



**Year-End Projections
Fiscal Year 2025-2026**

Projections based on Actual Results through September 2025

**Finance Committee Meeting
Risk Oversight Committee Meeting
December 17, 2025**

Municipal Energy Agency of Nebraska
Year-End Projection
Fiscal Year 2025-2026

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**Municipal Energy Agency of Nebraska
Year-End Projections
Projection Summary Narrative
Fiscal Year 2025-2026**

Projection Process

Fiscal year-end projections are based on actual results for April through September 2025 and budgeted activity for October 2025 through March 2026 with adjustments for known differences. Adjustments are explained further throughout the document. The Fiscal Year is April 1 to March 31. Throughout the packet, Projected and Current Budget both refer to the Fiscal Year 2025-2026. When needed, reclasses have been made to the Current Budget to reflect the current accounting treatment. These items reclass dollars from one line item to another with no impact on budgeted net revenue, budgeted debt service coverage, or change in operating fund.

The final year-end results could differ substantially from the projection. Final analysis related to suggested year-end activity including rate stabilization transactions will be completed once Fiscal Year 2025-2026 preliminary results are available in May 2026. No adjustments have been made to rate stabilization transactions.

MEAN Overall Financial Results

Projected results show net revenue greater than budget. The primary driver of the variance to budget is the delay in costs associated with the market expansion.

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
Net Revenue/(Loss)	\$ 5,367,252	\$ 2,978,546	\$ 2,388,706	80%

Target and Ratio Analysis

A review of MEAN's various targets and ratios needs to be made to fully understand the expected financial results and the related impact on bond covenants and other financial targets and ratios not only for the current fiscal year but for the upcoming years.

Debt Service Coverage

The following table shows the calculated debt service coverage. Debt service coverage calculates the ratio of net revenues available for debt service to total debt service. MEAN's Bond Resolution requires MEAN to establish and collect rates and charges which are reasonably expected to yield Net Revenues which, together with other available moneys, shall be equal to at least the Aggregate Debt Service for such Fiscal Year (required coverage of 1.00X). MEAN has established a policy target of 1.20X. With the current projection, use of Rate Stabilization Funds is not needed to obtain required Debt Service Coverage of 1.00X.

	Projected	Current Budget
Debt Service Coverage	1.77	1.52

Change in Unrestricted Funds

MEAN follows accrual basis accounting; therefore, the annual change in unrestricted funds is not the same as the net revenue/(loss). See the *Statements of Revenues and Expenses* report for the reconciliation between net revenue/(loss) and the change in unrestricted funds. The difference between the net revenue/(loss) variance and the unrestricted funds variance is due to increased spending on owned generation capital.

The following table summarizes the change in unrestricted funds by rate structure component. As no rate stabilization activity has been budgeted, all the activity impacts the operating fund.

Change in Unrestricted Funds	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
By Rate Structure Component:				
Fixed Cost Recovery Charge (FCRC)	\$ 2,563,071	\$ (213,219)	\$ 2,776,290	-1302%
Energy Charge	(412,931)	(288,912)	(124,019)	43%
Addition to/(Use of) Cash on Hand	\$ 2,150,140	\$ (502,131)	\$ 2,652,271	-528%

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Fixed Cost Recovery Charge Analysis

The positive variance is due to lower net A&G, offset in part by increased capital spending by generating resources.

Energy Charge Analysis

The Energy Charge is impacted by the net impact from the various components including actual MWhs sold to Participants, electric energy costs not included in the FCRC, market activity, and the various rate offsets. The variances result in the use of more cash compared to budget.

**Municipal Energy Agency of Nebraska
Year-End Projections
Statements of Revenues and Expenses
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	Projected	Current Budget	Projected vs. Current	
			+/-	% +/-
Electric Energy Sales - MWh's				
Schedule M	1,698,036	1,687,370	10,666	1%
Schedules K and K-1	147,598	150,847	(3,249)	-2%
Schedule J	18,885	18,496	389	2%
Non-participants	151,309	-	151,309	100%
Total electric energy sales - MWh's	2,015,827	1,856,713	159,115	9%
Operating Revenues				
Electric energy sales				
Schedule M	\$ 125,123,108	\$ 124,604,856	\$ 518,252	0%
Schedules K and K-1	11,429,222	11,601,376	(172,154)	-1%
Schedule J	1,080,294	1,054,658	25,636	2%
Non-participants	5,482,080	360,000	5,122,080	1423%
Total electric energy sales	143,114,704	137,620,890	5,493,814	4%
Other	3,327,775	2,344,208	983,567	42%
Total operating revenues	146,442,479	139,965,098	6,477,381	5%
Operating Expenses				
Electric energy costs				
Purchased power	91,114,437	81,833,339	9,281,098	11%
Production	17,802,974	19,221,358	(1,418,384)	-7%
Transmission	7,900,494	7,669,788	230,706	3%
Total electric energy costs	116,817,905	108,724,485	8,093,420	7%
Administrative and general				
Payroll and benefits	7,723,853	8,765,196	(1,041,343)	-12%
Internal office	1,433,645	1,498,821	(65,176)	-4%
Member	386,217	388,415	(2,198)	-1%
Consultants and outside services	3,549,148	6,035,563	(2,486,415)	-41%
Total administrative and general	13,092,863	16,687,995	(3,595,132)	-22%
Depreciation and amortization	9,624,978	9,298,748	326,230	4%
Total operating expenses	139,535,746	134,711,228	4,824,518	4%
Operating Income/(Loss)	6,906,733	5,253,870	1,652,863	31%
Nonoperating Revenues/(Expenses)				
Net costs to be recovered in future periods	(55,337)	(85,961)	30,624	-36%
Investment return	2,654,963	1,949,750	705,213	36%
Interest expense	(4,139,107)	(4,139,113)	7	0%
Net nonoperating revenues/(expenses)	(1,539,480)	(2,275,324)	735,844	-32%
Net Revenue / (Loss)	\$ 5,367,252	\$ 2,978,546	\$ 2,388,706	80%
Reconciliation to Change in Unrestricted Funds				
Operating Fund:				
Net Revenue / (Loss)	\$ 5,367,252	\$ 2,978,546	\$ 2,388,706	80%
- MEAN debt service - principal	(4,865,000)	(4,865,000)	-	0%
- MEAN lease - principal	(294,800)	(294,800)	-	0%
- MEAN subscriptions	(376,048)	(376,048)	-	0%
- MEAN interest expense amortization	(1,151,571)	(1,151,571)	-	0%
- MEAN and owned generation capital	(6,210,008)	(6,177,967)	(32,041)	1%
+ Depreciation and amortization	9,624,978	9,298,748	326,230	4%
+/- Net costs to be recovered in future periods	55,337	85,961	(30,624)	-36%
Operating Fund	2,150,140	(502,131)	2,652,271	-528%
Rate Stabilization Fund	-	-	-	-
Total Change in Unrestricted Funds	\$ 2,150,140	\$ (502,131)	\$ 2,652,271	-528%

**Municipal Energy Agency of Nebraska
Year-End Projections
Electric Energy Sales
Fiscal Year 2025-2026**

		Revenues				Units*	Per Unit**	
		Projected	Current Budget	Projected vs. Current		Projected vs. Current % +/-	Projected vs. Current % +/-	
				\$ +/-	% +/-			
Participants								
Schedule M								
Fixed Cost Recovery Charge (FCRC)	\$	43,790,462	\$	43,790,462	\$ -	0%	1%	N/A
Energy Charge		72,862,588		72,556,502	306,086	0%	0%	0%
Green Energy Charge		8,470,058		8,257,892	212,166	3%	3%	0%
Total Schedule M		125,123,108		124,604,856	518,252	0%	1%	0%
Schedules K and K-1								
Fixed Cost Recovery Charge (FCRC)		3,709,538		3,709,538	-	0%	-2%	N/A
Energy Charge		758,942		731,116	27,826	4%	4%	0%
Green Energy Charge		6,960,742		7,160,722	(199,980)	-3%	-3%	0%
Total Schedules K and K-1		11,429,222		11,601,376	(172,154)	-1%	-2%	1%
Schedule J								
Energy Charge		1,080,294		1,054,658	25,636	2%	2%	0%
Total Participants		137,632,624		137,260,890	371,734	0%	0%	0%
Non-Participants								
RTO Markets								
MISO		427,881		-	427,881	100%	100%	100%
SPP		4,862,843		360,000	4,502,843	1251%	100%	100%
Total RTO Markets		5,290,724		360,000	4,930,724	1370%	100%	100%
West		191,357		-	191,357	100%	100%	100%
Total Non-Participants		5,482,080		360,000	5,122,080	1423%	100%	100%
Total Electric Energy Sales		\$ 143,114,704	\$	137,620,890	\$ 5,493,814	4%	9%	-4%

Electric Energy Sales Summary

Participants						
Schedules M, K, and K-1						
Fixed Cost Recovery Charge (FCRC)	\$ 47,500,000	\$ 47,500,000	\$ -	0%	-	-
Energy Charge	73,621,530	73,287,618	333,912	0%	0%	0%
Green Energy Charge	15,430,800	15,418,614	12,186	0%	0%	0%
Schedule J	1,080,294	1,054,658	25,636	2%	2%	0%
Total Participants	137,632,624	137,260,890	371,734	0%	0%	0%
Non-Participants	5,482,080	360,000	5,122,080	1423%	100%	100%
Total Electric Energy Sales	\$ 143,114,704	\$ 137,620,890	\$ 5,493,814	4%	9%	-4%

FCRC as % of Total Sales to Participants 35% 35%

Units*	Per Unit**
Demand - kW (% change shown on FCRC lines for info only)	Total Schedule M,K/K-1,J - cost per total MWh sold for info only
Energy - MWh	Total Electric Energy Sales - cost per total MWh sold for info only

Electric Energy Sales Narrative

Electric energy sales to Participants are highly variable as usage depends on consumer needs which vary with weather, time of day, conservation efforts including energy efficiency, etc.

Adjustments were made to account for projected sales to Participants due to changes in the commercial operation dates of community solar facilities that fall under MEAN's Renewable Distributed Generation Policy. See also related increase in Purchased Power purchases for load costs on the *Purchased Power Expenses* report.

Non-participant electric energy sales consist of revenues from sales of electricity to counterparties other than MEAN Participants. In the budget, West activity is all captured as Purchased Power Expenses regardless of whether the monthly result is an expected sale or purchase. Actual activity is accounted for in accordance with accounting standards causing variances in both sales and expenses.

Efforts to utilize available transmission in MISO is resulting in additional sales to Non-Participants in the RTO Markets - SPP. See also related increase in market purchases and costs in the Other Market Related Activity - MISO line on the *Purchased Power Expenses* report. Fees associated with this activity are recorded as Administrative and General - Consultants and Outside Services expense. As this activity is highly variable, no adjustments were made to account for potential activity for the remainder of the fiscal year.

**Municipal Energy Agency of Nebraska
Year-End Projections
Other Operating Revenues
Fiscal Year 2025-2026**

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
Other Operating Revenues				
Administration fees	\$ 463,854	\$ 430,958	\$ 32,896	8%
Building and equipment rent	175,848	175,848	-	0%
Education	55,085	42,554	12,531	29%
Other - FCRC	15,500	-	15,500	100%
Regulatory reporting	88,750	79,000	9,750	12%
Technology services	30,658	-	30,658	100%
Utility infrastructure	41,467	13,500	27,967	207%
Other - Energy	59	-	59	100%
Reactive power	54,077	58,698	(4,621)	-8%
Sales of excess capacity	842,126	-	842,126	100%
Transmission revenue	1,560,351	1,543,650	16,701	1%
Total Other Operating Revenues	\$ 3,327,775	\$ 2,344,208	\$ 983,567	42%
 Total FCRC Cost Offsets in Other Operating Revenues	 \$ 871,162	 \$ 741,860	 \$ 129,302	 17%
Total Energy Charge Cost Offsets in Other Operating Revenues	\$ 2,456,613	\$ 1,602,348	\$ 854,265	53%

Other Operating Revenues Narrative

Notable variances from budget are as follows:

Administration fees (FCRC Cost Offset) – variance results primarily from revenues received to reimburse costs incurred in MEAN's role as Managing Agent for PPGA WEC2. As amounts are variable, an estimate is not included in the annual budget.

Other - FCRC (FCRC Cost Offset) – relates to value received from trade-in of company vehicle.

Technology services (FCRC Cost Offset) – revenues in the current year are from equipment and managed services for data needs at solar projects.

Utility infrastructure (FCRC Cost Offset) – includes revenues related to Electric Distribution Service (EDS).

Sales of excess capacity (Energy Charge Cost Offset) – MEAN was able to sell a portion of MISO capacity in the market's annual auction. Market prices were higher than previous years. MEAN does not budget for this variable revenue.

Transmission revenue (Energy Charge Cost Offset) – MEAN recovers its revenue requirement associated with its transmission facilities through transmission rates under Schedules 7, 8, and 9 of the MISO Tariff. Revenues received have been higher than originally estimated during the budget process. Due to final review of proper accounting treatment this item was reclassified from Transmission Expenses to Other Operating Revenues.

**Municipal Energy Agency of Nebraska
Year-End Projections
Purchased Power Expenses Narrative
Fiscal Year 2025-2026**

Descriptions of notable fiscal year-to-date variances and adjustments are provided in this section. For more information on costs included in purchased power expenses, refer to the approved budget document for the Current Budget.

Contracted Purchases – Fiscal Year-to-Date Variances

Hastings WEC1 – decreases in operations & maintenance and administrative & general offset in part by an increase in fuel costs from increased MWh generation result in decreased Energy Charge related costs compared to budget.

PPGA WEC2 – increased capital and debt service costs have led to an increase in FCRC related costs compared to budget. Increased MWh generation has increased fuel costs. Operations & maintenance costs are also higher resulting in increased Energy Charge related costs compared to budget.

Louisa Waverly Assignment – higher MWh generation increased fuel costs. Operations & maintenance costs are also higher resulting in increased Energy Charge related costs compared to budget.

Black Hills Power Neil Simpson CT Unit #1 (BHP NS CT #1) – lower MWh generation resulted in decreased contracted energy costs.

Wind Units – generation at wind facilities is impacted by operating performance of the facilities and availability of wind. Costs for HCPD Wessington Springs Wind are greater due to higher MWh generation while costs are lower for Kimball Wind and all NPPD Wind units due to lower MWh generation. Generation may also be impacted by curtailments which are economic in nature and driven by market dynamics. Curtailment costs have been greater than anticipated for Elkhorn Ridge and Laredo Ridge.

Sandhills Solar Projects – delays in commercial operation dates compared to what was expected in the budget have resulted in decreased costs.

CNPPID Johnson Hydro Units – energy rates are contracted on an on-peak/off-peak basis. Total generation has been comparable to budget; however, greater off-peak MWh generation resulted in decreased contracted energy costs compared to budget.

DMEA Shavano Falls – higher MWh generation resulted in increased contracted energy costs.

WAPA Displacement Agreement – costs are significantly less than budget due to lower market prices in SPP which is the price determinant for this agreement.

Participant Committed Facilities – costs are less than budget due to fluctuations in total contracted capacity offset in part by increased generation.

Contracted Purchases – Adjustments

Updated Budget Information – the following resource operators provided updated budgets that coincide with the last quarter of MEAN's fiscal year: Hastings WEC1 and PPGA WEC2. Any updated operating, capital budget, administrative & general, and debt service information has been included as an adjustment.

Participant Committed Facilities – projections include updated contracted capacity amounts.

Market Activity – Fiscal Year-to-Date Variances

Purchases for Load – variances in MWh needs and \$/MWh are expected. Higher loads in MISO and SPP have resulted in more units being purchased. MISO has experienced higher market pricing, the combination of which has resulted in increased MISO Purchases for Load costs compared to budget. SPP has experienced lower market pricing, the combination of which has resulted in a decrease in SPP Purchases for Load costs compared to budget.

Generation Sales Revenues Received – variances in MWh produced and \$/MWh are expected. The \$/MWh is set by the market which impacts the economic generation of units registered in MISO and SPP. Generation is also impacted by forced outages, lack of wind, etc.

- **MISO** – WSEC 4 (including WSEC4 Waverly Assignment) net generated less MWh than budget while Louisa Waverly Assignment generated more than budget. The \$/MWh received was greater than budgeted. Overall, more generation sales revenues were received.

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Purchased Power Expenses Narrative
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- **SPP** – Hastings WEC1, PGA WEC2, LRS Unit 1, CNPPID Johnson Hydro units and HCPD Wessington Springs net generated more MWh while the NPPD wind units all generated less MWh than budget. The \$/MWh received was less than budgeted. Overall, less generation sales revenues were received.

Financial Instruments – are related to congestion costs in MISO and SPP. Amounts vary with market pricing and congestion. Financial instrument activity has resulted in cost savings compared to budget.

Other Market Related Activity – variances from budget are expected due to the inherent difference in actual market activity and the more simplified budgeted activity.

- **MISO and SPP** – market purchases for both MISO and SPP resulted in additional costs. The MISO costs were directly related to sales to Non-Participants in RTO Markets - SPP on the *Electric Energy Sales* report due to utilization of available transmission.
- **West** – market MWh purchases exceed budget due to balancing the loads of Participants and actual generation from contracted and owned generation resources. The cost is also impacted by the actual prices and financial settlements related to energy imbalances.

Market Activity – Adjustments

Purchases for Load MWhs – updates were made to expected Participant loads due to timing changes in the commercial operation dates of MEAN owned and community solar facilities. These adjustments increased the projected purchases for load MWhs; however, the overall impact on projected results was minimal.

Other Market Related Activity – updates to expected generation and impact on loads due to delays in commercial operation of solar facilities result in adjustments to expected West purchases. The adjustments resulted in an increase in expected costs.

**Municipal Energy Agency of Nebraska
Year-End Projections
Purchased Power Expenses
Fiscal Year 2025-2026**

	Expenses				MWh	\$/MWh
	Projected	Current Budget	Projected vs. Current		Projected	vs. Current
			\$ +/-	% +/-	% +/-	% +/-
Contracted Purchases						
FCRC Costs	\$ 145,428	155,160	(9,732)	-6%		
Energy Charge Costs	1,190,582	1,257,808	(67,226)	-5%		
Hastings WEC1	1,336,010	1,412,968	(76,958)	-5%	20%	-21%
FCRC Costs	15,580,668	14,260,410	1,320,258	9%		
Energy Charge Costs	13,046,246	12,052,401	993,845	8%		
PPGA WEC2	28,626,914	26,312,811	2,314,103	9%	9%	0%
FCRC Costs	333,569	333,570	(1)	0%		
Energy Charge Costs	463,153	460,669	2,484	1%		
WSEC4 Waverly Assignment	796,722	794,239	2,483	0%	-23%	30%
FCRC Costs	865,586	865,584	2	0%		
Energy Charge Costs	1,424,218	1,216,569	207,649	17%		
Louisa Waverly Assignment	2,289,804	2,082,153	207,651	10%	34%	-18%
BHP NS CT #1	7,317,003	7,548,482	(231,479)	-3%	-3%	0%
HCPD Wessington Springs Wind	1,973,010	1,912,570	60,440	3%	3%	0%
Kimball Wind PPA	3,354,336	3,437,527	(83,191)	-2%	-2%	0%
FCRC Costs	426,748	482,664	(55,916)	-12%		
Energy Charge Costs	300,361	299,199	1,162	0%		
NPPD Ainsworth Wind	727,109	781,863	(54,754)	-7%	-22%	19%
NPPD Crofton Bluffs Wind	1,012,001	1,131,925	(119,924)	-11%	-14%	4%
NPPD Elkhorn Ridge Wind	1,733,666	1,882,712	(149,046)	-8%	-14%	7%
NPPD Laredo Ridge Wind	2,139,833	2,294,191	(154,358)	-7%	-10%	3%
Sandhills Solar Projects						
Alliance	292,644	549,937	(257,293)	-47%	-47%	0%
Sidney	149,969	235,545	(85,576)	-36%	-35%	-3%
Gering	193,137	290,040	(96,903)	-33%	-32%	-2%
Fort Morgan	124,634	124,634	(0)	0%	0%	0%
Yuma	86,567	172,775	(86,208)	-50%	-50%	0%
Landfill Gas Project	2,302,994	2,345,186	(42,192)	-2%	-2%	0%

**Municipal Energy Agency of Nebraska
Year-End Projections
Purchased Power Expenses
Fiscal Year 2025-2026**

	Expenses				MWh	\$/MWh
	Projected	Current Budget	Projected vs. Current		Projected	vs. Current
			\$ +/-	% +/-	% +/-	% +/-
Aspen/Ridgway Hydropower	475,567	449,790	25,777	6%	6%	0%
Central Nebraska Public Power Irrigation District (CNPPID)						
Johnson Hydro No. 1	2,860,401	2,980,284	(119,883)	-4%	1%	-5%
Johnson Hydro No. 2	3,230,299	3,292,603	(62,304)	-2%	2%	-4%
DMEA Shavano Falls	2,554,111	2,439,824	114,287	5%	6%	-1%
WAPA LAP - MEAN	633,766	633,769	(3)	0%	0%	0%
WAPA Tribe Contracts	1,322,628	1,322,499	129	0%	0%	0%
WAPA Displacement Agreement	8,581,619	9,282,875	(701,256)	-8%	0%	-8%
WAPA - Other	11,899	6,000	5,899	98%	-24%	161%
Participant Committed Facilities	2,651,276	2,840,956	(189,680)	-7%	19%	-21%
Capacity Purchases	1,160,000	1,160,000	-	0%		
Participant Distributed Generation Purchases	17,606	16,390	1,216	7%	19%	-10%
Energy Purchases	2,613,120	2,613,120	-	0%	0%	0%
Total Contracted Purchases	80,568,649	80,347,669	220,980	0%	1%	-1%
Market Activity						
Purchases for Load						
MISO	13,447,699	10,296,132	3,151,567	31%	10%	19%
SPP	27,060,860	28,646,890	(1,586,030)	-6%	1%	-7%
Total Purchases for Load	40,508,559	38,943,022	1,565,537	4%	4%	0%
Generation Sales Revenues Received						
MISO	(10,757,286)	(10,631,814)	(125,472)	1%	-15%	18%
SPP	(22,555,302)	(23,278,121)	722,819	-3%	5%	-7%
Total Generation Sales Revenues Received	(33,312,588)	(33,909,935)	597,347	-2%	-1%	0%
Financial Instruments						
MISO	(192,679)	(678,338)	485,659	-72%		
SPP	(3,426,023)	(2,791,568)	(634,455)	23%		
Total Financial Instruments	(3,618,702)	(3,469,906)	(148,796)	4%		
Other Market Related Activity						
MISO	4,015,572	-	4,015,572	100%	100%	100%
SPP	68,329	-	68,329	100%	-	-
West	2,884,617	(77,511)	2,962,128	-3822%	-180%	4540%
Total Other Market Related Activity	6,968,519	(77,511)	7,046,030	-9090%	-531%	1988%
Total Market Activity	10,545,788	1,485,670	7,494,581	504%		
Total Purchased Power Expenses	\$ 91,114,437	\$ 81,833,339	\$ 9,281,098	11%	19%	-7%
Total FCRC Costs in Purchased Power	\$ 17,351,999	\$ 16,097,388	\$ 1,254,611	8%		
Total Energy Charge Costs in Purchased Power	\$ 73,762,437	\$ 65,735,951	\$ 8,026,486	12%		

**Municipal Energy Agency of Nebraska
Year-End Projections
Production Expenses
Fiscal Year 2025-2026**

	Expenses				MWh	\$/MWh
	Projected	Current Budget	Projected vs. Current		Projected vs. Current	
			\$ +/-	% +/-	% +/-	% +/-
Owned Generation						
Wygen Unit I	\$ 5,106,769	\$ 5,593,574	\$ (486,805)	-9%	-15%	7%
LRS Unit I	1,497,669	1,668,759	(171,090)	-10%	11%	-19%
LRS Unit 2 and Unit 3	3,358,068	3,838,366	(480,298)	-13%	2%	-14%
WSEC 4	7,840,468	8,120,659	(280,191)	-3%	-23%	25%
Total Production Expenses	\$ 17,802,974	\$ 19,221,358	\$ (1,418,384)	-7%	-13%	7%

All Production Expenses are in the Energy Charge.

Production Expenses Narrative

Production expenses consist of electric energy costs for generation owned by MEAN. See also the *Capital Plan* report for capital costs related to these resources. For Wygen Unit I and LRS Units, adjustments were made for January through March 2026 to expected MWh generation and costs based on the 2026 operating and capital budgets received from the operators. The 2026 final budget for WSEC 4 was not available from the operator when these materials were prepared.

Wygen Unit I – has generated fewer MWhs year-to-date at a lower fuel cost/MWh resulting in decreased fuel costs. Operations and maintenance (O&M) costs and administration and general expenses (A&G) costs are less than budget. All of these factors combined result in an overall decrease in costs year-to-date compared to budget. After adjustments, total costs are still expected to be less than budget.

LRS Units – have generated more MWhs year-to-date at a fuel cost/MWh comparable with budget resulting in increased fuel costs. O&M costs are less than budget year-to-date. After adjustments, total costs are still expected to be less than budget.

WSEC 4 – has produced less MWhs than budget at a higher fuel cost/MWh year-to-date resulting in decreased fuel costs. Lower production has resulted from economic and operations related outages.

**Municipal Energy Agency of Nebraska
Year-End Projections
Transmission Expenses
Fiscal Year 2025-2026**

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
Network (NITS)	556,734	503,694	53,040	11%
Point-to-Point Long-Term (PTP-LT)				
MISO	3,652,925	3,567,070	85,855	2%
WAPA - SLCA	106,603	63,709	42,894	67%
West Resource Related	2,024,470	2,034,583	(10,113)	0%
Total Point-to-Point Long-Term	5,783,998	5,665,362	118,636	2%
Point-to-Point - Short-Term (PTP-ST)	52,044	46,692	5,352	11%
Operating Reserves	1,151,331	1,178,001	(26,670)	-2%
Resource Related	298,460	236,511	61,949	26%
Other	57,928	39,528	18,400	47%
Total Transmission Expenses	\$ 7,900,494	\$ 7,669,788	\$ 230,706	3%

All Transmission Expenses are in the Energy Charge.

Transmission Expenses Narrative

Transmission expenses consist of costs to move MWhs across the electric grid. MEAN's transmission arrangements include Point-to-Point (PTP) agreements where MEAN pays a set amount to reserve rights to move power between two specific points on a transmission system regardless of actual usage and Network Integration Transmission Service (NITS) contracts that are based on applicable peak load (load ratio share as defined by the tariff). Pooled transmission costs relate to transmission of power, purchased by MEAN or produced by a MEAN generation resource, from one transmission system to another and the ability to utilize resources between markets. Transmission costs incurred by MEAN as agent for Participants are passed through to individual Participants and are reported net in MEAN's financial statements. The *Transmission Expenses* report includes only the pooled transmission costs incurred and reported by MEAN.

Descriptions of notable fiscal year-to-date variances and adjustments are provided in this section. For more information on costs included in transmission expenses, refer to the approved budget document for the Current Budget.

Network (NITS) - factors that change NITS include changes in zonal peaks, rates, and transmission expense offsets. Actuals exceed budget year-to-date. A small adjustment was made for a known change in transmission rates.

Point-to-Point Long-Term - actuals exceed budget year-to-date. The Projection has updated rates, slightly decreasing the overall variance compared to results year-to-date.

Resource Related - actuals exceed budget year-to-date primarily due to associated WAPA transmission costs for MEAN solar projects that were not anticipated during the budget process. Adjustments have been made to account for these additional costs.

**Municipal Energy Agency of Nebraska
Year-End Projections
Capital Plan
Fiscal Year 2025-2026**

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
MEAN Capital	\$ 133,794	\$ 136,000	\$ (2,206)	-2%
Owned Generation Capital (Productive Capacity)				
Wygen Unit I	2,139,175	1,980,665	158,510	8%
LRS Units 1, 2, and 3	480,108	1,089,626	(609,518)	-56%
WSEC 4	3,456,930	2,971,676	485,254	16%
Total Owned Generation Capital	6,076,214	6,041,967	34,247	1%
Total MEAN Capital and Owned Generation Capital	6,210,008	6,177,967	32,041	1%
Contracted Generation Capital (included in Purchased Power Expenses)				
Hastings WEC 1	145,428	155,160	(9,732)	-6%
PPGA WEC 2	1,885,946	1,024,842	861,104	84%
NPPD Ainsworth Wind	(2)	55,914	(55,916)	-100%
Total Contracted Generation Capital	2,031,372	1,235,916	795,456	64%
Total Capital Plan Costs	\$ 8,241,380	\$ 7,413,883	\$ 827,497	11%

All Capital Costs are in the FCRC

Capital Plan Narrative

MEAN Capital - consist of MEAN assets. Note that these capital costs impact cash but not MEAN's net revenue.

Owned Generation Capital - these are costs incurred for MEAN's ownership at the noted generation facilities. Adjustments were made based on the status of capital projects as provided by each operator. Only the LRS Units had a decrease in expected capital spending. Note that these costs also impact cash but not MEAN's net revenue. Variances are the result of changes in project scope, cost estimates, and timing.

Contracted Generation Capital - these costs are reported within *Purchased Power Expenses - Contracted Purchases*; therefore, variances have an impact on MEAN's net revenue. Adjustments were made based on the January - March 2026 budget data for PPGA WEC 2 which increased expected capital spending. See also the *Purchased Power Expenses - Contracted Purchases* section for information on variances.

**Municipal Energy Agency of Nebraska
Year-End Projections
Debt Service
Fiscal Year 2025-2026**

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
MEAN Debt Service				
2013A Principal	\$ -	\$ -	\$ -	0%
2013A Interest	979,438	979,438	-	0%
Total 2013A	979,438	979,438	-	0%
2016A Principal	1,885,000	1,885,000	-	0%
2016A Interest	2,370,150	2,370,150	-	0%
Total 2016A	4,255,150	4,255,150	-	0%
2022A Principal	2,980,000	2,980,000	-	0%
2022A Interest	1,212,000	1,212,000	-	0%
Total 2022A	4,192,000	4,192,000	-	0%
Total MEAN Principal	4,865,000	4,865,000	-	0%
Total MEAN Interest	4,561,588	4,561,588	-	0%
Total MEAN Debt Service	9,426,588	9,426,588	-	0%
Investment Return - Debt Related Funds	(477,912)	(364,750)	(113,162)	31%
MEAN Debt Service, Net	8,948,676	9,061,838	(113,162)	-1%
Contracted Generation Debt Service (included in Purchased Power Expenses)				
PPGA WEC 2, net of Debt Related Investment Return	13,694,722	13,235,568	459,154	3%
WSEC4 Waverly Assignment	333,569	333,570	(1)	0%
Louisa Waverly Assignment	865,586	865,584	2	0%
NPPD Ainsworth Wind	426,750	426,750	-	0%
Total Contracted Generation Debt Service, Net	15,320,627	14,861,472	459,155	3%
Total Debt Service, Net	\$ 24,269,303	\$ 23,923,310	\$ 345,993	1%

All Debt Service Costs are in the FCRC

Debt Service Narrative

MEAN Debt Service, Net - interest rates have not declined as quickly as expected resulting in higher investment returns. The higher returns result in an overall decrease in net debt service.

Contracted Generation Debt Service - these costs are reported within Purchased Power Expenses - Contracted Purchases; therefore, variances have an impact on MEAN's net revenue. The variance for PPGA WEC 2 relates to decreased debt related investment return compared to budget.

**Municipal Energy Agency of Nebraska
Year-End Projections
Administrative and General Expenses
Fiscal Year 2025-2026**

	Projected	Current Budget	Projected vs. Current	
			\$ +/-	% +/-
Payroll and Benefits	\$ 7,723,853	\$ 8,765,196	\$ (1,041,343)	-12%
Internal Office				
Conferences and training	67,742	82,805	(15,063)	-18%
Dues and subscriptions	268,861	273,663	(4,802)	-2%
Equipment lease and maintenance	214,497	205,114	9,383	5%
Glynoaks operations	162,416	166,559	(4,143)	-2%
Insurance	289,506	292,525	(3,019)	-1%
Miscellaneous	15,787	19,250	(3,463)	-18%
Office supplies	8,576	11,300	(2,724)	-24%
Postage	4,460	7,000	(2,540)	-36%
Telecommunications	132,818	124,334	8,484	7%
Travel, lodging, and meals	268,982	316,271	(47,289)	-15%
Total internal office	1,433,645	1,498,821	(65,176)	-4%
Member				
Advertising - corporate image	15,654	15,638	16	0%
Board and committee meetings	70,072	71,750	(1,678)	-2%
Member dues	166,888	162,900	3,988	2%
Member education	36,096	33,800	2,296	7%
Member scholarships	11,531	10,000	1,531	15%
Rebates paid	66,649	75,000	(8,351)	-11%
Services from NMPP	19,327	19,327	-	0%
Total member	386,217	388,415	(2,198)	-1%
Consultants and Outside Services				
Audit and consulting	45,200	45,200	-	0%
Finance	85,600	85,200	400	0%
Legal	68,701	77,600	(8,899)	-11%
Market management	2,519,489	2,423,276	96,213	4%
Other	370,692	2,898,820	(2,528,128)	-87%
Software licenses, maint., and support	459,466	505,467	(46,001)	-9%
Total consultants and outside services	3,549,148	6,035,563	(2,486,415)	-41%
Total Administrative and General Expenses	\$ 13,092,863	\$ 16,687,995	\$ (3,595,132)	-22%
Total FCRC Costs in A&G	\$ 12,867,522	\$ 16,687,995	\$ (3,820,473)	-23%
Total Energy Charge Costs in A&G	\$ 225,341	\$ -	\$ 225,341	100%

Administrative and General Expenses Narrative

Payroll and Benefits - variances are due to the waiver from NMPP, actual compensation adjustments, final benefit costs, selections by staff and turnover in personnel. Adjustments were made related to expected costs for benefits.

Internal Office and Member - variances are a mix of underspending and timing related. Minor adjustments were made.

Consultants and Outside Services - variances are a mix of underspending and timing related. Adjustments were only made for known items in market management and other. A portion of the variance in market management relates to the fee charged for activity performed related to utilization of available transmission. As this activity is variable, no adjustment was made. The largest adjustment is in other and relates to market expansion costs. This adjustment needs to be evaluated further as some of these costs may still occur in the current fiscal year.