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# 2026 Retail & Subtransmission Rate Proposal



NPPD Board of Directors Meeting  
Finance Committee  
November 2025

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# Objective

- Seek approval for revised subtransmission and retail rate schedules
  - Proposed effective date for all rate schedules is January 1, 2026

## 2026 Retail Rates

- 3.0% overall retail base rate increase
  - 2.0% increase last year
- Cost-of-Service (COS) study performed this year
  - Utilized 2026 Rate Outlook information
  - Indicated the need for an overall rate increase and rate adjustments between customer classes
- No Retail Production Cost Adjustment (PCA) credit for any class except for Large Industrial Service (LIS)
  - LIS receives a pass-through of the wholesale PCA credit

# Proposed 2026 Retail Rate Adjustments

	Customer Class	Overall Class Rate Change	Range of Annual Bill Impacts For Most Customers
	(A)	(B)	(C)
1	Residential *	4.5%	3.4% - 6.2%
2	Small Commercial	3.4%	1.5% - 8.5%
3	Large Commercial	0.6%	0.0% - 1.5%
4	Industrial (excl. LIS)	1.6%	1.6% - 2.0%
5	Heating		
	a. Separately Metered	1.1%	1.2% - 2.8%
	b. Comm Elec Space Htg	0.4%	0.1% - 0.6%
6	Irrigation	5.6%	**
7	Municipal Pumping	1.6%	1.5% - 7.7%
8	Lighting	6.7%	**
9	Subtotal	3.0%	
10	Interruptible/Eco Devo/Standby	1.1%	
11	Total Retail	2.6%	

\* Includes Residential Time-of-Use (TOU) rates

\*\* Range of customer impacts included on upcoming slide

- Line 10 shows the base rate impact which excludes the PCA credit for LIS customers. The impact with PCA is 4.5%.

# Proposed 2026 Irrigation Rate Adjustments

- Includes four (4) irrigation rate subclasses with varying load control options

Rate (A)	No. of Customers (B)	Current Annual Revenue (C)	Class % Change (D)	Summer Range for Most Customers (E)
No Control	418	\$ 1,612,000	5.7%	5.3% to 6.6%
Time-of-Use	25	98,000	8.9%	8.9% to 10.3%
2-Day Control	136	706,000	5.4%	5.4% to 5.7%
Anytime Control	220	709,000	5.3%	4.9% to 6.1%
Total Irrigation	799	\$ 3,125,000	5.6%	

# Proposed 2026 Lighting Rate Adjustments

- Individual lighting rate changes will vary depending upon the type and size of the light

Lighting Rate Class	Lighting Description	Current Annual Revenue	Class % Change	Range for Individual Lights (\$/Month)	Number of Lights
(A)	(B)	(C)	(D)	(E)	(F)
M-1 / M-2	Municipal Streetlighting	\$ 2,637,000	8.9%	\$ 0.14 - \$1.82	22,908
M-3 / M-5	Highway, Roadway & Alley	101,000	7.1%	\$ 0.51 - \$ 1.93	612
ADL	Area/Directional	919,000	0.0%	\$ (0.18) - \$ 2.83	6,705
GS-3	General Service Lighting (Energy Only)	137,000	9.0%	9.0%	2,021
Total Lighting:		\$ 3,794,000	6.7%		32,246

# Proposed Miscellaneous Municipal (MM) Service Rider Rate Adjustments

- MM-Rider provides for up to a 33-1/3% discount to local & state tax supported agencies. This discount has been in place since 1955.
- “Floor” rates adjusted based on cost-of-service and ensure recovery of average production, transmission, and subtransmission costs
  - Floor rates in ¢/kWh recalculated to reflect changes in wholesale power costs

	<u>Current</u>	<u>Proposed</u>	<u>% Incr./ (Decr.)</u>
Summer	7.6 ¢	7.9 ¢	3.9%
Winter	6.5 ¢	6.5 ¢	0.0%

# General Customer Service Charges (CS Rate Schedule)

- Cost-of-service study indicates increases needed for some charges due to increase in labor and material costs

	Charge (A)	Current Charges (B)	Full Cost of Service (C)	Proposed Charges (D)	Percent Inc/(Decr) (E)	Annual Number of Charges (F)
1	Connect	\$ 15.00	\$ 16.00	\$ 15.00	0%	15,210
2	Landlord Connect (w/o notice)	\$ 5.00	\$ 5.00	\$ 5.00	0%	1,480
3	Landlord Connect (w/ notice)	\$ 10.00	\$ 10.00	\$ 10.00	0%	2,517
4	Reconnect	\$ 40.00	\$ 43.00	\$ 40.00	0%	10,547
5	Collection	\$ 90.00	\$ 94.00	\$ 95.00	6%	44
6	Insufficient Funds Check	\$ 30.00	\$ 30.00	\$ 30.00	0%	4,610
7	Late Payment	> of \$15 or 3%	N/A	> of \$15 or 3%	N/A	91,157
8	Temporary Service	\$ 310.00	\$ 326.00	\$ 325.00	5%	167
9	Advanced Metering Opt-Out Program:					
10	One-Time Meter Replacement	\$ 215.00	\$ 222.00	\$ 220.00	2%	0
11	Monthly Opt 1 - Customer Reads Meter	\$ 35.00	\$ 37.00	\$ 35.00	0%	120
12	Monthly Opt 2 - NPPD Reads Meter	\$ 75.00	\$ 78.00	\$ 80.00	7%	0

# Proposed 2026 Subtransmission Rate Adjustments

- Includes wheeling over NPPD’s 69 kV and 34.5 kV lines and substations
- Rates and billing provisions included in NPPD’s Subtransmission (ST) Service Rate Schedule
- 23 customers (excluding NPPD Retail) take subtransmission service from NPPD for all or a portion of their load
  - 8 wholesale rurals, 7 wholesale municipalities, 2 MEAN towns, 6 other entities (e.g., Northeast Power, South Sioux City, Neligh)
- NPPD Retail is responsible for approximately 85% of subtransmission costs
- Proposed overall increase of approximately 14% is due to an increase in capital recovery and operations and maintenance costs
  - Additional revenue projected from non-NPPD Retail customers approximately \$190,000

	Current Rate		Proposed Rate	
Line (\$/kW-month)	\$	0.70	\$	0.75
Substation (\$/kW-month)	\$	0.99	\$	1.19

# Other Proposed 2026 Retail Rate Changes

- Revise rate schedules that are based on or pass-through the proposed 2026 wholesale rates and/or provisions
  1. Large Industrial Service (LIS)
  2. Interruptible Service Rider (INT-Rider)
  3. Market-Based Rate Rider (MKT-Rider)
  4. Interruptible Market-Based Rate Rider (IMB-Rider)
  5. Standby Service Rider (ST-Rider)
  6. Simultaneous Buy/Sell Service Rider (SI-Rider)
  7. Net Metering Service Rider (NM-Rider)
- Revise the Subtransmission Rate Schedule to increase the size of behind-the-meter generation whose output is added back for billing purposes from > 25 kW to > 100 kW
- Add/clarify language and provisions as needed in other rate schedules

# Remaining Schedule for Retail & Subtransmission Rate Adjustments

- November 13 – Finance Committee agenda item for consideration of proposed retail and subtransmission rates
- January 1, 2026 – Proposed effective date



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## Questions

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