STATE OF NEBRASKA NEBRASKA POWER REVIEW BOARD

| IN THE MATTER OF THE JOINT |) | SAA 267-10-A |
|-------------------------------|---|--------------|
| APPLICATION OF THE CITY OF |) | |
| PIERCE, NEBRASKA, AND THE |) | |
| NORTHEAST NEBRASKA PUBLIC |) | |
| POWER DISTRICT, HEADQUARTERED |) | |
| IN WAYNE, NEBRASKA TO AMEND |) | ORDER |
| RETAIL SERVICE AREA AGREEMENT |) | |
| 267. | í | |
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NOW on this 15th day of October, 2010, the above-captioned matter came under consideration by the Nebraska Power Review Board (the "Board") and the Board, being fully advised as to the premises, finds as follows:

- 1. That the Northeast Nebraska Public Power District ("Northeast NE PPD") and the City of Pierce, Nebraska ("Pierce") filed a joint application with the Board on October 7, 2010, requesting approval of an amendment to retail Service Area Agreement 267 ("S.A.A. 267"). S.A.A. 267 is the written agreement between the parties, previously approved by the Board, establishing the service area boundary between the two utilities' adjoining retail service areas. The application for amendment was designated "SAA 267-10-A."
- 2. That Northeast NE PPD and Pierce are the only parties to S.A.A. 267 and to this application.
- 3. That Northeast NE PPD and Pierce have jointly agreed to the transfer of certain customers in sections 14 and 23, Township 26 North, Range 2 West of the 6th Prime Meridian. In "Exhibit A" to the application there are four customers that would become

Northeast NE PPD customers shown along the east and south section lines in the southeast ¼ of section 14, T26N, R2W, and two customers that would become Northeast NE PPD customers along the east section line in the northeast ¼ of section 23, T26N, R2W. These customers are indicated with filled in circles. Although these customers are located in Northeast NE PPD's service area, they are not shown on the original service area map signed by the parties and approved by the Board in 1964. The parties wish to clarify that Northeast NE PPD will serve these customers.

- 4. The original 1964 service area agreement map also shows that Pierce has the right to have a distribution line that begins at the half-section line in section 23, T26N, R2W and proceeds to just past the northern section line of section 23 in order to serve two customers. Pierce customers are indicated with hollow circles. The map shows Pierce has the right to serve a customer along the east side of the distribution line approximately midway between the half-section line of section 23 and the northern boundary of section 23. The line extends just north of the section line to serve a customer in the southern half of section 14, T26N, R2W. In S.A.A. 282-10-A, Pierce withdraws its right to serve the two customers and to have the distribution line in Northeast NE PPD's service area.
- 5. SAA 267-10-A addresses the issues raised in Pierce's application PRB-3624, which was denied by the Board. At that time Pierce was proposing to remove the distribution line that proceeds from the half-section line in section 23 and proceeds to just beyond the northern section line of section 23. Pierce had requested authorization to construct a new line along the northern boundary of section 23. The purpose of application PRB-3624 was to allow Pierce to remove its existing distribution line and

construct a replacement line that would begin at the northwestern corner of section 23, proceed along the northern and eastern perimeter of section 23, and end at the center point of the eastern edge of section 23. Relocating the line would allow a customer farming in section 23 to convert a gravity flow irrigation system to an irrigation center pivot system. Northeast NE PPD and Pierce have jointly filed S.A.A. 267-10-A in order to better serve customers located in these two sections.

6. That during its public meeting held Friday, October 15, 2010, a majority of the Board (3 - 0) voted to approve SAA 267-10-A.

IT IS THEREFORE THE ORDER of the Nebraska Power Review Board that, pursuant to the Board's action on October 15, 2010, that retail Service Area Agreement 267 between the Northeast Nebraska Public Power District and the City of Pierce, Nebraska be amended as requested in application SAA 267-10-A, and that application SAA 267-10-A is hereby APPROVED.

Dated this 15 day of October, 2010.

NEBRASKA POWER REVIEW BOARD

Bv:

Michael Siedschlag

Chairman

CERTIFICATE OF SERVICE

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The Honorable Thomas Maas Mayor City of Pierce 106 South 1st Pierce, NE 68767-1368

Timothy J. Texel