Proposed Rate Schedules, Service Regulations and 2010 Cost Analysis Summary

For Rates Effective January 1, 2011

LES

SUMMARY OF THE 2010 COST ANALYSIS

Introduction

This 2010 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 2010. 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 is not included in this analysis.

A 2.4 percent system-wide rate adjustment went into effect January 1, 2010. The rate increase was needed to raise sufficient revenue to pay for new generation, transmission and distribution facilities to serve a growing community, to replenish the rate stabilization fund, and to pay for the increased costs for rail transportation of coal. The Rates, Forecasting and Load Research Department performed this analysis to determine the costs for the various services LES offers.

Financial Test

A measure of the System's financial position is the debt coverage ratio. LES has a coverage target range of 1.90 to 2.00. The revenue requirements used in this analysis include the 2.4 percent rate increase which will provide a coverage of about 1.92.

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	42%
General Service	13%
General Service-Demand	12%
Large Light and Power + SFP	23%
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-7. Note that LES is a summer peaking utility primarily because of air conditioning load. Residential air conditioning drives the residential class average summer demand 75 percent greater than the average winter demand; whereas the average summer demand for all the other classes is 24 percent greater than their average winter demands. Seasonal rates continue to send the proper price signal to all customers about these cost differences.

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 and transmission 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, used to be limited to no more than the cost associated with the difference between the summer and winter peaks. Beginning in 2009, 100 percent 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 2010, the allocation factor transfers 13.08 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 were 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 2010 Cost Analysis dropped the fixed wind turbine

coverage since that energy is now considered part of the overall LES generation mix. Remaining coverage is distributed only to Production and Distribution Plant and settled at 1.79.

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 6 percent lower than the LLP cost, while the Demand and facility costs are around 14 percent higher.

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 street light poles.

Renewable Energy Rider

A net metering program for renewables of up to 25 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, has been 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), 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 was instituted in 2009, and expanded in 2010, which will accelerate development of demand-side management and promote renewable energy.

This program includes:

- Whole House Sealing and Insulation
- High-Efficiency Heat Pump and Central Air Conditioning
- Energy Efficiency Elementary Education
- Commercial and Industrial Lighting Retrofit
- Commercial and Industrial Energy Efficiency
- Commercial and Industrial Energy Efficiency Innovation Grants

2010 BUDGET PROJECTION
DEBT COVERAGE TEST

Revenues	
Retail Revenues (Including Unbilled)	$230,187,466
Wholesale Sales	$24,919,212
Wheeling / Street and Traffic Light Investment / Other	$4,736,432
Total	$259,843,110
Operating Expenses (Excluding Depreciation)	
Energy Delivery	$15,782,646
Purchased Power Cost	$68,671,580
Production Power Cost	$53,620,237
Administrative & General	$32,586,494
Total	$170,660,957
Net Operating Revenues	$89,182,153
Interest Income and Other Income	$630,000
Available for Debt Service	$89,812,153
Debt Service	$46,754,883
Times Covered before Payment of In Lieu of Tax	1.92
Payment of In Lieu of Tax	$11,200,000
Available for Debt Service and Construction	$78,612,153

Notes: 2010 Retail Revenue Projections total $230,187,466. Retail revenues listed above of $230,187,466 include an adjustment for unbilled revenue for 2010 of $00.

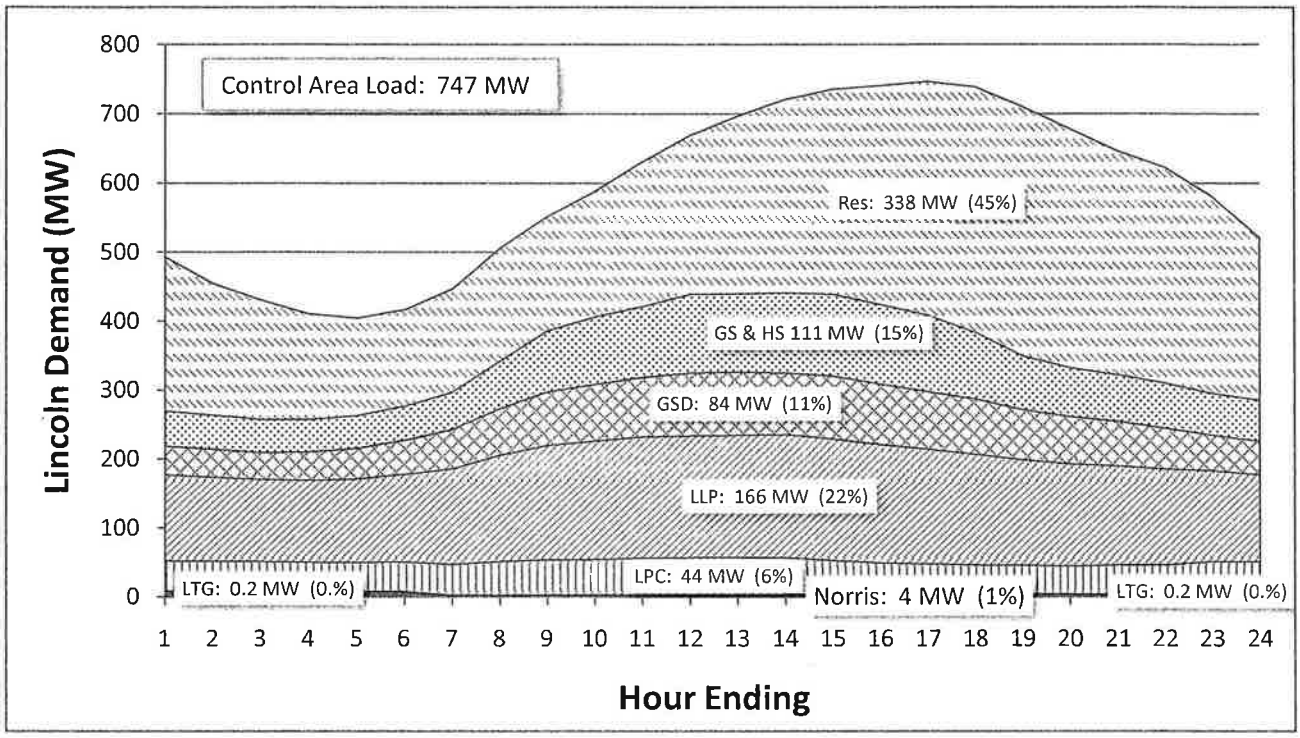
Wholesales, Wheeling / Street and Traffic Lighting Investment / Other, Operating Expenses, Interest Income and Other Income and Debt Service are from the 2010 Budget.

In Lieu of Tax is calculated as approximately 4.87% of total retail revenue from the 2010 BUDGET PROJECTION (5% adjusted by the inside/outside county revenue factor).

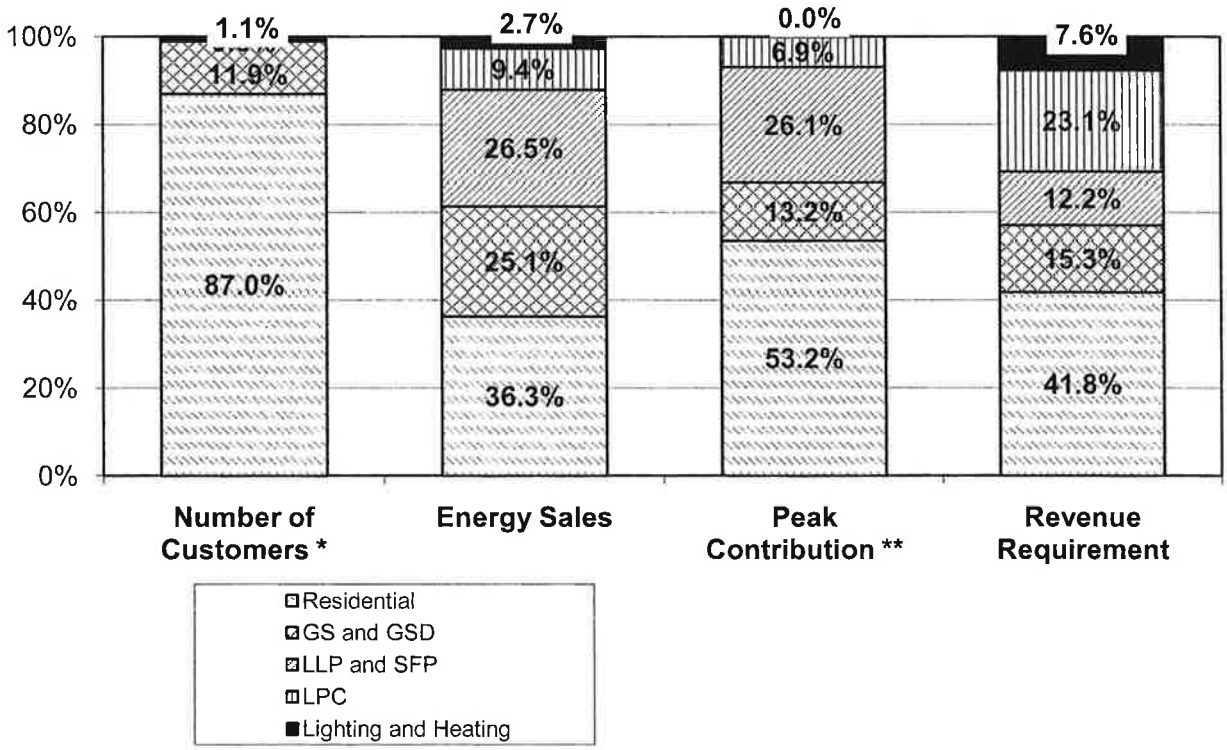
RATE CLASS CONTRIBUTION

Lincoln Demand

Tuesday, June 23, 2009



Key Statistics by Rate Class



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

** Contribution to Lincoln Demand peak hour based on 2009 Load Survey data

LINCOLN ELECTRIC SYSTEM
PROPOSED RATES
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Detailed Rate Design and Effect on Revenue
Residential Rates 01 and 03

Rate Components and Revenue

	Current		Proposed		Percent Change	
Customer Charge ($/Bill)	$4.65		$4.90		5.4%	
Facilities Charge ($/Bill)	$4.30		$4.55		5.8%	
Customer & Facilities Charge ($/Bill)	$8.95		$9.45		5.6%	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
0-900 kWh (¢/kWh)	9.50¢	6.38¢	9.70¢	6.55¢	2.1%	2.7%
Above 900 kWh (¢/kWh)	9.50¢	4.70¢	9.70¢	4.75¢	2.1%	1.1%
Summer Conservation Credit:						
0-300 kWh (less than 10 kWh / day)	$1.64		$1.64		0.0%	
Projected Revenue	$100,634,813		$103,285,842		2.6%	

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	$31.06	$32.06	3.2%	$24.90	$25.83	3.7%	$26.95	$27.90	3.5%	$0.95
6,000	500	$56.45	$57.95	2.7%	$40.85	$42.20	3.3%	$46.05	$47.45	3.0%	$1.40
9,000	750	$80.20	$82.20	2.5%	$56.80	$58.58	3.1%	$64.60	$66.45	2.9%	$1.85
12,000	1,000	$103.95	$106.45	2.4%	$71.07	$73.15	2.9%	$82.03	$84.25	2.7%	$2.22
14,400	1,200	$122.95	$125.85	2.4%	$80.47	$82.65	2.7%	$94.63	$97.05	2.6%	$2.42
18,000	1,500	$151.45	$154.95	2.3%	$94.57	$96.90	2.5%	$113.53	$116.25	2.4%	$2.72
36,000	3,000	$293.95	$300.45	2.2%	$165.07	$168.15	1.9%	$208.03	$212.25	2.0%	$4.22

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)	$4.60		$4.80		4.3%	
Facilities Charge ($/Bill)	$8.65		$9.20		6.4%	
Customer & Facilities Charge ($/Bill)	$13.25		$14.00		5.7%	
Three Phase						
Customer Charge ($/Bill)	$4.60		$4.80		4.3%	
Facilities Charge ($/Bill)	$35.75		$37.95		6.2%	
Customer & Facilities Charge ($/Bill)	$40.35		$42.75		5.9%	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	9.05¢	5.31¢	9.20¢	5.45¢	1.7%	2.6%
Projected Revenue	$32,293,445		$33,136,741		2.6%	

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	$35.88	$37.00	3.1%	$26.53	$27.63	4.1%	$29.64	$30.75	3.7%	$1.11
9,000	750	$81.13	$83.00	2.3%	$53.08	$54.88	3.4%	$62.43	$64.25	2.9%	$1.83
12,000	1,000	$103.75	$106.00	2.2%	$66.35	$68.50	3.2%	$78.82	$81.00	2.8%	$2.18
36,000	3,000	$284.75	$290.00	1.8%	$172.55	$177.50	2.9%	$209.95	$215.00	2.4%	$5.05
Three Phase											
60,000	5,000	$492.85	$502.75	2.0%	$305.85	$315.25	3.1%	$368.18	$377.75	2.6%	$9.57
120,000	10,000	$945.35	$962.75	1.8%	$571.35	$587.75	2.9%	$696.02	$712.75	2.4%	$16.73
240,000	20,000	$1,850.35	$1,882.75	1.8%	$1,102.35	$1,132.75	2.8%	$1,351.68	$1,382.75	2.3%	$31.07

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)	$4.60		$4.80		4.3%	
Facilities Charge ($/Bill)	$8.65		$9.20		6.4%	
Customer & Facilities Charge ($/Bill)	$13.25		$14.00		5.7%	
Three Phase						
Customer Charge ($/Bill)	$4.60		$4.80		4.3%	
Facilities Charge ($/Bill)	$35.75		$37.95		6.2%	
Customer & Facilities Charge ($/Bill)	$40.35		$42.75		5.9%	
Large Customer						
Customer Charge ($/Bill)	$4.60		$4.80		4.3%	
Facilities Charge ($/Bill)	$135.40		$141.20		4.3%	
Customer & Facilities Charge ($/Bill)	$140.00		$146.00		4.3%	
Energy Charge	Summer	Winter	Summer	Winter	Summer	Winter
All Energy (¢/kWh)	8.45¢	4.49¢	8.80¢	4.51¢	4.1%	0.4%
Projected Revenue	$4,197,044		$4,290,717		2.2%	

Typical Heating Service Bill Comparisons

		Summer			Winter			Weighted Average (28/72 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	$55.50	$58.00	4.5%	$35.70	$36.55	2.4%	$41.24	$42.56	3.2%	$1.31
12,000	1,000	$97.75	$102.00	4.3%	$58.15	$59.10	1.6%	$69.24	$71.11	2.7%	$1.87
36,000	3,000	$266.75	$278.00	4.2%	$147.95	$149.30	0.9%	$181.21	$185.34	2.3%	$4.12
Three Phase											
120,000	10,000	$885.35	$922.75	4.2%	$489.35	$493.75	0.9%	$600.23	$613.87	2.3%	$13.64
240,000	20,000	$1,730.35	$1,802.75	4.2%	$938.35	$944.75	0.7%	$1,160.11	$1,184.99	2.1%	$24.88
Large User											
300,000	25,000	$2,252.50	$2,346.00	4.2%	$1,262.50	$1,273.50	0.9%	$1,539.70	$1,573.80	2.2%	$34.10
600,000	50,000	$4,365.00	$4,546.00	4.1%	$2,385.00	$2,401.00	0.7%	$2,939.40	$3,001.60	2.1%	$62.20
1,200,000	100,000	$8,590.00	$8,946.00	4.1%	$4,630.00	$4,656.00	0.6%	$5,738.80	$5,857.20	2.1%	$118.40

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)	$35.00		$35.00		0.0%	
Facilities Charge ($/kW)	$3.75		$3.95		5.3%	
Demand Charge ($/kW)	$10.13		$10.40		2.7%	
Total $/kW	**$13.88**		**$14.35**		**3.4%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	3.36¢	2.40¢	3.36¢	2.45¢	0.0%	2.1%
Projected Revenue	$27,415,578		$28,080,187		2.4%	

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%	$2,625	$2,679	2.0%	$2,337	$2,406	2.9%	$2,433	$2,497	2.6%	$64
84	49%	$2,209	$2,248	1.8%	$1,921	$1,975	2.8%	$2,017	$2,066	2.5%	$49
67	61%	$1,973	$2,004	1.6%	$1,685	$1,731	2.8%	$1,781	$1,822	2.3%	$41

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%	$5,216	$5,323	2.1%	$4,640	$4,777	3.0%	$4,832	$4,959	2.6%	$127
168	49%	$4,383	$4,462	1.8%	$3,807	$3,916	2.9%	$3,999	$4,098	2.5%	$99
135	61%	$3,925	$3,988	1.6%	$3,349	$3,442	2.8%	$3,541	$3,624	2.4%	$83

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%	$7,806	$7,967	2.1%	$6,942	$7,148	3.0%	$7,230	$7,421	2.6%	$191
252	49%	$6,557	$6,675	1.8%	$5,693	$5,856	2.9%	$5,981	$6,129	2.5%	$148
202	61%	$5,863	$5,958	1.6%	$4,999	$5,139	2.8%	$5,287	$5,412	2.4%	$125

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)	$35.00		$35.00		0.0%	
Facilities Charge ($/kW)	$2.75		$2.90		5.5%	
Demand Charge ($/kW)	$9.85		$10.15		3.0%	
Total $/kW	**$12.60**		**$13.05**		**3.6%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	3.22¢	2.24¢	3.22¢	2.30¢	0.0%	2.7%
Projected Revenue	$148,052		$152,049		2.7%	

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%	$2,437	$2,489	2.1%	$2,143	$2,213	3.2%	$2,241	$2,305	2.8%	$63
84	49%	$2,059	$2,097	1.8%	$1,765	$1,821	3.2%	$1,863	$1,913	2.7%	$50
67	61%	$1,845	$1,875	1.6%	$1,551	$1,599	3.1%	$1,649	$1,691	2.6%	$42

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%	$4,840	$4,942	2.1%	$4,252	$4,390	3.3%	$4,448	$4,574	2.8%	$127
168	49%	$4,084	$4,159	1.9%	$3,496	$3,607	3.2%	$3,692	$3,791	2.7%	$100
135	61%	$3,668	$3,729	1.7%	$3,080	$3,177	3.1%	$3,276	$3,361	2.6%	$85

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%	$7,242	$7,396	2.1%	$6,360	$6,568	3.3%	$6,654	$6,844	2.9%	$190
252	49%	$6,108	$6,222	1.9%	$5,226	$5,394	3.2%	$5,520	$5,670	2.7%	$149
202	61%	$5,478	$5,569	1.7%	$4,596	$4,741	3.2%	$4,890	$5,017	2.6%	$127

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

	Proposed Rates for 2011			
	Rate Code 35	% Change	Rate Code 36	% Change
Customer Charge ($/Bill)	$65.00	0.0%	$65.00	0.0%
Facilities Charge ($/kW)	$3.95	5.3%	$2.90	5.5%
Demand Charge ($/kW)	$10.40	2.7%	$10.15	3.0%
Seasonal Interruptible Demand Credit ($/kW)	$2.00	-33.3%	$2.00	-33.3%
Energy Charge (¢/kWh)				
Summer	3.36¢	0.0%	3.22¢	0.0%
Winter	2.45¢	2.1%	2.30¢	2.7%
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 2011			
	Rate Code 31	% Change	Rate Code 41	% Change
Customer Charge ($/Bill)	$290.00	3.6%	$290.00	3.6%
Facilities Charge ($/kW)	$4.00	6.7%	$1.95	0.0%
Contract Demand Charge ($/kW)	$3.75	-7.4%	$3.75	-7.4%
Backup Demand Charge ($/kW)	$10.15	3.0%	$10.15	3.0%
Energy Charge (¢/kWh)				
Summer	3.22¢	0.0%	3.22¢	0.0%
Winter	2.30¢	2.7%	2.30¢	2.7%
Projected Revenue	$0	0.0%	$1,087,859	2.3%

Other provisions of the standard GSD rate will apply if applicable.
(Dual Primary Service Charge, Maximum Yield Provision, etc.)

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)	$250.00		$260.00		4.0%	
Facilities Charge ($/kW)	$4.10		$4.40		7.3%	
Demand Charge ($/kW)	$12.75		$13.05		2.4%	
Total $/kW	**$16.85**		**$17.45**		**3.6%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	2.82¢	2.03¢	2.82¢	2.05¢	0.0%	1.0%
Projected Revenue	$34,526,708		$35,361,308		2.4%	

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%	$12,180	$12,465	2.3%	$10,995	$11,310	2.9%	$11,390	$11,695	2.7%	$304
342	60%	$10,243	$10,458	2.1%	$9,058	$9,303	2.7%	$9,453	$9,688	2.5%	$235
281	73%	$9,215	$9,393	1.9%	$8,030	$8,238	2.6%	$8,425	$8,623	2.4%	$199

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%	$20,123	$20,589	2.3%	$18,148	$18,664	2.8%	$18,806	$19,306	2.7%	$500
571	60%	$16,921	$17,274	2.1%	$14,946	$15,349	2.7%	$15,605	$15,991	2.5%	$386
469	73%	$15,203	$15,494	1.9%	$13,228	$13,569	2.6%	$13,886	$14,211	2.3%	$325

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%	$32,053	$32,794	2.3%	$28,893	$29,714	2.8%	$29,947	$30,741	2.7%	$794
913	60%	$26,914	$27,472	2.1%	$23,754	$24,392	2.7%	$24,807	$25,419	2.5%	$611
751	73%	$24,184	$24,645	1.9%	$21,024	$21,565	2.6%	$22,078	$22,592	2.3%	$514

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%	$198,979	$203,555	2.3%	$179,229	$184,305	2.8%	$185,812	$190,721	2.6%	$4,909
5,708	60%	$166,930	$170,365	2.1%	$147,180	$151,115	2.7%	$153,763	$157,531	2.5%	$3,768
4,691	73%	$149,793	$152,618	1.9%	$130,043	$133,368	2.6%	$136,627	$139,785	2.3%	$3,158

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)	$250.00		$260.00		4.0%	
Facilities Charge ($/kW)	$3.75		$4.00		6.7%	
Demand Charge ($/kW)	$12.40		$12.70		2.4%	
Total $/kW	**$16.15**		**$16.70**		**3.4%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	2.72¢	1.99¢	2.72¢	2.00¢	0.0%	0.5%
Projected Revenue	$11,115,962		$11,363,509		2.2%	

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%	$11,711	$11,972	2.2%	$10,616	$10,892	2.6%	$10,981	$11,252	2.5%	$271
342	60%	$9,853	$10,051	2.0%	$8,758	$8,971	2.4%	$9,123	$9,331	2.3%	$208
281	73%	$8,868	$9,033	1.9%	$7,773	$7,953	2.3%	$8,138	$8,313	2.1%	$175

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%	$19,340	$19,769	2.2%	$17,515	$17,969	2.6%	$18,123	$18,569	2.5%	$445
571	60%	$16,272	$16,596	2.0%	$14,447	$14,796	2.4%	$15,055	$15,396	2.3%	$341
469	73%	$14,624	$14,892	1.8%	$12,799	$13,092	2.3%	$13,408	$13,692	2.1%	$285

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%	$30,801	$31,481	2.2%	$27,881	$28,601	2.6%	$28,854	$29,561	2.4%	$707
913	60%	$25,875	$26,387	2.0%	$22,955	$23,507	2.4%	$23,928	$24,467	2.3%	$539
751	73%	$23,259	$23,682	1.8%	$20,339	$20,802	2.3%	$21,312	$21,762	2.1%	$450

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%	$191,152	$195,347	2.2%	$172,902	$177,347	2.6%	$178,985	$183,347	2.4%	$4,362
5,708	60%	$160,434	$163,584	2.0%	$142,184	$145,584	2.4%	$148,268	$151,584	2.2%	$3,316
4,691	73%	$144,010	$146,600	1.8%	$125,760	$128,600	2.3%	$131,843	$134,600	2.1%	$2,757

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

	Proposed Rates for 2011			
	Rate Code 17	% Change	Rate Code 19 & SFP	% Change
Customer Charge ($/Bill)	$260.00	4.0%	$260.00	4.0%
Facilities Charge ($/kW)	$4.40	7.3%	$4.00	6.7%
Demand Charge ($/kW)				
Summer based on 100% ratchet of highest summer demand	$13.05	2.4%	$12.70	2.4%
Winter based on 100% ratchet of highest summer demand	$13.05	2.4%	$12.70	2.4%
Winter excess above 100% ratchet of highest summer demand	$3.85	0.0%	$3.75	0.0%
Energy Charge (¢/kWh)				
Summer	2.82¢	0.0%	2.72¢	0.0%
Winter	2.05¢	1.0%	2.00¢	0.5%
Projected Revenue	$103,264	2.5%	$0	0.0%

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 2011			
	Rate Code 27	% Change	Rate Code 28	% Change
Customer Charge ($/Bill)	$290.00	3.6%	$290.00	3.6%
Facilities Charge ($/kW)	$4.40	7.3%	$4.00	6.7%
Demand Charge ($/kW)				
Summer and Winter Base Demand is 100% ratchet of the highest summer demand during the interruption period	$13.05	2.4%	$12.70	2.4%
Summer and Winter excess shall be the demand in excess of the Summer Base Demand	$3.85	0.0%	$3.75	0.0%
Energy Charge (¢/kWh)				
Summer	2.82¢	0.0%	2.72¢	0.0%
Winter	2.05¢	1.0%	2.00¢	0.5%
Projected Revenue	$301,106	2.7%	$257,353	2.9%

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 2011			
	Rate Code 22	% Change	Rate Code 34	% Change
Customer Charge ($/Bill)	$290.00	3.6%	$290.00	3.6%
Facilities Charge ($/kW)	$4.40	7.3%	$4.00	6.7%
Demand Charge ($/kW)	$13.05	2.4%	$12.70	2.4%
Seasonal Interruptible Demai	$2.00	-33.3%	$2.00	-33.3%
Energy Charge (¢/kWh)				
Summer	2.82¢	0.0%	2.72¢	0.0%
Winter	2.05¢	1.0%	2.00¢	0.5%
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 2011		
	Rate Code 32	Rate Code 42	Rate Code 53
Customer Charge ($/Bill)	$0.00	$0.00	$0.00
Facilities Charge ($/kW)	$4.00	$1.95	$3.75
Demand Charge ($/kW)	$12.70	$12.70	$12.35
Energy Charge (¢/kWh)			
Summer	2.72¢	2.72¢	2.59¢
Winter	2.00¢	2.00¢	1.84¢
Projected Revenue	$0	$1,856,617	$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 2011	
	Rate Code 39	% Change
Customer Charge ($/Bill)	$260.00	4.0%
Facilities Charge ($/kW)	$1.95	0.0%
Demand Charge ($/kW)	$12.70	2.4%
Energy Charge (¢/kWh)		
Summer	2.72¢	0.0%
Winter	2.00¢	0.5%
Projected Revenue	$0	0.00%

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

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)	$300.00		$325.00		8.3%	
Facilities Charge ($/kW)	$3.90		$4.20		7.7%	
Demand Charge ($/kW)	$12.45		$12.90		3.6%	
Total $/kW	**$16.35**		**$17.10**		**4.6%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	2.66¢	1.90¢	2.66¢	1.90¢	0.0%	0.0%
Projected Revenue	$2,583,400		$2,653,656		2.7%	

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%	$191,224	$196,956	3.0%	$172,224	$177,956	3.3%	$178,557	$184,289	3.2%	$5,733
5,708	60%	$160,126	$164,432	2.7%	$141,126	$145,432	3.1%	$147,459	$151,765	2.9%	$4,306
4,691	73%	$143,498	$147,041	2.5%	$124,498	$128,041	2.8%	$130,831	$134,374	2.7%	$3,543

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)	$300.00		$325.00		8.3%	
Facilities Charge ($/kW)	$3.50		$3.75		7.1%	
Demand Charge ($/kW)	$12.00		$12.35		2.9%	
Total $/kW	**$15.50**		**$16.10**		**3.9%**	
Energy Charge	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
All Energy (¢/kWh)	2.59¢	1.84¢	2.59¢	1.84¢	0.0%	0.0%
Projected Revenue	$9,752,912		$9,970,702		2.2%	

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%	$183,005	$187,596	2.5%	$164,255	$168,846	2.8%	$170,505	$175,096	2.7%	$4,591
5,708	60%	$153,524	$156,974	2.2%	$134,774	$138,224	2.6%	$141,024	$144,474	2.4%	$3,450
4,691	73%	$137,761	$140,600	2.1%	$119,011	$121,850	2.4%	$125,261	$128,100	2.3%	$2,840

Security Lighting
Rate 20

	Proposed Rates for 2011	
	Rate Code 20	% Change
Mercury Vapor ($/lamp)		
175 Watt	$12.15	14.7%
250 Watt	$14.05	13.9%
400 Watt	$18.15	12.7%
1000 Watt *	$33.75	11.4%
High Pressure Sodium Vapor ($/lamp)		
70 Watt	$12.15	14.7%
150 Watt	$14.05	13.9%
250 Watt	$15.35	17.2%
Poles ($/Bill)	$1.40	12.0%
Span of Overhead ($/Bill)	$0.70	11.1%
Underground ($/Bill)	$2.50	0.0%
Festoon Outlet Charges ($/outlet)		
Photocell Controlled Outlets	$3.78	0.6%
Continuous Service Outlets	$10.34	1.6%
Projected Revenue	$229,483	13.6%

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

Traffic Lighting
Rate 24

	Proposed Rates for 2010	
	Rate Code 24	% Change
Facilities Charge (¢/kWh)	0.92¢	0.0%
Energy and Demand Charge (¢/kWh)	6.40¢	19.2%
Projected Revenue	$81,314	17.7%

Street Lighting
Rate 26

	Proposed Rates for 2010	
	Rate Code 26	% Change
Investment	0.75% per month plus 0.3 debt coverage	
Facilities Charge (¢/kWh)	1.04¢	0.0%
Energy and Demand Charge (¢/kWh)	3.68¢	0.8%
Maintenance per lamp (average)	$2.30	
Projected Revenue	$1,823,413	0.3%

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 $2.02/kW per month. Proposed rates for delivery are set near cost of service.

		Proposed Rates for 2011	
		Rate Code 33	% Change
Secondary Deliveries	($/kW-Month)	$6.42	0.7%
	($/kW-Year)	$77.06	
12 kV Primary Deliveries	($/kW-Month)	$6.02	0.0%
	($/kW-Year)	$72.26	
34.5 kV Primary Deliveries	($/kW-Month)	$3.97	-6.0%
	($/kW-Year)	$47.66	
115 kV Deliveries	($/kW-Month)	$2.02	-11.1%
	($/kW-Year)	$24.26	
Projected Revenue		$432,095	-11.1%

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 $14.40. The proposed rate is 102% of cost of service.

	Proposed Rates for 2011	
	Rate Code 50	% Change
Pole Attachment ($/Year)	$14.70	0.0%
Projected Revenue	$274,529	0.0%

Retail Rate Comparison

The following table compares Lincoln's current and proposed 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 January 1, 2010; weighted average based on 4 summer / 8 winter months.

2. LES proposed rates for January 1, 2011; weighted average based on 4 summer / 8 winter months.

3. Omaha rates effective January 1, 2010; weighted average based on 4 summer / 8 winter months.

4. Norris rates effective Janaury 20, 2010; 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 January 1, 2010; weighted average based on 4 summer / 8 winter months.

7. Colorado Springs rates effective January 1, 2010; electric cost adjustment effective December 31, 2009; 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 September 1, 2009; weighted average based on 4 summer / 8 winter months.

10. Minneapolis rates effective April 1, 2010; weighted average based on 4 summer / 8 winter months.

11. Wichita rates effective February 1, 2010; weighted average based on 4 summer / 8 winter months.

Regional Bill Comparison
Weighted Average Monthly Bill

500 kWh		1,000 kWh		40 kW / 10,000 kWh (35% LF)	
Lincoln	$ 46.05	Lincoln	$ 82.03	Lincoln	$ 696
LES (proposed rates)	47.45	LES (proposed rates)	84.25	Colorado Springs	697
Kansas City, KS	47.82	NPPD	88.97	LES (proposed rates)	713
Des Moines	49.10	Kansas City, KS	89.03	NPPD	759
Wichita	49.27	Wichita	89.38	Des Moines	771
Colorado Springs	50.70	Des Moines	89.67	Wichita	807
NPPD	54.04	Kansas City, MO	91.25	Kansas City, KS	842
Kansas City, MO	54.80	Colorado Springs	92.70	Norris	847
Norris	54.88	Norris	93.82	Kansas City, MO	863
Minneapolis	56.21	Minneapolis	105.91	Omaha	915
Omaha	61.12	Omaha	112.99	Minneapolis	935

40 kW / 14,000 kWh (49% LF)		500 kW / 150,000 kWh (42% LF)		500 kW / 180,000 kWh (50% LF)	
Des Moines	$ 895	Des Moines	$ 8,245	Des Moines	$ 9,077
Lincoln	958	NPPD	10,354	NPPD	11,374
Colorado Springs	970	Kansas City, MO	11,252	Norris	12,282
Norris	970	Colorado Springs	11,275	Wichita	12,525
LES (proposed rates)	981	Norris	11,361	Kansas City, MO	12,563
Kansas City, KS	992	Wichita	11,419	Colorado Springs	12,614
Wichita	1,045	Lincoln	12,115	Lincoln	12,803
Kansas City, MO	1,045	Kansas City, KS	12,245	LES (proposed rates)	13,137
NPPD	1,048	LES (proposed rates)	12,445	Kansas City, KS	13,335
Minneapolis	1,151	Minneapolis	12,767	Minneapolis	14,386
Omaha	1,251	Omaha	13,597	Omaha	15,198

75 kW / 15,000 kWh (28% LF)		75 kW / 30,000 kWh (56% LF)		75 kW / 50,000 kWh (93% LF)	
Lincoln	$ 1,024	Des Moines	$ 1,725	Des Moines	$ 2,158
Colorado Springs	1,038	Kansas City, KS	1,855	Lincoln	2,436
LES (proposed rates)	1,048	NPPD	1,885	LES (proposed rates)	2,488
Des Moines	1,116	Lincoln	1,892	Norris	2,549
NPPD	1,120	Norris	1,935	NPPD	2,564
Wichita	1,274	LES (proposed rates)	1,937	Kansas City, KS	2,602
Kansas City, KS	1,295	Colorado Springs	2,059	Kansas City, MO	2,837
Kansas City, MO	1,413	Kansas City, MO	2,073	Colorado Springs	2,860
Minneapolis	1,446	Wichita	2,167	Minneapolis	3,112
Norris	1,474	Minneapolis	2,244	Wichita	3,359
Omaha	1,492	Omaha	2,455	Omaha	3,522

1,000 kW / 200,000 kWh (28% LF)		1,000 kW / 400,000 kWh (56% LF		1,000 kW / 650,000 kWh (90% LF	
Des Moines	$ 13,066	Des Moines	$ 19,064	Des Moines	$ 24,146
NPPD	17,220	Wichita	23,715	Lincoln	30,917
Wichita	17,359	NPPD	24,017	LES (proposed rates)	31,520
Kansas City, KS	18,369	Colorado Springs	25,201	Wichita	31,664
Kansas City, MO	18,666	Lincoln	25,333	Colorado Springs	31,998
Minneapolis	18,986	Norris	25,793	NPPD	32,513
Omaha	19,090	LES (proposed rates)	25,920	Norris	33,473
Colorado Springs	19,203	Kansas City, MO	27,466	Kansas City, MO	33,839
Norris	19,650	Kansas City, KS	28,085	Kansas City, KS	37,167
Lincoln	20,867	Omaha	29,344	Minneapolis	40,481
LES (proposed rates)	21,440	Minneapolis	29,625	Omaha	41,534

COST ANALYSIS
2010

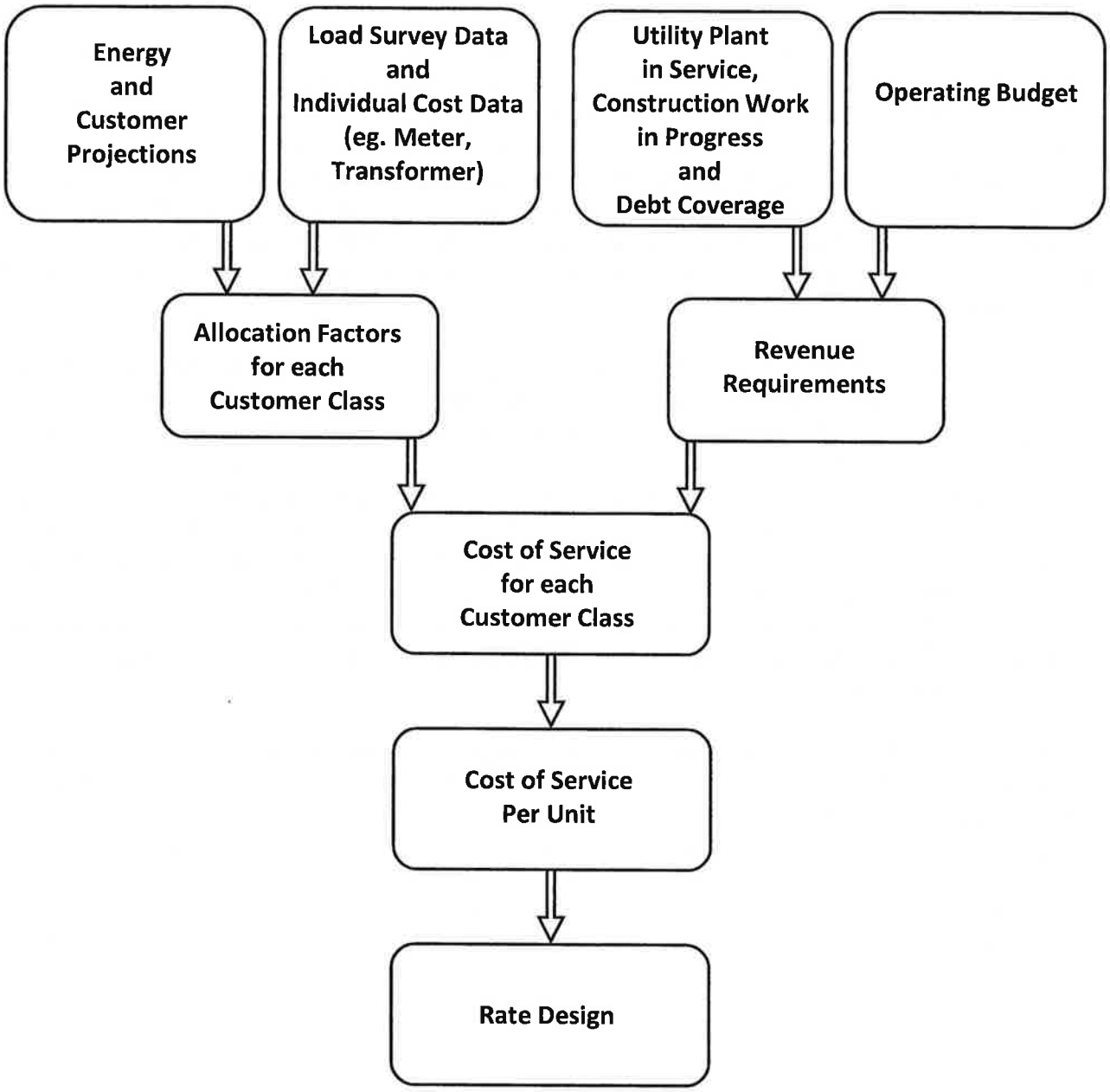
The Cost Analysis or cost-of-service study presented in this section provides a basis for rate design. The study analyzes Lincoln Electric System's (LES) cost of providing service to retail and Supplemental Firm Power ratepayers and defines revenue requirements of the system from operating and financial 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
2010

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, 2010, total 129,862.

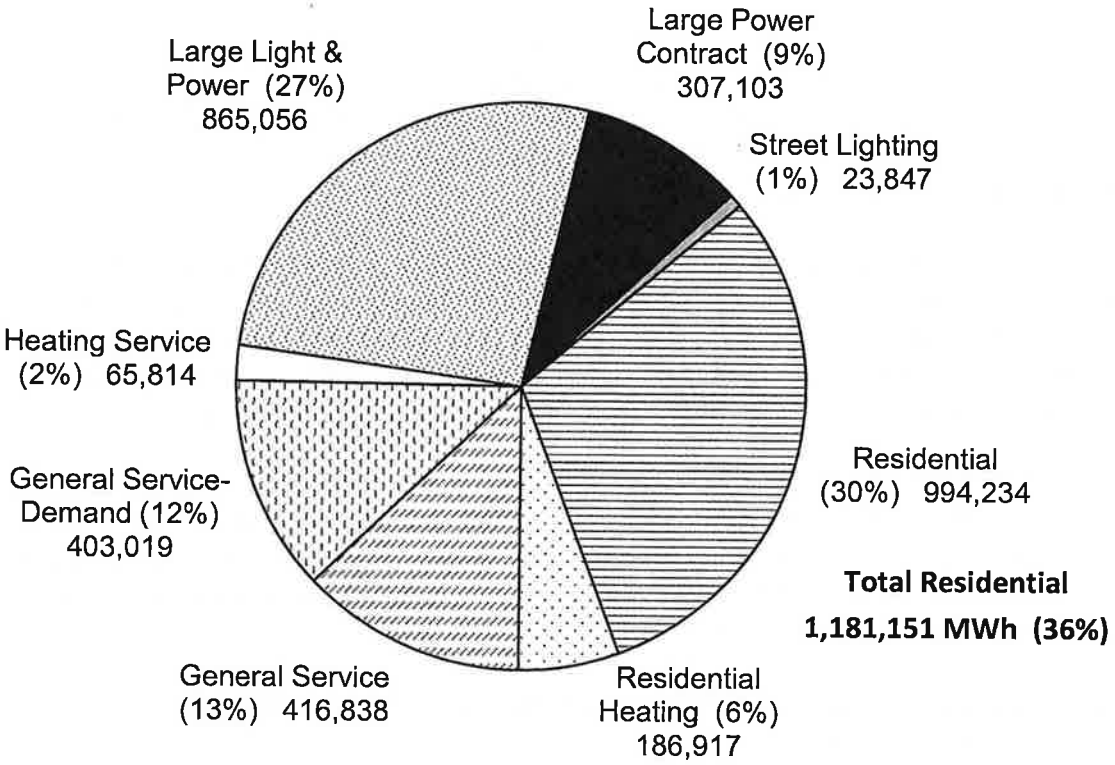
Initial energy projections by rate code are based on normalized histories or on projections for individual customers. These rate code projections are adjusted proportionately to total monthly revenue class sales projections. Retail energy sales projected for 2010 total 3,206.6 GWh, with SFP customers adding 56.2 GWh to bring the total energy projected sales to 3,262.8 GWh.

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

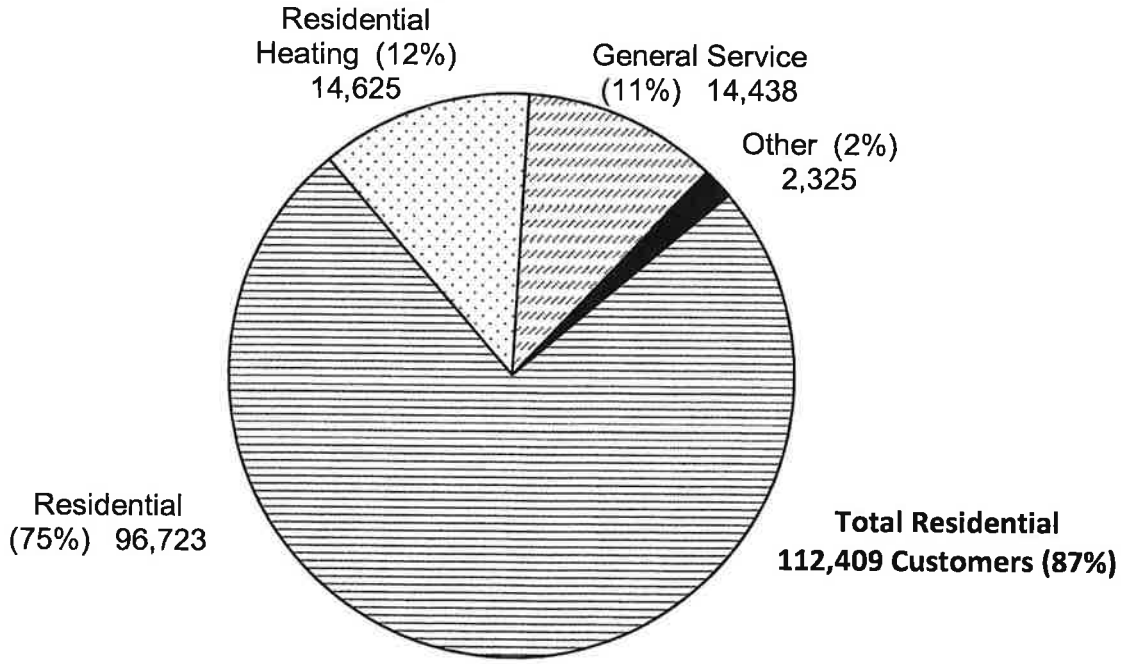
The following charts and tables present the distribution of projected customers, energy sales and billing demands among LES rate classes.

2010 PROJECTIONS

Total Annual Energy Sales - Retail plus SFP (3,262,829 MWh)



Average Annual Customers - Retail plus SFP (129,172)



Lincoln Electric System
Projected Customers by Rate Class
2010 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average
Residential														
Residential 01	96,205	96,299	96,393	96,487	96,580	96,674	96,769	96,863	96,958	97,053	97,147	97,242	1,160,670	96,723
Residential 03	15,603	15,618	15,633	15,648	15,664	15,679	15,694	15,710	15,725	15,740	15,756	15,771	188,241	15,687
Total Residential	111,808	111,917	112,026	112,135	112,244	112,353	112,463	112,573	112,683	112,793	112,903	113,013	1,348,911	112,409
General Service														
General Service 10	14,359	14,374	14,387	14,401	14,416	14,430	14,444	14,459	14,471	14,485	14,500	14,514	173,240	14,437
General Service 13	1	1	1	1	1	1	1	1	1	1	1	1	12	1
Total General Service	14,360	14,375	14,388	14,402	14,417	14,431	14,445	14,460	14,472	14,486	14,501	14,515	173,252	14,438
Heating Service														
Heating Service 21	695	695	696	697	697	698	699	699	700	701	701	702	8,380	698
Total Heating Service	695	695	696	697	697	698	699	699	700	701	701	702	8,380	698
General Service - Demand														
GSD 11	897	898	899	900	901	901	902	903	904	905	906	906	10,822	902
GSD 12	3	3	3	3	3	3	3	3	3	3	3	3	36	3
GSD Interruptible 35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	900	901	902	903	904	904	905	906	907	908	909	909	10,858	905
Large Light and Power														
LLP 15	207	207	208	208	208	208	208	208	209	209	209	209	2,498	208
LLP 16 (Primary)	23	23	23	23	23	23	23	23	23	23	23	23	276	23
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)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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)	1	1	1	1	1	1	1	1	1	1	1	1	12	1
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	239	239	240	240	240	240	240	240	241	241	241	241	2,882	240
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)	5	5	5	5	5	5	5	5	5	5	5	5	60	5
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 - OPD 49 (35 kV)	1	1	1	1	1	1	1	1	1	1	1	1	12	1
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	453	454	454	454	454	455	455	455	456	456	456	457	5,459	455
Street Lighting 26	18	18	18	18	18	18	18	18	18	18	18	18	216	18
Total Lighting	471	472	472	472	472	473	473	473	474	474	474	475	5,675	473
Total Retail System	**128,480**	**128,606**	**128,731**	**128,856**	**128,981**	**129,106**	**129,232**	**129,358**	**129,484**	**129,610**	**129,736**	**129,862**	**1,550,042**	**129,170**
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
2010 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Summer	Winter
Residential															
Residential 01	92,131	81,467	73,319	62,979	59,861	77,986	106,636	119,702	100,563	72,904	62,575	84,110	994,234	404,887	589,347
Residential 03	23,917	24,085	19,984	14,583	11,067	11,250	13,200	14,840	13,248	11,152	11,459	18,132	186,917	52,538	134,379
Total Residential	116,047	105,552	93,303	77,562	70,929	89,236	119,836	134,542	113,811	84,056	74,033	102,243	1,181,151	457,425	723,726
General Service															
General Service 10	35,779	37,232	33,018	30,321	29,119	34,041	38,217	42,758	39,114	32,109	30,579	34,551	416,838	154,130	262,709
General Service 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Service	35,779	37,232	33,018	30,321	29,119	34,041	38,217	42,758	39,114	32,109	30,579	34,551	416,838	154,130	262,709
Heating Service															
Heating Service 21	8,528	8,521	7,227	5,238	4,153	4,014	4,288	4,876	4,250	3,852	4,480	6,386	65,814	17,428	48,386
Total Heating Service	8,528	8,521	7,227	5,238	4,153	4,014	4,288	4,876	4,250	3,852	4,480	6,386	65,814	17,428	48,386
General Service - Demand															
GSD 11	32,838	31,763	30,025	29,583	29,995	36,457	36,547	41,769	37,194	31,992	32,036	30,901	401,101	151,967	249,134
GSD 12	204	193	182	158	151	135	144	149	148	145	141	169	1,918	576	1,342
GSD Interruptible 35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	33,042	31,956	30,206	29,741	30,146	36,592	36,691	41,917	37,342	32,138	32,177	31,070	403,019	152,543	250,476
Large Light and Power															
LLP 15	41,894	44,051	41,285	45,342	43,298	52,839	51,881	57,463	53,838	48,032	47,819	40,809	568,549	216,021	352,528
LLP 16 (Primary)	14,468	14,886	13,641	14,193	14,057	15,860	17,810	19,332	19,071	16,660	15,107	14,759	189,845	72,072	117,773
LLP 39 (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LLP Off Peak Seasonal 17	244	236	191	143	95	89	104	122	107	80	114	189	1,713	422	1,291
LLP Off Peak Seasonal 19 (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	478	473	445	475	414	304	298	315	333	523	483	477	5,019	1,250	3,769
LLP Off Peak Daily 28 (Primary)	230	257	239	245	163	106	112	94	69	120	204	312	2,150	380	1,770
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)	355	229	1,395	733	1,063	759	452	492	846	234	696	929	8,182	2,548	5,634
Cogeneration Supplemental 42 (35 kV)	3,241	2,656	2,227	1,930	2,259	2,943	2,947	3,320	3,156	3,174	2,874	2,691	33,417	12,366	21,051
Total LLP	60,909	62,787	59,424	63,062	61,349	72,899	73,604	81,137	77,418	68,823	67,296	60,166	808,875	305,059	503,816
Large Power Contract															
Large Power Contract 44	3,334	3,571	3,358	3,767	3,915	4,246	5,071	5,239	4,818	4,033	3,798	3,361	48,509	19,373	29,136
Large Power Contract 45 (Primary)	16,457	15,854	14,141	15,331	15,411	16,574	19,397	20,573	20,470	18,073	18,017	16,695	206,994	77,015	129,979
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 - OPD 49 (35 kV)	4,500	4,500	4,500	4,500	4,500	3,600	4,000	4,000	4,000	4,500	4,500	4,500	51,600	15,600	36,000
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	24,291	23,925	21,999	23,597	23,826	24,420	28,468	29,812	29,288	26,605	26,315	24,556	307,103	111,988	195,115
Lighting															
Security Lighting 20	142	142	142	142	142	143	142	142	143	143	143	142	1,709	570	1,139
Traffic Lighting 24	102	100	98	97	95	93	92	90	89	87	86	84	1,111	364	748
Street Lighting 26	1,742	1,744	1,744	1,746	1,749	1,750	1,754	1,755	1,757	1,759	1,762	1,765	21,027	7,016	14,011
Total Lighting	1,986	1,986	1,984	1,985	1,986	1,986	1,988	1,988	1,988	1,989	1,990	1,991	23,847	7,949	15,898
Total Retail System	**280,583**	**271,960**	**247,162**	**231,507**	**221,508**	**263,189**	**303,093**	**337,030**	**303,211**	**249,571**	**236,870**	**260,964**	**3,206,648**	**1,206,522**	**2,000,125**
Wholesale Class II															62%
Supplemental Firm Power Secondary UNL	1,053	1,084	1,294	1,610	1,241	1,711	2,853	2,947	2,136	1,599	1,257	997	19,781	9,647	10,135
Supplemental Firm Power UNL	1,351	1,325	1,535	1,727	1,198	1,287	1,846	2,024	1,706	1,424	1,446	1,250	18,120	6,863	11,257
Supplemental Firm Power HHSS	1,468	1,339	1,369	1,376	1,591	1,677	1,865	1,873	1,615	1,464	1,263	1,379	18,280	7,031	11,250
Total Wholesale Class II	3,873	3,749	4,198	4,713	4,030	4,675	6,564	6,844	5,457	4,487	3,966	3,627	56,181	23,540	32,641
Non Billed	655	652	544	457	406	317	318	347	330	311	386	417	5,139	1,312	3,827

Lincoln Electric System
Projected Billing Demands (kW)
2010 Revenue Projections

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
General Service - Demand													
RC 11 (Secondary)	88,186	90,028	90,578	91,363	95,485	101,448	104,285	109,350	109,541	101,367	93,948	90,895	1,166,473
RC 12 (Primary)	484	485	459	458	434	384	401	412	405	410	415	428	5,175
RC 35 - Interruptible (Secondary)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GSD	88,670	90,513	91,037	91,821	95,919	101,832	104,686	109,762	109,946	101,777	94,363	91,323	1,171,648
Large Light and Power													
RC 15 - LLP (Secondary)	97,763	95,872	98,092	102,388	107,794	113,624	115,867	120,469	120,597	115,138	105,635	100,717	1,293,957
RC 16 - LLP (Primary)	33,359	33,765	33,768	33,538	34,949	35,999	38,604	41,281	40,474	37,514	34,296	34,200	431,746
RC 39 - LLP (35 kV)	0	0	0	0	0	0	0	0	0	0	0	0	0
RC 17 - Off Peak Seasonal (Secondary)	522	548	505	379	327	219	259	278	258	196	343	460	4,293
RC 19 - Off Peak Seasonal (Primary)	0	0	0	0	0	0	0	0	0	0	0	0	0
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)	1,978	1,978	1,978	1,978	1,978	2,011	2,011	2,010	2,010	2,010	2,010	2,010	23,962
RC 28 - Off Peak Daily (Primary)	558	530	547	549	502	49	60	64	0	0	158	342	3,359
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)	7,043	7,064	6,849	6,927	6,872	6,400	6,400	4,983	4,580	7,020	6,400	6,904	77,442
RC 41 - Cogeneration Contract (35 kV)	0	0	0	0	0	725	725	725	725	0	725	0	3,625
RC 42 - Cogeneration Supplemental (35 kV)	5,746	5,907	5,841	5,953	5,779	5,778	5,323	5,332	4,301	4,656	5,020	5,797	65,432
Total LLP	146,969	145,664	147,580	151,711	158,200	164,806	169,248	175,142	172,945	166,534	154,587	150,430	1,903,815
Large Power Contract													
RC 44 - Large Power Contract	6,081	6,825	6,359	7,259	7,582	8,116	8,801	9,204	9,356	7,999	7,511	6,122	91,215
RC 45 - Large Power Contract (Primary)	28,210	28,034	28,017	28,628	29,452	30,596	35,379	35,506	35,007	33,346	31,155	28,606	371,937
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 49 - Large Power Contract OPD (35 kV)	6,000	6,000	6,000	6,000	6,000	4,000	4,000	4,000	4,000	6,000	6,000	6,000	64,000
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	40,291	40,859	40,376	41,887	43,034	42,712	48,180	48,710	48,363	47,345	44,666	40,728	527,152
Total Retail Billing Demands	**275,930**	**277,036**	**278,994**	**285,419**	**297,153**	**309,349**	**322,114**	**333,614**	**331,253**	**315,656**	**293,616**	**282,481**	**3,602,615**
Wholesale Class II													
Supplemental Firm Power (Secondary)	2,326	2,233	2,555	2,708	2,865	3,268	3,302	3,111	3,142	3,065	2,676	2,400	33,652
Supplemental Firm Power HHSS	2,630	2,558	2,636	2,931	3,135	3,160	3,255	3,410	3,140	2,856	2,594	2,552	34,856
Supplemental Firm Power UNL	2,326	2,233	2,555	2,708	2,865	3,268	3,302	3,111	3,142	3,065	2,676	2,400	33,652
Total Wholesale Class II	7,283	7,025	7,747	8,346	8,866	9,697	9,859	9,632	9,424	8,985	7,946	7,351	102,161
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	3,423	3,555	4,272	4,700	4,768	4,541	4,177	3,797	3,303	3,278	3,136	3,136	46,086
SFP Wholesale Class II Dual Primary	1,759	1,788	1,772	1,718	1,798	1,813	1,750	1,740	1,726	1,704	1,715	1,713	20,995
RC 17 Seasonal (Winter Excess)	244	270	227	101	49	0	0	0	0	0	65	182	1,138
RC 27 Daily (Excess)	521	518	549	540	530	203	198	226	178	623	537	363	4,983
RC 28 Daily (Excess)	336	336	336	336	336	600	600	600	600	600	600	600	5,880
RC 49 Daily (Excess)	4,000	4,000	4,000	4,000	4,000	5,930	5,930	5,930	4,000	4,000	4,000	4,000	53,790
LLP Excess KVAR	11,244	11,121	12,873	11,338	13,849	16,318	15,883	17,774	17,286	15,774	14,230	12,621	170,311

UTILITY PLANT IN SERVICE (UPIS)
AND
CONSTRUCTION WORK IN PROGRESS (CWIP)
2010

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 $1,216,073,325.

FUNCTIONALIZED UTILITY PLANT IN SERVICE
AND CONSTRUCTION WORK IN PROGRESS AS OF 9/30/09
2010

(Dollars)

	FERC Accounts		Total	Capacity Related	Facilities Related	Direct Assignment
		Production Plant				
L1	312	Boiler Plant Equipment	169,929,722	169,929,722	0	0
L2	310 & 340	Land and Land Rights	3,405,679	3,405,679	0	0
L3	311 & 341	Structures and Improvements	93,890,587	93,890,587	0	0
L4	342	Fuel Holders, Producers and Accessories	23,924,309	23,924,309	0	0
L5	343	Internal Combustion Engines	177,372,222	177,372,222	0	0
L6	314 & 344	Generators	57,281,872	57,281,872	0	0
L7	315 & 345	Accessory Electric Equipment	25,939,247	25,939,247	0	0
L8	346	Miscellaneous Power Plant Equipment	20,793,669	20,793,669	0	0
L9	350 - 359	External Extra High Voltage Transmission	48,075,797	48,075,797	0	0
L10	301, 303, 389-399	LRS Gen Plant, Rokeby Gas, WS#4 Plant	11,043,524	11,043,524	0	0
L11		**Total Production Plant**	631,656,628	631,656,628	0	0
		Transmission Plant				
		Extra High Voltage Transmission				
L12	350.3	Land and Land Rights	7,245,488	7,245,488	0	0
L13	352.3	Structures and Improvements	1,143,721	1,143,721	0	0
L14	353.3 & 303	Station Equipment	25,309,237	25,309,237	0	0
L15	354.3	Towers and Fixtures	746,478	746,478	0	0
L16	355.3	Poles, Towers, and Fixtures	20,353,408	20,353,408	0	0
L17	356.3	Overhead Conductors and Devices	13,231,634	13,231,634	0	0
L18		**Total Extra High Voltage Transmission**	68,029,966	68,029,966	0	0
		High Voltage Transmission				
L19	350.2	Land and Land Rights	10,045,716	10,045,716	0	0
L20	352.2	Structures and Improvements	3,024,082	3,024,082	0	0
L21	353.2	Station Equipment	51,960,123	51,960,123	0	0
L22	354.2	Towers and Fixtures	752,351	752,351	0	0
L23	355.2	Poles, Towers and Fixtures	14,982,206	14,982,206	0	0
L24	356.2	Overhead Conductors and Devices	21,130,958	21,130,958	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**	103,904,711	103,904,711	0	0
L29		**Total Transmission Plant**	171,934,677	171,934,677	0	0
		Distribution Plant				
		35 kV				
L30	360	Land and Land Rights	390,130	0	390,130	0
L31	361	Structures and Improvements	193,017	0	193,017	0
L32	362	Station Equipment	7,018,168	0	7,018,168	0
L33	364	Poles, Towers and Fixtures	3,602,509	0	3,602,509	0
L34	365	Overhead Conductors and Devices	3,793,605	0	3,793,605	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**	16,555,218	0	16,555,218	0
		Other Distribution				
L38	353	Station Equipment	0	0	0	
L39	360	Land and Land Rights	3,850,494	0	3,850,494	0
L40	361	Structures and Improvements	2,998,876	0	2,998,876	0
L41	362	Station Equipment	38,195,747	0	38,195,747	0
L42	364	Poles, Towers and Fixtures	25,614,866	0	25,614,866	0
L43	365	Overhead Conductors and Devices	34,057,069	0	34,057,069	0
L44	366 & 367	Underground Conduit, Conductors & Devices	125,661,990	0	125,661,990	0
L45	368	Line Transformers	67,018,741	0	67,018,741	0
L46	369	Services	28,614,703	0	28,614,703	0
L47	370	Meters	14,883,658	0	14,883,658	0
L48	372	Leased Property on Customer Premises	585,328	0	0	585,328
L49	373	Street Lighting and Signal System	957,915	0	0	957,915
L50		**Total Other Distribution**	342,439,387	0	340,896,144	1,543,243
L51		**Total Distribution Plant**	358,994,605	0	357,451,362	1,543,243
L52		**Total Production, Transmission & Distribution**	1,162,585,910	803,591,305	357,451,362	1,543,243
L53		Percent of Total	100.0%	69.2%	30.7%	0.1%
L54		**General Plant**	53,487,415	37,013,291	16,420,636	53,487
L55		**Total Utility Plant In Service**	**1,216,073,325**	**840,604,596**	**373,871,999**	**1,596,731**

ALLOCATION FACTORS
2010

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. In the 2009 Cost Analysis, Transmission allocation was changed from the 12CP method to the 4CP method. This reflects the influence of summer load requirements on building the transmission system.

Facilities Related

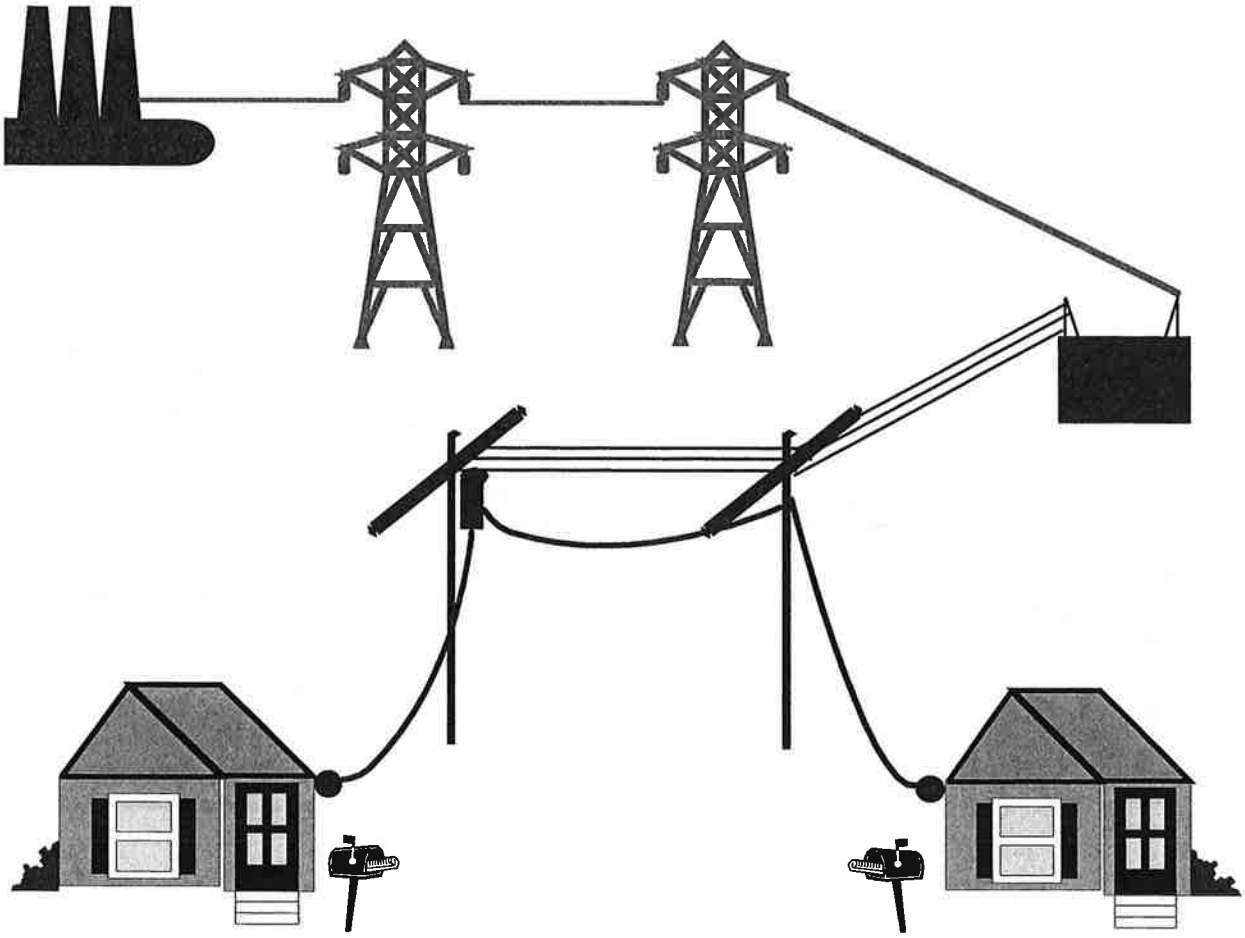
Facilities related costs are those incurred by the System for having services connected to the distribution system. Examples include costs of line transformers, meters, service drops, distribution substations and distribution lines. Costs of line transformers, meters and service drops are allocated to classes based on weighted customer costs. This equipment is dedicated to individual customers. Costs of distribution substations and lines are allocated using a four summer month non-coincident peak factor (4NCP). 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 2010 unbundled cost components.

ENERGY ALLOCATION FACTORS
2010

		Res	GS	HS	GSD	LLP + SFP	LPC	Light	TTL
L1	Res 01 MWh	994,234							
L2	Loss Multiplier	1.049							
L3	Adjusted Sales & Losses	1,042,951							
L4	Res 03 MWh	186,917							
L5	Loss Multiplier	1.049							
L6	Adjusted Sales & Losses	196,076							
L7	Secondary MWh		416,838	65,814	401,101	595,062	48,509		
L8	Loss Multiplier		1.049	1.049	1.049	1.049	1.049		
L9	Adjusted Sales & Losses		437,263	69,039	420,755	624,220	50,886		
L10	Primary MWh		0		1,918	228,396	206,994		
L11	Loss Multiplier		1.018		1.018	1.018	1.018		
L12	Adjusted Sales & Losses		0		1,953	232,507	210,720		
L13	35 kV MWh					41,599	51,600		
L14	Loss Multiplier					1.008	1.008		
L15	Adjusted Sales & Losses					41,932	52,013		
L16	Security MWh							1,709	
L17	Traffic MWh							1,111	
L18	Street MWh							21,027	
L19	Loss Multiplier							1.049	
L20	Adjusted Sales & Losses							25,016	
L21	TOTAL	1,239,027	437,263	69,039	422,708	898,658	313,619	25,016	3,405,330
L22	Allocation Factors	36.38%	12.84%	2.03%	12.41%	26.39%	9.21%	0.73%	100.00%
L23	Res Only	100%							100.00%
L24	Non Res		20.18%	3.19%	19.51%	41.49%	14.48%	1.15%	100.00%

COST COMPONENT UNBUNDLING

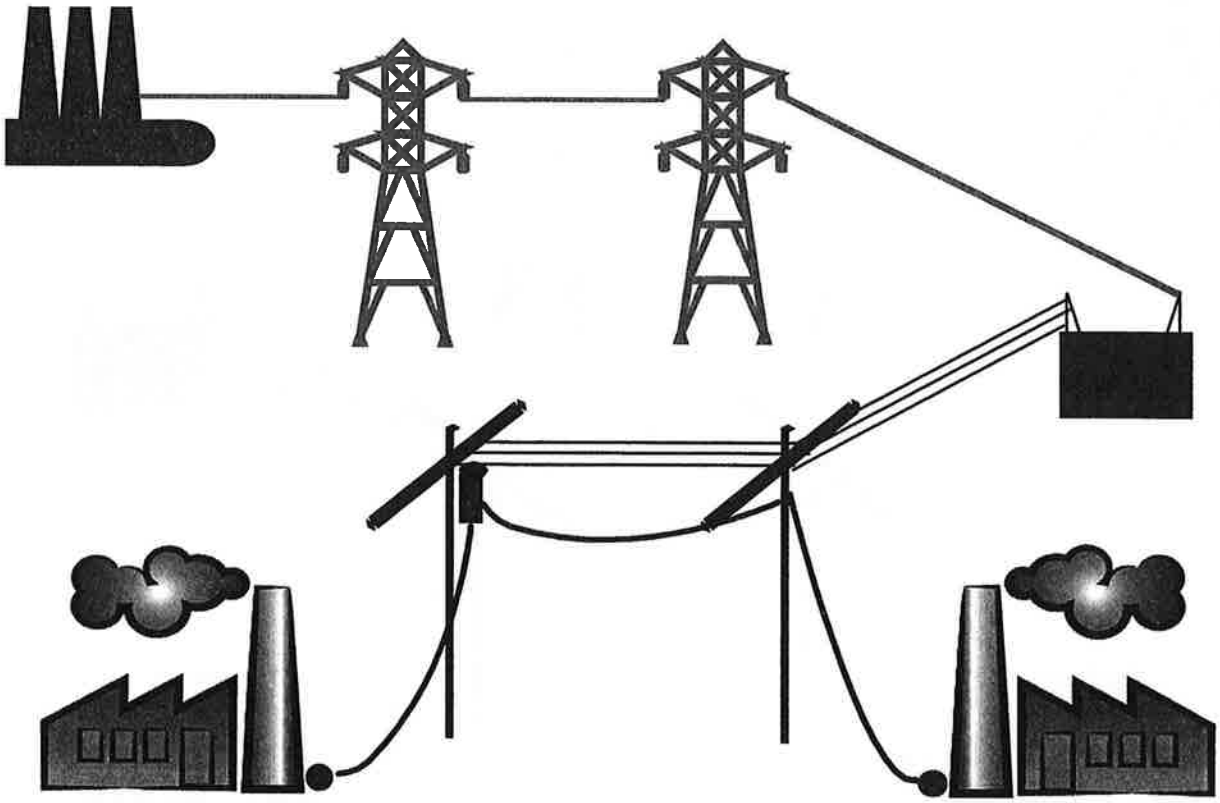


2010 Residential Per Unit Costs

	($/Bill)	(Cents/kWh)
Demand		
Generation		**3.8**
Transmission		**0.8**
Energy		
Fuel & Variable O&M		**1.7**
Customer		
Billing & Tech. Assistance	**$4.27**	**0.5**
Facilities		
Meter, Service, Transf.	**$4.38**	**0.5**
Distribution Lines & Subs.		**1.0**
	$8.66	**8.3**

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



2010 Large Light & Power Per Unit Costs

	($/kW)	(Cents/kWh)
Demand		
Generation	**$11.56**	**2.45**
Transmission	**$2.58**	**0.55**
	$14.14	
Energy		
Fuel & Variable O&M		**2.04**
Facilities		
Meter, Service, Transf.	**$0.32**	**0.07**
Distribution Lines & Subs.	**$3.46**	**0.71**
	$3.78	
	($/Bill)	
Customer		
Billing & Tech. Assistance	**$271**	**0.09**
		5.91

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
2010

		Res	GS	HS	GSD	LLP + SFP	LPC	Light	TTL
	Customer Accounting								
L1	Relative Weight of Cost/Cust[1]	1.00	0.98	0.95	0.96	0.93	0.95	1.80	
L3	Weighted Customers[2]	112,409	14,151	663	866	226	7	850	129,172
L4	Allocation Factors	87.02%	10.96%	0.51%	0.67%	0.17%	0.01%	0.66%	100.00%
	Energy Services								
L5	Residential Customers	100.00%	-	-	-	-	-	-	100.00%
L6	General Service Customers	-	100.00%	-	-	-	-	-	100.00%
L7	GSD Customers	-	-	-	100.00%	-	-	-	100.00%
L8	LLP Customers	-	3.31%	-	2.40%	86.30%	8.00%	-	100.00%
	Interval Meter Reading								
L9	Non-Interval Meters	87.76%	11.05%	0.52%	0.68%	-	-	-	100.00%
L10	Interval Meters	-	-	-	-	97.19%	2.81%	-	100.00%
	Community Information								
L11	Customers	112,409	14,438	698	905	242	7	473	129,172
L12	Allocation Factors	87.02%	11.18%	0.54%	0.70%	0.19%	0.01%	0.37%	100.00%
	Sustainable Energy Program								
L13	Whole House Seal & Insulate	100.00%	-	-	-	-	-	-	100.00%
L14	Energy Effic School Curriculum	100.00%	-	-	-	-	-	-	100.00%
L15	High Effic Heat Pump & A/C	100.00%	-	-	-	-	-	-	100.00%
L16	Comm & Indust Energy Effic	-	-	-	50.00%	50.00%	-	-	100.00%
L17	Comm & Indust Light Retrofit	-	20.00%	-	40.00%	40.00%	-	-	100.00%
L18	Energy Effic Innovation Grant	-	-	-	20.00%	80.00%	-	-	100.00%

Notes

[1] Class weighted average cost per customer divided by the Residential weighted average cost per customer. A relative weight of 2 means the cost per customer of that class is two times that of the Residential class.

[2] Number of customers projected in the rate class multiplied by the Relative Weight of Cost per Customer for each class. Street and Traffic Lighting is based on the projected number of lamps.

CAPACITY ALLOCATION FACTORS
Class Average Demand at Time of System Peak Adjusted to Lincoln Demand
2010

	Average kW/Customer	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average	Summer Average
L1	**Residential**														
L7	Average[1]	1.71	1.80	1.31	1.02	1.86	2.63	3.05	2.95	2.38	1.50	1.63	1.82		
L8	Customers	96,205	96,299	96,393	96,487	96,580	96,674	96,769	96,863	96,958	97,053	97,147	97,242		
L9	at LES Demand	164,511	173,659	126,596	98,738	179,317	254,575	295,467	285,424	231,083	145,579	158,674	176,981	190,884	266,638
L10	**Residential Heating**														
L16	Average[1]	3.70	3.01	2.41	1.16	1.37	1.88	2.20	2.07	1.75	1.12	2.36	2.93		
L17	Customers	15,603	15,618	15,633	15,648	15,664	15,679	15,694	15,710	15,725	15,740	15,756	15,771		
L18	at LES Demand	57,783	47,062	37,624	18,100	21,407	29,476	34,475	32,571	27,571	17,682	37,236	46,209	33,933	31,023
L19	**General Service**														
L25	Average[1]	4.01	3.66	3.79	5.02	5.61	5.83	6.92	6.50	5.51	5.32	3.87	4.05		
L26	Customers	14,360	14,375	14,388	14,402	14,417	14,431	14,445	14,460	14,472	14,486	14,501	14,515		
L27	at LES Demand	57,536	52,660	54,483	72,346	80,927	84,133	100,008	93,990	79,789	77,114	56,119	58,737	72,320	89,480
L28	**Heating Service**														
L34	Average[1]	18.43	17.07	16.21	11.09	12.52	14.46	15.61	15.63	14.15	12.72	13.67	15.48		
L35	Customers	695	695	696	697	697	698	699	699	700	701	701	702		
L36	at LES Demand	12,809	11,866	11,284	7,727	8,729	10,093	10,911	10,923	9,905	8,914	9,583	10,867	10,301	10,458
L37	**General Service-Demand**														
L43	Average[1]	64.86	62.88	64.81	87.46	92.66	94.32	103.95	102.50	85.96	88.33	63.61	66.16		
L44	Customers	900	901	902	903	904	904	905	906	907	908	909	909		
L45	at LES Demand	58,371	56,658	58,456	78,979	83,762	85,262	94,075	92,862	77,966	80,207	57,825	60,136	73,713	87,541
L46	**LLP plus SFP**														
L52	Average[1]	479	475	467	592	610	659	669	693	616	643	476	478		
L53	Customers	241	241	242	242	242	242	242	242	243	243	243	243		
L54	at LES Demand	115,500	114,415	113,048	143,328	147,660	159,400	161,801	167,793	149,749	156,149	115,585	116,082	138,376	159,686
L55	**LPC**														
L61	Average[1]	4,951	4,884	5,049	5,975	6,186	6,759	6,791	6,798	5,589	6,404	4,757	4,777		
L62	Customers	7	7	7	7	7	7	7	7	7	7	7	7		
L63	at LES Demand	34,654	34,187	35,344	41,827	43,304	47,315	47,540	47,585	39,120	44,828	33,298	33,440	40,204	45,390
L64	**Cogen Backup[2]**														
L70	Average[1]	916	4,446	1,749	679	2,419	2,555	2,444	6,703	4,372	2,269	6,642	2,215	3,117	4,019
L71	**LLP less Cogen Backup[2]**														
L72		114,584	109,969	111,299	142,648	145,240	156,844	159,357	161,090	145,377	153,880	108,944	113,867	135,258	155,667
L73	**Lighting[3]**														
L74	at LES Demand	127	127	127	127	127	127	127	127	127	127	127	127	127	127
L75	**TOTAL**	501,289	490,635	436,962	461,172	565,233	670,381	744,404	731,276	615,310	530,599	468,446	502,578	559,857	690,343
L76															

L77	Coincident Demand Percentages	Res 01	Res 03	Ttl Res	GS	HS	GSD	LLP + SFP	LPC	Cogen BU	Ltg	Total
L78	4CP (Jun - Sep)	38.64%	4.49%	43.13%	12.96%	1.51%	12.68%	22.55%	6.57%	0.58%	0.02%	100.00%
L79	12 CP	34.09%	6.06%	40.15%	12.92%	1.84%	13.17%	24.16%	7.18%	0.56%	0.02%	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 Frim Power load. The Cogen Backup load is excluded from LLP class average demand to develop separate LLP (without backup) and Cogen Backup allocation factors for revenue requirement allocations. ADM did not generate Aug '07 - Dec '08.

3 Lighting is based on Traffic Lighting usage only (projected energy of 1,111,294 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
2010

Coincident Peak Capacity Allocators

		Res	Res Htg	Ttl Res	GS	HS	GSD	LLP + SFP	LPC	Cogen BU	Light[1]	TTL
L1	4CP (Jun - Sep)	38.64%	4.49%	43.13%	12.96%	1.51%	12.68%	22.55%	6.57%	0.58%	0.02%	100.00%
L2	12CP (12 mo)	34.09%	6.06%	40.15%	12.92%	1.84%	13.17%	24.16%	7.18%	0.56%	0.02%	100.00%

Peaking Load to Resources Ratio

		Projections (MW)		Summer Peaking (MW)	
L3		Summer System Peak	777	Rokeby[3]	242
L4		Winter System Peak[4]	573	8th & J	27
L5		Difference	204	Terry Bundy[3]	49
L6				WAPA	72
L7					390
L8		Peaking Load-to-Resources Ratio = 204 / 390		0.52	
L9		Adjustment Factor[4]		1.00	

Capacity Requirements

			Adjust Factor	Adjusted	Allocation Method
L10		Power Supply Peaking[5]	$19,841,570	1.00	$19,841,570	4CP
L11		Power Supply Remaind	$89,981,964		$89,981,964	12CP
L12		Transmission	$22,031,948		$22,031,948	4CP
L13			$131,855,481		$131,855,481	

Capacity Requirements

		Res	Res Htg	Ttl Res	GS	HS	GSD	LLP + SFP	LPC	Cogen BU	Light[1]	TTL
L14	PS Peaking	$7,666,783	$890,886	$8,557,669	$2,571,467	$299,608	$2,515,911	$4,474,274	$1,303,591	$115,081	$3,968	$28,399,239
L15	PS Remainder	$30,674,851	$5,452,907	$36,127,758	$11,625,670	$1,655,668	$11,850,625	$21,739,642	$6,460,705	$503,899	$17,996	$126,109,722
L16	Transmission	$8,513,145	$989,234	$9,502,379	$2,855,340	$332,682	$2,793,651	$4,968,204	$1,447,499	$127,785	$4,406	$31,534,327
L17	Total	$46,854,778	$7,333,028	$54,187,806	$17,052,478	$2,287,958	$17,160,187	$31,182,121	$9,211,795	$746,765	$26,371	$186,043,287

4CP/12CP Capacity Allocators

L18	Capacity Alloc	35.53%	5.56%	41.10%	12.93%	1.74%	13.01%	23.65%	6.99%	0.57%	0.02%	100.00%

Notes

[1] The lighting coincidental demand percentages are based on Traffic usage only because 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=63.2; Rokeby Unit #2=87.7; Rokeby Unit #3=88.2; Rokeby Black Start=3.0; Terry Bundy Unit #4=47.6; Terry Bundy Black Start=1.6.

[4] The Adjustment Factor is set at 1.0 to allocate 100% of peaking costs to all customers.

[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
Class Peak Conicidental Average Demand - Non Coincident with System Peak
2010

	Average kW/Customer	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	12NCP	4NCP
L1	**Residential**														
L7	Average[1]	1.93	1.87	1.65	1.48	2.12	2.80	3.33	3.28	2.68	1.93	1.82	2.02		
L8	Customers	96,205	96,299	96,393	96,487	96,580	96,674	96,769	96,863	96,958	97,053	97,147	97,242		
L9	at LES Demand	185,355	179,758	158,727	143,122	204,750	271,010	322,563	317,712	260,171	187,312	176,808	196,753	217,003	292,864
L10	**Residential Heating**														
L16	Average[1]	4.07	3.86	2.79	2.08	2.08	2.39	2.56	2.48	2.16	1.92	2.73	3.60		
L17	Customers	15,603	15,618	15,633	15,648	15,664	15,679	15,694	15,710	15,725	15,740	15,756	15,771		
L18	at LES Demand	63,452	60,338	43,669	32,497	32,580	37,473	40,177	38,960	34,018	30,169	43,013	56,775	42,760	37,657
L19	**General Service**														
L25	Average[1]	5.18	4.97	4.77	5.35	5.97	6.77	7.32	7.25	6.48	5.66	4.86	5.05		
L26	Customers	14,360	14,375	14,388	14,402	14,417	14,431	14,445	14,460	14,472	14,486	14,501	14,515		
L27	at LES Demand	74,337	71,396	68,679	77,099	86,118	97,698	105,786	104,787	93,779	81,991	70,523	73,349	83,795	100,512
L28	**Heating Service**														
L34	Average[1]	25.99	25.07	22.00	16.32	13.36	14.80	16.19	16.48	14.74	15.23	21.66	26.31		
L35	Customers	695	695	696	697	697	698	699	699	700	701	701	702		
L36	at LES Demand	18,061	17,424	15,314	11,373	9,314	10,328	11,314	11,517	10,318	10,676	15,186	18,472	13,275	10,869
L37	**General Service-Demand**														
L43	Average[1]	78.23	77.86	79.82	91.26	98.39	104.07	108.49	109.66	105.64	95.09	80.62	75.68		
L44	Customers	900	901	902	903	904	904	905	906	907	908	909	909		
L45	at LES Demand	70,404	70,149	71,998	82,405	88,948	94,082	98,186	99,349	95,815	86,339	73,284	68,796	83,313	96,858
L46	**LLP plus SFP**														
L52	Average[1]	559	555	566	631	663	701	727	734	700	672	592	552		
L53	Customers	241	241	242	242	242	242	242	242	243	243	243	243		
L54	at LES Demand	134,713	133,773	136,990	152,626	160,390	169,586	175,928	177,574	170,145	163,219	143,934	134,189	154,422	173,309
L55	**LPC**														
L61	Average[1]	5,693	5,677	6,046	6,295	6,566	7,127	7,270	7,211	6,940	6,743	5,975	5,462		
L62	Customers	7	7	7	7	7	7	7	7	7	7	7	7		
L63	at LES Demand	39,854	39,738	42,320	44,064	45,965	49,890	50,889	50,480	48,580	47,198	41,823	38,236	44,920	49,960
L64	**Cogen Backup[2]**														
L70	Average[1]	6,630	6,603	6,559	6,992	6,910	7,031	6,445	6,920	5,489	6,443	6,589	6,535	6,596	6,471
L71	**35 kV[4]**														
L77	Average[1]	12,763	12,688	11,731	12,807	13,426	13,070	12,648	13,834	12,787	13,045	13,063	12,530	12,866	13,085
L78	**LLP less Cogen Backup[2]**														
L79		128,084	127,169	130,430	145,634	153,480	162,556	169,483	170,654	164,656	156,776	137,344	127,653	147,827	166,837
L80	**Excluding 35 kV Services[4]**														
L81	Class Peak	115,321	114,481	118,699	132,827	140,054	149,486	156,835	156,819	151,869	143,732	124,282	115,123	134,961	153,752
L82	**Lighting[3]**														
L83	at LES Demand	6,021	5,970	5,942	5,946	5,950	5,948	5,964	5,971	5,966	5,980	5,991	5,991	5,970	5,962
L84	**TOTAL**	592,197	578,545	543,638	549,131	634,015	736,015	810,808	806,349	718,792	612,884	570,561	592,561	645,458	767,991
	less kV & Coge	572,804	559,253	525,347	529,332	613,679	715,914	791,714	785,595	700,516	593,396	550,909	573,496	625,996	748,435

L85	Class 4 Noncoincident Demand Percentages	Ttl Res	GS	HS	GSD	LLP + SFP	LPC	Cogen BU	Ltg	Total
L86	All Classes	43.03%	13.09%	1.42%	12.61%	21.72%	6.51%	0.84%	0.78%	100.00%
L87	Excluding 35 kV Services[4]	44.16%	13.43%	1.45%	12.94%	20.54%	6.68%	-	0.80%	100.00%
L88	Excluding Lighting (for Locating) 12 mo	43.37%	13.19%	1.43%	12.71%	21.89%	6.56%	0.85%	-	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 Frim Power load. The Cogen Backup load is excluded from LLP cl average demand to develop separate LLP (without backup) and Cogen Backup allocation factors for revenue requirement allocations. ADM did not generate Aug '07 - Dec '08.

[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. For 2010 analysis, used 3 year average since a new customer was added in 2008.

FACILITY ALLOCATION FACTORS
2010

		Res	GS	HS	GSD	LLP + SFP	LPC	Light	TTL
	Line Transformers								
L1	Relative Weight of Cost/Cust[1]	1.0	11.4	20.5	37.0	110.7	24.4	2.0	
L2	Weighted Customers[2]	113,067	164,946	14,333	33,509	26,800	171	930	353,757
L3	Allocation Factors	31.96%	46.63%	4.05%	9.47%	7.58%	0.05%	0.26%	100.00%
	Services								
L4	Relative Weight of Cost/Cust[1]	1.0	1.2	1.8	4.8	12.6	3.8	0.0	
L5	Weighted Customers[2]	113,959	17,081	1,255	4,335	3,057	26	0	139,714
L6	Allocation Factors	81.57%	12.23%	0.90%	3.10%	2.19%	0.02%	0.00%	100.00%
	Meters								
L7	Relative Weight of Cost/Cust[1]	1.0	3.2	4.3	13.1	35.1	133.1	0.0	
L8	Weighted Customers[2]	112,409	45,560	3,000	11,842	8,491	932	0	182,233
L9	Allocation Factors	61.68%	25.00%	1.65%	6.50%	4.66%	0.51%	0.00%	100.00%
L10	Wtd Avg of Services & Meters[3]	74.76%	16.60%	1.15%	4.26%	3.03%	0.19%	0.00%	100.00%
	Distribution								
L11	Class 4NCP	43.03%	13.09%	1.42%	12.61%	22.56%	6.51%	0.78%	100.00%
L12	Adjusted to exclude 35 kV[4]	44.16%	13.43%	1.45%	12.94%	20.54%	6.68%	0.80%	100.00%
L13	Class 4NCP excluding Lighting[5]	43.37%	13.19%	1.43%	12.71%	22.74%	6.56%	0.00%	100.00%

Notes

[1] Class weighted average cost per customer divided by the Residential weighted average cost per customer. A relative weight of 2 means the cost per customer of that class is two times that of the Residential class.

[2] Number of customers projected in the rate class multiplied by the Relative Weight of Cost per Customer for each class. Street and Traffic Lighting is based on the projected number of lamps.

[3] Weighted Average of Services and Meters is based on services and meters in customer related plant. Services total 65.78% and Meters total 34.22%.

[4] Distributes 35 kV facilities requirements that are not directly assigned to 35 kV customers.

[5] Street Lighting Locating services are part of Street Lighting budget and directly assigned to the class. Calculated allocation factors excluding Street Lighting are used to distribute other Locating services.

PROJECTED LOAD FACTORS
2010

Class Average at Time of System Peak Adjusted to Lincoln Demand (kW)[1]

		2004 (a)	2005 (b)	2006 (c)	2007 (d)	2008 (e)	Average[2] (f)
L1	Residential 01	3.35	3.45	3.47	3.18	3.35	3.38
L2	Residential 03	2.76	2.52	2.65	2.55	2.46	2.57
L3	General Service	7.53	7.8	7.54	7.24	6.57	7.44
L4	Heating Service	14.24	15.64	17.29	18.01	18.11	16.98
L5	GS Demand	111.64	108.4	116.88	109.22	97.31	109.75
L6	Large Light & Power + SFP	728.48	752.98	750.46	776.37	747.18	750.21
L7	Large Power Contract	6887.31	7105.25	7096.59	7527.37	7021.37	7074.4

		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	96,723	326,922	1,042,951	119,058	36.4%
L9	Residential 03	15,687	40,315	196,076	22,383	55.5%
L10	General Service	14,438	107,416	437,263	49,916	46.5%
L11	Heating Service	698	11,858	69,039	7,881	----
L12	GS Demand	905	99,305	422,708	48,254	48.6%
L13	Large Light & Power + SFP	242	181,551	898,658	102,587	56.5%
L14	Large Power Contract	7	49,521	313,619	35,801	72.3%

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
2010

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 2010 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.

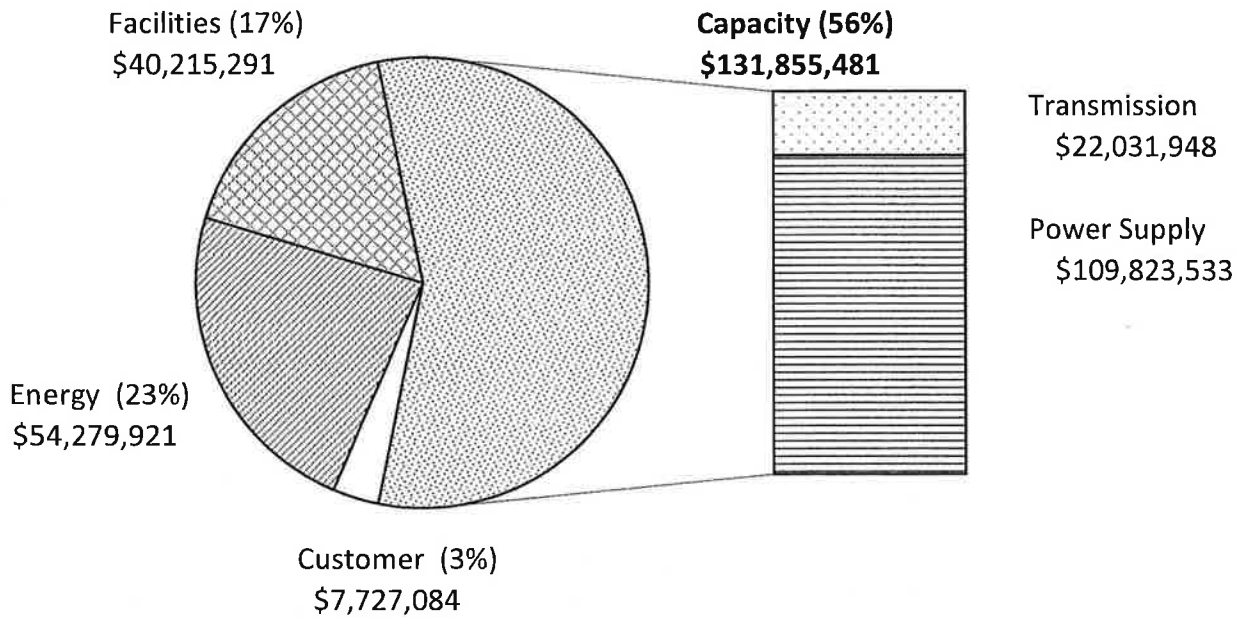
The result is total Retail Revenue Requirements plus SFP. Total System Revenue Requirements are determined by excluding credits for WAPA Wholesales, Wheeling, Rents, and Other Revenues (including Customer Fees).

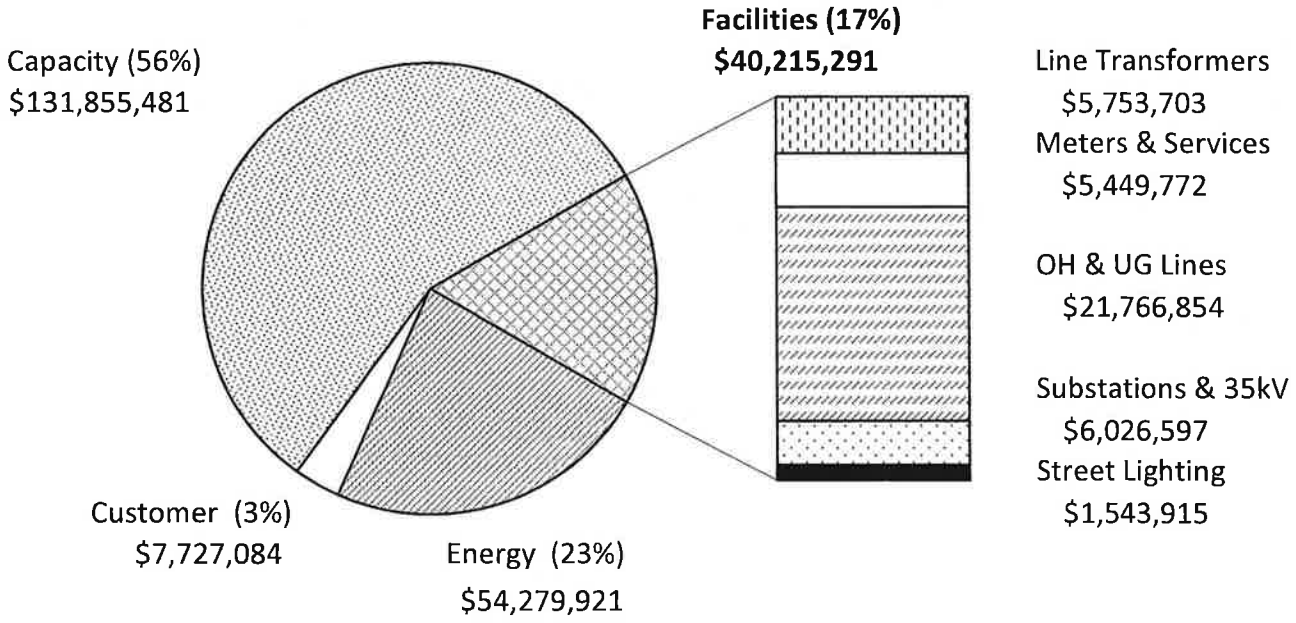
The split of retail and SFP revenue requirements is shown below and the following charts and tables present these requirements in more detail.

	Revenue Requirements + SFP	Percent
Capacity Related	$131,855,481	56.3%
Energy Related	$54,279,921	23.2%
Customer Related	$7,727,084	3.3%
Facilities Related	$40,215,291	17.2%
Total Revenue Requirements	$234,077,777	100.0%

2010 REVENUE REQUIREMENTS

Total Retail plus SFP Revenue Requirements
$234,077,777





2010 REVENUE REQUIREMENTS

Capacity 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, and Other Revenue	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
	I. Power Supply													
	A. Production													
L1	Laramie River Station	13,864,958	0	13,864,958	0	10,185,047	24,050,005	(60,783)	(825,358)	(3,912,108)	19,251,756	984,621	21,061,735	24,973,843
L2	Walter Scott #4	6,346,591	0	6,346,591	3,432,750	12,123,695	21,903,036	(55,357)	(407,499)	(407,425)	21,032,756	1,075,709	22,515,964	22,923,389
L3	Rokeby Site Peakers	1,313,467	0	1,313,467	710,429	6,242,233	8,266,130	(20,891)	(62,313)	(62,302)	8,120,622	415,325	8,598,261	8,660,563
L4	8th & J Peaker	888,806	0	888,806	480,738	425,387	1,794,931	(4,536)	(28,273)	(28,268)	1,733,854	88,677	1,850,804	1,879,072
L5	TBGS Non Peaking #1,2,3	4,085,346	0	4,085,346	2,209,686	9,161,249	15,456,281	(39,063)	(163,246)	(163,217)	15,090,754	771,809	16,025,809	16,189,026
L6	TBGS Peaking #4, BS	1,271,572	0	1,271,572	687,769	3,164,620	5,123,961	(12,950)	(49,867)	(49,858)	5,011,285	256,300	5,317,452	5,367,310
L7	LES Wind Turbines	143,024	0	143,024	77,359	63,310	283,693	(717)	(4,110)	(4,109)	274,758	14,052	292,920	297,029
L8	Subtotal	27,913,764	0	27,913,764	7,598,731	41,365,542	76,878,036	(194,298)	(1,540,666)	(4,627,287)	70,515,786	3,606,493	75,662,945	80,290,232
	B. Purchased Power / Participation													
L9	WAPA - Firm	2,635,100	0	2,635,100	0	0	2,635,100	(6,660)	0	0	2,628,440	134,430	2,762,870	2,762,870
L10	WAPA - Peaking	3,817,000	0	3,817,000	0	0	3,817,000	(9,647)	0	0	3,807,353	194,725	4,002,078	4,002,078
L11	WAPA - Class II	1,603,300	0	1,603,300	0	0	1,603,300	(4,052)	0	0	1,599,248	81,793	1,681,041	1,681,041
L12	Gentleman Station	11,428,400	0	11,428,400	0	0	11,428,400	(28,884)	(564,677)	(564,574)	10,270,266	525,267	11,360,210	11,924,784
L13	Sheldon Station	10,323,600	0	10,323,600	0	0	10,323,600	(26,091)	(481,420)	(481,333)	9,334,756	477,421	10,293,597	10,774,930
L14	Walter Scott #3	882,100	0	882,100	0	0	882,100	(2,229)	0	0	879,871	45,001	924,871	924,871
L16	Coordination Transactions	69,600	0	69,600	0	0	69,600	(176)	0	0	69,424	3,551	72,975	72,975
L17	MRO/MAPP/NERC	158,800	0	158,800	0	0	158,800	(401)	0	0	158,399	8,101	166,500	166,500
L18	Power Cost Allocated	(142,600)	0	(142,600)	0	0	(142,600)	360	0	0	(142,240)	(7,275)	(149,514)	(149,514)
L19	Subtotal	30,775,300	0	30,775,300	0	0	30,775,300	(77,780)	(1,046,097)	(1,045,907)	28,605,516	1,463,014	31,114,627	32,160,534
	C. Other Power Supply													
L20	301 PS Administration	312,126	0	312,126	168,823	0	480,949	(1,216)	0	0	479,733	24,536	504,269	504,269
L21	303 Resource Planning	187,320	0	187,320	101,318	0	288,638	(729)	0	0	287,908	14,725	302,633	302,633
L22	302 Generation Engineering	69,496	0	69,496	37,589	0	107,085	(271)	0	0	106,814	5,463	112,277	112,277
L23	312 System Energy Mgmt	786,248	0	786,248	425,267	0	1,211,515	(3,062)	0	0	1,208,453	61,806	1,270,259	1,270,259
L24	306 PS Office Management	157,802	0	157,802	85,352	0	243,154	(615)	0	0	242,540	12,405	254,944	254,944
L25	307 Environmental	372,357	0	372,357	201,401	0	573,758	(1,450)	0	0	572,308	29,270	601,578	601,578
L26	Subtotal	1,885,349	0	1,885,349	1,019,750	0	2,905,099	(7,342)	0	0	2,897,756	148,204	3,045,961	3,045,961
L27	Total Power Supply	60,574,413	0	60,574,413	8,618,480	41,365,542	110,558,435	(279,420)	(2,586,763)	(5,673,193)	102,019,058	5,217,712	109,823,533	115,496,727
	II. Transmission													
	A. Extra High Voltage													
L28	Substations	191,296	57,225	248,521	134,420	1,473,954	1,856,896	(4,693)	0	(43,883)	1,808,320	92,486	1,900,805	1,944,688
L29	Poles	1,133	339	1,472	796	2,857,098	2,859,367	(7,227)	0	(62,111)	2,790,029	142,695	2,932,724	2,994,835
L30	Conductor	84,845	25,381	110,226	59,619	1,791,672	1,961,517	(4,957)	0	(42,608)	1,913,952	97,888	2,011,840	2,054,448
L31	LRS/WS4/NPPD Wind/MINT/SPP	5,014,722	0	5,014,722	0	0	5,014,722	(12,674)	0	(108,929)	4,893,119	250,256	5,143,375	5,252,304
L32	303 Resource Planning	105,000	0	105,000	56,792	0	161,792	(409)	0	(3,514)	157,869	8,074	165,943	169,458
L33	312 System Energy Mgmt	786,249	0	786,249	425,267	0	1,211,516	(3,062)	0	(26,316)	1,182,138	60,460	1,242,597	1,268,914
L34	625 Rates	11,026	0	11,026	(5,964)	0	5,062	(13)	0	(110)	4,939	253	5,192	5,302
L35	TSC Revenue	0	0	0	0	0	0	0	0	(428,160)	(428,160)	(21,898)	(450,058)	(21,898)
L36	Subtotal	6,194,272	82,945	6,277,216	670,931	6,122,724	13,070,872	(33,035)	0	(715,631)	12,322,206	630,213	12,952,419	13,668,050
	B. High Voltage													
L37	Substations	714,756	213,814	928,571	502,246	3,385,248	4,816,065	(12,172)	0	(104,614)	4,699,280	240,342	4,939,622	5,044,235
L38	Poles	43,599	13,042	56,642	30,636	1,216,110	1,303,388	(3,294)	0	(28,312)	1,271,782	65,045	1,336,827	1,365,139
L39	Conductor & U.G.	700,572	209,571	910,143	492,279	1,788,488	3,190,910	(8,065)	0	(69,312)	3,113,533	159,240	3,272,773	3,342,086
L40	TSC Revenue	0	0	0	0	0	0	0	0	(446,840)	(446,840)	(22,853)	(469,693)	(22,853)
L41	Subtotal	1,458,927	436,428	1,895,355	1,025,161	6,389,847	9,310,363	(23,531)	0	(649,078)	8,637,755	441,773	9,079,529	9,728,606
L42	Total Transmission	7,653,199	519,373	8,172,572	1,696,093	12,512,571	22,381,235	(56,565)	0	(1,364,709)	20,959,961	1,071,986	22,031,948	23,396,657
L43	**Total Capacity Related**	**68,227,612**	**519,373**	**68,746,985**	**10,314,573**	**53,878,113**	**132,939,670**	**(335,985)**	**(2,586,763)**	**(7,037,902)**	**122,979,020**	**6,289,698**	**131,855,481**	**138,893,383**

2010 REVENUE REQUIREMENTS

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, and Other Revenue	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
	I. Power Supply													
	A. Production													
L1	Laramie River Station	14,147,789	712,411	14,860,200	0	0	14,860,200	(37,557)	(416,585)	(5,629,843)	8,776,215	448,855	9,641,655	15,271,498
L2	Walter Soctt #4	7,630,148	205,552	7,835,700	0	0	7,835,700	(19,804)	(205,678)	(2,441,534)	5,168,684	264,350	5,638,712	8,080,246
L3	Rokeby Site Peakers	850,424	4,822	855,246	2,608	0	857,855	(2,168)	(31,452)	(373,352)	450,883	23,060	505,394	878,747
L4	8th & J Peaker	95,188	0	95,188	0	0	95,188	(241)	(14,270)	(169,398)	(88,721)	(4,538)	(78,988)	90,410
L5	TBGS Non Peaking #1,2,3	1,354,838	241,325	1,596,163	130,528	0	1,726,691	(4,364)	(82,396)	(978,093)	661,839	33,849	778,084	1,756,177
L6	TBGS Peaking #4, BS	449,558	14,416	463,974	7,797	0	471,772	(1,192)	(25,170)	(298,781)	146,629	7,499	179,298	478,079
L7	Subtotal	24,527,946	1,178,526	25,706,472	140,934	0	25,847,406	(65,325)	(775,550)	(9,891,002)	15,115,528	773,076	16,664,154	26,555,156
	B. Purchased Power													
L8	WAPA - Firm	0	0	2,242,800	0	0	2,242,800	(5,668)	0	0	2,237,132	114,417	2,351,549	2,351,549
L9	WAPA - Peaking	0	0	287,000	0	0	287,000	(725)	0	0	286,275	14,641	300,916	300,916
L10	WAPA - Class II	0	0	1,946,300	0	0	1,946,300	(4,919)	0	0	1,941,381	99,291	2,040,672	2,040,672
L11	Sheldon Station	0	0	6,431,400	0	0	6,431,400	(16,254)	(242,988)	(2,884,436)	3,287,721	168,149	3,698,858	6,583,294
L12	Gentleman Station	0	0	8,224,200	0	0	8,224,200	(20,785)	(285,011)	(3,383,269)	4,535,135	231,947	5,052,093	8,435,362
L13	Walter Scott #3	0	0	4,891,100	0	0	4,891,100	(12,362)	0	0	4,878,738	249,521	5,128,259	5,128,259
L14	LES Wind	0	0	943,900	0	0	943,900	(2,386)	0	0	941,514	48,153	989,668	989,668
L15	Coordination Transactions	0	0	12,929,580	0	0	12,929,580	(32,678)	0	0	12,896,902	659,605	13,556,508	13,556,508
L16	Subtotal	0	0	37,896,280	0	0	37,896,280	(95,777)	(527,999)	(6,267,705)	31,004,800	1,585,724	33,118,523	39,386,227
L17	Total Power Supply	24,527,946	1,178,526	63,602,752	140,934	0	63,743,686	(161,103)	(1,303,549)	(16,158,707)	46,120,328	2,358,800	49,782,676	65,941,383
	II. Energy Efficiency													
L18	A. Media	0	0	746,336	403,679	0	1,150,015	(2,906)	0	0	1,147,108	58,668	1,205,777	1,205,777
L19	B. Sustainable Energy Program	0	0	2,000,000	1,081,762	0	3,081,762	(7,789)	0	0	3,073,973	157,217	3,231,190	3,231,190
L20	C. 628 Energy Star Homes	0	0	33,142	17,926	0	51,068	(129)	0	(10,500)	40,439	2,068	42,507	53,007
L21	D. 302 Energy Marketing	0	0	11,000	5,950	0	16,950	(43)	0	0	16,907	865	17,772	17,772
L22	Total Energy Efficiency	0	0	2,790,478	1,509,316	0	4,299,794	(10,867)	0	(10,500)	4,278,427	218,818	4,497,245	4,507,745
L23	**Total Energy Related**	**24,527,946**	**1,178,526**	**66,393,230**	**1,650,250**	**0**	**68,043,480**	**(171,970)**	**(1,303,549)**	**(16,169,207)**	**50,398,755**	**2,577,618**	**54,279,921**	**70,449,128**

Customer 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, and Other Revenue	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
	I. Customer													
L24	A. Customer Accounting	0	0	3,956,199	1,988,854	0	5,945,054	(15,025)	0	(2,021,571)	3,908,457	199,896	4,108,353	6,129,924
L25	B. Meter Reading	0	0	1,346,573	617,165	0	1,963,738	(4,963)	0	0	1,958,775	100,181	2,058,955	2,058,955
L27	D. Res Cust Energy Services	0	0	188,544	101,980	0	290,524	(734)	0	0	289,790	14,821	304,611	304,611
L28	E. Gen Serv Cust Energy Services	0	0	49,475	26,760	0	76,236	(193)	0	0	76,043	3,889	79,932	79,932
L29	F. GSD Cust Energy Services	0	0	36,982	20,003	0	56,985	(144)	0	0	56,841	2,907	59,748	59,748
L30	G. LLP Cust Energy Services	0	0	549,047	296,969	0	846,017	(2,138)	0	0	843,878	43,160	887,038	887,038
L31	H. CCC Printing	0	0	61,500	33,264	0	94,764	(240)	0	0	94,525	4,834	99,359	99,359
L32	I. Community Information Program	0	0	79,900	43,216	0	123,116	(311)	0	0	122,805	6,281	129,086	129,086
L33	**Total Customer Related**	**0**	**0**	**6,268,221**	**3,128,212**	**0**	**9,396,434**	**(23,748)**	**0**	**(2,021,571)**	**7,351,115**	**375,969**	**7,727,084**	**9,748,655**

Facilities 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, and Other Revenue	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
	I. Distribution Facilities													
	A. 35 kV Lines & Subs													
L1	Substations	102,723	30,729	133,451	72,181	503,327	708,959	(1,792)	0	0	707,168	36,168	743,335	743,335
L2	Poles	11,806	3,532	15,338	8,296	526,831	550,465	(1,391)	0	0	549,073	28,082	577,155	577,155
L3	Conductor & U.G.	51,018	15,262	66,280	35,849	110,963	213,092	(539)	0	0	212,553	10,871	223,424	223,424
L4	Directly Assigned 35 kV	0	0	0	0	0	0	0	0	0	0	0	335,179	335,179
L5	Credit - Direct Assigned 35 kV	0	0	0	0	0	0	0	0	0	0	0	(335,179)	(335,179)
L6	Subtotal	165,547	49,522	215,069	116,327	1,141,121	1,472,516	(3,722)	0	0	1,468,794	75,121	1,543,915	1,543,915
L7	B. Substations	802,673	240,114	1,042,787	564,024	2,909,689	4,516,500	(11,415)	0	(240,512)	4,264,573	218,109	4,482,682	4,723,195
	C. Overhead Lines													
L8	Poles	40,932	12,245	53,177	28,762	1,782,485	1,864,424	(4,712)	0	(274,240)	1,585,472	81,088	1,666,560	1,940,800
L9	Conductor	2,843,652	850,658	3,694,310	1,998,182	2,369,960	8,062,451	(20,377)	0	0	8,042,075	411,308	8,453,382	8,453,382
L10	Subtotal	2,884,584	862,903	3,747,487	2,026,944	4,152,444	9,926,875	(25,089)	0	(274,240)	9,627,547	492,396	10,119,943	10,394,182
	D. Underground Lines													
L11	Underground Lines (less Locating)	548,204	163,991	712,195	385,213	8,744,553	9,841,962	(24,874)	0	0	9,817,088	502,090	10,319,177	10,319,177
L12	Underground Lines (Locating)	632,589	189,235	821,824	444,509	0	1,266,332	(3,200)	0	0	1,263,132	64,602	1,327,734	1,327,734
L13	Subtotal	1,180,793	353,226	1,534,019	829,722	8,744,553	11,108,294	(28,075)	0	0	11,080,219	566,692	11,646,911	11,646,911
L14	E. Meters and Services	1,084,403	324,392	1,408,795	761,990	3,026,959	5,197,744	(13,137)	0	0	5,184,608	265,164	5,449,772	5,449,772
L15	F. Dist. Line Transformers	411,588	123,124	534,712	289,215	4,663,693	5,487,620	(13,869)	0	0	5,473,751	279,952	5,753,703	5,753,703
	Total Distribution Facilities	6,529,588	1,953,280	8,482,868	4,588,221	24,638,460	37,709,550	(95,305)	0	(514,752)	37,099,493	1,897,434	38,996,927	39,511,679
L16	**II. Street Lighting**	543,702	162,645	706,347	382,049	95,580	1,183,976	(2,992)	0	(21,900)	1,159,084	59,281	1,218,364	1,240,264
L17	**Total Facilities Related**	**7,073,290**	**2,115,924**	**9,189,215**	**4,970,271**	**24,734,040**	**38,893,526**	**(98,297)**	**0**	**(536,652)**	**38,258,576**	**1,956,715**	**40,215,291**	**40,751,943**

Total 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, and Other Revenue	Retail Subtotal	In Lieu of Tax	Total Retail Requirements plus SFP	Total System Revenue Requirements
L18	**Total Revenue Requirements**	**99,828,848**	**3,813,823**	**150,597,651**	**20,063,305**	**78,612,153**	**249,273,109**	**(630,000)**	**(3,890,312)**	**(25,765,332)**	**218,987,465**	**11,200,000**	**234,077,777**	**259,843,109**

* Note: 2010 Revenue Requirements are based on 2010 Revenue Projections/Budget, adjusted by the following:

1) A small rounding difference of $2

ALLOCATION OF REVENUE REQUIREMENT TO CUSTOMER CLASSES 2010

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, 27, 28, 39, 41, & 42
Large Power Contract: Rate Codes 44, 45, 46, & 49
Heating Service: Rate Code 21
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

		Total Retail plus SFP	Residential	General Service	Heating Service	General Service-Demand	Large Light & Power & SFP	Large Power Contract	Lighting
L1	**Capacity**	$131,855,481	$54,187,806	$17,052,478	$2,287,958	$17,160,187	$31,928,886	$9,211,795	$26,371
L2	**Energy**	$54,279,921	$20,189,643	$6,651,878	$1,034,950	$7,047,603	$14,279,434	$4,701,406	$375,007
L3	**Customer**	$7,727,084	$5,761,580	$910,867	$37,358	$130,621	$774,572	$71,266	$40,820
L4	**Facilities**	$40,215,291	$17,746,877	$7,187,002	$686,425	$4,245,228	$7,035,600	$1,876,605	$1,437,554
L5	**Total**	**$234,077,777**	**$97,885,907**	**$31,802,224**	**$4,046,691**	**$28,583,639**	**$54,018,491**	**$15,861,072**	**$1,879,752**
L6	**Percent**	**100.0%**	**41.8%**	**13.6%**	**1.7%**	**12.2%**	**23.1%**	**6.8%**	**0.8%**

ALLOCATION OF REVENUE REQUIREMENTS
2010

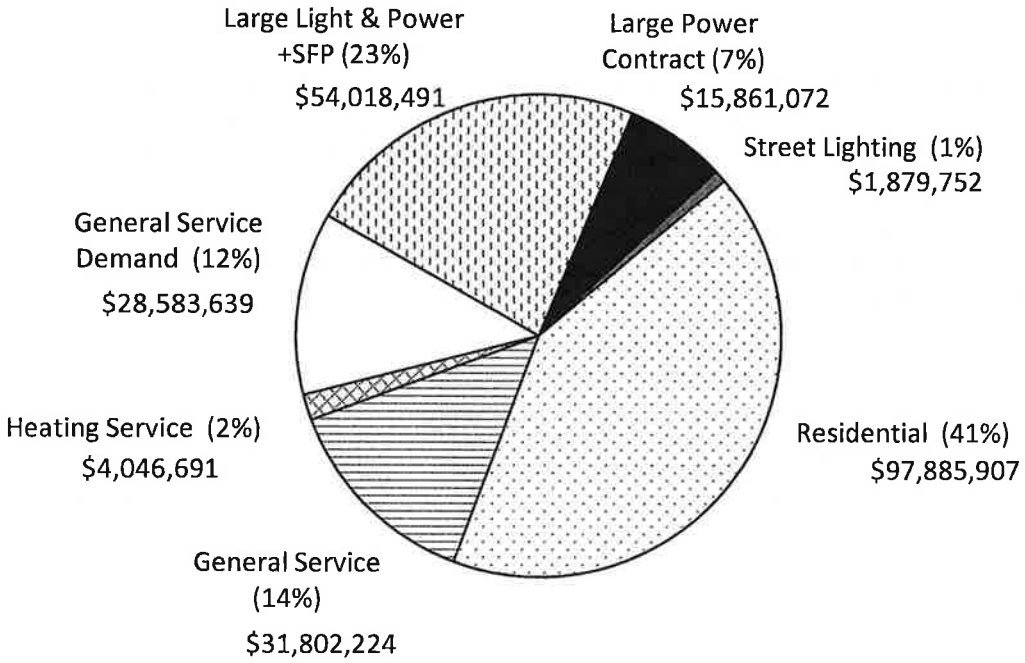
		Total System	WAPA Wholesales, Wheeling, and Other Revenue	Total Retail plus SFP	Residential	General Service	Heating Service	General Service-Demand	Large Light & Power & SFP	Large Power Contract	Lighting
L1	**Capacity Related Costs**										
L2	**I. Power Supply**										
L3	A. Production	$80,290,232	$4,627,287	$75,662,945	$30,848,515	$9,781,959	$1,340,169	$9,887,554	$18,453,192	$5,336,424	$15,133
L4	B. Purchased Power / Participation	$32,160,534	$1,045,907	$31,114,627	$12,613,959	$4,021,640	$559,061	$4,077,829	$7,626,743	$2,209,172	$6,223
L5	C. Other Power Supply	$3,045,961	$0	$3,045,961	$1,222,953	$393,538	$56,046	$401,153	$752,961	$218,700	$609
L6	Total Power Supply	$115,496,727	$5,673,193	$109,823,533	$44,685,427	$14,197,137	$1,955,276	$14,366,536	$26,832,897	$7,764,296	$21,965
L7	**II. Transmission**										
L8	A. Extra High Voltage	$13,668,050	$715,631	$12,952,419	$5,586,378	$1,678,633	$195,582	$1,642,367	$2,995,895	$850,974	$2,590
L9	B. High Voltage	$9,728,606	$649,078	$9,079,529	$3,916,001	$1,176,707	$137,101	$1,151,284	$2,100,095	$596,525	$1,816
L10	Total Transmission	$23,396,657	$1,364,709	$22,031,948	$9,502,379	$2,855,340	$332,682	$2,793,651	$5,095,989	$1,447,499	$4,406
L11	**Total Capacity Related**	**$138,893,383**	**$7,037,902**	**$131,855,481**	**$54,187,806**	**$17,052,478**	**$2,287,958**	**$17,160,187**	**$31,928,886**	**$9,211,795**	**$26,371**
L12	**Energy Related Costs**										
L13	**I. Power Supply**										
L14	A. Production	$26,555,156	$9,891,002	$16,664,154	$6,063,242	$2,139,771	$337,845	$2,068,542	$4,397,630	$1,534,709	$122,416
L15	B. Purchased Power	$39,386,227	$6,267,705	$33,118,523	$12,050,153	$4,252,603	$671,437	$4,111,043	$8,739,898	$3,050,097	$243,291
L16	Total Power Supply	$65,941,383	$16,158,707	$49,782,676	$18,113,395	$6,392,374	$1,009,282	$6,179,584	$13,137,527	$4,584,806	$365,707
L17	**II. Energy Efficiency**	$4,507,745	$10,500	$4,497,245	$2,076,248	$259,504	$25,668	$868,019	$1,141,906	$116,599	$9,301
L18	**Total Energy Related**	**$70,449,128**	**$16,169,207**	**$54,279,921**	**$20,189,643**	**$6,651,878**	**$1,034,950**	**$7,047,603**	**$14,279,434**	**$4,701,406**	**$375,007**
L19	**Customer Related Costs**										
L20	**I. Customer**										
L21	A. Customer Accounting	$6,129,924	$2,021,571	$4,108,353	$3,438,365	$559,694	$26,008	$34,805	$8,838	$296	$40,348
L22	B. Meter Reading	$2,058,955	$0	$2,058,955	$1,806,911	$227,474	$10,652	$13,919	$0	$0	$0
L24	D. Res Cust Energy Services	$304,611	$0	$304,611	$304,611	$0	$0	$0	$0	$0	$0
L25	E. Gen Serv Cust Energy Services	$79,932	$0	$79,932	$0	$79,932	$0	$0	$0	$0	$0
L26	F. GSD Cust Energy Services	$59,748	$0	$59,748	$0	$0	$0	$59,748	$0	$0	$0
L27	G. LLP Cust Energy Services	$887,038	$0	$887,038	$0	$29,338	$0	$21,245	$765,492	$70,963	$0
L28	H. CCC Printing	$99,359	$0	$99,359	$99,359	$0	$0	$0	$0	$0	$0
L29	I. Community Information Program	$129,086	$0	$129,086	$112,334	$14,428	$698	$904	$242	$7	$473
L30	**Total Customer Related**	**$9,748,655**	**$2,021,571**	**$7,727,084**	**$5,761,580**	**$910,867**	**$37,358**	**$130,621**	**$774,572**	**$71,266**	**$40,820**
L31	**Facilities Related Costs**										
L32	**I. Distribution Facilities**										
L33	A. 35 kV Lines & Subs	$1,208,736	$0	$1,208,736	$533,778	$162,333	$17,527	$156,410	$248,274	$80,744	$9,670
L34	Credit - Direct Assigned 35 kV	$335,179	$0	$335,179	$0	$0	$0	$0	$261,809	$73,370	$0
L35	B. Substations	$4,723,195	$240,512	$4,482,682	$1,928,898	$586,783	$63,654	$565,266	$1,011,293	$291,823	$34,965
L36	C. Overhead Lines	$10,394,182	$274,240	$10,119,943	$4,354,611	$1,324,700	$143,703	$1,276,125	$2,283,059	$658,808	$78,936
L37	D. Underground Lines	$11,646,911	$0	$11,646,911	$5,016,180	$1,525,908	$165,519	$1,470,003	$2,629,933	$758,878	$80,490
L38	E. Meters and Services	$5,449,772	$0	$5,449,772	$4,074,418	$904,496	$62,905	$232,409	$165,336	$10,208	$0
L39	F. Dist. Line Transformers	$5,753,703	$0	$5,753,703	$1,838,991	$2,682,781	$233,117	$545,015	$435,895	$2,775	$15,130
L40	**II. Street Lighting**	$1,240,264	$21,900	$1,218,364	$0	$0	$0	$0	$0	$0	$1,218,364
L41	**Total Facilities Related**	**$40,751,943**	**$536,652**	**$40,215,291**	**$17,746,877**	**$7,187,002**	**$686,425**	**$4,245,228**	**$7,035,600**	**$1,876,605**	**$1,437,554**
L42	**Total Revenue Requirements**	**$259,843,109**	**$25,765,332**	**$234,077,777**	**$97,885,907**	**$31,802,224**	**$4,046,691**	**$28,583,639**	**$54,018,491**	**$15,861,072**	**$1,879,752**

** Note: 2010 Revenue Requirements are based on 2010 Revenue Projections/Budget, adjusted by the following:*
1) A small rounding difference of $2

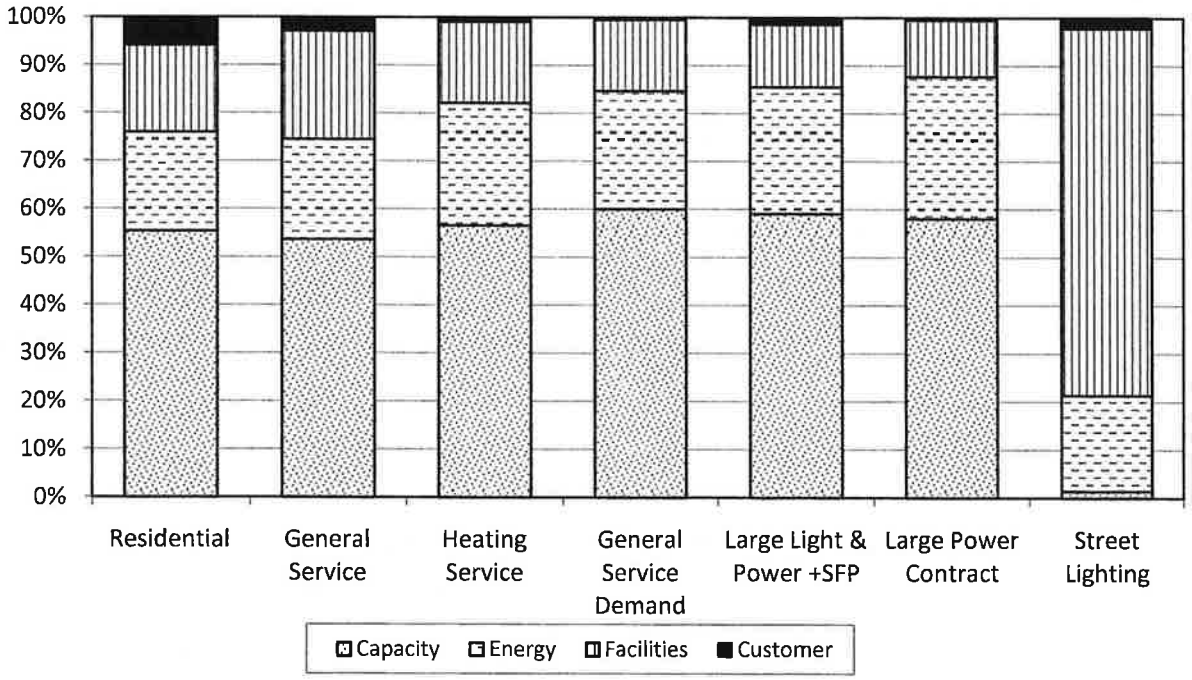
2010 ALLOCATED COSTS

Total Retail plus SFP Revenue Requirements
$234,077,777

Allocations by Rate Class



Percent of Total Rate Class Requirements per Function



FACILITIES RELATED REVENUE REQUIREMENTS ADJUSTMENT FOR 35 kV 2010

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 pages III-58 for LLP and III-62 for LPC.) 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	HS	GSD	LLP + SFP	LPC	St Ltg
L1	12 NCP Facilities Allocation Factors	100.00%	43.03%	13.09%	1.42%	12.61%	22.56%	6.51%	0.78%
L2	Allocated 35 kV Facilities Related Retail Revenue Requirements (+SFP)	$1,543,915	$664,347	$202,098	$21,924	$194,688	$348,307	$100,509	$12,043

Adjustment: Direct Assignment to 35 kV Customers

		Total	Subs	Lines
L3	Total Retail & SFP 35 kV Requirements	$1,543,915	$743,335	$800,580
L4	Direct Assignment to 35 kV Services	$335,179	$160,753	$174,426
L5	(21.7% of Subs, 21.9% of Lines. See pages III-58 and III-62)			
L6	Remaining 35 kV Requirements	$1,208,736	$582,582	$626,154

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

		Total	Res	GS	HS	GSD	LLP + SFP	LPC	St Ltg
L7	Adjusted 12 NCP Allocation Factors (See page III-18)	100.00%	44.16%	13.43%	1.45%	12.94%	20.54%	6.68%	0.80%
L8	Allocated 35 kV Facilities Related Retail Revenue Requirements	$1,208,736	$533,778	$162,333	$17,527	$156,410	$248,274	$80,744	$9,670

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

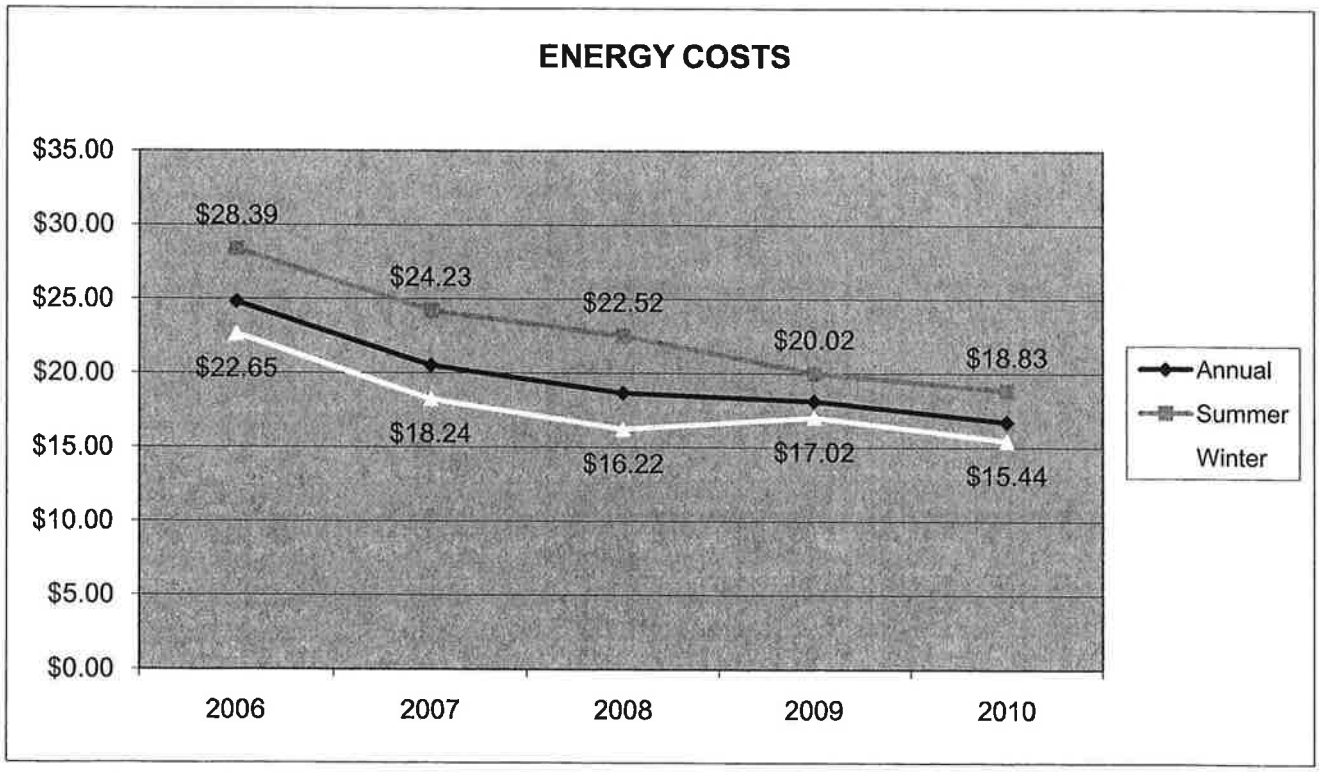
		Total	Res	GS	HS	GSD	LLP + SFP	LPC	St Ltg
L9	Credit per Rate Class (L8 - L2)	($335,179)	($130,569)	($39,765)	($4,397)	($38,277)	($100,033)	($19,765)	($2,373)

POWER COSTS
AND
SEASONAL ENERGY COSTS
2010

Five power cost summary tables for 2010 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 2010, the annual secondary level energy cost is $16.72/MWh, summer energy cost is $18.83/MWh (113% of annual), and the winter energy cost is $15.44/MWh (92% 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

2010
ENERGY BALANCE(GWH)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						PURCHASES							
WAPAFM ENERGY	11.2	9.4	9.8	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	20.6
WAPACL2 ENERGY	8.8	8.3	8.7	8.3	9.5	11.0	11.0	11.7	10.5	9.1	8.6	8.4	113.8
GENTLEMAN ENERGY	67.6	60.8	61.0	54.0	51.7	65.7	74.2	74.4	73.1	60.4	55.5	65.4	763.8
SHELDON ENERGY	38.3	31.3	29.5	39.0	43.0	33.9	43.6	43.5	26.5	13.7	32.6	37.9	413.0
WALTER SCOTT 3 ENERGY	34.4	31.1	34.0	33.5	34.4	32.5	34.2	34.3	33.9	34.7	32.7	34.1	403.8
LES WIND ENERGY	1.8	1.3	1.7	1.7	1.6	1.7	1.1	1.4	1.9	1.6	2.2	2.1	20.1
COORDINATION PURCH ENERGY	13.4	11.5	9.2	14.3	20.5	32.7	39.3	39.5	34.7	10.2	8.1	13.9	247.4
PURCH ENERGY	175.7	153.9	154.1	159.8	174.6	192.3	219.7	221.1	196.1	143.8	150.1	172.5	2,113.7
						PRODUCTION							
LARAMIE ENERGY	145.7	131.8	144.4	129.8	127.3	138.4	145.1	145.5	111.8	146.6	138.9	144.5	1,649.8
MEAN ENERGY	(18.5)	(16.7)	(18.5)	(10.1)	(6.4)	(17.9)	(18.5)	(18.5)	(16.3)	(18.5)	(17.9)	(18.5)	(195.9)
WALTER SCOTT 4 ENERGY	67.8	61.4	67.1	33.0	13.6	64.1	67.5	67.7	66.8	68.3	64.4	67.1	708.8
ROKEBY ENERGY	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.4	0.0	0.0	0.0	0.0	1.1
J STREET ENERGY	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
TBGS ENERGY	0.3	0.1	0.0	0.0	0.2	0.9	15.1	10.4	0.2	0.4	0.1	0.1	27.8
RENEWABLES ENERGY	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
PROD ENERGY	195.4	176.6	193.1	152.7	134.6	185.5	209.9	205.5	162.5	196.9	185.6	193.3	2,191.7
PURCH & PROD ENERGY	371.1	330.5	347.2	312.5	309.2	377.8	429.7	426.6	358.6	340.7	335.8	365.8	4,305.4
						SALES							
LOS ALAMOS ENERGY	6.4	5.7	6.4	2.1	0.0	6.2	6.4	6.4	6.2	6.4	6.2	6.4	64.5
COORDINATION SALES ENERGY	22.3	20.1	22.1	21.7	22.3	21.1	22.2	22.3	19.2	22.4	21.2	22.1	259.0
WS4 SELL ENERGY	33.6	30.4	33.2	16.3	6.7	31.8	33.4	33.5	33.1	33.8	31.9	33.2	350.9
SALES ENERGY	62.2	56.2	61.7	40.1	29.0	59.0	62.0	62.2	58.4	62.6	59.3	61.7	674.4
MAPP LOSSES	0.6	0.5	0.6	0.6	0.6	0.5	0.6	0.6	0.5	0.6	0.5	0.6	6.6
SYSTEM ENERGY	309.4	274.8	286.1	272.9	280.8	319.3	368.3	365.0	300.6	278.7	277.0	304.7	3,637.7
						ENERGY SUMMARY							
CONTROL AREA ENERGY	303.5	269.4	280.4	267.5	275.2	313.6	362.1	358.9	295.6	272.8	271.6	298.9	3,569.4
SYSTEM LOSSES	5.9	5.4	5.7	5.5	5.6	5.7	6.1	6.2	5.0	5.9	5.4	5.8	68.2
SYSTEM ENERGY	309.4	274.8	286.1	272.9	280.8	319.3	368.3	365.0	300.6	278.7	277.0	304.7	3,637.7

R & T PLANNING DEPARTMENT
POWER SUPPLY DIVISION -- 10/13/2009 1:47:00 PM

SUMMARY TABLE 2.1.2

2010

PURCHASE COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
WAPA FIRM DCOST	187.9	187.9	187.2	187.2	235.6	279.3	279.3	277.4	246.9	190.5	187.9	187.9	2,635.1
WAPA FIRM ECOST	191.1	160.2	167.0	151.0	180.1	197.6	223.2	221.5	209.0	185.2	176.4	180.5	2,242.8
WAPA FIRM	379.0	348.1	354.2	338.2	415.7	476.9	502.5	498.9	456.0	375.6	364.4	368.4	4,877.9
WAPA PEAKING DCOST	144.3	144.3	144.3	144.3	491.9	491.9	491.9	491.9	491.9	491.9	144.3	144.3	3,817.0
WAPA PEAKING ECOST	2.2	2.0	2.2	2.2	46.2	43.7	45.9	46.1	45.5	46.5	2.1	2.3	287.0
WAPA PEAKING	146.5	146.3	146.5	146.5	538.1	535.5	537.8	538.0	537.4	538.4	146.4	146.6	4,104.0
WAPACL2 DCOST	117.6	117.6	116.7	116.3	143.2	154.0	155.6	155.5	148.7	144.9	117.3	116.0	1,603.3
WAPACL2 ECOST	150.0	141.9	148.0	142.5	162.8	187.7	188.2	199.8	179.4	155.5	146.5	144.1	1,946.3
WAPACL2	267.5	259.4	264.6	258.8	306.0	341.7	343.8	355.3	328.1	300.4	263.8	260.0	3,549.6
GENTLEMAN DCOST	952.4	952.4	952.4	952.4	952.4	952.4	952.4	952.4	952.4	952.4	952.4	952.4	11,428.6
GENTLEMAN ECOST	728.4	654.7	656.5	580.2	555.0	707.8	800.0	802.4	788.3	650.1	597.0	703.8	8,224.2
GENTLEMAN	1,680.8	1,607.1	1,608.9	1,532.6	1,507.3	1,660.2	1,752.3	1,754.8	1,740.7	1,602.5	1,549.3	1,656.2	19,652.7
SHELDON DCOST	860.3	860.3	860.3	860.3	860.3	860.3	860.3	860.3	860.3	860.3	860.3	860.3	10,323.6
SHELDON ECOST	597.1	487.1	459.8	608.0	670.3	528.6	679.6	677.9	411.7	212.8	507.8	590.8	6,431.4
SHELDON	1,457.3	1,347.4	1,320.1	1,468.3	1,530.6	1,388.9	1,539.9	1,538.2	1,272.0	1,073.1	1,368.1	1,451.1	16,755.0
WALTER SCOTT 3 DCOST	54.7	49.5	54.1	53.2	54.7	291.7	54.4	54.6	53.9	55.1	52.0	54.1	882.1
WALTER SCOTT 3 ECOST	416.7	377.1	412.2	405.3	416.7	394.2	414.6	415.9	410.4	419.8	395.9	412.4	4,891.1
WALTER SCOTT 3	471.4	426.6	466.3	458.5	471.4	685.9	469.0	470.4	464.3	474.9	447.9	466.5	5,773.2
LES WIND DCOST	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
LES WIND ECOST	83.5	62.0	81.0	80.0	75.7	78.6	50.4	67.9	89.8	73.0	104.1	97.8	943.9
LES WIND	83.5	62.0	81.0	80.0	75.7	78.6	50.4	67.9	89.8	73.0	104.1	97.8	943.9
COORDINATION PURCH DCOST	4.7	4.7	4.7	4.7	6.7	7.9	8.1	7.9	5.3	5.4	4.7	4.7	69.6
COORDINATION PURCH ECOST	534.6	459.0	361.0	554.2	798.2	1,304.7	1,687.1	1,654.4	1,406.8	424.3	348.8	626.4	10,159.6
COORDINATION PURCHASES	539.3	463.8	365.8	558.9	804.8	1,312.6	1,695.2	1,662.3	1,412.1	429.8	353.5	631.1	10,229.2
MRO/MAPP/NERC	0.0	0.0	39.7	0.0	0.0	39.7	0.0	0.0	39.7	0.0	0.0	39.7	158.8
TOTAL PURCHASE POWER COSTS													
PURCH DCOST	2,321.9	2,316.7	2,359.4	2,318.5	2,744.7	3,077.1	2,801.9	2,799.9	2,799.0	2,700.5	2,318.9	2,359.4	30,917.9
PURCH ECOST	2,703.6	2,344.0	2,287.7	2,523.4	2,904.9	3,442.9	4,089.1	4,085.8	3,541.0	2,167.1	2,278.7	2,758.0	35,126.3
POWER PURCHASED	5,025.5	4,660.7	4,647.1	4,841.9	5,649.6	6,520.0	6,891.0	6,885.8	6,340.0	4,867.6	4,597.6	5,117.5	66,044.2

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 10/13/2009 1:47:00 PM

SUMMARY TABLE 2.1.3

2010

PRODUCTION COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LARAMIE DCOST	1,197.9	1,197.9	1,197.9	1,962.2	1,962.2	1,197.9	1,197.9	1,197.9	1,197.9	1,197.9	1,197.9	1,197.9	15,903.9
LARAMIE ECOST	1,490.6	1,347.9	1,477.2	1,326.5	1,301.6	1,415.1	1,484.2	1,487.9	1,141.2	1,499.4	1,420.3	1,477.8	16,869.7
LARAMIE	2,688.6	2,545.9	2,675.1	3,288.8	3,263.8	2,613.0	2,682.1	2,685.8	2,339.1	2,697.4	2,618.3	2,675.7	32,773.6
MEAN DREV	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(169.9)	(2,039.2)
MEAN EREV	(189.3)	(171.0)	(189.3)	(103.4)	(65.7)	(183.2)	(189.3)	(189.3)	(167.3)	(189.3)	(183.2)	(189.3)	(2,009.7)
MEAN	(359.2)	(340.9)	(359.2)	(273.4)	(235.7)	(353.1)	(359.2)	(359.2)	(337.2)	(359.2)	(353.1)	(359.2)	(4,048.9)
WALTER SCOTT 4 DCOST	535.9	530.7	535.3	508.0	492.4	533.0	535.6	535.8	535.1	536.3	533.2	535.4	6,346.7
WALTER SCOTT 4 ECOST	750.7	679.3	742.6	361.5	144.0	709.9	746.8	749.2	739.4	756.0	713.2	743.0	7,835.6
WALTER SCOTT 4	1,286.6	1,210.0	1,277.9	869.5	636.4	1,242.9	1,282.5	1,285.0	1,274.5	1,292.3	1,246.4	1,278.3	14,182.3
ROKEBY DCOST	204.4	204.4	204.4	166.0	166.0	166.0	166.0	166.0	166.0	166.0	204.4	204.4	2,183.9
ROKEBY ECOST	0.1	0.0	0.0	0.0	0.1	2.1	56.4	32.2	0.2	0.1	0.0	0.0	91.2
ROKEBY	204.5	204.4	204.4	166.0	166.1	168.2	222.5	198.2	166.2	166.1	204.4	204.4	2,275.2
J STREET DCOST	76.1	76.1	76.1	72.8	72.8	72.8	72.8	72.8	72.8	72.8	76.1	76.1	890.0
J STREET ECOST	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.6	0.0	0.0	0.0	0.0	1.6
J STREET	76.1	76.1	76.1	72.8	72.8	72.8	73.8	73.4	72.8	72.8	76.1	76.1	891.7
TERRY BUNDY DCOST	554.5	554.5	554.5	429.5	429.5	429.5	429.5	429.5	429.5	429.5	554.5	554.5	5,779.4
TERRY BUNDY ECOST	13.9	7.5	1.3	1.3	10.7	49.6	887.9	630.8	10.4	21.9	10.3	8.3	1,653.9
TERRY BUNDY	568.4	562.1	555.8	430.9	440.2	479.2	1,317.5	1,060.3	440.0	451.4	564.9	562.8	7,433.3
RENEWABLES DCOST	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	136.3
RENEWABLES ECOST	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
RENEWABLES	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	136.3
TOTAL PRODUCTION COSTS													
PROD DCOST	2,410.3	2,405.1	2,409.7	2,980.0	2,964.4	2,240.7	2,243.3	2,243.5	2,242.8	2,244.0	2,407.6	2,409.7	29,201.1
PROD ECOST	2,066.0	1,863.7	2,031.8	1,585.9	1,390.6	1,993.5	2,987.1	2,711.3	1,723.9	2,088.1	1,960.6	2,039.7	24,442.3
POWER PRODUCED	4,476.3	4,268.8	4,441.5	4,565.9	4,354.9	4,234.2	5,230.4	4,954.8	3,966.7	4,332.1	4,368.2	4,449.5	53,643.4

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 10/13/2009 1:47:01 PM

SUMMARY TABLE 2.1.4

2010
SALES REVENUE SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						LOS ALAMOS							
LOS ALAMOS DREV	190.3	190.3	190.3	190.3	190.3	190.3	190.3	190.3	190.3	190.3	190.3	190.3	2,283.9
LOS ALAMOS EREV	65.3	59.0	65.3	21.0	0.0	63.2	65.3	65.3	63.2	65.3	63.2	65.3	661.5
LOS ALAMOS	255.6	249.3	255.6	211.4	190.3	253.5	255.6	255.6	253.5	255.6	253.5	255.6	2,945.4
						ECONOMY SALES							
WALTER SCOTT 4 SALES DREV	53.4	48.3	52.8	26.0	10.7	50.5	53.1	53.3	52.6	53.8	50.7	52.8	557.9
WALTER SCOTT 4 SALES EREV	369.4	334.2	365.4	179.6	73.9	349.3	367.4	368.6	363.8	372.0	350.9	365.5	3,859.9
SPP TRANSMISSION REVENUE	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
COORDINATION SALES EREV	576.9	500.5	469.6	560.3	599.9	642.9	763.0	741.3	630.7	536.5	479.1	643.6	7,144.2
COORDINATION SALES	999.7	883.0	887.8	765.9	684.4	1,042.7	1,183.6	1,163.1	1,047.1	962.2	880.7	1,061.9	11,562.1
						TOTAL SALES REVENUE							
SALES DREV	243.7	238.6	243.1	216.3	201.0	240.8	243.4	243.6	242.9	244.1	241.0	243.2	2,841.9
SALES EREV	1,011.6	893.7	900.3	761.0	673.7	1,055.4	1,195.8	1,175.1	1,057.7	973.8	893.2	1,074.4	11,665.6
SALES	1,255.3	1,132.3	1,143.4	977.3	874.7	1,296.2	1,439.2	1,418.7	1,300.6	1,217.9	1,134.2	1,317.6	14,507.5

R & T PLANNING DEPARTMENT
POWER SUPPLY DIVISION -- 10/13/2009 1:47:02 PM

SUMMARY TABLE 2.1.5

2010

TOTAL COST SUMMARY ($1,000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
						PURCHASES							
WAPAFM	379.0	348.1	354.2	338.2	415.7	476.9	502.5	498.9	456.0	375.6	364.4	368.4	4,877.9
WAPAPK	146.5	146.3	146.5	146.5	538.1	535.5	537.8	538.0	537.4	538.4	146.4	146.6	4,104.0
WAPACL2	267.5	259.4	264.6	258.8	306.0	341.7	343.8	355.3	328.1	300.4	263.8	260.0	3,549.6
GENTLEMAN	1,680.8	1,607.1	1,608.9	1,532.6	1,507.3	1,660.2	1,752.3	1,754.8	1,740.7	1,602.5	1,549.3	1,656.2	19,652.7
SHELDON	1,457.3	1,347.4	1,320.1	1,468.3	1,530.6	1,388.9	1,539.9	1,538.2	1,272.0	1,073.1	1,368.1	1,451.1	16,755.0
WALTER SCOTT 3	471.4	426.6	466.3	458.5	471.4	685.9	469.0	470.4	464.3	474.9	447.9	466.5	5,773.2
LES WIND	83.5	62.0	81.0	80.0	75.7	78.6	50.4	67.9	89.8	73.0	104.1	97.8	943.9
COORDINATION PURCHASES	539.3	463.8	365.8	558.9	804.8	1,312.6	1,695.2	1,662.3	1,412.1	429.8	353.5	631.1	10,229.2
MRO/MAPP/NERC	0.0	0.0	39.7	0.0	0.0	39.7	0.0	0.0	39.7	0.0	0.0	39.7	158.8
POWER PURCHASED	5,025.5	4,660.7	4,647.1	4,841.9	5,649.6	6,520.0	6,891.0	6,885.8	6,340.0	4,867.6	4,597.6	5,117.5	66,044.2
						PRODUCTION							
LARAMIE	2,688.6	2,545.9	2,675.1	3,288.8	3,263.8	2,613.0	2,682.1	2,685.8	2,339.1	2,697.4	2,618.3	2,675.7	32,773.6
MEAN	(359.2)	(340.9)	(359.2)	(273.4)	(235.7)	(353.1)	(359.2)	(359.2)	(337.2)	(359.2)	(353.1)	(359.2)	(4,048.9)
WALTER SCOTT 4	1,286.6	1,210.0	1,277.9	869.5	636.4	1,242.9	1,282.5	1,285.0	1,274.5	1,292.3	1,246.4	1,278.3	14,182.3
ROKEBY	204.5	204.4	204.4	166.0	166.1	168.2	222.5	198.2	166.2	166.1	204.4	204.4	2,275.2
J STREET	76.1	76.1	76.1	72.8	72.8	72.8	73.8	73.4	72.8	72.8	76.1	76.1	891.7
TERRY BUNDY	568.4	562.1	555.8	430.9	440.2	479.2	1,317.5	1,060.3	440.0	451.4	564.9	562.8	7,433.3
RENEWABLES	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	136.3
POWER PRODUCED	4,476.3	4,268.8	4,441.5	4,565.9	4,354.9	4,234.2	5,230.4	4,954.8	3,966.7	4,332.1	4,368.2	4,449.5	53,643.4
PURCH & PROD	9,501.8	8,929.6	9,088.6	9,407.7	10,004.5	10,754.3	12,121.5	11,840.6	10,306.6	9,199.7	8,965.8	9,566.9	119,687.6
						SALES							
LOS ALAMOS	255.6	249.3	255.6	211.4	190.3	253.5	255.6	255.6	253.5	255.6	253.5	255.6	2,945.4
COORDINATION SALES	576.9	500.5	469.6	560.3	599.9	642.9	763.0	741.3	630.7	536.5	479.1	643.6	7,144.2
WALTER SCOTT 4 SALES	422.8	382.5	418.2	205.6	84.5	399.8	420.6	421.8	416.4	425.8	401.6	418.4	4,417.8
SALES	1,255.3	1,132.3	1,143.4	977.3	874.7	1,296.2	1,439.2	1,418.7	1,300.6	1,217.9	1,134.2	1,317.6	14,507.5
NET	8,246.5	7,797.2	7,945.1	8,430.5	9,129.8	9,458.0	10,682.3	10,421.9	9,006.0	7,981.8	7,831.5	8,249.4	105,180.1
SERVICE CENTER	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	106.7
LINCOLN ELECTRIC BUILDING	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	35.9
NET POWER COST	8,234.6	7,785.4	7,933.3	8,418.6	9,117.9	9,446.1	10,670.4	10,410.0	8,994.1	7,970.0	7,819.7	8,237.5	105,037.5

R & T PLANNING DEPARTMENT

POWER SUPPLY DIVISION -- 10/13/2009 1:47:02 PM

SEASONAL ENERGY CHARGES
ENERGY RELATED PER UNIT COSTS
2010

		Summer	Winter	Annual
L1	Power Costs - ($1,000)	$26,639.8	$36,702.3	$63,342.2
L2	Direct Wholesales - ($1,000)	($5,463.4)	($8,577.9)	($14,041.3)
L3	Net Retail plus SFP - ($1,000)	$21,176.4	$28,124.4	$49,300.9
L4	Lincoln Energy less Internal Wholesales (WAPA) - GWh	1,305.5	2,209.1	3,514.6
L5	Adjustment to Control Figure - GWh	(21.5)	(87.8)	(109.3)
L6	Adjusted Lincoln Energy - GWh	1,284.0	2,121.3	3,405.3
L7	Percentage Energy	37.71%	62.29%	100.00%
L8	Control Number Adjusted to Revenue Requirements (by Deduction) - ($1,000)	$1,877.4	$3,101.7	$4,979.0
L9	Total Energy Related Revenue Requirement - ($1,000)	$23,053.8	$31,226.1	$54,279.9
L10	Per Unit, Lincoln Energy - $/MWh	$17.95	$14.72	$15.94
L11	At Secondary Level - $/MWh	$18.83	$15.44	$16.72
L12	Seasonal Energy Ratio to Annual	113%	92%	

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
2010

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 1.79. The annual transmission cost is $8.05/MWh. The end result of the summer/winter split of the power supply capacity costs is an average summer cost of $56.24/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 $4.27 per customer per month. Facilities related costs for meters, services and transformers divided by the average number of customers is $4.38 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 $30.46 per MWh for the summer period and $25.00 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.

RESIDENTIAL
COST OF SERVICE AT SECONDARY LEVEL
2010

		Costs	Units	Annual Per Unit Cost	Summer	Winter
L1	**Customer Related Costs**					
L2	Billing, Meter Reading, Customer Assistance	**$5,761,580**	**1,348,911 bills**	**$4.27/month**		
L3	**Facilities Related Costs**					
L4	Meters, Services and Transformers	**$5,913,409**	**1,348,911 bills**	**$4.38/month**		
L5	**Energy Related Costs**					
L6	Fuel & Variable	$20,189,643	1,181,151 MWh	$17.09/MWh	$19.20	$15.76
L7	Distribution Lines and Substations	$11,833,468	1,181,151 MWh	$10.02/MWh	$11.26	$ 9.24
L8	Total Energy Related Costs	**$32,023,111**	**1,181,151 MWh**	**$27.11/MWh**	**$30.46/MWh**	**$25.00/MWh**
L9	**Capacity Related Costs** [1]					
L10	Power Supply Rate Code 01	$38,341,634				
L11	Power Supply Rate Code 03	$6,343,793				
L12	Total Power Supply	$44,685,427	1,181,151 MWh	$37.83/MWh		
L13	Transmission Rate Code 01	$8,513,145				
L14	Transmission Rate Code 03	$989,234				
L15	Total Transmission	**$9,502,379**	**1,181,151 MWh**	**$8.05/MWh**		
L16	Three-Year Average Lincoln Demand [2]				692	510
L17	Seasonal Allocator				57.57%	42.43%
L18	Rate Code 01 Summer Capacity Costs	$22,073,279				
L19	Rate Code 03 Summer Capacity Costs	$3,652,122				
L20	Total Residential Summer Capacity Costs	**$25,725,401**	**457,425 MWh**		**$56.24/MWh**	

SUMMARY RESIDENTIAL PER UNIT COSTS

	Summer	Winter Base	Winter Elec Htg
Customer ($/Month)	**$4.27**	**$4.27**	**$4.27**
Facilities ($/Month)	**$4.38**	**$4.38**	**$4.38**
Customer and Facilities ($/Month)	**$8.66**	**$8.66**	**$8.66**
Energy ($/MWh)	**$30.46**	**$25.00**	**$25.00**
Capacity - Power Supply ($/MWh) [3]	**$56.24**	**$30.27**	**$13.57**
Capacity - Transmission ($/MWh)	**$8.05**	**$8.05**	**$8.05**
Energy and Capacity ($/MWh)	**$94.74**	**$63.31**	**$46.61**

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 HEATING SERVICE
COST OF SERVICE AT SECONDARY LEVEL
2010

		Winter RC01	RC 01 Allocator	Winter RC03	RC 03 Allocator
L1	**Residential Winter Season**				
L2	a. Total Billing Demands (kW)	3,618,654		889,541	
L3	b. Customers above 900 kWh	218,663		56,101	
L4	c. MWh Sales below 900 kWh (b. x 900/1000)	196,797		50,491	
L5	d. MWh Sales above 900 kWh	130,072		48,787	
L6	e. Total MWh Sales for customers over 900 kWh (c. + d.)	326,869		99,278	
L7	f. Average kWh per Customer (e. / b.)	1,495		1,770	
L8	g. Average Demand (kW) [1]	7.21		10.21	
L9	h. Average Demand (kW) at 900 kWh [1]	5.31		6.92	
L10	i. Electric Heating Demand (kW) above 900 kWh (g. - h.)	1.90		3.29	
L11	j. Total Demand (kW) above 900 kWh (i. x b.)	415,460	11.48%	184,572	20.75%
L12	k. Total Demand (kW) below 900 kWh (a. - j.)	3,203,194	88.52%	704,969	79.25%

		RES Above 900 kWh	RES Below 900 kWh	RC01 Above 900 kWh	RC01 Below 900 kWh	RC03 Above 900 kWh	RC03 Below 900 kWh
L13	Capacity Cost - Power Supply	$2,426,278	$16,533,749	$1,867,779	$14,400,576	$558,499	$2,133,173
L14	Energy Sales (MWh)	178,859	546,251	130,072	460,424	48,787	85,827
L15	Per Unit Capacity Cost - PS ($/MWh)	$13.57	$30.27	$14.36	$31.28	$11.45	$24.85

		Average Demand (kW) [2]			Estimated Demand (kW)	
		Coincident to Class Peak	Non-Coincident	Projected # Customers	Coincident to Class	Non-Coincident
L16	**Rate Code 01 Demand Projections**					
L17	January	1.93	4.85	96,205	185,676	466,595
L18	February	1.87	4.67	96,299	180,079	449,716
L19	March	1.65	4.45	96,393	159,048	428,948
L20	April	1.48	4.42	96,487	142,800	426,470
L21	May	2.12	4.94	96,580	204,750	477,107
L22	June	2.80	5.42	96,674	270,688	523,974
L23	July	3.33	5.76	96,769	322,240	557,388
L24	August	3.28	5.73	96,863	317,712	555,027
L25	September	2.68	5.16	96,958	259,848	500,304
L26	October	1.93	4.57	97,053	187,312	443,531
L27	November	1.82	4.54	97,147	176,808	441,049
L28	December	2.02	4.99	97,242	196,429	485,238
L29	Total Summer				1,170,488	2,136,693
L30	Total Winter				1,432,902	3,618,654
L31	**Rate Code 03 Demand Projections**					
L32	January	4.07	8.23	15,603	63,504	128,412
L33	February	3.86	8.03	15,618	60,286	125,413
L34	March	2.79	7.13	15,633	43,617	111,465
L35	April	2.08	6.37	15,648	32,549	99,681
L36	May	2.08	5.95	15,664	32,580	93,199
L37	June	2.39	5.77	15,679	37,473	90,467
L38	July	2.56	5.88	15,694	40,177	92,282
L39	August	2.48	5.61	15,710	38,960	88,131
L40	September	2.16	5.50	15,725	33,966	86,487
L41	October	1.92	6.06	15,740	30,221	95,386
L42	November	2.73	6.91	15,756	43,013	108,871
L43	December	3.60	8.06	15,771	56,775	127,114
L44	Total Summer				150,576	357,367
L45	Total Winter				362,545	889,541

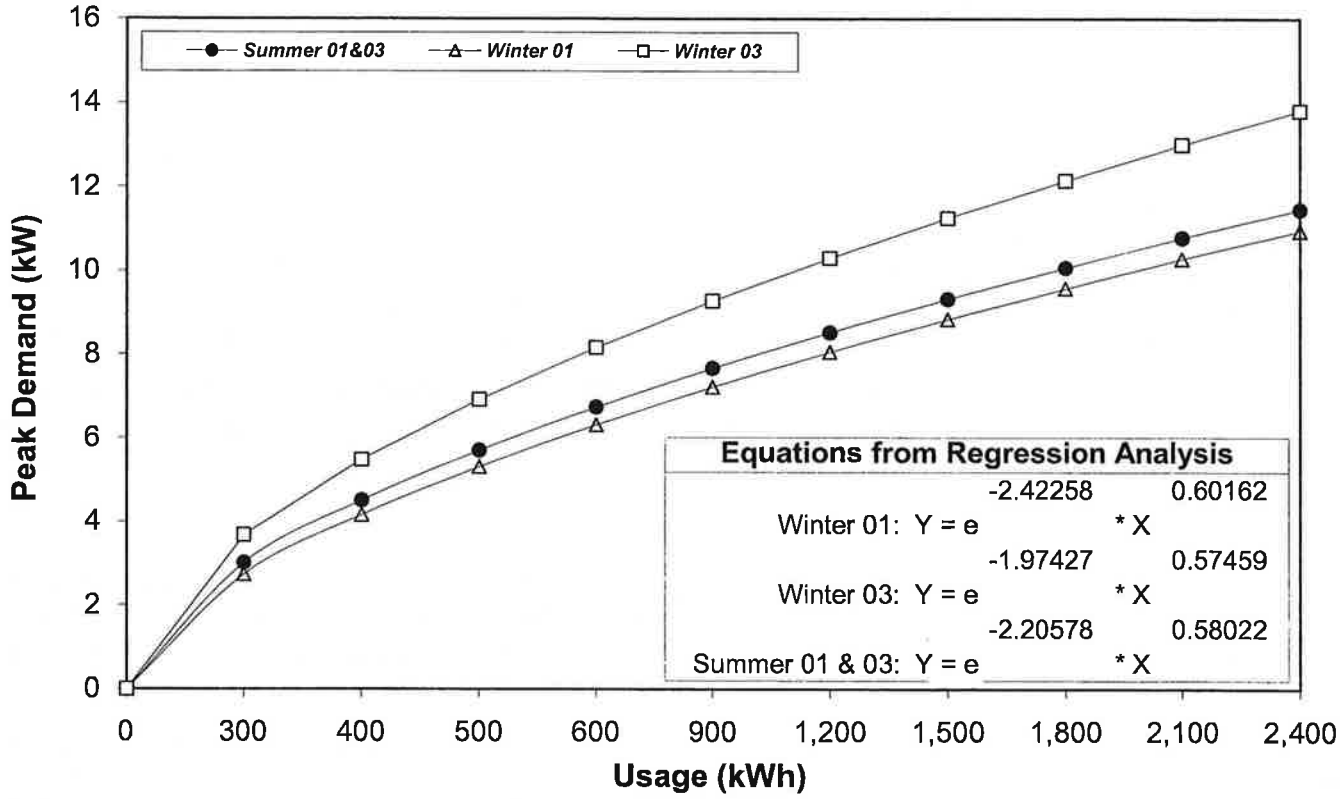
Notes

[1] The average demand and average demand at 900 kWh are derived using regressions.

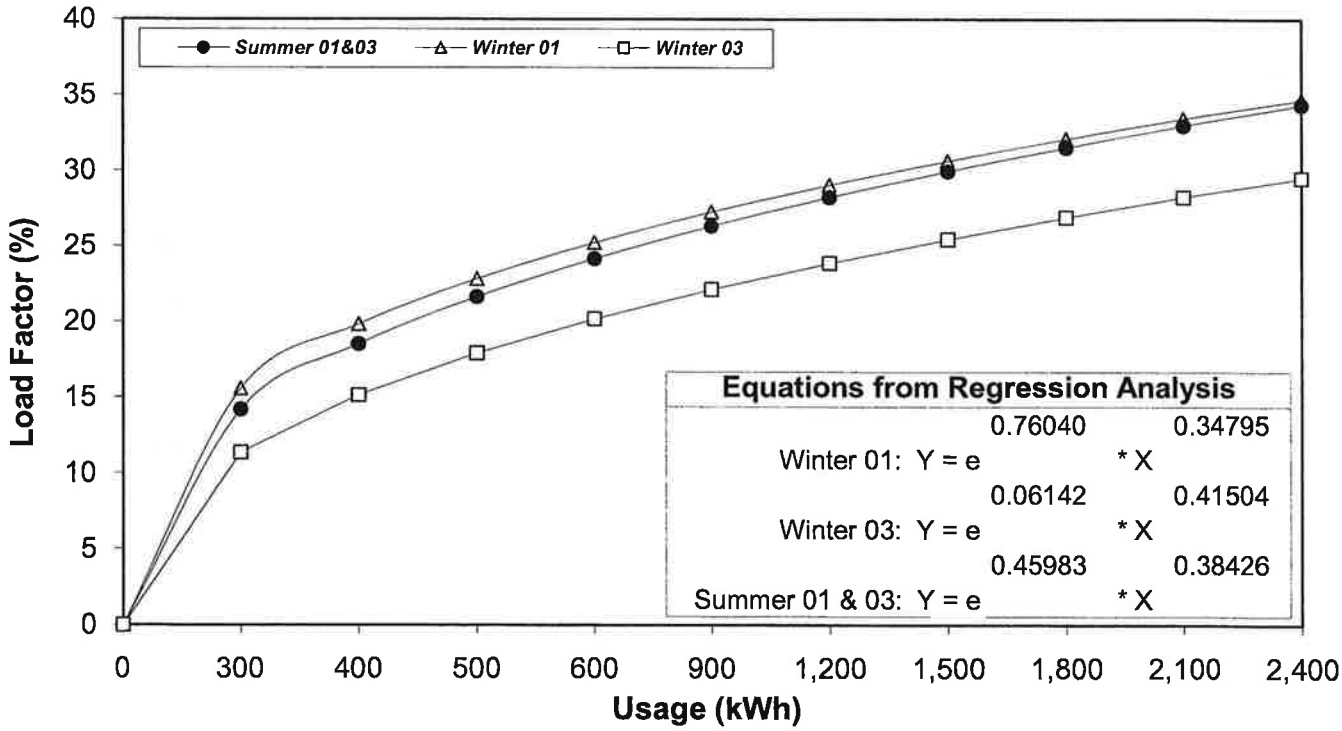
[2] Coincident and Non-coin demands from the Load Survey Annual Report use five years of history, dropping the high and low values.

RESIDENTIAL SERVICE
RATE CODES 01 & 03

Monthly Peak Demand vs. Usage



Load Factor vs. Usage



GENERAL SERVICE
2010

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 1.79. Transmission costs are annual at $6.85/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 $54.20/MWh and winter capacity cost is $22.93/MWh. Seasonal energy allocation results in a summer energy cost of $27.76/MWh and a winter cost of $22.74/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 $12.75 per customer per month for single phase, $35.81 per customer for three phase (secondary) and $6.79 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 $5.26 per customer cost.

GENERAL SERVICE
COST OF SERVICE AT SECONDARY LEVEL
2010

		Costs	Units	Annual Per Unit Cost	Summer	Winter
L1	**Customer Related Costs**					
L2	Billing, Meter Reading, Customer Assistance	**$910,867**	**173,252 bills**	**$5.26/month**		
L3	**Facilities Related Costs**					
L4	Meters Single Phase	$64,122				
L5	Services Single Phase	$282,036				
L6	Transformers Single Phase	$1,100,834				
L7	Meters, Services, Transformers Single Phase	**$1,446,992**	**113,479 bills**	**$12.75/month**		
L8	Meters Three Phase	$245,366				
L9	Services Three Phase	$312,972				
L10	Transformers Three Phase	$1,581,947				
L11	Meters, Services, Transformers Three Phase	**$2,140,285**	**59,773 bills**	**$35.81/month**		
L12	Meters, Services, Transformers Primary [1]			**$6.79/month**		
L13	**Energy Related Costs**					
L14	Fuel & Variable	$6,651,878	416,838 MWh	$15.96/MWh	$18.01	$14.75
L15	Distribution Lines and Substations	$3,599,725	416,838 MWh	$ 8.64/MWh	$ 9.75	$ 7.98
L16	Total Energy Related Costs	**$10,251,604**	**416,838 MWh**	**$24.59/MWh**	**$27.76/MWh**	**$22.74/MWh**
L17	**Capacity Related Costs**					
L18	Three-Year Average Lincoln Demand [2]				692	510
L19	Seasonal Allocator				57.57%	42.43%
L20	GS Power Supply Costs x Seasonal Allocator	$8,173,292				
L21	HS Power Supply Costs x Seasonal Allocator	$1,125,652				
L22	Total GS & HS Summer Capacity Costs	**$9,298,944**	**171,558 MWh**		**$54.20/MWh**	
L23	General Service Winter Capacity Costs [3]	**$6,023,845**	**262,709 MWh**			**$22.93/MWh**
L24	General Service Transmission Costs	**$2,855,340**	**416,838 MWh**	**$6.85/MWh**		

SUMMARY GENERAL SERVICE PER UNIT COSTS

	Summer	Winter Base
Customer Single & Three Phase ($/Month)	**$5.26**	**$5.26**
Facilities Single Phase ($/Month)	**$12.75**	**$12.75**
Facilities Three Phase ($/Month)	**$35.81**	**$35.81**
Customer and Facilities Single Phase ($/Month)	**$18.01**	**$18.01**
Customer and Facilities Three Phase ($/Month)	**$41.06**	**$41.06**
Energy ($/MWh)	**$27.76**	**$22.74**
Capacity - Power Supply ($/MWh)	**$54.20**	**$22.93**
Capacity - Transmission ($/MWh)	**$6.85**	**$6.85**
Energy and Capacity ($/MWh)	**$88.81**	**$52.52**

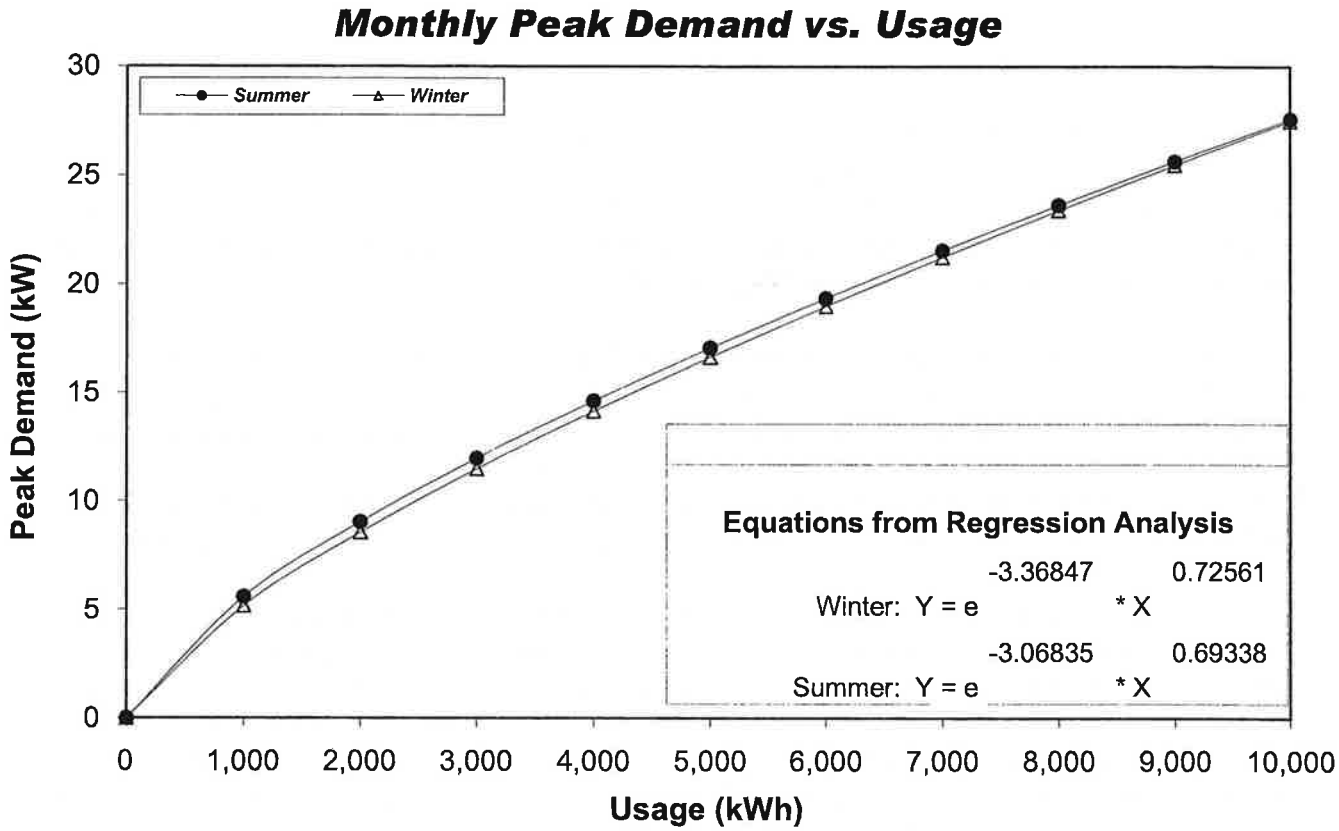
Notes

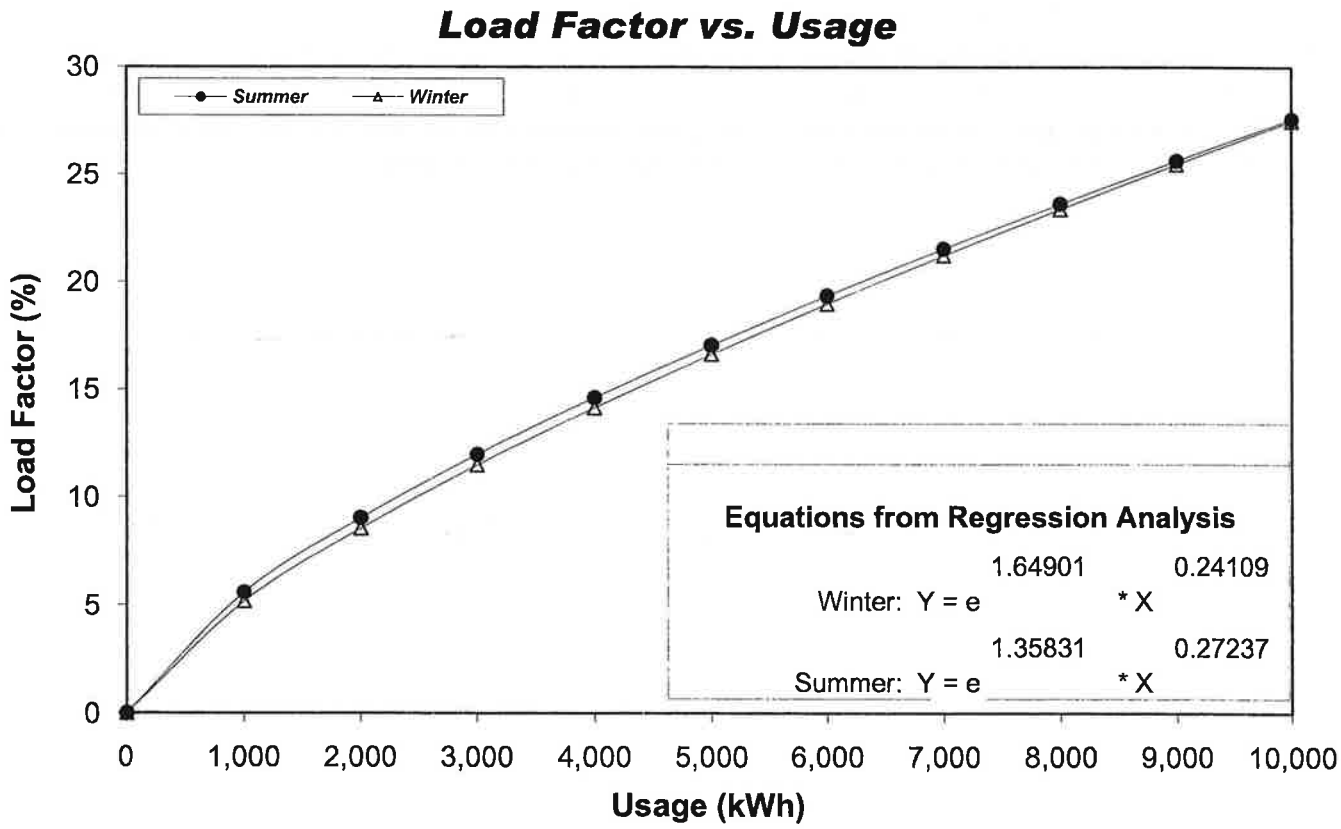
[1] Three phase primary facilities per unit cost is based on secondary costs, excluding services and transformer costs.

[2] Average demands use five years of history, dropping the high and low values.

[3] Winter Heating Service capacity costs and energy sales are not included and are developed in the Heating Service Section.

GENERAL SERVICE
RATE CODES 10 & 13





HEATING SERVICE
2010

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 1.79. Heating Service winter power supply capacity cost is $17.15/MWh, and transmission capacity cost is $5.05/MWh. Residential power supply capacity cost is $30.27/MWh for the base load, $13.57/MWh for the heating load, and $8.05/MWh for transmission capacity cost. Winter energy cost is $25.00/MWh for both the Residential base and heating and $20.30 for the Heating Service, including costs for distribution lines and substations.

Customer related cost per month is $4.46. 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 $12.91 per customer per month, three-phase costs are $38.06 per customer (secondary), and large HS facilities cost is $132.05 per customer.

HEATING SERVICE
COST OF SERVICE AT SECONDARY LEVEL
2010

		Costs	Units	Annual Per Unit Cost	Summer	Winter
L1	**Customer Related Costs**					
L2	Billing, Meter Reading, Customer Assistance	**$37,358**	**8,380 bills**	**$4.46/month**		
L3	**Facilities Related Costs**					
L4	Meters Single Phase	$2,953				
L5	Services Single Phase	$11,872				
L6	Transformers Single Phase	$49,074				
L7	Meters, Services, Transformers Single Phase	**$63,899**	**4,948 bills**	**$12.91/month**		
L8	Meters Three Phase	$10,400				
L9	Services Three Phase	$11,230				
L10	Transformers Three Phase	$67,881				
L11	Meters, Services, Transformers Three Phase	**$89,511**	**2,352 bills**	**$38.06/month**		
L12	Meters Large (above 25,000 kWh)	$8,172				
L13	Services Large	$18,279				
L14	Transformers Large	$116,162				
L15	Meters, Services, Transformers Large	**$142,612**	**1,080 bills**	**$132.05/month**		
L16	**Energy Related Costs**					
L17	Fuel & Variable	$1,034,950	65,814 MWh	$15.73/MWh	$18.46	$14.74
L18	Distribution Lines and Substations	$390,403	65,814 MWh	$ 5.93/MWh	$ 6.96	$ 5.56
L19	Total Energy Related Costs	**$1,425,353**	**65,814 MWh**	**$21.66/MWh**	**$25.42/MWh**	**$20.30/MWh**
L20	**Capacity Related Costs**					
L21	Three-Year Average Lincoln Demand [1]				692	510
L22	Seasonal Allocator				57.57%	42.43%
L23	GS Power Supply Costs x Seasonal Allocator	$8,173,292				
L24	HS Power Supply Costs x Seasonal Allocator	$1,125,652				
L25	Total GS & HS Summer Capacity Costs	**$9,298,944**	**171,558 MWh**		**$54.20/MWh**	
L26	Heating Service Winter Capacity Costs	**$829,624**	**48,386 MWh**			**$17.15/MWh**
L27	Heating Service Transmission Costs	**$332,682**	**65,814 MWh**	**$5.05/MWh**		

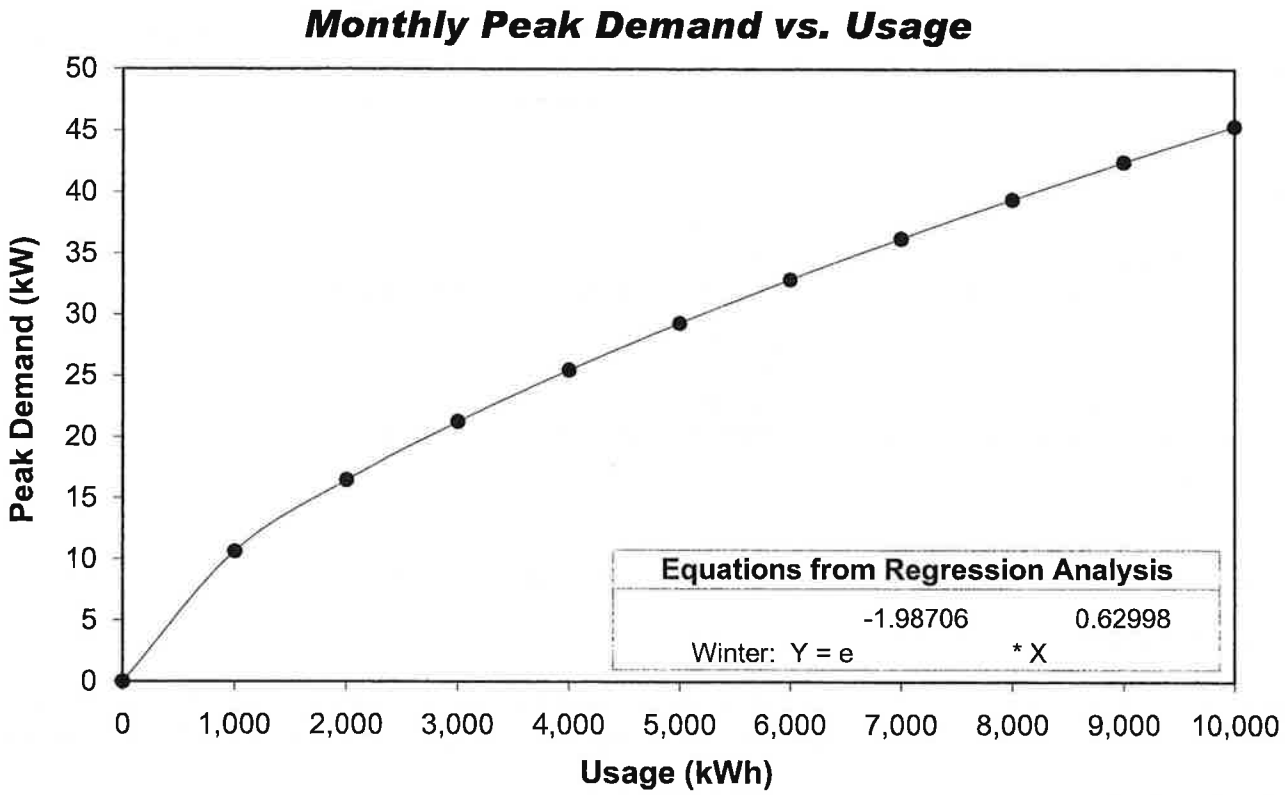
SUMMARY HEATING SERVICE PER UNIT COSTS

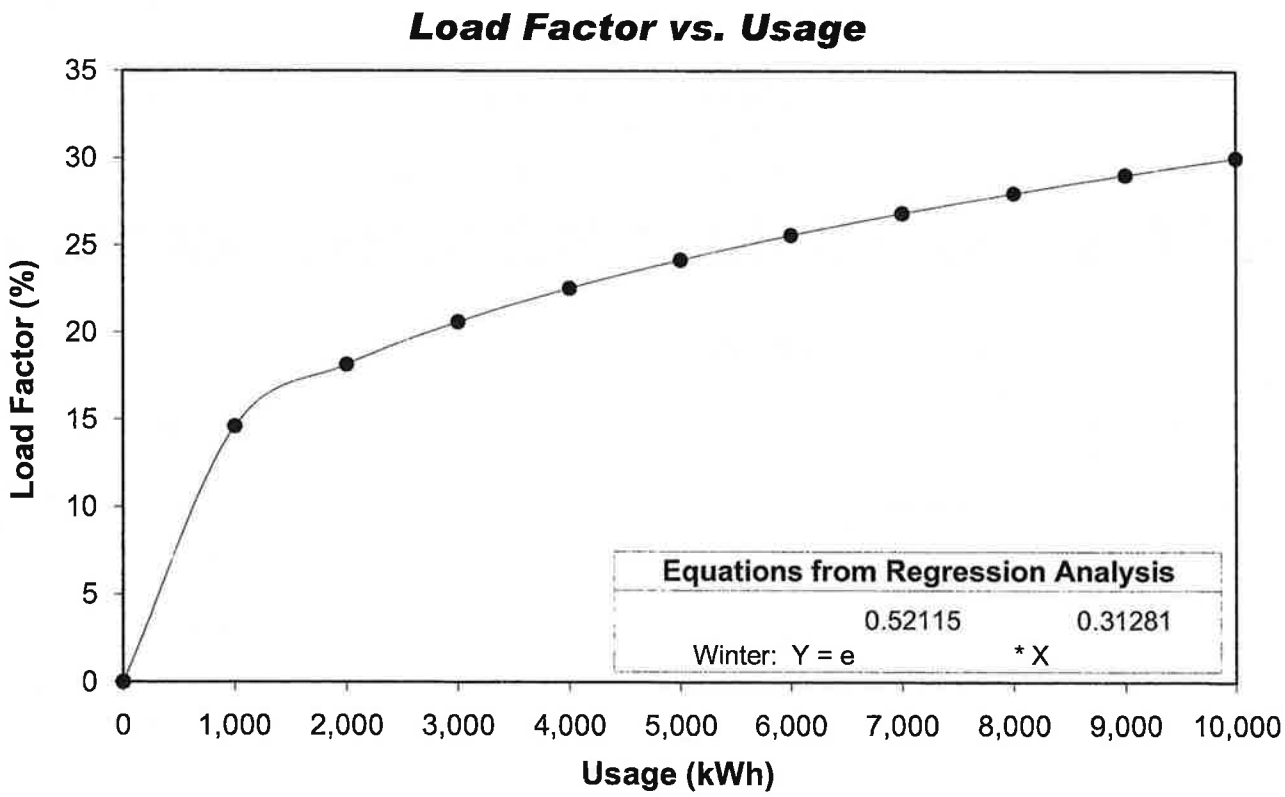
	Summer	Winter Elec Htg
Customer Single Phase, Three Phase and Large ($/Month)	**$4.46**	**$4.46**
Facilities Single Phase ($/Month)	**$12.91**	**$12.91**
Facilities Three Phase ($/Month)	**$38.06**	**$38.06**
Facilities Large ($/Month)	**$132.05**	**$132.05**
Customer and Facilities Single Phase ($/Month)	**$17.37**	**$17.37**
Customer and Facilities Three Phase ($/Month)	**$42.52**	**$42.52**
Customer and Facilities Large ($/Month)	**$136.51**	**$136.51**
Energy ($/MWh)	**$25.42**	**$20.30**
Capacity - Power Supply ($/MWh)	**$54.20**	**$17.15**
Capacity - Transmission ($/MWh)	**$5.05**	**$5.05**
Energy and Capacity ($/MWh)	**$84.68**	**$42.50**

Notes

[1] Average demands use five years of history, dropping the high and low values.

HEATING SERVICE
RATE CODES 21 & 23





GENERAL SERVICE-DEMAND
2010

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 1.79. The unit cost-of-service at secondary levels is $12.73 per billing kW (demand), $3.63 per billing kW (facilities), and $12.03 per customer per billing period. Customer related costs are mainly comprised of the Key Account program and technical assistance. Secondary energy cost is 2.510 cents per kWh (winter) and 2.598 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 9.88 cents per kWh at 30 percent load factor to 5.15 cents per kWh at 80 percent load factor. The maximum yield provision caps the rate at 17.00 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
2010

		Costs	Units	Annual Per Unit Cost	Secondary	Primary
L1	**Customer Related Costs**					
L2	Number Annual Bills				10,822 bills	36 bills
L3	Customer Allocation				99.67%	0.33%
L4	Billing, Meter Reading, Customer Assistance	**$130,621**	**10,858 bills**	**$12.03/month**	**$12.03/month**	**$12.03/month**
L5	**Facilities Related Costs**					
L6	Billing Units		1,171,648 kW		1,166,473 kW	5,175 kW
L7	Facilities Allocation				99.56%	0.44%
L8	Substations & Lines (x Facilities Allocation)	$3,467,805			$3,452,488	$15,317
L9	Meters (x Customer Allocation) [1]	$79,522			$79,259	$264
L10	Services [1]	$152,886			$152,886	$0
L11	Transformers	$545,015			$545,015	$0
L12	Facilities Distribution and Service Connection	**$4,245,228**	**1,171,648 kW**	**$3.62/kW**	**$3.63/kW**	**$3.01/kW**
L13	**Energy Related Costs**					
L14	Billing Units		403,019 MWh		401,101 MWh	1,918 MWh
L15	Loss Factor				1.049	1.018
L16	Billing Units + Losses				420,755 MWh	1,953 MWh
L17	Energy Allocation				99.54%	0.46%
L18	Fuel & Variable	$7,047,603				
L19	Capacity Related Cost Adjustment [2]	$2,244,552				
L20	Adjusted Energy Related Costs	**$9,292,155**	**403,019 MWh**	**$23.06/MWh**		
L21	**Summer**		**403,019 MWh**		**$25.98/MWh**	**$25.10/MWh**
L22	**Winter**		**403,019 MWh**		**$21.30/MWh**	**$20.58/MWh**
L23	**Capacity Related Costs**					
L24	Billing Units		**1,171,648 kW**		1,166,473 kW	5,175 kW
L25	Loss Factor				1.049	1.018
L26	Billing Units + Losses				1,223,630 kW	5,268 kW
L27	Capacity Allocation				99.57%	0.43%
L28	Power Supply	$14,366,536				
L29	Adjusted to Energy [2]	($2,244,552)				
L30	Adjusted Capacity Related Costs	**$12,121,984**	**1,171,648 kW**	**$10.35/kW**	**$10.35/kW**	**$10.07/kW**
L31	Transmission Related Costs	**$2,793,651**	**1,171,648 kW**	**$2.38/kW**	**$2.38/kW**	**$2.32/kW**

SUMMARY GENERAL SERVICE-DEMAND PER UNIT COSTS

	SECONDARY		PRIMARY	
	Summer	Winter	Summer	Winter
Customer ($/Month)	**$12.03**	**$12.03**	**$12.03**	**$12.03**
Facilities ($/kW)	**$3.63**	**$3.63**	**$3.01**	**$3.01**
Energy ($/MWh)	**$25.98**	**$25.10**	**$21.30**	**$20.58**
Capacity - Power Supply ($/MWh)	**$10.35**	**$10.35**	**$10.07**	**$10.07**
Capacity - Transmission ($/MWh)	**$2.38**	**$2.38**	**$2.32**	**$2.32**
Total Capacity ($/MWh)	**$12.73**	**$12.73**	**$12.39**	**$12.39**

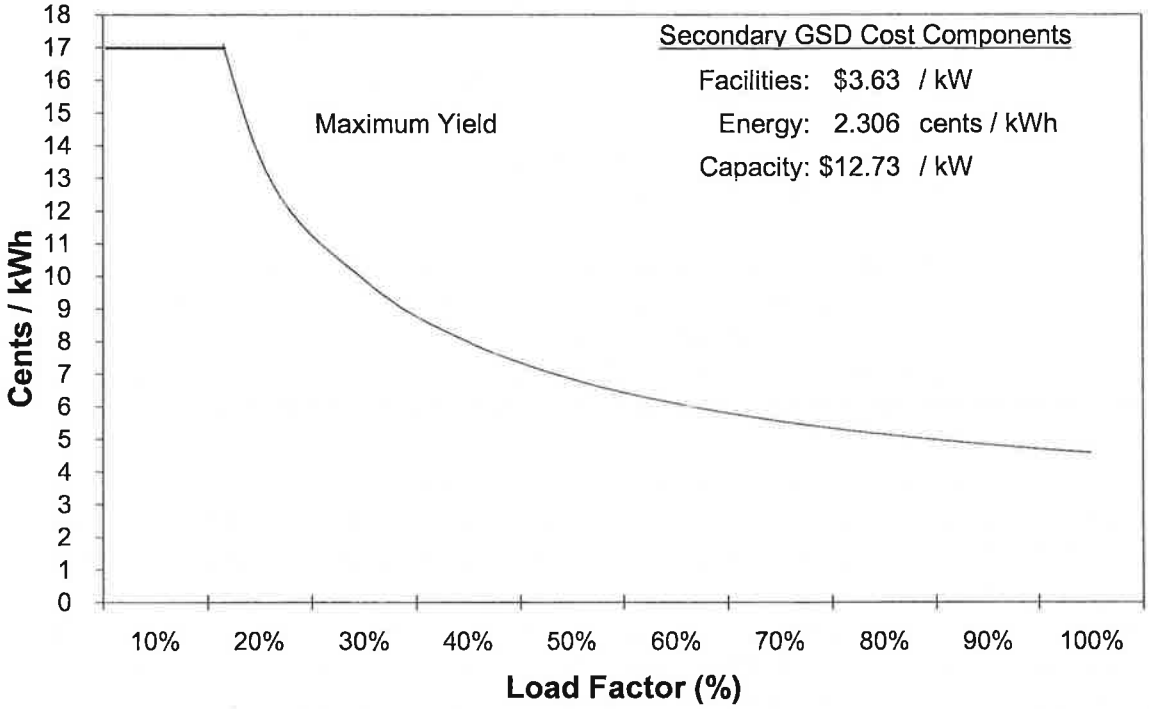
Notes

[1] The split for meters and services is based on UPIS.

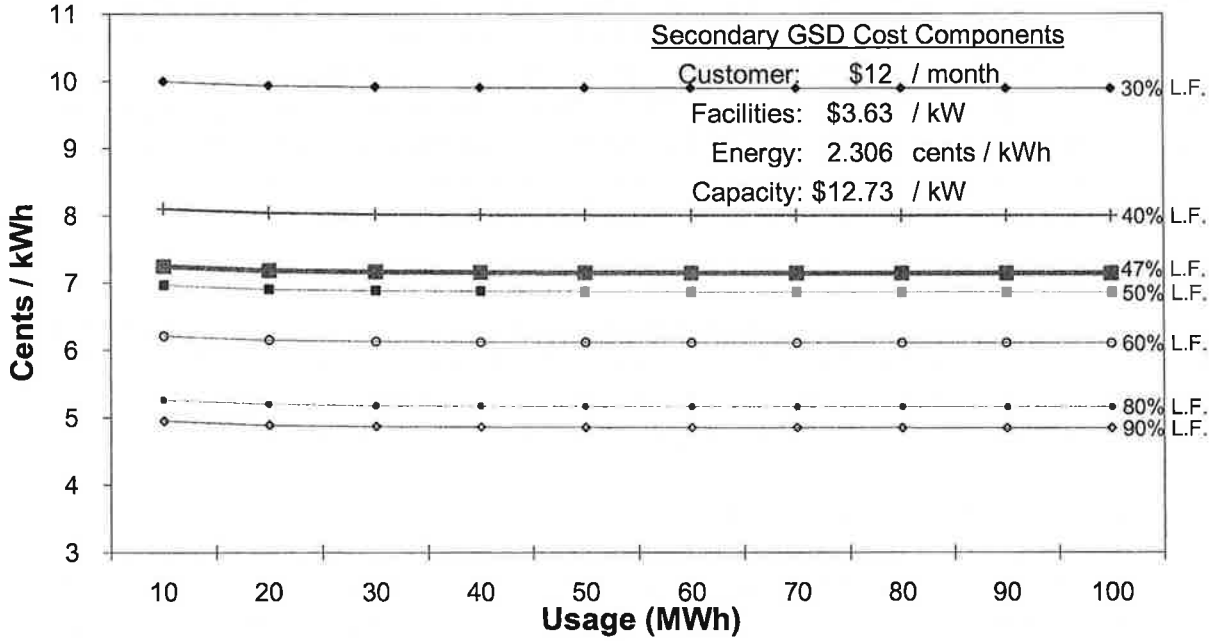
[2] Capacity related costs moved to energy consists of variable O&M of generation facilities. Customers taking power from energy marketers would need to pay this transmission and O&M cost as part of transmission.

GENERAL SERVICE-DEMAND
2010

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The GSD average load factor is 47%.

LARGE LIGHT AND POWER
2010

Large Light and Power (LLP) 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.

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 Codes 17 and 19 are for off-peak seasonal customers. Wholesale supplemental power contracts with the Department of Health and Human Services and the University of Nebraska-Lincoln in amounts above their WAPA allocations of power are included in the LLP class.

Optional LLP rates are developed to reduce the summer system peak demand. The LLP Interruptible rate (Rate Codes 22-secondary, 34-primary) is described later in this section. The LLP Off-Peak Daily rate (Rate Codes 27-secondary, 28-primary) is a time-of-use rate structure designed to encourage 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 demand charge applies for billing demands in excess of that. 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 1.79. The LLP per unit costs of service at secondary levels are: $14.28 per billing kW (demand), $3.90 per billing kW (facilities), 2.315 cents per kWh (summer energy), 1.898 cents per kWh (winter energy), plus $271 per customer per billing period. Customer related costs are mainly comprised of the Key Account program and interval meter reading. The Off-Peak Demand cost is $3.81 per kW (secondary).

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 10.45 cents per kWh at 30 percent load factor to 5.19 cents per kWh at 80 percent load factor. The maximum yield provision caps the rate at 17.00 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 & POWER
COST OF SERVICE
2010

		Costs	Units [1]	Annual Per Unit Cost	Secondary [1]	Primary [1]	35 kV [1]
L1	**Customer Related Costs**						
L2	Number Annual Bills				212 bills	24 bills	2 bills
L3	Customer Allocation				89.08%	10.08%	0.84%
L4	Billing, Meter Reading, Customer Assistance	**$774,572**	**2,856 bills**	**$271/month**	**$271/month**	**$271/month**	**$271/month**
L5	**Facilities Related Costs Below 35 kV**						
L6	Billing Units		1,859,477 kW		1,355,864 kW	503,613 kW	
L7	Facilities Allocation				72.92%	27.08%	
L8	35 kV Subs & Lines (x Facilities Allocation)	$510,083			$371,934	$138,149	
L9	Substations & Lines (x Facilities Allocation)	$5,924,285			$4,319,776	$1,604,510	
L10	Meters (x Customer Allocation) [2]	$56,572			$50,392	$5,705	
L11	Services [2]	$108,764			$108,764	$0	
L12	Transformers	$435,895			$435,895	$0	
L13	Facilities Distribution and Service Connection	**$7,035,600**	**1,859,477 kW**	**$3.78/kW**	**$3.90/kW**	**$3.47/kW**	
L14	**Facilities Related Costs for Dual Primary Services**						
L15	35 kV Subs & Lines - $138,149 x 65%	$89,797					
L16	Lines - $1,330,615 x 65%	$864,900					
L17	Facilities Distribution Dual Primary Costs [3]	**$954,697**	**570,694 kW**			**$1.67/kW**	
L18	**Facilities Related Costs at 35 kV**						
L19	Peak Load of 35 kV Customers / Peak Flow on the 35 kV Facilities = 35 kV Facilities used by 35 kV Customers						
L20	*20,188 kW / 87,280 kW = 23.1% - Subs*	*$580,621*					
L21	*20,244 kW / 86,883 kW = 23.3% - Lines*	*$625,334*					
L22	Subs Costs (x 35 kV Customer Allocation)	$134,298					
L23	Lines Costs (x 35 kV Customer Allocation)	$145,705					
L24	Facilities Distribution for 35 kV	**$280,004**	**228,374 kW**				**$1.23/kW**
L25	**Energy Related Costs**						
L26	Billing Units		901,456 MWh		631,462 MWh	228,396 MWh	41,599 MWh
L27	Loss Factor				1.049	1.018	1.008
L28	Billing Units + Losses				662,403 MWh	232,507 MWh	41,932 MWh
L29	Energy Allocation				70.70%	24.82%	4.48%
L30	Fuel & Variable	$14,279,434					
L31	Capacity Related Cost Adjustment [4]	$4,078,621					
L32	Adjusted Energy Related Costs	**$18,358,055**	**901,456 MWh**	**$20.36/MWh**			
L33	**Summer**				**$23.15/MWh**	**$22.47/MWh**	**$22.27/MWh**
L34	**Winter**				**$18.98/MWh**	**$18.42/MWh**	**$18.26/MWh**

Notes

[1] The LLP class includes SFP customers and has two fewer customers than the customer forecast 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).

[4] Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE LIGHT & POWER
COST OF SERVICE
2010

		Costs	Units	Annual Per Unit Cost	Secondary	Primary	35 kV
L1	**Capacity Related Costs [1]**						
L2	**OFF PEAK**						
L3	Power Supply LLP w/o Cogen	$26,213,916					
L4	Adjusted to Energy [2]	($4,078,621)					
L5	Adjusted Power Supply Costs w/o Cogen	$22,135,295	1,924,909 kW	$11.50/kW			
L6	Contribution to Power Supply (10%)			**$1.15/kW**	**$1.21/kW**	**$1.17/kW**	**$1.16/kW**
L7	Off Peak Billing Units				-6,120 kW	-5,880 kW	0 kW
L8	Off Peak Demand Cost	($14,285)			($7,405)	($6,880)	$0
L9	**POWER SUPPLY**						
L10	Billing Units		1,924,909 kW		1,355,864 kW	503,613 kW	65,432 kW
L11	Off Peak Billing Units		- 12,000 kW		- 6,120 kW	- 5,880 kW	-
L12	Adjusted Billing Units		1,912,909 kW		1,349,744 kW	497,733 kW	65,432 kW
L13	Loss Factor		---------		1.049	1.018	1.008
L14	Billing Units + Losses for Power Supply		1,912,909 kW		1,415,881 kW	506,693 kW	65,955 kW
L15	Capacity Allocation		100.00%		71.20%	25.48%	3.32%
L16	Power Supply	$26,213,916					
L17	Adjusted to Energy [2]	($4,078,621)					
L18	Adjusted Capacity Related Costs	$22,135,295	1,924,909 kW		$15,760,330	$5,640,073	$734,892
L19	Less Off Peak Demand Cost	($14,285)			($7,405)	($6,880)	$0
L20	Adjusted Capacity Related Costs	$22,121,010			$15,752,925	$5,633,193	$734,892
L21	Power Supply Related Costs			$11.56/kW	**$11.67/kW**	**$11.32/kW**	**$11.23/kW**
L22	**TRANSMISSION**						
L23	Billing Units		1,924,909 kW		1,355,864 kW	503,613 kW	65,432 kW
L24	Loss Factor				1.049	1.018	1.008
L25	Billing Units + Losses for Transmission				1,422,301 kW	512,678 kW	65,955 kW
L26	Capacity Allocation				71.08%	25.62%	3.30%
L27	Transmission Related Costs	**$4,968,204**	**1,924,909 kW**	**$2.58/kW**	**$2.60/kW**	**$2.53/kW**	**$2.51/kW**

SUMMARY LARGE LIGHT & POWER PER UNIT COSTS

	SECONDARY		PRIMARY		35 kV	
	Summer	Winter	Summer	Winter	Summer	Winter
Customer ($/Month)	**$271.21**	**$271.21**	**$271.21**	**$271.21**	**$271.21**	**$271.21**
Facilities ($/kW)	**$3.90**	**$3.90**	**$3.47**	**$3.47**	**$1.23**	**$1.23**
Energy ($/MWh)	**$23.15**	**$18.98**	**$22.47**	**$18.42**	**$22.27**	**$18.26**
Capacity - Power Supply ($/kW)	**$11.67**	**$11.67**	**$11.32**	**$11.32**	**$11.23**	**$11.23**
Capacity - Transmission ($/kW)	**$2.60**	**$2.60**	**$2.53**	**$2.53**	**$2.51**	**$2.51**
Total Capacity ($/kW)	**$14.28**	**$14.28**	**$13.85**	**$13.85**	**$13.74**	**$13.74**
Off Peak Capacity - Power Supply ($/kW)	**$1.21**	**$1.21**	**$1.17**	**$1.17**	**$1.16**	**$1.16**
Off Peak Capacity - Transmission ($/kW)	**$2.60**	**$2.60**	**$2.53**	**$2.53**	**$2.51**	**$2.51**
Total Off Peak Capacity ($/kW)	**$3.81**	**$3.81**	**$3.70**	**$3.70**	**$3.67**	**$3.67**

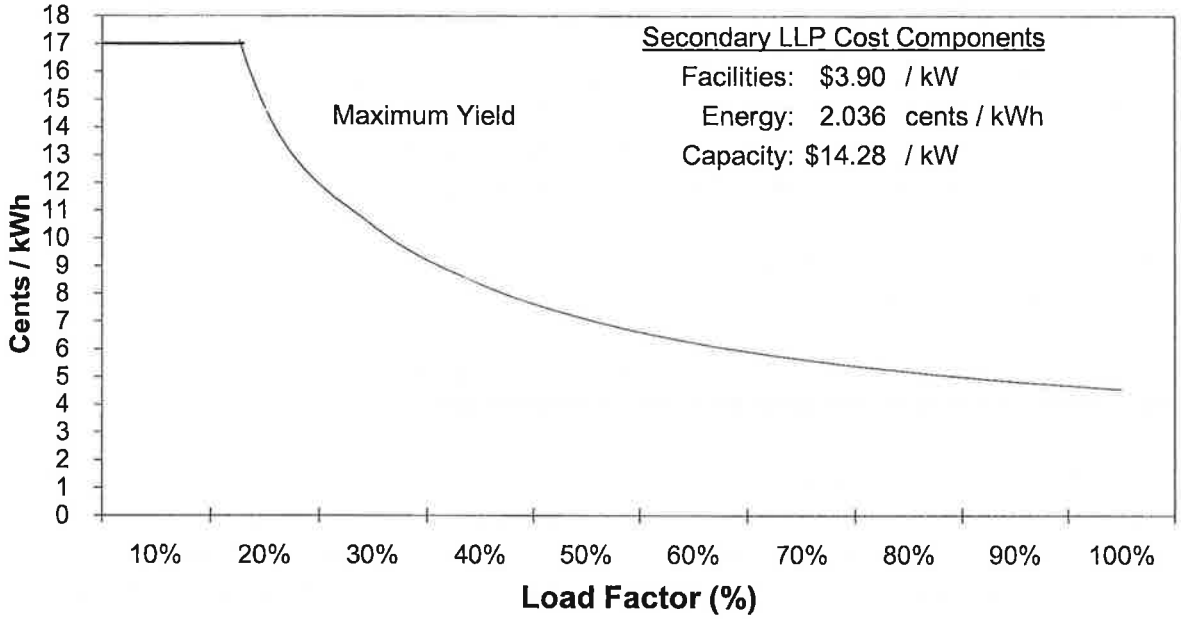
Notes

[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 Componenet for Backup Power Section.

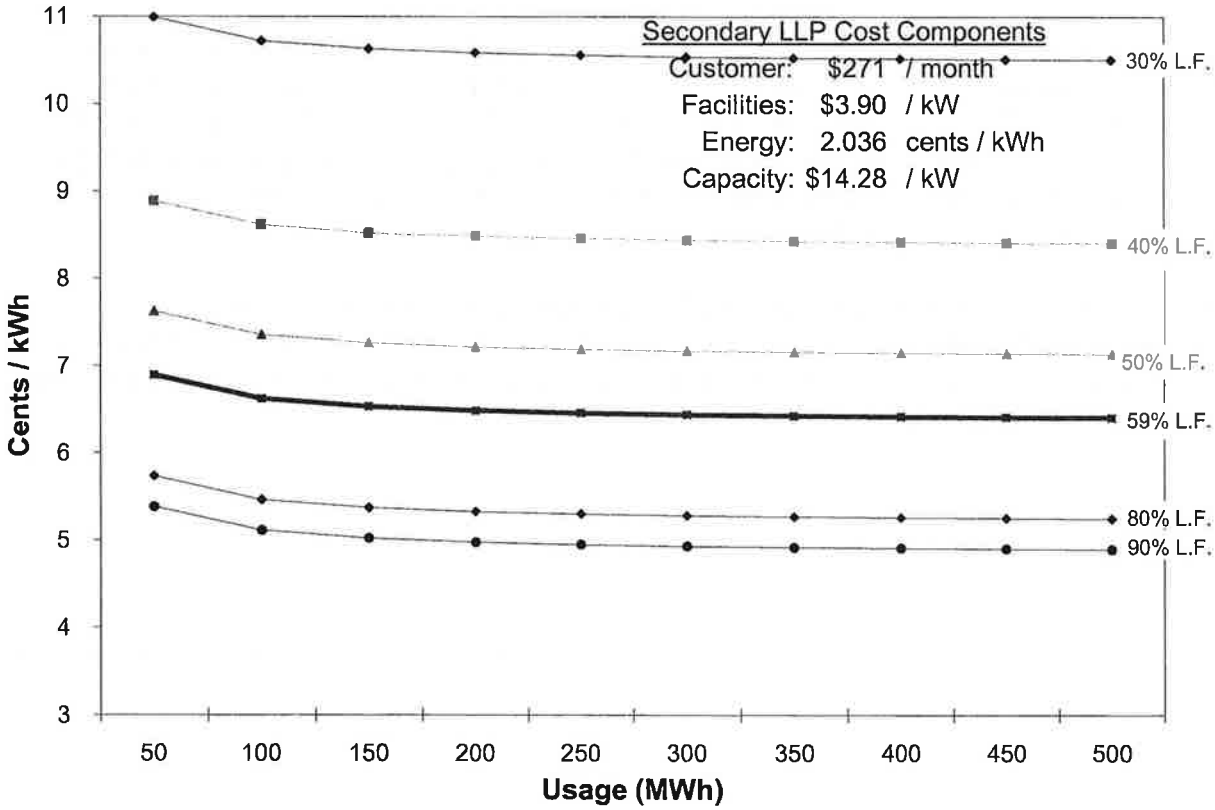
[2] Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE LIGHT AND POWER
2010

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The LLP average load factor is 59%.

LARGE POWER CONTRACT
2010

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.

The LPC Off-Peak Daily rate (Rate Code 49 at 35 kv) uses the same summer on-peak 2 p.m. to 8 p.m. period as the LLP. The LPC 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 1.79. The LPC per unit costs of service at primary levels are: $16.51 per billing kW (demand), $4.03 per billing kW (facilities), 2.160 cents per kWh (summer energy), 1.770 cents per kWh (winter energy), plus $848 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 11.72 cents per kWh as 30 percent load factor to 5.60 cents per kWh, or 80 percent load factor. The maximum yield provision caps the rate at 17.00 cents per kWh.

LARGE POWER CONTRACT
COST OF SERVICE
2010

		Costs	Units	Annual Per Unit Cost	Secondary	Primary	35 kV
L1	**Customer Related Costs**						
L2	Number Annual Bills				1 bill	5 bills	1 bill
L3	Customer Allocation				14.29%	71.43%	14.29%
L4	Billing, Meter Reading, Customer Assistance	**$71,266**	**84 bills**	**$848/month**	**$848/month**	**$848/month**	**$848/month**
L5	**Facilities Related Costs Below 35 kV**						
L6	Billing Units		463,152 kW		91,215 kW	371,937 kW	
L7	Facilities Allocation				19.69%	80.31%	
L8	35 kV Subs & Lines (x Facilities Allocation)	$154,114			$30,352	$123,762	
L9	Substations & Lines (x Facilities Allocation)	$1,709,509			$336,677	$1,372,831	
L10	Meters (x Customer Allocation) [1]	$3,493			$499	$2,495	
L11	Services [1]	$6,715			$6,715	$0	
L12	Transformers	$2,775			$2,775	$0	
L13	Facilities Distribution and Service Connection	**$1,876,605**	**463,152 kW**	**$4.05/kW**	**$4.13/kW**	**$4.03/kW**	
L14	**Facilities Related Costs for Dual Primary Services**						
L15	35 kV Subs & Lines - $123,762 x 65%	$80,445					
L16	Lines - $1,138,481 x 65%	$740,013					
L17	Facilities Distribution Dual Primary Costs [2]	**$820,458**	**371,937 kW**			**$2.21/kW**	
L18	**Facilities Related Costs at 35 kV**						
L19	Peak Load of 35 kV Customers / Peak Flow on the 35 kV Facilities = 35 kV Facilities used by 35 kV Customers						
L20	*3,650 kW / 22,452 kW = 16.3% - Subs*	*$162,715*					
L21	*3,661 kW / 22,336 kW = 16.4% - Lines*	*$175,245*					
L22	Subs Costs (x 35 kV Customer Allocation)	$26,455					
L23	Lines Costs (x 35 kV Customer Allocation)	$28,721					
L24	Facilities Distribution for 35 kV	**$55,176**	**64,000 kW**				**$0.86/kW**
L25	**Energy Related Costs**						
L26	Billing Units		307,103 MWh		48,509 MWh	206,994 MWh	51,600 MWh
L27	Loss Factor				1.049	1.018	1.008
L28	Billing Units + Losses				50,886 MWh	210,720 MWh	52,013 MWh
L29	Energy Allocation				16.23%	67.19%	16.58%
L30	Fuel & Variable	$4,701,406					
L31	Capacity Related Cost Adjustment [3]	$1,204,903					
L32	Adjusted Energy Related Costs	**$5,906,309**	**307,103 MWh**	**$19.23/MWh**			
L33	**Summer**				**$22.26/MWh**	**$21.60/MWh**	**$21.38/MWh**
L34	**Winter**				**$18.25/MWh**	**$17.70/MWh**	**$17.53/MWh**

Notes

[1] The split for meters and services is based on UPIS.

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

[3] Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE POWER CONTRACT
COST OF SERVICE
2010

		Costs	Units	Annual Per Unit Cost	Secondary	Primary	35 kV
L1	**Capacity Related Costs**						
L2	**OFF PEAK**						
L3	Power Supply LLP w/o Cogen	$7,764,296					
L4	Adjusted to Energy [1]	($1,204,903)					
L5	Adjusted Power Supply Costs w/o Cogen	$6,559,393	527,152 kW	$12.44/kW			
L6	Contribution to Power Supply (10%)			**$1.24/kW**	**$1.31/kW**	**$1.27/kW**	**$1.25/kW**
L7	Off Peak Billing Units				0 kW	0 kW	-53,790 kW
L8	Off Peak Demand Cost	($67,238)			$0	$0	($67,238)
L9	**POWER SUPPLY**						
L10	Billing Units		527,152 kW		91,215 kW	371,937 kW	64,000 kW
L11	Off Peak Billing Units		- 53,790 kW		0 kW	0 kW	-53,790 kW
L12	Adjusted Billing Units		473,362 kW		91,215 kW	371,937 kW	10,210 kW
L13	Loss Factor		----------		1.049	1.018	1.008
L14	Billing Units + Losses for Power Supply		473,362 kW		95,685 kW	378,632 kW	10,292 kW
L15	Capacity Allocation		100.00%		19.75%	78.13%	2.12%
L16	Power Supply	$7,764,296					
L17	Adjusted to Energy [1]	($1,204,903)					
L18	Adjusted Capacity Related Costs	$6,559,393	527,152 kW		$1,295,480	$5,124,854	$139,059
L19	Less Off Peak Demand Cost	($67,238)			$0	$0	($67,238)
L20	Adjusted Capacity Related Costs	$6,492,155			$1,295,480	$5,124,854	$71,821
L21	Power Supply Related Costs			$13.71/kW	**$14.20/kW**	**$13.78/kW**	**$7.03/kW**
L22	**TRANSMISSION**						
L23	Billing Units		527,152 kW		91,215 kW	371,937 kW	64,000 kW
L24	Loss Factor				1.049	1.018	1.008
L25	Billing Units + Losses for Transmission				95,685 kW	378,632 kW	64,512 kW
L26	Capacity Allocation				17.76%	70.27%	11.97%
L27	Transmission Related Costs	**$1,447,499**	**527,152 kW**	**$2.75/kW**	**$2.82/kW**	**$2.73/kW**	**$2.71/kW**

SUMMARY LARGE POWER CONTRACT PER UNIT COSTS

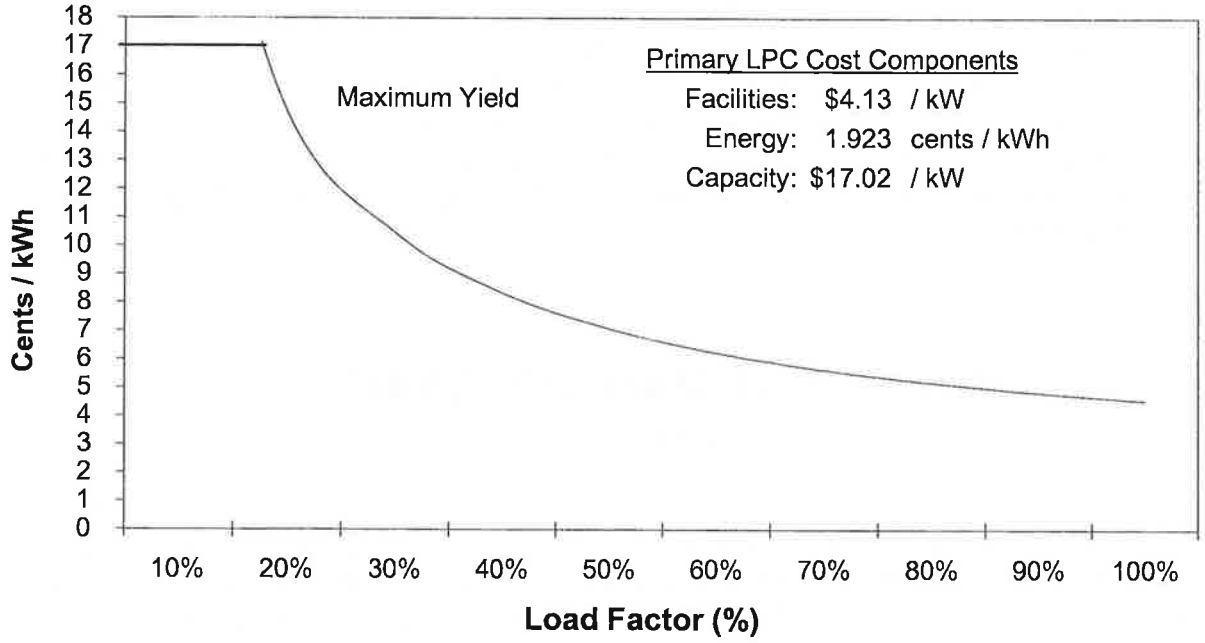
	SECONDARY		PRIMARY		35 kV	
	Summer	Winter	Summer	Winter	Summer	Winter
Customer ($/Month)	**$848.40**	**$848.40**	**$848.40**	**$848.40**	**$848.40**	**$848.40**
Facilities ($/kW)	**$4.13**	**$4.13**	**$4.03**	**$4.03**	**$0.86**	**$0.86**
Energy ($/MWh)	**$22.26**	**$18.25**	**$21.60**	**$17.70**	**$21.38**	**$17.53**
Capacity - Power Supply ($/kW)	**$14.20**	**$14.20**	**$13.78**	**$13.78**	**$7.03**	**$7.03**
Capacity - Transmission ($/kW)	**$2.82**	**$2.82**	**$2.73**	**$2.73**	**$2.71**	**$2.71**
Total Capacity ($/kW)	**$17.02**	**$17.02**	**$16.51**	**$16.51**	**$9.74**	**$9.74**
Off Peak Capacity - Power Supply ($/kW)	**$1.31**	**$1.31**	**$1.27**	**$1.27**	**$1.25**	**$1.25**
Off Peak Capacity - Transmission ($/kW)	**$2.82**	**$2.82**	**$2.73**	**$2.73**	**$2.71**	**$2.71**
Total Off Peak Capacity ($/kW)	**$4.13**	**$4.13**	**$4.00**	**$4.00**	**$3.96**	**$3.96**

Notes

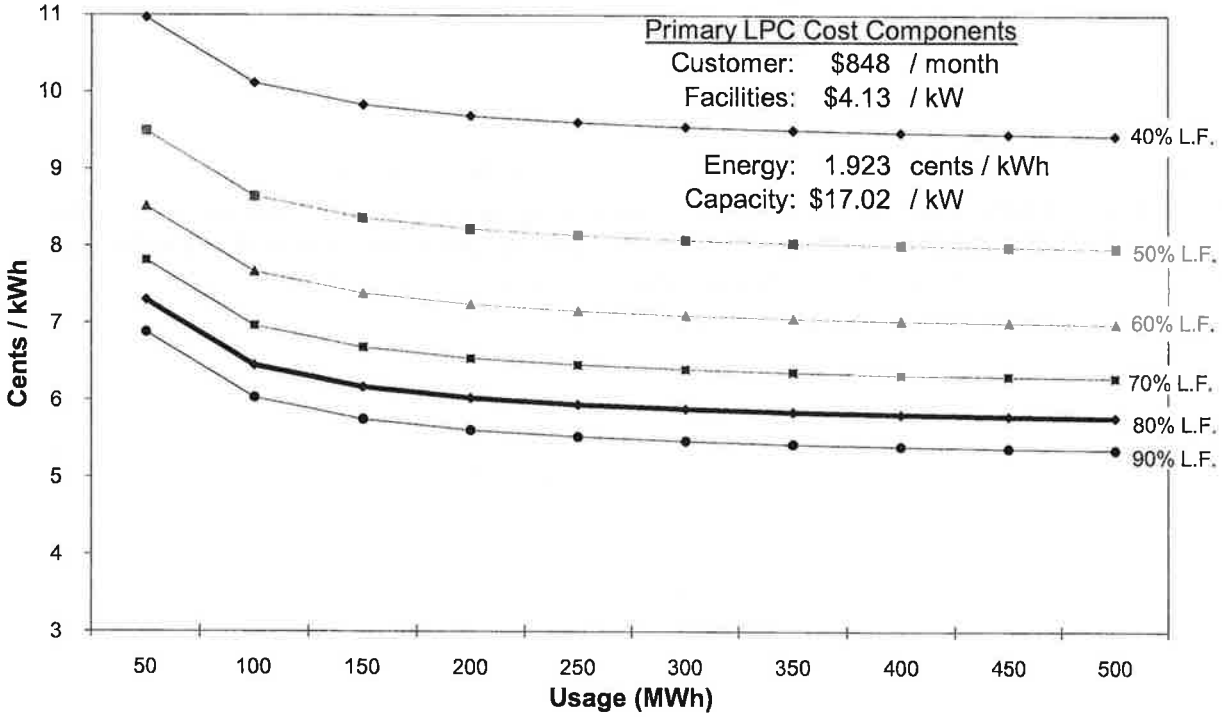
[1] Capacity related costs moved to energy consists of variable O&M of generation facilities.

LARGE POWER CONTRACT
2010

Cost of Service at Different Load Factors



Cost of Service at Different Energy Levels



The LPC average load factor is 80%.

INTERRUPTIBLE CONTRACT CUSTOMERS
2010

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 $1.96 per kW per month, applicable for four summer months only.

POWER PURCHASE PROGRAM
2010

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 16 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)
2010

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 2010.

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	7.1%	
L5	Total Capacity Cost	$0.00	/ kW - season
L6	Adjusted monthly	$0.00	/ kW - month

L7 **On-Peak Energy Credit**

L8	2010 Seasonal Curtailable (based on summer on-peak avoided energy cost)	$0.0785	/ kWh

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		$0.078	/ kWh
L11	Estimated Hourly Cost		$0.078	/ kWh
L12	Hours per Season	x	100	hours
L13	Cost per Season		$7.85	/ kW - season
L14	Cost per Month		$1.96	/ kW - month (June - September)

COGENERATION CONTRACT CUSTOMERS
2010

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
2010

L1	**Large Light and Power**		
L2	Transmission Related Cost	$4,968,204	
L3	SEM Power Marketing	$306,894	
L4		$5,275,099	
L5	LLP Billing Units	1,924,909	kW
L6	Transmission Per Unit	$2.74	/ kW
L7	Monthly Cost of LES Peaking Capacity - Rokeby Units	$598,333	
L8	Unit Capacity Rating	245,700	kW
L9	Cost of Capacity (annualized)	$2.44	/ kW - Month
L10	In-Lieu of Tax Factor	1.049	
L11	Primary Loss Factor	1.018	
L12		$2.60	/ kW - Month
L13	**Contract Demand Per Unit Cost**	**$5.34**	**/ kW - Month**

STREET, SECURITY AND TRAFFIC SIGNAL LIGHTING
2010

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 $375,007 of the total energy related costs, $40,820 customer related costs, $219,190 facilities related costs, and $26,371 capacity related costs. In addition, $1,218,364 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: $203,932 to Security Lighting, $1,604,744 to Street Lighting, and $71,077 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 luminaire 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
2010

		Security Lighting	Street Lighting	Traffic Signal Lighting	Total
L1	**Allocated Costs**				
L2	Energy Related	$26,888	$330,644	$17,475	$375,007
L3	Customer Related	$25,276	$592	$14,952	$40,820
L4	Facilities Related	$15,269	$194,191	$9,730	$219,190
L5	Capacity Related	$1,891	$23,251	$1,229	$26,371
L6	Total Allocated Costs	$69,324	$548,678	$43,386	$661,388
L7	**Directly Assigned Costs**				
L8	O&M	$11,613	$532,089	--------	$543,702
L9	S&E	$11,662	$143,404	$7,579	$162,645
L10	A&G	$27,393	$336,852	$17,804	$382,049
L11	Debt Service	$73,678	$21,902	$0	$95,580
L12	Total Directly Assigned Costs	$124,346	$1,034,247	$25,383	$1,183,976
L13	**Miscellaneous**				
L14	Interest Income	($545)	($2,324)	($123)	($2,992)
L15	In Lieu of Tax	$10,807	$46,043	$2,431	$59,281
L16	Capital Investment [1]	--------	($21,900)	$0	($21,900)
L18	Total Miscellaneous Costs	$10,262	$21,819	$2,308	$34,389
L19	**Total Allocated and Assigned Costs**	$203,932	$1,604,744	$71,077	$1,879,753
L20	**Costs to be Recovered in**				
L21	**Maintenance Charges**				
L22	Maintenance Costs	$9,783	$231,321		
L23	Total Projected Lamps	1,317	29,425		
L24	Average Annual Cost Per Lamp [2]	$7.43	$7.86		
L25	Average Monthly Cost Per Lamp [2]	$0.62	$0.66		
L26	**Maintenance Charge Adders**				
L27	Customer Related	$25,276	$592		
L28	S&E and A&G	$39,055	$480,256		
L29	Total	$64,331	$480,848		
L30	Total Projected Lamps	1,317	29,425		
L31	Annual Cost Per Lamp	$48.85	$16.34		
L32	Monthly Cost Per Lamp	$4.07	$1.36		
L33	**Facilities Charge (Subs & Transformers)**				
L34	Facilities Costs	$15,269	$194,191	$9,730	$219,190
L35	Total Projected Energy (MWh)	1,709	21,027	1,111	23,847
L36	**Facilities Charge ($/MWh)**	**$8.93**	**$9.24**	**$8.76**	
L37	**Energy and Capacity Charge**				
L38	Total Allocated and Assigned Costs	$203,932	$1,604,744	$71,077	$1,879,753
L39	Less Revenue				
L40	Maintenance Charges and Adders	($74,114)	($711,577)	--------	($785,691)
L41	(Maint, S&E, A&G and Customer Costs)				
L42	Facilities Charges	($15,269)	($194,191)	($9,730)	($219,190)
L43	Capital Investment Charge [1]	($73,678)	--------	--------	($73,678)
L44	Balance of Allocated Costs	$40,871	$698,976	$61,347	$801,194
L45	Total Projected Energy (MWh)	1,709	21,027	1,111	23,847
L46	**Energy and Capacity Charge ($/MWh)**	**$23.92**	**$33.24**	**$55.20**	

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 showin in the Street and Security Lighting cost tables.

STREET LIGHTING MONTHLY MAINTENANCE COSTS
2010

	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	Monthly Adder[1]	Maint Plus Adder /Lamp	Total Maint Plus Adder
L1	**Mercury Vapor Lights**													
L2	175 watts	52	$0.07	$0.38	$0.14	$0.10	$0.03	$0.72	$38	$0.60	$31	$1.36	$1.96	**$102**
L3	**High Pressure Sodium Vapor Lights**													
L4	35 watts	161	$0.12	$0.38	$0.14	$0.10	$0.03	$0.77	$125	$0.64	$104	$1.36	$2.00	**$323**
L5	50 watts	95	$0.12	$0.38	$0.14	$0.10	$0.03	$0.77	$73	$0.64	$61	$1.36	$2.00	**$190**
L6	70 watts	15,199	$0.10	$0.38	$0.14	$0.10	$0.03	$0.76	$11,511	$0.63	$9,581	$1.36	$1.99	**$30,254**
L7	100 watts	408	$0.16	$0.38	$0.14	$0.10	$0.03	$0.81	$331	$0.67	$275	$1.36	$2.03	**$830**
L8	150 watts	5,677	$0.10	$0.38	$0.14	$0.10	$0.03	$0.76	$4,299	$0.63	$3,579	$1.36	$1.99	**$11,300**
L9	200 watts	274	$0.12	$0.38	$0.14	$0.10	$0.03	$0.78	$213	$0.65	$178	$1.36	$2.01	**$550**
L10	250 watts	4,672	$0.10	$0.38	$0.14	$0.10	$0.03	$0.76	$3,538	$0.63	$2,945	$1.36	$1.99	**$9,300**
L11	400 watts	1,539	$0.10	$0.38	$0.14	$0.10	$0.03	$0.76	$1,166	$0.63	$970	$1.36	$1.99	**$3,063**
L12	1000 watts	18	$0.46	$0.38	$0.14	$0.10	$0.03	$1.12	$20	$0.93	$17	$1.36	$2.29	**$41**
L13	**Low Pressure Sodium Vapor Lights**													
L14	180 watts	1	$0.00	$0.38	$0.14	$0.10	$0.03	$0.66	$1	$0.55	$1	$1.36	$1.91	**$2**
L15	**Metal Halide**													
L16	75 watts	189	$0.54	$0.38	$0.14	$0.10	$0.03	$1.19	$225	$0.99	$188	$1.36	$2.35	**$445**
L17	100 watts	456	$0.57	$0.38	$0.14	$0.10	$0.03	$1.22	$557	$1.02	$464	$1.36	$2.38	**$1,084**
L18	175 watts	94	$0.62	$0.38	$0.14	$0.10	$0.03	$1.28	$120	$1.06	$100	$1.36	$2.42	**$228**
L19	250 watts	193	$2.08	$0.38	$0.14	$0.10	$0.03	$2.74	$528	$2.28	$440	$1.36	$3.64	**$702**
L20	400 watts	242	$0.19	$0.38	$0.14	$0.10	$0.03	$0.84	$204	$0.70	$170	$1.36	$2.06	**$499**
L21	1000 watts	50	$0.91	$0.38	$0.14	$0.10	$0.03	$1.57	$78	$1.31	$65	$1.36	$2.67	**$133**
L23	**LED**													
L24	124 watts	12	$2.83	$0.38	$0.14	$0.10	$0.03	$3.49	$42	$2.90	$35	$1.36	$4.26	**$51**
L25	**Induction**													
L26	23 watts	93	$0.30	$0.38	$0.14	$0.10	$0.03	$0.95	$89	$0.79	$74	$1.36	$2.15	**$200**
L22	**Monthly Maintenance Costs**													
L23		29,425	$3,882	$11,221	$4,139	$2,917	$1,000		$23,158		$19,277	$40,021		**$59,298**
L24	**Annual Maintenance Costs**													
L25			**$46,581**	**$134,656**	**$49,665**	**$35,000**	**$12,000**		**$277,902**		**$231,321**	**$480,256**		**$711,577**

Note
[1] The monthly adder is made up of S&E, A&G, and Customer costs.

SECURITY LIGHTING TOTAL COSTS

2010

		Proj Lamps[1]	Calc Maint Costs /Lamp	Adj to Budget Maint	Monthly Adder[2]	Maint Plus Adder /Lamp	Total Maint Plus Adder	Monthly Energy Use (kWh)	Monthly Energy Cost[3]	Monthly Facility Cost[4]	Invest Cost /Lamp	Total Invest Cost	Total Monthly Cost	Avg Cost /Lamp
L1	**Mercury Vapor Lights**													
L2	175 watts	463	$0.69	$0.62	$4.07	$4.69	$2,170	30,095	$720	$269	$3.12	$1,445	$4,603	**$9.94**
L3	250 watts	316	$0.69	$0.62	$4.07	$4.69	$1,481	31,600	$756	$282	$3.57	$1,129	$3,648	**$11.55**
L4	400 watts	378	$0.69	$0.62	$4.07	$4.69	$1,771	59,724	$1,428	$534	$5.01	$1,892	$5,625	**$14.88**
L5	1000 watts	26	$0.69	$0.62	$4.07	$4.69	$122	9,828	$235	$88	$10.74	$279	$724	**$27.85**
L6	**High Pressure Sodium Vapor Lights**													
L7	70 watts	46	$0.72	$0.65	$4.07	$4.72	$217	1,334	$32	$12	$4.81	$221	$482	**$10.48**
L8	150 watts	47	$0.72	$0.65	$4.07	$4.72	$222	3,055	$73	$27	$3.92	$184	$506	**$10.77**
L9	250 watts	41	$0.72	$0.65	$4.07	$4.72	$193	4,264	$102	$38	$4.45	$182	$516	**$12.58**
L10	Overhead Spans	424									$0.63	$267	$267	**$0.63**
L11	Underground Spans	39									$2.50	$98	$98	**$2.50**
L12	Poles	205									$1.25	$256	$256	**$1.25**
L13	**Monthly Maintenance Costs**													
L14		1,317	$909	$815	$5,361		$6,176							
L15	**Annual Maintenance Costs**													
L16			**$10,904**	**$9,783**	**$64,331**		**$74,114**							

Notes

[1] The projected number of lamps is based on Security Lighting forecast.

[2] The monthly adder is made up of S&E, A&G, and Customer costs.

3 The monthly energy cost is 23.92 Mills/kWh.

4 The monthly facilities cost is 8.93 Mills/kWh.

FESTOON OUTLET CHARGE

		Continuous Usage	Off Peak Usage	On Peak Usage	On Peak Summer[1]	On Peak Winter[1]
L17	2 amps x 120 volts		240 watts	240 watts		
L18	x hours		4,000 hrs	4,760 hrs	38.5%	61.5%
L19	kWh used		960 kWh	1,142 kWh	439 kWh	703 kWh
L20	Off Peak at Street Lighting Rate		$0.04690			
L21			**$3.75/month**			
L22	On Peak General Service Rate				$0.09050	$0.05310
L23				**$6.42/month**	**$3.31/month**	**$3.11/month**
L24	Charge for Continuous Usage	**$10.18/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
2010

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 2010 is $372.76. The pole and labor investment is calculated starting in 1977, 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 (4.34%, 33 years)	0.058
Coverage (.30)	0.017
Operation & Maintenance	0.037
Administrative & General	0.014
Total Factor	0.127

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
2010

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

L2 L3 L4

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

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 Non-Usable	24 ft.

L15 L16 L17

$$\text{3 Party Pole Cost Allocation Factor} = \frac{1 + \dfrac{3.33}{2} + \dfrac{24}{3}}{35}$$

L18 Cost Allocation Factor = 0.3047

L19 Pole Attachment Cost = Typical Installed Pole Cost x Carrying Charge Factor x Cost Allocation Factor

L20 Pole Attachment Cost = $372.76 x 0.127 x 0.3047

L21 **Pole Attachment Cost = $14.40 per attachment - year**

TRANSMISSION AND ANCILLARY SERVICES
2010

Transmission rates are developed for customers who contract for energy and capacity from outside power suppliers and utilize LES transmission facilities. The transmission rate calculation is based on a rate template accepted by the Southwest Power Pool.

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 (On-Peak)

Network & Point-To-Point Rate	$2.022 / kW-month
Point-To-Point Rate Weekly	$0.467 / kW-week
Point-To-Point Rate Daily	$0.093 / kW-day
Point-To-Point Rate Hourly	$5.833 / MWh

Facilities Charges

35 kV Wheeling Service	$1.225 / kW-month
12 kV Wheeling Service	$3.470 / kW-month
Secondary Wheeling Service	$3.897 / kW-month

Required Service Charges

Scheduling and Dispatch (S&D)	$0.0231 / kW-month
Reactive Power / Voltage Control (RP/VC)	$0.0273 / kW-month

Optional Service Charges

Energy Imbalance based on current avoided costs	
Load Following	$0.369 / kW-month
Spinning Operating Reserves	$0.207 / kW-month
Non-Spinning Operating Reserves	$0.0847 / kW-month

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/09

LINCOLN ELECTRIC SYSTEM

Line No.						Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)				$ 19,636,463
	REVENUE CREDITS	(Note Q)	Total	Allocator		
2	Account No. 454	(page 3, line 34)	247,743	TP	0.76087	188,501
3	Account No. 456	(page 3, line 37)	1,026,546	TP	0.76087	781,071
4	Revenues from Grandfathered Interzonal Transactions		0	TP	0.76087	0
5	Revenues from service provided by the ISO at a discount		0	TP	0.76087	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)					969,572
7	NET REVENUE REQUIREMENT for all facilities		(line 1 minus line 6)			$ 18,666,891
8	Revenue Requirements for Base Plan Funded Projects					0
9	NET REVENUE REQUIREMENT less base plan funded projects		(line 7 minus line 8)			$ 18,666,891
	DIVISOR					
10	Average of 12 coincident system peaks for requirements (RQ) service				(Note A)	548,833 kW
11	Plus 12 CP of firm bundled sales over one year not in line 10				(Note B)	0 kW
12	Plus 12 CP of Network Load not in line 10				(Note C)	0 kW
13	Less 12 CP of firm P-T-P over one year (enter negative)				(Note D)	0 kW
14	Plus Contract Demand of firm P-T-P over one year					220,400 kW
15	Less Contract Demand from Grandfathered Interzonal transactions over one year (enter negative)				(Note P)	0 kW
16	Less 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative)					0 kW
17	Divisor (sum lines 10-16)					769,233 kW
18	Annual Cost ($/kW/Yr)	(line 9/ line 17)	$24.267			
19	Network & P-to-P Rate ($/kW/Mo)	(line 18/ 12)	$2.022			
			Peak Rate			Off-Peak Rate
20	Point-To-Point Rate ($/kW/Wk)	(line 18 / 52; line 18/ 52)	$0.467			$0.467
21	Point-To-Point Rate ($/kW/Day)	(line 20/ 5; line 20/ 7)	$0.093	Capped at weekly rate		$0.067
22	Point-To-Point Rate ($/MWh)	(line 21/ 16; line 21/ 24 times 1,000)	$5.833	Capped at weekly and daily rates		$2.778
23	FERC Annual Charge($/MWh)	(Note E)	$0.000	Short Term		$0.000 Short Term
24			$0.000	Long Term		$0.000 Long Term

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/09

LINCOLN ELECTRIC SYSTEM

Line No.	(1)	(2) EIA 412 Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	VII.8.d	6,719,092	TE	0.73668	4,949,833
2	Less Account 565		0		1.00000	0
3	A&G	VII.13.d	17,156,159	W/S	0.05531	948,865
4	Less FERC Annual Fees		0	W/S	0.05531	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)		462,522	W/S	0.05531	25,581
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)		0	TE	0.73668	0
6	Common		0	CE	0.05531	0
7	Transmission Lease Payments		0		1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 2, 4, 5)		23,412,729			5,873,117
	DEBT SERVICE					
9	Debt Service		46,325,431	GP	0.13807	6,396,052
10	Amortization of premium or discount		-154,916	GP	0.13807	-21,389
12	TOTAL DEBT SERVICE (Sum lines 9 - 10)		46,170,515			6,374,663
	TAXES OTHER THAN INCOME TAXES (Note G)					
	LABOR RELATED					
13	Payroll		2,355,956	W/S	0.05531	130,302
14	Highway and vehicle		16,435	W/S	0.05531	909
15	PLANT RELATED					
16	Property		537,514	GP	0.13807	74,213
17	Gross Receipts		0		zero	0
18	Other		0	GP	0.13807	0
19	Payments in lieu of taxes		10,313,536	GP	0.13807	1,423,968
20	TOTAL OTHER TAXES (sum lines 13 - 19)		13,223,441			1,629,392
21	SUBTOTAL (sum lines 8, 12, 20)	(O&M + DS + Taxes)	82,806,685			13,877,172
22	MARGIN REQUIREMENT (Note H)		41,713,493	GP	0.13807	5,759,291
23	REV. REQUIREMENT (sum lines 21, 23)		124,520,178			19,636,463

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/09

LINCOLN ELECTRIC SYSTEM

SUPPORTING CALCULATIONS AND NOTES

Line No.	GROSS PLANT IN SERVICE	EIA 412 Reference	Company Total	Allocator		Transmission
1	Production	IV.6.g	568,608,991	NA		
2	Transmission	IV.7.g	211,513,061	TP	0.76087	160,934,597
3	Distribution	IV.8.g	352,650,869	NA		
4	General & Intangible	IV.9.g + IV.1.g	54,797,980	W/S	0.05531	3,030,740
5	Common		0	CE	0.05531	0
6	TOTAL GROSS PLANT (sum lines 1-5)		1,187,570,901	GP=	13.807%	163,965,337

TRANSMISSION PLANT INCLUDED IN ISO RATES

7	Total transmission plant (line 2)		211,513,061
8	Less transmission plant excluded from ISO rates (Note J)		50,578,464
9	Less transmission plant included in OATT Ancillary Services (Note K)		0
10	Transmission plant included in ISO rates (line 7 less lines 8 & 9)		160,934,597
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)	TP	0.76087

TRANSMISSION EXPENSES

12	Total transmission expenses (page 2, line 1, column 3)		6,719,092
13	Less transmission expenses included in OATT Ancillary Services (Note I)		213,627
14	Included transmission expenses (line 12 less line 13)		6,505,465
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)		0.96821
16	Percentage of transmission plant included in ISO Rates (line 11)	TP	0.76087
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)	TE	0.73668

WAGES & SALARY ALLOCATOR (W&S) (Note L)

		$		Allocation		
18	Production	3,423,007	0.00	0		
19	Transmission	1,935,630	0.76	1,472,769		
20	Distribution	7,094,322	0.00	0		W&S Allocator
21	Other	14,175,769	0.00	0		($ / Allocation)
22	Total (sum lines 18-21)	26,628,728		1,472,769	=	0.05531

COMMON PLANT ALLOCATOR (CE) (Note M)

		$	% Electric (line 23 / line 26)		Labor Ratio (line 22)		CE
23	Electric	1,187,570,901					
24	Gas	0	1.00000	*	0.05531	=	0.05531
25	Water	0					
26	Total (sum lines 23-25)	1,187,570,901					

FINANCING DATA

			$
27	Long Term Debt	II.33.b +II.34.b	$656,230,000
28	Debt Service		46,325,431
29	Interest on Long Term Debt	III.16.b + III.17.b Note R	29,132,474
30	Bond Principal Amortization (line 28 less line 29)		17,192,957

REVENUE CREDITS

			Load
	ACCOUNT 447 (SALES FOR RESALE)		
31	a. Bundled Non-RQ Sales for Resale	(Note N)	0
32	b. Bundled Sales for Resale included in Divisor on page 1		0
33	Total of (a)-(b)		0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O)		$247,743
	ACCOUNT 456 (OTHER ELECTRIC REVENUES)		
35	a. Transmission charges for all transmission transactions		$1,486,527
36	b. Transmission charges for all transmission transactions included in Divisor on page 1		$459,981
37	Total of (a)-(b)		$1,026,546

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/09

LINCOLN ELECTRIC SYSTEM

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from EIA Form 412 are indicated as: x.y.z (section, line, column)

To the extent the page references to EIA Form 412 are missing, the entity will include a "Notes" section in the EIA Form 412 to provide this data.

Note Letter	
A	The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of ISO coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
B	Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of ISO coincident monthly peaks.
C	LF as defined above at time of ISO coincident monthly peaks.
D	LF as defined above at time of ISO coincident monthly peaks.
E	The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
F	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
G	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
H	The Margin Requirement is the margin the utility uses in calculating rates applicable to its native load sales. The Margin Requirement as a percent of interest expense yields a TIER (times interest earned ratio), and the Margin Requirement as a percent of debt service is the DSR (debt service ratio), either of which may be referred to as a Margin Ratio (MR). Some utilities have MRs required by bond covenants and/or MRs that include expenses additional to interest or debt service (for example, an MR equal to a percentage of the sum of DS+O&M). The ISO will review such party's filings to assure that the MRs are consistent with those applicable to native load or required by bond covenants and utility must provide workpapers showing derivation of margin.
I	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
J	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
K	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
L	If the utility has more employees assigned to A&G than to the sum of production, transmission, and distribution, set the W&S allocator at page 3, line 22 equal to the gross plant allocator (GP) at page 3, line 6.
M	Enter dollar amounts.
N	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
O	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
P	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have <u>not</u> been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
Q	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
R	From Reference III.17.b include only the amount from Account 430.

ANCILLARY SERVICES
2010

L1 **Monthly System Peaks**

	Month	2009 Control Area Peak Demand (MW)	Network Load MW
L2			
L3			
L4			
L5	Jan	554	0
L6	Feb	498	0
L7	Mar	503	0
L8	Apr	480	0
L9	May	495	0
L10	Jun	747	0
L11	Jul	670	0
L12	Aug	684	0
L13	Sep	531	0
L14	Oct	429	0
L15	Nov	442	0
L16	Dec	553	0
L17	**Peak (MW)**	747	0

L18 **Billing Units (MW)**

L19	Sum of Monthly Peaks (12 CP)	6,586.000 MW	0.000 MW
L20		÷ 12	÷ 12
L21	Average Peaks	548.833 MW	0.000 MW
L22	Point-to-Point Reservation	220.400 MW	
L23	Divisor	769.233 MW	
L24	Load Ratio		0%

L25 **Scheduling, System Control and Dispatch Service - Schedule 1**

L26	FERC Account 561 (Load Dispatch)	$213,627
L27	Divisor	769,233 kW

	On Peak
L28	
L29	$0.27771 / kW - year
L30	$0.02314 / kW - month
L31	$0.00534 / kW - week
L32	$0.00107 / kW - day
L33	$0.0668 / MWh

ANCILLARY SERVICES
2010

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

L2	**Generation Revenue Requirements**		
L3	8th & J Peaker	$1,733,854	
L4	Rokeby Site Peakers	$8,120,622	
L5	Terry Bundy Generation Station	$20,102,039	
L6	Total Generation Revenue Requirements	$29,956,515	
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	$179,739	L6 x L8
L10	12 CP Area Load for 2009	6,586,000 kW	Page III-75
L11	Reactive Power/Voltage Control Cost		

	On Peak	Off Peak
L12		
L13	$0.3275 / kW - year	$0.3275 / kW - year
L14	$0.0273 / kW - month	$0.0273 / kW - month
L15	$0.00630 / kW - week	$0.00630 / kW - week
L16	$0.00126 / kW - day	$0.00090 / kW - day
L17	$0.0787 / MWh	$0.0374 / MWh

L18 **Regulation and Frequency Response Service (Load Following) - Schedule 3**

L19	LES WAPA Firm Revenue Requirements	$2,628,440	24.0 MW	Page III-24
L20	SCADA for Load Following	$238,255		1/4 SCADA capital x carrying charge of .195
L21	SCADA O & M	$37,544		1/2 maint amt in cost ctr 53853 (OP SCADA)
L22	Microwave to WAPA	$7,867		Microwave capital x carrying charge of .12
L23	WAPA Load Following Fee	$90,000		
L24	UNL/HHSS WAPA Firm		17.8 MW	
L25	Total Revenue Requirement	$3,002,106	41.8 MW	
L26	Area Load Following Requirements		33.92 MW	
L27	Load Following Charge	$3,002,106 x 33.92 / 41.8		12 CP Area Load for 2009
		÷		
L28	Billing units	6,586,000 kW		

	On Peak	Off Peak
L29		
L30	$4.4338 / kW - year	$4.4338 / kW - year
L31	$0.3695 / kW - month	$0.3695 / kW - month
L32	$0.0853 / kW - week	$0.0853 / kW - week
L33	$0.0171 / kW - day	$0.01215 / kW - day
L34	$1.066 / MWh	$0.506 / MWh

L35 **Energy Imbalance Service - Schedule 4**

L36 Based on current avoided costs.

ANCILLARY SERVICES
2010

L1 **Operating Reserve - Spinning Reserve Service - Schedule 5**

L2	LES Spinning Reserve Requirement	12 MW	
L3	**Capacity Related Revenue Requirements**		
L4	WAPA (12 MW x [$7.65 x 5% credit + $1.08 BTS] x 12)	$1,202,040	
L5	MRO/MAPP/NERC Membership	$158,800	
L6	Spinning Reserve cost (total load basis)	$1,360,840	
L7		÷	
L8	Billing units	6,586,000 kW	12 CP Area Load for 2009

	On Peak	Off Peak
L9		
L10	$2.4795 / kW - year	$2.4795 / kW - year
L11	$0.2066 / kW - month	$0.2066 / kW - month
L12	$0.0477 / kW - week	$0.0477 / kW - week
L13	$0.00954 / kW - day	$0.00679 / kW - day
L14	$0.596 / MWh	$0.283 / MWh

L15

L16 **Operating Reserve - Supplemental Reserve Service (non-spinning) - Schedule 6**

L17	LES Non-Spinning Reserve Requirement	12 MW	
L18	**Revenue Requirements before in lieu of tax**		
L19	8th & J	$1,733,854	
L20	Rokeby	$8,120,622	
L21	Terry Bundy Generating Station	$5,011,285	
L22	Peaking turbines Revenue Requirement	$14,865,761	Page III-24
L23	Less Revenue Requirement for Reactive Power	($89,195)	Page III-76, prorated peakers
L24	Adjusted Revenue Requirement	$14,776,567	
L25	**Peaking Generation Capacities**		
L26	8th & J	26.6	
L27	Rokeby	242.1	
L28	Terry Bundy Generating Station	49.2	
L29	Generation capacity	317.9 MW	
L30	Non-Spinning Reserve total load cost ($14,776,567 x 12 / 317.9)	$557,738	
L31		÷	
L32	Billing units	6,586,000 kW	12 CP Area Load for 2009

	On Peak	Off Peak
L33		
L34	$1.0162 / kW - year	$1.0162 / kW - year
L35	$0.0847 / kW - month	$0.0847 / kW - month
L36	$0.0195 / kW - week	$0.0195 / kW - week
L37	$0.00391 / kW - day	$0.00278 / kW - day
L38	$0.244 / MWh	$0.1160 / MWh

SUMMARY OF RATE SCHEDULES REVISIONS
FOR RATES EFFECTIVE
JANUARY 1, 2011

(1) Charges have been updated consistent with revenue requirements.

(2) Maximum Bill provision increases to $0.18 per kilowatt-hour.

(3) Clarify that only the mercury vapor luminaires will no longer be installed as new security light installations.

(4) Clarify security lighting fee obligations.

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 Codes 46 and 49 receive 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) + Service Fees (if applicable); 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..... $9.45 BILL

plus, for BILLING PERIODS less than 27 days, on the customer's first and final BILLS, a credit of $0.15 per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge ..... (a) $0.0655 per kilowatt-hour for first 900 kilowatt-hours used per BILLING PERIOD

(b) $0.0475 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 .... $9.45 per BILL

plus, for BILLING PERIODS less than 27 days, on the customer's first and final BILLS, a credit of $0.15 per day times the difference between 30 and the actual number of days 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

Issued by Lincoln Electric System

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

Energy Charge ..... $0.0970 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	$1.64 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.

RESIDENTIAL ELECTRIC HEATING WITH SECOND METER: Existing residential customers, where service has been provided for electric heating purposes only and is metered on a separate circuit, shall have energy use from these two services combined into one BILL. This type of electric heating 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

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 Energy Delivery 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) + Service Fees (if applicable); 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.....	$14.00 per BILL, or
Three-Phase Service	$42.75 ($18.00 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 provided 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, on the customer's first and final BILLS, a credit of $0.31 Single-Phase, $1.27 Three-Phase, or $0.44 Three-Phase primary per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0545 ($0.0535 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..... $14.00 per BILL, or
Three-Phase Service ..... $42.75 ($18.00 primary) per BILL

plus, for BILLING PERIODS less than 27 days, on the customer's first and final BILLS, a credit of $0.31 Single-Phase, $1.27 Three-Phase, or $0.44 Three-Phase primary per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge..... $0.0920 ($0.0895 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES

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 – 10 (Secondary) & 13 (Primary)

credit maintenance policy as established by the LES Administrative Board 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. 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 provided 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 nonresidential 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) + Service Fees (if applicable); 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.

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.....	$14.00 per BILL, or
Three-Phase Service	$42.75 per BILL, or
Large Service	$146.00 per BILL

plus, for BILLING PERIODS less than 27 days, on the customer's first and final BILLS, a credit of $0.31 Single-Phase, $1.27 Three-Phase, or $4.71 Large Service per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge ..... $0.0451 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.....	$14.00 per BILL, or
Three-Phase Service	$42.75 per BILL, or
Large Service	$146.00 per BILL

plus, for BILLING PERIODS less than 27 days, on the customer's first and final BILLS, a credit of $0.31 Single-Phase, $1.27 Three-Phase, or $4.71 Large Service per day times the difference between 30 and the actual number of days in the BILLING PERIOD

Energy Charge ..... $0.0880 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

HEATING SERVICE – 21 (Secondary)

TERMS AND CONDITIONS:

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

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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 Energy Delivery Division meets (a) or (b) above and if the LLP rates are not applicable.

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) + Service Fees (if applicable); 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	$35.00 per BILL
Demand & Facilities Charge	$14.35 ($13.05 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0245 ($0.0230 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$2.05 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	$35.00 per BILL
Demand & Facilities Charge	$14.35 ($13.05 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0336 ($0.0322 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$2.05 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), (b) or (c) whichever is higher:

(a) The MAXIMUM DEMAND occurring 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 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)

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

(c) 25 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.

(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).

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)

MAXIMUM BILL: Customer Charge + Dual Primary Service Charge (if applicable) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 Energy Delivery Division meets (a) or (b) above and if the LLP rates are not applicable.

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) + Service Fees (if applicable); 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 - INTERRUPTIBLE – 35 (Secondary) & 36 (Primary)

RATE:

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

Customer Charge.....	$65.00 per BILL
Demand & Facilities Charge.....	$14.35 ($13.05 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0245 ($0.0230 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 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.....	$65.00 per BILL
Demand & Facilities Charge.....	$14.35 ($13.05 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0336 ($0.0322 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
Seasonal Interruptible Demand Credit.....	$2.00 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 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)

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) 25 kW.

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.

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) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 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)

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 provided 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 Energy Delivery Division meet (a) or (b) above.

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) + Service Fees (if applicable); based on the RATE in effect and the System's Service Regulations.

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.....	$260.00 per BILL
Demand & Facilities Charge.....	$17.45 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0205 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty.....	$2.60 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.....	$260.00 per BILL
Demand & Facilities Charge.....	$17.45 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0282 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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.....	$260.00 per BILL
Demand & Facilities Charge.....	$16.70 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0200 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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.....	$260.00 per BILL
Demand & Facilities Charge.....	$16.70 per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0272 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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 SERVICE providing partial service.

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) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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.

Effective With all bills rendered after December 31, 2010

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.

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 provided 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) + Service Fees (if applicable); 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.....	$260.00 per BILL
Demand & Facilities Charge.....	Shall be the sum of (a) and (b): (a) $17.45 ($16.70 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $8.25 ($7.75 primary) per kilowatt of WINTER EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0205 ($0.0200 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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.....	$260.00 per BILL
Demand & Facilities Charge.....	$17.45 ($16.70 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0282 ($0.0272 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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.

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) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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.

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.

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 provided 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) + Service Fees (if applicable); 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.....	$290.00 per BILL
Demand & Facilities Charge.....	Shall be the sum of (a) and (b): (a) $17.45 ($16.70 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $8.25 ($7.75 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0205 ($0.0200 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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.....	$290.00 per BILL
Demand & Facilities Charge.....	Shall be the sum of (a) and (b): (a) $17.45 ($16.70 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD (b) $8.25 ($7.75 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0282 ($0.0272 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided 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.

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) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 provided 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 Energy Delivery Division meet (a) or (b) above.

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) + Service Fees (if applicable); 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 provided 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	$290.00 per BILL
Demand & Facilities Charge	$17.45 ($16.70 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0205 ($0.0200 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$2.05 per kilowatt of BILLING DEMAND per BILLING PERIOD
KVAR Penalty	$2.60 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	$290.00 per BILL
Demand & Facilities Charge	$17.45 ($16.70 primary) per kilowatt of BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0282 ($0.0272 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge	$2.05 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 provided 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 ..... $2.60 per KVAR for all EXCESS KVARS per BILLING PERIOD

Seasonal Interruptible Demand Credit ..... $2.00 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) + $0.18 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.

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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

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) + Service Fees (if applicable); 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

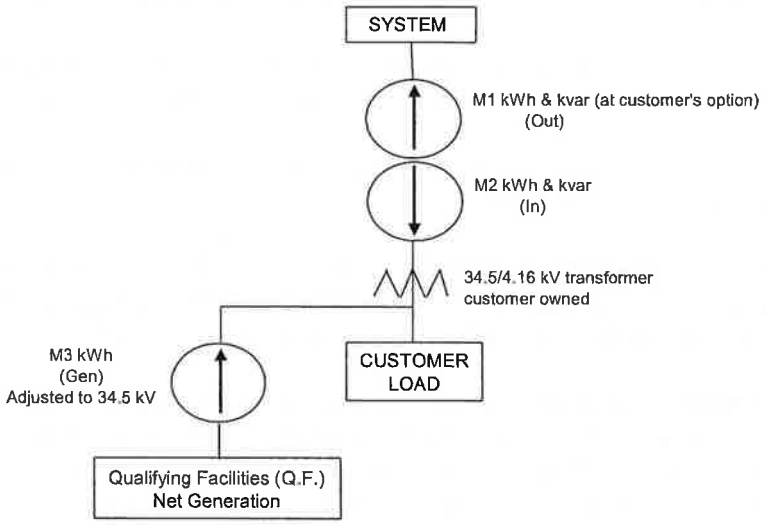
COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

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 provided 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 ..... $290.00 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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COGENERATION - 35 kV – 41 (Backup) & 42 (Supplemental)

(a) $12.10 per kilowatt of maximum **Backup Power-Demand** during the **On Peak Period**

(b) $6.15 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 ..... $0.0230 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 ..... $0.0322 per kilowatt-hour for all kilowatt-hours supplied as **Backup Power-Energy**

SUPPLEMENTAL POWER CHARGE:

Demand & Facilities Charge..... Shall be $14.65 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 provided 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 ..... $0.0200 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 ..... $0.0272 per kilowatt-hour for all kilowatt-hours supplied as **Supplemental Power-Energy**

OTHER:

KVAR Penalty ..... $2.60 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 (42 – Supplemental only): Customer Charge + Demand & Facilities Charge + KVAR Penalty (if applicable).

MAXIMUM BILL (42 – Supplemental only): Customer Charge + KVAR Penalty (if applicable) + $0.18 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.

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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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.

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) + Service Fees (if applicable); 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 for Secondary Service Delivery:

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

Customer Charge.....	$325.00 per BILL
Demand & Facilities Charge.....	$17.10 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0190 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

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

Customer Charge.....	$325.00 per BILL
Demand & Facilities Charge.....	$17.10 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0266 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
KVAR Penalty.....	$2.60 per KVAR for all EXCESS KVARS per BILLING PERIOD

RATE for Primary Service Delivery:

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

Customer Charge.....	$325.00 per BILL
Demand & Facilities Charge.....	$16.10 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0184 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty	$2.60 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

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

Customer Charge.....	$325.00 per BILL
Demand & Facilities Charge.....	$16.10 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0259 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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.

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.

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.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

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.

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) + $0.18 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.

LARGE POWER CONTRACT – 44 (Secondary) & 45 (Primary)

TERMS AND CONDITIONS:

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

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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. 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 of 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 provided 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) + Service Fees (if applicable); 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 **for** the 8-month period from October 1 through May 31.

Customer Charge.....	$325.00 per BILL
Demand Charge	$14.30 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0184 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LARGE POWER CONTRACT – 35 kV - 46

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

Customer Charge.....	$325.00 per BILL
Demand Charge	$14.30 per kilowatt of BILLING DEMAND per BILLING PERIOD.
Energy Charge	$0.0259 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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.

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.

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.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

Issued by Lincoln Electric System

LARGE POWER CONTRACT – 35 kV - 46

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 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) + $0.18 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.

LARGE POWER CONTRACT – 35 kV - 46

TERMS AND CONDITIONS:

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

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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. 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 of 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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) + Service Fees (if applicable); 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..... $325.00 per BILL

Demand & Facilities Charge..... Shall be the sum of (a) and (b):

(a) $17.10 ($16.10 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD

(b) $8.05 ($7.50 primary) per kilowatt of WINTER EXCESS BILLING DEMAND per BILLING PERIOD

Energy Charge ..... $0.0190 ($0.0184 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 VII, 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.

LPC – OFF-PEAK SEASONAL – 51 (Secondary) & 52 (Primary)

Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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.....	$325.00 per BILL
Demand & Facilities Charge.....	$17.10 ($16.10 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0266 ($0.0259 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD
Dual Primary Service Charge.....	$2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD
KVAR Penalty.....	$2.60 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 VII, 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.

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) + $0.18 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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

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. 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 of 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 VII, 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.

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) + Service Fees (if applicable); 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..... $355.00 per BILL

Demand & Facilities Charge..... Shall be the sum of (a) and (b):

(a) $17.10 ($16.10 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD

(b) $8.05 ($7.50 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD

Energy Charge ..... $0.0190 ($0.0184 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 provided 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..... $2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty..... $2.60 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..... $355.00 per BILL

Demand & Facilities Charge..... Shall be the sum of (a) and (b):

(a) $17.10 ($16.10 primary) per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD

(b) $8.05 ($7.50 primary) per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD

Energy Charge ..... $0.0266 ($0.0259 primary) per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

Dual Primary Service Charge..... $2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty..... $2.60 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 provided 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.

(c) 4,000 kW.

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.

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (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.

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) + $0.18 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.

LPC – OFF-PEAK DAILY – 47 (Secondary) & 48 (Primary)

TERMS AND CONDITIONS:

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

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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. 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 of 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

Issued by Lincoln Electric System

LPC – OFF-PEAK DAILY – 35 kV - 49

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 35 kV voltage 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) + Service Fees (if applicable); 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.....	$355.00 per BILL
Demand & Facilities Charge.....	Shall be the sum of (a) and (b):
	(a) $14.30 per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD
	(b) $5.70 per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD
Energy Charge	$0.0184 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

LPC – OFF-PEAK DAILY – 35 kV - 49

Dual Primary Service Charge..... $2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty..... $2.60 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..... $355.00 per BILL

Demand & Facilities Charge..... Shall be the sum of (a) and (b):

(a) $14.30 per kilowatt of SUMMER BASE BILLING DEMAND per BILLING PERIOD

(b) $5.70 per kilowatt of OFF-PEAK EXCESS BILLING DEMAND per BILLING PERIOD

Energy Charge ..... $0.0259 per kilowatt-hour for all kilowatt-hours used per BILLING PERIOD

Dual Primary Service Charge..... $2.05 per kilowatt of DUAL PRIMARY DEMAND per BILLING PERIOD

KVAR Penalty..... $2.60 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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Issued by Lincoln Electric System

LPC – OFF-PEAK DAILY – 35 kV - 49

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

(c) 4,000 kW.

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 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.

LPC – OFF-PEAK DAILY – 35 kV - 49

(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 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) + $0.18 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.

LPC – OFF-PEAK DAILY – 35 kV - 49

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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. 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 of 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

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 + Service Fees (if applicable); 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*	--	$12.15 per lamp
250 watt mercury vapor lamp*	--	$14.05 per lamp
400 watt mercury vapor lamp*	--	$18.15 per lamp
1,000 watt mercury vapor lamp*	--	$33.75 per lamp
70 watt high pressure sodium vapor lamp	--	$12.15 per lamp
150 watt high pressure sodium vapor lamp	--	$14.05 per lamp
250 watt high pressure sodium vapor lamp	--	$15.35 per lamp

Additional charges per BILLING PERIOD for poles and/or secondaries installed prior to January 1, 1979 for the operation of the lamp(s). LES will maintain existing installations of poles and overhead/underground secondary. No poles or underground secondary will be installed for new installations.

Each pole required	$1.40
Each span of overhead secondary not exceeding 150 ft	$.70
Each underground secondary	$2.50

*Only for existing installations - No new installations of mercury vapor luminaires. Damaged mercury vapor luminaires, beyond field repair, will be replaced with a high pressure sodium vapor luminaire.

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.

Effective With all bills rendered after December 31, 2010

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) -..... $ 3.78 per outlet
Continuous Service Outlets (120 V, 2 amp breaker) -..... $10.34 per outlet

TERMS AND CONDITIONS:

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

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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. Customer is liable for service contract charges for the two-year term, whether service is active or not.

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 poles or underground secondaries at new installations for the sole use 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 Energy Delivery.

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

SECURITY LIGHTING - 20

may arise out of or be caused by erection, maintenance, presence, use or removal of their equipment.

9. If the Customer requests any or all of the lighting installation to be temporarily disconnected after the two-year contract has expired, but reconnected at a later date, see Paragraph M and N of the Service Regulations. Any or all of the lighting installation disconnected for more than 90 consecutive days shall be removed by the System. If the Customer wishes to have lighting reinstalled this will be considered a new installation and a new two-year contract shall be initiated.

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) + Service Fees (if applicable); 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	$0.0732 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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 provided 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

Approved City Council Resolution _____

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) + Service Fees (if applicable); 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.....	$0.0472 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 provided 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:	
175* watt	2.26
High Pressure Sodium Vapor:	
35 watt	2.26
50	2.26
70	2.26
100	2.26
150	2.26
200	2.26
250	2.26
400	2.26
1000	2.84
Low Pressure Sodium Vapor:	
180 watt	2.57
Metal Halide:	
70 watt	3.08
100	2.89
175	2.78
250	2.84
400	2.46
1000	3.11
LED:	
50 watt	3.78
124	4.19
140	3.12
166	3.12
Induction:	
23 watt	2.17

*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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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 on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective With all bills rendered after December 31, 2010

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 $14.70

TERMS AND CONDITIONS:

1. System approval is required before attachments are made to poles.

2. TERMS OF PAYMENT - BILLS on active accounts are due in full 23 days after rendered. BILLS on final accounts are due upon receipt or the date of the most recently issued BILL, whichever is later. Any past due amounts are subject to LES credit maintenance policy as established by the LES Administrative Board 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,

POLE ATTACHMENT - 50

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.

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 provided 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
System 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 provided 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

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, 2011.

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 provided 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, 2011.

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.

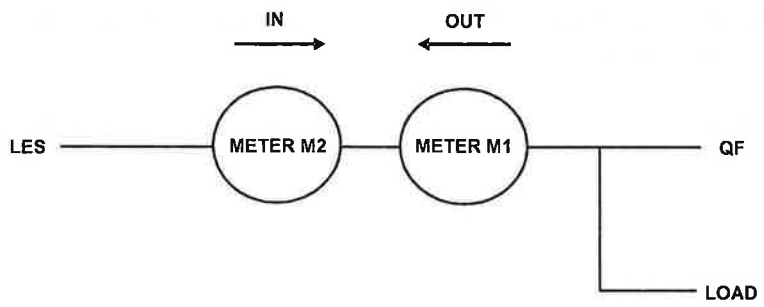
3. For facilities with more than 100 kilowatts of capacity, the purchase rate and other terms and conditions will be determined on a case-by-case basis.

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 provided 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 provided 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 provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

SUMMARY OF SERVICE REGULATIONS REVISIONS
FOR JANUARY 1, 2011

1. Removed references to LES Policy 11.

SERVICE REGULATIONS
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SERVICE REGULATIONS
Effective: January 1, 2011
Supersedes: January 1, 2010

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 Energy Delivery 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 Energy Delivery 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 Energy Delivery 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 Energy Delivery 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 Energy Delivery 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 Energy Delivery 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 $472.00 per lot for lots with rear lot lines 100 feet in width or less and $4.72 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 $944.00 per lot.

b. In mobile home parks the CUSTOMER or developer will contribute an AID-TO-CONSTRUCTION of $50.00 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.

d. New residential developments shall be coordinated with LES to minimize the permanent electric facilities required to serve the development. The CUSTOMER or developer will contribute an AID-TO-CONSTRUCTION for any temporary facilities and any facilities in excess of what would otherwise be minimally required to serve the development.

e. When the CUSTOMER or developer requests construction which exceeds the scope of the LES Underground Electric Distribution System Installation Agreement, the CUSTOMER or developer will contribute an AID-TO-CONSTRUCTION.

f. In either (d) or (e) above, the AID-TO-CONSTRUCTION is a non-recoverable 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 temporary facilities.

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 Energy Delivery 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 Energy Delivery 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. 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 U.S. currency. A late payment fee of 3.0% of the past due amount will be applied. 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:

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.

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):	$472.00 for lots with rear lot lines 100 ft. in width or less	H-3-a
	$4.72 per rear lot foot for lots with rear lot line greater than 100 ft. in width, not to exceed $944.00 per lot	
Underground Extension (Mobile Home Parks):	$50.00 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.