



2024 Update to NPPD Formula Rate Template for Submittal to Southwest Power Pool (SPP)

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NPPD Board of Directors
President's Report
December 14, 2023

Scott Jackson, Pricing & Rates Supervisor



Objective

- Seek approval for transmission revenue requirements and rates included in the 2024 Annual Update of the SPP Formula Rate Template
 - Proposed effective date is January 1, 2024

2024 Update to NPPD Rate Template (\$ in Millions)

Revenue Requirement	Projected 2023	Projected 2024
1. Zonal	\$ 43.2	\$ 46.9
2. Base Plan Projects	40.0	39.1
3. System Control	9.0	10.8
4. Subtotal - Before PY True-up Adj.	\$ 92.2	\$ 96.8
5. Prior Year True-up Adjustment (based on actual costs)	(2.8)	(7.4)
6. Total	\$ 89.4	\$ 89.4

- Zonal – Projected revenue requirements recovered from load in the NPPD Pricing Zone
- Base Plan Projects – Projected revenue requirements of qualifying NPPD projects recovered from zonal and regional load
- System Control – Projected revenue requirements associated with the real-time monitoring and control of NPPD’s transmission system
- Prior Year True-up Adjustment – Reconciliation between projected and actual costs from 2021 (in 2023) and 2022 (in 2024)

2022 True-Up Adjustment (\$ in Millions)

Revenue Requirement	Actual 2022 Revenues (B)	Actual 2022 Rev Reqts. (C)	True-Up Adj (B) - (C) (D)
(A)			
1. Zonal	\$ 44.1	\$ 43.9	\$ 0.2
2. Base Plan Projects	43.3	39.9	3.4
3. System Control	9.8	6.6	3.2
4. Subtotal	\$ 97.2	\$ 90.4	\$ 6.8
5. Interest			0.6
6. True-Up Adj (Annual incl. Interest)			\$ 7.4 *

* Surplus primarily due to lower-than-expected operation & maintenance (O&M) expenses and higher-than-expected revenues received from SPP point-to-point transmission customers

Remaining Schedule

- December 14 – Board agenda item for approval of Annual Update to the Formula Rate Template to establish 2024 transmission revenue requirements/rates
- December 20 – NPPD provides approved 2024 Annual Update to SPP for posting on their website
- January 1, 2024 – Effective date of new revenue requirements/rates
- January 15 – FERC Informational Filing Due



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Questions

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