

Northeast Nebraska Public Power District

Nebraska 107, Wayne

2014 RATE SCHEDULE "WPS-1"

Effective: For service rendered on and after January 1, 2014.

SECTION 1. AVAILABILITY

- A. This Rate Schedule WPS-1 is available only to municipalities who purchase from the District all of its power and energy requirements (with the exception of any direct Western allocation) for resale, including sales to end-use customers and load growth.
- B. This Rate Schedule WPS-1 is made available in conjunction with rate schedules that are a part of a Wholesale Power Agreement between the District and Nebraska Electric Generation and Transmission Cooperative, Inc. ("NEG&T"). In the event there is any inconsistency between the provisions of this Rate Schedule WPS-1 and those rate schedules which are a part of the District/NEG&T Wholesale Power Contract, then the provisions of the District/NEG&T Power Contract rate schedules shall govern.

SECTION 2. CHARACTER OF SERVICE

Power and energy shall be available to the municipality on the existing high voltage transmission network contracted for by the District or approved extensions thereof, at one or more Points of Delivery. Power and energy available shall be in the form of three-phase current, alternating at a frequency of approximately sixty (60) Hertz and at nominal standard operating voltages (but not less than 2,400 volts).

SECTION 3. DEFINITIONS

- A. Billing Demand - The Billing Demand for any service provided pursuant to this Rate Schedule WPS-1 shall be as defined in the respective provision(s) of Section 6 of this Rate Schedule WPS-1.
- B. Billing Period - Any calendar month commencing at the hour ending 0100 on the first day of the month and ending with the hour ending 2400 on the last day of such calendar month.
- C. Bus A - The low voltage bus at the first transformation below 115 kV (generally 69 kV or 34.5 kV). All rates in this Rate Schedule WPS-1 are based on the Point of Measurement at Bus A.
- D. MAPP - The Mid-Continent Area Power Pool, as established pursuant to the MAPP Agreement.

- E. Measured Demand - The number of kilowatts (kW) which is equal to the number of kilowatthours delivered at any point during any clock hour as measured by kilowatt demand metering equipment.
- F. On-Peak Demand Hours – That subset of hours as defined in Section 7 of this Rate Schedule WPS-1.
- G. Point(s) of Delivery - That point (or group of points classified as a single point) of interconnection on the Transmission or Subtransmission System where power and energy are delivered to the municipality or to another transmission/subtransmission provider for transmission to the municipality. It is the point at which the District is obligated to deliver, and the municipality is obligated to accept delivery of the power and energy sold, purchased or wheeled. If the municipality has more than one Point of Delivery where power and energy are delivered, the Billing Demand of the municipality shall be determined from the coincidental deliveries at all such Points of Delivery.
- H. Point of Measurement - The point where demand and energy are metered, if applicable, for the purpose of billing. If the Point of Measurement is located at other than Bus A, then the provision(s) of Section 9 of this Rate Schedule WPS-1 shall apply.
- I. Reactive Supply & Voltage Control Service - Service provided from generation facilities which are used to supply or absorb reactive power as required for the reliable movement of real power through the Transmission System and to maintain adequate voltages on the Transmission System.
- J. Regulation and Frequency Response Service - Service provided for meeting MAPP requirements to continuously balance resources (generation and interchange) with Control Area load on a real-time basis and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generation control equipment) as necessary to follow moment-by-moment changes in load.
- K. Spinning Reserve Service - Operating reserve service provided to meet MAPP requirements for maintaining Spinning Reserve. Spinning Reserve shall mean the amount of unloaded generating capability connected to and synchronized with the interconnected system and ready to take load immediately. Spinning Reserve capability is separate from and in addition to capability required for Regulation and Frequency Response Service. The amount for Spinning Reserve allocated to any generator shall not exceed the amount of generation increase that can be realized within a period of time that complies with the then current MAPP requirements.

- L. Subtransmission System - Those subtransmission facilities including lines, substations and all appurtenances which are owned, leased, operated, or contracted for by the District, or which the District is assessed a wheeling charge by the owner for deliveries to the municipality under this contract and which are designed to operate at nominal voltages of 34.5 kV and above, but less than 115 kV.
- M. Summer Season – June through September
- N. Supplemental Reserve Service - Operating reserve service provided to meet MAPP requirements for maintaining Supplemental Reserve. Supplemental Reserve shall mean all unloaded generating capability not meeting the Spinning Reserve criteria that can be made fully effective within a period of time that complies with the then current MAPP requirements.
- O. Transmission System - Those transmission facilities including lines, substations, switching stations and all appurtenances which are owned, leased, operated or contracted for by the District or which the District is assessed a wheeling charge by the owner for deliveries to the municipality under this Total Requirements Wholesale Agreement and which are designed to operate at nominal voltage levels of 115 kV and above.
- P. Western - The Western Area Power Administration
- Q. Wholesale Power Agreement – The Agreement between the municipality and the District specifying service under this Rate Schedule WPS-1.
- R. Winter Season – The Billing Periods October through May

SECTION 4. MONTHLY RATES

- A. Generation (Gen) Station Rate: Applicable to power and energy purchased from the District by the municipality under the provisions of this Rate Schedule where the municipality has exercised its right to purchase Western Class I firm power directly from Western or where the municipality is outside the marketing area for Western Class I firm power.
- B. Blend Rate: Applicable to power and energy purchased by the municipality from the District under the provisions of this Rate Schedule where the municipality is within the marketing area for Western Class I firm power and has not exercised its right to purchase Western Class I firm power directly from Western.
- C. The Demand and Energy Charges shall be as follows:

Monthly Demand Charges

<u>Per Kilowatt (kW) of Billing Demand</u> Demand Season:	<u>Production</u>		<u>Transmission</u> <u>(Native Load)</u>	
	<u>Gen. Station</u>		<u>Lines</u>	<u>Substation</u>
	<u>Summer</u>	<u>Winter</u>		
Monthly Rates	\$13.84	\$12.97	\$3.00	\$0.44

Monthly Ancillary Service Charges – (Wapa is not subject to Ancillary Charges)

<u>Per Kilowatt of Billing Demand</u>	<u>Blend</u>	<u>Gen. Station</u>
Regulation and Frequency Response Service:		\$0.27
Spinning Reserve Service:		\$0.14
Supplemental Reserve Service:		\$0.01
Reactive Supply & Voltage Control Service:		<u>\$0.13</u>
Transmission Line Charge (incl. Ancillary Services)		<u>\$3.00</u>

Monthly Energy Charges

<u>Per Kilowatthour (kWh)</u>	<u>Blend</u>	<u>Production</u> <u>Gen. Station</u>
Summer Energy Season		
On-Peak		\$0.034
Off-Peak		\$0.026
Winter Energy Season		
On-Peak		\$0.0312
Off-Peak		\$0.0225

The above energy charges are also subject to Production Cost Adjustment charges as applied to purchases made by the District for resale to the municipality

Distribution Charges:

Distribution Substation and Facilities: \$532.00 monthly
 Sub-transmission Line: \$0.86 per kW on 12 month ratchet
 Sub-transmission Substation: \$.88 per kW on 12 month ratchet

SECTION 5. COST OF ADMINISTRATION

To provide for the administrative costs paid by the District to NEG&T, an adder of \$0.000136 (0.136 mill) per kWh, applied to all kilowatthours purchased under this rate schedule, may be assessed on each monthly billing to the municipality purchasing power and energy under the provisions of this rate schedule.

SECTION 6. BILLING DEMAND AND ENERGY

- A. Billing Demands
 - (1) Production kW Billing Demands

- (a) The Production kW Billing Demand for the monthly Billing Periods of October through May (Winter Demand Season) shall be determined as follows: The municipality's Measured Demand coincident with the District's Billed Demand during On-Peak Demand Hours of the current Billing Period with adjustments, if any, to such highest Measured Demand for (i) kilowatt loss factor (Section 9), (ii) Power Factor Adjustment (Section 10), and (iii) for Gen Station deliveries, deduction of the power purchased directly from Western.
 - (b) The Production kW Billing Demand for the monthly Billing Periods of June through September (Summer Demand Season) shall be determined as follows: The average of the municipality's Measured Demand coincident with the District's Billed Demand during On-Peak Demand Hours on each of four (4) separate days during the current Billing Period or the three (3) summer season monthly Billing Periods immediately preceding the current Billing Period with adjustments, if any, to each such highest Measured Demand for (i) kilowatt loss factor (Section 9), (ii) Power Factor Adjustment (Section 10), and (iv) for Gen Station deliveries, deduction of the power purchased directly from Western.
- (2) Transmission Billing Demands
- (a) Transmission Line Billing Demands
 - (i) The Transmission Line kW Billing Demand for the monthly Billing Periods of October through May (Winter Demand Season) shall be determined as follows: One hundred percent (100%) of the municipality's Measured Demand coincident with the District's Billed Demand during On-Peak Demand Hours of the preceding four (4) months of June through September (Summer Demand Season) with adjustment, if any, to such highest Measured Demand for (i) kilowatt loss factor (Section 9), (ii) Power Factor Adjustment (Section 10), and (iii) for Gen Station deliveries, deduction of the power purchased directly from Western to the extent the charges for transmission line service associated with the delivery of such Western power by the District to the municipality are otherwise paid by Western or other third party to the District.
 - (ii) The Transmission Line kW Billing Demand for the monthly Billing Periods of June through September (Summer Demand Season) shall be determined as follows: One hundred percent (100%) of the municipality's Measured Demand coincident with the District's Billed Demand during On-Peak Demand Hours of the current Billing Period or the three (3) summer season monthly Billing Periods immediately preceding the current Billing Period with adjustments, if any, to such highest Measured Demand for (i) kilowatt loss factor (Section 9), (ii) Power Factor Adjustment (Section 10), and (iii) for Gen Station deliveries, deduction of the power purchased directly from Western,

provided the charges for transmission line service associated with the delivery of such Western power by the District to the municipality are otherwise paid by Western or other third party to the District.

(b) Transmission Substation Billing Demands

To the extent the municipality utilizes such facilities caused to be provided by the District, the Billing Demands shall be determined as follows: One hundred percent (100%) of the municipality’s single highest Measured Demand any hour of the current or preceding eleven (11) Billing Periods with adjustment, if any, to such highest Measured Demand for (i) kilowatt loss factor (Section 9), (ii) Power Factor Adjustment (Section 10), and (iii) for Gen Station deliveries, deduction of the power purchased directly from Western to the extent the charges for a ny transmission substation service associated with the delivery of the Western power by the District to the municipality are otherwise paid by Western or other third party to the District.

(3) Ancillary Service Billing Demands

Billing Demands for Regulation and Frequency Response Service, Reactive Supply & Voltage Control Service, Spinning Reserve Service, and Supplemental Reserve Service shall be the same billing quantities used for billing the Transmission Line Charges.

B. The Kilowatthour Billing Energy shall be determined as follows:

(1) The total measured energy during the current Billing Period with adjustment, if any, to such measured energy for (i) kilowatthour loss factor (Section 9), and (ii) for Gen Station deliveries, deduction of the energy purchased directly from Western. For adjustment (ii) above, these amounts shall be allocated between on-peak and off-peak hours in proportion to the municipality’s total measured on-peak and off-peak energy in such Billing Period.

(2) For the monthly Billing Periods the on and off-peak hours for energy (all based on “Central” Time) are as follows:

<u>Energy Season</u>	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	0900-2300 Mon-Sat	All Other Hours
Winter	0801-2200 Mon-Sat	All Other Hours

SECTION 7. DEMAND WAIVER

A. This Section 7 sets forth procedures and conditions regarding the waiver by NEG&T to the District of certain Measured Demands, with respect to the sale of electric power and energy to all requirements firm wholesale customers of NEG&T (either

"total requirements" or "total requirements less any direct WAPA allocation"), including the District, purchasing service under the applicable NEG&T Wholesale Power Rate Schedule.

B. Off-Peak Hours. Until and unless revised by the Board of Directors of NEG&T, the Off-Peak Hours for the purposes of this Section 7 shall mean:

(1) Winter Season (October-May)

(a) All hours on Sundays.

(b) All hours of the following holidays: New Year's Day, Memorial Day, Thanksgiving Day, and Christmas Day.

(c) A 10-hour period on all other days during the Winter Season commencing at 10:00 p.m. (2200 hour) through 8:00 a.m. (0800 hour) of the following day based on either Central Standard Time or Central Daylight Savings Time, whichever is applicable.

(2) Summer Season (June -September)

(a) All hours on Sundays.

(b) All hours of the following holidays: Independence Day and Labor Day

(c) A 10-hour period on all other days during the Summer Season commencing at 11:00 p.m. (2300 hour) through 9:00 a.m. (0900 hour) of the following day based on either Central Standard Time or Central Daylight Savings Time, whichever is applicable.

(d) Any other hours waived by NEG&T to the District pursuant to Paragraphs C, F, and G of this Section 7.

*** * * * * All other hours are considered to be On-Peak Hours * * * * ***

Measured Demands during the above Off-Peak Hours shall be waived to the District and subsequently to the municipality for purposes of determining the production and transmission line Billing Demands to the municipality during the Billing Period. However, the Maximum Demands of the municipality, whether recorded during On-Peak or Off-Peak Hours, shall be used for purposes of determining the Billing Demand, if applicable, for transmission substation charges.

C. In addition to the waiver under Paragraph B of this Section 7, NEG&T may designate from time to time additional Off-Peak Hours to the District solely for the purpose of a waiver of Measured Demands. Any such additional Off-Peak Hours shall be applicable to the months of June through September. NEG&T shall have the sole responsibility and authority for determining whether the Measured Demands shall be waived. NEG&T has committed to the District to designating

additional Off-Peak Demand Hours in a manner such that the District ever has more than 12 On-Peak Demand Hours in a single day during the months of June through September.

- D. The municipality is encouraged to participate in the Demand Waiver Communication Network to be implemented by the wholesale customers of NEG&T to facilitate such notice of additional Off-Peak Hours determined by NEG&T pursuant to Paragraph C of this Section 7. Those municipalities, who do not participate in the Demand Waiver Communication Network, must make other arrangements to receive such notice, which are acceptable to the District. The municipality shall have sole responsibility for receiving any demand waiver notice pursuant to this paragraph, and it is the municipality's responsibility to contact the District if the message is not received. The failure to control load on a day due to non-receipt of a message shall not relieve the municipality of the obligation for any peak demands established during that day.
- E. Additional Off-Peak Hours pursuant to Paragraph C of this Section 7 will be subject to cancellation by the District if unforeseen events take place which reduce the available resources to supply loads. Notice of cancellation by the District will necessitate that the municipality responds promptly by imposing controls, where possible, to the loads supplied by such the municipality. However, if NEG&T has waived the demand to the District on the day of such emergency, the municipality's demand for that day will still be waived for billing purposes by the District.
- F. Additional Off-Peak Hours. The District recognizes that situations may arise where the municipality may request additional Off-Peak Hours, over and above those designated pursuant to Paragraph C of this Section 7, on an individual basis for purposes of testing equipment or because of extenuating circumstances beyond the municipality's and/or the District's control. Such circumstances may include, but not necessarily limited to, the following:
 - (1) Failure of the municipality's direct load control system due to unexpected equipment failure.
 - (2) Natural disasters, such as tornadoes, that result in temporary loss of electric service to all, or a significant portion, of the municipality's retail customers, and where failure to grant additional Off-Peak Hours following the restoration of normal electric service would result in additional hardship to such retail customers.

Any granting of additional Off-Peak Hours pursuant to this Paragraph F will generally be limited to that period of time during which the municipality was unable to monitor and/or control loads, or in the case of natural disasters, some reasonable period of time for retail customers to realize normal electric service following a prolonged period of reduced electric service due to the disaster.

- G. At the request of the District, NEG&T will review, on a case-by-case basis, any the municipality's request for additional Off-Peak Hours pursuant to provisions of Paragraph F of this Section 7, and, in the case of natural disasters, the District will

request that NEG&T expedite the review of the District's request. NEG&T shall have the sole responsibility and authority for determining whether any additional Off-Peak Hours will be granted. The granting of such additional Off-Peak Hours by NEG&T will be guided by the following general criteria:

- (1) Requests for additional Off-Peak Hours solely for testing load management equipment will not be considered on days that NEG&T anticipates that it may establish summer peak demands.
- (2) When the highest Measured Demands during the Billing Period occur during hours requested by the District and approved by NEG&T to be additional Off-Peak Hours pursuant to Paragraph F of this Section 7, one of the following procedures will be followed:
 - (i) In most instances, the highest Measured Demands established during such additional Off-Peak Hours pursuant to Paragraph F of this Section 7 will be used for purposes of determining the municipality's production and high-voltage transmission line Billing Demands for that Billing Period. However, the Measured Demand(s) occurring during such additional Off-Peak Hours will be waived for purposes of determining such Billing Demands in subsequent Billing Periods.
 - (ii) Under special circumstances, NEG&T may also waive to the District the Measured Demands established during such additional Off-Peak Hours for purposes of determining the production and high-voltage transmission line Billing Demands for that Billing Period. In such situations, eligible demands for that Billing Period's production and high-voltage transmission billing demand will be determined from the higher of the municipality's Measured Demands occurring during non-waived hours when the municipality's load control was operating properly or the estimated peak demands that would have occurred in the absence of the equipment failure or disaster.
- (3) The municipality will fully document any request for additional Off-Peak Hours pursuant to Paragraph F of this Section 7, including, but not necessarily limited to, verification that the system operated satisfactorily prior to the equipment failure or natural disaster for which the request is made, identification of the day and hour of equipment failure or time of natural disaster, description of the portion of the municipality's system affected, description on efforts to correct the situation including records of communication of the problem and its solution, and identification of the day and hour that the equipment failure was corrected, and shall provide any other available information as requested by the District relating to the request for additional Off-Peak Hours. Such documentation shall be sent to the District's headquarters office.

H. The District reserves the right to modify or revise this Section 7 from time to time.

SECTION 8. TRANSMISSION FACILITIES

- A. Service provided under the provisions of this Rate Schedule includes wheeling of electric power and energy over interconnected high voltage transmission system network consisting of transmission line and substation facilities rated 115 kV and above. All transmission lines rated 115 kV and above and substation facilities that provide for transformation to voltages at or above 115 kV are, for purposes of this Rate Schedule, included as transmission line facilities. Such facilities may be owned and operated by the District or by other transmission providers and used to provide services under a Wholesale Power Agreement between the District and NEG&T. The transmission line charges set forth in Section 4 will be applicable to any municipality purchasing power and energy from the District under the provisions of this Rate Schedule.
- B. Where the District has provided or where the District is assessed a wheeling charge by another transmission provider for the provision of the high voltage transmission substation facilities required for the first transformation below 115 kV for one or more of its Points of Delivery, the transmission substation charge set forth in Section 4 will be applicable to power and energy deliveries to the municipality at such Points.
- C. The rates, charges, terms and conditions for transmission and ancillary services included in this Rate Schedule shall constitute the Transmission Rate Schedule as defined in the Wholesale Power Agreement.

SECTION 9. LOSS FACTORS

For billing purposes, all power and energy sold and purchased under this Rate Schedule shall be billed as follows:

- A. Point of Measurement at Bus A. Bus A is defined as the point on the transmission system, generally 69 kV or 34.5 kV, where the first transformation is made from 115 kV or in some cases from higher voltage than 115 kV. Power and energy measured at the Point of Measurement shall be the billing demand and energy subject to adjustments, if any, as provided in this Rate Schedule.
- B. Point of Measurement at other than Bus A.
 - (1) In the event the Point of Measurement is located beyond Bus A at a voltage of 69 kV or lower, the measured power and energy shall be adjusted for losses back to Bus A. The line loss multipliers or loss factors specified in the existing Wholesale Power Agreement Exhibits shall be used to determine the billing power and energy at Bus A subject to additional adjustments, if any, as provided in this Rate Schedule.
 - (2) In the event the Point of Measurement is located before the first transformation from 115 kV or higher, the measured power and energy shall be adjusted for losses down to Bus A. The multipliers to adjust the

measured power and energy to Bus A for transformer loss shall be as determined by the District and specified in the existing Wholesale Power Agreement Exhibits. The power and energy as so adjusted to Bus A shall be the billing demand and energy, subject to additional adjustments, if any, as provided in this Rate Schedule.

SECTION 10. **POWER FACTOR ADJUSTMENT** If the municipality's power factor at any Point of Delivery at the time of the highest Measured Demand(s) used in the Billing Demand determination is less than ninety-five percent (95%), the District may adjust such Demand for such Point of Delivery to ninety-five percent (95%) of the maximum kVa

SECTION 11. **.APPROVAL AND MODIFICATION OF SCHEDULE**

This Rate Schedule WPS-1 has been approved pursuant to Resolution 2013-11-03 acted upon by the District Board of Directors at their November 19, 2013, Board meeting.

The District retains and reserves the right, power and authority to modify, revise, amend, replace or repeal this Rate Schedule WPS-1, in whole or in part, by resolution adopted by the District Board of Directors.