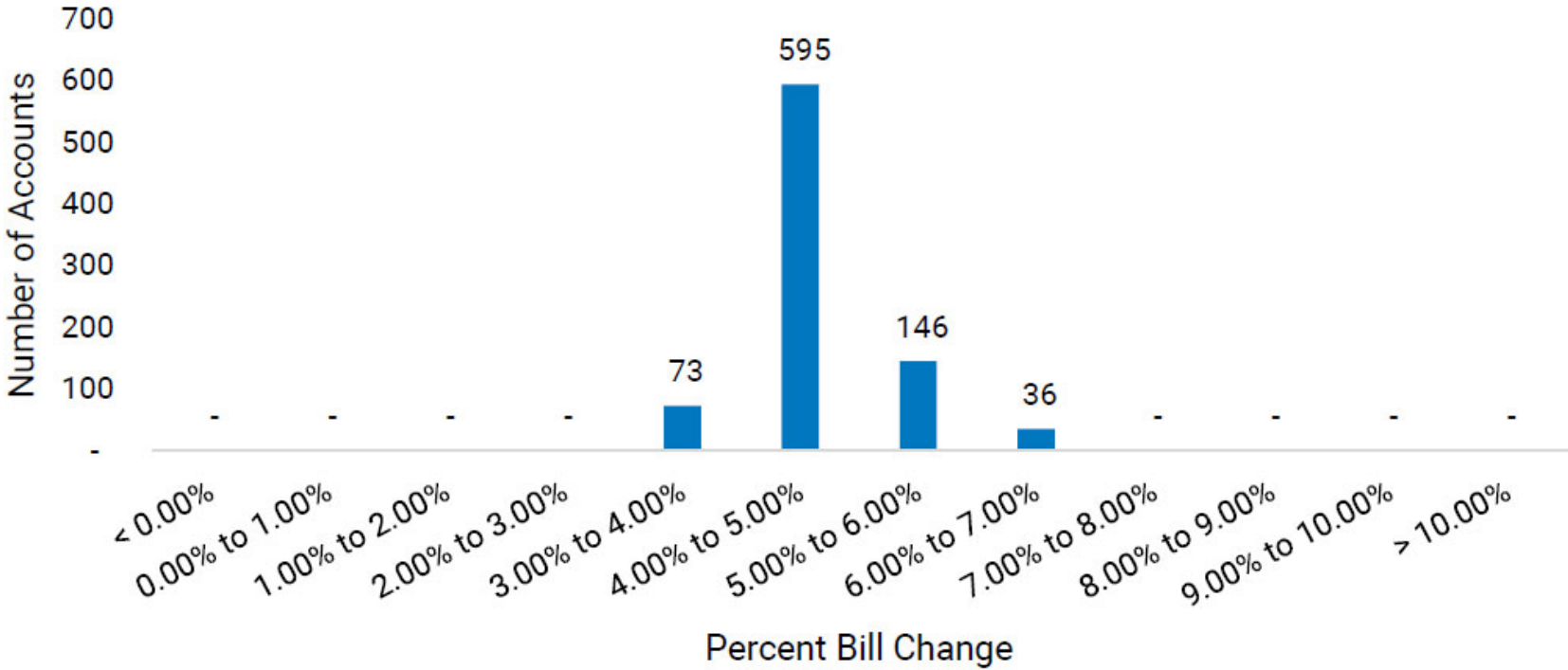
## Residential Annual Bill Changes



Bill change estimates use 2022 billing data

# 80% of General Service Demand bills will increase by 6% or less

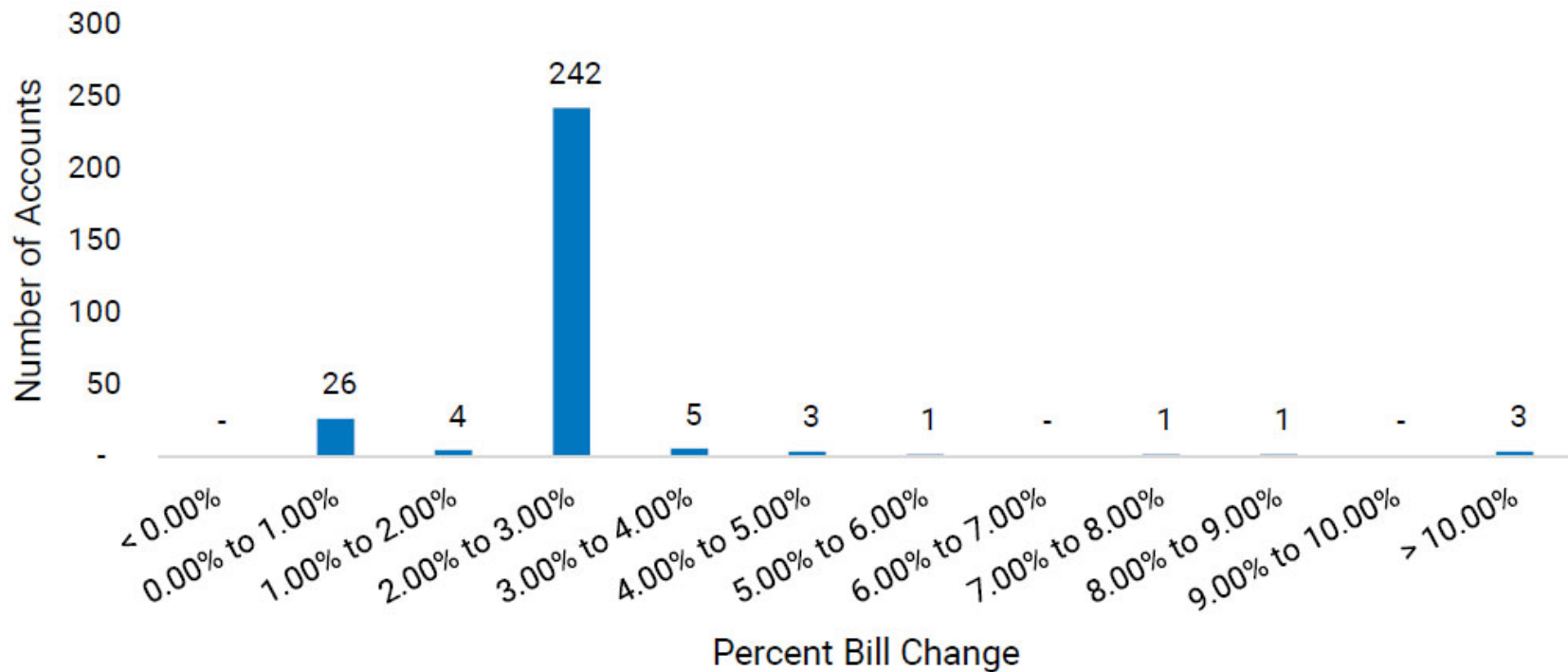
### General Service Demand Annual Bill Changes



Bill change estimates use 2022 billing data

# 95% of Large Light & Power bills will increase by less than 3%

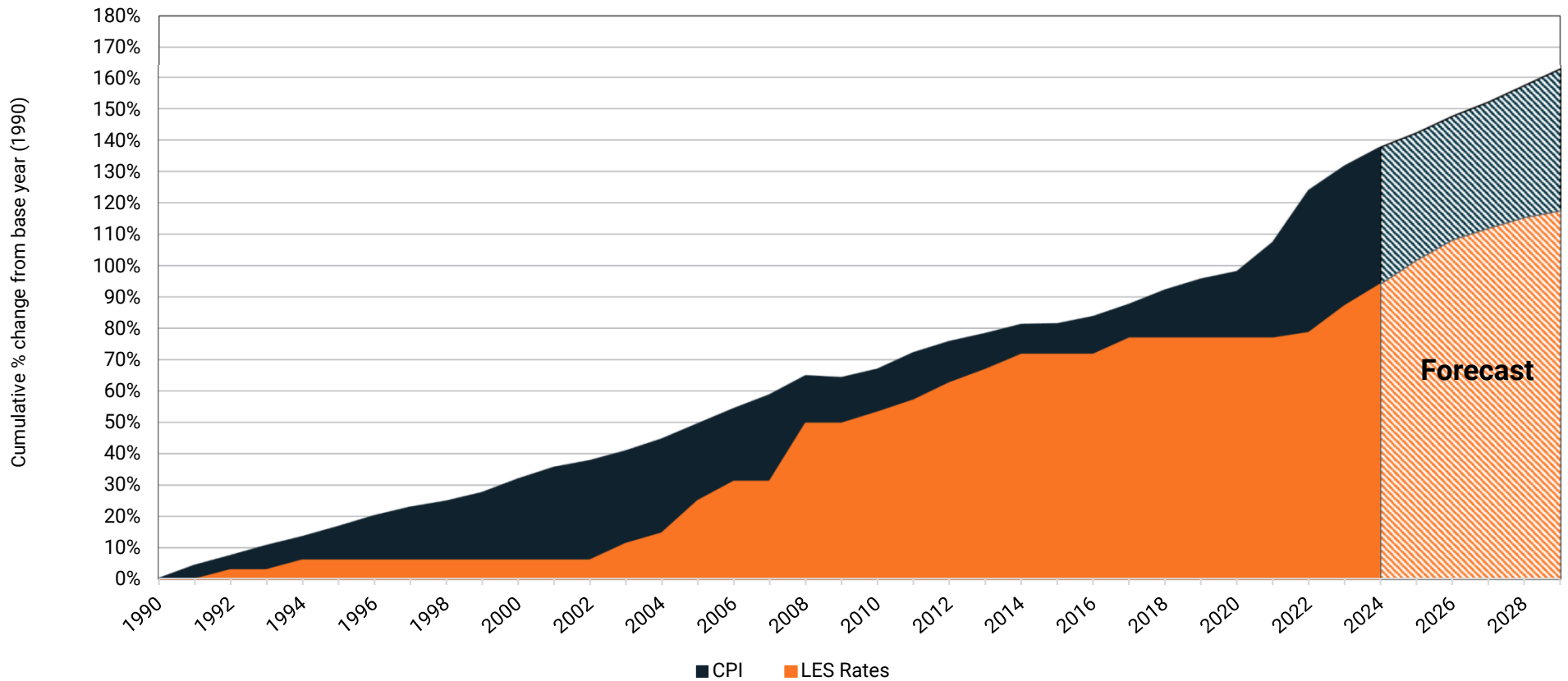
## Large Light and Power Annual Bill Changes



Bill change estimates use 2022 billing data

# LES rates continue to lag inflation growth

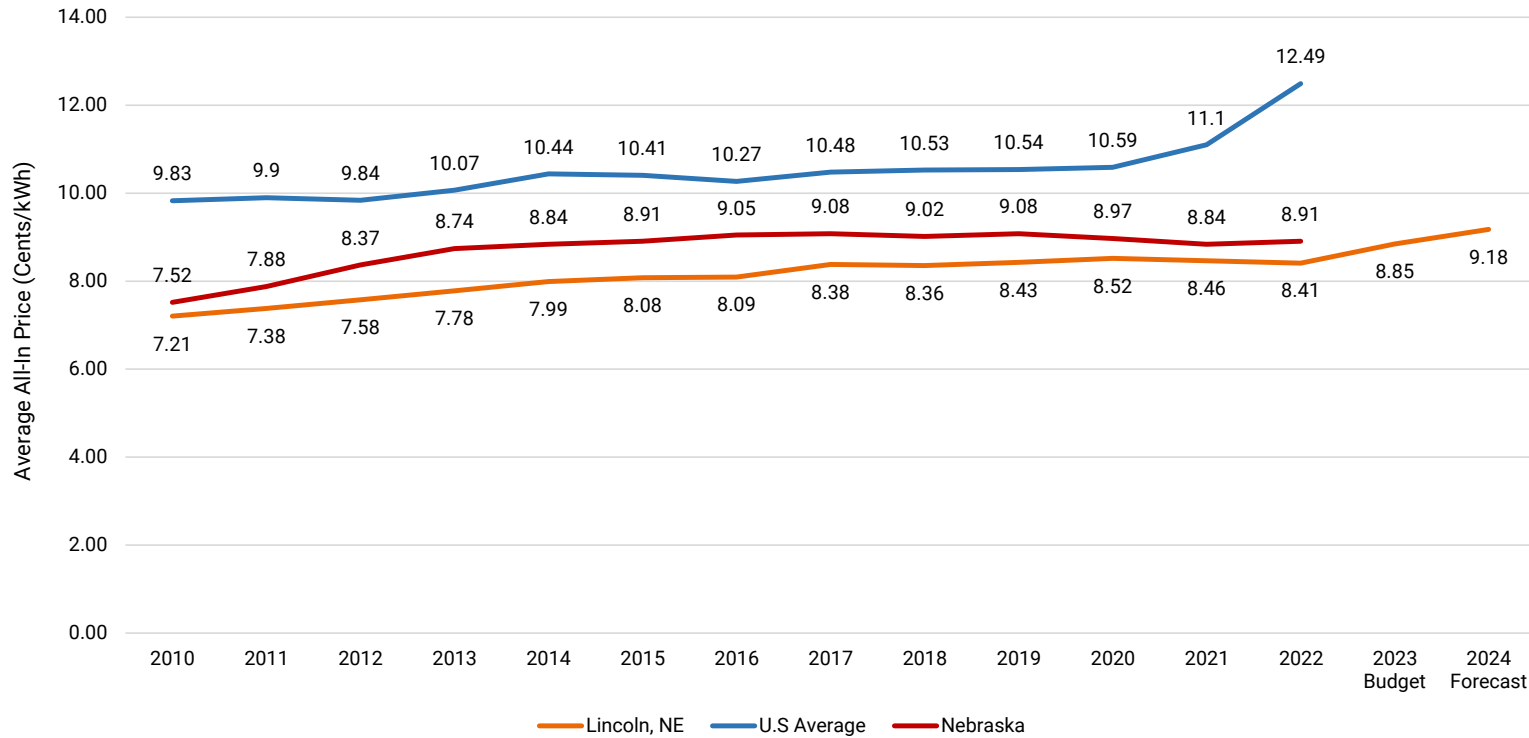
## LES RATES VS. INFLATION



Source: Bureau of Labor Statistics and 2023 Energy Administration Annual Energy Outlook Report

# LES customers experience lower-than-average electric prices

All Retail Sectors Average All-in Price of Electricity (2010-2023)

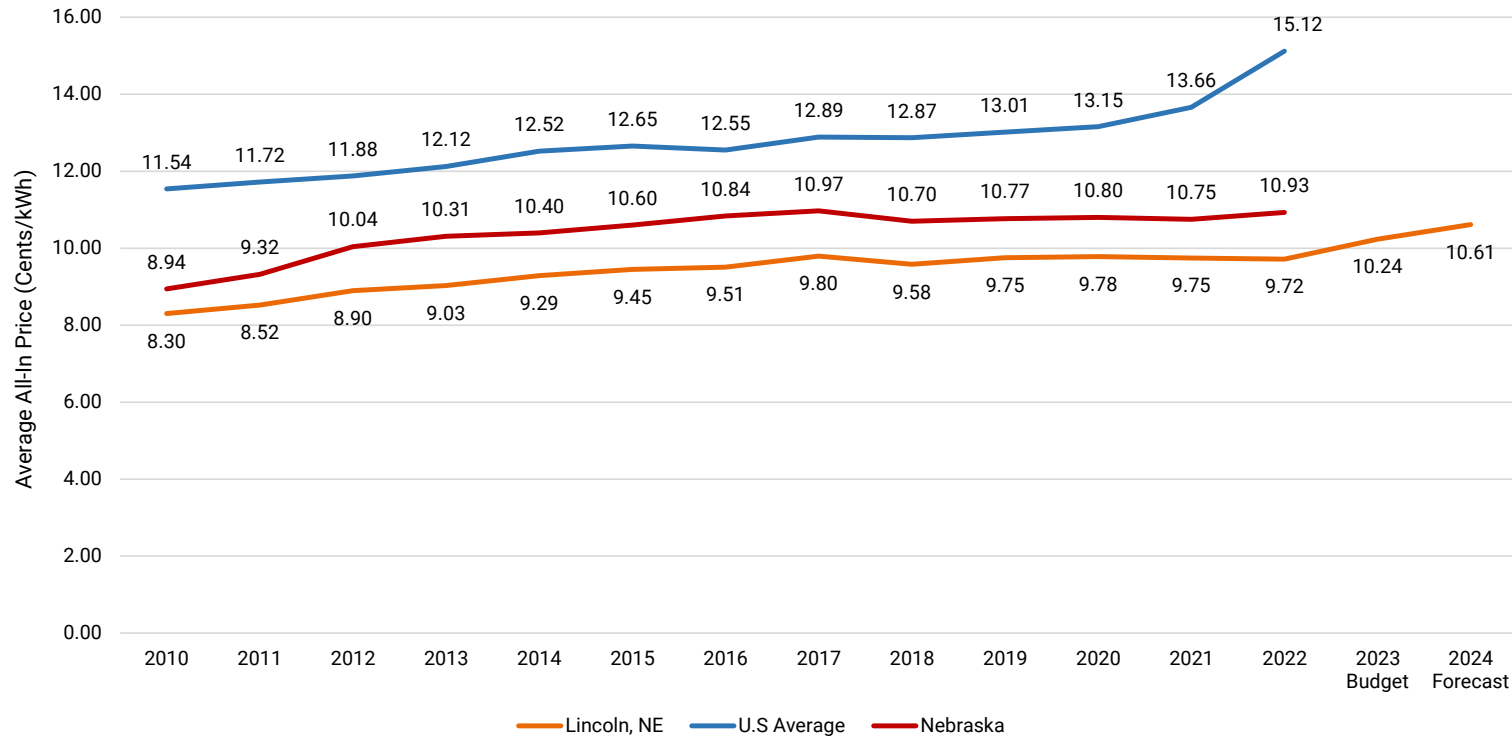


Preliminary 2024 Budget for LES assumes 3.7% Retail increase

Source: Energy Information Administration

# LES customers experience lower-than-average electric prices

Residential Average All-in Price of Electricity (2010-2023)



Preliminary 2024 Budget for LES assumes 3.7% Retail increase

Source: Energy Information Administration



# LES' proposed rate increase is lower than most known increases

**Colorado Public Utilities Commission approved a \$96 million rate increase**

"...a **4.4%** rate hike for more than 1.6 million electricity customers across the state."

**Evergy wants to hike up Kansas electric bills. What to know about the potential increase**

"The proposed rate would raise ... by around **5.9%** in the Kansas metro region and a whopping **24.9%** in the larger Kansas Central region..."

**Missouri overhauls electric rates, raising rewards – and risks – for customers**

"...Ameren Missouri's **5%** rate increase."

**Ohio's Standard Service Offer (SSO)**

"... can expect their total bill to increase about **28%**..."

**Electric rates are on the rise in Wisconsin. Here how you can weigh in on 2024 bills**

The utilities' 2024 rate proposals range from a small decrease to an increase of **8.4%**.

**Xcel Energy customers can expect higher electricity bills starting in September**

By Sam Brasch · Aug. 17, 2023, 4:12 pm

"...rates increase by more than **60%**...for consumers, the increase would be more like **40%**."

PGE proposes **14%** rate increase for 2024.

Residential (Monthly Average)			
Electric Bills using January 1, 2023 Rates, applicable Franchise Fees and LES' City Dividend		Electric Bills using 2023 Rates adjusted for changes since January 1, 2023, including proposed 2024 rate changes, and applicable Franchise Fees and LES' City Dividend	
City	Residential 1,000 kWh	City	Residential 1,000 kWh
Lincoln, NE	\$102	Denton, NE	\$106
Denton, NE	\$106	Lincoln, NE	\$107
Omaha, NE	\$119	Des Moines, IA	\$117
Des Moines, IA	\$122	Omaha, NE	\$119
Kearney, NE	\$129	Colorado Springs, CO	\$126
Kansas City, MO	\$133	Kearney, NE	\$129
Colorado Springs, CO	\$137	Wichita, KS	\$143
Denver, CO	\$148	Kansas City, MO	\$149
Wichita, KS	\$152	Denver, CO	\$154
Kansas City, KS	\$158	Kansas City, KS	\$168
Minneapolis, MN	\$176	Minneapolis, MN	\$174

Large Light & Power Commercial (Monthly Average)			
Electric Bills using January 1, 2023 Rates, applicable Franchise Fees and LES' City Dividend		Electric Bills using 2023 Rates adjusted for changes since January 1, 2023, including proposed 2024 rate changes, and applicable Franchise Fees and LES' City Dividend	
City	500 kW 180,000 kWh	City	500 kW 180,000 kWh
Denton, NE	\$14,495	Des Moines, IA	\$14,413
Omaha, NE	\$14,676	Denton, NE	\$14,495
Des Moines, IA	\$15,040	Omaha, NE	\$14,676
Lincoln, NE	\$16,041	Lincoln, NE	\$16,470
Kearney, NE	\$16,979	Colorado Springs, CO	\$16,979
Kansas City, MO	\$18,220	Kearney, NE	\$16,936
Colorado Springs, CO	\$18,934	Wichita, KS	\$19,818
Denver, CO	\$20,625	Kansas City, MO	\$19,852
Wichita, KS	\$21,404	Denver, CO	\$22,115
Kansas City, KS	\$24,318	Minneapolis, MN	\$23,961
Minneapolis, MN	\$24,596	Kansas City, KS	\$24,981

General Service Demand Commercial (Monthly Average)			
Electric Bills using January 1, 2022 Rates, applicable Franchise Fees and LES' City Dividend		Electric Bills using 2022 Rates adjusted for changes since January 1, 2022, including proposed 2023 rate changes, and applicable Franchise Fees and LES' City Dividend	
City	75 kW 50,000 kWh	City	75 kW 50,000 kWh
Lincoln, NE	\$2,777	Lincoln, NE	\$2,882
Omaha, NE	\$3,464	Colorado Springs, CO	\$3,379
Kearney, NE	\$3,780	Omaha, NE	\$3,464
Des Moines, IA	\$3,856	Des Moines, IA	\$3,673
Colorado Springs, CO	\$3,914	Kearney, NE	\$3,780
Kansas City, MO	\$4,068	Kansas City, MO	\$4,451
Denver, CO	\$4,432	Denton, NE	\$4,537
Denton, NE	\$4,537	Denver, CO	\$4,715
Minneapolis, MN	\$5,390	Minneapolis, MN	\$5,252
Kansas City, KS	\$5,416	Wichita, KS	\$5,527
Wichita, KS	\$5,979	Kansas City, KS	\$5,581

Small Commercial (Monthly Average)			
Electric Bills using January 1, 2023 Rates, applicable Franchise Fees and LES' City Dividend		Electric Bills using 2023 Rates adjusted for changes since January 1, 2023, including proposed 2024 rate changes, and applicable Franchise Fees and LES' City Dividend	
City	40 kW 10,000 kWh	City	40 kW 10,000 kWh
Omaha, NE	\$768	Omaha, NE	\$768
Lincoln, NE	\$812	Lincoln, NE	\$839
Denton, NE	\$918	Denton, NE	\$918
Kearney, NE	\$1,028	Des Moines, IA	\$990
Des Moines, IA	\$1,028	Colorado Springs, CO	\$1,012
Colorado Springs, CO	\$1,120	Kearney, NE	\$1,028
Kansas City, MO	\$1,235	Wichita, KS	\$1,272
Wichita, KS	\$1,363	Kansas City, MO	\$1,322
Denver, CO	\$1,447	Denver, CO	\$1,557
Kansas City, KS	\$1,545	Minneapolis, MN	\$1,561
Minneapolis, MN	\$1,603	Kansas City, KS	\$1,583

Large Light & Power Industrial (Monthly Average)			
Electric Bills using January 1, 2023 Rates, applicable Franchise Fees and LES' City Dividend		Electric Bills using 2023 Rates adjusted for changes since January 1, 2023, including proposed 2024 rate changes, and applicable Franchise Fees and LES' City Dividend	
City	1,000 kW 650,000 kWh	City	1,000 kW 650,000 kWh
Denton, NE	\$38,859	Denton, NE	\$38,859
Lincoln, NE	\$40,027	Lincoln, NE	\$40,975
Omaha, NE	\$44,074	Colorado Springs, CO	\$44,074
Kearney, NE	\$47,456	Omaha, NE	\$45,420
Des Moines, IA	\$47,610	Des Moines, IA	\$47,456
Kansas City, MO	\$48,792	Kearney, NE	\$42,443
Colorado Springs, CO	\$49,658	Wichita, KS	\$51,167
Wichita, KS	\$56,380	Kansas City, MO	\$54,511
Denver, CO	\$57,554	Denver, CO	\$61,252
Minneapolis, MN	\$68,507	Minneapolis, MN	\$66,768
Kansas City, KS	\$69,824	Kansas City, KS	\$71,898

# Regional bill rankings expected to remain steady

LES Regional Utility Bill Comparison available at [les.com](https://les.com)

# Proposed average residential bill is just less than \$3 per day



\$2.99  
FOR ONLY ~~\$2.88~~\* A DAY, WE POWER YOUR  
MOMENTS — BIG AND SMALL

*\*Average residential all-in price x average residential daily energy use*

# Service Fee Changes

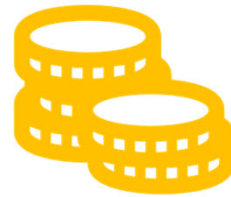
Service Fee	Proposed 2024 Fee	2023 Fee	\$ Change	% Change
Disconnect Fee Without System Operation Line Crew	\$65	\$65		
Disconnect Fee With Meter Technician (Van)	\$115	\$125	(\$10)	-8%
Disconnect Fee With Line Crew (Bucket Truck)	\$200	\$200		
Temporary Meter Fee	\$200	\$175	\$25	14%
Returned Payment Fee	\$15	\$30	(\$15)	-50%
New Service Fee	\$10	\$10		
Late Fee	3%	3%		
Tampered Meter Fee	\$315	\$250	\$65	26%
Inaccessible Meter Fee	\$75	\$75		

New Fee	Proposed 2024 Fee
Customer-requested Switching Fee (Outside of Normal Working Hours)	\$500
Customer-requested Switching Fee (Holiday Hours)	\$700

# A few additional rate changes



Increase Tier 2 for  
Renewable Generation from  
4 MW to 5 MW



Payment terms clarification  
for Market Energy Rate SPP  
charges



Other minor clarifying  
changes

# Proposed Capital Budget Authorization Change



# Overview of the 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

# Action Items for October 20<sup>th</sup> Board Meeting





# Resolutions

1. 2024 Budget – Total Authorization \$361.7 million
2. 2024 Rate Schedules
3. Capital Budget Authorization Change

*After action, approved items will be moved along to the City Council*

Dates	Action Item
✓ August 24	Budget & Rates Committee meeting
✓ September 6	Budget & Rates Committee meeting
☐ <b>September 15</b>	<b>Board meeting – 2024 Budget &amp; Rates presentation</b>
☐ September 18	Begin customer outreach
☐ TBD (Sept 18-Oct 10)	Customer meetings (LIBA, LJS, Chamber, Other) as requested
☐ September 22	Business Advisory Council
☐ October 5	Public meeting on proposed 2024 Budget & Rates
☐ October 11	Budget & Rates Committee - review public comments
☐ 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 IV**

# LES United Way Campaign

**Co-chairs:**

**Sally Jarecke, Communications & Corporate Records**

**Paul Moody, Energy Delivery**

# 100 Years of Being There

## Campaign Goals

- \$100,000
- 100 New Donors
- 100 Leadership Givers

## Key changes in 2023

- Employee focus groups
- Year-round education
- Invited United Way and agency representatives to department meetings



## LES committee:

Trent Anderson  
Heidi Bowman  
Ashley Cifuentes-Juarez  
Sally Jarecke  
Kayla Jones  
Ben Klahn  
Melissa Landis  
Paul Moody  
Jessi Stilwagon  
Denise Parrott  
Kelley Porter

## Agencies represented:

- United Way
- CHAD
- Give Nebraska
- The Hub
- Rabble Mill
- Make-A-Wish
- St. Monica's
- TeamMates Mentoring
- Catholic Social Services
- CEDARS
- Alzheimer's Association
- Northeast Family Center
- March of Dimes
- Nebraska AIDS Project
- Food Bank of Lincoln
- Disability Rights Nebraska
- Leukemia & Lymphoma Society
- Nebraska Community Blood Bank
- Wachiska Audubon Society
- Heart Heroes
- Habitat for Humanity
- CASA for Lancaster County
- Autism Action Partnership
- Mourning Hope Grief Center
- Community Action Program
- The Gathering Place
- Joshua Collingsworth Memorial Foundation
- Down Syndrome Association for Families

# United Way Results

## Results



**\$116,180**

116% of goal



**63 new donors**

+ 3% participation



**55 leadership givers**

+ 11 leadership givers



**77 donor pledges**  
increased by 10%+

United Way of Lincoln & Lancaster County  
**ICE CREAM SOCIAL**  
**Thursday, August 31**  
**2:30 PM - 5:00 PM**  
Outdoor Training Facility - LOC  
Picnic Area - SVC

As a way to celebrate achieving our goal of \$100k for the LES United Way Campaign, we're ending with an ice cream social! Drop by for a conversation and an ice cream treat!

The losing and winning divisions from the Penny Wars will participate in a messy confrontation! Make sure to vote on representatives via email sent on August 1 from your department representative.

All employees were invited to celebrate surpassing our overall company goal.

# United Way Activities

## Penny Wars

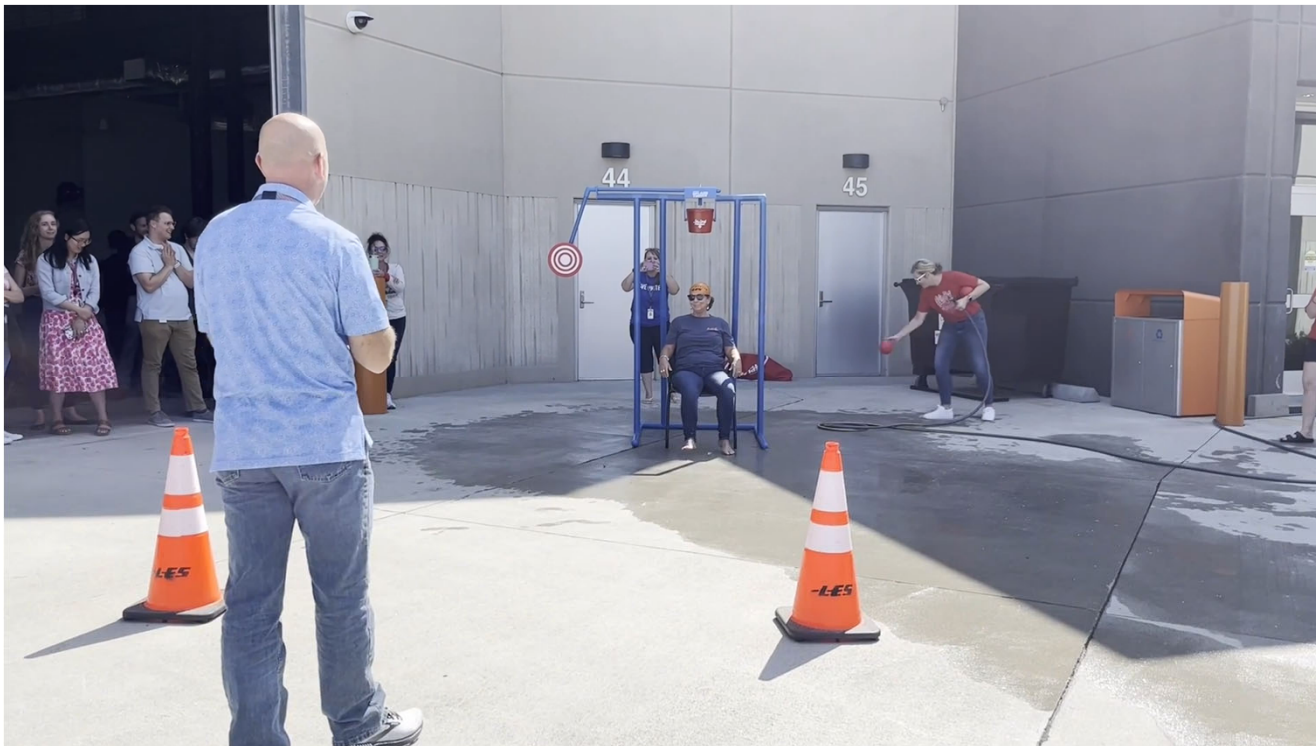
- Employees were encouraged to show support through donations:
  - Pennies & dollars = + points
  - Silver coins = - points

The divisions with the top and bottom number of points had a messy showdown to conclude the competition.





# United Way Activities



## United Way annual giving trend

	2019	2020	2021	2022	2023
<b>Pace Setter Employee Donations</b>	\$94,291	\$106,792	\$111,687	\$114,012	\$116,180
<b>Participation Percentage</b>	52%	39%	36%	31%	34%
<b>Special Event</b>	\$169	\$295	\$473	\$957	\$1,206
<b>Total Campaign</b>	\$94,649	\$109,807	\$114,729	\$118,610	TBD



# Questions?



# **Exhibit V**



## Revenue & Expense Statement (Condensed)

### AUGUST 2023

Year-to-date financial results were favorable due primarily to lower than budgeted net power costs

(Dollar amounts in 000)

YEAR TO DATE	2023 Actual	2023 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$240,940	\$238,275	\$2,665	1%	Wholesale revenue exceeded budget by 12%, or \$3M, primarily due to higher than expected revenues from SPP IM activities, and retail revenue was slightly under budget.
2) Power Costs	92,657	99,942	(7,285)	-7%	Produced power was 16% (\$8.2M) under budget due primarily to lower than budgeted energy costs at TBGS & WS4 and lower operations & maintenance expenses at LRS, Rokeby, and TBGS. Purchased power was over budget by 2% (\$900k) due to higher SPP purchases.
3) Other Operating Expenses	62,820	63,161	(341)	-1%	Other operating expenses were lower than budget primarily due to lower than budgeted line clearance expenses (\$1.4M) and delay/timing of projects in Technology Services (\$1.5M), partially offset by higher than budgeted payroll and benefits and increased Sustainable Energy Program incentives.
4) Depreciation	<u>23,357</u>	<u>23,374</u>	<u>(17)</u>	0%	
5) Total Expenses	<u>178,834</u>	<u>186,477</u>	<u>(7,643)</u>	-4%	
6) Operating Income	62,106	51,798	10,308	20%	
7) Non-Operating Expense (Income)	<u>22,632</u>	<u>27,068</u>	<u>(4,436)</u>	-16%	
8) Change in Net Position (Net Revenue)	<u>\$39,474</u>	<u>\$24,730</u>	<u>\$14,744</u>	60%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.49x	1.40x			
10) Debt Service Coverage	2.23x	2.11x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand (Days)	171	166			

# LINCOLN ELECTRIC SYSTEM

## FINANCIAL AND OPERATING STATEMENT

August 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

### AUGUST 2023

DESCRIPTION	CURRENT MONTH	CURRENT MONTH	VARIANCE FROM BUDGET		LAST YEAR MONTH	VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%
<b>OPERATING REVENUES</b>							
1. Retail	\$30,568,840	\$30,535,547	\$33,293	0.1%	\$30,129,907	\$438,933	1.5%
2. Wholesale	4,076,128	2,846,898	1,229,230	43.2%	9,183,853	(5,107,725)	-55.6%
3. Other Revenue	639,473	577,891	61,582	10.7%	714,218	(74,745)	-10.5%
4. CDFUO (a)	1,042,995	1,033,510	9,485	0.9%	950,189	92,806	9.8%
5. Total Operating Revenues	36,327,436	34,993,846	1,333,590	3.8%	40,978,167	(4,650,731)	-11.3%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	6,663,171	7,126,882	(463,711)	-6.5%	7,949,103	(1,285,932)	-16.2%
7. Produced Power	7,512,196	6,940,328	571,868	8.2%	11,456,647	(3,944,451)	-34.4%
8. Operations	2,398,703	2,268,185	130,518	5.8%	1,176,032	1,222,671	104.0%
9. Maintenance	1,384,025	1,015,013	369,012	36.4%	734,706	649,319	88.4%
10. Admin. & General	4,911,058	4,619,341	291,717	6.3%	4,444,305	466,753	10.5%
11. Depreciation	2,929,280	2,937,750	(8,470)	-0.3%	2,883,196	46,084	1.6%
12. Total Operating Expenses	25,798,433	24,907,499	890,934	3.6%	28,643,989	(2,845,556)	-9.9%
<b>13. OPERATING INCOME</b>	<b>10,529,003</b>	<b>10,086,347</b>	<b>442,656</b>	<b>4.4%</b>	<b>12,334,178</b>	<b>(1,805,175)</b>	<b>-14.6%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	1,482,843	1,454,956	27,887	1.9%	1,752,530	(269,687)	-15.4%
15. PILOT (c)	1,366,654	1,449,712	(83,058)	-5.7%	1,332,605	34,049	2.6%
16. CDFUO Expense (a)	963,140	963,140	0	0.0%	864,662	98,478	11.4%
17. Other Expense	0	0	0	--	0	0	--
18. Total Other Nonoperating Expense	3,812,637	3,867,808	(55,171)	-1.4%	3,949,797	(137,160)	-3.5%
19. Other Income	(45,060)	0	(45,060)	--	0	(45,060)	--
20. Interest Income	(964,759)	(138,940)	(825,819)	594.4%	(298,106)	(666,653)	223.6%
21. Total Other Nonoperating Income	(1,009,819)	(138,940)	(870,879)	626.8%	(298,106)	(711,713)	238.7%
22. Total Nonoperating Expenses (Inc)	2,802,818	3,728,868	(926,050)	-24.8%	3,651,691	(848,873)	-23.2%
<b>23. Income Before Contributions</b>	<b>7,726,185</b>	<b>6,357,479</b>	<b>1,368,706</b>	<b>21.5%</b>	<b>8,682,487</b>	<b>(956,302)</b>	<b>-11.0%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	158,433	123,848	34,585	27.9%	158,883	(450)	-0.3%
25. Contributed Capital Used (d)	(158,433)	(123,848)	(34,585)	-27.9%	(158,883)	450	0.3%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$7,726,185</b>	<b>\$6,357,479</b>	<b>\$1,368,706</b>	<b>21.5%</b>	<b>\$8,682,487</b>	<b>(\$956,302)</b>	<b>-11.0%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,575,714 + Variable Interest \$189,291 + Amortization of Issuance Costs on Outstanding Debt \$116,315 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/Premium \$506,253 = \$1,482,843.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.





**REVENUE & EXPENSE STATEMENT**

**YEAR-TO-DATE**

**AUGUST 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	%
<b>OPERATING REVENUES</b>							
1. Retail	\$198,737,227	\$198,932,560	(\$195,333)	-0.1%	\$189,431,755	\$9,305,472	4.9%
2. Wholesale	29,300,059	26,277,414	3,022,645	11.5%	44,608,812	(15,308,753)	-34.3%
3. Other Revenue	5,118,934	5,382,829	(263,895)	-4.9%	6,362,015	(1,243,081)	-19.5%
4. CDFUO (a)	7,783,496	7,682,599	100,897	1.3%	7,040,892	742,604	10.5%
5. Total Operating Revenues	240,939,716	238,275,402	2,664,314	1.1%	247,443,474	(6,503,758)	-2.6%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	51,147,697	50,244,504	903,193	1.8%	58,891,391	(7,743,694)	-13.1%
7. Produced Power	41,509,610	49,697,448	(8,187,838)	-16.5%	53,872,847	(12,363,237)	-22.9%
8. Operations	17,197,539	17,210,092	(12,553)	-0.1%	10,123,683	7,073,856	69.9%
9. Maintenance	7,335,301	8,143,204	(807,903)	-9.9%	6,419,695	915,606	14.3%
10. Admin. & General	38,286,782	37,808,021	478,761	1.3%	35,415,770	2,871,012	8.1%
11. Depreciation	23,356,642	23,373,521	(16,879)	-0.1%	22,865,264	491,378	2.1%
12. Total Operating Expenses	178,833,571	186,476,790	(7,643,219)	-4.1%	187,588,650	(8,755,079)	-4.7%
<b>13. OPERATING INCOME</b>	<b>62,106,145</b>	<b>51,798,612</b>	<b>10,307,533</b>	<b>19.9%</b>	<b>59,854,824</b>	<b>2,251,321</b>	<b>3.8%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	11,628,295	11,430,482	197,813	1.7%	12,959,729	(1,331,434)	-10.3%
15. PILOT (c)	8,843,606	8,998,952	(155,346)	-1.7%	8,488,780	354,826	4.2%
16. CDFUO Expense (a)	7,705,120	7,705,120	0	0.0%	6,917,296	787,824	11.4%
17. Other Expense	153	0	153	--	3,117	(2,964)	-95.1%
18. Total Other Nonoperating Expense	28,177,174	28,134,554	42,620	0.2%	28,368,922	(191,748)	-0.7%
19. Other Income	(353,232)	0	(353,232)	--	0	(353,232)	--
20. Interest Income	(5,191,700)	(1,066,742)	(4,124,958)	386.7%	(856,745)	(4,334,955)	506.0%
21. Total Other Nonoperating Income	(5,544,932)	(1,066,742)	(4,478,190)	419.8%	(856,745)	(4,688,187)	547.2%
22. Total Nonoperating Expenses (Inc)	22,632,242	27,067,812	(4,435,570)	-16.4%	27,512,177	(4,879,935)	-17.7%
<b>23. Income Before Contributions</b>	<b>39,473,903</b>	<b>24,730,800</b>	<b>14,743,103</b>	<b>59.6%</b>	<b>32,342,647</b>	<b>7,131,256</b>	<b>22.0%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	1,291,356	990,784	300,572	30.3%	684,398	606,958	88.7%
25. Contributed Capital Used (d)	(1,291,356)	(990,784)	(300,572)	-30.3%	(684,398)	(606,958)	-88.7%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$39,473,903</b>	<b>\$24,730,800</b>	<b>\$14,743,103</b>	<b>59.6%</b>	<b>\$32,342,647</b>	<b>\$7,131,256</b>	<b>22.0%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$12,605,715 + Variable Interest \$1,350,297 + Amortization of Issuance Costs on Outstanding Debt \$860,096 + Amortization of Loss on Refunded Debt \$862,210 - Amortization of Discount/Premium \$4,050,023 = \$11,628,295.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



**REVENUES, ENERGY & CUSTOMERS**

**CURRENT MONTH**

**AUGUST 2023**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>REVENUE</b>							
1. Residential	\$14,497,968	\$15,041,228	(\$543,260)	-3.6%	\$14,993,938	(\$495,970)	-3.3%
2. Commercial & Street Light	13,008,281	12,798,463	209,818	1.6%	12,306,421	701,860	5.7%
3. Industrial	3,062,591	2,695,856	366,735	13.6%	2,829,548	233,043	8.2%
4. Total Retail	30,568,840	30,535,547	33,293	0.1%	30,129,907	438,933	1.5%
5. SPP Sales	2,980,789	1,576,126	1,404,663	89.1%	8,125,060	(5,144,271)	-63.3%
6. Contract Sales	1,095,339	1,270,772	(175,433)	-13.8%	1,058,793	36,546	3.5%
7. Total Wholesale	4,076,128	2,846,898	1,229,230	43.2%	9,183,853	(5,107,725)	-55.6%
8. Total	\$34,644,968	\$33,382,445	\$1,262,523	3.8%	\$39,313,760	-\$4,668,792	-11.9%
<b>ENERGY (MWH'S)</b>							
9. Residential	134,971	147,814	(12,843)	-8.7%	152,291	(17,320)	-11.4%
10. Commercial & Street Light	149,977	152,944	(2,967)	-1.9%	151,697	(1,720)	-1.1%
11. Industrial	45,476	42,714	2,762	6.5%	43,178	2,298	5.3%
12. Total Retail	330,424	343,472	(13,048)	-3.8%	347,166	(16,742)	-4.8%
13. SPP Sales	61,681	34,654	27,027	78.0%	89,786	(28,105)	-31.3%
14. Contract Sales	34,088	36,876	(2,788)	-7.6%	35,430	(1,342)	-3.8%
15. Total Wholesale	95,769	71,530	24,239	33.9%	125,216	(29,447)	-23.5%
16. Total	426,193	415,002	11,191	2.7%	472,382	(46,189)	-9.8%
<b>CUSTOMERS - AT MONTH END</b>							
17. Residential	132,634	130,319	2,315	1.8%	130,495	2,139	1.6%
18. Commercial & Street Light	17,795	17,768	27	0.2%	17,565	230	1.3%
19. Industrial	234	233	1	0.4%	231	3	1.3%
20. Total Retail	150,663	148,320	2,343	1.6%	148,291	2,372	1.6%
21. Wholesale	7	7	0	0.0%	8	(1)	-12.5%
22. Total	150,670	148,327	2,343	1.6%	148,299	2,371	1.6%



**REVENUES, ENERGY & CUSTOMERS**

**YEAR-TO-DATE**

**AUGUST 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	%
<b>REVENUE</b>							
1. Residential	\$94,946,126	\$93,082,854	\$1,863,272	2.0%	\$90,753,732	\$4,192,394	4.6%
2. Commercial & Street Light	82,435,729	84,790,736	(2,355,007)	-2.8%	78,097,560	4,338,169	5.6%
3. Industrial	21,355,372	21,058,970	296,402	1.4%	20,580,463	774,909	3.8%
4. Total Retail	198,737,227	198,932,560	(195,333)	-0.1%	189,431,755	9,305,472	4.9%
5. SPP Sales	22,082,216	18,365,270	3,716,946	20.2%	38,622,265	(16,540,049)	-42.8%
6. Contract Sales	7,217,843	7,912,144	(694,301)	-8.8%	5,986,547	1,231,296	20.6%
7. Total Wholesale	29,300,059	26,277,414	3,022,645	11.5%	44,608,812	(15,308,753)	-34.3%
8. Total	\$228,037,286	\$225,209,974	\$2,827,312	1.3%	\$234,040,567	(6,003,281)	-2.6%
<b>ENERGY (MWH'S)</b>							
9. Residential	937,017	922,196	14,821	1.6%	941,423	(4,406)	-0.5%
10. Commercial & Street Light	1,012,546	1,031,093	(18,547)	-1.8%	1,006,192	6,354	0.6%
11. Industrial	312,419	309,195	3,224	1.0%	310,363	2,056	0.7%
12. Total Retail	2,261,982	2,262,484	(502)	0.0%	2,257,978	4,004	0.2%
13. SPP Sales	338,555	326,102	12,453	3.8%	490,468	(151,913)	-31.0%
14. Contract Sales	200,900	200,329	571	0.3%	147,737	53,163	36.0%
15. Total Wholesale	539,455	526,431	13,024	2.5%	638,205	(98,750)	-15.5%
16. Total	2,801,437	2,788,915	12,522	0.4%	2,896,183	(94,746)	-3.3%
<b>CUSTOMERS AVERAGE</b>							
17. Residential	131,797	129,879	1,918	1.5%	129,744	2,053	1.6%
18. Commercial & Street Light	17,711	17,706	5	0.0%	17,515	196	1.1%
19. Industrial	231	233	(2)	-0.9%	231	0	0.0%
20. Total Retail	149,739	147,818	1,921	1.3%	147,490	2,249	1.5%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,746	147,825	1,921	1.3%	147,497	2,249	1.5%



**OPERATING EXPENSE STATEMENT**

**CURRENT MONTH**

**AUGUST 2023**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>POWER COST</b>							
1. SPP Purchased Power	\$1,575,524	\$1,964,244	(\$388,720)	-19.8%	\$2,913,500	(\$1,337,976)	-45.9%
2. Non-Owned Asset Power	5,087,647	5,162,638	(74,991)	-1.5%	5,035,603	52,044	1.0%
3. Total Purchased Power	6,663,171	7,126,882	(463,711)	-6.5%	7,949,103	(1,285,932)	-16.2%
4. Produced Power	7,512,196	6,940,328	571,868	8.2%	11,456,647	(3,944,451)	-34.4%
5. Total Power Cost	14,175,367	14,067,210	108,157	0.8%	19,405,750	(5,230,383)	-27.0%
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>							
6. Energy Delivery	2,860,869	2,268,962	591,907	26.1%	1,739,930	1,120,939	64.4%
7. Transmission	921,859	1,014,236	(92,377)	-9.1%	170,808	751,051	439.7%
8. Total O & M Expense	3,782,728	3,283,198	499,530	15.2%	1,910,738	1,871,990	98.0%
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>							
9. Administration	264,147	262,135	2,012	0.8%	249,824	14,323	5.7%
10. Communication & Corporate Records	209,648	224,318	(14,670)	-6.5%	195,828	13,820	7.1%
11. Corporate Operations	1,068,975	1,050,168	18,807	1.8%	1,087,980	(19,005)	-1.7%
12. Customer Services	1,076,785	862,916	213,869	24.8%	986,350	90,435	9.2%
13. Financial Services	453,206	422,306	30,900	7.3%	380,332	72,874	19.2%
14. Power Supply	414,159	370,648	43,511	11.7%	358,031	56,128	15.7%
15. Technology Services	1,424,138	1,426,850	(2,712)	-0.2%	1,185,960	238,178	20.1%
16. Total A & G Expense	4,911,058	4,619,341	291,717	6.3%	4,444,305	466,753	10.5%
17. DEPRECIATION	2,929,280	2,937,750	(8,470)	-0.3%	2,883,196	46,084	1.6%
18. TOTAL OPERATING EXPENSE	\$25,798,433	\$24,907,499	\$890,934	3.6%	\$28,643,989	(\$2,845,556)	-9.9%



**OPERATING EXPENSE STATEMENT**

**YEAR-TO-DATE**

**AUGUST 2023**

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
<b>POWER COST</b>								
1. SPP Purchased Power	\$12,416,729	\$8,688,894	\$3,727,835	42.9%	\$16,743,353	(\$4,326,624)	-25.8%	
2. Non-Owned Asset Power	38,730,968	41,555,610	(2,824,642)	-6.8%	42,148,038	(3,417,070)	-8.1%	
3. Total Purchased Power	51,147,697	50,244,504	903,193	1.8%	58,891,391	(7,743,694)	-13.1%	
4. Produced Power	41,509,610	49,697,448	(8,187,838)	-16.5%	53,872,847	(12,363,237)	-22.9%	
5. Total Power Cost	92,657,307	99,941,952	(7,284,645)	-7.3%	112,764,238	(20,106,931)	-17.8%	
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>								
6. Energy Delivery	16,773,486	17,272,759	(499,273)	-2.9%	15,054,737	1,718,749	11.4%	
7. Transmission	7,759,354	8,080,537	(321,183)	-4.0%	1,488,641	6,270,713	421.2%	
8. Total O & M Expense	24,532,840	25,353,296	(820,456)	-3.2%	16,543,378	7,989,462	48.3%	
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>								
9. Administration	1,970,735	1,978,986	(8,251)	-0.4%	1,798,489	172,246	9.6%	
10. Communication & Corporate Records	1,603,036	1,614,513	(11,477)	-0.7%	1,503,987	99,049	6.6%	
11. Corporate Operations	9,371,899	8,713,128	658,771	7.6%	8,457,024	914,875	10.8%	
12. Customer Services	7,824,065	7,237,144	586,921	8.1%	7,027,625	796,440	11.3%	
13. Financial Services	3,517,014	3,469,984	47,030	1.4%	3,040,573	476,441	15.7%	
14. Power Supply	3,095,563	2,961,809	133,754	4.5%	2,932,669	162,894	5.6%	
15. Technology Services	10,904,470	11,832,457	(927,987)	-7.8%	10,655,403	249,067	2.3%	
16. Total A & G Expense	38,286,782	37,808,021	478,761	1.3%	35,415,770	2,871,012	8.1%	
17. DEPRECIATION	23,356,642	23,373,521	(16,879)	-0.1%	22,865,264	491,378	2.1%	
18. TOTAL OPERATING EXPENSE	\$178,833,571	\$186,476,790	(\$7,643,219)	-4.1%	\$187,588,650	(\$8,755,079)	-4.7%	



**BALANCE SHEET  
AUGUST 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
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
1. Revenue Fund (includes CDFUO)	\$102,467,235	(\$5,336,039)	<b>OTHER LIABILITIES</b>		
2. Payment in Lieu of Tax Fund	7,364,734	(4,173,366)	1. Accounts Payable	\$19,528,753	\$1,399,163
3. Rate Stabilization Fund	38,312,509	878,260	2. Accrued Payments in Lieu of Taxes	8,694,952	(3,810,597)
4. Bond Principal & Interest Funds	41,254,953	24,502,314	3. City Dividend for Utility Ownership Payable	0	(3,852,560)
5. Other Restricted/Designated Funds (a)	3,340,221	(535,256)	4. Commercial Paper Notes	65,500,000	0
6. Restricted/Designated Funds Total	82,907,683	24,845,318	5. Accrued Liabilities	18,183,582	1,667,967
7. Total Current Asset Funds (b)	192,739,652	15,335,913	6. Total Other Liabilities	111,907,287	(4,596,027)
8. Receivables Less Uncollectible Allowance	25,998,049	349,948	<b>CURRENT LIABILITIES - RESTRICTED ASSETS</b>		
9. Unbilled Revenue	23,024,318	7,540,097	7. Current Portion of Long-Term Debt	30,535,000	0
10. Accrued Interest Receivable	1,554,735	113,367	8. Accrued Interest	9,648,918	3,210,404
11. Materials, Supplies & Fuel Inventory	31,521,911	3,830,501	9. Other Current Liabilities (d)	910,408	(36,511)
12. Plant Operation Assets	17,132,013	3,382,548	10. Total Current Liabilities - Restricted Assets	41,094,326	3,173,893
13. Other Current Assets	3,311,655	(1,417,632)	11. Total Current Liabilities	153,001,613	(1,422,134)
14. Total Current Assets	295,282,333	29,134,742	<b>NONCURRENT LIABILITIES:</b>		
<b>NONCURRENT ASSETS:</b>			12. 2012A Bonds	0	0
15. Bond Reserve Funds	9,738,638	349,276	13. 2013 Bonds	45,310,000	0
16. Self-Funded Benefits Reserve Fund (IBNP)	741,616	105,289	14. 2015A Bonds	72,165,000	0
17. Segregated Funds (c)	15,836,466	15,586,466	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	26,316,720	16,041,031	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	2,193,309	(236,769)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	72,672	25,813	18. 2020B Bonds	185,150,000	0
22. Other Noncurrent Assets	1,457,562	181,037	19. Total Revenue Bonds	561,990,000	0
23. Total Noncurrent Assets	\$37,437,683	\$16,334,635	20. Less Current Maturities	30,535,000	0
<b>CAPITAL ASSETS:</b>			21. Less Unamortized Discounts/Premiums	(36,632,567)	4,050,024
24. Utility Plant in Service	1,825,176,771	14,534,032	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(927,043,123)	(20,333,470)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	102,928,115	10,997,088	24. Net Long Term Debt	568,087,567	(4,050,024)
27. Total Capital Assets	1,001,061,763	5,197,650	25. Liabilities Payable from Segregated Funds (e)	15,835,989	15,585,989
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			26. Asset Retirement Obligation	3,246,904	66,738
28. Deferred Loss on Refunded Debt	8,558,330	(862,210)	27. Other Noncurrent Liabilities	35,666,038	26,639
29. Deferred Costs for Asset Retirement Obligations	3,246,904	66,738	28. Total Liabilities	775,838,111	10,207,208
30. Total Deferred Outflows of Resources	11,805,234	(795,472)	<b>DEFERRED INFLOWS OF RESOURCES:</b>		
			29. Deferred Inflow of Resource	7,080,624	190,444
			30. Total Deferred Inflows of Resources	7,080,624	190,444
			<b>NET POSITION:</b>		
			31. Net Investment in Capital Assets	354,585,326	8,432,563
			32. Restricted for Debt Service	31,890,387	21,641,186
			33. Restricted for Employee Health Insurance Claims	1,580,101	(1,275,889)
			34. Unrestricted	174,612,464	10,676,043
			35. Total Net Position	562,668,278	39,473,903
<b>31. TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,345,587,013</b>	<b>\$49,871,555</b>	<b>36. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b>\$1,345,587,013</b>	<b>\$49,871,555</b>



**STATEMENT OF CASH FLOWS**  
**AUGUST 2023**

	CURRENT MONTH	YEAR-TO-DATE
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Received from Sales to Customers and Users	\$35,554,176	\$251,174,517
2. Sales Tax Receipts	\$1,660,848	\$10,803,235
3. Paid to Suppliers for Goods & Services	(\$21,514,349)	(\$148,568,716)
4. Paid to Employees for Services	(\$188,470)	(\$11,640,702)
5. Payments for Sales Tax	(1,633,361)	(10,355,009)
<b>6. Cash Flow from Operating Activities (a)</b>	<b>13,878,844</b>	<b>91,413,325</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
7. Payment in Lieu of Tax	0	(12,654,204)
8. City Dividend for Utility Ownership Payments	(5,778,840)	(11,557,680)
9. Other	0	0
<b>10. Cash Flow from (used for) Noncapital Financing Activities</b>	<b>(5,778,840)</b>	<b>(24,211,884)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
11. Net (Purchases) Sales of Investments	1,616,756	15,543,072
12. Interest Income	1,555,522	4,650,396
<b>13. Cash Flow from (used for) Investing Activities</b>	<b>3,172,278</b>	<b>20,193,468</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
14. Acquisition and Construction of Capital Assets	(5,040,771)	(30,063,109)
15. Salvage on Retirement of Plant	0	212,059
16. Cost of Removal of Property Retired	(54,602)	(1,791,858)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	158,433	1,291,355
20. Cash Received from Leases	40,771	315,457
21. Net Proceeds from Issuance of Long-Term Debt	0	0
22. Principal Payments on Long-Term Debt	0	0
23. Interest Payments on Debt	(364,384)	(10,745,616)
<b>24. Cash Flow from (used for) Capital Financing Activities</b>	<b>(5,260,553)</b>	<b>(40,781,712)</b>
24. Cash Flow from (used for) Capital Financing Activities	6,011,729	46,613,197
25. Net Increase (Decrease) in Cash and Cash Equivalents	61,391,308	20,789,840
<b>26. Cash and Cash Equivalents Beginning of Period</b>	<b>\$67,403,037</b>	<b>\$67,403,037</b>
<b>STATEMENT OF CASH FLOW FOOTNOTES</b>		
<b>(a) Reconciliation of operating income to cash flows from operating activities</b>		
1. Net Operating Revenue	\$10,529,003	\$62,106,145
2. Noncash items included in operating income	3,019,733	24,051,776
3. Changes in Assets & Liabilities Increase/(Decrease)	330,108	5,255,404
<b>4. Net cash flows from operating activities</b>	<b>\$13,878,844</b>	<b>\$91,413,325</b>
<b>(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.</b>		



**DEBT SERVICE COVERAGE**

**AUGUST 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	\$36,327,436	\$34,993,846	\$40,978,167	\$240,939,716	\$238,275,402	\$247,443,474
2. Total Operating Expenses	25,798,433	24,907,499	28,643,989	178,833,571	186,476,790	187,588,650
3. Less Depreciation	(2,929,280)	(2,937,750)	(2,883,196)	(23,356,642)	(23,373,521)	(22,865,264)
4. Operating Expense Net of Depreciation	22,869,153	21,969,749	25,760,793	155,476,929	163,103,269	164,723,386
5. Net Operating Revenue for Debt Service	13,458,283	13,024,097	15,217,374	85,462,787	75,172,133	82,720,088
6. Interest Income (a)	779,743	129,100	260,991	4,054,940	988,365	723,108
7. Other Income	0	0	0	0	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
<b>9. AVAILABLE FOR DEBT SERVICE</b>	<b>14,238,026</b>	<b>13,153,197</b>	<b>15,478,365</b>	<b>89,517,727</b>	<b>76,160,498</b>	<b>83,443,196</b>
<b>10. DEBT SERVICE (b)</b>	<b>\$4,120,297</b>	<b>\$4,120,296</b>	<b>\$4,218,043</b>	<b>\$32,962,379</b>	<b>\$32,962,368</b>	<b>\$33,744,346</b>
<b>11. DEBT SERVICE COVERAGE</b>	<b>3.46</b>	<b>3.19</b>	<b>3.67</b>	<b>2.72</b>	<b>2.31</b>	<b>2.47</b>

(a) Excludes Interest from Rate Stabilization Fund and Lease Revenue.

(b) Includes Bond Principal & Interest only.



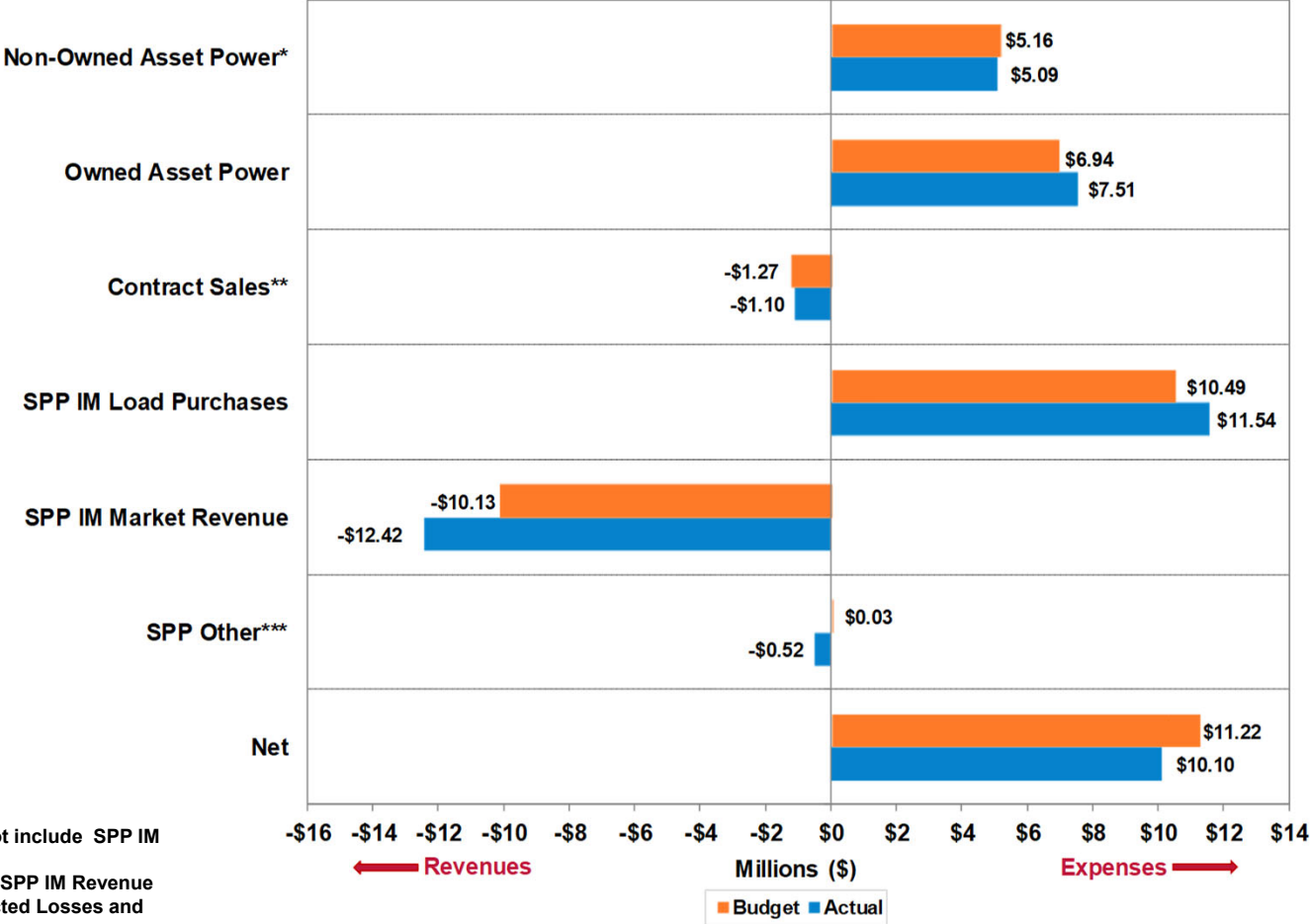
# **Power Supply Division 2023 August Monthly Report**

**September 15, 2023**

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

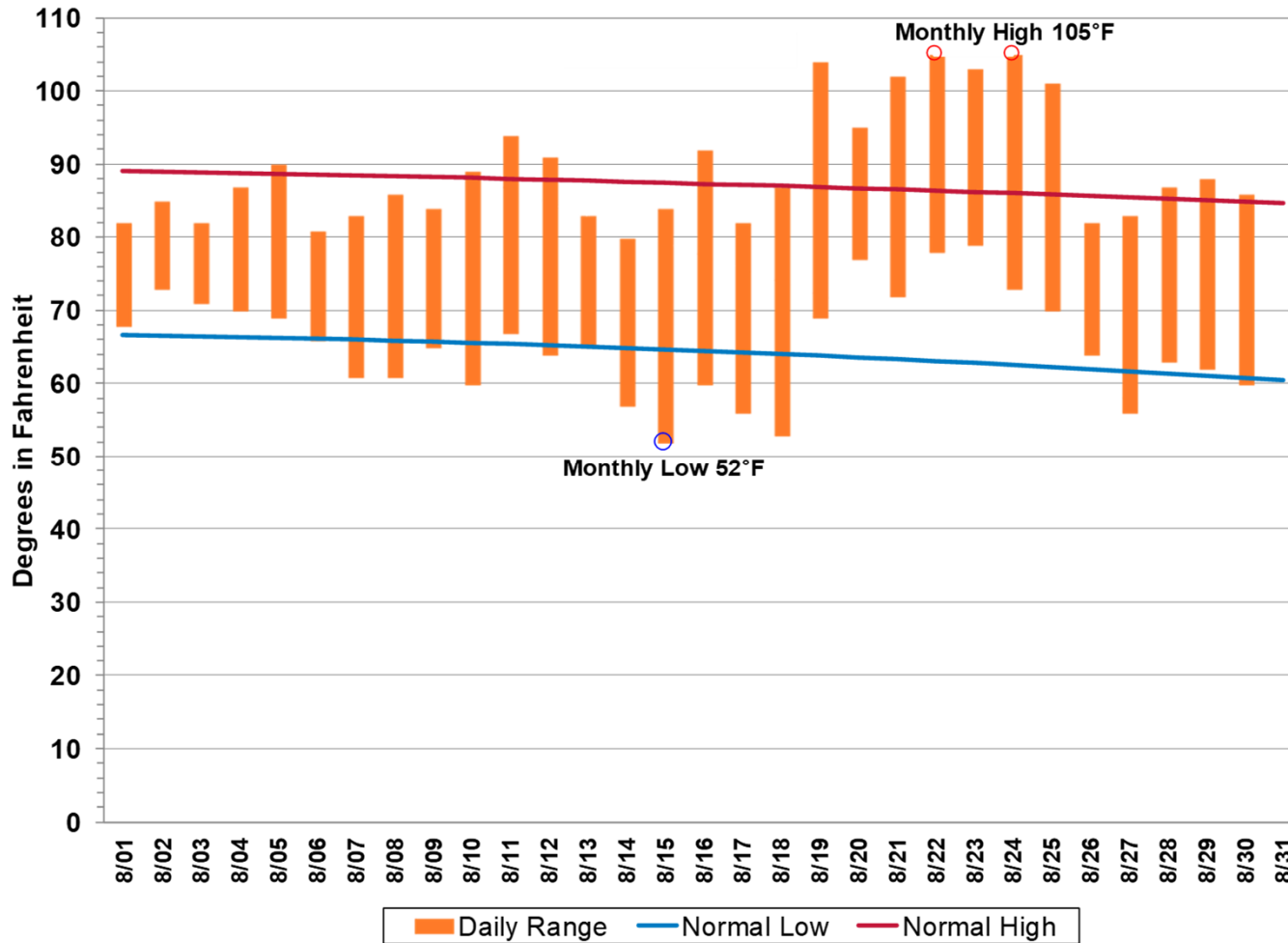


# Monthly Actual vs. Budget

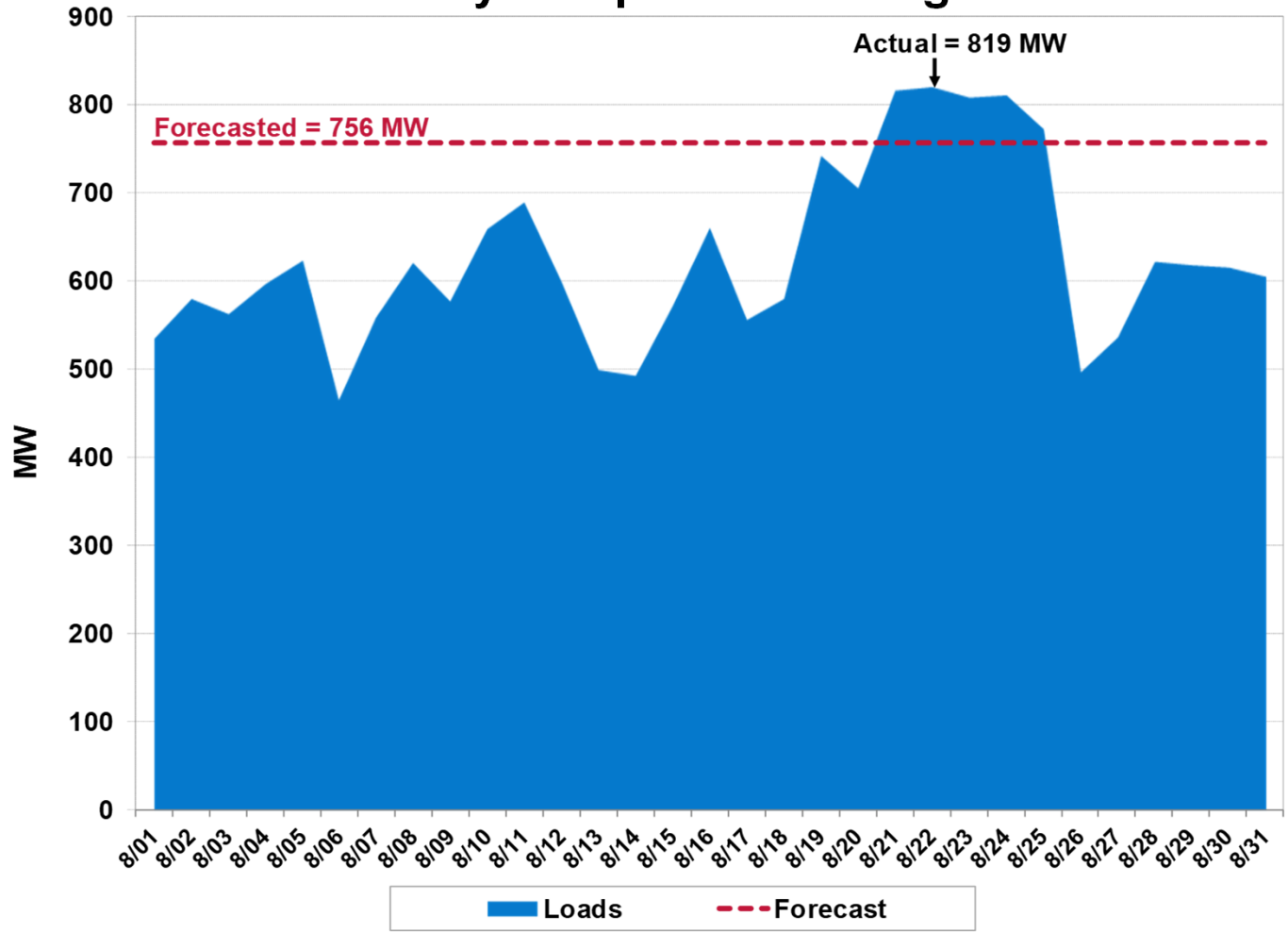


\*Non-Owned Asset Power does not include SPP IM Purchased  
 \*\*Contract Sales does not include SPP IM Revenue  
 \*\*\*SPP Other includes Over-Collected Losses and ARR's/TCR

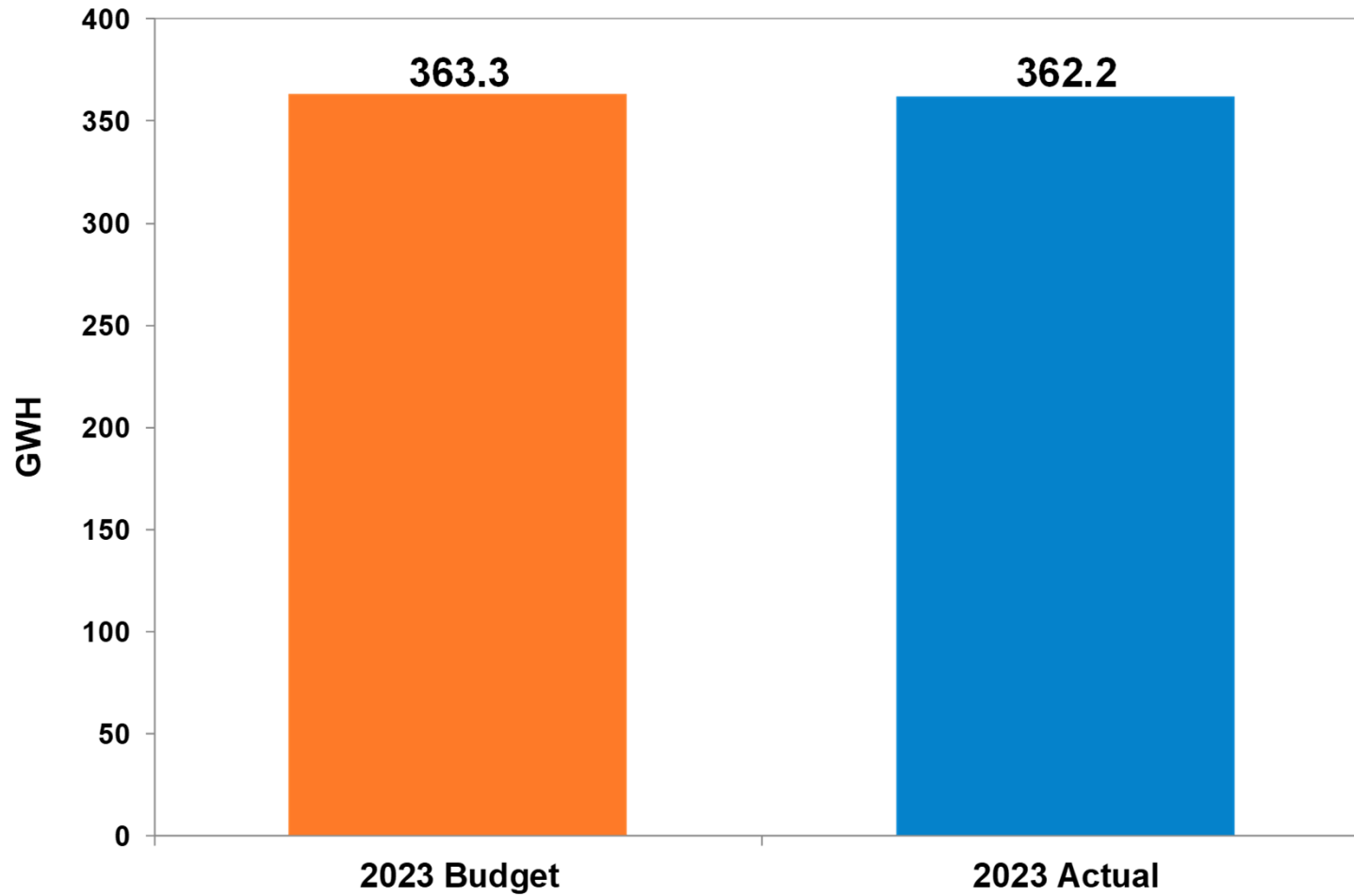
# Daily Temperature Range



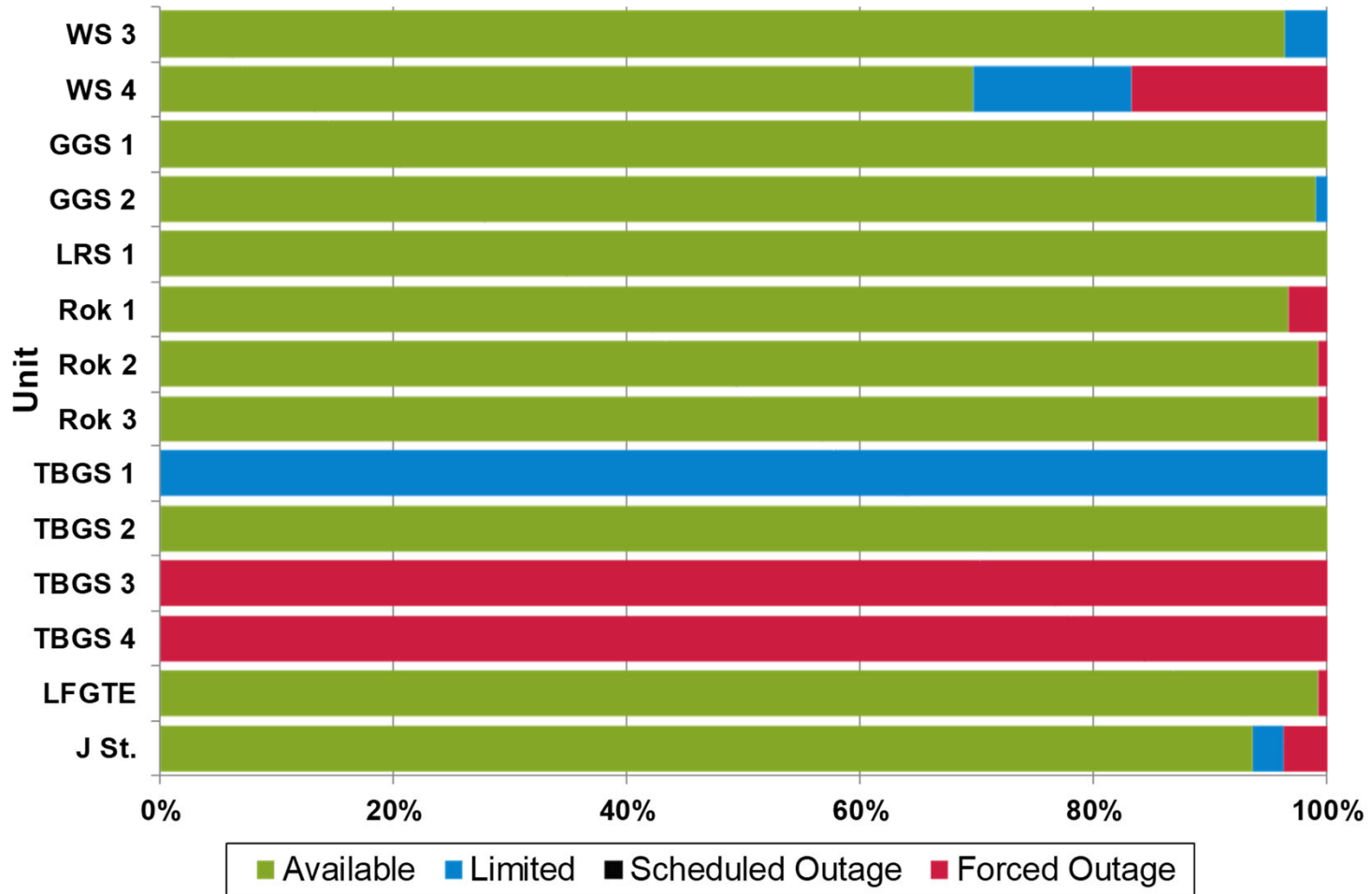
# Daily Temperature Range



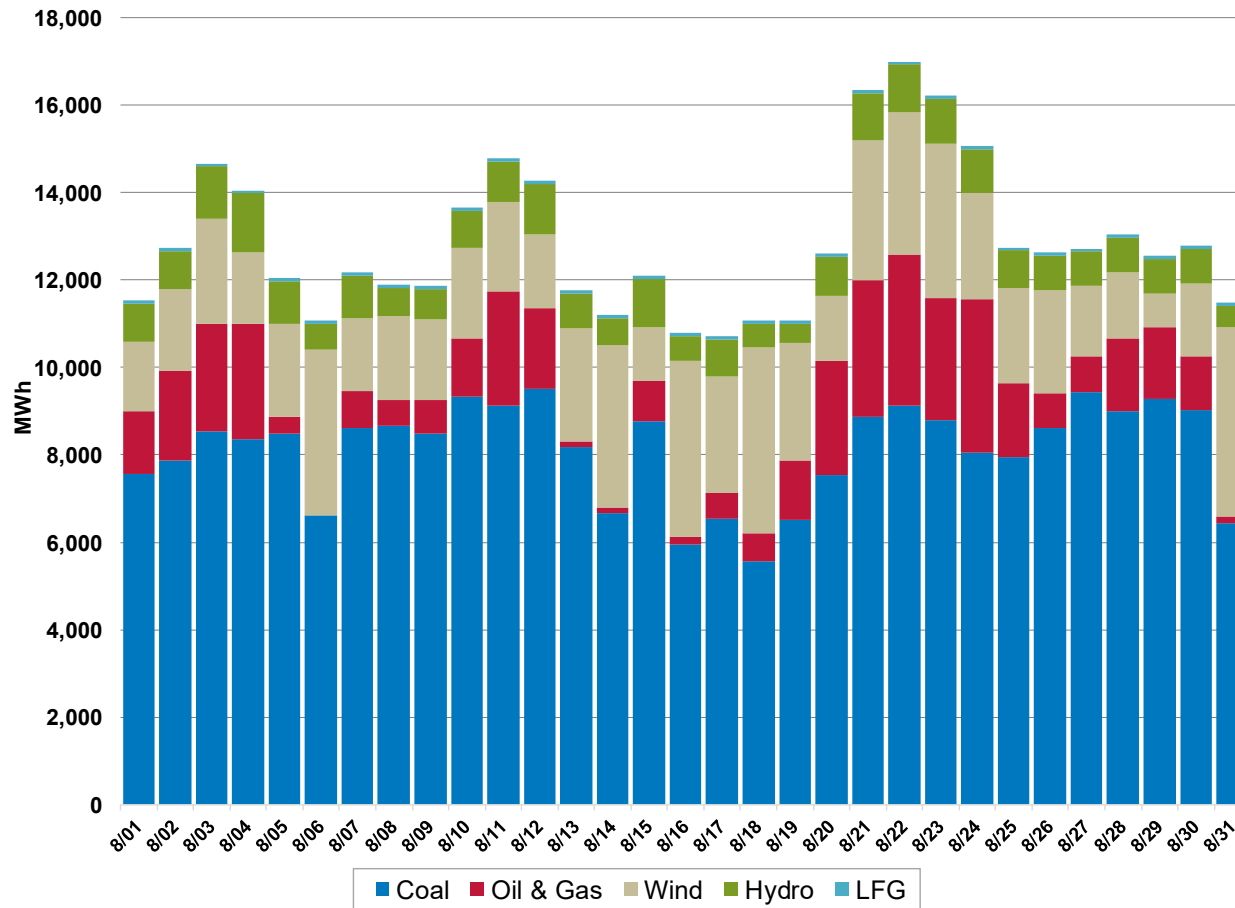
## Customer Energy Consumption



# Unit Equivalent Availability

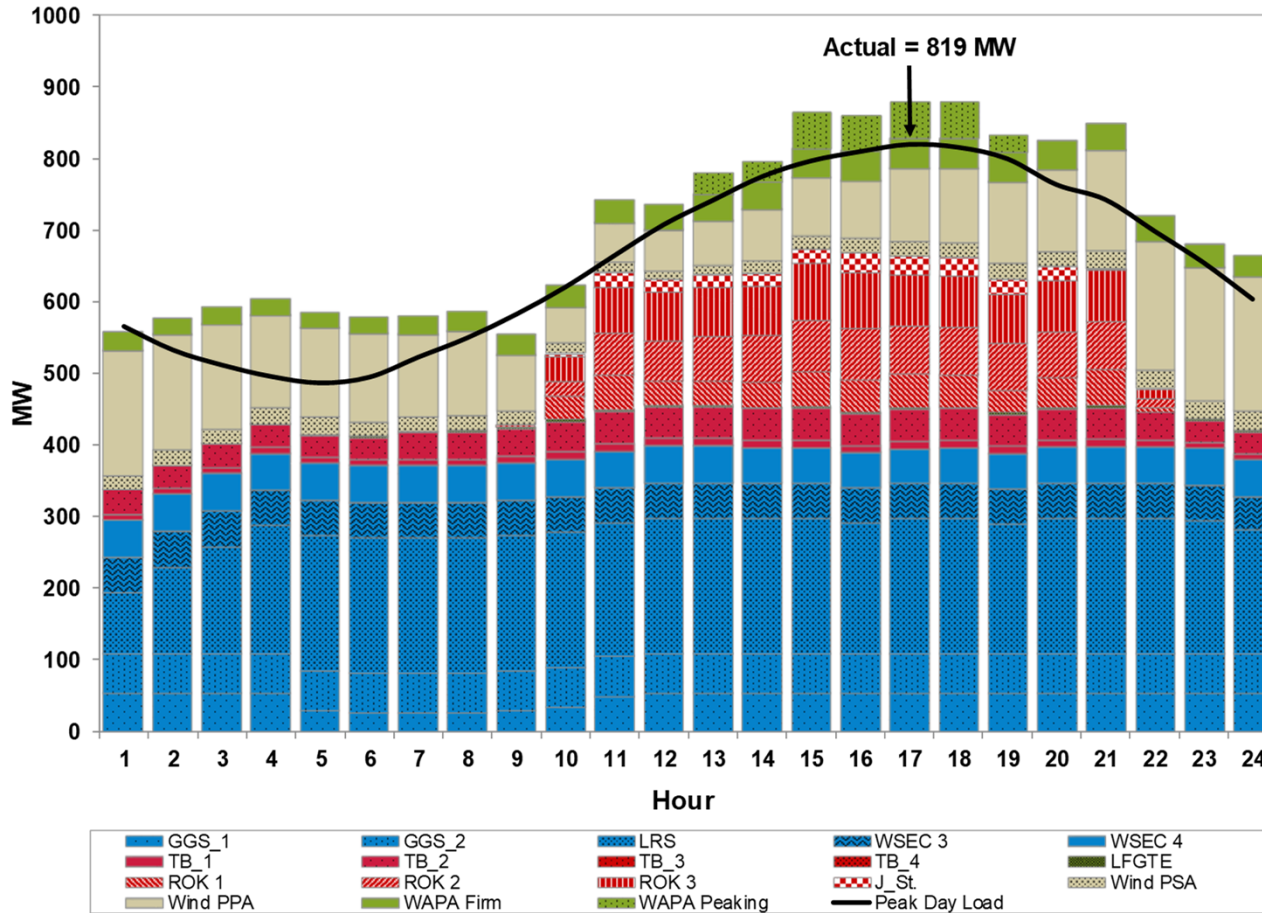


# Resource Energy



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

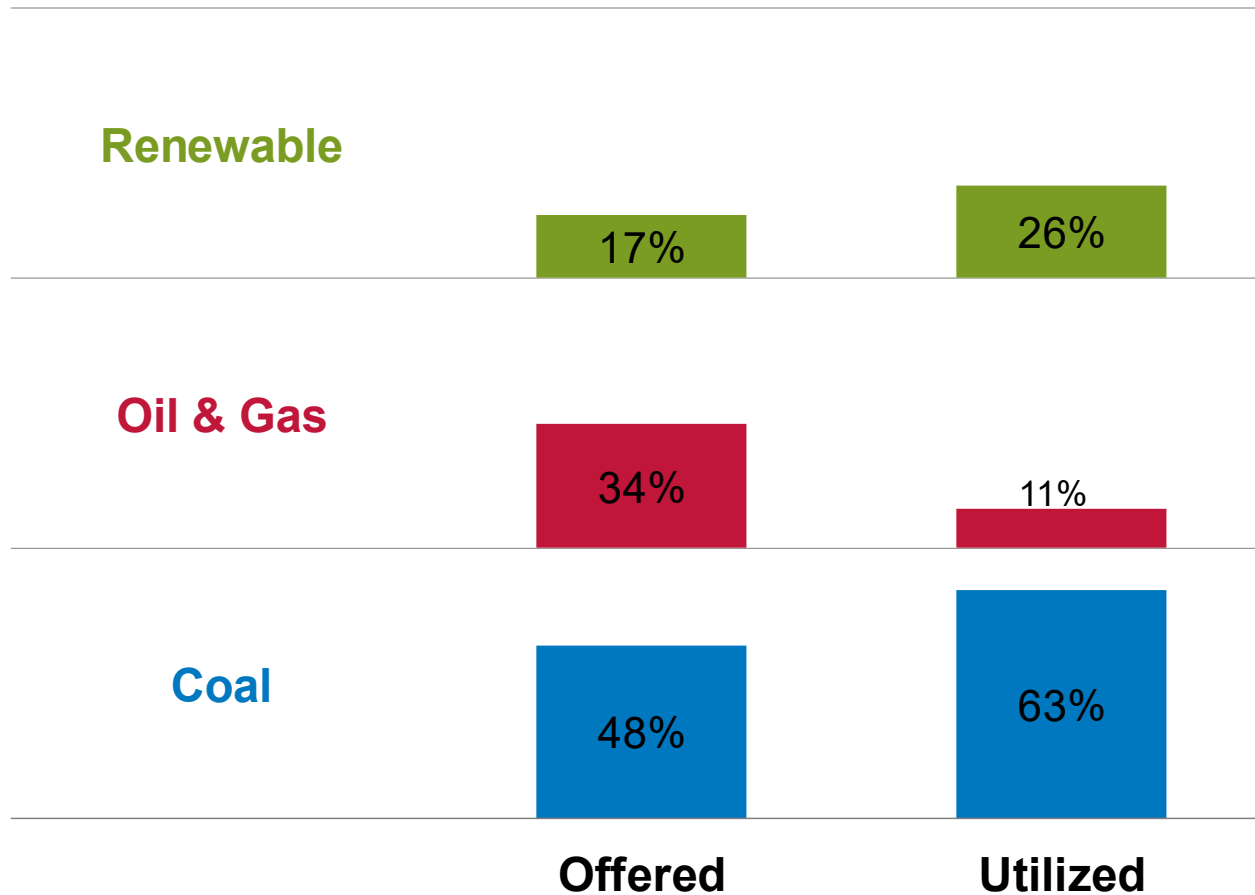
# Peak Load Day – August 22, 2023



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

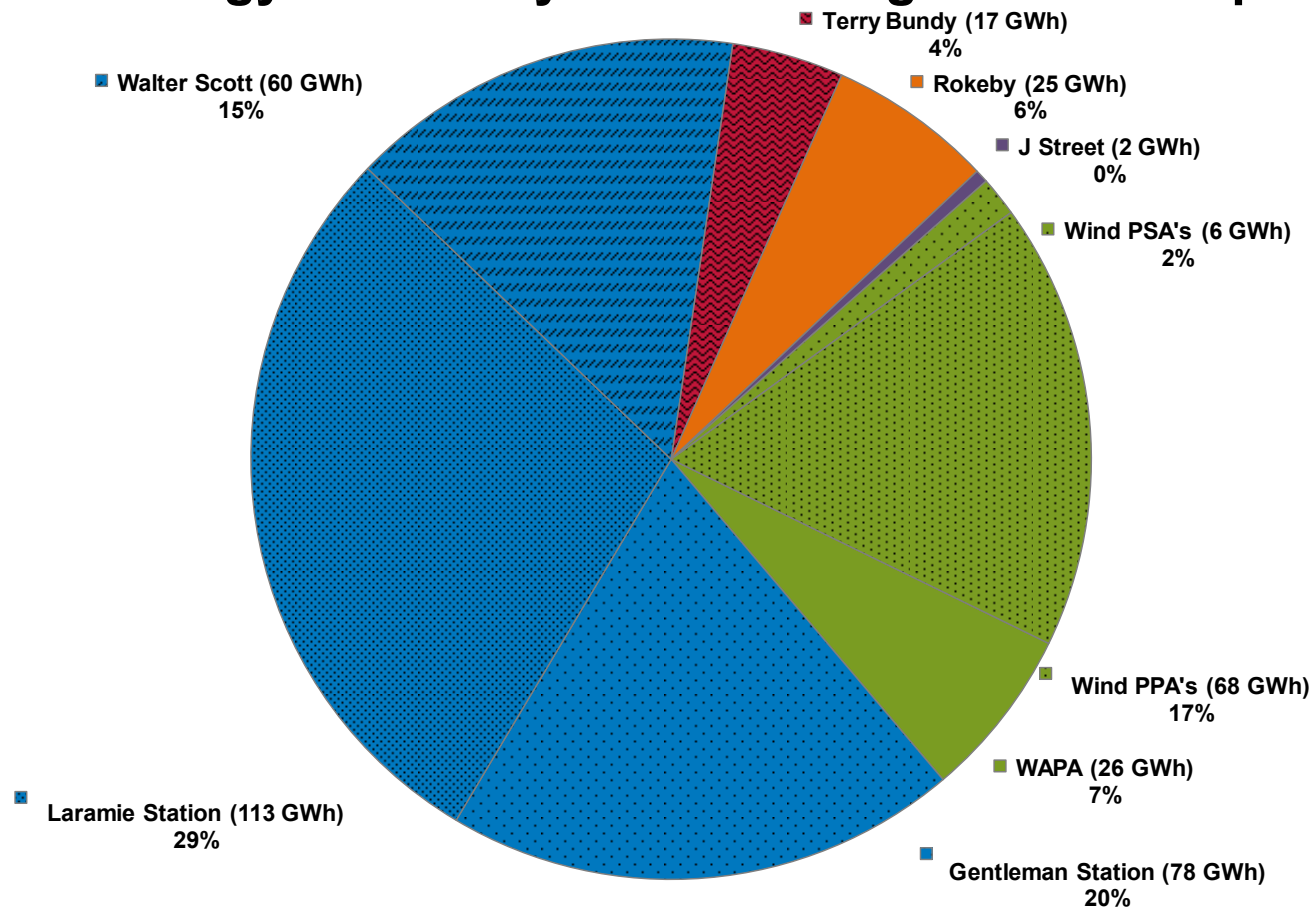


# Energy Offered and Utilized by the SPP Integrated Marketplace (Fuel Type)



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