



# THE POWER OF PEOPLE



## Fourth Quarter 2024 Update of Financial Markets, NPPD Investments, NDT & OPEB Market Values, NPPD Outstanding Debt

NPPD Board of Directors Meeting  
Finance Committee  
February 2025

Cristal Menke  
Treasury & Finance Manager



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# Objective

- Update the Board on 4<sup>th</sup> quarter 2024 financial market news, and,
- Review investments as of December 31, 2024, in accordance with the “Investment Policy for Revenue Funds and Certain Special Funds of Nebraska Public Power District”, and,
  - The applicable Investment Policy requires quarterly review to the Board
  - Investments include Revenue Fund, Revolving Credit Agreement accounts, Debt Service, Debt Service Reserve (Primary & Secondary), and Construction Funds
  - Excludes: Cooper Nuclear Station Decommissioning Trust Fund and Cooper Nuclear Station Supplemental Decommissioning Trust Fund, Active Employee Hospital-Medical Benefits Trust, Medical and Life Benefits Trust for Employees in Retirement Status; and Hospital-Medical and Employee Life Insurance Benefit Trust for Employees in Disability Status (these funds have separate investment policies reporting requirements)
- Review nuclear decommissioning trust funds and other postemployment benefits market value balances as of December 31, 2024, and,
- Review NPPD outstanding debt as of December 31, 2024

# Municipal Market Reaction in Q4 2024

- 2024 Q4 municipal bond issuance was approximately \$122 billion
  - 2023 Q4 municipal bond issuance was approximately \$104 billion
- Municipal Market Data (MMD) history on Tax Exempt Variable Rates (MMD is a high grade “AAA” municipal bond index / NPPD rating: A1 Moody’s, A+ Fitch, A+ S&P):

Maturities	2023	2024			
	Q4	Q1	Q2	Q3	Q4
1-Year MMD	2.69%	3.07%	3.15%	2.60%	<b>2.77%</b>
30-Year MMD	3.43%	3.65%	3.72%	3.57%	<b>3.89%</b>

- NPPD Revenue Bonds use the MMD as a basis for pricing – the District bonds are priced at a “spread” above the MMD
- During 2024, Federal Funds Target Rate remained unchanged during Q1 & Q2. Federal Funds Target Rate started January 2024 at 5.50% and ended December 2024 at 4.50%. Federal Open Market Committee (FOMC) decreased the Federal Funds Target Rate by:
  - 50 basis points in September 2024
  - 25 basis points in November 2024
  - 25 basis points in December 2024
- According to Bloomberg data obtained 2/3/25, the projected FOMC Federal Funds Target Rate will remain as is through Q1 of 2025

# NPPD General System Fund Balances

Investment portfolio managed internally by NPPD

(Values as of December 31, 2024)

- December 31, 2024 Balances
  - Par Value - \$813.6 million
  - Acquisition Value - \$809.1 million
  - Market Value - \$809.8 million

- Types of Investment Securities
  - Federal Agencies
  - U.S. Government
  - Money Market Mutual Funds

Cash & Investments	Market Value (In Millions)		Market Value (In Millions) Total
	Unrestricted Funds	Restricted Funds	
Revenue & RCA (1) Accounts	\$ 715.2	\$ -	\$ 715.2
Debt Service (2)	-	13.8	13.8
Debt Service Reserve - Primary	-	22.0	22.0
Debt Service Reserve - Secondary (3)	51.7	-	51.7
Construction Funds	-	7.1	7.1
<b>Total</b>	<b>\$ 766.9</b>	<b>\$ 42.9</b>	<b>\$ 809.8</b>

(1) RCA - Revolving Credit Agreement (there are currently no investments related to the RCA)

(2) Includes Capitalized Interest funds of 2023 Series A

(3) Restricted unless Board approves to use

# NPPD General System Investment Portfolio Diversity

All investments are within the allowable ranges per investment policy

(Values as of December 31, 2024)

Security	*Par Value (In Millions)	*Market Value (In Millions)	*Acquisition Value (In Millions)	Yield (1)
<b>Agency Notes</b>	\$ 380.9	\$ 380.8	\$ 380.4	4.58%
Federal Home Loan Bank	127.0	127.3	126.7	4.79
Federal Agriculture Mortgage Corp	203.9	203.1	203.8	4.32
Federal Farm Credit Bank	50.0	50.4	49.9	5.06
<b>Agency Discount Notes</b>	\$ 3.7	\$ 3.5	\$ 3.5	4.29%
Federal Home Loan Mortgage Corp	3.7	3.5	3.5	4.29
<b>U.S. Government</b>	\$ 268.9	\$ 265.4	\$ 265.1	4.43%
Treasury Notes	264.9	261.4	261.1	4.43
Treasury Bills	4.0	4.0	4.0	4.35
<b>Cash</b>	\$ 1.2	\$ 1.2	\$ 1.2	3.23%
<b>Money Market Mutual Funds</b>	\$ 159.0	\$ 159.0	\$ 159.0	4.30%
Wells Fargo Money Market Select Fund	148.0	148.0	148.0	4.31
Wells Fargo Money Market Sweep	2.4	2.4	2.4	4.25
Goldman Sachs	3.6	3.6	3.6	4.20
Bank of New York Mellon	5.0	5.0	5.0	4.25
<b>Grand Total</b>	\$ 813.6	\$ 809.8	\$ 809.1	4.47%

Investments include:

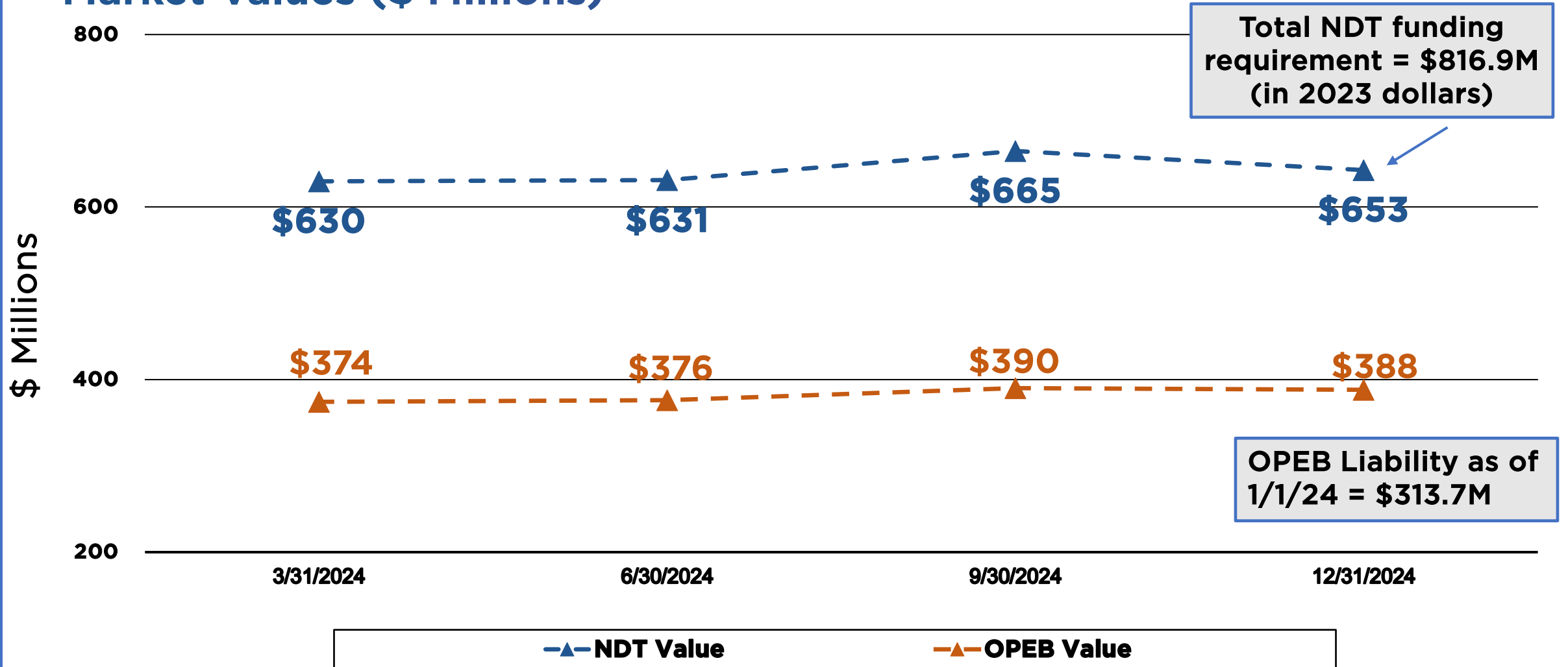
- Revenue Fund
- Revolving Credit Agreement accounts
- Debt Service
- Debt Service Reserve (Primary & Secondary)
- Construction Funds

\*May not add due to rounding.

(1) Since the majority of these investments are "buy and hold", yields are calculated from acquisition.

# Nuclear Decommissioning Trust (NDT) Funds & Other Postemployment Benefits (OPEB) Fund

## Market Values (\$ Millions)





# NPPD outstanding debt as of December 31, 2024

## ■ Tax-Exempt Revolving Credit Agreement facility – \$150 million

- December 2024 outstanding balance: **\$70.4 million**
- US Bank provides loan commitment
- Interest rate is tied to SIFMA Index
- Agreement Termination Date: September 12, 2025

## ■ Taxable Revolving Credit Agreement facility – \$300 million

- December 2024 outstanding balance: **\$179.9 million**
- Wells Fargo Bank provides 2/3 of loan commitment
- Bank of America provides 1/3 of loan commitment
- Interest rate is tied to SOFR Index
- Agreement Termination Date: July 25, 2025

## ■ General Revenue Bonds Debt Outstanding – \$909.5 million

- Unamortized bond premium net of discount

## ■ Side-by-Side: Commercial Paper & Revolving Credit Agreement – \$500 million

- Closed October 17, 2024
- December 2024 outstanding balance: **\$-0-**
- First issuance of commercial paper expected late February or March 2025

**SIFMA = Securities Industry and Financial Markets Association**

**SOFR = Secured Overnight Financing Rate**



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## Questions

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