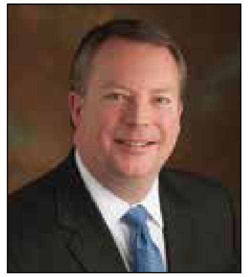
CEO Message



Take one look at a child and you have good idea of what Omaha Public Power District is preparing for as it maps out the next decade and beyond.

Becoming a grandfather a few years ago gave me a new perspective, one that has carried into my worklife. My grandsons look up to me with innocence and trust that I will never let them down. And that comes with a much wider responsibility with my role at OPPD and how we respond to the changing electric utility industry.

How I see it, this provides great opportunities to strengthen OPPD and our mission to provide affordable, reliable and environmentally sensitive energy services to customers. We're transforming by honing in on initiatives that focus on the customer, our processes and our people.

For starters, we made a commitment to keep our rates low – targeting 20 percent below the regional average – and announced that we would not have a general rate increase for five years (through 2021). Employees work within a financial management framework where projects are prioritized across the organization and cost-saving opportunities are sought continually. We've created a Center of Excellence that allows seven employees to pursue continuous improvement and to help sustain savings in their respective business units.

OPPD continues to take a holistic approach in regard to our generation, using an integrated energy marketplace that seeks traditional and non-traditional solutions to optimize portfolio value. By the end of 2019, 40 percent of OPPD's generation will come from renewable energy sources, thanks to the recent announcement of the Sholes Wind Energy Center, which will add 160 megawatts of wind when it becomes operational in December 2019. The decommissioning work at Fort Calhoun Station continues on schedule. Last year, OPPD ceased operation of the nuclear plant because it was not in the long-term financial best interests of OPPD or its customer-owners.

Further fostering an environment of innovation, our new and unique Rate 261M helped attract Facebook's newest data center to OPPD's service area; the rate allows them to procure 100 percent renewable energy. We listened to what they wanted and found a solution that benefits Facebook (and other customers like them), OPPD and our customer-owners. A customer experience team is following suit by working to better understand all of our customers' needs so we can better serve them. The first two customer journeys that we are focused on are power outages and billing/payment.

Customer service remains a hallmark of OPPD and public power. Following a June 16 storm, our fourth-worst ever in terms of outages, customers saw us in action. Tornadoes and high winds caused 57 distribution circuit lockouts, 12 transmission circuit lockouts and serious damage across one-third of our 5,000-square mile territory, resulting in outages to 76,500 customers. Within 24 hours, we had restored 70 percent of outages and had assembled a crew of mutual aid and contractors – from as far away as Colorado and Alabama – to help rebuild the transmission and distribution lines. Within a week, over 350 utility workers rebuilt a string of lines to restore service to the last customers.

And finally, I welcome Javier Fernandez, our new chief financial officer who most recently served in this role at Bonneville Power Administration, U.S. Department of Energy, in Portland, Ore. His executive leadership and expertise in financial management and policy formation will benefit OPPD as we continue preparing today for future generations.

Timothy J Burke

Timothy J. Burke
President and CEO

Board of Directors

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Timothy J. Burke	President Chief Executive Officer

On the cover: OPPD crews restore power following a June storm that ranked as the utility's fourth-worst ever in terms of outages.

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STRATEGIC DIRECTION

2017 MIDYEAR REPORT

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OPPD
Omaha Public Power District

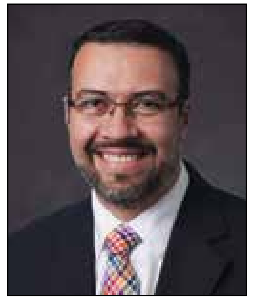
Who We Are

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 an eight-member board of directors representing the service territory areas.

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 facilities, 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 2017 (2017 period) compared to the first six months of 2016 (2016 period). Retail sales revenues were slightly higher; however, these revenues were offset by lower off-system sales revenues. Off-system sales volumes were lower as a result of ceasing operations at Fort Calhoun Station, which resulted in less generation available for sale.

Operating expenses decreased in the 2017 period compared to the 2016 period, primarily due to decreased production (non-fuel) expenses and other operating expenses, partially offset by increased decommissioning expenses. During the 2016 period, Fort Calhoun Station expenses were included in production (non-fuel) expenses. These expenses were included in decommissioning expenses in the 2017 period. Ceasing operations at Fort Calhoun Station resulted in overall reduced operating expenses in the 2017 period. Other operating expenses were lower in the 2017 period compared to the 2016 period, primarily due to decreased expenses for employee benefits.

Other income was higher in the 2017 period compared to the 2016 period due to an increase in decommissioning funds investment income. Net income before special item increased in the 2017 period compared to the 2016 period, primarily due to the decrease in production (non-fuel) expenses.

Net income after special item was higher in the 2017 period compared to the 2016 period, primarily due to the impairment and associated write-off of Fort Calhoun Station assets in the 2016 period.

The change in cash and cash equivalents decreased in the 2017 period compared to the 2016 period. The decrease is primarily due to lower cash flows from investing activities, which was partially offset by an increase in cash flows from operating activities and by lower cash flows used for capital and financing activities. The unfavorable change in cash flows from investing activities is due to increased purchases of investments in the 2017 period compared to the 2016 period. The higher cash flows from operating activities was primarily due to an increase in cash received from retail customers and a decrease in cash paid to operation and maintenance suppliers. The lower cash flows used for capital and financing activities were due to lower cash outlays for interest payments.

L. Javier Fernandez
Vice President and CFO

Condensed Statements of Net Position

In thousands - 2017 unaudited

	June 30 2017	December 31 2016
Current Assets	**$ 876,533**	$ 921,231
Capital Assets	**2,540,962**	2,561,394
Other Long-Term Assets	**1,726,807**	1,692,455
Deferred Outflows of Resources	**264,470**	265,988
Total Assets and Deferred Outflows	**$ 5,408,772**	$ 5,441,068
Current Liabilities	**$ 364,319**	$ 371,957
Long-Term Liabilities	**3,952,614**	4,013,641
Deferred Inflows of Resources	**42,127**	42,141
Total Liabilities and Deferred Inflows	**4,359,060**	4,427,739
Net Position	**1,049,712**	1,013,329
Total Liabilities, Deferred Inflows and Net Position	**$ 5,408,772**	$ 5,441,068

Condensed Statements of Cash Flows

In thousands - unaudited

	Six Months Ended June 30	
	2017	2016
Cash Flows from Operating Activities	**$ 134,038**	$ 97,058
Cash Flows from Capital and Financing Activities	**(162,461)**	(176,532)
Cash Flows from Investing Activities	**17,939**	94,940
Change in Cash and Cash Equivalents	**$ (10,484)**	$ 15,466

Condensed Statements of Revenues, Expenses and Changes in Net Position

In thousands - unaudited

	Six Months Ended June 30	
	2017	2016
Retail Sales	**$ 435,378**	$ 433,883
Off-System Sales	**75,432**	83,830
Other Electric Revenues	**14,037**	15,558
Total Operating Revenues	**524,847**	533,271
Fuel and Purchased Power	**143,159**	142,779
Production (non-fuel)	**40,402**	138,805
Other Operating Expenses	**189,405**	206,362
Decommissioning	**73,492**	-
Payments in Lieu of Taxes	**15,199**	15,017
Total Operating Expenses	**461,657**	502,963
Operating Income	**63,190**	30,308
Other Income	**15,540**	11,191
Interest Expense	**(42,286)**	(44,796)
Net Income (Loss) Before Special Item	**36,444**	(3,297)
Special Item	**(61)**	(1,034,001)
Net Income (Loss)	**36,383**	(1,037,298)
Net Position, Beginning of Period	**1,013,329**	1,947,154
Net Position, End of Period	**$ 1,049,712**	$ 909,856

Key Statistical Highlights

	June 30	
	2017	2016
Generating Capability *(in megawatts)*	**2,705.9**	3,006.7
System Peak Load *(twelve months ended, in megawatts)*	**2,354.4**	2,313.0
Net Generation *(six months ended, in megawatt-hours)*	**4,999,692**	7,258,484
Retail Energy Sales *(six months ended, in megawatt-hours)*	**5,007,360**	5,066,147
Off-System Energy Sales *(six months ended, in megawatt-hours)*	**2,737,164**	3,630,684
Cents/kWh – Retail Sales Revenue *(six months ended)*	**8.72**	8.64
Number of Customers *(six months ended, average)*	**373,535**	368,325