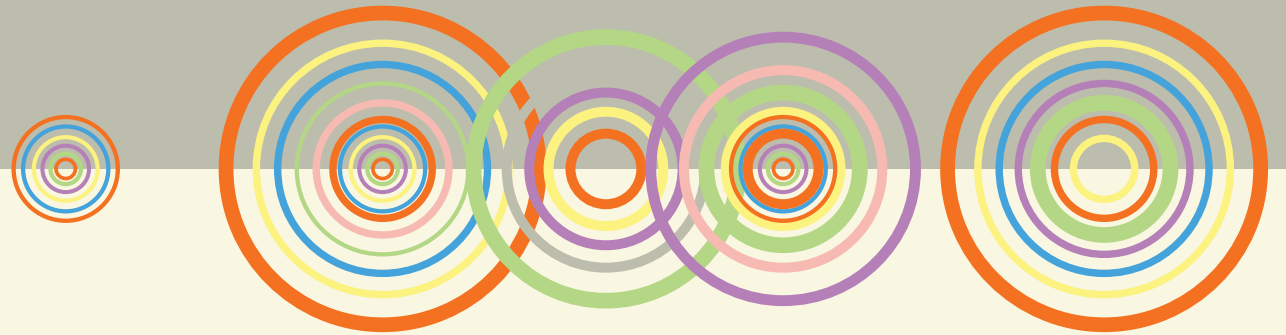


➤ 12.16.25 ➤

# 2026 FINAL CORPORATE OPERATING PLAN



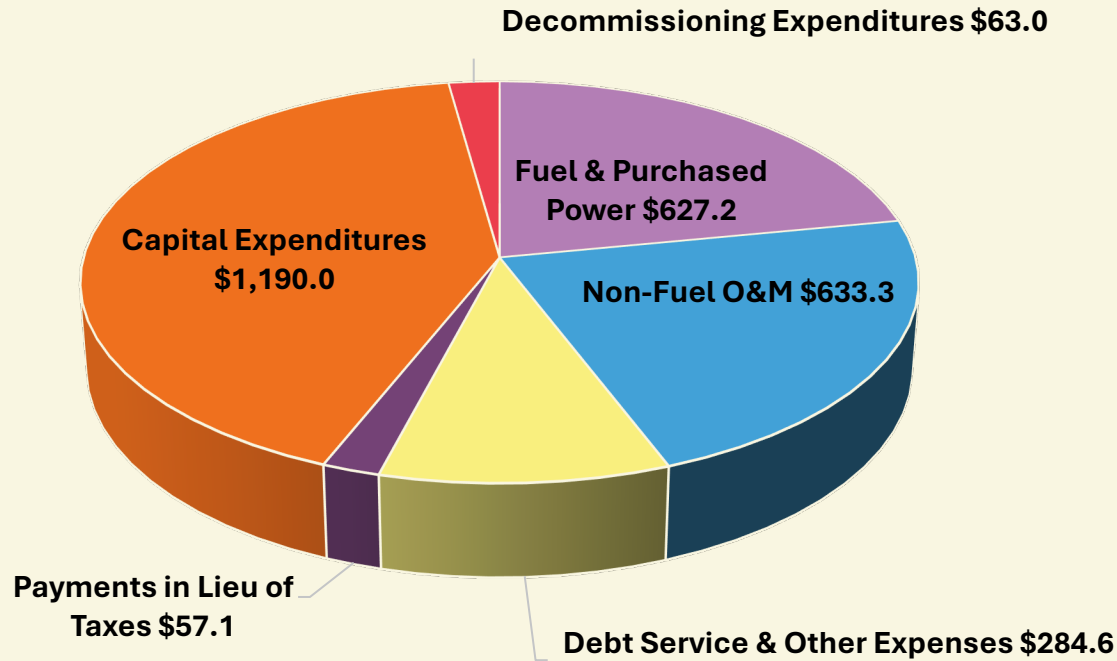
Brad Underwood  
Vice President & Chief Financial Officer



# EXECUTIVE SUMMARY

(\$ IN MILLIONS)

➔ The 2026 Corporate Operating Plan proposes a \$2.9 billion expenditure plan for Board Approval



Rate Component	% Change
General Rate Increase	5.8%
Fuel & Purchased Power Adjustment (FPPA) Increase	0.5%
<b>Total 2026 Average Rate Increase</b>	<b>6.3%</b>

# 2026 RATE ACTION

## PROPOSED RATE INCREASE BY CUSTOMER CLASS

Proposed Percent Increase by Customer Class						
	Residential	Commercial	Industrial	Lighting	Wholesale	Total
Proposed General Increase	5.5%	3.0%	8.6%	2.7%	0.0%	5.8%
Proposed FPPA Increase	0.5%	0.7%	0.3%	0.1%	0.8%	0.5%
<b>Total Rate Action</b>	<b>6.0%</b>	<b>3.7%</b>	<b>8.9%</b>	<b>2.8%</b>	<b>0.8%</b>	<b>6.3%</b>

*\*The percentages represent class averages. Rate codes within a class will have difference from the average increase. Individual customer impacts will vary.*

- **~90%** of **residential** customers will see an **increase** between **4-7%**
- **~95%** of **industrial** customers will see an **increase** between **4-7%**
- All details regarding rate changes are presented in the redlined version of the Service Regulations and Schedules

# 2026 RATE ACTION

## DRIVERS

### ➤ Inflationary pressures

- Concrete, steel, copper

### ➤ Increase in Planning Reserve Margin (PRM)

- New guidelines from SPP starting in 2026 with another increase in the PRM in 2028

### ➤ Net power costs growing

- Average price per MWH to serve load increasing due to higher fuel and purchased power expenses

### ➤ Growth in capital portfolio

- Investment in generation, transmission and distribution

### ➤ Operations & Maintenance costs increasing

- Southwest Power Pool fees, generation outage costs

### ➤ Load growth

- 23,000 new customers in past 5 years

# 2026 RATE ACTION

## CUSTOMER BENEFITS

- ▶ **Two, new balancing generation facilities** (Standing Bear Lake & Turtle Creek stations)
- ▶ Adding units to **expand output at Turtle Creek & Cass County** stations
- ▶ Continued **hardening of infrastructure** against extreme weather
- ▶ 400 miles of **transmission build** (over next 10 years)
- ▶ 14 **new substations**, 25 **substation expansions** (over next 7 years)
- ▶ 20-40 miles of **overhead distribution** buried underground yearly
- ▶ Installing 11,370 new **AMI smart meters** (2025)
- ▶ New online **customer portal**, MyOPPD
- ▶ Enhanced **outage map**
- ▶ Increased **tree-trimming** activity and budget
- ▶ New **ways to communicate** for customers (text updates)

# 2025 YEAR END OUTLOOK

- Ensure that we meet 2.0 debt service coverage in 2025
- If this is not achieved, the Fuel and Purchased Power Adjustment over-collection in 2025 will be utilized to ensure 2.0 debt service coverage is met
- This change does not impact the rate increase
- The following statement is included in the COP board resolution to allow the use of the over-collection to hit 2.0

*“WHEREAS, in the event the District’s debt service coverage ratio falls below 2.0 at the close of calendar year 2025, a one-time partial exclusion of over-collected FPPA revenue shall be applied to ensure attainment of the debt service coverage requirement”*

# KEEPING COSTS FAIR

## HOW DO WE ASSIGN COSTS?

- Nebraska Revised Statute 70-655:  
*“Rates shall be fair, reasonable, and non-discriminatory”*
- Complete an industry standard Cost of Service study
  - **Functionalized by FERC account:**
    - Generation, Transmission, Distribution
  - **Classified based on what drives the cost:**
    - Demand, Energy, Customer
  - **Allocated to the customer class that cause them**
- Reviewed by The Brattle Group: A highly respected energy consultant, recognized for their work in utility regulation, rate design and cost of service studies.

# INDEPENDENT REVIEWS

## SUMMARY

### ➤ Corporate Operating Plan

- “The expenditures anticipated by the District are reasonable and of the type that a utility following prudent utility practices would expect”

### ➤ Rate Action

- “We find the proposed rate changes to be fair, reasonable and non-discriminatory”

# 2026 RATE ACTION

## SUMMARY

➔ Here is what the rate action achieves:

- **Revenue to support:**
  - Growing capital portfolio to maintain our current assets and build new infrastructure to support customer growth
  - Continued hardening of infrastructure to strengthen against extreme weather
  - Advanced Metering Infrastructure
  - Enhanced Customer Platform and Outage Map
- **Addresses structural rate design changes** for Commercial and Industrial Rates to more accurately recover the cost to serve customers based on how they use the system.
- **Competitive rates** that remain below regional and national averages .
- Ensures OPPD continues to **meet key financial metrics.**



» **CUSTOMER  
FEEDBACK**



# **CUSTOMER ASSISTANCE PROGRAMS**

# CURRENT CUSTOMER ASSISTANCE SOLUTIONS




- Energy Assistance Program (EAP)
- Low Income Home Energy Assistance Program (LIHEAP)
- Customer Assistance Program Pilot
- Pay Plan
- Gift of Energy
- Payment Installment Program
- Level Payment Plan



**Addresses Bill Payment Options**

- Energy Efficiency Assistance Program (EEAP)



**Addresses Energy Usage**

# CUSTOMER ASSISTANCE TRENDS



- Low Income Home Energy Assistance Program (LIHEAP):
  - Accounted for 81% of payments in 2025
  - 13,026 customers enrolled
- In 2025, Energy Assistance funding was 10% higher than last year
- OPPD Energy Efficiency Assistance Program (EEAP) has weatherized 127 homes in 2025
  - 36% increase from 2024
- OPPD offers level payment and installment plans too

