

**CONSTRUCTION AGREEMENT**  
**for**  
**GRAND ISLAND 115KV SUBSTATION BUS UPGRADE**  
**between**  
**NEBRASKA PUBLIC POWER DISTRICT**  
**and**  
**CITY OF GRAND ISLAND, NEBRASKA**

This Construction Agreement ("Agreement") is made and entered into this Tenth (10) day of February, 2015 by and between NEBRASKA PUBLIC POWER DISTRICT (hereinafter referred to as "NPPD"), a public corporation and political subdivision of the State of Nebraska, and THE CITY OF GRAND ISLAND, NEBRASKA (hereinafter referred to as "City"), a municipal corporation and political subdivision of the State of Nebraska, each referred to herein individually as a "Party" and collectively, the "Parties".

**WITNESSETH:**

**WHEREAS**, NPPD and City each own and operate electric generating and transmission facilities and are each engaged in the generation, transmission and sale of electric power and energy, and

**WHEREAS**, the respective transmission system of NPPD and City are presently interconnected and, from time to time, NPPD and City engage in the purchase and sale of energy pursuant to contractual arrangements between the Parties, and

**WHEREAS**, the City is upgrading their line 1093 between Sub E and NPPD's Grand Island 115kV substation (Substation) and NPPD needs to upgrade the strain bus between the dead-end tower and Bay 1106 to accommodate the City's line 1093 upgrading, and

**WHEREAS**, the Parties wish to set forth the terms and conditions governing the design, construction, payment and ownership of the transmission facilities to be constructed.

**NOW, THEREFORE**, in consideration of the mutual benefits to the Parties, the Parties hereby agree as follows:

**SECTION 1**  
**Work Scope**

- 1.1 NPPD shall be responsible for the design, procurement, coordination of the protection settings, and construction activities related to replacing the existing 477 KCM ACSR strain bus and jumpers with 954 KCM ACSR and re-insulate as needed in Bay 1106 for line 1093, as illustrated on Exhibit 1, attached hereto and made a part of this Agreement.
- 1.2 City shall be responsible to remove the City owned conductors and attach the new City owned line conductors to NPPD's dead-end tower in the Substation.
  - 1.2.1 NPPD shall grant to the City the right of ingress and egress to the Substation for the purpose of construction and testing of the new City owned line section. City shall notify NPPD's Doniphan Control Center (402-845-5234) each time they enter and leave the Substation.
- 1.3 The above mentioned transmission facilities shall be installed in accordance with Good Utility Practice and shall be subject to final inspection and coordination testing by the Parties before energizing the transmission facilities. The transmission facilities shall be energized upon the sole determination and approval of NPPD.
- 1.4 Upon completion of the work identified herein, City shall own and be responsible for the maintenance and replacement of the City owned line specifically identified as the conductor, dead-end clamps and line side insulators attached to NPPD's tower in the Substation as depicted on Exhibit 1. NPPD shall own and be responsible for the maintenance and

replacement of the tower, bus side insulators, jumpers and strain bus located in Bay 1106.

**SECTION II**  
**Term and Termination of Agreement**

- 2.1. This Agreement shall become effective on the date first above written and shall remain in effect until all obligations of this Agreement, including but not limited to, the payment obligations of the Parties, have been fully satisfied as determined by NPPD.

**SECTION III**  
**Schedule**

- 3.1 Upon execution of this Agreement, the Parties will initiate the work and use good faith efforts to upgrade the transmission facilities described in Section 1.1 by October 1, 2015.
- 3.2 It is understood by the Parties that the completion date may be affected by other uncontrollable circumstances, such as electric system demands, unavailability of labor and materials, governmental actions, weather, and other Acts of God that may delay the schedule or performance of this Agreement.

**SECTION IV**  
**Funding**

- 4.1 The preliminary estimated cost of the work identified in Section 1.1 is Forty Five Thousand Dollars (\$45,000.00). The City shall be responsible for the total actual costs associated with completion of the work identified in Section 1.1, and the actual costs shall be determined in accordance with Section 4.2.
- 4.2 NPPD will keep records of the actual costs that are incurred for the work identified in Section 1.1. Actual costs will be determined by using NPPD standard charge rates. Actual costs shall include, but not be limited to, labor costs, material costs, equipment costs, design and engineering costs, construction costs, and general administration costs. Any applicable taxes will be paid by NPPD and included in the calculation of the actual costs.

- 4.3 Upon completion of the work for which NPPD is responsible under Section 1.1, NPPD will determine final actual costs in accordance with Section 4.2 and issue to the City a final billing which shall be due within thirty (30) days of the receipt of the invoice from NPPD.
- 4.4 If the City disputes any portion of the billing provided by NPPD, the City shall nevertheless pay the full amount of said billing when due within thirty (30) days of receipt of the invoice from NPPD. The City shall notify NPPD in writing of the amount of the billing dispute and the basis for the dispute. If settlement of the dispute results in a refund to the City, the amount refunded shall not exceed the amount identified as being in dispute.
- 4.5 After NPPD has initiated the work for the design and procurement for the Substation as described in Section 1.1, if for any reason, the City is unable or unwilling to proceed with the uprating of the City's line 1093, then the City shall be responsible for One Hundred Percent (100%) of all of the costs incurred by NPPD associated with this project in accordance with Section 4.2.

**SECTION V**  
**Indemnification**

- 5.1 NPPD agrees to indemnify and hold harmless the City or its representatives, agents, or employees from all claims, demands, suits, actions, payments, and judgments arising from any negligent act or omission of NPPD, its agents, servants, or employees, during the construction of the facilities covered in this Agreement.
- 5.2 The City agrees to indemnify and hold harmless NPPD or its representatives, agents, or employees from all claims, demands, suits, actions, payments, and judgments arising from any negligent act or omission of the City, its agents, servants, or employees, during the construction of the facilities covered in this Agreement

**SECTION VI**  
**Good Utility Practice**

- 6.1 Good Utility Practice shall mean any of the practices, methods, and acts at a particular time, which, in the exercise of reasonable judgment in the 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 the reliability, safety and expediency of the action. In applying a Good Utility Practice standard to any matter under this Agreement, equitable consideration should be given to the circumstances, requirements, and obligations of each of the Parties. It is recognized that a Good Utility Practice is not intended to be limited to a single best practice, method, or act, to the exclusion of all others, but rather can be within a spectrum of possible practices, methods, or acts which could reasonably have been expected to accomplish the action.

**SECTION VII**  
**Governing Law**

7.1 This Agreement is deemed to have been effectively entered into in the State of Nebraska and it shall be interpreted and controlled by the laws of said State. The Parties agree that any action arising out of or related to this Agreement brought by either Party shall be brought only in the federal or state courts of the State of Nebraska.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their authorized representatives as of the date first above written.

**Nebraska Public Power District**

**City of Grand Island, Nebraska**

By: Joel Lager

By: Jeremy L. Jensen

Printed Name: Joel L. Lager

Printed Name: Jeremy L. Jensen

Title: T&D Manager

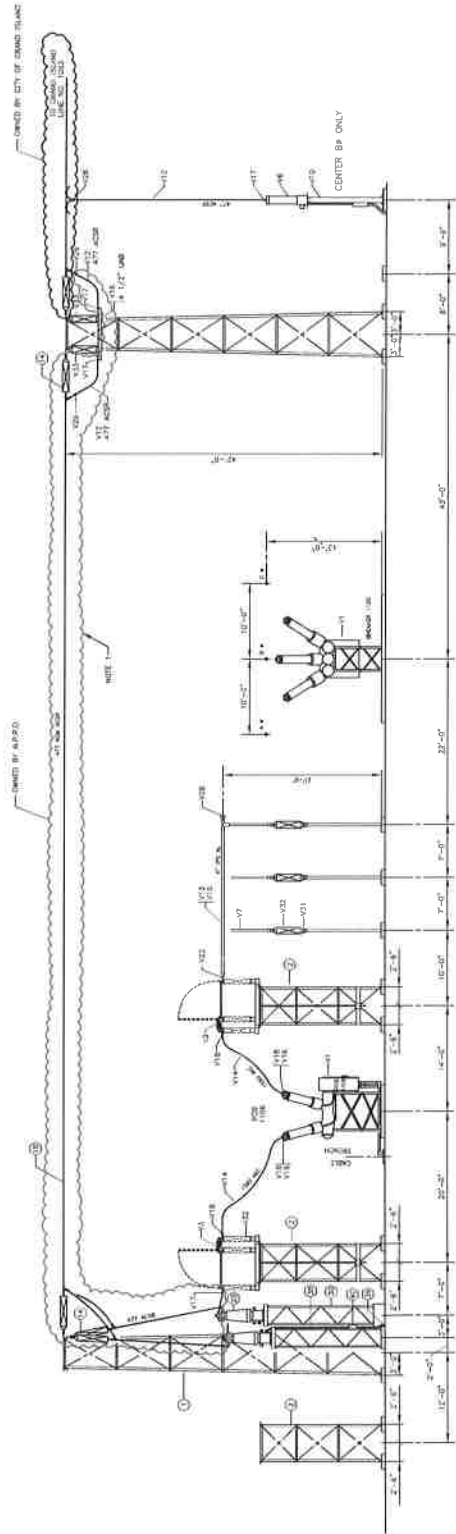
Title: Mayor

Date: 2/3/2015

Date: 2/10/2015

Stacy R. Wankhof  
Asst. City Attorney  
2/10/15

SCALE 1/8" = 1'-0"



SECTION VIEW  
115KV LINE BAY FOR CITY OF GRAND ISLAND LINE 1093

ORDER 5054375  
 1. REPLACE EXISTING 477 KVA ACB STRAIN EDS & ADJUSTING WITH 624 KVA  
 2. REPAIR EXISTING 477 KVA ACB STRAIN EDS & ADJUSTING WITH 624 KVA  
 3. REPAIR FOR CITY OF GRAND ISLAND RESUBDIVISION 1093

NO.	REVISION/REVISIONS
01	ISSUE FOR PERMIT
02	FOR REVIEW
03	FOR REVIEW
04	FOR REVIEW
05	FOR REVIEW
06	FOR REVIEW
07	FOR REVIEW
08	FOR REVIEW
09	FOR REVIEW
10	FOR REVIEW
11	FOR REVIEW
12	FOR REVIEW
13	FOR REVIEW
14	FOR REVIEW
15	FOR REVIEW
16	FOR REVIEW
17	FOR REVIEW
18	FOR REVIEW
19	FOR REVIEW
20	FOR REVIEW

PROJECT NUMBER	910220	DATE	2/14/15
PROJECT NAME	GRAND ISLAND 115KV SUBSTATION 115KV BAY FOR CITY OF GRAND ISLAND LINE 1093		
PROJECT LOCATION	EXHIBIT "1"		
PROJECT NUMBER	21145	DATE	12-31-14
PROJECT NAME	GRAND ISLAND 115KV SUBSTATION		
PROJECT LOCATION	EXHIBIT "1"		
PROJECT NUMBER	460006845	DATE	12-31-14
PROJECT NAME	GRAND ISLAND 115KV SUBSTATION		
PROJECT LOCATION	EXHIBIT "1"		

STATUS: ISSUED FOR PERMIT  
 DATE APPROVED: 01/22/2015  
 DRAWN BY: TAP/MLD  
 CHECKED BY: TAP/MLD  
 DESIGNED BY: TAP/MLD

