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Wholesale Cost Competitiveness Strategic Directive BP-SD-04 Annual Review CFC Results for 2025

NPPD Board of Directors Meeting
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Nikki Bergland, Senior Wholesale Billing
Specialist



Nebraska Public Power District

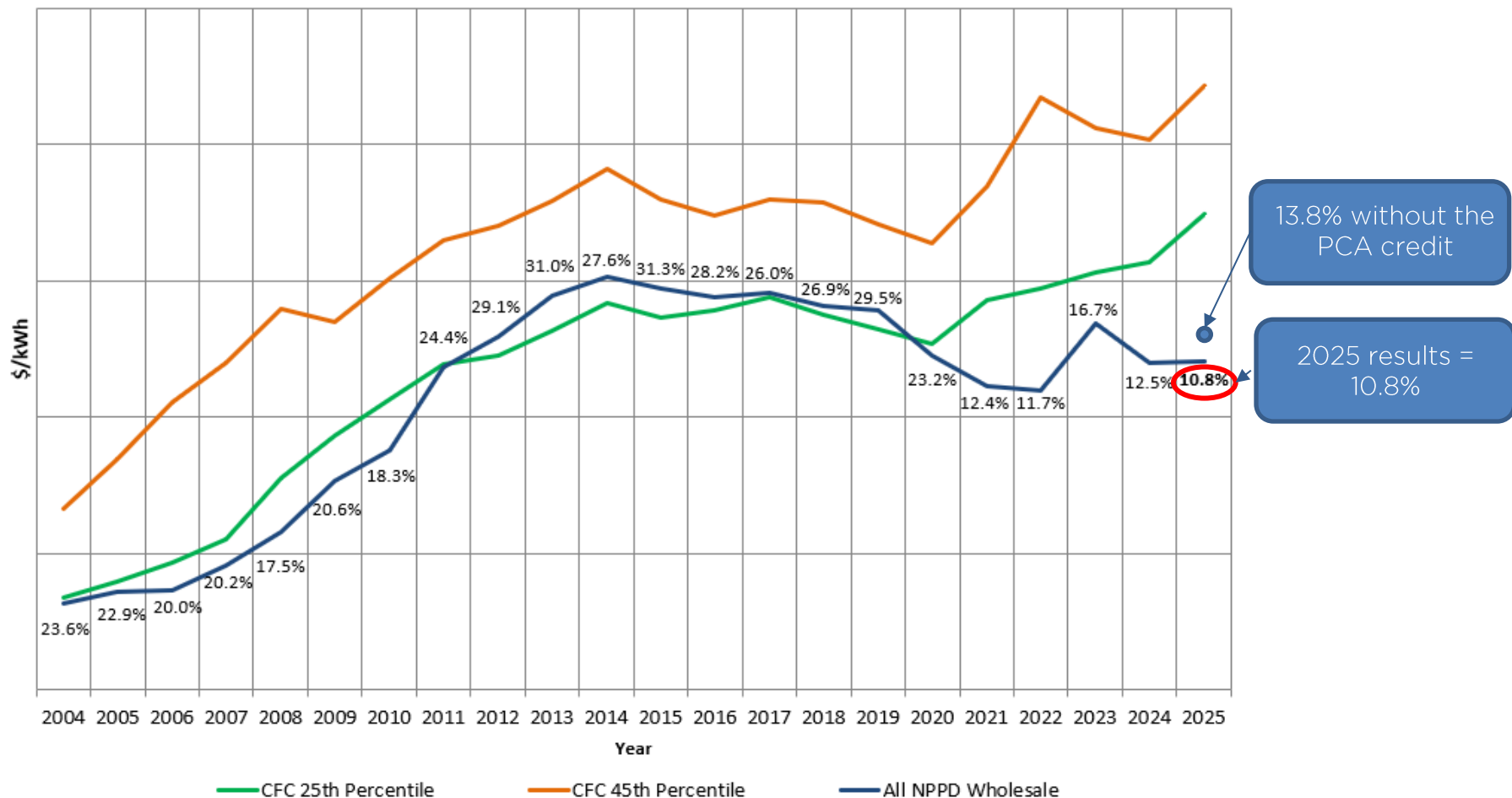
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Board Strategic Directive (SD)

- BP-SD-04, Cost Competitiveness
 - The District's standard shall be to achieve and maintain wholesale* rates in the best quartile of the CFC KRTA Ratio 88 "Cost per kWh Purchased" annual survey
 - Economic Development Rates are excluded from NPPD's CFC calculation
- 2016 Wholesale Power Contract (WPC) Performance Standard
 - If wholesale rates exceed the 45th percentile, the 2016 WPC has exit provisions for customers
 - If wholesale rates are lower than the 25th percentile, the 2016 WPC provides a credit to NPPD in the amount of one half of the difference between 25.0 and NPPD's actual cost percentile
 - Through 2025, NPPD has banked 31.5 Performance Credits
- 2026 WPC Production Debt Offset (if signed prior to October 31, 2025)
 - Beginning with 2026 cost data, if wholesale rates exceed the 45th percentile, the 2026 WPC will provide a 5% credit to wholesale customers exit fee, with accumulation up to 20%
 - If wholesale rates are lower than the 25th percentile, the 2026 WPC will provide a 2% credit to NPPD

CFC Survey (Ratio 88)

Purchased Power Cost per kWh (Including Transmission and PCA)



CFC Results for 2025

- Met the Strategic Destination goal of providing best quartile rates
- NPPD's average annual wholesale power cost in 2025 closely resembled 2024 reflecting teammates continued focus on cost control
- CFC 25th and 45th percentiles increased 5.5% over the same time period
 - Increase in CFC 25th and 45th percentiles believed to be due to rate pressures from investments in new infrastructure, cost of purchased power, inflation, and increased natural gas prices



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Questions

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