

MINUTES OF SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF  
NEBRASKA PUBLIC POWER DISTRICT  
NOVEMBER 13, 2008

(Marginal Index for Informational Purposes Only)

A special meeting of the Board of Directors of Nebraska Public Power District was held Thursday, November 13, 2008, beginning at 9:31 a.m. at the New World Inn & Conference Center, Columbus, Nebraska. The purpose of the meeting was to conduct a rate hearing on the proposed 2009 General Firm Power Service (GFPS) Rate Schedule, on which the Board of Directors was scheduled to take action at its regular meeting on November 14, 2008. The hearing was requested by Southern Power District.

In compliance with state law, legal notice announcing the date, hour, location and availability of Board agenda for the meeting was published in advance of the meeting in the following newspapers:

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

LEGAL NOTICE RUN  
PRIOR TO THE  
MEETING

Chairman Rasmussen called the meeting to order at 9:31 a.m. and directed the roll be called:

ROLL CALL, 9:31 A.M.,  
NOVEMBER 13, 2008

Present: Wayne E. Boyd, Mary A. Harding, Larry G. Kuncel, Ronald W. Larsen, Larry E. Linstrom, Darrell J. Nelson, Dennis L. Rasmussen, Ken L. Schmieding, Edward J. Schrock, Gary G. Thompson

Absent: Virgil L. Froehlich

constituting a quorum of the Board of Directors.

Chairman Rasmussen announced that there was a copy of the Open Meetings Law at the meeting room entrance for anyone who wished to examine this document.

ANNOUNCEMENT OF  
AVAILABILITY OF  
OPEN MEETINGS  
LAW

Chairman Rasmussen opened the meeting and stated the purpose of the meeting was to conduct a rate hearing on the proposed 2009 General Firm Power Service (GFPS) Rate Schedule. Vice-President and General Counsel John C. McClure, acting as hearing officer and parliamentarian, outlined the rules of conduct for the hearing. Mr. McClure explained that the hearing was being conducted as a result of a request made,

pursuant to the provisions of the Wholesale Power Contract, by Southern Power District, who wished to provide certain information and testimony regarding the proposed 2009 General Firm Power Service (GFPS) Rate Schedule, specifically in the area of energy efficiency.

Vice-President and Chief Financial Officer Traci L. Bender began the hearing by outlining the process for studying and reviewing the General Firm Power Service (GFPS) rate schedule, and explained the need for the proposed increase.

Customer testimony and presentations were heard in the following order:

- 1) Gary Hedman, General Manager of Southern Power District
- 2) Bruce Pontow, General Manager of Nebraska Electric Generation and Transmission Cooperative, Inc.
- 3) Gene Hansen, Electrical Production Superintendent of the City of Wayne
- 4) Kevin Pollard, General Manager of Norris Public Power District

Director Froehlich entered the room during the presentation of Mr. Gary Hedman.

A question-and-answer period followed each customer's presentation/testimony.

Vice-President and Chief Financial Officer Traci L. Bender expressed appreciation for the comments received and presented background information for inclusion of energy efficiency programs in the GFPS Rate. Ms. Bender referenced NPPD's 2008 Integrated Resource Plan (IRP) and stated that, in addition to consideration of supply-side generation resources, energy efficiency was also considered in the development of the current IRP as a demand-side program.

Vice-President of Customer Services Michael E. (Ed) Wagner discussed the energy efficiency process and program design, stating that the goal was to develop a comprehensive portfolio of energy efficiency programs that could be used by NPPD's diverse customer base. Mr. Wagner explained that ongoing communication is critical to the energy efficiency initiative, and that NPPD's management recommends continuing with the current program direction and aggressively pursuing cost-effective energy efficiency.

President and Chief Executive Officer Ronald D. Asche expressed his appreciation to the customers and the Board for sharing their comments. Mr. Asche stated that the issues raised would be taken into consideration and further communication with customers would occur in an effort to achieve alignment with regard to energy efficiency programs. Mr. Asche also indicated that specific attention would be given to the disposition of unused energy efficiency funds. In closing, Mr. Asche emphasized that the energy efficiency initiative is a work in progress and will continue to grow and change, and can provide many benefits to the end-use

customer.

Vice-President and General Counsel John C. McClure stated that all comments made during the hearing, as well as all written comments submitted prior to the hearing, would be included in the record of the hearing. Written comments were received from the City of Beatrice – Board of Public Works, the City of Central City, the City of Wayne, the Nebraska Electric Generation and Transmission Cooperative, Inc., and Loup Power District prior to the hearing, copies of which were provided at the meeting room entrance.

Copies of presentations, written communication received from the public, written testimony offered at the rate hearing, and an audio recording is included in the Board file as part of the record for this hearing.

Chairman Rasmussen thanked everyone for attending the hearing and relayed his appreciation for the comments presented, which, he stated, would be taken into serious consideration.

The hearing was officially closed at 11:49 a.m.

HEARING CLOSED  
AT 11:49 A.M.

There being no further business to come before the Board, the meeting was duly adjourned at 11:49 a.m.

ADJOURNMENT  
11:49 A.M.

\_\_\_\_\_/s/  
Dennis L. Rasmussen, Chairman

Minutes approved at  
the meeting of  
December 11-12, 2008

\_\_\_\_\_/s/  
Mary A. Harding, Secretary