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Projected 2026 NPPD Transmission Revenue Requirements and Resulting Rates under Southwest Power Pool (SPP) Open Access Tariff

NPPD Board of Directors Meeting
Finance Committee
November 2025

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Objective

- Share revenue requirements included in the 2026 Annual Update of the SPP Formula Rate Template
- Review schedule of what has been completed and next steps

Background

- Effective April 1, 2009, NPPD joined the Southwest Power Pool (SPP) as a transmission owner
 - NPPD's Board previously approved and FERC accepted two items contained in SPP's Tariff:
 1. Formula Rate Template establishes NPPD's transmission revenue requirements and rates for SPP transmission service
 - NPPD populates the Template each year with forecasted/actual expenses and loads
 2. Formula Rate Implementation Protocols establish the process and timelines for annual updates to the revenue requirements and rates and for the annual true-up adjustments between forecasted and actual costs

Applicability to NPPD Wholesale Customers

- The revenue requirements and rates calculated in the Formula Rate Template apply to entities that take transmission service directly from SPP under their tariff
 - NPPD's wholesale customers (Rurals, Municipalities, Retail Division) do not directly pay these rates and pay for transmission service under the appropriate NPPD wholesale rate schedule
 - Examples of entities taking service directly from SPP include Municipal Energy Agency of Nebraska (MEAN), OPPD, Tri-State

2026 Update to NPPD Rate Template (\$ in Millions)

Revenue Requirement	Projected 2025	Projected 2026
1. Zonal	\$ 49.0	\$ 41.5
2. Base Plan Projects	43.6	53.2
3. System Control	11.0	11.8
4. Subtotal - Before PY True-up Adj.	\$ 103.6	\$ 106.5
5. Prior Year True-up Adjustment (based on actual costs)	(3.4)	0.2
6. Total	<u>\$ 100.2</u>	<u>\$ 106.7</u>

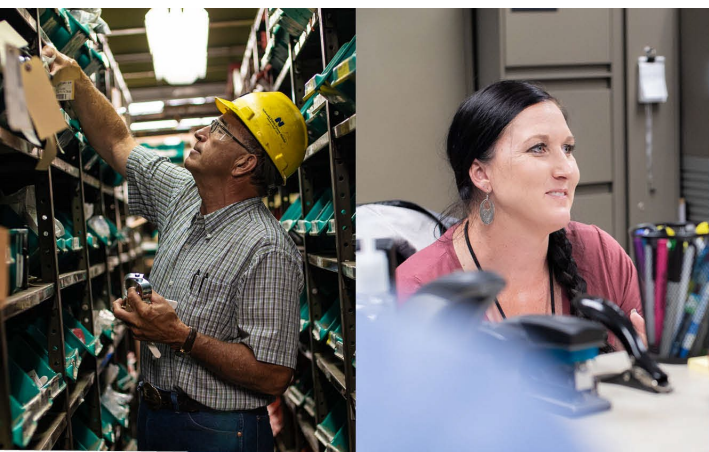
- Zonal – Projected revenue requirements recovered from load in the NPPD Pricing Zone
- Base Plan Projects – Projected revenue requirements of qualifying NPPD projects recovered from zonal and regional load
- System Control – Projected revenue requirements associated with the real-time monitoring and control of NPPD’s transmission system
- Prior Year True-up Adjustment – Reconciliation between projected and actual costs from 2023 (in 2025) and 2024 (in 2026)

2024 True-Up Adjustment (\$ in Millions)

Revenue Requirement (A)	Actual 2024 Revenues (B)	Actual 2024 Rev Reqts. (C)	True-Up Adj (B) - (C) (D)
1. Zonal	\$ 46.5	\$ 50.0	\$ (3.5)
2. Base Plan Projects	38.5	36.6	1.9
3. System Control	7.2	5.8	1.4
4. Subtotal	\$ 92.2	\$ 92.4	\$ (0.2)
5. Interest			-
6. True-Up Adj (Annual incl. Interest)			<u>\$ (0.2)</u>

Schedule

- By May 1 – Post Annual True-Up on SPP and NPPD websites
- By June 1 – Conduct Annual True-Up Meeting
- By August 1 – Post Annual Update on SPP and NPPD websites
- By August 31 – Conduct Annual Update Meeting
- November 13 – Board review of revenue requirements/rates of 2026 Annual Update
- December 11 – Board agenda item for approval of Annual Update to the Formula Rate Template to establish 2026 transmission revenue requirements/rates
- By December 20 – NPPD provides approved 2026 Annual Update to SPP for posting on their website
- January 1, 2026 – Effective date of new revenue requirements/rates
- January 15 – FERC Informational Filing due



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Questions

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