



FERC Transmission Tariff Formula Change

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FERC ORDER 898 Background

- Similar to the Fuel and Purchase Power Formula, the OPPD Board approves the formula for revenue recovery in order for OPPD to provide transmission service to interested customers
- OPPD's Formula Rate Template establishes its transmission revenue requirements and rates for SPP transmission service
- Using the Board approved formula, OPPD populates the Template for use each year
- The formula is located in Attachment H of the SPP Tariff, and the annual update is publicly posted on OPPD's OASIS and SPP's member postings website
- The Template contains worksheets with specific, itemized cost types using the Uniform System of Accounts (USofA)

FERC ORDER 898

FERC is revising the USofA to accommodate changes in technology and resource mix in the energy industry

- First significant modification to USofA since 2013
- Goal is for uniformity, consistency and transparency in accounting amongst utilities
- Adds functional detail for the accounting of wind, solar, battery storage, renewable energy credits as well as hardware, software and communication equipment
- Currently USofA does not have specific accounts for wind, solar, and battery storage, but instead groups these into “Other”

FERC ORDER 898's Impact on Rate Template

Formula-based Rate Template								
Omaha Public Power District (OPPD)								
Using 2023 Actual Financial & Operating Data for Southwest Power Pool (SPP) Rates Effective 8/1/2024								
Calculate Gross ATRR								
Line No.	Account	Description				Transmission		Transmission
			Total OPPD	Adjustments	Adjust OPPD	Allocation Basis	Allocation %	
Operating & Maintenance (O&M)								
Direct O&M								
23	500-557-559	Production	\$ -	\$ -	\$ -	n/a		\$ -
24	577-578, 580-598	Distribution	\$ -	\$ -	\$ -	n/a		\$ -
25	901-917	Customer	\$ -	\$ -	\$ -	n/a		\$ -
26		Subtotal	\$ -	\$ -	\$ -			\$ -
27	560-575	Transmission	\$ -	\$ -	\$ -	All Transmission	TBD	\$ -
28	565	Less: Transmission of Electricity by Others	\$ -	\$ -	\$ -			\$ -
29	561	Less: Load Dispatch (Acct 561)	\$ -	\$ -	\$ -			\$ -
30		Subtotal	\$ -	\$ -	\$ -			\$ -
Administrative & General (A&G)								
31	920-932	A&G	\$ -	\$ -	\$ -	Wages & Salaries	TBD	\$ -
32		Less: Federal Energy Regulatory Commission	\$ -	\$ -	\$ -	Wages & Salaries	TBD	\$ -
33		Less: Gen Advertising (930.02)	\$ -	\$ -	\$ -	Wages & Salaries	TBD	\$ -
34		Less: Misc General Exp (930.03)	\$ -	\$ -	\$ -	Wages & Salaries	TBD	\$ -
35		Total A&G	\$ -	\$ -	\$ -			\$ -
36		Total O&M and A&G	\$ -	\$ -	\$ -			\$ -
Depreciation & Amortization Expense								
37	310-346	Production	\$ -	\$ -	\$ -	Direct to Production		\$ -
38	352-359	Transmission	\$ -	\$ -	\$ -	Direct to Transmission		\$ -
39	360-373	Distribution	\$ -	\$ -	\$ -	Direct to Dist		\$ -
40	387, 389-397 & 301-313	General & Intangible	\$ -	\$ -	\$ -	Wages & Salaries	TBD	\$ -
41		Total Depreciation & Amortization	\$ -	\$ -	\$ -			\$ -
42	408.1-409.1	Payments in Lieu of Taxes	\$ -	\$ -	\$ -	Net Plant	TBD	\$ -
43	427-431	Interest Expense (net of interest revenue)	\$ -	\$ -	\$ -	Net Plant	TBD	\$ -
44		Margin Requirement	\$ -	\$ -	\$ -	Net Plant	TBD	\$ -
45		Regional Transmission Organization	\$ -	\$ -	\$ -	Direct to Transmission		\$ -
46		Required Revenues w/o Add Margin on Incentive	\$ -	\$ -	\$ -			\$ -
47		Additional Margin on Incentive Plant	\$ -	\$ -	\$ -			\$ -
48		Base Plan Upgrades	\$ -	\$ -	\$ -	Direct to Transmission		\$ -
49		Non-Base Plan Upgrades	\$ -	\$ -	\$ -	Direct to Transmission		\$ -
50		Gross ATRR	\$0	\$ -	\$0			\$ -

Formula Rate Template

- FERC approved formula includes all O&M, Depreciation, and Amortization Expenses
- Production, Distribution, and Customer are allocated 0% to the Transmission Revenue Requirement
- Updated accounts through FERC 898 are functionalized to Production and Distribution

Anticipated Effect on Transmission Tariff

- Today, minimal to no impact

FERC ORDER 898

Impact on OPPD Accounting

- Order 898 identifies those accounts to be adopted
- Majority of accounts do not currently relate to OPPD, but implementation now will proactively prepare OPPD for its changing resource mix in the future

Amendments to Transmission Formula Rate Template

- Rate template will require amendments to incorporate only those accounts impacting OPPD's transmission rate
- Changes to the rate template will not impact the rate charged to transmission customers
- Nominal number of inputs will be bucketed differently

Next Steps:

- Receive OPPD Board approval
- File Amended Transmission Formula Rate seeking approval from FERC by October 15, 2024
- Implement by January 1, 2025