MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
JANUARY 12-13, 2012

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Columbus General Office, Columbus, Nebraska, beginning at 9:13 a.m. on Thursday, January 12, 2012.

In compliance with state law, legal notice announcing the date, hours, 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) Valentine Midland News, Valentine, Nebraska;
(9) York News-Times, York, Nebraska.

Chairman Linstrom called the regular meeting to order at 9:13 a.m. and directed the roll be called:

Present: Jerry L. Chlopek, Virgil L. Froehlich, Mary A. Harding, Thomas J. Hoff, Ken Kunze, Ronald W. Larsen, Larry E. Linstrom, Dennis L. Rasmussen, Edward J. Schrock, Gary G. Thompson

Absent: Wayne E. Boyd

constituting a quorum of the Board of Directors.

Chairman Linstrom announced that there was a posting of the Open Meetings Act and a copy of the Board Agenda at the entrance of the Board Room for anyone wishing to examine those documents.

Chairman Linstrom welcomed guests Bruce Pontow and Clint Johannes of the Nebraska Electric G&T; Andy Daniels, Clay Gibbs, Ray Merrell, Glen Pfeifer, Lawrence Sobota, and Brian Strong, Cornhusker Public Power District; Wayne McCormick and Rod Zohner, Elkhorn Rural Public Power District; Neal Suess, Loup Power District; Kevin Pollard, Norris Public Power District; Gary Hedman, Southern Power District; Marlin Seeman, City of Aurora; Neal Niedfeldt, City of Beatrice; Jack Vavra, City of York; John Atkeison, Nebraska Wildlife Federation; and Tyler Ellyson, Columbus
The first order of business was election of officers.

Director Harding nominated Ronald W. Larsen as Chairman of the Board for 2012; Director Froehlich nominated Larry E. Linstrom as Chairman of the Board, and Director Linstrom declined the nomination. No other nominations were made and Chairman Linstrom declared the nominations closed.

Pursuant to By-Laws, Board Members vote by secret ballot for officer elections. Chairman Linstrom requested that Vice President of Governmental Affairs and General Counsel John C. McClure collect and tabulate the votes for the elections. Vote totals for Chairman were as follows:

Ronald W. Larsen  10 votes

Chairman Linstrom declared Ronald W. Larsen Chairman for 2012 and passed the gavel to Director Larsen.

Director Kunze nominated Gary G. Thompson as First Vice Chairman for 2012; Director Froehlich nominated Edward J. Schrock as First Vice Chairman for 2012. No other nominations were made and Chairman Larsen declared the nominations closed.

Board members voted by secret ballot. Vote totals for First Vice Chairman were as follows:

Gary G. Thompson  7 votes
Edward J. Schrock  3 votes

Chairman Larsen declared Gary G. Thompson elected First Vice Chairman for 2012.

Director Harding nominated Ken Kunze as Second Vice Chairman for 2012; Director Linstrom nominated Edward J. Schrock as Second Vice Chairman for 2012. No other nominations were made and Chairman Larsen declared the nominations closed.

Board members voted by secret ballot. Vote totals for Second Vice Chairman were as follows:

Ken Kunze  4 votes
Edward J. Schrock  6 votes

Chairman Larsen declared Edward J. Schrock elected Second Vice Chairman for 2012.

Director Thompson nominated Mary A. Harding as Secretary for 2012. No other nominations were made, and Chairman Larsen declared the
nominations closed.

Board members voted by secret ballot. Vote totals for Secretary were as follows:

Mary A. Harding  9 votes

Chairman Larsen declared Mary A. Harding elected Secretary for 2012.

Director Thompson nominated Traci L. Bender as Treasurer for 2012. No other nominations were made, and Chairman Larsen declared the nominations closed.

Board members voted by secret ballot. Vote totals for Treasurer were as follows:

Traci L. Bender  10 votes

Chairman Larsen declared Traci L. Bender elected Treasurer for 2012.

The following appointments of staff members were recommended by Treasurer Traci L. Bender, stating that these appointments are for the purpose of authorizing such persons to sign on behalf of the Treasurer for the disbursement of District funds:

Donna K. Starzec  Assistant Treasurer
Christine A. Pillen  Deputy Assistant Treasurer
Sheila A. Brugger  Authorized Signatory
Mark A. Weeder  Authorized Signatory
Sheila M. Sommermeyer  Authorized Signatory
Joan G. Witt  Authorized Signatory

It was moved by Director Rasmussen and seconded by Director Froehlich that the Board ratify the appointments of Donna K. Starzec as Assistant Treasurer; Christine A. Pillen as Deputy Assistant Treasurer; and Sheila A. Brugger, Mark A. Weeder, Sheila M. Sommermeyer, and Joan G. Witt as Authorized Signatories for 2012. Votes were cast and recorded as follows:

Voting Aye:  Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay:  None
Abstaining:  None
Present But Not Voting:  None
Absent:  Boyd

Whereupon the Chairman declared the motion carried.
Secretary Harding recommended the appointment of Janette Modelski as Assistant Secretary and Sandra Keefover as Deputy Assistant Secretary.

It was moved by Director Harding and seconded by Director Linstrom that the Board ratify the appointments of Janette Modelski as Assistant Secretary, and Sandra Keefover as Deputy Assistant Secretary for 2012. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried.

Chairman Larsen announced that action on 2012 Committee assignments would be taken after lunch, with 2012 Committee assignments to be effective with the February 2012 Board meeting.

Vice President of Customer Services Kendall B. Curry reported that preliminary recommendations from the Customer Voice team included the opportunity for improved Board/customer dialogue through periodic area meetings, sharing of information, and attendance at NPPD Board meetings. The Board will be asked to consider approval of the team’s recommendations in February, with implementation proposed for March.

Michael E. (Ed) Wagner, Special Assistant to the President and CEO, reported on a competitive assessment jointly conducted with customers and NPPD to determine NPPD’s competitiveness at the wholesale market level. Conclusions drawn indicate NPPD is competitive. Several customer team members addressed the Board and provided their comments in support of the open process and team approach to this issue as well as the strategic planning process and other follow-up items. Customer comments were heard from Bruce Pontow, Nebraska Electric G&T; Gary Hedman, Southern Power District; Kevin Pollard, Norris Public Power District; Marlin Seeman, City of Aurora; and Neal Suess, Loup Power District.

Vice President and Chief Financial Officer Traci L. Bender reported that the Generation Options Analysis Team met January 6 to discuss preliminary results of the modeling process, along with identification of several items requiring additional analysis. The NPPD Board will discuss the process and results more thoroughly during a retreat scheduled for February 8.

Vice President and Chief Operating Officer Thomas J. Kent reported that the District plans to proceed with the implementation and change to the Subtransmission Planning and Operations charge and cost recovery methodology, to become effective March 1, 2012. All
subtransmission operating costs and 15% of planning costs will be included in the transmission substation rate, with the subtransmission planning and operating charge decreasing from 5¢/kW/month to 1.9¢/kW/month.

Due to time constraints, the discussion of University of Nebraska-Lincoln Energy Center Research Projects Selection was deferred to the February 2012 Board meeting.

Elizabeth L. Boesch, Senior Manager, Government and Public Relations, provided an update on state legislative matters and items of interest to NPPD with regard to the 2012 session of the Nebraska Legislature.

Vice President of Governmental Affairs and General Counsel John C. McClure gave an update on the Cross-State Air Pollution Rule (CSAPR).

Environmental Manager Joseph L. Citta, Jr., presented a summary of the final Mercury and Air Toxics Standards (MATS), formerly Mercury/Utility Boiler MACT Rule. Mr. Citta’s presentation covered a timeline related to development of the rule and required compliance, pollutants covered under the rule, NPPD facilities affected by the rule, new standards for coal boilers and oil boilers, criteria for demonstrating compliance for both coal and oil boilers, and NPPD’s plan for complying with the new standards.

A lunch recess was taken from 12:07 to 1:00 p.m.

Chairman Larsen recommended the following Committee appointments for 2012 (first person named is Chairman; second person named is First Vice Chairman; third person named is Second Vice Chairman):

**Energy Supply:**
- Linstrom
- Thompson
- Schrock
- Boyd
- Hoff

**Customer and Support Services:**
- Harding
- Rasmussen
- Kunze
- Froehlich
- Chlopek

**Nuclear (Committee of the Whole):**
- Boyd
- Kunze
- Harding
- Chlopek
Audit and Compliance:
  Larsen
  Thompson
  Schrock
  Harding

Strategic Planning:
  Thompson
  Harding
  Larsen
  Linstrom

Budget:
  Schrock
  Froehlich
  Linstrom
  Hoff
  Kunze

Chartered Territory (Ad Hoc):
  Larsen
  Boyd
  Chlopek
  Schrock
  Rasmussen

It was moved by Director Rasmussen and seconded by Director Kunze that the foregoing Committee appointments for 2012 be approved, effective February 2012. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried.
The meeting was recessed at 1:02 p.m., to reconvene at 8:00 a.m. on January 13, 2012.

JANUARY 13, 2012 – 8:00 A.M.

Chairman Larsen called the regular meeting to order at 8:00 a.m. and directed the roll be called:

Present: Jerry L. Chlopek, Virgil L. Froehlich, Mary A. Harding, Thomas J. Hoff, Ken Kunze, Ronald W. Larsen, Larry E. Linstrom, Dennis L. Rasmussen, Edward J. Schrock, Gary G. Thompson

Absent: Wayne E. Boyd

constituting a quorum of the Board of Directors.

Chairman Larsen announced that there was a posting of the Open Meetings Act and a copy of the Board Agenda at the entrance of the Board Room for anyone wishing to examine those documents.

Chairman Larsen asked for discussion of any consent agenda items, which included the following:

- Minutes of December 8-9, 2011, Regular Board Meeting
- Minutes of December 15, 2011, Customer Meeting
- Special Board Meeting Scheduled for February 8, 2012, in Columbus
- March 2012 Regular Board Meeting Scheduled for March 8-9, 2012, in Columbus (February 2012 Regular Board Meeting Previously Scheduled for February 9-10, 2012, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- Approval of November 2011 Summary of Disbursements
- Approval of December 2011 Summary of Procurements $100,000 to < $500,000

Chairman Larsen asked whether any Directors desired any items on the consent agenda to be placed on the regular agenda and voted on separately. There were none.

It was moved by Director Rasmussen and seconded by Director Froehlich that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

MOTION (CARRIED): APPROVE CONSENT AGENDA
Whereupon the Chairman declared the motion carried.

Director Larsen stepped down as Chairman; First Vice Chairman Thompson presiding.

MOTION (CARRIED): EXCUSE ABSENCE OF DIRECTOR BOYD FROM JANUARY 2012 BOARD MEETING

MOTION (CARRIED): EXCUSE ABSENCE OF DIRECTOR BOYD FROM JANUARY 2012 BOARD MEETING

Whereupon the Chairman declared the motion carried.

Director Larsen resumed Chairmanship of the meeting.

Chairman Larsen welcomed guests Bruce Pontow of the Nebraska Electric G&T; Gayle Goering, Cornhusker Public Power District; Gary Hedman, Southern Power District, and his wife, Dee; Steve Boyer, Third Planet Wind; Robert Taylor, Kiewit Power Nuclear; Jeff Rauh, TransCanada; and Tyler Ellyson, Columbus Telegram.

President and Chief Executive Officer Patrick L. Pope provided the Board an update on safety and system operations, and reviewed the NPPD Balanced Scorecard.

President and Chief Executive Officer Patrick L. Pope reported on NPPD’s year-end 2011 performance, which included updates in the focus areas of safety, reliability/environmental, customer/stakeholder relationships, colleagues, and financial performance.

The Board commended Mr. Pope and the entire organization for a successful and productive year.

President and Chief Executive Officer Patrick L. Pope presented the Report on Retirements and Former District Employee Rehires, which is on file with the Assistant Secretary and attached and made a part of these minutes.

Chairman Larsen introduced the following resolution:
RESOLUTION NO. 12-1

WHEREAS, Gary Hedman, President & Chief Executive Officer of Southern Power District, has well and faithfully served the public and the electric utility industry in Nebraska for the past 38 years; and

WHEREAS, Gary Hedman was hired as an Assistant Manager at Southern Power District on March 25, 1974, and later became President & Chief Executive Officer. He has served as President & Chief Executive Officer of Southern Power District since August 1993; and

WHEREAS, Southern Power District and Nebraska Public Power District have fostered an excellent working relationship, partnering to strengthen public power in Nebraska, due in part to the character, leadership, and professionalism embodied by Gary Hedman and his 38 years of service to the electric industry; and

WHEREAS, Gary Hedman has served on many community boards, committees, and some statewide organizations as well as public power organizations; and

WHEREAS, Gary Hedman will retire in March 2012, from his position as President & Chief Executive Officer of Southern Power District, during which time he led the District on a prosperous course and laid the foundation for a successful transition into the 21st Century by his dedication, commitment, and contribution to enhancing the quality of life in Nebraska.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Nebraska Public Power District, on behalf of its employees and the people in Nebraska whom it serves, hereby commends Gary Hedman for his extraordinary character, commitment to excellence and loyalty to the customers of Southern Power District; expresses its thanks for creating an outstanding model for management of an enterprise which is devoted to the good of public power; further expresses its appreciation for the friendship shown to NPPD and its employees; and finally expresses its sincere wish that Gary Hedman enjoy the retirement to which his years of successful service entitle him.

It was moved by Director Schrock and seconded by Director Kunze that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: Boyd
Whereupon the Chairman declared Resolution No. 12-1 adopted.

Following presentation of the framed resolution, Mr. Hedman briefly addressed the Board and shared thoughts on the relationship between Southern Power District and NPPD and the future direction of the utilities.

It was moved by Director Thompson and seconded by Director Linstrom that the September 2012 Board meeting be scheduled for Wednesday-Thursday, September 12-13, 2012. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: Boyd

Whereupon the Chairman declared the motion carried.

During the time designated for Directors’ comments and questions, Directors Hoff and Froehlich reported that they had toured CNS; Director Harding commented on the 360 Risk Project Report by Lloyd’s, and encouraged all Directors to review it.

A recess was taken from 8:59 to 9:12 a.m.

During the time designated for public comments, several individuals addressed the Board on various topics:

Rick Bousquet, South Sioux City, Nebraska – issue related to an easement in the South Sioux City area (provided documentation)

Nancy Packard, Lincoln, Nebraska – energy efficiency vs. investment in power plants; TransCanada Keystone XL Pipeline

John Atkeison, Nebraska Wildlife Federation, Lincoln, Nebraska – climate change / coal; TransCanada Keystone XL Pipeline

Terry Frisch, Atkinson, Nebraska – TransCanada Keystone XL Pipeline

Bruce Boettcher, Bassett, Nebraska – TransCanada Keystone XL Pipeline

Pat Fuller, Council Bluffs, Iowa – climate change / coal; TransCanada Keystone XL Pipeline

Matt Cronin, Omaha, Nebraska – climate change / coal / SmartGrid / renewables
Ben Gottschall, Lincoln, Nebraska – TransCanada Keystone XL Pipeline; nuclear safety (also provided a written statement)

Charles Stevenson, Richland, Nebraska – TransCanada Keystone XL Pipeline

Tom Genung, Hastings, Nebraska – TransCanada Keystone XL Pipeline (also provided a written statement)

Jane Wilson, Omaha, Nebraska, did not address the Board but provided a written statement. Several other members of the public were in attendance but did not address the Board.

Copies of all written communication and other documentation provided during the Public Comments portion of the Board meeting are included in the Board file as part of the record for the meeting.

A recess was taken from 10:18 to 10:29 a.m.

President and Chief Executive Officer Patrick L. Pope introduced and read aloud the following resolution:

**RESOLUTION NO. 12-2**

WHEREAS, the proposed Keystone XL Pipeline will deliver U.S. and Canadian crude oil to U.S. refineries; and

WHEREAS, the proposed Keystone XL Pipeline will provide significant property tax revenues in Nebraska associated with an estimated capital investment of more than one billion dollars; and

WHEREAS, the Nebraska Public Power District (District) has an obligation to plan and provide infrastructure to reliably serve new and expanding electrical loads in areas served directly by the District and its wholesale customers; and

WHEREAS, the electric loads associated with the proposed Keystone XL Pipeline will provide additional revenues for several Nebraska public power entities served by the District and will further spread certain fixed costs over a broader revenue stream which benefits all customers; and

WHEREAS, investments in electric infrastructure to serve the Keystone XL Pipeline will provide direct and indirect economic benefits to Nebraska workers and businesses; and

WHEREAS, the District has experienced a positive, professional working relationship with TransCanada in the development of the currently operational Keystone Pipeline and in planning for the proposed Keystone XL Pipeline; and

RESOLUTION NO. 12-2 (ADOPTED):
APPROVE TRANSCANADA RESOLUTION
WHEREAS, the District must pursue new studies, plans, public involvement and approvals for new electric infrastructure in order to accommodate changes in routing for the proposed pipeline.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Nebraska Public Power District that District staff be directed to work proactively with TransCanada to make the process of developing new electric infrastructure to serve the proposed new pipeline route occur in a timely and cost-effective manner.

It was moved by Director Thompson and seconded by Director Linstrom that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: Harding
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared Resolution No. 12-2 adopted.

Vice President of Governmental Affairs and General Counsel John C. McClure provided an update with regard to federal and state legislative matters.

Director Kunze, First Vice Chairman of the Nuclear Committee, reported that the Committee met on January 12, 2012.

Director Kunze, First Vice Chairman of the Nuclear Committee, reported that the following Capital Projects Report for the Nuclear Group was discussed by the Committee and was presented to the Board for approval:

Report No. N-1 Capital Projects $500,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2011, through December 31, 2011 – 2011 Capital Additions Budget.

It was moved by Director Kunze and seconded by Director Chlopek that Capital Projects Report No. N-1 be approved for the period December 1, 2011, through December 31, 2011 (2011 Capital Additions Budget), which included: 1) Capital Project C/6604, Steam Dryer/Separator Strongback Project, and 2) Capital Project C/6605, Reactor Pressure Vessel Head Strongback Project (CNS). Votes were cast and recorded as follows:
Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried.

Director Kunze, First Vice Chairman of the Nuclear Committee, recommended the following resolution:

RESOLUTION NO. 12-3

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 11-013A, Maintenance and Modification Support Services for Cooper Nuclear Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, management has studied and analyzed the bids and recommended acceptance of a certain bid as the lowest and best evaluated bid, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidders, amounts and terms of the bids, completion dates, and the needs of the District, this Board has determined and does hereby find that the estimated base bid of The Atlantic Group, dba DZ Atlantic, Norfolk, Virginia, is the lowest and best evaluated bid on Contract No. 11-013A.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a payment bond and certificate of insurance as herein provided, the following bid submitted on Contract No. 11-013A be accepted by the District:

The Atlantic Group, dba DZ Atlantic, Norfolk, Virginia, estimated base bid price of $25,305,693.07.

BE IT FURTHER RESOLVED that the President or a Vice President of the District be, and each of them is hereby authorized and instructed to execute for and on behalf of the District, a Contract with the aforementioned bidder in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a payment bond and certificate of insurance from The Atlantic Group, dba DZ Atlantic, as provided in the Contract.
It was moved by Director Kunze and seconded by Director Rasmussen that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared Resolution No. 12-3 adopted.

Director Kunze, First Vice Chairman of the Nuclear Committee, recommended the following resolution:

RESOLUTION NO. 12-4

WHEREAS, Resolution No. 80-39, adopted March 27, 1980, authorized management to become a member of the Institute of Nuclear Power Operations (INPO); and

WHEREAS, after having appraised the benefits the District has received and will continue to receive from membership in INPO, management has determined the best interest of the District will be served by continuing to participate as a member of INPO; and

WHEREAS, INPO has assessed the District’s membership dues for the year 2012 in the amount of $1,251,298.

NOW, THEREFORE, BE IT RESOLVED that management be and hereby is authorized and instructed to continue to participate as a member of INPO and to make payment to INPO for membership dues in an amount not to exceed $1,251,298 for the year 2012.

It was moved by Director Kunze and seconded by Director Linstrom that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared Resolution No. 12-4 adopted. 

RESOLUTION NO. 12-4 (ADOPTED): APPROVE INPO MEMBERSHIP DUES FOR 2012
Director Kunze, First Vice Chairman of the Nuclear Committee, reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items $500,000 and Above (Part 1 – Nuclear), which included: 1) Agreement with DZ Atlantic, which provided for approximately 131 experienced radiological protection technicians (CNS); 2) Amendment No. 1 to the Agreement with Preferred Licensing Services, Inc., which extended the License Renewal Implementation Mechanical Engineer services (CNS); 3) Amendment No. 2 to the Agreement with Dennis D. Davis dba Consulting Engineer, which extended the License Renewal Implementation Lead Project Engineer services (CNS); 4) Amendment No. 3 to the Agreement with BCP Technical Services, Inc., which extended the License Renewal Implementation Electrical Engineer services (CNS); and 5) Amendment No. 3 to the Task Authorization with Sargent & Lundy, LLC, which provided for engineering services for the Main Power Transformer Installation (CNS).

It was moved by Director Kunze and seconded by Director Froehlich that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items $500,000 and Above (Part 1 – Nuclear) be approved. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried.

Director Kunze, First Vice Chairman of the Nuclear Committee, reported that the Committee also heard reports on the following matters: 1) December 2011 Summary of Procurements $100,000 to < $500,000 (Nuclear); 2) Capital Projects Report No. N-2 (2011 Budget); 3) Capital Projects Report No. N-2A (2012 Budget); 4) Current Plant Status; 5) Budget Performance; 6) Regulatory Status; 7) and CNS Key Performance Indicators.

Director Thompson, Chairman of the Energy Supply Committee, reported that the Committee met on January 12, 2012.

Director Thompson, Chairman of the Energy Supply Committee, reported that the following Capital Projects Report for the Energy Supply Group was discussed by the Committee and was presented to the Board for approval:

Report No. ES-1 Capital Projects $500,000 and above not specifically identified in the Budget that require approval by the Board for
It was moved by Director Thompson and seconded by Director Linstrom that Capital Projects Report No. ES-1 be approved for the period December 1, 2011, through December 31, 2011 (2011 Capital Additions Budget), which included Capital Project C/5272, Scottsbluff Generation Station Demolition Project. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: Boyd

Whereupon the Chairman declared the motion carried.

MOTION (CARRIED): APPROVE CAPITAL PROJECTS REPORT NO. N-1 (2011 BUDGET)

Director Thompson, Chairman of the Energy Supply Committee, recommended the following resolution:

RESOLUTION NO. 12-5

WHEREAS, management has determined that it is in the best interest of the District to procure the labor, equipment, and technical assistance necessary for the implementation of Phase 3(A) of the Distributed Control System Replacement Project for the replacement of a Burner Management System for Unit 1 in 2013 at Gerald Gentleman Station; and

WHEREAS, the District has determined, as certified by a competent engineer, that it would be impractical and not in the public interest to comply with Neb. Rev. Stat. Sections 70-637 through 70-639, with regard to the procurement of the above-mentioned labor, equipment, and technical assistance necessary for the replacement of the Burner Management System for Unit 1 at Gerald Gentleman Station.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer’s certification, which is on file with the Assistant Secretary and which states that it would be impractical and not in the public interest to comply with said Neb. Rev. Stat. Sections 70-637 through 70-639.

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into and execute, for and on behalf of the District, after review and approval by legal counsel, a contract with Honeywell International, Inc., for the procurement of the labor, equipment and technical assistance for the Unit 1 Burner Management System for Gerald Gentleman Station needed for Phase 3(A) of the Project in an amount not to exceed
$1,300,000, plus performance bond costs, after first advertising notice pursuant to Nebraska law of its intention to enter into said contract.

**It was moved by Director Thompson and seconded by Director Kunze that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

**Voting Aye:** Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

**Voting Nay:** None

**Abstaining:** None

**Present But Not Voting:** None

**Absent:** Boyd

Whereupon the Chairman declared Resolution No. 12-5 adopted.

Director Thompson, Chairman of the Energy Supply Committee, reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items $500,000 and Above (Part 2 – Energy Supply), which included Renewal No. 15 to the Agreement with Honeywell International, Inc., for software enhancement and support of the control systems for GGS, Canaday Station, and Beatrice Power Station.

**It was moved by Director Thompson and seconded by Director Hoff that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items $500,000 and Above (Part 2 – Energy Supply) be approved. Votes were cast and recorded as follows:**

**Voting Aye:** Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

**Voting Nay:** None

**Abstaining:** None

**Present But Not Voting:** None

**Absent:** Boyd

Whereupon the Chairman declared the motion carried.

**Director Thompson, Chairman of the Energy Supply Committee, recommended the following resolution:**

**RESOLUTION NO. 12-6**

WHEREAS, Nebraska Public Power District (NPPD) owns and operates Spencer Hydro, near Spencer, Nebraska for the generation of electricity; and

WHEREAS, NPPD has senior appropriated water rights on the Niobrara River for power at the Spencer Hydro, as documented in three

MOTION (CARRIED):
APPROVE REQUEST FOR APPROVAL OF PROCUREMENTS FOR SERVICES, EQUIPMENT AND/OR MATERIALS FOR ITEMS $500,000 AND ABOVE (PART 2 – ENERGY SUPPLY)

RESOLUTION NO. 12-6 (ADOPTED):
APPROVE PROPOSED REVISED SPENCER HYDRO COMPENSATION RATES FOR 2012
appropriations in the name of Northern Nebraska Plant No. 1. Those appropriations provide for the use of 2,035 cubic feet per second (cfs) of natural flow under Water Appropriation Nos. A-359R (35 cfs with a priority date of September 12, 1896), A-1725 (1,450 cfs with a priority date of October 30, 1923), and A-3574 (550 cfs with a priority date of June 8, 1942); and

WHEREAS, the Nebraska Department of Natural Resources may determine that the waters of the Niobrara River are not sufficient for the uses desired by all appropriators of this natural stream; and

WHEREAS, the laws of Nebraska provide that a junior priority user with a higher preference may acquire the right to use streamflow out of priority, if they pay just compensation to the senior priority user, and there may be junior priority users with a higher preference that want to implement said preference; and

WHEREAS, the diversion or use of water upstream of the Spencer Hydro by junior appropriators will cause a loss of water power and generating capacity to NPPD, and NPPD needs to establish a rate for just compensation.

NOW THEREFORE, BE IT RESOLVED that the rate for just compensation from junior appropriators for the loss of water power and generating capacity to NPPD be established at $0.55 / acre-foot, with interest at the highest rate allowed by law for all delinquent payments.

BE IT FURTHER RESOLVED that the above rate for just compensation from junior appropriators that enter into a subordination agreement with NPPD, shall become effective upon the adoption of this Resolution, and shall remain in effect until such time as this Board of Directors adopts a new rate.

It was moved by Director Thompson and seconded by Director Harding that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: Boyd

Whereupon the Chairman declared Resolution No. 12-6 adopted.

Director Thompson, Chairman of the Energy Supply Committee, reported that the Committee also heard reports on the following matters: 1) Water Supply Update (Water Resources); 2) Preliminary 2012 Storage Water and Irrigation Rate Recommendation; 3) Domestic Energy Research and Application Initiative Updates: a) Coal/Biomass Pellet Blend

Director Rasmussen, First Vice Chairman of the Customer and Support Services Committee, reported that the Committee met on January 12, 2012.

Vice President and Chief Financial Officer Traci L. Bender presented financial performance measures for November 2011, as well as the monthly financial report, which indicated that operating revenues from electric sales were unfavorable to budget by $1.1 million for the month and favorable by $18.2 million year to date. Firm electric sales were unfavorable to budget by $5.4 million for the month and unfavorable by $14.8 million year to date. Total operating expenses were under budget by $0.7 million for the month and over budget by $2.1 million year to date. The balance in the Deferred Revenue account as of November 30, 2011, was a $69.8 million surplus, a $4.1 million decrease in the surplus balance from last month. This balance represents surplus net revenues to be utilized during the remainder of the current rate period or applied to revenue requirements in future rate periods.

It was moved by Director Rasmussen and seconded by Director Chlopek that the November 2011 Financial Statements be accepted, as presented. Votes were cast and recorded as follows:

| Voting Aye: | Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson |
| Voting Nay: | None |
| Abstaining: | None |
| Present But Not Voting: | None |
| Absent: | Boyd |

Whereupon the Chairman declared the motion carried.

Vice President and Chief Financial Officer Traci L. Bender described the upcoming bond issue of a principal amount not to exceed $100 million of General Revenue Bonds for the purpose of financing capital projects for CNS. Ms. Bender recommended the following resolution:

RESOLUTION NO. 12-7

(See Attached Twentieth Supplemental Revenue Bond Resolution)

It was moved by Director Rasmussen and seconded by Director Kunze that the foregoing resolution be adopted. Votes were cast and recorded as follows:
Whereupon the Chairman declared Resolution No. 12-7 adopted.

Director Rasmussen, First Vice Chairman of the Customer and Support Services Committee, recommended the following resolution:

RESOLUTION NO. 12-8

WHEREAS, Nebraska Public Power District (the “District”) has an intent to finance the capital projects described in Exhibit A hereto (the “Projects”) with proceeds of obligations to be issued in the future; and

WHEREAS, the Internal Revenue Code and applicable regulations require the District to take this action in connection with the payment of certain expenditures with respect to the Projects prior to the issuance of tax-exempt bonds in order for those expenditures to be reimbursed with proceeds of the bonds.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The statements contained in this Resolution with respect to the reimbursement of the expenditures described in this Resolution are intended to be statements of official intent as required by, and in compliance with, Treasury Regulation Section 1.150-2.

2. The expenditures to be reimbursed pursuant to this Resolution are capital expenditures that have been paid within 60 days prior to the date hereof or will be paid on or after the date hereof in connection with the Projects.

3. The maximum principal amount of obligations expected to be issued for the Projects is $17,000,000.

4. The District reasonably expects to reimburse the expenditures described in this Resolution with the proceeds of tax-exempt debt to be issued subsequent to the date hereof, but this Resolution does not constitute a binding obligation with respect to the issuance of such debt.

5. This Resolution shall take effect immediately.

It was moved by Director Rasmussen and seconded by Director Harding that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd
Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared Resolution No. 12-8 adopted.

Vice President and Chief Financial Officer Traci L. Bender provided the quarterly update on recent financial market developments, along with an overview of NPPD’s general system investments and decommissioning funds investments, and a status update on NPPD capital programs.

Director Rasmussen, First Vice Chairman of the Customer and Support Services Committee, reported that the following Capital Projects Report for the Customer Services and Delivery Group was discussed by the Committee and was presented to the Board for approval:

Report No. CSD-1A Capital Projects $500,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2011, through December 31, 2011 – 2012 Capital Additions Budget.

It was moved by Director Rasmussen and seconded by Director Chlopek that Capital Projects Report No. CSD-1A be approved for the period December 1, 2011, through December 31, 2011 (2012 Capital Additions Budget), which included Capital Project C/6603, Transmission Line 2305A and 2307 Pole Replacements (Sidney – Ogallala, Grand Island – Hastings). Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried.

Vice President and Chief Operating Officer Thomas J. Kent provided a status report for: 1) TransCanada Keystone XL Pipeline 115 kV Transmission Project; 2) Axtell to Kansas Border 345 kV Transmission Line Project; 3) South Sioux City Area 115 kV Electric Transmission System Upgrade Project; and 4) Wind Generation Facilities 115 kV Transmission
Upgrade Project (Broken Bow).

Director Rasmussen, First Vice Chairman of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) NPPD Investments and Current Financial Market Conditions; 2) Energy Risk Management; 3) Review of December 2011 Summary of Procurements $100,000 to < $500,000 (Customer and Support Services); 4) Capital Projects Report No. CSD-2 (2011 Budget); and 5) Customer Services and Delivery Look-Ahead for February 2012.

Chairman Larsen, Chairman of the Audit and Compliance Committee, reported that the Committee met on January 12, 2012, and reviewed the current Board of Directors Expense Reimbursement policy to determine if any changes should be made regarding approval of travel and associated expenses for Board members who travel out of state/country. A draft policy with proposed language changes will be presented to the Board in February for discussion.

Director Schrock, Chairman of the Budget Committee, reported that the Committee met on January 12, 2012, and received an update on the 2013 Budget and Rate Outlook – Timeline and Escalation Factors.

It was moved by Director Kunze and seconded by Director Harding that the Board go into Executive Session at 11:38 a.m. to discuss confidential and proprietary business matters, real estate negotiations, and to obtain legal advice. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

Whereupon the Chairman declared the motion carried to go into Executive Session to discuss confidential and proprietary business matters, real estate negotiations, and to obtain legal advice.

It was moved by Director Harding and seconded by Director Chlopek that the Board come out of Executive Session at 12:36 p.m. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Froehlich, Harding, Hoff, Kunze, Larsen, Linstrom, Rasmussen, Schrock, Thompson
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Boyd

MOTION (CARRIED): COME OUT OF EXECUTIVE SESSION AT 12:36 P.M.
Whereupon the Chairman declared the motion carried.

There being no further business to come before the Board, the meeting was duly adjourned at 12:36 p.m.

ADJOURNMENT
12:36 P.M.

/s/
Ronald W. Larsen, Chairman

Minutes approved at the meeting of
February 9-10, 2012
/s/ Mary A. Harding, Secretary
REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRES
JANUARY 2012 BOARD MEETING

RETIREMENTS

1. Rodney L. Canaday, Unit Operator, Gerald Gentleman Station, Sutherland, was employed on November 1, 1977, and retired as of November 30, 2011.

2. Bobby D. Hovey, Lineman, Norfolk, was employed on April 28, 1969, and retired as of November 30, 2011.

3. Gary L. Stiver, Mechanical Technician, Gerald Gentleman Station, Sutherland, was employed on January 2, 1981, and retired as of November 30, 2011.

4. Richard E. Morgan, Utility Service Technician, Cooper Nuclear Station, Brownville, was employed on May 1, 1990, and retired as of December 20, 2011.

5. Kenneth D. Ellis, Security Shift Supervisor, Cooper Nuclear Station, Brownville, was employed on February 1, 1998, and retired as of December 29, 2011.

6. Jean K. Bradley, Human Resources Assistant, General Office, Columbus, was employed on June 1, 1970, and retired as of January 6, 2012.

7. Douglas A. Foss, Plant Technician, Canaday Station, Lexington, was employed on January 1, 1989, and retired as of January 8, 2012.

8. Robin N. Jacobs, Senior Performance Improvement Analyst, Cooper Nuclear Station, Brownville, was employed on March 1, 1999, and is retiring as of January 20, 2012.

9. Marlene R. Heiting, Customer Service Support Specialist, Chadron, was employed on May 8, 1990, and is retiring as of February 1, 2012.
REHIRES

In accordance with the Board motion approved in February 1988, employees reemployed by the District within one year of their termination date (including those rehired directly or indirectly as a consultant) require approval of the President. Pursuant to that Board motion, President and Chief Executive Officer Patrick L. Pope has approved these rehires:

Jean K. Bradley was hired by NPPD as a Temporary Human Resources Clerk at the Columbus General Office on February 1, 1970. She transferred to full-time employment as a Steno in the Insurance Department on January 1, 1970. Jean retired from the position of Human Resources Assistant at the Columbus General Office effective January 6, 2012, and is being rehired as a Part-time Corporate Security Assistant at the Columbus General Office effective January 16, 2012.

Allen D. Kleckinger was hired by NPPD as a Temporary Pipefitter/Welder at Cooper Nuclear Station on June 27, 1991, and worked various temporary positions at CNS. On January 16, 1995, he transferred to full-time Mechanical Construction Coordinator, and held the position of Construction Projects Supervisor (temporary assignment), when he resigned on January 31, 2002. He was rehired as a Temporary Field Coordinator in CNS Nuclear Projects on December 2, 2002; this position ended March 15, 2005. He was then rehired on April 3, 2006. Allen transferred to full-time Construction Superintendent on August 1, 2006, and retired June 15, 2011. He is being rehired as Temporary Field Coordinator at CNS effective January 3, 2012.

Mitchell M. Marotz was employed as a Coop Engineer in Design Engineering at Cooper Nuclear Station on January 5, 2009. Mitchell transferred to Temporary Engineering Intern on September 1, 2009, and resigned effective January 7, 2011. He is being rehired as a Temporary Engineering Intern in Design Engineering at Cooper Nuclear Station on January 3, 2012.
NEBRASKA PUBLIC POWER DISTRICT
CERTAIN 2012 PROJECTS WITH REIMBURSABLE COSTS

This document sets forth certain costs in NPPD’s 2012 Original Capital Budget that are expected to be financed with tax-exempt debt and that are not: (1) subject to a separate reimbursement resolution adopted prior to the date of the resolution to which this document is attached; or (2) expected to be financed with obligations issued prior to such date; or (3) expected to be financed entirely with commercial paper.

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Tax-Exempt Funded</th>
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<td><strong>TRANSMISSION</strong></td>
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<td>C/3750</td>
<td>OGALLALA, 230/115KV 336MVA TRANSFORMER</td>
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<td>TRANSFORMER PURCHASE CONTRACT 12-XX</td>
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<td>C/5508</td>
<td>HOLDREGE, INSTALL 115/69KV TRANSFORMATION</td>
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<tr>
<td>C/3764</td>
<td>COZAD, SUBSTATION CAPACITY INCREASE &amp; CIRCUIT SWITCHER</td>
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<td><strong>TOTAL - TRANSMISSION</strong></td>
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<td>16,832,929</td>
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<tr>
<td><strong>TOTAL 2012 ORIGINAL PROJECTS</strong></td>
<td></td>
<td>16,832,929</td>
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</table>
NEBRASKA PUBLIC POWER DISTRICT

RESOLUTION NO. 12-7

GENERAL REVENUE BONDS, 2012 SERIES A

TWENTIETH SUPPLEMENTAL REVENUE BOND RESOLUTION

Adopted January 13, 2012
NEBRASKA PUBLIC POWER DISTRICT

Twentieth Supplemental Revenue Bond Resolution

Authorizing

General Revenue Bonds, 2012 Series A

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Resolution ............................................................................................ 1
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TWENTIETH SUPPLEMENTAL REVENUE BOND RESOLUTION AUTHORIZING GENERAL REVENUE BONDS, 2012 SERIES A

Be It Resolved by the Board of Directors of Nebraska Public Power District as follows;

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 101. Supplemental Resolution. This resolution is supplemental to, and is adopted in accordance with, Article II and Article X of, a resolution adopted by the District on June 4, 1998, entitled “General Revenue Bond Resolution”.

SECTION 102. Definitions. 1. All terms which are defined in Section 101 of the General Revenue Bond Resolution shall have the same meanings, respectively, in this Twentieth Supplemental Revenue Bond Resolution as such terms are given in said Section 101 of the General Revenue Bond Resolution.

2. In this Twentieth Supplemental Revenue Bond Resolution:

   “Certificate of Determination” shall mean a certificate of an Authorized Officer of the District delivered pursuant to Section 2.03 and Section 2.06 of this Twentieth Supplemental Revenue Bond Resolution, setting forth certain terms and provisions of the 2012 Series A Bonds, as such Certificate may be amended or supplemented.

   “2012-A Project” shall mean the financing and refinancing of the costs of certain generation and transmission capital additions to the System, all as set forth in the budget of capital improvements approved by the Board, as such budget may be revised from time to time.

   “2012 Series A Bonds” shall mean the District’s General Revenue Bonds, 2012 Series A, authorized by Article II of this Twentieth Supplemental Revenue Bond Resolution.

SECTION 103. Authority for this Twentieth Supplemental Revenue Bond Resolution. This Twentieth Supplemental Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

SECTION 104. Findings and Determinations. It is hereby found and determined that the issuance of the 2012 Series A Bonds as a Series of Additional Bonds is in the best interest of the District and that in the reasonable judgment of the Board of Directors, based on all the pertinent information presented in connection with the sale and issuance of the 2012 Series A Bonds, the Net Revenues will be sufficient to pay the Aggregate Debt Service in each
year on all Series of Bonds to be Outstanding immediately subsequent to the issuance of the 2012 Series A Bonds.

ARTICLE II.

AUTHORIZATION OF 2012 SERIES A BONDS

SECTION 201. Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount not to exceed $100,000,000 and shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “General Revenue Bonds, 2012 Series A”.

SECTION 202. Purpose and Determination as to Financing. The purpose for which the 2012 Series A Bonds are being issued is to finance the cost of the 2012-A Project, to fund a deposit to the Primary Account in the Debt Service Reserve Fund, if necessary, and to finance the costs of issuance related to the issuance of the 2012 Series A Bonds.

SECTION 203. Date, Maturities and Interest Rate of 2012 Series A Bonds. 1. The 2012 Series A Bonds shall be dated the date of delivery and shall bear interest from their date, except as otherwise provided in Section 301 of the Resolution. Any 2012 Series A Bonds issued prior to July 1, 2012 shall be dated the date of initial delivery of the 2012 Series A Bonds.

2. The 2012 Series A Bonds shall mature on the dates and in the principal amounts, and shall bear interest at the rates, payable on January 1 and July 1 of each year, commencing on July 1, 2012, as provided in the Certificate of Determination.

3. The 2012 Series A Bonds shall have such redemption provisions (including Sinking Fund Installments) if any, as shall be set forth in the Certificate of Determination.

SECTION 204. Denomination, Numbers, Letters and Execution. The 2012 Series A Bonds shall be issued in registered form in the denominations of $5,000 or any integral multiples of $5,000. Unless the District shall otherwise direct, the 2012 Series A Bonds shall be numbered separately from one upward preceded by the letter “R” prefixed to the number. The 2012 Series A Bonds may be executed by the manual or facsimile signatures of the Chairman, the President, the Treasurer, any Vice President or any Assistant Treasurer of the District.

SECTION 205. Place of Payment and Paying Agent. The principal of the 2012 Series A Bonds shall be payable at the designated corporate trust operations office in East Syracuse, New York of The Bank of New York Mellon Trust Company, N.A. and interest on the 2012 Series A Bonds shall be payable by check of the Trustee. The principal of and interest on all 2012 Series A Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Resolution.
SECTION 206. Parameters.  1. The following provisions are applicable to the sale and issuance of the 2012 Series A Bonds:

(a) The 2012 Series A Bonds shall be sold to the hereinafter defined Underwriters at an aggregate underwriters’ discount or compensation which shall not exceed two percent (2.0%) of the principal amount of the 2012 Series A Bonds; and

(b) The final maturity of the 2012 Series A Bonds shall not be later than January 1, 2029 and the 2012 Series A Bonds shall not have an interest rate greater than 5.00%.

2. The information set forth in each of the clauses of subsection 1 of this Section 2.06 as well as the principal amount and maturities of the 2012 Series A Bonds shall be set forth in the Certificate of Determination.

SECTION 207. Application of Proceeds of 2012 Series A Bonds. The proceeds of the 2012 Series A Bonds, shall be applied simultaneously with the delivery of the 2012 Series A Bonds, as follows:

(1) There shall be deposited in the Primary Account in the Debt Service Reserve Fund, an amount, which when added to the amount on deposit in the Primary Account in the Debt Service Reserve Fund, shall equal the Aggregate Debt Service Reserve Requirement calculated immediately after authentication and delivery of the 2012 Series A Bonds;

(2) The remaining balance of the proceeds shall be deposited in the 2012-A Project Account which is hereby created as a separate account in the Construction Fund to be applied to pay the costs of the 2012-A Project and the costs of issuance related to the 2012 Series A Bonds. Any amounts remaining in said 2012-A Project Account after all costs of issuance have been paid shall be transferred to the Revenue Fund.

SECTION 208. Book Entry Bonds. 1. The District hereby determines that the 2012 Series A Bonds shall be in “book entry” form. The Underwriters have informed the District that the owner of the 2012 Series A Bonds shall be Cede & Co., on behalf of DTC, which shall hold one or more immobilized certificates representing the 2012 Series A Bonds. All transfers of 2012 Series A Bonds shall be effected as set forth in the Resolution; provided that the District understands and agrees that DTC shall establish procedures with its participants for recording and transferring the ownership of beneficial interests in the 2012 Series A Bonds. The District may enter into a letter of representation and other documentation necessary or desirable to effectuate the issuance of the 2012 Series A Bonds in book entry form.

2. For purposes of determining the consents of Owners of the 2012 Series A Bonds under the Resolution, the Trustee shall establish a record date for determination of ownership of such Bonds, and shall give to DTC or any successive securities depository at least fifteen (15) calendar days’ notice of any record date so established.

3. The District may hereafter amend this Twentieth Supplemental Revenue Bond Resolution without notice to or consent of the Owners of any of the 2012 Series A Bonds
in order (i) to offer to Owners the option of receiving 2012 Series A Bonds in certificated form or (ii) to require the execution and delivery of certificates representing a portion or all of the 2012 Series A Bonds, (A) if DTC shall cease to serve as depository and no successor can be found to serve upon terms satisfactory to the District, or (B) if the District determines to terminate use of book-entry form for the 2012 Series A Bonds.

SECTION 209.  **Form of 2012 Series A Bonds.** The form of 2012 Series A Bonds and Trustee’s Authentication Certificate subject to the provisions of the Resolution, shall be of substantially the following tenor:
[FORM OF 2012 SERIES A BOND]

UNITED STATES OF AMERICA

NEBRASKA PUBLIC POWER DISTRICT
GENERAL REVENUE BOND, 2012 SERIES A

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE
SECURITIES DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE TRUSTEE
FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND
ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME
AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES
DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER
ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE
SECURITIES DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR
VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE
REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-___ $___________

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Dated Date</th>
<th>CUSIP</th>
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</thead>
<tbody>
<tr>
<td>______%</td>
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</table>

Registered Owner: CEDE & CO.

Principal Sum: _______________________________________________ DOLLARS

Nebraska Public Power District, a public body corporate and politic created and
existing under the laws of the State of Nebraska (the “District”), acknowledges itself indebted to,
and for value received hereby promises to pay to, the Registered Owner stated hereon or
registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged
therefor, upon presentation and surrender of this bond at the designated corporate trust operations
office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successors
thereof being herein called the “Trustee”), the Principal Sum stated hereon in any coin or
currency of the United States of America which at the time of payment is legal tender for the
payment of public and private debts, and to pay from such pledged funds on January 1 and July 1
in each year, commencing July 1, 2012, until the District’s obligation with respect to the
payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from
the Dated Date hereof or from the January 1, or July 1, as the case may be, next preceding the
date of authentication to which interest has been paid or provided for unless such date of
authentication is a date to which interest has been paid or provided for, in which case from such
date or if such date of authentication is prior to the first interest payment date, in which case
from the Dated Date, on such Principal Sum by check or draft of the Trustee mailed to such
Registered Owner who shall appear as of the fifteenth (15th) day (or if such day shall not be a
This bond is one of a duly authorized series of bonds of the District designated as its “General Revenue Bonds, 2012 Series A” (herein called the “2012 Series A Bonds”), in the aggregate principal amount of $___________ issued under and in full compliance with the Constitution and Statutes of the State of Nebraska, including particularly the Public Power and Irrigation District Law, Article 6 of Chapter 70, of the Revised Statutes of the State of Nebraska, as amended and supplemented (herein called the “Act”), and under and pursuant to a resolution adopted June 4, 1998, by the Board of Directors of the District, entitled “General Revenue Bond Resolution” and a supplemental resolution adopted by the Board of Directors of the District authorizing the 2012 Series A Bonds (said General Revenue Bond Resolution as heretofore supplemented and as so supplemented being herein called the “Resolution”).

As provided in the Resolution, the 2012 Series A Bonds, and all other bonds hereafter issued under the Resolution on a parity with the 2012 Series A Bonds (herein collectively called the “bonds”) are direct and special obligations of the District payable solely from and secured as to payment of the principal of and interest thereon, in accordance with their terms and the provisions of the Resolution solely by Pledged Property (as defined in the Resolution), subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Copies of the Resolution are on file at the office of the District and at the principal corporate trust office of the Trustee, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and assignment and covenants securing the bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owners of the bonds with respect thereto, the terms and conditions upon which the bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the District under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Trustee, and for the other terms and provisions thereof.

As provided in the Resolution, bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and assignment and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, any modification or amendment of the Resolution which adversely affects or diminishes the rights of the owners of the Bonds may be made by the District, with the written consent of the owners of at least a majority in principal amount of the bonds then outstanding under the Resolution, and, in case less than all of the series of bonds would be affected thereby, with such consent of at least a majority in principal amount of the bonds of each series so affected then outstanding under the
Resolution; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the owners of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the owner of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any Fiduciary (as defined in the Resolution) without its prior written assent thereto.

The 2012 Series A Bonds are issuable in the form of fully registered bonds without coupons in the denomination of $5,000 or any integral multiple of $5,000.

This bond is transferable, as provided in the Resolution, only upon the books of the District kept for that purpose at the above-mentioned office of the Trustee, as Bond Registrar, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or its attorney, and thereupon a new fully registered bond or bonds and in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The District and the Trustee may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes.

This bond is not an obligation of the State of Nebraska and the Act provides that the State of Nebraska shall never pledge its credit or funds, or any part thereof, for the payment or settlement of any indebtedness whatsoever of the District.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the District, complies in all respects with the applicable laws of the State of Nebraska, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee’s Certificate of Authentication hereon.
IN WITNESS WHEREOF, NEBRASKA PUBLIC POWER DISTRICT has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Treasurer as of the Dated Date hereof.

NEBRASKA PUBLIC POWER DISTRICT

By: ________________________________
    Treasurer
[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL 2012 SERIES A BONDS]

TRUSTEE’S CERTIFICATE

This bond is one of the bonds delivered pursuant to the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: ________________________________
    Authorized Signatory
ASSIGNMENT

The following abbreviations, when used in the inscription on the face of the within-mentioned 2012 Series A Bond and in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM: as tenants in common

TEN ENT: as tenants by the entireties

JT TEN: as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT

____________________________________  Custodian
(Cust) (Minor)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

the within-mentioned registered 2012 Series A Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: ____________________________  SIGNATURE GUARANTEED:

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within 2012 Series A Bond in every particular, without alteration or enlargement or any change whatsoever.

NOTICE: Signature(s) must be guaranteed by an eligible guaranty institution participating in a Securities Transfer Association recognized signature guarantee program.

SECTION 210. Tax Covenant. The District shall comply with each requirement of the Code necessary to maintain the exclusion of interest on the 2012 Series A Bonds from gross income for federal income tax purposes. In furtherance of the covenant described in the preceding sentence, the District shall comply with the provisions of the Tax and Nonarbitrage Certificate (a “Tax Certificate”) executed by the District on the date of initial issuance and delivery of the 2012 Series A Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code. Notwithstanding any other provision of the Resolution to the contrary, the covenants contained in this paragraph shall survive the payment of the 2012 Series A Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Resolution, for as long as necessary to maintain
the exclusion from gross income of the interest on the 2012 Series A Bonds for federal income tax purposes.

SECTION 211. Authorization of Various Documents. 1. The sale of the 2012 Series A Bonds to the Underwriters (the “Underwriters”) listed in the Purchase Contract between the District and the Underwriters to be dated the date of the sale of the 2012 Series A Bonds (the “Bond Purchase Agreement”), on the terms and conditions set forth in the Bond Purchase Agreement, is hereby approved. The Bond Purchase Agreement is hereby approved in the form submitted to this meeting; the Chairman, the President or the Treasurer be, and each is, authorized on behalf of the District to execute the Bond Purchase Agreement and to deliver it to the Underwriters.

2. The District shall enter into a Continuing Disclosure Agreement dated as of the date of delivery of the 2012 Series A Bonds (the “Continuing Disclosure Agreement”) for the benefit of the Owners of the 2012 Series A Bonds in order to assist the Underwriters in complying with paragraph (b) (5) of Rule 15c2-12 of the Securities Exchange Act of 1934 and the authorization herein shall deem the Continuing Disclosure Agreement to constitute a contract with the Owners of the 2012 Series A Bonds. The Continuing Disclosure Agreement is hereby approved in the form submitted to this meeting; the Chairman, the President or the Treasurer be, and each is, authorized on behalf of the District to execute the Continuing Disclosure Agreement.

3. The distribution of the Preliminary Official Statement (the “Preliminary Official Statement”) by the District and the Underwriters is hereby authorized, ratified and confirmed.

4. The draft form Official Statement of the District relating to the 2012 Series A Bonds to be dated the date of the sale of the 2012 Series A Bonds (the “Official Statement”) is hereby approved in the form of the Preliminary Official Statement submitted to this meeting with such changes to the Preliminary Official Statement as is necessary to reflect the terms of the 2012 Series A Bonds and the Chairman, the President or the Treasurer be, and each is, authorized on behalf of the District to execute the Official Statement with such other changes therein as shall be approved by General Counsel to the District and shall deliver the Official Statement to the Underwriters.

5. Donna K. Starzec and Christine A. Pillen are hereby appointed an Assistant Secretary, an Assistant Treasurer and an Authorized Officer of the District for the purpose of executing the 2012 Series A Bonds and the various documents to be delivered in connection with the issuance of the 2012 Series A Bonds.

6. The proper officers of the District be, and each hereby is, authorized in the name and on behalf of the District, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2012 Series A Bonds, for issue, offer, sale or trade under the Blue Sky or securities laws of any of the States of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents of service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may
deem necessary or advisable in order to maintain any such registration or qualification (or exemption therefrom) for as long as they deem necessary or as required by law or by the Underwriters for such securities; and any such action previously taken is hereby ratified, confirmed and approved.

7. The Chairman, the President, any Vice President, the Treasurer, each Assistant Treasurer and the Secretary and each Assistant Secretary of the District be, and each is, authorized to execute such documents, instruments and papers, and do such acts and things as may be necessary or advisable in connection with the authorization, sale and issuance of, and security for, the 2012 Series A Bonds and in connection with the authorization, execution and delivery of the Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

ARTICLE III.

MISCELLANEOUS

SECTION 301. Effective Date. The provisions of this Twentieth Supplemental Revenue Bond Resolution shall take effect immediately.
CERTIFICATE OF ASSISTANT SECRETARY

I, the undersigned Assistant Secretary of Nebraska Public Power District (the “District”) HEREBY CERTIFY that the Resolution attached hereto entitled “Twentieth Supplemental Revenue Bond Resolution Authorizing General Revenue Bonds, 2012 Series A”, was duly adopted at a meeting of the District duly called and held on January 13, 2012, and that said Resolution has been compared by me with the original thereof, and it is a correct transcript therefrom, and the whole of said original, and that said Resolution has not been altered, amended or repealed, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___________, ____.  

__________________________________________
Assistant Secretary