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Retail PRO Agreement Review

NPPD Board of Directors Meeting
March 2023

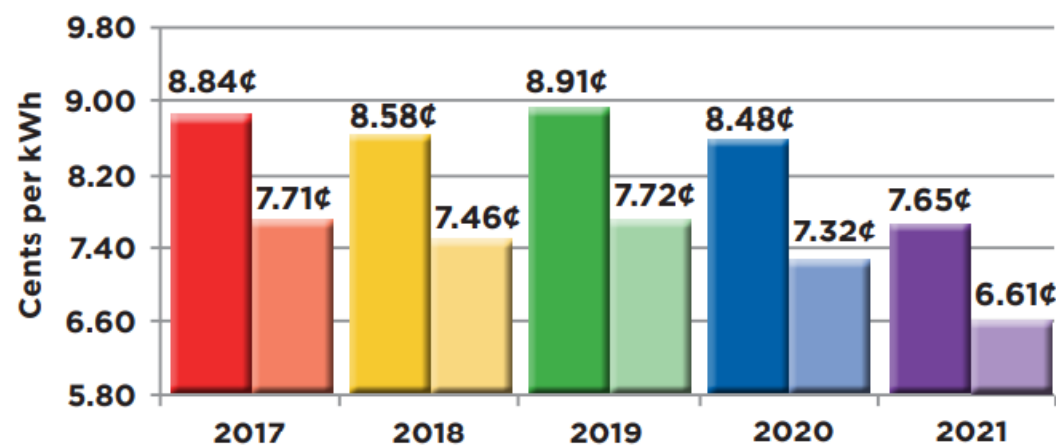
Pat Hanrahan – General Manager Retail Services



Retail at a Glance

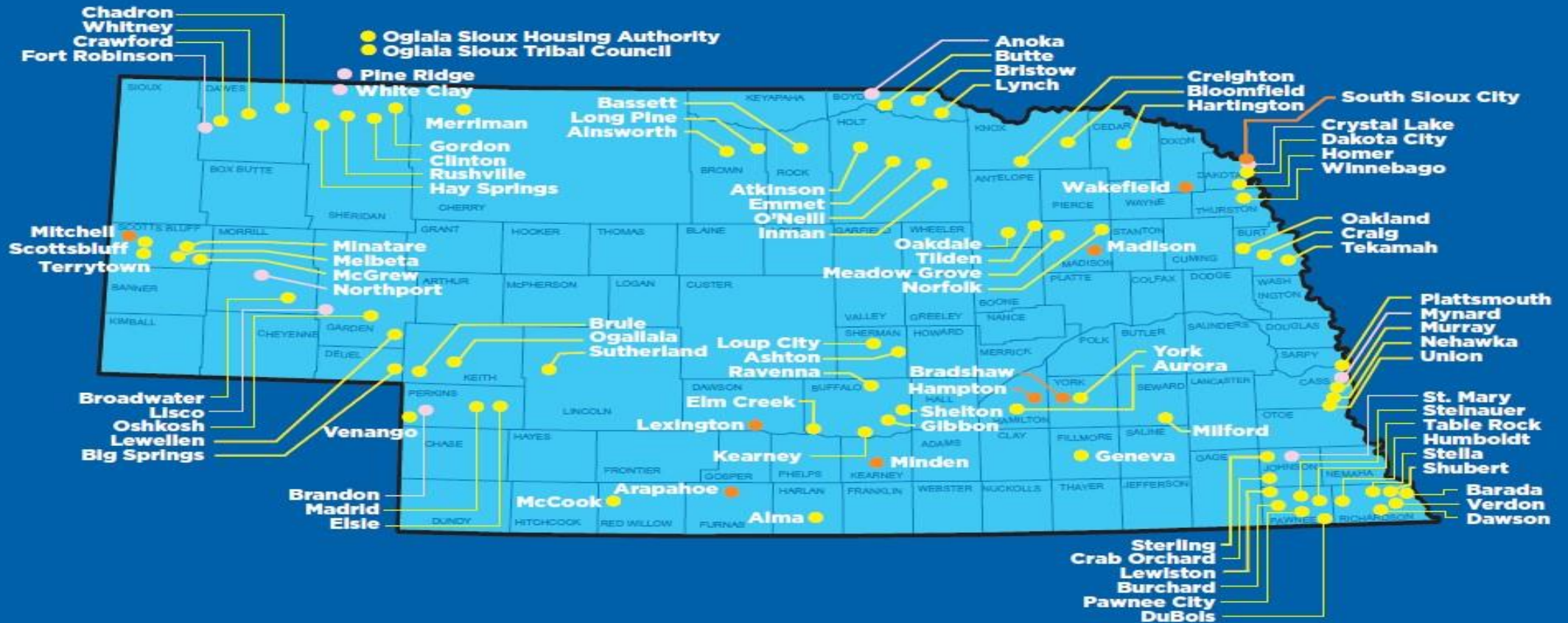
OPERATING REVENUES	Average Cents Per kWh Sold Less Government Taxes/Transfers ⁽¹⁾		Average Cents Per kWh Sold		Average Number of Customers	MWh		Revenues (in 000's)	
	Amount	%	Amount	%		Amount	%	Amount	%
Retail:									
Residential	10.37 ¢		12.42 ¢		73,364	848,568	4.4	\$ 105,431	8.6
Commercial	8.12 ¢		9.57 ¢		19,524	1,094,030	5.6	104,685	8.6
Industrial	4.03 ¢		4.38 ¢		60	1,886,247	9.7	82,638	6.8
Total Retail Sales	6.61 ¢		7.65 ¢		92,948	3,828,845	19.7	292,754	24.0

AVERAGE CENTS PER kWh SOLD - RETAIL
(Retail - All Classes)



■ Average Cents per kWh Sold ■ Average Cents per kWh Sold Less Government Taxes/Transfers

NPPD Retail Communities



LEGEND

- Pro Agreement Communities
- O&M Communities
- NPPD Owned Rural / Municipal Distribution

January, 2022
8492A64A

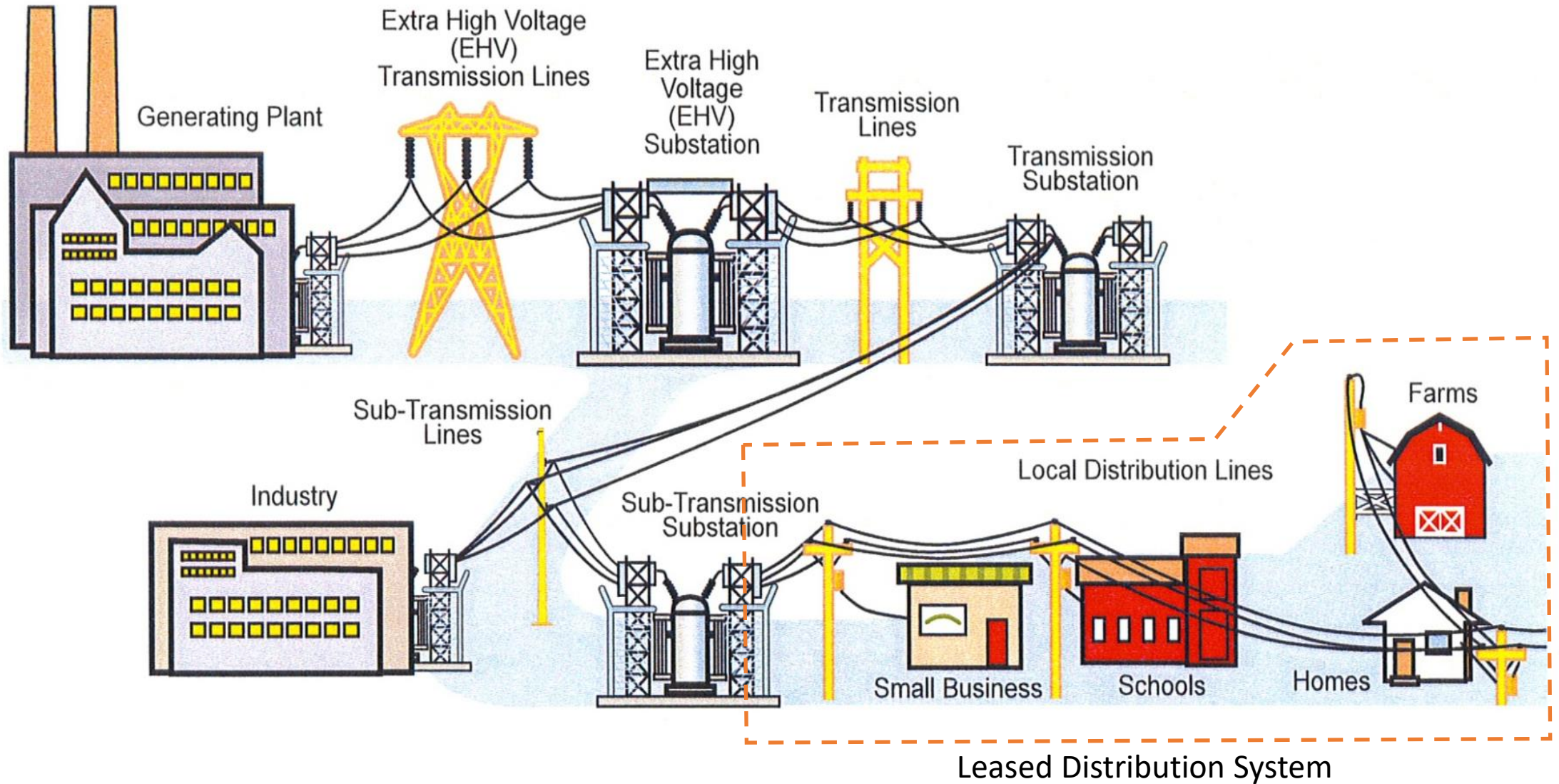
Professional Retail Operations Agreement

- 79 PRO Contract Communities
- 15-25 Year Term Agreements
 - Extension PRO Agreement: 15-25 Year with Wholesale Power Requirement
 - Enhanced PRO Agreement: 25 Year Retail
- Community owns the Distribution System
 - NPPD operates the Distribution System as part of our Statewide Integrated Electric Utility System

Lease Payment

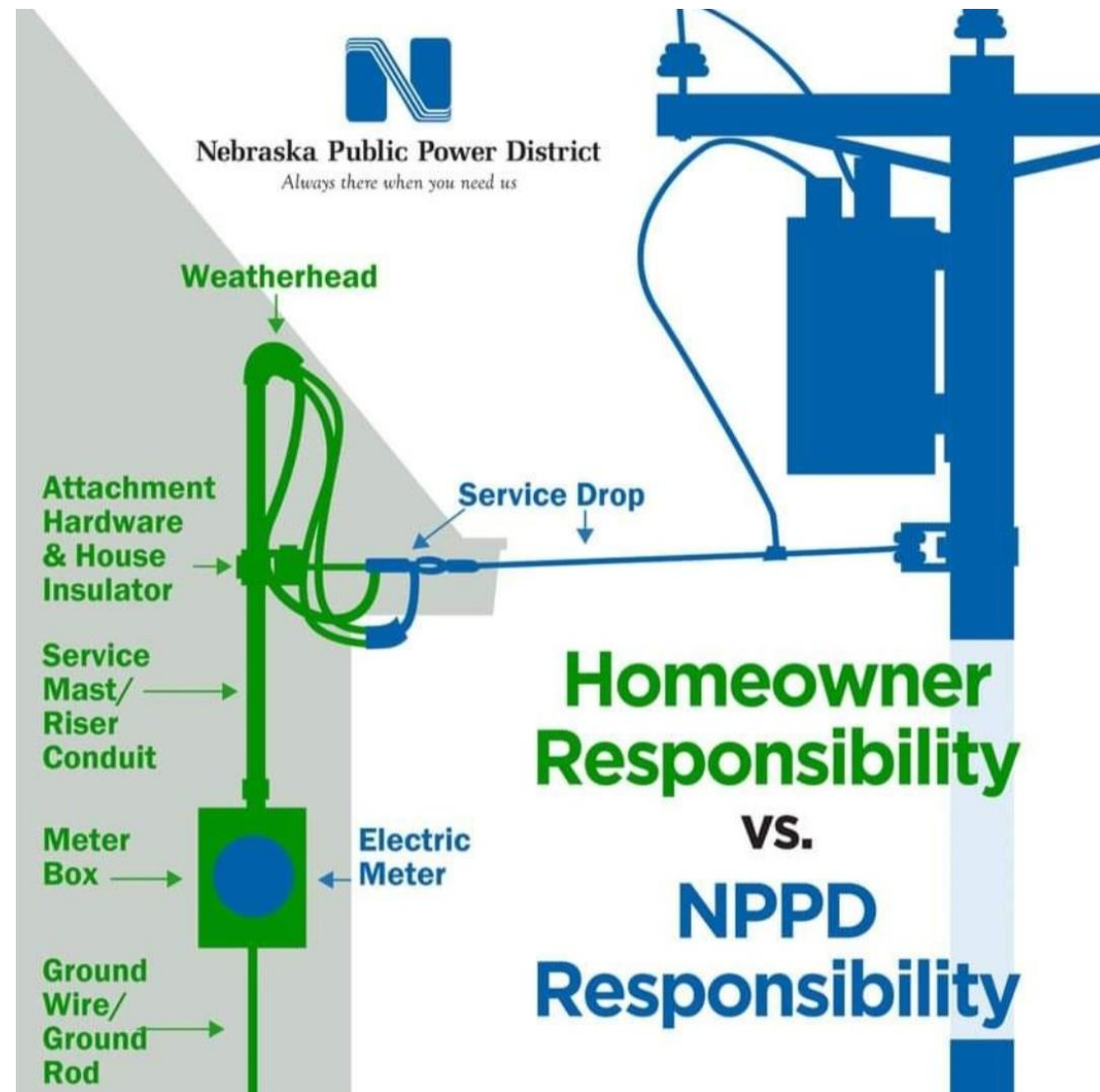
- NPPD Collects and Remits Lease Payment equal to 12% of Adjusted Retail Revenues
 - Enhanced PRO offers flexibility to adjust LP 0.5% per year by Council Approval
 - Enhanced PRO Lease Payment Cap of 14%
- NPPD Collects and Remits 5% Gross Revenue Tax and City Sales Tax as applicable

Retail PRO Agreement Leased Distribution System



RATES / RELIABILITY / RELATIONSHIPS

Homeowner Responsibility



RATES / RELIABILITY / RELATIONSHIPS

Professional Retail Operations Agreement

- NPPD Operates PRO Communities as part of Integrated Utility Electric System
 - NPPD Board sets rates and policies regarding electric service
 - NPPD renders bills, operates system, provides customers service, handles customer inquiries, responds to outages, etc.
- NPPD assumes all Operational and Financial responsibility and risk
 - Capital Additions / Maintenance / Repairs / Replacements
 - Emergent / Storm Events

Professional Retail Operations Agreement

- Municipal Discount
 - Tax-Supported Entities (>50%) Receive 33-1/3% Discount
 - Municipal Services, School Districts, Counties
 - Excluded from Lease Payment
 - Enhanced PRO offers Lease Payment option for Municipal Discount Customers
- Renewable Generation
 - All Retail Communities have option to install Renewable Generation up to 10% of their Peak Demand under Qualifying Local Generation (QLG)
 - ~24MW Community Solar

Operations and Maintenance Agreement (O&M)

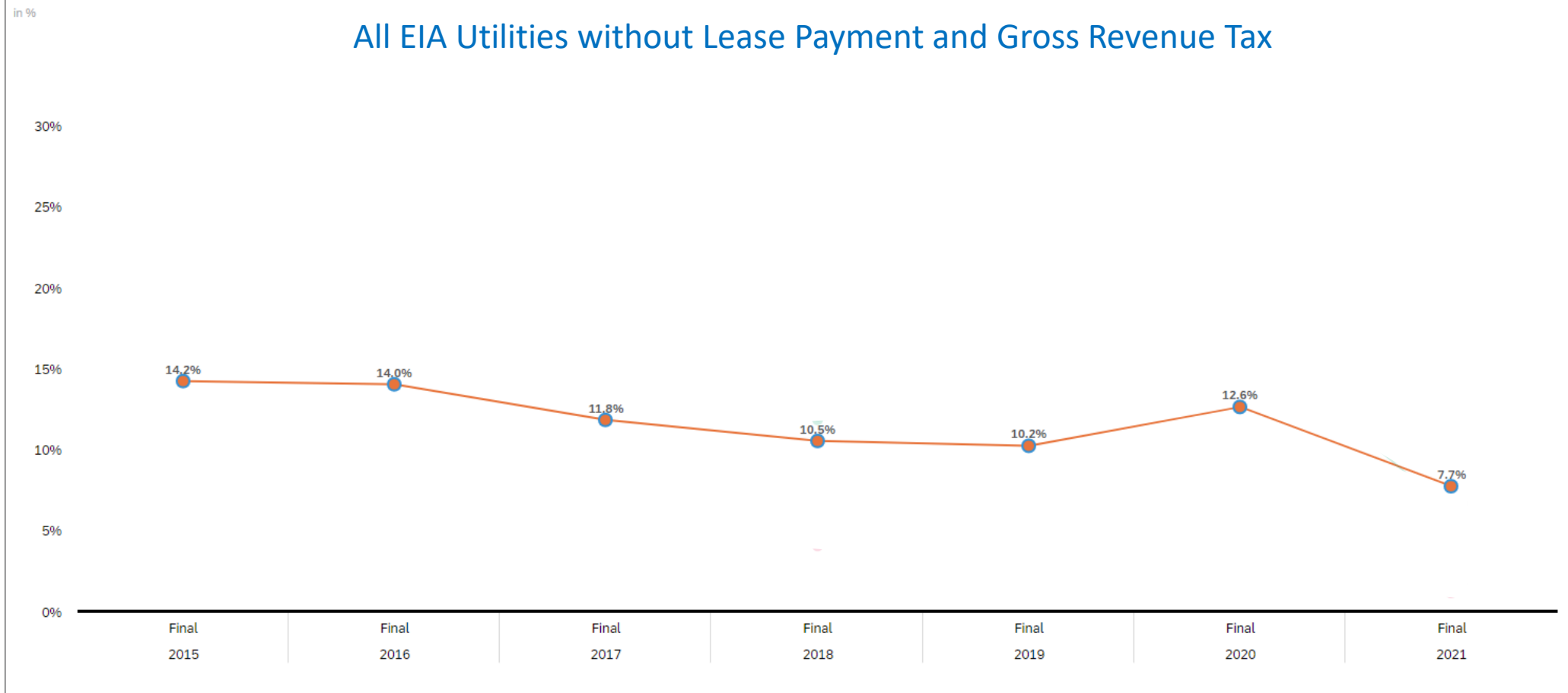
- 9 O&M Agreement Communities
 - Term is typically 10 – 20 Years
- Community owns the Distribution System
- Community Hires NPPD to design, operate and maintain the Distribution System on a time/material basis
- Community sets rates, renders bills, and handles customer service
- Community approves all capital spend and has all financial responsibility and risk for the electric system

NPPD Retail EIA Percentile Rank



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NPPD Percentile Rank by Grouping

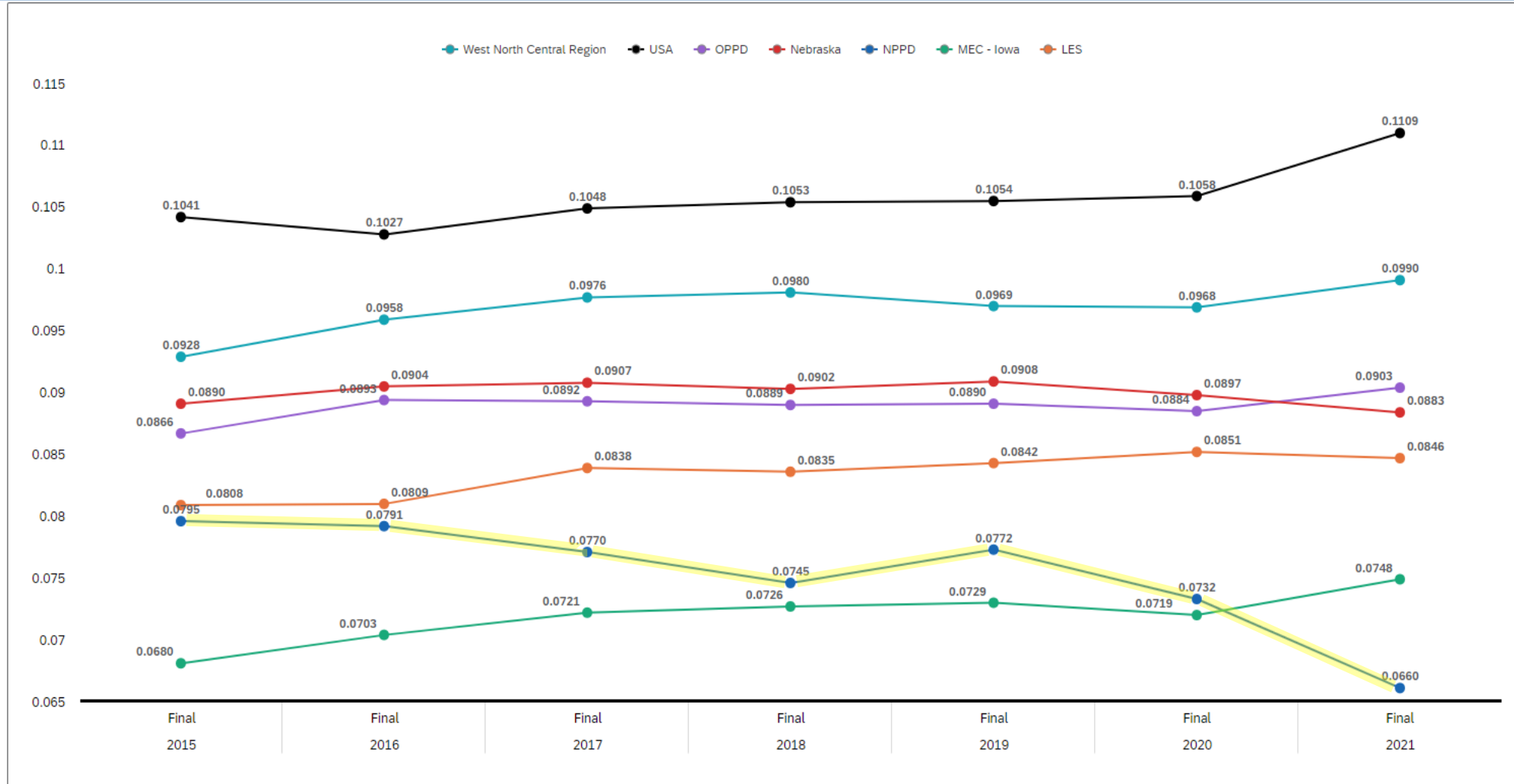


Source: [EIA Form 861 - Annual Electric Power Industry Report](#) Total Data.

- Data shown with and without NPPD Lease Payments and Gross Revenue Taxes.
- Data includes Part C- 'Delivery' for Revenue but excludes it for Sales to avoid double counting.
- Data includes Utility Numbers 88888 (Withheld) and 99999 (Adjustments).
- The West North Central Region (WNC) Utilities include the states of Iowa, Kansas, Minnesota, Missouri, Nebraska, and South Dakota.

Regional Rate Comparison

Regional Rate Comparison



Source: [EIA Form 861 - Annual Electric Power Industry Report](#) Total Data.

- Included lease payments and gross revenue taxes data: Not Included
- The West North Central Region consists of Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.



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Questions

Stay connected with us.



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