2024 Corporate Operating Plan

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Omaha Public Power District

Management Letter

Management Letter

2023 will be a year that is long remembered at Omaha Public Power District. We are seeing unprecedented load growth across our service territory; our board of directors made a historic generation decision, and we have continued to execute the work outlined in our Powering the Future to 2050 vision. This work will power our customers and their evolving needs for decades to come.

OPPD's service territory is growing at an unprecedented rate. We estimate the demand for energy will increase at approximately 100 megawatts (MW) each year for the next decade. That level of growth is considerably higher than the 4 MW-per-year rate we traditionally experience.

This growth is creating opportunity and challenges for OPPD as we navigate serving customers' changing needs. In August, the OPPD Board of Directors approved additional generation totaling approximately 2.5 gigawatts (GW), nearly doubling our current generation output. This additional energy will power our growing customer classes, including data centers and residential growth.

As our economy continues to digitize, data centers are a growing segment of our vibrant economy and also a growing segment of our customer base, consuming considerable amounts of energy. These centers are powering the ever-changing lives of the residents of our service territory, who rely on electricity more than ever to power the technology in their homes and daily lives for decades to come.

Our 2024 Corporate Operating Plan includes a modest rate increase with an average impact of 2.5% across all customer classes. Driving the rate increase is net power costs and a growing capital portfolio. Net power costs are growing as the average price per megawatt to serve load is increasing within the marketplace. Capital costs are increasing due to the District's efforts to expand and modernize the electrical grid to maintain reliability while meeting the needs of a growing community. While we do have a rate increase, using the most current 2022 data from the Energy Information Administration, OPPD's average retail rate is still 26.5% below the national average.

Speaking of the future, we continue to move forward to meet our "north star" vision, called Powering the Future to 2050. This vision is guiding and prioritizing work across the utility. One piece of this vision is our advanced metering infrastructure (AMI) work, which will modernize our electrical system and enable customers to have a more detailed view of their energy usage. The improvements will also tell us when a customer is without power without the customer needing to notify us. This project involves extensive upgrades to our infrastructure and data management systems.

Besides new generation and a modernized system, we are also working towards solutions as part of our Master Facilities Plan, including the future expansion of existing facilities that are critical to our operations.

It's an exciting time at OPPD, where we are seeing many of the same challenges as our public power peers nationwide. The energy landscape is moving at a rapid pace, and we are charging forward to meet the challenge.

L. Javier Fernandez
President and Chief Executive Officer

Omaha Public Power District

Strategic Planning
and
Enterprise Risk Management

Strategic Direction

To provide clear and transparent direction on behalf of OPPD's customer-owners, OPPD's publicly elected Board of Directors established fifteen strategic direction (SD) policies to which OPPD is accountable. The policies guide OPPD's planning efforts to address current and future trends, mitigate risks, pursue strategic opportunities, and prioritize resources to efficiently and effectively provide energy services to our customer-owners. The SD policies leverage industry benchmarks to drive performance as a top utility and provide the basis for a scorecard to which the organization manages its performance.

Our Strategic Foundation (SD-1)

Mission: To provide affordable, reliable and environmentally sensitive energy services to our customers.

Vision: "Leading the Way We Power the Future"
In implementing this vision, OPPD shall adhere to these principles:

- Strengthen the public power advantage of affordable and reliable electricity;
- Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners;
- Proactively engage and communicate with our stakeholders;
- Act transparently and with accountability for the best interest of our customer-owners;
- Collaborate, when appropriate, with partners; and
- Leverage OPPD's leadership to achieve these goals.

Core Values

- We have a PASSION to serve
- We HONOR our community
- We CARE about each other

Board Strategic Direction Policies & Strategic Goals			
Policy	Measure	Definition	Strategic Goal
Rates (SD-2)	% Below Regional Retail Average	Retail rate target of North Central Regional average published rates on a system average basis.	10%
Access to Credit Markets (SD-3)	Debt Coverage Ratio	Revenues less expenses divided by total annual senior and subordinate lien debt interest and principal payments.	2.0
Reliability (SD-4)	SAIDI	System Average Interruption Duration Index	< 90
	Equivalent Availability	Maintaining steam unit equivalent availability factor at or above 90% on a three-year rolling average	90%
Customer Satisfaction (SD-5)	Absolute Satisfaction Score	Customer satisfaction for similar-sized utilities in the region across residential and business customers	Top quartile
Safety (SD-6)	DART	Days Away, Restricted or Transferred	< or = 0.50
	PVIR	Preventable Vehicle Incident Rate	< or = 4.00
Environmental Stewardship (SD-7)	Net Zero Carbon	By year end 2027, achieve an approximate 3,500,000 ton annual reduction in CO2 emissions at the North Omaha Station site relative to OPPD's 2013 benchmark of 3,960,179 tons at the station	3.5 million tons/year *
Employee Relations (SD-8)	Employee Engagement	Composite score of employee engagement	Top quartile

For a full listing of the 15 Strategic Directives, which includes Integrated System Planning (SD-9), Ethics (SD-10), Economic Development (SD-11), Information Management & Security (SD-12), Stakeholder Outreach & Engagement (SD-13), Retirement Plan Funding (SD-14), Enterprise Risk Management (SD-15), please access the following link to the OPPD Board Policy document https://www.oppd.com/media/317205/oppd-board-policy-binder.pdf

** Metrics will be revisited in Q1 2024*

Powering the Future to 2050

At OPPD, we've imagined the future. Powering the Future to 2050 (PF2050) is a strategic vision to make OPPD cleaner, more sustainable, and more innovative than you can believe. While others have been wondering about what's next, we've been hard at work, nights and weekends, planning out what the future of power looks like and how to bring it to life. The vision is clear – **Perfect Power**, **Customer Freedom**, and a **Cleaner World** enabled through a **Digitally Driven**, **Purpose-Driven Culture**, and **Future-Ready Posture** mindset.

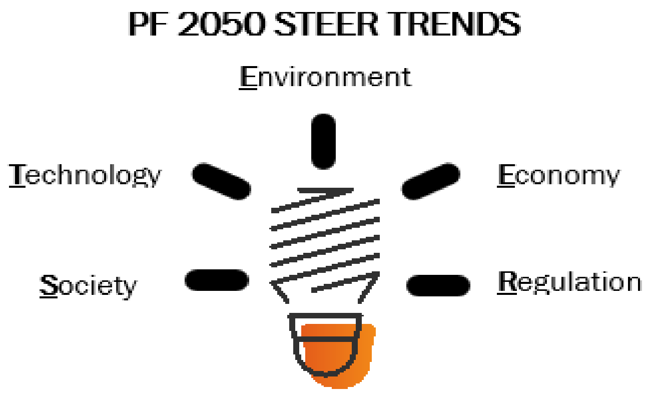
The Board of Directors established SD-7 (Environmental Stewardship) with the goal to conduct all operations in a manner that strives for the goal of net-zero-carbon production by 2050. In consideration of this revision, other SD policies, and transformational changes within and outside the industry, the Executive Leadership Team (ELT) created PF2050, which provides a strategic vision for the organization through the year 2050. PF2050 outlines a transformational journey and was developed with the expressed intent to meet or exceed the fifteen SD policies. This vision will transform OPPD to a digital utility with two-way and multi-directional power and communication flows, build a proactive grid, give customer-owners multiple options, minimize environmental impact, and reduce carbon emissions. The future is coming, and we want to make sure it is illuminated.

Acknowledging the rapidly evolving and increasingly complex environment we operate in, OPPD adopted a future-ready posture mindset. This means we are taking a thoughtful approach to investing in both core work ('keeping the lights on today') and in the efforts to power our next generation. This deliberate and agile approach resulted in the establishment of the five-year enterprise-level resourcing priorities. These enterprise priorities are aligned under PF2050 and influence the current year's budget. The process ensures OPPD's finite resources are being used to facilitate the right work to get us closer to our objectives of Perfect Power, Customer Freedom, and a Cleaner World by 2050.

The 2024-2028 enterprise priorities (listed in priority order) were established to provide this life essential energy service to our customer-owners and employees. Their requirements and aspirational futures are woven into the very DNA of these priorities and are the underpinnings of everything we do.

1. Resource Adequacy
2. Technology Transformation & Investment
3. Two-way Communication & Engagement
4. Master Facilities Plan

OPPD leveraged PF2050 and the five-year enterprise priorities to guide planning, prioritization, and resourcing decisions for this Corporate Operating Plan. We will continue to build upon our resource prioritization & capacity management framework and strategic STEER trends and risk scanning capabilities that will result in new and better ways to deliver affordable, reliable, and environmentally sensitive energy services to our customers. Additional information regarding PF2050 can be found on https://www.oppdcommunityconnect.com/pf2050.



Enterprise Risk Management

Fundamental to effective planning is an understanding of the District's enterprise level risks and the development and implementation of initiatives and mitigation plans to respond to those risks. The District's Enterprise Risk Management (ERM) program specifies risk management standards, management responsibilities, and controls to help ensure risk exposures are properly identified and managed within agreed upon risk tolerance levels. Specific risk mitigation plans and procedures are maintained and reviewed periodically to provide focused and consistent efforts to mitigate various risk exposures. An increased focus on emerging risks, such as disruptive technology, was launched this year. This process will continue to strengthen executive leadership's understanding of these risks to ensure an optimal future-ready posture for the organization. In support of its 2024 corporate planning efforts, OPPD leveraged risk assessments and mitigation plans to help prioritize resource allocation. The ELT has initiated and will continue to expand this effort by incorporating those critical trends identified and associated with PF 2050.

Theme	OPPD's Risk Management Focus
Retail Revenues & Wholesale Revenues	Persistently pursue customer and economic development to achieve economies of scale and strengthen the affordability of our rates. Optimize wholesale revenues and purchases to further benefit our customer-owners.
Resource Adequacy and Reliability	Acquire and maintain a high availability and diverse generation portfolio to serve a significantly growing customer demand.
Environmental Sensitivity	Ensure the District is compliant with all environmental regulations, well-positioned to respond to new regulations, and able to minimize our environmental impact.
Fuel Costs	Effectively manage the District's fuel portfolio through numerous mitigation strategies to continue to ensure low cost and resilient generation.
AMI & Tech Transformation Execution	Deliver world-class execution of priority initiatives that will create a future-ready posture to deliver increased value to our customer-owners.
Cyber & Physical Security	Vigorously defend customer information and District assets from all potential cyber and physical security threats inherent with national critical infrastructure.
Infrastructure Investment	Optimally invest in transmission, distribution, substation, facility, and technology assets to ensure reliable and resilient energy services and supporting functions will meet the demands of our customer-owners.
Workplace Safety	Continue promoting safety as a top priority to ensure every employee and contractor goes home as healthy as they came into work.
Community Partnership	Honor and support the communities in which we operate and fulfill the promise of public power.

Assumptions

Assumptions

2024 Proposed Rate Action

OPPD's 2024 Corporate Operating Plan assumes an average total rate increase of 2.5% across all customer classes, composed of a 3.1% average general rate increase and a 0.6% decrease in the Fuel and Purchased Power Adjustment (FPPA) factor effective January 1, 2024.

General

2023 Projected

Revenues, operations and maintenance, capital and deferred expenditures reflect the 2023 actual values and forecast submitted through September 30, 2023.

Financing/Investing

Financing

Revenue bonds with net proceeds of $424.0 million are included in the 2024 budget. The proceeds of these bonds are expected to be used for capital expenditures.

Average Earnings Rates on Funds

The average earnings rate used for all funds (including special purpose) for 2024 is 4.1% which is an increase of 0.7% from the prior year's rate of 3.4%.

Energy Sales/Revenues

Load Forecast

The plan assumes a 9.5% increase in retail energy sales (MWh) and a 1.1% increase in the number of customers in 2024, as compared to the 2023 projection.

Assumptions

Generation and Purchased Power

Outages have been scheduled for the following base-load units in 2024:

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

Additionally, there are several shorter outages scheduled for other units. The purchased power budget includes generation supplied from 972 megawatts of wind capability, 80 megawatts of hydropower from the Western Area Power Administration, as well as 5 megawatts of Fort Calhoun Community Solar capability. In addition to the existing facilities, multiple generating stations are expected to be operational in 2024. Platteview Solar, an 81-megawatt utility-scale solar generation facility, as well as two natural gas peaking stations, Turtle Creek and Standing Bear Lake, will add to OPPD's generation fleet.

Department Operations and Maintenance Budget

Department and division level budgets were proposed in August 2023 during the Resource Optimization Sessions. These plans were reviewed with the Executive Leadership Team for alignment with the strategic and operational objectives before submitting them in the 2024 Corporate Operating Plan for Board final approval.

Capital Budget Expenditures

The capital portfolio prioritization and allocation process continues to improve capital planning. The process enables better alignment with the strategic directives and provides more transparency of capital spending through improved project review and approval processes. The size of the capital budget continues to grow as the District undergoes system expansion to provide reliable electric service to a growing community.

Total 2024 Budget

The total 2024 Budget is $2.1 billion.

BUDGET SUMMARY
(DOLLARS IN THOUSANDS)

Total Budget

	BUDGET 2023	BUDGET 2024	INCREASE / (DECREASE)	% CHANGE
Fuel Costs and Purchased Power	$462,867	$492,691	$29,824	6.4
Non-Fuel Operations & Maintenance	481,800	528,335	46,535	9.7
Total Debt Service and Other Expenses	164,149	189,242	25,093	15.3
Payments in Lieu of Taxes	42,065	45,599	3,534	8.4
Capital Expenditures*	640,000	727,000	87,000	13.6
Contributions to Decommissioning & Benefit Reserve	0	11,939	11,939	100.0
Regulatory Amortization	13,602	0	(13,602)	(100.0)
Decommissioning Expenditures**	115,301	112,918	(2,383)	(2.1)
TOTAL BUDGET	**$1,919,784**	**$2,107,724**	**$187,940**	**9.8**

*Capital Expenditures are shown net of Contributions in Aid of Construction

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding ($15.3 million) which is an expense and is reflected on the income statement.

Budget Component Comparison

	BUDGET 2023	BUDGET 2024	CHANGE
Fuel Costs and Purchased Power	24.1%	23.4%	(0.7)
Non-Fuel Operations & Maintenance	25.1%	25.1%	0.0
Total Debt Service and Other Expenses	8.6%	9.0%	0.4
Payments in Lieu of Taxes	2.2%	2.2%	0.0
Capital Expenditures*	33.3%	34.5%	1.2
Contributions to Decommissioning & Benefit Reserve	0.0%	0.6%	0.6
Regulatory Amortization	0.7%	0.0%	(0.7)
Decommissioning Expenditures**	6.0%	5.4%	(0.6)
TOTAL BUDGET	100%	100%	0.2

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Fuel and Purchased Power Budget

	BUDGET 2023	BUDGET 2024	INCREASE / (DECREASE)	% CHANGE
Fuel Cost	$165,301	$180,164	$14,863	9.0
Purchased Power	297,566	312,527	14,961	5.0
TOTAL BUDGET	$462,867	$492,691	$29,824	6.4

Non-Fuel O&M Budget

	BUDGET 2023	BUDGET 2024	INCREASE / (DECREASE)	% CHANGE
Production	$131,925	$147,748	$15,823	12.0
Transmission and Distribution	150,401	166,553	16,152	10.7
Customer Accounting and Services	47,881	47,096	(785)	(1.6)
Administrative and General	151,593	166,938	15,345	10.1
TOTAL BUDGET	$481,800	$528,335	$46,535	9.7

Debt Service/Other Expenses

	BUDGET 2023	BUDGET 2024	INCREASE / (DECREASE)	% CHANGE
Bonds	$169,510	$194,308	$24,798	14.6
Commercial Paper	8,750	10,000	1,250	14.3
Other	(14,111)	(15,066)	(955)	6.8
TOTAL BUDGET	$164,149	$189,242	$25,093	15.3

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

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Income Statement

Projected net income for 2023 is $145.5 million, which is $49.0 million over budget. Higher net income is primarily driven by decreased decommissioning and depreciation expense, partially offset by lower retail revenue and elevated operations and maintenance expense. It should be noted that OPPD does not set budgets and other forward looking plans on the basis of net income. The District uses a 2.0 Debt Service coverage ratio as the basis of annual budgets, which is based on SD-3 Access to Credit Markets.

Net income for 2024 is budgeted to be $161.4 million, which is $15.9 million higher than the 2023 projected net income. When compared to the 2023 budget, net income for 2024 is $65.0 million or 67.3% higher.

Major factors contributing to the change in 2024 operating and net income are:

1. Operating revenues are budgeted to be $23.0 million higher than 2023 projections and $31.1 million higher than the 2023 budget. Retail revenues are expected to increase $67.5 million from 2023 projections and increase $61.2 million when compared to the 2023 budget, which is related to growth in the Industrial and Commercial customer classes. The increases in retail sales were partially offset by a decrease in wholesale revenues of $42.7 million compared to 2023 budget and $32.6 million compared to 2023 projection, primarily driven by decreased congestion hedging revenues.

2. Operations and maintenance expense is budgeted to be $0.6 million lower than the 2023 projected amount and $76.4 million higher than the 2023 budgeted amount. The 2024 budget is consistent with the 2023 projection due to elevated purchased power and production expenses in 2023 related to operating interruptions, as well as an unplanned pension contribution.

3. Other income for 2024 is $5.5 million higher than the 2023 projected amount. Other income budgeted for 2024 is $27.1 million higher than the 2023 budget amount primarily due to increased investment income resulting from higher cash balances and higher average earnings rates.

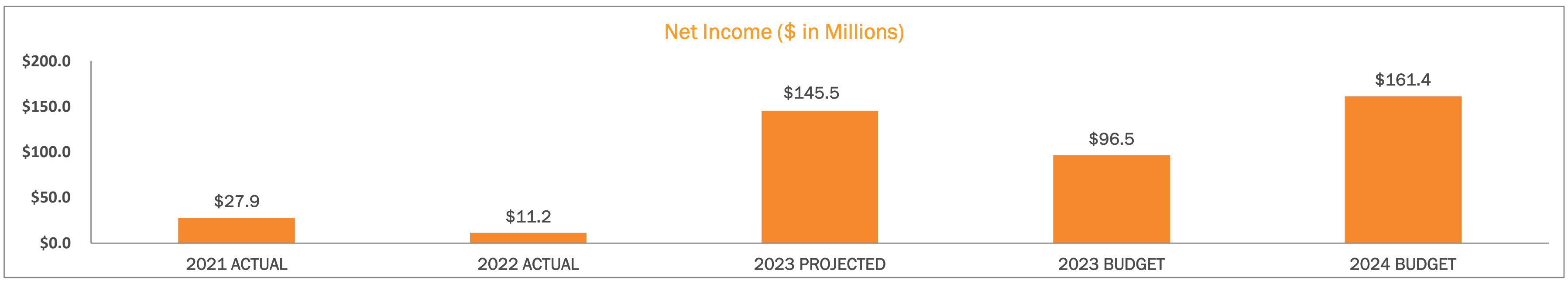
4. Total decommissioning funding, which is recognized as an expense of $15.3 million in 2024, is $19.4 million lower than 2023 projected and $79.9 million lower than 2023 budget due to discontinuing contributions as the decommissioning trust is fully funded.

5. Depreciation expense, which does not impact the Debt Service Coverage metric, is $138.4 million in 2024, which is $13.6 million greater than 2023 projection and $18.3 million lower than 2023 budget. Recently, a depreciation study was conducted which greatly reduced projected 2023 annual depreciation expense compared to budget. The increase in 2024 budgeted depreciation expense is the result of a growing asset base.

INCOME STATEMENT
(DOLLARS IN THOUSANDS)

Income Statement

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
OPERATING REVENUES	$1,496,920	$1,400,784	$1,409,309	$1,401,221	$8,088	$1,432,358	$23,049	1.6
OPERATING EXPENSES								
O&M EXPENSE	1,093,592	962,458	1,021,587	944,666	76,920	1,021,028	(559)	(0.1)
PAYMENTS IN LIEU OF TAXES	38,555	40,462	42,643	42,065	578	45,599	2,955	6.9
DECOMMISSIONING EXPENSE	132,543	141,918	34,703	95,168	(60,465)	15,298	(19,406)	(55.9)
REGULATORY AMORTIZATION	14,836	14,835	13,600	13,602	(2)	0	(13,600)	(100.0)
DEPRECIATION EXPENSE	142,156	150,074	124,878	156,567	(31,688)	138,448	13,570	10.9
TOTAL OPERATING EXPENSE	$1,421,682	$1,309,747	$1,237,411	$1,252,068	($14,657)	$1,220,373	($17,039)	(1.4)
OPERATING INCOME	$75,238	$91,037	$171,897	$149,153	$22,745	$211,985	$40,088	23.3
INTEREST INCOME*	19,439	20,481	33,322	27,152	6,171	54,211	20,889	62.7
MARK TO MARKET	(22,725)	(60,693)	9,080	0	9,080	0	(9,080)	(100.0)
ALLOWANCE FOR FUNDS USED	9,772	16,427	31,028	25,369	5,660	26,332	(4,696)	(15.1)
PRODUCTS AND SERVICES - NET	1,830	2,868	2,121	3,400	(1,279)	2,484	362	17.1
MISC. NON OPERATING INCOME	12,931	25,917	4,990	3,000	1,990	3,000	(1,990)	(39.9)
TOTAL OTHER INCOME	$21,246	$5,000	$80,542	$58,921	$21,621	$86,027	$5,485	6.8
TOTAL INCOME LESS OPERATING EXPENSE	$96,485	$96,037	$252,439	$208,073	$44,366	$298,012	$45,573	18.1
INCOME DEDUCT. & INT. CHARGES								
INTEREST EXPENSE	78,800	97,739	119,951	125,671	(5,720)	151,720	31,769	26.5
AMORTIZATION	(12,210)	(14,694)	(15,616)	(15,316)	(299)	(16,271)	(655)	4.2
OTHER INCOME DEDUCTIONS	1,947	1,787	2,634	1,205	1,429	1,205	(1,429)	(54.2)
TOTAL INCOME DEDUCT. & INT. CHARGES	$68,537	$84,832	$106,969	$111,560	($4,591)	$136,654	$29,685	27.8
NET INCOME	$27,948	$11,205	$145,470	$96,513	$48,957	$161,358	$15,888	10.9



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

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Coverage Ratios

The Total Debt Service Coverage ratio, which is the key metric viewed by credit rating agencies, is budgeted to be 2.00 times in 2024, as directed by SD-3 Access to Credit Markets.

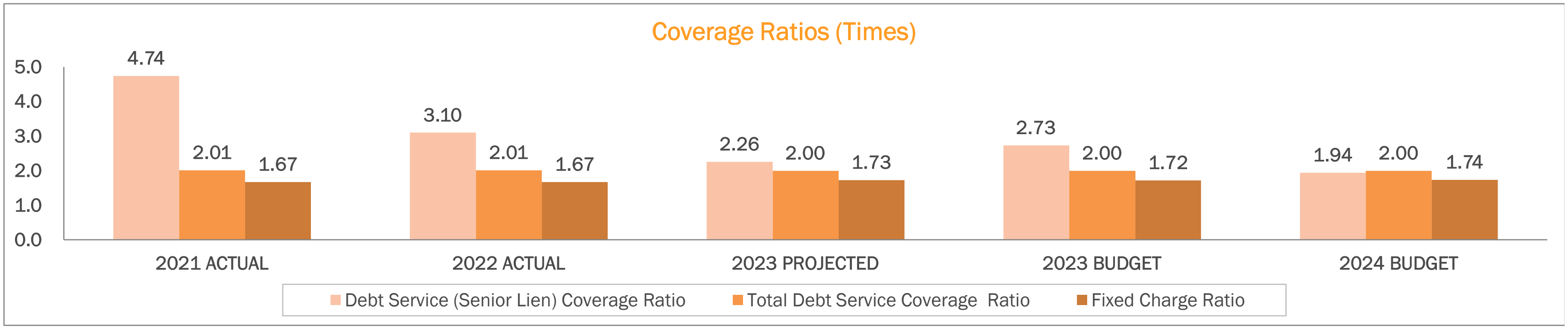
The Fixed Charge ratio is budgeted at 1.74 times in 2024, as compared to the projected 2023 of 1.73 times.

The Senior Lien Debt Service Coverage ratio is projected to be 2.26 times in 2023 and 1.94 times in 2024. The decrease is driven by an increase in senior lien debt service requirements, partially offset by an increase in net receipts. Net receipts for 2024 are expected to increase by $47.1 million or 15.0% from 2023 projected levels primarily due an increase in revenues and decreasing operations and maintenance expenses. Senior lien debt service requirements for 2024 are scheduled to increase by approximately $46.9 million over 2023 projections as a result of the 2023 and 2024 bond issues.

COVERAGE RATIOS
(DOLLARS IN THOUSANDS)

Coverage Ratios

Coverage Ratios	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
OPERATING REVENUES (EXCL. NC2)	$1,426,672	$1,331,698	$1,340,625	$1,331,828	$8,797	$1,368,804	$28,179	2.1
INTEREST INCOME - BONDS RESERVE ACCOUNT	1,077	1,357	2,992	2,066	926	3,491	499	16.7
O&M EXPENSE (EXCL. NC2 PARTICIPANT SHARE)	(1,054,372)	(930,054)	(987,609)	(899,143)	(88,466)	(966,215)	21,394	(2.2)
PAYMENTS IN LIEU OF TAXES	(38,555)	(40,462)	(42,643)	(42,065)	(578)	(45,599)	(2,955)	6.9
NET RECEIPTS	$334,822	$362,539	$313,364	$392,686	($79,321)	$360,481	$47,117	15.0
DEBT SERVICE REQUIREMENTS (SENIOR LIEN)	$70,582	$116,947	$138,241	$143,690	($5,449)	$185,183	$46,942	34.0
DEBT SERVICE (SENIOR LIEN) COVERAGE RATIO	4.74	3.10	2.26	2.73		1.94		
<u>MEMO: OTHER COVERAGE RATIOS:</u>								
TOTAL DEBT SERVICE COVERAGE RATIO (DSC)	2.01	2.01	2.00	2.00		2.00		
FIXED CHARGE RATIO	1.67	1.67	1.73	1.72		1.74		



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding. Total DSC as defined in OPPD's published Strategic Directive-3: Access to Credit Markets.

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Debt and Financing Data

Total senior lien revenue bonds outstanding at year-end 2024 are budgeted to equal $2,842.5 million. The 2024 budget anticipates the issuance of approximately $448.7 million of new senior lien revenue bonds and also includes senior lien revenue bond maturities and retirements of $45.9 million.

Total subordinated bonds outstanding at year-end 2024 are budgeted to equal $132.2 million and also includes subordinated bond maturities and retirements of $2.6 million. The 2024 budget does not anticipate the issuance of new subordinated bonds.

Total commercial paper outstanding at year-end 2024 is budgeted to equal $250.0 million. The 2024 budget does not anticipate the retirement or issuance of new commercial paper.

Total separate system (NC2) revenue bonds outstanding at year-end 2024 are budgeted to equal $189.5 million. The 2024 budget does not anticipate the issuance of new NC2 revenue bonds, but does have NC2 revenue bond maturities and retirements of $4.2 million.

The total average interest rate on existing debt will be 4.21% at the end of 2023 and 4.44% at the end of 2024. The debt to capitalization ratio is budgeted to be 66% for 2024.

DEBT AND FINANCING DATA
(DOLLARS IN THOUSANDS)

Debt and Financing Data

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
SENIOR LIEN REVENUE BONDS								
BALANCE - BEGINNING OF YEAR	$1,208,640	$1,524,630	$1,935,320	$1,935,320	$0	$2,439,775	$504,455	26.1
MATURITIES / RETIREMENTS	(122,945)	(9,875)	(45,305)	(45,305)	0	(45,895)	(590)	1.3
NEW ISSUES	438,935	420,565	549,760	504,000	45,760	448,657	(101,103)	(18.4)
BALANCE - END OF YEAR	**$1,524,630**	**$1,935,320**	**$2,439,775**	**$2,394,015**	**$45,760**	**$2,842,537**	**$402,762**	**16.5**
AVERAGE INTEREST RATE (END OF YEAR)	3.76%	3.85%	4.03%	4.09%		4.47%		
SUBORDINATED								
BALANCE - BEGINNING OF YEAR	$229,775	$229,775	$227,225	$227,225	$0	$134,745	($92,480)	(40.7)
MATURITIES / RETIREMENTS	0	(2,550)	(92,480)	(2,555)	(89,925)	(2,560)	89,920	(97.2)
NEW ISSUES	0	0	0	0	0	0	0	0.0
BALANCE - END OF YEAR	**$229,775**	**$227,225**	**$134,745**	**$224,670**	**($89,925)**	**$132,185**	**($2,560)**	**(1.9)**
AVERAGE INTEREST RATE (END OF YEAR)	4.24%	4.23%	4.24%	4.22%		4.01%		
MINIBONDS								
BALANCE - BEGINNING OF YEAR	$31,737	$0	$0	$0	$0	$0	$0	0.0
MATURITIES / RETIREMENTS	(32,344)	0	0	0	0	0	0	0.0
ACCRETED INTEREST	607	0	0	0	0	0	0	0.0
BALANCE - END OF YEAR	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
AVERAGE INTEREST RATE (END OF YEAR)								
COMMERCIAL PAPER								
BALANCE - BEGINNING OF YEAR	$250,000	$325,000	$250,000	$250,000	$0	$250,000	$0	0.0
MATURITIES / RETIREMENTS	0	(75,000)	(100,000)	0	(100,000)	0	100,000	(100.0)
NEW ISSUES	75,000	0	100,000	0	100,000	0	(100,000)	(100.0)
BALANCE - END OF YEAR	**$325,000**	**$250,000**	**$250,000**	**$250,000**	**$0**	**$250,000**	**$0**	**0.0**
AVERAGE INTEREST RATE (END OF YEAR)	0.16%	1.50%	3.17%	3.50%		4.00%		
SEPARATE SYSTEM REVENUE BONDS (NC2)								
BALANCE - BEGINNING OF YEAR	$205,150	$201,495	$197,680	$197,680	$0	$193,680	($4,000)	(2.0)
MATURITIES / RETIREMENTS	(3,655)	(3,815)	(4,000)	(4,000)	0	(4,200)	(200)	5.0
NEW ISSUES	0	0	0	0	0	0	0	0.0
BALANCE - END OF YEAR	**$201,495**	**$197,680**	**$193,680**	**$193,680**	**$0**	**$189,480**	**($4,200)**	**(2.2)**
AVERAGE INTEREST RATE (END OF YEAR)	4.95%	4.95%	4.95%	4.95%		4.95%		
TOTAL AVERAGE INTEREST RATE (END OF YEAR)	3.45%	3.74%	4.21%	4.10%		4.44%		
TOTAL INTEREST EXPENSE (ON DEBT)	$68,537	$84,832	$106,969	$111,560	($4,591)	$136,654	$29,685	27.8
DEBT TO CAPITALIZATION RATIO	61%	64%	65%	67%		66%		

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Financial Statements

Cash Flow Analysis

2023 Projection Compared to 2023 Budget

Cash Receipts

2023 projected cash receipts are $1,476.1 million, which is $40.7 million over budget. Total cash receipts were impacted by elevated wholesale revenues and investment income. Wholesale revenues were impacted by elevated congestion hedging revenues. Investment income performance was due to higher cash balances and higher average earnings rates.

Cash Disbursements

2023 cash disbursements are projected to be $1,952.8 million or $58.4 million over budget. Disbursements are over budget primarily due to an unplanned pension contribution as well as extended outages contributing to higher purchased power, partially offset by decreased decommissioning funding.

2024 Budget Compared to 2023 Projection

Cash Receipts

2024 cash receipts are budgeted to increase by $16.8 million to $1,492.9 million. This increase is primarily due to increased retail revenue from projected load growth and the general rate increase to retail customers, partially offset by decreased wholesale revenues as congestion hedging revenues are anticipated to decrease significantly from 2023 levels.

Cash Disbursements

2024 cash disbursements are budgeted to increase by $77.2 million to $2,029.9 million. Increases in cash disbursements primarily relate to capital expenditures and increased debt service to support the capital portfolio. Partially offsetting is decreased purchased power and production expense as unit availability returns to normal levels. Decommissioning funding is also expected to decrease due to discontinuing contributions as the decommissioning trust is fully funded.

The budgeted values of cash receipts and disbursements result in a projected year-end cash balance of $529.0 million in 2024.

CASH FLOW ANALYSIS
(DOLLARS IN THOUSANDS)

Cash Flow Analysis

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	% CHANGE
CASH BEGINNING OF PERIOD	$366,157	$636,681	$667,880	$620,910	$46,970	$642,041	($25,839)	(3.9)
RECEIPTS								
RETAIL REVENUES	$1,034,029	$1,126,285	$1,161,913	$1,160,884	$1,029	$1,222,054	$60,142	5.2
WHOLESALE REVENUES (INCL. NC2)	310,228	248,490	218,371	201,247	17,123	168,881	(49,489)	(22.7)
OTHER ELECTRIC REVENUES	37,637	42,940	43,789	39,679	4,110	42,234	(1,555)	(3.6)
INTEREST INCOME	37,107	50,004	48,915	30,152	18,764	57,211	8,296	17.0
PRODUCTS & SERVICES	1,830	2,086	3,092	3,400	(308)	2,484	(609)	(19.7)
TOTAL RECEIPTS	$1,420,830	$1,469,805	$1,476,080	$1,435,362	$40,719	$1,492,865	$16,785	1.1
DISBURSEMENTS								
O&M EXPENSE (W/O FUEL & PURCHASED POWER)	$472,243	$409,119	$558,113	$491,668	$66,445	$540,396	($17,717)	(3.2)
DECOMMISSIONING EXPENSE	132,543	141,918	34,702	95,168	(60,466)	15,298	(19,404)	(55.9)
PAYMENTS IN LIEU OF TAXES	38,555	38,605	40,226	40,540	(314)	42,882	2,656	6.6
DEBT SERVICE	116,972	146,457	170,260	164,486	5,774	215,568	45,308	26.6
CAPITAL EXPENDITURES	281,122	551,032	652,100	640,000	12,100	727,000	74,900	11.5
FUEL	203,944	188,414	161,805	165,934	(4,129)	178,358	16,554	10.2
PURCHASED POWER	395,399	357,276	335,546	296,525	39,021	310,416	(25,130)	(7.5)
CHANGES IN OTHER NET ASSETS	15,476	(17,420)	0	0	0	0	0	0.0
TOTAL DISBURSEMENTS	$1,656,254	$1,815,401	$1,952,752	$1,894,321	$58,430	$2,029,918	$77,166	4.0
NET OPERATING CASH FLOW	($235,424)	($345,596)	($476,671)	($458,959)	($17,712)	($537,053)	($60,382)	12.7
FINANCING	$531,245	$474,385	$578,398	$504,000	$74,398	$448,657	($129,741)	(22.4)
FINANCING COST / RESERVE AMOUNT	(25,297)	(22,590)	(37,641)	(25,060)	(12,581)	(24,676)	12,965	(34.4)
COMMERCIAL PAPER - NET	0	(75,000)	0	0	0	0	0	0.0
OTHER	0	0	(89,925)	0	(89,925)	0	89,925	(100.0)
TOTAL FINANCING	$505,948	$376,795	$450,832	$478,940	($28,108)	$423,981	($26,851)	(6.0)
TOTAL CHANGE IN CASH	$270,524	$31,199	($25,839)	$19,981	($45,820)	($113,072)	($87,232)	337.6
CASH END OF PERIOD	$636,681	$667,880	$642,041	$640,890	$1,150	$528,969	($113,073)	(17.6)
DECOMMISSIONING FUND	$519,702	$534,901	$447,190	$591,073	($143,883)	$346,768	($100,422)	(22.5)

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Omaha Public Power District

Energy Sales

Energy Sales

Electric Energy Sales & Electric Customers

Retail energy sales are budgeted to be 13,648,443 MWh or 9.5% greater than 2023 projections, driven by load growth across all customer classes, especially industrial customers. Wholesale energy sales (including NC2 participation sales) are budgeted to increase by 533,805 MWh or 16.6% from 2023 projected levels. Total electric energy sales are budgeted to be 17,398,684 MWh or 10.9% more than the 2023 projected energy sales due increased retail sales across all customer classes, particularly in the industrial class.

In 2024, the average number of retail customers is budgeted to increase by 4,350 or 1.1% above 2023 projections.

ELECTRIC ENERGY SALES AND CUSTOMERS

Energy Sales and Customers

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. MWh CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
ELECTRIC ENERGY SALES (MWh)								
RESIDENTIAL	3,868,322	3,937,046	3,944,441	3,841,839	102,602	3,995,295	50,854	1.3
COMMERCIAL	3,668,742	3,763,330	3,820,359	3,839,630	(19,271)	3,891,422	71,063	1.9
INDUSTRIAL	4,014,243	4,293,784	4,738,220	5,286,601	(548,381)	5,703,474	965,254	20.4
UNBILLED SALES	(43,517)	111,815	(35,808)	5,785	(41,593)	58,252	94,060	(262.7)
RETAIL ENERGY SALES	11,507,790	12,105,976	12,467,212	12,973,856	(506,644)	13,648,443	1,181,231	9.5
NC2 PARTICIPANT	1,937,894	1,867,157	1,740,794	2,024,921	(284,127)	2,096,963	356,169	20.5
OTHER	2,284,818	2,543,536	1,475,641	1,629,690	(154,049)	1,653,278	177,636	12.0
WHOLESALE ENERGY SALES	4,222,712	4,410,693	3,216,435	3,654,611	(438,176)	3,750,240	533,805	16.6
TOTAL MWh SALES	15,730,502	16,516,668	15,683,648	16,628,467	(944,819)	17,398,684	1,715,036	10.9
ELECTRIC CUSTOMERS (12 MONTH AVG.)								
RESIDENTIAL	346,503	351,712	357,393	355,847	1,546	361,464	4,071	1.1
COMMERCIAL	48,781	49,550	49,720	49,689	31	49,987	267	0.5
INDUSTRIAL	141	135	137	145	(8)	149	12	8.8
TOTAL RETAIL CUSTOMERS	395,425	401,397	407,250	405,681	1,569	411,600	4,350	1.1
kWh / CUSTOMER								
RESIDENTIAL	11,164	11,194	11,037	10,796	240	11,053	16	0.1
COMMERCIAL	75,209	75,950	76,837	77,273	(436)	77,849	1,011	1.3
INDUSTRIAL	28,537,271	31,805,809	34,585,550	36,459,317	(1,873,767)	38,278,351	3,692,801	10.7
AVERAGE kWh / CUSTOMER	29,212	29,881	30,701	31,966	(1,265)	33,018	2,317	7.5

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Energy Sales

Operating Revenues

Total electric operating revenues for 2023 are projected to be $1,409.3 million, which is $8.1 million or less than 0.1% over the 2023 budget. Electric operating revenues are at budget due to offsetting impacts of wholesale revenues and retail revenues. Wholesale revenues are $10.2 million over budget for 2023 primarily due to elevated congestion hedging revenues. Retail revenues are $6.3 million under budget for 2023 largely due to delayed load ramp from industrial customers.

Total electric operating revenues for 2024 are budgeted to be $1,432.4 million, which is $23.0 million or 1.6% above the 2023 projected operating revenues. Retail revenues are $67.5 million greater than 2023 projection due to load growth across all customer classes, especially industrial customers, partially offset by a contribution to the Decommissioning and Benefits Reserve Account (DBRA). Wholesale revenues are $42.7 million below the 2023 projected amount primarily due to decreased congestion hedging revenue and retail load growth outpacing owned generation.

OPERATING REVENUES
(DOLLARS IN THOUSANDS)

Operating Revenues

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
ELECTRIC OPERATING REVENUES								
RESIDENTIAL	$439,609	$460,848	$476,115	$463,690	$12,425	$490,025	$13,910	2.9
COMMERCIAL	324,790	336,360	351,970	353,539	(1,569)	378,580	26,610	7.6
INDUSTRIAL	276,265	291,343	318,255	351,251	(32,996)	363,789	45,534	14.3
FPPA RECEIVABLE AMORTIZATION	7,616	7,400	(7,400)	(7,400)	(0)	0	7,400	(100.0)
PROVISION FOR DBRA	83,000	(6,000)	19,781	0	19,781	(11,939)	(31,720)	(160.4)
UNBILLED REVENUES/ADJUSTMENTS	(372)	10,556	(550)	3,396	(3,947)	5,185	5,735	(1,042.0)
TOTAL RETAIL SALES	$1,130,907	$1,100,507	$1,158,171	$1,164,477	($6,307)	$1,225,640	$67,470	5.8
NC2 PARTICIPANTS	$70,248	$69,086	$68,684	$69,393	($709)	$63,554	($5,130)	(7.5)
OTHER	258,128	187,392	138,536	127,671	10,864	100,930	(37,606)	(27.1)
TOTAL WHOLESALE REVENUES	$328,376	$256,478	$207,220	$197,064	$10,156	$164,484	($42,736)	(20.6)
TOTAL SALES OF ELECTRIC ENERGY	$1,459,283	$1,356,985	$1,365,391	$1,361,541	$3,849	$1,390,125	$24,734	1.8
OTHER ELECTRIC REVENUES	$37,637	$43,799	$43,918	$39,679	$4,239	$42,233	($1,685)	(3.8)
TOTAL ELECTRIC OPERATING REVENUES	$1,496,920	$1,400,784	$1,409,309	$1,401,221	$8,088	$1,432,358	$23,049	1.6

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Energy Sales

Average Cents/kWh

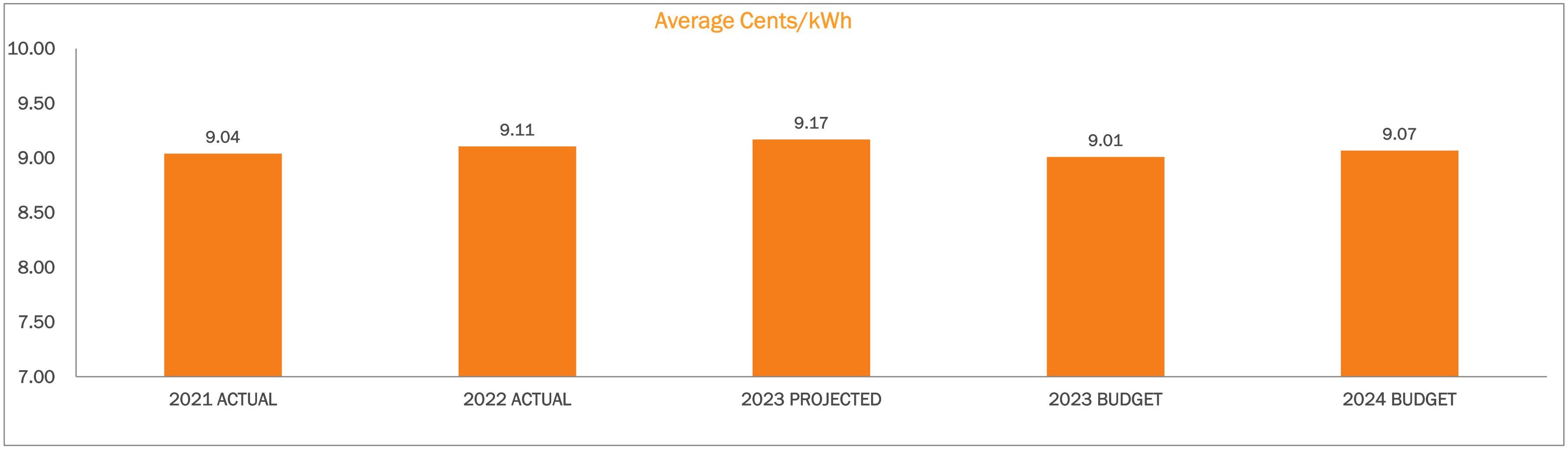
The 2023 average price per kWh for retail customers is projected to be 9.17 cents, which is 0.16 cents more than budget. The primary driver is due to higher than expected wholesale market energy prices, which is a component of the rate for the Large Power Transmission Level - Market Rate, Rate 261M. Consequently, the price per kWh variance is not the result of a rate change, rather, the result of the impacts of market prices and actual billings for our market rate offering.

The 2024 average price per kWh for retail customers is budgeted to be 9.07 cents. This is 0.10 cents, or a 1.1% decrease, from the 2023 projected amount. Both the residential and commercial classes will experience a modest increase mirroring the assumed retail rate adjustment. The industrial class is experiencing a slight decrease in average price per kWh as high load factor customers represent an increasing proportion of overall industrial load.

AVERAGE CENTS/kWh

Average Cents/kWh

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
RESIDENTIAL	11.38	11.73	12.07	12.07	0.00	12.27	0.20	1.6
COMMERCIAL	8.86	8.95	9.21	9.21	0.00	9.73	0.52	5.6
INDUSTRIAL	6.97	6.88	6.72	6.64	0.08	6.38	(0.34)	(5.1)
RETAIL AVERAGE *	9.04	9.11	9.17	9.01	0.16	9.07	(0.10)	(1.1)



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.
* Average rates are from the revenue recognized on the Income Statement and do not incorporate accrued unbilled. These rates differ from customer billed rates and are calculated for benchmarking and illustrative purposes only.

Net System Requirements

Net System Requirements

Net system requirements (Total retail sales as shown on the next page) for 2024 are budgeted to be 14,365,568 MWh, an increase of 10.6% from the 2023 projected amount. The major components of net system requirements are below by sales and supply components.

Total sales are budgeted to increase 1,715,036 MWh or 10.9% from the 2023 projected amount. Retail sales are budgeted to increase 1,181,231 MWh from the 2023 projected amount. Wholesale energy sales, excluding NC2 participation sales, are budgeted to increase by 177,636 MWh or 12.0% from the 2023 projected amount.

Net generation is budgeted to increase 24.8% in 2024 to 10,147,180 MWh and firm/participation purchases are budgeted to increase 8.0% from the 2023 projected amount. Wholesale purchases are budgeted to decrease 410,917 MWh from the 2023 projected amount primarily due to fewer planned and unplanned outages. The increase in 2024 budgeted MWh sales for NC2 participation sales reflect longer than expected planned and unplanned outages of NC2 in 2023, but are commensurate with historic MWh sales.

Net System Requirements
Sales and Supply Components (MWh)

	PROJECTED 2023	BUDGET 2024	INCREASE / (DECREASE)	% CHANGE
Sales Components				
Retail Sales	12,467,212	13,648,443	1,181,231	9.5
NC2 Participation Sales	1,740,794	2,096,963	356,169	20.5
Wholesale Energy Sales	1,475,641	1,653,278	177,636	12.0
Total	15,683,648	17,398,684	1,715,036	10.9
Supply Components				
Net Generation	8,130,414	10,147,180	2,016,765	24.8
Firm/Participation Purchases	3,849,978	4,158,744	308,767	8.0
Wholesale Purchases	4,220,801	3,809,884	(410,917)	(9.7)
Lost or Unaccounted For	(517,546)	(717,124)	(199,579)	38.6
Total	15,683,648	17,398,684	1,715,036	10.9

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

NET SYSTEM REQUIREMENTS

Net System Requirements

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. MWh CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
NET GENERATION (MWh)								
TOTAL NET GENERATION	9,008,256	9,335,878	8,130,414	10,031,682	(1,901,267)	10,147,180	2,016,765	24.8
FIRM/PARTICIPATION PURCHASES	4,070,852	4,473,672	3,849,978	3,962,377	(112,399)	4,158,744	308,767	8.0
WHOLESALE PURCHASES	3,139,174	3,198,414	4,220,801	3,373,165	847,636	3,809,884	(410,917)	(9.7)
TOTAL PURCHASES	7,210,026	7,672,086	8,070,779	7,335,542	735,237	7,968,628	(102,151)	(1.3)
TOTAL INPUT	16,218,282	17,007,963	16,201,193	17,367,224	(1,166,030)	18,115,808	1,914,615	11.8
WHOLESALE ENERGY SALES								
NC2 PARTICIPANT	1,937,894	1,867,157	1,740,794	2,024,921	(284,127)	2,096,963	356,169	20.5
OTHER	2,284,818	2,543,536	1,475,641	1,629,690	(154,049)	1,653,278	177,636	12.0
TOTAL WHOLESALE ENERGY SALES	4,222,712	4,410,693	3,216,435	3,654,611	(438,176)	3,750,240	533,805	16.6
NET SYSTEM REQUIREMENTS	11,995,569	12,597,271	12,984,758	13,712,613	(727,855)	14,365,568	1,380,810	10.6
TOTAL RETAIL SALES	11,507,790	12,105,976	12,467,212	12,973,856	(506,644)	13,648,443	1,181,231	9.5
ENERGY LOST OR UNACCOUNTED FOR	487,780	491,295	517,546	738,757	(221,211)	717,124	199,579	38.6
TOTAL RETAIL SALES	11,995,569	12,597,271	12,984,758	13,712,613	(727,855)	14,365,568	1,380,810	10.6
PEAK LOAD (MW)								
PEAK LOAD EXCLUDING DEMAND RESPONSE	2,633	2,680	2,906	2,817	89	3,009	103	3.5
DEMAND RESPONSE*	124	126	127	134	(7)	140	13	10.2
PEAK LOAD INCLUDING DEMAND RESPONSE	2,509	2,554	2,779	2,683	96	2,869	90	3.2
LOAD FACTOR (%) - REFLECTS DEMAND RESPONSE	54.6	56.3	53.3	56.8	(3.5)	57.2	3.8	7.2

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

* Does not include voluntary demand response

OPPD

Omaha Public Power District

Operations, Maintenance, and Decommissioning Expenses

Operations, Maintenance, and Decommissioning Expenses

The District's 2024 total budgeted operations and maintenance (O&M) expense is $1,021.0 million, which is $0.6 million or 0.1% lower than the 2023 projected amount. 2023 O&M has been greatly impacted by extended unplanned outages, driving up purchased power and production expenses, but causing savings in fuel expense. In addition, 2023 administrative and general expenses are elevated primarily due to an unplanned pension contribution.

2024 Budget Compared to 2023 Budget

Fuel expense is budgeted at $180.2 million, an increase of $14.9 million or 9.0% more than the 2023 budgeted amount primarily due to new generation from Power with Purpose projects.

Production expense is budgeted to be $147.7 million, which is $15.8 million or 12.0% above the 2023 budgeted amount. The primary driver is additional outage costs as well as additional headcount and expense to support the new generation that will be operational in 2024.

Purchased power, including wind purchases, represents 30.6% of total O&M expense and is budgeted at $312.5 million. This represents an increase of $15.0 million or 5.0% above the 2023 budget amount. The increase from the 2023 budget is primarily due to anticipated customer load growth, which outpaces owned generation.

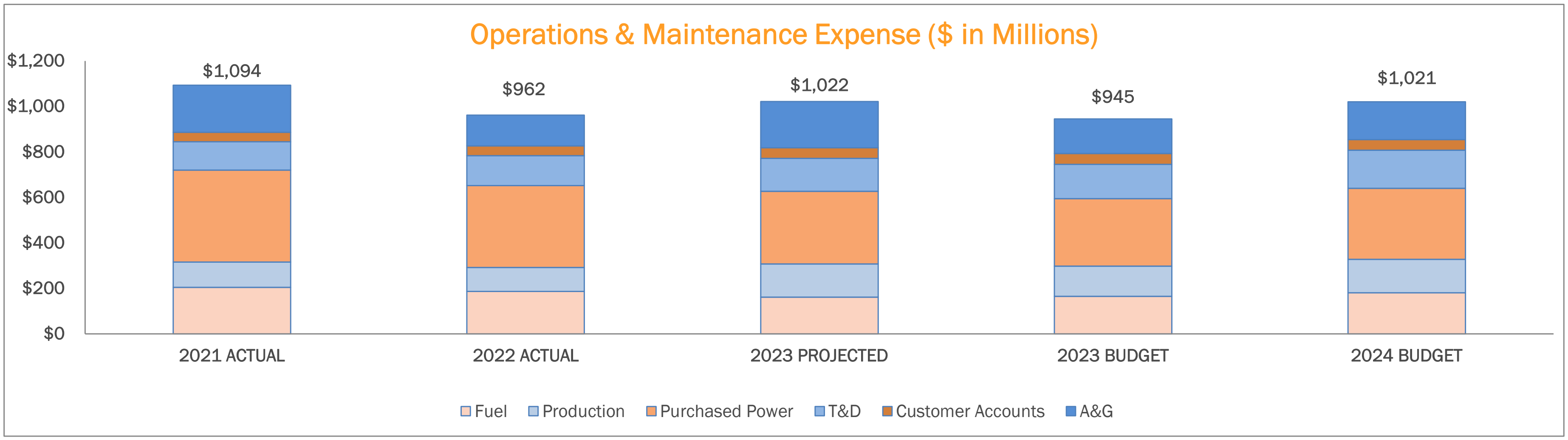
Transmission and distribution expense is budgeted at $166.6 million, which is $16.2 million or 10.7% more than the 2023 budgeted amount. The increase over the budget amount is due to additional cable locates as well as increased headcount and outside services in support of enterprise priorities such as Resource Adequacy and Two-Way Communication (AMI).

Administrative and general expense is budgeted at $166.9 million. This category reflects an increase of $15.3 million or 10.1% more than the 2023 budget. The increase in 2024 is primarily related to the increased headcount and benefit costs in support of a growing utility and expenses related to supporting enterprise priorities, such as Master Facilities Plan and Technology Transformation.

Decommissioning expense represents the annual funding of the decommissioning liability. Decommissioning funding for 2024 is budgeted to be $15.3 million, which is $79.9 million less than the 2023 budget due to the decommissioning trust being fully funded. Contributions to decommissioning represent investment earnings on balances in the decommissioning trust.

OPERATIONS, MAINTENANCE, AND DECOMMISSIONING EXPENSES
(DOLLARS IN THOUSANDS)

Operations, Maintenance, and Decommissioning Expenses	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	% CHANGE
FUEL	$203,944	$186,359	$161,635	$165,301	($3,666)	$180,164	$18,529	11.5
PRODUCTION	111,332	105,534	145,595	131,925	13,670	147,748	2,153	1.5
PURCHASED POWER	404,426	360,420	318,999	297,566	21,433	312,527	(6,472)	(2.0)
TRANSMISSION AND DISTRIBUTION	125,305	130,856	145,835	150,401	(4,566)	166,553	20,718	14.2
CUSTOMER	41,175	43,887	46,101	47,881	(1,780)	47,096	995	2.2
ADMINISTRATIVE AND GENERAL	207,410	135,402	203,422	151,593	51,829	166,938	(36,484)	(17.9)
TOTAL O&M EXPENSE	$1,093,592	$962,458	$1,021,587	$944,666	$76,921	$1,021,028	($559)	(0.1)
DECOMMISSIONING EXPENSE	$132,543	$141,918	$34,703	$95,168	($60,465)	$15,298	($19,405)	(55.9)



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

Omaha Public Power District

Capital Expenditure Plan

Capital Expenditure Plan

Capital Expenditures

The 2024 capital budget was derived by breaking investments into three categories, sustain, enterprise priority and expand. This categorization ensures the District invests at appropriate levels to maintain existing assets but also invests in the continuing expansion of the utility.

Sustain - capital projects aimed at maintaining and improving existing assets

Expand - new assets, increasing the District's asset base

Enterprise Priority - projects directly related to Resource Adequacy, Technology Transformation, Two-way Communication (AMI) and the Master Facilities Plan

Capital expenditures represent 34.5% of the total 2024 budget. Capital expenditures are budgeted at $727.0 million, which is $75.6 million more than the 2023 projection and $87.0 million more than the 2023 budget.

The year over year growth is related to both investments in District expansion and enterprise priorities, as well as increased investment in existing assets. Expand and enterprise priority projects are budgeted at $508.8 million, an increase of $56.0 million from the 2023 budget of $452.8 million. As the District's asset base grows, additional investment is required on existing infrastructure. The 2024 budget includes $218.2 million for projects that maintain and improve existing assets, which is an increase of $31.0 million from the 2023 budget.

Production Plant decreased to $261.3 million from the 2023 projected spend of $304.1 million. The decrease is primarily related to spending on the Power with Purpose projects decreasing as the project nears completion in 2024. The year over year decrease is partially offset by investments to support the Near Term Generation projects which were a result of a 2023 resolution.

Transmission and Distribution is budgeted at $356.2 million, an increase of $91.7 million from the 2023 projection. The increase represents the investments to support a growing community and utility and are aligned with the District's Near Term Generation, Power with Purpose, and Two-way Communication (AMI) efforts.

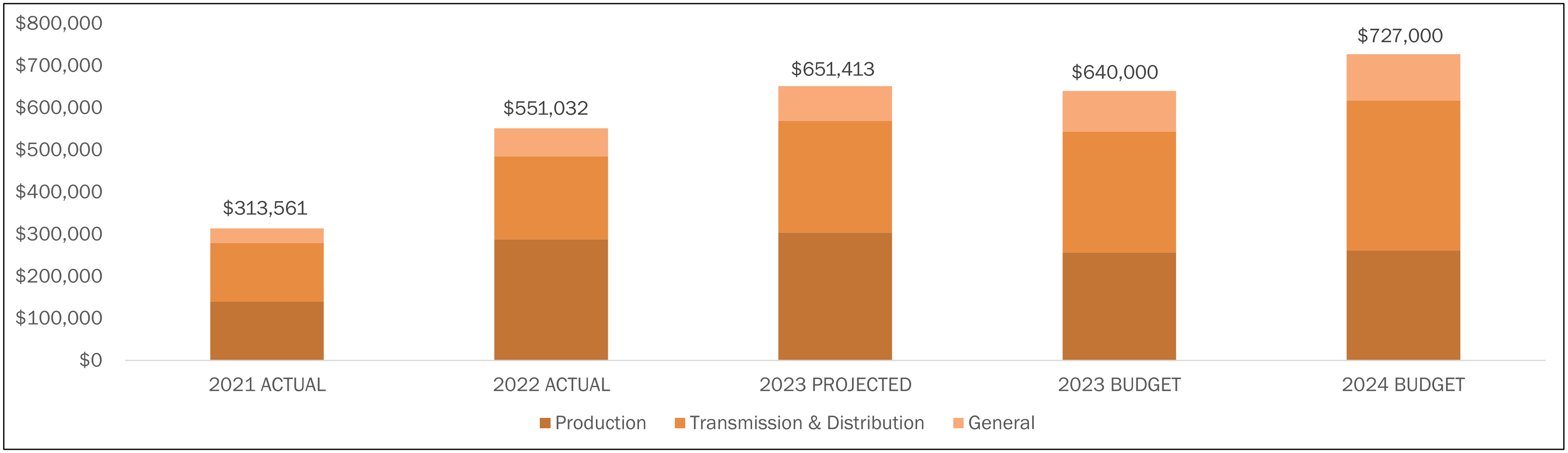
General Plant for 2024 is budgeted to be $109.6 million, which is $26.7 million or 32.2% higher than the 2023 projected expenditures, driven by business technology and facilities investments and upgrades, which are aligned with the District's enterprise priorities.

CAPITAL EXPENDITURES
(DOLLARS IN THOUSANDS)

Capital Expenditures

	ACTUAL 2021	ACTUAL 2022	PROJECTED 2023	BUDGET 2023	VARIANCE 2023	BUDGET 2024	24 BUDGET VS. 23 PROJ. $ CHANGE	24 BUDGET VS. 23 PROJ. % CHANGE
PRODUCTION	$139,240	$287,260	$304,082	$256,347	$47,735	$261,259	(42,823)	(14.1)
TRANSMISSION AND DISTRIBUTION	139,475	197,344	264,433	286,871	(22,438)	356,176	91,743	34.7
GENERAL	34,846	66,428	82,898	96,782	(13,884)	109,565	26,667	32.2
TOTAL	$313,561	$551,032	$651,413	$640,000	$11,413	$727,000	$75,587	11.6

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.



CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2021 Expenditures	2022 Expenditures	2023 Projection	2024 Budget
Near Term Generation Support generation and transmission & distribution for Board Resolution No. 6582 approved on August 15, 2023	$0	$0	$3,810	$149,022
Power with Purpose Support generation and transmission & distribution for Board Resolution No. 6351 approved on November 14, 2019	$110,752	$291,851	$286,000	$86,965
Master Facilities Plan Investment and upgrades to various OPPD facilities, which are all over 30 years old with only minor enhancements throughout their life	$997	$16,575	$21,428	$67,676
Circuit and Substation Upgrades Upgrade and replace multiple circuits and substations due to the expansion of our transmission and distribution infrastructure	$14,160	$27,601	$48,723	$53,862
AMI - Smart Grid Technology to support AMI	$0	$2,347	$8,310	$32,404
Transformer Purchases and Replacements Procure transformers to replace aging equipment and support load growth	$10,087	$15,509	$22,599	$28,060

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2021 Expenditures	2022 Expenditures	2023 Projection	2024 Budget
Customer Service Residential Project Purchase and installation of underground or overhead infrastructure to new residential developments	$10,438	$14,012	$17,837	$18,934
North Omaha Station Conversion Supports continued operation of North Omaha station	$436	$4,605	$15,400	$17,040
Arbor Railroad Line Improvements Relocation of OPPD transmission and distribution facilities that are located in public road right-of-way	$0	$0	$6,539	$15,201
Transportation Fleet Replacement Routine replacement of OPPD-owned transportation equipment, including light, medium and heavy duty trucks and construction equipment	$4,891	$7,113	$16,361	$14,677
Transmission and Distribution Street & Highway Project Relocation of OPPD transmission and distribution facilities that are located in public road right-of-way	$10,006	$12,108	$11,533	$12,000
Customer Service Commercial and Industrial Projects Purchase and installation of underground or overhead infrastructure for commercial and industrial customers	$9,287	$9,775	$12,069	$11,745

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2021 Expenditures	2022 Expenditures	2023 Projection	2024 Budget
Transmission Distribution Improvement Program-Cable Replacement Replace the worst performing underground distribution cable on a performance driven basis	$10,117	$11,264	$13,546	$11,298
Substations and Control Centers Security Upgrades Security modifications required to address identified threats and vulnerabilities at various substation and control centers	$1,455	$1,439	$7,797	$11,241
Geographic Information System (GIS) Create centralized geospatial platform to support many functions at OPPD	$0	$0	$0	$10,254
Nebraska City Unit 1 Air Preheater Baskets Replacement Replace of baskets and seals in both NC1 air preheaters during a scheduled maintenance outage	$0	$0	$284	$7,854
Ground Line Inspection and Treatment Pole Replacement Replace degraded wood poles and structures used for transmission and distribution	$8,150	$8,810	$9,031	$7,255
Downtown Fiber Redesign Relocate OPPD fiber network	$0	$0	$105	$5,911

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2021 Expenditures	2022 Expenditures	2023 Projection	2024 Budget
Energy Marketing Trade System OPPD will migrate the Energy Marketing and Trading processes to an industry standard	$0	$0	$0	$5,323
Software Renewals Renew subscription based software used by the district to conduct business	$1,262	$2,968	$11,859	$5,138
Nebraska City 1 Intake Structure Environmental Upgrade Replace existing traveling screens (circulating water intake structure) at Nebraska City Fossil location for renewal of the environmental permit	$0	$100	$1,428	$5,127
Microwave Network Upgrades Upgrade outdated microwave network	$0	$0	$0	$5,005
Transmission Distribution Improvement Program-Conductors Replace conductors on a performance driven basis	$2,227	$4,230	$5,750	$4,893

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2021 Expenditures	2022 Expenditures	2023 Projection	2024 Budget
Nebraska City Landfill Purchase new landfill to transition to after the current landfill reaches capacity	$18	$106	$5,115	$4,144
Partnership Solar OPPD will be developing partnerships with our commercial and agricultural customers to build solar PV products on rooftops and in corners of farm fields.	$0	$0	$0	$4,110

Board of Directors
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Ladies and Gentlemen:

As requested by the Board of Directors and Management of the Omaha Public Power District (the District), The Brattle Group has reviewed the 2024 Corporate Operating Plan (COP) prepared by the District and is providing this letter report to comply with this request. This review aims to provide an independent, high-level assessment of the District's operating and financial projections for 2024.

In performing our review, we evaluated the 2024 COP for consistency with prudent utility practices and the reasonableness of the budget estimates established. In addition, we reviewed the 2024 Corporate Operating Plan and associated presentations, which provided further details on many of the Operating Plan's major components. The primary presentation topics ranged from load forecasting, fuel planning, and employee benefits to budgetary and financial matters, which we will first discuss individually, followed by a summary of the entire Operating Plan:

Energy Delivery – The Energy Delivery plan outlines the 2024 utility operations and maintenance (O&M) and capital budgets. The O&M budget is allocated across the following divisions: Transmission and Distribution, Asset Management, Integrated Work Management, and Substation Protection. The capital budget is divided into Core, Mandatory, Critical, Value-Add, and Enterprise Priority categories. In addition, the District provided further stratification of the Capital and O&M budget across multiple classification themes. O&M and capital expenses are forecasted through 2025.

The Energy Delivery Plan 2024 budget ($273 million) is lower than the 2023 projection ($355 million). Moreover, we note that O&M expenses are higher in 2024 compared to 2023 by 6%, while the capital expenses are lower by 31%. The higher capital expense budget of 2023 was driven primarily by Power with Purpose projects that will decrease as the project nears completion in 2024.

Integrated Resource Plan – The integrated resource plan is prepared every five years as part of the District's contractual commitment to the Western Area Power Administration (WAPA). It provides the optimum resource expansion plan to meet the District's forecasted demand and energy requirements. The information provided by the District included forecasted coal and natural gas generation through 2028 and 2023 system sales and purchases. It also forecasted Southwest Power Pool (SPP) north hub prices, the District's total purchased power, and the District's total off-system sales out to 2028. The District also outlined its Power with Purpose and near-term generation plan. This plan describes its commitment to retire its coal-fired North Omaha Station but preserve system reliability by adding utility-scale solar and reciprocal internal combustion engines (RICE) and natural gas-fired combustion turbines (CTs). As part of the Power with Purpose plan, the District will add around 1,800 MWs of renewables, with more than 750 MW of utility-scale solar. The District will also add 750 MW of natural gas-fired units by 2030.

The District's assumptions in developing the integrated resources plan reflect a thoughtful and reasonable approach considering the transitioning electricity utility industry. Over the next five years, the District forecasts that coal generation will decrease, natural gas generation will increase, and renewable generation will continue to increase. The Brattle team finds the District's forecast of power prices in their 2024 Corporate Operating Plan reasonable and its demand response programs robust.

Fuel Plan – The fuel plan projects the District's coal, natural gas, and oil fuel costs from 2024 through 2028. These projections are based on system generation projections from 2024 through 2028 (including onboarding of solar to the system and retirements of thermal units), per-unit expenses, and fuel inventory targets.

The fuel plan budgeting process reflects acceptable methods currently used in the electric utility industry. The resulting expenditures for fossil fuels appear to be reasonable and necessary for the ongoing operation of the District's generating resources. The project inventories of fossil fuels are appropriate given the requirements of the District and general industry practices. While The Brattle Group was not provided with historical fuel cost information, the District's overall fuel costs are comparable with other regional utilities due to the District's purchase of low-cost wind and low fuel cost thermal resources.

Energy Production Capital Budget – The Energy Production Capital Budget has two components: a sustain budget and an expansion budget. Projects under the sustain budget aim to maintain or improve existing assets, while the expansion budget projects support increased capacity or further economic development.

The Energy Production Capital Budget is $337 million, roughly $78 million higher than the 2023 budget. The primary driver of this increased capital expenditure is the year-over-year growth observed and expected in the District. Expansion projects are budgeted at $246 million, an increase of $32.0 million from the 2023 budget. Sustain projects represent $91 million of the budget.

The plans outlined in the Energy Production Capital Budget appear reasonable given the District's near-and long-term goals. The budget breakdown described in this slide deck acknowledges the need for maintenance while supporting anticipated projects and initiatives.

Energy Production O&M Budget – The District's energy production forecast projects O&M (excluding fuel) expenses and employee headcount for 2024 and 2025. The 2024 expenses are grouped by location and separately by resource. Information on planned outage costs is also provided. Direct O&M expenses are forecasted to increase from around $100 M in 2023 (projected) to over $103.6 M in 2024. In addition to the increase in direct O&M expenses, we note that the 2024 budget for Consumables is roughly 20% higher than the 2023 budget. The full-time headcount of employees is anticipated to increase from 355 in 2023 to 385 in 2024.

The Brattle Group finds that the 2024 Energy Production (Production Operations) forecasted O&M expenses and employee headcount values are reasonable. Additionally, the Brattle Group notes that the increase in total planned outage costs for 2024 ($5.7 M of $28.8 M) is less than the planned outage costs increase for 2023 ($12.1 M of $23.1 M). Boiler and turbine-related outage projects are still the main drivers of the outage costs, similar to the previous year's projections.

Load Forecast – The District's load forecast projects the District's residential, industrial, and commercial energy consumption (load) and system peak demand from 2024 through 2030. Net system load is forecasted to increase from 13 TWh in 2023 to 14 TWh. The load forecast's uses include estimating revenues, dispatch modeling, energy trading/hedging, and future system planning. In addition, the future year's forecasted energy sales are compared against historical data to examine model accuracy, and historical energy consumption and system peak demand are compared to forecasted values.

The methods used to forecast future customer loads and system peak demand and energy requirements reflect current acceptable and defensible practices in the electric utility industry. As a result, the load forecast developed by the District's staff appears reasonable. In addition, the District's load forecast seems reasonable compared to national and regional load forecasts, given the anticipated growth in industrial loads (specifically from data centers). It is important to note that while all customer classes are expected to grow through 2028 and contribute to the growing load forecasts, data centers remain the single largest industrial customer group driving the OPPD load growth. The District must remain aware of how potential interest rate increases and inflation may impact its economic growth. Given these external economic factors, projected rate increases based on the District's assumed economic conditions may not be sufficient to fund future programs. The District should continue to observe these economic indicators.

Fort Calhoun Decommissioning – The decommissioning deck outlines the timeline and path toward decommissioning, focusing on 2023 goals and accomplishments. The timeline forecasts substantial work to be completed by 2027. The 2024 goals are to complete the reactor vessel segmentation, remove large components, survey and backfill deconstruction area structures, and continue radiological surveys to support the final site release. The process can be monitored using performance metrics (deconstruction cost estimates, fiscal performance, waste pounds removed, radiation safety, percentage completion, and critical milestone success).

Based on the reported metrics, the decommissioning timeline and process appear practical and on target. The District met the majority of the 2023 goals. Brattle's review of the decommissioning is high-level and performed without a detailed analysis.

Safety & Facilities – The Master Facilities Plan, the most significant part of the District's Safety and Facilities budget, outlines plans for several multi-year projects that assume significant consumption of future capital investment, particularly strategic investments within the 2024 Capital Portfolio. By implementing this plan, the District aims to optimize its space utilization and facility location while pursuing net zero carbon production by 2050, increasing customer satisfaction and employee retention.

Technology & Security – The Technology and Security deck outlines the District's current initiatives and five-year Technology and Security goals. Some five-year targets included in the Business Capability 2021-2025 Roadmap are modernizing customer communications, maximizing asset value, increasing real-time energy market awareness with advanced trading analytics, accelerating the flow of information, and maintaining long-term assets. The capital portfolio will experience a 75% increase in 2024 ($87.9 M) compared to the 2023 budget ($50.1 M). Enterprise Priority represents 69% of this portfolio and includes two-way communication and engagement, technology transformation and investment priorities, and subscription-based information technology arrangements (SBITAs).

Additionally, the District plans to deploy advanced metering infrastructure (AMI) meters to all its customers to understand better when customers experience outages and increase the speed of resources deployed to rectify such situations. The District has a plan to deploy 10,000 AMI meters initially. The resulting influx of information has prompted District investment in a system-wide information technology modernization.

The concerns and efforts about metering modernization are pertinent and well-advised. However, an influx of big data can potentially overwhelm an outdated system. Therefore, the District should accelerate investments associated with managing big data to coincide with the timing of AMI meter deployment.

Summary – The Brattle Group, in its review, finds the District's 2024 Corporate Operating Plan to be generally sound. The expenditures anticipated by the District are reasonable and of the type that a utility following prudent utility practices would expect. In addition, the projected financial results reflected in the 2024 Corporate Operating Plan provide for accomplishing the District's minimum performance objective for debt service coverage. The 2024 Corporate Plan represents a compilation of PowerPoint decks highlighting the various responsibility areas throughout the District. We understand that the District's senior management has reviewed and approved the 2024 Corporate Operating Plan. However, the Brattle Group has identified the following areas of potential concern: the ability of the District's software systems to handle the impending influx of big data, the District's retirement plan structure, the District's debt, and related economic assumptions.

As the District moves forward with its AMI rollout in 2024, it anticipates that the quantity of big data flowing into its systems will increase dramatically. This rapid increase calls into question the ability of the District's current billing software to handle the influx of big data. Therefore, the Brattle Group recommends thoroughly assessing the District's existing software systems.

Much of the District's two retirement funds, OPEB A and OPEB B, are tied to retiree medical expenses. Under these plans, retirees receive the same benefits as active employees. Additionally, the District projects an 11% loss in 2024. This situation may present an issue for two reasons: 1) Retirees tend to be of 'higher risk' than active employees, and 2) Given current and planned interest rate hikes, the District's assumption could understate the total loss to occur in 2024. The Brattle Group questioned the future of the benefits plans and found it reasonable that the District is continuing to introduce new plans. Based on these concerns, The Brattle Group recommends that the District monitor financial markets to ensure its financial market performance does not significantly deviate from what is assumed in the 2024 Corporate Operating Plan.

During its "Safety and Facilities" presentation, the District disclosed its debt to facilities and technology and its belief that load growth in upcoming years will fund expenditures such as the Master Facilities Plan. Said assumed load growth is based on the assumed economic growth of the District. While the interest from large loads to locate in the District may continue to drive load growth, The Brattle Group's concern is that interest rate hikes and continuing inflation could undermine robust economic growth and future load growth. Thus, The Brattle Group recommends that the District be more cautious about economic growth assumptions.

In conclusion, The Brattle Group has utilized the information the District and others provided to us to generate specific assumptions about future conditions that may arise. While we believe these assumptions to be reasonable and accurate for this annual review, said assumptions remain dependent on future events. Thus, observed conditions may diverge from those predicted. Furthermore, though we believe the sources used to support our analysis to be reliable, The Brattle Group has not independently verified sources. Thus, we cannot offer any assurances concerning it. Therefore, observed results may vary from those projected due to discrepancies between observed conditions and those that The Brattle Group has assumed from information provided by the District or others.

We appreciate the opportunity to serve the District. We are happy to discuss any questions concerning this review at your convenience.

Respectfully yours,

Philip Q. Hanser
The Brattle Group
Principal Emeritus

Sanem Sergici, Ph. D.
The Brattle Group
Principal