2027 Revenue & Expense and Capital Budgets

NPPD Customer Committee Meeting

Laura Kapustka – Executive VP & CFO

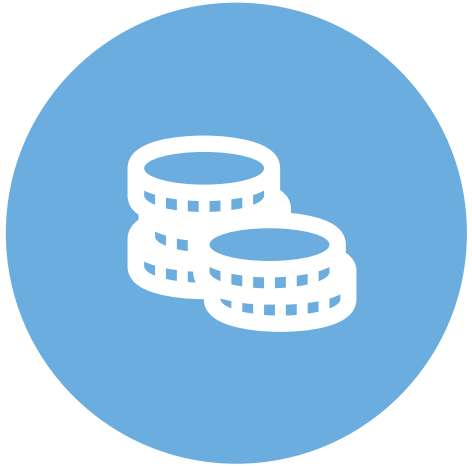
Crystal Harper – Financial Planning & Analysis Manager

Nebraska Public Power District

Always there when you need us

November 2026

Objectives

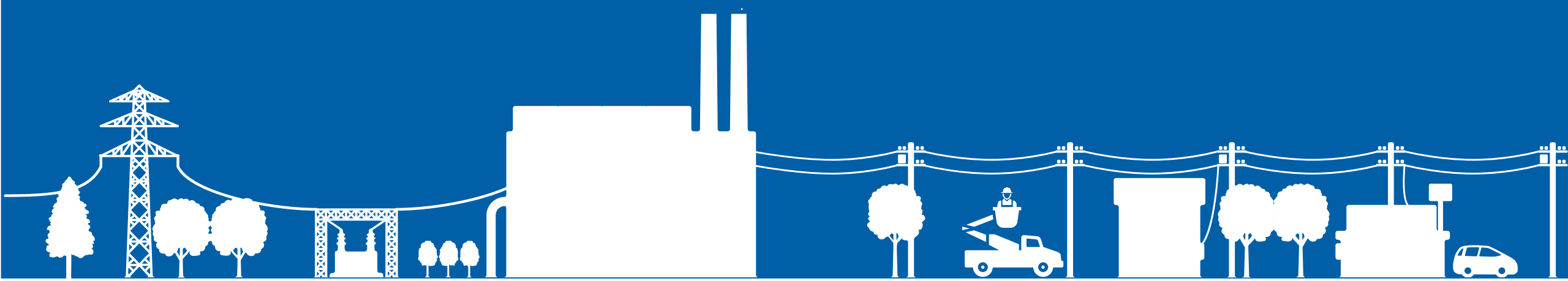


FINAL REVIEW OF THE 2027 REVENUE & EXPENSE AND CAPITAL BUDGETS

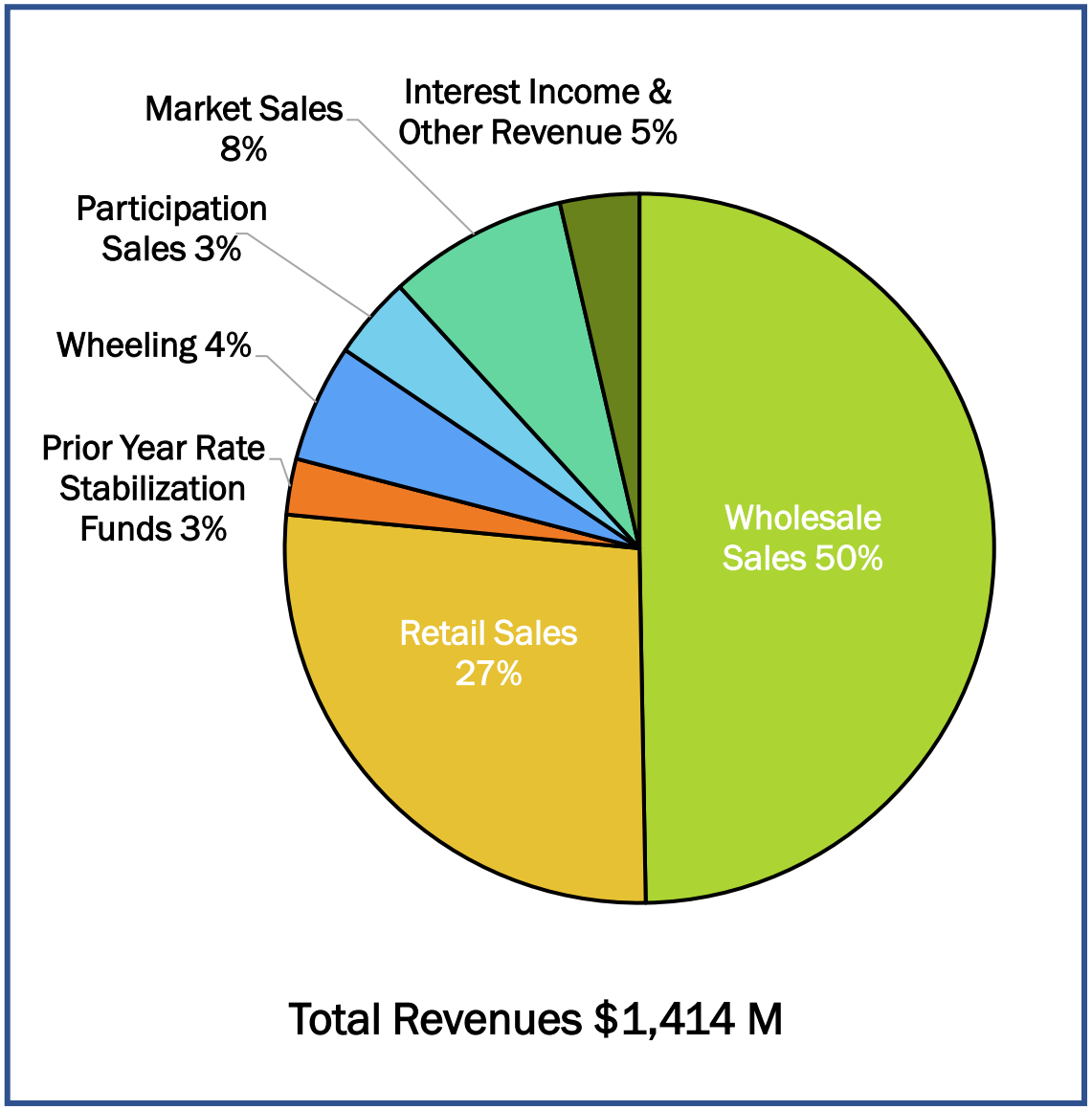


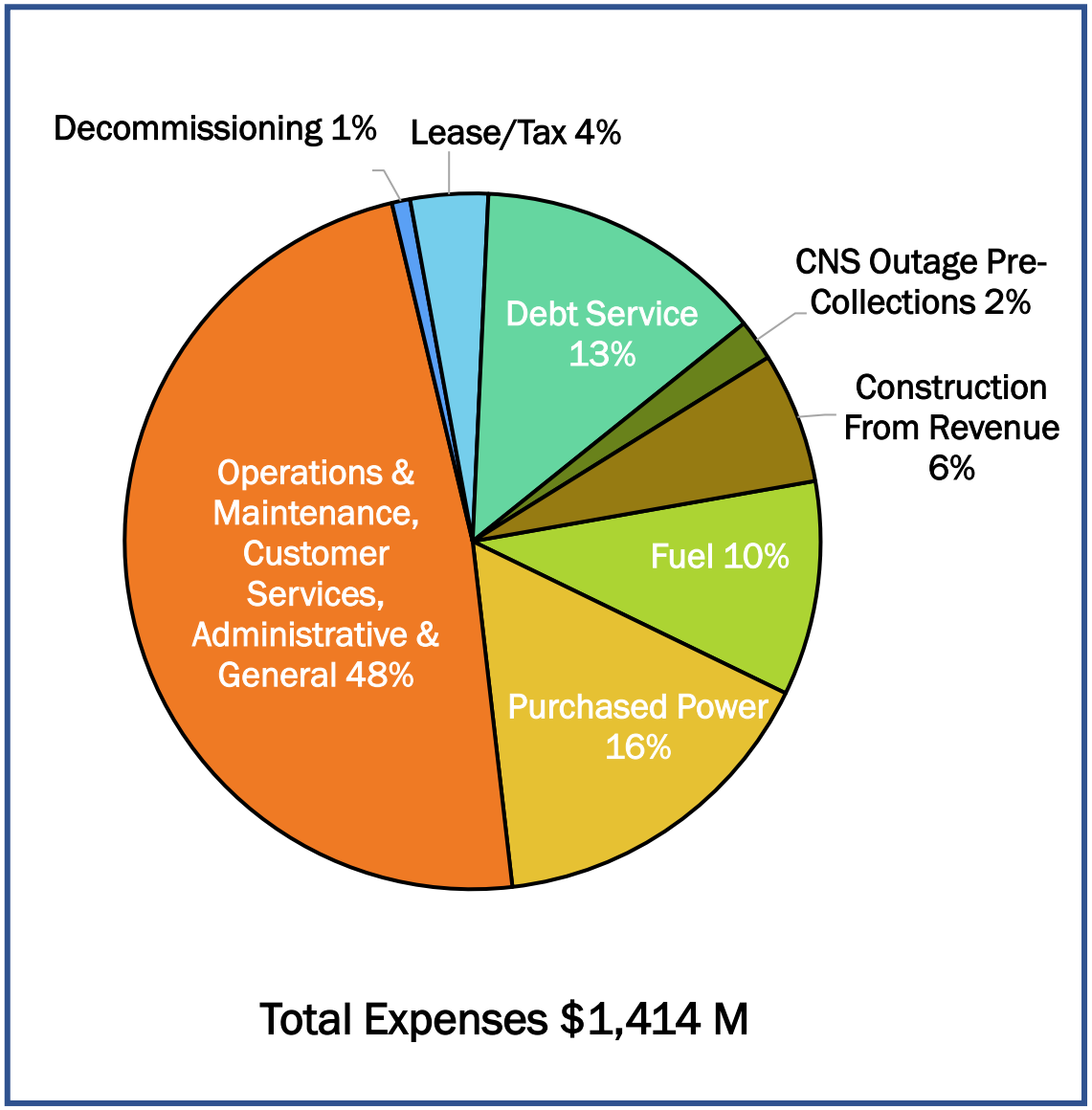
REQUEST BOARD APPROVAL OF THE RESOLUTION FOR THE 2027 REVENUE & EXPENSE AND CAPITAL BUDGETS

Key Components of the Preliminary 2027 Revenue & Expense and Capital Budgets

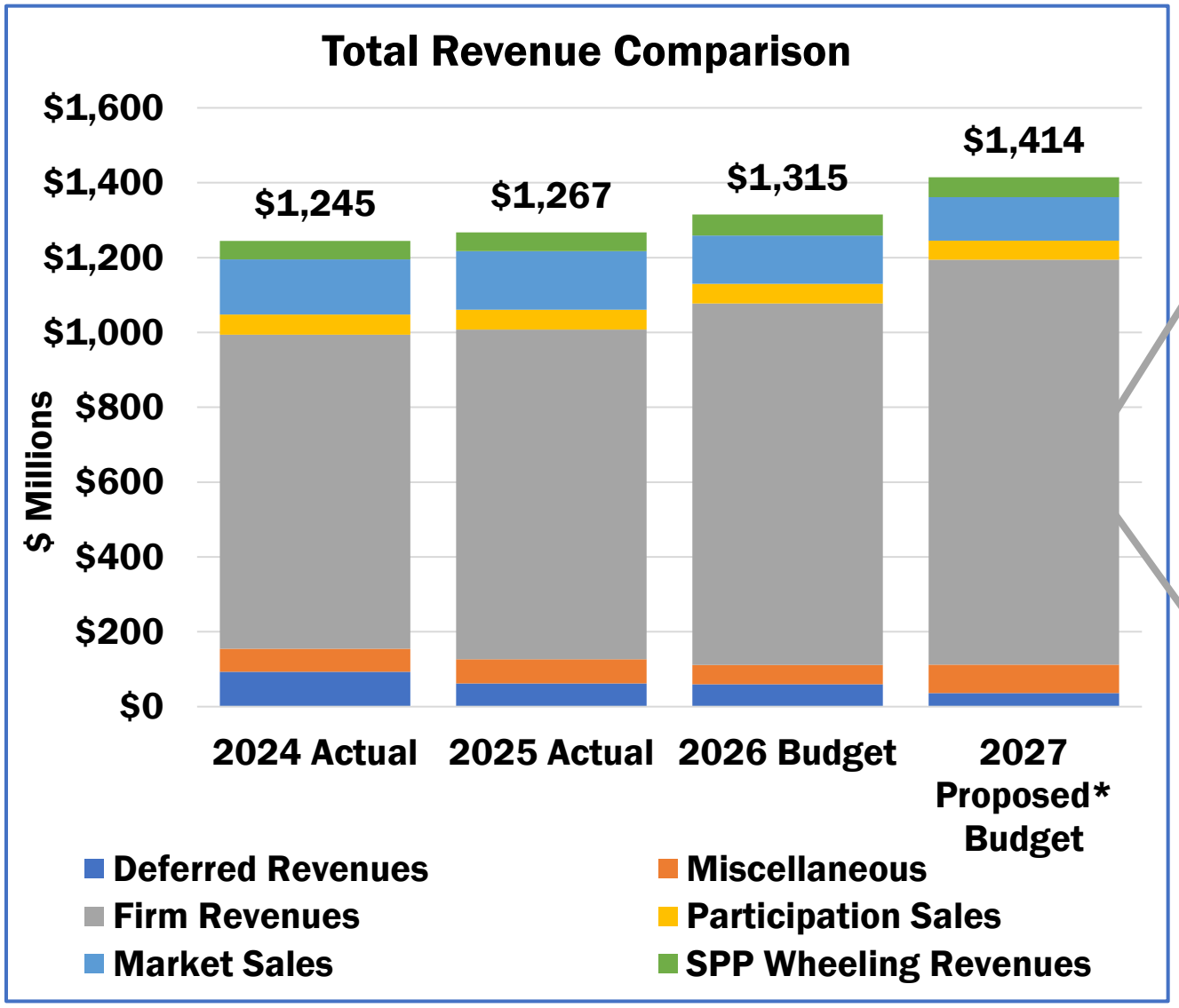


Key Components of the 2027 Budget – Revenues & Expenses Balance





2027 Revenue Growth Driven by a 5.9%* Wholesale and 8.6%* Retail Rate Increase and Projected New Loads



Wholesale Sales

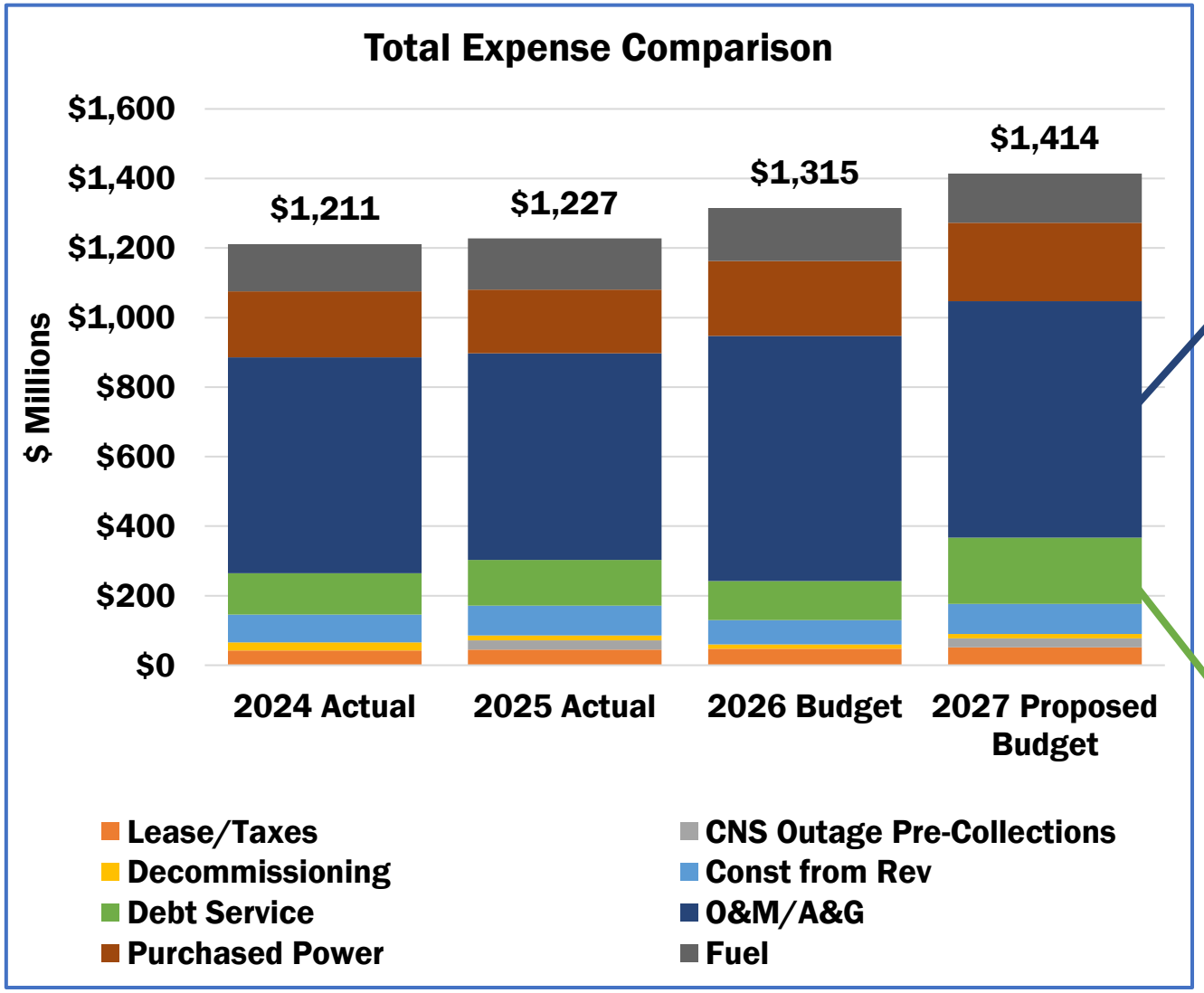
The 33% growth from 2024 to 2027 is driven by a 1% rate increase in 2026, a proposed 5.9% rate increase in 2027, higher sales from both new and existing loads, and a reduction in the PCA in 2027

Retail Sales

The 22% growth from 2024 to 2027 is driven by a 2% rate increase in 2025, a 3% increase in 2026, a proposed 8.6% in 2027, and higher sales from new and existing loads.

*Proposed, not yet approved by the Board PCA = Production Cost Adjustment SPP = Southwest Power Pool

2027 Expenses Increasing Primarily Due to Debt Service on New Generation & Transmission Assets and O&M Escalations



Salaries & Benefits (64% of O&M budget)

Projected to increase by $19M from 2026 to 2027, driven by annual 3.5% merit increases, 57 new full-time employees, and higher health insurance costs.

Debt Service

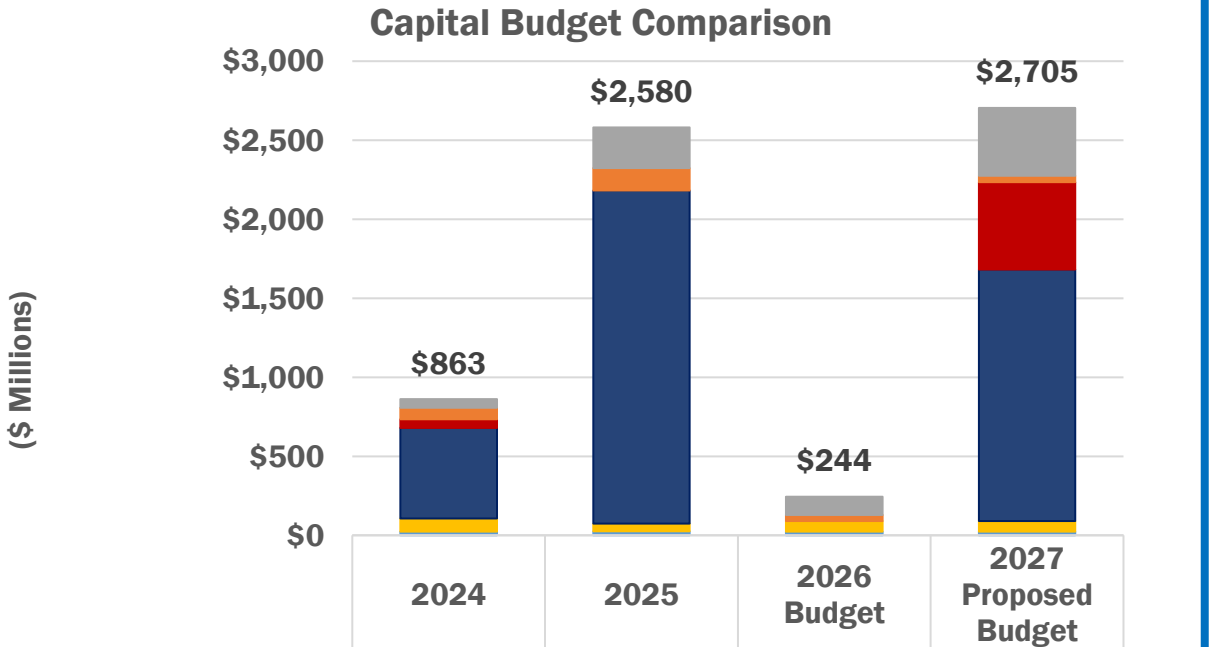
The increase in 2027 is driven primarily by interest expense on PRS construction financing. As PRS debt ramps up, interest expense rises accordingly. This category includes both paid and capitalized interest prior to in-service, reflecting an updated methodology compared to prior years.

A&G = Administrative & General

O&M = Operations & Maintenance

PRS = Princeton Road Station

2027 Capital Budget Includes CNS EPU, SPP NTC Projects and PRS Phase 1 and R Project Supplements



	2024	2025	2026 Budget	2027 Proposed Budget
Transmission - NTC	$56.1	$256.4	$115.3	$429.7
Transmission - Other	71.5	142.0	38.4	40.3
Production - Nuclear Initiatives	56.4	-	-	552.0
Production - New Generation	571.8	2,107.6	-	1,592.0
Production	84.4	49.6	67.2	66.8
Retail	22.5	24.6	23.4	23.8
	$862.7	$2,580.2	$244.3	$2,704.6

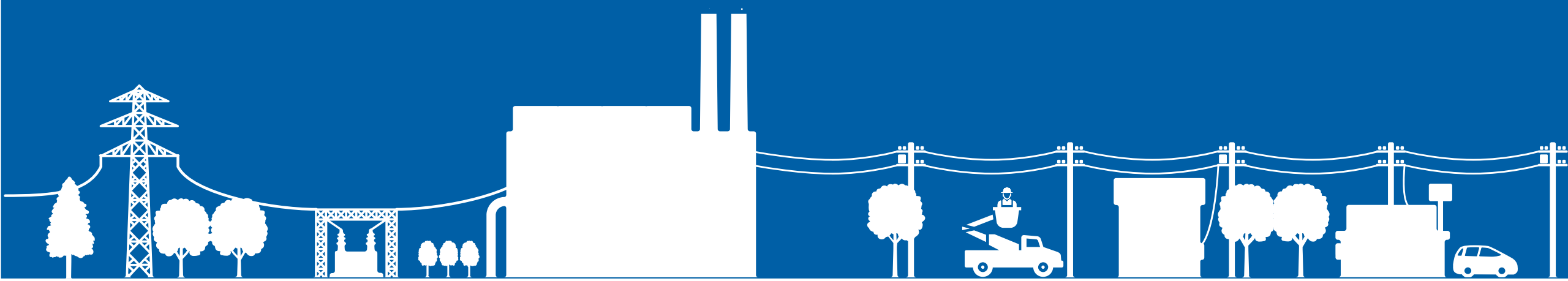
Top 5 Largest Projects in 2027:

1. **$1.6B** – 2027 supplement to PRS Phase 1 (Increases total project budget to $3.1 B)
2. **$482M** – Cooper Nuclear Station Extended Power Uprate (EPU)
3. **$130M** – 2027 supplement to R Project NTC (Increases total project budget to $855M)
4. **$108M** – Daykin To Elm Creek (Kansas) 345KV Line NTC
5. **$76M** – Antelope To Holt County 345 Kv Line NTC

A full list of capital projects included in the 2027 capital budget is attached to the board letter.

NTC = Notice to Construct Nuclear Initiatives = Subsequent License Renewal, Extended Power Uprate and Early Site Permit PRS = Princeton Road Station

Preliminary 2027 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 <u>wholesale rates</u> in the best quartile of the CFC Ratio 88**
  - **Achieve and maintain total <u>retail base rate</u> position among the lowest 15 percent of providers within the EIA**



CFC = Cooperative Finance Corporation

EIA = Energy Information Administration

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

WHOLESALE

Production

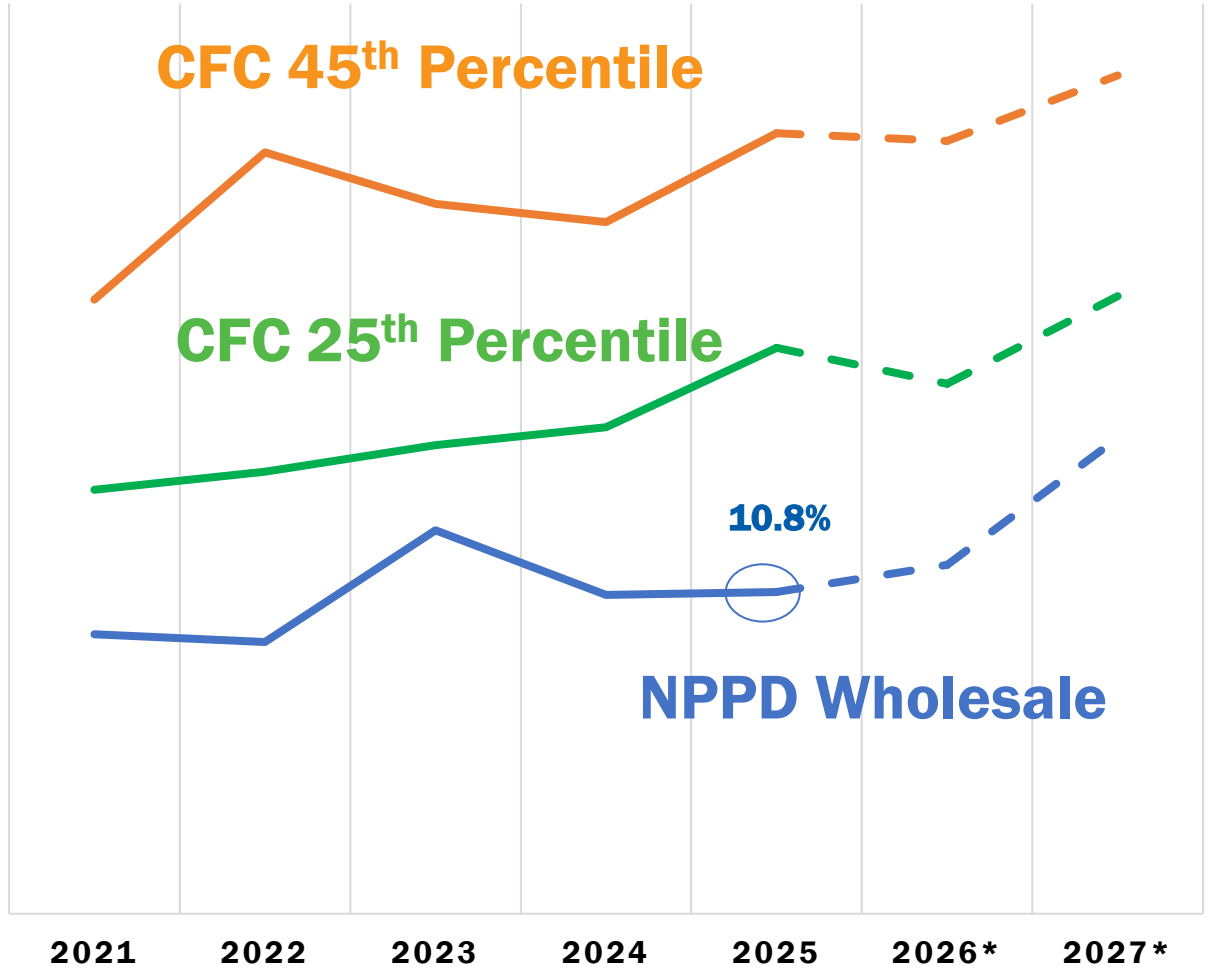
- Increase production rates by 4.9% in 2027
  - $32.0M of production rate stabilization funds greater than 10% limit used to offset revenue requirements (approx. 3.5% impact)

Transmission

- Increase transmission rates by 11.2% in 2027

Wholesale

- Results in a net wholesale rate increase of 5.9% in 2027



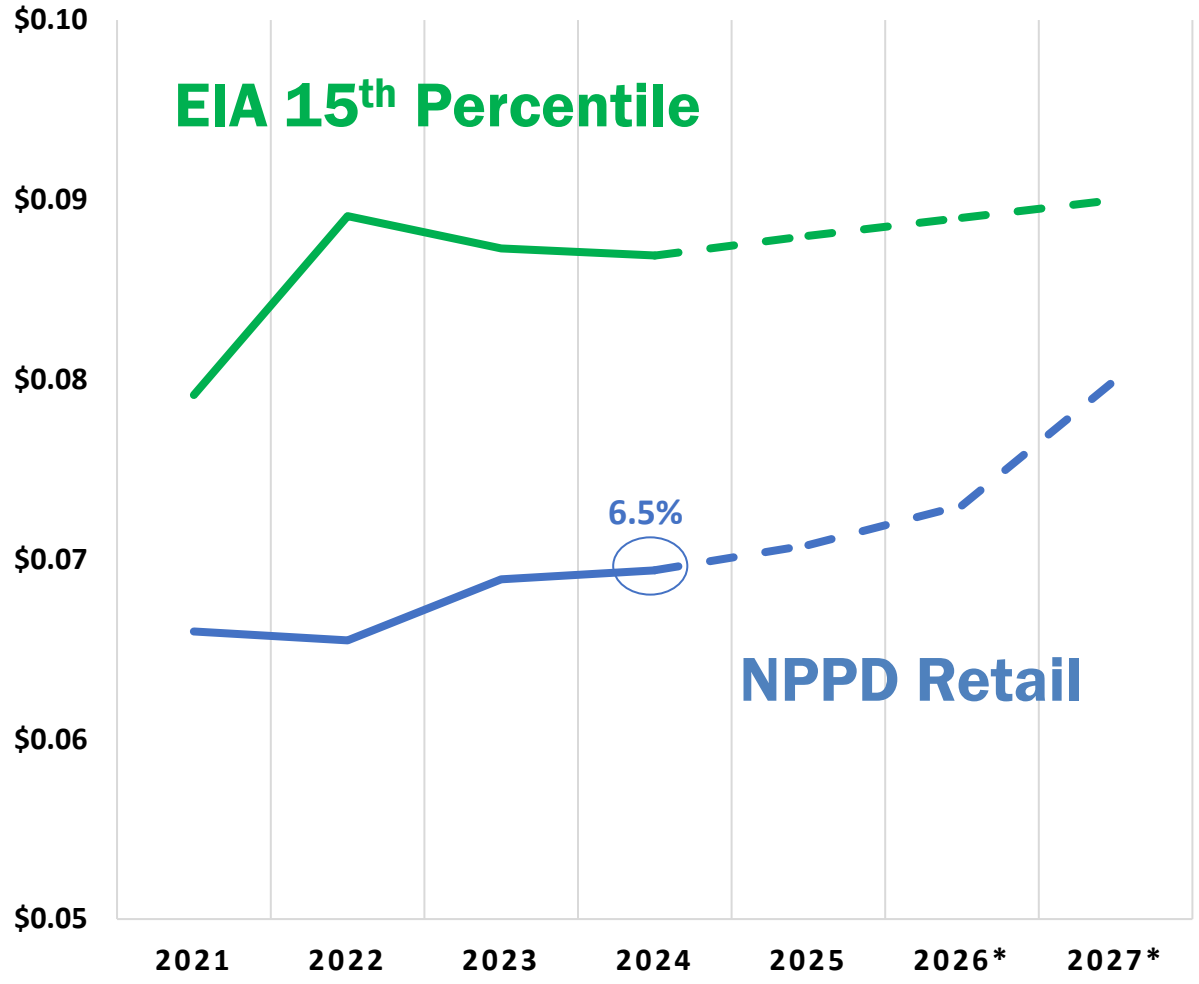
*Forecasted based on 2026 and 2027 Budgets

CFC = Cooperative Finance Corporation

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

RETAIL

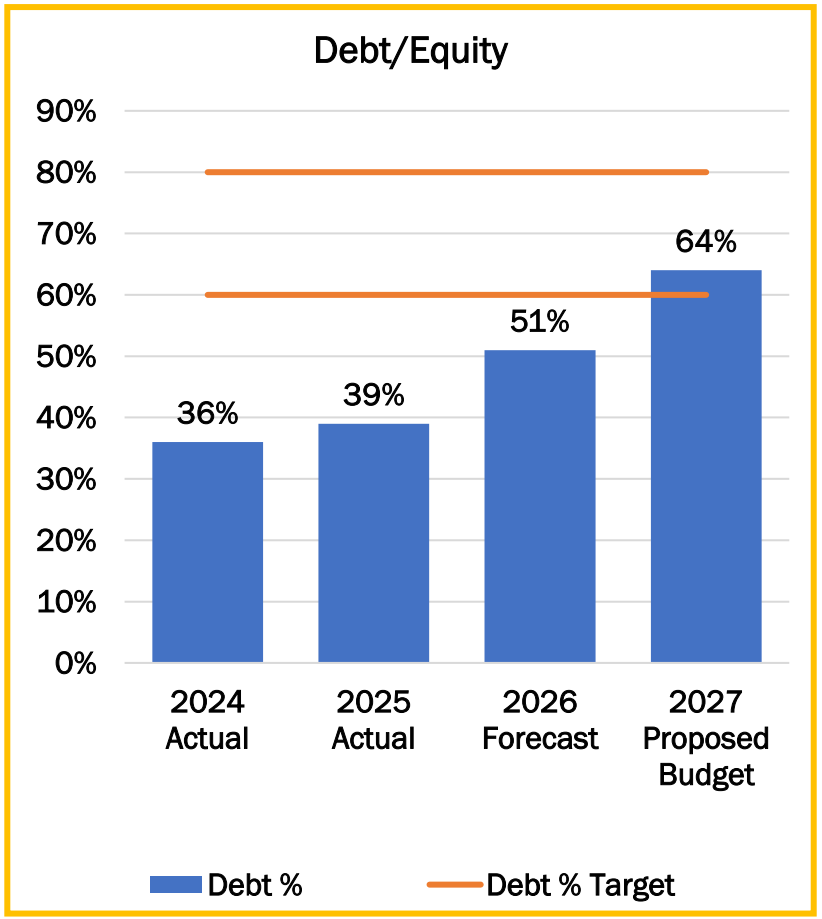
- Increase base rates by 8.6% in 2027
- Use of $3.9M of Retail rate stabilization funds to pay for certain capital projects and to balance the budget

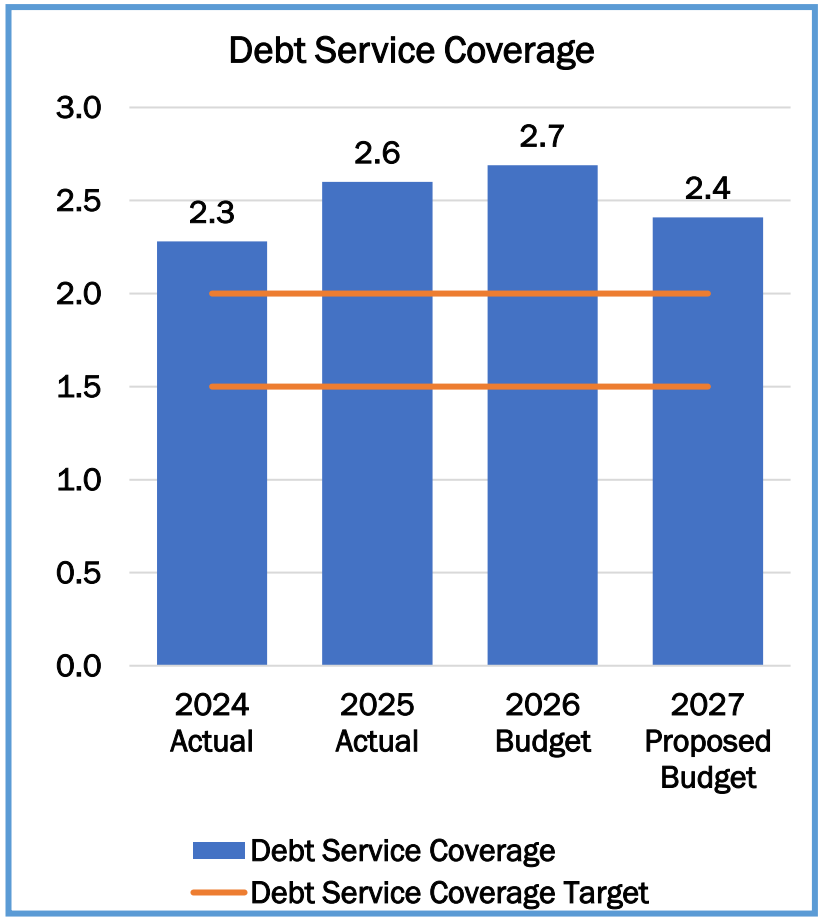


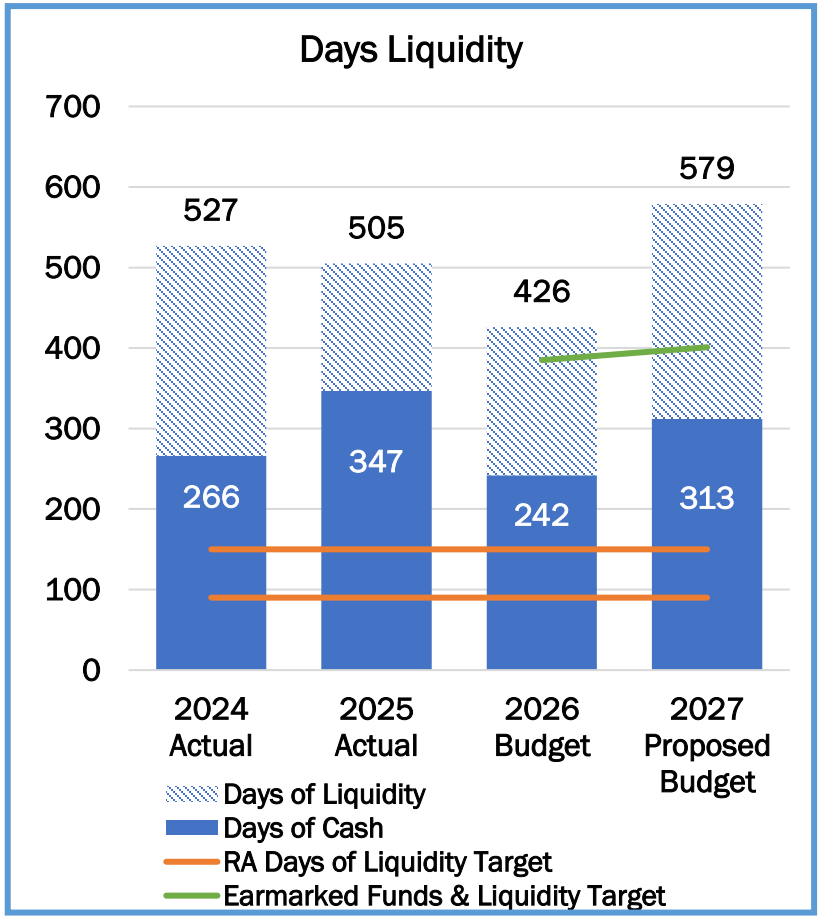
*Forecasted based on 2026 and 2027 Budgets

EIA = Energy Information Administration

Key Financial Metrics are Projected to Meet or Exceed NPPD Targets in 2027







- **The debt/equity metric increases as debt on new generation and transmission assets is incurred**
- **Acceptable coverage levels are maintained in the 2027 Budget**
- **Sufficient liquidity levels are maintained in the 2027 Budget**

RESOLUTION

OF

NEBRASKA PUBLIC POWER DISTRICT

No. 26-XX

Adopted: November XX, 2026

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 2027 Revenue and Expense and 2027 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 2027 Capital Budget, the District reasonably expects to incur capital costs of certain production (including nuclear fuel), 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 2027 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 2027 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 $5.5 billion.
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 2027 budget**

Next Steps

October 7	✓	Review Preliminary 2027 Revenue & Expense and Capital Budgets at the Board retreat
October 22	✓	Review Preliminary 2027 Revenue & Expense and Capital Budgets with Wholesale customers
November 12		Review Proposed 2027 Revenue & Expense and Capital Budgets with the Customer Committee
November 13		Request Action on Final Proposed 2027 Revenue & Expense and Capital Budget from Finance Committee
January 1, 2027		Effective date of the 2027 Budgets

Questions?

nppd.com | (877) ASK-NPPD

Nebraska Public Power District

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