

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, November 15, 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 November 9, 2024.

Board Members Present: Carl Eskridge, Lucas Sabalka, Andy Hunzeker, David Spinar, Chelsea Johnson, Alyssa Martin, Kate Bolz, Karen Griffin, Eric Schafer.

Board Members Absent: None.

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, Paul Crist, Trish Owen, Lisa Hale, David Malcom, Jason Fortik, Russ Hegert, Mike Murphy, Joel Dagerman, Kelley Porter, Adam Powers, Denise Parrott, Keith Snyder, Kellie Cave.

Others Present: Kim Morrow, Nathan Svatora, Bud Synhorst, and numerous virtual participants via Microsoft Teams.

News Media Present: None

Board Chair Andy 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 and with the Assistant Secretary. **Call to Order & Safety Briefing**

Board Chair Andy Hunzeker asked for approval of the minutes of the October 18, 2024, board meeting. Lucas Sabalka moved approval of the minutes. David Spinar seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Karen Griffin, Chelsea Johnson, Carl Eskridge.

Nay: None

Absent: None

No customer comments.

**Customer Comments**

David Spinar, Vice Chair, moved that Carl Eskridge be reappointed to the DEC Board of Directors. Chelsea Johnson seconded the motion.

**Reappointment of Carl Eskridge to DEC Board of Directors**

The vote for approval was:

Aye: Kate Bolz, Andy Hunzeker, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar, Karen Griffin, Chelsea Johnson, Carl Eskridge.

Nay: None

Absent: None

Paul Crist, Vice President of Energy Delivery, introduced Russ Hegert, Project Inspector – Project Management who was recognized by the board for 30 years of service to LES. The board commended Hegert on this achievement.

**Introduction and Recognition of Staff**

Lucas Sabalka, Chair of the Operations and Power Supply Committee, reported on Committee discussions held on November 4, 2024, including: 1) Physical Security Update, 2) Rokeby Generation Station Turbine Repair Update, 3) 2024 Q3 Generation Revenue & Cost Report. (Exhibit I)

**Operations and Power Supply Committee Report**

David Spinar, Chair of the Personnel & Organization Committee reported on Committee discussions held on November 7, 2024, including: 1) Overview of ScottMadden Organizational Assessment, 2) Strategic Plan Update, 3) Corporate Operations Transition. (Exhibit II)

**Personnel & Organization Committee Report**

Carl Eskridge, LES’s representative on the District Energy Corporation (DEC) Board of Directors, provided an update on DEC operations and finances. The DEC board also discussed participation in the LES Renewable Energy Credit Rider program and posting for District Energy Manager position. (Exhibit III)

**Quarterly District Energy Corporation Update**

Joel Dagerman, Manager, Asset Management & Planning Manager, provided an update on the LES Discretionary Overhead to Underground Conversion Program. The program started in 2006 in an effort for the LES Board to align strategically with the Lincoln-Lancaster County Comprehensive Plan. Annually, LES assembles a six-year portfolio look-ahead on future projects using various power line characteristics to prioritize schedules.

**2024 Discretionary Overhead to Underground Conversion Program Review**

As of 2024, approximately 70% of 12,500V neighborhood power lines in the LES service area are underground. This overhead-to-underground conversion program has ultimately identified another 30 miles of eligible discretionary lines to be buried. The lone 2024 project is the South 56th Street Reliability Project (roughly, Everett Street to Elkcrest Street), which began in 2023. Other projects have been identified through 2029 in the discretionary six-year plan.

To date, LES has spent \$24 million to convert overhead distribution lines underground. In the next six years, LES will move overhead lines underground in multiple areas in Lincoln for an estimated \$17.8 million. (Exhibit IV)

Jason Fortik, Vice President of Power Supply, presented the Nebraska Power Association's 2024 Load & Capability Report. This annual, statewide report on electric demand and generation for a 20-year period is assembled by the NPA's Joint Planning subcommittee to provide to the Nebraska Power Review Board, as required by State Statute 70-1025.

**2024 NPA Load & Capability Report**

Highlights from the report include:

- Nebraska's projected average annual electrical growth rate of 1.4% per year is comparable to the 1.5% rate shown in last year's report and reflects additional information obtained for large loads.
- In 2023, about 57% of the electrical energy produced by Nebraska utilities came from coal, with the next highest categories being 20% from nuclear and 18% from wind.
- Nebraska's existing generating fleet encompasses a broad range of ages, but by nameplate rating, approximately 50% of Nebraska's generation has been in service for more than 40 years.
- Nebraska utilities have about 4,339 megawatts (accredited rating) of new electrical generation being proposed in various stages of the planning process.

- With Nebraska's fleet of existing, committed and planned electrical generators, the state would drop below SPP's 15% summer planning reserve margin in 2035. However, with studied electrical generation included, Nebraska meets this margin throughout the twenty-year study period.
- With Nebraska's fleet of existing, committed and planned electrical generation, Nebraska meets SPP's currently assumed 15% winter planning reserve margin throughout the twenty-year study period, although it is now known that the winter planning reserve margin requirements will be increasing.
- Several Nebraska utilities have adopted decarbonization goals. The goals have implementation dates ranging from 2040 to 2050 and are all generally based on net-zero carbon dioxide emissions. (Exhibit V)

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

The next regular meeting of the LES Administrative Board will be **Next Meeting** Friday, December 20, 2024, at 9:30 a.m.

Without further business before the Board, Chair Hunzeker declared **Adjournment** the meeting adjourned at approximately 11:14 a.m.

Lucas Sabalka, Secretary

BY: *Kellie Cave*  
Kellie Cave  
Assistant Secretary

# **Exhibit I**



## Operations and Power Supply Committee Meeting Summary November 4, 2024 (virtual)

**Attendees:** K. Griffin, L. Sabalka (Committee Chair)

L. Anderson, E. Anyanwu, P. Crist, J. Dutton, J. Fortik, R. Grabow, T. Owen, J. Rigg, S. Sahling-Zart, N. Wischhof

### **Physical Security Update (Jim Rigg):**

- Staff provided an overview of the LES security team's efforts to monitor substation sites, generating sites, administrative and operational facilities, a data center, and district energy facilities for a variety of man-made and natural threats.
- LES participates in Electricity Information Sharing and Analysis Center (E-ISAC) activities since this organization is a trusted source for cyber and physical security information for the North American electricity industry.
- Upcoming security enhancement projects include surveillance equipment upgrades, on-site vulnerability assessments, coordination events with local law enforcement, and collaboration with the Nebraska Information Analysis Center.

### **Rokeby Generation Station Turbine Repair Update (Jim Dutton):**

- Staff provided an overview of the repairs that are underway on the Unit 1 combustion turbine at the Rokeby Generation Station.
- Atypical unit performance starting in late 2023 led staff to believe that the unit was experiencing a mechanical issue. Subsequent borescope inspections and combustion component inspections performed in early 2024 confirmed these concerns.
- Replacement components were purchased, and service repair providers were hired to disassemble, inspect, and reassemble the turbine. The repairs are expected to be completed, and the unit placed back in service, in the mid-November 2024 timeframe.

### **2024 Q3 Generation Revenue & Cost Report (Lee Anderson):**

- Staff presented its analysis of the financial performance of LES's generating resources in the SPP Integrated Marketplace for the third quarter of 2024.
- Average natural gas prices remained well below Budget throughout the quarter. This put downward pressure on market electricity prices, although warm temperatures in August and September applied some upward pressure to electricity prices.
- LES's generating fleet posted overall net positive results for the quarter, driven primarily by positive returns from the thermal resources.

# **Exhibit II**



## LES PERSONNEL AND ORGANIZATION COMMITTEE

### Meeting Summary

Thursday, November 7 – 12:00pm (Virtual)

Attendees: D. Spinar (Chair), E. Schafer, A. Martin, A. Hunzeker (Board Chair), E. Anyanwu, T. Owen, R. Grabow, and R. Seybert

- **Human Resources gave the committee an overview of the recent ScottMadden organizational assessment:**
  - Earlier this year, LES partnered with consultants at ScottMadden to complete an organizational assessment. ScottMadden interviewed several LES stakeholders and provided insights on the following four themes: (1) structure and roles, (2) workforce demographics, (3) workforce management, and (4) technology leverage. Overall, the organizational assessment provided structured and valuable data points that LES will utilize in the strategic plan process.
- **The CEO provided a strategic plan update:**
  - LES is developing a new strategic plan and has partnered with the PA Consulting group to support these efforts. CEO, Emeka Anyanwu, provided the committee with an overview of the strategic plan timeline.
  - The strategic plan will provide a clear and organized view of big-picture outcomes that the organization will work to accomplish, through a cohesive and well-connected picture of short-, medium-, and long-term directives, initiatives, programs and projects.
  - The plan will allow our utility to fulfill the community's and our Administrative Board's strong desire for a well-defined strategic direction, with a focus on aligning Key Performance Indicators, or KPIs, and metrics with broader strategies. It will also integrate with LES' financial plan and performance metrics to ensure consistency and alignment across all functions.
- **The CEO provided a corporate operations transition update:**
  - With the upcoming retirement of Trish Owen, Corporate Operations Vice President, the committee was provided with the interim plan for the corporate operations division. The five corporate operations managers will have a new interim reporting structure, effective mid-December. The interim reporting structure will allow the strategic planning work to be finalized and will provide LES with insights that will guide our future executive team, divisional, and department structure.



# **Exhibit III**



## Summary of DEC Board of Directors Meeting on October 24, 2024

### Financials

- Staff presented the proposed 2025 budget and gave details for the proposed rates for each customer. The overall proposed budget is a 2% decrease compared to 2024. Both the budget and rates were approved by the Board.
- The board approved a limited withdrawal of funds from the rate stabilization fund for the Nebraska State Penitentiary plant. The board also voted to approve a resolution, which is done annually, to reimburse capital expenditures from the proceeds of future tax-exempt obligations.
- Staff presented information regarding the audit contract with Forvis Mazars for years 2024-2026, which the board voted to ratify.
- The 3<sup>rd</sup> Quarter Financial Report was presented, showing both revenues and expenses closely matching the budget – with slightly increased energy sales due to increased cooling loads for the period.
- Staff shared the details regarding the annual review of insurance coverage and the timeline for that process.

### Management

- The board voted to approve a three-year extension of the natural gas delivery contract with Black Hills Energy. The extension will be appended to the Transportation Services Base Agreement between DEC and Black Hills.
- Staff presented details of all service interruptions, fuel cost data, on-going capital projects, and upcoming projects.
- Board members and staff continue to monitor progress and developments for the proposed Lincoln convention center.

### Miscellaneous

- Participation in the LES Renewable Energy Credit Rider program, by the LOC plant, was discussed – as well as possible opportunities for the other plants.
- There are several board members whose official terms will expire at the end of 2024. Staff is coordinating re-appointments as responses indicating everyone's interest are received.
- The job position for a District Energy Manager was posted - applications are being reviewed and candidate interviews are in progress.

# **Exhibit IV**

# Overhead to Underground Conversion Program

## Administrative Board

Joel Dagerman  
Asset Management & Planning Manager

November 15, 2024



# “System Undergrounding”

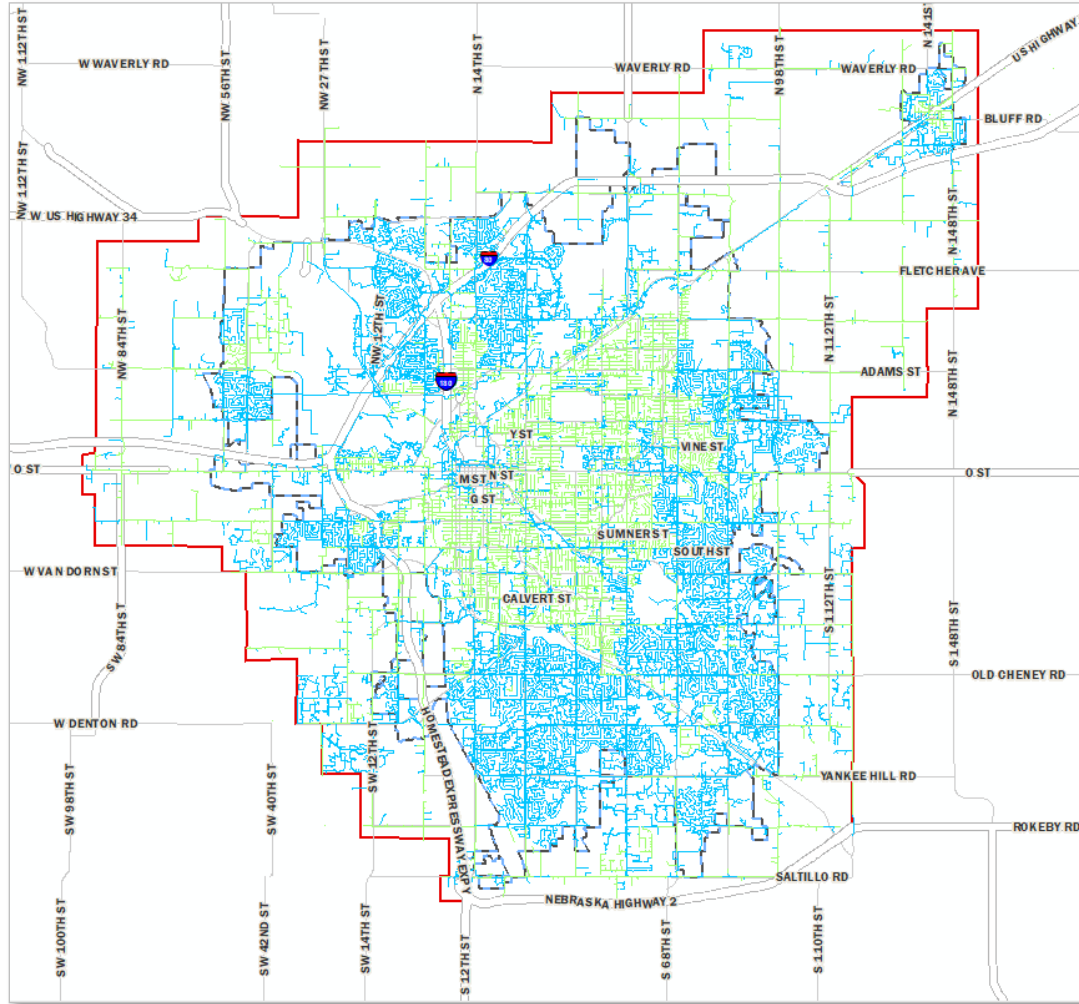
- Underground system status
- Is undergrounding more reliability and resiliency?
- Programs – Discretionary Update
- Next Steps

# LES 12kV Overhead vs Underground\* ...which is more reliable?

➤ Overhead  
Lines (31%)

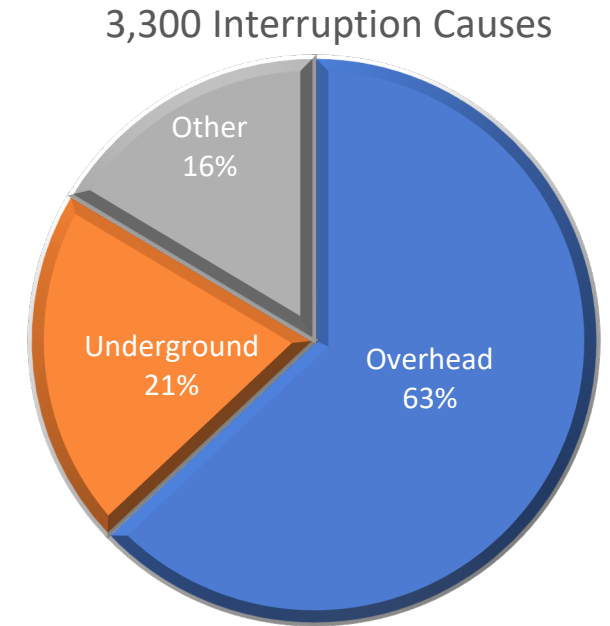


➤ Underground  
Lines (69%)



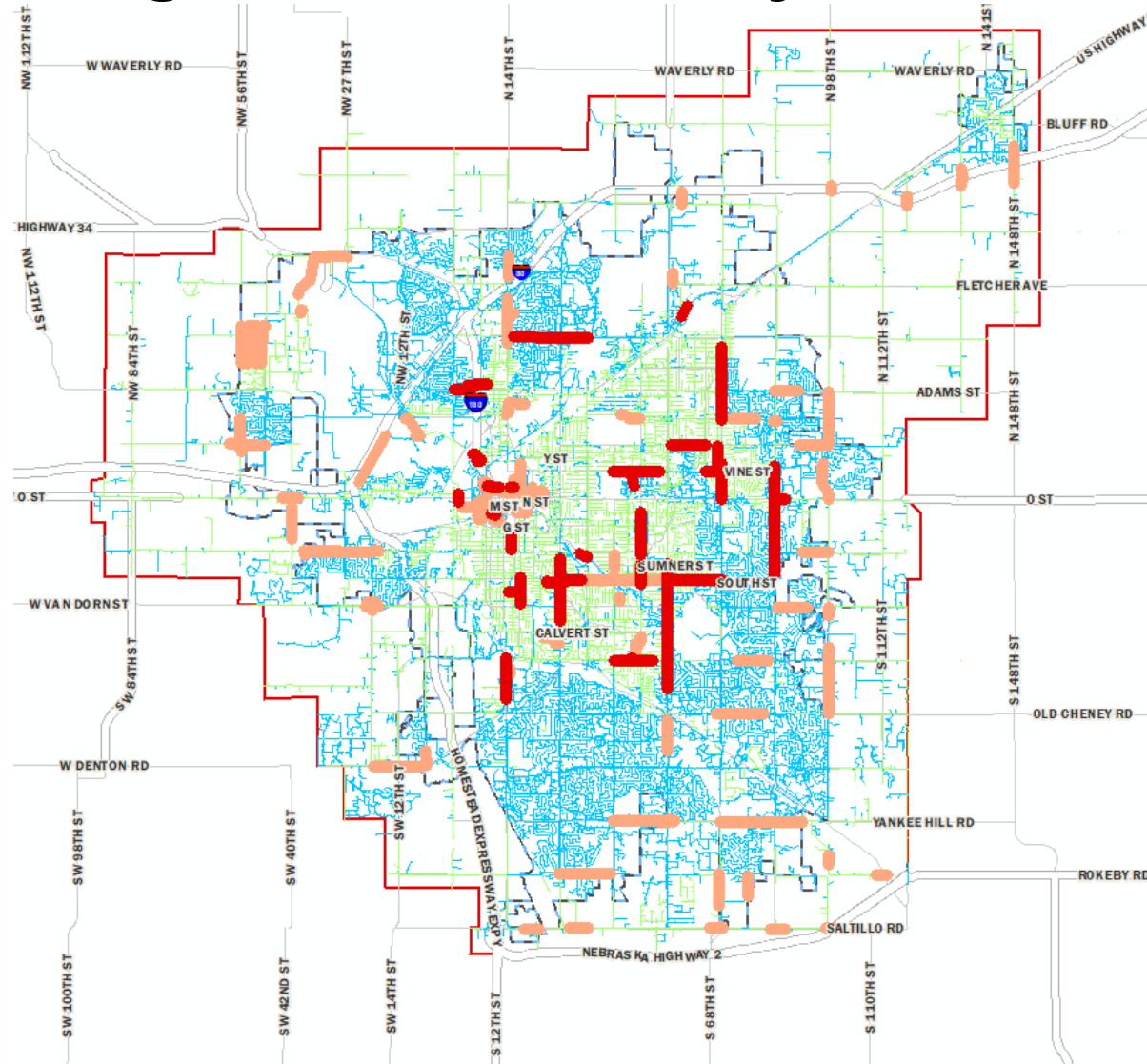
# Reliability Study Conclusions

- From 2016 to 2022 – LES experienced 3,300 incidents
- 63% of all incidents are due to Overhead causes (25% vegetation related)
- 20% of all incidents are due to UG causes (11% UG Cables/Splices)
- One feeder experienced more incidents (2.3% of total)
- Direct correlation to distance to source & percentage underground in circuit
- 99% of all customers are located within 3.62 circuit miles from source
- Resiliency Point - Customers that have 90-100% of UG experienced about ½ of the outage restoration time (56 min vs. 105 min on average) compared to customers with a higher percentage of OH, possibly due to redundancy
- **Underground distribution does improve reliability & resiliency.**



# Overhead to Underground All Projects 2006 – 2024

- Discretionary Program  
18 miles (31%)
- Other OH-UG  
40 miles (69%)



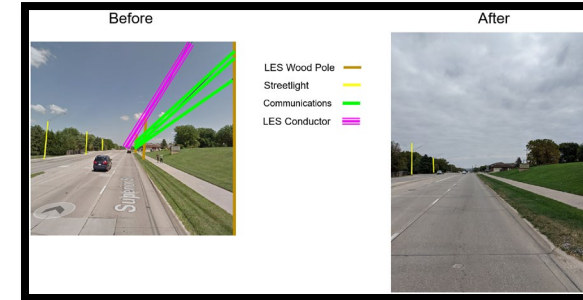
Take advantage of associated roadway, customer or other reliability projects to underground circuits



# Underground Program Toolbox Options



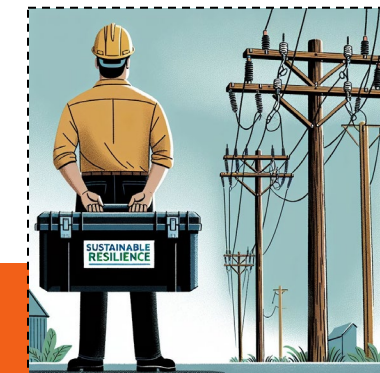
**1** Main arterial feeder **“Discretionary”** undergrounding



**2** **“Precision Undergrounding Program” (PUP)** is a targeting underground (UG) conversion program using reliability data analytics to identify candidates



**3** **“Sustainable Resilience”** is maximizing service to the City’s most critical support services through undergrounding, hardening or improved delivery automation that “dove-tails” the City’s Climate Action Plan



In development

# Underground Conversion Offerings?

1

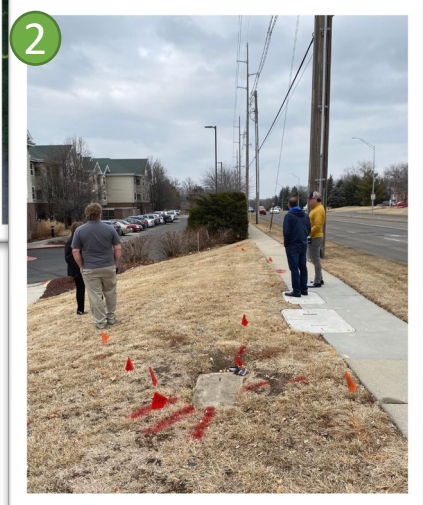
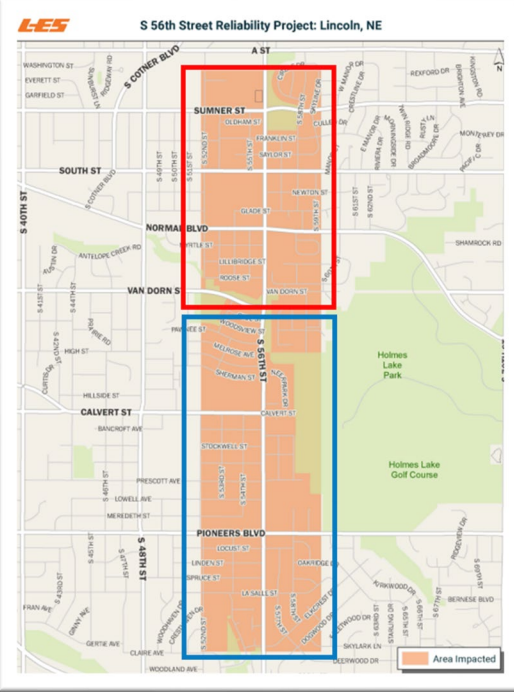
2

3

	Discretionary	PUP	Sustainable Resilience
Meets provision in the Lincoln-Lancaster County Comprehensive Plan to “within the City of Lincoln, wherever feasible and affordable, implement a phased program to relocate overhead utility lines underground.”	Yes	Yes	Yes
Project Identification & Scope Methodology	Roadway Design Standards, Coordination with City projects, Traffic Count, Aesthetics, Coordination with other utilities, Equity, Economic Considerations, Ease of construction	Historical outage & interruption data, feasibility review	Improving service to the City’s most critical support services through undergrounding, hardening or improved delivery automation that “dove-tails” the City’s Climate Action Plan
Aesthetic Factor	Yes	Partial	Partial
Joint trench participation	Required	Preferred	Preferred
Customer service conversion to UG	Limited	Required	Limited
Cost per circuit mile	\$1.3 – \$1.7 M	\$0.5 – \$0.9 M	\$0.5 – \$1.5 M
Historical Spend	\$24.0 M	\$0.5 M	-

# 2024 Project- 56<sup>th</sup>, Everett – Elkcrest

2024 Continued Progress...





# Discretionary Project Process

- Relative Value/Weighted Scales Attributes:
  - Roadway design standards (Arterial Only)
  - Condition of poles and conductor
  - Aesthetics/Traffic Counts
  - Pole line age/stranded assets
  - Vegetation management
  - Cost of conversion, “constructability”
  - Equity Component (Environmental Justice/Place Matters )
- Other Drivers:
  - Coordination with City or County projects
  - Construction economics of new UG facilities
  - Reduced line losses or thermal capacity upgrade
  - Levelized constraints (workforce and/or capital budget)

# Six Year Discretionary Portfolio Plan Costs

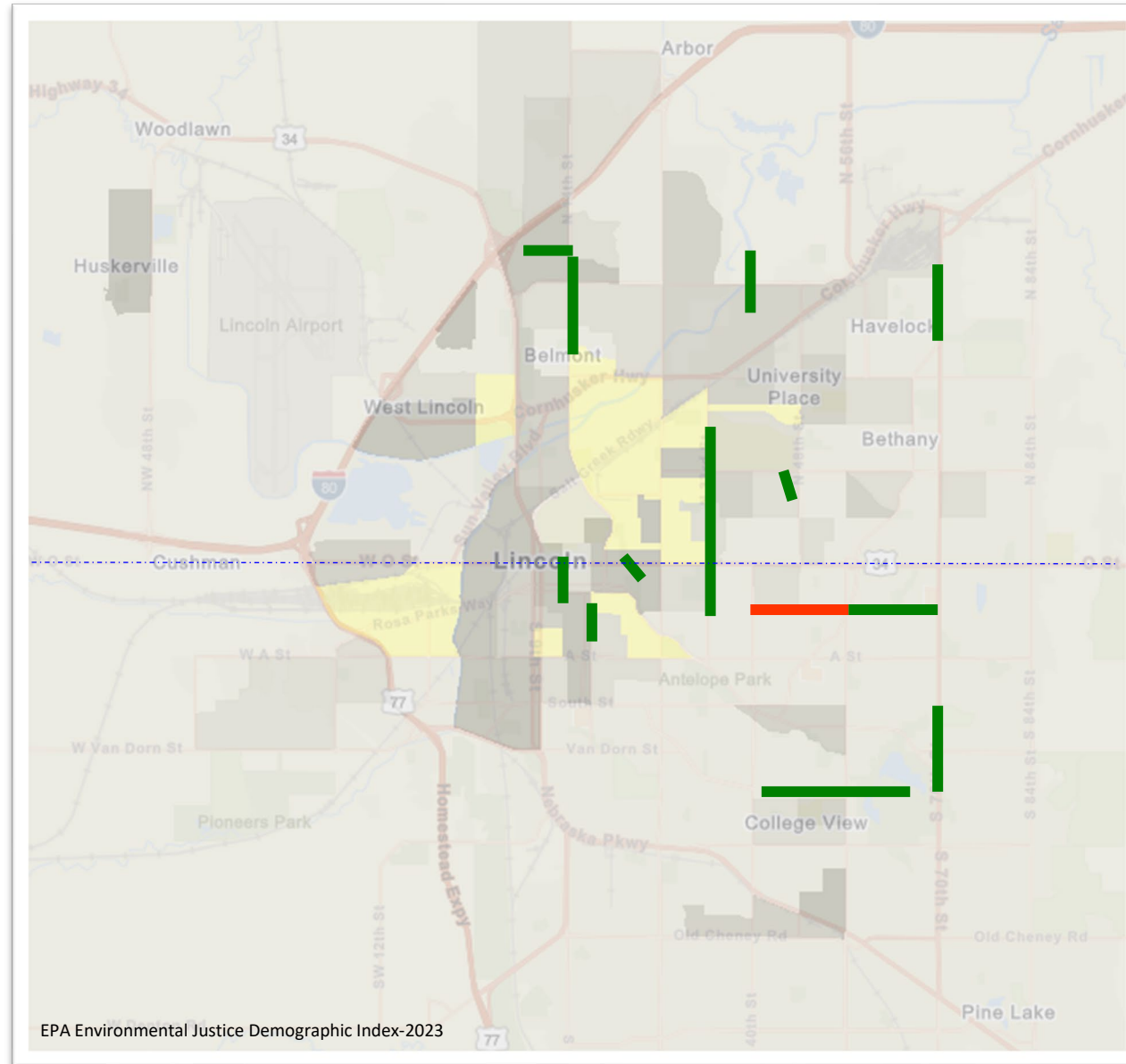
(Total Cost - Thousands of Dollars)

Year	Description	Cost	2025	2026	2027	2028	2029	2030
2025	Complete 56 <sup>th</sup> , Everett – Elkcrest	\$2	\$2					
2026	A St., 40 <sup>th</sup> – 68 <sup>th</sup>	\$2,100	\$1,250	\$850				
2026	70th, Van Dorn – Pioneers	\$1,272		\$1,272				
2026	13 <sup>th</sup> , E – C	\$20		\$20				
2026	Avery, 12 <sup>th</sup> -17 <sup>th</sup>	\$799		\$799				
2027	17 <sup>th</sup> , South – A	\$711	\$11		\$700			
2027	33 <sup>rd</sup> , O - Holdrege	\$1,632		\$83	\$1,549			
2027	A, 70 <sup>th</sup> – 84 <sup>th</sup>	\$957	\$28	\$28	\$901			
2027	Superior, 7th - 13th	\$554			\$554			
	**** Potential List of Future Projects ****					\$1,500	\$1,500	\$1,500
2028	56th, Garland - Q	\$0						
2028	33 <sup>rd</sup> , Everett - Pioneers	\$0						
2028	4 <sup>th</sup> , D - Lee - Woodland	\$0						
2028	1 <sup>st</sup> , E - S - O	\$0						
2029	14 <sup>th</sup> , Adams - Cornhusker	\$0						
2029	16 <sup>th</sup> , E - G	\$0						
2029	Capital Pkwy, 21 <sup>st</sup> - J	\$0						
2029	98th, A - Q	\$0						
2029	Adams, 14th - Cornhusker	\$0						
2029	33 <sup>rd</sup> , Smith - High	\$0						
2030	40th, Superior - Cornhusker	\$0						
2030	56th, Q - Everett	\$0						
	<b>Totals</b>	<b>\$8,047</b>	<b>\$1,291</b>	<b>\$3,052</b>	<b>\$3,704</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$1,500</b>

# Proposed Projects Inclusion



2025 —

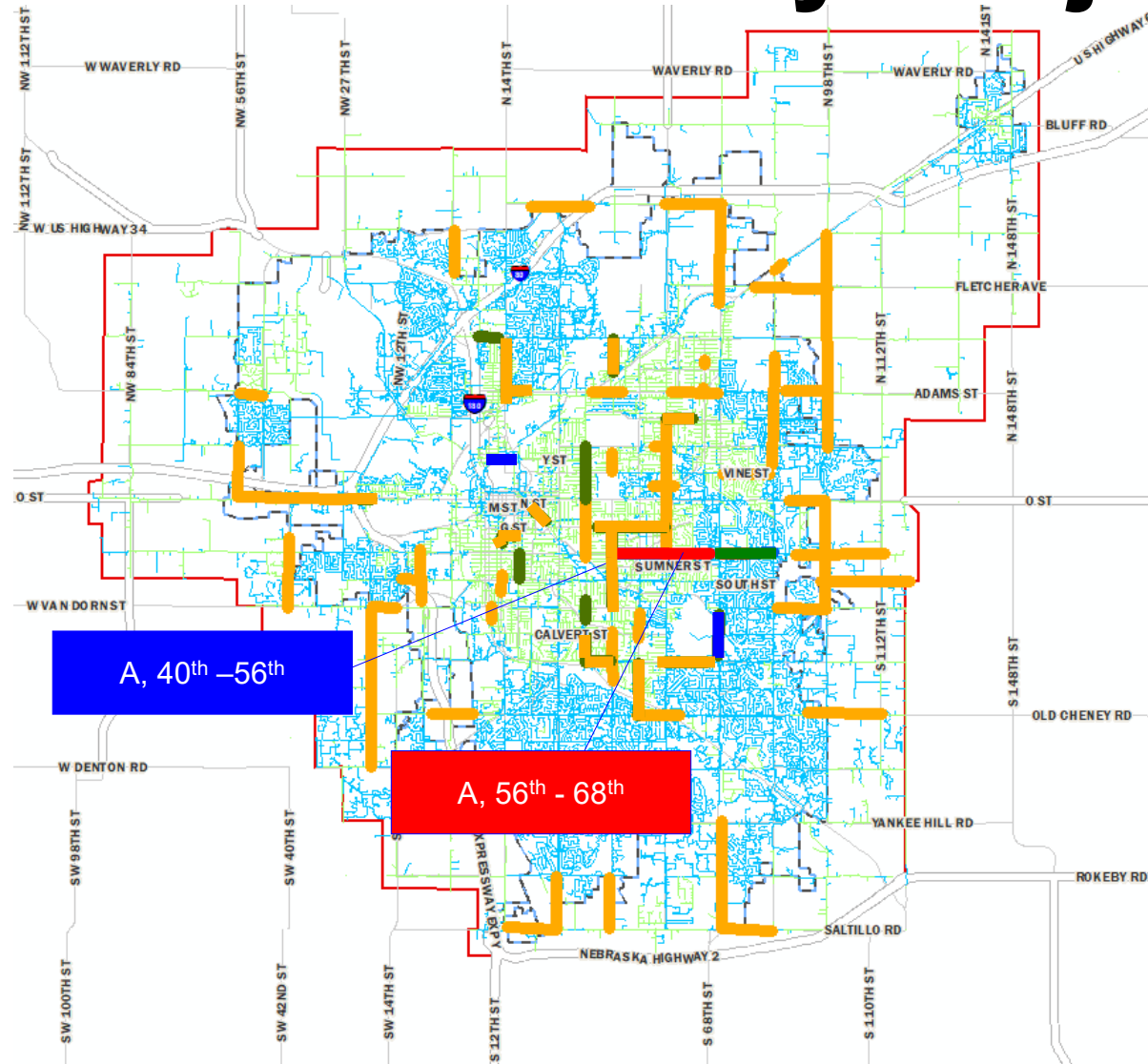
2026-2028 —



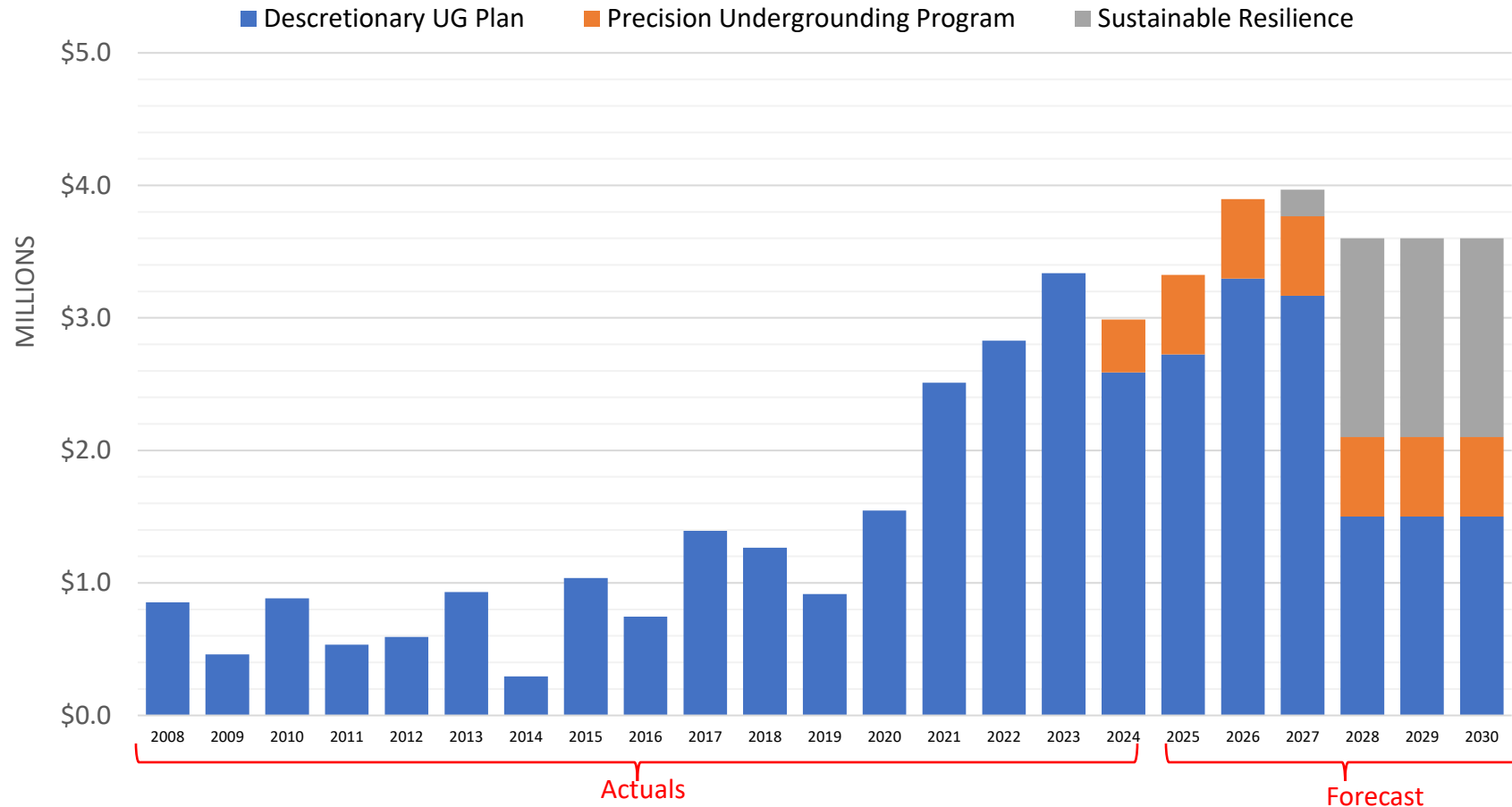
**Demographic Index** is based on the average of two socioeconomic indicators; low-income and people of color.

# 2024-2030 Discretionary Projects

- Overhead Lines 
- Underground Lines 
- Remaining Eligible Discretionary Lines 
- 2025 
- 2026 
- 2027- 



# Distribution Overhead to Underground Discretionary Spending





# Underground/Hardening Plan Summary

- Discretionary program
  - Consistent with Lincoln Comprehensive Plan
  - 19+ years ~\$24M to date on 18 miles distribution feeders
  - Project identification drivers use both qualitative & quantitative data
  - Project selection affects other “attached” utilities and should be beneficial to LES and LES’ Customers
  - Reprioritize beyond 2028
- Continue Precision Undergrounding Program
- Develop Sustainable Resilience Program to optimize City wide services
- Maintain underground/hardening project spend ~\$2.5-3.5M per year

Specific Project  
Photo's to  
follow, as  
needed



# An Example: 84<sup>th</sup> Street, Pinedale - Vine

Before



- LES Wood Pole ———
- Streetlight ———
- Communications ———
- LES Conductor ———

After



# **Exhibit V**

# Nebraska Power Association 2024 Load & Capability Report

**LES Administrative Board Meeting**

**November 15, 2024**

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

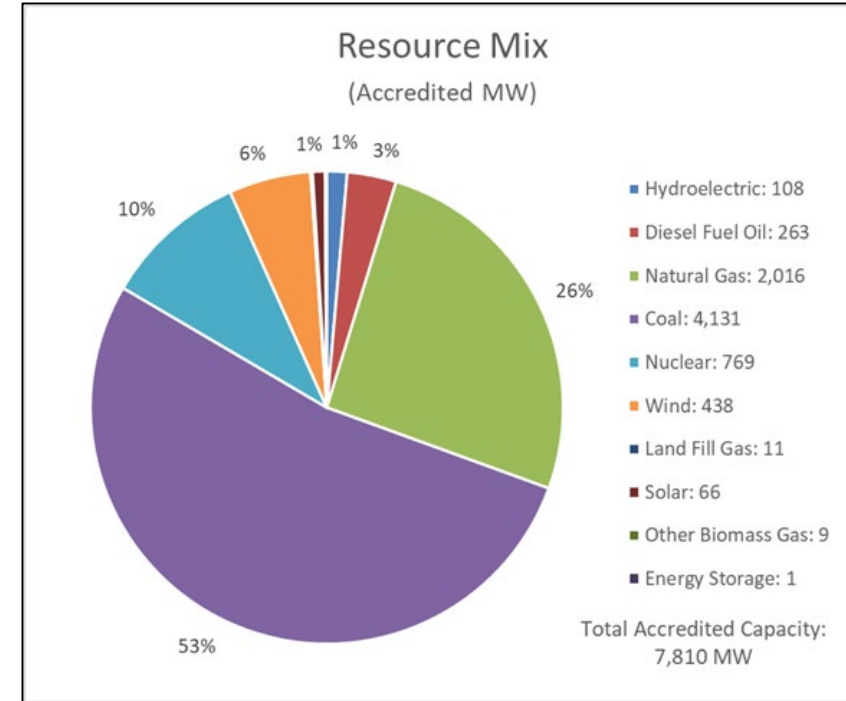
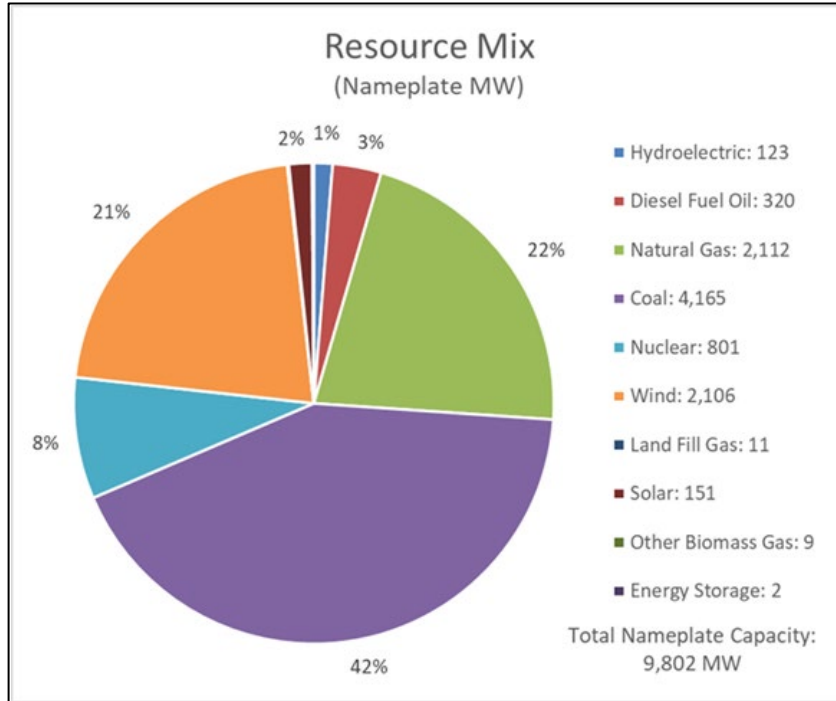
# Organizational and Statutory Background Information

- **Nebraska Power Review Board (NPRB)**
  - State agency formed in 1963 to regulate Nebraska's publicly owned electric utility industry
  - Five-member Board approved by the Governor and confirmed by the Legislature
- **Nebraska Power Association (NPA)**
  - Voluntary organization of municipal, public power district, and cooperative electric utilities
  - ~160 members
  - Formed in 1980 to address statewide electricity policies and issues. Administered by LES.
- **State Statute 70-1025**
  - Requires an annual statewide report on electric demand and generation for a 20-year period
  - NPA is the designated entity to provide this report to the NPRB
  - The NPA's Joint Planning Subcommittee has typically assembled the report

# Nebraska's Projected Peak Electrical Demand Growth

- **Average annual demand growth rate is 1.4% per year from 2024 through 2043**
  - The utilities continue using probability-based rankings to determine the traditional customer electrical loads that are included in the forecast
  - Non-traditional, large, single point electrical loads are included in the forecast if the host utility has determined that there is a sufficiently high degree of confidence that the load will materialize
- **The 2024 growth rate is comparable to the 1.5% growth rate shown in last year's report and reflects additional information obtained for proposed large loads**

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



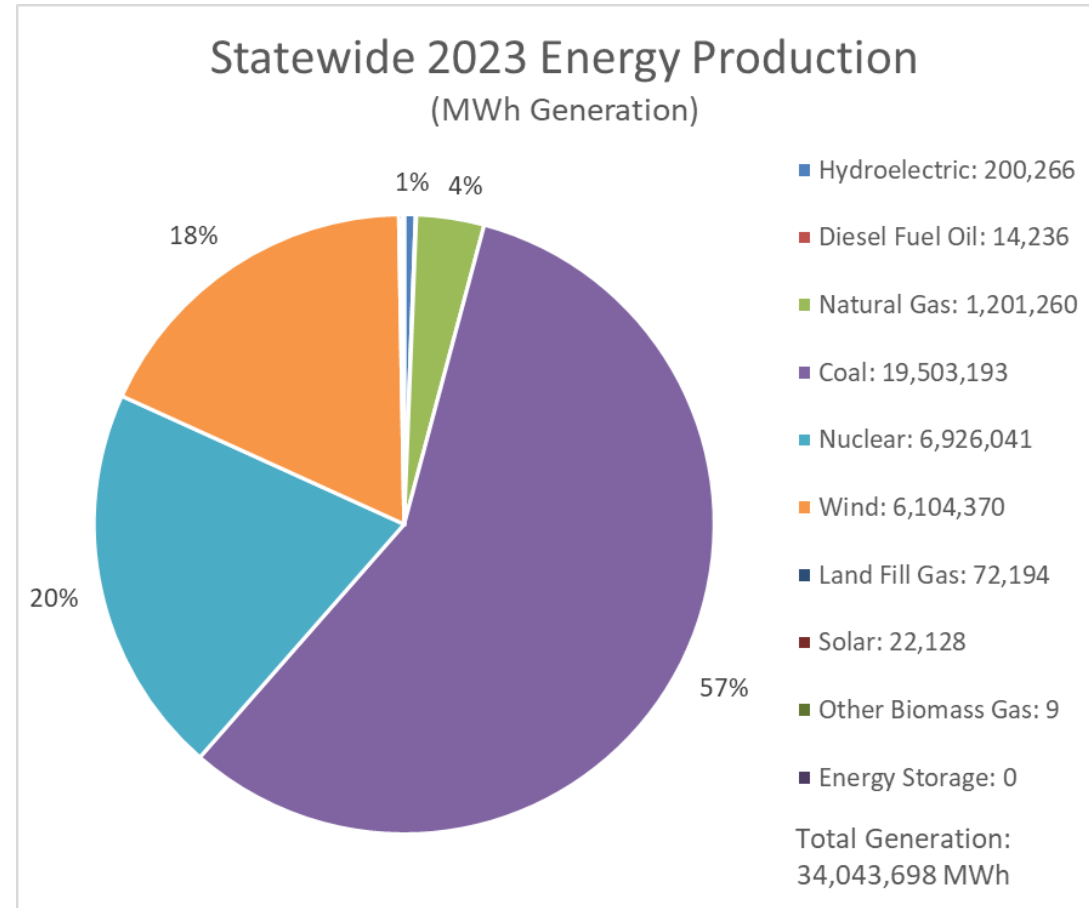
- **1,173 MW of Firm Power Purchases<sup>1</sup>**
  - 832 MW Western Area Power Administration (WAPA) Hydro Contracts
  - 341 MW Other Firm Power Contracts
- **157 MW of utility behind the meter nameplate generation (includes solar)**

\* Electrical generating resources expected to be in service by the summer of 2024.

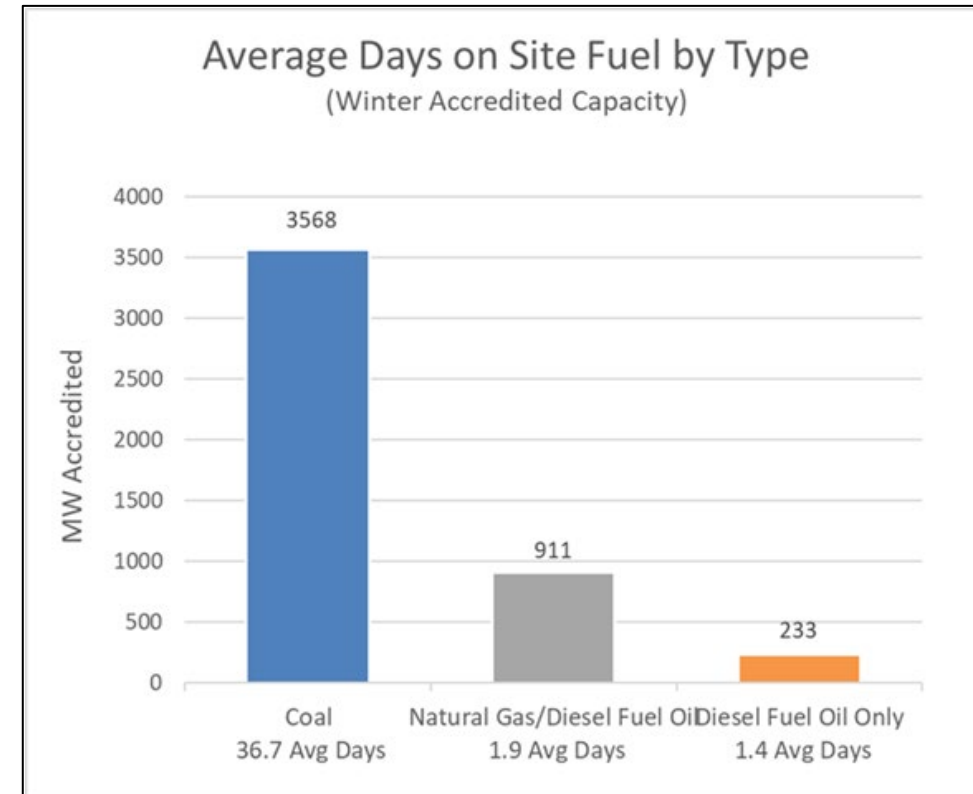
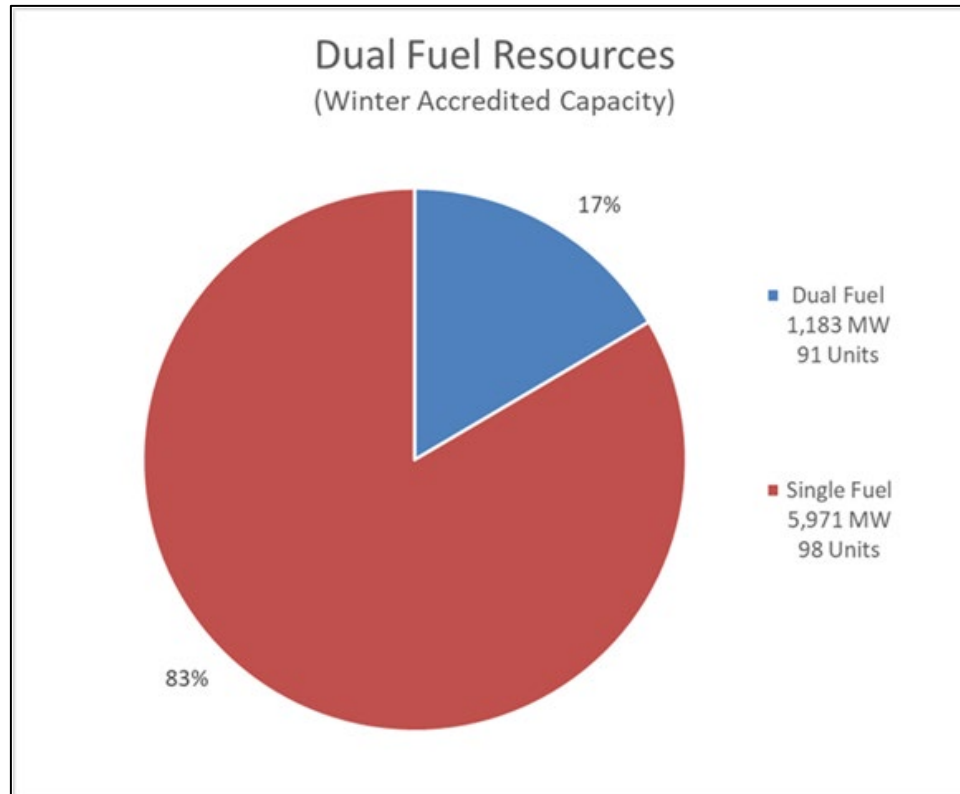
<sup>1</sup> Capacity reserves are provided by the Firm Power provider



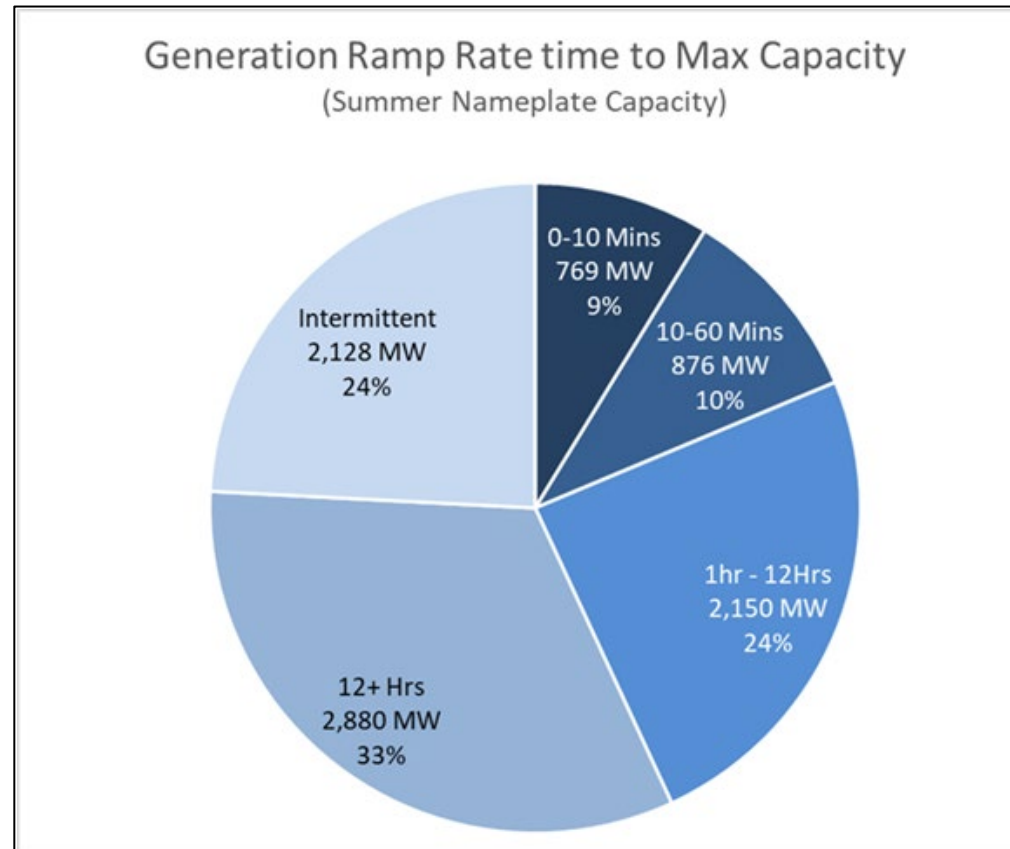
**In 2023, about 57% of the electrical energy produced by Nebraska utilities came from coal, with the next highest categories being 20% from nuclear and 18% from wind.**



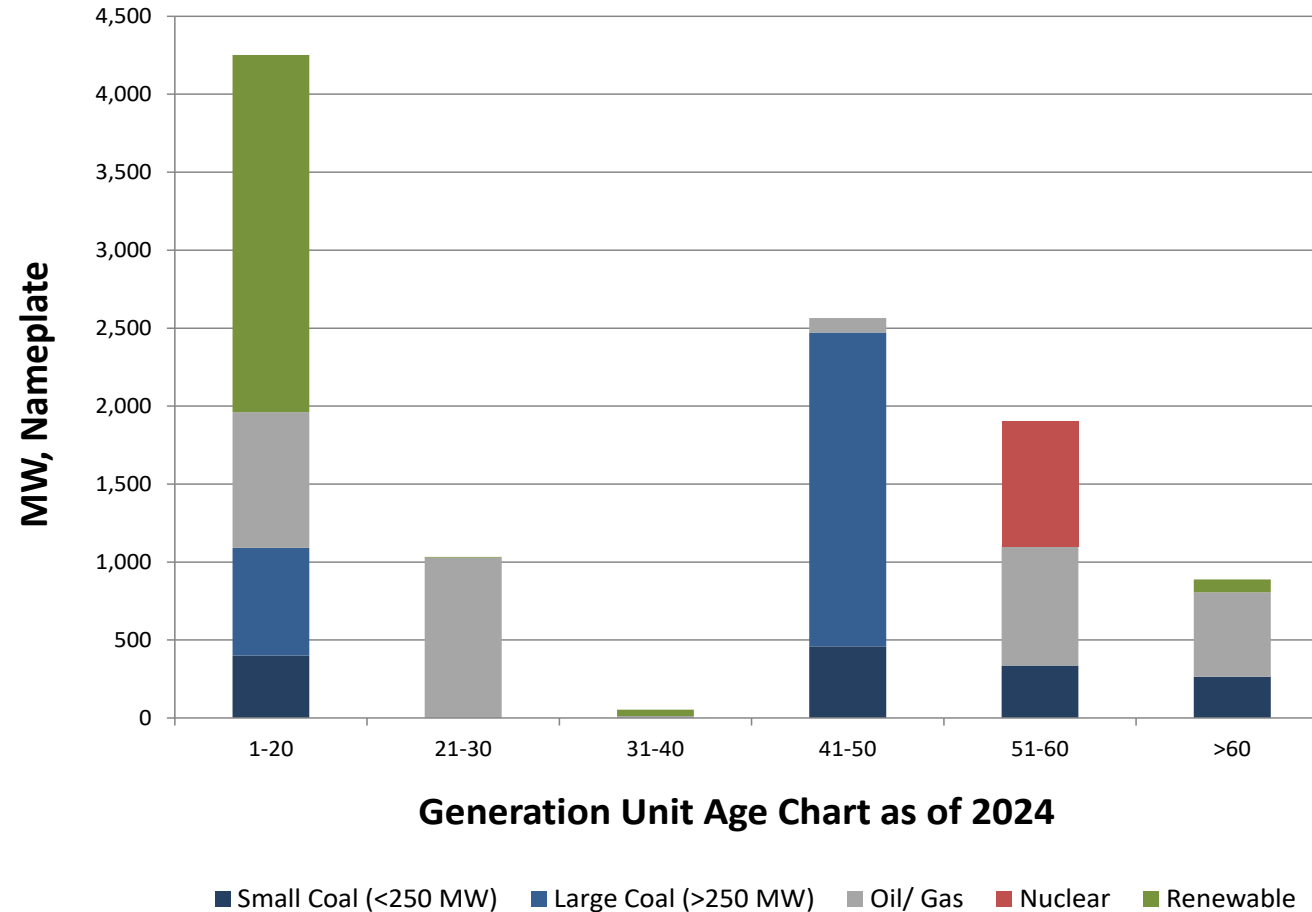
**During winter conditions, about 17% of Nebraska's accredited generating capacity is capable of utilizing dual fuels (natural gas or fuel oil). At full output, NPPD, OPPD, and LES's coal fired generation has about 37 days of fuel stored on site, while their generators that can use fuel oil have 1.4 to 1.9 days of fuel stored on site.**



**The Nebraska utilities manage a diverse generating fleet with ramp rates to full output ranging from 0-10 minutes to 12+ hours, along with intermittent resources whose output and ramp rates can depend on a variety of factors.**



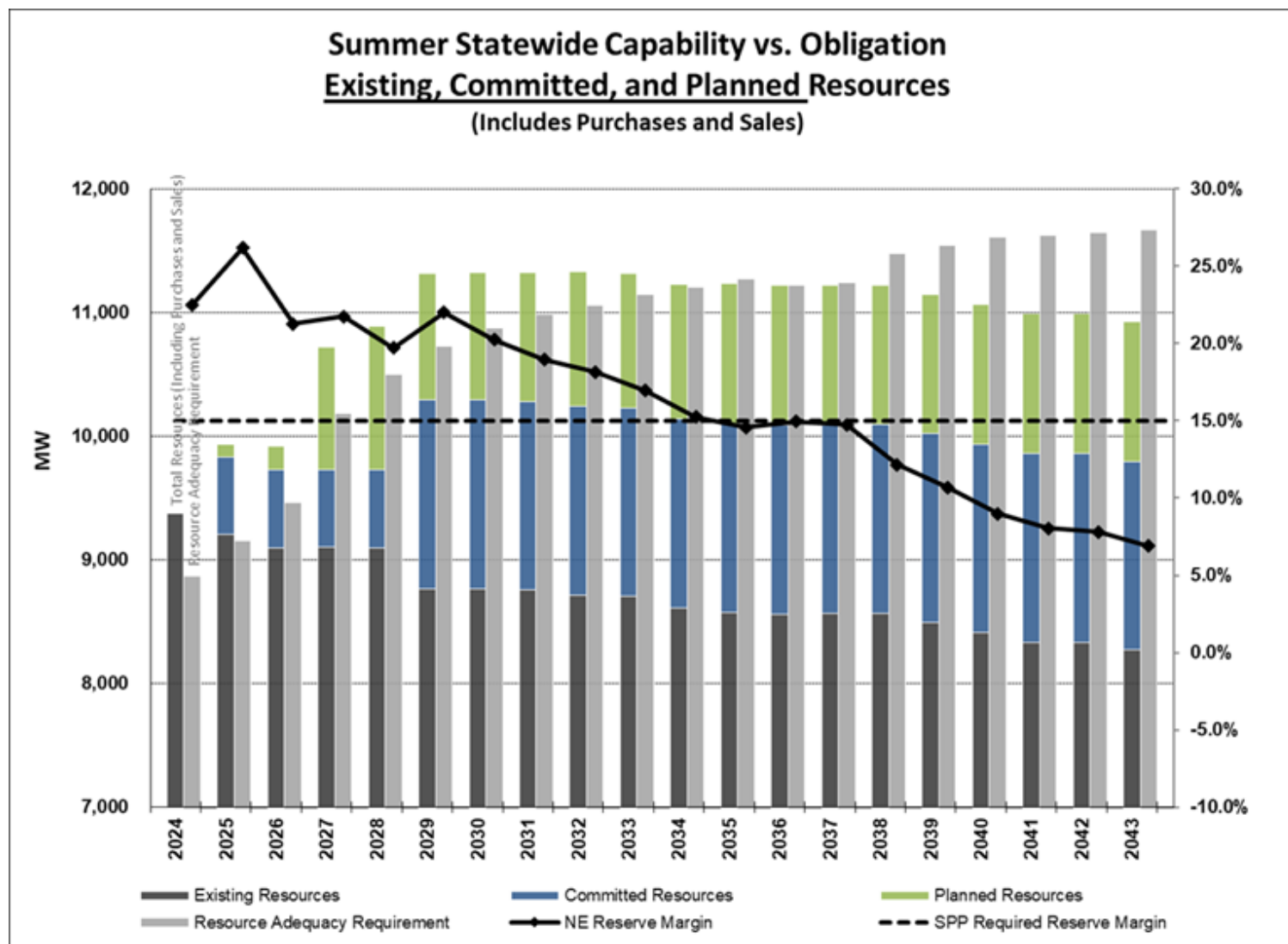
**Nebraska's existing generating fleet encompasses a broad range of ages, but can generally be categorized into generation that is twenty years old or less, and generation that is older than forty years. By nameplate rating, approximately 50% of Nebraska's generation has been in service for more than forty years.**



# The Nebraska utilities have about 4,339 Megawatts (accredited rating) of new electrical generation being evaluated in various stages of the planning process.

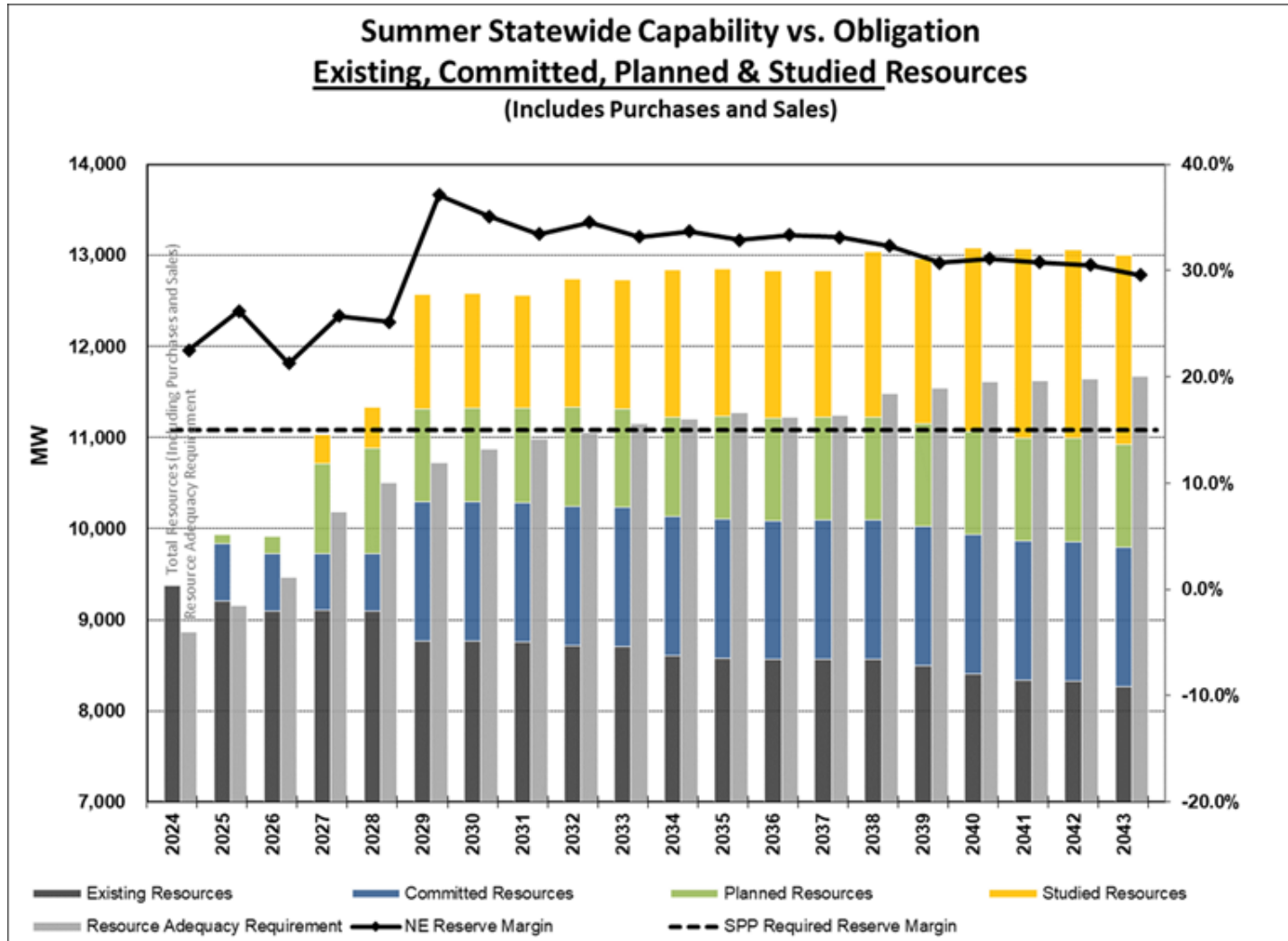
	Renewable	Conventional	Unspecified	Total
Committed	34 (OPPD Wind)	1,493 (OPPD Standing Bear Lake NG) (OPPD Turtle Creek NG) (OPPD Future CT)	0	1,527
Planned	100 (NPPD Battery Storage)	636 (NPPD CT) (NPPD RICE)	0	736
Studied	586 (OPPD Solar, Wind) (OPPD Battery Storage) (NPPD Solar, Wind)	630 (NPPD CT)	860 (LES, OPPD)	2,076
<b>Total</b>	<b>720</b>	<b>2,759</b>	<b>860</b>	<b>4,339</b>

# With Nebraska's fleet of Existing, Committed, and Planned\* electrical generators, the State would drop below the Southwest Power Pool's 15% summer Planning Reserve Margin in 2035

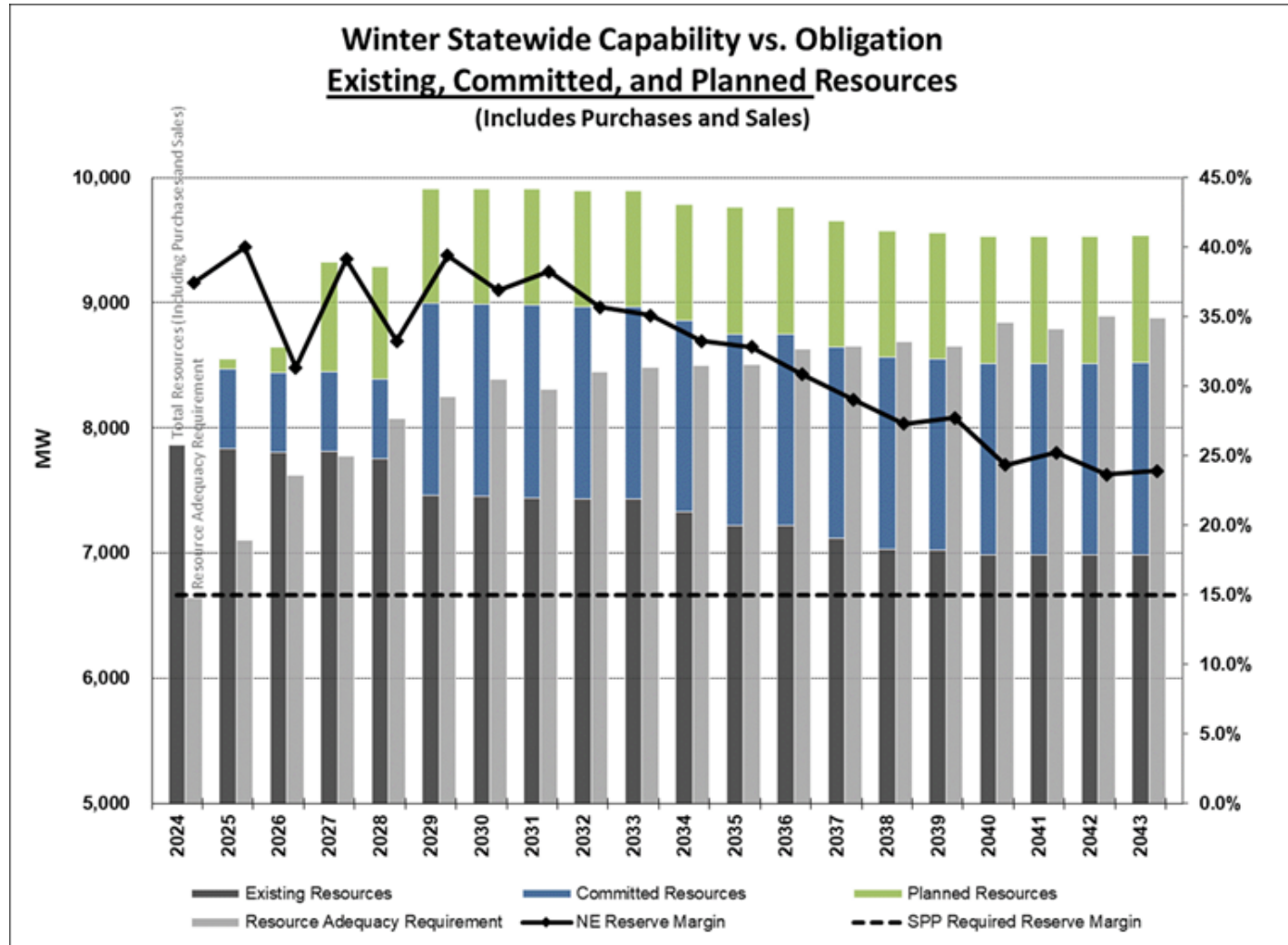


\*Regulatory approvals (e.g. planning, zoning, environmental, etc.) along with NPRB approval may still be required for Planned resources. The timely receipt of these approvals will have a direct affect on each utility's ability to comply with the Planning Reserve Margin out to year 2035.

# With Studied electrical generation included, Nebraska meets the Southwest Power Pool's 15% summer Planning Reserve Margin throughout the twenty-year study period

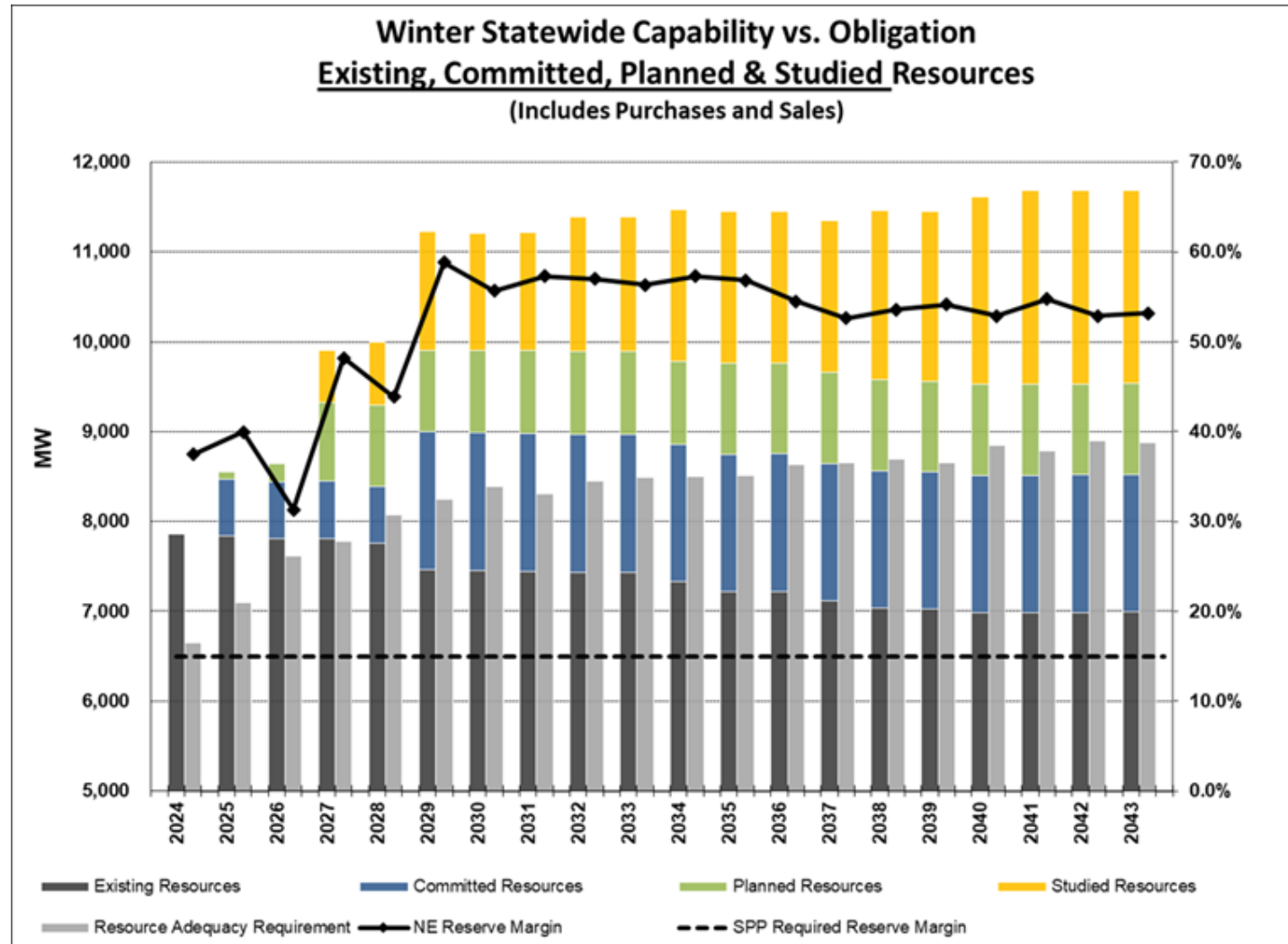


# With Nebraska's fleet of Existing, Committed, and Planned electrical generators, the State meets the Southwest Power Pool's currently assumed 15% winter Planning Reserve Margin throughout the twenty-year study period

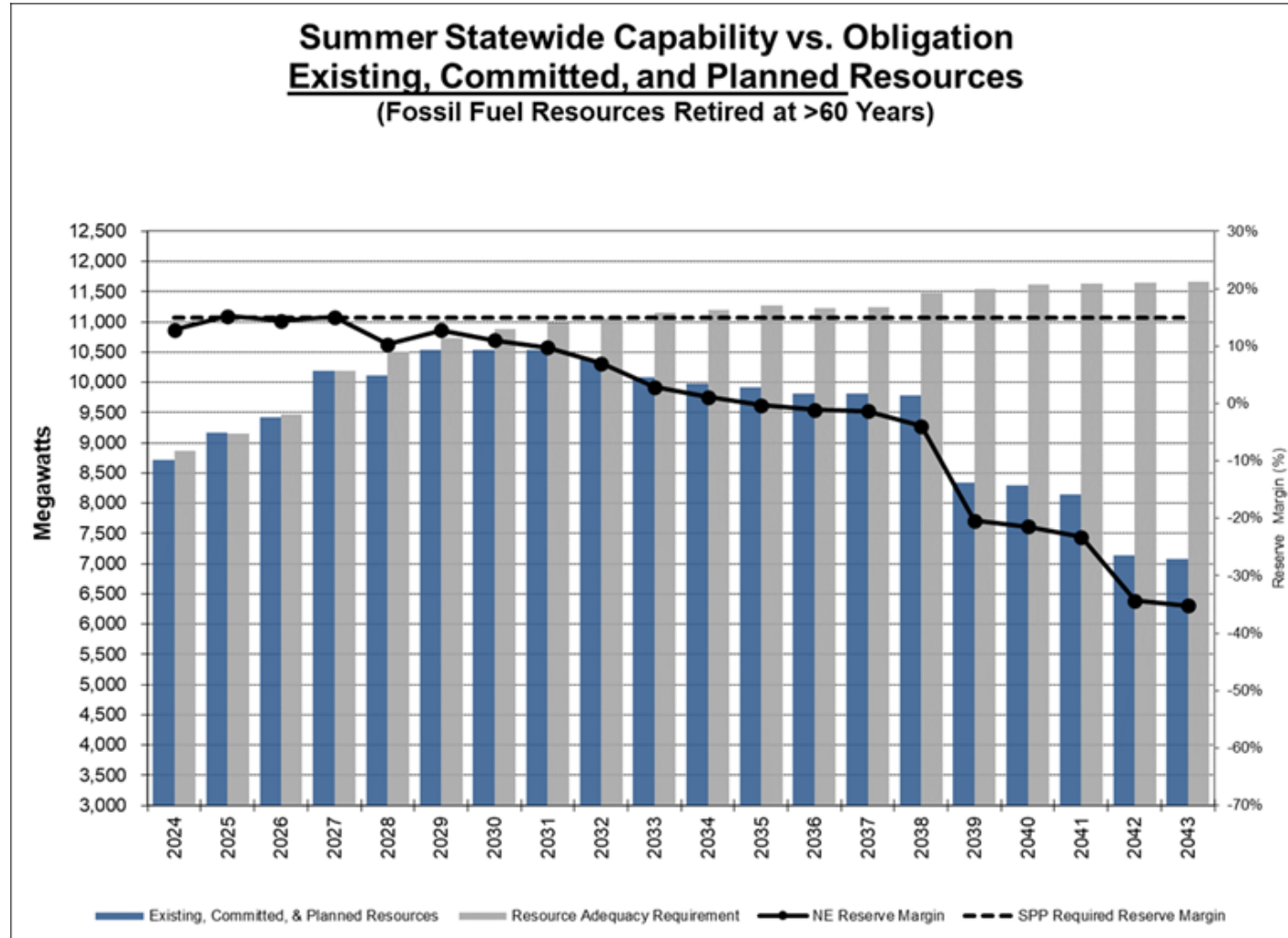




# With Studied electrical generation included, Nebraska meets the Southwest Power Pool's currently assumed 15% winter Planning Reserve Margin throughout the twenty-year study period



**For illustrative purposes only, if the Nebraska utilities retired their Existing fossil fuel powered generating resources when they reach sixty years of age, the State would hover near the required summer Planning Reserve Margin for the next several years, but fall below in 2028**



# SPP has assembled the initial data for generation reliability metrics. Nebraska's generating fleet performance is being evaluated to help understand the results and prepare for the conversion to Performance Based Accreditation.

<u>SPP Footprint Fuel and Technology Type</u>	<u>SPP Summer Weighted Average EFORd</u>	<u>SPP Winter Weighted Average EFORd</u>
Combustion Turbine Natural Gas	7.00%	13.80%
Combustion Turbine Petroleum	10.70%	9.70%
Combined Cycle Natural Gas	5.50%	5.00%
Internal Combustion Biomass*	0.01%	0.10%
Internal Combustion Natural Gas*	4.10%	6.40%
Steam Turbine Coal	7.40%	8.20%
Steam Turbine Natural Gas	11.60%	14.50%
Steam Turbine Nuclear	1.60%	0.50%
Hydro**	1.40%	0.90%
Pumped Storage	7.60%	8.50%

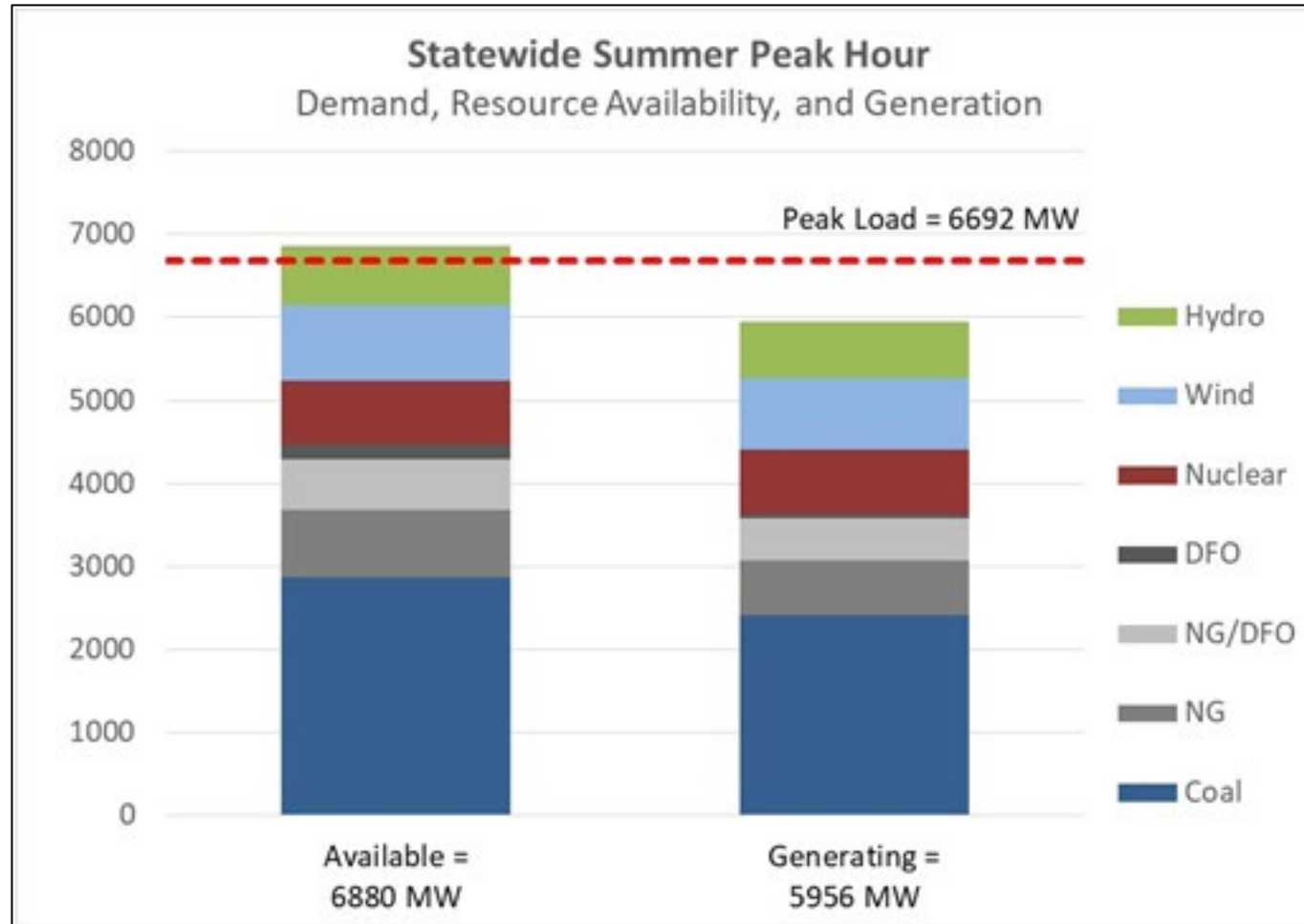
<u>Nebraska Capacity Weighted Summer EFORd</u>	<u>Nebraska Capacity Weighted Winter EFORd</u>
10.33%	19.16%
15.31%	21.31%
5.60%	2.52%
0.00%	0.00%
10.68%	14.76%
7.87%	6.93%
12.29%	
0.60%	1.81%
4.63%	6.60%

<u>Nebraska Summer Original Claimed Capacity (MW)</u>	<u>Nebraska Winter Original Claimed Capacity (MW)</u>	<u>Nebraska Summer Adjusted Capacity (ACAP) (MW)</u>	<u>Nebraska Winter Adjusted Capacity (ACAP) (MW)</u>
1,157.5	1,275.7	1,037.9	1,031.3
130.0	130.0	110.1	102.3
246.3	246.3	232.5	240.1
10.9	10.9	10.9	10.9
33.7	184.9	30.1	157.6
3,522.8	3,475.8	3,245.7	3,235.0
240.0	-	210.5	-
768.5	768.5	763.9	754.6
108.0	111.7	103.0	104.3

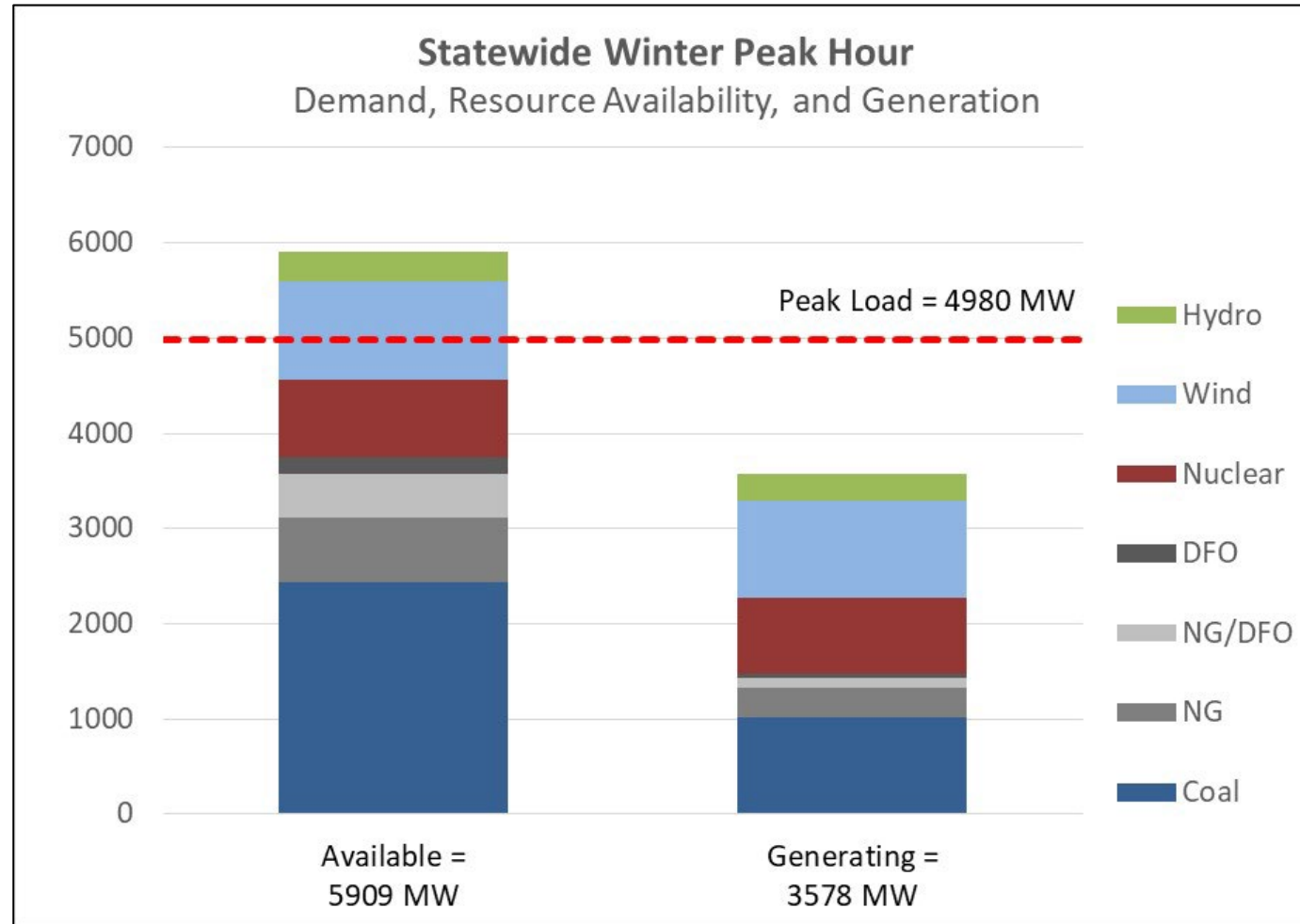
\*Biomass includes Landfill Gas and Other Biomass Liquids

\*\*Class average EFORd data for the Nebraska units, per GlobalScape

In 2023, the Nebraska utilities experienced a summer peak on August 21<sup>st</sup>. At that time, the utilities had more generation available than the amount of customer consumption, but the amount of Nebraska generation actually being operated was lower than consumption due to the availability of competitive and deliverable generation in the SPP Market.



For the 2023/24 winter season, the Nebraska utilities experienced a winter peak on January 15, 2024. Despite this being a period of extreme winter weather, river icing, and reduced river flows in the eastern part of the state, the utilities had more generation available than the amount of customer consumption. Similar to the summer peak, the amount of Nebraska generation actually being operated was lower than consumption due to the availability of competitive and deliverable generation in the SPP Market.



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

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

## 2024 NPA Load & Capability Report Summary

- Nebraska's projected electrical demand growth rate of 1.4% per year is comparable to the 1.5% rate shown in last year's report and reflects additional information that has been obtained for large loads.
- Nebraska meets its SPP Planning Reserve Margin requirements with Existing, Committed, and Planned resources up to 2035.
- A significant amount of new electrical generation is both under construction and being proposed by Nebraska utilities.
- Each utility that has adopted a decarbonization goal will continue to evaluate its options in the coming years.

# Questions and Discussion



# **Exhibit VI**



## Revenue & Expense Statement (Condensed)

### OCTOBER 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	\$306,476	\$302,708	\$3,768	1%	Wholesale revenue exceeded budget by 21% (\$5.5M), primarily due to higher than expected revenues from SPP IM activities. Retail revenue was under budget by 1% (\$3.2M). Other revenue was over budget by 19% (\$1.2M) due to natural gas capacity releases, funds received from the City of Lincoln for heat pump incentives (offset by A&G expenses) and SPP transmission revenue.
2) Power Costs	117,799	120,718	(2,919)	-2%	Produced power was 14% (\$8.6M) under budget due primarily to lower than budgeted energy costs for LRS, TBGS, WS4, Rokeby & Landfill Gas; lower operations expenses for LRS, Rokeby, TBGS & J St; and lower maintenance expenses for LRS, WS4 & Landfill Gas. Purchased power was over budget by 10% (\$5.7M) due to higher SPP purchases.
3) Other Operating Expenses	85,100	84,240	860	1%	Other operating expenses were slightly over budget, primarily due to increased payroll and benefits expenses (\$900K) partially due to the July 31 storm, and transmission expenses (\$275K); offset by lower vegetation management expenses due to the availability of crews (\$800K), pole inspection expenses (\$600K), and transformer expenses (\$100K).
4) Depreciation	29,786	31,940	(2,154)	-7%	
5) Total Expenses	<u>232,685</u>	<u>236,898</u>	<u>(4,213)</u>	-2%	
6) Operating Income	73,791	65,810	7,981	12%	
7) Non-Operating Expense (Income)	<u>29,895</u>	<u>30,678</u>	<u>(783)</u>	-3%	
8) Change in Net Position (Net Revenue)	<u>\$43,896</u>	<u>\$35,132</u>	<u>\$8,764</u>	25%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.69x	1.40x			
10) Debt Service Coverage	2.49x	2.10x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand (Days)	116	127			

# LINCOLN ELECTRIC SYSTEM

## FINANCIAL AND OPERATING STATEMENT

October 2024



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



## REVENUE & EXPENSE STATEMENT

### CURRENT MONTH

### OCTOBER 2024

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>OPERATING REVENUES</b>							
1. Retail	\$21,838,885	\$22,549,143	(\$710,258)	-3.1%	\$20,688,956	\$1,149,929	5.6%
2. Wholesale	3,147,230	2,314,539	832,691	36.0%	1,689,109	1,458,121	86.3%
3. Other Revenue	491,407	508,046	(16,639)	-3.3%	794,747	(303,340)	-38.2%
4. CDFUO (a)	1,144,767	1,110,954	33,813	3.0%	1,095,018	49,749	4.5%
5. Total Operating Revenues	26,622,289	26,482,682	139,607	0.5%	24,267,830	2,354,459	9.7%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	6,128,108	5,861,014	267,094	4.6%	6,241,855	(113,747)	-1.8%
7. Produced Power	3,698,622	5,065,067	(1,366,445)	-27.0%	4,141,486	(442,864)	-10.7%
8. Operations	2,371,012	2,416,123	(45,111)	-1.9%	2,185,014	185,998	8.5%
9. Maintenance	1,027,418	1,039,016	(11,598)	-1.1%	1,321,183	(293,765)	-22.2%
10. Admin. & General	4,953,456	5,061,102	(107,646)	-2.1%	4,937,689	15,767	0.3%
11. Depreciation	2,996,400	3,208,650	(212,250)	-6.6%	2,946,920	49,480	1.7%
12. Total Operating Expenses	21,175,016	22,650,972	(1,475,956)	-6.5%	21,774,147	(599,131)	-2.8%
<b>13. OPERATING INCOME</b>	<b>5,447,273</b>	<b>3,831,710</b>	<b>1,615,563</b>	<b>42.2%</b>	<b>2,493,683</b>	<b>2,953,590</b>	<b>118.4%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	1,405,196	1,387,933	17,263	1.2%	1,435,574	(30,378)	-2.1%
15. PILOT (c)	1,181,796	1,192,929	(11,133)	-0.9%	1,125,097	56,699	5.0%
16. CDFUO Expense (a)	1,143,204	1,110,954	32,250	2.9%	1,046,389	96,815	9.3%
17. Other Expense	0	0	0	--	0	0	--
18. Total Other Nonoperating Expense	3,730,196	3,691,816	38,380	1.0%	3,607,060	123,136	3.4%
19. Other (Income)	(45,498)	(43,269)	(2,229)	5.2%	(45,530)	32	-0.1%
20. Interest (Income)	(146,206)	(517,691)	371,485	-71.8%	(865,924)	719,718	-83.1%
21. Total Other Nonoperating (Income)	(191,704)	(560,960)	369,256	-65.8%	(911,454)	719,750	-79.0%
22. Total Nonoperating Expenses (Income)	3,538,492	3,130,856	407,636	13.0%	2,695,606	842,886	31.3%
<b>23. Income Before Contributions</b>	<b>1,908,781</b>	<b>700,854</b>	<b>1,207,927</b>	<b>172.4%</b>	<b>(201,923)</b>	<b>2,110,704</b>	<b>1045.3%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	62,875	182,757	(119,882)	-65.6%	348,336	(285,461)	-81.9%
25. Contributed Capital Used (d)	(62,875)	(182,757)	119,882	65.6%	(348,336)	285,461	81.9%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$1,908,781</b>	<b>\$700,854</b>	<b>\$1,207,927</b>	<b>172.4%</b>	<b>(\$201,923)</b>	<b>\$2,110,704</b>	<b>1045.3%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,477,519 + Software Agreements Interest \$5,420 + Variable Interest \$184,476 + Amortization of Issuance Costs on Outstanding Debt \$104,832 + 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**

**OCTOBER 2024**

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>OPERATING REVENUES</b>							
1. Retail	\$255,510,561	\$258,717,484	(\$3,206,923)	-1.2%	\$246,773,235	\$8,737,326	3.5%
2. Wholesale	32,529,768	27,002,332	5,527,436	20.5%	33,986,430	(1,456,662)	-4.3%
3. Other Revenue	7,523,687	6,310,786	1,212,901	19.2%	6,922,405	601,282	8.7%
4. CDFUO (a)	10,912,163	10,677,407	234,756	2.2%	9,992,180	919,983	9.2%
5. Total Operating Revenues	306,476,179	302,708,009	3,768,170	1.2%	297,674,250	8,801,929	3.0%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	65,094,720	59,403,934	5,690,786	9.6%	63,924,053	1,170,667	1.8%
7. Produced Power	52,704,657	61,314,543	(8,609,886)	-14.0%	51,236,793	1,467,864	2.9%
8. Operations	23,255,502	24,095,283	(839,781)	-3.5%	21,511,789	1,743,713	8.1%
9. Maintenance	12,199,252	10,499,045	1,700,207	16.2%	10,289,311	1,909,941	18.6%
10. Admin. & General	49,645,733	49,645,583	150	0.0%	48,005,226	1,640,507	3.4%
11. Depreciation	29,785,936	31,939,639	(2,153,703)	-6.7%	29,233,875	552,061	1.9%
12. Total Operating Expenses	232,685,800	236,898,027	(4,212,227)	-1.8%	224,201,047	8,484,753	3.8%
<b>13. OPERATING INCOME</b>	<b>73,790,379</b>	<b>65,809,982</b>	<b>7,980,397</b>	<b>12.1%</b>	<b>73,473,203</b>	<b>317,176</b>	<b>0.4%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	14,185,292	14,196,145	(10,853)	-0.1%	14,503,997	(318,705)	-2.2%
15. PILOT (c)	11,926,834	12,449,309	(522,475)	-4.2%	11,382,691	544,143	4.8%
16. CDFUO Expense (a)	10,657,520	10,593,020	64,500	0.6%	9,797,898	859,622	8.8%
17. Other Expense	3	0	3	--	153	(150)	-98.0%
18. Total Other Nonoperating Expense	36,769,649	37,238,474	(468,825)	-1.3%	35,684,739	1,084,910	3.0%
19. Other (Income)	(455,105)	(443,436)	(11,669)	2.6%	(440,453)	(14,652)	3.3%
20. Interest (Income)	(6,419,212)	(6,116,850)	(302,362)	4.9%	(6,853,282)	434,070	-6.3%
21. Total Other Nonoperating (Income)	(6,874,317)	(6,560,286)	(314,031)	4.8%	(7,293,735)	419,418	-5.8%
22. Total Nonoperating Expenses (Income)	29,895,332	30,678,188	(782,856)	-2.6%	28,391,004	1,504,328	5.3%
<b>23. Income Before Contributions</b>	<b>43,895,047</b>	<b>35,131,794</b>	<b>8,763,253</b>	<b>24.9%</b>	<b>45,082,199</b>	<b>(1,187,152)</b>	<b>-2.6%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	2,659,055	1,827,566	831,489	45.5%	1,671,087	987,968	59.1%
25. Contributed Capital Used (d)	(2,659,055)	(1,827,566)	(831,489)	-45.5%	(1,671,087)	(987,968)	-59.1%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$43,895,047</b>	<b>\$35,131,794</b>	<b>\$8,763,253</b>	<b>24.9%</b>	<b>\$45,082,199</b>	<b>(\$1,187,152)</b>	<b>-2.6%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$15,211,966 + Software Agreements Interest \$57,171 + Variable Interest \$1,890,796 + Amortization of Issuance Costs on Outstanding Debt \$853,197 + Amortization of Loss on Refunded Debt \$1,077,763 - Amortization of Discount/

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



**REVENUES, ENERGY & CUSTOMERS**

**CURRENT MONTH**

**OCTOBER 2024**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>REVENUE</b>							
1. Residential	\$9,740,458	\$9,965,105	(\$224,647)	-2.3%	\$8,876,441	\$864,017	9.7%
2. Commercial & Street Light	9,557,757	9,957,826	(400,069)	-4.0%	9,156,842	400,915	4.4%
3. Industrial	<u>2,540,670</u>	<u>2,626,212</u>	<u>(85,542)</u>	-3.3%	<u>2,655,673</u>	<u>(115,003)</u>	-4.3%
4. Total Retail	21,838,885	22,549,143	(710,258)	-3.1%	20,688,956	1,149,929	5.6%
5. SPP Sales	2,394,300	1,413,013	981,287	69.4%	862,546	1,531,754	177.6%
6. Contract Sales	<u>752,930</u>	<u>901,526</u>	<u>(148,596)</u>	-16.5%	<u>826,563</u>	<u>(73,633)</u>	-8.9%
7. Total Wholesale	<u>3,147,230</u>	<u>2,314,539</u>	<u>832,691</u>	36.0%	<u>1,689,109</u>	<u>1,458,121</u>	86.3%
8. Total	\$24,986,115	\$24,863,682	\$122,433	0.5%	\$22,378,065	\$2,608,050	11.7%
<b>ENERGY (MWH'S)</b>							
9. Residential	84,553	78,507	6,046	7.7%	79,653	4,900	6.2%
10. Commercial & Street Light	117,401	115,353	2,048	1.8%	113,488	3,913	3.4%
11. Industrial	<u>36,293</u>	<u>35,579</u>	<u>714</u>	2.0%	<u>40,060</u>	<u>(3,767)</u>	-9.4%
12. Total Retail	238,247	229,439	8,808	3.8%	233,201	5,046	2.2%
13. SPP Sales	30,278	44,580	(14,302)	-32.1%	24,028	6,250	26.0%
14. Contract Sales	<u>12,431</u>	<u>22,734</u>	<u>(10,303)</u>	-45.3%	<u>11,930</u>	<u>501</u>	4.2%
15. Total Wholesale	<u>42,709</u>	<u>67,314</u>	<u>(24,605)</u>	-36.6%	<u>35,958</u>	<u>6,751</u>	18.8%
16. Total	280,956	296,753	(15,797)	-5.3%	269,159	11,797	4.4%
<b>CUSTOMERS - AT MONTH END</b>							
17. Residential	135,614	132,012	3,602	2.7%	133,320	2,294	1.7%
18. Commercial & Street Light	17,970	17,776	194	1.1%	17,830	140	0.8%
19. Industrial	<u>233</u>	<u>233</u>	<u>0</u>	0.0%	<u>237</u>	<u>(4)</u>	-1.7%
20. Total Retail	153,817	150,021	3,796	2.5%	151,387	2,430	1.6%
21. Wholesale	<u>6</u>	<u>6</u>	<u>0</u>	0.0%	<u>7</u>	<u>(1)</u>	-14.3%
22. Total	153,823	150,027	3,796	2.5%	151,394	2,429	1.6%



**REVENUES, ENERGY & CUSTOMERS**

**YEAR-TO-DATE**

**OCTOBER 2024**

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>REVENUE</b>							
1. Residential	\$120,050,464	\$121,520,514	(\$1,470,050)	-1.2%	\$116,793,640	\$3,256,824	2.8%
2. Commercial & Street Light	107,152,916	110,154,043	(3,001,127)	-2.7%	103,139,208	4,013,708	3.9%
3. Industrial	<u>28,307,181</u>	<u>27,042,927</u>	<u>1,264,254</u>	4.7%	<u>26,840,387</u>	<u>1,466,794</u>	5.5%
4. Total Retail	255,510,561	258,717,484	(3,206,923)	-1.2%	246,773,235	8,737,326	3.5%
5. SPP Sales	24,014,462	17,708,800	6,305,662	35.6%	24,848,980	(834,518)	-3.4%
6. Contract Sales	<u>8,515,306</u>	<u>9,293,532</u>	<u>(778,226)</u>	-8.4%	<u>9,137,450</u>	<u>(622,144)</u>	-6.8%
7. Total Wholesale	<u>32,529,768</u>	<u>27,002,332</u>	<u>5,527,436</u>	20.5%	<u>33,986,430</u>	<u>(1,456,662)</u>	-4.3%
8. Total	\$288,040,329	\$285,719,816	\$2,320,513	0.8%	\$280,759,665	7,280,664	2.6%
<b>ENERGY (MWH'S)</b>							
9. Residential	1,102,410	1,132,632	(30,222)	-2.7%	1,135,072	(32,662)	-2.9%
10. Commercial & Street Light	1,249,688	1,273,182	(23,494)	-1.8%	1,254,918	(5,230)	-0.4%
11. Industrial	<u>399,794</u>	<u>386,195</u>	<u>13,599</u>	3.5%	<u>393,298</u>	<u>6,496</u>	1.7%
12. Total Retail	2,751,892	2,792,009	(40,117)	-1.4%	2,783,288	(31,396)	-1.1%
13. SPP Sales	282,758	316,515	(33,757)	-10.7%	405,040	(122,282)	-30.2%
14. Contract Sales	<u>216,906</u>	<u>206,568</u>	<u>10,338</u>	5.0%	<u>245,034</u>	<u>(28,128)</u>	-11.5%
15. Total Wholesale	<u>499,664</u>	<u>523,083</u>	<u>(23,419)</u>	-4.5%	<u>650,074</u>	<u>(150,410)</u>	-23.1%
16. Total	3,251,556	3,315,092	(63,536)	-1.9%	3,433,362	(181,806)	-5.3%
<b>CUSTOMERS AVERAGE</b>							
17. Residential	134,721	131,585	3,136	2.4%	132,040	2,681	2.0%
18. Commercial & Street Light	17,906	17,708	198	1.1%	17,732	174	1.0%
19. Industrial	<u>237</u>	<u>233</u>	<u>4</u>	1.7%	<u>232</u>	<u>5</u>	2.2%
20. Total Retail	152,864	149,526	3,338	2.2%	150,004	2,860	1.9%
21. Wholesale	<u>6</u>	<u>6</u>	<u>0</u>	0.0%	<u>7</u>	<u>(1)</u>	-14.3%
22. Total	152,870	149,532	3,338	2.2%	150,011	2,859	1.9%





**OPERATING EXPENSE STATEMENT**

**CURRENT MONTH**

**OCTOBER 2024**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>POWER COST</b>							
1. SPP Purchased Power	\$747,555	\$921,600	(\$174,045)	-18.9%	\$658,742	\$88,813	13.5%
2. Non-Owned Asset Power	<u>5,380,553</u>	<u>4,939,414</u>	<u>441,139</u>	8.9%	<u>5,583,113</u>	<u>(202,560)</u>	-3.6%
3. Total Purchased Power	6,128,108	5,861,014	267,094	4.6%	6,241,855	(113,747)	-1.8%
4. Produced Power	<u>3,698,622</u>	<u>5,065,067</u>	<u>(1,366,445)</u>	-27.0%	<u>4,141,486</u>	<u>(442,864)</u>	-10.7%
5. Total Power Cost	9,826,730	10,926,081	(1,099,351)	-10.1%	10,383,341	(556,611)	-5.4%
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>							
6. Energy Delivery	2,378,546	2,420,422	(41,876)	-1.7%	2,518,970	(140,424)	-5.6%
7. Transmission	<u>1,019,884</u>	<u>1,034,717</u>	<u>(14,833)</u>	-1.4%	<u>987,227</u>	<u>32,657</u>	3.3%
8. Total O & M Expense	3,398,430	3,455,139	(56,709)	-1.6%	3,506,197	(107,767)	-3.1%
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>							
9. Administration	239,917	278,024	(38,107)	-13.7%	210,678	29,239	13.9%
10. Communication & Corporate Records	221,514	225,067	(3,553)	-1.6%	213,714	7,800	3.6%
11. Corporate Operations	873,265	1,007,420	(134,155)	-13.3%	1,177,034	(303,769)	-25.8%
12. Customer Services	1,314,040	1,099,037	215,003	19.6%	1,100,631	213,409	19.4%
13. Financial Services	487,565	483,710	3,855	0.8%	461,521	26,044	5.6%
14. Power Supply	459,509	460,116	(607)	-0.1%	421,577	37,932	9.0%
15. Technology Services	<u>1,357,646</u>	<u>1,507,728</u>	<u>(150,082)</u>	-10.0%	<u>1,352,534</u>	<u>5,112</u>	0.4%
16. Total A & G Expense	4,953,456	5,061,102	(107,646)	-2.1%	4,937,689	15,767	0.3%
<b>17. DEPRECIATION</b>	2,996,400	3,208,650	(212,250)	-6.6%	2,946,920	49,480	1.7%
<b>18. TOTAL OPERATING EXPENSE</b>	\$21,175,016	\$22,650,972	(\$1,475,956)	-6.5%	\$21,774,147	(\$599,131)	-2.8%



**OPERATING EXPENSE STATEMENT**

**YEAR-TO-DATE**

**OCTOBER 2024**

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
<b>POWER COST</b>								
1. SPP Purchased Power	\$16,311,766	\$10,056,805	\$6,254,961	62.2%	\$14,606,289	\$1,705,477	11.7%	
2. Non-Owned Asset Power	<u>48,782,954</u>	<u>49,347,129</u>	<u>(564,175)</u>	-1.1%	<u>49,317,764</u>	<u>(534,810)</u>	-1.1%	
3. Total Purchased Power	65,094,720	59,403,934	5,690,786	9.6%	63,924,053	1,170,667	1.8%	
4. Produced Power	<u>52,704,657</u>	<u>61,314,543</u>	<u>(8,609,886)</u>	-14.0%	<u>51,236,793</u>	<u>1,467,864</u>	2.9%	
5. Total Power Cost	117,799,377	120,718,477	(2,919,100)	-2.4%	115,160,846	2,638,531	2.3%	
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>								
6. Energy Delivery	24,784,205	24,198,098	586,107	2.4%	22,131,903	2,652,302	12.0%	
7. Transmission	<u>10,670,549</u>	<u>10,396,230</u>	<u>274,319</u>	2.6%	<u>9,669,197</u>	<u>1,001,352</u>	10.4%	
8. Total O & M Expense	35,454,754	34,594,328	860,426	2.5%	31,801,100	3,653,654	11.5%	
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>								
9. Administration	2,685,747	2,849,477	(163,730)	-5.7%	2,407,050	278,697	11.6%	
10. Communication & Corporate Records	2,231,804	2,230,944	860	0.0%	2,017,479	214,325	10.6%	
11. Corporate Operations	10,143,204	9,801,266	341,938	3.5%	11,570,332	(1,427,128)	-12.3%	
12. Customer Services	10,904,139	10,742,135	162,004	1.5%	9,969,238	934,901	9.4%	
13. Financial Services	4,905,024	4,735,854	169,170	3.6%	4,437,886	467,138	10.5%	
14. Power Supply	4,371,682	4,754,002	(382,320)	-8.0%	3,953,304	418,378	10.6%	
15. Technology Services	<u>14,404,133</u>	<u>14,531,905</u>	<u>(127,772)</u>	-0.9%	<u>13,649,937</u>	<u>754,196</u>	5.5%	
16. Total A & G Expense	49,645,733	49,645,583	150	0.0%	48,005,226	1,640,507	3.4%	
<b>17. DEPRECIATION</b>	29,785,936	31,939,639	(2,153,703)	-6.7%	29,233,875	552,061	1.9%	
<b>18. TOTAL OPERATING EXPENSE</b>	\$232,685,800	\$236,898,027	(\$4,212,227)	-1.8%	\$224,201,047	\$8,484,753	3.8%	



**BALANCE SHEET  
OCTOBER 2024**

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

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

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
1. Revenue Fund (includes CDFUO)	\$50,945,089	(\$46,491,217)	<b>OTHER LIABILITIES</b>		
2. Payment in Lieu of Tax Fund	10,644,956	(1,603,202)	1. Accounts Payable	\$19,596,524	(\$2,043,648)
3. Rate Stabilization Fund	41,085,224	1,841,077	2. Accrued Payments in Lieu of Taxes	11,677,193	(1,442,342)
4. Bond Principal & Interest Funds	8,921,369	(9,888,459)	3. City Dividend for Utility Ownership Payable	2,286,408	(1,899,148)
5. Other Restricted/Designated Funds (a)	4,160,966	54,117	4. Commercial Paper Notes	65,500,000	0
6. Restricted/Designated Funds Total	54,167,559	(7,993,265)	5. Accrued Software Interest	18,650	(7,176)
7. Total Current Asset Funds (b)	115,757,604	(56,087,684)	6. Accrued Liabilities	18,751,371	2,110,196
8. Receivables Less Uncollectible Allowance	28,710,426	5,612,928	7. Total Other Liabilities	117,830,146	(3,282,118)
9. Unbilled Revenue	16,036,830	(1,581,320)	<b>CURRENT LIABILITIES - RESTRICTED ASSETS</b>		
10. Accrued Interest Receivable	503,611	(1,789,061)	8. Current Portion of Long-Term Debt	35,740,000	(2,060,000)
11. Materials, Supplies & Fuel Inventory	36,143,424	4,416,490	9. Accrued Interest	3,044,472	(3,330,579)
12. Plant Operation Assets	19,956,186	2,166,529	10. Other Current Liabilities (d)	972,007	66,591
13. Other Current Assets	4,646,530	99,880	11. Total Current Liabilities - Restricted Assets	39,756,479	(5,323,988)
14. Total Current Assets	221,754,611	(47,162,238)	12. Total Current Liabilities	157,586,625	(8,606,106)
<b>NONCURRENT ASSETS:</b>			<b>NONCURRENT LIABILITIES:</b>		
15. Bond Reserve Funds	9,334,513	(64,346)	13. 2013 Bonds	12,385,000	(16,680,000)
16. Self-Funded Benefits Reserve Fund (IBNP)	889,045	114,778	14. 2015A Bonds	70,605,000	(795,000)
17. Segregated Funds (c)	25,216,483	9,384,281	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	35,440,041	9,434,713	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	1,805,532	(275,685)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	125,041	39,379	18. 2020B Bonds	151,300,000	(20,325,000)
22. Other Noncurrent Assets	6,888,707	5,333,464	19. Total Revenue Bonds	493,655,000	(37,800,000)
23. Total Noncurrent Assets	\$51,160,754	\$14,231,898	20. Less Current Maturities	35,740,000	(2,060,000)
<b>CAPITAL ASSETS:</b>			21. Less Unamortized Discounts/Premiums	(29,748,994)	4,905,600
24. Utility Plant in Service	1,862,921,691	19,931,456	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(963,337,529)	(27,499,044)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	149,919,255	45,187,511	24. Net Long Term Debt	487,663,994	(40,645,600)
27. Total Capital Assets	1,049,503,417	37,619,923	25. Liabilities Payable from Segregated Funds (e)	25,227,819	9,395,729
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			26. Asset Retirement Obligation	3,518,436	(1,671,684)
28. Deferred Loss on Refunded Debt	7,049,463	(1,077,762)	27. Software Liabilities	1,316,562	(122,938)
29. Deferred Costs for Asset Retirement Obligations	3,518,436	(1,671,684)	28. Other Noncurrent Liabilities	35,789,687	136,523
30. Total Deferred Outflows of Resources	10,567,899	(2,749,446)	29. Total Liabilities	711,103,123	(41,514,076)
			<b>DEFERRED INFLOWS OF RESOURCES:</b>		
			30. Deferred Inflow of Resource	6,386,658	(440,834)
			31. Total Deferred Inflows of Resources	6,386,658	(440,834)
			<b>NET POSITION:</b>		
			32. Net Investment in Capital Assets	473,986,117	78,173,402
			33. Restricted for Debt Service	6,346,297	(6,294,643)
			34. Restricted for Employee Health Insurance Claims	2,427,637	(517,569)
			35. Unrestricted	132,736,849	(27,466,143)
			36. Total Net Position	615,496,900	43,895,047
<b>31. TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,332,986,681</b>	<b>\$1,940,137</b>	<b>37. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b>\$1,332,986,681</b>	<b>\$1,940,137</b>



**STATEMENT OF CASH FLOWS**  
**OCTOBER 2024**

	CURRENT MONTH	YEAR-TO-DATE
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Received from Sales to Customers and Users	\$35,174,963	\$317,629,379
2. Sales Tax Receipts	\$1,384,665	\$14,294,791
3. Paid to Suppliers for Goods & Services	(\$27,714,451)	(\$196,481,798)
4. Paid to Employees for Services	(\$1,826,347)	(\$18,019,778)
5. Payments for Sales Tax	(1,639,186)	(14,081,239)
<b>6. Cash Flow from Operating Activities (a)</b>	<b>5,379,644</b>	<b>103,341,355</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
7. Payment in Lieu of Tax	(92,014)	(13,369,176)
8. City Dividend for Utility Ownership Payments	0	(12,556,668)
9. Other	0	0
<b>10. Cash Flow from (used for) Noncapital Financing Activities</b>	<b>(92,014)</b>	<b>(25,925,844)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
11. Net (Purchases) Sales of Investments	10,088,323	53,329,748
12. Interest Income	196,673	6,536,194
<b>13. Cash Flow from (used for) Investing Activities</b>	<b>10,284,996</b>	<b>59,865,942</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
14. Acquisition and Construction of Capital Assets	(8,029,697)	(72,890,503)
15. Salvage on Retirement of Plant	0	120,077
16. Cost of Removal of Property Retired	(174,534)	(1,695,915)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	74,210	1,054,783
20. Capital Contributions Recv'd in Advance	0	0
21. Cash Received from Leases	42,979	428,794
23. Net Proceeds from Issuance of Long-Term Debt	0	0
24. Principal Payments on Long-Term Debt	0	(37,800,000)
25. Interest Payments on Debt	(137,383)	(20,433,341)
<b>26. Cash Flow from (used for) Capital Financing Activities</b>	<b>(8,224,425)</b>	<b>(131,216,105)</b>
26. Cash Flow from (used for) Capital Financing Activities	7,348,201	6,065,348
27. Net Increase (Decrease) in Cash and Cash Equivalents	<u>33,169,871</u>	<u>35,018,728</u>
<b>28. Cash and Cash Equivalents Beginning of Period</b>	<b>\$40,518,072</b>	<b>\$41,084,076</b>
<b>STATEMENT OF CASH FLOW FOOTNOTES</b>		
<b>(a) Reconciliation of operating income to cash flows from operating activities</b>		
1. Net Operating Revenue	\$5,447,273	\$73,790,379
2. Noncash items included in operating income	3,096,008	30,770,947
3. Changes in Assets & Liabilities Increase/(Decrease)	<u>(3,163,637)</u>	<u>(1,219,971)</u>
4. Net cash flows from operating activities	<b>\$5,379,644</b>	<b>\$103,341,355</b>
<b>(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.</b>		



**DEBT SERVICE COVERAGE**

**OCTOBER 2024**

DESCRIPTION	----- CURRENT MONTH -----			----- YEAR-TO-DATE -----		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	\$26,622,289	\$26,482,682	\$24,267,830	\$306,476,179	\$302,708,009	\$297,674,250
2. Total Operating Expenses	21,175,016	22,650,972	21,774,147	232,685,800	236,898,027	224,201,047
3. Less Depreciation	(2,996,400)	(3,208,650)	(2,946,920)	(29,785,936)	(31,939,639)	(29,233,875)
4. Operating Expense Net of Depreciation	18,178,616	19,442,322	18,827,227	202,899,864	204,958,388	194,967,172
5. Net Operating Revenue for Debt Service	8,443,673	7,040,360	5,440,603	103,576,315	97,749,621	102,707,078
6. Interest Income (a)	312,069	404,306	689,916	4,894,754	4,991,464	5,494,027
7. Other Income	45,498	43,269	45,530	455,105	443,436	440,453
8. Rate Stabilization Fund	0	0	0	0	0	0
<b>9. AVAILABLE FOR DEBT SERVICE</b>	<b>8,801,240</b>	<b>7,487,935</b>	<b>6,176,049</b>	<b>108,926,174</b>	<b>103,184,521</b>	<b>108,641,558</b>
<b>10. DEBT SERVICE (b)</b>	<b>\$4,455,852</b>	<b>\$4,455,851</b>	<b>\$4,682,116</b>	<b>\$46,368,632</b>	<b>\$46,368,615</b>	<b>\$42,326,611</b>
<b>11. DEBT SERVICE COVERAGE</b>	<b>1.98</b>	<b>1.68</b>	<b>1.32</b>	<b>2.35</b>	<b>2.23</b>	<b>2.57</b>

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

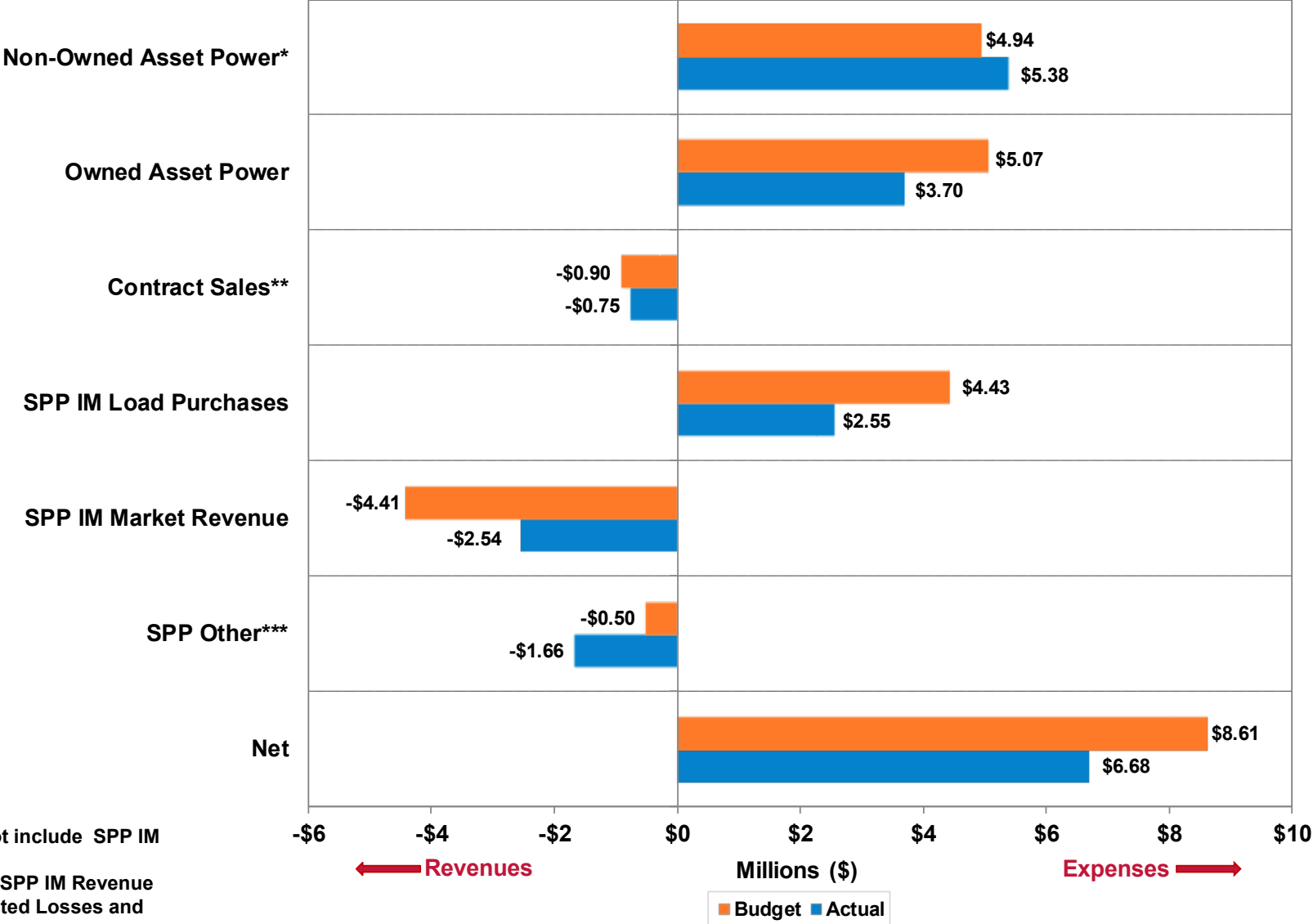
# **Power Supply Division 2024 October Monthly Report**

**November 15, 2024**

**Jason Fortik**

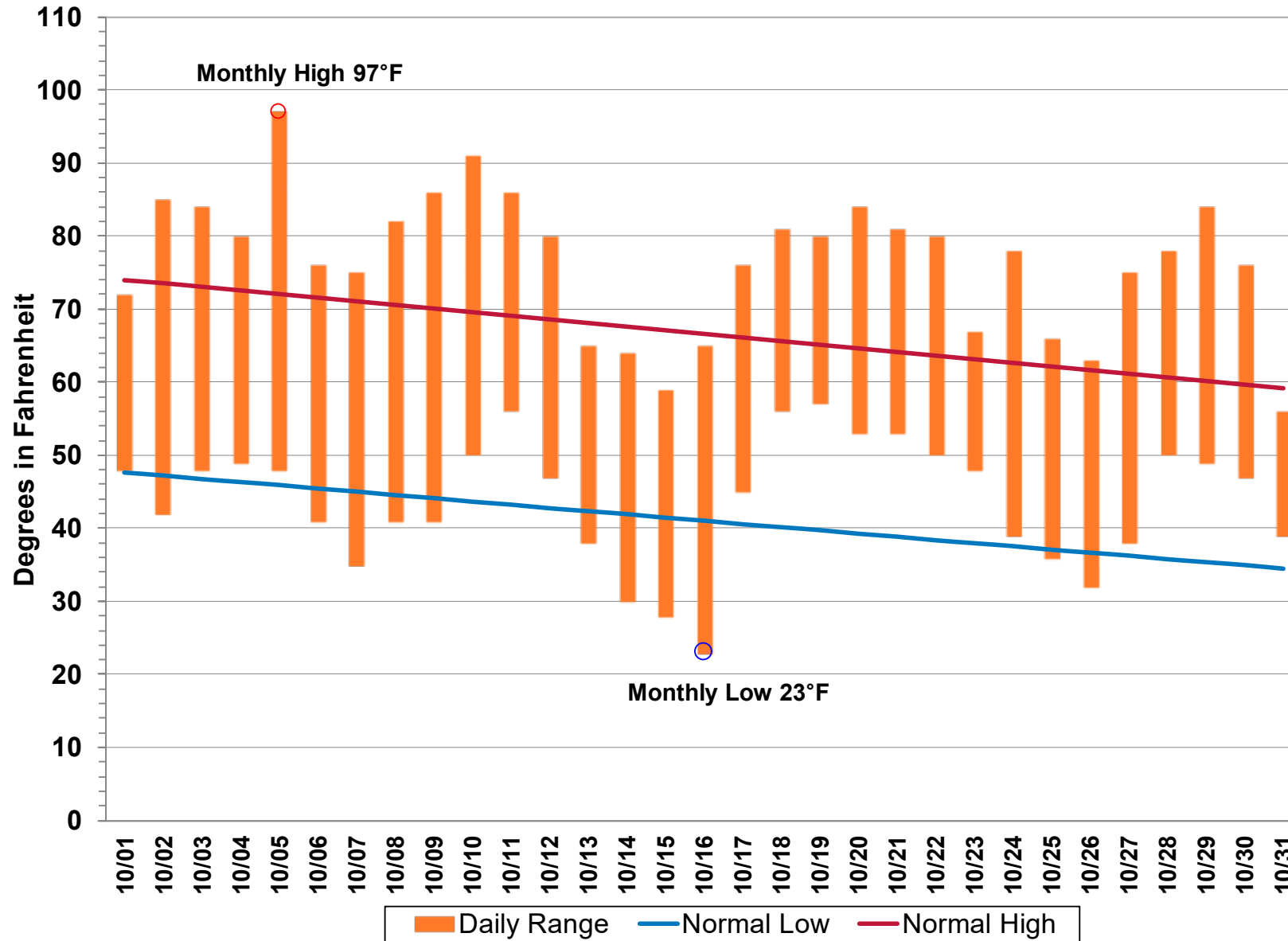
**Vice President, Power Supply**

# Monthly Actual vs. Budget



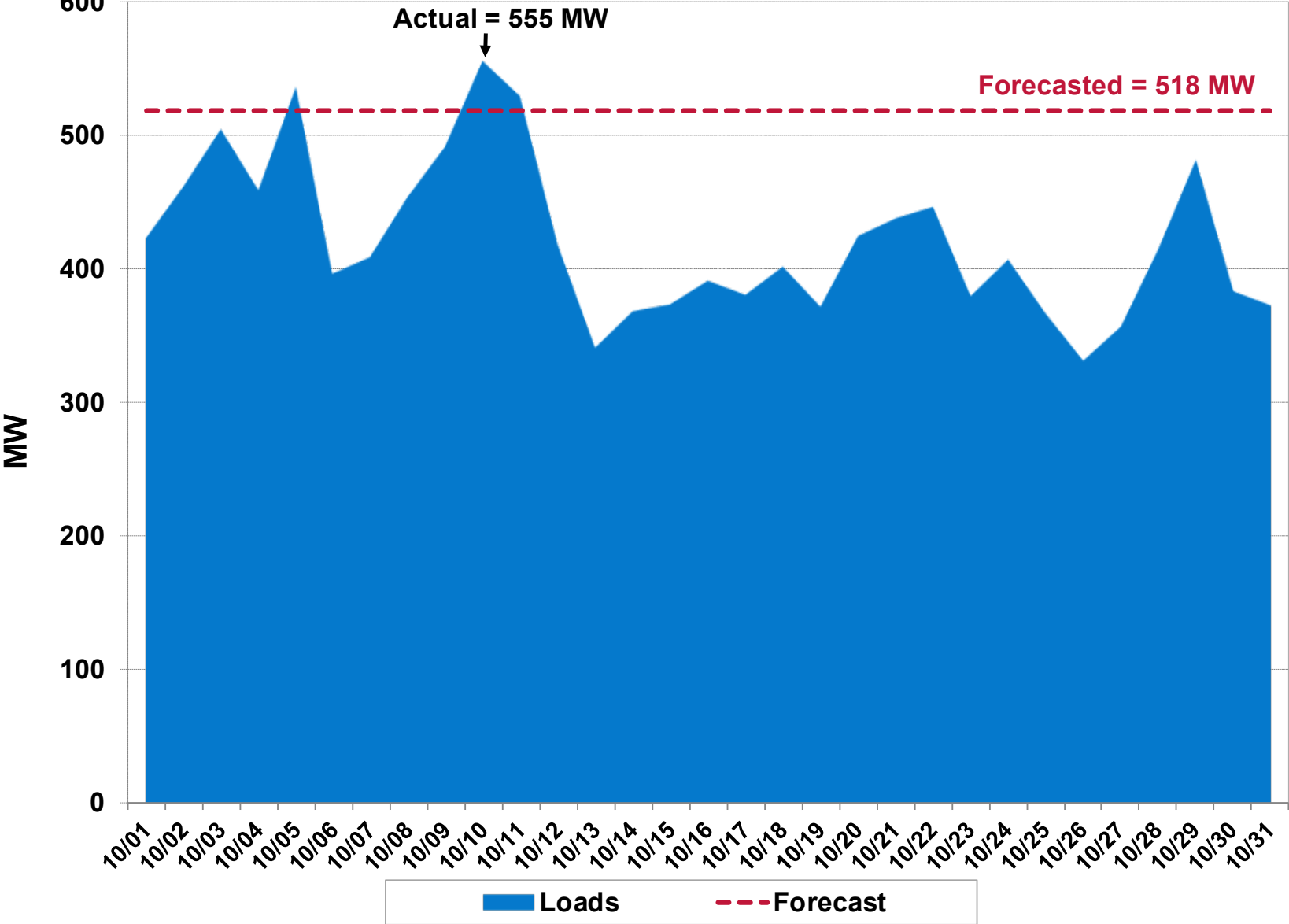
\*Non-Owned Asset Power does not include SPP IM Purchased  
 \*\*Contract Sales does not include SPP IM Revenue  
 \*\*\*SPP Other includes Over-Collected Losses and ARR's/TCR

# Daily Temperature Range

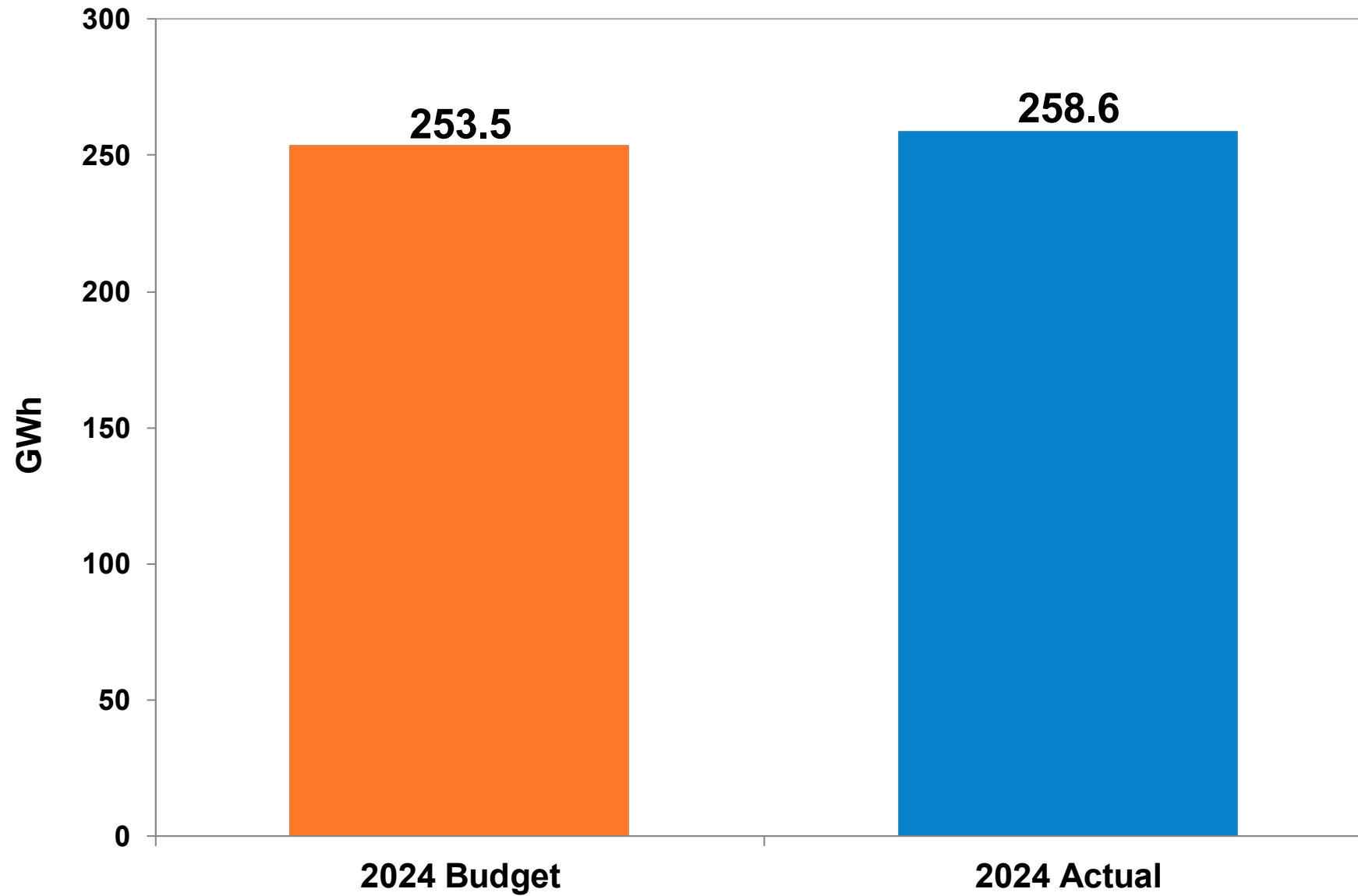




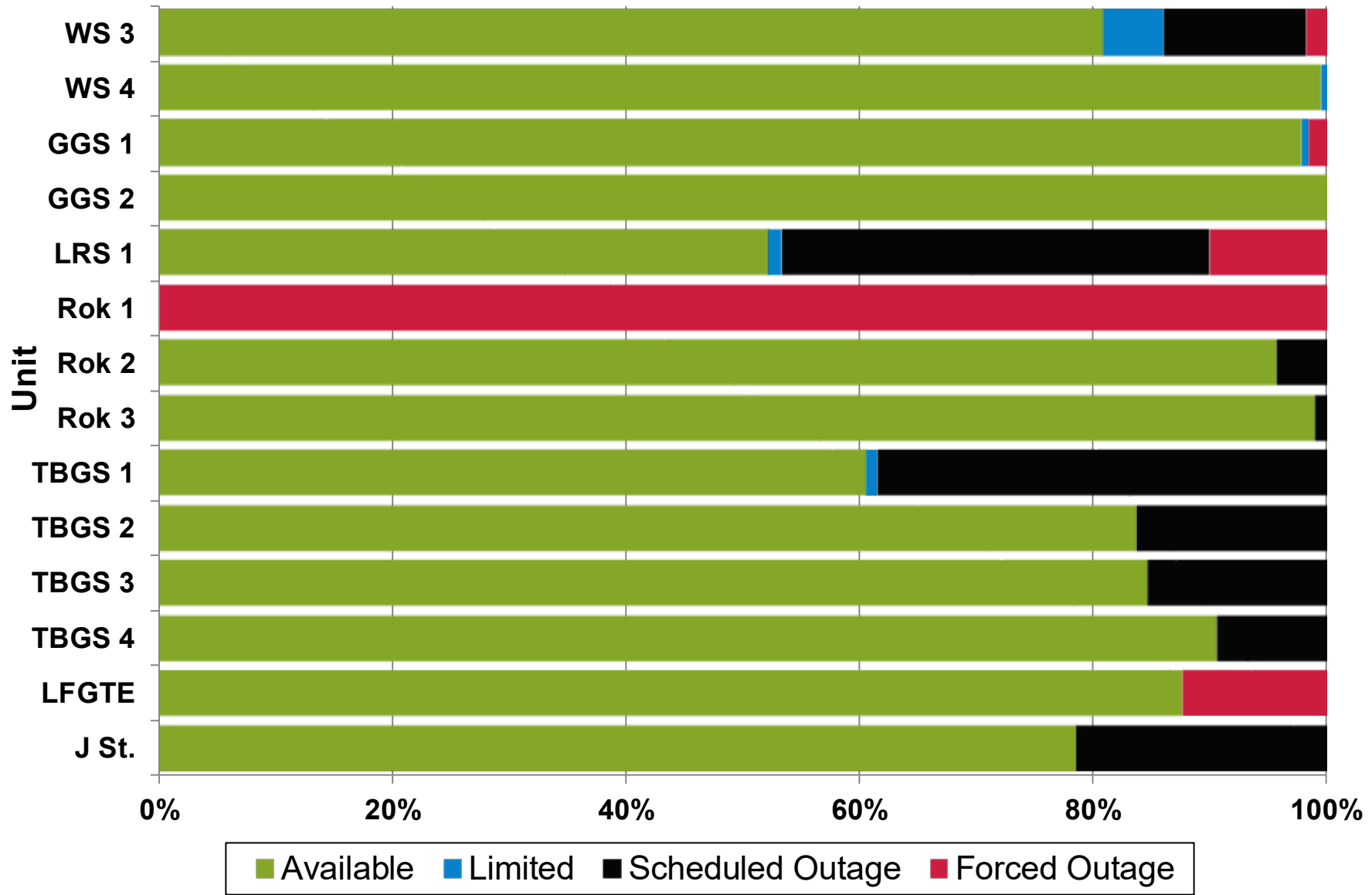
# Loads



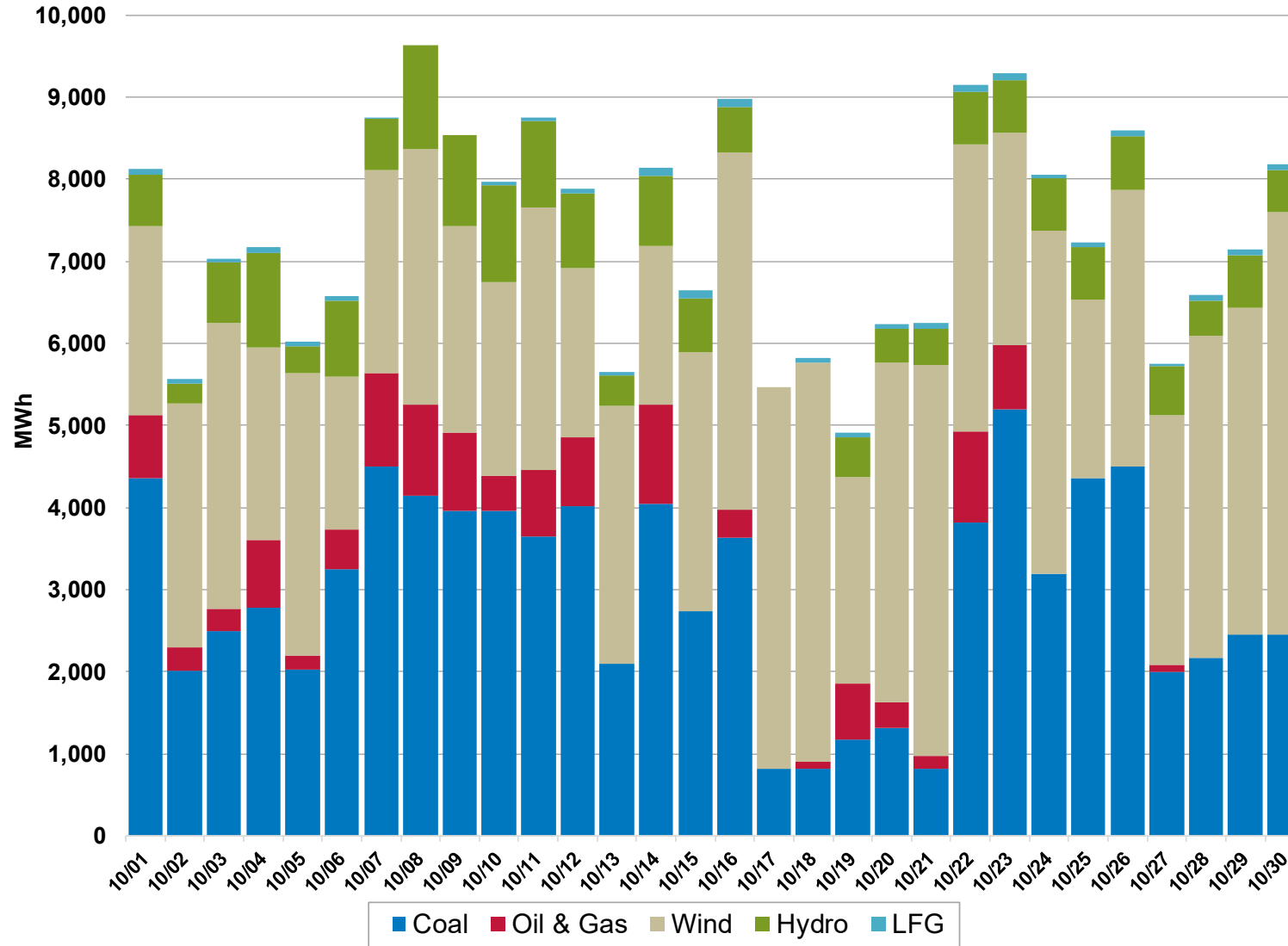
# Customer Energy Consumption



# Unit Equivalent Availability

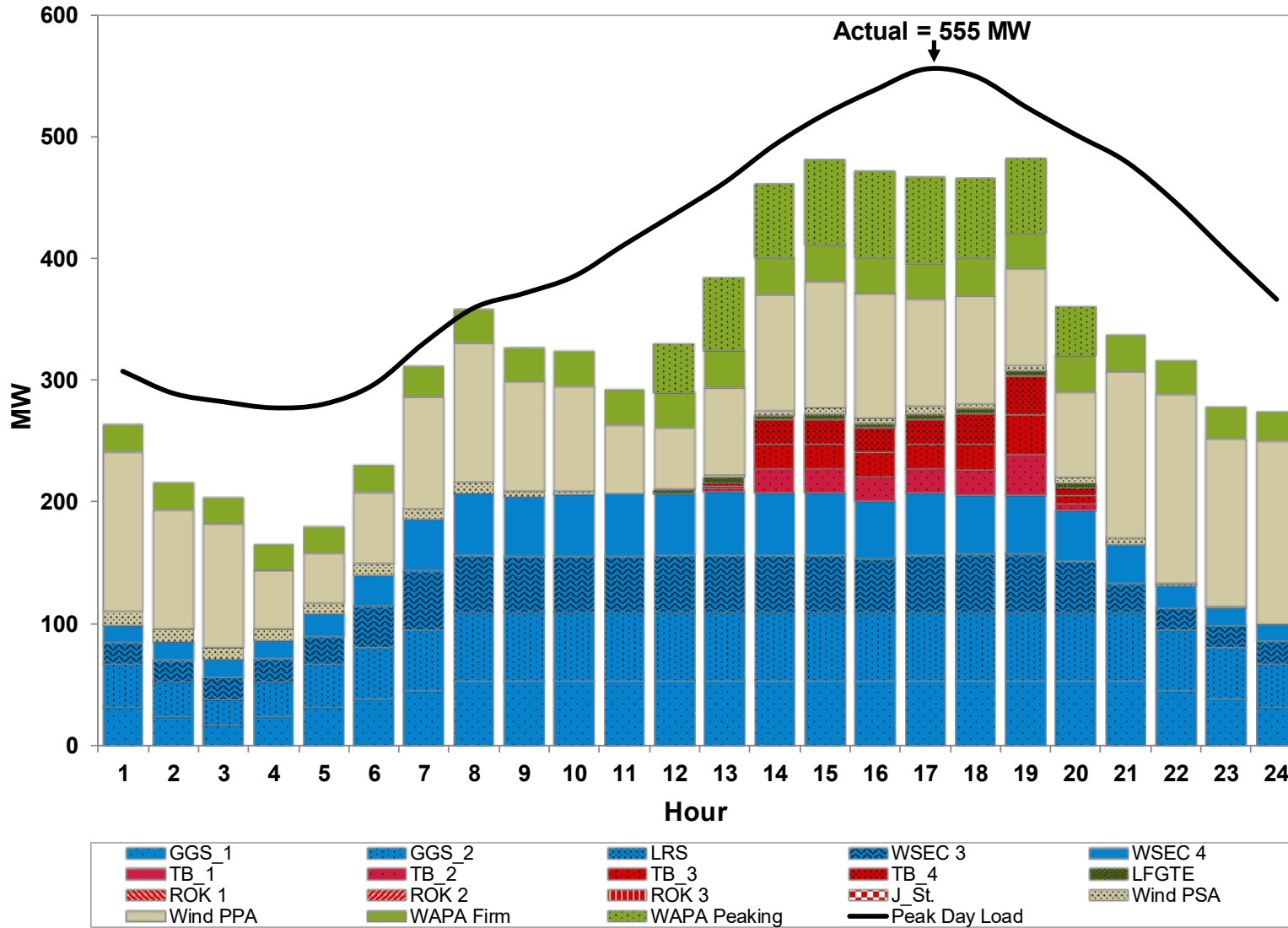


# Resource Energy



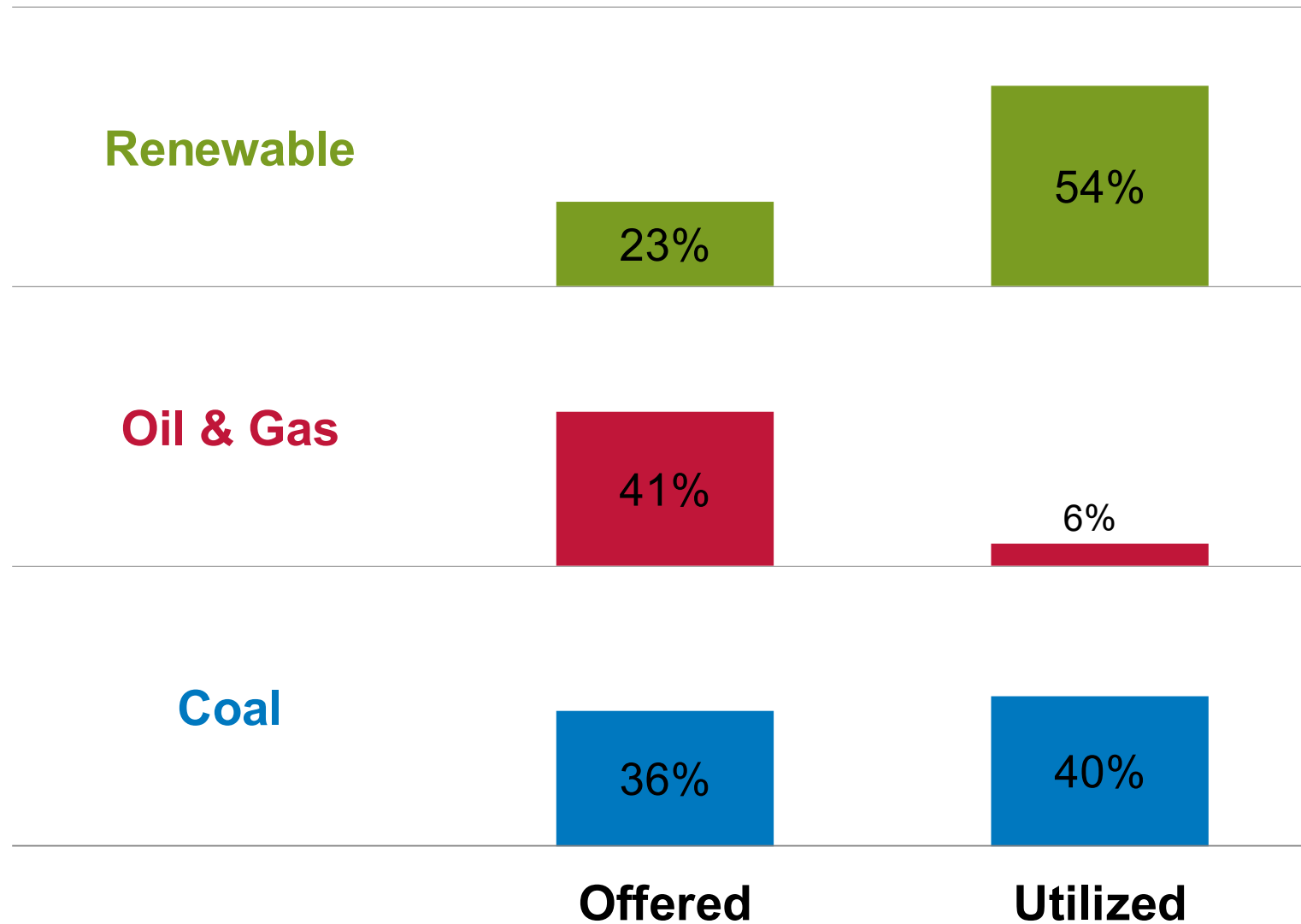
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

# Peak Load Day – October 10, 2024



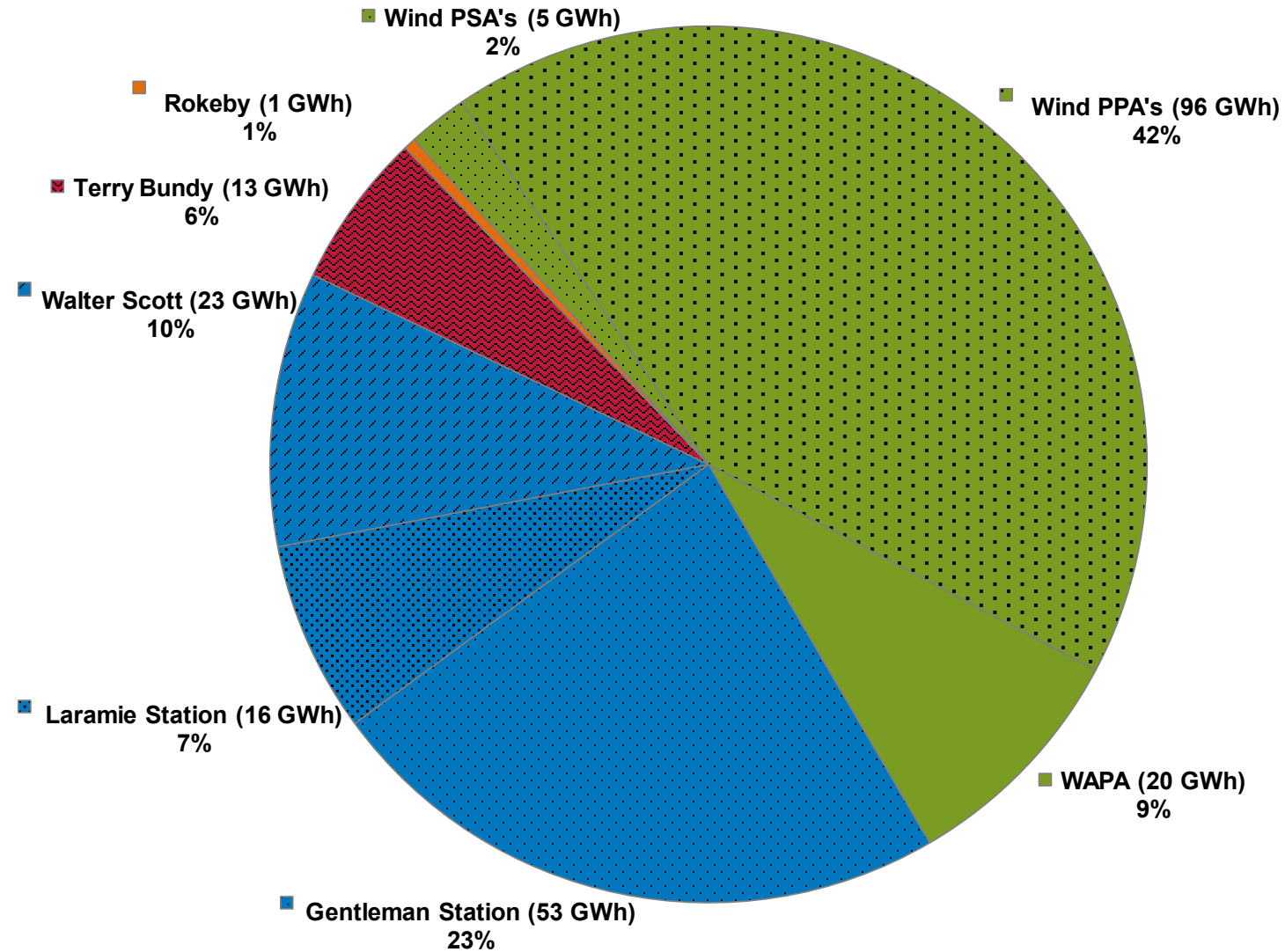
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

# 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