

Hello, customers and teammates!

If you stepped outside last week and looked up, you witnessed something truly rare as you took in the northern lights dancing across the Nebraska sky. What an incredible, once-in-a-lifetime moment for many of us.

It's a fitting reminder we're living through another historic moment right here at NPPD. We're building the next generation of energy infrastructure to serve our customers for decades to come, and we're doing it while keeping costs low and reliability high.

Let's start with the big picture.

Across the Southwest Power Pool, the 14-state energy market where we buy and sell power, we're seeing projections in energy demand rise sharply. In fact, peak demand could double from 56 gigawatts to 109 gigawatts over the next decade due to electrification, manufacturing and economic development. SPP's goal is to provide reliable and affordable power in all conditions

To do so, SPP is launching major transmission projects. As an SPP member, NPPD is committed to support this growth and enhance resiliency by building or upgrading seven transmission lines as part of SPP's Integrated Transmission Plan, updated yearly.

Of course, NPPD is no stranger to rapid load growth, which is occurring within our own service territory. To meet the need for more capacity, we're developing Princeton Road Station, which will bring 694 megawatts on-line by 2029 in the form of 12 reciprocating internal combustion engines and two combustion turbines. Meanwhile, three new combustion turbines proposed at Beatrice Power Station would add another 717 megawatts.

These big projects require smart planning. Last week, our Board approved the 2026 Revenue, Expense, and Capital Budgets. These budgets reflect our commitment to strategic growth and fiscal responsibility.

We're projecting modest revenue growth, driven by this upcoming new load and 2026 rate adjustments, which I'll speak to in just a moment. Expenses are trending higher, as expected, due to increased staffing and inflationary pressures. Our capital budget remains focused on essential projects that will bring value to customers, such as the key infrastructure projects just discussed.

Now, let's talk about 2026 rates. NPPD's rate goals are based on the cost to provide service to our customers while maintaining reliability and resiliency of our system. Our rates serve to build strong, long-term customer relationships and are also very competitive among our peers. Last year, our wholesale rates ranked in the top 12.5% when benchmarked against

more than 800 utilities nationally in the Cooperative Finance Corporation metric known as Ratio 88, and our retail rates were in the lowest 6.5% of more than 2,600 utility providers benchmarked by the Energy Information Administration.

Despite the pressures at hand, and after years of holding rates flat or nearly flat, we're keeping our increases modest in 2026, with a 1% increase in base rates for wholesale customers and a 3% increase for retail customers. These rate changes were approved by the Board in November and will be effective Jan. 1, 2026.

And here's something we're especially proud of: for the eighth year in a row, we're returning money to our wholesale customers totaling \$30.8 million in the form of a Production Cost Adjustment. This benefit is a result of the value of public power and our disciplined financial management.

Just like those northern lights, these moments don't come around often. We're building something extraordinary for our customers, our communities, and our future. Thank you for the role you play in making it happen.

From all of us at NPPD, have a safe and joyful Thanksgiving. We're grateful for each of you.

Until next time, stay healthy, and stay safe.

Mick