

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, November 17, 2023, at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on November 10, 2023.

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

Board Members Absent: Martha Durr

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Emily Koenig, David Malcom, Jason Fortik, Paul Crist, Lisa Hale, Kelley Porter, Jim Rigg, Joel Dagerman, Mike Murphy, Keith Snyder, Katrinka Dicke, Trish Owens, Jennifer Bangert, Scott Benson

Others Present: There were numerous virtual participants via Microsoft Teams and one member of the public in person

News Media Present: None

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

Chair Andrew Hunzeker requested approval of the meeting minutes of October 20, 2023. Carl Eskridge moved their approval. David Spinar seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

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

Nay: None

Absent: Martha Durr

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on November 6, 2023, including: 1) Physical Security Update; 2) Generation Cold Weather Preparedness Update; 3) Nebraska State Penitentiary Site Interfaces Update; 4) City of Lincoln Landfill Gas to Renewable Natural Gas RFP; 5) 2023 **Operations & Power Supply Committee Report**

Quarter Three Generation Revenue and Cost Report.  
(Exhibit I)

Chelsea Johnson, Chair of the Personnel & Organization Committee, reported on Committee discussions, including: 1) Year-End Wellness Program Update/Screen Statistics; 2) Workers' Compensation Trends/Incident Status Update; 3) Physical Security Department Update; 4) Employment Metrics Review. (Exhibit II)

**Personnel & Organization  
Committee Report**

Carl Eskridge, Vice-Chairman of the District Energy Corporation (DEC), reported on the recent DEC Board meeting held October 17, 2023. Items discussed including: 1) Management report; 2) Financial Report and 2024 Budget and Rates items; 3) Miscellaneous Business. (Exhibit III)

**Quarterly District Energy  
Corporation (DEC)  
Update**

Chair Andrew Hunzeker, stated he is appointing Kate Bolz, David Spinar and Carl Eskridge to a Special Committee to Review LES Policy 101 and report back to the Board in December or January.

**Appointment of a Special  
Committee to Review LES  
Policy 101**

Joel Dagerman, Manager, System Planning, updated the Board on LES' Discretionary Overhead to Underground Conversion Program. (Exhibit IV)

**2023 Discretionary  
Overhead to Underground  
Conversion Program  
Review**

The overhead-to-underground program began in 2006 as a joint effort with the City of Lincoln and aligned with the Lincoln-Lancaster County Comprehensive Plan. LES has invested \$23.1 million to date on eighteen miles of distribution feeders.

Project identification drivers use qualitative and quantitative data, such as the condition of poles and conductors, aesthetics, pole line age, conversion cost, and vegetation management. Project selection affects other "attached" utilities and should be beneficial to LES and LES' customers.

The spending in the future will be approximately \$2.5 - \$3 million per year.

Jason Fortik, Vice President, Power Supply, provided an overview the District Energy Corporation (DEC). The DEC has been in operation since 1989. There are six DEC locations in Lincoln. The DEC operates under an Interlocal cooperative agreement between the City and the County. LES manages DEC's systems and affairs. LES is not responsible for any liabilities of the Corporation. (Exhibit V)

**District Energy  
Corporation (DEC)  
Overview**

Jennifer Bangert, Specialist II, Energy Delivery gave a Summary Report of the 2023 LES Ride + Drive event that was held on September 24, 2023. The in-person EV Ride + Drive Event included test drives of various EVs, educational sessions, community-partner booths, and LES educational demonstrations. (Exhibit VI)

**LES Ride + Drive  
Summary Report**

Chair Andrew Hunzeker asked for a motion to enter a closed Executive Session for the purpose of discussing pending contract negotiations: Data Center and Energy Storage Project. Kate Bolz made the motion. David Spinar seconded the motion. The vote for approval to go into Executive Session was:

**Executive Session –  
Pending Contract  
Negotiations: Data Center  
and Energy Storage  
Project**

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

Nay: None

Absent: Martha Durr

The Board entered Executive Session at 10:56 a.m.

The Board came out of Executive Session at 12:38 p.m. No action was taken.

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

**Monthly Financial &  
Power Supply Reports**

The next meeting of the LES Administrative Board will be on Friday, December 15, 2023, at 9:30 a.m.

**Next Meeting**

Without further business before the Board, Chair Hunzeker declared the meeting adjourned at approximately 12:38 p.m.

**Adjournment**

Lucas Sabalka, Secretary

BY: Katrinka Dicke  
Katrinka Dicke  
Assistant Secretary

# **Exhibit I**



## Operations and Power Supply Committee Meeting Summary November 6, 2023 (virtual)

**Attendees:** C. Eskridge, A. Hunzeker, C. Johnson, L. Sabalka (Committee Chair), P. Crist, J. Dagerman, J. Dutton, D. Florom, J. Fortik, B. Lafler, T. Owen, J. Rigg, S. Sahling-Zart, N. Wischhof

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

- There are several physical security and related regulatory activities that are either in-process or scheduled for the near future at LES's facilities and the thermal energy plants LES manages for the District Energy Corporation (DEC).
- Some examples include NERC Critical Infrastructure Protection compliance, substation site security enhancements, and Security Operations Center operational streamlining.
- Staff also provided electric industry security related incident information on theft, intrusion, and vandalism events at a local and regional level.

### **Generation Cold Weather Preparedness Update (Jim Dutton):**

- Staff provided a review of the remaining operational, environmental, and market related action items that were identified during the Winter Storm Uri event.
- Thirty-four of the thirty-six identified action items have been resolved. The remaining two action items include turbine combustor tuning at the Rokeby Generating Station and increasing the backup boiler capacity at one of the DEC plants. The combustor tuning is scheduled for December 2023 and the boiler additions at the DEC plant are scheduled for completion by the summer of 2024.
- Generation Operations staff have a winter readiness sequence of events scheduled into the plants' work plans to help prepare the equipment for cold weather operations.

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

- Staff updated the Committee on the LES facilities conflicts with the proposed site for the new Penitentiary.

### **City of Lincoln Landfill Gas to Renewable Natural Gas RFP (Dennis Florom):**

- Staff provided an overview of the recent interactions with the City of Lincoln Transportation and Utilities Department and their proposed project to convert existing landfill gas into pipeline quality renewable natural gas.
- Conversations are expected to continue with City staff related to the resulting impacts to LES's existing landfill gas electrical generators.

### **2023 Q3 Generation Revenue & Cost Report (Brad Lafler):**

- The financial performance of LES's generating resources in the SPP Integrated Marketplace for Q3 2023 was shared with the Committee.
- Natural gas prices remained below expectations in the third quarter. Despite lower wind output and increased generator outages in the footprint, the low natural gas prices helped push local market electricity prices below expectations.
- LES's generating fleet posted overall positive net revenue results in the third quarter.

# **Exhibit II**



## **Personnel and Organization Committee November 8, 2023 (Virtual Meeting)**

**Attendees:** C. Johnson (Chair), K. Griffin, K. Wailes, S. Sahling-Zart, T. Owen, J. Rigg, J. Yuhas, and R. Seybert

### **Year-End Wellness Program Update/Screen Statistics (Julie)**

- LES saw a 3% increase in wellness participants that completed their annual points requirement.
- 75% of all eligible members are registered on the Virgin Pulse platform compared to the benchmark of 53%
- Cohort data showed 57% of participants decreasing or maintaining a health BMI; 85% of participants decreasing or maintaining healthy blood pressure.
- Participation in the annual health screening events increased 3.4% over last year.

### **Workers' Compensation Trends/Incident Status Update (Julie and Jim)**

- Year-to-date, 9 workers' compensation claims have been filed with a total claims spend through Q3 of just over \$11,300.

### **Physical Security Department Update (Jim)**

- There are several physical security and related regulatory activities that are either in-process or scheduled for the near future at LES's facilities and the thermal energy plants LES manages for the District Energy Corporation (DEC).
- Some examples include NERC Critical Infrastructure Protection compliance, substation site security enhancements, and Security Operations Center operational streamlining.
- Staff also provided electric industry security related incident information on theft, intrusion, and vandalism events at a local and regional level.

### **Employment Metrics Review (Robbie)**

- Human Resources outlined current 2023 employment data (hiring rates, employee metrics, and turnover statistics) and competitor initiatives for the committee as it continues to focus on successful recruitment and retention strategies in a challenging labor market.

## **2024 Health & Dental Forecast Update (Robbie)**

- HR highlighted that the 2024 average insurance market increase for health premiums is between 8 % and 15%. We are happy to report that LES' increase for 2024 will be 5.90%.
- LES is increasing Health Savings Account (HSA) contributions. For single plans, LES will contribute an additional \$360 a year and for double or family coverage, an additional \$720 a year.
- For 2024, orthotics will now be covered under both health insurance plans.
- Additionally, LES is modifying its gym reimbursement program for non-union employees and offering Wellness Spending Accounts (WSA) instead. WSA's will provide up to \$500 per employee for reimbursement of financial, emotional, and physical wellness employee initiatives.
- There are no dental premium increases for the standard dental plan. LES will offer a second dental option – the premier plan. This plan has higher premiums, but also offers implant coverage, increased orthodontia coverage, and higher annual maximums.



# **Exhibit III**



## Summary of DEC Board of Directors Meeting on October 17, 2023

### Management Report

- Staff presented details of all planned and unplanned service interruptions for the 3rd quarter.
- Natural gas pricing YTD was reviewed - with comparisons to previous years, and projections for 2024.
- Staff gave status updates for the projects that should be completed yet this year. Those projects are: State Boiler Plant condensate surge tank, County/City water softener, County/City hot water leaks and fuel oil tank maintenance, and West Haymarket hot water distribution valve replacements.
- Information was shared about ongoing and future capital projects. Those projects are:
  - Central cyber security system
  - CADF geothermal loop cooler, backup circulating water pumps, and multistack upgrades
  - County/City water service upgrade
  - LOC geothermal loop heating system
  - WHM electric boiler additions, and on-line chiller condenser cleaning system
  - Central safety and security improvements
- Potential opportunities for DEC growth were discussed. Those sites include: New convention center, County/City multimodal center & K Street redevelopment, WHM Block 5 and Lincoln Bold development, the Nebraska State Penitentiary - both the new site and the existing site.

### Financial Report and 2024 Budget and Rates

- The 3rd quarter 2023 financials were reviewed with the Board. Highlights included:
  - YTD sales totals are near budget, although there are some variances between plants.
  - YTD revenue was \$7k over budget and YTD expenses were 4% under budget.
  - The month of July was cooler than average, with August & September being warmer than average.
- Staff presented the proposed 2024 Budget and Rates for each customer. Both the budget and rates were approved by the Board.
- The Board approved the budgeted transfer of funds from operating to rate stabilization for three plants. The Board also voted to approve a resolution to reimburse capital expenditures from the proceeds of future tax-exempt obligations.

# **Exhibit IV**

# Discretionary Overhead to Underground Conversion Program

## Administrative Board

Joel Dagerman

Asset Management & Planning Manager

November 17, 2023

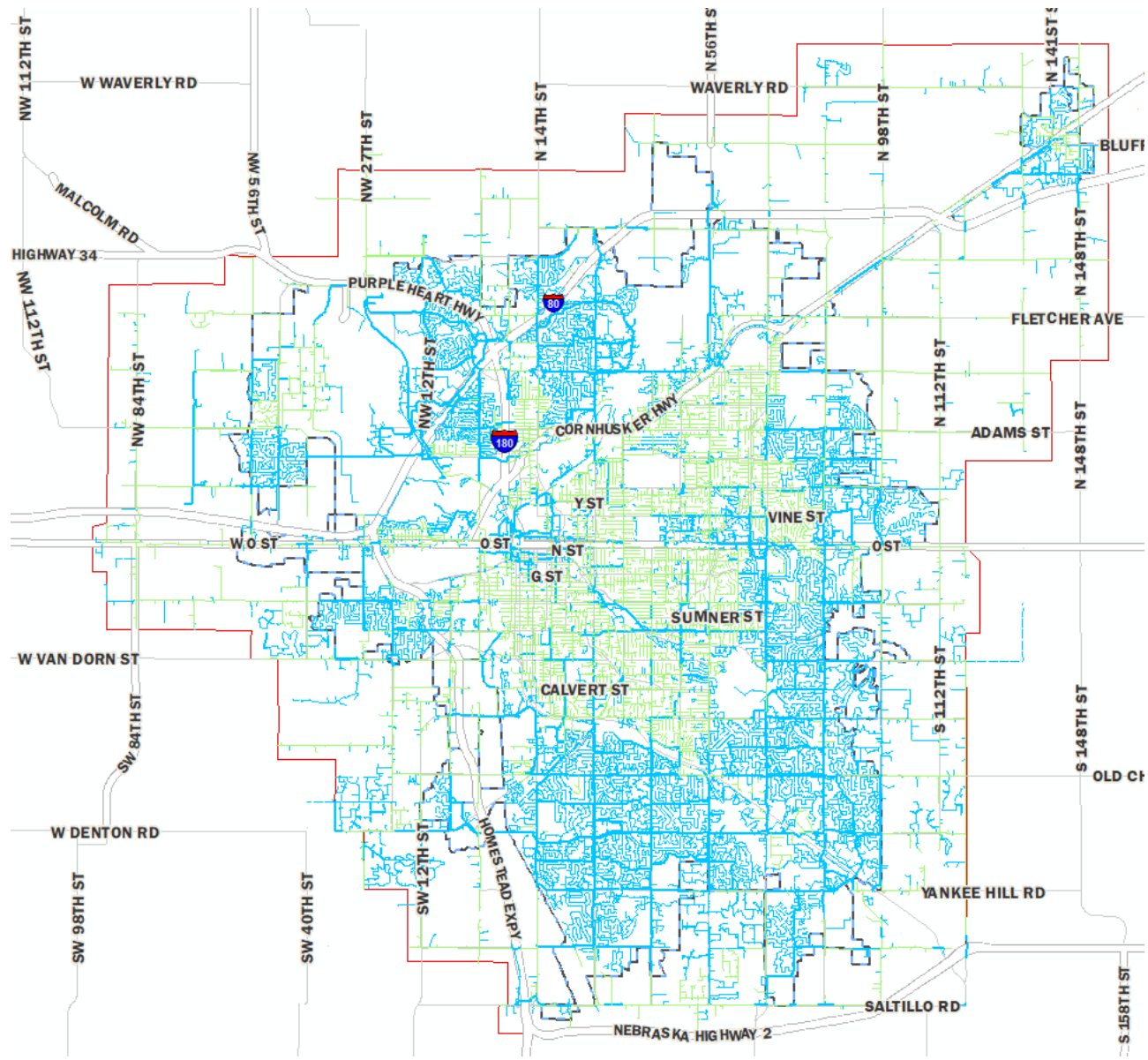


# Background – Information Only

- Discretionary OH-UG program began in 2006
- Lincoln-Lancaster County Comprehensive Plan, “....within the City of Lincoln, wherever feasible and affordable, implement a phased program to relocate overhead distribution lines underground”
- Energy Delivery Division develops six-year plan.
- Total discretionary spend 2006 – 2023: \$23.1M
- Discretionary work is in addition to other UG projects
- No Board action required

# LES 12kV Overhead vs Underground\*

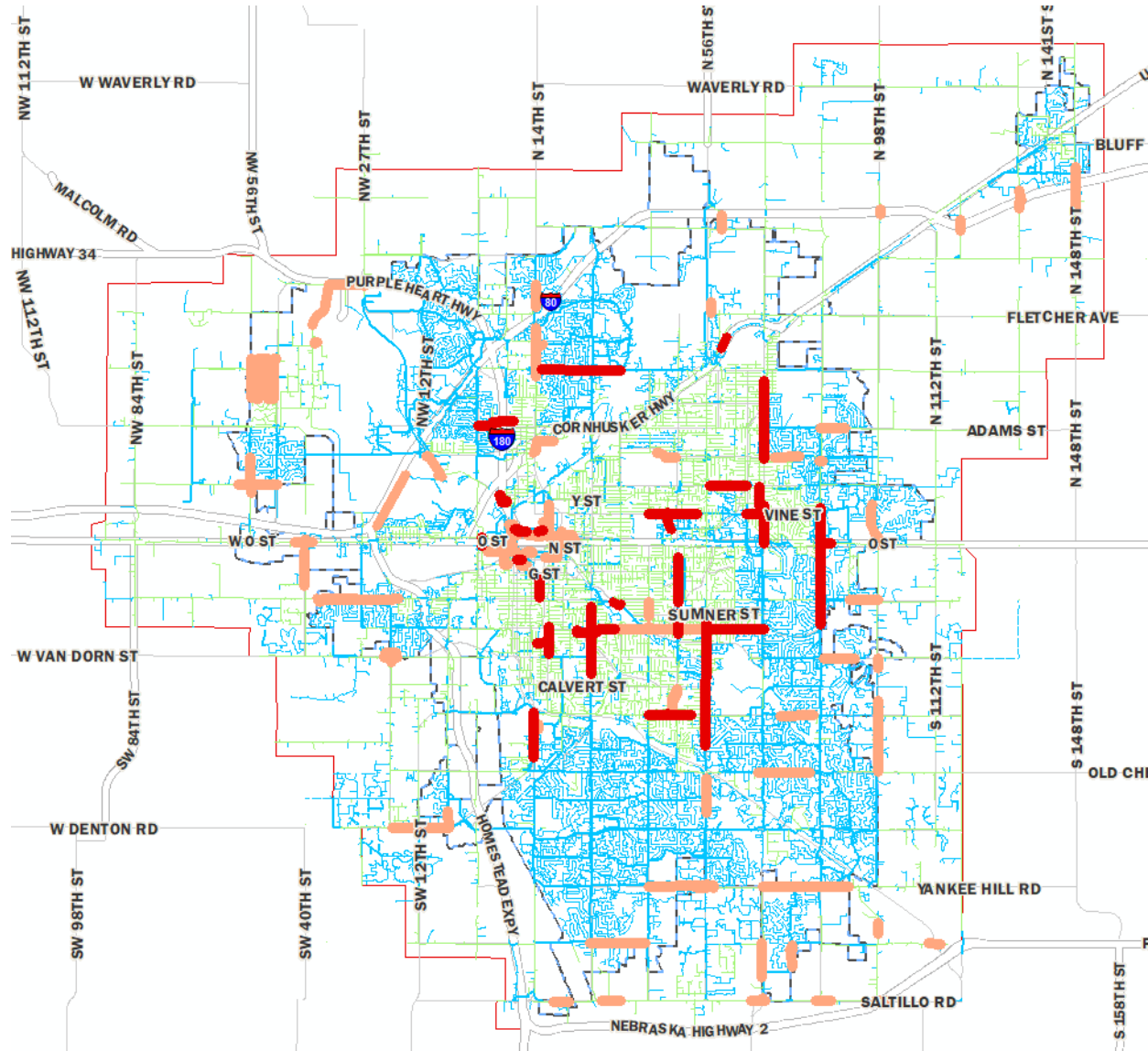
- Overhead Lines (31%)
- Underground Lines (69%)



\*2023

# Overhead to Underground All Projects 2006 – 2023

- Discretionary  
18 miles (32%)
- Other OH-UG  
38 miles (68%)



# Discretionary Project Process

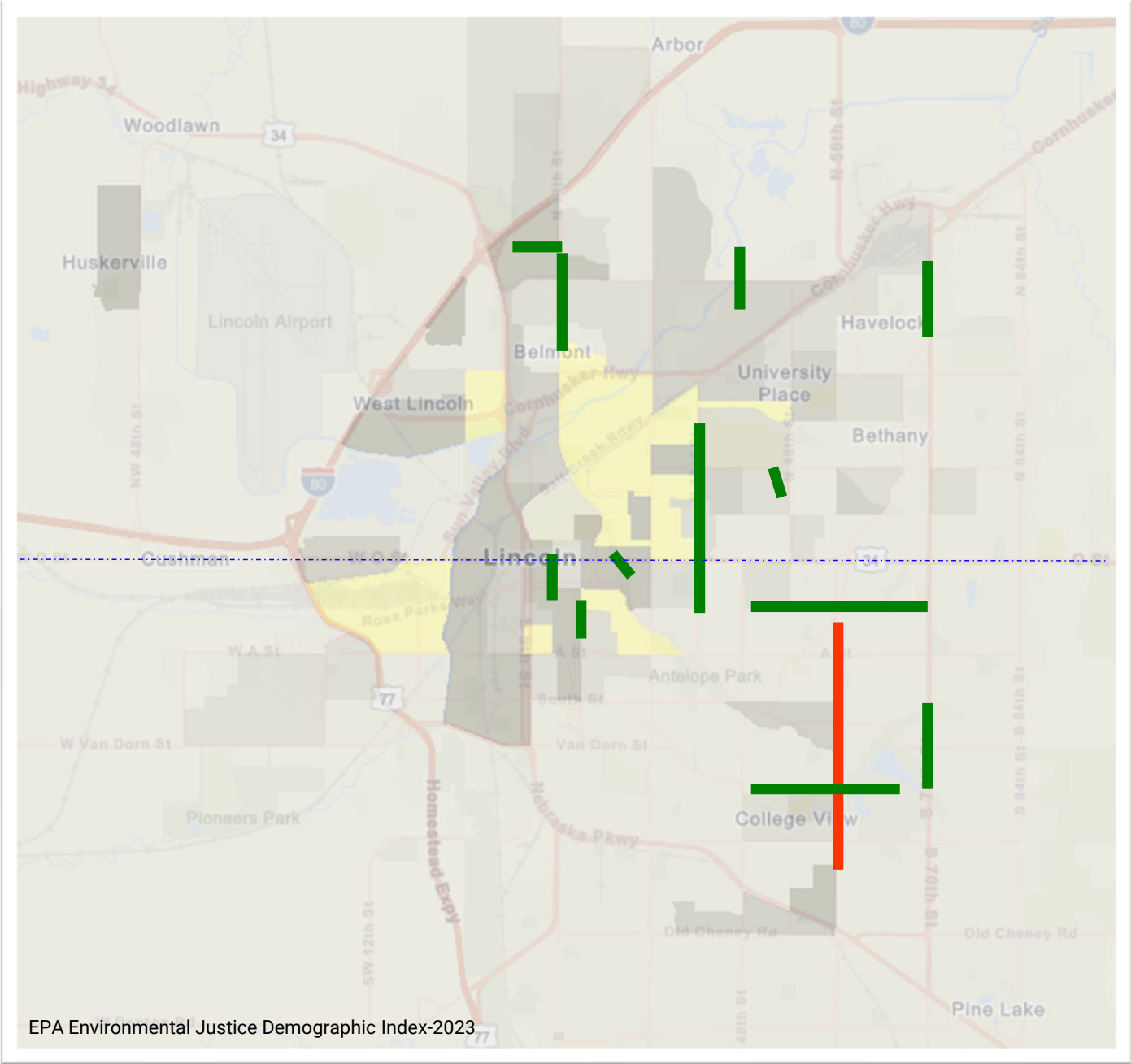
- Relative Value/Weighted Scales Attributes:
  - Roadway design standards (Arterial Only)
  - Condition of poles and conductor
  - Aesthetics/Traffic Counts
  - Pole line age/stranded assets
  - Vegetation management
  - Cost of conversion, “constructability”
  - Equity Component (Environmental Justice/Place 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)





# Proposed Projects Inclusion

2023-2024 — 2025-2029 —



**Map Contents**

- Socioeconomic Indicator
- Demographic Index (National Percentiles)
- 95 - 100 percentile
- 90 - 95 percentile
- 80 - 90 percentile
- 70 - 80 percentile
- 60 - 70 percentile
- 50 - 60 percentile
- Less than 50 percentile
- Data not available

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

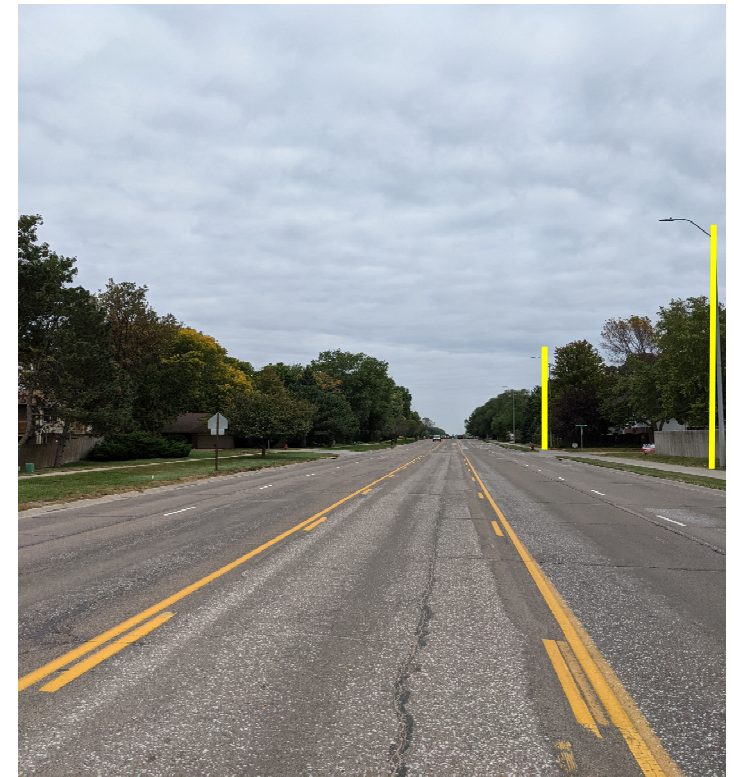
# 2020/21 Project – 84<sup>th</sup>, Pinedale - Vine

Before



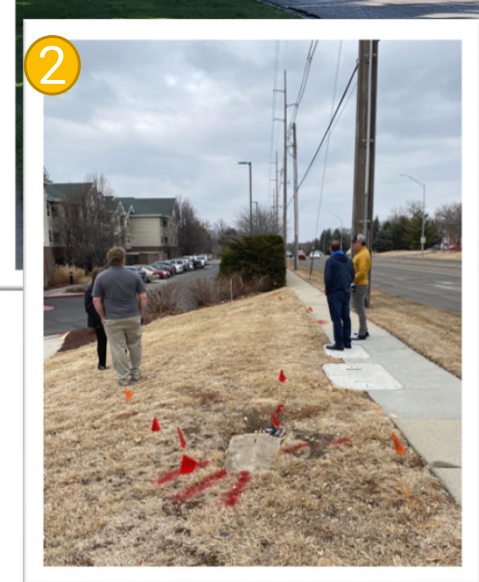
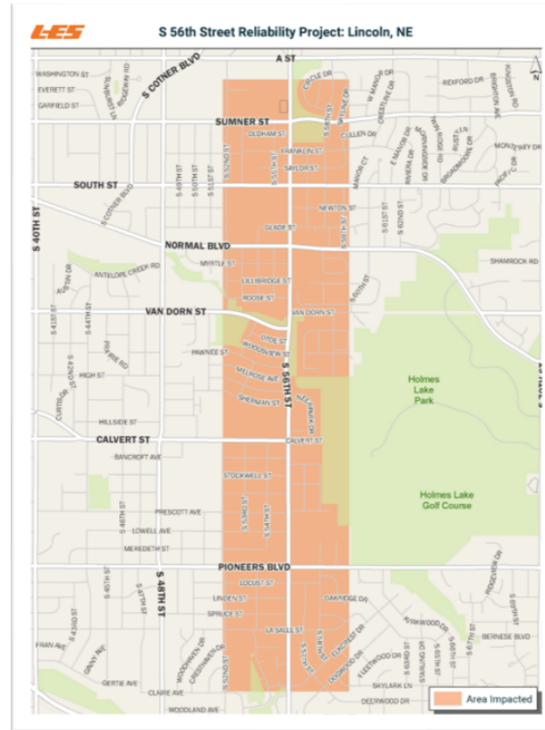
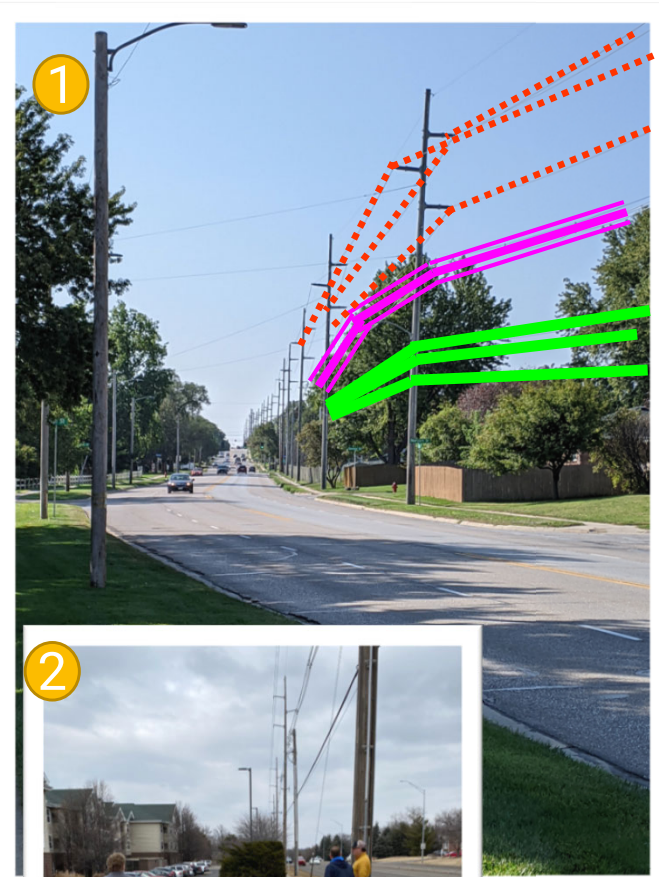
- LES Wood Pole —
- Streetlight —
- Communications —
- LES Conductor —

After



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

2024 Continued Progress...



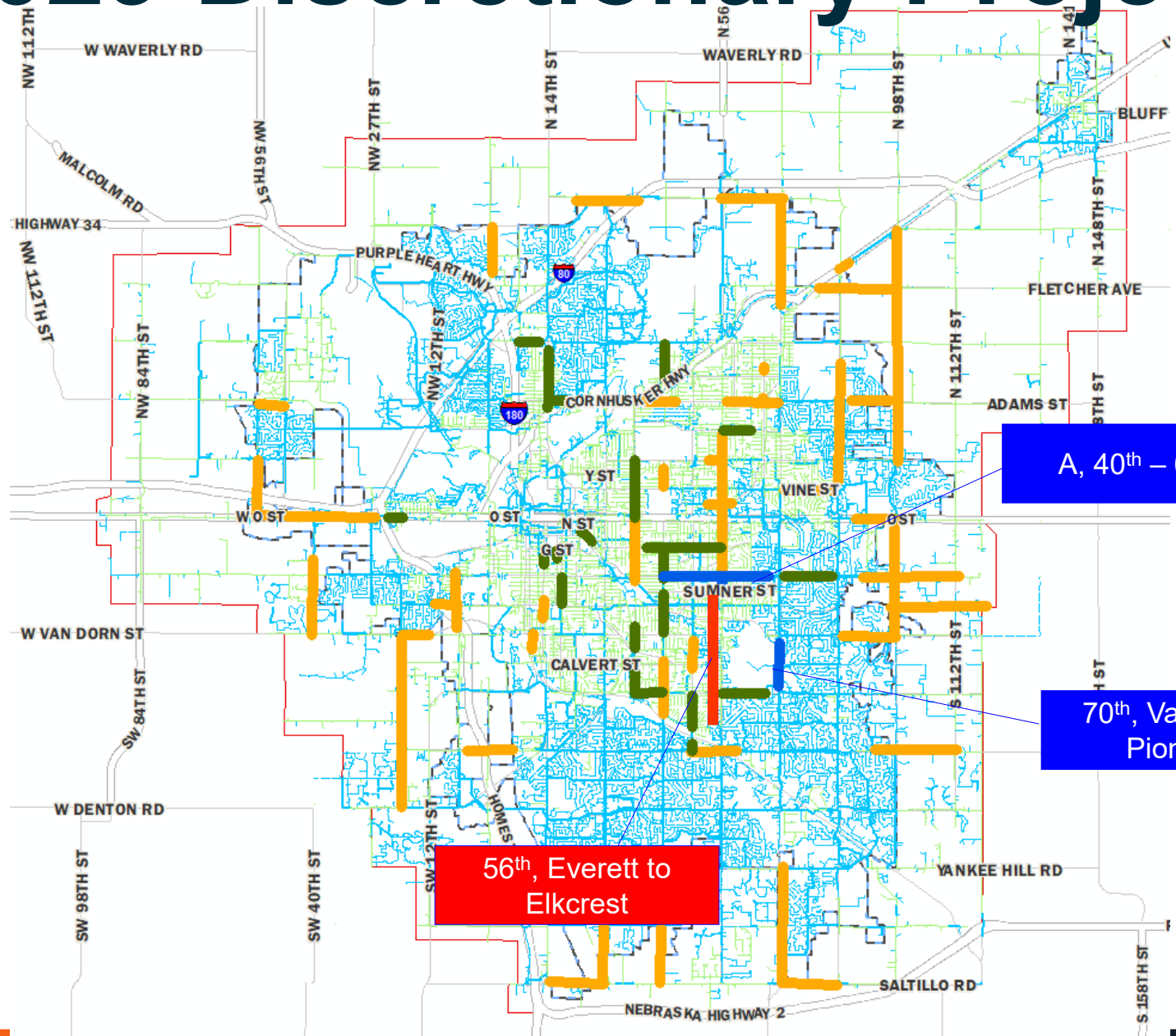
# Six Year Portfolio Plan Costs

(Total Cost - Thousands of Dollars)

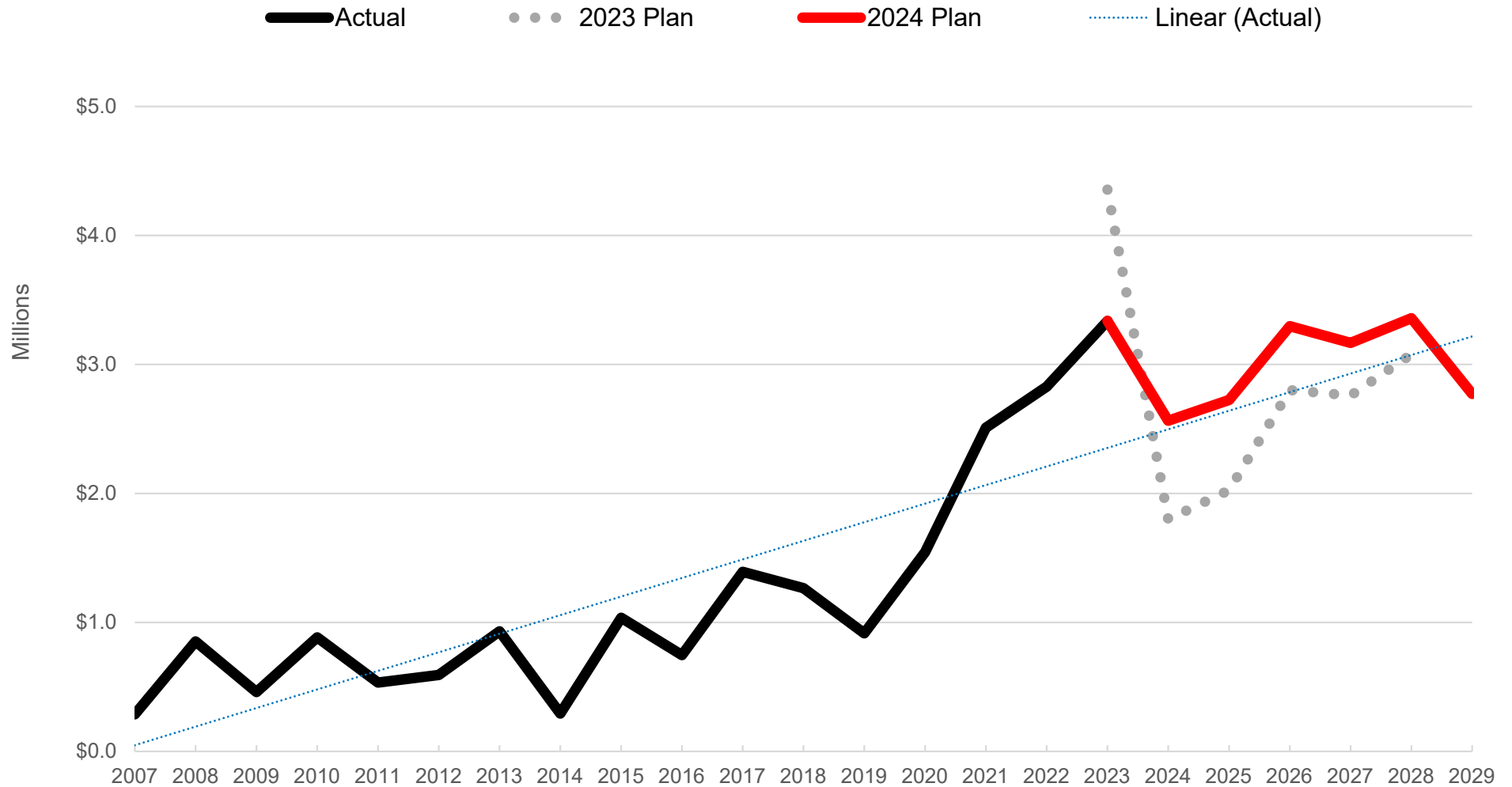
Year	Description	Cost	2024	2025	2026	2027	2028	2029
2024	Complete 56 <sup>th</sup> , Everett – Elkcrest	\$2500	\$2500					
2025	A St., 40 <sup>th</sup> – 68 <sup>th</sup>	\$1855		\$1855				
2025	70 <sup>th</sup> , Van Dorn – Pioneers	\$970		\$970				
2026	17 <sup>th</sup> , South – A	\$711			\$711			
2026	33 <sup>rd</sup> , O - Holdrege	\$1594			\$1594			
2026	A, 70 <sup>th</sup> – 84 <sup>th</sup>	\$971			\$971			
2026	13 <sup>th</sup> , E – C	\$20			\$20			
2027	14 <sup>th</sup> , Adams - Superior	\$2613				\$2613		
2027	16 <sup>th</sup> , E - G	\$158				\$158		
2027	Capital Pkwy, 21 <sup>st</sup> – J	\$396				\$396		
2028	40 <sup>th</sup> , Superior - Cornhusker	\$982					\$982	
2028	33 <sup>rd</sup> , Calvert - Pioneers	\$792					\$792	
2028	48 <sup>th</sup> , Pioneers – Woodland	\$792					\$792	
2028	Pioneers, 33 <sup>rd</sup> – 40 <sup>th</sup>	\$792					\$792	
2029	40 <sup>th</sup> , Sumner – Van Dorn	\$1188						\$1188
2029	Leighton, 56 <sup>th</sup> – 63 <sup>rd</sup>	\$792						\$792
2029	33 <sup>rd</sup> , Smith – High	\$396						\$396
2029	O, NW 23 <sup>rd</sup> – NW 20 <sup>th</sup>	\$396						\$396
<b>Totals</b>		<b>\$17,818</b>	<b>\$2,500</b>	<b>\$2,725</b>	<b>\$3,296</b>	<b>\$3,167</b>	<b>\$3,358</b>	<b>\$2,772</b>

# 2024-2029 Discretionary Projects

- Overhead Lines —
- Underground Lines —
- Remaining Eligible Discretionary Lines —
- 2024 —
- 2025 —
- 2026-2029 —



# Distribution Overhead to Underground Discretionary Spending



# Discretionary Six Year Plan Summary

- 18+ years program
- Consistent with Lincoln Comprehensive Plan
- Approx. \$23M 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
- Spending ~\$2.5-3.0M per year (average) go forward
- Re-Branding Consideration

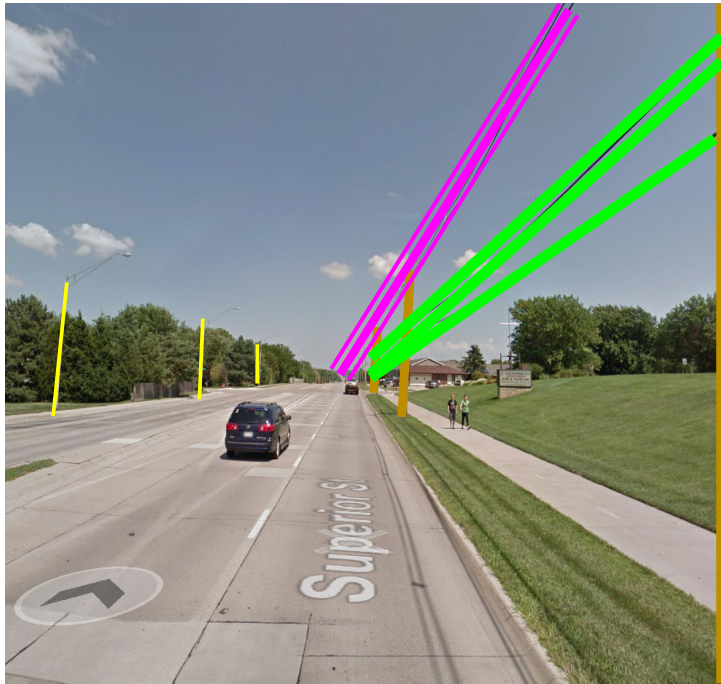


**Specific  
Project  
Photo's to  
follow, as  
needed**



# 2019/2020 Project – Superior, 15<sup>th</sup> – 33<sup>rd</sup>

Before



- LES Wood Pole — brown line
- Streetlight — yellow line
- Communications — green line
- LES Conductor — magenta line

After



# 2024/5 Project – A, 40<sup>th</sup> – 68th



# 2025 Project – 70<sup>th</sup>, Van Dorn - Pioneers



**Distribution Cost - \$970,000**

# 2026 Project – 33<sup>rd</sup>, 0 - Holdrege



**Distribution Cost - \$1,583,000**

# 2026 Project – 13<sup>th</sup>, E - C



**Distribution Cost - \$20,000 (removal only)**

# 2026 Project – 17<sup>th</sup>, South - A



**Distribution Cost - \$711,000**

# 2027-2028 Projects

- **2027:**

- 14th, Superior – Adams
- Superior, 7<sup>th</sup> – 13th
- 16th, E – G
- Capital Pkwy, 21<sup>st</sup> - J

- **2028:**

- 40<sup>th</sup>, Superior – Cornhusker
- 48<sup>th</sup>, Pioneers - Woodland
- Pioneers, 33<sup>rd</sup> – 40<sup>th</sup>
- 33rd, Calvert – Pioneers

- **Future:**

- 40th, Sumner – Van Dorn
- 40th & Randolph area
- 33rd, Smith – High
- 33rd, O – A
- 84th, Leighton – Vine
- O, NW 23rd – NW 20th
- Leighton, 56th – 63<sup>rd</sup>
- 10<sup>th</sup>, High – Van Dorn



# **Exhibit V**



**DEC**  
ENERGY



**Warm in the winter and cool  
in the summer **since 1989****

Jason Fortik  
DEC Administrator

DEC Overview



# District Energy

2

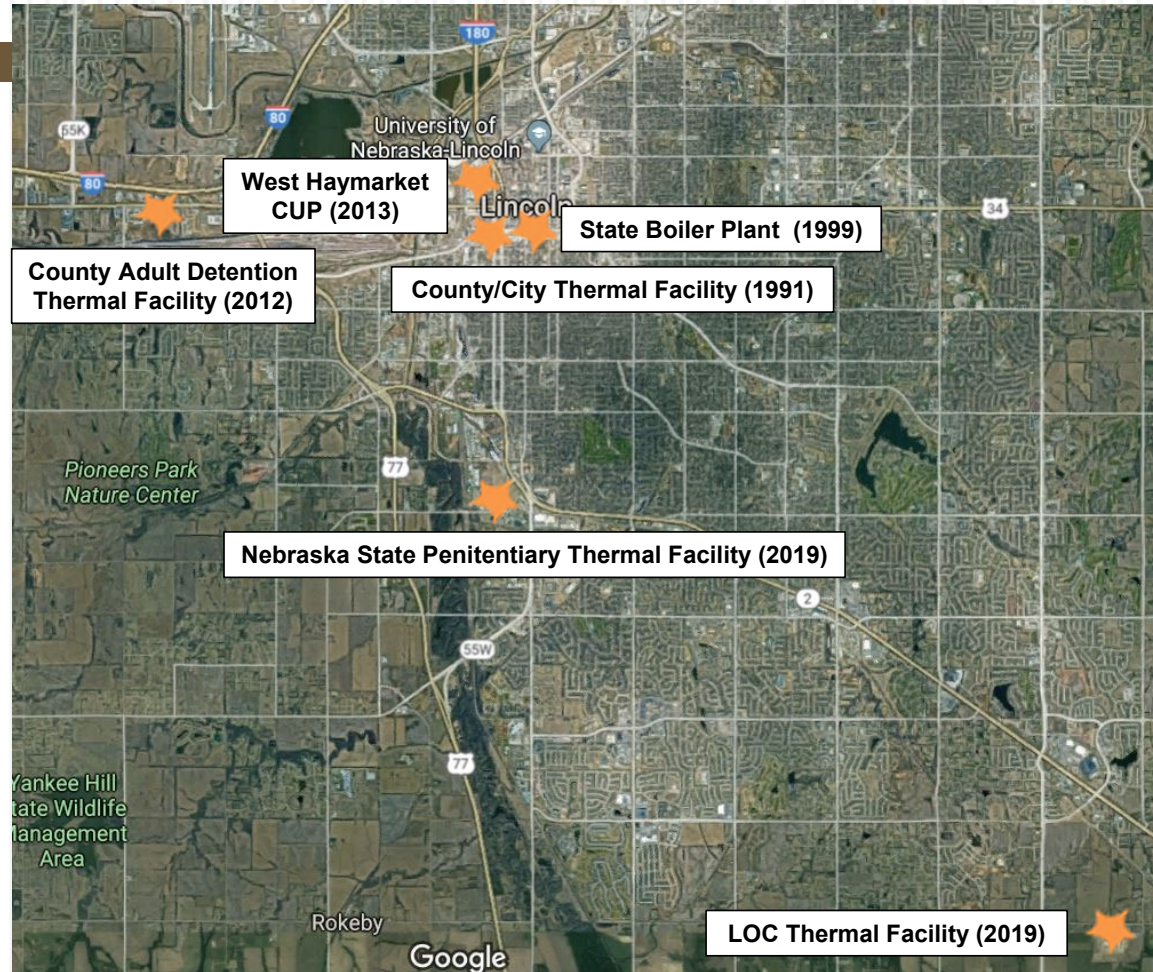
- ❑ **District Energy (DE)** is the local production and distribution of thermal energy and is comprised of two main elements\*
  - ❑ A **central energy plant** containing equipment that produces thermal energy in the form of steam or hot water for heating, or chilled water for cooling. The central plant may also incorporate combined heat and power (CHP) units which produce electricity and useful thermal energy
  - ❑ A **network of pipes** to distribute the thermal energy from the central plant to the buildings. This network of underground pipes can carry hot water, steam, or chilled water
  
- ❑ DE is a long-term investment to improve the physical infrastructure of the community it serves\*
  
- ❑ DE systems are commonly found at universities, hospital campuses, downtown business centers, and industrial parks

\* *Community Energy: Planning, Development, and Delivery*, International District Energy Association, 2012



# DEC Locations within Lincoln, NE

CUP = Central Utility Plant





# DEC Thermal Plant Examples

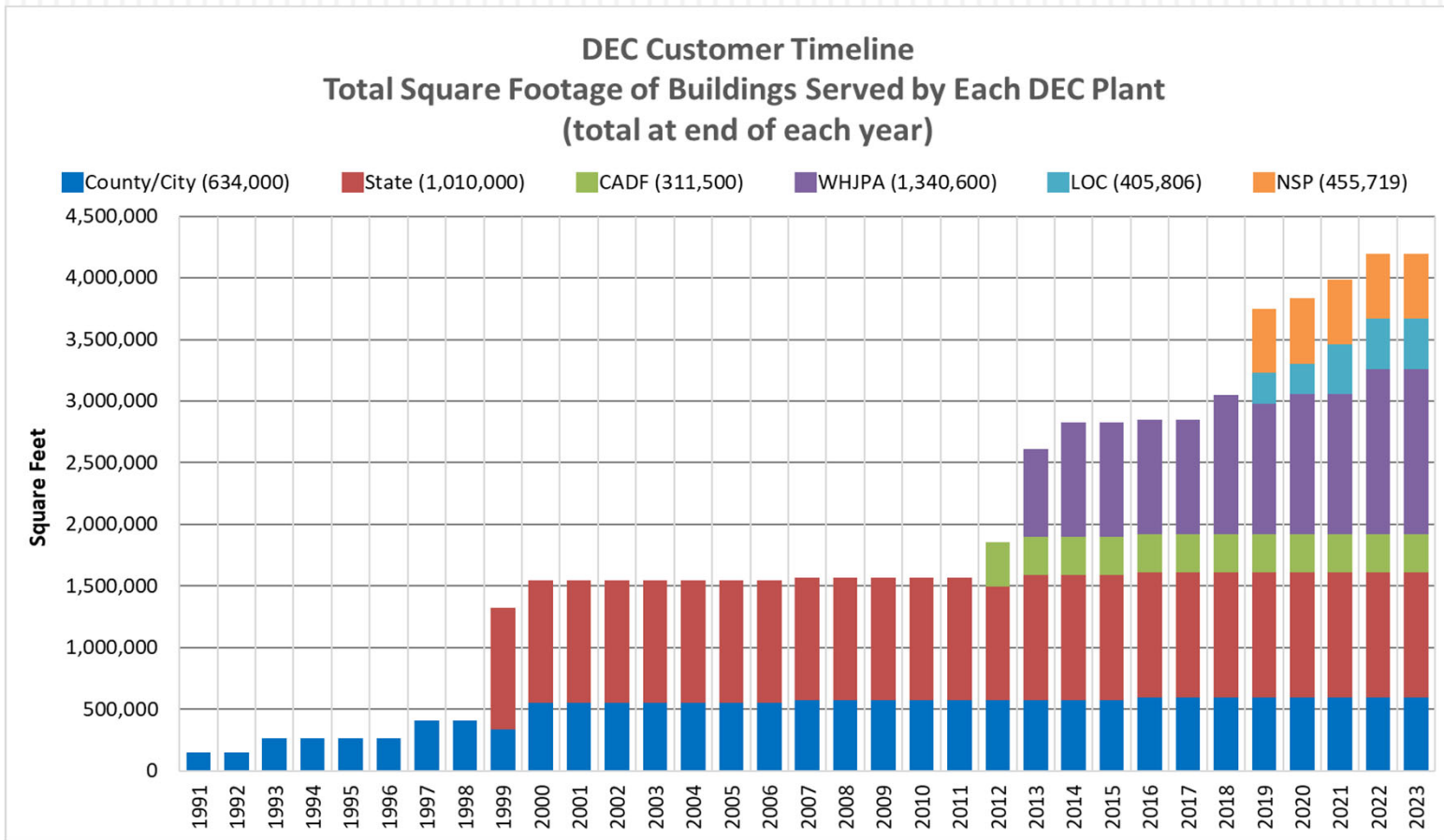
**Nebraska State Penitentiary Thermal Facility  
(2019)**



**County Adult Detention Thermal Facility  
(2012)**



# Square Footage Served Timeline





# DEC Thermal Facilities Customer Service Summary

Plant	Cooling	Heating	Fuel Sources	Backup Power**
C/C	CW (Chillers/Ice)	HW	Natural Gas/Fuel Oil	Plant
SBP	No Service	Steam	Natural Gas/Fuel Oil	Plant
CADF	CW	HW	Geothermal*	Plant/Customer
WHM	CW (Chillers)	HW	Natural Gas/Electric	Plant
LOC	CW	HW	Geothermal*	Plant/Customer
NSP	CW (Chillers)	Steam	Natural Gas/Fuel Oil	Plant/Customer

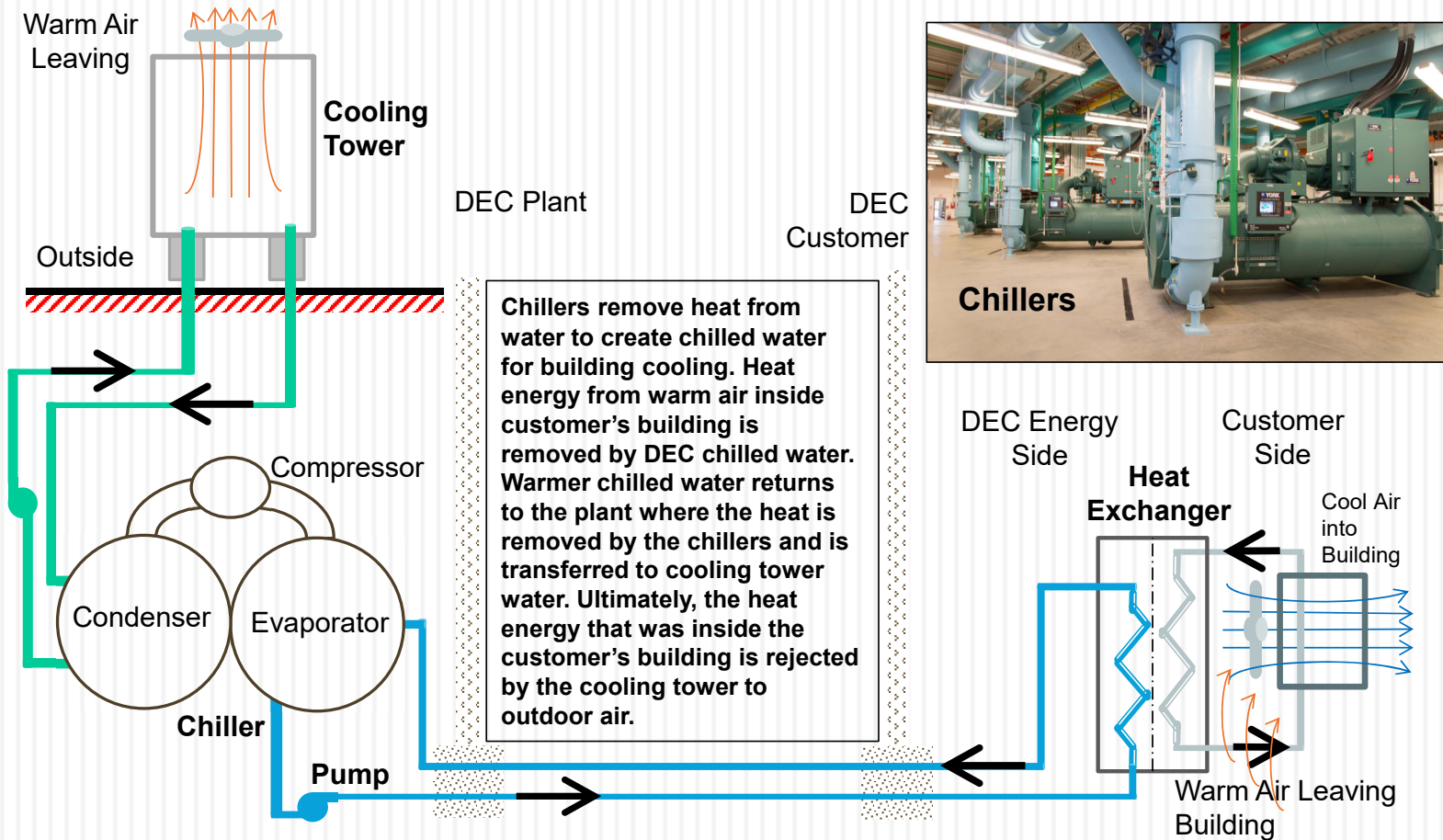
C/C = County/City Thermal Facility  
 SBP = State Boiler Plant  
 CADF = County Adult Detention Thermal Facility  
 WHM = West Haymarket Central Utility Plant  
 LOC = LES Operations Center Thermal Facility  
 NSP = Nebraska State Penitentiary Thermal Facility

HW = Hot Water  
 CW = Chilled Water

\*Ground-coupled, electric heat pumps  
 \*\*Emergency power only, not Life Safety



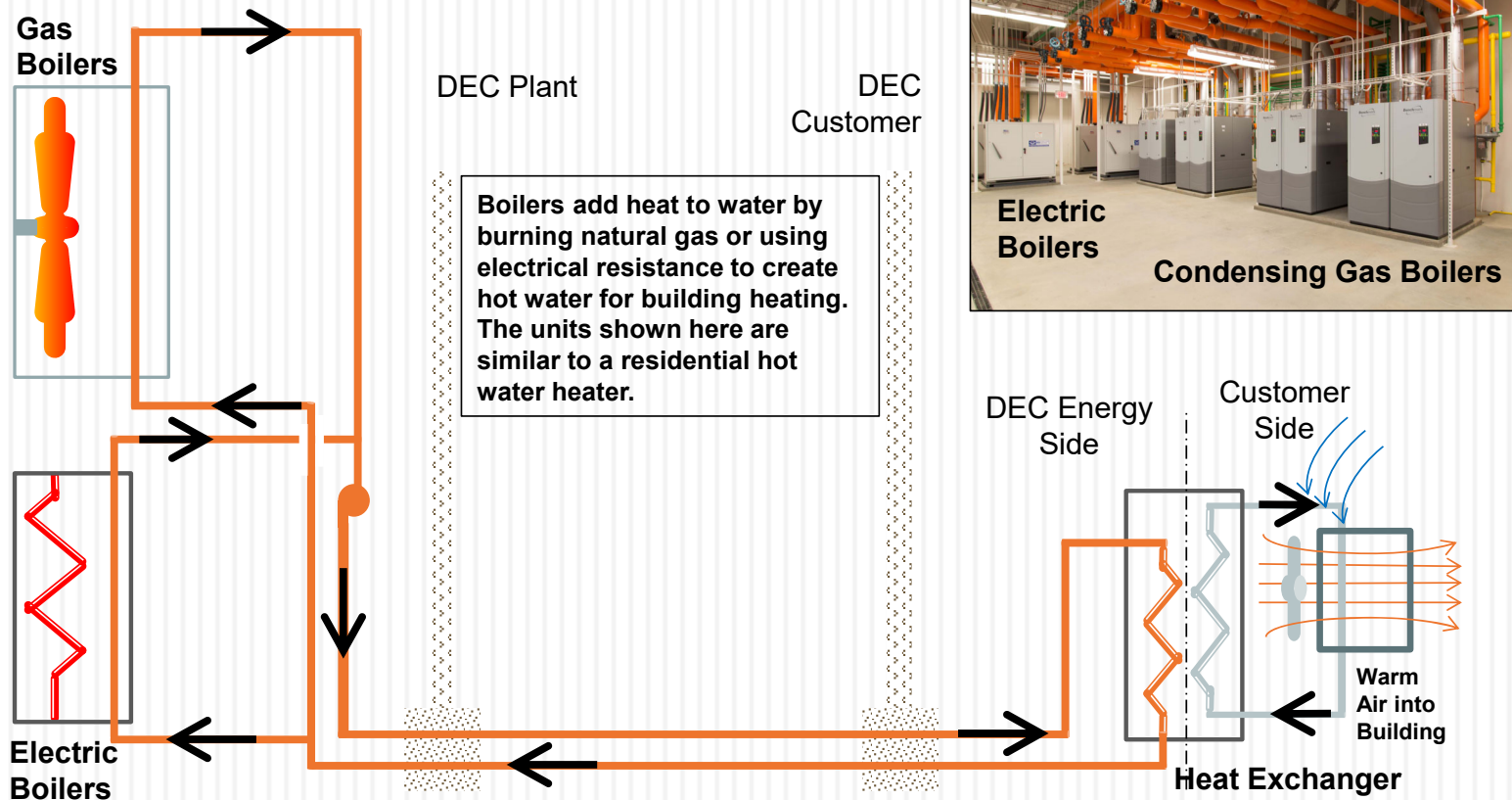
# Typical DE Cooling System - Conventional Chillers





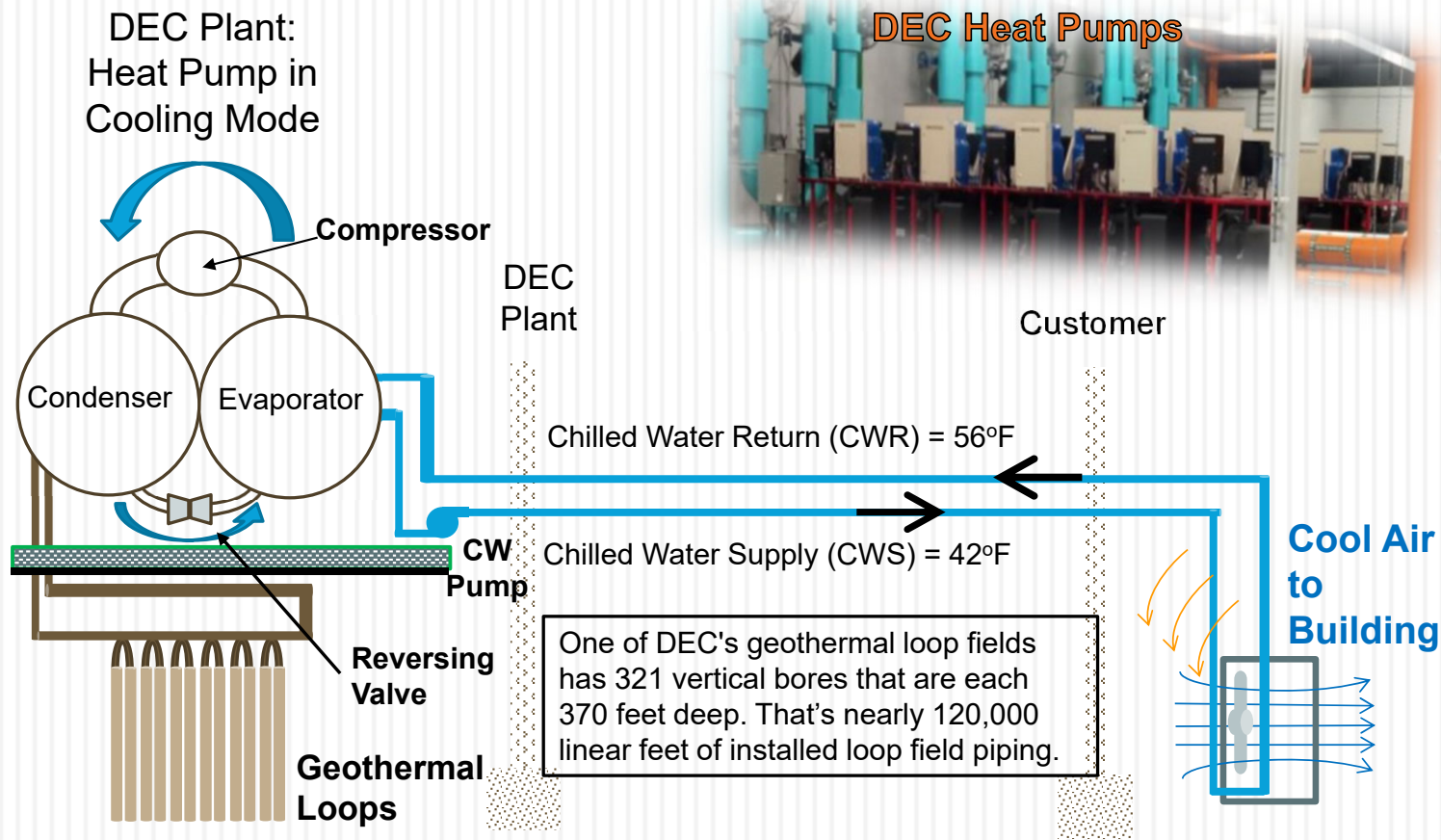


# Typical DE Heating System - Conventional Boilers



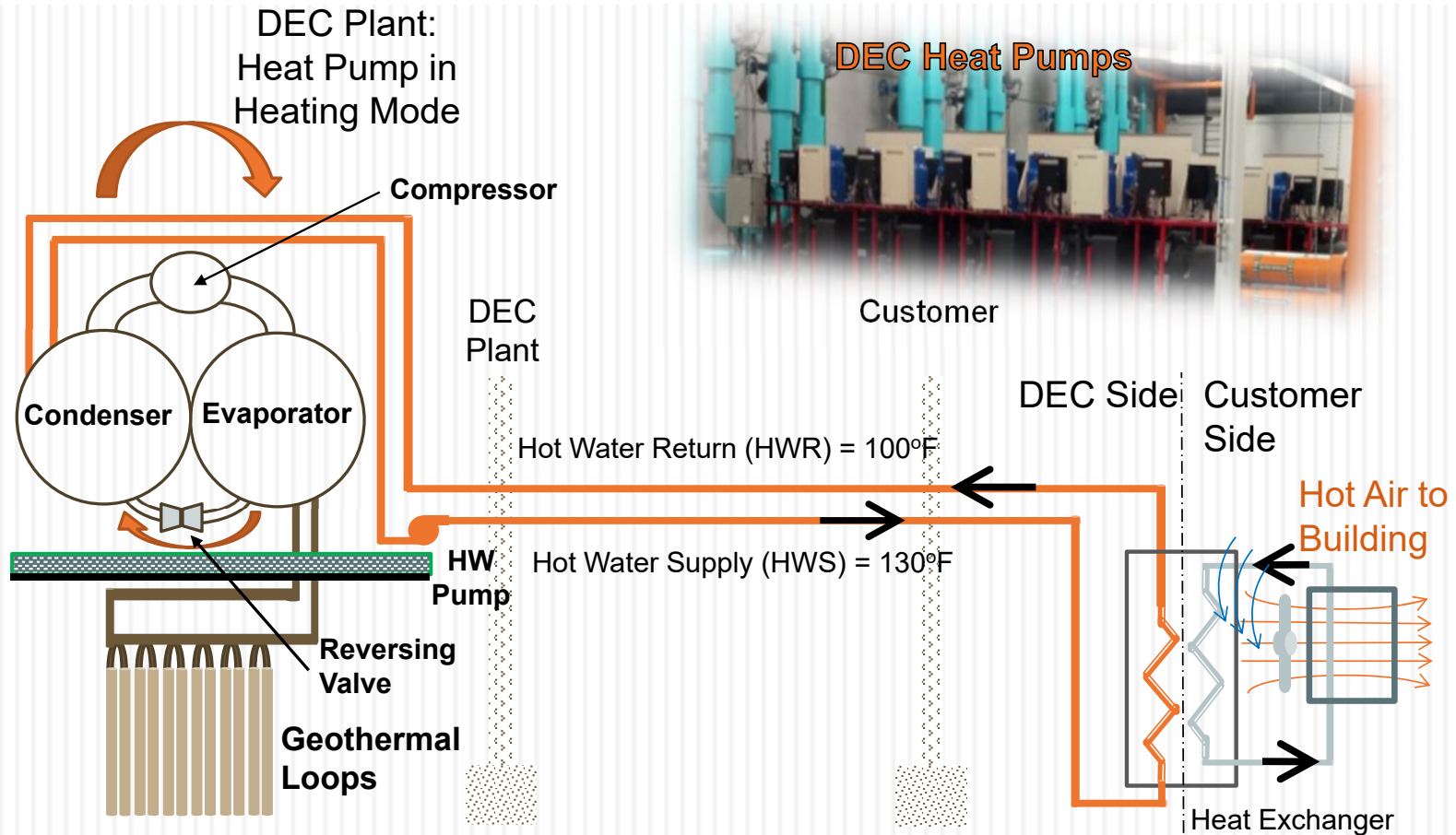


# DEC Cooling System - Geothermal Heat Pumps



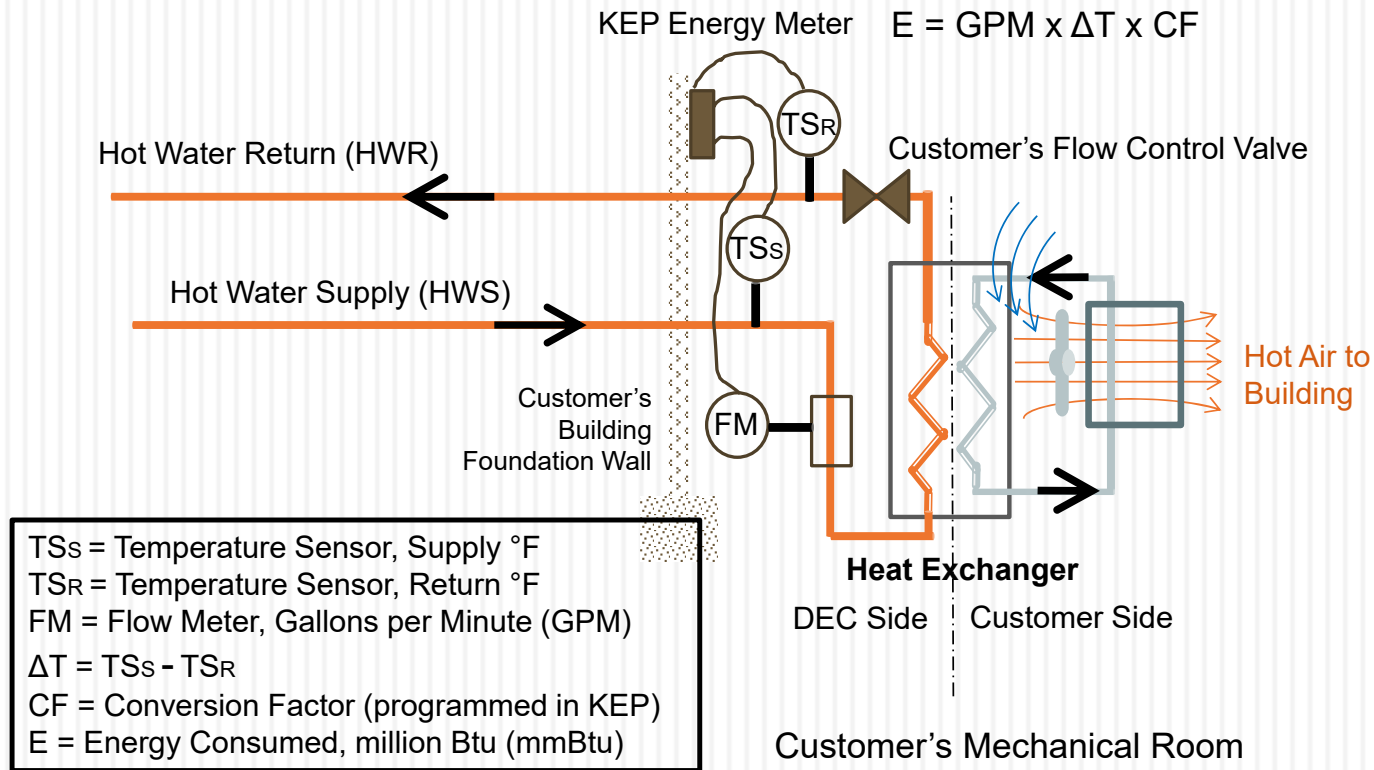


# DEC Heating System - Geothermal Heat Pumps





# Typical Metering Configuration (applies for either chilled or hot water)





# District Energy Corporation

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- ❑ **District Energy Corporation (DEC) is a nonprofit joint entity\* and City of Lincoln and Lancaster County inter-local agency organized pursuant to**
  - ❑ **The Nebraska Interlocal Cooperation Act**
  
- ❑ **DEC Energy is a political subdivision created and existing under the laws of the State of Nebraska**

**\*It is important to note that under the Nebraska Nonprofit Corporation Act, DEC was once considered a nonprofit corporation. The nonprofit corporation has since been dissolved and on December 21, 2020, the interlocal cooperation agreement between the City and County was amended and restated.**

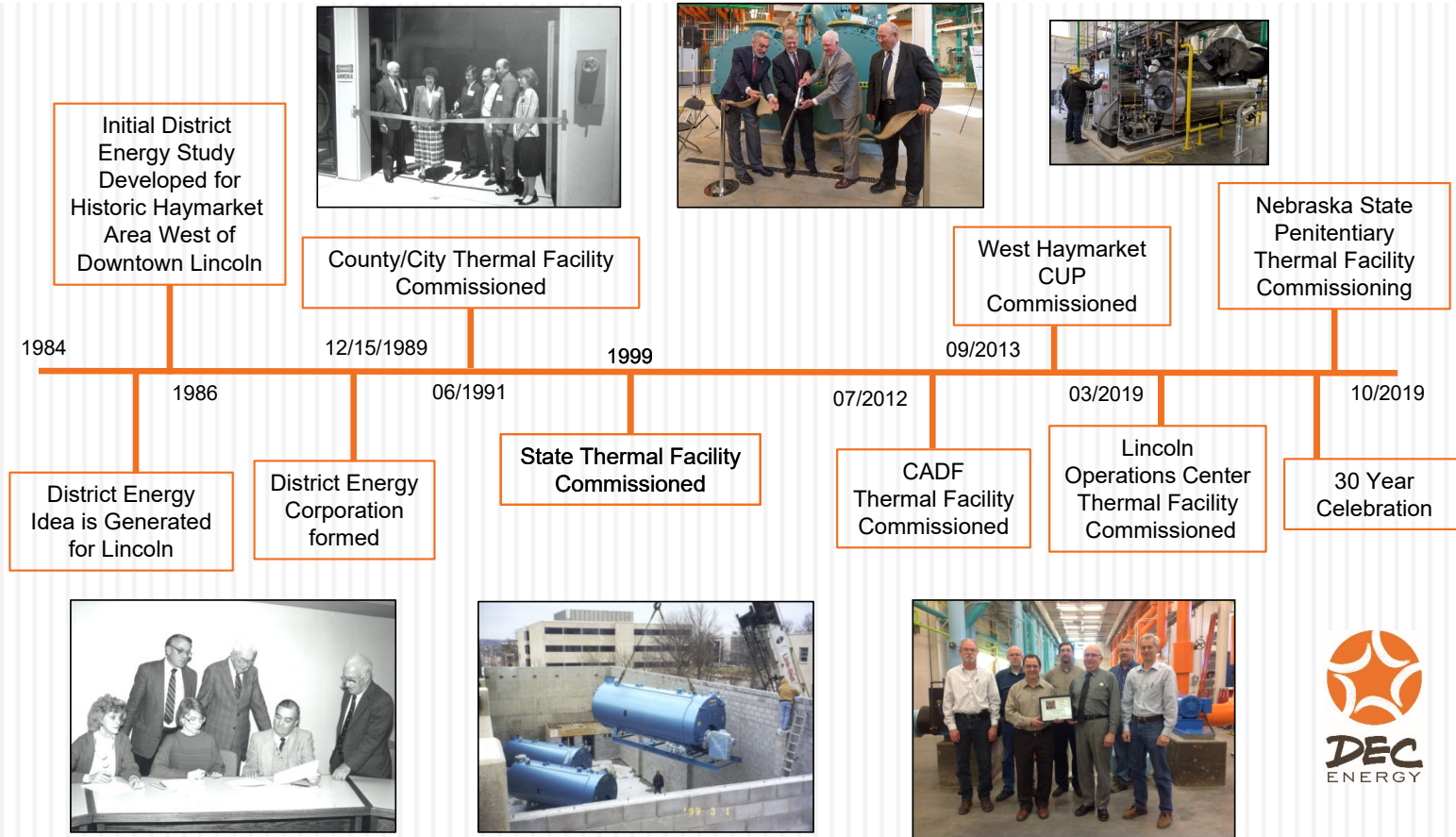


# Services

- ❑ **DEC Energy was formed in 1989 by the City of Lincoln and Lancaster County for purposes of:**
  - ❑ **Constructing**
  - ❑ **Financing**
  - ❑ **Furnishing**
  - ❑ **Operating thermal energy facilities and related services for providing heating and cooling to governmental entities**
    - ❑ **DEC can now provide services to private entities as well.**
- ❑ **Initiated because of a County project to build a then new detention facility at 605 South 10<sup>th</sup> Street**



# DEC Timeline





# Management Agreement

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- ❑ Pursuant to a Management Agreement between LES and the Corporation, LES manages DEC's systems and affairs:
  - ❑ LES is responsible for the overall operation, maintenance and administration resulting in the equivalent labor of 11 full time positions
  - ❑ Initial term of 20 years; currently 5 year rolling term
  - ❑ LES is not responsible for any liabilities of the Corporation, including its indebtedness, and the Corporation has agreed to indemnify LES





# Management Agreement

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- ❑ **Why does LES manage DEC?**
  - ❑ **LES was instrumental in its creation**
  - ❑ **Synergy between LES and DEC Energy allows for mutual benefits**
  - ❑ **Focus on reliability, efficiency, sustainability, robustness, value justified on life cycle cost analysis; profits are not a motive for either LES/DEC Energy**
  - ❑ **LES had experience operating a Combined Heat and Power project in downtown Lincoln**
  - ❑ **Aligns with LES Vision and Mission Statements**





## Mission/Vision

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**LES Mission:** “LES is a progressive leader, **partnering with the community to maximize energy value** and quality of life in an environmentally responsible manner”

**LES Vision:** “Striving to be the world’s best energy company”

**DEC Mission:** “Provide low-cost, reliable and efficient thermal energy services to enhance and **enable economic development** of the Lincoln community”

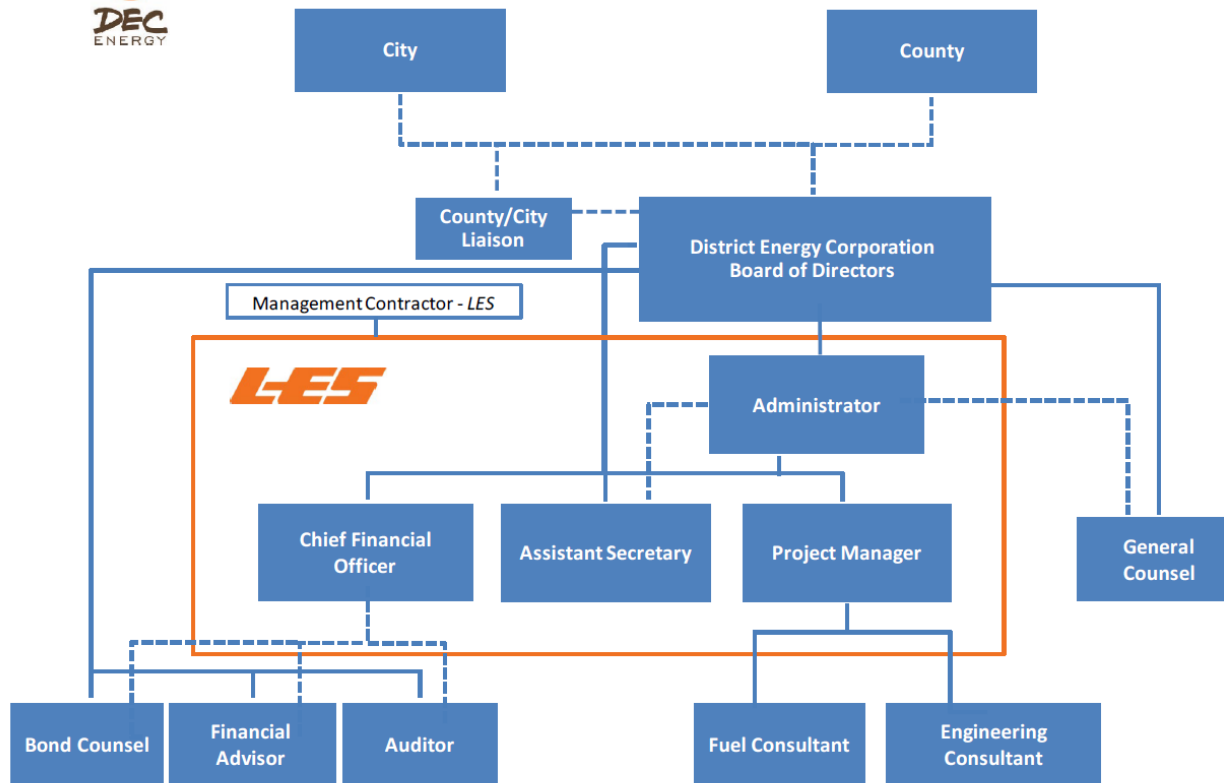
**DEC Vision:** “Striving for energy excellence”



# Management Agreement



Organization Chart  
District Energy Corporation





# Governance

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- ❑ **DEC Energy is governed by a 5-member Board of Directors**
  - ❑ **2 County Representatives**
  - ❑ **2 City Representatives (1 Council, 1 Mayor appointed)**
  - ❑ **1 LES Representative**
  
- ❑ **Directors serve two-year terms and are eligible for reappointment**



# Board of Directors



Sean Flowerday  
DEC Chair  
County Commissioner



Carl Eskridge  
DEC Vice Chair  
LES Board



Kim Morrow  
DEC Secretary  
City Representative



Bennie Shobe  
Director  
City Council



Rick Vest  
Director  
County Commissioner



# DEC Rates are set using Cost of Service Principles

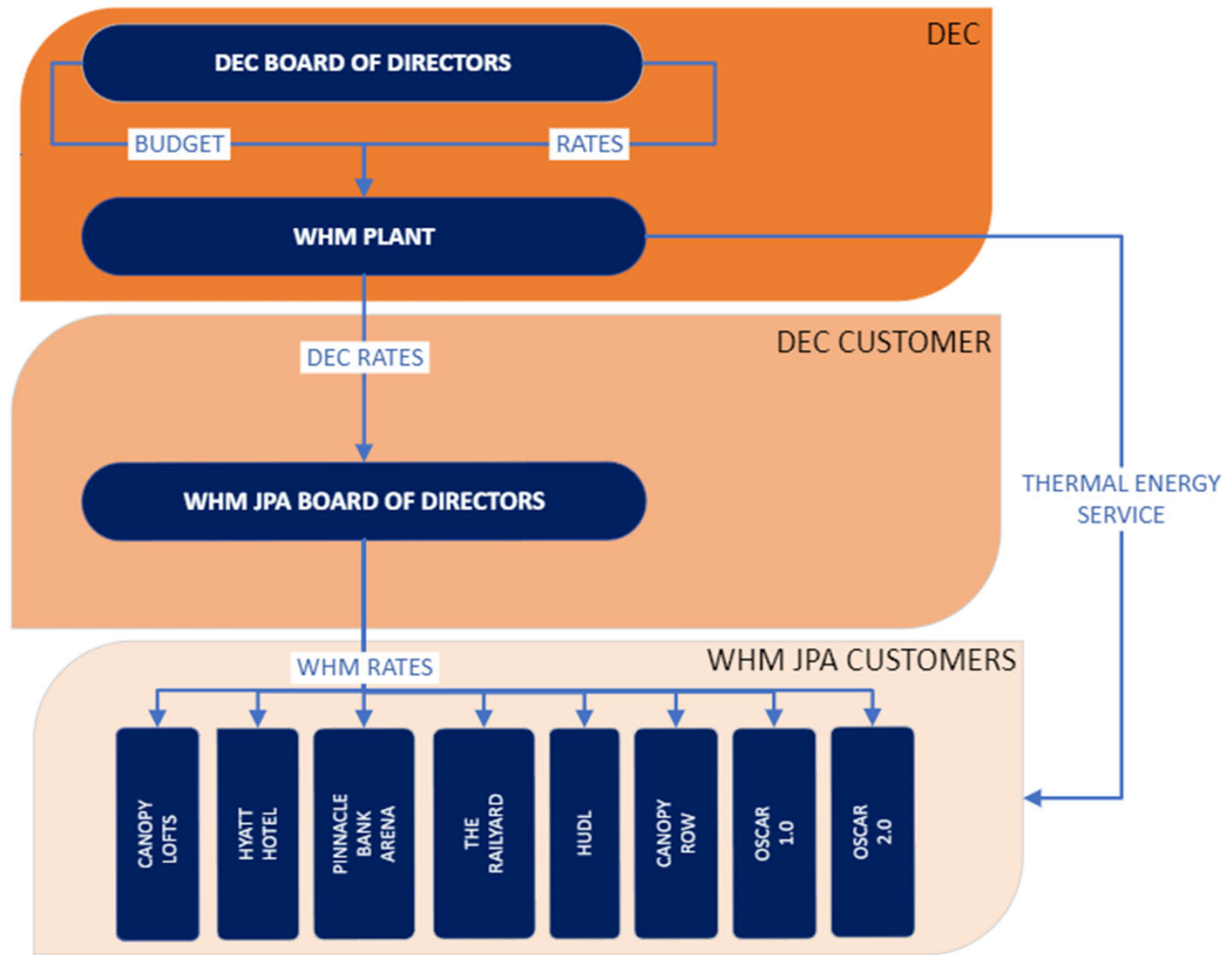
21

## Energy Services Agreement General Rate Principles

- ❑ Cost of Service
- ❑ Through its General Bond Resolution, DEC is obligated to set rates sufficient to collect funds to meet
  - ❑ All Debt
  - ❑ Operations & Maintenance
  - ❑ Commodity Expenses



# DEC/WEST HAYMARKET JPA RELATIONSHIP



# **Exhibit VI**



# 2023 LES EV Ride + Drive



Jennifer Bangert, Specialist, Energy Services

McKenzie Ferguson-Fagan, Specialist, Education & Outreach

# LES Ride + Drive



- Sunday, September 24, 9 a.m. – 1 p.m., Haymarket Park Parking Lot #20
- Objectives
  - Experience — test drive EVs and PHEVs
  - Engage — with EV owners
  - Educate — EV 101 seminars

LES EV Ride + Drive Event

EV static displays

EV 101 educational sessions

LES Education

- Educational Interactive Tiny House (EdITH)
- High-voltage demo trailer with line workers



# LES Ride + Drive Volunteers

## 29 LES employees

- Set-up and tear down
- Parking lot attendants
- LES info tent
- Volunteer check-in
- Registration and survey tents
- EV guides working with test drivers and dealers
- High-voltage demo / safety trailer
- LES Educational Interactive Tiny House

20 EV "static" display cars/advocates  
(members of the public)

6 event speakers provided 3 workshops



# LES Ride + Drive Data

- 10 test drive vehicles
  - 8 Makes, 10 Models
- 135 R+D day of registrations
  - 106 Pre-registration (160)
  - 29 Walkups
- 250+ test drives/rides
  - 135 Pre-surveys completed
  - 119 Post-surveys completed



# LES Ride + Drive Survey Results

## 2023 Survey EV Attitudes & Perceptions

- Pre-Survey
  - 51% Very Positive
  - 36% Somewhat Positive
  - 11% Neutral
  - 2% Somewhat Negative
- Post-Survey
  - 70% Very Positive
  - 26% Somewhat Positive
  - 4% Neutral
  - 0% Somewhat Negative



## 2021 Survey EV Attitudes & Perceptions

- Pre-Survey
  - 61% Very Positive
  - 28% Somewhat Positive
  - 10% Neutral
  - 1% Somewhat Negative
- Post-Survey
  - 83% Very Positive
  - 15% Somewhat Positive
  - 2% Neutral
  - 0% Somewhat Negative

# LES Ride + Drive Survey Results

## *2023 Survey Demographics*

- 89% LES customers
- 66% Males
- 34% Females
- 55% over age 60
- 21% age 41-59
- 24% age 21-40
- 46% no experience with EVs

## *2021 Survey Demographics*

- 82% LES customers
- 66% Males
- 34% Females
- 43% over age 60
- 30% age 41-59
- 27% age 21-40
- 60% no experience with EVs



# Static Display Feedback

What did you like most about the event?

- Good opportunity for the public to see a variety of EVs.
- Being able to talk to other EV owners about their experiences.
- Helping to convince skeptical prospective buyers.
- EVERYTHING!!!

How can LES improve the event?

- More variety of EVs.
- Unsure. Depends on how many convert to EVs.
- It was kind of hot so maybe a Kona Ice truck.
- NOTHING!!!





# Dealership Display Feedback

Did your dealership find the event beneficial?

- YES

Would your dealership be interested in attending future LES EV events?

- YES

Would your dealership prefer a Saturday or Sunday event?

- Sunday



# Questions?



# **Exhibit VII**



## Revenue & Expense Statement (Condensed)

OCTOBER 2023

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

(Dollar amounts in 000)

YEAR TO DATE	2023 Actual	2023 Budget	Difference	Percentage Difference	Comments
1) Total Revenue	\$297,674	\$296,959	\$715	0%	Wholesale revenue exceeded budget by 7%, or \$2.3M, primarily due to higher than expected revenues from SPP IM activities, partially offset by lower retail revenue (\$1.5M).
2) Power Costs	115,161	122,935	(7,774)	-6%	Produced power was 17% (\$10.4M) under budget due primarily to lower than budgeted energy costs at TBGS & WS4 and lower operations & maintenance expenses at LRS, TBGS, and Rokeby. Purchased power was over budget by 4% (\$2.6M) due to higher SPP purchases partially offset by lower energy output at WS3 and wind resources.
3) Other Operating Expenses	79,806	79,082	724	1%	Other operating expenses were slightly over budget primarily due to higher than budgeted payroll and benefits and increased Sustainable Energy Program incentives, partially offset by reduced line clearance expenses (\$900k) and delay/timing of projects in Technology Services (\$1.7M).
4) Depreciation	<u>29,234</u>	<u>29,282</u>	<u>(48)</u>	0%	
5) Total Expenses	<u>224,201</u>	<u>231,299</u>	<u>(7,098)</u>	-3%	
6) Operating Income	73,473	65,660	7,813	12%	
7) Non-Operating Expense (Income)	<u>28,391</u>	<u>34,212</u>	<u>(5,821)</u>	-17%	
8) Change in Net Position (Net Revenue)	<u>\$45,082</u>	<u>\$31,448</u>	<u>\$13,634</u>	43%	
	<u>Year End Projection</u>	<u>Year End Budget</u>			
9) Fixed Charge Coverage	1.57x	1.40x			
10) Debt Service Coverage	2.33x	2.11x			
	<u>Month End Actual</u>	<u>Month End Budget</u>			
11) Days Cash on Hand (Days)	176	168			

# LINCOLN ELECTRIC SYSTEM

## FINANCIAL AND OPERATING STATEMENT

October 2023



## INDEX

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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 2023**

DESCRIPTION	CURRENT MONTH	CURRENT MONTH	VARIANCE FROM BUDGET		LAST YEAR MONTH	VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%
<b>OPERATING REVENUES</b>							
1. Retail	\$20,688,956	\$21,846,161	(\$1,157,205)	-5.3%	\$19,122,690	\$1,566,266	8.2%
2. Wholesale	1,689,109	2,714,585	(1,025,476)	-37.8%	5,251,801	(3,562,692)	-67.8%
3. Other Revenue	794,747	632,546	162,201	25.6%	865,630	(70,883)	-8.2%
4. CDFUO (a)	1,095,018	1,041,126	53,892	5.2%	999,555	95,463	9.6%
5. Total Operating Revenues	24,267,830	26,234,418	(1,966,588)	-7.5%	26,239,676	(1,971,846)	-7.5%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	6,241,855	5,784,273	457,582	7.9%	5,835,577	406,278	7.0%
7. Produced Power	4,141,486	5,952,222	(1,810,736)	-30.4%	5,245,819	(1,104,333)	-21.1%
8. Operations	2,185,014	2,082,075	102,939	4.9%	1,438,502	746,512	51.9%
9. Maintenance	1,321,183	1,021,734	299,449	29.3%	691,505	629,678	91.1%
10. Admin. & General	4,937,689	4,875,807	61,882	1.3%	4,513,798	423,891	9.4%
11. Depreciation	2,946,920	2,963,013	(16,093)	-0.5%	2,901,891	45,029	1.6%
12. Total Operating Expenses	21,774,147	22,679,124	(904,977)	-4.0%	20,627,092	1,147,055	5.6%
<b>13. OPERATING INCOME</b>	<b>2,493,683</b>	<b>3,555,294</b>	<b>(1,061,611)</b>	<b>-29.9%</b>	<b>5,612,584</b>	<b>(3,118,901)</b>	<b>-55.6%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	1,435,574	1,430,370	5,204	0.4%	1,398,405	37,169	2.7%
15. PILOT (c)	1,125,097	1,096,779	28,318	2.6%	1,043,939	81,158	7.8%
16. CDFUO Expense (a)	1,046,389	1,041,126	5,263	0.5%	963,140	83,249	8.6%
17. Other Expense	0	0	0	--	16	(16)	-100.0%
18. Total Other Nonoperating Expense	3,607,060	3,568,275	38,785	1.1%	3,405,500	201,560	5.9%
19. Other (Income)	(45,530)	0	(45,530)	--	0	(45,530)	--
20. Interest (Income)	(865,924)	(119,642)	(746,282)	623.8%	(451,695)	(414,229)	91.7%
21. Total Other Nonoperating (Income)	(911,454)	(119,642)	(791,812)	661.8%	(451,695)	(459,759)	101.8%
22. Total Nonoperating Expenses (Income)	2,695,606	3,448,633	(753,027)	-21.8%	2,953,805	(258,199)	-8.7%
<b>23. Income Before Contributions</b>	<b>(201,923)</b>	<b>106,661</b>	<b>(308,584)</b>	<b>-289.3%</b>	<b>2,658,779</b>	<b>(2,860,702)</b>	<b>-107.6%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	348,336	123,848	224,488	181.3%	166,445	181,891	109.3%
25. Contributed Capital Used (d)	(348,336)	(123,848)	(224,488)	-181.3%	(166,445)	(181,891)	-109.3%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>(\$201,923)</b>	<b>\$106,661</b>	<b>(\$308,584)</b>	<b>-289.3%</b>	<b>\$2,658,779</b>	<b>(\$2,860,702)</b>	<b>-107.6%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$1,532,116 + Variable Interest \$209,505 + Amortization of Issuance Costs on Outstanding Debt \$80,670 + Amortization of Loss on Refunded Debt \$107,776 - Amortization of Discount/Premium \$494,493 = \$1,435,574.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.



## REVENUE & EXPENSE STATEMENT

YEAR-TO-DATE

OCTOBER 2023

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>OPERATING REVENUES</b>							
1. Retail	\$246,773,235	\$248,280,191	(\$1,506,956)	-0.6%	\$234,072,338	\$12,700,897	5.4%
2. Wholesale	33,986,430	31,709,556	2,276,874	7.2%	56,044,231	(22,057,801)	-39.4%
3. Other Revenue	6,922,405	7,203,971	(281,566)	-3.9%	8,523,872	(1,601,467)	-18.8%
4. CDFUO (a)	9,992,180	9,764,851	227,329	2.3%	9,047,677	944,503	10.4%
5. Total Operating Revenues	297,674,250	296,958,569	715,681	0.2%	307,688,118	(10,013,868)	-3.3%
<b>OPERATING EXPENSES</b>							
6. Purchased Power	63,924,053	61,314,170	2,609,883	4.3%	71,861,111	(7,937,058)	-11.0%
7. Produced Power	51,236,793	61,620,944	(10,384,151)	-16.9%	66,556,494	(15,319,701)	-23.0%
8. Operations	21,511,789	21,456,191	55,598	0.3%	12,780,510	8,731,279	68.3%
9. Maintenance	10,289,311	10,184,772	104,539	1.0%	7,960,877	2,328,434	29.2%
10. Admin. & General	48,005,226	47,440,794	564,432	1.2%	44,306,350	3,698,876	8.3%
11. Depreciation	29,233,875	29,282,190	(48,315)	-0.2%	28,651,863	582,012	2.0%
12. Total Operating Expenses	224,201,047	231,299,061	(7,098,014)	-3.1%	232,117,205	(7,916,158)	-3.4%
<b>13. OPERATING INCOME</b>	<b>73,473,203</b>	<b>65,659,508</b>	<b>7,813,695</b>	<b>11.9%</b>	<b>75,570,913</b>	<b>(2,097,710)</b>	<b>-2.8%</b>
<b>NONOPERATING EXPENSES (INCOME)</b>							
14. Interest Expense (b)	14,503,997	14,282,398	221,599	1.6%	15,597,731	(1,093,734)	-7.0%
15. PILOT (c)	11,382,691	11,444,461	(61,770)	-0.5%	10,863,197	519,494	4.8%
16. CDFUO Expense (a)	9,797,898	9,787,372	10,526	0.1%	8,843,576	954,322	10.8%
17. Other Expense	153	0	153	--	3,134	(2,981)	-95.1%
18. Total Other Nonoperating Expense	35,684,739	35,514,231	170,508	0.5%	35,307,638	377,101	1.1%
19. Other (Income)	(440,453)	0	(440,453)	--	0	(440,453)	--
20. Interest (Income)	(6,853,282)	(1,302,241)	(5,551,041)	426.3%	(1,633,462)	(5,219,820)	319.6%
21. Total Other Nonoperating (Income)	(7,293,735)	(1,302,241)	(5,991,494)	460.1%	(1,633,462)	(5,660,273)	346.5%
22. Total Nonoperating Expenses (Income)	28,391,004	34,211,990	(5,820,986)	-17.0%	33,674,176	(5,283,172)	-15.7%
<b>23. Income Before Contributions</b>	<b>45,082,199</b>	<b>31,447,518</b>	<b>13,634,681</b>	<b>43.4%</b>	<b>41,896,737</b>	<b>3,185,462</b>	<b>7.6%</b>
<b>CONTRIBUTED CAPITAL</b>							
24. Contributed Capital Received	1,671,087	1,238,480	432,607	34.9%	895,555	775,532	86.6%
25. Contributed Capital Used (d)	(1,671,087)	(1,238,480)	(432,607)	-34.9%	(895,555)	(775,532)	-86.6%
26. Net Contributed Capital	0	0	0	--	0	0	--
<b>27. CHANGE IN NET POSITION</b>	<b>\$45,082,199</b>	<b>\$31,447,518</b>	<b>\$13,634,681</b>	<b>43.4%</b>	<b>\$41,896,737</b>	<b>\$3,185,462</b>	<b>7.6%</b>

(a) City Dividend for Utility Ownership.

(b) Bond Interest \$15,669,947 + Variable Interest \$1,757,022 + Amortization of Issuance Costs on Outstanding Debt \$1,038,276 + Amortization of Loss on Refunded Debt \$1,077,762 - Amortization of Discount/Premium \$5,039,010 = \$14,503,997.

(c) Payment In Lieu of Tax.

(d) Reduction of Plant Costs Recovered through Contributions.





**REVENUES, ENERGY & CUSTOMERS**

**CURRENT MONTH**

**OCTOBER 2023**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>REVENUE</b>							
1. Residential	\$8,876,441	\$9,826,524	(\$950,083)	-9.7%	\$8,289,855	\$586,586	7.1%
2. Commercial & Street Light	9,156,842	9,548,499	(391,657)	-4.1%	8,401,236	755,606	9.0%
3. Industrial	2,655,673	2,471,138	184,535	7.5%	2,431,599	224,074	9.2%
4. Total Retail	20,688,956	21,846,161	(1,157,205)	-5.3%	19,122,690	1,566,266	8.2%
5. SPP Sales	862,546	1,706,984	(844,438)	-49.5%	4,544,583	(3,682,037)	-81.0%
6. Contract Sales	826,563	1,007,601	(181,038)	-18.0%	707,218	119,345	16.9%
7. Total Wholesale	1,689,109	2,714,585	(1,025,476)	-37.8%	5,251,801	(3,562,692)	-67.8%
8. Total	\$22,378,065	\$24,560,746	-\$2,182,681	-8.9%	\$24,374,491	-\$1,996,426	-8.2%
<b>ENERGY (MWH'S)</b>							
9. Residential	79,653	81,344	(1,691)	-2.1%	77,613	2,040	2.6%
10. Commercial & Street Light	113,488	113,639	(151)	-0.1%	111,859	1,629	1.5%
11. Industrial	40,060	33,971	6,089	17.9%	37,832	2,228	5.9%
12. Total Retail	233,201	228,954	4,247	1.9%	227,304	5,897	2.6%
13. SPP Sales	24,028	71,697	(47,669)	-66.5%	77,116	(53,088)	-68.8%
14. Contract Sales	11,930	25,040	(13,110)	-52.4%	19,139	(7,209)	-37.7%
15. Total Wholesale	35,958	96,737	(60,779)	-62.8%	96,255	(60,297)	-62.6%
16. Total	269,159	325,691	(56,532)	-17.4%	323,559	(54,400)	-16.8%
<b>CUSTOMERS - AT MONTH END</b>							
17. Residential	133,320	130,593	2,727	2.1%	130,794	2,526	1.9%
18. Commercial & Street Light	17,830	17,806	24	0.1%	17,599	231	1.3%
19. Industrial	237	233	4	1.7%	230	7	3.0%
20. Total Retail	151,387	148,632	2,755	1.9%	148,623	2,764	1.9%
21. Wholesale	7	7	0	0.0%	7	0	0.0%
22. Total	151,394	148,639	2,755	1.9%	148,630	2,764	1.9%



**REVENUES, ENERGY & CUSTOMERS**

**YEAR-TO-DATE**

**OCTOBER 2023**

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
<b>REVENUE</b>							
1. Residential	\$116,793,640	\$116,183,271	\$610,369	0.5%	\$110,829,408	\$5,964,232	5.4%
2. Commercial & Street Light	103,139,208	106,038,673	(2,899,465)	-2.7%	97,587,240	5,551,968	5.7%
3. Industrial	<u>26,840,387</u>	<u>26,058,247</u>	<u>782,140</u>	3.0%	<u>25,655,690</u>	<u>1,184,697</u>	4.6%
4. Total Retail	246,773,235	248,280,191	(1,506,956)	-0.6%	234,072,338	12,700,897	5.4%
5. SPP Sales	24,848,980	21,651,955	3,197,025	14.8%	48,274,437	(23,425,457)	-48.5%
6. Contract Sales	<u>9,137,450</u>	<u>10,057,601</u>	<u>(920,151)</u>	-9.1%	<u>7,769,794</u>	<u>1,367,656</u>	17.6%
7. Total Wholesale	<u>33,986,430</u>	<u>31,709,556</u>	<u>2,276,874</u>	7.2%	<u>56,044,231</u>	<u>(22,057,801)</u>	-39.4%
8. Total	\$280,759,665	\$279,989,747	\$769,918	0.3%	\$290,116,569	(9,356,904)	-3.2%
<b>ENERGY (MWH'S)</b>							
9. Residential	1,135,072	1,123,303	11,769	1.0%	1,132,012	3,060	0.3%
10. Commercial & Street Light	1,254,918	1,277,917	(22,999)	-1.8%	1,247,767	7,151	0.6%
11. Industrial	<u>393,298</u>	<u>380,589</u>	<u>12,709</u>	3.3%	<u>386,616</u>	<u>6,682</u>	1.7%
12. Total Retail	2,783,288	2,781,809	1,479	0.1%	2,766,395	16,893	0.6%
13. SPP Sales	405,040	429,379	(24,339)	-5.7%	643,604	(238,564)	-37.1%
14. Contract Sales	<u>245,034</u>	<u>256,014</u>	<u>(10,980)</u>	-4.3%	<u>204,049</u>	<u>40,985</u>	20.1%
15. Total Wholesale	<u>650,074</u>	<u>685,393</u>	<u>(35,319)</u>	-5.2%	<u>847,653</u>	<u>(197,579)</u>	-23.3%
16. Total	3,433,362	3,467,202	(33,840)	-1.0%	3,614,048	(180,686)	-5.0%
<b>CUSTOMERS AVERAGE</b>							
17. Residential	132,040	130,008	2,032	1.6%	129,901	2,139	1.6%
18. Commercial & Street Light	17,732	17,724	8	0.0%	17,528	204	1.2%
19. Industrial	<u>232</u>	<u>233</u>	<u>(1)</u>	-0.4%	<u>231</u>	<u>1</u>	0.4%
20. Total Retail	150,004	147,965	2,039	1.4%	147,660	2,344	1.6%
21. Wholesale	<u>7</u>	<u>7</u>	<u>0</u>	0.0%	<u>7</u>	<u>0</u>	0.0%
22. Total	150,011	147,972	2,039	1.4%	147,667	2,344	1.6%



**OPERATING EXPENSE STATEMENT**

**CURRENT MONTH**

**OCTOBER 2023**

DESCRIPTION	CURRENT	CURRENT	VARIANCE FROM		LAST YEAR	VARIANCE FROM	
	MONTH	MONTH	BUDGET	%	MONTH	LAST YEAR	%
	ACTUAL	BUDGET	AMOUNT		ACTUAL	AMOUNT	
<b>POWER COST</b>							
1. SPP Purchased Power	\$658,742	\$547,466	\$111,276	20.3%	\$1,033,911	(\$375,169)	-36.3%
2. Non-Owned Asset Power	<u>5,583,113</u>	<u>5,236,807</u>	<u>346,306</u>	6.6%	<u>4,801,666</u>	<u>781,447</u>	16.3%
3. Total Purchased Power	6,241,855	5,784,273	457,582	7.9%	5,835,577	406,278	7.0%
4. Produced Power	<u>4,141,486</u>	<u>5,952,222</u>	<u>(1,810,736)</u>	-30.4%	<u>5,245,819</u>	<u>(1,104,333)</u>	-21.1%
5. Total Power Cost	10,383,341	11,736,495	(1,353,154)	-11.5%	11,081,396	(698,055)	-6.3%
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>							
6. Energy Delivery	2,518,970	2,098,421	420,549	20.0%	1,946,462	572,508	29.4%
7. Transmission	<u>987,227</u>	<u>1,005,388</u>	<u>(18,161)</u>	-1.8%	<u>183,545</u>	<u>803,682</u>	437.9%
8. Total O & M Expense	3,506,197	3,103,809	402,388	13.0%	2,130,007	1,376,190	64.6%
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>							
9. Administration	210,678	212,540	(1,862)	-0.9%	170,648	40,030	23.5%
10. Communication & Corporate Records	213,714	244,923	(31,209)	-12.7%	290,413	(76,699)	-26.4%
11. Corporate Operations	1,177,034	1,121,009	56,025	5.0%	1,163,480	13,554	1.2%
12. Customer Services	1,100,631	951,074	149,557	15.7%	881,098	219,533	24.9%
13. Financial Services	461,521	455,162	6,359	1.4%	370,530	90,991	24.6%
14. Power Supply	421,577	402,528	19,049	4.7%	404,760	16,817	4.2%
15. Technology Services	<u>1,352,534</u>	<u>1,488,571</u>	<u>(136,037)</u>	-9.1%	<u>1,232,869</u>	<u>119,665</u>	9.7%
16. Total A & G Expense	4,937,689	4,875,807	61,882	1.3%	4,513,798	423,891	9.4%
17. DEPRECIATION	2,946,920	2,963,013	(16,093)	-0.5%	2,901,891	45,029	1.6%
18. TOTAL OPERATING EXPENSE	\$21,774,147	\$22,679,124	(\$904,977)	-4.0%	\$20,627,092	\$1,147,055	5.6%



**OPERATING EXPENSE STATEMENT**

**YEAR-TO-DATE**

**OCTOBER 2023**

DESCRIPTION	YEAR TO DATE		VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE		VARIANCE FROM LAST YEAR	
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	AMOUNT	%	
<b>POWER COST</b>								
1. SPP Purchased Power	\$14,606,289	\$9,625,015	\$4,981,274	51.8%	\$20,146,460	(\$5,540,171)	-27.5%	
2. Non-Owned Asset Power	49,317,764	51,689,155	(2,371,391)	-4.6%	51,714,651	(2,396,887)	-4.6%	
3. Total Purchased Power	63,924,053	61,314,170	2,609,883	4.3%	71,861,111	(7,937,058)	-11.0%	
4. Produced Power	51,236,793	61,620,944	(10,384,151)	-16.9%	66,556,494	(15,319,701)	-23.0%	
5. Total Power Cost	115,160,846	122,935,114	(7,774,268)	-6.3%	138,417,605	(23,256,759)	-16.8%	
<b>OPERATION &amp; MAINTENANCE (O&amp;M)</b>								
6. Energy Delivery	22,131,903	21,545,818	586,085	2.7%	18,843,429	3,288,474	17.5%	
7. Transmission	9,669,197	10,095,145	(425,948)	-4.2%	1,897,958	7,771,239	409.5%	
8. Total O & M Expense	31,801,100	31,640,963	160,137	0.5%	20,741,387	11,059,713	53.3%	
<b>ADMINISTRATIVE &amp; GENERAL (A&amp;G)</b>								
9. Administration	2,407,050	2,441,766	(34,716)	-1.4%	2,145,906	261,144	12.2%	
10. Communication & Corporate Records	2,017,479	2,083,376	(65,897)	-3.2%	2,028,757	(11,278)	-0.6%	
11. Corporate Operations	11,570,332	10,957,225	613,107	5.6%	10,632,351	937,981	8.8%	
12. Customer Services	9,969,238	9,105,969	863,269	9.5%	8,823,448	1,145,790	13.0%	
13. Financial Services	4,437,886	4,396,948	40,938	0.9%	3,809,745	628,141	16.5%	
14. Power Supply	3,953,304	3,777,658	175,646	4.6%	3,688,730	264,574	7.2%	
15. Technology Services	13,649,937	14,677,852	(1,027,915)	-7.0%	13,177,413	472,524	3.6%	
16. Total A & G Expense	48,005,226	47,440,794	564,432	1.2%	44,306,350	3,698,876	8.3%	
17. DEPRECIATION	29,233,875	29,282,190	(48,315)	-0.2%	28,651,863	582,012	2.0%	
18. TOTAL OPERATING EXPENSE	\$224,201,047	\$231,299,061	(\$7,098,014)	-3.1%	\$232,117,205	(\$7,916,158)	-3.4%	



**BALANCE SHEET  
OCTOBER 2023**

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

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

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
1. Revenue Fund (includes CDFUO)	\$103,105,052	(\$4,698,222)	<b>OTHER LIABILITIES</b>		
2. Payment in Lieu of Tax Fund	10,056,427	(1,481,673)	1. Accounts Payable	\$15,189,402	(\$2,940,188)
3. Rate Stabilization Fund	38,842,676	1,408,427	2. Accrued Payments in Lieu of Taxes	11,147,926	(1,357,623)
4. Bond Principal & Interest Funds	9,449,901	(7,302,738)	3. City Dividend for Utility Ownership Payable	2,092,778	(1,759,782)
5. Other Restricted/Designated Funds (a)	3,396,107	(479,370)	4. Commercial Paper Notes	65,500,000	0
6. Restricted/Designated Funds Total	51,688,684	(6,373,681)	5. Accrued Liabilities	17,529,686	1,014,071
7. Total Current Asset Funds (b)	164,850,163	(12,553,576)	6. Total Other Liabilities	111,459,792	(5,043,522)
8. Receivables Less Uncollectible Allowance	24,986,001	(662,100)	<b>CURRENT LIABILITIES - RESTRICTED ASSETS</b>		
9. Unbilled Revenue	16,301,503	817,282	7. Current Portion of Long-Term Debt	37,800,000	7,265,000
10. Accrued Interest Receivable	1,463,931	22,563	8. Accrued Interest	3,342,051	(3,096,463)
11. Materials, Supplies & Fuel Inventory	31,288,653	3,597,243	9. Other Current Liabilities (d)	894,412	(52,507)
12. Plant Operation Assets	18,668,836	4,919,371	10. Total Current Liabilities - Restricted Assets	42,036,463	4,116,030
13. Other Current Assets	5,043,360	314,073	11. Total Current Liabilities	153,496,255	(927,492)
14. Total Current Assets	262,602,447	(3,545,144)	<b>NONCURRENT LIABILITIES:</b>		
<b>NONCURRENT ASSETS:</b>			12. 2012A Bonds	0	0
15. Bond Reserve Funds	9,294,256	(95,106)	13. 2013 Bonds	29,065,000	(16,245,000)
16. Self-Funded Benefits Reserve Fund (IBNP)	741,659	105,332	14. 2015A Bonds	71,400,000	(765,000)
17. Segregated Funds (c)	15,832,202	15,582,202	15. 2016 Bonds	65,960,000	0
18. Restricted Funds Total (b)	25,868,117	15,592,428	16. 2018 Bonds	121,205,000	0
19. Unamortized Debt Expense	2,137,263	(292,815)	17. 2020A Bonds	72,200,000	0
21. Accrued Lease Interest	77,786	30,927	18. 2020B Bonds	171,625,000	(13,525,000)
22. Other Noncurrent Assets	1,458,929	182,404	19. Total Revenue Bonds	531,455,000	(30,535,000)
23. Total Noncurrent Assets	\$36,803,225	\$15,700,177	20. Less Current Maturities	37,800,000	7,265,000
<b>CAPITAL ASSETS:</b>			21. Less Unamortized Discounts/Premiums	(35,643,581)	5,039,010
24. Utility Plant in Service	1,828,627,771	17,985,032	22. Note Purchase Agreement	0	0
25. Accumulated Depreciation & Amortization	(932,929,480)	(26,219,827)	23. Revolving Credit Agreement	0	0
26. Construction Work in Progress	106,040,000	14,108,973	24. Net Long Term Debt	529,298,581	(42,839,010)
27. Total Capital Assets	1,001,738,291	5,874,178	25. Liabilities Payable from Segregated Funds (e)	15,832,202	15,582,202
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			26. Asset Retirement Obligation	3,212,780	32,614
28. Deferred Loss on Refunded Debt	8,342,778	(1,077,762)	27. Other Noncurrent Liabilities	35,666,038	26,639
29. Deferred Costs for Asset Retirement Obligations	3,212,780	32,614	28. Total Liabilities	737,505,856	(28,125,047)
30. Total Deferred Outflows of Resources	11,555,558	(1,045,148)	<b>DEFERRED INFLOWS OF RESOURCES:</b>		
			29. Deferred Inflow of Resource	6,917,091	26,911
			30. Total Deferred Inflows of Resources	6,917,091	26,911
			<b>NET POSITION:</b>		
			31. Net Investment in Capital Assets	386,393,496	40,240,733
			32. Restricted for Debt Service	6,209,410	(4,039,791)
			33. Restricted for Employee Health Insurance Claims	1,719,816	(1,136,174)
			34. Unrestricted	173,953,852	10,017,431
			35. Total Net Position	568,276,574	45,082,199
<b>31. TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,312,699,521</b>	<b>\$16,984,063</b>	<b>36. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b>\$1,312,699,521</b>	<b>\$16,984,063</b>



**STATEMENT OF CASH FLOWS**  
**OCTOBER 2023**

	CURRENT MONTH	YEAR-TO-DATE
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
1. Received from Sales to Customers and Users	\$34,038,982	\$317,286,133
2. Sales Tax Receipts	\$1,312,163	\$13,810,972
3. Paid to Suppliers for Goods & Services	(\$22,223,004)	(\$193,638,787)
4. Paid to Employees for Services	(\$1,800,924)	(\$15,094,584)
5. Payments for Sales Tax	(1,695,573)	(13,711,430)
<b>6. Cash Flow from Operating Activities (a)</b>	<b>9,631,644</b>	<b>108,652,304</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
7. Payment in Lieu of Tax	(86,111)	(12,740,315)
8. City Dividend for Utility Ownership Payments	0	(11,557,680)
9. Other	0	0
<b>10. Cash Flow from (used for) Noncapital Financing Activities</b>	<b>(86,111)</b>	<b>(24,297,995)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
11. Net (Purchases) Sales of Investments	(7,781,462)	2,172,814
12. Interest Income	445,451	6,162,971
<b>13. Cash Flow from (used for) Investing Activities</b>	<b>(7,336,011)</b>	<b>8,335,785</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
14. Acquisition and Construction of Capital Assets	(4,014,779)	(37,303,737)
15. Salvage on Retirement of Plant	6,248	218,307
16. Cost of Removal of Property Retired	(52,475)	(1,922,596)
17. Debt Issuance Cost Paid	0	0
18. Debt Premiums Collected	0	0
19. Net Capital Contributions	348,336	1,671,087
20. Cash Received from Leases	41,882	399,167
21. Net Proceeds from Issuance of Long-Term Debt	0	0
22. Principal Payments on Long-Term Debt	0	(30,535,000)
23. Interest Payments on Debt	(70,795)	(20,523,440)
<b>24. Cash Flow from (used for) Capital Financing Activities</b>	<b>(3,741,583)</b>	<b>(87,996,212)</b>
<b>24. Cash Flow from (used for) Capital Financing Activities</b>	<b>(1,532,061)</b>	<b>4,693,882</b>
<b>25. Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>27,015,783</b>	<b>20,789,840</b>
<b>26. Cash and Cash Equivalents Beginning of Period</b>	<b>\$25,483,722</b>	<b>\$25,483,722</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	\$2,493,683	\$73,473,203
2. Noncash items included in operating income	3,037,994	30,111,158
3. Changes in Assets & Liabilities Increase/(Decrease)	4,099,967	5,067,943
<b>4. Net cash flows from operating activities</b>	<b>\$9,631,644</b>	<b>\$108,652,304</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 2023**

DESCRIPTION	----- CURRENT MONTH -----			----- YEAR-TO-DATE -----		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	\$24,267,830	\$26,234,418	\$26,239,676	\$297,674,250	\$296,958,569	\$307,688,118
2. Total Operating Expenses	21,774,147	22,679,124	20,627,092	224,201,047	231,299,061	232,117,205
3. Less Depreciation	(2,946,920)	(2,963,013)	(2,901,891)	(29,233,875)	(29,282,190)	(28,651,863)
4. Operating Expense Net of Depreciation	18,827,227	19,716,111	17,725,201	194,967,172	202,016,871	203,465,342
5. Net Operating Revenue for Debt Service	5,440,603	6,518,307	8,514,475	102,707,078	94,941,698	104,222,776
6. Interest Income (a)	689,916	109,777	366,547	5,494,027	1,204,147	1,354,027
7. Other Income	45,530	0	0	440,453	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
<b>9. AVAILABLE FOR DEBT SERVICE</b>	<b>6,176,049</b>	<b>6,628,084</b>	<b>8,881,022</b>	<b>108,641,558</b>	<b>96,145,845</b>	<b>105,576,803</b>
<b>10. DEBT SERVICE (b)</b>	<b>\$4,682,116</b>	<b>\$4,682,115</b>	<b>\$4,163,392</b>	<b>\$42,326,611</b>	<b>\$42,326,598</b>	<b>\$41,984,941</b>
<b>11. DEBT SERVICE COVERAGE</b>	<b>1.32</b>	<b>1.42</b>	<b>2.13</b>	<b>2.57</b>	<b>2.27</b>	<b>2.51</b>

(a) Excludes Interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.

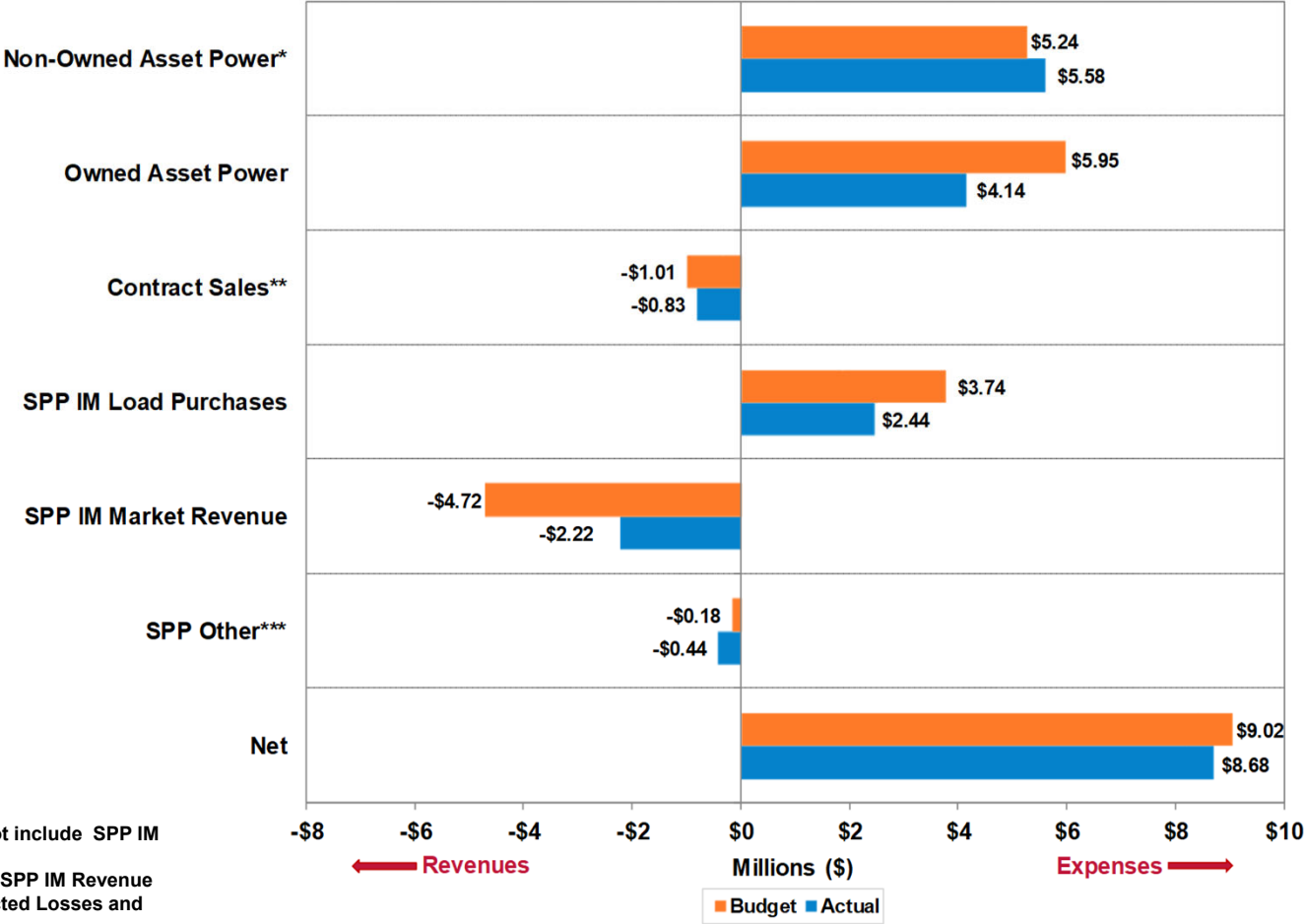
# Power Supply Division 2023 October Monthly Report

November 17, 2023

Jason Fortik  
Vice President, Power Supply

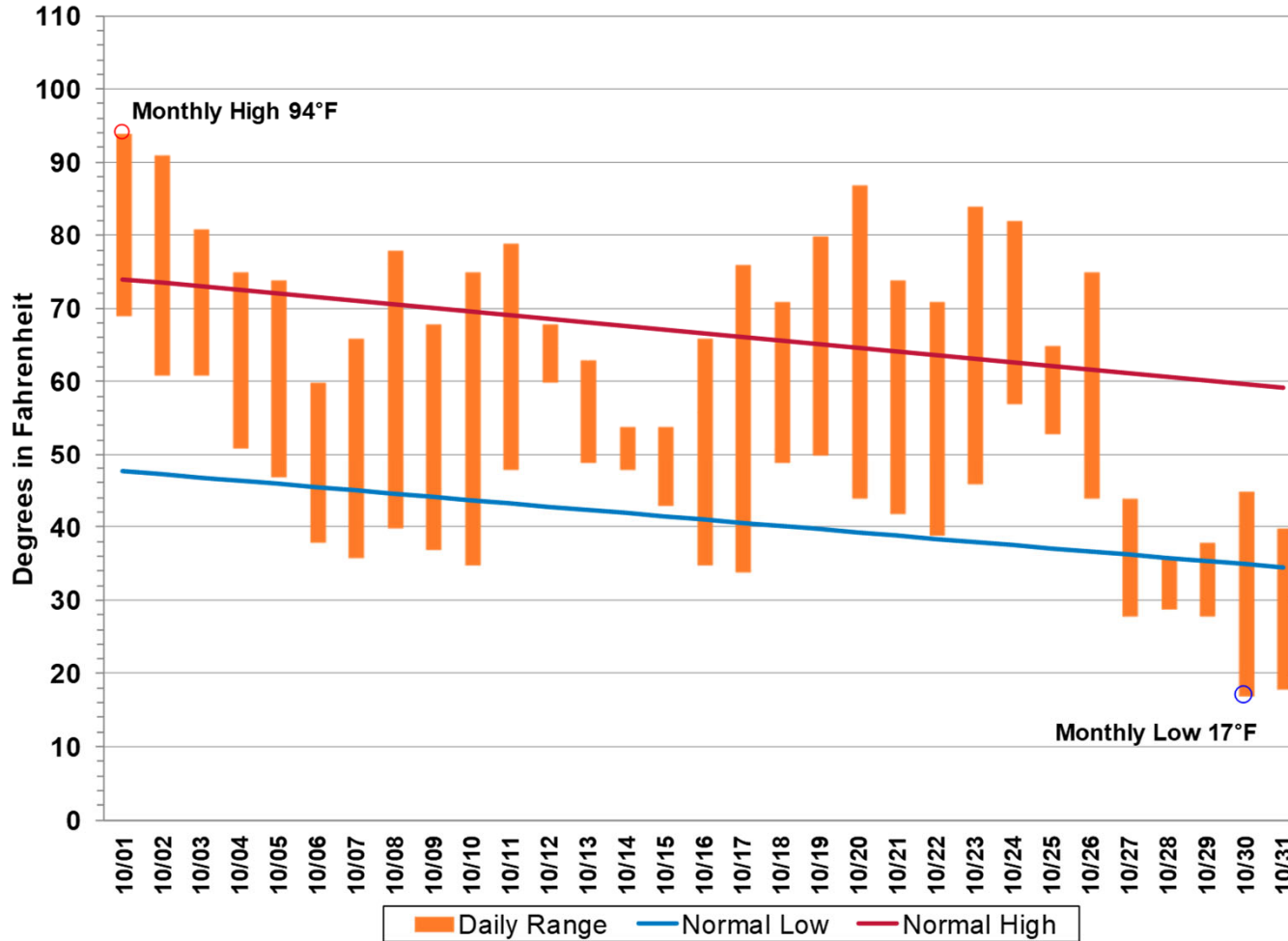


# Monthly Actual vs. Budget

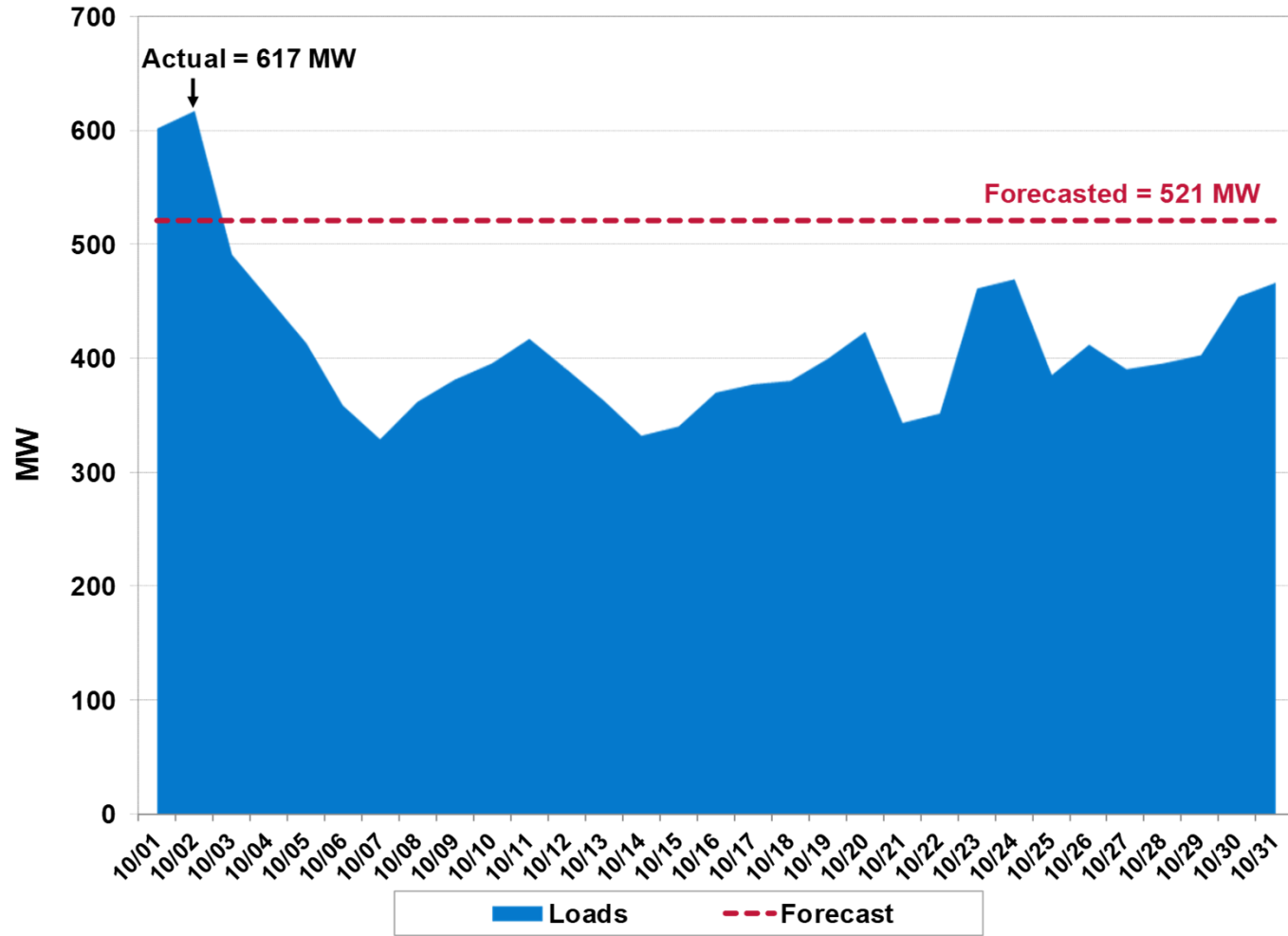


\*Non-Owned Asset Power does not include SPP IM Purchased  
 \*\*Contract Sales does not include SPP IM Revenue  
 \*\*\*SPP Other includes Over-Collected Losses and ARR's/TCR

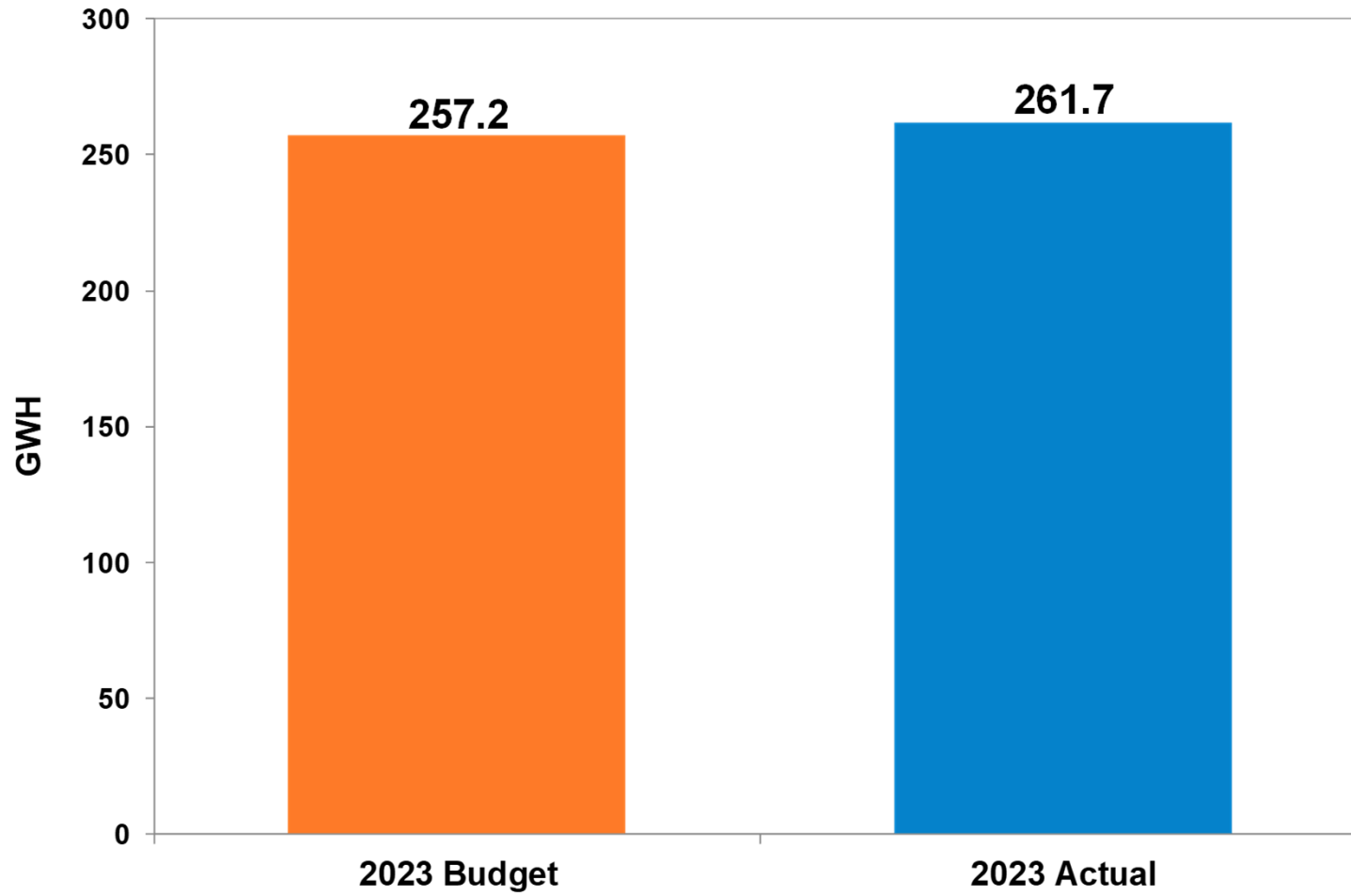
# Daily Temperature Range



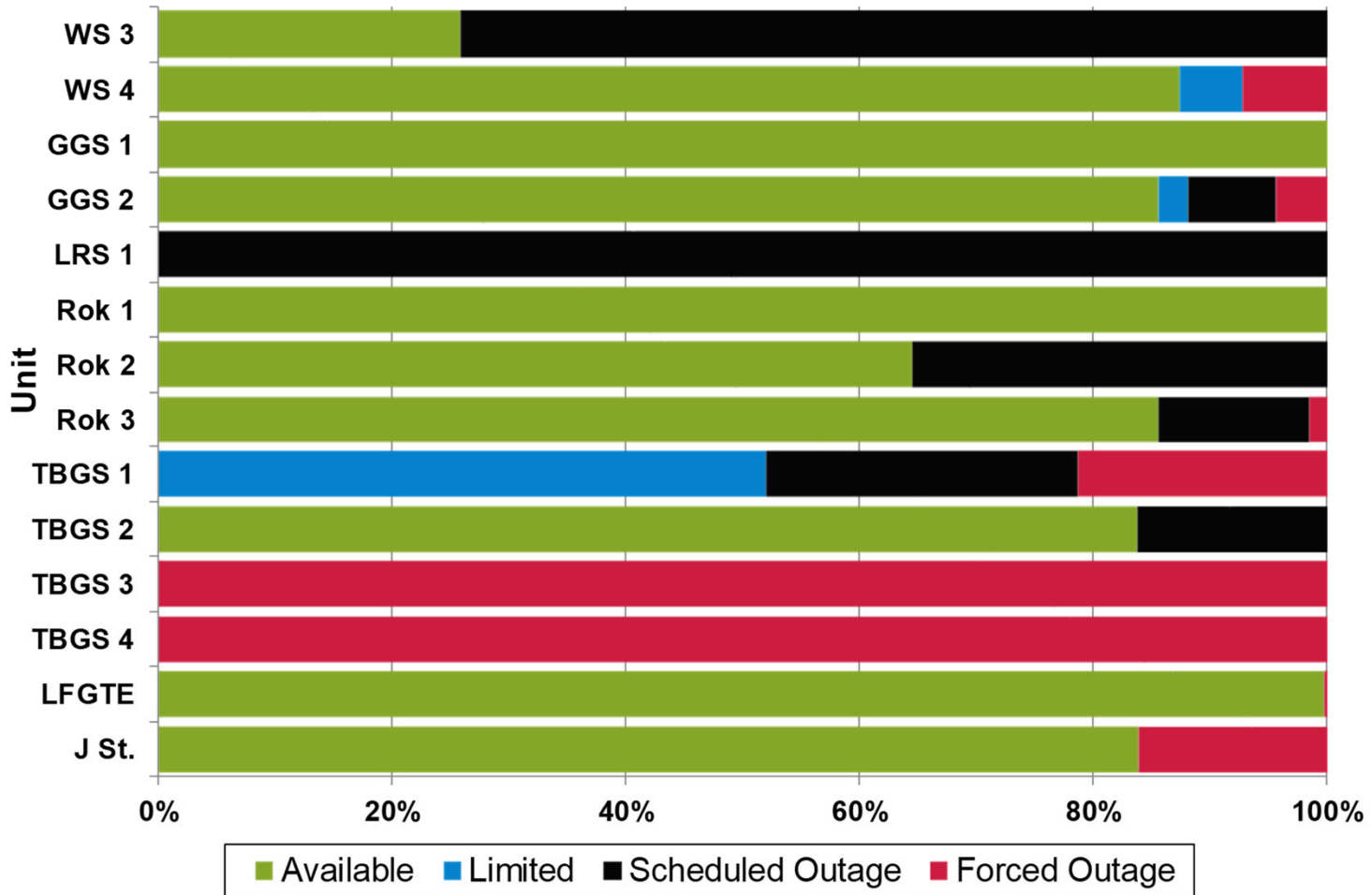
# Loads



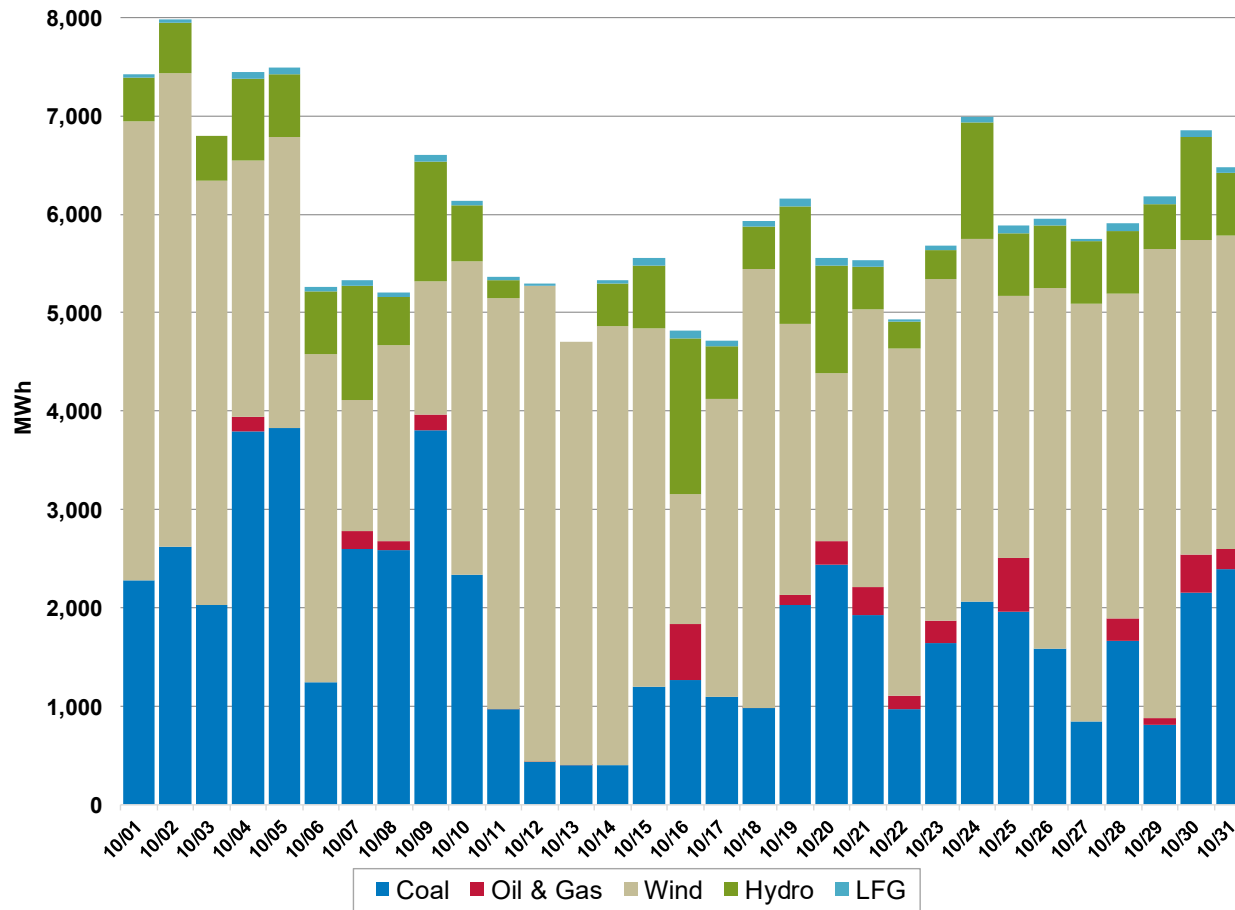
## Customer Energy Consumption



# Unit Equivalent Availability

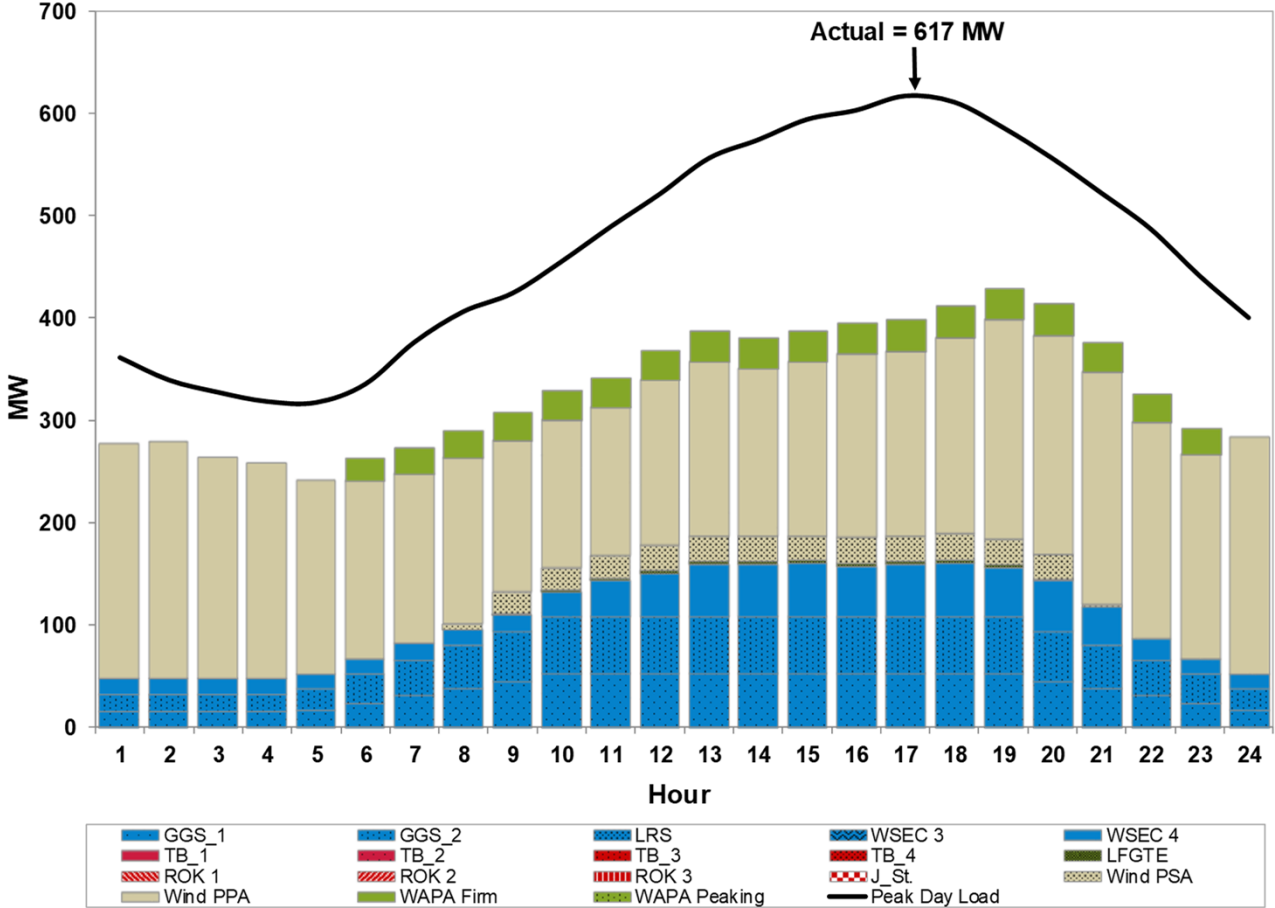


# Resource Energy



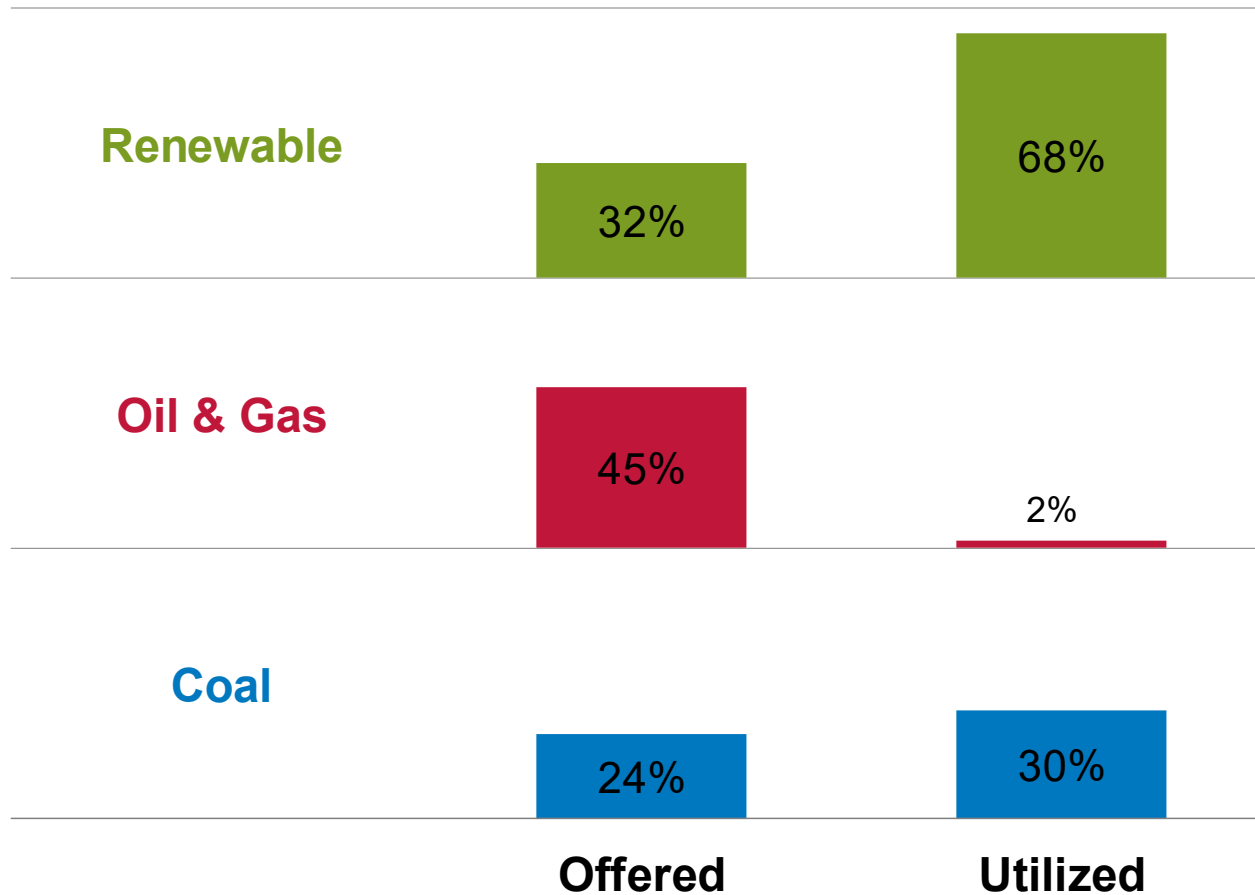
Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient.

# Peak Load Day – October 2, 2023



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

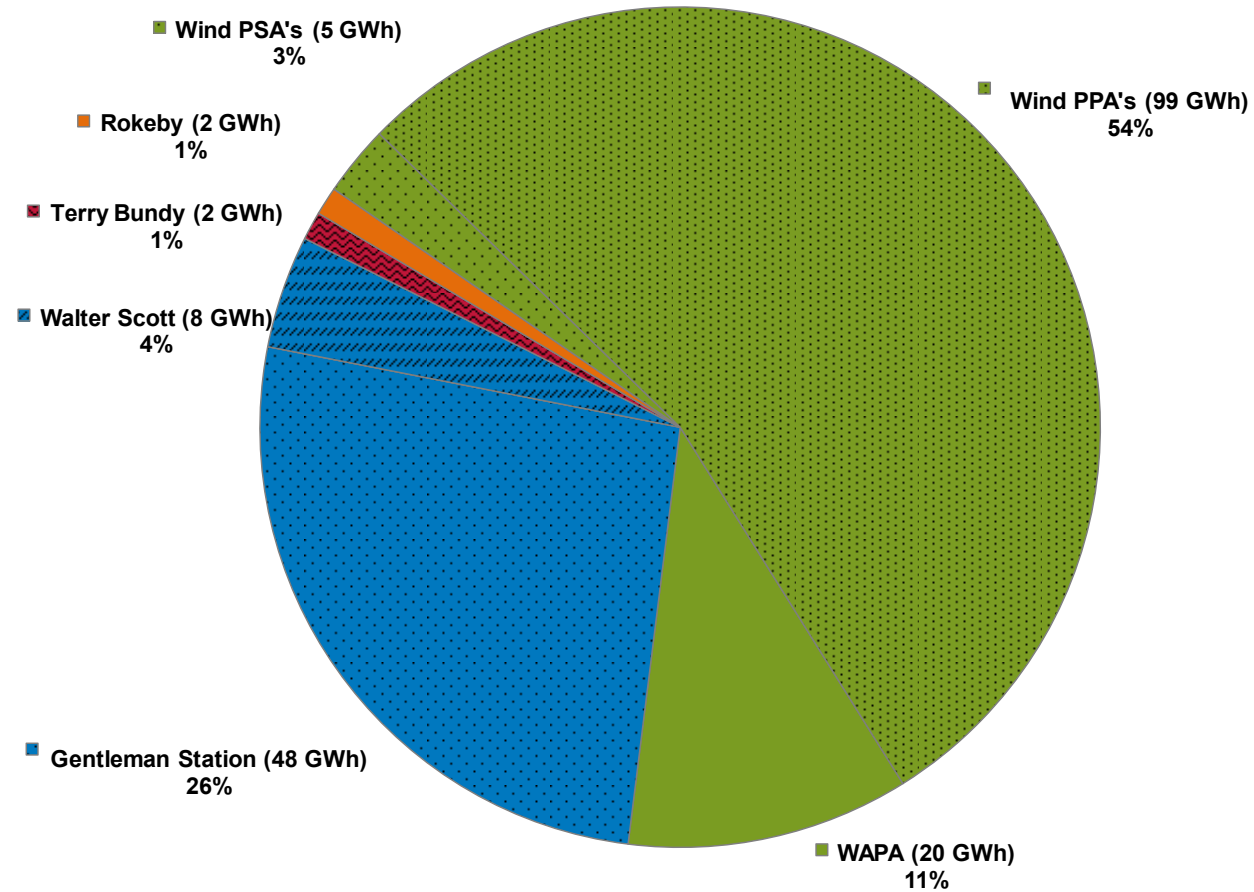
# Energy Offered and Utilized by the SPP Integrated Marketplace (Fuel Type)



Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient. Total percentage may not add up to 100% due to rounding



# Energy Utilized by the SPP Integrated Marketplace



Note: LES is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes are transferred to the REC recipient. Total percentage may not add up to 100% due to rounding