RESOLUTION NO. 6541

WHEREAS, in November 2022, the Board's Finance Committee (the “Committee”) proposed, and the Board of Directors reviewed, a recommendation to revise Board Policy SD-2: Rates; and

WHEREAS, the proposed revisions were posted on OPPDCommunityConnect.com for public comment between November 28, 2022 and December 11, 2022, and the Board reviewed the public comments that were received.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that the proposed revisions of Board Policy SD-2: Rates are approved, effective December 15, 2022, as set forth in Exhibit A, attached hereto.
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.

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.
Board Action

BOARD OF DIRECTORS

December 13, 2022

ITEM

SD-2 Rates

PURPOSE

To ensure full board review, discussion and acceptance of SD-2: Rates.

FACTS

a. The Finance Committee is responsible for evaluating and monitoring Board Policy SD-2: Rates.

b. The Finance Committee proposed revisions for Board consideration and public feedback on November 15, 2022. Public comments were accepted on OPPDCommunityConnect.com from November 28 to December 11, 2022.

c. The Finance Committee is recommending to the Board that Board Policy SD-2: Rates be revised as outlined in Exhibit A.

Action

Board of Directors approval of SD-2 Rates policy, as outlined in Exhibit A.

RECOMMENDED:

Jeffrey M. Bishop
Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

L. Javier Fernandez
President and Chief Executive Officer

JMB:bjs

Attachments: Exhibit A – SD-2 Rates Policy Revision
Exhibit B – Presentation
Resolution
SD-2: Rates

Jeff Bishop
Chief Financial Officer

December 13, 2022
<table>
<thead>
<tr>
<th>Policy No. and Name:</th>
<th>SD-2: Rates</th>
</tr>
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<tbody>
<tr>
<td>Date of Approval:</td>
<td>July 16, 2015, November 16, 2017, November 18, 2021</td>
</tr>
<tr>
<td>Resolution No.:</td>
<td>6070, 6210, 6471</td>
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</tbody>
</table>

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 § 79-655;
- 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.
Refinement Process: Strategic Directives

**BOARD WORK PLAN**

Step 1  
Committee chair/director requests during regular All Committee to determine if policy refinement will be added to the Board Work Plan.

**PRIORITIZATION**

Step 2  
Board Chair and CEO convene to confirm priority, resource requirements, and start and finish dates; pending discussion, Chair/CEO will inform committee chair.

**PRES & CEO**

Step 3  
Assigns SMT to policy refinement as appropriate; approves initial drafts for committee review and comment.

**COMMITTEE**

Steps 4-5  
Reviews, revises and finalizes refinements to present to Board.  
Committee Chair Committee

**BOARD**

Steps 6-8  
Provides feedback on draft; concur readiness for public posting; approve final committee recommendation via Board vote.

In-Committee

- **Added to Work Plan**  
  August 26, 2020

- **Committee discussion & recommendation development**  
  April 2, 2021-present

- **Board review/decision**  
  December 13, 2022

- **Public Comment**  
  Nov 28 – December 11, 2022

- **Vote**  
  Tentative December 15, 2022

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