



# THE POWER OF PEOPLE



## Financial Performance Results November 2023

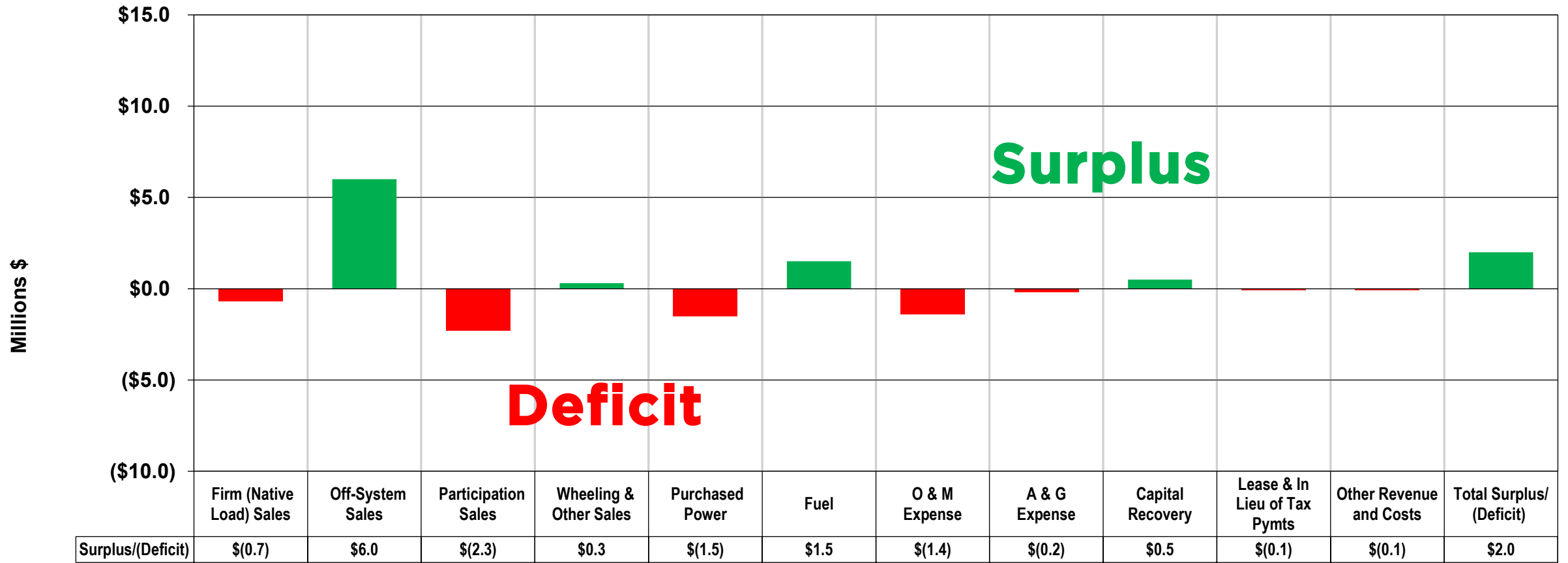
NPPD Board of Directors Meeting  
Customer & Support Services  
Committee & Board  
January 2024

Joni Davis, Accounting Manager



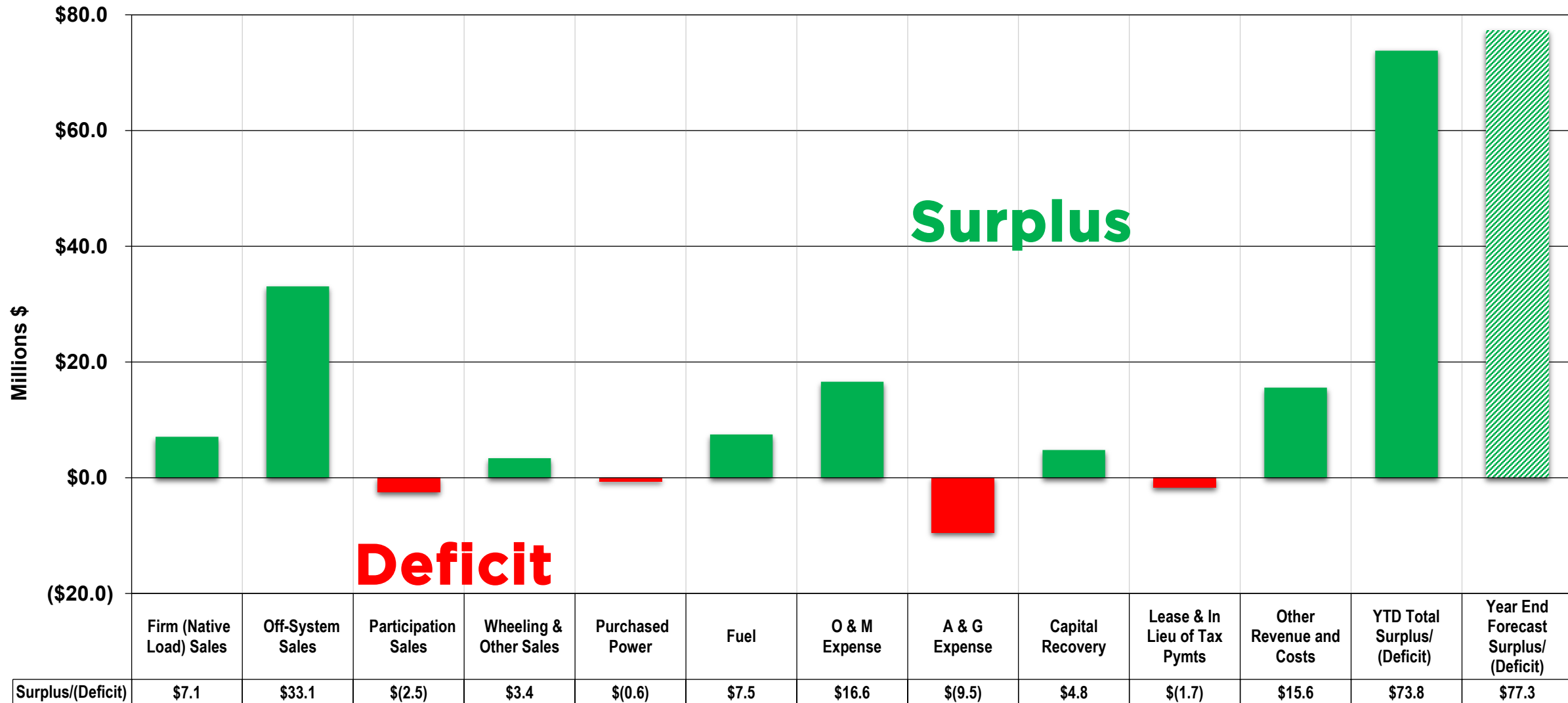
Nebraska Public Power District  
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# Off-system energy sales and prices were above budget for November 2023, which contributed to the favorable off-system sales variance

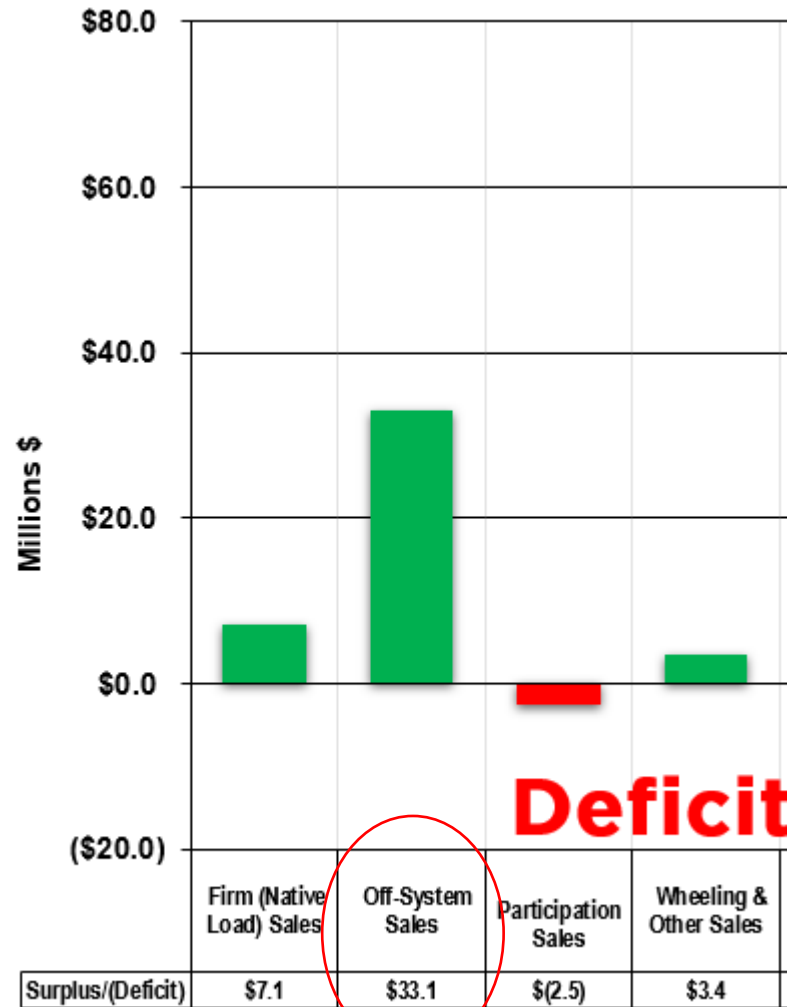


**Lines and bars in green are favorable, while lines and bars in red are unfavorable.**

# YTD November 2023 Surplus due primarily to favorable variances for off-system sales, O&M expenses, and other revenues (interest income)

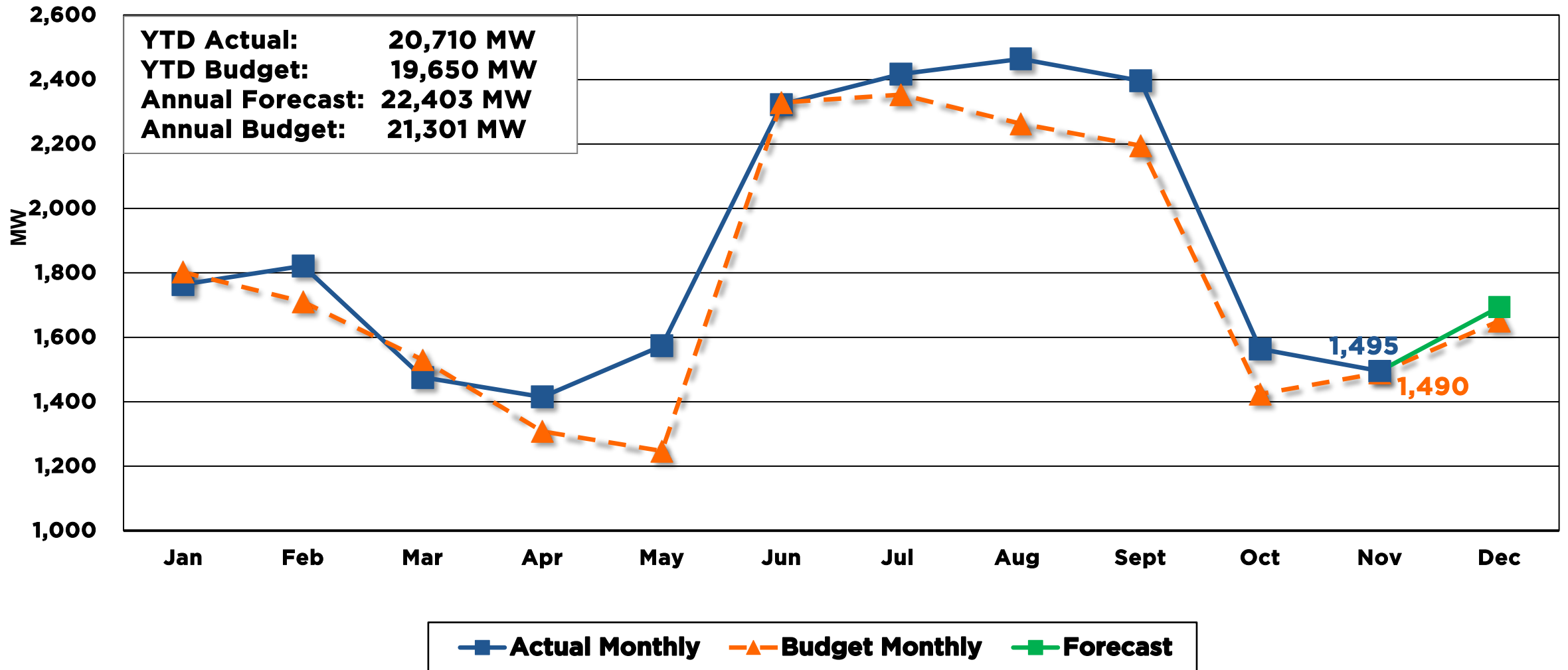


# What is included in Off-System Sales?

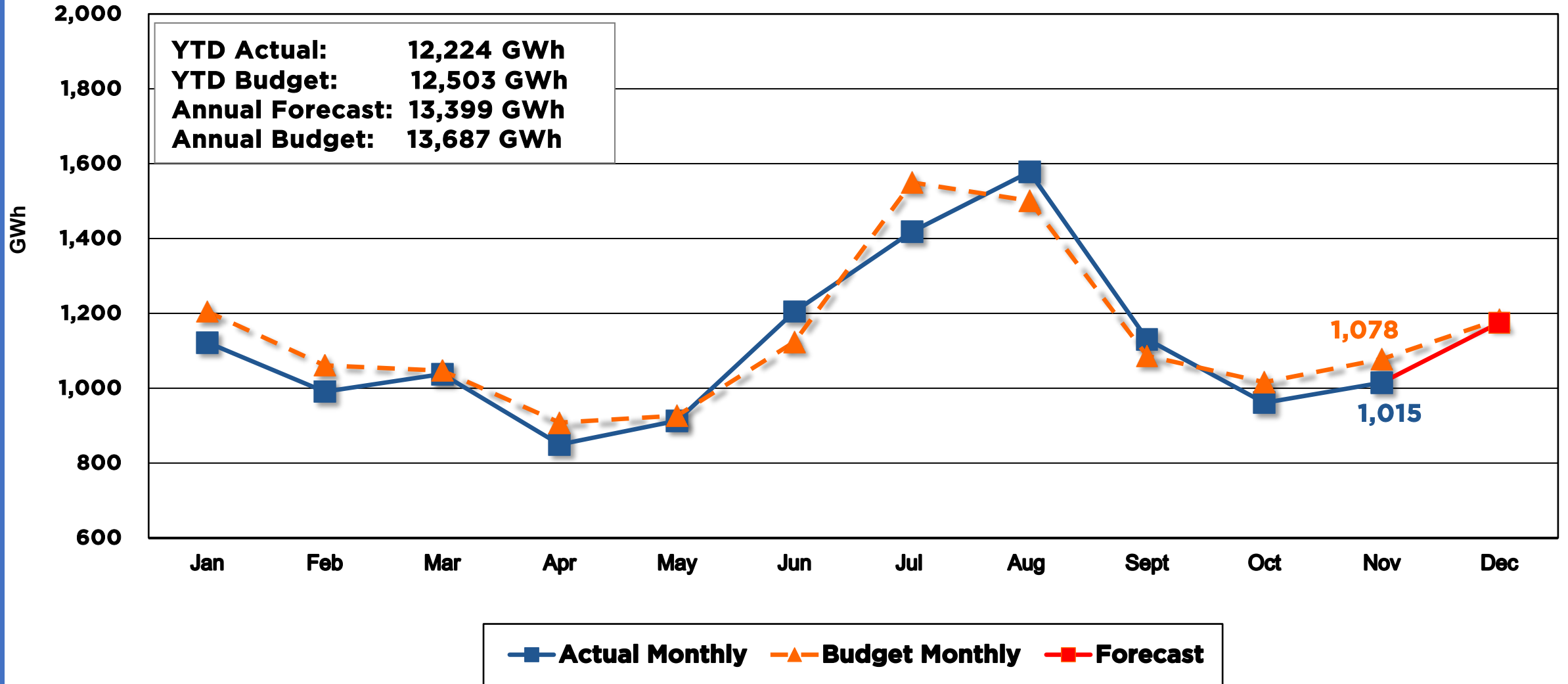


- **Off-System Sales include sales in the Southwest Power Pool Integrated Market (SPP IM) and nonfirm sales to other utilities.**
- **A sale is recorded in SPP IM when there is more energy added by District generating resources than consumed by District customers during a market time-period.**
- **There are also other charge types in SPP IM which are recorded as sales like Auction Revenue Rights/Transmission Congestion Rights.**
- **Nonfirm sales to other utilities/counterparties are arranged by TEA and include sales of capacity and energy for defined contractual periods.**
- **2023 Off-System Sales budget was \$140.0 million, or 12% of the budget for operating revenues. The budget for total operating revenues was \$1,169.5 million for 2023.**

# Native load demand billing units were on budget for November

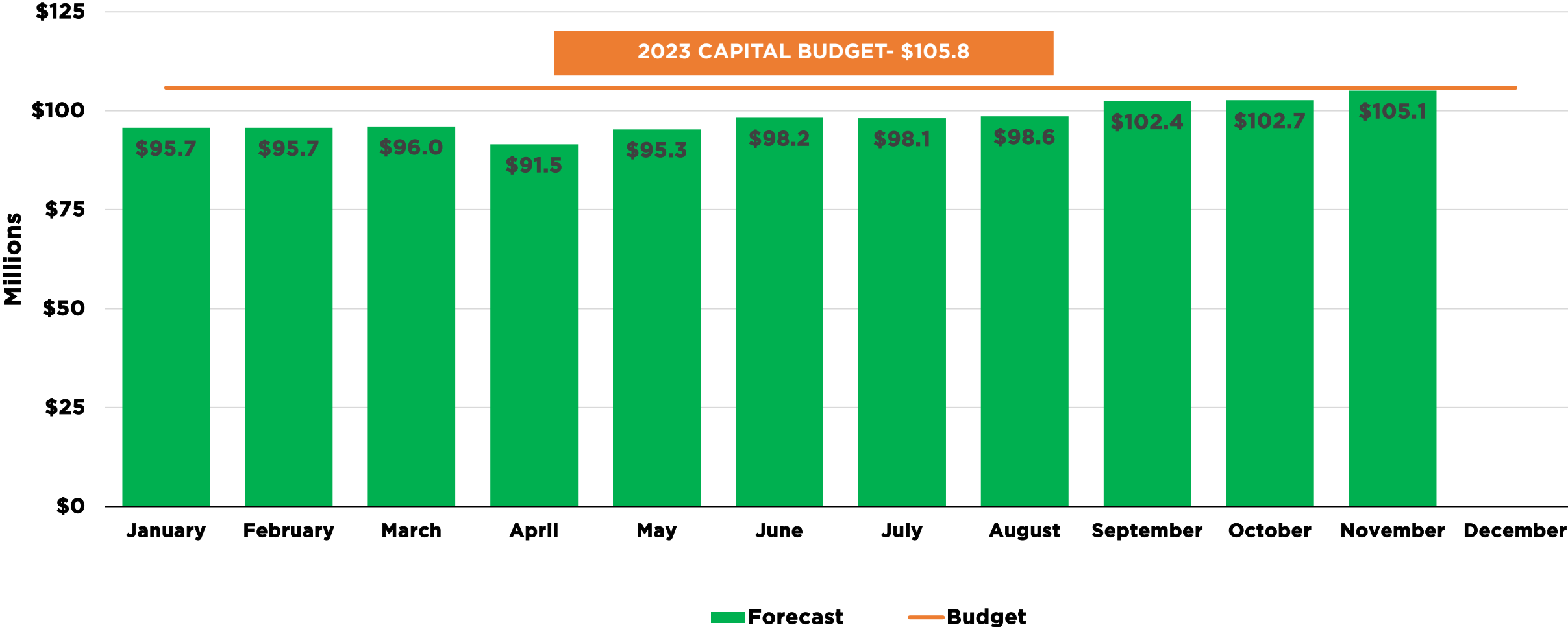


# November native load energy sales were slightly lower than budget due to lower-than-expected industrial loads from retail and wholesale customers

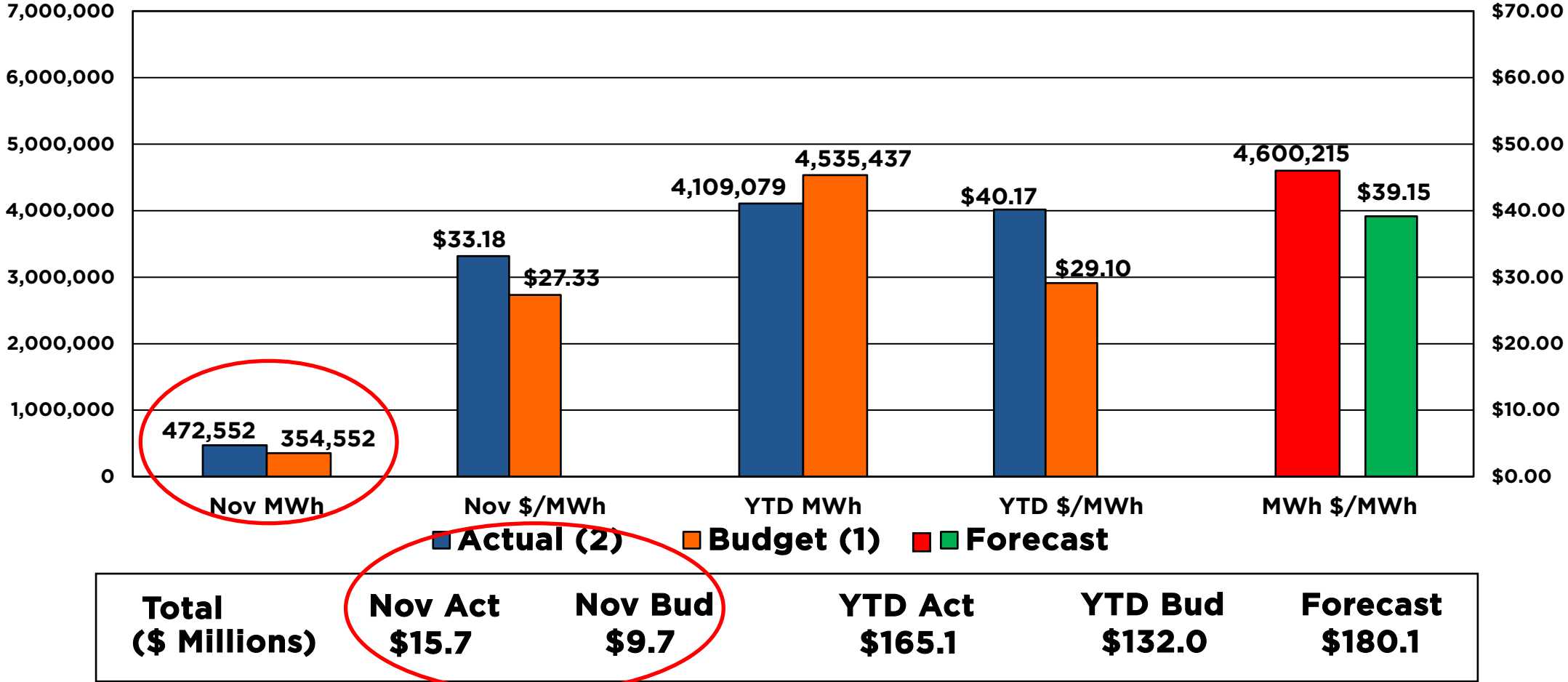


# November 2023 Capital Budgets forecasted to be near budget

2023 DISTRICT TOTAL FORECAST VS BUDGET



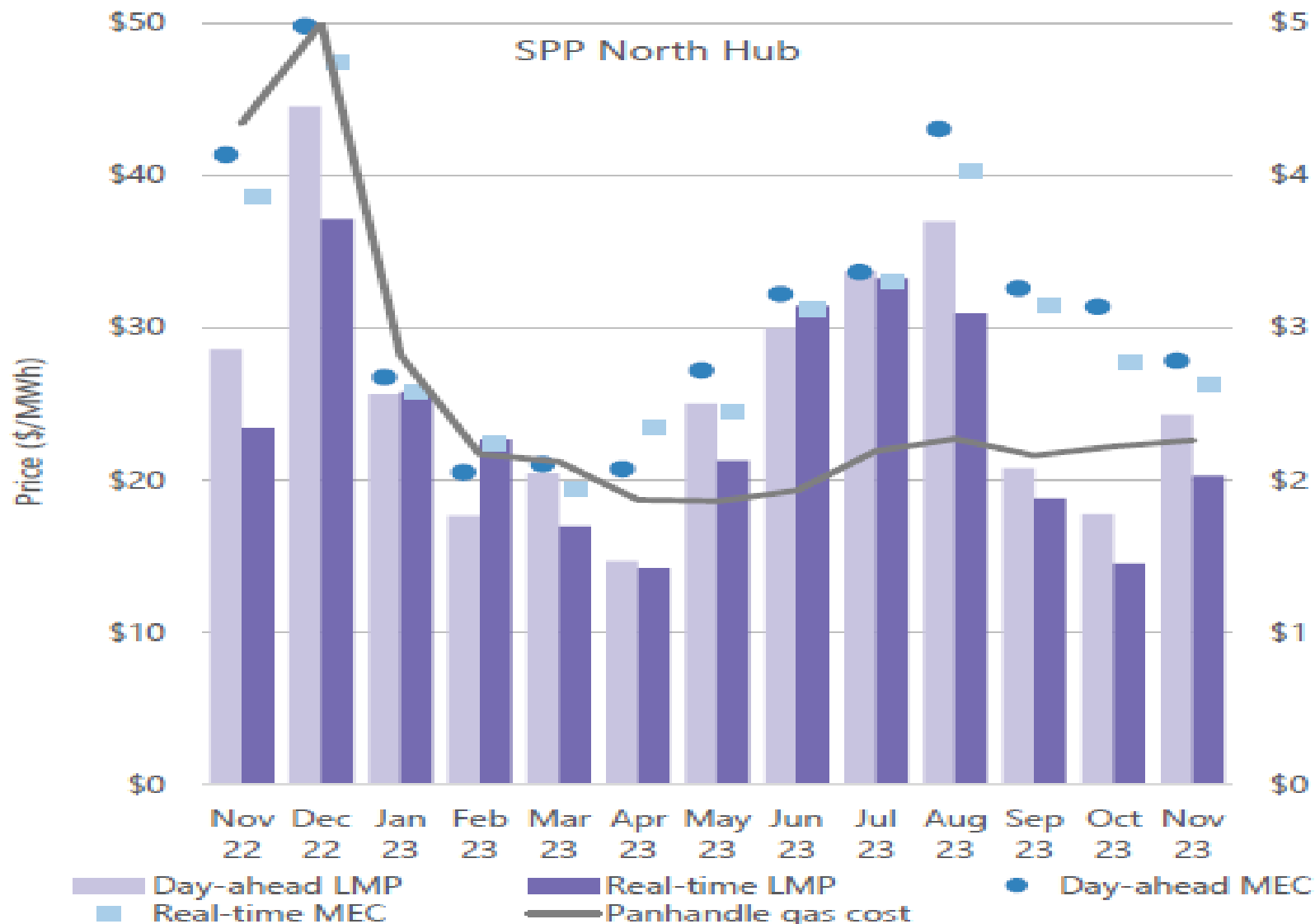
# Off-system energy sales and revenues higher than budget in November due to increased sales volumes and higher SPP market prices



(1) 2023 Budgeted Market Energy Sales of 4,858,922 MWh at an annual average \$/MWh of \$28.82, for an annual budget of \$140.0 million.  
 (2) Non-energy transactions, like Auction Revenue Rights/Transmission Congestion Rights, skew the \$/MWh.

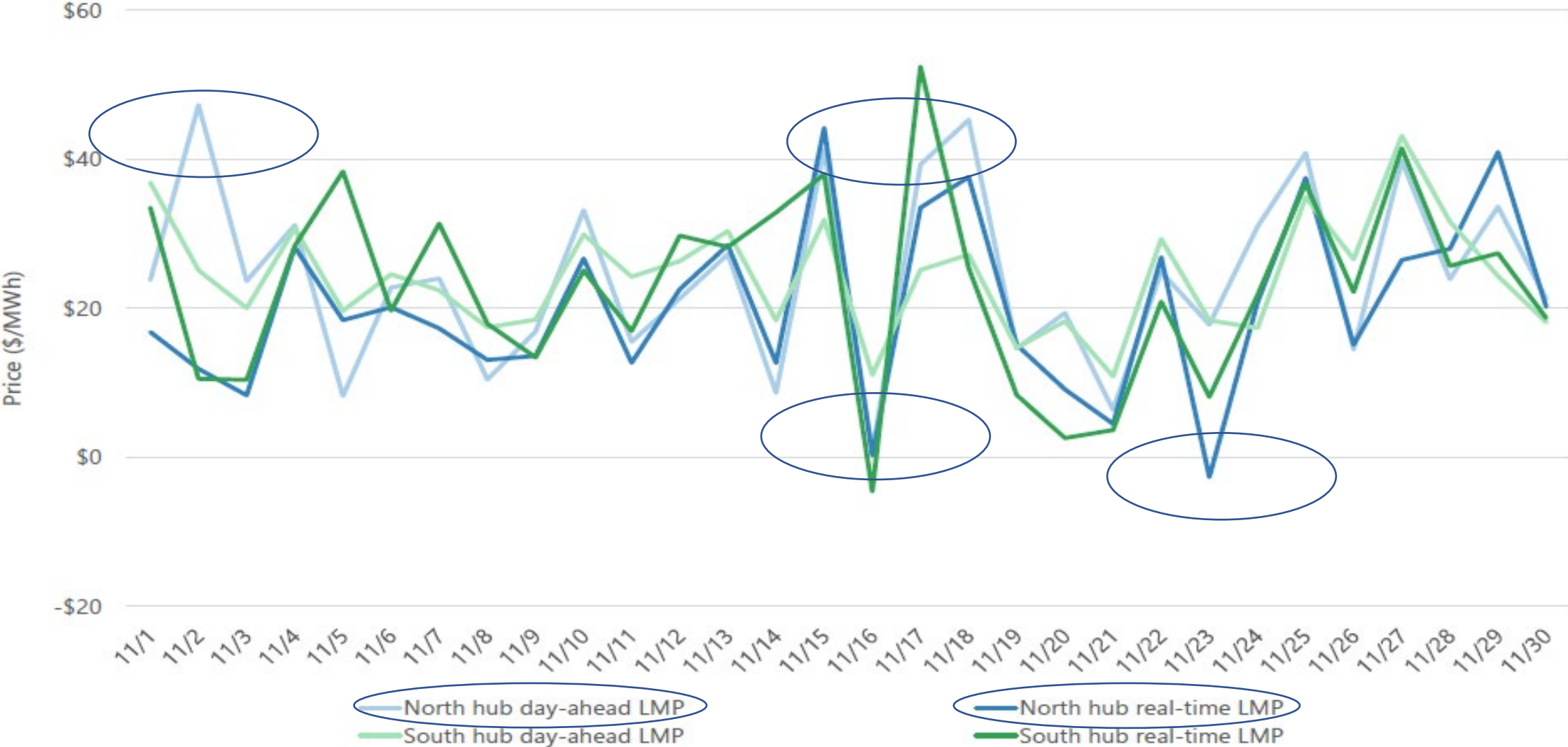


# November average SPP prices increased from the prior month due to lower wind representation (41% of total generation) and higher loads



- LMP – the market-clearing price for energy at a given price node equivalent to the marginal cost of serving demand at the price node while meeting SPP operating reserve requirements is locational marginal price.
  - MEC – an LMP component representing marginal energy cost.
  - Panhandle Gas is a main natural gas hub for SPP gas units. SPP prices are highly correlated to gas costs and energy prices in general.
- Source: SPP (Southwest Power Pool) Market Monitor Marketplace Update, November 2023. ARR/TCR Revenues are NOT included in these prices.

# November high prices or “spikes” due primarily to weak winds; low prices or “dips” due to strong winds



Source: SPP Market Monitor Marketplace Update, November 2023

# Updated forecast resulted in increased projection for year-end Rate Stabilization Fund balance

(Millions of Dollars)

	Rate Stabilization Funds 12/31/2022 <sup>1</sup>	2023 Activity		Projected Rate Stabilization Funds 12/31/2023
		PCA <sup>2</sup> Refund Or Used for Revenue Requirements	Forecasted 2023 Surplus/ (Deficit) <sup>3</sup>	
Production	\$ 192.7	\$ (74.3)	\$ 64.2	\$ 182.6
Transmission	19.5	-	11.6	31.1
<b>Sub-Total Wholesale</b>	<b>212.2</b>	<b>(74.3)</b>	<b>75.8</b>	<b>213.7</b>
<b>Retail</b>	<b>55.6</b>	<b>(2.1)</b>	<b>1.5</b>	<b>55.0</b>
<b>Total</b>	<b>\$ 267.8</b>	<b>\$ (76.4)</b>	<b>\$ 77.3</b>	<b>\$ 268.7</b>

1 - Rate Stabilization Funds at 12/31/2022 are audited.

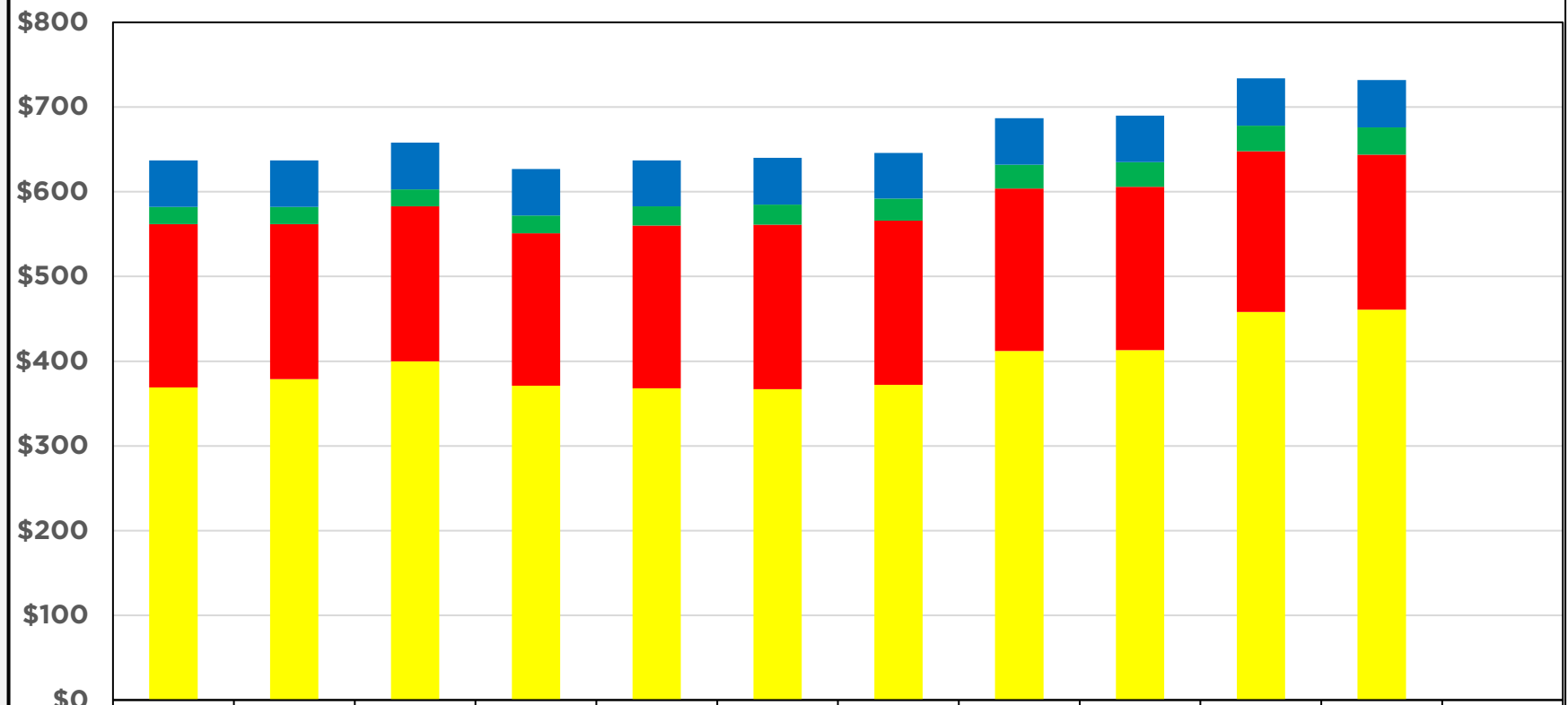
2 - Production Cost Adjustment (PCA)

3 - Includes 11 months Actual, 1 month Forecast.

# November 2023 ending cash balance about the same as the balance at the end of October (\$ in Millions)

## What's included in Cash - Other?

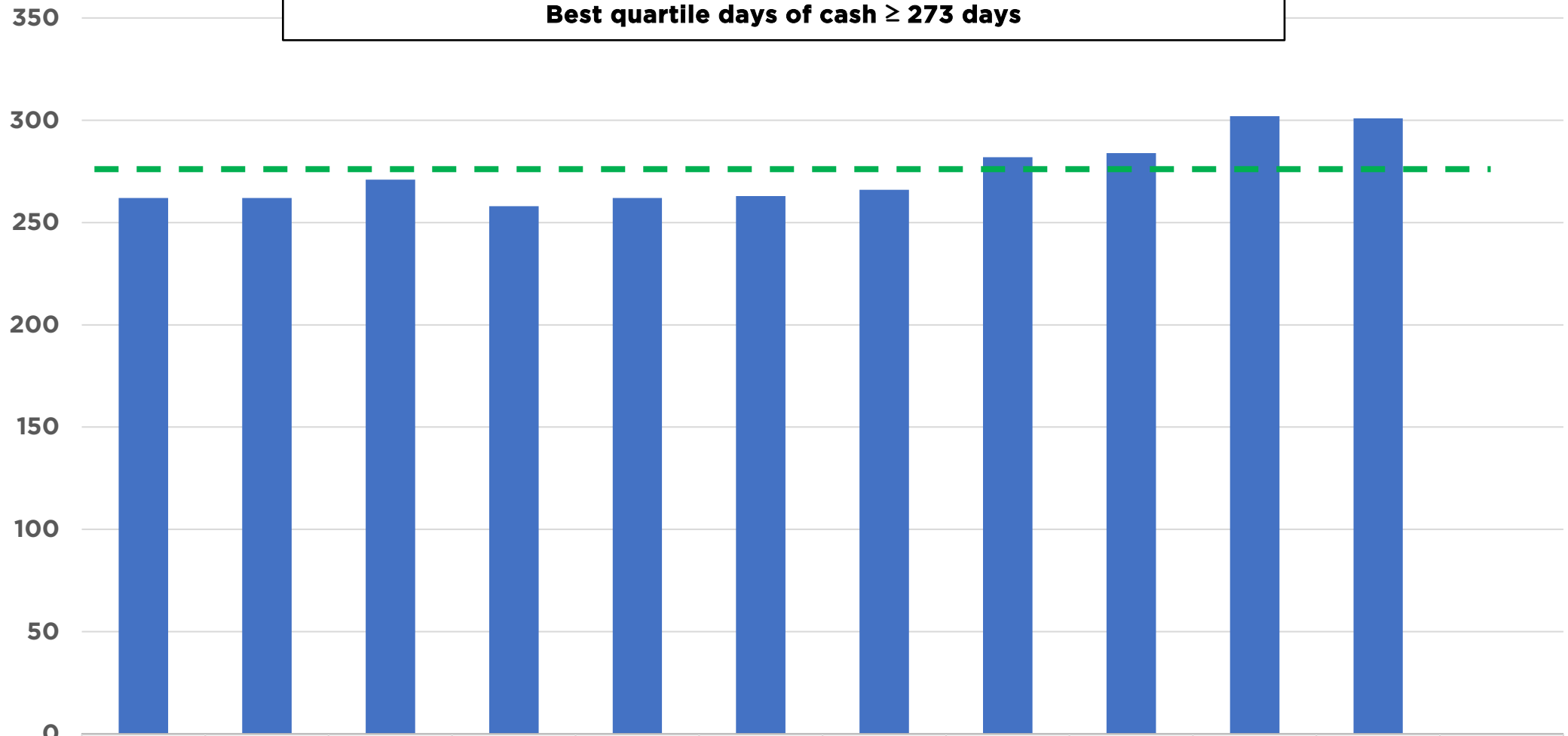
- Funds for Operating Activities
- Funds for Construction from Revenue Projects
- Funds for Non-Nuclear Decommissioning
- Funds from Settlements for Offset of Future Costs
- CNS Collections for Various Purposes
- Customer and Other Deposits
- Funds Collected for Lease Payments and Taxes



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total	\$637	\$637	\$658	\$627	\$637	\$640	\$646	\$687	\$690	\$734	\$732	
Retail Rate Stabilization Fund	\$55	\$55	\$55	\$55	\$54	\$55	\$54	\$55	\$55	\$56	\$56	
Transmission Rate Stabilization Fund	\$20	\$20	\$20	\$21	\$23	\$24	\$26	\$28	\$29	\$30	\$32	
Production Rate Stabilization Fund	\$193	\$183	\$183	\$180	\$192	\$194	\$194	\$192	\$193	\$190	\$183	
Cash - Other	\$369	\$379	\$400	\$371	\$368	\$367	\$372	\$412	\$413	\$458	\$461	

# November 2023 Days of Cash in best quartile

Best quartile days of cash  $\geq 273$  days



■ Avg Days of Cash

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avg Days of Cash	262	262	271	258	262	263	266	282	284	302	301	



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## Questions

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