

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, May 19, 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 May 12, 2023.

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

Board Members Absent: None

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, Paul Crist, Jason Fortik, Lisa Hale, Trish Owen, Travis Moore, Kelley Porter, Jim Rigg, Mike Murphy, Keith Snyder, Marc Shkolnick, Bryan Willnerd, Scott Benson, Robbie Seybert, Dustin Thorne

Others Present: None

News Media Present: None

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

Chair Andrew Hunzeker asked for approval of the April 21, 2023, meeting minutes. Carl Eskridge 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, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar

Nay: None

Absent: None

There were no customer comments.

Customer Comments

Chelsea Johnson, Chair of the Personnel & Organization Committee, reported on Committee discussions, including: 1) Wellness Program Update; and 2) 2023 CEO Merit Review. (Exhibit I)

Personnel & Organization Committee Report

Carl Eskridge, Vice Chair of the District Energy Corporation (DEC), reported on DEC discussions which included: 1) a Management Report; 2) a Financial & Audit Report; and 3) Miscellaneous Business Items. (Exhibit II)

District Energy Corporation (DEC) Update

Travis Moore, Legislative & Corporate Policy Analyst, Corporate Governance & Records, provided a report on state legislative

State Legislative Report

matters. (Exhibit III) Moore noted that Friday, May 19, marked the 81st day of the 90-day session, scheduled to adjourn on June 9, 2023. The Legislature has passed 13 bills thus far, including the biennium budget.

Moore provided an update on the following bills: LB 709; LB 768; LB 565; and LB 683.

Moore also noted that several interim study resolutions were introduced. The resolutions of interest include: LR 133; LR 178; LR 216; LR 242; LR 247; and LR 248.

Marc Shkolnick, Manager, Energy Services, reviewed updates and revisions to LES' 2023 Service Regulations. (Exhibit IV)

2023 Service Regulations Review

Service regulations are the guiding principles that define and direct how LES provides electrical and customer service to the community. A review of LES Service Regulations occurs on an annual basis.

Changes to the service regulations included policy updates, verbiage clarifications, and modifications in verbiage consistency.

Emily Koenig, Vice President & CFO, reviewed LES' 2023 Payments in Lieu of Taxes (PILOT) and City Dividend for Utility Ownership (CDFUO). (Exhibit V)

2023 Payment in Lieu of Taxes (PILOT) and City Dividend for Utility Ownership (CDFUO) Review

The calculation of PILOT is five percent of Total Gross Revenues from retail electricity sales within the city limits (including Lincoln and Waverly). Approximately 97 percent of sales are subject to PILOT, which is paid out annually at the end of April. These payments are distributed to the City of Lincoln, Lancaster County, Lincoln Public Schools, and the City of Waverly. LES PILOT payments are nearly four times that of the largest Lincoln property taxpayer in 2022. Lincoln Public Schools receives most of the LES' PILOT payment. To date, LES has paid \$350.4 million in PILOT.

The payment of CDFUO represents the City's ownership of LES and is paid semiannually solely to the City of Lincoln. To date, LES has paid \$89.1 million in CDFUO.

Bryan Willnerd, Manager, Treasury & Risk Management, provided LES' Investment Committee's 2022 Annual Report (Exhibit VI). LES provides oversight of the retirement plans according to LES policies, and external parties administer the retirement plans in accordance with LES policies.

2022 LES Employees' Retirement and Deferred Compensation Investment Committee Report

The Investment Committee consists of the Chief Executive Officer, the Vice President of Financial Services/Chief Financial Officer, the Vice President of Corporate Operations,

the Vice President of Communications and Corporate Records/General Counsel, and the Manager of Human Resources.

The Investment Committee reviewed the following routine items: 1) investment option performance; 2) market trends and asset class performance; 3) fund management changes; 4) participant communications and education; and 5) policy compliance and plan amendments. The Investment Committee addressed the following 2022 specific items: 1) reviewed cyber best practices with Vanguard's cyber security team along with LES Technology Services; 2) implemented the ability for employees to purchase series I Bonds via LES payroll deduction; 3) completed the internal audit of LES' retirement plans; and 4) CapTrust and Vanguard held three in-person retirement plan workshops at LES facilities.

Bryan Willnerd, Manager, Treasury & Risk Management, discussed updates to LES Policy 316 – Retirement Plan and Deferred Compensation Plan Model of Plan Governance. (Exhibit VII)

**LES Policy 316 –
Retirement Plan and
Deferred Compensation
Plan Model of Plan
Governance Update**

Karen Griffin moved approval of revised LES Policy 316 – Retirement Plan and Deferred Compensation Plan Model of Plan Governance. Carl Eskridge seconded the motion. The vote for approval of LES Policy 316 was:

- Aye: Kate Bolz, Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Eric Schafer, David Spinar
- Nay: None
- Absent: Lucas Sabalka

Kevin Wailes, CEO, discussed the Renewable Energy Credit Transfer Arrangement with the Western Area Power Administration (WAPA).

**Western Area Power
Administration (WAPA)
Renewable Energy Credit
Transfer Arrangement**

David Spinar moved to authorize the LES CEO be authorized to execute a contract with the Western Area Power Administration (WAPA) to allow WAPA to export from WAPA's Midwest Renewable Energy Tracking System account to LES' North American Renewables Registry account any renewable energy certificates LES is eligible to receive. Karen Griffin seconded the motion. The vote for authorization was:

- Aye: Kate Bolz, Martha Durr, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Eric Schafer, David Spinar
- Nay: None

Absent: Lucas Sabalka

Chair Andrew Hunzeker asked for a motion to enter a closed Executive Session for the purpose of receiving a cyber security review and to discuss confidential and proprietary contract negotiations and matters related to an economic development project with Agate LLC. David Spinar made the motion. Karen Griffin seconded the motion. The vote for approval to go into Executive Session was:

Executive Session – Cyber Security Review, Economic Development Projects Update, Credit Facility Authorization

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

Nay: None

Absent: Lucas Sabalka

The Board entered Executive Session at 10:24 a.m.

The Board came out of Executive Session at 12:09 p.m. No action was taken.

Scott Benson, Manager, Resource & Transmission Planning, presented LES Resolution 2023-6 – Approval to Negotiate and Execute a Facilities Extension & Interconnection Agreement with Agate LLC. (Exhibit VIII)

Approval to Negotiate and Execute a Facilities Extension & Interconnection Agreement with Agate LLC – LES Resolution 2023-6

Lucas Sabalka moved the adoption of LES Resolution 2023-6. David Spinar seconded the motion.

Chelsea Johnson moved to amend LES Resolution 2023-6 as follows: "BE IT FURTHER RESOLVED that the LES Administrative Board authorizes the LES Chief Executive Officer, consistent with the parameters and discussions with the Board regarding the project, to ~~execute~~ negotiate a facility extension and interconnection agreement with Agate LLC, or the company represented by Agate LLC, on behalf of LES, subject to review and approval by the LES Administrative Board, and such authorization shall be valid until midnight on May 19, 2024." David Spinar seconded the motion. There was no objection to the amendment.

The vote for the adoption of the amendment was:

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

Nay: None

Absent: None

Lucas Sabalka moved the adoption of LES Resolution 2023-6, as amended. David Spinar seconded the motion. The vote for the adoption of the amended resolution was:

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

Nay: None

Absent: None

Emily Koenig, Vice President & CFO, Financial Services, discussed 2023 Subordinate Credit Facility Authorization and LES Resolution 2023-7. (Exhibit IX)

2023 Subordinate Credit Facility Authorization – Not to Exceed \$50,000,000 – LES Resolution 2023-7

Koenig summarized the LES lien structure and the payment priority order: Operation & Maintenance Expenses, Senior Bonds, Commercial Paper, 2014 Senior Credit Facility, and 2023 Subordinate Credit Facility. LES is seeking additional financing authorization to mitigate the potential financial risk associated with emergencies and to provide additional interim financing between long-term bond issuance.

Carl Eskridge moved the adoption of LES Resolution 2023-7. Karen Griffin 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, David Spinar

Nay: None

Absent: None

Emily Koenig, Vice President & CFO, presented LES Resolution 2023-8 – Suspension of an Economic Development Rider. (Exhibit X)

Suspension of Economic Development Rider – LES Resolution 2023-8

David Spinar moved the adoption of LES Resolution 2023-8. Karen Griffin 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, David Spinar

Nay: None

Absent: None

Chair Andrew Hunzeker asked for a motion to enter a closed Executive Session for the purpose of discussing the Chief Executive Officer's performance and salary adjustment. David Spinar made the motion. Carl Eskridge seconded the motion. The vote for approval to go into Executive Session was:

Executive Session – Chief Executive Officer (CEO) Performance and Salary Review

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

Nay: None

Absent: None

The Board entered Executive Session at 12:24 p.m.

The Board came out of Executive Session at 12:42 p.m. No action was taken.

Board Chair Andrew Hunzeker asked for a motion to adopt LES Resolution 2023-9 – Chief Executive Officer Performance and Salary. (Exhibit XI) Chelsea Johnson made the motion. David Spinar seconded the motion. The vote for the adoption of the resolution was:

Chief Executive Officer (CEO) Performance and Salary – LES Resolution 2023-9

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

Nay: None

Absent: Martha Durr

Robbie Seybert, Manager, Human Resources, highlighted the CEO recruitment process. (Exhibit XII)

Chief Executive Officer (CEO) Recruitment Process

Seybert provided a history of executive search firms used previously. LES has selected Mycoff Fry Partners, LLC to conduct the current recruitment process for \$90,000 plus travel logistics and advertising expenses.

Mycoff Fry Partners, LLC will work with the Board to finalize the interview and selection process. The timeline for this process is estimated to take four to six months. The process will include solicitation of feedback on desired CEO characteristics from the LES Board and other stakeholders.

The Revenue and Expense Statements and Financial and Operating Statements for April 2023 are available. The Power Supply Division Monthly Reports for April 2023 are also available. (Exhibit XIII)

Monthly Financial & Power Supply Reports

The next regular meeting of the LES Administrative Board will be **Next Meeting**
Friday, June 16, 2023, at 9:30 a.m.

Without further business before the Board, Vice Chair Spinar declared **Adjournment**
the meeting adjourned at approximately 12:52 p.m.

Lucas Sabalka, Secretary

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

Exhibit I



Personnel and Organization Committee May 9, 2023 (Virtual Meeting)

Attendees: C. Johnson (Chair), A. Hunzeker (Board Chair), S. Sahling-Zart, J. Yuhas, T. Owen, and R. Seybert

Wellness Program Update (Julie)

- Following the RFP process, LES renewed their wellness vendor contract with Healthbreak, utilizing the Virgin Pulse platform and app. Now in a post-pandemic state, the wellness program has a renewed focus on preventive care, mental health and holistic wellbeing. LES has joined area businesses in “Lighting Up Green” for mental health awareness in May.

2023 CEO Merit Review (Robbie)

- As part of the annual performance review and merit process for 2023, the committee reviewed Kevin’s performance for 2022 and has a recommendation to present to board members per resolution 2023-9 during today’s executive session.

Exhibit II



Summary of DEC Board of Directors Meeting on April 18, 2023

Management Report

- Staff reviewed all planned and unplanned service interruptions for the period.
- Staff reviewed natural gas contract information and the associated natural gas pricing outlook.
- Status updates on plant projects were provided, including:
 - State Boiler plant roof upgrade and condensate surge tank replacement.
 - County/City customer hot water service line leak repairs.
 - West Haymarket plant customer service valve replacement project.
- Status updates on construction projects were provided, including:
 - County Adult Detention Facility geothermal loop cooler and backup circulating water pumps.
 - LES Operations Center geothermal loop heating system.
 - Nebraska State Penitentiary control room temperature conditioning and on-line chiller tube cleaning system.
- Status updates on potential customer feasibility studies were provided, including:
 - The developers for the 9th & P site have decided not to connect to DEC.
 - The potential customer for Block 5 in the West Haymarket has not decided if they will connect to the DEC.
 - The West Haymarket Hudl 2 expansion project timeline has been extended to 2028.

Financial & Audit Report

- The first quarter 2023 financials were reviewed with the board. Highlights included:
 - Energy sales and revenue were slightly below budget, due primarily to warmer than average temperatures.
 - YTD expenses were 6% under budget, due to higher interest income & lower energy and admin costs.
 - Debt Service Coverage was greater than the budget, due to higher expenses.
 - Early projections for show reduced capital spending for 2023 due to project delays.
- DEC received a clean audit report for 2022, and the board moved to accept the audit.
- All required tax-exempt compliance activities were completed and no deficiencies occurred.
- The board approved a resolution for a change regarding the JP Morgan line of credit, to be benchmarked off SOFR rather than LIBOR.

Miscellaneous Business Items

- DEC's General Counsel presented information on proposed Nebraska legislation that may impact DEC.
- The board approved a motion to authorize a budget exceedance for attendance of board members and staff at the annual IDEA conference.
- A resolution was read and approved to officially thank Tammy Ward for her service on the DEC Board. She served from July 2019 to present but is not seeking re-election to the City Council.

Exhibit III



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 49	Judiciary Committee Hearing February 23, 2023	(Dungan) Changes provisions relating to solar energy and wind energy, declares certain instruments void and unenforceable, and provides for a civil cause of action. LB 49 permits counties and municipalities to consider a “right to direct sunlight” in its zoning regulations to encourage solar or wind energy. It also proposes to prohibit any deed or ownership document or homeowners’ association covenant from forbidding or restricting the installation of a solar energy system.	Monitor
LB 57	Business & Labor Committee Hearing January 30, 2023	(M. Cavanaugh) Adopts the Paid Family and Medical Leave Insurance Act. It creates an insurance program to provide partial wage replacement for eligible employees to care for themselves or a family member following a serious illness or to care for a new child through birth, foster care, or adoption. Leave can also be used for military needs. The program is financed through employer contributions to the program, but an employer may also satisfy the requirements through an employer-provided insurance plan.	Monitor/Confer with the City
LB 61	Transportation Committee General File	(Brandt) Authorizes the leasing of dark fiber and eliminates certain powers of the Public Service Commission. LB 61 was introduced at the request of OPPD and is intended to facilitate broadband development by amending statutory provisions regarding the lease, sale or license of dark fiber to eliminate provisions that have been a barrier to dark fiber leases. The goal of LB 61 is to promote effective public-private partnerships between communications providers and public power entities that own fiber infrastructure.	Monitor
LB 63	Transportation Committee General File	(Bostar) Requires the withholding of distributions to telecommunications companies from the Nebraska Telecommunications Universal Services Fund. A Transportation Committee amendment requires all telecommunication providers to certify annually with the PSC that they do not use or provide any communications equipment or services deemed to pose a threat to national security identified on the FCC covered list. Additionally, the amendment changes the Broadband Bridge Program application to restrict eligibility if an applicant uses or provides any telecommunications equipment or services deemed to pose a threat to national security identified on the FCC covered list. Provisions of LB 63 have been amended into LB 683, which is on Final Reading.	Monitor
LB 79	Revenue Committee Hearing March 3, 2023	(Erdman) Adopt the Nebraska EPIC Option Consumption Tax Act. EPIC stands for the elimination of property, income, and corporate taxes. LB 79 would repeal state income, sales, inheritance, and property taxes and replace them with a consumption tax.	Monitor



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 120	Natural Resources Committee Hearing February 16, 2023	(Bostelman) Eliminates obsolete provisions from 2014 requiring a transmission study that was completed by the Nebraska Power Review Board and its consultant, the Brattle Group, in 2014. LES supports repeal of these outdated statutes.	Support
LB 122	Transportation Committee General File	(Bostelman) Changes provisions relating to the One-Call Notification System Act to establish an Underground Excavation Safety Committee. The committee consists of the State Fire Marshal, three excavators, three facility operators, and two alternatives who participate in the event of a conflict of interest. All members are appointed by the Governor and no member shall participate in a hearing in which the member's business is a party to. The committee meets monthly to review complaints submitted to the State Fire Marshal alleging violations of the One-Call Notification System Act and make recommendations on resolving complaints. Any civil penalties assessed exceeding \$10,000 should be referred to the Attorney General for prosecution. Provisions of LB 122 have been amended into LB 683, which is on Final Reading.	Monitor/Confer with the City
LB 133	Government Committee Hearing February 10, 2023	(J. Cavanaugh) Provides that entities exercising the power of eminent domain are subject to the Open Meetings Act. As a public entity, LES is already required to comply with the Open Meetings Act, but the bill will be monitored for any other amendments that may impact eminent domain authority.	Monitor
LB 134	Transportation Committee Hearing February 21, 2023	(J. Cavanaugh) Amends the Small Wireless Facilities Deployment Act to require an authority (e.g., city) to provide reasonable notification to adjacent property owners prior to installation of a small wireless facility or installation of any new or modified pole to accommodate a small wireless facility. This bill appears to be in response to a situation in Omaha where a wireless provider installed a new pole literally in the middle of a public sidewalk restricting pedestrian traffic. LES agrees with the requirement to provide notice but would prefer to see responsibility placed on the wireless providers rather than the authority. We will discuss this matter with Sen. Cavanaugh.	Support/Confer with the City
LB 161	Business & Labor Committee General File	(McDonnell) Amends the Workplace Privacy Act to prohibit employers from requiring employees to wear a communication device that tracks their physical location, travel patterns, or contacts with other employees, except in a state of emergency declared by the Governor. LES does not require this of its employees, but we will monitor the bill for any other amendments.	Monitor/Confer with the City
LB 164	Urban Affairs Committee Hearing January 24, 2023	(McKinney) Adopts updates to building and energy codes to align with the 2021 edition of the International Building Code, International Residential Code, and International Energy Conservation Code. These changes are on the customer side of the meter, but we will monitor for general awareness.	Monitor/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 169	Judiciary Committee Hearing March 1, 2023	(Hunt) Prohibits discrimination based upon sexual orientation and gender identity. LES policies already prohibit discrimination based upon sexual orientation and gender identity, but the bill will be monitored for any amendments that may exceed LES policies.	Monitor/Confer with the City
LB 172	Urban Affairs Committee General File	(Bostar) Updates the Nebraska State Electrical Code to align with the minimum standards set forth in the 2023 National Electrical Code. These changes do not impact LES, but we will monitor for general awareness.	Monitor/Confer with the City
LB 205	Government Committee General File	(von Gillern) Adopts the Government Neutrality in Contracting Act to prohibit political subdivisions from, among other things, issuing RFPs or bid specifications that include language that requires, prohibits, encourages, or discourages bidders for public contracts from entering into or adhering to a collective bargaining agreement.	Monitor/Confer with the City
LB 209	Revenue Committee Hearing March 1, 2023	(Bostar) Provides tax exemption relating to data centers. LB 209 provides personal property tax exemption and a sales and use tax exemption for computers and related equipment used in the operation or maintenance of a data center, including servers, temperature control infrastructure, and electrical power infrastructure. LB 209 also exempts the electricity used by the data center from sales and use taxes. The sales and use tax exemption has no impact to LES, but it would result in less tax revenue for the State and also the City. The Chamber of Commerce supports the bill.	Monitor/Confer with the City
LB 237	Appropriations Committee Hearing March 13, 2023	(Wayne) Appropriates \$1 million in FY 2023-24 and \$1 million in FY 2024-25 to the Department of Environment and Energy for the Low-Income Weatherization Assistance Program to aid in carrying out energy efficiency audits and weatherization improvements.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 255	Natural Resources Committee Hearing February 22, 2022	(Brewer) LB 255 prohibits LES, NPPD, and OPPD from exercising the power of eminent domain to acquire property to construct or operate a wind or solar generation facility. LES opposes any efforts to erode eminent domain authority. LES's preference is always to work with property owners to negotiate a mutually acceptable purchase, but eminent domain is sometimes a necessary tool to fulfill a public purpose. If LB 255 passes, the result will likely be significant increases in property acquisition as property owners would be free to command a much higher purchase price without the fear of condemnation. The price could be significant depending on the type of facility and the size of the facility (megawatt production), including the geographic footprint of property necessary which could range from tens to hundreds of acres per facility site. LB 255 also amends other provisions related to special generation applications, which would not impact LES. An amendment was offered to expand the scope of the bill to restrict the use of eminent domain by a City of the Primary Class outside of LES' service territory. Additionally, the amendment sought to prohibit an electric utility from applying to the PRB for a generation facility or project, if by the power of eminent domain (1) includes more than 50 acres of real property in fee simple or (2) is located outside of the applicant's own service area. The bill and amendment remain in the Natural Resources Committee.	Oppose
LB 267	Business & Labor Committee General File	(Brewer) Adopts the Critical Infrastructure Utility Worker Protection Act. The bill was introduced at the request of OPPD. The bill would ensure that critical infrastructure utility workers are provided priority access to personal protective equipment, medical screening and testing, medical treatment and vaccines in the event of any civil defense emergency, disaster, or emergency involving a severe threat to human health. Utility workers would have priority access at least equal to that of hospital and medical personnel, law enforcement personnel, or other emergency responders. Provisions of LB 267 were amended into LB 191, which is on Final Reading.	Support
LB 289	Natural Resources Committee General File	(Bostelman) LB289 amends the Municipal Cooperative Financing Act to allow municipal cooperatives to own and operate, contract to operate, or lease advanced metering infrastructure technology and provide advanced metering infrastructure services regarding a public owned utility system. The bill was introduced on behalf of NMPP Energy and does not directly impact LES. However, LES is a member of NMPP Energy and is supportive of this clarification. Provisions of LB 289 were amended into LB 565, which is on Final Reading.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 297	Government Committee General File	(Sanders) Adopts the Personal Privacy Protection Act which seems to amend the Administrative Procedure Act. LB 297 prohibits the State or any political subdivision from requesting or disclosing personal information which is defined to mean any list, registry or other information that identifies a person as a member, support, volunteer of, or donor to any nonprofit organization certified as a 501(c) entity under the Internal Revenue Code. An amendment offered by the Government Committee adds a maximum of \$2,500 liquidated damages per violation, and appropriate preliminary, equitable, or declaratory relief.	Monitor
LB 304	Government Committee General File	(Linehan) Requires each political subdivision to disclose on its website membership dues paid annually to any association or organization, including the amount of dues paid. It also requires disclosure of fees paid to any individual lobbyist or lobbying firm or such association other than those that may be included in the membership dues. It is unclear what problem or concern LB 304 seeks to address. While LES supports transparency and would provide this information upon request, LES does not see a purpose to be served in merely adding more information to its website. LES works to provide information on its website that is of greatest importance or use to LES customers and to make that information easy to locate. That said, LES is happy to make the information available to any member of the public upon request. It appears LB 304 was advanced to General File due to a lack of opposition testimony during the hearing.	Oppose/Confer with the City
LB 367	Business & Labor Committee Hearing March 13, 2023	(Conrad) Adopts the Fair Chance Hiring Act to prohibit employers and employment agencies from asking an applicant to disclose information concerning the applicant's criminal record or history until after the applicant has received a conditional offer of employment from the employer. This provision would not apply if a criminal history is otherwise required by state or federal law. This seems to be consistent with LES hiring practices.	Monitor/Confer with the City
LB 394	Judiciary Committee Hearing February 23, 2023	(Erdman) Changes provisions relating to eminent domain to require that for agricultural land only the damages shall be two times the fair market value of the condemned property and severance damages shall include the replacement cost of dwellings, garages, sheds, barns, wells, septic systems, fences, and other permanent structures.	Oppose



2023 NEW LEGISLATION IMPACTING LES

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



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 505	Revenue Committee Hearing March 8, 2023	(Bostar) LB 505 relates to electric vehicles and commercial electric vehicle (EV) charging stations. It increases the motor vehicle registration of EVs from \$75 to \$200 and imposes a per-kilowatt-hour excise tax on electric energy used at commercial EV charging stations. In addition, it provides that a commercial EV charging station operator that sells electricity at a charging station on a kilowatt-hour basis is not a retail provider of electricity. Under state law, only public power utilities with a certified retail service area are authorized to sell electricity at retail. The public power industry agreed to this very narrow exception to the retail service provisions following months of discussions with various parties, including truck stop and convenience store representatives and representatives of road and highway construction contractors. Following introduction of LB 505, the truck stop and convenience store owners have expressed concern regarding other issues related to public power such as being subject to demand charges and public power having a competitive advantage. LES, and other public power utilities, will oppose additional amendments to LB 505 that require development of EV rates or impose additional requirements on utilities that were not discussed during the past year of negotiations. Due to a lack of consensus, Senator Bostar offered an amendment to gut the bill and instructed the committee not to advance it. We will continue to work on this issue in anticipation of next year's session.	Support as introduced/Confer with the City
LB 513	Government Committee General File	(Brewer) Changes proof of publication requirements for legal notices and requirements for published notice and virtual conferencing under the Open Meetings Act. It allows for alternatives for public posting of meeting agendas if there is no newspaper of general circulation within the public body's jurisdiction. The bill does not impact LES, but will be monitored for amendments.	Monitor
LB 541	Government Committee Hearing March 15, 2023	(Lowe) Provides for nomination and election of public power district and public power and irrigation district directors on the partisan ballot. The bill does not directly impact LES, but will be monitored as it relates to the public power industry in Nebraska.	Monitor
LB 560	Appropriations Committee Hearing March 6, 2023	(Blood) States the intent of the Legislature to seek all federal funds available through the Inflation Reduction Act of 2022 for the purposes of energy efficiency in homes and businesses, electric vehicle infrastructure, upgrading utility infrastructure, assisting the transition to cleaner energy, supporting drought-resistant agricultural practices, and creating jobs.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 565	Natural Resources Committee Final Reading	(Bostelman) LB 565 appropriates \$250,000 from the General Fund for FY23-24 and FY24-25 to the Department of Economic Development to provide grants to a public power districts serving a majority of counties in the state to be used for engineering and modeling work for a U.S. Department Energy regional clean hydrogen hub designation and associated federal funding. Provisions of LB 567, LB 568 (as amended), LB 723, and LB 289 were amended into LB 565.	Support
LB 566	Executive Board General File	(Bostelman) Provides \$30,000 for a study of, among other things, intermittent renewable energy generation including an analysis of the short-term and long-term costs and economic risks of replacing baseload generation with intermittent renewable generation. The study would be conducted by the Natural Resources Committee who could contract with an outside consultant subject to approval by the Executive Board. The study is to be completed by November 15, 2023. LES is opposed to LB 566 as drafted because it frames a study with a bias. It seeks to evaluate the impacts of intermittent generation and the benefits of coal, hydrogen and nuclear. A study of generation should be framed as an objective evaluation of all generation resources.	Oppose
LB 567	Natural Resources Committee Hearing February 2, 2023	(Bostelman) LB 567 has two distinct purposes. First, it eliminates existing statutory language that prohibits high level managers of a public power district from serving on a board of any public power district. This provision does not impact LES, but it will be monitored as it relates to the public power industry. Second, the bill provides a definition of reliability, but it is unclear what purpose is served by adding the definition as it is not substantively used elsewhere in the statutes. The definition is the same definition used by the Southwest Power Pool. While LES does not disagree with the definition, it remains unclear what purpose is served by simply adding a definition into the statutes. Provisions of LB 567 were amended into LB 565, which is on Final Reading.	Monitor
LB 568	Natural Resources Committee Hearing February 16, 2023	(Bostelman) Adopts the Nuclear and Hydrogen Development Act and creates the Nuclear and Hydrogen Industry Work Group. The work group consists of 11 members, with one representative of a public power district who is appointed by the Governor. The work group will determine the workforce training needs of the nuclear and hydrogen industries in conjunction with the Nebraska Community College System and Nebraska State College system to develop education training course. \$5 million dollars is transferred to the Nuclear and Hydrogen Development Act fund and awarded to community colleges and state colleges that implement education training courses. The fund terminates on July 31, 2028. AM 849 reduces the funding ask from \$5M to \$200k. Provisions of LB 568 were amended into LB 565, which is on Final Reading.	Support



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 569	Government Committee General File	(Bostelman) LB 569 would prohibit a member of a county board or county planning commission, or a member of his or her immediate family, from having a financial interest in any entity that is involved in the development, construction, management, or operation of an electric generation facility or owns or leases property relating to a electric generation facility.	Monitor/Confer with the City
LB 636	Natural Resources Committee General File	(Albrecht) Prohibits political subdivisions from enacting ordinances or implementing any resolution, regulation, or policy that restricts or prohibits the sale, use, or supply of natural gas or propane. The bill does not impact LES, but it will be monitored for any amendments that may expand the scope to other types of energy.	Monitor/Confer with the City
LB 637	Government Committee General File	(Albrecht) Requires members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Current law does not require public comment at every open meeting. LES currently allows for public comment at each monthly board meeting. Provisions of LB 637 were amended into LB 254, which is on Final Reading.	Monitor/Confer with the City
LB 644	Banking Committee General File	(McDonnell) Transfers \$80 million to the Site and Building Development Fund to support the identification, evaluation, and development of sites to attract advanced manufacturing, processing, trade, technology, aerospace, automotive, clean energy, life science and other transformational industries to Nebraska.	Support/Confer with the City
LB 650	Government Committee General File	(McDonnell) Amends the public records statutes to provide that certain cybersecurity records may be lawfully withheld from the public. A few years ago LES successfully secured similar legislation for critical energy infrastructure information. The provisions of LB 650 would also apply to LES and would provide additional protections for cybersecurity records.	Support/Confer with the City
LB 670	Business & Labor Committee Hearing February 13, 2023	(Hunt) Prohibits discrimination under the Nebraska Fair Employment Practice Act on the basis of gender identity or sexual orientation and prohibit discrimination by employers regardless of size. As stated previously, this bill is consistent with existing LES employment policies.	Monitor/Confer with the City
LB 709	Banking, Commerce & Insurance Committee General File	(Wishart, Ballard, Geist) Creates the Convention and Event Center Capital Construction Fund to provide \$71 million in funding, the bulk of which would go toward site acquisition and construction of a new convention center in Lincoln. The total cost of a convention center is estimated at \$110-\$120 million. The bill does not directly impact LES, but this would be a major economic development project for the city. A Banking Committee amendment expands the definition of eligible applicants to include cities of the first class. Provisions of LB 709 were amended into LB 814 and LB 818, which have been passed.	Support/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 725	Natural Resources Committee Hearing March 2, 2023	(Dungan) LB 725 was introduced to prohibit electric companies and electric cooperative corporations from using ratepayer funds for campaign/election purposes. LES does not contribute ratepayer funds to election campaigns as such contributions are already prohibited. However, the bill is drafted in a manner that poses unintentional consequences. The bill defines ratepayer proceeds to mean any money, funds, compensation, or property received from a ratepayer. It then goes on to prohibit a ‘recipient of ratepayer proceeds’ from contributing such proceeds to an election. Technically the bill could prohibit any utility employee, for example, from even contributing to a campaign in their individual capacity. This is likely an unintended consequence. LES will work with Sen. Dungan for an amendment to clarify this language. With clarification, LES would be neutral on the bill.	Monitor/Confer with the City/ Seek Amendments
LB 726	Natural Resources Committee Hearing March 2, 2023	(Dungan) Adopts the Nebraska Electric Consumer Rights to Transparency and Local Control Act which would require LES to publish on its website the following: (1) Board meeting dates, times, locations, and agendas 10 days before the meeting; (2) Board meeting minutes 10 days after the date of the meeting; (3) current rate schedules, fees, rents, and other charges made or levied by the Board; (4) a full and complete list of the receipts and disbursements; (5) fiscal year budget; (6) list of all Board Members currently serving; (7) a method by which to contact Board Members; and (8) a method by which to contact LES staff. Much of this information is already available on LES’ website and is subject to request under the public records laws. Some of the items are overly broad and could be an administrative burden to maintain, such as providing all receipts and disbursements. It is simply unclear what problem LB 726 seeks to address.	Oppose/Confer with the City
LB 733	Transportation Committee Hearing February 21, 2023	(Bostar) Adopts the Broadband Pole Placement and Undergrounding Fund Act to provide funds for telecom providers to seek reimbursement for pole replacement costs they incur when installing broadband services in unserved areas. The bill does not directly impact LES as the Lincoln area would not be deemed an unserved area, but we will continue to monitor the bill for any amendments that would expand the scope.	Monitor/Confer with the City
LB 734	Judiciary Committee Hearing March 24, 2023	(Bostar) Provides an enhanced Class II felony for damage to certain infrastructure facilities that are a significant factor contributing to the death or serious bodily injury of another person. This bill was introduced in response to the recent shooting attacks on several substations across the country. While LES supports punishment for perpetrators of attacks on electric infrastructure, the bill is unlikely to deter such activity.	Support/Confer with the City



2023 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 743	Banking Committee Hearing February 13, 2023	(Kauth) LB 743 adopts the Investment Neutrality in Public Funds Act. The intent of the bill is to prohibit governing bodies of political subdivisions from making or supervising investment actions that in any way further social, political, or ideological interests. The bill defines fiduciary at the “governing body of a political subdivision acting as an investment manager or proxy advisor” which arguably does not apply to LES. Nonetheless LES opposes the bill as an attempt to erode local control.	Oppose/Confer with the City
LB 768	Appropriations Committee Hearing March 14, 2023	(DeKay) Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund. The bill does not further identify the purpose for the funding. Staff will contact Senator DeKay to learn more about the purpose for the funds. Provisions of LB 768 were amended into LB 814 and LB 818, which have been passed.	Monitor
LR 21	Executive Board Hearing February 24, 2023	(Brewer) Provide for a special committee of the Legislature to be known as the Small Modular Nuclear Reactor Study Committee. There are no funds yet identified for the committee. LES is supportive of continued discussion and evaluation regarding the feasibility of advanced nuclear technologies in Nebraska.	Support
LR 133		(Bostelman) Interim study to examine issues under the jurisdiction of the Natural Resources Committee.	
LR 178		(Brewer) Interim study to examine the feasibility of constructing and operating small modular nuclear reactors to generate electric power in Nebraska.	
LR 216		(Dungan) Interim Study to examine the economic and climate impacts of the current reliance on fossil fuel energy generation in Nebraska.	
LR 242		(Jacobson) Interim study to examine methods to promote the development of a competitive electric vehicle charging market in Nebraska and the creation of electric infrastructure to support such market.	
LR 247		(J. Cavanaugh) Interim study to examine issues raised in LB 133, 2023, relating to laws regarding the use of eminent domain by state agencies, boards, commissions, and other political subdivisions.	
LR 248		(J. Cavanaugh) Interim study to survey Nebraska’s small public utilities, municipalities, and cooperatives in a comprehensive manner, which consolidates information relating to rate classifications and equipment.	

Exhibit IV

LES Service Regulations Update May 2023

Marc Shkolnick
Manager, Energy Services

Overview

- LES Service Regulations are the **guiding principles** that define and direct how LES provides electrical and customer service to the community.
- They are reviewed annually by multiple divisions, and we continue to focus on keeping the verbiage customer-friendly.

LES Service Regulations Milestones

- ✓ Reviewed internally by subject matter experts (SMEs)
- ✓ SMEs and Executive review
- May – Board Meeting Presentation
- May – Online Open House (*Redline documents posted on website for public review.*)
- June – Board Action (*Service Regulations do not require City Council approval.*)

Service Regulations Updates/Additions

	Topic	Change	Type of Change
1.	Service Relocation Initiated by LES (B.3.9)	Specify that costs associated with relocating a service drop obstructed by customer property (ie pavement, shed, garage) shall be at the customer's expense.	Policy
2.	System Disturbances and Service Disruptions (B.1.3) & Ramp Rate (B.7.10)	For service reliability purposes, establish a limit on the rate at which commercial customers can add and reduce load.	Policy

Service Regulations Updates/Additions

	Topic	Change	Type of Change
1.	Definitions (A.2)	Change definition of "Customer" to encompass all the ways someone may conduct business with LES. Added, "unless otherwise stated in the LES Rate Schedule," to definition of Billing Period.	Verbiage Clarification
2.	LES Customer Services (B.3)	Specify that LES can back date service orders when timely notice of a change of service has not been provided.	Verbiage Clarification
3.	Customer Requested Maintenance & Switching Fees (B.4.3.12) (C.4.1) (C.4.2)	Added new section to indicate fees may vary depending on if service is rendered outside of normal LES line crew working hours.	Verbiage Clarification
4.	Property Manager Portal (B.6.2)	Remove section until property manager portal functionality has been launched.	Verbiage Clarification
5.	Disconnection of Electric Service (B.7.1)	Clarified that there are no exemptions for service disconnection based on an individual's protected status.	Verbiage Clarification

Service Regulations Updates/Additions

	Topic	Change	Type of Change
	Returned Payment Fee (B.4.3.5)	General clean up of language for verbiage consistency or clarification.	Verbiage Consistency
	General Information (B.6.1)		
	Resale and Redistribution of Electric Service (B.7.2)		
	Non-Qualifying Facilities (C.1.2)		
	Billing (C.4.2)		

Questions?

SERVICE REGULATIONS



Effective July 1, ~~2022~~2023
Supersedes July 1, ~~2021~~2022

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LES SERVICE REGULATIONS

A. INTRODUCTION AND DEFINITIONS

A.1. INTRODUCTION

Lincoln Electric System (LES) is proud to be able to serve your electric energy needs. For over 50 years, LES has provided reliable, low-cost, efficient electric energy to Lincoln and surrounding communities, encompassing over 200 square miles of Service Area, currently serving over 144,000 Customers.

The LES Administrative Board has officially adopted these Service Regulations to ensure LES meets your electric energy expectations and fully informs you of what is required of LES and of you to receive electric service. These Service Regulations will guide both you and LES staff in Customer interactions from the inception of an idea to locate a business or residence in the LES Service Area throughout the time you are a Customer of LES. During this relationship, LES will strive to provide you reliable, low-cost, efficient electric energy and will work to meet the needs of your business and residence in a fair and non-discriminatory manner.

These Service Regulations may be revised, amended, superseded or repealed at any time by the LES Administrative Board. Where applicable within these Service Regulations, reference will be made to additional LES documentation that provides more detailed information. Where there is conflict, an agreement or contract for electric service, the Rate Schedules or an LES Administrative Board resolution will supersede the Service Regulations.

A.2. DEFINITIONS

The following defined terms are used throughout these Service Regulations. Unless otherwise indicated, the terms defined in this section have the meanings assigned.

Aid-to-Construction – A payment required from the Customer to LES involving a portion of construction costs. Such payment does not entitle the Customer to a right of ownership of LES equipment or facilities. The amount and manner of payment of the Aid-to-Construction cost will be determined by LES.

Authority Having Jurisdiction – Defined in the National Electrical Code as an organization, office or individual responsible for enforcing the requirements of a code or standard or for approving equipment, materials, an installation or a procedure.

Billing Period – Bills for metered service are rendered based on the scheduled Meter reading dates or a date agreeable with LES for final readings. Under normal conditions, Billing Periods typically range from 27 to 35 days unless otherwise stated in the LES Rate Schedule. Billing Periods for non-metered services are based on a monthly schedule set by LES.

Customer – Any person or entity requesting and/or ~~taking~~ receiving service from LES ~~at a specific location~~.

Customer-Owned Generation – Any equipment or device that produces electric energy and is owned and operated by a Customer or entity within the LES Service Area.

Meter – The device or devices, including all auxiliary equipment necessary to measure and register an electrical quantity (energy, demand and reactive power), that is supplied by LES to a Customer at a Point of Delivery.

Point of Delivery – The point where LES supplies service to a Customer. Unless otherwise agreed upon between LES and the Customer, the Point of Delivery is the point where the LES Service Wires are joined to the Customer's service terminals or conductor. For flat rate underground secondary service without a Meter, the Customer-owned disconnecting means/overcurrent protective device will be the Point of Delivery with the exception of public traffic signal service. For underground secondary service, the Meter socket and/or the Customer's current transformer (CT) cabinet will be the Point of Delivery.

Property Owner – Any person, partnership, association, firm, corporation (public or private) or government agency holding title to, and represented by that title, as having all rights and privileges of the property described in the title.

Qualifying Facilities – Defined by the Public Utility Regulatory Policies Act (PURPA) as cogeneration and small power production facilities.

Rate Code – A designation assigned to every electric service account, based on size and type of service, which determines the applicable Rate Schedule for Customer bills. LES assigns Customers to the appropriate Rate Code.

Rate Schedules – The document that defines the rates, charges and rules that apply to LES Customers. Rate Schedules are approved by the LES Administrative Board and the Lincoln City Council.

Service Area – The area within which the Nebraska Power Review Board has authorized LES to exclusively provide retail service.

Service Drop – For overhead conductors, the Service Drop is the Service Wires extending from the last pole or other aerial support, including splices, if any, connecting to the Point of Delivery at the Customer's building or other structure. For underground conductors, the Service Drop is the Service Wires between the pedestal, transformer, riser pole or other last point of supply and the first point of connection to the Service Entrance conductors in a terminal box, Meter or other enclosure inside or outside of a building.

Service Entrance – The single Point of Delivery through which LES delivers electricity. The Service Entrance includes the necessary equipment, usually consisting of a circuit breaker(s) or switch(es), fuse(s) and Meter socket(s) and accessories, connected to the load end of service conductors to a building or other structure, or otherwise designated area, and intended to constitute the main control and cutoff of supply.

Service Wires – The LES lines connecting the LES distribution system to a Customer’s Point of Delivery.

B. SERVICE REGULATIONS – GENERAL

B.1. GENERAL GUIDELINES

The following describes the overall guidelines for the day-to-day operation of LES.

B.1.1. Duty to Provide Service to All

LES, as a publicly-owned municipal electric utility, has a duty to provide electric service to every location in the LES Service Area where LES’ service requirements and standards are met for purposes of interconnection.

B.1.2. Cost of Service Rate Design

LES’ rates are developed and implemented based on the principle of cost of service. LES has published Rate Schedules which are based on the cost to serve each Rate Code group. LES will measure and charge for all electricity usage, with minor exceptions (see Section B.2.7.6. – Non-Metered Services), as noted within these Service Regulations and in the Rate Schedules.

B.1.3. System Disturbances and Service Disruptions

LES does not guarantee uninterrupted service, is not liable for service interruptions that may occur and is not responsible for any loss or damages caused by, but not limited to:

- 1) Failure of service or damages to a Customer’s property due to or as a result of, but not limited to, fire, strike, riot, flood, lightning, storm, forced curtailments, civil disturbance, war, cyber-attacks, acts of terrorism, animals, vehicle accidents, construction work, action of a public authority, failure of equipment on LES lines, pandemic and other unforeseeable events;
- 2) Interruptions of service for repairs, alterations or inability of LES to obtain power in a reasonable and economical manner;
- 3) Disconnection of electric service initiated by LES, with or without notice, for legal and justifiable reasons as set forth in the Disconnection of Electric Service provisions contained within these Service Regulations (see Section B.7.1. – Disconnection of Electric Service);
- 4) Interruption of service to a dual service (primary and secondary); and
- 5) Actions or omissions of LES employees, contractors/vendors or agents that result in a disturbance or disruption of service, including change of phase rotation or discontinuity of three-phase current.

When LES determines the operation of the Customer's equipment has or will result in (a) disturbances, (b) load ramp rates in excess of specified limits, or (c) costs to LES not otherwise recovered through established rates, LES will require the Customer to take corrective action, as approved by LES, to resolve the disturbances-issues or pay the costs incurred by LES as a result of these disturbances-issues. LES may immediately disconnect service if disturbances-issues are disrupting LES operation or if the Customer has not taken corrective actions within an appropriate timeframe as determined by LES (see Section B.7.1. – Disconnection of Electric Service).

The Customer is responsible for providing any devices necessary to protect the Customer's equipment from loss or damage due to LES disturbances.

The Customer is responsible for the installation, operation, maintenance, replacement and renewal expenses of all Customer-owned equipment. The Customer is also responsible for loss or damage to the Customer-owned equipment caused by the Customer-owned equipment's failure or disturbances. Appendix A provides an example of a typical residential scenario depicting LES-owned and maintained equipment and Customer-owned and maintained equipment.

B.1.4. Service Response

LES strives to meet all Customer needs in a timely manner. However, LES will not complete any electrical interconnection until all required conditions have been met. These conditions may include, but are not limited to, obtaining the proper inspections, approvals and easements; making payments for Aid-to-Construction; obtaining approval from other jurisdictional entities to authorize requested electrical services; or acquiring special electrical equipment.

B.1.5. Illegal or Prohibited Acts

B.1.5.1. Meter Tampering

Tampering with, bypassing, or in any way altering, damaging, misusing or interfering with an LES Meter is prohibited by law. The discovery of a Customer tampering with, bypassing or otherwise misusing an LES Meter will result in the immediate disconnection of electric service without notice to the Customer (see Section B.7.1. – Disconnection of Electric Service). LES will bill the Customer for expenses incurred due to the tampering, bypassing or unauthorized metering, as well as costs associated with disconnection, reconnection, service calls, equipment, investigations and any legal actions including damages and reasonable attorney's fees. Additionally, a Meter tampering fee will be assessed (see Section B.4.3.7. – Meter Tampering Fee). Meter tampering and bypassing is illegal under state law and LES may advise appropriate authorities.

B.1.5.2. Data Transmission on the Distribution System

Third-party use of LES electric power lines for the purposes of data transmission, control and communication is prohibited. The discovery of a

Customer misusing LES electric power lines will result in the immediate disconnection of electric service without notice to the Customer (see Section B.7.1. – Disconnection of Electric Service).

B.1.5.3. Unauthorized Distributed Generation

Unauthorized grid-connected Customer-owned distributed generation is prohibited. All grid-connected Customer-Owned Generation including, but not limited to, emergency or standby generation and net-metered solar generation, must go through any required submission and approval process of LES and the Authority Having Jurisdiction. See Section C.1. – Customer-Owned Generation for information on interconnection of Qualifying Facilities and non-qualifying facilities.

B.1.6. Damage or Injury caused by LES Contractors or Vendors

LES is not responsible for property damage or bodily injury or loss caused by the acts of omissions of its contractors or vendors. Claims for damage, injury or loss caused by contractors and vendors should be made directly to the respective contractor or vendor.

B.2. CONNECTING TO LES

Customers should contact LES as soon as it is known that a connection for electric service is going to be required. Providing LES with the specifics of the planned project and timing needs will allow LES to obtain the necessary equipment and properly schedule the work. An additional benefit of early contact with LES is that it provides LES the opportunity to advise Customers on all aspects of the planned service connection, including determining availability of service and the equipment to be used, available phase and voltage for the electric service, Service Entrance specifications, Meter locations and costs for any required Aid-to-Construction.

B.2.1. Customer Requirements for Service Connection

B.2.1.1. Application for Electrical Permit

Before a service connection to LES can be made, the Customer must submit an Application for Electrical Permit. This application can be obtained from the City of Lincoln Building and Safety Department, other Authority Having Jurisdiction or LES. It is the Customer's responsibility to submit a copy of the application to LES or verify that the Authority Having Jurisdiction has submitted a copy of the application to LES.

The Application for Electrical Permit is required for new service connections and wire replacements or upgrades involving any LES metering and/or service work. For information regarding how a Customer can put an existing service connection in their name, see Section B.3. – LES Customer Services.

B.2.1.2. Required Notice Period

LES must receive notice of an Application for Electrical Permit according to the timeframes listed below. If adequate time is not given, the interconnection date is subject to availability of equipment and LES' work schedule.

- **200 Amps or Less, Secondary Voltage (600 Volts or Less)**
 - 14 calendar days before final inspection if primary distribution facilities are in place
 - 45 calendar days before final inspection if primary distribution facilities must be extended
- **Between 201 and 1,000 Amps, Secondary Voltage (600 Volts or Less)**
 - 45 calendar days before final inspection
- **Greater Than 1,000 Amps (600 Volts or Less) or Primary Voltage (601 Volts to 34,500 Volts)**
 - As much advance notice as possible (six months or more may be required)

B.2.1.3. Disconnecting Means and Overcurrent Protective Devices

Each service must have a disconnecting means and overcurrent protective device(s) for service less than 600 volts. These may be one device. For Customers taking primary voltage service, the disconnecting means and overcurrent protective device(s) must be mutually agreed upon by LES and the Customer.

B.2.1.4. Additional Requirements

LES will make the service connection as soon as practical after final inspection notice from the Authority Having Jurisdiction, provided certain requirements are met. These include, but are not limited to, the requirements listed below.

- LES has received the Application for Electrical Permit with complete and accurate data according to the timeframe noted within these Service Regulations.
- All easements (if required) have been obtained and provided to LES.
- Final grade is established.
- Lot pins are in place.

- All obstacles have been removed to provide unobstructed access to the Service Entrance.
- Conduit (if required) is in place.
- A transformer pad (if required) and any other required items are in place.
- Aid-to-Construction payments (if required) have been received.

B.2.2. LES Service Voltages

LES provides service voltage extensions of 60 Hertz alternating current under the appropriate load conditions and availability as follows:

- From overhead secondary distribution lines:
 - 120 volts, single-phase, two wire
 - 120/208 volts, single-phase, three wire
 - 120/240 volts, single-phase, three wire
 - 120/240 volts, three-phase, four wire
 - 120/208 volts, three-phase, four wire
 - 277/480 volts, three-phase, four wire
- From underground secondary distribution lines:
 - 120 volts, single-phase, two wire
 - 120/208 volts, single-phase, three wire
 - 120/240 volts, single-phase, three wire
 - 120/208 volts, three-phase, four wire
 - 277/480 volts, three-phase, four wire
- From the downtown Lincoln underground network secondary distribution lines (approximately 9th to 17th, M to P Streets):
 - 125 volts, single-phase, two wire
 - 125/216 volts, single-phase, three wire
 - 125/216 volts, three-phase, four wire

- 277/480 volts, three-phase, four wire
- From primary distribution lines:
 - 7,200/12,470 volt, three-phase, four wire
 - 34,500 volt, three-phase, three wire

If a service connection at a voltage other than those listed above is required, contact LES to determine if other voltages can be made available for appropriate loads. LES will provide dual primary service in certain situations. Contact LES for more information.

B.2.3. Rate Code Assignment

All LES Customers are assigned a Rate Code based on the size and type of the installed service. This assignment is made when LES receives and processes the Application for Electrical Permit prior to Meter installation. The assigned Rate Code may be changed at a later date if an error in Rate Code assignment is identified or when usage and/or load characteristics change. In the event a Customer’s usage is determined to be different than initially determined, the Customer will be assigned a new Rate Code (see the LES Rate Schedules).

Newly installed temporary and permanent services for non-residential Customers will be initially assigned a Rate Code based on the following table.

Service Size (Amps)	208V or 240V 1-phase	208V or 240V 3-phase	480V 1-phase	480V 3-phase	12,470V 1- or 3-phase
200 or less	GS	GS	GS	GS	GSD
201 to 399	GS	GS	GS	GSD/LLP	LLP
400 to 599	GS	GS	GSD	GSD/LLP	LLP
600 to 999	GS	GSD	GSD	GSD/LLP	LLP
1,000 or greater	GS	GSD	GSD	GSD/LLP	LLP

(GS is General Service; GSD is General Service-Demand; LLP is Large Light & Power.)

B.2.4. Easements

Customers, without expense to LES, must provide LES with any required easements on their property. LES will not be required to install service connections until all necessary easements have been provided. LES may disconnect an existing service if necessary easements have not been granted (see Section B.7.1. – Disconnection of Electric Service).

Easement documents are filed within the office of the Lancaster County Register of Deeds. LES will coordinate with other utilities and entities such as cable or communications companies for any necessary inclusion within an easement to the extent that the needs are known and consistent with LES’ needs.

B.2.5. Service Entrance

Permanent single-phase or three-phase extensions will normally be built in the most direct route from the nearest source of supply to one Service Entrance location. Multiple points of service are not standard and, if permitted, may require an Aid-to-Construction. If one location has more than one Point of Delivery, the electrical use will be measured by the Meter at each point and each will be considered a separate service. Customer-owned equipment that can transfer load between separately metered services will not be allowed unless approved by LES for services at the same location and on the same Rate Code.

If the Service Entrance is installed without regard to the location of LES facilities and the Service Entrance equipment could have been planned for and installed closer to LES facilities, an Aid-to-Construction will be required for the additional cost to LES.

B.2.5.1. Mislabeled Meter Sockets or Cross-Wiring to a Service Entrance

LES is not responsible for and will not adjust erroneous Customer billing resulting from mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electrical system. Administrative costs associated with mislabeled Meter sockets or cross-wiring to a Service Entrance may be charged to the Property Owner at LES' discretion.

LES may be available to provide consultation about these matters to the Property Owner or a designated representative. LES will, under no circumstances, open or remove a Customer-owned cover which would result in exposure of electrical components or wiring with the exception of LES-sealed enclosures containing LES metering equipment. LES will not operate Customer-owned circuit breakers or electrical main switches for this purpose. If the investigation requires these procedures, the Property Owner must provide, at their own expense, a qualified electrical worker to perform these duties.

B.2.6. Installation and Equipment

The route of the service, the location of the service connection and the metering equipment will be determined by LES in coordination with the Customer. Any wiring installed without first determining the location of the service connection and/or Meters must be brought into conformance upon notification from LES or disconnection of electric service may be initiated (see Section B.7.1. – Disconnection of Electric Service).

Prior to connection with LES equipment, the Customer's wiring and other electrical equipment must conform to all requirements of the City of Lincoln's Municipal Code or the requirements of any applicable Authority Having Jurisdiction.

It is the Customer's responsibility to obtain information from LES regarding the maximum fault current available at the Point of Delivery. This information is utilized in the design of the Customer's protection equipment.

The attachment at the Point of Delivery of the overhead Service Wires on a building must be of sufficient height to provide the required clearances listed in the latest edition of the National Electrical Safety Code. It is the responsibility of the Customer to maintain proper clearances between the overhead Service Wires and tree growth or other obstructions (see Section B.5. – LES Access to Equipment). It is the responsibility of the Customer and/or contractor to provide and install a service mast or other approved structure to terminate service conductors. The termination structure must be of adequate strength to support the service conductors as per loading requirements supplied by LES.

All instrument transformer enclosures, Meter enclosures, Meter sockets and conduits or raceways for Meter wiring must be furnished and installed by the Customer and must be an LES-approved type (see the Meter Services Specification Guide located on the LES website at www.les.com).

B.2.7. Metering

Metering requirements not otherwise contained in these Service Regulations are set forth in the LES Meter Services Specification Guide located on the LES website (www.les.com).

B.2.7.1. Metering Devices and Technology

All electric usage must be measured by an LES-owned metering device. LES has the right to implement any metering technology deemed to measure electrical usage accurately and adequately at LES' sole discretion. This includes Meters for purposes of interval recording for load survey. When the safety of LES personnel is potentially compromised, metering with remote disconnect capabilities will be used. LES retains the right to access, test and maintain its Meters and metering devices at any time. LES also retains the right to remove dormant Meters and other vacant assets at any time.

B.2.7.2. Data Acquisition from Billing Meters

At the Customer's request, LES will provide energy data pulses (KYZ) from LES-owned Meters equipped with pulse initiators via an isolation relay. The Customer is responsible for all costs incurred by LES to purchase and install any equipment necessary to provide this data. LES will own, operate and maintain the equipment. LES is not liable for any Customer losses and/or damages resulting from failure of this equipment or the operation thereof. Pulses may be interrupted during periods of annual Meter testing conducted by LES.

B.2.7.3. Location of Meters and Metering Equipment

Metering equipment must be located on the exterior of new and rewired building constructions. LES may grant exceptions under certain circumstances. Interior Meter locations in existence prior to January 1, 1996, are considered exceptions until the electric wiring is modified

subsequent to this date. Other exceptions may be granted for an LES-approved interior location that allows for direct, unobstructed access to all Meters through no more than one keyed or lockable door. The Property Owner must ensure that LES is in possession of, or has 24-hour access to, the key granting access to LES Meters. If the manner of access changes, LES must be notified of the change and provided with information regarding the modified access. Contact LES for information on how to apply for approval for an interior Meter location. Approval is not guaranteed.

Customers taking electric service through primary metering will own all equipment including transformers on the load side of the primary Meter. LES will furnish metering equipment required to measure the electricity and will maintain equipment accuracy within reasonable limits. Customers must furnish adequate space and access in a suitable location for LES metering equipment. The Customer is responsible for installing the LES metering equipment in accordance with the Meter Services Specification Guide (located on the LES website at www.les.com). LES will wire the metering equipment.

All Meter locations obtaining service from an overhead Service Drop must meet National Electrical Safety Code requirements for overhead clearances.

B.2.7.4. Vacant Meter Sockets

Meter sockets that have had the Meter removed for longer than a two-year period will require an inspection from the Authority Having Jurisdiction prior to Meter installation and re-energization. LES also reserves the right to have the Customer-owned Meter socket and service inspected by the Authority Having Jurisdiction at any time prior to Meter installation. The Customer will be required to pay for the inspection and any required repair.

B.2.7.5. Meter Billing

LES will not totalize metering of separate service connections. Where LES is required to provide multiple services due to infrastructure limitations, metering intervals will be totaled and the coincident peak will be used for billing.

B.2.7.6. Non-Metered Services

LES only allows the non-metered services listed below.

- Security lighting (see Section C.5.5. – Area Security Lighting and Rate Schedule Security Lighting – 20)
- Festoon outlets (see Section C.5.7. – Banner, Sign Attachments, Festoon Outlets and Rate Schedule Security Lighting – 20)

- Traffic lighting for publicly-owned and maintained traffic lighting service conforming to LES traffic lighting specifications (see Rate Schedule Traffic Lighting Service – 24)
- Street lighting to public agencies for street lighting service conforming to LES street lighting specifications (see Rate Schedule Street Lighting Service – 26)
- **NOTE** – This is applicable for lighting of vehicle accessible public streets and alleyways as well as pedestrian/bike accessible tunnels under public streets. Civil defense sirens (outdoor storm warning devices) (Section B.7.7)
- Lights on driver information signage where energy consumption is fixed and the signage is constantly lit or controlled by a photocell

NOTE – Signage where the lights are only lit occasionally or the energy usage changes must be metered.

LES reserves the right to periodically coordinate with the responsible entity to ensure accuracy in service and billing details for non-metered services.

B.3. LES CUSTOMER SERVICES

LES requires each service connection to be in the name of the Customer who is responsible for the bill. Customers moving into or out of a property in the LES Service Area must have the electrical service put in or taken out of their name by contacting LES or by going to www.les.com. Property Owners and/or managers are also allowed to put service in the name of a tenant (see Section B.6. – Landlord/Tenant Information for additional Property Owner information). LES reserves the right to back date requests for service in the event timely notification of change of service has not been received.

B.3.1. Residential Service

LES will own, install, operate and maintain the Service Wires to the Customer's Point of Delivery.

For mobile homes, LES provides service to the Customer-owned Meter pedestal or Meter loop. The Customer owns, installs and maintains all conductors to the mobile home. Meter centers will be required where two or more mobile homes are placed on the same lot; LES will serve up to the Meter center.

LES will, over time, eliminate existing Customer ownership of Service Wires. The most common occurrence of this is when LES has assumed new service territory in rural areas where Customers have electric poles with Meter sockets located on their property. In some cases, one Meter provided service to one or more residences, along with services to barns, outbuildings, wells and yard lights. Existing Customer ownership of Service Wires does not need to be changed as stated above in B.2.7.3 until the Customer replaces/rewires the service equipment,

at which time the installation must comply with current LES service requirements. LES will manage this circumstance as outlined below.

Where there is a Customer-owned Meter socket and a main disconnect on a pole, pedestal or current transformer (CT) cabinet, LES will maintain existing residential Service Wires from the Meter point to the residence if there are no other conductors to yard lights, outbuildings, wells or other structures on the load side of the Meter. Where there are multiple loads past the Meter, Meter pedestal, or CT cabinet, the Customer will continue to own and maintain the Meter socket, CT cabinet, pedestal, disconnect switch and Meter loop, along with all conductors to residences, yard lights, outbuildings and other structures.

In existing underground residential distribution subdivisions, LES will continue to own and maintain pedestals (with more than one Meter) and Meter sockets installed by a predecessor electric utility. In the event the conductor to the residence from the pole, pedestal or CT cabinet fails and there are no other connected conductors, LES will pay for an electrician to install a Meter socket on the residence as well as install replacement underground service at no charge to the Customer. The Meter socket will thereafter be owned and maintained by the Customer.

B.3.1.1. Meter Pole Ownership

LES will not install a Meter pole for new services. Customer-owned equipment is not allowed on LES poles. If a Meter pole is located on a Customer's property and ownership is unclear (not clearly marked as LES' or LES has more than a Service Drop attached to it), LES will consider it to be an LES pole. If a Meter pole needs to be replaced or relocated, or if the pole can be removed, LES will install underground service at no charge if the Customer moves the Meter to their residence and all other secondary service requirements are met, including, but not limited to, providing a clear path, any required easements and Service Entrance equipment to accommodate underground service.

At LES' discretion, LES will consider other options for the Customer-owned equipment to be removed from the pole at the least possible cost to the Customer. Such options include but are not limited to: setting a new LES pole to be used for LES equipment and using the Customer's existing pole exclusively for metering purposes; paying for an electrician to install a Meter socket on the residence to save LES the cost of setting and owning an extra pole; or replacing the existing pole and transferring the Customer's metering equipment to the new pole with the pole thereafter owned by the Customer.

B.3.1.2. Emergency Repair of Customer-Owned Equipment on/past Meter Poles and Meter Pedestals

In the event an emergency situation occurs on or past Meter poles, pedestals or current transformer (CT) cabinets, and it is possible to do so in a safe manner, LES will make temporary repairs to restore service to the residence or correct other service problems provided there is a

working main breaker (overcurrent protection) that has not been bypassed. The Customer will be required to hire an electrician at their own expense when an electrical inspection is required. LES will follow up with the Customer to ensure corrections and/or repairs have been made in a timely fashion. If corrections and/or repairs have not been made, LES will initiate disconnection of electric service (see Section B.7.1. – Disconnection of Electric Service).

B.3.2. Residential Overhead to Underground Conversion

If at the request of the Customer, LES will trench, at no charge, overhead residential Service Drops to underground if such work is deemed feasible by LES. However, the Customer is responsible for providing Service Entrance equipment to receive an LES underground service lateral with a minimum conductor size of #1/0 stranded aluminum. The Customer is also responsible for locating privately-owned utility lines, including, but not limited to, sewer, electric, gas, water and communications (see Section B.7.6. – Buried Cable (Call Before You Dig) for additional locating details). Furthermore, the Customer is responsible for repair of damage to flowers, garden shrubs, tree roots, sprinkler systems, hard-surface paving or other incidental damage resulting from the service installation, as well as removal of all obstructions, trench settling, resodding or reseeded. LES will offer the option of installing the service using directional boring equipment in which case the Customer will be billed the boring costs. LES will provide the exact cost if a Customer chooses this option.

If a clear path is not provided, the Customer must provide conduit for the cable path around or under present and future obstructions such as patios, driveways, sidewalks, tree roots and retaining walls. The Customer must also provide a separate conduit for communication wires, if applicable. All conduits are installed, owned and maintained by the Property Owner. PVC electric conduit must be UL Listed, gray and minimum schedule 40. Coilable smooth-wall conduit must meet LES specifications and be black with red stripes.

If an overhead Service Drop restricts the use of a residential Customer's property, including, but not limited to, the inability to maintain National Electrical Safety Code clearances, LES will relocate the Service Drop at no charge to a Customer-provided attachment point.

If code required clearances cannot be met by an overhead Service Drop, LES will install the service underground at no charge. The Customer, at their expense, will need to remodel the Service Entrance to accept an underground service, provide a clear path on their property including providing a conduit, if required, and restore the trench.

If the Service Drop in question crosses another Customer's property line, relocation will normally be done at no charge. However, approval from LES is required due to the potential of encountering unusual circumstances, such as a requirement to obtain an easement to set a yard pole.

If the Service Drop relocation is initiated by LES as part of a larger project, LES will pay for the relocation costs.

B.3.3. Underground Service in New Residential Areas (Single-Family Dwellings, Townhouses, Duplexes with a Meter Center and Mobile Homes)

LES will own, install, operate and maintain an underground distribution system, including the Service Wires and Meter on the outside of the house or structure, per the requirements stated in Section B.3.4. – Installation of Distribution Facilities.

In mobile home parks, the Customer or developer must own, install and maintain the Meter pedestal or Meter center. An Aid-to-Construction is required (see Section C.3.3. – Underground Service in New Residential Areas).

B.3.4. Installation of Distribution Facilities

Work to be performed by the developer at its sole cost shall include:

- The digging of trenches and bores for the placement of conduit/ducts at the locations specified by LES and the backfill of the trenches after the conduits/ducts have been laid. Developer shall be responsible for placing locate requests through Nebraska One-Call/811 and locating all private underground facilities including those used for water, sanitary sewer and stormwater.
- The installation and proofing of conduit/duct in accordance with LES specifications. Proofing shall consist of pulling an LES-approved mandrel through installed conduits to verify a clear path. All conduits and ducts shall be purchased by the developer at its cost and approved by LES prior to installation. The conduits and ducts shall have an LES-approved mule tape installed for the subsequent installation of cables by LES.
- The installation of pedestals, purchased and provided by LES, installed true and level in accordance with LES specifications.
- The installation of ground rods, purchased and provided by LES, installed vertically to specified depth in accordance with LES specifications.
- The installation of transformer pads purchased and provided by LES, with proper back tamping under the pad with a minimum compaction of 90%, installed true and level in accordance with LES specifications.
- The developer shall thereafter be responsible for any subsequent tamping, backfill, street repair or reconstruction, or other remediation or restoration which may be necessary due to the settling of the initial backfill, and LES shall not be liable for any injury to person or property which may occur by virtue of the developer's failure to make any subsequent tamp or backfill of any trench.

- Upon completion of the work, the developer shall have its work on the project segment inspected by a licensed professional engineer who shall execute a written acknowledgement to LES that the developer has performed its work on the project segment in accordance with LES specifications. The developer shall have the sole responsibility to employ and pay all fees invoiced by the professional engineer responsible for inspecting the project segment.
- The developer shall assume the risk of loss and be responsible for the replacement of any damaged, stolen or lost pedestals, ground rods, transformer pads or other equipment provided by LES once the developer receives possession of said materials from LES.

Work performed and equipment/materials provided by LES will include:

- The installation of cables/wires in developer installed conduits/ducts.
- The installation of pad mounted transformers.
- The terminations of said cables/wires in transformers and pedestals.

The developer shall independently determine where boring is appropriate in lieu of trenching (i.e., roadway crossings, steep grades, pedestrian ways, drainage areas, water retention areas, wetlands, out lots, etc.). LES shall not be liable for any damages caused by the developer's trenching or boring.

LES shall not be liable for any damage or loss occasioned by the failure of LES to complete installation of the distribution system within a reasonable time.

Should LES determine that the developer has not adequately performed the tasks as previously stated, it shall notify the developer in writing of the deficiencies and the developer shall correct any defects in its performance at its sole expense prior to LES completing its work on the deficient portions of the project segment.

B.3.5. Underground Service in Existing Residential Areas for New Constructions (Single-Family Dwellings, Townhouses and Duplexes with a Factory-Assembled Duplex Meter Socket)

LES will own, install, operate and maintain the underground Service Wires to the Customer-owned Meter socket wherever there is a clear path, as determined by LES, allowing for direct burial access. If there is not a clear path, the Customer is responsible for providing other means for LES to install service cable.

B.3.6. Underground Service to Newly Constructed Multi-Family Dwellings, Condominiums and Commercial Buildings (Excluding Duplexes with a Factory-Assembled Duplex Meter Socket)

LES will own, install, operate and maintain the primary and secondary conductors to the point of termination at the Customer's switchgear, bus ducts, CT cabinet or metering point.

The Customer must supply, install and maintain the secondary conduit(s), bus duct and transformer pad or vault which must meet LES specifications (see the Meter Services Specification Guide located on the LES website at www.les.com). In cases where LES does not require a transformer pad or vault, the Customer must supply and install the secondary conduit(s) to a point that meets LES specifications. Service from transformer vaults is not standard and, if allowed, may require an Aid-to-Construction.

B.3.7. New Overhead Commercial Service Initiated by a Customer

For overhead service the Customer must own, install and maintain the Meter loop. The Meter loop is comprised of the Meter socket or current transformer (CT) cabinet, conduit from the Meter socket/CT cabinet up to the conduit mast, the conduit mast, conduit from the Meter socket/CT cabinet into the service disconnect and all the conductor inside the conduit. The Customer must also own, install and maintain an approved attachment with sufficient anchorage for the LES service conductors. LES will own, install and maintain the overhead service conductors, Meter and other required metering equipment.

LES will not install more than one overhead transformer or transformer bank on a property to serve a Customer or multiple Customers, unless the Customer peak load exceeds the maximum available LES transformer size for requested voltage or is determined by LES to be justified for multiple points of service on a large property with multiple buildings and service locations within the same property. Where a Customer or multiple Customers are served from a single transformer or transformer bank, the Customer(s) will be required to provide a step-up or step-down transformer on the Customer side of the point of service where a different voltage other than the specified LES transformer voltage is desired.

B.3.8. New Underground Commercial Service, Overhead to Underground Conversion and Rewire to Underground Initiated by a Customer

For underground service from a pole, the Customer must own, install and maintain the conduit from the pole to the metering point. The Customer must also own, install and maintain the first 10 feet of conduit up the pole. This conduit must be rigid galvanized steel. LES will own, install and maintain the service conductor and Meter. LES will not assume responsibility for any future problems attributable to the installation of the service conduit.

For underground service from a padmount transformer, the Customer must own, install and maintain the transformer pad and conduit from the pad to the metering point. LES will own, install and maintain the padmount transformer, service conductor and Meter. LES will not assume responsibility for any future problems attributable to the installation of Customer-installed facilities.

Requests for commercial rewire require approval from LES. For approved requests, LES will install an underground secondary service lateral at no charge to the Customer if the Customer installs Service Entrance equipment to receive an LES underground service lateral and installs conduit to LES specifications. These specifications are determined on a case-by-case basis.

LES will not install more than one padmount transformer on a property to serve a Customer or multiple Customers, unless the Customer peak load exceeds the maximum available LES transformer size for requested voltage or is determined by LES to be justified for multiple points of service on a large property with multiple buildings and service locations within the same property. Where a Customer or multiple Customers are served from a single transformer, the Customer(s) will be required to provide a step-up or step-down transformer on the Customer side of the point of service where a different voltage other than the specified LES transformer voltage is desired.

B.3.9. Service Relocation Initiated by LES

There may be circumstances where it is necessary to relocate a Customer's service. This may require an overhead service to be relocated underground. Such circumstances could include, but are not limited to, road/street widening where the entire LES distribution line is relocated or placed underground.

For overhead to underground conversions and underground relocations initiated by LES, LES will install the transformer pad and conduit. For residential service, LES will also hire an electrician to complete the Service Entrance work, if required. For commercial service, the Customer is required to hire an electrician to complete any required Service Entrance work and LES will reimburse the Customer for the cost of the hired electrician. LES will contact the Customer to identify the conduit route, pad location and any required Service Entrance work. The Customer will own and maintain the transformer pad and conduit. LES will not assume responsibility for any future problems attributable to the installation of the transformer pad and service conduit.

If relocation of a Customer's Service Wire(s) becomes necessary as a result of an obstruction of the Service Wire(s) (i.e., placement of a structure or paving over an underground Service Wire) on the Customer's property, LES will relocate the Service Wire(s) and will invoice the Customer for the full cost of the relocation of the Service Wire(s). Customer agrees to hold LES and its employees and contractors harmless for any damage to vegetation or other personal property that occurs during repair, maintenance or relocation of a Service Wire(s).

B.3.10. Temporary Service Installation

An identifiable address is required before temporary service is provided. A one-time charge for installation and removal will be made for each temporary overhead or underground service connection. Overhead temporary service consists of the LES Service Wires and Meter. Underground temporary service consists only of connecting Customer-owned temporary service wires to an LES source and installing an LES Meter. LES has the right to disconnect service for non-payment of charges for temporary electric service installations (see Section B.7.1. – Disconnection of Electric Service). If the Customer and/or contractor becomes delinquent in paying the charges for temporary service, payment in advance may be required prior to providing additional service. An Aid-to-Construction may be required (see Section C.3.6. – Temporary Service Installation).

LES may establish special procedures for handling temporary service to short-term or seasonal retail locations, such as fireworks stands, holiday displays or special events. Fees for kilowatt-hour usage and service connection charges will be determined by LES.

B.4. BILLING

B.4.1. General Billing Information

LES requires each service connection to be in the name of the Customer who is responsible for the bill. The Customer must have a U.S. mailing address. LES bills all Customers for the electricity used during the previous billing cycle according to their Billing Period.

LES will accept credit card payments from Customers in the following Rate Codes (credit card payments will not be accepted from Customers billed on any other Rate Code):

- Residential (Rate Code 01 and Rate Code 03)
- General Service (Rate Code 10 and Rate Code 13)
- Security Light and Heating Service (Rate Code 20 and Rate Code 21, excluding Large Heating Service)

The LES website (www.les.com) provides a convenient means of electronic bill payment including automated clearing house (ACH) payments for Customers in all Rate Codes for which credit card payments are not accepted. After being in their home for a period of 12 months, Residential Customers can access information on the LES website and sign up for Budget Billing, a way to levelize bill payments throughout the year to avoid unexpected high bills during periods of high electricity use. Additional billing and payment information can be found on the LES website.

A new Customer taking service from an account with an existing demand history will not incur demand charges based on the previous Customer's load. However, if the new Customer only represents a name change for the existing Property Owner, historical demand will be used in calculating demand charges unless waived by the LES Vice President of Customer Services.

B.4.2. Miscellaneous Accounts Receivable

Payment will be required for items that are not retail electric service or wholesale energy sales. This includes charges to Customers for materials purchased from LES or services provided by LES, charges to appropriate individuals for damage to LES property, as well as charges to responsible parties for routine monthly billings and/or contractual arrangements.

B.4.3. LES Service Fees

In addition to requiring payment for the amount billed per the applicable Rate Code, LES also assesses certain fees pursuant to the LES Rate Schedules. LES service fees include, but are not limited to, the following fees/charges:

B.4.3.1. New Service Fee

A new service fee is applied to each new account, including circumstances where an existing Customer moves to a new address or transfers electric service to another name at a current address. In the event of construction of an apartment building, the new service fee will only be imposed on the Meter that supplies service to the common area of the apartment building.

A new service fee is also applied to a bill when a service reconnection is required. In the case of a current transformer (CT) Meter installation or if a conductor reconnection is required, the Customer will be assessed a fee in addition to the new service fee to cover actual labor, material and equipment expenses.

The new service fee is waived only when a tenant transfers service to a landlord who has a Landlord Options form on file with LES or has registered their accounts in the online portal. (see Section B.6. – Landlord/Tenant Information) or if temporary service is being replaced by permanent service.

B.4.3.2. Security Deposit

LES will assess a security deposit to a residential Customer if the Customer:

- Has been disconnected for non-payment of an electric bill;
- Has an unpaid debt to LES that has been sent to a collection agency or has resulted in a write-off; and/or
- Knowingly provided inaccurate information when establishing service with LES.

LES will assess a security deposit from any nonresidential Customer desiring to continue service whose payment history with LES includes one or more of the following:

- Disconnection for nonpayment of the bill;
- Previous service that has been turned over to a collection agency or has resulted in a write-off; and/or
- Misrepresentation by providing false information when establishing service with LES.

- When management determines that a Customer is at financial risk of failure to pay future bills.

B.4.3.3. Disconnection Charge for Non-Payment

A disconnection charge for non-payment of an electric bill will be assessed on the account at the time the disconnection is entered into LES' system. The charge will be billed on the next regular billing (see Section B.7.1. – Disconnection of Electric Service).

B.4.3.4. Late Payment Fee

A late payment fee will be assessed after the due date of an unpaid electric bill.

B.4.3.5. Returned Payment Fee

A returned payment fee ~~will~~may be assessed when payment is returned to LES from a financial institution.

B.4.3.6. Inaccessible Meter Fee

An inaccessible Meter fee may be assessed for each attempt by LES to read or service an obstructed or inaccessible Meter (see Section B.5.1. – Unobstructed Access).

B.4.3.7. Meter Tampering Fee

A Meter tampering fee will be assessed each time LES discovers a tampered, bypassed or otherwise misused Meter (see Section B.1.5.1. – Meter Tampering).

B.4.3.8. Mislabeled Meter Sockets or Cross Wiring Fee

To ensure there are no cross-wired services, LES will conduct a one-time initial Meter verification for multi-family and multi-tenant commercial properties. Subsequent to this verification, a fee will be assessed to the Property Owner each time LES is required to correct a mislabeled Meter socket or cross-wiring to a Service Entrance within a building's electrical system (see Section B.2.5.1. – Mislabeled Meter Sockets or Cross-Wiring to a Service Entrance).

B.4.3.9. Temporary Service Fee

A temporary service fee will be assessed when a Customer requests a temporary service installation (see Section B.3.10. – Temporary Service Installation).

B.4.3.10. After-Hours Reconnection Fee

Applicable when line crew reconnects service outside of normal weekday business hours on an account that was disconnected due to delinquency.

B.4.3.11. Past Due Reminder Fee

Applicable when a credit representative visits the premises for disconnection due to delinquency but does not disconnect service.

B.4.3.12. Customer Requested Maintenance & Switching Fee

~~Applicable when a credit representative visits the premises for disconnection due to delinquency but does not disconnect service~~ Customer requested work will be billed at differing rates depending on when the work is completed as specified in Schedule SF-Service Fees. .

B.4.4. Billing Adjustment

If a Customer is inadvertently overcharged for electric service as the result of reasons other than tampering, diversion, subterfuge, mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electric system, LES will adjust the bill going forward and refund or credit amounts due, without interest, to the Customer for whichever is the least of the following:

- The entire period of the inaccurate billing;
- The period of occupancy; or
- The 48 months prior to the discovery of the overcharge, in accordance with state statute.

If a Customer is inadvertently undercharged for electric service as the result of reasons other than tampering, diversion, subterfuge, mislabeled Meter sockets or cross-wiring to a Service Entrance within the building's electric system, LES will bill the Customer for whichever is the least of the following:

- The entire period of the inaccurate billing;
- The period of occupancy; or
- Twelve months.

B.4.5. Delinquent Account Balance

LES retains the right to transfer any delinquent account balance to any other service location or LES account for which the Customer with a delinquent balance is liable or becomes liable.

B.4.6. Special Billing Considerations

A Customer must arrange with LES in advance for any special billing considerations to be made concerning abnormal electric demands resulting from

the Customer testing equipment. The Customer must contact LES at least seven calendar days before each expected abnormal electric demand occurrence. LES will inform the Customer in writing of any allowed conditions and provisions for special billing consideration, including, but not limited to, time, duration and frequency of occurrence, as well as any LES representatives required to be present during the testing process. (See Section B.7.4. – Notification of Load Increase.)

B.5. LES ACCESS TO EQUIPMENT

It is the Customer's, Property Owner's and/or occupant's responsibility to ensure that LES has unobstructed access to Meters and any other underground, at-grade, or overhead electric facilities (e.g., poles, wires, guys, transformers, pedestals, switchgears, overhead/underground electric lines, etc.). This means that LES must have a clear path and full access to such equipment, unimpeded by domestic animals, vegetation, fencing, landscaping, sheds, playsets and other obstructions. Additional information regarding the required clearances and correct placement can be found on the LES website (www.les.com) or by contacting LES.

B.5.1. Unobstructed Access

In an emergency, LES will take whatever steps are necessary to access obstructed LES equipment, including, but not limited to, contacting Animal Control, removing vegetation and dismantling structures to the extent necessary to access equipment. LES is not responsible for replacement or repair of vegetation or structures that were impacted by the steps LES took to access equipment.

If obstructed access is found during the course of routine Meter reading, maintenance, testing or inspection, LES will ask the Customer, Property Owner or occupant to remove the obstruction. This may require the installation of a gate, the removal of panels or other acts to facilitate LES access or operation of its equipment. If unobstructed access is not provided, LES will take necessary steps to ensure access or initiate disconnection of service (see Section B.7.1. – Disconnection of Electric Service). An inaccessible Meter fee will be assessed for each attempt by LES to read or service an obstructed and inaccessible Meter (see Section B.4.3.6. – Inaccessible Meter Fee).

B.5.2. Placement of Vegetation, Fencing, Structures and Equipment

If a Customer, Property Owner and/or occupant contacts LES about the placement of obstructions around, under, along or adjacent to LES equipment, LES will work with the Customer, Property Owner and/or occupant to ensure that the obstruction(s) complies with LES' operating and maintenance needs.

Whenever LES installs new or replacement electric facilities, every attempt will be made to place the equipment on or near an area free from existing obstructions in order to facilitate accessibility by LES crews and/or contractors. If this is not possible, LES will work with the Customer, Property Owner and/or occupant to

determine the best option while also ensuring system reliability, safety and accessibility.

Residential transformers are typically sited by LES in rear lot areas. Customers, Property Owners and/or occupants must ensure that obstructions do not hinder LES accessibility. Commercial transformer locations include Customer-owned conduits and concrete pads. LES works with commercial Customers for the placement of the transformer pad to avoid some of the difficulties associated with service restoration and replacement (see Section B.2.7.3. – Location of Meters and Metering Equipment for information on the location of Meters and associated equipment).

B.5.3. Vegetation Management

LES has a vegetation management program to ensure that trees and other vegetation do not interfere with LES lines and/or at-grade equipment or present a safety hazard. LES has the legal right to trim and remove trees, including removing limbs, to avoid vegetation-related outages, safety hazards, system interference or other system interruptions. All trimming is completed by certified arborists. LES makes every effort to notify Customers, Property Owners and/or occupants when tree trimming will occur. LES will clean up any debris due to routine LES maintenance.

If trees, limbs or other debris have fallen as a result of storm conditions or other unavoidable events, it is the Customer's, Property Owner's and/or occupant's responsibility to clean up the debris so LES has access to its electric facilities at all times. If trees, limbs or other debris in the natural path of falling are suspended onto LES lines or other at-grade electric facilities, LES is not responsible for any damage that may occur as a result of freeing the tree, limb or debris and continuing the natural fall path. The Customer, Property Owner, and/or occupant is responsible for any property damage resulting from the trimming of storm damaged trees for LES' service restoration efforts.

LES works cooperatively with the City of Lincoln and other jurisdictions within the Service Area and in rights-of-way outside the Service Area to maintain all vegetation in order to avoid system interruptions.

B.5.4. Transmission Line Corridor Restrictions

LES transmission corridors connect the high voltage power grid and are subject to right-of-way easement restrictions to help ensure public safety, maintain reliability and provide ready access by LES crews and/or contractors. These high voltage power lines are patrolled annually to identify safety hazards, line maintenance needs, obstructions and encroachments. LES reserves the right to remove fencing, if necessary, to maintain these high voltage transmission lines. LES works with Customers, Property Owners and/or occupants to correct issues identified during line patrols. Items prohibited within LES transmission corridors include the following: vegetation not meeting LES guidelines, structures, swimming pools, lagoons, ponds, grade changes, billboards, poles, antennas, bulk materials, hay bales, large equipment, combustible materials and anything that may endanger, impede access or interfere with LES operations. Additional information regarding

required clearances and correct placements can be found on the LES website (www.les.com) or by contacting LES.

B.6. LANDLORD/TENANT INFORMATION

B.6.1. General Information

Electric service must be in the name of the Customer who is responsible for the electric bill. A new service fee will be charged when a service transfer occurs unless covered under a Landlord Options form which can be obtained from LES upon request (see Section B.4.3.1. – New Service Fee).

A Customer must notify LES regarding disconnection of service in their name, at which time LES will place the service in the name of the Property Owner or their agent if a Landlord Options form is on file with LES. If there is no Landlord Options form on file, electric service will be disconnected until LES receives, ~~in writing or via email,~~ a new request for service.

Landlords are not responsible for unpaid bills by a tenant while the service is in the tenant's name.

Landlords or designated third parties cannot resell or redistribute electric service (see Section B.7.2. – Resale and Redistribution of Electric Service).

~~B.6.2. Property Manager Portal~~

~~Property Manager Portal is a service provided by LES that allows Customers who manage or own commercial properties (apartments or retail business units) to securely monitor the electric service of the properties. Property Manager Service provides access to information regarding the party responsible for the service address account, name changes for the service address, power status (on/off), a 14-month electricity use and bill amount history, as well as average billing amounts. Customers can access information regarding Property Manager Portal on the LES website (www.les.com) or by contacting LES for eligibility and enrollment requirements.~~

B.7. ADDITIONAL INFORMATION

B.7.1. Disconnection of Electric Service

LES will remove or disconnect service at the request of, and upon notice from, the Property Owner if the Property Owner occupies the service address or the service address is vacant (see Section B.6. – Landlord/Tenant Information). Customers who are members of a protected class under federal law are not exempt from disconnection.

LES will disconnect electric service with notice to the Customer due to:

- Non-payment of an account

- Failure to provide and maintain unobstructed access to LES Meters or other LES equipment (see Section B.5.1. – Unobstructed Access);
- Failure or refusal to provide a required security deposit (see Section B.4.3.2. – Security Deposit);
- Withdrawal of or failure to furnish required permits, easements and rights-of-way (see Section B.2.4. – Easements);
- Improper interconnection of Customer-Owned Generation (see Section C.1. – Customer-Owned Generation);
- Failure to provide assurance of payment for future electric bills in a timely manner after filing a petition of bankruptcy; and/or
- Violation or non-compliance with any provision of these Service Regulations except those conditions where notice of disconnection is not required as outlined below.

LES will disconnect electric service without notice to the Customer due to:

- Apparent hazardous conditions or safety concerns as determined by LES or an Authority Having Jurisdiction, including, but not limited to, the following:
 - Temporary wiring that connects Service Wires to a permanent Meter socket;
 - Conduit or other approved ducts containing LES wires that have pulled away from a structure or have become disjointed, broken or separated from metering equipment;
 - Attachments supporting overhead Service Wires that are damaged or pulled out of the structure;
 - Customer-owned wires or equipment that interfere with LES wires or equipment; and/or
 - Inadequate or insufficient working clearance.
- Improper use of equipment that may affect LES equipment or LES' service to others; and/or
- Apparent theft or unauthorized use of service in whatever form it may take, including, but not limited to, tampering with LES equipment, as defined by state law (see Section B.1.5. – Illegal or Prohibited Acts).

LES will disconnect or interrupt service without notice to the Customer or a third-party designee and without providing the Customer an opportunity for a hearing for a disputed electric bill when such disconnection or interruption of service is necessary for reasons of repair or maintenance or to protect the health or safety of

the Customer, the general public or the integrity of the LES distribution system (see Section B.1.3. – System Disturbances and Service Disruptions).

LES will notify Customers prior to disconnection of service as required by state law and allow eligible Customers the right to appeal a notice of intent to disconnect electric service. LES can provide additional information regarding the process of disconnection of electric service upon request.

LES does not notify Customers prior to reconnecting services disconnected as a result of reasons described in Section B.7.1. – Disconnection of Electric Service. Customers/Property Owners are responsible to ensure flammable items are clear of potential electric hazards prior to reconnection of service.

B.7.2. Resale and Redistribution of Electric Service

Electric service purchased by a Customer is for the sole use of the Customer in and upon the premises to which such service is supplied. Customers are prohibited from reselling energy as well as rendering a bill on a metered kilowatt-hour basis to lessees, tenants and others. Existing sub-metered facilities can remain as is if the end user does not pay more for electric consumption than the applicable LES rate. Violations may result in legal recourse. The Nebraska Power Review Board and Guidance Document No. 12 should be consulted for further guidance regarding a non-utility providing electricity to third parties.

LES will, in general, require separate metering for electric power to each individual residential, industrial or commercial unit. Exceptions can be requested and will be considered through an application process under limited circumstances. LES can provide additional information regarding master metering upon request.

B.7.3. Claims Processing

Claims against LES for incidents of suspected bodily injury or property damage due to LES activities must be filed with the Lincoln City Clerk within one year from the date the damage or loss was discovered pursuant to the Nebraska Political Subdivisions Tort Claims Act. Upon request, LES will provide Customers with instructions on filing a claim with the Lincoln City Clerk.

B.7.4. Notification of Load Increase

A Customer must notify LES of expected load increases that are more than 20 percent of the highest kilowatt demand recorded for that service in the previous 12 Billing Periods. Examples of when this notification may be required include, but are not limited to, situations in which a Customer installs or adds new equipment, expands operations or is testing equipment.

The Customer is responsible for any damage to Customer-owned equipment and LES equipment related to a load increase that was not disclosed. The Customer is also responsible for personal injuries resulting from failing to notify LES of changes and failing to provide LES with adequate time to engineer and install the required electrical equipment, as well as damage or injury that results from the Customer's service having been loaded above its designed limit. The Customer is solely

responsible if changes in load result in a change in Rate Code and billing-related modifications (see Section B.4.6. – Special Billing Considerations).

B.7.5. Painting Padmount Transformers

Property Owners may paint an LES padmount transformer if the requirements listed below are met.

- The paint is environmentally safe and suitable for use on metallic surfaces in outdoor locations.
- The transformer is sanded in a manner that allows the new paint to adhere properly.
- Spray paint or a paint roller is used (applying paint with a brush is not allowed).
- LES-installed numbers and decals are masked prior to painting and the masking is removed after painting has been completed.

NOTE – Decals, wraps or other decorations are not allowed on the transformer.

B.7.6. Buried Cable (Call Before You Dig)

State statutes pertaining to the One-Call Notification System Act require any person who excavates to first notify the statewide one-call notification center (at 811 or 800-331-5666) at least two business days, but not more than 10 business days, before they start to excavate. There are civil penalties, fines and strict liability repair assessments for failure to call before excavating.

The one-call notification center identifies buried, noncustomer-owned facilities before digging or other underground work is performed. Each underground facility member/owner, including LES, is to either mark its facilities, issue a clearance that no facilities are nearby or offer to meet jointly with the excavator to discuss the request. LES and the one-call notification center have information available regarding the request process.

B.7.7. Fire Alarms, Fire Water Pumps, Exit Lights and Civil Defense Sirens (Outdoor Storm Warning Devices)

All fire alarm systems, fire water pumps, and exit lights must be metered. This may require the Customer to install a Meter socket exclusively for these circuits. The installation must conform to all applicable code requirements and LES specifications (see the Meter Services Specification Guide located on the LES website at www.les.com).

A Customer requesting service to a civil defense siren (outdoor storm warning device) must submit an Application for Electrical Permit obtained from the City of Lincoln Building and Safety Department, other Authority Having Jurisdiction or LES. It is the Customer's responsibility to submit a copy of the application to LES or verify that the Authority Having Jurisdiction has submitted a copy of the

application to LES. Civil defense sirens are generally non-metered (see Section B.2.7.6. – Non-Metered Services) and the account is billed on the current General Service Rate Schedule. Civil defense sirens that have a rectifier for battery operation or other load in addition to the motor must be metered.

B.7.8. Joint Trench Occupancy and Pole Attachments

Customer-owned equipment is not allowed on LES facilities or in LES provided trenches. However, LES will allow joint trench occupancy and joint pole attachments with other utilities and certain entities that have the right to occupy public rights-of-way. Joint use agreements must be executed prior to joint occupancy. Payment for pole attachments is subject to Rate Schedule Pole Attachment – 50 (see the LES Rate Schedules for applicable conditions and fees). Any powered equipment must comply with these Service Regulations and LES specifications (see the Meter Services Specification Guide located on the LES website at www.les.com). Antenna and antenna equipment are prohibited except pursuant to a negotiated agreement.

B.7.9. Grade Changes, Settlement and Erosion

The Property Owner is responsible for all costs incurred for the relocation and repair of LES overhead and underground facilities necessitated by grade changes, settlement and erosion on the property.

B.7.10. Ramp Rate

Distribution-level services shall generally be limited to a load ramp rate – the rate of change for both increases and decreases – of no more than the greater of 1 MW or 20 percent of the Customer’s nominal peak load, per minute, provided this rate of change doesn’t prove detrimental to other Customers as determined by LES. Transmission-level services shall be limited to a load ramp rate of no more than 8 MW/minute. These limits are not applicable to (a) Customer load reductions as a result of forced outages, or (b) Customer load changes conducted in coordination with, or under the direction of, LES or the Southwest Power Pool.

C. SERVICE REGULATIONS – SPECIAL

C.1. CUSTOMER-OWNED GENERATION

The Federal Energy Regulatory Commission (FERC), through the Public Utility Regulatory Policies Act (PURPA), sets forth the requirements and guidelines for Customer-Owned Generation. The LES Administrative Board, as required by law, has considered and approved the PURPA guidelines that apply to Qualifying Facilities as defined below.

LES does not allow Customer-Owned Generation to export power onto LES secondary spot or grid networks (i.e., the LES downtown network). In these applications, production from Customer-Owned Generation shall be limited in real time to Customer’s load minus an LES-determined safety margin.

C.1.1. Qualifying Facilities (Cogeneration and Small Power Production)

Under the PURPA guidelines, cogeneration and small power production facilities are considered Qualifying Facilities. A cogeneration Qualifying Facility is a generating facility that sequentially produces electric energy and another form of useful thermal energy (e.g., heat or steam) in a way that is more efficient than the separate production of both forms of energy. A small power production Qualifying Facility is a generating facility of 80 megawatts or less whose primary energy source is renewable (i.e., hydro, wind, or solar), biomass, waste, or geothermal resources. Cogeneration and small power production Qualifying Facilities include, but are not limited to, conventional facilities as well as renewable generation.

Cogeneration and small power production Qualifying Facilities are covered by PURPA and have specific requirements for interconnection with LES. In order to operate in parallel with LES, the Qualifying Facility must meet all applicable LES interconnection requirements, including, but not limited to, submission of an application for parallel operation as well as entering into an interconnection agreement. Contact LES or visit the LES website (www.les.com) for additional information on Customer-Owned Generation.

C.1.2. Non-Qualifying Facilities

Standby and emergency generation facilities that do not meet the criteria for Qualifying Facilities are only allowed to operate in parallel with LES for periodic testing purposes or at the direction of LES. Any generation produced during testing that is in excess of a Customer's/entity's load will not be compensated by LES. Customers/entities that operate in parallel for more than testing purposes may only do so under agreement with ~~and at the direction of LES, and only at times that LES' has requested.~~

All non-qualifying facilities operating in parallel must meet all applicable LES interconnection requirements, including, but not limited to, submission of an application for parallel operation as well as entering into an interconnection agreement. Contact LES or visit the LES website (www.les.com) for additional information on Customer-Owned Generation.

C.2 JURISDICTIONAL FILINGS RELATED TO ELECTRICAL FACILITIES

There are a variety of laws, regulations, committees, commissions, districts and boards that may have jurisdiction over specific projects involving the installation of electrical facilities. Required submissions of plans or designs to these entities may delay or otherwise impact construction and development timelines. Coordination with these entities should be factored into every project's schedule.

C.2.1. Urban Design Committee, Historic Preservation Commission and Nebraska Capitol Environs Commission

The City of Lincoln Planning Department coordinates work with the Urban Design Committee, Historic Preservation Commission and the Nebraska Capitol Environs Commission.

The Urban Design Committee reviews projects involving construction within a historic district or within 300 feet of a historic landmark. Review is not required for work that involves only the replacement of comparable facilities.

The Historic Preservation Commission reviews projects in historic areas with the goal of preventing the obstruction of scenic vistas.

The Nebraska Capitol Environs Commission reviews activities regarding height restrictions and beautification work in the street corridors as they extend from the State Capitol Building. This includes the following areas:

- 15th Street Corridor (Goodhue Boulevard/Centennial Mall) – Washington Street to R Street
- J Street Corridor – 10th Street to Capitol Parkway including J Street beyond Capitol Parkway to 35th Street

LES will prepare an estimate for review by the Nebraska Capitol Environs Commission to bury electric lines when there is a project to rebuild lines in these areas.

C.2.2. Nebraska Public Service Commission

Approval from the Nebraska Public Service Commission is required for any new extensions and/or alterations of existing lines (e.g., an increase in voltage, phasing, number of wires or relocation of lines) greater than 700 volts located outside the limits of any incorporated city (Lincoln and Waverly) or village. Cheney, Emerald, Prairie Home and Walton are not incorporated and will require approval from the Nebraska Public Service Commission.

Approval from the Nebraska Public Service Commission is not required to extend service to a single Customer between an existing transmission or distribution line on the same side of the road as the Customer's transformer location if no part of it is along a section line, public road or property owned by another. This only covers primary voltage extensions to a single Customer. The line cannot be extended to serve another Customer.

C.2.3. Utilities on State Highway Right-of-Way

LES must meet the requirements for filing with the Nebraska Department of Transportation to use and occupy a state right-of-way. LES will work with the Nebraska Department of Transportation to obtain and submit any applicable permits. LES must also meet the requirements for filing with the Nebraska Department of Environment and Energy for projects in which more than one acre of ground is disturbed.

C.2.4. Railroad Crossing

LES must obtain an easement or agreement from the railroad to cross any railroad right-of-way. LES will take into account all railroad crossings even if the crossing is

in a public right-of-way. LES will work with the appropriate railroad to meet any applicable policies, procedures and application processes.

C.2.5. Lincoln Municipal Airport

Height permits may be required for the construction of electrical facilities in defined zones around the Lincoln Municipal Airport. Applicable regulations and applications can be obtained from the Lincoln Airport Authority and the City of Lincoln Building and Safety Department.

C.2.6. Federal Aviation Administration

There may be requirements to file with the Federal Aviation Administration for the proposed construction of electrical facilities. Applicable requirements and applications can be obtained from the Federal Aviation Administration.

C.2.7. Salt Creek Levee Protection Zone

Construction work associated with providing new service within the Salt Creek Levee Protection Zone as identified by the U.S. Army Corps of Engineers will, at a minimum, require coordination with the Lower Platte South Natural Resource District but could further require full review in accordance with federal law. Construction work requiring this type of review includes, but is not limited to, excavation, installation of drainage structures and directional drilling. Coordination with the proper regulatory review body and the associated review process can take up to twelve months. The development of required documentation for regulatory review involves a more extensive timeframe and should be factored into the project schedule. Special requirements and work practices may be required for construction activities in the Salt Creek Levee Protection Zone including, but not limited to, grouting bores, soil sampling and sealed submittals.

LES is responsible for restoration and stabilization of any soil that is disturbed. An Aid-to-Construction from the Customer may be required for costs related to the use of a third party consultant specializing in soil restoration and stabilization.

A map of the Salt Creek Levee can be obtained from the Lower Platte South Natural Resource District.

C.2.8. West Haymarket Redevelopment Area

Construction work associated with providing new service within the City of Lincoln's West Haymarket Redevelopment Area must conform to the West Haymarket Area Environmental Operations and Maintenance Plan and any use limitations applicable to the work area. The construction activity must, at a minimum, be coordinated with the City of Lincoln and the West Haymarket Joint Public Agency but could further require coordination with the Nebraska Department of Environment and Energy. Construction work requiring this type of coordination includes, but is not limited to, excavation, installation of drainage structures and directional drilling. As a result of regulatory coordination, special requirements and work practices may be required for construction activities in the West Haymarket Redevelopment Area.

LES is responsible for restoration and stabilization of any soil that is disturbed. An Aid-to-Construction from the Customer may be required for costs related to the use of a third-party consultant specializing in soil restoration and stabilization.

A map of the West Haymarket Redevelopment Area can be obtained from the City of Lincoln Public Works Department.

C.3. AID-TO-CONSTRUCTION CHARGES

LES supplies electric service to Customers by providing the Service Drop to a Customer's Point of Delivery. In many cases, this service is provided only with a new service fee (see Section B.4.3. – LES Service Fees). However, LES may require an Aid-to-Construction in some cases, such as for a major construction project, specialized equipment, work that must be completed or installed in order for the Customer to receive service or relocations not initiated by LES. The Aid-to-Construction may be charged to private entities or to public entities, depending on the project.

C.3.1. Electrical Facility Conflict and Coordination

There may be times when existing electrical facilities conflict with proposed projects. The conflict may require coordination with City, County or State Engineering or with developers. When a conflict is identified, an Aid-to-Construction may be required to cover LES costs in providing the electric service. LES will determine the amount of the required Aid-to-Construction and will notify the affected party or parties of the amount that must be received prior to scheduling the work or ordering materials. The amount will be determined based on the cost of replacing comparable facilities in order to complete the project.

C.3.2. Facilities Investment Cost

LES takes into consideration a facilities investment cost when determining which projects will require an Aid-to-Construction. The facilities investment cost is a calculation that considers the total cost to LES, including design, material, equipment, labor and labor overheads, to build and install additional facilities above and beyond the existing facilities or to reinforce existing facilities in order to serve a Customer's load or additional load.

Subject to all other requirements of these Service Regulations, electric service will be installed at no charge for new or existing services up to 5 MW if the facilities investment cost to LES does not exceed 2.5 times the estimated additional annual revenue resulting from providing the service. Generally, if the facilities investment cost to LES does exceed 2.5 times the estimated additional annual revenue resulting from providing the service, an Aid-to-Construction will be charged. The Aid-to-Construction for services up to 5 MW that will be charged will be the difference between the facility investment cost and 2.5 times the estimated additional annual revenue from providing the service. Revenue estimates to determine the required Aid-to-Construction are based upon projected electric usage calculations or upon LES records of average usage for similar types of service. LES will notify the Customer of the required Aid-to-Construction. No

equipment will be ordered and no work will be scheduled until this payment is received from the Customer.

Electric service facility investment costs for new or expanded services above 5 MW are subject to negotiation with LES.

C.3.3. Underground Service in New Residential Areas

LES will coordinate with the Customer or developer to minimize the permanent electric facilities required to serve a new residential development. The Customer or developer will be required to provide an Aid-to-Construction for any temporary facilities and for any facilities in excess of what would otherwise be required to provide electric service to the development.

C.3.4. Underground Residential Service Relocation

An Aid-to-Construction equivalent to the cost of replacing comparable facilities is required for underground relocations. LES will provide payment quotes for the Customer's consideration. The Customer is responsible for all restoration work, including, but not limited to, resodding, reseeding, trench settling and hard-surface paving repair.

C.3.5. Overhead to Underground Line Construction or Relocation

C.3.5.1. City of Lincoln

City of Lincoln projects may require an Aid-to-Construction for:

- Relocation of an LES facility in an easement area that falls within a City of Lincoln right-of-way due to the City expanding the right-of-way;
- Relocation of street lights;
- Relocation of an LES facility not in a City of Lincoln right-of-way; and
- Relocation of an LES facility in a City of Lincoln right-of-way when: the relocation is a result of a City water/sanitary sewer project not related to a City road project; the relocation is a result of an executive order requiring construction of streets or other infrastructure (the Aid-to-Construction will be billed to the applicable private entity); or the LES facility is on a state right-of-way.

C.3.5.2. City of Waverly

LES operates pursuant to a franchise agreement inside the city limits of the City of Waverly. There is no charge to the City of Waverly when the City of Waverly requests the relocation of an LES facility in a City of Waverly right-of-way/property. This includes relocations required due to the City of Waverly widening or improving its public rights-of-way.

City of Waverly projects may require an Aid-to-Construction for:

- Relocation of an LES facility in an easement area that falls within a City of Waverly right-of-way/property due to the City expanding the right-of-way/property; and
- Relocation of an LES facility not in a City of Waverly right-of-way/property.

C.3.5.3. Natural Resources District

Natural Resources District projects may require an Aid-to-Construction for the relocation of an LES facility in a Natural Resources District right-of-way/property. Joint City and Natural Resources District projects will be reviewed on a case-by-case basis to determine any required Aid-to-Construction.

C.3.5.4. Rural Arterial Roads and Existing Urban Arterial Widening and Rehabilitation

New, rebuilt and relocated lines for rural arterial roads are installed or remain overhead unless the area is developed at final grade and underground lines can be in an easement 60 to 75 feet from the street center line. An Aid-to-Construction may be required from the applicable government agency.

For existing urban arterial widening, LES will install the distribution circuit underground if the existing pole line must be removed or if the poles will be less than a reasonable distance, as determined by LES, from the back of the curb after the arterial is widened. If feasible, overhead lines will be replaced with underground lines when the pole line conflicts with a four-lane widening. Poles of overhead lines that cross the arterial are generally relocated and remain overhead. An Aid-to-Construction may be required from the applicable government agency.

For existing urban arterial rehabilitation, when a project has a conflict with poles, LES will move or replace the affected poles to avoid conflict. LES will assess the feasibility of underground conversion. An Aid-to-Construction may be required from the applicable government agency.

C.3.5.5. Discretionary Projects and Requests

The LES Administrative Board, through the annual budget process, approves an amount dedicated to discretionary overhead to underground rebuild or relocation projects. Projects are recommended by LES and may or may not be in conjunction with other projects associated with a public entity. There is no Aid-to-Construction required for this process. The City of Lincoln, through the Comprehensive Plan, encourages a program, whenever feasible and affordable, to relocate existing overhead utility lines underground.

Public or private entities or individuals requesting existing overhead facilities to be installed underground or requesting the relocation of existing overhead or underground facilities may be required to pay an Aid-to-Construction. LES will determine the feasibility of such conversions or relocations, as well as the associated Aid-to-Construction cost.

C.3.6. Temporary Service Installation

Temporary service may require an Aid-to-Construction if LES has to extend facilities and the extension will not be used for permanent service. The Aid-to-Construction is non-recoverable and must be paid in full prior to the start of LES construction. Material used in providing temporary service may be used in the permanent connection when conversion to a permanent service is requested. Total charges for the permanent connection will not be considered in determining the connection charge for the temporary service.

C.4. CONSTRUCTION BILLING GUIDELINES

C.4.1. No Billing

LES will not bill the Customer for costs incurred for work initiated by LES or for work that is a benefit to LES which must be completed outside of normal LES working-line crew working hours. Such work includes, but is not limited to:

- Distribution rebuilds;
- Replacing an overloaded transformer;
- Repairing a damaged transformer or damaged secondary/service conductors;
- Installation of service conductors for new or rewired service if the work is completed according to LES' schedule; and
- Replacing bar connectors inside a transformer and current transformer (CT) cabinet to accommodate an additional service if the work is completed according to LES' schedule.

NOTE – Whenever possible, this work will be scheduled to occur during normal LES line crew working hours. All non-emergency construction work for residential Customers will be done during normal LES line crew working hours.

LES will also not bill the Customer for costs incurred for work that is initiated by a Customer or electrician when the Customer/electrician needs minor assistance from LES to work safely on their own facilities. Such work includes, but is not limited to:

- Standby, switching or barricading LES equipment when LES personnel are not required to be on-site at a specific time or to remain on-site;
- De-energizing primary and secondary underground cable; and

- Applying a protective cover to an overhead line to facilitate Customer construction or non-electrical maintenance to the Customer's own facilities for situations that last less than a week and which meet LES' operating requirements.

C.4.2. Billing

LES will bill for all costs at the appropriate prevailing rates (regular, overtime or holiday) incurred for planned or emergency work that is initiated by a Customer or electrician that is not a benefit to LES and/or that occurs outside of normal LES line crew working hours. Such work includes, but is not limited to:

- Standby, switching or barricading LES equipment when LES personnel must be on-site at a specific time according to the Customer's/electrician's schedule or remain on-site;
- Switching or de-energizing LES equipment because the Customer does not want to operate the Customer-owned equipment that would de-energize the same equipment;
- Raising conductors to move houses;
- Installation of service conductors for new or rewired service that the Customer/electrician requests be installed ahead of LES' schedule;
- Authorized work on Customer-owned electric utility equipment;
- Installation of permanent service that the Customer/electrician requests be installed outside of normal LES working hours to avoid de-energizing temporary construction service; and
- Customer requests for LES to perform work outside of normal LES working hours in order for the Customer to avoid having an outage during their normal working hours even though the LES work would take a short amount of time (i.e., less than one hour) if the LES work for this only affects the service of the requesting Customer and does not require other Customers to be de-energized.

C.5. OUTDOOR LIGHTING

LES installs, operates and maintains the street light systems in the Cities of Lincoln and Waverly, as well as within the Service Area for the Lancaster County Board and Nebraska Department of Transportation. LES designs street light facilities in a manner that encourages energy conservation while also providing for public safety. Standard street lights are installed on a wood pole with a mast arm luminaire at predetermined interval spacing. All City of Lincoln street lighting will adhere to 3.100, City of Lincoln's Design Standards for Outdoor Lighting. LES installs, replaces and maintains standard street lighting wherever provisions have not been made for other types of lighting installations.

LES bills the appropriate government agency per Rate Schedule Street Lighting Service – 26.

C.5.1. Requests for Standard Residential Street Lighting

Individuals can request additional lighting on a street or alley. Upon receipt of a request, LES will inspect to determine if there is a need for additional lighting. If a need is identified, the individual submitting the request will receive information explaining the petition street light process. This information will include a map, addresses of homes that will be directly affected by the additional lighting and a petition form. The individual submitting the request will need to obtain the signatures of the Property Owners in the affected area. If 100 percent of the affected Property Owners approve, a street light will be installed.

If a request is approved through the petition process, LES will install a standard street light at no cost to the requesting individual or other Property Owners. However, if the individual is requesting an underground feed to the new light in an overhead distribution area, the individual must pay the difference in costs between the overhead and underground service. If the individual is requesting something other than a standard street light, the individual must pay the difference in costs. If an individual requests a new street light in an area that already has ornamental (i.e., non-standard) lighting, there will be no charge to provide the matching luminaire if the current spacing of street lights warrants the installation of a new pole.

C.5.2. Ornamental Street Lighting

When a new subdivision is approved, the developer of the subdivision is required to designate a lighting design on the plans. The developer must post a bond guaranteeing the installation of the street lights by a specified date. To obtain ornamental street lighting, the developer has the options of obtaining an executive order, in which case the developer is responsible for all lighting installation costs (this is the majority of cases), or establishing an Ornamental Lighting District, in which case the entity requesting the Ornamental Lighting District pays all lighting installation costs and assesses the installation costs to the benefited properties.

In existing subdivisions or neighborhoods, Ornamental Lighting Districts can be set up by Property Owners or developers if they obtain approval from 51 percent of front footage Property Owners through a petition process. The street lights will either match the neighboring area or the style will be designated by the developer. All designs must be approved by LES and meet LES' minimum standards. The entity requesting the Ornamental Lighting District is billed for LES engineering and design services, as well as for LES to stake, make final connections to obtain service and inspect the completed project. The requesting entity or the Customer and/or developer will be billed for all distribution extension costs for Ornamental Lighting Districts that exceed the amount assessed to the City of Lincoln for street lights.

C.5.3. Street Light Relocation

Individuals can initiate requests for street light relocation via a phone call, a plan for development or another project plan. The individual requesting the relocation will be required to pay the full cost of the project. The costs will be reviewed with the individual and must be paid in full prior to any work being performed. Relocation requests made by public entities are billed to the public entity for the full cost of the project. Contact LES for more information on street light relocation requests.

C.5.4. Arterial Lighting

Arterial lighting projects are initiated by the public entity. LES works with the requesting entity by completing drawings and design details for interconnection, removing and replacing existing street lights, and making final connections. Once the construction is complete, LES operates and maintains the arterial lighting. If there are existing unlit arterials within the City of Lincoln, LES will work with the City to determine required lighting installations.

C.5.5. Area Security Lighting

LES will consider requests for area security lighting. Residential area security lighting may require approval from Property Owners adjacent to the light location through a petition process. Commercial area security lighting normally does not require a petition if such lighting is requested unless the location of the requested light is immediately adjacent to a residential area. Area security lighting will be installed only on existing utility-owned poles. Payment for area security lighting is subject to Rate Schedule Security Lighting – 20 (see the LES Rate Schedules for applicable conditions and fees).

C.5.6. Private Roadway Lighting

LES will work with the Customer and/or developer to ensure private roadway lighting designs meet the same standards as those of a public street. All costs are paid by the Customer and/or developer. The lighting circuit must be terminated at the Customer-installed Meter pedestal. The developer or homeowner association is responsible for Meter charges, as well as all maintenance and upkeep costs for the lighting system.

If areas with existing private roadway lighting or subdivision with no street lighting are annexed by the City, existing or newly installed lighting remains privately owned and the Property Owner is responsible for maintenance and operation unless the public entity provides written acceptance agreeing to ownership, in which case the public entity is responsible for all energy and maintenance expenses.

Newly annexed subdivisions with no existing lighting on public streets will not be required to install lighting. Private roadway lighting requests may be initiated either through a petition request or the Ornamental Lighting District process (see Section C.5.2. – Ornamental Street Lighting).

C.5.7. Banner, Sign Attachments and Festoon Outlets

Attaching anything to an LES or City-owned pole without the express written approval of LES is prohibited. Government or private entities authorized to attach banners or signs to LES or City-owned poles are determined solely by LES. Any entity requesting the placement of an attachment to a pole must meet LES' minimum standards. These standards will be explained by LES to the entity prior to LES' authorization.

Payment for festoon outlets is subject to Rate Schedule Security Lighting – 20. Customers must contact LES for specific guidelines for a festoon outlet installation.

APPENDIX A – ELECTRIC SUPPLY GRAPHIC

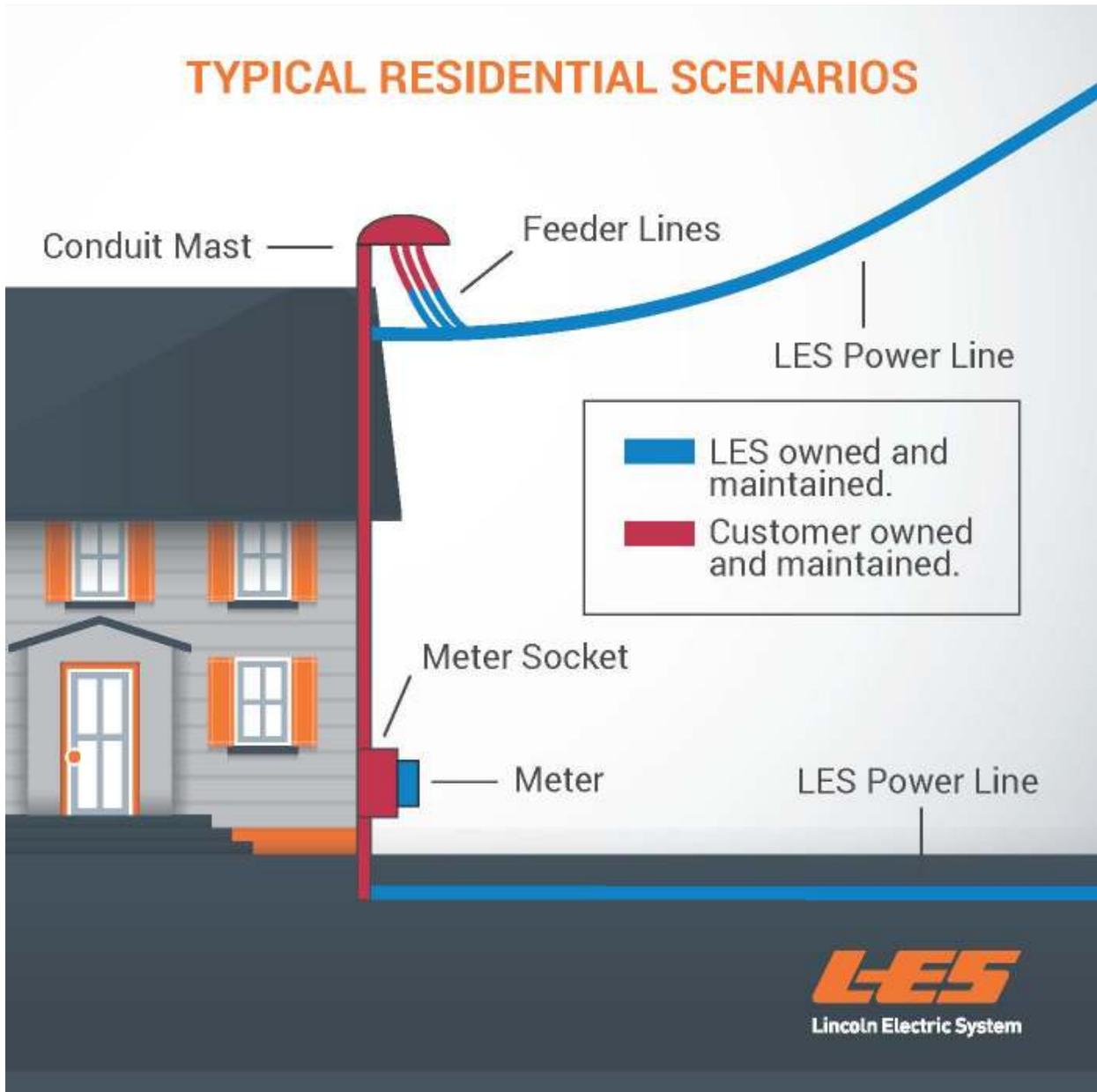


Exhibit V

2023 General Fund Transfers

Payments in Lieu of Taxes and City Dividend for Utility Ownership

Emily N. Koenig
CFO & Vice President, Financial Services

Administrative Board
May 19, 2023

Helpful Terms

General Fund Transfer

- Transfer of monies from LES to the city, county and Lincoln Public Schools

PILOT

- Payment in Lieu of Taxes, LES is not subject to property tax

CDFUO

- City Dividend for Utility Ownership

LES makes two General Fund Transfers

PILOT

- **Established in 1966 (with the creation of LES)**
- **In City Charter**
- **Requires vote of the people to change**
- **Embedded in LES rates for cost recovery**

CDFUO

- **Established in 2011 (by City Council Action)**
- **In Lincoln Municipal Code**
- **Requires City Council Action to change**
- **Separate line item on LES customer bills**

Defined General Fund Transfers are a Best Practice

Benefits of Defined Formula

- **The utility can budget appropriately and avoid large surprises**
- **The receiving entity can reasonably estimate transfer amounts**
- **Rating agencies prefer defined general fund transfers**
- **PILOT and CDFUO transfer amounts are defined**

PILOT: Revenue Based – Distributed by Tax Levy Rates

Calculation

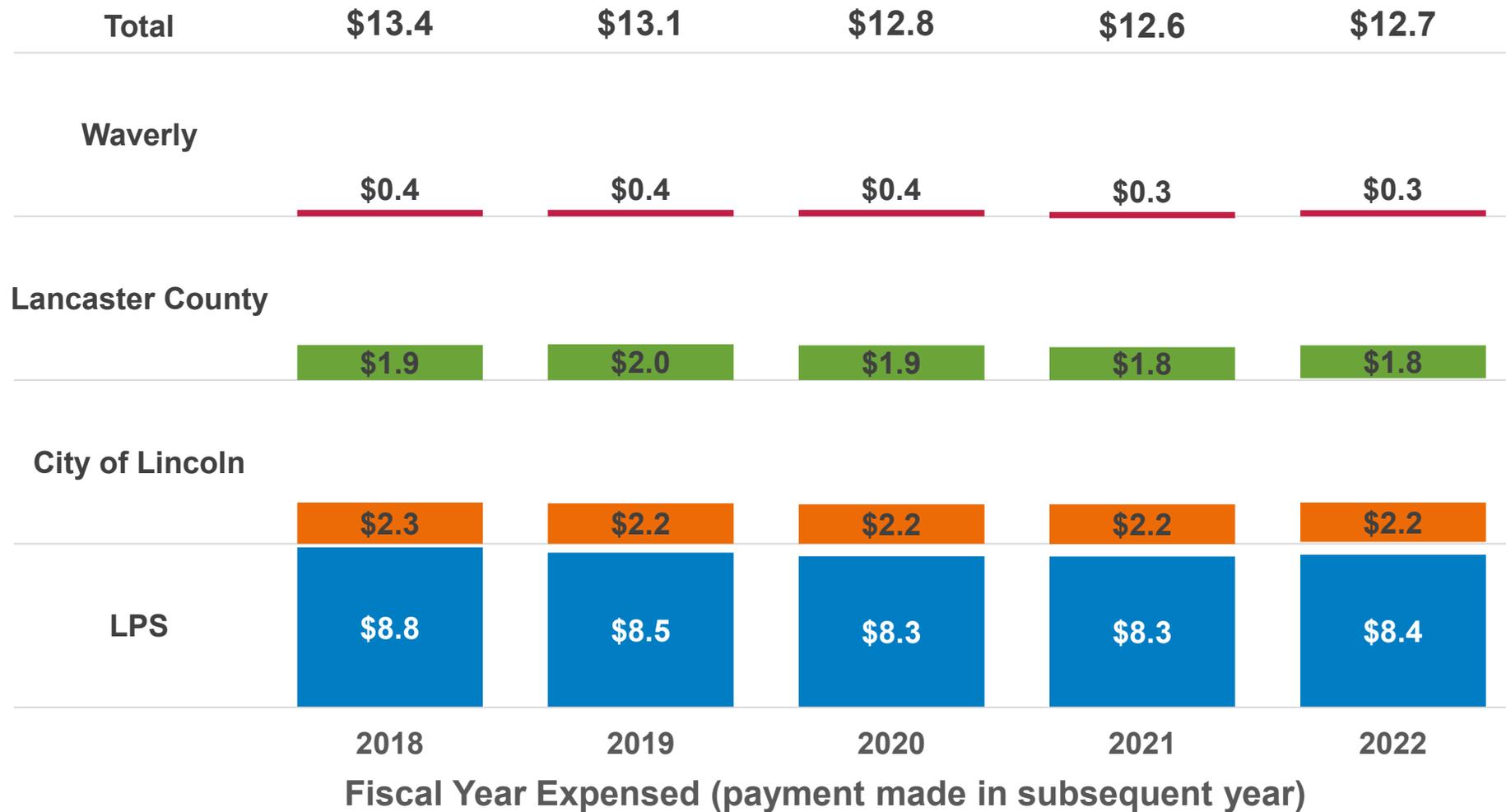
- 5% of Total Gross Revenues from retail sales of electricity within city limits (includes Lincoln, Waverly)
- Approximately 97% of sales are subject to PILOT

Distributed annually at end of April

- Lincoln
 - Lancaster County
 - Lincoln Public Schools
- } Based on Property Tax Levy Rates
- Waverly (5% of Revenues, quarterly payments)

Five Year History of PILOT Distribution

(\$ in Millions)



LES PILOT payments are nearly 4x that of the largest Lincoln property taxpayer in 2022

The largest property taxpayers in Lincoln*

Property Owner	Assessed Value	Tax Rate	Calculated Tax Bill
B&J Partnership Ltd	\$ 178,268,500	2%	\$ 3,565,370
BNSF Railway Company	\$ 141,622,129	2%	\$ 2,832,443
Allo Communications LLC	\$ 129,321,896	2%	\$ 2,586,438
NEBCO Inc	\$ 95,887,951	2%	\$ 1,917,759
RED Capital Management	\$ 66,302,900	2%	\$ 1,326,058

**Based on Analysis completed by LES Financial Services*

Lincoln Public Schools receives the majority of the PILOT payment

(\$ in Millions)

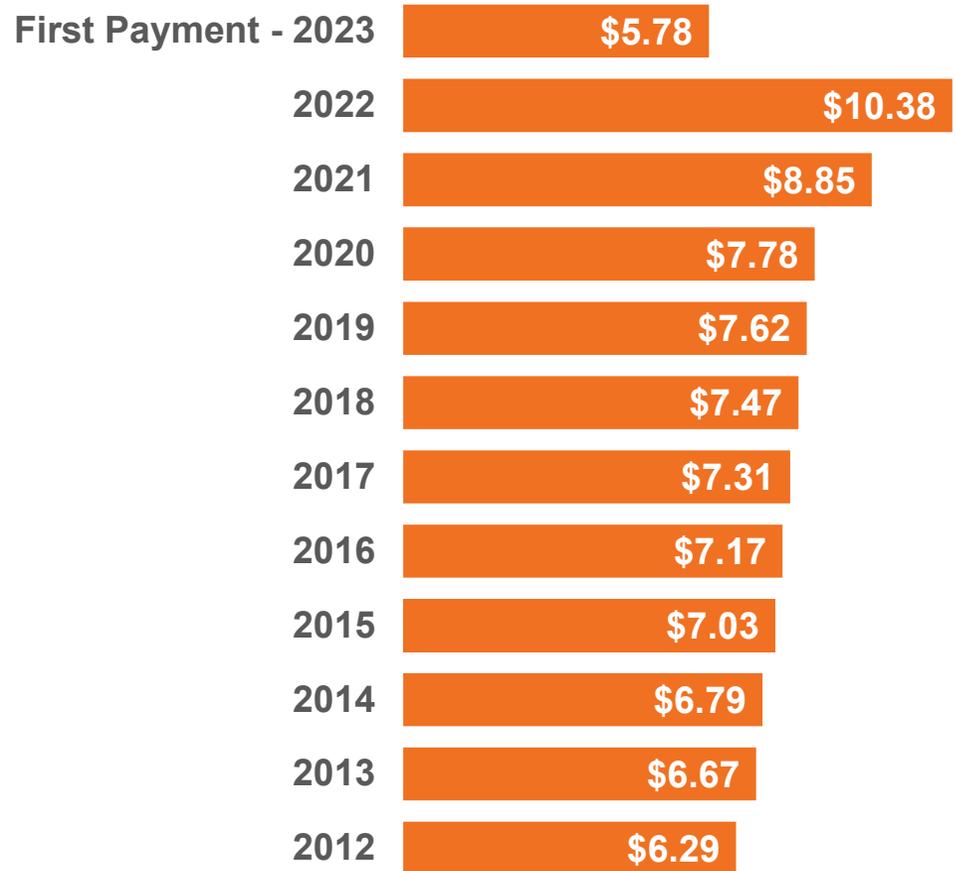


CDFUO represents the City's ownership of LES

- Ordinance effective September 1, 2011
 - 2.4% of year-end Equity (Net Position) – until payment reached \$7M
 - CDFUO rate adjusted each September
-
- On August 3, 2020, an amendment removed the \$7M cap
 - Effective September 1, 2020, the CDFUO payment was set at \$8.85M
 - Effective September 1, 2021, 2.4% of year-end Equity (Net Position)

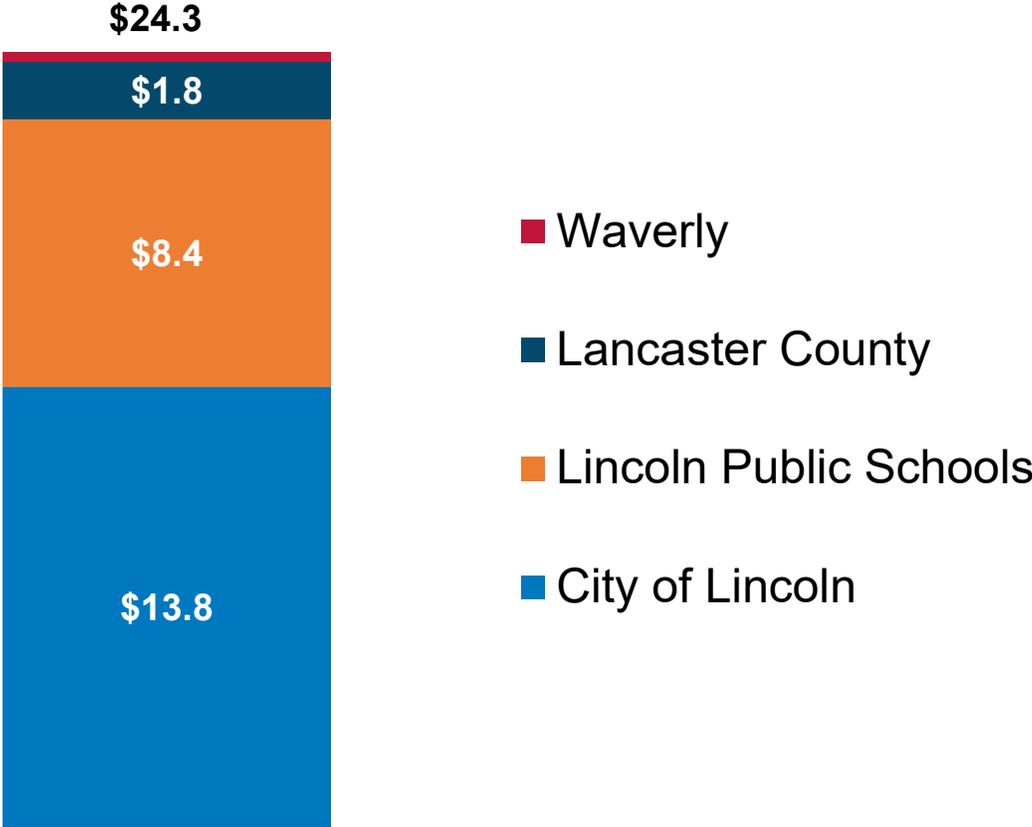
CDFUO paid semiannually (Feb & Aug) and solely to City of Lincoln, \$89.1M To Date

(\$ in Millions)



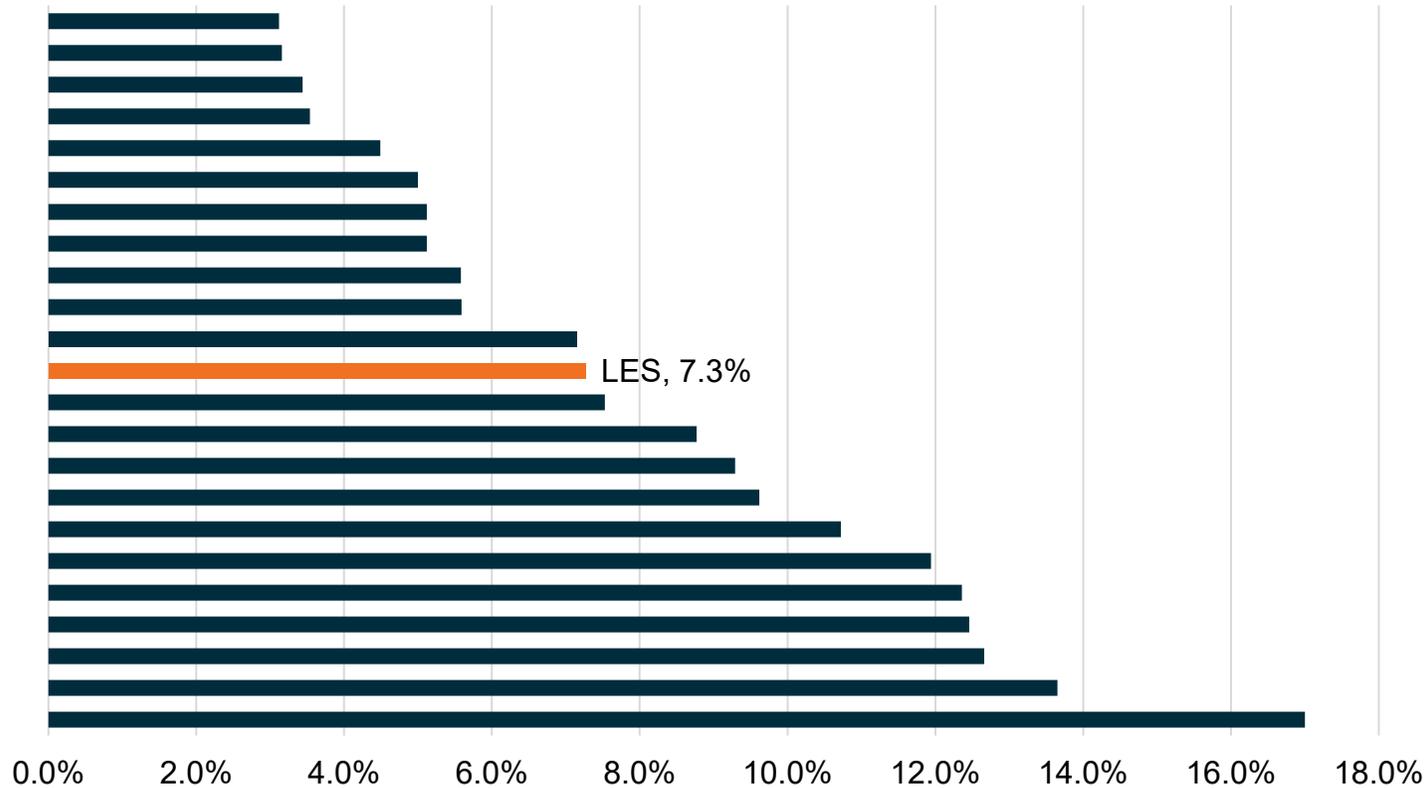
LES' general fund transfer payments are of great benefit to the local community

2023 Transfer Payments
(PILOT & CDFUO) Recipients

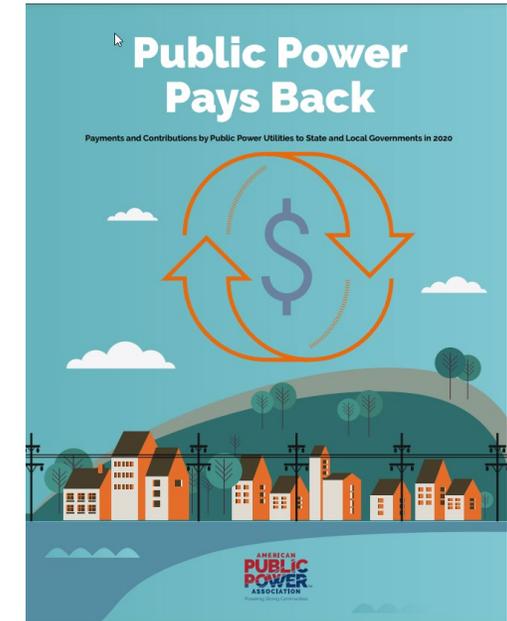


Total general fund transfers are in line with peer utilities

Transfer Payment as % of Operating Revenue
(largest public power utilities)



Source: APPA 2022 Public Power Statistical Report
Source: Fitch Ratings 2022 U.S. Public Power – Peer Review



APPA Public Power Pays Back
(General Fund Transfer Survey, Published May 2022)

West North Central Region Median = 5.6%

Class Size (Revenues \$100M and higher) Median = 6.9%

Exhibit VI

Investment Committee 2022 Annual Report

LES Administrative Board
May 19, 2023

Bryan Willnerd
Manager, Treasury & Risk Management

LES provides oversight of the retirement plans in accordance with LES policies

LES Administrative Board

- Designate members of the Investment Committee
- Adopt amendments to the Plan documents
- Authorize execution of provider agreements

Investment Committee

- Chief Executive Officer
- VP Financial Services and Chief Financial Officer
- VP Corporate Operations
- VP Communications & Corporate Records and General Counsel
- Manager, Human Resources (Robbie Seybert beginning 12/1/2022)

Internal Audit

- Performs an audit of the plans every four years
- Third Party audit also completed

External parties administer the retirement plans in accordance with LES policies

Third Party Administrator & Recordkeeping Services

- Vanguard
- Began services in 2013
- Renewed the Vanguard agreement in 2018 after completing a benchmark fee study

Third-Party Investment Consultant

- CapTrust (*Previously Portfolio Evaluations, Inc. (PEI)*)
- Began services in 2016
- Renewed contract in 2022

External Legal Counsel

- Cline Williams
- On-going relationship

LES plan data as of December 31, 2022

	401k	457b
Plan Asset Size	\$164M	\$13M
# Available Funds To Participants ¹	15 Funds + Target Date Funds	14 Funds + Target Date Funds
Plan Participation Rate % / VG Benchmark	98% / 79%	12%
Participant Match	Yes	No
Auto-Escalation	Yes	No
LES vs Peer Fund Expense Ratio ²	0.20% / 0.36%	0.30% / 0.48%

¹ GIA Fund only available in the 401k plan; closed to new contributions

² Calculated on a "Weighted Average" basis

LES offers diverse investment options to participants

Tier 1: Target Date / Hybrid

Target Date Funds:

- Vanguard Target Retirement Funds

Hybrid Fund:

- Vanguard Wellington

Tier 2: Passively Managed

Domestic Equity:

- Vanguard Total Stock Market Index Institutional (*Large Cap Blend*)

International Equity:

- Vanguard Total International Stock Index Admiral (*Large Cap Blend*)

Bond Fund:

- Vanguard Total Bond Market Index Institutional (*Investment Grade Intermediate*)

Tier 3: Actively Managed Funds

Domestic Equity:

- Vanguard Equity Income Admiral (*Large Cap Value*)
- Fidelity Contrafund (*Large Cap Growth*)
- Hartford MidCap (*Mid Cap Growth*)
- DFA U.S. Small Cap Institutional (*Small Cap Blend*)

International Equity:

- Dodge & Cox International Stock (*Large Cap Value*)

Bond Fund:

- Vanguard Federal Money Market Investor (*Investment Grade Short*)
- Vanguard Retirement Savings Trust III (*Investment Grade Short*)
- Guaranteed Investment Account (401K only) (*Investment Grade Short*)
- Vanguard Inflation-Protected Securities Admiral (*Investment Grade Intermediate*)
- Allspring Core Bond Fund (*Investment Grade Intermediate*)

Other Funds:

- DFA Emerging Markets Core Equity Institutional (*Diversified Emerging Markets*)

2022 topics reviewed at the Investment Committee meetings

Quarterly Routine items:

- Investment option performance
- Market trends and asset class performance
- Fund management changes
- Participant communications & education
- Policy compliance and Plan amendments

2022 specific items:

- Reviewed cyber best-practices with Vanguard's cyber security team along with LES Technology Services
- Implemented the ability for employees to purchase Series I Bonds via LES payroll deduction
- Completed the internal audit of LES's retirement plans
- CapTrust and Vanguard held three in-person retirement plan workshops at LES facilities

Questions?

Exhibit VII

LES POLICY

SUBJECT: Retirement Plan and Deferred Compensation Plan
Model of Plan Governance

POLICY NO. 316

RESPONSIBLE AREA: Corporate Operations

PAGE 1 OF 6

POLICY OBJECTIVE

To provide Lincoln Electric System (LES) employees, retirees and beneficiaries ("Participants") with savings plans for retirement.

The Model of Plan Governance ("MPG") sets forth the authority and responsibilities of the various parties regarding the administration of the Lincoln Electric System Employees' 401(k) Retirement Plan and the Deferred Compensation Plan of Lincoln Electric System, City of Lincoln, Nebraska (referred to collectively as the "Plans").

The MPG is intended to outline the following:

1. The authority, duties, and responsibilities of the LES Administrative Board, the Investment Committee ("Committee"), and certain LES divisions;
2. The types of outside consultants and third parties that may be retained from time to time to provide services for the Plans; and
3. The roles and responsibilities of outside consultants and third-party service providers.

DEFINITIONS

Committee – The LES Investment Committee for the Plans, which is comprised of the following:

- Chief Executive Officer;
- Vice President Financial Services and Chief Financial Officer;
- Vice President Corporate Operations;
- Vice President Communications & Corporate Records and General Counsel; and
- Manager, Human Resources.

Investment Consultant – A service provider chosen by the Committee to identify, monitor, provide expert advice, and make recommendations regarding the Investment Options and Investment Funds to be offered under the Plans to meet the Investment Objectives of the Plans.

Recordkeeper/Third-Party Administrator ("TPA") – A service provider engaged by LES to be the custodian of the Plan's assets and provide administrative, recordkeeping, participant communication and educational strategy for the Plans.

REQUIREMENTS

1. Identification of Parties and Responsibilities

The following parties will have the following roles and responsibilities in the administration of the Plans.

a. LES Administrative Board:

- 1) The LES Administrative Board will have the following roles and responsibilities with respect to the Plans:
 - a) Designate the positions that constitute members of the Committee and Plan Administrator (designation is found within the Plan document);
 - b) Adopt amendments to the Plan documents; and
 - c) Authorize the execution of service provider agreements for the Plans.

REQUIREMENTS (Continued)**b. Committee:**

- 1) The Committee, as Plan Administrator, provides oversight for the Plans, makes best efforts to mitigate and manage risk, and establishes practices to facilitate effective, timely and justifiable decisions.
 - a) Appointment process:

The Administrative Board has designated the Committee members in the Plan documents. Unless removed by the Administrative Board, the Committee members will serve permanent terms on the Committee during their tenure in the positions identified. Committee meetings may be expanded to include other individuals as appropriate.
 - b) Qualifications and training:

The Committee is composed of representatives from LES based upon their position and/or experience in investments, finance, or plan administration. LES will provide the Committee with training sessions and other education that is reasonably necessary for Committee members to increase their knowledge of investments, finance and plan administration to fulfill their duties and responsibilities.
 - c) Standard of Care:

The Committee will use its best efforts to exercise reasonable care, skill and caution, as a prudent investor would, in light of the purposes, terms, and other circumstances of the Plans, but will not warrant any financial outcome or guarantee. The Committee will administer the Plans solely in the interest of the Participants.
 - d) Expectations of Committee members:
 - Attend Committee meetings regularly and training sessions as scheduled;
 - Maintain confidentiality;
 - Consider suggestions from Participants on potential Plan enhancements or changes;
 - Encourage open discussion during Committee meetings;
 - Apply best judgment to issues confronting the Committee and the Plans;
 - Allocate time to ensure key issues and topics are effectively addressed; and
 - Use best efforts to follow the MPG and the Investment Policy Statement (IPS).
 - e) Committee responsibilities:

The Committee, as Plan Administrator, will use its knowledge, skills and best efforts to act in the best interest of the Participants. The Committee shall be authorized to perform the following functions at such time and in such manner as it determines to be necessary or appropriate:

 - Evaluate LES' overall retirement plan philosophy within LES and competitively within the industry;
 - Maintain and oversee the amendment of the documents as appropriate;
 - Review and submit recommendations and proposals to the LES Administrative Board regarding amendments to the Plans;
 - Interpret the terms of the Plans in accordance with the Plan documents and interpret and resolve any ambiguity in the Plans;
 - In the event of a dispute by a Participant regarding his or her eligibility under the Plans, determine the eligibility of an employee to be a Participant in the Plans and settle other questions related to the Plans;
 - In the event of a dispute by a Participant regarding his or her benefits under the Plans, determine the right of any person to a benefit, including a determination of the amount, manner and time of distribution of any benefits, according to the terms of the Plans;
 - Issue instructions to the TPA in connection with all benefits which are to be paid according to the Plans;
 - Adopt rules and regulations as necessary from time to time in connection with the management of the Plans, and to interpret, alter, amend and revoke any rules and regulations;
 - Define the Investment Options to be offered under the Plans and select the Investment Funds through which the Investment Options will be implemented;

REQUIREMENTS (Continued)

- Review the performance of Investment Funds on a quarterly basis;
 - Periodically review the IPS and MPG and suggest appropriate changes;
 - Periodically, perform a detailed review and evaluation of the performance of each party assigned duties under this MPG, including the responsibilities and related fees;
 - Employ such third-party service providers as may be necessary in the administration of the Plans or the IPS;
 - Provide periodic updates to Administrative Board or its committees as warranted;
 - Review audit report(s) regarding the Plan(s);
 - Document the actions and reasoning for Committee meetings and key decisions; and
 - Coordinate and implement the Participant communication strategy for the Plans.
 - Request an external audit of the Plans as outlined below; and
 - Direct the creation and presentation of an annual report of the Plans which provides a general overview of that year's activities related to the Plans.
- f) The Committee may designate any of its members to execute and deliver on its behalf documents and any such document or instrument may be accepted and relied upon as the act of the Committee.
- g) Approval by a majority of the Committee is required for any action taken. A member may not vote on any specific issue or matter specifically or uniquely involving him or herself.
- h) The Committee may retain the services of an Investment Consultant to serve as a fiduciary to the Plans and provide expert advice and recommendations to the Committee in support of meeting the Investment Objectives, the Investment Options and the Investment Funds offered under the Plans.
- i) The Committee may retain the services of a Third-Party Administrator to provide recordkeeping and administrative services for the Plans.
- j) The Committee may engage such other service providers as it determines necessary or appropriate to perform specialized functions for the Plans.
- c. LES Corporate Operations (CO), Financial Services (FS) and General Counsel (GC):
- 1) Corporate Operations Division responsibilities include:
- a) Take the lead in issues requiring direct interaction with Participants;
 - b) Manage and monitor LES and Participant contributions to the Plans;
 - c) Coordinate and deliver communications to Participants to allow Participants to make informed decisions;
 - d) Maintain records of Participant communications;
 - e) Provide oversight and direction related to Qualified Domestic Relations Orders (QDRO);
 - f) Serve as the day-to-day contact with Participants;
 - g) Issue instructions to the TPA in connection with all benefits which are to be paid according to the Plans;
 - h) Determine eligibility for participation in the Plans;
 - i) Determine the right of any person to a benefit, including a determination of the amount, manner and time of distribution of any benefits, according to the terms of the Plans;
 - j) Operate the Plans in accordance with the Plan documents;
 - k) Require information from Participants as is necessary to properly administer the Plans;
 - l) Ensure updates in legal and regulatory requirements communicated by outside counsel are incorporated into the Plan documents;
 - m) Maintain the Plan documents including taking the lead on identifying, implementing and soliciting approval for changes or updates to Plan documents and summaries of the Plans;
 - n) Develop "working" versions of Plan documents following the approval of Plan amendments (prior to restatement of a Plan);
 - o) Maintain records and documentation for all Committee trainings;
 - p) Identify issues relating to Participant support and bring them before the Committee, and prepare recommendations on those matters;
 - q) Make recommendations to the Committee if the Investment Objectives are not being met, if Investment Consultant or TPA services are not being delivered, or if IPS guidelines are not being followed; and

REQUIREMENTS (Continued)

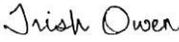
- r) Carry out such other duties as are directed or delegated by the Committee from time to time.
- 2) **Financial Services Division responsibilities include:**
 - a) Coordinate Committee meetings, presentations, and discussions, including preparation of meeting minutes;
 - b) Document and distribute to Committee members on a timely basis, information regarding Committee meetings, key decisions and rationale, assignment of action items, and follow-up on action items;
 - c) Serve as the primary contact for the Investment Consultant;
 - d) Coordinate the review, analysis and payment of third-party service providers;
 - e) Make recommendations to the Committee regarding the Plan Administration Fees charged to Participants to cover Participant-related Plan costs;
 - f) Forward Participant and LES contributions to the Custodian as quickly as administratively possible;
 - g) Coordinate responses to investment proxies received;
 - h) Identify issues to be brought before the Committee, and prepare recommendations to the Committee on those matters;
 - i) Coordinate plan audits approximately every two (2) years on a rotating basis between internal (LES Internal Audit) and external vendor to review plan document compliance and operational processes.
 - j) Make recommendations to the Committee if the Investment Objectives are not being met, if Investment Consultant or TPA services are not being delivered, or if IPS guidelines are not being followed; and
 - k) Carry out such other duties as are directed or delegated by the Committee from time to time.
- 3) **General Counsel responsibilities include:**
 - a) Ensure updates in legal and regulatory requirements communicated by outside counsel are incorporated into the Plan documents;
 - b) Support the amendment of the Plan documents as appropriate; and
 - c) Carry out such other duties as are directed by the Committee from time to time.
- d. **Third-Party Service Providers:**
 - 1) **Investment Consultant responsibilities include:**
 - a) Serve as a fiduciary to the Plans regarding the selection of Investment Options and Investment Funds;
 - b) Identify asset classes which would be appropriate and prudent to make available to Participants;
 - c) Review and recommend Investment Options and Investment Funds which are appropriate to fulfill the criteria of the identified asset classes;
 - d) Make recommendations of Investment Funds to implement the Plans' Investment Options and Investment Objectives as described in the IPS;
 - e) Identify a benchmark index for each Investment Fund;
 - f) Measure, evaluate, and report on the performance results of the Investment Funds to the Committee on a quarterly basis, including a summary of fees for each of the Investment Funds, any fees paid by Investment Funds to any party supporting the Plans, comparisons of performance against benchmarks and peer funds, and analysis of style adherence;
 - g) Monitor investment results by means of regular reviews and analyses to determine whether the Investment Funds are meeting the Investment Objectives of the Plans;
 - h) Monitor long-term capital market trends and provide education to the Committee on these trends;
 - i) Maintain contact with and report on changes within the investment managers' organizations of the Investment Funds (including the gain or loss of key individuals and accounts);
 - j) Periodically review the IPS and MPG and suggest appropriate changes;
 - k) Communicate on a frequent and open basis with the Committee on all significant matters pertaining to the agreed upon investment policies and the management of Investment Options;
 - l) Periodically review Participant education and communication efforts by the TPA to ensure Participants are receiving adequate information to make informed decisions;

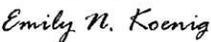
REQUIREMENTS (Continued)

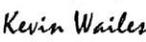
- m) Notify the Committee and/or its designees in advance of potential changes in fund operation under consideration or about to be implemented (i.e. changes in the investment process); and,
 - n) Any other duties assigned by the Committee from time to time.
- 2) **TPA responsibilities include:**
- a) Maintain Participant account balances on a daily valued basis;
 - b) Maintain accurate records of the value of all accounts for all Participants;
 - c) Distribute account balances of Participants in accordance with Plan documents;
 - d) Provide Participants the ability to obtain balances and move funds via an automated telephone response system and internet system and ensure any fund changes are made in a timely manner;
 - e) Provide Participants with information regarding the terms of the Plans;
 - f) Provide education to Participants regarding Plan features and benefits;
 - g) Provide Participants with copies of prospectuses or other informational items as required to comply with applicable law;
 - h) Provide prospectuses, annual reports and other pertinent information on a timely basis to the Committee and/or its designees;
 - i) Provide communications to the Committee and Participants regarding educational seminars, market and economic events, legislative actions that will impact the Plans, and other information regarding financial planning;
 - j) Issue quarterly statements on a timely basis to all Participants;
 - k) Complete requested transactions by Participants in accordance with Plan documents;
 - l) Manage the QDRO and beneficiary designation process;
 - m) Perform all requirements related to distributions, including Participant notification, tax withholding and deposit, and direct rollover;
 - n) Perform quarterly plan administration and other investment fee sweeps as directed by the Committee;
 - o) Issue reports to the Committee regarding Participant activity;
 - p) Implement the investment and divestiture of Plan assets among the selected Investment Options as directed by the Committee and/or Participants;
 - q) Ensure vendor system is configured to accurately administer the Plan documents and subsequent amendments;
 - r) Periodically review the IPS and MPG and suggest appropriate changes; and
 - s) Any other duties assigned by the Committee from time to time.
- 3) **Third-Party General Counsel responsibilities include:**
- a) Recommend, communicate, and advise updates in legal and regulatory requirements to LES and the Committee as necessary;
 - b) Review and provide expert legal advice on contracts, agreements, and other documents related to the appropriate execution of the Committee's responsibilities as Plan Sponsor of the Plans;
 - c) Periodically review the IPS and MPG and suggest appropriate changes; and
 - d) Any other duties assigned by the Committee from time to time.
2. **Adoption and Acceptance**
- a. Committee members will annually execute a statement accepting their role and the respective responsibilities toward the Plans.

REFERENCES

- 1. Policy 315 Retirement Plan and Deferred Compensation Plan Investment Policy Statement

DocuSigned by:

APPROVED BY TRISH OWEN VICE PRESIDENT, CORPORATE OPERATIONS 4/13/2023
DD86748E1A5041C... **TITLE** **DATE**

DocuSigned by:

APPROVED BY EMILY N. KOENIG VICE PRESIDENT, FS / CHIEF FINANCIAL OFFICER 4/13/2023
DBA6D408B93E4A... **TITLE** **DATE**

DocuSigned by:

APPROVED BY KEVIN G. WAILES CHIEF EXECUTIVE OFFICER 4/14/2023
8FD9E4802CD34FB... **TITLE** **DATE**


APPROVED BY ANDREW HUNZEKER ADMINISTRATIVE BOARD CHAIR 5/19/2023
TITLE **EFFECTIVE DATE**

Revision History			
Supersedes	Revision Date	Revised By	Revision Description
Program 303.02 dated 3/6/2017	03/12/2018	Manager, Treasury & Risk Management	The content was reviewed and updated in accordance with the requirement of Policy 316. In addition, the document was reformatted into the new corporate governance documentation structure.
Policy 316 dated 3/15/2018	03/15//2019	Investment Committee	Annual review; made minor wording updates in appointment process and consultant responsibilities, and to remove text referring to loan documentation.
Policy 316 dated 03/15/2019	04/13/2023	Investment Committee	Content was reviewed and updated in accordance with the requirement of Policy 316. Updates include scheduling internal and external audits of the plans, presentation of an annual report of the plans by the investment Committee, ensuring legal and regulatory changes are incorporated to LES plan documents, and the addition of a third-party general counsel responsibilities.

Exhibit VIII



Lincoln Electric System

LES RESOLUTION 2023-6

WHEREAS, Lincoln Electric System (LES) has been in discussions with Agate LLC about providing retail electric service to a new data center to be located generally northwest of the intersection of U.S. Highway 77 & Interstate 80;

WHEREAS, the data center would receive retail electric service through an interconnection to the LES transmission system;

WHEREAS, providing a reliable transmission interconnection to the data center would require the extension of, and improvements to, existing system facilities;

WHEREAS, LES has executed a nondisclosure agreement with Agate LLC, restricting LES' public discussion or dissemination of project details;

WHEREAS, LES staff has reviewed and evaluated the ability to interconnect and serve the data center in accordance with prudent business practices, reliability impact analysis, financial and other risk mitigation considerations, and LES' objective to avoid adversely impacting existing LES customers;

WHEREAS, LES staff periodically reviewed its preliminary findings and conclusions with the Board Operations & Power Supply Committee and in closed Executive Sessions at the regular meetings of the LES Administrative Board;

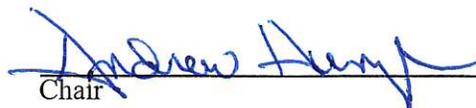
WHEREAS, this project requires an agreement between LES and Agate LLC specifying the terms and conditions of LES' electric service and the required system facility extensions and improvements; and

WHEREAS, the LES Administrative Board previously adopted LES Resolution 2019-11, authorizing the LES Chief Executive Officer to execute a facility extension and interconnection agreement with Agate LLC, but such authorization expired on September 20, 2020.

NOW, THEREFORE, BE IT RESOLVED that the LES Administrative Board reaffirms LES' intent to interconnect and provide electric service to Agate LLC based on an evaluation that considers prudent business practices, impacts to existing customers, electric system reliability and financial and other risk mitigation considerations.

BE IT FURTHER RESOLVED that the LES Administrative Board authorizes the LES Chief Executive Officer, consistent with the parameters and discussions with the Board regarding the project, to negotiate a facility extension and interconnection agreement with Agate LLC, or the company represented by Agate LLC, on behalf of LES, subject to review and approval by the LES Administrative Board, and such authorization shall be valid until midnight on May 19, 2024.

BE IT FURTHER RESOLVED that the LES Administrative Board directs the LES Chief Executive Officer and staff to regularly apprise the Board Operations & Power Supply Committee regarding this negotiation and final agreement.


Chair

Adopted: May 19, 2023

Exhibit IX



Lincoln Electric System

LES RESOLUTION 2023-07

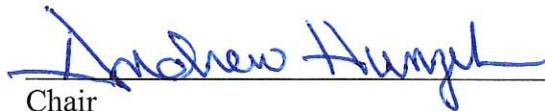
WHEREAS, the LES Administrative Board (the "Board") has determined it is necessary, desirable, advisable and in the best interest of the Board, LES and its customers enter into a revolving credit agreement (the "Agreement") with Union Bank and Trust Company (the "Bank") pursuant to which LES may request advances of up to \$50,000,000 to fund general operating expenses of LES;

WHEREAS, it is necessary, desirable and advisable that the LES Administrator and CEO, LES staff, PFM Financial Advisors LLC, LES legal and bond counsel, and all other officers, employees and agents of LES be authorized to proceed with the execution and delivery of the Agreement.

NOW, THEREFORE, BE IT RESOLVED, it is necessary, desirable and advisable that the LES Administrator and CEO, LES staff, Public Financial Management, LES legal and bond counsel, and all other officers, employees and agents of LES be authorized to proceed with the submittal of an ordinance for consideration and action by the Lincoln City Council and the Mayor of the City of Lincoln authorizing and providing for the execution and delivery by the City and LES of one or more revolving credit facilities and related notes not to exceed \$50,000,000;

BE IT FURTHER RESOLVED, that the LES Administrator and CEO and LES staff are hereby authorized and directed to negotiate, execute and deliver the Agreement, in substantially the form attached hereto as Exhibit A, with such additional modifications, agreements or additions as deemed necessary or appropriate by the LES Administrator and CEO and LES staff provided that total advances under the Agreement shall not exceed \$50,000,000 and the term of the Agreement shall not exceed five years; and

BE IT FURTHER RESOLVED, that the LES Administrator and CEO and LES staff are hereby authorized and directed to take any and all action, including, but not limited to, the execution of all papers, certificates, receipts and documents as they, or any of them, may deem necessary or desirable to provide for or in connection with the execution, delivery and performance of the Agreement in accordance with the terms and conditions thereof, of this Resolution and the Ordinance including, without limitation, the submission of requests for advances under the Agreement.


Chair

Adopted: May 19, 2023

2023 Subordinate Credit Facility Authorization

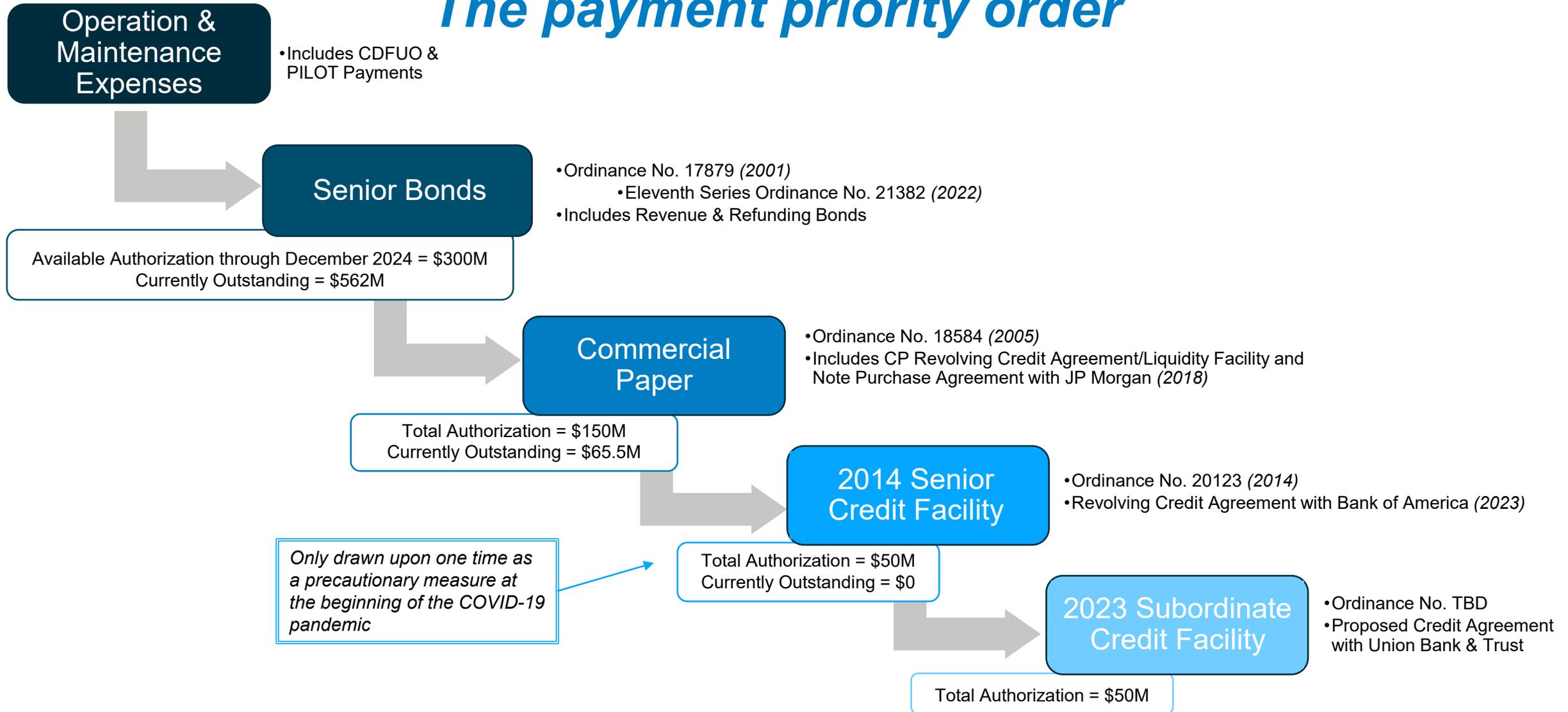
Resolution 2023-7

Emily N. Koenig
CFO & Vice President, Financial Services

Administrative Board
May 19, 2023

LES Lien Structure

The payment priority order



CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

constituting the

2023 Subordinate Credit Facility Ordinance

Authorizing one or more short-term subordinate credit facilities
and the issuance of related Electric System Subordinate Credit Facility Revenue Notes
in an Aggregate Principal Amount of
Not To Exceed \$50,000,000 From Time to Time Outstanding

Adopted _____

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CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND PROVIDING AUTHORITY FOR THE ADMINISTRATOR OF THE LINCOLN ELECTRIC SYSTEM TO ENTER INTO ONE OR MORE SUBORDINATE CREDIT AGREEMENT(S) AND FOR THE ISSUANCE OF CORRESPONDING ELECTRIC SYSTEM SUBORDINATE CREDIT FACILITY REVENUE NOTES OF THE CITY OF LINCOLN, NEBRASKA, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000 FROM TIME TO TIME OUTSTANDING; COVENANTING AS TO THE ESTABLISHMENT, MAINTENANCE, REVISION AND COLLECTION OF CHARGES AND RATES FOR THE USE AND SERVICES OF SAID ELECTRIC SYSTEM AND THE APPLICATION, COLLECTION AND DISBURSEMENT OF THE REVENUES DERIVED THEREFROM; LIMITING THE PAYMENT OF THE, PRINCIPAL AND INTEREST ON SUCH NOTES DELIVERED HEREUNDER SOLELY TO THE SOURCES SPECIFIED HEREIN; MAKING VARIOUS OTHER COVENANTS, AGREEMENTS AND PROVISIONS IN CONNECTION WITH THE FOREGOING; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

**DEFINITIONS;
CONTENT OF CERTIFICATES AND OPINIONS**

Section 1.01. Definitions. Unless the context shall clearly indicate some other meaning or unless otherwise defined in this 2023 Subordinate Credit Facility Ordinance, for all purposes of this 2023 Subordinate Credit Facility Ordinance, all words and terms used in this 2023 Subordinate Credit Facility Ordinance which are defined in Ordinance No. 17879 (the “Bond Ordinance”) shall have the respective meanings given to them in the Bond Ordinance. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Bond Ordinance, this 2023 Subordinate Credit Facility Ordinance and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined in the Bond Ordinance or this 2023 Subordinate Credit Facility Ordinance, all terms used herein shall have the meanings assigned to such terms in the Act (hereinafter defined).

“*Act*” means Sections 15-244, 18-1750, 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, and Section 44 of Article IX of the Charter of the City, as each may be amended from time to time.

“*Administrator*” means the Administrator and Chief Executive Officer of Lincoln Electric System appointed by the Board and approved by the Mayor and Council pursuant to Section 4.24.010 of the Lincoln Municipal Code and shall include any person designated by the Administrator to act on his or her behalf with respect to the Administrator’s duties or responsibilities under this 2023 Subordinate Credit Facility Ordinance.

“*Advance*” means a loan to the City made under and subject to the conditions set forth in a Subordinate Credit Facility.

“*Bond Counsel*” means Kutak Rock LLP or any other attorney or firm of attorneys designated by the Board having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103, 141 and 150 (or any successor provisions of the Code).

“*Bond Ordinance*” means Ordinance No. 17879 of the City, as the same shall be amended and supplemented from time to time.

“*Business Day*” means any day other than (a) a Saturday, Sunday or a day on which the Federal Reserve Banks or the banking institutions in the State of Nebraska or the State of New York are authorized or obligated by law or executive order to be closed, (b) for purposes of payments and other actions relating to a Subordinate Credit Facility, a day upon which commercial banks in the city in which is located the office of the Credit Facility Provider at which demands for payment under the credit document with respect to such Subordinate Credit Facility are to be presented are authorized or obligated by law or executive order to be closed and (c) a day on which the New York Stock Exchange is closed.

“*Code*” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“*Council*” means the City Council, as governing body of the City.

“*Credit Facility Provider*” means the lender to or counterparty of the City on any Subordinate Credit Facility authorized hereunder.

“*Final Maturity Date*” means December 1, 2053.

“*Maximum Interest Rate*” means the maximum interest rate, if any, then permitted by the Constitution and the laws of the State of Nebraska, and the City’s Home Rule Charter applicable to any series of Subordinate Credit Facility Notes. As of the date of adoption of this 2023 Subordinate Credit Facility Ordinance, no such maximum interest rate is specified by the Constitution and the laws of the State of Nebraska and the City’s Home Rule Charter.

“*Net Revenues*” shall have the meaning set forth in the Bond Ordinance.

“*Opinion of Bond Counsel*” means an unqualified opinion of Bond Counsel to the effect that interest on the applicable Subordinate Credit Facility Notes is excludable from income for purposes of federal income taxation.

“*Outstanding*,” when used as of any particular time with reference to the Subordinate Credit Facility Notes, means all the Subordinate Credit Facility Notes theretofore issued and delivered by the City under this 2023 Subordinate Credit Facility Ordinance except those that have matured and been fully paid.

“*Project Costs*” means all capital costs and expenses authorized to be incurred under the Act to be payable from the proceeds of the Subordinate Credit Facility Notes.

“*Senior Credit Facility Ordinance*” means Ordinance 20123 of the City adopted December 15, 2014, as the same may be amended or supplemented from time to time.

“*Short-Term Note Ordinance*” means Ordinance 18584 of the City adopted August 1, 2005, as the same may be amended or supplemented from time to time.

“*Short-Term Notes*” means notes or other obligations of the City issued and outstanding under or pursuant to the Short-Term Note Ordinances.

“*Subordinate Credit Facility*” means a liquidity facility, standby credit facility, revolving credit facility or line of credit, or similar arrangement as authorized herein.

“*Subordinate Credit Facility Construction Fund*” means the fund so designated as created pursuant to Section 4.03 hereof.

“*Subordinate Credit Facility Note*” means any promissory note or notes issued by the City pursuant to the provisions of this 2023 Subordinate Credit Facility Ordinance and a Subordinate Credit Facility having the terms and characteristics contained therein and issued in accordance therewith.

“*Subordinate Credit Facility Obligations*” has the meaning set forth in Section 4.05 hereof.

“*Subordinate Credit Facility Operating Fund*” means the fund so designated as created pursuant to Section 4.04 hereof.

“*Subordinated Indebtedness*” means all obligations of the City payable solely from the Net Revenues of the Electric System after prior payment of amounts due and owing under the Bond Ordinance, Short Term Note Ordinance and Senior Credit Facility Ordinance.

“*Taxable Subordinate Credit Facility Notes*” means Subordinate Credit Facility Notes, the interest on which is includable in gross income for federal income tax purposes.

“*Tax-Exempt Subordinate Credit Facility Notes*” means Subordinate Credit Facility Notes, the interest on which is excludable from gross income for federal income tax purposes.

“*Working Capital Costs*” means all Expenses or any other costs which are not Project Costs authorized to be incurred under the Constitution and laws of the State of Nebraska which are payable from the proceeds of Subordinate Credit Facility Notes.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this 2023 Subordinate Credit Facility Ordinance with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto, (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based, (c) a statement (i) that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter or (ii) that he or she had made or caused to be made his or her examination or investigation with respect to the subject matter in accordance with specified professional standards and (d) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer or employee of either the City or the Board may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant or an independent consultant, unless such officer or employee knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City or the Board) upon a certificate or opinion of or representation by an officer or employee of the City or the Board, respectively, unless such counsel, accountant or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer or employee of the City or the Board, or the same counsel or accountant or independent consultant, as the case maybe, need not certify to all of the matters required to be certified under any provision of this 2023 Subordinate Credit Facility Ordinance, but different officers, employees, counsel, accountants or independent consultants may certify to different matters, respectively.

Section 1.03. References to the Liquidity Provider, a Subordinate Credit Facility Note or a Liquidity Facility. References to the Credit Facility Provider, a Subordinate Credit Facility Note or a Subordinate Credit Facility shall only be operative with respect to a specific Subordinate Credit Facility Note or a Subordinate Credit Facility then in effect.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.01. Implementation of Financial Plan. The Board has previously approved the development of a financial plan (as amended and supplemented from time to time, the "Plan") to provide guidance concerning the business and finances of the Electric System, and the financial advisors to the Board have recommended the development of a program for the acquisition of one or more subordinate short-term credit facilities which may be drawn upon from time to time to (a) pay costs associated with capital projects as may be determined by the Board and the City from time to time and (b) provide short-term working capital in accordance with the Constitution and laws of the State of Nebraska, as amended from time to time, as may

be determined by the Board to be in the best interests of the Electric System. Each such Subordinate Credit Facility shall be secured by one or more Subordinate Credit Facility Notes issued as provided herein, which Subordinate Credit Facility Notes may be taxable or tax exempt.

Section 2.02. Adoption of Subordinate Credit Facility Ordinance. To provide for the implementation of the Plan and borrowing on a short-term basis by the City for the purpose of (a) paying the costs of capital improvements to its Electric System and (b) financing working capital needs, the City hereby adopts this 2023 Subordinate Credit Facility Ordinance to authorize the negotiation and acquisition of one or more Subordinate Credit Facilities under and pursuant to this 2023 Subordinate Credit Facility Ordinance to implement the Plan for the benefit of the City and its Electric System ratepayers.

ARTICLE III

THE CREDIT FACILITIES

Section 3.01. Authorization of Subordinate Credit Facilities. At any time after the passage, approval and effective date of this 2023 Subordinate Credit Facility Ordinance, the Administrator may from time to time solicit proposals for, negotiate and agree to terms for one or more Subordinate Credit Facilities. Each Subordinate Credit Facility shall be in a form approved by the Administrator. The aggregate amount of all Subordinate Credit Facilities (including amounts borrowed and amounts available to lend) in effect any one time shall not exceed \$50,000,000. No Subordinate Credit Facility may terminate later than December 1, 2053.

Section 3.02. Authorization of Subordinate Credit Facility Notes. Each Subordinate Credit Facility shall be secured by one or more Subordinate Credit Facility Notes issued by the City. Each Subordinate Credit Facility Note shall be in the form as set forth in the related Subordinate Credit Facility. The Subordinate Credit Facility Notes shall bear interest, if any, at such rate or rates or determined in such manner and payable on such dates as may be determined by the Administrator in accordance with the provisions of the related Subordinate Credit Facility and this 2023 Subordinate Credit Facility Ordinance, not to exceed the Maximum Interest Rate. The City may execute and deliver Subordinate Credit Facility Notes to the Credit Facility Provider from time to time in connection with and pursuant to the terms of each Subordinate Credit Facility. Each Subordinate Credit Facility Note shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its Finance Director, and shall have the seal of the City affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Subordinate Credit Facility Note shall cease to be such officer before the delivery of such Subordinate Credit Facility Note, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Subordinate Credit Facility Note may be signed by such persons as at the actual time of the execution of such Subordinate Credit Facility Note shall be the proper officers to sign such Subordinate Credit Facility Note although at the date of such Subordinate Credit Facility Note such persons may not have been such officers. The aggregate principal amount of Subordinate Credit Facility Notes outstanding at any time shall not exceed \$50,000,000.

(b) The principal of and interest on the Subordinate Credit Facility Notes shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Section 3.03. Authority of Administrator With Respect to Subordinate Credit Facilities and Subordinate Credit Facility Notes. The Administrator is hereby authorized to hereafter, from time to time, specify, set, designate, determine, and establish, as the case may be, and in each case in accordance with and subject to the provisions of this 2023 Subordinate Credit Facility Ordinance, (a) the amount available under any Subordinate Credit Facility from time to time (subject to the limitations set forth in Section 3.02 hereof), (b) any fees payable by the City in connection with any Subordinate Credit Facility, (b) the interest rate or rates, or the formula for determining such interest rates, for amounts drawn under a Subordinate Credit Facility, (c) the identity of the Credit Facility Provider (if any), and the form and content of any Subordinate Credit Facility between the City and such Credit Facility Provider, (d) the fees payable, or the formula for determining the fees payable, for any undrawn amounts available under a Subordinate Credit Facility, and (e) all of the other terms and provisions of a Subordinate Credit Facility or the Subordinate Credit Facility Notes not otherwise specified or fixed by the provisions of this 2023 Subordinate Credit Facility Ordinance.

ARTICLE IV

USE OF PROCEEDS; FUNDS AND ACCOUNTS; SECURITY FOR THE SUBORDINATE CREDIT FACILITY NOTES

Section 4.01. Proceeds of Advances. Any Advances under a Subordinate Credit Facility shall be applied for any or all of the following purposes in the following fashion as directed by the Administrator:

- (a) for the payment of amounts owed by the City under a prior Subordinate Credit Facility and related Subordinate Credit Facility Note;
- (b) advances may be used to pay Project Costs and such advances shall be transferred and deposited to the Subordinate Credit Facility Construction Fund and used and applied in accordance with the provisions of Section 4.03 hereof; and
- (c) advances may be used to pay Working Capital Costs and such advances shall be transferred and deposited to the Subordinate Credit Facility Operating Fund and used and applied in accordance with the provisions of Section 4.04 hereof.

Section 4.02. Payment of Subordinate Credit Facility Notes and Amounts Due Under Subordinate Credit Facilities; Subordinate Credit Facility Payment Funds and Accounts.

- (a) To the extent the Subordinate Credit Facility Notes or other amounts payable under a Subordinate Credit Facility are not to be paid from the proceeds of other Advances, the City, subject to Section 4.05 hereof, shall make payments from such amounts as may from time to time be available for such purposes in the Electric Revenue Fund established by the Bond Ordinance (the “Electric Revenue Fund”); provided,

however, that any such payment shall be subordinated in all respects to the payments made into the Bond Fund and the Bond Reserve Fund established by the Bond Ordinance, payments required to be made pursuant to the Short-Term Note Ordinance and payments required to be made pursuant to the Senior Credit Facility Ordinance. Such payments shall be made on a par with any other payments on Subordinated Indebtedness issued by the City payable from the Electric Revenue Fund unless otherwise provided in such Subordinate Credit Facility.

(b) The Administrator is hereby authorized and directed to establish such funds and accounts as the Administrator deems necessary or appropriate to assist in providing for payments due under a Subordinate Credit Facility.

Section 4.03. Subordinate Credit Facility Construction Fund. There is hereby established with the City a separate account designated as the “Subordinate Credit Facility Construction Fund,” which the City shall maintain and hold in trust as herein provided. The Administrator may direct the establishment therein of accounts and sub-accounts. Moneys deposited in the Subordinate Credit Facility Construction Fund shall remain therein until from time to time expended to pay the Project Costs for which the Advance was made, and shall not be used for any other purposes whatsoever, except as otherwise provided below. Pending such expenditure moneys in said fund may be invested at the direction of the Administrator in such investments as are authorized investments for funds of the City at the time of investment thereof. Any income received from such investments in the Subordinate Credit Facility Construction Fund shall be deposited, as received, into the Subordinate Credit Facility Construction Fund, and if applicable to a tax-exempt Advance, the appropriate account therein.

Any amounts remaining in the Subordinate Credit Facility Construction Fund and not necessary for the payment of Project Costs shall be used for the repayment of Advances and/or payment of such Subordinate Credit Facility Notes as may be designated by the Administrator. In the event no Subordinate Credit Facility Notes are Outstanding and there are no Outstanding Advances, any amounts in the Subordinate Credit Facility Construction Fund not anticipated to be needed to pay Project Costs may be expended by the City for any lawful purpose with respect to the Electric System.

Section 4.04. Subordinate Credit Facility Operating Fund. There is hereby established with the City a separate account designated as the “Subordinate Credit Facility Operating Fund,” which the City shall maintain and hold in trust as herein provided. The Administrator may direct the establishment therein of accounts and sub-accounts. Moneys deposited in the Subordinate Credit Facility Operating Fund shall remain therein until from time to time expended to pay the Working Capital Costs for which the Advance was made, and shall not be used for any other purposes, except as otherwise provided below. Pending such expenditure moneys in said fund may be invested at the direction of the Administrator in such investments as are authorized investments for funds of the City at the time of investment thereof. Any income received from such investments in the Subordinate Credit Facility Operating Fund shall be deposited, as received, into the Subordinate Credit Facility Operating Fund.

Any amounts remaining in the Subordinate Credit Facility Operating Fund and not necessary for the payment of Working Capital Costs shall be used for the repayment of

Advances and/or payment of Subordinate Credit Facility Note as may be designated by the Administrator. In the event no Subordinate Credit Facility Notes are Outstanding and there are no Outstanding Advances, any amounts in the Subordinate Credit Facility Operating Fund not anticipated to be needed to pay Working Capital Costs may be expended by the City for any lawful purpose with respect to the Electric System.

Section 4.05. Pledge; Payments. Amounts due under each Subordinate Credit Facility and related Subordinate Credit Facility Notes (collectively, “Subordinate Credit Facility Obligations”) are special obligations of the City payable from and secured solely by the funds and revenues pledged therefor pursuant to this 2023 Subordinate Credit Facility Ordinance. To provide security for the payment of the Subordinate Credit Facility Obligations as the same shall become due and payable, there is hereby granted a lien and pledge of the Net Revenues, subject to the prior liens of the Bond Ordinance, the Short-Term Note Ordinance and the Senior Credit Facility Ordinance permitting the application thereof for purposes and on the terms and conditions set forth therein, and any Subordinate Credit Facility Obligations incurred pursuant to this 2023 Subordinate Credit Facility Ordinance shall be Subordinated Indebtedness with respect to the Bond Ordinance, Short-Term Note Ordinance and Senior Credit Facility Ordinance. The Subordinate Credit Facility Obligations are payable solely from the Net Revenues and are junior and subordinate with respect to the prior payment of principal and interest from the Net Revenues and in all other respects to the Bonds and Parity Obligations issued pursuant to the Bond Ordinance, obligations issued pursuant to and/or outstanding under the Short-Term Note Ordinance (“CP Notes”), and obligations issued pursuant to and/or outstanding under the Senior Credit Facility Ordinance (“Senior Credit Facility Notes”), and, in the event of any default in the payment of either principal of or interest on any of the Bonds, Parity Obligations, CP Notes or Senior Credit Facility Notes, all of the Net Revenues will be applied solely to the payment of the principal of and interest on the Bonds, Parity Obligations, CP Notes and Senior Credit Facility Notes until such default is cured. No Subordinate Credit Facility Notes shall have any priority with respect to the payment of principal or interest from the Net Revenues or otherwise over any other Subordinate Credit Facility Note issued in accordance with the provisions of this 2023 Subordinate Credit Facility Ordinance.

To provide security for the payment of Subordinate Credit Facility Obligations as the same shall become due and payable, in addition to the subordinate lien on Net Revenues created hereby there is hereby granted a lien on and pledge of, subject only to the provisions hereof permitting the application thereof for purposes and on the terms and conditions set forth herein, (a) the proceeds from Advances made pursuant to a Subordinate Credit Facility for the purpose of refinancing, renewing or refunding Subordinate Credit Facility Notes, (b) the amounts held in the funds and accounts created hereunder for payment of Subordinate Credit Facility Obligations, if any, (c) amounts held in the Subordinate Credit Facility Construction Fund derived from the proceeds of Advances, (d) amounts held in the Subordinate Credit Facility Operating Fund derived from the proceeds of Advances, (e) the proceeds of any other evidences of indebtedness of the City issued or incurred solely for the payment of principal of and interest on Subordinate Credit Facility Notes, and (f) any other moneys of the City hereafter pledged by the City to the payment of principal of and interest on Subordinate Credit Facility Notes; and the principal of and interest on such Subordinate Credit Facility Notes shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of the sources hereinabove

identified in clauses (a) through (f) above, subject and subordinate only to the exceptions noted therein.

Section 4.06. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts held by the City and established pursuant to this 2023 Subordinate Credit Facility Ordinance shall be invested solely in such investments (a) as are authorized investments for funds of the City at the time of investment thereof and (b) that conform to the investment policy established from time to time by the Board maturing or available not later than the date on which it is estimated that such moneys will be required by the City.

The City may commingle any of the accounts established pursuant to this 2023 Subordinate Credit Facility Ordinance and any other funds or accounts of the City into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the City hereunder shall be accounted for separately as required by this 2023 Subordinate Credit Facility Ordinance. The City may sell at the best price obtainable, or present for redemption, any investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment is credited.

The City shall keep proper books of record and accounts containing complete and correct entries of all transactions made by each, respectively, relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Subordinate Credit Facilities, including moneys derived from, pledged to, or to be used to make payments on the Subordinate Credit Facility Obligations. Such records shall specify the account to which each investment (or portion thereof) held by the City is to be allocated and shall set forth, in the case of each investment, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity.

Section 4.07. Additional Funds and Accounts. The Administrator is hereby authorized to establish such additional funds and accounts as may be necessary, desirable or advisable in connection with the Subordinate Credit Facilities, including, without limitation, a fund or account for any rebate to the United States of America which may be required under the Code with respect to the Subordinate Credit Facilities.

ARTICLE V

COVENANTS OF THE CITY

Section 5.01. Covenants. The City covenants with the Credit Facility Providers as set forth in this Article V. Each of said covenants shall remain in full force and effect so long as any of the Subordinate Credit Facility Notes shall be outstanding and unpaid or any Subordinate Credit Facility remains in force and effect.

Section 5.02. Punctual Payment. The City covenants that it will duly and punctually pay or cause to be paid the Subordinate Credit Facility Obligations, including the principal of

and interest on every Subordinate Credit Facility Note issued hereunder, on the date, at the place and in the manner mentioned in the Subordinate Credit Facility Notes, Subordinate Credit Facility and each in accordance with this 2023 Subordinate Credit Facility Ordinance, all in strict conformity with the terms of said Subordinate Credit Facility Notes, the related Subordinate Credit Facility and of this 2023 Subordinate Credit Facility Ordinance, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this 2023 Subordinate Credit Facility Ordinance and all ordinances supplemental hereto and of the Subordinate Credit Facility Notes issued hereunder and the Subordinate Credit Facilities entered into pursuant hereto, and that time of such payment and performance is of the essence of the City's contracts with the Credit Facility Providers.

Section 5.03. Records and Accounts. The City covenants that it shall keep proper books of record and account.

The City further covenants that it will cause its books and accounts to be audited annually by an independent certified public accountant or firm of certified public accountants.

Section 5.04. Rates, Fees and Charges.

(a) The City shall establish, maintain, revise and collect charges and rates for so long as any Subordinate Credit Facility or Subordinate Credit Facility Note is Outstanding at least sufficient to provide for all costs associated with the ownership, operation, maintenance, renewal and replacement of the Electric System, the payment of the principal of and interest on all indebtedness (including the Subordinate Credit Facility Obligations incurred with respect to the Electric System) to maintain such coverage for the payment of such indebtedness as the City from time to time may deem advisable, to maintain such other reserves as may be provided in the Bond Ordinance, the Short-Term Note Ordinance, the Senior Credit Facility Ordinance and this 2023 Subordinate Credit Facility Ordinance and to carry out all provisions of the Bond Ordinance, the Short-Term Note Ordinance, the Senior Credit Facility Ordinance and this 2023 Subordinate Credit Facility Ordinance. Without limiting the generality of the foregoing, the charges and rates shall be so as to produce Revenues, together with other available funds, at least sufficient:

(i) to pay all Operation and Maintenance Expenses;

(ii) to produce Net Revenues equal to an amount sufficient to pay the annual debt service due and payable in such Fiscal Year of the then Outstanding Bonds, CP Notes, Parity Obligations, Senior Credit Facility Notes and Subordinate Credit Facility Obligations, which are payable from and secured by the Net Revenues of the Electric System; and

(iii) to pay, after deducting the amounts determined in (i) and (ii) above, all other financial obligations of the Electric System reasonably anticipated to be paid from Revenues.

(b) The Board will enforce the payment of any and all accounts owing to the City by reason of the ownership and operation of the Electric System by discontinuing

such use, output, capacity, or service, or by taking such action as the Board shall determine in accordance with usual and customary business practice.

Section 5.05. Absolute Obligation of City. Nothing in this 2023 Subordinate Credit Facility Ordinance or in the Subordinate Credit Facilities or Subordinate Credit Facility Notes shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the Credit Facility Obligations to the respective Credit Facility Providers, as herein provided, but only out of the Net Revenues and other assets herein pledged therefor, and not otherwise, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Subordinate Credit Facility Notes.

ARTICLE VI

MODIFICATION OR AMENDMENT OF THIS 2023 SUBORDINATE CREDIT FACILITY ORDINANCE

Section 6.01. Amendments or Modifications Without Consent of Holders of Subordinate Credit Facility Notes. This 2023 Subordinate Credit Facility Ordinance and the rights and obligations of the City and of the Credit Facility Providers may be modified or amended at any time by a Supplemental Ordinance, without notice to or the consent of the Credit Facility Providers, but only to the extent permitted by law, and, subject to the rights of the Credit Facility Providers, only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the City contained in this 2023 Subordinate Credit Facility Ordinance other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City; or

(b) to cure any ambiguity, or to cure or correct any defective provisions contained in this 2023 Subordinate Credit Facility Ordinance, upon receipt by the City of an approving opinion of Bond Counsel selected by the Board, that the same is needed for such purpose, and will more clearly express the intent of this 2023 Subordinate Credit Facility Ordinance; or

(c) to supplement the security for the Subordinate Credit Facility Obligations, or make such other changes in the provisions hereof as the Board and the City may deem necessary or desirable and which shall not materially adversely affect the interests of the Credit Facility Providers; or

(d) to increase the aggregate principal amount of Subordinate Credit Facilities and Subordinate Credit Facility Notes which may be Outstanding from time to time under this 2023 Subordinate Credit Facility Ordinance; or

(e) to provide for any modification or amendment to this 2023 Subordinate Credit Facility Ordinance which will apply only to the Subordinate Credit Facilities and related Subordinate Credit Facility Notes issued after the effective date of such modification or amendment; provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this 2023

Subordinate Credit Facility Ordinance or of the Subordinate Credit Facility Notes so as to:

- (i) reduce the rate of interest borne by any of the Outstanding Subordinate Credit Facility Notes;
- (ii) reduce the amount of the principal payable on any of the Outstanding Subordinate Credit Facility Notes;
- (iii) modify the terms of payment of principal of or interest on the Outstanding Subordinate Credit Facility Notes, or impose any conditions with respect to such payment; or
- (iv) reduce or restrict the pledge made pursuant to Section 4.05 hereof for payment of the Subordinate Credit Facility Obligations unless otherwise provided in such Subordinate Credit Facility.

Section 6.02. Effect of Supplemental Ordinance. Upon the adoption of any Supplemental Ordinance pursuant to this Article, this 2023 Subordinate Credit Facility Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this 2023 Subordinate Credit Facility Ordinance of the City and all Credit Facility Providers shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Ordinance shall be deemed to be part of the terms and conditions of this 2023 Subordinate Credit Facility Ordinance for any and all purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Liability of City Limited to Net Revenues. Notwithstanding anything contained in this 2023 Subordinate Credit Facility Ordinance or in the Subordinate Credit Facilities or Subordinate Credit Facility Notes, the City shall not be required to advance any moneys derived from any source other than the funds and other assets pledged under this 2023 Subordinate Credit Facility Ordinance for any of the purposes mentioned in this 2023 Subordinate Credit Facility Ordinance, whether for the payment of the principal of or interest on the Subordinate Credit Facility Notes or for any other purpose of this 2023 Subordinate Credit Facility Ordinance. Nevertheless, the City may, but shall not be required to, advance for any of the purposes hereof any funds of the City which may be made available to it for such purposes.

Section 7.02. Limitation of Rights to City and Credit Facility Providers. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this 2023 Subordinate Credit Facility Ordinance or the Subordinate Credit Facility Notes is intended or should be construed to confer upon or give to any Person other than the City, the Holders of the Subordinate Credit Facility Notes and each Credit Facility Provider, any legal or equitable right, remedy or claim under or by reason of or in respect to this 2023 Subordinate Credit Facility Ordinance or any covenant, condition, stipulations, promise, agreement or provisions herein contained. This 2023 Subordinate Credit

Facility Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders of the Subordinate Credit Facility Notes and the Credit Facility Providers as herein and therein provided.

Section 7.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Subordinate Credit Facilities entered into pursuant hereto or Subordinate Credit Facility Notes issued hereunder.

Section 7.04. Funds and Accounts. Any fund required by this 2023 Subordinate Credit Facility Ordinance to be established and maintained by the City may be established and maintained in the accounting records of the City either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account, but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, for the protection of the security of the Credit Facility Providers.

Section 7.05. 2023 Subordinate Credit Facility Ordinance To Constitute a Contract; Equal Security. In consideration of the delivery of each Subordinate Credit Facility, this 2023 Subordinate Credit Facility Ordinance shall be deemed to be and shall constitute a contract between the City and the Credit Facility Providers from time to time and the pledge made in this 2023 Subordinate Credit Facility Ordinance by the City and the covenants and agreements set forth in this 2023 Subordinate Credit Facility Ordinance to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Credit Facility Providers, without preference, priority or distinction as to security or otherwise of any of the Subordinate Credit Facilities and Subordinate Credit Facility Notes authorized hereunder over any of the others by reason of time of issuance or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this 2023 Subordinate Credit Facility Ordinance.

Section 7.06. Article and Section Headings and References; Interpretation. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this 2023 Subordinate Credit Facility Ordinance.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this 2023 Subordinate Credit Facility Ordinance; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this 2023 Subordinate Credit Facility Ordinance as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender mean and include words of the feminine and neuter genders.

Section 7.07. Waiver of Personal Liability. No Mayor, Council member, Board member, officer, agent or employee of the City or the Board shall be individually or personally liable for the payment of the Subordinate Credit Facility Obligations or be subject to any personal liability or accountability by reason of the execution of any Subordinate Credit Facility or the delivery of the Subordinate Credit Facility Notes, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this 2023 Subordinate Credit Facility Ordinance. No Mayor, Council member, Board member, officer, agent or employee of the City or the Board shall be deemed to be included, as an individual, in the definition of Person when acting in their official capacity.

Section 7.08. Governing Law. This 2023 Subordinate Credit Facility Ordinance shall be construed in accordance with and governed by the Constitution and the laws of the State.

Section 7.09. Authorization of Officers and Officials. Each officer, agent, employee or elected official of the City or the Board is hereby authorized and directed to execute and deliver such documents, agreements or certificates as are necessary or appropriate, in the judgment of such person, to implement the provisions hereof or to further the purposes hereof.

Section 7.10. Publication and Effectiveness of 2023 Subordinate Credit Facility Ordinance. This 2023 Subordinate Credit Facility Ordinance, after its passage, shall in lieu of and in place of newspaper publication, be posted by the City Clerk in the manner provided for in Article VII, Section 7 of the Charter of the City, and shall take effect and be in force from and after its passage and posting in accordance with Article VII, Section 7 of the Charter of the City. Further, the City Clerk shall publish once, in a newspaper published and of general circulation in the City, a notice of such passage in substantially the following form:

Notice is hereby given that on _____, 2023, the City Council of the City of Lincoln, Nebraska passed Ordinance No. _____ entitled: [here shall be set forth the title of this Ordinance].

Notice is hereby further given that said Ordinance No. _____ was approved by the Mayor of the City of Lincoln, Nebraska, on _____.

Copies of said Ordinance No. _____ are on file in the office of the City Clerk of the City of Lincoln, Nebraska, Room ____, County-City Building, 555 South 10th Street, Lincoln, Nebraska 68508, and are available for examination by the public.

ORDINANCE NO. _____

AN ORDINANCE Authorizing and providing for the issuance of Electric System Subordinate Credit Facility Revenue Notes in an aggregate principal amount of not to exceed \$50,000,000 from time to time outstanding.

Read First Time _____
Read Second Time _____
Read Third Time _____
Passed _____
Published in _____
on _____

CERTIFICATE

State of Nebraska)
) ss.
County of Lancaster)

I, the undersigned, City Clerk of the City of Lincoln, Nebraska, do hereby certify that the within ordinance is the original Ordinance No. _____ as passed by the City Council of said City, as indicated above, and as approved by the Mayor of said City and as the same appears of record in my office and is now in my charge remaining as City Clerk aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of the City of Lincoln, Nebraska this _____ day of _____, 20__.

City Clerk of Lincoln, Nebraska

CREDIT AND SECURITY
AGREEMENT BY AND BETWEEN
THE CITY OF LINCOLN,
NEBRASKA,
LINCOLN ELECTRIC SYSTEM
AND
UNION BANK AND TRUST
COMPANY

Dated as of: July _____, 2023

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This CREDIT AND SECURITY AGREEMENT (this "Agreement"), is made and entered into effective as of the _____ day of July, 2023, by and among THE CITY OF LINCOLN, NEBRASKA (the "City"), LINCOLN ELECTRIC SYSTEM ("LES" and together with the City, the "Borrower") and UNION BANK AND TRUST COMPANY, a Nebraska banking corporation (the "Lender").

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural form of the terms defined):

Advance: As defined in Section 2.01.

Affiliate or Affiliates: Any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; provided that, in any event for purposes of this definition, any Person that owns, directly or indirectly, 10% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation (other than a publicly traded corporation) or 10% or more of the partnership or other ownership interest of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

Agreement: This Credit and Security Agreement, dated as of July _____, 2023, as amended, modified, supplemented or restated from time to time.

Applicable Authority: Means the SOFR Administrator or any Governmental Authority having jurisdiction over the Lender or the SOFR Administrator with respect to its publication of SOFR, in each case acting in such capacity.

Bank of America Debt: Means the revolving loan made by Bank of America to Borrower in the maximum principal amount of \$50,000,000.00, which debt is senior in priority to the Obligations under this Agreement but subordinate to any Senior Bond Debt and any Senior Note Debt.

Base Rate: Means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus one-half of one percent (0.50%), and (b) the rate of interest in effect for such day as publicly announced from time to time as the

highest U.S. Prime Rate published in the Wall Street Journal; provided, that, if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

Bond Ordinance: means Ordinance No. 17879 of the City as the same may be amended and supplemented from time to time pursuant to the terms thereof.

Borrower's Account: The account designated by the Borrower for the Lender to make Advances to pursuant to Section 2.01 hereof. As of the date hereof, the Borrower's Account shall be account no. _____ established by the Borrower with the Lender.

Business Day: Any day of the year other than a Saturday, Sunday or any other day on which banks are generally not open for business in Omaha, Nebraska, or if the applicable Business Day relates to determining the SOFR Rate, any day on which commercial banks in New York are authorized or required by law to close.

Change in Law: The occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof or (c) the making or issuance of any request, rule, guideline, interpretation, or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Closing Date: July ____, 2023.

Code: The Internal Revenue Code of 1986, as amended.

Collateral: The collateral pledged by the Borrower in Section 6.01.

Conforming Changes: Means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate, as applicable, any conforming changes to the definitions of "Base Rate" and SOFR, and timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the reasonable discretion of the Lender, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender reasonably determines that adoption of any portion of such market practice is not administratively feasible, in such other manner of administration as the Lender determines is reasonably necessary in connection with

the administration of this Agreement and any other Loan Document).

Credit Facility: The credit facility for making the Loan pursuant to Article II hereof.

Credit Facility Ordinance: Means the City's Ordinance No. 20123 as the same may be amended and supplemented from time to time in accordance with the terms thereof.

Daily Simple SOFR Rate: Means for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day "SOFR Determination Date") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

Days: Means calendar days and includes Saturdays, Sundays, and holidays.

Debt: Means, with respect to any Person, all items that would be classified as a liability in accordance with GAAP, including, without limitation or duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), and which are not subject to appropriation, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, so long as such Debt is assumed by such Person, (vi) all Debt of others guaranteed by such Person, (v) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans, (vi) obligations issued for the account of any other Person, (vii) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, and (viii) obligations of such Person under Hedge Agreements..

Default: Any event or condition, the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

Default Period: A period of time in which an Event of Default has occurred and is continuing.

Default Rate: An annual rate equal to [] percent (___) per annum over the rate or rates of interest otherwise payable hereunder.

Effective Date: The date on which the conditions specified in Section 3.01 shall have been satisfied.

Environmental Laws: Any federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health and the environment.

Event of Default: As defined in Section 8.01.

Fiscal Year: Means the period of twelve (12) consecutive calendar months ending on December 31st of each year, for which financial statements of the respective entity have been examined by its independent Certified Public Accountant.

Fitch: Means Fitch Ratings, Inc., and any successor rating agency.

Funding Date: As defined in Section 2.01.

Funds Transfer and Deposit Account Liability: The liability of the Borrower owing to the Lender, or any Affiliates of the Lender, arising out of (a) the execution or processing of electronic transfers of funds by automatic clearing house transfer, wire transfer or otherwise to or from deposit accounts of the Borrower now or hereafter maintained with the Lender or its Affiliates, (b) the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, and (c) any other deposit, disbursement, and cash management services afforded to the Borrower by the Lender or its Affiliates.

GAAP: Generally accepted accounting principles as in effect in the United States, consistently applied, as of the date of such application.

Governmental Authority: The United States of America, any state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions thereof or pertaining thereto.

Hazardous Substances: Pollutants, contaminants, hazardous substances, hazardous wastes, petroleum and fractions thereof, and all other chemicals, wastes, substances and materials listed in, regulated by or identified in any Environmental Law and which are in excess of permitted limits under such applicable Environmental Law.

Hedge Agreement: Means any rate or basis swap, forward rate transaction, commodity swap or option equity or equity index swap or option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency or cross currency swap or option, total return swap, credit default swap or any other similar transaction (including any option) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or

measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions. The term ‘Hedge Agreement’ expressly excludes agreements entered into by the City or LES to hedge the price of natural gas, electricity or any other commodity used by LES in the generation of electricity.

Hedging Liability: The liability of the Borrower to the Lender, or any Affiliates of the Lender, in respect of any interest rate, foreign currency, and/or commodity swap, exchange, cap, collar, floor, forward, future or option agreement, or any other similar interest rate, currency or commodity hedging arrangement, as the Borrower, as the case may be, may from time to time enter into with the Lender or its Affiliates.

Income Taxes: Any federal, state, local or foreign taxes based upon, measured by, or imposed upon gross or net income, gross or net receipts, capital, net worth, or the privilege of doing business, and any minimum taxes or withholding taxes based upon any of the foregoing, including any penalties, interest or additions to tax imposed with respect thereto.

Laws: Collectively, all international, foreign, federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

Letters of Credit: Means the Letters of Credit issued pursuant to this Agreement, and the term ‘Letter of Credit’ means any one of them or each of them singularly, as the context may require.

Lien: Any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any real property or personal property.

Loan: The revolving loan of even date herewith in the form attached hereto as Exhibit ‘A’, made by the Lender to the Borrower in the maximum principal amount of \$50,000,000.00 pursuant to Section 2.01 hereof.

Loan Documents: This Agreement, the Note, and any other document related to the financing transactions contemplated hereby.

Material Adverse Effect: Any act, omission, situation, circumstance, event or undertaking which would, singly or in any combination with one or more other acts, omissions, situations, circumstances, events or undertakings have, or reasonably be expected to have, a material adverse effect upon (a) the business, assets, properties, liabilities, financial condition and results of operations of Borrower taken as a whole, (b) the value of the Collateral, (c) the Security Interest or the priority of the Security Interest, (d) the respective ability of the Borrower to perform their obligations under the

Loan Documents to which it is a party, or (e) the legality, validity, binding effect, enforceability or admissibility into evidence of any Loan Document or the ability of the Lender to enforce any rights or remedies under or in connection with any Loan Documents.

Maturity Date: August ____, 2026

Maximum Line: \$50,000,000.00.

Net Revenues: Has the meaning set forth in the Bond Ordinance.

Note: The revolving note of even date herewith, which evidences the Borrower's Obligations to repay advances under the Loan.

Note Ordinance: Means the City's Ordinance No. 18584 as amended and supplemented from time to time in accordance with the terms thereof.

Obligations: Means all amounts payable by the Borrower, and all other obligations to be performed by the Borrower, pursuant to the Note, this Agreement and any other Loan Documents, including any Hedge Agreement, as the same may be extended, modified or supplemented from time to time.

Obligor Rating: Means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each Rating Agency to LES' Senior Bond Debt secured or payable from Net Revenues.

Pension Plan: Means any "employee pension benefit plan" which is (a) maintained by LES or (b) maintained by any other Person and to which LES contributes (or permits any other Person to contribute) or has an obligation to contribute, or has made contributions at any time during the immediately preceding six (6) plan years.

Person: An individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, Governmental Authority or any other entity of whatever nature.

Proceeds: With respect to any Collateral, whatever is receivable or received when such Collateral is sold, collected, liquidated, foreclosed, exchanged or otherwise disposed of (including any interest or finance charges), whether such disposition is voluntary or involuntary, including all rights to payment with respect to any insurance relating to the Collateral.

Property: Means with respect to any Person, all real property and personal property of such Person tangible or intangible, wherever located, in which such Person shall have any right, title or interest.

Rating Agency: Means S & P, Moody's Investors Service, Inc., Fitch, Inc., or

any successors thereto or additional rating agencies.

Records: All certificates, instruments and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, data processing software and related property and rights) prepared and maintained by the Borrower.

Relevant Rate: Means the Daily Simple SOFR Rate and if the Daily Simple SOFR Rate is no longer used to determine the interest rate on the Loan, the SOFR Successor Rate, and if any SOFR Successor Rate is no longer used to determine the interest rate on the Loan, any other interest rate index then used to determine the interest rate on the Loan.

Representations and Warranties: As defined in **Section 4.01**.

Revenues: Has the meaning set forth in the Bond Ordinance.

Risk Based Capital Guidelines: Means (i) the risk based capital guidelines in effect in the United States of America on the Closing Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

S & P: Means S&P Global Ratings, a Standard & Poor's Financial Services LLC business and any successor rating agency.

Secured Parties: Means (a) the Lender, and (b) each Affiliate of the Lender to which Borrower is obligated in respect of the Loan, any Hedging Liability and/or Funds Transfer and Deposit Account Liability.

Security Documents: This Agreement and any other documents delivered to the Lender from the Borrower from time to time to secure the Obligations, as the same may hereafter be amended, supplemented, or restated from time to time.

Security Interest: The security interest granted by the Borrower to the Secured Parties pursuant to **Section 6.01**.

Senior Bond Debt: Means any Debt of the Borrower issued pursuant to the Bond Ordinance, which Debt is senior in priority to Senior Note Debt, the Bank of America Debt, and the Obligations under this Agreement.

Senior Note Debt: Means any Debt of the Borrower issued pursuant to the Note Ordinance, which Debt is senior in priority to the Bank of America Debt and the Obligations under this Agreement but subordinate to any Senior Bond Debt.

Scheduled Unavailability Date: Has the meaning set forth in Section 2.04.

SOFR: Means a rate equal to the secured overnight financing rate as

administered by the SOFR Administrator.

SOFR Administrator: Means the Federal Reserve Bank of New York (or successor administrator of the secured overnight financing rate).

SOFR Administrator's Website: Means the Federal Reserve Bank of New York's website currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

SOFR Determination Date: Has the meaning specified in the definition of "Daily Simple SOFR Rate".

SOFR Rate Date: Has the meaning specified in the definition of "Daily Simple SOFR Rate".

SOFR Scheduled Unavailability Date: Has the meaning set forth in Section 2.04.

SOFR Successor Rate: Has the meaning set forth in Section 2.04.

Subordinate Credit Facility Ordinance: Means the City's Ordinance No. _____ as amended and supplemented from time to time in accordance with the terms hereof and thereof.

Successor Rate: Has the meaning set forth in Section 2.04.

Termination Date: The earliest of (a) the Maturity Date, (b) the date on which the Borrower terminates the Credit Facility (which the Borrower may do at any time upon notice to the Lender), or (c) the date so designated by the Lender pursuant to Section 7.01 as a result of an Event of Default.

Total Outstanding: At no time shall the Borrower permit the aggregate principal amount of the Loan, outstanding, together with the available amount of Letters of Credit, to exceed the Maximum Line.

UCC: The Uniform Commercial Code as in effect from time to time in the specified jurisdiction.

Unamortized: Has the meaning determined in accordance with GAAP.

U.S. Dollars: The lawful currency of the United States of America.

U.S. Government Securities Business Day: Means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for

business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

Section 1.02 Interpretation. Except as otherwise indicated, all agreements defined in this Agreement refer to the same as from time to time amended or supplemented or as the terms of such agreements are waived or modified in accordance with their terms.

ARTICLE II

ADVANCES

Section 2.01 Advances. Subject to the terms and conditions hereof, the Lender agrees to make advances (each an "Advance," and collectively, the "Advances") in U.S. Dollars to the Borrower from time to time from the date all of the conditions set forth in Section 3.01 hereof are satisfied (the "Funding Date"), on a revolving basis up to amount of the Maximum Line, subject to any reductions thereof pursuant to the terms hereof to the Termination Date. The sum of the aggregate principal amount of Advances at any time outstanding, together with the available amount of Letters of Credit, shall not exceed the Maximum Line. No Advances shall be made in an amount less than \$100,000.00, or multiples thereof. The Borrower's obligation to pay the Advances shall be evidenced by the Note. Advances under the Loan may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof. The Note shall be due and payable in full on the Termination Date. The Borrower agrees to comply with the following procedures in requesting Advances under this Section:

(a) Notice to the Lender. Unless otherwise approved by the Lender, the Borrower shall make each request for an Advance to the Lender before 1:00 p.m. (Lincoln time) at least two (2) Business Days prior to the requested Advance. Requests shall be made in writing, specifying the date of the requested Advance and the amount thereof. Each request shall be by (i) an authorized officer of LES, or (ii) any person designated as LES's agent by an authorized officer of LES in a writing delivered to the Lender. Any request for an Advance shall be deemed to be a representation by the Borrower that the conditions set forth in Section 3.02 hereof have been satisfied as of the time of the request.

(b) Disbursement of Loan. Upon the Borrower's fulfillment of the applicable conditions set forth in Article III hereof, not later than 1:00 p.m. (Lincoln time) on the date of any requested Advance, the Lender shall disburse the proceeds of the requested Advance by depositing or wire transferring such proceeds to the credit of the Borrower's Account or as the Borrower and the Lender may otherwise agree.

Section 2.02 Interest; Default Interest; Usury. Interest shall accrue on the Note as set forth below:

(a) Interest. The outstanding principal balance of the Note shall bear interest

at a rate per annum equal to the Daily Simple SOFR Rate, plus []%, as the same may change from time to time, provided, however, the interest rate shall never be less than []% per annum (the "Interest Rate").

(b) Default Interest Rate. At any time during any Default Period, in the Lender's sole discretion and without waiving any of its other rights and remedies, the principal of the Note outstanding from time to time shall bear interest at the Default Rate, effective for any periods designated by the Lender from time to time during that Default Period.

(c) Usury. In any event no rate change shall be put into effect which would result in a rate greater than the highest rate permitted by law.

Section 2.03 Interest Calculation Method. Interest on the Note shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 Days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Note shall be computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated herein.

Section 2.04 Inability to Determine Rates.

(a) If in connection with any Advance or a continuation of any such Advances, as applicable, (i) the Lender determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate for the Relevant Rate has been determined in accordance with Section 2.04(b) or Section 2.04(c) and the circumstances under clause (i) of Section 2.04(b) or of Section 2.04(c) or the Scheduled Unavailability Date, or the SOFR Scheduled Unavailability Date, has occurred with respect to such Relevant Rate (as applicable) or (B) adequate and reasonable means do not otherwise exist for determining the Relevant Rate for any determination date(s) with respect to a proposed Advance or (ii) the Lender determines in its reasonable discretion that the Relevant Rate with respect to a proposed Advance or determination date(s) does not adequately and fairly reflect the cost to the Lender of funding such Advance, the Lender will promptly so notify the Borrower. Upon receipt of such notice, (i) the Borrower may revoke any pending request for an Advance to the extent of the affected determination date(s), or, failing that, the Borrower will be deemed to have converted any such request for an Advance into an Advance accruing at the Base Rate in the amount specified therein and (ii) any outstanding Advances shall be deemed to have been converted to Loans at the Base Rate immediately, until such time as a Successor Rate is implemented pursuant to this Section 2.04.

(b) Replacement of SOFR or SOFR Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Lender determines (which determination shall be conclusive absent manifest error), or the Borrower notifies the Lender that the Borrower has determined, that:

(i) adequate and reasonable means do not exist for ascertaining SOFR because SOFR is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the Applicable Authority has made a public statement identifying a specific date after which SOFR shall or will no longer be made available, or permitted to be used for determining the interest rate of bilateral loans denominated in Dollars, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Lender (in its reasonable determination), that will continue to provide SOFR (the date on which SOFR is no longer available permanently or indefinitely, the “SOFR Scheduled Unavailability Date”);

or if the events or circumstances of the type described in Section 2.04(c)(i) or (ii) have occurred with respect to the SOFR Successor Rate then in effect, then, the Lender and the Borrower may amend this Agreement solely for the purpose of replacing SOFR for Dollars or any then current SOFR Successor Rate for Dollars in accordance with this Section 2.04 with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar bilateral credit facilities in the U.S. and denominated in Dollars for such alternative benchmarks, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar bilateral credit facilities in the U.S. and denominated in Dollars for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Lender from time to time in its reasonable discretion and may be periodically updated (any such proposed rate, including for the avoidance of doubt, any adjustment thereto, a “SOFR Successor Rate”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Lender shall have posted such proposed amendment to the Borrower.

(c) Replacement of Relevant Rate or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Security Documents, if the Lender determines (which determination shall be conclusive absent manifest error), or the Borrower notifies the Lender that the Borrower has determined that:

(i) adequate and reasonable means do not exist for ascertaining the Relevant Rate (other than SOFR) because none of the tenors of such Relevant Rate (other than SOFR) under this Agreement is available or published on a current basis, and such circumstances are unlikely to be temporary; or

(ii) the Applicable Authority has made a public statement identifying a specific date after which all tenors of the Relevant Rate (other than SOFR) under this Agreement shall or will no longer be representative or made available, or shall or will otherwise cease, provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Lender (in its reasonable determination) that will continue to provide such representative tenor(s) of the Relevant Rate (other than SOFR) (the latest date on which all tenors of the Relevant Rate under this Agreement are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

or if the events or circumstances of the type described in Section 2.04(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then, the Lender and the Borrower may amend this Agreement solely for the purpose of replacing the Relevant Rate for any then current Successor Rate

in accordance with this Section 2.04 with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities in the U.S. for such alternative benchmarks, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities loaned in the U.S. for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Lender from time to time in its reasonable discretion and may be periodically updated (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, a “Non-SOFR Successor Rate,” and collectively with the SOFR Successor Rate, each a “Successor Rate”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Lender shall have posted such proposed amendment to the Borrower.

(d) Successor Rate. The Lender will promptly (in one or more notices) notify the Borrower of the implementation of any Successor Rate. Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Lender, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Lender. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0%, the Successor Rate will be deemed to be 0% for the purposes of this Agreement and the other Security Documents.

In connection with the implementation of a Successor Rate, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Security Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Lender shall provide each such amendment implementing such Conforming Changes to the Borrower reasonably promptly after such amendment becomes effective.

Section 2.05 Voluntary Prepayment. The Borrower may prepay the Note in whole or in part at any time or from time to time without penalty or premium.

Section 2.06 Principal and Interest Payments. Accrued interest on the Note shall be due and payable monthly on the first (1st) day of each calendar month commencing on June 1, 2023, and continuing on the first (1st) day of each calendar month thereafter until the Note is paid in full. The full amount of principal plus accrued interest on the Note shall be due and payable on the Termination Date.

Section 2.07 Commitment Fees. The Borrower shall pay the Lender an annual unused fee of \$[] (the “Commitment Fee”), to be prepaid for all three (3) years of the Loan (for a total of \$[]) on the Closing Date.

Section 2.08 Payments. All payments to the Lender shall be made in immediately available funds and shall be applied to the Obligations upon receipt by the Lender. The Lender may hold all payments not constituting immediately available funds for one (1) additional day before applying them to the Obligations. In order to ensure timely payment to the Lender of principal, accrued interest, fees and charges owing under the Note, the Borrower hereby irrevocably authorizes the Lender to debit any demand

deposit account (except for funds held pursuant to the Bond Ordinance, the Credit Facility Ordinance or the Note Ordinance) which LES has with the Lender for payment when due of such amounts payable to the Lender.

Section 2.09 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest on the Advances or the fees hereunder, as the case may be.

Section 2.10 Use of Proceeds. The Borrower shall use the proceeds of the Note for valid corporate purposes.

Section 2.11 Liability Records. The Lender may maintain from time to time, at its discretion, liability records as to the Obligations. All entries made on any such record shall be presumed correct until the Borrower establishes the contrary. Upon the Lender's demand, the Borrower will admit and certify in writing the exact principal balance of the Obligations that the Borrower then asserts to be outstanding. Any billing statement or accounting rendered by the Lender shall be conclusive and fully binding on the Borrower unless the Borrower gives the Lender specific written notice of exception within sixty (60) Days after receipt.

Section 2.12 Automatic Payments. The Borrower hereby authorizes the Lender automatically to deduct from the Borrower's Account the amount of any payment due under the Note. If the funds in the Borrower's Account are insufficient to cover any payment, the Lender shall not be obligated to advance funds to cover the payment. At any time and for any reasons, the Lender may voluntarily terminate such automatic payments.

Section 2.13 Application of Payments. At the Lender's sole discretion all payments received by the Lender on account of the Borrower's liabilities under the Loan Documents shall be applied as follows: (a) first, to the reimbursement of any costs reasonably incurred by the Lender, written notice of which has previously been provided to the Borrower, to administer, enforce or collect the Loan; (b) second, to the payment of all accrued and unpaid interest owing under the Loan Documents; (c) third, to the payment of all unpaid fees and expenses owing under the Loan Documents; (d) fourth, to the payment of principal on the Loan; and (e) fifth, to the payment of all other unpaid Obligations and all other indebtedness, obligations and liabilities of the Borrower and any Affiliate secured by the Loan Documents. Upon an Event of Default, the Lender shall have the right to apply any such payments in such order and manner as the Lender may determine in its sole discretion.

Section 2.14 Letter of Credit Option. As an option hereunder the Lender agrees from time to time during the term hereof to issue or cause an Affiliate to issue one or more Letters of Credit for the account of Borrower, in the form to be approved by Lender;

provided, however, that the aggregate undrawn amount of all outstanding Letters of Credit shall not at any time exceed twenty-five million dollars (\$25,000,000.00). Borrower shall pay to Lender upon issuance of a Letter of Credit, a fee equal to [] basis points ([]%) multiplied by the principal amount of such Letter of Credit. Each Letter of Credit shall be issued for a term not to exceed twelve (12) months, as designated by Borrower; provided, however, that no Letter of Credit shall have an expiration date later than the Maturity Date. The undrawn amount of all Letters of Credit shall be reserved hereunder and shall not be available for borrowings hereunder. Each Letter of Credit shall be subject to the additional terms and conditions of the applications and any related documents required by Lender in connection with the issuance thereof. Each drawing paid under a Letter of Credit shall be reimbursed and repaid by the Borrower not later than five (5) Business Days following the date of such drawing (each, an “*Unreimbursed Drawing*”). Any Unreimbursed Drawing shall bear interest until payable as provided above at the Interest Rate, and thereafter at the Default Rate; provided that from and after the occurrence of an Event of Default, any Unreimbursed Drawings shall bear interest at the Default Rate.

ARTICLE III

CONDITIONS TO LENDING

Section 3.01 Conditions Precedent to Effectiveness of Agreement. The effectiveness of this Agreement is subject to the condition precedent that the Lender shall have received on or before the Effective Date the following, in form and substance satisfactory to the Lender:

- (a) This Agreement, properly executed by the Borrower.
- (b) The Note, properly executed by the Borrower.
- (c) Any other Loan Documents properly executed or delivered by the parties thereto.
- (d) A certificate by an officer of the Borrower certifying the names and signatures of persons authorized to sign, on behalf of the Borrower, the Loan Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.
- (e) An opinion of counsel to the City and an opinion of counsel to LES, addressed to the Lender.
- (f) A true and correct copy of the Subordinate Credit Facility Ordinance approving the execution, delivery and performance of this Agreement and the Loan Documents.

- (g) Payment of the reasonable fees and expenses of the Lender, including Lender's attorneys' fees, incurred in connection with the negotiation and preparation of the Loan Documents.
- (h) Such other documents as the Lender, in its reasonable discretion, may require.
- (i) Borrower agrees, in consideration of the execution of this Agreement by Lender, to pay to the Lender a non-refundable fee of \$75,000.00 on the date of this Agreement, which has been fully earned by the Lender.

Section 3.02 Conditions Precedent to All Advances. Each Advance (including the initial Advance) shall be subject to the further conditions precedent that on the date of an Advance:

- (a) The representations and warranties of the City and LES set forth in Article IV are true and correct on and as of such date, before and after giving effect to such Advance and to the application of the proceeds therefrom, as though made on and as of such date;
- (b) No event has occurred, or would result from such Advance, or from the application of the proceeds therefrom, which constitutes an Event of Default;
- (c) The City and LES are in compliance with each of its covenants set forth herein and each of the other Loan Documents to which it is a party;
- (d) The Termination Date shall not have occurred;
- (e) After giving effect to an Advance, the aggregate amount of all Advances outstanding would not exceed the Maximum Line;
- (f) No claim has been asserted or proceeding commenced challenging any of the Loan Documents;
- (g) There shall have been no event which would have a Material Adverse Effect on the Borrower since the preceding Funding Date;
- (h) Unless otherwise provided in this Agreement or approved by the Lender, the Borrower shall have made a request for funding in accordance with (and otherwise complied with the requirements of) Section 2.01; and
- (i) The Borrower shall have taken such other action, including delivery of approvals, consents, opinions, documents and instruments, as the Lender may reasonably request.

ARTICLE IV
REPRESENTATIONS AND
WARRANTIES

Section 4.01 Representations and Warranties of the Borrower. Each of the City and LES, as applicable, represents and warrants to the Lender as of the Closing Date, and as of each subsequent Funding Date as follows:

(a) The City is a city of the primary class and a political subdivision and body politic and corporate of the State organized and existing by virtue of the laws of the State of Nebraska and its Charter. LES is a municipal utility system organized and existing under the ordinances of the City and under the laws of the State of Nebraska. Each of the City and LES has the full legal right, power and authority to (A) own its properties and to carry on its business as now being conducted, (B) execute and deliver this Agreement and the Loan Documents, (C) perform all its obligations and liabilities under this Agreement and the Loan Documents, and (D) receive Advances, and otherwise incur Debt in accordance with this Agreement.

(b) Each of the Loan Documents to which the Borrower is a party has been duly executed and delivered by one or more duly authorized officers of the City and/or LES, as applicable and, assuming proper execution and delivery by the other parties thereto, is a legal, valid and binding obligation of the City and/or LES, as applicable, enforcement in accordance with their respective terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The execution, delivery and performance by the City and/or LES, as applicable, of this Agreement and the Loan Documents in accordance with their respective terms and conditions have been duly authorized by all necessary action on the part of each of the City and LES, and do not and will not (i) violate the authorizing legislation of either the City or LES, as amended, or any court order by which either is bound, (ii) conflict with, violate or contravene any provision of existing law or regulation, or any order or decree of any court, tribunal, governmental authority, bureau or agency, or (iii) conflict with, violate or cause a default or with the passage of time or the giving of notice or both cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the City or LES is a party or that is binding upon it or any of its properties; and no consent of any Person and no license, approval or authorization of, or notice to or registration, filing or declaration with, any governmental authority, bureau or agency is required in connection with the

execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents or for LES to receive Advances or otherwise incur indebtedness in accordance with this Agreement or, if required, the same has been obtained and is in full force and effect and true and complete copies thereof have been delivered to the Lender. Each of the City and LES is in compliance with all Laws, except for noncompliance that, singly or in the aggregate, has not caused and could not reasonably be expected to cause a Material Adverse Effect.

(d) There are no actions, suits or proceedings pending or, to the City's or LES' knowledge, threatened against either the City or LES or its Property of LES before any Governmental Authority, which, in any case or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(e) The most recent audited financial reports of LES provided to the Lender fairly present the financial position and results of operations of LES, as of the dates and for the periods set forth therein.

(f) All information, reports and other papers and data furnished by or on behalf of the Borrower to the Lender were, at the time the same were so furnished, complete and correct in all material respects insofar as necessary to give the Lender a true and accurate knowledge of the subject matter and were provided in expectation of the Lender's reliance thereon. No fact is known to the Borrower which has had or, so far as the Borrower can reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Lender or in other such information, reports, papers and data or otherwise disclosed in writing to the Lender prior to the Closing Date. Any financial, budget and other projections furnished to the Lender by or on behalf of the Borrower were prepared in good faith on the basis of the assumption stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the Closing Date, represent the Borrower's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Lender in connection with the negotiation, preparation or execution of the Loan Documents contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(g) Neither the City nor LES is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and will not use the

proceeds of the Note or any Advance made hereunder so as to violate Regulation U as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

(h) The provisions of Section 6.01 are effective to create in favor of the Lender, a legal, valid and enforceable security interest in all right, title and interest of the Borrower in, to and under the Collateral.

(i) (A) Each Pension Plan is in compliance in all material respects with the applicable provisions of the Code and other applicable Law; (B) there are no pending or, to the best knowledge of LES, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; and there has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; and (c) each Pension Plan is a governmental plan as defined in Section 3(32) of ERISA.

(o) To the best knowledge of the Borrower, the operations of LES are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action would have a Material Adverse Effect.

(q) All representations and warranties made by or on behalf of the Borrower in this Agreement are made as of the date hereof, but shall survive the delivery of this Agreement, and any investigation at any time made by or on behalf of the Lender shall not diminish its rights to rely upon such representations and warranties as having been true as of the date hereof or the date such representations and warranties are deemed to be updated pursuant to the terms of this Agreement.

(r) The Borrower maintains such insurance, including self-insurance, as is customary in the industry and as is required by the Loan Documents and Laws applicable to LES.

(s) The Borrower has good title to the properties and assets comprising LES, except for any defects or Liens that, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(t) As of the Closing Date, the outstanding Debt of the Borrower payable from Net Revenues, or otherwise relating to LES, consists of the Senior Bond Debt issued under the Bond Ordinance, Senior Note Debt issued under the Note Ordinance, Bank of America Debt and other Debt listed on the financial statements provided to the Lender by the Borrower, and the Borrower has not incurred any additional Debt payable from any Net Revenues or relating to LES except as otherwise identified in writing to the Lender prior to the Closing Date.

(u) To the knowledge of the Borrower, there is no amendment or proposed amendment to the Constitution of the State of Nebraska or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of any of the Advances, the security for any of the Advances, the Note, any Obligations or the City's or LES's obligations hereunder or under any of the Loan Documents, the creation, organization or existence of the City or LES or the titles to office of any officers executing this Agreement or any Loan Documents to which the Borrower is a party, any Property of the City or LES, or the Borrower's ability to repay when due its obligations under this Agreement, any of the Advances, the Note, any Obligations or the other Loan Documents..

(v) Neither the City nor LES is in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act:

- (a) Neither the City nor LES is any of the following:
 - (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
 - (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
 - (iii) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
 - (iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
 - (v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of

Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website, any replacement website or other replacement official publication of such list.

(b) Neither City nor LES (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(w) None of the City, LES or any of their Affiliates is an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(x) The authorized representative of each of the City and LES, has and had full power and authority to execute, deliver and perform under each of the Loan Documents to which the City and LES is a party. Any agreement, certificate or request signed by or on behalf of any authorized representative of the City or LES shall be deemed a representation and warranty by the City or LES, as applicable, to the Lender as to the truth, accuracy and completeness of the statements made by the City or LES therein.

ARTICLE V

GENERAL COVENANTS OF THE BORROWER

Section 5.01 Affirmative Covenants of the Borrower. Unless the Lender shall otherwise consent in writing, the Borrower shall:

- (a) Perform each of its obligations under the Loan Documents to which it is a party and comply in all respects with all of its obligations under the Loan Documents to which it is a party and comply with all applicable Laws with respect to the Loan Documents, to its business and properties and to all Collateral;
- (b) Preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization;
- (c) Continue to operate its business in compliance with all applicable Laws;
- (d) Cooperate fully with all reasonable requests of the Lender for

information or documents necessary or desirable to allow the Lender to carry out its responsibilities hereunder and under the other Loan Documents;

(e) The Borrower will comply with and observe all other obligations and requirements set forth in all statutes and regulations binding upon it relating to the Note, this Agreement or any of the Loan Documents, and shall take any and all actions necessary to set rates and charges and take any and all other action necessary such that Revenues and Net Revenues equal an amount sufficient to satisfy the requirements of the Bond Ordinance, the Note Ordinance, the Credit Facility Ordinance, the Subordinate Credit Facility Ordinance and this Agreement so as to ensure the timely payment of all of the Obligations hereunder and the principal of and interest on the Note;

(f) To the extent permitted by law, each of the City and LES hereby agrees not to assert the defense of any right of immunity (sovereign or otherwise) in any contract action or proceeding to enforce or collect upon the obligations of the Borrower under this Agreement or any Loan Document; and

Section 5.02 Reporting Requirements. LES shall keep proper books and record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of LES in accordance with GAAP applicable to municipal utilities such as LES, and will furnish to the Lender each of the following:

(a) As soon as available, and in any event within 270 days after the close of each Fiscal Year of LES, the financial statements of LES which shall be audited and reported on without qualification by independent certified public accountants of recognized standing and shall be certified to LES by such accountants as (i) having been prepared in accordance with GAAP (applied on a basis consistent with that of the preceding Fiscal Year), (ii) fairly presenting the financial condition LES as at the end of such Fiscal Year and reflecting its operations during such Fiscal Year, and (iii) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet transactions, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the Borrower by such accountants.

(b) Concurrently with the delivery of the financial statements described in (a) above, a certificate signed by a principal officer of LES stating that no Event of Default has occurred and is continuing to occur or, if such Event of Default has occurred, specifying the nature of such Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default.

- (c) Such other information respecting the business, condition (financial or otherwise) or operations of the City or LES, and LES's Property, as the Lender may from time to time reasonably request.

Section 5.03 Reporting Requirements of the Borrower. LES will deliver, or cause to be delivered, to the Lender each of the following, which shall be in form and detail acceptable to the Lender:

- (a) As soon as possible and in any event within five (5) Business Days after the occurrence of any event that would reasonably be expected to have a Material Adverse Effect, written notice from a responsible officer of LES setting forth the details of such Material Adverse Effect and the action that LES proposed to take with respect thereto;
- (b) As soon as possible and in any event within five (5) Business Days after an officer of the Borrower obtains knowledge of the occurrence of any event which constitutes an Event of Default hereunder, notice of such occurrence, together with a detailed statement by a responsible officer of the Borrower of the steps being taken by the Borrower to cure the effect of such breach, default or event;
- (c) [Reserved];
- (d) LES covenants and agrees that there shall at all times be maintained at least two unenhanced long-term ratings from any of Fitch, Moody's or S&P on Senior Bond Debt. LES covenants and agrees that (1) it shall not at any time cause to be withdrawn any long-term unenhanced rating on Senior Bond Debt from any of Fitch, Moody's or S&P if the effect of such withdrawals would be to cure an Event of Default under this Agreement and (2) no long-term unenhanced rating on Senior Bond Debt may be terminated for purposes of this Agreement as a result of a reduction of such long-term unenhanced rating.

Section 5.04 Negative Covenants of the Borrower. The Borrower shall not, without the written consent of the Lender:

- (a) Neither the City nor LES shall, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Subordinate Credit Facility Ordinance other than (i) Liens created under and in accordance with the terms of the Note Ordinance, the Bond Ordinance or the Credit Facility Ordinance, respectively, (ii) the Liens created for the benefit of the Obligations hereunder, (iii) Liens with respect to Debt subordinate in priority of payment and Lien to the Obligations hereunder and (iv) Liens arising by operation of law or in the ordinary course of business of LES.

(b) LES shall not merge into or consolidate with any other entity; make any substantial change in the nature of LES' business as conducted as of the date hereof; acquire all or substantially all of the assets of any other entity in a transaction that would have a Material Adverse Effect; nor sell, lease, transfer or otherwise dispose of all or a substantial or material portion of LES' assets except in the ordinary course of its business.

(c) Permit the outstanding principal amount of the Advances, together with the available amount of Letters of Credit, to exceed the Maximum Line;

(d) Enter into any agreement containing any provision which would be violated or breached by any Advance made hereunder or by the performance by the Borrower of its Obligations hereunder or under any Loan Document to which it is a party;

(e) [Reserved];

(f) Neither the City nor LES will amend, modify, or permit to be amended or modified in any manner any of the Loan Documents, in each case, without the prior written consent of the Lender if such amendment or modification could (i) materially adversely affect the ability of the City or LES to perform its respective obligations under this Agreement or any other Loan Document, or (ii) adversely affect the interests, security, rights or remedies of the Lender under any Loan Document. Notwithstanding anything herein to the contrary and without limiting the covenants of the City and LES set forth in the preceding sentence of this Section 5.04 (f), any amendment or modification of [Section ____ of] the Subordinate Credit Facility Ordinance (relating to the rate covenant) shall require the prior written consent of the Lender.

(g) Neither the City nor LES will enter into any Hedge Agreement relating to Debt wherein any termination payments thereunder are payable from or secured by Net Revenues on a basis that is senior to or on parity with the payment of or pledge which secures Advances or any other Obligation under this Agreement. Without the prior written consent of the Lender, neither the City nor LES shall pledge collateral pursuant to a credit support annex to support any Hedge Agreement secured by or payable from Net Revenues or relating to Debt secured by or payable from Net Revenues.

(h) To the fullest extent permitted by applicable law, each of the City and LES agrees that it will not assert any immunity it may have as a governmental entity against lawsuits with respect to the enforcement of any of the Obligations of the City and/or LES under this Agreement or any other Loan Document.

ARTICLE VI

GRANT OF SECURITY INTERESTS

Section 6.01 Security. All Obligations of the Borrower hereunder shall be secured by a lien on and pledge of Net Revenues subject and subordinate solely to the prior payment of all Senior Bond Debt, Senior Note Debt and Bank of America Debt. None of the Obligations of the Borrower hereunder or under the Note shall be a debt of the City within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City, and the Borrower shall not be liable for the payment of any amounts hereunder or under any Note out of any money of the Borrower other than the Net Revenues.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur and be continuing:

- (a) Failure to pay, when due, of all or any portion of the Obligations, which remains unpaid for three (3) Business Days from the date such payment is due;
- (b) Default in the payment of any fees, commissions, costs or expenses required to be paid by the Borrower under this Agreement, which remains unpaid for three (3) Business Days from the date such payment is due;
- (c) Default in the performance, or breach, of any covenant or agreement of the Borrower contained in this Agreement or any of the other Loan Documents, and such default or breach continues for a period of thirty (30) Business Days after the Lender's giving the Borrower written notice thereof;
- (d) The Borrower shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it, or for all or any substantial part of its Property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower and shall not be dismissed within sixty (60) Days; or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower and shall not be dismissed within sixty (60) Days; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the Property of the Borrower shall not be dismissed within thirty (30) Days;

(e) Any change shall occur in the condition (financial or otherwise), business or property of the Borrower and such change shall have a Material Adverse Effect;

(f) Any representation or warranty made by the Borrower in this Agreement, or by the Borrower (or any of its officers), in any agreement, certificate, instrument or financial statement or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement shall prove to have been incorrect when deemed to be effective and such misrepresentation shall have a Material Adverse Effect;

(g) The entry or filing of one or more final, non-appealable judgments or orders or of any similar decrees or decisions for the payment of money which, individually or in the aggregate exceed \$5,000,000, shall be rendered against the Borrower that is not substantially covered by insurance and enforcement proceedings shall have been initiated by an creditor upon such judgment, which proceeds are not stayed, vacated, discharged or bonded within sixty (60) calendar days of being initiated;

(h) The City or LES shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any principal amount of any Debt or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creatin of or concerning such Debt;

(i) (A) S&P shall have downgraded its rating of any long-term unenhanced Senior Bond Debt of LES to below “BBB-“ (or its equivalent), or suspended or withdrawn for credit related reasons its rating of the same; or (B) the Obligor Rating assigned by Moody’s, S&P or Fitch, if such Rating Agency is providing an Obligor Rating, shall be withdrawn, suspended or reduced for credit related reasons below “Baa1” (or its equivalent) by Moody’s, “BBB+” (or its equivalent) by S&P or “BBB+” (or its equivalent) by Fitch;

(j) Any event which would reasonably be expected to result in a Material Adverse Effect.

ARTICLE VIII

REMEDIES

Section 8.01 Actions Upon an Event of Default. If an Event of Default shall have occurred and be continuing, then the Lender may, in addition, exercise any one or more

of the following rights and remedies:

- (a) Declare the Termination Date to have occurred, whereupon the Termination Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, that in the event that any of the events set forth in Section 7.01(d) has occurred, the Termination Date shall automatically occur;
- (b) Terminate its commitment to extend further credit under any of the Loan Documents;
- (c) Exercise, or cause to be exercised, any and all remedies as it may have under the Loan Documents and as otherwise available at law or in equity;
- (d) To the extent permitted by law, (i) apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Borrower's Property, (ii) either personally or by attorney, or agent and without bringing any action or proceeding, or by such a receiver, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Loan Document or to enforce performance or observance of any of the Obligations, whether for specific performance of any agreement or covenant of the Borrower or in aid of the execution of any power granted to the Lender in the Loan Documents or as otherwise available at law or in equity; and
- (e) Increase the interest rate for all obligations to the Default Rate.

Notwithstanding the provisions of Section 8.02(a), (x) the Lender shall not cause an acceleration of the Obligations as described in Section 8.02(a) until seven (7) days after the occurrence of an Event of Default specified in Section 7.01(a), 7.01(b), 7.01(d), 7.01(g), 7.01(h) or 7.01(i)(A) and (y) the Lender shall notify the Borrower of an acceleration at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing sentence of this Section 8.01, if (i) (x) an Event of Default under Section 7.01(d) hereof occurs or (y) any other holder or credit enhancer of Debt or any counterparty under any Hedge Agreement related thereto causes any such Debt or other obligations of the Borrower to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), the Lender may immediately, without notice, avail itself of the remedies set forth in Section 8.02(a) hereof and/or declare or cause to be declared the unpaid principal amount of all outstanding Obligations, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable, and (ii) any other holder or credit enhancer of Debt or any counterparty under any Hedge Agreement related thereto has the right to cause such Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or

pursuant to a notice period which is shorter than what is set forth in the first sentence of this paragraph in connection with a default related to such Debt, then the Lender shall automatically have such right or shorter notice period, as applicable.

Section 8.02 Exercise of Remedies. No failure or delay on the part of the Lender to exercise any right, power or privilege under this Agreement and no course of dealing between the Borrower and the Lender shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Agreement are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstance without notice or demand.

Section 8.03 Severability of Remedies. The invalidity of any remedy in any jurisdiction shall not invalidate such remedy in any other jurisdiction. The invalidity or unenforceability of the remedies herein provided in any jurisdiction shall not in any way affect the right of the enforcement in such jurisdiction or elsewhere of any of the other remedies herein provided.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Notices. Except as otherwise specified herein, all notices hereunder and under the other Loan Documents shall be in writing (including, without limitation, notice by telecopy or email) and shall be given to the relevant party at its address or telecopier number or email address set forth below, or such other address or telecopier number or email address as such party may hereafter specify by notice to the Lender and the Borrower given by courier, by United States certified or registered mail, by telecopy, by email, or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices under the Loan Documents to the Borrower and the Lender shall be addressed to its respective address or telecopier number or email address set forth below:

If to the City:

The City of Lincoln, Nebraska
555 South 10th Street
Lincoln, NE 68508
Attention: Finance Director
Telephone: (402) 441-7412

Facsimile: (402) 441-8325
Email: leheaton@lincoln.ne.gov

If to LES:

Lincoln Electric System
9445 Rokeby Road
Lincoln, NE 68526-9788
Attn: Chief Financial Officer
Telephone: (401) 473-3315
Facsimile: (402) 473-2308
Email: finance@les.com

If to Lender

Union Bank and Trust Company
4243 Pioneer Woods Drive
Lincoln, NE 68506
Attn: Todd Furasek
Telephone: (402) 323-1795
Facsimile:
Email: todd.furasek@ubt.com

Each such notice, request or other communication shall be effective (i) if given by telecopier or email, when such telecopy or email is transmitted to the telecopier number or email address specified in this Section and a confirmation of such telecopy or email has been received by the sender, (ii) if given by mail, 5 Days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 2 shall be effective only upon receipt.

Section 9.02 Counterparts. This Agreement may be executed in any number of counterparts, and by the different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 9.03 Successors and Assigns. This Agreement shall be binding upon the Borrower and their successors and assigns, and shall inure to the benefit of the Lender and the benefit of its respective successors and assigns, including any subsequent holder

of any of the Obligations. The Borrower may not assign any of their rights or obligations under any Loan Document without the written consent of the Lender.

Section 9.04 Participants. The Lender shall have the right at its own cost to grant participations (to be evidenced by one or more agreements or certificates of participation) in the Loan at any time and from time to time to one or more other Persons; provided that no such participation shall relieve the Lender of any of its obligations under this Agreement, and, provided, further that no such participant shall have any rights under this Agreement except as provided in this Section, and the Lender shall have no obligation or responsibility to such participant. Any agreement pursuant to which such participation is granted shall provide that the Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower under this Agreement and the other Loan Documents including, without limitation, the right to approve any amendment, modification or waiver of any provision of the Loan Documents, except that such agreement may provide that the Lender will not agree to any modification, amendment or waiver of the Loan Documents that would reduce the amount of or postpone any fixed date for payment of any Obligation in which such participant has an interest.

Section 9.05 Amendments, Etc. No amendment, modification, termination or waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom or any release of a Security Interest shall be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 9.06 Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 9.07 Costs and Expenses; Indemnification. The Borrower agrees to pay all out-of-pocket costs and expenses of the Lender reasonably incurred in connection with the preparation, negotiation, syndication, and administration of the Loan Documents, including, without limitation, the reasonable fees and disbursements of counsel to the Lender, in connection with the preparation and execution of the Loan Documents, and any amendment, waiver or consent related thereto. The Borrower agrees to pay to the Lender, all out-of-pocket costs and expenses reasonably incurred or paid by the Lender, including reasonable attorneys' fees and disbursements and court costs, in connection with any Event of Default hereunder or in connection with the enforcement of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving the Borrower as a debtor thereunder). To the extent permitted by applicable law, the Borrower further agrees to indemnify the Lender, and any security trustee therefor, and its respective directors, officers, employees, agents, financial advisors, and consultants (each such Person being called an "Indemnitee") against all losses, claims, damages, penalties,

judgments, liabilities and expenses (including, without limitation, all reasonable fees and disbursements of counsel for any such Indemnatee and all reasonable expenses of litigation or preparation therefor, or any settlement arrangement arising from or relating to any such litigation) which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any Loan, other than those which arise from the gross negligence, bad faith or willful misconduct of any Indemnatee. The Borrower, upon demand by the Lender at any time, shall reimburse the Lender for any legal or other expenses (including, without limitation, all reasonable fees and disbursements of counsel for any such Indemnatee) incurred in connection with investigating or defending against any of the foregoing (including any settlement costs relating to the foregoing) except if the same is directly due to the gross negligence, bad faith or willful misconduct of any Indemnatee. To the extent permitted by applicable law, neither the Borrower shall assert, and each such Person hereby waives, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. The obligations of the Borrower under this Section shall survive the termination of this Agreement.

Section 9.08 Setoff. In addition to any rights now or hereafter granted under the Loan Documents or applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default, the Lender, each subsequent holder of any Obligation, and each of their respective Affiliates, is hereby authorized by LES at any time or from time to time, without notice to LES, or to any other Person, any such notice being hereby expressly waived, to setoff and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, and in whatever currency denominated, but not including trust and escrow accounts) and any other indebtedness at any time held or owing by that Lender, subsequent holder, or affiliate, to or for the credit or the account of LES, whether or not matured, against and on account of the Obligations of the Borrower to the Lender or subsequent holder under the Loan Documents, including, but not limited to, all claims of any nature or description arising out of or connected with the Loan Documents, irrespective of whether or not (a) the Lender or subsequent holder shall have made any demand hereunder or (b) the principal of or the interest on the Loan and other amounts due hereunder shall have become due and payable pursuant to Article 8 hereof, and although said obligations and liabilities, or any of them, may be contingent or unmatured.

Section 9.09 Entire Agreement. The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 9.10 Governing Law; Jurisdiction, Venue; Waiver of Jury Trial. The Loan Documents shall be governed by and construed in accordance with the substantive laws

(other than conflict laws) of the State of Nebraska. Notwithstanding the application of the substantive laws of Nebraska, each of the parties hereto hereby (a) consents to the personal jurisdiction of the state and federal courts located in the State of Nebraska in connection with any controversy related to this Agreement; (b) waives any argument that venue in any such forum is not convenient, (c) agrees that any litigation initiated by the Lender or the Borrower in connection with this Agreement or the other Loan Documents shall be venued in either the District Court of Lancaster County, Nebraska, or the United States District Court, District of Nebraska; and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

Section 9.11 Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

Section 9.12 Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loan or other Obligations outstanding under this Agreement or any other Loan Document ("Excess Interest"). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) neither the Borrower or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Lender may have received hereunder shall, at the option of the Lender, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law) (ii) refunded to the Borrower or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the "Maximum Rate"), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither the Borrower or endorser shall have any action against the Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of Borrower's

Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate the rate of interest payable on the Borrower's Obligations shall remain at the Maximum Rate until the Lender has received the amount of interest which the Lender would have received during such period on the Borrower's Obligations had the rate of interest not been limited to the Maximum Rate during such period.

Section 9.13 Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents.

Section 9.14 USA Patriot Act. The Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify, and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Act.

Section 9.15 [Reserved].

Section 9.16 Change in Law. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law makes it unlawful for the Lender to make or continue to maintain the Loan hereunder or to perform its obligations as contemplated hereby, the Lender shall promptly give notice thereof to the Borrower and the Lender's obligations to make or maintain the Loan under this Agreement shall be suspended until it is no longer unlawful for the Lender to make or maintain the Loan. The Borrower shall, within thirty (30) Days after demand, prepay on demand the outstanding principal amount of the Loan any such affected portion of the Loan, together with all interest accrued thereon and all other amounts then due and payable to the Lender under this Agreement; provided, however, subject to all of the terms and conditions of this Agreement, the Borrower may then elect to borrow the principal amount of the affected portion of the Loan from the Lender on a reasonable basis to avoid the actions of the Lender from being unlawful and as close as possible to the existing terms of the Loan.

Section 9.17 Capital Adequacy. If the Lender shall be required, as a result of any regulation or statute, or interpretation or administration thereof, which shall have the effect of imposing on the Lender any increase or expansion of or any new charge, fee, assessment or deduction of any kind whatsoever, or reserve, capital adequacy, special deposits or similar requirements against credit extended by the Lender or other conditions affecting the extensions of credit under this Agreement or the Note evidencing this Loan, then upon the request of the Lender) the Borrower will either, at Borrower's election in its discretion (i) pay to the Lender, as the case may be, such additional amount as will compensate the Lender (in such Lender's discretion, after good faith and reasonable computation) for any such increased costs and/or reduction

suffered or (ii) prepay the Loan in full.

Section 9.18 No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the City, LES and the Lender any legal or equitable right, remedy or claim under or in respect to this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 9.19 Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (a) to be “written” or “in writing”, (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof “electronic signature” means a manually signed original signature that is then transmitted by electronic means: “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format” or other replicating image attached to an email message; and “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

IN WITNESS WHEREOF, the parties have caused this Credit and Security Agreement to be executed by their respective officers thereunto duty authorized, as of the date first above written.

[Signatures Appear on the Following Page]

[SIGNATURE PAGE TO CREDIT AND SECURITY AGREEMENT]

BORROWER:

LINCOLN ELECTRIC SYSTEM

By: _____
Name: _____
Title: _____

THE CITY OF LINCOLN, NEBRASKA

By: _____
Name: _____
Title: _____

(SEAL)

Attest:

[SIGNATURE PAGE TO CREDIT AND SECURITY AGREEMENT]

LENDER:

UNION BANK AND TRUST COMPANY

By: _____

Name: _____

Title: _____

[Exhibit A to the Agreement]

Revolving Promissory Note

(Taxable Note)

REVOLVING PROMISSORY NOTE
(TAXABLE NOTE)

\$50,000,000.00

Omaha, Nebraska
May __, 2023

THE CITY OF LINCOLN, NEBRASKA (the "City"), hereby promises to pay on the Termination Date under the Credit Agreement (defined below), to the order of UNION BANK AND TRUST COMPANY, a Nebraska banking corporation, (the "Lender"), at 4243 Pioneer Woods Drive, Lincoln, NE 68506, or at any other place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal sum of Fifty Million and 00/100 Dollars (\$50,000,000.00), or so much thereof as has been or may be advanced by the Lender pursuant to the Credit and Security Agreement dated May ____, 2023, together with any amendments or supplements thereto (the "Credit Agreement"), entered into between the City and Lincoln Electric System ("LES" and together with the City, the "Borrower") and the Lender, together with interest on the principal amount hereunder remaining unpaid from time to time, from the date hereof until this Note is fully paid at the rate or rates from time to time in effect under the Credit Agreement. The principal hereof and interest accruing thereon shall be due and payable as provided in the Credit Agreement. This Note may be prepaid in whole or in part at any time without penalty or prepayment premium.

Interest on this Note shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note shall be computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rates stated in the Credit Agreement.

This Note is issued pursuant, and is subject, to the Credit Agreement, which provides, among other things, for acceleration hereof. This Note is secured by the security interest granted pursuant to the Credit Agreement and by any other security interests or liens which may be granted to the Lender, from time to time, to secure this Note.

Presentment for payment, demand, protest and notice of default, notice of dishonor and

notice of nonpayment are expressly waived.

This Note shall be governed by and construed in accordance with the laws of the State of Nebraska.

THE CITY OF LINCOLN, NEBRASKA

By: _____
Name: _____
Title: _____

(SEAL)

ATTEST:

By: _____
Name: _____
Title: _____

Exhibit X



Lincoln Electric System

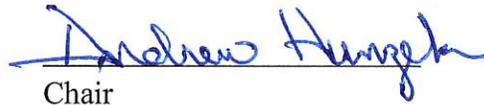
LES RESOLUTION 2023-8

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 to suspend its Economic Development Rider (EDR), making the EDR unavailable on and after August 1, 2023, but continuing to make the EDR available for any customer currently receiving the EDR until the end of their EDR term as identified in the rate schedule;

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts and approves the suspension of the EDR effective August 1, 2023, making the EDR unavailable on and after August 1, 2023, but continuing to make the EDR available for customers currently receiving the EDR until the end of their EDR term;

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

A handwritten signature in blue ink that reads "Andrew Hengeh". The signature is written in a cursive style and is positioned above a horizontal line.

Chair

Adopted: May 19, 2023

Suspended as of 08/01/2023**Schedule EDR – ECONOMIC DEVELOPMENT RIDER**

The EDR is suspended on and after the effective date, but will remain in effect through 2031 for customers currently taking service under the EDR.

AVAILABLE: Within Lincoln, Nebraska, and the LES Service Area.

APPLICABLE: This EDR is a way to encourage business expansion and economic development in the LES Service Area. This EDR is available to CUSTOMERS who are eligible for the ImagiNE Nebraska Act and are being served under the following LES Rate Schedules:

Schedule LLP – Large Light & Power 15 (Secondary), 16 (Primary), 39 (35 kV) where service is available

Schedule LPC – Large Power Customer 44 (Secondary), 45 (Primary), 46 (35 kV) where service is available

Schedule LP-M – Large Power with Market Energy 55 (115 kV), 56 (345 kV) where service is available

The provisions of the EDR are applicable to new CUSTOMERS and to existing CUSTOMERS adding a separately metered account on an applicable rate schedule. (See Terms & Conditions #6.)

In any billing period where the CUSTOMER'S load factor is equal to or greater than 55%, an EDR Credit will be calculated and applied to the CUSTOMER'S BILL.

Service under the EDR is conditional upon LES approval of an EDR Service Agreement and Attachment 1 (the "EDR Service Agreement").

CHARACTER OF SERVICE: As identified under the applicable rate schedule.

RATE: CUSTOMERS taking service under the EDR shall be served according to all the rates, terms, and conditions of the normally applicable rate schedule. "Demand Charge" (for purposes of this rider) includes any credits provided under any other demand applicable rider. Credits shall not apply to Customer, Facilities, Energy, Dual Service, or Excess kVAR charges. The contract years over which the EDR credits are applied are referred to as the "EDR Credit Period." Variations in these terms shall be permitted so long as the total term of the agreement is twice as long as the EDR Credit Period, with the EDR Credit Period not to exceed five (5) years (60 billing periods).

A CUSTOMER shall receive an EDR credit (the "EDR Credit") in any billing period where the CUSTOMER's load factor is equal to or greater than 55% and it will be determined as follows (unless otherwise agreed upon. See TERMS & CONDITIONS):

- a) for the twelve consecutive monthly billings of the first contract year, the EDR Credit shall be 50% of the Demand Charge;
- b) for the twelve consecutive monthly billings of the second contract year, the EDR Credit shall be 40% of the Demand Charge;
- c) for the twelve consecutive monthly billings of the third contract year, the EDR Credit shall be 30% of the Demand Charge;
- d) for the twelve consecutive monthly billings of the fourth contract year, the EDR Credit shall be 20% of the Demand Charge;

Suspended as of 08/01/2023

Sheet 2 of 2

Schedule EDR – ECONOMIC DEVELOPMENT RIDER

- e) for the twelve consecutive monthly billings of the fifth contract year, the EDR Credit shall be 10% of the Demand Charge; and
- f) all subsequent billings shall be at full charges stated in the applicable rate schedule.

TERMS AND CONDITIONS:

1. A signed EDR Service Agreement between LES and the CUSTOMER is required. The standard term of the EDR Service Agreement shall be ten (10) years (120 billing periods) and the standard EDR Credit Period shall be five (5) years (60 billing periods). An EDR Service Agreement can be obtained by contacting the Manager, Energy Services.
2. In accordance with the EDR Service Agreement, the CUSTOMER must deliver to LES a letter of credit, or other security deemed acceptable by LES, in an amount and format agreed upon by LES to cover the financial risk to LES associated with discontinuation of service by the CUSTOMER prior to the expiration of the EDR Service Agreement.
3. All applicable charges under the applicable rate schedule shall apply.
4. If at any time during the term of the EDR Service Agreement the CUSTOMER violates any of the terms and conditions of the EDR or the EDR Service Agreement, LES may discontinue service under this EDR without notice and bill the CUSTOMER under the applicable schedule without further credits or discounts. In the event electric service is terminated or discontinued under this EDR by the CUSTOMER or LES, the CUSTOMER shall pay LES, in addition to all other applicable charges, the sum of all EDR Credits received plus 5% for Payment in Lieu of Tax, net of any amount collected by LES through the letter of credit or other security provided by the CUSTOMER. LES shall have the right to adjust the total payment required by the CUSTOMER, as previously described, at its sole discretion.
5. EDR is not available to a new CUSTOMER which results from a change in ownership of an existing establishment without qualifying new load. However, if a change in ownership occurs after the CUSTOMER enters into an EDR Service Agreement for service under this EDR, the successor CUSTOMER shall be allowed to fulfill the balance of the EDR Service Agreement under this EDR. EDR is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. EDR is not available for load shifted from one CUSTOMER to another within LES' service area.
6. In the event of suspension of the EDR, existing EDR customers will continue to receive credits with continued adherence to the Terms and Conditions and the EDR Service Agreement.
7. All EDR loads must be separately metered. For existing customers, this may require a submeter.
8. For LES economic development information, or questions about the administration of the EDR, please contact the Vice President, Customer Services at 402-475-4211.

Exhibit XI



Lincoln Electric System

LES RESOLUTION 2023- 9

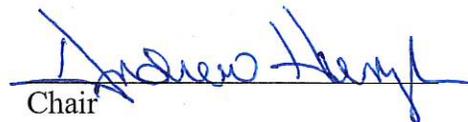
WHEREAS, the Lincoln Electric System (LES) Administrative Board's Personnel & Organization Committee, with input from the LES Administrative Board, has reviewed the performance of CEO Kevin Wailes for the 2022 calendar year;

WHEREAS, the Personnel & Organization Committee review concluded that Kevin Wailes' performance is Exceptional and Exceeds Expectations, set by the Board for LES;

WHEREAS, LES is well-known and well-respected throughout the local community and among both public power and privately-owned utilities, and in particular, is viewed by the financial markets as a well-run, innovative, stable organization worthy of the highest levels of financial ratings;

WHEREAS, Kevin Wailes has used his leadership skills to lead his team in pursuit of maintaining electric service in a low-cost, reliable, and environmentally conscious manner.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board authorizes and approves a merit increase for Kevin Wailes, CEO, of 5% of his salary for an annualized salary of \$575,692.58 effective June 1, 2023.


Chair

Adopted: May 19, 2023

Exhibit XII

CEO Recruitment Process

LES Administrative Board

May 19, 2023

Robbie Seybert, Esq., MBA, PHR, SHRM-CP

Manager– Human Resources

Executive Search Firm Section History

- **Researched 11 national executive search firms from multiple industries**
 - All were vetted in 2009 during the most recent CEO search
 - Kevin Wailes (CEO) hired in 2010
- **Mycoff Fry Partners, LLC**
 - The firm has become a recognized leader in the recruitment of executives, management personnel, and industry experts for the electric, natural gas, and water industries.

Mycoff Fry Partners

- **Founded in 1974.**
- **They have assisted in the selection of 206 chief executives and hundreds of senior officers.**
- **They maintain an extensive database of experts in the utility industries.**
- **They have had a great amount of repeat business from many clients nationwide over almost 50 years.**
- **Provide a one-year guarantee – conduct additional search for no additional fee.**

Contacts and Process Overview

- **Lead Representative from Mycoff Fry Partners – Lanie Mycoff**
 - Work with Trish Owen, Robbie Seybert and the LES Board
- **Cost - \$90,000 plus expenses (travel logistics and advertising)**
- **Timeline – four to six months**
- **In depth process to solicit feedback on desired CEO characteristics from LES Board and stakeholders**
 - More information to come.
- **The Executive Committee has met and will be meeting again soon to discuss the interview and selection process**
 - Nebraska public records law - applicants are confidential, unless they are named as a finalist.

Questions?

Exhibit XIII



Revenue & Expense Statement (Condensed)

APRIL 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	\$106,721	\$105,242	\$1,479	1%	Wholesale revenue exceeded budget by 4%, or \$400k, primarily due to higher than expected revenues from SPP IM activities and retail revenue was 2%, or \$1.6M above budget.
2) Power Costs	43,595	46,175	(2,580)	-6%	Produced power was 23% (\$5.2M) under budget due primarily to lower than budgeted energy and maintenance expense at LRS, Rokeby, WS4 and TBGS. Purchased power was over budget 11% (\$2.6M) due to higher SPP purchases.
3) Other Operating Expenses	29,949	30,629	(680)	-2%	Other operating expenses were lower than budget primarily due to lower than budgeted line clearance expenses (\$800k), and delay / timing of projects in Technology Services (\$500k), partially offset by higher than budgeted payroll and benefits.
4) Depreciation	<u>11,671</u>	<u>11,635</u>	<u>36</u>	0%	
5) Total Expenses	<u>85,215</u>	<u>88,439</u>	<u>(3,224)</u>	-4%	
6) Operating Income	21,506	16,803	4,703	28%	
7) Non-Operating Expense (Income)	<u>11,644</u>	<u>13,048</u>	<u>(1,404)</u>	-11%	
8) Change in Net Position (Net Revenue)	<u>\$9,862</u>	<u>\$3,755</u>	<u>\$6,107</u>	163%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.40	1.40			
10) Debt Service Coverage	2.11	2.11			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand (Days)	168	157			

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

April 2023



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



REVENUE & EXPENSE STATEMENT

CURRENT MONTH

APRIL 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	\$20,440,437	\$20,426,682	\$13,755	0.1%	\$19,138,640	\$1,301,797	6.8%
2. Wholesale	2,579,688	2,812,928	(233,240)	-8.3%	3,857,592	(1,277,904)	-33.1%
3. Other Revenue	401,574	436,143	(34,569)	-7.9%	1,083,661	(682,087)	-62.9%
4. CDFUO (a)	953,041	943,676	9,365	1.0%	865,631	87,410	10.1%
5. Total Operating Revenues	24,374,740	24,619,429	(244,689)	-1.0%	24,945,524	(570,784)	-2.3%
OPERATING EXPENSES							
6. Purchased Power	6,383,473	4,907,297	1,476,176	30.1%	6,425,783	(42,310)	-0.7%
7. Produced Power	4,051,490	5,562,976	(1,511,486)	-27.2%	4,466,736	(415,246)	-9.3%
8. Operations	1,947,231	2,180,078	(232,847)	-10.7%	1,257,596	689,635	54.8%
9. Maintenance	779,477	1,007,133	(227,656)	-22.6%	838,071	(58,594)	-7.0%
10. Admin. & General	4,654,265	4,701,200	(46,935)	-1.0%	4,514,211	140,054	3.1%
11. Depreciation	2,914,539	2,930,661	(16,122)	-0.6%	2,845,882	68,657	2.4%
12. Total Operating Expenses	20,730,475	21,289,345	(558,870)	-2.6%	20,348,279	382,196	1.9%
13. OPERATING INCOME	3,644,265	3,330,084	314,181	9.4%	4,597,245	(952,980)	-20.7%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	1,447,584	1,429,939	17,645	1.2%	1,601,517	(153,933)	-9.6%
15. PILOT (c)	967,759	956,484	11,275	1.2%	912,704	55,055	6.0%
16. CDFUO Expense (a)	963,140	963,140	0	0.0%	864,662	98,478	11.4%
17. Other Expense	0	0	0	--	655	(655)	-100.0%
18. Total Other Nonoperating Expense	3,378,483	3,349,563	28,920	0.9%	3,379,538	(1,055)	0.0%
19. Other Income	(43,248)	0	(43,248)	--	0	(43,248)	--
20. Interest Income	(747,092)	(121,793)	(625,299)	513.4%	(48,369)	(698,723)	1444.6%
21. Total Other Nonoperating Income	(790,340)	(121,793)	(668,547)	548.9%	(48,369)	(741,971)	1534.0%
22. Total Nonoperating Expenses (Inc)	2,588,143	3,227,770	(639,627)	-19.8%	3,331,169	(743,026)	-22.3%
23. Income Before Contributions	1,056,122	102,314	953,808	932.2%	1,266,076	(209,954)	-16.6%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	33,080	123,848	(90,768)	-73.3%	128,998	(95,918)	-74.4%
25. Contributed Capital Used (d)	(33,080)	(123,848)	90,768	73.3%	(128,998)	95,918	74.4%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$1,056,122	\$102,314	\$953,808	932.2%	\$1,266,076	(\$209,954)	-16.6%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,575,714 + Variable Interest \$176,422 + Amortization of Issuance Costs on Outstanding Debt \$93,925 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/Premium \$506,253 = \$1,447,584.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

APRIL 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	\$88,936,536	\$87,290,147	\$1,646,389	1.9%	\$83,428,209	\$5,508,327	6.6%
2. Wholesale	11,808,737	11,404,704	404,033	3.5%	11,812,501	(3,764)	0.0%
3. Other Revenue	2,199,509	2,805,453	(605,944)	-21.6%	4,231,350	(2,031,841)	-48.0%
4. CDFUO (a)	3,776,401	3,741,958	34,443	0.9%	3,432,584	343,817	10.0%
5. Total Operating Revenues	106,721,183	105,242,262	1,478,921	1.4%	102,904,644	3,816,539	3.7%
OPERATING EXPENSES							
6. Purchased Power	25,858,736	23,212,297	2,646,439	11.4%	26,412,617	(553,881)	-2.1%
7. Produced Power	17,736,252	22,963,057	(5,226,805)	-22.8%	16,804,422	931,830	5.5%
8. Operations	8,055,106	8,157,017	(101,911)	-1.2%	4,777,766	3,277,340	68.6%
9. Maintenance	3,038,131	4,001,220	(963,089)	-24.1%	2,765,640	272,491	9.9%
10. Admin. & General	18,855,479	18,470,941	384,538	2.1%	17,206,010	1,649,469	9.6%
11. Depreciation	11,670,540	11,635,170	35,370	0.3%	11,385,199	285,341	2.5%
12. Total Operating Expenses	85,214,244	88,439,702	(3,225,458)	-3.6%	79,351,654	5,862,590	7.4%
13. OPERATING INCOME	21,506,939	16,802,560	4,704,379	28.0%	23,552,990	(2,046,051)	-8.7%
NONOPERATING EXPENSES (INCOME)							
14. Interest Expense (b)	5,672,125	5,639,882	32,243	0.6%	6,343,008	(670,883)	-10.6%
15. PILOT (c)	4,112,275	4,096,976	15,299	0.4%	3,898,995	213,280	5.5%
16. CDFUO Expense (a)	3,852,560	3,852,560	0	0.0%	3,458,648	393,912	11.4%
17. Other Expense	153	0	153	--	718	(565)	-78.7%
18. Total Other Nonoperating Expense	13,637,113	13,589,418	47,695	0.4%	13,701,369	(64,256)	-0.5%
19. Other Income	(172,992)	0	(172,992)	--	0	(172,992)	--
20. Interest Income	(1,820,087)	(541,613)	(1,278,474)	236.0%	(123,185)	(1,696,902)	1377.5%
21. Total Other Nonoperating Income	(1,993,079)	(541,613)	(1,451,466)	268.0%	(123,185)	(1,869,894)	1518.0%
22. Total Nonoperating Expenses (Inc)	11,644,034	13,047,805	(1,403,771)	-10.8%	13,578,184	(1,934,150)	-14.2%
23. Income Before Contributions	9,862,905	3,754,755	6,108,150	162.7%	9,974,806	(111,901)	-1.1%
CONTRIBUTED CAPITAL							
24. Contributed Capital Received	222,006	495,392	(273,386)	-55.2%	312,001	(89,995)	-28.8%
25. Contributed Capital Used (d)	(222,006)	(495,392)	273,386	55.2%	(312,001)	89,995	28.8%
26. Net Contributed Capital	0	0	0	--	0	0	--
27. CHANGE IN NET POSITION	\$9,862,905	\$3,754,755	\$6,108,150	162.7%	\$9,974,806	(\$111,901)	-1.1%

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$6,302,858 + Variable Interest \$606,535 + Amortization of Issuance Costs on Outstanding Debt \$356,639 + Amortization of Loss on Refunded Debt \$431,105 - Amortization of Discount/Premium \$2,025,012 = \$5,672,125.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



REVENUES, ENERGY & CUSTOMERS

CURRENT MONTH

APRIL 2023

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
REVENUE							
1. Residential	\$9,125,015	\$9,448,918	(\$323,903)	-3.4%	\$8,499,898	\$625,117	7.4%
2. Commercial & Street Light	8,837,261	8,667,898	169,363	2.0%	8,217,870	619,391	7.5%
3. Industrial	2,478,161	2,309,866	168,295	7.3%	2,420,872	57,289	2.4%
4. Total Retail	20,440,437	20,426,682	13,755	0.1%	19,138,640	1,301,797	6.8%
5. SPP Sales	1,996,013	2,052,118	(56,105)	-2.7%	3,387,174	(1,391,161)	-41.1%
6. Contract Sales	583,675	760,810	(177,135)	-23.3%	470,418	113,257	24.1%
7. Total Wholesale	2,579,688	2,812,928	(233,240)	-8.3%	3,857,592	(1,277,904)	-33.1%
8. Total	\$23,020,125	\$23,239,610	-\$219,485	-0.9%	\$22,996,232	\$23,893	0.1%
ENERGY (MWH'S)							
9. Residential	84,379	85,067	(688)	-0.8%	82,526	1,853	2.2%
10. Commercial & Street Light	108,485	109,815	(1,330)	-1.2%	106,757	1,728	1.6%
11. Industrial	34,745	36,382	(1,637)	-4.5%	35,867	(1,122)	-3.1%
12. Total Retail	227,609	231,264	(3,655)	-1.6%	225,150	2,459	1.1%
13. SPP Sales	36,332	38,786	(2,454)	-6.3%	53,786	(17,454)	-32.5%
14. Contract Sales	7,104	15,505	(8,401)	-54.2%	6,755	349	5.2%
15. Total Wholesale	43,436	54,291	(10,855)	-20.0%	60,541	(17,105)	-28.3%
16. Total	271,045	285,555	(14,510)	-5.1%	285,691	(14,646)	-5.1%
CUSTOMERS - AT MONTH END							
17. Residential	131,606	129,804	1,802	1.4%	129,451	2,155	1.7%
18. Commercial & Street Light	17,704	17,696	8	0.0%	17,505	199	1.1%
19. Industrial	230	233	(3)	-1.3%	231	(1)	-0.4%
20. Total Retail	149,540	147,733	1,807	1.2%	147,187	2,353	1.6%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,547	147,740	1,807	1.2%	147,194	2,353	1.6%



REVENUES, ENERGY & CUSTOMERS

YEAR-TO-DATE

APRIL 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	\$43,017,666	\$42,011,249	\$1,006,417	2.4%	\$39,789,241	\$3,228,425	8.1%
2. Commercial & Street Light	36,212,508	35,788,658	423,850	1.2%	33,956,717	2,255,791	6.6%
3. Industrial	9,706,362	9,490,240	216,122	2.3%	9,682,251	24,111	0.2%
4. Total Retail	88,936,536	87,290,147	1,646,389	1.9%	83,428,209	5,508,327	6.6%
5. SPP Sales	8,724,873	7,927,869	797,004	10.1%	9,593,308	(868,435)	-9.1%
6. Contract Sales	3,083,864	3,476,835	(392,971)	-11.3%	2,219,193	864,671	39.0%
7. Total Wholesale	11,808,737	11,404,704	404,033	3.5%	11,812,501	(3,764)	0.0%
8. Total	\$100,745,273	\$98,694,851	\$2,050,422	2.1%	\$95,240,710	\$5,504,563	5.8%
ENERGY (MWH'S)							
9. Residential	453,112	435,142	17,970	4.1%	432,699	20,413	4.7%
10. Commercial & Street Light	465,473	460,679	4,794	1.0%	456,043	9,430	2.1%
11. Industrial	139,881	140,445	(564)	-0.4%	147,242	(7,361)	-5.0%
12. Total Retail	1,058,466	1,036,266	22,200	2.1%	1,035,984	22,482	2.2%
13. SPP Sales	127,041	144,154	(17,113)	-11.9%	177,120	(50,079)	-28.3%
14. Contract Sales	65,565	79,550	(13,985)	-17.6%	47,006	18,559	39.5%
15. Total Wholesale	192,606	223,704	(31,098)	-13.9%	224,126	(31,520)	-14.1%
16. Total	1,251,072	1,259,970	(8,898)	-0.7%	1,260,110	(9,038)	-0.7%
CUSTOMERS AVERAGE							
17. Residential	131,437	129,673	1,764	1.4%	129,410	2,027	1.6%
18. Commercial & Street Light	17,665	17,670	(5)	0.0%	17,486	179	1.0%
19. Industrial	230	233	(3)	-1.3%	232	(2)	-0.9%
20. Total Retail	149,332	147,576	1,756	1.2%	147,128	2,204	1.5%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	149,339	147,583	1,756	1.2%	147,135	2,204	1.5%



OPERATING EXPENSE STATEMENT

CURRENT MONTH

APRIL 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	\$1,453,394	\$408,163	\$1,045,231	256.1%	\$1,057,642	\$395,752	37.4%
2. Non-Owned Asset Power	4,930,079	4,499,134	430,945	9.6%	5,368,141	(438,062)	-8.2%
3. Total Purchased Power	6,383,473	4,907,297	1,476,176	30.1%	6,425,783	(42,310)	-0.7%
4. Produced Power	4,051,490	5,562,976	(1,511,486)	-27.2%	4,466,736	(415,246)	-9.3%
5. Total Power Cost	10,434,963	10,470,273	(35,310)	-0.3%	10,892,519	(457,556)	-4.2%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	1,803,858	2,183,143	(379,285)	-17.4%	1,878,591	(74,733)	-4.0%
7. Transmission	922,850	1,004,068	(81,218)	-8.1%	217,076	705,774	325.1%
8. Total O & M Expense	2,726,708	3,187,211	(460,503)	-14.4%	2,095,667	631,041	30.1%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	285,737	219,304	66,433	30.3%	164,549	121,188	73.6%
10. Communication & Corporate Records	177,664	203,731	(26,067)	-12.8%	212,342	(34,678)	-16.3%
11. Corporate Operations	1,025,816	1,073,101	(47,285)	-4.4%	878,189	147,627	16.8%
12. Customer Services	999,288	904,707	94,581	10.5%	916,468	82,820	9.0%
13. Financial Services	456,281	463,487	(7,206)	-1.6%	409,236	47,045	11.5%
14. Power Supply	379,200	368,817	10,383	2.8%	409,156	(29,956)	-7.3%
15. Technology Services	1,330,279	1,468,053	(137,774)	-9.4%	1,524,271	(193,992)	-12.7%
16. Total A & G Expense	4,654,265	4,701,200	(46,935)	-1.0%	4,514,211	140,054	3.1%
17. DEPRECIATION	2,914,539	2,930,661	(16,122)	-0.6%	2,845,882	68,657	2.4%
18. TOTAL OPERATING EXPENSE	\$20,730,475	\$21,289,345	(\$558,870)	-2.6%	\$20,348,279	\$382,196	1.9%



OPERATING EXPENSE STATEMENT

YEAR-TO-DATE

APRIL 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	\$6,198,211	\$3,227,545	\$2,970,666	92.0%	\$5,288,477	\$909,734	17.2%	
2. Non-Owned Asset Power	<u>19,660,525</u>	<u>19,984,752</u>	<u>(324,227)</u>	-1.6%	<u>21,124,140</u>	<u>(1,463,615)</u>	-6.9%	
3. Total Purchased Power	25,858,736	23,212,297	2,646,439	11.4%	26,412,617	(553,881)	-2.1%	
4. Produced Power	<u>17,736,252</u>	<u>22,963,057</u>	<u>(5,226,805)</u>	-22.8%	<u>16,804,422</u>	<u>931,830</u>	5.5%	
5. Total Power Cost	43,594,988	46,175,354	(2,580,366)	-5.6%	43,217,039	377,949	0.9%	
OPERATION & MAINTENANCE (O&M)								
6. Energy Delivery	7,302,803	8,124,235	(821,432)	-10.1%	6,871,640	431,163	6.3%	
7. Transmission	<u>3,790,434</u>	<u>4,034,002</u>	<u>(243,568)</u>	-6.0%	<u>671,766</u>	<u>3,118,668</u>	464.2%	
8. Total O & M Expense	11,093,237	12,158,237	(1,065,000)	-8.8%	7,543,406	3,549,831	47.1%	
ADMINISTRATIVE & GENERAL (A&G)								
9. Administration	981,815	972,721	9,094	0.9%	871,564	110,251	12.6%	
10. Communication & Corporate Records	659,801	731,758	(71,957)	-9.8%	722,481	(62,680)	-8.7%	
11. Corporate Operations	5,035,794	4,330,608	705,186	16.3%	4,162,866	872,928	21.0%	
12. Customer Services	3,533,568	3,552,900	(19,332)	-0.5%	3,462,978	70,590	2.0%	
13. Financial Services	1,771,752	1,750,738	21,014	1.2%	1,518,063	253,689	16.7%	
14. Power Supply	1,503,297	1,460,876	42,421	2.9%	1,492,920	10,377	0.7%	
15. Technology Services	<u>5,369,452</u>	<u>5,671,340</u>	<u>(301,888)</u>	-5.3%	<u>4,975,138</u>	<u>394,314</u>	7.9%	
16. Total A & G Expense	18,855,479	18,470,941	384,538	2.1%	17,206,010	1,649,469	9.6%	
17. DEPRECIATION	11,670,540	11,635,170	35,370	0.3%	11,385,199	285,341	2.5%	
18. TOTAL OPERATING EXPENSE	\$85,214,244	\$88,439,702	(\$3,225,458)	-3.6%	\$79,351,654	\$5,862,590	7.4%	



BALANCE SHEET

APRIL 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)	\$104,670,734	(\$3,132,540)	OTHER LIABILITIES		
2. Payment in Lieu of Tax Fund	3,218,861	(8,319,239)	1. Accounts Payable	\$16,896,692	(\$1,232,898)
3. Rate Stabilization Fund	37,415,964	(18,285)	2. Accrued Payments in Lieu of Taxes	4,036,826	(8,468,723)
4. Bond Principal & Interest Funds	23,850,933	7,098,294	3. City Dividend for Utility Ownership Payable	1,926,280	(1,926,280)
5. Other Restricted/Designated Funds (a)	3,326,373	(549,104)	4. Commercial Paper Notes	65,500,000	0
6. Restricted/Designated Funds Total	64,593,270	6,530,905	5. Accrued Liabilities	14,470,267	(2,045,348)
7. Total Current Asset Funds (b)	172,482,865	(4,920,874)	6. Total Other Liabilities	102,830,065	(13,673,249)
8. Receivables Less Uncollectible Allowance	19,085,225	(6,562,876)	CURRENT LIABILITIES - RESTRICTED ASSETS		
9. Unbilled Revenue	15,255,437	(228,784)	7. Current Portion of Long-Term Debt	30,535,000	0
10. Accrued Interest Receivable	2,162,171	720,803	8. Accrued Interest	3,363,212	(3,075,302)
11. Materials, Supplies & Fuel Inventory	29,277,140	1,585,730	9. Other Current Liabilities (d)	927,890	(19,029)
12. Plant Operation Assets	14,558,097	808,632	10. Total Current Liabilities - Restricted Assets	34,826,102	(3,094,331)
13. Other Current Assets	4,075,927	(653,360)	11. Total Current Liabilities	137,656,167	(16,767,580)
14. Total Current Assets	256,896,862	(9,250,729)	NONCURRENT LIABILITIES:		
NONCURRENT ASSETS:			12. 2012A Bonds	0	0
15. Bond Reserve Funds	9,498,890	109,528	13. 2013 Bonds	45,310,000	0
16. Self-Funded Benefits Reserve Fund (IBNP)	741,538	105,211	14. 2015A Bonds	72,165,000	0
17. Segregated Funds (c)	250,000	0	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	10,490,428	214,739	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	2,311,694	(118,384)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	58,622	11,763	18. 2020B Bonds	185,150,000	0
22. Other Noncurrent Assets	1,359,442	82,917	19. Total Revenue Bonds	561,990,000	0
23. Total Noncurrent Assets	\$21,187,881	\$84,833	20. Less Current Maturities	30,535,000	0
CAPITAL ASSETS:			21. Less Unamortized Discounts/Premiums	(38,657,579)	2,025,012
24. Utility Plant in Service	1,816,021,653	5,378,914	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(915,979,675)	(9,270,022)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	96,343,097	4,412,070	24. Net Long Term Debt	570,112,579	(2,025,012)
27. Total Capital Assets	996,385,075	520,962	25. Liabilities Payable from Segregated Funds (e)	250,000	0
DEFERRED OUTFLOWS OF RESOURCES:			26. Asset Retirement Obligation	3,233,019	52,853
28. Deferred Loss on Refunded Debt	8,989,435	(431,105)	27. Other Noncurrent Liabilities	35,666,038	26,639
29. Deferred Costs for Asset Retirement Obligations	3,233,019	52,853	28. Total Liabilities	746,917,803	(18,713,100)
30. Total Deferred Outflows of Resources	12,222,454	(378,252)	DEFERRED INFLOWS OF RESOURCES:		
			29. Deferred Inflow of Resource	6,717,189	(172,991)
			30. Total Deferred Inflows of Resources	6,717,189	(172,991)
			NET POSITION:		
			31. Net Investment in Capital Assets	348,188,158	2,035,395
			32. Restricted for Debt Service	20,532,325	10,283,124
			33. Restricted for Employee Health Insurance Claims	1,819,044	(1,036,946)
			34. Unrestricted	162,517,753	(1,418,668)
			35. Total Net Position	533,057,280	9,862,905
31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,286,692,272	(\$9,023,186)	36. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$1,286,692,272	(\$9,023,186)



STATEMENT OF CASH FLOWS
APRIL 2023

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$26,203,974	\$115,014,087
2. Sales Tax Receipts	\$1,246,036	\$5,106,749
3. Paid to Suppliers for Goods & Services	(\$17,291,969)	(\$73,069,082)
4. Paid to Employees for Services	(\$1,609,660)	(\$6,517,648)
5. Payments for Sales Tax	(1,307,210)	(5,166,070)
6. Cash Flow from Operating Activities (a)	7,241,171	35,368,036
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
7. Payment in Lieu of Tax	(12,508,310)	(12,580,999)
8. City Dividend for Utility Ownership Payments	0	(5,778,840)
9. Other	0	0
10. Cash Flow from (used for) Noncapital Financing Activities	(12,508,310)	(18,359,839)
CASH FLOWS FROM INVESTING ACTIVITIES:		
11. Net (Purchases) Sales of Investments	8,707,743	13,738,400
12. Interest Income	541,058	1,159,732
13. Cash Flow from (used for) Investing Activities	9,248,801	14,898,132
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
14. Acquisition and Construction of Capital Assets	(2,530,454)	(11,839,580)
15. Salvage on Retirement of Plant	205,304	211,273
16. Cost of Removal of Property Retired	(1,387,951)	(1,517,052)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	33,080	222,006
20. Cash Received from Leases	38,189	152,756
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	(202,272)	(9,984,701)
24. Cash Flow from (used for) Capital Financing Activities	(3,844,104)	(22,755,298)
24. Cash Flow from (used for) Capital Financing Activities	137,558	9,151,031
25. Net Increase (Decrease) in Cash and Cash Equivalents	29,803,313	20,789,840
26. Cash and Cash Equivalents Beginning of Period	\$29,940,871	\$29,940,871
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	\$3,644,265	\$21,506,939
2. Noncash items included in operating income	3,000,966	12,013,320
3. Changes in Assets & Liabilities Increase/(Decrease)	595,940	1,847,777
4. Net cash flows from operating activities	\$7,241,171	\$35,368,036
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



DEBT SERVICE COVERAGE

APRIL 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	\$24,374,740	\$24,619,429	\$24,945,524	\$106,721,183	\$105,242,262	\$102,904,644
2. Total Operating Expenses	20,730,475	21,289,345	20,348,279	85,214,244	88,439,702	79,351,654
3. Less Depreciation	(2,914,539)	(2,930,661)	(2,845,882)	(11,670,540)	(11,635,170)	(11,385,199)
4. Operating Expense Net of Depreciation	17,815,936	18,358,684	17,502,397	73,543,704	76,804,532	67,966,455
5. Net Operating Revenue for Debt Service	6,558,804	6,260,745	7,443,127	33,177,479	28,437,730	34,938,189
6. Interest Income (a)	596,643	112,002	43,623	1,347,672	502,522	60,187
7. Other Income	0	0	0	0	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
9. AVAILABLE FOR DEBT SERVICE	7,155,447	6,372,747	7,486,750	34,525,151	28,940,252	34,998,376
10. DEBT SERVICE (b)	\$4,120,297	\$4,120,296	\$4,218,043	\$16,481,190	\$16,481,184	\$16,872,173
11. DEBT SERVICE COVERAGE	1.74	1.55	1.77	2.09	1.76	2.07

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

(b) Includes Bond Principal & Interest only.

Power Supply Division 2023 April Monthly Report

May 19, 2023

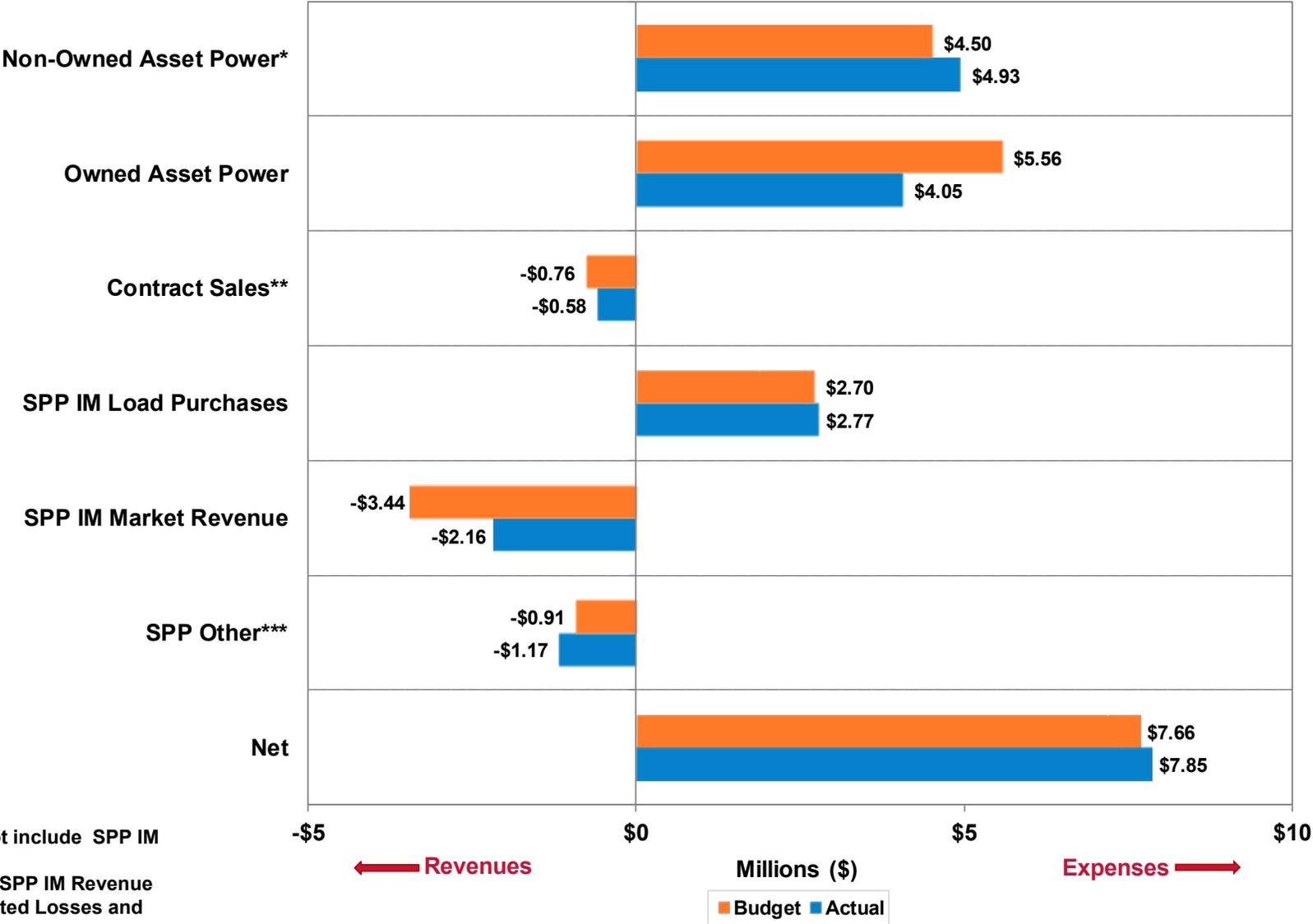
Jason Fortik

Vice President, Power Supply



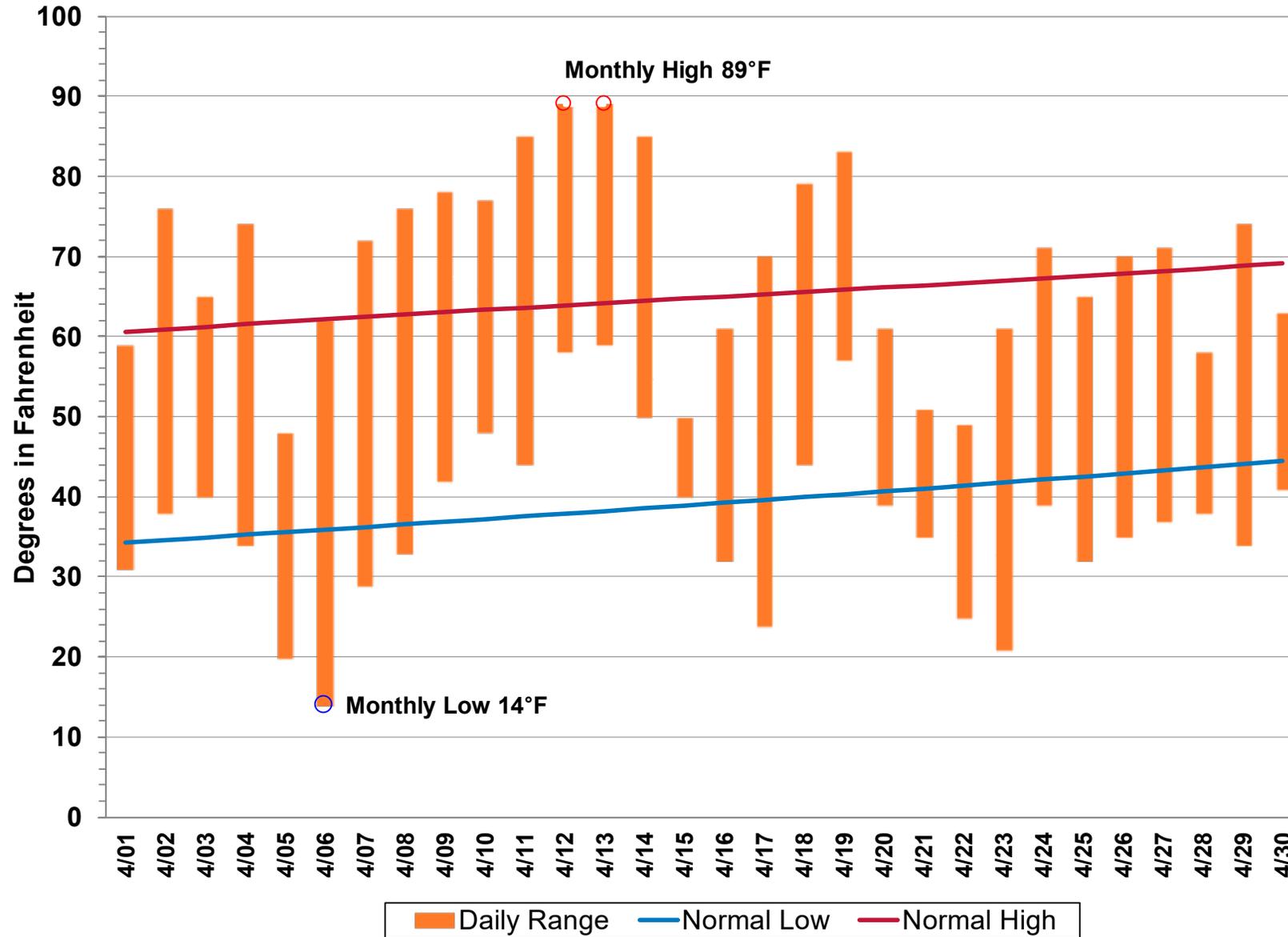
Lincoln Electric System

Monthly Actual vs. Budget

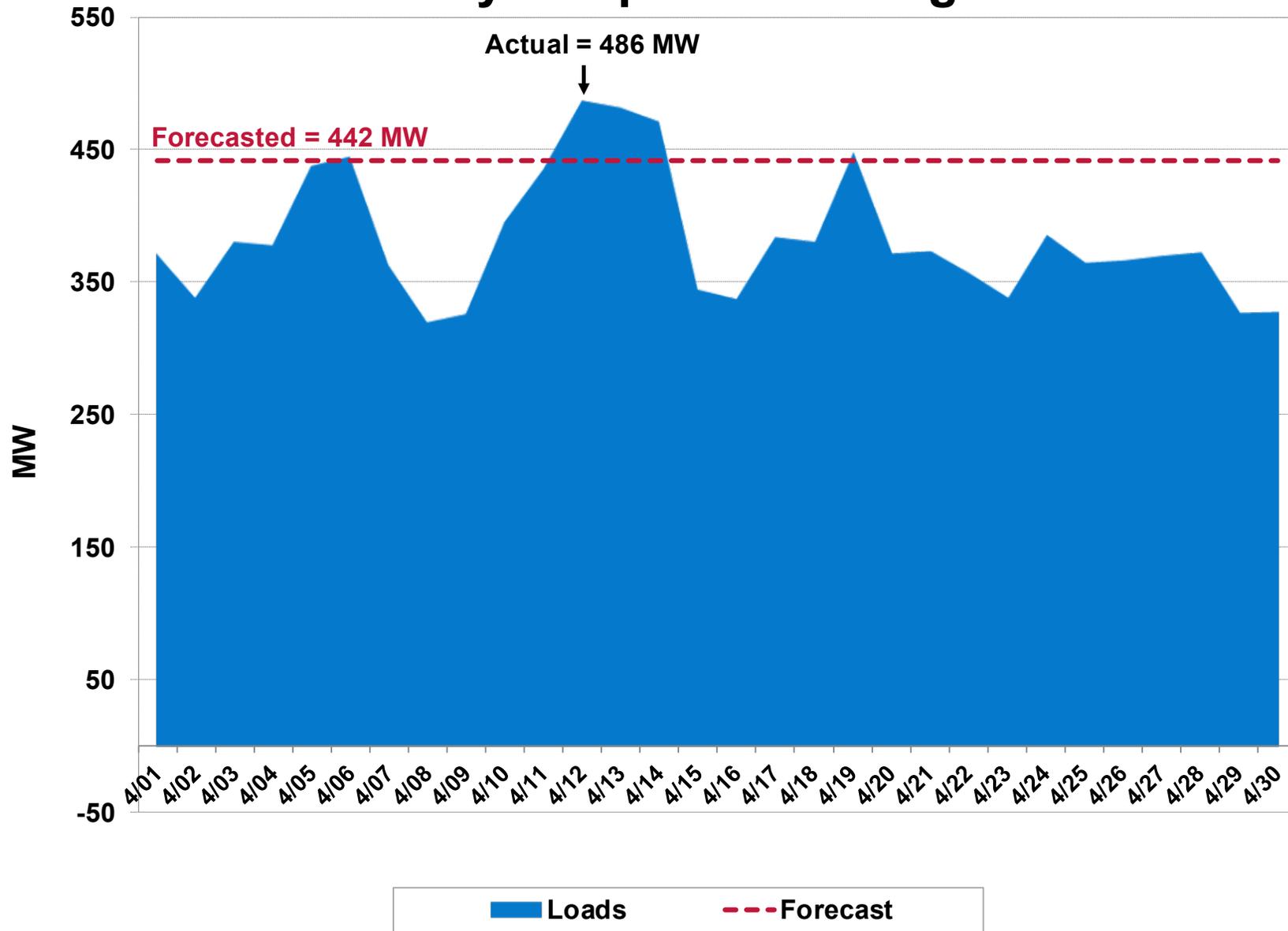


*Non-Owned Asset Power does not include SPP IM Purchased
 **Contract Sales does not include SPP IM Revenue
 ***SPP Other includes Over-Collected Losses and ARR's/TCR

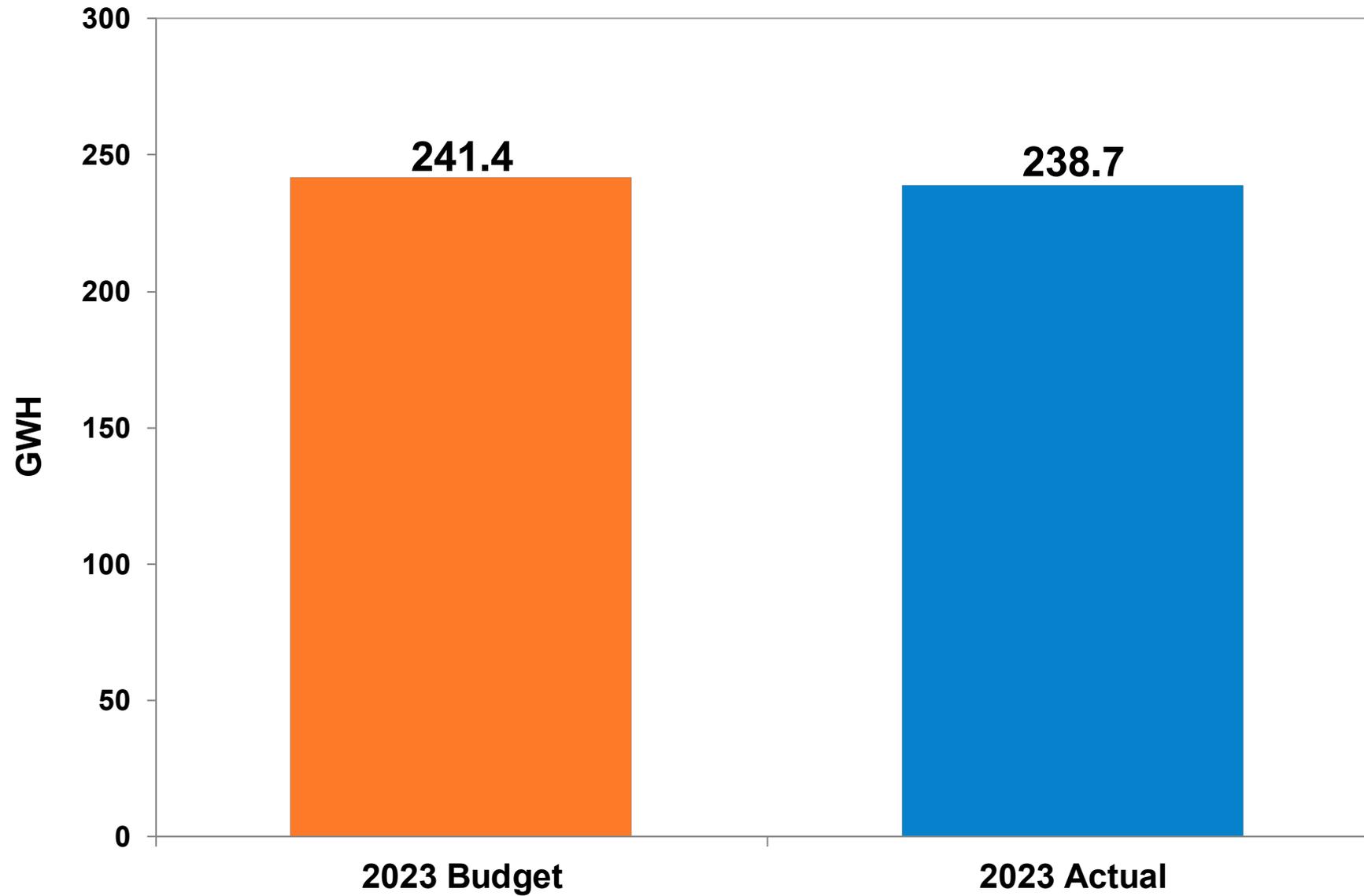
Daily Temperature Range



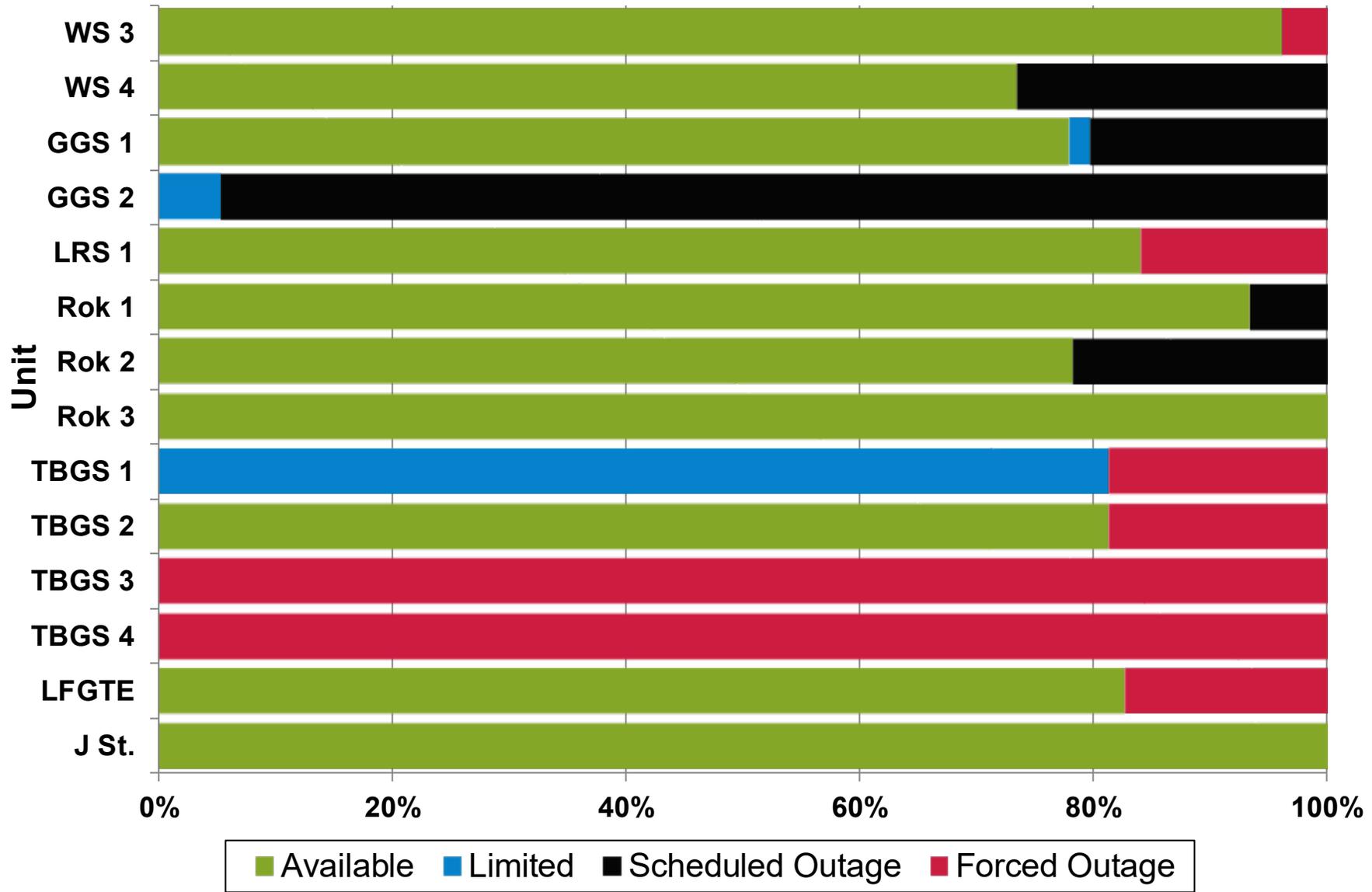
Daily Temperature Range



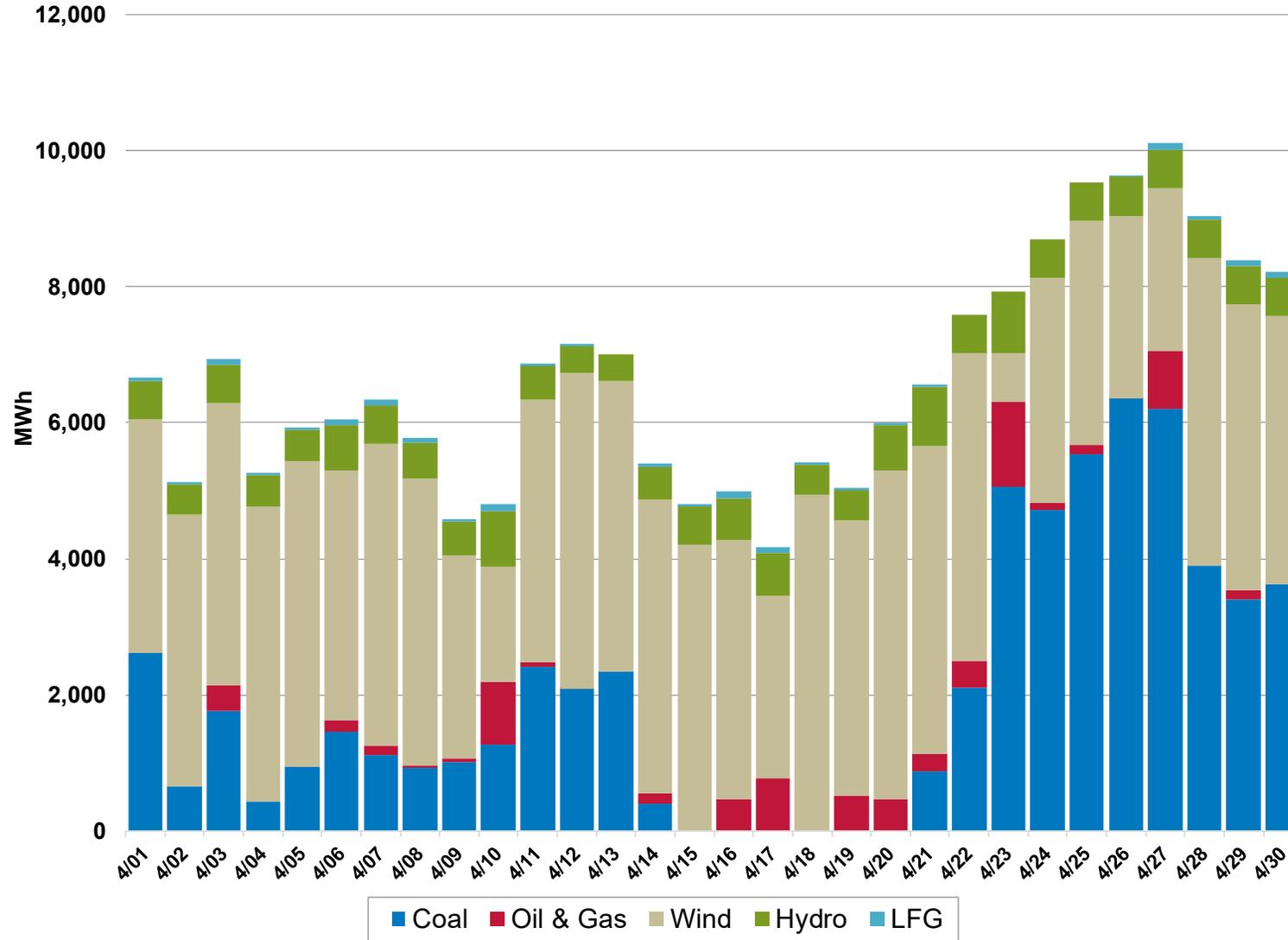
Customer Energy Consumption



Unit Equivalent Availability

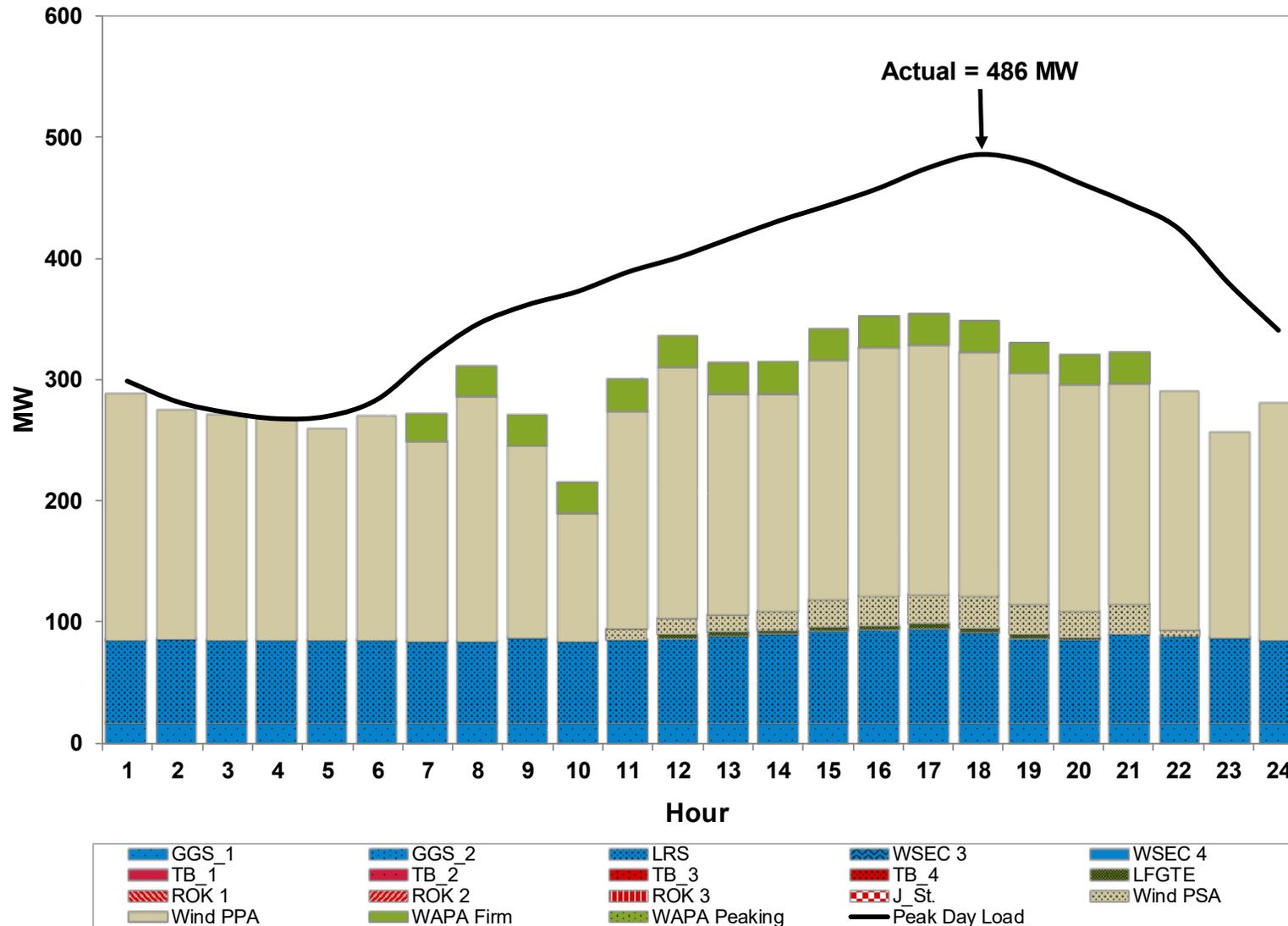


Resource Energy



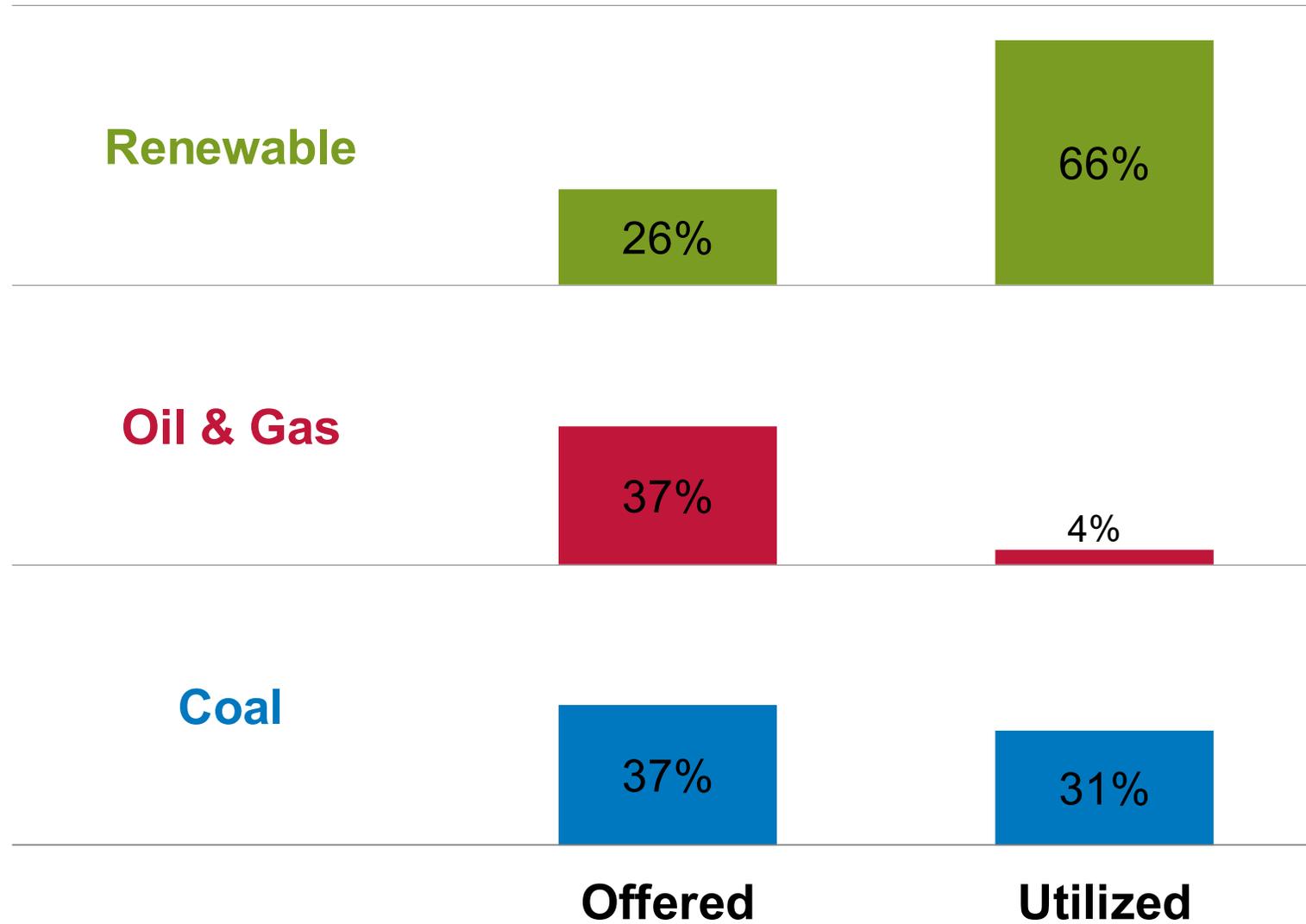
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

Peak Load Day – April 12, 2023



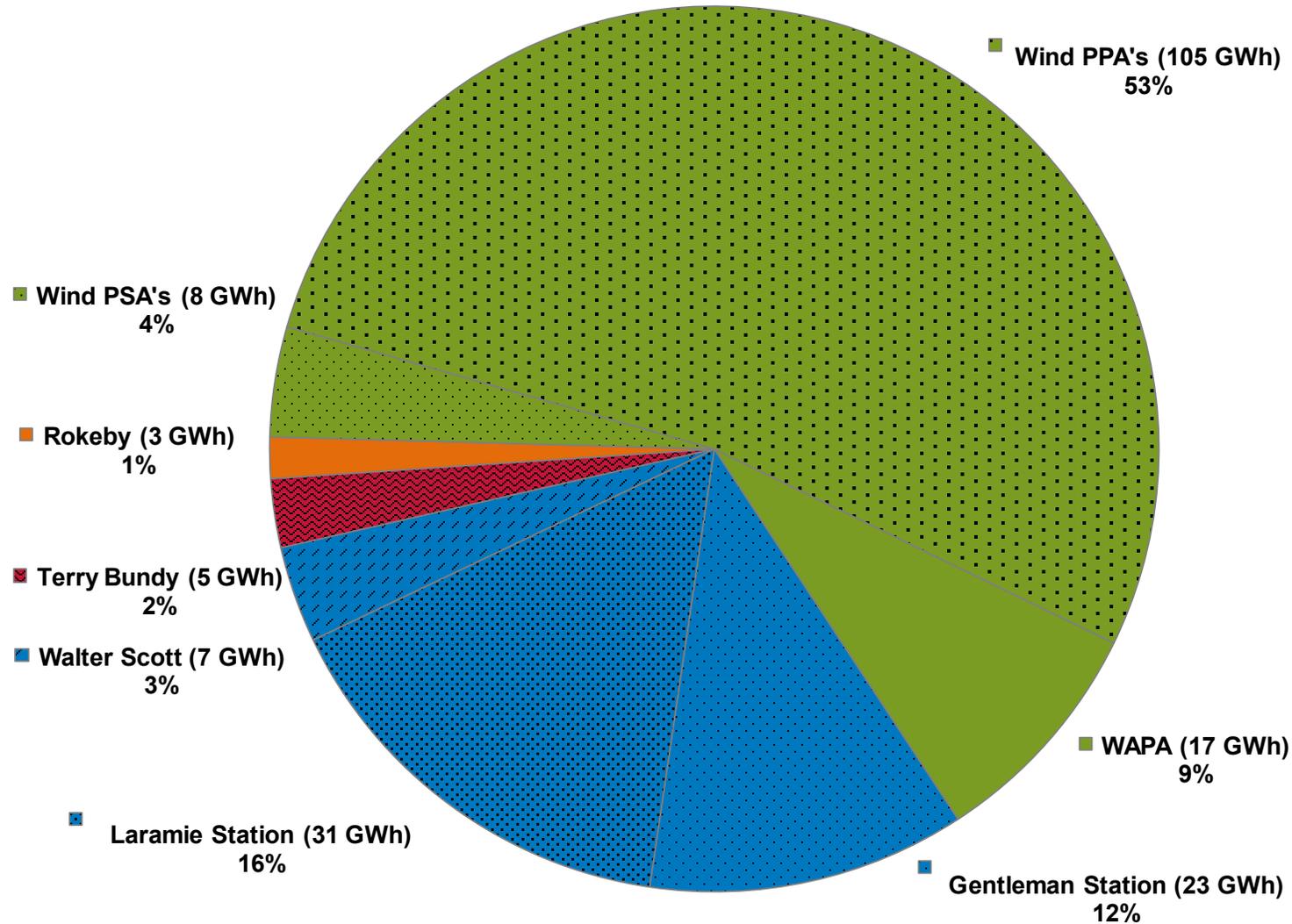
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

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