




SD-2: Rates

Jeff Bishop
Chief Financial Officer

December 13, 2022

	OMAHA PUBLIC POWER DISTRICT Board Policy	Category:	Strategic Direction
	Policy No. and Name: SD-2: Rates	Monitoring Method:	Finance Committee Board Report
		Frequency:	Annually
Date of Approval:	July 16, 2015 November 16, 2017 November 18, 2021	Resolution No.:	6070 6210 6471

The Board of Directors shall establish a directional rate target of 20% below the West North Central Regional average published rates on a system average basis*.

In implementing this rate target, OPPD shall adhere to these principles:

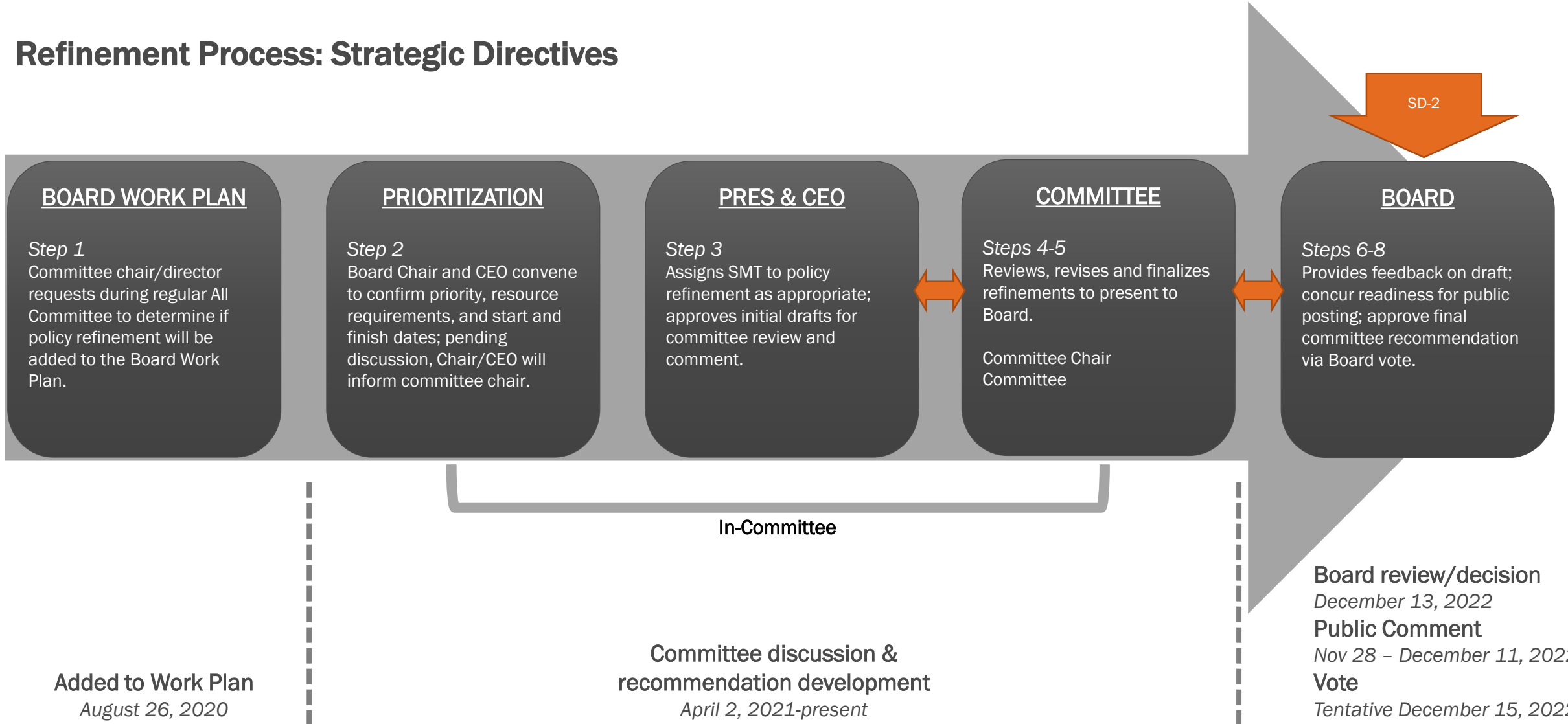
- Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute § 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- Pursue rate process and structure changes to reflect the cost of energy when it is used;
- Offer flexibility and options; and
- Be simple and easy to understand.

*Defined in Glossary.

“Governance exists in order to translate the wishes of an organization’s owners into organizational performance.”
 - John Carver



Refinement Process: Strategic Directives




All Committee Review: December 13, 2022

Is there anything that requires further clarification?

Is there anything you especially like?

Is there anything that you'd like the Committee to consider before moving this forward for board action?

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~~The Board of Directors shall establish a directional rate target of 20% below the West North Central Regional average published rates on a system average basis*.~~

~~OPPD shall strive to provide affordable energy services and set rates in order to achieve the long-term vision of the organization.~~

In implementing this ~~rate target directive~~, OPPD shall ~~adhere to these principles~~:


- Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute § 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- Pursue rate process and structure changes to reflect the cost of energy when it is used;
- Offer flexibility and options; ~~and~~
- Be simple and easy to understand; ~~and~~
- ~~Pursue a directional rate target of 10% below average published rates of seven states in the North Central Region* on a system average basis*.~~

***TERMS AND DEFINITIONS**

~~Seven states in the North Central Region: Illinois, Iowa, Indiana, Kansas, Missouri, Nebraska, South Dakota.~~

~~System Average Basis: Total revenue billed to retail customers divided by total kWh sold to retail customers. The result is measured in cents per kWh or the average system basis.~~

~~*Defined in Glossary.~~

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OPPD shall strive to provide affordable energy services and set rates in order to achieve the long-term vision of the organization.

In implementing this directive, OPPD shall:

- Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute § 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- Pursue rate process and structure changes to reflect the cost of energy when it is used;
- Offer flexibility and options;
- Be simple and easy to understand; and
- Pursue a directional rate target of 10% below average published rates of seven states in the North Central Region* on a system average basis*.

***TERMS AND DEFINITIONS**

Seven states in the North Central Region: Illinois, Iowa, Indiana, Kansas, Missouri, Nebraska, South Dakota.

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Feedback & Outreach – November 28 – December 11, 2022

Board Feedback

- No alterations were made post All Committee Review on November 15, 2022 and prior to outreach.

Outreach Effort

- Proactive outreach for awareness
 - Multiple channels were used to create awareness and collect feedback
- Posted on OPPD Community Connect November 28th – December 11th
 - No public comments received

Next Step

- Option 1: Board Resolution & Vote

OR

- Option 2: Additional Committee Deliberation