



Proposed 2025 Budget and Rates

LES is proposing a budget that includes a 3.3% systemwide increase to retail electric rates in 2025.

The electric utility industry is continuously evolving, and LES must be able to continue evolving with it. Factors like supply chain and other cost increases, regulatory and policy requirements, and changing energy market dynamics are creating new challenges and opportunities for the industry.

Additionally, LES has a long-standing dedication to providing safe, reliable and sustainable electric service to its customers, as well as a commitment to maintaining a resilient electric system while keeping rates stable, affordable and equitable.

While some cost reductions have been included in the proposed budget, it is necessary to implement a rate increase to ensure the ongoing financial health of the customer-owned electric utility.

Each residential customer will be impacted differently based on their energy use if the rate increase is adopted. An LES residential customer using 1,000 kilowatt-hours per month on average will see an increase of approximately \$3.50 on their monthly bill, or 3.3%. Other rate classes would see increases varying from 2.1% to 10.0% based on the cost to serve each customer class.

THE AVERAGE LES RESIDENTIAL CUSTOMER BILL IS ABOUT \$3 PER DAY

LES is hosting its Budget & Rates public meeting Oct. 3. Customers can view information and materials, as well as provide comments via email, at [LES.com/Budget](https://www.les.com/Budget).

Budget & Rates public meeting

LES will host the 2025 Budget & Rates Public Meeting on Thursday, Oct. 3, 6-7:30 p.m. at the Kevin Wailes Operations Center, 9445 Rokeby Road.

The LES Administrative Board is planning to take action on the budget at its Oct. 18 meeting. If approved, the proposed budget and rates will be considered by the Lincoln City Council at a public hearing in November. If approved, rate changes will become effective Jan. 1, 2025.

Business and residential customers can use LES' online bill calculator to see an estimated bill with the proposed rates, found at [LES.com/BillCalculator](https://www.les.com/BillCalculator).

LES recognizes that any increase can be challenging for customers, and every effort has been made to reduce the budget while continuing to maintain safe, affordable and reliable electric service. Payment assistance options are available at [LES.com/FinancialAssistance](https://www.les.com/FinancialAssistance) or 402.475.4211. For energy-saving tips, visit [LES.com/Hometips](https://www.les.com/Hometips).

Financial incentives are also available for residential and business customers making energy-efficiency improvements through LES' Sustainable Energy Program, available at [LES.com/SEP](https://www.les.com/SEP).

RATE ADJUSTMENT BY CLASS OVER 10 YEARS*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	Prop. 2025	10-yr avg
Residential	0%	3.5%	0%	0%	0%	0%	0%	4.8%	3.7%	3.3%	1.5%
General Service	0%	0.7%	0%	0%	0%	0%	0%	5.4%	4.2%	3.3%	1.4%
Large Light & Power	0%	4.4%	0%	0%	0%	0%	-3.7%	3.9%	2.1%	2.4%	0.9%
System average	0%	3.0%	0%	0%	0%	0%	-1.0%	4.8%	3.7%	3.3%	1.4%

* Rates are set at +/- 5% cost of service which results in varying rate changes for each class.

LES proposes 2025 budget

The proposed 2025 budget totals \$474.8 million, including the operating budget of \$291.1 million and the capital budget of \$183.7 million.


Budget highlights

- The proposed capital budget for all scheduled capital improvements set to be undertaken in the next two succeeding years is \$183.7 million, with \$76.8 million of that total forecasted to be spent in 2025.
- Payroll and benefit costs are up \$6.3 million as LES continues to invest in its critical workforce.
- Net power costs are up \$3.9 million. Transmission expenses are up \$1.4 million. LES' ability to impact these costs is limited.
- Interest income is down \$2.7 million as LES expects lower yields on invested cash in 2025.
- Sustainable Energy Program funding is planned at \$2.2 million for 2025, which is slightly lower than the 2024 budget of \$2.5 million. Despite the decrease, LES is confident the 2025 budget amount is adequate to cover program expenses based on recent demand for the incentives.

Major Capital Programs/Projects	2025 Budget
Underground distribution projects	\$20.2M
Substation and transmission projects	\$11.3M
Laramie River Station and Walter Scott Energy Center	\$10.9M
Overhead distribution projects	\$8.7M
Walter A. Canney Service Center HVAC and electrical upgrades	\$7.3M
Local generation projects	\$4.2M
Outage management system replacement	\$2.1M
All other projects	\$12.1M
Total	\$76.8M

19

LES' average customer outage time in 2023 was 19 minutes, compared to the national average of 126 minutes.



1

LES' residential rates are the lowest in the U.S., according to a recent competitive market study of 87 cities.

45

Electricity from renewable resources equivalent to 45% of retail energy.



110

An average monthly LES residential customer bill (1,000 kWh/mo.) would be \$110, compared to the national residential bill average of \$160.

1

LES ranked 1st in reliability performance (without major event days) according to a recent competitive market study of 82 cities.

Where your dollar goes

\$0.45 for operation and maintenance of the electric system — covers the cost of producing electricity and delivering it to where you live, work and play.

\$0.05 for payment in lieu of taxes to local governments — our version of property taxes.



\$0.28 for construction projects and debt payments — essential investments to keep our community's power safe and reliable.

\$0.22 for payroll and benefits — helps us hire and keep talented employees.