

3.e.. Utilities & Infrastructure Factors – Utility Rates

Utility Rates: Provide information on utility rates in unit measures indicated below. Provide information on potential pioneer, capital facilities, extension or connection charges. Provide assurance that rates will not vary based on any bond issue or other factors. Note available interruptible, large volume or other program rate. If incentive raters are offered, provide detail on comparison to normal rates.

i. Electricity – per kwh (kilowatt hour) and any applicable demand charges

The site will be on the NPPD General Service Demand rate (GSDM) with the 33-1/3 % municipal discount and the 2% primary service discount available if NE DAS meets the qualification. Discounts may be limited based on a rate floor which cannot be lower than the NPPD average wholesale power cost. However, the veterans home served by NPPD in Scottsbluff meets the qualifications so it is anticipated the Kearney location will as well. The GSDM rate is the NPPD rate designed for large customers served at three phase from the distribution system. Annual rate reviews are performed by NPPD to ensure customers are on the best rate available from NPPD.

Preliminary rate review based on the data provided by NE DAS in response to question 5 of the RSIO would indicate the annual average cost per kwh could be approximately 6.57 cents per kwh utilizing the 33 – 1/3 % municipal discount. The application of the primary service discount and power factor adjustment has the potential to lower the average rate even farther. Additionally, the City of Kearney will provide an annual rebate of \$20,000.00 per year for ten years to assist in electric utility costs. Electric system extensions and connection fees will be at no charge to the NE DAS. NPPD will not require a security deposit on the account. Common utility easement corridors will be utilized to the extent possible without jeopardizing public safety.

NPPD will partner with the NE DAS if there is interest in renewable energy to serve this location. There are several options available that can be reviewed either at the beginning of the project or at some point in the future. NPPD's current rate structure includes renewable energy in the diversification mix but is not site specific and not included as a specific line item in this proposal.

ii. *Water – per mgal (thousand gallons)*

The City of Kearney will construct the onsite sewer and water mains, including fire suppression mains, **at no charge** to the developer and within 180 days of the notice to proceed. The City would also own and maintain these onsite sanitary sewer and water mains, including fire hydrants **at no charge** to the developer. A separate irrigation well for landscape irrigation is recommended for the project to reduce costs, but landscape irrigation may be provided by the City at the discretion of the developer. The current monthly rate of \$51.90 + \$1.60427 per thousand gallons of water used for water service and \$3.30 + \$2.1390 per thousand gallons of water used for sewer **will be reduced by 50% for this project.** This will result in a rate of

Central Nebraska Replacement Veterans Home
Kearney Proposal
6.11.2013

3.e.. Utilities & Infrastructure Factors – Utility Rates

\$25.95 + \$0.802135/1,000 gallons of water used for water service and \$1.65 + \$1.0695/1,000 gallons of water used for sanitary sewer service. **This rate is secured through December 31, 2033.**

The current monthly rate of \$51.90 + \$1.60427 per thousand gallons of water used for water service **will be reduced by 50% for this project.** This will result in a rate of \$25.95 + \$0.802135/1,000 gallons of water used for water service. No additional charges for pioneer, capital facilities, extension or connection will apply to this project. **Rates will not vary based on any bond issue and are secured through December 31, 2033.**

iii. *Sewage – per mgal (thousand gallons)*

The current monthly rate of \$3.30 + \$2.1390 per thousand gallons of water used for sewer **will be reduced by 50% for this project.** This will result in a rate of \$1.65 + \$1.0695/1,000 gallons of water used for sanitary sewer service. No additional charges for pioneer, capital facilities, extension or connection will apply to this project. **Rates will not vary based on any bond issue and are secured through December 31, 2033.**

iv. *Natural gas – per therm*

Source: NorthWestern Energy: The account in G.I. has been on transportation for 2 years with us delivering the gas for a 3rd party supplier. What we charge for delivery is:

\$330.00 a month customer charge
\$.35 a dekatherm for delivery charge (10 therms.= 1 dekatherm)
\$.0254 a dekatherm for economic surcharge

Historically the usage has been in the 25,000 dkt. Annual. They will more than likely stay with a 3rd party supplier if they locate in Kearney.

See Attached: Source Gas

SourceGas Distribution LLC

610 Central Ave
Kearney, NE 68847
308-865-6333
www.SourceGas.com



June 7, 2013

Mr. Darren Robinson
Economic Development Council of Buffalo County
1007 2nd Ave
Kearney, NE 68848

RE: Non-binding proposal to provide Natural Gas service to proposed Kearney Veteran's Hospital

Dear Mr. Robinson,

SourceGas was pleased to hear about your proposal for a new VA Hospital in Kearney, NE. To aid in your comparative analysis, please see rate, balancing, and nomination information below.

Please note that both of these rate offerings are for transportation of natural gas to the proposed facility **only**, and they do not include any commodity component. Procurement of commodity, i.e., purchase of the natural gas itself, is the responsibility of the end use party.

Large Commercial:

Large Commercial Service rates through the Choice Gas Program are available to Commercial or Industrial Customers whose annual gas consumption is more than five hundred (500) dekatherms. Service under Rate Schedule CGS for jurisdictional Large Commercial Service is governed by the SourceGas Tariff on file with the Nebraska Public Service Commission. No additional agreement with SourceGas is required to secure these Tariff rates, which will change from time to time.

	Non-Gas Rate component	Base Component	Base Rate	Surcharge Component	Rate	Total Cost	Gas	Total Rate
First 80 therms/ month	\$ 0.4675	\$	-	\$	0.0483	\$ 0.0483		\$ 0.5158
Over 80 therms /month	\$ 0.1338	\$	-	\$	0.0483	\$ 0.0483		\$ 0.1821

Customer Charge of \$56.15 + \$0.74 for HEAT program

To receive Large Commercial Service under the Choice Gas Program, the VA Hospital will select a Choice Supplier (or if a selection form is not received, a default Choice Supplier will be assigned) , who will hold firm upstream no-notice storage and firm transportation capacity for deliveries to the facility. This firm service is reflected in the Choice Supplier pricing. Accordingly, the Choice Supplier is responsible for nominating gas and managing imbalances on the upstream pipe serving the SourceGas System.

Type 2 Transportation:

A customer with an average daily usage equal to or greater than 500 therms per day is eligible for Type 2 Transportation. The rates and charges would be established in a contract between SourceGas and the VA Hospital in Kearney, and service to the facility would be governed by this agreement. SourceGas and the VA Hospital would need to establish a contractual Maximum Daily Quantity to be delivered to the VA Facility to aid in capacity planning. If and when the VA Hospital is approved to be built in Kearney, SourceGas will present to the VA Hospital a non-binding offer of a Transportation Rate based, in part, upon the to-be-determined load requirements of the facility.

Transportation Rate to Facility	\$.XXXX/therm
Customer Charge Per Month	\$60.00 /month
Administrative Charge	\$200.00 /month
Initial Cost of EFM Installation	\$3,018.00

Upstream firm no-notice storage and firm transportation capacity is **not** included in SGD's Type 2 Transportation service. SGD requires matching nominations on the upstream pipe as a pre-requisite to daily service. Daily nominations on the upstream pipeline may be made by the VA Hospital, or a third party, submitting nominations under either firm or interruptible upstream service.

We believe locating in Kearney would be an excellent choice for the Hospital. SourceGas would be delighted to provide natural gas service to this facility. If you have questions while evaluating these proposals, please do not hesitate to reach out to me at 308-865-6333.

Thanks again for your interest.

Best Regards,

Jason Pickett

Jason Pickett
SourceGas
Sr. Director, Nebraska Operations

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GSDM Issued: 11/15/12
Supersedes Schedule: GSDM Issued: 11/18/11
Sheet No.: 1 of 4 Sheets

GENERAL SERVICE DEMAND RATE SCHEDULE

(Name of Schedule)

AVAILABLE: In the retail distribution service territory of the District.

APPLICABLE: To commercial and industrial Customers with peak demands of 100 kW or more in any two summer months or 200 kW or more in any two months of a 12 consecutive month period, whose entire requirements are taken through a single meter at one location through one transformation. However, any commercial Customer with a load factor of at least 250 kWh/kW and either: (1) a demand greater than 50 kW, or (2) monthly consumption greater than 15,000 kWh during any three months of a 12 consecutive month period shall have the option of billing under this rate schedule.

This rate schedule is also applicable to a wind generation facility Customer operating under a power purchase agreement with the District and taking delivery at 115kV, 69kV, or 34.5kV, for its power and energy during wind generation facility construction and start-up and wind generation facility service back-feed power and energy requirements during commercial operation. The primary service discount will apply to such Customers.

CHARACTER OF SERVICE: AC, 60 hertz, single-phase or three-phase, at any of the District's standard primary and secondary distribution voltages for commercial and industrial Customers, and at the District's standard subtransmission and transmission voltages stated above for wind generation facility Customers.

BASE RATE:

Subject to application of Retail Production Cost Adjustment (PCA) Rate Schedule.

General Service Demand (Rate Codes 26 & 55):

Customer Charge:	Single-phase	\$100.00 per month
	Three-phase	\$115.00 per month

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved: 11/09/12 Resolution No: 12-57 Effective: January 1, 2013
Issued by: *W. D. S. Surtz*

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GSDM Issued: 11/15/12
 Supersedes Schedule: GSDM Issued: 11/18/11
 Sheet No.: 2 of 4 Sheets

GENERAL SERVICE DEMAND RATE SCHEDULE

(Name of Schedule)

Energy Charge:

Summer Winter

12.58¢ 9.45¢ per kilowatt-hour for the first 200 kilowatt-hours per kilowatt of billing demand.
 4.58¢ 3.62¢ per kilowatt-hour for all additional use.

Summer:

The summer rate shall apply to the Customer's prorated use from June 1 through September 30.

Winter:

The winter rate shall apply to the Customer's prorated use from October 1 through May 31.

BASE RATE ADJUSTMENT:

Customers who are served from distribution facilities for which the District has a Lease Payment (LP) or Debt Service (DS) obligation and/or a 5% Gross Revenue Tax (GRT) obligation will have the Base Rate (excluding PCA but including applicable primary service discount and power factor adjustment) adjusted to include such obligations as shown in the following table:

<u>Applicable Adjustment</u>	<u>Rate Formula</u>
None	Base Rates
Gross Revenue Tax (GRT) Only	Base Rates ÷ 0.95
Lease Payment (LP) or Debt Service (DS) Only	Base Rates ÷ 0.88
LP/DS and GRT	Base Rates ÷ 0.83

In addition, for Customers served from distribution facilities for which the District has a 5% GRT obligation, the PCA will be adjusted to include such obligation by the following formula:
 PCA ÷ 0.95.

MINIMUM BILL: Customer Charge, subject to applicable Base Rate Adjustment.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved: 11/09/12 Resolution No: 12-57 Effective: January 1, 2013
 Issued by: Todd S. Smart

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GSDM Issued: 11/15/12
Supersedes Schedule: GSDM Issued: 11/18/11
Sheet No.: 3 of 4 Sheets

GENERAL SERVICE DEMAND RATE SCHEDULE

(Name of Schedule)

DETERMINATION OF BILLING DEMAND: The billing demand for extension of the kilowatt-hour blocks in the above rate shall be the maximum integrated kilowatt load during any thirty (30) minute period occurring in the billing period for which the determination is made.

PRIMARY SERVICE DISCOUNT: A discount of two percent (2%) of the total bill (excluding applicable PCA and Base Rate Adjustment but including applicable Power Factor Adjustment) is applicable where:

1. The Customer takes service from the District's standard primary distribution voltage,
2. The Customer owns and maintains, or pays for all capital costs and all costs for repairs, renewals, improvements and additions, for all transformation from primary distribution voltage to Customer secondary utilization voltage and other distribution facilities beyond the primary voltage delivery point, and
3. Both the point of measurement and the point of delivery are located at the same point on the District's primary voltage distribution line.

POWER FACTOR ADJUSTMENT: The rates set forth in this rate schedule are based on the maintenance by the Customer of a power factor of not less than 90 percent, whether lagging or leading, at all times. For loads of 750 kW or more, or at the option of the District for loads of less than 750 kW, power factor adjustments will be made in the billing demand. The measured maximum kW demand will be multiplied by 90 percent and divided by the Customer's power factor (expressed in percent) determined at the time of the Customer's maximum use.

TERMS AND CONDITIONS:

1. Service will be furnished under the District's Retail Service Rules and Regulations.
2. Extensions made for service under this rate schedule are subject to the provisions of the District's "General Extension Policy for Retail Electric Services and Facilities".
3. The District's General Customer Service Charges Rate Schedule shall apply.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved: 11/09/12 Resolution No: 12-57 Effective: January 1, 2013
Issued by: Todd S. Swartz

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GSDM Issued: 11/15/12
Supersedes Schedule: GSDM Issued: 11/18/11
Sheet No.: 4 of 4 Sheets

GENERAL SERVICE DEMAND RATE SCHEDULE

(Name of Schedule)

- 4. Usage shall be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
- 5. At the option of the District, any new Customer (or existing Customer adding substantial new load) with a power factor less than 90 percent may be granted up to six months from the date service is provided (or the date the new load is energized) to correct the power factor before application of any power factor adjustment.
- 6. For billing purposes, energy usage shall be normalized to 30 days when actual days of service is less than 27 days or exceeds 35 days in any given billing period.
- 7. The District retains and reserves the right, power and authority to modify, revise, amend, replace, repeal or cancel this rate schedule, at any time and in whole or in part, by resolution adopted by the District's Board of Directors.

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Approved: 11/09/12 Resolution No: 12-57 Effective: January 1, 2013
Issued by: *Todd A. Swartz*

NPPD REFERENCES (with 2011 Data)

Updated: 11/2012

*Population Facts (counts of people)**

Chartered Territory

- All or parts of 91 of the state's 93 counties established by state statute
- Douglas and Sarpy excluded--Cities of Fremont, Nebraska City, Sidney, Alliance and Blair also excluded
- (Estimated population in NPPD Chartered Territory is 1,098,145 Nebraskans)
- Size—76,281 square miles
- Board of Directors elected from districts comprising subdivisions of NPPD's Chartered Territory

Service Area (Native Load, Firm Requirements)

- All or parts of 86 of the state's 93 counties.
- Included is population served by Retail Division, wholesale municipalities, and wholesale public power districts and rural cooperatives. Excluded are MEAN, WAPA, Tri-State, OPPD, LES, Grand Island, Hastings, Juniata and interconnects.
- Estimated population—593,016

Served by Transmission Services

- Approximately 1,030,013 Nebraskans (Estimated population)
- Excluded are Douglas and Sarpy counties and the five cities not in chartered territory, WAPA and Tri-State. Included are customers served by NPPD Native Load, LES, Grand Island, Hastings and MEAN.

Customer Facts (counts of customers)

NPPD End-Use Customers for Native Load	Total Customers	Residential
NPPD Retail:	89,129	70,350
Retail Customers of NPPD Rural Power Districts:	211,500	125,127
Retail Customers of NPPD Municipals:	71,619	57,167
Retail Customers of Wholesale Customer's Wholesale:	<u>13,880</u>	<u>11,569</u>
Total End-Use Customers:	386,128	264,213

NPPD Customers by Town & Power District

Entities Served by NPPD at Retail

81	Communities (Nebraska & South Dakota)
<u>9</u>	Unincorporated villages
90	

Wholesale Total Requirements Municipalities & Public Power Districts

51	Municipalities
22	Rural PPDs & Coops (Served through Nebraska Electric G&T)
<u>3</u>	(Norris, Loup, Southern)
76	

NPPD Non-Firm Interconnects

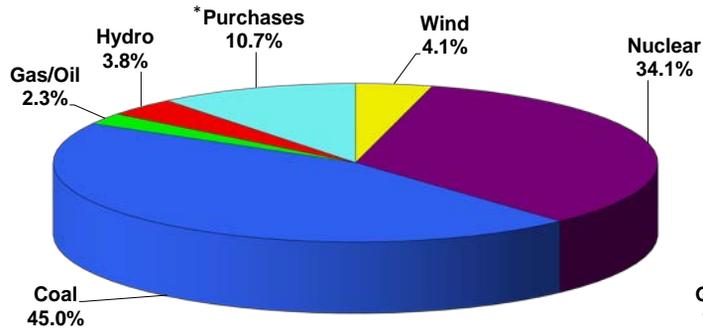
4 (Grand Island, Hastings, Plainview, Wisner)

*Population facts based upon U.S. Census Bureau estimates for Nebraska counties and cities and towns as of 7/1/11.

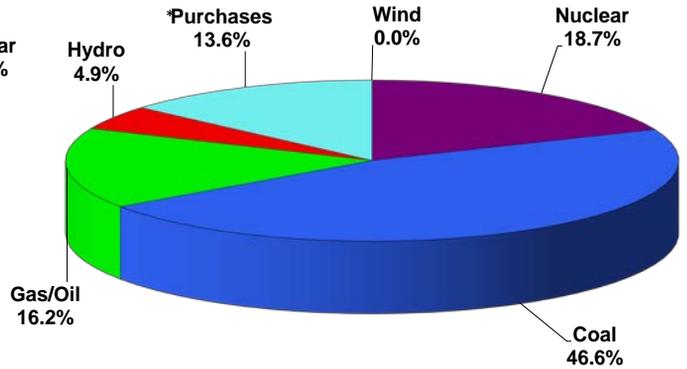
Data is subject to revision as the Census Bureau reports 2011 census results.

2012 Energy and Capacity

**Energy Resources
(Native Load Only)
Nebraska Public Power District
2012 Actual**



**Capacity Resources
(Native Load Only)
Nebraska Public Power District
2012 Actual**



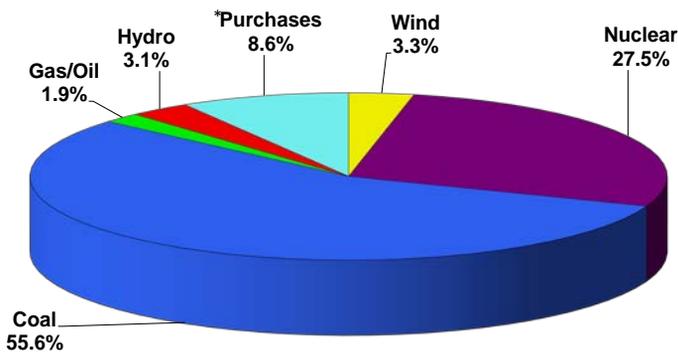
* Purchases = 6.4% WAPA @ 882 Gwh
4.3% Others @ 595 Gwh

* Purchases = WAPA @ 451 MW
Wind Capacity = 0 per SPP Net Capability Calculations

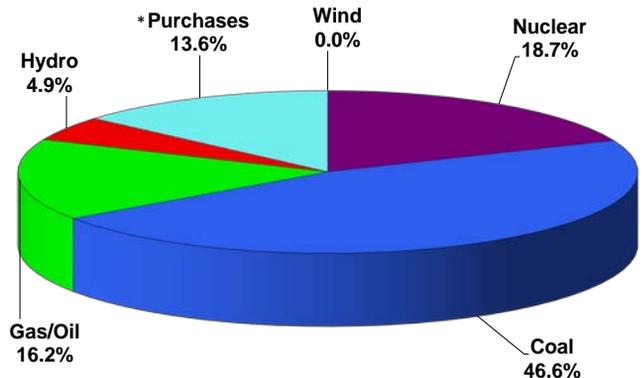
Carbon Free Resources 48.4%
Carbon Emitting Resources 51.6%

Carbon Free Resources 37.1%
Carbon Emitting Resources 62.9%

**Energy Resources
(Native Load + Nonfirm Sales)
Nebraska Public Power District
2012 Actual**



**Capacity Resources
(Native Load + Nonfirm Sales)
Nebraska Public Power District
2012 Actual**



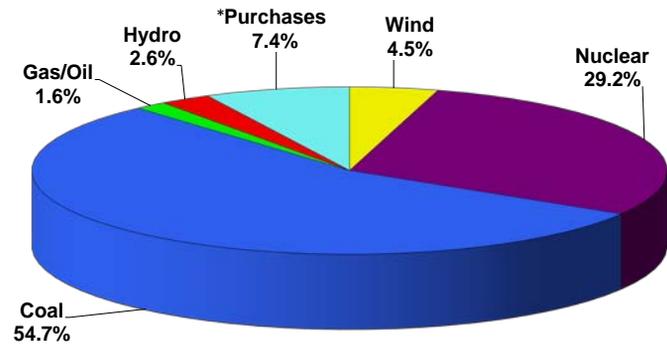
* Purchases = 5.1% WAPA @ 882 Gwh
3.5% Others @ 595 Gwh

* Purchases = WAPA @ 451 MW
Wind Capacity = 0 per SPP Net Capability Calculations

Carbon Free Resources 38.9%
Carbon Emitting Resources 61.1%

Carbon Free Resources 37.1%
Carbon Emitting Resources 62.9%

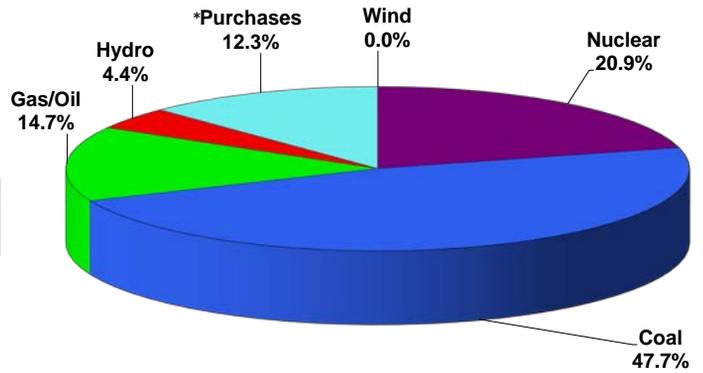
Energy Resources
 (All Resources Owned or Purchased)
 Nebraska Public Power District
 2012 Actual



* Purchases = 4.4% WAPA @ 882 Gwh
 3.0% Others @ 595 Gwh

Carbon Free Resources 40.7%
 Carbon Emitting Resources 59.3%

Capacity Resources
 (All Resources Owned or Purchased)
 Nebraska Public Power District
 2012 Actual



* Purchases = WAPA @ 451 MW
 Wind Capacity = 0 per SPP Net Capability Calculations

Carbon Free Resources 37.6%
 Carbon Emitting Resources 62.4%