

Public Works Committee Meeting
Tuesday, May 6, 2025 5:00 PM
Crete City Hall
243 E 13th Street
Crete, NE 68333

1. Open Meeting

- In accordance with Nebraska law, a copy of the Open Meetings Act can be found in the back of the Council Chambers.
- Items listed on the agenda may be considered in any order.

2. Roll Call

- Attendance of members will be recorded to determine the presence of a quorum for official actions.

3. Items of Business

- The Committee may discuss or limit discussion on, hear testimony in favor of or in opposition to, or take action to provide a recommendation to the City Council on any matter presented under this title.

3.A. Consider the proposed Ordinance 2244 setting municipal electric rates

3.B. Consider Airport Rules and Regulations

3.C. Review and discuss Waste Connections proposal

3.D. Consider the Special Exception Application from Andrew Hardenburger for Northern Natural Gas.

3.E. Consider Resolution 2025-4 metering of solar generation facility

3.F. Consider Resolution 2025-5 NPPD Agreement

4. Officers' Reports

- Reports may be given by the Mayor, Officers, Departments, or Councilmembers concerning the current operations of the City.
- No action can be taken on matters presented under this title except to answer any questions or to refer the matter for further action.

5. Adjournment

Disclaimers & Notices

- The Council may enter into closed session to discuss any matter on this agenda when it is determined that a closed session is clearly necessary for the protection of the public interest or the prevention of needless injury to the reputation of an individual (if such individual has not requested a public meeting) or as otherwise allowed by law. Any closed session shall be limited to the subject matter for which the closed session was called. If the motion to close passes, then immediately prior to the closed session the Mayor shall restate on the record the limitation of the subject matter of the closed session.
- The City of Crete assures that no person shall on the grounds of race, color, national origin, age, disability, handicap or sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity of the City receiving Federal financial assistance. To report discrimination, contact the City Clerk's office.
- The complete agenda with attachments is available at www.crete.ne.gov.

2025 Cost of Service / Rate Design Study

**City of Crete
Electric Utility**

City Council Review Draft

April 23, 2025

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Executive Summary

This study was prepared by JK Energy Consulting, LLC for the City of Crete, Nebraska (City). The purpose of the study was to review the electric rates for the City and its electric utility (Utility) and ensure that electric rates are adequate to pay for projected expenses.

Based on the analysis completed, it appears the existing rates are projected to collect less revenue than projected revenue requirements in fiscal year (FY) 2025 and beyond. Projected retail revenue for FY 2025 was approximately \$10.7 million (Table 5), while projected revenue requirements (operating expenses and capital improvements less non-retail revenues) were approximately \$11.5 million (Table 5). Projected revenue requirements included increasing the Utility's budgeted capital improvements from \$120,000 in FY 2024 to \$250,000 in FY 2025 through FY 2030 (Table 1). The projected operating results indicate insufficient revenue to cover projected expenses in FY 2025 and beyond (Table 1, Line 23).

Of the projected revenue requirements, approximately \$9 million (Table 3) is for purchased power from the Municipal Energy Agency of Nebraska (MEAN) and Western Area Power Administration (Western), including transmission service to deliver these purchases. This represents approximately 78% of projected revenue requirements. In January 2025, MEAN approved a rate increase of approximately 9.9% for FY 2026, beginning April 1, 2025. For projection purposes, MEAN rates are projected to increase 4% annually in future periods through FY 2030.

By FY 2030, a cumulative rate increase of 33% would be necessary to cover projected operating expenses (Table 1, Line 24). The analyses indicated that rate increases of approximately 7% in FY 2026 and FY 2027, 6% in FY 2028 and FY 2029, and 5% in FY 2030 (Table 2, Line 12) would recover sufficient revenue for projected expenses. These increases will be dependent on power supply cost increases and how much reserve margin the City maintains for capital expenses and other needs. It is proposed to implement a rate ordinance that would increase changes of 7% in October 2025 (FY 2026) and 7% in October 2026 (FY 2027). Future rate changes should be implemented based on future operating results and cost of service analyses.

The cost of service analysis was completed to assess the amount that each rate class should be paying compared to the revenue that is being collected from existing rates (Table 5). The analysis also indicated how much revenue is collected in each season compared to the cost of service in the respective season (Table 6). In general, winter rates should be increased more than summer rates.

The purpose of rate design is to develop rates that reflect the cost of service and accomplish other goals established by the City. The proposed changes to the rate design include:

1. **Increase the customer charge:** The current customer charge is somewhat less than the cost of service. It is recommended that the customer charge be increased in each of the next two years to ensure it is consistent with the cost of service.
2. **Reflect cost of service results in rate change:** The cost of service results indicate that General Service rates tend to be higher relative to the cost of service than Residential and Large Power rates. It is recommended that the General Service rate class have a smaller rate increase, and the Residential and Large Power rate classes have a larger rate increase.
3. **Eliminate all-electric rates:** In August 2024, the City opted to eliminate the Residential and General Service All-Electric rate classes as the rates were the same as the Residential and General Service rate classes. Customers in the all-electric rate classes were transferred to the appropriate rate class. The all-electric rate classes will be removed from the rate schedule effective with the passage of the proposed rate ordinance (see Appendix A).

The proposed rate changes would increase revenue by 7% in FY 2026 (Table 7) and 7% in FY 2027 (Table 9). The typical Residential customer would experience an increase of \$7.90 per month in FY 2026 and \$8.47 per month in FY 2027. These changes are consistent with the cost of service analysis.

The proposed rates tend to be toward the higher end of the range of rates when compared to the City's peer group (Tables 10 and 11). Rates were compared to Nebraska Public Power District (NPPD), Norris Public Power District (Norris PPD), Lincoln Electric System (LES) and the City of Fairbury. These neighboring utilities may be experiencing power supply and operating cost increases over the next few years. For example, NPPD is projecting increased wholesale rates in future years, which are likely to be passed through to retail customers served by the NPPD retail division and NPPD's wholesale customers.

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. The projected revenue requirements for FY 2025 were \$11.5 million.
2. The largest component of the test year budget was purchased power expense, representing approximately 78% of the projected test year budget.
3. Projected revenue from existing rates is approximately \$10.7 million.
4. In FY 2025, the projected deficit on a cash basis was approximately \$719,000, increasing to approximately \$3.6 million by FY 2030.
5. The primary driver for the proposed rate increases is purchased power costs and increased capital expenditure reserves.
6. Rate increases of 7% in FY 2026 and FY 2027 would be necessary to help ensure sufficient revenue to cover projected expenses.

7. Additional rate increases of 6% in FY 2028 and FY 2029 and 5% in FY 2030 may be necessary to provide sufficient revenue to cover projected expenses.
8. The cost of service analysis indicated that rate increases should be implemented for all rate classes.
9. With the proposed rate increases, the projected typical bill for a Residential customer would increase approximately \$7.90 per month in FY 2026 and \$8.47 per month in FY 2027.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. The City should adopt retail rate increases of 7% on October 1, 2025 (FY 2026) and October 1, 2026 (FY 2027). The proposed rate increases would be implemented with the ordinance included in Appendix A.
2. Rates should be increased for all rate classes.
3. The City should consider implementing 6% rate increases in FY 2028 and FY 2029 and a 5% rate increase in FY 2030. These rate increases will be dependent on future purchased power, operating and maintenance, and capital improvement costs.
4. The City should review its rates on a regular basis, particularly as purchased power and other operating costs increase.

Purpose and Approach

The purpose of this study was to review the electrical rates charged by the City and develop rates that were consistent with a number of goals established by the City. The rate goals established by the City included having rates that provide sufficient revenues to cover projected operating expenses and having rates that reflect the cost of service for each rate class.

The approach to the study involved completing several tasks. Retail sales, purchased power, operating expenses, capital project, and financial information were collected. Test year expenses for FY 2025 were projected and future revenues and expenses were projected through FY 2030. A rate plan was developed to meet the financial goals established by the City. The allocated cost of service for each rate class was calculated and compared to revenue from existing rates. Rates for each rate class were developed based on the cost of service and other goals established by the City. An ordinance was developed establishing new rates effective October 1, 2025 (FY 2026) and October 1, 2026 (FY 2027). A written report was prepared and presented to the City staff for review prior to submitting it to the City Council.

Background

City of Crete – Electric Utility

The City operates its electric utility, which serves customers located within the City and in some areas adjacent to the City. The Utility serves approximately 2,700 customers, including a mix of residential, rural, and general service customers along with three large power customers.

Purchased Power

The City purchases its total electric requirements from Western and MEAN. Western supplies approximately 10% of the City's capacity and energy requirements from its hydro-electric resources located in the upper Midwest. MEAN supplies the City's supplemental capacity and energy requirements under its Service Schedule M agreement. In FY 2025, the projected cost of purchased power from MEAN and Western is approximately 7.7¢/kWh, delivered to the City.

Purchased power represents approximately 78% of the City's test year budget, so any increase in power costs will most likely require a rate increase at the retail level. There is also future power cost uncertainty as MEAN has indicated its rates are likely to go up each year for the next several years. There has also been cost uncertainty for labor and materials with recent inflationary trends and supply chain issues affecting portions of the electric utility industry. These issues could result in a major change in the Utility's future costs and should be monitored because of their potential impact on the Utility's retail rates.

Projected Financial Results

The purpose of preparing projected financial results is to compare projected revenues with projected expenses and determine the need for future rate increases. Projections were prepared for the period FY 2024 through FY 2030 based on information provided by MEAN, Western, and the Utility.

Parameters

The following parameters were used to develop the projected financial results.

1. Historical and projected results were prepared based on the City's fiscal year (October through September).
2. The FY 2025 budget was used as the basis for the test year budget, with adjustments for known changes and to ensure consistency with historical actual expenditures.
3. MEAN rates were projected to increase approximately 10% in FY 2025 and 4% annually in FY 2026 through FY 2030.

4. Western rates were projected to remain stable throughout the study period.
5. Operating and maintenance expenses, administrative costs, and other internal expenses were projected to increase at a rate of 3% annually. This is in addition to cost escalation that was built into the current budget projections.
6. Projected financial results were presented on a “cash basis” as opposed to “accrual basis.” Cash basis accounting includes capital improvements and debt service principal as expenses but does not include depreciation expense.
7. Rate changes were developed using the cash basis operating results.

Projected Financial Results

Table 1 (see page 6) shows the projected financial results for FY 2024 through FY 2030, along with historical financial results for FY 2023. The projected financial results do not include rate increases.

Without a rate increase or use of reserve funds, the projected deficit on a cash basis would be approximately \$719,000 in FY 2025, increasing to approximately \$3.6 million in FY 2030. Between now and FY 2030, retail rates would need to be increased by approximately 33% to cover the projected deficit. The major cause of the deficit is increased purchased power expenses from MEAN, the funding of the City’s capital improvement plan, and general cost escalation.

Future Rate Changes

One of the rate design goals was to spread any major rate increases over a number of years. Table 2 (see page 7) shows projected financial results with projected rate increases of approximately 7% in FY 2026 and FY 2027, 6% in FY 2028 and FY 2029, and 5% in FY 2030. The proposed rate changes provide sufficient revenue to cover projected purchased power, operating and maintenance, and administrative and general costs.

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Table 1
City of Crete
2025 Cost of Service Study
Projected Financial Results
Existing Rates

Line	Description	Audited (1)	Projected (2)	Test Year	Projected					
		2023	2024	2025	2026	2027	2028	2029	2030	
1	Operating Revenues									
2	Retail Sales - Existing Rates	\$ 11,088,015	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282
3	Rate Changes	-	-	-	-	-	-	-	-	-
4	Capacity Compensation	148,593	154,211	142,900	142,900	142,900	142,900	142,900	142,900	142,900
5	Other Operating Revenue	13,579	187,616	160,100	160,100	160,100	160,100	160,100	160,100	160,100
6	Total Operating Revenue	\$ 11,250,187	\$ 11,077,109	\$ 11,038,282	\$ 11,038,282	\$ 11,038,282	\$ 11,038,282	\$ 11,038,282	\$ 11,038,282	\$ 11,038,282
7	Operating Expenses									
8	Purchased Power	\$ 7,811,836	\$ 8,519,550	\$ 8,979,839	\$ 9,590,353	\$ 10,004,428	\$ 10,438,650	\$ 10,894,113	\$ 11,371,975	
9	Internal O&M	1,591,689	1,669,055	1,777,000	1,919,160	2,072,693	2,155,601	2,241,825	2,331,498	
10	Total Operating Expenses	\$ 9,403,525	\$ 10,188,605	\$ 10,756,839	\$ 11,509,513	\$ 12,077,121	\$ 12,594,251	\$ 13,135,938	\$ 13,703,472	
11	Operating Income	\$ 1,846,662	\$ 888,504	\$ 281,443	\$ (471,231)	\$ (1,038,839)	\$ (1,555,969)	\$ (2,097,656)	\$ (2,665,190)	
12	Non-Operating Expense/(Revenue)									
13	Interest Income	(74,814)	(66,090)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	
14	Interest Expense	14,321	-	-	-	-	-	-	-	
15	Debt Service Principal	120,000	125,000	125,000	130,000	130,000	-	-	-	
16	Gain/Loss on Investment	(6,877)	-	-	-	-	-	-	-	
17	Capital Improvements	289,355	56,992	300,000	309,000	318,270	327,818	337,653	347,782	
18	Transfers	664,504	350,004	350,000	350,000	350,000	350,000	350,000	350,000	
19	In Lieu of Taxes	-	-	-	-	-	-	-	-	
20	Franchise Fee	120,000	120,000	250,000	250,000	250,000	250,000	250,000	250,000	
21	Other	-	-	-	-	-	-	-	-	
22	Total Non-Operating Expense/(Revenue)	\$ 1,126,489	\$ 585,905	\$ 1,000,000	\$ 1,014,000	\$ 1,023,270	\$ 902,818	\$ 912,653	\$ 922,782	
23	Net Income - Cash Basis	\$ 720,173	\$ 302,598	\$ (718,557)	\$ (1,485,231)	\$ (2,062,109)	\$ (2,458,787)	\$ (3,010,308)	\$ (3,587,973)	
24	Rate Change for Breakeven Cash Flow	-6.5%	-2.8%	6.7%	13.8%	19.2%	22.9%	28.0%	33.4%	

Notes:
(1) Based on audited financial statements.
(2) Projected based on FY 2024 year-end report.

Table 2
City of Crete
2025 Cost of Service Study
Projected Financial Results
Projected Rates

Line	Description	Test Year				Projected		
		2025	2026	2027	2028	2029	2030	
1	Operating Revenues							
2	Retail Sales - Existing Rates	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282	\$ 10,735,282
3	Rate Changes	-	753,315	1,611,720	2,352,540	3,137,810	3,831,464	3,831,464
4	Capacity Compensation	142,900	142,900	142,900	142,900	142,900	142,900	142,900
5	Other Operating Revenue	160,100	160,100	160,100	160,100	160,100	160,100	160,100
6	Total Operating Revenue	\$ 11,038,282	\$ 11,791,597	\$ 12,650,002	\$ 13,390,822	\$ 14,176,092	\$ 14,869,746	
7	Operating Expenses							
8	Purchased Power	\$ 8,979,839	\$ 9,590,353	\$ 10,004,428	\$ 10,438,650	\$ 10,894,113	\$ 11,371,975	
9	Internal O&M	1,777,000	1,919,160	2,072,693	2,155,601	2,241,825	2,331,498	
10	Total Operating Expenses	\$ 10,756,839	\$ 11,509,513	\$ 12,077,121	\$ 12,594,251	\$ 13,135,938	\$ 13,703,472	
11	Operating Income	\$ 281,443	\$ 282,084	\$ 572,881	\$ 796,571	\$ 1,040,154	\$ 1,166,274	
12	Rate Change Implemented	0.0%	7.0%	7.0%	6.0%	6.0%	5.0%	
13	Non-Operating Expense/(Revenue)							
14	Interest Income	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	
15	Interest Expense	-	-	-	-	-	-	
16	Debt Service Principal	125,000	130,000	130,000	-	-	-	
17	Rate Stabilization	-	-	-	-	-	-	
18	Capital Improvements	300,000	309,000	318,270	327,818	337,653	347,782	
19	Transfers	350,000	350,000	350,000	350,000	350,000	350,000	
20	In Lieu of Taxes	-	-	-	-	-	-	
21	Franchise Fee	250,000	250,000	250,000	250,000	250,000	250,000	
22	Operating Margin	-	-	-	-	-	-	
23	Total Non-Operating Expense/(Revenue)	\$ 1,000,000	\$ 1,014,000	\$ 1,023,270	\$ 902,818	\$ 912,653	\$ 922,782	
24	Net Income - Cash Basis	\$ (718,557)	\$ (731,916)	\$ (450,389)	\$ (106,247)	\$ 127,501	\$ 243,492	
25	Rate Change for Breakeven Cash Flow	6.7%	6.8%	4.2%	1.0%	-1.2%	-2.3%	

Cost of Service

The purpose of the cost of service analysis is to identify the costs related to serving each class of customers. Several steps were taken to prepare the cost of service analysis. A test year budget was prepared based on the FY 2025 operating budget with adjustments for known changes. Each expense item was identified and assigned to a utility function, and further classified as a demand, energy, or customer related expense. This process is called “functionalization” and “classification.” The costs related to each function are then allocated to each customer class based on generally accepted cost allocation principles for municipal electric utilities. The allocated costs were compared to revenues based on existing rates. The comparison of the cost of service to revenue from existing rates was used as a factor in designing rates.

Test Year Budget

The FY 2025 operating budget was used as the basis for the test year budget. The purpose of preparing a test year budget is to create a scenario that is as close to “normal” operating conditions as possible, reflecting known changes for the utility. The test year budget included the following adjustments to the FY 2025 operating budget:

- Adjusted purchased power costs for MEAN and Western to match projected rates.
- A capital improvement reserve of \$250,000 was included in the test year budget.

The test year budget for FY 2025 was approximately \$11.5 million and is summarized in Table 3 (see page 9). This figure represents the amount that needs to be collected from retail rates. It includes all operating expenses and is reduced for revenue from interest income and other non-retail revenue.

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**Table 3
City of Crete
2025 Cost of Service Study
Test Year Budget by Function
Annual**

Rate Class	Production / Transmission	Subtrans/ Distribution	Customer/ Admin	Total
Residential Service (127)	\$ 2,132,311	\$ 1,018,425	\$ 134,858	\$ 3,285,593
General Service (133)	482,197	169,941	16,702	668,840
General Service 3P (141)	453,463	125,821	17,169	596,453
City GS 3 Phase (143)	78,159	23,839	2,816	104,814
City GS (135)	95,681	37,912	6,931	140,524
GS Demand (149)	1,089,693	180,873	2,963	1,273,529
Large Power 1 (153)	2,593,146	388,197	866	2,982,209
Large Power 2 (155)	2,023,607	321,899	433	2,345,940
City GS Demand (151)	4,038	2,488	866	7,392
Irrigation (157)	4,892	7,277	213	12,382
Cogeneration G1 & G2	-	-	-	-
City Street Lighting (181)	22,652	5,145	31,805	59,601
Rental Lighting	-	1,586	7,889	9,475
Total	\$ 8,979,839	\$ 2,283,401	\$ 223,512	\$ 11,486,752
Percentage	78.2%	19.9%	1.9%	100.0%

Functionalization and Classification

Functionalization and classification involve assigning the expense items to a function and classifying those expenses by allocation method. Functions vary by utility and are based on power supply arrangements, size, and type of utility. The following functions were used for the Utility:

- Purchased power
- Transmission and sub-transmission service
- Distribution (primary and secondary)
- Services
- Meter reading
- Billing and customer accounting
- Street lighting
- Local generation

Expenses were classified into demand-related, energy-related, and customer-related classifications. Some costs are allocated solely to a single classification. For example, transmission service is classified as demand related. Other functions, including primary

distribution, are spread between the demand-related and customer-related classifications. The classifications were based on cost causation and how the costs should be recovered from the Utility’s retail rate classes.

Table 4 summarizes the classification of test year expenses, including the allocation to the various retail rate classes. Approximately \$888,000 is customer-related, \$5 million is energy-related, and \$5.6 million is demand-related expense. Based on this classification, 7.7% of the Utility’s test year budget is customer-related, 43.4% is energy-related, and 48.8% is demand-related.

Of note, the cost of service for customer-related service is \$24.95 per month for Residential rates. This compares to the existing Residential customer charges of \$19.50 per month. It is recommended that the customer charge be increased to reflect the cost of service more closely.

**Table 4
City of Crete
2025 Cost of Service Study
Classification of Expenses
Annual**

Rate Class	Customer		Energy		Demand			
	(\$)	(\$/mon)	(\$)	(¢/kWh)	(\$)	¢/kWh	\$/kW	\$/hp
Residential Service (127)	\$ 667,884	\$ 24.95	\$ 1,114,145	4.76	\$ 1,503,564	6.42		
General Service (133)	82,715	24.95	259,865	4.76	326,259	5.97		
General Service 3P (141)	40,847	34.35	230,947	4.76	324,660	6.69		
City GS 3 Phase (143)	10,957	56.19	41,108	4.76	52,749	6.10		
City GS (135)	26,972	56.19	46,035	4.76	67,517	6.98		
GS Demand (149)	9,683	53.80	600,639	4.76	663,207		24.64	
Large Power 1 (153)	2,231	92.97	1,536,922	4.76	1,443,056		23.02	
Large Power 2 (155)	1,116	92.97	1,144,790	4.76	1,200,034		22.49	
City GS Demand (151)	2,231	92.97	1,166	4.73	3,995			
Irrigation (157)	906	33.56	1,390	4.77	10,086	34.65		69.80
Cogeneration G1 & G2	-	-	-	-	-	-		
City Street Lighting (181)	32,720	151.48	13,569	4.75	13,312	4.66		
Rental Lighting	9,475	9.61	-	-	-			
Total	\$ 887,737		\$ 4,990,576		\$ 5,608,438			
Percentage	7.7%		43.4%		48.8%			

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Cost Allocation

The functionalized costs were allocated to the various rate classes using generally accepted methods for preparing embedded cost of service studies. There is no standard cost of service methodology set by a regulatory agency that the City is required to follow. There are a number of guidelines that municipal utilities typically follow, including publications and guidelines from the American Public Power Association, the National Association of Regulatory Utility Commissioners, and the Federal Energy Regulatory Commission.

Demand-related costs were allocated on the basis of coincident or non-coincident demands, depending on the function, and adjusted for losses. Energy-related costs were allocated on the basis of energy sales, adjusted for losses. Customer-related costs were allocated on the basis of the weighted number of customers within each rate class, with weighting factors determined based on the cost of metering, customer billing or services.

Some expenses are not easily assigned to a particular function. Examples of expenses that are not easily assigned include interest income, general administrative expenses, miscellaneous operating revenue and the net cost or margin from leasing the power plant to MEAN. These expenses were assigned to functions at the same ratio as expenses that were directly assigned to functions, which is one of several generally accepted methods for assigning these costs to the appropriate function.

Comparison of Revenues to Cost of Service

Revenues collected from existing rates were compared to the allocated cost of service. The purpose of this comparison was to provide guidance on the adequacy of existing rates for each rate class. This comparison can be used to assess the general magnitude of rate changes needed for each rate class and is one factor in determining the need for rate adjustments for individual rate classes.

Table 5 (see page 12) compares the revenue from existing rates to the calculated cost of service. On an annual basis, not including street lighting (which is provided to the City at a discount), the most significant deviation is for City General Service and Large Power 2 rate classes. Rate changes to cover the cost of service for non-City rate classes range between -3.9% and 9.8%.

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Table 5
City of Crete
2025 Cost of Service Study
Comparison of Cost of Service
to Revenue from Existing Rates
Annual

Rate Class	Existing Rates	Cost of Service	Difference	
			\$	%
Residential Service (127)	\$ 3,007,848	\$ 3,285,593	\$ 277,745	9.2%
General Service (133)	695,807	668,840	(26,967)	-3.9%
General Service 3P (141)	583,651	596,453	12,802	2.2%
City GS 3 Phase (143)	103,240	104,814	1,574	1.5%
City GS (135)	122,808	140,524	17,716	14.4%
GS Demand (149)	1,256,260	1,273,529	17,269	1.4%
Large Power 1 (153)	2,783,294	2,982,209	198,916	7.1%
Large Power 2 (155)	2,136,166	2,345,940	209,773	9.8%
City GS Demand (151)	6,699	7,392	693	10.3%
Irrigation (157)	11,328	12,382	1,054	9.3%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	20,063	59,601	39,538	197.1%
Rental Lighting	8,117	9,475	1,358	16.7%
Total	\$ 10,735,282	\$ 11,486,752	\$ 751,470	7.0%

Table 6 (see page 13) shows the calculated cost of service for the summer and winter season. Summer season rates would require a decrease of 2% to recover the cost of service, while winter season rates would need to increase approximately 13% to recover the cost of service.

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Table 6
City of Crete
2025 Cost of Service Study
Comparison of Cost of Service
to Revenue from Existing Rates

Summer

Rate Class	Existing Rates	Cost of Service	Difference	
			\$	%
Residential Service (127)	\$ 1,232,607	\$ 1,232,557	\$ (50)	0.0%
General Service (133)	273,885	243,832	(30,053)	-11.0%
General Service 3P (141)	234,594	222,790	(11,803)	-5.0%
City GS 3 Phase (143)	39,447	37,092	(2,356)	-6.0%
City GS (135)	47,776	48,700	924	1.9%
GS Demand (149)	527,401	448,956	(78,444)	-14.9%
Large Power 1 (153)	1,067,720	1,056,510	(11,211)	-1.0%
Large Power 2 (155)	741,558	773,786	32,228	4.3%
City GS Demand (151)	2,181	1,949	(233)	-10.7%
Irrigation (157)	2,962	4,649	1,687	56.9%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	5,686	16,118	10,432	183.5%
Rental Lighting	2,682	3,158	477	17.8%
Total	\$ 4,178,498	\$ 4,090,097	\$ (88,401)	-2.1%

Winter

Rate Class	Revenue April 2015 Rates	Cost of Service	Difference	
			\$	%
Residential Service (127)	\$ 1,775,242	\$ 2,053,036	\$ 277,794	15.6%
General Service (133)	421,922	425,008	3,086	0.7%
General Service 3P (141)	349,058	373,663	24,605	7.0%
City GS 3 Phase (143)	63,792	67,722	3,929	6.2%
City GS (135)	75,033	91,824	16,792	22.4%
GS Demand (149)	728,859	824,573	95,713	13.1%
Large Power 1 (153)	1,715,573	1,925,699	210,126	12.2%
Large Power 2 (155)	1,394,608	1,572,153	177,545	12.7%
City GS Demand (151)	4,518	5,444	926	20.5%
Irrigation (157)	8,366	7,733	(633)	-7.6%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	14,377	43,483	29,106	202.4%
Rental Lighting	5,436	6,317	881	16.2%
Total	\$ 6,556,784	\$ 7,396,654	\$ 839,870	12.8%

Rate Design

The purpose of rate design is to develop rates that help achieve established revenue and financial performance goals while balancing other rate goals established by the Utility. This process involves meeting goals that sometimes conflict with each other. For example, a goal to have competitive rates may conflict with the need to have rates that recover sufficient revenue to pay for projected expenses.

The rates were designed to best meet several goals that were established by the Utility and its consultant. These goals included:

- Ensuring the long-term financial integrity of the utility.
- Establishing rates that are fair, reasonable, and non-discriminatory.
- Developing rates that are competitive with neighboring utilities.
- Encouraging usage during low cost time periods, while discouraging usage during high cost periods.
- Recognizing the cost of service for rate classes and seasons.
- Phasing in large rate increases to minimize adverse impacts to customers.

Summary of Rate Design Changes

The proposed rate ordinance, included in Appendix A, would implement a rate increase of 7% on October 1, 2025, and 7% on October 1, 2026. The proposed rate changes are consistent with the cost of service results. The proposed rate changes by rate class, effective October 1, 2025 (FY 2026), are shown in Table 7 (see page 15). Table 8 (see page 16) shows the proposed rate increases broken out by summer and winter seasons. Table 9 (see page 17) shows the proposed rate changes by rate class for FY 2027, effective October 1, 2026.

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Table 7
City of Crete
2025 Cost of Service Study
Proposed Rate Change by Rate Class - FY 2026
Annual

Rate Class	Existing Rates	Proposed Rates	Difference	
			\$	%
Residential Service (127)	\$ 3,007,848	\$ 3,219,314	\$ 211,466	7.0%
General Service (133)	695,807	736,265	40,459	5.8%
General Service 3P (141)	583,651	617,459	33,808	5.8%
City GS 3 Phase (143)	103,240	109,177	5,937	5.8%
City GS (135)	122,808	129,830	7,022	5.7%
GS Demand (149)	1,256,260	1,343,354	87,094	6.9%
Large Power 1 (153)	2,783,294	2,989,379	206,085	7.4%
Large Power 2 (155)	2,136,166	2,294,343	158,177	7.4%
City GS Demand (151)	6,699	7,201	502	7.5%
Irrigation (157)	11,328	12,119	791	7.0%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	20,063	21,468	1,404	7.0%
Rental Lighting	8,117	8,688	571	7.0%
Total	\$ 10,735,282	\$ 11,488,597	\$ 753,315	7.0%

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Table 8
City of Crete
2025 Cost of Service Study
Proposed Rate Change by Rate Class - 2026

Summer

Rate Class	Existing Rates	Proposed Rates	Difference	
			\$	%
Residential Service (127)	\$ 1,232,607	\$ 1,317,148	\$ 84,541	6.9%
General Service (133)	273,885	289,680	15,795	5.8%
General Service 3P (141)	234,594	248,023	13,430	5.7%
City GS 3 Phase (143)	39,447	41,704	2,257	5.7%
City GS (135)	47,776	50,486	2,710	5.7%
GS Demand (149)	527,401	563,948	36,548	6.9%
Large Power 1 (153)	1,067,720	1,146,823	79,102	7.4%
Large Power 2 (155)	741,558	796,467	54,909	7.4%
City GS Demand (151)	2,181	2,345	164	7.5%
Irrigation (157)	2,962	3,180	217	7.3%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	5,686	6,084	398	7.0%
Rental Lighting	2,682	2,870	189	7.0%
Total	\$ 4,178,498	\$ 4,468,757	\$ 290,259	6.9%

Winter

Rate Class	Existing Rates	Proposed Rates	Difference	
			\$	%
Residential Service (127)	\$ 1,775,242	\$ 1,902,166	\$ 126,924	7.1%
General Service (133)	421,922	446,586	24,664	5.8%
General Service 3P (141)	349,058	369,436	20,378	5.8%
City GS 3 Phase (143)	63,792	67,473	3,680	5.8%
City GS (135)	75,033	79,345	4,312	5.7%
GS Demand (149)	728,859	779,405	50,546	6.9%
Large Power 1 (153)	1,715,573	1,842,556	126,983	7.4%
Large Power 2 (155)	1,394,608	1,497,876	103,268	7.4%
City GS Demand (151)	4,518	4,856	338	7.5%
Irrigation (157)	8,366	8,939	573	6.9%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	14,377	15,384	1,006	7.0%
Rental Lighting	5,436	5,818	382	7.0%
Total	\$ 6,556,784	\$ 7,019,839	\$ 463,056	7.1%

Table 9
City of Crete
2025 Cost of Service Study
Proposed Rate Change by Rate Class - FY 2027
Annual

Rate Class	Existing Rates	Proposed Rates	Difference	
			\$	%
Residential Service (127)	\$ 3,219,314	\$ 3,446,032	\$ 226,718	7.0%
General Service (133)	736,265	778,908	42,643	5.8%
General Service 3P (141)	617,459	653,030	35,571	5.8%
City GS 3 Phase (143)	109,177	115,430	6,253	5.7%
City GS (135)	129,830	137,239	7,409	5.7%
GS Demand (149)	1,343,354	1,435,568	92,214	6.9%
Large Power 1 (153)	2,989,379	3,210,828	221,449	7.4%
Large Power 2 (155)	2,294,343	2,464,856	170,513	7.4%
City GS Demand (151)	7,201	7,664	463	6.4%
Irrigation (157)	12,119	12,966	847	7.0%
Cogeneration G1 & G2	-	-	-	0.0%
City Street Lighting (181)	21,468	22,970	1,503	7.0%
Rental Lighting	8,688	9,299	610	7.0%
Total	\$ 11,488,597	\$ 12,294,790	\$ 805,583	7.0%

Specific Rate Design Issues

In general, the Utility’s rate structure is reasonable for its size and customer base. A number of specific rate design issues were identified based on the cost of service results, a review of the existing rate structure, and based on input from Utility staff. The following rate design changes are recommended and included in the rate ordinance (see Appendix A):

- 1. Increase the customer charge:** The current customer charge is somewhat less than the cost of service. It is recommended that the customer charge be increased in each of the next two years to ensure it is consistent with the cost of service.
- 2. Reflect cost of service results in rate change:** The cost of service results indicate that General Service rates tend to be higher relative to the cost of service than Residential and Large Power rates. It is recommended that the General Service rate class have a smaller rate increase, and the Residential and Large Power rate classes have a larger rate increase.

3. **Eliminate all-electric rates:** In August 2024, the City opted to eliminate the Residential and General Service All-Electric rate classes as the rates were the same as the Residential and General Service rate classes. Customers in the all-electric rate classes were transferred to the appropriate rate class. The all-electric rate classes will be removed from the rate schedule effective with the passage of the proposed rate ordinance (see Appendix A).

Rate Comparisons

The proposed rates tend to be higher than neighboring utilities. Rates were compared to NPPD, Norris PPD, LES, and the City of Fairbury. Table 10 compares Residential rates and Table 11 (see page 19) compares General Service rates at various usage levels for the summer and winter seasons.

Rate comparisons are important but do take not into account multiple factors that cause rate differences. For example, transfers and discounted services to municipal accounts would not be available if NPPD or Norris PPD served the City's retail customers. Municipally owned utilities may transfer funds to the City as an in-lieu-of tax payment and, in some cases, provide free or discounted labor and equipment to the City or other enterprise funds. The comparisons were based on existing rate schedules for 2025 and do not consider future rate changes that may be implemented by other utilities. NPPD and Norris PPD retail and wholesale customers may see an increase in wholesale costs in future years based on current projections. The neighboring utilities that were compared are experiencing cost pressures related to labor, materials and purchased power costs. If those factors were taken into account, the City's rates may compare more favorably to neighboring utilities.

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Table 10
Typical Bill Comparison
Rate Comparisons - Proposed Rates
Residential Service (127)

Summer Comparisons					
Utility	500 kWh	Utility	1,000 kWh	Utility	2,500 kWh
LES	69.50	LES	105.50	LES	213.50
Fairbury	76.25	Fairbury	134.50	Norris	280.70
Crete	79.50	Norris	134.74	Fairbury	309.25
NPPD	85.59	Crete	137.00	Crete	309.50
Norris	86.09	NPPD	142.80	NPPD	314.44
Winter Comparisons					
Utility	500 kWh	Utility	1,000 kWh	Utility	2,500 kWh
LES	60.25	LES	87.00	LES	167.25
Fairbury	70.75	NPPD	118.99	Norris	242.67
NPPD	74.30	Norris	119.53	NPPD	249.39
Norris	78.49	Fairbury	121.06	Fairbury	254.86
Crete	79.50	Crete	129.65	Crete	270.65

Table 11
Typical Bill Comparison
Rate Comparisons - Proposed Rates
General Service

Summer Comparisons					
Utility	1,000 kWh	Utility	5,000 kWh	Utility	10,000 kWh
LES	128.50	LES	510.50	LES	988.00
Norris PPD	143.86	Norris PPD	569.55	Norris PPD	1,101.66
Fairbury	148.30	NPPD	613.08	NPPD	1,172.34
NPPD	165.67	Fairbury	621.50	Fairbury	1,213.00
Crete	183.85	Crete	666.25	Crete	1,269.25
Winter Comparisons					
Utility	1,000 kWh	Utility	5,000 kWh	Utility	10,000 kWh
LES	97.90	LES	357.50	LES	682.00
Norris PPD	133.33	NPPD	496.08	NPPD	938.34
Fairbury	135.10	Norris PPD	516.90	Norris PPD	996.36
NPPD	142.27	Fairbury	528.25	Fairbury	999.25
Crete	183.85	Crete	595.95	Crete	1,106.45

Conclusions

The following conclusions were reached, based on the information provided and analyses completed:

1. The projected revenue requirements for FY 2025 were \$11.5 million.
2. The largest component of the test year budget was purchased power expense, representing approximately 78% of the projected test year budget.
3. Projected revenue from existing rates is approximately \$10.7 million.
4. In FY 2025, the projected deficit on a cash basis was approximately \$719,000, increasing to approximately \$3.6 million by FY 2030.
5. The primary driver for the proposed rate increases is purchased power costs and increased capital expenditure reserves.
6. Rate increases of 7% in FY 2026 and FY 2027 would be necessary to help ensure sufficient revenue to cover projected expenses.
7. Additional rate increases of 6% in FY 2028 and FY 2029 and 5% in FY 2030 may be necessary to provide sufficient revenue to cover projected expenses.
8. The cost of service analysis indicated that rate increases should be implemented for all rate classes.
9. With the proposed rate increases, the projected typical bill for a Residential customer would increase approximately \$7.90 per month in FY 2026 and \$8.47 per month in FY 2027.

Recommendations

The following recommendations were developed based on the analyses completed and conclusions reached:

1. The City should adopt retail rate increases of 7% on October 1, 2025 (FY 2026) and October 1, 2026 (FY 2027). The proposed rate increases would be implemented with the ordinance included in Appendix A.
2. Rates should be increased for all rate classes.
3. The City should consider implementing 6% rate increases in FY 2028 and FY 2029 and a 5% rate increase in FY 2030. These rate increases will be dependent on future purchased power, operating and maintenance, and capital improvement costs.
4. The City should review its rates on a regular basis, particularly as purchased power and other operating costs increase.

Appendix A – Rate Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CRETE, NEBRASKA, PERTAINING TO MUNICIPAL ELECTRIC DEPARTMENT, ELECTRICAL RATES; PROVIDING FOR THE CODIFICATION AS PART OF SECTIONS 3-123 AND 3-124 OF ARTICLE 1 OF CHAPTER 3 AS IT NOW EXISTS AND PROVIDING FOR THE REPEAL OF ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR A TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CRETE, NEBRASKA:

Section 1. That Sections 123 and 124, Article 1, Chapter 3, of the City Code of the City of Crete, Nebraska is hereby amended and re-codified to reflect rates as shown on Attachment 1, effective as of October 1, 2025.

Section 2. That Sections 123 and 124, Article 1, Chapter 3, of the City Code of the City of Crete, Nebraska as now existing and all other ordinances and parts of ordinances in conflict herewith are hereby repealed as of October 1, 2025.

Section 3. That this ordinance shall take effect and be in full force and effect from and after its passage and approval and publication in pamphlet form as provided by law.

PASSED AND APPROVED this _____ day of _____, 2025.

Mayor

ATTEST:

City Clerk

ATTACHMENT 1

§3-123 Municipal Electric Department: Rates. The following monthly rate schedules shall apply to all customers of the Municipal Electric Department, according to the applicable service classification:

A. RESIDENTIAL SERVICE

RESIDENTIAL SERVICE R

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$22.00	\$25.00
PLUS		
<i><u>Summer</u></i>		
All kWh used, per month	\$0.1150/kWh	\$0.1210/kWh
<i><u>Winter</u></i>		
First 650 kWh, per month	\$0.1150/kWh	\$0.1210/kWh
Balance used, per month	\$0.0940/kWh	\$0.1020/kWh
Minimum Bill, per month	\$22.00	\$25.00

B. GENERAL SERVICE

1. **GENERAL SERVICE G**

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
Single Phase Service	\$36.00	\$39.00
Three Phase Service	\$63.25	\$69.00
PLUS		
<i><u>Summer</u></i>		
All kWh used, per month	\$0.1206/kWh	\$0.1270/kWh
<i><u>Winter</u></i>		
First 650 kWh, per month	\$0.1206/kWh	\$0.1270/kWh
Balance used, per month	\$0.1021/kWh	\$0.1075/kWh

2. **GENERAL SERVICE DEMAND GD**

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$92.50	\$97.50
PLUS		
<i><u>Summer</u></i>		
On-peak demand charge	\$30.79/kW	\$32.91/kW
Off-peak demand charge	\$10.48/kW	\$11.20/kW
Energy charge, all kWh used, per month	\$0.0495/kWh	\$0.0529/kWh

Winter

On-peak demand charge	\$22.45/kW	\$24.00/kW
Off-peak demand charge	\$22.45/kW	\$24.00/kW
Energy charge, all kWh used, per month	\$0.0495/kWh	\$0.0529/kWh

Minimum Bill:

The greater of:

- a) The customer charge; or
- b) The customer charge plus the demand charge associated with 65% of the maximum recorded billing demand for the previous summer (June-September) months; or
- c) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

C. LARGE POWER SERVICE

1. LARGE POWER SERVICE LP1

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$250.00	\$275.00
PLUS		
<u>Summer</u>		
On-peak demand charge	\$29.27/kW	\$31.45/kW
Off-peak demand charge	\$9.13/kW	\$9.81/kW
Energy charge, all kWh used, per month	\$0.0436/kWh	\$0.0468/kWh
<u>Winter</u>		
On-peak demand charge	\$22.50/kW	\$24.18/kW
Off-peak demand charge	\$22.50/kW	\$24.18/kW
Energy charge, all kWh used, per month	\$0.0436/kWh	\$0.0468/kWh

Minimum Bill:

The greater of:

- a) The demand charge plus the energy charge, and the customer charge; or
- b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

2. LARGE POWER SERVICE LP2

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$250.00	\$275.00
PLUS		
<u>Summer</u>		
On-peak demand charge	\$28.14/kW	\$30.22/kW
Off-peak demand charge	\$8.86/kW	\$9.52/kW
Energy charge, all kWh used, per month	\$0.0424/kWh	\$0.0456/kWh
<u>Winter</u>		
On-peak demand charge	\$21.32/kW	\$22.89/kW
Off-peak demand charge	\$21.32/kW	\$22.89/kW
Energy charge, all kWh used, per month	\$0.0424/kWh	\$0.0456/kWh

Minimum Bill:

The greater of:

- a) The demand charge plus the energy charge, and the customer charge; or
- b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

D. IRRIGATION SERVICE IP

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$55.00	\$60.00
PLUS		
Annual Fixed Charge		
On-peak HP charge (connecting per season)	\$100.45/HP	\$107.18/HP
Off-peak HP charge (connecting per season)	\$34.92/HP	\$37.26/HP
<i>Off-peak: Minimum 30 HP, restricted hours use</i>		
Energy charge, all kWh used	\$0.0901/kWh	\$0.0961/kWh

Subject to application of fuel and energy adjustment as provided in Section 3-123.

Irrigation Season:

The period from June 1 through September 30

Off-Season Service:

The period from October 1 through May 31

Energy charge, all kWh used Billed at the General Service G rate

Minimum Seasonal Charge:

The greater of:

- a) The HP charge; or
- b) A charge of one hundred twenty-five dollars (\$125.00).

Billing HP shall be the nameplate rating of the motor(s) connected to this service.

E. LIGHTING

1. CITY STREET LIGHTING SL

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$10.70	\$11.45
PLUS		
<u>Summer</u>		
Energy charge, all kWh used, per month (where applicable)	\$0.0671/kWh	\$0.0718/kWh
<u>Winter</u>		
Energy charge, all kWh used, per month (where applicable)	\$0.0671/kWh	\$0.0718/kWh

OR: Rental lighting charge, PL or ML, as applicable.

2. RENTAL LIGHTING PL

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
PL1 175 watt mercury vapor light	\$9.10/fixture	\$9.74/fixture
PL2 100/150 watt sodium vapor light	\$8.24/fixture	\$8.82/fixture
PL3 400 watt mercury vapor light	\$15.68/fixture	\$16.78/fixture
PL4 400 watt sodium vapor light	\$15.68/fixture	\$16.78/fixture

NOTE: LED fixtures will be billed based on the sodium vapor fixture with the closest characteristics in terms of light output.

3. RENTAL LIGHTING ML

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
ML1 175 watt mercury vapor light	\$4.92/fixture	\$5.26/fixture
ML2 100/150 watt sodium vapor light	\$4.65/fixture	\$4.98/fixture
ML3 400 watt mercury vapor light	\$6.05/fixture	\$6.47/fixture
ML4 400 watt sodium vapor light	\$5.72/fixture	\$6.12/fixture

Note: LED fixtures up to 40 watts will be billed based on PL2/ML2. LED fixtures greater than 40 watts will be billed based on PL4/ML4.

F. COGENERATION

Owners of small power and energy production facilities must execute a small power and cogeneration agreement with the City.

1. COGENERATION G1

The producer shall pay a minimum monthly charge to the city for each measured interconnection.

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
<u>240 Volts or Less</u>		
Single phase meter	\$13.91/meter	\$14.88/meter
Three phase meter	\$31.03/meter	\$33.20/meter
<u>Over 240 Volts</u>		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter
For energy purchased by City		
All kWh purchased by City, per month	\$0.0404/kWh	\$0.0433/kWh

PLUS

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer.

2. COGENERATION G2

For the purchase of power and/or energy by the City from small power and energy producers with production capability of more than 100 kW.

The producer shall pay a minimum monthly charge to the City for each measured interconnection.

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
<u>240 Volts or Less</u>		
Single phase meter	\$13.91/meter	\$14.88/meter
Three phase meter	\$31.03/meter	\$33.20/meter
<u>Over 240 Volts</u>		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter

For energy purchased by City		
All kWh purchased by City, per month	\$0.0404/kWh	\$0.0433/kWh

PLUS

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer, based on the pooled energy adjustment assessed by the City’s power supplier.

Time-of-Day Metering		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter

G. PRODUCTION COST ADJUSTMENT

The base production cost for the tariffs presently in effect is 76.59 mills/kWh (\$0.07659/kWh) including purchased power costs and transmission service.

(Amended by Ord. No. 1629, 5/17/05) (Ord. No. 1722, 12/02/08) (Ord. No. _____, _____)

§30-124 Municipal Electric Department: Rate Adjustment Availability. The City reserves the right to increase the cost per kilowatt-hour (kWh) to compensate for any increase in fuel and energy costs per kWh or any production cost adjustment or pooled energy adjustment assessed by the City’s power supplier.

ORDINANCE NO. 2244

AN ORDINANCE OF THE CITY OF CRETE, NEBRASKA, PERTAINING TO MUNICIPAL ELECTRIC DEPARTMENT, ELECTRICAL RATES; PROVIDING FOR THE CODIFICATION AS PART OF SECTIONS 3-123 AND 3-124 OF ARTICLE 1 OF CHAPTER 3 AS IT NOW EXISTS AND PROVIDING FOR THE REPEAL OF ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR A TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CRETE, NEBRASKA:

Section 1. That Sections 123 and 124, Article 1, Chapter 3, of the City Code of the City of Crete, Nebraska is hereby amended and re-codified to reflect Residential Service, General Service, Irrigation Service, Lighting and Cogeneration rates as shown on Attachment 1, effective as of October 1, 2025.

Section 2. That Sections 123 and 124, Article 1, Chapter 3, of the City Code of the City of Crete, Nebraska is hereby amended and recodified to reflect Large Power Service rates as shown on Attachment 1, effective as of January 1, 2026.

Section 3. That Sections 123 and 124, Article 1, Chapter 3, of the City Code of the City of Crete, Nebraska as now existing and all other ordinances and parts of ordinances in conflict herewith are hereby repealed as of October 1, 2025.

Section 4. That this ordinance shall take effect and be in full force and effect from and after its passage and approval and publication in pamphlet form as provided by law.

PASSED AND APPROVED this _____ day of _____, 2025.

Mayor

ATTEST:

City Clerk

ATTACHMENT 1

§3-123 Municipal Electric Department: Rates. The following monthly rate schedules shall apply to all customers of the Municipal Electric Department, according to the applicable service classification:

A. RESIDENTIAL SERVICE

RESIDENTIAL SERVICE R

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$22.00	\$25.00
PLUS		
<i><u>Summer</u></i>		
All kWh used, per month	\$0.1150/kWh	\$0.1210/kWh
<i><u>Winter</u></i>		
First 650 kWh, per month	\$0.1150/kWh	\$0.1210/kWh
Balance used, per month	\$0.0940/kWh	\$0.1020/kWh
Minimum Bill, per month	\$22.00	\$25.00

B. GENERAL SERVICE

1. **GENERAL SERVICE G**

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
Single Phase Service	\$36.00	\$39.00
Three Phase Service	\$63.25	\$69.00
PLUS		
<i><u>Summer</u></i>		
All kWh used, per month	\$0.1206/kWh	\$0.1270/kWh
<i><u>Winter</u></i>		
First 650 kWh, per month	\$0.1206/kWh	\$0.1270/kWh
Balance used, per month	\$0.1021/kWh	\$0.1075/kWh

2. **GENERAL SERVICE DEMAND GD**

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$92.50	\$97.50
PLUS		
<i><u>Summer</u></i>		
On-peak demand charge	\$30.79/kW	\$32.91/kW
Off-peak demand charge	\$10.48/kW	\$11.20/kW
Energy charge, all kWh used, per month	\$0.0495/kWh	\$0.0529/kWh

Winter

On-peak demand charge	\$22.45/kW	\$24.00/kW
Off-peak demand charge	\$22.45/kW	\$24.00/kW
Energy charge, all kWh used, per month	\$0.0495/kWh	\$0.0529/kWh

Minimum Bill:

The greater of:

- a) The customer charge; or
- b) The customer charge plus the demand charge associated with 65% of the maximum recorded billing demand for the previous summer (June-September) months; or
- c) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

C. LARGE POWER SERVICE

1. LARGE POWER SERVICE LP1

EFFECTIVE DATE:	<u>January 1, 2026</u>	<u>January 1, 2027</u>
Customer Charge, per month	\$250.00	\$275.00
PLUS		
<u>Summer</u>		
On-peak demand charge	\$29.27/kW	\$31.45/kW
Off-peak demand charge	\$9.13/kW	\$9.81/kW
Energy charge, all kWh used, per month	\$0.0436/kWh	\$0.0468/kWh
<u>Winter</u>		
On-peak demand charge	\$22.50/kW	\$24.18/kW
Off-peak demand charge	\$22.50/kW	\$24.18/kW
Energy charge, all kWh used, per month	\$0.0436/kWh	\$0.0468/kWh

Minimum Bill:

The greater of:

- a) The demand charge plus the energy charge, and the customer charge; or
- b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

2. LARGE POWER SERVICE LP2

EFFECTIVE DATE:	<u>January 1, 2026</u>	<u>January 1, 2027</u>
Customer Charge, per month	\$250.00	\$275.00
PLUS		
<u>Summer</u>		
On-peak demand charge	\$28.14/kW	\$30.22/kW
Off-peak demand charge	\$8.86/kW	\$9.52/kW
Energy charge, all kWh used, per month	\$0.0424/kWh	\$0.0456/kWh
<u>Winter</u>		
On-peak demand charge	\$21.32/kW	\$22.89/kW
Off-peak demand charge	\$21.32/kW	\$22.89/kW
Energy charge, all kWh used, per month	\$0.0424/kWh	\$0.0456/kWh

Minimum Bill:

The greater of:

- a) The demand charge plus the energy charge, and the customer charge; or
- b) One dollar and fifty cents (\$1.50) per KVA of installed transformer capacity.

D. IRRIGATION SERVICE IP

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$55.00	\$60.00
PLUS		
Annual Fixed Charge		
On-peak HP charge (connecting per season)	\$100.45/HP	\$107.18/HP
Off-peak HP charge (connecting per season)	\$34.92/HP	\$37.26/HP
<i>Off-peak: Minimum 30 HP, restricted hours use</i>		
Energy charge, all kWh used	\$0.0901/kWh	\$0.0961/kWh

Subject to application of fuel and energy adjustment as provided in Section 3-123.

Irrigation Season:

The period from June 1 through September 30

Off-Season Service:

The period from October 1 through May 31

Energy charge, all kWh used Billed at the General Service G rate

Minimum Seasonal Charge:

The greater of:

- a) The HP charge; or
- b) A charge of one hundred twenty-five dollars (\$125.00).

Billing HP shall be the nameplate rating of the motor(s) connected to this service.

E. LIGHTING

1. CITY STREET LIGHTING SL

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month	\$10.70	\$11.45
PLUS		
<u>Summer</u>		
Energy charge, all kWh used, per month (where applicable)	\$0.0671/kWh	\$0.0718/kWh
<u>Winter</u>		
Energy charge, all kWh used, per month (where applicable)	\$0.0671/kWh	\$0.0718/kWh

OR: Rental lighting charge, PL or ML, as applicable.

2. RENTAL LIGHTING PL

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
PL1 175 watt mercury vapor light	\$9.10/fixture	\$9.74/fixture
PL2 100/150 watt sodium vapor light	\$8.24/fixture	\$8.82/fixture
PL3 400 watt mercury vapor light	\$15.68/fixture	\$16.78/fixture
PL4 400 watt sodium vapor light	\$15.68/fixture	\$16.78/fixture

NOTE: LED fixtures will be billed based on the sodium vapor fixture with the closest characteristics in terms of light output.

3. RENTAL LIGHTING ML

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
ML1 175 watt mercury vapor light	\$4.92/fixture	\$5.26/fixture
ML2 100/150 watt sodium vapor light	\$4.65/fixture	\$4.98/fixture
ML3 400 watt mercury vapor light	\$6.05/fixture	\$6.47/fixture
ML4 400 watt sodium vapor light	\$5.72/fixture	\$6.12/fixture

Note: LED fixtures up to 40 watts will be billed based on PL2/ML2. LED fixtures greater than 40 watts will be billed based on PL4/ML4.

F. COGENERATION

Owners of small power and energy production facilities must execute a small power and cogeneration agreement with the City.

1. COGENERATION G1

The producer shall pay a minimum monthly charge to the city for each measured interconnection.

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
<u>240 Volts or Less</u>		
Single phase meter	\$13.91/meter	\$14.88/meter
Three phase meter	\$31.03/meter	\$33.20/meter
<u>Over 240 Volts</u>		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter
For energy purchased by City		
All kWh purchased by City, per month	\$0.0404/kWh	\$0.0433/kWh

PLUS

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer.

2. COGENERATION G2

For the purchase of power and/or energy by the City from small power and energy producers with production capability of more than 100 kW.

The producer shall pay a minimum monthly charge to the City for each measured interconnection.

EFFECTIVE DATE:	<u>October 1, 2025</u>	<u>October 1, 2026</u>
Customer Charge, per month		
<u>240 Volts or Less</u>		
Single phase meter	\$13.91/meter	\$14.88/meter
Three phase meter	\$31.03/meter	\$33.20/meter
<u>Over 240 Volts</u>		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter

For energy purchased by City		
All kWh purchased by City, per month	\$0.0404/kWh	\$0.0433/kWh

PLUS

The fuel and energy adjustment applied to the City electric rate classification for retail power and energy sales to the producer, based on the pooled energy adjustment assessed by the City’s power supplier.

Time-of-Day Metering		
Single phase meter	\$31.03/meter	\$33.20/meter
Three phase meter	\$54.57/meter	\$58.39/meter

G. PRODUCTION COST ADJUSTMENT

The base production cost for the tariffs presently in effect is 76.59 mills/kWh (\$0.07659/kWh) including purchased power costs and transmission service.

(Amended by Ord. No. 1629, 5/17/05) (Ord. No. 1722, 12/02/08) (Ord. No. _____, _____)

§30-124 Municipal Electric Department: Rate Adjustment Availability. The City reserves the right to increase the cost per kilowatt-hour (kWh) to compensate for any increase in fuel and energy costs per kWh or any production cost adjustment or pooled energy adjustment assessed by the City’s power supplier.

Cost of Service / Rate Design Study

City of Crete
May 6, 2024

Presented by:
John A. Krajewski, P.E.

Overview of Presentation

- Introduction
- Projected Financial Results
- Cost of Service
- Rate Design
- Comparison to Neighboring Utilities
- Recommendations

Purpose of Study

- Review financial performance of electric utility
- Develop rates that reflect the cost of service and accomplish other goals established by the City
 - Rates that provide sufficient revenues to cover projected operating expenses
 - Rates that reflect the cost of service for each rate class
 - Rates that are competitive with neighboring utilities

Projected Financial Results

- Purpose
 - Compare revenues and expenses for current budget and future years through FY 2030
 - Determine need for future rate increases
- On a cash basis, deficit of \$719,000 in FY 2025 increasing to a deficit of approximately \$3.6 million in FY 2030
 - Between now and FY 2030, rates would need to increase 33% to cover projected deficit

Projected Financial Results

- Reasons for deficit
 - Increased purchase power expenses, particularly 9% rate increase from MEAN
 - Funding of City's capital improvement plan
 - General cost escalation

Cost of Service

- Purpose
 - Determine which rate classes cause the City to incur costs
 - Compare cost of service to revenue under existing rates
 - Determine need for rate changes

Cost of Service

- Findings
 - 7% rate increases needed in FY 2026 and FY 2027
 - Cost of service for customer-related service is \$24.95/month for residential
 - Currently, minimum charge is \$19.50/month

Rate Design

- Goals
 - Long-term financial integrity
 - Fair, reasonable and non-discriminatory rates
 - Competitive rates compared to neighboring utilities
 - Encourage use during low-cost periods
 - Discourage use during high-cost periods
 - Recognize the cost of service for each rate class and season

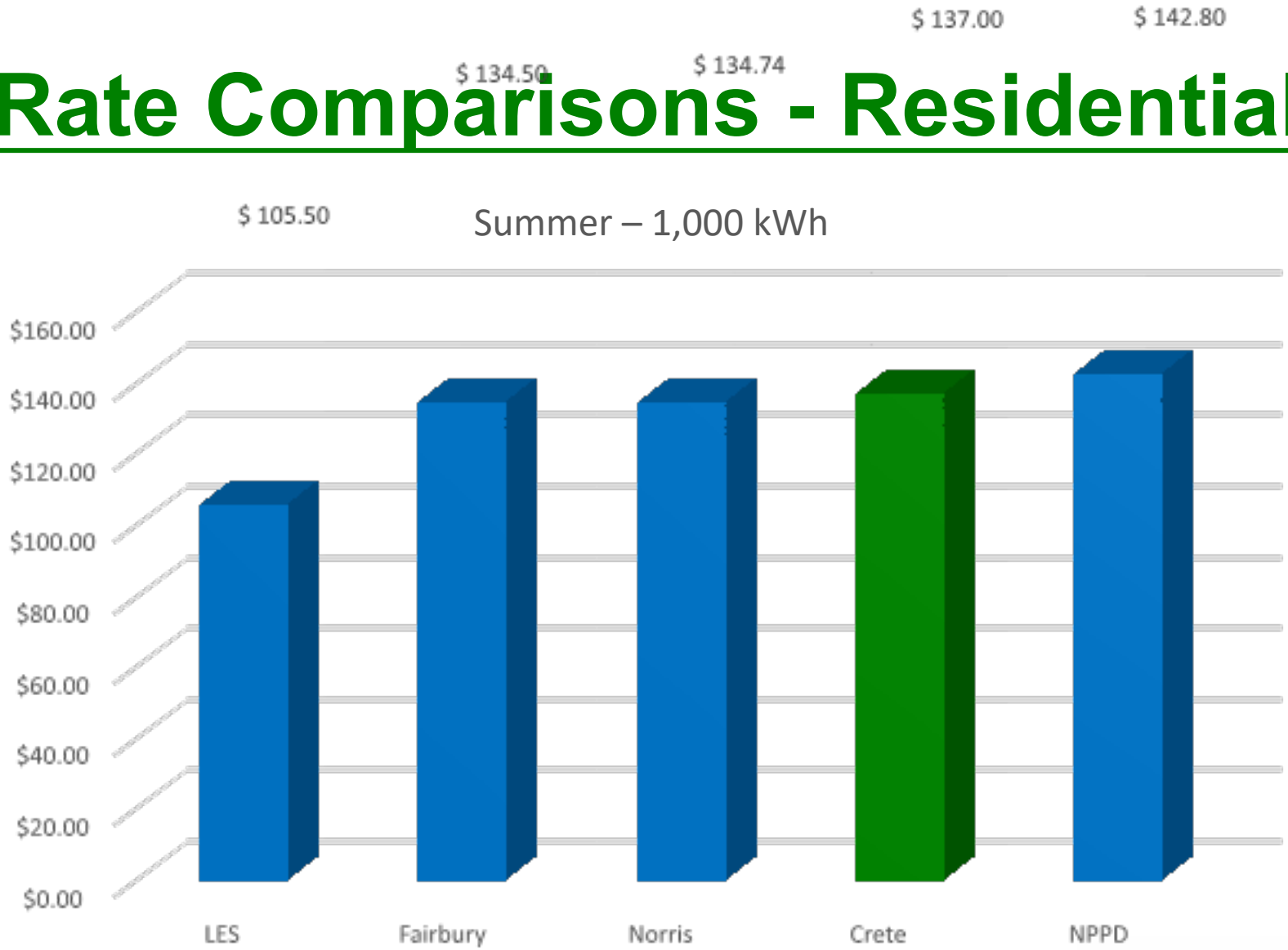
Proposed Rate Design Changes

- Increase the monthly customer charge
 - Existing customer charge does not cover the cost of service
- Reflect cost of service in rate change
 - Next slide shows rate changes for major rate classes and reflect cost of service results

Proposed Rate Changes

- Residential: 7%
- General Service: 5.8%
- General Service Demand: 6.9%
- Large Power: 7.4%

Rate Comparisons - Residential



\$ 118.99

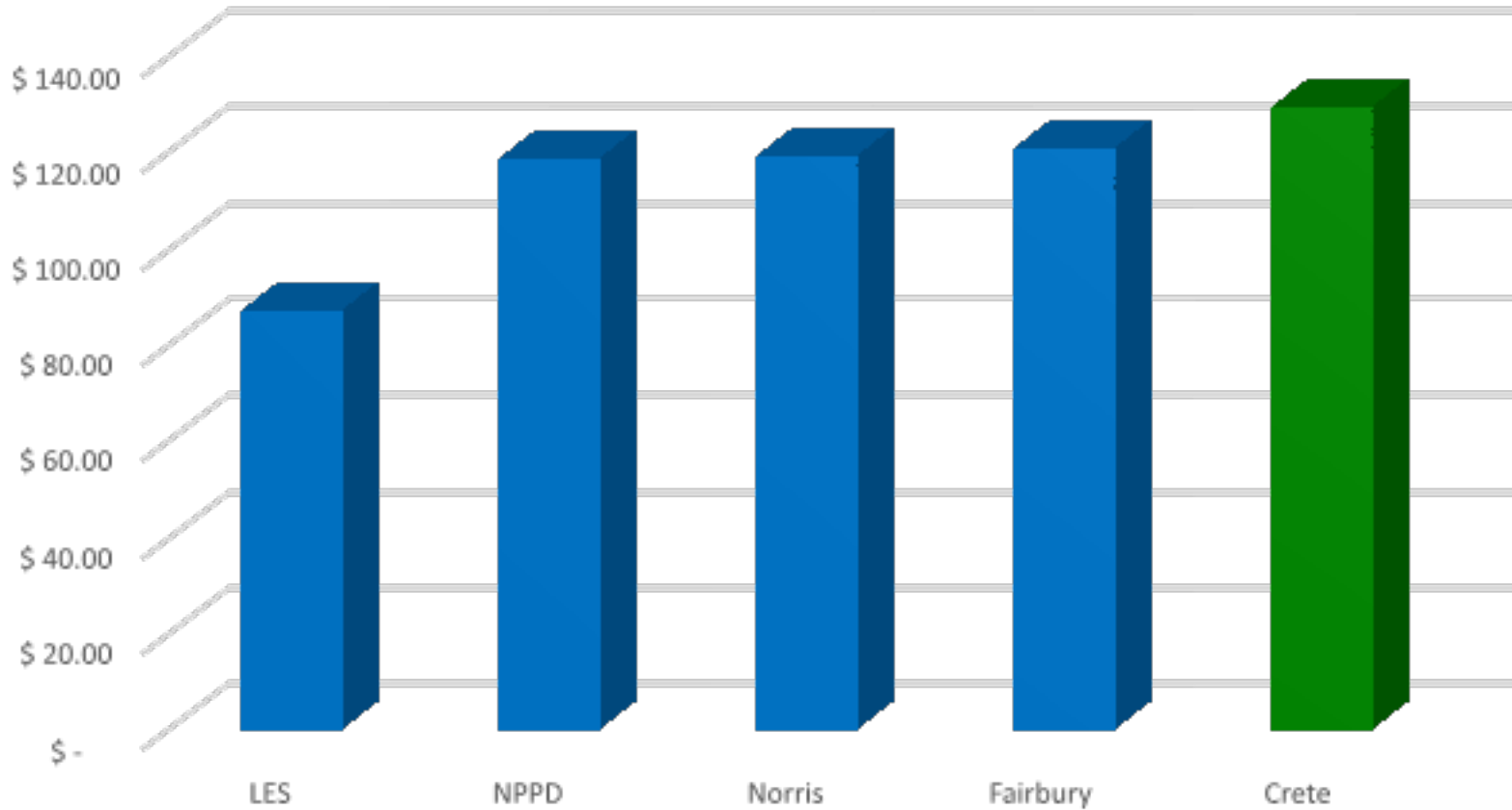
\$ 119.53

\$ 121.06

Rate Comparisons - Residential

\$ 87.00

Winter – 1,000 kWh



Conclusions

- Rate increases of 7% in FY 2026 and 7% in FY 2027 are necessary to ensure sufficient revenue to cover projected expenses
- Customer charge is less than the cost of service
- Cost of service indicated following rate changes relative to system average
 - General Service: Lower
 - Large Power: Higher
 - Residential / General Service Demand: Close to system average

Recommendations

- Adopt rate ordinance in Appendix A to implement a 7% rate increase on January 1, 2026 and 7% rate increase on January 1, 2027
- City should consider implementing 6% rate increases in FY 2028 and FY 2029, depending on cost trends
- Review rates on a regular basis, particularly as purchased power or internal operating costs increase

Contact Information

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Smithfield, Nebraska 68976
jk@jkenergyconsulting.com
Phone: 402-440-0227

Cost of Service / Rate Design Study

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Projected Financial Results

- Purpose
 - Compare revenues and expenses for current budget and future years through FY 2030
 - Determine need for future rate increases
- On a cash basis, deficit of \$719,000 in FY 2025 increasing to a deficit of approximately \$3.6 million in FY 2030
 - Between now and FY 2030, rates would need to increase 33% to cover projected deficit

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 - Funding of City's capital improvement plan
 - General cost escalation

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Cost of Service

- Purpose
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 - Compare cost of service to revenue under existing rates
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6

Cost of Service

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8

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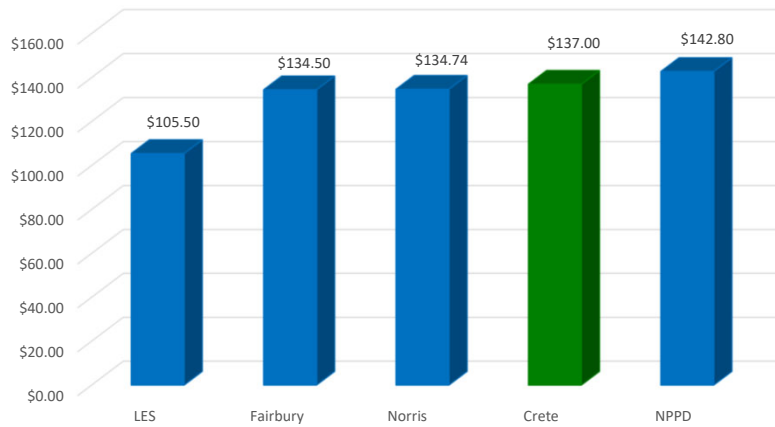
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- General Service Demand: 6.9%
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Rate Comparisons - Residential

Summer – 1,000 kWh

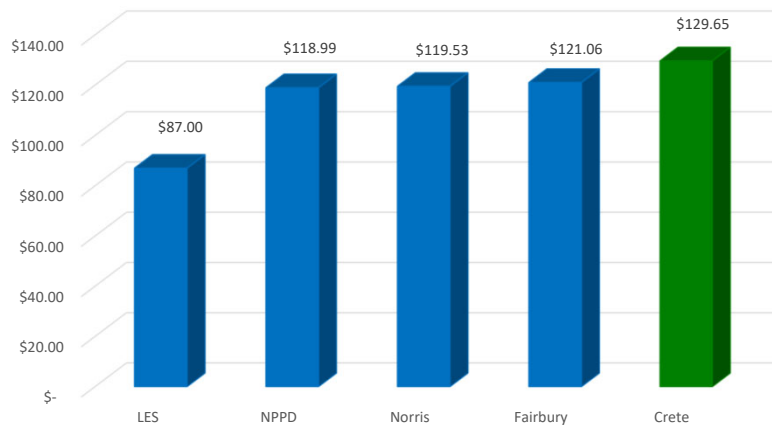


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JKEC
JK Energy Consulting, LLC

Rate Comparisons - Residential

Winter – 1,000 kWh



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JKEC
JK Energy Consulting, LLC

Conclusions

- Rate increases of 7% in FY 2026 and 7% in FY 2027 are necessary to ensure sufficient revenue to cover projected expenses
- Customer charge is less than the cost of service
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 - General Service: Lower
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Recommendations

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Contact Information

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**CRETE MUNICIPAL AIRPORT
RULES AND REGULATIONS**

**CRETE MUNICIPAL AIRPORT
RULES AND REGULATIONS**

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**CRETE MUNICIPAL AIRPORT
RULES AND REGULATIONS**

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CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

1. GENERAL

- a. **FAA INFORMATION:** The Crete Municipal Airport (CEK) is a General Aviation Airport.
- b. **APPLICABILITY:** All provisions of the Federal Aviation Regulations, the Nebraska Revised Statutes and state/county regulations, the ordinances of the City of Crete, Nebraska, and these Rules and Regulations apply to all Lessees, users of, and persons on any portion of the property owned or controlled by the City.
- c. **DISSEMINATION AND COMPLIANCE:** Lessees are responsible for the dissemination of, accessibility to, and compliance with these Rules and Regulations by Lessees and their agents, employees, guests, invitees, hirees, families, successors, or assigns.
- d. **INSTRUCTIONS FROM AIRPORT MANAGER:** Instructions issued by the Airport Manager to individual persons or Lessees, whether written or verbal as situations permit, must be complied with inasmuch as such instructions or directives are in the interest of safety, sound management, and efficient operations of the Airport.
 - The Airport Manager shall have the right at any time to close the Airport in its entirety or any portion thereof to air traffic, to delay or restrict any flight or other Aircraft operation, to refuse takeoff permission to Aircraft, and to deny the use of the Airport or any portion thereof to any specified class of Aircraft or to any individual or group, when the Airport Manager considers any such action to be necessary and desirable to avoid endangering persons or property and to be consistent with the safe and proper operation of the Airport. In the event the Airport Manager determines the conditions of the Airport or any part thereof to be unsafe for taxiing, landings, or takeoffs, the Airport Manager shall issue or cause to be issued a Notice to Airmen (NOTAM) closing the Airport or any part thereof.
- e. **REFUSAL TO COMPLY:** Any person who violates, disobeys, omits, neglects, or refuses to comply with any provisions of these Rules and Regulations or any lawful order issued pursuant thereto may be denied the use of the Airport by the City in addition to the penalties set by federal, state, or local authorities. The City may take such other measures as permitted by law to enforce these Rules and Regulations.
- f. **NON-LIABILITY OF THE CITY:** The City assumes no responsibility for any loss, injury, or damage to persons or property unless caused by gross negligence of the City. The permission granted by the City to use the Airport and its facilities or to fly to, from, or over the same shall be conditioned upon the assumption of full responsibility for any loss, injury, or damage by every person exercising or taking advantage of such permission. It shall be a further condition that each person or entity, as a consideration for the use of the Airport and its facilities, shall at all times release, hold harmless, and indemnify the City, its Board, directors, employees, and agents from any and all responsibility, liability, loss, or damage resulting to such person, entity, or their property unless caused by gross negligence of the City. The use of the Airport by any person or entity, the paying of any fees and charges, or the taking off or landing Aircraft shall be in and of itself an acknowledgement that such person or entity accepts such privileges on the conditions herein set forth.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

2. USE OF AIRPORT AND OPERATION OF AIRCRAFT

a USE OF AIRPORT: Subject to all rules and regulations adopted by the City, whether now in effect or later adopted, Lessees shall have the right to non-exclusive use of the Airport's landing field, runways, and other public facilities. No person shall engage in a commercial operation without first entering into an agreement with the City. *See the Commercial Operations section of these Rules and Regulations.*

b LOITERING/TRESPASSING: No persons, other than an employee of the City or of a business located on the Airport or Lessees making use of their leased hangar, shall loiter on the Airport or in any building on the Airport for a period of time longer than reasonably necessary to (1) transact business or (2) meet persons arriving/departing a flight. Trespassing within or on the Airport is prohibited.

c CONTROL/SAFETY DEVICES: Disconnecting, bypassing, or otherwise compromising any control or safety device on any Airport facility is prohibited. Any such action shall be considered a valid reason to terminate any lease and/or deny persons the use of the Airport. Lessees are responsible for security/control within their leased areas and for controlling access to doors, gates, and other passageways into and within the Air Operations Area (AOA). A breach in security caused by a Lessee that results in a finding of negligence by the Airport Manager will be cause to review, suspend, or withdraw access privileges, impose additional training requirements, and/or impose other penalties as provided by these Rules and Regulations and the Airport Security Program.

d OPERATION OF AIRCRAFT: Lessees are responsible for operating any aircraft on the Airport in accordance with all applicable State and Federal Aviation Rules and Regulations.

e INSTRUCTOR AND STUDENT RESPONSIBILITIES: Instructors shall fully acquaint their students with these Rules and Regulations and shall be responsible for the conduct of the students under their direction during dual instruction. When a student is operating an aircraft independent of an instructor, it shall be the student's sole responsibility to observe and abide by these Rules and Regulations.

f MODEL AIRCRAFT/DRONES/ROCKETS: Use of radio controlled model aircraft and/or drones or launching of rockets within or on Airport property without Airport Manager [and City of Crete](#) permission is prohibited.

3. REPORTING; ACCIDENTS OR INCIDENTS

All persons shall report situations that may potentially affect health, welfare, or safety of persons and/or property to the Airport Manager as soon as practical. Any person involved in or witnessing an aircraft or vehicle accident on the Airport that results in any injury (or death) to a person or damage to property shall remain at the scene, notify the Airport Manager's emergency number as soon as possible, and provide all pertinent information as requested.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

4. WEAPONS; HUNTING/SHOOTING

~~a. FIREARMS: No person shall carry, possess, or otherwise have on his or her person a firearm while in the public areas of the Airport, regardless of whether such person has a permit to carry a concealed handgun under the Concealed Handgun Permit Act. Any person found to be carrying a firearm in any public area shall be ordered to immediately leave the Airport in addition to any other penalties that may be imposed according to law. The Airport Manager is authorized to post conspicuous notice that carrying or possessing a firearm in any public area of the Airport is prohibited.~~

ba. HUNTING/SHOOTING: There shall be no hunting or shooting of firearms within or on the Airport.

5. AIRCRAFT OPERATIONS

a. STARTING OR RUNNING AIRCRAFT ENGINES: No Aircraft engine shall be started or run unless a qualified, certificated pilot or mechanic is attending the Aircraft controls and only in the locations designated for such purposes by the Airport Manager. Exceptions may be made for aircraft with no electrical system where hand-starting/hand-propping is required. No Aircraft engine shall be started without appropriate fire extinguisher equipment readily available. Aircraft engines shall not be operated in such position that persons, structures, or property may be endangered by the path of the Aircraft propeller slip-stream, jet blast, or rotor-wash.

b. SECURING AIRCRAFT: Aircraft shall not be left unattended at any area of the Airport, including leased premises, unless the Aircraft is properly secured ~~to the Airport Manager's satisfaction~~. Securing of Aircraft shall be the sole responsibility of the owner and/or operator of the Aircraft.

c. TAXIING INTO OR OUT OF HANGARS: Aircraft engines shall not be operated inside any hangar. No Aircraft shall be taxied into or out of a hangar under its own power. ~~Aircraft shall yield the right-of-way to all mowing and snow removal equipment.~~

d. HELICOPTERS: Except in emergencies, no landing or taking-off of helicopters shall be made, except on designated Airport runways, ramps/aprons, or heliports, without express written permission from the Airport Manager.

e. DISABLED AIRCRAFT: Any owner, Lessee, operator, or other person having the control of or the right to control any disabled Aircraft on the Airport shall be responsible for the removal and disposal of any and all parts of the disabled Aircraft within the time frame specified by the Airport Manager. Such removal or disposal is subject to any requirements of or direction by the National Transportation Safety Board, the Federal Aviation Administration, or the Airport Manager and may be delayed pending an investigation of an accident. The Airport Manager is authorized to take any and all necessary action to effect the prompt removal or disposal of disabled Aircraft that obstruct any part of the Airport utilized for Aircraft operations and shall not be liable for any damage or injury which may result from such removal or disposal. Any costs incurred by or on behalf of the City for any removal or disposal of any Aircraft or parts of Aircraft shall be paid to the City by the owner/operator.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

f. **PARKED AIRCRAFT:** Upon direction of the Airport Manager, except as provided for in a lease, the operator of any Aircraft parked at the Airport shall move said Aircraft from the place where it is parked. If the operator refuses to comply with such directions, the Airport Manager may arrange for the relocation of said aircraft at the expense of the owner or operator and shall not be liable for any damage or injury which may result. During snow removal, parking is limited to the ramp/apron until equipment is off the aeronautical use areas, including but not limited to, taxiways, runways, hangar pads, etc. The City does not warrant the security of parked aircraft and is not responsible for any loss or damage through the towing of aircraft, theft, vandalism, weather, or otherwise.

6. VEHICLE OPERATIONS

a. **INGRESS AND EGRESS:** Lessees shall have at all times the right of reasonable ingress to and egress from their leased premises, subject to acts of God, severe weather conditions, acts of war, or physical impossibility. Lessees may only use vehicles authorized by the Airport Manager for vehicular access to the hangars.

b. **SPEED LIMIT:** The maximum speed limit in the T-Hangar area is 15 MPH.

c. **RIGHT-OF-WAY:** Aircraft have the absolute right-of-way at all times. Pedestrians and mowing and snow removal equipment shall have the right-of-way at all times over vehicular traffic.

d. **REPAIR OF MOTOR VEHICLES:** No person shall clean or make any repairs to motor vehicles anywhere on the Airport. Minor repairs necessary to remove inoperable motor vehicles may be permitted if done within a reasonable period of time according to the circumstances; otherwise, the Airport Manager may order such vehicles towed from the Airport at the owner's expense and liability.

e. **REMOVAL:** Vehicles found to be blocking or obstructing Airport operations will be removed at the discretion of the Airport Manager. If any such vehicle cannot be moved because of needed repairs, the Airport Manager may order it towed from the Airport at the owner's expense and liability. The City is not liable for damage to any vehicle or loss of personal property which might result from the act of removal.

f. **PARKING:** All places upon the Airport, unless specifically established or designated for vehicular parking, shall be "No Parking" areas, and no person shall stop, stand, or park a vehicle any place upon the Airport other than at places specifically established or designated for vehicular parking. The City does not warrant the security of parked vehicles and is not responsible for loss or damage through theft, vandalism, weather, or otherwise.

7. HANGAR USE

Lessees shall use the premises primarily for the storage and maintenance of aircraft owned or leased by Lessees. Lessees may store tools, parts, and other equipment necessary for the maintenance of aircraft within hangars in accordance with federal and state laws, regulations, and standards. If a Lessee fails or ceases to store an aircraft in a hangar, their lease is subject to termination. Unleased hangars shall remain vacant, and storing items, loitering, and trespassing in or around unleased hangars is prohibited.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

8. T-HANGAR LEASE

a. LESSEE AGREEMENT: Lessees must use leased premises only for the storage and maintenance of aircraft owned or leased by Lessees, as identified in their lease agreements, and for no other use. Lessees may not commit or permit any act to be performed on the property or any omission to occur which would be in violation of any statute, regulation, or ordinance of any governmental body. Lessees shall be responsible for all federal, state, and local permits necessary or required.

b. PERMITTED ACTIVITIES:

- i. Lessees, with their own equipment and employees or agents, are allowed to perform ~~minor~~ maintenance, ~~as determined by the Airport Manager within the bounds of FAA regulations,~~ on aircraft within their leased premises, provided it is not done in a manner that would be unsafe, unsightly, or detrimental to the efficient use of Airport facilities by others. In the event the services of an aircraft mechanic are required, the aircraft must be relocated to an authorized maintenance facility ~~on the Airport. Maintenance not permitted for aircraft owners by FAA regulations may be completed within the hangar if the mechanic hired is licensed and submits documentation of their insurance to the City of Crete and its agents.~~
- ii. The cleaning of motor parts or other parts of the aircraft within the hangar may only be performed with nonflammable liquids.
- iii. Lessees may have their aircraft fueled, washed, repaired, or painted by those fixed-base or independent commercial operators authorized to provide such services by agreement with the City.
- iv. The hangar electrical system is designed for light-duty service only. In addition to basic lighting fixtures, only portable electrical appliances with a combined electrical load not to exceed 15 amps may be connected. All such appliances shall be properly grounded.
- v. Vehicles may be parked in Lessee's hangar in conjunction with aircraft use.

c. PROHIBITED ACTIVITIES:

- i. The leased premises shall not be used for any non-aeronautical use, including but not limited to, storage of any items not directly related to or associated with the normal use or operation of such aircraft, doping or spray painting, automotive repair or storage, recreational vehicle repair or storage, nor shall the leased premises be used for any commercial purpose.
- ii. Aircraft shall not be fueled, refueled, or drained while the engine is running or while any portion of the aircraft is within the hangar.
- iii. Aircraft batteries shall not be charged while any portion of the aircraft is within the hangar, except for the use of approved low-amperage battery tenders/maintainers which run intermittently and can provide tenant with alerts when necessary. Tenant must request permission and receive approval from airport manager prior to installation.

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- iv. Use of area heaters, regardless of type, is prohibited in the hangars without prior authorization by the Airport Manager. This prohibition does not apply to approved engine pre-heaters.
- v. Smoking or open flames of any kind are strictly prohibited in the T-Hangars or anywhere within the Air Operations Area (AOA) of the Airport without prior authorization by the Airport Manager. This includes, but is not limited to, matches, lighters, barbeques, charcoals, wood fires, propane gas grills, natural gas grills, fuel burning appliances (including heaters), etc.
- vi. Lessees may store no more than twelve (12) quarts (for single-engine aircraft) or twenty-four (24) quarts (for twin-engine aircraft) of aviation motor oil in their assigned space. Used oil may not be stored and shall be immediately removed from Airport property after maintenance is performed. Lessees may store no more than a combined total of five (5) gallons of gasoline, oil, or other hazardous materials, hazardous maintenance supplies, or combustible or flammable materials and no more than ten (10) aerosol cans in their assigned space, unless stored in an approved flammable storage cabinet. The storing or maintaining of any amounts in excess of the amounts described above shall be cause for immediate termination of a lease with no refunding or prorating of any amounts of prepaid lease payments. In the event of such lease termination, the premises must be immediately vacated by the Lessee, without any further notice being required to be given. *See also the Hazardous Materials Handling section of these Rules and Regulations.*
- vii. No electrical motor or appliances shall be located within 18 inches of the hangar floor.
- viii. Modifying any hangar space is prohibited without prior written permission of the City. Any removal and/or repair by the City to return the T-Hangar to original condition will be at the Lessee's cost.
- ix. The use of a lock, other than the lock issued by the City, on the hangar door is prohibited. The City reserves the right to remove private locks at its discretion.
- x. Vehicles parked or left unattended outside of the T-Hangar are subject to being towed away at owner's expense.

9. HANGAR MAINTENANCE.

a. MAINTENANCE AND DAMAGES: The City shall maintain the T-Hangar at its expense, except that the cost to repair any damage to a leased premises caused by a Lessee or its employees, members, agents, or invitees shall be paid by the Lessee. The Airport Manager should be contacted if maintenance of the hangar or other services are required.

b. SNOW/ICE REMOVAL BY CITY: The City shall provide snow/ice removal in the general area according to the priority established by the FAA. Special requests may be made to the Airport Manager; however, the City will not perform detailed ice or snow removal.

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c. SNOW/ICE REMOVAL BY LESSEES: Lessees shall be responsible for snow or ice removal within their hangars and within three feet (3') of the hangar doors, which will not be serviced by the City snow removal equipment.

10. COMMERCIAL OPERATIONS; SOLICITING.

a. PERMISSION: Persons desiring to engaging in a permanent Commercial Operation at the Airport must enter into an agreement with the City describing the terms and conditions of the proposed commercial operation. Persons desiring to engage in a temporary or transient Commercial Operation, such as helicopter towing operations, agricultural spraying operations, or banner towing, must receive prior written approval of the Airport Manager.

b. FACILITY REQUIREMENTS: Repairs performed by a commercial operation shall be made only on leased sites where specifically permitted by the City. Aircraft repair work may be performed on ramps/aprons only with prior written permission from the Airport Manager. No person shall effect repairs to aircraft or engines, except emergency repairs, unless in the spaces designated for that purpose. Stripping, preparing, doping, and painting of aircraft shall only be performed in facilities approved for such operations and specifically permitted by the City.

c. USE OF HAZARDOUS/FLAMMABLE/COMBUSTIBLE MATERIALS: When using hazardous, flammable, or combustible materials, the cleaning, repair, or maintenance of motor parts and other parts of aircraft shall be performed a safe distance from other aircraft or buildings. If flammable liquids are employed, operations shall be carried out in the open air or in a separate room located in the repair shop section and separated from storage and operation areas by fire resistant partitions in compliance with applicable fire safety regulations. *See also the Hazardous Materials Handling section of these Rules and Regulations.*

d. HANGAR LESSEES: Lessees basing an aircraft at the Airport shall not permit said aircraft to be used for a commercial operation unless such commercial operation is expressly authorized by agreement with the City.

e. COMMERCIAL FLIGHT INSTRUCTION: No person shall permit an aircraft based or maintained at the Airport to be used for commercial flight instruction without compliance with all FAA regulations, submission to the City of proof of insurance for such operation, and written permission of the City.

f. FLYING CLUBS: Flying clubs must be organized corporations under Nebraska law and operate on a nonprofit basis so as not to receive revenues greater than the costs to operate, maintain, acquire, and/or replace flying club aircraft. All flying club aircraft must be registered in the name of the flying club and be owned equally by its members. Club members cannot engage in and club aircraft cannot be used for commercial ventures, purposes, or operations.

- i. A current roster of officers and directors of each flying club must be filed with the Airport Manager.
- ii. All aircraft owned, leased, or used by a flying club must be registered with the Airport Manager.

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g SOLICITING: No person shall solicit, offer for hire or sale, or engage in any commercial operation or charitable activity of any nature on, upon, within, or from the Airport except with the prior approval of the City.

h INSURANCE: Persons engaged in commercial operations are required to obtain and continuously maintain insurance coverage as determined by the City to cover the risks associated with the commercial operation or Airport use that is being undertaken.

11. SAFETY EQUIPMENT:

a FIRE EXTINGUISHERS: At the commencement of their Lease, Lessees shall obtain for placement on the premises and continue to maintain and annually inspect a fire extinguisher of ten pounds (10 lbs.) or higher, class ABC. or of a type and style as shall be designated by the City.

b FIRST AID KITS: All hangars must contain basic first aid kits as designated by the City.

c OTHER: Lessees shall also obtain and maintain any other safety equipment as may be required by the City. The City may change or modify safety equipment requirements for Lessees, at any time, by giving them thirty (30) days' notice of any changed or additional safety equipment requirements.

12. RUBBISH; DEBRIS; STORAGE

Lessees shall keep their leased areas free from rubbish and debris. All fire doors and other fire prevention apparatuses shall be freely accessible and kept unobstructed at all times. Storing boxes, rubbish, pallets, crates, or paper is prohibited.

13. HANGAR REMODELING, MODIFICATION, REPAIRS, IMPROVEMENTS

a REPORTING OF DAMAGE/MODIFICATION REQUESTS: Lessees shall immediately report to the Airport Manager any damage to or defects in their hangars. In no event shall Lessees be allowed or permitted to make any remodeling, modifications, repairs, improvements, etc. to the hangars without the prior written approval and consent of the City.

b REPAIRS/IMPROVEMENTS: In the event any repairs or improvements need to be made, installed, or completed on the premises being rented by a Lessee, whether caused by or attributable to the negligence of the Lessee or not, any and all such repairs or improvements are to be completed by the City or a contractor of its choice. Any repairs needed to be made due to the negligence or omission of a Lessee shall be immediately charged to the Lessee who shall be responsible for paying the same, in its entirety, within fourteen (14) days after receipt of such charges.

c RESTORE PREMISES: In the event a Lessee defaults or terminates a lease agreement, the Lessee shall restore the premises to the condition it had at the beginning of the lease term or as the same may have been remodeled during the lease term, normal wear and tear excepted.

d ATTACHMENTS TO HANGER: Lessee shall not attach any piece of equipment to the interior or exterior of their hangar without express written permission from the City.

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14. HAZARDOUS MATERIALS HANDLING

- a GENERAL CLEANLINESS: Hangars, including floors, shall be kept clean and clear of the accumulation of oil, grease, flammable liquids, rags, or other waste materials.
- b STORAGE: Storage in the hangar shall be neat and minimal with unobstructed fire or emergency access to the rear of the hangar at all times. Oily rags or other materials soiled with petroleum-based products may only be stored in metal containers with self-closing, tight-fitting lids. Approved storage of hazardous waste on the Airport must be placed in suitable receptacles with self-closing covers that are properly secured. The use and storage of all flammable materials (solid and liquid) shall be in compliance with all regulatory measures, including the International Fire Code, the Airport's SWPPP, and all applicable federal, state, and local regulations.
- c STORAGE LIMITS – T-HANGARS: Lessees may store no more than twelve (12) quarts (for single-engine aircraft) or twenty-four (24) quarts (for twin-engine aircraft) of aviation motor oil in their assigned space. Used oil may not be stored and shall be immediately removed from Airport property after maintenance is performed. Lessees may store no more than a combined total of five (5) gallons of gasoline, oil, or other hazardous materials, hazardous maintenance supplies, or combustible or flammable materials and no more than ten (10) aerosol cans in their assigned space, unless stored in an approved flammable storage cabinet. Hazardous and/or combustible or flammable materials are required to be stored in properly marked UL or OSHA approved containers and in an approved flammable storage cabinet.
- d STORAGE LIMITS – COMMERCIAL OPERATIONS: Commercial operations shall be allowed to maintain and/or store no more than a combined total of two hundred twenty (220) gallons of gasoline, oil, or other hazardous materials, hazardous maintenance supplies, or combustible or flammable materials on the premises. Hazardous and/or combustible or flammable materials are required to be stored in properly marked UL or OSHA approved containers and in approved flammable storage cabinets. ~~The Airport Manager~~ The City of Crete may allow the storing or maintaining of any amounts in excess of the limit listed above upon written request.
- e DISPOSAL: No fuels, oils, dopes, paints, solvents, acids, or any other hazardous liquids shall be disposed of or dumped in drains, on ramp/apron areas, catch basins or ditches, or elsewhere on the Airport unless into containers clearly identified for the recycling of such liquids.
- f MSDA SHEETS: Material safety data sheets (MSDS) for all hazardous materials shall be maintained on-site so as to be readily available to emergency responders in the event of an emergency and for review by the Airport Manager and the Fire Marshal.
- g SPILL KITS: All hangars shall contain strategically placed spill kits to be used for the immediate containment of any spills. A spill kit must include sufficient absorbents to clean up at least five (5) gallons and spill containment capable of damming or diking a spill.
- h SPILL CLEANUP: In the event a hazardous spill of any magnitude occurs, the person responsible for causing such spill shall take immediate action and be responsible for the containment, cleanup, and remediation of such hazardous spill.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

PROCEDURES TO BE IMPLEMENTED IN MANAGING A HAZARDOUS SPILL:

- 1) Determine the threat to the immediate public.
- 2) Contain the spill with an absorbent.
- 3) Block all stormwater drains that could be impacted by such spill.
- 4) Apply the proper absorbent from strategically placed spill kits. All liquids and/or absorbents shall be disposed of or reused per applicable regulatory measures.
- 5) Make a record of the spill at the facility.
- 6) Notify the Airport Manager who may have additional requirements based on the nature and quantity of the spill.

i SPILL REPORTING: The City requires the immediate reporting of any hazardous spill in excess of five (5) gallons (calling 911 is deemed sufficient). Hazardous spills that require reporting include, but are not limited to, jet fuel, gasoline, fuel oil, hydraulic oil, motor oil, turbine oil, alcohol, glycol, and all similar chemicals that could be considered hazardous.

j LIABILITY: All hazardous, flammable, and/or toxic materials shall be used, stored, and disposed of in accordance with these Rules and Regulations and all applicable federal, state, and local laws, rules, and regulations and at the sole risk of the user. The user of any hazardous substance shall be fully and personally liable for any violation of such rule, regulation, or law, along with the cost of any cleanup or damage that may result from such use. Should the Airport Manager determine that, during the course of an environmental incident, the responsible party is not capable of, has not, or refuses to take the appropriate action in a timely manner to mitigate the adverse environmental incident (in the sole discretion of the Airport Manager), the Airport Manager reserves the right to take action and/or employ those services that the Airport Manager determines appropriate to control and/or clean up the site. The cost of such services shall be borne by the responsible party.

15. AVIATION FUELING OPERATIONS AND HANDLING

a PERMISSION: Except for self-fueling, fuels shall only be dispensed on the Airport by those fixed-base operators and self-fueling entities that have a written agreement with the City granting such permission, and the fueler shall comply with all orders, procedures, and minimum standards for commercial aeronautical activities set forth by the City.

b TRAINED OPERATOR: A properly trained operator shall be present, responsive, and in direct view of all operating controls and equipment at all times while fuel delivery vehicles transfer fuel into or out of any fuel storage facility. The operator shall not block open, disengage, and/or deactivate the “deadman” switch while fueling and/or transferring fuel.

c TRAINING: Except for self-fueling and self-service fueling, no person shall fuel or defuel an aircraft until that person is properly trained. Records shall be kept by all fixed-base operators documenting the training provided and qualifications of each person trained. Recurrent training shall be provided on a regularly scheduled basis but not less than annually. All records shall be subject to review and/or inspection by the Airport Manager or Fire Marshal.

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d FUELING: No aircraft shall be fueled with an engine running (hot-fueling) unless prior authorization has been obtained from the Airport Manager and the fueling operator.

- i. No aircraft shall be fueled or defueled unless the point of contact between the fuel transfer device (e.g., fuel nozzle) and the aircraft fuel tank is at least eight feet (8') away from any hangar structure or enclosed space. Aircraft fuel handling shall be conducted outdoors and at least 50 feet from any combustion and ventilation air-intake to any boiler, heater, or incinerator room or as approved by the Fire Marshal.
- ii. Fueling hoses, funnels, and apparatuses shall be equipped with a bonding device to prevent the ignition of volatile liquids. During any fueling process, the aircraft and the fueling apparatus shall both be bonded to equalize voltage potential.

e HAULING/PORTABLE FUEL TANKS: The hauling of fuel tanks in any vehicle shall conform to the current applicable provision of the DOT Hazmat Guidelines, all applicable regulatory measures, and all appropriate NFPA guidelines.

f CONTAINERS: Pouring or gravity transfer of fuel from containers larger than five (5) gallons is prohibited. All containers shall be approved by the Fire Marshal and shall be an approved type pursuant to UFC Sec. 79.104 and legibly labeled. Capacity shall conform to UFC Table No. 79.104.

g SPARK/IGNITION: No person shall smoke or use any material or equipment that is likely to cause a spark or ignition within 100 feet of any fueling or defueling operations or use any material or equipment that is likely to cause a spark or ignition.

h CARE AND CAUTION: All fuel handled on the Airport shall be treated with due caution and circumspection with regard to the rights and safety of others so as not to endanger or likely endanger persons or property.

i SPILLAGE AND SPILL KITS: Care shall be exercised to prevent spillage of fuel. The Airport Manager shall be notified any time spillage in excess of five (5) gallons occurs. Any fuel spilled during transfer shall be immediately removed. No engine of any aircraft shall be started when fuel is on the ground under such aircraft, except sump drain checks. *See also the Hazardous Materials Handling section of these Rules and Regulations.*

- Each hangar shall have a minimum 5-gallon spill kit. Each refueling vehicle shall have a minimum 15-gallon spill kit. Each fuel storage facility shall have a minimum 55-gallon spill kit.

j AVIATION GASOLINE PROHIBITED IN MOTOR VEHICLES: Fuels not meeting motor vehicle fuels specifications, such as aviation gasoline, jet fuel, and transmix, are prohibited from being supplied, sold, or transported for use in motor vehicles.

k CONFORMANCE WITH REGULATIONS: Fueling, defueling, and fuel storage activities on the Airport shall conform to all federal, state, and local regulations.

**CRETE MUNICIPAL AIRPORT
RULES AND REGULATIONS**

16. INSPECTION

The City reserves the right to make periodic inspections of all buildings upon the Airport for the purpose of preventative maintenance. The Airport Manager may enter and inspect any leased premises for the purpose of insuring compliance with lease agreements. The Airport Manager shall endeavor to provide at least twenty-four (24) hour prior notice of scheduled inspections to Lessees. In the event of an emergency, the Airport Manager and/or City may enter any leased premises without prior notice to respond to such emergency.

17. SURRENDER OF PREMISES

Lessees must peaceably surrender possession of any leased premises to the City at the end of their lease term in as good a condition as when possession of the premises was given to them, acts of God and usual wear and tear excepted. Upon the breach of any covenant or term of a lease agreement and after ten (10) days' notice, the City may enter a leased premises and remove all of the property contained therein.

18. APPEAL PROCESS

Any person found in violation of these Rules and Regulations or any order or directive of the Airport Manager related thereto, including a 30-day notice of termination of tenancy, may appeal such finding, order, or directive by submitting a written request for appeal to the City, except that a three-day notice to pay rent, cure default, or quit is final and not subject to appeal. The request for appeal must be submitted to the Airport Manager within 10 days of being duly notified of such violation. The request for appeal shall contain (1) a statement specifying the grounds for the appeal (2) all material facts in support of the appeal, and (3) the signature of the appellant. The Airport Manager shall, as soon as practicable but no longer than 30 days after receipt of the appeal, schedule a hearing on the appeal with the City. The appellant shall receive at least a five (5) day notice of the hearing date, time, and location. Upon conclusion of the hearing, the City shall either uphold or deny the appeal and shall issue a written notice setting forth the reasons for the decision. The decision of the City shall be final.

AGREEMENT AND SIGNATURE

I have read, understand, and agree to the Crete Municipal Airport Rules and Regulations.

Lessee: _____

Signature: _____

Date: _____

Printed Name: _____

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

DEFINITIONS

Unless otherwise expressly stated or the context requires, the following terms shall, for the purpose of these Rules and Regulations, have the meaning herein indicated.

Abandoned Aircraft - Any Aircraft left unattended on Airport property in an inoperable condition or under such circumstances that evidence an intention by the owner/operator to voluntarily surrender, relinquish or disclaim the Aircraft. Any Aircraft left in unleased space for 30 days shall be considered abandoned.

Abandoned Motor Vehicle - A motor vehicle shall be deemed to be an abandoned vehicle if left unattended:

- (a) With no number plates affixed thereto for more than six (6) hours on any public property;
- (b) For more than twenty-four (24) hours on any public property except a portion thereof on which parking is legally permitted;
- (c) For more than forty-eight (48) hours after the parking of such vehicle shall become illegal; or,
- (d) For more than seven (7) days on private property if left initially without permission of the owner or after permission of the owner terminates.

Access Gate - Any device or barrier through which ingress or egress can be made to and/or from the Air Operations Area (AOA) and/or Security Identification Display Area (SIDA).

Air Operations Area (AOA) - The Air Operations Area shall be all areas of the Airport within the perimeter fencing exclusively reserved for the operation, placement, movement, and storage of Aircraft and all areas adjacent thereto as defined by FAA regulations and/or the Executive Director. This area does not include the Secured Area.

Aircraft - All contrivances now known or hereafter designed, invented, or used for navigation or flight in the air.

Aircraft Maintenance - Inspection, overhaul, repair, preservation, and replacement of parts, including preventative maintenance as described in Part 43 of the Federal Aviation Regulations.

Airport - All land and improvements owned and/or under the care, custody, and control of the City and located within the geographical boundaries of the Crete Municipal Airport, Saline County, Nebraska.

Airport Certification Manual - The FAA approved document containing the operating standards and procedures of the Airport as prescribed in FAR Part 139.

Airport Identification - A badge or card issued by the City for the purpose of identification, vehicle operation, security, and access of persons.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

Airport Manager - The person appointed by the City to have immediate supervision of the administration and operation of the Airport. The Airport Manager may employ and designate staff to act in his behalf in the promulgation of City policy. Wherever in these Rules and Regulations the Airport Manager is referenced, it shall mean and include the Airport Manager or the Airport Manager's designated representative.

Airport Marking Aids - Markings used on runway and taxiway surfaces to identify a specific runway, a runway hold line, centerline, threshold, etc.

Airport Operations - The division within the Airport organizational structure responsible for monitoring and controlling daily Airport activities and functions.

Apron – see Ramp/Apron Areas.

ARFF - Aircraft Rescue and Fire Fighting.

Auto Gas - Fuel designed and manufactured to be used in automobiles, as opposed to "AVGAS" which is designed and manufactured to be used in Aircraft.

CFR - The United States Code of Federal Regulations.

Cities Airport Authorities Act - Neb. Rev. Stat. §§ 3-501 to 514 (Reissue 1997) or as may be amended from time to time.

City - The City of Crete, Nebraska.

Commercial Aircraft Operator - Any entity that holds a certificate of public convenience and necessity issued pursuant to Section 40 I of the Federal Aviation Act of 1958, as amended, a commuter air carrier as defined by Civil Aeronautics Board Regulation Part 204.3(d), J and/or that holds a certificate subject to FAR Parts 61, 121, 141, 135 and/or any other FAR applicable to the transport of passengers or items for hire or to providing commercial aeronautical services or activities on a non-scheduled or regularly scheduled basis at the Airport.

Commercial Non-Aeronautical Activity - Any commercial operation not directly related to the operation of Aircraft (e.g., restaurant, rental car, or other concessions).

Commercial Non-Signatory Aircraft - An Aircraft operated by or for a commercial Aircraft operator that does not have in effect a current use and/or lease agreement with the City at the time of landing or takeoff of said Aircraft.

Commercial Operation - To engage in the auction, lease, sub-lease, barter, trade, offer, advertising, holding out, or providing of any goods or services to the public.

Commercial Signatory Aircraft - An Aircraft operated by or for a commercial Aircraft operator that has in effect a current use and/or lease agreement with the City at the time of landing or takeoff of said Aircraft.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

Contractor - Any person or company doing service, construction, or installation work on the Airport under a contract basis and who is not a tenant or vendor.

Courtesy Vehicle - Those properly identified vehicles that are used on a not-for-hire basis in the business operation of any hotel, motel, parking lot, or auto rental office or any vehicle used solely to transport customers at no charge between points at the Airport and such enterprises.

Crete Airport - All land and improvements owned and/or under the care, custody, and control of the City.

DHS - The United States Department of Homeland Security.

DOT - The United States Department of Transportation.

Driver - Any person who is in actual physical control of a vehicle.

Escort - The accompaniment of a person or vehicle not authorized to be on the AOA or SIDA by a person who is so authorized and properly displays Airport identification.

Environmental Laws - All federal, state, and local laws relating to environmental matters.

FAA - The United States Federal Aviation Administration.

FAR - The United States Federal Aviation Regulations.

Fire Codes - The fire codes adopted and enforced by the City of Crete and/or the State of Nebraska.

Fire-resistant - The capability of materials manufactured, designed, or certified to be resistant to damage by fire.

Fixed Base Operator (FBO) - An individual or firm providing general aircraft services, including, but not limited to, maintenance, storage, fueling, charter services, and ground and flight instruction.

Flammable - The tendency of a material, liquid, or gas to ignite readily or to explode.

Fuel Storage Area - Those portions of the Airport designated by the Airport Manager as areas in which auto gasoline, diesel, jet fuel, aviation 100LL, or any other type of fuel are authorized to be stored, including, but not limited to, bulk storage facilities.

General Aviation - Private and corporate Aircraft not operating under FAR Part 121 or 135.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

Hazardous Materials - The term hazardous material includes hazardous substances and waste.

FAA Order 1050.1E defines **hazardous waste** as being a waste under the Resource Conservation and Recovery Act (RCRA) that is listed in or meets the characteristics described in 40 CFR Part 261 including ignitability, corrosivity, reactivity, or toxicity. Hazardous wastes include cleaning solvents, waste oil and Freon, oil booms contaminated with toluene, gasoline, gas-soaked rags, and polychlorinated biphenyls (PCBs). Other wastes of concern include paint-related waste, runway rubber, antifreeze and urea, sand blast residue, household hazardous waste (small quantities of various hazardous materials that cannot be combined with other materials for disposal), and ethylene glycol.

FAA Order 1050.1E defines **hazardous substance** as any element, compound, mixture, solution, or substance defined as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and listed in 40 CFR Part 302. If released into the environment, hazardous substances may pose substantial harm to human health or the environment.

Independent Operator - A commercial operator offering a single aeronautical service without an established place of business on the Airport.

Lessee - A tenant, permittee, or other occupant of land or premises within the boundaries of the Crete Airport and any of their duly authorized agents and employees.

Limousine - A chauffeur-operated motor vehicle available for charter having a seating capacity of not less than four passengers or more than nine passengers, excluding the driver.

Movement Area - The runways, taxiways, and other paved surfaces of the Airport that are used for the taxiing, takeoff, and landing of Aircraft, exclusive of loading ramps and parking areas. Control of aviation, vehicular, and pedestrian traffic within these areas is under the jurisdiction of the Air Traffic Control Tower.

NFC - The National Fire Code published by the National Fire Protection Agency.

NFPA - The National Fire Protection Agency.

NOTAM - FAA Notice to Airmen.

NTSB - The National Transportation Safety Board.

Park - To stop a vehicle or Aircraft for any length of time, whether occupied or unoccupied.

Permission or Permit - Permission or permit whenever required by these Rules and Regulations shall mean written permission, except that verbal permission in specific instances may be granted under special circumstances where the obtaining of written permission would not be practicable.

Person - Any individual, firm, partnership, corporation, company, association, joint stock association, or political body, including any trustee, receiver, assignee, or representative thereof.

CRETE MUNICIPAL AIRPORT RULES AND REGULATIONS

Ramp/Apron Areas - Portions of the Air Operations Area designated and made available, temporarily or permanently, by the City for the loading and unloading of passengers or cargo on and off Aircraft, and the parking of Aircraft.

Restricted Area - Those portions of the Airport within the Air Operations Area (AOA), SIDA, and Secured Area to which access is restricted and is not accessible to the general public.

Roadway - That portion of a highway or street designed or ordinarily used for vehicular travel.

Run-up - Aircraft engine operation above normal idle power for purposes other than initiating taxi or takeoff.

Runway - A defined area designated for landing and takeoff of Aircraft.

SASO - See Specialized Aviation Service Operation (SASO).

Secured Area - All areas where air carriers subject to 49 CFR 1544 enplane and deplane passengers and send and load baggage and any adjacent areas not separated by adequate security measures. This includes the Terminal Ramp/Apron and associated baggage makeup areas and is a Security Identification Display Area (SIDA).

Security Identification Display Area (SIDA) - The area identified by the Airport Security Program where the wearing of external identification badges is required for Airport security in accordance with 49 CFR 1542 of the Department of Homeland Security Regulations and the Airport Security Program. This includes all secured areas around the passenger terminal used for the boarding and servicing of scheduled commercial airlines.

Service Road - A vehicular road located inside the Air Operations Area for use by the City, FAA, and authorized Airport tenants and contractors. In all cases, ARFF Vehicles have right-of-way on these roads.

Specialized Aviation Service Operation (SASO) - An aeronautical business that offers a single or limited service. Examples of these specialized services may include aircraft flying clubs, flight training, aircraft airframe and power plant repair, maintenance, aircraft charter, air taxi or air ambulance, aircraft sales, avionics, instrument or propeller services, or other specialized commercial flight support business.

State - The State of Nebraska.

Sterile Area - That portion of the Terminal Building beyond the passenger security screening checkpoint used in the boarding of commercial Aircraft.

T-Hangar - An individual aircraft hangar designated for the storage of one Aircraft.

Taxicab - A motor vehicle carrying passengers for hire for which public patronage is solicited and that operates under authorization from the public service commission.

**CRETE MUNICIPAL AIRPORT
RULES AND REGULATIONS**

Taxiway - A surface designed to provide Aircraft access between the runways and other areas of the Airport, including Aircraft parking ramps.

Terminal Building - Those buildings and/or structures located within the Airport and open to the public for the purpose of flight ticket purchase, public lobby waiting, baggage check-in, and those services related to public air travel.

Terminal Ramp/Apron - That portion of the AOA immediately adjacent to the Terminal Building.

TSA - The Transportation Security Administration.

UBC - The Uniform Building Code.

Vehicle - Any device which is capable of moving itself or being moved from place to place upon wheels interacting with the ground. This does not include any device moved by muscular power or designed to move primarily through the air.

Vehicle Service Road - A road located inside the Air Operations Area for use by the City, FAA, and authorized Airport tenants and contractors.

Vendor - Any person or company involved in sales or service work on the Airport who is not a tenant or contractor.

Plan of Operation

City of Crete
PO Box 86
Crete, NE 68333

January 16th, 2025

Transmitted here is the Plan of Operation for the City of Crete Solid Waste Collection contract

Submitted by:

Waste Connections of Nebraska

Waste Connections of Nebraska propose the following comprehensive Plan of Operations.

Daily Collection Route Plan By Type of Truck and Waste Stream

All residential solid waste within the city will be collected every week by designated areas on Tuesday, Wednesday and Friday. Residential solid waste will be collected with a residential side load. Commercial solid waste within the city will be collected Monday through Saturday per agreed upon service level and service days discussed between Waste Connections and commercial business. Commercial Solid Waste will be collected with a rearload commercial truck. Residential recycling will be collected every week on Thursday. For cost of savings to the city we can offer every other week recycle services on Thursday. This option is available due to the rising cost of recycling disposal. Commercial recycling collection will continue with agreed upon weekly to twice per week service between Waste Connections of NE and commercial business.

Bulk Item Removal

Waste Connections of NE will allow each address two free Bulk pickups and 2 appliance pickups per year. Requests will need to be made to Waste Connections of NE directly for tracking purposes. Waste Connections will provide monthly reports of those addresses to the City of Crete.

Communication Between Vehicles and Management

All drivers will be equipped with GPS-enabled tablets on their routes. These tablets have a live feed back to our office and provide real-time information regarding the route. With this technology we can see who has been picked up and serviced and any issues on the route i.e. cart not out, unable to service due to unapproved materials, etc. These tablets will also have the ability to take pictures of any problems that the driver may encounter on the route. This can all be made as a live report to the city to view at any point in the day. The City of Crete will have access to view GPS truck location within the city limits.

Sharing Information

It is our intent to work with the City of Crete to establish a mutually agreed-upon means of sharing database information with the City. This database will allow for the sharing of required information and generation of required reports. Waste Connections currently uses Route Manager software by Desert Micro. Route Manager is an integrated system that manages customer service histories, billing reports and route lists. This software allows us to generate a variety of customer data and route reports. With this system we can provide the City of Crete with monthly recap reports on extra carts, work orders and MSW reports. We will also provide the city with a portal to see directly into our RMO system to see appropriate information regarding the services at specific households to help respond to customer complaints in a timely and factual manner.

Waste Connect App

All residents and commercial businesses will have access to the Waste Connections App through their android or apple devices. With this app customers can bypass any calls to the City of Crete and use Waste Connections as a direct line of support for any issues, questions, reminders or equipment problems. Extra services can also be requested on the waste connect app such as bulk pickups extra carts etc.

Extra Carts for Residential Customers

Waste Connections will bill all extra carts internally. We will monitor and keep track of all extra carts for residential customers. Waste Connections will pay the city a percentage of all extra carts in the city every month with reports supporting the amounts on the street.

Missed or Incomplete Collections

Missed or incomplete collections for solid waste that are reported on the day of the miss will be resolved the same day if either the residential or commercial driver is still in the City of Crete. If the driver has left the City of Crete all solid waste misses will be serviced the following day. Missed or incomplete recycling collection for residential or commercial will be serviced on the next available recycling day.



243 E. 13th St. Crete NE 68333

Case #

Land Development, Planning and Zoning Application

	QTY	TOTAL	
Subdivision Development			
			Crete Municipal Code Article 3 Subdivisions
Application Fee	\$100		
Preliminary Plat (plus City Attorney Fees)	\$200		Crete Municipal Code 11-306.01
Final Plat	\$200		Crete Municipal Code 11-306.02
Other Plats	\$200		
Subdivision Review and Inspections	\$250		City Engineer fees are in addition to listed fees
Recording Fee	\$25		
Administrative Subdivision			
			City Municipal Code 11-306.03 Administrative Subdivisions
Subdivision Review and Inspections	\$250		
Recording Fee	\$25		
Zoning Change	\$200		Crete municipal Code Chapter 11 Article 2
Special Exception	\$200	X \$200	Crete municipal Code Chapter 11-230
Variance Request	\$150		Crete Municipal Code 11-213
Comprehensive Plan Amendment	\$200		Future Land Use Map, Existing Land Use Map
Total Fees			City Attorney fees are in addition to listed fees

Owner Information

Name Northern Natural Gas	Phone 402-580-1380	Email andrew.hardenburger@libertycore.com	
Street Address PO Box 3330	City Omaha	State NE	Zip 68103
Signature <i>Andrew Hardenburger</i>		Application Date April 7, 2025	

Applicant Information

Name Andrew Hardenburger	Phone 402-580-1380	Email andrew.hardenburger@libertycore.com	
Street Address 1702 East 12th Street	City Hickman	State NE	Zip 68372
Signature <i>Andrew Hardenburger</i>		Application Date April 7, 2025	

Description

See Attached

Subdivision Development Checklist

Pre Application Meeting Date _____ Time _____

Planning Commission Meeting Date _____ Time _____ Application Fee

City Council Meeting Date _____ Time _____

- Preliminary Plat physical and digital copies
- Name, Location, Legal description, Date
- Names of Adjoining Properties
- North Point and Graphics Scale
- Roads
- Existing Utilities and sizes
- Name, Location, Legal description, Date
- Proposed Utility System
- Contours at intervals 2' or 5'
- Proposed improvement or grading
- Location of existing buildings
- Proposed Easements, Dedications
- Filing Fees
- Improvement schedule and restrictive covenants
- Notification of County Planning Commission
- Notification of School Board
- Final Plat one original and two mylar copies
- Date, title, Name, Location of Subdivision
- Graphics Scale and North Arrow
- Monuments 1" diameter maximum 30" length
- Dimensions, angles and bearings, legal description of the property
- Names of Adjoining Properties
- Location and dimensions of easements
- Purpose for which sites are dedicated or reserved
- Surveyor Certification as to the accuracy of plat
- Certification signed and acknowledged by all parties holding title
- Certification recording the approval of the Planning Commission
- Certification recording the approval of the City Council
- Detailed Construction plans of all required public improvements approved by and engineer
- Posted bond or certified check to the City of Crete in sufficient amount to complete the required improvements as approved by and engineer

Administrative Subdivision Checklist

Pre Application Meeting Date _____ Time _____

City Council Meeting Date _____ Time _____ Application Fee

- Name
- Date
- Title
- Location
- Names of abutting streets
- New lots, block numbers, setback lines
- Graphic Scale and true North Point
- Monuments
- Dimensions
- Legal description
- Certification
- Signed by all parties holding Title
- Protective covenants
- Have owners requested annexation
- Utility easements shown
- Final Plat Original & 2 Mylar's

Zoning Change or Comprehensive Plan Amendment

Pre Application Meeting Date _____ Time _____ Scaled Survey Drawing

Publish and Post Date _____ Time _____ Application Fee

Planning Commission Meeting Date _____ Time _____

City Council Meeting Date _____ Time _____

Parcel # and Current Zoning _____ Requested Zoning _____

Special Exception Request

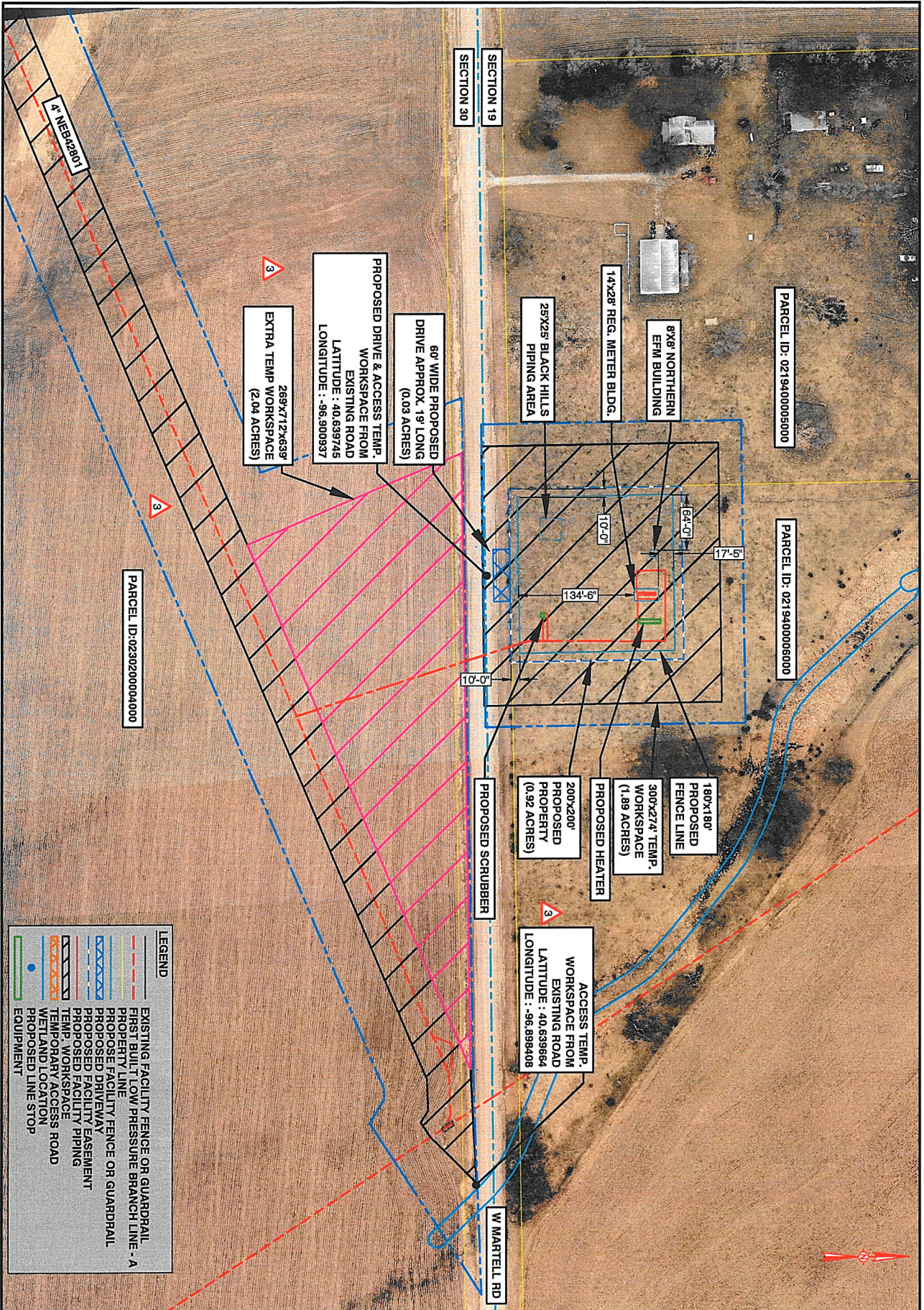
Pre Application Meeting Date _____ Time _____ Application Fee

City Council Meeting Date _____ Time _____

Description:

Conditional Use Request for the construction of a "Town Border Station" to serve as a new custody transfer point between Northern Natural Gas and its customers, Black Hills Energy. The construction of this site will ensure the continuation of safe and reliable natural gas distribution to existing customers; and will also allow for necessary upgrades to both the Northern Natural Gas Transmission and Black Hills Distribution systems to accommodate future growth in the City of Crete and the surrounding area. The proposed footprint of the site is .92 acres. A 6' chain link fence will encompass the perimeter of the site – however, a 20' buffer on the East, North and West side of the site; and a 25' buffer on the South side of the site has been incorporated to provide a sufficient area for screening installation. Northern has two proposed structures to be installed within the site: 1) a 14'x28' Regulator/Meter Building, which will house the high-pressure meter for the site and the high[1]pressure regulating equipment related to MERC's distribution system, and 2) A 8' x 8' EFM building which will house the cell modem and electrical equipment for the station. There are also a 25'x25' area that has been identified within the site reserved for the installation of equipment for Northern's customer. This area will contain odorization equipment, weather sensitive electronic equipment, overpressure protection safety devices, and miscellaneous piping and valves for site maintenance. All proposed structures will be a prefabricated steel design, meeting all applicable building code requirements; and proposed installation locations will meet required minimum 70' offset from the Southern property line along the Martell Road ROW and a 40' minimum offset from the property line on the West side of the site. The proposed site will involve the installation of a driveway from Martell Road. Northern has acquired a Facilities Easement from the landowner (Jim Johnson) impacted by the installation of this TBS.

Target Start Date: 8/4/2025



LEGEND	
	EXISTING FACILITY FENCE OR GUARDRAIL
	FIRST BUILT LOW PRESSURE BRANCH LINE - A
	PROPOSED FACILITY FENCE OR GUARDRAIL
	PROPOSED DRIVEWAY
	PROPOSED FACILITY EASEMENT
	TEMP. WORKSPACE
	TEMPORARY ACCESS ROAD
	WETLAND LOCATION
	PROPOSED LINE STOP
	EQUIPMENT

INTERNAL INFORMATION
 DISTRIBUTION/COPIES
 LIMITED TO
 PROJECT NEEDS

LAND USE TYPE: AGRICULTURAL

Northern Natural Gas
 A Berkshire Hathaway Energy company

NEB42801-4-H-Mods25 Crete BL
 01142246
 Project Location Aerial Overview
 Section 19 & 30, T8N, R5E
 Lancaster County, Nebraska

DISCLAIMER: PARCEL DATA DISPLAYED
 ON MAP IS UNVERIFIED AND HAS NOT
 BEEN SURVEYED. FOR REFERENCE ONLY

Original Issue 3
 Sheet: AR-03
 Date: 4/4/25
 Scale: 1:50

REPORT OF THE CITY COUNCIL, CITY OF CRETE, NEBRASKA

IN THE MATTER OF)	
REQUEST FOR SPECIAL EXCEPTION PERMIT)	FINDINGS OF FACT
_____)	
)	
APPLICANT)	

THIS MATTER came before the City Council on the request of the Applicant for Special Exception Permit Approval. Public Hearing was held on the _____ day of _____, 20____. Notice of said item was publicized according to law.

UPON REVIEW of all the necessary facts and public comment, the City Council makes the following findings on the application for Special Exception Permit approval:

1. _____ Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenience, traffic flow and in case of fire or catastrophe;
2. _____ Off-street parking and loading areas where required, with particular attention to the items in 1 above and the economic, noise, glare or odor effects of the special exception on adjoining properties and properties generally in the district;
3. _____ Refuse and service areas, with particular reference to the items in 1 above;
4. _____ Utilities, with reference to locations, availability and compatibility;
5. _____ Screening and buffering with reference to type, dimensions and character;
6. _____ Sign, if any, and proposed exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with properties in the district;
7. _____ Required yards and other open space;
8. _____ General compatibility with adjacent properties and other property in the district.

Additional Specific Findings of Fact: _____

WHEREFORE, THE CITY COUNCIL OF THE CITY OF CRETE, NEBRASKA,
regarding the request for special exception permit, does hereby:

_____ Approve the Special Exception Permit Request

_____ Deny the Special Exception Permit Request

DATED THIS _____ DAY OF _____, 20____.

BY:

Mayor

ATTEST: _____
City Clerk

RESOLUTION NO. 2025-04

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH NEBRASKA PUBLIC POWER DISTRICT FOR METERING OF A 1.6 MW SOLAR GENERATION FACILITY INTERCONNECTED TO THE CITY OF CRETE, NEBRASKA'S 34.5kV SYSTEM:

Be it resolved by the Mayor and members of the City Council of Crete, Nebraska, that:

1. The City of Crete shall enter into an Agreement with the Nebraska Public Power District for the purpose of metering of a 1.6 MW Solar Generation Facility Interconnected to the City of Crete, Nebraska's 34.5kV system and that such agreement shall be set forth hereinbelow.
2. The Mayor of Crete is hereby authorized and directed to execute said Agreement on behalf of the City of Crete.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "A".

PASSED AND APPROVED this 6th day of May, 2025.

Mayor

ATTEST:

City Clerk

AGREEMENT FOR METERING OF A 1.6 MW SOLAR GENERATION FACILITY INTERCONNECTED TO THE CITY OF CRETE, NEBRASKA'S 34.5 kV SYSTEM

This Agreement (Agreement) is made, entered into and effective this _____ day of _____, 2025, by and between Nebraska Public Power District (NPPD), a public corporation and political subdivision of the State of Nebraska, City of Crete, Nebraska (Customer), a municipal corporation and political subdivision of the State of Nebraska, each sometimes hereinafter referred to singularly as "Party" and collectively as the "Parties".

RECITALS

This Agreement between NPPD and Customer pertains to Sandhills Energy's (SE Solar) ownership and ongoing operation and maintenance of certain 13.8 kV facilities related to certain NPPD-owned and Customer-owned metering equipment for the operation of SE Solar's solar generation facility interconnected to Customer's 34.5 kV system.

Customer, is a wholesale customer of Municipal Energy Agency of Nebraska (MEAN), where Customer receives its electric power and energy requirements from MEAN, and transmission service over NPPD's transmission system via MEAN's transmission service agreements with Southwest Power Pool (SPP) and NPPD.

Customer and NPPD are parties to a Restated and Amended Interconnection and Interchange Agreement effective April 1, 2025 (IIA).

Customer has agreed to purchase energy via a power purchase agreement from SE Solar's 1.6 MW solar generation facility constructed and installed in Crete, Nebraska, where such power purchase agreement provides the Customer access to the SE Solar facility.

Customer did not install metering equipment capable of providing real time meter data to NPPD. Customer desires to own a revenue meter second in series to NPPD's revenue meter to measure energy production from the solar generation facility as a check meter for SE Solar's purchase power agreement with the Customer.

Customer and NPPD shall operate and maintain its equipment, including coordination with the SE Solar solar generation facility, to minimize the likelihood of a disturbance on the Parties' facilities in accordance with the IIA.

The Parties are entering into this Agreement so that NPPD may perform certain services for Customer related to billing and provide the ability to coordinate operations (where Customer's 34.5 kV electric system operates in parallel with NPPD's electric system) of the solar generation facility with NPPD's electric system.

AGREEMENT

NPPD and Customer agree to the following terms and conditions for the purpose of monitoring and recording solar energy production:

1. Prior to entering into this Agreement, Customer (or its agent) was required to submit at the end of the month to NPPD the hourly meter data for the energy production from the solar generation facility referenced herein. By NPPD installing its revenue meter for the facility pursuant to this Agreement, the hourly meter data is considered to be provided and no

monthly submittal of hourly meter data from Customer (or its agent) to NPPD would be required so long as NPPD's meter operates in accordance with this Agreement.

2. NPPD has requested access via designated, graded ingress and egress areas to SE Solar's solar generation facility to install, at NPPD's expense, a NPPD-owned revenue meter and NPPD-owned potential transformers (PTs), utilizing Customer's existing revenue metering equipment located in Customer pad mounted transformer. NPPD's meter requires Customer to maintain and operate Customer's metering equipment, with exception to NPPD-owned PTs and have Customer-owned revenue meter, if any, installed in series beyond NPPD's meter. If Customer's metering equipment does not conform to NPPD's standard metering equipment, and should Customer not maintain and operate its metering equipment in accordance with all applicable NPPD requirements, including the ability for NPPD's meter to be energized at all times, Customer will ensure that SE Solar will not produce energy from the solar generation facility until Customer metering equipment is restored to a condition acceptable to NPPD or, if necessary, until NPPD is able to install a complete overhead metering platform at Customer's expense.
3. Further, NPPD agrees to allow such a metering configuration in accordance with the following:
 - a. NPPD will own on the exterior of Customer pad mounted transformer, an NPPD meter, an NPPD meter enclosure and NPPD extensions of secondary metering wires from the NPPD meter, and PT's within customer pad mounted transformer.
 - b. Parties agree that Customer will maintain at its own expense, a metering cabinet, a test switch, secondary conductors, CTs, equipment grounds and a support structure adjacent and up to the NPPD meter. Metering CT polarity orientation shall be such that CT primary polarity markings be connected facing toward electrical grid.
 - c. Parties will ensure that arrangements are in place for NPPD to own and maintain its meter first in series to any Customer owned metering equipment. If SE Solar and/or Customer requires an additional meter, such meter(s) will be installed second in series to NPPD in a manner which ensures the accuracy of Customer-owned metering utilizing such instrument transformers and associated wiring.
 - d. Customer will ensure that it will notify NPPD prior to any changes to the interfacing between 1) Customer meter and the NPPD-owned revenue meter and/or 2) Customer's metering equipment and the NPPD-owned revenue meter. If NPPD performs any additional meter maintenance and/or replacement that occurs beyond normal maintenance (including, but not limited to solar generation facility and/or event driven cause for NPPD meter maintenance or replacement) such additional meter maintenance and/or replacement shall be performed by NPPD at Customer's expense. SE Solar will not produce energy from the solar generation facility until its metering equipment is restored to a condition acceptable to NPPD.
 - e. If metering, instrument transformers and/or associated wiring is failed and/or is determined to be outside of metering accuracy requirements, the applicable owner shall correct affected equipment within thirty (30) days of initial discovery. Metering will then be retested for accuracy by the meter owner after repairs are completed.
 - f. Customer shall ensure the pad mounted transformer at the point of NPPD's and Customer's generation metering, shall be responsible for providing proper labeling

according to current National Electric Code/National Fire Protection Association arc-flash requirements.

4. Any changes or removal of Customer metering equipment used in association with NPPD's meter shall be approved by NPPD. If required, removal of the NPPD meter shall be performed by NPPD. Customer shall reimburse NPPD for all costs incurred by NPPD associated with changes or removal of Customer metering equipment. If Customer removes its metering equipment and NPPD's requirement for metering the solar generation facility production still exists, NPPD shall have the option to install a complete set of NPPD-owned metering equipment at Customer's expense, with mutual agreement for location among the Parties, where Customer will ensure that SE Solar will not produce energy from the solar generation facility until the replacement NPPD-owned metering equipment is installed.
5. Actual costs incurred by NPPD, as referenced in items 2 and 4 above, shall be determined pursuant to NPPD's then existing standard accounting and financial practices. Customer will pay any invoices issued by NPPD within thirty (30) days after receipt. Invoices not paid within thirty (30) days of receipt of invoice will be subject to an interest charge of one percent (1%) per month. If an invoice remains unpaid after one hundred twenty (120) days after receipt, NPPD retains the right to suspend work or service under this Agreement until payment in full, including interest, is received. Customer shall have the right to dispute NPPD's invoice, but shall be required to pay the invoice in full and then dispute. When the billing dispute is resolved, if NPPD's invoice is found to be in error, any overpayment would be refunded, with payment of interest charges calculated on the amount owed at one percent (1%) per month after thirty (30) days following resolution of the dispute. NPPD shall have the right to require payment by electronic transfer.
6. This Agreement shall become effective upon execution by all Parties and shall remain in force and effect for so long as the equipment and materials for the Parties' metering, as described herein, are necessary and utilized by the Parties to monitor solar energy production.

GENERAL PROVISIONS

7. The following General Provisions shall apply to this Agreement:
 - 7.1 Each Party to this Agreement whose operations, services or work performed pursuant to this Agreement are responsible for, or lead to, any claims, damages, demands, suits, actions, payments and judgments agrees to indemnify, defend and save harmless each non-responsible Party and any representatives, agents, or employees of each non-responsible Party from and against all claims, damages, demands, suits, actions, payments, and judgments arising out of the responsible Party's operations, services provided or performance of work under this Agreement, and from any and all claims arising from any act or omissions of the responsible Party, its agents, servants or employees' associated operations, services or work provided under this Agreement.
 - 7.2 In no event shall a Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential or punitive damages, including, but not limited to, loss of profit or revenue, loss of use of any property or equipment, cost of capital, cost of purchased power, cost of temporary equipment, facilities or services, downtime costs or claims from any other Party(s) for

such damages or claims from any other Party(s)' customers or suppliers for such damages, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability, even if a Party is expressly informed of the same.

- 7.3 NPPD's maximum amount of liability for work or services performed under this Agreement, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability, shall be limited to, and shall not exceed, twice the value of such work or services charged to SE Solar.
 - 7.4 No Party shall be liable to another Party or Parties for loss or damage from any failures to perform any of its contractual obligations under this Agreement because of Uncontrollable Forces, which are events, conditions, or circumstances beyond a non-performing Party's control, or because of an emergency situation that arises which affects a non-performing Party's ability to perform work or provide services under this Agreement, and the non-performing Party shall be temporarily relieved of its obligations under this Agreement, except for the obligation to make payments owed, and shall have a reasonable period of time after termination of the Uncontrollable Force or emergency situation to resume performance. The non-performing Party shall notify the other Party(s) of temporary suspension of such work or services and shall submit to the other Party(s) a notice of when work or services is able to be resumed.
 - 7.5 This Agreement and the rights and obligations hereunder are intended only for the benefit of the Parties and shall not create any rights for or obligations to any other entity. The Parties are prohibited from assigning the Agreement and any such assignment shall be null and void.
 - 7.6 This Agreement is entered into under and shall be governed and construed by the laws of the State of Nebraska, and any legal action on or arising out of this Agreement shall be commenced and maintained only in Platte County District Court, State of Nebraska.
8. Any modification, supplement, or amendment of the provisions of this Agreement shall not be valid and effective unless contained in writing signed by SE Solar, Customer and NPPD.
 9. Any notices, billings, payments and other communications related to this Agreement shall be given in writing and sent by mail, postage prepaid, national express delivery service or by electronic communication. A Party may change its address or the person to which notices, billings or payments are to be sent by providing written notice of such change to the other Parties.

Customer:

NOTICES/CORRESPONDENCE
City of Crete
243 East 13th Street
Crete, NE 68333

BILLINGS
City of Crete
243 East 13th Street
Crete, NE 68333

NPPD:

NOTICES/CORRESPONDENCE
Nebraska Public Power District
Contracts Manager
1414 15th Street
Columbus, NE 68601

PAYMENTS
Nebraska Public Power District
Accounting Department
PO Box 499
Columbus, NE 68602-0499

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized officers or representatives to be effective on the date first above written.

Agreed to by:

NEBRASKA PUBLIC POWER DISTRICT

CUSTOMER

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RESOLUTION NO. 2025-05

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF THE RESTATED AND AMENDED INTERCONNECTION AND INTERCHANGE AGREEMENT BETWEEN NEBRASKA PUBLIC POWER DISTRICT AND THE CITY OF CRETE, NEBRASKA:

Be it resolved by the Mayor and members of the City Council of Crete, Nebraska, that:

1. The City of Crete shall enter into the Restated and Amended Interconnection and Interchange Agreement between Nebraska Public Power District and the City of Crete, Nebraska and that such agreement shall be set forth hereinbelow.
2. The Mayor of Crete is hereby authorized and directed to execute said Agreement on behalf of the City of Crete.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "A".

PASSED AND APPROVED this 6th day of May, 2025.

Mayor

ATTEST:

City Clerk

RESTATED AND AMENDED
INTERCONNECTION AND INTERCHANGE AGREEMENT
between
NEBRASKA PUBLIC POWER DISTRICT
and
CITY OF CRETE, NEBRASKA

This Restated and Amended Interconnection and Interchange Agreement (Agreement) is made and entered into effective the 1st day of April 2025, by and between Nebraska Public Power District, a public corporation and political subdivision of the State of Nebraska (NPPD), and the City of Crete, a municipal corporation and political subdivision of the State of Nebraska (Customer). NPPD and the Customer, respectively, being sometimes hereinafter referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, NPPD owns, leases or purchases the output of, and operates or has operating control over, certain electric generating facilities together with a transmission system and various distribution systems and is engaged in the generation, purchase, transmission, distribution and sale of electric power and energy at retail and at wholesale; and

WHEREAS, the Customer owns and operates an electric distribution system, and said electric system is located within and connected to NPPD's electric system; and

WHEREAS, the Customer may, from time to time, receive power and energy from, or deliver power and energy to, NPPD or other parties which are not signatory to this Agreement, and NPPD's electric system is used for the transmission of power and energy received from or delivered to such other parties; and

WHEREAS, NPPD and the Customer wish to set forth the criteria governing the interconnected operation of their respective electric systems and the interchange of power and energy associated with said interconnected operation; and

WHEREAS, Customer and NPPD desire to replace the Interconnection and Interchange Agreement dated August 28th, 1992.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

I. TERM

This Agreement shall become effective on the date first above written and, unless terminated as provided herein, shall continue in force through December 31, 2034, and thereafter from year to year unless terminated by at least two (2) years prior written notice given by either Party to the other, which notice can be given at any time on and after December 31, 2032; provided, however, no such termination shall be effective unless (1) an success to this Agreement has been entered into between the Parties which is a replacement to this Agreement or (2) the electric system facilities of the Parties are no longer interconnected as set forth herein.

II. INTERCONNECTION

A. Facilities

As of the effective date of this Agreement, the electric systems of the Parties are directly connected at the Point(s) of Interconnection identified in Exhibit A which is attached hereto and incorporated herein by this reference. Exhibit A may be revised from time to time by mutual agreement of the Parties.

Except for transmission facilities which after April 1, 2009, will be planned for and provided for by Southwest Power Pool (SPP) as the transmission provider, NPPD shall provide facilities with adequate capacity to deliver the total power and energy requirements of the Customer to the Point(s) of Interconnection identified in Exhibit A. NPPD's planning for such facilities and adequate capacity shall be based upon, but is not limited to, information required to be provided by the Customer under Section III, subpart D. The Customer shall provide facilities of adequate capacity to deliver its total power and energy requirements from the Point(s) of Interconnection identified in Exhibit A.

Each Party shall be responsible for the proper operation and maintenance of the facilities which it owns, including but not limited to those facilities identified in Exhibit A hereto, and shall grant to the other Party the right of ingress and egress over and on its property for the purpose of installing, removing, operating and maintaining such facilities as may be necessary for such other Party to fulfill its obligations pursuant to this Agreement.

The Parties have agreed on milestones for which each Party is responsible and list them in Exhibit A of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (i) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (ii) request appropriate revisions to Exhibit A. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such revision to Exhibit A unless (i) it will suffer significant uncompensated economic or operational harm from the delay, (ii) attainment of the same milestone has previously been delayed, or (iii) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the revision to Exhibit A.

B. Metering

The electric power and energy delivered through the Point(s) of Interconnection, and all net electrical power and energy generation (if applicable), shall be measured by nonreversible kilowatt-hour meters and kilowatt demand meters that record on applicable time increments, capable of producing reports, located at the Point(s) of Measurement identified in Exhibit A. All meter tests and billing adjustments resulting from inaccurate meter registrations shall be accomplished as follows: The metering shall be tested in accordance with applicable regulatory requirements, and at such other times as the owner elects at the owner's expense. Either Party may request additional tests. In the event a Party requests a test, other than the aforementioned routine tests, and the meter is found to be accurate within 2%, the Party requesting the test shall bear the cost of the test. If the inaccuracy exceeds the 2%, the owning Party shall bear the cost of the test, and the readings of the meters taken within a thirty (30) day period prior to the test shall be adjusted. There will not be any correction of meters for readings more than thirty (30) days preceding the test. All meters when tested will be adjusted to within one percent (1%) plus or minus or correct registration at full load rating of the meter. Each Party shall be responsible for testing its own metering equipment.

If the Customer needs metered data, NPPD will provide energy pulses through a three-wire, dry contact interface (aka-"Form C") and an isolation device provided by NPPD at the expense of the Customer. For metered data requirements other than the Form C energy pulses, NPPD will provide metering potential and current transformer secondary to the Customer for the purpose of installing NPPD approved metering equipment. Any changes to the secondary equipment shall require approval and

checkout by NPPD to ensure the accuracy of NPPD metering equipment is maintained. All labor, transportation and materials associated with the installation and maintenance of equipment required to provide metered data shall be at the expense of the Customer.

Instrument transformers and associated wiring to meter net generation (if applicable) shall be owned and maintained by the Customer and shall be metering accuracy class, in accordance with requirements for revenue quality electric metering equipment. If metering, instrument transformers and/or associated wiring is failed and/or is determined to be outside of metering accuracy requirements, the owner shall correct affected equipment within thirty (30) days of initial discovery. Metering will then be retested for accuracy by the meter owner after repairs are completed. If NPPD needs metered data for the Customer's generation (if applicable), Customer shall provide to NPPD access to associated instrument transformers and associated wiring to allow NPPD to install metering; provided, however, such metering shall be installed by NPPD in a manner which ensures the accuracy of Customer owned metering utilizing such instrument transformers and associated wiring. Any changes to Customer owned metering equipment necessary to install NPPD owned metering shall require prior approval and checkout by Customer, to ensure the accuracy of Customer's metering equipment is maintained.

The Customer, as owner of switchgear at the point of net generation metering (if applicable), shall be responsible for providing proper labeling according to current National Electric Code/National Fire Protection Association arc-flash requirements.

C. Operations

The systems of the Parties shall be operated and maintained to minimize the likelihood of a disturbance originating in one Party's system causing impairment to the service of the other Party's system or any other system which either Party is interconnected.

To the extent it can be controlled, neither Party shall impose any abnormal load upon the facilities of the other Party in excess of their safe and proper capacity as determined by each Party with respect to facilities owned by it. If emergency conditions arise on the system of one Party which overloads the facilities of the other Party, the Party on whose system the emergency arises shall take steps immediately to reduce the load on such overloaded facilities to their safe and proper capacity, even though this may involve disconnecting load.

Each Party shall maintain utility responsibility for its own load and system operations.

The Customer shall be responsible for maintaining at the Point(s) of Interconnection the flow of reactive power into or out of its system so that Customer's net reactive power flow at said Points of Interconnection will be within 95 percent lagging or leading power factor, unless other arrangements have been made with NPPD's operating personnel. If the power factor requirement is not met, NPPD may require the Customer to install power factor correction equipment, at the Customer's expense.

The Parties have agreed on operational conditions for which each Party is responsible in Exhibit A of this Agreement. A Party's obligations under this provision may be extended by further mutual written agreement. If a Party anticipates that it will be unable to meet an operational condition (or conditions) for any reason other than a Force Majeure event, it shall immediately notify the other Party of the reason(s) for not meeting the operational condition(s) and (i) propose the earliest reasonable alternate date by which it can attain such operational condition(s).

III. INTERCHANGE

Unless the Customer is obligated under more stringent requirements or standards, which are applicable to the Customer outside of this Agreement, it is understood by the Parties that the obligations and requirements for the Customer as set forth in this Section III shall be consistent with and comparable to the obligations and requirements applicable to other similarly situated entities that are interconnected with NPPD's electric system and which reside within the Balancing Authority Area for NPPD, which at the date of this agreement is SPP.

A. Adequate Capacity and Ancillary Services

The Customer shall maintain at all times during each month a combination of on-line generation capacity and firm capacity purchases to allow the Customer to meet its peak load, plus an amount for Ancillary Services if the Customer is providing Ancillary Services by self-supply. If the Customer does not self-supply such Ancillary Services, Customer shall purchase Ancillary Services from the transmission provider for NPPD (which is SPP at the date of this Agreement) per the transmission provider's requirements.

B. Schedules

The Customer or its assignee shall follow North American Electric Reliability Corporation (NERC) Reliability Standards pertaining to scheduling power and energy, and the requirements of SPP which at the date of this Agreement is the Balancing Authority for NPPD.

C. Transmission and Subtransmission

Effective April 1, 2009, NPPD joined SPP as a transmission owner, and placed its transmission system under the SPP Open Access Transmission Tariff (OATT) and SPP has become the transmission provider on the NPPD transmission facilities. All new requests for transmission service made after April 1, 2009, shall be made under the provisions of the SPP OATT. Effective March 1, 2014, SPP formed a Consolidated Balancing Authority including the former NPPD Balancing Authority Area, where Ancillary Services are now provided through the SPP OATT.

In the event SPP is ever replaced by a successor organization, or NPPD begins using a replacement transmission tariff for the SPP OATT, such successor organization tariff, and each replacement transmission service tariff shall succeed the SPP OATT or any other preceding transmission tariff under which NPPD has placed its transmission facilities.

Transformation service (from 115 kV to 69 kV or lower voltage) provided by NPPD for the Customer's load, which service is not provided under the SPP OATT, shall be governed by the terms and provisions of a separate Second Restated and Amended Network Firm Transmission Service Agreement effective January 1, 2006, between NPPD and Municipal Energy Agency of Nebraska (MEAN), as be amended or replaced (Second Restated and Amended Network Firm Transmission Service Agreement), where MEAN is Customer's wholesale supplier.

Subtransmission service, if any, provided by Norris Public Power District for the Customer's load shall be governed by the terms and provisions of other separate agreements between Norris Public Power District and Customer.

D. System Planning and Protection

No later than October 1 of each year, the Customer shall provide to NPPD the following information:

- (i) A ten (10) year projection of summer and winter peak demands with corresponding power factors and annual energy requirements on an aggregate basis for the Customer's loads. If there is more than one delivery point, such information shall be provided for the load to be served from each delivery point, for the normal operating configuration.

- (ii) A ten (10) year projection by summer and winter peak of planned generating capabilities and committed transactions (purchases) with third parties which resources are expected to be used by the Customer to supply the peak demand and energy requirements provided in item (i) above.

The information provided under this Section will be utilized for planning and protection purposes only, where such information will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.

E. Compliance with Applicable Reliability Standards

To the extent it is applicable to a Party(s); each Party will be responsible for determining its registration responsibility in accordance with NERC Rules of Procedure Section 500. Organizations listed in the NERC compliance registry are responsible for compliance with mandatory Applicable Reliability Standards and will be subject to NERC's and the Applicable Regional Entity's compliance and enforcement program.

To the extent it is applicable to a Party(s); each Party shall perform all of its obligations under this Agreement in accordance with Applicable Reliability Standards, and Good Utility Practice. To the extent a party is (i) required by Applicable Reliability Standards or allowed by Good Utility Practice to take any action, such Party shall not be deemed to be in breach of this Agreement or its compliance therewith solely as a consequence of taking such action, or (ii) prevented or limited from taking any action by Applicable Reliability Standards, such Party shall not be deemed to be in breach of this Agreement or its compliance therewith solely as a consequence of not taking such action.

For purposes of this Agreement, Good Utility Practice (Good Utility Practice) shall mean any of the practices, methods and acts at a particular time, which in the exercise of reasonable judgement in light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. In applying the standard Good Utility Practices to any matter under this Agreement, equitable consideration should be given to the circumstances, requirements and obligations of each of the Parties hereto and there shall be taken into account the facts that the Parties hereto are public corporations and political subdivisions of the State of Nebraska with prescribed statutory and legal powers, duties and responsibilities. It is recognized that Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to be any of the practices, methods, and/or actions generally accepted in the region.

F. No Transmission Delivery Service

This Agreement does not constitute a request for, nor provide for, any electric distribution or transmission service, and does not convey any right to deliver electricity to any specific customer or point of delivery. Such electric distribution or transmission service shall be arranged for and provided for under the SPP OATT or its successor, the applicable Transmission Service Rate Schedule, or separate other agreement(s) as may be applicable to such services.

G. Installation and Connection of Generation

If the Customer owns and operates electric generating facilities, or if the Customer plans to build, own, and operate electric generating facilities, the provisions of this subpart G shall apply. Notwithstanding whether said generating facilities are connected to the Customer's electric system or to NPPD's electric system, NPPD retains the right to request information pertaining to such generating facilities and to perform such technical studies as are necessary, in the sole judgment of NPPD, to allow NPPD to assess whether the connection and operation of such generating facilities will have any impacts on the electric system or operations of NPPD. NPPD shall request in writing such information as may be necessary for the conducting of said technical studies, and the Customer shall have financial responsibility for the cost of said studies. In the event the results of said technical studies indicate that the connection and operation of said generating facilities by the Customer will cause an adverse impact(s) on the electric system or operations of NPPD, the Parties shall cooperate in determining the desired means to remove such adverse impact(s), prior to connection and operation of said generating facilities. The Customer shall also have financial responsibility for the costs attributable to the removal of said adverse impacts. Additionally, the Customer shall be responsible for complying with any interconnection criteria of NPPD, prior to the connection and operation of said generating facilities. Following the completion of the initial studies, and the remedy of adverse impacts (if any) identified by said studies, should the design, configuration or operation of the Customer's generating facilities be changed or modified by the Customer, the parties recognize that such change or modification may initiate the need for additional subsequent studies to assess the impacts of such change or modification to the Customer's generating facilities.

If the connection and operation of said generating facilities is found to cause impact(s) on the NPPD transmission system facilities or its operation, or should the Customer desire to utilize the transmission system to deliver output from the generating facilities to other entities, the Customer shall comply with all applicable requirements of SPP

with respect to said generating facilities and/or Customer's use of the transmission system.

If the Customer is not receiving its total electric service requirements from a power supplier other than NPPD, Customer shall be responsible for arranging the necessary back-up service or standby service, or to prove to NPPD that it has sufficient other power supply contracts in place, to provide for the Customer's power supply requirements during such times when the Customer's generating facilities are not operating.

IV. RELATION TO OTHER AGREEMENTS

The Customer may enter into a contract with an entity other than NPPD, which contract provides for such agent to perform and be responsible for all or a portion of the obligations set forth in Section III of this Agreement, but the Customer shall not be relieved of its underlying obligations in Section III of this Agreement.

A. SPP Submittals

If the Customer (or its agent) is responsible for submitting certain information to SPP, and the same information is required to be submitted to NPPD under this Agreement, Customer (or its agent) shall provide to NPPD a copy, upon written request from NPPD, of such submittal to SPP to fulfill the Customer's obligation under this Agreement. For example, the Customer's obligation under Section III, subpart D, shall be fulfilled by furnishing a copy to NPPD of the Customer's SPP planning information submittal for load and capability. (Current SPP transmission planning submittals provided to NPPD in accordance with Article III, Section D of this Agreement are performed by MEAN in accordance with Section 4 of the Network Operating Agreement dated December 1, 2020, among SPP, NPPD and Customer, as may be amended or replaced. Customer would be notified by NPPD to provide such required submittals if MEAN or other successor entity was not completing those submittals.)

B. Subtransmission

As of the date of this agreement, Norris Public Power District and Customer have arrangements for emergency backup subtransmission service. The points of interconnection for emergency backup service are detailed in Exhibit A. The subtransmission arrangements between the Customer and Norris Public Power District are governed by other separate agreements.

V. TRANSACTIONS

The Customer may, from time to time, arrange for the purchase of electric power and energy from, or the sale of electric power and energy to, NPPD or other parties not signatory to this Agreement. In all such instances, the Customer shall make all necessary arrangements for transmission services (including ancillary services) pursuant to the provisions of Section III of the Agreement, prior to the delivery of such power and energy. Billing for transmission services will be rendered in accordance with the criteria set forth in the SPP OATT or the applicable Transmission Service Rate Schedule in effect at that time. Terms governing sales and purchases between the Customer and NPPD shall be agreed to and documented in writing, prior to delivery of any such power and energy.

VI. REPLACEMENT OF PRIOR AGREEMENT

When it is executed, this Agreement shall supersede and replace the Interconnection and Interchange Agreement between the Parties dated August 28th, 1992. Upon the effective date of this Agreement, said Interconnection and Interchange Agreement shall be null and void and without further force and effect.

VII. GENERAL

A. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives, and assigns of the Parties; provided, however, no Party shall assign all or part of its rights or delegate all or part of its duties under this Agreement without the express written consent of the other Party which consent shall not be unreasonably withheld, and an assignment or delegation by a Party of all or part of its rights or duties shall not discharge such Party from its duties under this Agreement, whether consented to or not, unless such discharge is expressly provided by the written agreement of the other Party. An approved assignment or delegation shall not be deemed to permit any further or other assignment or delegation.

B. Force Majeure

Neither Party shall be considered to be in default in the performance of any of its obligations, other than the obligation to make payments as provided in the Agreement, when a failure of performance shall be due to Force Majeure. The term "Force Majeure" as used herein shall mean any cause or causes not reasonably within the control and without the fault or negligence of the affected Party which wholly or partly prevents the performance of any of its obligations under this Agreement, including, without limitation by enumeration, acts of God, acts of the public enemy, acts of terrorism or threats

thereof (or actions to prevent the same), blockades, strikes or differences with workmen, civil disturbances, fires, explosions, storms, floods, landslides, washouts, labor and material shortages, boycotts, breakdowns of or damage to equipment or facilities and actions to prevent the same, interruptions to supply or delays in transportation, embargos, inability to obtain a necessary license, permit or approval, acts of military authorities, acts of local, state or federal agencies and regulatory bodies, court actions, bankruptcy court actions, arrests and restraints. Force Majeure does not include any cause arising out of a Party's act of negligence or intentional wrongdoing nor mere economic hardship of a Party. Nothing contained herein shall be construed to require a Party to settle any strike or labor negotiation against its will.

If an event defined as Force Majeure occurs, and the affected Party is unable to carry out any of its obligations under this Agreement, then upon the affected Party giving written notice to the other Party of such Force Majeure, the affected Party's obligations shall be suspended from and after the date of the Force Majeure specified in the notice to the extent made necessary by such Force Majeure and during its continuance. The notice shall specify in detail (to the extent known) the nature of the Force Majeure, the obligations which the affected Party is unable to perform or furnish due to Force Majeure, and the affected Party's best estimate of probable duration of the Force Majeure. The affected Party shall use reasonable efforts to eliminate and cure such Force Majeure insofar as possible and with minimum delay, and to resume full performance of its obligations.

C. Waivers

Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other default or other matter arising in connection herewith. Any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right.

D. No Third Party Rights

This Agreement and the rights and obligations hereunder are intended only for the benefit of the Customer and NPPD and shall not create any rights for or obligations to any other entity.

E. Governing Law, Regulatory Authority and Legal Actions

This Agreement is entered into under and shall be governed and construed by the laws of the State of Nebraska, and any legal action on or arising out of this Agreement shall be commenced and maintained only in Platte County District Court, State of Nebraska.

F. Modifications, Supplements, and Amendments

Any modification, supplement, or amendment of the provisions of this Agreement shall not be valid and effective unless contained in writing signed by the Parties.

G. Default

In the event a Party fails to perform or fulfill any material provision, obligation or condition under this Agreement, such failure shall be a breach under this Agreement. Upon a breach, the non-breaching Party may give written notice of such breach to the Breaching Party. Upon such notice being provided, the breaching Party shall have thirty (30) days from the receipt of said notice with which to cure the breach; provided, however, if such breach is not capable of cure within thirty (30) days, the breaching Party shall commence cure within (30) days after notice and continuously use reasonable efforts to completion; and if cured within such time, the breach specified in such notice shall cease to exist. In addition to the above, a breach on the part of the Customer or MEAN regarding Customer's load under the Second Restated and Amended Network Firm Transmission Service Agreement, as described in Article III Section C, shall also be a breach under this Agreement.

The failure of a breaching Party to cure its breach as set forth above shall be a default under this Agreement; provided, however, no default shall exist where such failure (other than the failure to make payments when due) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party.

If a breach is not cured and a default occurs under this Agreement, the non-breaching Party shall have the right to declare a default and terminate this Agreement by providing written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or equity. The provisions of this Section G shall survive termination of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their duly authorized officers or representatives as of the dates indicated below.

CITY OF CRETE, NEBRASKA

By: _____

Printed Name: _____

Title: _____

Date: _____

NEBRASKA PUBLIC POWER DISTRICT

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A
to
RESTATED AND AMENDED
INTERCONNECTION AND INTERCHANGE AGREEMENT
between
NEBRASKA PUBLIC POWER DISTRICT
and
CITY OF CRETE, NEBRASKA

Points of Interconnection (P): 34.5 kV Bus of NPPD's 115/34.5 kV Crete Substation

Point(s) of Measurement:

Tie Line (M1): Low Side of NPPD's 115/34.5 kV Crete Substation

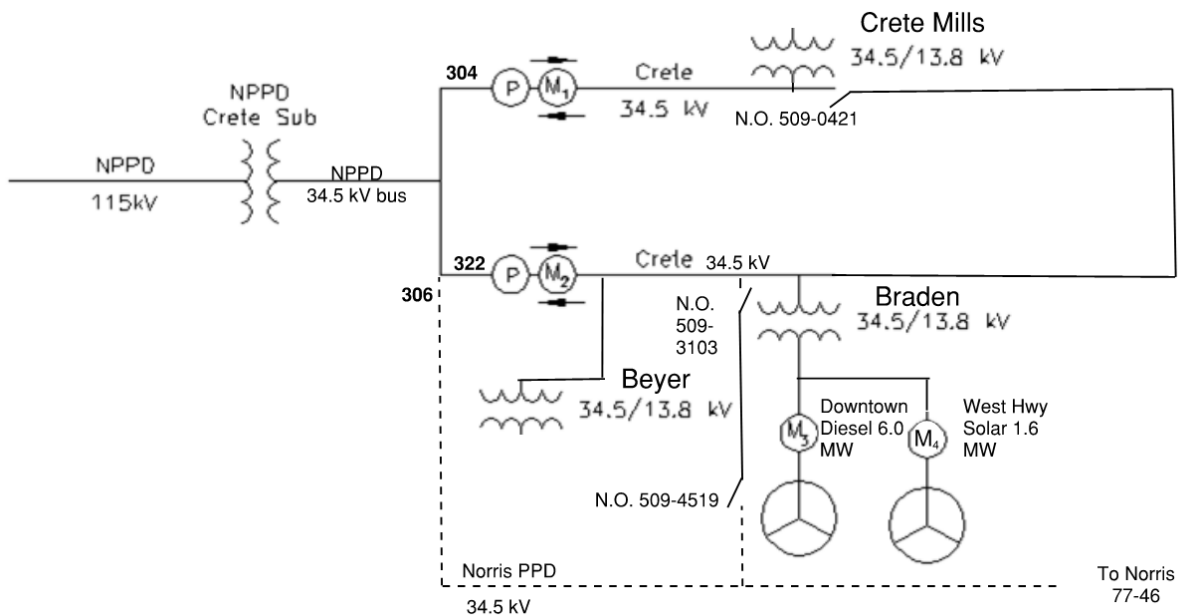
Tie Line (M2): Low Side of NPPD's 115/34.5 kV Crete Substation

Generation

Diesel 6.0 MW (M3): 13.8 kV Side of Generation Step-Up transformer

Solar 1.6 MW (M4): 13.8 kV Side of Generation Step-Up transformer

One Line Diagram:



Milestones and Operational Conditions:

Initial Real Time Metering:

The 1.6 MW solar generation will be limited to net output less than 500 kW, when no real time meter data is available to NPPD. If during this initial operation of the solar generation, the monthly meter data submitted to NPPD in accordance with this Exhibit A, demonstrates operation above 500 kW, NPPD will notify Customer that this initial operation of the solar generation is to end and the solar generation will only be allowed to operate upon either Interim or Final Metering installation and fully functioning operation.

Interim Real Time Metering:

With the proposed 1.6 MW solar generation being greater than 500 kW, real-time metering is required for operational support when operating above 500 kW. Customer has a meter installed on the solar generation. Customer will coordinate with MEAN to telemeter real time meter data to MEAN. NPPD will receive the necessary real time data from MEAN via existing Inter Control Center Protocol (ICCP) link between MEAN and NPPD.

Monthly Meter Data During Initial and Interim Metering:

If Customer and/or MEAN wishes to report the output of this solar generation as part of its Network Integrated Transmission Service (NITS) load reporting to SPP, the necessary meter data will need to be provided to NPPD within two (2) business days after the end of each month.

Final Metering:

NPPD will install metering equipment on the 1.6 MW solar generation, in accordance with other separate agreements with Sandhills Energy, MEAN, and/or Customer as applicable. If necessary and applicable, Customer will provide access to NPPD for ingress and egress to the proposed location for NPPD-owned metering equipment with designated areas graded for NPPD personnel and equipment to access NPPD equipment.

Ground Fault Overvoltage:

Customer has three (3) years from the effective date of this Agreement (which such timeframe may be extended if Customer is working diligently to complete upgrades, as determined by NPPD, in its sole discretion) to install the necessary equipment to protect against Ground Fault Overvoltage (GFOV) on the subtransmission system as identified in the impact study to operate generation in parallel with the grid or to provide an alternate solution to satisfy this requirement that is approved in writing by NPPD.

If during the three (3) year time period referenced above (or other such timeframe as agreed upon in writing by NPPD) a GFOV event would occur, the Customer would be responsible

for costs associated with repairs for damages to the NPPD and/or Customer systems caused by the generation operating during an unintentional island.

If Customer cannot complete the necessary system upgrades three (3) years from the effective date of this Agreement (or other such timeframe as agreed upon in writing by NPPD):

- 1) Customer would be required to isolate from the grid when generating by means of open transition, or momentary parallel to the system for no more than 100ms as defined per IEEE Standard 1547.1.3 and the requirements outlined in the Customer Owned Generation Manual, or
- 2) Customer would be required to have an automated curtailment system installed at the generating facility to restrict output of the generating facility based on the system loading levels that was identified in the impact study. The curtailment system would have to be in-service and its functionality tested with documentation satisfactory to NPPD, in its sole discretion, prior to operation.

Protection System Reclosing:

NPPD's subtransmission line breaker relays have instantaneous reclosing turned on by default to reduce the number of system outages. When synchronous or induction generation is installed on the subtransmission system or below parallel to the grid, NPPD will program a 5 second delay to avoid reclosing out of phase with the generator and allow the downstream generation to isolate. NPPD will maintain 34.5 kV line VT's on NPPD's Crete 115 kV Substation breaker 304 and 322 with relay settings programmed to delay reclosing so as to not impact the Customer. The Customer 34.5 kV system does intertie with Norris PPD's Subtransmission system which is served from NPPD's Crete 115 kV Substation breaker 306. NPPD will also maintain 34.5 kV line VT's on NPPD's Crete 115 kV Substation breaker 306 with relay settings programmed to delay reclosing so as to not impact the Customer in a contingency case. NPPD is not liable for any costs associated with damage to the synchronous or induction generation caused by the subtransmission line breaker closing out of phase from the generator.

Generation Capability to Inject to an SPP Transmission Facility:

If Customer's generation injects its output, net of loads, via Customer's connection, to an SPP functionally controlled facility (NPPD 115 kV disconnect switch on the high side of either the T-1 transformer or the T-2 transformer in NPPD's Crete 115kV Substation), Customer would either be required to register the applicable unit(s) with the SPP in its Integrated Marketplace, or install a curtailment scheme, where such curtailment scheme and its coordination with NPPD would be detailed in a revision to this Exhibit A.