PROJECT APPROVAL DOCUMENT APPROVAL OF ACTIVITIES OR PROJECTS EXCEEDING \$20,000

Order # 4796667 – Purchase T2 Transformer for Lexington Adams Sub

- I. Scope of Project: Procure a 34.5/13.8kV 25 MVA Power Transformer for Lexington's Adams Substation at the T2 position.
 - Procure a 34.5/13.8kV 25 MVA Power Transformer per NPPD Contract 11-003, scheduled to be awarded at the NPPD January 2011 Board Meeting.
 - Receipt of transformer and oil and includes acceptance testing and commissioning as required.
- II. Project Justification: Purchasing and installing a new transformer at Adams T2 will provide the required capacity to serve the load converted to 13.8kV in that area and provide some backup capacity to the east Walnut City feeders and IBP Sub City Feeders, as identified by the Lexington Distribution Plan.
- III. Project Schedule: The transformer contract will be approved by NPPD Board of Directors on January 14, 2011. Contract specifies delivery in April 2012. This transformer purchase will be a line item in the City of Lexington's 2011/2012 O&M Agreement Capital Budget.
- III. Estimated Project Costs:

\$680,500

- Based on bids received.
- Includes escalation for oil, steel and copper, sales tax, acceptance testing, assembly and commissioning.
- Cost estimate DOES NOT include other substation work, or work on any ancillary equipment
- Estimated accuracy is +25%/-10%.
- V. Approval/Disapproval

The undersigned representative(s) of the City of Lexington and Nebraska Public Power District APPROVE / DISAPPROVE (circle one) the above-described project expenditures.

City of Lexington	Nebraska Public Power District
(Name)	(Name)
(Title)	(Title)
Date:	Date:

VI. Upon the approval of the above described project by both parties, this project will be performed in accordance with the terms and provisions of the Electric System Operation Agreement executed by Nebraska Public Power District and City of Lexington.

Original: Lori Richter, York Operations Center Cc: Judy Zimmerer, Norfolk Operations Center