

Municipal Energy Agency of Nebraska

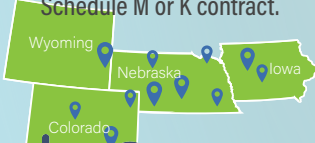
EXPLANATION of MEAN's FIXED COST RECOVERY CHARGE on your WHOLESALE ELECTRIC BILL

FIXED COST RECOVERY CHARGE (FCRC)

APPLIED TO MONTHLY WHOLESALE ELECTRIC BILL



to all communities under a MEAN
Schedule M or K contract.



Allocated based on each
community's three-year historical
average peak electric demand.

MEAN PROCURES ELECTRIC GENERATION IN 4 WAYS



Ownership
of Power
Resources



Participation
Agreements
In Shared
Resources



Power
Purchase
Agreements



Market
Purchases

4 ELEMENTS TO THE FCRC



Capital

Costs of ownership
of and participation
in power resources.



Debt Service

Principal and interest
payments on
outstanding debt.



MEAN A&G

Administrative and
general costs to
operate MEAN.



Rate Stabilization

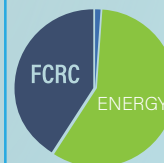
Cash reserve to plan
for large fluctuations
in annual costs
including capital
projects.

OVERSIGHT



MEAN representatives annually
review and approve the FCRC
through involvement on the MEAN
Board and at committee meetings.

REDUCES VOLATILITY



The FCRC is
approximately 40
percent of
MEAN's annual
targeted revenue
requirement.

Separating out and allocating
these fixed costs reduces revenue
volatility, which directly results in
more stable rates and charges to
your community.