



THE POWER OF PEOPLE



2026 Revenue & Expense and Capital Budgets

NPPD Board of Directors Meeting
Finance Committee
November 2025

Laura Kapustka – Executive VP & CFO
Crystal Harper – Financial Planning & Analysis Manager

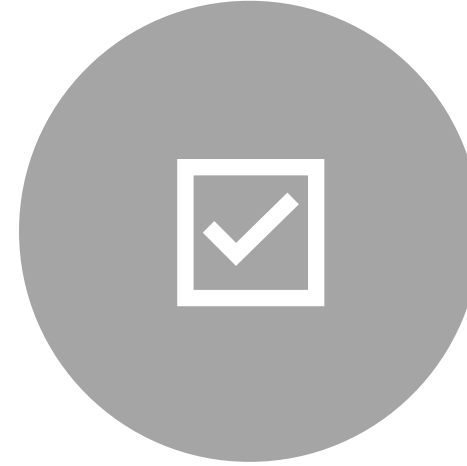


Nebraska Public Power District
Always there when you need us

Objectives



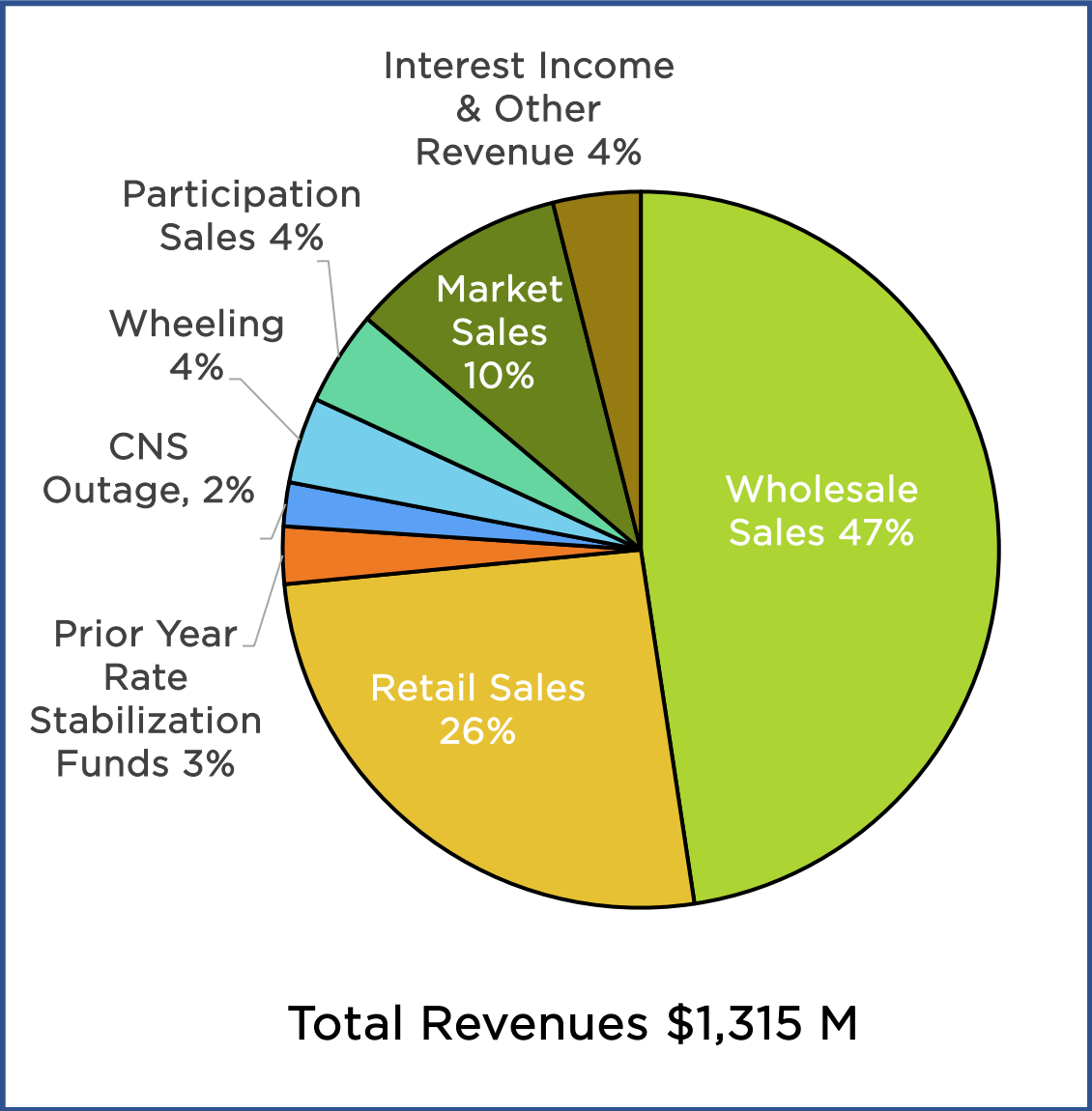
**FINAL REVIEW OF THE
PRELIMINARY 2026 REVENUE
& EXPENSE AND CAPITAL
BUDGETS**



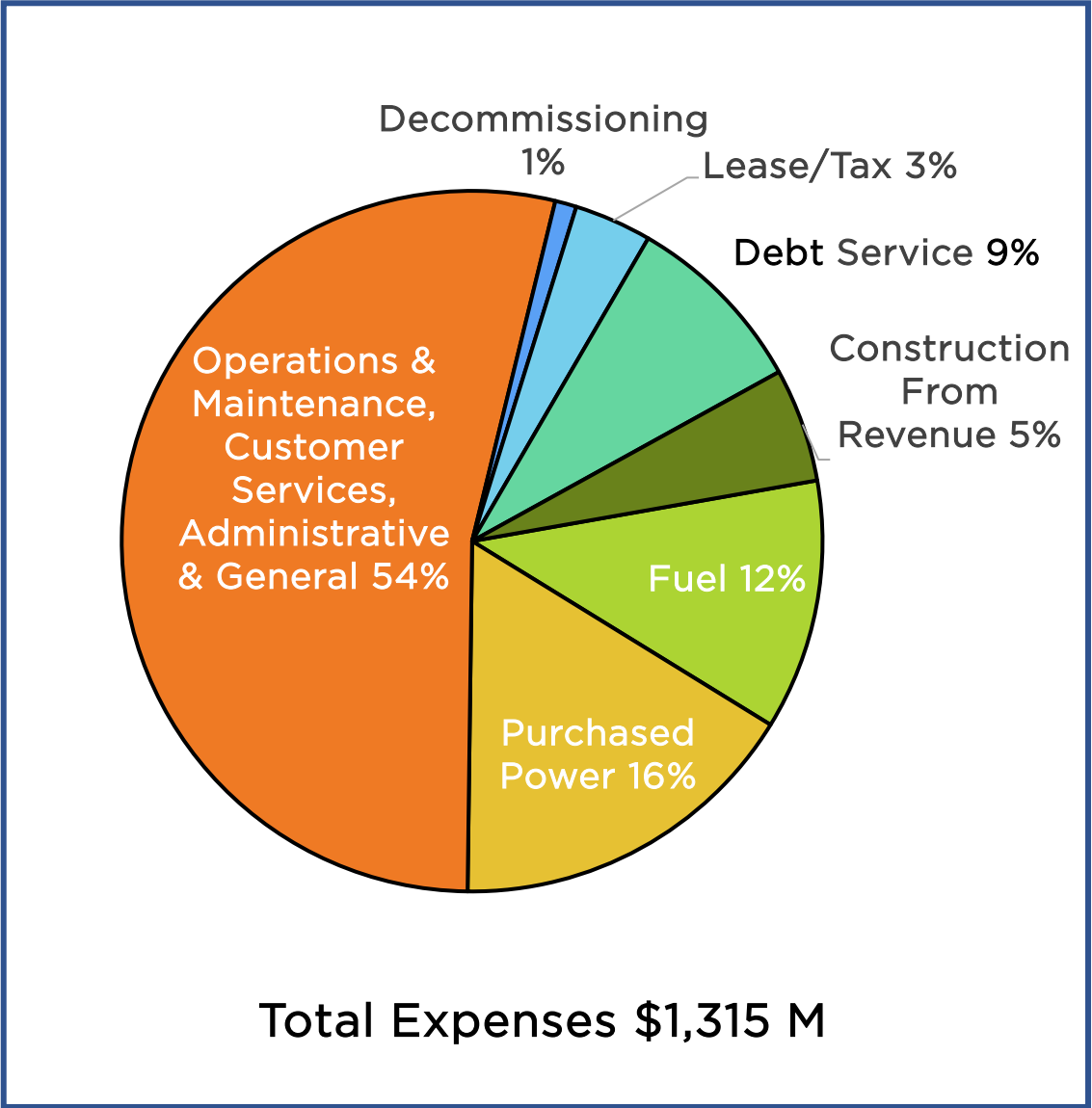
**REQUEST BOARD
APPROVAL OF RESOLUTION
FOR THE 2026 REVENUE
& EXPENSE AND CAPITAL
BUDGETS**

Key Components of the Preliminary 2026 Revenue & Expense and Capital Budgets

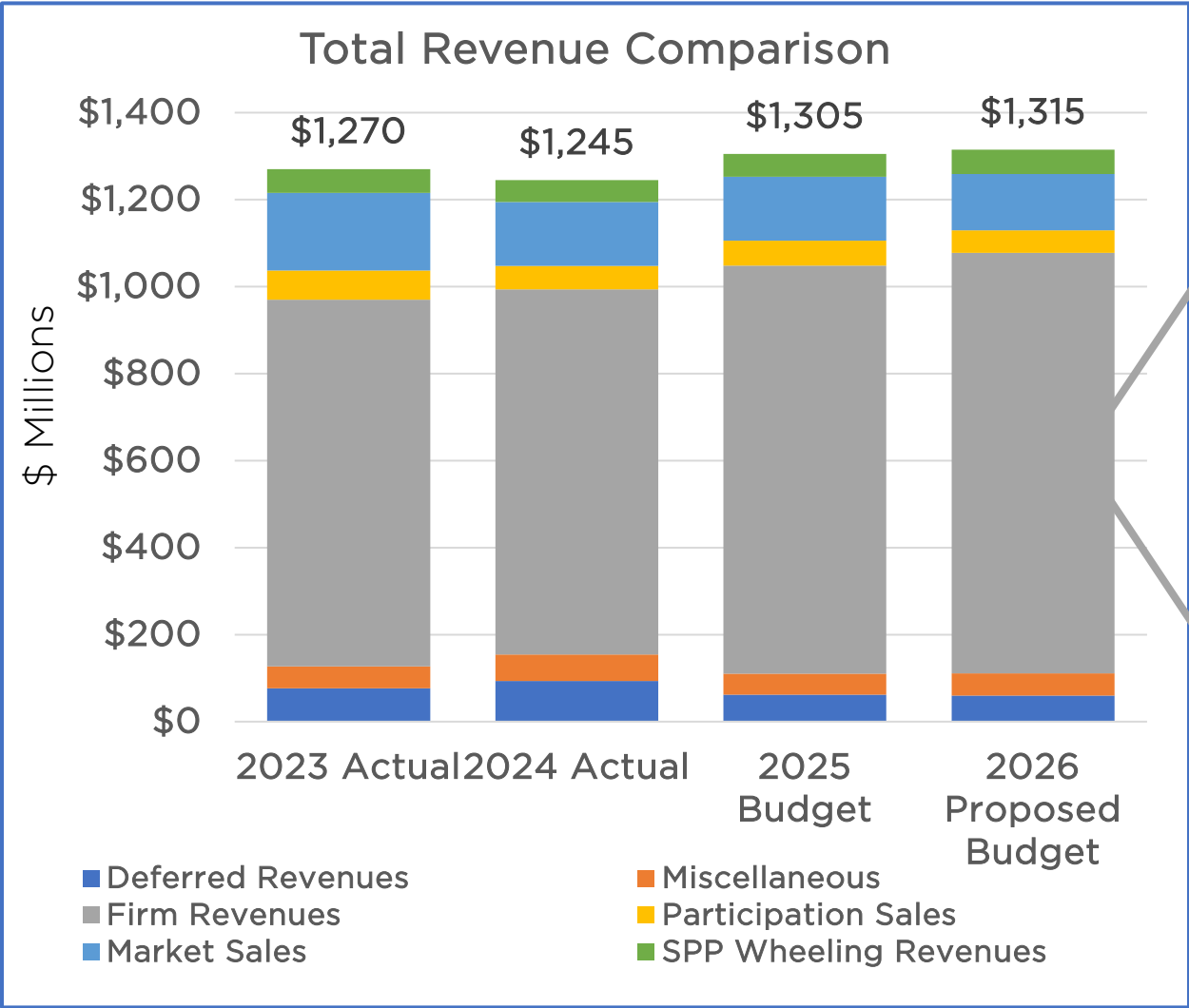
Key Components of the 2026 Budget – Revenues & Expenses Balance



=



2026 Revenue Growth Driven by a 1%* Wholesale Rate Increase, a 3%* Retail Rate Increase and Projected New Load Growth



Wholesale Sales

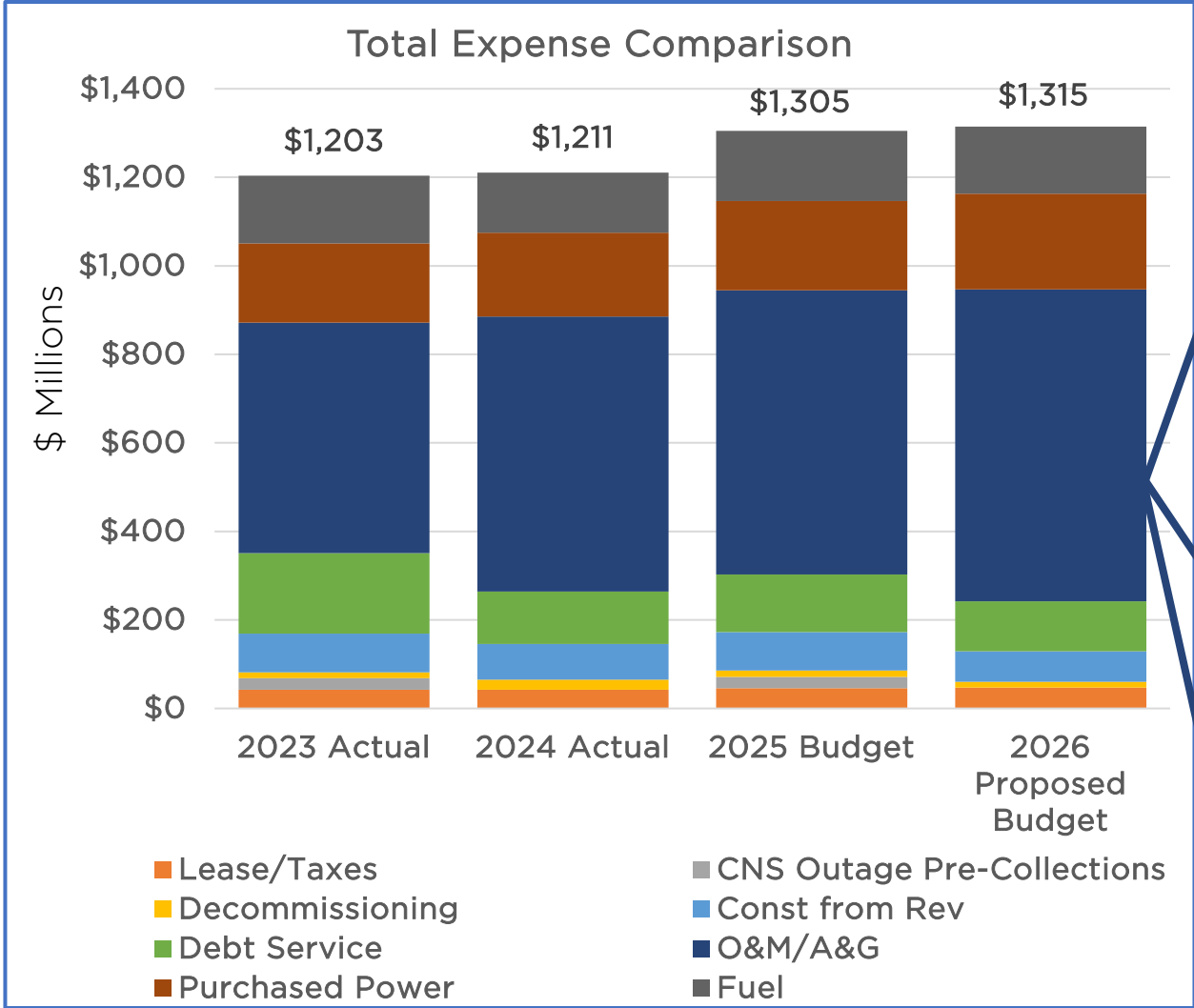
17% growth from 2023-2026 is driven by an increase in sales from new and existing loads, and a proposed 1% rate increase in 2026.

Retail Sales

Retail revenue growth from 2023 to 2026 is driven by a 2% rate increase in 2025, a proposed 3% in 2026, and higher sales from new and existing loads.

*Proposed, not yet approved by the Board

Expenses Trending Higher in 2026 Due to Increased Headcounts, Compensation and Benefits & Cost Escalations



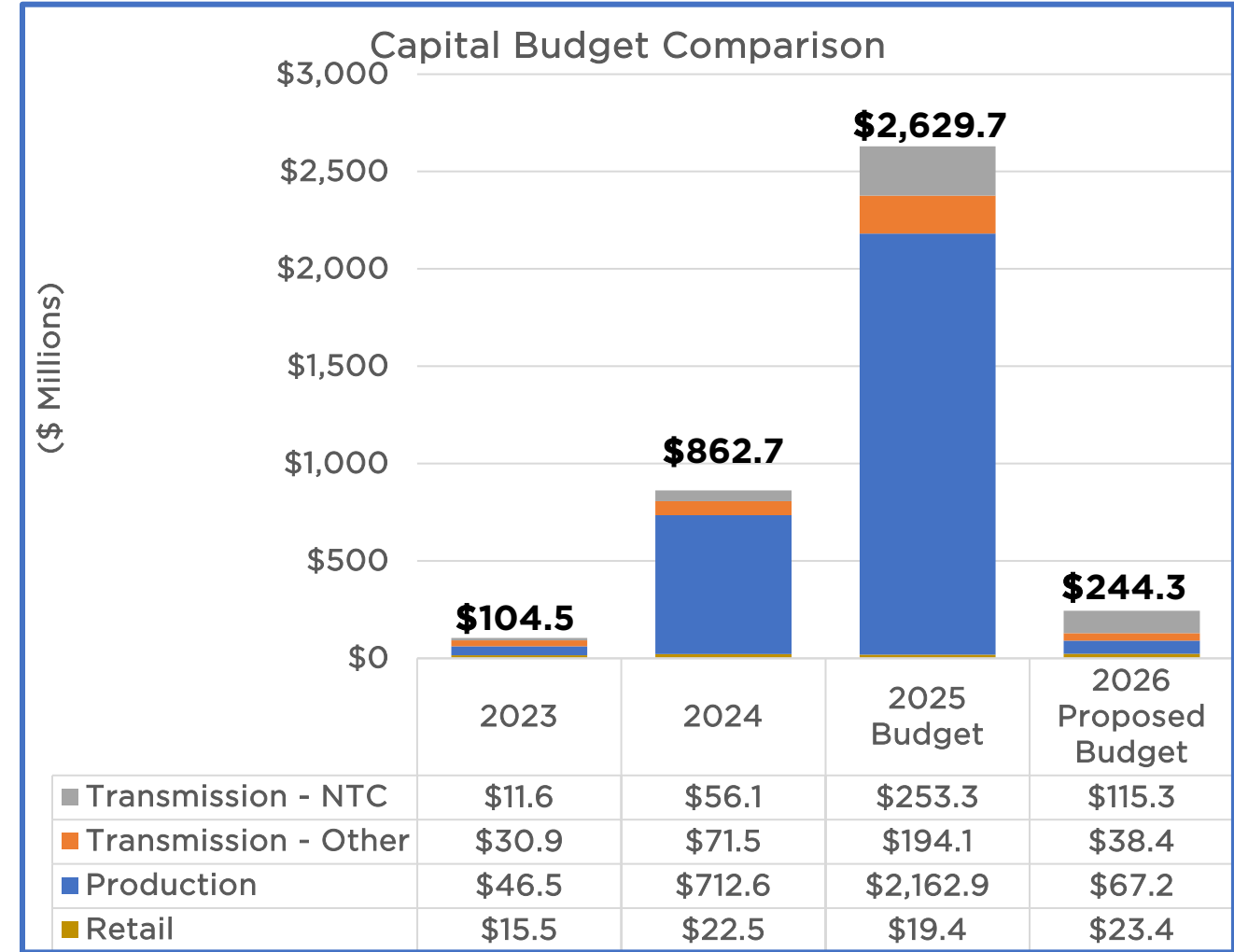
Salaries & Benefits (59% of O&M budget)
Projected to increase by \$25M from 2025 to 2026, driven by annual 3.5% merit increases, 26 new FTEs, CNS outage-related compensation, higher health insurance costs, and payroll tax inclusion for annual incentive program.

Outside Services (20% of O&M budget)
Costs rise in 2024 and 2026 due to scheduled refueling and maintenance outages at CNS.

Materials & Supplies (10% of O&M budget)
Average annual increase of 6% from 2023 to 2026, mainly due to cost escalation and supply chain impacts.

2026 Capital Budget Comparable to 2023, with Higher Investment in Notice To Construct (NTC) Projects

A full list of capital projects included in the 2026 capital budget was attached to the board letter.



Top 5 Largest Projects in 2026:

1. \$83M – 2026 supplement to 345kV R-Project line (2027 in service)
2. \$22M – GGS1 High Pressure Turbine Replacement (2028 in service)
3. \$11M – Tobias 345Kv Substation Upgrade – Elm Creek to Tobias 345kv Line* (2030 in service)
4. \$10M – Production & Transmission Corporate Unspecified Blanket
5. \$5M – Holt 345KV Substation Upgrade – Antelope to Hold County 345KV Line* (2029 in service)

*2024 SPP Integrated Transmission Plan NTC

Preliminary 2026 Budget Rates & Metrics

Rate Goals are Based on NPPD's Strategic Destination and the Cost Competitiveness Board Policy

- Board Policy Strategic Directive 04 (BP-SD-04) Cost Competitiveness states:
 - Achieve and maintain wholesale rates in the best quartile of the CFC Ratio 88
 - Achieve and maintain total retail base rate position among the lowest 15 percent of providers within the EIA



Wholesale Rates are Projected to Support Board Strategic Directive 04 – Cost Competitiveness

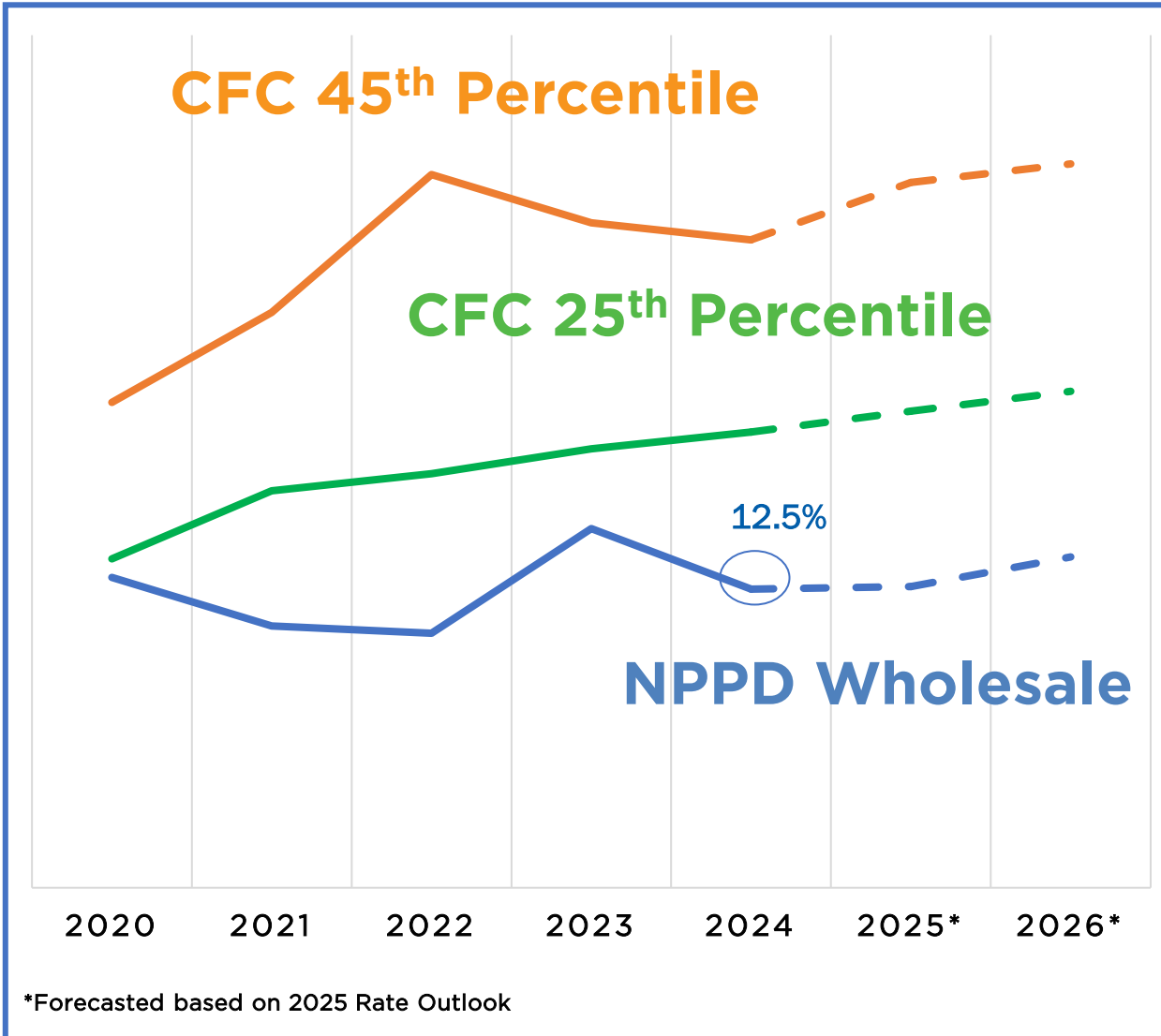
WHOLESALE

Production

- Maintain current production base rates
 - Returning \$30.8M of rate stabilization funds in the form of a PCA refund (from 2024 surplus)
 - 8th consecutive year of PCA refunds to wholesale customers totaling \$394.8M (2019-2026)

Transmission

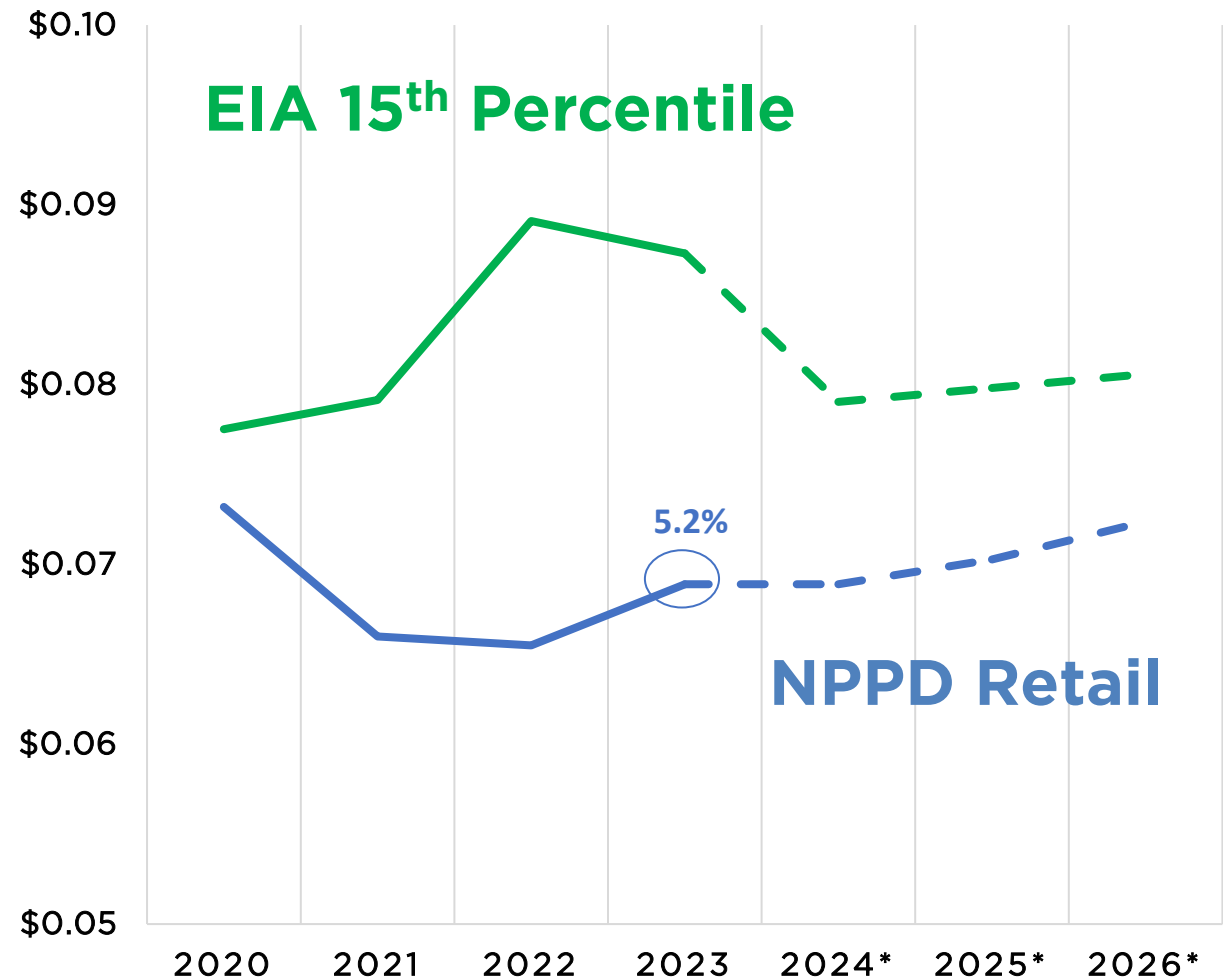
- Increase transmission rates by 6%
 - Use of \$0.5M of rate stabilization funds to balance the budget



Retail Rates are Projected to Support Board Strategic Directive 04 – Cost Competitiveness

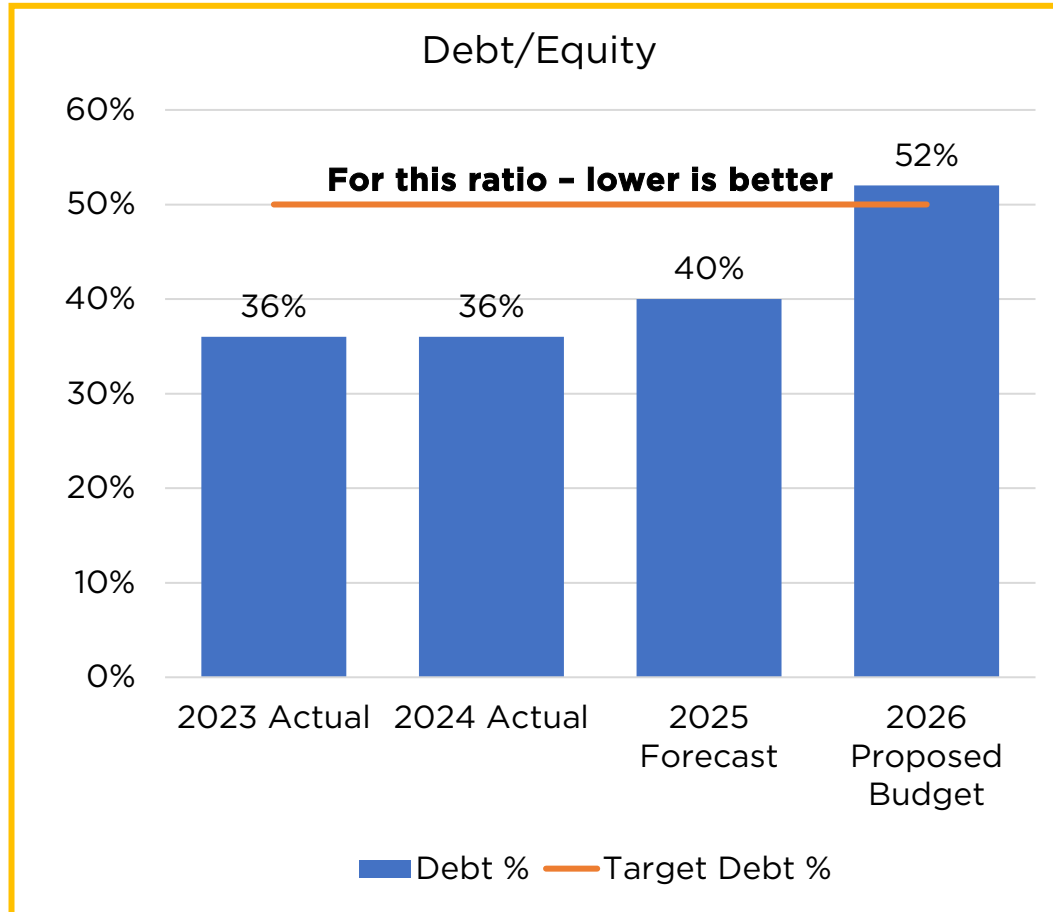
RETAIL

- Increase base rates by 3.0% in 2026
- Use of \$2.5M of Retail rate stabilization funds to pay for certain capital projects and to balance the budget

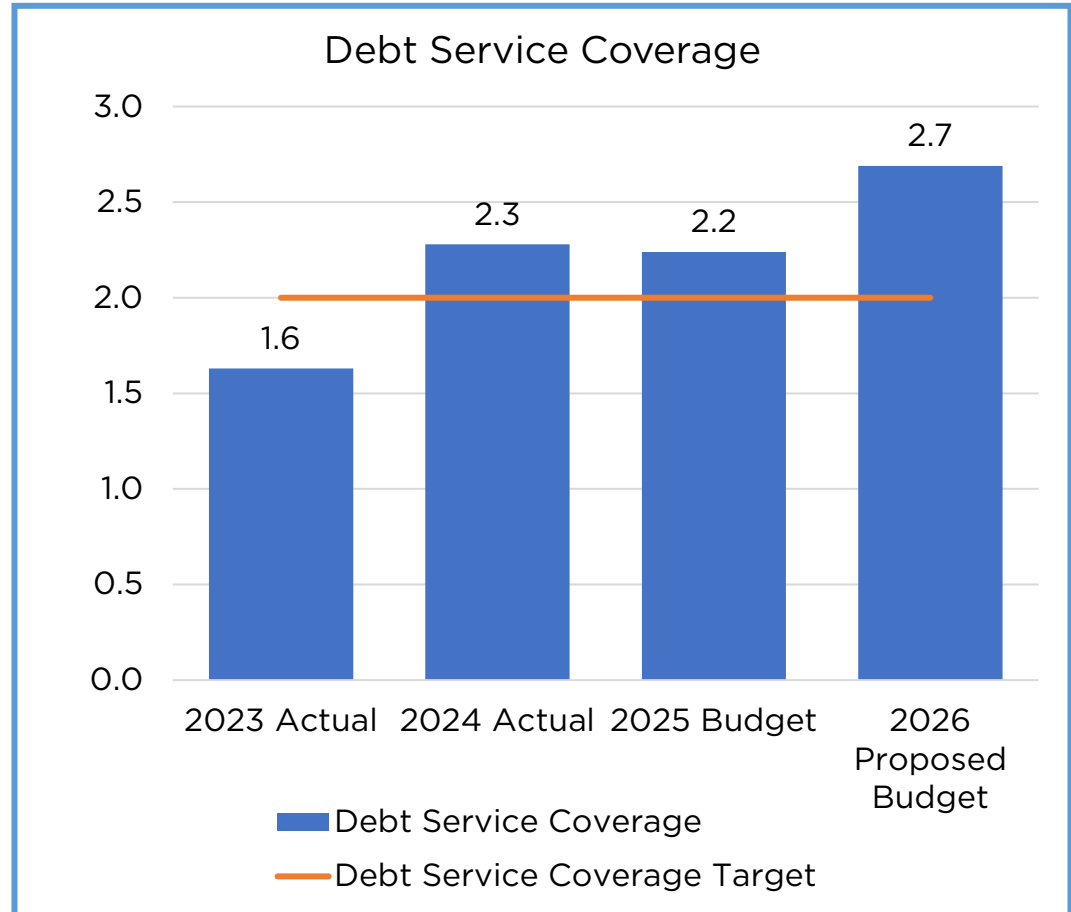


*Forecasted based on 2025 Rate Outlook

Key Financial Metrics are Projected to Meet or Exceed Targets in 2026



- The debt/equity metric increases as the debt on new generation and transmission assets is incurred



- Acceptable coverage levels are maintained in the 2026 Budget

RESOLUTION
OF
NEBRASKA PUBLIC POWER DISTRICT

No. 25-XX

Adopted: November XX, 2025

WHEREAS, in accordance with Section 7.08 of the General System Revenue Bond Resolution No. 98-68, adopted June 4, 1998, and in accordance with Nebraska State Statute 13-516, the management and staff of the District have prepared and submitted to the Board of Directors the 2026 Revenue and Expense and 2026 Capital Budgets; and

WHEREAS, said Budgets have been reviewed by management of the District and are recommended for approval by the Board of Directors; and

WHEREAS, said Budgets have been submitted to and reviewed by the Board of Directors of the Nebraska Public Power District; and

WHEREAS, in addition to projects in the 2026 Capital Budget, the District reasonably expects to incur capital costs of certain production, transmission, distribution and other general plant projects that have not yet been included in a Capital Budget; and

WHEREAS, the District reasonably expects to reimburse itself, with proceeds of tax-exempt obligations to be issued in the future, for all or a portion of the costs of projects in the 2026 Capital Budget and such additional projects (collectively, the "Projects"); and

WHEREAS, the Internal Revenue Code and applicable regulations require the District to take this action for expenditures on the Projects to be reimbursed with proceeds of tax-exempt debt.



NOW, THEREFORE, BE IT RESOLVED that:

1. The 2026 Revenue and Expense and Capital Budgets for the General System are hereby approved.
2. The statements contained in this Resolution concerning the reimbursement of expenditures for the Projects are intended to be statements of official intent as required by, and in compliance with Treasury Regulation Section 1.150-2
3. The maximum principal amount of tax-exempt obligations expected to be issued for the Projects is \$500 million.
4. The District reasonably expects to reimburse itself for expenditures for the Projects, as described in this Resolution, with the proceeds of tax-exempt debt to be issued after the date hereof, but this Resolution does not constitute a binding obligation with respect to the issuance of such tax-exempt debt.
5. This resolution shall take effect immediately.

Understanding the Resolution

- Formally approves the Revenue, Expense, and Capital Budgets
- Gives the District authority to issue tax-exempt debt for any capital projects in the 2026 budget

Next Steps

October 9		Review Preliminary 2026 Revenue & Expense and Capital Budgets at the board retreat
October 16		Review 2026 Revenue & Expense and Capital Budgets with Wholesale customers
November 13		Request Action on Final Proposed 2026 Revenue & Expense and Capital Budget from Finance Committee

Approval Request

- Recommend approval of Resolution for:
 - The 2026 Revenue and Expense and Capital Budgets



THE POWER OF PEOPLE

Questions



Stay connected with us.



Nebraska Public Power District

Always there when you need us