

RESOLUTION APPROVING AMENDMENT

NO. 2 TO THE WHOLESALE POWER CONTRACT


WHEREAS, the City of Friend (City) and Nebraska Public Power District (NPPD) entered into a Wholesale Power Contract (Contract) effective January 1, 1990, and

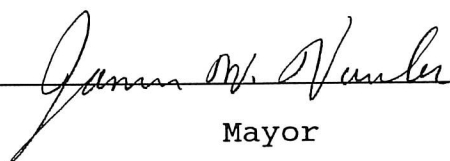
WHEREAS, the City and NPPD desire to amend said Contract to include the January 1, 1993, Exhibit A Wholesale General Terms & Conditions which provides for modification of Paragraph 17 "Multiple Delivery Points" to include Coincidental Billing.

NOW, THEREFORE, BE IT RESOLVED that Amendment No. 2 to the Contract is approved, the Mayor is authorized to execute it, and the City Clerk to attest it on behalf of the City.

ATTEST:

CITY OF FRIEND, NEBRASKA

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

BY   
\_\_\_\_\_  
Mayor

CLERK'S CERTIFICATE

STATE OF NEBRASKA )  
 )  
COUNTY OF SALINE ) ss.  
 )  
CITY OF FRIEND )

I, Phyllis Svehla, City Clerk of the City of Friend, Saline County, Nebraska do hereby certify:

1. That the foregoing resolution was passed by the Mayor and City Council of the said City pursuant to the rules and regulations of the said municipal body and according to general law for the passage of such resolutions and was duly approved by the Mayor and City Council of the said Municipality of the date of the passage of the same hereinbefore set forth.

2. That the foregoing transcript is a true and correct copy of the minutes of the meeting of the said City Councilmen, which it purports to be according to the records of my office, and insofar as they relate to the passage of the said resolution providing for an Amendment No. 2 to the Wholesale Power Contract.

3. That I have in my official custody the "Minute Record" and the files of said City which contain all of the proceedings of the said Mayor and City Council and that I have carefully compared the foregoing transcript and resolution and that each of them is a correct copy of the matter which they purport to represent as shown by the records of my office.

4. That the foregoing records of my office contain no prior or later proceedings relating to the passage of the said resolution providing for the Amendment No. 2 to the Wholesale Power Contract, and that all of such proceedings are part of the foregoing transcript.

5. That the Mayor and City Clerk of the Municipality executed the foregoing Amendment No. 2 to the Wholesale Power Contract which is one of duplicate originals, and their signatures are true and genuine.

6. That Nebraska Public Power District caused the said Amendment No. 2 to the Wholesale Power Contract to be regularly executed by its officials and one of the original copies thereof deposited with me within sixty (60) days after the date of the passage of the said resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said City this 2nd day of February, 1993.

Phyllis Svehla  
City Clerk

(SEAL)

AMENDMENT NO. 2 TO THE  
WHOLESALE POWER CONTRACT  
between  
NEBRASKA PUBLIC POWER DISTRICT  
and  
CITY OF FRIEND, NEBRASKA

This Amendment No. 2 is made and entered into effective the 1st day of January, 1993, by and between NEBRASKA PUBLIC POWER DISTRICT, a public corporation and political subdivision of the State of Nebraska, hereinafter called "NPPD," and the CITY OF FRIEND, NEBRASKA, a municipal corporation of the State of Nebraska, hereinafter called "Customer."

NPPD and the Customer agree that the Wholesale Power Contract, as amended, (Contract) as amended, between them which became effective January 1, 1990, be hereby further amended as follows:

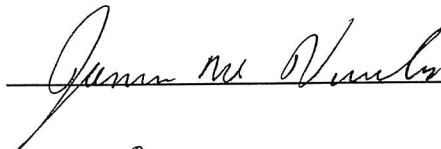
1. The General Terms and Conditions (Exhibit "A") dated November 24, 1987, are hereby deleted in their entirety, and the Wholesale General Terms and Conditions (Exhibit "A") dated January 1, 1993, which are attached hereto and incorporated herein by this reference, are substituted therefor.
  
2. Except as amended herein, all terms and conditions of the original Contract which became effective January 1, 1990, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed in duplicate by their duly authorized officers or representatives and their corporate seals to be hereunto affixed as of the dates indicated below.

CITY OF FRIEND, NEBRASKA

ATTEST:

  
(SEAL)

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

Date: 2. 2. 93 \_\_\_\_\_

NEBRASKA PUBLIC POWER DISTRICT

ATTEST:

*R. Bailey*  
(SEAL)

By: *William A. Merrill*

Date: MAR 09 1993

## NEBRASKA PUBLIC POWER DISTRICT

## WHOLESALE GENERAL TERMS &amp; CONDITIONS

A. **DEFINITIONS** - The following terms shall have the meanings hereinafter set forth unless the context shall clearly indicate otherwise, to-wit:

1. **"Customer"** - any person, firm, association, or corporation, public or private, which purchases or is eligible to purchase electric power and energy from, or which wheels or is eligible to wheel electric power and energy over the interconnected transmission system of Nebraska Public Power District.
2. **"NPPD"** - Nebraska Public Power District.
3. **"Firm Demand"** - power expressed in kilowatts (kW) which NPPD assures as being available to a Customer to meet its load requirements as provided by contract.
4. **"Firm Energy"** - the electric energy expressed in kilowatt-hours (kWh) which is associated with Firm Power.
5. **"Billing Period"** - the period between two successive meter readings taken for the purpose of billing, which readings shall be taken, as nearly as practicable, on the same day of each month. Billing shall be rendered on a monthly basis.
6. **"Point of Measurement"** - the point where power and energy are metered for the purpose of billing, as shall be described in all power contracts entered into by NPPD for the sale of power and energy.
7. **"Demand"** - the number of kilowatts which is equal to the number of kilowatt-hours delivered at any point during any clock hour.
8. **"Measured Demand"** - the maximum Demand at which any class of power is delivered to the Customer at a point during a Billing Period. In determining the Measured Demand, NPPD may exclude any abnormal Demand such as that due to or resulting from emergencies, breakdowns, scheduled maintenance, or delivery of economy energy. If the contractual arrangements provide for the delivery of more than one class of power to the Customer at any Point of Delivery, the portion of maximum Demand assignable to each class of power will be determined according to the provisions of the contract or contracts involved. If the flow of electric energy to Customer at any Point of Delivery cannot be adequately controlled, the Customer's Measured Demand for each class of power at such Point of Delivery for any period shall be determined as provided in the contract between NPPD and such Customer.
9. **"Contract Demand"** - the number of kilowatts that NPPD agrees to have available for delivery to a Customer under the conditions stated in a contract.
10. **"Billing Demand"** - the Demand upon which the billing is based as specified in a rate schedule.
11. **"Bureau"** - the Western Area Power Administration, which assumed power marketing and transmission functions of the United States Bureau of Reclamation.

20. **"Rate Period"** - the term or period of time a rate schedule is in effect between rate reviews and adjustments as stated in the rate schedule or contract.
21. **"Requirements Customer"** - a Customer that is purchasing all its load requirements, including load growth, from NPPD for all or a portion of the contract term.
22. **"Firm Power Requirements"** - the maximum clock hour integrated system demand of the Customer (in terms of net generating station output from the Customer's generating facilities plus power purchased from NPPD) occurring during the current Billing Period, or the eleven preceding months.
23. **"Subtransmission"** - all transmission lines and substation facilities rated at 69 kV and below.

B. **BILLING** - All bills for power and energy delivered to the Customer will be rendered as soon as reasonably practical after the end of the Billing Period covered by any such bill. All bills for power and energy and accrued interest shall be due and payable at the General Office of NPPD within fifteen (15) calendar days from the date such bills are rendered, and payment shall be made when due and without offset; provided, however, if such due date of any bill falls on a Saturday, Sunday or holiday celebrated by either party, the following business day shall then become the due date. All bills shall be deemed rendered on the postmark date if deposited in first class mail, properly addressed, with postage prepaid. Failure to receive a bill mailed to the Customer shall not relieve the Customer from liability for payment. If other means of bill delivery to the Customer is used, such bill shall be deemed rendered upon receipt by the Customer. All bills shall be deemed paid on the postmarked date if deposited in first class mail, properly addressed, with postage prepaid. If other means of bill payment to NPPD is used, such bill shall be deemed paid upon receipt of payment by NPPD. In the event the Customer fails to make payment in full of each bill when due and payable, the Customer shall pay to NPPD interest on the amount due. Such interest shall accrue on any amount due from the date payment was due until the date upon which payment of the unpaid balance of the billing is made in full. Such interest shall accrue at an annual interest rate which is one percent (1%) less than the lowest United States prime rate published on the due date (or the last previous publication day if not published on that date) in the money rates section of the Wall Street Journal. Such interest calculation shall be on the basis of actual days and a three hundred sixty-five (365) day calendar year. In the event of a billing for a fraction of a Billing Period, NPPD shall make a proportionate adjustment of the charges for such Billing Period. NPPD may at any time after a bill is past due and after giving fifteen (15) days advance notice in writing, discontinue service until all past due bills, with interest thereon, if any, are paid. Discontinuance of service, as herein provided, shall not relieve the Customer of liability for the payment of all service actually rendered.

All bills shall show the amounts of power and energy delivered by NPPD to the Customer at all Points of Delivery, as applicable, during the preceding Billing Period, and shall clearly set forth the computations and other factors essential to the calculation of the amount due in accordance with the applicable rates and charges.

C. **METERING** - NPPD shall furnish, install and maintain at Points of Measurement, or cause to be furnished, installed and maintained, the necessary meters for determining the amounts of demand and energy supplied to the Customers.

Meters shall register the kilowatt-hours, integrated kilowatt demands on the basis of clock hours, and other data necessary for computing bills in accordance with applicable rates.

supply of electric power and energy. If NPPD shall be prevented from delivering the electric power and energy herein contracted for, because of injuries to, or breakdown of, its generating, transmission, or distribution facilities or other equipment, or for necessary repairs thereto, or because of acts of God, or the public enemy, strikes, labor troubles, fire, riot, flood, lightning, storm, civil disturbances, war, or the consequences thereof, action of public authorities, litigation, or any other act or thing which is beyond its reasonable control, such interruptions shall not constitute a breach of the Wholesale Power Contract, nor shall a cause of action for damages against NPPD accrue to the said Customer, or any of its inhabitants, and the Customer shall save NPPD harmless from any and all such claims, provided that NPPD shall proceed with diligence to restore service as soon as practicable after receiving notice of interruption or failure.

- I. **VOLTAGE REGULATION** - NPPD shall maintain voltages at all Points of Delivery within the range of good operating practice but shall not in any event be obligated to install equipment for regulating purposes at any Point of Delivery where the transformation facility is not furnished by NPPD.
- J. **ELECTRICAL DISTURBANCES** - Power shall be used by Customer in such a manner as will not cause objectionable voltage fluctuations or other electric disturbances on the interconnected transmission system of NPPD. NPPD may require the Customer, at its own expense, to install equipment which will reasonably limit fluctuations and disturbances determined by NPPD to be objectionable. Customer shall notify NPPD immediately of any defect, trouble or accident which may, in any way, affect the delivery of power by NPPD to Customer.
- K. **BALANCING OF LOADS** - Customer shall, at all times, take and use power in such manner that the load of Customer at its own system inlet will not be unbalanced between phases more than ten percent (10%). If the load is unbalanced more than ten percent (10%), NPPD reserves the right to require Customer, at Customer's expense, to make the necessary changes to correct such conditions; or NPPD may, in its determination of Measured Demand, assume that the load on each phase is equal to the greater load on any phase.
- L. **REPORTS** - Customer will furnish NPPD such information as is necessary for making any computation required for the purpose of any contract in which these General Terms and Conditions are incorporated and the parties to such contract will cooperate in exchanging such additional information as may be reasonably necessary for their respective operations.
- M. **LOSS ADJUSTMENT** - All adjustments for losses as may be required shall be made by using factors to be agreed upon by representatives designated by the parties to any contract in which these General Terms and Conditions are incorporated.
- N. **RATE REVIEW AND ADJUSTMENT** - The provisions of the Wholesale Power Rate Schedule attached to the Wholesale Power Contract in which these General Terms and Conditions are incorporated may be modified or adjusted by the following procedure:
  - 1. Division of Property, Records and Accounting. NPPD shall make an appropriate segregation of its property records and accounting procedures for purposes of establishing and fixing rates and charges for the services rendered hereunder. NPPD will keep, or cause to be kept, proper books of account in accordance with the laws of the State of Nebraska or, in the event the laws of the State of Nebraska should fail to provide a method of keeping such books, in substantial accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (or a uniform system of accounts prescribed by some other Federal authority having jurisdiction over public utilities owning properties and engaged in business similar to

Wholesale Power Service (including appropriate credits for equivalent revenue for wholesale power supply to NPPD's retail service operations) and the total operating expense associated with total Wholesale Power Service operations. Depreciation expense, amortization expense and interest expense on indebtedness are not to be included in the determination of the Wholesale Power Service expense. Interest income on bond reserves to the extent available for operation or construction purposes and on the General Reserve Fund shall be included as a nonoperating revenue.

3. Debt Service Requirements. The Debt Service Requirements of NPPD's Wholesale Power Service operations for any calendar year shall be the sum of the following:
  - a. The principal, interest and any other amounts payable with respect to loans, notes, and bonds which are due and payable and which are attributable to NPPD's property used for Wholesale Power Service;
  - b. All amounts, including rentals, but excluding amounts paid for operations and maintenance due and payable on generation and transmission property under any lease-purchase or lease-sale agreement whereby NPPD may acquire title to the property and is used for Wholesale Power Service;
  - c. The amounts paid by NPPD in respect to interest cost adjustments associated with REA financing of facilities.
  
4. Estimated Net Revenue Requirements. The Estimated Net Revenue Requirements for Wholesale Power Service for any calendar year with respect to the determination of the rate adjustment provided for in Section N (5) hereof shall be:
  - a. The Debt Service Requirements as provided in Section N (3) hereof; plus
  - b. The amount to be determined by NPPD as the reasonable amount of Net Revenues to be used to finance construction of generation and transmission property. In the determination of the reasonable amount to be earned by NPPD and used from Net Revenues for the purpose of financing construction of generation and transmission property, NPPD shall develop and maintain five-year capital improvement budgets and determine a reasonable amount of such improvements to be financed from Net Revenues. In no event shall NPPD design rates in which the funds from the Net Revenues in any year for construction of improvements to generation and transmission properties exceed three percent (3.0%) of the then original cost of utility plant in service classified as generation and transmission property used for Wholesale Power Service which excludes the value of utility plant of the Cooper Nuclear Station. The requirements for Net Revenues under this Subsection (b) shall normally be in the range of 1.5% to 2.5%. The maximum of 3.0% is being reserved for unusual contingencies encountered by NPPD for additional Net Revenues. The range of 1.5% to 2.5% above shall not in any way be construed to establish limits.
  
5. Rate Review. NPPD shall design wholesale rate schedules applicable to Wholesale Power Service to provide rates which shall be sufficient, but only sufficient, to collect the operating expenses and Estimated Net Revenue Requirements associated with Wholesale Power Service and these rates shall be fair, reasonable and nondiscriminatory.

Rates shown on the Wholesale Power Rate Schedule attached hereto are effective as shown therein and shall remain in effect until revised pursuant to the terms and