



# Financial Performance An Overview of Financial Performance for December and Year End 2024

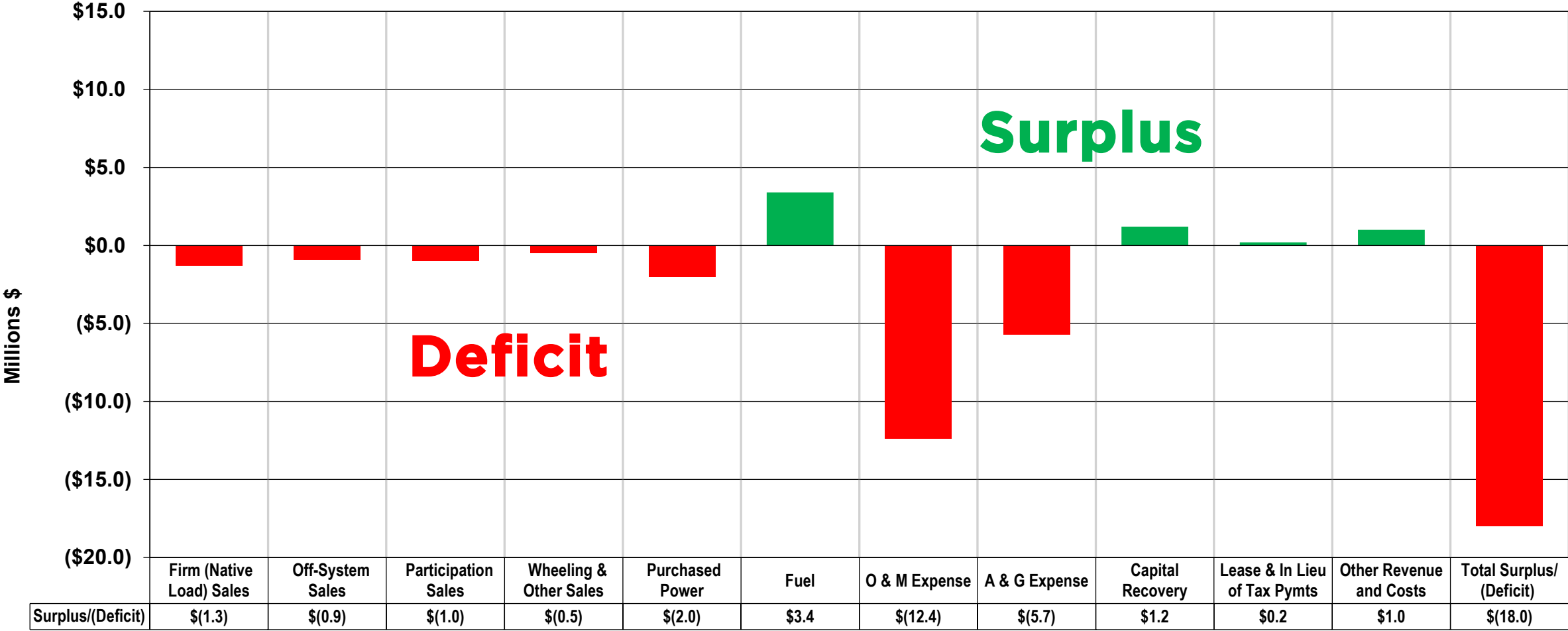
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NPPD Board of Directors Meeting  
Finance Committee  
February 2025

Meghan Matteson, Controller

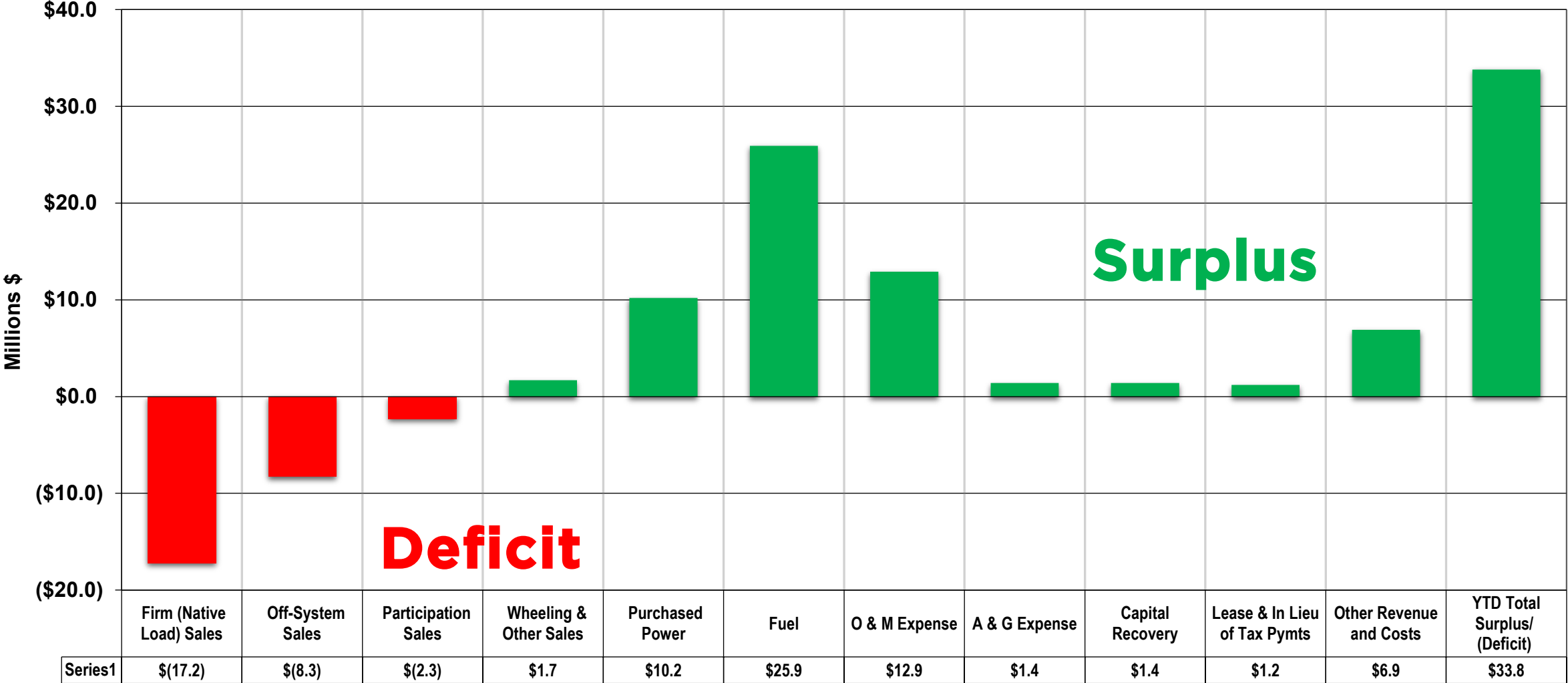


# December deficit primarily due to timing of O&M and A&G expenses, partially offset by favorable Fuel



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

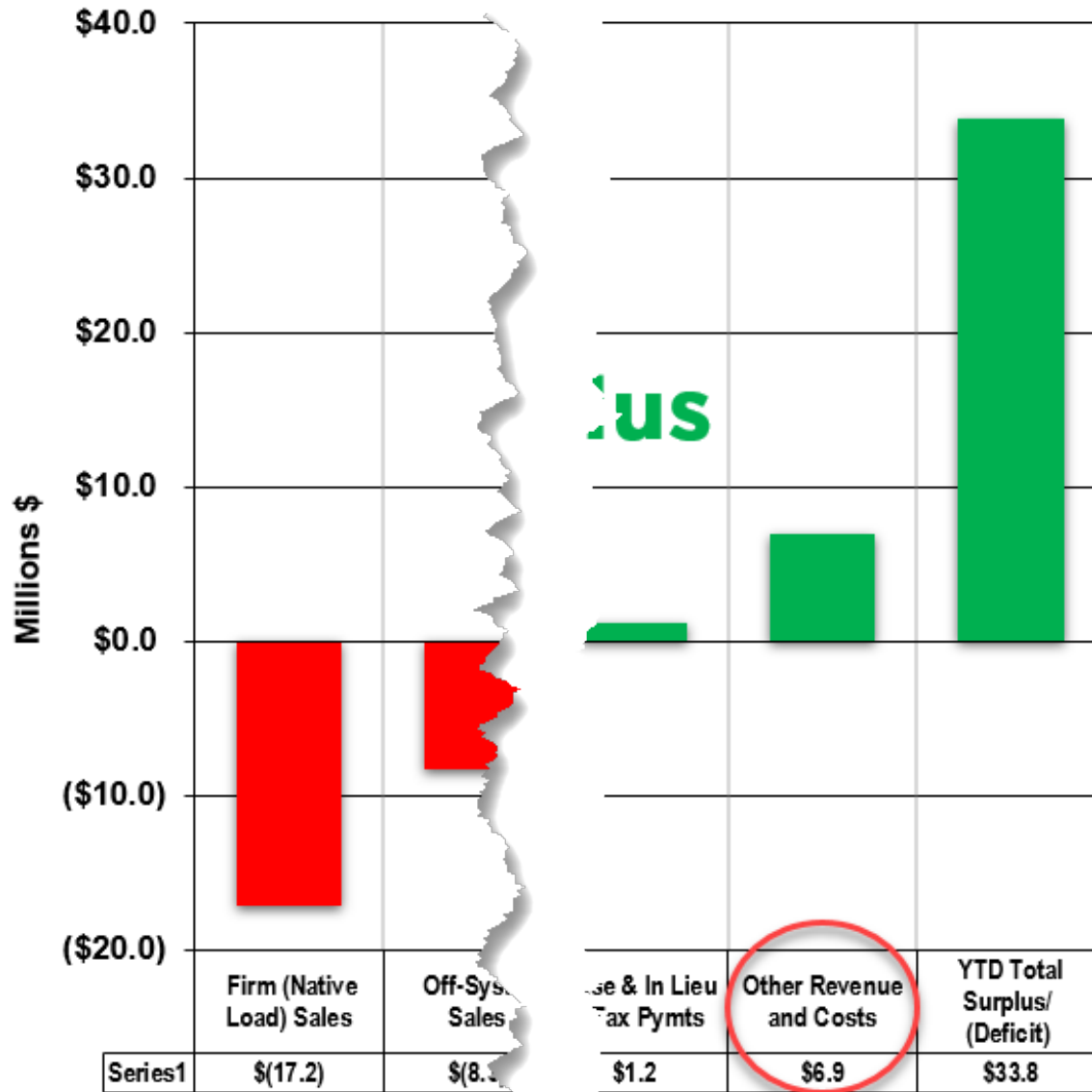
# YTD December 2024 surplus due to favorable variances for Fuel, O&M, Purchased Power, partially offset by unfavorable variances for Firm and Off-System Sales



2024 Results are unaudited

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

# What is included in Other Revenue & Costs?



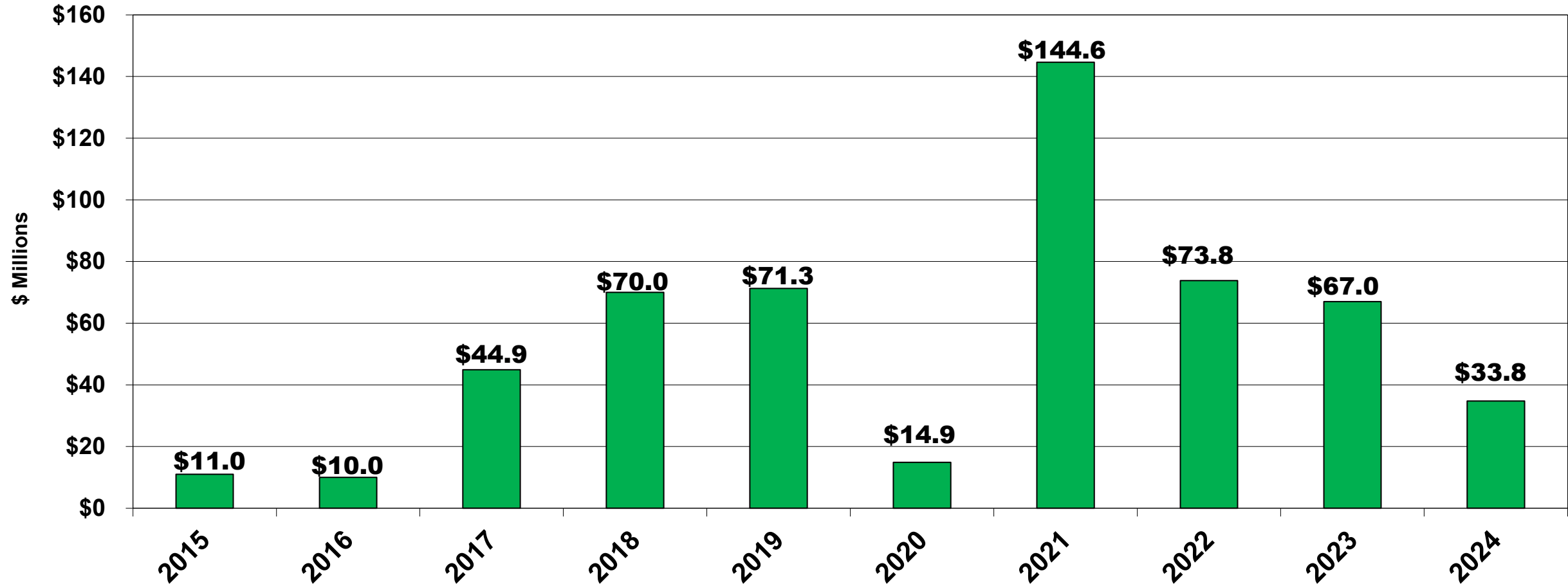
Other Revenues and Costs includes:

- Unrealized gains or losses on securities
- Interest income
- Build America Bonds investment interest subsidies
- Revenues from nonutility operations (such as call answering service revenues)

# 2024 Surplus due primarily to Purchased Power, Fuel, and O&M/A&Gs, partially offset by Firm & Off-System Sales (\$ Millions)

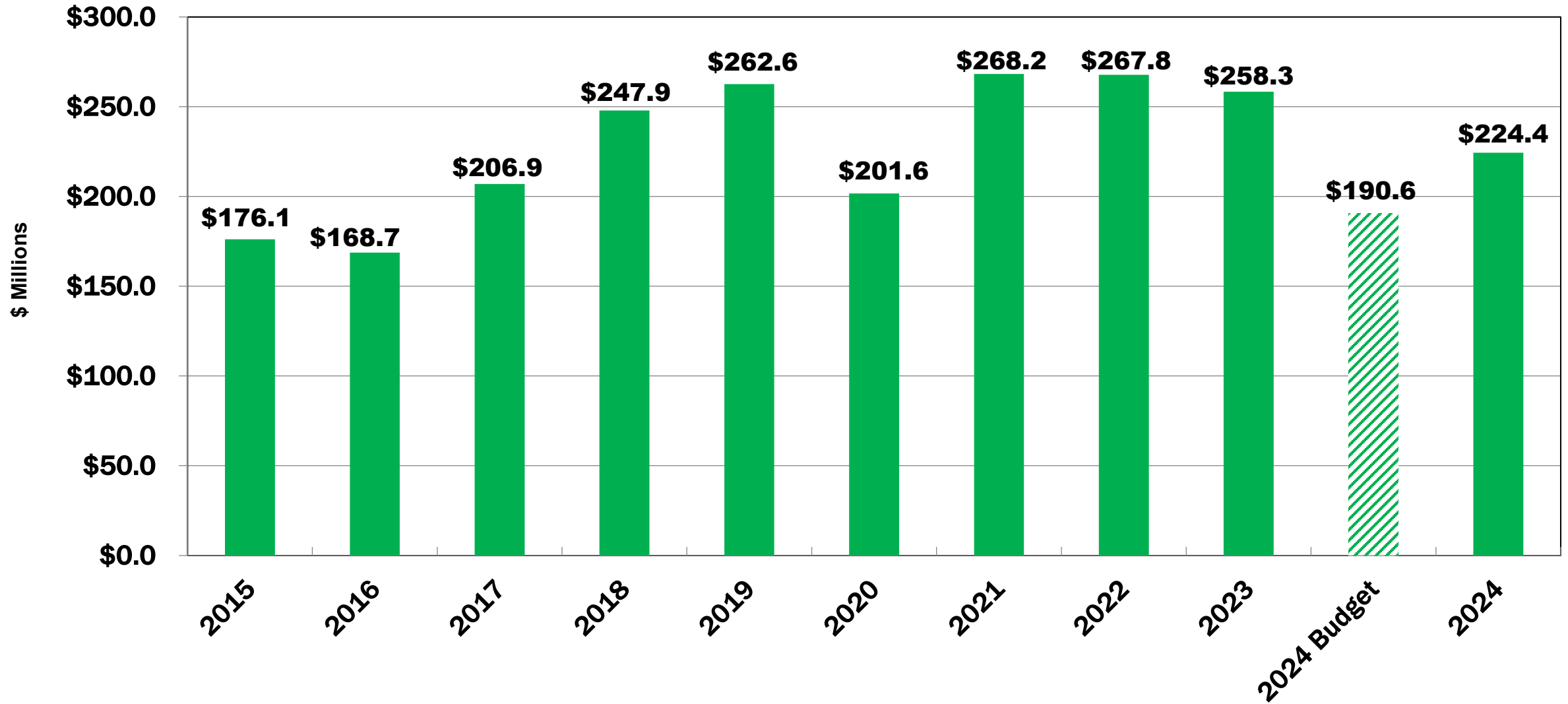
	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance from Budget</u>
<b>Revenues:</b>		
Firm Sales (Wholesale & Retail)	\$ 839.1	\$ (17.2)
Off-System Sales	147.4	(8.3)
Participation Sales	53.9	(2.3)
Wheeling & Other Sales	63.6	1.7
Interest Income & Other Revenue	38.6	6.9
Prior Year Rate Stabilization Funds Used	67.8	-
CNS Outage Accrual	25.5	-
Subtotal - Revenues	<u>\$ 1,235.9</u>	<u>\$ (19.2)</u>
<b>Costs:</b>		
Power Purchased	189.8	10.2
Fuel Costs	145.0	25.9
O&M / A&G	605.7	14.3
Decommissioning Expense (Non-Nuclear)	22.8	-
Lease/Tax Payments	42.5	1.2
Capital Recovery	196.3	1.4
Subtotal - Costs	<u>\$ 1,202.1</u>	<u>\$ 53.0</u>
<b>Total Surplus/(Deficit)</b>	<u><u>\$ 33.8</u></u>	<u><u>\$ 33.8</u></u>

# 2024 marks 12 consecutive years of surplus results



**2024 Results are unaudited**

# Year-End Rate Stabilization Fund Balance Higher-Than-Budgeted



**2024 Results are unaudited**

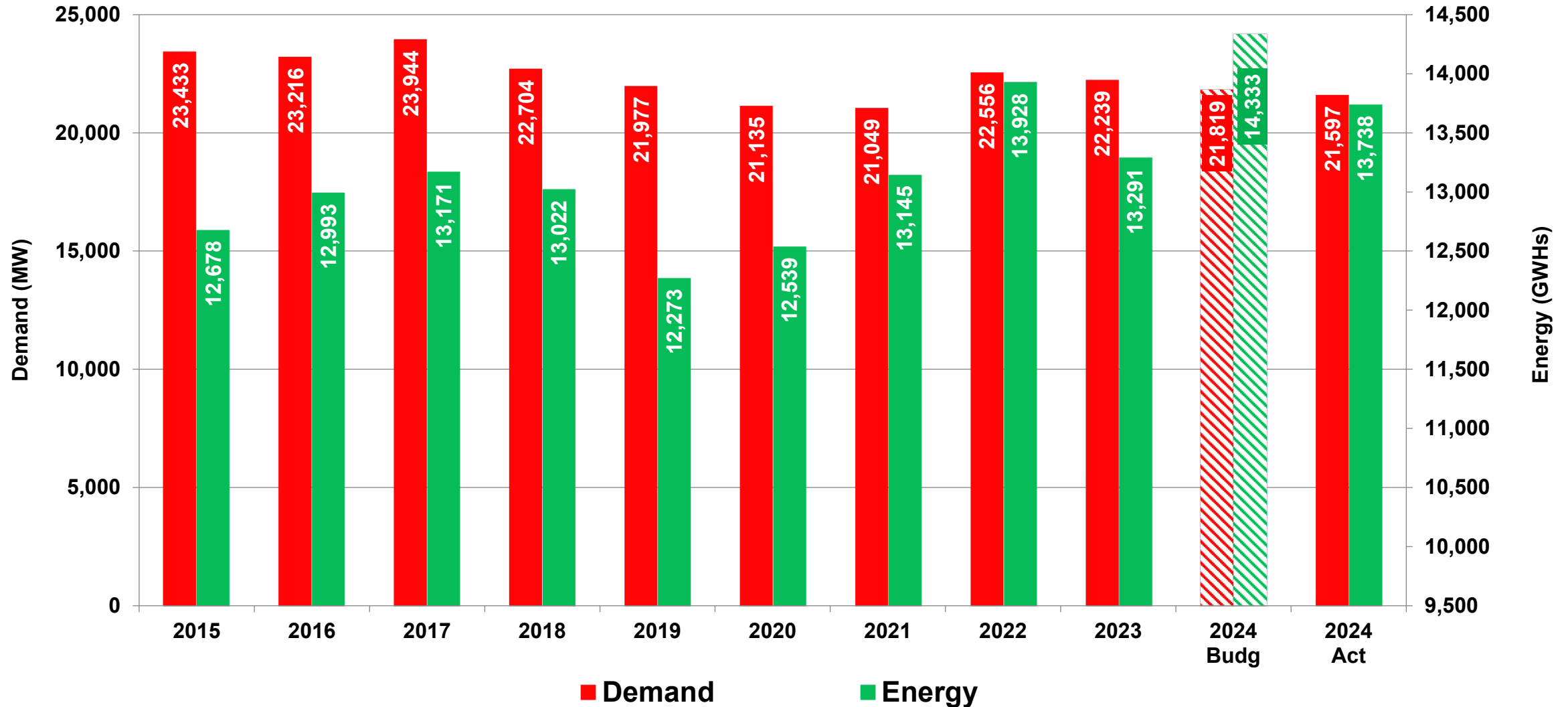
# \$163 Million in Rate Stabilization Funds Projected at End of 2025 (\$ Millions)

	Rate Stabilization Funds 12/31/2023	2024 Activity		Rate Stabilization Funds 12/31/2024	2025 Activity		Forecast Rate Stabilization Funds 12/31/2025
		Refund or Used for Revenue Requirements	2024 Surplus/ (Deficit)		Refund or Used for Revenue Requirements	Budgeted 2025 Surplus/ (Deficit)	
1 Production	\$173.7	(\$59.9)	\$29.4	\$143.2	(\$53.0)	\$0.0	\$90.1
2 Transmission	30.6	(3.0)	(3.7)	23.9	(5.1)	0.0	18.8
3 Sub-Total Wholesale	204.3	(62.9)	25.7	167.1	(58.1)	0.0	108.9
4 Retail	54.0	(4.8)	8.1	57.3	(3.8)	0.0	53.5
5 Total	\$258.3	(\$67.7)	\$33.8	\$224.4	(\$61.9)	\$0.0	\$162.5

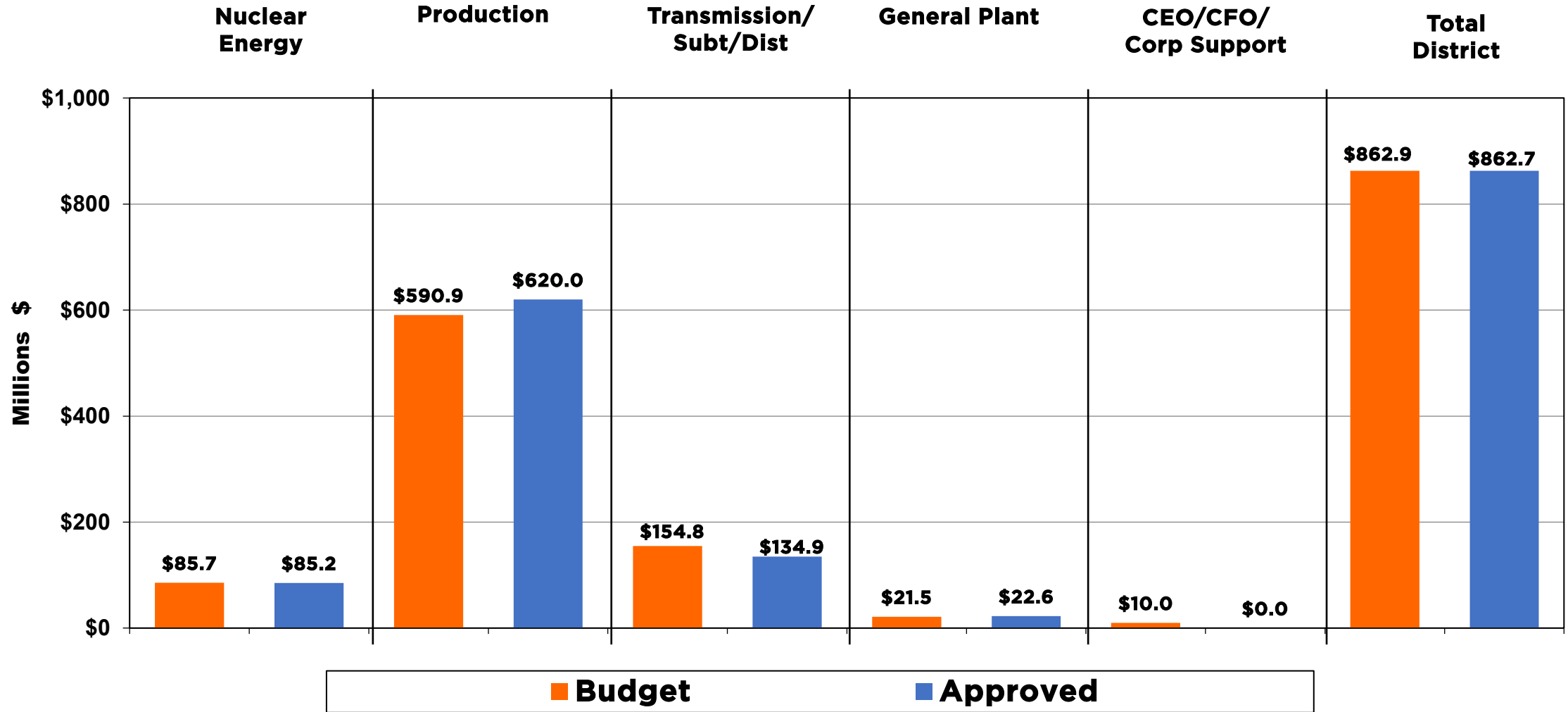
**2024 Results are unaudited**



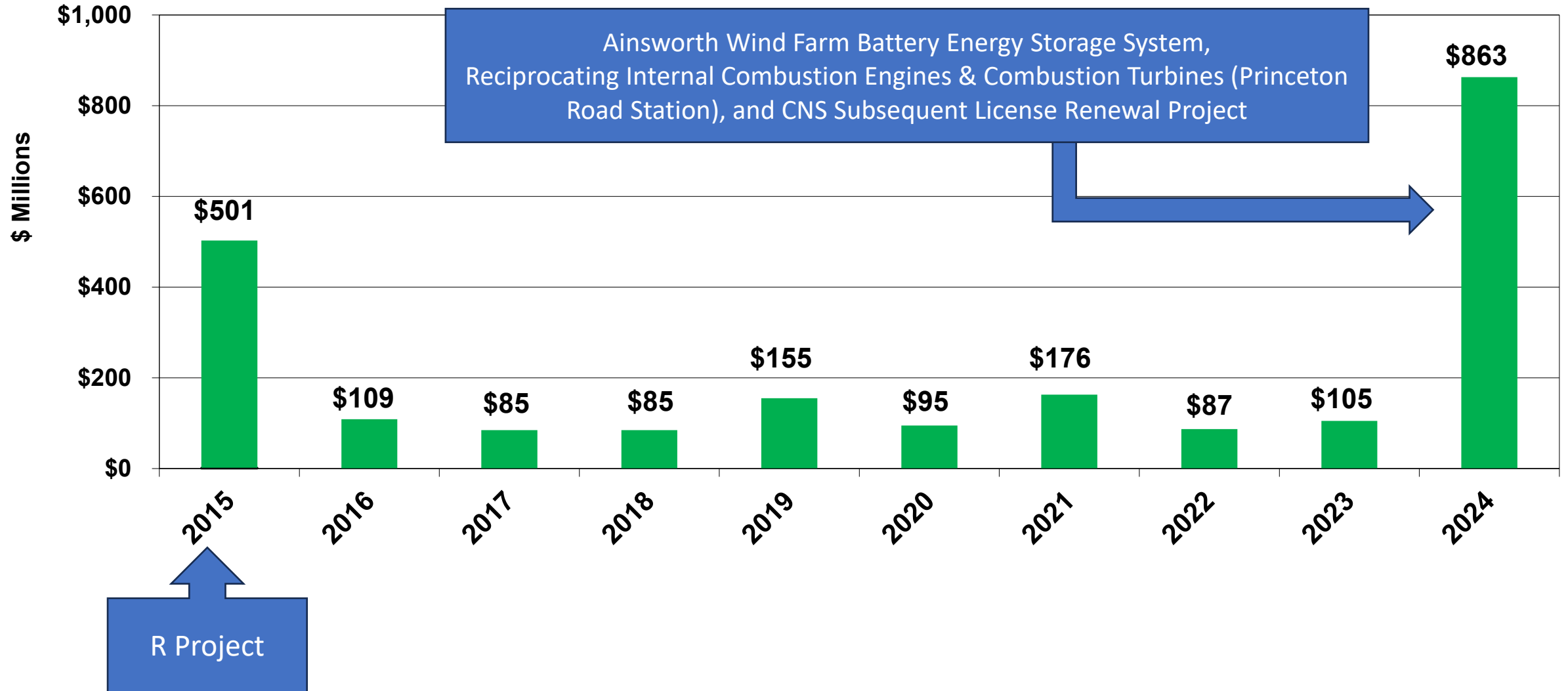
# 2024 Native Load Demand Billing Units and Energy Billing Units Below Budget



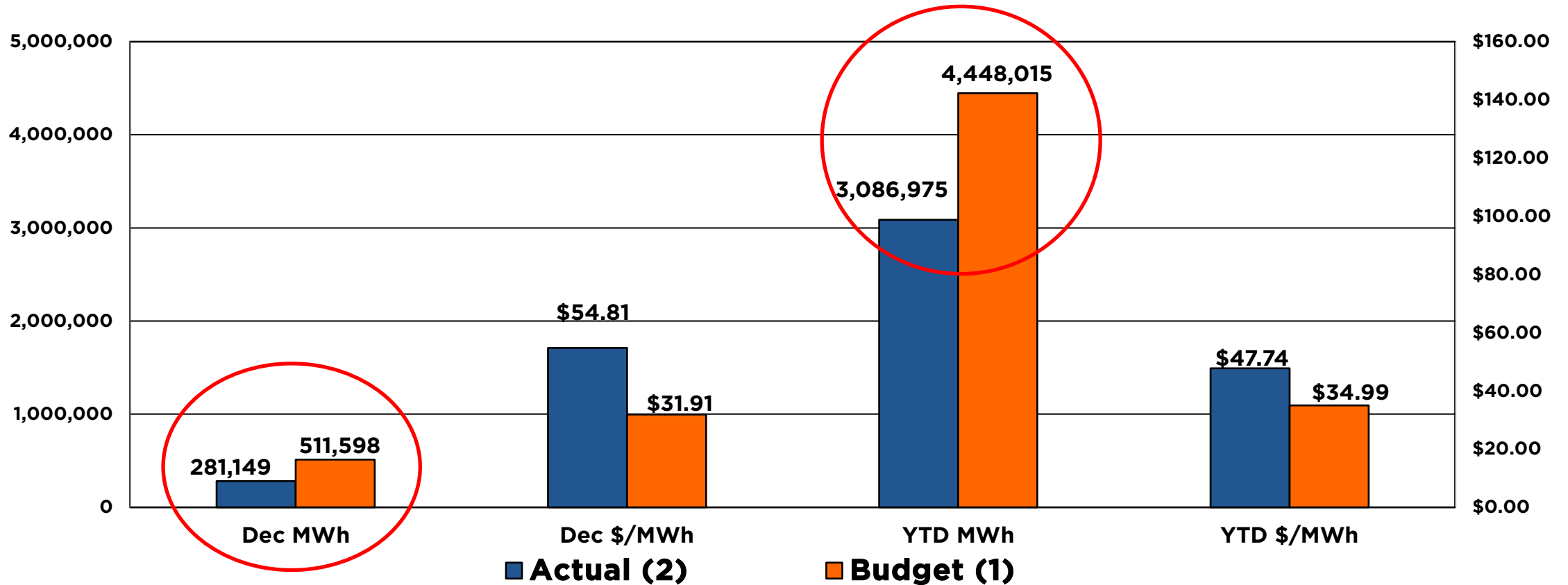
# 2024 Capital projects approved were slightly under budget



# 2024 Amended Capital Budget largest in past 10 years



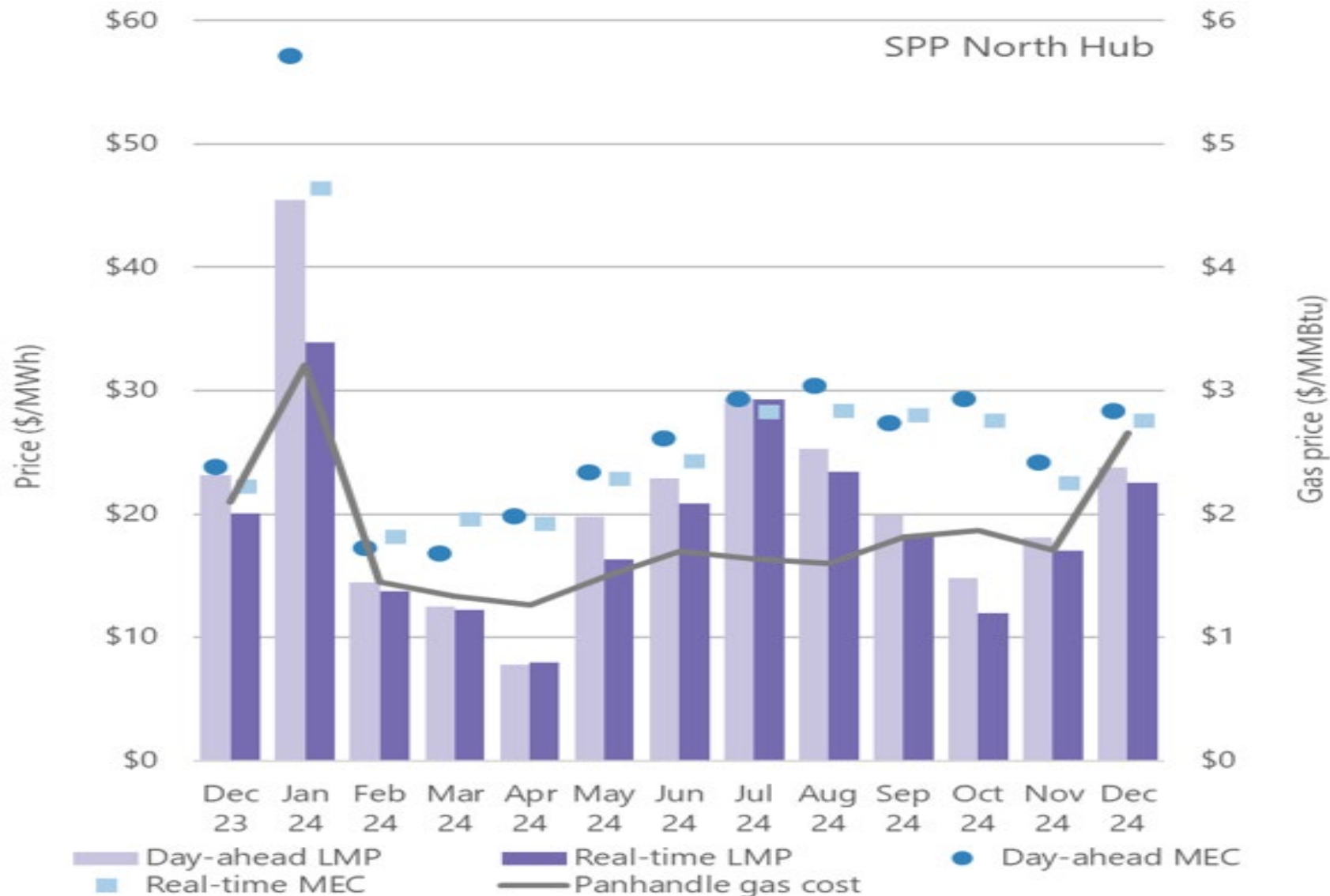
# Off-system revenues were under budget for the month and YTD December due to lower-than-expected energy sales



Total (\$ Millions)	Dec Act	Dec Bud	YTD Act	YTD Bud
	\$15.4	\$16.3	\$147.3	\$155.6

(1) Non-energy transactions, like Auction Revenue Rights (ARR)/Transmission Congestion Rights (TCR), skew the \$/MWh.

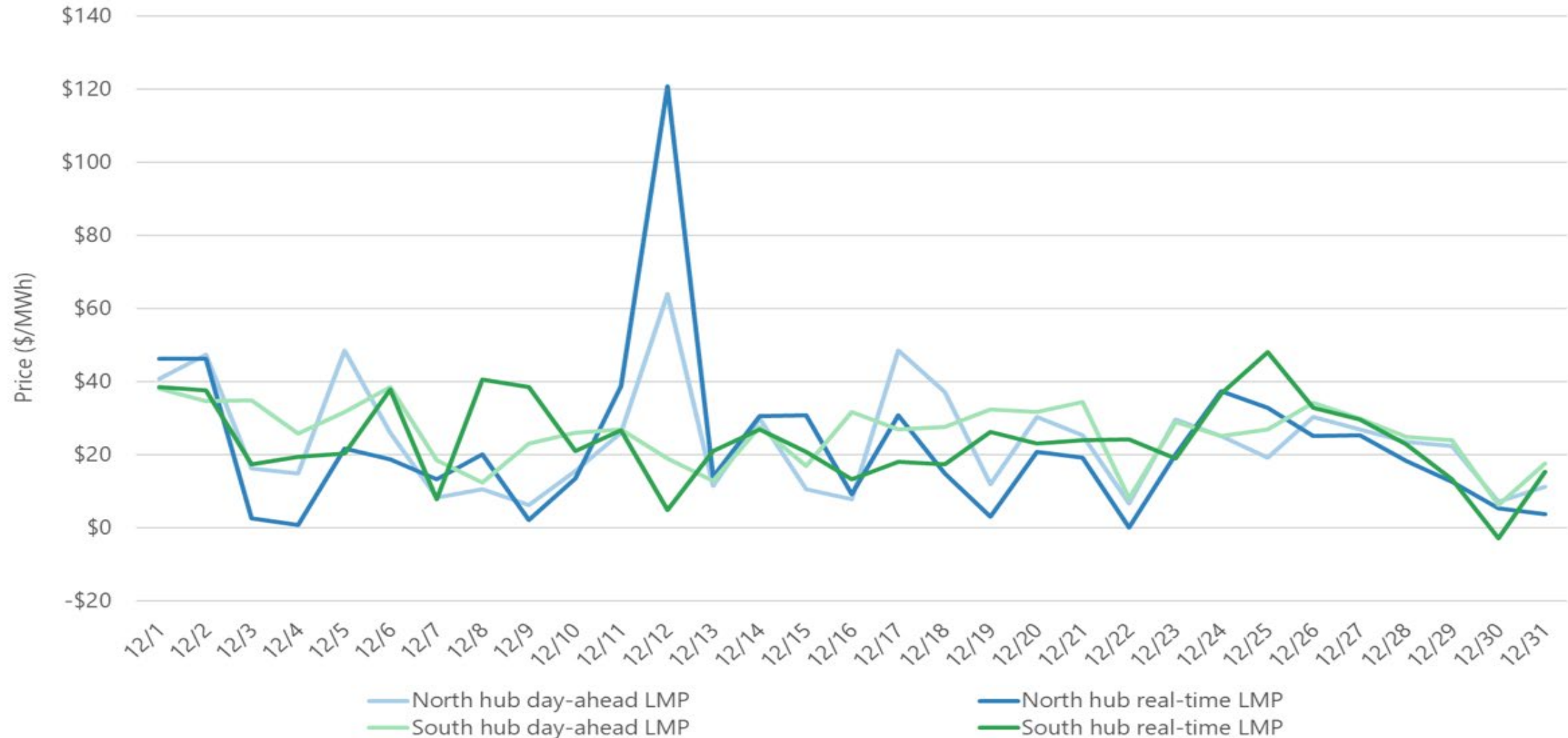
# Average SPP prices increased in December due to higher natural gas prices and lower wind generation



- 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.

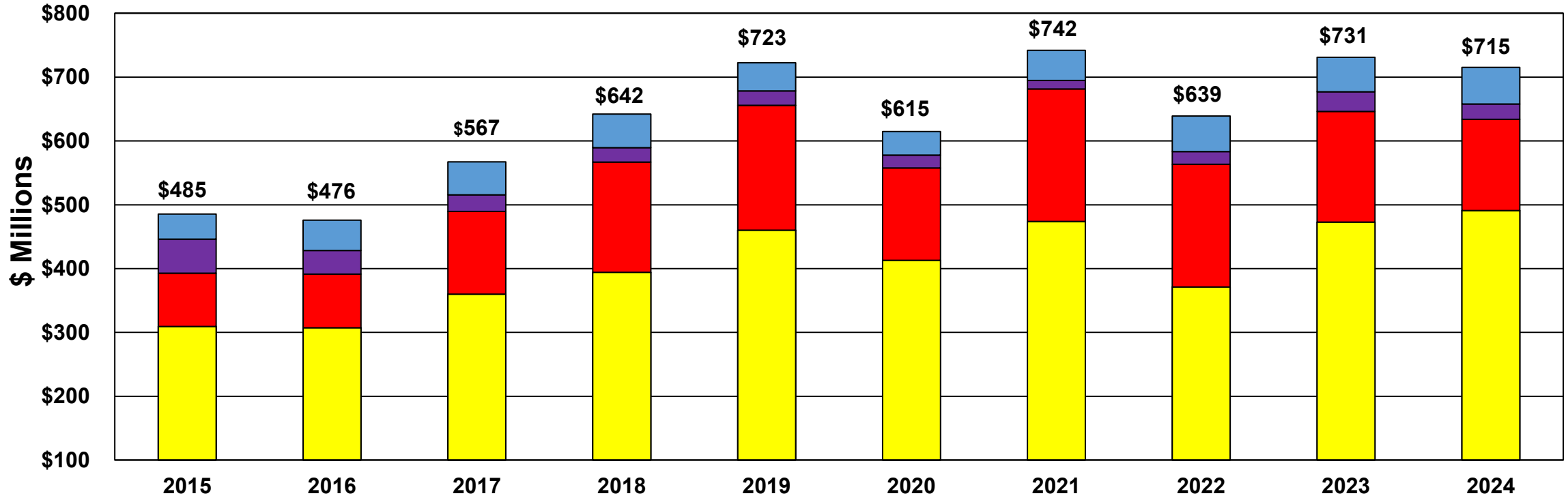
Source: SPP (Southwest Power Pool) Market Monitor Marketplace Update, December 2024. ARR/TCR Revenues are NOT included in these prices.

# December price spike largely due colder temperatures and lower wind generation



Source: SPP Market Monitor Marketplace Update, December 2024

# Slight Cash decrease from 2023; Days of Cash remains in best quartile for 2024



Year-End Days of Cash	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Days of Cash	217	196	244	267	321	269	295	245	301	266



2024 best quartile days of cash  $\geq$  245 days



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## Questions

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