



# Update to NPPD Formula Rate Template and Implementation Protocols Under the Southwest Power Pool (SPP) Open Access Tariff

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NPPD Board of Directors  
President's Report  
April 2024

Amber Smeal, Pricing & Rates Project Lead



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# Objective

- Share information about revising NPPD's Formula Rate Template and Implementation Protocols

# Overview

- NPPD's Formula Rate Template establishes its transmission revenue requirements and rates for SPP transmission service
  - NPPD populates the Template each year with forecasted/actual expenses and loads
  - Contains worksheets with specific, itemized cost types ("FERC Accounts")
    - Accounts have been established by FERC and are used by all jurisdictional entities, and are also used by other non-jurisdictional entities, including NPPD
- NPPD's Formula Rate Implementation Protocols establish the process and timelines for annual updates to the rates and for the annual true-up adjustments between forecasted and actual costs
- Both are contained in SPP's Tariff and were accepted by FERC

# Recent Developments

- On June 29, 2023, FERC issued Order 898 to address the accounting and reporting treatment of certain renewable energy assets
  - Includes the creation of new FERC Accounts to become effective January 1, 2025
- As a result of the Order, NPPD staff performed a thorough review of all existing FERC Accounts
  - Identified several FERC Accounts currently not used by NPPD nor included in the Template, but that could be applicable in the future
- Upon review by NPPD's Accounting department and the advice of counsel, management is proposing to revise the Template to include any applicable new and existing FERC Accounts
  - Proactive change, with no financial impact

# Example: Worksheet B from Rate Template

## Nebraska Public Power District Worksheet B - Administrative & General (A&G) Expenses

Existing  
FERC  
Accounts  
used in  
NPPD  
Template

| (A)<br>Line<br>No. | (B)<br>Account<br>No. | (C)<br>Description           | (D)<br>Total | (E)<br>Transmission | (F)<br>All Other |
|--------------------|-----------------------|------------------------------|--------------|---------------------|------------------|
| 1                  | 920                   | A&G Salaries                 | \$ -         | \$ -                | \$ -             |
| 2                  | 921                   | Office Supplies & Exp        | -            | -                   | -                |
| 3                  | 922                   | A&G Expense Transferred      | -            | -                   | -                |
| 4                  | 923                   | Outside Services Employed    | -            | -                   | -                |
| 5                  | 924                   | Property Insurance           | -            | -                   | -                |
| 6                  | 925                   | Injuries & Damages           | -            | -                   | -                |
| 7                  | 926                   | Employee Pension/Benefits    | -            | -                   | -                |
| 8                  | 930                   | Misc General                 | -            | -                   | -                |
| 9                  | 931                   | Rents                        | -            | -                   | -                |
| 10                 | 935                   | Maintenance of General Plant | -            | -                   | -                |
| 11                 |                       | Total                        | \$ -         | \$ -                | \$ -             |

- Transmission expenses in column (E) are combined with expenses from other Worksheets to establish NPPD's total transmission revenue requirements in SPP

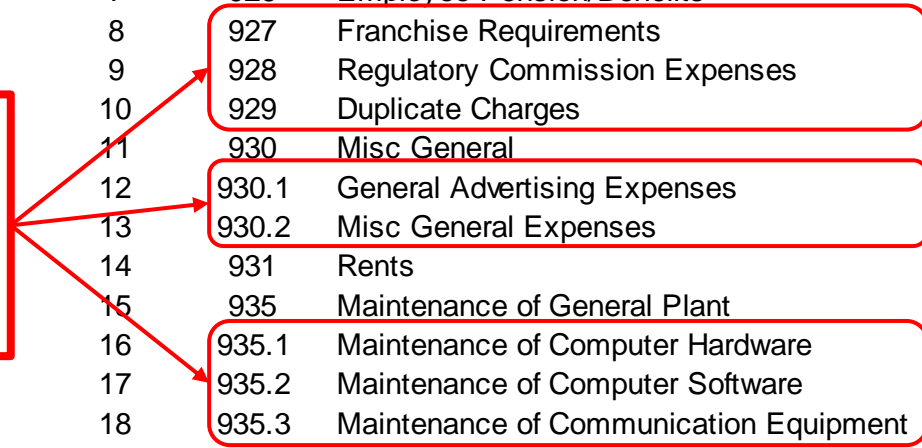
# Proposed Revised Worksheet B

## Nebraska Public Power District Worksheet B - Administrative & General (A&G) Expenses

PRELIMINARY

| (A)<br>Line<br>No. | (B)<br>Account<br>No. | (C)<br>Description                     | (D)<br>Total | (E)<br>Transmission | (F)<br>All Other |
|--------------------|-----------------------|--|--------------|---------------------|------------------|
| 1                  | 920                   | A&G Salaries                           | \$ -         | \$ -                | \$ -             |
| 2                  | 921                   | Office Supplies & Exp                  | -            | -                   | -                |
| 3                  | 922                   | A&G Expense Transferred                | -            | -                   | -                |
| 4                  | 923                   | Outside Services Employed              | -            | -                   | -                |
| 5                  | 924                   | Property Insurance                     | -            | -                   | -                |
| 6                  | 925                   | Injuries & Damages                     | -            | -                   | -                |
| 7                  | 926                   | Employee Pension/Benefits              | -            | -                   | -                |
| 8                  | 927                   | Franchise Requirements                 | -            | -                   | -                |
| 9                  | 928                   | Regulatory Commission Expenses         | -            | -                   | -                |
| 10                 | 929                   | Duplicate Charges                      | -            | -                   | -                |
| 11                 | 930                   | Misc General                           | -            | -                   | -                |
| 12                 | 930.1                 | General Advertising Expenses           | -            | -                   | -                |
| 13                 | 930.2                 | Misc General Expenses                  | -            | -                   | -                |
| 14                 | 931                   | Rents                                  | -            | -                   | -                |
| 15                 | 935                   | Maintenance of General Plant           | -            | -                   | -                |
| 16                 | 935.1                 | Maintenance of Computer Hardware       | -            | -                   | -                |
| 17                 | 935.2                 | Maintenance of Computer Software       | -            | -                   | -                |
| 18                 | 935.3                 | Maintenance of Communication Equipment | -            | -                   | -                |
| 19                 |                       | Total                                  | \$ -         | \$ -                | \$ -             |

Added rows for  
new and existing  
FERC Accounts



# Revisions to Formula Rate Implementation Protocols

- Current Protocols were approved by the Board with a November 2022 effective date
  - Includes language requesting SPP submit NPPD's Informational Filing of its Annual Update of the Rate Template to FERC each January
- SPP is not involved in the Informational Filing for its other members and has requested the language be revised
  - Proposed changes would make NPPD directly responsible for submitting Informational Filings to FERC

# Schedule

- April 11 – Board discussion
- April – Work with FERC Counsel to develop proposed revisions to the Template and Protocols
- May 9 – Board agenda item to request approval of revisions to NPPD’s Template and Protocols and authorize their submission to SPP
- Mid-May – SPP submits revised Template and Protocols in a filing with FERC
- January 1, 2025 – Requested effective date of revised Template and Protocols





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## Questions

Stay connected with us.



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