




Yoder/Bishop

**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.

	<b>OMAHA PUBLIC POWER DISTRICT Board Policy</b>	<b>Category:</b>	Strategic Direction
	<b>Policy No. and Name:</b>  <b>SD-2: Rates</b>	<b>Monitoring Method:</b>	Finance Committee Board Report
		<b>Frequency:</b>	Annually
		<b>Resolution No.:</b>	6070 6210 6471 XXXX
<b>Date of Approval:</b>	July 16, 2015 November 16, 2017 November 18, 2021 December XX, 2022		

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

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:

DocuSigned by:  
*Jeff Bishop*

65E902772CEE45A

Jeffrey M. Bishop  
Vice President and Chief Financial Officer

### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
*L. Javier Fernandez*

AC399FDCE56247E...

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

	<b>OMAHA PUBLIC POWER DISTRICT Board Policy</b>	<b>Category:</b>	Strategic Direction
	<b>Policy No. and Name:</b>  <b>SD-2: Rates</b>	<b>Monitoring Method:</b>	Finance Committee Board Report
		<b>Frequency:</b>	Annually
<b>Date of Approval:</b>	July 16, 2015 November 16, 2017 November 18, 2021	<b>Resolution No.:</b>	6070 6210 6471

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:

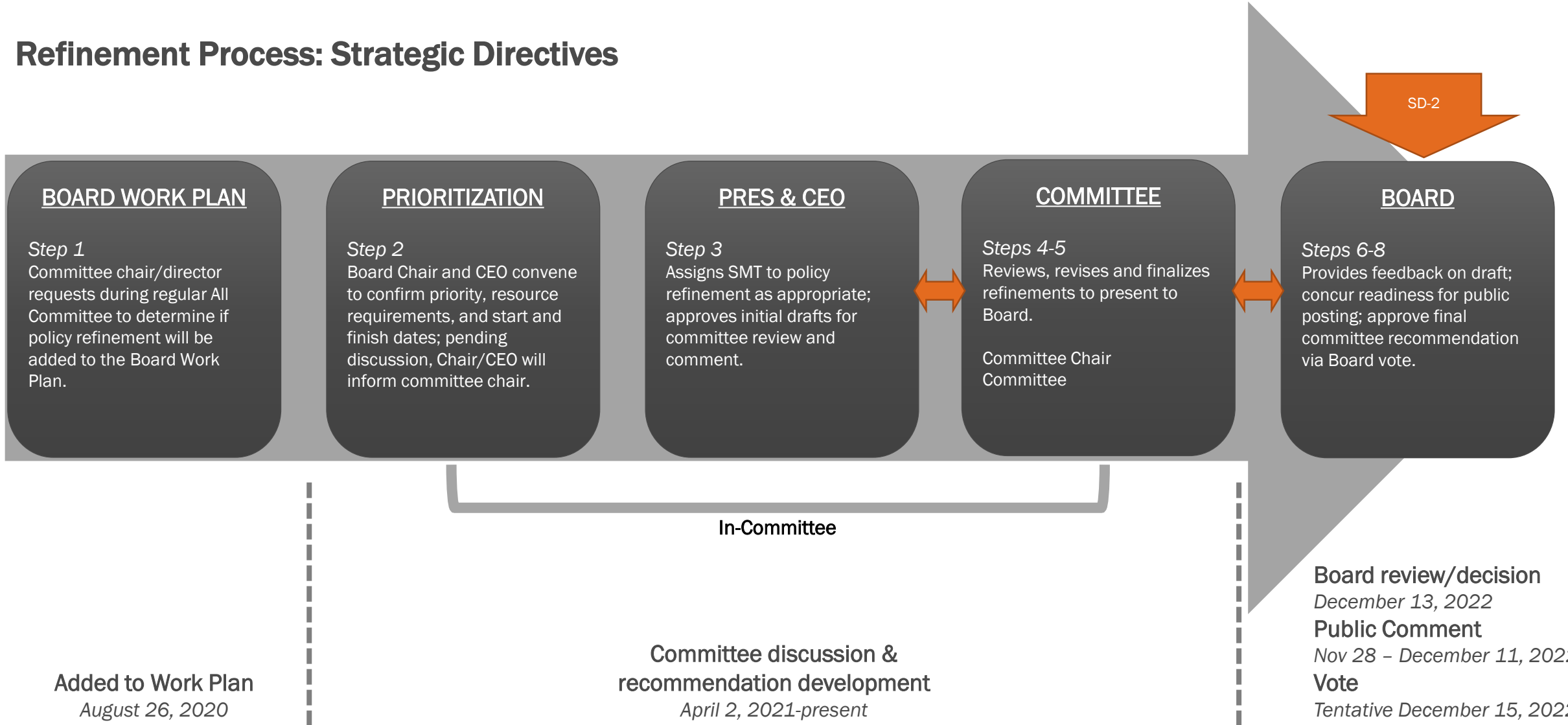
- Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute § 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- Pursue rate process and structure changes to reflect the cost of energy when it is used;
- Offer flexibility and options; and
- Be simple and easy to understand.

\*Defined in Glossary.

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



## Refinement Process: Strategic Directives




# 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?

 Omaha Public Power District	<b>OMAHA PUBLIC POWER DISTRICT Board Policy</b>		<b>Category:</b> Strategic Direction
	<b>Policy No. and Name:</b> SD-2: Rates		<b>Monitoring Method:</b> Finance Committee Board Report
	<b>Date of Approval:</b> July 16, 2015 November 16, 2017 November 18, 2021 December XX, 2022		<b>Frequency:</b> Annually  <b>Resolution No.:</b> 6070 6210 6471 XXXX

~~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\*.~~

~~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 ~~rate target directive~~, OPPD shall ~~adhere to these principles~~:


- 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; ~~and~~
- 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.~~

~~\*Defined in Glossary.~~

 Omaha Public Power District	<b>OMAHA PUBLIC POWER DISTRICT Board Policy</b>		<b>Category:</b> Strategic Direction
	<b>Policy No. and Name:</b> SD-2: Rates		<b>Monitoring Method:</b> Finance Committee Board Report
	<b>Date of Approval:</b> July 16, 2015 November 16, 2017 November 18, 2021 December XX, 2022		<b>Frequency:</b> Annually  <b>Resolution No.:</b> 6070 6210 6471 XXXX

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.

# Feedback & Outreach – November 28 – December 11, 2022

## 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 28<sup>th</sup> – December 11<sup>th</sup>
  - No public comments received



# Next Step

- Option 1: Board Resolution & Vote

OR

- Option 2: Additional Committee Deliberation