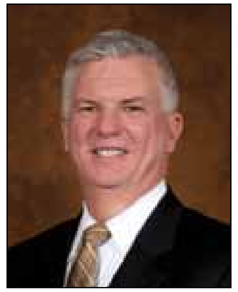
CEO Message



Omaha Public Power District began the year armed with a new Corporate Strategic Plan, one that provided a solid framework for employees to effectively carry out the District's mission: to provide affordable, reliable and environmentally sensitive energy services to our customers. The new plan reflected senior management's decision to revise previous strategic plans after taking a hard look at the District's future; reviewing every aspect of what OPPD should and could become in light of changing conditions in our industry. During the first half of 2013, our employees successfully used these new strategies to find new and creative ways to fulfill OPPD's commitments to its customer-owners.

A prime example is our commitment to provide customers environmentally sensitive energy that remains affordable and reliable. OPPD continues to add renewable generation and pursue opportunities, such as the purchase of 200 megawatts of wind energy from the future Prairie Breeze Wind Farm. With this purchase, the District will achieve our corporate goal to increase the portion of renewable energy in our retail generation portfolio six years earlier than anticipated. In 2014, 15 percent of our retail energy sales will come from renewable resources, primarily wind.

To enhance the delivery of such new generation is just one of the reasons OPPD is in partnership with Kansas City Power & Light to construct the Midwest Transmission Project, a 180-mile transmission line from Nebraska City to Sibley, Mo. That project is one of several "priority" projects as designated by the Southwest Power Pool (SPP), of which OPPD is a member. SPP, one of the regional transmission organizations responsible for overseeing the nation's electrical grid, has determined the project is needed to alleviate congestion on the grid and enhance electrical reliability for customers throughout our region. In June, we were able to successfully finalize a line route and are moving forward to begin construction in Nebraska by summer 2015.

OPPD's bond ratings remain among the highest given to electric utilities. Standard & Poor's Rating Services affirmed its AA rating of OPPD's Electric System Revenue Bonds in July 2013. Moody's Investors Service reported in May 2013 that OPPD's ratings were under review for possible downgrade from the current Aa1 rating, in part due to their concern with the delay in restarting Fort Calhoun Station (FCS).

The effort to successfully restart FCS remains a priority for us as employees diligently focus on completing much of the physical work necessary to return the nuclear station to service. In late July, employees reached a major milestone when they reloaded fuel into the reactor core. Our employees continue to stay the course, with management oversight by Exelon Generation Company. We remain committed to resume operations at the station when both OPPD and the Nuclear Regulatory Commission agree it is safe to do so. At the same time, we continue to manage costs throughout the corporation to minimize the impact on customer-owners from this extended outage.

With the temporary loss of nuclear generation from OPPD's portfolio, employees across the utility ensured that other production – as well as transmission and distribution – remained strong. OPPD coal-fired stations, supplemented by major contributions from peaking stations, have maximized production to meet the power demands of residential and business customers. While doing so, these groups reached other milestones:

- Nebraska City Station Unit 2 set a 344-day record run. The run lasted from April 2012 until April 2013 when the station was removed from service for a scheduled maintenance outage.
- North Omaha Station received the 2013 Powder River Basin Coal Small Plant of the Year award. The honor reflected nearly five years of hard work by employees in combustible dust mitigation, emergency response procedures and more.

Many major capital projects were under way or completed during the first half of 2013, projects that will enhance operations or reduce future costs. Included are the installation of a new substation in Sarpy County, major infrastructure development for the Offutt Stratcom headquarters and equipment for both units at Nebraska City Station to allow for the use of natural gas instead of higher-price fuel oil for start-up and fuel stabilization.

As we remain committed to providing affordable, reliable power while maintaining our financial stability, we are also committed to continue providing a high level of service to customers. In July, OPPD was honored by J.D. Power and Associates for being the best in its class for residential customer satisfaction, becoming the first mid-size utility to win the award 13 consecutive years. It is a standard and commitment we intend to continue.

W. Gary Gates

W. Gary Gates
President and CEO

Board of Directors

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2013 MIDYEAR REPORT

your energy partner
OPPD
Omaha Public Power District

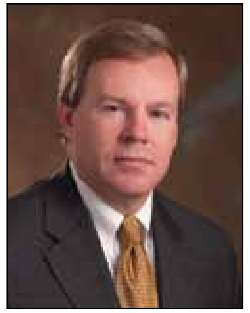
Who We Are

OPPD is a fully integrated electric utility serving a 5,000-square-mile, 13-county region in eastern Nebraska. All corporate powers of OPPD are vested in a board of directors consisting of eight members representing areas of the service territory.

OPPD generates revenues from a mix of retail sales, off-system sales and other electric products and services. Corporate headquarters is in Omaha, Neb., with generating plants, service centers and customer service locations strategically located throughout our service territory.

Our mission is to provide affordable, reliable and environmentally sensitive energy services to our customers.

CFO Message



Operating revenues were lower in the first six months of 2013 (2013 period) than the first six months of 2012 (2012 period). Retail sales revenues were lower primarily due to $30 million transferred from the Debt Retirement Reserve in the 2012 period. Revenues from retail sales, excluding the Debt Retirement Reserve transfer, were higher in the 2013 period than the 2012 period due to a general rate adjustment implemented in January 2013. The increase in revenues from the 2013 rate adjustment was partially offset by a slight decrease in energy sales and less revenue from the fuel and purchased power adjustment as a result of lower-cost coal transportation contracts. Off-system sales revenues were lower primarily due to the expiration of a wholesale power participation agreement in 2012 and outages at the fossil stations, which resulted in less energy being available for sale in the off-system market.

Operating expenses decreased in the 2013 period compared to the 2012 period. Fuel expenses were lower, primarily due to reduced generation associated with fossil station outages and the lower-cost coal transportation contracts. The decrease in fuel expenses was partially offset by increased purchased power expenses for additional wind energy to meet corporate renewable goals and other power to cover energy needs for fossil station outages. Production (non-fuel) expenses were lower in the 2013 period primarily due to the use of regulatory accounting to defer certain costs incurred at Fort Calhoun Station (FCS) to enhance operations and address concerns from the Nuclear Regulatory Commission. These deferred costs will be amortized over a 10-year period after FCS operations resume. The decrease in production (non-fuel) expenses in the 2013 period for FCS deferred costs was partially offset by an increase in maintenance expenses for fossil station outages.

Other operating expenses were higher in the 2013 period compared to the 2012 period primarily due to an increase in transmission, distribution and administrative and general expenses. Transmission expenses were higher due to an increase in costs from the regional transmission organization. Distribution expenses were higher as a result of more operations and maintenance activities. Administrative and general expenses were higher due to an increase in employee benefit costs. New labor agreements, including reductions to employee benefits, were executed and will help mitigate future increases in this area.

Other income was lower in the 2013 period compared to the 2012 period due to a decrease in investment income and grants from the Federal Emergency Management Agency. Interest expense was higher due to an increase in outstanding debt from bonds issued in 2012. The increased net loss from the 2012 period to the 2013 period resulted from several factors. The most significant was the $30 million transferred from the Debt Retirement Reserve to retail sales revenues in the 2012 period.

The change in cash and cash equivalents was lower in the 2013 period compared to the 2012 period. Cash flows from operating activities were lower in the 2013 period compared to the 2012 period due to increases in cash paid to operations and maintenance suppliers, off-system counterparties and employees, which were partially offset by additional cash received from retail customers and insurance companies. Cash flows from investing activities were lower in the 2013 period compared to the 2012 period due to a decrease in the amount of funds transferred from investments to cash and cash equivalents.

Edward E. Easterlin
Vice President and CFO

Condensed Statements of Net Position

In Thousands - 2013 unaudited

	June 30 2013	December 31 2012
Current Assets	**$ 692,474**	$ 809,696
Capital Assets	**3,361,313**	3,342,731
Other Long-Term Assets	**723,978**	683,886
Deferred Outflows of Resources	**31,367**	33,502
Total Assets and Deferred Outflows	**$ 4,809,132**	$ 4,869,815
Current Liabilities	**$ 394,890**	$ 385,947
Long-Term Liabilities	**2,570,247**	2,615,556
Deferred Inflows of Resources	**54,000**	54,000
Total Liabilities and Deferred Inflows	**3,019,137**	3,055,503
Net Position	**1,789,995**	1,814,312
Total Liabilities, Deferred Inflows and Net Position	**$ 4,809,132**	$ 4,869,815

Condensed Statements of Cash Flows

In Thousands - unaudited

	Six Months Ended June 30 2013	2012
Cash Flows from Operating Activities	**$ 35,861**	$ 40,037
Cash Flows from Capital and Financing Activities	**(162,237)**	(163,232)
Cash Flows from Investing Activities	**134,462**	144,785
Change in Cash and Cash Equivalents	**$ 8,086**	$ 21,590

Condensed Statements of Revenues, Expenses and Changes in Net Position

In Thousands - unaudited

	Six Months Ended June 30 2013	2012
Retail Sales	**$ 424,678**	$ 436,742
Off-System Sales	**53,406**	59,653
Other Electric Revenues	**15,203**	15,424
Total Operating Revenues	**493,287**	511,819
Fuel and Purchased Power	**140,355**	154,546
Production (non-fuel)	**137,441**	140,961
Other Operating Expenses	**185,290**	177,415
Payments in Lieu of Taxes	**14,096**	13,188
Total Operating Expenses	**477,182**	486,110
Operating Income	**16,105**	25,709
Other Income	**8,491**	13,924
Interest Expense	**(48,913)**	(45,597)
Net Income (Loss)	**(24,317)**	(5,964)
Net Position, Beginning of Period	**1,814,312**	1,759,483
Net Position, End of Period	**$ 1,789,995**	$ 1,753,519

Key Statistical Highlights

	June 30 2013	2012
Generating Capability *(in megawatts)*	**3,237.0**	3,208.8
System Peak Load *(twelve months ended, in megawatts)*	**2,451.6**	2,468.3
Net Generation *(six months ended, in megawatt-hours)*	**5,861,104**	6,126,484
Retail Energy Sales *(six months ended, in megawatt-hours)*	**5,101,173**	5,132,540
Off-System Energy Sales *(six months ended, in megawatt-hours)*	**1,579,173**	1,728,354
Cents/kWh – Retail Sales Revenue *(six months ended)*	**8.13**	7.61
Number of Customers* *(six months ended, average)*	**355,505**	350,943

**2012 adjusted to reflect revised figure*