



2025 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 2024

Scott Jackson, Pricing & Rates Manager



Objective

- Seek approval for transmission revenue requirements and rates included in the 2025 Annual Update of the SPP Formula Rate Template
 - Proposed effective date is January 1, 2025

2025 Update to NPPD Rate Template (\$ in Millions)

Revenue Requirement	Projected 2024	Projected 2025
1. Zonal	\$ 46.9	\$ 49.0
2. Base Plan Projects	39.1	43.6
3. System Control	10.8	11.0
4. Subtotal - Before PY True-up Adj.	\$ 96.8	\$ 103.6
5. Prior Year True-up Adjustment (based on actual costs)	(7.4)	(3.4)
6. Total	\$ 89.4	\$ 100.2

- 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 2022 (in 2024) and 2023 (in 2025)

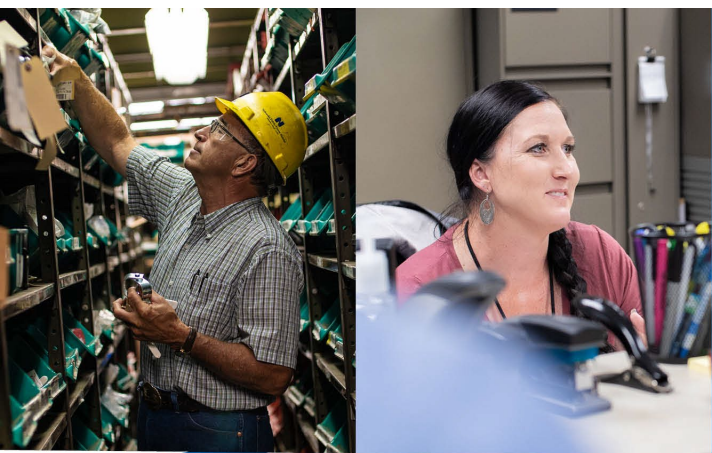
2023 True-Up Adjustment (\$ in Millions)

Revenue Requirement (A)	Actual 2023 Revenues (B)	Actual 2023 Rev Reqts. (C)	True-Up Adj (B) - (C) (D)
1. Zonal	\$ 45.3	\$ 46.0	\$ (0.7)
2. Base Plan Projects	42.3	38.5	3.8
3. System Control	5.5	5.5	-
4. Subtotal	\$ 93.1	\$ 90.0	\$ 3.1
5. Interest			0.3
6. True-Up Adj (Annual incl. Interest)			\$ 3.4 *

* Surplus primarily due to higher-than-expected revenues from point-to-point transmission service & miscellaneous revenues

Remaining Schedule

- December 12 – Board agenda item for consideration for approval of Annual Update to the Formula Rate Template to establish 2025 transmission revenue requirements/rates
- By December 20 – NPPD provides approved 2025 Annual Update to SPP for posting on their website
- January 1, 2025 – Effective date of new revenue requirements/rates
- January 15 – FERC Informational Filing due



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Questions

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