

## February Post-Board Script

Hello, customers and teammates!

In addition to the safety of our teammates and all consumers, our customers are our top priority at NPPD. It's why we are constantly finding ways to provide better value and solutions to facilitate their growth. However, the idea of value is subjective. We all attach varying levels of importance to different things, and so NPPD understands we must create value for all by never losing focus on the fundamentals.

First, we continue to provide value by being the experts in our field. We've been doing this work for more than 50 years, and just like we didn't become experts overnight, we also didn't do it alone. Success lies in working with others to build new opportunities for our organization and our customers. This is where NPPD's membership within The Energy Authority comes in. As TEA Chief Executive Officer Joanie Teofilo said in last week's board meeting, their organization's mission is to maximize the value of NPPD's assets in the Southwest Power Pool, of which NPPD is also a member. This comes by way of risk management strategies, recommendations on how to best optimize our assets, maximize performance, stay competitive, and consistently level up. We look forward to taking interested wholesale customers on a tour to TEA in Florida in late February to see for themselves how this partnership benefits all of our customers.

Next, we create value by staying true to our promise to provide customers with affordable and reliable electricity. As load growth skyrockets across our service territory, we continue to pursue new generation and subsequently, enhance our current infrastructure with projects that build capacity, reliability and resiliency. Therefore, the board approved NPPD to begin securing two combustion turbines for our new Princeton Road Station, as well as to begin negotiations for the build-out of Beatrice Power Station. To go along with those, they also approved efforts to pursue natural gas pipeline services at both facilities. On the lines side, a line rebuild between Hoskins and Stanton North substations was also approved, as were two new 115-kV projects – a 24-mile line between Ainsworth Wind and a substation near Bassett, and a line between Central City and Aurora. The board also approved a capital project to do a full generator rewind for Unit 2 at the North Platte Hydro within the next year.

There is immeasurable value in listening to customers and their feedback on future decisions and strategies. In August 2023, we began discussing with wholesale customers a need for a new wholesale power contract due to ongoing load growth, the financing and building of new generation, investments made to existing generation and the up-and-coming expiration of the current 2016 contract. It's been quite a journey so far, and we're extremely thankful to all customers who have helped us develop the concepts providing the foundation of a new 2026 Wholesale Power Contract. Last week, the board approved NPPD to continue negotiations relating to this new contract, which would expire in 2065.

Finally, we know balancing costs is absolutely critical to customer value. The Board approved an action last week that would work toward truing up the balances for production, transmission, and retail in the Other Post Employment Benefit Trust, or OPEB Trust. NPPD shared that the Trust balance for production was greater than the requirement, while the Trust balance for both retail and transmission was less than their requirements. The action taken by the board provides for the \$2 million OPEB collections budgeted in 2025 to be collected from retail and transmission, and deposited into the OPEB Trust, to instead be given to production.

That's it from me today. Until next time, stay healthy, and stay safe.

Tom