

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
FEBRUARY 8-9, 2023

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Columbus General Office, Columbus, Nebraska, beginning at 1:11 p.m. on Wednesday, February 8, 2023.

In compliance with state law, legal notice announcing the date, hours, location, and availability of the agenda for the meeting was published on the District’s corporate website, nppd.com, and also in the following newspapers on or about February 2, 2023:

- (1) Columbus Telegram, Columbus, Nebraska;
- (2) Kearney Hub, Kearney, Nebraska;
- (3) Lincoln Journal Star, Lincoln, Nebraska;
- (4) Norfolk Daily News, Norfolk, Nebraska;
- (5) North Platte Telegraph, North Platte, Nebraska;
- (6) Omaha World-Herald, Omaha, Nebraska;
- (7) Scottsbluff Star-Herald, Scottsbluff, Nebraska;
- (8) York News-Times, York, Nebraska.

This notice was also e-mailed to each member of the Board of Directors.

Chair Chlopek called the regular meeting to order at 1:11 p.m. on Wednesday, February 8, 2023, and directed the roll be called:

Present: Jerry L. Chlopek, Sue D. Fuchtman, David D. Gale, Mary A. Harding, Charlie C. Kennedy, Ronald J. Mogul, Jr., Derek S. Rusher, Aaron D. Troester, Wayne E. Williams

Absent: Fred L. Christensen, Edward J. Schrock

constituting a quorum of the Board of Directors.

Chair Chlopek announced that there was a posting of the Open Meetings Act and copies of the Board agenda at the entrance of the conference room, for anyone wishing to examine those documents.

President and Chief Executive Officer Thomas J. Kent provided an update on safety and system operations.

LEGAL NOTICE
PUBLISHED PRIOR
TO THE MEETING

ROLL CALL,
1:11 P.M.,
FEBRUARY 8, 2023

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

REPORT ON
SYSTEM AND
SAFETY STATUS

Special Assistant to the Chief Executive Officer Kendall B. Curry led a review of NPPD's 2016 Wholesale Power Contract. Key topics of discussion included a comparison of the 2016 Contract to the 2002 Wholesale Power Contract, Qualified Local Generation (QLG), performance standards and reduction provisions, rate stabilization, customer committees, and the most favored nations clause.

OVERVIEW OF 2016
WHOLESALE
POWER CONTRACT
TERMS AND
CONDITIONS

Vice President of Customer Services and External Affairs and Chief Customer Officer Courtney A. Dentlinger reviewed wholesale customer demographics by highlighting NPPD's various stakeholders and providing an overview of rural public power districts and municipalities served at wholesale, various contracts and agreements in place and services available to NPPD's wholesale and retail customers, and overview of the Nebraska Electric Generation and Transmission Cooperative, Inc., and its members,

OVERVIEW OF
WHOLESALE
CUSTOMER
DEMOGRAPHICS

It was moved by Director Harding and seconded by Director Rusher that the Board go into Executive Session at 2:17 p.m. to protect the public interest and discuss competitive and proprietary information, pending and potential litigation, and receive legal advice. Votes were cast and recorded as follows:

**MOTION (CARRIED):
GO INTO EXECUTIVE
SESSION AT
2:17 P.M. TO
PROTECT THE
PUBLIC INTEREST,
DISCUSS
COMPETITIVE AND
PROPRIETARY
INFORMATION,
PENDING AND
POTENTIAL
LITIGATION, AND
RECEIVE LEGAL
ADVICE**

Voting Aye:	Chlopek, Fuchtman, Gale, Harding, Kennedy, Mogul, Rusher, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Christensen, Schrock

Whereupon the Chair declared the motion carried and restated the purpose of the Executive Session: to protect the public interest and discuss competitive and proprietary information, legal matters, pending and potential litigation, and receive legal advice.

Immediately following the vote to go into executive session, a recess was taken from 2:18 to 2:25 p.m.

RECESS

Chair Chlopek announced the executive session was ended at 4:48 p.m., during which nothing was discussed beyond the items declared: competitive and proprietary information, pending and potential litigation, and receive legal advice.

EXECUTIVE
SESSION ENDED AT
4:48 P.M.

The meeting was recessed at 4:50 p.m., to reconvene on Thursday, February 9, 2023, at the Columbus General Office.

MEETING
RECESSED AT
4:50 P.M.

FEBRUARY 9, 2023

Chair Chlopek called the regular meeting to order at 9:46 a.m. on Thursday, February 9, 2023, and directed the roll to be called:

ROLL CALL,
9:46 A.M.,
FEBRUARY 9, 2023

Present: Jerry L. Chlopek, Fred L. Christensen, Sue D. Fuchtman, David D. Gale, Mary A. Harding, Charlie C. Kennedy, Ronald J. Mogul, Jr., Derek S. Rusher, Edward J. Schrock, Aaron D. Troester, Wayne E. Williams

Absent: None

constituting a quorum of the Board of Directors.

Chair Chlopek announced that there was a posting of the Open Meetings Act and copies of the Board agenda at the entrance of the conference room, for anyone wishing to examine those documents.

ANNOUNCEMENT OF POSTING OF OPEN MEETINGS ACT AND AGENDA

Guests at the meeting included Darin Bloomquist, Nebraska Electric G&T; Jon Dockhorn, Burt County Public Power District; Chet McWhorter, Cuming County Public Power District; and Matt Fritz, Niobrara Valley EMC.

GUESTS WELCOMED TO MEETING

Resource Planning and Risk Manager James R. Fehr gave a presentation on load forecasting and production model assumptions, to inform the Board of key assumptions being used in the six-year budget and Rate Outlook pertaining to load grown projections, resulting capacity levels, and production model assumptions.

LOAD FORECASTING AND PRODUCTION MODEL ASSUMPTIONS

There were no public comments.

PUBLIC COMMENTS

Chair Chlopek asked for discussion of any consent agenda items, which included the following:

CONSENT AGENDA

- Minutes of January 11-12, 2023, Regular Board Meeting
- Board Retreat Scheduled for April 11, 2023, in Columbus; April 2023 Regular Board Meeting scheduled for April 12-13, 2023, in Columbus (March 2023 Regular Board Meeting previously scheduled March 9-10, 2023, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- December 2022 Summary of Disbursements

Chair Chlopek asked whether any Directors desired any items on the consent agenda to be placed on the regular agenda and voted on separately. There were none.

It was moved by Director Christensen and seconded by Director Rusher that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

MOTION (CARRIED): APPROVE CONSENT AGENDA

Voting Aye: Chlopek, Christensen, Fuchtman, Gale, Harding, Kennedy, Mogul, Rusher, Schrock, Troester, Williams
 Voting Nay: None
 Abstaining: None
 Present But Not Voting: None
 Absent: None

Whereupon the Chair declared the motion carried.

President and Chief Executive Officer Thomas J. Kent read an excerpt from NPPD’s “Principles for Excellence in Corporate Performance” pocket guide.

President and Chief Executive Officer Thomas J. Kent provided an update on NPPD employee staffing levels, and presented the Report on Retirements and Former District Employee Rehires which is on file with the Assistant Secretary and attached and made a part of these minutes.

Mr. Kent recognized retirees Joel Epley and Dan Rech, who were in attendance.

President and Chief Executive Officer Thomas J. Kent recommended the appointments of Investment Portfolio and Debt Administrator Christopher A. Norquest and Treasury Specialist Dawn K. Sucha as authorized signatories, for the purpose of signing for the disbursement of District funds on behalf of the Treasurer; Mr. Norquest would also be authorized to invest and manage NPPD funds in accordance with Board-approved investment policies. It was also recommended that Accounting Manager Joni J. Davis be removed as a signatory.

It was moved by Director Harding and seconded by Director Mogul that the Board confirm the appointments of Christopher A. Norquest and Dawn K. Sucha as authorized signatories for the District, and remove Accounting Manager Joni J. Davis as an authorized signatory. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Fuchtman, Gale, Harding, Kennedy, Mogul, Rusher, Schrock, Troester, Williams
 Voting Nay: None
 Abstaining: None
 Present But Not Voting: None
 Absent: None

Whereupon the Chair declared the motion carried.

EMPLOYEE
COUNTS,
RETIREMENTS AND
REHIRE FOR
FEBRUARY 2023

**MOTION (CARRIED):
CONFIRM
APPOINTMENTS OF
CHRISTOPHER
NORQUEST AND
DAWN SUCHA AS
AUTHORIZED NPPD
SIGNATORIES;
REMOVE JONI
DAVIS AS
AUTHORIZED
SIGNATORY**

Chief Audit and Ethics Officer Conrad L. Saltzgaber reviewed proposed changes to six corporate policies, which the Board will be asked to formally consider at the March 2023 meeting, including: 1) Corporate Nuclear Governance and Oversight (CNGO); 2) Electric Reliability Compliance Program (ERCP); 3) Energy Market Risk Management (EMRM) (former ERM); 4) Energy Risk Management (ERM) (former SRM); 5) Financial Management; and 6) Nuclear Risk Management (NRM).

PROPOSED
REVISIONS TO NPPD
CORPORATE
POLICIES

President and Chief Executive Officer Thomas J. Kent provided a look-ahead of upcoming items for the March 2023 Board meeting.

BOARD AGENDA
LOOK-AHEAD

Executive Vice President of External Affairs and General Counsel John C. McClure discussed the 2023 session of the Nebraska Legislature and reviewed several bills of interest, including:

GOVERNMENTAL
AFFAIRS
LEGISLATIVE
REPORT

Legislative Bill (LB) 61, Authorize leasing of dark fiber and eliminate certain powers of the Public Service Commission (support);

LB 120, Eliminate obsolete provisions relating to a Nebraska Power Review Board study (support);

LB 218, Change provisions relating to intent to appropriate money for management of vegetation within the banks or flood plain of a natural stream (support);

LB 237, Appropriate funds to the Department of Environment and Energy (support);

LB 267, Adopt the Critical Infrastructure Utility Worker Protection Act (support);

LB 565, Provide a grant program related to hydrogen hub designations (support);

LB 567, Change provisions relating to public power and irrigation districts and electric suppliers (support);

LB 568, Adopt the Nuclear and Hydrogen Development Act (support);

LB 683, Create the Nebraska Broadband Office and provide duties (support);

LB 723, Adopt the Public Water and Natural Resources Project Contracting Act (support);

Legislative Resolution (LR) 21, Provide for a special committee of the Legislature to be known as the Small Modular Nuclear Reactor Study Committee (support);

LB 122, Change provisions relating to the One-Call Notification System Act (oppose);

LB 255, Change eminent domain and renewable energy generation provisions relating to certain power suppliers (oppose);

LB 394, Change provisions relating to the determination of damages as a result of eminent domain (oppose);

LB 725, Change provisions relating to electric companies and electric cooperative corporations (oppose);

LB 726, Change requirements regarding annual load and capability reports filed with the Nebraska Power Review Board (oppose);

LB 726, Adopt the Nebraska Electric Consumer Right to Transparency and Local Control Act (oppose);

LB 289, Provide powers for agencies created under the Municipal Cooperative Financing Act (neutral/monitor);

LB 450, Prohibit land disposal of wind turbine blades and their component parts (neutral/monitor);

LB 566, Require a study and report by the Natural Resources Committee of the Legislature regarding intermittent renewable energy generation (neutral/monitor);

LB 505, Provide for motor vehicle registration of plug-in hybrid electric vehicles, impose an excise tax on electric energy used at commercial electric vehicle charging stations, provide for regulation of commercial electric vehicle charging stations, and provide a sales tax exemption for certain electric energy (under review);

LB 733, Adopt the Broadband Pole Placement and Undergrounding Fund Act (under review);

LB 399, Change provisions relating to privately developed renewable energy generation facilities and other electric generation facilities (oppose as introduced); and

LB 541, Provide for nomination and election of public power district and public power and irrigation district directors on the partisan ballot (neutral).

After discussion of LB 541, it was moved by Director Gale and seconded by Director Williams that NPPD reconsider the position on Legislative Bill 541, Provide for nomination and election of public power district and public power and irrigation district directors on the partisan ballot, and state the NPPD Board's support of the bill. Votes were cast and recorded as follows:

Voting Aye:	Gale, Rusher, Schrock, Troester, Williams
Voting Nay:	Chlopek, Christensen, Harding, Kennedy, Fuchtman, Mogul
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chair declared the motion failed.

It was moved by Director Schrock and seconded by Director Mogul that NPPD maintain a position of neutral regarding Legislative Bill 541, Provide for nomination and election of public power district and public power and irrigation district directors on the partisan ballot. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Fuchtman, Harding, Kennedy, Mogul, Schrock, Troester
Voting Nay:	Gale, Rusher
Abstaining:	Williams
Present But Not Voting:	None
Absent:	None

Whereupon the Chair declared the motion carried.

**MOTION (FAILED):
SUPPORT LB 541**

**MOTION (CARRIED):
REMAIN NEUTRAL
ON LB 541**

NPPD staff will continue to monitor bills throughout the session and to keep the Board apprised on issues affecting NPPD and public power. Staff will also meet regularly with the Board Executive Committee (Chair, First Vice, Second Vice and Secretary) for initial guidance and input on legislative matters.

A lunch recess was taken from 11:36 a.m. to 12:20 p.m.

The Nuclear Committee of the Whole, chaired by Director Williams, met Thursday, February 9, 2023, from 12:21 to 12:45 p.m. during the Board of Directors meeting. Safety Review and Audit Board (SRAB) Chair Tim Mitchell provided a SRAB update to the Board; as this was his last update as SRAB Chair, the Board and NPPD management shared their appreciation to Mr. Mitchell and also welcomed his successor, Mark Warner, as the new SRAB Chair. Executive Vice President and Chief Nuclear Officer John A. Dent, Jr., also provided a status update regarding Cooper Nuclear Station.

Director Troester, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, February 9, 2023. During the meeting, the Committee heard reports on the following matters: 1) Energy Supply monthly generation performance; 2) Energy Supply look-ahead for March 2023; and 3) Water Supply

Director Kennedy, Chair of the Customer and Support Services Committee, reported that the Customer and Support Committee met Thursday morning, February 9, 2023.

Accounting Manager Joni J. Davis presented unaudited financial performance measures, as well as the financial report, for December 2022 and year-end 2022, stating that the District realized a surplus of \$5.0 million for the month compared to budget, and a \$73.8 million surplus for the year.

The December 2022 performance measures and monthly financial report indicated that operating revenues from electric sales were \$19.1 million over budget for the month, and \$116.4 million over budget for the year. Firm electric sales were \$4.7 million over budget for the month, and \$42.7 million over budget for the year. Other electric sales were \$14.4 million over budget for the month, and \$73.7 million over budget for the year. Total operating expenses were \$9.8 million over budget for the month, and \$16.5 million over budget for the year. The balance in the Unearned Revenue account as of December 31, 2022, was \$267.8 million. This balance represents surplus net revenues to be applied to revenue requirements in future rate periods.

It was moved by Director Kennedy and seconded by Director Schrock that the December 2022 Financial Statements / Year-end results be accepted, as presented. Votes were cast and recorded as follows:

LUNCH RECESS

NUCLEAR
COMMITTEE OF THE
WHOLE

ENERGY SUPPLY
COMMITTEE
REPORT

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE

DECEMBER 2022
FINANCIAL
STATEMENTS /
YEAR-END RESULTS

**MOTION (CARRIED):
ACCEPT
DECEMBER 2022
FINANCIAL
STATEMENTS /**

Voting Aye: Chlopek, Christensen, Fuchtmann, Gale, Harding, Kennedy, Mogul, Rusher, Schrock, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

YEAR-END RESULTS

Whereupon the Chair declared the motion carried.

Director Williams, Chair of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) Fourth Quarter 2022 NPPD investments, Update of Financial Markets and 2023 Financing Plan Update; 2) Transmission Projects; 3) Energy Delivery look-ahead for March 2023; and 4) Retail Business Unit performance.

CUSTOMER AND SUPPORT SERVICES COMMITTEE REPORT

Director Chlopek, Chair of the Audit, Risk and Compliance Committee, reported that the Audit, Risk and Compliance Committee met Wednesday afternoon, February 8, 2023. The Committee reviewed and approved the 2023 Internal Audit Services Audit Plan. Chief Audit and Ethics Officer Conrad L. Saltzgaber provided an update on Internal Audit Services Department activities, and Executive Vice President of External Affairs and General Counsel John C. McClure and Vice President of Customer Services and External Affairs and Chief Customer Officer Courtney A. Dentlinger led a discussion on state legislative bills of interest.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Director Schrock, Chair of Budget Committee, reported that the Budget Committee met Thursday morning, February 9, 2023. Director of Finance and Financial Planning Donna K. Starzec presented an overview of the 2024-2029 Rate Outlook. Key items discussed included confirmation of goals for the Rate Outlook process, components of the 2023 Budget, review of escalation factors, review of budget timeline, next steps, and ability to schedule upcoming Budget Committee meetings to discuss any questions or other topics of interest.

BUDGET COMMITTEE REPORT

There being no further business to come before the Board, the meeting was duly adjourned at 1:52 p.m.

**ADJOURNMENT
1:52 P.M.**

Minutes approved at
the meeting of
March 9-10, 2023

_____/s/_____
Jerry L. Chlopek, Chair

_____/s/_____
Janette H. Modelski, Assistant Secretary

**REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRSES
FEBRUARY 2023 BOARD MEETING**

RETIREMENTS

1. Rebecca M. Behle, Wholesale Billing Specialist, General Office, Columbus, was employed October 16, 1990, and is retiring as of February 28, 2023.
2. Julie L. Johnson, Permits and Agreements Specialist, General Office, Columbus, was employed February 22, 1994, and is retiring as of February 28, 2023.
3. Michael R. Reichmuth, Systems Analyst, Operations Center, York, was employed February 16, 1980, and is retiring as of March 16, 2023.
4. Daniel L Rech, Drafting Technician II, Cooper Nuclear Station, Brownville, was employed February 1, 1989, and is retiring as of May 10, 2023.
5. Joel E. Epley, Senior Corporate Planning Analyst, General Office, Columbus, was employed May 8, 1978, and is retiring as May 16, 2023.

REHIRSES

None this month.