



2021 Excess Expenditures Request



Executive Summary

- **Additional Expenditures Requested for Weather Events, Capital Needs & Decommissioning:**
 - Requesting excess expenditures of \$295 million for an adjusted 2021 total of \$1,738.3 million
 - February 2021 Polar Vortex resulted in increased Purchased Power (+\$157 million) and Fuel (+\$65 million) expenditures
 - July 2021 Wind Storm resulted in additional O&M of \$14 million. The 2021 projected O&M overage is partially offset by cost management efforts to a net of \$8 million over the annual budget
 - Power with Purpose capital estimates for 2021 are higher than original requested due to timing differences and refined contract estimates, resulting in a net increase to the capital expenditure plan of \$20 million
 - Nuclear Decommissioning efforts are able to complete \$30 million of work earlier than originally planned, partially offset by reduced expenditures in other Decommissioning efforts, which nets to \$25 million increase
- **2021 Year End Financial Outlook:**
 - Off-System Sales experienced a favorable boost (+\$162 million) from the February 2021 Polar Vortex weather event, which helped to off-set the Purchased Power and Fuel expenditure increases
 - 2021 Retail Revenues are projected to be \$33 million better than plan, which is driven by the Commercial and Industrial customer classes
 - Management is actively monitoring and managing the financial health of the District to deliver a 2.0 times Debt Service Coverage metric for 2021

2021 Expenditure Summary

2021 Year End Projection vs COP (\$s in 000's)

Expenditure	Current Total	COP	Var.
Fuel Costs and Purchased Power	\$587,283	\$365,021	\$222,262
Non-Fuel Operations & Maintenance	411,500	403,292	8,208
Total Debt Service and Other Expenses	122,491	131,145	(8,654)
Payments in Lieu of Taxes	37,883	36,139	1,744
Capital Expenditures*	389,554	370,000	19,554
Regulatory Amortization	14,837	14,838	(1)
Decommissioning Expenditures**	147,914	122,688	25,226
TOTAL EXPENDITURES	\$1,711,462	\$1,443,123	\$268,339

- Items of Note:

- Current projections results in an estimated excess expenditure need of \$268.3 million
- Requesting \$295 million of additional expenditure authority (+10% over current projection)
- Current projections show OPPD exceeding board approved expenditures in November
- Recommended that additional expenditures are proposed to the board in the September board meeting

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

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding.