

2016 WHOLESALE POWER CONTRACT (OPTION A)

between
Nebraska Public Power District
and
City of Lexington, Nebraska

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2016 WHOLESALE POWER CONTRACT (OPTION A)

THIS 2016 WHOLESALE POWER CONTRACT (Contract) is made and entered into effective the 1st day of January, 2016, by and between Nebraska Public Power District (NPPD), a public corporation and political subdivision of the State of Nebraska, and the City of Lexington, a municipal corporation and political subdivision of the State of Nebraska (Customer), each sometimes hereinafter referred to singularly as "Party" and collectively as "Parties."

RECITALS

WHEREAS, NPPD owns and operates electric generating facilities together with a transmission system and is engaged in the generation, purchase, transmission and sale of electric power and energy, and

WHEREAS, Customer operates an electric distribution system(s) and is engaged in the purchase, distribution and sale of electric power and energy, and desires to purchase its electric power and energy requirements on a wholesale basis from NPPD, and

WHEREAS, the Parties recognize that the wholesale power contract is a vital part of their long-term relationship and joint strategy, and

WHEREAS, the Parties have identified the need to have flexibility in the wholesale power contract in order to provide a variety of energy products.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, it is mutually agreed as follows:

ARTICLE 1 GENERAL PROVISIONS

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

1. **Billing Exhibit(s)** - Exhibit(s) shall be provided for wholesale power service to the Customer showing characteristics of service, Point(s) of Delivery, Point(s) of Measurement, delivery voltage, metering, loss factors, and special conditions (if any) applicable to the service provided. Exhibit(s) showing the foregoing matters shall be collectively numbered "B-1", "B-2", "B-3", and upwards consecutively. Exhibits may be added, deleted, or revised from time to time by mutual agreement of the Parties hereto and, when properly executed by the duly authorized officers or agents of the Parties, shall become a part of this Contract.

2. **Calendar Year** - A period of twelve (12) consecutive months commencing on January 1 of said year and extending through December 31 of said year.
3. **Cost-Based Rate** – Rates which, when applied to the forecasted billing units for the General Firm Power Service and Special Power Products, are intended to meet the respective estimated revenue requirements for the study period defined in Article 2, Section E. Specific rate designs may utilize methods other than average embedded costs.
4. **Customer** - Any municipality, public power district (including the NPPD Retail Division) or cooperative that purchases General Firm Power Service and Special Power Products from Nebraska Public Power District at wholesale for resale under this Contract.
5. **Demand** - The number of kilowatts delivered at any point during any specified period of time, as set forth in the applicable wholesale rate schedules, as may be modified from time to time.
6. **Distributed Generation** – A generator or electrical power device designed to produce electrical energy on the End-Use Customer's side of the meter, as allowed under and subject to the provisions of the General Firm Power Service Rate Schedule, and which shall be used for such things as load serving, voltage control and distribution augmentation.
7. **Distributor** - An entity that purchases demand and energy on a wholesale basis for purposes of resale to the end-use loads it serves and that does not contract directly with NPPD for its purchase of demand and energy as a Customer under this Contract nor as a purchaser under a separate other wholesale power contract with NPPD. For purposes of this Contract, members of the Nebraska Electric Generation and Transmission Cooperative, Inc., shall not be deemed to be Distributors.
8. **End-Use Customer** - A customer served at retail by Customer, and whose demand and energy requirements are supplied by the Customer.
9. **Energy** – The number of kilowatthours delivered at any point during any specified period of time, as set forth in the applicable wholesale rate schedules, as may be modified from time to time.
10. **General Firm Power Service** – An NPPD general production pricing product (excluding transmission) purchased by the Customer under a Cost-Based Rate to meet the firm Demand and Energy requirements of its End-Use Customers, including firm Demand and Energy requirements wholesale customers, and exclusive of (i) Special Power Products, (ii) demand and energy purchased from third parties, as allowed under this Contract, (iii) demand and energy purchased by the Customer from Western Area Power Administration (Western) pursuant to Article 2, Section B, and (iv) any Demand and Energy requirements served by Distributed Generation pursuant to Article 2, Section D.

11. **General Firm Power Service Rate Schedule** – The NPPD wholesale rate schedule specifying the rates, terms, conditions, and other provisions of service for Customers.
12. **Loss Adjustment** – It is understood that there are power and energy losses that occur in the transmission and transformation of energy in kilowatthours (kWh) and demand in kilowatts (kW) from the point on the transmission system where rates are based (as specified in the wholesale rate schedules applicable to this Contract) to the Point(s) of Measurement. The losses between those points shall be calculated in a manner agreed upon between NPPD and the Customer. All loss factors shall be shown on the appropriate Billing Exhibit, and may be revised from time to time with changes in load and facility characteristics.
13. **Point(s) of Delivery** - The point(s) of interconnection of the transmission or subtransmission system with Customer's system, where Demand and Energy are delivered to the Customer, as identified on the appropriate Billing Exhibit. For Customers who have exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A, the Point of Delivery shall be the inlet to the transmission system.
14. **Point(s) of Interconnection** – The point(s) at which the electric systems of the Parties are connected, as identified on the appropriate Billing Exhibits.
15. **Point(s) of Measurement** - The point(s) where Demand and Energy are metered for the purpose of billing, as set forth on the appropriate Billing Exhibits.
16. **Public Power Entity** – A non-profit organization engaged in the business of purchasing, generating, transmitting and/or distributing electric power and energy.
17. **Qualifying Local Generation** - A generator (or group of generators) directly interconnected to the Customer's subtransmission or distribution facilities and/or interconnected behind the meter used by NPPD for determining the Customer's wholesale power bill that is not classified by NPPD as Distributed Generation. Such generators must utilize as their energy source either methane, wind, solar, biomass, hydropower, or geothermal resources, or must satisfy the criteria for qualifying status for small power production facilities as set forth in FERC's regulations (CFR 18 CFR Part 292, as amended) and have either followed the FERC's self-certification process or have applied for and received FERC certification as a qualifying facility. The aggregate nameplate rating of all such generators shall be used in determining the applicable requirements and provisions included in this Contract.
18. **Rate Stabilization Account or Accounts** – Financial record-keeping account or accounts established by NPPD against which surplus or deficit net revenues resulting from General Firm Power Service and Special Power Products are credited to or charged, respectively, each Calendar Year. Such amounts in the Rate

Stabilization Account or Accounts will be applied as adjustments to revenue requirements in future years pursuant to Article 2, Section E.

19. **Special Power Products** - Optional production pricing products tailored and designed to meet the specific needs and requirements of specific End-Use Customer groups.
20. **Transmission Rate Schedule** – An NPPD-approved schedule of rates, charges, terms and conditions for transmission and ancillary services. This schedule shall apply to all Customers who have not exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A. The rates and charges included in this schedule shall be set to recover the transmission and ancillary service costs that NPPD incurs from its own system and/or the system of its transmission service provider, as well as NPPD’s related administrative costs. The Transmission Rate Schedule is separate and distinct from NPPD’s transmission service provider’s tariff.
21. **Western** - The Western Area Power Administration, which assumed power marketing and transmission functions of the United States Bureau of Reclamation.
22. **Western UGPR Contract** - The contract between the United States of America (acting through Western Upper Great Plains Region, Department of Energy) and NPPD, executed July 30, 1998, the terms and conditions of which became effective on January 1, 2001, as amended or supplemented, or as it may be renewed, extended or replaced, for the sale of Pick-Sloan Missouri Basin-Eastern Division project power by Western to NPPD and other Preference Eligible Entities (as defined in said Western UGPR Contract) in Nebraska, and other related matters. Defined terms in the Western UGPR Contract, as also used in this Contract regarding the Western UGPR Contract, shall have the same meaning as set forth in the Western UGPR Contract.

Section B, Term of Contract and Eligibility. This Contract shall become effective on January 1, 2016, and shall have a term of twenty (20) years, and shall continue in force thereafter from year to year unless terminated on an anniversary thereof by at least five (5) years’ prior written notice given by either Party to the other, which notice may be given at any time on and after the fifteenth (15th) year of the term of this Contract.

In the event NPPD terminates this Contract pursuant to the provisions of this Section B, such termination shall be applicable to all Customers who receive service from NPPD under this Contract, and all such Customers shall be entitled to continue to purchase from NPPD monthly quantities of Demand and Energy under as favorable a Cost-Based Rate and contract terms and conditions as NPPD may provide at that time for any other customer under similar conditions of service; provided:

- (i) A Customer that is purchasing its total monthly Demand and Energy requirements, exclusive of demand and energy purchased by the Customer from Western pursuant to Article 2, Section B, and any Demand and Energy

requirements served by Distributed Generation pursuant to Article 2, Section D, on the effective date of this Contract's termination shall be entitled to continue to purchase its total monthly Demand and Energy requirements from NPPD.

(ii) A Customer that is purchasing a reduced amount of its Demand and Energy requirements, pursuant to Article 2, Section A, on the effective date of this Contract's termination shall be entitled to continue to purchase monthly Demand and Energy quantities in amounts equal to the level of the Customer's monthly Demand and Energy obligations from NPPD in each such month during the twelve (12) month period immediately preceding the effective date of this Contract's termination.

If Customer exercises its right to terminate this Contract pursuant to the provisions of this Section B, NPPD is not obligated to offer nor is Customer entitled to purchase Demand and Energy from NPPD under a Cost-Based Rate upon termination of this Contract.

Except as otherwise provided in this Section B, NPPD shall have the right to offer this Contract to any potential Customer who has not signed this Contract by the effective date of this Contract; provided, such offer is approved by a three-fourths (3/4) majority of the members of the Power Resource Advisory Board. However, NPPD's future power resource planning shall be based primarily on the loads of those Customers who sign this Contract and NPPD's Option B wholesale power contract and those customers under existing wholesale power contracts which existed as of the effective date of this Contract, for the remainder of the terms of those contracts. No Customer shall have the right pursuant to this Contract, unless approved by NPPD and a three-fourths (3/4) majority of the members of the Power Resource Advisory Board, to sell power to any wholesale customer of NPPD existing on the effective date of this Contract, who has not otherwise signed this Contract as of such date.

In the event a Distributor is purchasing, on or before the effective date of this Contract, from a Customer, on a wholesale basis, its total monthly demand and energy requirements, exclusive of demand and energy purchased by the Distributor from Western, and such Distributor's contract with Customer expires or is terminated during the term of this Contract, then (i) if such Distributor desires to renew or continue its service with Customer under a new contract, such renewal or continuance shall not be subject to approval of the Power Resource Advisory Board, or (ii) if such Distributor does not desire to renew or continue its service with Customer under a new contract, NPPD shall have the right, subject to the limitations of any then existing Wholesale Service Area Agreement(s) between the Parties, to offer this Contract or NPPD's Option B wholesale power contract to such Distributor, and such offer shall not be subject to approval of the Power Resource Advisory Board.

In the event a Distributor is not purchasing, on or before the effective date of this Contract, from NPPD, on a wholesale basis, its total monthly demand and energy requirements, exclusive of demand and energy purchased by the Distributor from Western, and such Distributor desires to purchase such requirements, subsequent to the effective date of this Contract, from a Customer, such purchase shall require

approval by a three-fourths (3/4) majority of the members of the Power Resource Advisory Board; provided, however, once such approval has been given, if the Distributor's contract with the Customer expires or is terminated during the term of this Contract, then (i) if such Distributor desires to renew or continue its service with Customer under a new contract, such renewal or continuance shall not be subject to approval of the Power Resource Advisory Board, or (ii) if such Distributor does not desire to renew or continue its service with Customer under a new contract, NPPD shall have the right, subject to the limitations of any then existing Wholesale Service Area Agreement(s) between the Parties, to offer this Contract or NPPD's Option B wholesale power contract to such Distributor, and such offer shall not be subject to approval of the Power Resource Advisory Board.

Section C, Billing. Customer shall be assessed for all Demand and Energy purchased and provided hereunder at the rates specified under the applicable General Firm Power Service, Special Power Products, and Transmission Rate Schedules. Current copies of said rate schedules are attached as exhibits and made a part hereof by reference. In the event any of the rate schedules applicable to this Contract are amended, or in the event new rate schedules applicable to this Contract are developed and approved, all in accordance with the notification and hearing process provisions of Article 2 and Article 3, NPPD shall provide copies of such rate schedules to the Customer, without the necessity of a formal amendment to this Contract. All bills for Demand and Energy will be on a monthly basis and will be provided by NPPD to the Customer as soon as reasonably practical after the end of the billing period, it being recognized that partial billings may be submitted in the event that portions of the billings may require additional time to prepare. All such billings, including partial billings, shall be due and payable by the Customer within fifteen (15) calendar days from the date the billing is rendered, whether or not the Customer disputes all or a portion of the billing; provided, however, if such due date of any bill falls on a Saturday, Sunday or holiday observed 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 to NPPD, 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.

All bills shall show the amounts of Demand and Energy provided during the billing period by NPPD to the point on the transmission system at which rates are based, as identified in the wholesale rate schedules applicable to this Contract, 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. Additionally, if NPPD is furnishing or arranging for the transmission and/or subtransmission and/or ancillary services necessary for delivery from the inlet of the transmission system to the Point(s) of Delivery, the cost of arranging and providing any such services shall also be included in the Customer's monthly bill.

In the event the Customer desires to dispute all or any part of a billing submitted by NPPD pursuant to this Contract, the Customer shall nevertheless pay the full amount of the billing when due and payable and shall give NPPD written notice of the dispute, which notice shall fully describe the basis for the dispute and shall set forth a detailed statement of disputed issues, the amount thereof in dispute, and the relief sought by the Customer. Customer shall not be entitled to any adjustment on account of disputed charges for which full payment by Customer, if applicable, has not been made and for which notice has not been given, both in accordance with this Section C, nor shall Customer be entitled to any adjustment on account of disputed charges for any time periods prior to the three (3) years immediately preceding the date of the written notice of dispute.

In the event NPPD determines that a previously submitted billing under this Contract is in error, and NPPD desires to perform an adjustment(s) to any part of such previously submitted billing for purposes of correcting said billing error, NPPD shall give written notice to Customer, which notice shall fully describe the amount and basis of said adjustment(s). NPPD shall not be entitled to reimbursement from Customer for any billing adjustment for which NPPD has not given notice in accordance with this Section C, nor shall NPPD be entitled to reimbursement from Customer for any adjustments to billings for any time periods prior to the three (3) years immediately preceding the date of the written notice of billing error.

Unresolved billing disputes arising out of or relating to this Contract shall be finally settled by arbitration conducted under the rules of commercial arbitration of the American Arbitration Association. Both Parties shall bear equally the cost of the arbitration; provided, that each Party shall bear its own legal fees and costs unless the arbitrator(s), in his (their) discretion, allocate(s) all or a portion of the fees and costs incurred by the Party reasonably determined to be the prevailing Party against the other Party, which the arbitrator(s) shall have the authority, but not the obligation, to do. All decisions of the arbitrator(s) shall be final and binding on both Parties and enforceable in any court of competent jurisdiction.

If the settlement of a dispute regarding a billing or billing adjustment results in a refund or reimbursement to either Party, there shall be added to the refund or reimbursement an amount for interest thereon. In the case of a billing refund to Customer, such interest shall accrue on the amount to be refunded, from the date of payment of the disputed amount or receipt of the notice of dispute, whichever is later, until the date upon which refund is made in full. In the case of a reimbursement of monies to NPPD for a billing adjustment, such interest shall accrue on the amount to be reimbursed, from the due date of the adjustment until the date upon which reimbursement is made in full. Interest shall accrue at an annual interest rate that is one percent (1%) less than the lowest United States prime rate of interest published on that day (or the last previous publication day if not published on that day) in 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 the Customer fails to make payment in full of each bill when due and payable, including partial or corrected billings, 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, in accordance with the provisions of this Section C.

Section D, Reports. Customer will furnish, or cause to be furnished to, NPPD such information as is necessary for making any computation required pursuant to this Contract and the Parties will cooperate in exchanging such additional information as may be reasonably necessary for their respective operations.

Section E, Confidentiality. The Parties understand that information contained in documents or other means of recording information, both written and verbal, will be shared between the Parties from time to time under the terms of this Contract. In the event any such information is deemed by the producing Party to be confidential in nature, the producing Party shall so designate such information, and the receiving Party agrees that any information so designated shall not be disclosed in any form to any other person or entity without the prior written consent of the Party producing the information unless disclosure is required by law.

Section F, Loss Adjustment. All adjustments for Demand and Energy losses as may be required shall be made by using factors set forth in the applicable rate schedule. Customer's specific loss factors will be documented on the appropriate Billing Exhibit.

Section G, Metering and Meter Testing. NPPD shall furnish, install, maintain and test at Points of Measurement, or cause to be furnished, installed, maintained and tested, the necessary meters for determining the amounts of Demand and Energy supplied to the Customer.

Section H, Responsibility for Property. Unless otherwise agreed, all meters and other facilities furnished by NPPD and installed on Customer's property, shall be and remain NPPD's property, and all meters and other facilities furnished by Customer and installed on NPPD's property, shall be and remain Customer's property. The respective owners of the meters and other facilities shall be responsible to maintain such meters and other facilities, unless otherwise agreed. Customer agrees that NPPD has the right of access to Customer's premises at all reasonable times in order to read, test, repair, renew, exchange or remove such meters and other facilities. Customer shall have similar right of access to NPPD's property with respect to meters and other facilities furnished and installed by Customer on NPPD's premises. Customer shall exercise due care to protect NPPD's property located on Customer's premises, and NPPD shall exercise due care to protect Customer's property located on NPPD's premises.

Section I, 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.

Section J, Continuity of Service. NPPD, at all times, will exercise reasonable care and diligence in operating its system so as to furnish the Customer, as nearly as practicable, a continuous supply of Demand and Energy. If NPPD shall be prevented from providing the Demand 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 this 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.

Section K, Right of Way. Customer agrees to grant, on reasonable terms, any easement or other rights across property owned or controlled by Customer for NPPD to construct, operate and maintain electric lines or facilities which are necessary to furnish Demand and Energy hereunder. NPPD agrees to consult with Customer regarding the location of any such lines or facilities on Customer's property prior to the granting of any easement or rights.

Section L, Wholesale Sales Cooperation. The Parties agree that during the term of this Contract, unless mutually agreed otherwise by the Parties, neither NPPD nor Customer will serve or offer to serve at wholesale (for resale) any wholesale loads presently served by the other. If Customer so desires, NPPD and Customer shall agree to execute and place on file with the Nebraska Power Review Board (NPRB), as soon as practicable, Wholesale Service Area Agreement(s) identifying the wholesale service areas of the Customer, and to seek NPRB approval of such agreement(s) subsequent to their filing.

Section M, Wholesale Power Contract – Option A. References to "this Contract" herein are understood to mean the Option A version of NPPD's wholesale power contract. Under Option A, Customers purchase the entire amount of Demand and Energy required to serve their End-Use Customers, except as otherwise provided in Article 2, Section A, during the twenty (20) year term of the Option A contract. This Contract shall be the "standard Wholesale Power Contract" referenced in NPPD's Professional Retail Operations Agreements and Distribution System Lease Agreements.

ARTICLE 2 PRODUCTION

Section A, Options for Customer. Except as otherwise provided in this Section A, NPPD will have an obligation to furnish and the Customer will have an obligation to take and pay for the entire amount of Demand and Energy needed to serve the aggregated requirements of the Customer's End-Use Customers, as well as the total Demand and Energy requirements of other Distributors supplied by the

Customer at wholesale. Such obligation shall be exclusive of demand and energy purchased by the Customer from Western pursuant to Article 2, Section B, and any Demand and Energy requirements served by and allowed for under the wholesale rate schedules pursuant to Article 2, Section D. A Customer may not purchase General Firm Power Service and/or Special Power Products for resale to another electric Distributor, unless that Distributor is a total requirements customer of the Customer, excluding demand and energy purchased by the Distributor from Western.

Reduction Guidelines and Base Monthly Demand Obligation:

A Customer may reduce its purchase of Demand and Energy requirements from NPPD, as provided hereinafter. NPPD shall establish "Reduction Guidelines" consistent with then current energy market requirements which describe the process for registration, transmission, and financial settlements in the wholesale market in which NPPD participates. In establishing such reduction guidelines, NPPD shall consider recommendations and input from the Rate Review Committee. NPPD may revise such reduction guidelines from time to time.

For a Customer that elects to reduce its purchases from NPPD, NPPD and Customer shall establish the maximum amount of Demand which NPPD will have an obligation to provide in any month. If the Customer so elects to reduce its purchase of Demand and Energy requirements, it must do so, as provided hereinafter, for each month in the Calendar Year. NPPD shall establish a "Base Monthly Demand Obligation" for each such month, which shall be utilized to determine the Customer's future obligation for Demand and Energy purchases from NPPD. Such calculation of the Base Monthly Demand Obligation shall be set forth in an executed exhibit between NPPD and the Customer, which exhibit shall be attached hereto and incorporated herein by reference.

The Base Monthly Demand Obligation for any month shall be established as the amount of Demand, in kilowatts, equal to the average of the Customer's Demand requirements provided by NPPD during such month in each of the three (3) Calendar Years prior to the date when the Customer first commences to reduce its purchase of Demand and Energy requirements from NPPD. The calculation of such amount of Demand shall be increased by the metered amount of any Qualifying Local Generation utilized by the Customer to offset the Customer's purchase of Demand and Energy under this Contract under the provisions of this Section A, but shall exclude (i) demand supplied by Western to the Customer (and Customer's Distributors, as appropriate), or (ii) demand supplied by Western, as identified in Exhibits C and D, to the Customers through NPPD, which is allocated by NPPD to the Customer. Exhibit E provides an illustrative example of the calculation of a Base Monthly Demand Obligation. In no event shall the Customer's obligation to take and pay for Demand and Energy in any month exceed the actual Demand and Energy delivered hereunder, except for any minimum ratchet Demand and Energy quantities, the billing for which is specified in the then current wholesale rate schedules.

If a Customer reduces its purchases of Demand and Energy under this Section A, then the NPPD-supplied Energy in each hour shall be proportionate to its total load in each hour (excluding Western), except when the NPPD-supplied Energy in an hour is limited to the Customer's reduced percentage of the Base Monthly Demand Obligation. Exhibit F provides an illustrative example of the calculation of NPPD-supplied hourly energy amounts.

Performance Standard and Reductions Due to Non-Performance:

NPPD's performance in maintaining the average cost of General Firm Power Service at or below a specified level shall be measured by NPPD's "Annual Average Wholesale Power Cost", which shall be equal to the annual average production plus transmission cost per kWh for all Customers taking service under this Contract (excluding the load and revenues of End-Use Customers taking service under the NPPD wholesale Economic Development Rate Schedule) compared to the "Performance Standard", which shall be equal to the forty-fifth (45th) percentile level of the power cost per kWh purchased for the reporting U.S. utilities, as listed in the National Rural Utilities Cooperative Finance Corporation (CFC) Key Ratio Trend Analysis (Ratio 88), as the same may be modified, amended, superseded, or replaced as mutually agreed to by NPPD and a majority of the members of the Rate Review Committee.

In recognition of NPPD's ongoing goal of performing at or below the lowest cost quartile of the CFC Ratio 88 data, in any Calendar Year in which NPPD's Annual Average Wholesale Power Cost is less than the twenty-fifth (25th) percentile level of the CFC Ratio 88 data, NPPD shall be entitled to a credit ("Performance Credit") in the amount of one half of the difference between 25.0 and the actual NPPD cost percentile level (rounded to one decimal place). Any such Performance Credit(s) to which NPPD is entitled shall be banked by NPPD for potential future use. In any Calendar Year in which NPPD's Annual Average Wholesale Power Cost exceeds the 45th percentile level of the CFC Ratio 88 data, and if NPPD has sufficient accumulated Performance Credits available, it shall be required to utilize an amount of such Performance Credits equal to the difference between the actual NPPD cost percentile level (rounded to one decimal place) and 45.0, and NPPD shall not be considered to have exceeded the Performance Standard for that Calendar Year. Exhibit G provides an illustrative example of the accumulation and use of Performance Credits.

For any Calendar Year beginning with 2016 cost data, if NPPD's Annual Average Wholesale Power Cost exceeds the Performance Standard for said Calendar Year, following application of any Performance Credits, Customer shall have the right to reduce its purchase of Demand and Energy requirements from NPPD in the amounts set forth below:

- (i) For the first Calendar Year exceedance, up to fifteen percent (15%) of the Customer's Base Monthly Demand Obligation.
- (ii) For the second Calendar Year exceedance, up to fifteen percent (15%) of the Customer's Base Monthly Demand Obligation.

- (iii) For the third Calendar Year exceedance, up to twenty percent (20%) of the Customer's Base Monthly Demand Obligation.
- (iv) For the fourth Calendar Year exceedance, up to twenty percent (20%) of the Customer's Base Monthly Demand Obligation.
- (v) For the fifth and any subsequent Calendar Year exceedance, up to twenty-five percent (25%) of the Customer's Base Monthly Demand Obligation.

If Customer elects to utilize such right to reduce its purchase from NPPD in accordance with items (i) through (v) set forth above, Customer shall provide written notice to NPPD for such reduction not less than one (1) Calendar Year prior to the commencement of such reduction; provided, if Customer does not provide notice to NPPD to reduce its purchase prior to the reporting of the Performance Standard for the ensuing Calendar Year, the Customer's right to provide notice to reduce its purchase from NPPD for the prior year's exceedance is waived by the Customer. The maximum percentages available for reduction as listed above are based on the number of Calendar Years that NPPD has not met the Performance Standard (following application of any Performance Credits) since the inception of this Contract regardless of whether or not the Customer has provided reduction notices for any prior exceedances. Exhibit H provides an illustrative example of reduction amounts available due to exceedance of the Performance Standard.

Qualifying Local Generation:

In addition to the reduction options previously described in this Section A, Customer shall have the right, upon not less than three (3) months' written notice, to utilize Qualifying Local Generation to offset the Customer's purchase of production Demand and Energy under this Contract. The Customer can utilize Qualifying Local Generation for offset purposes with an aggregate nameplate rating of up to two (2) MW or ten percent (10%) of the Customer's "Reference Demand", whichever is greater, subject to a maximum cap of fifty percent (50%) of the Customer's "Reference Demand". The Customer shall provide written notice to NPPD of any existing and all new (once the Customer has committed to its installation or contracted for its purchase) Qualifying Local Generation that is to be utilized for such offset, and provide details on the size, fuel type, and interconnection location. Any Qualifying Local Generation (operating prior to the effective date of this Contract) which a Customer is utilizing for offset purposes under the provisions of the NPPD General Firm Power Service Rate Schedule will be included in the calculation for the Qualifying Local Generation offset allowed for under this Contract. In addition, the Customer shall provide NPPD, upon request, with hourly metered data for Qualifying Local Generation (used either for offset purposes or, for a Customer that has exercised any available options to reduce their purchases from NPPD, for load serving purposes) for NPPD's use in calculating the Customer's wholesale power bill under this Contract. The "Reference Demand" of the Customer at a given point in time shall be equal to the average of the annual highest total NPPD-supplied Demands of the Customer recorded during any hour in each of the previous five (5) Calendar Years. When the ten percent (10%) and fifty percent (50%) limits apply, a specific new Qualifying Local Generation resource may be utilized by the Customer for offset purposes during the term of this Contract provided that, at the

commercial operation date of such new Qualifying Local Generation resource, the Customer's total aggregate amount of Qualifying Local Generation utilized for offset purposes (including such new resource) is at or below the applicable 10% or 50% level of their Reference Demand.

Customer agrees during such time as it is receiving at least 50 percent of its Demand and Energy from NPPD, to allow NPPD to include in NPPD's generation portfolio recognition for any renewable/environmental attributes of the energy produced on Customer's behalf pursuant to the Qualifying Local Generation provisions of this Contract. NPPD's right to receive recognition for such attributes is contingent upon NPPD and Customer agreeing to the amount of compensation to be paid by NPPD to Customer for such attributes. Customer agrees to grant NPPD a right of first refusal to negotiate and purchase any such attributes, except such right of first refusal shall not apply if such attributes are sold by Customer directly to the Customer's End-Use Customer(s).

Section B, Western. This Contract has been entered into on the express understanding that NPPD shall keep in effect the Western UGPR Contract, including any amendments and exhibits thereto, during the term of such contract, providing, among other things, for the purchase of (1) 104,554 kilowatts of Firm Electric Service, (2) 48,000 kilowatts of Seasonal Firm Electric Service, which shall be furnished during the Summer Season each year and which has been designated by NPPD under its wholesale power contracts for irrigation pumping, (3) 288,000 kilowatts of Summer Season Firm Peaking Power Service, 52,000 kilowatts of which has been designated by NPPD under its wholesale power contracts for irrigation pumping, and (4) 70,080 kilowatts of Winter Season Firm Peaking Power Service, as such amounts may be revised from time to time pursuant to the provisions of the Western UGPR Contract and this Section B. The definitions of Firm Electric Service, Seasonal Firm Electric Service, Firm Peaking Power Service, Winter Season and Summer Season, Preference Customer and Preference Eligible Entity shall all be as defined in the Western UGPR Contract. In the event its Preference Customer status would change, NPPD will, upon becoming knowledgeable that such change is pending, notify Western of such pending change and pursue with Western a process to provide for the continued receipt of benefits by Customers who remain Preference Eligible Entities, all in accordance with the provisions of the Western UGPR Contract and federal law governing said contract. At such time as it provides notice to Western, NPPD shall notify its Customers of such pending status. Additionally, in the event that NPPD begins to pursue a merger with another Preference Eligible Entity, NPPD will so inform its Customers. No such merger that is entered into voluntarily by NPPD shall adversely affect the continued receipt of benefits by Customers who remain Preference Eligible Entities, in accordance with the provisions of the Western UGPR Contract and federal law governing said contract. In the event such a merger is forced upon NPPD by circumstances beyond its control, then NPPD shall use its best efforts to ensure that Customers who remain Preference Eligible Entities shall continue to receive benefits in accordance with the provisions of the Western UGPR Contract and federal law governing said contract.

NPPD acknowledges that under the Western UGPR Contract, certain customers are defined as Preference Eligible Entities or Preference Customers. NPPD further acknowledges the right of any Preference Eligible Entity to contract with the United

States as a Preference Customer for the amount of Firm Electric Service allotted to such entity and presently identified in the table depicted in paragraph 2.1.3 of Exhibit A of the Western UGPR Contract, a duplication of which is attached hereto as Exhibit C. In the event the table in paragraph 2.1.3 of Exhibit A to the Western UGPR Contract is modified, Exhibit C shall be modified accordingly and the revised Exhibit C attached hereto.

The total irrigation pumping allowance, defined for purposes of NPPD's wholesale power contracts as Western power designated for irrigation pumping, to be allocated by NPPD to Customers eligible to receive such irrigation pumping allowance, is 100 megawatts. Should Western withdraw or reduce the Seasonal Firm Electric Service and/or Summer Season Firm Peaking Power Service sold to NPPD and designated for irrigation pumping, a pro rata reduction shall be made to the irrigation pumping allowance and NPPD shall not be obligated to continue to maintain total irrigation pumping allowance at the 100 megawatt level.

NPPD hereby acknowledges that the irrigation pumping allowance is contractually allocable directly to certain eligible Customers, and each eligible Customer's allocated share is identified on Exhibit D to this Contract. Exhibit D may be amended from time to time due to: (a) Western's withdrawal or reduction of Seasonal Firm Electric Service and/or Summer Season Firm Peaking Power Service, as described above in this Section B, (b) diversity, (c) a change in the NPPD system losses applied to irrigation pumping, (d) a change in the billing point, if other than bus A, or (e) merger of two or more recipients of irrigation pumping allocations. In the event a Customer who receives an allotment of the irrigation pumping allowance elects to exercise its option to reduce its purchases of Demand and Energy pursuant to Article 2, Section A, such Customer shall continue to be entitled to its entire allotment of irrigation pumping allowance; provided, such Customer may, at NPPD's sole discretion, be required to contract directly with Western for its own irrigation pumping allowance. Allocations of the 100 megawatts of irrigation pumping allowance, or such subsequent amount as may be established in the future will include an additional adjustment for diversity. If and when the General Firm Power Service Rate Schedule specifies that Customers' production billing demands shall be determined on an NPPD-system coincident basis, then this additional adjustment for diversity shall no longer be applicable.

Customers who either directly or indirectly receive benefits from the Western UGPR Contract shall comply with Sections 34, 40, 41, 51, 52, 56, 62, 63, and 64 of the Western UGPR Contract, in accordance with the provisions of said contract. A copy of said sections of the Western UGPR Contract shall be provided to the Customer(s) upon request.

For a Customer who has not exercised its option to reduce its purchases of Demand and Energy pursuant to Article 2, Section A, and who elects to contract with the United States as a Preference Customer for its Firm Electric Service allotted to the Customer, NPPD agrees to provide, or arrange for the provision of, transmission, subtransmission and ancillary services necessary to deliver all of the Customer's

demand and energy requirements from the inlet of the transmission system to the Point(s) of Delivery, as referenced in Article 3.

Section C, Special Power Products. During the term of this Contract, NPPD will cooperate with Customers and the Rate Review Committee to develop Special Power Products to be offered to all Customers for the benefit of End-Use Customers. The development of a Special Power Product may be initiated by a request from a Customer, by the Rate Review Committee, or by NPPD. Once developed, proposed Special Power Product(s) will be presented to the Rate Review Committee for its review and recommendations. NPPD shall consider the recommendations of the Rate Review Committee, after which notice of the proposed Special Power Product(s) will be provided to Customers. Within twenty (20) calendar days of the date the notice is provided to the Customer by NPPD (or a shorter time frame, if approved by a three-fourths [3/4] majority of the members of the Rate Review Committee), the Customer may request a hearing. Such hearing will be convened before the NPPD Board of Directors. Notice of the hearing will be given to the Customers at least ten (10) calendar days in advance of such hearing. Any request for a hearing shall be filed in writing with NPPD and shall include in detail those issues or objections to be brought before the hearing. The hearing shall be limited to those objections listed in the Customer's request. NPPD shall conduct such hearing and shall accept and submit for consideration by the NPPD Board of Directors information and comments related to the written objections received for the hearing. NPPD shall notify the Customers of NPPD's decision concerning the hearing on the proposed Special Power Product(s) to be adopted by NPPD. The effective date of the new Special Power Product(s), if adopted, shall be as approved by the NPPD Board of Directors. Each approved Special Power Product will be available to any Customer as a part of its portfolio of customized service packages that may be used for the benefit of similar End-Use Customers.

Section D, Distributed Generation. The Parties agree that, because Distributed Generation technology has the potential for (i) serving all or a portion of an End-Use Customer's electric requirements, (ii) enhancing reliability for an End-Use Customer, and (iii) enhancing reliability on the distribution system, provisions for the use of Distributed Generation shall be provided for under this Contract. Distributed Generation resources may be owned, operated and maintained by the End-Use Customer, the Customer, or by NPPD.

The Parties agree that Distributed Generation is not intended to provide a mechanism whereby Customers may shift fixed costs among themselves, but, rather, to allow optimal economic use of the electric production, transmission and distribution systems and to serve End-Use Customer needs into the future.

To assure that Distributed Generation is appropriately priced, the General Firm Power Service Rate Schedule will identify Distributed Generation which will be subject to the provisions of the General Firm Power Service Rate Schedule and identify Distributed Generation which will be subject to the provisions of a Special Power Product Rate Schedule; provided, this provision shall not apply to a Customer who exercises its option to reduce its purchases of Demand and Energy pursuant to Article 2, Section A, and who is utilizing Distributed Generation to serve the portion of

its load that is no longer included as a part of the Customer's obligation under this Contract.

The Parties agree that the development of any Special Power Product(s) for Distributed Generation must be completed in a manner that facilitates timely installation.

Section E, Rates and Charges.

Revenue Requirements:

The revenue requirements for General Firm Power Service and Special Power Products for any future year or portion thereof will include any and all costs associated with operations and maintenance (excluding depreciation); fuel; purchased demand and energy; allocated costs of general and administrative functions; debt service (principal and interest) on production-related assets, including allocated general plant; an amount for renewals, replacements, additions, and improvements (construction from revenue) to production utility plant, including allocated construction from revenue costs for general plant; amounts reasonably required to be set aside in reserves for items of costs the payment of which is not immediately required, such as decommissioning reserves, post-retirement employee benefit reserves; any other production-related costs not specifically listed herein; and an allowance for new/replacement generation assets. Such allowance for new/replacement generation assets shall not exceed an amount equivalent to \$0.0005 per kilowatthour.

Rate Discount:

From the effective date of this Contract through December 31, 2021, the Customer shall receive a discount on the production demand and energy charges specified in the General Firm Power Service Rate Schedule. Such discount shall not apply to irrigation pumping allowance charges, ancillary service charges, or transmission charges. Such discount shall also apply to any charges listed in a Special Power Product Rate Schedule that utilize the General Firm Power Service Rate Schedule production demand and energy charges as the basis for such charge.

The calculation of such discount shall be included in the summary report provided by NPPD to Customer as part of each proposed rate change. The actual discount shall be the amount approved by the NPPD Board of Directors.

Collection for Certain Reserves and Production Debt Maturing Beyond the Term of this Contract:

All Customers who purchase electric power and energy from NPPD under this Contract shall be entitled to purchase monthly quantities of Demand and Energy from NPPD for the full term of this Contract under the most favorable Cost-Based Rate and contract terms and conditions as are available to any customer under similar conditions of service. The parties agree that, during the term of this Contract, NPPD may offer a

new wholesale power contract to all Customers which extends the term of service to the customer and includes a different rate which reflects NPPD's ability to finance and collect for items of costs (the payment of which is not immediately required) for certain reserves such as decommissioning reserves and post-retirement employee benefit reserves, over a longer time period for such customers. Any such different rate shall be substantiated through a cost-of-service study and included in the summary report provided by NPPD to Customer as outlined in Article 2, Section E of this Contract ("Summary Report and Rate Change Process"), including provisions for requesting a rate review hearing before the NPPD Board of Directors.

By May 1 of each year, NPPD shall provide to Customers the amount of its production debt maturing beyond the term of this Contract, and the type, amount, and preliminary schedule for the collection of any costs (the payment of which is not immediately required) for certain reserves such as decommissioning reserves and post-retirement employee benefit reserves. NPPD may include the collection of such costs in revenue requirements under this Contract in a future year provided that the amount is fair and reasonable and NPPD has provided information on such costs to Customers with such information being formally transmitted to Customer as outlined in Article 8 of this Contract. Furthermore, NPPD may only include the collection of such costs identified in such annual information provided prior to the earlier of: May 1, 2030, or (ii) May 1 of the year in which it is determined that NPPD first exceeds the Performance Standard (following application of any Performance Credits) as referenced in Article 2, Section A. If NPPD exceeds the Performance Standard (following application of any Performance Credits) and a Customer provides notice to exercise its option to reduce its purchases of Demand and Energy pursuant to Article 2, Section A, NPPD shall not increase the collection of these costs to amounts higher than those specified in the most recently provided May 1 preliminary schedule for collection. In addition, NPPD shall not call production debt maturing beyond the term of this Contract for the sole purpose of accelerating the collection of such debt from Customers.

Annual Financial Report and Rate Stabilization Account:

By May 1 of each year, NPPD will complete an analysis of the financial results for General Firm Power Service and Special Power Products for the preceding Calendar Year. Such analysis shall include an accounting of the actual allowance amount collected during such year for new/replacement generation assets and the balance of such amounts at the end of the year. NPPD will be permitted to retain such allowance amounts until utilized for the addition of new/replacement generation assets. In the event it is determined that the accumulated allowance amount, or a portion thereof, shall be utilized, NPPD shall consider recommendations of the Power Resource Advisory Board regarding the use of such funds.

Such analysis will also include an accounting of the surplus or deficit net revenues realized during such year. NPPD will be permitted to retain surplus net revenues in a Rate Stabilization Account for purposes of covering fluctuations in revenues and/or costs caused by (i) weather and (ii) short-term business fluctuations. Additionally, pursuant to recommendation of the majority of the members of the Power Resource Advisory Board and the Rate Review Committee and approval by the NPPD

Board of Directors, NPPD shall be permitted to transfer funds from the Rate Stabilization Account for use as equity capital to finance all or part of the cost of construction or acquisition of future generating resources and other generation-related capital assets used to provide service under this Contract. Surplus or deficit net revenue for any year shall be the difference between (i) actual revenues, and (ii) actual costs, using reasonable methodologies, where necessary, in the allocation of revenues and costs for such year. NPPD will be permitted to retain such surplus net revenues in the Rate Stabilization Account until such time that such surplus exceeds an amount equal to an accumulation limit initially determined to be ten percent (10%) of annual revenues derived from General Firm Power Service and Special Power Products. NPPD may, from time to time, adjust the surplus accumulation limit, giving consideration to input and recommendations from the Rate Review Committee and upon approval by the NPPD Board of Directors; provided, in no event shall the surplus accumulation limit exceed twenty percent (20%) of annual revenues derived from General Firm Power Service and Special Power Products without the prior recommendation of a majority of the members of the Rate Review Committee and approval by the NPPD Board of Directors. Any amounts accumulated in excess of such ten percent (10%) or such surplus limit subsequently established, as determined by the financial analysis completed by May 1 of each year, will be included as an adjustment to revenue requirements in the next summary report of forecasted revenue requirements, which report is hereinafter described. If there is a net revenue deficit in excess of an accumulation limit initially determined to be five percent (5%) of annual revenues derived from General Firm Power Service and Special Power Products, as determined by the financial analysis completed by May 1 of each year, the amount of such revenue deficit that is in excess of five percent (5%) will be included as an adjustment to revenue requirements in the next summary report of forecasted revenue requirements; provided, such deficit accumulation limit may be adjusted from time to time by NPPD, giving consideration to input and recommendations from the Rate Review Committee relative to the proposed adjustments, and subject to approval by the NPPD Board of Directors. NPPD may adjust the surplus and deficit accumulation limits for reasons including, but not limited to: to provide for greater stability in rates over time, as deemed necessary and reasonable in the then existing competitive environment; to reduce the possibility of unplanned rate changes occurring due to revenue shortfall from mild weather, cost increases from unscheduled generation facility outages, and cost increases from higher than expected price levels for purchased energy. If NPPD proposes to adjust the surplus and/or deficit accumulation limits, NPPD shall: (i) provide notice to the Customer of the proposed change at least one hundred twenty (120) calendar days prior to the proposed effective date of such change; (ii) allow thirty (30) calendar days from the date of such notice for the Customer to request a hearing before the NPPD Board of Directors, and; (iii) provide at least ten (10) calendar days' notice in advance of such hearing. The effective date of such adjustment, if adopted, shall be as approved by the NPPD Board of Directors.

Summary Report and Rate Change Process:

Beginning with the year 2015 for rates effective on the effective date of this Contract, and, at a minimum, biennially thereafter, NPPD will prepare a summary report that sets forth (a) the forecast of revenues that would be derived under the then-current

rates for the succeeding year(s) or portion(s) thereof, (b) the forecast of revenue requirements for such future year(s) or portion(s) thereof, and (c) any proposed adjustments in the rates for General Firm Power Service and Special Power Products necessary to ensure that the rate(s) to be in effect in the subsequent year(s) or portion(s) thereof are estimated to produce revenues sufficient to meet revenue requirements. A copy of the summary report prepared and requested supporting documentation will be submitted by NPPD to the Customers. If such summary report indicates and NPPD proposes that the then-current rates need to be adjusted in a succeeding year(s) or portion(s) thereof, notice will be given to the Customers at least one hundred twenty (120) calendar days prior to the proposed effective date of any such adjustment. Within thirty (30) calendar days of the date the notice was provided to the Customers by NPPD, Customer may request a rate review hearing. Such hearing will be convened before the NPPD Board of Directors. Notice of the hearing will be given to Customer at least ten (10) calendar days in advance of such hearing. Any request for a hearing shall be filed in writing with NPPD and shall include in detail those issues or objections to be brought before the hearing. The hearing shall be limited to those objections listed in Customer's request. NPPD shall conduct such hearing and shall accept and submit for consideration by the NPPD Board of Directors information and comments related to the written objections received for the hearing. NPPD shall notify Customer of NPPD's decision concerning the hearing on the summary report and rates to be adopted by NPPD. The effective date of the rate adjustment, if any, shall be at least thirty (30) calendar days after the notice to Customer of NPPD's decision, or, if no hearing is requested, at least thirty (30) calendar days after approval by the NPPD Board of Directors. Implementation of new Special Power Products shall not follow the above procedures but, instead, follow the procedures listed in Article 2, Section C. In the event that NPPD desires to clarify the provisions of, or correct non-numerical errors in a rate schedule applicable to this Contract, where such clarification and/or correction will not affect the intended amount of Customer's bills, NPPD shall not follow the above procedures. Instead, NPPD shall: (i) provide notice to the Customer of the proposed modification; (ii) allow thirty (30) calendar days from the date of such notice for the Customer to request a hearing before the NPPD Board of Directors, and; (iii) provide at least ten (10) calendar days' notice in advance of such hearing. The effective date of the revised rate schedule, if adopted, shall be as approved by the NPPD Board of Directors.

Nothing in this Contract shall cause NPPD to fail to comply with the provisions of NPPD's bond resolutions or supplements thereto.

Section F, Power Resource Advisory Board. While NPPD and Customer recognize the importance of general consensus among the customers and acceptance of the power resource and delivery (transmission) plan ultimately approved by the NPPD Board of Directors, the Parties agree that NPPD has ultimate authority and responsibility for implementing its power resource and delivery plans and discharging its legal obligations.

NPPD and its customers will establish a Power Resource Advisory Board (Advisory Board) to provide input to NPPD regarding decisions affecting additions to or retirements from the portfolio of power resources and transmission facilities used by

NPPD to meet its power supply obligations and to provide a liaison between the Customers and NPPD's Board of Directors.

NPPD will be responsible for maintaining a current integrated resource plan which shows how NPPD's portfolio of power resources will meet the combined requirements of the customers and the forecasted cost of power compared to NPPD-produced forward price curves in the regional market. NPPD will prepare updates of the plan and review such updates with Customers. The plan will be updated at least every five (5) years and more frequently if required to meet Southwest Power Pool planning requirements or other contractual or regulatory requirements.

The Advisory Board will be comprised of up to twelve (12) customers who have not exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A from the following customer categories to reflect a cross-section of customers:

- 2 public power district representatives elected by public power districts
- 3 municipal representatives elected by municipals
- Loup River Public Power District
- Norris Public Power District
- Southern Power District
- Nebraska Electric Generation and Transmission Cooperative, Inc.
- NPPD Retail
- 2 largest municipals (based on production revenue) that volunteer to serve on the Advisory Board

The Advisory Board will review the load forecasts for General Firm Power Service and the aggregate of Special Power Products, practicable options for meeting the forecasted power supply obligations of NPPD, the current integrated resource plan, financial and economic assumptions supporting the plan, potential financial obligations for the implementation of such plan, and any other action plans affecting additions to or retirements from NPPD's power resource portfolio.

Customer shall be responsible for providing to NPPD its forecasted Demand and Energy information. Such forecasts shall be based on the common methodology developed by NPPD for use by all Customers, which methodology shall be reviewed by the Advisory Board.

NPPD will conduct meetings of the Advisory Board at least twice a year and at such other times as deemed necessary in order that the Advisory Board may review the expected seasonal loads attributed to General Firm Power Service and the aggregate of Special Power Products for the upcoming season and the manner in which NPPD intends to meet such obligations. Customer may attend any meeting of the Advisory Board.

The Advisory Board will function separately from the Rate Review Committee, which will deal with rate-related issues, as described in Article 2, Section G.

Notwithstanding the role of the Advisory Board as described above, if Customer deems it advisable to join with NPPD in performing a detailed power supply planning study for the purpose of identifying one or more future resources, or for optimizing a load management program, or the funding thereof, which may be used for serving the future requirements of NPPD and of Customer, Customer shall so advise NPPD in writing. NPPD will give due consideration to any such request and will promptly provide a response to Customer.

Section G, Rate Review Committee. While NPPD and Customer recognize the importance of customer participation in the rate, price and product development process, the Parties agree that NPPD has ultimate authority and responsibility for maintaining adequate revenues and for designing rates and pricing structures.

NPPD and its customers will establish a Rate Review Committee, which committee shall be comprised of up to twelve (12) customers who have not exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A from the following customer categories to reflect a cross-section of customers:

- 2 public power district representatives elected by public power districts
- 3 municipal representatives elected by municipals
- Loup River Public Power District
- Norris Public Power District
- Southern Power District
- Nebraska Electric Generation and Transmission Cooperative, Inc.
- NPPD Retail
- 2 largest municipals (based on production revenue) that volunteer to serve on the Rate Review Committee

Customer may attend any meeting of the Rate Review Committee.

NPPD will conduct meetings of the Rate Review Committee at least twice a year and at such other times as deemed necessary in order that the committee may review and provide input to NPPD on the revenue requirements and the rate design for General Firm Power Service. The responsibilities of the Rate Review Committee shall also include, but not be limited to, (i) assisting NPPD in identifying, designing, and developing Special Power Products, including any associated production rates; and (ii) providing input and/or recommendations relative to adjustments to the surplus and deficit accumulation limits in the Rate Stabilization Account, as provided in Article 2, Section E.

ARTICLE 3 TRANSMISSION

Except as provided below, this Contract provides for the sale of Demand and Energy under General Firm Power Service and Special Power Products delivered to the inlet of the transmission system only. Transmission, subtransmission and related

ancillary services required to deliver these production products to the Point(s) of Delivery are not included in this Contract.

However, for Customers who have not exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A, including those Customers who have elected to contract with the United States as Preference Customers for their Firm Electric Service pursuant to Article 2, Section B, NPPD agrees to provide, or arrange for the provision of, transmission, subtransmission and ancillary services, and Customer agrees to pay for such services necessary to deliver all of the Demand and Energy purchased from NPPD under this Contract from the inlet of the transmission system to the Point(s) of Delivery. Such transmission and ancillary service(s) shall be provided under the appropriate rates, terms and conditions included in the Transmission Rate Schedule established by NPPD according to the notice provisions in Article 2, Section E. Customer shall have the right, in whatever form such right may exist, to review transmission and ancillary service rates, terms and conditions, and any proposed revisions to same, as may be imposed upon NPPD by its transmission service provider. Subtransmission service shall be provided under the appropriate rates, terms and conditions as may be imposed upon NPPD by its subtransmission service provider, with the addition of NPPD's related administrative costs. Customer shall have the right, in whatever form such right may exist, to review subtransmission rates, terms and conditions, and any proposed revisions to the same.

For Customers who have exercised their option to reduce their purchases of Demand and Energy pursuant to Article 2, Section A, the Customer shall have the responsibility to provide, or arrange for the provision of, and pay for transmission, subtransmission and ancillary services necessary to deliver all of the Demand and Energy purchased from NPPD under this Contract and from all supplemental power and energy suppliers, including Western, from the inlet of the transmission system to the Point(s) of Delivery. The Parties agree that separate and apart from this Contract, NPPD will offer to arrange for the provision of transmission, subtransmission and ancillary services necessary to deliver all of the Customer's demand and energy requirements from the inlet of the transmission system to the Point(s) of Delivery. Such service(s) shall be provided under the appropriate rates, terms and conditions established by NPPD.

NPPD agrees to accord to Customer all rights and privileges that have been accorded to NPPD by its transmission and subtransmission service providers. In addition, NPPD agrees to facilitate communications between its transmission service provider and Customers for the purpose of discussing service reliability, system expansion studies and proposals, tariffs, industry developments and any other topics deemed to be of interest by NPPD or its Customers.

ARTICLE 4 WAIVERS

No delay by the Parties in enforcing any of their rights hereunder will be deemed a waiver of such rights nor will any waiver at any time by the Parties of their rights with

respect to a default under this Contract be deemed a waiver with respect to any subsequent default or matter.

ARTICLE 5 MERGER OR CONSOLIDATION

In the event two or more Customers merge and/or consolidate their properties into a single corporate entity, the resulting corporate entity shall receive all the benefits and assume all the liabilities as if the new entity were a single Customer at the inception of this Contract.

ARTICLE 6 MOST FAVORED NATIONS

If NPPD enters into or amends a wholesale power contract with a wholesale customer for a system sale (i.e., not a sale from a specific generating unit or units) that provides for full requirements firm wholesale power service for any term in a form other than this Contract or NPPD's Option B wholesale power contract, or if NPPD enters into a wholesale power contract with a wholesale customer for a system sale that provides for partial requirements firm wholesale power service for any term and at average production rates which are less than those provided for under this Contract and the offering of such wholesale power contract is not approved by a majority of the members of the Power Resource Advisory Board, Customer may elect to adopt such wholesale power contract, conformed as necessary to apply to the Customer. A Customer that is purchasing a reduced amount of its Demand and Energy requirements from NPPD, pursuant to Article 2, Section A, shall be entitled to purchase only such reduced amounts under such new or amended contract. For the purposes of determining average production rates in the case of a partial requirements wholesale power contract, the production rates included in such contract and those applicable under this Contract shall each be applied to the new wholesale customer's estimated purchases from NPPD.

NPPD shall notify Customer in writing with such notification sent by mail, postage prepaid, or by national express delivery service, if NPPD executes a form of wholesale power contract that meets the specifications listed above. NPPD shall provide a copy of said contract, and Customer shall have six (6) months following the date of such notice to elect the other contract. The Parties shall execute the new contract within thirty (30) calendar days following Customer's written election.

ARTICLE 7 SUCCESSORS AND ASSIGNS

Neither Party may assign this Contract in whole or in part, or any rights granted hereunder, or delegate to a third party any of the duties and obligations hereunder, without the prior written consent of the other Party; provided, however, NPPD shall not

be required to obtain such written consent for an assignment of this Contract in the event that NPPD divests substantially all of its generation assets through merger or consolidation into another Public Power Entity. No assignment of this Contract shall be effective unless and until the assignee assumes in writing the duties and obligations of the assignor.

In the case of an assignment by NPPD resulting from a divestiture as described above, the rates under this Contract or any extension of this Contract, as contemplated by Article 1, Section B, shall continue to be no greater than if the assignment had not occurred and in no event will the assignee be permitted to charge the Customer market-based rates or cost-based rates that include recovery of any acquisition premiums paid.

In the event NPPD is required to divest substantially all of its generation assets, the Customer shall have the option to terminate this Contract. NPPD shall be required to provide advance written notice of such divestiture of its generation assets at least one hundred eighty (180) calendar days prior to the effective date of such divestiture or, if NPPD is unable to provide such notice due to circumstances beyond its control, as soon as is reasonably possible under the circumstances of such divestiture. Upon receipt of said notice, the Customer may terminate this Contract by providing written notice of such termination to NPPD and its assignee at least ninety (90) days prior to the effective date of such divestiture.

ARTICLE 8 NOTICES AND CORRESPONDENCE

Written notices and other communications required under or related to this Contract shall be given in writing and sent by mail, postage prepaid, and national express delivery service or by electronic communication. A Party may change its address or the person to whom notices and other communications are to be sent by providing written notice of such change to the other Party.

To NPPD:

Notices/Correspondence

Nebraska Public Power District
Attention: Contracts Manager
P.O. Box 499
1414-15th Street
Columbus, NE 68602-0499

Rates/Billing

Nebraska Public Power District
Attention: Pricing, Rates & Wholesale
Billing Manager
P.O. Box 499
1414-15th Street
Columbus, NE 68602-0499

To Customer:

Notices/Correspondence

City of Lexington
Attention: City Manager
P.O. Box 70
406 East 7th Street
Lexington, NE 68850-0070

Rates/Billing

City of Lexington
Attention: City Manager
P.O. Box 70
406 East 7th Street
Lexington, NE 68850-0070

**ARTICLE 9
ENTIRE AGREEMENT**

This Contract constitutes the entire agreement between NPPD and the Customer regarding the matters addressed herein and supersedes all prior written and oral communications and understandings in connection therewith.

**ARTICLE 10
REPLACEMENT OF PRIOR CONTRACT**

This Contract shall supersede the Wholesale Power Contract between NPPD and Customer with an effective date of January 1, 2002. Any exhibits, as updated and currently in effect, and attached to said document shall be made a part of this Contract. Said Wholesale Power Contract shall, upon the effective date of this Contract, be null and void without further force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed in duplicate by their duly authorized officers or representatives as of the dates indicated below.

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

CITY OF LEXINGTON, NEBRASKA

ATTEST:

By: _____

Date: _____

NEBRASKA PUBLIC POWER DISTRICT

ATTEST:

By: _____

Date: _____

EXHIBITS A-1, A-2, A-3, etc.

RATE SCHEDULES

Exhibit A-1 General Firm Power Service Rate Schedule

Exhibit A-2 Supplement No. 1 to the GFPS Rate Schedule

Exhibit A-3 Simultaneous Buy/Sell Rate Schedule (SPP No. 2)

Exhibit A-4 Energy Curtailment Program (SPP No. 3)

Exhibit A-5 Buy-Through Program Rate Schedule (SPP No. 4)

Exhibit A-6 Standby Service Rate Schedule (SPP No. 5)

Exhibit A-7 Economic Development Rate Schedule (SPP No. 6)

Exhibit A-8 Green Rate Schedule (SPP No. 7)

Exhibit A-9 Production Cost Adjustment Rate Schedule

EXHIBITS B-1, B-2, B-3, etc.

BILLING EXHIBITS

EXHIBIT B, REV. 3
EFFECTIVE DATE: 6/1/09

(Added ID 1836 Eff. 6/10/09, Changed Order of Point of Measurements Eff. 7/1/10, Added Rls to IDs 1817 & 1827 Eff. 5/20/10 & Changed Billing Procedure Accordingly Eff. 7/1/10)

CUSTOMER: CITY OF LEXINGTON

POINT OF DELIVERY TO CUSTOMER:

34.5 KV BUS OF NPPD'S 115/34.5 KV LEXINGTON SUBSTATION
34.5 KV BUS OF NPPD'S 115/34.5 KV WESTMINSTER SUBSTATION

POINT OF MEASUREMENT	LOC. ID	BILLING LOSS FACTORS			
		VOLTAGE	KW	KWH	KVAR
A. LEXINGTON (302)	1836	34.5 KV	1.000	1.000	1.000
B. LEXINGTON (OCB 306)	1816R1	34.5 KV	1.000	1.000	1.000
C. WESTMINSTER (OCB 302)	1817R1	34.5 KV	1.000	1.000	1.000
D. WESTMINSTER (OCB 304)	1827R1	34.5 KV	1.000	1.000	1.000

BILLING PROCEDURE: (SEE ATTACHED DIAGRAM)

CUSTOMER SHALL BE BILLED IN ACCORDANCE WITH PROVISIONS OF THE GFPS RATE SCHEDULE OF THE WHOLESALE POWER CONTRACT FOR THE MAXIMUM COINCIDENTAL QUANTITIES DELIVERED TO CUSTOMER AND RECORDED ON METERS A, B, C, & D EACH ADJUSTED TO BUS A BY THE APPROPRIATE BILLING LOSS FACTORS ABOVE.

NOTE:

ALL APPROPRIATE GFPS CHARGES APPLY.

CITY OF LEXINGTON PROVIDES SUBTRANSMISSION SERVICES.

APPROVED:

FOR NPPD

FOR CITY OF LEXINGTON

DATE

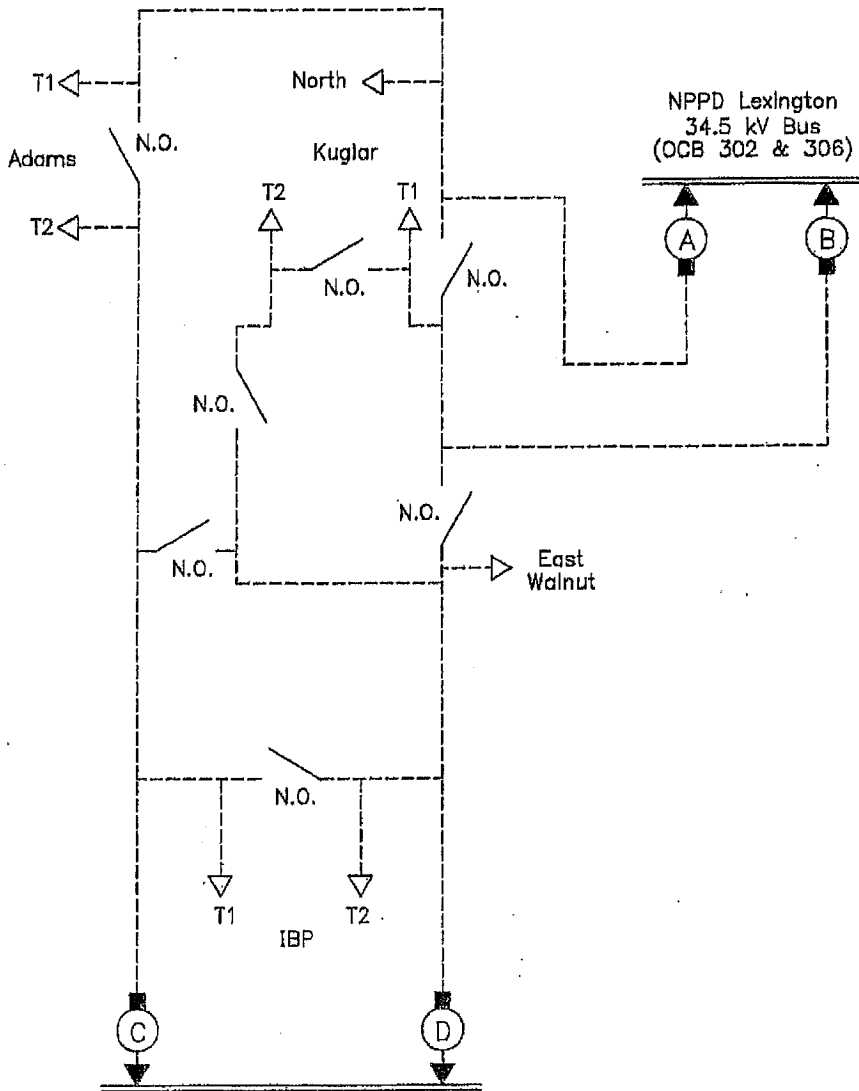
8-5-10

DATE

8-10-10

Legend


- — Point of Delivery
- ▲ — Bus A
- — Point of Measurement
- Property of NPPD
- - - - Property of City of Lexington



CADD DRAWING
DO NOT REVISE MANUALLY

REVISION	
NO.	

1	2	3	4	5	6
EXHIBIT B CITY OF LEXINGTON					

DRAWN	DATE	 Nebraska Public Power District CADD FILE: EDC37483
CHECKED	DATE	
APPROVED	DATE	
FILMED	DATE	
7/1/10		REVISION
NA59328		5

EXHIBITS C and D

**Exhibit C Contract Rates of Delivery for
Western Firm Electric Service**

Exhibit D Western Irrigation Pumping Allocations

Exhibit C

Contract Rates of Delivery for Western Firm Electric Service

This Exhibit C shall become effective the 1st day of January, 2016, and shall be effective under and as a part of the Wholesale Power Contract between Nebraska Public Power District (NPPD) and Customer, hereinafter called the "Contract." This Exhibit C shall remain in effect until superseded by another Exhibit C ; provided, this Exhibit C or any superseding Exhibit C shall terminate upon expiration of the Contract.

The Contract Rate of Delivery for Western Firm Electric Service contains the following amounts allotted to Customers:

RURAL DISTRICTS	WINTER CROD (kW)	SUMMER CROD (kW)
Members of Nebraska Electric Generation and Transmission Cooperative, Inc.		
Burt County Public Power District	1,640	1,641
Butler County Public Power District	1,526	1,527
Cedar-Knox Public Power District	1,753	1,754
Cornhusker Public Power District	3,131	3,132
Cuming County Public Power District	1,422	1,423
Custer Public Power District	2,467	2,468
Dawson Public Power District	6,494	6,497
Elkhorn Rural Public Power District	1,886	1,887
Howard Greeley Rural Public Power District	1,455	1,456
KBR Rural Public Power District	918	918

RURAL DISTRICTS	WINTER CROD (kW)	SUMMER CROD (kW)
Loup Valleys Rural Public Power District	908	909
McCook Public Power District	2,558	2,560
Niobrara Valley Electric Membership Corporation	1,716	1,717
North Central Public Power District	1,318	1,319
Perennial Public Power District	1,844	1,845
Polk County Public Power District	1,158	1,159
Seward County Public Power District	1,021	1,021
South Central Public Power District	1,753	1,754
Southwest Public Power District	2,957	2,958
Stanton County Public Power District	550	550
Twin Valleys Public Power District	1,731	1,732
Others:		
Norris Public Power District	5,063	5,066
Northeast Nebraska Public Power District	1,942	1,943
Southern Power District	9,457	9,461
SUBTOTAL RURAL DISTRICTS	<u>56,668</u>	<u>56,697</u>
LOUP RIVER PUBLIC POWER DISTRICT (W/O SCHUYLER)	<u>5,328</u>	<u>5,331</u>

MUNICIPALITIES	WINTER CROD (kW)	SUMMER CROD (kW)
Arapahoe	151	151
Battle Creek	139	139
Bertrand	100	100
Bradshaw	45	45
Brainard	46	46
Central City	457	457
Chester	59	59
Cozad	930	930
Dakota City	170	171
Davenport	63	63
Dorchester	77	77
Edgar	96	96
Fairmont	98	98
Friend	184	185
Giltner	64	64
Gothenburg	648	649
Hampton	66	66
Hebron	299	299
Hildreth	60	60
Holdrege	1,422	1,422
Hubbell	13	13

MUNICIPALITIES	WINTER CROD (kW)	SUMMER CROD (kW)
Lexington	1,217	1,218
Loomis	64	64
Minden	507	507
Nelson	96	96
North Platte	3,708	3,710
Polk	52	52
Prague	40	40
Seward	907	907
Snyder	85	85
Stanton	167	168
Superior	522	522
Sutton	195	196
Valentine	598	598
Walthill	123	123
Wilcox	51	51
Wymore	209	209
SUBTOTAL MUNICIPALITIES	<u>13,728</u>	<u>13,736</u>
NPPD RETAIL	<u>28,604</u>	<u>28,619</u>
TOTAL WINTER ALLOCATION	<u>104,328</u>	
TOTAL SUMMER ALLOCATION		<u>104,383</u>

Exhibit D Irrigation Pumping Allowance

Exhibit D
Revision No. N/A

Effective Date: January 1, 2016

This Exhibit D shall become effective the 1st day of January 1, 2016, and shall be effective under and as part of the Wholesale Power Contract between NPPD and Customer. This Exhibit D shall remain in effect until superseded by another Exhibit D; provided, this Exhibit D or any superseding Exhibit D shall terminate upon expiration of said Wholesale Power Contract.

CUSTOMER (A)	ALLOCATOR (B)	WAPA IRRIGATION PUMPING KW DEMAND AMOUNTS ALLOCATED TO RECIPIENTS								TOTAL (J)
		APRIL (C)	MAY (D)	JUNE (E)	JULY (F)	AUGUST (G)	SEPTEMBER (H)	OCTOBER (I)		
SEASONAL FIRM ELECTRIC SERVICE		26,524	28,675	47,921	47,921	46,769	30,458	28,347	256,615	
FIRM PEAKING POWER SERVICE (1)		1,476	1,325	2,079	52,079	52,231	1,542	653	111,385	
TOTAL ALLOCATION		28,000	30,000	50,000	100,000	99,000	32,000	29,000	368,000	
ADJUSTED TOTAL ALLOCATION (2)	106,000	26,880	28,800	50,880	101,760	100,742	32,563	27,840	369,465	
BURT	1,132	287	308	543	1,087	1,076	348	297	3,946	
BUTLER	3,230	819	878	1,550	3,101	3,070	992	848	11,258	
CEDAR KNOX	922	234	251	442	885	876	283	242	3,213	
CORNHUSKER	4,832	1,226	1,313	2,320	4,638	4,593	1,484	1,269	16,843	
CUMING	426	108	116	204	409	405	131	112	1,485	
CUSTER	5,497	1,394	1,494	2,638	5,277	5,224	1,689	1,444	19,160	
DAWSON	24,137	6,121	6,558	11,586	23,171	22,940	7,415	6,339	84,130	
ELKHORN	2,916	739	792	1,400	2,799	2,771	896	766	10,163	
HOWARD GREELEY	3,100	786	842	1,488	2,976	2,946	952	814	10,804	
K B R	1,302	330	354	625	1,250	1,237	400	342	4,538	
LOUP VALLEY	1,579	400	429	758	1,516	1,501	485	415	5,504	
MCCOOK	4,689	1,189	1,274	2,251	4,501	4,456	1,440	1,232	16,343	
NIOBRARA VALLEY	3,375	856	917	1,620	3,240	3,208	1,037	886	11,764	
NORRIS	2,904	736	789	1,394	2,788	2,760	892	763	10,122	
NORTH CENTRAL	2,020	512	549	970	1,939	1,920	621	531	7,042	
NORTHEAST	1,045	265	284	501	1,004	993	321	274	3,642	
PERENNIAL	6,209	1,575	1,687	2,980	5,961	5,901	1,907	1,631	21,642	
POLK CO.	3,373	855	916	1,619	3,238	3,206	1,036	886	11,756	
SEWARD CO.	779	199	212	374	748	740	239	205	2,716	
SO. CENTRAL	2,686	681	730	1,289	2,579	2,553	825	705	9,362	
SOUTHERN	19,089	4,841	5,186	9,163	18,325	18,142	5,864	5,014	66,535	
SOUTHWEST	5,497	1,394	1,494	2,639	5,277	5,224	1,689	1,444	19,161	
STANTON	679	172	184	326	652	645	209	178	2,366	
TWIN VALLEYS	3,183	807	865	1,528	3,056	3,025	978	836	11,095	
LOUP	557	141	151	257	529	535	171	146	1,940	
SUBTOTAL - RURALS	105,158	26,666	28,573	50,475	100,952	99,941	32,304	27,819	366,530	
BATTLE CREEK	7	2	2	3	7	7	2	2	25	
BEATRICE	4	1	1	2	4	4	1	1	14	
CENTRAL CITY	79	20	21	38	76	75	24	21	275	
COZAD	19	5	5	9	18	18	6	5	66	
DEWITT	19	5	5	9	18	18	6	5	66	
DORCHESTER	25	6	7	12	24	24	8	7	88	
HOLDREGE	187	47	51	90	179	178	57	49	651	
LEXINGTON	25	6	7	12	24	24	8	7	88	
NORTH PLATTE	158	40	43	76	152	150	49	41	551	
SNYDER	29	7	8	14	28	27	9	8	101	
SUPERIOR	35	9	10	17	34	33	11	9	123	
SUBTOTAL - MUNICIPALS	687	148	160	282	564	558	181	155	2,048	
TOTAL PRESENT CUSTOMERS	105,745	26,814	28,733	50,757	101,516	100,499	32,485	27,774	368,578	
TOTAL OTHER CUSTOMERS (3)	255	66	67	123	244	243	78	66	887	
TOTAL	106,000	26,880	28,800	50,880	101,760	100,742	32,563	27,840	369,465	

(1) THE PORTION ALLOCATED TO IRRIGATION PUMPING ONLY.

(2) JUNE-SEPT AMOUNTS ARE TOTAL WAPA AMOUNTS AT TRANSMISSION INLET TIMES 1.06 (DIVERSITY ADJUSTMENT) TIMES 0.96 LOSS FACTOR TO CONVERT TO BUS A AMOUNTS. APRIL, MAY, AND OCT AMOUNTS ARE TOTAL WAPA AMOUNTS AT TRANSMISSION INLET TIMES 0.96 LOSS FACTOR TO CONVERT TO BUS A AMOUNTS. THE TOTAL AMOUNTS ARE ALLOCATED TO RECIPIENTS IN PROPORTION TO COLUMN B.

(3) CUSTOMERS WHO WERE ORIGINALLY ASSIGNED AN IRRIGATION PUMPING ALLOCATION, BUT ARE NO LONGER TOTAL REQUIREMENTS CUSTOMERS OF NPPD.

EXHIBIT E

Illustrative Example of the Calculation of a Base Monthly Demand Obligation

Assume: Customer provides notice to reduce their purchases for the first time effective 03/01/24.

Determine: The Customer's June BMDO

June BMDO will be based on the Customer's actual loads occurring in the month of June during the 3 previous years prior to the effective date of the reduction: June 2021, June 2022, and June 2023.

	Calculated Customer Load (Bus A kW)	
June 2021	31,706	* see calculation below
June 2022	32,435	
June 2023	32,143	

3-Year Average kW: **32,095 = Customer's June BMDO**

* Calculation of June 2021 value determined as follows, with all values at Bus A (similar calculation would be performed for June 2022 and June 2023):

Hour of June 2021 (A)	NPPD Supplied Demand (1) (kW) (B)	<u>Less:</u> Customer's Western Allocation (2) (kW) (C)	<u>Less:</u> Customer's Irrigation Pumping Allocation (3) (kW) (D)	<u>Plus:</u>	<u>Equals:</u>
				Actual Metered Output of QLG Utilized For Offset Purposes (4) (kW) (E)	Customer Load Utilized For Determination of June BMDO (5) (kW) (F)
1	28,510	(1,426)	(228)	0	26,856
2	30,015	(1,501)	(240)	0	28,274
3	32,118	(1,606)	(257)	285	30,540
4	33,159	(1,658)	(265)	470	31,706
5	32,400	(1,620)	(259)	635	31,156
.
.
.
720	27,589	(1,379)	(221)	0	<u>25,989</u>

Hourly Maximum for all 720 Hours: 31,706 kW

Notes:

(1) Includes customer's Irrigation Pumping Allocation, if applicable.

(2) Reduction only applicable for Blend customers with a Western allocation per Exhibit C. Customer's allocation for June 2021 allocated across all hours of the month on a load pattern basis.

(3) Reduction only applicable for customers with an Irrigation Pumping Allocation per Exhibit D. Customer's allocation for June 2021 allocated across all hours of the month on a load pattern basis.

(4) QLG = Qualifying Local Generation

(5) Value to use in June BMDO calculation for 2021 is the maximum hourly load in Column F, regardless of when it occurs.

EXHIBIT F

Illustrative Example of the Calculation of NPPD-Supplied Hourly Energy Amounts

Assume: BMDO for the month = 60,000 kW
Customer's reduction % = 10%

Determine: Hourly NPPD-supplied energy amounts under the following scenarios (all amounts in Bus A kWh).
Hours 1-5: Qualifying Local Generation (QLG) used for offset purposes is operating during these hours.
Hours 6-10: Same loads as in hours 1-5, except QLG is not operating during these hours.

	Hour 1	Hour 2	Hour 3	Hour 4	Hour 5
1 Customer's total actual hourly load (1)	55,000	62,000	63,694	65,000	70,000
2 Less: Western allocation (2)	(2,750)	(3,100)	(3,185)	(3,250)	(3,500)
3 Less: Irrigation pumping allocation (3)	(440)	(496)	(510)	(520)	(560)
4 Subtotal	51,810	58,404	60,000	61,230	65,940

NPPD-supplied energy calculation for each hour:

5 Lower of the subtotal above or the BMDO	51,810	58,404	60,000	60,000	60,000
6 Times: Percentage purchased from NPPD	x 90%	x 90%	x 90%	x 90%	x 90%
7 Less: QLG output used for offset purposes	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000
8 NPPD-supplied energy (4)	42,629	48,564	50,000	50,000	50,000

	Hour 6	Hour 7	Hour 8	Hour 9	Hour 10
9 Customer's total actual hourly load (1)	55,000	62,000	63,694	65,000	70,000
10 Less: Western allocation (2)	(2,750)	(3,100)	(3,185)	(3,250)	(3,500)
11 Less: Irrigation pumping allocation (3)	(440)	(496)	(510)	(520)	(560)
12 Subtotal	51,810	58,404	60,000	61,230	65,940

NPPD-supplied energy calculation for each hour:

13 Lower of the subtotal above or the BMDO	51,810	58,404	60,000	60,000	60,000
14 Times: Percentage purchased from NPPD	x 90%	x 90%	x 90%	x 90%	x 90%
15 Less: QLG output used for offset purposes	- 0	- 0	- 0	- 0	- 0
16 NPPD-supplied energy (4)	46,629	52,564	54,000	54,000	54,000

Notes:

(1) Includes the load served by Qualifying Local Generation (QLG) used for offset purposes in rows 7 or 15.

(2) Reduction only applicable for customers with a Western allocation. Customer's energy allocation allocated across all hours of the month on a load pattern basis.

(3) Reduction only applicable for customers with an Irrigation Pumping Allocation per Exhibit D. Customer's energy allocation allocated across all hours of the month on a load pattern basis.

(4) This is the amount of production energy which the Customer would be billed for under the provisions of the GFPS Rate Schedule. The corresponding hourly demand values (computed in the same manner but using demand loss factors and the Western demand allocation amounts) would be used to determine the Customer's production billing demand under the provisions of the GFPS Rate Schedule.

EXHIBIT G

Illustrative Example of the Accumulation and Use of Performance Credits

Year of Cost Data	NPPD Percentile Rank	Amount NPPD is Below 1 st Quartile	Performance		Remaining Performance Credits	Is Performance Standard Exceeded?	
			Credits Earned (50% of Col. C)	Cumulative Performance Credits Earned			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
2016	20.6	4.4	2.2	2.2	0	2.2	No
2017	18.3	6.7	3.4	5.6	0	5.6	No
2018	24.4	0.6	0.3	5.9	0	5.9	No
2019	29.1	0	0	5.9	0	5.9	No
2020	31.0	0	0	5.9	0	5.9	No
2021	38.0	0	0	5.9	0	5.9	No
2022	47.5	0	0	5.9	2.5	3.4	No
2023	48.0	0	0	5.9	3.0	0.4	No
2024	47.0	0	0	5.9	0	0.4	Yes**

* Equal to the amount that the NPPD percentile rank exceeds the 45th percentile (when sufficient Performance Credits are available).

** Since there are insufficient Performance Credits remaining, the Performance Standard has been exceeded.

EXHIBIT H

Illustrative Example of Reduction Amounts Available Due to Exceedance of the Performance Standard

<u>Year of Cost Data</u> (A)	<u>CFC Data Available</u> (B)	<u>Was Performance Standard Exceeded?</u> (C)	<u>Earliest Effective Date of Reduction*</u> (D)	<u>Maximum Percent Reduction**</u> (E)
2016	mid 2017	No	N/A	N/A
2017	mid 2018	No	N/A	N/A
2018	mid 2019	Yes	1/1/21	15%
2019	mid 2020	Yes	1/1/22	15%
2020	mid 2021	No	N/A	N/A
2021	mid 2022	No	N/A	N/A
2022	mid 2023	No	N/A	N/A
2023	mid 2024	Yes	1/1/26	20%
2024	mid 2025	Yes	1/1/27	20%
2025	mid 2026	No	N/A	N/A
2026	mid 2027	Yes	1/1/29	25%

* Assumes customer provides the required 1 calendar year notice for each reduction.

** Customer does not have to take reductions in all prior years in order to take the higher maximum reduction in succeeding years.