

CITY OF CRETE, NEBRASKA  
CITY COUNCIL REGULAR MEETING  
September 25, 2013

Notice of the meeting was given by posting and publishing in The Crete News, the appointed method for giving notice as shown by the Proof of Publication attached to the minutes. Advance notice of the meeting was also given to the Mayor and City Council. Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, the City has posted a current copy of the Open Meetings Act, Laws of the State of Nebraska in the back of the Council Chambers. Additional copies are available to read. The City may consider items listed on the agenda in random order. All proceedings shown were taken while the meeting was open to the attendance of the public.

Those in attendance pledged allegiance to the flag.

1. Open Meeting - Posted September 19, 2013

2. Roll Call

3. Special Order of Business

3.A. Electric Rates

Recommend changing rates as recommended and defer until April 1, 2014 Carried with a motion by David Bauer and a second by Travis Sears.

David Bauer: Aye, Travis Sears: Aye

Aye: 2, No: 0

3.B. 1215 Main Unsafe Building

3.C. 119 West 13th Street Property

3.D. Street Trees

9/25/13 Recommend a resolution to suspend 2-1513 until april 1 Carried with a motion by Travis Sears and a second by David Bauer.

David Bauer: Aye, Travis Sears: Aye

Aye: 2, No: 0

3.E. SPP/MEAN Settlement

3.F. Parking

9/25/13 Table until next meeting so that owner can be present Carried with a motion by David Bauer and a second by Travis Sears.

David Bauer: Aye, Travis Sears: Aye

Aye: 2, No: 0

3.G. Gap Paving

9/25/13 Place on City Council agenda to be considered if assessment estimates are available for the next Public Works Committee meeting 10/1/13 at 5:00 PM Carried with a motion by David Bauer and a second by Travis Sears.

David Bauer: Aye, Travis Sears: Aye

Aye: 2, No: 0

4. Officers' Reports

5. Adjournment

Mayor

(SEAL)

City Clerk-Treasurer

I, Jerry Wilcox, City Clerk for the City of Crete, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Mayor and Council. I hereby certify that a copy of the Open Meetings Act was posted in the back of the Council Chambers. I certify that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk. I certify that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting and that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public. I certify that the minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of the City Council. I certify that all news media requesting notification concerning meetings of the City Council were provided with advance notification of the time and place of said meeting and the subjects to be discussed.

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City Clerk-Treasurer

(S E A L)

3. GENERAL SERVICE, DEMAND GD

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$75.00
PLUS:	
<u>Summer</u>	
On-peak demand charge	\$24.25
Off-peak demand charge	\$6.93
Energy charge, all kWh used, per month	\$0.0365/kWh
<u>Winter</u>	
On-peak demand charge	\$14.25
Off-peak demand charge	\$14.25
Energy charge, all kWh used, per month	\$0.0355/kWh
 Minimum Bill	
The greater of:	
a) The customer charge; or	
b) The customer charge plus the demand charge associated with 65% of the maximum recorded billing demand for the previous summer (June-September) months; or	
c) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.	

**C. LARGE POWER SERVICE**

1. LARGE POWER SERVICE LP1

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$190.00
PLUS:	
<u>Summer</u>	
On-peak demand charge	<del>\$22.75</del> 22.50
Off-peak demand charge	\$6.80
Energy charge, all kWh used, per month	\$0. <del>0340</del> .0305/kWh
<u>Winter</u>	
On-peak demand charge	<del>\$14.50</del> 13.80
Off-peak demand charge	\$0.00
Energy charge, all kWh used, per month	\$0. <del>0300</del> .0285/kWh
 Minimum Bill	
The greater of:	
a) The demand charge plus the energy charge, and the customer charge; or	
b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.	

2. LARGE POWER SERVICE LP2

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$190.00
PLUS:	
<u>Summer</u>	
On-peak demand charge	<del>\$22.75</del> 22.50
Off-peak demand charge	\$5.50
Energy charge, all kWh used, per month	\$0. <del>0340</del> .0305/kWh
<u>Winter</u>	
On-peak demand charge	<del>\$13.50</del> 12.65
Off-peak demand charge	\$0.00
Energy charge, all kWh used, per month	\$0. <del>0300</del> .0285/kWh
Minimum Bill	
The greater of:	
a) The demand charge plus the energy charge, and the customer charge; or	
b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.	

**D. IRRIGATION SERVICE IP**

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$40.00
PLUS:	
Annual Fixed Charge	
On-peak HP charge	\$70.50
(connection per season)	
Off-peak HP charge	\$22.81
(connection per season)	
<i>Off-peak: Minimum 30 HP, restricted hours use</i>	
Energy charge, all kWh used	\$0.0580/kWh

Subject to application of fuel and energy adjustment as provided in Section 3-123.

Irrigation Season

The period from June 1 through September 30

Off-Season Service

The period from October 1 through May 31

Energy charge, all kWh used      Billed at the General Service G rate

Minimum Seasonal Charge

The greater of:

- 1) The HP charge; or
- 2) A charge of \$120.

Billing HP shall be the nameplate rating of the motor(s) connected to this service.

September 13, 2013

Mr. Tom Ourada  
Director of Public Works  
City of Crete  
PO Box 86  
Crete, NE 68333

Dear Tom:

Attached is a revised rate schedule for the City of Crete Electric Utility (Utility) that includes changes to the Large Power Service rate schedules LP1 and LP2. These changes were based on conversations we had regarding concerns about the magnitude of the rate change for these two rate classes.

The previous rate schedules included a rate increase of approximately 7% from the rates that were previously scheduled to take effect January 1, 2014. Coupled with the previous rate increase that was included, the overall rate change for these customers was more than 11%. Although the rate increase was justified based on the magnitude of the rate increase from MEAN that was implemented on April 1, 2013, the rate change had a disproportionate impact on the three customers that take Large Power Service from the Utility.

The proposed rate increases, included in the attached rate schedule, would limit the Large Power Service rate increases to approximately 5.9% on January 1, 2014. Each of the three Large Power Service customers would receive a similar increase. Table 1 shows the rate impact for each customer based on the most recent billing data that was provided by the City.

**Table 1**  
**Comparison of Revenue from Existing Rates**  
**to Revenue from Proposed Rates**

Customer	Revenue Existing Rates	Revenue Proposed Rates	Difference	
			\$	%
Doane College	\$ 480,746	\$ 508,821	\$ 28,075	5.84%
Nestle Purina	\$ 1,251,456	\$ 1,325,856	\$ 74,400	5.95%
Bunge Milling	\$ 2,106,542	\$ 2,230,661	\$ 124,119	5.89%

Mr. Tom Ourada  
September 13, 2013  
Page 2

The reduction in revenue from this modification is approximately \$227,000 when compared to the original proposal. While this is a significant amount, the Utility has adequate reserves to cover this increase. In addition, the SPP settlement was included as a lump sum payment in the revenue requirements. To the extent the City extends the repayment of this amount over several years, it would provide a reduction in FY 2014 revenue requirements to ensure adequate operating margins.

JK Energy Consulting, LLC appreciates the opportunity to provide this analysis to you. If you have any questions, please contact me.

Sincerely yours,



John A. Krajewski, P.E.  
JK Energy Consulting, LLC

JAK/kam

Attachments

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY OF CRETE, NEBRASKA, PERTAINING TO MUNICIPAL ELECTRIC DEPARTMENT, ELECTRICAL RATES; PROVIDING FOR THE CODIFICATION AS PART OF SECTIONS 3-123 AND 3-124 OF ARTICLE 1 OF CHAPTER 3 AS IT NOW EXISTS AND PROVIDING FOR THE REPEAL OF ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH: AND PROVIDING FOR A TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CRETE, NEBRASKA:

Section 1. That Sections 123 and 124, Article 1, Chapter 3 of the City Code of the City of Crete, Nebraska is hereby amended and re-codified to read as shown on Attachment 1, effective as of January 1, 2014.

Section 2. That Sections 123 and 124, Article 1, Chapter 3 of the City Code of the City of Crete as now existing and all other ordinances and parts of ordinances in conflict herewith are hereby repealed as of January 1, 2014.

Section 3. That this ordinance shall take effect and be in full force and effect from and after its passage and approval and publication in pamphlet form as provided by law.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**ATTACHMENT 1**

**§3-123 Municipal Electric Department: Rates.** The following monthly rate schedules shall apply to all customers of the Municipal Electric Department, according to the applicable service classification:

**A. RESIDENTIAL SERVICE**

1. **RESIDENTIAL SERVICE R**

	<b><u>Effective January 1, 2014</u></b>
Customer Charge, per month	\$11.25
PLUS:	
<i><u>Summer</u></i>	
All kWh used, per month	\$0.0970/kWh
<i><u>Winter</u></i>	
First 650 kWh used, per month	\$0.0710/kWh
Balance used, per month	\$0.0600/kWh
Minimum Bill, per month	\$11.25
LOAD MANAGEMENT CREDIT (SUMMER ONLY):	
Per controlled kW or HP	\$2.50 per month

2. **RESIDENTIAL SERVICE, SPACE HEATING RH**

	<b><u>Effective January 1, 2014</u></b>
Customer Charge, per month	\$11.25
PLUS:	
<i><u>Summer</u></i>	
All kWh used, per month	\$0.0970/kWh
<i><u>Winter</u></i>	
First 650 kWh used, per month	\$0.0710/kWh
Balance used, per month	\$0.0600/kWh
Minimum Bill, per month	\$11.25
LOAD MANAGEMENT CREDIT (SUMMER ONLY)	
Per controlled kW or HP	\$2.50 per month

**B. GENERAL SERVICE**

1. GENERAL SERVICE G

	<u>Effective January 1, 2014</u>
Customer Charge, per month	
Single Phase Service	\$26.00
Three Phase Service	\$49.50
PLUS:	
<u>Summer</u>	
First 1,200 kWh used, per month	\$0.0940/kWh
Balance used, per month	\$0.0940/kWh
<u>Winter</u>	
First 1,200 kWh used, per month	\$0.0860/kWh
Balance used, per month	\$0.0665/kWh
 LOAD MANAGEMENT CREDIT (SUMMER ONLY)	
Per controlled kW or HP	\$2.50 per month

2. GENERAL SERVICE, SPACE HEATING GH

	<u>Effective January 1, 2014</u>
Customer Charge, per month	
Single Phase Service	\$26.00
Three Phase Service	\$49.50
PLUS:	
<u>Summer</u>	
First 1,200 kWh used, per month	\$0.0940/kWh
Balance used, per month	\$0.0940/kWh
<u>Winter</u>	
First 1,200 kWh used, per month	\$0.0860/kWh
Balance used, per month	\$0.0665/kWh
 LOAD MANAGEMENT CREDIT (SUMMER ONLY)	
Per controlled kW or HP	\$2.50 per month

3. GENERAL SERVICE, DEMAND GD

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$75.00
PLUS:	
<u>Summer</u>	
On-peak demand charge	\$24.25
Off-peak demand charge	\$6.93
Energy charge, all kWh used, per month	\$0.0365/kWh
<u>Winter</u>	
On-peak demand charge	\$14.25
Off-peak demand charge	\$14.25
Energy charge, all kWh used, per month	\$0.0355/kWh

Minimum Bill

The greater of:

- a) The customer charge; or
- b) The customer charge plus the demand charge associated with 65% of the maximum recorded billing demand for the previous summer (June-September) months; or
- c) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

**C. LARGE POWER SERVICE**

1. LARGE POWER SERVICE LPI

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$190.00
PLUS:	
<u>Summer</u>	
On-peak demand charge	\$22.50
Off-peak demand charge	\$6.80
Energy charge, all kWh used, per month	\$0.0305/kWh
<u>Winter</u>	
On-peak demand charge	\$13.80
Off-peak demand charge	\$0.00
Energy charge, all kWh used, per month	\$0.0285/kWh

Minimum Bill

The greater of:

- a) The demand charge plus the energy charge, and the customer charge; or
- b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

2. LARGE POWER SERVICE LP2

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$190.00
PLUS:	
<i>Summer</i>	
On-peak demand charge	\$22.50
Off-peak demand charge	\$5.50
Energy charge, all kWh used, per month	\$0.0305/kWh
<i>Winter</i>	
On-peak demand charge	\$12.65
Off-peak demand charge	\$0.00
Energy charge, all kWh used, per month	\$0.0285/kWh
Minimum Bill	
The greater of:	
a) The demand charge plus the energy charge, and the customer charge; or	
b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.	

**D. IRRIGATION SERVICE IP**

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$40.00
PLUS:	
Annual Fixed Charge	
On-peak HP charge	\$70.50
(connecting per season)	
Off-peak HP charge	\$22.81
(connecting per season)	
<i>Off-peak: Minimum 30 HP, restricted hours use</i>	
Energy charge, all kWh used	\$0.0580/kWh

Subject to application of fuel and energy adjustment as provided in Section 3-123.

Irrigation Season

    The period from June 1 through September 30

Off-Season Service

    The period from October 1 through May 31

    Energy charge, all kWh used      Billed at the General Service G rate

Minimum Seasonal Charge

    The greater of:

- 1) The HP charge; or
- 2) A charge of \$120.

Billing HP shall be the nameplate rating of the motor(s) connected to this service.

## E. LIGHTING

### 1. CITY STREET LIGHTING SL

	<b>Effective January 1, 2014</b>
Customer Charge, per month	\$5.75
PLUS:	
<u>Summer</u>	
Energy charge, all kWh used, per month (where applicable)	\$0.04306/kWh
<u>Winter</u>	
Energy charge, all kWh used, per month (where applicable)	\$0.04596/kWh
OR: Rental lighting charge, PL or ML, as applicable.	

### 2. RENTAL LIGHTING PL

	<b>Effective January 1, 2014</b>
Customer Charge, per month	
PL1 175 watt mercury vapor light	\$6.22/fixture
PL2 100/150 watt sodium vapor light	\$5.62/fixture
PL3 400 watt mercury vapor light	\$10.71/fixture
PL4 400 watt sodium vapor light	\$10.71/fixture
PL7 1000 watt mercury vapor light	\$17.75/fixture

### 3. RENTAL LIGHTING ML

	<b>Effective January 1, 2014</b>
Customer Charge, per month	
ML1 175 watt mercury vapor light	\$3.35/fixture
ML2 100/150 watt sodium vapor light	\$3.17/fixture
ML3 400 watt mercury vapor light	\$4.15/fixture
ML4 400 watt sodium vapor light	\$3.90/fixture
ML7 1000 watt mercury vapor light	\$5.71/fixture

**F. COGENERATION**

Owners of small power and energy production facilities must execute a small power and cogeneration agreement with the City.

1. COGENERATION G1

The producer shall pay a minimum monthly charge to the City for each measured interconnection.

Customer Charge, per month

240 Volts or Less

Single phase meter	\$11.25/meter
Three phase meter	\$22.50/meter

Over 240 Volts

Single phase meter	\$26.00/meter
Three phase meter	\$49.50/meter

For energy purchased by City

All kWh purchased by City, per month      \$0.0243/kWh

PLUS:

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer.

2. COGENERATION G2

For the purchase of power and/or energy by the City from small power and energy producers with production capability of more than 100 kW.

The producer shall pay a minimum monthly charge to the City for each measured interconnection.

Customer Charge, per month

240 Volts or Less

Single phase meter	\$26.00/meter
Three phase meter	\$49.50/meter

Over 240 Volts

Single phase meter	\$26.00/meter
Three phase meter	\$49.50/meter

For energy purchased by City

All kWh purchased by City, per month      \$0.0243/kWh

PLUS:

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer, based on the pooled energy adjustment assessed by the City's power supplier.

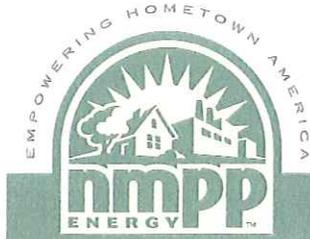
Time-of-Day Metering	
Single phase meter	\$26.00/meter
Three phase meter	\$49.50/meter

**G. PRODUCTION COST ADJUSTMENT**

The base production cost for the tariffs presently in effect is 59.00 mills/kWh (\$0.0590/kWh) including purchased power costs and transmission service.

*(Amended by Ord. No. 1629, 5/17/05) (Ord. No. 1722, 12/02/08)*

**§30-124 Municipal Electric Department: Rate Adjustment Availability.** The City reserves the right to increase the cost per kilowatt-hour (kWh) to compensate for any increase in fuel and energy costs per kWh or any production cost adjustment or pooled energy adjustment assessed by the City’s power supplier.



**NMPP • MEAN • NPGA • ACE**

NMPP Energy ■ 8377 Glynoaks Drive ■ Lincoln, NE 68516 ■ Phone: 402.474.4759 ■ Fax: 402.474.0473 ■ www.nmppenergy.org

September 10, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

RE: SPP/MEAN Settlement

Dear MEAN Representative:

RECEIVED

SEP 13 2013

CITY CLERK'S OFFICE

The Municipal Energy Agency of Nebraska (MEAN) is sending you this letter to familiarize you with a summary of your community's responsibilities under the "Regulatory, Independent Transmission System Operator and Transmission Adjustment" (RITA). Our records indicate you have a Service Schedule Power Contract with MEAN (Power Contract) and received the minutes of the January 10, 2013 MEAN Board of Directors meeting. Additionally, you received an email from Carol Brehm on January 18, 2013 with an attachment called "SPP Tariff Talking Points for MEAN Board". That attachment provided a detailed background of the SPP billing dispute.

As you are aware, SPP alleged MEAN improperly tagged network paths thereby violating SPP's FERC approved tariff. As a result of this allegation, MEAN and SPP entered into settlement negotiations. Based upon the uncertainty of litigation and the costs associated therewith, MEAN agreed to pay SPP, without admitting wrongdoing, a settlement totaling \$6,286,806.41. The Settlement was accepted by the Federal Energy Regulatory Commission (FERC) on August 8, 2013 and became final on September 8, 2013.

The related RITA was proposed, reviewed and adopted as a resolution at the January 10, 2013, MEAN Board of Directors and Management Committee meeting, and is attached. The MEAN Board of Directors and Management Committee voted at the January 10, 2013 meeting to allow communities to pay the RITA allocation as follows:

- (a) Each Service Schedule M Participant: in equal monthly installments over a five-year term beginning April, 2014,
- (b) Each other Participant: in equal monthly installments over a five-year term beginning April, 2014 or the remaining term of the Participant's current Power Contract, whichever is less,
- (c) MEAN will offer those Participants whose current Power Contract has a remaining term of less than five years the option to enter into a separate written agreement to spread the Participant's share of the RITA over a maximum of five years. This decision reflects MEAN's desire to give communities sufficient time to plan for payment of the RITA, and
- (d) Any Participant may elect to pay its Participant Share in one payment; a separate written agreement is enclosed for the Participant to indicate this option, if desired.

Therefore, your municipality has the option to pay in one lump sum due no later than April 14, 2014, or to extend the payment over a five (5) year period. In order to elect the lump sum payment option, or to extend the payment over a five (5) year period for those Participants with a Power Contract with a term of less than five (5) years, you must sign and return the enclosed Agreement to MEAN no later than October 30, 2013. **If you do not return this signed Agreement on or before October 30, 2013, you will be required to pay your RITA allocation in equal monthly payments over the lesser of the five (5) year term or the term of your municipality's Power Contract with MEAN.**

The RITA calculation was derived from the Participant's total system energy requirements during the measurement period, less (a) the amount of electric energy delivered to the Participant by the Western Area Power Administration during the Measurement Period, (b) electric energy used by the Participant during the Measurement Period that was not scheduled by MEAN (e.g., "behind the meter" generation) and (c) as to the City of Gillette, Wyoming, electric energy from its interest in Wygen 3 during the Measurement Period. This methodology is fair and equitable between members. The attached Schedule I includes the RITA allocation by community.

If you have questions regarding the specific terms of repayment, please contact Jamie Johnson, Director of Finance and Accounting, at 1-800-234-2595.

Sincerely,



Chris Dibbern  
General Counsel

Enclosures: Resolutions, Schedule I RITA Allocations, Agreement

**AGREEMENT REGARDING PAYMENT SCHEDULE FOR  
REGULATORY INDEPENDENT TRANSMISSION  
SYSTEM OPERATOR AND TRANSMISSION ADJUSTMENT**

This Agreement Regarding Payment Schedule for Regulatory Independent Transmission System Operator and Transmission Adjustment is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between the Municipal Energy Agency of Nebraska, a political subdivision of the State of Nebraska, hereinafter called "MEAN", and the City of Crete, Nebraska, hereinafter called "Municipality". The parties to this Agreement shall be referred to herein collectively as the "Parties".

**1. Recitals**

WHEREAS, MEAN and Municipality have entered into the Electrical Resources Pooling Agreement and a Service Schedule M, Total Power Requirements Power Purchase Agreement (collectively, the "Power Contract"); and

WHEREAS, pursuant to resolutions adopted by the MEAN Management Committee and Board of Directors at the meeting held on January 10, 2013 ("Resolutions"), MEAN will charge for the Municipality's allocated share of the Regulatory Independent Transmission System Operator and Transmission Adjustment (which share is referred to herein as the "RITA") as a line item on the monthly invoice received by Municipality under the Power Contract; and

WHEREAS, pursuant to the Resolutions, to avoid unnecessary hardship on MEAN's participants, MEAN will bill the RITA to participants in equal monthly installments over a five-year term beginning April 1, 2014, with the option for a participant to elect to pay the RITA in one payment, subject to execution of this Agreement; and

WHEREAS, MEAN and Municipality desire to memorialize the desired payment schedule for Municipality's RITA.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, MEAN and Municipality agree as follows:

**2. Term**

Municipality acknowledges the RITA is presently due and payable, and Municipality hereby agrees to the following alternate payment schedule for the RITA:

Total amount due to be paid in one lump sum payable no later than April 14, 2014. Municipality will be invoiced on March 14, 2014 unless such lump sum payment has been received prior to March 14, 2014.

Such amount due will be added to the Municipality's invoice(s) rendered under the Power Contract or any successor agreement for power supply between MEAN and the Municipality. In the event that during the term of this Agreement, a monthly invoice is not rendered under the Power Contract or successor agreement for any reason, MEAN shall bill the RITA on a separate invoice(s) using the payment schedule selected above.

This Agreement shall become effective upon execution and shall continue in effect, through and until the date of the final payment of the total RITA allocation for the Municipality. The term of this Agreement and the obligations hereunder shall not be affected by any change in the term of the Power Contract or successor agreement.

If any scheduled payment related to this Agreement is deemed delinquent during the term of this Agreement, the Agreement shall be considered to be in default, and the entire amount of the RITA and interest owed shall be due and payable immediately.

**3. Payment**

Invoice(s) shall be due and payable within thirty days from the date such invoice(s) are rendered (unless a shorter time period for payment of invoices is specified in the Municipality's Power Contract, in which case such shorter period shall apply during the term of the Power Contract), and payment shall be made when due and without deduction. Interest on any unpaid amount from the date due until the date upon which payment is made shall accrue at the rate of one percent per month or fraction thereof.

**4. General**

This Agreement does not and is not intended to confer any rights or remedies upon any person other than the Parties.

Neither Party shall have the right to assign this Agreement without the consent, in writing, of the other Party.

This Agreement shall be governed by the laws of the State of Nebraska.

This Agreement embodies all of the terms binding between the Parties hereto with regard to the subject matter hereof and replaces all provisions, representations or proposals not embodied herein.

Any waiver in regard to the performance of this Agreement shall operate only if in writing.

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the Parties.

[SIGNATURE PAGE FOLLOWING]

IN WITNESS WHEREOF, MEAN and Municipality have caused this Agreement Regarding Payment Schedule for Regulatory Independent Transmission System Operator and Transmission Adjustment to be executed.

MUNICIPAL ENERGY AGENCY OF NEBRASKA

CITY OF CRETE, NEBRASKA

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**A RESOLUTION OF THE MANAGEMENT COMMITTEE OF THE MUNICIPAL ENERGY AGENCY OF NEBRASKA APPROVING A COST ALLOCATION METHODOLOGY FOR THE SETTLEMENT AMOUNT PAYABLE TO THE SOUTHWEST POWER POOL, MAKING CERTAIN FINDINGS AND DETERMINATIONS, ENABLING PARTICIPANTS TO REPAY THEIR COST ALLOCATIONS OVER TIME AND RELATED MATTERS**

WHEREAS, the Board of Directors (the "*Board*") of MEAN has approved a proposed Settlement Agreement with the Southwest Power Pool, Inc. ("*SPP*"), which provides for the payment of a settlement amount by MEAN in respect of its allegedly improper use of network integration transmission service from SPP during the period from February 1, 2010 through January 31, 2012;

WHEREAS, such SPP network integration transmission service was used by MEAN in the operation of its integrated power supply system for the benefit of all of its participating municipal utilities (collectively, the "*Participants*") under the Electric Resources Pooling Agreement and Service Schedules J, K, K-1 and M thereto (collectively, the "*Pooling Agreement*") between MEAN and the Participants;

WHEREAS, it is necessary to establish a methodology for the allocation of such settlement amount (referred to herein as the "*regulatory independent transmission system operator and transmission adjustment*" or "*RITA*") among the Participants;

WHEREAS, the duties of the Management Committee established under the Pooling Agreement include establishing rates and charges for transactions under Service Schedules J, K and K-1 that are sufficient to reimburse MEAN for expenses incurred on behalf of the Participants pursuant to such Service Schedules;

WHEREAS, pursuant to Service Schedule M, the Total Power Requirements Power Purchase Agreement (the "*Service Schedule M Agreement*"), the Board is required to establish nondiscriminatory, fair and reasonable rates based primarily on cost of service, which rates shall be designed to be sufficient to pay all "Project Costs" (as defined in the Service Schedule M Agreement) which include (among other things) transmission costs incurred by MEAN in the performance of its obligations under the Service Schedule M Agreement;

WHEREAS, Service Schedule F to the Pooling Agreement (Wheeling Services and Losses), applicable to the Supplemental Agreement for Firm Power Interchange Service provides that Participants under Service Schedule J shall fully reimburse MEAN for any wheeling costs incurred in the delivery of power and energy;

WHEREAS, the Schedule of Rates and Charges attached to the Service Schedule M Agreement provides that transmission service charges and certain other amounts shall be passed through to Service Schedule M Participants; and

WHEREAS, it is necessary, desirable and in the best interest of MEAN and all of the Participants for the Board and the Management Committee to establish a methodology for allocating the RITA among all of the Participants that is nondiscriminatory, fair and reasonable consistent with the terms of the Pooling Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Management Committee of the Municipal Energy Agency of Nebraska as follows:

1. The Management Committee hereby finds, determines and declares that:
  - a. During the period from February 1, 2010 through January 31, 2012 (the "*Measurement Period*"), SPP network integration transmission service was used by MEAN in the operation of its integrated power supply system for the benefit of all of the Participants;
  - b. The RITA was incurred by MEAN in the performance of its responsibilities under the Pooling Agreement and constitutes a cost of transmission service incurred by MEAN that is properly charged to each of the Participants; and
  - c. The cost allocation methodology for the RITA set forth in this Resolution is based upon each Participant's "Net Energy Requirements" (as defined below) during the Measurement Period and bears a reasonable relationship to the utilization of SPP network integration transmission service to meet each Participant's energy requirements during the Measurement Period;
  - d. Accordingly, the cost allocation methodology for the RITA set forth in this Resolution is nondiscriminatory, fair and reasonable and is consistent with the terms of the Pooling Agreement and Service Schedules thereto.
2. The RITA is hereby allocated to each Participant based upon the ratio of its "Net Energy Requirements" to the sum of the "Net Energy Requirements" of all Participants. Each Participant's "Net Energy Requirements" shall mean the total system energy requirements of a Participant during the Measurement Period, less (a) the amount of electric energy delivered to the Participant by the Western Area Power Administration during the Measurement Period, (b) electric energy used by the Participant during the Measurement Period that was not scheduled by MEAN (*e.g.*, "behind the meter" generation) and (c) as to the City of Gillette, Wyoming, electric energy from its interest in Wygen 3 during the Measurement Period. SCHEDULE I attached hereto shows (i) each Participant's Net Energy Requirements, (ii) the sum of the Net Energy Requirements of all Participants and (iii) each Participant's resulting share of the RITA (the "*Participant Share*").
3. Each Participant is responsible for the payment of its Participant Share on and as of the date of this Resolution. To avoid unnecessary hardship on Participants, MEAN shall bill the Participant Shares (a) to each Service Schedule M Participant in equal monthly installments over a five-year term and (b) to each other Participant in equal monthly installments over a five-year term or the remaining term of the Participant's current

Service Schedule, whichever is less; *provided that* (y) MEAN shall offer those Participants whose current Service Schedules have a remaining term of less than five years the option to enter into a separate written agreement to spread the Participant Share over a maximum of five years, and (z) any Participant may, by written notice delivered to MEAN within 30 days of the date of this resolution, elect to pay its Participant Share in one payment.

4. Interest expense and other charges associated with any financing arrangements made by MEAN for the RITA shall be charged to the Participants in accordance with MEAN's established rates and charges.
5. If any section or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section or provision shall not affect any of the remaining provisions of this resolution.
6. This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Management Committee of the Municipal Energy Agency of Nebraska, this 9th day of January, 2013.

**SCHEDULE I**  
**MUNICIPAL ENERGY AGENCY OF NEBRASKA**  
**Regulatory ISO Transmission Adjustment (RITA)**  
**ESTIMATED Impact**

Feb 10 to Jan 12

	<u>Grand Total kWh</u>			<u>Option 1 -</u>	<u>Option 1 - \$/Year</u>	<u>Option 2 - \$/Month</u>	<u>Option 2 - \$/Year</u>
	<u>Less WAPA</u>	<u>% of Total</u>	<u>Total \$ Allocation</u>	<u>\$/Month Allocated</u>	<u>Allocated over 3</u>	<u>Allocated over 5</u>	<u>Allocated over 5</u>
				<u>over 3 years</u>	<u>years</u>	<u>years</u>	<u>years</u>
ALLIANCE	231,087,046	5.4%	\$ 339,747.23	\$ 9,437.42	\$ 113,249.08	\$ 5,662.45	\$ 67,949.45
ANSLEY	9,412,377	0.2%	\$ 13,838.20	\$ 384.39	\$ 4,612.73	\$ 230.64	\$ 2,767.64
ARNOLD	4,718,943	0.1%	\$ 6,937.85	\$ 192.72	\$ 2,312.62	\$ 115.63	\$ 1,387.57
ASPEN	89,913,851	2.1%	\$ 132,192.53	\$ 3,672.01	\$ 44,064.18	\$ 2,203.21	\$ 26,438.51
BASIN	24,640,842	0.6%	\$ 36,227.29	\$ 1,006.31	\$ 12,075.76	\$ 603.79	\$ 7,245.46
BAYARD	8,206,838	0.2%	\$ 12,065.80	\$ 335.16	\$ 4,021.93	\$ 201.10	\$ 2,413.16
BEAVER CITY	11,917,710	0.3%	\$ 17,521.57	\$ 486.71	\$ 5,840.52	\$ 292.03	\$ 3,504.31
BENKELMAN	21,810,967	0.5%	\$ 32,066.77	\$ 890.74	\$ 10,688.92	\$ 534.45	\$ 6,413.35
BLUE HILL	7,730,798	0.2%	\$ 11,365.92	\$ 315.72	\$ 3,788.64	\$ 189.43	\$ 2,273.18
BREDA	2,625,273	0.1%	\$ 3,859.71	\$ 107.21	\$ 1,286.57	\$ 64.33	\$ 771.94
BRIDGEPORT	25,356,411	0.6%	\$ 37,279.33	\$ 1,035.54	\$ 12,426.44	\$ 621.32	\$ 7,455.87
BROKEN BOW	152,124,663	3.6%	\$ 223,655.69	\$ 6,212.66	\$ 74,551.90	\$ 3,727.59	\$ 44,731.14
BUFFALO	12,177,788	0.3%	\$ 17,903.94	\$ 497.33	\$ 5,967.98	\$ 298.40	\$ 3,580.79
BURWELL	24,661,204	0.6%	\$ 36,257.23	\$ 1,007.15	\$ 12,085.74	\$ 604.29	\$ 7,251.45
CALLAWAY	9,276,363	0.2%	\$ 13,638.23	\$ 378.84	\$ 4,546.08	\$ 227.30	\$ 2,727.65
CARLISLE	42,041,079	1.0%	\$ 61,809.35	\$ 1,716.93	\$ 20,603.12	\$ 1,030.16	\$ 12,361.87
CHAPPELL	13,554,578	0.3%	\$ 19,928.12	\$ 553.56	\$ 6,642.71	\$ 332.14	\$ 3,985.62
CRETE	231,295,166	5.4%	\$ 340,053.21	\$ 9,445.92	\$ 113,351.07	\$ 5,667.55	\$ 68,010.64
CURTIS	28,030,347	0.7%	\$ 41,210.59	\$ 1,144.74	\$ 13,736.86	\$ 686.84	\$ 8,242.12
DELTA	107,798,700	2.5%	\$ 158,487.07	\$ 4,402.42	\$ 52,829.02	\$ 2,641.45	\$ 31,697.41
DENVER	26,945,156	0.6%	\$ 39,615.12	\$ 1,100.42	\$ 13,205.04	\$ 660.25	\$ 7,923.02
FAIRBURY	167,976,164	3.9%	\$ 246,960.78	\$ 6,860.02	\$ 82,320.26	\$ 4,116.01	\$ 49,392.16
FLEMING	3,763,728	0.1%	\$ 5,533.48	\$ 153.71	\$ 1,844.49	\$ 92.22	\$ 1,106.70
FONDA	5,046,361	0.1%	\$ 7,419.23	\$ 206.09	\$ 2,473.08	\$ 123.65	\$ 1,483.85
FORT MORGAN	356,836,670	8.3%	\$ 524,625.99	\$ 14,572.94	\$ 174,875.33	\$ 8,743.77	\$ 104,925.20
FOUNTAIN	416,851,488	9.7%	\$ 612,860.57	\$ 17,023.90	\$ 204,286.86	\$ 10,214.34	\$ 122,572.11
GERING	94,561,020	2.2%	\$ 139,024.86	\$ 3,861.80	\$ 46,341.62	\$ 2,317.08	\$ 27,804.97
GILLETTE	249,337,066	5.8%	\$ 366,578.65	\$ 10,182.74	\$ 122,192.88	\$ 6,109.64	\$ 73,315.73
GLENWOOD SPRINGS	247,857,515	5.8%	\$ 364,403.40	\$ 10,122.32	\$ 121,467.80	\$ 6,073.39	\$ 72,880.68
GRANT	32,017,702	0.7%	\$ 47,072.85	\$ 1,307.58	\$ 15,690.95	\$ 784.55	\$ 9,414.57
GUNNISON	90,197,712	2.1%	\$ 132,609.87	\$ 3,683.61	\$ 44,203.29	\$ 2,210.16	\$ 26,521.97
HAXTUN	10,932,967	0.3%	\$ 16,073.79	\$ 446.49	\$ 5,357.93	\$ 267.90	\$ 3,214.76
HOLYOKE	19,718,823	0.5%	\$ 28,990.87	\$ 805.30	\$ 9,663.62	\$ 483.18	\$ 5,798.17
IMPERIAL	49,483,628	1.2%	\$ 72,751.48	\$ 2,020.87	\$ 24,250.49	\$ 1,212.52	\$ 14,550.30
INDIANOLA M.U.	251,307,078	5.9%	\$ 369,474.99	\$ 10,263.19	\$ 123,158.33	\$ 6,157.92	\$ 73,895.00
JULESBURG	19,926,333	0.5%	\$ 29,295.96	\$ 813.78	\$ 9,765.32	\$ 488.27	\$ 5,859.19
KIMBALL	42,804,848	1.0%	\$ 62,932.25	\$ 1,748.12	\$ 20,977.42	\$ 1,048.87	\$ 12,586.45
LYMAN	7,972,171	0.2%	\$ 11,720.79	\$ 325.58	\$ 3,906.93	\$ 195.35	\$ 2,344.16
LYONS	25,752,301	0.6%	\$ 37,861.37	\$ 1,051.70	\$ 12,620.46	\$ 631.02	\$ 7,572.27
MITCHELL	17,345,454	0.4%	\$ 25,501.52	\$ 708.38	\$ 8,500.51	\$ 425.03	\$ 5,100.30
MORRILL	17,286,611	0.4%	\$ 25,415.00	\$ 705.97	\$ 8,471.67	\$ 423.58	\$ 5,083.00
OAK CREEK	12,051,955	0.3%	\$ 17,718.94	\$ 492.19	\$ 5,906.31	\$ 295.32	\$ 3,543.79
OXFORD	13,327,433	0.3%	\$ 19,594.17	\$ 544.28	\$ 6,531.39	\$ 326.57	\$ 3,918.83
PAXTON	11,059,390	0.3%	\$ 16,259.66	\$ 451.66	\$ 5,419.89	\$ 270.99	\$ 3,251.93
PENDER	25,117,924	0.6%	\$ 36,928.70	\$ 1,025.80	\$ 12,309.57	\$ 615.48	\$ 7,385.74
PIERCE	41,368,042	1.0%	\$ 60,819.84	\$ 1,689.44	\$ 20,273.28	\$ 1,013.66	\$ 12,163.97
PLAINVIEW	21,931,729	0.5%	\$ 32,244.32	\$ 895.68	\$ 10,748.11	\$ 537.41	\$ 6,448.86
RED CLOUD	20,456,327	0.5%	\$ 30,075.16	\$ 835.42	\$ 10,025.05	\$ 501.25	\$ 6,015.03
ROCKFORD	12,938,660	0.3%	\$ 19,022.59	\$ 528.41	\$ 6,340.86	\$ 317.04	\$ 3,804.52
SARGENT	10,439,485	0.2%	\$ 15,348.27	\$ 426.34	\$ 5,116.09	\$ 255.80	\$ 3,069.65
SERGEANT BLUFF	58,265,102	1.4%	\$ 85,662.12	\$ 2,379.50	\$ 28,554.04	\$ 1,427.70	\$ 17,132.42
SHICKLEY	7,650,701	0.2%	\$ 11,248.16	\$ 312.45	\$ 3,749.39	\$ 187.47	\$ 2,249.63
SIDNEY	154,249,967	3.6%	\$ 226,780.34	\$ 6,299.45	\$ 75,593.45	\$ 3,779.67	\$ 45,356.07
SPENCER	13,841,692	0.3%	\$ 20,350.24	\$ 565.28	\$ 6,783.41	\$ 339.17	\$ 4,070.05
STUART	12,277,932	0.3%	\$ 18,051.18	\$ 501.42	\$ 6,017.06	\$ 300.85	\$ 3,610.24
TORRINGTON	174,528,515	4.1%	\$ 256,594.13	\$ 7,127.61	\$ 85,531.38	\$ 4,276.57	\$ 51,318.83
WALL LAKE	3,686,593	0.1%	\$ 5,420.08	\$ 150.56	\$ 1,806.69	\$ 90.33	\$ 1,084.02
WAVERLY	295,671,864	6.9%	\$ 434,700.68	\$ 12,075.02	\$ 144,900.23	\$ 7,245.01	\$ 86,940.14
WEST POINT	101,310,509	2.4%	\$ 148,948.05	\$ 4,137.45	\$ 49,649.35	\$ 2,482.47	\$ 29,789.61
WISNER	10,229,292	0.2%	\$ 15,039.24	\$ 417.76	\$ 5,013.08	\$ 250.65	\$ 3,007.85
WOOD RIVER	25,266,190	0.6%	\$ 37,146.69	\$ 1,031.85	\$ 12,382.23	\$ 619.11	\$ 7,429.34
YUMA	38,147,773	0.9%	\$ 56,085.36	\$ 1,557.93	\$ 18,695.12	\$ 934.76	\$ 11,217.07
Total	4,276,118,815	100.0%	\$ 6,286,806.37	\$ 174,633.49	\$ 2,095,602.13	\$ 104,780.08	\$ 1,257,361.28
				x 36	x 3	x 60	x 5
Total			\$ 6,286,806.41	\$ 6,286,806.64	\$ 6,286,806.39	\$ 6,286,804.80	\$ 6,286,806.40
Penalty Assessed			\$ 6,286,806.41	\$ 6,286,806.41	\$ 6,286,806.41	\$ 6,286,806.41	\$ 6,286,806.41
Variance			\$ (0.04)	\$ (0.77)	\$ (0.02)	\$ (1.61)	\$ (0.01)

## STREET IMPROVEMENT DISTRICT 2013-1

### Street to be Improved

Construct 6-inch P.C. concrete paving and related work along 2<sup>nd</sup> Street from Ivy Avenue to Hawthorne Avenue.

### Limits of the District

Beginning at the NE corner of Lot 4, Block 239, Original City of Crete, Saline County, Nebraska; thence east to the NW corner of Lot 9, Block 241, said Original City of Crete; thence south to the SW corner of Lot 10, Block 246; thence west to the SE corner of Lot 3, Block 248; thence north to the point of beginning.

### Property to be Assessed

Original City of Crete

Block 240, Lots 4-9

Block 247, Lots 1-3, and Lots 9-12

## STREET IMPROVEMENT DISTRICT 2013-2

### Street to be Improved

Construct 6-inch P. C. concrete paving and related work along 9<sup>th</sup> Street from Redwood Avenue to Quince Avenue.

### Limits of the District

Beginning at the NW corner of Lot 9, Block 168, Original City of Crete, Saline County, Nebraska; thence east to the NE corner of Lot 4, Block 168; thence south to the SE corner of Lot 3, Block 1, First Addition, City of Crete; thence west to the SW corner of Lot 9, of said Block 1; thence north to the point of beginning.

### Property to be Assessed

Original City of Crete

Block 168, Lots 4-9

First Addition, City of Crete

Block 1, Lots 1-3, and Lots 7-9

## STREET IMPROVEMENT DISTRICT 2013-3

### Street to be Improved

Construct 6-inch P.C. concrete paving and related work along Norman Avenue from 6<sup>th</sup> Street to 7<sup>th</sup> Street

Limits of the District

Beginning at the SW corner of Lot 12, Block 191, Original City of Crete, Saline County, Nebraska; thence east to the SE corner of Lot 13, Block 192, said Original City of Crete; thence south to the NE corner of Lot 12, Block 217; thence west to the NW corner of Lot 1, Block 216; thence north to the point of beginning.

Property to be Assessed

Original City of Crete

Block 209, Lots 7-12

Block 210, Lots 1-6

STREET IMPROVEMENT DISTRICT 2013-4

Street to be Improved

Construct 6-inch P.C. concrete paving and related work along 8<sup>th</sup> Street from Norman Avenue to Main Avenue.

Limits of the District

Beginning at the NE corner of Lot 7, Block 186, Original City of Crete, Saline County, Nebraska; thence east to the NW corner of lot 18, Block 184, Original City of Crete; thence south to the SW corner of lot 19, Block 193; thence west to the SE corner of lot 6, Block 191; thence north to the point of beginning.

Property to be Assessed

Original City of Crete

Block 185, Lots 7-12, and Lots 13-18

Block 192, Lots 1-6, and Lots 19-24

STREET IMPROVEMENT DISTRICT 2013-5

Street to be Improved

Construct 6-inch P.C. concrete paving and related work along Pine Avenue from 8<sup>th</sup> Street to 9<sup>th</sup> Street.

Limits of the District

Beginning at the SW corner of Lot 6, Block 21, Original City of Crete, Saline County, Nebraska; thence east to the SE corner of Lot 12, Block 22, Original City of Crete; thence south to the NE corner of Lot 18, Block 190; thence west 312 feet along the south right of way line of 8<sup>th</sup> Street; thence north to the point of beginning.

Property to be Assessed

Original City of Crete

Block 187, Lots 13-18

Block 188, Lots 1-6

STREET IMPROVEMENT DISTRICT 2013-6

Street to be Improved

Construct 6-inch P.C. concrete paving and related work along 19<sup>th</sup> Street from Forest Avenue to Boswell Avenue.

Limits of the District

Beginning at the NW corner of Lot 13, Block 78, Original City of Crete, Saline County, Nebraska; thence east to the NE corner of Lot 8, of said Block 78; thence south to the SE corner of Lot 3, Block 79; thence west to the SW corner of Lot 10, Block 79; thence north to the point of beginning.

Property to be Assessed

Original City of Crete

Block 78, Lots 9-12

Block 79, Lots 1-3, and Lots 10-12