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|  <b>Platte River</b><br>Power Authority | <h1>Policy</h1>            | Version #: 1.1<br>Original effective date: 08/30/2018<br>Next review date: 08/01/2028 |
|  | TITLE: Rate setting policy | Page 1 of 2   |

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| <p><b>Purpose:</b></p> <p>Service offerings and supporting rate structures should complement the strategic objectives, underlying policies, and values of the organization. When in alignment, pricing signals and associated economic incentives are well understood by all stakeholders vested in the utility's success. This framework, or philosophy, describes an approach to rate making including objectives to be achieved both in the near-term and over the long-term planning horizons. Important benefits of a rate setting policy include increased transparency in the rate setting process and a common understanding of the reasoning and justification behind Platte River's proposed service offerings and rates. This document and its future revisions are intended to serve as a "living document" to provide a long-term perspective and focus on rate making as Platte River's owner communities, management, staff and other important stakeholders address critical issues in a dynamic and rapidly evolving utility environment.</p> |
| <p><b>Policy:</b></p> <p>It is the policy of Platte River to establish service offerings and supporting rate structures that complement the strategic objectives, underlying policies and values of an organization. To that effect, the board directs the general manager/CEO to develop and maintain the Rate Setting Reference Document which will include rate-related goals important to the rate setting process and guiding rate principles that service offerings and supporting rate structures should achieve.</p>   |
| <p><b>Implementing parties and assigned responsibilities:</b></p> <p>The financial planning manager reviews this policy and necessary revisions are brought before the Platte River Board of Directors.</p>  |
| <p><b>Associated items (if applicable):</b></p> <p>Resolution 13-18<br/>         Rate Setting Reference Document<br/>         Rate Design Philosophy Whitepaper prepared by NewGen Strategies &amp; Solutions, LLC</p>   |
| <p><b>Definitions (if applicable):</b></p> <p>N/A</p>  |

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|   | <b>Document owner:</b> Financial planning & rates manager <sup>DS</sup> <i>Wf</i> | <b>Original effective date:</b> 08/30/2018 |
| <b>Authority:</b> Board of directors <sup>DS</sup> <i>[Signature]</i> | <b>Review frequency:</b> Every 5 years  |  |
| <b>Counsel review:</b> General counsel <sup>DS</sup> <i>SDL</i>       | <b>Current effective date:</b> 08/01/2023   |  |

| Version | Date       | Action              | Author       | Change Tracking (new, review, revision) |
|---------|------------|---------------------|--------------|---|
| 1.0     | 08/30/2018 | Rate Setting Policy | Wade Hancock | New                                     |
| 1.1     | 08/01/2023 | Review, no changes  | Wade Hancock | Review                                  |
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