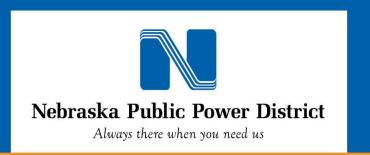


## Proposed Revisions to Board Policies



NPPD Board of Directors Meeting President's Report October 2023

Donna Starzec, Chief Audit and Ethics Officer



#### Objective

- Review Board Policies
  - ✓ As reported from the September Board Governance & Strategy Review Committee, two Board approved policies are recommended to be updated and brought to the full board for approval
    - ✓ BP-SD-04, Cost Competitiveness
    - ✓ BP-BL-03, District Policies Overview

### **Proposed Revisions to BP-SD-04, Cost Competitiveness**

- BP-SD-04, Cost Competitiveness (Current)
  - Being cost competitive is the foundation to being the partner-of-choice for customers, both now and in the future.
    - a. Achieve and maintain wholesale rates in the best quartile of the CFC KRTA Ratio 88 "Cost per kWh Purchased" annual survey.
    - b. Achieve and maintain total retail base rate position among the lowest 15 percent of providers within the EIA (Energy Information Administration). Total rate = total revenue from all customer classes divided by total kilowatt hours of all customer classes.
  - CFC Cooperative Finance Corporation KRTA Key Ratio Trend Analysis

- BP-SD-04, Cost Competitiveness (Proposed Revision)
  - Being cost competitive is over the long term, while considering other District strategic directives, is a key part of the foundation to being the partner-of-choice for customers, both now and in the future.
    - a. Achieve and maintain wholesale rates in the best quartile of the Cooperative Finance Corporation Key Ratio Trend Analysis (CFC KRTA) Ratio 88 "Cost per kWh Purchased" annual survey.
    - b. Achieve and maintain total retail base rate position among the lowest 15 percent of providers within the EIA (Energy Information Administration). Total rate = total revenue from all customer classes divided by total kilowatt hours of all customer classes.
  - CFC Cooperative Finance Corporation
    KRTA Key Ratio Trend Analysis

## Proposed Revisions to BP-BL-03, District Policies Overview

✓ Update one section of the policy for consistency alignment with the Energy Market Risk Management Policy (EMRM)

#### • Energy Market Risk Management

This policy deals with the philosophy and delegation of authorities necessary to govern activities related to NPPD's Energy Market Risk Management Program. NPPD will conduct its Energy Market Risk Management activities in a manner that supports the objectives stated in the policy and comply with all applicable regulations.



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## Questions

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