



Revised 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
May 2024

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Objective

- Seeking approval for:
 - Revised NPPD Formula Rate Template
 - Revised NPPD Formula Rate 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”)
- 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

Revisions to Formula Rate Template

- FERC Order 898 creates new FERC Accounts effective January 1, 2025, to address the accounting and reporting treatment of certain renewable energy assets
- NPPD staff performed a thorough review of all existing FERC Accounts identifying several currently not used by NPPD nor included in the Template, but that could be applicable in the future
- Summary of proposed revisions:
 - Added/revised applicable new and existing FERC Accounts (Worksheets A, B, J)
 - Updated line number and month references in several locations
- Proactive changes with no financial impact

Revisions to Formula Rate Implementation Protocols

- NPPD currently requests SPP to submit NPPD's Informational Filing of its Annual Update of the Rate Template to FERC each year
- Proposed changes would make NPPD directly responsible for submitting Informational Filings to FERC

Remaining Schedule

- 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

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