

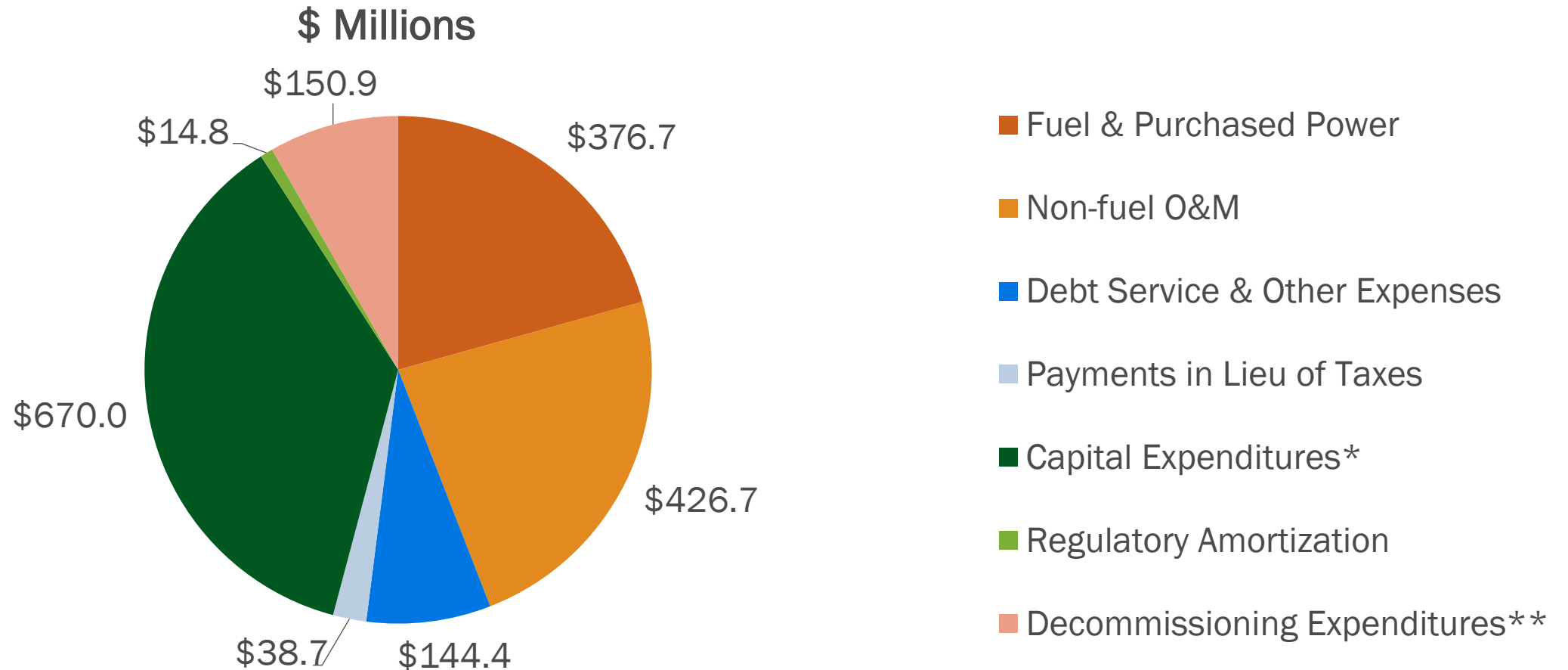


2022 Final Corporate Operating Plan (COP) & Rate Action Highlights

Board of Directors
December 16, 2021

Corporate Operating Plan

2022 Budget Summary: \$1,822.2 Million



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

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding (\$138.9 million) which is an expense and is reflected on the income statement.

Corporate Operating Plan

2022 Strategic Initiative Funding

INITIATIVE	O&M FUNDING*	CAPITAL FUNDING*	TOTAL Funding
Pathways to Decarbonization	\$600,000		\$600,000
Electric System Evaluation & Modernization	\$800,000		\$800,000
Customer Engagement	\$2,000,000	\$1,010,000	\$3,010,000
Business Technology Platform	\$5,200,000	\$1,211,750	\$6,411,750
Workplace Transformation	\$600,000		\$600,000
TOTAL Strategic Initiatives	\$9,200,000	\$2,221,750	\$11,421,750

*Values are incremental to the standard budget allocations

2022 Rate Changes

Proposed Percent Increase by Customer Class

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	Residential	Commercial	Industrial	Lighting	Wholesale	Total
Proposed Increase*	3.2%	0.9%	3.2%	2.5%	0%	2.5%
Proposed Revenue Increase (\$ Millions)	13.49	2.81	9.26	0.43	0.00	\$25.99

- **Other Rate Actions:**

- All of the other rate actions and rate change details are as presented in the red-lined version of the Service Regulations and Schedules.

- **Fuel & Purchased Power Adjustment (FPPA):**

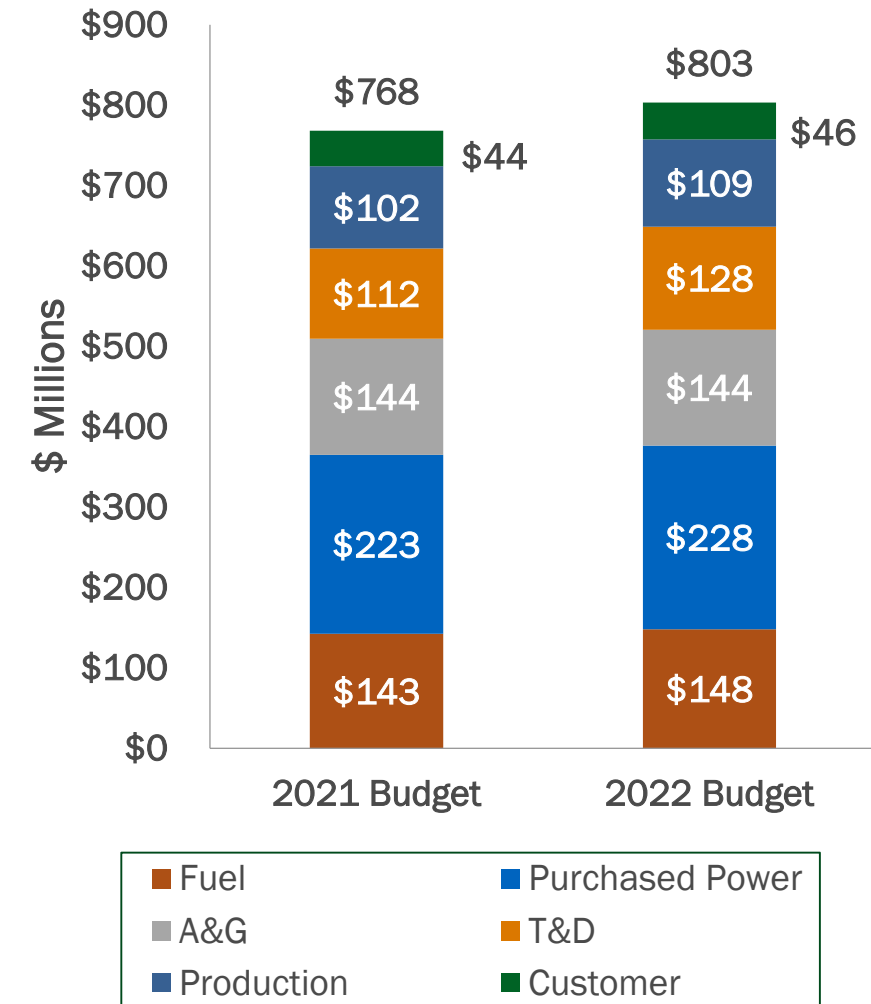
- Starting in 2022 the FPPA formula will include revenue that results from excess energy sales into the Southwest Power Pool (SPP).
- The change in formula does not generate a rate increase or decrease in and of itself and the Fuel and Purchase Power adjustment factor on the bill will remain unchanged in 2022.

*This is an average increase at the customer class level. Rates within the class will have varying increases. Customers within each rate will have varying increases.

Rate Increase Drivers

Strategic Transformation Increases O&M:

- Technology, Property and Preparedness:
 - Technology Platform Strategic Initiative
 - Evaluating the District’s facilities for the future workforce
- Customer Service:
 - Customer Engagement for the Future Strategic Initiative
 - Pilot project regarding energy burden project solutions
- Energy Delivery:
 - Electrical Systems Evaluation & Modernization Strategic Initiative
 - Asset Health Monitoring Program to better manage and reduce asset failures
 - Hiring of new team members to keep up with large infrastructure projects
 - All-time highest vegetation management (tree trimming) budget in OPPD history
- Energy Production:
 - Planned Outages
 - Resources to support the Decarbonization Strategic Initiative



Independent Reviews

Summary

- **Corporate Operating Plan:**
 - “The expenditures anticipated by the District are reasonable and of the type that a utility following prudent utility practices would expect.”

- **Rate Action:**
 - “We find the proposed rate changes to be fair, reasonable, and nondiscriminatory.”

Corporate Operating Plan

Summary

- Advances OPPD's Mission: "Provide affordable, reliable and environmentally sensitive energy services to our customer-owners." (SD-1)



Selected Cost Saving Efforts



Bond Refunding

Actively Managing Debt

- OPPD's Finance team continues to achieve savings through senior and subordinate bond refundings.
- For the period of 2016 through 2021, the District achieved net present value savings of approximately \$82.5 million on senior debt transactions.
- In addition, the District anticipates a net present value savings of approximately \$41.2 million after refunding subordinate debt with commercial paper in 2019 and 2020. Since commercial paper has varying interest rates, the exact savings will not be known until it is realized.

Continuous Improvement Culture

Creating a Lasting Impact

- OPPD has cultivated a culture of continuous improvement where employees across all areas and levels of the organization are engaged in cost and process efficiency efforts.
- Over the last three years, Continuous Improvement has helped initiate approximately 340 completed projects, which provided organizational efficiency gains of approximately 46 thousand person-hours and approximately \$12 million dollars of value to OPPD.
- **2021 Project Example:**
 - Rural Reliability – Circuit Ties with neighboring Utilities
 - Projected 2021 Savings/Avoided Cost ~\$1.0 million
 - Explored and utilized options with neighboring utilities to create circuit ties that will improve reliability and provide load support for special projects (e.g. substation outages)