



# Proposed Revisions to Board Policies

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NPPD Board of Directors Meeting  
President's Report  
October 2023

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# 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

Stay connected with us.



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