**MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD**

Minutes of the regular meeting held at 9:30 a.m., Friday, June 21, 2024, at the Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on June 14, 2024.

| | |
|---|---|
| Board Members Present: | Andrew Hunzeker, Kate Bolz, Carl Eskridge, Karen Griffin, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, David Spinar |
| Board Members Absent: | Eric Schafer |
| LES Staff Present: | Emeka Anyanwu, Emily Koenig, David Malcom, Paul Crist, Jason Fortik, Carol Elrod, Lisa Hale, Trish Owen, Kelley Porter, Jim Rigg, Heather Schlautman, Heather Powers, Joel Dagerman, Marc Shkolnick, Keith Snyder, Denise Parrott |
| Others Present: | Ken Winston, Bud Synhorst, Nathan Svatora, Scott Williams, and numerous virtual participants via Microsoft Teams |
| News Media Present: | None |

**Call to Order & Safety Briefing**

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 a copy of the Act is located on the wall in the back of the room.

**Approval of Minutes**

Chair Andrew Hunzeker asked for approval of the minutes of the May 17, 2024, board meeting. David Spinar Lucas Sabalka seconded the motion. The vote for approval of the minutes was:

| | |
|---|---|
| Aye: | Kate Bolz, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, David Spinar |
| Nay: | None |
| Abstain: | None |
| Absent: | Eric Schafer |

**Customer Comments**

Ken Winston, Sierra Club, addressed the board promoting additional funding for energy efficiency and support for the heat pump program. He also commented on the decommissioning of the two LES wind turbines in north Lincoln. He recommended several ideas for solar energy projects around Lincoln to replace the wind turbines.

Gene Hanlon, Coalition for Environmental Improvement, addressed the board regarding the heat pump incentive program. The coalition advocate for the reduction of greenhouse gas emissions and preserving the city’s natural resources. He asked LES to review

whether additional funding could be found to maintain the heat pump incentives and whether the level of incentive is sufficient. He also suggested targeted marketing campaigns toward households that would best benefit from the incentives.

Scott Williams, Green Tech Renewables, addressed the board to commend LES on its decarbonization goal and note the role that distributed energy solutions will play in meeting that goal. He would like to further discuss with the board or staff improvements he believes could be made to improve the more economic and efficient access to and utilization of solar energy in Lincoln.

**Recognition of Staff**

Lisa Hale, Vice President, Customer Services, introduced Carol Elrod, Customer Services Representative, who was recognized by the board for 50 years of service to LES. The board commended Elrod on this significant and special milestone.

**Operations & Power Supply Committee Report**

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on June 10, 2024, including: 1) a vegetation management update; 2) an overview of the 2025 Long Range Forecast; and 3) an update regarding ongoing coordination with the State of Nebraska and other stakeholders regarding existing and future LES facilities at the new Nebraska State Penitentiary site. (Exhibit I)

**Finance Committee Report**

Carl Eskridge, Chair of the Finance Committee, reported on Committee discussions held on June 21, 2024. The committee reviewed 1) a draft of a proposed program to facilitate solar participation for multi-tenant residential rental properties; 2) a review of the Five-Year Forecast of projected operating revenues and expenses and capital expenditures; 3) an overview of key dates and assumptions associated with the 2025 budget development; 4) an overview of the 2025 Long Range Forecast; 5) continued discussion regarding proposed changes in internal payment authorization levels; and 6) an update on the proposed renewal of LES's $150 million revolving credit facility. (Exhibit II)

**2024 Construction Review and Outlook**

Joel Dagerman, Manager, System Planning, provided a review and outlook for construction activities for 2024. (Exhibit III) The factors driving projects and programs are customer growth, reliability/asset health, and strategic/regulatory requirements.

In addition to planned projects, there is also construction activity related to unplanned events such as the tornado that came through Lincoln in May. The tornado damaged a 115,000 volt transmission line on North 84th St, including destruction of a couple of lattice towers. The line has been temporarily restored, but will require a more permanent repair when materials are available.

Dagerman also reviewed LES activities to inspect infrastructure and complete preventative maintenance to mitigate or eliminate

system outages. These efforts involve both visual and infrared inspection.

**Tax-Exempt Financing Compliance Update**

Emily Koenig, Vice President & CFO, provided an update on LES' Tax-Exempt Financing Compliance. (Exhibit IV)

The issuance of LES debt is authorized by city ordinance. The diversity of financing mechanisms, short-term and long-term debt, provides a financial benefit to LES. Several factors are considered when issuing debt: projected liquidity (cash) levels; at least 50 percent routine capital funding with cash; debt service coverage in the year prior to debt issuance; reimbursement financing; and compliance with financial metrics. Koenig noted that market timing matters to minimize cost and that LES' existing debt profiles influence the structure of bond maturities.

LES has about $531.5 million of outstanding long-term bonds, $360 million of which are subject to tax-exempt compliance.

In 2012, the LES Board adopted financing compliance procedures and updated these procedures in 2019. LES compliance procedures require an annual status update to the Board. Koenig noted that tax-exempt bond compliance is currently in maintenance mode. Compliance procedures and the Internal Revenue Service require that LES make all transcripts, tax forms, bid documents, and related documents available. Bond files will be completed as new financings are completed, and LES will continue to monitor compliance monthly. In 2021, an internal audit was conducted with no significant findings.

**Approval of Revised LES Service Regulations – LES Resolution 2024-3**

The proposed changes to the LES Service Regulations were reviewed with the board at the May board meeting. Marc Shkolnick, Manager, Energy Services, noted that the revisions were also posted for public comment on the LES website over the past month. No comments were received.

David Spinar moved adoption of LES Resolution 2024-3, approving the revised LES Service Regulations to be effective July 1, 2024. (Exhibit V) Carl Eskridge seconded the motion. The vote to adopt the resolution was:

| | |
|---|---|
| Aye: | Kate Bolz, Carl Eskridge, Karen Griffin, Andrew Hunzeker, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, David Spinar |
| Nay: | None |
| Abstain: | None |
| Absent: | Eric Schafer |

**Monthly Financial and Power Supply Reports**

The Revenue and Expense Statements and Financial and Operating Statements for May 2024 are available. The Power Supply Division Monthly Reports for May 2024 are also available. (Exhibit VI)

**FERC Standards of Conduct Training**

Following the meeting Josh Johnson, Engineer III, Regulatory Compliance, provided a Federal Energy Regulatory Commission Standards of Conduct training video for board members who did not receive the training following the May board meeting. The training is required of all employees and board members.

**Next Meeting**

The next regular meeting of the LES Administrative Board will be Friday, July 19, 2024, at 9:30 a.m.

**Adjournment**

Without further business before the Board, Chair Hunzeker declared the meeting adjourned at approximately 10:49 a.m.

Lucas Sabalka, Secretary

BY: *Shelley Sahling-Zart*
Shelley Sahling-Zart
Acting Assistant Secretary

# Exhibit I

# Operations and Power Supply Committee
# Meeting Summary
# June 10, 2024 (virtual)

**Attendees:** K. Griffin, C. Johnson, L. Sabalka (Committee Chair)
P. Crist, J. Dagerman, J. Fortik, C. Goering, L. Hale, E. Koenig, J. Rasmussen, N. Wischhof

**Vegetation Management Update (John Rasmussen):**

- Staff provided an overview of the structure, purpose, programs, work history, and budget for various vegetation management programs.
- Staff also provided an overview of the recently formed Asset Management & Planning (AMP) Department that aims to be a data driven organization to manage assets through engineering analysis, proper operation, and the application of business acumen.
- Vegetation interactions with LES transmission & distribution facilities are a source of outages and safety and reliability issues, so LES has implemented several technology and customer outreach and information sharing efforts to raise awareness and help improve the system's performance.

**2025 Long Range Forecast (Chris Goering):**

- The 2025 customer energy consumption and system demand forecasts were shared with the committee.
- 2025 energy sales are expected to be similar to 2024, although large increases in both energy sales and peak demand placed on the system are expected after 2025 due to customer growth in the technology sector.
- Staff also shared the results of analysis that was performed on historical weather trends, heating degree day and cooling degree day forecasts, and modeling sensitivities for demand and energy consumption changes caused by varying weather futures and electric vehicle adoption rates.

**Nebraska State Penitentiary Site Interfaces Update (Joel Dagerman):**

- Staff briefed the Committee on the property status and ongoing coordination with various stakeholders and contractors regarding existing and future LES facilities at the Nebraska State Penitentiary site.

# Exhibit II

# Finance Committee – June 21, 2024

**Attendees:** C. Eskridge (Chair), K. Bolz, A. Hunzeker, D. Spinar, E. Anyanwu, S. Sahling Zart, E. Koenig, D. Auman, T. Hopkins, M. Shkolnick, J. Cocklin, C. Goering, W. Leibbrandt

1. **Multi-tenant Shared Solar Program (Marc)**
    a. An overview was provided of a proposed program which would facilitate solar participation for multi-tenant residential rental properties.
    b. The program is expected to be reviewed with the full board as part of the upcoming 2025 rate proposal later this year.

2. **Five Year Forecast (Wade)**
    a. The committee received a thorough review of projected operating revenues, operating expenses, and capital expenditures as well as information related to key financial metrics, planned financing activities and projected rate increases.
    b. Overall, the forecast indicates that LES will remain in a strong financial position.

3. **2025 Budget Schedule, Guidelines & Assumptions (Wade)**
    a. An overview of key dates and financial assumptions associated with the proposed 2025 budget was provided to the committee.
    b. Staff is currently compiling the proposed budget which the committee will review at its late August meeting.

4. **Long Range Forecast and Revenue Expectations (Chris)**
    a. The 2025 energy sales and system demand forecast was shared with the committee, including modeling scenarios related to weather and electric vehicles.
    b. 2025 energy sales are expected to be similar to 2024. Revenue, prior to any potential rate increase identified through the 2025 budget, is expected to increase $7.4 million or 2.5%.
    c. Large increases in energy and demand are expected after 2025 due to customer growth in the technology sector.

5. **Payment Authorization Levels (Emily)**
    a. As a continuation of discussion from the last Finance Committee meeting, the committee reviewed the proposed changes to the payment approval thresholds.
    b. The CEO approval level will be increased from $100K to $1 million, with corresponding increases for the other levels of management.
    c. Proposed revisions will require technology programming and changes are expected to be implemented later this year.

6. **Revolving Credit Agreement Renewal (Emily)**
    a. The $150 million revolving credit facility that supports LES' commercial paper program will expire in August 2024.
    b. Based on favorable pricing from the incumbent provider work is underway to extend the current facility for another three years.

# Exhibit III

# Energy Delivery (ED) Construction Review & Outlook

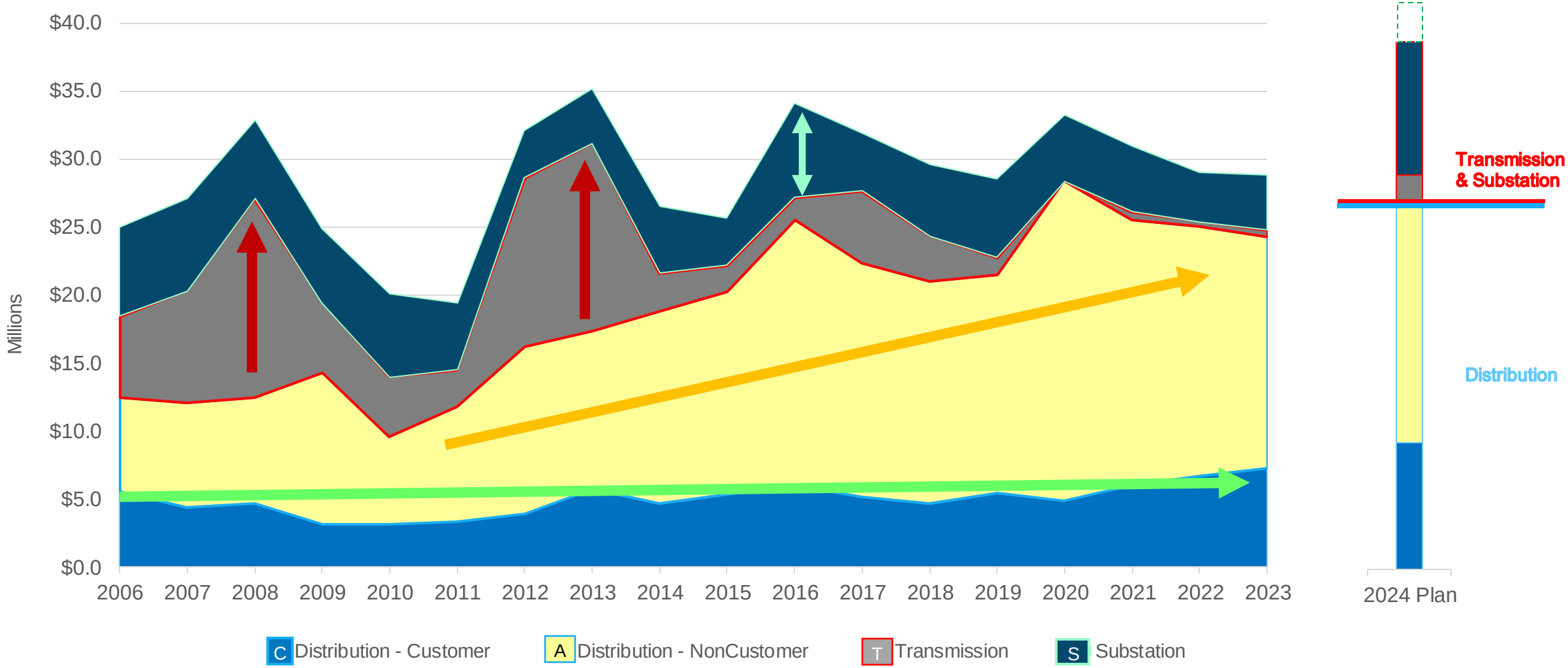
**Operations & Power Supply**
**Board Committee**

**Joel Dagerman**
**June 10, 2024**

# Overview

- **Construction Outlook in 2024**
- **Project Drivers & Programs**
  - Customer Growth
  - Reliability/Asset Health
  - Strategic / Regulatory
- **Workforce Labor and Contracting**

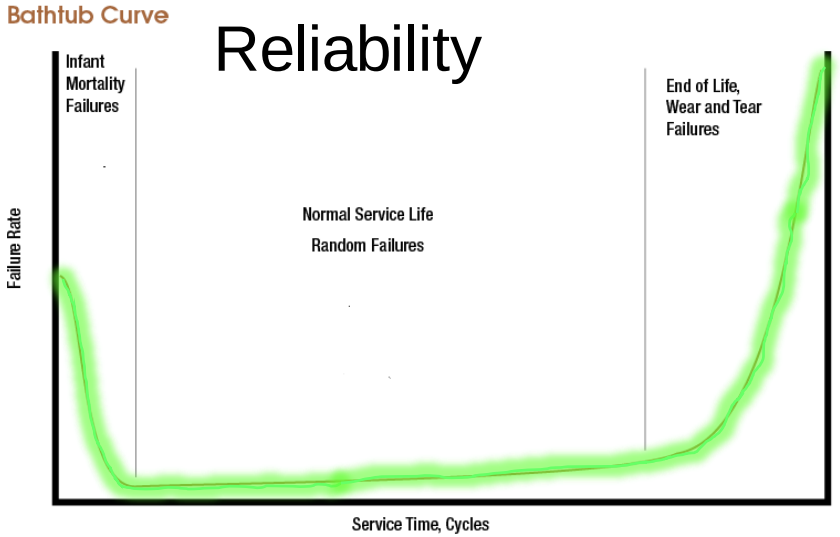
# ED 2006-2023 Actual + 2024 Plan Capital by Spend



# Drivers on Why Programs & Construction Projects are Needed?

## New Customers/Growth

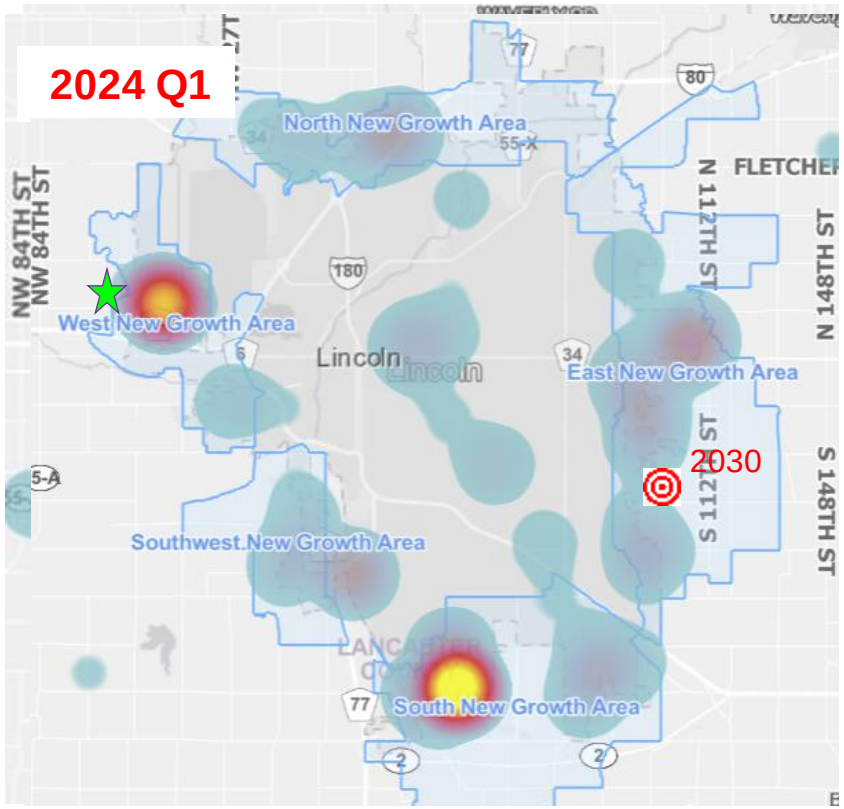
## Reliability

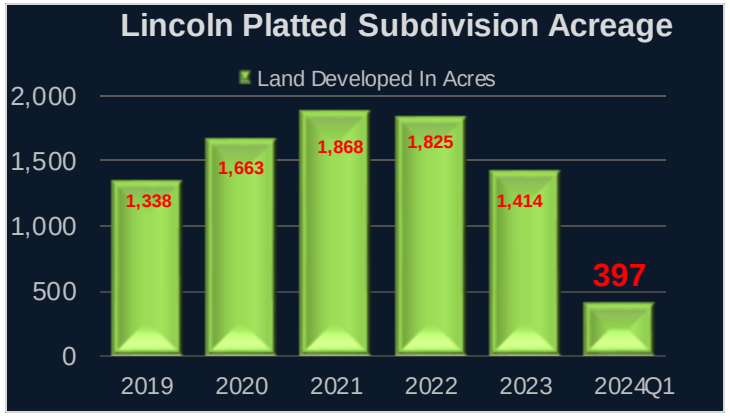


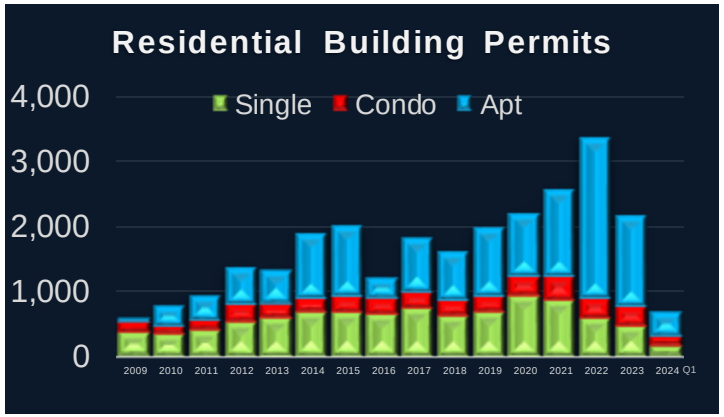

## Strategic/Regulatory

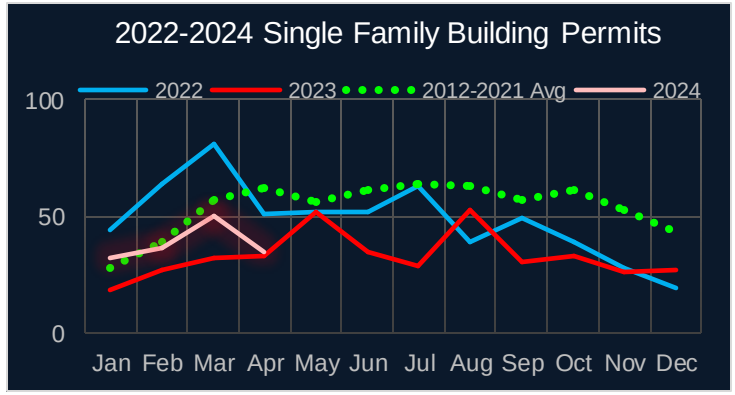
# Customer Driven Work Trends

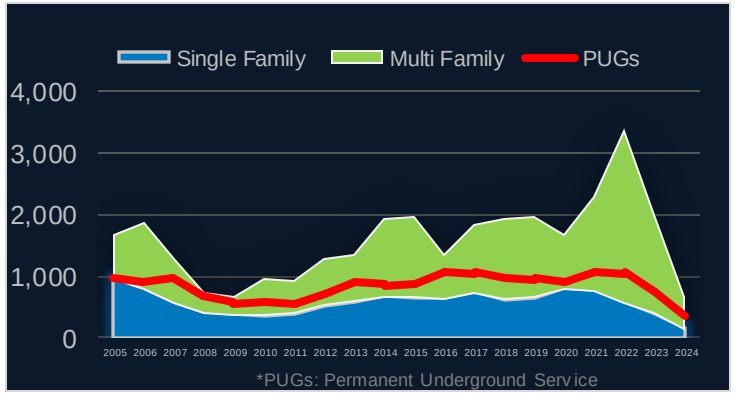
Recent Energy Delivery Substations
Future Energy Delivery Substations



# Why Asset Health Programs?


Fluids

Wellness Program

Temperature

Acoustics

Examination

# 2024 Asset Health & Reliability Projects

- **Transmission activities >100kV**
  - Tornado repair stable.. but temporary
  - South 56th Street Reliability Project
  - SPP joint project with OPPD (70th & Bluff-Ashland)
  - Begin design transmission storm structures
  - Annual line patrol / maintenance
  - Vegetation management continues
- **Substations activities**
  - 8th & “N” transformer installed
  - 57th & Garland transformer replacement
  - 56th & Bluff sub/transmission underway
  - 345kV transformer procurement payments required
  - Misc. equipment available projects
    - 84th & Fletcher Control Systems
    - 40th & Gertie transformer

# 2024 Asset Health - UG Distribution

- **Largest share of activity**
  - Feeders
  - Subdivision
  - Relocations
  - Replacement
- **Cable Replacement Program (CRP)**
  - CRP1 – 1960's cable ✓
  - CRP2F – 1970's cable ✓
  - CRP2D – 1970's cable ✓ 80 miles
  - CRP3F – 1980-1984 ✓
  - CRP3D – 1980-1984 ✓ 71 miles

# 2024 Asset Health - Overhead Distribution

- **Overhead Distribution Asset Management Program (ODAM)**
  1. Above Grade Inspection (AGI) 6,000-8,500 poles/year
     - 2024 - 6,100 poles
     - 5 Year Cycle
     - Contract labor
  2. Below Grade Inspection (BGI) & treatment
     - ~ 3,100 poles
     - 10 Year Cycle
     - Contract labor
  3. Results Average Poles Replaced: ~400/year

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# 2024 Underground Distribution Asset Management (UDAM)

- **Inspecting medium voltage (12kV) groundline distribution assets**
  - Padmounted Transformers
  - Primary Cable Junction Enclosures
  - Padmounted Capacitor Banks
  - Padmounted Switchgears
- **Detailed Visual Inspection**
  - Split between internal team & contractor
  - 2024 Scope:
    - 2,170 Assets to be inspected (contract labor)
    - 680 Assets inspected (internal labor)
- **Infrared Scanning**
- **Maintenance or Replacement follows, as needed**

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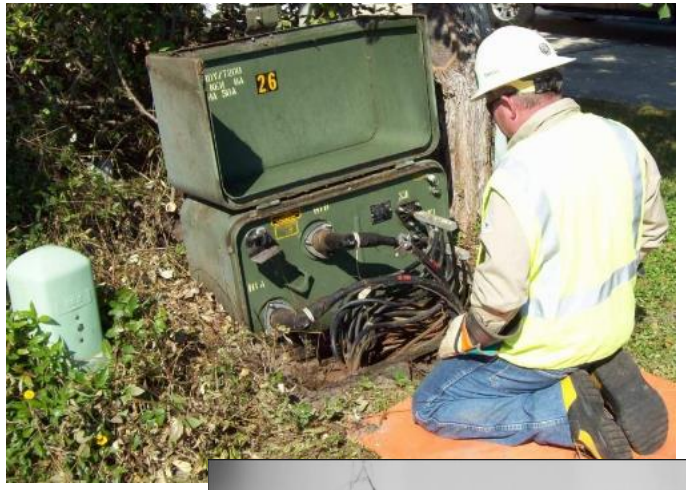
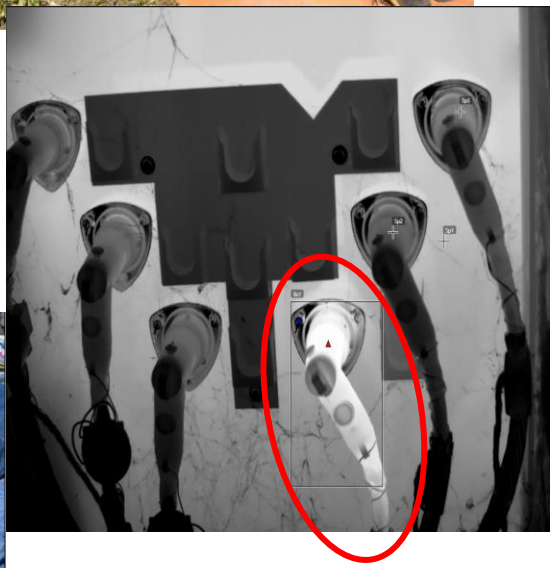
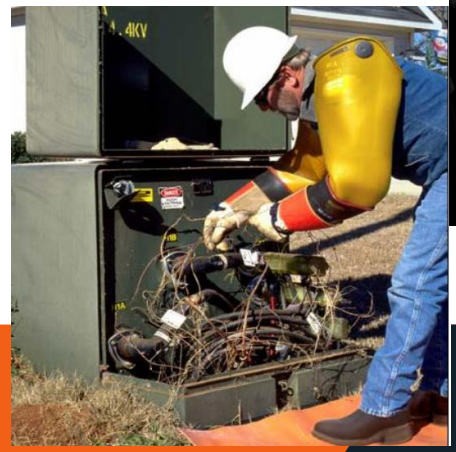
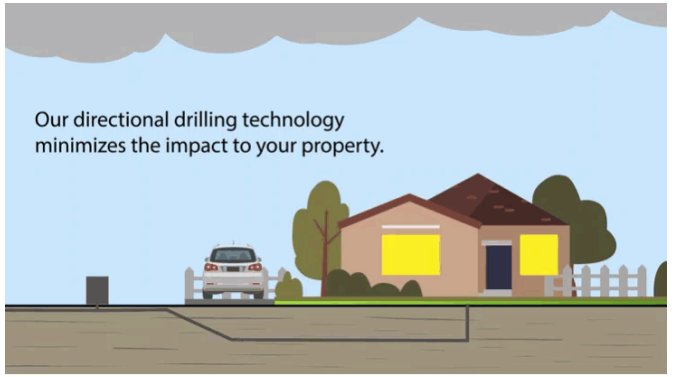


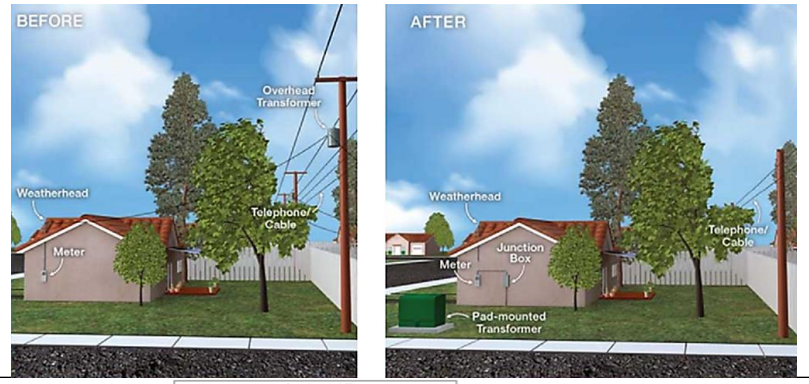




# 2024 PUP- Precision Underground Program

- **PUP-targeted overhead (OH) to underground (UG) conversion based on data analytics**
- **Extensive asset research, prioritization & program development**
- **Pilot Projects: 27th & Stockwell, 41st & Austin Dr;**
  - Design complete
  - Easement acquisition underway
  - Construction later 2024
- **Plan to continue program and develop next projects using lessons learned**




Project Favorability

| Weighted Total | Project Total Disc. Duration Minute Ranking | Quantity Customers Impacted by Incidents on Target Line | Quantity of Service Conversions | Quantity of Above Grade Equipment Easements | Quantity Easement Needed | Loop Complexity | Design Difficulty | Equity Consideration (% below poverty in area, % minority) | Estimated Front Lot Construction Application | DOAT Priority |
|---|---|---|---|---|---|---|---|---|---|---|
| 73 | MIDDLE | LOW | MEDIUM-LOW | MEDIUM-LOW | MEDIUM-LOW | LOW | LOW | NONE | NOT FEASIBLE | NO |
| 68 | TOP | HIGH | MEDIUM-HIGH | HIGH | HIGH | MEDIUM-HIGH | HIGH | NONE | POTENTIALLY FEASIBLE | YES |
| 65 | HIGH | LOW | MEDIUM-LOW | HIGH | MEDIUM-HIGH | MEDIUM-LOW | LOW | NONE | POTENTIALLY FEASIBLE | NO |
| 59 | TOP | LOW | MEDIUM-HIGH | HIGH | MEDIUM-HIGH | MEDIUM-LOW | MEDIUM | NONE | NOT FEASIBLE | NO |
| 57 | MIDDLE | MEDIUM-LOW | MEDIUM | HIGH | MEDIUM-HIGH | MEDIUM-LOW | MEDIUM | NONE | POTENTIALLY FEASIBLE | NO |
| 53 | BOTTOM | LOW | MEDIUM | MEDIUM-HIGH | MEDIUM | MEDIUM-LOW | LOW | NONE | POTENTIALLY FEASIBLE | NO |
| 47 | BOTTOM | LOW | MEDIUM-HIGH | MEDIUM-HIGH | MEDIUM | MEDIUM-LOW | MEDIUM-LOW | NONE | NOT FEASIBLE | NO |
| 46 | HIGH | MEDIUM-LOW | HIGH | HIGH | HIGH | MEDIUM-HIGH | HIGH | MEDIUM-LOW | NOT FEASIBLE | NO |
| 44 | LOW | MEDIUM-LOW | MEDIUM-LOW | HIGH | MEDIUM-HIGH | HIGH | MEDIUM-HIGH | NONE | NOT FEASIBLE | NO |
| 42 | LOW | MEDIUM | HIGH | HIGH | HIGH | MEDIUM | HIGH | LOW | NOT FEASIBLE | NO |

# Strategic and Regulatory Projects/Programs

- **Projects**
  - Transformer PCB Mitigation (TPM) – Hoping to restarting overhead replacements after supply chain constraints wain…slightly
  - Rebuild Overhead to Underground
    - **2024**
      - South 56th Street (end DIST, start TRN)
      - 98th , Holdrege to Adams
      - Holdrege, 98th- 112th
      - A, 40th - 56th (Start)
    - **2025**
      - A, 40th - 56th (Finish)
      - 70th, Van Dorn - Pioneers
- **Road/bridge projects**
  - **Coordinating with City on projects**
    - Superior, 33rd
    - 33rd Street (Adams & Cornhusker
    - Other various LOTM projects are winding down

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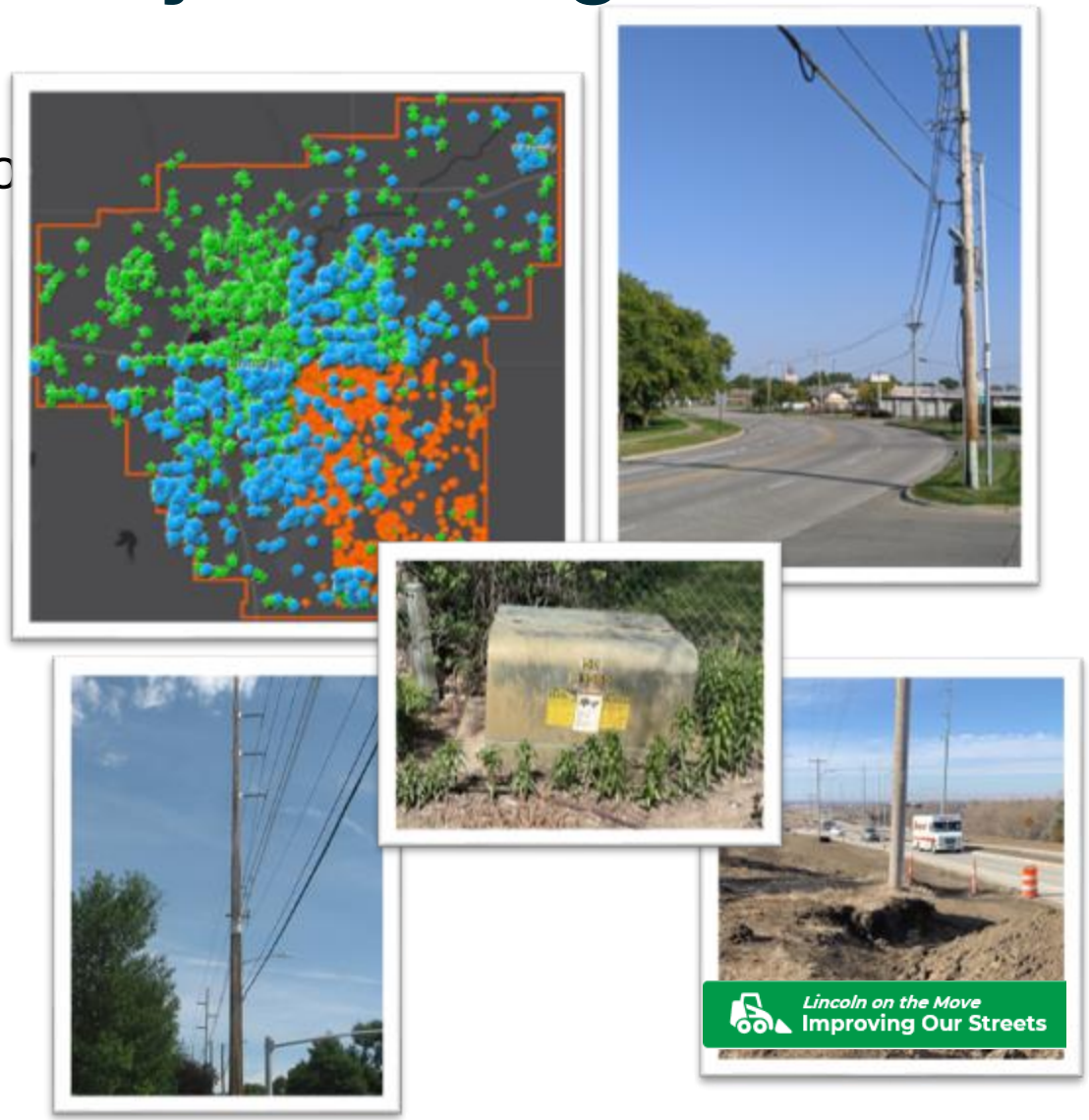
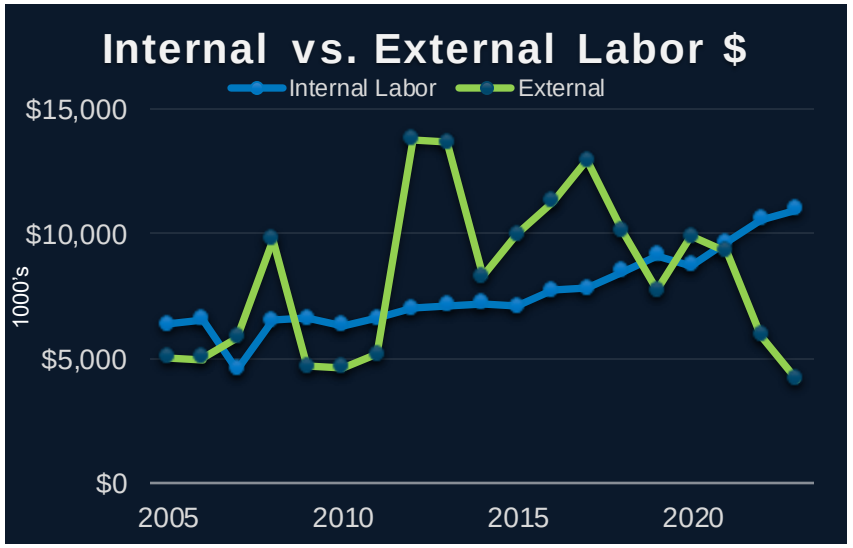
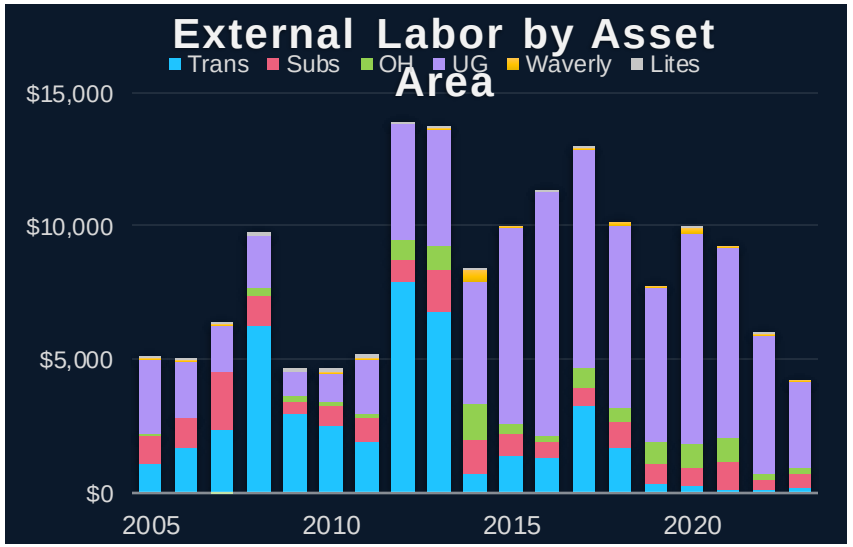


# ED Internal vs. External Construction Resources

- **External labor resources supplement internal workforce**
  - Rarely used specialized equipment
  - Steel transmission construction
  - Less Technical (or lower voltage)
  - Below Grade / Underground Activities:
    - **Substation foundations**
    - **Directional drilling (CRP, Discr. etc.)**
    - **Residential service installation**
- **2024 no external resources on 12kV electrical distribution**
- **2025 anticipate 115kV transmission contractors**



# T&D Construction Outlook Summary

- **Robust construction outlook beyond capital budget including Customer related work**
- **Supply chain issues**
  - Improved in certain areas…continue to monitor & adjust
  - Pandemic deposit policy on large transformers remained
- **Work/Project drivers & programs**
    - Customer Growth…repeat 2023
    - Reliability/Asset Health (Always work to improve worst performers)
    - Strategic / Regulatory…Doesn't slow…
- **Contract labor decrease in 2024 but pricing increase**


Questions?

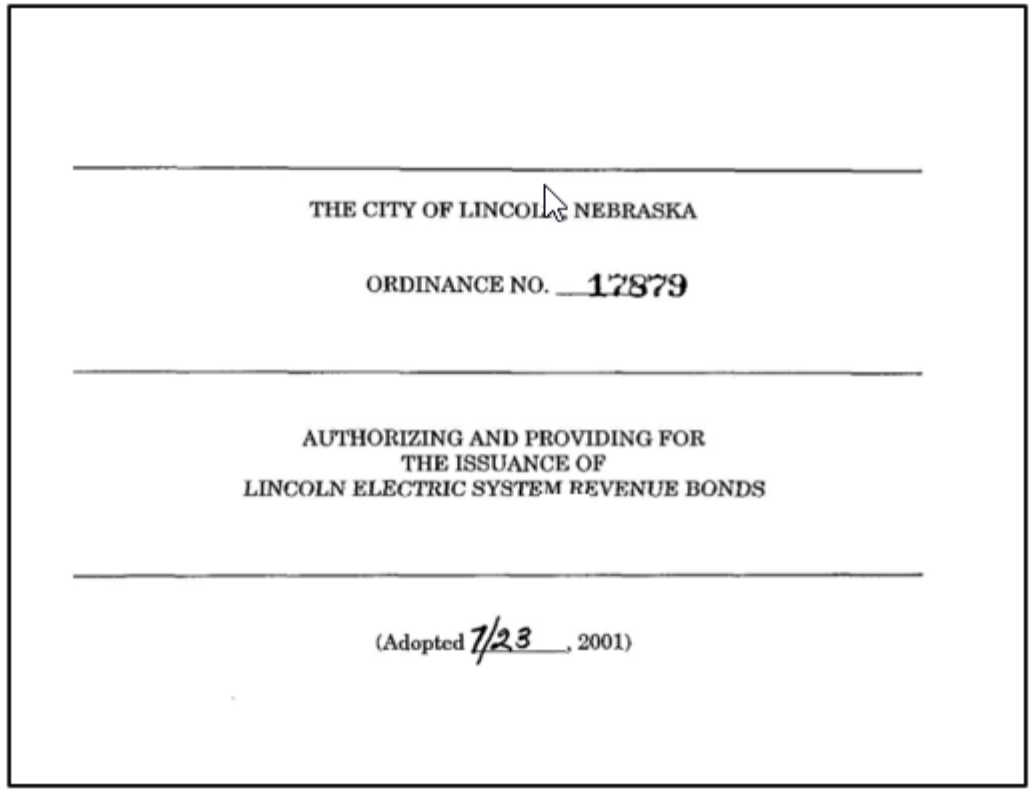
# Exhibit IV

# 2024 Tax-Exempt Bond Disclosure and Compliance Update

## LES Administrative Board
## June 21, 2024

Emily N. Koenig
Vice President and Chief Financial Officer

# Issuance of LES debt is authorized by City Ordinance



THE CITY OF LINCOLN NEBRASKA

ORDINANCE NO. 17879

AUTHORIZING AND PROVIDING FOR
THE ISSUANCE OF
LINCOLN ELECTRIC SYSTEM REVENUE BONDS

(Adopted 7/23, 2001)

## Ordinance #17879 Provisions

- LES debt is not a liability of the City
- LES revenues are the security (payment mechanism) for LES debt
- LES debt issuances require LES Administrative Board and City Council approval
- Allows for the issuance of tax-exempt and taxable:
  - *Short-term debt*
  - *Long-term bonds*

# Diversity of financing mechanisms provides financial benefit to LES

## Short-term Debt

$150M Commercial Paper Note Program

- *Typically used as a "bridge" between Long-term debt issuances*
- *Provides diversity in interest rate risk*

Revolving Credit Agreements

$50M Bank of America Line

$50M Union Bank & Trust Line

- *Support liquidity (cash) needs on an interim or emergency basis*

## Long-term Debt

Revenue Bond Program

- *Senior Bonds*
- *Used to finance capital projects*
- *May also be used to refinance existing bonds on a taxable basis*

*LES targets maintaining 10-15% of total debt as short-term debt to mitigate interest rate risk.*

# LES Lien Structure

## *The payment priority order*

**Operation & Maintenance Expenses**

- Includes CDFUO & PILOT Payments

**Senior Bonds**

- Ordinance No. 17879 *(2001)*
  - Eleventh Series Ordinance No. 21382 *(2022)*
- Includes Revenue & Refunding Bonds

Available Authorization through December 2024 = $300M
Currently Outstanding = $531.5M

**Commercial Paper**

- Ordinance No. 18584 *(2005)*
- Includes CP Revolving Credit Agreement/Liquidity Facility and Note Purchase Agreement with JP Morgan *(2018)*

Total Authorization = $150M
Currently Outstanding = $65.5M

**2014 Senior Credit Facility**

- Ordinance No. 20123 *(2014)*
- Revolving Credit Agreement with Bank of America *(2023)*

*Only drawn upon one time as a precautionary measure at the beginning of the COVID-19 pandemic*

Total Authorization = $50M
Currently Outstanding = $0

**2023 Subordinate Credit Facility**

- Ordinance No. 21477 *(2023)*
- Credit Agreement with Union Bank & Trust

Total Authorization = $50M

# Many factors are considered when issuing debt

## Projected liquidity (cash) levels are a key consideration

- Maintain minimum levels of cash on a monthly basis, based on LES' annual Liquidity Study

## Target 50% of routine capital funded with cash

- Generally, do not borrow for generation projects, with the exception of large, significant projects
- Debt maturities cannot exceed the life of the financed asset

## Ordinance #17879 requires 1.0x debt service coverage in the year prior to debt issuance

## Reimbursement financings are typical

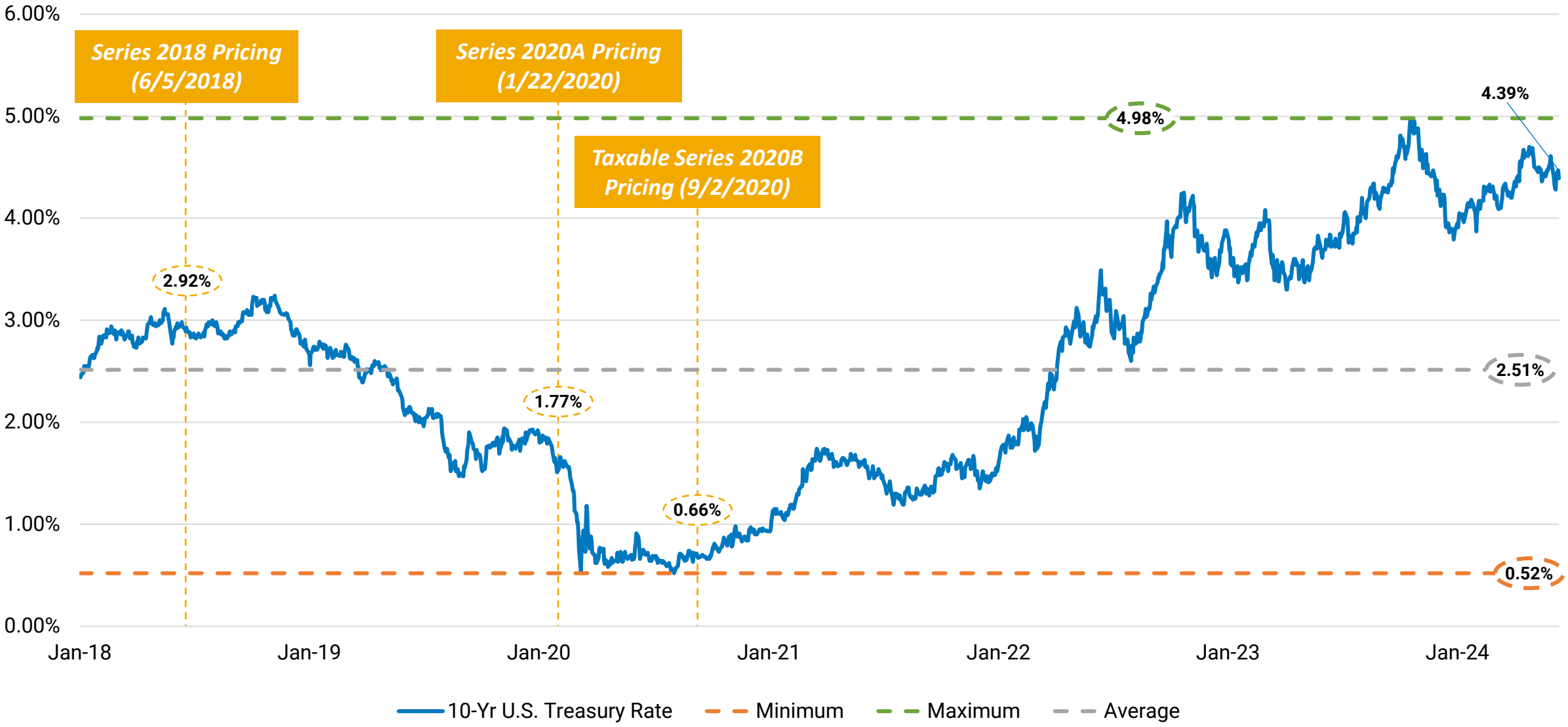
- Allows for easier compliance and tracking of bond proceeds

## Tax-exempt advance refundings have been a valuable tool, but since 2018 are no longer available

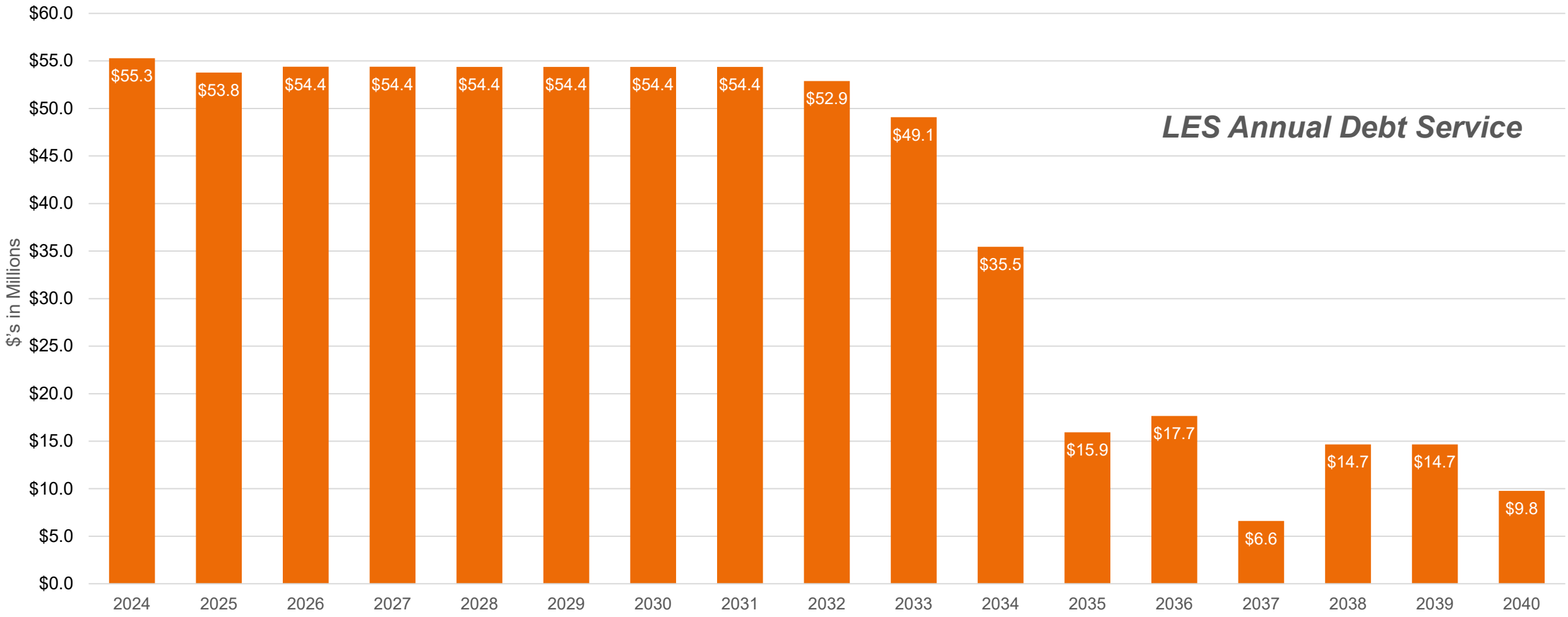
- Continue to evaluate taxable advance refunding opportunities

## Financial metrics must be maintained which influences timing, amount and structure of long-term bonds

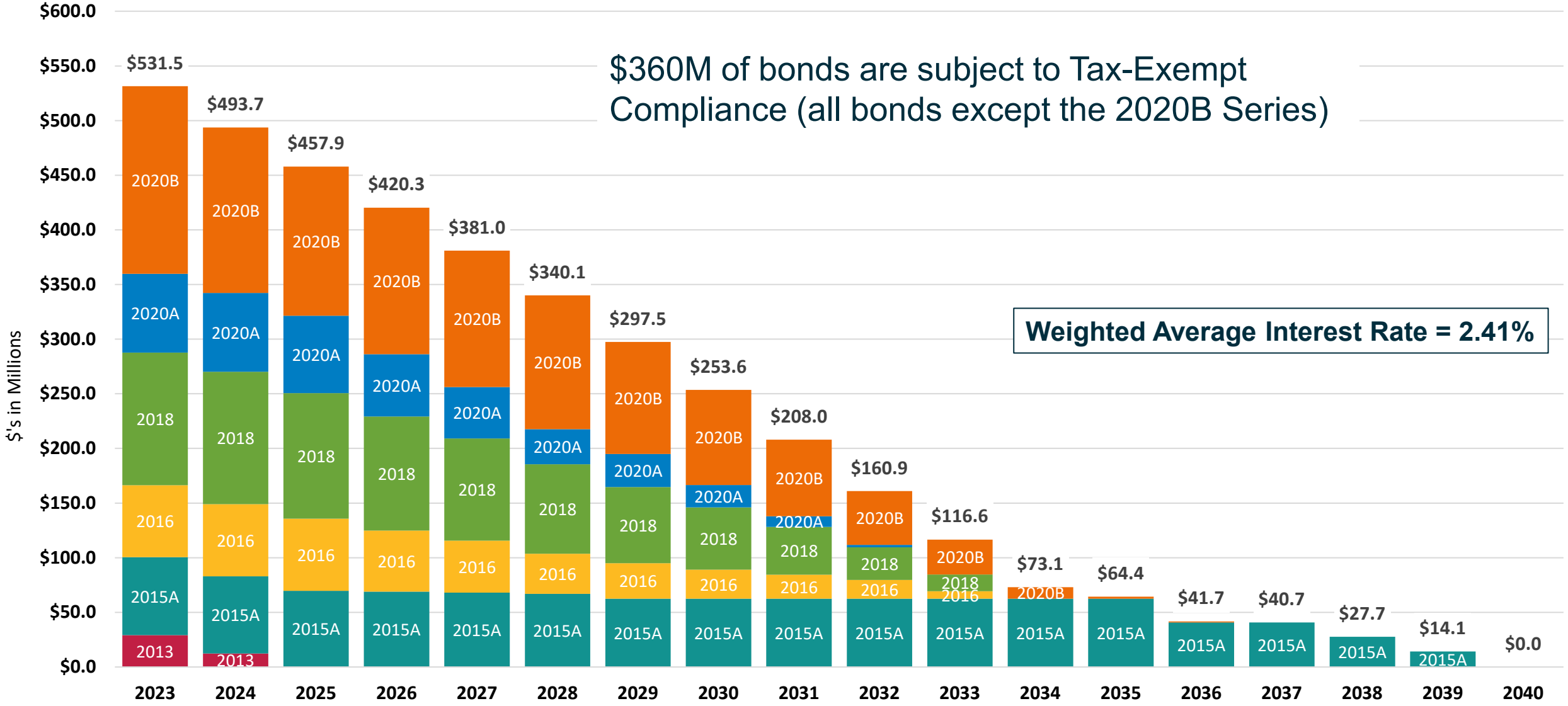
# Market timing matters to minimize cost



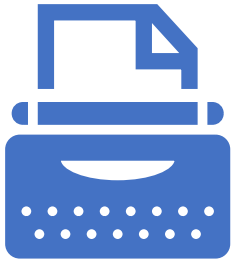
# Existing debt profile influences structure of bond maturities



# LES has ~$531.5M of long-term bonds outstanding



# Issuers of tax-exempt bonds receive oversight from many sources



## The Securities and Exchange Commission (SEC)

Tax exempt issuers are exempt from SEC registration

SEC Rule 15c-212:  underwriters must require tax-exempt issuers to provide ongoing data

Securities Act of 1933 and Securities Exchange Act of 1934: ensures buyers have access to information to make an informed decision (Official Statements)

Designated the Electronic Municipal Market Access (EMMA) as the official source for municipal securities data and disclosure documents.

SEC and IRS cooperate to enhance compliance through rules and laws

## The Municipal Securities Rulemaking Board (MSRB)

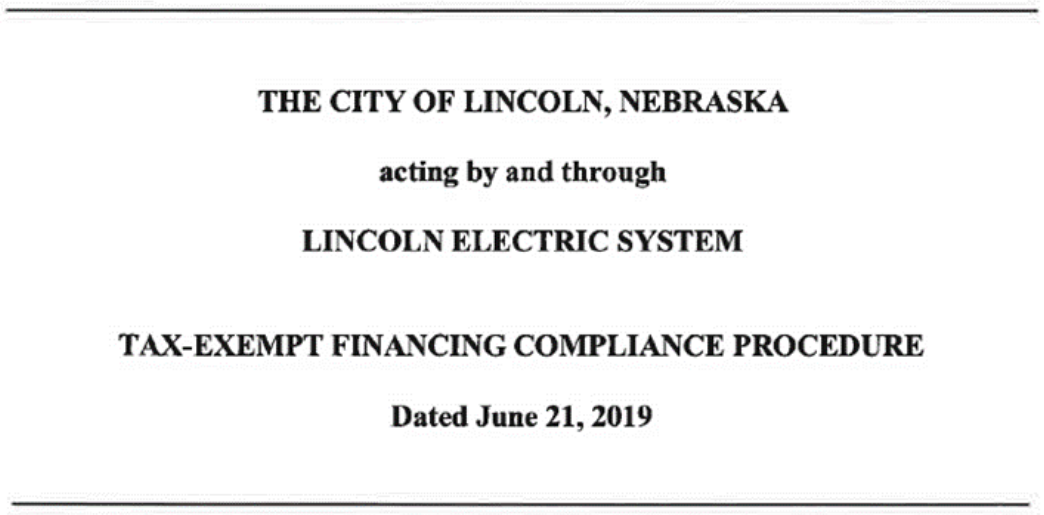
Writes rules for municipal securities dealers

Make rules regulating banks that underwrite municipal securities and municipal advisors

Charged by Congress to promote a fair and efficient municipal market

Subject to oversight by SEC

# LES Administrative Board adopted Financing Compliance Procedures in 2012 *(and updated procedures in 2019)*



THE CITY OF LINCOLN, NEBRASKA

acting by and through

LINCOLN ELECTRIC SYSTEM

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

Dated June 21, 2019

- In exchange for the ability to issue tax-exempt debt, the IRS imposes ongoing requirements focused on the use and expenditure of financing proceeds
- IRS states that all tax-exempt issuers should have written procedures regarding ongoing compliance with federal tax requirements
- As a tax-exempt issuer, LES is also required to provide ongoing disclosures of certain financial and operating data and file notices if certain material events occur
- Resolution 2012-11 designates CFO as “Bond Compliance Officer”

# As a tax-exempt issuer, LES has 10 days to disclose these 16 material events

- Principal and interest payment delinquencies
- Non-payment related default
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to rights of security holders
- Bond calls and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes
- Bankruptcy, insolvency or receivership
- Merger, acquisition or sale of all issuer assets
- Appointment of successor trustee
- Incurrence of a financial obligation of LES that affects security holders
- Default, event of acceleration, termination event, modification of terms, or other similar events related to financial obligation

# Compliance procedures require an annual status update to the Board

2024 annual checklists have been completed and compliance review found no deficiencies

Checklist includes items such as: financial assets ownership, arbitrage calculations, continuing disclosure filings, etc.

CFO, as Bond Compliance Officer, has certified and filed the annual review

**Lincoln Electric System (LES)**
**Annual Compliance Checklist**

| | |
|---|---|
| Name of tax-exempt bonds ("Bonds") financing Financed Asset: | $72,200,000 Lincoln Electric System Revenue Bonds Series 2020A |
| Issue Date of Bonds: | January 30, 2020 |
| Placed in service date of Project Facility: | Various Dates – See Bond Files |
| Name of Bond Compliance Officer: | Emily Koenig |
| Period covered by request ("Annual Period"): | May 2023 - May 2024 |

| Item | Question | Response | |
|---|---|---|---|
| 1 | Was the entire Project Facility owned by LES during the entire Annual Period? | Yes | X |
| | | No | |

**Bond Compliance Officer:** Emily N. Koenig

**Date Completed:** 5/29/24

**Series 2020A**

# Tax-exempt bond compliance is now in maintenance mode

Compliance Procedures (and IRS) require that we have available all transcripts, tax forms, bid documents, etc.:

- For each bond issue credit agreement and commercial paper currently outstanding, and,
- Any bond issues that were refunded by an outstanding bond issue
  - Over 25 electronic bond files have been prepared and audited
  - Similar compliance work has been completed for DEC

Bond files will be completed as new financings are completed

Will continue to monitor compliance on a monthly basis

Internal audit completed in 2021

# Exhibit V

## *LES RESOLUTION 2024-3*

WHEREAS, it is the responsibility of the Lincoln Electric System (LES) Administrative Board to develop Service Regulations which provide the conditions for receiving electric service in the LES service area;

WHEREAS, LES staff has prepared a document entitled "Service Regulations" which includes updated provisions related to facilities investment cost for speculative or transitory loads; requiring battery storage adhere to LES interconnection requirements similar to other customer-owned generation; and, various other verbiage clarifications and changes to enhance verbiage consistency;

WHEREAS, LES staff provided customers information on the proposed Service Regulation changes through the period May 17, 2024, to June 19, 2024;

WHEREAS, a redline document on the Service Regulations changes was posted to LES.com on May 17, 2024, to receive public input and answer questions regarding the proposed changes; and

WHEREAS, the LES Administrative Board has reviewed the changes to the Service Regulations with LES staff and supports the recommended revisions.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the recommended changes to the Service Regulations to be effective July 1, 2024, in substantially the form as attached.

DocuSigned by:
Andrew Hunzeker
84047356E36C4A4...
Chair

Adopted: 6/21/2024

# SERVICE REGULATIONS

Lincoln Electric System

Effective July 1, 2024
Supersedes July 1, 2023

Lincoln Electric System
9445 Rokeby Road
Lincoln, NE 68526-9788
p: 402.475.4211 LES.com

## TABLE OF CONTENTS

# 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 150,000 customer metered accounts.

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.

- *Aid*-to-Construction is required to:
    - Fairly apportion costs and reduce potential financial risks to Customers
    - Recover costs for service requests that would not otherwise be performed 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 receiving service from LES.

***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 issues or pay the costs incurred by LES as a result of these issues. LES may immediately disconnect service if 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 and Battery Storage

Unauthorized grid-connected Customer-owned distributed generation and battery storage is prohibited. All grid-connected Customer-Owned Generation and battery storage including, but not limited to, emergency or standby generation, batteries 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 reseeding. 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 provides a convenient means of electronic bill payment including automated clearing house (ACH) payments for Customers in all Rate Codes and situations where available. . 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(s) 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 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

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. 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 customer portal. (see Section B.4.3.1. – New Service Fee).

A Customer must notify LES regarding vacating 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 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.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 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 and battery storage 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.

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 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 2.5 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 and will be based on 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.
In addition, electric service up to 2.5 MW will be identified as speculative or transitory and subject to a service agreement with LES if Customer's business operations meet four or more of the following criteria:

1. High energy use density
2. High load factor
3. Ability to quickly relocate business operations in response to economic signals
4. Highly sensitive to volatile commodity or asset prices
5. Need for more than customary or routine alterations to the LES electric service facilities to maintain safety and reliability
6. Highly variable load growth or load reduction

LES will notify the Customer if they are required to enter a service agreement. No equipment will be ordered, and no work will be scheduled until the Customer agrees to the service agreement.

Electric service facility investment costs for new or expanded services above 2.5 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 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).

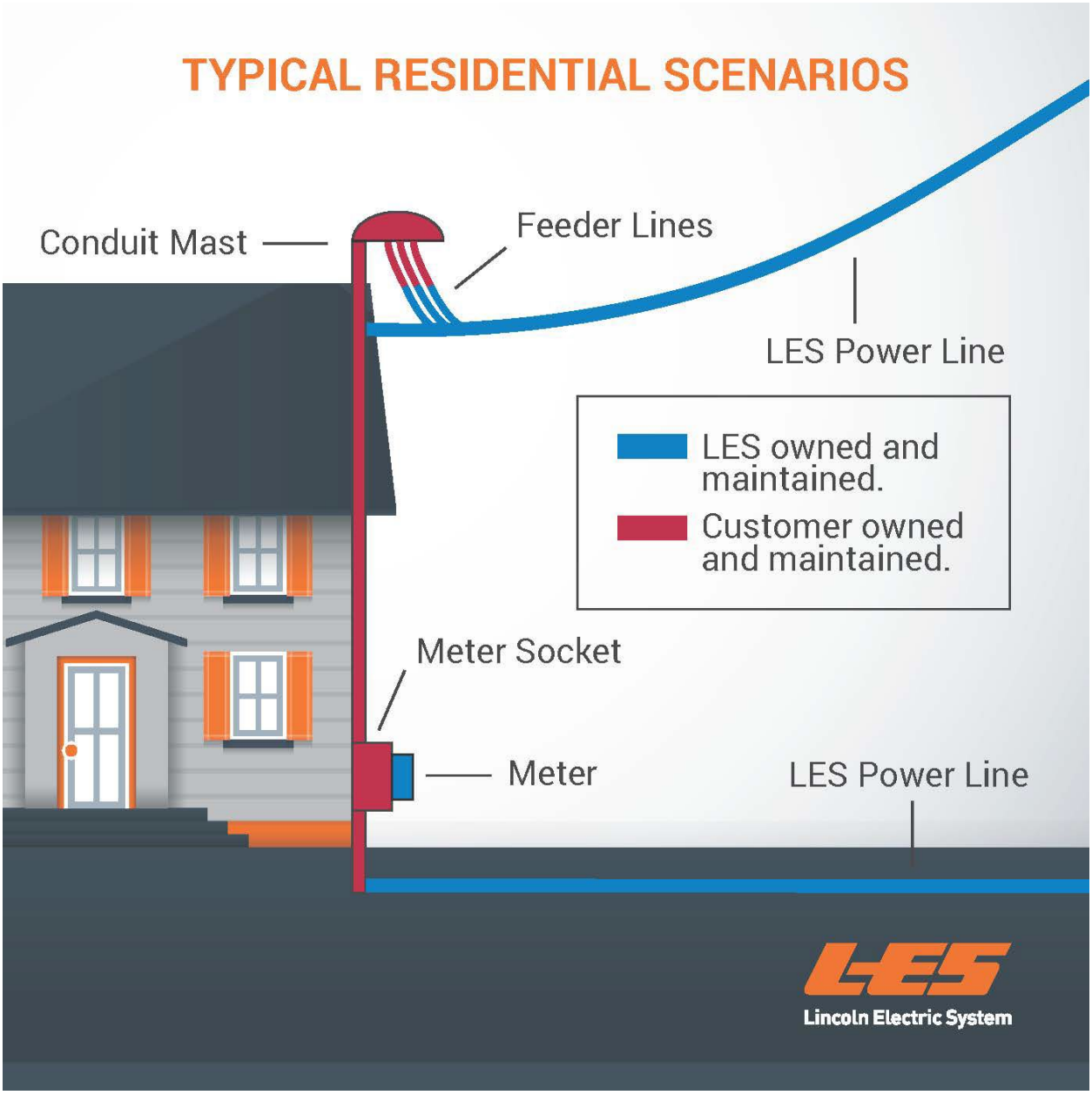
### C.5.7. Banner, Sign Attachments and Festoon Outlets

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 VI

Lincoln Electric System

# Revenue & Expense Statement (Condensed)

**MAY 2024**

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

***(Dollar amounts in 000)***

| | YEAR TO DATE | 2024 Actual | 2024 Budget | Difference | Percentage Difference | Comments |
|---|---|---|---|---|---|---|
| 1) | Total Revenue | $141,690 | $138,441 | $3,249 | 2% | Wholesale revenue exceeded budget by 14% ($2M), primarily due to higher than expected revenues from SPP IM activities. Retail revenue was under budget 1% ($640K). |
| 2) | Power Costs | 54,559 | 56,761 | (2,202) | -4% | Produced power was 13% ($3.6M) under budget due primarily to lower than budgeted energy costs at LRS & WS4 and lower operations expenses at LRS and Rokeby. Purchased power was over budget by 5% ($1.4M) due to higher SPP purchases. |
| 3) | Other Operating Expenses | 40,481 | 41,755 | (1,274) | -3% | Other operating expenses were slightly under budget primarily due to lower than budgeted transmission expenses ($925K), reduced line clearance expenses ($550K) and lower Sustainable Energy Program incentives ($305K). |
| 4) | Depreciation | 14,846 | 16,012 | (1,166) | -7% | |
| 5) | Total Expenses | 109,886 | 114,528 | (4,642) | -4% | |
| 6) | Operating Income | 31,804 | 23,913 | 7,891 | 33% | |
| 7) | Non-Operating Expense (Income) | 15,699 | 14,416 | 1,283 | 9% | |
| 8) | Change in Net Position (Net Revenue) | $16,105 | $9,497 | $6,608 | 70% | |
| | | Year End Projection | Year End Budget | | | |
| 9) | Fixed Charge Coverage | 1.63x | 1.40x | | | |
| 10) | Debt Service Coverage | 2.41x | 2.10x | | | |
| | | Month End Actual | Month End Budget | | | |
| 11) | Days Cash on Hand (Days) | 129 | 125 | | | |

# LINCOLN ELECTRIC SYSTEM

## FINANCIAL AND OPERATING STATEMENT

## May 2024

# INDEX



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

## MAY 2024

| DESCRIPTION | CURRENT MONTH ACTUAL | CURRENT MONTH BUDGET | VARIANCE FROM BUDGET AMOUNT | VARIANCE FROM BUDGET % | LAST YEAR MONTH ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | VARIANCE FROM LAST YEAR % |
|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | |
| 1. Retail | $23,460,514 | $23,814,425 | ($353,911) | -1.5% | $21,462,022 | $1,998,492 | 9.3% |
| 2. Wholesale | 5,727,434 | 5,151,597 | 575,837 | 11.2% | 6,803,129 | (1,075,695) | -15.8% |
| 3. Other Revenue | 412,365 | 407,136 | 5,229 | 1.3% | 568,841 | (156,476) | -27.5% |
| 4. CDFUO (a) | 1,046,899 | 1,057,216 | (10,317) | -1.0% | 941,151 | 105,748 | 11.2% |
| 5. Total Operating Revenues | 30,647,212 | 30,430,374 | 216,838 | 0.7% | 29,775,143 | 872,069 | 2.9% |
| | | | | | | | |
| **OPERATING EXPENSES** | | | | | | | |
| 6. Purchased Power | 5,950,431 | 5,246,260 | 704,171 | 13.4% | 5,658,032 | 292,399 | 5.2% |
| 7. Produced Power | 6,294,417 | 6,149,680 | 144,737 | 2.4% | 5,233,005 | 1,061,412 | 20.3% |
| 8. Operations | 1,754,803 | 2,548,912 | (794,109) | -31.2% | 1,986,707 | (231,904) | -11.7% |
| 9. Maintenance | 912,523 | 1,058,389 | (145,866) | -13.8% | 972,303 | (59,780) | -6.1% |
| 10. Admin. & General | 5,163,718 | 4,938,439 | 225,279 | 4.6% | 4,836,454 | 327,264 | 6.8% |
| 11. Depreciation | 2,976,874 | 3,190,409 | (213,535) | -6.7% | 2,910,570 | 66,304 | 2.3% |
| 12. Total Operating Expenses | 23,052,766 | 23,132,089 | (79,323) | -0.3% | 21,597,071 | 1,455,695 | 6.7% |
| | | | | | | | |
| **13. OPERATING INCOME** | **7,594,446** | **7,298,285** | **296,161** | **4.1%** | **8,178,072** | **(583,626)** | **-7.1%** |
| | | | | | | | |
| **NONOPERATING EXPENSES (INCOME)** | | | | | | | |
| 14. Interest Expense (b) | 1,435,577 | 1,416,161 | 19,416 | 1.4% | 1,445,875 | (10,298) | -0.7% |
| 15. PILOT (c) | 1,001,989 | 1,035,144 | (33,155) | -3.2% | 910,381 | 91,608 | 10.1% |
| 16. CDFUO Expense (a) | 1,046,389 | 1,046,389 | 0 | 0.0% | 963,140 | 83,249 | 8.6% |
| 17. Other Expense | 0 | 0 | 0 | - - | 0 | 0 | - - |
| 18. Total Other Nonoperating Expense | 3,483,955 | 3,497,694 | (13,739) | -0.4% | 3,319,396 | 164,559 | 5.0% |
| 19. Other (Income) | (88,443) | (45,060) | (43,383) | 96.3% | (45,060) | (43,383) | 96.3% |
| 20. Interest (Income) | 867,582 | (612,517) | 1,480,099 | -241.6% | (750,108) | 1,617,690 | -215.7% |
| 21. Total Other Nonoperating (Income) | 779,139 | (657,577) | 1,436,716 | -218.5% | (795,168) | 1,574,307 | -198.0% |
| 22. Total Nonoperating Expenses (Income) | 4,263,094 | 2,840,117 | 1,422,977 | 50.1% | 2,524,228 | 1,738,866 | 68.9% |
| | | | | | | | |
| **23. Income Before Contributions** | **3,331,352** | **4,458,168** | **(1,126,816)** | **-25.3%** | **5,653,844** | **(2,322,492)** | **-41.1%** |
| | | | | | | | |
| ***CONTRIBUTED CAPITAL*** | | | | | | | |
| 24. Contributed Capital Received | 157,654 | 182,756 | (25,102) | -13.7% | 36,898 | 120,756 | 327.3% |
| 25. Contributed Capital Used (d) | (157,654) | (182,756) | 25,102 | 13.7% | (36,898) | (120,756) | -327.3% |
| 26. Net Contributed Capital | 0 | 0 | 0 | - - | 0 | 0 | - - |
| | | | | | | | |
| **27. CHANGE IN NET POSITION** | **$3,331,352** | **$4,458,168** | **($1,126,816)** | **-25.3%** | **$5,653,844** | **($2,322,492)** | **-41.1%** |

*(a) City Dividend for Utility Ownership.*

*(b) Bond Interest $1,532,116 + Software Agreements Interest $6,019 + Variable Interest $208,011 + Amortization of Issuance Costs on Outstanding Debt $76,148 + Amortization of Loss on Refunded Debt $107,776 - Amortization of Discount/*

*(c) Payment In Lieu of Tax.*

*(d) Reduction of Plant Costs Recovered through Contributions.*

# REVENUE & EXPENSE STATEMENT

## YEAR-TO-DATE

## MAY 2024

| DESCRIPTION | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | VARIANCE FROM BUDGET AMOUNT | VARIANCE FROM BUDGET % | LAST YEAR YEAR TO DATE ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | VARIANCE FROM LAST YEAR % |
|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | |
| 1. Retail | $115,120,514 | $115,758,759 | ($638,245) | -0.6% | $110,398,558 | $4,721,956 | 4.3% |
| 2. Wholesale | 16,673,401 | 14,676,771 | 1,996,630 | 13.6% | 18,611,866 | (1,938,465) | -10.4% |
| 3. Other Revenue | 4,641,012 | 2,877,742 | 1,763,270 | 61.3% | 2,768,349 | 1,872,663 | 67.6% |
| 4. CDFUO (a) | 5,255,533 | 5,128,226 | 127,307 | 2.5% | 4,717,552 | 537,981 | 11.4% |
| 5. Total Operating Revenues | 141,690,460 | 138,441,498 | 3,248,962 | 2.3% | 136,496,325 | 5,194,135 | 3.8% |
| | | | | | | | |
| **OPERATING EXPENSES** | | | | | | | |
| 6. Purchased Power | 30,032,482 | 28,670,042 | 1,362,440 | 4.8% | 31,516,768 | (1,484,286) | -4.7% |
| 7. Produced Power | 24,526,642 | 28,091,188 | (3,564,546) | -12.7% | 22,969,257 | 1,557,385 | 6.8% |
| 8. Operations | 10,653,998 | 11,846,968 | (1,192,970) | -10.1% | 10,041,813 | 612,185 | 6.1% |
| 9. Maintenance | 4,866,750 | 5,262,444 | (395,694) | -7.5% | 4,010,434 | 856,316 | 21.4% |
| 10. Admin. & General | 24,959,833 | 24,645,526 | 314,307 | 1.3% | 23,691,932 | 1,267,901 | 5.4% |
| 11. Depreciation | 14,846,260 | 16,011,726 | (1,165,466) | -7.3% | 14,581,110 | 265,150 | 1.8% |
| 12. Total Operating Expenses | 109,885,965 | 114,527,894 | (4,641,929) | -4.1% | 106,811,314 | 3,074,651 | 2.9% |
| | | | | | | | |
| **13. OPERATING INCOME** | **31,804,495** | **23,913,604** | **7,890,891** | **33.0%** | **29,685,011** | **2,119,484** | **7.1%** |
| | | | | | | | |
| **NONOPERATING EXPENSES (INCOME)** | | | | | | | |
| 14. Interest Expense (b) | 7,091,383 | 7,122,285 | (30,902) | -0.4% | 7,118,000 | (26,617) | -0.4% |
| 15. PILOT (c) | 5,317,318 | 5,516,869 | (199,551) | -3.6% | 5,022,656 | 294,662 | 5.9% |
| 16. CDFUO Expense (a) | 5,231,945 | 5,231,945 | 0 | 0.0% | 4,815,700 | 416,245 | 8.6% |
| 17. Other Expense | 0 | 0 | 0 | - - | 153 | (153) | -100.0% |
| 18. Total Other Nonoperating Expense | 17,640,646 | 17,871,099 | (230,453) | -1.3% | 16,956,509 | 684,137 | 4.0% |
| 19. Other (Income) | (227,650) | (225,300) | (2,350) | 1.0% | (218,052) | (9,598) | 4.4% |
| 20. Interest (Income) | (1,713,969) | (3,229,424) | 1,515,455 | -46.9% | (2,570,195) | 856,226 | -33.3% |
| 21. Total Other Nonoperating (Income) | (1,941,619) | (3,454,724) | 1,513,105 | -43.8% | (2,788,247) | 846,628 | -30.4% |
| 22. Total Nonoperating Expenses (Income) | 15,699,027 | 14,416,375 | 1,282,652 | 8.9% | 14,168,262 | 1,530,765 | 10.8% |
| | | | | | | | |
| **23. Income Before Contributions** | **16,105,468** | **9,497,229** | **6,608,239** | **69.6%** | **15,516,749** | **588,719** | **3.8%** |
| | | | | | | | |
| ***CONTRIBUTED CAPITAL*** | | | | | | | |
| 24. Contributed Capital Received | 1,162,615 | 913,783 | 248,832 | 27.2% | 258,904 | 903,711 | 349.1% |
| 25. Contributed Capital Used (d) | (1,162,615) | (913,783) | (248,832) | -27.2% | (258,904) | (903,711) | -349.1% |
| 26. Net Contributed Capital | 0 | 0 | 0 | - - | 0 | 0 | - - |
| | | | | | | | |
| **27. CHANGE IN NET POSITION** | **$16,105,468** | **$9,497,229** | **$6,608,239** | **69.6%** | **$15,516,749** | **$588,719** | **3.8%** |

*(a) City Dividend for Utility Ownership.*

*(b) Bond Interest $7,660,580 + Software Agreements Interest $27,564 + Variable Interest $931,896 + Amortization of Issuance Costs on Outstanding Debt $404,929 + Amortization of Loss on Refunded Debt $538,881 - Amortization of Discount/*

*(c) Payment In Lieu of Tax.*

*(d) Reduction of Plant Costs Recovered through Contributions.*

# REVENUES, ENERGY & CUSTOMERS

## CURRENT MONTH

## MAY 2024

| DESCRIPTION | CURRENT MONTH ACTUAL | CURRENT MONTH BUDGET | VARIANCE FROM BUDGET AMOUNT | % | LAST YEAR MONTH ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | % |
|---|---|---|---|---|---|---|---|
| ***REVENUE*** | | | | | | | |
| 1. Residential | $10,822,277 | $9,991,347 | $830,930 | 8.3% | $9,510,305 | $1,311,972 | 13.8% |
| 2. Commercial & Street Light | 9,807,091 | 10,984,247 | (1,177,156) | -10.7% | 9,246,000 | 561,091 | 6.1% |
| 3. Industrial | 2,831,146 | 2,838,831 | (7,685) | -0.3% | 2,705,717 | 125,429 | 4.6% |
| 4. Total Retail | 23,460,514 | 23,814,425 | (353,911) | -1.5% | 21,462,022 | 1,998,492 | 9.3% |
| 5. SPP Sales | 5,116,692 | 4,282,480 | 834,212 | 19.5% | 5,917,641 | (800,949) | -13.5% |
| 6. Contract Sales | 610,742 | 869,117 | (258,375) | -29.7% | 885,488 | (274,746) | -31.0% |
| 7. Total Wholesale | 5,727,434 | 5,151,597 | 575,837 | 11.2% | 6,803,129 | (1,075,695) | -15.8% |
| 8. Total | $29,187,948 | $28,966,022 | $221,926 | 0.8% | $28,265,151 | $922,797 | 3.3% |
| ***ENERGY (MWH'S)*** | | | | | | | |
| 9. Residential | 98,993 | 81,899 | 17,094 | 20.9% | 84,763 | 14,230 | 16.8% |
| 10. Commercial & Street Light | 128,335 | 121,946 | 6,389 | 5.2% | 120,688 | 7,647 | 6.3% |
| 11. Industrial | 43,011 | 37,454 | 5,557 | 14.8% | 41,113 | 1,898 | 4.6% |
| 12. Total Retail | 270,339 | 241,299 | 29,040 | 12.0% | 246,564 | 23,775 | 9.6% |
| 13. SPP Sales | 27,181 | 42,741 | (15,560) | -36.4% | 47,719 | (20,538) | -43.0% |
| 14. Contract Sales | 16,285 | 16,285 | 0 | 0.0% | 24,470 | (8,185) | -33.4% |
| 15. Total Wholesale | 43,466 | 59,026 | (15,560) | -26.4% | 72,189 | (28,723) | -39.8% |
| 16. Total | 313,805 | 300,325 | 13,480 | 4.5% | 318,753 | (4,948) | -1.6% |
| ***CUSTOMERS - AT MONTH END*** | | | | | | | |
| 17. Residential | 134,578 | 131,488 | 3,090 | 2.4% | 131,806 | 2,772 | 2.1% |
| 18. Commercial & Street Light | 17,891 | 17,700 | 191 | 1.1% | 17,722 | 169 | 1.0% |
| 19. Industrial | 239 | 233 | 6 | 2.6% | 230 | 9 | 3.9% |
| 20. Total Retail | 152,708 | 149,421 | 3,287 | 2.2% | 149,758 | 2,950 | 2.0% |
| 21. Wholesale | 6 | 6 | 0 | 0.0% | 7 | (1) | -14.3% |
| 22. Total | 152,714 | 149,427 | 3,287 | 2.2% | 149,765 | 2,949 | 2.0% |

## REVENUES, ENERGY & CUSTOMERS

## YEAR-TO-DATE

## MAY 2024

| DESCRIPTION | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | VARIANCE FROM BUDGET AMOUNT | % | LAST YEAR YEAR TO DATE ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | % |
|---|---|---|---|---|---|---|---|
| ***REVENUE*** | | | | | | | |
| 1. Residential | $53,898,959 | $53,975,839 | ($76,880) | -0.1% | $52,527,971 | $1,370,988 | 2.6% |
| 2. Commercial & Street Light | 47,683,930 | 49,112,367 | (1,428,437) | -2.9% | 45,458,508 | 2,225,422 | 4.9% |
| 3. Industrial | 13,537,625 | 12,670,553 | 867,072 | 6.8% | 12,412,079 | 1,125,546 | 9.1% |
| 4. Total Retail | 115,120,514 | 115,758,759 | (638,245) | -0.6% | 110,398,558 | 4,721,956 | 4.3% |
| 5. SPP Sales | 13,156,016 | 10,749,422 | 2,406,594 | 22.4% | 14,642,514 | (1,486,498) | -10.2% |
| 6. Contract Sales | 3,517,385 | 3,927,349 | (409,964) | -10.4% | 3,969,352 | (451,967) | -11.4% |
| 7. Total Wholesale | 16,673,401 | 14,676,771 | 1,996,630 | 13.6% | 18,611,866 | (1,938,465) | -10.4% |
| 8. Total | $131,793,915 | $130,435,530 | $1,358,385 | 1.0% | $129,010,424 | 2,783,491 | 2.2% |
| ***ENERGY (MWH'S)*** | | | | | | | |
| 9. Residential | 516,504 | 519,927 | (3,423) | -0.7% | 537,874 | (21,370) | -4.0% |
| 10. Commercial & Street Light | 587,232 | 589,410 | (2,178) | -0.4% | 586,161 | 1,071 | 0.2% |
| 11. Industrial | 197,752 | 180,899 | 16,853 | 9.3% | 180,994 | 16,758 | 9.3% |
| 12. Total Retail | 1,301,488 | 1,290,236 | 11,252 | 0.9% | 1,305,029 | (3,541) | -0.3% |
| 13. SPP Sales | 122,330 | 148,269 | (25,939) | -17.5% | 174,760 | (52,430) | -30.0% |
| 14. Contract Sales | 76,944 | 91,275 | (14,331) | -15.7% | 90,036 | (13,092) | -14.5% |
| 15. Total Wholesale | 199,274 | 239,544 | (40,270) | -16.8% | 264,796 | (65,522) | -24.7% |
| 16. Total | 1,500,762 | 1,529,780 | (29,018) | -1.9% | 1,569,825 | (69,063) | -4.4% |
| ***CUSTOMERS AVERAGE*** | | | | | | | |
| 17. Residential | 134,316 | 131,385 | 2,931 | 2.2% | 131,510 | 2,806 | 2.1% |
| 18. Commercial & Street Light | 17,884 | 17,670 | 214 | 1.2% | 17,677 | 207 | 1.2% |
| 19. Industrial | 239 | 233 | 6 | 2.6% | 230 | 9 | 3.9% |
| 20. Total Retail | 152,439 | 149,288 | 3,151 | 2.1% | 149,417 | 3,022 | 2.0% |
| 21. Wholesale | 6 | 6 | 0 | 0.0% | 7 | (1) | -14.3% |
| 22. Total | 152,445 | 149,294 | 3,151 | 2.1% | 149,424 | 3,021 | 2.0% |

# OPERATING EXPENSE STATEMENT

## CURRENT MONTH

**MAY 2024**

| DESCRIPTION | CURRENT MONTH ACTUAL | CURRENT MONTH BUDGET | VARIANCE FROM BUDGET AMOUNT | VARIANCE FROM BUDGET % | LAST YEAR MONTH ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | VARIANCE FROM LAST YEAR % |
|---|---|---|---|---|---|---|---|
| ***POWER COST*** | | | | | | | |
| 1. SPP Purchased Power | $1,526,223 | $11,698 | $1,514,525 | 12946.9% | $880,881 | $645,342 | 73.3% |
| 2. Non-Owned Asset Power | 4,424,208 | 5,234,562 | (810,354) | -15.5% | 4,777,151 | (352,943) | -7.4% |
| 3. Total Purchased Power | 5,950,431 | 5,246,260 | 704,171 | 13.4% | 5,658,032 | 292,399 | 5.2% |
| 4. Produced Power | 6,294,417 | 6,149,680 | 144,737 | 2.4% | 5,233,005 | 1,061,412 | 20.3% |
| 5. Total Power Cost | 12,244,848 | 11,395,940 | 848,908 | 7.4% | 10,891,037 | 1,353,811 | 12.4% |
| | | | | | | | |
| ***OPERATION & MAINTENANCE (O&M)*** | | | | | | | |
| 6. Energy Delivery | 2,307,500 | 2,571,824 | (264,324) | -10.3% | 2,037,676 | 269,824 | 13.2% |
| 7. Transmission | 359,826 | 1,035,477 | (675,651) | -65.3% | 921,334 | (561,508) | -60.9% |
| 8. Total O & M Expense | 2,667,326 | 3,607,301 | (939,975) | -26.1% | 2,959,010 | (291,684) | -9.9% |
| | | | | | | | |
| ***ADMINISTRATIVE & GENERAL (A&G)*** | | | | | | | |
| 9. Administration | 286,218 | 289,625 | (3,407) | -1.2% | 246,534 | 39,684 | 16.1% |
| 10. Communication & Corporate Records | 275,986 | 218,150 | 57,836 | 26.5% | 280,460 | (4,474) | -1.6% |
| 11. Corporate Operations | 933,374 | 1,023,507 | (90,133) | -8.8% | 1,138,994 | (205,620) | -18.1% |
| 12. Customer Services | 1,251,234 | 1,045,151 | 206,083 | 19.7% | 1,139,521 | 111,713 | 9.8% |
| 13. Financial Services | 473,386 | 470,767 | 2,619 | 0.6% | 441,081 | 32,305 | 7.3% |
| 14. Power Supply | 426,457 | 458,026 | (31,569) | -6.9% | 371,478 | 54,979 | 14.8% |
| 15. Technology Services | 1,517,063 | 1,433,213 | 83,850 | 5.9% | 1,218,386 | 298,677 | 24.5% |
| 16. Total A & G Expense | 5,163,718 | 4,938,439 | 225,279 | 4.6% | 4,836,454 | 327,264 | 6.8% |
| | | | | | | | |
| ***17. DEPRECIATION*** | 2,976,874 | 3,190,409 | (213,535) | -6.7% | 2,910,570 | 66,304 | 2.3% |
| | | | | | | | |
| ***18. TOTAL OPERATING EXPENSE*** | $23,052,766 | $23,132,089 | ($79,323) | -0.3% | $21,597,071 | $1,455,695 | 6.7% |

# OPERATING EXPENSE STATEMENT

## YEAR-TO-DATE

## MAY 2024

| DESCRIPTION | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | VARIANCE FROM BUDGET AMOUNT | % | LAST YEAR YEAR TO DATE ACTUAL | VARIANCE FROM LAST YEAR AMOUNT | % |
|---|---|---|---|---|---|---|---|
| ***POWER COST*** | | | | | | | |
| 1. SPP Purchased Power | $6,503,427 | $4,312,969 | $2,190,458 | 50.8% | $7,079,092 | ($575,665) | -8.1% |
| 2. Non-Owned Asset Power | 23,529,055 | 24,357,073 | (828,018) | -3.4% | 24,437,676 | (908,621) | -3.7% |
| 3. Total Purchased Power | 30,032,482 | 28,670,042 | 1,362,440 | 4.8% | 31,516,768 | (1,484,286) | -4.7% |
| 4. Produced Power | 24,526,642 | 28,091,188 | (3,564,546) | -12.7% | 22,969,257 | 1,557,385 | 6.8% |
| 5. Total Power Cost | 54,559,124 | 56,761,230 | (2,202,106) | -3.9% | 54,486,025 | 73,099 | 0.1% |
| | | | | | | | |
| ***OPERATION & MAINTENANCE (O&M)*** | | | | | | | |
| 6. Energy Delivery | 11,256,587 | 11,919,800 | (663,213) | -5.6% | 9,340,479 | 1,916,108 | 20.5% |
| 7. Transmission | 4,264,161 | 5,189,612 | (925,451) | -17.8% | 4,711,768 | (447,607) | -9.5% |
| 8. Total O & M Expense | 15,520,748 | 17,109,412 | (1,588,664) | -9.3% | 14,052,247 | 1,468,501 | 10.5% |
| | | | | | | | |
| ***ADMINISTRATIVE & GENERAL (A&G)*** | | | | | | | |
| 9. Administration | 1,388,945 | 1,350,016 | 38,929 | 2.9% | 1,228,349 | 160,596 | 13.1% |
| 10. Communication & Corporate Records | 1,059,776 | 1,043,052 | 16,724 | 1.6% | 940,260 | 119,516 | 12.7% |
| 11. Corporate Operations | 5,321,440 | 4,865,310 | 456,130 | 9.4% | 6,174,788 | (853,348) | -13.8% |
| 12. Customer Services | 5,254,537 | 5,406,711 | (152,174) | -2.8% | 4,673,089 | 581,448 | 12.4% |
| 13. Financial Services | 2,418,317 | 2,337,634 | 80,683 | 3.5% | 2,212,833 | 205,484 | 9.3% |
| 14. Power Supply | 2,171,078 | 2,401,892 | (230,814) | -9.6% | 1,874,775 | 296,303 | 15.8% |
| 15. Technology Services | 7,345,740 | 7,240,911 | 104,829 | 1.4% | 6,587,838 | 757,902 | 11.5% |
| 16. Total A & G Expense | 24,959,833 | 24,645,526 | 314,307 | 1.3% | 23,691,932 | 1,267,901 | 5.4% |
| | | | | | | | |
| ***17. DEPRECIATION*** | 14,846,260 | 16,011,726 | (1,165,466) | -7.3% | 14,581,110 | 265,150 | 1.8% |
| | | | | | | | |
| ***18. TOTAL OPERATING EXPENSE*** | $109,885,965 | $114,527,894 | ($4,641,929) | -4.1% | $106,811,314 | $3,074,651 | 2.9% |

# BALANCE SHEET

## MAY 2024

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

| DESCRIPTION | END OF MONTH BALANCE | VARIANCE SINCE JANUARY 1 |
|---|---|---|
| ***CURRENT ASSETS:*** | | |
| 1. Revenue Fund (includes CDFUO) | $69,929,683 | ($27,506,623) |
| 2. Payment in Lieu of Tax Fund | 4,264,518 | (7,983,640) |
| 3. Rate Stabilization Fund | 39,923,659 | 679,512 |
| 4. Bond Principal & Interest Funds | 33,552,223 | 14,742,395 |
| 5. Other Restricted/Designated Funds (a) | 4,095,387 | (11,462) |
| 6. Restricted/Designated Funds Total | 77,571,269 | 15,410,445 |
| 7. Total Current Asset Funds (b) | 151,765,470 | (20,079,818) |
| 8. Receivables Less Uncollectible Allowance | 26,023,666 | 2,926,168 |
| 9. Unbilled Revenue | 17,855,433 | 237,283 |
| 10. Accrued Interest Receivable | 70,654 | (2,222,018) |
| 11. Materials, Supplies & Fuel Inventory | 34,697,930 | 2,970,996 |
| 12. Plant Operation Assets | 18,829,295 | 1,039,638 |
| 13. Other Current Assets | 4,718,254 | 171,604 |
| 14. Total Current Assets | 253,960,702 | (14,956,147) |
| | | |
| ***NONCURRENT ASSETS:*** | | |
| 15. Bond Reserve Funds | 9,459,457 | 60,598 |
| 16. Self-Funded Benefits Reserve Fund (IBNP) | 866,928 | 92,661 |
| 17. Segregated Funds (c) | 19,222,321 | 3,390,119 |
| 18. Restricted Funds Total (b) | 29,548,706 | 3,543,378 |
| 19. Unamortized Debt Expense | 1,941,102 | (140,115) |
| 21. Accrued Lease Interest | 105,351 | 19,689 |
| 22. Other Noncurrent Assets | 1,259,698 | (295,545) |
| 23. Total Noncurrent Assets | $39,903,937 | $2,975,081 |
| | | |
| ***CAPITAL ASSETS:*** | | |
| 24. Utility Plant in Service | 1,854,243,659 | 11,253,424 |
| 25. Accumulated Depreciation & Amortization | (949,122,415) | (13,283,930) |
| 26. Construction Work in Progress | 123,600,462 | 18,868,718 |
| 27. Total Capital Assets | 1,028,721,706 | 16,838,212 |
| | | |
| ***DEFERRED OUTFLOWS OF RESOURCES:*** | | |
| 28. Deferred Loss on Refunded Debt | 7,588,344 | (538,881) |
| 29. Deferred Costs for Asset Retirement Obligations | 4,868,665 | (321,455) |
| 30. Total Deferred Outflows of Resources | 12,457,009 | (860,336) |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| ***31. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES*** | $1,335,043,354 | $3,996,810 |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION**

| DESCRIPTION | END OF MONTH BALANCE | VARIANCE SINCE JANUARY 1 |
|---|---|---|
| ***CURRENT LIABILITIES:*** | | |
| *OTHER LIABILITIES* | | |
| 1. Accounts Payable | $16,056,162 | ($5,584,010) |
| 2. Accrued Payments in Lieu of Taxes | 5,238,273 | (7,881,262) |
| 3. City Dividend for Utility Ownership Payable | 3,139,167 | (1,046,389) |
| 4. Commercial Paper Notes | 65,500,000 | 0 |
| 5. Accrued Software Interest | 50,789 | 24,963 |
| 6. Accrued Liabilities | 19,708,495 | 3,067,320 |
| 7. Total Other Liabilities | 109,692,886 | (11,419,378) |
| **CURRENT LIABILITIES - RESTRICTED ASSETS** | | |
| 8. Current Portion of Long-Term Debt | 37,800,000 | 0 |
| 9. Accrued Interest | 4,899,451 | (1,475,600) |
| 10. Other Current Liabilities (d) | 936,509 | 31,093 |
| 11. Total Current Liabilities - Restricted Assets | 43,635,960 | (1,444,507) |
| 12. Total Current Liabilities | 153,328,846 | (12,863,885) |
| | | |
| **NONCURRENT LIABILITIES:** | | |
| 13. 2013 Bonds | 29,065,000 | 0 |
| 14. 2015A Bonds | 71,400,000 | 0 |
| 15. 2016 Bonds | 65,960,000 | 0 |
| 16. 2018 Bonds | 121,205,000 | 0 |
| 17. 2020A Bonds | 72,200,000 | 0 |
| 18. 2020B Bonds | 171,625,000 | 0 |
| 19. Total Revenue Bonds | 531,455,000 | 0 |
| 20. Less Current Maturities | 37,800,000 | 0 |
| 21. Less Unamortized Discounts/Premiums | (32,182,128) | 2,472,466 |
| 22. Note Purchase Agreement | 0 | 0 |
| 23. Revolving Credit Agreement | 0 | 0 |
| 24. Net Long Term Debt | 525,837,128 | (2,472,466) |
| 25. Liabilities Payable from Segregated Funds (e) | 19,104,230 | 3,272,140 |
| 26. Asset Retirement Obligation | 4,868,665 | (321,455) |
| 27. Software Liabilities | 1,803,984 | 364,484 |
| 28. Other Noncurrent Liabilities | 35,789,688 | 136,524 |
| 29. Total Liabilities | 740,732,541 | (11,884,658) |
| | | |
| **DEFERRED INFLOWS OF RESOURCES:** | 0 | 0 |
| 30. Deferred Inflow of Resource | 6,603,492 | (224,000) |
| 31. Total Deferred Inflows of Resources | 6,603,492 | (224,000) |
| | | |
| **NET POSITION:** | | |
| 32. Net Investment in Capital Assets | 413,956,532 | 18,143,817 |
| 33. Restricted for Debt Service | 28,919,533 | 16,278,593 |
| 34. Restricted for Employee Health Insurance Claims | 1,678,075 | (1,267,131) |
| 35. Unrestricted | 143,153,181 | (17,049,811) |
| 36. Total Net Position | 587,707,321 | 16,105,468 |
| | | |
| ***37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION*** | $1,335,043,354 | $3,996,810 |

## STATEMENT OF CASH FLOWS
## MAY 2024

| | CURRENT MONTH | YEAR-TO-DATE |
|---|---|---|
| ***CASH FLOW FROM OPERATING ACTIVITIES:*** | | |
| 1. Received from Sales to Customers and Users | $26,372,765 | $144,988,137 |
| 2. Sales Tax Receipts | $1,164,013 | $6,368,619 |
| 3. Paid to Suppliers for Goods & Services | ($16,232,164) | ($91,836,025) |
| 4. Paid to Employees for Services | ($1,725,285) | ($8,720,896) |
| 5. Payments for Sales Tax | (1,174,041) | (6,375,720) |
| ***6. Cash Flow from Operating Activities (a)*** | 8,405,288 | 44,424,115 |
| | | |
| ***CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:*** | | |
| 7. Payment in Lieu of Tax | 0 | (13,198,581) |
| 8. City Dividend for Utility Ownership Payments | 0 | (6,278,334) |
| 9. Other | 0 | 0 |
| ***10. Cash Flow from (used for) Noncapital Financing Activities*** | 0 | (19,476,915) |
| | | |
| ***CASH FLOWS FROM INVESTING ACTIVITIES:*** | | |
| 11. Net (Purchases) Sales of Investments | (12,815,397) | 25,085,861 |
| 12. Interest Income | 798,640 | 2,340,223 |
| ***13. Cash Flow from (used for) Investing Activities*** | (12,016,757) | 27,426,084 |
| | | |
| ***CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:*** | | |
| 14. Acquisition and Construction of Capital Assets | (7,171,158) | (34,909,197) |
| 15. Salvage on Retirement of Plant | 100,079 | 105,826 |
| 16. Cost of Removal of Property Retired | (767,624) | (1,039,231) |
| 17. Debt Issuance Cost Paid | 0 | 0 |
| 18. Debt Premiums Collected | 0 | 0 |
| 19. Net Capital Contributions | 39,563 | 434,754 |
| 20. Capital Contributions Recv'd in Advance | 0 | 0 |
| 21. Cash Received from Leases | 85,957 | 213,901 |
| 23. Net Proceeds from Issuance of Long-Term Debt | 0 | 0 |
| 24. Principal Payments on Long-Term Debt | 0 | 0 |
| 25. Interest Payments on Debt | (114,044) | (10,068,077) |
| ***26. Cash Flow from (used for) Capital Financing Activities*** | (7,827,227) | (45,262,024) |
| | | |
| 26. Cash Flow from (used for) Capital Financing Activities | (11,438,696) | 7,111,260 |
| 27. Net Increase (Decrease) in Cash and Cash Equivalents | 53,502,101 | 35,018,728 |
| **28. Cash and Cash Equivalents Beginning of Period** | $42,063,405 | $42,129,988 |
| | | |
| **STATEMENT OF CASH FLOW FOOTNOTES** | | |
| **(a) Reconciliation of operating income to cash flows from operating activities** | | |
| **1. Net Operating Revenue** | **$7,594,446** | **$31,804,495** |
| **2. Noncash items included in operating income** | **3,074,547** | **15,331,763** |
| **3. Changes in Assets & Liabilities Increase/(Decrease)** | **(2,263,705)** | **(2,712,143)** |
| **4. Net cash flows from operating activities** | **$8,405,288** | **$44,424,115** |
| | | |
| **(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.** | | |

## DEBT SERVICE COVERAGE

## MAY 2024

| DESCRIPTION | CURRENT MONTH ACTUAL THIS YEAR | CURRENT MONTH BUDGET THIS YEAR | CURRENT MONTH ACTUAL LAST YEAR | YEAR-TO-DATE ACTUAL THIS YEAR | YEAR-TO-DATE BUDGET THIS YEAR | YEAR-TO-DATE ACTUAL LAST YEAR |
|---|---|---|---|---|---|---|
| 1. Total Operating Revenues | $30,647,212 | $30,430,374 | $29,775,143 | $141,690,460 | $138,441,498 | $136,496,325 |
| 2. Total Operating Expenses | 23,052,766 | 23,132,089 | 21,597,071 | 109,885,965 | 114,527,894 | 106,811,314 |
| 3. Less Depreciation | (2,976,874) | (3,190,409) | (2,910,570) | (14,846,260) | (16,011,726) | (14,581,110) |
| 4. Operating Expense Net of Depreciation | 20,075,892 | 19,941,680 | 18,686,501 | 95,039,705 | 98,516,168 | 92,230,204 |
| 5. Net Operating Revenue for Debt Service | 10,571,320 | 10,488,694 | 11,088,642 | 46,650,755 | 39,925,330 | 44,266,121 |
| 6. Interest Income (a) | (595,595) | 500,074 | 593,775 | 1,595,750 | 2,669,075 | 1,941,446 |
| 7. Other Income | 88,443 | 45,060 | 0 | 227,650 | 225,300 | 0 |
| 8. Rate Stabilization Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| **9. AVAILABLE FOR DEBT SERVICE** | **10,064,168** | **11,033,828** | **11,682,417** | **48,474,155** | **42,819,705** | **46,207,567** |
| **10. DEBT SERVICE (b)** | **$4,682,116** | **$4,682,114** | **$4,120,297** | **$23,410,580** | **$23,410,570** | **$20,601,487** |
| **11. DEBT SERVICE COVERAGE** | **2.15** | **2.36** | **2.84** | **2.07** | **1.83** | **2.24** |

*(a) Excludes Interest from Rate Stabilization Fund.*

*(b) Includes Bond Principal & Interest only.*

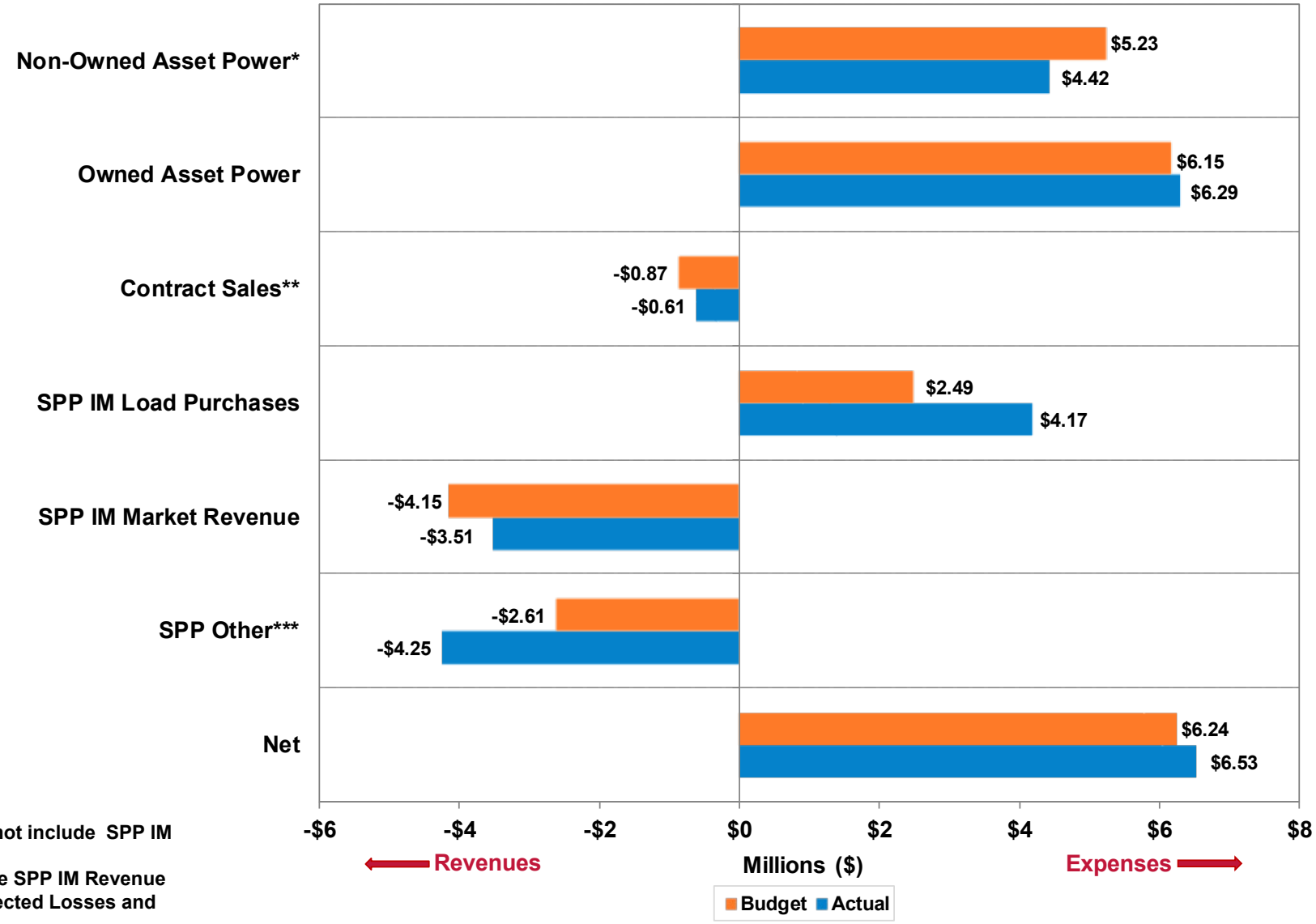
# Power Supply Division
# 2024 May Monthly Report

## June 21, 2024

**Jason Fortik**

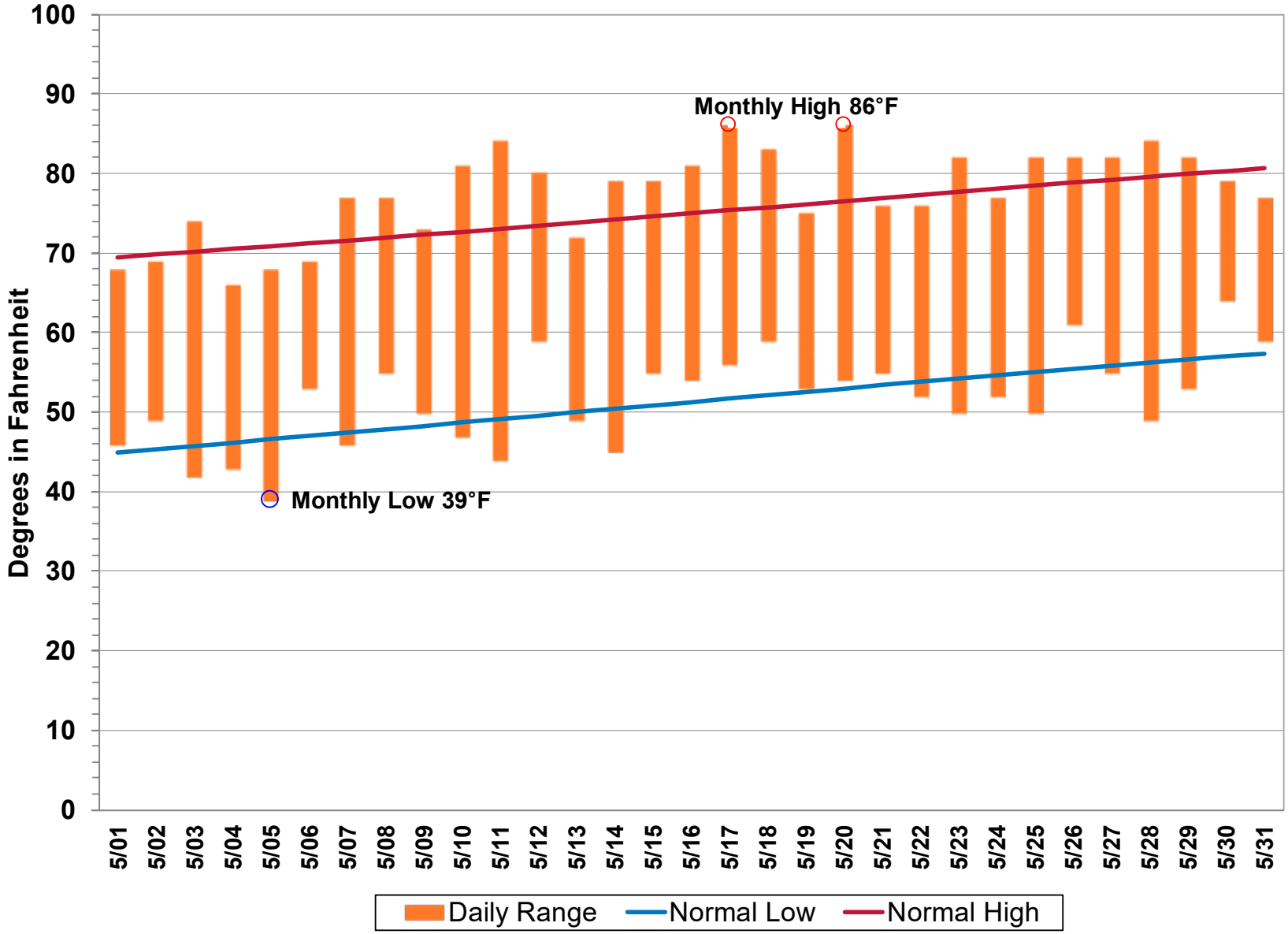
**Vice President, Power Supply**

# Monthly Actual vs. Budget

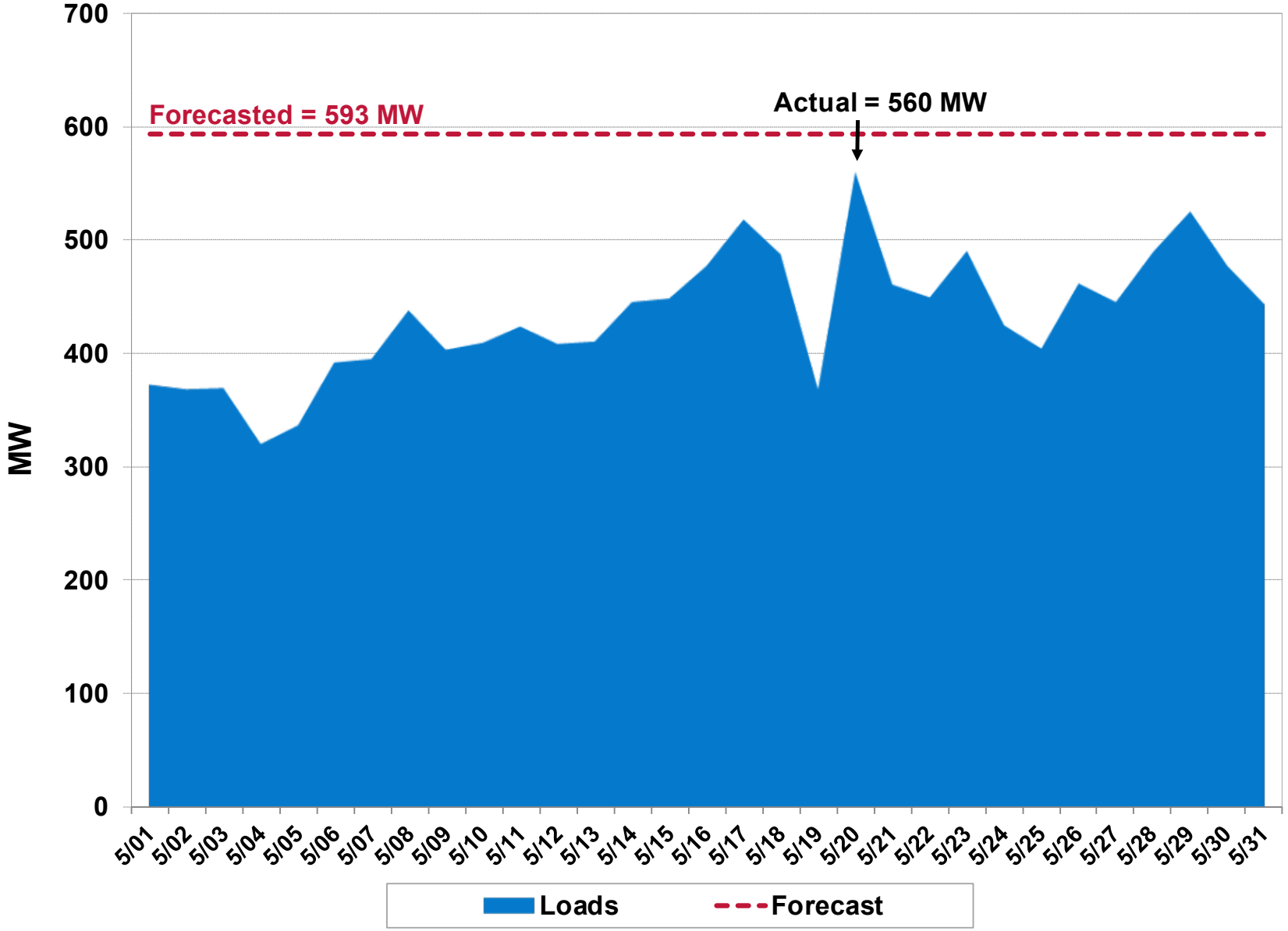



*Non-Owned Asset Power does not include SPP IM Purchased
**Contract Sales does not include SPP IM Revenue
***SPP Other includes Over-Collected Losses and ARR's/TCR

# Daily Temperature Range



# Loads


700
600
500
400
300
200
100
0
MW
Forecasted = 593 MW
Actual = 560 MW
5/01
5/02
5/03
5/04
5/05
5/06
5/07
5/08
5/09
5/10
5/11
5/12
5/13
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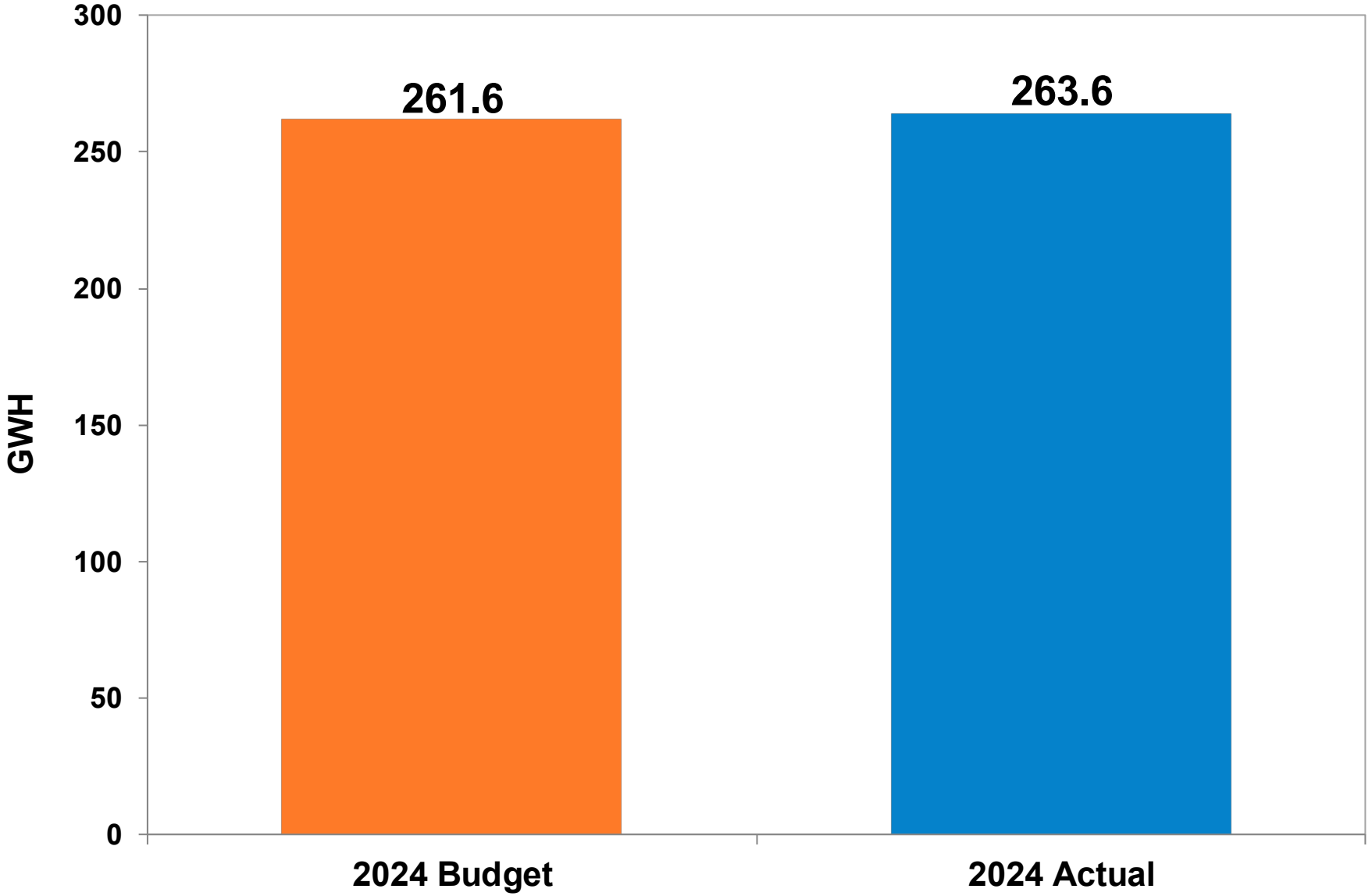
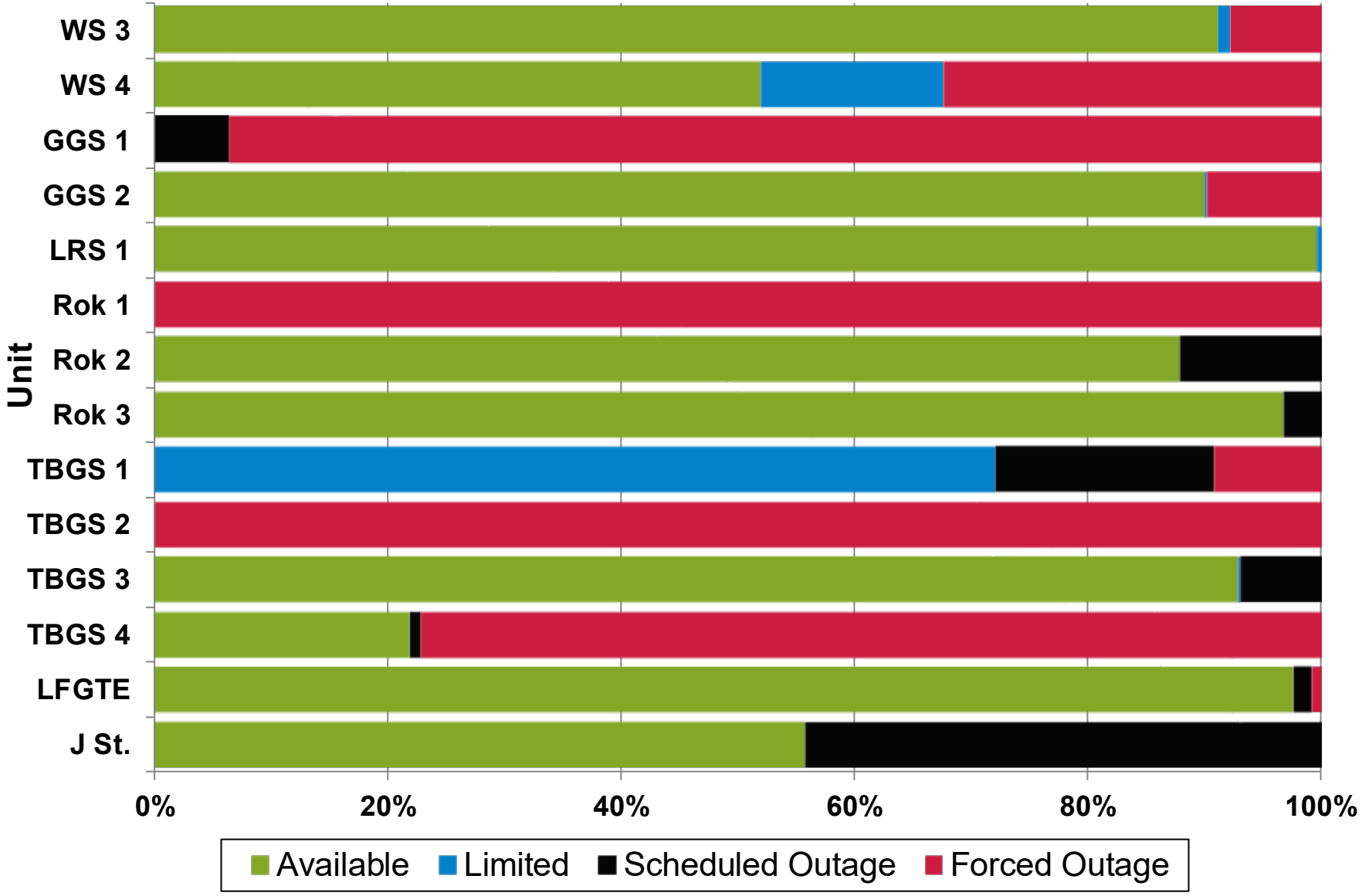
5/30
5/31
Loads
Forecast

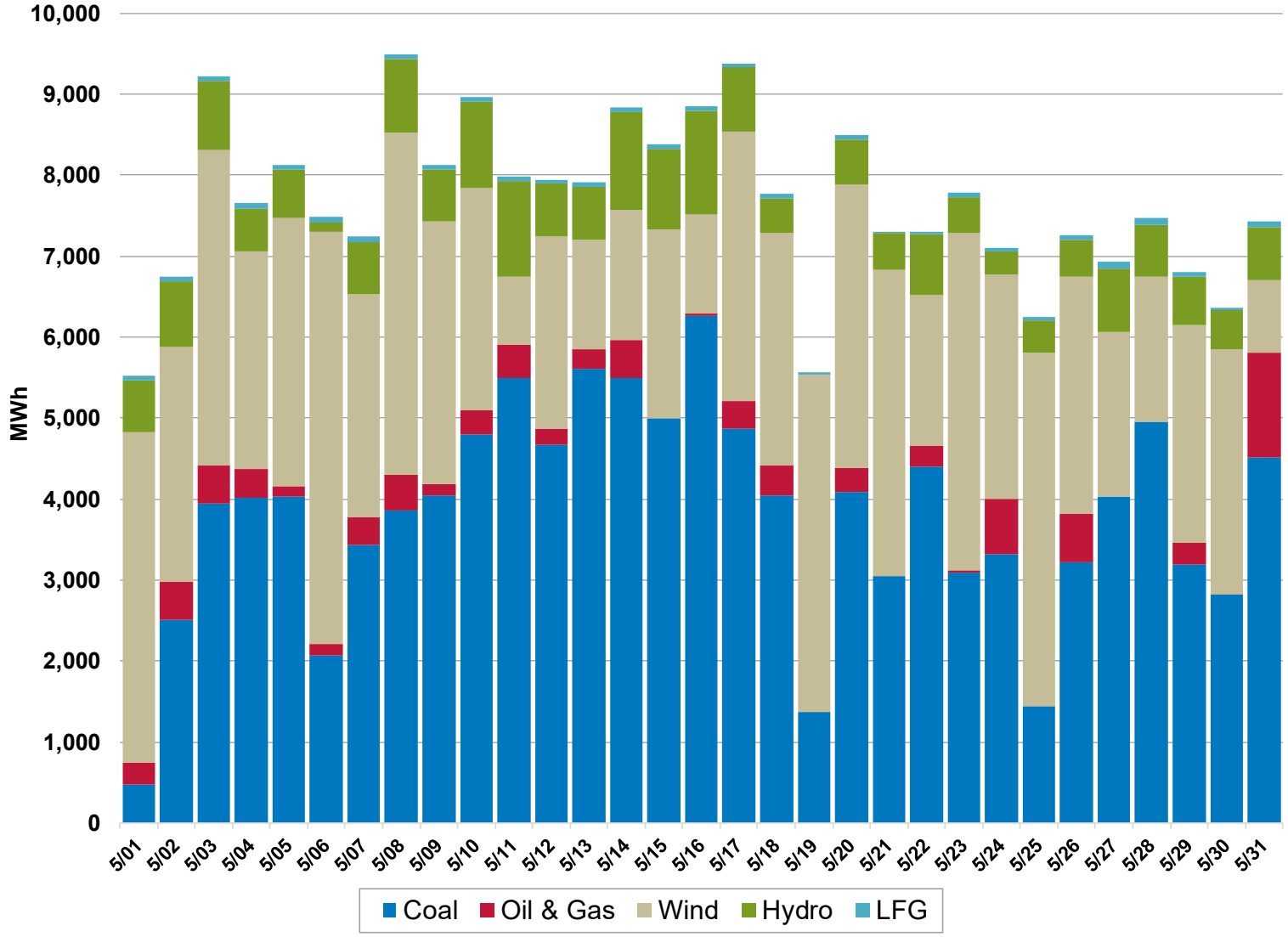
# Customer Energy Consumption



# Unit Equivalent Availability

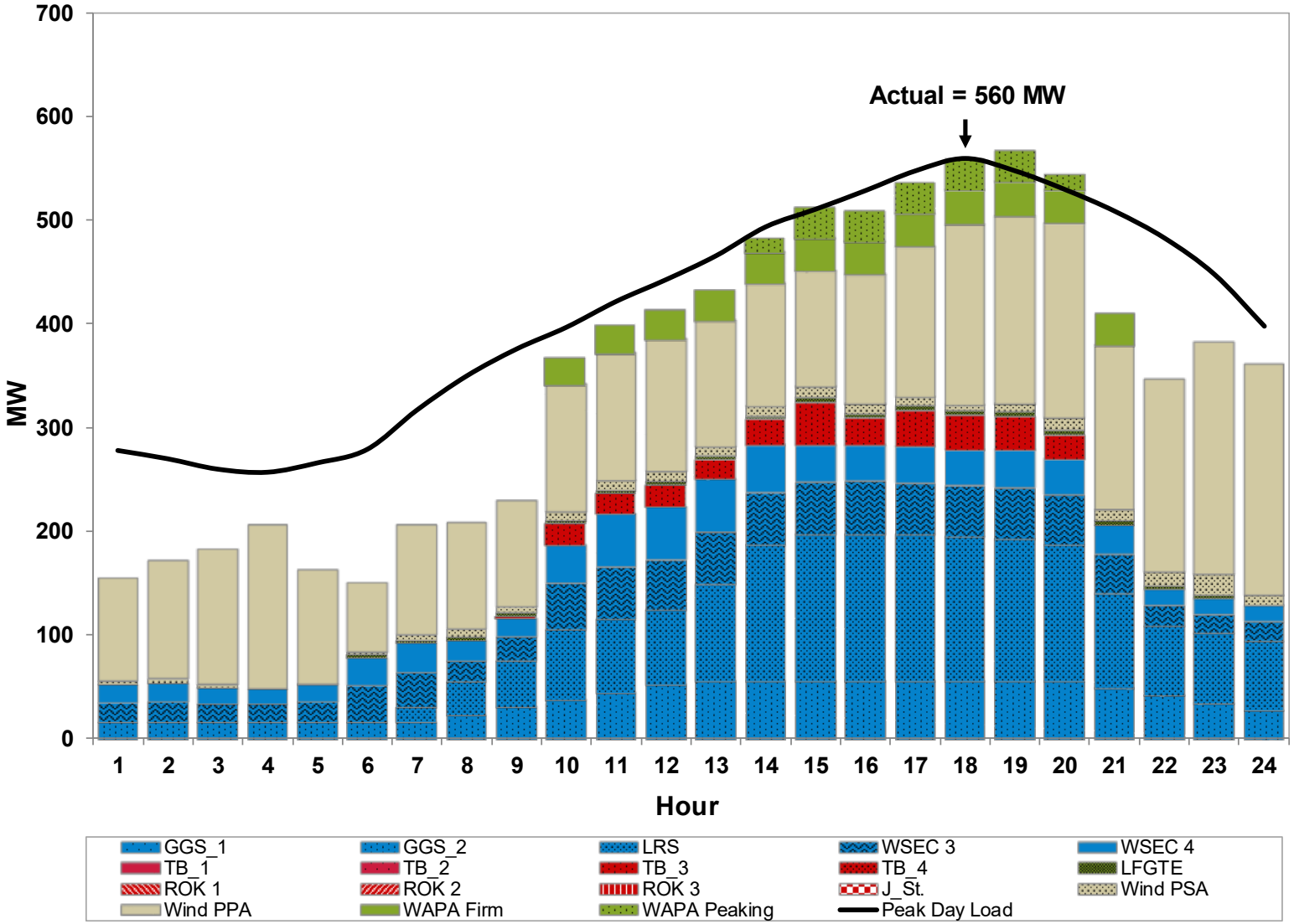


# Resource Energy



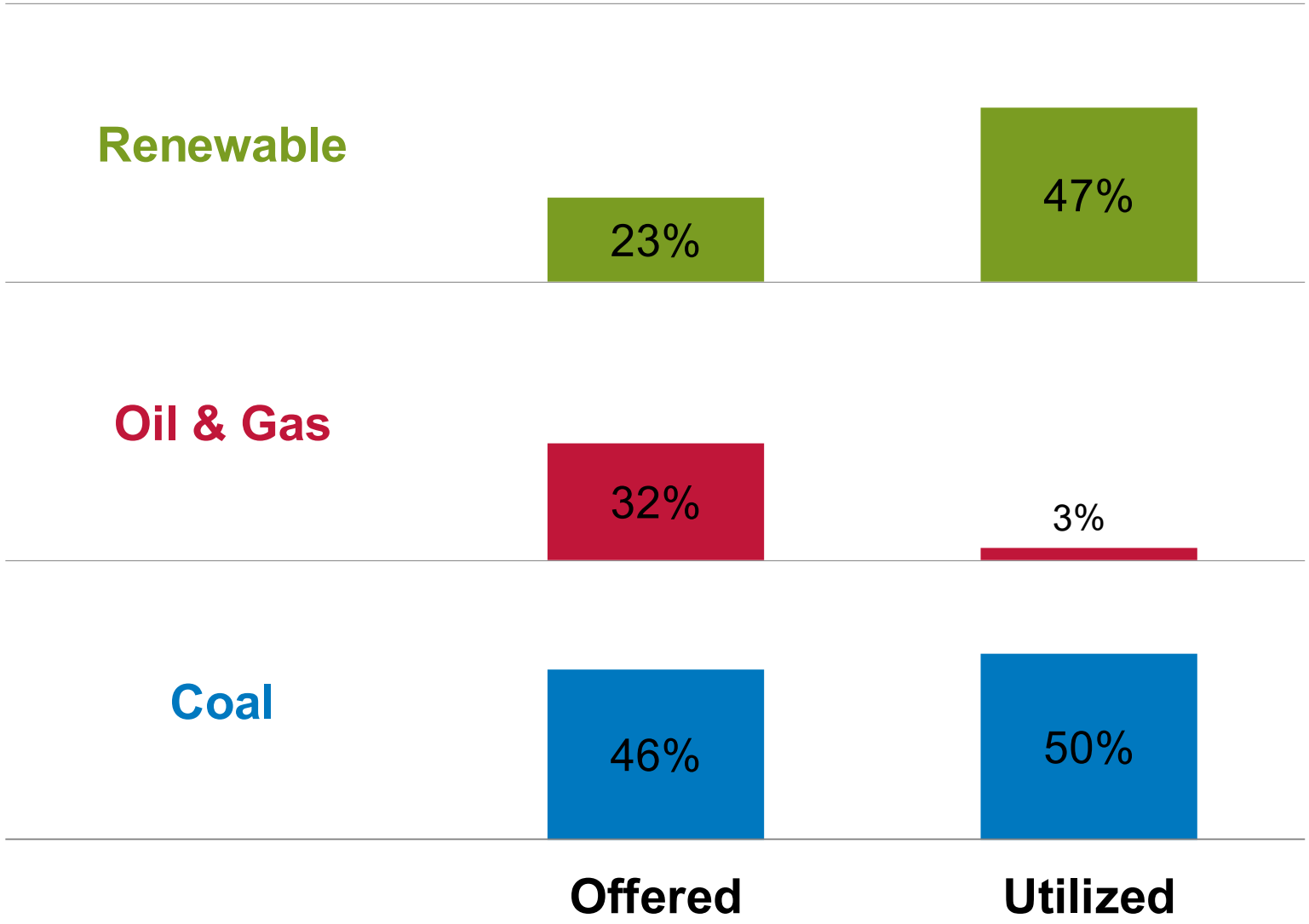

**Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.**

# Peak Load Day – May 20, 2024



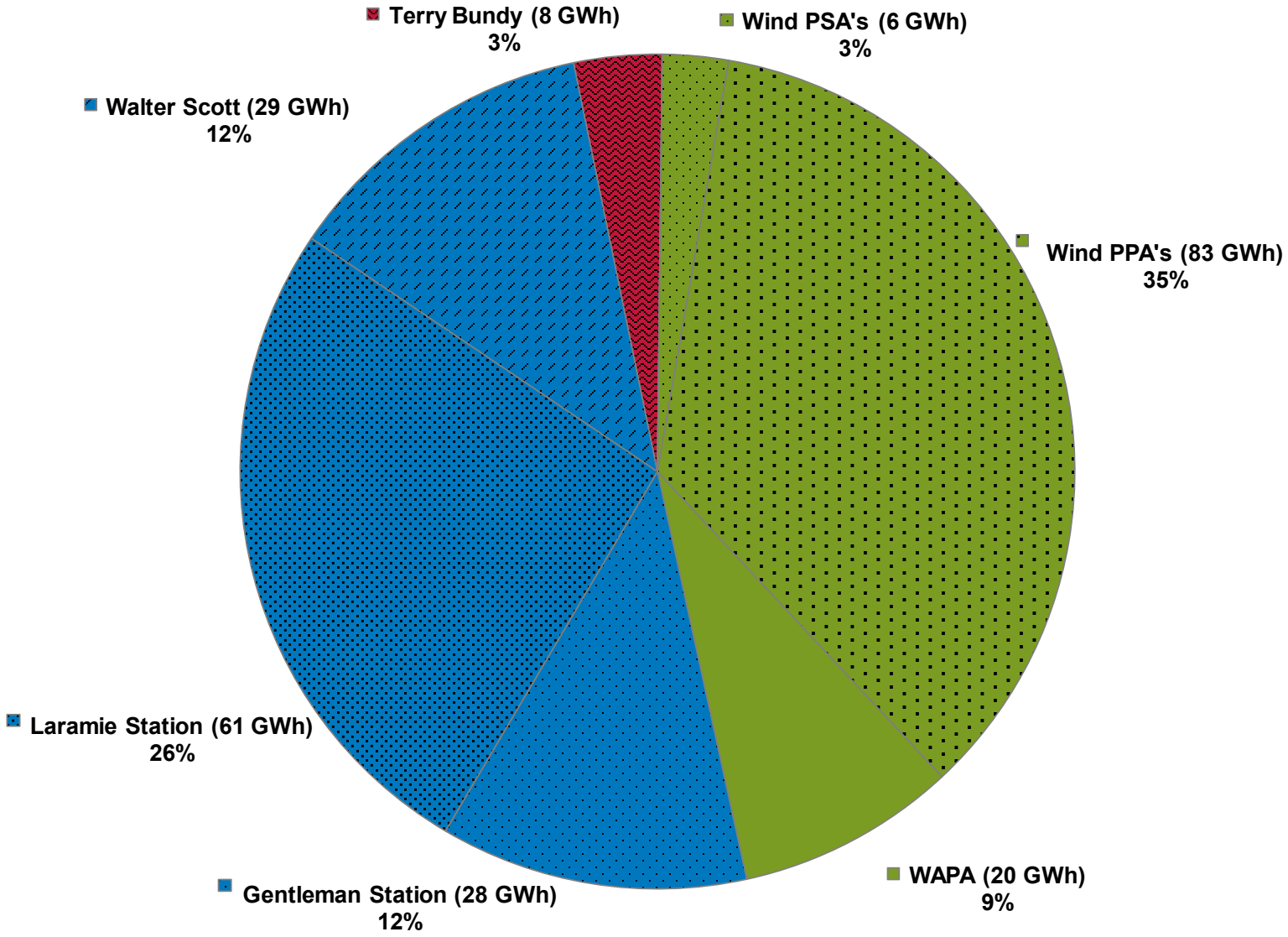

**Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.**

# 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