2027 Retail & Subtransmission Rate Proposal

NPPD Board of Directors Meeting

Finance Committee

Nebraska Public Power District

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Director of Pricing, Rates, & Wholesale Biling

November 2026



Objective

- Seek approval of revised subtransmission and retail rate schedules
- Proposed effective date for all rate schedules is January 1, 2027

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2027 Retail Rates

- **8.6% overall retail base rate increase***
  - 3.0% increase last year
- **Cost-of-Service (COS) study performed this year**
  - Utilizes 2027 Rate Outlook information
  - Indicates rate adjustments between customer classes which will vary based upon the cost to serve each rate class

* Excludes NPPD retail customers taking service under Large Industrial Service (LIS), Interruptible or Standby rates; overall base rate increase is 7.9% if included

Proposed 2027 Retail Rate Adjustments

	Customer Class	Overall Class Rate Change	Range of Annual Bill Impacts For Most Customers
	(A)	(B)	(C)
1	Residential *	9.6%	9.5% - 9.9%
2	Small Commercial	8.2%	7.0% - 9.1%
3	Large Commercial	7.3%	6.8% - 8.6%
4	Industrial (excl. LIS)	8.4%	8.2% - 9.1%
5	Heating		
	a. Separately Metered	7.1%	5.0% - 7.9%
	b. Comm Elec Space Htg	7.4%	7.2% - 8.1%
6	Irrigation	10.6%	**
7	Municipal Pumping	10.2%	10.1% - 12.0%
8	Lighting	5.9%	**
9	Subtotal	8.6%	
10	LIS/Interruptible/Standby ***	5.4%	
11	Total Retail	7.9%	

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

** Range of customer impacts included on upcoming slides

*** Line 10 shows the base rate impact which excludes the Production Cost Adjustment (PCA) credit for LIS customers. The impact with PCA is 9.5%.

Proposed 2027 Irrigation Rate Adjustments

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

Rate	No. of Customers	Current Annual Revenue	Class % Change	Summer Range for Most Customers
(A)	(B)	(C)	(D)	(E)
No Control	412	$ 1,715,000	11.2%	11.0% to 11.3%
Time-of-Use	25	106,000	10.4%	9.8% to 10.7%
2-Day Control	122	687,000	11.3%	11.3% to 11.4%
Anytime Control	228	801,000	8.9%	7.9% to 10.1%
Total Irrigation	787	$ 3,309,000	10.6%	

Proposed 2027 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 Avg Incr/(Decr)	Range for Individual Lights ($/Month)	Number of Lights
(A)	(B)	(C)	(D)	(E)	(F)
M-1 / M-2	Municipal Streetlighting	$ 2,882,000	5.5%	$ 0.00 - $ 3.13	22,834
M-3 / M-5	Highway, Roadway & Alley	99,000	9.1%	$ 0.64 - $ 2.90	610
ADL	Area/Directional	921,000	5.8%	$ 0.46 - $ 3.40	6,797
GS-3	General Service Lighting (Energy Only)	136,000	11.1%	11.1%	1,831
Total Lighting:		$ 4,038,000	5.9%		32,072

Proposed Miscellaneous Municipal (MM) Service Rider Rate Adjustment

- **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 prices in ¢/kWh recalculated to reflect changes in wholesale power costs

	Current	Proposed	% Incr./ (Decr.)
Summer	7.9 ¢	8.5 ¢	7.6%
Winter	6.5 ¢	7.1 ¢	9.2%

Proposed Electric Vehicle Public Charging Station (EV-PCS) Rate Adjustments

- **Two types of electric vehicle (EV) public charging rates**
  - DC Fast Charger (DCFC), also referred to as a level 3 charger: Provides rapid charging using high power delivery
  - Level 2 charger: Provides slower charging using lower power delivery NPPD has multiple Level 2 charging station locations throughout the State

	Current	Proposed
Energy Charge		
Level 2 Charging Station	$ 0.16/kWh	$ 0.20/kWh
DCFC Charging Station	$ 0.23/kWh	$ 0.23/kWh
Idle Fee*		
Level 2 Charging Station	$ 1.25/Hour	$ 1.50/Hour
DCFC Charging Station	$ 0.25/Minute	$ 0.25/Minute

* Idle Fee commences after a 15-minute grace period once the battery is fully charged

General Customer Service Charge (CS Rate Schedule) Rate Adjustments

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

	Charge	Current Charges	Full Cost of Service	Proposed Charges	Percent Inc/(Decr)	Annual Number of Charges
	(A)	(B)	(C)	(D)	(E)	(F)
1	Connect	$ 15.00	$ 15.00	$ 15.00	0%	15,098
2	Landlord Connect (w/o notice)	$ 5.00	$ 5.00	$ 5.00	0%	1,473
3	Landlord Connect (w/ notice)	$ 10.00	$ 11.00	$ 10.00	0%	2,519
4	Reconnect	$ 40.00	$ 47.00	$ 45.00	13%	10,665
5	Collection	$ 95.00	$ 99.00	$ 100.00	5%	33
6	Insufficient Funds Check	$ 30.00	$ 34.00	$ 35.00	17%	5,085
7	Late Payment	> of $15 or 3%	N/A	> of $15 or 3%	N/A	92,443
8	Temporary Service	$ 325.00	$ 343.00	$ 345.00	6%	185
9	Advanced Metering Opt-Out Program:					
10	One-Time Meter Replacement	$ 220.00	$ 235.00	$ 235.00	7%	2
11	Monthly Opt 1 - Customer Reads Meter	$ 35.00	$ 39.00	$ 40.00	14%	144
12	Monthly Opt 2 - NPPD Reads Meter	$ 80.00	$ 81.00	$ 80.00	0%	0

Other Proposed Retail Rate Adjustments

- **Community Solar Energy (SOLAR-Rider Rate Schedule)**
  - Increase the Base Energy Credit from 5.8¢/kWh to 6.3¢/kWh
- **Pole Attachment Rate (PA Rate Schedule)**
  - Increase rate for Communications Attachments (telephone, cable TV, fiber optic, etc.) from $13.50 to $15.00/pole/year
  - Increase rate for Electric Facilities Attachments (other utilities underbuilds) from $25.00 to $30.00/pole/year

Other Proposed Retail Rate Adjustments (continued)

- **Revise/create rate schedules that are based on or are a pass-through of the proposed 2027 wholesale rates and/or provisions**
  - Large Industrial Service (LIS)
  - Interruptible Service Rider (INT-Rider)
  - Market-Based Rate Rider (MKT-Rider)
  - Interruptible Market-Based Rate Rider (IMB-Rider)
  - Standby Service Rider (ST-Rider)
  - Simultaneous Buy/Sell Service Rider (SI-Rider)
  - Net Metering Service Rider (NM-Rider)
  - Large Load Service (LLS) (new) (see next slide)
- **Add/clarify language and provisions as needed in other rate schedules**

Proposed New Large Load Service Rate Schedule

- **Applicable to new or expanded retail loads exceeding 20 MW**
- **Pass-through rates and provisions of the new wholesale Large Load Power Service (LLPS) rate, including, but not limited to:**
  - Demand & energy rates
  - Minimum bill provisions
  - Prepayment requirements
  - Early termination fees
  - Curtailment and other interruptible rate provisions
  - Treatment of behind the meter generation
- **Will also require end-use customers to sign and abide by provisions of a service agreement to address such items as:**
  - Agreement term length, ramp-up period, forecasted loads, collateral requirements, etc.

Proposed 2027 Subtransmission Service (ST) Rate Adjustments

- **Includes wheeling over NPPD's 69 kV and 34.5 kV lines and substations**
- **22 customers (excluding NPPD Retail) take subtransmission service from NPPD for all or a portion of their load**
  - 8 wholesale rurals, 7 wholesale municipalities, 7 other entities
- **NPPD Retail is responsible for approximately 85% of subtransmission costs**
- **Proposed subtransmission rate increase embedded in proposed 8.6% retail rate increase**
- **Projected overall increase approximately 22% is due to investments in the subtransmission facilities and operation and maintenance (O&M) expenses**
  - Additional revenue projected from non-NPPD Retail customers approximately $ 454,000

	Current Rate	Proposed Rate	% Incr.
Line ($/kW-mo.	$ 0.75	$ 0.92	22.7%
Substation ($/kW-mo.)	$ 1.19	$ 1.45	21.8%

Remaining Schedule for Retail & Subtransmission Rate Adjustments

- **November 13 - Finance Committee agenda item for consideration of proposed retail and subtransmission rates**
- **January 1, 2027 - Proposed effective date**

Questions?

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