

Virtual Conference
Board of Directors and Executive Committee
National Public Gas Agency
In-Person Meeting Site: 8377 Glynoaks Dr, Lincoln, NE
December 7, 2023 – 10:00 a.m. (CT)

A G E N D A

All agenda items are for discussion and action will be taken as deemed appropriate.

1. Call to Order
 - A. Section 84-1412 (8) – Nebraska Open Meetings Act
 - B. Roll Call
 - C. Public Comment
2. Consent Agenda
 - A. Minutes of the September 14, 2023, Meeting
 - B. Next Meeting
 - C. Financial Report
 - D. Acknowledge Receipt of the Unapproved Minutes of the November 1, 2023, Joint Operating Committee (JOC) Meeting
 - E. Consent Resolution
3. NMPP Modernization
 - A. Joint Operating Committee Agreement Modifications
4. Reports
 - A. Director of Gas Operations
 - B. Gas Operations Controller
5. Hedging Policy and Parameters
6. Natural Gas Supply Agreements in Connection with Prepaid Gas Transactions
7. Year-End Projections for Fiscal Year 2023-2024 and Budget and Rates for Fiscal Year 2024-2025
8. Contracts and General Counsel Report
9. Comments from the Chairperson
10. Items for Future Agenda
11. Adjournment

Agenda Item 2
NPGA Board of Directors and Executive Committee Meeting

CONSENT AGENDA

Date:	December 7, 2023
Initiator/Staff information source:	Chairperson Anderson
Action Proposed:	Approval

Minutes of the September 14, 2023, meeting were previously distributed and are included as Attachment A.

The next meeting of the NPGA Board of Directors is set for Thursday, February 8, 2024, at the NMPP Energy offices, Lincoln, Nebraska.

August, September, and October 2023 financials were previously distributed. Jamie Johnson, Director of Finance and Accounting, will review September financials for the NMPP Energy organizations and October financials for NPGA in more detail at the meeting (Attachment B).

Unapproved Minutes of the November 1, 2023, Joint Operating Committee (JOC) meeting are included as Attachment C.

CONSENT AGENDA (Continued)

Date:	December 7, 2023
Initiator/Staff information source:	Chairperson Anderson
Action Proposed:	Approval

Consent Resolution

WHEREAS, certain business of the Board of Directors of the National Public Gas Agency transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the National Public Gas Agency that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the minutes of the September 14, 2023, meeting are hereby approved as presented; and*
- 2. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the next regularly scheduled meeting will be Thursday, February 8, 2024, at the NMPP Energy offices, Lincoln, Nebraska; and*
- 3. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the financial statements for August, September, and October 2023, are hereby reviewed and accepted; and*
- 4. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the receipt of the unapproved minutes of the November 1, 2023, meeting of the Joint Operating Committee are hereby acknowledged.*

NMPP MODERNIZATION – JOINT OPERATING COMMITTEE AGREEMENT MODIFICATIONS

Date:	December 7, 2023
Initiator/Staff information source:	Bob Poehling and Jamie Johnson
Action Proposed:	Informational

Bob Poehling, Executive Director/CEO, will provide an update on the Nebraska Municipal Power Pool. Jamie Johnson, Director of Finance and Accounting, will review draft amendments to the Joint Operating Committee Agreement. The amendments are intended to incorporate the proposed changes in governance of NMPP and other modernization changes. The governance changes are subject to approval by the Members of NMPP in late 2023.

As such, staff is not seeking approval of these amendments at the December 7, 2023, meeting. The draft, included as Attachment D, is provided for discussion purposes only. Approval would be sought only after the Articles of Incorporation of NMPP are amended.

Agenda Item 4A
NPGA Board of Directors and Executive Committee Meeting

DIRECTOR OF GAS OPERATIONS

Date:	December 7, 2023
Initiator/Staff information source:	Beth Ackland
Action Proposed:	Informational

Beth Ackland, Director of Gas Operations, will provide updates on various work activities since the last meeting.

GAS OPERATIONS CONTROLLER

Date:	December 7, 2023
Initiator/Staff information source:	Jamie Barrett
Action Proposed:	Informational

Jamie Barrett, Gas Operations Controller, will provide updates on all current pipeline rate cases and gas supply storage information.

HEDGING POLICY AND PARAMETERS

Date:	December 7, 2023
Initiator/Staff information source:	Beth Ackland
Action Proposed:	Informational

Beth Ackland, Director of Gas Operations, will provide a swap report and update on current hedge positions and present an overview of factors affecting the natural gas market.

NATURAL GAS SUPPLY AGREEMENTS IN CONNECTION WITH PREPAID GAS TRANSACTIONS

Date:	December 7, 2023
Initiator/Staff information source:	Beth Ackland
Action Proposed:	Informational

Beth Ackland, Director of Gas Operations, will update the Board on any current opportunities.

YEAR-END PROJECTIONS FOR FISCAL YEAR 2023-2024
AND BUDGET AND RATES FOR FISCAL YEAR 2024-2025

Date:	December 7, 2023
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Informational

The Preliminary Proposed Budget and Rates for Fiscal Year 2024-2025 and Year-End Projections for Fiscal Year 2023-2024 are included as Attachment E, which provides detailed information and will be discussed further at the meeting.

CONTRACTS AND GENERAL COUNSEL REPORT

Date:	December 7, 2023
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Informational

Contracts Report:

Other Party	Agreement Name	Effective Date	Termination Date
Constellation NewEnergy - Gas Division LLC	Asset Management Arrangement Rider to Base Contract for Sale and Purchase of Natural Gas (AMA on Northern)	11/1/2023	3/31/2024
FORVIS, LLP	Engagement Letter for Audit 2024	10/31/2023	Terminates upon completion of services or upon notice
Municipal Gas Authority of Georgia	Transaction Confirmation #5 subject to NAESB Base Contract for Sale and Purchase of Natural Gas, effective 12/1/2019 (Main Street Citi 2023D)	4/1/2024	3/31/2054

Legal & Regulatory Reports:

Environmental, Social and Governance (ESG) Reporting

During the recent renewal of the Directors and Officers Liability Insurance Policy covering the NMPP Energy entities, the carrier inquired about the ESG activities of NMPP, MEAN, NPGA and ACE. Responses were provided with guidance from NMPP Energy's insurance broker and their ESG consultant. Insurance carriers are expecting insureds to report ESG activities and show progress in ESG initiatives annually with each insurance renewal.

Cybersecurity Liability Insurance Requirements

The NMPP Energy entities may be required to reassess cybersecurity liability insurance coverage. In the Nebraska Choice Gas Program, the Program administrator Black Hills has proposed new cybersecurity liability insurance requirements for suppliers effective with the 2024-2025 Program year. ACE submitted comments expressing concern with several of the proposed insurance requirements due to cost and coverage availability.

Report on Staff Service on Outside Organizations

For informational purposes, NMPP Energy annually reports to its Directors and Officers Liability Insurance carrier the outside boards and committees on which the NMPP staff serve, and on which any board member serves, in representation of one of the NMPP Energy entities. Attachment F contains the annual report of such outside boards and committees.

Insights from APPA Legal and Regulatory Conference

The following were some of the many topics covered as public power attorneys from across the country gathered October 16-19, 2023, for the annual APPA Legal and Regulatory Conference:

- How Public Power Can (Finally) Access Clean Energy Credits
- Exploring Options for Renewable Resources
- Crisis Communications for Utility Attorneys and Their Clients
- Don't be a Facebook Fool (Social Media Best Practices)
- Federal Regulatory and Legislative Update (Greenhouse Gas Emission Rules, Supply Chain Challenges)

U.S. Supreme Court: Social Media/First Amendment Cases

Two pending U.S. Supreme Court cases may provide guidance on the extent to which political subdivisions can moderate or block content on social media. The cases, which were scheduled to be argued October 31, 2023, with rulings expected in Summer 2024, may affect how MEAN, NPGA, ACE and municipalities manage their Facebook and other social media posts in the future.

Unapproved Minutes
Board of Directors and Executive Committee
National Public Gas Agency
NMPP Energy Offices
8377 Glynoaks Dr, Lincoln, NE
September 14, 2023 – 10:00 a.m. (CT)

The Board of Directors and Executive Committee of the National Public Gas Agency (NPGA) met on Thursday, September 14, 2023, at the NMPP Energy offices, 8377 Glynoaks Dr, Lincoln, Nebraska. Notice of the meeting was given to the Board of Directors and Executive Committee by electronic mail and to the public by publication in the August 31, 2023, edition of the *Lincoln Journal Star* newspaper and on the NMPP Energy website. The notice and agenda were posted upon issuance at the NMPP Energy office, the designated public meeting site, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. All documents being considered at the meeting and the current version of the Nebraska Open Meetings Act were made available at the meeting location and on NMPP Energy's Public Meeting Information website during the meeting.

NPGA BOARD OF DIRECTORS

CALL TO ORDER

Chairperson, Chris Anderson, called the meeting to order at 10:00 a.m. (CT). Anderson announced that pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room. It was also announced that the meeting was being recorded.

Roll Call

Quorum was declared with 8 of the 14 Members present in-person. As there was quorum for the Board of Directors, a meeting of the Executive Committee was not called.

Alma, NE	Russ Pfeil
Central City, NE	Chris Anderson
Fort Morgan, CO	Brent Nation
Lyons, NE	Terry Ueding
Pender, NE	Chris Brader
Stromsburg, NE	Lenard Schaefer
Stuart, NE	Bob Lockmon
Superior, NE	Andrew Brittenham

Virtual: Belleville, KS; Walsenburg, CO

Absent: Auburn, KS; Falls City, NE; Trinidad, CO; Wisner, NE

Public Comment

Chairperson Anderson asked if there were members of the public body in attendance who would like to make agenda comments. In advance of her retirement, Chris Dibbern, General Counsel, expressed appreciation of the board members and NMPP Energy staff.

CONSENT AGENDA

Minutes

Minutes of the June 8, 2023, meeting were previously distributed as Attachment A. There were no changes to the minutes.

Next Meeting

The next meeting of the NPGA Board of Directors is set for Thursday, December 7, 2023, at the NMPP Energy offices, Lincoln, Nebraska.

Financial Report

Jamie Johnson, Director of Finance and Accounting, reviewed the June financials for the NMPP Energy organizations and July NPGA financials, which were previously distributed as Attachment B. May and June 2023 financials were previously distributed.

Unapproved Minutes of the May 31, 2023, Joint Operating Committee (JOC) meeting were included as Attachment C.

Consent Resolution

Motion: Brent Nation, Fort Morgan, CO, moved to approve the following Resolution. Andrew Brittenham, Superior, NE, seconded the motion, which carried unanimously on roll call vote.

Consent Resolution

WHEREAS, certain business of the Board of Directors of the National Public Gas Agency transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the National Public Gas Agency that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the minutes of the June 8, 2023, meeting are hereby approved as presented; and*
- 2. BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the next regularly scheduled meeting will be Thursday, December 7, 2023, at the NMPP Energy offices, Lincoln, Nebraska; and*

3. *BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the financial statements for May, June, and July 2023, are hereby reviewed and accepted; and*
4. *BE IT FURTHER RESOLVED BY the Board of Directors of the National Public Gas Agency that the receipt of the unapproved minutes of the May 31, 2023, meeting of the Joint Operating Committee are hereby acknowledged.*

REPORTS

Executive Director

Bob Poehling, Executive Director/CEO, provided an update on the Nebraska Municipal Power Pool. Following the sale of PowerManager to an outside third-party, staff evaluated the modernization of NMPP to increase efficiencies and streamline governance and operations. As a result of recent state legislation, MEAN will be permitted to provide most of NMPP's services to any municipality. NMPP will be retained as an entity; its primary purpose will be to provide staffing for the NMPP Energy organizations (MEAN, NPGA and ACE), provide legislative and regulatory advocacy, and provide coordination of activities that benefit municipalities.

Director of Gas Operations

Beth Ackland, Director of Gas Operations, provided industry and pipeline updates, information on the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grants, a swap report and gas market outlook.

Gas Operations Controller

Jamie Barrett, Gas Operations Controller, provided updates on current pipeline rate cases as well savings related to gas supply and transportation.

Motion: Andrew Brittenham, Superior, NE, moved to go into closed session for the protection of the public interest to discuss proprietary and competitive information relating to strategic transportation information. NPGA reps, alt reps, as well as any NMPP Staff member, may participate in the closed session. Brent Nation, Fort Morgan, CO, seconded the motion, which carried unanimously on roll call vote.

Anderson restated on the record that the limitation of the subject matter was to discuss proprietary and competitive information relating to strategic transportation information.

The board went into closed session at 10:50 a.m.

Anderson asked for any objections to return to open session, hearing none, the meeting reconvened in open session at 10:57 a.m. There was no action taken during or as a result of the closed session.

HEDGING POLICY AND PARAMETERS

There were no updates to report.

NATURAL GAS SUPPLY AGREEMENTS IN CONNECTION WITH PREPAID GAS TRANSACTIONS

Beth Ackland, Director of Gas Operations, announced the Municipal Gas Authority of Georgia's pricing of a prepaid natural gas transaction.

AMENDMENTS TO AMENDED AND RESTATED BYLAWS OF NATIONAL PUBLIC GAS AGENCY

NPGA's Amended and Restated Bylaws define the Net Asset Value Account (NAVA). Exhibit B of the Amended and Restated Bylaws provides a formula for calculating the Tier One and Tier Two components of the NAVA annually. Staff drafted modifications to the Amended and Restated Bylaws to simplify and modernize the NAVA, included as Attachment D.

Motion: Lenard Schaefer, Stromsburg, NE, moved to approve the following Resolution. Terry Ueding, Lyons, NE, seconded the motion, which carried unanimously on roll call vote. Six Tier 1 members were present and voted along with the other members of the Board of Directors present: Central City, NE; Lyons, NE; Pender, NE; Stromsburg, NE; Stuart, NE; and Superior, NE.

Resolution

WHEREAS, the NPGA Board of Directors desires to amend and restate the Amended and Restated Bylaws of the National Public Gas Agency to provide for the following: (i) removal of provisions regarding the Net Asset Value Account ("NAVA") and corresponding changes to the allocation of assets and distribution without dissolution and upon dissolution, and (ii) housekeeping changes.

NOW THEREFORE, BE IT RESOLVED by the NPGA Board of Directors that the Amended and Restated Bylaws of the National Public Gas Agency be amended and restated as presented, a copy of which Amended and Restated Bylaws dated September 14, 2023, is made a part of the official Minutes book.

BE IT FURTHER RESOLVED BY the NPGA Board of Directors that staff is hereby authorized and directed to mail copies of the Amended and Restated Bylaws to all directors of the Agency as required by Article XIII of the Bylaws.

CONTRACTS AND NATURAL GAS COUNSEL REPORT

Michelle Lepin, General Counsel, reported the following contracts which were included in a written report in the meeting packet:

- Stuart, Nebraska Asset Management Arrangement to Gas Purchase Agreement
- Constellation NewEnergy - Gas Division LLC Asset Management Arrangement Rider to Base Contract for Sale and Purchase of Natural Gas (AMA on TIGT for Stuart)
- Municipal Gas Authority of Georgia Exhibit A to Transaction Confirmation #4 subject to NAESB Base Contract for Sale and Purchase of Natural Gas, effective 12/1/2019 (MainStreet Citi 2021C)
- Municipal Gas Authority of Georgia Exhibit A to Restated Transaction Confirmation #3, subject to NAESB Base Contract for Sale and Purchase of Natural Gas, effective 12/1/2019 (Mainstreet CITI19C)

Included in the meeting packet was information regarding the Metropolitan Utilities District's (MUD) settlement of claims from a 2016 fire in the Old Market in Omaha.

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) recently proposed new measures to bolster the safety requirements of gas distribution pipelines.

The Supreme Court is hearing arguments related to a reduction in educational benefits for veterans. The American Public Gas Association (APGA) recently joined other energy trade associations in submitting an amicus curiae ("friends of the court") brief to the Supreme Court explaining that properly trained veterans are critical to the energy industry.

Lepin reported on proposed rules and regulations from the Nebraska State Fire Marshal including new operator qualification requirements for utilities. A draft of the proposed changes was distributed during the meeting. Staff is seeking comment from Nebraska members on the impact of the rule changes.

COMMENTS FROM THE CHAIRPERSON

Chairperson Anderson thanked Chris Dibbern for her 32 years of service to NPGA.

ITEMS FOR FUTURE AGENDA

Chairperson Anderson reminded members to forward any additional agenda items to NPGA staff for inclusion in the next agenda.

ADJOURNMENT

The meeting adjourned at 11:27 a.m.

Recorded by:
Laurie Keiser
Administrative Assistant

Submitted by:
Chris Anderson
Chairperson

NMPP Energy
Balance Sheets
September 2023

	NMPP	MEAN	NPGA	ACE
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 777,112	\$ 31,956,772	\$ 2,152,667	\$ 1,190,617
Investments (Short-term, Long-term & Restricted)	240,000	37,788,216	-	2,369,039
Accounts receivable	946,544	18,579,778	1,159,521	108,311
Gas in storage	-	-	1,791,596	-
Prepaid expenses and other	(6,686)	314,908	-	14,401
Productive capacity & lease assets, net and related operating assets	-	120,978,057	-	-
Capital assets, net	14,220	4,210,617	-	11,946
Costs recoverable from future billings	-	40,282,434	-	-
Deferred loss on refunding	-	4,919,569	-	-
Deferred costs for asset retirement obligation	-	483,800	-	-
Deferred outflows from derivative instruments	-	-	1,643,000	-
Total assets and deferred outflows of resources	\$ 1,971,190	\$ 259,514,151	\$ 6,746,784	\$ 3,694,314
Liabilities and Deferred Inflows of Resources				
Accounts payable and accrued expenses	\$ 716,297	\$ 9,932,245	\$ 556,432	\$ 43,203
Storage deposits	-	-	1,602,000	-
Unearned revenue	145,282	-	-	-
Lease liability, long-term debt, related premium & interest payable	-	155,707,138	-	-
Asset retirement obligation	-	483,800	-	-
Deferred inflow - deferred revenue - rate stabilization	-	28,100,002	-	-
Deferred inflow - deferred gain on refunding	-	2,663,052	-	-
Fair value of derivative investments	-	-	1,643,000	-
Total liabilities and deferred inflows of resources	861,579	196,886,237	3,801,432	43,203
Net Assets/Net Position	1,109,611	62,627,914	2,945,352	3,651,111
Total liabilities, deferred inflows & net position	\$ 1,971,190	\$ 259,514,151	\$ 6,746,784	\$ 3,694,314

NMPP Energy
Statements of Revenues and Expenses
For the Fiscal Year to Date: April 2023 - September 2023

	NMPP	MEAN	NPGA	ACE
Operating Revenues				
Member and champion dues	\$ 127,998	\$ -	\$ -	\$ -
Marketing fees	-	-	-	525,000
Sales - product/services, electric, gas	135,268	59,553,631	2,029,705	-
Transfer from (provision for) rate stabilization	-	499,998	-	-
Other	-	1,415,277	-	-
Total operating revenues	263,266	61,468,906	2,029,705	525,000
Operating Expenses				
Commodity costs (electric energy & gas)	-	48,142,631	1,780,643	-
Administrative and general	365,384	5,403,519	253,158	332,670
Depreciation and amortization	2,108	3,829,131	-	12,405
Total operating expenses	367,492	57,375,281	2,033,801	345,075
Operating Income (Loss)	(104,226)	4,093,625	(4,096)	179,925
Income from Discontinued Operations	402,584	-	-	-
Nonoperating Revenues (Expenses)				
Net costs to be recovered in future periods	-	(673,146)	-	-
Investment return	19,239	1,276,846	51,333	70,011
Interest expense	-	(1,992,006)	-	-
Net Revenue (Loss)	\$ 317,597	\$ 2,705,319	\$ 47,237	\$ 249,936
Budgeted Net Revenue (Loss)	166,332	2,043,991	4,014	192,828
+/- Variance to Budget	\$ 151,265	\$ 661,328	\$ 43,223	\$ 57,108
Fiscal Year Budgeted Net Revenue (Loss)	\$ 39,887	\$ 340,637	\$ -	\$ 451,206

National Public Gas Agency
Balance Sheets
October 2023 and March 2023

	October 2023	March 2023	\$ +/-
Assets and Deferred Outflows of Resources			
Cash and cash equivalents	\$ 2,223,842	\$ 2,772,636	\$ (548,794)
Accounts receivable	1,248,157	1,684,629	(436,472)
Gas in storage	1,776,663	244,286	1,532,377
Deferred outflows from derivative instruments	1,110,000	1,894,000	(784,000)
Total assets and deferred outflows of resources	\$ 6,358,662	\$ 6,595,551	\$ (236,889)
Current Liabilities			
Accounts payable and accrued expenses	\$ 450,256	\$ 1,335,436	\$ (885,180)
Storage deposits	1,845,000	468,000	1,377,000
Total current liabilities	2,295,256	1,803,436	491,820
Fair value of derivative instruments	1,110,000	1,894,000	(784,000)
Net Position - unrestricted	2,953,406	2,898,115	55,291
Total liabilities, deferred inflows of resources and net	\$ 6,358,662	\$ 6,595,551	\$ (236,889)

National Public Gas Agency
Statements of Revenues, Expenses and Changes in Net Position
Fiscal Year to Date: April 2023 - October 2023

	Fiscal Year to Date			Prior Year	vs. Prior Year +/-
	Actual	Budget	+/-		
Revenue Units (MMBtu)	776,310	796,035	(19,725)	858,502	(82,192)
Gas Supply - commodity revenues	\$ 2,409,478	\$ 2,167,531	\$ 241,947	\$ 3,851,005	\$ (1,441,527)
Cost of Gas Sold - commodity costs	2,397,764	2,156,155	241,609	3,838,353	(1,440,589)
Commodity margin	11,714	11,376	338	12,652	(938)
Other Operating Revenues/(Expenses)					
Gas supply - member fees	147,392	147,392	-	162,309	(14,917)
Gas supply - management fees	5,672	5,484	188	2,685	2,987
Cost of gas sold - gas discounts	124,568	119,840	4,728	119,840	4,728
Operating expenses - administrative and general	(293,602)	(304,245)	10,643	(276,854)	(16,748)
Total other operating revenues/(expenses)	(15,970)	(31,529)	15,559	7,980	(9,033)
Operating Income/(Loss)	(4,256)	(20,153)	15,897	20,632	(9,971)
Investment return	59,547	28,000	31,547	16,630	42,917
Change in Net Position	\$ 55,291	\$ 7,847	\$ 47,444	\$ 37,262	\$ 18,029

Unapproved Minutes
NMPP Energy Joint Operating Committee Meeting
Municipal Energy Agency of Nebraska
National Public Gas Agency
Nebraska Municipal Power Pool
Public Alliance for Community Energy
Wednesday, November 1, 2023 – 10:00 a.m. (CT)
 NMPP Energy Board Room – 8377 Glynoaks Drive
 Lincoln, NE 68516

The NMPP Energy Joint Operating Committee (JOC) met Wednesday, November 1, 2023, in the NMPP Energy Board Room, 8377 Glynoaks Drive, Lincoln, Nebraska, the designated public meeting site. Notice of the meeting was given to the Committee Members by e-mail, and the public was advised by publication in print and online in the Lincoln Journal Star newspaper and website on October 18, 2023. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. Meeting information and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Andrew Devine, Chairman, called the meeting to order at 10:00 a.m., and announced that pursuant to Section 84-1412 (8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act is posted in the meeting room.

ROLL CALL

Eleven (11) of the twelve (12) Committee Members were present upon roll call.

Present:

Chris Anderson, NPGA	Brent Nation, NMPP
Andrew Devine, ACE	Tom Ourada, MEAN
Edward Dunn, MEAN	Mike Palmer, ACE
Bill Hinton, NMPP	Jeremy Tarr, ACE
Andrew Lee, NMPP	Randy Woldt, NPGA
Bob Lockmon, NPGA	

Absent: Tom Goulette, MEAN

Also Present: Bob Poehling, Executive Director/CEO; Beth Ackland, Director of Gas Operations; Brad Hans, Director of Wholesale Electric Operations; Jamie Johnson, Director of Finance and Accounting; Sarah Jones, Director of Corporate Services; Michelle Lepin, General Counsel; Samantha Parker, Manager of Human Resources and Administration; David Russell, Director of Government Affairs and Digital Solutions; and staff.

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November 1, 2023
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WELCOME NEW COMMITTEE MEMBER

Bob Poehling, Executive Director/CEO, announced Andrew Lee, representing NMPP, as the newest Joint Operating Committee member.

APPROVAL OF THE MAY 31, 2023 MEETING MINUTES

The minutes of the Joint Operating Committee meeting held on May 31, 2023 were included in the meeting packet.

Motion: Mike Palmer moved to approve the minutes of the May 31, 2023 meeting, as presented. Edward Dunn seconded the motion which carried unanimously by roll call vote.

EXECUTIVE DIRECTOR/CEO REPORT

Bob Poehling thanked the Joint Operating Committee for attending the meeting.

Poehling provided a staffing update since the JOC last met and shared information on the competitive landscape. Poehling also gave a high-level overview of the responsibilities of the NMPP Energy Directors.

Discussion ensued.

MODERNIZATION OF NMPP

Bob Poehling provided a brief overview of the topics that would be addressed during the Modernization of NMPP discussion.

Michelle Lepin, General Counsel, shared the goals of the NMPP Modernization, the Future State of NMPP, a NMPP Modernization Initiative timeline, and a NMPP Modernization Initiative timeline outlining the actions for NMPP, MEAN, NPGA, and ACE.

Discussion ensued.

MODERNIZATION OF NMPP: MODIFICATIONS TO JOINT OPERATING COMMITTEE (JOC) AGREEMENT

Jamie Johnson, Director of Finance and Accounting, reviewed the proposed Modifications to the JOC Agreement as part of the Modernization of NMPP.

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November 1, 2023
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Johnson noted that the proposed change to the JOC composition (to change the composition from 12 to 9) is driven by the proposed NMPP Modernization, and most of the other proposed updates are suggested due to outdated or unclear language.

Johnson stated that Management is seeking the JOC's approval on the proposed modifications to the Joint Operating Committee.

Discussion ensued, including discussion regarding whether the composition of the modernized JOC should be 9 or 12.

Motion Edward Dunn moved to approve the following resolution. Brent Nation seconded the motion which failed on a 4-7-0 roll call vote.

Ayes: Chris Anderson, Brent Nation, Tom Ourada, Randy Woldt

Nays: Andrew Devine, Edward Dunn, Bill Hinton, Andrew Lee, Bob Lockmon, Mike Palmer, Jeremy Tarr

Abstain: None

The motion failed to pass.

RESOLUTION

WHEREAS, the Joint Operating Committee Agreement ("JOC Agreement") among the Nebraska Municipal Power Pool, the Municipal Energy Agency of Nebraska, the National Public Gas Agency, and the Public Alliance for Community Energy (collectively, the "Parties") provides for the sharing of staff, resources and expenses among the Parties; and

WHEREAS, the Nebraska Municipal Power Pool is contemplating modernizing its governance and operations, contingent upon approval of amendments to the NMPP Articles of Incorporation by the NMPP Board of Directors and NMPP Members; and

WHEREAS, proposed modifications to the JOC Agreement reflecting the change in governance of NMPP and other modifications were previously distributed to the Joint Operating Committee for consideration.

NOW THEREFORE, BE IT RESOLVED BY the Joint Operating Committee that the Committee approves the amendments to the JOC Agreement as presented, subject to final legal and management review and contingent upon the adoption of the necessary amendments to the NMPP Articles of Incorporation by the NMPP Board of Directors and NMPP Members.

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November 1, 2023
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BE IT FURTHER RESOLVED BY the Joint Operating Committee that the Committee recommends adoption of such amendments to the Board of Directors of each of the Parties.

A meeting break was taken at 11:55 a.m.
The meeting resumed at 12:10.

Motion Tom Ourada moved to table the discussion on agenda item 5(a) to later in the meeting. Andrew Lee seconded the motion which carried unanimously by roll call vote.

MODERNIZATION OF NMPP: MODIFICATIONS TO JOINT OPERATING COMMITTEE (JOC) POLICIES AND GUIDELINES

Jamie Johnson, Director of Finance and Accounting, noted that JOC Policies and Guidelines are being reviewed during the meeting and action will be sought at a later meeting.

Johnson reviewed the proposed modifications to the JOC Policies and Guidelines.

Discussion ensued.

EMPLOYEE COMPENSATION AND BENEFITS

Samantha Parker, Manager of Human Resources and Administration, provided the JOC with an update on NMPP Energy's headcount trends from January 2021 through today. Parker also shared current recruiting and retention concerns.

EMPLOYEE BENEFITS 2024

Parker said that the health insurance renewal negotiations with NMPP Energy's insurance broker, Unico, are ongoing.

Parker shared a historical review of the health insurance renewals.

Parker noted that the A&G Fiscal Year 2024-2025 budget, included in the meeting packet as Attachment F, reflects the initial proposed increase by UHC but will be updated once the final renewal is received.

Discussion ensued.

Parker stated that premium increases have been received for dental, group term life, and long term disability with a maximum combined dollar impact to the company of approximately \$9,200.

Parker shared that there will be no premium increases to vision, short term disability, and voluntary life.

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Discussion ensued.

EXECUTIVE DIRECTOR PAY RANGE

Motion: Andrew Lee moved to go into closed session and dismiss non-JOC members and staff, with the exception of Sarah Jones and Samantha Parker, for the purposes of discussing the Executive Director's Pay Range. Jeremy Tarr seconded the motion which carried unanimously on roll call vote.

Chairman Devine restated that the purpose of convening into closed session was to discuss the Executive Director's Pay Range.

At 12:44 p.m. the Joint Operating Committee convened into closed session.

Motion: Andrew Lee moved to come out of closed session. Bob Lockmon seconded the motion which carried unanimously on roll call vote.

The meeting resumed at 12:59 p.m. with no action being taken in closed session.

Motion: Edward Dunn moved to approve adjusting the pay range of the Executive Director position by 3%. Andrew Lee seconded the motion which carried on a 10-1-0 roll call vote.

Ayes: Chris Anderson, Andrew Devine, Edward Dunn, Bill Hinton, Andrew Lee, Bob Lockmon, Brent Nation, Mike Palmer, Jeremy Tarr, Randy Woldt

Nays: Tom Ourada

Abstain: None

FINANCIAL REPORT

Jamie Johnson, Director of Finance and Accounting, reviewed the financials for the fiscal year-to-date through August 30, 2023, for the four (4) entities under the NMPP Energy umbrella.

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PROPOSED ADMINISTRATIVE AND GENERAL BUDGETS FOR FISCAL YEAR 2024-2025 AND ALLOCATION OF EXPENSES/REIMBURSEMENT FOR SERVICES RENDERED AND RESOURCES UTILIZED

Jamie Johnson, Director of Finance and Accounting, began the presentation by reviewing the role of the JOC including the duties as shown directly below and briefly reviewing the budget process.

- Review and recommend, prior to the respective annual meetings, the annual administrative budgets for each of the Parties.
- Determine the allocation of expenses to be used as the basis for reimbursement for services rendered or resources utilized by a Party.

Discussion ensued.

Johnson shared a 2024-2025 budget approval timeline and then directed the JOC to the Administrative and General (A&G) Budget materials for fiscal year 2024-2025 (“A&G Budget”) provided in the meeting packet as Attachment F and reviewed the budget information contained therein.

Discussion ensued.

In fulfilling the duty to review and recommend, prior to the respective annual meetings, the annual administrative budgets for each of the Parties; and in fulfilling the duty to determine the allocation of expenses to be used as the basis for reimbursement for services rendered or resources utilized by a Party (NMPP, MEAN, NPGA and/or ACE), the following motion was made.

Motion Jeremy Tarr moved to direct staff to develop the fiscal year proposed budget for each of the Parties (NMPP, MEAN, NPGA, and ACE) including respective administrative costs, as presented. The JOC recognizes direct costs may be adjusted when preparing each company budget based on further evaluation of the operating needs of each company.

The Joint Operating Committee determines payroll & benefits should be recorded to NPGA, ACE, and NMPP, as presented, with the exception of updating the pay adjustments related to market competitiveness and performance/merit pay adjustments from 6.25% to 10% , with the remaining actuals recorded to MEAN. The JOC recognizes adjustments may be made during the fiscal year if changes to organization operations occur and directs staff to adjust the amounts for the impact of the final benefits budget.

The JOC determines building and equipment rent will be paid to MEAN, as presented.

The JOC determined services from NMPP will be reimbursed by MEAN, NPGA, and ACE, allocated based on each company’s share of the total budgeted payroll and benefits with an annual true-up at fiscal year end.

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Edward Dunn seconded the motion which carried with a vote of 10-1-0.

Ayes: Chris Anderson, Andrew Devine, Edward Dunn, Bill Hinton, Andrew Lee, Bob Lockmon, Brent Nation, Tom Ourada, Jeremy Tarr, Randy Woldt

Nays: Mike Palmer

Abstain: None

MODERNIZATION OF NMPP MODIFICATIONS TO JOINT OPERATING COMMITTEE (JOC) AGREEMENT

Motion Mike Palmer moved to reconsider the discussion on agenda item 5(a). Andrew Lee seconded the motion which carried unanimously by roll call vote.

Michelle Lepin, General Counsel, reviewed a revised proposed Resolution regarding modifications to the Joint Operating Committee Agreement, including a change to address setting the composition of the JOC at twelve (12), consisting of officers of MEAN, NPGA and ACE plus three (3) at-large representatives, one elected by each of the Boards of Directors of MEAN, NPGA and ACE from among its Board members, plus associated changes to keep the required quorum for meetings at six (6).

Motion: Andrew Lee moved to approve the following resolution as presented. Randy Woldt seconded the motion which carried with a vote of 9-2-0.

Ayes: Chris Anderson, Andrew Devine, Edward Dunn, Bill Hinton, Andrew Lee, Bob Lockmon, Brent Nation, Tom Ourada, Randy Woldt

Nays: Mike Palmer, Jeremy Tarr

Abstain: None

RESOLUTION

WHEREAS, the Joint Operating Committee Agreement (“JOC Agreement”) among the Nebraska Municipal Power Pool, the Municipal Energy Agency of Nebraska, the National Public Gas Agency, and the Public Alliance for Community Energy (collectively, the “Parties”) provides for the sharing of staff, resources and expenses among the Parties; and

WHEREAS, the Nebraska Municipal Power Pool is contemplating modernizing its governance and operations, contingent upon approval of amendments to the NMPP Articles of Incorporation by the NMPP Board of Directors and NMPP Members; and

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WHEREAS, proposed modifications to the JOC Agreement reflecting the change in governance of NMPP and other modifications were previously distributed to the Joint Operating Committee for consideration.

NOW THEREFORE, BE IT RESOLVED BY the Joint Operating Committee that the Committee approves the amendments to the JOC Agreement as presented with an additional change to the composition of the Joint Operating Committee (JOC) to provide for a twelve (12) person JOC consisting of the officers of MEAN, NPGA and ACE plus three (3) at-large representatives, one elected by each of the Boards of Directors of MEAN, NPGA and ACE from among its Board members, plus associated changes to keep the required quorum for meetings at six (6), subject to final legal and management review and contingent upon the adoption of the necessary amendments to the NMPP Articles of Incorporation by the NMPP Board of Directors and NMPP Members.

BE IT FURTHER RESOLVED BY the Joint Operating Committee that the Committee recommends adoption of such amendments to the Board of Directors of each of the Parties.

GENERAL COUNSEL REPORT

Michelle Lepin, General Counsel, reported on issues of interest to the NMPP Energy organizations including State, Federal, Legal and Regulatory updates.

Discussion ensued.

PROPOSED MEETING DATES FOR 2024: June 5th and November 6th

The regular meeting dates in 2024 for the Joint Operating Committee are scheduled for Wednesday, June 5, 2024, and Wednesday, November 6, 2024. Both meetings will begin at 10:00 a.m. Central Time.

ADJOURNMENT

There being no further business, a motion was made by Chairman Andrew Devine to adjourn the meeting at 2:35 p.m.

Submitted by:
Edward Dunn, Secretary

Recorded by:
Jennifer McCoy
Administrative Assistant

JOINT OPERATING COMMITTEE AGREEMENT
AMONG
NEBRASKA MUNICIPAL POWER POOL
AND
MUNICIPAL ENERGY AGENCY OF NEBRASKA
AND
NATIONAL PUBLIC GAS AGENCY
AND
PUBLIC ALLIANCE FOR COMMUNITY ENERGY

This Agreement is dated and made this _____ day of _____, 20____, among Nebraska Municipal Power Pool ("NMPP") and Municipal Energy Agency of Nebraska ("MEAN") and National Public Gas Agency ("NPGA") and Public Alliance for Community Energy ("ACE"), herein referred to individually as a "Party" or collectively as the "Parties".

RECITALS:

1. NMPP is a non-profit corporation, organized under the laws of the State of Nebraska.
2. MEAN is a political subdivision of the State of Nebraska.
3. NPGA and ACE are public bodies corporate and politic created under the Nebraska Interlocal Cooperation Act.
4. Each Party has obligations and responsibilities under various contracts and statutes, but may choose, because of economic reasons, not to have separate individual staffs to fulfill them.
5. The Parties share a common staff under NMPP payroll. By combining and sharing their respective staffs and resources, each of the Parties will benefit by being able to perform their obligations and responsibilities efficiently and at a lesser cost.
6. Each Party is willing to have the Joint Operating Committee established by this Agreement make the allocations of expenses among the Parties and approve policies and guidelines such Joint Operating Committee uses to conduct business and administer its duties as defined in this Agreement, including such allocations of expenses to reflect the time spent or expenses incurred by a Party in the performance of obligations or responsibilities of another Party.
7. A Joint Operating Committee should be formed to implement the provisions of this Agreement and perform such other functions as may be delegated to it.

In consideration of the mutual promises of the Parties, it is agreed as follows:

SECTION I.

Description of Services

Each Party will endeavor to perform such administrative and operational services and utilization of resources and facilities as another Party may from time to time request. The collective and cooperative operation of the Parties under this Agreement shall be accomplished under the operational name "NMPP Energy".

SECTION II.

Term

This Agreement shall take effect on the execution by the Parties and shall continue in force until terminated by any Party. Termination may be made by any Party, with or without cause, effective April 1 of any year by giving at least 180 days written notice to the other Parties prior to April 1 of the year termination is to be effective.

SECTION III.

Operating Committee

- A. ~~Annually, at the time of the Parties' Annual Meetings, the following three persons shall constitute their Parties' representatives to the Joint Operating Committee ("Committee").~~
The representatives to the Joint Operating Committee ("Committee") shall be as follows.

FROM NMPP: ~~1. NMPP Board of Directors President
2. NMPP Board of Directors Vice-President
3. NMPP Board of Directors Secretary-Treasurer~~

FROM MEAN: 1. MEAN Board of Directors Chairperson
2. MEAN Board of Directors Vice-Chairperson
3. MEAN Board of Directors Secretary-Treasurer
4. At-Large Representative elected by and from the MEAN Board of Directors

FROM NPGA: 1. NPGA Board of Directors Chairperson
2. NPGA Board of Directors Vice-Chairperson
3. NPGA Board of Directors Secretary-Treasurer
4. At-Large Representative elected by and from the NPGA Board of Directors

FROM ACE: 1. ACE Board of Directors Chairperson
2. ACE Board of Directors Vice Chairperson
3. ACE Board of Directors Secretary-Treasurer

4. At-Large Representative elected by and from the ACE
Board of Directors

FROM NMPP: None, due to the composition of the NMPP Board of Directors,
which consists of all of the officers listed above.

The Committee shall always consist of twelve persons. In no event shall the same person serve as representative for more than one Party as in the example of X. Jones being both the President-Chairperson of NMPP-ACE and the Vice-Chairperson of MEAN.

- B. If the situation should occur that the same person holds more than one of the positions listed above in this Section III as being the Parties' representatives to the Committee, such a person must choose one and only one position listed above in this Section III, which for purposes of this Committee, said person will act as representative to the Committee. The Chairperson ~~or President~~ of the Party which is then left with a vacancy on the Committee shall appoint a representative from its members, to fill any vacancy.
- C. The Committee shall meet at least semi-annually and at such times as the Committee, the Chairperson ~~or President of any~~ of the Parties-Committee or any three of the Committee members shall select. Annually, the Committee shall select from among its members a Chairperson, Vice Chairperson and Secretary. Attendance by at least six of its members shall be necessary to constitute a quorum of the Committee for a meeting. The Committee shall have such duties as all Boards of the Parties shall prescribe by resolution. The duties of the Committee shall include, but not be limited to:
- (1) Review ~~and recommend~~, prior to the respective annual meetings, the annual payroll and benefits and other shared administrative and general costs budgets-budgeted for each of the Parties.
 - (2) Determine the allocation of payroll and benefits and other shared administrative and general costs expenses to be used as the basis for reimbursement for services rendered or resources utilized by a Party.
 - (3) Approve the appropriate compensation structure and benefits of employees of NMPP.
 - (4) Approve the employment contract and compensation of the Executive Director serving as Chief Executive Officer to the Parties.
 - (5) Monitor the relationship with the external audit firm of the Parties. Approve contractual arrangements with joint consultants to the Parties.
 - ~~(6) Monitor the NMPP Energy Legislative Package consistent with the Legislative Guidelines and advise the Parties as needed.~~
 - (6) Establish procedures and policies deemed necessary or desirable for the implementation of this Agreement.
 - (7) Prepare written minutes of all meetings of the Committee and distribute the minutes to the respective Boards of Directors of the Parties.

- (8) Review and recommend any ~~material change of the coalition name "NMPP Energy" branding, promotion, or image-related material common to the operations collectively relating to all of the Parties.~~
- (9) Pursuant to the terms of Section VII of this Agreement, provide for the Joint Defense Costs to be determined.

SECTION IV.

Reimbursement

Each Party that receives services or utilizes resources of another Party shall pay its allocated share of all expenses incurred in providing the services or resources. The amount of the expenses shall be based on the allocation procedure established by this Committee. The Chief Executive Officer of the respective Parties shall make allocations of expenses in accordance with the policies established by this Committee and report to the Committee from time to time and as directed by the Committee.

SECTION V.

Accounting

Each Party will keep complete and accurate books and accounts pursuant to generally accepted accounting principles and make available upon request to the other Parties financial statements which contain an accounting of all receipts and disbursements, a record of expenses for services performed for other Parties or for resources utilized by other Parties and such additional information that the other Parties may request.

SECTION VI.

Indemnification

- (a) The Parties shall indemnify to the fullest extent permitted by law and consistent with the law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than any action by one or more of the Parties) by reason of the fact that he or she is or was a Director, Officer, trustee, employee or agent of any Party, or is or was serving at the request of one or more of the Parties as Director, Officer, trustee, employee or agent for another agency, corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against expenses (including attorneys' fees) judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Party for which he or she acted in the course and scope of employment, in their official capacity, in performing the services which gave rise to the claim, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct

was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the person did not meet the standard of conduct described in this paragraph.

- (b) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, or vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in the course and scope of employment, in another capacity while holding such office and shall continue as to a person who has ceased to be a Director, Officer, trustee, employee or agent and shall take effect to the benefit of the heirs, executors and administrators of such a person.

SECTION VII.

Joint Defense Costs

- (a) Subject to the other provisions of this Section VII, the Parties agree to contribute financially to the payment of any costs of defense, claims, judgments, settlements, damages or other costs incurred by any Party or its Director, Officer, trustee, employee or agents arising out of any claim made against them. At any time during the claim, including without limitation after final resolution, by settlement, judgment, appeal, if applicable, or otherwise, the total costs incurred will be allocated among the Parties as determined by the Committee. Each Party agrees to reimburse the other Parties. Any disputes shall be resolved by the dispute negotiation, non-binding Mediation or Arbitration Sections XII and XIII.
- (b) Each Party agrees that employees of NMPP serve as agents for the Parties. Claims made against NMPP or its employees or agents shall be included among the types of claims which are subject to Section VI and Section VII.

SECTION VIII.

Insurance

The Parties may purchase and maintain insurance on behalf of an individual who is or was a Director, Officer, trustee, employee, or agent of one or more of the Parties, or who, while a Director, Officer, trustee, employee, or agent of one or more of the Parties is or was serving at the request of one or more of the Parties as a Director, Officer, trustee, employee, agent, in another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director, Officer, trustee, employee or agent.

SECTION IX.

Executive Director

Except as described below in this Section IX, in the event the Executive Director is incapacitated, a pre-designated staff position listed on file with the General Counsel is authorized to perform the duties of the Executive Director to the Parties. In the event of the death, incapacitation, or resignation of the Executive Director, this individual, or other person as determined by the Committee, shall perform the functions of the Executive Director to the Parties until such time as a successor is determined by the Committee.

SECTION X.

Notice

All notices required by this Agreement shall be in writing and be sent by facsimile, electronic mail, regular mail, certified mail or delivered personally to the other Parties.

SECTION XI.

Assignment

This Agreement shall be to the benefit of the successors and assigns of the Parties.

SECTION XII.

Dispute Negotiations and Non-Binding Mediation

- (a) The Parties mutually agree that providing the opportunity for communication and review of certain limited grievances, issues or disputes that may arise is in the best interest of the Parties and the members of the Parties. The Parties will attempt in good faith to resolve promptly through negotiation any dispute, claim or controversy arising out of or relating to this Agreement or any dispute, claim or controversy arising between two or more of the Parties (each such dispute, claim or controversy referred to herein as a "Dispute"). In the event any Dispute is not resolved by informal negotiations within thirty (30) days (or mutually agreed extension of time) after any of the Parties involved in the Dispute requests such negotiations, the cause shall be referred to mediation, that is, an informal, nonbinding conference or conferences between the Parties involved in which a mediator will seek to guide the Parties to a resolution of the case. The Parties involved are free to select any mutually acceptable independent, non-agent mediator or mediation firm. If the Parties involved cannot agree upon an acceptable mediator, a mediator selected by the Joint Operating Committee will be used.
- (b) Any Party involved in the Dispute may commence the mediation process by providing to the other Party or Parties involved written notice, setting forth the subject of the Dispute and the relief requested. Such notice shall be sent to the Chairperson of the Board of Directors for each of the Parties involved in the Dispute. Within thirty (30) days after receipt of the foregoing notice, the other Parties involved shall jointly deliver a written response to the initiating Party's notice. The initial mediation session shall be held within sixty (60) days after the initial notice.

- (c) The Parties involved in the Dispute further agree that their respective good faith participation in mediation is a condition precedent to pursuing any other available legal or equitable remedy, including litigation, binding arbitration or other dispute resolution procedures.
- (d) The mediation process shall continue until the case is resolved or the Mediator makes a finding by a written report that there is no possibility of settlement through mediation or one or more Parties involved chooses not to continue further and leaves no remaining Party with which to mediate, but in no event shall it be longer than six (6) months from the initial notice.
- (e) The Parties further acknowledge and agree that mediation proceedings are settlement negotiations, and that, to the extent allowed by applicable law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties or their agents shall be confidential and inadmissible in any arbitration or other legal proceeding involving any of the Parties, except that the content in the written report issued by the Mediator may be used and considered in arbitration as described in Section XIII(c); provided, however, that evidence which is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.
- (f) The provisions of this section may be enforced by any Court of competent jurisdiction, and the fees, attorney fees, and expenses of the entire proceedings and of the Mediator shall be borne equally by the Parties involved in the mediation.
- (g) As to any mediation described in this section, the Parties' staff or agents shall not represent or advocate for any Party; however, staff shall provide any relevant, reasonable information requested by the Parties to determine the facts and provide assistance.
- (h) Nothing in this Section XII shall be deemed to be a waiver by any Party of the protections afforded to it as a "political subdivision" under the Political Subdivisions Tort Claims Act, Neb. Rev. Stat. § 13-901 et seq. ("PSTCA"). Further, nothing in this Section XII shall expand the tort liability of MEAN, NPGA or ACE beyond the obligations as such Party may have as a political subdivision of the state under the PSTCA.

SECTION XIII.

ARBITRATION

- (a) IN THE EVENT A DISPUTE, AS DEFINED ABOVE, IS NOT RESOLVED AFTER THE MEDIATION DESCRIBED IN SECTION XII, SUCH DISPUTE SHALL BE SETTLED BY ARBITRATION. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE A BOARD OF THREE ARBITRATORS SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION AND THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION THEN IN EFFECT, SUBJECT TO THE FURTHER QUALIFICATION THAT THE ARBITRATORS NAMED UNDER SAID RULES SHALL BE COMPETENT BY VIRTUE OF EDUCATION AND EXPERIENCE IN THE PARTICULAR MATTER SUBJECT TO ARBITRATION.

- (b) THE PARTY OR PARTIES DESIRING ARBITRATION SHALL DEMAND SUCH ARBITRATION BY GIVING WRITTEN NOTICE TO THE OTHER PARTY OR PARTIES INVOLVED. SUCH NOTICE SHALL CONFORM WITH THE PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION AND SHALL INCLUDE A STATEMENT OF THE FACTS OR CIRCUMSTANCES CAUSING THE CONTROVERSY AND THE RESOLUTION, DETERMINATION OR RELIEF SOUGHT BY THE PARTY OR PARTIES DESIRING ARBITRATION.
- (c) BEFORE THE MATTER IS PRESENTED TO THE BOARD OF ARBITRATORS, AN INITIAL CONFERENCE BETWEEN THE PARTIES INVOLVED SHALL BE HELD TO REVIEW THE NON-BINDING MEDIATION REPORT AND ATTEMPT TO RESOLVE THE DISPUTE OR IF THAT IS NOT POSSIBLE, TO STIPULATE AS MANY FACTS AS POSSIBLE TO CLARIFY AND NARROW THE ISSUES TO BE SUBMITTED TO ARBITRATION.
- (d) THE BOARD OF ARBITRATORS SHALL HAVE NO AUTHORITY, POWER OR JURISDICTION TO ALTER, AMEND, CHANGE, MODIFY, ADD TO OR SUBTRACT FROM ANY OF THE PROVISIONS OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN ONE OR MORE OF THE PARTIES.
- (e) THE DECISION OR AWARD OF THE ARBITRATOR SHALL BE FINAL AND BINDING UPON THE PARTIES INVOLVED, AND THE PARTIES SHALL DO SUCH ACTS AS THE ARBITRATION DECISION OR AWARD MAY REQUIRE OF THEM. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED BY ANY COURT HAVING JURISDICTION AND EXECUTION ISSUED THEREON. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.
- (f) THE UNSUCCESSFUL PARTY OR PARTIES IN ARBITRATION SHALL PAY THE ARBITRATOR FEES, ATTORNEY FEES, AND ANY EXPENSES INCURRED IN CONNECTION WITH SUCH ARBITRATION.
- (g) EACH PARTY ACKNOWLEDGES AND AGREES THAT BY ENTERING INTO THIS AGREEMENT, IT IS GIVING UP ITS CONSTITUTIONAL RIGHT TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW BEFORE A JURY, AND INSTEAD IS ACCEPTING THE USE OF BINDING ARBITRATION. NOTHING IN THIS SECTION XIII SHALL BE DEEMED TO BE A WAIVER BY ANY PARTY OF THE PROTECTIONS AFFORDED TO IT AS A POLITICAL SUBDIVISION UNDER THE PSTCA. FURTHER, NOTHING IN THIS SECTION XIII SHALL EXPAND THE TORT LIABILITY OF MEAN, NPGA OR ACE BEYOND THE OBLIGATIONS AS SUCH PARTY MAY HAVE AS A POLITICAL SUBDIVISION OR INTERLOCAL OF THE STATE UNDER THE PSTCA.

SECTION XIV.

Conflict of Interest

The Parties waive any actual or potential conflict of interest, in matters mutual in nature that may arise as a result of the shared status of Directors, Officers, trustees, employees or agents. All parties have access to independent legal counsel.

SECTION XV

Cancellation of Agreement

This Agreement, when executed by all Parties, supersedes and cancels the Joint Operating Committee Agreement executed among the Parties as of ~~April 19, 2012~~January 18, 2021.

[SIGNATURE PAGE FOLLOWING.]

The Joint Operating Committee Agreement dated _____, 20____, is
executed as of this ____ day of _____, 20____.

NEBRASKA MUNICIPAL POWER POOL

By _____
President

MUNICIPAL ENERGY AGENCY OF NEBRASKA

By _____
Chairperson

NATIONAL PUBLIC GAS AGENCY

By _____
Chairperson

PUBLIC ALLIANCE FOR COMMUNITY ENERGY

By _____
Chairperson



**Year-End Projections
Fiscal Year 2023-2024**

**Budget and Rates
Fiscal Year 2024-2025**

**NPGA Board of Directors Meeting
December 7, 2023**

**National Public Gas Agency
Budget and Rates
Fiscal Year 2024-2025**

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**National Public Gas Agency
Budget and Rates
Year-End Projections Narrative**

Year-End Projections for Fiscal Year 2023-2024

The Fiscal Year is April 1 to March 31. Throughout the packet, Proposed Budget refers to Fiscal Year 2024-2025 and Current Budget refers to Fiscal Year 2023-2024.

The *Statements of Revenues and Expenses* report includes a comparison of the Proposed Budget to the Projected Fiscal Year 2023-2024 and a comparison of the Projected Fiscal Year 2023-2024 to the Current Budget. Projected Fiscal Year 2023-2024 is calculated based on actual results for the six months ended September 2023 and budgeted activity for October 2023 through March 2024 with adjustments for known and expected differences. Given the volatility inherent in the business, there were no adjustments made to budgeted activity related to volumes and natural gas pricing.

Net revenue is projected to grow compared to results through September 2023. The primary driver continues to be positive investment return compared to budget.

The following table provides a breakout of the costs covered by Member Fees. See also the *Net Costs to Recover* report included in the packet. Member fees in the Current Budget are approximately \$21,100 per month.

	Projected Fiscal Year 2023-2024	Current Budget	Projected vs. Current \$ +/-
Net Costs to Recover			
A&G Expenses	\$ 531,142	\$ 536,642	\$ (5,501)
Less: Investment Return	102,666	48,000	54,666
Less: Customer Net Margins	32,336	31,589	747
Less: Gas Discounts	209,523	204,400	5,123
Total Net Costs to Recover	186,616	252,653	(66,037)
Member Fees	252,653	252,653	-
Over/(Under) Collection of Net Costs	\$ 66,037	\$ -	\$ 66,037

**National Public Gas Agency
Budget and Rates
Budget Narrative
Fiscal Year 2024-2025**

National Public Gas Agency (NPGA) was established under provisions of the Interlocal Cooperation Act of Nebraska for the purpose of providing local governments the opportunity to cooperate with other localities to obtain a mutual advantage in the ability of the entity to meet its gas supply needs.

Budget Process

NPGA's budget and rates are prepared annually by NPGA staff. Assumptions related to natural gas usage and natural gas prices are discussed in more detail in the respective sections of the budget materials.

The administrative and general (A&G) budget is prepared annually based on strategic focus areas identified by the management team of the four companies of NMPP Energy. In September, accounting staff compiles historical data and populates budget templates based on information available. The management team holds a strategic planning session to review short-term and long-term plans across the four companies of NMPP Energy. Department directors then prepare budgets during September and October based on anticipated projects and needs resulting from the strategic focus areas discussed. The strategic focus areas identified in the Proposed Budget continue to stem from the technical complexity of the industry including the evolving energy markets and needs for updates to information technology systems.

Nebraska Municipal Power Pool (NMPP), Municipal Energy Agency of Nebraska (MEAN), NPGA, and Public Alliance for Community Energy (ACE) have entered into an agreement establishing a Joint Operating Committee (JOC) due in part to the companies sharing common staff all of which reside under NMPP payroll. By combining and sharing their respective staffs and resources each company benefits by being able to perform obligations and responsibilities efficiently and at a lesser cost.

Duties of the JOC as detailed in the JOC Agreement include the following:

- Review and recommend, prior to the respective annual meetings, the annual administrative budgets for each of the Parties.
- Determine the allocation of expenses to be used as the basis for reimbursement for services rendered or resources utilized by a Party (NMPP, MEAN, NPGA and/or ACE).
- Approve the appropriate compensation structure and benefits of employees of NMPP.

The JOC meets in November and receives a detailed proposed A&G budget. Additional discussion and presentation at the meeting allow the JOC to fulfill the duties noted above.

The Fiscal Year is April 1 to March 31. Throughout the packet, Proposed Budget refers to Fiscal Year 2024-2025 and Current Budget refers to Fiscal Year 2023-2024. The Current Budget includes the final numbers as approved by all respective Boards.

Approval of the NPGA budget and rates resides with the NPGA Board of Directors.

Net Revenue/(Loss)

NPGA's intention in rate setting has been to cover the costs incurred; therefore, a breakeven budget from a net revenue/(loss) perspective is expected. The Member Fees have been calculated based on the A&G expenses, offset by applicable items (customer net margins including management fees, investment return, and gas discounts).

The Member Fee methodology allows that any variance at the end of the year may be refunded to or charged to the members at the discretion of the Board. The Board may also choose not to take any action. See the *Net Costs to Recover* report and *Member Fee Allocation by Member* report for additional detail.

**National Public Gas Agency
Budget and Rates
Revenues Narrative
Fiscal Year 2024-2025**

Operating Revenues

NPGA's operating revenues consist of commodity revenues from sales of natural gas, transportation revenues (see *Transportation* section), member fees, and management fees. In preparing the budget, NPGA staff analyzes monthly sales history by community and budgets for each month of the fiscal year based on historical results. A monthly budget for each community is established based on the average of the applicable month in the last three years. Adjustments have been made to account for the extreme weather event in February 2021.

Commodity Revenues

NPGA's Level Purchase Plan (LPP) rates are set annually by the NPGA Board of Directors for NPGA members through the Revised Schedule of Rates and Charges (the "Rate Schedule") which is a part of the Gas Supply Agreement for Total Requirements Supply between NPGA and the Participant. Section 6 of the Rate Schedule allows identifiable portions of gas requirements to be excluded from NPGA's LPP. These loads are subject to separate pricing, as defined. NPGA also has customers who have contracted for gas supply under separate agreements. These customers are not members of NPGA.

Commodity revenues are budgeted in accordance with the Rate Schedule components described in Section 3 of the Rate Schedule for gas supplied under the LPP rate and the applicable rates per the individual gas supply agreements for customers and non LPP loads.

Volumes have been updated based on historical results and changes in contracts. The changes relate to updating sales volumes to the most recent three-year historical average usage, current as of September 2023. Weather is a significant driver of volumes and thus fluctuations are to be expected. The table below compares the budgeted volumes by type of agreement and by pipeline:

Volumes (in MMBtu)	Proposed Budget	Current Budget	Proposed vs. Current	
			+/-	% +/-
Member LPP				
Northern Natural Gas Company (NNG)	173,607	168,327	5,280	3%
Southern Star Central Gas Pipeline, Inc. (SSC)	190,140	194,753	(4,613)	-2%
Tallgrass Interstate Gas Transmission, LLC (TIGT)	261,132	254,211	6,921	3%
Colorado Interstate Gas Company, LLC (CIG)	1,505,822	1,411,194	94,628	7%
Kansas Gas Service (KGS)	108,178	110,071	(1,893)	-2%
Total Member LPP	2,238,879	2,138,556	100,323	5%
Member Non LPP and Other Customers				
TIGT	155,432	150,662	4,770	3%
CIG	114,755	109,994	4,761	4%
ANR Pipeline Company (ANR)	17,691	18,740	(1,049)	-6%
Total Member Non LPP and Other Customers	287,878	279,396	8,482	3%
Total	2,526,757	2,417,952	108,805	4%

The budget methodology matches the components of LPP rates stated in the Rate Schedule. Section 3.03 of the Rate Schedule defines the items to be included in the actual cost of gas as purchased gas costs, pipeline fuel losses (as applicable), storage charges related to supplying gas, interest costs of financing storage, and hedging activity under the LPP. Section 3.03 also states that purchased gas costs shall be computed based on open market value of gas supplies and do not include discounts created by NPGA purchases of prepaid gas supplies. See also the *Cost of Gas Sold* section. Under the current rate structure, a \$0.15 adder per MMBtu is applicable to other customers, unless otherwise noted in individual agreements.

**National Public Gas Agency
Budget and Rates
Revenues Narrative
Fiscal Year 2024-2025**

As shown in Section 3.04 of the Rate Schedule, the Current Stated LPP rate is \$5.00 per MMBtu across all pipelines utilized by members.

Due to the cyclical nature of NPGA's sales, seasonality of prices, and estimated beginning cost of and quantities of gas in storage; budgeted commodity revenues fluctuate as summarized below:

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ /-	% +/-
Commodity Revenues	\$ 9,575,361	\$ 9,312,825	\$ 262,536	3%

The budget for gas costs includes index pricing and pipeline basis differentials used in estimating gas costs; however, due to the volatile nature of natural gas prices, variances between budgeted and actual commodity cost per MMBtu are still expected. See also the *Cost of Gas Sold* section.

Calculated Average Fiscal Year and Stated LPP Rates

Stated LPP rates may be changed at the discretion of the Board and may differ by pipeline. Generally, the stated LPP rate is the consensus of the applicable NPGA Directors representing the communities receiving gas supply from each pipeline.

LPP Rate/MMBtu	Rate Schedule	SSC	TIGT	CIG	NNG	KGS
	Section					
Cost of Gas Delivered	3.03	\$3.717	\$3.398	\$3.665	\$4.564	\$4.394
Cost of Pipeline Fuel Losses	3.03	0.172	0.106	0.051	-	0.043
Actual Cost of Gas/Calculated LPP Rate	3.02/3.03	\$3.889	\$3.504	\$3.716	\$4.564	\$4.437
Pooled Gas Adjustment	3.05	(1.111)	(1.496)	(1.284)	(0.436)	(0.563)
Stated LPP Rate	3.04	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00

Member Fees

Section 3.06 of the Rate Schedule defines the Member Fee which serves to recover costs associated with the operation of NPGA. See the *Net Costs to Recover* report and *Member Fee Allocation by Member* report for more information. The Member Fee included in the Proposed Budget represents the amount required for NPGA to have a breakeven budget for the fiscal year. The NPGA Board of Directors has discretion in rate setting. See also the **Net Revenue/(Loss)** section.

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ /-	% +/-
Member Fees	\$ 153,904	\$ 252,653	\$ (98,749)	-39%

Management Fees

Agreements with customers may include an adder to the cost of gas, a carrying charge, a management fee or some combination of those items. These fees are charged to customers to assist with recovery of administrative and general costs. The amounts are specified in Exhibit A attached to each Gas Purchase Agreement and generally consist of a set rate applied to monthly usage. The increase is due to multiple contract renewals at higher rates and fluctuation in annual budgeted volumes.

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ /-	% +/-
Management Fees	\$ 8,740	\$ 8,146	\$ 594	7%

**National Public Gas Agency
 Budget and Rates
 Revenues Narrative
 Fiscal Year 2024-2025**

Nonoperating Revenues

Investment Return

Investment return is budgeted to increase due to an increase in the actual average interest rate on funds held (money market fund returns were 5.21% in September 2023 vs. 2.23% in September 2022).

Consistent with Section 8.3 of NPGA's Policies and Guidelines staff expects to include a storage funding charge/(credit) on monthly invoices to manage NPGA's cash flow. Therefore, the storage gas component of investment return is \$0.

Type of Return	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Funds on Hand	\$ 102,000	\$ 48,000	\$ 54,000	113%
Storage Gas	-	-	-	0%
Total Investment Return	\$ 102,000	\$ 48,000	\$ 54,000	113%

**National Public Gas Agency
Budget and Rates
Statements of Revenues and Expenses
Fiscal Year 2024-2025**

	Proposed Budget	Current Budget	Proposed vs. Current		Projected Fiscal Year* 2023-2024	Proposed vs. Projected		Projected vs Current	
			+/-	% +/-		+/-	% +/-	+/-	% +/-
Revenue Units (Mmbtu)	2,526,757	2,417,952		4%	2,413,495	113,262	5%	-4,457	0%
Cost Units (Mmbtu)	2,571,221	2,461,214		4%	2,439,444	131,777	5%	-21,770	-1%
Operating Revenues									
Gas supply									
Commodity revenues	\$ 9,575,361	\$ 9,312,825	\$ 262,536	3%	\$ 9,395,386	\$ 179,975	2%	\$ 82,561	1%
Transportation	214,923	205,807	9,116	4%	154,398	60,525	39%	(51,409)	-25%
Member fees	153,904	252,653	(98,749)	-39%	252,653	(98,749)	-39%	-	0%
Management fees	8,740	8,146	594	7%	8,407	333	4%	261	3%
Total gas supply	9,952,928	9,779,431	173,497	2%	9,810,845	142,083	1%	31,414	0%
Total operating revenues	9,952,928	9,779,431	173,497	2%	9,810,845	142,083	1%	31,414	0%
Operating Expenses									
Cost of gas sold									
Commodity costs	9,551,220	9,289,382	261,838	3%	9,371,457	179,763	2%	82,075	1%
Gas discounts	(289,475)	(204,400)	(85,075)	42%	(209,523)	(79,952)	38%	(5,123)	3%
Transportation costs	214,923	205,807	9,116	4%	154,398	60,525	39%	(51,409)	-25%
Total cost of gas sold	9,476,668	9,290,789	185,879	2%	9,316,333	160,335	2%	25,544	0%
Administrative and general									
Payroll and benefits	436,200	403,900	32,300	8%	408,964	27,236	7%	5,064	1%
Internal office	101,830	91,155	10,675	12%	86,985	14,845	17%	(4,170)	-5%
Member	4,375	3,680	695	19%	3,520	855	24%	(160)	-4%
Consultants and outside services	35,855	37,907	(2,052)	-5%	31,672	4,183	13%	(6,235)	-16%
Total administrative and general	578,260	536,642	41,618	8%	531,142	47,119	9%	(5,501)	-1%
Total operating expenses	10,054,928	9,827,431	227,497	2%	9,847,474	207,454	2%	20,043	0%
Operating Revenue / (Loss)	(102,000)	(48,000)	(54,000)	113%	(36,629)	(65,371)	178%	11,371	-24%
Nonoperating Revenues									
Investment return	102,000	48,000	54,000	113%	102,666	(666)	-1%	54,666	114%
Total nonoperating revenues	102,000	48,000	54,000	113%	102,666	(666)	-1%	54,666	114%
Net Revenue / (Loss)	\$ -	\$ -	\$ -	-	\$ 66,037	\$ (66,037)	-100%	\$ 66,037	-

* Projection based on actuals through September 2023, budget for remaining months of fiscal year, and estimated adjustments.

**National Public Gas Agency
Budget and Rates
Cost of Gas Sold Narrative
Fiscal Year 2024-2025**

Cost of Gas Sold

NPGA's cost of gas sold consists of commodity costs for natural gas purchased to serve needs of NPGA's members and customers, gas discounts resulting from gas supply contracts related to prepay or other similar transactions, and transportation costs (see *Transportation* section).

Commodity Costs

Budgeted commodity costs fluctuate annually due to changes in budgeted usage by community, anticipated market price of natural gas, and cost of and timing related to storage gas.

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Commodity Costs	\$ 9,551,220	\$ 9,289,382	\$ 261,838	3%

The Proposed Budget uses anticipated monthly market pricing with pipeline-based differentials for determining the cost of gas purchased. This method allows for more specific monthly pricing during each season. The December meeting materials are based on expected future pricing and differentials as of November 13, 2023. Pricing will be updated prior to the February meeting.

The following shows the anticipated NYMEX average pricing during each season of the budget years:

NYMEX Average	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Summer	\$ 3.25	\$ 3.31	\$ (0.06)	-2%
Winter	\$ 4.20	\$ 4.28	\$ (0.08)	-2%

The gas cost included in the LPP rates discussed in the *Revenues* section differs from the NYMEX average pricing due to the pipeline-based differentials and other items included in gas cost. The cost of gas defined in the Rate Schedule also includes the pipeline fuel losses, storage charges related to supplying gas, interest costs of financing storage, and hedging activity. NPGA staff has not incorporated an estimate of the cash settlement of financial hedging transactions into the budget as the actual cost or benefit at settlement date is highly variable.

Gas costs include pipeline fuel losses which are calculated based on pipeline fuel loss %, as established by each pipeline, and budgeted monthly total gas units purchased. The pipeline fuel loss dollars equal the calculated units for the month multiplied by the monthly budgeted market gas cost per unit. The difference between budgeted revenue units and budgeted cost units consists of the budgeted fuel loss units and monthly storage activity.

For pipelines that have member storage, the budget is developed in accordance with NPGA's natural gas purchasing strategy included in NPGA's Policies and Guidelines. Variances will occur based on actual needs throughout the fiscal year and the actual beginning storage quantity and cost at the start of the fiscal year. The injection and withdrawal of storage gas during the fiscal year as well as the estimated beginning cost per unit is included in the budgeted monthly gas costs. December meeting materials are priced using the September 2023 storage value.

Gas Discounts

NPGA has entered into gas supply contracts with various counterparties that include daily purchase requirements and discounts per MMBtu purchased. Section 3.03 of the Rate Schedule notes actual cost of gas is to exclude discounts created by NPGA purchases of prepaid gas supplies. As a result, the discounts are not factored into the cost of gas sold to members or other customers. Instead, the discount is factored into the calculation of the Net Costs to Recover used to establish the fiscal year Member Fee. See the *Statements of Revenues and Expenses* report and the *Net Costs to Recover* report.

**National Public Gas Agency
 Budget and Rates
 Cost of Gas Sold Narrative
 Fiscal Year 2024-2025**

NPGA began receiving gas discounts April 2019 through a gas supply contract with Public Energy Authority of Kentucky (PEAK). The gas discount results from a prepaid gas purchase and sale agreement between PEAK and BP Energy Company. This transaction reaches the end of the initial pricing period during the Proposed Budget. The discount included in the budget beginning December 1, 2024 is the minimum under the agreement.

NPGA has multiple agreements with Municipal Gas Authority of Georgia (MGAG). These transactions result from prepaid gas purchase and sale agreements between MGAG and Citigroup or related affiliates. The transaction labeled MGAG/Citi Prepaid Energy 2023D in the table below includes seasonal shaping. NPGA purchases 750 MMBtu/day from October through May for an average annual purchase of 500/day. Annually, NPGA will also share in the annual return, if any, received by MGAG under the agreements. The annual return is expected to result in an additional discount of \$0.01-\$0.05/MMBtu. As the annual return is highly variable, it is not included in the annual budgets.

The following table summarizes the gas discount transactions:

Counterparty	Average Daily MMBtu	Set Discount per MMBtu	Pricing Period	Reset Minimum Discount per MMBtu	Proposed Budget	Current Budget	Proposed vs. Current	
							\$ +/-	% +/-
PEAK/BP Energy	1,000	\$0.25	Apr. 2019 - Nov. 2024	\$0.20	\$ 85,200	\$ 91,250	\$ (6,050)	-7%
MGAG/Citigroup Energy 2019C	500	\$0.29	Feb. 2020 - Aug. 2026	\$0.24	52,925	52,925	-	0%
MGAG/Citi Prepaid Energy 2021C	500	\$0.33	Apr. 2022 - Nov. 2028	\$0.23	60,225	60,225	-	0%
MGAG/Citi Prepaid Energy 2023D	500	\$0.50	Apr. 2024 - Nov. 2030	\$0.23	91,125	-	91,125	N/A
Total gas discounts					\$289,475	\$204,400	\$ 85,075	42%

NPGA has a Natural Gas Production Sharing Agreement with Public Gas Partners Pool No. 3 (PGP) that includes agreements with individual NPGA Members for participation. Under the agreements, any discount or assessment is given to the applicable NPGA members. No discount or assessment has been established by PGP for any of the budget periods included in these materials.

**National Public Gas Agency
 Budget and Rates
 Transportation Narrative
 Fiscal Year 2024-2025**

Transportation

NPGA contracts with certain interstate pipeline suppliers for the transportation and storage of its natural gas requirements. NPGA has also contracted to collect payments for transportation of natural gas on behalf of certain members and customers and remits these payments to the respective interstate pipeline supplier. Since NPGA is only acting as an agent, these amounts are not reported as revenue or expense on the *Statements of Revenues and Expenses* report.

The NNG pipeline is contracted in NPGA's name and thus the costs and related revenues are reported in the operating section of the *Statements of Revenues and Expenses* report.

Regardless of whether the transportation is in NPGA's name or if NPGA is acting as an agent, the member or customer reimburses NPGA for the actual cost incurred with no additional fees or markups.

Staff calculates both reservation and commodity portions of transportation to provide an estimate of total transportation charges and related revenues, based on budgeted sales volumes. Staff used information available including current reservation rates and calculated the average commodity rate per pipeline per month based on historical data, which was then applied to budgeted sales volumes per month. If applicable, staff also works to capture the impact of Asset Management Agreements. Information about upcoming rate changes are incorporated when available.

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Gross Reported Pass-Through Costs	\$ 214,923	\$ 205,807	\$ 9,116	4%
Net Reported Pass-Through Costs	1,835,579	1,862,112	(26,533)	-1%
Total Transportation Costs	\$ 2,050,502	\$ 2,067,919	\$ (17,417)	-1%

See the *Transportation Costs* report for estimates by member and by pipeline for customers.

**National Public Gas Agency
Budget and Rates
Transportation Costs
Fiscal Year 2024-2025**

	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Member				
NNG				
Lyons, NE	\$ 57,061	\$ 55,018	\$ 2,043	4%
Pender, NE	113,941	111,109	2,832	3%
Stromsburg, NE	43,921	39,680	4,241	11%
Total NNG	214,923	205,807	9,116	4%
SSC				
Auburn, KS	171,721	165,119	6,602	4%
Superior, NE	230,086	221,256	8,830	4%
Total SSC	401,807	386,375	15,432	4%
TIGT				
Central City, NE	212,250	209,546	2,704	1%
Alma, NE	96,328	95,443	885	1%
Stuart, NE	108,785	98,279	10,506	11%
Wisner, NE	82,140	81,038	1,102	1%
Total TIGT	499,503	484,306	15,197	3%
CIG				
Fort Morgan, CO	313,552	324,588	(11,036)	-3%
Trinidad, CO	281,402	324,922	(43,520)	-13%
Walsenburg, CO	85,341	99,432	(14,091)	-14%
Total CIG	680,295	748,942	(68,647)	-9%
KGS				
Belleville, KS	156,118	154,586	1,532	1%
Total KGS	156,118	154,586	1,532	1%
Total Member	\$ 1,952,646	\$ 1,980,016	\$ (27,370)	-1%
Customer				
CIG	\$ 66,849	\$ 66,337	\$ 512	1%
ANR	31,007	21,566	9,441	44%
Total Customer	\$ 97,856	\$ 87,903	\$ 9,953	11%
Total Transportation Costs	\$ 2,050,502	\$ 2,067,919	\$ (17,417)	-1%
Transportation Costs - As Reported				
Gross Reported Pass-Through Costs	\$ 214,923	\$ 205,807	\$ 9,116	4%
Net Reported Pass-Through Costs	1,835,579	1,862,112	(26,533)	-1%
Total Transportation Costs - As Reported	\$ 2,050,502	\$ 2,067,919	\$ (17,417)	-1%

Includes: reservation, commodity, and asset management arrangements, as applicable

**National Public Gas Agency
Budget and Rates
Administrative and General Narrative
Fiscal Year 2024-2025**

Administrative and General (A&G) Expenses

For ease of analysis, NPGA breaks administrative and general (A&G) expenses into the following four categories: payroll and benefits, internal office, member, and consultants and outside services.

Payroll and Benefits

Payroll and benefits consist of gross wages, employer payroll taxes, and costs of benefits provided by NMPP to each employee. As noted, one of the duties of the JOC is to approve the appropriate compensation structure and benefits of employees of NMPP. The annual review and approval for any changes in compensation structure and benefits is part of the November JOC meeting. There is no change in benefits offered. The budgeted increase for NMPP Energy related to anticipated performance/merit pay adjustments is 9.69% in the Proposed Budget (Current Budget was 4.1%). The budgeted increase reflects direction provided by the JOC. The Proposed Budget also reflects the final benefit renewals for calendar 2024 and estimates for calendar 2025.

Under the methodology approved by the JOC, payroll and benefits expenses are allocated to NPGA, ACE, and NMPP based on the estimated market payroll and benefits expenses each Party would incur if each company employed their own independent staff. Annual payroll and benefits costs for NPGA, ACE, and NMPP are established during the JOC budget process based on the hypothetical estimates of payroll and benefits expenses. The total budgeted payroll and benefits costs net of the established amounts for NPGA, ACE, and NMPP are allocated to MEAN. The allocation of payroll and benefits expenses is reviewed and recommended by the JOC annually.

Under the allocation methodology approved by the JOC, the payroll and benefits paid by NPGA, ACE, and NMPP are fixed annually unless a business change occurs during the year requiring a change in personnel or a change occurs to the underlying compensation and benefit assumptions. As a result, MEAN bears the risk and reward related to over or under spending in payroll and benefits related to staffing, unless the variance is related to a business change for NPGA, ACE, or NMPP.

As part of the budget process, management of the NMPP Energy companies discussed whether changes in the operations of each of the underlying companies resulted in changes in roles or responsibilities of current positions or resulted in a need for additional personnel. No additional personnel were identified for NPGA; however, an increase in the estimated time spent on legal/risk/compliance was incorporated into the allocation.

The following table summarizes the budgeted payroll and benefits cost by company, including adjustments after the November 2023 JOC meeting.

	Payroll and Benefits				
	Proposed Budget	Current Budget	vs. Current		
			\$ +/-	% +/-	
MEAN	\$ 7,631,610	\$ 6,708,426	\$ 923,184	14%	
NPGA	436,200	403,900	32,300	8%	
ACE	414,400	383,400	31,000	8%	
NMPP	-	731,000	(731,000)	-100%	
Total	\$ 8,482,210	\$ 8,226,726	\$ 255,484	3%	

Other A&G Expenses

Other A&G expenses consist of direct costs and shared costs. NMPP Energy attempts to assign costs whenever possible to the specific company with which the cost is associated. Direct costs include the A&G expenses that are specific to the business operating needs of each individual company. The costs incurred are generally attributable to invoices and/or contracts with vendors relating to a cost incurred by the specific company. Shared costs consist of the payroll and benefits allocation, rent – building and equipment paid to MEAN, NPGA's share of JOC meetings, and NPGA's allocation of NMPP services.

**National Public Gas Agency
Budget and Rates
Administrative and General Narrative
Fiscal Year 2024-2025**

The following provides highlights of the budgeted changes in other A&G costs for NPGA. See the *NMPP Energy – Detail by Company - NPGA* report.

	Other A&G			
	Proposed	Current	Proposed vs Current	
	Budget	Budget	\$ +/-	% +/-
Internal Office	\$ 101,830	\$ 91,155	\$ 10,675	12%
Member	4,375	3,680	695	19%
Consultants and Outside Services	35,855	37,907	(2,052)	-5%
Total Other A&G	\$ 142,060	\$ 132,742	\$ 9,318	7%

Internal Office

- **Conferences and training** – registration fees for industry and job specific conferences and trainings; increased based on planned activity.
- **Dues and subscriptions** – subscription to natural gas price reporting service; annual rate increase expected.
- **Equipment lease and maintenance** – costs related to cyclical replacement of computer and other equipment used directly by NPGA.
- **Rent – building and equipment** – use of space in the building, use of operating equipment, use of technology and shared products and services is allocated to NPGA and ACE based on the estimated market expenses each Party would incur if each company operated independently. Due to the NMPP modernization project, there is no longer an allocation to NMPP. The allocated cost is reimbursed to MEAN as rent paid. The amount of rent paid to MEAN is reviewed and recommended by the JOC annually.

The methodology used since Fiscal Year 2019-2020 has resulted in an average annual increase of 2% in rent paid by both NPGA and ACE. Staff adjusted the rent to increase by \$4,000 each for NPGA and ACE related to increased joint insurance costs and the impact of the NMPP modernization project. Staff also smoothed the cyclical shared computer replacements to include \$1,000 annually. Upon review of the shared costs, no other items were identified that would result in modifications to the rent amount. The allocated rent after these adjustments and the average annual increase is summarized below.

	Building and Equipment Rent Paid to MEAN			
	Proposed	Current	vs. Current	
	Budget	Budget	\$ +/-	% +/-
NPGA	\$ 81,200	\$ 74,749	\$ 6,451	9%
ACE	91,200	84,350	6,850	8%
NMPP	-	145,880	(145,880)	-100%
Total Rent Paid to MEAN	\$ 172,400	\$ 304,979	\$ (132,579)	-43%

- **Travel, lodging and meals** – this category includes both staff travel to attend various conferences and industry meetings as well as travel to members and customers in order to provide the products and services offered by NPGA; increased based on planned activity.

Member

- **Advertising – corporate image** – this is for NPGA promotional items; no change based on planned activity.
- **Board and committee meetings** – NPGA budgets for all planned Board meetings to be held in person. Shared costs include NPGA's 1/3 share of JOC meeting costs; decrease is due to expected impact of NMPP modernization project.
- **Services from/(to) NMPP** – as a result of the NMPP modernization project, all NMPP costs not covered by NMPP revenues will be allocated to MEAN, NPGA and ACE based on each company's share of total budgeted payroll and benefits. Variances from budget will result in an annual true-up each fiscal year end. Costs consist of holding the NMPP Energy annual conference, NMPP board meetings, the annual audit and related consulting, lobbying contract with a Nebraska lobbyist, and other small miscellaneous items. These costs are offset in part by annual conference revenues equal to budgeted conference expenses, champion dues, and investment return. NMPP's budget and the allocation was reviewed by the JOC.

**National Public Gas Agency
 Budget and Rates
 Administrative and General Narrative
 Fiscal Year 2024-2025**

The following table provides a summary of the budgeted services reimbursement.

Services Reimbursement		
Company	% of Total Payroll	Proposed Budget
MEAN	90%	\$ 17,375
NPGA	5%	965
ACE	5%	965
Total Services Reimbursement to NMPP		\$ 19,305

Consultants and Outside Services

- **Audit and consulting** – these costs relate to the costs for the annual financial statement audit; costs increase annually.
- **Legal** – budgeted costs are based on review of historical actuals and planned projects. Agreements involving prepaid gas and periodic hedging policy review result in cost variances year to year. Dues and participation related to negotiations regarding pipeline rate cases are recorded in Legal and will fluctuate from year to year as the rate cases are cyclical. The decrease is related to a decline in expected pipeline rate case costs and other regulatory related costs.
- **Other consultants and outside services** – consists of bank charges; costs fluctuate annually with fees charged and underlying activity.

NMPP Energy
Administrative and General Budget
Detail by Company
Fiscal Year 2024-2025

	NPGA																
	Proposed Budget				Current Budget				Proposed vs. Current		Fiscal Year 2023-2024 Projected		Fiscal Year 2022-2023 Actuals				
	Direct	Shared	Total		Direct	Shared	Total		Direct	Shared	% +/-	\$ +/-	Projected +/-	% +/-			
Payroll and benefits	\$	-	\$	436,200	\$	436,200	\$	403,900	\$	403,900	8%	\$	27,236	7%	\$	376,937	
Internal Office																	
Conferences and training	2,250	-	2,250		750	-	750		1,500	-	200%	245	2,005	818%	1,753		
Dues and subscriptions	2,900	-	2,900		2,500	-	2,500		400	-	16%	2,700	200	7%	2,500		
Equipment lease and maintenance	-	-	-		-	-	-		-	-	-	905	(905)	-100%	82		
Rent - building and equipment	-	81,200	81,200		-	74,749	74,749		6,451	-	9%	74,749	6,451	9%	75,306		
Travel, lodging and meals	15,480	-	15,480		13,156	-	13,156		2,324	-	18%	8,386	7,094	85%	7,182		
Total Internal office	20,630	81,200	101,830		16,406	74,749	91,155		4,224	6,451	9%	86,985	14,845	17%	86,803		
Member																	
Advertising - corporate image	250	-	250		250	-	250		-	-	0%	250	-	0%	-		
Board and committee meetings	2,160	1,000	3,160		2,080	1,350	3,430		80	(350)	-4%	3,270	(110)	-3%	4,931		
Services from/to NMPP	-	965	965		-	-	-		-	965	100%	-	-	-	-		
Total member	2,410	1,965	4,375		2,330	1,350	3,680		80	615	46%	3,520	(110)	-3%	4,931		
Consultants and Outside Services																	
Audit and consulting	29,175	-	29,175		28,325	-	28,325		850	-	3%	28,325	850	3%	27,500		
Legal	6,500	-	6,500		9,182	-	9,182		(2,682)	-	-28%	2,574	3,926	153%	7,046		
Other	180	-	180		400	-	400		(220)	-	-55%	773	(693)	-77%	1,089		
Total consultants and outside services	35,855	-	35,855		37,907	-	37,907		(2,052)	-	-5%	31,672	4,183	13%	35,645		
Total other administrative and general, net	58,895	83,165	142,060		56,643	76,099	132,742		2,252	7,066	9%	531,142	46,154	9%	504,316		
Total administrative and general, net	\$	58,895	\$	519,365	\$	578,260	\$	536,642	\$	2,252	\$	39,366	\$	46,154	9%	\$	504,316
Total administrative and general, summary																	
Payroll and Benefits	\$	-	\$	436,200	\$	436,200	\$	403,900	\$	403,900	8%	\$	27,236	7%	\$	376,937	
Direct Other A&G	58,895	-	58,895		56,643	-	56,643		2,252	-	4%	-	-	-	8%	-	
Shared Other A&G, net	-	1,965	1,965		-	1,350	1,350		-	615	-	4%	-	-	46%	46%	
Building and equipment - rent paid to MEAN	-	81,200	81,200		-	74,749	74,749		-	6,451	-	9%	-	-	9%	9%	
Total administrative and general, net	\$	58,895	\$	519,365	\$	578,260	\$	536,642	\$	2,252	\$	39,366	\$	46,154	9%	\$	504,316

**National Public Gas Agency
 Budget and Rates
 Net Costs to Recover
 Fiscal Year 2024-2025**

	Proposed Budget	Current Budget	Proposed vs. Current		Projected Fiscal Year* 2023-2024
			\$ +/-	% +/-	
Net Costs to Recover					
A&G Expenses	\$ 578,260	\$ 536,642	\$ 41,618	8%	\$ 531,142
Less: Investment Return	102,000	48,000	54,000	113%	102,666
Less: Customer Net Margins	32,881	31,589	1,292	4%	32,336
Less: Gas Discounts	289,475	204,400	85,075	42%	209,523
Total Net Costs to Recover	153,904	252,653	(98,749)	-39%	186,616
Member Fees	153,904	252,653	(98,749)	-39%	252,653
Over/(Under) Collection of Net Costs	\$ -	\$ -	\$ -	0%	\$ 66,037

* Projection based on actuals through September 2023, budget for remaining months of fiscal year, and estimated adjustments.

**National Public Gas Agency
Budget and Rates
Member Fee Allocation by Member
Fiscal Year 2024-2025**

Member	Three Year Historical Average Volumes	Proposed Budget						Current Fiscal Year 2023-2024 Per Rate Schedule				Proposed vs. Current			
		50% Split Evenly		50% Volume Split		% of Total Member		Unit Fee*		Total	Member Fee	Unit Fee*	Total \$ +/-	Total \$ +/-	Unit Fee \$ +/-
Auburn, KS	91,857	\$ 5,919	\$ 3,133	\$ 9,052	6%	\$ 0.10	\$ 15,027	6%	\$ 0.16	\$ (5,975)	\$ (0.06)				
Superior, NE	102,246	5,919	3,488	9,407	6%	0.09	16,053	6%	0.16	(6,646)	(0.07)				
Central City, NE	144,395	5,919	4,926	10,845	7%	0.08	17,921	7%	0.12	(7,076)	(0.04)				
Alma, NE	52,844	5,919	1,803	7,722	5%	0.15	12,738	5%	0.24	(5,016)	(0.09)				
Stuart, NE	23,566	5,919	804	6,723	4%	0.29	11,062	4%	0.47	(4,339)	(0.18)				
Wisner, NE	46,161	5,919	1,575	7,494	5%	0.16	12,386	5%	0.27	(4,892)	(0.11)				
Fort Morgan, CO	771,275	5,919	26,309	32,228	21%	0.04	49,614	20%	0.06	(17,386)	(0.02)				
Trinidad, CO	565,262	5,919	19,283	25,202	16%	0.04	42,947	17%	0.08	(17,745)	(0.04)				
Walsenburg, CO	170,708	5,919	5,823	11,742	8%	0.07	19,377	8%	0.11	(7,635)	(0.04)				
Lyons, NE	48,443	5,919	1,653	7,572	5%	0.16	12,512	5%	0.26	(4,940)	(0.10)				
Pender, NE	90,010	5,919	3,070	8,989	6%	0.10	14,787	6%	0.16	(5,798)	(0.06)				
Stromsburg, NE	38,447	5,919	1,312	7,231	5%	0.19	11,910	5%	0.31	(4,679)	(0.12)				
Belleville, KS	110,761	5,919	3,778	9,697	6%	0.09	16,319	6%	0.15	(6,622)	(0.06)				
Total	2,255,975	\$ 76,947	\$ 76,957	\$ 153,904	100%	\$ 0.07	\$ 252,653	100%	\$ 0.11	\$ (98,749)	\$ (0.04)				

Allocation is in accordance with Section 3.06 of Revised Schedule of Rates and Charges; 1/2 evenly and 1/2 based on three year historical average of BG monthly sales volumes, by BG Participant. The annual period used for historical average calculations is October - September.

*Calculation is based on the three year historical average volumes shown in order to isolate impact of change in Member Fee vs. change in volumes.

NMPP Energy Staff and Member Service on Outside Organizations

- American Public Gas Association (APGA) Gas Supply Committee
- American Public Power Association (APPA) Advisory Committee Member
- Colorado Association of Municipal Utilities (CAMU) Committee Member
- Colorado Association of Municipal Utilities (CAMU) Legislative Committee Member
- Colorado River Energy Distributors Association (CREDA) Alternate Director
- Colorado River Energy Distributors Association (CREDA) Board Director
- CREDA Drought Ops Committee Member
- CREDA Executive Committee Member
- Iowa Association of Municipal Utilities (IAMU) Legislative/Regulatory Committee Member
- LAP (WS-LAP) Committee – Chair
- League of Nebraska Municipalities Attorney Subcommittee Member
- League of Nebraska Municipalities Legislative Committee Member
- Markets+ Executive Committee Representative
- Nebraska Power Association (NPA) Annual Conference Subcommittee Member
- Nebraska Power Association (NPA) Board Member
- Nebraska Power Association (NPA) Communications Subcommittee Member
- Nebraska Power Association (NPA) Environmental Committee Representative
- Nebraska Power Association (NPA) Joint Planning Subcommittee Representative
- Nebraska Power Association (NPA) Legislative Committee Member
- Nebraska Power Association (NPA) Legislative Committee Member
- Nebraska State Chamber Policy Committee Member
- PPGA Managing Agent Representative
- Public Gas Partners Pool No. 3 Operating Committee Alternate Representative
- Public Gas Partners Pool No. 3 Operating Committee Representative
- Public Power Generation Agency (PPGA) Alternate Director
- Public Power Generation Agency (PPGA) Board Chair
- Public Power Generation Agency (PPGA) E&O Committee Member
- Public Power Generation Agency (PPGA) Finance Committee Chair
- Southwest Power Pool (SPP) Generator Testing Task Force Member
- Southwest Power Pool (SPP) Market and Operations Policy Committee (MOPC) Representative
- Southwest Power Pool (SPP) Operating Reliability Working Group (ORWG) Member
- Southwest Power Pool (SPP) Supply Adequacy Working Group Member
- UGP (WS-UGP) Committee
- WAPA/WACM Internal Operating Committee
- WECC Membership Advisory Committee Representative
- WECC Operating Committee Member Alternate
- WECC Planning Coordination Committee Member
- Western Electricity Coordinating Council (WECC) Market Interface Committee Member Alternate
- Western Electricity Coordinating Council (WECC) Member Representative
- Western Electricity Coordinating Council (WECC) Member Representative Alternate
- Western Electricity Coordinating Council (WECC) Planning Coordination Committee Member Alternate
- Western Energy Imbalance Service (WEIS) - Western Markets Executive Committee Representative
- Western Energy Imbalance Service (WEIS) - Western Markets Working Group Representative and Chair
- Western States Power Corporation (WSPC) Alternate Board Member
- Western States Power Corporation (WSPC) Board Member
- Western States Power Corporation (WSPC) LAP Committee Chair
- Western States Power Corporation (WSPC) UGP Committee Chair