

STATE OF NEBRASKA – NEBRASKA POWER REVIEW BOARD

In the Matter of the Joint Application of the)
Northeast Nebraska Rural Public Power)
District and the Wayne County Public)
Power District To Merge and Consolidate)
The Said Districts into a New District to Be)
Know as the Northeast Nebraska Public)
Power District.)

CERTIFICATE OF APPROVAL

THIS IS TO CERTIFY that the Nebraska Power Review Board FINDS and ORDERS as follows:

1. That on the 8th day of September, 1997, the Boards of Directors of the Northeast Nebraska Rural Public Power District, (hereinafter NENRPPD) and Wayne County public Power District, (hereinafter Wayne) filed a joint petition to merge and consolidate the two districts with the Nebraska Power Review Board as permitted by *Neb. Rev. Stat. Section 70-604.08*, 1996.

2. Both NENRPPD and Wayne are public corporations and political subdivisions of the State of Nebraska organized and operating under the provisions of *Neb. Rev. Stat. Sections 70-601 to 70-681*, Reissued 1996, and amendments thereto. Both districts are active operating districts in the State of Nebraska.

3. The Nebraska Power Review Board set the application for hearing on November 14, 1997. Notice of the proposed hearing was given by publication once each week for three consecutive weeks by publishing said date of hearing and setting forth the proposed merger, in the following newspapers, which are legal newspapers of general circulation in the area of the proposed merger: *Osmond Republican*, Osmond, NE.; *Pierce Co. Leader*, Pierce, NE; *Wayne Herald*, Wayne, NE; *South Sioux City Star*, South Sioux City, NE.; and *Nebr. Journal-Leader*, Ponca, NE.

The Power Review Board finds that while it did receive some letters opposing the merger of the two districts, that at the time of the hearing no protestants entered their appearance to testify against the proposed merger.

At the time of the hearing, November 14, 1997, the board presidents of each district were present as well as the general manger of the districts. Each utility was represented by their own legal counsel.

4. On December 3, 1996, both NENRPPD and Wayne passed resolutions which instructed their general manager, the respective presidents and secretaries and their legal counsel to negotiate an agreement of consolidation for the two parties. Said agreement to be presented to the Boards of Directors of NENRPPD and Wayne on or before December 31, 1996.

5. Pursuant to the provisions of *Neb. Rev. Stat. Sections 70-603 and 70-662* (Reissue 1996), and subject to the approval of the Nebraska Power Review Board of the State of Nebraska, the Board of Directors of NENRPPD at a meeting held on December 3, 1996, at which all of the directors were present, the following Resolution was unanimously adopted by the affirmative vote of all of the directors of NENRPPD:

RESOLUTION 96-08 346

WHEREAS, the Boards of Directors of Wayne County Public Power District, (hereinafter referred to as Wayne), and Northeast Nebraska Rural Public Power District, (hereinafter referred to as Northeast) have determined that it is in the best interest of the customers of each of the public power districts to consolidate the public power districts;

WHEREAS, the Boards of Directors of Wayne and Northeast have studied the consolidation of the two districts and have come to the conclusion that the same would be to the benefit of the customers of each district;

WHEREAS, the Boards of Directors of Wayne and Northeast find that the consolidation of their two public power districts should be effective on or before January 1, 1998; and

WHEREAS, the plan for consolidation should call for the maintaining the present electric rate structure and procedure for changing said electric rates until December 31, 1999 unless the consolidated Board of Directors acts earlier, whereupon a cost of service study should be conducted to determine if changes in the electric rate structure or procedures for change of said rate structure are needed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Northeast Nebraska Rural Public Power District:

1. That the president and the secretary of the Board of Northeast Nebraska Rural Public Power District are authorized and directed to negotiate an agreement with Wayne County Public Power District to consolidate the two districts, and that the district's manager, Edward "Sam" Schroeder, and the attorney for the district, Kurt T. Rager, are to assist the president and secretary in formulating the agreement to consolidate the two districts.

2. That on or before December 31, 1996, the agreement for consolidation shall be presented to the Board of Northeast Nebraska Rural Public Power District for its approval at a regular or specially held meeting for that purpose.

3. That the Board of Directors of Northeast Nebraska Rural Public Power District shall adopt whatever additional resolutions as are reasonably necessary to accomplish the consolidation of Northeast Nebraska Rural Public Power District and Wayne County Public Power District.

6. Pursuant to the provisions of *Neb. Rev. Stat. Sections 70-603 and 70-662* (Reissue 1996), and subject to the approval of the Nebraska Power Review Board of the State of Nebraska, the Board of Directors of Wayne at a meeting held on December 3, 1996, at which all of the directors were present, the following Resolution was adopted by the affirmative vote of the directors of Wayne:

RESOLUTION 96-10

WHEREAS, the Boards of Directors of Wayne County Public Power District (hereinafter referred to as "Wayne"), and Northeast Nebraska Rural Public Power District (hereinafter referred to as "Northeast"), determine that it is in the best interests of the customers of each of the public power districts to consolidate the public power districts; and

WHEREAS, the Boards of Directors of Wayne and Northeast have studied the consolidation of the two districts and have come to the conclusion that consolidation of the two power districts would be to the benefit of the customers of each district; and

WHEREAS, the Boards of Directors of Wayne and Northeast find that the consolidation of the two public power districts should be effective on or before January 1, 1998; and

WHEREAS, the plan for consolidation should call for the maintaining the present electric rate structures and procedures for changing said electric rates until December 31, 1999 or unless the consolidated Board of Directors acts sooner, whereupon a cost of service study should be conducted to determine if changes in the electric rate structure or procedures for change of said rate structure are needed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Wayne County Public Power District:

1. That the president and the secretary of the Board of Wayne County Public Power District be authorized and directed to negotiate an agreement with Northeast to consolidate the two power districts and that the district's manager, Edward Schroeder, and the attorney for the district, Christopher J. Connolly, are directed to assist the president and secretary in formulating the agreement to consolidate the two districts.

2. That on or before December 31, 1996, the agreement for consolidation shall be presented to the Board of Wayne County Public Power District for its approval at a regularly or specially held meeting for that purpose.

3. That the Board of Directors of Wayne County Public Power District shall adopt additional resolutions as are reasonably necessary to accomplish the consolidation of Wayne County Public Power District and Northeast Nebraska Rural Public Power District.

7. That on December 27, 1996, NENRPPD and Wayne entered into an agreement for merger/consolidation of NENRPPD and Wayne into a public power district to be known as Northeast Nebraska Public Power District with its principal office to be located in Wayne, Nebraska.

8. Amendment of the Petition for Creation of NENRPPD will not nullify, conflict with, or materially affect any other public power district or public power and irrigation district except

Wayne which is a party to this Petition to consummate the consolidation/merger of the two said Districts. The Amendment of the Petition for Creation of Wayne will not nullify, conflict with, or materially affect any other public power district or public power and irrigation district except NENRPPD which is a party to this Petition to consummate the consolidation/merger of the two said Districts. The Amendment of the Petition for Creation of NENRPPD will not jeopardize, impair or prejudice the interests of the rural users of electricity in the District. The Amendment of the Petition for Creation of Wayne will not jeopardize, impair or prejudice the interests of the rural users of electricity in the District.

9. The Amendment of the Petition for Creation of NENRPPD will transfer the following territory of NENRPPD to the newly created Northeast Nebraska Public Power District:

The following territory except and excluding, however, all areas therein located within the corporate limits of cities and villages, except that the Village of Thurston, Thurston County, State of Nebraska shall be included in the chartered area of said District for the reason that the District does now supply 100% of the power requirements of said village, and the residents are retail customers of the District pursuant to *Neb. Rev. Stat. § 70-604(2)* (Reissue 1996); All of Dixon County, State of Nebraska; All of Dakota County, State of Nebraska; Perry Voting Precinct, Flourney Voting Precinct, Thayer Voting Precinct, Pender Voting Precinct, Merry Voting Precinct and Winnebago Voting Precinct, all in Thurston County, Nebraska. Said Dixon County, and Dakota County Nebraska are bounded as set forth in Article I, Chapter 25, Compiled Statutes of Nebraska for 1929. Said Perry Voting Precinct is bounded as follows: Commencing at the Southwest corner of Section 14, Township 26 North, Range 5 East, thence East to the Southeast corner of Section 17, Township 26 North, Range 7 East, thence North to the Northeast corner of Section 32, Township 27 North, Range 7 East, thence West to the Northwest corner of Section 34, Township 27 North, Range 6 East, thence South to the Southwest corner of Section 34, Township 27 North, Range 6 East, thence West to the Northwest corner of Section 2, Township 26 North, Range 5 East, and thence South to the point of beginning. Said Flourney Voting Precinct is bounded as follows: Commencing at the Northwest corner of Section 23, Township 26 North, Range 5 East, thence East to the Northeast corner of Section 20, Township 26 North, Range 7 East, thence South to the Southeast corner of Section 5, Township 25 North, Range 7 East, thence West to the Southwest corner of Section 4, Township 25 North, Range 6 East, thence North to the Southwest corner of Section 33, Township 26 North, Range 6 East, thence

West to the Southwest corner of Section 35, Township 26 North, Range 5 East, thence North to the point of beginning. Said Thayer Voting Precinct is bounded as follows: Commencing at the Northwest corner of Section 2, Township 25 North, Range 5 East, thence East to the Northeast corner of Section 5, Township 25 North, Range 6 East, thence South to the Southeast corner of Section 32, Township 25 North Range 6 East, thence West to the Southwest corner of Section 35, Township 25 North, Range 5 East, thence North to the point of beginning. Said Pender Voting Precinct is bounded as follows: Commencing at the Northwest corner of Section 9, Township 25 North, Range 6 East, thence East to the Northeast corner of Section 8, Township 25 North, Range 7 East, thence South to the Southeast corner of Section 32, Township 25 North, Range 7 East, thence West to the Southwest corner of Section 33, Township 25 North, Range 6 East, and thence North to the place of beginning. Said Merry Voting Precinct is bounded as follows: Commencing at the Northwest corner of said Section 33, Township 27 North, Range 7 East, thence East to the Northeast corner of Section 36, Township 27 North, Range 7 East, thence South to the Southeast corner of Section 1, Township 25 North, Range 7 East, thence West to the Southwest corner of Section 4, Township 25 North, Range 7 East, and thence North to the place of beginning. Said Winnebago Voting Precinct is bounded as follows: Commencing at the Northwest corner of Section 32, Township 27 North, Range 8 East, thence East to the Nebraska-Iowa boundary line, thence in a Southerly and Southwesterly direction along said boundary to a point of intersection of said Nebraska-Iowa boundary line with the South line of Section 26, Township 26 North, Range 9 East, extended East to said boundary line, thence West to the Southwest corner of Section 29, Township 26 North, Range 8 East, and thence North to the place of beginning."

10. The District Subdivisions of NENRPPD shall be transferred to the newly created

Northeast Nebraska Public Power District, which Subdivisions are as follows:

District Subdivision No. I, which shall be composed and consist of Perry Voting Precinct, Merry Voting Precinct, Winnebago Voting Precinct, Thayer Voting Precinct, Pender Voting Precinct and Flourney Voting Precinct, including the Village of Thurston, all in Thurston County, Nebraska; and Omadi Voting Precinct, Dakota Voting Precinct and Hubbard Voting Precinct, all in Dakota County, Nebraska.

District Subdivision No. II, which shall be composed and consist of Hooker Voting Precinct, Newcastle Voting Precinct, Dailey Voting Precinct, Silver Creek Voting Precinct, Ponca Voting Precinct, Clark Voting Precinct, Galena Voting Precinct, Otter Creek Voting Precinct, Concord Voting Precinct, Springbank Voting Precinct, Logan Voting Precinct, Wakefield Voting Precinct and Emerson Voting Precinct, all in Dixon County, Nebraska.

District Subdivision No. III, which shall be composed and consist of Summit Voting Precinct, St. Johns Voting Precinct, Covington Voting Precinct and Emerson Voting Precinct, all in Dakota County Nebraska.

11. Pursuant to *Neb. Rev. Stat. Section 70-604.08* (Reissue 1996), the current board members of NENRPPD listed below shall continue to serve on the new Board of Directors of Northeast Nebraska Public Power District until the expiration of the term of office for which such person or persons have been elected and until his or their successors are elected and qualified. The names, addresses, Director Subdivisions, and expiration of the terms of office of the present directors of NENRPPD are as follows:

Name	Address	Subdivision	Term Ends
Paul J. Bodlak	Route 1, Box 143 Emerson, NE 68733	I	1/1999
Duane I. Jenkins	2451 Blyburg Road Homer, NE 68030	I	1/2001
Sylvester H. Kneifl	Rural Route, Box 85 Newcastle, NE 68757	II	1/2003
Thomas M. Gustafson	Rural Route 1, Box 197 Wakefield, NE 68784	II	1/2001
Verlyn G. Roeber	1933-230 th Street Emerson, NE 68733	III	1/1999
Lowell A. Birkley	1447 Moody Road Jackson, NE 68743-3051	III	1/2003

12. Amendment of the Petition for Creation of Wayne will transfer the following territory of Wayne to the newly created Northeast Nebraska public Power District:

Wayne County, Nebraska, excluding the corporate limits of Wayne, Winside, Hoskins, Nebraska, and that portion of Wakefield, Nebraska, situated in Wayne County; and also including the following precincts in Pierce County, Nebraska: Thompson, Plum Grove and Logan Precincts (excluding the corporate limits of Osmond, Nebraska); Eastern Precinct (excluding the corporate limits of McLean, Nebraska); Foster (excluding the corporate limits of Foster, Nebraska); Allen and Pierce Precincts (excluding the corporate limits of Pierce, Nebraska); and Slough Precinct.

13. The District Subdivisions of Wayne shall be transferred to the newly created

Northeast Nebraska Public Power District, which Subdivisions are as follows:

District Subdivision No. 1, which shall be composed of and consist of the following voting precincts in Wayne County, Nebraska: Hoskins Precinct (excluding the corporate limits of Hoskins, Nebraska); Garfield Precinct; Sherman Precinct; Hancock Precinct (excluding the corporate limits of Winside, Nebraska); Chapin Precinct; and Deer Creek Precinct.

District Subdivision No. 2, which shall be composed of and consist of the following voting precincts in Wayne County, Nebraska: Brenna, Strahan, Wilbur, Plum Creek, Hunter, Leslie and Logan Precincts (excluding corporate limits of Wayne and that portion of Wakefield, Nebraska, situated in Wayne County).

District Subdivision No. 3, shall be composed and consist of the following voting precincts in Pierce County, Nebraska: Thompson, Plum Grove and Logan Precincts (excluding the corporate limits of Osmond, Nebraska); Eastern Precinct (excluding the corporate limits of McLean, Nebraska); Foster (excluding the corporate limits of Foster, Nebraska); Allen and Pierce Precincts (excluding the corporate limits of Pierce, Nebraska); and Slough Precinct.

14. Pursuant to *Neb. Rev. Stat. Sections 70-604.08* (Reissue 1996), the current Board

Members of Wayne listed below shall continue to serve on the new Board of Directors of Northeast Nebraska Public Power District until the expiration of the term of office for which such person or persons have been elected and until his or their successors are elected and qualified. The names, addresses, Director Subdivisions, and expiration of the terms of office of the present Directors of Wayne are as follows:

Name	Address	Subdivision	Term Ends
George Jaeger	Rural Route 1 Winside, NE 68790	1	1/2003
Dan Loberg	Rural Route 1, Box 149 Carroll, NE 68723	1	1/2001
Willis Meyer	Rural Route 1, Box 150 Wayne, NE 68787	2	1/1999

Donald R. Larsen	Rural Route 1 Wayne, NE 68787	2	1/2001
Vernon Ganseborn	Rural Route 1, Box 156 Osmond, NE 68765	3	1/2001
Kirk Weyhrich	Rural Route 2, Box 128 Osmond, NE 68765	3	1/2003

15. The newly formed Northeast Nebraska Public Power District shall have twelve Board members, consisting of the current Board members of NENRPPD and Wayne as above described.

The officers of the said Board of Northeast Nebraska Public Power District should be a president, vice president, secretary and treasurer, and such subordinate officers as the Board of Directors shall designate. The names and addresses of the first directors who shall hold office from the effective date of the consolidation and until their successors are chosen are as follows:

<u>Name</u>	<u>Address</u>	
Willis Meyer	RR #1, Box 150	Wayne, NE 68787
Dan Loberg	RR #1, Box 149	Carroll, NE 68723
George Jaeger	RR #1, Box 72A	Winside, NE 68790
Donald R. Larsen	RR #1, Box 159	Wayne, NE 68787
Kirk Weyhrich	RR #2, Box 128	Osmond, NE 68765
Vernon Ganseborn	RR #1, Box 156	Osmond, NE 68765
Verlyn G. Roeber	1933 230 th Street	Emerson, NE 68733
Lowell A. Birkley	1447 Moody Road	Jackson, NE 68743
Paul J. Bodlak	RR #1, Box 143	Emerson, NE 68733
Thomas M. Gustafson	RR #1, Box 197	Wakefield, NE 68784
Sylvester H. Kneifl	RR, Box 85	Newcastle, NE 68757
Duane T. Jenkins	2451 Blyburg Road	Homer, NE 68030

16. If, on the effective date of the consolidation, January 1, 1998, a vacancy shall exist in the Board of Directors or in any of the offices of the newly formed Northeast Nebraska Public Power District, such vacancy shall be filled by the Board of Directors of the consolidated power district. Such vacancy shall be filled pursuant to Nebraska law. Officers for the consolidated

power district shall be chosen pursuant to the bylaws of the consolidated power district and Nebraska law.

17. At the time of the merger/consolidation of NENRPPD and Wayne, NENRPPD was a party to the following service area agreements:

Item	Other Party	SAA No.	Dated
1.	Consumers PPD (NPPD-Jackson, Dakota City, Hubbard, Homer, Martinsburg, Obert/Maskell, Ponca, Newcastle, Allen, Dixon, Concord)	305A&B	September 27, 1965
2.	NPPD (Jackson, Dakota City, Hubbard, Homer, Martinsburg, Martinsburg, Obert/Maskell, Ponca)	305Amended	September 18, 1975 May 7, 1979 April 29, 1981 May 6, 1994
3.	Burt County PPD	260A&B 260Amended	September 30, 1964 May 28, 1980
4.	Cuming County PPD	61A	May 20, 1964
5.	Cedar-Knox PPD	135B	July 14, 1964
6.	Wayne County PPD	179B	July 30, 1964
7.	City of Wakefield	113A	July 14, 1964
8.	Village of Pender	232A&B	January 7, 1965
9.	Village of Emerson	112A 112Amended	July 14, 1965 June 17, 1980
10.	Village of Thurston	157A 157Rescinded by Amended Petition of Creation	August 5, 1964 January 2, 1992
11.	City of South Sioux City	264A 264Amended	January 7, 1965 April 29, 1981

18. At the time of the merger/consolidation of NENRPPD and Wayne, Wayne was a party to the following Service Area agreements;

Item	Other Party	SAA No.	Dated
1.	Cedar Knox PPD	217B	June 22, 1964
2.	NENRPPD	179A	May 26, 1964
3.	Stanton Co. PPD	106B	May 22, 1964
4.	Consumers PPD (NPPD Hoskins & Osmond)	307	March 10, 1965
5.	NCPPD	123B	May 21, 1965
6.	Cuming Co. PPD	133A	April 14, 1964
7.	Elkhorn RPPD	74B	June 3, 1964

8.	Eden Valley Light Co. (North Central PPD)	268O	June 19, 1964
9.	City of Pierce		June 21, 1964
10.	City of Wakefield		June 3, 1964
11.	City of Winside	259A	July 20, 1964
12.	City of Randolph	258A	June 24, 1964
13.	City of Wayne	322B	April 13, 1965

19. That consents to the assignment of the above named service area agreements have been signed by all the above named electrical suppliers agreeing to transfer NENRPPD and Wayne's interest in the said service area agreements to the new district, the Northeast Nebraska Public Power District and that the new district shall succeed to any and all interest in the above named service areas previously held by NENRPPD and Wayne.

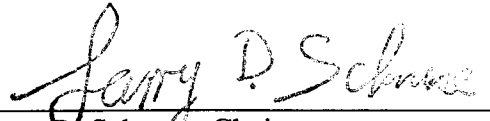
20. That it appears affirmatively that the adoption of the proposed amendments will not be contrary to the best interest of the districts, or that the adoption of the same will not jeopardize or impair the rights of creditors of said districts or other persons, or that plants, systems, and the works, the operations of the same, the exercise of powers and assumption of duties and responsibilities of or on the part of the said districts will not nullify, conflict with or materially affect those of or on the part of any other district and that the Petition to Amend the Petitions of the Districts is entitled to be approved.

THEREFORE, IT IS THE ORDER OF THE NEBRASKA POWER REVIEW BOARD that the joint application to modify the Petitions for Creations of the NENRPPD and Wayne to merger the two districts into a new district known as the Northeast Nebraska Public Power District SHOULD BE AND IS HEREBY APPROVED.

IT IS THE FURTHER ORDER OF THE BOARD that any interest held by the NENRPPD and Wayne in any service agreements should be assigned to the new district,

Northeast Nebraska Public Power District and that the assignment of the said interest is hereby
APPROVED.

NEBRASKA POWER REVIEW BOARD


Larry D. Schnase, Chairman

CERTIFICATE OF SERVICE

I, Gary D. Gustafson, Executive Director of the Nebraska Power Review Board, hereby
certify that a copy of the above Order was sent by regular course of mail, postage prepaid on this
31st December, 1997, to the following persons at the addresses indicated:

Mr. Sam Schroeder, Manager, Northeast Nebraska Rural Public Power District, Box 39,
Emerson, NE 68733;

Mr. Kurt T. Rager, Attorney at Law, P. O. Box 339, South Sioux City, NE 68776-0339;
and

Mr. Christopher J. Connolly, Attorney at Law, P. O. Box 427, Wayne, NE 687870-0427.


Gary D. Gustafson