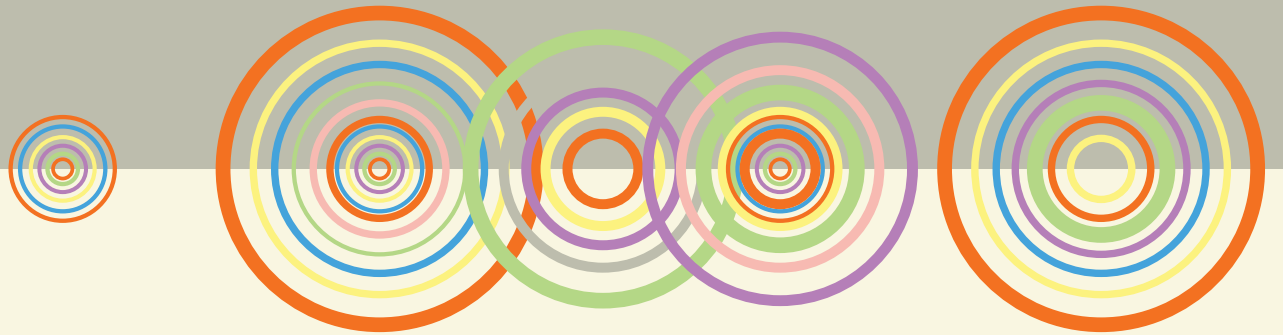


➤ 10.14.25 ➤

# 2025 EXCESS EXPENDITURES

**Bradley R. Underwood**  
**Vice President and Chief Financial Officer**



# Executive Summary

- **Additional expenditures requested for capital expenditures and purchased power**
  - Requesting excess expenditures of \$272.3 million for an adjusted total of \$2,595.9 million
    - Capital expenditures over budget (\$233.2 million negative impact) primarily due to acceleration of expenses associated with Near Term Generation as well as additional expenses due to the finalization of Turtle Creek and Standing Bear Lake stations
    - Purchased power (\$61.2 million negative impact) over budget primarily due to higher purchase volume during unplanned generation unit outages
- **2025 year-end financial outlook**
  - The District anticipates meeting the 2.0 debt service coverage goal
    - Off-system sales (\$73.9 million positive impact) over budget largely due to elevated congestion hedging revenues
    - Debt service (\$13.9 million positive impact) savings due to non-traditional borrowing on debt associated with new generation that allows deferred debt payments until commercial operating date
    - Non-fuel and purchased power operations and maintenance expenses (\$27.3 million positive impact) are under budget primarily due to cost savings efforts of the District

# 2025 EXPENDITURE SUMMARY

YEAR END PROJECTION VS. COP (DOLLARS IN 000'S)

Expenditure	Current Projection	COP	Variance
Capital Expenditures*	\$1,021,190	\$788,000	\$233,190
Non-Fuel Operations & Maintenance	560,471	582,729	(22,257)
Fuel and Purchased Power	625,241	567,138	58,103
Total Debt Service and Other Expenses	202,232	216,317	(14,085)
Decommissioning Expenditures**	86,594	102,596	(16,002)
Payments in Lieu of Taxes	51,370	53,532	(2,162)
Reserves	13,269	13,269	0
<b>TOTAL EXPENDITURES</b>	<b>\$2,560,368</b>	<b>\$2,323,581</b>	<b>\$236,787</b>

## Items of Note

- Current projection results in an estimated excess expenditure need of \$236.8 million
- Requesting \$272.3 million of additional expenditure authority (inclusive of 15% general contingency)
- Current projection shows OPPD exceeding Board approved expenditures in November

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

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

# HISTORICAL EXCESS EXPENDITURES

## YEAR END PROJECTION VS. COP (DOLLARS IN 000'S)

Expenditure	2025	2024	2023	2022
Capital Expenditures*	\$788,000	\$727,000	\$640,000	\$670,000
Non-Fuel Operations & Maintenance	582,729	528,335	481,800	426,660
Fuel and Purchased Power	567,138	492,691	462,867	376,734
Total Debt Service and Other Expenses	216,317	189,242	164,149	144,429
Decommissioning Expenditures**	102,596	112,918	115,301	150,870
Payments in Lieu of Taxes	53,532	45,599	42,065	38,709
Regulatory Amortization	0	0	13,602	14,838
Reserves	13,269	11,939	0	0
<b>TOTAL BUDGETED EXPENDITURES</b>	<b>2,323,581</b>	<b>2,107,724</b>	<b>1,919,784</b>	<b>1,822,240</b>
Projected Expenditures	2,560,368	2,213,230	1,998,974	1,882,433
<b>Shortfall</b>	<b>(\$236,787)</b>	<b>(\$105,506)</b>	<b>(\$79,190)</b>	<b>(\$60,193)</b>

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

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