



Moody/Underwood

RESOLUTION NO. 6770

WHEREAS, the Board of Directors has determined it is in the best interest of the District, its employees, and its customer-owners to establish written policies that describe and document OPPD's corporate governance principles and procedures; and

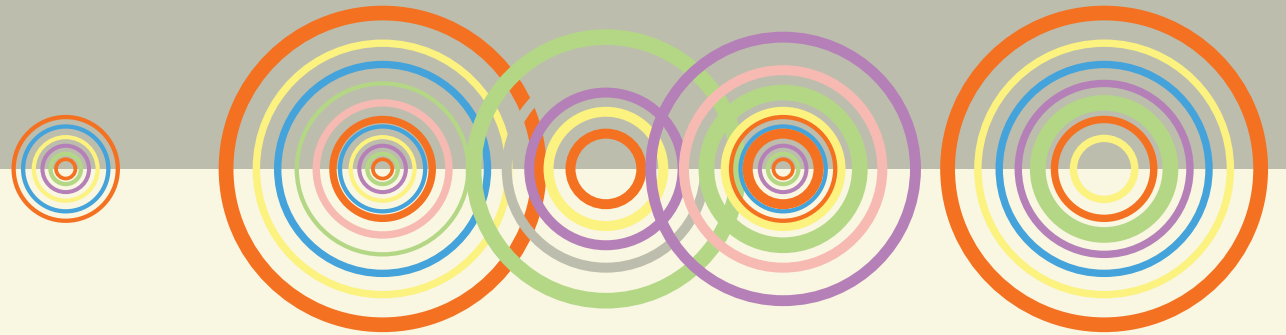
WHEREAS, each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process; and

WHEREAS, the Board's Finance Committee (the "Committee") is responsible for evaluating Board Policy SD-2: Rates on an annual basis. The Committee has reviewed the SD-2: Rates Monitoring Report and finds OPPD to be sufficiently in compliance with the policy as stated.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Omaha Public Power District accepts the SD-2: Rates Monitoring Report, attached hereto and made a part hereof, and finds OPPD to be sufficiently in compliance with the policy as stated.

➤ 06.16.26 ➤

SD-2: RATES MONITORING REPORT



Brad Underwood
Vice President and Chief Financial Officer



SD-2: RATES

Strategic Directive

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

Directional Rate Target

COMPARISON

Comparison against the North Central Region:

- North Central Region, as defined by OPPD, is the region made up of the following seven states: Illinois, Iowa, Indiana, Kansas, Missouri, Nebraska and South Dakota
- Comparison is done on a 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
- OPPD obtains data from the Energy Information Administration's (EIA)



DIRECTION

Directional goal of 10% below the North Central Region average rates:

- OPPD experienced a 2.5% rate increase in 2024
- OPPD met this directional goal and remained 18.7% below the regional average in 2024 (latest available)



SD-2: RATES

Data Reporting Changes

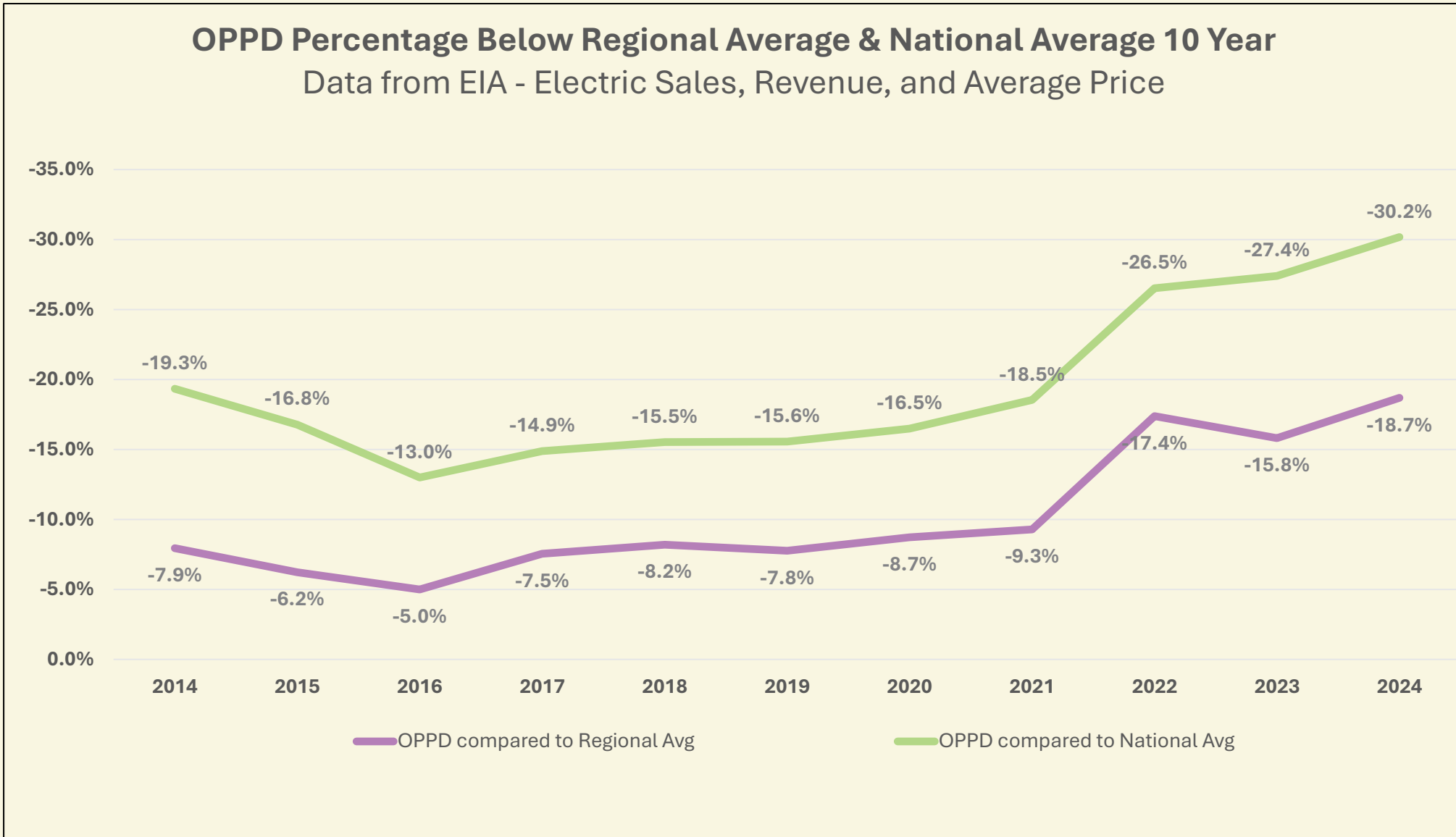
PRIOR TO 2023

- EIA had no reporting requirements for Data Centers and Crypto Customers
- OPPD reported some Data Center and Crypto Customers as Commercial, some as Industrial, based on current OPPD class parameters

STARTING IN 2023

- EIA created a requirement for Data Centers and Crypto Customers to be reported in Commercial Rates
- OPPD has followed EIA reporting for this SD-2 Report
- In all other OPPD reporting, OPPD reports some Data Center and Crypto Customers as Commercial, some as Industrial, based on current OPPD class parameters

SD-2: RETAIL RATES



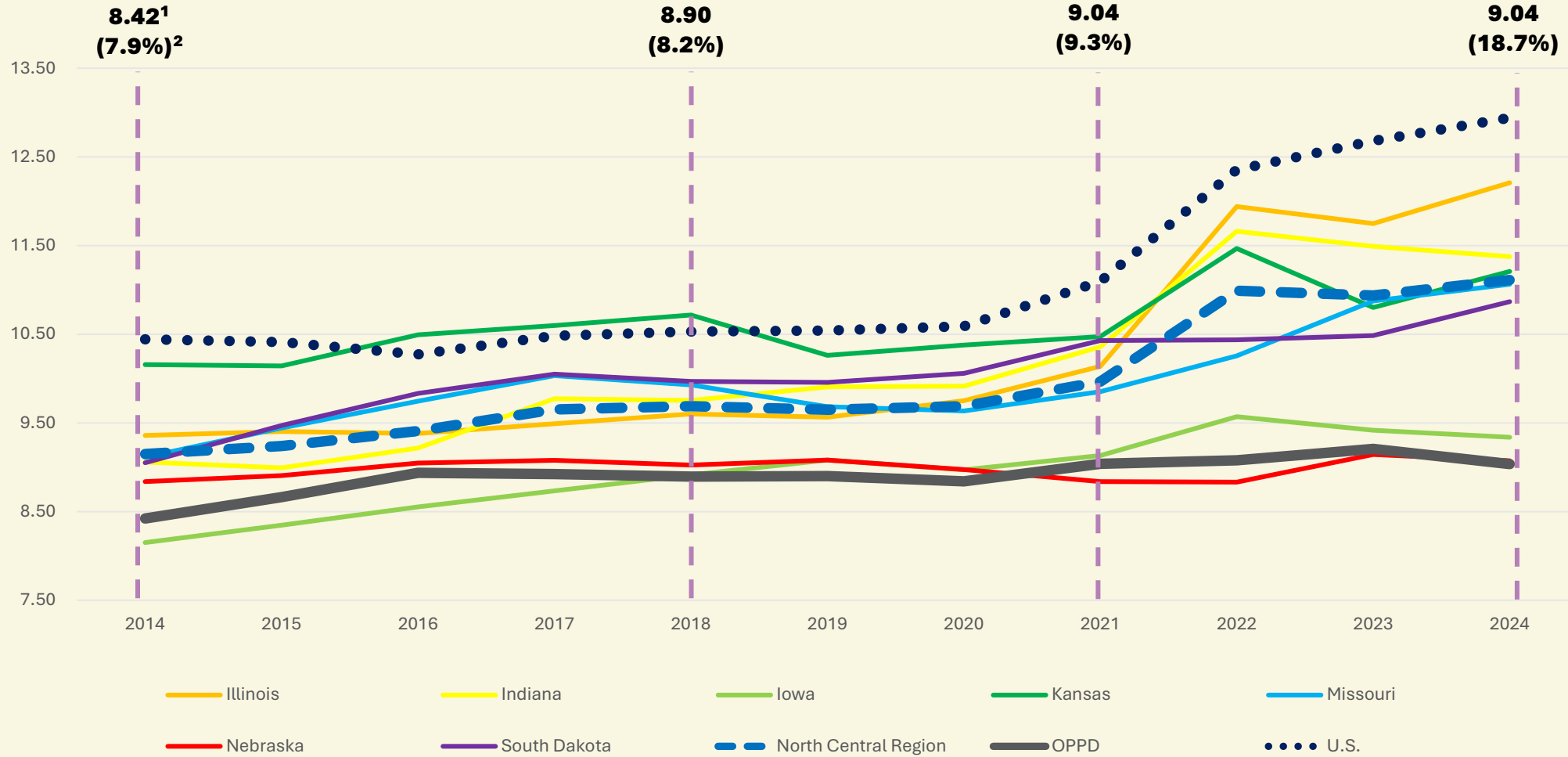
*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota was changed from EIA-defined region (West North Central) which was approved in 2022

SD-2: RETAIL RATES – REGIONAL COMPARISON



North Central Region* Average Rates All Rate Classes (\$/kWh)

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



**OPPD
18.7%
below
regional
average**

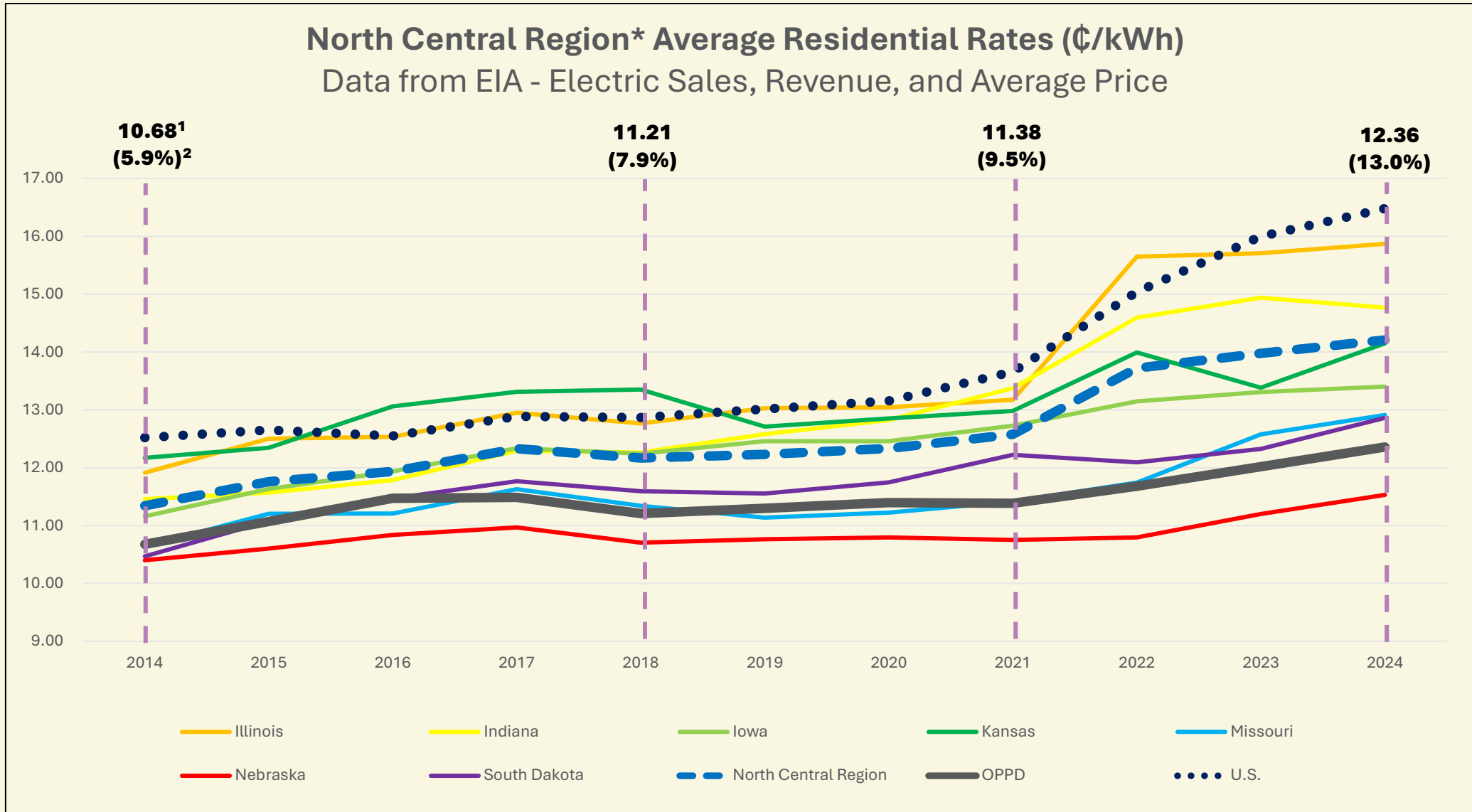
**OPPD
30.2%
below
national
average**

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: RESIDENTIAL RATES – REGIONAL COMPARISON



OPPD
13.0%
below
regional
average

OPPD
25.0%
below
national
average

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

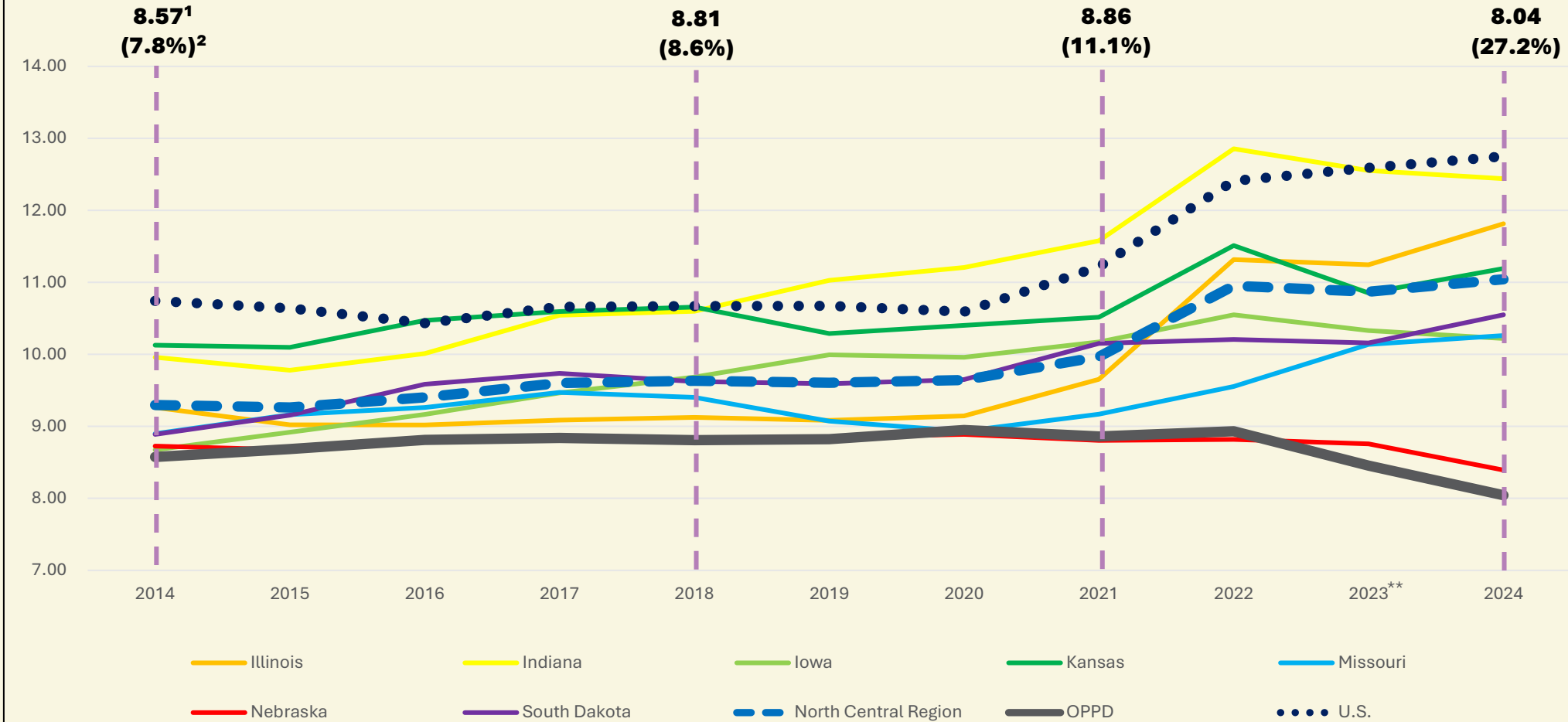
¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: COMMERCIAL RATES – REGIONAL COMPARISON



North Central Region* Average Commercial Rates (¢/kWh)
Data from EIA - Electric Sales, Revenue, and Average Price



**OPPD
27.2%
below
regional
average**

**OPPD
36.9%
below
national
average**

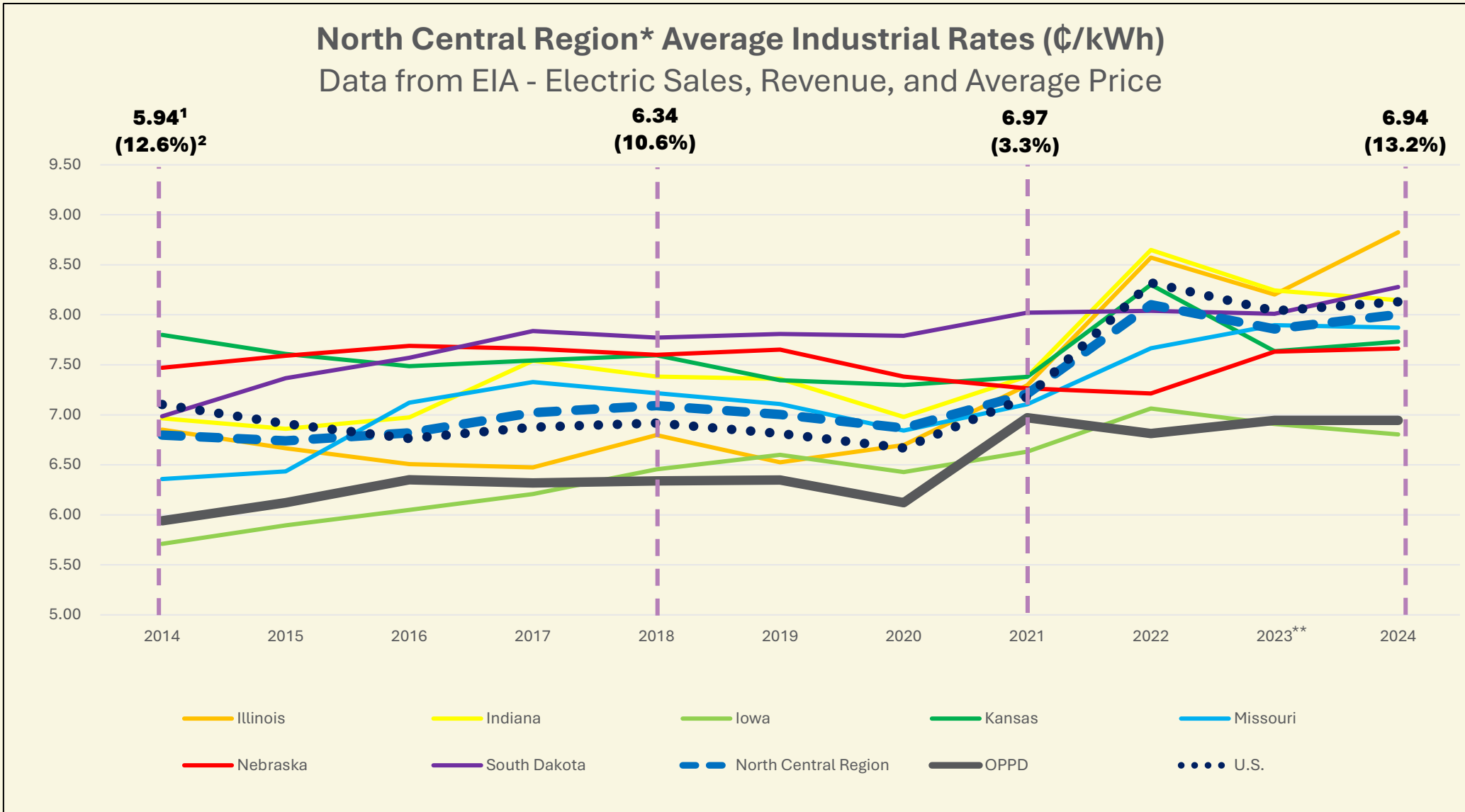
*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

**In 2023, EIA shifted Data Centers and Crypto (261M) from Industrial to Commercial

¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: INDUSTRIAL RATES – REGIONAL COMPARISON



OPPD
13.2%
below
regional
average

OPPD
14.6%
below
national
average

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

**In 2023, EIA shifted Data Centers and Crypto (261M) from Industrial to Commercial

¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: RATES

Fair, Reasonable, and Non-Discriminatory

MAINTAIN

Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute 70-655

- Cost of Service Study (COSS) is completed to align rates with cost drivers
- Continually evaluating allocations based on changes within the organization and industry
- Costs are allocated across classes according to their unique usage characteristics
- The rate setting process is reviewed by an outside consultant (The Brattle Group)

IMPLEMENT

Implement industry best practices in rate design (as recommended by The Brattle Group)

- Eliminated declining blocks for residential and commercial customers in 2025/early 2026
- Rates 245 and 250 were combined to rate 245 in January 2026 to simplify rate offerings as the system characteristics between these two rates didn't justify different rate structures
- Starting in 2027, established demand limits for the commercial and industrial rate classes go into effect

PLAN

Plan for a Time Varying Rates (TVR) pilot

- Currently performing analysis on Time of Use (TOU) options
- Recommendation to the board in late Q3 2026
- Pilot beginning in Spring of 2027

SD-2: RATES

Cost Assignment Across & Within Classes

Equitably assign costs across and within all customer classes

- Equitable assignment of costs within rate classes is dependent on rate structure, metering technology, and customer homogeneity
- 2024 Rate Action aligned cost recovery to the Cost-of-Service Study (COSS) in support of fair, reasonable, and non-discriminatory rate recovery principles

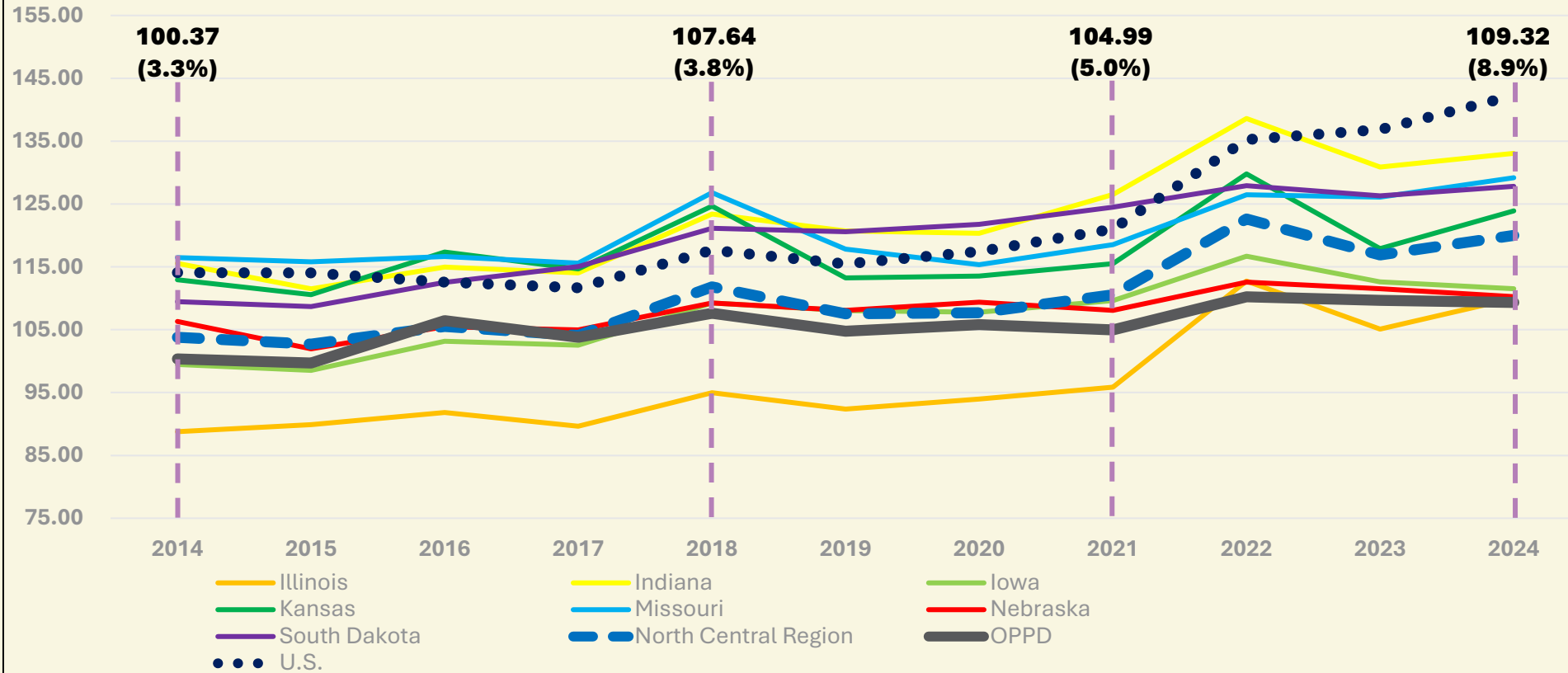
	Industrial	Commercial	Residential
Customer Costs*	●	●	●
Energy Costs	●	●	●
Demand Costs*	●	Partial	Partial

*Service charge recovers a portion of the customer and distribution related costs for small commercial and residential rate classes

SD-2: AFFORDABILITY INDICATORS



North Central Region* Average Residential Bill (\$/Month)
Data from EIA - Electric Sales, Revenue, and Average Price



OPPD
8.9%
below
regional
average

OPPD
23.2%
below
national
average

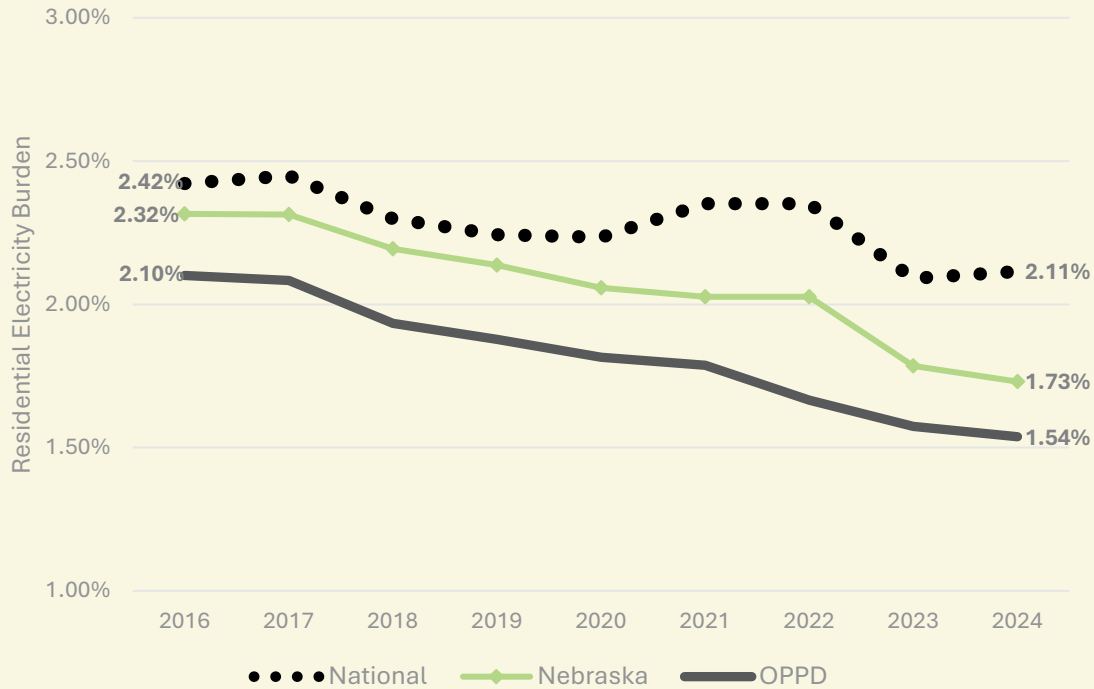
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
OPPD	\$100.37	\$99.70	\$106.43	\$103.82	\$107.64	\$104.77	\$105.82	\$104.99	\$110.24	\$109.67	\$109.32
Region	\$103.78	\$102.71	\$105.51	\$104.10	\$111.83	\$107.55	\$107.71	\$110.55	\$122.62	\$116.88	\$120.02
U.S.	\$114.09	\$114.03	\$112.59	\$111.67	\$117.65	\$115.49	\$117.46	\$121.01	\$135.25	\$136.84	\$142.26

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

SD-2: RATES

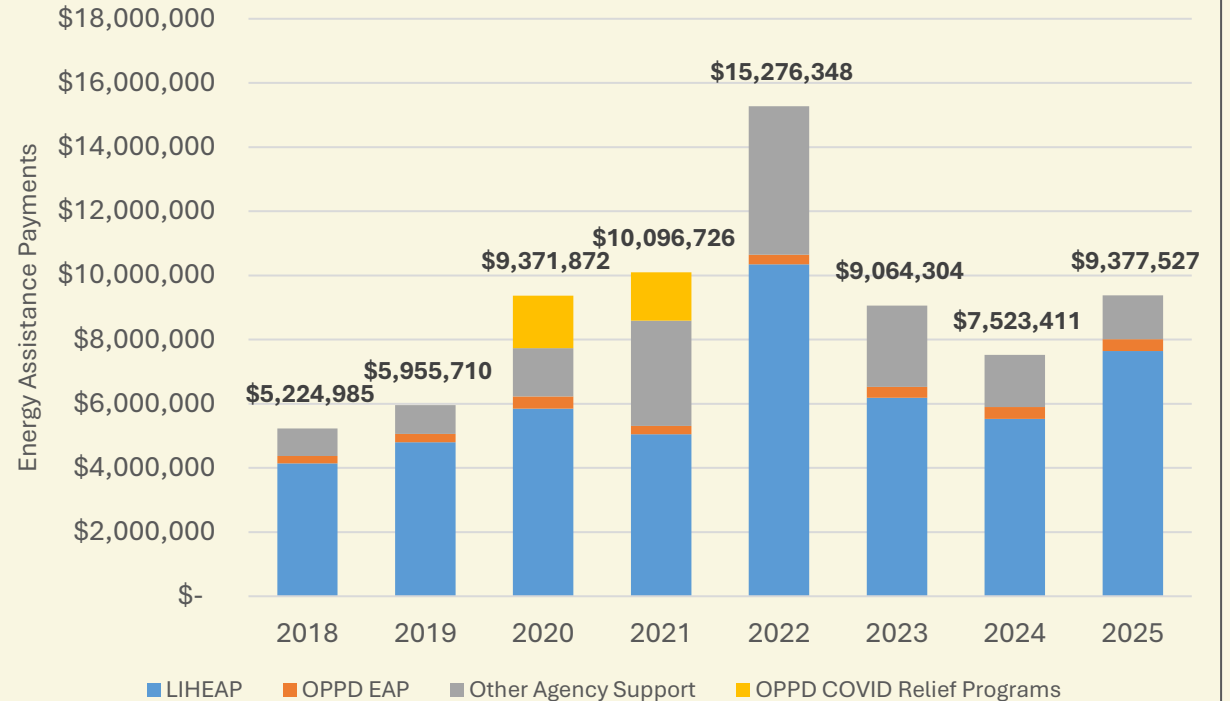
Affordability Indicators

Residential Electricity Burden



Median Household Income Data from US Census, ACS-5Y, Electricity Data from EIA Annual Electric Utility Data

Energy Assistance Funding



- 20% increase in assistance funding from 2024
- LIHEAP Accounted for 82% of assistance funding received.
- Increase in assistance funding during pandemic helped mitigate the impact on arrears and affordability for income constrained customers

SD-2: RATES

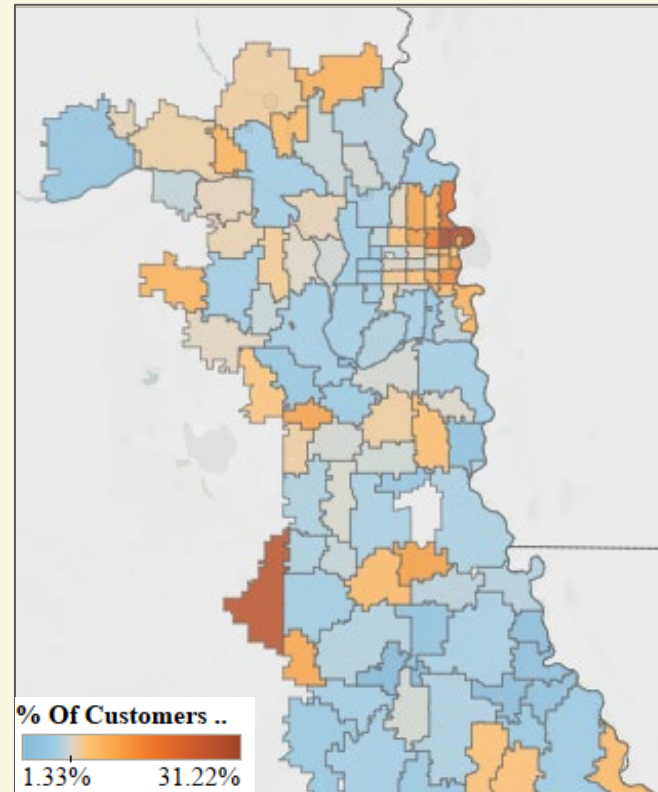
Monitor Affordability Indicators

Electricity burden is impacted by income, heating sources, efficiency of the premise, behavioral and other factors.

- Individual customer energy burdens can be above or below the zip code average
- A household with 6% or greater energy burden is considered to be a high energy burden household*
- Customer with 3+ disconnect notices is an indicator of high electricity burden

*<https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

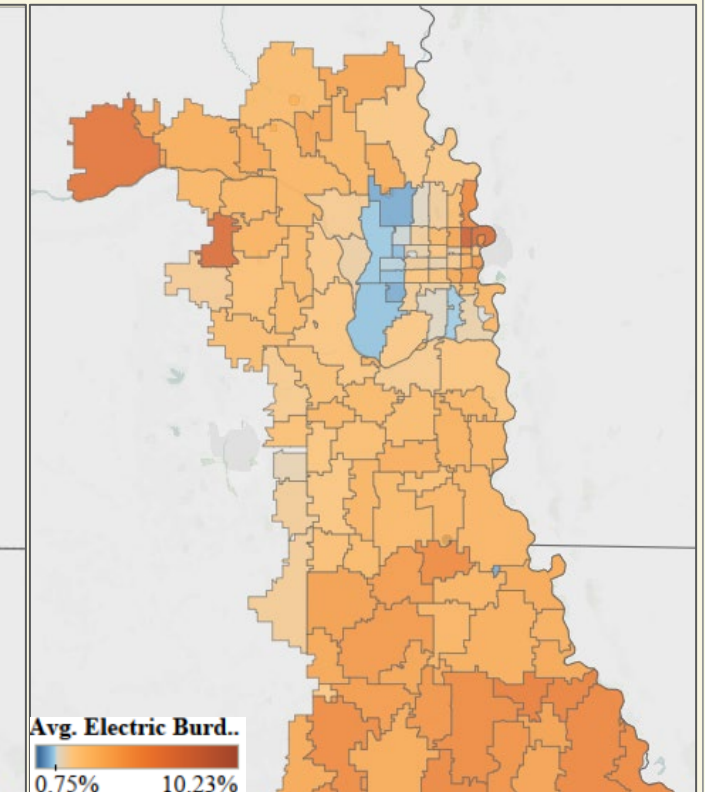
Percentage of Customers with 3+ Disconnect Notices



3+ Disconnect Notices

- 37,459 customers had 3+ disconnect notices
- The average electricity burden of customers with 3+ disconnect notices was 4.5%

Electric Burden by Zip Code



Electricity Burden:

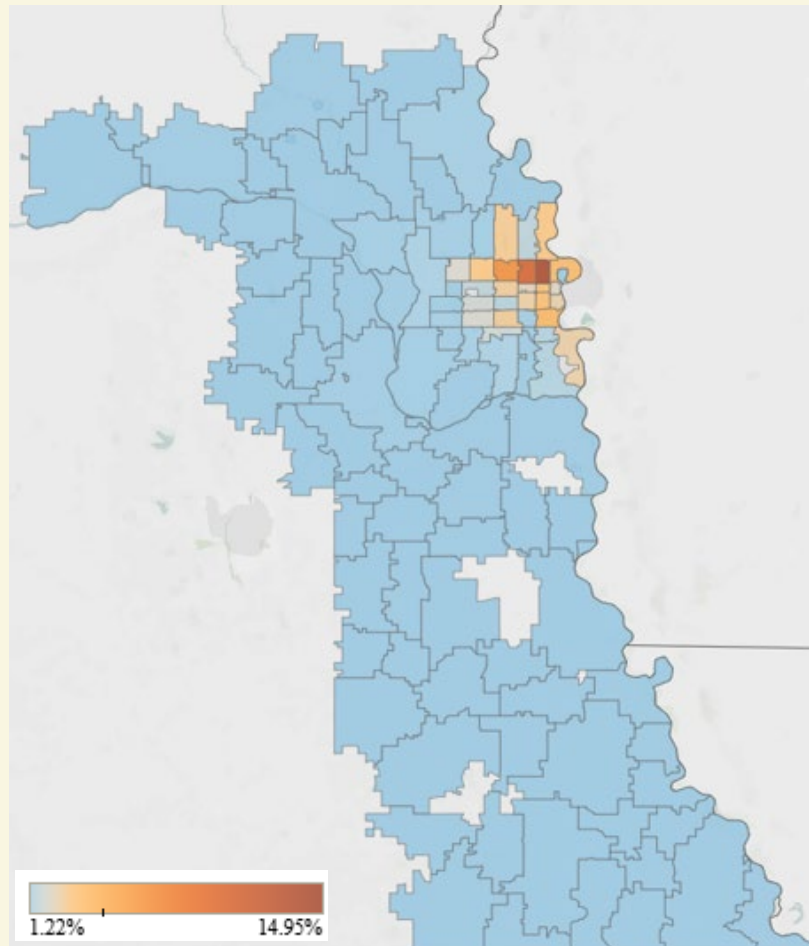
- For customers with at least 12 month of billing history
- Does not include taxes or adjustments
- Average 1.54%

SD-2: RATES

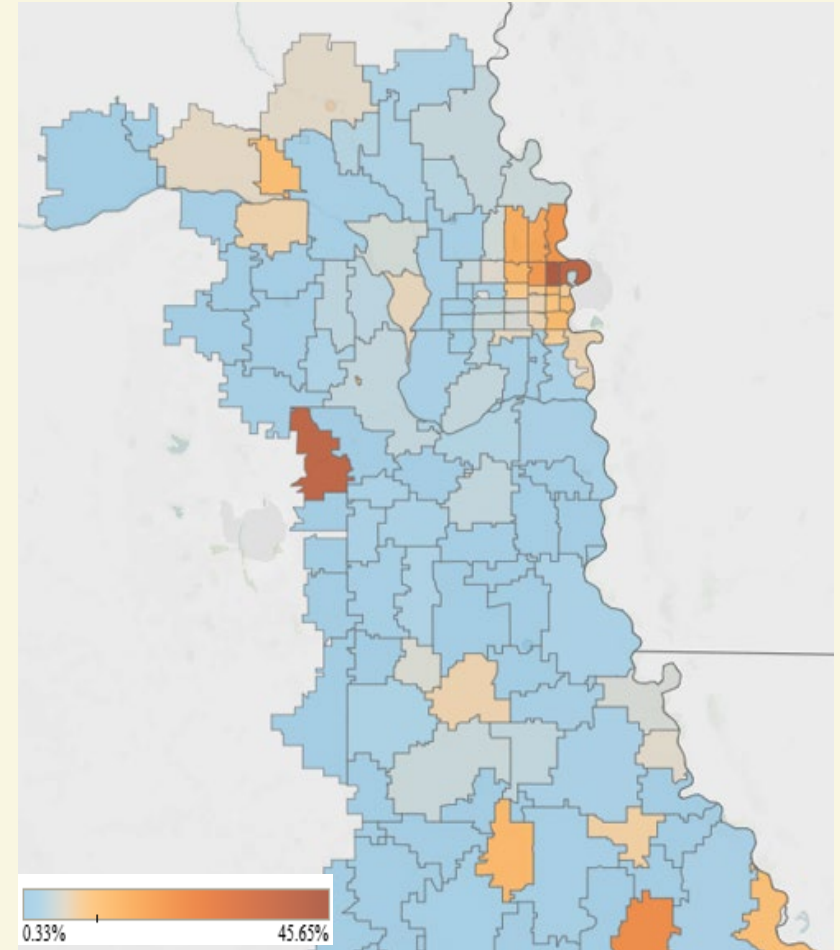


Monitor Affordability Indicators

Percentage of Total Energy Assistance Funding per Zip Code (Portion of the \$9,377,527 Funding)



Percentage of Customers Receiving Financial Assistance Per Zip Code



Energy Assistance Funding

- 29,037 energy assistance payments distributed in 2025
- Customers received an average assistance payment of \$323

SD-2: RATES

Flexibility and Options

Offer flexibility and options

- The following options exist to increase flexibility and options for interested and eligible customers
- OPPD is continuously working toward future rate, product, and service offerings to meet customer needs

Residential	General Service	
Heat Pump	261M	Standby Service*
Private Outdoor Lighting	Streetlights	Curtable*
Cogeneration and Small Power*	Cogeneration and Small Power*	Time of Use*
Net Metering*	Net Metering*	Supplemental Capacity*
Community Solar*	Community Solar*	Primary Service Discount*
	Green Sponsorship*	

*Denotes Rider

SD-2: RATES



Cost of Energy When Used

PROCESS & STRUCTURE: Changes reflect the cost of energy when it is used - Residential and Small Commercial Rates include a seasonal energy charge:

- Summer being June through September
- Non-Summer being October through May

FUEL & PURCHASE POWER ADJUSTMENT: Calculated using seasonal energy prices reflecting the cost of the energy when it is expected to be used

LARGE POWER: 261M priced at market energy

ADVANCED RATE STRUCTURE: OPPD will continue to evaluate more advanced rate structures as AMI and other technologies are monitored and implemented

SD-2: RATES

Simple and Easy to Understand

ESTABLISH

- Establish effective and engaging broad communication with customers
- OPPD Rates remain lower than regional and national averages

ENSURE

- Ensure targeted and specific messaging for individual rate classes and customers using direct messaging and/or conversations about specific rate increase impacts
- Provided customers more detailed explanations of the drivers of the rate increase
 - Provided customers an opportunity to have conversations with OPPD
 - Explored options through programs and offerings to better serve our customers

GUIDE

- The Rate Fundamentals Report is published on OPPD.com at the end of each year
- Provides foundational guidance to stakeholders regarding the rate setting process

SD-2: RATES

Recommendation

The Finance Committee has reviewed and accepted this Monitoring Report for SD-2: Rates and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-2.



Omaha Public Power District
BOARD OF DIRECTORS

Action Item

June 16, 2026

ITEM

SD-2: Rates Monitoring Report

PURPOSE

To ensure full Board review, discussion and acceptance of SD-2: Rates Monitoring Report


FACTS

- a. The Board confirmed the Corporate Governance Initiative Charter in December 2014, in order to assess and refine OPPD's corporate governance infrastructure.
- b. The first set of Board policies was approved by the Board on July 16, 2015. A second set of Board policies was approved by the Board on October 15, 2015.
- c. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- d. The Finance Committee is responsible for evaluating Board Policy SD-2: Rates on an annual basis.
- e. Board Policy SD-2: Rates was revised and approved by the Board on December 15, 2022.
- f. The Finance Committee has reviewed the SD-2: Rates Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

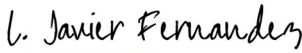
ACTION

The Finance Committee recommends Board approval of the 2026 SD-2: Rates Monitoring Report.

RECOMMENDED:

DocuSigned by:

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Bradley R. Underwood
Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

Signed by:

AC309FDCE56247E...
L. Javier Fernandez
President and Chief Executive Officer

Attachments: SD-2: Rates Monitoring Report
Resolution