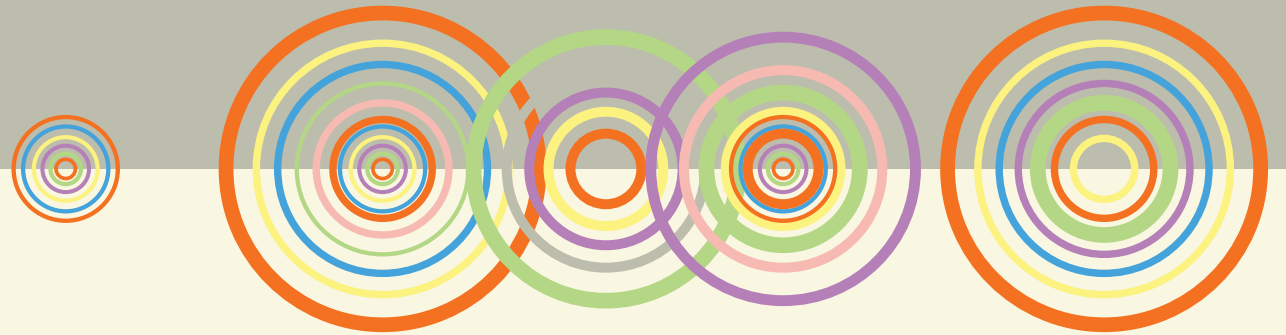


➤ 05.19.26 ➤

SD-2: RATES – POLICY REVISION



Brad Underwood
Vice President & Chief Financial Officer



SD-2: RATES

Strategic Directive – Current State

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.

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.

SD-2: RATES

Strategic Directive – Previous Revisions

July 16, 2015 – Original SD-2 Language

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

November 16, 2017 – First Revision

- Added: “no general rate increase for a 5-year period starting January 1, 2017, and ending December 31, 2021.”
- Added: “Monitor affordability indicators.”
- Removed: “Encourage demand reduction and energy efficiency.”

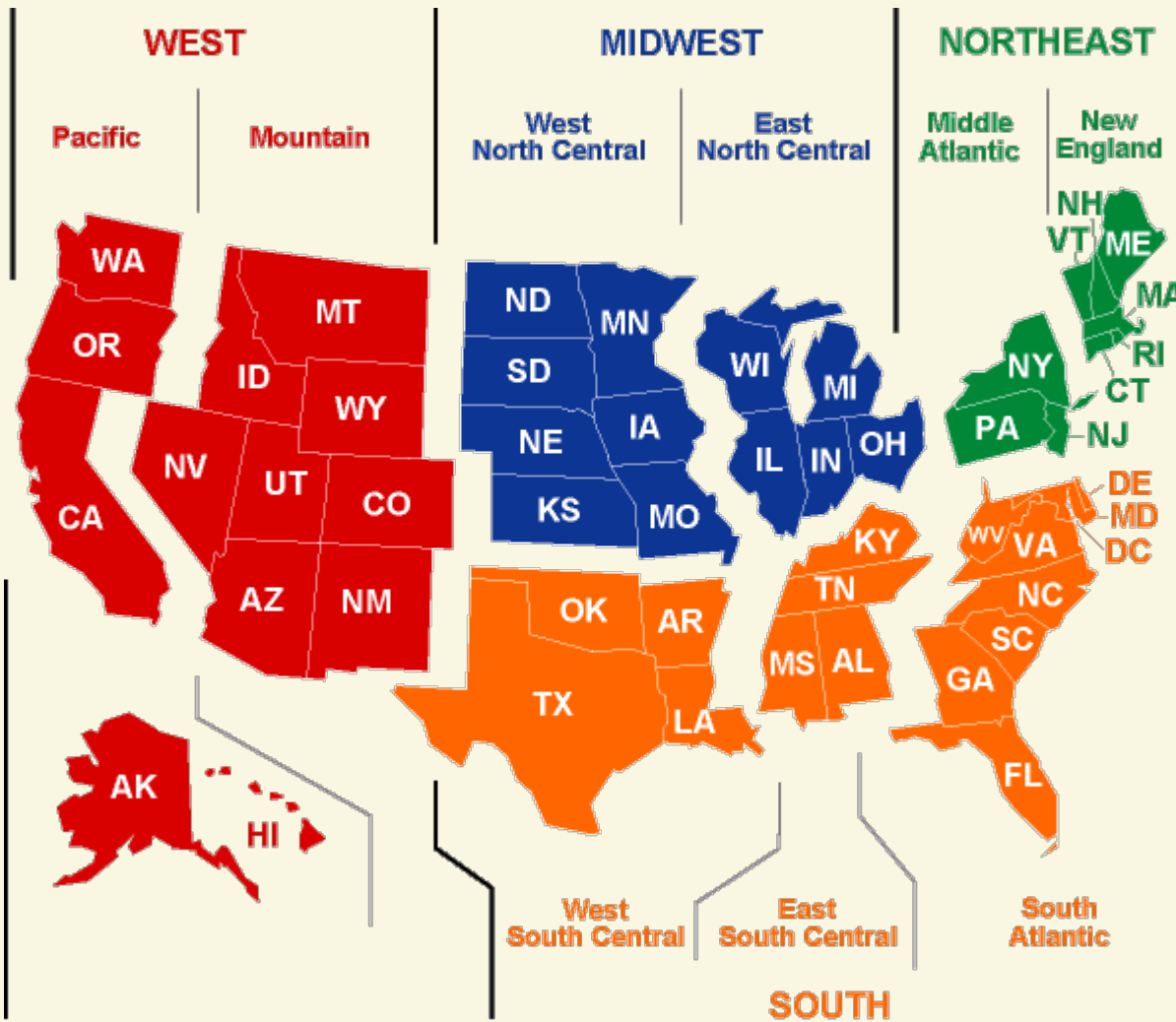
November 18, 2021 – Second Revision

- Removed: “No general rate increase for a 5-year period starting January 1, 2017, and ending December 31, 2021.”

December 15, 2022 – Third Revision

- Changed region and target to: “Pursue a directional rate target of 10% below average published rates of seven states in the North Central Region* on a system average basis.”
- Defined the seven North Central Region states: Illinois, Iowa, Indiana, Kansas, Missouri, Nebraska, South Dakota.

U.S. CENSUS REGIONS AND DIVISIONS



*Created by the Census Bureau in the early 1900s, these regions group states with broadly similar historical, demographic, and economic traits and are used widely beyond EIA.

Characteristics

West North Central

- More agricultural and rural
- Lower population density
- Higher share of wind generation
- More seasonal fuel oil/propane consumption in rural areas

East North Central

- Heavily Industrial
- Large population centers
- Higher electricity consumption per capita
- Significant natural gas for heating

➤ **REGIONAL & STATE COMPARISONS**

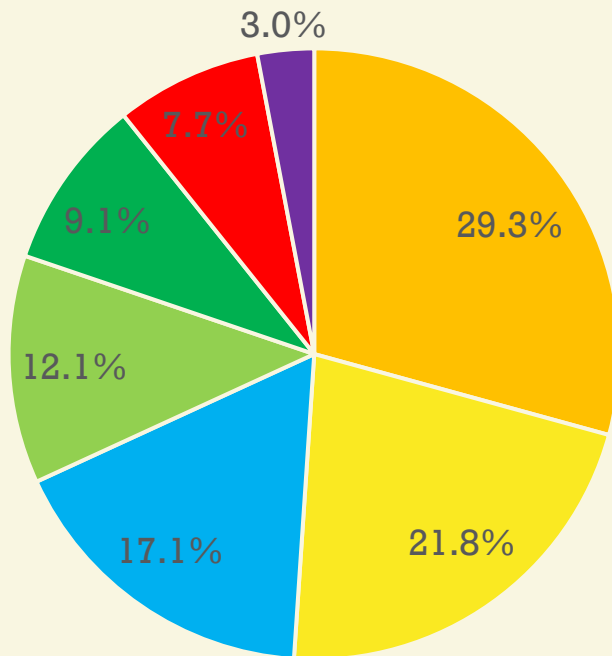
RETAIL SALES



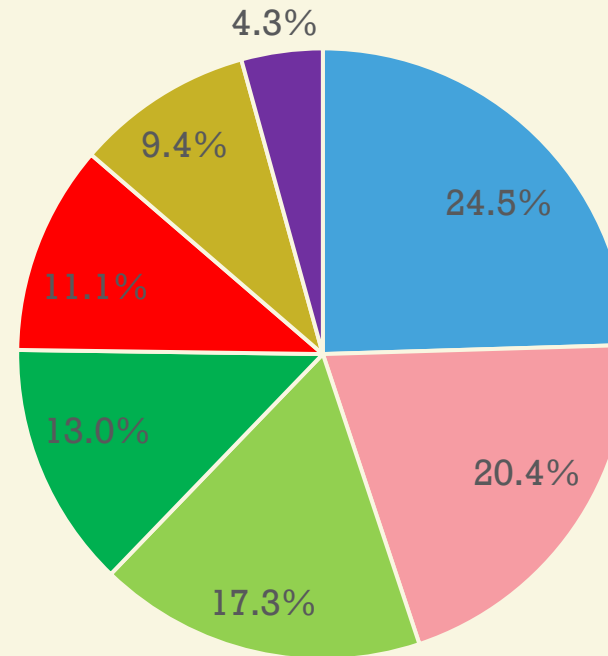
North Central Region

West North Central Region

North Central Region Retail Sales



West North Central Region Retail Sales



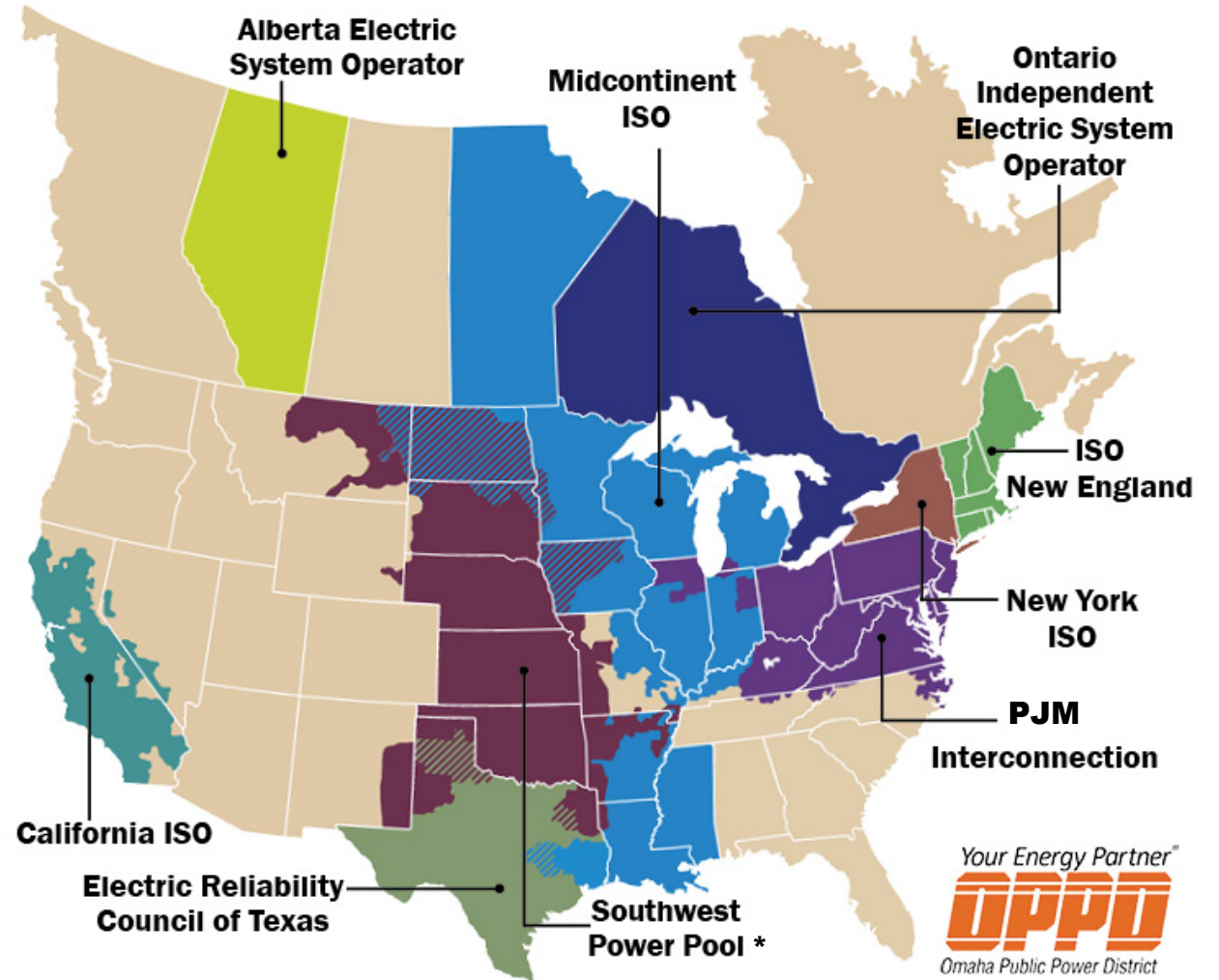
- Illinois and Indiana make up **over 50%** of the retail sales of the North Central Region
- The West North Central Region includes Minnesota and North Dakota rather than Illinois and Indiana and is more balanced

■ Illinois ■ Indiana ■ Missouri ■ Iowa
■ Kansas ■ Nebraska ■ South Dakota

■ Missouri ■ Minnesota ■ Iowa ■ Kansas
■ Nebraska ■ North Dakota ■ South Dakota

REGIONAL TRANSMISSION ORGANIZATIONS & INDEPENDENT SYSTEM OPERATORS

Regional Transmission Organizations (RTO) and Independent System Operators (ISO) are the “air traffic controllers” of the electric power grid. The utilities represented by the nine organizations provide power to two-thirds of the U.S. and more than half of Canada.



*Southwest Power Pool expanded its service territory on April 1, 2026. Please refer to the appendix for the expansion.

STATE COMPARISON

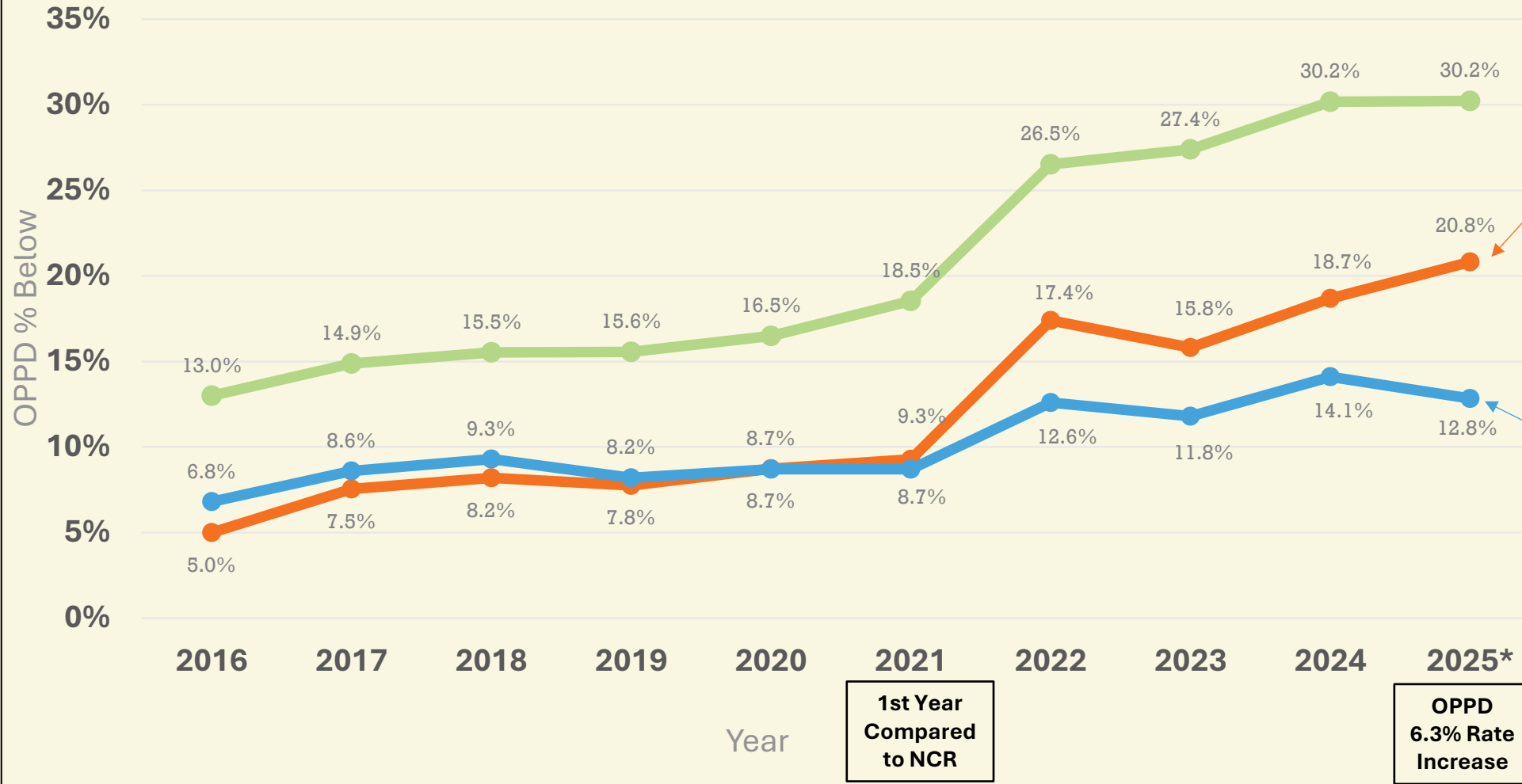
Category	OPPD	Illinois	Indiana	Minnesota	North Dakota
Grid Operators	SPP	MISO & PJM	MISO & PJM	MISO & SPP	MISO & SPP
Class Average Price Increase in cents/kWh 2021* - 2025	5.2%	35.6%	21.3%	14.4%	-5.2%
Main Generation kWh	Coal (51.9%) & Wind (37.8%)	Nuclear (53.6%) & Natural Gas (16.3%)	Coal (41.8%) & Natural Gas (41.1%)	Natural Gas (27.1%) & Wind (25.2%)	Coal (54.5%) & Wind (34.7%)
Main Ownership Types	Political Subdivision (100%)	Retail Choice (56.9%) & Investor Owned (30.2%)	Investor Owned (77.5%) & Cooperative (14.8%)	Investor Owned (60.2%) & Cooperative (24.7%)	Cooperative (72.5%) & Investor Owned (25.8%)

*2021 is the year OPPD started comparing to the North Central Region

OPPD Percentage Below Regional & National Average Retail Rates - 10 Year

Data from EIA - Electric Sales, Revenue, and Average Price

OPPD % Below National Average OPPD % Below North Central Region OPPD % Below West North Central Region



OPPD can have larger rate increases and still gain competitiveness in the North Central Region

OPPD lost competitiveness to the West North Central Region with a 6.3% rate increase

1st Year Compared to NCR

OPPD 6.3% Rate Increase

*2025 EIA preliminary data

SUMMARY


- Returning to the **West North Central** Region ensures we are comparing rate increases to those states in the same RTO
- Similar to OPPD and the National Average, the West North Central Region provides a more **consistent** and **gradual** rate profile
- Comparing to the West North Central Region puts more pressure on OPPD management to **limit rate increases**, as there is less room between the current rates and the 10% target
 - A more challenging metric sends a clear signal that OPPD will attempt to limit future rate increase to meet its strategic directive

ALL COMMITTEE DISCUSSION: MAY 19, 2026

IS THERE ANYTHING THAT REQUIRES FURTHER CLARIFICATION?

IS THERE ANYTHING YOU ESPECIALLY LIKE?

IS THERE ANYTHING THAT YOU WOULD LIKE THE COMMITTEE TO CONSIDER BEFORE MOVING THIS FORWARD?

	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 December 15, 2022	6070 6210 6471 6541	Resolution No.:

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 West North Central Region* on a system average basis*.

***TERMS AND DEFINITIONS**

Seven states in the West North Central Region: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, 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.

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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.

NEXT STEPS



Option 1: Board Resolution and Vote in June 2026
after 30-day public comment period

OR

Option 2: Additional Committee Deliberation