11.18.25

2026 CORPORATE OPERATING PLAN

Brad Underwood
Vice President & Chief Financial Officer

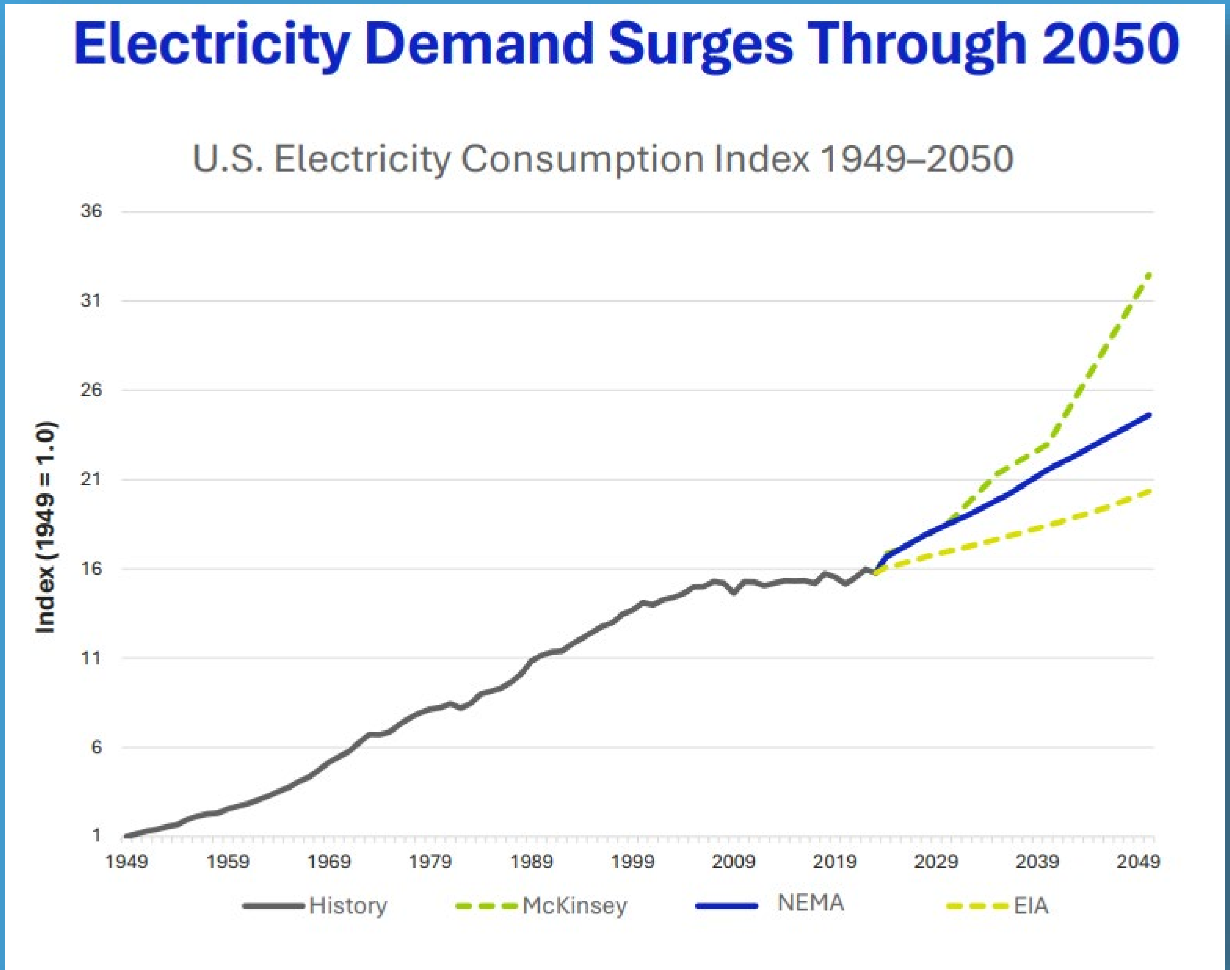
OPPD
Omaha Public Power District

AGENDA

- Electric Industry Context
  - Load growth
  - Higher safety margins
  - Construction time
  - Inflation
- Customer Benefits
- 2026 Financial Overview
- 2026 Rate Action
- Customer Outreach

ELECTRIC INDUSTRY CONTEXT

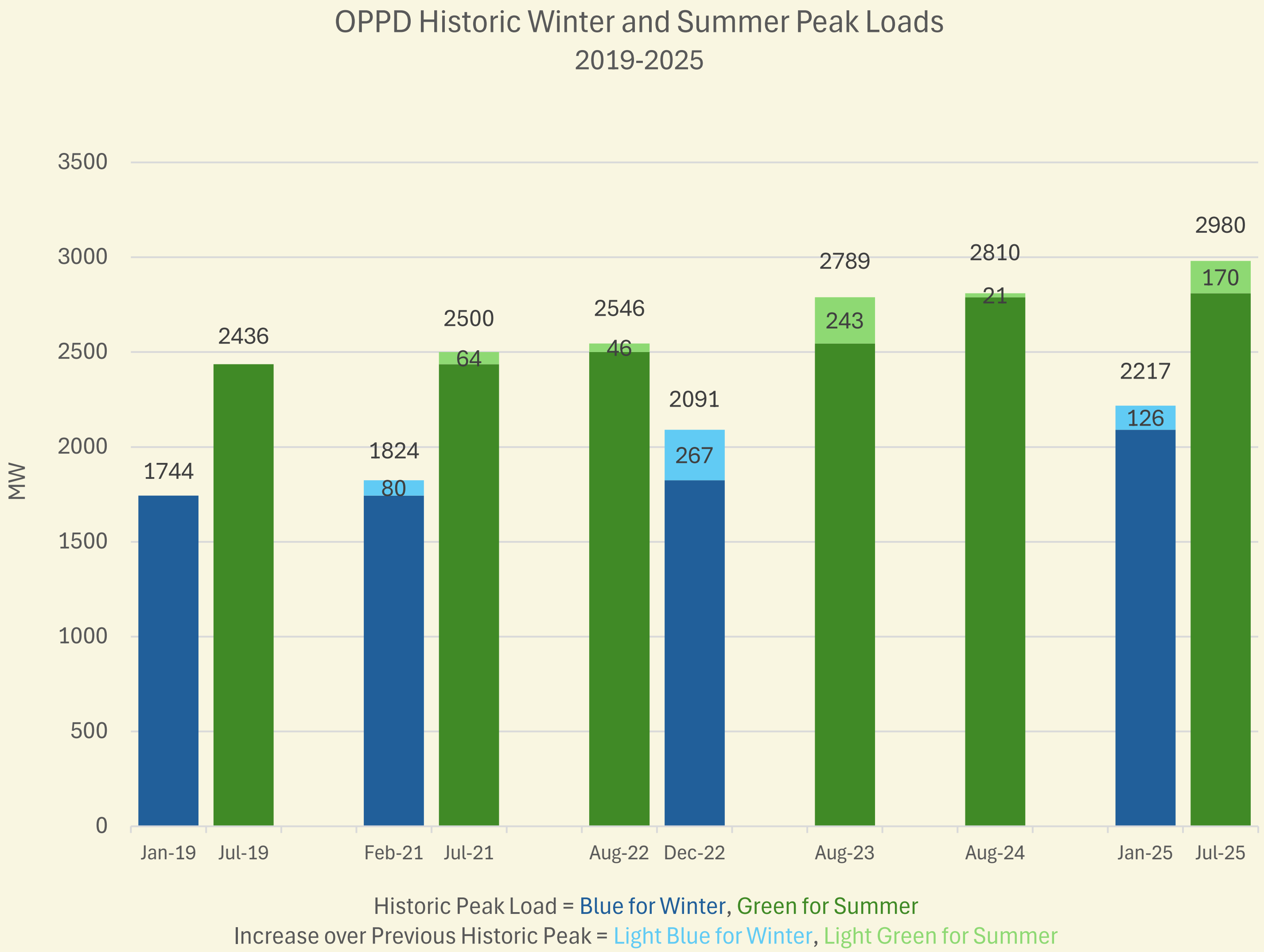
A NEW ERA OF GROWTH IS HERE — AND IT NEEDS ENERGY.



Source: National Electrical Manufacturers Association (NEMA) April 2025
Acronyms: Energy Information Administration (EIA)

GROWTH IS REAL, AND IT'S CHANGING HOW WE PLAN

- **23,000** new residential meters since 2020—equal to adding Grand Island. Adding **500 MW** is like Grand Island and Hastings **combined.**
- **New winter peak** 2,217 MW in Jan. 2025 — **+ 473 MW** since 2019
- **New summer peak** 2,980 MW in July 2025— **+ 544 MW** since 2019
- **Minimal net rate increases** despite growth.



NEW GUIDELINES FROM SPP REGARDING RESERVE MARGINS ARE ALSO DRIVING COSTS.

RESERVE MARGIN REQUIREMENTS

	Previous System Margin	New System Margin 2026	Change	New System Margin 2028
Summer	15%	16%	+1%	17%
Winter	15%	36%	+21%	38%

IT'S MORE CHALLENGING THAN EVER TO BUILD NEW GENERATION, AND WE NEED ALL AVAILABLE SOURCES.

3-4 YEARS

SOUTHWEST POWER POOL

- Accreditation
- GI requests
- GI studies
- GI agreements

3-4 YEARS

UTILITIES + GENERATION DEVELOPERS

- Develop Integrated Resource Plan
- Request for proposals
- Gain regulatory approval
- Secure land and materials
- Construction
- Connect new resources to SPP

POTENTIALLY 7 YEARS TO DELIVER

Source: Southwest Power Pool

WHAT IS INFLATION?

INFLATION = the rise in overall prices of goods and services across the economy.

It is not just the cost of one item going up. It is a broad increase in prices.

The Federal Reserve relies on several price indexes published by the U.S. Bureau of Labor Statistics, and other agencies. **Three inflation measures used often:**

CONSUMER PRICE INDEX (CPI)

Follows what households pay for a “basket” of everyday goods and services, including energy, specifically within the housing and transportation major groups.

PRODUCER PRICE INDEX (PPI)

Tracks price changes from the viewpoint of producers and wholesalers, meaning what is being paid for goods before they reach consumers.

PERSONAL CONSUMPTION EXPENDITURE (PCE) INDEX

A broader measure of spending patterns. It measures the change in the prices of goods and services purchased by households. It reflects how much consumers are spending and adjusts over time as spending patterns change.

CONSUMER PRICE INDEX

- The eight main categories of the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) are:

Food and beverages

Housing

Apparel

Transportation

Medical Care

Recreation

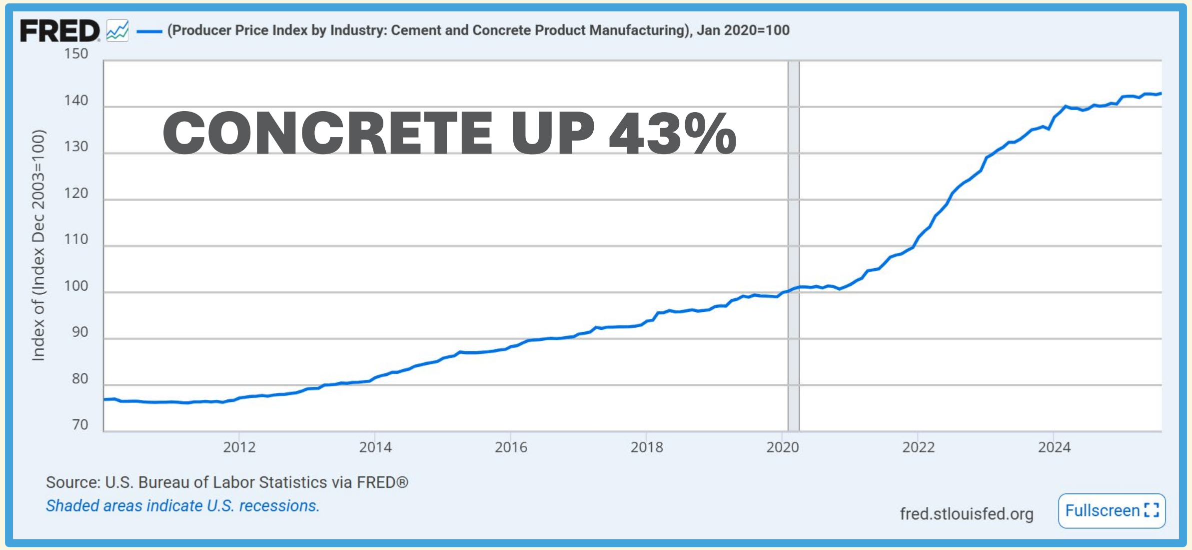
Education and Communication

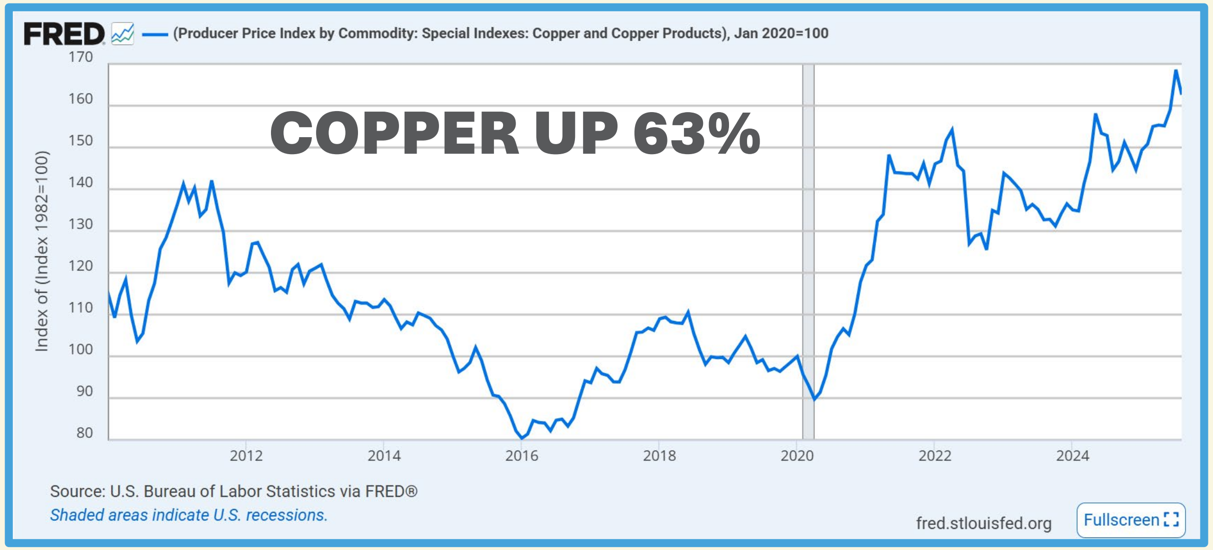
Other Goods and Services

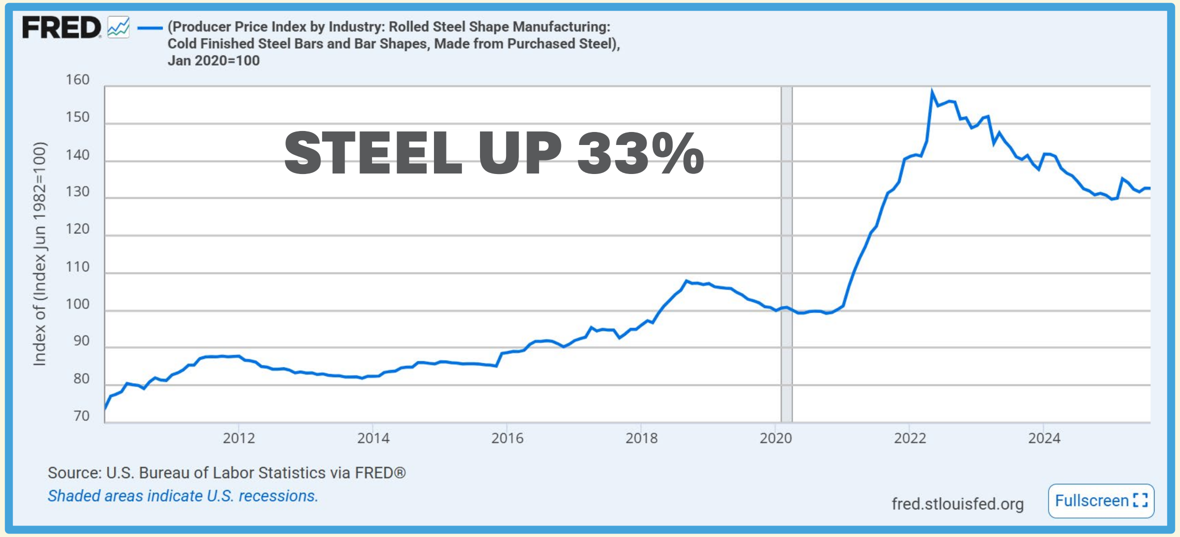
- Energy prices are included in the CPI as they are part of the goods and services purchased by consumers, specifically within the housing and transportation major groups.

INFLATIONARY PRESSURES

OVERALL % INCREASE IN PRODUCER PRICE INDEXES SINCE 2020

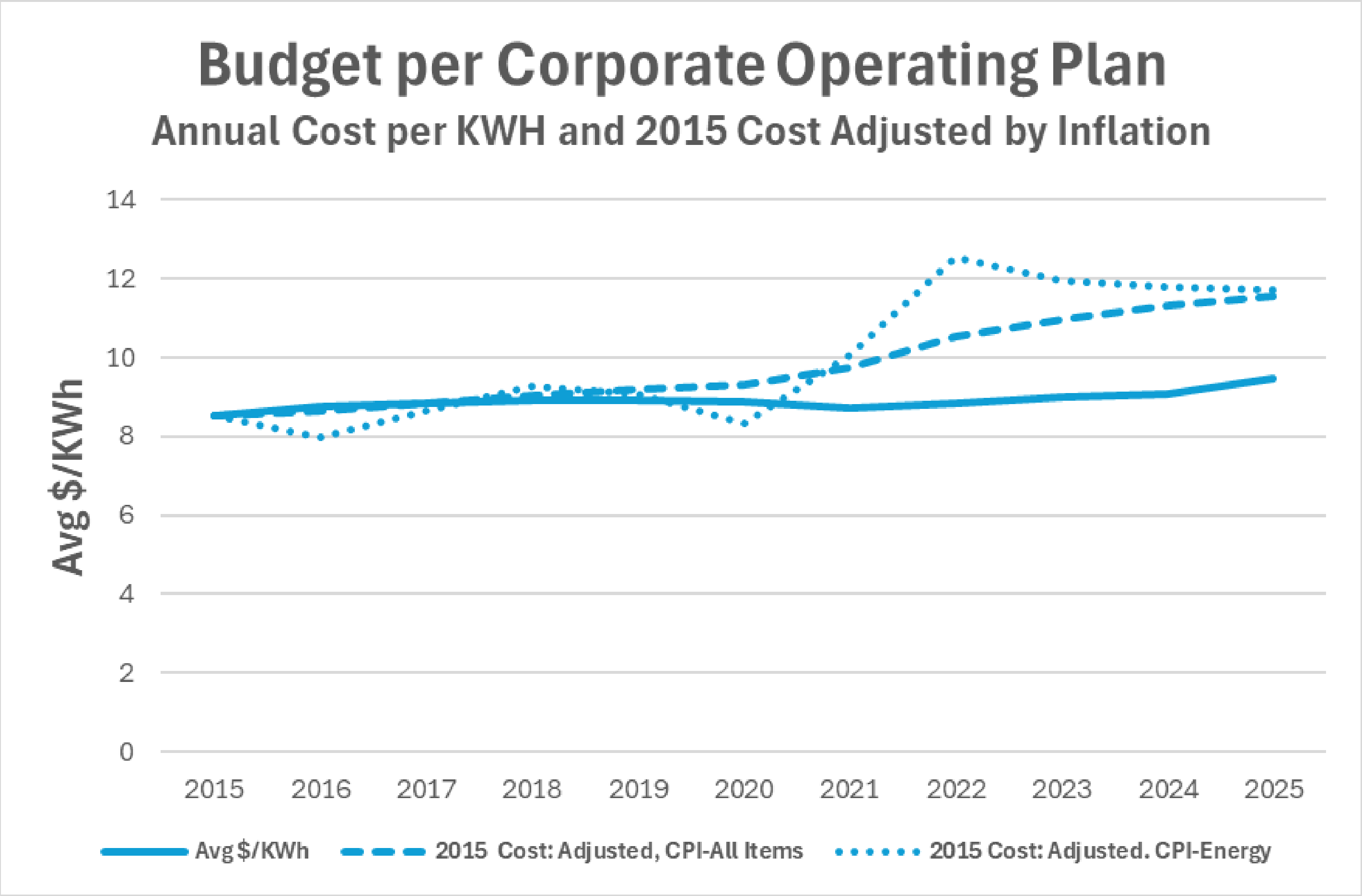






BUDGETED COST PER KWH

2015 COSTS ADJUSTED FOR INFLATION

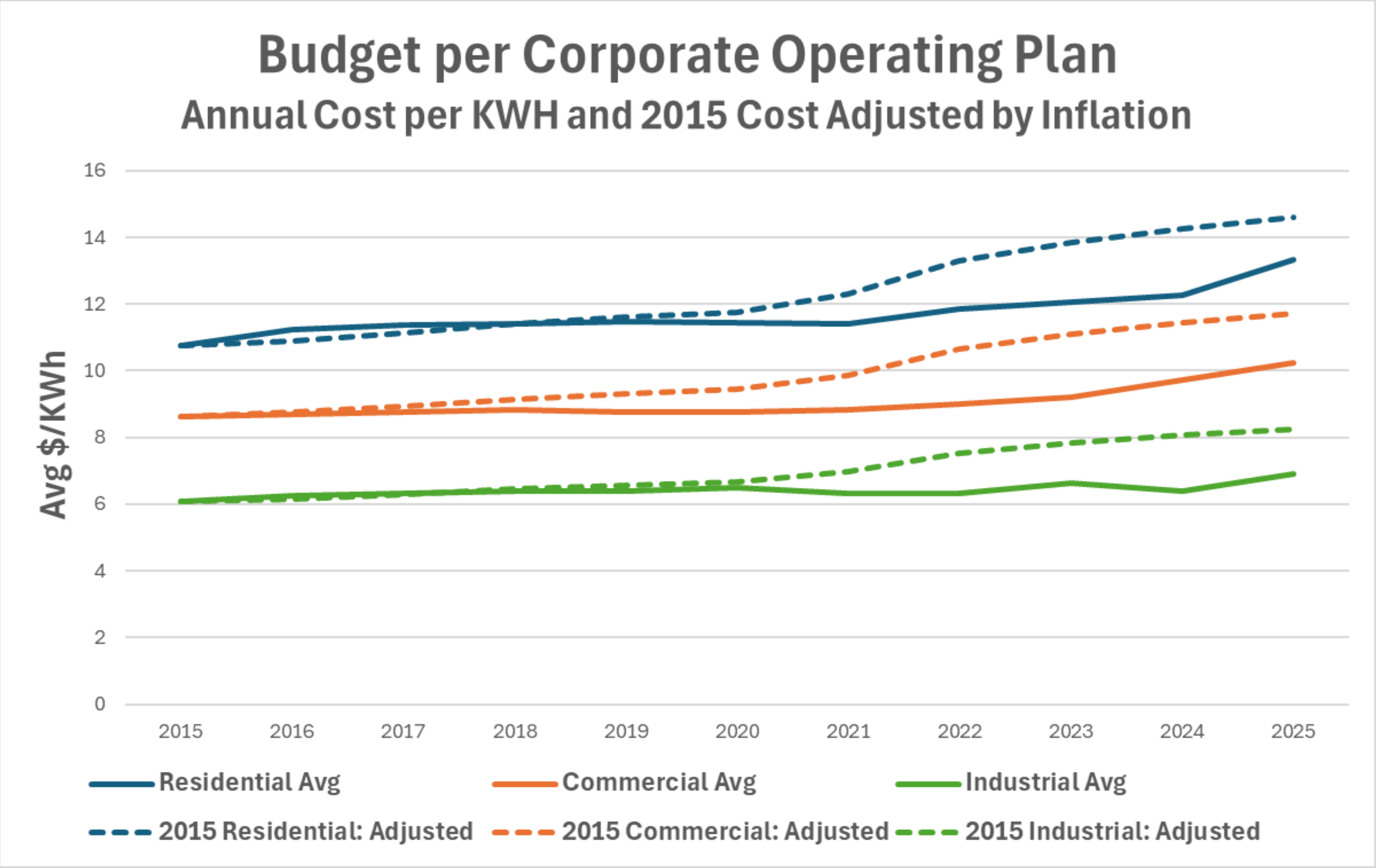


Adjusted values uses Consumer Price Index for All Urban Consumers: All Items, Energy
Data Source: U.S. Bureau of Labor Statistics via FRED

- Budgeted cost per kWh used to set retail rates
- 2015 $/kWh adjusted using annual average CPI for the calculation
  - **CPI-All Items:** general inflation
  - **CPI-Energy:** energy inflation

BUDGETED COST PER KWH BY CUSTOMER CLASS

2015 COST ADJUSTED FOR INFLATION



Adjusted values uses Consumer Price Index for All Urban Consumers: All Items
Data Source: U.S. Bureau of Labor Statistics via FRED

- Budgeted cost per kWh used to set retail rates
- 2015 $/kWh adjusted using annual average CPI (All Items) for the calculation
- OPPD's retail electric rates have risen considerably less than inflation
- More recently, inflation has been rising well above historic levels

AS A RESULT, THE PROJECTED COSTS OF NEW AND REPLACEMENT FACILITIES HAVE INCREASED EACH YEAR.

~2.5x ↑

NEW 345-KV LINES
2021: $1.73 million (per mile)
2025: $4.39 million (per mile)

~5x ↑

NEW 138-KV LINES
2021: $.43 million per mile
2025: $2.16 million per mile

~2.4x ↑

NEW 345/115-KV TRANSFORMERS
2021: $6.72 million
2025: $15.86 million

SOURCE: Southwest Power Pool

TAKEAWAYS

- As a result of intentional and focused effort, electricity rates increased modestly from 2015 to 2025.
- When 2015 costs are adjusted for inflation, the inflation-adjusted curves rise faster than OPPD retail electric rates.
- While cost pressures exist, OPPD has managed to contain costs while investing in needed infrastructure compared with broader economic trends.
- Overall, the growth in budgeted cost per kWh at OPPD has been slower than the rise in general costs over the decade.

PAST 5 YEARS

- 25.2% increase in inflation
- 14.2% passed on to customers through rate action

PAST 10 YEARS

- 38.3% increase in inflation
- 19.2% passed on to customers through rate action

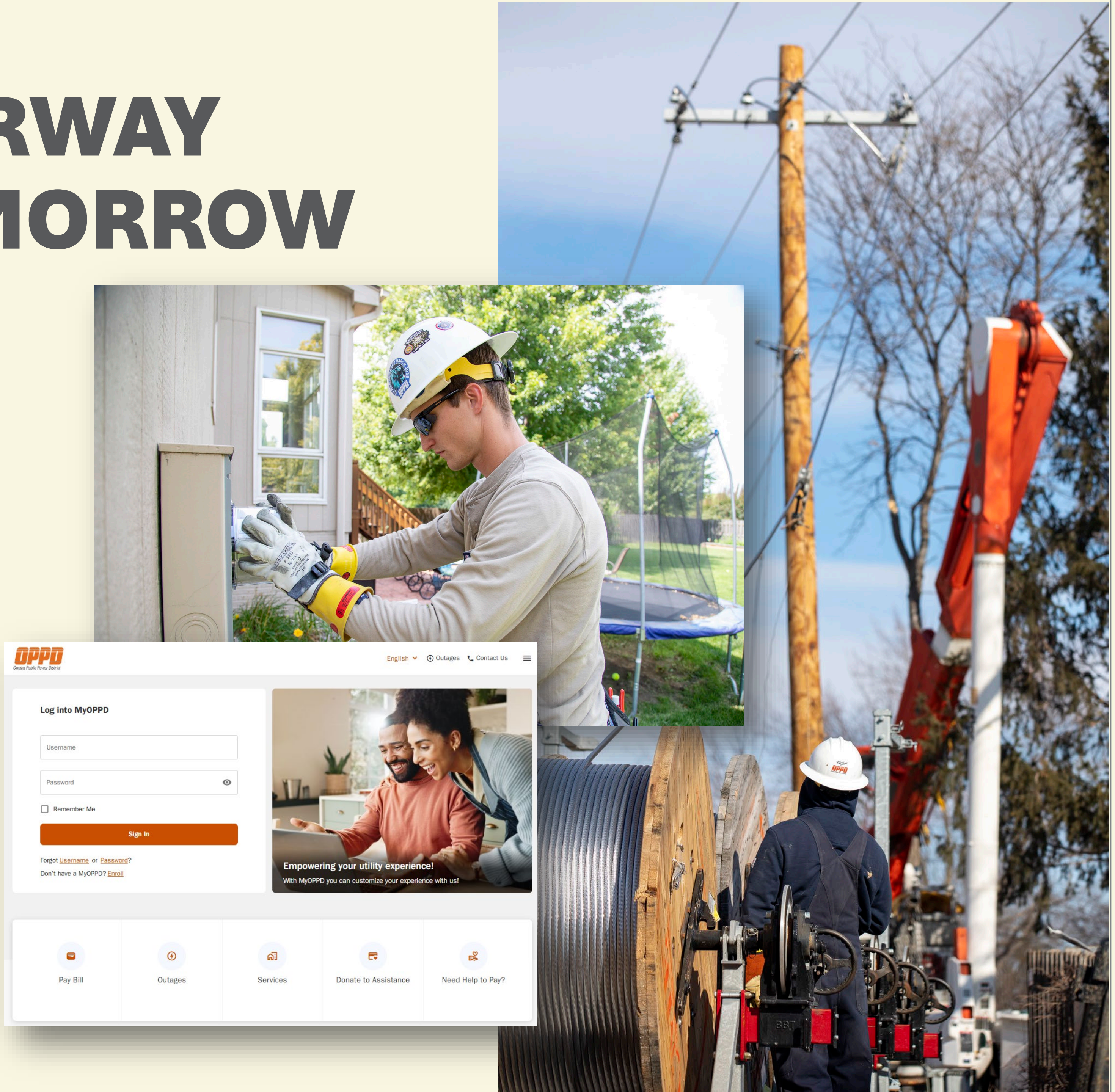
CUSTOMER BENEFITS

WHAT IS UNDERWAY TODAY FOR TOMORROW

- **Two, new balancing generation facilities** (Standing Bear Lake & Turtle Creek stations)
- Adding units to **expand output at Turtle Creek & Cass County** stations
- **23,000** new customers in past 5 years (the number of customers served by Grand Island Utilities)

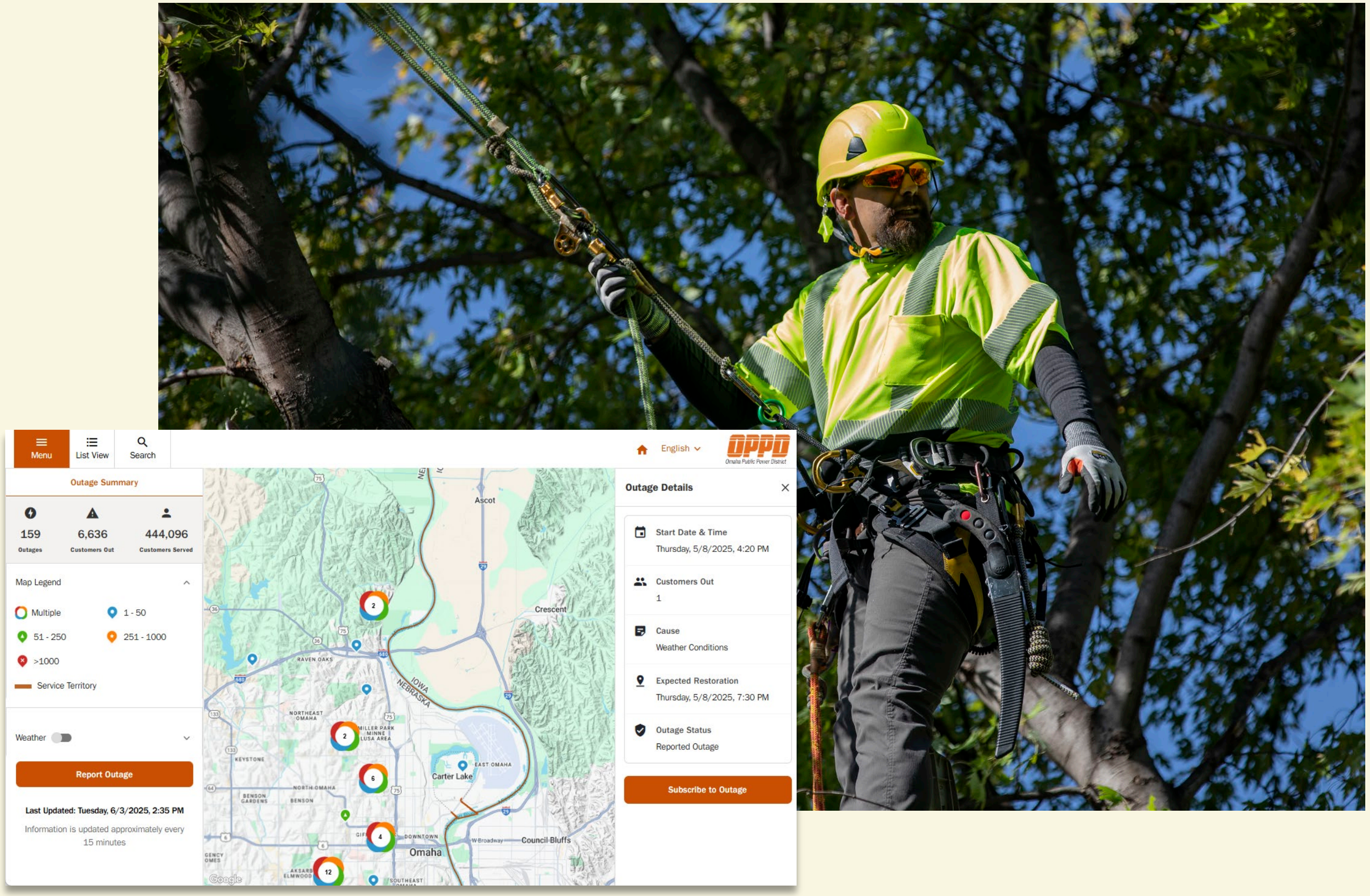
WHAT IS UNDERWAY TODAY FOR TOMORROW

- 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



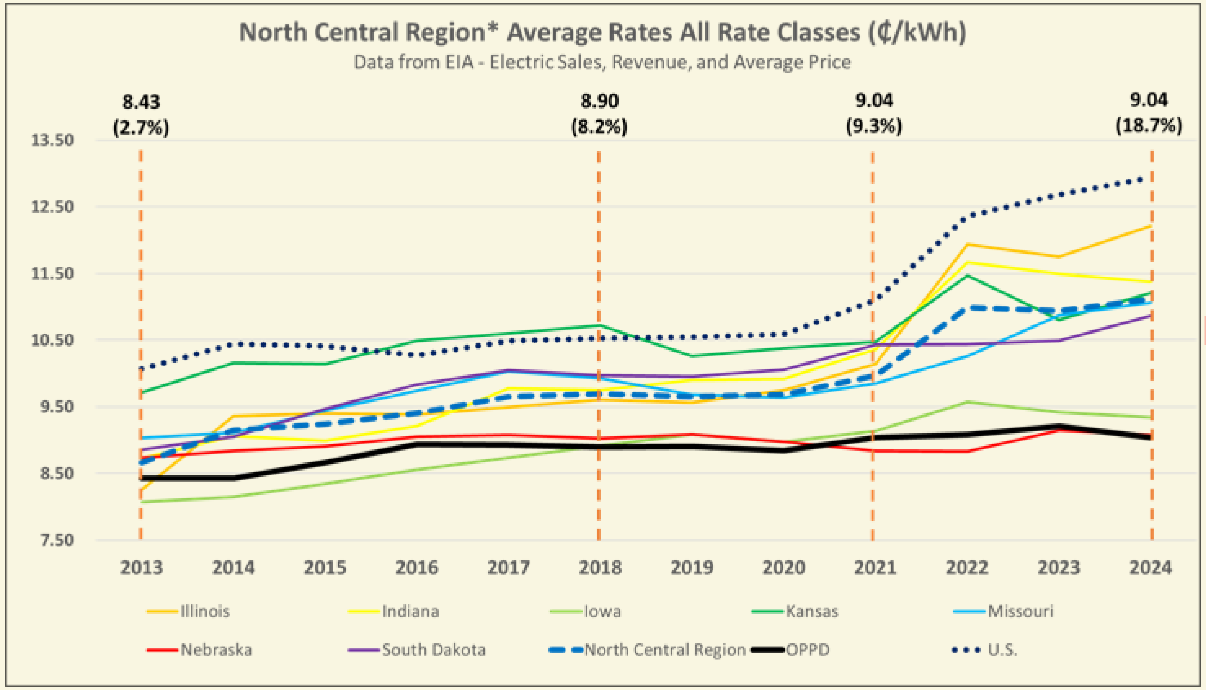
WHAT IS UNDERWAY TODAY FOR TOMORROW

- Enhanced **outage map**
- Increased **tree-trimming** activity and budget
- New **ways to communicate** for customers (text updates)
- Continued **hardening of infrastructure** against extreme weather
- Projected future general rate increases are **between 5-9% per year until 2030**.



AS WE SERVE CUSTOMER DEMAND, OPPD RATES REMAIN 30% BELOW THE NATIONAL AVERAGE AND 18% BELOW REGIONAL AVERAGE

SD–2: RETAIL RATES



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

OPPD 30.2% below national average

THIS YEAR, WE'VE TAKEN SERIOUS STEPS TO CONTROL COSTS AND OPERATE AS EFFICIENTLY AS POSSIBLE.

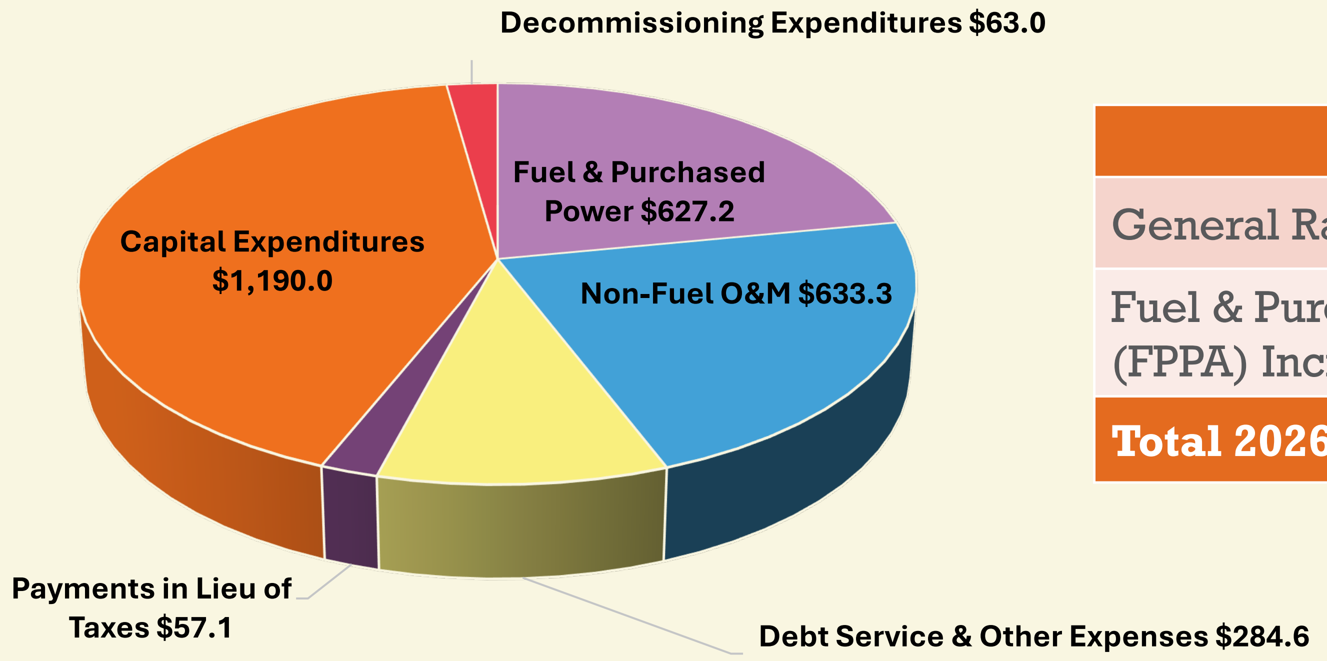
WHAT WE'VE DONE	WHY IT MATTERS
Delayed construction of Integrated Operations Center and new Southwest Service Center	Deferred major capital projects to reduce near-term spending
Enacted a hiring freeze	Holding open positions to reduce labor costs
Focused spending dramatically	Prioritizing only most critical investments

2026 FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

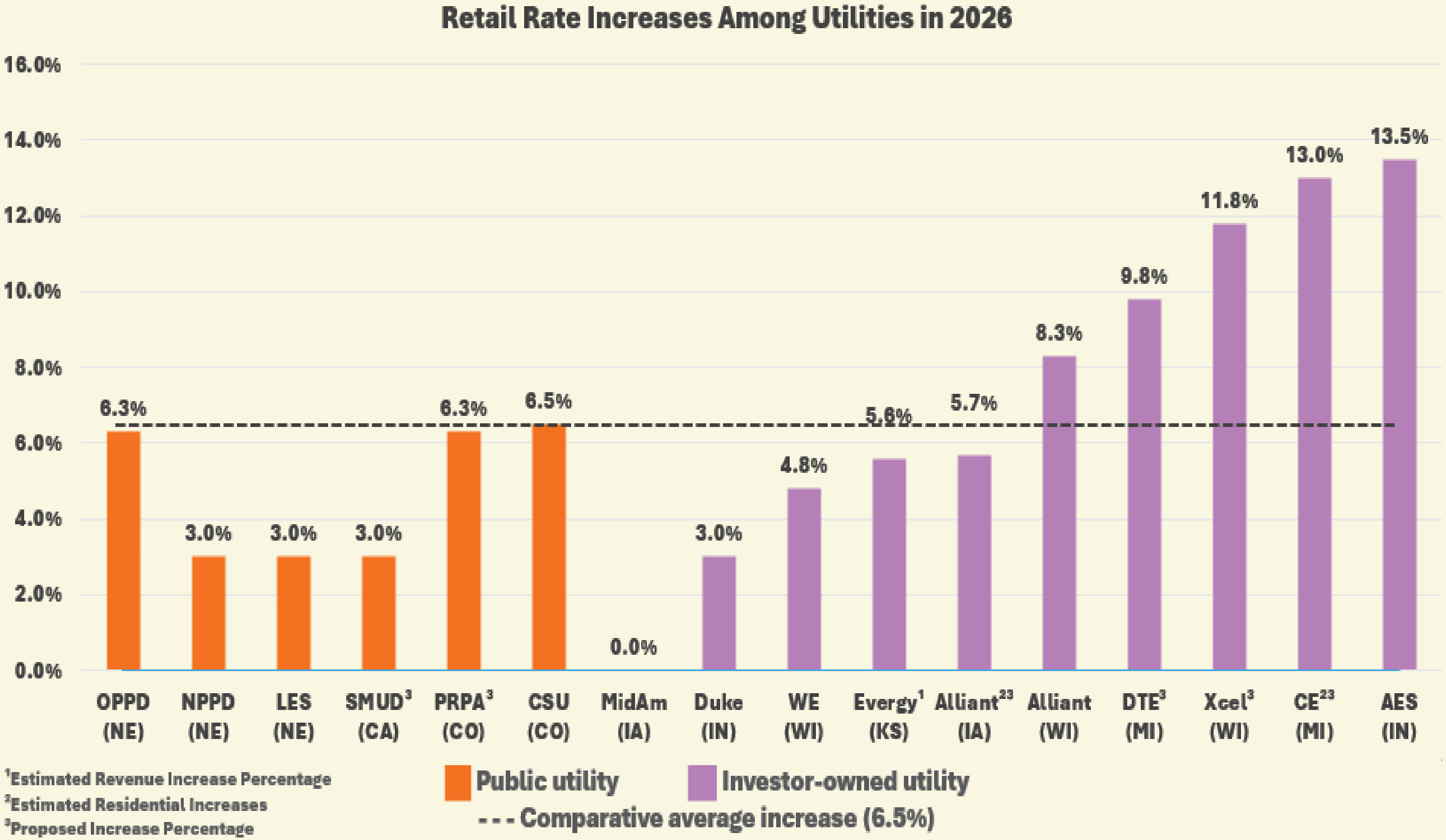
($ IN MILLIONS)

- Currently modeled 2026 operating budget is $2.9B
- 2026 total average rate impact of 6.3%



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

RATES ACROSS MIDWEST



[1]Estimated Revenue Increase Percentage
[2]Estimated Residential Increases
[3]Proposed Increase Percentage

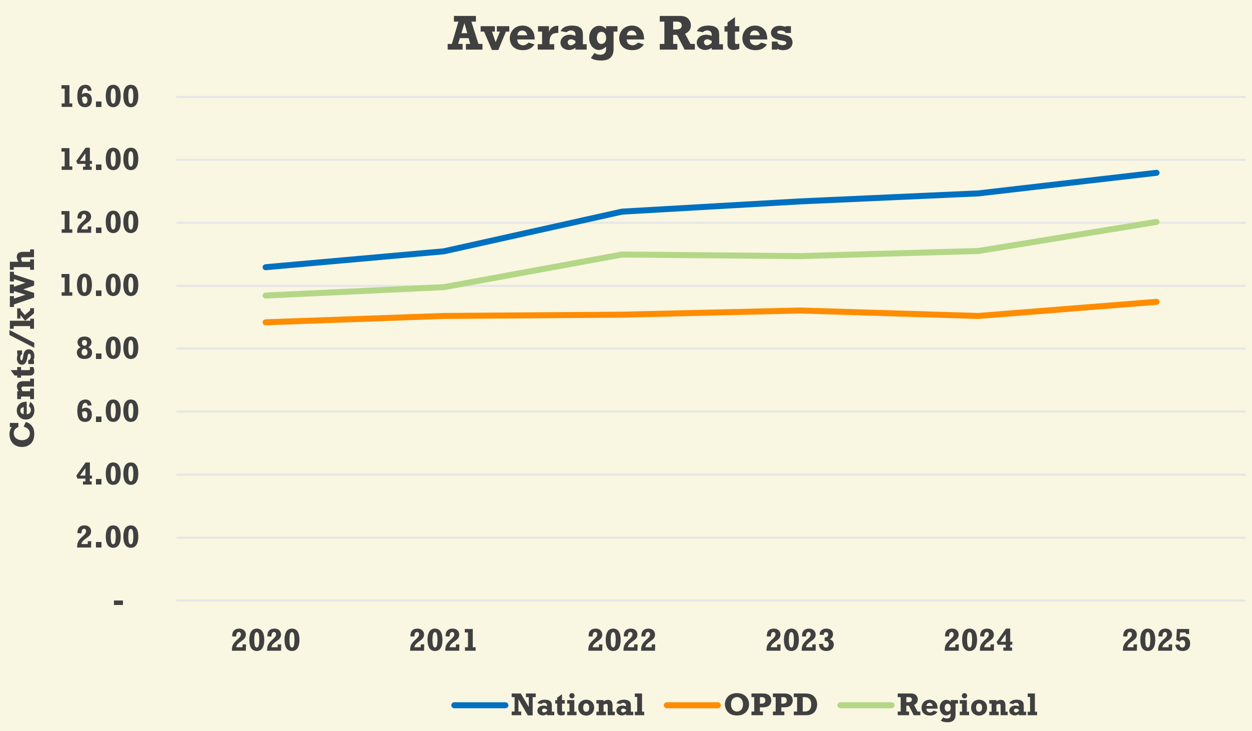
RATE INCREASE FACTORS

- Inflation
- Advanced Metering Infrastructure
- Customer Platform and Outage Map
- Grid strengthening
- Generation capacity increases
- Environmental compliance
- Purchased power cost increases

2026 RATE ACTION

COMPETITIVE RATES

- OPPD rates continue to gain a competitive edge against the national average.
- As of 2024, OPPD's average retail rate was 30.2% below the national average and 2025 preliminary numbers indicate 30.2% below the national average.
- Even with OPPD's rate increases of 6.3% in 2025 and 2026, OPPD's rates remain competitive while also supporting the overall health of our operations.

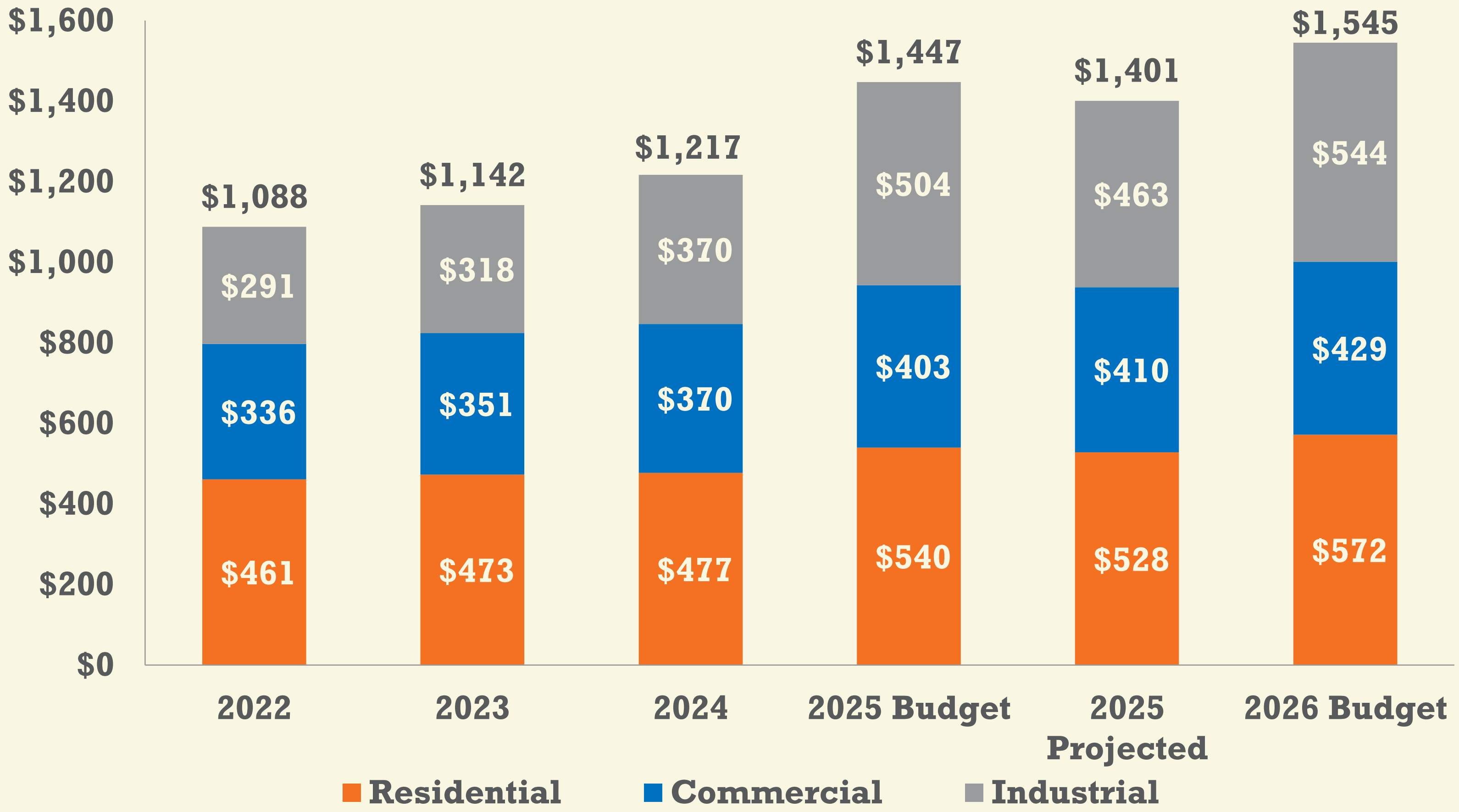


(cent/kWh)	2020	2021	2022	2023	2024	2025*
Regional	9.69	9.96	10.99	10.94	11.11	12.03
National	10.59	11.10	12.36	12.68	12.94	13.59
OPPD	8.84	9.04	9.08	9.21	9.04	9.49
% Below Regional	(8.7%)	(9.3%)	(17.4%)	(15.8%)	(18.7%)	(21.1%)
% Below National	(16.5%)	(18.5%)	(26.5%)	(27.4%)	(30.2%)	(30.2%)

**Energy Information Administration 2025 Preliminary Data*

RETAIL REVENUE EXCLUDING WHOLESALE REVENUES

($ IN MILLIONS)



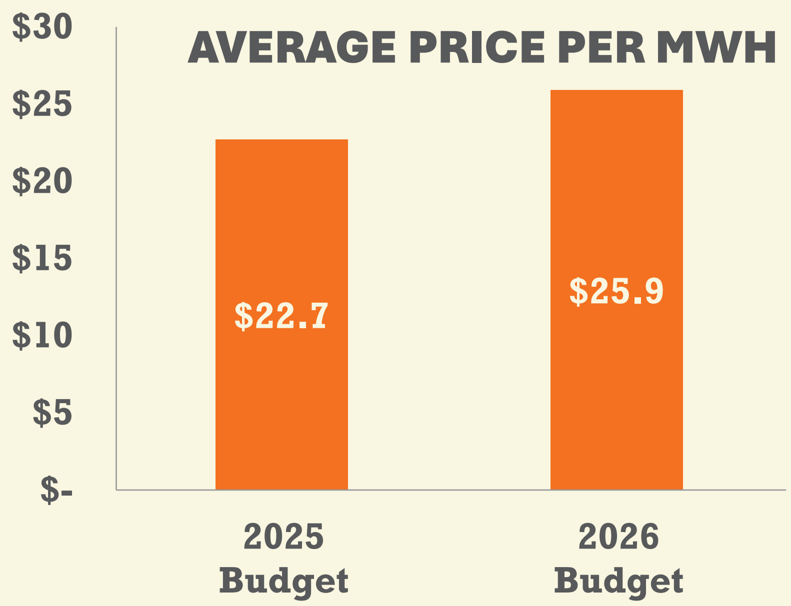
Excludes activity for Reserve Contributions/Usage, Unbilled, and Fuel and Purchased Power Adjustment

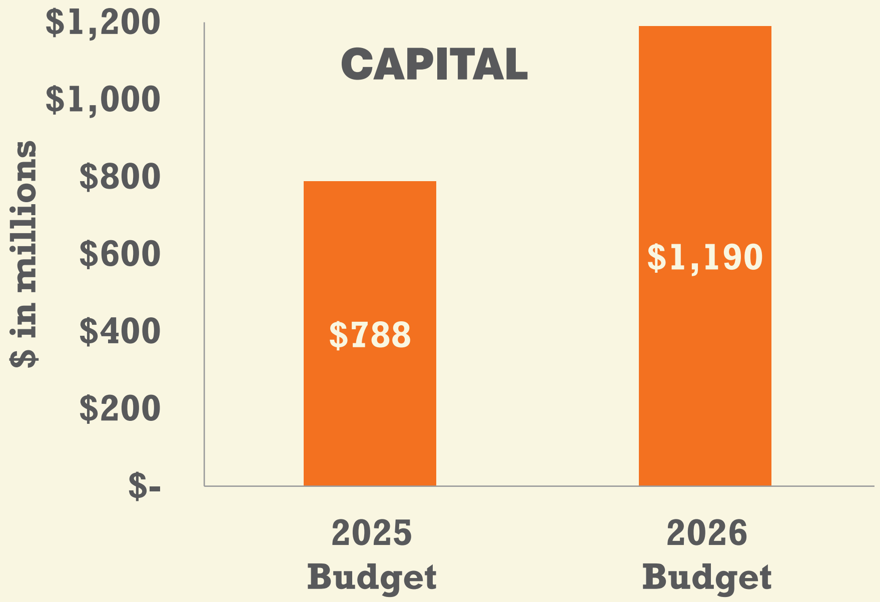
- District is experiencing revenue growth across all customer classes
- Annual revenue growth compared to 2025 budget by class:
  - Industrial = 7.9%
  - Commercial = 6.5%
  - Residential = 5.9%
- Relative to 2025, load growth is budgeted to increase by approximately 4.8%

2026 RATE ACTION

DRIVERS

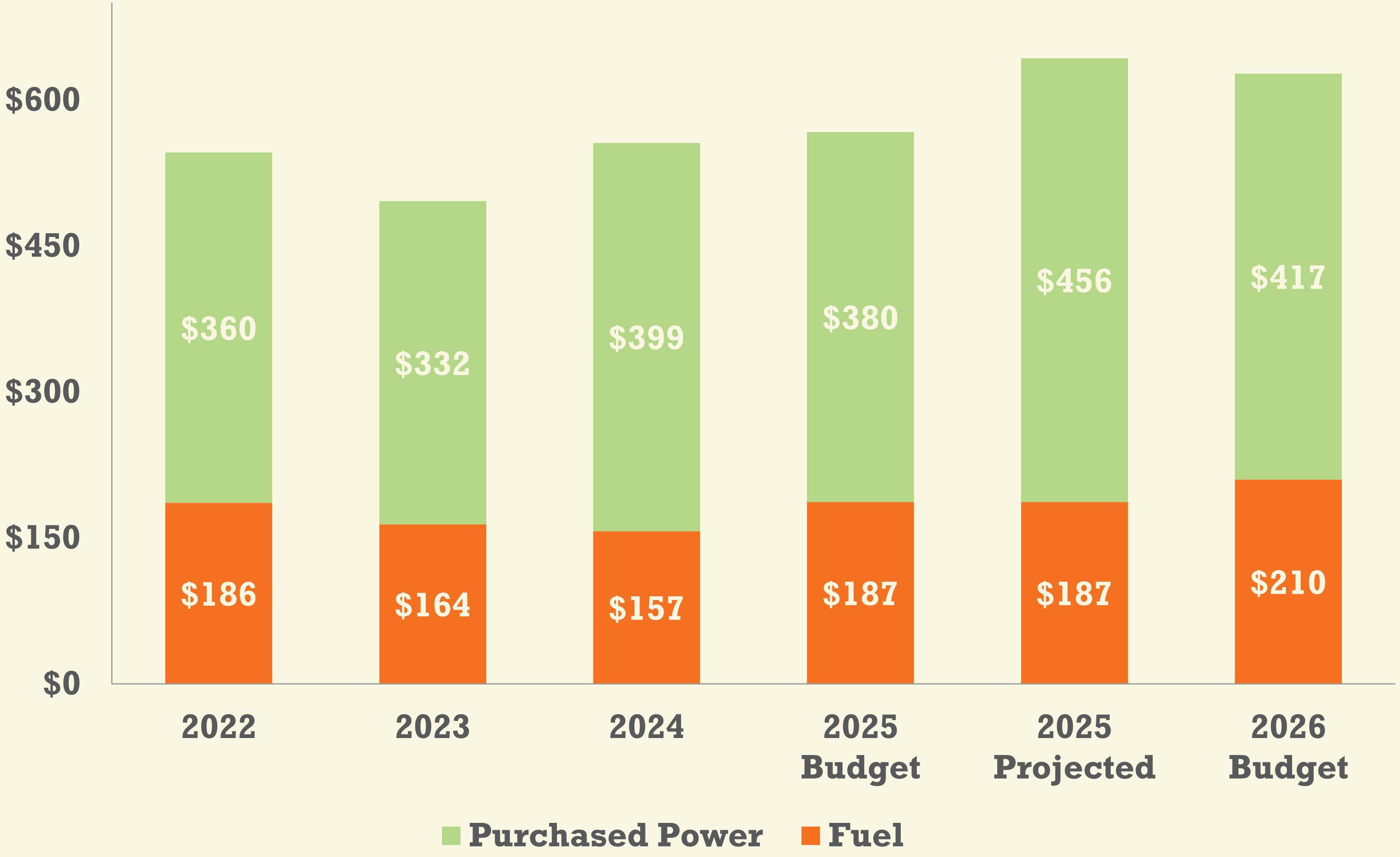
- **Net power costs growing:**
  - Average price per MWH to serve load increasing due to higher fuel and purchased power expenses
  - Costs are offset by an expected $26M over collection in 2025 due to congestion hedging revenues
  - Additional factor pressure comes from a reduction in expected fuel and purchased power revenue due to lower forecasted FPPA eligible energy sales in 2026
- **Growth in capital portfolio:**
  - Heavy investment in new generation
  - Substantial investment in the transmission and distribution system
- **Operations & Maintenance costs increasing:**
  - Fees to Southwest Power Pool
  - Outage costs
  - Supply chain and inflationary challenges





FUEL AND PURCHASED POWER

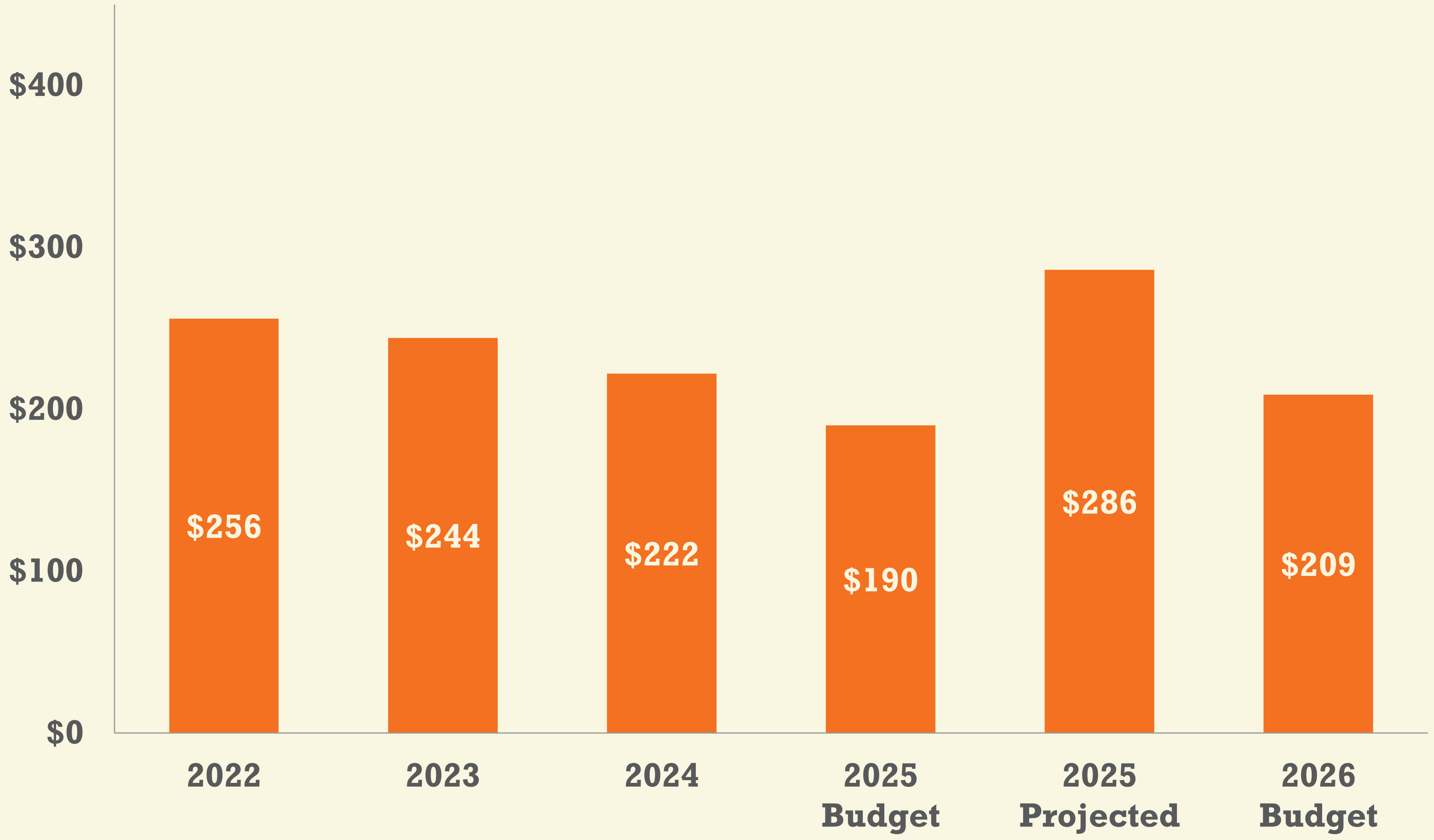
($ IN MILLIONS)



- Purchased power volume is increasing to meet retail load growth.
- As the district expands its generation fleet, fuel costs are expected to rise.
  - Fuel increase largely driven by a full year of generation at Turtle Creek and Standing Bear Lake stations

WHOLESALE REVENUES

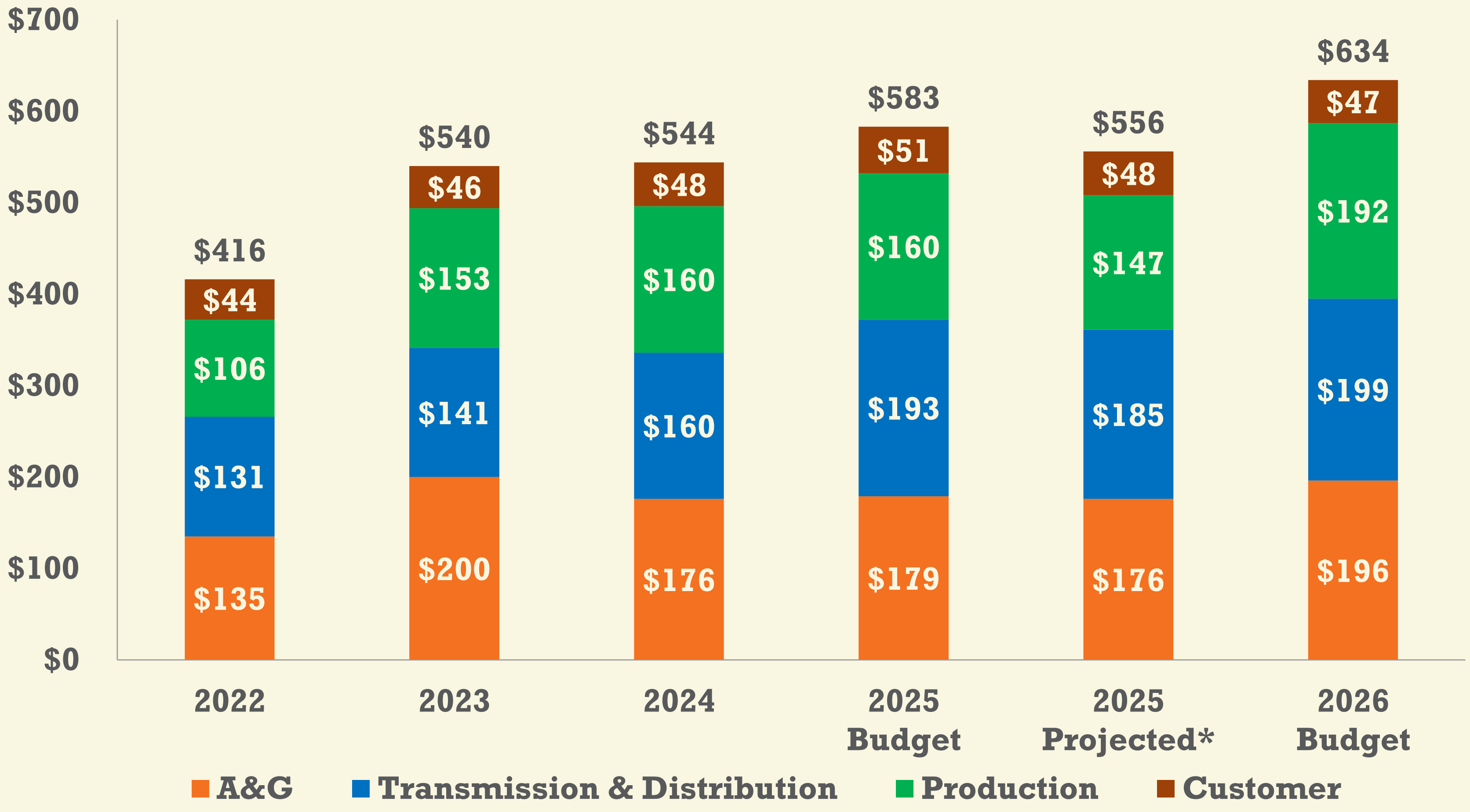
($ IN MILLIONS)



- The moderate increase in wholesale revenue is largely a result of additional congestion hedging revenue.
- As retail load consumes a larger share of owned generation, there is less available volume for market-based wholesale transactions.

OPERATIONS & MAINTENANCE EXPENSE (O&M)

(EXCLUDES ENERGY COST & DECOMMISSIONING FUNDING, $ IN MILLIONS)

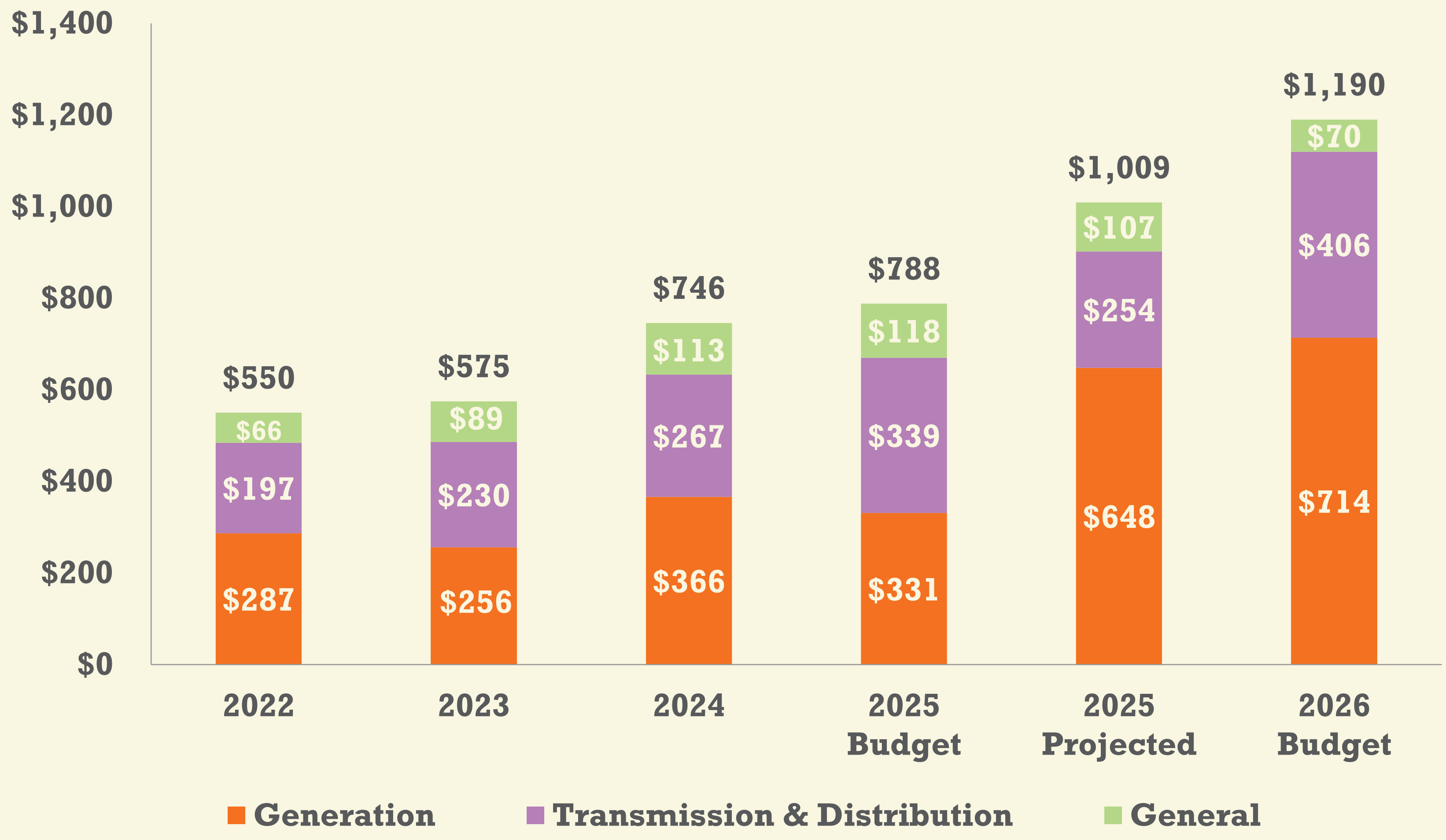


* *Excludes storm costs with anticipated reimbursement from federal or local agencies*

- Year-over-year budget increase in Operations and Maintenance driven by:
  - Increased outage costs
  - Fees to Southwest Power Pool
  - 27 pay periods in 2026
- 2025 projection is under budget due to cost savings initiative

CAPITAL EXPENDITURES

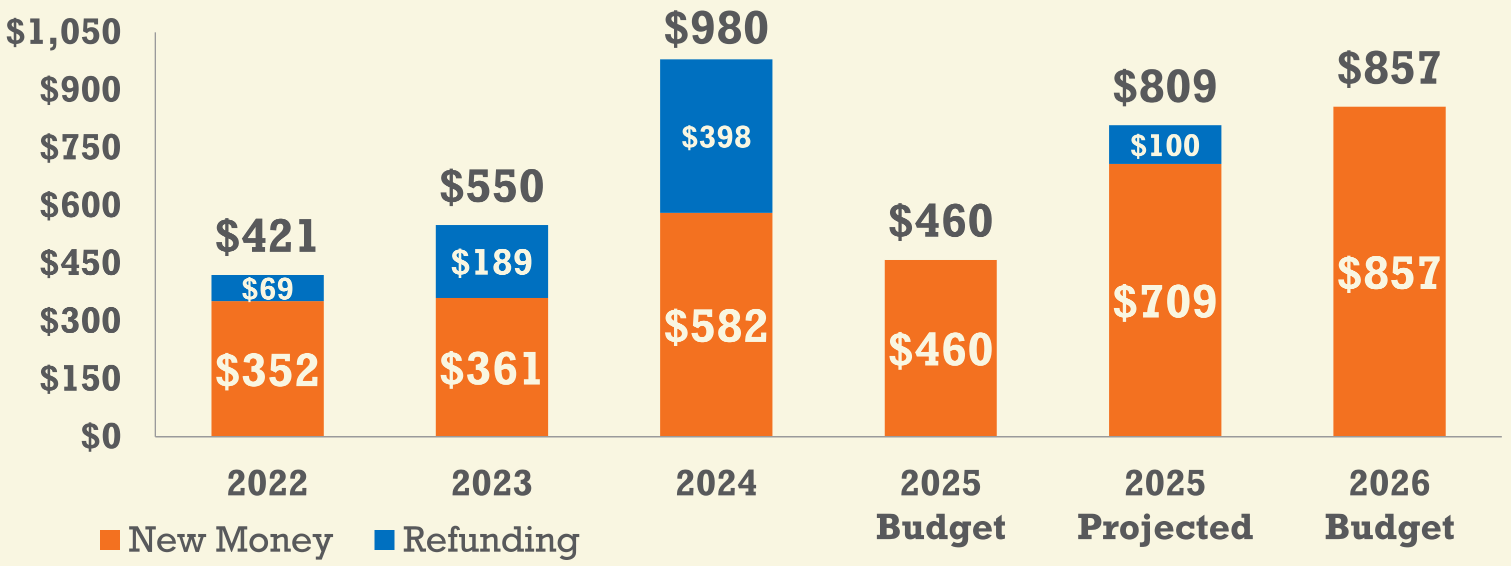
($ IN MILLIONS)



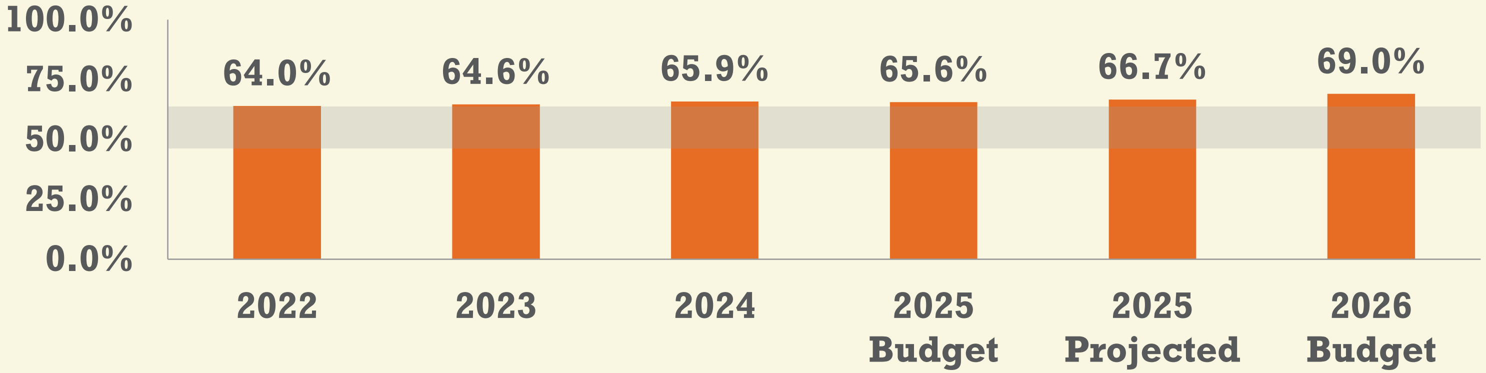
- **Generation:** Comprised of new generation projects such as the four additional combustion turbines at Turtle Creek and Cass County
- **Transmission & Distribution:** Investments to support new generation and load growth while continuing to improve and replace aging assets to maintain grid reliability and resiliency
- **General:** Investment in the transportation fleet and new technology

DEBT FINANCING AND DEBT RATIO*

$ IN MILLIONS



DEBT RATIO



* *Total Debt Outstanding as a percentage of Total Capitalization at year end*

- Growing capital portfolio is driving debt issuances
- Proceeds from the debt issuances ensure appropriate liquidity and days cash on hand
- SD-3 metrics partnered with cash management is a determining factor in debt financing. Cash levels maintain the district's position in the AA rated peer group for days cash on hand
- Debt ratio is currently above S&P's range of 50% to 60% for a very strong AA rated utility

2026 RATE ACTION

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%
Total Rate Action	**6.0%**	**3.7%**	**8.9%**	**2.8%**	**0.8%**	**6.3%**

**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

COMMERCIAL AND INDUSTRIAL RATES: BACKGROUND

- Industry best practices for rate-making in Cost-of-Service models customers into similar rate classes
- Current applicability for OPPD Commercial & Industrial demand rate structures (231, 232, 245, 250) allows customers the opportunity to change rates without changing usage characteristics
  - Allowing customers to switch between rates makes it more difficult to maintain consistency within customer classes and keep similar customers grouped in the same customer class
  - Rate switching that occurs after a COP / rate action can result in revenue loss that produces headwinds to achieve the current year financial objectives

2026 RATE ACTION

COMMERCIAL AND INDUSTRIAL RATES: BRATTLE'S PERSPECTIVE

- Establishing demand limits was a part of Brattle's assessment of OPPD's current rates and riders in 2024
- Establishing min/max demand levels is Brattle's preferred approach on this topic.
  - Industry best practice
  - Demand is the best way to segment customers
  - 4CP as the determination of demand is consistent with OPPD cost of service
  - Firm demand thresholds:
    - Limit the opportunity for low load factor customers to be subsidized by high load factor customer
    - Limit rate switching to changes in actual customer demand
    - Uncommon to see utilities allow customers to change rates between customer classes

2026 RATE ACTION

COMMERCIAL & INDUSTRIAL RATES: RECOMMENDATION

- The Brattle Group performed an independent analysis to determine the new minimum and maximum demand thresholds.
  - **Rate 231:** 50-3,000kW
  - **Rate 232:** 3,000-10,000kW
  - **Rate 245:** 10,000 kW and above
- Modify the demand criteria in the Applicability section of impacted rate schedules from a 1-month threshold in the summer to an average of all 4 summer months.
  - Consistent with key Cost of Service allocation methodology
  - Doesn't penalize customers for having one extreme period
  - Minimizes annual customer movement
- With the proposed recommendation, C&I customers will be placed on a rate that more accurately represents the true cost to serve them.
- New rates are in the Red-Line of the Service Regulations with an effective date of Jan. 1, 2027, to give customers the opportunity to change their summer usage during 2026.
- Consolidate rates 245 & 250 into Rate 245 and retire Rate 250.

2026 RATE ACTION

UPDATED DEMAND REQUIREMENTS

	Commercial		Industrial		
	230	231	232	245	~~250~~ Retire
Current					
Min Demand	n/a	50 kW	n/a	n/a	n/a
Max Demand	50 kW	n/a	n/a	n/a	n/a
Min Billing Demand	n/a	18 kW	1,000 kW	10,000 kW	20,000 kW
Ratchet	n/a	85% / 60%	85% / 60%	85% / 60%	90% / 75%
Proposed					
Min Demand	n/a	50 kW	3,000kW	10,000 kW	
Max Demand	50 kW	3,000kW	10,000 kW	n/a	
Min Billing Demand	n/a	42 kW	2,550kW	8,500 kW	
Ratchet	n/a	85% / 60%	85% / 60%	85%/60%	

2026 RATE ACTION

RIDER 470- CUSTOMER SERVICE CHARGES

- **470C:** Disconnect following unauthorized reconnect:
  - **Current charge:** $115.00
  - **Proposed charge:** $175.00
- **470F:** Line Extension Charges (Residential): Updated language for underground service
- **470H:** Line Extensions and Temporary Service Disconnect charges (General Service): Updated language for underground service
- **470I:** Tenant Attachment Fee: Pole attachments
  - **Current charge:** $16.00
  - **Proposed charge:** $18.00

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 OUTREACH

WE REMAIN COMMITTED TO TRANSPARENCY AND ENGAGEMENT

NOVEMBER

Proposed corporate operating plan available for **review and public comment online**

DECEMBER

Board votes on proposed corporate operating plan

JANUARY

Any approved rate adjustments **go into effect Jan. 1.**

2026 CORPORATE OPERATING PLAN COMMUNICATION AND OUTREACH

NOVEMBER

Nov. 18
- OPPD Community Connect comment page goes live
- Proactive customer education on social media begins

Nov. 20
- Formal media outreach begins

DECEMBER

Dec. 8
- Board receives first of two comment reports

Dec. 16
- Board receives second of two comment reports

Dec. 18
- Board news release and media outreach
- Educational Wire story published

JANUARY

Mid-Jan.
- Tailored customer emails sent
- Regular educational series on rising value of energy begins

2026 CORPORATE OPERATING PLAN COMMUNICATION AND OUTREACH

KEY TOPICS

Short-term:

- Where your dollar goes
- How rates are set
- Who pays for what (how costs are allocated)

Mid-term (examples):

- Rising value of energy
- Evolving role of energy in business and at home
- Energy partnerships in a high demand world

TOOLS

- **The Wire, Outlets, Media Outreach:** In-depth stories and updates
- **Social & Web Content:** Infographics and explainers
- **Customer Emails:** Tailored by customer type

ENGAGEMENT CHANNELS

- OPPD Community Connect
- Board Contact Form
- Monthly board meetings
- Social media (e.g., Facebook, X, Instagram)
- Customer care and account executive interactions
- Monthly communications tracking study

DISCUSSION