



2026 - 2031 Rate Outlook Results

Board of Directors Meeting
Finance Committee
June 2025

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Crystal Harper – Financial Planning & Analysis Manager



Nebraska Public Power District

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Objectives for Today's Discussion

Today's presentation will include a review of:

- Key 2026-2031 Rate Outlook (RO) assumptions and trending
- Projected 2026 – 2031 rate impacts by Level of Service
- Projected 2026 – 2031 CFC and EIA rankings

Key 2026-2031 Rate Outlook Assumptions and Trending

Rate Outlook Results Shown for Two Scenarios

Today's presentation will include analysis and rate projections for two scenarios:

1. Existing 2016 WPC

- Assumes debt on new production assets is paid by 2035, except \$200M beyond the contract
- Assumes decommissioning trusts are fully funded by 2035

2. New WPC

- Assumes a 35 to 40 year contract term
- Assumes debt on new assets is amortized over useful life (ex: 30 years)
- Nuclear decommissioning collections extended through 2054

Notable Changes in Production Model Resource Assumptions

Scenario: 2016 & New WPC

- The Production Model is a software tool that simulates Southwest Power Pool (SPP) operations.
- It projects when NPPD's generating units will dispatch and the associated fuel expense to serve SPP market loads
- The model also generates the amount of market sales and purchases based on unit dispatch.
- The Load Forecast, SPP market prices, and fuel price assumptions are some of the inputs into the production model.

2025 RO

AWEF BESS -
Paused

PRS - Inservice
June 2029

3 BPS CTs -
Inservice dates
2031, 2032, & 2033

CNS through 2054

Various Purchased
Power Agreements

2024 RO

AWEF BESS -
Inservice June 2026

PRS - Inservice
June 2027

3 BPS CTs -
Inservice June 2029

CNS through 2054

Various Purchased
Power Agreements

Notable Changes in Large Transmission Project Timelines

Scenario: 2016 WPC & New WPC

- Shifts in transmission project timelines and costs have impacts on debt service and SPP Revenues/Expenses

 = Change from last year

	Notice To Construct (NTC)	This Year's RO In-Service	Last Year's RO In-Service		This Year's RO	Last Year's RO
Kearney Tech	NTC	Jun 2025	Jun 2025		\$ 21.3M	\$ 20.4M
Monolith	NTC	Jan 2026	Jan 2026		\$ 79.5M	\$ 80.5M
Stanton County	NTC	Nov 2026	Jan 2026		\$ 30.4M	\$ 34.2M
R Project	NTC	Jan 2028	Jan 2027		\$ 638.0M	\$ 608.0M
Aurora - Central City	NTC	Dec 2028	N/A		\$ 27.8M	N/A
Ainsworth Wind - Bassett	NTC	Jun 2029	N/A		\$ 37.8M	N/A
Antelope Holt County	NTC	Feb 2030	N/A		\$ 82.2M	N/A
Elm Creek (KS) - Tobias	NTC	Dec 2030	N/A		\$ 156.1M	N/A
Meadowlark		N/A	Jan 2026		N/A	\$ 184.7M

RO - Rate Outlook

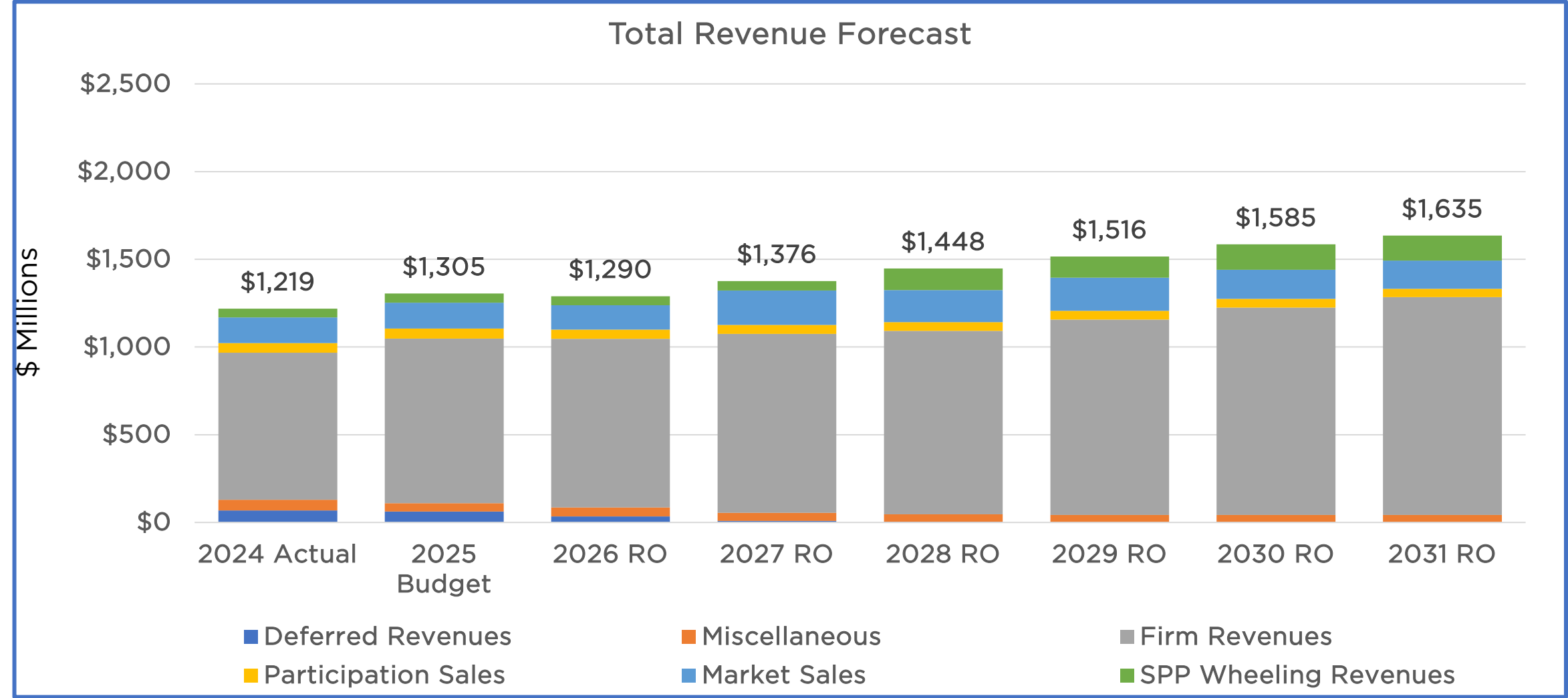
SPP = Southwest Power Pool

\$1,063.1M

\$927.8M

Revenues Trending Higher Primarily Due to Projected New Load Growth

Scenario: 2016 WPC & New WPC



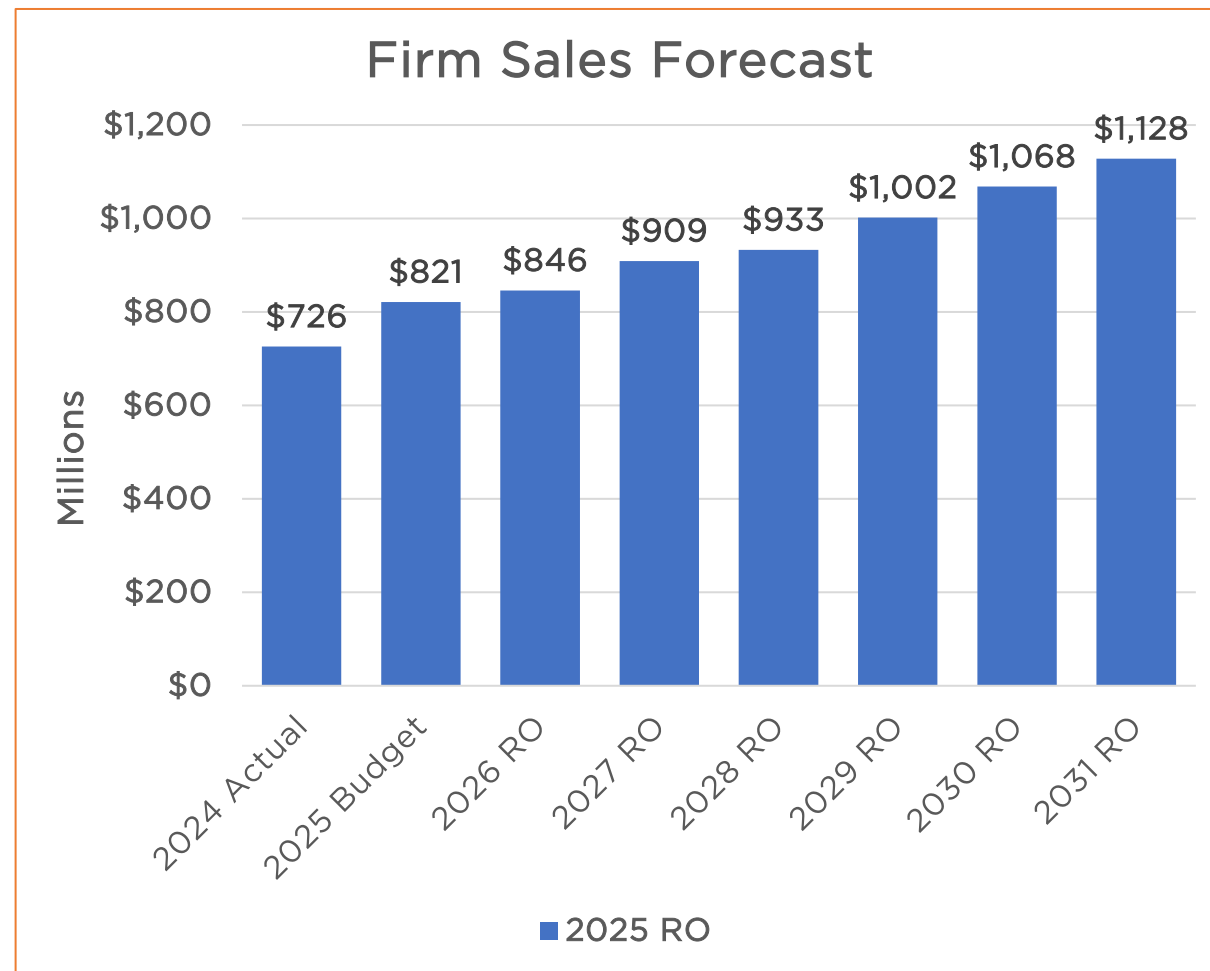
RO = Rate Outlook

SPP = Southwest Power Pool

Native Load Assumptions Drive the Firm Revenue Forecast

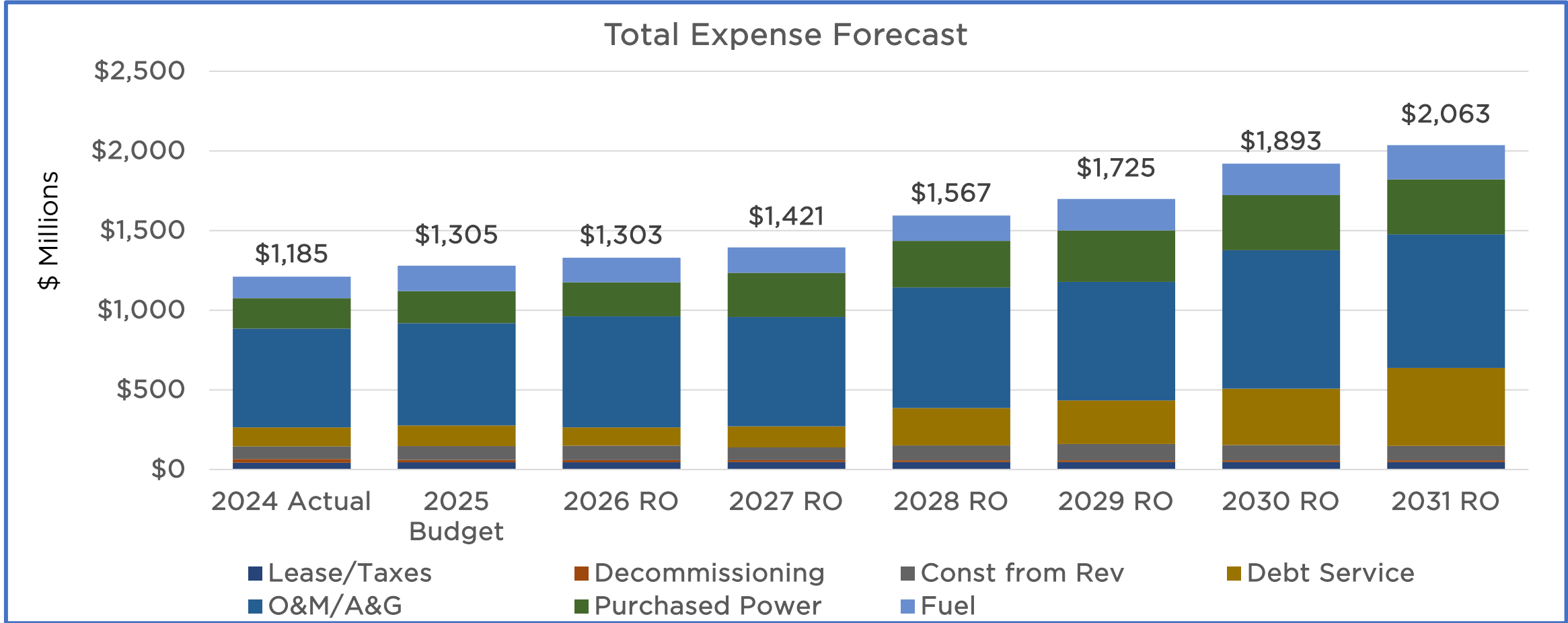
Scenario: 2016 WPC & New WPC

- Firm Sales increase 55% from 2024 to 2031 primarily due to expected and prospective new loads
- Changes in the load forecast in the 2025 RO are attributed to two main factors:
 - Load adjustments reflecting uncertainties in:
 - Customer project timelines
 - Estimated probability of new loads materializing in industries influenced by the evolving federal policies and funding priorities



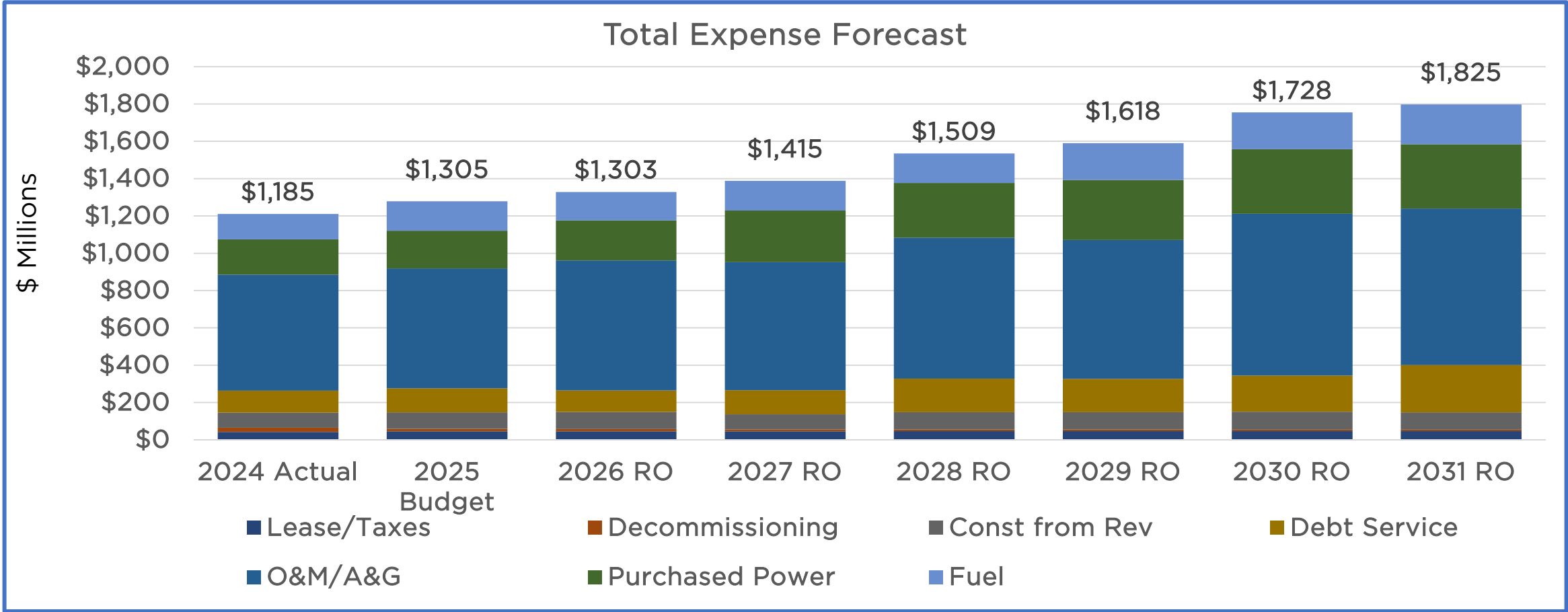
Expenses Trending Higher Primarily Due to Increased Fuel, Purchased Power and Debt Service to Serve New Load

Scenario: 2016 WPC



Expenses Trending Higher Primarily Due to Increased Fuel, Purchased Power and Debt Service to Serve New Load

Scenario: New WPC



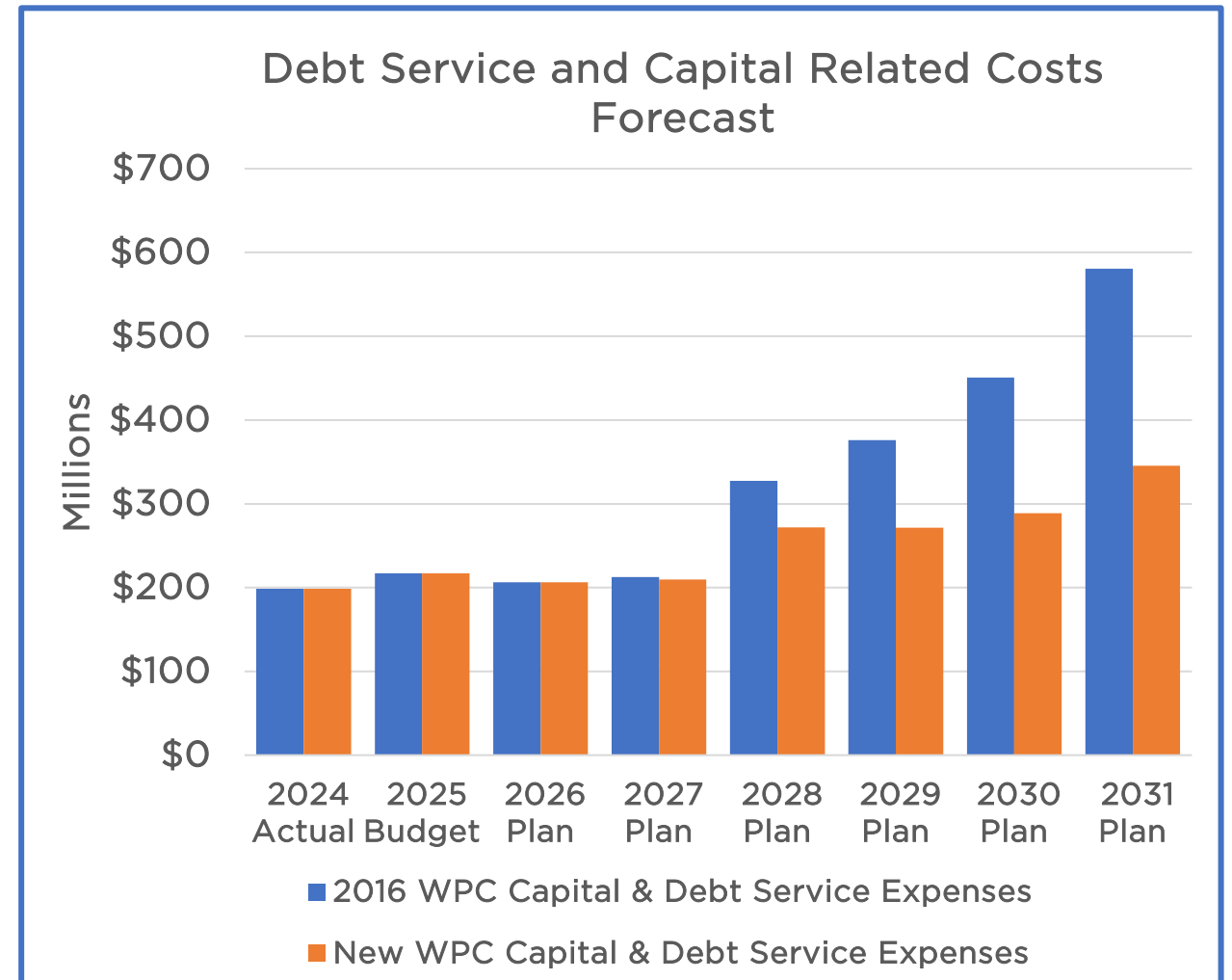
Debt and Capital Related Costs Increase Over Rate Outlook Period As New Assets Come Online

Existing 2016 WPC:

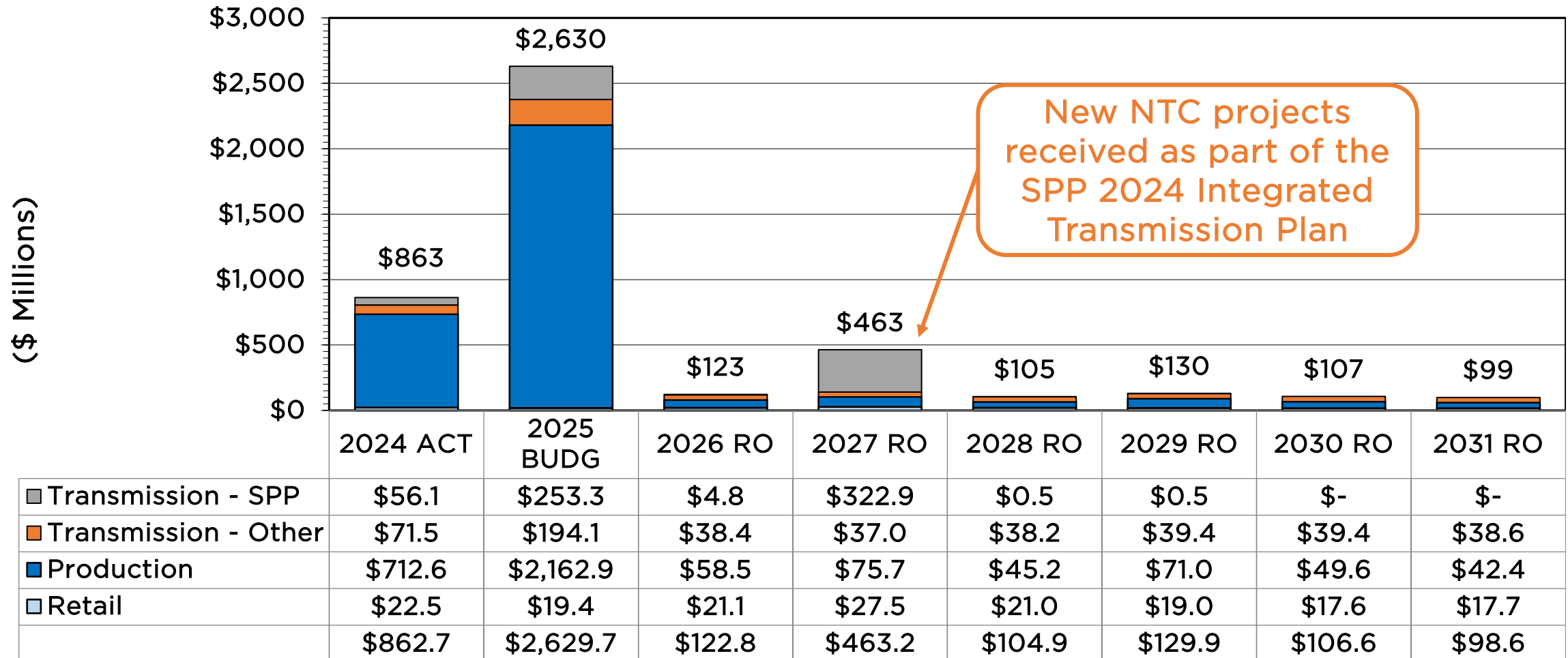
- Debt service collections begin prior to asset in-service dates to phase-in rate increases
- Debt service for production assets are collected within current Wholesale Power Contract term, except for \$200M allowed by financial management policy

New WPC:

- New generation is financed over the life of the assets (ex: 30 years) and debt service is adjusted to help phase-in rate increases



Capital Project Budgets Consistent Over Rate Outlook Plus Added NTC's



Projected Wholesale & Retail Rate Impacts and Rate Projections

Assumes a new WPC contract is in place with a 35-to-40 year termination date

With a new (35-40 year) WPC.... **WHOLESALE** Rates are Projected to Remain Below the 25th Percentile through 2031

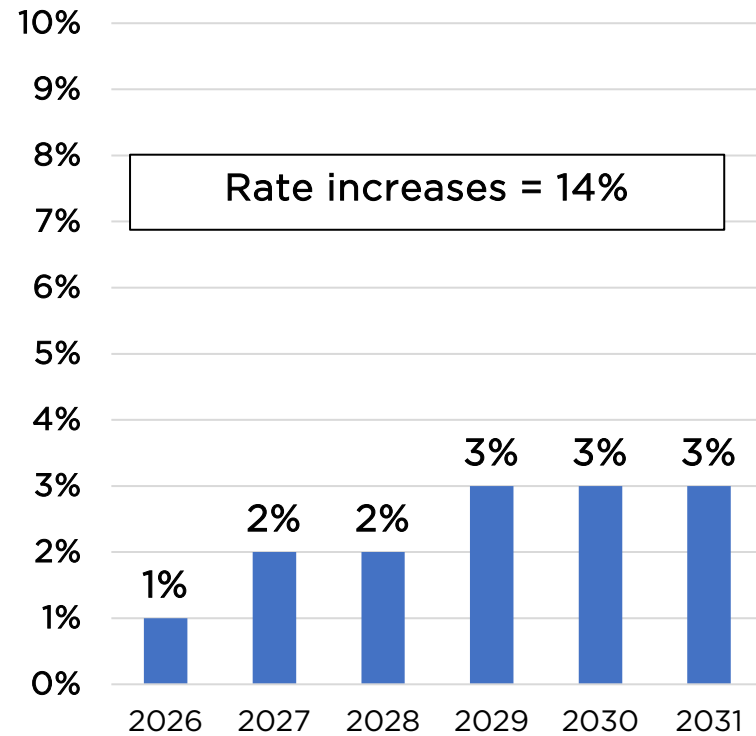
Production

- Maintain current production base rates in 2026; rate increases from 1% - 3% in 2027-2031
- PCA refund of \$30.8 million in 2026

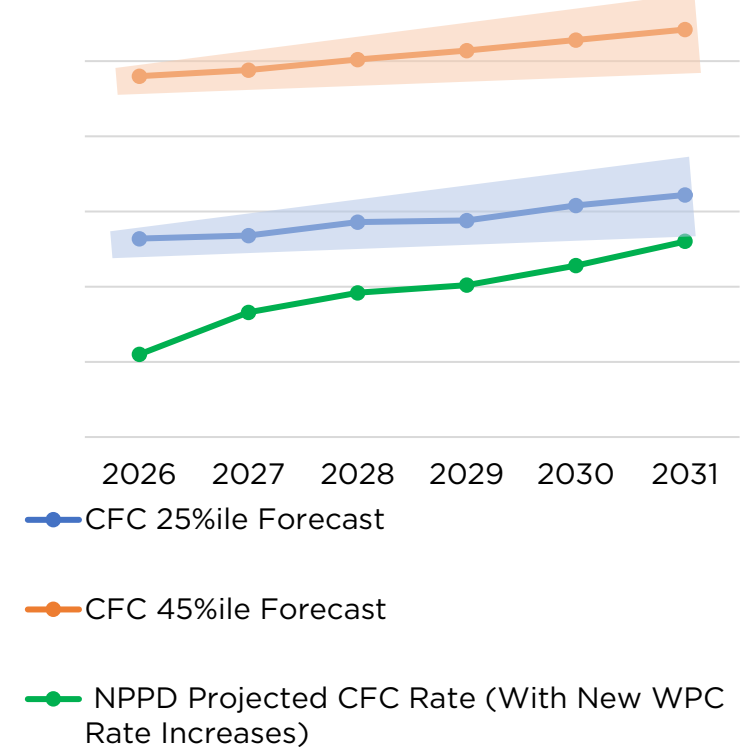
Transmission

- Increase transmission rates by 6% in 2026 - 2028, then 2%-3% in 2029-2031
- Use of \$0.5 million rate stabilization funds in 2026

Wholesale Rate Increases Needed to Balance Budget



CFC Wholesale Rate Projections



Revenue requirements exceed revenues resulting in the need for rate increases

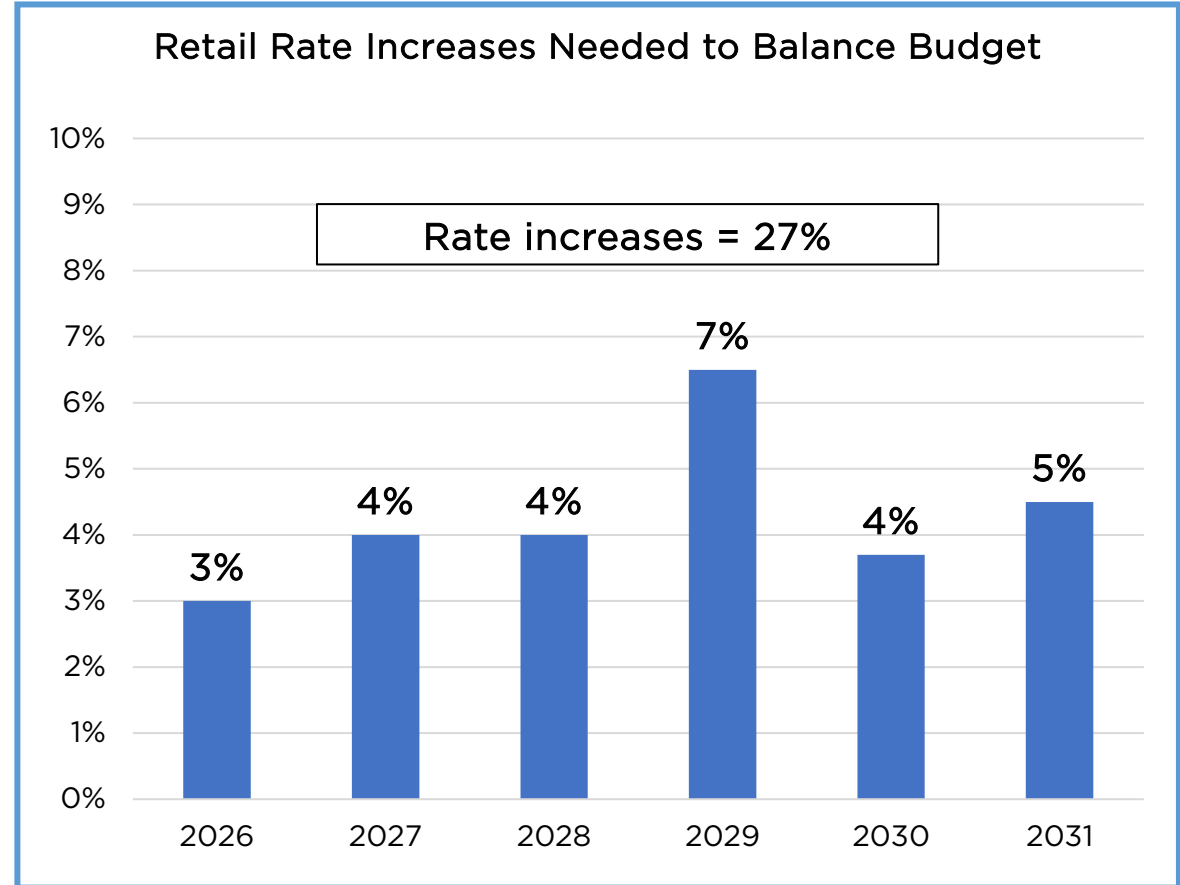
Rate increases are then factored into the CFC Wholesale Rate

NPPD's Wholesale rates are compared to the CFC projections

With a new (35-40 year) WPC... **RETAIL** Rates are Projected to Range between 3%-7% through 2031 (Wholesale Rate Increases are included)

Retail

- Increase Retail base rates by 3.0% in 2026, then 4%-7% 2027-2031
- Use of \$2.5 million of Retail Rate Stabilization Funds to pay for certain capital projects and to balance the budget in 2026
- NPPD's Retail rates are projected to remain competitive with the EIA 15th percentile for the next several years.



Revenue requirements exceed revenues resulting in the need for rate increases

Rate increases are then factored into the EIA Retail Rate

Projected Wholesale & Retail Rate Impacts and Rate Projections

Assumes new production debt is paid by 2035, the termination date of the existing 2016 Wholesale Power Contract

Planning Scenario Models \$3B of Debt to be Paid by 2035

The below results reflect the rate impacts of a “what-if” planning scenario that assumes a new WPC is not in place and all new generation debt is collected and paid by 2035:

Wholesale:

- If \$3B of debt must be paid by 2035, then:
 - Wholesale rates could range from 3%-7% per year from 2027-2031

Retail:

- If NPPD Wholesale raises rate from 3%-7% per year from 2027 – 2031 then:
 - NPPD Retail rates could range from 8%-10% per year for the same time period

Metrics, Recommendations & Next Steps

Projected Key Financial Metrics

Scenario: New WPC

- Debt to equity ratio increases above the current target (as expected) as debt on new generation and transmission assets is incurred
- Debt service coverage decreases with the issuance of new debt, but is maintained at an acceptable level

2026-2031 Rate Outlook Wholesale Recommendations

2026 Production

- Maintain current production base rates
- PCA refund to customers of \$30.8 million

2026 Wholesale

- The 6% transmission rate increase results in an overall 1% Wholesale base rate increase
- Recommendation supports Board SD-04 – Cost Competitiveness as 2026 rates are projected to be within the CFC Best Quartile performance
- This will be the eighth year of having a Wholesale PCA Refund
- There are assumptions in RO that could significantly impact these projections if they don't occur as planned

2026 Transmission

- Increase transmission rates by 6%
- Use of \$0.5 million rate stabilization funds

2027 – 2031:

- Timing, costs, and options to serve new load and the related debt service create uncertainties that will be refined as time passes causing future rate projections to change
- There are opportunities to manage/maintain costs to help minimize future rate increases for both Wholesale and Retail customers



Cost Competitiveness
District Strategic Priority

VP Owner:
Laura Kapustka

Aligns with
Strategic Directives:
SD-03, SD-04

2026-2031 Rate Outlook **Retail** Recommendations

- **2026**

- Increase Retail Base Rates by 3.0%
- Use of \$2.5 million of Retail Rate Stabilization Funds to pay for certain capital projects and to balance the budget
- Recommendation supports Board SD-04 – Cost Competitiveness as 2026 rates are projected to be within the EIA best 15% performance

- **2027 - 2031**

- Develop strategies to help minimize and smooth future rate increases
- Planning to use Retail RSF to minimize future rate impacts, while maintaining minimum Retail Rate Stabilization Fund balance



Cost Competitiveness
District Strategic Priority

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SD-03, SD-04

Next Steps/Timeline

	Date	Topic
✓	Apr 10	2025 RO Kickoff at Finance Committee
✓	Jun 19	2025 RO Results at Finance Committee
	Jun 26	2025 RO Results at Customer Meeting
	Jul 11	Review GFPS Rate Study results and preliminary 2026 GFPS rates and PCA factor with NPPD Board tentatively via e-mail (No Board meeting in July)
	Jul 24	Review GFPS Rate Study results and preliminary 2026 GFPS rates and PCA factor with Customers
	Aug 13	Review Proposed 2026 GFPS rates and PCA factor with NPPD Board
	Oct 9	Review Proposed 2026 Budget with Finance Committee
	Nov 13	Request Action on 2026 Budget from Finance Committee



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Questions

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