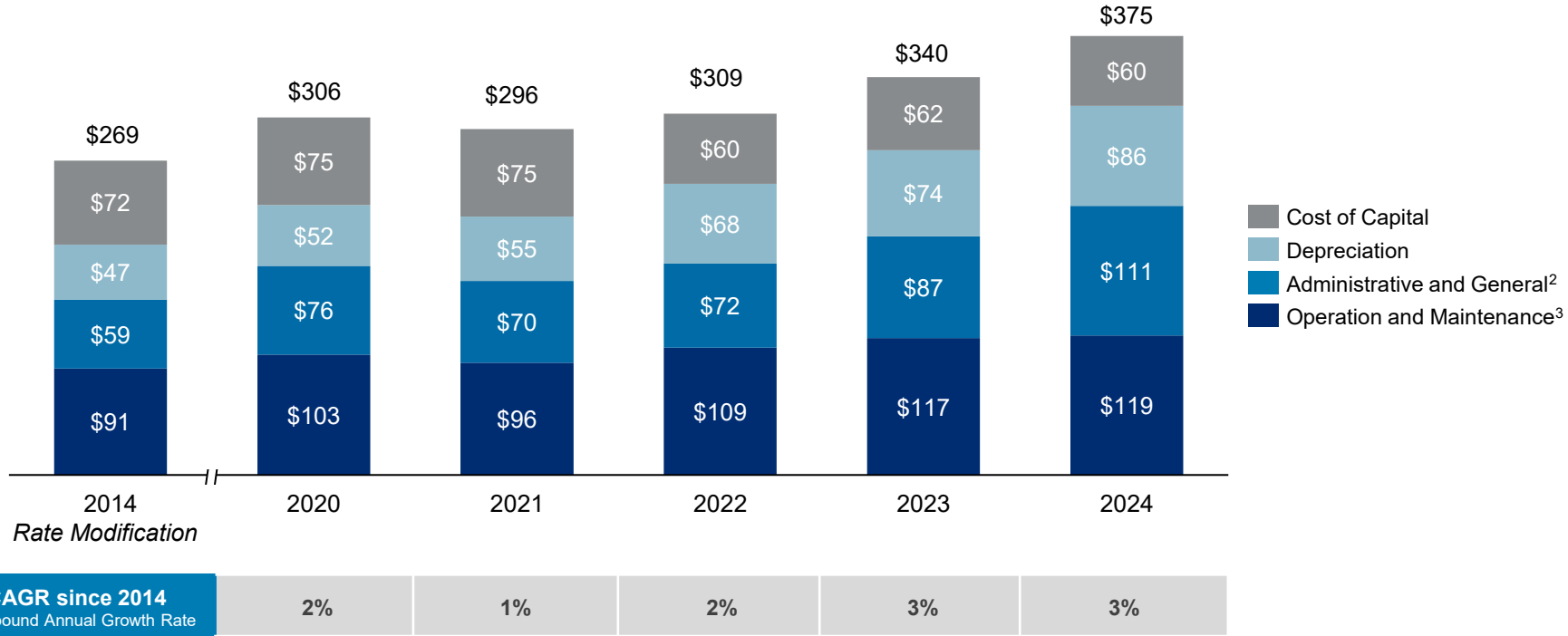




# Preference Power Rates

Cost of Service & 2026 Rate Plan

# Historical Hydro Cost of Service (COS)<sup>1</sup> (In \$ Millions)

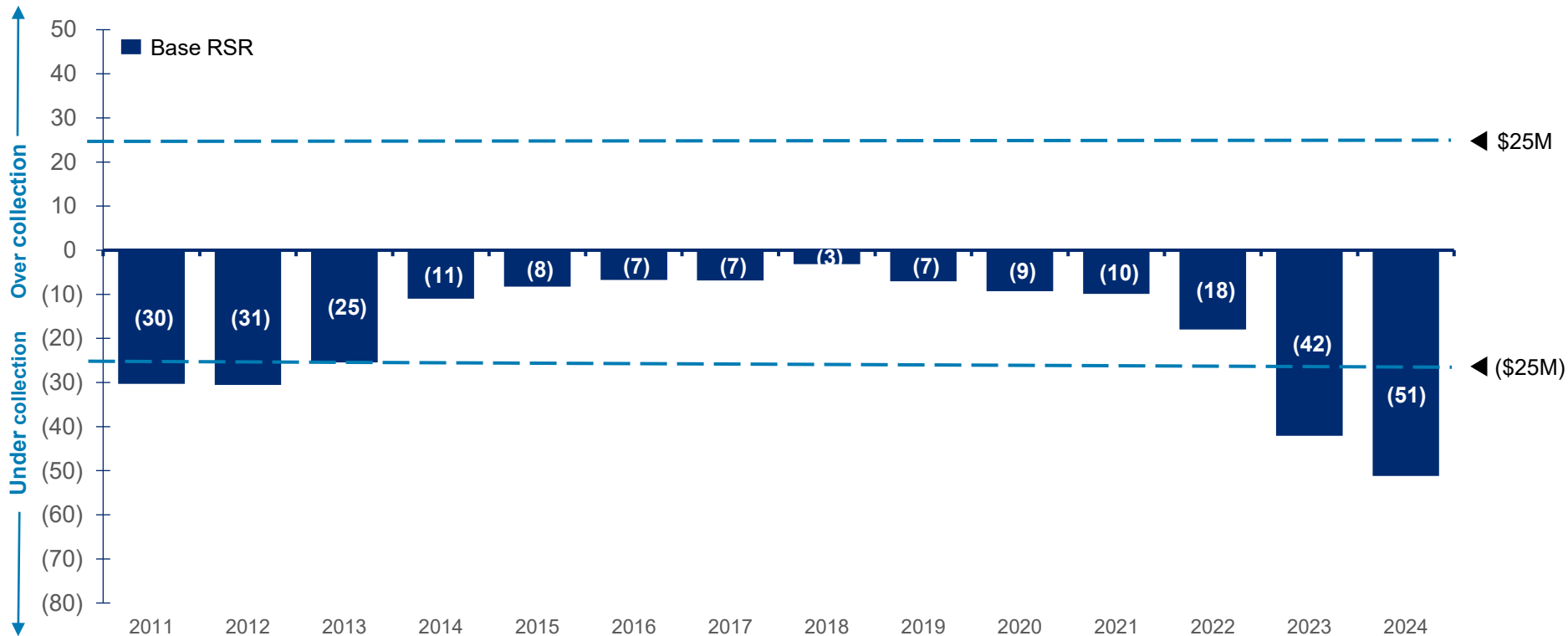


<sup>1</sup> Before UCAP credit

<sup>2</sup> A&G

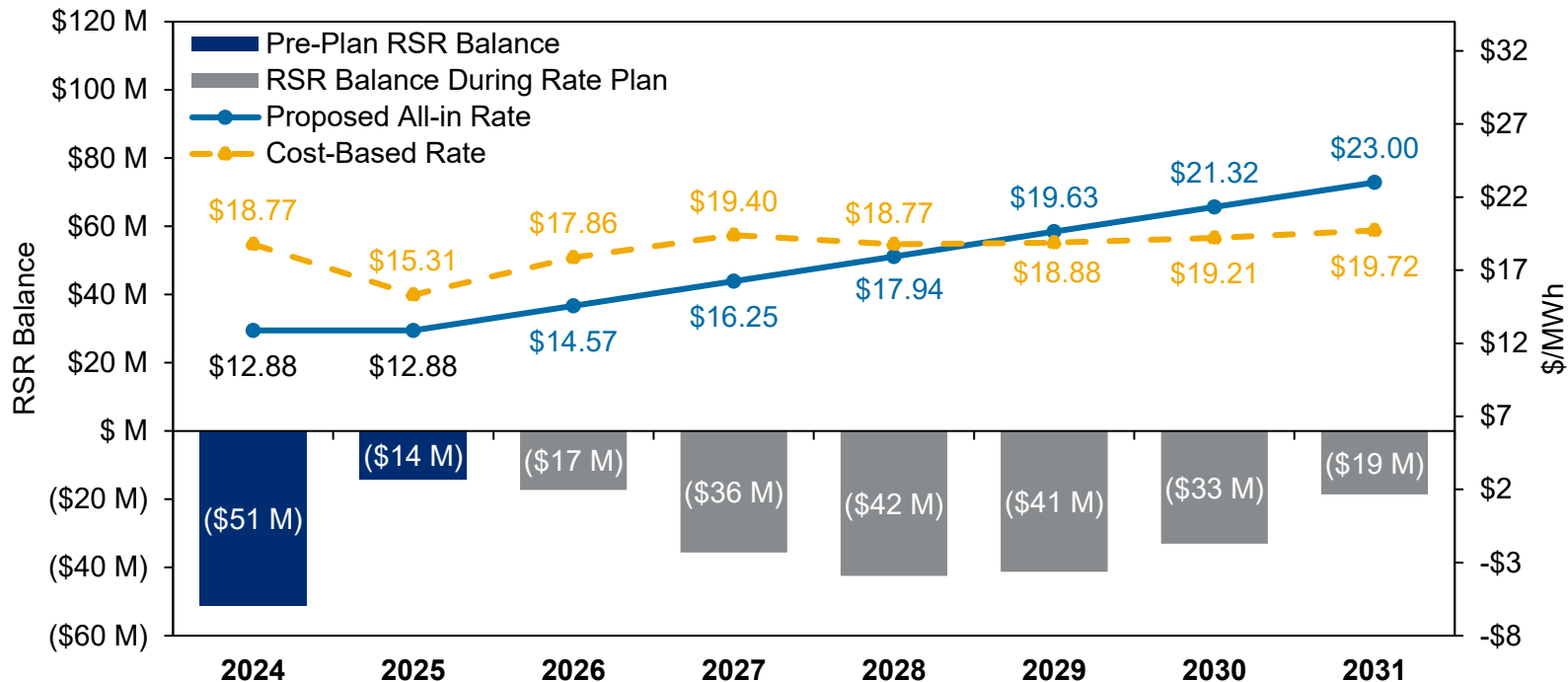
<sup>3</sup> O&M

# 2011 – 2024 Rate Stabilization Reserve (RSR) Balance (In \$ Millions)



# NYPA Rate Plan Proposal

## New rates to take effect April 2026





### Capital Cost Recovery

- Capital Cost recovery methodology will use the current year rate base times NYPA's actual cost of long-term debt
- For actual COS and RSR calculations, the cost of long-term debt (%) will be the same rate as identified in NYPA's Audited Annual Consolidated Financial Statements report
- This will replace TOC/OC methodology currently in place, which includes elimination of GPIS model

### RSR

- NYPA will simplify the RSR calculation methodology to include crediting UCAP and Ancillary Services Revenues
- For the UCAP credit, hedged bilateral contracts will be repriced at UCAP auction rates
- Currently projected A&G and indirect O&M costs will not be subject to reconciliation in RSR, and will continue being allocated using labor ratio

### Rate Design

- Rates design – rate increase will be split 50/50 between demand and energy rates
- NYPA will use a five-year average of actual generation for this Rate Plan (2020–2024)
- Elimination of RNY Normalization in the cost-based rate and RSR calculations

### Schedule

- Proposed Rate Plan to be filed as Notice of Proposed Rulemaking (NOPR) at NYPA's September 2025 Trustee meeting
- Notice of Adoption at NYPA's December 2025 Trustee meeting

### Customer Contracts

- Modifications to existing customer contracts for the purchase of NYPA hydropower to include provisions that conform to the rate methodologies agreed to in the 2026 Rate Plan
- New contract provisions relating to ratemaking methodologies will supersede the Auer Settlement

### Customer Positions

- If filing public comments, Customers to provide public support of NYPA's 2026 Rate Plan
- Any public statements on the rate change should be withheld until after the NOPR is filed in the State Register



## Timeline

