



MOMENTUM

2018 ANNUAL REPORT



OPPD Service Territory

- Served at Retail
- ▲ Served at Wholesale
- ⊠ Power Station*
- Wind Generation
- Solar Generation
- ★ OPPD Headquarters

* 2018 rated capability

RENEWABLES



WIND FARMS

1. **Ainsworth**
10-megawatt participation agreement
2. **Broken Bow I**
18-megawatt participation agreement
- Broken Bow II**
43.9-megawatt participation agreement
3. **Petersburg**
40.5-megawatt participation agreement
4. **Elkhorn Ridge**
25-megawatt participation agreement
5. **Crofton Bluffs**
13.6-megawatt participation agreement
6. **Prairie Breeze**
200.6-megawatt participation agreement
7. **Flat Water**
60-megawatt participation agreement
8. **Grande Prairie**
400-megawatt participation agreement
9. **Sholes**
160-megawatt participation agreement (2019)

SOLAR

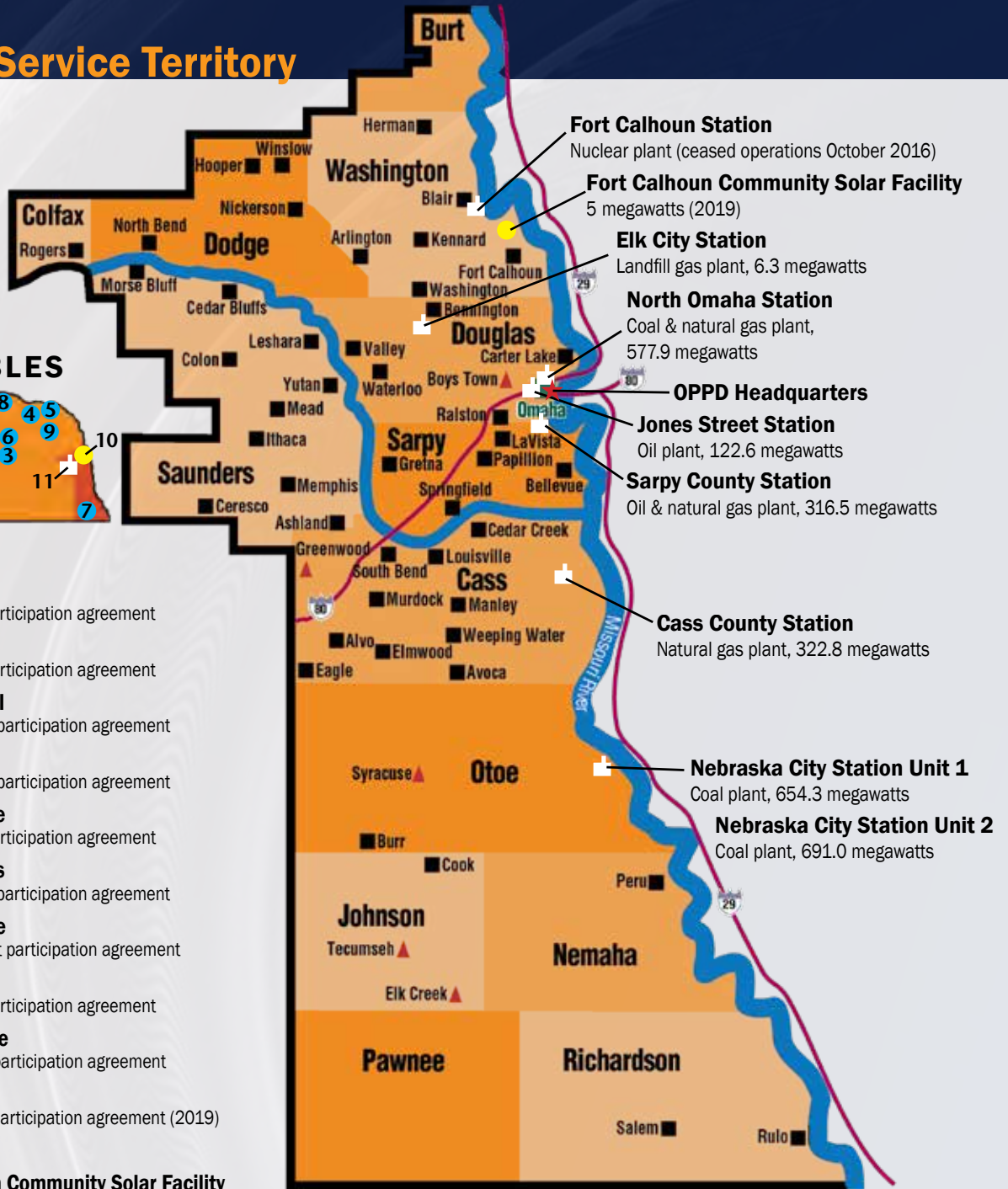
10. **Fort Calhoun Community Solar Facility**
5 megawatts (2019)

LANDFILL GAS

11. **Elk City Station**
6.3 megawatts

HYDRO

- From Western Area Power Administration**
81.3 megawatts



About OPPD

Omaha Public Power District is a publicly owned electric utility that serves an estimated population of 846,000 people, more than any other electric utility in the state.

Operating since 1946, the public utility is governed by an elected board of eight directors. While its headquarters is located in Omaha, Neb., OPPD has several other locations in its 13-county, 5,000-square-mile service area in southeast Nebraska.

OPPD uses baseload power facilities fueled by coal and natural gas, peaking units fueled by natural gas and oil, and renewable energy, including wind, landfill gas and hydropower. A solar facility will be operational in 2019.

MOMENTUM

We're going places

Success takes preparation. The past few years, we've done that heavy lifting: extensive strategic planning, thoughtful reprioritizing, difficult decision-making, cost-cutting and more. We've built positive momentum.

It's good for our customers, other stakeholders and the environment.

We've embarked on the journey because at the heart of all we do is our passion to serve and honor this place we call home. We're focused on leading the way we power the future. Our roadmap includes competitive rates, high reliability, a robust renewable portfolio and strong relationships.

We are driven by service, stewardship and safety – that's what it means to be a public power utility. 2018 marked our safest year ever. And, we're committed to the vitality and long-term success of the incredible communities we serve.

Our energy brings our commitments to light.



Danelle Sobbing, supervisor - Customer Sales & Services, monitors progress at a construction site.



With the goal of attracting top talent, John Staup, director of Talent Acquisition, strategizes with his recruiters, including Darlene Brown, Jennifer Skupa and Laura Fritson.

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Board Chair and CEO Message



President and CEO Timothy J. Burke, left, and Board Chair Anne L. McGuire

Omaha Public Power District gained a lot of momentum in 2018, as we continue to lead the way in an industry undergoing transformational change.

Maintaining strong relationships with our customers and community stakeholders – and reaching out for their input – reinforces our focus on competitive rates, high reliability and a robust renewable energy portfolio. As we set and monitor our operating budgets, we work hard to be good stewards of our customer-owners' resources and stand firm on our commitment to having no general rate increase through 2021.

In support of competitive rates, we continue to safely and economically decommission Fort Calhoun Nuclear Station. We decided in 2018 to move to the DECON method of decommissioning, which could potentially save an estimated \$200 million over the life of that major effort.

We also gain economic advantages by being a member of the Southwest Power Pool. SPP oversees the bulk electric grid and wholesale power market in the central U.S. Among many other benefits of being part of SPP, we are able to share costs with other utilities and transmission companies in SPP's 14-state region.

As part of our ongoing efforts to maintain high reliability, we are wrapping up two big system improvement projects. The Elkhorn River Valley Transmission Project improves reliability on transmission systems for both OPPD and the City of Fremont, who partnered on the new 19.3-mile 161-kilovolt (kV) and 3.5-mile 69-kV connecting lines. The Sarpy Transmission Project will energize in late 2019 and consists of a new 6.5-mile 345/161-kV transmission line to support the rapid commercial, industrial and residential growth in the Papillion area.

We successfully answered a challenge to reliability when an early, wet snow on Oct. 14 last year locked out multiple circuits and caused outages for 52,000 customers. We mobilized nearly 100 crews to assess damage, clear tree limbs from lines and make other repairs. We restored service to about 95 percent of the impacted customers by the next day.

The renewable energy portion of OPPD's portfolio will grow substantially when the 160-megawatt (MW) Sholes Wind Energy Center in northeast Nebraska goes online by the end of 2019. The addition of Sholes will enable about 40 percent of OPPD's retail sales to come from renewables, putting us closer to our goal of more than 50 percent.

OPPD also has contracted with NextEra Energy Resources for a 5-MW community solar facility that is to start operation in the summer of 2019. OPPD customers will be able to buy shares in the solar energy produced by the facility, to be located east of the city of Fort Calhoun.

We are proud of everything our employees accomplished in 2018, including making it the safest year in OPPD's history. OPPD also garnered several awards. *Site Selection* magazine named us one of 2018's Top Utilities in Economic Development. The state of Nebraska honored OPPD as a finalist for its 2018 ServeNebraska Step Forward Award for volunteerism. OPPD also won the Employee Voice Award from Quantum Workplace as one of six companies with the largest improvement in employee engagement from 2017 to 2018.

The Operations Review of this report has more details on our commitment to competitive rates, reliability and renewables. As you will see in the financial sections, OPPD remains in a strong position financially. We will continue to build on our momentum going forward.

Timothy J. Burke
President and CEO

Anne L. McGuire
Chair of the Board

Board of Directors



Anne L. McGuire
Chair of the Board
Nurse Educator
(retired)



Craig C. Moody
Vice Chair of the Board
Business Owner



Tim W. Gay
Treasurer
Governmental Advisor



Rick M. Yoder, P.E.
Secretary
Consultant



Amanda E. Bogner, P.E.
Board Member
Business Owner



Michael J. Cavanaugh
Board Member
Omaha Police Lieutenant
(retired)
Real Estate Investor -
Manager



Janece M. Mollhoff
Board Member
U.S. Army Nurse
Corps Colonel
(retired)



Eric H. Williams
Board Member
Natural Resources
Planner

Senior Management



Timothy J. Burke
President &
Chief Executive Officer



Kate W. Brown
Vice President &
Chief Information
Officer
Assistant Secretary



Juli A. Comstock
Vice President -
Customer Service
Assistant Secretary



L. Javier Fernandez
Vice President &
Chief Financial Officer
Assistant Secretary



Mary J. Fisher
Vice President -
Energy Production
& Nuclear
Decommissioning
Assistant Secretary



Lisa A. Olson
Vice President -
Public Affairs
Assistant Secretary



Martha L. Sedky
Vice President -
Human Capital
Assistant Secretary



Troy R. Via
Vice President -
Energy Delivery
Assistant Secretary



Scott M. Focht
Senior Director -
Business Strategy &
Deployment



Kevin S. McCormick
Director - Safety &
Technical Training

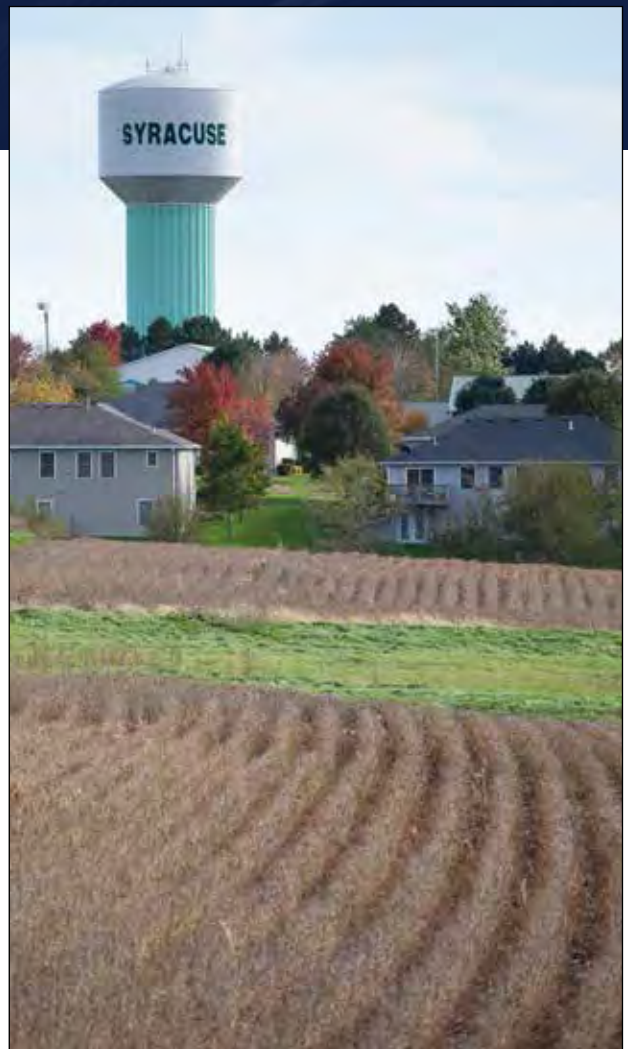
RATES

We're going without a general rate increase for five years.

In 2016, we promised our customers there would be no general rate increases for the next five years. Our employees have worked hard to streamline and find efficiencies in our day-to-day work to make this possible. Our rates are among the most competitive in the country. Nebraska had the 13th-lowest average residential retail energy rate.*

Our affordable rates are major reasons companies like Facebook choose to do business in Nebraska. Our rates aren't just competitive, they are innovative. Rate 261M – a high-voltage transmission service rate that gives customers access to renewable energy – was a big draw for the tech giant and has garnered interest from others.

Nationally, our economic development efforts have been lauded. For the second-straight year, *Site Selection* magazine named OPPD one of the nation's top 10 utilities, citing our involvement in projects, capital investment and job creation.



OPPD serves a number of rural communities within its 5,000-square-mile service area. One of four OPPD service centers is located in Syracuse.



Downtown development continues to change the Omaha skyline. Steve Fanslau, director of Customer Service Government Infrastructure, and Megan Gilligan from Omaha Marriott Downtown take in the view atop the hotel.

Paul Latoza, construction working crew leader, left, and Matt Liston, underground helper, review plans for a new underground vault to serve downtown Omaha.



* U.S. Department of Energy - Energy Information Administration, Average Retail Price of Electricity - 2017



RELIABILITY

We're committed to reliability.

We do many things to keep our system robust and running smoothly to ensure the power flows to our customers when they need it.

We've undertaken several large transmission projects and made upgrades to associated substations. In addition, our Transmission & Distribution Improvement Program helps ensure system reliability by reinvesting in our equipment and infrastructure. Whenever possible, our crews proactively replace older equipment before it has a critical failure.

We're investing an additional \$2 million into our tree-trimming program. Over the past few years, the number of outages caused by tree growth interfering with our infrastructure

has risen, pointing to the need for more aggressive trimming. With additional tree crews, OPPD expects to shorten outage duration and lessen the time between trimming cycles. OPPD's transmission and distribution facilities are inspected from the air and the ground. Our Ground Line Inspection and Treatment program targets all power poles on our electrical system.

Our generating stations' performance also is key to our reliability, and our baseload and peaking stations perform at high levels. Cass County Station, a 322-megawatt (MW) plant, set a record for generation when it

produced more than 22 gigawatt-hours in May 2018, one of our hottest Mays in years. It's one of three OPPD peaking stations called upon when extra power is needed.

Reliability isn't the only consideration for operating our units. Meeting or exceeding environmental compliance standards is also a top priority, as shown by Nebraska City Station (NCS) Unit 2 achieving "low-emitter status" for coming in under limits for the Mercury and Air Toxic Standards regulation for 12 consecutive quarters. This was possible thanks to the NCS staff, our Environmental Services team and a rigorous testing schedule.



The OPPD workforce remains the utility's most valued asset. At left, McKell Pinder, director of Total Rewards, works with Senior Benefits Specialist Vicki Lee.



Ryan Gerdts, manager of Station Operations at Nebraska City Station, left, talks with Equipment Operator George Schworm near the turbine.

Crews rebuild a 345-kilovolt transmission line near the Platte River that was damaged by tornadic-force winds.



RENEWABLES

We're going down paths that are good for the environment.

OPPD continues to work toward the goal of having at least 50 percent of retail sales coming from renewables. Construction of the Sholes Wind Energy Center in northeast Nebraska is ongoing and the 160-megawatt (MW) facility will begin producing power for OPPD customers in 2019, pushing the utility to about 40 percent of retail sales coming from renewables.

We announced a community solar program in 2018. Starting in mid-2019, our customers will be able to purchase shares of solar energy produced at the 5-MW facility in Fort Calhoun, operated by NextEra Energy Resources LLC. We also are partnering with the renowned University of Nebraska Medical Center (UNMC) on its rooftop solar project, which will generate up to 500 kilowatts of solar power for its campus.

Our successful electric vehicle pilot program included rebates for home charging stations that are providing data to help OPPD understand impacts on our distribution system.



OPPD also continues the greening of its own fleet with more than 200 vehicles that are all-electric, hybrid or flex-fuel, improving efficiency and reducing the impact on the environment.

In keeping with our environmental stewardship mission, we worked with Save Our Monarchs to transform 260 acres of OPPD property into natural butterfly habitat. Employees planted thousands of pollinator plugs to restore those areas to native prairie and help the embattled monarch butterfly once again thrive.





RELATIONSHIPS

We're building partnerships.

Building strong partnerships in the communities we serve remains key to our success. Helping keep the region vibrant is a point of pride for OPPD.

In 2018, we announced a five-year LED streetlight upgrade program to replace nearly 100,000 high-pressure sodium streetlight fixtures. The program will eventually reduce by an estimated 25 percent the overall streetlight costs to municipalities and other governmental entities.

We are partnering with community groups to inspire and tap our future workforce. Following a year of well-rounded instruction, the first round of Legacy I³ students had internships across all areas of OPPD in 2018. The unique program provides students hands-on experience in the energy field.

In addition to mentoring interns, employees continue to live out our core value of "caring for our community." Hundreds volunteer, mentor, coach and serve on area boards.

For example, Keep Nebraska City Beautiful named OPPD's Patricia Coates its volunteer of the year for 2018. Coates is a combustion turbine technician at Cass County Station. Allen Parette, senior system engineer, helped organize the Buddy Baseball game for special needs children at the Omaha Storm Chasers' home field in Papillion. Another employee, Shift Supervisor Tim Stephens, annually enlists 60 friends to volunteer and fry up more than 70 turkeys to serve a holiday meal at an Omaha homeless shelter.

Partnerships are evident across the OPPD service territory. Our employees and the work they do each day ensure we are going places and are powering thriving communities. At OPPD, it's all about momentum.



The Legacy I³ program helps OPPD develop and attract diverse talent.



Ron Stohlmann appreciates how sports can shape kids' lives, so the OPPD engineer referees high school football games to help make that happen. *Photo courtesy of Gene Knudsen.*