



Board Packet for the
October 17, 2023
District Energy Corporation
Board Meeting

TAB I



**NOTICE OF QUARTERLY MEETING AND AGENDA
DISTRICT ENERGY CORPORATION
BOARD OF DIRECTORS**

*Lincoln Electric System Operations Center (LOC)
9445 Rokeby Road
Lincoln, Nebraska
Tuesday October 17, 2023
12:00 p.m.*

- I. CALL TO ORDER, OPEN MEETING ADVISEMENT, AND ROLL CALL – Sean Flowerday (12:00)**
- II. SAFETY BRIEFING - Jason Fortik (12:02)**
- III. APPROVAL OF APRIL 18, 2023 MEETING MINUTES * - Sean Flowerday (12:05) Motion**
- IV. APPROVAL OF JULY 18, 2023 MEETING MINUTES * - Sean Flowerday (12:07) Motion**
- V. PRIOR MEETING BUSINESS CARRIED FORWARD – Sean Flowerday (12:10)**
- A. Motion to Accept 7/18/23 Management Report * **Motion**
- B. Motion to Accept 7/18/23 Financial Report * **Motion**
- VI. MANAGEMENT REPORT – (12:15)**
- A. Fuels & Operations Update – **Nick Wischhof**
- B. Update on Construction Projects – **Nick Wischhof**
- C. New Customer Feasibility Studies – **Nick Wischhof**
- D. Motion to Accept Management Report* **Motion**
- E. Lincoln Convention Center Update – **Sean Flowerday**
- F. Impact of Legislative Funding for New State Penitentiary – **Sean Flowerday**
- VII. FINANCIAL REPORT – (12:45)**
- A. Current Financial Statement – **Nick Wolf**
- B. Motion to Accept Financial Report * **Motion**
- C. Review and Adoption of 2024 DEC Budget and Approval of 2024 Rates* – **Wade Leibbrandt** **Resolution 23-03**
- D. Resolution directing the transfer of funds in the amount of \$69,000 from the Operating Fund to the Rate Stabilization Fund* – **Wade Leibbrandt** **Resolution 23-04**
- E. Expression of Intent to Reimburse Certain Capital Expenditures from future tax-exempt obligations* – **Wade Leibbrandt** **Resolution 23-05**
- VIII. FUTURE MEETING DATES AND DISCUSSION (1:25)**
- January 23, 2024
- April 16, 2024
- July 16, 2024
- IX. ADJOURNMENT (1:30)**

*Denotes Action Item

The meeting will start at 12:00pm. However, the times listed next to each item are tentative and subject to change dependent upon the pace of the meeting.

TAB II



MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Minutes of the meeting of the District Energy Corporation (DEC), April 18, 2023, held at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on April 11, 2023.

Board Members Present: Tammy Ward, Sean Flowerday, Kim Morrow, Rick Vest, Carl Eskridge arrived at approx. 12:15pm

Board Members Absent: None

Others Present: David Levy, Emily Koenig, Jason Fortik, Nick Wischhof, Larry Balm, Dianne Dobrusky, Kerin Peterson, Lisa Hale

Chair Sean Flowerday called the meeting to order at 12 p.m. and noted that a quorum was present. Flowerday stated that DEC conducts its meetings in compliance with the Nebraska Open Meetings Act and that a copy of the act is posted at the back of the room. **Call to Order**

Jason Fortik, LES Vice President of Power Supply and DEC Administrator, presented the Safety Briefing. **Safety Briefing**

Chair Flowerday asked for approval of the January 24, 2023 meeting minutes. Flowerday made the motion and Eskridge seconded. The vote to approve the minutes was:
Aye: Ward, Flowerday, Morrow, Vest
Nay: None
Absent: Eskridge **Approval of Prior Minutes**

Nick Wischhof, LES Manager, Projects Engineering, presented.

Management Report

Wischhof reviewed the planned and unplanned service interruptions for the period. Wischhof also gave an update on natural gas contracts and prices. Updates on plant projects included: State Boiler Plant roof upgrade and condensate surge tank work, County/City Plant hot water service line leak repairs for the K Street customer, and the West Haymarket Plant customer service lines valve replacement project.

- **Operations Update**

Wischhof then reviewed these construction projects for 2023:

- County Adult Detention Facility: Geothermal Loop Cooler and Backup Circulating Water Pumps
- LES Operations Center: Geothermal Loop Heating System
- Nebraska State Penitentiary: Control Room Temperature Conditioning and On-Line Chiller Tube Cleaning System

Construction Projects Update

An update on new customer Feasibility Studies was presented. He stated that the 9th & P developers have decided against connecting to DEC. WHM Block 5 is undetermined as to whether that area will seek connection. The WHM Hudl 2 expansion timeline has been extended to 2028, and there is ongoing discussion regarding the County/City K Street redevelopment and possible Telesis connection.

- **Feasibility Studies**

Emily Koenig, LES VP Financial Services and CFO and DEC CFO, presented.

Financial Report

Both sales and revenue were slightly below budget, due primarily to warmer than average winter weather. Year to date expenses were 6% under budget, primarily due to higher interest income & lower energy and administrative costs. Debt Service Coverage was greater than budget due primarily to higher revenue and lower expenses. And early projections indicate reduced capital spending in 2023 due to project delays.

- **1st Quarter 2023**

Koenig then presented information on the audit report for 2022 – which was sent out near the beginning of April and indicated that it was a clean audit. Motion to accept the audit was made by Ward and seconded by Eskridge. The vote to approve the audit was:

Aye: Ward, Flowerday, Morrow, Vest, Eskridge

Nay: None

Absent: None

- **Audit Report & Motion to Accept**

Koenig gave an update on Tax-Exempt Financing Compliance. Koenig noted that in her review, per the Tax-Exempt Compliance Policy approved by the DEC board, all required compliance activities have been performed and no deficiencies have occurred. An annual update on the status of tax-exempt bond compliance is required by the policy.

- **Tax-Exempt Financing Compliance Update**

Koenig presented information detailing this resolution, which is in regards to a change for the JP Morgan line of credit to be benchmarked off SOFR rather than LIBOR, as LIBOR is sunsetting in June of this year. Vest made a motion for approval, it was seconded by Eskridge. The vote to approve was:

- **Resolution 23-01**

Aye: Ward, Flowerday, Morrow, Vest, Eskridge
Nay: None
Absent: None

David Levy presented information about proposed Nebraska legislation that may impact DEC. He presented information on the following bills: LB 164 (McKinney), LB 299 (Linehan), LB 637 (Albrecht), LB 650 (McDonnell). **Nebraska Legislative Update**

Jason Fortik introduced the topic of the upcoming IDEA conference attendance, and that there is interest from a greater number of board members and staff than budgeted for. Fortik read the motion to approve the budget exceedance for this year. Ward made the motion to approve and Eskridge seconded. The vote to approve was as follows:

IDEA Conference & Motion

Aye: Ward, Flowerday, Morrow, Vest, Eskridge
Nay: None
Absent: None

Chair Flowerday read the resolution to acknowledge and thank Tammy Ward for her service on the DEC Board from July 2019 to present. Motion to approve was made by Vest and seconded by Eskridge. The vote to approve was:

Resolution 23-02

Aye: Ward, Flowerday, Morrow, Vest, Eskridge
Nay: None
Absent: None

Chair Flowerday asked that an agenda item for the next meeting be added to discuss establishing a subcommittee to work on new customer connection issues. **Future Meetings**

Chair Flowerday asked for a motion to adjourn. Morrow made the motion and Eskridge seconded. moved for approval. The vote to adjourn was:

Adjournment

Aye: Ward, Flowerday, Morrow, Vest, Eskridge
Nay: None
Absent: None

There being no further business to come before the Board, Chair Flowerday declared the meeting adjourned at 1:00 p.m.

Sean Flowerday, Board Chair

By: *Dianne Dobrusky*
Dianne Dobrusky, Assistant Secretary



MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Minutes of the meeting of the District Energy Corporation (DEC), July 18, 2023, held at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on July 11, 2023.

Board Members Present: Kim Morrow, Carl Eskridge, Bennie Shobe (online via Teams)

Board Members Absent: Sean Flowerday, Rick Vest

Others Present: David Levy, Emily Koenig, Jason Fortik, Nick Wischhof, Larry Balm, Dianne Dobrusky, Kerin Peterson, Lisa Hale, Todd Bowman, Nick Wolf, Keith Snyder, Bryan Willnerd

Director Carl Eskridge called the meeting to order at 12:15pm and roll call was taken. Chair Sean Flowerday and Director Rick Vest were unexpectedly not present due to a long running County Commissioners meeting. Director Shobe was attending virtually. Legal counsel, David Levy, advised the board what options were available. It was decided to move forward with the meeting because a quorum was present, but moving actionable items to later in the agenda to avoid relying on Director Shobe voting virtually, in case Flowerday and Vest might arrive later.

Call to Order

Jason Fortik, LES Vice President of Power Supply and DEC Administrator, presented the Safety Briefing.

Safety Briefing

Jason Fortik introduced Bennie Shobe and welcomed him as the new City Council appointee to the DEC Board. His term will expire at the end of 2024.

Introduction of New Board Member

Emily Koenig, LES VP Financial Services and CFO and DEC CFO, presented the 2nd Quarter Financial Report.

Financial Report

Sales were over budget, due primarily to warmer than average weather, while revenue was at budget. Expenses were 5% under budget, primarily due to higher interest income and lower energy expenses. And debt service coverage was greater than budget due to lower expenses. Mid-year projections indicate reduced capital spending in 2023 due to project delays.

• Current Financial Statement

Bryan Willnerd, LES Manager Treasury and Risk Management, presented the Semi-Annual Investment Report for the quarter ending June 30, 2023.

- **Semi-Annual Investment Report**

Willnerd stated that DEC has a \$10.6 million portfolio, which is \$1.8 million higher than the previous semi-annual report in January. Most funds are held in the Bond P&I account. Second quarter benchmark yields realized an increase since the end of Q4 2022, though rate increases have slowed since March 2023. DEC's investments were below their benchmark yield as a result of DEC's "hold to maturity" investment strategy in an increasing yield market.

Portfolio allocation for money market funds at quarter end is above the limit to meet liquidity needs for July 1, 2023 payments to bondholder. Key investment objectives include safety of assets, liquidity, and return on investment. The Investment Policy will be reviewed and will provide an update at the next meeting, covering processes and procedure updates that have been implemented.

David Levy stated that the legislature has appropriated funds for a new state penitentiary. He discussed the impacts that may have on the current site and potential for a new site to include district energy. Jason Fortik added additional information regarding the current Energy Service Agreement and bond documents with the penitentiary and the funding provisions therein. Levy concluded the discussion by summarizing that more analysis and discussion is needed, and that this topic should be carried forward to the next board meeting in October.

NE Legislative Update

Jason Fortik shared his positive comments about the June IDEA conference and asked board members for their perspective and input. Both Kim Morrow and Carl Eskridge indicated their continued interest in attending, preferably on an every-other-year schedule.

IDEA Conference Comments

Nick Wischhof, LES Manager, Projects Engineering, presented.

Management Report

Wischhof reviewed the details of several service interruptions for the period – both planned and unplanned. Those included:

- **Operations Update**

- K Street (County-City) to repair hot water distribution leaks
- NSP outages for customer steam/condensate leak repairs
- Brief LOC outage due to refrigerant leak (<1 hour)
- WHM outages due to temporary boilers for the valve replacement project
- Glycol leak at the County-City that caused a reduction in ice capacity

Wischhof presented a graph showing NYMEX prices for natural gas futures over several prior years – which showed that prices have remained fairly low YTD in comparison. Wischhof also introduced some graphs and data for a new Excel based tool for customer metrics and tracking efficiencies.

- **Fuels Update**

Wischhof then reviewed these construction projects for 2023:

- State Building Plant condensate surge tank
- County/City Plant hot water leak to K Street
- West Haymarket Plant valve replacement project
- West Haymarket Plant boiler addition

- **Project Updates**

The final topic Wischhof presented was new customer / feasibility studies. WHM Block 5 expansion is not expecting to connect to DEC. The HUDL II expansion has been delayed until 2028. There is a potential opportunity for DEC with a potential new convention center. DEC was also contacted by a consulting firm about a potential project at 701 S. 10th Street. And Wischhof stated he is also working on some estimates for an individual company related to the K Street redevelopment.

- **Feasibility Studies**

David Levy shared that Flowerday and Vest had been in contact and were not yet enroute. Kim Morrow had left the meeting (which was running late), due to another commitment. Levy presented the legal options since there would not be a quorum. It was decided to adjourn the meeting and carry forward the items that needed a vote to the next regular board meeting. Shobe made the motion and Eskridge seconded. The vote to adjourn was:

Adjournment

Aye: Eskridge, Shobe

Nay: None

Absent: Flowerday, Vest, Morrow

There being no further business to come before the Board, Director Eskridge declared the meeting adjourned at 1:10 p.m.

Sean Flowerday, Board Chair

By: *Dianne Dobrusky*
Dianne Dobrusky, Assistant Secretary

TAB III



DEC ENERGY

Management Report

Nick Wischhof, P.E., Manager, Projects Engineering

Vision

"Striving for Energy Excellence"

Mission

"Provide low-cost, reliable and efficient thermal energy services to enhance and enable economic development of the Lincoln community"

Board of Directors Meeting
October 17, 2023



Fuels and Operations Update: October 2023

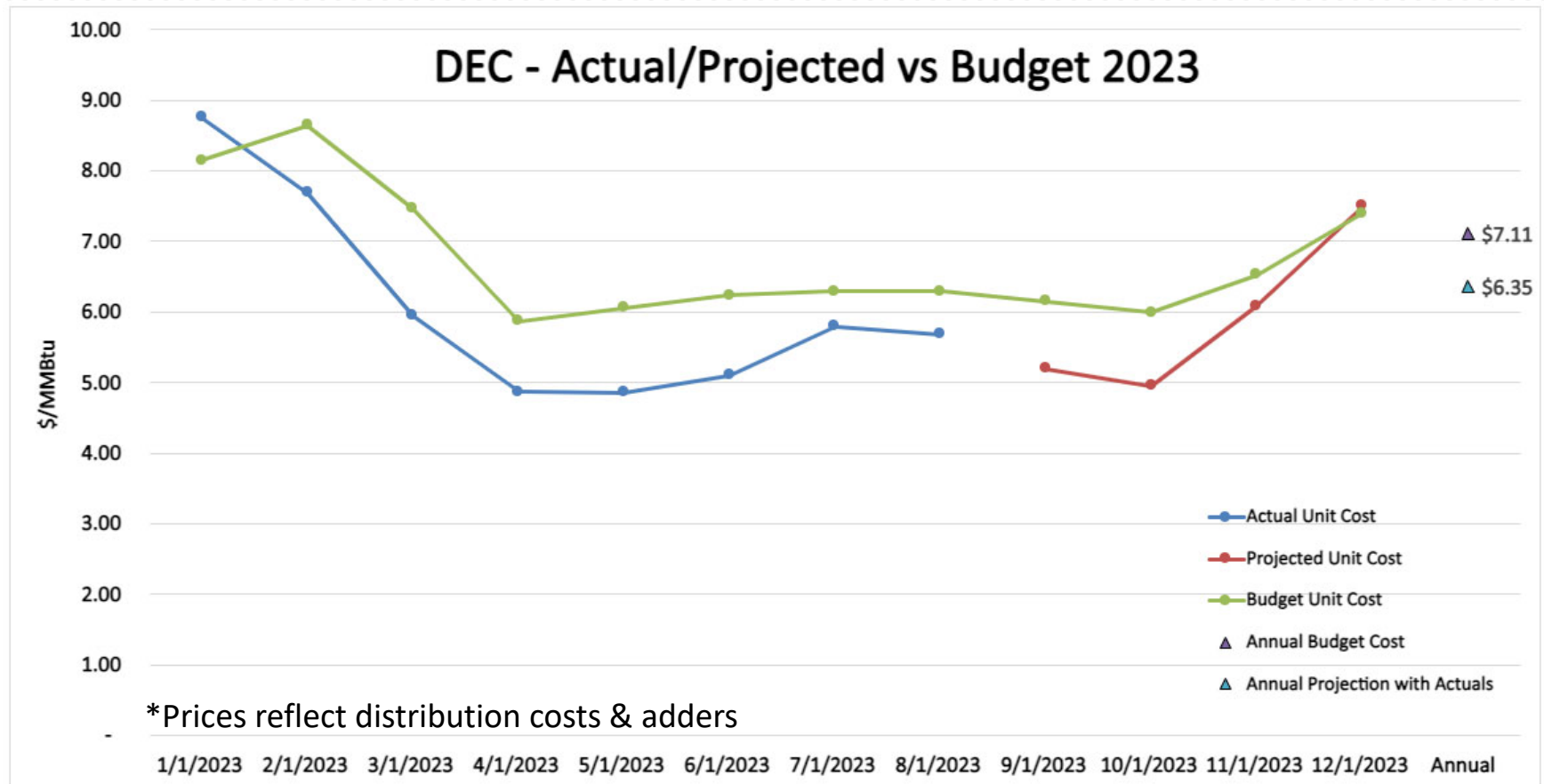


Operations Update & Service Interruptions

- ❑ Continual outage to K Street (CC) to repair hot water distribution leaks
- ❑ Planned outages to the Penitentiary (NSP) for customer steam/condensate leak repairs
- ❑ Outages to WHM customers to cutover to/from temporary boilers for valve replacement project
- ❑ DEC CC partial interruption due to Chiller 1 low refrigerant (July)



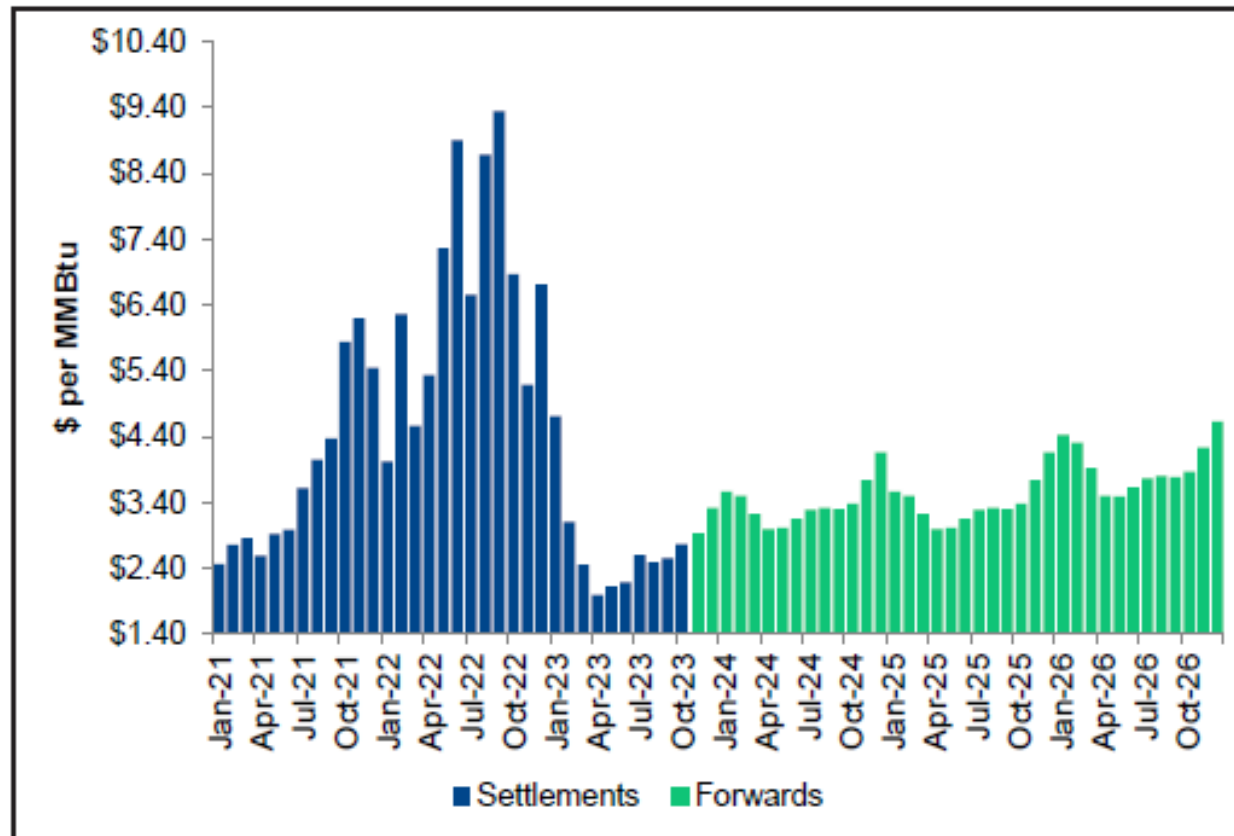
Operations Update-Fuels





Operations Update-Fuels

NYMEX Forward Curve





DEC
ENERGY

Project Updates



2023 Capital Projects Update

Project	Description	Budget	Status
<u>All</u> Central Cyber Security System	Continued joint project with LES for real time monitoring of plant control systems and network integrity. Installing a new data diode to further enhance network isolation.	\$50k	2024-Q2
<u>CADF</u> Geothermal Loop Cooler	This project will install an air to fluid cooling system to address the geothermal loop temperature increases that effect efficiency of the heat pumps. The system would be operated during the colder winter months to maximize system performance.	\$510k	Finalizing design for purchase and installation in 2024/2025.
<u>CADF</u> Backup Circulating Water Pumps	This project will install redundant circulating water pumps for the geothermal system's three water loops: wellfield, hot and cold water. This will improve plant reliability and resiliency.	\$254k	Pumps have been purchased. VFDs are being specified to match pumps. Plan to install in 2024
<u>C/C</u> Water Service Upgrade	This project will install a larger City water service to the plant to support the plant thermal storage expansion and increased cooling tower demand.	\$50k	PO issued to complete the work this fall after cooling season.
<u>LOC</u> Geothermal Loop Heating System	This project is for the design and installation of a system to increase the loop temperature at the LOC. The LES facility is heavily heating dominated, and this results in the temperature of the geothermal system going down. Low geothermal loop temperatures reduce the efficiency of the heat pumps during cold weather.	\$204k	Finalizing design for purchasing components for installation in 2024.



SBP Condensate Surge Tank

Project	Budget	Status
This project replaced the surge tank and associated pumps, valves, and instrumentation.	\$200k	Project complete and commissioned on September 19, 2023.





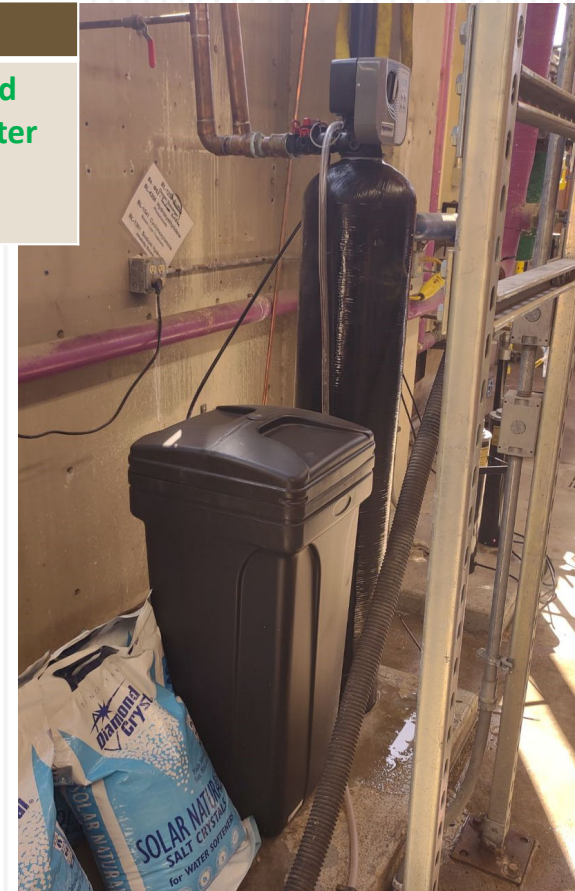
DEC
ENERGY

County/City Plant



CC Water Softener Upgrade

Project	Budget	Completion	Status
This project upgraded the 30-year-old water softener system to treat city makeup water.	\$20k	2023 – Q3	Softener has been installed and will be tied in with the city water meter upgrade this fall after cooling season.





CC Hot Water Leak to K Street





CC Hot Water Leak Repair





CC Hot Water Leak Repair





CC Hot Water Valve Leak/Replacement





CC Fuel Oil Tank Maintenance



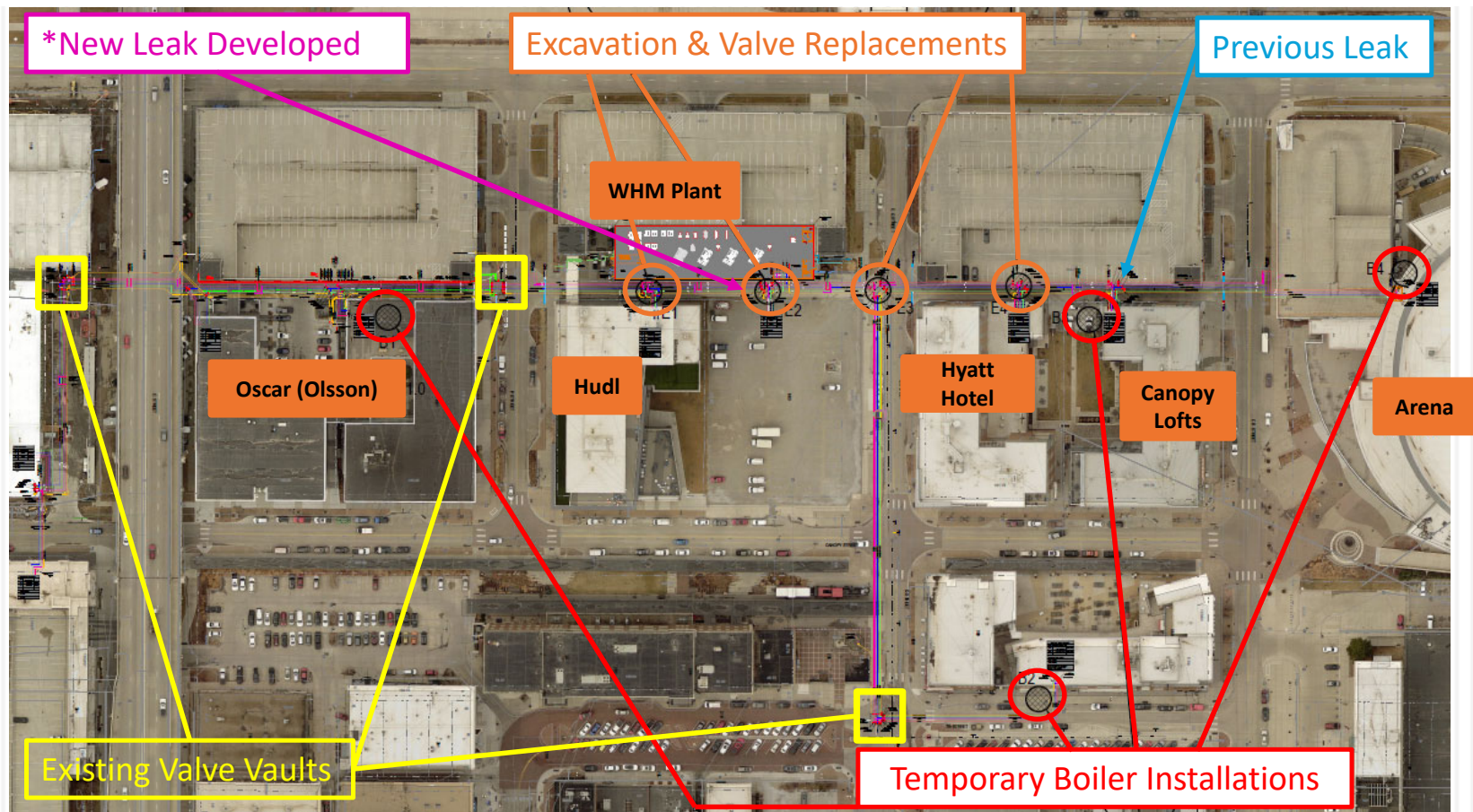


DEC
ENERGY

West Haymarket Plant Valve Replacement Project



Hot Water Distribution Valves





Corrosion





Repairs





Gilsulate



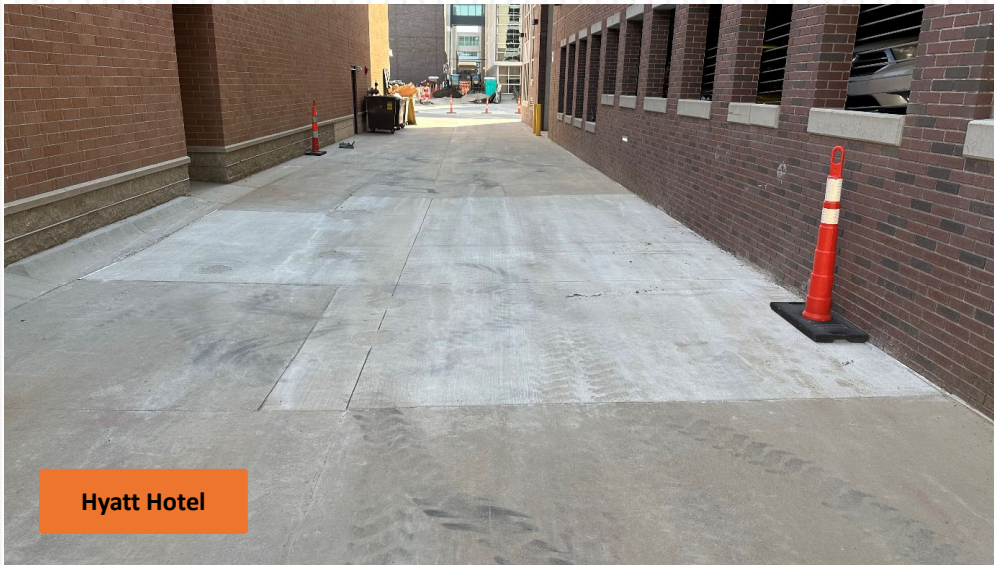
Mini Manhole



Valve Stem



Q Street



Hyatt Hotel



HUDL



WHM Boiler Addition

Project	Budget	Completion
This budget item will install additional alternative fuel boilers to provide full back up in the event there is a loss of natural gas service.	\$500k	2024/2025

- Plan to install two additional 960kW electric boilers
 - Will not require switchgear modifications (reduced install costs)
 - Plan to procure boilers soon for 2024/2025 installation
- Evaluated heat pumps & possible thermal storage
 - Cost of installation of equivalent heat pumps was 2x
 - Cost of thermal storage added significant additional costs
 - Hot water temperature could be maintained with current heat pump technologies (170+ deg. F)



2024 Capital Projects

Project	Description	Budget	Schedule
<u>All</u> Central Safety & Security Improvements	This project will install electric card access on the switchgear/electrical generator control rooms to prevent unauthorized access. This project will also upgrade the exterior & emergency lighting to better illuminate the facilities for improved safety and security.	+\$80k (\$110k)	2024
<u>CADF</u> Multistack Upgrades	This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. This project will also upgrade the obsolete controllers on the Multistacks.	\$229.5k	2024
<u>WHM</u> On-line Condenser Cleaning System for Chillers	This budget item will install an on-line tube cleaning system for the cooling system chillers. NUCorp/UNL has been using this technology for the last 3 years and has documented between 10%-15% increase in chiller efficiency/performance. The plan is to purchase the equipment from the NSP project in 2023 and install in 2024 for summer operation.	\$160k	2024



New Customer Feasibility Studies / Discussions



DEC Expansion

- ❑ New Convention Center
 - Possible DEC involvement?
- ❑ Possible service to Multimodal Center (CC)
- ❑ K Street Redevelopment (CC)
- ❑ Block 5 Development (WHM)
- ❑ Lincoln Bold Development (WHM)
- ❑ State Penitentiary (New & Existing)



Comments/Questions

*Seeking a motion to accept the
management report.

TAB IV



Vision

***“Striving for Energy
Excellence”***

Mission

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

Financial Report

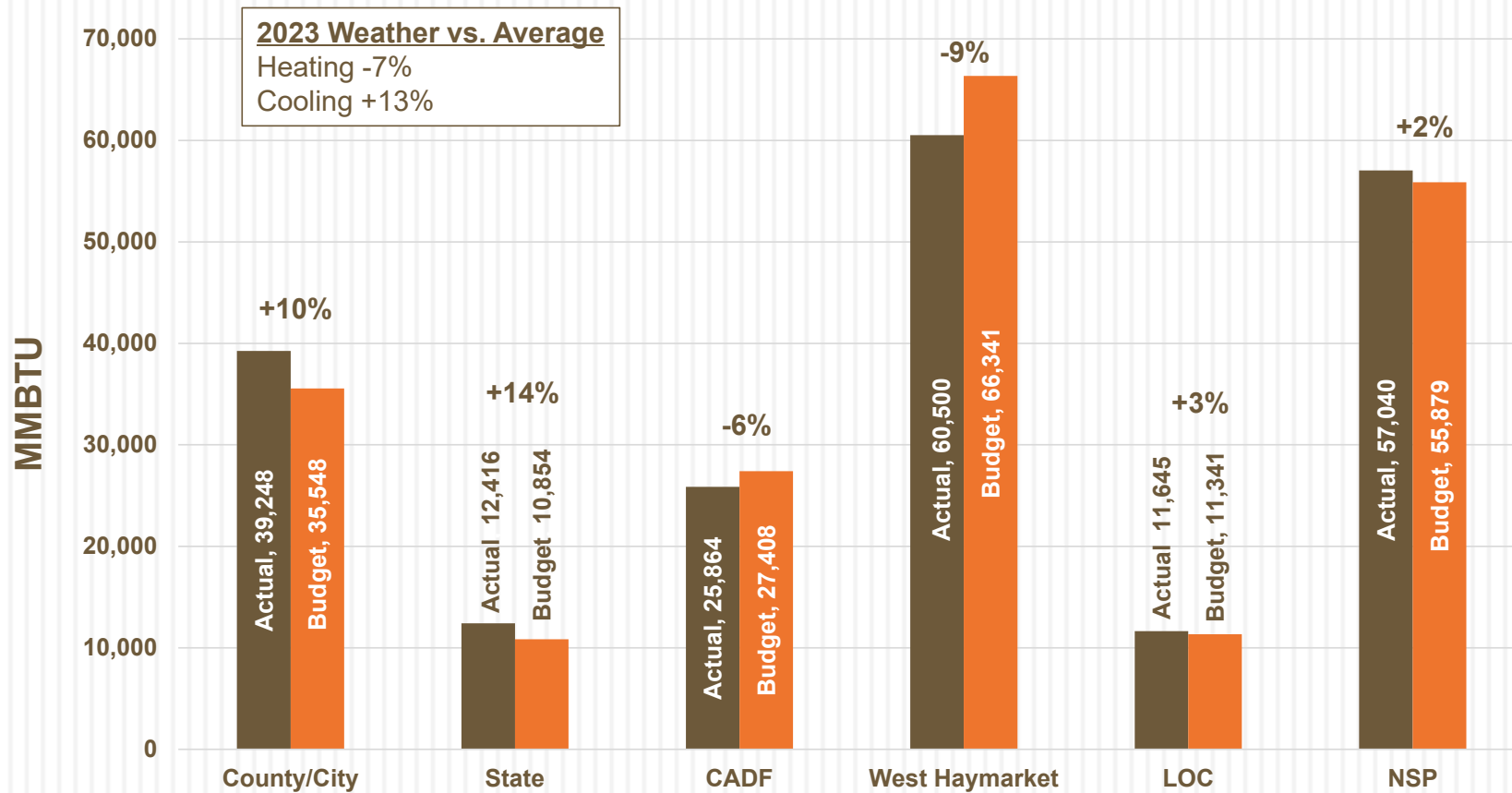
3rd Quarter 2023

**Board of Directors Meeting
October 17, 2023**

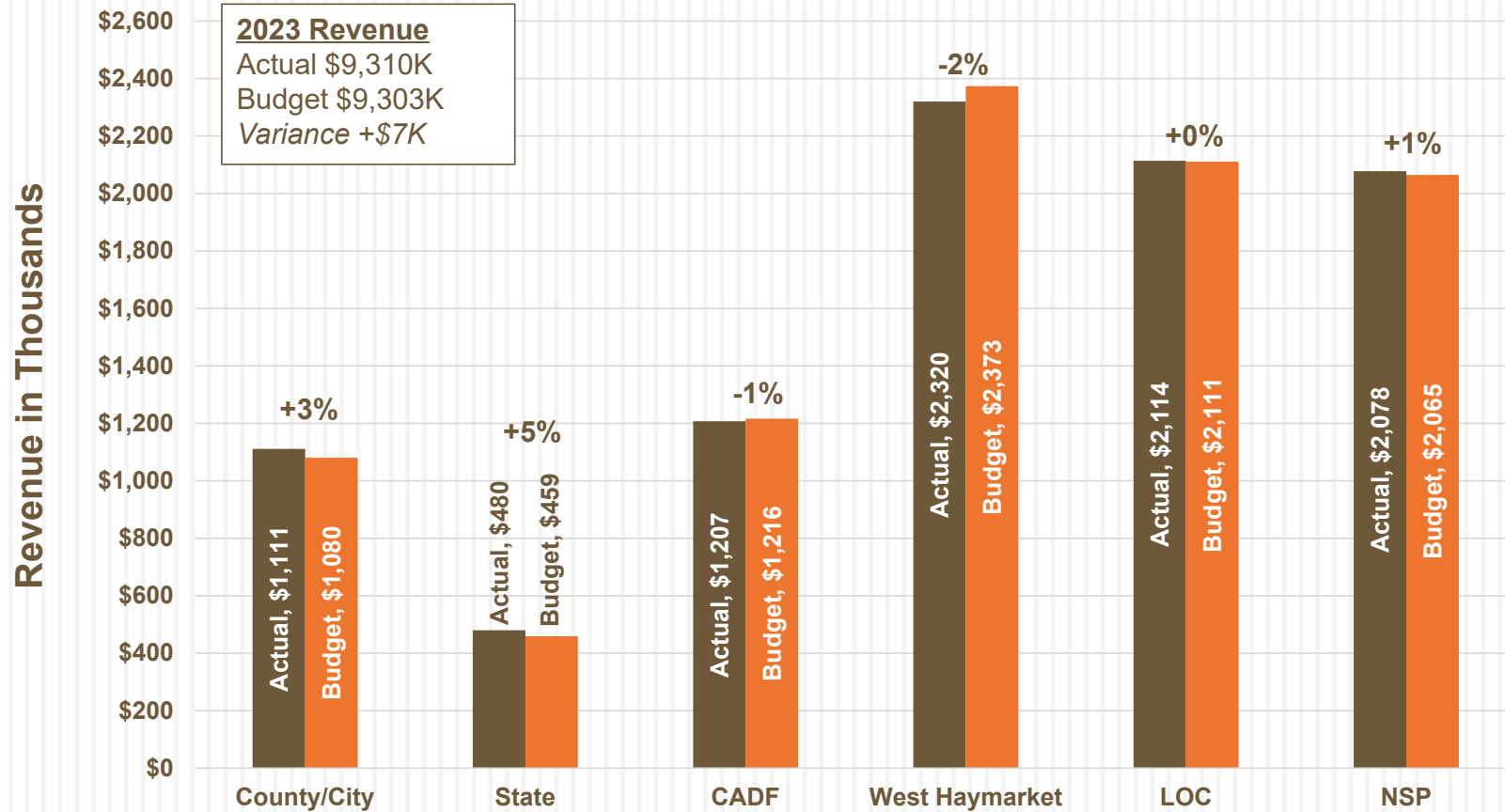
***Continued strong financial performance results in financial
metrics at budget for 2023.***

Nicholas Wolf
Manager, Financial Accounting

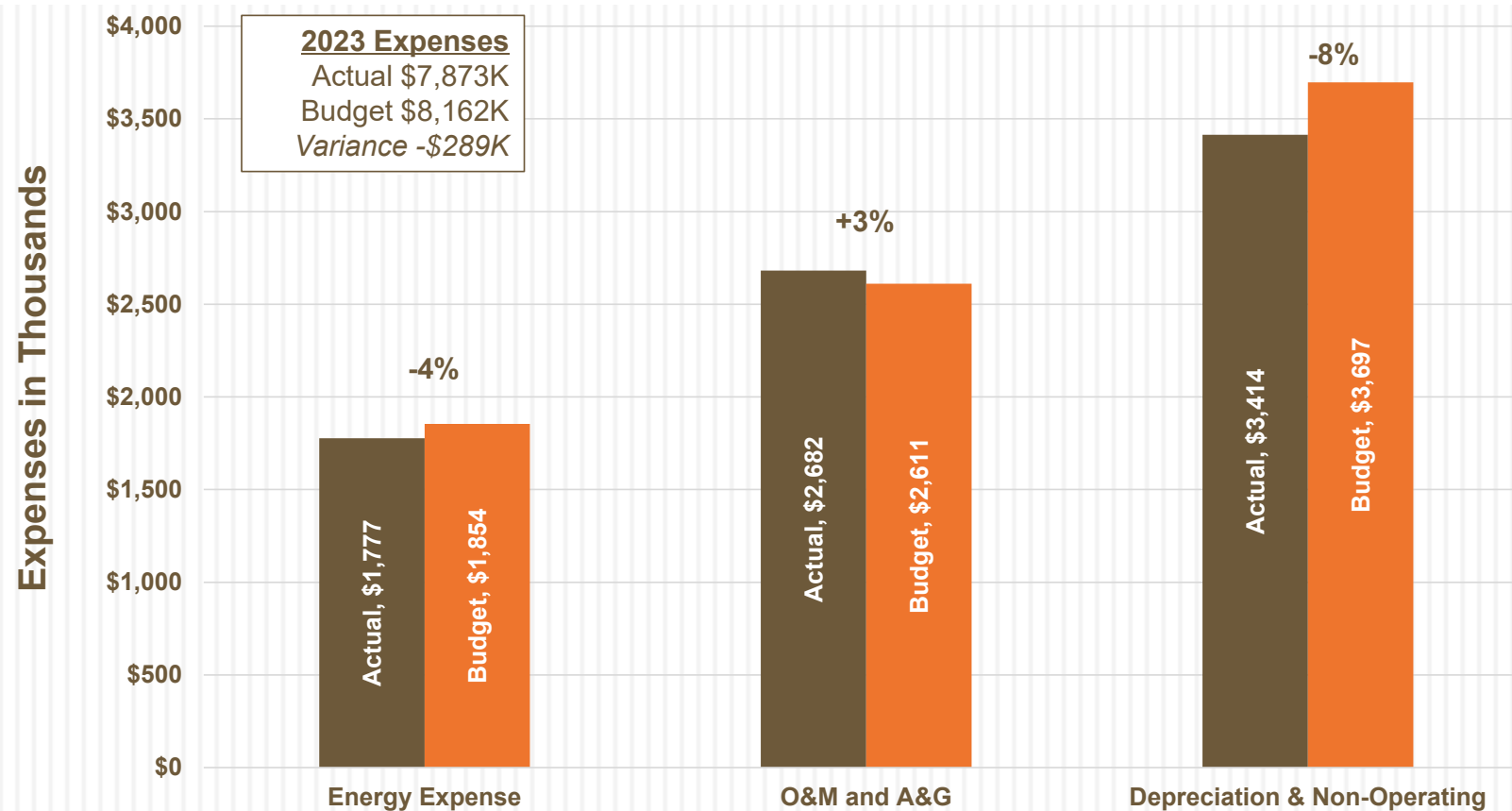
YTD Sales are at budget



YTD Revenue is at budget

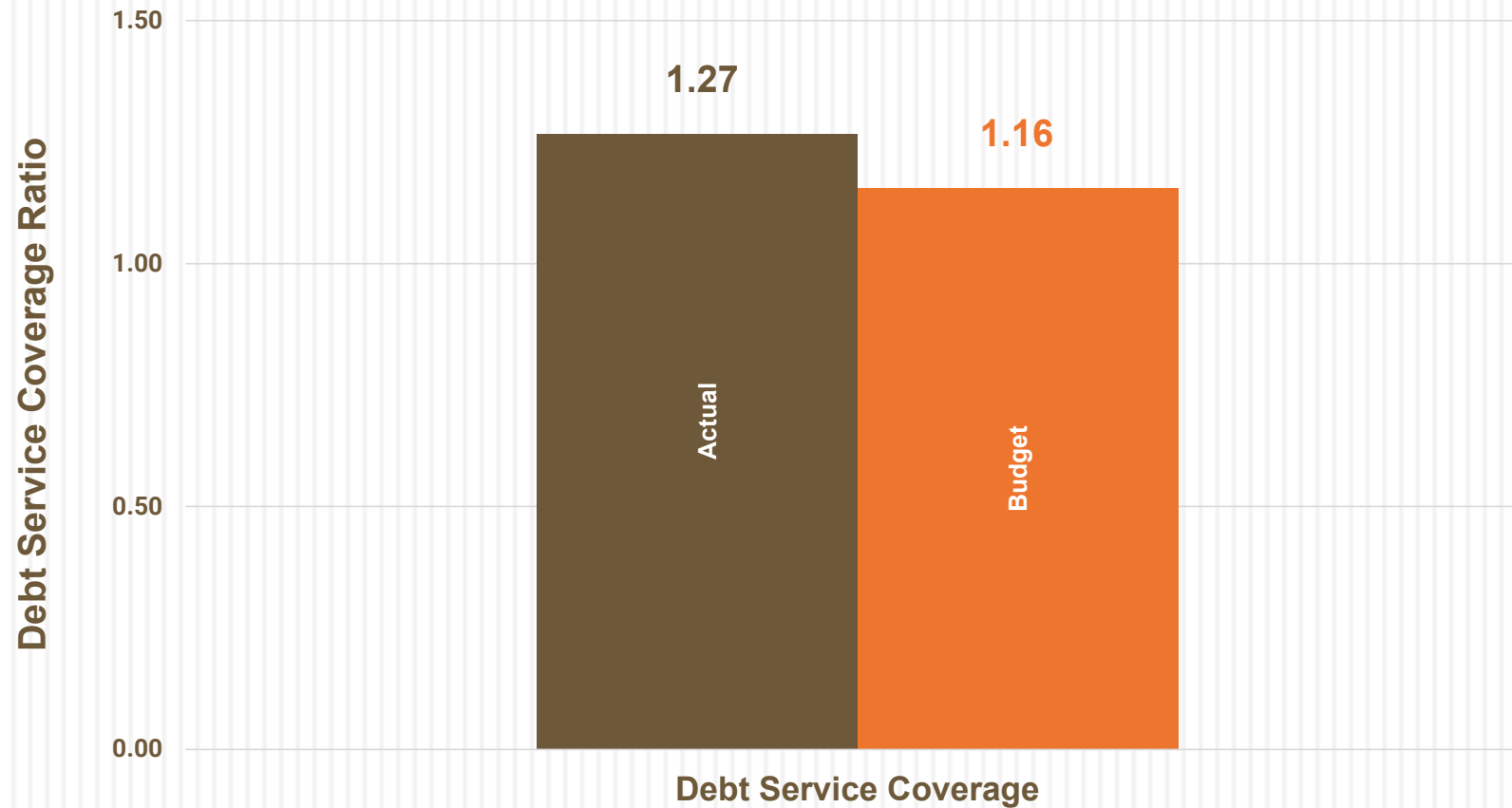


YTD Expenses are 4% under budget, primarily due to higher interest income and lower energy expenses



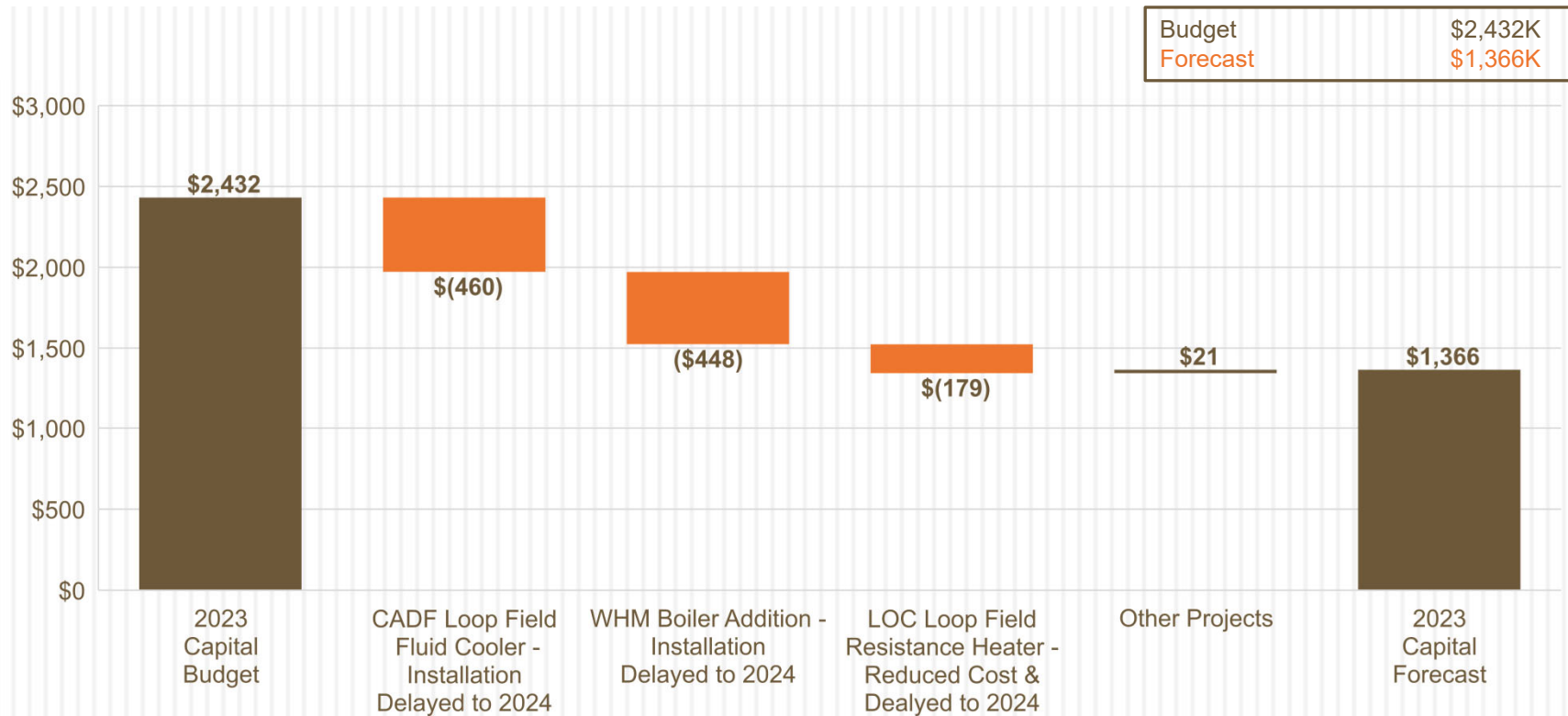
YTD Debt Service Coverage was greater than budget due to lower operating expenses and higher interest income

5



End-of-year projections indicate reduced capital expenditures in 2023 due to project delays

2023 Capital Expenditures (Thousands)



TAB V

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 23-03**

**A RESOLUTION ADOPTING THE 2024 DEC OPERATING AND CAPITAL
BUDGET AND A REVISED SCHEDULE OF RATES AND CHARGES FOR DEC
CUSTOMERS.**

RECITALS:

I.

Pursuant to the “Amended and Restated Management Agreement,” the DEC Administrator has developed and presented to the DEC Board of Directors, for its review and approval, a proposed annual budget for the operation of DEC and a revised Schedule of Rates and Charges to be charged to DEC customers to support the same.

II.

The Board of Directors has reviewed such proposed annual budget and revised Schedule of Rates and Charges and now proposes to adopt the same through passage of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT ENERGY CORPORATION:

That the 2024 Operating and Capital Budget, a copy of which is attached hereto, marked as Exhibit 1 and made a part hereof by reference is hereby adopted as the annual budget for DEC for the 2024 fiscal year.

BE IT FURTHER RESOLVED that the revised Schedule of Rates and Charges to be charged to the customers of DEC pursuant to their respective Thermal Service Agreements or Energy Service Agreements, a copy of which is attached hereto, marked as Exhibit 2 and made a part hereof by reference, is hereby adopted. Such rates and charges shall be effective January 1, 2024.

BE IT STILL FURTHER RESOLVED that:

1. Unencumbered balances of amounts budgeted in the Operating Budget shall lapse at the end of the fiscal year.

2. Amounts budgeted for capital projects in the Capital Budget shall, without further action, carry over from fiscal year to fiscal year until project close-out, at which time the appropriation for the closed-out project shall lapse. The Board of Directors may, by resolution, transfer at any time the unencumbered balances of such capital budgets to other capital budgets.

3. If a capital project is anticipated to extend over more than one fiscal year, and if a total project budget has been identified in the Capital Budget for that capital project, then the DEC administrator is authorized, as necessary and prudent, to enter into multi-year contracts exceeding the annual budgeted amount for such capital project, so long as the total contract sum for the multi-year contract does not exceed the total project amount as designated in the then current Capital Budget.

4. For purposes of this Resolution, balances shall be deemed “encumbered” when a legally binding contract has been entered into that commits the DEC to payment of the amounts stated in the contract, regardless of whether the actual payment is made in the current fiscal year or a future fiscal year.

PASSED AND ADOPTED this ____ day of _____, 2023.

ATTEST:

Secretary/Treasurer

President

Exhibit 1

TAB VI



DEC
ENERGY

District Energy Corporation

2024 Annual Budget Report



9445 Rokeby Road
Lincoln, NE 68526
(402) 473-3373

Board of Directors

President

Sean Flowerday

Vice President

Carl Eskridge

Secretary/Treasurer

Kim Morrow

Rick Vest

Bennie Shobe

Assistant Secretary

Dianne Dobrusky

October 4, 2023

DEC Board of Directors:

The staff at Lincoln Electric System has developed the enclosed 2024 Budget and Rates proposal for your consideration and recommends this submittal for your approval at the October 17, 2023 board meeting. The total proposed 2024 Budget is \$12.7 million, or \$0.5 million less than the 2023 Budget.

Operating Budget

The proposed 2024 Operating Budget (excluding depreciation and other income/expense) is \$6.4 million, which is an increase of \$0.5 million from the 2023 Budget. This is driven primarily by increases in payroll, outside consulting, and the LES Management Fee.

Capital Budget

The proposed 2024 Capital Budget is \$1.6 million, which is a decrease of \$0.8 million from the 2023 Capital Budget. The major components of the 2024 Capital Budget include a electric backup boilers at the West Haymarket, a geothermal loop cooler at the County Adult Detention Facility, and numerous other small-to-medium sized projects.

Financial Metrics

The proposed 2024 Budget meets DEC's liquidity target of 60-90 days of operating reserves, or approximately \$2.6 million. Additionally, the Debt Service Coverage minimum target of 1.10X-1.20X coverage is achieved. DEC is projected to meet all financial targets during the 5-year forecast.

Rate Changes

The 2024 Budget includes estimated bill increases of less than 1% for all customers except those accepting service from the County/City facility. The County/City is experiencing higher payroll and benefit costs as well as increased external consulting and outside services. Each customer is within +/- 5 percent of the cost of service.

Financings

The 2024 Budget does not include any additional long or short-term financings. There is currently \$1.2 million outstanding on the JP Morgan line of credit for capital costs relating to the Thermal Storage Expansion project at the County/City Plant in 2022.

As you review this material, please feel free to contact me with questions or comments.

Sincerely,

Emily N. Koenig
Chief Financial Officer



DISTRICT ENERGY CORPORATION
2024 BUDGET
DETAILED OPERATING AND CAPITAL BUDGET INFORMATION
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Budget Summary



Vision

***"Striving for Energy
Excellence"***

Mission

***"Provide low-cost, reliable and
efficient thermal energy
services to enhance and enable
economic development of the
Lincoln community"***

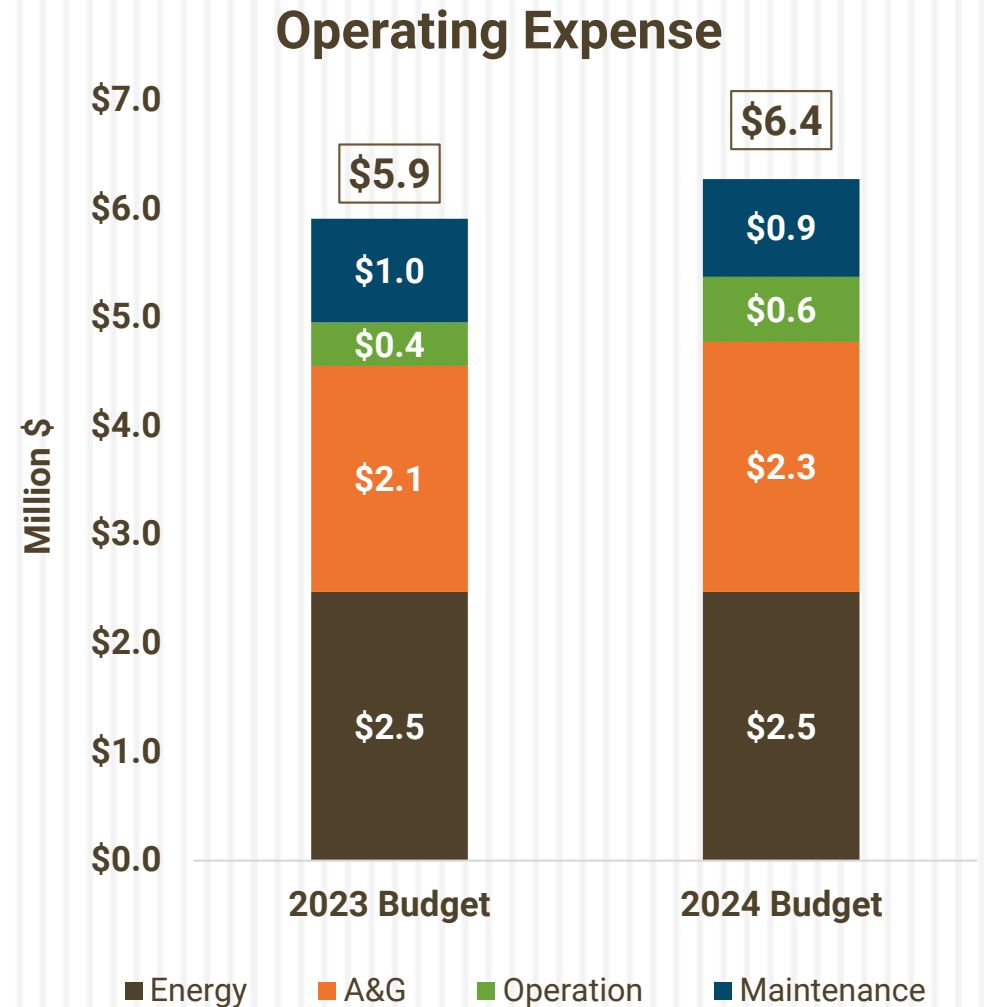
Proposed 2024 Budget & Rates

**Board of Directors Meeting
October 17th, 2023**

2024 Proposed Operating Budget is slightly higher than the 2023 Budget

Main drivers of 2024 Budget increase:

- Payroll & Benefits
- LES Management Fee
- External consulting



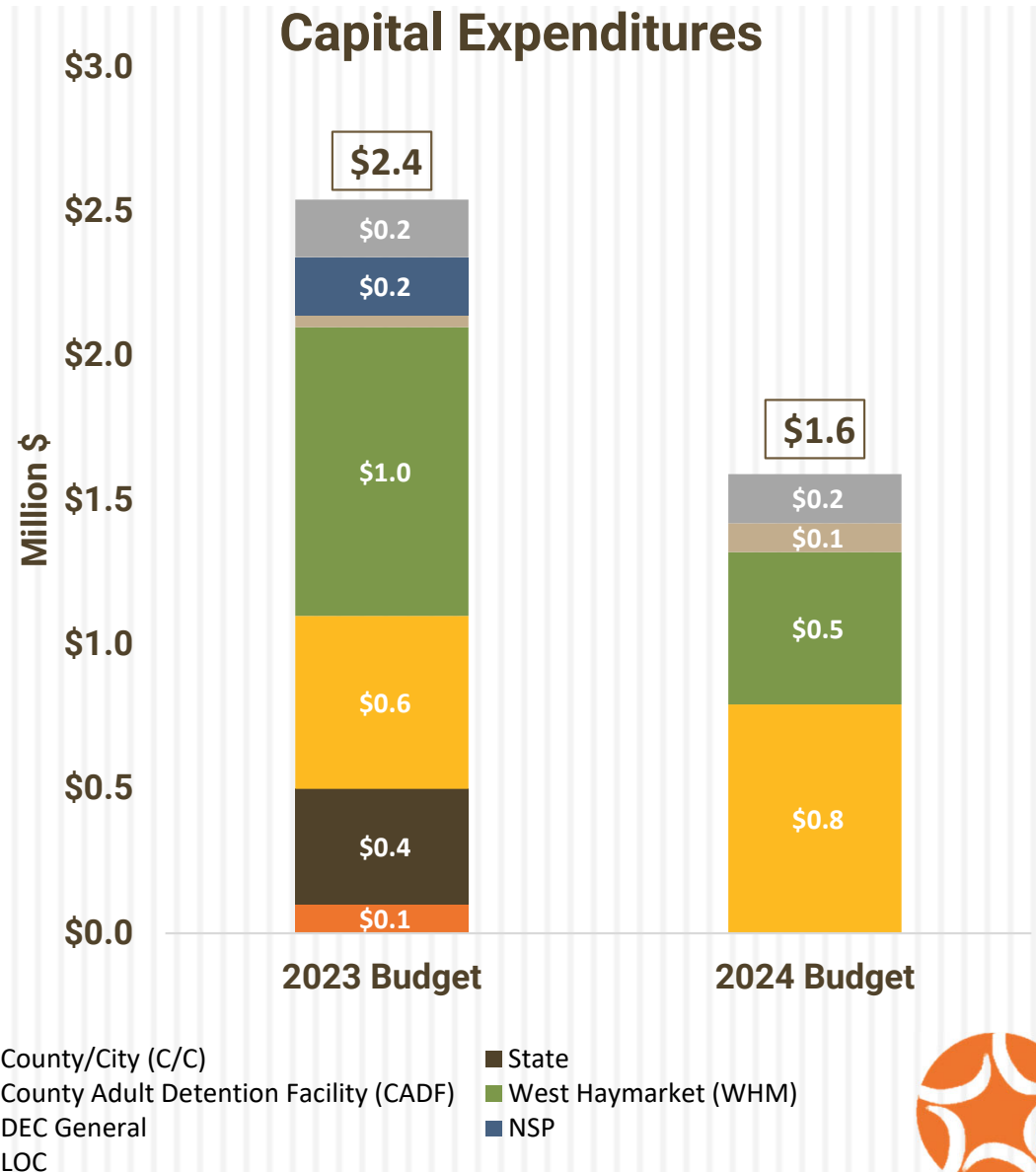
Due to rounding, numbers presented throughout this document may not add up precisely to totals provided.



2024 Proposed Capital Expenditures

Projects in the Proposed 2024 Capital Expenditures include:

- DEC General Central Cyber and Physical Security projects: \$100K
- CADF Loop Field Fluid Cooler: \$460K
- CADF Backup Circ. Pumps for each Loop: \$104K
- CADF Multistack Upgrade: \$230K
- WHM Boiler Addition: \$448K
- WHM On-line Condenser Cleaning System for Chillers: \$160K
- LOC Loop Field Resistance Heater: \$179K



Demand-Other rates meet cost-of-service targets

Demand-Other Rates collect fixed costs

2024 Cost
of Service

100%

101%

101%

100%

100%

100%

Thousand \$ per Month

\$120
\$100
\$80
\$60
\$40
\$20
\$0

County/City

State

CADF

WHM

LOC

NSP

■ 2023 ■ 2024

\$94

\$102

\$37

\$43

\$56

\$56

\$121

\$109

\$59

\$54

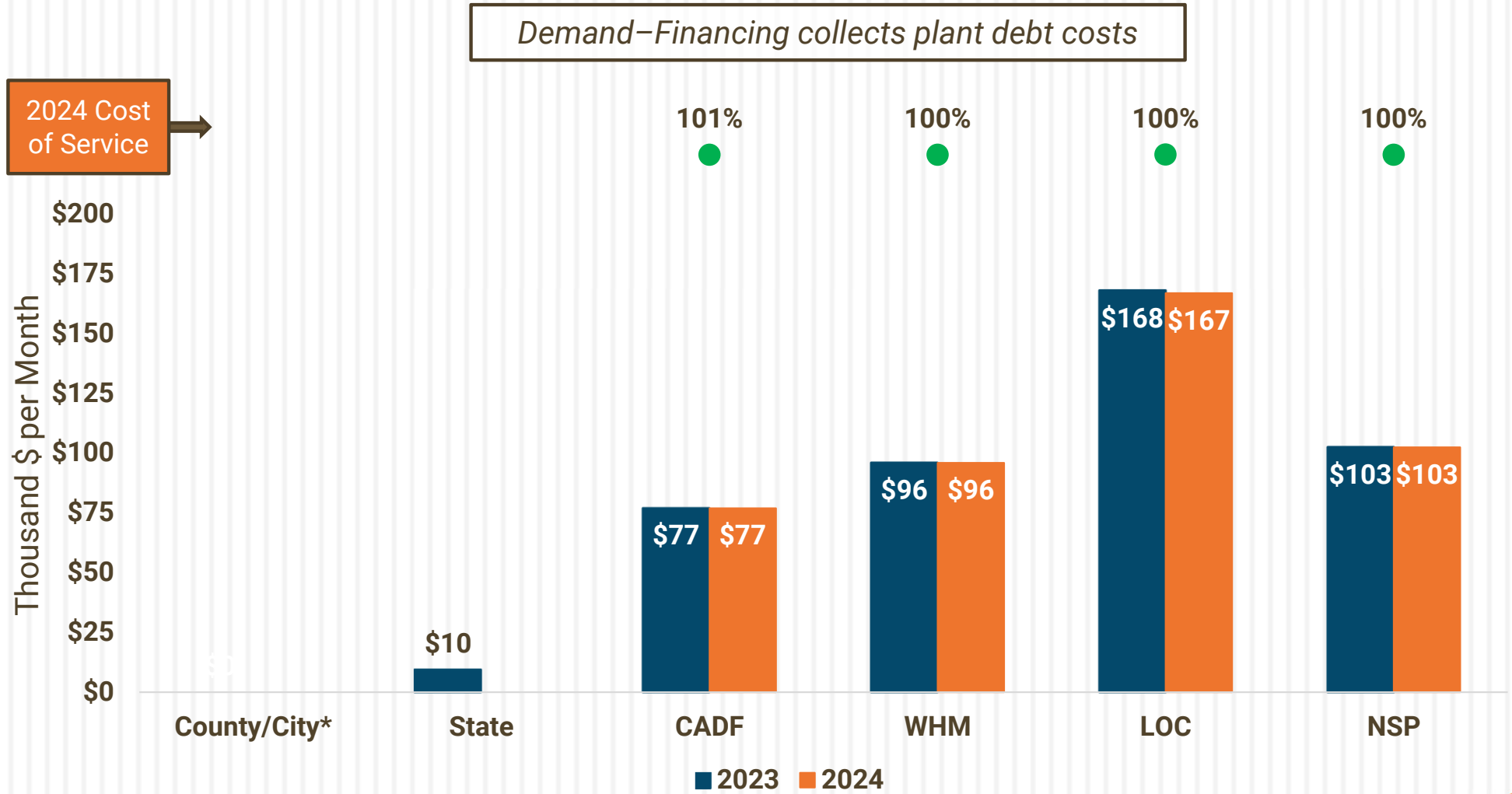
\$74

\$75

Due to rounding, numbers presented throughout this document may not add up precisely to totals provided.



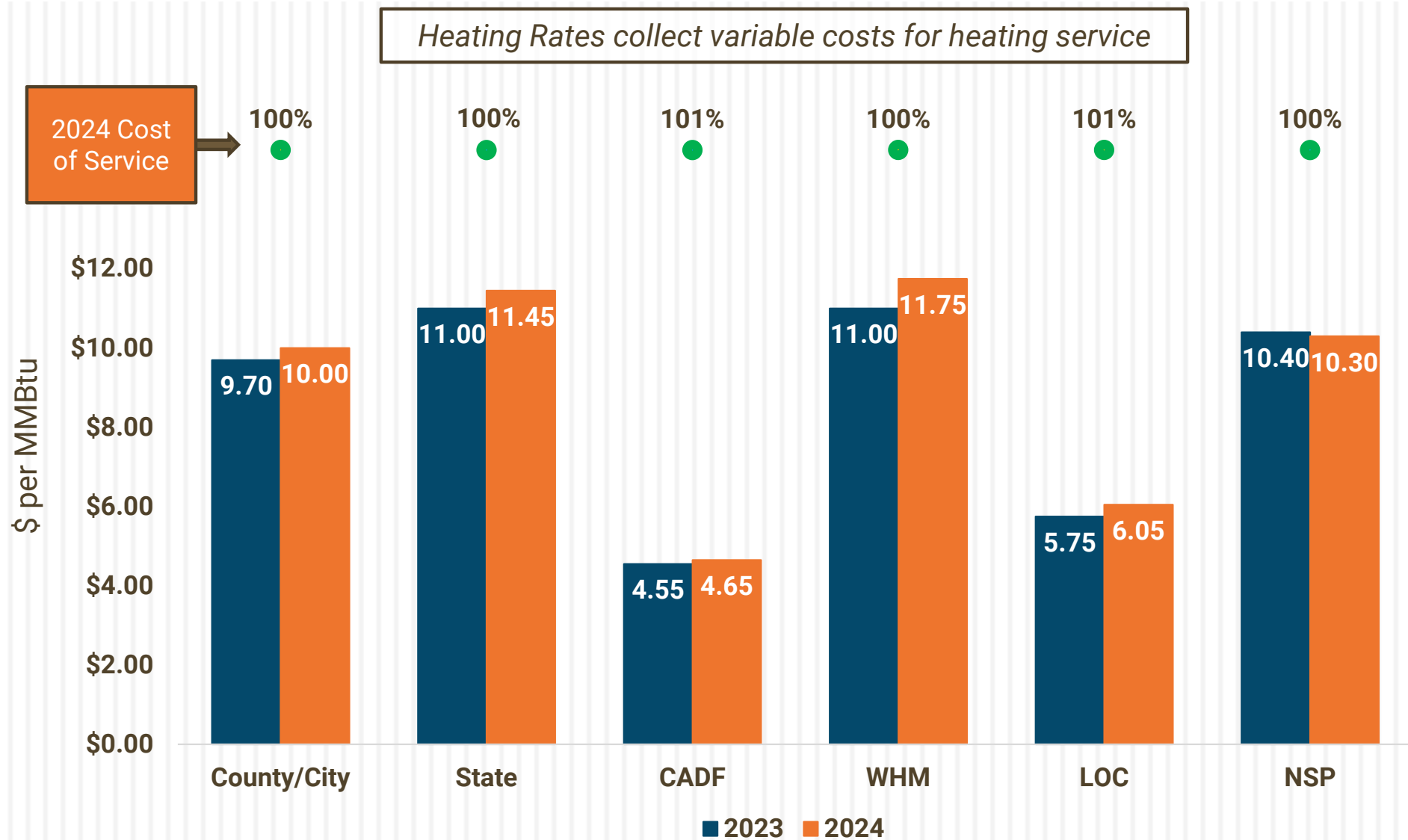
Demand-Financing rates similar to 2023 Budget



* County/City Demand-Other Rate includes recovery of plant financing costs

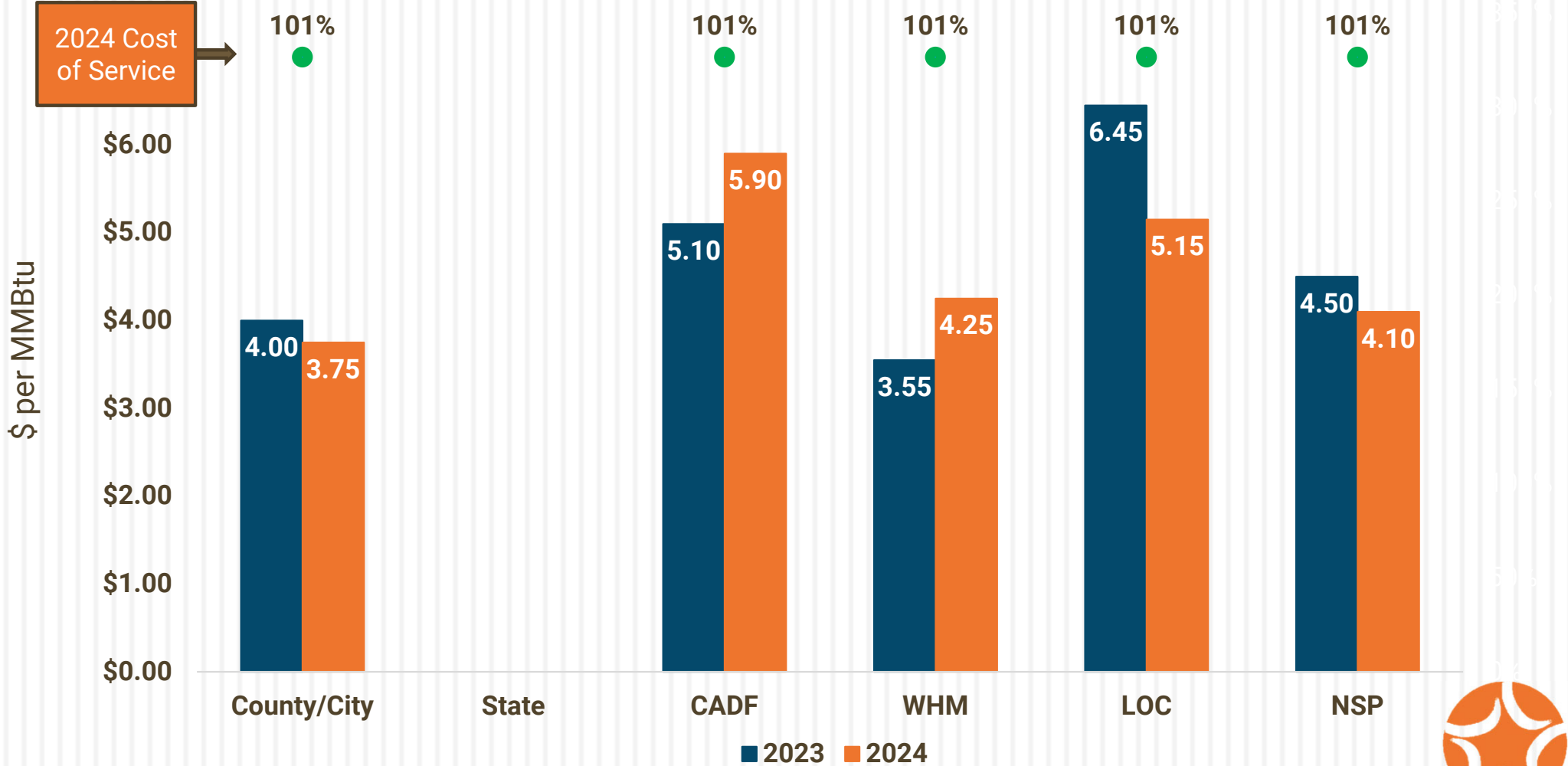


Proposed Heating rates meet cost of service targets

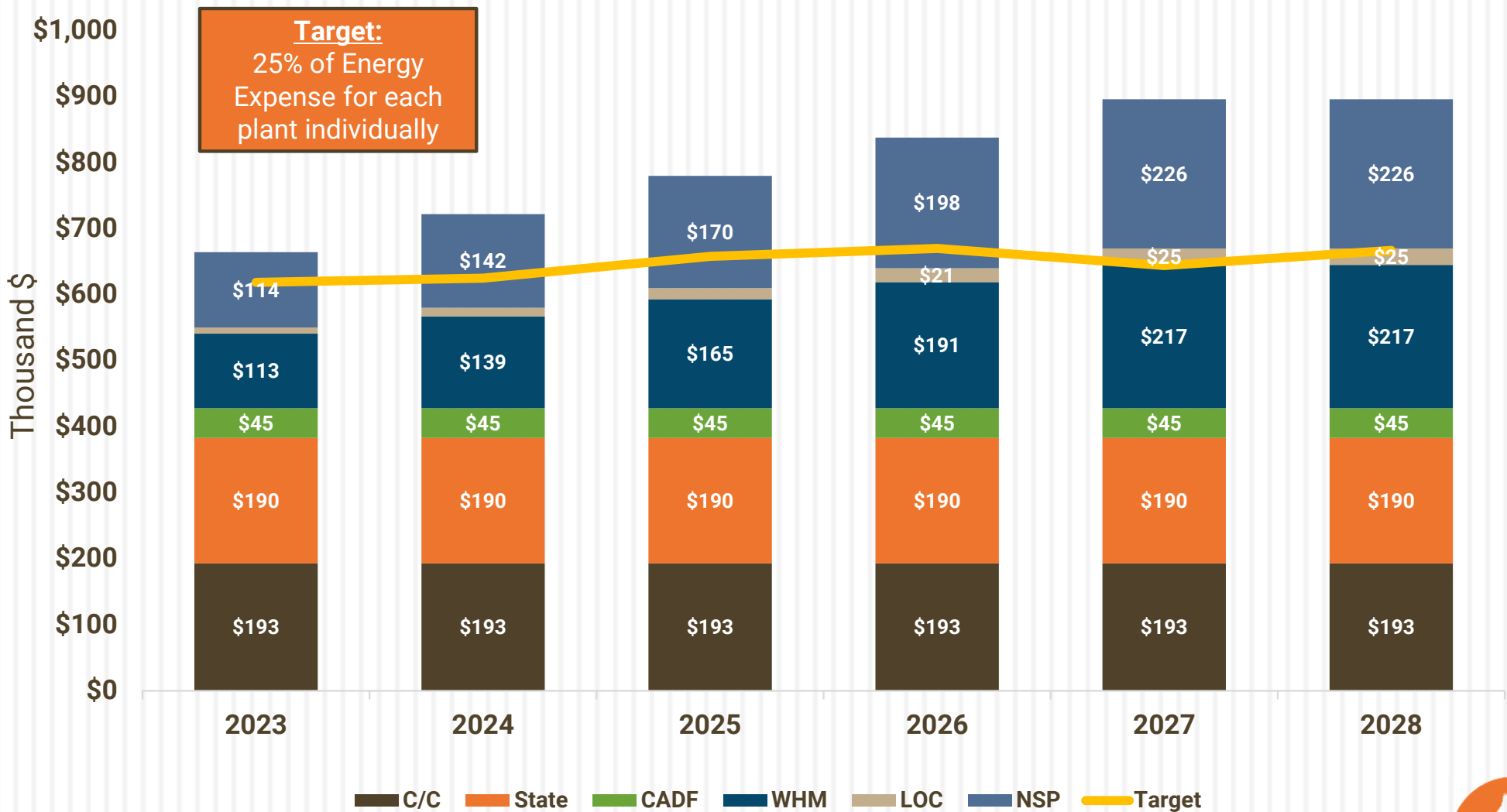


Proposed Cooling rates meet cost of service targets

Cooling Rates collect variable costs for cooling service



Rate Stabilization Fund balance continues to increase as plant-specific targets are achieved



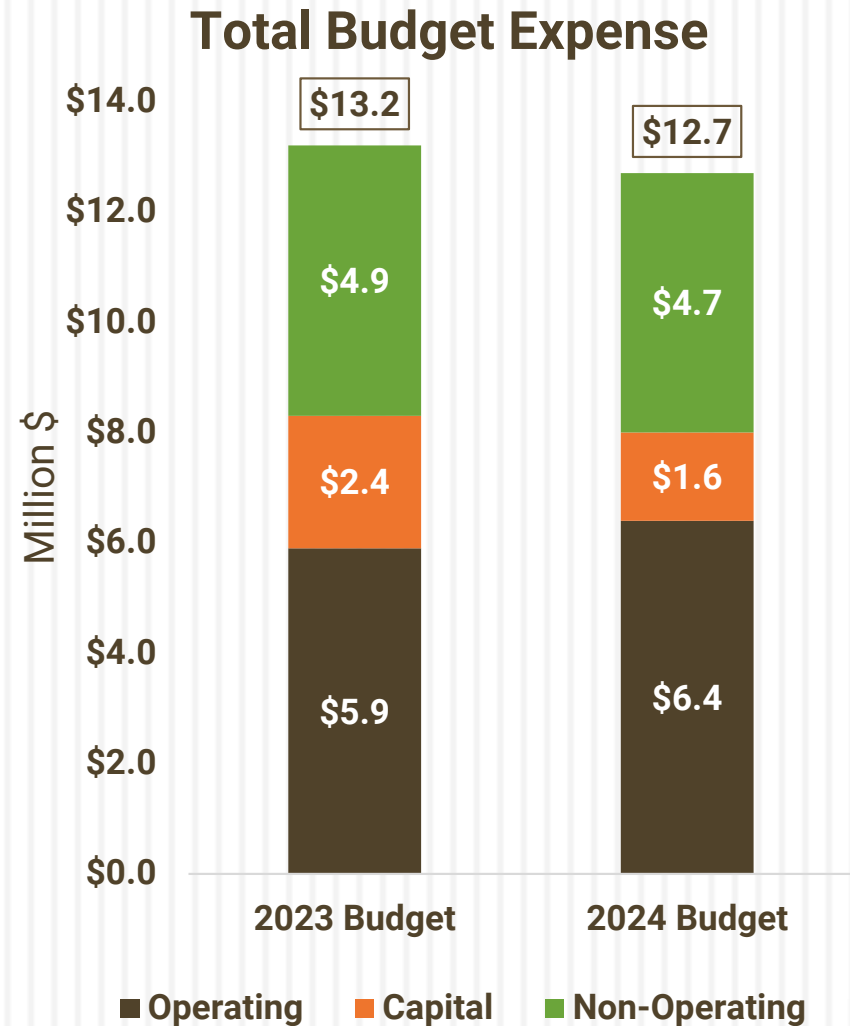
All individual plant RSF's projected to be fully funded by 2027



2024 Total Proposed Budget decreased \$0.5M, or 4%, compared to the 2023 Budget

2024 Total Budget variances compared to 2023:

- Operating Expenses (+\$0.5M)
- Capital Projects (-\$0.8M)
- Non-Operating Expense (-\$0.2M)
 - Interest Income (-\$0.3M)
 - Depreciation (+\$0.1M)



Financial Metrics are met for the 2024 Proposed Budget

1.17X

Debt Service Coverage Ratio

Target 1.10X - 1.20X

116 Days

Cash on Hand

Target 60 – 90 days*

2024 Long-Term Financing

The Proposed 2024 Budget has no long-term financing.

2024 Short-Term Financing

The Proposed 2024 Budget includes no new short-term borrowings. Current borrowings include \$1.2M on the JP Morgan line of credit for the County/City Ice Thermal project.

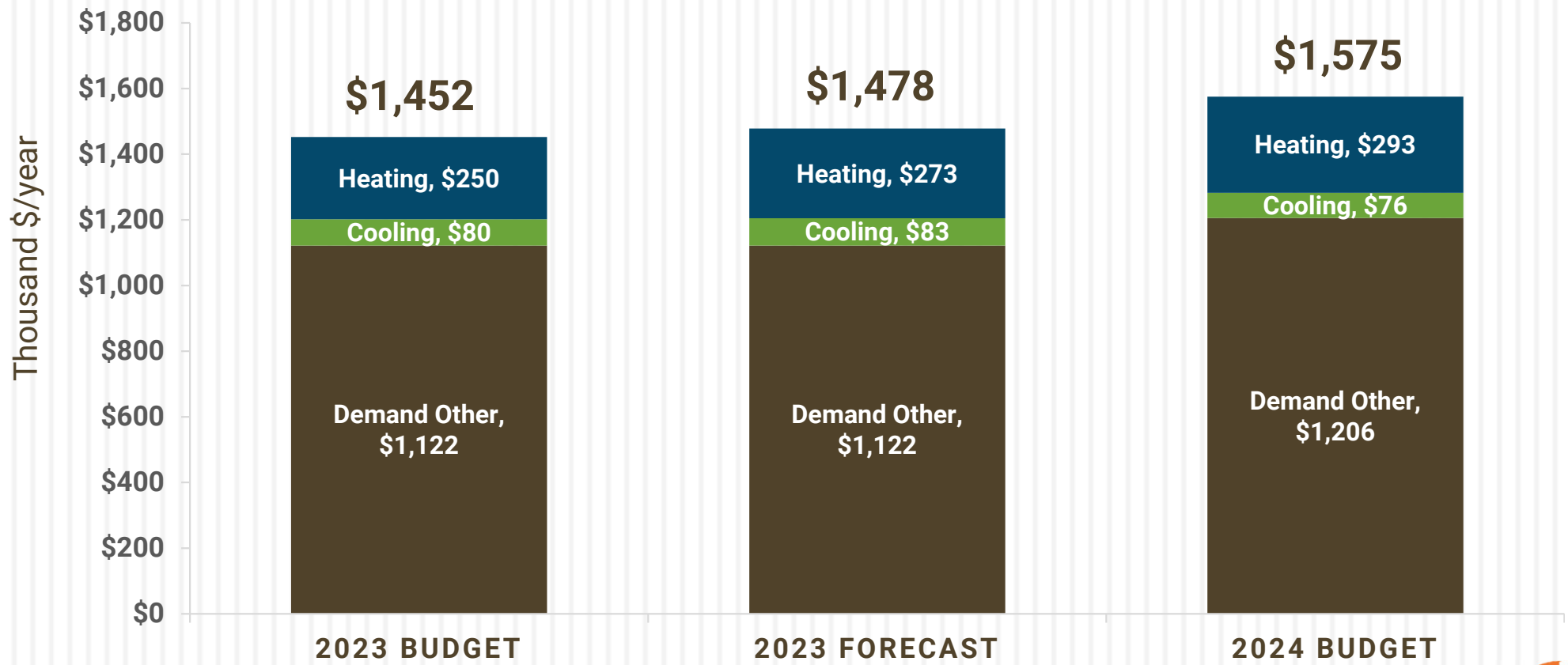
* Generally, a minimum target of 80 days is maintained on a plant-by-plant basis



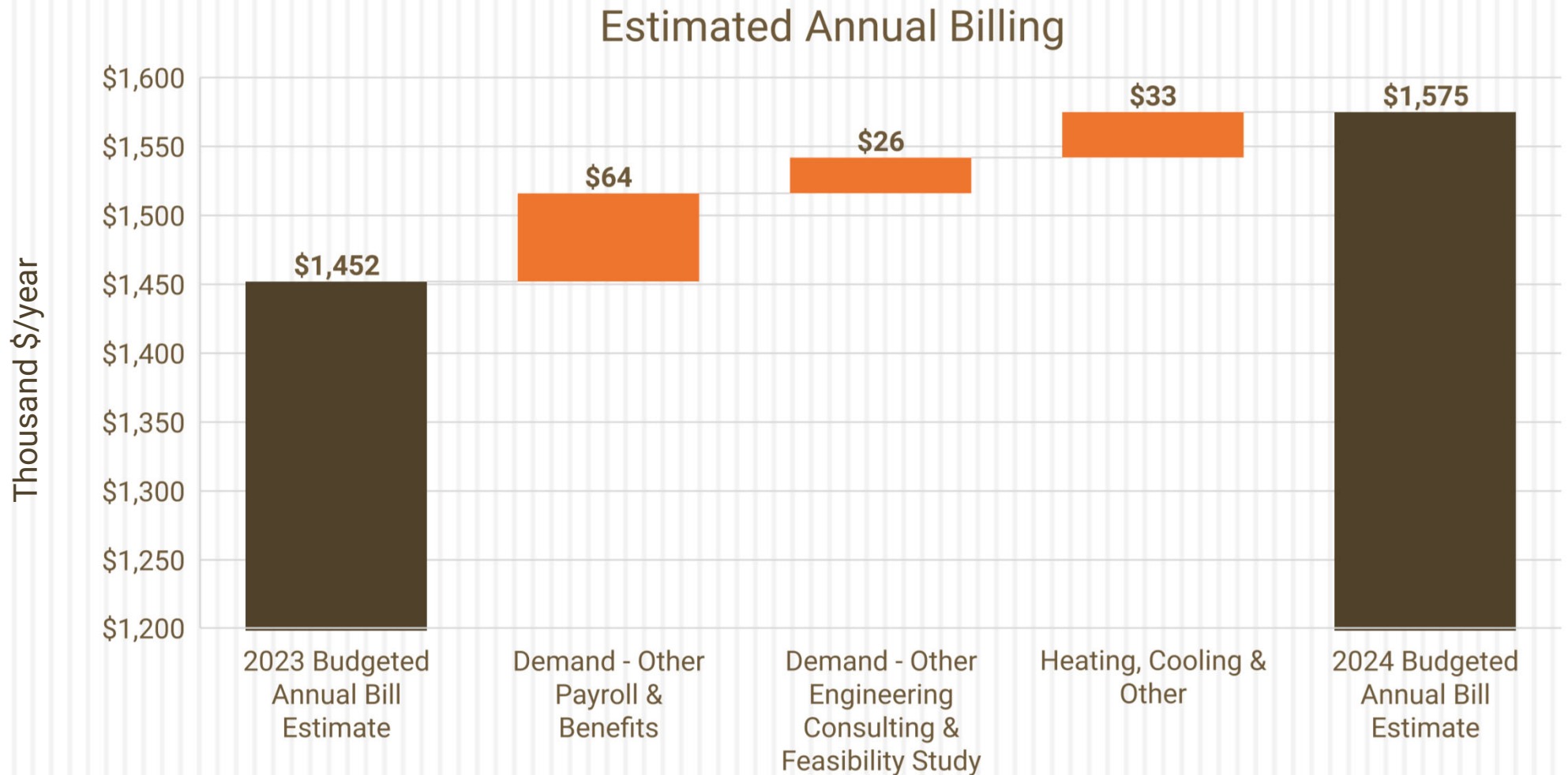
Summary of Estimated Bill Impacts

- Slight billing decrease projected
 - ▣ State
 - ▣ West Haymarket
 - ▣ LES Operations Center
- Projected annual bill similar to last year
 - ▣ CADF
 - ▣ NSP
- Billing increase projected
 - ▣ County/City

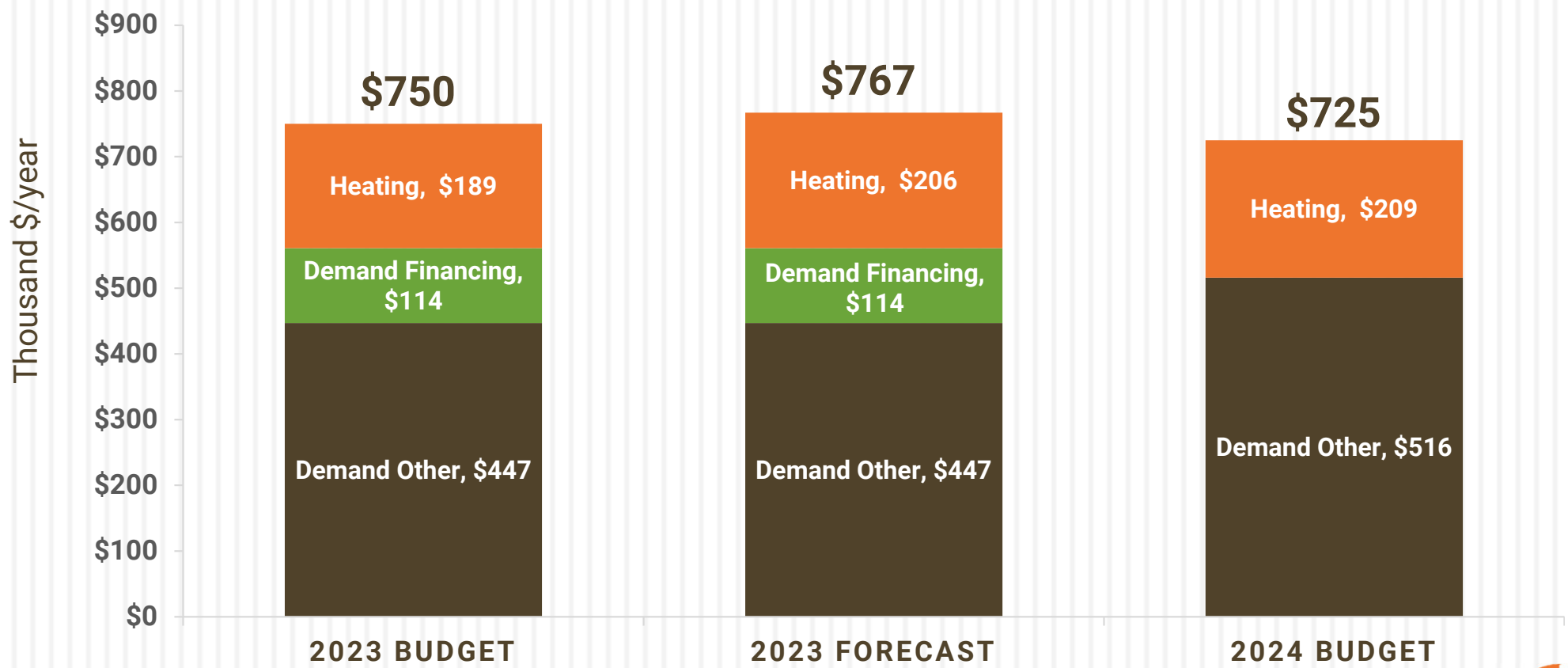
County/City estimated annual bill increase ~7% compared to 2023 Forecast



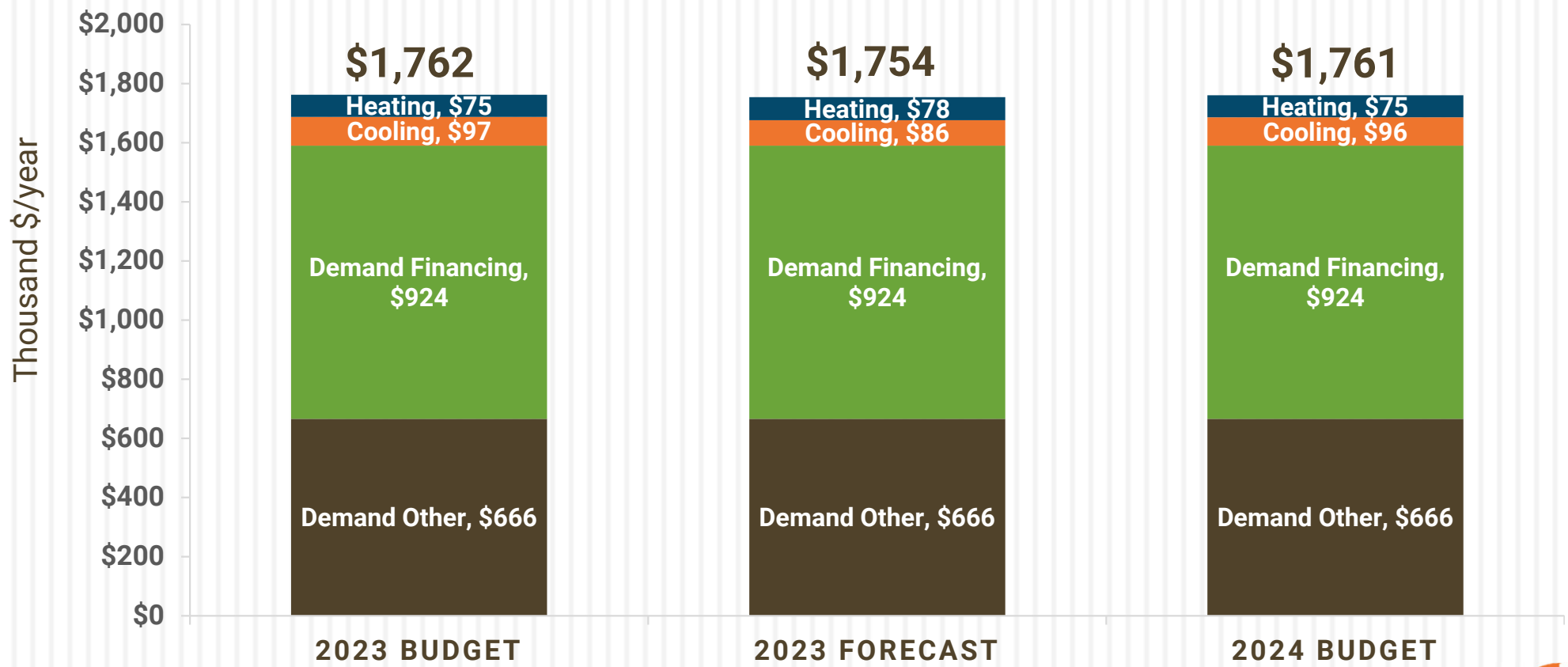
Higher payroll and outside consulting costs driving projected bill increase for the County/City



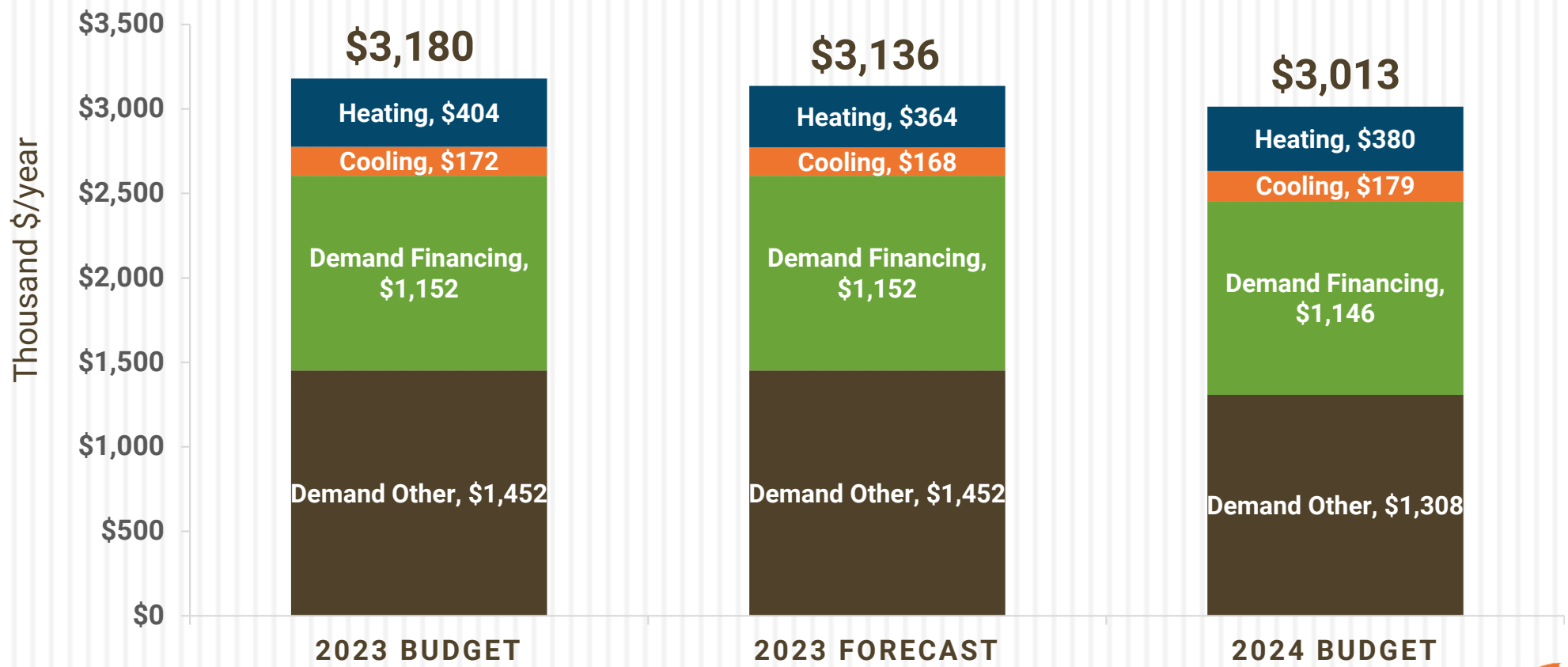
State estimated annual bill decrease ~6% compared to 2023 Forecast



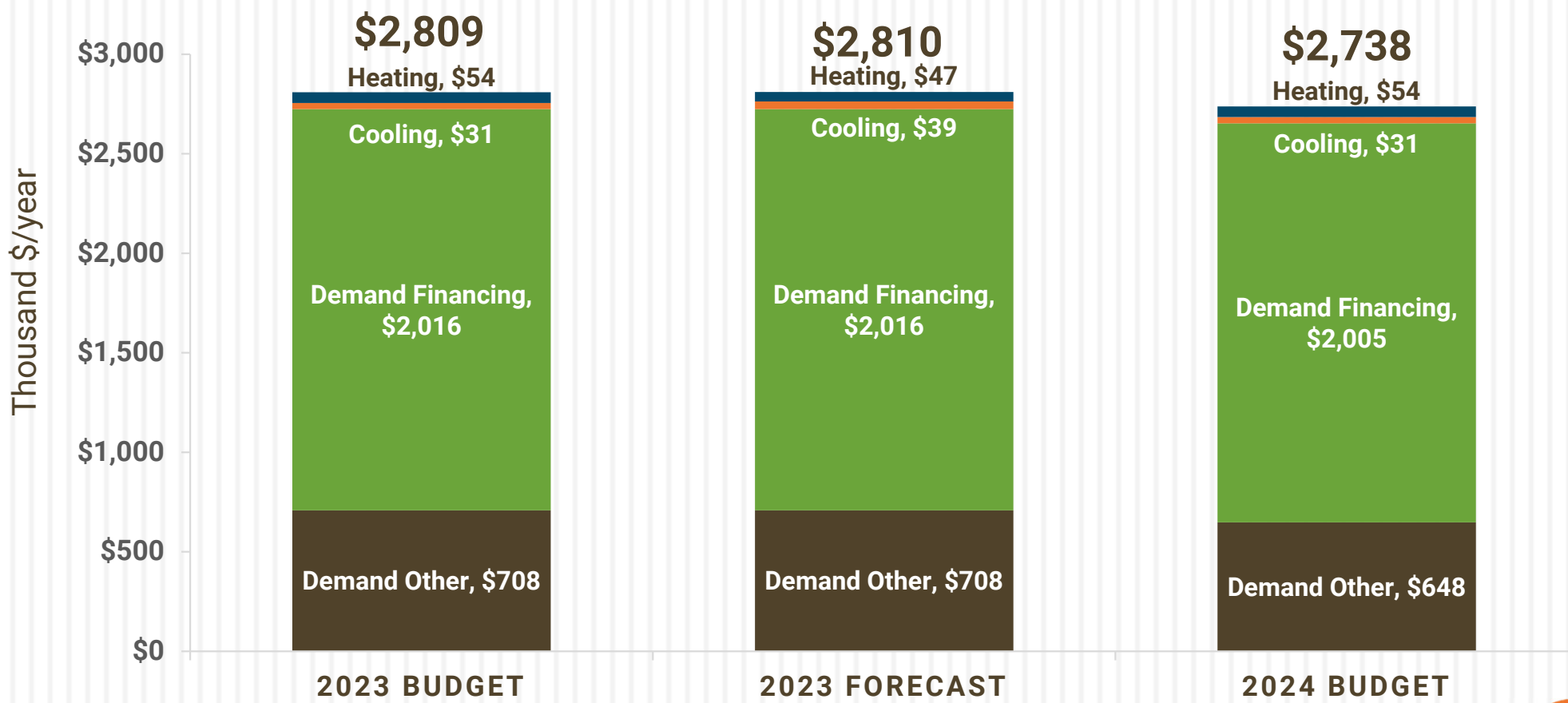
County Adult Detention Facility estimated annual bill increase is less than 1% compared to 2023 Forecast



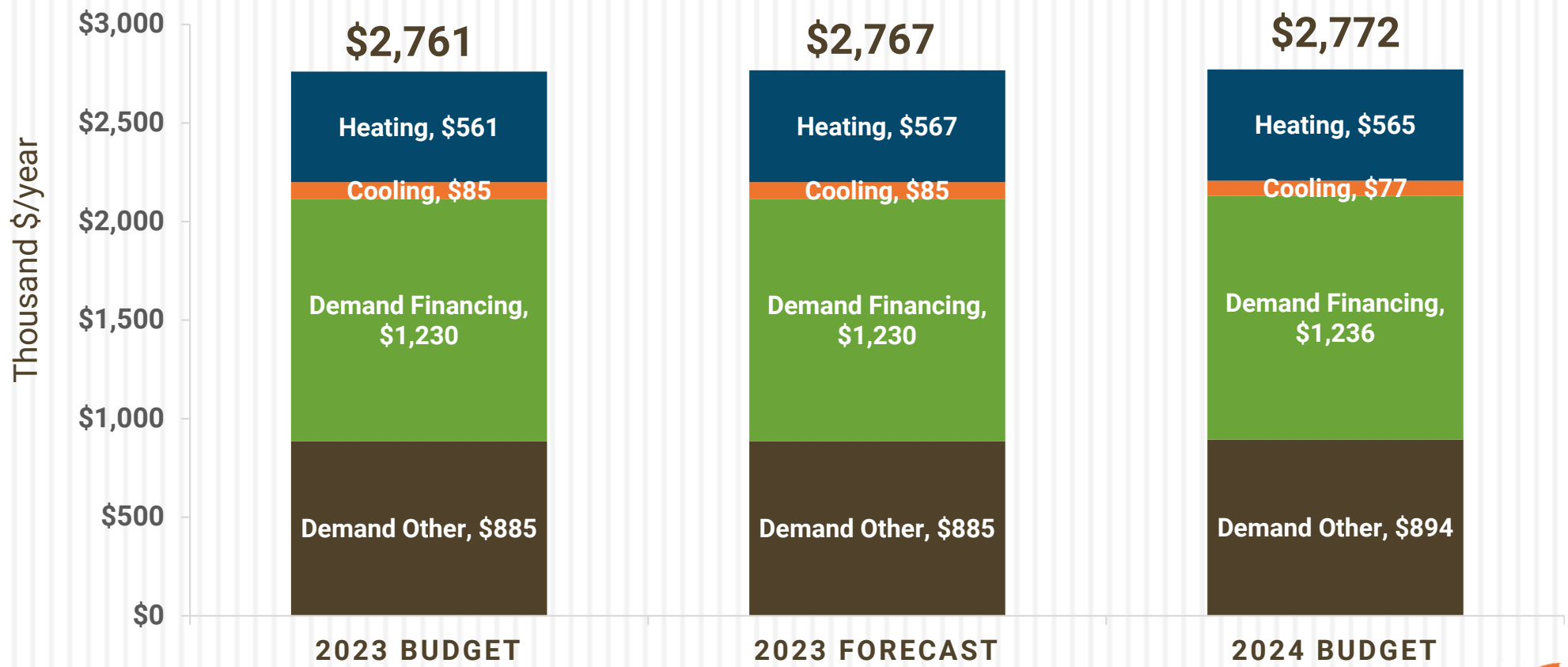
West Haymarket estimated annual bill decrease ~4% compared to 2023 Forecast



LES Operations Center estimated annual bill decrease ~3% compared to 2023 Forecast



NE State Penitentiary estimated annual bill increase is less than 1% compared to 2023 Forecast





2024 Budget Comparative Revenue & Expense Statement

	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Operating Revenue								
Heating	\$ 1,208,261	\$ 1,532,441	\$ 1,534,592	\$ 1,575,356	\$ 42,915	2.8%	\$ 40,764	2.7%
Cooling	444,531	464,877	460,842	459,208	(5,669)	-1.2%	(1,634)	-0.4%
Demand Other	4,860,000	5,280,000	5,280,000	5,238,000	(42,000)	-0.8%	(42,000)	-0.8%
Demand Financing	5,546,070	5,180,070	5,182,570	5,106,974	(73,096)	-1.4%	(75,596)	-1.5%
Total Revenue	\$ 12,058,862	\$ 12,457,388	\$ 12,458,004	\$ 12,379,538	(77,850)	-0.6%	\$ (78,466)	-0.6%
Operating Expenses								
Energy	\$ 2,278,869	\$ 2,464,714	\$ 2,382,040	\$ 2,498,991	\$ 34,277	1.4%	\$ 116,951	4.9%
Operation	432,556	410,631	586,220	601,496	190,865	46.5%	15,276	2.6%
Maintenance	826,661	955,143	1,039,133	944,197	(10,946)	-1.1%	(94,936)	-9.1%
Admin. & General	2,089,234	2,080,098	1,988,047	2,317,724	237,626	11.4%	329,677	16.6%
Depreciation	3,411,023	3,503,076	3,538,189	3,629,705	126,629	3.6%	91,516	2.6%
Total Operating Expenses	\$ 9,038,343	\$ 9,413,662	\$ 9,533,629	\$ 9,992,113	\$ 578,451	6.1%	\$ 458,484	4.8%
Operating Income	\$ 3,020,519	\$ 3,043,726	\$ 2,924,375	\$ 2,387,425	\$ (656,301)	-21.6%	\$ (536,950)	-18.4%
Non-Operating Expenses (Revenue)								
Interest Expense	\$ 1,315,891	\$ 1,319,995	\$ 1,325,532	\$ 1,274,523	\$ (45,472)	-3.4%	\$ (51,009)	-3.8%
Investment Income	(93,397)	(43,938)	(432,576)	(356,919)	(312,981)	712.3%	75,657	-17.5%
AFUDC	-	-	-	-	-	-	-	-
Interest Rate Subsidy - BAB	-	-	-	-	-	-	-	-
Net Costs Recoverable	145,782	141,102	141,104	130,239	(10,863)	-7.7%	(10,865)	-7.7%
Total Non-Operating Expenses (Revenue)	\$ 1,368,276	\$ 1,417,159	\$ 1,034,060	\$ 1,047,843	\$ (369,316)	-26.1%	\$ 13,783	1.3%
Change in Net Position	\$ 1,652,243	\$ 1,626,567	\$ 1,890,315	\$ 1,339,582	\$ (286,985)	-17.6%	\$ (550,733)	-29.1%



2024 Budget Debt Service Coverage Statement

	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Operating Revenues	\$ 12,457,388	\$ 12,458,004	\$ 12,379,538	\$ (77,850)	-0.6%	\$ (78,466)	-0.6%
Operating Expenses (a)	5,910,586	5,995,440	6,362,408	451,822	7.6%	366,968	6.1%
Subtotal	6,546,802	6,462,564	6,017,130	(529,672)	-8.1%	(445,434)	-6.9%
Investment Income	43,938	117,802	356,919	312,981	712.3%	239,117	203.0%
Principal Portion of Capital Lease Payments	213,472	238,749	191,360	(22,112)	-10.4%	(47,389)	-19.8%
Transfer to Rate Stabilization Fund	(69,000)	(69,000)	(58,000)	11,000	-15.9%	11,000	-15.9%
Funds Available for Debt Service	\$ 6,735,212	\$ 6,750,115	\$ 6,507,409	\$ (227,803)	-3.4%	\$ (242,706)	-3.6%
Bond Interest	2,344,677	2,294,641	2,161,538	(183,139)	-7.8%	(133,103)	-5.8%
Bond Principal	3,455,406	3,347,500	3,417,500	(37,906)	-1.1%	70,000	2.1%
Debt Service	\$ 5,800,083	\$ 5,642,141	\$ 5,579,038	\$ (221,045)	-3.8%	\$ (63,103)	-1.1%
Debt Service Coverage Ratio	1.16	1.20	1.17				

(a) Excludes Depreciation



2024 Budget Budget Assumptions

	<u>2023 Budget</u>	<u>2024 Budget</u>	<u>24 vs. 23 Variance (%)</u>
Energy Rate Increases/Decreases			
Electric (LES system-wide average %)	5.5%	5.0%	-9.1%
Natural Gas (per/mmBtu)	\$ 7.3800	\$ 7.5000	1.6%
Estimated Interest Earning Rates			
Weighted Average of Money Market and Fixed Rate	0.790%	3.850%	

	<u>2024 Budget</u>			<u>24 vs. 23 Variance (%)</u>
Annual Energy Production Estimates (mmBtu)	<u>Heating</u>	<u>Cooling</u>	<u>Total</u>	
County/City	29,299	20,271	49,570	8.3%
State	18,246	-	18,246	6.1%
County Adult Detention Facility	16,098	16,309	32,407	-8.2%
West Haymarket	32,350	42,058	74,408	-12.8%
LES Operations Center	8,852	6,023	14,875	5.0%
NE State Penitentiary	54,848	18,830	73,678	1.3%
Total	159,693	103,491	263,184	-2.7%

Rates

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The County Adult Detention Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

COUNTY ADULT DETENTION FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$77,000
Demand Charge (Other) \$/Billing Period	\$55,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$5.90
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$4.65

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The County/City (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

COUNTY/CITY THERMAL SERVICE	Rate
Demand Charge \$/Billing Period	\$100,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$3.75
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.00

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge.

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 15 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The LES Operations Center (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

LES OPERATIONS CENTER THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$167,100
Demand Charge (Other) \$/Billing Period	\$54,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$5.15
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$6.05

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The State of Nebraska Department of Correctional Services (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Steam + Commodity Charge for Condensate not returned + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

STATE OF NEBRASKA DEPARTMENT OF CORRECTIONAL SERVICES THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$103,000
Demand Charge (Other) \$/Billing Period	\$74,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$4.10
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.30

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The State of Nebraska (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

ANNUAL BILL: Demand Charge (Facilities Financing)

MONTHLY BILL: Demand Charge (other) + Commodity Charge for Steam + Commodity Charge for Condensate Consumed + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

STATE OF NEBRASKA THERMAL SERVICE	Rate
Demand Charge (Other) \$/Billing Period	\$43,000
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$11.45

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other).

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT – BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The West Haymarket Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

WEST HAYMARKET FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$95,500
Demand Charge (Other) \$/Billing Period	\$109,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$4.25
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$11.75

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.



Cost of Service

County/City		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 1,122,000	\$ 1,206,000	\$ 1,176,000	\$ 1,410,000	\$ 1,488,000	\$ 1,710,000	\$ 1,716,000	\$ 1,722,000	\$ 1,752,000	\$ 1,770,000
	Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling	\$ 80,261	\$ 76,017	\$ 79,058	\$ 83,112	\$ 89,193	\$ 92,234	\$ 96,288	\$ 101,356	\$ 106,424	\$ 112,505
	Heating	\$ 249,520	\$ 292,992	\$ 310,571	\$ 297,387	\$ 276,877	\$ 273,947	\$ 273,947	\$ 273,947	\$ 265,158	\$ 268,088
	Total	\$ 1,451,781	\$ 1,575,009	\$ 1,565,629	\$ 1,790,499	\$ 1,854,071	\$ 2,076,181	\$ 2,086,236	\$ 2,097,304	\$ 2,123,582	\$ 2,150,593
Annual Cost:											
	Demand Other	\$ 1,120,749	\$ 1,204,556	\$ 1,175,181	\$ 1,409,125	\$ 1,483,920	\$ 1,706,827	\$ 1,714,812	\$ 1,720,638	\$ 1,746,909	\$ 1,768,811
	Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling	\$ 80,425	\$ 75,182	\$ 78,977	\$ 82,967	\$ 88,215	\$ 91,588	\$ 96,232	\$ 101,117	\$ 106,253	\$ 111,656
	Heating	\$ 249,319	\$ 291,974	\$ 310,133	\$ 296,682	\$ 275,898	\$ 273,667	\$ 273,141	\$ 272,497	\$ 265,092	\$ 267,120
	Total	\$ 1,450,493	\$ 1,571,712	\$ 1,564,291	\$ 1,788,774	\$ 1,848,033	\$ 2,072,082	\$ 2,084,185	\$ 2,094,252	\$ 2,118,254	\$ 2,147,587
Cost of Service:											
	Demand Other	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Demand Financing										
	Cooling	100%	101%	100%	100%	101%	101%	100%	100%	100%	101%
	Heating	100%	100%	100%	100%	100%	100%	100%	101%	100%	100%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 93,500	\$ 100,500	\$ 98,000	\$ 117,500	\$ 124,000	\$ 142,500	\$ 143,000	\$ 143,500	\$ 146,000	\$ 147,500
	Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 4.00	3.75	3.90	4.10	4.40	4.55	4.75	5.00	5.25	5.55
	Heating (\$/mmBtu)	\$ 9.70	10.00	10.60	10.15	9.45	9.35	9.35	9.35	9.05	9.15
Rate Change:											
	Demand Other	\$ 2,500	\$ 7,000	\$ (2,500)	\$ 19,500	\$ 6,500	\$ 25,000	\$ 25,500	\$ 26,000	\$ 28,500	\$ 30,000
	Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ (0.25)	\$ (0.25)	\$ 0.15	\$ 0.20	\$ 0.30	\$ 0.15	\$ 0.20	\$ 0.25	\$ 0.25	\$ 0.30
	Heating (\$/mmBtu)	\$ 2.00	\$ 0.30	\$ 0.60	\$ (0.45)	\$ (0.70)	\$ (0.10)	\$ -	\$ -	\$ (0.30)	\$ 0.10
Rate Change Percent:											
	Demand Other	3%	7%	-2%	20%	6%	21%	22%	22%	24%	26%
	Demand Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Cooling (\$/mmBtu)	-6%	-6%	4%	5%	7%	4%	5%	6%	6%	7%
	Heating (\$/mmBtu)	26%	3%	6%	-4%	-7%	-1%	0%	0%	-3%	1%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	-	-	-	-	-	-	-	-	-	-
	Cooling (Total mmBtu)	20,065	20,271	20,271	20,271	20,271	20,271	20,271	20,271	20,271	20,271
	Heating (Total mmBtu)	25,724	29,299	29,299	29,299	29,299	29,299	29,299	29,299	29,299	29,299
Per Unit Cost:											
	Demand Other	\$ 93,396	\$ 100,380	\$ 97,932	\$ 117,427	\$ 123,660	\$ 142,236	\$ 142,901	\$ 143,386	\$ 145,576	\$ 147,401
	Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 4.01	\$ 3.71	\$ 3.90	\$ 4.09	\$ 4.35	\$ 4.52	\$ 4.75	\$ 4.99	\$ 5.24	\$ 5.51
	Heating (\$/mmBtu)	\$ 9.69	\$ 9.97	\$ 10.59	\$ 10.13	\$ 9.42	\$ 9.34	\$ 9.32	\$ 9.30	\$ 9.05	\$ 9.12



Cost of Service

State		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Rate Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 447,000	\$ 516,000	\$ 504,000	\$ 468,000	\$ 552,000	\$ 558,000	\$ 576,000	\$ 594,000	\$ 618,000	\$ 642,000
	Demand Financing	\$ 114,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Heating	\$ 189,214	\$ 208,914	\$ 211,261	\$ 199,011	\$ 177,891	\$ 176,267	\$ 175,454	\$ 174,642	\$ 168,144	\$ 168,956
	Total	\$ 750,214	\$ 724,914	\$ 715,261	\$ 667,011	\$ 729,891	\$ 734,267	\$ 751,454	\$ 768,642	\$ 786,144	\$ 810,956
Annual Cost:											
	Demand Other	\$ 453,161	\$ 511,994	\$ 500,530	\$ 462,533	\$ 550,001	\$ 552,815	\$ 572,524	\$ 591,339	\$ 614,848	\$ 637,670
	Demand Financing	\$ 113,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
	Heating	\$ 188,412	\$ 208,697	\$ 210,590	\$ 198,541	\$ 177,674	\$ 176,135	\$ 175,256	\$ 174,481	\$ 167,466	\$ 168,643
	Total	\$ 755,501	\$ 720,691	\$ 711,120	\$ 661,074	\$ 727,675	\$ 728,950	\$ 747,780	\$ 765,820	\$ 782,314	\$ 806,314
Cost of Service:											
	Demand Other	99%	101%	101%	101%	100%	101%	101%	100%	101%	101%
	Demand Financing	100%									
	Cooling										0%
	Heating	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	99%	101%	101%	101%	100%	101%	100%	100%	100%	101%
Monthly and Commodity Rates:											
	Demand Other	\$ 37,250	\$ 43,000	\$ 42,000	\$ 39,000	\$ 46,000	\$ 46,500	\$ 48,000	\$ 49,500	\$ 51,500	\$ 53,500
	Demand Financing	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Heating (\$/mmBtu)	\$ 11.00	11.45	12.25	12.25	10.95	10.85	10.80	10.75	10.35	10.40
Rate Change:											
	Demand Other	\$ 250	\$ 5,750	\$ (1,000)	\$ (3,000)	\$ 7,000	\$ 7,500	\$ 9,000	\$ 10,500	\$ 12,500	\$ 14,500
	Demand Financing	\$ (500)	\$ (9,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Heating (\$/mmBtu)	\$ 3.50	\$ 0.45	\$ 0.80	\$ -	\$ (1.30)	\$ (1.40)	\$ (1.45)	\$ (1.50)	\$ (1.90)	\$ (1.85)
Rate Change Percent:											
	Demand Other	1%	15%	-2%	-7%	18%	16%	19%	22%	25%	28%
	Demand Financing	-5%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
	Cooling (\$/mmBtu)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Heating (\$/mmBtu)	47%	4%	7%	0%	-11%	-13%	-13%	-14%	-18%	-18%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	-	-	-	-	-	-	-	-	-	-
	Heating (Total mmBtu)	17,201	18,246	17,246	16,246	16,246	16,246	16,246	16,246	16,246	16,246
Per Unit Cost:											
	Demand Other	\$ 37,763	\$ 42,666	\$ 41,711	\$ 38,544	\$ 45,833	\$ 46,068	\$ 47,710	\$ 49,278	\$ 51,237	\$ 53,139
	Demand Financing	\$ 9,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)										
	Heating (\$/mmBtu)	\$ 10.95	\$ 11.44	\$ 12.21	\$ 12.22	\$ 10.94	\$ 10.84	\$ 10.79	\$ 10.74	\$ 10.31	\$ 10.38



Cost of Service

County Adult Detention Facility		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 666,000	\$ 666,000	\$ 648,000	\$ 828,000	\$ 702,000	\$ 714,000	\$ 738,000	\$ 762,000	\$ 786,000	\$ 744,000
	Demand Financing	\$ 924,000	\$ 924,000	\$ 918,000	\$ 918,000	\$ 918,000	\$ 918,000	\$ 912,000	\$ 912,000	\$ 906,000	\$ 456,000
	Cooling	\$ 96,503	\$ 96,223	\$ 101,116	\$ 106,824	\$ 112,532	\$ 119,056	\$ 125,580	\$ 132,103	\$ 139,442	\$ 147,597
	Heating	\$ 74,558	\$ 74,856	\$ 78,881	\$ 82,905	\$ 87,735	\$ 92,564	\$ 97,394	\$ 103,028	\$ 108,662	\$ 114,297
	Total	\$ 1,761,061	\$ 1,761,080	\$ 1,745,997	\$ 1,935,730	\$ 1,820,267	\$ 1,843,620	\$ 1,872,973	\$ 1,909,131	\$ 1,940,105	\$ 1,461,893
Annual Cost:											
	Demand Other	\$ 663,602	\$ 660,363	\$ 644,165	\$ 823,271	\$ 701,135	\$ 708,313	\$ 732,078	\$ 757,251	\$ 782,396	\$ 741,906
	Demand Financing	\$ 923,537	\$ 918,575	\$ 917,294	\$ 916,946	\$ 914,992	\$ 913,928	\$ 911,048	\$ 908,863	\$ 905,362	\$ 451,239
	Cooling	\$ 96,151	\$ 95,737	\$ 100,991	\$ 106,534	\$ 112,381	\$ 118,552	\$ 125,061	\$ 131,928	\$ 139,171	\$ 146,813
	Heating	\$ 74,736	\$ 74,469	\$ 78,555	\$ 82,864	\$ 87,409	\$ 92,207	\$ 97,267	\$ 102,606	\$ 108,236	\$ 114,176
	Total	\$ 1,758,026	\$ 1,749,144	\$ 1,741,006	\$ 1,929,615	\$ 1,815,917	\$ 1,833,000	\$ 1,865,454	\$ 1,900,647	\$ 1,935,165	\$ 1,454,134
Cost of Service:											
	Demand Other	100%	101%	101%	101%	100%	101%	101%	101%	100%	100%
	Demand Financing	100%	101%	100%	100%	100%	100%	100%	100%	100%	101%
	Cooling	100%	101%	100%	100%	100%	100%	100%	100%	100%	101%
	Heating	100%	101%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	100%	101%	100%	100%	100%	101%	100%	100%	100%	101%
Monthly and Commodity Rates:											
	Demand Other	\$ 55,500	\$ 55,500	\$ 54,000	\$ 69,000	\$ 58,500	\$ 59,500	\$ 61,500	\$ 63,500	\$ 65,500	\$ 62,000
	Demand Financing	\$ 77,000	\$ 77,000	\$ 76,500	\$ 76,500	\$ 76,500	\$ 76,500	\$ 76,000	\$ 76,000	\$ 75,500	\$ 38,000
	Cooling (\$/mmBtu)	\$ 5.10	\$ 5.90	\$ 6.20	\$ 6.55	\$ 6.90	\$ 7.30	\$ 7.70	\$ 8.10	\$ 8.55	\$ 9.05
	Heating (\$/mmBtu)	\$ 4.55	\$ 4.65	\$ 4.90	\$ 5.15	\$ 5.45	\$ 5.75	\$ 6.05	\$ 6.40	\$ 6.75	\$ 7.10
Rate Change:											
	Demand Other	\$ 5,500	\$ -	\$ (1,500)	\$ 15,000	\$ (10,500)	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ (3,500)
	Demand Financing	\$ (3,000)	\$ -	\$ (500)	\$ -	\$ -	\$ -	\$ (500)	\$ -	\$ (500)	\$ (37,500)
	Cooling (\$/mmBtu)	\$ 0.45	\$ 0.80	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.45	\$ 0.50
	Heating (\$/mmBtu)	\$ 0.30	\$ 0.10	\$ 0.25	\$ 0.25	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.35
Rate Change Percent:											
	Demand Other	11%	0%	-3%	28%	-15%	2%	3%	3%	3%	-5%
	Demand Financing	-4%	0%	-1%	0%	0%	0%	-1%	0%	-1%	-50%
	Cooling (\$/mmBtu)	10%	16%	5%	6%	5%	6%	5%	5%	6%	6%
	Heating (\$/mmBtu)	7%	2%	5%	5%	6%	6%	5%	6%	5%	5%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	18,922	16,309	16,309	16,309	16,309	16,309	16,309	16,309	16,309	16,309
	Heating (Total mmBtu)	16,386	16,098	16,098	16,098	16,098	16,098	16,098	16,098	16,098	16,098
Per Unit Cost:											
	Demand Other	\$ 55,300	\$ 55,030	\$ 53,680	\$ 68,606	\$ 58,428	\$ 59,026	\$ 61,007	\$ 63,104	\$ 65,200	\$ 61,825
	Demand Financing	\$ 76,961	\$ 76,548	\$ 76,441	\$ 76,412	\$ 76,249	\$ 76,161	\$ 75,921	\$ 75,739	\$ 75,447	\$ 37,603
	Cooling (\$/mmBtu)	\$ 5.08	\$ 5.87	\$ 6.19	\$ 6.53	\$ 6.89	\$ 7.27	\$ 7.67	\$ 8.09	\$ 8.53	\$ 9.00
	Heating (\$/mmBtu)	\$ 4.56	\$ 4.63	\$ 4.88	\$ 5.15	\$ 5.43	\$ 5.73	\$ 6.04	\$ 6.37	\$ 6.72	\$ 7.09



Cost of Service

West Haymarket JPA		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 1,452,000	\$ 1,308,000	\$ 1,188,000	\$ 1,350,000	\$ 1,272,000	\$ 1,302,000	\$ 1,344,000	\$ 1,386,000	\$ 1,452,000	\$ 1,512,000
	Demand Financing	\$ 1,152,000	\$ 1,146,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000
	Cooling	\$ 172,472	\$ 178,746	\$ 187,158	\$ 195,569	\$ 206,084	\$ 215,696	\$ 225,283	\$ 237,266	\$ 249,249	\$ 261,232
	Heating	\$ 404,491	\$ 380,110	\$ 404,372	\$ 384,962	\$ 357,465	\$ 385,636	\$ 383,867	\$ 383,867	\$ 371,484	\$ 375,022
	Total	\$ 3,180,963	\$ 3,012,856	\$ 2,931,530	\$ 3,082,531	\$ 2,987,548	\$ 3,055,332	\$ 3,105,150	\$ 3,159,133	\$ 3,224,733	\$ 3,300,254
Annual Cost:											
	Demand Other	\$ 1,380,246	\$ 1,303,716	\$ 1,186,940	\$ 1,349,813	\$ 1,270,512	\$ 1,297,230	\$ 1,338,421	\$ 1,382,582	\$ 1,447,996	\$ 1,507,299
	Demand Financing	\$ 1,146,907	\$ 1,145,079	\$ 1,148,648	\$ 1,147,489	\$ 1,146,779	\$ 1,146,433	\$ 1,146,784	\$ 1,148,078	\$ 1,148,113	\$ 1,146,491
	Cooling	\$ 171,415	\$ 177,342	\$ 185,969	\$ 195,037	\$ 204,554	\$ 214,555	\$ 225,058	\$ 236,090	\$ 247,681	\$ 259,857
	Heating	\$ 406,208	\$ 379,476	\$ 403,255	\$ 383,961	\$ 357,040	\$ 384,874	\$ 383,710	\$ 382,315	\$ 370,998	\$ 373,633
	Total	\$ 3,104,776	\$ 3,005,613	\$ 2,924,813	\$ 3,076,300	\$ 2,978,885	\$ 3,043,092	\$ 3,093,973	\$ 3,149,065	\$ 3,214,789	\$ 3,287,280
Cost of Service:											
	Demand Other	105%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Demand Financing	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Cooling	101%	101%	101%	100%	101%	101%	100%	100%	101%	101%
	Heating	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	102%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 121,000	\$ 109,000	\$ 99,000	\$ 112,500	\$ 106,000	\$ 108,500	\$ 112,000	\$ 115,500	\$ 121,000	\$ 126,000
	Demand Financing	\$ 96,000	\$ 95,500	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000
	Cooling (\$/mmBtu)	\$ 3.55	4.25	4.45	4.65	4.90	4.50	4.70	4.95	5.20	5.45
	Heating (\$/mmBtu)	\$ 11.00	11.75	12.50	11.90	11.05	10.90	10.85	10.85	10.50	10.60
Rate Change:											
	Demand Other	\$ 23,000	\$ (12,000)	\$ (10,000)	\$ 13,500	\$ (6,500)	\$ 2,500	\$ 3,500	\$ 3,500	\$ 5,500	\$ 5,000
	Demand Financing	\$ -	\$ (500)	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ (0.20)	\$ 0.70	\$ 0.20	\$ 0.20	\$ 0.25	\$ (0.40)	\$ 0.20	\$ 0.25	\$ 0.25	\$ 0.25
	Heating (\$/mmBtu)	\$ 3.20	\$ 0.75	\$ 0.75	\$ (0.60)	\$ (0.85)	\$ (0.15)	\$ (0.05)	\$ -	\$ (0.35)	\$ 0.10
Rate Change Percent:											
	Demand Other	23%	-10%	-9%	14%	-6%	2%	3%	3%	5%	4%
	Demand Financing	0%	-1%	1%	0%	0%	0%	0%	0%	0%	0%
	Cooling (\$/mmBtu)	-5%	20%	5%	4%	5%	-8%	4%	5%	5%	5%
	Heating (\$/mmBtu)	41%	7%	6%	-5%	-7%	-1%	0%	0%	-3%	1%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	48,584	42,058	42,058	42,058	42,058	47,933	47,933	47,933	47,933	47,933
	Heating (Total mmBtu)	36,772	32,350	32,350	32,350	32,350	35,379	35,379	35,379	35,379	35,379
Per Unit Cost:											
	Demand Other	\$ 115,020	\$ 108,643	\$ 98,912	\$ 112,484	\$ 105,876	\$ 108,103	\$ 111,535	\$ 115,215	\$ 120,666	\$ 125,608
	Demand Financing	\$ 95,576	\$ 95,423	\$ 95,721	\$ 95,624	\$ 95,565	\$ 95,536	\$ 95,565	\$ 95,673	\$ 95,676	\$ 95,541
	Cooling (\$/mmBtu)	\$ 3.53	\$ 4.22	\$ 4.42	\$ 4.64	\$ 4.86	\$ 4.48	\$ 4.70	\$ 4.93	\$ 5.17	\$ 5.42
	Heating (\$/mmBtu)	\$ 11.05	\$ 11.73	\$ 12.47	\$ 11.87	\$ 11.04	\$ 10.88	\$ 10.85	\$ 10.81	\$ 10.49	\$ 10.56



Cost of Service

LES Operations Center		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	Rate Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 708,000	\$ 648,000	\$ 636,000	\$ 726,000	\$ 684,000	\$ 690,000	\$ 708,000	\$ 732,000	\$ 654,000	\$ 678,000
	Demand Financing	\$ 2,016,000	\$ 2,005,200	\$ 2,004,000	\$ 2,005,200	\$ 2,005,200	\$ 2,005,200	\$ 2,006,400	\$ 1,003,200	\$ -	\$ -
	Cooling	\$ 31,095	\$ 31,018	\$ 32,825	\$ 34,632	\$ 36,439	\$ 38,246	\$ 40,354	\$ 42,763	\$ 44,871	\$ 47,582
	Heating	\$ 53,734	\$ 53,555	\$ 56,210	\$ 59,308	\$ 62,407	\$ 65,947	\$ 69,488	\$ 73,472	\$ 77,455	\$ 81,881
	Total	\$ 2,808,829	\$ 2,737,773	\$ 2,729,036	\$ 2,825,141	\$ 2,788,046	\$ 2,799,393	\$ 2,824,242	\$ 1,851,435	\$ 776,326	\$ 807,463
Annual Cost:											
	Demand Other	\$ 676,425	\$ 647,905	\$ 633,326	\$ 724,127	\$ 678,387	\$ 684,675	\$ 705,496	\$ 727,288	\$ 649,538	\$ 673,468
	Demand Financing	\$ 2,006,500	\$ 2,004,375	\$ 2,003,875	\$ 2,004,750	\$ 2,004,250	\$ 2,004,750	\$ 2,006,000	\$ 1,002,750	\$ -	\$ -
	Cooling	\$ 30,983	\$ 30,861	\$ 32,554	\$ 34,336	\$ 36,214	\$ 38,202	\$ 40,295	\$ 42,504	\$ 44,833	\$ 47,291
	Heating	\$ 53,363	\$ 53,167	\$ 56,088	\$ 59,163	\$ 62,406	\$ 65,834	\$ 69,447	\$ 73,259	\$ 77,279	\$ 81,522
	Total	\$ 2,767,271	\$ 2,736,308	\$ 2,725,843	\$ 2,822,376	\$ 2,781,257	\$ 2,793,461	\$ 2,821,238	\$ 1,845,801	\$ 771,650	\$ 802,281
Cost of Service:											
	Demand Other	105%	100%	100%	100%	101%	101%	100%	101%	101%	101%
	Demand Financing	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Cooling	100%	101%	101%	101%	101%	100%	100%	101%	100%	101%
	Heating	101%	101%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	102%	100%	100%	100%	100%	100%	100%	100%	101%	101%
Monthly and Commodity Rates:											
	Demand Other	\$ 59,000	\$ 54,000	\$ 53,000	\$ 60,500	\$ 57,000	\$ 57,500	\$ 59,000	\$ 61,000	\$ 54,500	\$ 56,500
	Demand Financing	\$ 168,000	\$ 167,100	\$ 167,000	\$ 167,100	\$ 167,100	\$ 167,100	\$ 167,200	\$ 83,600	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 6.45	5.15	5.45	5.75	6.05	6.35	6.70	7.10	7.45	7.90
	Heating (\$/mmBtu)	\$ 5.75	6.05	6.35	6.70	7.05	7.45	7.85	8.30	8.75	9.25
Rate Change:											
	Demand Other	\$ 6,000	\$ (5,000)	\$ (1,000)	\$ 7,500	\$ (3,500)	\$ 500	\$ 1,500	\$ 2,000	\$ (6,500)	\$ 2,000
	Demand Financing	\$ (27,000)	\$ (900)	\$ (100)	\$ 100	\$ -	\$ -	\$ 100	\$ (83,600)	\$ (83,600)	\$ -
	Cooling (\$/mmBtu)	\$ (0.25)	\$ (1.30)	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.40	\$ 0.35	\$ 0.45
	Heating (\$/mmBtu)	\$ 1.25	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.40	\$ 0.45	\$ 0.45	\$ 0.50
Rate Change Percent:											
	Demand Other	11%	-8%	-2%	14%	-6%	1%	3%	3%	-11%	4%
	Demand Financing	-14%	-1%	0%	0%	0%	0%	0%	-50%	-100%	0%
	Cooling (\$/mmBtu)	-4%	-20%	6%	6%	5%	5%	6%	6%	5%	6%
	Heating (\$/mmBtu)	28%	5%	5%	6%	5%	6%	5%	6%	5%	6%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	4,821	6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023
	Heating (Total mmBtu)	9,345	8,852	8,852	8,852	8,852	8,852	8,852	8,852	8,852	8,852
Per Unit Cost:											
	Demand Other	\$ 56,369	\$ 53,992	\$ 52,777	\$ 60,344	\$ 56,532	\$ 57,056	\$ 58,791	\$ 60,607	\$ 54,128	\$ 56,122
	Demand Financing	\$ 167,208	\$ 167,031	\$ 166,990	\$ 167,063	\$ 167,021	\$ 167,063	\$ 167,167	\$ 83,563	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 6.43	\$ 5.12	\$ 5.40	\$ 5.70	\$ 6.01	\$ 6.34	\$ 6.69	\$ 7.06	\$ 7.44	\$ 7.85
	Heating (\$/mmBtu)	\$ 5.71	\$ 6.01	\$ 6.34	\$ 6.68	\$ 7.05	\$ 7.44	\$ 7.85	\$ 8.28	\$ 8.73	\$ 9.21



Cost of Service

NE State Penitentiary		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Revenue:											
	Demand Other	\$ 885,000	\$ 894,000	\$ 936,000	\$ 1,002,000	\$ 996,000	\$ 1,008,000	\$ 1,050,000	\$ 1,092,000	\$ 1,134,000	\$ 1,176,000
	Demand Financing	\$ 1,230,000	\$ 1,236,000	\$ 1,236,000	\$ 1,230,000	\$ 1,230,000	\$ 1,236,000	\$ 1,236,000	\$ 1,230,000	\$ 1,230,000	\$ 1,236,000
	Cooling	\$ 84,546	\$ 77,203	\$ 80,969	\$ 84,735	\$ 89,443	\$ 93,209	\$ 97,916	\$ 102,624	\$ 108,273	\$ 112,980
	Heating	\$ 560,924	\$ 564,929	\$ 597,838	\$ 633,489	\$ 534,763	\$ 537,506	\$ 537,506	\$ 540,248	\$ 529,278	\$ 537,506
	Total	\$ 2,760,470	\$ 2,772,132	\$ 2,850,807	\$ 2,950,224	\$ 2,850,206	\$ 2,874,714	\$ 2,921,422	\$ 2,964,871	\$ 3,001,551	\$ 3,062,486
Annual Cost:											
	Demand Other	\$ 883,646	\$ 892,464	\$ 932,829	\$ 996,462	\$ 995,138	\$ 1,007,323	\$ 1,045,837	\$ 1,086,412	\$ 1,128,112	\$ 1,173,125
	Demand Financing	\$ 1,229,950	\$ 1,230,950	\$ 1,230,825	\$ 1,229,575	\$ 1,229,700	\$ 1,231,075	\$ 1,231,075	\$ 1,229,700	\$ 1,229,450	\$ 1,230,200
	Cooling	\$ 84,569	\$ 76,793	\$ 80,555	\$ 84,506	\$ 88,664	\$ 93,034	\$ 97,620	\$ 102,440	\$ 107,503	\$ 112,823
	Heating	\$ 556,418	\$ 564,796	\$ 595,385	\$ 630,991	\$ 533,743	\$ 535,257	\$ 536,910	\$ 538,035	\$ 529,196	\$ 535,453
	Total	\$ 2,754,583	\$ 2,765,003	\$ 2,839,594	\$ 2,941,534	\$ 2,847,245	\$ 2,866,689	\$ 2,911,442	\$ 2,956,587	\$ 2,994,261	\$ 3,051,601
Cost of Service:											
	Demand Other	100%	100%	100%	101%	100%	100%	100%	101%	101%	100%
	Demand Financing	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Cooling	100%	101%	101%	100%	101%	100%	100%	100%	101%	100%
	Heating	101%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 73,750	\$ 74,500	\$ 78,000	\$ 83,500	\$ 83,000	\$ 84,000	\$ 87,500	\$ 91,000	\$ 94,500	\$ 98,000
	Demand Financing	\$ 102,500	\$ 103,000	\$ 103,000	\$ 102,500	\$ 102,500	\$ 103,000	\$ 103,000	\$ 102,500	\$ 102,500	\$ 103,000
	Cooling (\$/mmBtu)	\$ 4.50	4.10	4.30	4.50	4.75	4.95	5.20	5.45	5.75	6.00
	Heating (\$/mmBtu)	\$ 10.40	10.30	10.90	11.55	9.75	9.80	9.80	9.85	9.65	9.80
Rate Change:											
	Demand Other	\$ (2,250)	\$ 750	\$ 3,500	\$ 5,500	\$ (500)	\$ 1,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
	Demand Financing	\$ -	\$ 500	\$ -	\$ (500)	\$ -	\$ 500	\$ -	\$ (500)	\$ -	\$ 500
	Cooling (\$/mmBtu)	\$ 0.50	\$ (0.40)	\$ 0.20	\$ 0.20	\$ 0.25	\$ 0.20	\$ 0.25	\$ 0.25	\$ 0.30	\$ 0.25
	Heating (\$/mmBtu)	\$ 2.35	\$ (0.10)	\$ 0.60	\$ 0.65	\$ (1.80)	\$ 0.05	\$ -	\$ 0.05	\$ (0.20)	\$ 0.15
Rate Change Percent:											
	Demand Other	-3%	1%	5%	7%	-1%	1%	4%	4%	4%	4%
	Demand Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Cooling (\$/mmBtu)	13%	-9%	5%	5%	6%	4%	5%	5%	6%	4%
	Heating (\$/mmBtu)	29%	-1%	6%	6%	-16%	1%	0%	1%	-2%	2%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	18,788	18,830	18,830	18,830	18,830	18,830	18,830	18,830	18,830	18,830
	Heating (Total mmBtu)	53,935	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848	54,848
Per Unit Cost:											
	Demand Other	\$ 73,637	\$ 74,372	\$ 77,736	\$ 83,039	\$ 82,928	\$ 83,944	\$ 87,153	\$ 90,534	\$ 94,009	\$ 97,760
	Demand Financing	\$ 102,496	\$ 102,579	\$ 102,569	\$ 102,465	\$ 102,475	\$ 102,590	\$ 102,590	\$ 102,475	\$ 102,454	\$ 102,517
	Cooling (\$/mmBtu)	\$ 4.50	\$ 4.08	\$ 4.28	\$ 4.49	\$ 4.71	\$ 4.94	\$ 5.18	\$ 5.44	\$ 5.71	\$ 5.99
	Heating (\$/mmBtu)	\$ 10.32	\$ 10.30	\$ 10.86	\$ 11.50	\$ 9.73	\$ 9.76	\$ 9.79	\$ 9.81	\$ 9.65	\$ 9.76

Capital



2023-2024 Capital Planning Capital Equipment / Construction

Item	Active Projects	Plant	Approved Budget	Life to Date as of 8/31/2023	Remaining	2024 Capital Request	Adjusted Project Total
	DEC General		\$ 83,260	\$ 29,625	\$ 53,635	\$ 80,000	\$ 163,260
1	Central Cyber Security System	DEC	\$ 53,260		\$ 53,260		\$ 53,260
2	Physical Security & Safety	DEC	\$ 30,000	\$ 29,625	\$ 375	\$ 80,000	\$ 110,000
	County/City (CC)		\$ 51,000	\$ -	\$ 51,000	\$ -	\$ 51,000
3	City Water Service Upgrade	CC	\$ 51,000		\$ 51,000		\$ 51,000
4	Service Extension to 701 South 9th Street	CC					\$ -
5	Heat Exchanger Installation (CC & HOJ)	CC					\$ -
6	Cooling Capacity Increase	CC					\$ -
7	On-line Condenser Cleaning System for Chillers	CC					\$ -
8	Controls Upgrades	CC					\$ -
9	Misc. Upgrades	CC					\$ -
	State (SBP)		\$ -	\$ -	\$ -	\$ -	\$ -
10	Fuel Oil Filter Skid	SBP					\$ -
11	Misc. Upgrades	SBP					\$ -
12	Controls Upgrades	SBP					\$ -
	County Adult Detention Facility (CADF)		\$ 764,000	\$ 23,549	\$ 740,451	\$ 229,500	\$ 993,500
13	Loop Field Fluid Cooler	CADF	\$ 510,000	\$ 20,603	\$ 489,397		\$ 510,000
14	Backup Circ. Pumps for Each Loop	CADF	\$ 254,000	\$ 2,946	\$ 251,054		\$ 254,000
15	Multistack Upgrade	CADF				\$ 229,500	\$ 229,500
16	Switchgear and Relay Upgrades	CADF					\$ -
17	Controls Upgrades	CADF					\$ -
18	Misc. Upgrades	CADF					\$ -
	West Haymarket (WHM)		\$ 631,528	\$ 40,663	\$ 590,865	\$ 160,000	\$ 791,528
19	Boiler Addition	WHM	\$ 510,000	\$ 40,663	\$ 469,337		\$ 510,000
20	Service Extension to Future Building North of Hudl	WHM	\$ 121,528		\$ 121,528		\$ 121,528
21	On-line Condenser Cleaning System for Chillers	WHM				\$ 160,000	\$ 160,000
22	Controls Upgrades	WHM					\$ -
23	Misc. Upgrades	WHM					\$ -
	LES Operations Center (LOC)		\$ 204,000	\$ -	\$ 204,000	\$ -	\$ 204,000
24	Loop Field Resistance Heater	LOC	\$ 204,000	\$ -	\$ 204,000		\$ 204,000
25	Controls Upgrades	LOC					\$ -
26	Misc. Upgrades	LOC					\$ -
	Nebraska State Penitentiary (NSP)		\$ -	\$ -	\$ -	\$ -	\$ -

27	Misc. Upgrades	NSP					\$ -
28	Controls Upgrades	NSP					\$ -
29	Switchgear and Relay Upgrades	NSP					\$ -
							\$ -
	Total		\$ 1,733,788	\$ 93,837	\$ 1,639,951	\$ 469,500	\$ 2,203,288
	Completed Projects	Plant	Approved Budget	Projected costs as of 12/31/2023	Remaining at Completion		
	DEC General		\$ 153,000	\$ 96,852	\$ 56,148		
	RGS Remote Monitoring Controls	DEC	\$ 153,000	\$ 96,852	\$ 56,148		
	County/City (CC)		\$ 1,520,400	\$ 1,284,812	\$ 235,588		
	Thermal Storage Expansion	CC	\$ 1,500,000	\$ 1,265,601	\$ 234,399		
	Water Softener Upgrade	CC	\$ 20,400	\$ 19,211	\$ 1,189		
	State (SBP)		\$ 452,800	\$ 397,474	\$ 55,326		
	Roof Upgrade	SBP	\$ 89,350	\$ 89,350	\$ -		
	DA & PLC Upgrade	SBP	\$ 91,800	\$ 59,622	\$ 32,178		
	DA Controls & Surge Tank Upgrade	SBP	\$ 271,650	\$ 248,502	\$ 23,148		
	County Adult Detention Facility (CADF)		\$ 23,940	\$ 11,381	\$ 12,559		
	Fuel Oil Containment Upgrade	CADF	\$ 23,940	\$ 11,381	\$ 12,559		
	West Haymarket (WHM)		\$ 632,472	\$ 707,524	\$ (75,052)		
	Hot Water Distribution Valves	WHM	\$ 482,472	\$ 461,000	\$ 21,472		
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 150,000	\$ 246,524	\$ (96,524)		
	Nebraska State Penitentiary (NSP)		\$ 153,000	\$ 128,537	\$ 24,463		
	On-line Chiller Cleaning System for Chillers	NSP	\$ 102,000	\$ 78,055	\$ 23,945		
	Hydronic Cooler (Control Room)	NSP	\$ 51,000	\$ 50,482	\$ 518		
	Total		\$ 2,935,612	\$ 2,626,580	\$ 309,032		



2024-2032 Capital Cash Flow Plan

Item	Active Projects	Plant		2023 Forecast	2024	Planned Expenditures									Total Project Budget
	DEC General			\$ 31,361	\$ 98,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,000	
1	Central Cyber Security System	DEC		\$ 1,736	\$ 18,264									\$ 20,000	
2	Physical Security & Safety	DEC		\$ 29,625	\$ 80,375									\$ 110,000	
	County/City (CC)			\$ 51,000	\$ -	\$ 75,000	\$ 650,000	\$ 1,025,000	\$ 1,430,000	\$ 355,000	\$ 230,000	\$ 35,000	\$ 35,000	\$ 3,886,000	
3	City Water Service Upgrade	CC		\$ 51,000										\$ 51,000	
4	Service Extension to 701 South 9th Street	CC				\$ 50,000	\$ 550,000							\$ 600,000	
5	Heat Exchanger Installation (CC & HOJ)	CC					\$ 75,000	\$ 900,000						\$ 975,000	
6	Cooling Capacity Increase	CC						\$ 100,000	\$ 1,400,000					\$ 1,500,000	
7	On-line Condenser Cleaning System for Chillers	CC								\$ 325,000				\$ 325,000	
8	Controls Upgrades	CC								\$ 200,000				\$ 200,000	
9	Misc. Upgrades	CC				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
	State (SBP)			\$ -	\$ -	\$ 249,400	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 255,000	\$ 679,400	
10	Fuel Oil Filter Skid	SBP				\$ 224,400								\$ 224,400	
11	Misc. Upgrades	SBP				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
12	Controls Upgrades	SBP											\$ 220,000	\$ 220,000	
	County Adult Detention Facility (CADF)			\$ 200,000	\$ 793,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 440,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 1,638,500	
13	Loop Field Fluid Cooler	CADF		\$ 50,000	\$ 460,000									\$ 510,000	
14	Backup Circ. Pumps for Each Loop	CADF		\$ 150,000	\$ 104,000									\$ 254,000	
15	Multistack Upgrade	CADF			\$ 229,500									\$ 229,500	
16	Switchgear and Relay Upgrades	CADF								\$ 210,000				\$ 210,000	
17	Controls Upgrades	CADF								\$ 200,000				\$ 200,000	
18	Misc. Upgrades	CADF				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
	West Haymarket (WHM)			\$ 142,000	\$ 528,000	\$ 25,000	\$ 25,000	\$ 75,000	\$ 230,000	\$ 30,000	\$ 30,000	\$ 255,000	\$ 35,000	\$ 1,375,000	
19	Boiler Addition	WHM		\$ 62,000	\$ 448,000									\$ 510,000	
20	Service Extension to Future Building North of Hudl	WHM						\$ 50,000	\$ 200,000					\$ 250,000	
21	On-line Condenser Cleaning System for Chillers	WHM		\$ 80,000	\$ 80,000									\$ 160,000	
22	Controls Upgrades	WHM										\$ 220,000		\$ 220,000	
23	Misc. Upgrades	WHM				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
	LES Operations Center (LOC)			\$ 25,000	\$ 179,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 230,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 639,000	
24	Loop Field Resistance Heater	LOC		\$ 25,000	\$ 179,000									\$ 204,000	
25	Controls Upgrades	LOC							\$ 200,000					\$ 200,000	
26	Misc. Upgrades	LOC				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
	Nebraska State Penitentiary (NSP)			\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
27	Misc. Upgrades	NSP				\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 235,000	
28	Controls Upgrades	NSP													
29	Switchgear and Relay Upgrades	NSP													
	Completed Projects	Plant	Prior Spend Actual as of 12/31/2022	2023 Forecast	2024 Cash Flow	2025	2026	2027	2028	2029	2030	2031	2032		
	DEC General		\$ 86,625	\$ 10,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,852	
	RGS Remote Monitoring Controls	DEC	\$ 86,625	\$ 10,227										\$ 96,852	
	County/City (CC)		\$ 1,234,533	\$ 50,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,284,812	
	Thermal Storage Expansion	CC	\$ 1,234,533	\$ 31,069										\$ 1,265,601	
	Water Softener Upgrade	CC		\$ 19,211										\$ 19,211	
	State (SBP)		\$ 58,923	\$ 338,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,474	
	Roof Upgrade	SBP		\$ 89,350										\$ 89,350	
	DA & PLC Upgrade	SBP	\$ 58,923	\$ 699										\$ 59,622	
	DA Controls & Surge Tank Upgrade	SBP		\$ 248,502										\$ 248,502	
	County Adult Detention Facility (CADF)		\$ 11,331	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,381	
	Fuel Oil Containment Upgrade	CADF	\$ 11,331	\$ 50										\$ 11,381	
	West Haymarket (WHM)		\$ 240,520	\$ 467,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,524	
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 240,520	\$ 6,004										\$ 246,524	
	Hot Water Distribution Valves	WHM		\$ 461,000										\$ 461,000	
	Nebraska State Penitentiary (NSP)		\$ -	\$ 128,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,537	
	On-line Chiller Cleaning System for Chillers	NSP		\$ 78,055										\$ 78,055	
	Hydronic Cooler (Control Room)	NSP		\$ 50,482										\$ 50,482	
	Total		\$ 1,631,932	\$ 1,444,010	\$ 1,599,139	\$ 424,400	\$ 775,000	\$ 1,200,000	\$ 1,980,000	\$ 915,000	\$ 380,000	\$ 430,000	\$ 430,000	\$ 11,209,481	



2024 Budget Capital Budget Explanations

1. Central Data Diode for Cyber Monitoring

This project is a continuation of the 2023 project to install a real time network cyber monitoring system for the plant control systems. The current data diode is used for operational data and performance would be hindered if that diode was used with the cyber monitoring system, so it was determined to be in the best interest of reliability and performance to install an additional data diode dedicated to the cyber monitoring system. Project budget is \$53K.

2. Central Safety & Security Improvements

This project will continue improving the overall security posture of the DEC. The project will install card access readers on the switchgear/electrical generator control room access doors to prevent unauthorized access. This project will also upgrade the emergency lighting throughout the DEC facilities to prevent premature failure in the event of an emergency. Lastly this project will upgrade exterior lighting to better illuminate the facility perimeters for improved safety and security. The total project cost is estimated at \$110K. Previous project budget was \$30K.

3. County/City Makeup Water Upgrade

This project will install larger makeup water piping to the condenser water loop to support the increased cooling tower demand. The city water service was upgraded in 2023 and this is a continuation to increase piping size to the cooling towers to improve cooling tower makeup capability. Project budget is \$51K.

4. County/City 701 South 9th Street Service Extension

This budget item will add the service lines to the new building south of the existing CC/HOJ buildings. Engineering work is expected to start in 2025 with the construction to be completed in 2026. Cash flow will be \$50K in 2025 and \$550K in 2026. The total project cost is estimated at **\$600K**.

5. County/City Heat Exchanger Installation (CC & HOJ)

This budget item will add heat exchangers on the heating and chilled water loops at the CC and HOJ buildings. Engineering work is expected to start in 2026 with the construction to be completed in 2027. Cash flow will be \$75K in 2026 and \$900K in 2027. The total project cost is estimated at **\$975K**.

6. County/City Cooling Capacity Increase

This budget item will increase the chilled water capacity at the County/City. Engineering work is expected to start in 2027 with the construction to be completed in 2028. Cash flow will be \$100K in 2027 and \$1.4M in 2028. The total project cost is estimated at **\$1.5M**.

7. County/City On-line Condenser Cleaning System for Chillers

This budget item has been planned for 2029. The preliminary total project cost is estimated at **\$325K**.

8. County/City Controls Upgrade

This budget item has been planned for 2030. The preliminary total project cost is estimated at **\$200K**.

9. County/City Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

10. SBP Fuel Oil Filter Skid

This project will install a fuel oil filter skid to filter the fuel oil in the underground fuel oil storage tank for use in the boilers and emergency electrical generator. The State Boiler Plant is the last DEC plant that currently does not have a fuel filter skid installed. The total project cost is estimated at **\$224K**.



2024 Budget Capital Budget Explanations

11. State Boiler Plant Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

12. State Controls Upgrade

This budget item has not been planned. The preliminary total project cost is estimated at **\$220K**.

13. County Adult Detention Facility Geothermal Loop Cooler

This project will install an air to fluid cooling system to address the geothermal loop temperature increases. As the loop temperature increases the efficiency of the heat pumps decreases. The system would be operated during the colder winter months to maximize system performance and the impact on the loop field temperature. The total project cost is estimated at **\$510K**.

14. County Adult Detention Facility Backup Circulating Water Pumps

This project will install redundant circulating water pumps for the geothermal system's three water loops: wellfield, hot and cold water. This will improve plant reliability and resiliency. Work to be started in 2023 with \$150K of cash flow with balance to be completed in 2024. The total project cost is estimated at **\$254K**.

15. CADF Multistack Upgrades (\$225,000):

This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. The original design has been found to be problematic and has had an impact on the reliable operation of the facility. This project will also upgrade the obsolete controllers on the Multistacks to the newer model that is currently supported by the OEM. The total project cost is estimated at **\$230K**.

16. County Adult Detention Facility Switchgear and Relay Upgrades

This budget item has been planned for 2029. The preliminary total project cost is estimated at **\$210K**.

17. County Adult Detention Facility Control System Upgrades

This budget item has been planned for 2029 to address obsolescence of IT equipment and software. The preliminary total project cost is estimated at **\$200K**.

18. County Adult Detention Facility Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

19. West Haymarket Boiler Addition

This budget item will install additional electric boilers to provide full back up for loss of natural gas service. With the loss of natural gas service, the plant would utilize existing and new electric boilers to maintain customer service. The loss of natural gas service is usually associated with the coldest winter days when demand for heating service is at a maximum. The total project cost is estimated at **\$510K**.

20. West Haymarket HUDL II Service Extension

This budget item will add the service lines to the new building north of the existing HUDL building. Engineering work is now expected to start in 2027 with the construction to be completed in 2028. Cash flow will be \$50K in 2027 and \$200K in 2028. The total project cost is estimated at **\$250K**.



2024 Budget Capital Budget Explanations

21. West Haymarket On-line Condenser Cleaning System for Chillers

This budget item will install an on-line tube cleaning system for the cooling system chillers. NUCorp/UNL has been using this technology for the last 3 years and has documented between 10%-15% increase in chiller efficiency/performance, with the resulting energy savings. Since the chilling equipment at the WHM is operated year round the benefits will be great than plants that only operate seasonally. The project plan is to purchase the equipment in 2023 and install in 2024 for summer operation. The preliminary total project cost is estimated at **\$160K**.

22. West Haymarket Controls Upgrade

This budget item has been planned for 2031. The preliminary total project cost is estimated at **\$220K**.

23. West Haymarket Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

24. LES Operations Center Geothermal Loop Heating System

This project is preliminary in nature and would be for the design and installation of a system to increase the loop temperature at the LOC. The LES facility is heavily heating dominated, and this results in the temperature of the geothermal system going down. Low geothermal loop temperatures reduce the efficiency of the heat pumps. The geothermal system temperature trends will continue to be analyzed to determine the optimum installation timing and system size. The preliminary total project cost is estimated at **\$204K**.

25. LES Operations Center Control System Upgrades

This budget item has been planned for 2028 to address obsolesce of IT equipment and software. The preliminary total project cost is estimated at **\$200K**.

26. LES Operations Center Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

27. NE State Penitentiary Misc. Upgrades

This budget item has been planned for 2025-2032. The preliminary total project cost is estimated at **\$235K**.

28. NE State Penitentiary Controls Upgrade

This budget item has not been planned. The preliminary total project cost has not been estimated.

29. NE State Penitentiary Switchgear and Relay Upgrades

This budget item has not been planned. The preliminary total project cost has not been estimated.

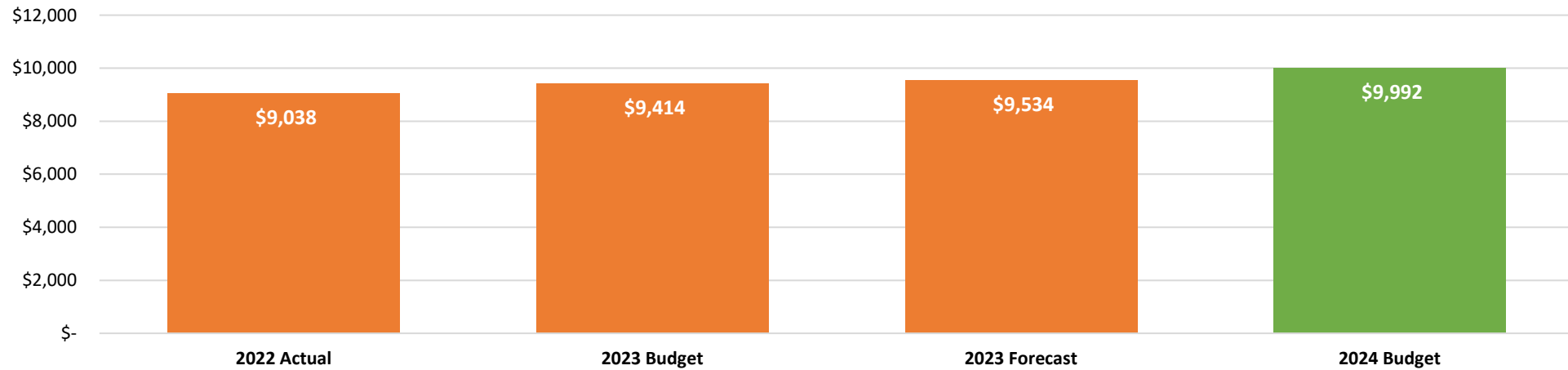
Operating Recaps



2024 Operating Budget Recap

Operating Expenses

(chart in thousands)



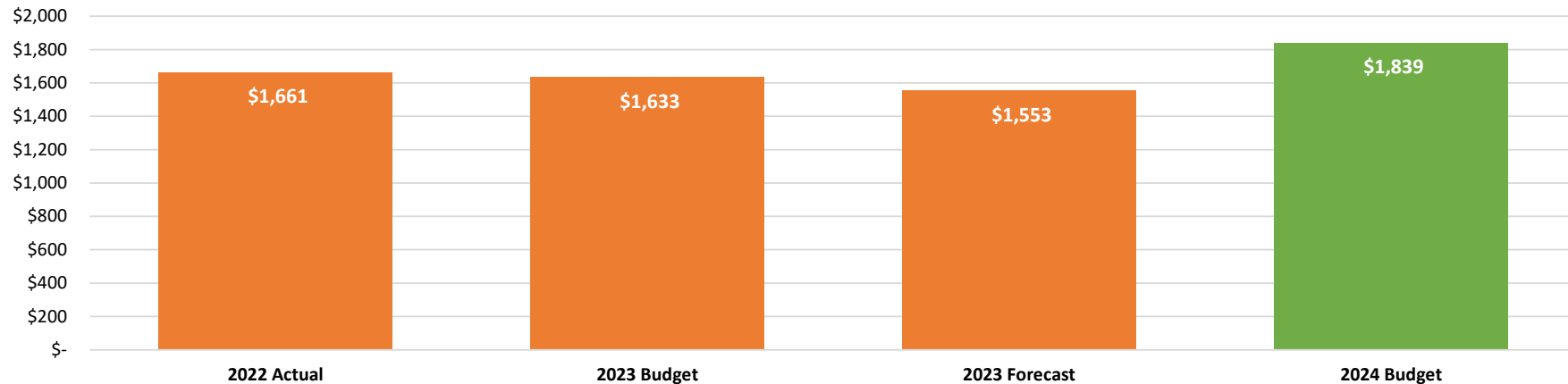
Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 3,411,024	\$ 3,503,076	\$ 3,538,190	\$ 3,629,705	\$ 126,629	3.6%	\$ 91,515	2.6%
Generation	\$ 2,265,187	\$ 2,464,714	\$ 2,355,231	\$ 2,498,991	\$ 34,277	1.4%	\$ 143,760	6.1%
Materials	\$ 34,312	\$ 1,800	\$ 40,255	\$ 1,896	\$ 96	5.3%	\$ (38,359)	-95.3%
Outside Services	\$ 2,093,442	\$ 2,139,670	\$ 2,102,603	\$ 2,238,531	\$ 98,861	4.6%	\$ 135,928	6.5%
Payroll and Benefits	\$ 1,056,862	\$ 1,139,352	\$ 1,251,084	\$ 1,451,568	\$ 312,216	27.4%	\$ 200,484	16.0%
Purchases	\$ 158,936	\$ 157,260	\$ 217,451	\$ 161,352	\$ 4,092	2.6%	\$ (56,099)	-25.8%
Transportation	\$ 923	\$ 120	\$ 2,758	\$ 2,400	\$ 2,280	1900.0%	\$ (358)	-13.0%
Travel and Training	\$ 17,658	\$ 7,670	\$ 26,058	\$ 7,670	\$ -	0.0%	\$ (18,388)	-70.6%
Grand Total	\$ 9,038,344	\$ 9,413,662	\$ 9,533,629	\$ 9,992,113	\$ 578,451	6.1%	\$ 458,484	4.8%

*Totals may vary due to rounding



2024 Operating Budget Recap - DEC Admin

Operating Expenses (chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 10,150	\$ 11,088	\$ 8,764	\$ 17,508	\$ 6,420	57.9%	\$ 8,744	99.8%
Materials	\$ 1,766	\$ 1,800	\$ 1,868	\$ 1,896	\$ 96	5.3%	\$ 28	1.5%
Outside Services	\$ 1,188,607	\$ 1,124,748	\$ 1,104,109	\$ 1,224,554	\$ 99,806	8.9%	\$ 120,445	10.9%
Payroll and Benefits	\$ 436,097	\$ 481,308	\$ 406,228	\$ 578,748	\$ 97,440	20.2%	\$ 172,520	42.5%
Purchases	\$ 5,524	\$ 6,360	\$ 4,163	\$ 6,684	\$ 324	5.1%	\$ 2,521	60.6%
Transportation	\$ 828	\$ 120	\$ 1,702	\$ 2,400	\$ 2,280	1900.0%	\$ 698	41.0%
Travel and Training	\$ 17,658	\$ 7,670	\$ 26,058	\$ 7,670	\$ -	0.0%	\$ (18,388)	-70.6%
Grand Total	\$ 1,660,630	\$ 1,633,094	\$ 1,552,892	\$ 1,839,460	\$ 206,366	12.6%	\$ 286,568	18.5%

*Totals may vary due to rounding



2024 Operating Budget Recap - DEC Admin

Budget vs. Budget Variance Explanations

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, +\$6K

Outside Services

A&G overhead, -\$9K

Consulting fees transfer from plants to general, +\$12K

Management fee, +\$77K

Consulting fees (new), +\$18K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$97K

Depreciation and Amortization

Depreciation, +\$9K

Outside Services

Consulting fees transfer from plants to general, +\$12K

Legal fees, +\$14K

Management fee, +\$77K

New consulting fees, +\$18K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$173K

Purchases

Decreased purchases in 2023, +\$3K

Travel and Training

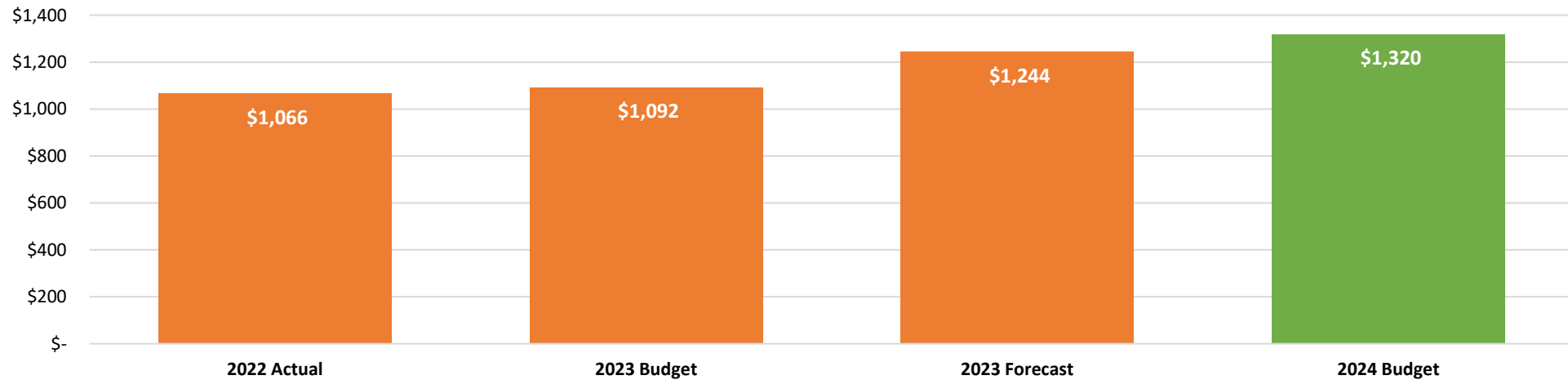
Increased travel in 2023, -\$18K



2024 Operating Budget Recap - County/City

Operating Expenses

(chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 371,799	\$ 401,748	\$ 411,138	\$ 492,732	\$ 90,984	22.6%	\$ 81,594	19.8%
Generation	\$ 387,209	\$ 418,694	\$ 436,251	\$ 455,681	\$ 36,987	8.8%	\$ 19,430	4.5%
Materials	\$ 49	\$ -	\$ 99	\$ -	\$ -	0.0%	\$ (99)	-100.0%
Outside Services	\$ 159,023	\$ 133,788	\$ 191,688	\$ 168,236	\$ 34,448	25.7%	\$ (23,452)	-12.2%
Payroll and Benefits	\$ 127,776	\$ 117,468	\$ 172,178	\$ 181,668	\$ 64,200	54.7%	\$ 9,490	5.5%
Purchases	\$ 19,822	\$ 20,604	\$ 32,679	\$ 21,204	\$ 600	2.9%	\$ (11,475)	-35.1%
Grand Total	\$ 1,065,678	\$ 1,092,302	\$ 1,244,033	\$ 1,319,521	\$ 227,219	20.8%	\$ 75,488	6.1%

*Totals may vary due to rounding



2024 Operating Budget Recap - County/City

Budget vs. Budget Variance Explanations

Depreciation and Amortization

Depreciation, +\$91K

Generation

Chemical expense, +\$2K

Natural gas price, -\$15K

Natural gas volume, +\$49K

Water expense, +\$1K

Outside Services

Engineering study, +\$16K

Feasibility study, +\$10K

Insurance, +\$5K

Plant improvements, -\$3K

Underground Storage Tank inspections, +\$6K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$64K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, +\$82K

Generation

Chemical expense, +\$2K

Electric expense, -\$11K

Natural gas price, +\$26K

Natural gas volume, +\$3K

Water expense, -\$1K

Outside Services

Cooling tower media, +\$10K

Eddy current testing, +\$10K

Engineering study, +\$16K

Feasibility study, +\$10K

K Street water leak, -\$75K

Underground Storage Tank inspections, +\$6K

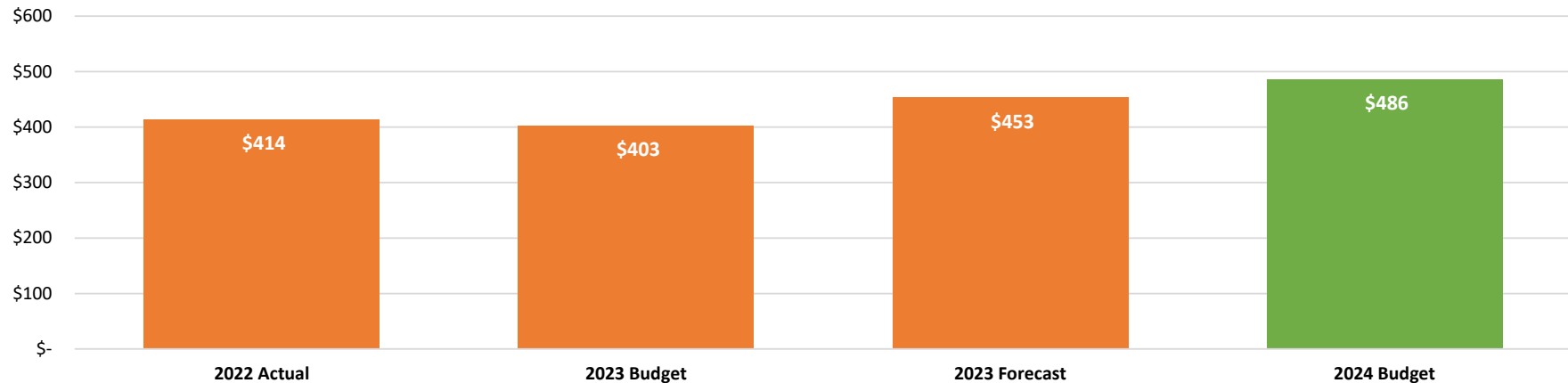
Purchases

Valve repairs in 2023, -\$11K



2024 Operating Budget Recap - State

Operating Expenses (chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 29,624	\$ 46,164	\$ 71,076	\$ 57,096	\$ 10,932	23.7%	\$ (13,980)	-19.7%
Generation	\$ 183,256	\$ 189,216	\$ 208,996	\$ 209,489	\$ 20,273	10.7%	\$ 493	0.2%
Materials	\$ 695	\$ -	\$ 11	\$ -	\$ -	0.0%	\$ (11)	-100.0%
Outside Services	\$ 81,605	\$ 69,625	\$ 52,716	\$ 73,062	\$ 3,437	4.9%	\$ 20,346	38.6%
Payroll and Benefits	\$ 94,218	\$ 81,696	\$ 106,659	\$ 129,816	\$ 48,120	58.9%	\$ 23,157	21.7%
Purchases	\$ 24,181	\$ 16,260	\$ 13,526	\$ 16,752	\$ 492	3.0%	\$ 3,226	23.9%
Grand Total	\$ 413,579	\$ 402,961	\$ 452,984	\$ 486,215	\$ 83,254	20.7%	\$ 33,231	7.3%

*Totals may vary due to rounding



2024 Operating Budget Recap - State

Budget vs. Budget Variance Explanations

Depreciation and Amortization

Depreciation, +\$11K

Generation

Natural gas prices, -\$9K

Natural gas volume, +\$29K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$48K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, -\$14K

Outside Services

Consulting fees, +\$7K

Insurance, +\$2K

Lower 2023 outside services, +\$4K

Quarterly fire alarm monitoring, +\$1K

Underground Storage Tank inspections, +\$6K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$23K

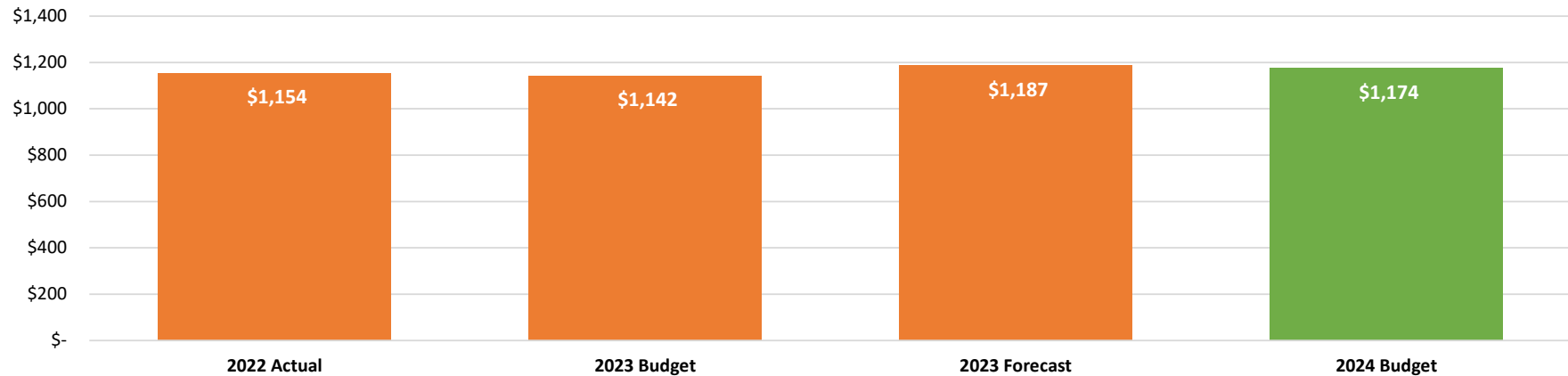
Purchases

Lower plant purchases in 2023, +\$3K



2024 Operating Budget Recap - County Adult Detention Facility

Operating Expenses
(chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 683,152	\$ 685,992	\$ 693,302	\$ 692,676	\$ 6,684	1.0%	\$ (626)	-0.1%
Generation	\$ 179,860	\$ 174,175	\$ 180,013	\$ 173,494	\$ (681)	-0.4%	\$ (6,519)	-3.6%
Materials	\$ 8,400	\$ -	\$ 3,667	\$ -	\$ -	0.0%	\$ (3,667)	-100.0%
Outside Services	\$ 148,240	\$ 151,441	\$ 140,214	\$ 159,272	\$ 7,831	5.2%	\$ 19,058	13.6%
Payroll and Benefits	\$ 89,679	\$ 95,484	\$ 124,379	\$ 113,004	\$ 17,520	18.3%	\$ (11,375)	-9.1%
Purchases	\$ 44,322	\$ 34,956	\$ 44,423	\$ 36,024	\$ 1,068	3.1%	\$ (8,399)	-18.9%
Transportation	\$ 38	\$ -	\$ 672	\$ -	\$ -	0.0%	\$ (672)	-100.0%
Grand Total	\$ 1,153,691	\$ 1,142,048	\$ 1,186,670	\$ 1,174,470	\$ 32,422	2.8%	\$ (12,200)	-1.0%

*Totals may vary due to rounding



2024 Operating Budget Recap - County Adult Detention Facility

Budget vs. Budget Variance Explanations

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$18K

Budget vs. Forecast Variance Explanations

Materials

Generator maintenance in 2023, -\$3K

Outside Services

Insurance, +\$7K

Lower maintenance in 2023, +\$5K

Underground Storage Tank inspection, +\$6K

Waste disposal, +\$1K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, -\$11K

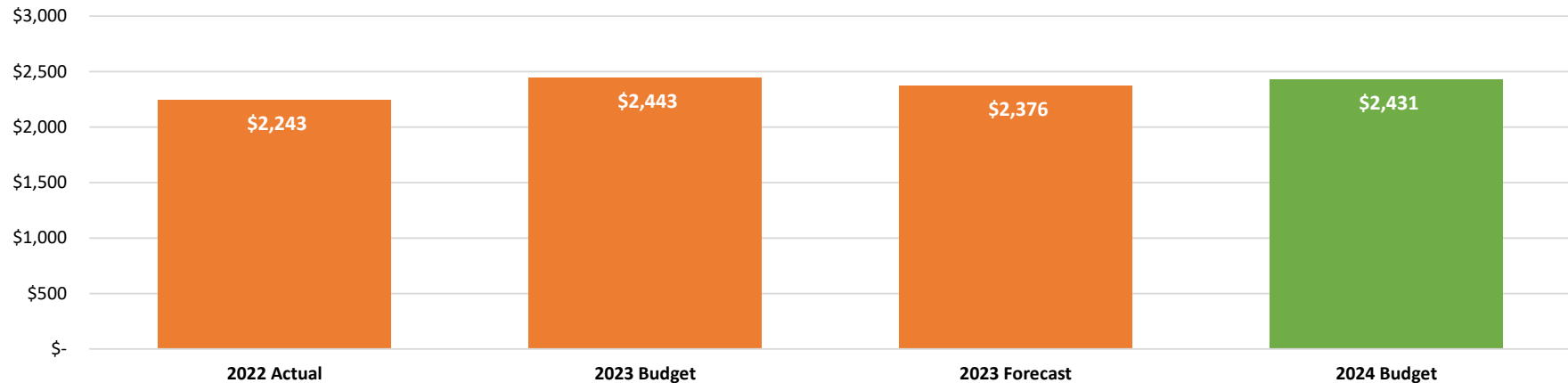
Purchases

Increased cooling maintenance in 2023, -\$8K



2024 Operating Budget Recap - West Haymarket

Operating Expenses (chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 1,047,931	\$ 1,058,532	\$ 1,048,983	\$ 1,062,180	\$ 3,648	0.3%	\$ 13,197	1.3%
Generation	\$ 744,996	\$ 832,420	\$ 751,696	\$ 810,407	\$ (22,013)	-2.6%	\$ 58,711	7.8%
Materials	\$ 2,459	\$ -	\$ 195	\$ -	\$ -	0.0%	\$ (195)	-100.0%
Outside Services	\$ 307,025	\$ 368,842	\$ 361,896	\$ 341,054	\$ (27,788)	-7.5%	\$ (20,842)	-5.8%
Payroll and Benefits	\$ 118,485	\$ 149,616	\$ 155,155	\$ 182,844	\$ 33,228	22.2%	\$ 27,689	17.8%
Purchases	\$ 22,417	\$ 33,240	\$ 58,553	\$ 34,248	\$ 1,008	3.0%	\$ (24,305)	-41.5%
Grand Total	\$ 2,243,313	\$ 2,442,650	\$ 2,376,478	\$ 2,430,733	\$ (11,917)	-0.5%	\$ 54,255	2.3%

*Totals may vary due to rounding



2024 Operating Budget Recap - West Haymarket

Budget vs. Budget Variance Explanations

Generation

- Chemical expenses, +\$3K
- Electric expenses, -\$2K
- Natural gas price, -\$6K
- Natural gas volume, -\$19K

Outside Services

- Property insurance, +\$5K
- SPCC update, +\$7K
- Valve maintenance, -\$38K
- Windstream, -\$2K

Payroll and Benefits

- Labor adjustments for historical hours, payroll adder, and merit increases, +\$33K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

- Depreciation in 2023, +\$13K

Generation

- Electric expenses, +\$6K
- Natural gas price, +\$19K
- Natural gas volume, +\$36K
- Water expense, -\$3K

Outside Services

- Administrative, +\$18K
- Cooling maintenance, -\$14K
- Environmental Maintenance, +\$8K
- Heating maintenance, -\$34K
- Semi-annual fire alarm testing, +\$2K

Payroll and Benefits

- Labor adjustments for historical hours, payroll adder, and merit increases, +\$28K

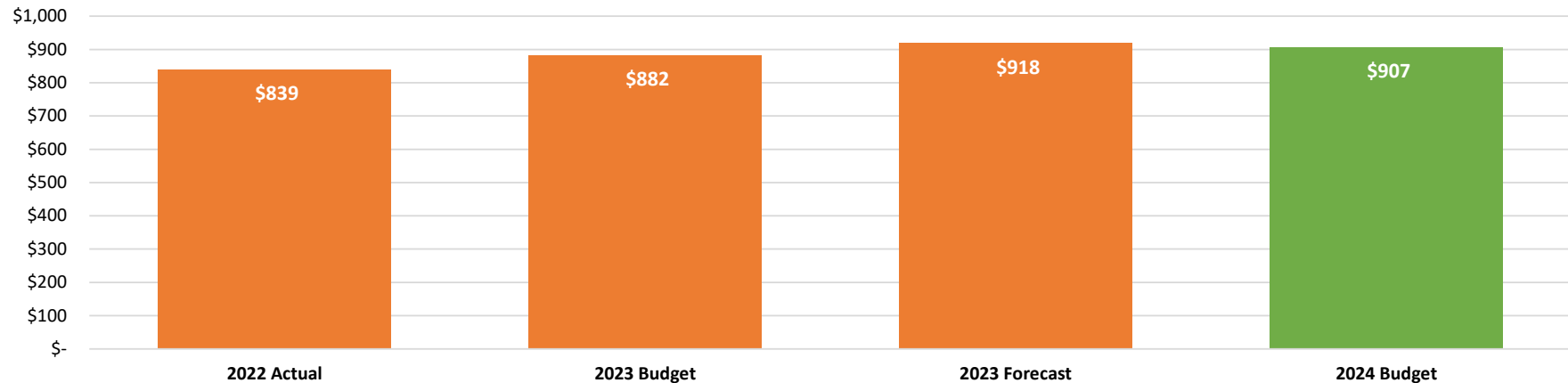
Purchases

- Maintenance purchases in 2023, -\$24K



2024 Operating Budget Recap - LES Operations Center

Operating Expenses (chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 562,458	\$ 562,452	\$ 562,457	\$ 562,454	\$ 2	0.0%	\$ (3)	0.0%
Generation	\$ 89,355	\$ 88,162	\$ 87,528	\$ 87,844	\$ (318)	-0.4%	\$ 316	0.4%
Materials	\$ 16,135	\$ -	\$ 24,380	\$ -	\$ -	0.0%	\$ (24,380)	-100.0%
Outside Services	\$ 93,974	\$ 117,063	\$ 114,227	\$ 138,828	\$ 21,765	18.6%	\$ 24,601	21.5%
Payroll and Benefits	\$ 69,873	\$ 93,564	\$ 117,054	\$ 96,768	\$ 3,204	3.4%	\$ (20,286)	-17.3%
Purchases	\$ 7,094	\$ 20,520	\$ 12,087	\$ 21,120	\$ 600	2.9%	\$ 9,033	74.7%
Transportation	\$ 19	\$ -	\$ 384	\$ -	\$ -	0.0%	\$ (384)	-100.0%
Grand Total	\$ 838,908	\$ 881,761	\$ 918,117	\$ 907,014	\$ 25,253	2.9%	\$ (11,103)	-1.2%

*Totals may vary due to rounding



2024 Operating Budget Recap - LES Operations Center

Budget vs. Budget Variance Explanations

Outside Services

Consulting fees, -\$3K
Insurance, +\$17K
Underground Storage Tank inspections, +\$6K
Waste disposal, +\$1K

Budget vs. Forecast Variance Explanations

Materials

Fuel transfer in 2023, -\$24K

Outside Services

Generator maintenance, +\$4K
Insurance, +\$14K
Underground Storage Tank inspections, +\$6K
Waste disposal, +\$1K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, -\$20K

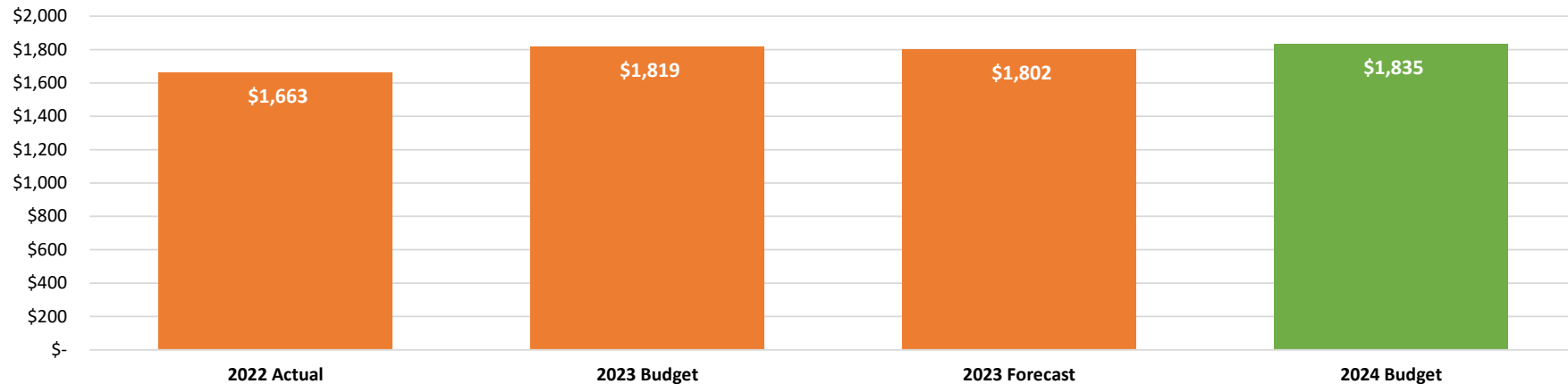
Purchases

Maintenance purchases in 2023, +\$9K



2024 Operating Budget Recap - NE State Penitentiary

Operating Expenses
(chart in thousands)



Expenditure Type	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	24 vs. 23 Budget (\$)	24 vs. 23 Budget (%)	24 vs. 23 Forecast (\$)	24 vs. 23 Forecast (%)
Depreciation and Amortization	\$ 705,910	\$ 737,100	\$ 742,469	\$ 745,059	\$ 7,959	1.1%	\$ 2,590	0.3%
Generation	\$ 680,511	\$ 762,047	\$ 690,746	\$ 762,076	\$ 29	0.0%	\$ 71,330	10.3%
Materials	\$ 4,808	\$ -	\$ 10,034	\$ -	\$ -	0.0%	\$ (10,034)	-100.0%
Outside Services	\$ 114,968	\$ 174,163	\$ 137,753	\$ 133,525	\$ (40,638)	-23.3%	\$ (4,228)	-3.1%
Payroll and Benefits	\$ 120,734	\$ 120,216	\$ 169,432	\$ 168,720	\$ 48,504	40.3%	\$ (712)	-0.4%
Purchases	\$ 35,576	\$ 25,320	\$ 52,020	\$ 25,320	\$ -	0.0%	\$ (26,700)	-51.3%
Transportation	\$ 38	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 1,662,545	\$ 1,818,846	\$ 1,802,454	\$ 1,834,700	\$ 15,854	0.9%	\$ 32,246	1.8%

*Totals may vary due to rounding



2024 Operating Budget Recap - NE State Penitentiary

Budget vs. Budget Variance Explanations

Outside Services

Adjustment to align with actuals, -\$63K
Fuel piping repair, +\$12K
Property insurance, +\$3K
Underground Storage Tank inspections, +\$6K
Waste disposal, +\$1K

Payroll and Benefits

Labor adjustments for historical hours, payroll adder, and merit increases, +\$49K

Budget vs. Forecast Variance Explanations

Generation

Chemical expenses, +\$3K
Natural gas price, +\$54K
Water expenses, +\$14K

Materials

Generator maintenance in 2023, -\$10K

Purchases

Maintenance purchases in 2023, -\$27K

Supporting Financial Reports



Pro Forma

District Energy Corporation	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Pro Forma	2022 Actual	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Operating Revenue											
Heating	1,208,261	1,534,592	1,575,356	1,659,133	1,657,062	1,497,138	1,531,867	1,537,656	1,549,204	1,520,181	1,545,749
Cooling	444,531	460,842	459,208	481,126	504,873	533,691	558,441	585,421	616,112	648,259	681,896
Demand Other	4,860,000	5,280,000	5,238,000	5,088,000	5,784,000	5,694,000	5,982,000	6,132,000	6,288,000	6,396,000	6,522,000
Demand Financing	5,546,070	5,182,570	5,106,974	5,162,034	5,157,234	5,157,234	5,163,234	5,158,434	4,149,234	3,263,267	2,844,000
Total Operating Revenue	12,058,862	12,458,004	12,379,538	12,390,293	13,103,169	12,882,063	13,235,542	13,413,511	12,602,550	11,827,707	11,593,645
Operating Expense											
Energy	2,278,869	2,382,040	2,498,991	2,629,457	2,679,287	2,576,711	2,666,805	2,734,956	2,806,054	2,848,174	2,941,100
Operation	432,556	586,220	601,496	592,729	714,511	652,650	684,854	718,671	754,166	791,431	830,551
Maintenance	826,661	1,039,133	944,197	881,045	1,263,084	943,158	975,956	990,151	1,005,783	1,058,276	1,096,790
Admin. & General	2,089,234	1,988,047	2,317,724	2,292,767	2,457,148	2,583,081	2,568,995	2,674,861	2,783,570	2,902,253	3,025,007
Depreciation	3,410,078	3,538,189	3,629,705	3,665,988	3,702,660	3,739,692	3,777,082	3,814,853	3,853,001	3,891,530	3,930,447
Total Operating Expense	9,037,397	9,533,629	9,992,113	10,061,986	10,816,690	10,495,292	10,673,692	10,933,492	11,202,574	11,491,664	11,823,895
Operating Income	3,021,465	2,924,374	2,387,425	2,328,307	2,286,479	2,386,771	2,561,850	2,480,019	1,399,976	336,043	(230,250)
Nonoperating Expenses (Income)											
Interest Expense	1,315,891	1,325,532	1,274,523	1,212,634	1,214,681	1,161,116	1,157,112	1,066,170	970,892	882,465	799,801
Investment Income	(93,397)	(432,576)	(356,919)	(430,018)	(444,132)	(457,127)	(471,521)	(486,470)	(501,134)	(517,858)	(536,488)
Net Costs Recoverable	145,782	141,104	130,239	115,224	112,944	104,008	95,516	90,193	84,616	80,549	75,295
Other-Net	-	(0)	-	-	-	-	-	-	-	-	-
Total Nonoperating Expenses (Income)	1,368,276	1,034,060	1,047,843	897,840	883,493	807,997	781,107	669,893	554,374	445,156	338,608
Income Before Contributions	1,653,189	1,890,315	1,339,582	1,430,466	1,402,985	1,578,774	1,780,743	1,810,126	845,602	(109,113)	(568,859)
Contributed Capital											
Contributed Capital Received	-	-	-	-	-	-	-	-	-	-	-
Contributed Capital Used	-	-	-	-	-	-	-	-	-	-	-
Net Contributed Capital	-	-	-	-	-	-	-	-	-	-	-
Income Without LT Interest Expense	1,653,189	1,890,315	1,339,582	1,430,466	1,402,985	1,578,774	1,780,743	1,810,126	845,602	(109,113)	(568,859)
Long-Term Debt (LTD) Service											
Current LTD Principal	3,220,000	3,347,500	3,417,500	3,507,500	3,657,500	3,812,500	3,982,500	4,162,500	3,345,000	2,485,000	2,135,000
Current LTD Interest	2,420,262	2,294,641	2,161,538	2,020,512	1,870,934	1,712,350	1,544,543	1,367,142	1,180,028	1,033,510	929,304
Subtotal Current Debt Service	5,640,262	5,642,141	5,579,038	5,528,012	5,528,434	5,524,850	5,527,043	5,529,642	4,525,028	3,518,510	3,064,305
Proposed LTD Principal	-	-	-	-	-	-	-	-	-	-	-
Proposed LTD Interest	-	-	-	-	-	-	-	-	-	-	-
Proposed Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total Long-Term Debt Service	5,640,262	5,642,141	5,579,038	5,528,012	5,528,434	5,524,850	5,527,043	5,529,642	4,525,028	3,518,510	3,064,305
Other Cash Sources & Uses											
Short-Term Borrowing	1,200,000	-	(200,000)	(100,000)	500,000	840,000	1,240,000	(410,000)	(410,000)	(410,000)	(410,000)
Net Bond Proceeds	-	-	13,864	-	-	-	-	-	-	-	-
Subtotal Other Cash Sources & Uses	1,200,000	-	(186,136)	(100,000)	500,000	840,000	1,240,000	(410,000)	(410,000)	(410,000)	(410,000)
Capital											
County/City	1,229,722	108,657	20,289	75,000	650,000	1,025,000	1,430,000	355,000	230,000	35,000	35,000
State	73,398	343,934	14,034	249,400	25,000	25,000	30,000	30,000	30,000	35,000	255,000
County Adult Detention Facility	26,974	205,780	807,359	25,000	25,000	25,000	30,000	440,000	30,000	35,000	35,000
West Haymarket	80,547	617,648	547,226	25,000	25,000	75,000	230,000	30,000	30,000	255,000	35,000
LES Operations Center	4,462	31,772	190,883	25,000	25,000	25,000	230,000	30,000	30,000	35,000	35,000
NE State Penitentiary	27,143	136,218	19,341	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000
Total Capital	1,442,245	1,444,009	1,599,132	424,400	775,000	1,200,000	1,980,000	915,000	380,000	430,000	430,000



2024 Budget Annual Billings

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
County/City													
Heating Revenues (\$)	\$ 205,536	\$ 181,102	\$ 199,285	\$ 249,520	\$ 292,992	\$ 310,571	\$ 297,387	\$ 276,877	\$ 273,947	\$ 273,947	\$ 273,947	\$ 273,947	\$ 273,947
Cooling Revenues (\$)	70,669	86,184	81,281	80,261	76,017	79,058	83,112	89,193	92,234	96,288	101,356	106,424	112,505
Demand - Other Revenues (\$)	1,200,000	1,080,000	1,092,000	1,122,000	1,206,000	1,176,000	1,410,000	1,488,000	1,710,000	1,716,000	1,722,000	1,752,000	1,770,000
Annual Revenues (\$)	1,476,205	1,347,286	1,372,566	1,451,781	1,575,009	1,565,629	1,790,499	1,854,070	2,076,181	2,086,235	2,097,303	2,132,371	2,156,452
Square Footage	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
Price per Sq. Ft. (\$)	\$ 2.33	\$ 2.13	\$ 2.16	\$ 2.29	\$ 2.48	\$ 2.47	\$ 2.82	\$ 2.92	\$ 3.27	\$ 3.29	\$ 3.31	\$ 3.36	\$ 3.40
State													
Heating Revenues (\$)	\$ 213,762	\$ 136,479	\$ 157,775	\$ 189,214	\$ 208,914	\$ 211,261	\$ 199,011	\$ 177,891	\$ 176,267	\$ 175,454	\$ 174,642	\$ 168,144	\$ 168,956
Demand - Other Revenues (\$)	546,000	546,000	444,000	447,000	516,000	504,000	468,000	552,000	558,000	576,000	594,000	618,000	642,000
Demand - Financing Revenues (\$)	12,036	12,036	120,000	114,000	-	-	-	-	-	-	-	-	-
Annual Revenues (\$)	771,798	694,515	721,775	750,214	724,914	715,261	667,011	729,891	734,267	751,454	768,642	786,144	810,956
Square Footage	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000
Price per Sq. Ft. (\$)	\$ 0.76	\$ 0.69	\$ 0.71	\$ 0.74	\$ 0.72	\$ 0.71	\$ 0.66	\$ 0.72	\$ 0.73	\$ 0.74	\$ 0.76	\$ 0.78	\$ 0.80
CADF													
Heating Revenues (\$)	\$ 77,693	\$ 59,920	\$ 71,760	\$ 74,558	\$ 74,856	\$ 78,881	\$ 82,905	\$ 87,735	\$ 92,564	\$ 97,394	\$ 103,028	\$ 108,662	\$ 114,297
Cooling Revenues (\$)	80,892	79,367	84,862	96,503	96,223	101,116	106,824	112,532	119,056	125,580	132,103	139,442	147,597
Demand - Other Revenues (\$)	624,000	540,000	600,000	666,000	666,000	648,000	828,000	702,000	714,000	738,000	762,000	786,000	744,000
Demand - Financing Revenues (\$)	992,034	992,034	960,000	924,000	924,000	918,000	918,000	918,000	918,000	912,000	912,000	906,000	456,000
Annual Revenues (\$)	1,774,619	1,671,321	1,716,622	1,761,061	1,761,079	1,745,997	1,935,729	1,820,267	1,843,620	1,872,974	1,909,131	1,940,104	1,461,894
Square Footage	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500
Price per Sq. Ft. (\$)	\$ 5.70	\$ 5.37	\$ 5.51	\$ 5.65	\$ 5.65	\$ 5.61	\$ 6.21	\$ 5.84	\$ 5.92	\$ 6.01	\$ 6.13	\$ 6.23	\$ 4.69
West Haymarket													
Heating Revenues (\$)	\$ 198,654	\$ 226,765	\$ 244,168	\$ 404,491	\$ 407,607	\$ 431,869	\$ 414,077	\$ 386,580	\$ 415,708	\$ 415,708	\$ 415,708	\$ 405,095	\$ 408,632
Cooling Revenues (\$)	148,051	166,065	183,877	172,472	151,408	159,820	168,231	176,643	184,540	194,127	206,110	215,696	227,680
Demand - Other Revenues (\$)	1,044,000	1,044,000	1,176,000	1,452,000	1,308,000	1,188,000	1,350,000	1,272,000	1,302,000	1,344,000	1,386,000	1,452,000	1,512,000
Demand - Financing Revenues (\$)	1,200,000	1,200,000	1,152,000	1,152,000	1,146,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000
Annual Revenues (\$)	2,590,704	2,636,830	2,756,045	3,180,963	3,013,015	2,931,689	3,084,308	2,987,223	3,054,248	3,105,835	3,159,818	3,224,791	3,300,312
Square Footage	1,134,400	1,134,400	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,538,131	1,538,131	1,538,131	1,538,131
Price per Sq. Ft. (\$)	\$ 2.28	\$ 2.32	\$ 2.06	\$ 2.37	\$ 2.25	\$ 2.19	\$ 2.30	\$ 2.23	\$ 2.28	\$ 2.02	\$ 2.05	\$ 2.10	\$ 2.15
LOC													
Heating Revenues (\$)	\$ 36,347	\$ 56,580	\$ 24,990	\$ 53,734	\$ 53,555	\$ 56,210	\$ 59,308	\$ 62,407	\$ 65,947	\$ 69,488	\$ 73,472	\$ 77,455	\$ 81,881
Cooling Revenues (\$)	11,308	23,615	31,967	31,095	31,018	32,825	34,632	36,439	38,246	40,354	42,763	44,871	47,582
Demand - Other Revenues (\$)	504,000	504,000	636,000	708,000	648,000	636,000	726,000	684,000	690,000	708,000	732,000	654,000	678,000
Demand - Financing Revenues (\$)	1,081,200	1,050,000	2,340,000	2,016,000	2,005,200	2,004,000	2,005,200	2,005,200	2,005,200	2,006,400	1,003,200	-	-
Annual Revenues (\$)	1,632,856	1,634,195	3,032,958	2,808,829	2,737,773	2,729,035	2,825,140	2,788,046	2,799,393	2,824,242	1,851,435	776,326	807,463
Square Footage	250,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806
Price per Sq. Ft. (\$)	\$ 6.51	\$ 4.03	\$ 7.47	\$ 6.92	\$ 6.75	\$ 6.72	\$ 6.96	\$ 6.87	\$ 6.90	\$ 6.96	\$ 4.56	\$ 1.91	\$ 1.99
NSP													
Heating Revenues (\$)	\$ 438,047	\$ 345,098	\$ 442,565	\$ 560,924	\$ 564,929	\$ 597,838	\$ 633,489	\$ 534,763	\$ 537,506	\$ 537,506	\$ 540,248	\$ 529,278	\$ 537,506
Cooling Revenues (\$)	70,179	87,080	72,296	84,546	77,203	80,969	84,735	89,443	93,209	97,916	102,624	108,273	112,980
Demand - Other Revenues (\$)	744,000	864,000	912,000	885,000	894,000	936,000	1,002,000	996,000	1,008,000	1,050,000	1,092,000	1,134,000	1,176,000
Demand - Financing Revenues (\$)	1,380,000	1,226,400	1,230,000	1,230,000	1,236,000	1,236,000	1,230,000	1,230,000	1,236,000	1,236,000	1,230,000	1,230,000	1,236,000
Annual Revenues (\$)	2,632,226	2,522,578	2,656,861	2,760,470	2,772,132	2,850,807	2,950,224	2,850,206	2,874,715	2,921,422	2,964,872	3,001,551	3,062,486
Square Footage	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719
Price per Sq. Ft. (\$)	\$ 5.78	\$ 5.54	\$ 5.83	\$ 6.06	\$ 6.08	\$ 6.26	\$ 6.47	\$ 6.25	\$ 6.31	\$ 6.41	\$ 6.51	\$ 6.59	\$ 6.72

Thermal/Energy Service Agreement						
Contracting Party:	City of Lincoln, Nebraska; Lancaster County, Nebraska	State of Nebraska	Lancaster County, Nebraska	West Haymarket Joint Public Agency (City of Lincoln, Nebraska and The Board of Regents of the University of Nebraska)	City of Lincoln, Nebraska; d/b/a Lincoln Electric System	State of Nebraska Department of Correctional Services
Contract:	Thermal Service Agreement, dated June 15, 1991	Amended and Restated Thermal Service Agreement, dated February 15, 2012	Energy Service Agreement, dated January 1, 2010	Energy Service Agreement, dated October 6, 2011, as amended	Energy Service Agreement, dated October 18, 2016	Energy Service Agreement, dated October 1, 2017
Buildings and Areas Served:	County/City Building; Hall of Justice; 605 Building; "K" Street Building; Court House Plaza; 825 J Building (634,000 sq. ft.)	State Capitol; State Office Building; State Administrative Office (1,010,000 sq. ft.)	County Adult Detention Facility (311,500 sq. ft.)	Pinnacle Bank Arena; Canopy Lofts; The Railyard; Hyatt Place Lincoln; Oscar Project; Hudl; Canopy Row; Oscar Project 2.0; Canopy Park (1,340,600 sq. ft.)	LES Operations Center (405,806 sq. ft.)	Nebraska State Penitentiary (455,719 sq. ft.)
Services Provided:	Heating and cooling, starting in 1991	Heating and certain energy conservation improvements, starting in 1999	Heating, cooling, backup electrical service, and certain energy conservation improvements, starting in 2012	Heating and cooling, starting September 2013	Heating, cooling, backup electrical service, and certain energy conservation improvements, starting March 2019	Heating steam, process steam, cooling, and backup electrical service, starting December 2019



9445 Rokeby Road | Lincoln, NE 68526 | 402.473.3299

Exhibit 2

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The County Adult Detention Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

COUNTY ADULT DETENTION FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$77,000
Demand Charge (Other) \$/Billing Period	\$55,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$5.90
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$4.65

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The County/City (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

COUNTY/CITY THERMAL SERVICE	Rate
Demand Charge \$/Billing Period	\$100,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$3.75
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.00

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge.

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 15 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The LES Operations Center (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

LES OPERATIONS CENTER THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$167,100
Demand Charge (Other) \$/Billing Period	\$54,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$5.15
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$6.05

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The State of Nebraska Department of Correctional Services (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Steam + Commodity Charge for Condensate not returned + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

STATE OF NEBRASKA DEPARTMENT OF CORRECTIONAL SERVICES THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$103,000
Demand Charge (Other) \$/Billing Period	\$74,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$4.10
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.30

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The State of Nebraska (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

ANNUAL BILL: Demand Charge (Facilities Financing)

MONTHLY BILL: Demand Charge (other) + Commodity Charge for Steam + Commodity Charge for Condensate Consumed + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

STATE OF NEBRASKA THERMAL SERVICE	Rate
Demand Charge (Other) \$/Billing Period	\$43,000
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$11.45

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other).

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT – BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

DISTRICT ENERGY CORPORATION THERMAL SERVICE - RATE SCHEDULE EFFECTIVE DATE: January 1, 2024

APPLICABLE: The West Haymarket Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

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

RATE:

WEST HAYMARKET FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$95,500
Demand Charge (Other) \$/Billing Period	\$109,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$4.25
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$11.75

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.

TAB VII

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 23-04**

**A RESOLUTION APPROVING THE TRANSFER OF FUNDS FROM THE DEC
OPERATING FUND TO THE DEC RATE STABILIZATION FUND AND
ALLOCATING CERTAIN AMOUNTS THEREIN TO SPECIFIC PLANTS.**

RECITALS

I

Sections 5.02(c)(5) and 5.08 of DEC Resolution 10-4-G (the General Bond Resolution) established a Rate Stabilization Fund to allow DEC to manage fluctuations in cash flow and minimize the need to adjust rates. DEC Resolution 07-8 established a business target for the Rate Stabilization Fund to cover a minimum of 25 percent of the budgeted annual energy expenses for each DEC project.

II

The 2023 Budget appropriated \$69,000 to be deposited into the Rate Stabilization Fund; and

III

The DEC Board has previously allocated portions of the balance within the Rate Stabilization Fund to the County-City Plant, the State of Nebraska Plant, and the County Adult Detention Facility Plant, and it is now desirable that portions of the balance in the Rate Stabilization Fund be allocated to the West Haymarket Plant, the LES Operations Center Plant and the Nebraska State Penitentiary Plant; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District Energy Corporation:

That the DEC Administrator is directed to transfer \$69,000 from the Operating Fund to the Rate Stabilization Fund with such amount to be allocated to separate plants as follows:

- a) \$38,000 to the West Haymarket Plant;

- b) \$4,000 to the LES Operations Center Plant; and
- c) \$27,000 to the Nebraska State Penitentiary Plant.

PASSED AND APPROVED on this _____ day of _____, 2023.

ATTEST:

Secretary/Treasurer

President

TAB VIII

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 23-05**

DECLARATION OF OFFICIAL INTENT OF THE DISTRICT ENERGY CORPORATION UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS OF FUTURE TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Members of the Board of Directors (the “**Board**”) of the District Energy Corporation of Lincoln, Nebraska (the “**DEC**”) have heretofore determined that it is necessary, desirable, and advisable that the DEC design, construct, and install infrastructure, including but not limited to, construction of thermal energy plants to serve new customers, and appurtenances related thereto in connection with the 2023 and 2024 Capital Improvement Projects described in Exhibit 1, attached hereto and made a part hereof by reference (the “**Projects**”); and

WHEREAS, DEC has begun planning for or has initiated the Projects and anticipates expending funds from the Revenue and Construction Funds in the amount of approximately Three Million, Five-Hundred Thousand Dollars (\$3,500,000) for the Projects; and

WHEREAS, it is necessary, desirable and advisable that the DEC undertake the Projects, which will require the expenditure of monies of the DEC prior to the issuance by DEC of its bonds or other obligations (collectively, the “**Bonds**”) to finance all or a portion of the costs of the Projects; and

WHEREAS, the Department of the Treasury has promulgated final regulations (Treasury Regulations, Section 1.150-2, hereinafter referred to as the “**Regulations**”) governing the use of proceeds of tax-exempt bonds, all or portion of which are to be used to reimburse DEC for Project expenditures made prior to the date of issuance of the Bonds, which require that DEC make a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditures; and

WHEREAS, the Regulations generally require that the Bonds be issued and the reimbursement allocation made from the proceeds of the Bonds within 18 months after the later of the date the expenditure is made or the Projects are placed in service or abandoned, but in no event more than three years after the date the expenditure is paid.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT ENERGY CORPORATION:

Section 1. In accordance with the provisions of the Regulations and this Resolution, the Board does hereby declare the official intent of DEC to borrow funds to pay the costs of the Projects by the issuance of its Bonds, the interest on which will be excludable from gross income

for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Prior to the issuance of the Bonds, DEC is authorized to advance its own monies in the aggregate amount of up to \$3,500,000 for the purpose of paying all or a portion of the costs of the Projects.

Section 2. Other than (a) expenditures to be paid or reimbursed from sources other than the Bonds, (b) expenditures constituting “preliminary expenditures” within the meaning of Section 1.150-2(f)(2) of the Regulations or (c) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Projects have been paid by DEC more than 60 days prior to the date of execution and delivery of this Resolution.

Section 3. The reasonably expected sources of funds to be used to pay debt service on the Bonds will be the revenues received by DEC from its operations, which shall be pledged to the payment of the principal of and interest on the Bonds.

Section 4. As of the date of this Resolution, there are no funds of DEC reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Projects, other than pursuant to the issuance of the Bonds. This Resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of DEC as they exist or are reasonably foreseeable on the date hereof.

Section 5. The Bonds shall be issued by DEC in one or more series at such times, in such amount, and upon such terms and conditions as may be agreed upon by DEC and the purchaser or purchasers of the Bonds for the purpose of paying all or a portion of the costs and expenses incident to the acquisition and financing of the Projects, the Bonds to be authorized by DEC at a meeting to be held by the Board for such purpose.

Section 6. This Resolution will evidence the official intent of DEC in accordance with the Regulations. This Resolution does not constitute final approval of the issuance of the Bonds by DEC and does not impose any legal obligation on DEC to issue the Bonds to finance the Projects.

PASSED AND APPROVED on this ____ day of _____, 2023.

ATTEST:

Secretary/Treasurer

President