



Preliminary 2021 Corporate Operating Plan (COP)

November 10, 2020

Assumptions

Revenue Adjustments

- The 2021 Preliminary COP realizes the fifth and final year of our 2016 commitment to no General Rate increase
- No change in the fuel and purchase power factor
- Resetting the fuel and purchase power base rate

Retail Energy Sales (MWh)

- 3.3% increase from 2020 budget
- 4.2% increase from 2020 projected

Wholesale Revenue (Dollars)

- 15.5% decrease from 2020 budget
- 0.3% increase from 2020 projected

Purchase Power (Dollars)

- 11.2% increase from 2020 budget
- 12.6% increase from 2020 projected

Assumptions

Expenditures

- Capital, operating and maintenance expenditures are planned to maintain system reliability and future load growth
- Total 2021 budgeted expenditures of \$1.4 billion

Financing

- New money revenue bonds with net proceeds of \$160 million are included in the 2021 budget
- The proceeds of these bonds are expected to be used for reimbursement of capital and construction projects

Fort Calhoun Station

- Budgeted contributions to the decommissioning trust fund of \$129 million
- Budgeted decommissioning expenditures from the trust fund of \$123 million
- Budgeted Restart & Recovery amortization of \$15 million

Assumptions

Reserves

- No budgeted funding or withdrawal from the Rate Stabilization or Decommissioning and Benefit Reserve Accounts

2021 Budgeted Major Outages

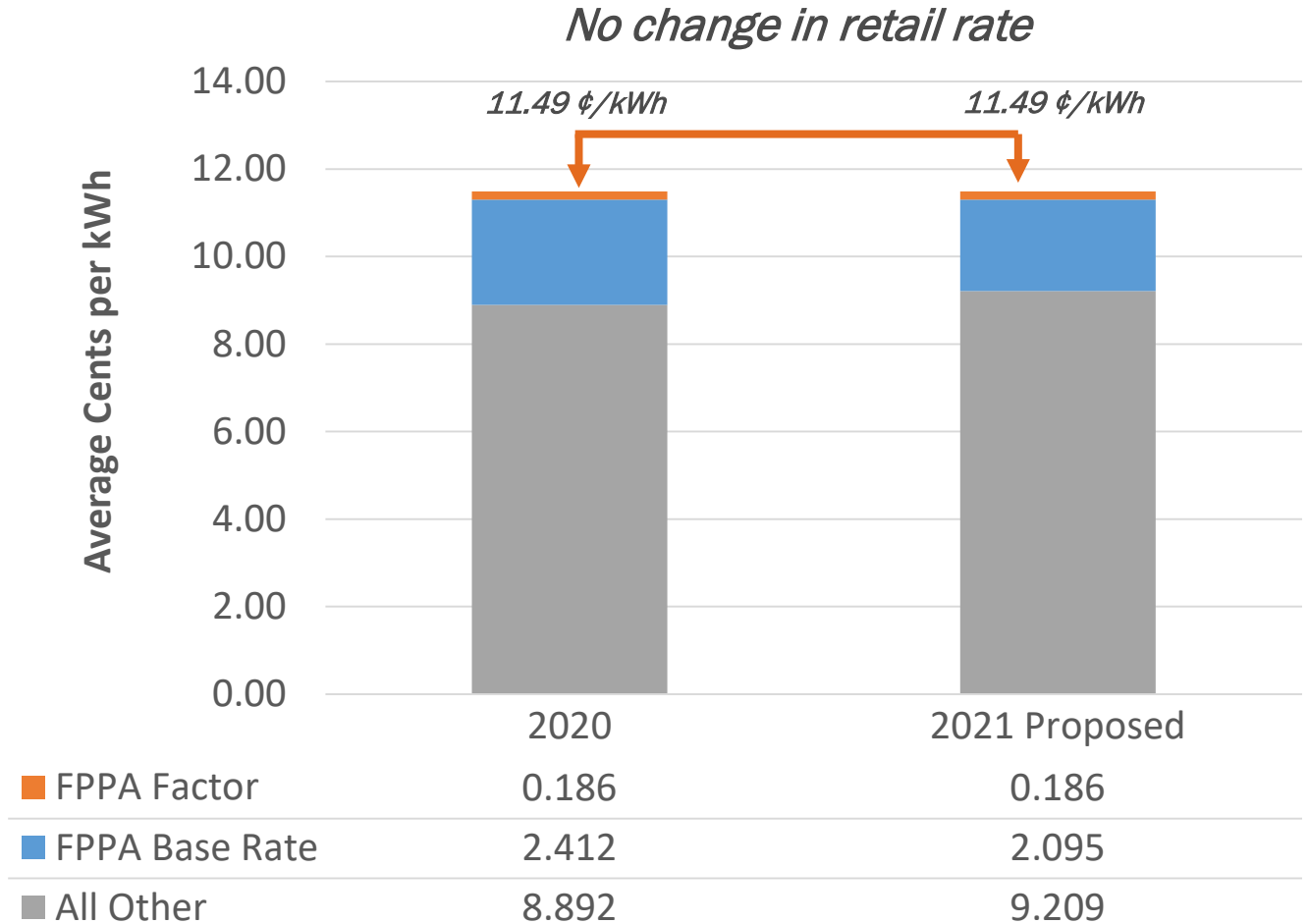
- Nebraska City Station Unit Number 1
- Nebraska City Station Unit Number 2
- North Omaha Station Unit Number 5

Fuel & Purchase Power Base Rate Reset

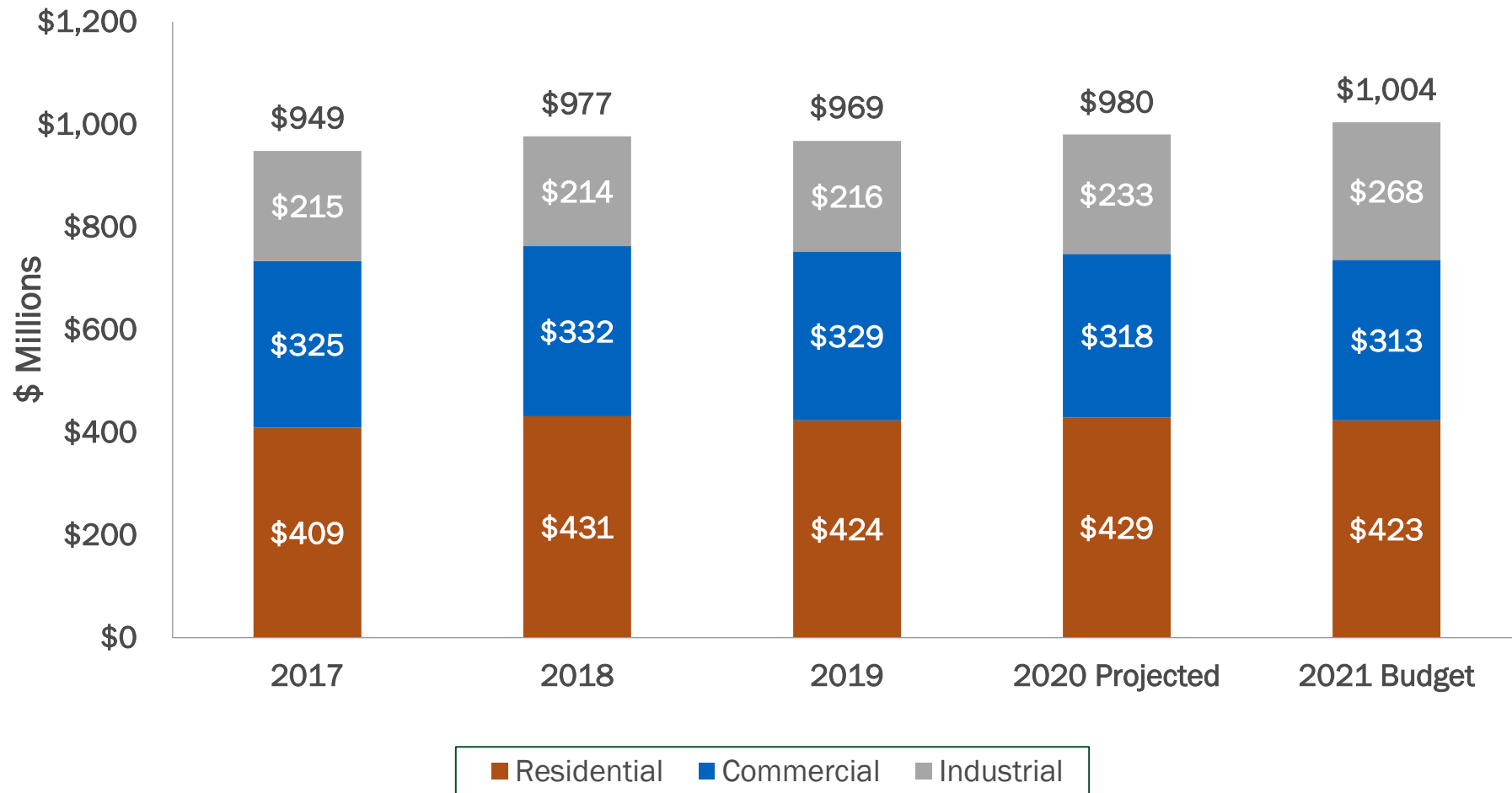
- By formula, OPPD recovers the costs incurred for fuel and purchase power by its Fuel and Purchase Power Adjustment (FPPA).
- The FPPA recovers costs via two mechanisms, the Base Rate which is included the general rate and the FPPA Factor which is an adjustment that is billed on top of the general rate.
- Based on current and forecasted market conditions, OPPD is recommending a reset of the Base Rate while leaving the FPPA Factor unchanged. This rate action will not cause an increase or decrease in retail rates, consistent with the General Rate freeze promised in 2016.

Fuel & Purchase Power Base Rate Reset Effect

- Illustrative example
- The proposed rate action for the FPPA Base Rate Reset results in no change to customer rates.
- The FPPA Factor also remains unchanged.

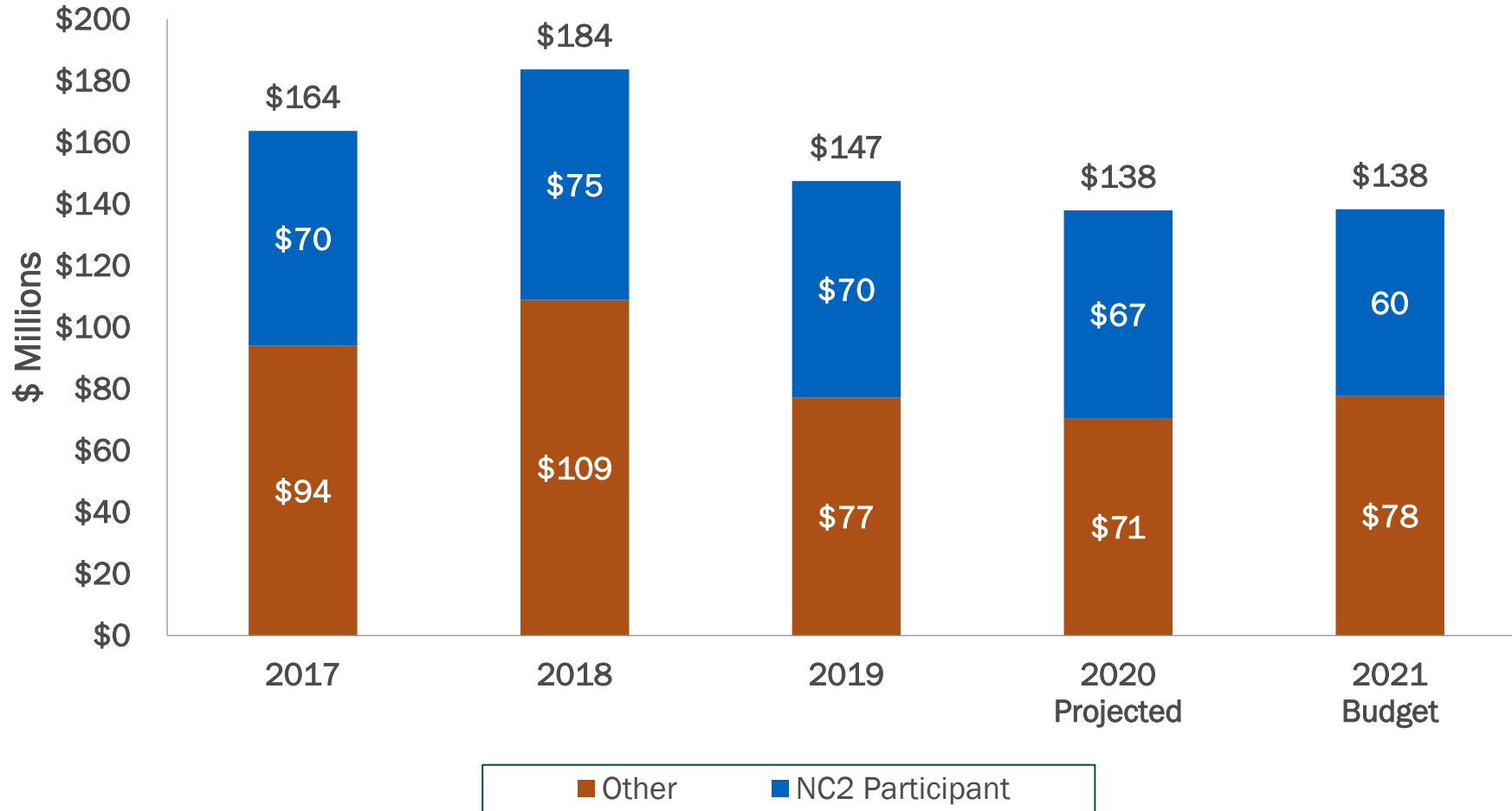


Retail Revenue*

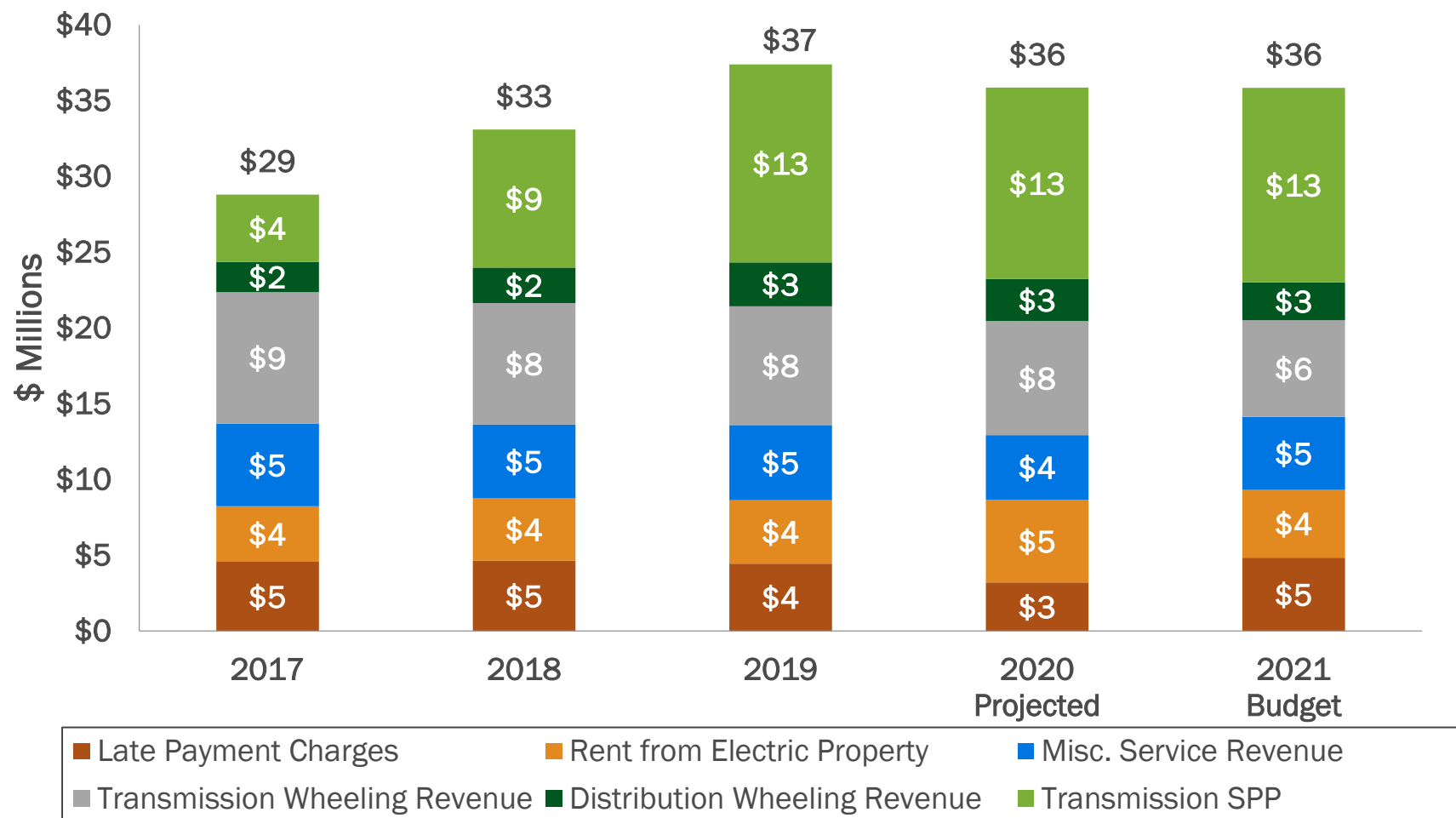


*Excludes activity for Rate Stabilization and Decommissioning and Benefit Reserve, Unbilled, and Fuel and Purchase Power Adjustment accruals/reversals

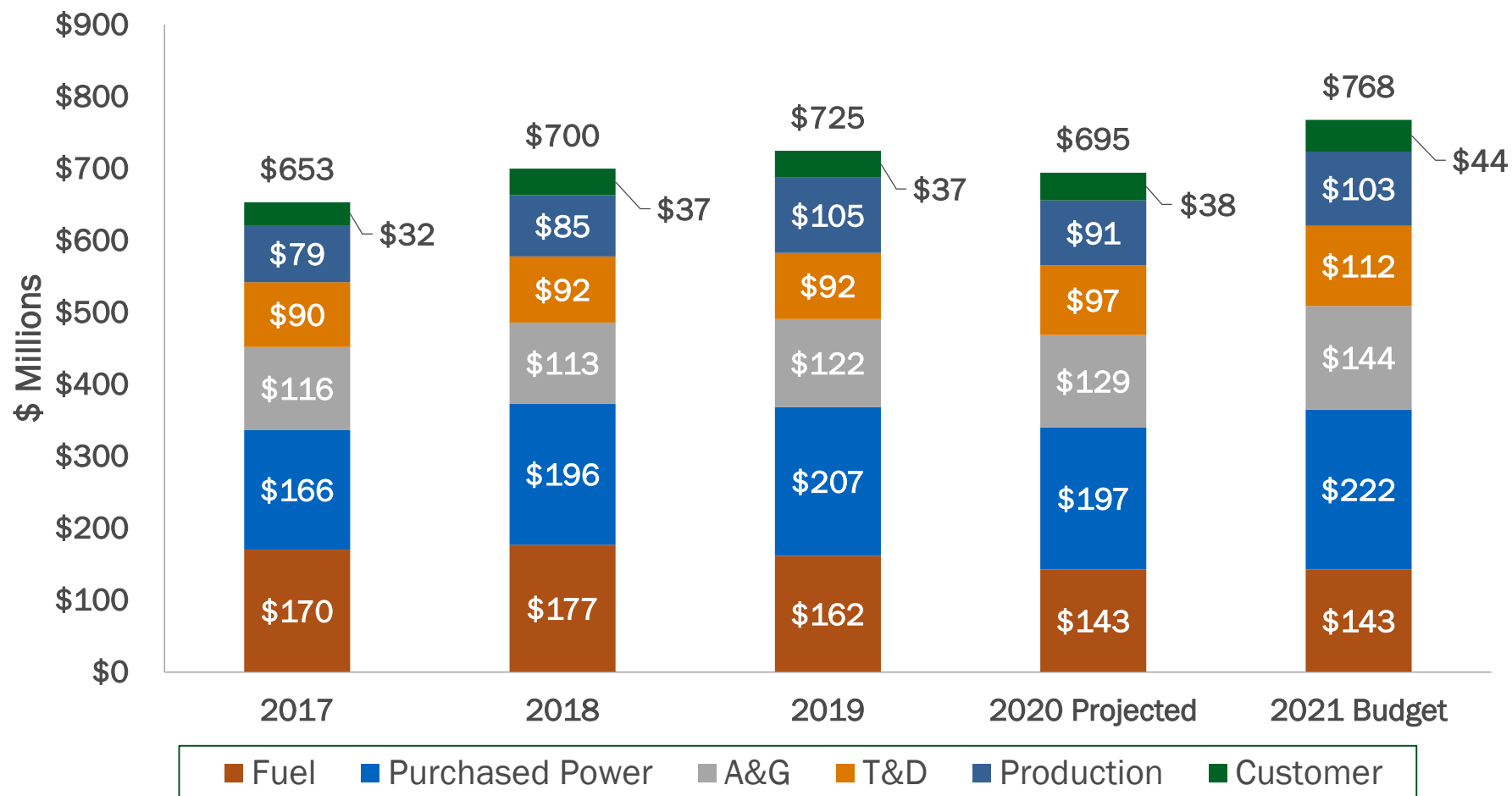
Wholesale Revenue



Other Electric Revenue



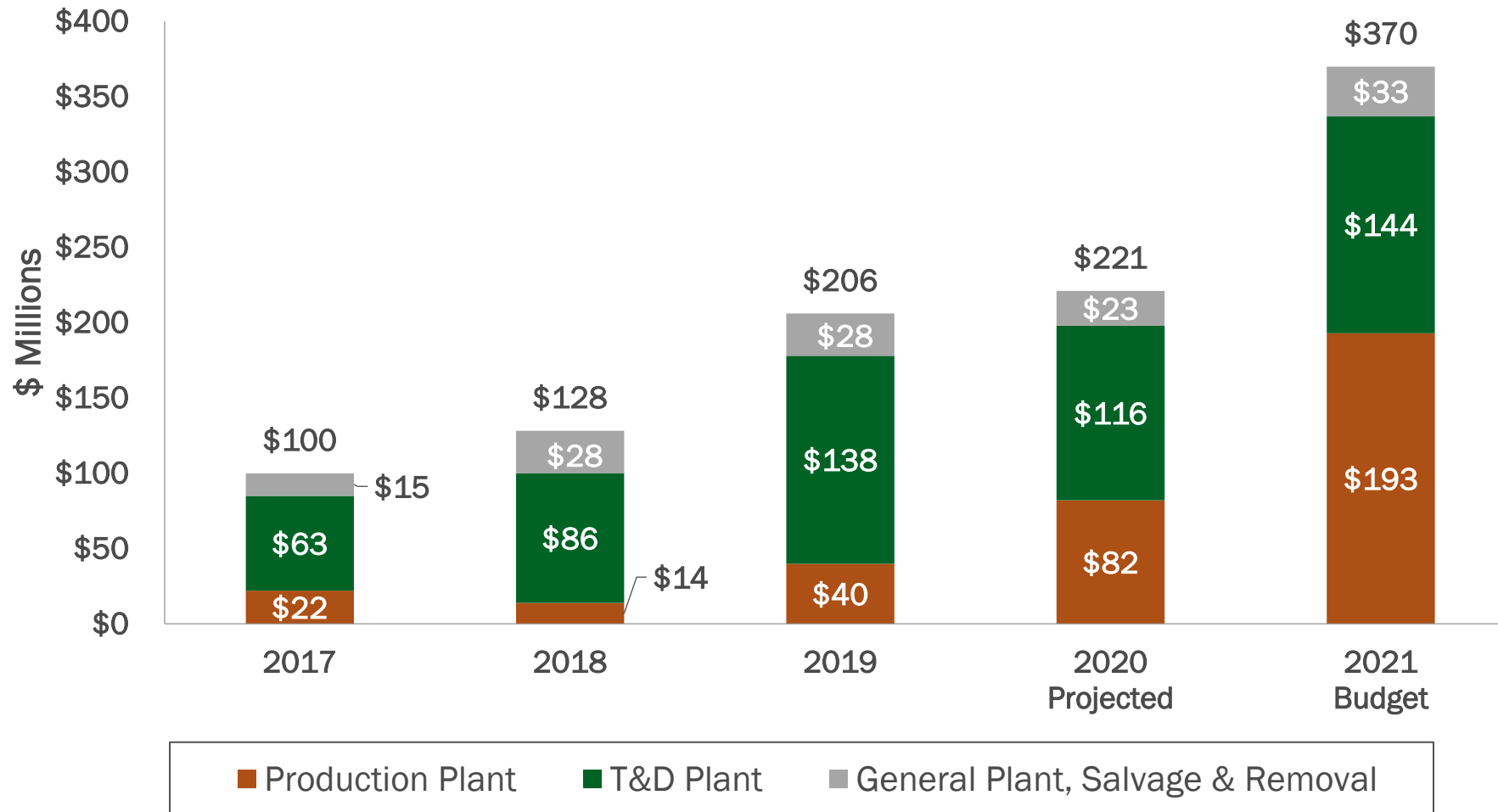
Operations and Maintenance Expense*



*Excludes Fort Calhoun Station decommissioning funding and expenditures.

*Operations and Maintenance Expenses presented by FERC accounts, as opposed to business units.

Capital Expenditures



Note: 2021 Budget includes a large increase in Production Plant, which is primarily related to Power with Purpose infrastructure investment.

Select Large Capital Projects

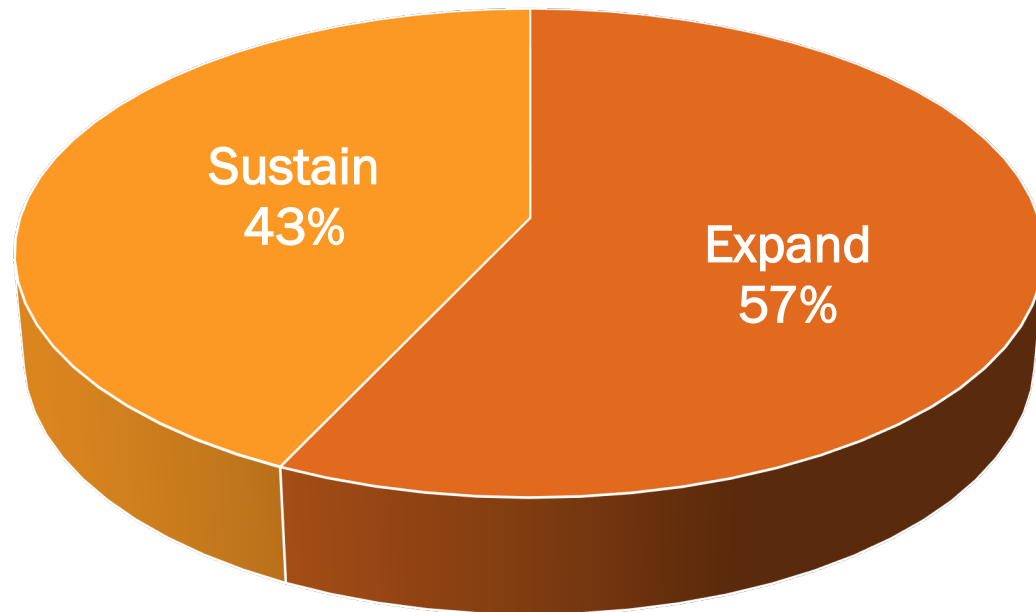
Projects

- Power with Purpose
- Circuit and Substation Upgrades
- Fiber Network Expansion
- Transmission Distribution Cable Replacement
- Autotransformer Installation
- Customer Service Commercial & Industrial
- Customer Service Residential
- 13kv Line and Substation Transformers
- Nebraska City Unit 1 Rotor Replacement
- T&D Street and Highway
- Turbine Gas Path Refurbishment
- Nebraska City Levee Certification
- Upgrade Customer Information System

Millions

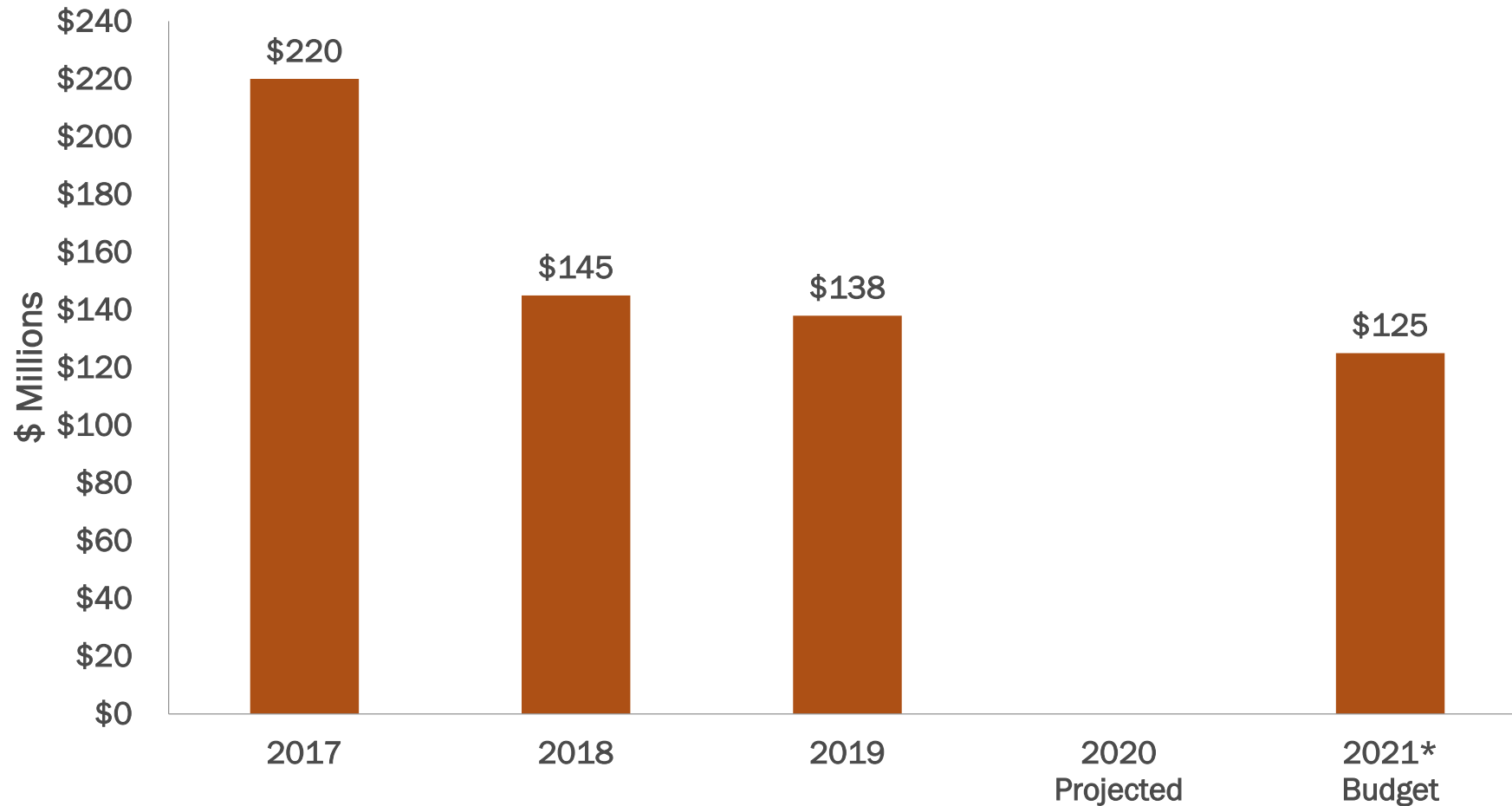
\$ 172.5
17.5
10.5
8.2
7.5
7.0
7.0
6.1
5.7
5.5
5.3
4.4
4.4

Capital Expenditures Philosophy



- ‘**Sustain**’ vs ‘**Expand**’ Investment categories used to calibrate 2021 Capital Expenditures budget total.
- **Sustain** category includes routine capital projects that are aimed at maintaining and improving existing assets and is budgeted at a consistent level year over year.
 - 43% or \$161 million of the 2021 total Capital Budget.
- **Expand** category is for new assets planned to be added to the District’s asset base, such as the Power with Purpose infrastructure investments.
 - 57% or \$209 million of the 2021 total Capital Budget.
- This philosophy is important to ensure that existing assets are still receiving sufficient investment at a time when the system is undergoing significant expansion.

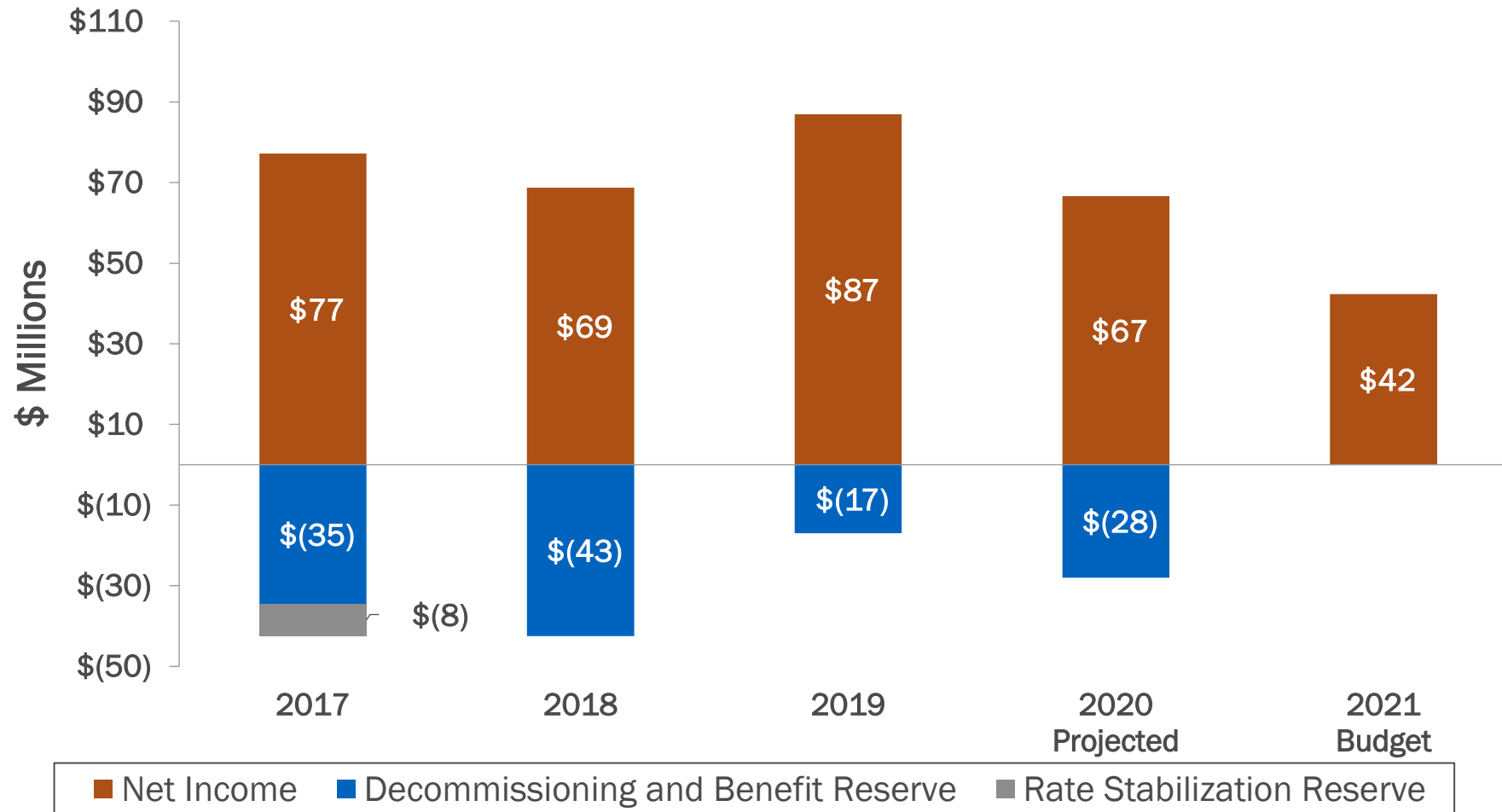
Long-Term Debt Financings



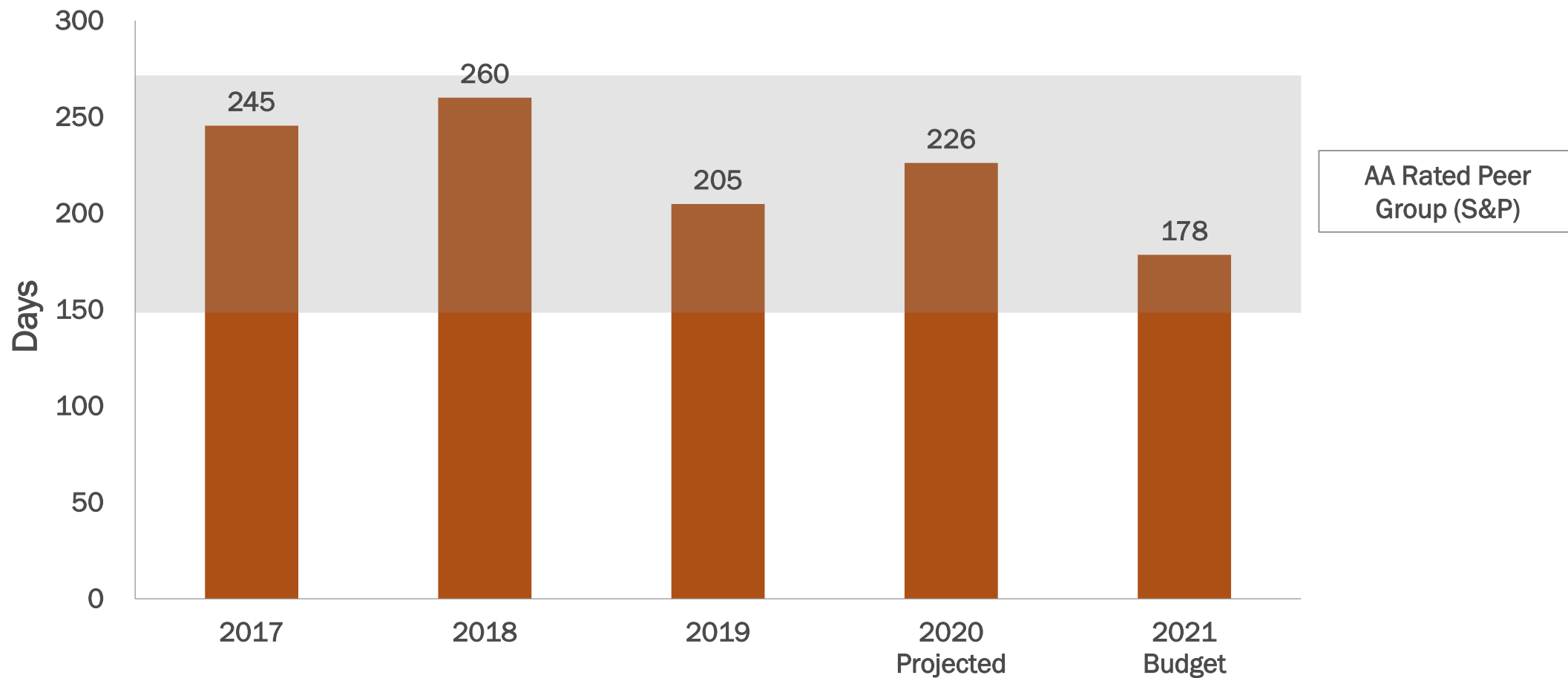
* 2021 Issuance will increase the net revenue bond balance.

* 2021 Principal amount and proceed amount are different as a result of premium and discount values yielded on the issuance.

Net Income



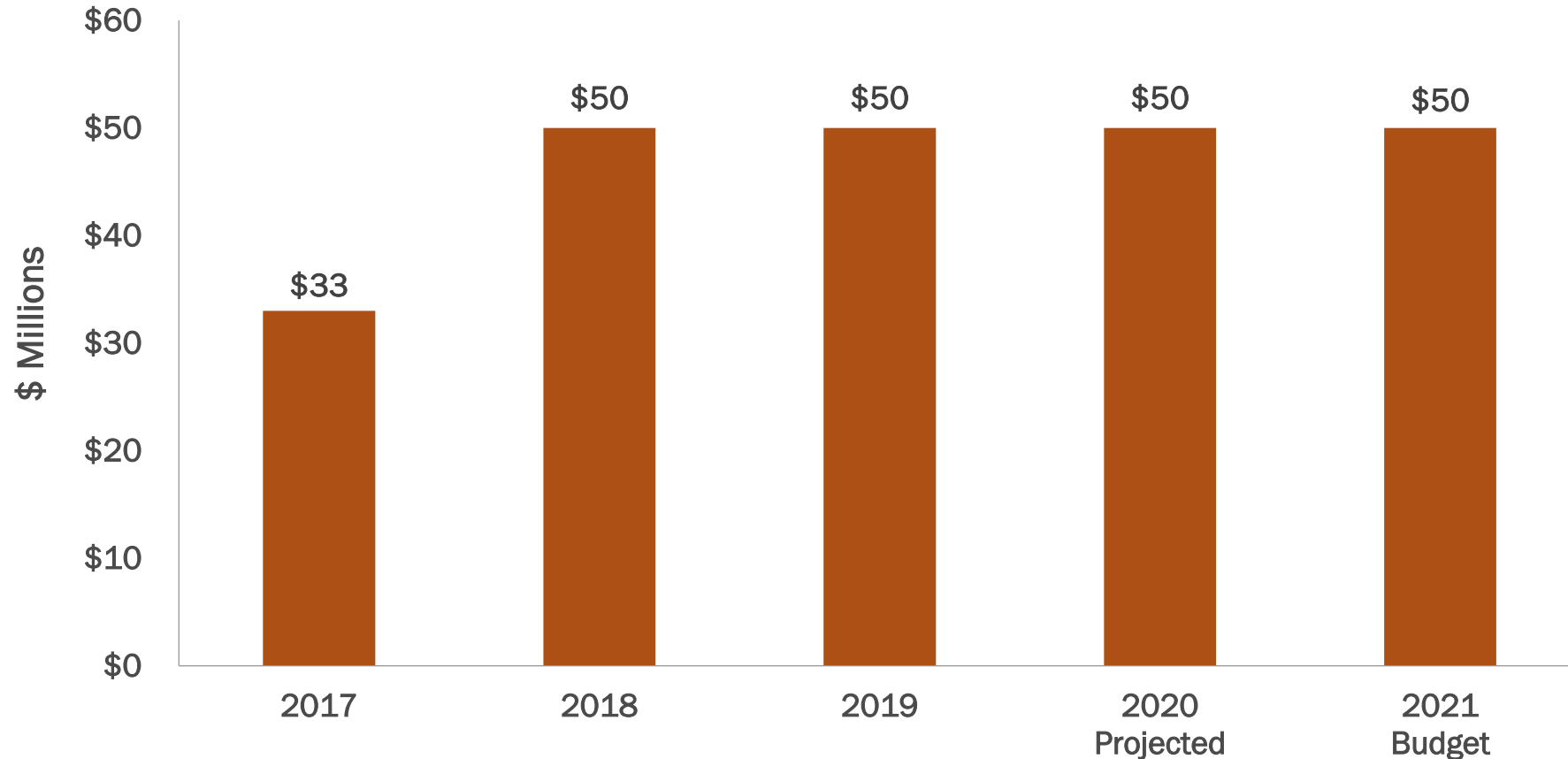
Days Cash On Hand*



* Number of days that operating expenses can be paid with current cash, excluding liquidity facilities

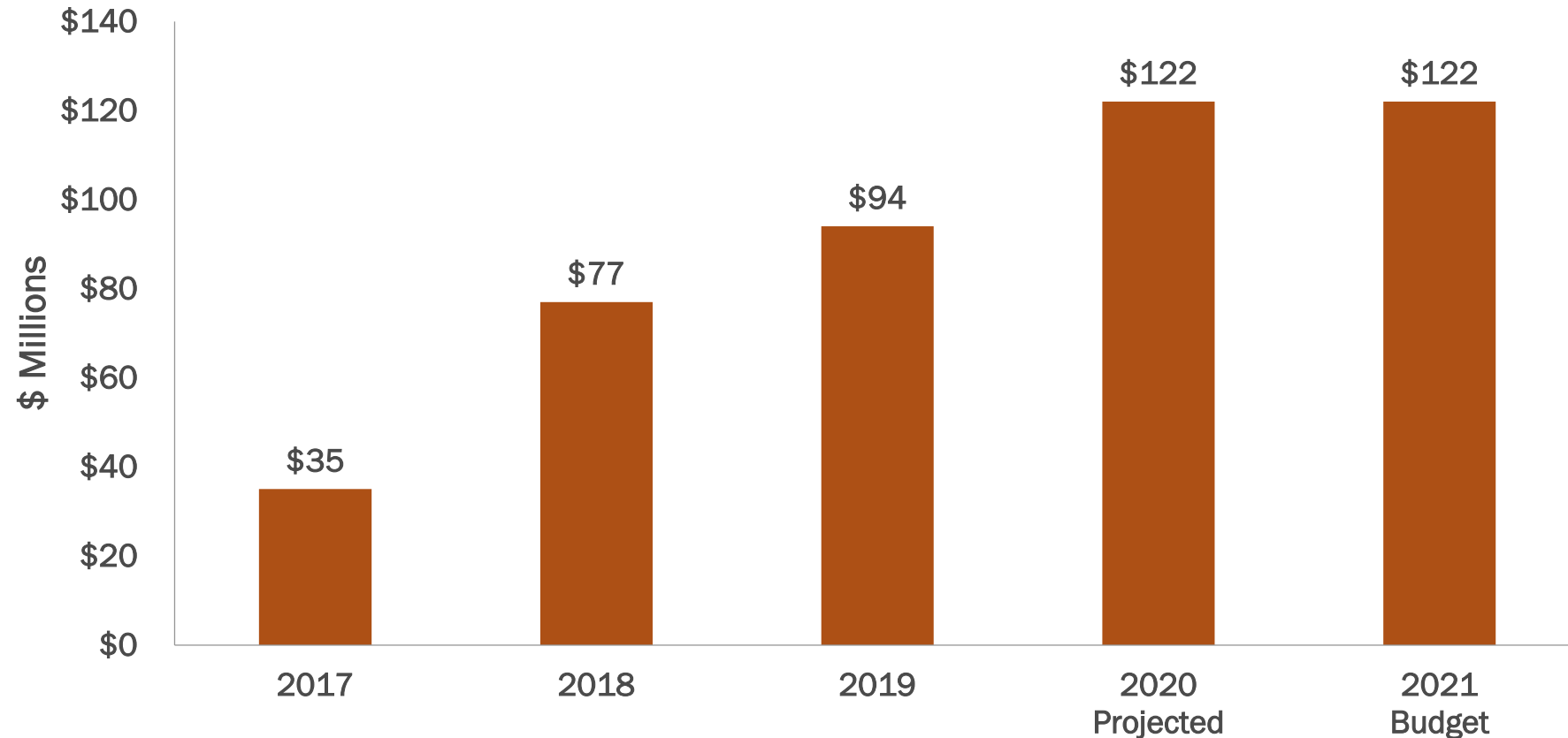
* Supports Board Strategic Directive Policy SD-3: Access to Credit Markets

Rate Stabilization Account Balances*



* At year end

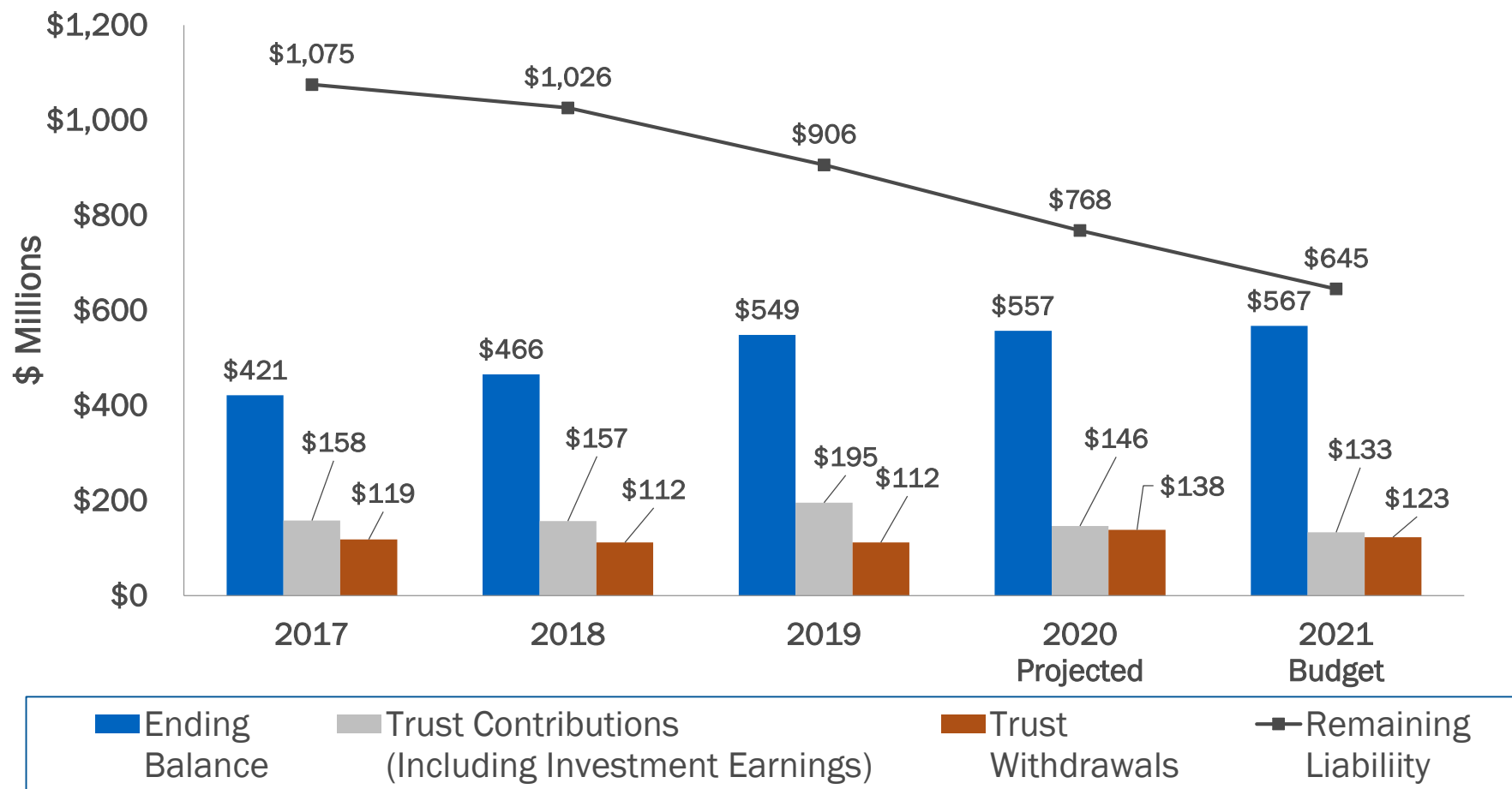
Decommissioning and Benefit Reserve Account Balances*



* At year end

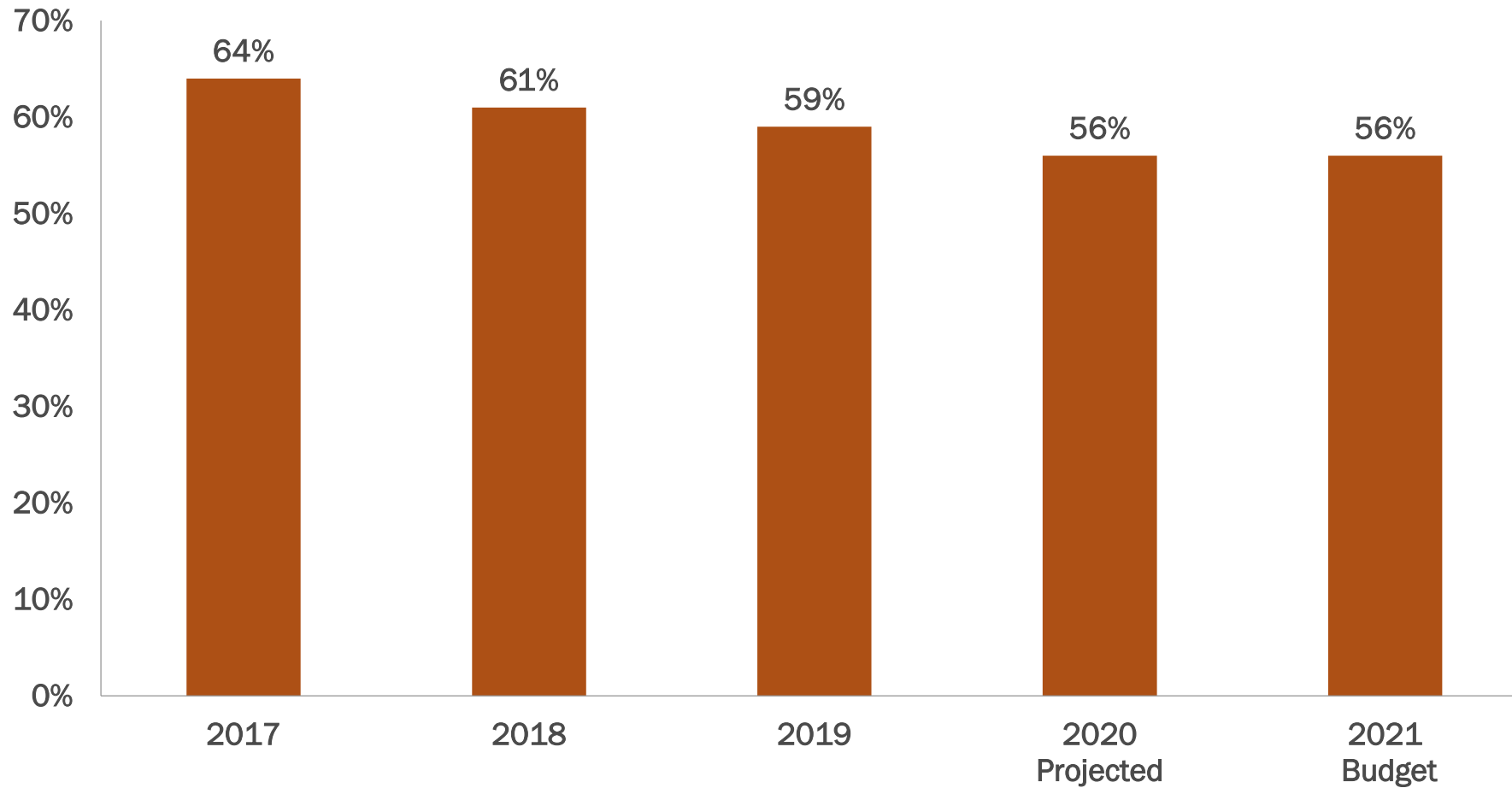
* Values adjusted for following year balance sheet totals

Decommissioning Fund Balances*



* All values shown at year end and include both the 1990 and 1992 trust funds.

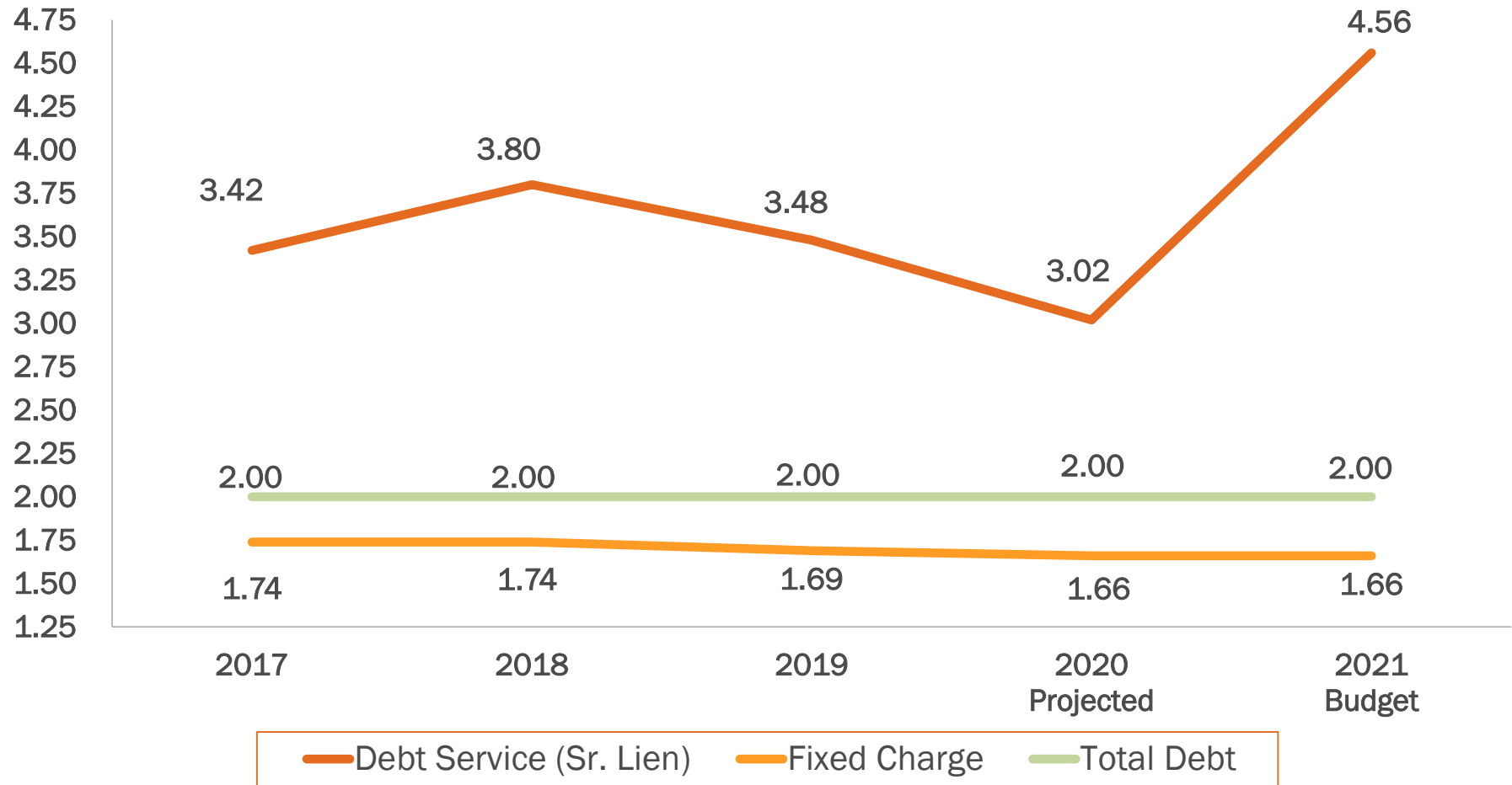
Debt Ratio*



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

Coverage Ratios

Total Debt Coverage Target = 2.00



*Number of times that Net Revenue covers Debt Payments

*Supports Board Strategic Directive Policy SD-3: Access to Credit Markets

NewGen Strategies and Solutions, LLC

- Virtual Half Day Reviews Held October 7th, 8th and 9th
 - Customer Usage Forecasts / Methodology
 - Revenue Forecasts
 - Resource Planning
 - Generation Plan / Scheduling
 - Fuel Budget
 - Operation & Maintenance Expense Budget
 - Fort Calhoun Station Decommissioning
 - Capital Expenditure Plan
 - Preliminary review complete, final report expected in December

Next Steps

- Review and collect feedback on the proposed 2021 Preliminary COP.
- Present a summary of changes between the Preliminary and Final COP at the December Finance Pre-Committee meeting.
- Present a summary of changes between the Preliminary and Final COP at the December Board of Directors Committee meeting on December 8th.
- 2021 Corporate Operating Plan will be disseminated to the Board on December 9th.
- Proposed Board approval at December Board meeting on December 9th.