



New Side-by-Side Program Commercial Paper and Revolving Credit Agreement

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NPPD Board of Directors Meeting
Strategic Business Matters
September 2024

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Objective for Side-by-Side Discussion

- Explain why the new Side-by-Side Program supports the District's strategic directives and provides significant flexibility
- Review the documents the Board is being asked to take action on this month

The affordability and flexibility provided by the Side-by-Side program will provide foundational support for financing the new generation assets

Details on the Side-by-Side Program

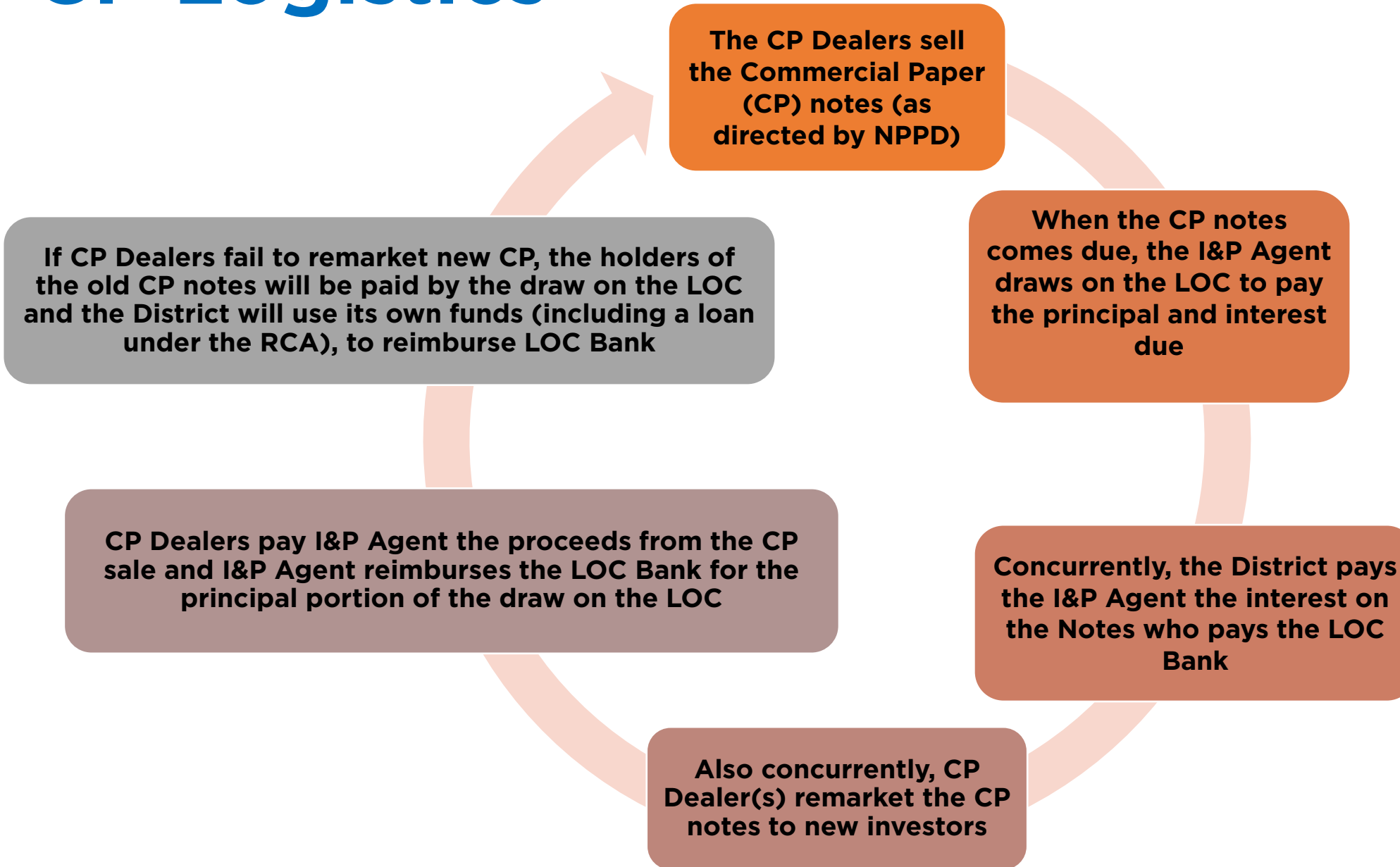
- The Side-by-Side program is:
 - A short-term variable rate program
 - Subordinate to NPPD's Revenue Bonds
 - A \$500M program (see note) with a 3-year term
- The Side-by-Side program is comprised of two “sides”:
 - Side 1: Commercial Paper (CP) Program (initially \$400M)
 - Side 2: Revolving Credit Agreement (RCA) (initially \$100M)
 - Each “side” can issue on a Taxable or Tax-Exempt basis
 - Initial allocation based on lower current CP rates

Note: Documents will show total program size of \$544M as there is a \$44M interest component providing investor's security on the face amount of CP plus maximum interest

Credit & Ratings Support for the Side-by-Side Program

- Credit provided by Bank of America, N.A. (BANA) through bid process
- CP program is supported by a direct pay letter of credit (DPLOC) from Bank of America (BofA)
 - A DPLOC means the principal and interest on CP is paid from the Letter of Credit and not by the District
 - BANA is immediately reimbursed by the District (for interest) and new CP proceeds (for principal)
 - With a DPLOC, the rating agencies and the investors primarily depend on the Letter of Credit Bank and not the District for payment of the CP
 - CP program to be rated by Fitch and S&P (CP rating is on BANA, and not on NPPD)
 - RCA, similar to existing RCAs, does not require a rating

CP Logistics



- CP Parties:**
- CP Dealers = BofA and JP Morgan
 - Issuing & Paying Agent (I&P) = US Bank
 - Letter of Credit (LOC) Bank = BANA

Side 1: Commercial Paper documents requiring Board Consideration and Action

Commercial Paper Note Resolution

Provides Board authority for management to enter into following agreements:

1. Commercial Paper Notes (Tax-Exempt and Taxable)

- Series A Master Note
- Series B (Taxable) Master Note

Form of a CP Note (description of the legal obligation to the investor)

2. Issuing and Paying Agent Agreement between the District and U.S. Bank *Authorizes US Bank to issue CP Notes, collect proceeds from, and disburse payments to, the CP Dealers and to reimburse Bank of America, N.A. (BANA) for draws under the Letter of Credit*

3. CP Dealer Agreements

Agreement with Dealers (BoFA and JP Morgan) to sell CP

4. CP Offering Memorandum

Provides investors in CP information to support their investment decision

Side 1: Commercial Paper documents requiring Board Consideration and Action (continued)

Nebraska Public Power District Supplemental Resolution Authorizing Reimbursement Agreement and Related Documents, as follows:

1. Reimbursement Agreement between Nebraska Public Power District and BANA, as Lender

Provides the terms and conditions for the issuance of the Letter of Credit and provides for the mechanics of making draws under the Letter of Credit to pay the principal and interest on the CP notes

2. Irrevocable Direct Pay Letter of Credit

Issued by BANA in favor of U.S. Bank, as Issuing & Paying Agent

3. Nebraska Public Power District Bank Note

Promissory note to BANA to repay DPLOC

4. Bank of America Fee Letter

Reflects the fees of the CP program

Side 2: Revolving Credit Agreement document requiring Board Consideration and Action

Supplemental Resolution Authorizing Revolving Credit Agreement and Related Documents

Provides Board authorization to enter into the RCA with BANA

1. Revolving Credit Agreement (including form of Bank Note and Fee Letter)

Agreement supporting the RCA which includes the “form” of the Bank Note and the letter identifying fees for the RCA

Variable Rate Financing Flexibility

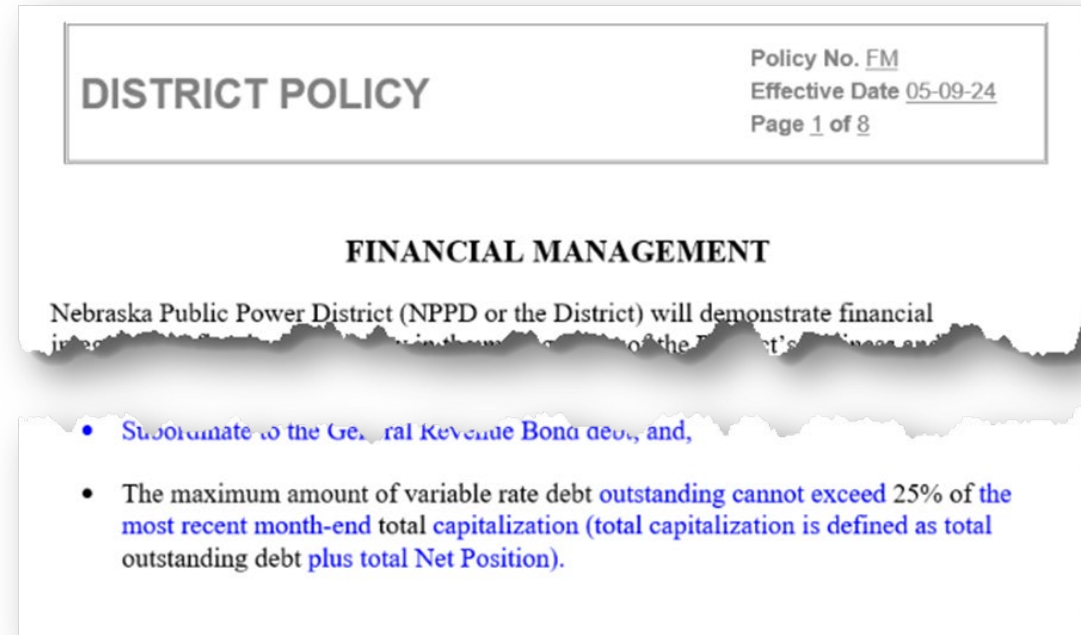
Variable Rate Financing Options	Program Size	Lender	Rating
Taxable Revolving Credit Agreement	\$300M	Wells Fargo & Bank of America	N/A
Tax-Exempt Revolving Credit Agreement	\$150M	US Bank	N/A
Side-by-Side Program: Commercial Paper & Revolving Credit Agreement	\$500M	Bank of America	TBD - will be rated by Fitch and S&P

Variable Rate debt limits

FM variable rate debt policy limit: 25% of most recent month end total capitalization (July 2024):

- Total Debt \$1,199,759,000
- Net Position \$2,074,797,000
- Total Capitalization \$3,274,556,000

- 25% of Total Capitalization = \$818,639,000 (variable rate debt limit)
- Outstanding variable rate debt = \$220,014,000
- Variable rate debt = 6.7%



What happens next?

- Finalize and execute all Side-by-Side documents
 - Involves Bond Counsel, Bank Counsels, PFM and the NPPD team
- Closing for Side-by-Side Program expected to occur in late October



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Questions

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