Proposed Rate Schedules, Service Regulations and 2008 Cost Analysis Summary

For Rates Effective March 1, 2008

LES

SUMMARY OF THE 2008 COST ANALYSIS

Introduction

This 2008 Cost Analysis report presents analysis of the Lincoln Electric System's cost of providing service to retail and Supplemental Firm Power (SFP) customers for the budget year of 2008. The Cost Analysis section defines these costs and outlines revenue requirements of the System from operating and financial viewpoints. It describes the methodology used in allocating costs and determines per unit costs for major LES rate classes. The Rate Design section summarizes proposed rates and their impact on system and rate class revenues, and on typical LES customers.

The last LES rate adjustment was 4.5 percent plus an additional 5 percent Customer Charge increase effective February 13, 2006. Additional Customer Service Fees were implemented March 1, 2006. The principal reasons for this adjustment was to increase revenues sufficiently to pay for higher fuel costs and for higher debt service associated with new generation facilities for future load growth. A 5.5 percent system-wide rate adjustment is proposed for March 1, 2008, and is reflected in this report. The Rates, Forecasting and Load Research Department performed this analysis for use as an internal document to monitor the performance of current rates and to examine changes in cost analysis results and their impact through trial rate design.

Financial Test

A measure of the System's financial position is the debt coverage ratio. A stable financial position is represented by a coverage above 1.6. The coverage test for the 2008 budget year on page II-2 shows a coverage of 1.90. The 2007 Report to Rating Agencies estimates an average coverage of 1.88 for the six-year time frame of 2006 through 2011, including a 5.0 percent rate increase.

Cost Analysis

The Cost Analysis section of this report includes details for:

1) Energy and customer projections,
2) Revenue requirement for the total System,
3) Capacity, energy, facilities, and customer allocation factors, and
4) Allocation of revenue among customer classes.

Allocations for the major classes of service are as follows:

Rate Class	Responsibility of Allocated Cost
Residential	41%
General Service	14%
General Service-Demand	11%
Large Light and Power + SFP	24%
Large Power Contract	7%
Heating Service	2%
Street Lighting	1%

Adjustments to refine the allocation of costs are made at various stages as outlined in the development of individual rate class' cost components. Key cost allocation statistics for the major classes are shown by the graphs on page I-6. Note that LES is a summer peaking utility primarily because of air conditioning load. Residential air conditioning drives the residential class average summer demand 78 percent greater than the average winter demand; whereas the average summer demand for all the other classes is 26 percent greater than their average winter demands. Seasonal rates continue to send the proper price signal to all customers about these cost differences.

Rate Design

This year's revenues under current LES rates range between 87 and 100 percent of allocated costs for the major classes, excluding Lighting. The Lighting rate group is not considered a major rate class since Security Lighting is add-ons to other billed services and Street and Traffic Lighting are available only to government agencies under special provisions. Proposed rates incorporate a retail system 5.5 percent increase to bring revenue up to allocated costs. Under proposed rates, revenues range between 91.9 and 104.9 percent of allocated costs. The table on page II-4 of the Rate Design section summarizes revenue performance compared with allocated costs.

Methodology Notes

Following are summaries of methodologies or approaches to certain aspects within this Cost Analysis report, particularly noting recent changes or additions.

Rate Structure

LES' electric rates are unbundled, to a degree. Costs are grouped into four rate components to aid in rate design. The four components are: customer costs, facilities costs, energy costs and capacity costs. For some rate classes two or three components may be combined, or bundled, to keep the rates simple. Should deregulation come to Nebraska, knowing the four cost components will allow full unbundling. The customer component includes accounting, billing, meter reading and

Energy Services Team customer related costs for each rate class. The energy component is basically the fuel cost to generate electric energy. The facilities component includes the costs of distribution lines and substations, transformers, meters and service lines to customers. Facilities costs are allocated to rate classes by the 4NCP method, replacing the previously used 12NCP method. The capacity component includes the rest of the fixed costs such as power plants, power contracts and the transmission system. Debt service, administration and general expenses, in lieu of tax and interest income are also allocated to the four cost components.

Supplemental Firm Power Load

Class II WAPA customers, including their Supplemental Firm Power (SFP) load, are claimed by LES as Internal Wholesales. For the Cost Analysis, these customers' LES-supplied SFP load is included with LLP customers, designated the "LLP plus SFP" class, in allocation factor calculations.

Revenue Requirements

As noted above, Supplemental Firm Power (SFP) is reported as internal wholesales instead of as retail. In the Revenue Requirements table, SFP revenue is identified separately and is included in "Total Retail Requirements plus SFP" to be allocated to LES rate classes. "Total System Requirements" are then determined by including "WAPA Wholesales, Wheeling, Rents and Other Revenues."

35 kV Lines and Substations are included in Distribution Facilities requirements. A portion of 35 kV costs is allocated directly to 35 kV customers, based on these customers' contributions to the peak load flow on the 35 kV system. Remaining 35 kV facilities requirements are allocated to all retail classes.

Capacity Costs

Capacity costs are allocated by the 4CP/12CP (coincidental peak) method. This methodology gives recognition to peak and annual use of capacity. Peaking costs are allocated using the four summer month (4CP) allocators. The remaining capacity costs, representing year-round costs, are allocated using the twelve-month (12CP) allocators. Total peaking costs, allocated by the 4CP allocator, will be limited to no more than the cost associated with the difference between the summer and winter peaks. In 2008, the adjustment factor is 65 percent, so this portion of peaking costs is allocated using the 4CP allocators.

Capacity allocation factors include a separate allocation for the cogeneration backup load, allowing a portion of capacity costs to be allocated to the cogeneration customers. This backup portion is subtracted from the LLP class, creating a more homogeneous LLP class and developing a cleaner per unit cost for the typical class customer.

Capacity Cost Transfer

A portion of capacity costs for the GSD, LLP and LPC classes (rate classes with demand charges) are allocated to the energy component of their class, based on the philosophy that certain operating costs are viewed as energy related when they vary with the output of power. The amount transferred is based on an allocation technique using LES' share of the total operation and maintenance cost to the System. In 2008, the allocation factor transfers 10 percent of capacity costs to the energy component.

Seasonal Allocators

Seasonal allocation percentages are derived and applied to capacity costs, dividing total capacity costs between the summer and winter periods. Seasonal allocation percentages are based on three-year averages of Lincoln Demands for the summer and winter seasons.

These factors are applied to different rate classes to calculate seasonal per unit costs.

Debt Service Allocation

Debt service and construction revenues are allocated based on the Utility Plant In Service/Construction Work In Progress. The past distinction between Power Supply bonds and distribution bonds is no longer necessary. In the 2001 Cost Analysis, this new method was modified by fixing Production Plant at 1.0 times Debt Service allocated by UPIS/CWIP, with the exception of the Wind Turbines, which are fixed at 1.1 coverage and Lighting at 1.3 coverage. In the 2004 Cost Analysis, Production Plant coverage was changed to 1.75. For the 2005 Cost Analysis, to provide stabilization for the Transmission Rate, Transmission was fixed at 1.6 coverage and Production coverage was allowed to float. The 2008 Cost Analysis kept coverage at these levels. Remaining coverage is distributed only to Production and Distribution Plant and settled at 1.77.

Large Power Contract Rate

The Large Power Contract (LPC) rate is generally available to accounts with loads larger than 4,000 kW and was introduced to retain and attract customers and to enhance economic development within the Lincoln area. The LPC class of service was separated from the LLP costs in the 2006 analysis. These high load factor accounts have energy costs typically 3 percent lower than the LLP cost, while the Demand costs are around 4 percent lower and the facility costs are around 17 percent lower.

Festoon Outlet Rider

A Festoon Outlet Rider to the Security Lighting Rate provides for photocell controlled or continuous service for outlets mounted on LES-owned streetlight poles.

Renewable Energy Rider

A cogeneration and small power production purchase program of up to 100 kW was adopted in 2007. This allows owners of qualifying facilities to sell unused electrical output back to LES. The Renewable Energy Rider, a voluntary program to support two wind turbines north of Lincoln, is being discontinued.

Demand-Side Management

One recommendation of the load factor program study was to improve the overall System load factor by selling more energy during low load periods, and by managing peak loads. Proposed rates, with seasonal differences and provisions for off-peak heating loads, promote valley filling and peak-load reductions. The Energy Solutions and Savings program (1982-2004) helped achieve a more optimum balance between summer and winter demands. The program was so successful, cash incentives are no longer necessary.

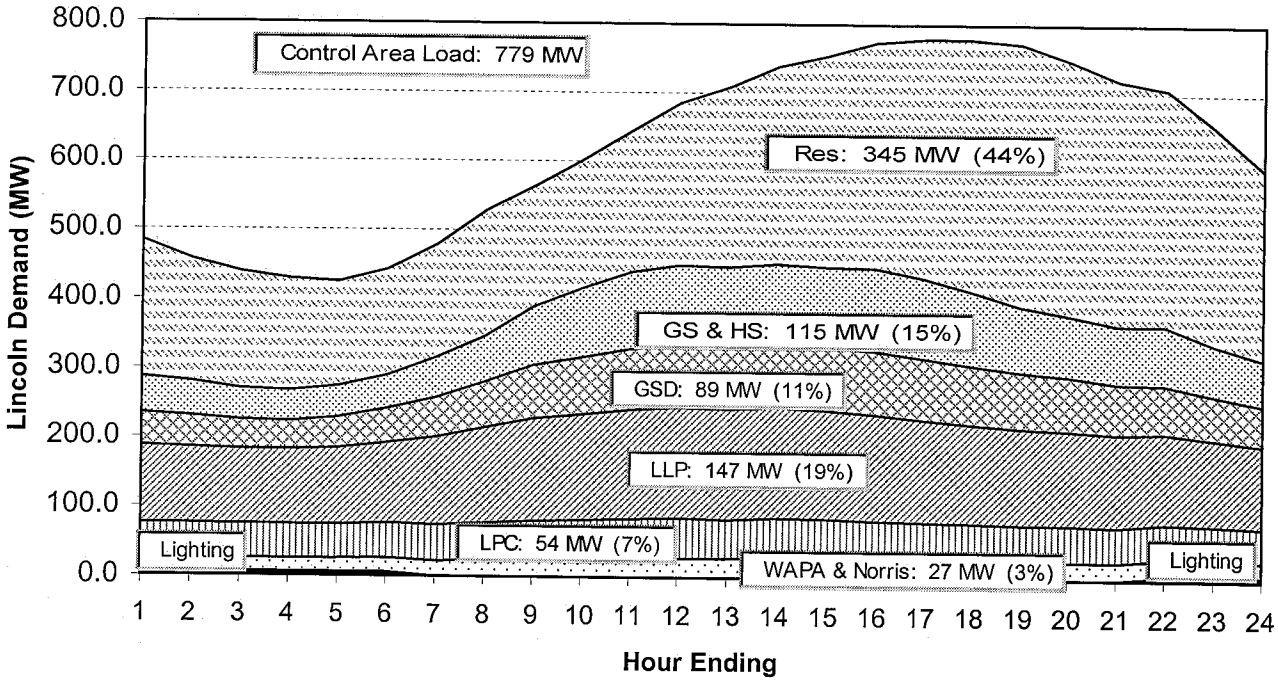
LES staff has developed a variety of rate options. Interruptible (GSD and LLP), Curtailable (LLP and LPC), and Power Purchase Program Curtailable contracts are available, which allow for rate credits when the customer interrupts or curtails load at the System's request. Also available is the increasingly utilized LLP Off-Peak Daily rate. This is a time-of-use (TOU) rate option with reduced demand charges during off-peak hours.

The Rates Department staff will continue to study alternative rate structure forms consistent with cost-of-service parameters, address the needs of our customers and design charges for new products and services consistent with long-range objectives. Products such as off-site meter reading and loop field services for ground-coupled heat pumps continue to be offered. A sustainable energy program is proposed for 2008, which will accelerate development of demand-side management and promote renewable energy.

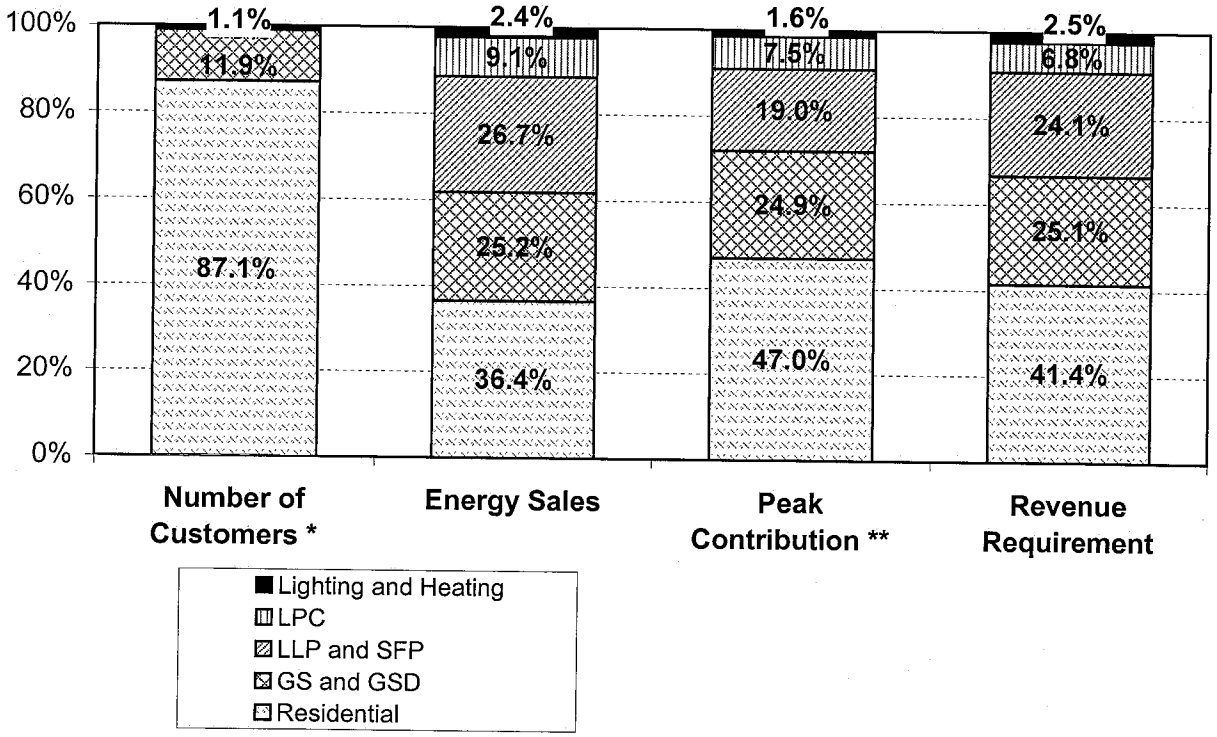
RATE CLASS CONTRIBUTION

Lincoln Demand

Wednesday, July 19, 2006



Key Statistics by Rate Class



* LLP, SFP, LPC, Lighting and Heating combined for Number of Customers

** Contribution to Lincoln Demand peak hour based on 2005 Load Survey data

RATE DESIGN
2008

2008 Rate Adjustment

A rate increase of 5.5 percent is included in the revenue requirements for this cost analysis. The 2008 Cost Analysis defines a total increase in revenue requirements of $11.1 million.

The components of this increase are:

Power Costs, O & M, A & G since 2006	3.0%
Adverse STB decision on rail rates	1.0%
Rebuild Rate Stabilization Fund	1.0%
Sustainable Energy Programs	0.5%
Total	5.5%

Financial Statements

Prefacing rate design detail, a debt coverage test to determine overall system financial stability by measuring the times debt service is covered is prepared. The debt coverage test based on the 2008 budget gives a coverage of 1.90. The average debt coverage estimate in the April 2007 financial planning model covering the years 2006 through 2011, including the 2006 and 2008 rate adjustments, is 1.88. These debt coverage ratios are within the range necessary to maintain LES' favorable bond ratings.

2008 BUDGET PROJECTION
DEBT COVERAGE TEST

Revenues	
Retail Revenues (Including Unbilled)	$211,211,000
Wholesale Sales	$31,215,594
Wheeling / Street and Traffic Light Investment / Other	$3,132,399
Total	$245,558,993
Operating Expenses (Excluding Depreciation)	
Operations	$9,184,727
Purchased Power Cost	$61,449,347
Production Power Cost	$60,236,443
Maintenance	$5,166,409
Administrative & General	$26,279,803
Total	$162,316,729
Net Operating Revenues	$83,242,264
Interest Income and Other Income	$4,968,330
Rate Stabilization Fund Use	($2,000,000)
Available for Debt Service	$86,210,594
Debt Service	$45,445,369
Times Covered before Payment of In Lieu of Tax	1.90
Payment of In Lieu of Tax	$10,200,000
Available for Debt Service and Construction	$76,010,594

Notes: 2008 Budget Retail Revenue Projections total $210,974,495. Retail revenues listed above of $211,211,000 include an adjustment for unbilled revenue for 2008 of $236,505.

Wholesales, Wheeling / Street and Traffic Lighting Investment / Other, Operating Expenses, Interest Income and Other Income and Debt Service are from the 2008 Budget.

In Lieu of Tax is calculated as approximately 4.83% of total retail revenue from the 2008 BUDGET PROJECTION (5% adjusted by the inside/outside county revenue factor).

2008 Test Year Revenues

The following table summarizes the impact of 2008 proposed rates on each major customer class and on the system overall through comparisons of test year revenues under current and proposed rates, and comparisons of revenue to allocated cost ratios. Monthly revenue detail per rate code is shown on pages II-5 and II-6.

Proposed rates are developed under the following general guidelines:

1) 2008 rates based on a pro forma 5.5 percent overall Retail System rate increase.

2) Proposed rates of a 5.5 percent increase recover 100 percent of total allocated costs. Ratios of projected revenue to allocated costs for major classes fall within the range of 100 percent ± 5.0 percent.

3) Revenue changes for major classes fall within the range of 5.5 percent ± 0.5 percent.

4) For major rate classes, changes in seasonally weighted annual averages for typical bills fall within the range of 5.5 percent ± 5.5 percent.

The Lighting rate group is not considered a major rate class since Security Lighting charges are add-ons to other billed services and Street and Traffic Lighting are available only to government agencies under special provisions. Therefore, the above guidelines do not strictly apply when setting rates. The proposed rates in this analysis indicate the adjustment needed to bring this class closer to cost of service.

Comparison of Test Year Revenues Under Current and Proposed Rates As Applied to Projections

2008 TRIAL RATES PROJECTED REVENUE WITH 5.5% ADJUSTMENT ON MARCH 1, 2008

	Revenue Without Rate Change	12 Month Revenue With Rate Change	Revenue Change (%)	10 Month Revenue With Rate Change	Allocated Costs	% of Proposed Revenue to Allocated Costs
Residential	$88,180,272	$93,164,019	5.7%	$92,357,564	$88,062,912	104.9%
General Service						
Small General Service	$27,171,327	$28,704,411	5.6%	$28,666,694	$29,014,505	98.8%
Heating Service	$2,993,769	$3,211,821	7.3%	$3,162,699	$3,442,001	91.9%
General Service-Demand	$24,069,075	$25,426,426	5.6%	$25,222,784	$24,337,146	103.6%
Total General Service	$54,234,171	$57,342,657	5.7%	$57,052,176	$56,793,652	100.5%
LLP and LPC						
Large Light and Power	$44,135,011	$46,400,335	5.1%	$46,097,370	$47,700,981	96.6%
Large Power Contract	$13,154,388	$13,776,231	4.7%	$13,688,526	$14,413,674	95.0%
Total LLP & LPC	$57,289,399	$60,176,567	5.0%	$59,785,896	$62,114,655	96.3%
Lighting						
Security Lighting	$179,694	$195,015	8.5%	$192,461	$189,472	101.6%
Traffic Lighting	$63,760	$73,673	15.5%	$71,898	$86,715	82.9%
Street & Highway Lighting	$1,529,347	$1,605,548	5.0%	$1,592,889	$1,558,690	102.2%
Total Lighting	$1,772,802	$1,874,236	5.7%	$1,857,247	$1,834,877	101.2%
Total Retail System	**$201,476,643**	**$212,557,478**	**5.50%**	**$211,052,883**	**$208,806,095**	**101.1%**
WAPA Wholesales, SFP, Rents, Wheeling, Other Revenues	**$34,172,924**	**$34,768,910**	**1.7%**	**$34,380,483**	**$34,349,635**	**100.1%**
Total System	**$235,649,567**	**$247,326,389**	**5.0%**	**$245,433,366**	**$243,155,730**	**100.9%**

Notes: Allocated Costs are 2008 Revenue Requirements which include a 5.5% rate adjustment for 10 months.

Allocated costs per class include the adjustments for 35 kV facilities related revenue requirements developed on p III-30. Requirements directly assigned to 35 kV customers are included in the LLP class allocations.

Costs allocated to SFP customers based on test year 2008 ($3,481,519) included with the LLP plus SFP class in the Cost Analysis section) are separated from the Large Light and Power class in this table and are included with non-retail WAPA Wholesales, Wheeling, SFP, Rents and Other Revenues.

12 Month Revenue With Rate Change includes a 5.5% rate adjustment for a full 12 month period.

10 Month Revenue With Rate Change includes $2,000,000 revenue that will be transferred to the Rate Stabilization Fund. Without the $2,000,000, Retail Revenue is $208,806,095, which is $246,787 (0.12%) above Retail Allocated Costs.

The difference between "10 Month Revenue With Rate Change" and "Allocated Costs" is a result of the following:

1) *Adjustments within Revenue Requirements to include the Displaced Power Costs Credit of -$111,125 for the Renewable Energy Program (see page III-25), based on 2008 test year.*
2) *Proposed Rate Stabilization Fund use of $2,000,000. This addistion to the Rate Stabilization Fund is part of the rate proposal and is included in the 12-month and 10-month Revenue With Rate Change. However, these rate stabilization funds are held in a restricted fund not used in the 2008 Budget and therefore not part of Allocated Costs.*
3) *A small rounding difference.*
4) *A small change to trial rates of $135,709*

Lincoln Electric System
Projected Revenue by Rate Code under Current Rates ($1,000s)
2008 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Residential													
Residential 01	$5,262.5	$4,714.8	$4,468.3	$4,030.2	$3,927.5	$7,378.2	$10,462.9	$11,683.7	$10,132.3	$4,737.5	$4,099.1	$4,895.6	$75,792.6
Residential 03	$1,192.5	$1,173.4	$1,040.6	$832.0	$672.2	$1,050.5	$1,282.2	$1,445.9	$1,317.4	$709.6	$710.4	$961.0	$12,387.7
Total Residential	$6,455.0	$5,888.2	$5,508.9	$4,862.2	$4,599.7	$8,428.7	$11,745.1	$13,129.6	$11,449.7	$5,447.1	$4,809.5	$5,856.6	$88,180.3
General Service													
General Service 10	$1,987.3	$1,920.1	$1,869.2	$1,770.4	$1,779.1	$2,814.8	$3,063.3	$3,218.3	$3,072.3	$1,955.1	$1,817.6	$1,903.8	$27,171.3
General Service 13	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total GS	$1,987.3	$1,920.1	$1,869.2	$1,770.4	$1,779.1	$2,814.8	$3,063.3	$3,218.3	$3,072.3	$1,955.1	$1,817.6	$1,903.8	$27,171.3
Heating Service													
Heating Service 21	$231.9	$228.5	$212.3	$195.9	$167.8	$347.7	$347.2	$361.5	$362.6	$175.5	$170.8	$192.0	$2,993.8
Total HS	$231.9	$228.5	$212.3	$195.9	$167.8	$347.7	$347.2	$361.5	$362.6	$175.5	$170.8	$192.0	$2,993.8
General Service - Demand													
GSD 11	$1,743.4	$1,704.8	$1,745.7	$1,733.5	$1,783.8	$2,400.0	$2,388.6	$2,576.6	$2,458.7	$1,972.1	$1,714.1	$1,783.5	$24,004.7
GSD 12	$5.5	$6.4	$6.1	$5.4	$4.8	$5.3	$5.2	$5.7	$5.7	$4.6	$4.7	$4.9	$64.4
GSD Interruptible 35	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total GSD	$1,748.9	$1,711.1	$1,751.9	$1,738.9	$1,788.6	$2,405.3	$2,393.8	$2,582.3	$2,464.4	$1,976.7	$1,718.8	$1,788.4	$24,069.1
Large Light and Power													
LLP 15	$2,188.8	$2,238.6	$2,243.5	$2,306.3	$2,406.6	$2,982.7	$3,050.1	$3,303.8	$3,236.7	$2,653.9	$2,344.4	$2,322.5	$31,278.0
LLP 16 (Primary)	$708.4	$714.8	$705.9	$726.5	$748.2	$885.6	$978.2	$1,020.0	$986.5	$802.7	$725.6	$712.2	$9,714.6
LLP 39 (35 kV)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Off Peak Seasonal 17	$9.0	$8.3	$9.4	$7.5	$5.6	$6.0	$6.9	$7.7	$6.6	$5.7	$6.9	$9.1	$88.7
LLP Off Peak Seasonal 19 (Primary)	$13.7	$14.1	$13.5	$11.1	$9.9	$7.0	$7.7	$8.7	$8.3	$11.4	$15.8	$14.2	$135.5
LLP Interruptible 22	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Interruptible 34 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Off Peak Daily 27	$32.9	$33.6	$33.0	$35.6	$34.2	$30.9	$27.6	$28.9	$29.9	$30.9	$30.4	$29.3	$377.1
LLP Off Peak Daily 28 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Backup 31 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Supplemental 32 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Backup 41 (35 kV)	$80.4	$68.7	$79.9	$84.2	$81.4	$89.4	$80.1	$91.5	$69.2	$75.8	$78.1	$77.7	$956.4
Cogeneration Supplemental 42 (35 kV)	$144.8	$132.4	$122.3	$120.7	$129.6	$149.9	$135.3	$140.9	$142.8	$119.6	$123.0	$123.5	$1,584.8
Total LLP	$3,177.9	$3,210.5	$3,207.5	$3,291.9	$3,415.4	$4,151.5	$4,285.9	$4,601.6	$4,480.0	$3,700.0	$3,324.3	$3,288.7	$44,135.0
Large Power Contract													
Large Power Contract 44	$144.7	$162.4	$147.7	$162.7	$183.1	$181.4	$227.6	$280.4	$265.1	$215.2	$173.5	$152.0	$2,295.9
Large Power Contract 45 (Primary)	$734.2	$770.9	$746.5	$849.6	$856.7	$931.8	$1,089.8	$1,149.8	$1,132.1	$1,043.6	$781.2	$772.1	$10,858.5
Large Power Contract 46 (35 kV)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LPC Cogen Supplemental 53 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total LPC	$878.9	$933.4	$894.2	$1,012.4	$1,039.8	$1,113.2	$1,317.4	$1,430.2	$1,397.2	$1,258.9	$954.7	$924.1	$13,154.4
Lighting													
Security Lighting 20	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0	$179.7
Traffic Lighting 24	$5.8	$5.7	$5.6	$5.5	$5.4	$5.3	$5.3	$5.2	$5.1	$5.0	$5.0	$4.9	$63.8
Street Lighting 26	$127.2	$127.0	$127.1	$127.1	$127.3	$127.4	$127.5	$127.5	$127.7	$127.8	$127.8	$128.0	$1,529.3
Total Lighting	$147.9	$147.7	$147.6	$147.6	$147.7	$147.7	$147.7	$147.7	$147.8	$147.8	$147.8	$147.9	$1,772.8
Total Retail Revenue	$14,627.8	$14,039.4	$13,591.7	$13,019.3	$12,938.1	$19,409.0	$23,300.5	$25,471.1	$23,374.0	$14,661.0	$12,943.4	$14,101.5	$201,476.6
Wholesales, Rents and Other													
Street Lighting Investment	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$21.7
Wheeling	$29.5	$29.5	$29.2	$29.2	$35.9	$38.6	$39.0	$39.0	$37.3	$36.3	$29.4	$29.1	$401.8
Pole Attachment	$221.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$221.2
Wholesale Class II - SFP	$245.3	$240.1	$256.7	$285.2	$267.0	$306.8	$352.7	$363.0	$314.8	$274.0	$246.4	$237.9	$3,390.0
Wholesale Class II - WAPA	$196.3	$197.8	$193.9	$189.8	$218.7	$252.0	$249.9	$261.9	$238.4	$214.0	$192.1	$187.9	$2,592.7

Lincoln Electric System
Projected Revenue by Rate Code under Proposed Rates ($1,000s)
2008 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Residential												
Residential 01	$5,590.6	$4,987.4	$4,715.4	$4,232.5	$4,119.7	$7,777.5	$11,028.3	$12,314.9	$10,679.8	$4,990.3	$4,303.9	$5,177.6
Residential 03	$1,296.5	$1,275.2	$1,124.9	$890.5	$714.2	$1,113.6	$1,358.6	$1,531.7	$1,395.7	$753.7	$756.2	$1,035.3
Total Residential	$6,887.1	$6,262.6	$5,840.3	$5,123.0	$4,833.9	$8,891.1	$12,387.0	$13,846.6	$12,075.5	$5,744.0	$5,060.1	$6,212.9
General Service												
General Service 10	$2,006.3	$1,938.9	$1,887.9	$1,788.9	$1,797.7	$3,133.6	$3,411.5	$3,584.9	$3,421.6	$1,974.1	$1,836.3	$1,922.8
General Service 13	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total GS	$2,006.3	$1,938.9	$1,887.9	$1,788.9	$1,797.7	$3,133.6	$3,411.5	$3,584.9	$3,421.6	$1,974.1	$1,836.3	$1,922.8
Heating Service												
Heating Service 21	$256.6	$252.9	$234.9	$216.7	$185.5	$360.1	$359.7	$374.4	$375.6	$194.1	$188.9	$212.4
Total HS	$256.6	$252.9	$234.9	$216.7	$185.5	$360.1	$359.7	$374.4	$375.6	$194.1	$188.9	$212.4
General Service - Demand												
GSD 11	$1,839.7	$1,798.5	$1,842.2	$1,831.7	$1,883.6	$2,535.9	$2,524.7	$2,722.2	$2,598.6	$2,080.4	$1,810.9	$1,881.4
GSD 12	$5.8	$6.6	$6.4	$5.6	$5.1	$5.5	$5.5	$5.9	$6.0	$4.9	$4.9	$5.1
GSD Interruptible 35	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total GSD	$1,845.5	$1,805.1	$1,848.6	$1,837.3	$1,888.6	$2,541.4	$2,530.1	$2,728.1	$2,604.5	$2,085.2	$1,815.9	$1,886.5
Large Light and Power												
LLP 15	$2,292.2	$2,343.0	$2,349.6	$2,416.5	$2,521.2	$3,154.1	$3,225.1	$3,492.7	$3,421.9	$2,777.5	$2,455.6	$2,432.7
LLP 16 (Primary)	$742.6	$749.1	$740.4	$760.8	$784.0	$939.7	$1,037.8	$1,082.2	$1,046.7	$840.8	$760.1	$746.0
LLP 39 (35 kV)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Off Peak Seasonal 17	$9.3	$8.6	$9.8	$7.9	$5.9	$6.3	$7.3	$8.2	$7.0	$6.0	$7.2	$9.5
LLP Off Peak Seasonal 19 (Primary)	$14.3	$14.7	$14.2	$11.7	$10.4	$7.5	$8.2	$9.3	$8.8	$12.1	$16.6	$14.9
LLP Interruptible 22	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Interruptible 34 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LLP Off Peak Daily 27	$34.4	$35.2	$34.5	$37.2	$35.7	$32.6	$28.9	$30.3	$31.2	$31.9	$31.4	$30.3
LLP Off Peak Daily 28 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Backup 31 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Supplemental 32 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Cogeneration Backup 41 (35 kV)	$84.7	$72.1	$84.4	$89.1	$86.2	$94.7	$84.5	$96.8	$72.1	$80.1	$82.5	$82.2
Cogeneration Supplemental 42 (35 kV)	$150.4	$137.5	$127.0	$125.5	$134.5	$158.0	$142.7	$148.8	$150.6	$124.3	$127.8	$128.3
Total LPC	$3,327.9	$3,360.2	$3,359.8	$3,448.5	$3,577.9	$4,392.9	$4,534.5	$4,868.2	$4,738.4	$3,872.6	$3,481.2	$3,443.9
Large Power Contract												
Large Power Contract 44	$152.6	$171.3	$155.7	$171.6	$193.1	$191.3	$239.2	$294.6	$278.6	$226.2	$183.0	$160.3
Large Power Contract 45 (Primary)	$768.8	$807.3	$781.6	$889.8	$897.1	$975.8	$1,138.3	$1,201.0	$1,182.5	$1,090.1	$818.0	$808.5
Large Power Contract 46 (35 kV)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
LPC Cogeneration Supplemental 53 (Primary)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total LPC	$921.4	$978.6	$937.3	$1,061.4	$1,090.2	$1,167.1	$1,377.5	$1,495.6	$1,461.2	$1,316.3	$1,000.9	$968.8
Lighting												
Security Lighting 20	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3	$16.3
Traffic Lighting 24	$6.6	$6.6	$6.5	$6.4	$6.3	$6.2	$6.1	$6.0	$5.9	$5.8	$5.7	$5.7
Street Lighting 26	$133.5	$133.3	$133.4	$133.5	$133.6	$133.7	$133.8	$133.9	$134.0	$134.1	$134.2	$134.4
Total Lighting	$156.4	$156.1	$156.1	$156.1	$156.1	$156.2	$156.2	$156.2	$156.2	$156.2	$156.2	$156.3
Total Retail Revenue	$15,401.2	$14,754.5	$14,265.0	$13,631.9	$13,529.9	$20,642.3	$24,756.4	$27,054.0	$24,832.9	$15,342.5	$13,539.5	$14,803.6
Wholesales, Rents and Other												
Street Lighting Investment	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8
Wheeling	$31.3	$31.3	$31.1	$31.0	$38.2	$41.0	$41.5	$41.5	$39.6	$38.6	$31.3	$30.9
Pole Attachment	$234.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Wholesale Class II - SFP	$256.3	$251.1	$268.1	$297.7	$278.8	$322.8	$371.1	$381.8	$331.3	$285.5	$257.1	$248.4
Wholesale Class II - WAPA	$196.3	$197.8	$193.9	$189.8	$218.7	$252.0	$249.9	$261.9	$238.4	$214.0	$192.1	$187.9

2008 Trial Rate Design Overview

The LES electric rate development is guided by federal and state requirements, local public input, internal analysis and industry standards. Many of the parameters for rate development come from: 1) Public Utilities Regulatory Policies Act (1978, 1992, and 2005); 2) Federal Energy Regulatory Commission's Order 888a regarding Open Access Transmission Tariffs; 3) the Lincoln Cooperative Integrated Resource Planning Report submitted to WAPA; 4) Alternate Rate Structure Study (1976); 5) the LES Load Factor Improvement Program (1981); and 6) annual load research studies and Cost of Service studies.

The design of LES electric rates is based upon the following concepts:

a) The fully distributed embedded cost of service approach to rate making is employed. Cost elements are developed in the Cost Analysis section of this report. Some marginal cost elements are also developed.

b) Trial rate design is based on separating customer related, distribution facilities related, capacity related (separated into Power Supply and Transmission), and energy related costs for the System.

c) Seasonal rates are employed in the Residential and General Service sectors to reflect seasonal cost differentials primarily caused by high saturation of air conditioning usage. Seasonal rates exist in the Heating Service class to properly reflect the cost of electric heat to customers.

d) Four-part rate design (demand/energy/customer/facilities) is utilized for the General Service-Demand, the Large Light and Power, and the Large Power Contract classes. The demand rate includes a seasonal ratchet clause. A seasonal energy charge reflects differences in fuel related costs by season. The facilities charge recovers distribution facilities costs from the meter up to the 12 kV and the 35 kV voltage levels at the substation.

e) With the exception of traffic lighting, which is on continually including peak hours, Lighting Service rates are developed with consideration of the off-peak nature of the load. Where possible, the energy, facilities, maintenance, and investment charges are separated to reflect costs incurred.

Residential Rate Design

Demonstrated in the Cost Analysis section, the procedure used to develop residential costs is to separate costs incurred in each seasonal period. Summer costs are significantly higher than winter costs. This differential is attributed to increased capacity costs in the summer season caused by high air conditioning loads and higher energy costs. The 2004 Residential Customer Demographic Survey indicates 98 percent of residential customers have air conditioning, while 30 percent have electric space heating. Thus, a summer/winter rate differential is deemed appropriate.

The facilities charge is to recover the cost of distribution facilities used to serve the customer. The current facilities rate is 100 percent of cost of service. Under a retail wheeling scenario, all distribution and transmission facilities costs need to be recovered.

The summer/winter demand and energy cost differential for the Residential class in 2008 is 2.94 cents per kWh. Current residential energy rates represent this seasonal cost differential with a seasonal difference of 2.66 cents per kWh. Proposed rates bring the difference to 2.89 cents per kWh.

The winter energy rate consists of two energy blocks. The first block is from 0 to 900 kWh per month. The second block (above 900 kWh) is designed to accommodate Residential Heating (Rate Code 03) customers with a lower rate. Rather than having a separate rate class for Residential Heating customers, LES uses, as do many other utilities, this lower cost block approach for heating consumption. The second block for heating also remains consistent with the System's desire to improve its annual load factor by encouraging cost efficient electric heating. A review of base load and water heater energy consumption indicates that 900 kWh remains a realistic point when space heating consumption begins for most customers.

The Residential rider for controlled electric water heaters is proposed to be eliminated with the 2008 rate adjustment.

The current Residential rate also includes a summer conservation credit for small users. A recent review of this credit indicates the credit is benefiting air conditioning customers as well as non air conditioning customers, and customers whose load is significant at the time of our System peak. The credit will be maintained until a replacement conservation program is enacted.

Under proposed rates, Residential class revenues increase 5.7 percent, and the ratio of revenue to allocated costs is 104.9 percent.

Detailed Rate Design and Effect on Revenue
Residential Rates 01 and 03

Rate Components and Revenue

	Current		Proposed		Percent Change	
Customer Charge ($/Bill)	$4.25		$4.25		0.0%	
Facilities Charge ($/Bill)	$3.55		$3.95		11.3%	
Customer & Facilities Charge ($/Bill)	$7.80		$8.20		5.1%	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
0-900 kWh (¢/kWh)	8.16¢	5.50¢	8.60¢	5.71¢	5.4%	3.8%
Above 900 kWh (¢kWh)	8.16¢	3.65¢	8.60¢	4.19¢	5.4%	14.8%
Summer Conservation Credit:						
0-300 kWh (less than 10 kWh / day)	$1.50		$1.50		0.0%	
Electric Water Heater Credit:						
400-900 kWh (¢/kWh)	0.75¢		0.00¢		-100.0%	
Maximum Credit	$3.75		$0.00		-100.0%	
Projected Revenue	$88,180,272		$93,164,019		5.7%	

Typical Residential Bill Comparisons

		Summer			Winter			Weighted Average (4/8 Season)			
Typical kWh/Yr.	Avg. kWh/Mo.	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
3,000	250	$26.70	$28.20	5.6%	$21.55	$22.48	4.3%	$23.27	$24.38	4.8%	$1.12
6,000	500	$48.60	$51.20	5.3%	$35.30	$36.75	4.1%	$39.73	$41.57	4.6%	$1.83
9,000	750	$69.00	$72.70	5.4%	$49.05	$51.03	4.0%	$55.70	$58.25	4.6%	$2.55
12,000	1,000	$89.40	$94.20	5.4%	$60.95	$63.78	4.6%	$70.43	$73.92	5.0%	$3.49
14,400	1,200	$105.72	$111.40	5.4%	$68.25	$72.16	5.7%	$80.74	$85.24	5.6%	$4.50
18,000	1,500	$130.20	$137.20	5.4%	$79.20	$84.73	7.0%	$96.20	$102.22	6.3%	$6.02
36,000	3,000	$252.60	$266.20	5.4%	$133.95	$147.58	10.2%	$173.50	$187.12	7.9%	$13.62
With Electric Water Heater											
6,000	500	$47.85	$51.20	7.0%	$34.55	$36.75	6.4%	$38.98	$41.57	6.6%	$2.58
12,000	1,000	$85.65	$94.20	10.0%	$57.20	$63.78	11.5%	$66.68	$73.92	10.9%	$7.24
14,400	1,200	$101.97	$111.40	9.2%	$64.50	$72.16	11.9%	$76.99	$85.24	10.7%	$8.25
18,000	1,500	$126.45	$137.20	8.5%	$75.45	$84.73	12.3%	$92.45	$102.22	10.6%	$9.77
36,000	3,000	$248.85	$266.20	7.0%	$130.20	$147.58	13.3%	$169.75	$187.12	10.2%	$17.37

General Service Rate Design

The General Service class (Rate Codes 10 and 13) is a composite of various types of customers with energy use ranging from small consumption levels up to 25,000 kWh per month, and including single-phase and three-phase services served at both secondary and primary voltage levels. Due to this diversity, single-phase and three-phase costs are developed for the facilities charge. Proposed facilities charges increase to continue the transition toward cost of service (COS).

The General Service rate is also based on a summer/winter energy cost differential. The seasonal cost differential is 3.88 cents per kWh in 2008. Current rates have a differential of 2.67 cents per kWh, while proposed rates increase the differential to 3.54 cents per kWh.

Under proposed rates, the General Service Class recovers 98.8 percent of allocated costs with a 5.6 percent rate increase.

Detailed Rate Design and Effect on Revenue
General Service Secondary Metered Rate 10

Rate Components and Revenue

	Current (Secondary)		Proposed (Secondary)		Percent Change	
Single Phase						
Customer Charge ($/Bill)	$4.20		$4.20		0.0%	
Facilities Charge ($/Bill)	$6.55		$7.30		11.5%	
Customer & Facilities Charge ($/Bill)	$10.75		$11.50		7.0%	
Three Phase						
Customer Charge ($/Bill)	$4.20		$4.20		0.0%	
Facilities Charge ($/Bill)	$27.60		$29.30		6.2%	
Customer & Facilities Charge ($/Bill)	$31.80		$33.50		5.3%	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	7.42¢	4.75¢	8.30¢	4.76¢	11.9%	0.2%
Projected Revenue	$27,171,327		$28,704,411		5.6%	

Typical General Service (Secondary) Bill Comparisons

		Summer			Winter			Weighted Average (4/8 Season)			
Typical kWh/Yr.	Average kWh/Mo.	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
Single Phase											
3,000	250	$29.30	$32.25	10.1%	$22.63	$23.40	3.4%	$24.85	$26.35	6.0%	$1.50
9,000	750	$66.40	$73.75	11.1%	$46.38	$47.20	1.8%	$53.05	$56.05	5.7%	$3.00
12,000	1,000	$84.95	$94.50	11.2%	$58.25	$59.10	1.5%	$67.15	$70.90	5.6%	$3.75
36,000	3,000	$233.35	$260.50	11.6%	$153.25	$154.30	0.7%	$179.95	$189.70	5.4%	$9.75
Three Phase											
60,000	5,000	$402.80	$448.50	11.3%	$269.30	$271.50	0.8%	$313.80	$330.50	5.3%	$16.70
120,000	10,000	$773.80	$863.50	11.6%	$506.80	$509.50	0.5%	$595.80	$627.50	5.3%	$31.70
240,000	20,000	$1,515.80	$1,693.50	11.7%	$981.80	$985.50	0.4%	$1,159.80	$1,221.50	5.3%	$61.70

Heating Service Rate Design

The Heating Service class (Rate Codes 21 and 23) applies to separately metered space and water heating customers. By its very nature, winter sales for this class account for the great majority of consumption. This class also has a wide diversity of customer usage levels ranging from several hundred kWh per month to several 100,000 kWh per month. In the past, Heating Service class costs were tied to General Service class costs, but are now allocated independently. In order to recognize the different meter and service entrance costs and distribution facilities costs, expenses have been broken down by single-phase, three-phase, and large customer. A Heating Service customer will be considered a Large Heating Service customer if that customer's energy usage is greater than 25,000 kWh per Billing Period for two Billing Periods, including the current Billing Period and all Billing Periods in the preceding 11 months.

The summer/winter demand and energy cost differential for the Heating Service class in 2008 is 4.02 cents per kWh. Current rates have a seasonal difference of 3.82. Proposed rates decrease the seasonal difference to 3.67 cents per kWh.

The current Heating Service (Rate Code 21) rate schedule included a rider for controlled electric water heating applicable only to Residential customers. As with the Residential rate schedule, this credit is proposed to be eliminated.

Under proposed rates, Heating Service class revenues increase 7.3 percent, and the ratio of revenue to allocated costs is 91.9 percent.

Detailed Rate Design and Effect on Revenue
Heating Service Secondary Metered Rate 21

Rate Components and Revenue

	Current (Secondary)		Proposed (Secondary)		Percent Change	
Single Phase						
Customer Charge ($/Bill)	$4.20		$4.20		0.0%	
Facilities Charge ($/Bill)	$6.55		$7.30		11.5%	
Customer & Facilities Charge ($/Bill)	$10.75		$11.50		7.0%	
Three Phase						
Customer Charge ($/Bill)	$4.20		$4.20		0.0%	
Facilities Charge ($/Bill)	$27.60		$29.30		6.2%	
Customer & Facilities Charge ($/Bill)	$31.80		$33.50		5.3%	
Large Customer						
Customer Charge ($/Bill)	$4.20		$4.20		0.0%	
Facilities Charge ($/Bill)	$104.80		$115.30		10.0%	
Customer & Facilities Charge ($/Bill)	$109.00		$119.50		9.6%	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	7.47¢	3.65¢	7.72¢	4.05¢	3.3%	11.0%
Projected Revenue	$2,993,769		$3,211,821		7.3%	

Typical Heating Service Bill Comparisons

		Summer			Winter			Weighted Average (32/68 Season)			
Typical kWh/Yr.	Average kWh/Mo.	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
Small User											
Single Phase											
6,000	500	$48.10	$50.10	4.2%	$29.00	$31.75	9.5%	$35.11	$37.62	7.1%	$2.51
12,000	1,000	$85.45	$88.70	3.8%	$47.25	$52.00	10.1%	$59.47	$63.74	7.2%	$4.27
36,000	3,000	$234.85	$243.10	3.5%	$120.25	$133.00	10.6%	$156.92	$168.23	7.2%	$11.31
Three Phase											
120,000	10,000	$778.80	$805.50	3.4%	$396.80	$438.50	10.5%	$519.04	$555.94	7.1%	$36.90
240,000	20,000	$1,525.80	$1,577.50	3.4%	$761.80	$843.50	10.7%	$1,006.28	$1,078.38	7.2%	$72.10
Large User											
300,000	25,000	$1,976.50	$2,049.50	3.7%	$1,021.50	$1,132.00	10.8%	$1,327.10	$1,425.60	7.4%	$98.50
600,000	50,000	$3,844.00	$3,979.50	3.5%	$1,934.00	$2,144.50	10.9%	$2,545.20	$2,731.70	7.3%	$186.50
1,200,000	100,000	$7,579.00	$7,839.50	3.4%	$3,759.00	$4,169.50	10.9%	$4,981.40	$5,343.90	7.3%	$362.50

General Service - Demand Rate Design

The General Service-Demand (GSD) class spans the consumption zone between the General Service class (less than 25,000 kWh per month) and the Large Light and Power class (greater than 100,000 kWh per month). The rate structure for the GSD class includes a demand charge, an energy charge, a facilities charge, and a customer charge.

Due to the structure of demand rates, very low load factor customers can experience extremely high costs on a cents per kWh basis. To keep the charge within a reasonable cost of service level, the GSD (and LLP) rates incorporate a maximum yield provision. This amount is proposed to increase to 12 cents per kWh.

LES offers, as a contracted service, a General Service-Demand Interruptible option under Rate Codes 35 (secondary) and 36 (primary). This option is designed for customers willing to contract to interrupt at least 100 kW during the summer at the System's request. For this interrupted demand, a per kW credit is given to the customer during the summer season. For administering this service for a GSD customer, a $25 charge is added to the basic GSD customer charge to recover the required recorder and monthly reading costs. Demand, facilities and energy charges remain the same as the basic GSD rates.

Under proposed rates, the General Service-Demand class recovers 103.6 percent of allocated costs, with proposed rates for General Service-Demand Rate Code 11 (secondary) and Rate Code 12 (primary) increasing 5.6 percent.

Detailed Rate Design and Effect on Revenue
General Service-Demand Secondary Metered Rate 11

Rate Components and Revenue

	Current (Secondary)		Proposed (Secondary)		Percent Change	
Customer Charge ($/Bill)	$28.50		$30.00		5.3%	
Facilities Charge ($/kW)	$3.40		$3.40		0.0%	
Demand Charge ($/kW)	$7.95		$8.75		10.1%	
Total $/kW	**$11.35**		**$12.15**		**7.0%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	3.00¢	2.13¢	3.09¢	2.22¢	3.0%	4.2%
Projected Revenue	$24,004,718		$25,436,220		6.0%	

Typical General Service-Demand (Secondary) Bill Comparisons

Typical Monthly Bills for **30,000 Average kWh/Mo.**
360,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
114	36%	$2,222	$2,342	5.4%	$1,961	$2,081	6.1%	$2,048	$2,168	5.8%	$120
84	49%	$1,882	$1,978	5.1%	$1,621	$1,717	5.9%	$1,708	$1,804	5.6%	$96
67	61%	$1,689	$1,771	4.9%	$1,428	$1,510	5.7%	$1,515	$1,597	5.4%	$82

Typical Monthly Bills for **60,000 Average kWh/Mo.**
720,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
228	36%	$4,416	$4,654	5.4%	$3,894	$4,132	6.1%	$4,068	$4,306	5.8%	$238
168	49%	$3,735	$3,925	5.1%	$3,213	$3,403	5.9%	$3,387	$3,577	5.6%	$190
135	61%	$3,361	$3,524	4.9%	$2,839	$3,002	5.8%	$3,013	$3,176	5.4%	$164

Typical Monthly Bills for **90,000 Average kWh/Mo.**
1,080,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
342	36%	$6,610	$6,966	5.4%	$5,827	$6,183	6.1%	$6,088	$6,444	5.8%	$356
252	49%	$5,589	$5,873	5.1%	$4,806	$5,090	5.9%	$5,067	$5,351	5.6%	$284
202	61%	$5,021	$5,265	4.9%	$4,238	$4,482	5.8%	$4,499	$4,743	5.4%	$244

Detailed Rate Design and Effect on Revenue
General Service-Demand Primary Metered Rate 12

Rate Components and Revenue

	Current (Primary)		Proposed (Primary)		Percent Change	
Customer Charge ($/Bill)	$28.50		$30.00		5.3%	
Facilities Charge ($/kW)	$2.50		$2.50		0.0%	
Demand Charge ($/kW)	$7.75		$8.50		9.7%	
Total $/kW	**$10.25**		**$11.00**		**7.3%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	2.89¢	2.04¢	2.95¢	2.05¢	2.1%	0.5%
Projected Revenue	$64,357		$67,282		4.5%	

Typical General Service Demand (Primary) Bill Comparisons

Typical Monthly Bills for **30,000 Average kWh/Mo.**
360,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
114	36%	$2,064	$2,169	5.1%	$1,809	$1,899	5.0%	$1,894	$1,989	5.0%	$95
84	49%	$1,757	$1,839	4.7%	$1,502	$1,569	4.5%	$1,587	$1,659	4.6%	$73
67	61%	$1,582	$1,652	4.4%	$1,327	$1,382	4.1%	$1,412	$1,472	4.2%	$60

Typical Monthly Bills for **60,000 Average kWh/Mo.**
720,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
228	36%	$4,100	$4,308	5.1%	$3,590	$3,768	5.0%	$3,760	$3,948	5.0%	$189
168	49%	$3,485	$3,648	4.7%	$2,975	$3,108	4.5%	$3,145	$3,288	4.6%	$144
135	61%	$3,146	$3,285	4.4%	$2,636	$2,745	4.1%	$2,806	$2,925	4.2%	$119

Typical Monthly Bills for **90,000 Average kWh/Mo.**
1,080,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
342	36%	$6,135	$6,447	5.1%	$5,370	$5,637	5.0%	$5,625	$5,907	5.0%	$282
252	49%	$5,213	$5,457	4.7%	$4,448	$4,647	4.5%	$4,703	$4,917	4.6%	$215
202	61%	$4,700	$4,907	4.4%	$3,935	$4,097	4.1%	$4,190	$4,367	4.2%	$177

General Service-Demand Interruptible
Rates 35 (Secondary Metered) and 36 (Primary Metered)

	Proposed Rates for 2008			
	Rate Code 35	% Change	Rate Code 36	% Change
Customer Charge ($/Bill)	$55.00	2.8%	$55.00	2.8%
Facilities Charge ($/kW)	$3.40	0.0%	$2.50	0.0%
Demand Charge ($/kW)	$8.75	10.1%	$8.50	9.7%
Seasonal Interruptible Demand Credit ($/kW)	$3.25	-15.6%	$3.25	-15.6%
Energy Charge (¢/kWh)				
Summer	3.09¢	3.0%	2.95¢	2.1%
Winter	2.22¢	4.2%	2.05¢	0.5%
Projected Revenue	$0	0.0%	$0	0.0%

Other provisions of the standard GSD rate will apply if applicable.

Cogeneration - Backup
Rate 31 (Primary Metered) & Rate 41 (35 kV Metered)

	Proposed Rates for 2008			
	Rate Code 31	% Change	Rate Code 41	% Change
Customer Charge ($/Bill)	$210.00	13.5%	$210.00	13.5%
Facilities Charge ($/kW)	$3.40	4.6%	$1.75	-3.8%
Contract Demand Charge ($/kW)	$4.00	-8.0%	$4.00	-8.0%
Backup Demand Charge ($/kW)	$8.50	9.7%	$8.50	9.7%
Energy Charge (¢/kWh)				
Summer	2.95¢	2.1%	2.95¢	2.1%
Winter	2.05¢	0.5%	2.05¢	0.5%
Projected Revenue	$0	0.0%	$1,009,248	5.5%

Other provisions of the standard GSD rate will apply if applicable.

Large Light and Power Rate Design

Large Light and Power rates are applicable for customers with usages generally greater than 100,000 kWh for six consecutive months or two summer demands greater than 400 kW. Like GSD rates, basic LLP rates (Rate Codes 15, 16 and 39) contain demand, energy, facilities, and customer components. Per unit components are developed in the cost of service section for secondary, primary and 35 kV service and are reflected in different charges for these voltage levels. Also similar to the GSD rate, the LLP rate incorporates a maximum yield provision. The rate is proposed to increase to 12 cents per kWh.

LES offers an optional Large Light and Power Off-Peak Seasonal rate (Rate Codes 17 and 19). This option provides an incentive for adding off-peak seasonal load at a cost competitive with alternate fuels. The rate is structured to allow customers to purchase on-peak summer demand at a 100 percent year-round ratchet, while purchasing winter load above that ratchet amount at a reduced demand rate. The goal is for load factor improvement via building load during the off-peak season. The trial off-peak seasonal rate is unchanged.

A similar rate, also designed to encourage off-peak usage, is the optional Large Light and Power Off-Peak Daily rate (Rate Codes 27 and 28). This is a type of time-of-use rate observing the period between 2 p.m. and 8 p.m. (in the summer) as the time when the maximum on-peak demand is recorded. Off-peak demands in excess of the maximum on-peak demand are charged at the off-peak seasonal rate. The customer charge reflects an additional charge of $25 for the extra processing costs incurred.

Supplemental Firm Power (Rate Codes 18, 25 and 38) is provided through contract exhibits and is an extension of the LLP rate development. This option is offered as Wholesale Class II to certain State of Nebraska agencies that have Western Area Power Administration (WAPA) power contracts and require supplemental power and energy to serve their load. The charge per additional meter recorder is $25.

The System offers additional options as a result of Demand-Side Management strategies. The Large Light and Power Interruptible service (Rate Codes 22 and 34) requires a contract. This option is designed for large customers willing to curtail up to 100 kW or more of load in the summer period. This credit reflects cost savings at the time of system peak periods.

A kvar penalty is designed to recover sufficient funds for LES' cost of installing capacitor banks and provide an economic incentive for customers with low power factors to install their own corrective capacitors. A study on leading power factor indicates no current problems to the System. Penalizing for leading power factor is not currently recommended. The study also recommends maintaining the 93 percent lagging power factor threshold. The current penalty charge is $2.35 per kvar in excess of calculated kvar at this 93 percent level. Customers are billed based on non-coincident peak kvars.

Under proposed rates, revenues for the Large Light and Power class, including Supplemental Firm Power customers, increase by 5.1 percent with recovery of 96.6 percent of allocated costs.

Detailed Rate Design and Effect on Revenue
Large Light & Power Secondary Metered Rate 15

Rate Components and Revenue

	Current (Secondary)		Proposed (Secondary)		Percent Change	
Customer Charge ($/Bill)	$160.00		$185.00		15.6%	
Facilities Charge ($/kW)	$3.70		$3.75		1.4%	
Demand Charge ($/kW)	$10.45		$11.25		7.7%	
Total $/kW	**$14.15**		**$15.00**		**6.0%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	2.46¢	1.83¢	2.58¢	1.87¢	4.9%	2.2%
Projected Revenue	$31,278,008		$32,921,992		5.3%	

Typical Large Light and Power (Secondary) Bill Comparisons

Typical Monthly Bills for **150,000 Average kWh/Mo.**
1,800,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
457	45%	$10,317	$10,910	5.8%	$9,372	$9,845	5.1%	$9,687	$10,200	5.3%	$513
342	60%	$8,689	$9,185	5.7%	$7,744	$8,120	4.9%	$8,059	$8,475	5.2%	$416
281	73%	$7,826	$8,270	5.7%	$6,881	$7,205	4.7%	$7,196	$7,560	5.1%	$364

Typical Monthly Bills for **250,000 Average kWh/Mo.**
3,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
761	45%	$17,078	$18,050	5.7%	$15,503	$16,275	5.0%	$16,028	$16,867	5.2%	$839
571	60%	$14,390	$15,200	5.6%	$12,815	$13,425	4.8%	$13,340	$14,017	5.1%	$677
469	73%	$12,946	$13,670	5.6%	$11,371	$11,895	4.6%	$11,896	$12,487	5.0%	$590

Typical Monthly Bills for **400,000 Average kWh/Mo.**
4,800,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
1,218	45%	$27,235	$28,775	5.7%	$24,715	$25,935	4.9%	$25,555	$26,882	5.2%	$1,327
913	60%	$22,919	$24,200	5.6%	$20,399	$21,360	4.7%	$21,239	$22,307	5.0%	$1,068
751	73%	$20,627	$21,770	5.5%	$18,107	$18,930	4.5%	$18,947	$19,877	4.9%	$930

Typical Monthly Bills for **2,500,000 Average kWh/Mo.**
30,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
7,610	45%	$169,342	$178,835	5.6%	$153,592	$161,085	4.9%	$158,842	$167,002	5.1%	$8,160
5,708	60%	$142,428	$150,305	5.5%	$126,678	$132,555	4.6%	$131,928	$138,472	5.0%	$6,543
4,691	73%	$128,038	$135,050	5.5%	$112,288	$117,300	4.5%	$117,538	$123,217	4.8%	$5,679

Detailed Rate Design and Effect on Revenue
Large Light & Power Primary Metered Rates 16 and Supplemental Firm Power

Rate Components and Revenue

	Current (Primary)		Proposed (Primary)		Percent Change	
Customer Charge ($/Bill)	$160.00		$185.00		15.6%	
Facilities Charge ($/kW)	$3.25		$3.40		4.6%	
Demand Charge ($/kW)	$10.15		$10.85		6.9%	
Total $/kW	**$13.40**		**$14.25**		**6.3%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	2.36¢	1.78¢	2.49¢	1.82¢	5.5%	2.2%
Projected Revenue	$9,850,049		$10,405,201		5.6%	

Typical Large Light and Power (Primary) Bill Comparisons

Typical Monthly Bills for **150,000 Average kWh/Mo.**
1,800,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
457	45%	$9,824	$10,432	6.2%	$8,954	$9,427	5.3%	$9,244	$9,762	5.6%	$518
342	60%	$8,283	$8,794	6.2%	$7,413	$7,789	5.1%	$7,703	$8,124	5.5%	$421
281	73%	$7,465	$7,924	6.1%	$6,595	$6,919	4.9%	$6,885	$7,254	5.4%	$369

Typical Monthly Bills for **250,000 Average kWh/Mo.**
3,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
761	45%	$16,257	$17,254	6.1%	$14,807	$15,579	5.2%	$15,291	$16,138	5.5%	$847
571	60%	$13,711	$14,547	6.1%	$12,261	$12,872	5.0%	$12,745	$13,430	5.4%	$685
469	73%	$12,345	$13,093	6.1%	$10,895	$11,418	4.8%	$11,378	$11,977	5.3%	$599

Typical Monthly Bills for **400,000 Average kWh/Mo.**
4,800,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
1,218	45%	$25,921	$27,502	6.1%	$23,601	$24,822	5.2%	$24,375	$25,715	5.5%	$1,340
913	60%	$21,834	$23,155	6.1%	$19,514	$20,475	4.9%	$20,288	$21,369	5.3%	$1,081
751	73%	$19,663	$20,847	6.0%	$17,343	$18,167	4.7%	$18,117	$19,060	5.2%	$943

Typical Monthly Bills for **2,500,000 Average kWh/Mo.**
30,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	Load Factor	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	Current $/Month	Proposed $/Month	Percent Change	$/Month Change
7,610	45%	$161,134	$170,878	6.0%	$146,634	$154,128	5.1%	$151,467	$159,711	5.4%	$8,244
5,708	60%	$135,647	$143,774	6.0%	$121,147	$127,024	4.9%	$125,981	$132,607	5.3%	$6,627
4,691	73%	$122,019	$129,282	6.0%	$107,519	$112,532	4.7%	$112,353	$118,115	5.1%	$5,762

Large Light and Power - Off-Peak Seasonal
Rates 17 (Secondary Metered), 19 (Primary Metered) and SFP (Primary Metered)

	Proposed Rates for 2008			
	Rate Code 17	% Change	Rate Code 19 & SFP	% Change
Customer Charge ($/Bill)	$185.00	15.6%	$185.00	15.6%
Facilities Charge ($/kW)	$3.75	1.4%	$3.40	4.6%
Demand Charge ($/kW)				
Summer based on 100% ratchet of highest summer demand	$11.25	7.7%	$10.85	6.9%
Winter based on 100% ratchet of highest summer demand	$11.25	7.7%	$10.85	6.9%
Winter excess above 100% ratchet of highest summer demand	$3.50	0.0%	$3.40	0.0%
Energy Charge (¢/kWh)				
Summer	2.58¢	4.9%	2.49¢	5.5%
Winter	1.87¢	2.2%	1.82¢	2.2%
Projected Revenue	$92,976	4.8%	$151,090	11.5%

Other provisions of the standard LLP rate will apply if applicable.

Large Light and Power - Off-Peak Daily
Rates 27 (Secondary Metered) and 28 (Primary Metered)

	Proposed Rates for 2008			
	Rate Code 27	% Change	Rate Code 28	% Change
Customer Charge ($/Bill)	$210.00	13.5%	$210.00	13.5%
Facilities Charge ($/kW)	$3.75	1.4%	$3.40	4.6%
Demand Charge ($/kW)				
Summer and Winter Base Demand is 100% ratchet of the highest summer demand during the interruption period	$11.25	7.7%	$10.85	6.9%
Summer and Winter excess shall be the demand in excess of the Summer Base Demand	$3.50	0.0%	$3.40	0.0%
Energy Charge (¢/kWh)				
Summer	2.58¢	4.9%	2.49¢	5.5%
Winter	1.87¢	2.2%	1.82¢	2.2%
Projected Revenue	$393,698	0.0%	$0	0.0%

Other provisions of the standard LLP rate will apply if applicable.

Large Light and Power - Interruptible
Rates 22 (Secondary Metered) and 34 (Primary Metered)

	Proposed Rates for 2008			
	Rate Code 22	% Change	Rate Code 34	% Change
Customer Charge ($/Bill)	$210.00	13.5%	$210.00	13.5%
Facilities Charge ($/kW)	$3.75	1.4%	$3.40	4.6%
Demand Charge ($/kW)	$11.25	7.7%	$10.85	6.9%
Seasonal Interruptible Demand Credit	$3.25	-15.6%	$3.25	-15.6%
Energy Charge (¢/kWh)				
Summer	2.58¢	4.9%	2.49¢	5.5%
Winter	1.87¢	2.2%	1.82¢	2.2%
Projected Revenue	$0	0.0%	$0	0.0%

Other provisions of the standard LLP rate will apply if applicable.

Cogeneration - Supplemental
Rate 32 (Primary Metered) and Rate 42 (35 kV Metered) and Rate 53 (Large Power Contract - Primary Metered)

	Proposed Rates for 2008		
	Rate Code 32	Rate Code 42	Rate Code 53
Customer Charge ($/Bill)	$0.00	$0.00	$0.00
Facilities Charge ($/kW)	$3.40	$1.75	$3.19
Demand Charge ($/kW)	$10.85	$10.85	$10.36
Energy Charge (¢/kWh)			
Summer	2.49¢	2.49¢	2.40¢
Winter	1.82¢	1.82¢	1.70¢
Projected Revenue	$0	$1,654,013	$0

Other provisions of the standard LLP rate will apply if applicable.

Large Light and Power - 35 kV
Rate 39 (35 kV Metered)

	Proposed Rates for 2008	
	Rate Code 39	% Change
Customer Charge ($/Bill)	$185.00	15.6%
Facilities Charge ($/kW)	$1.75	-3.8%
Demand Charge ($/kW)	$10.85	6.9%
Energy Charge (¢/kWh)		
Summer	2.49¢	5.5%
Winter	1.82¢	2.2%
Projected Revenue	$0	0.0%

Other provisions of the standard LLP rate will apply if applicable.

Large Power Contract Rate Design

The System offers the Large Power Contract (LPC) provision for customers whose loads exceed 4,000 kW and who, through a contract, agree to purchase all electric service from the System for a three-year annually renewing contract period.

LPC rates (Rate Codes 44, 45 and 46) contain the same components as the LLP class and are developed in the Cost of Service section.

Under proposed rates, revenues for the Large Power Contract class increase by 4.7 percent with recovery of 95.0 percent of allocated costs.

Detailed Rate Design and Effect on Revenue
Large Power Contract Rate 44 (Secondary Metered)

Rate Components and Revenue

	Current (Secondary)		Proposed (Secondary)		Percent Change	
Customer Charge ($/Bill)	$160.00		$210.00		31.3%	
Facilities Charge ($/kW)	$3.55		$3.55		0.0%	
Demand Charge ($/kW)	$10.20		$11.00		7.8%	
Total $/kW	**$13.75**		**$14.55**		**5.8%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	2.35¢	1.67¢	2.45¢	1.75¢	4.3%	4.8%
Projected Revenue	$2,295,890		$2,417,452		5.3%	

Typical Large Power Contract (Secondary) Bill Comparisons

Typical Monthly Bills for **2,500,000 Average kWh/Mo.**
30,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
7,610	45%	$163,548	$172,186	5.3%	$146,548	$154,686	5.6%	$152,214	$160,519	5.5%	$8,305
5,708	60%	$137,395	$144,511	5.2%	$120,395	$127,011	5.5%	$126,062	$132,845	5.4%	$6,783
4,691	73%	$123,411	$129,714	5.1%	$106,411	$112,214	5.5%	$112,078	$118,047	5.3%	$5,969

Detailed Rate Design and Effect on Revenue
Large Power Contract Rate 45 (Primary Metered)

Rate Components and Revenue

	Current (Primary)		Proposed (Primary)		Percent Change	
Customer Charge ($/Bill)	$160.00		$210.00		31.3%	
Facilities Charge ($/kW)	$3.19		$3.19		0.0%	
Demand Charge ($/kW)	$9.77		$10.36		6.0%	
Total $/kW	**$12.96**		**$13.55**		**4.6%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢kWh)	2.30¢	1.62¢	2.40¢	1.70¢	4.3%	4.9%
Projected Revenue	$10,858,498		$11,358,779		4.6%	

Typical Large Power Contract (Primary) Bill Comparisons

Typical Monthly Bills for **2,500,000 Average kWh/Mo.**
30,000,000 Annual kWh

		Summer			Winter			Weighted Average (4/8 Season)			
Peak kW/Mo.	**Load Factor**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**Current $/Month**	**Proposed $/Month**	**Percent Change**	**$/Month Change**
7,610	45%	$156,286	$163,326	4.5%	$139,286	$145,826	4.7%	$144,952	$151,659	4.6%	$6,707
5,708	60%	$131,636	$137,553	4.5%	$114,636	$120,053	4.7%	$120,302	$125,887	4.6%	$5,584
4,691	73%	$118,455	$123,773	4.5%	$101,455	$106,273	4.7%	$107,122	$112,106	4.7%	$4,984

Lighting Service Rate Design

The lighting group consists of Security Lighting (Rate Code 20), Traffic Lighting (Rate Code 24) and Street Lighting (Rate Code 26) services.

Security lighting is installed at the customer's request for purposes of security and safety. The service includes 175 to 1000 watt mercury vapor lamps and 70 to 250 watt high pressure sodium vapor lamps. No new mercury vapor lamps will be added after January 1, 2008. Proposed rates per lamp are set close to cost of service. Maintenance costs continue to rise. The impact of the proposed rate is, on average, a $0.99 per lamp increase which averages around 6.2 percent. For Security Lighting, these amounts are added to a customer's electric service bill.

Festoon Outlet Services are offered under the Security Lighting schedule, providing electric service for 120 volt outlets protected by a 2 amp breaker installed, at customer cost and per Festoon Outlet Guidelines, on LES-owned and approved street light poles. Two options for electric service are available: 1) Photocell controlled outlets at $3.44 (actual and proposed rate) per outlet, and 2) Continuous service outlets at $9.27 (actual and proposed rate) per outlet. Proposed rates are developed based on trial Street Lighting energy rates for off-peak usage and trial General Service energy rates for on-peak usage.

Traffic lighting requires a different charge than for other lighting because of its near 100 percent load factor characteristics. Traffic lighting generally operates all hours of the year at an almost constant load level. Traffic lighting is allocated capacity costs that are recovered in the energy portion of the rate. Facilities costs are developed and recovered in the facilities charge.

Street Lighting service is a combination of Lincoln, Waverly, Lancaster County, and State of Nebraska street lighting facilities. The energy charge recovers production (energy and capacity related) costs, while administrative and operational costs (similar to customer related costs) are recovered in maintenance charges. Another component of revenue recovery for street and traffic lighting is for the investment in end-use equipment made by the System. This is based on a fixed formula and the rate charged by LES remains at the contracted level of an annual 9 percent recovery (monthly 0.75 percent) of the capital investment plus a 0.3 debt coverage adder. The revenue recovered changes when more facilities are installed. The City of Lincoln bought the street lighting and traffic lighting equipment from LES effective September 1, 2004, so investment revenue comes only from Waverly and the county.

To come closer to cost of service, proposed rate increases for Traffic Lighting are 15.5 percent, Street Lighting is 5.0 percent and Security Lighting is 8.5 percent. Revenue for Security Lighting recovers 101.6 percent, Traffic Lighting recovers 82.9 percent and Street Lighting recovers 102.2 percent of allocated costs.

Security Lighting
Rate 20

	Proposed Rates for 2008	
	Rate Code 20	% Change
Mercury Vapor ($/lamp)		
175 Watt *	$9.70	9.0%
250 Watt *	$11.30	10.8%
400 Watt *	$14.75	6.9%
1000 Watt *	$27.75	16.6%
High Pressure Sodium Vapor ($/lamp)		
70 Watt	$9.70	9.0%
150 Watt	$11.30	10.8%
250 Watt	$12.00	0.0%
Poles ($/Bill)	$1.00	
Span of Overhead ($/Bill)	$0.50	
Underground ($/Bill)	$2.00	
Festoon Outlet Charges ($/outlet)		
Photocell Controlled Outlets	$3.44	
Continuous Service Outlets	$9.27	
Projected Revenue	$195,015	8.5%

* Only for existing installations. No new installations in these sizes.

Traffic Lighting
Rate 24

	Proposed Rates for 2008	
	Rate Code 24	% Change
Facilities Charge (¢/kWh)	0.78¢	3.6%
Energy and Demand Charge (¢/kWh)	4.40¢	18.0%
Projected Revenue	$73,673	15.5%

Street Lighting
Rate 26

	Proposed Rates for 2008	
	Rate Code 26	% Change
Investment	0.75% per month plus 0.3 debt coverage	
Facilities Charge (¢/kWh)	0.95¢	21.8%
Energy and Demand Charge (¢/kWh)	3.35¢	2.1%
Maintenance per lamp (average)	$2.10	
Projected Revenue	$1,605,548	5.0%

City of Lincoln Street Lighting Investment discontinued September 1, 2004.

Wheeling
Rate 33

The wheeling cost is derived from revenue requirements of the System. The cost of service for 115 kV delivery is $2.27/kW per month. Proposed rates for delivery are set near cost of service.

		Proposed Rates for 2008	
		Rate Code 33	% Change
Secondary Deliveries	($/kW-Month) ($/kW-Year)	$5.75 $69.00	3.0%
12 kV Primary Deliveries	($/kW-Month) ($/kW-Year)	$5.40 $64.80	5.3%
34.5 kV Primary Deliveries	($/kW-Month) ($/kW-Year)	$3.75 $45.00	1.4%
115 kV Deliveries	($/kW-Month) ($/kW-Year)	$2.00 $24.00	6.4%
Projected Revenue		$427,394	6.4%

The rate is assessed against the monthly peak demand, with a 65% ratchet.

Pole Attachment
Rate 50

This schedule applies for existing or new entities that have the franchise right and desire to attach communication cables and wires to System owned poles. The fee is develped using a method similar to ones used by other major utilities. The cost of service is $15.20. The proposed rate is 86% of cost of service.

	Proposed Rates for 2008	
	Rate Code 50	% Change
Pole Attachment ($/Year)	$13.00	5.9%
Projected Revenue	$234,069	5.8%

Retail Rate Comparison

The following table compares Lincoln's current and trial retail rates with those of nine other regional utilities. Regional rates are weighted average monthly bills based on most current rates, as noted below. Calculations are based on secondary rates.

NOTES FOR RETAIL RATE COMPARISON

1. Lincoln rates effective February 13, 2006; weighted average based on 4 summer / 8 winter months.

2. LES proposed rates for 2008; weighted average based on 4 summer / 8 winter months.

3. Omaha rates effective April 1, 2007; weighted average based on 4 summer / 8 winter months.

4. Norris rates effective February 1, 2007; weighted average based on 4 summer / 8 winter months.

5. Des Moines rates effective February 1, 1999; weighted average based on 4 summer / 8 winter months.

6. Nebraska Public Power District rates effective February 1, 2007; weighted average based on 4 summer / 8 winter months.

7. Colorado Springs rates effective January 1, 2007; electric cost adjustment effective August 1, 2007; no seasonal rates.

8. Kansas City, KS rates effective January 1, 2007; weighted average based on 6 summer / 6 winter months.

9. Kansas City, MO rates effective January 1, 2007; weighted average based on 4 summer / 8 winter months.

10. Minneapolis rates effective February 1, 2007, fuel cost charge average of Jul-Dec 2007; weighted average based on 4 summer / 8 winter months.

11. Wichita rates effective March 2, 2006; weighted average based on 4 summer / 8 winter months.

Rates in effect December 1, 2007
Regional Bill Comparison
Weighted Average Monthly Bill

500 kWh

Lincoln	$	39.73
LES (proposed rates)		41.57
Wichita		42.30
Colorado Springs		42.50
Omaha		44.11
Kansas City, MO		45.78
Kansas City, KS		45.89
Norris		46.31
Des Moines		49.89
NPPD		50.08
Minneapolis		51.47

1,000 kWh

Lincoln	$	70.43
LES (proposed rates)		73.92
Wichita		74.41
Kansas City, MO		76.63
Colorado Springs		78.40
Omaha		79.78
NPPD		80.18
Norris		80.67
Kansas City, KS		85.18
Des Moines		91.26
Minneapolis		94.93

40 kW / 10,000 kWh (35% LF)

Lincoln	$	596
Omaha		608
LES (proposed rates)		628
NPPD		654
Norris		691
Wichita		691
Colorado Springs		710
Des Moines		771
Kansas City, KS		772
Kansas City, MO		783
Minneapolis		808

40 kW / 14,000 kWh (49% LF)

Norris	$	786
Lincoln		821
Omaha		822
LES (proposed rates)		865
Wichita		880
NPPD		895
Des Moines		896
Kansas City, KS		904
Kansas City, MO		950
Colorado Springs		987
Minneapolis		995

500 kW / 150,000 kWh (42% LF)

Des Moines	$	8,253
NPPD		8,394
Omaha		9,031
Norris		9,233
Kansas City, MO		9,798
Wichita		9,800
Lincoln		10,295
LES (proposed rates)		10,835
Colorado Springs		10,850
Minneapolis		11,017
Kansas City, KS		11,144

500 kW / 180,000 kWh (50% LF)

Des Moines	$	9,086
NPPD		9,221
Omaha		9,794
Norris		9,944
Wichita		10,777
Lincoln		10,907
Kansas City, MO		10,943
LES (proposed rates)		11,465
Colorado Springs		12,066
Kansas City, KS		12,124
Minneapolis		12,424

75 kW / 15,000 kWh (28% LF)

Lincoln	$	878
LES (proposed rates)		925
NPPD		955
Omaha		1,027
Colorado Springs		1,056
Wichita		1,103
Des Moines		1,117
Kansas City, KS		1,181
Norris		1,207
Kansas City, MO		1,282
Minneapolis		1,320

75 kW / 30,000 kWh (56% LF)

NPPD	$	1,530
Omaha		1,559
Norris		1,563
Lincoln		1,606
Kansas City, KS		1,678
LES (proposed rates)		1,694
Des Moines		1,727
Wichita		1,812
Kansas City, MO		1,889
Colorado Springs		1,948
Minneapolis		2,023

75 kW / 50,000 kWh (93% LF)

Norris	$	2,037
Omaha		2,068
NPPD		2,081
Lincoln		2,090
Des Moines		2,160
LES (proposed rates)		2,196
Kansas City, KS		2,339
Kansas City, MO		2,592
Colorado Springs		2,723
Wichita		2,757
Minneapolis		2,781

1,000 kW / 200,000 kWh (28% LF)

Omaha	$	13,072
Des Moines		13,076
NPPD		13,958
Norris		16,093
Wichita		16,243
Kansas City, MO		16,414
Colorado Springs		17,194
Minneapolis		17,323
Kansas City, KS		17,635
Lincoln		18,390
LES (proposed rates)		19,385

1,000 kW / 400,000 kWh (56% LF)

Omaha	$	17,905
Des Moines		19,084
NPPD		19,468
Norris		20,837
Kansas City, MO		22,283
Lincoln		22,470
Wichita		22,756
LES (proposed rates)		23,585
Colorado Springs		25,305
Kansas City, KS		25,511
Minneapolis		26,701

1,000 kW / 650,000 kWh (90% LF)

Omaha	$	23,355
Des Moines		24,179
NPPD		26,356
Norris		26,766
Lincoln		27,570
Kansas City, MO		28,132
LES (proposed rates)		28,835
Wichita		30,897
Kansas City, KS		33,680
Colorado Springs		35,443
Minneapolis		36,174

COST ANALYSIS
2008

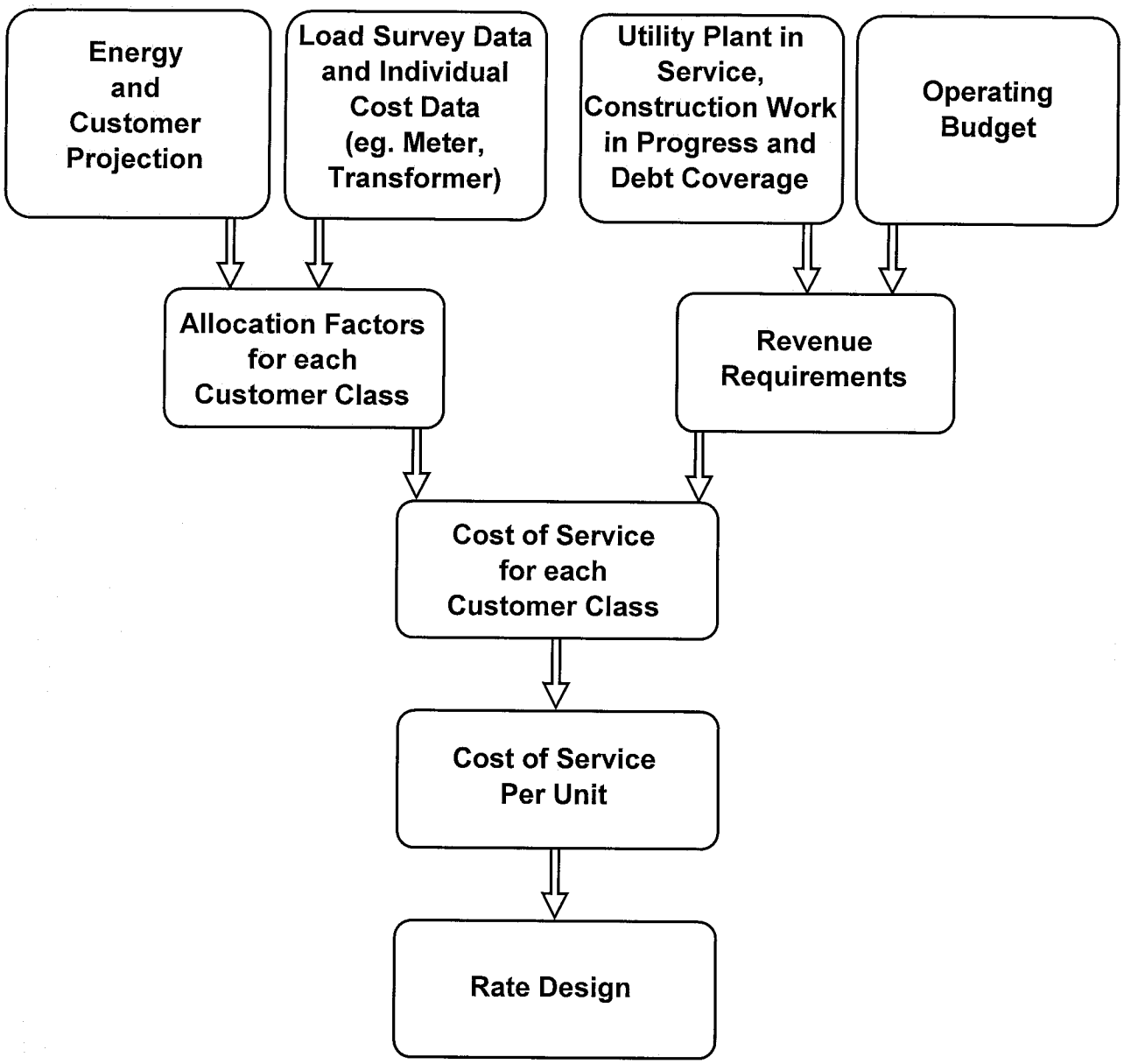
The Cost Analysis or cost-of-service study presented in this section provides a basis for rate design. The study analyzes Lincoln Electric System's (LES) cost of providing service to retail and Supplemental Firm Power ratepayers and defines revenue requirements of the system from operating and financial points of view. The Cost Analysis also allocates costs to individual rate classes and analyzes the effect of those costs on each rate code. The analysis is prepared in accordance with methodology set out in the Alternate Rate Structure Study and PURPA related rate making policies of the Board, and as established in the development of past cost studies and results of special rate studies.

Allocation procedures used in the Cost Analysis are based on the fully distributed embedded cost-of-service method. To identify unbundled services, this Cost Analysis separates costs into four components: capacity (demand) related costs, energy related costs, customer related costs and facilities related costs. Capacity related costs are those associated with the rate of flow of electricity demanded at one point in time and the maximum size (capacity) of power supply and transmission facilities required to serve the demands of LES customers. Energy related costs are those associated with the consumption of electricity over a period of time by customers. Customer related costs are those associated with the cost of billing and providing information to customers. Facilities related costs are those associated with having services connected to the distribution system.

These four cost components comprise total revenue requirements. Different allocation factors are derived to reflect the different cost responsibilities of each class of customers. Applying these allocation factors to each component of Revenue Requirements produces the cost-of-service for each of LES' class of customers.

Once the cost-of-service for each class of customers is determined, projected total billing units for each class produces per unit cost estimates. Per unit costs serve as guides when preparing rates for each class of service.

COST ANALYSIS DATA FLOW



CUSTOMER, ENERGY AND DEMAND PROJECTIONS
2008

Projected customers and energy sales developed by forecasting staff are based on econometric and end-use modeling, historical usages, and other known changes. Projections are divided into five major Federal Power Commission Revenue Classifications: Residential, Commercial, Industrial, Street Lighting, and Government & Municipal (Public Authority).

For the purposes of Cost Analysis and Rate Design, these revenue class projections are converted into projections for specific LES rate codes. For customer projections, this is accomplished by applying historical ratios that reflect rate code customers as a percentage of revenue class totals to forecast monthly revenue class customers. Projected retail customers as of December 31, 2008, total 128,792.

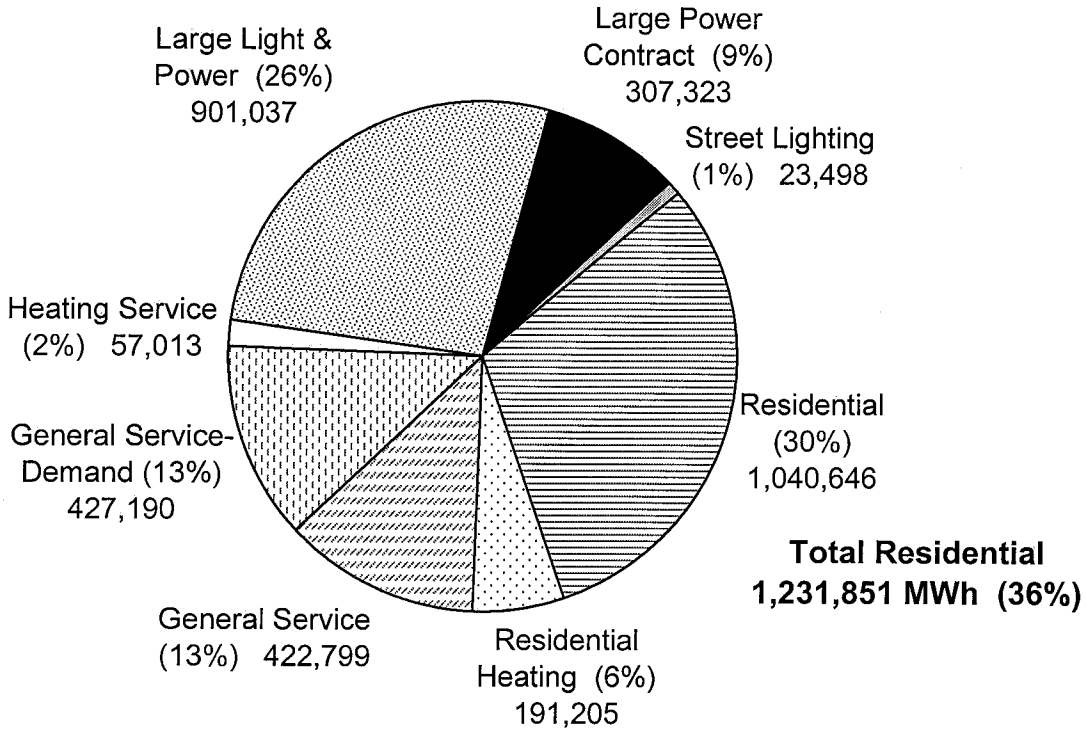
Initial energy projections by rate code are based on normalized histories or on projections for individual customers. These rate code projections are adjusted proportionately to total monthly revenue class sales projections. Retail energy sales projected for 2008 total 3,321.3 GWh.

Projected billing demands are based on historical usages and forecasted corresponding rate code energy sales.

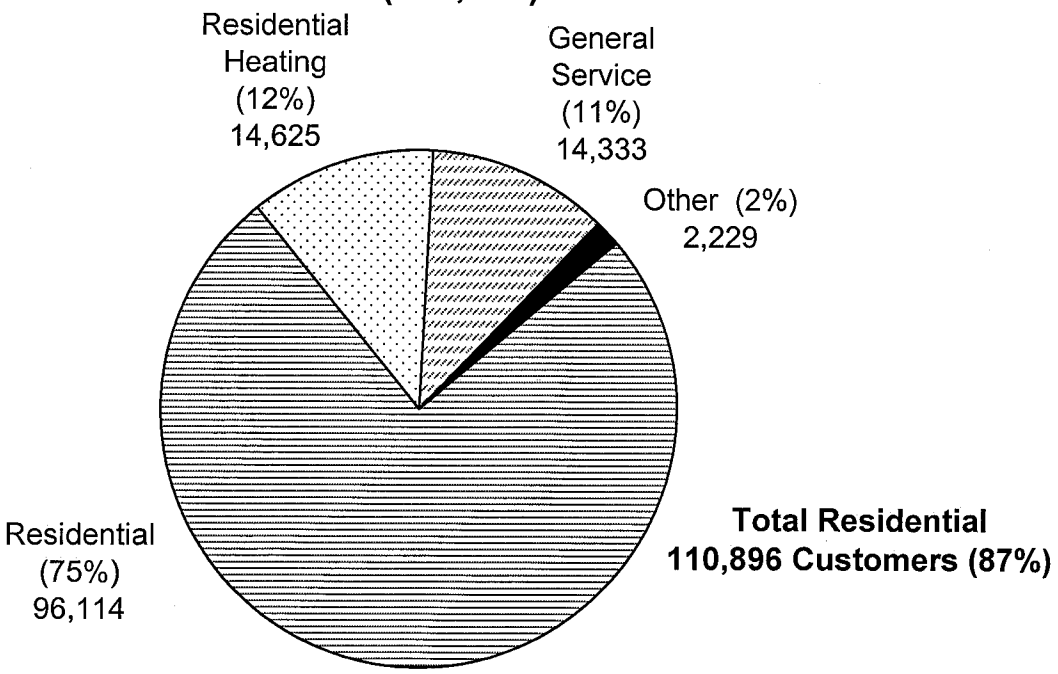
The following charts and tables present the distribution of projected customers, energy sales and billing demands among LES rate classes.

2008 PROJECTIONS

Total Annual Energy Sales - Retail plus SFP
(3,370,710 MWh)



Average Annual Customers - Retail plus SFP
(127,458)



Lincoln Electric System
Projected Customers by Rate Class
2008 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average
Residential														
Residential 01	95,321	95,441	95,561	95,681	95,801	95,919	96,038	96,157	96,275	96,938	97,057	97,175	1,153,364	96,114
Residential 03	14,660	14,679	14,698	14,716	14,734	14,753	14,771	14,789	14,807	14,909	14,927	14,946	177,389	14,782
Total Residential	109,981	110,120	110,259	110,397	110,535	110,672	110,809	110,946	111,082	111,847	111,984	112,121	1,330,753	110,896
General Service														
General Service 10	14,235	14,253	14,272	14,289	14,308	14,325	14,343	14,359	14,377	14,393	14,410	14,427	171,996	14,333
General Service 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Service	14,235	14,253	14,272	14,289	14,308	14,325	14,343	14,359	14,377	14,393	14,410	14,427	171,996	14,333
Heating Service														
Heating Service 21	722	723	724	725	726	727	728	729	730	731	732	733	8,730	728
Total Heating Service	722	723	724	725	726	727	728	729	730	731	732	733	8,730	728
General Service - Demand														
GSD 11	789	790	791	792	793	794	795	796	797	798	799	800	9,534	795
GSD 12	2	2	2	2	2	2	2	2	2	2	2	2	24	2
GSD Interruptible 35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	791	792	793	794	795	796	797	798	799	800	801	802	9,558	797
Large Light and Power														
LLP 15	207	207	207	208	208	208	208	209	209	209	209	210	2,499	208
LLP 16 (Primary)	25	25	25	25	25	25	25	25	25	26	26	26	303	25
LLP 39 (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Off Peak Seasonal (OPS) 17	1	1	1	1	1	1	1	1	1	1	1	1	12	1
LLP Off Peak Seasonal (OPS) 19 (Primary)	1	1	1	1	1	1	1	1	1	1	1	1	12	1
LLP Interruptible 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Interruptible 34 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Off Peak Daily (OPD) 27	3	3	3	3	3	3	3	3	3	3	3	3	36	3
LLP Off Peak Daily (OPD) 28 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Backup 31 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Supplemental 32 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Backup 41 (35 kV)	2	2	2	2	2	2	2	2	2	2	2	2	24	2
Cogeneration Supplemental 42 (35 kV)	2	2	2	2	2	2	2	2	2	2	2	2	24	2
Total LLP	241	241	241	242	242	242	242	243	243	244	244	245	2,910	242
Large Power Contract														
Large Power Contract 44	1	1	1	1	1	1	1	1	1	1	1	1	12	1
Large Power Contract 45 (Primary)	6	6	6	6	6	6	6	6	6	6	6	6	72	6
Large Power Contract 46 (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 47	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 48 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPS 51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 52 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LPC Cogeneration Supplemental 53 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total LPC	7	7	7	7	7	7	7	7	7	7	7	7	84	7
Lighting														
Security Lighting 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Traffic Lighting 24	433	434	434	435	435	436	436	437	437	438	439	439	5,233	436
Street Lighting 26	18	18	18	18	18	18	18	18	18	18	18	18	216	18
Total Lighting	451	452	452	453	453	454	454	455	455	456	457	457	5,449	454
Total Retail System	**126,428**	**126,588**	**126,748**	**126,907**	**127,066**	**127,223**	**127,380**	**127,537**	**127,693**	**128,478**	**128,635**	**128,792**	**1,529,480**	**127,457**
Wholesale Class II														
Supplemental Firm Power Secondary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental Firm Power Primary	2	2	2	2	2	2	2	2	2	2	2	2	24	2
Supplemental Firm Power 35 kV	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Wholesale Class II	2	2	2	2	2	2	2	2	2	2	2	2	24	2

Lincoln Electric System
Projected Energy (MWh) by Rate Class
2008 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Summer	Winter
Residential															
Residential 01	91,855	78,967	73,115	62,792	60,395	81,526	119,220	134,144	115,139	77,449	63,835	82,209	1,040,646	450,029	590,617
Residential 03	23,831	23,312	19,884	14,659	10,946	11,579	14,416	16,420	14,839	11,669	11,782	17,869	191,205	57,253	133,952
Total Residential	115,686	102,279	92,999	77,452	71,341	93,106	133,636	150,564	129,977	89,118	75,616	100,078	1,231,851	507,283	724,569
General Service															
General Service 10	36,473	35,051	33,973	31,885	32,062	34,479	37,823	39,908	37,936	35,734	32,833	34,642	422,799	150,146	272,653
General Service 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Service	36,473	35,051	33,973	31,885	32,062	34,479	37,823	39,908	37,936	35,734	32,833	34,642	422,799	150,146	272,653
Heating Service															
Heating Service 21	5,840	5,747	5,304	4,852	4,082	4,403	4,397	4,588	4,603	4,292	4,162	4,742	57,013	17,991	39,022
Total Heating Service	5,840	5,747	5,304	4,852	4,082	4,403	4,397	4,588	4,603	4,292	4,162	4,742	57,013	17,991	39,022
General Service - Demand															
GSD 11	32,709	32,590	32,836	29,575	31,998	40,610	39,292	43,928	40,687	37,917	29,537	34,273	425,952	164,517	261,434
GSD 12	115	135	129	99	91	85	93	96	100	97	99	100	1,238	374	864
GSD Interruptible 35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GSD Interruptible 36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	32,824	32,725	32,965	29,673	32,089	40,695	39,385	44,025	40,787	38,014	29,636	34,373	427,190	164,892	262,298
Large Light and Power															
LLP 15	43,483	46,455	44,266	43,488	45,540	53,502	54,544	61,544	60,085	53,592	45,042	44,953	596,493	229,675	366,818
LLP 16 (Primary)	14,557	14,941	13,925	15,777	15,498	17,122	19,560	20,761	19,948	17,075	15,523	15,364	200,052	77,392	122,660
LLP 39 (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Off Peak Seasonal 17	191	172	182	139	85	98	112	133	105	87	119	182	1,604	448	1,156
LLP Off Peak Seasonal 19 (Primary)	198	193	194	109	91	121	71	71	82	145	310	256	1,841	345	1,496
LLP Interruptible 22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Interruptible 34 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Off Peak Daily 27	523	538	502	592	513	413	410	446	453	581	575	546	6,092	1,721	4,371
LLP Off Peak Daily 28 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Backup 31 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Supplemental 32 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogeneration Backup 41 (35 kV)	775	819	786	793	718	721	763	833	800	721	740	700	9,169	3,117	6,053
Cogeneration Supplemental 42 (35 kV)	3,586	3,222	2,807	2,944	3,037	3,117	2,803	3,038	2,998	2,923	3,015	2,929	36,419	11,956	24,463
Total LLP	63,313	66,338	62,663	63,842	65,483	75,094	78,263	86,826	84,470	75,124	65,324	64,930	851,671	324,653	527,017
Large Power Contract															
Large Power Contract 44	3,398	3,581	3,467	3,745	4,300	4,175	4,609	5,678	5,277	4,358	3,993	3,569	50,150	19,739	30,411
Large Power Contract 45 (Primary)	17,641	19,644	18,092	22,246	21,281	23,987	23,739	25,077	24,296	22,342	19,098	19,729	257,173	97,099	160,074
Large Power Contract 46 (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 48 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPS 51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Power Contract - OPD 52 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LPC Cogeneration Supplemental 53 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total LPC	21,039	23,225	21,559	25,991	25,581	28,161	28,349	30,755	29,572	26,700	23,091	23,299	307,323	116,838	190,485
Lighting															
Security Lighting 20	143	143	143	143	143	143	143	143	143	143	143	143	1,718	573	1,145
Traffic Lighting 24	128	126	125	123	121	119	118	116	114	112	111	109	1,422	467	956
Street Lighting 26	1,690	1,686	1,687	1,689	1,692	1,695	1,697	1,699	1,702	1,704	1,706	1,711	20,358	6,793	13,565
Total Lighting	1,962	1,956	1,955	1,955	1,956	1,957	1,958	1,958	1,959	1,959	1,960	1,963	23,498	7,832	15,665
Total Retail System	**277,136**	**267,321**	**251,417**	**235,651**	**232,594**	**277,896**	**323,810**	**358,623**	**329,305**	**270,941**	**232,623**	**264,027**	**3,321,343**	**1,289,634**	**2,031,709**
Wholesale Class II															
Supplemental Firm Power Secondary UNL	813	759	1,119	1,594	1,168	1,346	2,326	2,226	1,666	1,555	1,188	924	16,685	7,564	9,122
Supplemental Firm Power UNL	1,080	945	1,338	1,625	1,043	965	1,435	1,396	1,261	1,431	1,205	1,088	14,812	5,058	9,754
Supplemental Firm Power HHSS	1,425	1,306	1,395	1,375	1,516	1,634	1,782	1,820	1,572	1,394	1,256	1,394	17,869	6,808	11,060
Total Wholesale Class II	3,319	3,010	3,853	4,594	3,726	3,946	5,543	5,443	4,499	4,380	3,649	3,405	49,367	19,430	29,936
Non Billed	586	464	397	330	311	451	316	335	397	332	532	627	5,079	1,499	3,579

Lincoln Electric System
Projected Billing Demands (kW)
2008 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
General Service - Demand													
RC 11 (Secondary)	90,794	87,568	90,771	96,086	95,806	102,950	105,469	109,759	107,923	101,130	94,209	91,425	1,173,891
RC 12 (Primary)	304	347	337	322	285	268	242	274	271	254	259	274	3,437
RC 35 - Interruptible (Secondary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 36 - Interruptible (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	91,098	87,915	91,108	96,408	96,091	103,218	105,711	110,033	108,194	101,384	94,468	91,699	1,177,328
Large Light and Power													
RC 15 - LLP (Secondary)	95,287	95,125	98,204	103,089	107,612	114,146	116,765	122,345	120,274	114,394	103,727	102,426	1,293,393
RC 16 - LLP (Primary)	35,267	35,101	36,001	35,205	37,361	38,074	40,844	41,982	40,998	39,433	35,382	34,687	450,335
RC 39 - LLP (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 17 - Off Peak Seasonal (Secondary)	445	402	533	377	275	241	282	302	275	276	342	496	4,242
RC 19 - Off Peak Seasonal (Primary)	889	920	836	738	676	603	509	564	598	696	917	822	8,768
RC 22 - Interruptible (Secondary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 34 - Interruptible (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 27 - Off Peak Daily (Secondary)	248	309	309	424	430	224	820	880	979	1,170	1,122	1,053	7,966
RC 28 - Off Peak Daily (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 31 - Cogeneration Backup (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 31 - Cogeneration Contract (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 32 - Cogeneration Supplemental (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 41 - Cogeneration Backup (35 kV)	6,202	4,990	6,518	7,053	6,889	7,125	5,774	6,981	635	5,740	5,942	6,463	70,312
RC 41 - Cogeneration Contract (35 kV)	725	0	0	0	0	0	0	0	6,400	725	725	0	8,575
RC 42 - Cogeneration Supplemental (35 kV)	6,621	6,104	5,654	5,613	5,815	5,867	5,507	5,784	5,686	5,643	5,680	5,678	69,652
Total LLP	145,683	142,951	148,054	152,497	159,057	166,280	170,500	178,838	175,844	168,077	153,837	151,624	1,913,243
Large Power Contract													
RC 44 - Large Power Contract	6,388	7,453	6,517	7,275	8,082	8,109	8,665	10,674	10,250	8,192	7,757	6,710	96,072
RC 45 - Large Power Contract (Primary)	34,206	34,475	34,507	37,323	39,042	41,511	41,407	43,723	43,702	40,412	35,990	34,468	460,766
RC 46 - Large Power Contract (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 47 - Large Power Contract OPD	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 48 - Large Power Contract OPD (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 51 - Large Power Contract OPS	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 52 - Large Power Contract OPD (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 53 - LPC Cogeneration Supplemental (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total LPC	40,594	41,928	41,024	44,598	47,124	49,620	50,072	54,397	53,952	48,605	43,747	41,178	556,838
Total Retail Billing Demands	**277,375**	**272,793**	**280,186**	**293,503**	**302,272**	**319,118**	**326,283**	**343,268**	**337,990**	**318,066**	**292,052**	**284,502**	**3,647,409**
Wholesale Class II													
Supplemental Firm Power (Secondary)	2,988	3,291	3,599	4,283	4,018	4,297	4,367	4,465	3,890	3,815	3,447	2,794	45,253
Supplemental Firm Power HHSS	2,577	2,601	2,765	3,052	3,126	3,178	3,337	3,358	3,234	2,891	2,530	2,645	35,294
Supplemental Firm Power UNL	3,898	3,595	3,287	3,059	2,868	2,589	2,519	2,927	2,647	2,288	2,655	3,308	35,640
Total Wholesale Class II	9,463	9,487	9,651	10,394	10,012	10,064	10,223	10,750	9,770	8,993	8,632	8,747	116,187
Wheeling													
115 kV Delivery	15,668	15,668	15,551	15,508	19,089	20,519	20,744	20,726	19,816	19,317	15,633	15,458	213,697
34.5 kV Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
12.5 kV Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Wheeling	15,668	15,668	15,551	15,508	19,089	20,519	20,744	20,726	19,816	19,317	15,633	15,458	213,697
Other Demands													
RC 16 Dual Primary	3,186	3,122	3,351	3,634	3,927	4,201	4,514	4,821	4,731	4,356	3,826	3,360	47,029
SFP Wholesale Class II Dual Primary	1,732	1,740	1,702	1,704	1,757	1,691	1,672	1,666	1,644	1,642	1,717	1,690	20,358
RC 17 Seasonal (Winter Excess)	143	100	231	75	0	0	0	0	0	0	40	194	781
RC 19 Seasonal (Winter Excess)	286	317	233	135	73	0	0	0	0	93	314	219	1,670
RC 27 Seasonal (Winter Excess)	1,470	1,470	1,470	1,470	1,470	1,325	741	741	741	741	741	741	13,121
Total Curtailable Load Purchase (Seasonal)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Curtailable Load Purchase (Daily)	0	0	0	0	0	0	2,732	3,732	1,000	0	0	0	7,463
LLP Excess KVAR	10,583	10,484	12,507	12,848	16,169	17,177	18,804	17,756	18,555	15,463	13,833	13,629	177,808

UTILITY PLANT IN SERVICE (UPIS)
AND
CONSTRUCTION WORK IN PROGRESS (CWIP)
2008

The Utility Plant In Service (UPIS) is a statement of the company's plant in service as of a specified date. Construction Work In Progress (CWIP) is added to the UPIS. This combination is grouped by the type of plant each item serves and is functionalized as capacity related plant, facilities related plant, or plant that is directly assignable to a specific area.

UPIS and CWIP numbers are shown in the "Functionalization of Utility Plant in Service" table in this section. Information from this analysis is utilized in the Revenue Requirements table as a factor in allocating debt service and for dividing certain distribution costs between facilities and capacity related costs. Total UPIS and CWIP for this analysis is $1,133,017,923.

FUNCTIONALIZED UTILITY PLANT IN SERVICE
AND CONSTRUCTION WORK IN PROGRESS AS OF 9/30/07
2008
(Dollars)

	FERC Accounts		Total	Capacity Related	Facilities Related	Direct Assignment
		Production Plant				
L1	312	Boiler Plant Equipment	167,441,088	167,441,088	0	0
L2	310 & 340	Land and Land Rights	3,405,679	3,405,679	0	0
L3	311 & 341	Structures and Improvements	91,911,974	91,911,974	0	0
L4	342	Fuel Holders, Producers and Accessories	23,757,839	23,757,839	0	0
L5	343	Internal Combustion Engines	176,071,995	176,071,995	0	0
L6	314 & 344	Generators	53,975,338	53,975,338	0	0
L7	315 & 345	Accessory Electric Equipment	25,406,230	25,406,230	0	0
L8	346	Miscellaneous Power Plant Equipment	19,168,603	19,168,603	0	0
L9	350 - 359	External Extra High Voltage Transmission	48,178,642	48,178,642	0	0
L10	301, 303 & 389-399	LRS Gen Plant, Rokeby Gas, WS#4 Plant	11,190,219	11,190,219	0	0
L11		**Total Production Plant**	620,507,606	620,507,606	0	0
		Transmission Plant				
		Extra High Voltage Transmission				
L12	350.3	Land and Land Rights	5,876,898	5,876,898	0	0
L13	352.3	Structures and Improvements	234,887	234,887	0	0
L14	353.3 & 303	Station Equipment	23,220,657	23,220,657	0	0
L15	354.3	Towers and Fixtures	746,478	746,478	0	0
L16	355.3	Poles, Towers, and Fixtures	8,238,822	8,238,822	0	0
L17	356.3	Overhead Conductors and Devices	8,613,337	8,613,337	0	0
L18		**Total Extra High Voltage Transmission**	46,931,079	46,931,079	0	0
		High Voltage Transmission				
L19	350.2	Land and Land Rights	9,102,868	9,102,868	0	0
L20	352.2	Structures and Improvements	2,279,881	2,279,881	0	0
L21	353.2	Station Equipment	43,822,939	43,822,939	0	0
L22	354.2	Towers and Fixtures	752,351	752,351	0	0
L23	355.2	Poles, Towers and Fixtures	13,793,567	13,793,567	0	0
L24	356.2	Overhead Conductors and Devices	18,016,843	18,016,843	0	0
L25	357.2	Underground Conduit	104,932	104,932	0	0
L26	358.2	Underground Conductors and Devices	1,904,343	1,904,343	0	0
L27	397.2	Communication Equipment	0	0	0	0
L28		**Total High Voltage Transmission**	89,777,724	89,777,724	0	0
L29		**Total Transmission Plant**	136,708,802	136,708,802	0	0
		Distribution Plant				
		35 kV				
L30	360	Land and Land Rights	390,130	0	390,130	0
L31	361	Structures and Improvements	189,192	0	189,192	0
L32	362	Station Equipment	7,051,237	0	7,051,237	0
L33	364	Poles, Towers and Fixtures	3,349,229	0	3,349,229	0
L34	365	Overhead Conductors and Devices	3,673,481	0	3,673,481	0
L35	366 & 367	Underground Conduit, Conductors & Devices	1,557,402	0	1,557,402	0
L36	368	Distribution Line Transformers	387	0	387	0
L37		**Total 35 kV**	16,211,059	0	16,211,059	0
		Other Distribution				
L38	353	Station Equipment	10,100	0	10,100	
L39	360	Land and Land Rights	2,963,749	0	2,963,749	0
L40	361	Structures and Improvements	2,777,912	0	2,777,912	0
L41	362	Station Equipment	38,624,863	0	38,624,863	0
L42	364	Poles, Towers and Fixtures	23,915,918	0	23,915,918	0
L43	365	Overhead Conductors and Devices	26,846,295	0	26,846,295	0
L44	366 & 367	Underground Conduit, Conductors & Devices	113,481,294	0	113,481,294	0
L45	368	Line Transformers	62,954,312	0	62,954,312	0
L46	369	Services	24,987,774	0	24,987,774	0
L47	370	Meters	14,213,723	0	14,213,723	0
L48	372	Leased Property on Customer Premises	541,095	0	0	541,095
L49	373	Street Lighting and Signal System	772,945	0	0	772,945
L50		**Total Other Distribution**	312,089,981	0	310,775,941	1,314,040
L51		**Total Distribution Plant**	328,301,040	0	326,987,000	1,314,040
L52		**Total Production, Transmission & Distribution**	1,085,517,448	757,216,408	326,987,000	1,314,040
L53		Percent of Total	100.0%	69.8%	30.1%	0.1%
L54		**General Plant**	47,500,476	33,155,332	14,297,643	47,500
L55		**Total Utility Plant In Service**	**1,133,017,923**	**790,371,740**	**341,284,643**	**1,361,540**

ALLOCATION FACTORS
2008

Costs are separated into four major cost components: energy, customer, capacity and facilities related. Allocation factors are required for each component to reflect the different cost responsibilities of each class of customers.

Energy Related

Energy related costs vary as a function of the amount of energy delivered by the System. Examples of energy related costs are those associated with fuel used in production of electricity, the energy portions of purchased power contracts, and load factor improvement marketing. Energy allocation factors are developed based on energy sales plus associated class losses (recognizing different losses for customers taking service at secondary, primary and 35 kV voltage levels).

Customer Related

Customer related costs vary as a function of the number of customers served by the System. Examples of customer related costs include those associated with providing information, customer billing, meter reading, the key accounts program, and energy audits. Allocation factors for customer accounting are developed using customer weighting factors designed to reflect different costs associated with providing service to each class of customers. Technical Assistance allocation factors are based on the Energy Services budget. Community Information allocation factors are based on customers per class.

Capacity Related

Capacity (or demand) related costs are those incurred by the System related to the delivery capability of the System. Examples of capacity related costs include debt service on power supply facilities, the demand portion of purchased power, transmission system operation, and fixed O&M on capacity related plant. Capacity related costs are allocated using the 4 month/12 month coincident peak method (4CP/12CP). The 4CP/12CP method is a combination of four summer month coincidental peak demand allocators applied to peaking costs and twelve month coincidental peak demand allocators applied to the remaining capacity costs. Both the 4CP and 12CP are industry accepted methods of cost allocation. The combination gives recognition to peak and average use of the system facilities for each class of service. Coincident load values are derived from LES' Load Survey Data and Analysis System.

Facilities Related

Facilities related costs are those incurred by the System for having services connected to the distribution system. Examples include costs of line transformers, meters, service drops, distribution substations and distribution lines. Costs of line transformers, meters and service drops are allocated to classes based on weighted customer costs. This equipment is dedicated to individual customers. Costs of distribution substations and lines were changed with the 2006 study from a 12-month non-coincident peak method (12NCP) to a four summer month NCP (4NCP). Each class is allocated a share of distribution costs according to the average of its class four summer months. This recognizes that the distribution system was designed for some diversity. For example, distribution facilities can handle the residential class peak, but the same facilities were not built to handle all residences peaking simultaneously. Not everyone peaks at the same time. Non-coincident load values are derived from LES' Load Survey Data and Analysis System.

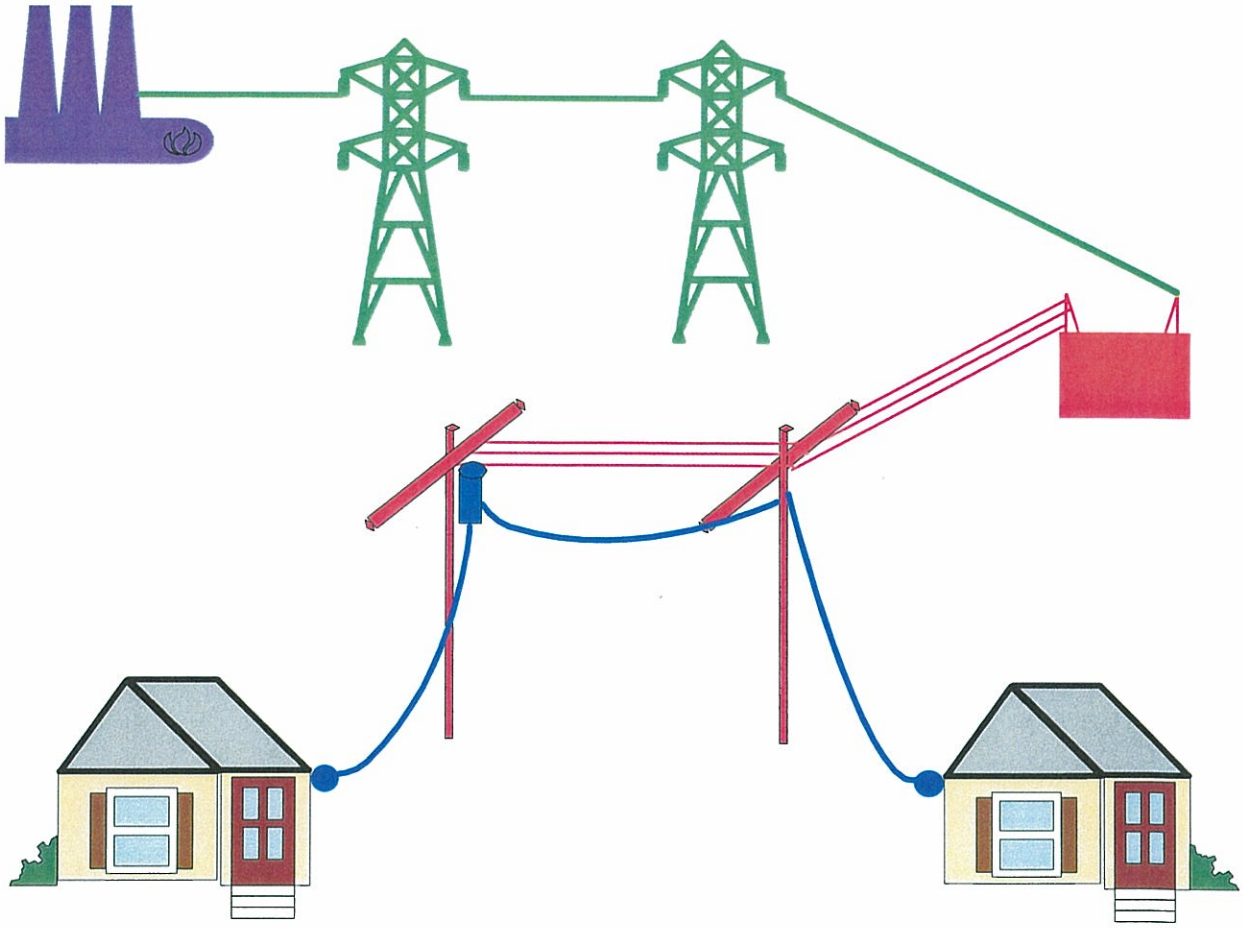
The following charts and tables present the energy, customer, capacity, and facilities related allocation factors for LES rate classes, and provide an illustration of Residential and Large Light and Power Per Unit Costs under the 2008 unbundled cost components.

ENERGY ALLOCATION FACTORS

2008

	Class of Service	Energy Sales (MWh)	Energy Loss Multiplier	Sales & Losses (Adjusted) (MWh)	Energy Allocation Factors
L2	**Residential**				
L3	Residential 01	1,040,646	1.051	1,093,719	
L4	Residential 03	191,205	1.051	200,957	
L5	**Total**	**1,231,851**		**1,294,676**	36.74%
L6	**General Service**				
L7	Secondary	422,799	1.051	444,362	
L8	Primary	0	1.018	0	
L9	**Total**	**422,799**		**444,362**	12.61%
L10	**General Service - Demand**				
L11	Secondary	425,952	1.051	447,675	
L12	Primary	1,238	1.018	1,261	
L13	**Total**	**427,190**		**448,936**	12.74%
L14	**Large Light & Power plus SFP**				
L15	Secondary	620,875	1.051	652,539	
L16	Primary	234,574	1.018	238,796	
L17	35 kV	45,588	1.008	45,953	
L18	**Total**	**901,037**		**937,288**	26.59%
L19	**Large Power Contract**				
L20	Secondary	50,150	1.051	52,708	
L21	Primary	257,173	1.018	261,802	
L22	35 kV	0	1.008	0	
L23	**Total**	**307,323**		**314,510**	8.92%
L24	**Heating Service**	**57,013**	1.051	**59,920**	1.70%
L25	**Lighting**				
L26	Security	1,718	1.051	1,805	
L27	Traffic	1,422	1.051	1,495	
L28	Street Lighting	20,358	1.051	21,396	
L29	**Total**	**23,498**		**24,696**	0.70%
L30	**Total Energy (Retail plus SFP)**	**3,370,710**		**3,524,388**	100.00%
L31	Adjustment to Control, including WAPA Class II			144,612	
L32	**LES Energy**			**3,669,000**	

COST COMPONENT UNBUNDLING

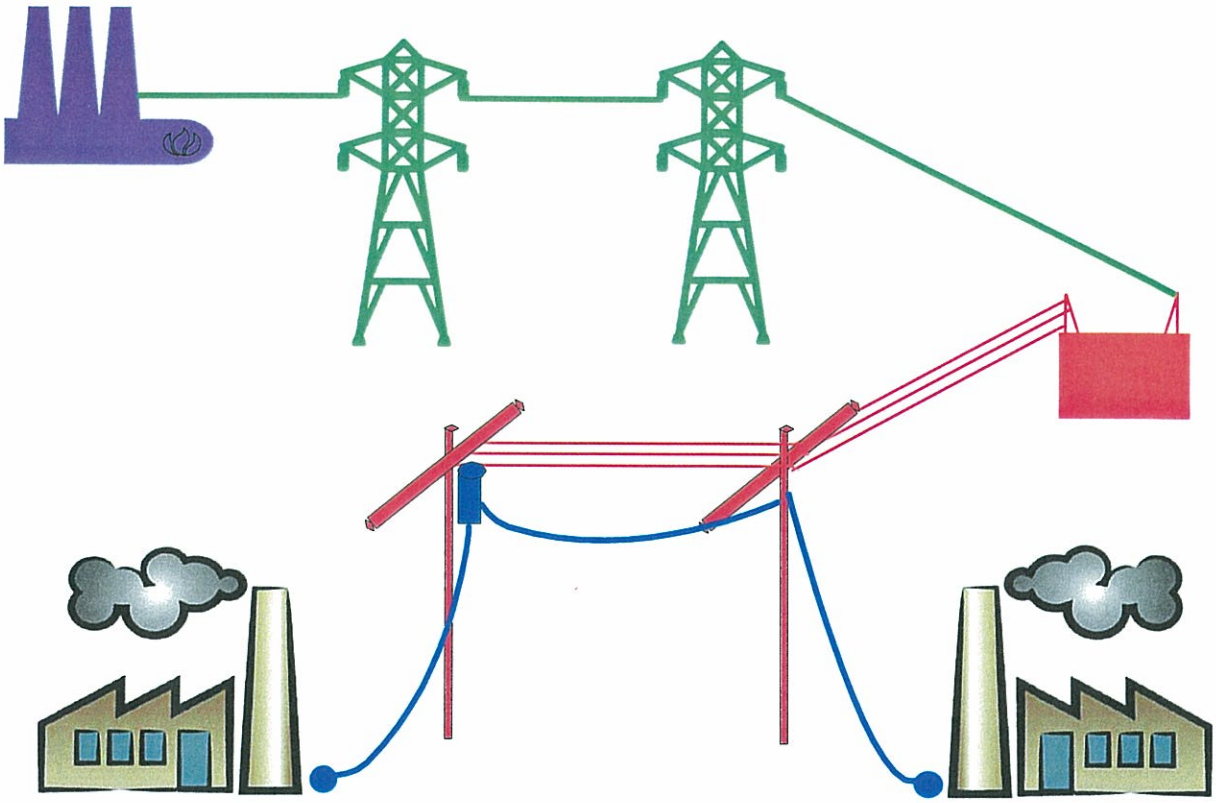


2008 Residential Per Unit Costs

	($/Bill)	(Cents/kWh)
Demand		
Generation		2.9
Transmission		0.6
Energy		
Fuel & Variable O&M		1.9
		5.4
Customer		
Billing & Tech. Assistance	**$3.67**	**0.4**
Facilities		
Meter, Service, Transf.	**$4.05**	**0.4**
Distribution Lines & Subs.	**$8.73**	**0.9**
	$12.78	**1.4**

Note: Distribution Lines & Substations per unit cost includes the Residential Class credit to 35 kV Facilities Requirements developed on page III-30.

COST COMPONENT UNBUNDLING



2008 Large Light & Power Per Unit Costs

	($/kW)	(Cents/kWh)
Demand		
Generation	$9.96	2.2
Transmission	$2.20	0.5
	$12.16	
Energy		
Fuel & Variable O&M		2.1
		4.8
	($/Bill)	
Customer		
Billing & Tech. Assistance	**$335.00**	**0.11**
	($/kW)	
Facilities		
Meter, Service, Transf.	**$0.26**	**0.05**
Distribution Lines & Subs.	**$3.39**	**0.71**
	$3.65	**0.76**

Note: Distribution Lines & Substations per unit cost includes the LLP Class credit to 35 kV Facilities Requirements developed on page III-30.

CUSTOMER ALLOCATION FACTORS
2008

		Total	Residential	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Heating Service	Street & Traffic Lighting
	I. Allocation of Customer Accounting								
L1	Relative Weight of Cost/Customer [1]		1.00	0.98	0.96	0.93	0.96	0.95	1.39
L2	Weighted Customers [2]	127,290	110,896	14,074	762	228	7	691	633
L3	Allocation Factors	100.00%	87.11%	11.06%	0.60%	0.18%	0.01%	0.54%	0.50%
	II. Allocation of Energy Services								
L4	Residential Customers	100.00%	100.00%	-	-	-		-	-
L5	General Service Customers	100.00%		100.00%	-	-		-	-
L6	GSD Customers	100.00%	-	-	100.00%	-		-	-
L7	LLP Customers	100.00%	-	-	-	92.00%	8.00%	-	-
	III. Allocation of Interval Meter Reading								
	Allocation Factors	100.00%	-	-	-	97.21%	2.79%	-	-
	IV. Allocation of Community Information								
L8	Customers	127,458	110,896	14,333	797	244	7	728	454
L9	Allocation Factors	100.00%	87.00%	11.25%	0.62%	0.19%	0.01%	0.57%	0.36%

Notes: *(1) Relative Weight of Cost per Customer is the class weighted average cost per customer divided by the residential weighted average cost per customer. For example, a relative weight of 2 means the cost per customer of that class is two times that of the Residential class.*

(2) Weighted Customers is the number of customers projected in the rate class multiplied by the Relative Weight of Cost per Customer for each class. The number of projected customers for Street and Traffic Lighting is based on the projected number of lamps.

CAPACITY ALLOCATION FACTORS
2008
Class Average Demand (kW) at Time of System Peak Adjusted to Lincoln Demand

	Average kW / Customer	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average	Summer Average
L2	**Residential**														
L8	Average [1]	1.73	1.73	1.31	1.11	1.86	2.86	3.18	3.01	2.38	1.62	1.70	1.82		
L9	Customers	95,321	95,441	95,561	95,681	95,801	95,919	96,038	96,157	96,275	96,938	97,057	97,175		
L10	at LES Demand	164,905	164,795	125,504	106,206	177,870	274,010	305,081	289,432	229,455	157,363	164,673	176,859	194,679	274,495
L11	**Residential Heating**														
L17	Average [1]	3.40	3.17	2.59	1.27	1.49	2.02	2.40	2.10	1.68	1.33	2.42	2.74		
L18	Customers	14,660	14,679	14,698	14,716	14,734	14,753	14,771	14,789	14,807	14,909	14,927	14,946		
L19	at LES Demand	49,894	46,483	38,116	18,640	22,003	29,849	35,401	31,057	24,876	19,879	36,074	40,951	32,769	30,296
L20	**General Service**														
L26	Average [1]	3.81	3.75	3.79	4.88	5.40	5.66	6.90	6.57	6.23	5.61	3.87	3.86		
L27	Customers	14,235	14,253	14,272	14,289	14,308	14,325	14,343	14,359	14,377	14,393	14,410	14,427		
L28	at LES Demand	54,237	53,450	54,140	69,732	77,313	81,130	98,922	94,389	89,571	80,795	55,768	55,738	72,099	91,003
L29	**General Service - Demand**														
L35	Average [1]	66.46	63.92	65.60	88.19	97.43	99.96	105.72	105.15	100.81	90.33	65.42	66.51		
L36	Customers	791	792	793	794	795	796	797	798	799	800	801	802		
L37	at LES Demand	52,567	50,627	52,021	70,020	77,460	79,571	84,261	83,910	80,550	72,264	52,401	53,341	67,416	82,073
L38	**LLP plus SFP**														
L44	Average [1]	482.17	473.40	495.42	620.11	634.03	673.13	688.91	702.89	661.49	640.68	484.57	486.84		
L45	Customers	243	243	243	244	244	244	244	245	245	246	246	247		
L46	at LES Demand	117,168	115,036	120,386	151,306	154,704	164,244	168,094	172,208	162,066	157,607	119,205	120,251	143,523	166,653
L47	**LPC**														
L53	Average [1]	4516.09	4635.30	4733.90	5628.69	5712.23	6250.97	6157.86	6267.80	6166.88	6188.73	4769.34	4564.89		
L54	Customers	7	7	7	7	7	7	7	7	7	7	7	7		
L55	at LES Demand	31,613	32,447	33,137	39,401	39,986	43,757	43,105	43,875	43,168	43,321	33,385	31,954	38,262	43,476
L56	**Cogen Backup [2]**														
L62	Average [1]	1,510	500	599	1,803	1,033	1,897	3,012	1,327	2,924	1,689	104	7,092	1,958	2,290
L63	**LLP less Cogen Backup [2]**														
L64		115,658	114,536	119,788	149,503	153,672	162,347	165,081	170,881	159,142	155,918	119,101	113,159	141,565	164,363
L65	**Heating Service**														
L71	Average [1]	16.25	15.82	17.15	9.00	10.71	12.71	14.06	13.01	11.81	10.43	11.66	13.81		
L72	Customers	722	723	724	725	726	727	728	729	730	731	732	733		
L73	at LES Demand	11,733	11,438	12,419	6,527	7,775	9,240	10,238	9,482	8,619	7,627	8,533	10,123	9,479	9,395
L74	**Lighting [3]**														
L75	at LES Demand	162	162	162	162	162	162	162	162	162	162	162	162	162	162
L76	**Total**	**482,278**	**474,439**	**435,886**	**461,995**	**557,274**	**681,963**	**745,265**	**724,515**	**638,468**	**539,018**	**470,203**	**489,379**	**558,390**	**697,553**

	Coincidental Demand Percentages	Res 01	Res 03	GS	GSD	LLP & SFP	LPC	Cogen Backup	HS	Ltg	Total
L79	**Summer Months (Jun-Sep)**	**39.35**	**4.34**	**13.05**	**11.77**	**23.56**	**6.23**	**0.33**	**1.35**	**0.02**	**100.00**
L80	**Twelve Months**	**34.87**	**5.87**	**12.91**	**12.07**	**25.35**	**6.85**	**0.35**	**1.70**	**0.03**	**100.00**

Notes: (1) Average demands per customer are based on five years of data. High and low values are dropped and the remaining three values are averaged.

(2) Cogen Backup represents load supplied by LES for backup load not covered by the generators; SFP represents Supplemental Firm Power load. The Cogeneration Backup load is excluded from the LLP class average demand in order to develop a separate LLP allocation factor (without backup) and a separate Cogeneration Backup allocation factor for use in allocating revenue requirements.

(3) Lighting is based on Traffic Lighting usage only (projected energy of 1,422,265 kWh divided by total annual of 8,760). Traffic Lighting load is nearly constant at all hours of the day and contributes to System peak, especially in the summer. Street and Security Lighting have only off-peak loads.

CAPACITY ALLOCATION FACTORS
4CP / 12CP Allocation Method
2008

Coincident Peak Capacity Allocators (Percent)

	Residential RC01	Residential Heating RC03	Total Residential RC01 & RC03	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Cogen. Backup	Heating Service	Lighting [1]	Total
4CP -Summer Months (June - September)	39.35	4.34	43.69	13.05	11.77	23.56	6.23	0.33	1.35	0.02	100.00
12CP -Twelve Months	34.87	5.87	40.74	12.91	12.07	25.35	6.85	0.35	1.70	0.03	100.00

Peaking Load-to-Resources Ratio

2008 Projections (MW)		2008 Summer Peaking Resources (MW)	
Summer System Peak	809	Rokeby [3]	230
Winter System Peak [2]	570	8th & J	27
Difference	239	Salt Valley [3]	41
		WAPA	72
			370

Peaking Load-to-Resources Ratio = 239 / 370 = 0.65

Adjustment Factor [4] = 0.65

2008 Capacity Requirements

		Adjustment Factor	Adjusted	Allocation Method
Power Supply - Peaking [5]	$16,603,578	0.65	$10,715,602	4CP
Power Supply - Remainde	$71,312,145		$77,200,122	12CP
Transmission	$16,943,448		$16,943,448	12CP
Total	$104,859,172		$104,859,172	

Capacity Costs Allocated

	Residential RC01	Residential Heating RC03	Total Residential RC01 & RC03	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Cogen. Backup	Heating Service	Lighting [1]	Total
Power Supply											
PS - Peaking	4,216,589	465,057	4,681,646	1,398,386	1,261,226	2,524,596	667,582	35,361	144,661	2,143	10,715,602
PS - Remainde	26,919,682	4,531,647	31,451,330	9,966,536	9,318,055	19,570,231	5,288,208	270,200	1,312,402	23,160	77,200,122
Transmission	5,908,180	994,580	6,902,761	2,187,399	2,045,074	4,295,164	1,160,626	59,302	288,039	5,083	16,943,448
Total	$37,044,452	$5,991,285	$43,035,737	$13,552,321	$12,624,355	$26,389,991	$7,116,417	$364,864	$1,745,101	$30,386	$104,859,172

4CP/12CP Capacity Allocators (Percent)

4CP/12CP Allocators	**35.33**	**5.71**	**41.04**	**12.92**	**12.04**	**25.17**	**6.79**	**0.35**	**1.66**	**0.03**	**100.00**

Notes: (1) The lighting coincidental demand percentages are based on Traffic usage only. This is because the Traffic Lighting load occurs in the daylight hours (especially in the summer during the time the peak is most likely to affect the System.)

(2) Projected winter peaks exclude spring and fall months.

(3) Rokeby Unit #1=62.4; Rokeby Unit #2=77.1; Rokeby Unit #3=87.8; Rokeby Black Start=3.0; Salt Valley Unit #4=39.7; Salt Valley Black Start=1.6.

(4) The Adjustment Factor is defined as 1.0 if the Peaking Load-to-Resources Ratio is greater than or equal to 1.0, else it is equal to the Peaking Load-to-Resources Ratio. The 4CP method is used only to allocate costs associated with peaking resources actually used to serve peaking load.

(5) Power Supply - Peaking capacity requirements include: SVGS #4 & BS, 8th & J, Rokeby, WAPA peaking and MAPP transactions shown in the Revenue Requirements table.

DISTRIBUTION FACILITIES ALLOCATION FACTORS

2008

Based on Coincidental Class Peak Avg kW Demand (Non-Coincident With System Peak)

	Average kW / Customer	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average	Summer 4NCP
	Residential														
L7	Average [1]	1.81	1.80	1.64	1.59	2.26	3.01	3.44	3.37	2.63	1.85	1.82	1.99		
L8	Customers	95,321	95,441	95,561	95,681	95,801	95,919	96,038	96,157	96,275	96,938	97,057	97,175		
L9	Class Peak	172,848	171,476	156,402	152,133	216,190	289,037	330,371	324,049	252,882	179,335	176,643	193,379	217,895	299,085
	Residential Heating														
L15	Average [1]	3.57	3.89	2.99	2.06	2.16	2.49	2.74	2.59	2.25	1.98	2.94	3.58		
L16	Customers	14,660	14,679	14,698	14,716	14,734	14,753	14,771	14,789	14,807	14,909	14,927	14,946		
L17	Class Peak	52,387	57,150	43,995	30,266	31,826	36,734	40,521	38,353	33,365	29,520	43,837	53,505	40,955	37,243
	TTL RES	**225,235**	**228,626**	**200,397**	**182,399**	**248,016**	**325,771**	**370,893**	**362,402**	**286,247**	**208,855**	**220,480**	**246,884**	**258,850**	**336,328**
	General Service														
L23	Average [1]	4.90	4.90	4.77	5.49	5.94	6.82	7.52	7.33	6.75	6.23	4.75	4.94		
L24	Customers	14,235	14,253	14,272	14,289	14,308	14,325	14,343	14,359	14,377	14,393	14,410	14,427		
L25	Class Peak	69,801	69,842	68,127	78,497	84,944	97,747	107,815	105,255	97,095	89,719	68,449	71,319	84,051	101,978
	General Service - Demand														
L31	Average [1]	78.67	80.30	82.44	93.15	103.65	105.71	112.65	112.97	109.33	95.09	81.32	75.79		
L32	Customers	791	792	793	794	795	796	797	798	799	800	801	802		
L33	Class Peak	62,225	63,595	65,372	73,961	82,402	84,148	89,785	90,147	87,355	76,075	65,135	60,781	75,082	87,859
	LLP plus SFP														
L39	Average [1]	561.83	565.22	575.61	660.15	687.00	722.97	743.97	737.82	706.75	669.49	599.86	563.04		
L40	Customers	243	243	243	244	244	244	244	245	245	246	246	247		
L41	Class Peak	136,524	137,348	139,874	161,077	167,629	176,405	181,529	180,765	173,154	164,695	147,565	139,072	158,803	177,963
	LPC														
L47	Average [1]	5347.97	5370.34	5684.39	6174.36	6324.00	6716.27	6909.53	6909.57	6672.85	6529.39	5728.89	5398.02		
L48	Customers	7	7	7	7	7	7	7	7	7	7	7	7		
L49	Class Peak	37,436	37,592	39,791	43,221	44,268	47,014	48,367	48,367	46,710	45,706	40,102	37,786	43,030	47,614
	Cogen Backup [2]														
L55	Average [1]	5,111	6,921	5,426	7,456	7,365	7,183	5,837	5,929	5,488	6,667	6,844	6,683	6,409	6,109
	35 kV [4]														
L61	Average [1]	12,641	13,567	11,978	14,768	14,666	15,210	13,047	12,569	12,274	11,791	13,030	12,576	13,176	13,275
	LLP less Cogen Backup [2]														
L62		131,413	130,427	134,448	153,621	160,264	169,221	175,692	174,836	167,666	158,029	140,720	132,389	152,394	171,854
	Excluding 35 kV Services [4]														
L63	Class Peak	118,772	116,860	122,469	138,852	145,597	154,011	162,646	162,266	155,393	146,238	127,691	119,813	139,217	158,579
	Heating Service														
L69	Average [1]	20.74	22.39	18.40	12.54	11.57	13.21	14.39	13.93	13.16	12.75	19.27	23.42		
L70	Customers	722	723	724	725	726	727	728	729	730	731	732	733		
L71	Class Peak	14,977	16,186	13,319	9,089	8,397	9,606	10,478	10,157	9,604	9,320	14,103	17,167	11,867	9,962
	Lighting [3]														
L72	Class Peak	5,835	5,835	5,840	5,834	5,914	5,927	5,925	5,934	5,941	5,999	5,997	6,011	5,916	5,932
L73	**Total**	**552,033**	**559,023**	**532,720**	**554,077**	**641,570**	**746,618**	**814,792**	**803,027**	**706,107**	**600,369**	**561,831**	**579,020**	**637,599**	**767,636**
L74	**less 35 kV and Cogen [4]**	**534,281**	**538,535**	**515,315**	**531,852**	**619,539**	**724,224**	**795,908**	**784,528**	**688,346**	**581,911**	**541,957**	**559,761**	**618,013**	**748,252**

	Class 4 Non Coincidental Demand Percentages	TTL RES	GS	GSD	LLP & SFP	LPC	Cogen Backup	HS	Ltg	Total
L75	**All Classes - General Allocation Factors**	**43.81**	**13.28**	**11.45**	**22.39**	**6.20**	**0.80**	**1.30**	**0.77**	**100.00**
L76	**Adjusted Factors (Excluding 35 kV Customers) [4]**	**44.96**	**13.63**	**11.74**	**21.19**	**6.36**	**-**	**1.33**	**0.79**	**100.00**
L77	**Excluding Ltg (for Locating Services) - 12 Months**	**44.15**	**13.38**	**11.54**	**22.56**	**6.25**	**0.81**	**1.31**	**-**	**100.00**

Notes: (1) Average demands per customer are based on five years of data. High and low values are dropped and the remaining three values are averaged.

(2) Cogen Backup represents LES supplied load for backup load not covered by generators; SFP represents Supplemental Firm Power load. The Cogen Backup load is excluded from LLP class avg demands to develop separate LLP (without backup) and Cogen Backup allocation factors for revenue requirement allocations.

(3) Lighting is from the Load Survey Annual Report for the non-coincident load for the lighting class.

(4) Adjusted allocation factors that exclude 35 kV customers are used to distribute 35 kV facilities requirements that are not directly assigned to 35 kV customers.

FACILITIES ALLOCATION FACTORS
2008

		Total	Residential	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Heating Service	Street & Traffic Lighting
	I. Allocation of Line Transformers								
L1	Line Transformers								
L2	Relative Weight of Cost per Customer [1]		1.0	9.9	30.2	85.7	14.1	15.9	1.7
L3	Weighted Customers [2]	312,012	112,712	141,865	24,057	20,932	99	11,578	769
L4	Allocation Factors	100.00%	36.12%	45.47%	7.71%	6.71%	0.03%	3.71%	0.25%
	II. Allocation of Services and Meters								
L5	Services								
L6	Relative Weight of Cost per Customer [1]		1.0	1.2	4.7	10.5	1.7	1.5	0.0
L7	Weighted Customers [2]	136,476	112,526	16,502	3,750	2,567	12	1,120	0
L8	Allocation Factors	100.00%	82.45%	12.09%	2.75%	1.88%	0.01%	0.82%	0.00%
L9	Meters								
L10	Relative Weight of Cost per Customer [1]		1.0	3.4	14.3	31.4	68.6	4.3	0.0
L11	Weighted Customers [2]	182,730	110,896	49,211	11,377	7,669	480	3,097	0
L12	Allocation Factors	100.00%	60.69%	26.93%	6.23%	4.20%	0.26%	1.69%	0.00%
L13	Weighted Average [3] of Services and								
L14	Meters - Allocation Factors	100.00%	74.56%	17.47%	4.01%	2.72%	0.10%	1.14%	0.00%
	III. Distribution Allocation Factors								
L15	Class 4NCP	100.00%	43.81%	13.28%	11.45%	23.19%	6.20%	1.30%	0.77%
L16	Adjusted to exclude 35 kV Customers [4]	100.00%	44.96%	13.63%	11.74%	21.19%	6.36%	1.33%	0.79%
L17	Class 4NCP, excluding St Ltg [5]	100.00%	44.15%	13.38%	11.54%	23.37%	6.25%	1.31%	0.00%

Notes: (1) Relative Weight of Cost per Customer is the class weighted average cost per customer divided by the residential weighted average cost per customer. For example, a relative weight of 2 means the cost per customer of that class is two times that of the Residential class.

(2) Weighted Customers is the number of customers projected in the rate class multiplied by the Relative Weight of Cost per Customer for each class. The number of projected customers for Street and Traffic Lighting is based on the projected number of lamps.

(3) The Weighted Average of Services and Meters is based on services and meters in customer related plant. Services total 63.74% and Meters total 36.26%.

(4) Calculated allocation factors excluding 35 kV customers are used to distribute 35 kV facilities requirements that are not directly assigned to 35 kV customers.

(5) Street Lighting Locating services are part of Street Lighting's Budget and are directly assigned to the class. Calculated allocation factors excluding Street Lighting are used to distribute other Locating services.

PROJECTED LOAD FACTORS
2008

		Class Average at Time of Class Peak Adjusted to Lincoln Demand (kW) [1]					
		2002	2003	2004	2005	2006	Average [2]
		(b)	(c)	(d)	(e)	(e)	(f)
L1	**Residential 01**	3.80	3.40	3.35	3.45	3.47	**3.44**
L2	**Residential 03**	2.82	3.01	2.76	2.52	2.65	**2.74**
L3	**General Service**	7.48	7.15	7.53	7.80	7.54	**7.52**
L4	**GS Demand**	118.57	109.44	111.64	108.54	116.88	**112.65**
L5	**LLP + SFP**	791.57	715.40	728.48	752.98	750.46	**743.97**
L6	**LPC**	6744.70	6555.14	6887.31	7105.25	7096.59	**6909.53**
L7	**Heating Service**	11.85	13.30	14.24	15.64	17.29	**14.39**

		Average Customers (g)	Summer Class Peak (kW) Responsibility (h) (f) x (g)	Projected Sales (MWh) Lincoln Energy [3] (i)	Average Demand (kW) Lincoln Demand (j) (i) / 8,760	Projected Load Factor (k) (j) / (h)
L8	**Residential 01**	96,114	330,631	1,093,719	124,854	**37.8%**
L9	**Residential 03**	14,782	40,504	200,957	22,940	**56.6%**
L10	**General Service**	14,333	107,784	444,362	50,726	**47.1%**
L11	**GS Demand**	797	89,726	448,936	51,248	**57.1%**
L12	**LLP + SFP**	244	181,715	937,288	106,996	**58.9%**
L13	**LPC**	7	48,367	314,510	35,903	**74.2%**
L14	**Heating Service**	728	10,469	59,920	6,840	**---**

Notes: (1) The class peak is during the system peak month of the year found in the Load Survey Annual Reports.
(2) The average is found by dropping the high and low values, then averaging the remaining three values.
(3) Sales with losses are calculated in the energy allocation factors table.

REVENUE REQUIREMENTS
2008

Total revenue requirement is comprised of the four cost components (capacity, energy, customer and facilities costs). Credits for Wholesales, Wheeling, Rents, and Other Revenues (including Customer Fees) are excluded from appropriate components to determine total system revenue requirements. Total revenue requirements are based on the 2008 budget.

In order to trace the cost of electric power and energy at various stages from generation to its final use and achieve unbundled services, revenue requirement is divided into several categories: (1) Power Supply, which includes internal generation, purchased power, other power supply expenses, and the Renewable Energy Program; (2) Transmission, subdivided into extra high voltage and high voltage which includes O&M and control area expenses; (3) Customer, which includes accounting, meter reading, Energy Services, the Key Account program, printing costs, and customer information; (4) Distribution Facilities, which includes expenses for operating the facilities needed to deliver power and energy to the ultimate customer (e.g., investment and O&M on transformers, service drops and meters, and distribution substations and lines), and street lighting.

Administrative and General expenses are allocated to different functions based on total expenses less purchased power costs and fuel costs. The Debt Service and Construction column is a combination of several cost elements. Debt Service includes interest expense and principal repayment on bonds. An additional amount is included in order to achieve a debt coverage ratio as determined by the System's long range financial plan. The Bond Ordinance provides that these items are funded through the recovery of capital depreciation expenses. These cost items are allocated to functions based on the Utility Plant in Service (UPIS) and other debt coverage assignments.

Interest Earned is credited to total revenue requirement. Supplemental Firm Power (SFP) Revenues are credited to Power Supply and Energy Related functions. WAPA Wholesales, Wheeling, Rents and Other Revenues are credited to areas producing the revenues: WAPA and Norris wholesale revenues to production and purchased power; transmission service charge revenue to transmission; wheeling revenue to the transmission system and to 35 kV distribution; cellular tower rental to substations; pole attachment fees to poles; Customer Fees and the sales tax collection fee to Customer Accounting; clean air allowance revenue and miscellaneous MEAN to LRS; and several other miscellaneous rents and revenues to appropriate areas. The city street and traffic lighting investment was discontinued in 2004 leaving street lighting investment fees for Lancaster County and Waverly to be credited to street lighting as an adjustment to take the investment out of the base revenue requirements. The "In Lieu of Tax" payment is the final item added, based on approximately five percent of total retail revenues in the cities of Lincoln and Waverly.

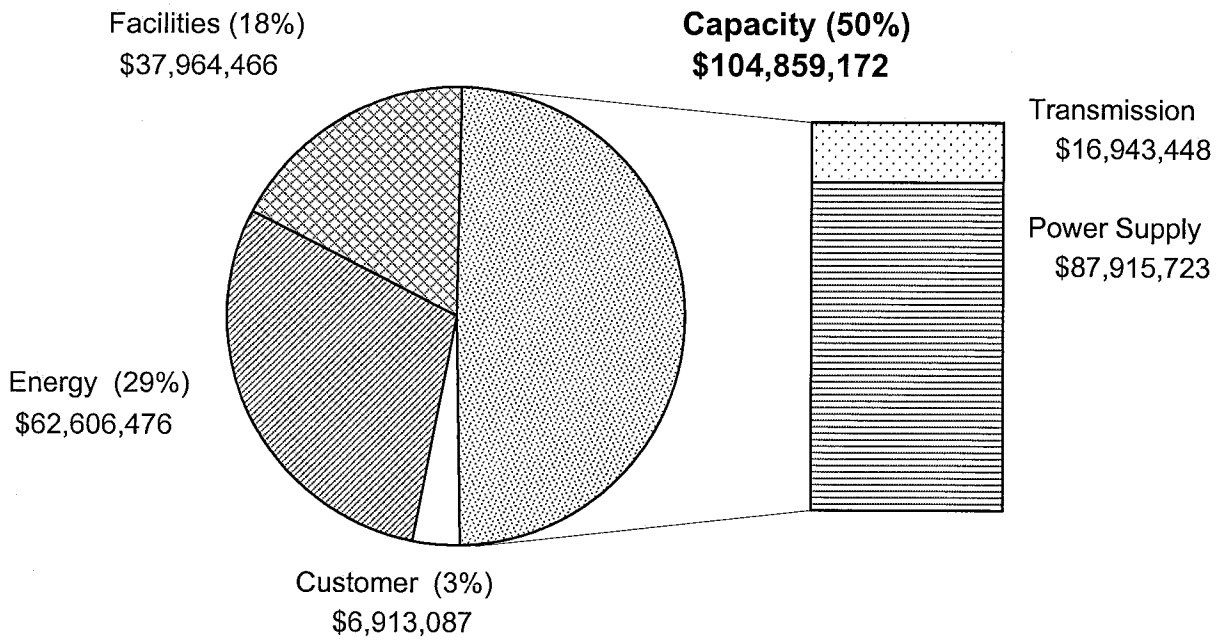
The result is total Retail Revenue Requirements plus SFP. Total System Revenue Requirements are determined by excluding credits for WAPA Wholesales, Wheeling, Rents, and Other Revenues (including Customer Fees).

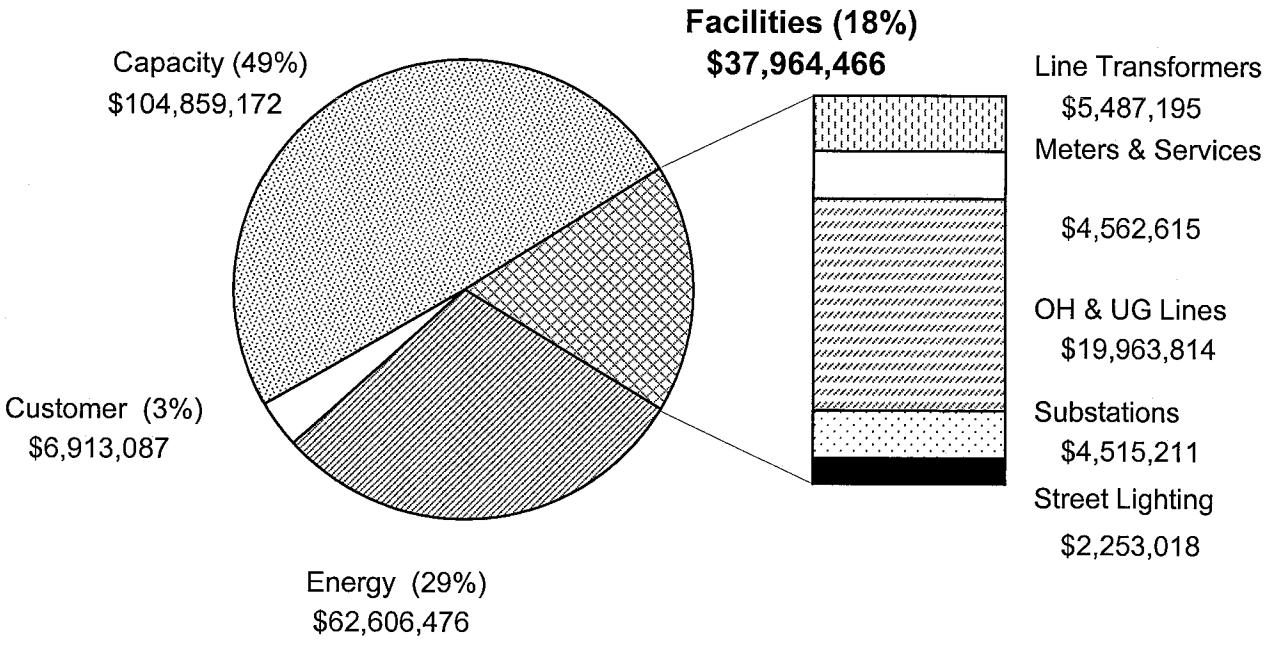
The split of retail and SFP revenue requirements is shown below and the following charts and tables present these requirements in more detail.

	Revenue Requirements + SFP	Percent
Capacity Related	$104,859,172	49.3%
Energy Related	$62,606,476	29.5%
Customer Related	$6,913,087	3.3%
Facilities Related	$37,964,466	17.9%
Total Revenue Requirements	$212,343,201	100.0%

2008 REVENUE REQUIREMENTS

Total Retail plus SFP Revenue Requirements
$212,343,201





REVENUE REQUIREMENTS
2008 Cost Analysis

Capacity Related Revenue Requirements

		O&M	Engineer & Operation Supervision	Allocated Budget	LES A&G	Debt Service and Construction	Subtotal	Interest Credit	SFP Revenues	WAPA Wholesales, Wheeling, Rents and Other Revenues	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L1	**I. Power Supply**													
L2	A. Production													
L3	Laramie River Station	10,746,000	0	10,746,000	0	10,252,986	20,998,986	(438,194)	(759,201)	(5,146,591)	14,655,000	752,013	16,166,214	21,312,805
L4	EPRI Joint Wind	0	0	0	0	12,405	12,405	(259)	0	0	12,146	623	12,769	12,769
L5	SVGS Non Peaking #1,2,3	3,214,597	0	3,214,597	1,909,561	9,332,742	14,456,899	(301,678)	(303,952)	(1,205,713)	12,645,557	648,900	13,598,409	14,804,122
L6	SVGS Peaking #4, BS	905,874	0	905,874	538,115	3,237,167	4,681,156	(97,683)	(74,790)	(296,675)	4,212,007	216,137	4,502,934	4,799,609
L7	Walter Soctt #4	5,715,400	0	5,715,400	3,395,108	12,048,027	21,158,534	(441,523)	(367,810)	(1,459,025)	18,890,177	969,339	20,227,325	21,686,350
L8	8th & J Peaker	243,905	0	243,905	144,886	431,003	819,795	(17,107)	(8,388)	(33,275)	761,024	39,052	808,464	841,739
L9	Rokeby Site Peakers	1,325,412	0	1,325,412	787,332	6,332,752	8,445,495	(176,235)	(92,625)	(367,423)	7,809,213	400,725	8,302,563	8,669,985
L10	Subtotal	22,151,188	0	22,151,188	6,775,001	41,647,082	70,573,271	(1,472,679)	(1,606,766)	(8,508,702)	58,985,123	3,026,789	63,618,678	72,127,380
L11	B. Purchased Power / Participation													
L12	WAPA - Firm	1,773,100	0	1,773,100	0	0	1,773,100	(37,000)	0	0	1,736,100	89,087	1,825,187	1,825,187
L13	WAPA - Peaking	2,821,300	0	2,821,300	0	0	2,821,300	(58,873)	0	0	2,762,427	141,752	2,904,179	2,904,179
L14	WAPA - Class II	1,184,100	0	1,184,100	0	0	1,184,100	(24,709)	0	0	1,159,391	59,493	1,218,884	1,218,884
L15	Sheldon Station	7,601,100	0	7,601,100	0	0	7,601,100	(158,615)	(366,316)	(1,453,099)	5,623,070	288,545	6,277,931	7,731,030
L16	Gentleman Station	10,574,200	0	10,574,200	0	0	10,574,200	(220,656)	(492,699)	(1,954,434)	7,906,411	405,713	8,804,824	10,759,257
L17	MAPP Transactions	83,000	0	83,000	0	0	83,000	(1,732)	0	0	81,268	4,170	85,438	85,438
L18	MISO	664,500	0	664,500	0	0	664,500	(13,866)	0	0	650,634	33,387	684,021	684,021
L19	Power Cost Allocated	(141,700)	0	(141,700)	0	0	(141,700)	2,957	0	0	(138,743)	(7,120)	(145,863)	(145,863)
L20	Subtotal	24,559,600	0	24,559,600	0	0	24,559,600	(512,494)	(859,015)	(3,407,532)	19,780,558	1,015,028	21,654,601	25,062,134
L21	C. Other Power Supply													
L22	301 PS Administration	330,558	0	330,558	196,361	0	526,919	(10,995)	0	0	515,923	26,474	542,398	542,398
L23	303 Resource Planning	191,925	0	191,925	114,009	0	305,934	(6,384)	0	0	299,550	15,371	314,921	314,921
L24	302 Generation Engineering	69,236	0	69,236	41,128	0	110,364	(2,303)	0	0	108,061	5,545	113,606	113,606
L25	312 System Energy Mgmt	742,099	0	742,099	440,828	0	1,182,927	(24,685)	0	0	1,158,242	59,435	1,217,677	1,217,677
L26	306 PS Office Management	182,853	0	182,853	108,620	0	291,473	(6,082)	0	0	285,391	14,645	300,035	300,035
L27	307 Environmental	93,736	0	93,736	55,682	0	149,418	(3,118)	0	0	146,300	7,507	153,807	153,807
L28	Subtotal	1,610,407	0	1,610,407	956,627	0	2,567,034	(53,567)	0	0	2,513,467	128,977	2,642,444	2,642,444
L29	Total Power Supply	48,321,195	0	48,321,195	7,731,628	41,647,082	97,699,905	(2,038,741)	(2,465,781)	(11,916,235)	81,279,148	4,170,794	87,915,723	99,831,958
L30	**II. Transmission**													
L31	A. Extra High Voltage													
L32	Substations	148,409	42,701	191,111	113,525	1,279,404	1,584,040	(33,055)	0	(43,583)	1,507,402	77,351	1,584,753	1,628,336
L33	Poles	11,799	3,395	15,194	9,025	1,901,784	1,926,004	(40,191)	0	(48,678)	1,837,135	94,272	1,931,407	1,980,085
L34	Conductor	59,337	17,073	76,410	45,390	1,823,057	1,944,856	(40,584)	0	(49,154)	1,855,118	95,194	1,950,312	1,999,467
L35	LRS Transmission and MINT	2,045,600	0	2,045,600	0	0	2,045,600	(42,686)	0	(51,701)	1,951,213	100,125	2,051,339	2,103,039
L36	303 Resource Planning	98,000	0	98,000	58,215	0	156,215	(3,260)	0	(3,948)	149,007	7,646	156,653	160,601
L37	312 System Energy Mgmt	742,100	0	742,100	440,828	0	1,182,928	(24,685)	0	(29,897)	1,128,346	57,900	1,186,246	1,216,144
L38	625 Rates	10,173	0	10,173	6,043	0	16,215	(338)	0	(410)	15,467	794	16,261	16,671
L39	TSC Revenue	0	0	0	0	0	0	0	0	(163,035)	(163,035)	(8,366)	(171,401)	(8,366)
L40	Subtotal	3,115,418	63,169	3,178,587	673,026	5,004,245	8,855,858	(184,799)	0	(390,406)	8,280,653	424,917	8,705,570	9,095,976
L41	B. High Voltage													
L42	Substations	590,915	170,022	760,937	452,018	2,898,820	4,111,775	(85,802)	0	(103,921)	3,922,052	201,258	4,123,310	4,227,231
L43	Poles	23,250	6,690	29,940	17,785	1,194,883	1,242,608	(25,930)	0	(31,406)	1,185,272	60,822	1,246,094	1,277,499
L44	Conductor & U.G.	687,592	197,839	885,432	525,971	1,645,057	3,056,459	(63,780)	0	(77,249)	2,915,430	149,604	3,065,034	3,142,283
L45	TSC Revenue	0	0	0	0	0	0	0	0	(186,965)	(186,965)	(9,594)	(196,559)	(9,594)
L46	Subtotal	1,301,757	374,551	1,676,308	995,774	5,738,760	8,410,842	(175,512)	0	(399,541)	7,835,789	402,089	8,237,878	8,637,419
L47	Total Transmission	4,417,175	437,720	4,854,895	1,668,800	10,743,004	17,266,700	(360,311)	0	(789,947)	16,116,442	827,006	16,943,448	17,733,395
L48	**Total Capacity Related**	**52,738,370**	**437,720**	**53,176,090**	**9,400,428**	**52,390,086**	**114,966,604**	**(2,399,052)**	**(2,465,781)**	**(12,706,182)**	**97,395,590**	**4,997,800**	**104,859,172**	**117,565,353**

Energy Related Revenue Requirements

		O&M (Fuel)	Engineer & Operation Supervision (Variable O&M)	Allocated Budget	LES A&G	Debt Service and Construction	Subtotal	Interest Credit	SFP Revenues	WAPA Wholesales, Wheeling, Rents and Other Revenues	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L1	**I. Power Supply**													
L2	A. Production													
L3	Laramie River Station	16,800,888	862,112	17,663,000	0	0	17,663,000	(368,580)	(312,235)	(5,460,782)	11,521,402	591,214	12,424,851	17,885,634
L4	EPRI Joint Wind	0	0	0	0	0	0	0	0	0	0	0	0	0
L5	SVGS Non Peaking #1,2,3	7,580,851	578,306	8,159,157	343,530	0	8,502,687	(177,429)	(125,006)	(1,860,974)	6,339,278	325,297	6,789,580	8,650,555
L6	SVGS Peaking #4, BS	1,819,750	72,980	1,892,730	43,352	0	1,936,082	(40,401)	(30,759)	(457,908)	1,407,015	72,200	1,509,974	1,967,882
L7	Walter Soctt #4	6,061,960	1,985,940	8,047,900	0	0	8,047,900	(167,939)	(151,268)	(2,251,952)	5,476,741	281,036	5,909,045	8,160,997
L8	8th & J Peaker	68,985	1,000	69,985	594	0	70,579	(1,473)	(3,450)	(51,359)	14,298	734	18,481	69,840
L9	Rokeby Site Peakers	2,065,867	74,700	2,140,567	44,374	0	2,184,941	(45,594)	(38,094)	(567,104)	1,534,150	78,724	1,650,967	2,218,071
L10	Subtotal	34,398,301	3,575,038	37,973,339	431,850	0	38,405,190	(801,416)	(660,811)	(10,650,079)	26,292,884	1,349,205	28,302,900	38,952,979
L11	B. Purchased Power													
L12	WAPA - Firm	0	0	1,612,500	0	0	1,612,500	(33,649)	0	0	1,578,851	81,018	1,659,869	1,659,869
L13	WAPA - Peaking	0	0	268,700	0	0	268,700	(5,607)	0	0	263,093	13,500	276,593	276,593
L14	WAPA - Class II	0	0	1,399,200	0	0	1,399,200	(29,198)	0	0	1,370,002	70,301	1,440,303	1,440,303
L15	Sheldon Station	0	0	6,106,300	0	0	6,106,300	(127,422)	(150,654)	(2,242,806)	3,585,418	183,984	3,920,056	6,162,861
L16	Gentleman Station	0	0	7,862,400	0	0	7,862,400	(164,068)	(202,631)	(3,016,598)	4,479,103	229,843	4,911,577	7,928,175
	Walter Soctt #3	0	0	3,767,500	0	0	3,767,500	(78,618)	0	0	3,688,882	189,293	3,878,175	3,878,175
L17	MAPP Transactions	0	0	15,873,100	0	0	15,873,100	(331,230)	0	0	15,541,870	797,522	16,339,392	16,339,392
L18	SO2 Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0
L19	Subtotal	0	0	36,889,700	0	0	36,889,700	(769,791)	(353,285)	(5,259,403)	30,507,220	1,565,461	32,425,966	37,685,370
L20	Total Power Supply	34,398,301	3,575,038	74,863,039	431,850	0	75,294,890	(1,571,207)	(1,014,096)	(15,909,482)	56,800,104	2,914,666	60,728,866	76,638,348
L21	**II. Load Fact. Impr./ Mkt. & Media**													
L22	C. Media	0	0	947,802	563,021	0	1,510,823	(31,527)	0	0	1,479,296	75,909	1,555,205	1,555,205
L23	D. 628 Energy Star Homes	0	0	38,761	23,025	0	61,787	(1,289)	0	(11,000)	49,497	2,540	52,037	63,037
L24	E. 625 Energy Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
L25	F. 302 Energy Marketing	0	0	9,500	5,643	0	15,143	(316)	0	0	14,827	761	15,588	15,588
L26	Total LF Improv. / Mktg. & Media	0	0	996,063	591,689	0	1,587,753	(33,132)	0	(11,000)	1,543,620	79,210	1,622,830	1,633,830
L27	**III. Renewable Energy Program ***	107,845	4,071	111,916	66,481	177,065	355,462	(7,418)	0	0	348,045	17,860	365,905	365,905
L28	Displaced Power Costs *	0	0	0	0	0	0	0	0	0	0	0	(111,125)	(111,125)
L29	**Total Energy Related**	**34,506,146**	**3,579,109**	**75,971,019**	**1,090,021**	**177,065**	**77,238,105**	**(1,611,757)**	**(1,014,096)**	**(15,920,482)**	**58,691,770**	**3,011,735**	**62,606,476**	**78,526,959**

Customer Related Revenue Requirements

		O&M	Engineer & Operation Supervision	Allocated Budget	LES A&G	Debt Service and Construction	Subtotal	Interest Credit	SFP Revenues	WAPA Wholesales, Wheeling, Rents and Other Revenues	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L30	**I. Customer**													
L31	A. Customer Accounting	0	0	4,094,227	2,432,085	0	6,526,312	(136,187)	0	(1,747,041)	4,643,084	238,257	4,881,342	6,628,383
L32	B. Res Cust Energy Services	0	0	266,870	158,528	0	425,398	(8,877)	0	0	416,521	21,374	437,895	437,895
L33	C. Gen Serv Cust Energy Services	0	0	113,059	67,160	0	180,219	(3,761)	0	0	176,459	9,055	185,513	185,513
L34	D. GSD Cust Energy Services	0	0	65,622	38,981	0	104,603	(2,183)	0	0	102,420	5,256	107,676	107,676
L35	E. LLP Cust Energy Services	0	0	601,796	357,484	0	959,280	(20,018)	0	0	939,263	48,198	987,460	987,460
L36	F. Interval Meter Reading	0	0	40,377	23,985	0	64,361	(1,343)	0	0	63,018	3,234	66,252	66,252
L37	G. CCC Printing	0	0	59,800	35,523	0	95,323	(1,989)	0	0	93,334	4,789	98,123	98,123
L38	H. Community Information Program	0	0	90,700	53,878	0	144,578	(3,017)	0	0	141,561	7,264	148,826	148,826
L39	**Total Customer Related**	**0**	**0**	**5,332,451**	**3,167,625**	**0**	**8,500,076**	**(177,374)**	**0**	**(1,747,041)**	**6,575,661**	**337,426**	**6,913,087**	**8,660,128**

Facilities Related Revenue Requirements

		O&M	Engineer & Operation Supervision	Allocated Budget	LES A&G	Debt Service and Construction	Subtotal	Interest Credit	SFP Revenues	WAPA Wholesales, Wheeling, Rents and Other Revenues	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L1	**I. Distribution Facilities**													
L2	A. 35 kV Lines & Subs													
L3	Substations	85,222	24,521	109,743	65,190	518,267	693,201	(14,465)	0	0	678,735	34,829	713,564	713,564
L4	Poles	8,108	2,333	10,441	6,202	245,014	261,656	(5,460)	0	0	256,196	13,147	269,343	269,343
L5	Conductor & U.G.	414,664	119,310	533,974	317,195	382,695	1,233,864	(25,748)	0	0	1,208,117	61,994	1,270,110	1,270,110
L6	Directly Assigned 35 kV	0	0	0	0	0	0	0	0	0	0	0	273,138	273,138
L7	Credit for Directly Assigned :	0	0	0	0	0	0	0	0	0	0	0	(273,138)	(273,138)
L8	Subtotal	507,994	146,164	654,157	388,588	1,145,976	2,188,721	(45,673)	0	0	2,143,048	109,969	2,253,018	2,253,018
L9	B. Substations	828,696	238,439	1,067,135	633,908	2,941,874	4,642,917	(96,885)	0	(251,207)	4,294,824	220,387	4,515,211	4,766,418
L10	C. Overhead Lines													
L11	Poles	63,895	18,384	82,280	48,876	1,708,160	1,839,317	(38,382)	0	(221,204)	1,579,731	81,063	1,660,794	1,881,998
L12	Conductor	2,509,394	722,021	3,231,415	1,919,551	1,917,458	7,068,424	(147,499)	0	0	6,920,924	355,143	7,276,068	7,276,068
L13	Subtotal	2,573,289	740,405	3,313,694	1,968,427	3,625,619	8,907,741	(185,881)	0	(221,204)	8,500,655	436,206	8,936,862	9,158,066
L14	D. Underground Lines													
L15	Underground Lines (less Locating)	623,606	179,429	803,035	477,025	8,105,240	9,385,300	(195,847)	0	0	9,189,454	471,552	9,661,005	9,661,005
L16	Underground Lines (Locating)	646,457	186,003	832,461	494,505	0	1,326,966	(27,690)	0	0	1,299,275	66,672	1,365,947	1,365,947
L17	Subtotal	1,270,064	365,432	1,635,496	971,530	8,105,240	10,712,266	(223,537)	0	0	10,488,729	538,223	11,026,952	11,026,952
L18	E. Meters and Services	795,302	228,830	1,024,133	608,363	2,799,911	4,432,407	(92,493)	0	0	4,339,915	222,700	4,562,615	4,562,615
L19	F. Dist. Line Transformers	406,387	116,929	523,316	310,864	4,496,422	5,330,602	(111,236)	0	0	5,219,366	267,829	5,487,195	5,487,195
L20	**II. Street Lighting**	525,869	151,307	677,176	402,261	91,896	1,171,333	(24,443)	0	(22,000)	1,124,891	57,723	1,182,614	1,204,614
L21	**Total Facilities Related**	**6,907,602**	**1,987,505**	**8,895,106**	**5,283,942**	**23,206,938**	**37,385,987**	**(780,147)**	**0**	**(494,411)**	**36,111,428**	**1,853,038**	**37,964,466**	**38,458,877**

Total Revenue Requirements

		O&M	Engineer & Operation Supervision	Allocated Budget	LES A&G	Debt Service and Construction	Subtotal	Interest Credit	SFP Revenues	WAPA Wholesales, Wheeling, Rents and Other Revenues	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L22	**Total Revenue Requirements**	**94,152,118**	**6,004,334**	**143,374,666**	**18,942,016**	**75,774,089**	**238,090,772**	**(4,968,330)**	**(3,479,877)**	**(30,868,116)**	**198,774,449**	**10,200,000**	**212,343,201**	**243,211,317**

* Note: 2008 Revenue Requirements are based on 2008 Revenue Projections with 5.5% March 1, 2008, Rate Adjustment, adjusted by the following:

1) Proposed Rate Stabilization Fund reimbursement in the 2008 budget of $2,000,000.
2) The Displaced Power Costs Credit of $111,125 is the estimated reduction in power costs for total resources due to the Renewable Energy Program.
3) A small rounding difference of $47

ALLOCATION OF REVENUE REQUIREMENT TO CUSTOMER CLASSES
2008

Using the cost allocation factors, total retail Revenue Requirements plus SFP is allocated to LES' classes of service. In this analysis, six major LES rate classes are identified:

Residential: Rate Codes 01 & 03
General Service: Rate Code 10
General Service - Demand: Rate Codes 11 & 12
Large Light & Power + SFP: Rate Codes 15, 16, 17, 19, 27, 41, & 42
Large Power Contract: Rate Codes 44 & 45
Heating Service: Rate Code 21
and
Security, Street and Traffic Signal Lighting: Rate Codes 20, 24 & 26

Allocations of cost components among these customer classes are summarized below. Further details of this distribution are presented through the charts and table on the following pages.

After costs have been allocated to each major classification, costs are allocated within each rate based on cost development breakdown and cost curves at different consumption levels.

Summary of Allocated Costs
Grouped According to Rate Design

2008

		Total Retail plus SFP	Residential	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Heating Service	Lighting
L1	**Capacity**	$104,859,172	$43,035,737	$13,552,321	$12,624,355	$26,754,855	$7,116,417	$1,745,101	$30,386
L2	**Energy**	$62,606,476	$23,143,239	$7,876,639	$7,946,482	$16,581,904	$5,561,771	$1,059,979	$436,462
L3	**Customer**	$6,913,087	$4,881,017	$771,390	$123,770	$981,627	$84,975	$36,636	$33,673
L4	**Facilities**	$37,964,466	$17,002,919	$6,814,154	$3,642,539	$6,864,113	$1,650,512	$600,285	$1,389,943
L5	**Total**	**$212,343,201**	**$88,062,912**	**$29,014,505**	**$24,337,146**	**$51,182,499**	**$14,413,674**	**$3,442,001**	**$1,890,464**
L6	**Percent**	**100.0%**	**41.5%**	**13.7%**	**11.5%**	**24.1%**	**6.8%**	**1.6%**	**0.9%**

ALLOCATION OF REVENUE REQUIREMENTS

2008 Cost Analysis

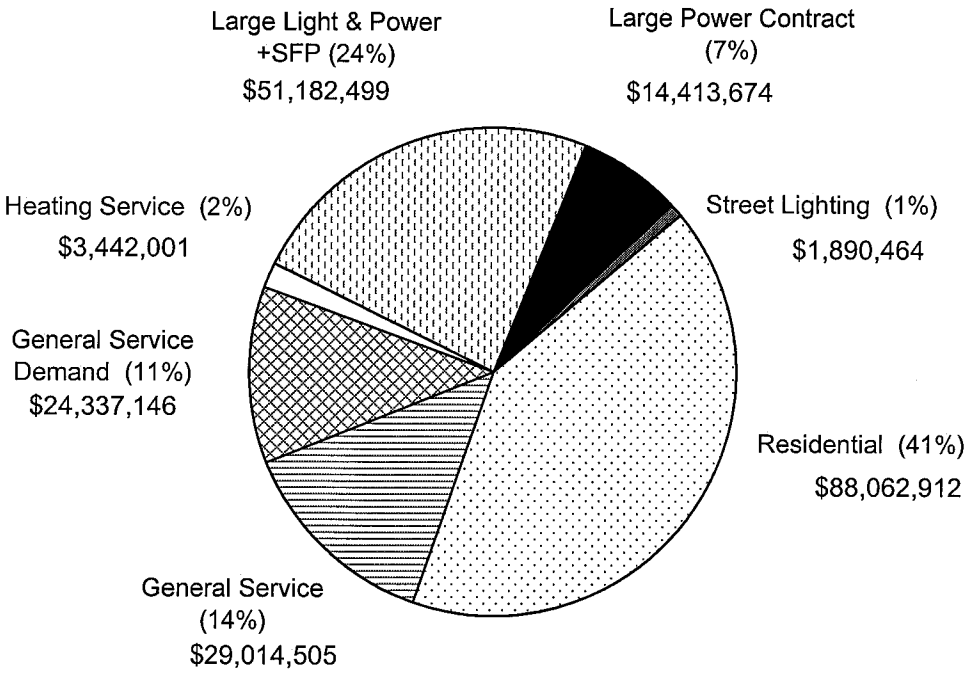
		Total System	WAPA Wholesales, Wheeling, Rents and Other Revenues	Total Retail plus SFP	Residential	General Service	General Service - Demand	Large Light & Power plus SFP	Large Power Contract	Heating Service	Street Lighting
L1	**Capacity Related Costs**										
L2	**I. Power Supply**										
L3	A. Production	$72,127,380	$8,508,702	$63,618,678	$26,177,441	$8,225,472	$7,652,416	$16,190,971	$4,303,405	$1,050,766	$18,207
L4	B. Purchased Power / Participation	$25,062,134	$3,407,532	$21,654,601	$8,879,003	$2,798,310	$2,607,922	$5,530,310	$1,471,378	$361,375	$6,303
L5	C. Other Power Supply	$2,642,444	$0	$2,642,444	$1,076,532	$341,140	$318,943	$679,108	$181,007	$44,922	$793
L6	Total Power Supply	$99,831,958	$11,916,235	$87,915,723	$36,132,976	$11,364,922	$10,579,281	$22,400,389	$5,955,790	$1,457,063	$25,303
L7	**II. Transmission**										
L8	A. Extra High Voltage	$9,095,976	$390,406	$8,705,570	$3,546,649	$1,123,889	$1,050,762	$2,237,332	$596,332	$147,995	$2,612
L9	B. High Voltage	$8,637,419	$399,541	$8,237,878	$3,356,112	$1,063,510	$994,312	$2,117,135	$564,295	$140,044	$2,471
L10	Total Transmission	$17,733,395	$789,947	$16,943,448	$6,902,761	$2,187,399	$2,045,074	$4,354,466	$1,160,626	$288,039	$5,083
L11	**Total Capacity Related**	**$117,565,353**	**$12,706,182**	**$104,859,172**	**$43,035,737**	**$13,552,321**	**$12,624,355**	**$26,754,855**	**$7,116,417**	**$1,745,101**	**$30,386**
L12	**Energy Related Costs**										
L13	**I. Power Supply**										
L14	A. Production	$38,952,979	$10,650,079	$28,302,900	$10,398,485	$3,568,996	$3,605,789	$7,525,741	$2,524,619	$481,149	$198,120
L15	B. Purchased Power	$37,685,370	$5,259,403	$32,425,966	$11,913,300	$4,088,914	$4,131,068	$8,622,064	$2,892,396	$551,241	$226,982
L16	Total Power Supply	$76,638,348	$15,909,482	$60,728,866	$22,311,785	$7,657,910	$7,736,858	$16,147,806	$5,417,015	$1,032,391	$425,102
L17	**II. Load Fact. Impr./ Mkt. & Media**	$1,633,830	$11,000	$1,622,830	$596,228	$204,639	$206,749	$431,511	$144,756	$27,588	$11,360
L18	**III. Renewable Energy Program ***	$365,905	$0	$365,905	$337,822	$20,236	$4,130	$3,717	$0	$0	$0
L19	Displaced Power Costs *	($111,125)	$0	($111,125)	($102,596)	($6,146)	($1,254)	($1,129)	$0	$0	$0
L20	**Total Energy Related**	**$78,526,959**	**$15,920,482**	**$62,606,476**	**$23,143,239**	**$7,876,639**	**$7,946,482**	**$16,581,904**	**$5,561,771**	**$1,059,979**	**$436,462**
L21	**Customer Related Costs**										
L22	**I. Customer**										
L23	A. Customer Accounting	$6,628,383	$1,747,041	$4,881,342	$4,215,520	$569,134	$15,171	$11,929	$663	$35,788	$33,137
L24	B. Res Cust Energy Services	$437,895	$0	$437,895	$437,895	$0	$0	$0	$0	$0	$0
L25	C. Gen Serv Cust Energy Services	$185,513	$0	$185,513	$0	$185,513	$0	$0	$0	$0	$0
L26	D. GSD Cust Energy Services	$107,676	$0	$107,676	$0	$0	$107,676	$0	$0	$0	$0
L27	E. LLP Cust Energy Services	$987,460	$0	$987,460	$0	$0	$0	$908,463	$78,997	$0	$0
L28	F. Interval Meter Reading	$66,252	$0	$66,252	$0	$0	$0	$60,952	$5,300	$0	$0
L29	G. CCC Printing	$98,123	$0	$98,123	$98,123	$0	$0	$0	$0	$0	$0
L30	H. Community Information Program	$148,826	$0	$148,826	$129,478	$16,743	$923	$283	$15	$848	$536
L31	**Total Customer Related**	**$8,660,128**	**$1,747,041**	**$6,913,087**	**$4,881,017**	**$771,390**	**$123,770**	**$981,627**	**$84,975**	**$36,636**	**$33,673**
L32	**Facilities Related Costs**										
L33	**I. Distribution Facilities**										
L34	A. 35 kV Lines & Subs	$1,979,879	$0	$1,979,879	$890,154	$269,858	$232,438	$419,536	$125,920	$26,332	$15,641
L35	Credit for Directly Assigned 3	$273,138	$0	$273,138				$273,138	$0		
L36	B. Substations	$4,766,418	$251,207	$4,515,211	$1,978,114	$599,620	$516,992	$1,047,077	$279,943	$58,698	$34,767
L37	C. Overhead Lines	$9,158,066	$221,204	$8,936,862	$3,915,239	$1,186,815	$1,023,271	$2,072,458	$554,085	$116,179	$68,814
L38	D. Underground Lines	$11,026,952	$0	$11,026,952	$4,835,552	$1,465,745	$1,263,815	$2,559,609	$684,354	$143,487	$74,390
L39	E. Meters and Services	$4,562,615	$0	$4,562,615	$3,401,886	$797,089	$182,961	$124,103	$4,563	$52,014	$0
L40	F. Dist. Line Transformers	$5,487,195	$0	$5,487,195	$1,981,975	$2,495,028	$423,063	$368,191	$1,646	$203,575	$13,718
L41	**II. Street Lighting**	$1,204,614	$22,000	$1,182,614	$0	$0	$0	$0	$0	$0	$1,182,614
L42	**Total Facilities Related**	**$38,458,877**	**$494,411**	**$37,964,466**	**$17,002,919**	**$6,814,154**	**$3,642,539**	**$6,864,113**	**$1,650,512**	**$600,285**	**$1,389,943**
L43	**Total Revenue Requirements**	**$243,211,317**	**$30,868,116**	**$212,343,201**	**$88,062,912**	**$29,014,505**	**$24,337,146**	**$51,182,499**	**$14,413,674**	**$3,442,001**	**$1,890,464**

** Note: 2008 Revenue Requirements are based on 2008 Revenue Projections with 5.5% March 1, 2008, Rate Adjustment, adjusted by the following:*
1) Proposed Rate Stabilization Fund reimbursement in the 2008 budget of $2,000,000.
2) The Displaced Power Costs Credit of $111,125 is the estimated reduction in power costs for total resources due to the Renewable Energy Program.
3) A small rounding difference of $47

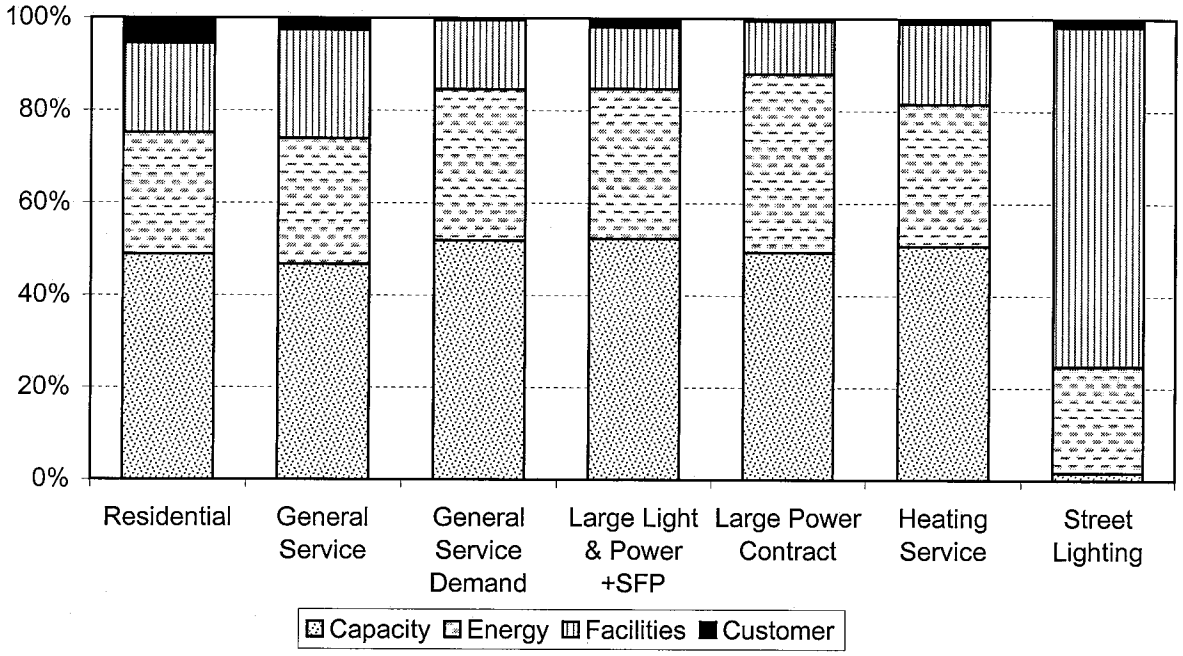
2008 ALLOCATED COSTS

Total Retail plus SFP Revenue Requirements
$212,343,201

Allocations by Rate Class



Percent of Total Rate Class Requirements per Function



FACILITIES RELATED REVENUE REQUIREMENTS ADJUSTMENT FOR 35 kV
2008

Allocated facilities related revenue requirements shown on pages III-27 to III-29 are based on the 12 NCP allocation method used since unbundling of facilities requirements first occurred in the 1996 Cost Analysis. In the 1999 Cost Analysis, requirements for 35 kV facilities were moved from Transmission to Distribution Facilities Requirements.

A portion of 35 kV requirements is allocated directly to 35 kV customers, based on these customers' contribution to the peak load flow on the 35 kV system. (Direct allocation to 35 kV customers and resulting 35 kV facilities per unit costs are developed on page III-61.) Remaining 35 kV facilities requirements are allocated to all retail classes based on an adjusted set of 12 NCP allocation factors that exclude 35 kV customers (developed on page III-18).

To accommodate these adjusted allocations in the Cost Analysis, a credit for each retail rate class is developed below. Credits are based on the differences between the 12 NCP facilities related requirements per rate class and those based on the direct assignment allocation methods. In per unit cost developments, facilities related requirements reflect these adjustments.

Total 35 kV Facilities Requirements Allocated to Retail Rate Classes

		Total	Res	GS	GSD	LLP + SFP	LPC	HS	St Ltg
L1	12 NCP Facilities Allocation Factors	100.00%	43.81%	13.28%	11.45%	23.19%	6.20%	1.30%	0.77%
L2	Allocated 35 kV Facilities Related Retail Revenue Requirements (+SFP)	$2,253,018	$987,047	$299,201	$257,971	$522,475	$139,687	$29,289	$17,348

Adjustment: Direct Assignment to 35 kV Customers

		Total	Subs	Lines
L3	Total Retail 35 kV Requirements (+SFP)	$2,253,018	$713,564	$1,539,453
L4	Direct Assignment to 35 kV Services	$273,138	$86,323	$186,815
L5	(12.1% of Subs, 12.1% of Lines. See page III-60)			
L6	Remaining 35 kV Requirements	$1,979,879	$627,241	$1,352,638

Remaining 35 kV Facilities Requirements (L6) Allocated to Retail Rate Classes

		Total	Res	GS	GSD	LLP + SFP	LPC	HS	St Ltg
L7	Adjusted 12 NCP Allocation Factors (See page III-18)	100.00%	44.96%	13.63%	11.74%	21.19%	6.36%	1.33%	0.79%
L8	Allocated 35 kV Facilities Related Retail Revenue Requirements	$1,979,879	$890,154	$269,858	$232,438	$419,536	$125,920	$26,332	$15,641

Credit to Class Facilities Costs to Remove Directly Assigned 35 kV Facilities Requirements

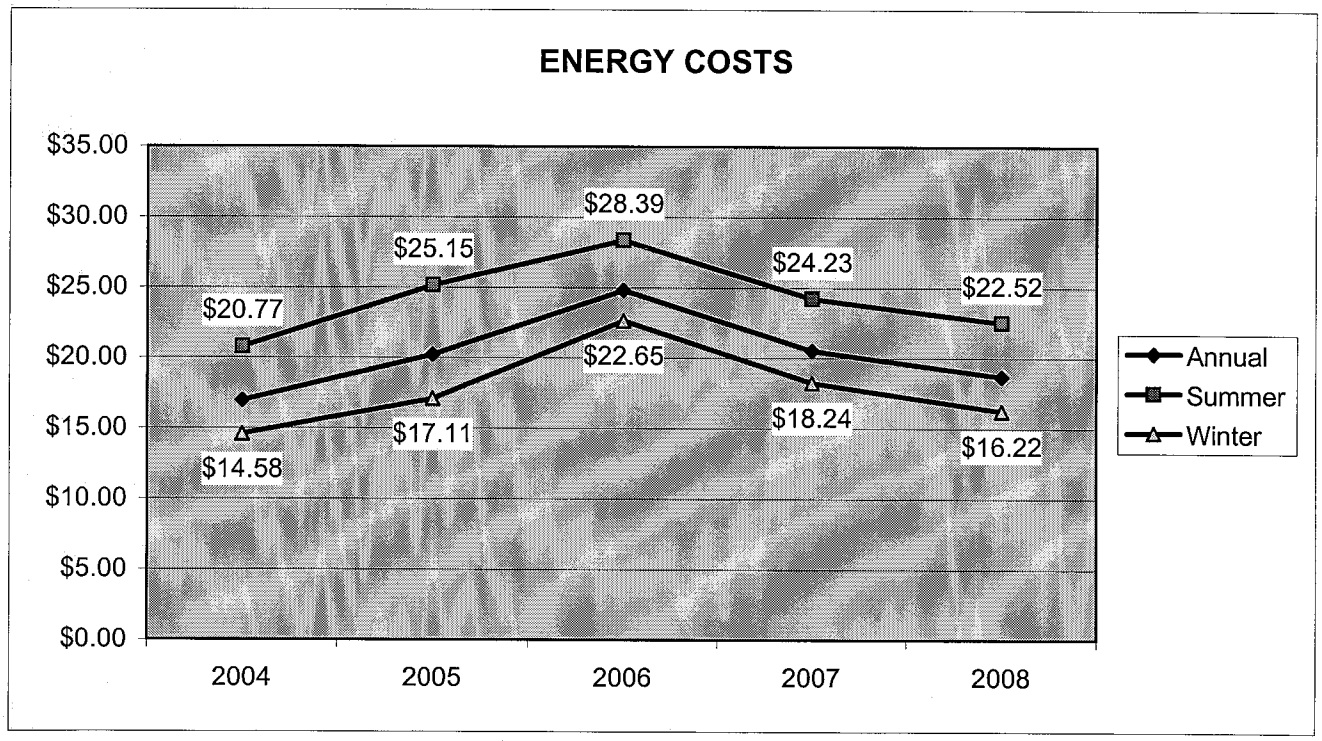
		Total	Res	GS	GSD	LLP + SFP	LPC	HS	St Ltg
L9	Credit per Rate Class (L8 - L2)	($273,138)	($96,893)	($29,343)	($25,533)	($102,938)	($13,767)	($2,957)	($1,707)

POWER COSTS
AND
SEASONAL ENERGY COSTS
2008

Five power cost summary tables for 2008 in this section provide detailed information on purchases, production and sales on a monthly basis. This monthly information is used to allocate Energy Related Revenue Requirements to the summer and winter seasons.

For 2008, the annual secondary level energy cost is $18.67/MWh, summer energy cost is $22.52/MWh (121% of annual), and the winter energy cost is $16.22/MWh (87% of annual). The summer and winter ratio to annual is used to allocate seasonal energy for each rate class.

The chart below shows the five year trend of energy costs.



SUMMARY TABLE 2.1.1

2008

ENERGY BALANCE(GWH)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						PURCHASES							
WAPAFM ENERGY	11.2	9.4	9.7	8.8	10.5	11.6	13.1	13.0	12.2	10.8	10.3	10.6	131.2
WAPAPK ENERGY	0.2	0.2	0.2	0.2	3.3	3.1	3.3	3.3	3.2	3.3	0.2	0.2	20.5
WAPACL2 ENERGY	8.8	8.3	8.6	8.3	9.5	11.0	11.0	11.7	10.5	9.1	8.6	8.4	113.8
GENTLEMAN ENERGY	77.6	70.6	76.4	75.5	61.7	73.3	77.2	77.4	76.3	49.6	28.2	76.8	820.7
SHELDON ENERGY	44.4	42.0	33.6	34.7	24.0	28.0	46.4	46.5	42.7	34.9	45.7	44.8	467.6
WALTER SCOTT 3 ENERGY	36.0	32.7	35.4	35.0	36.0	34.0	35.8	35.9	35.4	36.3	34.1	35.7	422.5
COORDINATION PURCH ENERGY	18.9	19.3	16.4	11.9	31.4	41.0	42.2	40.4	24.8	24.8	17.5	21.1	309.8
PURCH ENERGY	197.1	182.5	180.3	174.5	176.4	202.0	228.9	228.1	205.3	168.9	144.5	197.6	2,286.0
						PRODUCTION							
LARAMIE ENERGY	145.8	132.4	143.9	124.0	140.1	138.3	145.1	145.5	143.0	146.8	138.7	144.6	1,688.3
MEAN ENERGY	(18.5)	(16.7)	(18.5)	(6.2)	(14.8)	(17.9)	(18.5)	(18.5)	(17.9)	(18.5)	(17.9)	(18.5)	(202.0)
WALTER SCOTT 4 ENERGY	76.9	70.0	75.7	74.9	76.9	72.7	76.5	76.7	75.7	77.6	73.0	76.2	902.7
ROKEBY ENERGY	0.0	0.0	0.0	0.0	0.2	1.6	9.1	4.7	0.3	0.1	0.6	0.1	16.8
J STREET ENERGY	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2
SALT VALLEY ENERGY	2.8	2.7	0.6	0.4	4.3	20.2	39.3	35.3	5.3	4.4	25.1	4.2	144.6
PROD ENERGY	207.0	188.4	201.8	193.0	206.7	215.0	251.8	243.9	206.5	210.4	219.6	206.6	2,550.6
PURCH & PROD ENERGY	404.1	370.9	382.1	367.5	383.0	417.0	480.7	472.0	411.7	379.2	364.1	404.2	4,836.6
						SALES							
LOS ALAMOS ENERGY	6.4	5.7	6.4	0.0	4.5	6.2	6.4	6.4	6.2	6.4	6.2	6.4	66.9
COORDINATION SALES ENERGY	18.1	11.3	18.6	25.0	12.9	8.6	7.1	8.0	20.2	16.8	8.7	15.4	170.7
WS4 SELL ENERGY	72.0	65.5	70.9	70.1	71.9	68.1	71.6	71.8	70.8	72.6	68.3	71.3	845.0
SALES ENERGY	96.5	82.5	95.9	95.1	89.3	82.8	85.1	86.2	97.2	95.8	83.2	93.1	1,082.5
MAPP LOSSES	0.5	0.3	0.5	0.6	0.3	0.2	0.2	0.2	0.5	0.4	0.2	0.4	4.4
SYSTEM ENERGY	308.1	288.7	286.7	273.0	294.1	334.4	395.8	386.0	315.0	283.9	281.2	311.5	3,758.4
						ENERGY SUMMARY							
CONTROL AREA ENERGY	302.6	283.6	281.3	267.7	288.7	329.1	390.2	380.4	309.6	278.7	276.7	306.0	3,694.7
SYSTEM LOSSES	5.5	5.0	5.4	5.4	5.3	5.3	5.6	5.6	5.5	5.2	4.5	5.5	63.7
SYSTEM ENERGY	308.1	288.7	286.7	273.0	294.1	334.4	395.8	386.0	315.0	283.9	281.2	311.5	3,758.4

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 9/25/2007 1:26:04 PM

SUMMARY TABLE 2.1.2

2008
PURCHASE COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						WESTERN FIRM							
WAPAFM DCOST	124.4	124.4	123.9	123.9	159.6	191.8	191.8	190.5	168.0	126.3	124.4	124.4	1,773.1
WAPAFM ECOST	137.4	115.8	119.5	108.6	129.4	142.0	160.5	159.3	150.2	133.3	126.7	129.9	1,612.5
WAPAFM	261.8	240.1	243.4	232.5	289.0	333.8	352.3	349.7	318.1	259.5	251.1	254.2	3,385.6
						WESTERN PEAKING							
WAPAPK DCOST	106.6	106.6	106.6	106.6	363.6	363.6	363.6	363.6	363.6	363.6	106.6	106.6	2,821.3
WAPAPK ECOST	2.3	2.1	2.3	2.3	43.0	40.7	42.8	42.9	42.3	43.4	2.2	2.4	268.7
WAPAPK	109.0	108.8	108.9	108.9	406.5	404.2	406.4	406.5	405.9	406.9	108.9	109.0	3,090.0
						WESTERN CLASS II							
WAPACL2 DCOST	86.8	86.8	86.2	85.9	105.8	113.7	115.0	114.8	109.8	107.0	86.6	85.7	1,184.1
WAPACL2 ECOST	107.8	102.5	105.9	102.6	116.9	134.9	135.3	143.7	128.9	111.9	105.2	103.7	1,399.2
WAPACL2	194.6	189.4	192.1	188.5	222.7	248.6	250.3	258.5	238.7	218.9	191.8	189.3	2,583.4
						GENTLEMAN STATION							
GENTLEMAN DCOST	881.2	881.2	881.2	881.2	881.2	881.2	881.2	881.2	881.2	881.2	881.2	881.2	10,574.3
GENTLEMAN ECOST	756.1	687.6	744.5	736.2	577.1	714.8	752.1	754.5	743.9	439.9	206.8	748.9	7,862.4
GENTLEMAN	1,637.3	1,568.8	1,625.7	1,617.3	1,458.3	1,596.0	1,633.3	1,635.7	1,625.1	1,321.1	1,088.0	1,630.1	18,436.7
						SHELDON STATION							
SHELDON DCOST	633.4	633.4	633.4	633.4	633.4	633.4	633.4	633.4	633.4	633.4	633.4	633.4	7,601.1
SHELDON ECOST	588.4	557.7	428.5	445.5	286.0	348.5	617.9	618.3	564.1	447.0	609.7	594.8	6,106.3
SHELDON	1,221.8	1,191.1	1,061.9	1,078.9	919.4	981.9	1,251.3	1,251.7	1,197.5	1,080.4	1,243.2	1,228.2	13,707.4
						WALTER SCOTT							
WALTER SCOTT 3 ECOST	321.0	291.9	316.1	312.6	320.8	303.5	319.3	320.3	315.8	323.7	304.5	317.9	3,767.5
WALTER SCOTT 3	321.0	291.9	316.1	312.6	320.8	303.5	319.3	320.3	315.8	323.7	304.5	317.9	3,767.5
						CAPACITY PURCHASE AND ECONOMY AND SCHEDULED OUTAGE PURCHASE							
COORDINATION PURCH DCOST	5.5	5.5	5.5	5.5	7.8	9.2	9.4	9.2	8.2	6.3	5.5	5.5	83.0
COORDINATION PURCH ECOST	868.2	911.1	732.2	510.2	1,402.6	2,171.2	2,644.1	2,454.4	1,125.7	1,123.9	898.8	1,030.8	15,873.1
COORDINATION PURCHASES	873.7	916.6	737.8	515.7	1,410.3	2,180.4	2,653.5	2,463.6	1,133.8	1,130.2	904.3	1,036.3	15,956.1
						MAPP							
MAPP	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	664.5
						ENVIROMENTAL COSTS (SO2, NOX, HG, CO2)							
SO2 EMISSIONS COST	77.7	73.7	55.6	58.2	2.5	44.8	81.8	81.9	74.4	(1.6)	(14.0)	78.8	613.7
						TOTAL PURCHASE POWER COSTS							
PURCH DCOST	1,893.3	1,893.3	1,892.2	1,891.9	2,206.6	2,248.3	2,249.7	2,248.0	2,219.5	2,173.2	1,893.1	1,892.2	24,701.4
PURCH ECOST	2,781.3	2,668.7	2,449.1	2,217.9	2,875.7	3,855.6	4,672.0	4,493.3	3,070.9	2,623.0	2,253.8	2,928.3	36,889.6
POWER PURCHASED	4,674.6	4,562.0	4,341.3	4,109.8	5,082.4	6,103.9	6,921.7	6,741.3	5,290.3	4,796.2	4,147.0	4,820.5	61,591.0

R & T PLANNING DEPARTMENT
POWER SUPPLY DIVISION -- 9/25/2007 1:26:04 PM

SUMMARY TABLE 2.1.3

2008

PRODUCTION COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						LARAMIE RIVER STATION							
LARAMIE DCOST	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	1,019.2	12,231.0
LARAMIE ECOST	1,737.6	1,577.5	1,715.4	1,473.2	1,669.4	1,648.7	1,730.1	1,734.4	1,704.6	1,749.6	1,653.4	1,723.6	20,117.5
LARAMIE	2,756.9	2,596.7	2,734.6	2,492.4	2,688.6	2,668.0	2,749.3	2,753.6	2,723.9	2,768.8	2,672.7	2,742.9	32,348.4
						MEAN EQUITY DEDUCTIONS							
MEAN DREV	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(123.8)	(1,485.3)
MEAN EREV	(224.2)	(202.5)	(224.2)	(75.3)	(180.3)	(216.9)	(224.2)	(224.2)	(216.9)	(224.2)	(216.9)	(224.2)	(2,454.0)
MEAN	(348.0)	(326.3)	(348.0)	(199.1)	(304.1)	(340.7)	(348.0)	(348.0)	(340.7)	(348.0)	(340.7)	(348.0)	(3,939.3)
						WALTER SCOTT STATION							
WALTER SCOTT 4 DCOST	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	5,715.5
WALTER SCOTT 4 ECOST	685.7	623.6	675.2	667.7	685.1	648.3	682.2	684.2	674.7	691.4	650.4	679.1	8,047.9
WALTER SCOTT 4	1,162.0	1,099.9	1,151.5	1,144.0	1,161.4	1,124.6	1,158.4	1,160.5	1,151.0	1,167.7	1,126.7	1,155.4	13,763.3
						ROKEBY STATION							
ROKEBY DCOST	153.0	153.0	153.0	157.4	157.4	157.4	157.4	157.4	157.4	157.4	183.8	183.8	1,928.1
ROKEBY ECOST	3.5	2.8	0.2	0.0	17.2	145.9	848.5	440.7	29.4	11.6	61.5	7.8	1,569.1
ROKEBY	156.5	155.8	153.1	157.4	174.6	303.3	1,005.9	598.1	186.8	169.0	245.3	191.6	3,497.2
						J STREET STATION							
J STREET DCOST	21.9	21.9	21.9	22.3	22.3	22.3	22.3	22.3	22.3	22.3	24.6	24.6	270.9
J STREET ECOST	0.0	0.0	0.0	0.0	0.0	2.2	16.2	4.8	0.0	0.0	0.1	0.0	23.4
J STREET	21.9	21.9	21.9	22.3	22.3	24.5	38.5	27.1	22.3	22.3	24.7	24.6	294.3
						SALT VALLEY STATION							
SALT VALLEY DCOST	389.3	389.3	389.3	403.6	403.6	403.6	403.6	403.6	403.6	403.6	489.8	489.8	4,972.5
SALT VALLEY ECOST	196.2	191.9	36.9	23.1	254.6	1,219.7	2,468.3	2,214.5	334.9	275.7	1,590.8	282.8	9,089.3
SALT VALLEY	585.5	581.2	426.2	426.7	658.2	1,623.3	2,871.9	2,618.0	738.4	679.3	2,080.6	772.6	14,061.8
						RENEWABLES (WIND AND LANDFILL)							
RENEWABLES DCOST	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	105.8
RENEWABLES	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	105.8
						TOTAL PRODUCTION COSTS							
PROD DCOST	1,944.8	1,944.8	1,944.8	1,963.8	1,963.8	1,963.8	1,963.8	1,963.8	1,963.8	1,963.8	2,078.8	2,078.8	23,738.5
PROD ECOST	2,398.8	2,193.3	2,203.5	2,088.7	2,446.1	3,447.9	5,521.1	4,854.4	2,526.7	2,504.1	3,739.3	2,469.2	36,393.1
POWER PRODUCED	4,343.6	4,138.1	4,148.2	4,052.5	4,409.9	5,411.7	7,484.9	6,818.2	4,490.5	4,467.9	5,818.1	4,548.0	60,131.5

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 9/25/2007 1:26:04 PM

SUMMARY TABLE 2.1.4

2008

SALES REVENUE SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						LOS ALAMOS							
LOS ALAMOS DREV	170.4	170.4	170.4	170.4	170.4	170.4	170.4	170.4	170.4	170.4	170.4	170.4	2,044.8
LOS ALAMOS EREV	77.3	69.9	77.3	0.0	54.1	74.8	77.3	77.3	74.8	77.3	74.8	77.3	812.5
LOS ALAMOS	247.7	240.3	247.7	170.4	224.5	245.2	247.7	247.7	245.2	247.7	245.2	247.7	2,857.3
						ECONOMY SALES							
COORDINATION SALES DREV	460.0	460.0	460.0	460.0	598.0	644.0	690.0	690.0	598.0	460.0	460.0	460.0	6,440.0
WALTER SCOTT 4 SALES DREV	128.2	116.6	126.2	124.8	128.1	121.1	127.5	127.9	126.1	129.2	121.6	126.9	1,504.0
COORDINATION SALES EREV	598.6	417.4	578.8	671.0	456.1	344.8	312.2	347.0	660.7	577.8	373.3	565.8	5,903.6
WALTER SCOTT 4 SALES EREV	620.6	564.4	611.1	604.2	620.1	586.7	617.4	619.3	610.6	625.7	588.7	614.6	7,283.5
COORDINATION SALES	1,807.3	1,558.4	1,776.1	1,860.0	1,802.3	1,696.6	1,747.1	1,784.2	1,995.5	1,792.7	1,543.5	1,767.4	21,131.1
						TOTAL SALES REVENUE							
SALES DREV	758.6	747.0	756.6	755.2	896.5	935.5	987.9	988.3	894.5	759.6	752.0	757.3	9,988.8
SALES EREV	1,296.5	1,051.7	1,267.3	1,275.2	1,130.4	1,006.3	1,006.9	1,043.6	1,346.2	1,280.8	1,036.8	1,257.8	13,999.6
SALES	2,055.1	1,798.7	2,023.9	2,030.4	2,026.9	1,941.8	1,994.8	2,031.9	2,240.7	2,040.4	1,788.8	2,015.1	23,988.4

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 9/25/2007 1:26:04 PM

SUMMARY TABLE 2.1.5

2008

TOTAL COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						PURCHASES							
WAPAFM	261.8	240.1	243.4	232.5	289.0	333.8	352.3	349.7	318.1	259.5	251.1	254.2	3,385.6
WAPAPK	109.0	108.8	108.9	108.9	406.5	404.2	406.4	406.5	405.9	406.9	108.9	109.0	3,090.0
WAPACL2	194.6	189.4	192.1	188.5	222.7	248.6	250.3	258.5	238.7	218.9	191.8	189.3	2,583.4
GENTLEMAN	1,637.3	1,568.8	1,625.7	1,617.3	1,458.3	1,596.0	1,633.3	1,635.7	1,625.1	1,321.1	1,088.0	1,630.1	18,436.7
SHELDON	1,221.8	1,191.1	1,061.9	1,078.9	919.4	981.9	1,251.3	1,251.7	1,197.5	1,080.4	1,243.2	1,228.2	13,707.4
WALTER SCOTT 3	321.0	291.9	316.1	312.6	320.8	303.5	319.3	320.3	315.8	323.7	304.5	317.9	3,767.5
COORDINATION PURCHASES	873.7	916.6	737.8	515.7	1,410.3	2,180.4	2,653.5	2,463.6	1,133.8	1,130.2	904.3	1,036.3	15,956.1
MAPP	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	664.5
POWER PURCHASED	4,674.6	4,562.0	4,341.3	4,109.8	5,082.4	6,103.9	6,921.7	6,741.3	5,290.3	4,796.2	4,147.0	4,820.5	61,591.0
						PRODUCTION							
LARAMIE	2,756.9	2,596.7	2,734.6	2,492.4	2,688.6	2,668.0	2,749.3	2,753.6	2,723.9	2,768.8	2,672.7	2,742.9	32,348.4
MEAN	(348.0)	(326.3)	(348.0)	(199.1)	(304.1)	(340.7)	(348.0)	(348.0)	(340.7)	(348.0)	(340.7)	(348.0)	(3,939.3)
WALTER SCOTT 4	1,162.0	1,099.9	1,151.5	1,144.0	1,161.4	1,124.6	1,158.4	1,160.5	1,151.0	1,167.7	1,126.7	1,155.4	13,763.3
ROKEBY	156.5	155.8	153.1	157.4	174.6	303.3	1,005.9	598.1	186.8	169.0	245.3	191.6	3,497.2
J STREET	21.9	21.9	21.9	22.3	22.3	24.5	38.5	27.1	22.3	22.3	24.7	24.6	294.3
SALT VALLEY	585.5	581.2	426.2	426.7	658.2	1,623.3	2,871.9	2,618.0	738.4	679.3	2,080.6	772.6	14,061.8
RENEWABLES	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	105.8
POWER PRODUCED	4,343.6	4,138.1	4,148.2	4,052.5	4,409.9	5,411.7	7,484.9	6,818.2	4,490.5	4,467.9	5,818.1	4,548.0	60,131.5
PURCH & PROD	9,018.2	8,700.1	8,489.5	8,162.3	9,492.2	11,515.6	14,406.6	13,559.5	9,780.8	9,264.1	9,965.1	9,368.5	121,722.6
						SALES							
LOS ALAMOS	247.7	240.3	247.7	170.4	224.5	245.2	247.7	247.7	245.2	247.7	245.2	247.7	2,857.3
COORDINATION SALES	1,058.6	877.4	1,038.8	1,131.0	1,054.1	988.8	1,002.2	1,037.0	1,258.7	1,037.8	833.3	1,025.8	12,343.6
WALTER SCOTT 4 SALES	748.8	681.0	737.3	729.0	748.2	707.8	744.9	747.1	736.7	755.0	710.2	741.6	8,787.5
SALES	2,055.1	1,798.7	2,023.9	2,030.4	2,026.9	1,941.8	1,994.8	2,031.9	2,240.7	2,040.4	1,788.8	2,015.1	23,988.4
NET	6,963.1	6,901.5	6,465.6	6,132.0	7,465.4	9,573.7	12,411.8	11,527.6	7,540.1	7,223.7	8,176.3	7,353.4	97,734.1
SERVICE CENTER	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	119.2
LINCOLN ELECTRIC BUILDING	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	38.6
NET POWER COST	6,949.9	6,888.3	6,452.5	6,118.8	7,452.2	9,560.6	12,398.7	11,514.5	7,526.9	7,210.5	8,163.1	7,340.3	97,576.3

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 9/25/2007 1:26:04 PM

SEASONAL ENERGY CHARGES
ENERGY RELATED PER UNIT COSTS
2008

		Summer	Winter	Annual
L1	Power Costs - ($1,000)	$32,489.1	$40,898.5	$73,387.6
L2	Direct Wholesales - ($1,000)	($4,403.0)	($9,596.5)	($13,999.5)
L3	Net Retail plus SFP - ($1,000)	$28,086.1	$31,302.0	$59,388.1
L4	Lincoln Energy less Internal Wholesales (WAPA) - GWh	1,358.1	2,200.1	3,558.3
L5	Adjustment to Control Figure - GWh	10.9	(44.8)	(33.9)
L6	Adjusted Lincoln Energy - GWh	1,369.0	2,155.4	3,524.4
L7	Percentage Energy	38.84%	61.16%	100.00%
L8	Control Number Adjusted to Revenue Requirements (by Deduction) - ($1,000)	$1,250.1	$1,968.3	$3,218.4
L9	Total Energy Related Revenue Requirement - ($1,000)	$29,336.2	$33,270.3	$62,606.5
L10	Per Unit, Lincoln Energy - $/MWh	$21.43	$15.44	$17.76
L11	At Secondary Level - $/MWh	$22.52	$16.22	$18.67
L12	Seasonal Energy Ratio to Annual	121%	87%	

Note: Direct power costs less wholesale sales can be differentiated by season. The control number adjustment to revenue requirements includes: A&G, energy marketing and media, interest credits, etc. plus the adjustment for the simulation of wholesale power costs. These latter adjustments cannot be seasonally defined and are thus allocated based upon the energy split between seasons. In this manner, the power cost difference in seasons is maintained.

RESIDENTIAL
2008

The Residential service class is generally comprised of customers using power and energy for domestic purposes. This service includes Rate Code 01 (standard, without electric heating) and Rate Code 03 (electric heating) customers.

For the Residential class, two developments of costs are required in order to incorporate seasonal rates. The development of summer and winter rates produces different end results because of four basic factors:

1. Usage characteristics of the class as a whole are substantially different season to season (e.g., high cooling equipment saturation versus low heating equipment saturation).

2. There are four months in the summer season and eight months in the winter season.

3. Capacity related cost is allocated to the winter and summer periods based on the System's peak demands, split between the seasons.

4. Winter cost development is done independently for 01 and 03 because of different load characteristics. Summer cost development incorporates both 01 and 03 load characteristics applied to allocated cost, since both exhibit similar cooling.

System seasonal allocators for capacity related costs are developed as the percent split between seasons using five years of history. A three-year average of the Lincoln Demand is found after dropping the high and low. Capacity related costs for the residential class are separated for the summer and winter periods using these seasonal allocators. Customer and facilities costs are developed annually. Total energy costs are developed on a seasonal system basis.

Capacity costs are split between transmission and power supply. Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. The annual transmission cost is $5.60/MWh. The end result of the summer/winter split of the power supply capacity costs is an average summer cost of $42.94/MWh. The winter cost is developed in the Heating Service Section. Since there is no demand charge for the Residential class, capacity costs are recovered in the energy component of the rate. The cost-of-service allocation of customer related costs divided by the projected average number of customers is $3.67 per customer per month. Facilities related costs for meters, services and transformers divided by the average number of customers is $4.05 per customer per month. Energy related costs plus costs for distribution lines and substations allocated to the Residential class by season divided by total seasonal projected sales is $33.72 per MWh for the summer period and $24.36 per MWh for the winter period.

Distribution lines and substations more appropriately belong in the facilities category. However, as a practical matter, to keep the fixed charge competitive, lines and subs are included in the energy component of the rate.

Winter costs are further developed into block rates in the Heating Service Section. The first residential winter block of 0 to 900 kWh represents the costs of providing base service to the residential customer, including water heating. The second block of above 900 kWh represents the cost of providing space heating. The water heating block of consumption between 400 and 900 kWh is developed as a credit.

RESIDENTIAL
COST OF SERVICE AT SECONDARY LEVEL
PER UNIT COSTS
2008

L1	**Customer Related Costs (Billing, Customer Assistance, & Information)**		
L2		Total Customer Related Costs - Residential	$4,881,017
L3		Total Bills - Residential	1,330,753
L4		Cost Per Month	$3.67
L5			
L6	**Facilities Related Costs (Meters, Services and Transformers only)**		
L7		Total Facilities Related Costs - Residential	$5,383,861
L8		Total Bills - Residential	1,330,753
L9		Cost Per Month	$4.05

L10 **Energy Related Costs (Fuel and Variable Expenses), Distribution Lines and Substations**

L11	**Annual**		**Energy**	**Dist. Lines and Subs**	**Total**
L12		Total Costs - Residential	$23,143,239	$11,619,059	$34,762,298
L13		Total MWh - Residential	1,231,851	1,231,851	1,231,851
L14		$/MWh	$18.79	$9.43	$28.22
L15	**Summer**	$/MWh (Ratio From Energy Related Per Unit Costs)	$22.45	$11.27	$33.72
L16	**Winter**	$/MWh (Ratio From Energy Related Per Unit Costs)	$16.22	$8.14	$24.36

L17 **Capacity Related Costs (Power Supply and Transmission)** [1]

L18		**RC01**	**RC03**	**Residential Total**	**$/MWh**
L19	Power Supply	$31,136,272	$4,996,704	$36,132,976	$29.33
L20	Transmission	$5,908,180	$994,580	$6,902,761	$5.60
L21	Total	$37,044,452	$5,991,285	$43,035,737	$34.94

L22	**System Seasonal Allocators** [2]	**Three-Year Average**	**Seasonal**
L23		**Lincoln Demand**	**Allocator**
L24	Total Summer	698	60.28%
L25	Total Winter	460	39.72%
L26		1,158	100.00%

L27		**Power Supply Seasonal Per Unit Cost**		
L28		**Summer**	**Winter** [3]	**Annual**
L29	Total Rate Code 01 Capacity Costs	$18,768,945	$12,367,327	$31,136,272
L30	Seasonal Allocator	60.28%	39.72%	100.00%
L31	Total Rate Code 03 Capacity Costs	$3,012,013	$1,984,691	$4,996,704
L32	Seasonal Allocator	60.28%	39.72%	100.00%
L33	Total Residential Capacity Costs	$21,780,958		$36,132,976
L34	Total Residential Sales (MWh)	507,283		1,231,851
L35	Per Unit Capacity Costs ($/MWh)	$42.94		$29.33

Notes: (1) Rate Code 01 and 03 individual capacity costs are developed in the 4CP/12CP Capacity Allocation Method Section.
(2) Average demands use five years of history, dropping the high and low values.
(3) Residential winter-season costs are developed in the Heating Service Section.

RESIDENTIAL
2008

L1 **Rate Code 01 Monthly Demand Projections**

		Average Demand [1]				Estimated Demand	
L2							
L3		Coincident to	Non-	Projected #		Coincident to	Non-
L4		Class Peak	Coincident	of Customers		Class Peak	Coincident
L5		(kW)	(kW)			(kW)	(kW)
L6	January	1.81	4.86	95,321		172,530	463,258
L7	February	1.80	4.70	95,441		171,794	448,573
L8	March	1.64	4.60	95,561		156,721	439,583
L9	April	1.59	4.57	95,681		152,133	437,263
L10	May	2.26	5.12	95,801		216,510	490,500
L11	June	3.01	5.58	95,919		288,718	535,231
L12	July	3.44	5.89	96,038		330,371	565,665
L13	August	3.37	5.74	96,157		324,049	551,941
L14	September	2.63	5.27	96,275		253,203	507,368
L15	October	1.85	4.61	96,938		179,335	446,884
L16	November	1.82	4.62	97,057		176,643	448,402
L17	December	1.99	4.91	97,175		193,379	477,131
L18				Total Summer	=	1,196,341	2,160,205
L19				Total Winter	=	1,419,045	3,651,594

L20 **Rate Code 03 Monthly Demand Projections**

		Average Demand [1]				Estimated Demand	
L21							
L22		Coincident to	Non-	Projected #		Coincident to	Non-
L23		Class Peak	Coincident	of Customers		Class Peak	Coincident
L24		(kW)	(kW)			(kW)	(kW)
L25	January	3.57	8.29	14,660		52,338	121,535
L26	February	3.89	7.88	14,679		57,101	115,671
L27	March	2.99	7.46	14,698		43,946	109,643
L28	April	2.06	6.26	14,716		30,315	92,122
L29	May	2.16	6.06	14,734		31,826	89,290
L30	June	2.49	5.86	14,753		36,734	86,450
L31	July	2.74	6.03	14,771		40,472	89,068
L32	August	2.59	5.79	14,789		38,304	85,629
L33	September	2.25	5.57	14,807		33,316	82,476
L34	October	1.98	6.27	14,909		29,520	93,480
L35	November	2.94	6.98	14,927		43,886	104,193
L36	December	3.58	7.79	14,946		53,505	116,426
L37				Total Summer	=	148,826	343,623
L38				Total Winter	=	342,437	842,360

Note: (1) Coincident demands are from the Load Survey Annual Reports (2001 - 2005) from the table titled Average kW Per Rate Code Customer. Non-Coincident demands are from same reports from the table titled Sums of Non-Coincidental Hourly Demands. The average demand is based on five years of history with a three-year average after dropping the high and low.

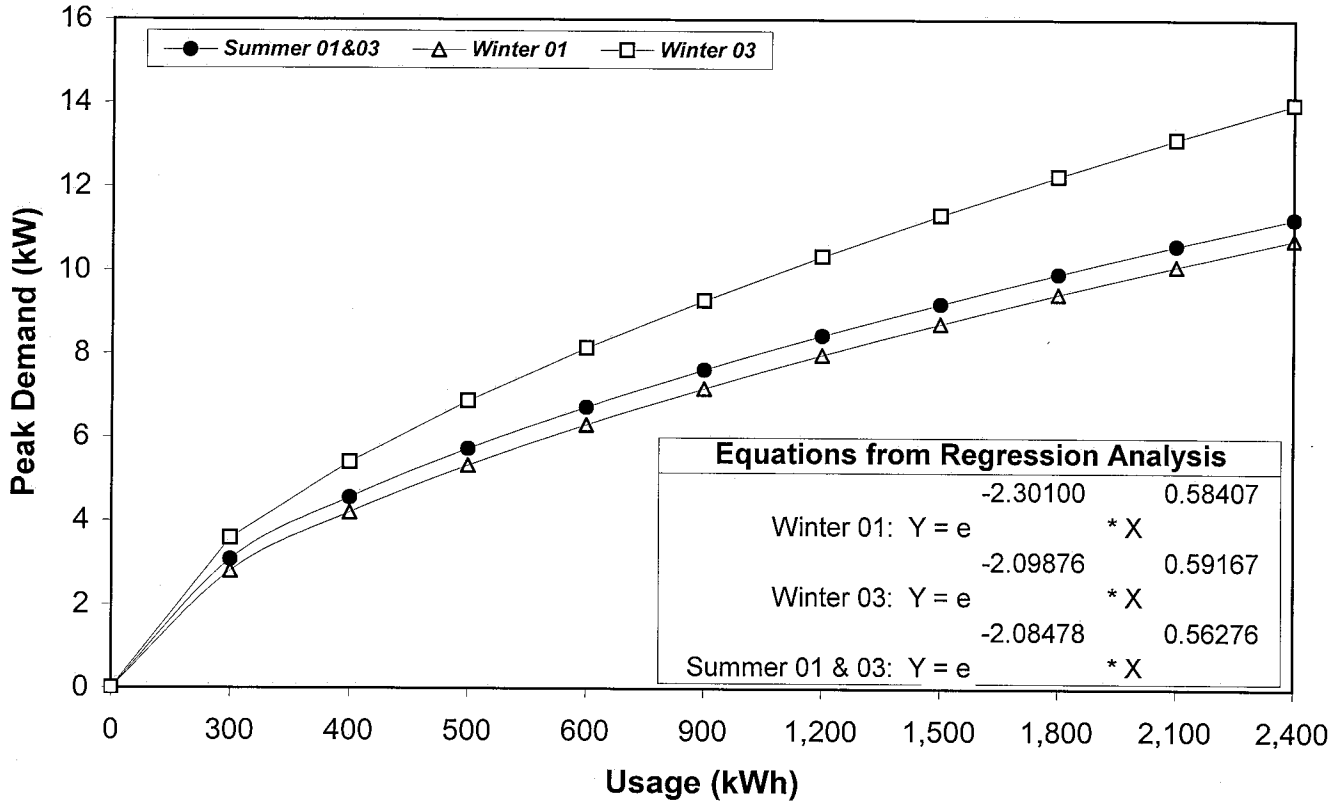
RESIDENTIAL
2008

L1 **Per Unit Cost Summary**

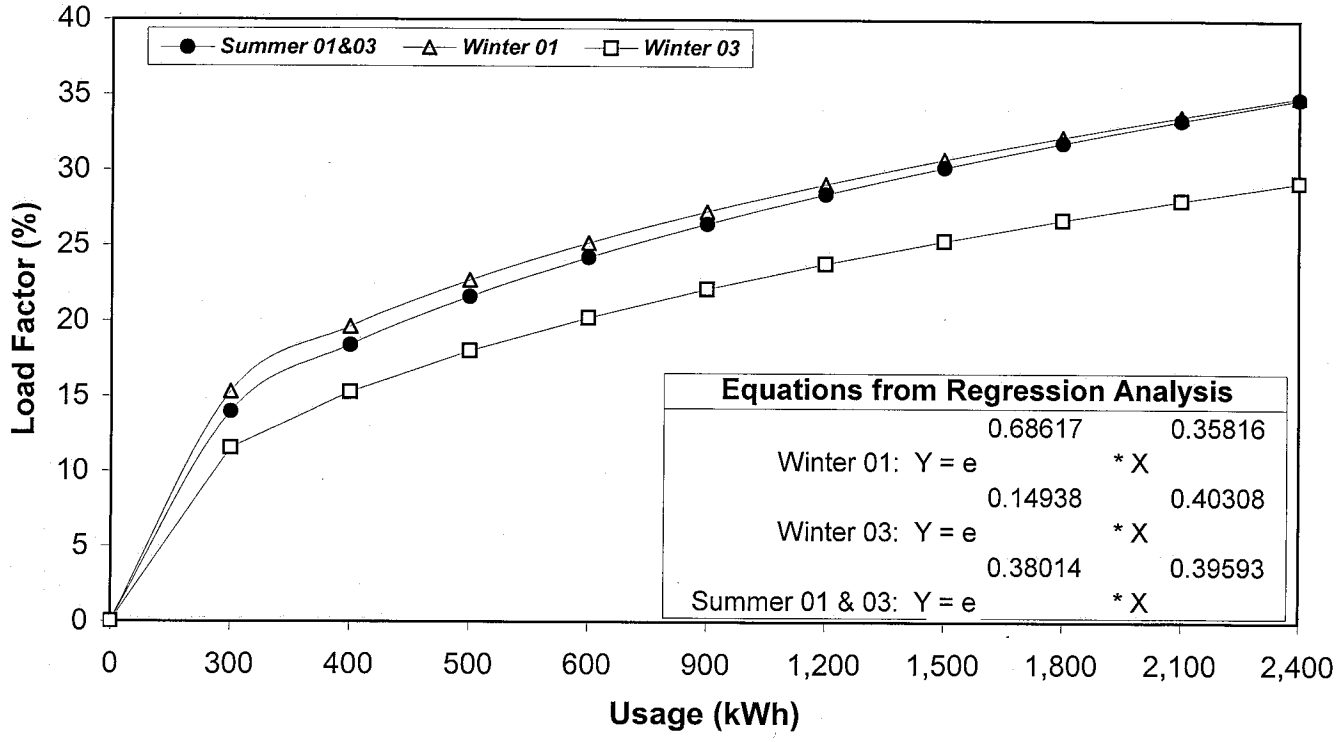
		Summer	Winter Base	Annual
L2				
L3	Customer ($/Month)	$3.67	$3.67	$3.67
L4	Facilities ($/Month)	$4.05	$4.05	$4.05
L5	Customer and Facilities ($/Month)	$7.72	$7.72	$7.72
L6	Energy ($/MWh)	$33.72	$24.36	$28.22
L7	Capacity - Power Supply ($/MWh)	$42.94	$22.95	$29.33
L8	Capacity - Transmission ($/MWh)	$5.60	$5.60	$5.60
L9	Energy and Capacity ($/MWh)	$82.27	$52.91	$63.15

RESIDENTIAL SERVICE
RATE CODES 01 & 03

Monthly Peak Demand vs. Usage



Load Factor vs. Usage



GENERAL SERVICE
2008

The General Service class is comprised of small commercial light and power and small industrial users. These accounts typically consume less than 25,000 kWh per month. Rate Codes 10 and 13 are classified as "General Service," secondary and primary voltage service, respectively.

Rate Codes 10 and 13 customers demonstrate characteristics similar to the Residential class in that they have a summer peaking load characteristic. Summer Heating Service (Rate Code 21) customers are included in the power supply development because their general summer characteristics reflect those of summer General Service customers. Because of the seasonal differential loading, this class qualifies for a seasonal rate. Development of the rate is much the same as for the Residential class.

First, it is necessary to establish the difference between the summer and winter capacity cost. Capacity costs are split between power supply and transmission. Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. Transmission costs are annual at $5.17/MWh. System seasonal allocators are used to split power supply capacity costs between summer and winter. The seasonal allocators represent the seasonal impact to the System. Summer capacity cost is $45.97/MWh and winter capacity cost is $16.56/MWh. Seasonal energy allocation results in a summer energy cost of $33.02/MWh and a winter cost of $23.62/MWh. These energy costs include distribution line and substation costs. While distribution lines and substation costs would fit in the distribution facilities category, they are included in the energy category to keep the customer charge at a competitive level.

Unbundled facilities costs are divided between single and three-phase customers. Facilities are split between single and three-phase based on a weighted customer allocation. Three-phase service is further split between secondary and primary service. Facilities related costs for meters, services and transformers are $12.62 per customer per month for single phase, $31.80 per customer for three phase (secondary) and $10.32 per customer for three phrase (primary). Customer related costs consist of billing, customer assistance, and information. These costs are the same for any size service and are represented by the $4.48 per customer cost.

GENERAL SERVICE
COST OF SERVICE AT SECONDARY LEVEL
PER UNIT COSTS
2008

L1	**Customer Related Costs (Billing, Customer Assistance, & Information)**					
L2		Total Customer Related Costs		$771,390		
L3		Total Bills		171,996		
L4		Cost Per Month (Single & Three Phase)		$4.48		
L5	**Facilities Related Costs (Meters, Services and Transformers only)**					
L6			Total	Single Phase	Three Phase	
L7		Meters Weighted Customers	49,211	9,462	39,749	
L8		Meters	$508,079	$97,686	$410,393	
L9		Services Weighted Customers	16,502	8,130	8,372	
L10		Services	$289,009	$142,380	$146,629	
L11		Transformers Weighted Customers	141,865	67,852	74,013	
L12		Transformers	$2,495,028	$1,193,344	$1,301,684	
L13		Total MST Cost	$3,292,116	$1,433,410	$1,858,706	
L14			Total	Single Ph Sec	3 Ph Sec	3 Ph Pri [3]
L15		Total Bills	171,996	113,539	58,457	0
L16		Cost Per Month		$12.62	$31.80	$10.32
L17	**Energy Related Costs (Fuel and Variable Expenses), Distribution Lines and Substations**					
L18				Energy	Dist. Lines and Subs	Total
L19	**Annual**	Total Costs		$7,876,639	$3,522,038	$11,398,677
L20		Total MWh		422,799	422,799	422,799
L21		$/MWh		$18.63	$8.33	$26.96
L22	**Summer**	$/MWh (Ratio From Energy Related Per Unit Costs)		$22.82	$10.20	$33.02
L23	**Winter**	$/MWh (Ratio From Energy Related Per Unit Costs)		$16.32	$7.30	$23.62
L24	**Capacity Related Costs (Power Supply and Transmission)**			NonCoinc	Per Unit	Per Unit
L25	**General Service**		Total	(kW)	Cost ($/kW)	Cost ($/MWh)
L26		Power Supply	$11,364,922	1,659,519	$6.85	
L27		Transmission	$2,187,399	1,659,519	$1.32	$5.17
L28			$13,552,321		$8.17	
L29	**System Seasonal Allocators [1]**		Three-Year Average	Seasonal		
L30			Lincoln Demand	Allocator		
L31		Total Summer	698	60.28%		
L32		Total Winter	460	39.72%		
L33			1,158	100.00%		
L34			**Power Supply Seasonal Per Unit Cost**			
L35			Summer	Winter	Annual	
L36		Total General Service Capacity Costs - PS	$6,850,775	$4,514,147	$11,364,922	
L37		Seasonal Allocator	60.28%	39.72%	100.00%	
L38		Total Heating Service Capacity Costs - PS	$878,317	$578,745	$1,457,063	
L39		Seasonal Allocator	60.28%	39.72%	100.00%	
L40		Total GS & HS Capacity Costs - PS [2]	$7,729,092	$4,514,147	$12,243,239	
L41		Total GS & HS Sales (MWh) [2]	168,137	272,653	440,789	
L42		Per Unit Capacity Costs ($/MWh)	$45.97	$16.56	$27.78	

Notes: (1) Average demands use five years of history, dropping the high and low values.
(2) Winter Heating Service capacity costs and energy sales are not included and are developed in the Heating Service Section.
(3) Three phase primary facilities per unit cost is based on secondary costs, excluding services and transformer costs.

GENERAL SERVICE
2008

	Per Unit Cost Summary	Summer	Winter	Annual
L3	**Customer ($/Month)**			
L4	**Single Phase**	**$4.48**	**$4.48**	**$4.48**
L5	**Three Phase**	**$4.48**	**$4.48**	**$4.48**
L6	**Facilities ($/Month)**			
L7	**Single Phase ($/Month)**	**$12.62**	**$12.62**	**$12.62**
L8	**Three Phase ($/Month)**	**$31.80**	**$31.80**	**$31.80**
L9	**Customer and Facilities ($/Month)**			
L10	**Single Phase ($/Month)**	**$17.11**	**$17.11**	**$17.11**
L11	**Three Phase ($/Month)**	**$36.28**	**$36.28**	**$36.28**
L12	**Energy ($/MWh)**	**$33.02**	**$23.62**	**$26.96**
L13	**Capacity - Power Supply ($/MWh)**	**$45.97**	**$16.56**	**$27.78**
L14	**Capacity - Transmission ($/MWh)**	**$5.17**	**$5.17**	**$5.17**
L15	**Energy and Capacity ($/MWh)**	**$84.16**	**$45.36**	**$59.91**

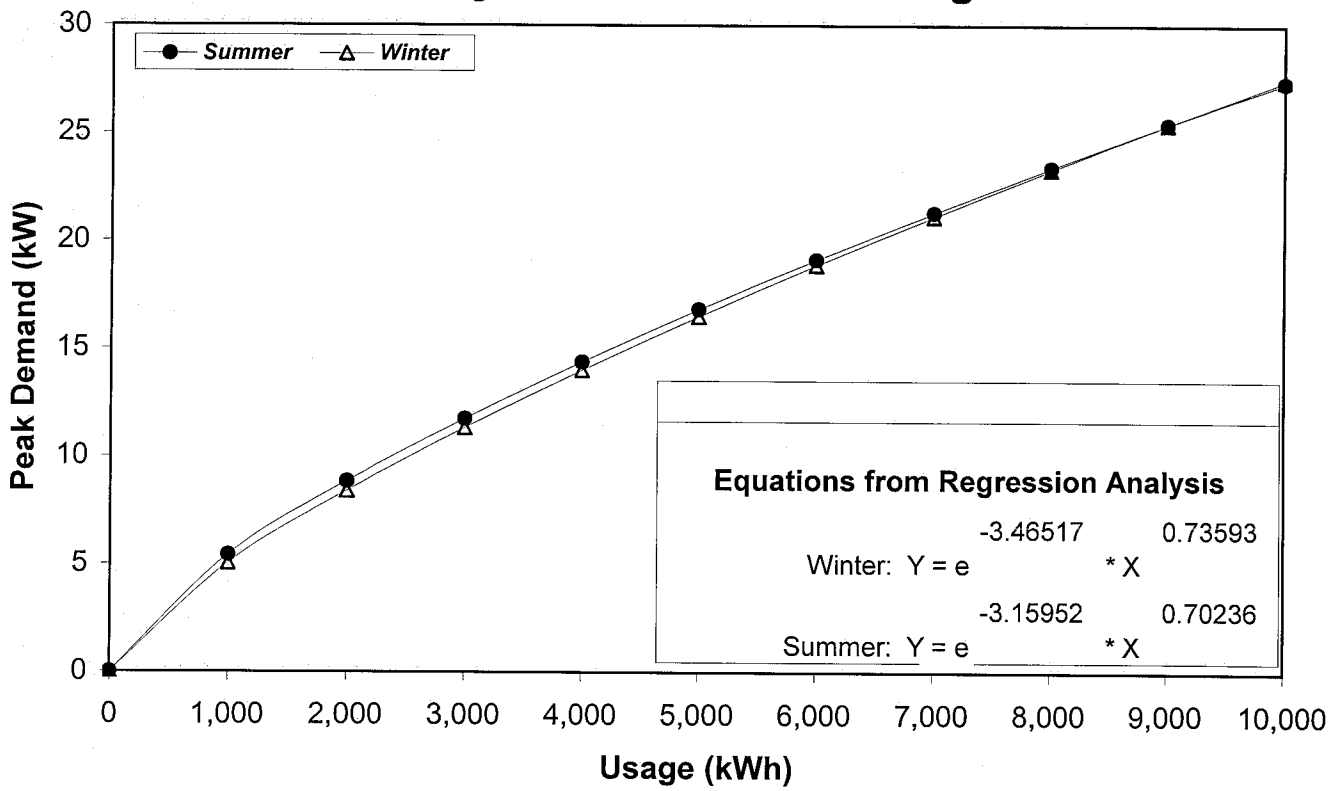
L16 **General Service Monthly Demand Projections**

		Average Demand [1]				Estimated Demand	
L17							
L18		Coincident to	Non-	Projected		Coincident to	Non-
L19		Class Peak	Coincident	# of		Class Peak	Coincident
		(kW)	(kW)	Customers		(kW)	(kW)
L20	January	4.90	8.59	14,235		69,753	122,282
L21	February	4.90	8.47	14,253		69,842	120,726
L22	March	4.77	8.59	14,272		68,079	122,600
L23	April	5.49	9.24	14,289		78,449	132,034
L24	May	5.94	9.62	14,308		84,992	137,647
L25	June	6.82	10.22	14,325		97,699	146,406
L26	July	7.52	10.88	14,343		107,863	156,056
L27	August	7.33	10.69	14,359		105,255	153,502
L28	September	6.75	10.71	14,377		97,047	153,982
L29	October	6.23	10.21	14,393		89,671	146,956
L30	November	4.75	9.15	14,410		68,449	131,855
L31	December	4.94	9.39	14,427		71,271	135,473
L32				Total Summer	=	407,864	609,946
L33				Total Winter	=	600,506	1,049,573

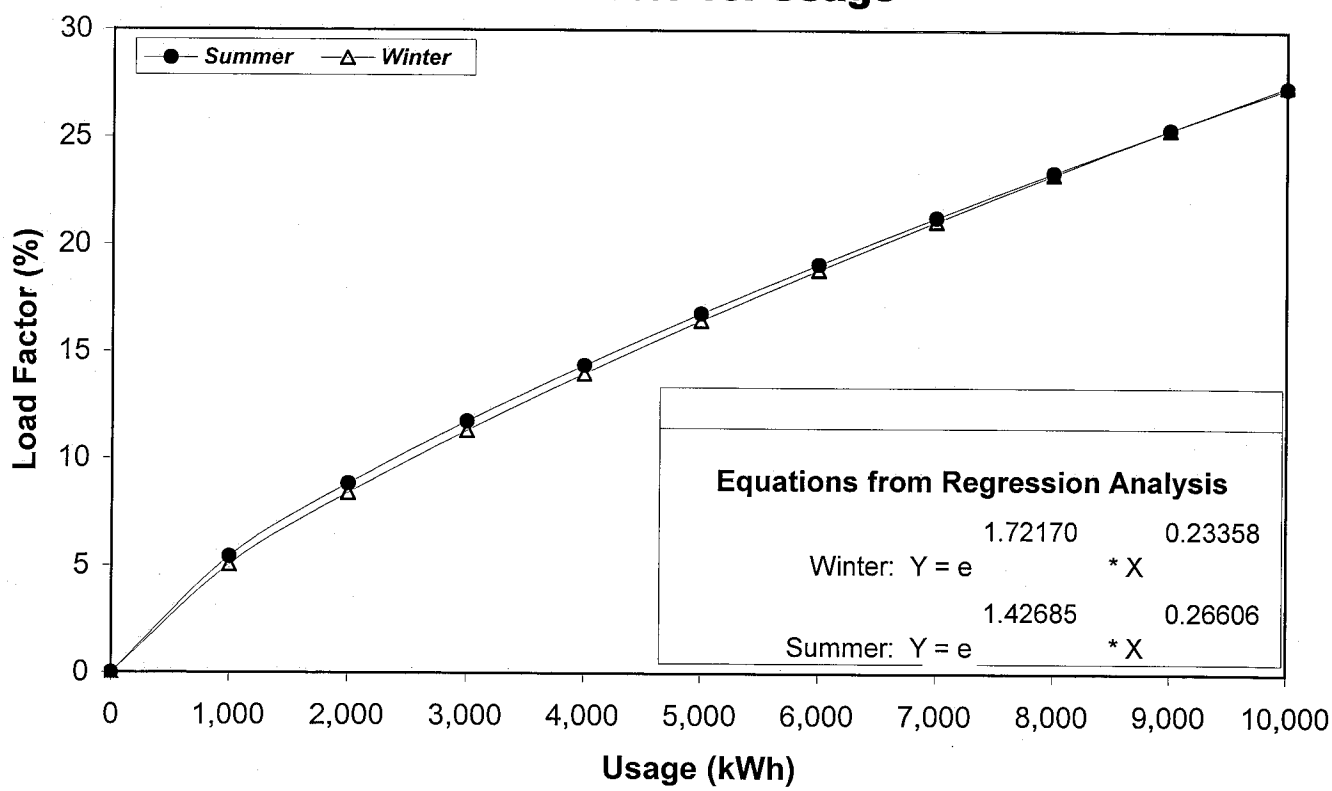
Notes: (1) Coincident demands are from Load Survey Annual Reports (2002 - 2006) from the table 'Average kW Per Rate Code Customer'. Non-Coincident demands are from the table titled "Sums of Non-Coincidental Hourly Demands'. The average demand is based on five years of history with a three-year average after dropping the high and low.

GENERAL SERVICE
RATE CODES 10 & 13

Monthly Peak Demand vs. Usage



Load Factor vs. Usage



HEATING SERVICE
2008

The Heating Service class consists of Rate Codes 21 and 23, separately metered domestic and commercial customers who utilize electricity for space and/or water heating. Because Residential Heating customers exhibit similar end use load characteristics, i.e., high winter heating loads, the capacity cost allocation development includes both Residential and Heating Service. The capacity component of the summer Heating Service cost development is completed in the General Service section and summer Residential costs are in the Residential section.

Since in rate design it is desirable to group all Residential customers together, Rate Code 01 & 03 capacity costs are summed to produce one residential capacity cost. The first block of the Residential winter rate (0 to 900 kWh) is base usage, including water heating. The second block (above 900 kWh) represents space heating consumption. Energy associated with these blocks and their demands based on the cost curves in the Residential section are used to determine allocation of capacity costs to the two blocks.

Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. Heating Service winter power supply capacity cost is $14.83/MWh, and transmission capacity cost is $5.05/MWh. Residential power supply capacity cost is $22.95/MWh for the base load, $10.05/MWh for the heating load, and $5.60/MWh for transmission capacity cost. Winter energy cost is $24.36/MWh for both the Residential base and heating and $21.78 for the Heating Service, including costs for distribution lines and substations.

Customer related cost per month is $4.20. Unbundled facilities costs are divided between single phase, three phase and large (usages above 25,000 kWh) customers. Facilities are split on a weighted customer allocation. Single-phase facilities related costs are $13.29 per customer per month, three-phase costs are $33.31 per customer (secondary), and large HS facilities cost is $124.41 per customer.

HEATING SERVICE
(INCLUDING RESIDENTIAL HEATING)
COST OF SERVICE AT SECONDARY LEVEL
PER UNIT COSTS
2008

L1	**Customer Related Costs (Billing, Customer Assistance, & Information)**				
L2	Total Customer Related Costs		$36,636		
L3	Total Bills		8,730		
L4	Cost Per Month (Single & Three Phase)		$4.20		
L5	**Facilities Related Costs (Meters, Services and Transformers only)**				
		Total	Single Phase	Three Phase	Large
L6	Meters Weighted Customers	3,097	447	1,721	929
L7	Meters	$33,155	$4,786	$18,422	$9,947
L8	Services Weighted Customers	1,120	394	350	376
L9	Services	$18,859	$6,636	$5,894	$6,329
L10	Transformers Weighted Customers	11,578	3,406	3,494	4,678
L11	Transformers	$203,575	$59,885	$61,430	$82,260
L12	Total MST Cost	$255,589	$71,307	$85,745	$98,537
L13	Total Bills		5,364	2,574	792
L14	Cost Per Month		$13.29	$33.31	$124.41
L15	**Energy Related Costs (Fuel and Variable Expenses), Distribution Lines and Substations**				
			Energy	Dist. Lines and Subs	Total
L16	**Annual** Total Costs		$1,059,979	$344,696	$1,404,675
L17	Total MWh		57,013	57,013	57,013
L18	$/MWh		$18.59	$6.05	$24.64
L19	**Summer** $/MWh (Ratio From Energy Related Per Unit Costs)		$23.27	$7.57	$30.84
L20	**Winter** $/MWh (Ratio From Energy Related Per Unit Costs)		$16.44	$5.34	$21.78
L21	**Capacity Related Costs (Power Supply and Transmission)**				
L22	**Heating Service:**	Total	NonCoin kW	$/kW	$/MWh
L23	Power Supply	$1,457,063	191,517	$7.61	
L24	Transmission	$288,039	191,517	$1.50	$5.05
L25		$1,745,101		$9.11	
L26	**Heating Service Winter Season:**	Total	Energy (MWh)		$/MWh
L27	Power Supply Capacity Costs[1]	$578,745	39,022		$14.83
L28			Winter	Winter	
L29	**Residential Winter Season:**		Rate Code 03	Rate Code 01	
L30	1. Total Billing Demands (kW)[2]		842,360	3,651,594	
L31	2. Customers above 900 kWh		51,123	208,005	
L32	3. Energy Sales below 900 kWh (customers over 900 kWh)				
L33	(MWh) 2. x 900		46,011	187,205	
L34	4. Energy Sales above 900 kWh (Total MWh)		50,796	125,813	
L35	5. Total Energy Sales (for customers above 900 kWh)		96,807	313,018	
L36	(MWh) 3. + 4.				
L37	6. Average per Customer (kWh) 5. / 2.		1,894	1,505	
L38	7. Average Demand (kW) [3]		10.66	7.19	
L39	8. Average Demand at 900 kWh (kW) [3]		6.86	5.32	
L40	9. Electric Heating Demand above 900 kWh (kW) 7. - 8.		3.80	1.87	
L41	10 Total Demand above 900 kWh (kW) 9. x 2.		194,267	388,969	
L42	11 Total Demand below 900 kWh (kW) 1. - 10.		648,093	3,262,625	

Notes: (1) The Heating Service summer-season capacity costs are developed in the General Service Section.
(2 Billing Demands for RC01 and RC03 are developed in the Residential Section.
(3) The average demand and average demand at 900 kWh for RC01 and RC03 are derived using regressions from the Cost Curves.

HEATING SERVICE
2008

L1 **Capacity Related Costs (Power Supply and Transmission) continued**

		Residential 03		Residential 01		03 & 01
L2						
L3		kW	%	kW	%	
L4	Total Demand Below 900 kWh	648,093	76.94%	3,262,625	89.35%	3,910,718
L5	Total Demand Above 900 kWh	194,267	23.06%	388,969	10.65%	583,236
L6		842,360	100.00%	3,651,594	100.00%	

		Winter Season	Above 900 kWh	Below 900 kWh
L7				
L8				
L9	Rate Code 03 Capacity Cost - Power Supply	$1,984,691	$457,670	$1,527,021
L10	Rate Code 03 Block Allocator	100.00%	23.06%	76.94%
L11	Rate Code 03 Energy Sales - (MWh)	133,952	50,796	83,156
L12	Per Unit RC03 Capacity Cost - PS ($/MWh)	$14.82	$9.01	$18.36
L13	Rate Code 01 Capacity Cost - Power Supply	$12,367,327	$1,317,120	$11,050,207
L14	Rate Code 01 Block Allocator	100.00%	10.65%	89.35%
L15	Rate Code 01 Energy Sales - (MWh)	590,617	125,813	464,804
L16	Per Unit RC01 Capacity Cost - PS ($/MWh)	$20.94	$10.47	$23.77
L17	Residential Capacity Cost - Power Supply	$14,352,018	$1,774,790	$12,577,228
L18	Residential Energy Sales - (MWh)	724,569	176,609	547,960
L19	Per Unit Residential Capacity Cost - PS ($/MWh)	$19.81	$10.05	$22.95

L20 **Heating Service Monthly Demand Projections**

		Average Demand [1]			Estimated Demand	
L21						
L22		Coincident to	Non-	Projected #	Coincident to	Non-
L23		Class Peak	Coincident	of Customers	Class Peak	Coincident
L24		(kW)	(kW)		(kW)	(kW)
L25	January	20.74	28.43	722	14,974	20,526
L26	February	22.39	28.49	723	16,188	20,598
L27	March	18.40	25.44	724	13,322	18,419
L28	April	12.54	20.08	725	9,092	14,558
L29	May	11.57	18.10	726	8,400	13,141
L30	June	13.21	17.43	727	9,604	12,672
L31	July	14.39	18.15	728	10,476	13,213
L32	August	13.93	18.19	729	10,155	13,261
L33	September	13.16	17.45	730	9,607	12,739
L34	October	12.75	19.32	731	9,320	14,123
L35	November	19.27	24.44	732	14,106	17,890
L36	December	23.42	27.80	733	17,167	20,377
L37				Total Summer =	39,842	51,885
L38				Total Winter =	102,569	139,632

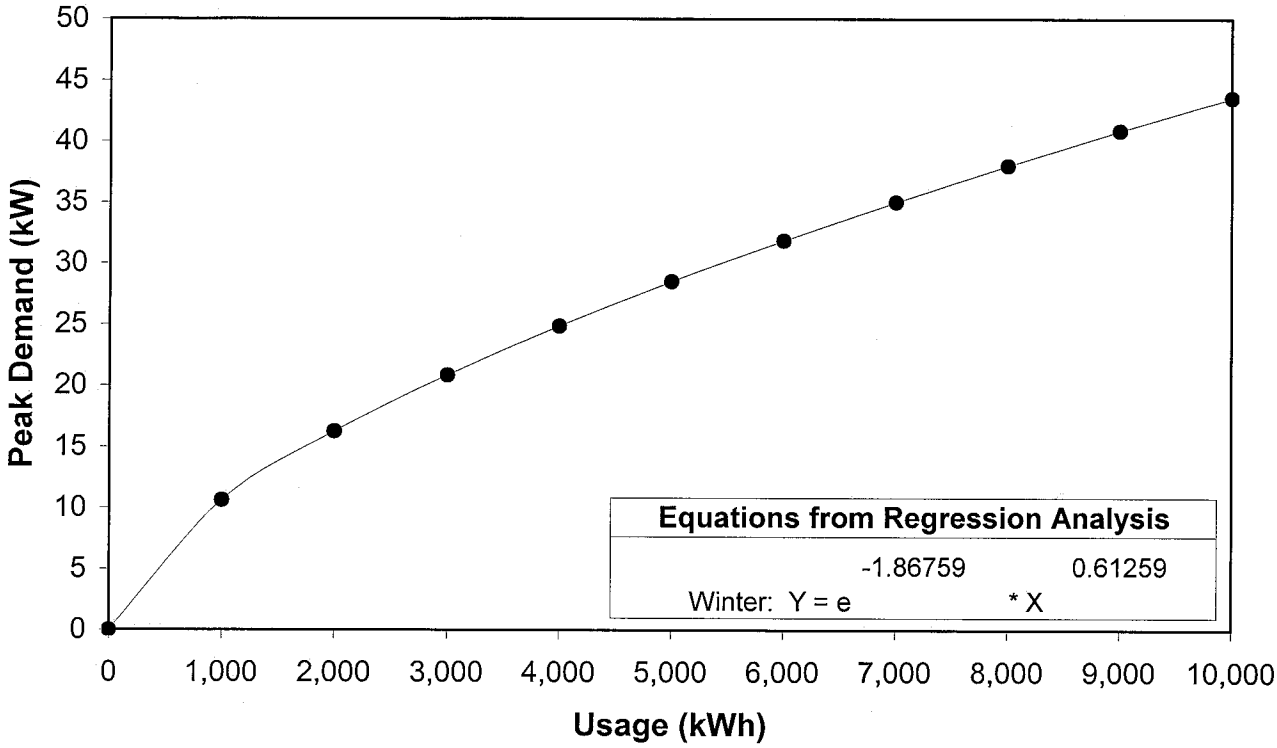
Note: (1) Coincident demands are from Load Survey Annual Reports (2002 - 2006) table 'Average kW Per Rate Code Customer'. Non-Coincident demands are from same reports from the table titled Sums of Non-Coincidental Hourly Demands. The average demand is based on five years of history with a three-year average after dropping the high and low.

RESIDENTIAL AND HEATING SERVICE
2008

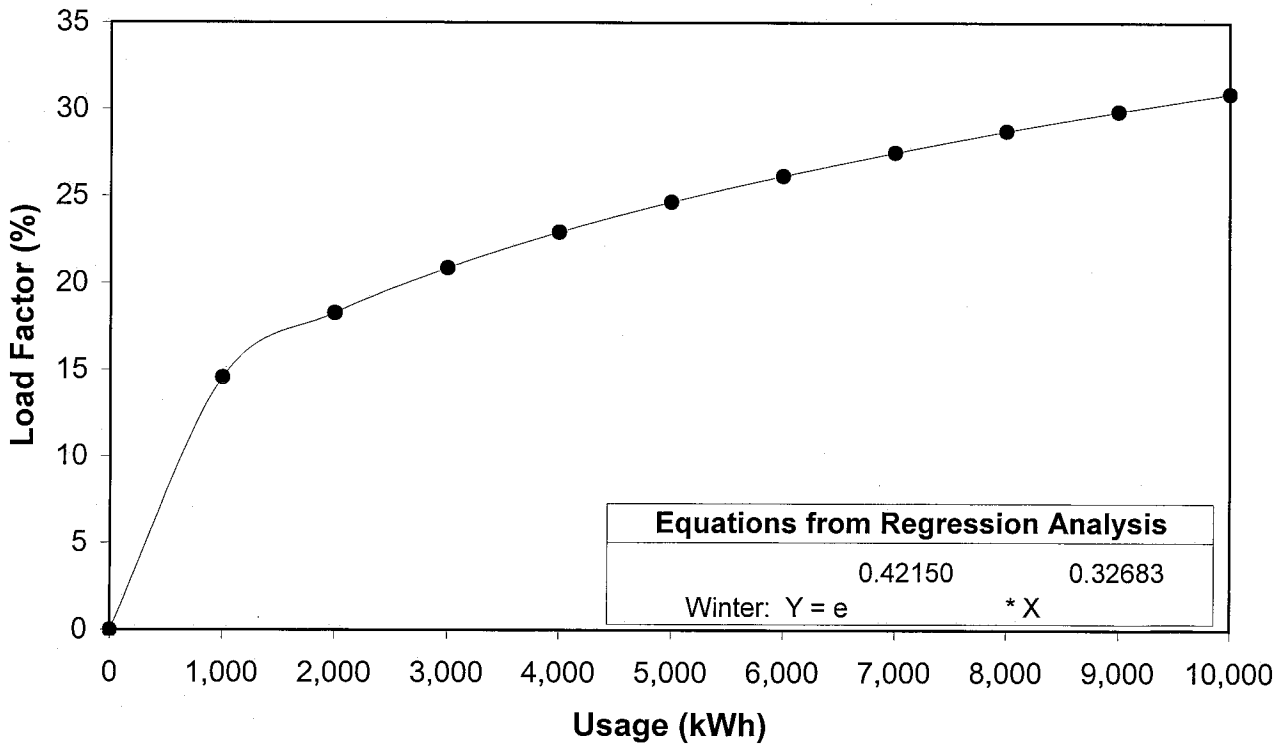
L1	**Per Unit Cost Summary**			
L2		Summer	Winter Base	Winter Electric Heating
L3	Residential			
L4	Energy ($/MWh)	$33.72	$24.36	$24.36
L5	Capacity - Power Supply ($/MWh)	$42.94	$22.95	$10.05
L6	Capacity - Transmission ($/MWh)	$5.60	$5.60	$5.60
L7	Energy and Capacity ($/MWh)	$82.27	$52.91	$40.01
L8	Heating Service			
L9	Customer ($/Month)	$4.20	-----	$4.20
L10	Facilities ($/Month)			
L11	Single Phase ($/Month)	$13.29	-----	$13.29
L12	Three Phase ($/Month)	$33.31	-----	$33.31
L13	Large ($/Month)	$124.41	-----	$124.41
L14	Customer and Facilities ($/Month)			
L15	Single Phase ($/Month)	$17.49	-----	$17.49
L16	Three Phase ($/Month)	$37.51	-----	$37.51
L17	Large ($/Month)	$128.61	-----	$128.61
L18	Energy ($/MWh)	$30.84	-----	$21.78
L19	Capacity - Power Supply ($/MWh)	$45.97	-----	$14.83
L20	Capacity - Transmission ($/MWh)	$5.05	-----	$5.05
L21	Energy and Capacity ($/MWh)	$81.86	-----	$41.66

HEATING SERVICE
RATE CODES 21 & 23

Monthly Peak Demand vs. Usage



Load Factor vs. Usage



GENERAL SERVICE-DEMAND
2008

General Service-Demand rates are applicable for customers whose usages generally fall between 25,000 kWh and 100,000 kWh per month or between 100 kW and 400 kW of demand. Rate Code 11 customers receive service at secondary voltage levels, while Rate Code 12 customers receive service at primary voltage levels. These customers are demand metered and are billed on a four-part rate, with customer, facilities, energy, and demand components. GSD Interruptible rates (Rate Codes 35 - secondary, 36 - primary) were developed to incorporate interruptible service.

Total billing demands (kW) are based on historical usage patterns plus billing units for ratcheted winter months. A 65 percent demand ratchet is imposed on winter billing demands derived from the peak summer demand established in the previous June, July, August, or September. A per unit cost of billing demand is calculated by dividing total billing units (kW) into total capacity related costs allocated to the class. Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. The unit cost-of-service at secondary levels is $9.63 per billing kW (demand), $3.10 per billing kW (facilities), and $13.00 per customer per billing period. Customer related costs are mainly comprised of the Key Account program and technical assistance. Secondary energy cost is 1.878 cents per kWh (winter) and 2.607 cents per kWh (summer).

The average unit cost of energy consumed at the secondary level, excluding customer costs, is dependent on the customer load factor. It ranges from 8.05 cents per kWh at 30 percent load factor to 4.37 cents per kWh at 80 percent load factor. The maximum yield provision caps the rate at 12 cents per kWh. The cost to provide service is highly dependent upon the usage characteristics of GSD customers.

Some customers require dual primary service. This service provides a second connection with the distribution system, where the customer controls the switchgear transferring load between the two primary service sources. This service significantly decreases the length of time the customer will experience an outage, but will not eliminate all outages. GSD primary facilities related costs include all distribution costs, but no secondary service lines or transformers. Meters are a very small part, so dual primary service cost is essentially the GSD primary facilities cost.

GENERAL SERVICE-DEMAND
COST OF SERVICE
PER UNIT COSTS
2008

L1	**Customer Related Costs (Billing, Customer Assistance, & Information)**			
L2		**GSD Class**	**Secondary**	**Primary**
L3	Number of Customers (Monthly)	797	795	2
L4	Percent	100.00%	99.75%	0.25%
L5	Customer Related Costs:			
L6	Customer Accounting	$15,171	$15,133	$38
L7	Customer Energy Services	$107,676	$107,406	$270
L8	Community Information Program	$923	$920	$2
L9	Total	$123,770	$123,459	$310
L10	Customer Cost Per Year	$155	$155	$155
L11	**Customer Cost Per Month**	**$13**	**$13**	**$13**
L12	**Facilities Related Costs (Distribution and Service Connection)**			
L13	35 kV Subs & Lines	$232,438	$231,759	$679
L14	Substation	$516,992	$515,482	$1,509
L15	Lines	$2,287,086	$2,280,409	$6,677
L16	Meters [1]	$116,623	$116,330	$293
L17	Services [1]	$66,338	$66,338	$0
L18	Transformers	$423,063	$423,063	$0
L19	Total Facilities Costs - GSD	$3,642,539	$3,633,382	$9,157
L20	Billing Units (kW)	1,177,328	1,173,891	3,437
L21	**Facilities Per Unit Cost- $/kW**	**$3.09**	**$3.10**	**$2.66**
L22	**Energy Related Costs (Fuel and Variable Expenses)**			
L23	MWh	427,190	425,952	1,238
L24	Loss Factor	-----	1.051	1.018
L25	MWh + Losses	448,936	447,675	1,261
L26	Percent	100.00%	99.72%	0.28%
L27	Allocated Energy Related Cost ($)	$7,946,482	$7,924,232	$22,250
L28	Capacity Related Cost Adjustment ($) [2]	$1,286,422	$1,282,820	$3,602
L29	Adjusted Energy Related Cost ($)	$9,232,904	$9,207,052	$25,852
L30	**Energy Per Unit Cost - ($/MWh)**	**$21.61**	**$21.62**	**$20.88**
L31	Summer - $/MWh	$26.07	$26.07	$25.18
L32	Winter - $/MWh	$18.78	$18.78	$18.14

(1) The split for meters and services is based on UPIS.

(2) Capacity related costs moved to energy consists of variable O&M of generation facilities. Customers taking power from energy marketers would need to pay this transmission and O&M cost as part of transmission.

GENERAL SERVICE-DEMAND
2008

L1 **Capacity Related Costs (Power Supply and Transmission)**

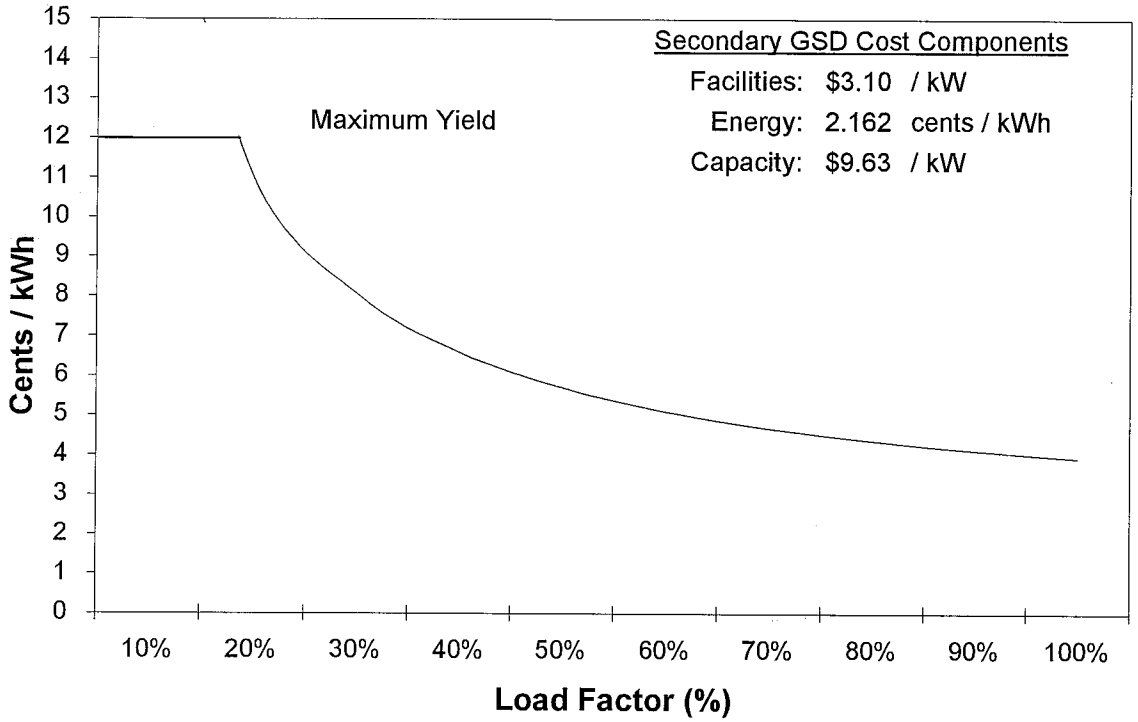
		GSD	Adjusted to Energy [1]	Adjusted GSD	Billing Units	Cost Per Unit
L2						
L3						
L4		($)	($)	($)	(kW)	($/kW)
L5	Power Supply	$10,579,281	($1,286,422)	$9,292,859	1,177,328	$7.89
L6	Transmission	$2,045,074		$2,045,074	1,177,328	$1.74
L7	Total Capacity Cost	$12,624,355		$11,337,933		$9.63

		GSD Class	Secondary	Primary
L8				
L9	Billing Units - (kW)	1,177,328	1,173,891	3,437
L10	Loss Factor	-----	1.051	1.018
L11	Billing Units + Losses - (kW)	1,237,258	1,233,759	3,499
L12	Percent	100.00%	99.72%	0.28%
L13	Adjusted Capacity Related Costs - PS ($)	$9,292,859	$9,266,839	$26,020
L14	Per Unit Cost - ($/kW)	$7.89	$7.89	$7.57
L15	Adjusted Capacity Related Costs - Trans ($)	$2,045,074	$2,039,348	$5,726
L16	Per Unit Cost - ($/kW)	$1.74	$1.74	$1.67
L17	Adjusted Capacity Related Costs - PS and Trans	$11,337,933	$11,306,187	$31,746
L18	Per Unit Cost - ($/kW)	**$9.63**	**$9.63**	**$9.24**

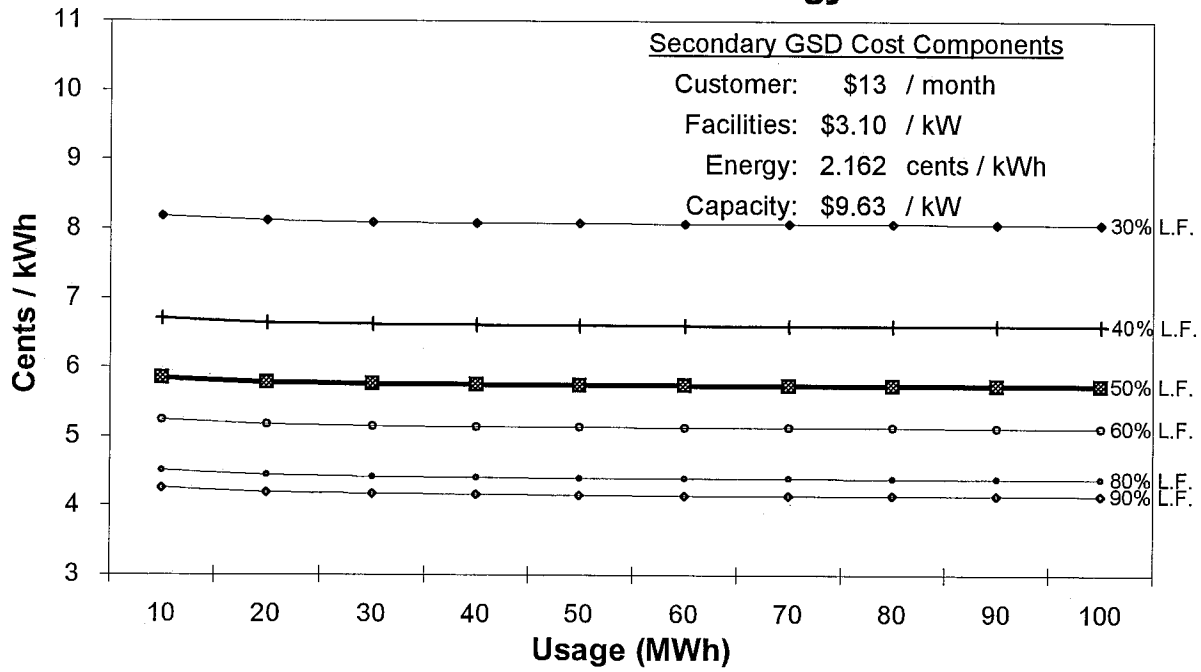
Note: (1) Capacity related costs moved to energy consists of variable O&M of generation facilities.

GENERAL SERVICE-DEMAND
2008

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The GSD average load factor is 50%.

LARGE LIGHT AND POWER
2008

Large Light and Power rates are applicable for customers whose usages generally exceed 100,000 kWh per month for six consecutive months or 400 kW of summer demand. It includes most industrial users, some large retail consumers, and supplemental firm purchases by state agencies with WAPA allocations of power and energy.

All Large Light and Power customers are metered by interval recording devices that record kWh usage, 30-minute kW demand, and kvar demand.

Rate Code 15 customers receive service at secondary voltage levels, while Rate Code 16 customers receive service at primary voltage levels. Rate Code 17 is for off-peak seasonal customers receiving service at the secondary level (Rate Code 19 for primary delivery). Rate Code 18 and 38 provide wholesale supplemental power per contracts with the Department of Health and Human Services and the University of Nebraska-Lincoln in amounts above their WAPA allocations of power.

Optional LLP rates are developed to reduce the summer system peak demand. One such rate is the LLP Interruptible (Rate Codes 22-secondary, 34-primary). More detailed description of this rate is provided later in this section. The second is a time-of-use rate structure. The LLP Off-Peak Daily rate (Rate Codes 27-secondary, 28-primary) is designed to encourage off-peak usage and peak reduction. Under the LLP Off-Peak Daily schedule, a summer on-peak period is set for each weekday between 2 p.m. and 8 p.m. (daylight savings time). The LLP demand charge applies for a base demand set in the summer during the on-peak period, and the off-peak seasonal demand charge applies for billing demands in excess of the established summer base demand. This rate structure encourages and rewards customers for shifting usage away from the time of greatest cost to the system.

Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. The LLP per unit costs of service at secondary levels are: $12.28 per billing kW (demand), $3.74 per billing kW (facilities), 2.606 cents per kWh (summer energy), 1.877 cents per kWh (winter energy), plus $335 per customer per billing period. Customer related costs are mainly comprised of the Key Account program and interval meter reading. The Energy Services Department has implemented new budget categories to provide more accurate expense tracking which leads to more expense allocated to the Key Accounts. The Seasonal Capacity Cost is $3.27 per kW (secondary) of excess winter capacity.

The average unit cost of energy consumed at the secondary level, excluding the customer costs, is dependent on the customer load factor. It ranges from 9.58 cents per kWh at 30 percent load factor to 4.94 cents per kWh at 80 percent load factor. The maximum yield provision caps the rate at 12 cents per kWh. The cost to provide service is highly dependent upon the usage characteristics of LLP customers.

Some customers require dual primary service. This service provides a second connection with the distribution system, where the customer controls the switchgear transferring load between the two primary service sources. This service significantly decreases the length of time the customer will experience an outage, but will not eliminate all outages. LLP primary facilities related costs include all distribution costs, but no secondary service lines or transformers. Meters are a very small part, so dual primary service cost is essentially the LLP primary facilities cost.

LARGE LIGHT AND POWER
COST OF SERVICE
PER UNIT COSTS
2008

L1 **Customer Related Costs (Billing, Customer Assistance, & Information)**

		LLP Class [1]	Secondary [1]	Primary [1]
L2				
L3	Number of Customers (Monthly)	244	212	32
L4	Percent Allocator	100.00%	86.89%	13.11%
L5	Customer Related Costs:			
L6	Customer Accounting	$11,929	$10,365	$1,564
L7	Customer Energy Services	$908,463	$789,364	$119,100
L8	Interval Meter Reading	$60,952	$52,961	$7,991
L9	Community Information Program	$283	$246	$37
L10	Total Customer Costs	$981,627	$852,935	$128,692
L11	Customer Cost Per Year	$4,023	$4,023	$4,022
L12	**Customer Cost Per Month**	**$335**	**$335**	**$335**

L13 **Facilities Related Costs (Distribution and Service Connection) for Services Below 35 kV**

		LLP Class	Secondary	Primary
L17				
L18	35 kV Subs & Lines	$692,675	$497,478	$195,197
L19	Substation	$1,047,077	$752,009	$295,068
L20	Lines	$4,632,067	$3,326,744	$1,305,323
L21	Meters [1]	$79,106	$68,735	$10,371
L22	Services [1]	$44,997	$44,997	$0
L23	Transformers	$368,191	$368,191	$0
L24	Total Facilities Costs - 12 kV and below	$6,864,113	$5,058,155	$1,805,959
L14	Billing Units (kW)	1,880,891	1,350,854	530,038
L15	**Facilities Per Unit Cost - $/kW**	**$3.65**	**$3.74**	**$3.41**

L16 **Facilities Related Costs (Distribution) for Services at 35 kV**

			Subs	Lines
L25	**Customer Load Contribution**			
L26	Peak load of 35 kV customers (kW)		11,871	11,855
L27	Peak flow on the 35 kV facilities (kW)		98,132	97,692
L28	35 kV facilities used by 35 kV customers (L29/ L31)		12.1%	12.1%
L29	**Facilities Costs Allocated to 35kV customers**	Tota	Subs	Lines
L30	Total system costs for 35 kV components	$2,253,018	$713,564	$1,539,453
L31	Costs for 35 kV customers (L31 * L33)	$273,138	$86,323	$186,815
L32	35 kV billing units and reservations (kW)	359,083		
L33	**Facilities Per Unit Cost- $/kW**	**$0.76**		

L34 **Facilities Related Costs (Distribution) for Dual Primary Services**

			Dual Primary
L35	Costs (adjusted by load/capacity design ratio)		
L36	35 kV Subs & Lines [3]	$195,197 x 65% =	$126,878
L37	Lines [3]	$1,305,323 x 65% =	$848,460
L38			$975,338
L39	Billing Units, including dual primary demands (kW)		530,038
L40	**Facilities Per Unit Cost - $/kW**		**$1.84**

Notes: (1) The LLP class includes SFP customers and has two fewer customers than the customer forecasts on page III-5 since two cogeneration customers are assigned two rate codes each (backup and supplemental), but pay just one customer charge.

(2) The split for meters and services is based on UPIS.

(3) Dual Primary Service uses approximately 65% of the capacity of a second circuit (line and transformer).

LARGE LIGHT AND POWER
2008

L1 **Energy Related Costs (Fuel and Variable Expenses)**

		LLP Class	Secondary	Primary	35 kV
L2					
L3	MWh	901,037	620,875	234,574	45,588
L4	Loss Factor	-----	1.051	1.018	1.008
L5	MWh + Losses	937,288	652,539	238,796	45,953
L6	Percent	99.99%	69.61%	25.48%	4.90%
L7	Allocated Energy Related Cost ($)	$16,581,904	$11,542,664	$4,225,069	$812,513
L8	Capacity Related Cost Adjustment ($) [2]	$2,689,140	$1,871,910	$685,193	$131,768
L9	Adjusted Energy Related Cost ($)	$19,271,044	$13,414,574	$4,910,262	$944,281
L10	**Energy Per Unit Cost - ($/MWh)**	**$21.39**	**$21.61**	**$20.93**	**$20.71**
L11	Summer - $/MWh	$25.80	$26.06	$25.25	$24.99
L12	Winter - $/MWh	$18.58	$18.77	$18.19	$18.00

L13 **Capacity Related Costs (Power Supply and Transmission)** [1]

		Total	Cogen Backup	LLP (w/o Cogen)	Adjusted to Energy [2]	Adjusted LLP	Billing Units	Cost Per Unit
L14								
L15								
L16		($)	($)	($)	($)	($)	(kW)	($/kW)
L17	Power Supply	$22,400,389	$305,562	$22,094,827	($2,689,140)	$19,405,687	1,950,543	$9.96
L18	Transmission	$4,354,466	$59,302	$4,295,164		$4,295,164	1,950,543	$2.20
L19	Total Capacity Cost	$26,754,855	$364,864	$26,389,991		$23,700,851		$12.16

L20 **Off-Peak Seasonal:**

L21	Contribution to Power Supply	$9.96/kW x 0.10 = $0.996/kW
L22	Secondary Service	$0.996/kW x 1.051 = $1.047/kW
L23	Primary Service	$0.996/kW x 1.018 = $1.014/kW
L24	Off-Peak Seasonal	Transmission + Power Supply = Total
L25	Secondary Service	$2.22 + $1.047 = $3.27/kW
L26	Primary Service	$2.15 + $1.014 = $3.17/kW

			Power Supply
L27			
L28	Adjusted Capacity Related Costs		$19,405,687
L29	Seasonal Demand - (kW)	(2,451)	
L30	Seasonal Rate - Secondary	$1.05	
L31	Seasonal Demand Cost		($2,566)
L32	Adjusted Capacity Related Costs		$19,403,121

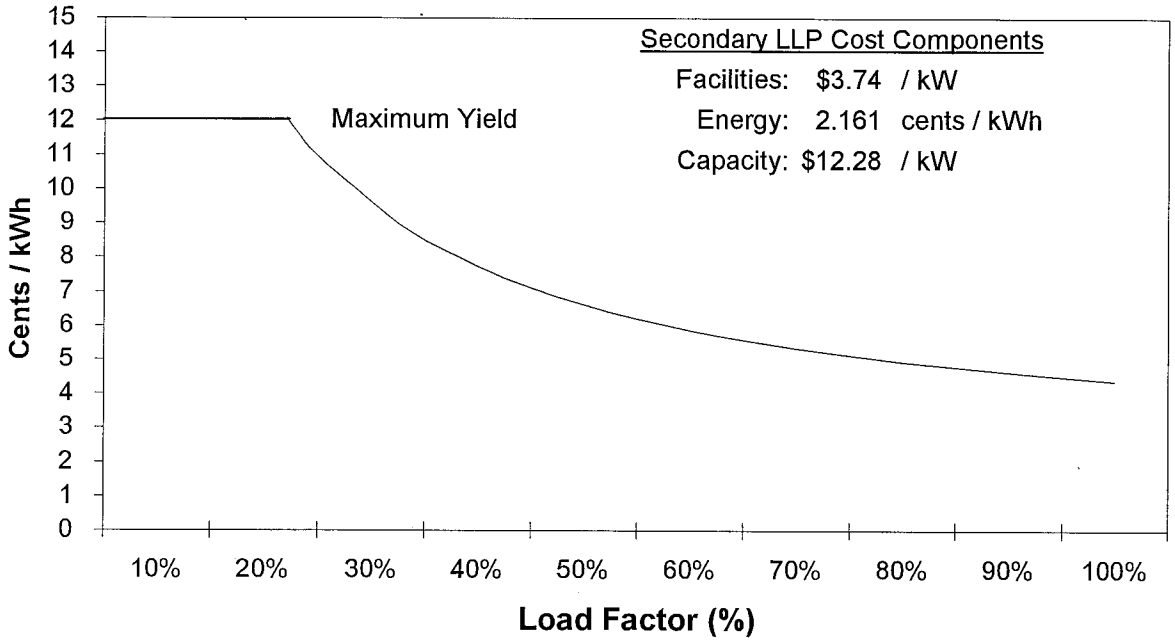
	Transmission	LLP Class	Secondary	Primary	35 kV
L33					
L34	Billing Units - (kW)	1,950,543	1,350,854	530,038	69,652
L35	Loss Factor	-----	1.051	1.018	1.008
L36	Billing Units + Losses - (kW)	2,029,535	1,419,747	539,579	70,209
L37	Percent	100.00%	69.95%	26.59%	3.46%
L38	Capacity Related Costs - Transmission	$4,295,164	$3,004,467	$1,142,084	$148,613
L39	Per Unit Cost - ($/kW)	$2.20	$2.22	$2.15	$2.13
L40	**Power Supply**				
L41	Billing Units - (kW)	1,950,543	1,350,854	530,038	69,652
L42	Seasonal Billing Units - (kW)	(2,451)	(781)	(1,670)	0
L43	Adjusted Billing Units - (kW)	1,948,092	1,350,073	528,368	69,652
L44	Loss Factor	-----	1.051	1.018	1.008
L45	Billing Units + Losses - (kW)	2,027,013	1,418,926	537,878	70,209
L46	Percent	99.99%	69.99%	26.54%	3.46%
L47	Adjusted Capacity Related Costs - PS	$19,403,121	$13,580,244	$5,149,588	$671,348
L48	Per Unit Cost - ($/kW)	$9.96	$10.06	$9.75	$9.64
L49	**Total**				
L50	PS + Transmission Per Unit Cost - ($/kW)	**$12.16**	**$12.28**	**$11.90**	**$11.77**

Notes: (1) Total LLP capacity costs are further divided into LLP and Cogeneration Backup based on capacity allocation factors. Cogeneration Backup unit costs are developed in the Contract Demand Component for Backup Power Section.

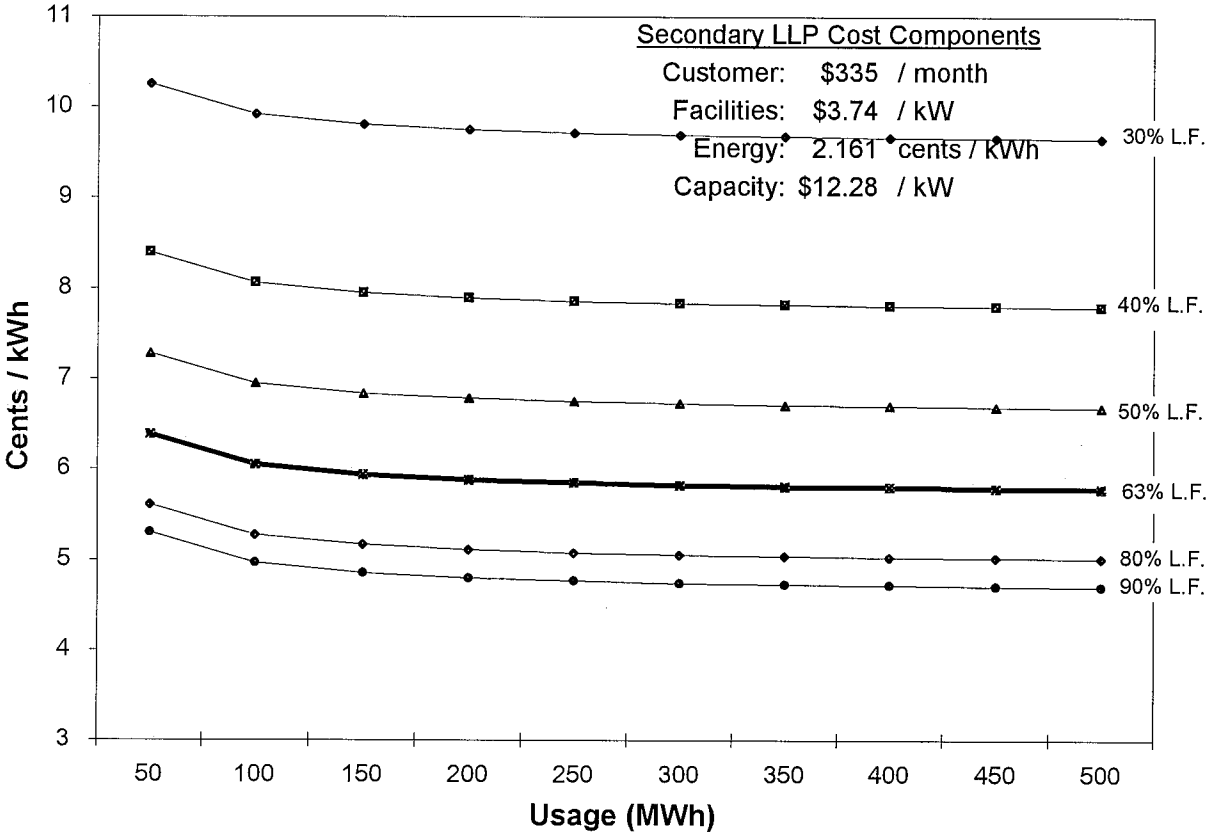
(2) Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE LIGHT AND POWER
2008

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The LLP average load factor is 63%.

LARGE POWER CONTRACT
2008

The Large Power Contract (LPC) rates are applicable for customers whose loads exceed 4,000 kW and who, through a contract, agree to retain service through the system for a three-year annually renewing contract. If the customer gives notice of termination, the LPC rate plus 2 percent is billed for the last three years of the contract. This rate provides incentive for customers to contract with the system, and such contracts provide guarantees of large power loads for the system.

LPC per unit costs were previously developed within the LLP section but are now separated into their own class.

All Large Power Contract customers are metered by interval recording devices that record kWh usage, 30-minute kW demand, and kvar demand.

Transmission coverage was fixed at 1.60 and production coverage was not fixed, resulting in a coverage of 1.77. The LPC per unit costs of service at primary levels are: $11.41 per billing kW (demand), $2.96 per billing kW (facilities), 2.455 cents per kWh (summer energy), 1.768 cents per kWh (winter energy), plus $1,012 per customer per billing period. Customer related costs are mainly comprised of the Key Account program and interval meter reading.

The average unit cost of energy consumed as the primary level, excluding the customer costs, is dependent on the customer load factor. It ranges from 8.69 cents per kWh as 30 percent load factor to 4.53 cents per kWh or 80 percent load factor. The maximum yield provision caps the rate at 12 cents per kWh.

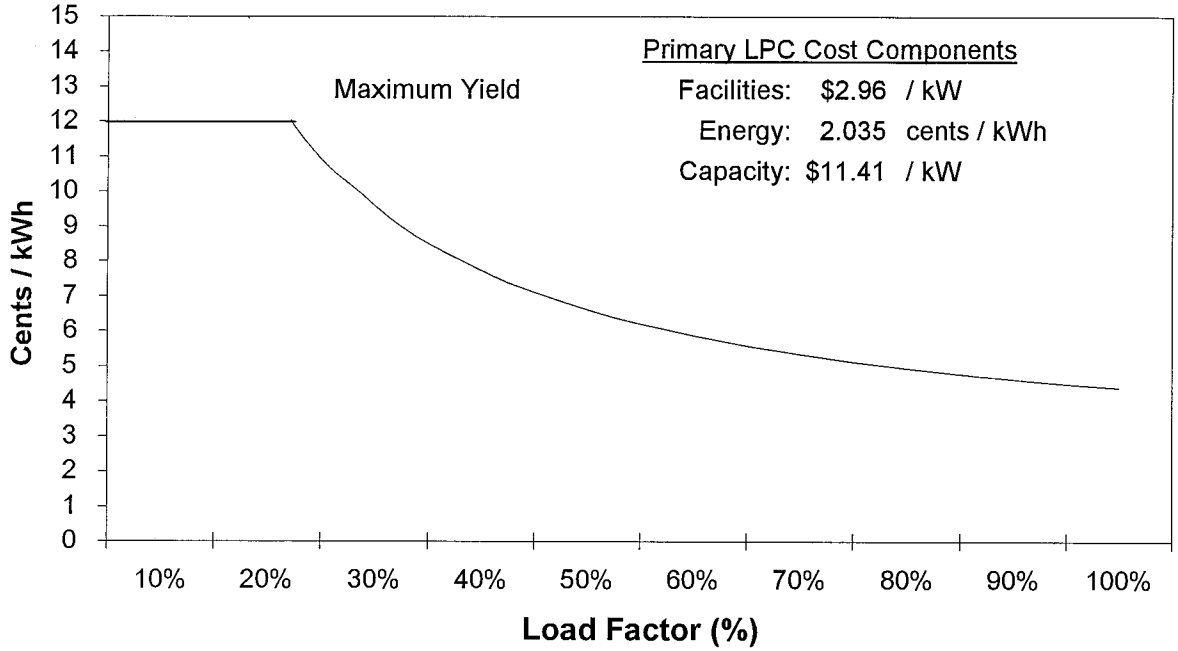
LARGE POWER CONTRACT
COST OF SERVICE
PER UNIT COSTS
2008

L1	**Customer Related Costs (Billing, Customer Assistance, & Information)**			
L2		**LPC Class**	**Secondary**	**Primary**
L3	Number of Customers (Monthly)	7	1	6
L4	Percent Allocator	100.00%	14.29%	85.71%
L5	Customer Accounting	$663	$95	$568
L6	Customer Energy Services	$78,997	$11,289	$67,708
L7	Interval Meter Reading	$5,300	$757	$4,543
L8	Community Information Program	$15	$2	$13
L9	Total Customer Costs	$84,975	$12,143	$72,832
L10	Customer Cost Per Year	$12,139	$12,143	$12,139
L11	**Customer Cost Per Month**	**$1,012**	**$1,012**	**$1,012**
L12	**Facilities Related Costs (Distribution and Service Connection) for Services Below 35 kV**			
L13		**LLP Class**	**Secondary**	**Primary**
L14	35 kV Subs & Lines	$125,920	$21,725	$104,195
L15	Substation	$279,943	$48,299	$231,644
L16	Lines	$1,238,439	$213,670	$1,024,769
L17	Meters [1]	$2,908	$416	$2,493
L18	Services [1]	$1,654	$1,654	$0
L19	Transformers	$1,646	$1,646	$0
L20	Total Facilities Costs - 12 kV and below	$1,650,512	$287,411	$1,363,101
L21	Billing Units (kW)	556,838	96,072	460,766
L22	**Facilities Per Unit Cost - $/kW**	**$2.96**	**$2.99**	**$2.96**
L23	**Energy Related Costs (Fuel and Variable Expenses)**			
L24		**LPC Class**	**Secondary**	**Primary**
L25	MWh	307,323	50,150	257,173
L26	Loss Factor	-----	1.051	1.018
L27	MWh + Losses	314,510	52,708	261,802
L28	Percent	100.00%	16.76%	83.24%
L29	Allocated Energy Related Cost ($)	$5,561,771	$932,153	$4,629,618
L30	Capacity Related Cost Adjustment ($) [2]	$725,163	$121,537	$603,626
L31	Adjusted Energy Related Cost ($)	$6,286,934	$1,053,690	$5,233,244
L32	**Energy Per Unit Cost - ($/MWh)**	**$20.46**	**$21.01**	**$20.35**
L33	Summer - $/MWh	$24.68	$25.35	$24.55
L34	Winter - $/MWh	$17.78	$18.26	$17.68
L35	**Capacity Related Costs (Power Supply and Transmission)**			
L36		**LPC Class**	**Secondary**	**Primary**
L37	Billing Units - (kW)	556,838	96,072	460,766
L38	Loss Factor	-----	1.051	1.018
L39	Billing Units + Losses - (kW)	570,032	100,972	469,060
L40	Percent	100.00%	17.71%	82.29%
L41	**Transmission**			
L42	Capacity Related Costs - Transmission	$1,160,626	$205,547	$955,079
L43	Per Unit Cost - ($/kW)	$2.08	$2.14	$2.07
L44	**Power Supply**			
L45	Capacity Related Costs - Power Supply	$5,955,790	$1,054,770	$4,901,020
L46	Adjust to Energy [1]	($725,163)	($128,426)	($596,737)
L47	Adjusted Capacity Related Costs - PS	$5,230,627	$926,344	$4,304,283
L48	Per Unit Cost - ($/kW)	$9.39	$9.64	$9.34
L49	**PS + Transmission Per Unit Cost - ($/kW)**	**$11.48**	**$11.78**	**$11.41**

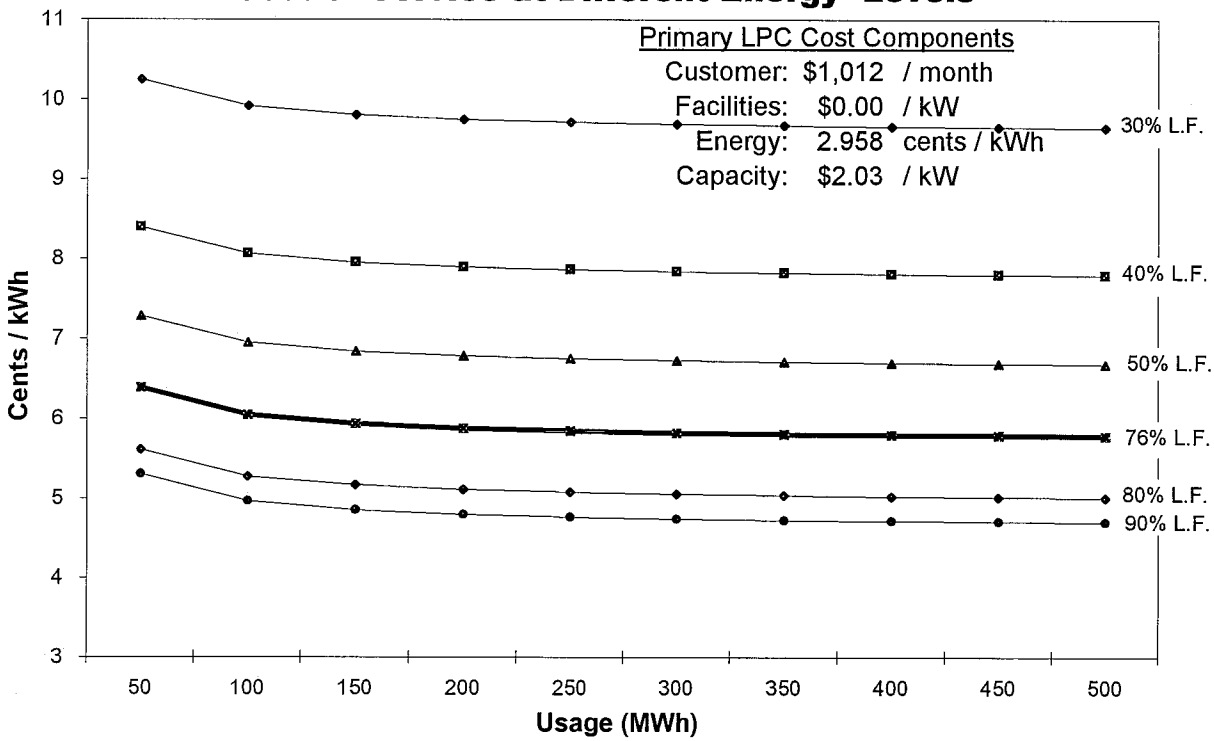
Notes: *(1) The split for meters and services is based on UPIS.*
(2) Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE POWER CONTRACT
2008

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The LPC average load factor is 76%.

INTERRUPTIBLE CONTRACT CUSTOMERS
2008

The Interruptible program is applicable for customers who allow the System to interrupt 100 kW or more of the customer's load for a maximum of four hours each day, any summer weekday. This rate provides incentives for customers to install cool storage or other load shedding equipment. Charges for electric service are derived in previous sections and the interruptible credit derivation is found in the Load Shifting to Off-Peak section. The cost of the credit for interruptions is $2.25 per kW per month, applicable for four summer months only.

POWER PURCHASE PROGRAM
2008

The Power Purchase Program was established to contain power supply costs, keep money in Lincoln and partner with LES' customers. When requested, customers will reduce their loads by at least 100 kW. The load could be shifted to another fuel source, delayed to an off-peak period or picked up by starting an emergency generator. Customers pay charges on applicable electric rates and in addition receive payments for curtailments. The cost derivation for curtailment payments is found in the Load Shifting to Off-Peak section.

Daily Curtailment

Daily Curtailment requests may occur any time during the year. They will occur when power resource costs exceed 12 cents per kWh. Payment amounts will be tied to the marginal cost of energy during the curtailment. These are voluntary curtailments with no penalty for failure to curtail. There also is no guarantee that there will be a curtailment request and subsequent payment to the customer.

LOAD SHIFTING TO OFF-PEAK
LS-OP
(CONTRACT CUSTOMERS)
2008

Customers who have the ability to shift load from a peak period to an off-peak period may elect this service option. Thermal storage systems typically may be used by the customer to accomplish this load shift. For example, the District Energy Corporation operates ice making equipment during off-peak hours and stores the ice to be melted during on-peak periods to cool buildings. The ice storage capacity in this example case is limited to four hours per day.

The amount paid to load shifting customers is determined by the avoided capacity and energy savings LES would realize by not purchasing the peaking power from the wholesale market. Since LES is currently capacity long, there would be no savings for LES to offset capacity in 2008.

L1 **Capacity and Energy Cost Savings**

L2	Purchased Capacity	$0.00 / kW - season
L3	based on 16 hours per day	(no capacity needed, so no savings)
L4	Losses at Peak	7.2%
L5	Total Capacity Cost	$0.00 / kW - season
L6	Adjusted monthly	$0.00 / kW - month

L7 **On-Peak Energy Credit**

L8	2007 Seasonal Curtailable	$0.09 / kWh
	(based on summer on-peak avoided energy cost)	

Interruptible

Under the Interruptible program, LES can ask for a peak curtailment any summer weekday for four hours. For an estimate of a typical summer, assume an estimate of 25 times 4 hours for 100 hours. Under this assumed credit, a 4-hour curtailed customer should be requested to curtail 23 times each summer. Therefore, the following credit is calculated:

L9	$0.00/kW x 1/100 hours =		$0.000 / kWh
L10	Avoided Energy Cost		$0.090 / kWh
L11	Estimated Hourly Cost		$0.090 / kWh
L12	Hours per Season	x	100 hours
L13	Cost per Season		$9.00 / kW - season
L14	Cost per Month		$2.25 / kW - month (June - September)

COGENERATION CONTRACT CUSTOMERS
2008

LES customers who own and operate a cogeneration facility are regulated by the "Policy and Guidelines for Customer-Owned Generation" manual. To be applicable for Qualifying Facilities status as provided by federal legislation and to take and receive power, the following conditions must be met:

(a) The Customer has generation facilities that maintain "Qualifying Facility" status pursuant to PURPA and FERC regulations.

(b) The Customer's generation facilities operate in parallel to the System's generation facilities.

(c) The Customer and LES have entered into a Qualifying Facility Cogeneration and Interconnection Agreement covering the Customer's generating facilities for which supplemental and backup power is being requested.

Service is provided under two separate sets of charges and rate codes: Backup Power (Rate Code 31 - Primary and Rate Code 41 - 35 kV) and Supplemental Power (Rate Code 32 - Primary, Rate Code 42 - 35 kV and Rate Code 53 - LPC).

Backup power charges cover the cost of readiness to serve and the cost of providing power and energy in the cases of failure and scheduled maintenance outages of the Qualifying Facility. This type of service (load factor and peak coincidence) is, in part, characteristic of the General Service-Demand class. Therefore, the demand, energy and facilities charges are set at the same level as the current retail General Service-Demand rate. Backup power is provided up to the level of contracted demand. The contract demand level is jointly determined by the customer and LES and is approximately equal to the maximum net generating capability of the Customer's Qualifying Facility. The contract demand charge is developed on the following page. This cost includes transmission along with the standby power cost component (estimated cost of purchased capacity). Distribution facilities are recovered through the facilities charge.

Supplemental demand and energy is that served over and above the contract demand level and is similar to Large Light and Power load characteristics. Therefore, supplemental charges are the same as the current Large Light and Power rate.

COGENERATION CONTRACT CUSTOMERS
DETERMINATION OF CONTRACT DEMAND COMPONENT
FOR BACKUP POWER
COST OF SERVICE
2008

L1	**Large Light and Power**		
L2	Transmission Related Cost	$4,295,164	
L3	SEM Power Marketing	$308,681	
L4		$4,603,845	
L5	LLP Billing Units	1,950,543	kW
L6	Transmission Per Unit	$2.36	/ kW
L7	Purchased Capacity	$12.00	/ kW
L8	(6 mo. MAPP season at $2.00 / kW - Month)		
L9	Purchased Capacity (annualized)	$1.00	/ kW - Month
L10	In-Lieu of Tax Factor	1.048	
L11	Primary Loss Factor	1.018	
L12		$1.07	/ kW - Month
L13	**Contract Demand Per Unit Cost**	**$3.43**	**/ kW - Month**

STREET, SECURITY AND TRAFFIC SIGNAL LIGHTING
2008

The Lighting class is comprised of Security Lighting (Rate Code 20), Traffic Signals (Rate Code 24) and Street Lighting customers (Rate Code 26). The class is allocated $436,462 of the total energy related costs, $33,673 customer related costs, $207,330 facilities related costs, and $30,386 capacity related costs. In addition, $1,171,333 is assigned as per the revenue requirements determination.

Costs within this group are allocated to Security Lighting, Street Lighting and Traffic Signals on the basis of each group's service requirements, usage characteristics and contractual agreements. For example, Operation and Maintenance (O&M) charges are not allocated to Traffic Signals since, by contract, the customer is responsible for traffic signal equipment maintenance. LES is responsible for maintenance of street and security lighting equipment, and for proper disposal of lamps, as regulated under Subtitle C of the Resource Conservation and Recovery Act.

Final total costs allocated and assigned to each group are: $194,702 to Security Lighting, $1,603,952 to Street Lighting, and $91,810 to Traffic Signals. Customer related costs, maintenance costs for O&M, Supervision and Engineering (S&E), and Administration and General (A&G) are included in the monthly maintenance charges for each lamp in service. The City of Lincoln purchased the street and traffic lighting system from LES in 2004. Capital Investment fees for Waverly and Lancaster County street lights are collected as an "Other" revenue, so they are excluded from the street and traffic lighting revenue requirement.

Development of the cost incurred by the System for installing and maintaining the various sizes of lights uses the following parameters and assumptions:

(a) A 20-year luminare life, therefore, all materials are recovered over a 20-year period.

(b) A six-year lamp replacement cycle for maintenance.

(c) Monthly maintenance costs per lamp are based on material, labor, vehicle and maintenance costs from Street Lighting, Financial Services, and Storeroom departments.

Energy and capacity costs allocated to the class reflect the cost associated with photocell operated lights operating approximately 4,000 hours per year. Mercury vapor (MV) and non cutoff high pressure sodium vapor (HPSV) lights are no longer available. Cutoff lights reduce the amount of light reflected toward the sky. Damaged lights will be replaced until inventory is depleted or city ordinance restricts use. New security lights will be limited to cutoff high pressure sodium vapor.

Festoon Outlet charges for a 120-volt outlet reflect street lighting energy rates for 4,000 hours of off-peak usage per year and General Service energy rates for the remaining 4,760 hours of on-peak usage per year.

LIGHTING
2008

		Security Lighting	Street Lighting	Traffic Signal Lighting	Total
L1	**Allocated Costs:**				
L2	Energy Related	$31,905	$378,151	$26,406	$436,462
L3	Customer Related	$16,557	$677	$16,439	$33,673
L4	Facilities Related	$14,728	$180,693	$11,909	$207,330
L5	Capacity Related	$2,221	$26,327	$1,838	$30,386
L6	Subtotal	$65,411	$585,848	$56,592	$707,851
L7	**Directly Assigned:**				
L8	O&M	$12,900	$512,969	--------	$525,869
L9	S&E	$11,061	$131,092	$9,154	$151,307
L10	A&G	$29,405	$348,519	$24,337	$402,261
L11	Debt Service	$70,217	$21,679	$0	$91,896
L12	Subtotal	$123,583	$1,014,259	$33,491	$1,171,333
L13	**Miscellaneous:**				
L14	Interest Income	($4,192)	($18,982)	($1,269)	($24,443)
L15	In Lieu of Tax	$9,900	$44,827	$2,996	$57,723
L16	Capital Investment [1]	--------	($22,000)	$0	($22,000)
L17	Renewable Energy Program	$0	$0	$0	$0
L18	Subtotal	$5,708	$3,845	$1,727	$11,280
L19	**Total Allocated and Assigned Costs**	$194,702	$1,603,952	$91,810	$1,890,464
L20	**Costs to be Recovered in**				
L21	**Maintenance Charges:**				
L22	Maintenance Costs	$10,650	$244,800		
L23	Total Projected Lamps	1,287	28,988		
L24	Average Annual Cost Per Lamp [2]	$8.28	$8.44		
L25	Average Monthly Cost Per Lamp [2]	$0.69	$0.70		
L26	**Maintenance Charge Adders:**				
L27	Customer Related	$16,557	$677		
L28	S&E and A&G	$40,466	$479,611		
L29	Total	$57,023	$480,288		
L30	Total Projected Lamps	1,287	28,988		
L31	Annual Cost Per Lamp	$44.31	$16.57		
L32	Monthly Cost Per Lamp	$3.69	$1.38		
L33	**Facilities Charge (Subs & Transformers)**				
L34	Facilities Costs	$14,728	$180,693	$11,909	$207,330
L35	Total Projected Energy (MWh)	1,718	20,358	1,422	23,498
L36	**Facilities Charge ($/MWh)**	**$8.58**	**$8.88**	**$8.37**	
L37	**Energy and Capacity Charge:**				
L38	Total Allocated and Assigned Costs	$194,702	$1,603,952	$91,810	$1,890,464
L39	Less Revenue:				
L40	Maintenance Charges and Adders	($67,673)	($725,087)	--------	($792,760)
L41	(Maint, S&E, A&G and Customer Costs)				
L42	Facilities Charges	($14,728)	($180,693)	($11,909)	($207,330)
L43	Capital Investment Charge [1]	($70,217)	--------	--------	($70,217)
L44	Balance of Allocated Costs	$42,084	$698,172	$79,901	$820,157
L45	Total Projected Energy (MWh)	1,718	20,358	1,422	23,498
L46	**Energy and Capacity Charge ($/MWh)**	**$24.50**	**$34.29**	**$56.18**	

Notes: (1) The capital investment charge is recovered in the security lighting rate, however street lighting investment charges are accounted for as a miscellaneous credit in revenue requirements.

(2) Per lamp maintenance charges vary based on lamp type and are shown in the Street and Security Lighting cost tables.

STREET LIGHTING MONTHLY MAINTENANCE COSTS
2008

	Lamp Size	Proj Lamps	Lamp Cost	Labor Cost	Vehicle Cost	Mtrls Cost	Misc Cost	Calculated Maintenance Costs: Maint Costs /Lamp	Calculated Maintenance Costs: Total Maint Costs	Adjusted to Budgeted Maintenance: Maint Costs /Lamp	Adjusted to Budgeted Maintenance: Total Maint Costs	Mnthly Adder[1]	Maint Plus Adders /Lamp	Total Maint Plus Adders
L1	**Mercury Vapor Lights**													
L2	100 watts	0	$0.12	$0.39	$0.12	$0.10	$0.09	$0.82	$0	$0.65	$0	$1.38	$2.04	$0
L3	175 watts	47	$0.07	$0.39	$0.12	$0.10	$0.09	$0.77	$36	$0.61	$29	$1.38	$1.99	$94
L4	250 watts	0	$0.10	$0.39	$0.12	$0.10	$0.09	$0.80	$0	$0.64	$0	$1.38	$2.02	$0
L5	400 watts	0	$0.09	$0.39	$0.12	$0.10	$0.09	$0.79	$0	$0.63	$0	$1.38	$2.01	$0
L6	1000 watts	0	$0.29	$0.39	$0.12	$0.10	$0.09	$0.99	$0	$0.79	$0	$1.38	$2.17	$0
L7	**High Pressure Sodium Vapor Lights**													
L8	35 watts	175	$0.12	$0.39	$0.12	$0.10	$0.09	$0.83	$145	$0.66	$115	$1.38	$2.04	$357
L9	50 watts	107	$0.12	$0.39	$0.12	$0.10	$0.09	$0.83	$88	$0.66	$70	$1.38	$2.04	$218
L10	70 watts	15,169	$0.16	$0.39	$0.12	$0.10	$0.09	$0.87	$13,155	$0.69	$10,467	$1.38	$2.07	$31,411
L11	100 watts	369	$0.16	$0.39	$0.12	$0.10	$0.09	$0.86	$317	$0.68	$252	$1.38	$2.06	$762
L12	150 watts	5,788	$0.16	$0.39	$0.12	$0.10	$0.09	$0.86	$4,973	$0.68	$3,957	$1.38	$2.06	$11,948
L13	200 watts	268	$0.13	$0.39	$0.12	$0.10	$0.09	$0.83	$223	$0.66	$177	$1.38	$2.04	$547
L14	250 watts	4,332	$0.16	$0.39	$0.12	$0.10	$0.09	$0.86	$3,720	$0.68	$2,960	$1.38	$2.06	$8,941
L15	400 watts	1,607	$0.16	$0.39	$0.12	$0.10	$0.09	$0.86	$1,380	$0.68	$1,098	$1.38	$2.06	$3,317
L16	1000 watts	9	$0.47	$0.39	$0.12	$0.10	$0.09	$1.18	$11	$0.94	$8	$1.38	$2.32	$21
L17	**Low Pressure Sodium Vapor Lights**													
L18	180 watts	1	$0.00	$0.39	$0.12	$0.10	$0.09	$0.70	$1	$0.56	$1	$1.38	$1.94	$2
L19	**Metal Halide**													
L20	75 watts	146	$0.91	$0.39	$0.12	$0.10	$0.09	$1.61	$235	$1.28	$187	$1.38	$2.66	$389
L21	100 watts	423	$0.59	$0.39	$0.12	$0.10	$0.09	$1.29	$546	$1.03	$435	$1.38	$2.41	$1,019
L22	175 watts	128	$0.56	$0.39	$0.12	$0.10	$0.09	$1.27	$162	$1.01	$129	$1.38	$2.39	$306
L23	250 watts	131	$1.92	$0.39	$0.12	$0.10	$0.09	$2.62	$344	$2.09	$273	$1.38	$3.47	$454
L24	400 watts	238	$0.20	$0.39	$0.12	$0.10	$0.09	$0.90	$215	$0.72	$171	$1.38	$2.10	$499
L25	1000 watts	50	$1.04	$0.39	$0.12	$0.10	$0.09	$1.75	$87	$1.39	$70	$1.38	$2.77	$139
L26			$5,237	$11,438	$3,379	$2,917	$2,667							

				Calc Maint	Adj to Budgeted Maint	Adder[1]	Total
L27							
L28	Total Lamps	28,988	Monthly Maintenance Costs	$25,637	$20,400	$40,024	$60,424
L29				x 12	x 12	x 12	x 12
L30			Annual Maintenance Costs	$307,648	$244,800	$480,287	$725,087

Note: (1) The monthly adder is made up of S&E, A&G, and Customers costs.

SECURITY LIGHTING TOTAL COSTS
2008

		Proj Lamps[1]	Calc Maint. Cost /Lamp	Adj to Budget Maint.	Mnthly Adder[2]	Maint Plus Adders /Lamp	Total Maint Plus Adders	Mnthly Energy Use (kWh)	Mnthly Energy Cost[3]	Mnthly Facil Cost[4]	Invest. Cost /Lamp	Total Invest Cost	Total Mnthly Cost	Avg Cost /Lamp
L1	**Mercury Vapor Lights**													
L2	175 watts	468	$0.76	$0.67	$3.69	$4.36	$2,040	30,420	$745	$261	$3.14	$1,467	$4,514	$9.64
L3	250 watts	349	$0.79	$0.70	$3.69	$4.39	$1,532	34,900	$855	$299	$3.63	$1,266	$3,952	$11.32
L4	400 watts	391	$0.78	$0.69	$3.69	$4.38	$1,713	61,778	$1,514	$530	$5.17	$2,020	$5,776	$14.77
L5	1000 watts	33	$0.98	$0.86	$3.69	$4.55	$150	12,474	$306	$107	$11.82	$390	$953	$28.88
L6	**High Pressure Sodium Vapor Lights**													
L7	70 watts	8	$0.85	$0.75	$3.69	$4.45	$36	232	$6	$2	$5.23	$42	$85	$10.63
L8	150 watts	7	$0.85	$0.75	$3.69	$4.44	$31	455	$11	$4	$4.11	$29	$75	$10.70
L9	250 watts	31	$0.84	$0.75	$3.69	$4.44	$138	3,224	$79	$28	$4.09	$127	$371	$11.97
L10	Overhead Spans	429									$0.50	$215	$215	$0.50
L11	Underground Spans	44									$2.00	$88	$88	$2.00
L12	Poles	209									$1.00	$209	$209	$1.00

		Calculated Maint.	Adj to Budget Maint.	Adder	Total
L13		$1,004	$888	$4,752	$5,639
L14		x 12	x 12	x 12	x 12
L15		$12,049	$10,650	$57,023	$67,673

Notes: (1) The projected number of lamps is based on Security Lighting Forecast.
(2) The monthly adder includes Customer, A&G, and S&E costs.
(3) The monthly energy cost is 24.50 Mills/kWh.
(4) The monthly facilities cost is 8.58 Mills/kWh.

FESTOON OUTLET CHARGE
2008

L16 **Off Peak Festoon Outlet Charge**

L17 **Annual Off Peak Usage**
L18 2 amps x 120 volts = 240 watts
L19 x 4,000 off peak hours
L20 960 kWh

L21
L22
L23
L24

L25 **Off Peak Charge at Street Lighting Rate**
L28 Rate x kWh
L29 $0.04490 x 960 = $43.10 / Year
L30 = $3.59 / Month

On Peak Festoon Outlet Charge

Annual On Peak Usage
2 amps x 120 volts = 240 watts
x 4,760 on peak hours
1,142.4 kWh

On Peak Energy Split[1] by Season
Summer 439.3 kWh
Winter 703.1 kWh
1,142.4 kWh

On Peak Charge at Winter/Summer General Service Rate

	Rate	kWh	
Summer	$0.080	439.3	= $35.14
Winter	$0.0505	703.1	= $35.51

$70.65 / Year
$5.89 / Month

L31
L32
L33 **Charge for Continuous Usage**

L34	**Off Peak Hours**	**$3.59 / Month**
L35	**On Peak Hours**	**$5.89 / Month**
L36	**Continuous Usage**	**$9.48 / Month**

Note: (1) On peak usage of 1,142.4 kWh is split by season based on ratios derived from actual hours of daylight within summer and winter seasons.

POLE ATTACHMENT RATE DEVELOPMENT
2008

The development of an attachment rate for entities that may have the right to occupy public right-of-way and wish to attach cables, wires and other appliances on System-owned poles is shown on the following page. This rate schedule may be used in conjunction with existing contracts or new contracts for joint pole occupancy.

The annual pole attachment cost to the System for a communication wire type application is determined by the following formula:

Attachment Rate = (Typical Installed Pole Cost) x (Carrying Charge Factor) x (Cost Allocation Factor)

The typical pole cost is that average installed cost of System-owned, 35-foot wood street light poles as recorded in the Utility Plant Ledger. This is the minimum pole height required for safety clearance when used in a joint occupancy location. The typical installed pole cost for 2008 is $400.63. The pole and labor investment is calculated starting in 1976, assuming a 33-year life for the pole. It is also assumed the oldest poles are retired first.

The carrying charge is developed as follows:

Carrying Charge Factor for Utility Poles

Capital Recovery Factor (4.47%, 33 years)	0.059
Coverage (.30)	0.018
Operation & Maintenance	0.039
Administrative & General	0.016
Total Factor	0.131

The cost allocation factor is derived by the formula on the following page. This formula represents a method generally used by the industry. The allocation factor is comprised of two parts: 1) the usable space, that above the 18-foot minimum ground clearance and 2) the non-usable space, that below the minimum clearance height. The minimum clearance values are those prescribed by the National Electrical Safety Code (NESC). The usable space is allocated based on each party's use of, or need for, pole space including the 40-inch (3.33 ft.) safety space. The non-usable space is the part of the pole that is there to hold the usable part in the air. Non-usable pole cost is equally shared by all parties to the pole. The typical joint pole situation usually involves the telephone company, a communication cable company and the System or a three-party pole occupancy. Since three-party poles are over 70% of attachment cases, the factor for three-party poles is used to determine the annual fee charge as follows:

POLE ATTACHMENT
2008

L1 **Formula for Communication Cable or Wire Cost Allocation Factor**

L2 L3 L4

$$\text{Cost Allocation Factor} = \frac{\text{CCW Space} + \frac{\text{Safety Space}}{\text{No. of Parties}} + \frac{\text{Non-usable Space}}{\text{No. of Parties}}}{\text{Normal Pole Height}}$$

L5 Assumptions:

L6	Normal Pole Height	=	35 ft.
L7	Usable Pole Space		
L8	CCW Space	=	1 ft.
L9	Telephone Space	=	1 ft.
L10	Safety Space	=	3.33 ft.
L11	Non-Usable Pole Space		
L12	Underground	=	6 ft.
L13	Clearance	=	18 ft.
L14	Total	=	24 ft.

L15 3 Party Pole Cost Allocation Factor:

L16 L17 L18

$$= \frac{1 + \frac{3.33}{3} + \frac{24}{3}}{35}$$

L19 = 0.2889

L20 **Pole Attachment Cost**

L21 L22

$$= \text{Typical Installed Pole Cost} \times \text{Carrying Charge Factor} \times \text{Cost Allocation Factor}$$

L23 = $400.63 x 0.131 x 0.2889

L24 = **$15.20** per attachment - year

CONDUIT ATTACHMENT RATE DEVELOPMENT
2008

Another type of attachment is customer use of System owned conduits and ducts. Conduits may contain one or more ducts. Since new cables cannot be added to occupied ducts, one cable is considered all a duct can handle. All conduits with only one duct are occupied with LES power cables.

L1	Replacement Cost (estimated):		$52.50 per foot
L2	Life:		50 years
L3	Carrying Charge Factor for Conduit		
L4	Capital Recovery Factor	0.050	
L5	(4.47%, 50 years)		
L6	Coverage	0.015	
L7	Operation & Maintenance	0.039	
	Administration & General	0.016	
		0.1197	
L8	Replacement Rate:		
L9	$52.50 x 0.1197 =		$6.28 per foot per year

TRANSMISSION AND ANCILLARY SERVICES
2008

Transmission rates are developed for customers who contract for energy and capacity from outside power suppliers and utilize LES transmission facilities. The Transmission rate development was changed in 2005 to be more comparable to retail transmission charges. Previously, the transmission rate calculation was based on the MISO rate template. However, LES is not currently part of MISO.

The wheeling rate is assessed against the customer's monthly peak demand. All distribution costs are included under the facilities charge billed for 34.5 kV, 12 kV primary or secondary deliveries.

Transmission Rate

Network & Point-To-Point Rate	$2.27 / kW-month

Facilities Charges

35 kV Wheeling Service	$0.761 / kW-month
12 kV Wheeling Service	$3.407 / kW-month
Secondary Wheeling Service	$3.744 / kW-month

Required Service Charges

Scheduling and Dispatch (S&D)	$42.31 / schedule / day
Reactive Power / Voltage Control (RP/VC)	$0.0209 / kW-month

Optional Service Charges

Load Following	$0.239 / kW-month
Energy Imbalance based on avoided cost of	$0.0178 / kW-month
Spinning Operating Reserves	$0.0989 / kW-month
Non-Spinning Operating Reserves	$0.0710 / kW-month

TRANSMISSION AND ANCILLARY SERVICES
COST OF SERVICE
2008

L1	**Wheeling Per Unit Costs**			
L2	**Firm Transmission Rate**	**Extra High Voltage System**	**High Voltage System**	**Total Transmission System**
L5	Operations & Maintenance	$3,115,418	$1,301,757	$4,417,175
L6	Engineering & Operation Supervision	$63,169	$374,551	$437,720
L7	Administration & General	$673,026	$995,774	$1,668,800
L8	Debt Service & Construction	$5,004,245	$5,738,760	$10,743,004
L9	Subtotal	$8,855,858	$8,410,842	$17,266,700
L10	Interest Credit	($184,799)	($175,512)	($360,311)
L11	Subtotal	$8,671,059	$8,235,330	$16,906,389
L12	TSC Revenue [1]	($163,035)	($186,965)	($350,000)
L13	Total	$8,508,024	$8,048,365	$16,556,389
L14	Billing Units			7,286,170 kW
L15	Per Unit Cost			$2.272 / kW-month

L16	**Required Service Charges**			
L17	**Transmission Service**	**On-Peak**	**Off-Peak**	
L18	Network & Point-To-Point Rate	$2.27	$2.27	/ kW - month
L19	Point-To-Point Rate Weekly	$0.524	$0.524	/ kW - week
L20	Point-To-Point Rate Daily	$0.105	$0.075	/ kW - day
L21	Point-To-Point Rate Hourly	$6.55	$3.12	/ MWh
L22	**Scheduling and Dispatch (S&D)**		$42.31	/ schedule / day
L23	**Reactive Power / Voltage Control (RP/VC)**		$0.0209	/ kW - month

L24	**Optional Service Charges**		
L25	**Load Following**	$0.239	/ kW - month
L26	**Energy Imbalance / Generator Imbalance**		
L27	Over-scheduled (rebate) within 1.5% deviation	Settle Net at	$0.0178 / kWh
L28	1.5% to 7.5% deviation	$0.0160	/ kWh
L29	greater than 7.5% deviation	$0.0133	/ kWh
L30	Under-scheduled (charge) within 1.5% deviation	Settle Net at	$0.0178 / kWh
L31	1.5% to 7.5% deviation	$0.0195	/ kWh
L32	greater than 7.5% deviation	$0.0222	/ kWh
L33	**Operating Reserves**		
L34	Spinning	$0.099	/ kW - month
L35	Non-Spinning	$0.071	/ kW - month

Note: (1) TSC Revenue: Transmission Service Charge Revenue from other MAPP members using the LES System. Internal wholesale revenue is not credited to transmission costs because internal wholesale demands are included in the Lincoln Demand.

ANCILLARY SERVICES
2008

L1 **Monthly System Peaks**

L2

	Month	Retail Inlet Demand (MW)	WAPA,/ SFP, Norris + Losses (MW)	Lincoln Demand (MW)	Network Load MW	
L3						
L4						
L5						
L6	Jan	517	28	545	0	Lincoln Demand for 2008
L7	Feb	499	29	528	0	from 2007 Long Range Forecast
L8	Mar	454	27	481	0	
L9	Apr	482	26	508	0	UNL and HHSS WAPA are
L10	May	579	29	608	0	fixed by Contract.
L11	Jun	685	31	716	0	
L12	Jul	765	34	799	0	Monthly Loads show 799 MW for
L13	Aug	729	34	763	0	July in the 2007 LR Forecast.
L14	Sep	669	31	700	0	
L15	Oct	523	29	552	0	Long Range Forecast predicts an
L16	Nov	498	23	521	0	annual peak from statistical analysis
L17	Dec	537	27	564	0	of peaks from the 4 summer months.
L18	**Peak (MW)**	765	34	799	0	
L19	**Billing Units (MW)**					
L20	1 CP	9,180		9,593	0	12 x Peak Value
L21	12 CP	6,937		7,286	0	Sum of Monthly Peaks
L22	**Load Ratio**					
L23	Average Customer Peaks (MW)				0	
L24	Average System Peaks (MW)				607	7,286 / 12
L25	Load Ratio				0%	

Note: Retail load includes internal losses.

L26 **Scheduling, System Control and Dispatch Service - Schedule 1**

L27	Revenue Requirements:		
L28	System Control & Load Dispatch	$1,158,243	Page III-24 [1]
L29	$1,158,243 / 365 days =	$3,173 / day	
L30	Estimated Schedules / Day	75 schedules	
L31	Scheduling & Dispatch Service Cost	$42.31 / schedule / day	

Note: (1) SEM plus interest credit: $1,182,928 - $24,685 = $1,158,243

ANCILLARY SERVICES
2008

L1 **Reactive Supply and Voltage Control from Generation Sources Service - Schedule 2**

L2	Generation Revenue Requirements		
L3	8th & J Peaker	$761,024	
L4	Rokeby Site Peakers	$7,809,213	
L5	Salt Valley Generation Station	$16,857,564	
L6	Total Generation Revenue Requirements	$25,427,801	
L7	Percent applicable to LES plants'		Refer to working papers on reactive
L8	Reactive Power/Voltage Control	0.6%	allocation factors.
L9	Reactive Power/Voltage Control Allocation	$152,567	L6 x L9
L10	12 CP Area Load for 2008	7,286,170 kW	Page III-78
L11	Reactive Power/Voltage Control Cost		

	On Peak	Off Peak
L12		
L13	$0.0209 / kW - month	$0.0209 / kW - month
L14	$0.00483 / kW - week	$0.00483 / kW - week
L15	$0.00097 / kW - day	$0.00069 / kW - day
L16	$0.0604 / MWh	$0.0287 / MWh

L17 **Regulation and Frequency Response Service (Load Following) - Schedule 3**

L18	LES WAPA Firm Revenue Requirements	$1,736,100	9.9 MW	Page III-24
L19	SCADA for Load Following	$243,938		1/4 SCADA capital x carrying charge of .199
L20	SCADA O & M	$46,650		1/2 maint amt in cost ctr 20721 (SCADA O&M)
L21	Microwave to WAPA	$8,173		Microwave capital x carrying charge of .124
L22	WAPA Load Following Fee	$115,000		
L23	UNL/HHSS WAPA Firm		7.6 MW	
L24	Total Revenue Requirement	$2,149,860	17.5 MW	
L25	Area Load Following Requirements		14.17 MW	
L26	Billing units 7,286,170 kW			12 CP Area Load for 2008
L27	Load Following Charge	$2,149,860 x 14.17 / 17.5		
L28		7,286,170		

	On Peak	Off Peak
L29		
L30	$0.2387 / kW - month	$0.2387 / MW - month
L31	$0.0551 / kW - week	$0.0551 / MW - week
L32	$0.0110 / kW - day	$0.00785 / MW - day
L33	$0.689 / MWh	$0.327 / MW - kWh

ANCILLARY SERVICES
2008

L1 **Energy Imbalance Service - Schedule 4**

L2 Use avoided costs, which equal Annual Per Unit Lincoln Energy ($/MWh) from
L3 the 2008 Cost Analysis p. III-37. $0.0178 / MWh

L4 **Operating Reserve - Spinning Reserve Service - Schedule 5**

L5 (LES' requirement is 12 MW) $857,880

L6 Capacity Related Revenue Requirements
L7 WAPA 12,000 kW x [$5.65 with 5% credit + $.059 BTS] x 12 $64.41
L8
L9 MAPP Membership $55,700 (MCN) + $664,500 (dues) $720,200
L10 $720,264

L11 Billing units 7,286,170 kW 12 CP Area Load for 2008

L12 Spinning Reserve cost (total load basis) $720,264
L13 7,286,170

	On Peak	Off Peak
L14		
L15	$0.0989 / kW - month	$0.0989 / kW - month
L16	$0.0228 / kW - week	$0.0228 / kW - week
L17	$0.00456 / kW - day	$0.00325 / kW - day
L18	$0.285 / MWh	$0.135 / MWh

L19 **Operating Reserve - Supplemental Reserve Service (non-spinning) - Schedule 6**

L20 (LES' requirement is 12 MW)

L21 Peaking turbines revenue requirement $12,782,244 Page III-24
L22 Less Revenue Requirement for Reactive Power $76,693 Page III-78, prorated peakers
L23 Adjusted revenue requirement $12,858,938

L24 Generation capacity 298.3 MW

L25 Non-Spinning Reserve allocation: $12,858,938 x 12 / 298.3 = $517,245

L26 Billing units 7,286,170 kW 12 CP Area Load for 2008

L27 Non-Spinning Reserve cost (total load basis): $517,245
L28 7,286,170

	On Peak	Off Peak
L29		
L30	$0.0710 / kW - month	$0.0710 / kW - month
L31	$0.0164 / kW - week	$0.0164 / kW - week
L32	$0.00328 / kW - day	$0.00233 / kW - day
L33	$0.205 / MWh	$0.0972 / MWh

SUMMARY OF RATE SCHEDULES REVISIONS FOR RATES EFFECTIVE MARCH 1, 2008

(1) Charges have changed to be consistent with the 2008 Cost Analysis.

(2) Controlled Water Heater Credit is discontinued.

(3) Renewable Energy Rider is discontinued.

(4) Off-Site Meter Reading Rider is discontinued.

(5) Heating Service demand requirements clarified.

(6) Maximum Bill provision increases to $0.12 per kilowatt-hour.

(7) New Non-Retail Pricing section:

- Cogeneration and Small Power Production Purchased Energy Rate Schedule
- Renewable Net Metering Policy and Pricing Schedule

RATE SCHEDULES
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Notes:

(1) Rate Code 03 is Residential with Electric Heating.

(2) Rate Codes 12, 13, 16, 19, 28, 45, 48 and 52 receive service at the primary voltage level. Rate Code 46 receives service at the 35 kV voltage level.

RESIDENTIAL SERVICE – 01 (Standard) & 03 (with Electric Heating)

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

APPLICABLE: To single family residences and individually metered apartments for all domestic purposes, including water and space heating.

CHARACTER OF SERVICE: Single-phase, 60 Hertz, alternating current, 120/240 volt, 3 wire through a System-owned meter.

BILL: Customer & Facilities Charge + Energy Charge - Summer Conservation Credit (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer & Facilities Charge..... $8.20 per BILL

plus, for BILLING PERIODS less than 27 days, credit of $0.13 per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge .....

(a) $0.0571 per kilowatt-hour for first 900 kilowatt-hours used per BILLING PERIOD

(b) 0.0419 per kilowatt-hour for all kilowatt-hours over 900 used per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer & Facilities Charge .... $8.20 per BILL

plus, for BILLING PERIODS less than 27 days, credit of $0.13 per day times the difference

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

RESIDENTIAL SERVICE – 01 (Standard) & 03 (with Electric Heating)

between 30 and the actual number of days in the BILLING PERIOD

Energy Charge ..... $0.0860 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

Summer Conservation Credit .... Extended when the Customer's usage during the BILLING PERIOD meets the following condition:

Daily Average KWH	Credit
Less than 10.0 kWh per day	$1.50 per bill

The summer BILL minus the Summer Conservation Credit shall not be less than the Customer Charge nor will the Credit be applied to a BILLING PERIOD of less than 25 days.

RESIDENTIAL THREE-PHASE AIR CONDITIONING RIDER: Existing residential customers, where three-phase service has been provided for air conditioning purposes only and is metered on a separate circuit, shall receive an additional charge of $2.00 per BILL. This type of three-phase service is only available to existing situations and is not expandable.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved City Council Resolution _____

Effective With all bills rendered after February 29, 2008

Issued by Lincoln Electric System

GENERAL SERVICE – 10 (Secondary) & 13 (Primary)

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

APPLICABLE: A Customer will be placed on this schedule if the following conditions are met:

(a) Energy usage does not exceed 25,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS, and

(b) The Customer's demand does not exceed 100 kW in two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, if the usage and demand projections prepared or approved by the System's Engineering Services Division meet (a) and (b) above.

(d) OUTDOOR RECREATIONAL LIGHTING, as defined in the TERMS AND CONDITIONS, is not subject to the limitation of (b) above.

CHARACTER OF SERVICE: Single-phase, or three-phase if available, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer & Facilities Charge + Energy Charge + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer & Facilities Charge

Single-Phase Service.....	$11.50 per BILL, or
Three-Phase Service	$33.50 ($15.30 primary) per BILL

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE – 10 (Secondary) & 13 (Primary)

plus, for BILLING PERIODS less than 27 days, credit of $0.24 Single-Phase, $0.98 Three-Phase, or $0.37 Three-Phase primary per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0476 ($0.0466 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer & Facilities Charge

Single-Phase Service..... $11.50 per BILL, or
Three-Phase Service ..... $33.50 ($15.30 primary) per BILL

plus, for BILLING PERIODS less than 27 days, credit of $0.24 Single-Phase, $0.98 Three-Phase, or $0.37 Three-Phase primary per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0830 ($0.0810 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered in an available System standard primary distribution voltage above 600 volts but less than 50,000 volts; and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE – 10 (Secondary) & 13 (Primary)

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

5. OUTDOOR RECREATIONAL LIGHTING is metered service to off-peak, dusk-to-dawn area lighting for outdoor recreational facilities. OUTDOOR RECREATIONAL LIGHTING service must be wired and metered separate from any use other than outdoor recreational lighting so that only outside recreational lighting fixtures are on this metered circuit.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

HEATING SERVICE – 21 (Secondary)

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

APPLICABLE: To any Customer for space heating and/or approved water heating installations where this Heating Service is supplied through a separately metered circuit. For the Heating Service, summer demands shall not exceed the highest winter demand of the past 12 months. An exception to this demand requirement is a geothermal or air-to-air heat pump space conditioning system.

A Heating Service Customer will be moved to the Large Heating Service classification if that Customer's energy usage is greater than 25,000 kWh per Billing Period for two Billing Periods, including the current Billing Period and all Billing Periods in the preceding 11 months.

Removal from the Large Heating Service classification will occur when the Customer's energy usage fails to exceed 25,000 kWh per Billing Period at least once during the current Billing Period and all Billing Periods in the preceding 11 months.

CHARACTER OF SERVICE: Single-phase, or three-phase if available, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer & Facilities Charge + Energy Charge + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved City Council Resolution _____

Effective With all bills rendered after February 29, 2008

Issued by Lincoln Electric System

HEATING SERVICE – 21 (Secondary)

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer & Facilities Charge

Single-Phase Service.....	$11.50 per BILL, or
Three-Phase Service	$33.50 per BILL, or
Large Service	$119.50 per BILL

plus, for BILLING PERIODS less than 27 days, credit of $0.24 Single-Phase, $0.98 Three-Phase, or $3.84 Large Service per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0405 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer & Facilities Charge

Single-Phase Service.....	$11.50 per BILL, or
Three-Phase Service	$33.50 per BILL, or
Large Service	$119.50 per BILL

plus, for BILLING PERIODS less than 27 days, credit of $0.24 Single-Phase, $0.98 Three-Phase, or $3.84 Large Service per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0772 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved City Council Resolution _____

Effective With all bills rendered after February 29, 2008

Issued by Lincoln Electric System

HEATING SERVICE – 21 (Secondary)

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.
2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.
3. The installation of the main disconnect, meter socket and other equipment required to accept service under this schedule (except the Meter), shall be arranged and paid for by the Customer.
4. When the same permanently installed all-electric equipment is used for both heating and cooling, such as a heat pump (and certain other combination units upon specific approval) this rate schedule shall apply.
5. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.
6. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

GENERAL SERVICE-DEMAND – 11 (Secondary) & 12 (Primary)

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

APPLICABLE: A Customer will be placed on this schedule if the LLP schedule is not applicable and if any of the following conditions are met:

(a) Energy usage is greater than 25,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 100 kW in two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, if the usage or demand projections prepared or approved by the System's Engineering Services Division meets (a) or (b) above and if the LLP rates are not applicable.

(d) A General Service Customer who might not otherwise qualify for this schedule, at the Customer's request, may be placed on this schedule if such Customer agrees in writing to be billed under the schedule for a minimum of one year.

Removal from the GSD to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Single-phase, or three-phase if available, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND – 11 (Secondary) & 12 (Primary)

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$30.00 per BILL
Demand & Facilities Charge	$12.15 ($11.00 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0222 ($0.0205 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$30.00 per BILL
Demand & Facilities Charge	$12.15 ($11.00 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0309 ($0.0295 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND – 11 (Secondary) & 12 (Primary)

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND – 11 (Secondary) & 12 (Primary)

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND - INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

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

APPLICABLE: A Customer will be placed on this schedule if the LLP schedule is not applicable and if any of the following conditions are met:

(a) Energy usage is greater than 25,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 100 kW in two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, if the usage or demand projections prepared or approved by the System's Engineering Services Division meets (a) or (b) above and if the LLP rates are not applicable.

(d) A General Service Customer who might not otherwise qualify for this schedule, at the Customer's request, may be placed on this schedule if such Customer agrees in writing to be billed under the schedule for a minimum of one year.

And the Customer agrees to interrupt 100 kW or more of their load at the System's request.

Removal from the GSD to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Single-phase, or three-phase if available, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge - Seasonal Interruptible Demand Credit + Energy Charge + Dual Primary Service Charge (if applicable) + all Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND - INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$55.50 per BILL
Demand & Facilities Charge	$12.15 ($11.00 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0222 ($0.0205 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
Seasonal Interruptible Demand Credit	$0.00

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$55.00 per BILL
Demand & Facilities Charge	$12.15 ($11.00 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0309 ($0.0295 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
Seasonal Interruptible Demand Credit	$3.25 per kilowatt of MAXIMUM INTERRUPTIBLE DEMAND per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND - INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

MAXIMUM INTERRUPTIBLE DEMAND: The MAXIMUM INTERRUPTIBLE DEMAND for the summer BILLING PERIOD shall be the difference between the BILLING DEMAND and the MAXIMUM DEMAND occurring during any interruption period in the BILLING PERIOD. If the System did not interrupt the customer load during the month, then the MAXIMUM INTERRUPTIBLE DEMAND will be that from the most recent BILLING PERIOD that the System did interrupt. Except MAXIMUM INTERRUPTIBLE DEMAND for a particular summer BILLING PERIOD shall be zero if interruptible capability is disabled or not available at any time during the BILLING PERIOD. Routine maintenance shut-downs which are scheduled and approved by the System in advance shall not set the MAXIMUM INTERRUPTIBLE DEMAND to zero. MAXIMUM INTERRUPTIBLE DEMAND shall not be greater than the BILLING DEMAND for the current BILLING PERIOD.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND - INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge - Seasonal Interruptible Demand Credit (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

GENERAL SERVICE-DEMAND – INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

5. The Customer will furnish, install and maintain all equipment necessary to provide interruption capability.

6. All metering must be acceptable to the System.

7. Other provisions for interruptible credit will be provided for as necessary and regulated under an applicable Interruptible Contract between the Customer and the System, or as provided in the rules and procedures established by the System. The initial term for the contract shall be one year.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – 15 (Secondary) & 16 (Primary)

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

APPLICABLE: A Customer will be placed on this schedule if any of the following conditions are met:

(a) Energy usage is greater than 100,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 400 kW in any two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, if the usage or demand projections prepared or approved by the System's Engineering Services Division meet (a) or (b) above.

(d) A General Service-Demand Customer who might not otherwise qualify for this schedule, at the Customer's request may be placed on this schedule if such Customer agrees in writing to be billed under the schedule for a minimum of one year.

Removal from the LLP to the GSD schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 400 kW and no energy usage greater than 100,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

Removal from the LLP to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – 15 (Secondary) & 16 (Primary)

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE for Secondary Service Delivery:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	$15.00 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0187 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	$15.00 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0258 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – 15 (Secondary) & 16 (Primary)

RATE for Primary Service Delivery:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	$14.25 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0182 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	$14.25 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0249 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – 15 (Secondary) & 16 (Primary)

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SE`RVICE providing partial service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – 15 (Secondary) & 16 (Primary)

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

LARGE LIGHT & POWER – OFF-PEAK SEASONAL – 17 (Secondary) & 19 (Primary)

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

APPLICABLE: Customers at their option can be placed on this schedule if any of the following conditions are met:

(a) Energy usage is greater than 100,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 400 kW in two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, the Customer will not be placed on this rate schedule until a complete summer of billing history has been established. This requirement may be waived at the System's option, if the Customer agrees to an estimate of the SUMMER BASE BILLING DEMAND made by the System which may be used for billing purposes.

(d) A General Service-Demand Customer who might not otherwise qualify for this schedule, at the Customer's request may be placed on this schedule if such Customer agrees in writing to be billed under this schedule for a minimum of one year.

Removal from this schedule to another applicable LLP schedule may take place after a minimum of one year on this schedule.

Removal from this LLP to the GSD schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 400 kW and no energy usage greater than 100,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

Removal from the LLP to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK SEASONAL – 17 (Secondary) & 19 (Primary)

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	Shall be the sum of (a) and (b): (a) $15.00 ($14.25 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $7.25 ($6.80 primary) per kilowatt of WINTER EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0187 ($0.0182 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK SEASONAL – 17 (Secondary) & 19 (Primary)

SUMMER PERIOD for all BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$185.00 per BILL
Demand & Facilities Charge	$15.00 ($14.25 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0258 ($0.0249 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

SUMMER BASE BILLING DEMAND: Shall be (a) below unless the current billing is for a summer month; then the SUMMER BASE BILLING DEMAND shall be the greater of (a) or (b) below:

(a) 100% of the MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

(b) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

WINTER EXCESS BILLING DEMAND: Shall be the current Winter month's MAXIMUM DEMAND minus the SUMMER BASE BILLING DEMAND. Should the SUMMER BASE BILLING DEMAND be greater than the current BILLING PERIOD'S MAXIMUM DEMAND, the WINTER EXCESS BILLING DEMAND will be zero.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK SEASONAL – 17 (Secondary) & 19 (Primary)

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) SUMMER BASE BILLING DEMAND.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK SEASONAL – 17 (Secondary) & 19 (Primary)

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

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

APPLICABLE: Customers at their option can be placed on this schedule if any of the following conditions are met:

(a) Energy usage is greater than 100,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 400 kW in two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, the Customer will not be placed on this rate schedule until a complete summer of billing history has been established. This requirement may be waived at the System's option, if the Customer agrees to an estimate of the SUMMER BASE BILLING DEMAND made by the System which may be used for billing purposes.

(d) A General Service-Demand Customer who might not otherwise qualify for this schedule, at the Customer's request may be placed on this schedule if such Customer agrees in writing to be billed under this schedule for a minimum of one year.

Removal from this schedule to another applicable LLP schedule may take place after a minimum of one year on this schedule.

Removal from the LLP to the GSD schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 400 kW and no energy usage greater than 100,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

Removal from the LLP to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	Shall be the sum of (a) and (b): (a) $15.00 ($14.25 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $7.25 ($6.80 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0187 ($0.0182 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

SUMMER PERIOD for all BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	Shall be the sum of (a) and (b): (a) $15.00 ($14.25 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $7.25 ($6.80 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0258 ($0.0249 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS used per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

SUMMER BASE BILLING DEMAND: Shall be (a) below unless the current billing is for a summer month; then the SUMMER BASE BILLING DEMAND shall be the greater of (a) or (b) below:

(a) 100% of the MAXIMUM DEMAND occurring during the SUMMER ON-PEAK PERIOD established for the BILLS rendered in June, July, August or September of the preceding 11 months.

(b) The MAXIMUM DEMAND occurring during the SUMMER ON-PEAK PERIOD of the current summer BILLING PERIOD.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

OFF-PEAK EXCESS BILLING DEMAND: Shall be the current month's MAXIMUM DEMAND minus the SUMMER BASE BILLING DEMAND. Should the SUMMER BASE BILLING DEMAND be greater than the current BILLING PERIOD'S MAXIMUM DEMAND, the OFF-PEAK EXCESS BILLING DEMAND will be zero.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) SUMMER BASE BILLING DEMAND.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

SUMMER ON-PEAK PERIOD: The SUMMER ON-PEAK PERIOD is every weekday (Monday through Friday) between 2 p.m. and 8 p.m. (daylight saving time) in the summer BILLING PERIODS as recorded by the System's billing meters. Weekend days (Saturday and Sunday) and weekday observations of Independence Day and Labor Day are not in the SUMMER ON-PEAK PERIOD.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting,

LARGE LIGHT & POWER – OFF-PEAK DAILY – 27 (Secondary) & 28 (Primary)

welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. LOAD INCREASE MAXIMUMS - Customers with loads in excess of 2 MW shall be required not to increase one-half hour interval loading by more than 1 MW per one-half hour. For equipment testing or other conditions producing abnormal increases in BILLING DEMANDS see Paragraph D in the Service Regulations.

5. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – INTERRUPTIBLE – 22 (Secondary) & 34 (Primary)

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

APPLICABLE: A Customer will be placed on this schedule if any of the following conditions are met:

(a) Energy usage is greater than 100,000 kWh per BILLING PERIOD for each of six consecutive BILLING PERIODS.

(b) The Customer's demand is greater than 400 kW in any two summer BILLING PERIODS including the current BILLING PERIOD and all BILLING PERIODS in the preceding 11 months.

(c) In the case of a new Customer, if the usage or demand projections prepared or approved by the System's Engineering Services Division meet (a) or (b) above.

(d) A General Service-Demand Customer who might not otherwise qualify for this schedule, at the Customer's request may be placed on this schedule if such Customer agrees in writing to be billed under the schedule for a minimum of one year.

And the Customer agrees to interrupt 100 kW or more of their load, at the System's request.

Removal from the LLP to the GSD schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 400 kW and no energy usage greater than 100,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

Removal from the LLP to the GS schedule may take place if the account demonstrates in the previous 12 BILLING PERIODS no summer BILLING DEMAND greater than 100 kW and no energy usage greater than 25,000 kWh per BILLING PERIOD for six consecutive BILLING PERIODS.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge - Seasonal Interruptible Demand Credit + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + all Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – INTERRUPTIBLE – 22 (Secondary) & 34 (Primary)

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$15.00 ($14.25 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0187 ($0.0182 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD
Seasonal Interruptible Demand Credit	$0.00

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$15.00 ($14.25 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0258 ($0.0249 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of BILLING DEMAND per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE LIGHT AND POWER – INTERRUPTIBLE – 22 (Secondary) & 34 (Primary)

KVAR Penalty ..... $2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

Seasonal Interruptible Demand Credit ..... $3.25 per kilowatt of MAXIMUM INTERRUPTIBLE DEMAND per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

MAXIMUM INTERRUPTIBLE DEMAND: The MAXIMUM INTERRUPTIBLE DEMAND for the summer BILLING PERIOD shall be the difference between the BILLING DEMAND and the MAXIMUM DEMAND occurring during any interruption period in the BILLING PERIOD. If the System did not interrupt the customer load during the month, then the MAXIMUM INTERRUPTIBLE DEMAND will be that from the most recent BILLING PERIOD that the System did interrupt. Except MAXIMUM INTERRUPTIBLE DEMAND for a particular summer BILLING PERIOD shall be zero if interruptible capability is disabled or not available at any time during the BILLING PERIOD. Routine maintenance shut-downs which are scheduled and approved by the System in advance shall not set the MAXIMUM INTERRUPTIBLE DEMAND to zero. MAXIMUM INTERRUPTIBLE DEMAND shall not be greater than the BILLING DEMAND for the current BILLING PERIOD.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the

LARGE LIGHT AND POWER – INTERRUPTIBLE – 22 (Secondary) & 34 (Primary)

Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first 3 BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge - Seasonal Interruptible Demand Credit (if applicable) + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution

Issued by Lincoln Electric System

LARGE LIGHT AND POWER – INTERRUPTIBLE – 22 (Secondary) & 34 (Primary)

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

5. The Customer will furnish, install and maintain all equipment necessary to provide interruption capability.

6. All metering must be acceptable to the System.

7. Other provisions for interruptible credit will be provided for as necessary and regulated under an applicable Interruptible Contract between the Customer and the System, or as provided in the rules and procedures established by the System. The initial term for the contract shall be one year.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

This schedule includes the following types of service:

- Firm Backup and Maintenance Power (Backup Power)
- Supplemental Power
- Reactive Power (KVARS)
- 35 kV Primary Voltage Delivery

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

APPLICABLE: A Customer under contract will be charged for service under this schedule as part of a contract for electric service if all of the following conditions are met:

(a) The Customer has generation facilities of at least 100 kW that maintain qualifying generation facilities status pursuant to PURPA and FERC regulations.

(b) The Customer's generation facilities operate in parallel to the System's generation facilities.

(c) The Customer and LES have entered into a Qualifying Facility Cogeneration and Interconnection Agreement covering the Customer's generating facilities for which supplemental and backup power is being requested.

RATE REVIEW AND DETERMINATION: Avoided costs are updated at least every two years, as required by law. This schedule is in part derived from other retail rate schedules as they exist from time to time. Supporting information is found in the most current cost of service study and the "Policy and Guidelines for Customer-Owned Generation" documents, the approvals of which by the LES Administrative Board will constitute a modification of this schedule.

CHARACTER OF SERVICE: For power and energy deliveries through a System-owned meter at 60 Hertz to the Customer within the System's available capacity. Supplemental power and energy shall be the power and energy required by the Customer over and above power and energy provided by the Customer's generation, at the designated Point(s) of Delivery.

BILL: Customer Charge + Demand & Facilities Charge (Backup and Supplemental) + Energy Charge (Backup and Supplemental) + KVAR Penalty (if applicable) + all Riders (if applicable) + applicable Service Fees; based on the RATE in effect, the System's Service Regulations, and all contractual agreements.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

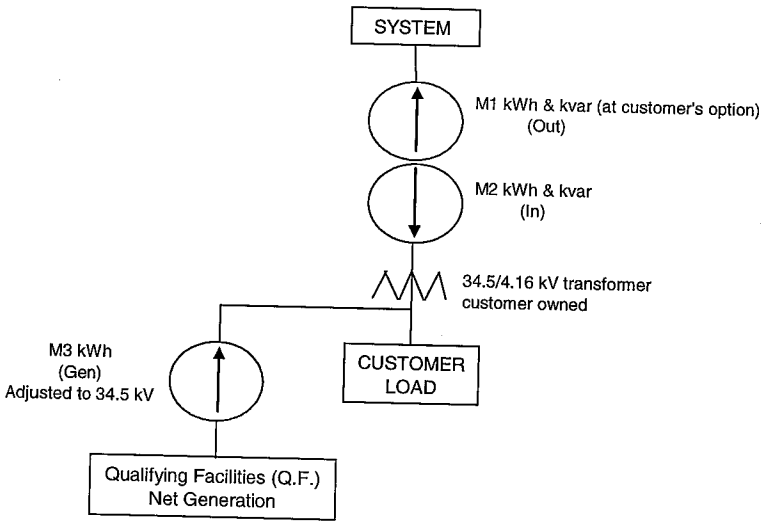
COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

DEFINITIONS:

The following definitions are applicable to this schedule and some refer to the metering diagram below.

METER DIAGRAM



All meters are detented so only power flowing in the indicated direction is measured. Meter M3 readings are multiplied by 1.003 to bring them to the same voltage as M2.

Backup Power-Demand (BKW):
The integrated kilowatt load during each 30-minute period as measured by meters M2 and M3 using the following relationship:

BKW_t = Lower of:
(a) $M2_t$, or
(b) CD - $M3_t$, but not less than zero.

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

Backup Power-Energy (BKWH):
The sum of the 30-minute Backup Power-Demand (BKW) over the total BILLING PERIOD in kilowatt-hours as measured by meters M2 and M3 using the following relationship:

$$BKWH = 1/2 \left(\mathop{Sum}_{1}^{x} (BKW)_x\right)$$

where x is the number of ½ hour intervals in the BILLING PERIOD.

Contract Demand (CD):
The contract capacity specified in Exhibit A of the applicable Qualifying Facility Cogeneration and Interconnection Agreement. This quantity is approximately equal to the maximum net generating capability of the customer's qualifying facility in kilowatts as recorded by M3. This amount shall apply for a minimum of twelve (12) consecutive months.

On Peak Period: The period occurring between the hours of 10:00 A.M. and 10:00 P.M. in the BILLING PERIOD.

Qualifying Facility-Demand (QFKW):
The integrated kilowatt output of the customer's generator during 30-minute periods as measured by meters M3 and M1 using the following relationship:

$QFKW_t =$ Lower of:
(a) $M3_t$, or
(b) $M3_t - M1_t$

if M1 is not elected for by Customer QFKW will be assumed to be M3. Depending on how the Customer's generation support equipment is connected QFKW may be either gross or net generator output.

Qualifying Facility-Energy (QFKWH):
The sum of the 30-minute Qualifying Facility-Demand (QFKW) over the total BILLING PERIOD in kilowatt-hours as measured by meter M3 using the following relationship:

$$QFKWH = 1/2 \left(\mathop{Sum}_{1}^{x} (QFKW)_x\right)$$

where x is the number of ½ hour intervals in the BILLING PERIOD.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

Supplemental Power-Demand (SKW):
The integrated kilowatt load during 30-minute periods as measured by meters M2 and M3 using the following relationship:

$SKW_t = M2_t + M3_t - CD$, but not less than zero.

Supplemental Power-Energy (SKWH):
The sum of the 30-minute Supplemental Power-Delivered (SDEL) over the total BILLING PERIOD in kilowatt-hours as measured by meters M2 and M3 using the following relationship:

$SDEL_t =$ Lower of:
(a) $M2_t$, or
(b) $M2_t + M3_t - CD$, but not less than zero.

$$SKWH = 1/2 \left(\sum_{1}^{x} (SDEL)_x\right)$$

where x is the number of ½ hour intervals in the BILLING PERIOD.

Total Customer Demand (TKW): The integrated kilowatt load as measured by meters M1, M2, and M3 using the following relationships:

If M1 is elected by Customer the relationship is:
$TKW_t = M2_t + M3_t - M1_t$

If M1 is not elected by Customer the relationship is:
$TKW_t = M2_t + M3_t$

RATE:

BACKUP POWER CHARGE:

Customer Charge..... $210.00 per BILL

Demand & Facilities Charge..... Shall be either (a) or (b) whichever is higher:

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

(a) $10.25 per kilowatt of maximum **Backup Power-Demand** during the **On Peak Period**

(b) $5.75 per kilowatt of **Contract Demand** per BILLING PERIOD

Maintenance Allowance: Up to five separate planned maintenance outages totaling 30 days per year may be allowed by LES when proper advanced notice and approval is given for each maintenance period. During these maintenance periods, the (a) component of the **Backup Power-Demand** charge will be waived for the purpose of allowing maintenance of the customer's generation. The procedures and conditions of the maintenance period shall be those set out in the applicable Qualifying Facility Cogeneration and Interconnection Agreement between the Customer and LES.

WINTER PERIOD for BILLS rendered **for** the 8-month period from October 1 through May 31.

Energy Charge..... $0.0205 per kilowatt-hour for all kilowatt-hours supplied as **Backup Power-Energy**

SUMMER PERIOD for BILLS rendered **for** the 4-month period from June 1 through September 30.

Energy Charge..... $0.0295 per kilowatt-hour for all kilowatt-hours supplied as **Backup Power-Energy**

SUPPLEMENTAL POWER CHARGE:

Demand & Facilities Charge..... Shall be $12.60 per kilowatt times either (a) or (b) whichever is higher:

(a) The maximum **Supplemental Power-Demand** occurring during the BILLING PERIOD

(b) 65% of the highest **Supplemental Power-Demand** established during June, July, August or September of the preceding 11 months

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

WINTER PERIOD for BILLS rendered **for** the 8-month period from October 1 through May 31.

Energy Charge..... $0.0182 per kilowatt-hour for all kilowatt-hours supplied as **Supplemental Power-Energy**

SUMMER PERIOD for BILLS rendered **for** the 4-month period from June 1 through September 30.

Energy Charge..... $0.0249 per kilowatt-hour for all kilowatt-hours supplied as **Supplemental Power-Energy**

OTHER:

KVAR Penalty ..... $2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

EXCESS KVARS: All KVARS in excess of the maximum kW demand for **Supplemental, Backup and Maintenance Power** measured by meter M2 for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%).

The Customer is responsible for maintaining a power factor of not less than 93% leading or lagging at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, the Customer new to this rate will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

35 kV PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at the System nominal voltage of 35,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable).

MAXIMUM BILL: Customer Charge + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

TERMS AND CONDITIONS:

1. Unless expressly modified by Agreement or Contract, the terms and conditions of the System's Service Regulations shall apply.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customer's operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

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

APPLICABLE: A Customer elects to be placed on this Schedule by signing an LPC Electric Service Agreement.

TERM: The Customer shall remain on this schedule as provided in the Electric Service Agreement. The Schedule is subject to change.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

RATE for Secondary Service Delivery:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$14.55 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0175 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$14.55 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0245 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

***RATE for Primary Service Delivery*:**

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$13.55 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0170 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$13.55 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0240 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a), (b) or (c), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

(c) 4,000 kW.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 35 kV - 46

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

APPLICABLE: A Customer elects to be placed on this Schedule by signing an LPC Electric Service Agreement.

TERM: The Customer shall remain on this schedule as provided in the Electric Service Agreement. The Schedule is subject to change.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard 35 kV voltage through a System owned meter.

BILL: Customer Charge + Demand Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 35 kV - 46

RATE:

WINTER PERIOD for BILLS rendered **for** the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand Charge.....	$12.11 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0170 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for BILLS rendered **for** the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand Charge.....	$12.11 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge.....	$0.0240 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 35 kV - 46

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

BILLING DEMAND: Either (a), (b) or (c), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) 65% of the highest MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

(c) 4,000 kW.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at the System nominal voltage of 35,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

LARGE POWER CONTRACT – 35 kV - 46

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

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

APPLICABLE: A Customer elects to be placed on this schedule by signing an LPC-OPS Electric Service Agreement.

TERM: The Customer shall remain on this schedule as provided in the Electric Service Agreement. The Schedule is subject to change.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	Shall be the sum of (a) and (b): (a) $14.55 ($13.55 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $7.05 ($6.59 primary) per kilowatt of WINTER EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge.....	0.0175 ($0.0170 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for all BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge	$210.00 per BILL
Demand & Facilities Charge	$14.55 ($13.55 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge.....	$0.0245 ($0.0240 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.35 per KVAR for all EXCESS KVARS used per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

SUMMER BASE BILLING DEMAND: Shall be (a) below unless the current billing is for a summer month; then the SUMMER BASE BILLING DEMAND shall be the greater of (a), (b) or (c) below:

(a) 100% of the MAXIMUM DEMAND established for the BILLS rendered in June, July, August or September of the preceding 11 months.

(b) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(c) 4,000 kW.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

WINTER EXCESS BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The current Winter month's MAXIMUM DEMAND minus the SUMMER BASE BILLING DEMAND. Should the SUMMER BASE BILLING DEMAND be greater than the current BILLING PERIOD'S MAXIMUM DEMAND, the WINTER EXCESS BILLING DEMAND will be zero.

(b) 4,000 kW minus the SUMMER BASE BILLING DEMAND, but not less than zero.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) SUMMER BASE BILLING DEMAND.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

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

APPLICABLE: A Customer elects to be placed on this schedule by signing an LPC-OPD Electric Service Agreement.

TERM: The Customer shall remain on this schedule as provided in the Electric Service Agreement. The Schedule is subject to change.

CHARACTER OF SERVICE: Three-phase, 60 Hertz alternating current, supplied at the System's standard voltages through a System owned meter.

BILL: Customer Charge + Demand & Facilities Charge + Energy Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the System for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days.

RATE:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31.

Customer Charge	$235.00 per BILL
Demand & Facilities Charge	Shall be the sum of (a) and (b): (a) $14.55 ($13.55 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $7.05 ($6.59 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge.....	0.0175 ($0.0170 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

Dual Primary Service Charge ..... $1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty ..... $2.35 per KVAR for all EXCESS KVARS per BILLING PERIOD

SUMMER PERIOD for all BILLS rendered in the 4-month period from June 1 through September 30.

Customer Charge ..... $235.00 per BILL

Demand & Facilities Charge ..... Shall be the sum of (a) and (b):

(a) $14.55 ($13.55 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD

(b) $7.05 ($6.59 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD

Energy Charge..... $0.0245 ($0.0240 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

Dual Primary Service Charge ..... $1.85 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty ..... $2.35 per KVAR for all EXCESS KVARS used per BILLING PERIOD

MAXIMUM DEMAND: The highest integrated kilowatt load during any 30-minute period occurring in the BILLING PERIOD for which the determination is made.

SUMMER BASE BILLING DEMAND: Shall be (a) below unless the current billing is for a summer month; then the SUMMER BASE BILLING DEMAND shall be the greater of (a), (b) or (c) below:

(a) 100% of the MAXIMUM DEMAND occurring during the SUMMER ON-PEAK PERIOD established for the BILLS rendered in June, July, August or September of the preceding 11 months.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

(b) The MAXIMUM DEMAND occurring during the SUMMER ON-PEAK PERIOD of the current summer BILLING PERIOD.

OFF-PEAK EXCESS BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The current month's MAXIMUM DEMAND minus the SUMMER BASE BILLING DEMAND. Should the SUMMER BASE BILLING DEMAND be greater than the current BILLING PERIOD'S MAXIMUM DEMAND, the OFF-PEAK EXCESS BILLING DEMAND will be zero.

(b) 4,000 kW minus the SUMMER BASE BILLING DEMAND, but not less than zero.

BILLING DEMAND: Either (a) or (b), whichever is higher:

(a) The MAXIMUM DEMAND occurring during the BILLING PERIOD.

(b) SUMMER BASE BILLING DEMAND.

PRIMARY VOLTAGE DELIVERY: Where the Customer takes service and is metered at an available System standard primary distribution voltage above 600 volts but less than 50,000 volts, and the Customer owns, operates and maintains all voltage transformation and other distribution equipment past the primary meter.

DUAL PRIMARY SERVICE: When the System provides capacity from two primary service sources and where the Customer controls the switchgear transferring load between the two primary service sources. One of the services may be sufficient to serve part of the Customer's load, but not all of the load. The Customer controlled switchgear shall have interlocks to prevent paralleling of the two primary service sources. The System may also require Aid-to-Construction at the time the dual service installation is made. The terms and conditions of DUAL PRIMARY SERVICE are per the provisions of the Service Regulations.

DUAL PRIMARY DEMAND: Either (a) or (b), whichever is applicable:

(a) Full service: When both primary services are adequate for the Customer's entire load, DUAL PRIMARY DEMAND will be the BILLING DEMAND.

(b) Partial service: When one of the primary services is only adequate for part of the Customer's load, DUAL PRIMARY DEMAND will be either (1), (2) or (3), whichever is higher:

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

(1) The Customer requested kilowatt capacity of the DUAL PRIMARY SERVICE providing partial service.

(2) The MAXIMUM DEMAND during the BILLING PERIOD of the DUAL PRIMARY SERVICE providing partial service.

(3) 100% of the highest MAXIMUM DEMAND of the preceding 11 months of the DUAL PRIMARY SERVICE providing partial service.

EXCESS KVARS: Maximum KVARS for the BILLING PERIOD minus the product of the MAXIMUM DEMAND for the BILLING PERIOD multiplied by .39523 (representing a power factor of 93%). The Customer will be responsible for limiting kvar requirements at or below this calculated level at all times and will be penalized for EXCESS KVARS. In order to allow the Customer appropriate time to correct a low power factor, a Customer transferred to or new to this schedule will not be billed for power factor adjustments on the first three BILLS rendered to the Customer after power factor metering has been installed.

SUMMER ON-PEAK PERIOD: The SUMMER ON-PEAK PERIOD is every weekday (Monday through Friday) between 2 p.m. and 8 p.m. (daylight saving time) in the SUMMER BILLING PERIODS as recorded by the System's billing meters. Weekend days (Saturday and Sunday) and weekday observations of Independence Day and Labor Day are not in the SUMMER ON-PEAK PERIOD.

MINIMUM BILL: Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable) + Dual Primary Service Charge (if applicable).

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + KVAR Penalty (if applicable) + $0.12 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD, but not less than the MINIMUM BILL.

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

3. FLUCTUATING LOADS AND HARMONICS - Customers operating equipment causing harmonic currents and/or highly fluctuating or large instantaneous demands, including, but not limited to, variable speed drives, motor starting, welders and x-ray machines, shall be required to pay all nonbetterment costs of corrective action required to maintain acceptable service quality to the customer and not interfere with service on the System's lines or to other customers. See Paragraphs K and N of the Service Regulations.

4. LOAD INCREASE MAXIMUMS - Customers with loads in excess of two MW shall be required not to increase one-half hour interval loading by more than one MW per one-half hour. For equipment testing or other conditions producing abnormal increases in BILLING DEMANDS see Paragraph D or the Service Regulations.

5. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

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Issued by Lincoln Electric System

SECURITY LIGHTING - 20

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

APPLICABLE: To any Customer, to light an area of an existing meter service location agreeable to the System, for which System owned lamps with photocell dusk-to-dawn control will be installed on System poles.

CHARACTER OF SERVICE: Single-phase, 60 Hertz alternating current, 120 volts, two wire, non-metered.

BILL: Applicable Security Lighting and Festoon Outlet Charges + Riders added on to the BILL of an existing metered account + applicable Service Fees; based on the Schedule in effect and the System's Service Regulations.

BILLING PERIOD: Non-metered services BILLING PERIODS are based on a monthly schedule set by the System.

RATE PER BILLING PERIOD:

Security Lighting Charge:

175 watt mercury vapor lamp*	--	$ 9.70 per lamp
250 watt mercury vapor lamp*	--	$11.30 per lamp
400 watt mercury vapor lamp*	--	$14.75 per lamp
1,000 watt mercury vapor lamp*	--	$27.75 per lamp

70 watt high pressure sodium vapor lamp	--	$ 9.70 per lamp
150 watt high pressure sodium vapor lamp	--	$11.30 per lamp
250 watt high pressure sodium vapor lamp	--	$12.00 per lamp

Additional charges per BILLING PERIOD for poles and/or secondaries provided to accomplish the installation of lamp(s) prior to January 1, 1979.

Each pole required.....	$1.00
Each span of overhead secondary not exceeding 150 ft.....	$ .50
Each underground secondary.....	$2.00

*Only for existing installations - No new installations in this size.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

SECURITY LIGHTING - 20

Festoon Charges:
Outlets mounted on System street light poles as per Festoon Outlet Guidelines.

Photocell Controlled Outlets (120 V, 2 amp breaker) - ..... $3.44 per outlet
Continuous Service Outlets (120 V, 2 amp breaker) - ..... $9.27 per outlet

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. The Security Lighting will be provided and regulated under a service contract signed by the Customer with the initial term being for a 2-year period. At the expiration of the 2-year term, the service contract shall be automatically extended indefinitely until canceled via a 30-day written notice by either party.

4. In cases where the Customer desires security lighting at more than one location requiring more than a single connection to a service transformer, a separate contract will be drawn for each connection location.

5. Existing poles which have been provided under the rental plan shall not be used for any purposes other than the mounting of System owned security lamps.

6. Effective January 1, 1979, the System no longer installs, renews or replaces poles or underground secondaries to accomplish installation of security lamp(s).

7. All costs related to the installation of a Festoon Outlet will be paid by the Customer prior to installation. Installations will be made where feasible as determined by Engineering Services.

8. For Festoon Outlets, the customer taking service shall indemnify, protect and save harmless LES, and its officers, agents and employees, from and against any and all claims, demands, suits, judgments, liabilities, loss or damages, which may arise out of or be caused by erection, maintenance, presence, use or removal of their equipment.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

TRAFFIC LIGHTING SERVICE - 24

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

APPLICABLE: For publicly owned `and maintained traffic lighting service which conforms to the System's traffic lighting specifications pursuant to the terms and conditions of Executive Order #42127.

CHARACTER OF SERVICE: Single-phase, 60 Hertz alternating current, supplied at the System's standard voltages on a non-metered service pursuant to agreements between the Customer and the System.

BILL: Energy & Facilities Charge + Capital Investment Charge (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: Non-metered services BILLING PERIODS are based on a monthly schedule set by the System.

RATE:

Energy & Facilities Charge.....	$0.0518 per kilowatt-hour for the estimated kilowatt-hours used per BILLING PERIOD
Capital Investment Charge.....	0.75 of one percent per BILLING PERIOD (9% per year) of the Traffic Light capital investment by the System for the prior 20 year period, plus 0.3 debt coverage charge

MINIMUM BILL: $1.00

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.
2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

TRAFFIC LIGHTING SERVICE - 24

3. Pursuant Executive Order #42127 dated November 25, 1991.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved City Council Resolution _____

Effective With all bills rendered after February 29, 2008

Issued by Lincoln Electric System

STREET LIGHTING SERVICE - 26

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

APPLICABLE: To all public agencies for street lighting service which conforms to the System's street lighting specifications.

CHARACTER OF SERVICE: The System will provide photocell controlled energy at 60 Hertz to all lighting systems and will construct, operate and maintain those lighting systems pursuant to agreements between the Customer and the System.

BILL: Energy & Facilities Charge + Maintenance Charge (if applicable) + Capital Investment Charge (if applicable) + All Riders (if applicable) + applicable Service Fees; based on the RATE in effect and the System's Service Regulations.

BILLING PERIOD: Non-metered services BILLING PERIODS are based on a monthly schedule set by the System.

RATE:

Energy & Facilities Charge	$0.0430 per kilowatt-hour for each kilowatt-hour used per BILLING PERIOD
Maintenance Charge	For each lamp per BILLING PERIOD based on Table I
Capital Investment Charge	0.75 of one percent per BILLING PERIOD (9% per year) of the Street Light capital investment by the System for the prior 20-year period, plus a 0.3 debt coverage charge

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

STREET LIGHTING SERVICE - 26

Table I

Lamp Type & Size	Maintenance Charge per BILLING PERIOD per Lamp $/BILLING PERIOD
Mercury Vapor:	
100* watt	2.08
175*	2.08
250*	2.08
400*	2.08
1000*	2.30
High Pressure Sodium Vapor:	
35 watt	2.08
50	2.08
70	2.08
100	2.08
150	2.08
200	2.08
250	2.08
400	2.08
1000	2.60
Low Pressure Sodium Vapor:	
180 watt	2.35
Metal Halide:	
70 watt	2.75
100	2.65
175	2.55
250	2.60
400	2.25
1000	2.85

*Only for existing installations - No new installations in this size.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

STREET LIGHTING SERVICE - 26

TERMS AND CONDITIONS:

1. Service will be furnished subject to the System's Service Regulations.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. INVESTMENT IN EQUIPMENT - The System shall install additional lighting units in any of the standard lamp sizes so long as the average life of said investment is estimated to be in excess of 20 years. Lighting not in conformance with these limits will be installed, if feasible, under specific terms to be agreed upon. As agreed to by the Customer, either (a) the System will bill the Customer for street light installations completed, or (b) the System will bill the Customer the Capital Investment charge.

4. COGENERATION AND SMALL POWER PRODUCTION - The System recognizes the potential for Cogeneration and Small Power Production. Refer to Paragraph L of the Service Regulations for information regarding such service.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution _____

Issued by Lincoln Electric System

POLE ATTACHMENT - 50

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

APPLICABLE: To other utilities and certain entities which may occupy public right-of-way and who attach communication cables and other communication appliances on System poles where such attachments are made in accordance with National Electrical Safety Code (NESC) and local laws; and are in compliance with the provisions of an applicable Pole Attachment Contract, if any.

CHARACTER OF SERVICE: Generally attachments are made on poles at heights stipulated by the NESC.

ANNUAL ATTACHMENT RATE:

Per pole $13.00

TERMS AND CONDITIONS:

1. System approval is required before attachments are made to poles.

2. TERMS OF PAYMENT - BILLS are due in full 23 days after rendered. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board (currently Policy No. 11) and applicable Service Fees. Charges are subject to all applicable State and Local sales tax.

3. The attaching entity shall pay the non-betterment cost for any System work required to accommodate the pole attachment.

4. The annual attachment rate shall be payable in advance for attachments in place at the beginning of the System's fiscal year. Additional attachments during the year will be prorated at the monthly rate for the balance of the year.

5. The attaching entity shall, at its own expense, install, maintain, transfer and relocate attachments in accordance with System requirements and standards of the National Electrical Safety Code.

6. The attaching entity shall indemnify, protect and save harmless the System, and its officers, agents and employees, from and against any and all claims, demands, suits, judgments, liabilities, loss, damages, which may arise out of or be caused by the erection, maintenance, presence, use or removal of their equipment.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after February 29, 2008

Approved City Council Resolution

Issued by Lincoln Electric System

POLE ATTACHMENT - 50

7. The attaching entity shall notify the System of all pole attachment removals.

8. The System may require removal of pole attachments if:

   a. attaching entity fails to pay attachment fees or other charges when due;
   b. attaching entity uses their equipment in such a manner as to adversely affect the System's equipment, the System's service to others, or create a hazard;
   c. the attaching entity fails to comply with any of the other terms and conditions of this rate, the System's Service Regulations, or the provisions of an applicable contract, if any;
   d. the System removes the pole(s).

9. Other provisions for attachments will be provided for as necessary and regulated under an applicable Pole Attachment Contract between the utility or entity and the System, or as provided in the rules and procedures established by the System.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

SERVICE FEES

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

APPLICABLE: To any Customer taking service from the System.

CUSTOMER SERVICE FEES:

New Account Service Fee:

Applicable to every new account, move, transfer, etc., upon the request for service initiation. (Excluding accounts managed under Landlord's Agreement.)	$25

Late Payment Fee:

Applicable to all accounts for amounts not paid by the due date on or after the first business day past the due date.	3.0% of Past Due Amount

Field Collection of Payment:

Applicable to all delinquent accounts which LES collects payment in the field to void termination of service for non-payment.	$20

Reconnect Service after Disconnect for Nonpayment of Bill:

Applicable during the System's normal working hours. (8 a.m. - 6 p.m. M-F not including holidays)	$40
Applicable after the System's normal working hours. (After 6 p.m. M-F and on weekends and holidays)	$75
Operation's line crew required. (Any time)	$75

Non-Sufficient Funds Check Fee:

Applicable to accounts when a Customer's check is returned to the System from a banking institution due to non-sufficient funds, either paper check or ACH.	$30

Rereads:

By Customer request or restricted meter access LES will return to Customer's service location more than once monthly to reread the meter. The charge applies when the original reading was not in error.	$20

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

NON-RETAIL PRICING

COGENERATION AND SMALL POWER PRODUCTION PURCHASED ENERGY RATE

AVAILABLE: To cogeneration and small power production facilities with production capacity of 100 kW and less that qualify under the guidelines for implementing PURPA Sections 201 and 210 as adopted by the LES Administrative Board.

CHARACTER OF SERVICE: Unless otherwise provided by contract, the character of purchased power will be single or three phase alternating electric current at 60 hertz. Voltage shall be determined by the voltage of LES' distribution system in the vicinity unless otherwise agreed.

PURCHASE OF OUTPUT FROM QUALIFYING FACILITIES: Owners of Qualifying Facilities will be allowed the option to either (1) sell the entire electrical output of their Qualifying Facilities to LES, or (2) use the electrical output of their Qualifying Facilities to instantaneously supply all or a portion of their own load and sell the instantaneous surplus to LES.

PURCHASE PRICE: Energy from qualifying small power production and cogeneration facilities will be paid for on the following basis:

A. For Qualifying Facilities of 100 kW and less without time of day metering, payment on a monthly basis of an amount of $0.0284 per kilowatt hour for the summer season and $0.0227 per kilowatt hour for the winter season for all power and/or energy delivered to the Lincoln Electric System.

B. The purchase price shall be adjusted up or down to reflect the savings or costs resulting from variations in losses compared to if LES had generated or purchased elsewhere an equivalent amount of energy. Such an adjustment factor shall be identified in the contract between the qualifying facility's owner and LES.

ACCOUNTING CHARGE: The owner of the Qualifying Facility will pay to LES the following monthly charges for additional energy accounting expenses incurred by LES:

kWh Meter	$3.90 per meter*
Interval Meter	$19.50 per meter

*For customer-owned generation facilities utilizing kWh meters, the energy accounting charge will be waived until December 31, 2009.

SEASONAL PERIODS:

Summer Season:	June through and including September
Winter Season:	October through and including May

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

COGENERATION AND SMALL POWER PRODUCTION PURCHASED ENERGY RATE

ADJUSTMENTS TO BILLING: Monthly adjustments will be made to the purchased power billing to reflect costs incurred by LES above and beyond a normal customer interconnection. These monthly adjustments will be identified in the standard contract which the owner of the Qualifying Facility will be required to execute with LES. These adjustments will reflect the investment costs to LES for such items among others as metering and interconnection costs which are being amortized over the contract's term or otherwise recovered.

For customer-owned generation facilities utilizing kWh meters which can be installed at or near LES' standard cost, the amortized cost of additional metering will be waived until December 31, 2009.

TERMS AND CONDITIONS:

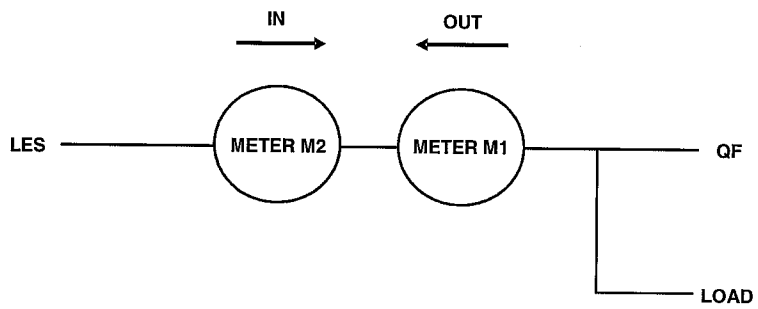
1. A signed written agreement between the Qualifying Facility and LES will be required.
2. Unless modified by contract, the LES Service Regulations shall apply to this schedule.
3. For facilities with more than 100 kilowatts of capacity, the purchase rate and other terms and conditions will be determined on a case-by-case basis.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

RENEWABLE NET METERING POLICY AND PRICING

AVAILABLE: To renewable small power production facilities with production capacity of 25 kW and less that qualify under the guidelines for implementing PURPA Sections 201 and 210 as adopted by the LES Administrative Board. This rate shall be used in conjunction with the applicable retail rate.

CHARACTER OF SERVICE: Unless otherwise provided by contract, the character of purchased power will be single or three phase alternating electric current at 60 hertz. Voltage shall be determined by the voltage of LES' distribution system in the vicinity unless otherwise agreed. Renewable facilities will be metered as shown below.



PURCHASE OF OUTPUT FROM QUALIFYING FACILITIES: Owners of renewable Qualifying Facilities will be allowed to use the electrical output of their Qualifying Facilities to supply all or a portion of their own load and deliver the surplus to LES. At the end of the billing period, LES will subtract the metered energy which was delivered to LES from that metered energy which was supplied by LES. The net positive energy supplied to the Customer will be billed at the applicable retail rate. A net positive energy delivery to LES will be purchased by LES each billing period at this Renewable Net Metering rate. Other applicable fees and charges, including the customer charge and demand charge of the retail rate, will be billed to the Customer.

WHOLESALE PRICE: Energy from renewable Qualifying Facilities will be paid for on the following basis:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31 - - $0.0227 per kilowatt hour for the net positive kilowatt-hours delivered to the System during the BILLING PERIOD.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

RENEWABLE NET METERING POLICY AND PRICING

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30 - - $0.0284 per kilowatt hour for the net positive kilowatt-hours delivered to the System during the BILLING PERIOD.

TERMS AND CONDITIONS:

1. A signed written agreement between the Qualifying Facility and LES will be required.
2. Qualifying Facilities, or renewable small power production facilities, are defined as those energies created by wind or solar technologies.
3. This net metering policy shall remain in effect until December 31, 2012.
4. Customer Qualified Facility installation must comply with all applicable city, county, and state laws and regulations.
5. Service will be furnished subject to the System's Service Regulations.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII. Section 12 of the Charter of the City of Lincoln, the rate provide herein may be increased to reflect the amount of such tax or in lieu of tax increase.

SUMMARY OF SERVICE REGULATIONS REVISIONS FOR MARCH 1, 2008

Temporary Service Charges have changed in paragraph F-1.

Aid-To-Construction Charges have changed in paragraph H-3.

Tenant/Property Owner Provisions have been clarified in paragraph M-2.

Disconnection of Service Authority has been clarified in paragraph N-1.

SERVICE REGULATIONS
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SERVICE REGULATIONS
Effective: March 1, 2008
Supersedes: March 1, 2006

A. GENERAL DEFINITIONS

Certain terms used, for the purposes of and subject to the other provisions and conditions of the Rate Schedules and Service Regulations, unless otherwise indicated are defined as follows:

1. **SYSTEM:** Shall be defined as the Lincoln Electric System acting through the elected city officials, duly appointed board members, agents and employees within the scope of their duties and responsibilities.

2. **CUSTOMER:** Any person, partnership, association, firm, corporation (public or private) or governmental agency, requesting and/or taking service from the SYSTEM at a specific location, whether the service at that address be in their name or someone else's.

3. **SERVICE AREA:** The area defined generally by a three-mile limit outside the Lincoln City limits. A map depicting the exact area may be obtained at the SYSTEM offices.

4. **SERVICE WIRES:** The wires, owned by the SYSTEM, connecting the SYSTEM's distribution system to a CUSTOMER's service terminals or conductor.

5. **POINT OF DELIVERY:** The point where the SYSTEM supplies service to a CUSTOMER and which, unless otherwise agreed upon between the SYSTEM and the CUSTOMER, shall be the point where the SYSTEM SERVICE WIRES are joined to the CUSTOMER's service terminals or conductor.

6. **METER:** The device or devices including all auxiliary equipment necessary to measure and register an electrical quantity (energy, demand and reactive power) that is supplied by the SYSTEM to a CUSTOMER at a POINT OF DELIVERY.

7. **BILLING PERIOD:** Bills for metered services are rendered on the basis of the scheduled meter reading dates or a date agreeable with the SYSTEM for final readings. Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. Non-metered service billing periods are based on a monthly schedule set by the SYSTEM.

8. **COGENERATION AND SMALL POWER PRODUCTION:** For the purpose of these Regulations, COGENERATION AND SMALL POWER PRODUCTION shall be defined as all forms of electrical generation that are or could be in parallel operation with the SYSTEM. Such equipment may include, but may not be limited to, conventional facilities as well as renewable generation. See Paragraph L-2.

9. **FACILITIES INVESTMENT COST:** The total cost to the SYSTEM, including design, material, equipment, labor and labor overheads to build and install

additional facilities above and beyond existing plant, or to reinforce existing facilities, in order to serve the CUSTOMER's load or additions to load.

10. **AID-TO-CONSTRUCTION:** A payment required from the CUSTOMER to the SYSTEM involving a portion of construction costs. Such payment does not entitle the CUSTOMER to a right of ownership of equipment or facilities. The amount and manner of payment of this cost will be determined by the Engineering Division.

11. **PROPERTY OWNER:** Any person, partnership, association, firm, corporation (public or private) or governmental agency, holding title to and represented by that title as having all rights and privileges of the property described in the title will be considered by Lincoln Electric System as the PROPERTY OWNER. The PROPERTY OWNER may be represented by an Agent and upon written notice by the PROPERTY OWNER, rights and privileges may be exercised by the Agent.

12. **CONTRACT CUSTOMER:** A CUSTOMER who requests special services that are not included within the published retail rate classes of service, which shall include cogeneration and small power production, as defined by the Public Utility Regulatory Policies Act (PURPA), wheeling services, certain interruptible services, and general wholesale power transactions.

B. AVAILABILITY AND CHARACTER OF SERVICE

The availability of service and the equipment to be used in providing electric service shall be determined by the SYSTEM before electrical plans for service connections are finalized. An AID-TO-CONSTRUCTION may be required for facilities the SYSTEM installs in excess of what is normally required for service to a CUSTOMER as governed by these Service Regulations. The SYSTEM shall advise the CUSTOMER of the available phase and voltage for that service. The CUSTOMER shall be responsible for operation, maintenance, replacement and renewal expenses on all CUSTOMER owned equipment. The CUSTOMER shall permit the SYSTEM to trim trees including the removal of limbs, to the extent that such trimming shall be reasonably necessary to prevent interference with the SYSTEM's lines and equipment.

C. REQUIREMENTS FOR SERVICE CONNECTIONS

1. Application for Service (less than 200 amps, secondary voltage)

An "Application for Electric Service" for service entrance sizes of 200 amps and below and 600 volts or less must be received by the SYSTEM at least 14 calendar days before final inspection by the appropriate Electric Code Agency if primary distribution facilities are in place and 45 calendar days if primary distribution facilities must be extended.

2. Application for Service (between 200 and 1,000 amps, secondary voltage)

An "Application for Electric Service" for service entrance sizes larger than 200 amps and no larger than 1,000 amps and 600 volts or less must be received by

the SYSTEM at least 45 calendar days prior to final inspection by the appropriate Electric Code Agency.

3. Application for Service (greater than 1,000 amps or primary voltage)

An "Application for Electric Service" for service entrance sizes larger than 1,000 amps and any primary metered service (greater than 600 volts) must be received by the SYSTEM as far in advance as possible. The electrical connection date will be subject to the availability of the transformer and other equipment needed and having sufficient time to schedule and complete work required (this, in some cases, can be 6 months and longer).

4. Easements

The CUSTOMER, without expense to the SYSTEM, shall provide or procure the easements necessary to furnish service to the CUSTOMER and the SYSTEM will not be required to make installation of service connections until all necessary easements have been given. No service shall be connected or continued unless all easements requested by the SYSTEM have been granted.

5. Electric Code Agency and SYSTEM Inspection

The SYSTEM will proceed with the connection of a service entrance as soon as practical after final inspection notice from the appropriate Electric Code Agency is received, provided specified requirements are met by the final inspection date. These requirements include, but are not limited to: the above lead times, filing of easements, establishment of final grade, lot pins, removal of all obstacles (fences, brick/wood/dirt piles, retaining wall, underground obstructions, etc.), installation of the required conduit, transformer pad and other items as deemed necessary by the SYSTEM.

D. POINT OF DELIVERY AND SPECIAL BILLING APPLICATIONS

The rates of the SYSTEM are based upon the supply of permanent service to the entire premises through a single delivery and metering point. If the SYSTEM agrees to supply service to a premises at more than one POINT OF DELIVERY, the service measured by the METER at each POINT OF DELIVERY will be considered a separate service, and meter readings will not be combined for billing purposes. Equipment which can transfer load between separately metered services will not be allowed, except in situations approved by the SYSTEM for services at the same location and on the same rate code. The only exception to the practice of consolidating meter readings for billing purposes shall be those existing residential circumstances where three-phase service has previously been provided for air conditioning purposes only and metered on a separate circuit. In those circumstances, the existing CUSTOMER shall have the three-phase air conditioning METER and single-phase residential service METER consumptions combined and billed at the applicable residential service schedule. The additional charge for this service is provided in the Residential Rate Schedule under the Three-Phase Air Conditioning Service Rider.

A CUSTOMER must arrange in advance with the SYSTEM for a special consideration to be made concerning abnormal billing demands that result from the CUSTOMER'S testing of equipment. The CUSTOMER should contact the Consumer Services Division at least 7 calendar days in advance of each expected abnormal billing occurrence. The SYSTEM will inform the CUSTOMER in writing under what conditions and provisions special billing consideration will be allowed (i.e., time, duration and frequency of occurrence, and who must be present during the testing process).

E. CUSTOMER RESALE AND REDISTRIBUTION OF ELECTRIC SERVICE

It shall be the policy of the SYSTEM, when cost effective, to require separate metering for electric power serving each new individual dwelling unit, new industrial or commercial unit, and future subdivisions of existing buildings as provided for in the policy for Master Metering established by the Administrative Board (currently Policy No. 10). Electric service purchased by a CUSTOMER shall be for the sole use of such CUSTOMER in and upon the premises to which such service is supplied, and shall not be sold directly nor a bill rendered, on a metered basis, by a CUSTOMER to lessees, tenants or others. Existing submetered facilities can remain, as is, if the end user does not pay more for electric consumption than the applicable LES rate.

F. TEMPORARY SERVICE

1. Charges

A one time charge of $90.00 will be made for each temporary overhead or underground single-phase service connection, consisting of SERVICE WIRES and self contained METER only. When more than the above is required to provide the requested temporary service, the CUSTOMER shall, on a contract basis, pay for all work done by the SYSTEM in completing the temporary extension of existing electric lines and facilities needed to provide the temporary service requested. The temporary extension charge will be a nonrecoverable charge, payable in advance of any construction and equal to the estimated cost of non-reusable material plus 10% of the cost of reusable material, storeroom cost, labor, labor overhead, truck expense, subsistence, engineering and supervision necessary to construct and remove the extension. If a contractor is delinquent in paying the charges for a temporary service, no additional temporary services will be provided to that party until all amounts due are paid, and payment in advance may be required prior to providing additional service. The CUSTOMER will provide an identifiable address on site before temporary service is connected.

2. Conversion to Permanent Service

When the temporary service is for a building contractor and service may be furnished later on a permanent basis, material in the temporary service may be used in the permanent connection. Any material and associated labor proposed to be used in the permanent connection will not be considered in determining the connection charge for the temporary service.

3. Special Cases

At the SYSTEM's discretion, it may apply a special procedure for handling temporary service to short term or seasonal retail stores (i.e., Fireworks and Christmas tree stands) that provides for flat fees for kWh consumption and service connection charges.

G. EXTENSION POLICY

Permanent single-phase or three-phase extensions will normally be built in the most direct route from the nearest source of supply and to one service entrance location. Multiple points of service are not standard and if permitted, may require an AID-TO-CONSTRUCTION.

1. Service Voltages

Normal 60 Hertz alternating current service voltage extensions which can be provided under the appropriate load conditions as determined by the SYSTEM are:

a. from overhead secondary distribution lines:

120 volts, single-phase, two wire
120/240 volts, single-phase, three wire
120/240 volts, three-phase, four wire
120/208 volts, three-phase, four wire
277/480 volts, three-phase, four wire

b. from underground secondary distribution lines:

120 volts, single-phase, two wire
120/240 volts, single-phase, three wire
120/208 volts, three-phase, four wire
277/480 volts, three-phase, four wire

c. from primary distribution lines:

7,200/12,470 volt, three-phase, four wire
34,500 volt, three-phase, three wire

If deemed appropriate by the SYSTEM, other voltage service extensions can be made available for approved loads upon application by the CUSTOMER.

2. Service Installation Cost

Subject to all other requirements of the Service Regulations:

a. Service will be installed at no charge if the FACILITIES INVESTMENT COST to the SYSTEM will not exceed 2.5 times the estimated additional annual revenue resulting from providing the service.

b. Service will be installed with an AID-TO-CONSTRUCTION to be paid by the applicant in the amount and manner determined by the Engineering Division of the SYSTEM if the FACILITIES INVESTMENT COST to the SYSTEM will exceed 2.5 times the estimated additional annual revenue resulting from providing the service.

Estimates of revenue shall be based upon calculations or upon averages of historical records of similar types of service.

H. UNDERGROUND AND RELOCATION POLICY

It shall be the policy of the SYSTEM to actively encourage the installation of its electric facilities underground. Major new construction of primary and secondary systems will be installed underground if determined to be feasible by the Engineering Division.

1. Arterial Street Widenings

The SYSTEM will install the distribution circuit underground if the existing pole line must be removed or if the poles will be less than a reasonable distance from the back of the curb after the arterial is widened. The Engineering Division will be responsible for determining a reasonable distance from the back of the curb.

2. New Primary Distribution Systems

The SYSTEM, when determined by the Engineering Division to be feasible, will install all new feeders underground where there is not an existing pole line. If there is an existing pole line the Engineering Division will be responsible for determining the feasibility of installing the feeder underground, using a base factor such that the cost of underground is not more than two times the cost of installing the feeder overhead.

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

The SYSTEM will own, install, operate, and maintain an adequate underground distribution system including the SERVICE WIRES to the METER socket on the outside of the house or structure.

a. In subdivisions the CUSTOMER or developer will contribute an AID-TO-CONSTRUCTION of $540.00 per lot for lots with rear lot lines 100 feet in width or less and $5.40 per rear lot foot for lots with rear lot lines greater than 100 feet in width. The AID-TO-CONSTRUCTION under this subsection shall not exceed $1,080 per lot.

b. In mobile home parks the CUSTOMER or developer will contribute an AID-TO-CONSTRUCTION of $158.00 per lot for an adequate underground distribution system and will also own, install and maintain the meter pedestal.

c. In either (a) or (b) above, 100% AID-TO-CONSTRUCTION payment (or a 20% payment of the AID-TO-CONSTRUCTION cost and an acceptable payment bond or escrow account for the 80% balance) will be required 30 calendar days before the beginning date of the SYSTEM's construction. The remaining 80% will be due, if applicable, upon completion of the project, project phase, or that portion of the project or project phase completed to date and is delinquent if not paid in 10 calendar days following billing by the SYSTEM.

4. Conversion of Existing Overhead Facilities to Underground and Relocation of Existing Overhead and Underground Facilities

Public and private groups or individuals requesting existing overhead facilities to be installed underground or requesting the relocation of existing overhead or underground facilities will be required to pay the AID-TO-CONSTRUCTION cost of doing this work. The Engineering Services Division will be responsible for determining the AID-TO-CONSTRUCTION cost and feasibility of such conversions or relocations.

5. Underground Service in Existing Residential Areas for New Construction (Single-Family Dwellings, Townhouses, and Duplexes with a Meter Center)

The SYSTEM will own, install, operate and maintain the underground SERVICE WIRES to the CUSTOMER-owned meter socket wherever direct burial access is feasible. The SYSTEM will be responsible for determining the feasibility of the installation.

6. Underground Service to Newly Constructed Multi-Family Dwellings, Condominiums, and Commercial Buildings (Excluding Duplexes with a Meter Center)

a. The SYSTEM will own, install, operate and maintain the primary and secondary conductors to the point of termination of the CUSTOMER's switchgear, bus duct, or metering point.

b. The CUSTOMER will supply, install and maintain the secondary conduit(s), bus duct and transformer pad or vault, subject to the SYSTEM's specifications and approval. Service from transformer vaults is not standard and may require an AID-TO-CONSTRUCTION. In cases where the SYSTEM does not require a transformer pad or vault, the CUSTOMER will supply and install the secondary conduit(s) to a point designated by and subject to the SYSTEM's specifications and approval.

7. Grade Changes and Erosion

The PROPERTY OWNER shall be liable to the SYSTEM for all costs incurred in the relocation and repair of SYSTEM overhead and underground facilities necessitated by grade changes and erosion on the property.

I. INSTALLATION OF SERVICE WIRES AND POINT OF SERVICE CONNECTION

The route of the service, the location of the service connection and metering equipment shall be determined by the SYSTEM in coordination with the CUSTOMER. Any wiring installed without first determining the location of the service connection and/or METERs will have to be brought into conformance upon notification by the SYSTEM.

J. INSTALLATION AND EQUIPMENT

1. Service Entrance

Prior to connection with the SYSTEM's equipment, the CUSTOMER's wiring and other electrical equipment must conform to all requirements of the City of Lincoln's Municipal Code or such other requirements of the applicable governmental authorities. It is the CUSTOMER's responsibility to obtain from the SYSTEM the maximum fault current available at the point of connection for use in design of the CUSTOMER's protection equipment. It is the CUSTOMER's responsibility to provide and maintain unobstructed access to the METER. The SYSTEM may, at its option, install Off-Site Meter Reading (OMR) equipment on services with difficult access and charge the CUSTOMER the OMR charges. The SYSTEM retains the right to access the meter for maintenance and control purposes.

The point of service attachment of the overhead SERVICE WIRES on a building shall be of sufficient height to provide the required clearances listed in the latest edition of the National Electrical Safety Code. It shall be the responsibility of the CUSTOMER to maintain proper clearances between the overhead SERVICE WIRES and tree growth or other obstructions. A service mast or other approved structure to terminate service conductors or reinforcement of the building for adequate anchorage shall be provided and installed by the CUSTOMER or their contractor. All instrument transformer enclosures, meter enclosures, meter sockets and conduits or raceways for meter wiring shall be furnished and installed by the CUSTOMER and shall be of a type approved by the SYSTEM.

2. Multiple Service

The SYSTEM will not totalize metering of separate services. Where the SYSTEM contracts to provide multiple services or multiple voltages for the mutual benefit of the SYSTEM and the CUSTOMER, metering and billing shall be either by separate accounts at secondary voltage or consolidated at primary voltage. If the CUSTOMER chooses to take the service through primary metering, then the CUSTOMER will own all equipment, including transformers on the load side of the primary METER.

3. Purchase of SYSTEM-Owned Equipment

The CUSTOMER may, at his option, purchase the equipment on the load side of a primary METER if the CUSTOMER chooses to take the service through primary metering. A lump sum payment for the remaining value of the equipment, or a lease/purchase agreement of monthly payments not to exceed 60 payments, including an annual carrying charge, will be made to the SYSTEM. The SYSTEM

will furnish metering equipment required to measure the service supplied, and will keep said equipment accurate within reasonable limits. The CUSTOMER shall furnish, without cost to the SYSTEM, adequate space in a suitable location for the SYSTEM's metering equipment.

4. Electronic Data Acquisition From Billing METERS

The SYSTEM will provide at the CUSTOMER's request energy data pulses from SYSTEM-owned revenue METERs equipped with pulse initiators via an isolation relay. The CUSTOMER will be responsible for all costs incurred by the SYSTEM to purchase and install any equipment necessary, and the SYSTEM will own, operate and maintain such devices. The SYSTEM assumes no liability for any CUSTOMER losses and damages resulting from subsequent failure of this equipment or the operation thereof.

5. Fire Alarms and Exit Lights

All fire alarm systems, fire water pumps and exit lights must be metered even if the CUSTOMER must install a meter socket exclusively for these circuits. The installation must conform with all applicable code requirements.

6. Pole Attachments and Joint Trench Occupancy

The SYSTEM will not allow CUSTOMER-owned equipment on SYSTEM facilities or in SYSTEM-provided trenches. However, the SYSTEM will allow joint pole attachments and joint trench occupancy with other utilities and certain entities which have the right to occupy public rights-of-way. Joint use agreements will be executed when necessary.

7. Notification of Load Increase

The CUSTOMER shall be responsible for notifying the SYSTEM's Engineering Division of expected load increases that are more than 20% of the highest kW demand recorded for that service in the previous 12 BILLING PERIODS. Upon receiving such notice, the SYSTEM will inform the CUSTOMER of what lead time is necessary, if any, to provide adequate equipment to service the new load level. The CUSTOMER shall be held responsible for all damages to SYSTEM-owned and/or privately-owned property and/or any injuries that are the result of a CUSTOMER's service having been loaded above its designed limit.

8. Protection of CUSTOMER Equipment

The CUSTOMER shall be responsible for providing any devices necessary to protect the CUSTOMER's equipment from loss or damage due to disturbances as set forth in Paragraph O of these Service Regulations.

K. SYSTEM DISTURBANCES

In cases where the SYSTEM determines the operation of the CUSTOMER's equipment has or will result in excessive SYSTEM disturbances or costs to the SYSTEM not otherwise

recovered through established rates, the SYSTEM will require the CUSTOMER to take corrective action, as approved by the SYSTEM, to resolve the disturbances or pay the costs incurred by the SYSTEM as a result of the system disturbance.

L. CUSTOMER OPERATION OF GENERATING EQUIPMENT

1. Policy and Guidelines

Information regarding and copies of the SYSTEM's "POLICY AND GUIDELINES FOR CUSTOMER-OWNED GENERATION" can be obtained from the Consumer Services Division. A CUSTOMER who operates electric generating equipment shall only be allowed to parallel such equipment with the SERVICE WIRES upon meeting the requirements of the SYSTEM's policy and guidelines for COGENERATION AND SMALL POWER PRODUCTION. The Guidelines comply with and refer to Public Utility Regulatory Policy Act (PURPA - PL 95-617) Sections 201 and 210. They provide that only those generating facilities that meet the Federal Energy Regulatory Commission (FERC) criteria for qualifying status (see Paragraph L-2 below) will be considered for parallel operation. Such qualifying facilities must meet all provisions of the SYSTEM Policy and Guidelines and the CUSTOMER shall make no connections to the SYSTEM without specific inspection and approval by the SYSTEM and shall enter into a Parallel Operation, Power Sale and Interconnection Agreement with the SYSTEM. Any unapproved installations shall be grounds for immediate disconnection of SYSTEM's service. Non-qualifying generating facilities will be allowed only as outlined in Paragraph L-3 below, CUSTOMER-Owned Non-Qualifying Generation.

2. Cogeneration and Small Power Production Facilities - (Qualifying)

Pursuant to the LES Administrative Board's determination regarding PURPA (PL 95-617) Section 210, the SYSTEM has adopted the aforementioned Guidelines which pertain to the interconnection with, and the purchase and sale of, energy and power to qualifying facilities. The requirements for qualifying status under the SYSTEM Policy are the same as those outlined by the FERC rules, Cogeneration and Small Power Production facilities-qualifying status as found in Subpart B, Part 292, Subchapter K, Chapter I, Title 18, Code of Federal Regulations.

Small Power Production is generally defined as a facility that 1) produces electric energy solely by the use, as a primary energy source, of biomass, waste, renewable resources, or any combination thereof, and 2) has a power production capacity which, together with any other facilities located at the same site is not greater than 80 megawatts. Small Power Production facilities must satisfy the FERC size and fuel requirements described in Section 292.204 (a) and (b), the owner requirements of Section 292.206, and other applicable requirements outlined in the FERC rules and regulations.

Cogeneration is generally defined as a facility which produces electric energy and forms of useful thermal energy (such as heat or steam) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy. Cogeneration facilities must satisfy the FERC requirement for ownership

described in Section 292.206, and the operating and efficiency standards described in Section 292.205 (a) and (b), and other applicable requirements outlined in the FERC rules and regulations.

3. CUSTOMER-Owned Non-Qualifying Generation (e.g., standby and emergency)

If the CUSTOMER does not meet the above criteria and has or wishes to install generation capacity for supplying needs during an LES service interruption, then an approved transfer switch shall be installed in the CUSTOMER's wiring as specified in the Policy Statement and Guidelines Regarding Non-Qualifying Generation (e.g., standby and emergency). The transfer switch shall be capable of disconnecting the load from wiring connection to the SERVICE WIRES and transferring the load to the non-qualifying generator. The transfer switch shall break the circuit with the SERVICE WIRES before making the circuit with the CUSTOMER's generation or be an LES-approved closed transition switch. The CUSTOMER must prepare and submit to LES an "Application for Electric Service" form. Installations will not be connected without SYSTEM approval.

M. BILLING RESPONSIBILITY AND SERVICE CONNECTIONS

1. Orders for Connections

The SYSTEM requires each connected electrical service to be in the name of the CUSTOMER who is responsible for charges relating to the rendering of electric service to a POINT OF DELIVERY. The SYSTEM will accept orders for connection and/or to change the name of the responsible party for billing with verbal or written notice from the financially responsible party or their representative. A new account service fee of $25.00 is applicable to every new account, move, transfer, etc., upon the request for service initiation. Accounts managed under a Landlord's Agreement are excluded from the new account service fee. The SYSTEM will impose to the PROPERTY OWNER, when a reconnection of electric service or load control equipment at an address is made, a $40.00 minimum charge to be paid in the LES business offices during the SYSTEM's business hours or $75.00 after business hours. The reinstatement of a load control credit shall be treated in the same manner as a reconnection. In the case of current transformer metering installations or if a conductor reconnection is required, a charge to cover the actual labor, material and equipment expenses required for performing the disconnection and reconnection will be assessed. Termination of service, or any part thereof, by the CUSTOMER followed by reconnection of service at the same address by the same CUSTOMER within a period of 12 months from the date of disconnection will not suspend or eliminate the minimum bill charges specified in the rate schedule under which the CUSTOMER is taking service which would have been in effect during the BILLING PERIODS of the termination of service.

2. Tenant/PROPERTY OWNER Provisions

Upon termination of service to a tenant, the SYSTEM will place the account in the name of the PROPERTY OWNER. Provided that the PROPERTY OWNER

agrees in writing to indemnify the SYSTEM against any claims asserted by a tenant in possession, if the PROPERTY OWNER advises the SYSTEM in writing that the property has been vacated by the tenant and that the PROPERTY OWNER will not be responsible for electric service while the unit is not occupied, the service will be disconnected. The PROPERTY OWNER will not be responsible for any amount owed to the SYSTEM for electric service furnished the tenant during the tenant's occupancy. In subdivided situations that are not separately metered as required in Paragraph E, the PROPERTY OWNER shall be the financially responsible party for the electric service furnished to the tenants therein.

3. Security Deposit, Bad Checks and Mislabeled METERS

A CUSTOMER may be required to make a security deposit to guarantee payment of the account (LES policy 11 and procedure 155). A $30.00 charge shall be assessed to the CUSTOMER for all checks needed to be returned for insufficient funds or no account checks. The SYSTEM shall not be responsible for erroneous billing resulting from mislabeled METERs, or other problems resulting thereof, when the mislabeling of the meter socket to its appropriate load lies at fault with the electrician or any other party not under the direct supervision of the SYSTEM.

4. Billing Demand Responsibility

A new CUSTOMER taking service from an account with an existing demand history will not be responsible for the billing demands of the previous CUSTOMER. If the new CUSTOMER only represents a name change for the existing PROPERTY OWNER, they will be responsible for the billing demand established by the previous CUSTOMER unless waived by the Vice President of Consumer Services.

5. Forms of Payment

Payment of electric bills must be made in "money" which is defined as U.S. Legal Tender in the form of checks, drafts, money orders or currency. Coins will not be accepted in amounts greater than $25.00. A late payment fee of 3.0% of the past due amount will be applied to all accounts not paid by the due date. The late payment fee will be applied on or after the first business day past the due date. A reread fee of $20.00 will be charged for LES to return to CUSTOMER'S service location more than once monthly to reread the meter, either by CUSTOMER request or due to restricted meter access. The reread charge applies when the original reading was not in error.

N. DISCONNECTION OF SERVICE

1. At the PROPERTY OWNER's Request

The SYSTEM will remove or physically disconnect a service only after written notice has been received from the CUSTOMER, provided the CUSTOMER is the PROPERTY OWNER.

2. By the SYSTEM Without Notice

Service may be refused or disconnected by the SYSTEM for any of the following reasons:

a. Without notice in the event of a condition determined by the SYSTEM to be hazardous.

b. Without notice in the event of CUSTOMER use of equipment in such a manner as to adversely affect the SYSTEM's equipment or the SYSTEM's service to others.

c. Without notice in the event of tampering with the equipment furnished and owned by the SYSTEM.

d. Without notice in the event of energy theft or any unauthorized use.

3. By the SYSTEM With Appropriate Notice

Subject to provision of the termination of electric service policy as established by the Administrative Board (currently Policy No. 11):

a. For violation or noncompliance with the SYSTEM's Service Regulations, except those listed in Paragraph N-2 above.

b. For failure of the CUSTOMER to provide and maintain to the SYSTEM unobstructed access to its equipment.

c. For nonpayment of any account, provided the SYSTEM has made a reasonable attempt to effect collection and has given the CUSTOMER prior written notice to make settlement on the account(s) or have service disconnected. Disconnection will be made at a service location for all electric service notwithstanding the fact that a CUSTOMER may have more than one account for service at such location. The fee for field collection of payment is $20.00, applicable to all delinquent accounts which LES collects payment in the field to void termination of service for non-payment. If disconnected, the SYSTEM will impose a minimum $40.00 reconnection charge. If payment is received outside the SYSTEM's business office there will be a minimum $75.00 charge. In the case of current transformer metering installations or if a conductor reconnection is required, the SYSTEM may charge the cost of actual labor, material and equipment requirements for performing the disconnection and reconnection.

d. For failure or refusal by the CUSTOMER to provide a requested deposit, in accordance with policy 11 and procedure 155.

e. For failure to furnish, or withdrawal by the CUSTOMER of such permits or rights-of-way as shall have been specified by the SYSTEM for rendering service.

f. In the event the CUSTOMER files a petition of bankruptcy and no arrangements prior to the filing of the petition have been made with the SYSTEM with respect to the payment of future electric bills.

g. If metered service is dormant for 12 consecutive BILLING PERIODS or more, the METER and SERVICE WIRES may be removed. For a service reconnection see Paragraph C.

O. SYSTEM SERVICE RESPONSIBILITIES

The SYSTEM will endeavor to supply, but does not guarantee, uninterrupted service of a generally accepted standard. The SYSTEM does not guarantee uninterrupted service for dual primary service. The SYSTEM shall not be responsible for any loss or damages caused by (1) the negligence of the SYSTEM's employees, servants or agents, resulting in the change of phase rotation, discontinuity of three-phase current, wave form, or for any other disturbances in service, or (2) any interruption of service for repairs, alterations, want of reasonable and economic supply, or (3) any disconnection initiated by the SYSTEM as set forth in Paragraphs N-2 and N-3 of these regulations, or (4) failure due to an Act of God, fire, strike, riot, flood, lightning, storm, civil disturbance, war, or action of public authority. The protection of CUSTOMER equipment is the CUSTOMER's responsibility as set forth in Paragraph J-8 of these regulations.

P. BURIED CABLE LOCATIONS

Nebraska Statutes (One-Call Notification System Act) require any person who excavates to first notify the State One-Call Notification Center at least two business days, but not more than 10 days, before they start to excavate. The Center notifies each underground facility member/owner (including LES) to either mark its facilities, issue a clearance that no facilities are nearby, or offer to meet jointly with the excavator to discuss the request. There are civil penalties, fines, and strict liability repair assessments for failure to call before excavating.

The State One-Call Center and LES have information available regarding the request process.

Addendum to Service Regulations
SUMMARY OF LES SERVICE FEES

Below is a listing of service fees set forth in these Service Regulations with a reference to the paragraph(s) in which the fee is described:

Item	Fee	Reference
AID-TO-CONSTRUCTION:	A fee charged for a portion of construction cost	A-10, B, G, G-2-b, H-4, H-6-b
Temporary Service	$90.00 minimum	F-1
Underground Extension (Subdivisions):	$540.00 for lots with rear lot lines 100 ft. in width or less $5.40 per rear lot foot for lots with rear lot line greater than 100 ft. in width, not to exceed $1,080 per lot	H-3-a
Underground Extension (Mobile Home Parks):	$158.00 per lot	H-3-b
Connection Charge:		
In LES' Business Office:	$40.00 minimum	M-1, N-3-c
Outside LES' Business Office:	$75.00 minimum	M-1, N-3-c
Security Deposit:	Subject to the discretion of LES Credit Department	M-3
Returned Check:	$30.00	M-3
New Account Service Fee:	$25.00	M-1
Late Payment Fee:	3.0% of past due amount	M-5
Field Collection of Payment:	$20.00	N-3-C
Rereads:	$20.00	M-5

GENERAL RULES FOR SERVICE REGULATIONS FORMAT

1. Full capitalization of paragraph titles and defined terms used within the text.

2. References to numbers and monetary amounts are written in figures only and will not be shown with the redundant written words.

3. Referral to other paragraphs within the document is displayed by the word Paragraph followed by the letter of the paragraph, subparagraph number, etc., being referred to. Example: Paragraph N-2-a.

4. All subheadings have been underlined and appear with the first letter of each word capitalized.

References:

Hutchinson, Lois Irene Standard Handbook for Secretaries. McGraw-Hill Book Company; 1969.

Several other references not noted suggested the same rules for grammatical correctness.