

## Board Chair and CEO Message



President and CEO Timothy J. Burke (left) and Board Chair Tim W. Gay

The year 2016 was more eventful than any other year in Omaha Public Power District's history. It was a year that saw both the decisions to decommission the Fort Calhoun Nuclear Station and the implementation of a modified residential rate structure. This new rate structure helps ensure all customers contribute proportionately to the costs involved in producing and distributing electricity. Although difficult, these decisions – along with other cost-saving measures – strengthened OPPD's position as an industry leader.

What drove those decisions? Our Strategic Directives. Everything we do and every decision we make is dictated by the clear path laid out by the 15 directives.

Our Strategic Directives were developed through a series of public meetings and workshops between our senior management team and board of directors. They were adopted in November 2015. The directives provide a clear path for our organization and align everyone at OPPD to best serve our customer-owners both now and in the future.

We are proud of how we performed in 2016 and excited for what lies ahead. Through our Strategic Directives, we set our sights high, striving for no less than best-in-class status, and we're hitting our mark. Take safety for example. OPPD just had its safest year ever, thanks to a lot of hard work, training and mindfulness by our entire organization. At OPPD, each and every meeting and every job begins with a safety briefing. This makes sure safety is foremost on our minds and that we're all aligned around safety.

Another example is reliability, where we are again projected to rank in the top quartile of all utilities, thanks to initiatives such as our Ground Line Inspection and Treatment program and projects like the recently completed Midwest Transmission Project, which was a partnership with Kansas City Power & Light.

These tenets guide us to be good public power stewards. OPPD continues with its lean efforts and through 2016 has been able to save \$30.7 million through new processes that have been implemented across the company.

OPPD is transitioning to a supply chain structure to reduce the amount of money spent on materials and services, a move that will save millions in the coming years. In order to provide reliable electricity to our customers, obtaining the proper materials and equipment in a cost-effective manner is essential. The better OPPD can do in procurement, managing inventory and anticipating our needs, the more competitive we can be with rates.

It's no coincidence that our Strategic Directives begin with our mission: To provide affordable, reliable and environmentally sensitive energy services to our customers, and with our vision, Leading the Way We Power the Future.

Everything we do at OPPD starts there. Our mission and vision is as true today, as it was yesterday, as it will be tomorrow.

Timothy J. Burke  
President and CEO

Tim W. Gay  
Chair of the Board