

LOUP POWER DISTRICT

Board Meeting Summary

June 24, 2009

NPPD Economic Development Awards —

NPPD Economic Development Manager, Dennis Hall, presented two economic development awards to the Board of Directors represented by Chairman Clausen. The two awards were for 1) Prospect Ready and 2) Successful Business and Industry, Expansion or Attraction. Thirteen customers of NPPD were recognized this year. President/CEO Suess responded by thanking NPPD for their help in achieving these awards.

Mr. Hall stated NPPD is tracking the economy very closely. Nebraska is probably in the best place we can be regarding the economy. There is more prospect activity now than there was in the 1980's.

APPA Annual Conference —

The directors shared their thoughts on the APPA Annual Conference held in Salt Lake City, Utah, that they had just attended. Each director, Vice President of Administrative Services Grubaugh and President/CEO Suess each contributed comments on the conference. Overall the conference was very topical and informative with speakers easily understood and able to relay pertinent information to the recipients. The topics of discussion at the conference centered on carbon cap and trade and renewable resources with wind seeming to be the new resource of choice.

Smart Grid —

President/CEO Neal Suess informed the Board the federal government will have \$4 billion available for grants for smart grid improvement applications. NPPD will be submitting an application for all their wholesale customers who would like to participate. The District, under NPPD, would be asking for funding for 1) upgrades to the present AMR system, 2) upgrading the transmission and distribution system controls, and 3) upgrading the District's communication system. The estimated cost for these upgrades is \$2 million. If the grant is approved the federal government could provide as much as a match of the District's investment. These projects are expected to be budgeted for in 2010 in the hope of receiving the grant.

The Board directed management to send a letter to NPPD stating the District will commit funds for smart grid upgrade if NPPD receives stimulus funding as part of an overall package.

Relicensing Update —

President/CEO Neal Suess informed the Board of the meetings that had been held in April and May with

state, federal and local agencies regarding the hydro relicensing. Comments by agencies on the District's proposed study plans are due by June 25th. After these comments are received the District will know how to proceed when developing the revised study plans. The study plan list is down to nine items from the previous list of thirteen. FERC will issue their determination as to what studies will need to be made by August 28, 2009. HDR will be present at the July board meeting to discuss the progress of the relicensing.

Wholesale Rates —

The Board reviewed the latest forecast for wholesale rates from NPPD. President/CEO Suess indicated the wholesale rate outlook is the biggest topic when meeting with NPPD.

Net Metering —

President/CEO Suess stated the governor had signed into law LB 436, dealing with net metering of customer-owned generation on May 13, 2009.

Recreation Facilities —

Director Cerv has received a number of positive comments regarding the District's recreation facilities.

Gil Cave Retirement —

Gilbert G. Cave's Late Retirement Resolution No. 10062 was approved.

Board Retreat —

The upcoming Board retreat will be held on July 28 and 29 at the Benedictine Center north of Schuyler from 9-5 each day. The committee will prioritize the agenda placing the most pertinent items first.

Financial Reports —

Vice President of Administrative Services Grubaugh, reviewed the April and the May financial reports.

Other Items —

President/CEO Suess discussed a number of other issues. CPH Unit 3 is back in service with the repair of the turbine bearing. CPH Unit 1 is having similar issues and may need to be repaired.

The DNR has reversed its decision for the full appropriation of the Platte River.

NPPD is having town hall meetings next week on transmission line upgrades in Petersburg and Erickson.

(Continued on next page.)

The following work orders were approved.

W.O. No. Description

2036 Responsibility Area 923 Budget Code 1392 Item No. 4

This work order is required to build a new 34.5/12.5kV substation south of Clarkson. This sub is necessary to complete the conversion of Clarkson.

2037 Responsibility Area 923 Budget Code 1292 Item No. 10

This work will consist of setting new poles, stringing new conductor and installing new transformers as needed in addition to building a new overhead and underground feeder from the new substation site located southwest of Clarkson. This work is being done to convert the Village of Clarkson from a 4.16kV system to 12.5kV to make for a more efficient system.

Suppl. #1

1954 Responsibility Area 923 Budget Code 1192 Item No. 4

This work will consist of rebuilding 1.8 miles of 34.5kV transmission line from the Cedar Rapids City Sub to the Cornhusker Power Sub 81-5A. The new line will be of vertical construction, utilizing T2-4/0 conductor with a 3/8" EHS shield wire for lightning protection. This work will upgrade the line and improve reliability.

The President/CEO has approved the following work order.

2035 Responsibility Area 923 Budget Code 1292 Item No. 5

This work will consist of installing four new poles and stringing 1,413 feet of 4 ACSR conductor and neutral wire, and building one transformer mounting. This work is being done to provide service to the New Lambert's Industrial Addition, block A, located east of Columbus.