New Issue—Full Book-Entry Only

Ratings: Moody's: "Aa2"
S&P Global: "AA"
(See "RATINGS" herein.)

In the opinion of Bond Counsel, assuming continuing compliance with certain requirements described herein, under laws, regulations, rulings and judicial decisions existing as of the date hereof, interest on the 2023 Bonds is not includable in gross income for federal income tax purposes. Such interest is also exempt from all present State of Nebraska personal income taxes. In the opinion of Bond Counsel, interest on the 2023 Bonds does not constitute an item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the 2023 Bonds may affect the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a discussion of additional federal and State of Nebraska tax law considerations.

OMAHA PUBLIC POWER DISTRICT (NEBRASKA)
$360,820,000 Electric System Revenue Bonds, 2023 Series A
$188,940,000 Electric System Revenue Bonds, 2023 Series B

Dated: Date of Delivery **Due:** February 1, as shown on the inside cover page

The Electric System Revenue Bonds, 2023 Series A (the "2023 A Bonds") and Electric System Revenue Bonds, 2023 Series B (the "2023 B Bonds") (together, the "2023 Bonds") will be issued by the Omaha Public Power District (the "District") in fully registered form in the minimum denomination of $5,000 and any integral multiple thereof. Interest on the 2023 Bonds will be payable February 1, 2024, and each August 1 and February 1 thereafter. Certain of the 2023 Bonds are subject to optional redemption prior to maturity as described herein. The 2023 Bonds are issued for valid corporate purposes of the District, including paying or reimbursing capital expenditures of the District, refunding a portion of the District's outstanding Electric System Subordinated Revenue Bonds, 2014 Series AA and 2014 Series CC and commercial paper notes, funding any required reserves and paying the costs and expenses incurred in connection with the issuance of the 2023 Bonds. See "USE OF THE 2023 BOND PROCEEDS."

The 2023 Bonds, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2023 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2023 Bonds will be paid by the Bond Fund Trustee acting as the Paying Agent directly to DTC as the Bondholder thereof. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Participants, as more fully described herein. Any purchaser as a Beneficial Owner of a 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2023 Bonds. See "BOOK-ENTRY SYSTEM."

Principal of and interest on the 2023 Bonds will be payable on a parity with the other Electric System Revenue Bonds of the District, outstanding, as of August 31, 2023, in the principal amount of $1,890,015,000, and any other Additional Bonds which hereafter may be issued under Resolution No. 1788, and will be payable from and secured by a pledge of and lien upon the revenues, income, receipts and profits of the Electric System, subject to the prior payment therefrom of the operations and maintenance expenses of the Electric System. See "SECURITY FOR THE 2023 BONDS." The 2023 Bonds shall not be obligations of the State of Nebraska or of any of its political subdivisions, other than the District, nor shall said State or any of its political subdivisions, other than the District, be liable for the payment of the principal of and interest on the 2023 Bonds. The District has no taxing power.

MATURITY SCHEDULE – See Inside Front Cover

The 2023 Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval of legality of Kutak Rock LLP, Bond Counsel. Certain legal matters will be passed upon for the District by Fraser Stryker PC LLO, Omaha, Nebraska, General Counsel to the District, and for the Underwriters by Nixon Peabody LLC, Counsel to the Underwriters. It is expected that the 2023 Bonds in definitive form will be ready for delivery through the DTC book-entry system on or about November 7, 2023.

Goldman Sachs & Co. LLC **Wells Fargo Securities**

BofA Securities **Citigroup** **J.P. Morgan**

Morgan Stanley **Piper Sandler** **RBC Capital Markets**

UMB Bank, n.a.

October 3, 2023

$360,820,000
ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A

Maturity Schedule

$175,760,000 Serial Bonds

Due February 1	Principal Amount	Rate	Yield	Price	CUSIP[1]
2025	$5,755,000	5.000%	3.850%	101.366%	682001HZ8
2026	6,045,000	5.000	3.770	102.605	682001JA1
2027	6,345,000	5.000	3.670	104.014	682001JB9
2028	6,660,000	5.000	3.610	105.406	682001JC7
2029	6,995,000	5.000	3.640	106.421	682001JD5
2030	7,345,000	5.000	3.690	107.229	682001JE3
2031	7,710,000	5.000	3.720	108.046	682001JF0
2032	8,100,000	5.000	3.750	108.778	682001JG8
2033	8,505,000	5.000	3.760	109.592	682001JH6
2034	8,930,000	5.000	3.800	109.265[C]	682001JJ2
2035	9,375,000	5.000	3.890	108.535[C]	682001JK9
2036	9,845,000	5.000	4.030	107.411[C]	682001JL7
2037	10,335,000	5.000	4.150	106.458[C]	682001JM5
2038	10,850,000	5.000	4.240	105.750[C]	682001JN3
2039	11,395,000	5.000	4.330	105.048[C]	682001JP8
2040	11,965,000	5.000	4.400	104.505[C]	682001JQ6
2041	12,565,000	5.000	4.460	104.043[C]	682001JR4
2042	13,190,000	5.000	4.520	103.583[C]	682001JS2
2043	13,850,000	5.000	4.570	103.202[C]	682001JT0

$185,060,000 Term Bonds

Due February 1	Principal Amount	Rate	Yield	Price	CUSIP[1]
2048	$80,755,000	5.250%	4.690%	104.150%[C]	682001JU7
2053	104,305,000	5.250	4.750	103.694[C]	682001JV5

[C]Priced to February 1, 2033 par call date.

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[1]CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. None of the District, the Underwriters or their respective agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2023 Bonds.

$188,940,000
ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES B

Maturity Schedule

$137,250,000 Serial Bonds

Due February 1	Principal Amount	Rate	Yield	Price	CUSIP[1]
2025	$8,915,000	5.000%	3.850%	101.366%	682001JW3
2026	10,025,000	5.000	3.770	102.605	682001JX1
2027	11,935,000	5.000	3.670	104.014	682001JY9
2028	1,860,000	5.000	3.610	105.406	682001JZ6
2029	1,955,000	5.000	3.640	106.421	682001KA9
2030	2,050,000	5.000	3.690	107.229	682001KB7
2031	6,485,000	5.000	3.720	108.046	682001KC5
2032	21,775,000	5.000	3.750	108.778	682001KD3
2033	21,595,000	5.000	3.760	109.592	682001KE1
2034	21,780,000	5.000	3.800	109.265[C]	682001KF8
2035	2,620,000	5.000	3.890	108.535[C]	682001KG6
2036	2,750,000	5.000	4.030	107.411[C]	682001KH4
2037	2,885,000	5.000	4.150	106.458[C]	682001KJ0
2038	3,030,000	5.000	4.240	105.750[C]	682001KK7
2039	3,185,000	5.000	4.330	105.048[C]	682001KL5
2040	3,340,000	5.000	4.400	104.505[C]	682001KM3
2041	3,510,000	5.000	4.460	104.043[C]	682001KN1
2042	3,685,000	5.000	4.520	103.583[C]	682001KP6
2043	3,870,000	5.000	4.570	103.202[C]	682001KQ4

$51,690,000 Term Bonds

Due February 1	Principal Amount	Rate	Yield	Price	CUSIP[1]
2048	$22,560,000	5.250%	4.690%	104.150%[C]	682001KR2
2053	29,130,000	5.250	4.750	103.694[C]	682001KS0

[C]Priced to February 1, 2033 par call date.

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[1]CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. None of the District, the Underwriters or their respective agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2023 Bonds.

OMAHA PUBLIC POWER DISTRICT
444 South 16th Street Mall, Omaha, Nebraska 68102-2247
www.oppd.com

DIRECTORS

ERIC H. WILLIAMS	Chair of the Board
JANECE M. MOLLHOFF	Vice Chair of the Board
MARY G. SPURGEON	Treasurer
CRAIG C. MOODY	Secretary
AMANDA E. BOGNER	Board Member
MICHAEL J. CAVANAUGH	Board Member
MATT R. CORE	Board Member
SARA E. HOWARD	Board Member

PRESIDENT and VICE PRESIDENTS

L. JAVIER FERNANDEZ	President and Chief Executive Officer
JEFFREY M. BISHOP	Vice President – Chief Financial Officer
KATHLEEN W. BROWN	Vice President – Chief Information Officer
CLIFFORD V. FLEENER	Vice President – Sustainability and Environmental Affairs
SCOTT M. FOCHT	Vice President – Corporate Strategy and Governance
TIMOTHY D. MCAREAVEY	Vice President – Customer Service
KEVIN S. MCCORMICK	Vice President – Safety and Facilities Management
LISA A. OLSON	Vice President – Public Affairs
MCKELL V. PURNELL	Vice President – Human Capital
BRADLEY R. UNDERWOOD	Vice President – Systems Transformation
TROY R. VIA	Vice President – Chief Operating Officer

GENERAL COUNSEL

FRASER STRYKER PC LLO
Omaha, Nebraska

BOND COUNSEL

KUTAK ROCK LLP
Omaha, Nebraska

FINANCIAL ADVISOR

BARCLAYS CAPITAL INC.
New York, New York

BOND FUND TRUSTEE/PAYING AGENT

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Chicago, Illinois

No dealer, broker, salesperson or any other person has been authorized by the District or its agents to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offering nor the solicitation of an offer to sell to any person in any state or other political jurisdiction in which such an offer or solicitation may not lawfully be made, or in any state in which said agents are not qualified. This Official Statement is not to be construed as a contract with the purchasers of the 2023 Bonds.

The information set forth herein has been furnished by the District or other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

THE 2023 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Securities Exchange Act of 1934, as amended, and the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words of similar import.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DISTRICT NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

The District maintains a website and certain social media accounts. The District's websites and social media accounts are not part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2023 Bonds, and are not part of this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and in effect on the date hereof ("Rule 15c2-12"). References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

For purposes of compliance with Rule 15c2-12, this Preliminary Official Statement constitutes an official statement of the District that has been deemed final by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE DISTRICT WILL PROVIDE ANNUAL FINANCIAL STATEMENTS UPON REQUEST. COPIES OF ALL PERIODIC REPORTS MAY ALSO BE MADE AVAILABLE BY ANY OTHER MEANS MAINTAINED BY THE DISTRICT, OR ITS AGENTS, TO PROVIDE INFORMATION TO PERSONS WISHING TO RECEIVE IT. INFORMATION WILL ALSO BE PROVIDED AS DESCRIBED HEREIN UNDER THE HEADING "APPENDIX C—FORM OF CONTINUING DISCLOSURE UNDERTAKING." APPROPRIATE PERIODIC CREDIT INFORMATION WILL BE PROVIDED TO THE RATING AGENCIES RATING THE 2023 BONDS.

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APPENDIX C—FORM OF CONTINUING DISCLOSURE UNDERTAKING
APPENDIX D—SCHEDULE OF REFUNDED BONDS

SUMMARY STATEMENT

This summary is subject in all respects to more complete information contained in this Official Statement. The offering of the 2023 Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement. Certain terms used in this summary shall have the same meanings as given thereto in this Official Statement.

PURPOSE OF THE 2023 BONDS

The 2023 Bonds are issued as $360,820,000 Electric System Revenue Bonds, 2023 Series A (the "2023 A Bonds") and $188,940,000 Electric System Revenue Bonds, 2023 Series B (the "2023 B Bonds" and, together with the 2023 A Bonds, the "2023 Bonds"). The 2023 Bonds will be issued in fully registered form in the minimum denomination of $5,000 and any integral multiple thereof. Certain of the 2023 Bonds are subject to optional redemption prior to maturity as described herein. The 2023 A Bonds are issued for valid corporate purposes of the District, including paying or reimbursing capital expenditures of the District, funding any required reserves and paying the costs and expenses incurred in the issuance of the 2023 A Bonds. Expected capital expenditures include natural gas generation facilities which are a component of the District's Power with Purpose strategic plan as more fully described under "THE ELECTRIC SYSTEM—Generation Portfolio Changes." The 2023 B Bonds are issued for valid corporate purposes of the District, including refunding a portion of the District's outstanding Electric System Subordinated Revenue Bonds, 2014 Series AA and 2014 Series CC, and commercial paper notes, funding any required reserves and paying the costs and expenses incurred in connection with the issuance of the 2023 B Bonds.

PAYMENT OF INTEREST

Interest on the 2023 Bonds will be payable February 1, 2024 and each August 1 and February 1 thereafter until maturity or prior redemption.

AUTHORITY FOR ISSUANCE

The 2023 Bonds will be issued pursuant to Chapter 70, Article 6, Reissue Revised Statutes of the State of Nebraska ("State"), as amended ("Enabling Act"), and Resolution No. 1788 of the District adopted on January 20, 1972, as amended by Resolution No. 5432 of the District adopted April 14, 2005 and effective as of March 4, 2009 and Resolution No. 5882 of the District adopted October 13, 2011 and effective as of February 6, 2015, as supplemented and amended (collectively, "Resolution No. 1788"), including as specifically supplemented by a series resolution (the "Series Resolution") of the District adopted on April 20, 2023 authorizing the issuance of the 2023 Bonds.

SECURITY FOR THE 2023 BONDS

Principal of and interest on the 2023 Bonds will be payable on a parity with the other Electric System Revenue Bonds of the District outstanding, as of August 31, 2023, in the principal amount of $1,890,015,000 and any other Additional Bonds which hereafter may be issued under Resolution No. 1788, and will be payable from and secured by a pledge of and lien upon the revenues, income, receipts and profits of the Electric System, subject to the prior payment therefrom

of the operations and maintenance expenses of the Electric System. See "SECURITY FOR THE 2023 BONDS." The 2023 Bonds shall not be obligations of the State of Nebraska or of any of its political subdivisions, other than the District, nor shall said State or any of its political subdivisions, other than the District, be liable for the payment of the principal of and interest on the 2023 Bonds. The District has no taxing power.

RESERVE ACCOUNT

The Reserve Account Requirement under Resolution No. 1788 is an amount equal to the maximum amount required to be paid into the Interest Account from the Revenues of the Electric System in the current or any future calendar year to provide for the payment of the interest on the outstanding Electric System Revenue Bonds. The Reserve Account is currently fully funded with cash and permissible securities. A portion of the proceeds of the 2023 Bonds will be deposited in the Reserve Account upon issuance of the 2023 Bonds in order to meet the Reserve Account Requirement. See "SECURITY FOR THE 2023 BONDS—Reserve Account."

REDEMPTION

At the option of the District, the 2023 Bonds maturing on or after February 1, 2033 shall be subject to optional redemption prior to their stated maturity on such dates, in whole or in part and at such prices as set forth under "DESCRIPTION OF THE 2023 BONDS—Optional Redemption." Any such redemption shall occur only upon notice mailed to the registered owner of each such 2023 Bond (which initially will be Cede & Co. for all of the 2023 Bonds) not less than 30 days prior to the date fixed for redemption together with the interest accrued thereon to the date fixed for redemption.

ELECTRIC RATES AND RATE REGULATION

The District's Board of Directors has the power and is required to fix, establish and collect adequate rates, tolls, rents and other charges for electrical energy. District rates for service are not subject, in the opinion of General Counsel for the District, to regulation by any federal or State of Nebraska regulatory body under existing laws, except as stated under the caption "THE DISTRICT—Nebraska Power Review Board" relative to the settlement of rate disputes between suppliers of electricity and except for the Federal Energy Regulatory Commission ("FERC") which has jurisdiction to resolve disputes regarding rates for wholesale transmission service. In Resolution No. 1788 the District covenants to fix rates and other charges adequate to provide revenues from the operation of the Electric System sufficient to pay the costs of operation and maintenance of the Electric System, and, in each calendar year, to pay the debt service requirements of all outstanding District debt, including the 2023 Bonds.

SENIOR DEBT SERVICE COVERAGE

The debt service coverage as defined by Resolution No. 1788, on the District's Outstanding Bonds (defined herein) was 3.09 times for the twelve months ended December 31, 2022.

ADDITIONAL BONDS

The District may issue additional parity Electric System Revenue Bonds for any of its corporate purposes, provided that, with respect to all Additional Bonds, other than certain refunding bonds, the Authorized District Officer files a certificate with the Bond Fund Trustee stating that the Net Receipts of the Electric System in each calendar year thereafter will be at least equal to 1.40 times the amounts to be paid in such year into the Bond Fund to pay principal and interest on (a) the Electric System Revenue Bonds to be outstanding after the issuance of such Bonds and (b) additional Electric System Revenue Bonds which the Authorized District Officer estimates will be required to be issued in the future to complete any generating facility for which Electric System Revenue Bonds have been or are then being issued. Net Receipts is generally defined as operating revenue less expenses of operations and maintenance (not including depreciation and amortization charges) plus certain investment income.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuing compliance with certain requirements described herein, under laws, regulations, rulings and judicial decisions existing as of the date hereof, interest on the 2023 Bonds is not includable in gross income for federal income tax purposes and is also exempt from all present State of Nebraska personal income taxes. In such opinion of Bond Counsel, interest on the 2023 Bonds does not constitute an item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the 2023 Bonds may affect the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS."

RATINGS

Moody's Investors Service ("Moody's") has given the rating of "Aa2" with a stable outlook and S&P Global Ratings ("S&P") has given the rating of "AA" with a stable outlook to the 2023 Bonds. Such ratings reflect only the views of such organizations, and explanations of the significance of such ratings may be obtained only from the credit rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such credit rating agencies if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

BOOK-ENTRY ONLY SYSTEM

The 2023 Bonds, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for DTC. Purchases of beneficial interests in the 2023 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2023 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as the Paying Agent, directly to DTC as the Bondholder thereof. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Participants, as more fully described herein. Any purchaser as a Beneficial Owner of a 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2023 Bond. See "BOOK-ENTRY SYSTEM."

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. Certain terms used in this Summary Statement shall have the same meanings as given thereto in this Official Statement.

OFFICIAL STATEMENT

OMAHA PUBLIC POWER DISTRICT (NEBRASKA)
$360,820,000 Electric System Revenue Bonds, 2023 Series A
$188,940,000 Electric System Revenue Bonds, 2023 Series B

The purpose of this Official Statement, which includes the cover page, the inside cover pages and appendices hereto, is to set forth information concerning Omaha Public Power District ("District" or "OPPD") and its $360,820,000 Electric System Revenue Bonds, 2023 Series A (the "2023 A Bonds") and $188,940,000 Electric System Revenue Bonds, 2023 Series B (the "2023 B Bonds") (together, the "2023 Bonds").

The 2023 Bonds will be issued pursuant to the Enabling Act, and Resolution No. 1788 and the Series Resolution. Principal of and interest on the 2023 Bonds will be payable on a parity with the other Electric System Revenue Bonds of the District outstanding, as of August 31, 2023, in the principal amount of $1,890,015,000 ("Outstanding Bonds"). The Outstanding Bonds, the 2023 Bonds and any Additional Bonds that may hereafter be issued pursuant to the District's Resolution No. 1788 are herein sometimes referred to as the "Bonds" or "Electric System Revenue Bonds." Certain provisions of Resolution No. 1788 are summarized herein under the heading "SUMMARY OF CERTAIN PROVISIONS OF RESOLUTION NO. 1788." These summaries do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the full terms of Resolution No. 1788. Certain capitalized terms not otherwise defined herein will have the meanings assigned thereto in Resolution No. 1788.

The 2023 Bonds shall not be obligations of the State or of any of its political subdivisions, other than the District, nor shall the State or any of its political subdivisions, other than the District, be liable for the payment of the principal of and interest on the 2023 Bonds. The District has no taxing power.

PURPOSE OF THE 2023 BONDS

The 2023 A Bonds will be issued for valid corporate purposes of the District, including paying or reimbursing capital expenditures of the District, funding any required reserves and paying the costs and expenses incurred in the issuance of the 2023 A Bonds. Expected capital expenditures include natural gas generation facilities which are a component of the District's Power with Purpose strategic plan as more fully described under "THE ELECTRIC SYSTEM—Generation Portfolio Changes." The 2023 B Bonds are issued for valid corporate purposes of the District, including refunding a portion of the District's outstanding Electric System Subordinated Revenue Bonds, 2014 Series AA and 2014 Series CC, and commercial paper notes and paying the costs and expenses incurred in connection with the issuance of the 2023 B Bonds. See "USE OF THE 2023 BOND PROCEEDS."

USE OF THE 2023 BOND PROCEEDS

The estimated application of the 2023 Bond proceeds (total par amount of $549,760,000):

SOURCES:	2023 A Bonds	2023 B Bonds
Par Amount	$360,820,000.00	$188,940,000.00
Original Issue Premium / (Discount)	17,369,219.35	11,268,145.75
Total Sources	**$378,189,219.35**	**$200,208,145.75**
USES:		
Deposit to the Construction Fund to fund District capital expenditures	$358,000,000.00	$ -
Deposit to CP Notes payment account	-	100,000,000.00
Deposit to 2014 AA Escrow Account(1)		85,133,016.50
Deposit to 2014 CC Escrow Account(2)		4,615,074.00
Deposit to Construction Fund to pay costs of issuance	439,806.01	231,497.99
Deposit to the Reserve Account	18,503,650.00	9,576,225.00
Underwriters' Discount	1,245,763.34	652,332.26
Total Bond Proceeds	**$378,189,219.35**	**$200,208,145.75**

(1) In addition, $968,962.50 of amounts held in the Interest Account of the Bond Fund for the Refunded Bonds will be used to redeem the 2014 AA Refunded Bonds.

(2) In addition, $46,300.00 of amounts held in the Interest Account of the Bond Fund for the Refunded Bonds will be used to redeem the 2014 CC Refunded Bonds.

DESCRIPTION OF THE 2023 BONDS

General

The 2023 Bonds will be dated the Date of Delivery and will bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. The 2023 Bonds will be issued in fully registered form in the minimum denomination of $5,000 and any integral multiple thereof. Interest on the 2023 Bonds will be payable on February 1, 2024 and semiannually on each August 1 and February 1 thereafter. Interest and principal will be payable to the holders of record as of the 15th calendar day of the month preceding any payment date.

The 2023 Bonds, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for DTC. Purchases of beneficial interests in the 2023 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2023 Bonds will be paid by the Paying Agent directly to DTC as the Bondholder thereof. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Participants, as more fully described herein. Any purchaser as a Beneficial Owner of a 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2023 Bond. See "BOOK-ENTRY SYSTEM."

The Bank of New York Mellon Trust Company, N.A. currently serves as Bond Fund Trustee and Paying Agent with respect to the Bonds.

Optional Redemption

At the option of the District, the 2023 A Bonds shall be subject to redemption prior to their stated maturity on any date on or after February 1, 2033, at par, as a whole or in part (and in the event that less

than all of the 2023 A Bonds of any maturity are called for redemption, the particular 2023 A Bonds of such maturity to be redeemed shall be selected by lot by the Bond Fund Trustee) upon notice mailed to the registered owner of each such 2023 A Bond (which initially will be Cede & Co. for all of the 2023 A Bonds) not less than 30 days prior to the date fixed for redemption together with the interest accrued thereon to the date fixed for redemption.

At the option of the District, the 2023 B Bonds shall be subject to redemption prior to their stated maturity on any date on or after February 1, 2033, at par, as a whole or in part (and in the event that less than all of the 2023 B Bonds of any maturity are called for redemption, the particular 2023 B Bonds of such maturity to be redeemed shall be selected by lot by the Bond Fund Trustee) upon notice mailed to the registered owner of each such 2023 B Bond (which initially will be Cede & Co. for all of the 2023 B Bonds) not less than 30 days prior to the date fixed for redemption together with the interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The 2023 A Bonds maturing on February 1, 2048 shall be subject to mandatory redemption by application of the sinking fund installments deposited in the Bond Retirement Account under Resolution No. 1788, on February 1 of each of the years and in the amounts set forth in the table below (the particular 2023 Bonds of the respective maturities to be redeemed shall be selected by lot), at a redemption price equal to the principal amount thereof, together with the interest accrued there on to the date fixed for redemption:

5.250%Term Bonds Maturing
February 1, 2048

Year	Amount
2044	$14,540,000
2045	15,305,000
2046	16,110,000
2047	16,955,000
2048*	17,845,000

*Final maturity.

The 2023 A Bonds maturing on February 1, 2053 shall be subject to mandatory redemption by application of the sinking fund installments deposited in the Bond Retirement Account under Resolution No. 1788, on February 1 of each of the years and in the amounts set forth in the table below (the particular 2023 Bonds of the respective maturities to be redeemed shall be selected by lot), at a redemption price equal to the principal amount thereof, together with the interest accrued there on to the date fixed for redemption:

5.250%Term Bonds Maturing
February 1, 2053

Year	Amount
2049	$18,780,000
2050	19,770,000
2051	20,805,000
2052	21,900,000
2053*	23,050,000

*Final maturity.

The 2023 B Bonds maturing on February 1, 2048 shall be subject to mandatory redemption by application of the sinking fund installments deposited in the Bond Retirement Account under Resolution No. 1788, on February 1 of each of the years and in the amounts set forth in the table below (the particular 2023 Bonds of the respective maturities to be redeemed shall be selected by lot), at a redemption price equal to the principal amount thereof, together with the interest accrued there on to the date fixed for redemption:

5.250%Term Bonds Maturing February 1, 2048

Year	Amount
2044	$4,065,000
2045	4,275,000
2046	4,500,000
2047	4,735,000
2048*	4,985,000

*Final maturity.

The 2023 B Bonds maturing on February 1, 2053 shall be subject to mandatory redemption by application of the sinking fund installments deposited in the Bond Retirement Account under Resolution No. 1788, on February 1 of each of the years and in the amounts set forth in the table below (the particular 2023 Bonds of the respective maturities to be redeemed shall be selected by lot), at a redemption price equal to the principal amount thereof, together with the interest accrued there on to the date fixed for redemption:

5.250%Term Bonds Maturing February 1, 2053

Year	Amount
2049	$5,245,000
2050	5,520,000
2051	5,810,000
2052	6,115,000
2053*	6,440,000

*Final maturity.

With respect to each such sinking fund redemption, the District, at its option, may also redeem 2023 Bonds by lot, upon notice mailed to the registered owner of each such 2023 Bond (which initially will be Cede & Co. for all of the 2023 Bonds) not less than 30 days prior to the date fixed for redemption, on any August 1, commencing August 1, 2043, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption. The aggregate principal amount of such 2023 Bonds which may be so redeemed on any August 1 shall equal the sinking fund installments deposited, since the preceding February 1, in the Bond Retirement Account in accordance with Resolution No. 1788 for the purpose of providing moneys to redeem the 2023 Bonds scheduled for redemption by sinking fund installments on the following February 1. The principal amount of such 2023 Bonds to be redeemed by sinking fund installments on the following February 1 shall be reduced by the aggregate principal amount of such 2023 Bonds so redeemed at the option of the District on the preceding August 1.

The District may solicit tenders for the purchase of 2023 Bonds subject to mandatory sinking fund redemption as set forth above. The purchase price of any such 2023 Bonds may not exceed the applicable redemption price. Said purchase price may be paid from the sinking fund installments on deposit in the Bond Retirement Account under Resolution No. 1788 to be used to otherwise redeem 2023 Bonds. Accrued

interest payable upon the purchase of such 2023 Bonds may be paid from the Interest Account of the Bond Fund. Any 2023 Bonds so purchased shall be cancelled and the principal amount so purchased shall be applied as a credit against the next applicable required sinking fund installment.

Selection of Bonds to be Redeemed

If less than all of the 2023 Bonds of a particular maturity are redeemed, and so long as the book-entry only system remains in effect for the 2023 Bonds, the 2023 Bonds of such maturity to be redeemed shall be selected by lot by DTC in such manner as DTC shall determine. If the book-entry only system no longer remains in effect for the 2023 Bonds, selection for redemption of less than all of the 2023 Bonds of a particular maturity will be made by the Bond Fund Trustee by lot as provided in the Bond Resolution. If any of the 2023 Bonds to be redeemed are Bonds for which sinking fund installments have been established, the District shall select the dates and amounts by which such sinking fund installments are to be reduced.

Notice of Call for Redemption

Notice of call for any redemption of 2023 Bonds (which notice may be provided on a conditional basis), identifying the 2023 Bonds or portions thereof to be redeemed, the date fixed for redemption and the places where the amounts due upon that redemption are payable and any condition precedent to such redemption, will be given by the Bond Fund Trustee on behalf of the District by mailing a copy of the redemption notice at least 30 days prior to the date fixed for redemption to the person in whose name the 2023 Bonds to be redeemed are registered on the registration books maintained by the Bond Fund Trustee ("Register") at the close of business on the fifteenth day preceding such mailing, at the address then appearing on the Register, provided that failure to receive notice by mail, or any defect in that notice as to any 2023 Bond, will not affect the validity of the proceedings for the redemption of any other 2023 Bond. So long as any 2023 Bond to be redeemed remains in book-entry form, the Bond Fund Trustee shall send such notice to DTC, or its nominee. See "BOOK-ENTRY SYSTEM."

Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner, of any such notice will not affect the validity of the redemption of any 2023 Bond. If less than all of the 2023 Bonds are to be redeemed, the selection of the 2023 Bonds of a single maturity to be redeemed, or portions thereof in amounts of $5,000 or any integral multiple thereof, will, so long as the 2023 Bonds remain in book-entry form, be made by DTC, or any successor depository, and the DTC Participants through a lottery process. Otherwise, such selection will be made at random by the Bond Fund Trustee in such manner as the Bond Fund Trustee in its discretion may deem fair and appropriate.

SECURITY FOR THE 2023 BONDS

Pledge and Rate Covenant

The Bonds, including the 2023 Bonds, will be payable from and secured by a pledge of and lien upon the Revenues of the Electric System and other moneys pledged in Resolution No. 1788 to the payment thereof subject to a prior charge on the Revenues of the Electric System for the payment of operating and maintenance expenses of the Electric System. For additional information, see "SUMMARY OF CERTAIN PROVISIONS OF RESOLUTION NO. 1788—Revenue Fund."

The District has covenanted that it will fix, establish and collect or cause to be fixed, established and collected adequate rates, tolls, rents and other charges for electric energy, and all other commodities, services and facilities sold, furnished or supplied through the properties of the Electric System or any part thereof, which rates, tolls, rents and charges shall be fair, reasonable and adequate to provide Revenues of the Electric System sufficient to pay the principal of and interest on all Bonds and the operations and

maintenance expenses of the Electric System and to pay any other indebtedness payable from the revenues, income, receipts and profits of the Electric System.

The 2023 Bonds shall not be obligations of the State of Nebraska or of any of its political subdivisions, other than the District, nor shall said State or any of its political subdivisions, other than the District, be liable for the payment of the principal of and interest on the 2023 Bonds. The District has no taxing power.

Reserve Account

The Reserve Account Requirement under Resolution No. 1788 is an amount equal to the maximum amount required to be paid into the Interest Account from the Revenues of the Electric System in the current or any future calendar year to provide for the payment of the interest on the Outstanding Bonds. The Reserve Account may be funded in whole or in part through cash or Reserve Account Cash Equivalents, which include, but are not limited to, sureties. The Reserve Account is currently fully funded with cash and permissible securities. A portion of the proceeds of the 2023 Bonds will be deposited in the Reserve Account upon issuance of the 2023 Bonds in order to meet the Reserve Account Requirement. The Reserve Account Requirement on all Outstanding Bonds after the 2023 Bonds have been issued will be $116,263,625.67.

Additional Bonds

Additional Bonds may be issued for any valid corporate purpose of the District including the refunding or purchase of Bonds, upon compliance with certain provisions as set forth in more detail under the caption "SUMMARY OF CERTAIN PROVISIONS OF RESOLUTION NO. 1788—Additional Bonds." Prior to the issuance of any Additional Bonds (including the 2023 Bonds), other than certain refunding Bonds, an Authorized District Officer is required to file with the Bond Fund Trustee a certificate stating that the projected Net Receipts of the District in each calendar year following the issuance of the Additional Bonds then proposed to be issued shall be at least equal to 1.40 times the debt service requirement in such year for (a) all Bonds to be outstanding after the issuance of such Bonds and (b) any Additional Bonds which, in the opinion of the Authorized District Officer, will be required to complete payment of the costs of construction of any power generating station for which any Bonds have theretofore been issued or are then being issued. In making the projection of Net Receipts for each succeeding calendar year, the Authorized District Officer is required to use as a basis the Net Receipts of the District for the last calendar year for which an audit by independent accountants has been prepared and filed with the Bond Fund Trustee and may make adjustments thereto, including, but not limited to, giving effect to approved rate increases.

SUMMARY OF OTHER DISTRICT DEBT

Subordinate Obligations

The District may also issue notes and other obligations, provided that the lien thereof on the Revenues of the Electric System is subordinate to the lien of the Bonds on said Revenues. The Subordinated Bonds, CP Notes, and Credit Agreements all have liens on the Revenues of the Electric System which are subordinate to the lien of the Bonds.

The District has also issued Electric System Subordinated Revenue Bonds from time to time in multiple series ("Subordinated Bonds"). These Subordinated Bonds provided financing for valid corporate purposes of the District including paying for costs of its capital additions program and paying the expenses incurred in connection with the issuance of the Subordinated Bonds. As of August 31, 2023, the principal

amount of Subordinated Bonds outstanding was $224,670,000 of which $89,925,000 will be refunded by the 2023 Bonds and $2,560,000 will be paid as due on February 1, 2024.

The District has a Commercial Paper Program ("CP Program"), which is comprised of subordinate notes of the District ("CP Notes") with maturities ranging from one to 270 days. The current authorized amount of the CP Notes is $350,000,000, of which $350,000,000 is outstanding as of August 31, 2023. During November 2023, the District will refund $100,000,000 of CP Notes with proceeds from the 2023 Bonds, resulting in $250,000,000 of CP Notes outstanding. The District's Board of Directors may, from time to time, authorize additional increases or decreases in the size of the CP Program. In addition, the District has entered into (i) a Credit Agreement with Bank of America, N.A. ("BofA Credit Agreement"), pursuant to which the District is entitled to draw up to $250,000,000 from time to time, and (ii) a Credit Agreement with Wells Fargo Bank ("Wells Credit Agreement" and together with the BofA Credit Agreement, the "Credit Agreements") pursuant to which the District is entitled to draw up to $200,000,000 from time to time. The BofA Credit Agreement expires on January 1, 2026. The Wells Credit Agreement expires on May 31, 2024. The District has covenanted to retain drawing capacity under the Credit Agreements at least equal to the issued and outstanding amount of CP Notes. During 2023, the District caused the issuance of two letters of credit under the Wells Credit Agreement. The aggregate remaining amount available under both Credit Agreements, as of August 31, 2023, is $419,700,000.

Other Debt Obligations of the District

Resolution No. 1788 permits the issuance of bonds to acquire or construct facilities for the generation, transmission or distribution of electric power and energy which shall be owned and operated as a Separate Electric System. Such bonds shall then be payable solely from the revenues or other income derived from the ownership or operation of such Separate Electric System. The District has designated 50% of the power output of Nebraska City Station Unit No. 2 ("NC2") as a Separate Electric System ("Separate System") and has issued Separate Electric System Revenue Bonds ("Separate System Bonds") to finance a portion of the costs of the Separate System. The power output associated with the Separate System is the subject of Participation Power Agreements ("PPA") between the District and seven participating utilities. NC2 began commercial operation in May 2009. The PPA requires each of the participating utilities to pay its share of all costs of constructing, financing and operating the Separate System regardless of whether the Separate System is in operation. The Separate System Bonds are secured and payable solely from payments made under the PPA and certain related security and such PPA payments and related security are not available to pay and do not secure the Bonds, including the 2023 Bonds. The principal amount of Separate System Bonds outstanding, as of August 31, 2023, is $193,680,000.

THE DISTRICT

Nature of the District

The District was created in August 1945 under the authority of the Enabling Act as a public corporation and political subdivision of the State of Nebraska. The laws of the State provide that the District, either alone or jointly with other entities lawfully empowered to do so, may acquire, by purchase, lease or otherwise, and may operate, improve and extend electric properties and facilities and otherwise carry on the business of generating, transmitting, and distributing electric power and energy within or beyond the boundaries of the District, and may also do such other things as are necessary for carrying on a fully integrated electric power business.

The District provides electric service in the City of Omaha, Nebraska, and adjacent territory comprising all of Douglas, Sarpy and Washington counties. It also serves a portion of Cass, Saunders, Dodge, Otoe, Nemaha, Johnson, Pawnee, Richardson, Burt and Colfax counties. The area also includes the

community of Carter Lake, Iowa, which is served directly from the District's Omaha distribution system. The service area is approximately 5,000 square miles with an estimated population of 878,000 as of December 31, 2022. Omaha, with an estimated population of 485,000, is the largest city in the State. The District serves 47 cities and villages at retail and four municipalities at wholesale.

For the twelve months ended December 31, 2022, the average number of customers served by the District included 351,712 residential, 49,550 commercial, 135 industrial and 13 off-system customers. For the twelve months ended December 31, 2022, the District's retail revenue (i.e., excluding off-system sales and other revenues) was derived 42% from sales to residential customers, 31% from sales to commercial customers and 27% from sales to industrial customers. The District's top ten customers represented 14% of 2022 operating revenues.

Powers of the District

The District is specifically authorized by the Enabling Act to borrow money and incur indebtedness for any corporate use or purpose, provided the moneys so borrowed shall be payable solely from the revenues, income, receipts and profits derived by the District from its ownership, operation and management of electric generating stations and systems, or from proceeds of sales of property. The District is specifically authorized to pledge all or any part of the revenues which the District may derive from the sale of electric energy as security for the payment of the principal and interest of its obligations.

Pursuant to the aforesaid authority, the resolution of the District authorizing any obligation may specify the particular revenues that are pledged, the terms and conditions to be performed by the District and the rights of the holders of such obligations. Refunding of outstanding obligations is also specifically authorized, as is the provision that all or part of the revenues may be paid into a special fund to be collected, held or disposed of, as provided in the resolution, and the resolution may provide for special depositaries for such funds. The District is prohibited by the Enabling Act from mortgaging its physical properties, except to secure loans from certain specified federal agencies. There is no mortgage on any of the physical properties of the District.

The District has no power of taxation, and no governmental authority has the power to levy or collect taxes to pay, in whole or in part, any indebtedness or obligation of or incurred by the District or upon which the District may be liable.

The District and other electric utilities are subject to numerous federal and state statutory and regulatory mandates. The Nebraska Legislature has enacted the Public Entities Mandated Project Charges Act, which authorizes public entities in the State of Nebraska to finance mandated projects related to electrical power generation, transmission or distribution, through the use of bonds secured exclusively by revenues from a separate customer charge. If issued by the District, such mandated project bonds would be secured solely by a separate customer charge, and such charge would not be available to pay and would not secure any other debt of the District, including the 2023 Bonds.

Government of the District

All corporate powers of the District are vested in a Board of Directors consisting of eight members. Each of the eight electoral subdivisions is required to be composed of substantially equal population and to be a compact and contiguous territory.

The present membership and officers of the Board of Directors are:

	Number of Years Completed on Board	Term Expires in January	Occupation or Profession
Eric H. Williams – *Chair of the Board*	4	2025	Natural Resources Planner
Janece M. Mollhoff – *Vice Chair of the Board*	4	2025	U.S. Army Nurse Corps Colonel (Retired)
Mary G. Spurgeon – *Treasurer*	2	2027	Educator (Retired)
Craig C. Moody – *Secretary*	6	2029	Business Owner
Amanda E. Bogner	4	2027	Business Owner
Michael J. Cavanaugh	28	2025	Police Lieutenant, City of Omaha (Retired), – Security Contractor
Matt R. Core[1]	0	2029	Police Lieutenant, Sarpy County Sheriff's Office
Sara E. Howard	2	2027	Policy Advisor

President and Vice Presidents

The management of the District is under the direction of its President and Chief Executive Officer ("CEO"). The District is organized under separate operating divisions that are assigned to the CEO or a Vice President. The District's CEO and Vice Presidents are as follows:

L. JAVIER FERNANDEZ, President and Chief Executive Officer. Mr. Fernandez joined the District in June 2017 as Vice President of Financial Services and Chief Financial Officer. He was selected by the OPPD Board of Directors to serve as President and Chief Executive Officer effective July 1, 2021. Mr. Fernandez came to the District from the Bonneville Power Administration, U.S. Department of Energy, in Portland, Oregon. He had been with the federal power marketing organization since 2012, most recently serving as Executive Vice President and Chief Financial Officer. Mr. Fernandez holds a bachelor's degree in Economics from Instituto Tecnológico Autónomo de México in Mexico City, Mexico, and a master's degree in Business Administration from Yale University, a Utility Management Certificate from Willamette University, and a Utility Executive Certificate from the University of Idaho.

JEFFREY M. BISHOP, Vice President and Chief Financial Officer. Mr. Bishop joined the District in November 2021 as Vice President – Financial Services and Chief Financial Officer. He has over 20 years of experience in energy and consulting. Prior to joining the District, Mr. Bishop served as Chief Financial Officer for the Grant County Public Utility District in Washington state. He previously served as Chief Financial Officer of GridLiance and Seattle City Light. His utility experience also includes service at PacifiCorp, an investor-owned utility headquartered in Portland, Oregon. Mr. Bishop began his career in audit and assurance with Deloitte Touche LLP. Mr. Bishop holds a bachelor's degree in Business Administration from Washington State University, as well as a bachelor's degree in Zoology from the University of Washington. He is a licensed certified public accountant.

[1] Matt R. Core was elected in 2022 and his term began on January 1, 2023.

KATHLEEN W. BROWN, Vice President, Chief Information Officer. Ms. Brown joined the District in January 2016 as Vice President of Business Technology and Building Services (business unit name subsequently changed to Technology & Security). Ms. Brown has over 20 years of prior business technology experience in the retail and manufacturing industries including Best Buy, Oriental Trading Company and most recently at Warren Distribution where she was Vice President of Human Capital and Business Systems. Ms. Brown holds a bachelor's degree in Zoology from the University of Wisconsin, Madison and masters' degrees in Management Information Systems and Business Administration with an emphasis in Human Capital Management from Bellevue University.

CLIFFORD V. FLEENER, Vice President – Sustainability and Environmental Affairs. Mr. Fleener joined the District in April 2023 as Vice President of Sustainability and Environmental Affairs. He has over 25 years of experience helping global businesses find and implement data driven solutions to manage their environmental risks and opportunities. Prior to joining the District, Mr. Fleener served as the global director of Environmental Responsibility for Valmont Industries. He previously served in various quality, facilities, remediation and environmental management roles at Ford Motor Company, Visteon Corporation, Automotive Components Holding LLC and NSG/Pilkington North America. Mr. Fleener holds a bachelor's degree in Biology from Ball State University and a master's degree in Environmental Science from the University of Wisconsin-Green Bay.

SCOTT M. FOCHT, Vice President - Corporate Strategy and Governance. Mr. Focht joined the District in September 2013 to lead business strategy and deployment. In January 2017, he was promoted to senior director, accountable for strategic planning, enterprise risk management, corporate audit, continuous improvement, and innovation. In December 2020, Mr. Focht was promoted to Vice President of Corporate Strategy and Governance. Mr. Focht has more than 20 years of prior strategic management and consulting experience in hospitality, financial services, healthcare, and federal services industries including Best Western International, Inc., First National Bank of Omaha, Creighton University, and Constellation West. Additionally, he has worked independently as a strategic consultant for a variety of businesses and non-profit organizations. Mr. Focht holds bachelors' degrees in French and Business Administration from Creighton University and a master's degree in Business Administration from Thunderbird School of Global Management.

TIMOTHY D. MCAREAVEY, Vice President - Customer Service. Mr. McAreavey joined the District in 2016 as the Director of Supply Chain Management and was promoted to Vice President of Customer Service in March 2022. Mr. McAreavey is responsible for leading customer sales and service, energy product development and marketing, customer experience and customer operations. Prior to the customer service role, he led the supply chain management disciplines at the District, including sourcing and supply chain solutions, transportation and construction equipment and warehousing. Before joining the District, Mr. McAreavey spent 13 years with Cabela's, leading business and customer service, marketing transformation, strategic planning, process improvement, change management, supply chain management and logistics. Mr. McAreavey has a bachelor's degree in Marketing from Regis University.

KEVIN S. MCCORMICK, Vice President - Safety and Facilities Management. Mr. McCormick was promoted to Vice President of Safety and Facilities Management in May 2022. Mr. McCormick joined the District in 1987 in the General Maintenance Department at the Fort Calhoun Station. He has served in various roles throughout the District for the past 35 years, including most recently as Senior Director of Safety and Technical Training. Mr. McCormick is accountable for the oversight of the District's facilities and the overall safety program for the District's employees. Mr. McCormick earned a bachelor's degree in Business Administration and Technical Studies from Bellevue University. He also holds a certificate for the Reactor Technology Course for Utility Executives from Massachusetts Institute of Technology (MIT).

LISA A. OLSON, Vice President - Public Affairs. Ms. Olson joined the District in April 2011 as Division Manager of Corporate Marketing and Communications. In June 2015, Ms. Olson was named Vice President of Public Affairs. Ms. Olson is responsible for overseeing the District's corporate brand, as well as corporate communications, social media, customer marketing and education, market research, economic development, legislative and regulatory affairs, environmental affairs and energy regulatory affairs. Prior to joining the District, Ms. Olson was in leadership positions at Infogroup and First Data, and served as Public Information Officer for Nebraska's Department of Economic Development. Ms. Olson has a bachelor's degree in Journalism from the University of Nebraska-Lincoln.

MCKELL V. PURNELL, Vice President - Human Capital. Ms. Purnell joined the District in March 2018 as Director of Human Capital and became VP of Human Capital in May 2022. She is accountable for the development of a long-term vision, as well as strategic leadership and direction in all facets of human resources management at the District, including the administration and negotiation of bargaining unit contracts that define the conditions of employment for union-represented employees. Ms. Purnell has more than 20 years of prior human resources and consulting experience in manufacturing, healthcare, and the consumer products industries through her work with global accounting firms and a Fortune 100 company. Ms. Purnell earned her bachelor's degree in Mathematics and a master's degree in Actuarial Science from Georgia State University.

BRADLEY R. UNDERWOOD, Vice President - Systems Transformation. Mr. Underwood joined the District in 2013 as manager of Nuclear Business Operations. He has served as treasury manager, director of Corporate Planning and director of Financial Planning. He was promoted to Vice President of Systems Transformation in May 2022. Mr. Underwood oversees load forecasting, distribution and transmission planning as well as integrated resource planning. Prior to his service at the District, Mr. Underwood served in various roles and locations within North America for the Kiewit Companies, including commercial and financial oversight for teams constructing large energy infrastructure projects. Mr. Underwood holds a bachelor's degree in Business Administration from the University of Nebraska-Lincoln, as well as a master's degree in Business Administration from Creighton University.

TROY R. VIA, Vice President – Chief Operating Officer. Mr. Via joined the District in September 2013, as Director of Energy Marketing and Trading. In September 2018, Mr. Via was named Vice President of Energy Delivery. In October 2021, Mr. Via was appointed Vice President – Utility Operations and Chief Operating Officer. Mr. Via provides overall leadership, strategic planning and long-term objectives for the District's energy production and energy delivery groups. He also is responsible for oversight of the ongoing decommissioning of Fort Calhoun Station, as well as the utility's main energy operational capabilities to ensure the District's continued commitment to affordable, reliable, and environmentally sensitive energy services. Mr. Via's career includes over 20 years of experience in the utility industry, holding leadership positions at Dominion Resources and Aquila Energy, and working for the Kansas City Board of Trade in the Audits and Investigation division. Mr. Via has a bachelor's degree in Business Administration with a focus in Finance from the University of Central Missouri.

Employees and Human Resources

The District employed 1,882 employees in its 13 county service area as of December 31, 2022. The District's clerical, professional, craft and administrative employees are represented by two local unions of the International Brotherhood of Electrical Workers ("IBEW") and one local union from the International Association of Machinists and Aerospace Workers ("IAM & AW"). Under Nebraska law, unions and their members are not permitted to strike or otherwise hinder, delay, limit or suspend the continuity or efficiency of any public utility service. The District has a long-standing cooperative working relationship with the three labor unions representing their respective bargaining units. In 2022, the District executed three-year

agreements with IBEW Local 1483, IBEW Local 763 and IAM & AW Local 31, which expire May 31, 2025.

Defined Benefit Retirement Plan

The District provides a defined benefit retirement plan for its employees financed by the District and employee contributions. Employees hired prior to January 1, 2013 (prior to June 1, 2013, for Local 763 members), were eligible to elect either a traditional monthly benefit or a cash balance benefit from the retirement plan. Those hired on or after January 1, 2013 (on or after June 1, 2013, for Local 763 members), are eligible for a cash balance benefit only. To ensure funds will be available to pay future benefits, an actuarial report is completed each year to project retirement plan assets and the liability for future benefits. According to the January 1, 2023, preliminary actuarial valuation review, the plan's funded status was 73.3% based on the ratio of the actuarial value of assets of the plan to the actuarial accrued liability of the plan. The District funded the actuarially determined contribution ("ADC") of $55.8 million and $56.5 million as of December 31, 2022 and December 31, 2021, respectively. The market value of the plan investments was $1.08 billion and $1.30 billion as of December 31, 2022 and December 31, 2021, respectively.

Other Postemployment Benefits ("OPEB")

The District has two separate plans for post-employment health care benefits. OPEB Plan A provides post-employment health care and life insurance benefits for all qualified members. OPEB Plan B provides post-employment health care premium coverage for the District's share of the premiums for employees hired on or after December 31, 2007. To ensure funds will be available to pay future benefits, an actuarial report is completed each year to project the OPEB plans' assets and the liabilities for future benefits. According to the January 1, 2023, preliminary actuarial valuation review, OPEB Plan A's funded status was 51.4% based on the ratio of the actuarial value of assets of the plan to the actuarial accrued liability of the plan. The District funded the OPEB Plan A ADC of $12.6 million and $13.4 million as of December 31, 2022 and December 31, 2021, respectively. The market value of the plan investments was $170.6 million and $197.2 million as of December 31, 2022 and December 31, 2021, respectively. According to the January 1, 2023, preliminary valuation review, OPEB Plan B's funded status was 79.0% based on the ratio of the actuarial value of assets of the plan to the actuarial accrued liability of the plan. The District funded the OPEB Plan B ADC of $1.0 million as of December 31, 2022 and December 31, 2021. The market value of the plan investments was $7.4 million and $7.5 million as of December 31, 2022 and December 31, 2021, respectively.

Defined Contribution Plans

The District sponsors two Defined Contribution Retirement Savings Plans, a 401(k) ("401(k) Plan") and a 457 ("457 Plan"). Both the 401(k) Plan and 457 Plan are open to all full-time employees and allow contributions by employees that are partially matched by the District. The 401(k) Plan's and 457 Plan's assets and income are held in an external trust account in the employee's name. The matching share of contributions was $6.0 million and $5.9 million for the years ended December 31, 2022 and 2021, respectively. The employer maximum annual match on employee contributions was $4,000 per employee for the years ended December 31, 2022 and December 31, 2021, respectively.

Funds of the District

All of the District's funds are under the control of the Board of Directors, subject to the requirements of the authorizing debt resolutions of the District and State statutes. Each Director is a public officer, with an oath filed with the Secretary of State. The Treasurer has control of the District's funds and

is required to maintain a surety bond, in an amount as required by statute, which is filed with the Secretary of State. The District is required by law to have its accounts audited annually by independent, certified public accountants, in accordance with generally accepted government auditing standards, and to file a copy of such audit with the Auditor of Public Accounts of the State and the Nebraska Power Review Board ("NPRB"). The District follows, on a voluntary basis, insofar as possible for a governmental subdivision, the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC"). The District's accounts for calendar year 2022 have been audited by FORVIS LLP. The statement of net position of the District as of December 31, 2022, and 2021, and the related statements of revenues, expenses and changes in net position and of cash flows are set forth in Appendix A.

Taxes Applicable to the District

In the opinion of Fraser Stryker PC LLO, General Counsel to the District ("General Counsel"), the District is not liable for federal or State income or ad valorem taxes. However, as required by State law, the District makes payments in lieu of taxes annually to the County Treasurer of each county in which it sells electricity at retail equal to 5.0% of its gross revenues derived from sales within the incorporated cities and villages in such county.

The District is subject to State Sales and Use Tax on certain labor charges and nearly all material purchases. Under current State law, purchases of coal, oil, gas, nuclear fuel and water, when used for generating purposes, are exempt from State Sales and Use Tax. The State Sales and Use Tax rate is 5.5%. Various municipalities within the District's service area have also imposed a local sales and use tax.

Nebraska Power Review Board

In 1963, the Nebraska Legislature passed Chapter 70, Article 10, Reissue Revised Statutes of 1943 of Nebraska, as amended, establishing the NPRB. The NPRB consists of five members appointed by the Governor subject to approval by the Legislature. The statute declares that it is the policy of the State to avoid and eliminate conflict and competition between retail suppliers of electricity and to facilitate the settlement of rate disputes between suppliers of electricity at wholesale. Subject to approval of the NPRB, retail suppliers of electricity in adjoining areas are authorized to enter into written agreements with each other specifying either the service area or customers which each shall serve. Where agreements cannot be reached, the NPRB will determine the matter after a hearing. With NPRB approval, the District has entered into service area agreements with all other suppliers whose territories adjoin that of the District. The construction of any transmission lines or related facilities outside the District's service territory generally carrying more than 700 volts or the construction of most electric generation facilities is subject to the approval of the NPRB. Since the establishment of the NPRB, the District has received NPRB approval for the construction of all facilities requiring such approval.

Certain Rights of Municipalities Served by the District

Nebraska law contains provisions pertaining to the acquisition by a city or village ("Municipality") through negotiation or condemnation of a public power district's electric distribution system, or any part or parts thereof, situated within or partly within such Municipality. To date, no Municipality has exercised such rights with respect to the District.

THE AREA SERVED

The District provides electric service to retail and wholesale electric consumers in the City of Omaha and within a 5,000 square mile area (including all or parts of 13 counties) paralleling the eastern border of the State along the Missouri River. The area includes the community of Carter Lake, Iowa

(population: 3,783[1]), which is served directly from the District's Omaha distribution system. The District operates a fully integrated generation, transmission and distribution system having strong interconnections with all of its neighboring utilities.

The District and Omaha are located in the central part of the continental United States. As such, the Omaha metropolitan area is a principal rail center, a key terminal on the Missouri River, a major Midwest air center and is served by two interstate highway systems, I-80 and I-29. Omaha is a major health care, food processing, transportation, data processing, marketing, insurance, and industrial center in the Midwest. In 2022, the District's retail revenues from energy sales within the City of Omaha were 69% of total retail revenues from all incorporated cities served. The following tables summarize several key economic statistics from 2018 to 2022.

			Total Building Permits		
Year	**Estimated Population District Service Area[2]**	**Net Taxable Sales City of Omaha (billions)[3]**	**Douglas County[4]**	**Omaha Combined Statistical Area (CSA)[45]**	**Omaha-Council Bluffs Median Household Income[6]**
2022	878,000	$11.858	1,500	3,189	N/A*
2021	853,000	10.849	1,891	3,803	$73,757
2020	849,000	$9.602	1,916	3,504	$69,439
2019	855,000	$9.978	1,397	2,823	$70,373
2018	846,000	$9.854	1,562	3,104	$66,241

The greater Omaha area is home to the headquarters of four Fortune 500 companies: Berkshire Hathaway Inc., Union Pacific Railroad, Kiewit Corporation, and Mutual of Omaha. In addition, a number of companies from various industry sectors are also headquartered in the Omaha area, including Werner Enterprises, Inc., HDR, Inc., Data Axle, Omaha Steaks International, Inc., and Valmont Industries, Inc.

[1] Source: U.S. Census, population estimate as of July 1, 2022.

[2] Source: The District, estimated using District retail customer count and Global Insight Persons per Household rate.

[3] Source: Provided by the Greater Omaha Chamber, Non-motor vehicle sales tax, Nebraska Department of Revenue.

[4] Source: Provided by the Greater Omaha Chamber, includes all building permits issued for single family, multi-family, and non-residential (new construction) permits. It does not include non-residential-tenant improvements.

[5] The Omaha CSA includes data gathered from the cities of: Omaha, Council Bluffs (IA), Bellevue, Blair, Fremont, Gretna, LaVista, Louisville, Plattsmouth, Papillion, Springfield, and Wahoo. It also includes the following counties: Cass, Dodge, Douglas, Harrison (IA), Pottawattamie (IA), Sarpy, and Washington.

[6] Source: Provided by the Greater Omaha Chamber, U.S. Census Bureau. 2017-2021 5-Year Estimates. "Table S1903: Median Income in the Past 12 Months (in 2021 Inflation-Adjusted Dollars)

Omaha's unemployment rate is consistently lower than the national unemployment rate as shown in the table below.

Year	City of Omaha Employment[1]	City of Omaha Unemployment Rate[2]	Nebraska Unemployment Rate[3]	United States Unemployment Rate[4]
2022	252,150	2.8%	2.9%	3.6%
2021	249,431	3.3%	3.1%	5.3%
2020	249,539	5.3%	4.3%	8.1%
2019	250,931	3.4%	2.7%	3.7%
2018	235,053	3.3%	2.3%	3.9%

Large Customer Load Growth

Meta ("Facebook") and Alphabet ("Google") continue the expansion of their respective facilities within the District's service territory in Papillion, Nebraska. This growth, as well as other large customer growth, is expected to continue contributing to the District's overall electric system demand. The District, through ongoing near-term resourcing efforts, is evaluating various means to serve this additional system demand which includes transmission and distribution improvements, capacity purchases and new generation resources, see "THE ELECTRIC SYSTEM—Future Generating Facilities". Through the normal course of business with large customers, the District utilizes various financial security strategies to limit its exposure to loss of power sales and stranded asset concerns.

CAPITAL EXPENDITURES

The District continually analyzes Electric System requirements and makes long-range recommendations and estimates of capital expenditures necessary to serve the growing customer needs with a reliable and economic power supply. The following table lists the District's actual capital expenditures for the years 2022 and 2021 and budgeted expenditures for 2023. The District has seen an increase in capital expenditures primarily due to customer driven economic development projects, infrastructure expansion (new generation to support load growth), technology transformation and investment, and continued investments in the District's existing infrastructure. The District finances its Capital Program with revenues from operations, investment income, financing proceeds, and cash on hand. A significant portion of the Capital Program will be funded by senior Bond proceeds. For additional information regarding future generating facilities, see "THE ELECTRIC SYSTEM—Future Generating Facilities."

	2023 (Budget)	2022	2021
CAPITAL PROGRAM:		(millions)	
Total Production Plant	$256.3	$287.3	$139.2
Total Transmission and Distribution Plant	286.9	197.3	139.5
Total General Plant	96.8	66.4	34.9
TOTAL CAPITAL PROGRAM	$640.0	$551.0	$313.6

[1] Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Survey for the City of Omaha (not seasonally adjusted).
[2] Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Survey for the City of Omaha (not seasonally adjusted).
[3] Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Survey for the State of Nebraska (not seasonally adjusted).
[4] Source: U.S. Bureau of Labor Statistics, Current Population Survey for the United States (not seasonally adjusted).

ELECTRIC RATES AND RATE REGULATION

The District's Board of Directors has the sole authority to establish and adjust electric service rates. It is the opinion of General Counsel to the District that District rates for electric service are not subject to regulation by any federal or State regulatory body under existing laws, except, (i) in the event of a dispute between retail electric suppliers concerning rates for service between such suppliers, the NPRB is given jurisdiction to hold hearings and make recommendations which shall be advisory only (see "THE DISTRICT—Nebraska Power Review Board") and (ii) FERC has jurisdiction to resolve disputes regarding rates for wholesale transmission services.

Under the Enabling Act, the District's Board of Directors has the power to and is:

> ". . . required to fix, establish and collect adequate rates, tolls, rents and other charges, for electrical energy . . . and for any and all other commodities, including ethanol, services, or facilities sold, furnished, or supplied by the district, which rates, tolls, rents and charges shall be fair, reasonable, nondiscriminatory and so adjusted as in a fair and equitable manner to confer upon and distribute among the users and consumers of commodities and services furnished or sold by the district the benefits of a successful and profitable operation and conduct of the business of the district."

The District serves customers within three major rate classes: Residential, Commercial, and Industrial. The information presented in the following table represents varying usage levels, monthly electric service bills and the average charge per kWh, as of December 31, 2022, for each of these classes under approved basic rate schedules including a Fuel and Purchased Power Adjustment ("FPPA") and exclusive of sales tax:

				Winter		Summer	
	Billing Demand (kilowatt "kW")	Monthly Consumption (kWh)	Rate Schedule	Monthly Electric Service Bill	Average Charge Per kWh (cents)	Monthly Electric Service Bill	Average Charge Per kWh (cents)
Residential							
		250	110	$50.29	20.12	$54.03	21.61
		500	110	69.40	13.88	82.18	16.44
		750	110	88.52	11.80	108.28	14.44
		1,000	110	107.63	10.76	134.36	13.44
		2,500	110	189.47	7.58	290.90	11.64
Commercial							
	12	1,500	230	154.14	10.28	175.59	11.71
	30	6,000	230	438.06	7.30	561.96	9.37
	50	12,500	231	1,053.36	8.43	1,234.61	9.88
	100	30,000	231	2,392.66	7.98	2,827.66	9.43
	500	200,000	231	14,226.86	7.12	17,056.86	8.44
Industrial							
	1,000	400,000	232	30,469.31	7.62	30,469.31	7.62
	2,000	950,000	232	67,837.31	7.15	67,837.31	7.15
	5,000	2,500,000	240	175,265.31	7.02	175,265.31	7.02

Residential customers of the District paid an average of 11.68 and 11.38 cents per kilowatt-hour ("kWh") during the twelve months ended December 31, 2022 and 2021, respectively. The 2022 national residential average was 15.12 cents per kWh as reported by the Energy Information Administration ("EIA"). The District's average annual use per residential customer was 11,194 kWh and 11,164 kWh for the twelve months ended December 31, 2022 and 2021, respectively.

Retail customers of the District paid an average of 9.08 and 9.04 cents per kilowatt-hour ("kWh") during the twelve months ended December 31, 2022 and 2021, respectively. The 2022 national retail average was 12.49 cents per kWh as reported by the Energy Information Administration ("EIA").

General Rate Adjustment. In 2021, the District concluded its 5-year commitment of no general rate increases. The Board of Directors approved an overall average 2.5% increase across customer classes beginning January 1, 2022. The drivers of the increase in the revenue requirement include:

- Strategic transformation investment (operations and maintenance costs)
- Capital funding for infrastructure expansion to serve growing communities
- Maintenance of robust credit metrics

These investments directly benefit customers by improving the reliability, resiliency, and transformation of the energy services that the District provides.

Fuel and Purchased Power Adjustment. The District has a FPPA charge that is automatically adjusted annually effective January 1 of each year. This charge reflects forecasted changes in the cost of fuel, purchased power and consumable material costs from those included in the general base rates. The FPPA rate is designed to recover the actual costs associated with serving retail customers and municipal service consumers. It is set in advance of the calendar year based on expected costs, although the District reserves the right to modify the FPPA at any time, with Board of Director approval, to reflect unusual variances from budgeted expenses. The FPPA rate also includes the under (or over) recovered balance from prior years so that ultimately customers are assured of paying the actual cost of fuel, purchased power and consumable materials. The District updated the FPPA formula to include off-system sales, beginning on January 1, 2022. Including off-system sales provides more stability to the over and under collected amounts on an annual basis when the market experiences high volatility in fuel and energy prices.

The District automatically adjusted the FPPA rate on January 1, 2023, to reflect forecasted changes in the cost of fuel, purchased power, and off-system sales. The FPPA rate increased from .00186 to .00480. This increase equates to a 2.9% average increase across all customer classes for 2023.

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THE ELECTRIC SYSTEM

Summary of Generating Facilities

The District's power requirements are provided from its generating facilities, leased generation and purchases of power. The District set an all-time peak load of 2,670.1 MW on July 28, 2023. The following table reflects the District's generation facilities displayed by energy source.

	Initial Date in Service	Capability[1] (MW)	% of Total	Net Production[2] Amount (MWh)	Net Production[2] % of Total	Availability Factor[2]
Coal:						
Nebraska City Station Unit 1	1979	650.3	21.9	3,420,548.2	25.0	83.8
Nebraska City Station Unit 2[3]	2009	687.2	23.2	3,734,313.7	27.3	85.0
North Omaha Station Units 4 and 5[4][7]	multiple	323.9	10.9	1,698,222.2	12.4	91.1
Subtotal Coal		1,661.4	56.0	8,853,084.2	64.6	
Oil/Natural Gas:						
Cass County Station	2003	323.8	10.9	200,648.1	1.5	57.2
Jones Street Station	1973	123.4	4.2	8,091.7	0.1	80.1
North Omaha Station Units 1-3[4]	multiple	232.4	7.8	80,984.3	0.6	46.4
Sarpy County Station[5]	multiple	316.4	10.7	144,253.0	1.1	85.7
Subtotal Oil/Natural Gas		996.0	33.6	433,977.1	3.2	
Other:						
Elk City Station (Methane Gas)		6.0	0.2	48,804.8	0.4	
Total Owned Accredited Generation		2,663.4	89.7	9,335,866.1	68.2	
Purchased/Leased Generation:						
City of Tecumseh, Nebraska (Oil)		6.5	0.2	139.4		
Western Area Power Administration (Hydro)		79.7	2.7	351,038.0		
Accredited Wind Generation [6]		218.8	7.4			
Subtotal Purchased/Leased Generation		305.0	10.3	351,177.4	2.6	
Total Accredited Generation		2,968.4	100.0	9,687,043.5		
Wind:[6]						
Ainsworth		10.0		15,041.8		
Broken Bow I		18.0		75,714.1		
Crofton Bluffs		13.7		54,544.1		
Elkhorn Ridge		25.0		61,783.1		
Flat Water		60.0		230,738.4		
Petersburg		40.5		180,326.0		
Broken Bow II		43.9		188,561.1		
Prairie Breeze		200.6		904,833.6		
Grande Prairie		400.0		1,515,553.7		
Sholes		160.0		772,378.4		
Fort Calhoun Community Solar		5.0		10,043.4		
Total Non-accredited Generation		976.7		4,009,517.7	29.3	
Total Generation Produced				13,696,561.2	100.0	

(1) Maximum 2023 summer accredited net capability.

(2) Actual net production and availability factor as of December 31, 2022.

(3) 50% of the output is sold to seven participating utilities through long-term Participation Power Agreements.

(4) Station consists of five units placed in service in 1954, 1957, 1959, 1963 and 1968. North Omaha Units 1, 2, and 3 have been converted to natural gas fired peaking units.

(5) Station consists of five units placed in service in 1972, 1996 and 2000.

(6) Nameplate capacity. Wind accredited summer 2023 capability is 218.8 MW. The Community Solar is not accredited as a resource.

(7) North Omaha Station Units 4 and 5 gain additional incremental summer capability using natural gas supplied on a firm basis as supplemental fuel.

Generating Facilities – Nebraska City Station

Nebraska City Station ("NCS"), located approximately five miles southeast of Nebraska City, Nebraska, consists of two steam generator units, NCS Unit No. 1 ("NC1"), and NCS Unit No. 2 ("NC2"), equipped for coal firing.

The District owns, operates, and maintains NC2. Fifty percent of the station's output is used by the District to meet customer load requirements. The District has executed long term PPAs with seven public power and municipal utilities located in Nebraska, Missouri and Minnesota ("Participants") for the remaining 50% of the unit's output. The Participants' rights to receive, and obligations to pay costs related to, this remaining 50% of the output of NC2 is herein referred to as the Separate System. The District has issued Separate System Bonds to finance the costs of NC2 allocable to the Separate System. Such Separate System Bonds are payable solely from the revenues or other income derived from the ownership or operation of such Separate System, which revenue and other income do not and will not secure any other debt of the District, including the Bonds. Under the terms of each PPA, a Participant agrees to purchase its share of the output on a "take or pay" basis even if the power is not available, delivered to or taken by the Participant. Each Participant is subject to a step-up provision which requires, in the event of a default by another Participant, that the Participant shall pay a share of any deficit in funds resulting from the default. The District is obligated to take the first 50 MW of any power not taken by a defaulting Participant prior to any other Participant having to step-up and purchase additional power.

The Participants and their percentage share of NC2's output are as follows:

Participants	**Percentage Share**
Central Minnesota Municipal Power Agency	2.17
City of Grand Island, Nebraska, Utilities Department	5.00
City of Independence, Missouri, Power & Light Department	8.33
Falls City, Nebraska, Utilities	0.83
Missouri Joint Municipal Electric Utility Commission	8.33
Nebraska City, Nebraska, Utilities	1.67
Nebraska Public Power District	23.67
Participants' Total	50.00
Omaha Public Power District	50.00
NC2 Total	100.00

Recent Developments. In April 2023, a planned maintenance and inspection outage was completed at NC2. Routine maintenance activities included replacement of one catalyst layer of the Selective Catalytic Reduction ("SCR") system to maintain SCR efficiency, boiler inspections and repairs, regular disassembly and inspection of all sections of the turbine and generator, turbine valve maintenance, detailed inspection of portions of the high energy piping systems and other systems inspections. Other completed capital projects included replacement of the lower cone of the Spray Drying Absorber vessel cones and coating of the vessel and ducting, replacement of the air preheater baskets, partial replacement of the boiler economizer section tube elements, and motor control center upgrades, and in-kind replacement of one of the main boiler feed pump motors. Following the outage an issue developed with a major feedwater system valve that was repaired in August.

In March 2023, a planned maintenance and inspection outage was completed on NC1 to perform cleaning of the air preheaters. At that time a capital project was completed to perform a replacement of the intercept valves on the turbine.

In July 2023, an issue arose on NC1 with a main generator electrical output isolated phase conductor causing an immediate shut down. The unit repairs were made and the unit returned to service in August 2023.

On September 5, 2022, NC2 was shut down to perform routine offline repairs to the generator collector rings which were causing brush wear while in operation. On September 9, 2022, it was determined that there was excessive wear on one of the collector rings on the generator rotor. The collector rings were evaluated and repairs were made to return the unit to service. The worn collector rings were replaced during the April 2023 planned outage.

Generating Facilities - North Omaha Station

North Omaha Station ("NOS"), located in the north section of the city of Omaha, consists of five steam generator units equipped for coal and natural gas firing. All five NOS Units originally operated on coal when they went into service. In 2016, the District converted NOS Units 1, 2 and 3 from coal to natural gas. Several maintenance and inspection outages were completed at NOS during the last few years to improve station safety, efficiency, and reliability.

Recent Developments. In August of 2022, the Board of Directors approved the extension of NOS in its current state until the District's Standing Bear Lake Station ("SBLS") and Turtle Creek Station ("TCS"), currently under construction, are able to operate in an unconditional, fully accredited capability. Achieving unconditional, fully accredited capability is dependent on satisfying all requirements of Southwest Power Pool ("SPP") for generation interconnection and transmission service. The estimated date to achieve fully accredited capability is 2026. The District had previously planned on converting NOS Units 4 and 5 from coal to natural gas and retiring NOS Units 1, 2 and 3 at the end of 2023. The continued operation of these facilities will mitigate risks associated with the delayed SPP Generation Interconnection study process for the District's new TCS and SBLS. The District seeks to have certainty on its ability to interconnect and generate from these two new dual fuel facilities prior to implementing any further conversions and retirements at NOS, which demonstrates the District's commitment to ensuring reliability and resiliency for its system. For additional information regarding planned generation portfolio changes at NOS, see "THE ELECTRIC SYSTEM—Generation Portfolio Changes."

As a result of the continued need for operation of NOS Units 1-3, in December of 2022 a planned outage was taken for NOS Unit 1 for disassembly inspection and minor repairs to the main turbine and generator.

In 2022, NOS Units 4 and 5 completed maintenance and inspection outages to improve station safety, efficiency, and reliability. Routine maintenance outage work included condenser and air preheater cleaning, pulverizer and boiler inspections and repair.

Generating Facilities - Peaking Stations

In addition to the converted units at NOS, the District owns three peaking stations which provided 4.0% of net generation in 2022. All peaking station units receive routine, typically annual, internal borescopic inspections to monitor and verify the internal conditions and serviceability of the major components. These inspections are part of the overall asset management strategy for the units and reduce the risk of catastrophic failure and loss of use of the units.

Cass County Station. Cass County Station ("CCS"), located near Murray, Nebraska, consists of two combustion turbine units equipped for natural gas firing. The combustion turbine units are tied into two natural gas transportation pipeline systems enhancing competition between fuel suppliers.

Jones Street Station. Jones Street Station ("JSS"), located near downtown Omaha, consists of two combustion turbine units equipped for fuel oil firing.

Sarpy County Station. Sarpy County Station ("SCS"), located in Bellevue, Nebraska, consists of five combustion turbine units equipped for fuel oil or natural gas firing. The ability to operate SCS on fuel oil provides fuel diversity in situations when natural gas may not be available. SCS Units 4 and 5 are "twin pack" units consisting of two 50% aero-derivative engines (4A, 4B and 5A, 5B) driving one electrical generator. For additional information regarding the above-mentioned generating facilities, see "FACTORS AFFECTING THE DISTRICT AND THE ELECTRIC UTILITY INDUSTRY GENERALLY."

Recent Developments. In 2022, a major inspection and overhaul was completed on CCS Units 1 and 2 including the generators. One of the two engines for SCS Unit 5 was also taken out of service in March of 2022 for a full overhaul at the original equipment manufacturer's facility and was returned to service in July 2022.

Renewable and Other Power Supply

Renewable Generation. The District's renewable and other generation resources include a mix of wind, solar, hydro, and landfill methane gas. As of December 31, 2022, the District had 976.7 MW of renewable generation nameplate capacity primarily through power purchase agreements. In 2022, approximately 36.4% of retail energy sales came from renewable energy. (For additional information regarding Alternative Power Supply, see "THE ELECTRIC SYSTEM—Future Generating Facilities").

Pathways to Decarbonization. In 2019 the District's Board of Directors adopted a goal in its Strategic Directives of achieving net-zero carbon production by 2050 while balancing affordability and reliability. As part of developing plans to meet this goal, the District conducted its Pathways to Decarbonization study in 2021. The study focused on identifying potential future resource changes while maintaining reliability and minimizing costs. The District incorporated the information resulting from its Pathways to Decarbonization study into its 2021 Integrated Resource Plan.

The study identified reduced coal generation and a mix of low-carbon natural gas generation (or dispatchable resources), renewable energy, energy storage, and community-wide energy efficiency as key elements of its strategy. The District's Pathways to Decarbonization Study projects 3,000 MW of solar, 3,800 MW of wind, and 800 MW of energy storage resources by 2050. The District will need to continue to monitor the industry and regularly update its plans to reflect current and emerging technologies.

Battery Storage. In June 2020, the District received $600,000 in grant funding for a battery storage facility through the Nebraska Environmental Trust Air Quality category. The District's Battery Research Innovation Guided by High-Potential Technology ("BRIGHT") project will be the first utility-scale battery on the system. In March 2021, the Board of Directors granted approval for competitive sourcing of the battery storage asset and in July 2021, the Nebraska Power Review Board unanimously approved the application for this electric storage resource. In 2023, the BRIGHT battery asset installation was completed and placed in operation. The installation has a power capacity of 1 MW with a 2 MWh energy capacity.

Wind Generation. The District's power supply includes 971.7 MW of wind capacity. All of the wind generation is provided through the District's participation in twenty-year and twenty five-year power purchase agreements to output from the wind projects listed below. As of August 1, 2023, the District has the following commitment amounts for its power purchase agreements:

Wind Farm	Location	Initial Contract Year	Total Size (MW)	District's Share (MW)	Contract Type	Commitment Amount (thousands)	Final Year
Ainsworth[1,2]	Ainsworth, NE	2005	59.4	10.0	Take-or-pay[3]	$5,823	2025
Elkhorn Ridge[1]	Bloomfield, NE	2009	80.0	25.0	Take-and-pay[4]	5,610	2029
Flat Water	Humboldt, NE	2010	60.0	60.0	Take-and-pay	0	2030
TPW Petersburg	Petersburg, NE	2011	40.5	40.5	Take-and-pay	0	2031
Crofton Bluffs[1]	Crofton, NE	2012	42.0	13.65	Take-and-pay	0	2032
Broken Bow I[1]	Broken Bow, NE	2012	80.0	18.0	Take-and-pay	0	2032
Broken Bow II[1]	Broken Bow, NE	2014	73.1	43.9	Take-and-pay	0	2039
Prairie Breeze	Petersburg, NE	2014	200.6	200.6	Take-and-pay	0	2039
Grande Prairie	O'Neill, NE	2017	400.0	400.0	Take-and-pay	0	2037
Sholes	Sholes, NE	2019	160.0	160.0	Take-and-pay	0	2039

Solar Generation. The District entered into a twenty-year power purchase agreement with a subsidiary of NextEra Energy in June 2018 to purchase 5 MW of solar generated energy for a community solar project. The community solar facility became operable on January 1, 2020, and is located in Washington County, Nebraska. District customers are allowed to purchase shares in the solar facility, representing a fixed monthly volume of kWh generated from the solar facility. A participating District customer's community solar charge is equal to the market-based rate multiplied by their subscription level. Each participating customer must also pay a deposit, which is refundable after participation for a minimum number of years, as set forth in the applicable rate schedule. All available shares have been purchased by the District's residential customers. In 2021, the District executed its first utility-scale solar PPA for the Platteview Solar facility in Saunders County, Nebraska, for 20 years with AES Corporation. This 81 MW facility is part of the Power with Purpose project and the facility is expected to enter commercial operations in 2024. The facility received an interim generation interconnection agreement (IGIA) from SPP which will be re-assessed annually until a final generation interconnection agreement (GIA) is executed. Currently, the IGIA allows for the full use of the facility.

Methane Gas Generation. The Elk City Station, located near Elk City, Nebraska, is a renewable energy station that uses methane gas from the Douglas County Landfill to produce electricity. The capacity of the Elk City Station methane gas facility is 6.4 MW and the facility has an accredited net capability of 6.0 MW.

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[1] The District is a participant with Nebraska Public Power District

[2] In the event another power purchaser defaults, the District is obligated, through a step-up provision, to pay a share of any deficit in funds resulting from the default. In the event NPPD receives any financial incentive payments from the United States Department of Energy ("DOE") pursuant to the Renewable Energy Production Incentive ("REPI") program, the District will be entitled to its share of such payments.

[3] The District is obligated for the life of the contract, to make payments for purchased power even if the power is not available, delivered to, or taken by the District.

[4] The District is obligated for the life of the contract, to make payments for purchased power only when the power is made available to the District.

Generation Portfolio Changes

Power with Purpose. In 2019, the District completed an extensive analysis of the future of its generation portfolio. This analysis included working with customers and communities to find ways to address challenges associated with (1) the changing generation landscape, (2) generation capacity needs, (3) maintaining reliability and resiliency of the electric system, and (4) carbon output from legacy power plants. In November 2019, the District's Board of Directors approved a recommended "Power with Purpose" generation portfolio option that included:

- Adding 400-600 MW of utility scale solar generation;
- Adding up to 600 MW of modernized natural gas fueled generation, for back-up/peaking to assist with reliability; and
- Allowing the District to retire NOS Units 1, 2, and 3.

The District anticipates completion of the new natural gas fueled generation during the 2024 calendar year.

In 2019 the Board of Directors also adopted a goal to reach net zero carbon production by 2050. To help obtain this goal, the District estimates that "Power with Purpose" will reduce its power generation CO2 emissions by 30% compared to 2010 levels.

Near-Term Resourcing. The District is planning for reliability and resiliency while working to meet significant growth in energy demand expected within the service territory. Based upon current projections, the District is predicting that peak energy load will increase at a rate of approximately 100 MW per year for the next several years. Previously, the District's load was only increasing 4 MW per year. The projected growth in the territory is requiring generation expansion in excess of the Power with Purpose generation projects (Turtle Creek Station, Standing Bear Lake Station and Platteview Solar). At the Board of Directors meeting on June 15, 2023, the District's management recommended to the Board to add up to an additional 2,500 MW of generation by 2030, which includes all unsourced generation from the Power with Purpose plan. Contracting for near-term generation additions was recommended to be completed by 2030. The generation for near-term resourcing includes:

- Adding 1,000 to 1,500 MW of renewables (wind and solar), which includes Power with Purpose generation that has yet to be sourced;
- Adding 125 MW of battery storage;
- Adding 600 to 950 MW of dual fuel combustion engines (natural gas primary);
- Adding 32 MW or more of demand response; and
- Adding approximately 320 MW of secondary fuel oil capability and storage at existing generation facilities to allow for additional winter capacity and resiliency.

The Board of Directors approved the near-term resourcing plan at its August 2023 meeting.

Future Generating Facilities

As partially described in the "Generation Portfolio Changes" section, the District will be undertaking a number of generation additions described below.

Future Solar Generation. The sourcing for the utility scale solar generation began in November 2019 and is ongoing. In order to meet near-term generation goals, the District intends to enter into multiple contracts at multiple sites. In March 2021, the District announced its first utility-scale solar contract with Platteview Solar for an 81 MW facility near Yutan, Nebraska. Construction of the facility began in early

2023. In addition, in July 2023 the District purchased the special purpose entity K Junction Solar, LLC which is a prospective 310 MW solar project near McCool Junction, Nebraska. This project is in its infancy and the District is performing due diligence efforts to determine commercial viability and the best project structure for the District should the facility advance. The District will announce additional projects as they commence.

Future Natural Gas Generation. In September 2020, the District announced the locations and capacity of two natural gas backup generation facilities. These facilities will be owned and operated by the District. In October 2020, the Nebraska Power Review Board unanimously approved the applications for these new natural gas generation facilities finding that they serve public convenience and necessity, are economical and feasible, and are without unnecessary duplication of facilities. The District awarded an engineer, procure, and construct contract to Zachry Group. The company will be responsible for the design and construction of both of the District's new natural gas generation facilities. The SBLS will be built on land leased for 50 years with an optional 20-year extension at 120th and Military Road in Douglas County, Nebraska. This facility will be co-located with a Metropolitan Utilities District of Omaha ("MUD") liquid natural gas facility. This site will produce approximately 150 MW using reciprocating internal combustion engine assets. Site construction has progressed to approximately 70% completion with transmission structures being erected on site and installation of engine stacks and associated entities. Engines have been delivered to the site and installed within the engine hall enclosure. The TCS will be located on land owned by the District at 168th and Fairview Road in Sarpy County, Nebraska. This second site will produce approximately 450 MW using two simple-cycle combustion turbine assets and is approximately 67% complete. Generators and turbines are on-site and under assembly as well as the stacks for both units. Equipment delivery for the station began in the third quarter of 2022 and will continue through the fourth quarter of 2023. The sourcing for these natural gas generation assets began in September 2020 with a current estimated cost of approximately $720 million and an operational date in mid-2024. Due to various challenges with supply chain, resources, construction and SPP Generation Interconnection study backlogs, the operational date for the natural gas generation assets has been delayed. Current estimates for the operational date range from 2024-2026 depending upon resolution of the aforementioned challenges. On May 19, 2023, FERC has accepted the five interim GIAs associated with both sites with no changes. These agreements will allow the District to interconnect the generators to the grid on an interim basis. The District selected nine Wärtsilä 18V50DF reciprocating internal combustion engines to power the SBLS. For the TCS, the District selected Siemens Energy, Inc. to provide two SGT6-5000F combustion turbines.

Prior Generating Facilities – Fort Calhoun Station

Fort Calhoun Station ("FCS") was a nuclear electric generating station with a pressurized water reactor situated along the Missouri River approximately 20 miles north of the City of Omaha in the vicinity of Fort Calhoun, Nebraska. The District ceased operations at FCS on October 24, 2016, due to cost reasons.

Decommissioning Options. Commercial reactors that cease operations in the United States have two primary decommissioning options both of which must be completed within 60 years following cessation of operations (i) safe storage ("SAFSTOR"), which would involve monitoring the de-fueled facility before completion of decontamination and dismantling of the site to a condition no longer requiring nuclear licensing and (ii) immediate dismantling ("DECON"), which would involve the prompt commencement of decontamination and dismantling of the site. At the June 2016 meeting, the Board voted to place FCS in a SAFSTOR condition once commercial operations ceased. At the September 2018 meeting, the Board reviewed the analysis indicating adoption of the DECON option may reduce the District's financial liability and regulatory risk by commencing decontamination activities sooner than anticipated under the SAFSTOR option. The Board made the decision to shift to the DECON decommissioning strategy at the October 2018 Board meeting. During the November 2018 meeting, the Board authorized the District to finalize negotiations and award a contract in support of the DECON

strategy, whereby FCS employees perform some of the work, advised and supported by a contractor. Energy Solutions, Incorporated ("Energy Solutions") was awarded this contract in April 2019.

The total estimated cost in 2022 dollars to decommission FCS using the DECON methodology was $670.2 million as of December 31, 2022. The cost estimate is updated annually, and includes three main categories: License Termination, Spent Fuel Management, and Site Restoration. A Decommissioning Funding Status Report is submitted to the Nuclear Regulatory Commission ("NRC") annually, with the most recent submittal in March 2023. This report includes the current cost estimate along with the current balance in the decommissioning trust funds. With the decision to adopt the DECON decommissioning method, it is anticipated that the facility, with the exception of the area where nuclear fuel will be kept in dry storage, will be released for unrestricted use by the NRC in the next 3 to 4 years.

Decommissioning Costs. The aggregate estimated cost of decommissioning FCS has been estimated by the District based on currently available information and in accordance with NRC requirements. Based on the updated site specific study and current assumptions, the District's estimate of the accounting-based decommissioning liability for the NRC-required obligations which excludes costs for site restoration activities is $647.5 million in 2022 dollars. All of the District's cost estimates are based on information currently available to the District, but all of such estimates remain subject to change, and the District can make no guarantee as to the District's ability to decommission FCS for the amounts estimated. As of December 31, 2022, the District has spent $760.2 million in decommissioning costs.

Decommissioning Trust Funds. As required by the NRC, the District maintains an external trust fund to accumulate moneys for the future decommissioning of FCS. The District began its decommissioning accrual and funding in July 1983, which moved to a NRC required fund in 1990 ("1990 Plan"). The market value of the 1990 Plan's decommissioning fund was $154.4 million as of December 31, 2022.

In 1992, the District began accumulating funds in a separate decommissioning fund based on the difference between the site specific study's estimated cost to fully decommission FCS and the NRC's regulated formula based cost to decommission the radiated portions of FCS ("1992 Plan"). The District began to add an additional reserve to the 1992 Plan in 2017 and expects to continue through 2043 based upon the estimated cost of on-site storage of used fuel. In April 2023, an internal analysis determined funding the Decommissioning Trust Funds from retail revenues was no longer necessary. The Board approved cessation of funding in April 2023. The District has an additional reserve that could be used to support Decommissioning Trust Funds. For additional information see "THE ELECTRIC SYSTEM—Decommissioning and Benefits Reserve." The District contributed an additional $130.6 million to the 1992 Plan in 2022, and paid expenses of $147.7 million from both the 1990 Plan and the 1992 plan. The market value of the 1992 Plan's decommissioning fund was $380.5 million as of December 31, 2022.

Accounting and Financial Consequences of Decommissioning. As a result of the cessation of FCS operations, the District incurred a one-time, non-cash impairment charge in 2016 of $959.6 million for its FCS related assets. The FCS regulatory asset for recovery costs incurred in 2012 and 2013 was not included in the impairment but will instead continue to be amortized through 2023 as these costs benefit current and future ratepayers. An additional decommissioning liability and regulatory asset were recorded in 2016 related to the revised estimate of the NRC required decommissioning obligations. Regulatory accounting was established to match the recovery of the decommissioning expenses with the decommissioning funding amounts collected through retail rates and realized decommissioning trust investment income. In 2022, the regulatory asset transitioned to a regulatory liability and represents the advanced funding of decommissioning costs through retail rates and realized decommissioning trust fund investment income. As of December 31, 2022, the balance of the regulatory liability was $131.0 million.

Recent Decommissioning Developments. The District submitted the site specific decommissioning cost estimate and post shutdown activities report to the NRC in the first quarter of 2017, and the required public hearing was conducted by the NRC on May 31, 2017. In March 2019, the District submitted an Annual Decommissioning Funding/Irradiated Fuel Management Status Report and FCS Independent Spent Fuel Storage Installation ("ISFSI") report to the NRC, based upon using the SAFSTOR method of decommissioning. An updated site specific decommissioning cost estimate and post shutdown activities report reflecting the transition to the DECON strategy was submitted to the NRC in late 2019. The project to move spent fuel from wet to dry storage was safely completed in May 2020. The robust concrete and steel structures utilized for dry storage enable the safe and secure storage of spent fuel, monitored by trained staff, as long as the fuel remains on-site. Following completion of this project, the site focus shifted to preparing structures and systems for deconstruction and eventual removal of radioactive waste from the site. Demolition of structures is well underway with all power plant buildings demolished to grade except for the reactor containment. The District expects to complete segmentation of the reactor vessel this year and will then shift focus to removal of all other equipment from the reactor containment structure.

Regulatory. The NRC provides oversight of FCS under the provisions of the Decommissioning Power Reactor Inspection Program. The objectives of the decommissioning inspection program are to verify that decommissioning activities are being conducted safely, that spent fuel is being stored safely, and that site operations and license termination activities are in compliance with applicable regulatory requirements, licensee commitments, and management controls. The NRC will maintain regulatory oversight until a release for unrestricted use of the site is achieved. The license termination plan for the site was submitted for NRC review in August 2021 with approval anticipated within the next 6-9 months. The plan encompasses the areas that are still under license except for the dry fuel storage area. This smaller area will remain licensed until after fuel is removed, the structures are removed, and the license termination criteria are completed.

Decommissioning Vendor. Following the October 2018 Board meeting, the District issued a Request for Proposal ("RFP") to vendors for providing services using the DECON strategy. After evaluating the RFP's, the contract was awarded to Energy Solutions in April 2019. The contract is defined as a collaborative, teamwork approach, blending the decommissioning expertise of Energy Solutions with the site specific knowledge of the District staff. The contract does not include a set value, but has an estimated aggregate project cost of $621.0 million, which includes the District's internal expenses, payments to specialty subcontractors and Energy Solutions for License Termination and Site Restoration expenses. Spent Fuel Management activities, and associated costs, are not included in the scope of the contract.

Security & Emergency Preparedness. Updated security and emergency plan programs have been designed and implemented, with approval from the NRC, following the transition to dry fuel storage. For example, the FCS emergency preparedness plan criteria was updated to reflect the significantly reduced risk of an accident impacting off-site areas. In addition to the internal exercises and performance assessments in these areas, the NRC will continue to assess performance throughout the time spent fuel is stored on-site. For additional information regarding the nuclear industry, see "FACTORS AFFECTING THE DISTRICT AND THE ELECTRIC UTILITY INDUSTRY GENERALLY."

Demand-Side Management and Energy Efficiency

The District continues to evaluate, develop and operate commercial, industrial, and residential demand side management and energy efficiency programs. In September 2019, the District presented a newly analyzed goal of achieving 181 MWs of demand savings and 45.56 GWh of energy savings. As of December 31, 2022, the District had realized approximately 185 MW of demand savings since the program

goals were established in 2014. These programs will continue to provide demand reductions and energy savings over the measures' useful lives.

The District has several residential programs designed to help customers lower their electric bills and provide the District with savings. These programs include air conditioning management programs designed to curtail energy usage during peak events, and rebates towards the purchase of new energy efficient HVAC technology or when building/renovating a home certified with a home energy rating score. For commercial and industrial customers, the District, in addition to providing relationship management services, offers various programs and turnkey projects ranging from facility commissioning, energy efficiency equipment upgrades, ground loop heat pump systems, onsite generation, power quality, and related technical support. In addition, the District has several load curtailment and customer owned generation rates. These load curtailment rates offer customers credits to curtail their capacity and energy use when called upon by the District during peak events.

Fuel Supply

Coal. The District currently has a term contract with Peabody Coal Sales through 2025, Buckskin Mining Company through 2024, and Bluegrass Commodities LP ("Bluegrass") through 2023. Rail transportation services are provided under a multiyear contract with BNSF Railway ("BNSF") beginning in January 2021. The District owns approximately 57 miles of rail line extending from NCS to Lincoln, Nebraska ("Arbor Line"). The Arbor Line provides competitive access to NCS from Union Pacific Railroad Company and BNSF, as well as rail access to other third-party shippers. In order to maintain the Arbor Line, the District has a multiyear rail maintenance contract with Capital Railroad Contracting.

The District targets an approximate 42-day coal supply for both NCS and NOS. The coal for NCS and NOS is delivered to the sites by six District-owned unit-trains totaling 980 cars. The current coal supply at NCS and NOS are at long-term targets.

Fuel Oil. The District maintains 1-2 days of fuel oil supply at SCS and JSS at their full load summer capability. The District intends to maintain up to 3 days of fuel oil supply at TCS and SBLS at their full load summer capability. The District has access to pipeline terminals in the area for timely replenishment, if needed.

Natural Gas. Natural gas from MUD is available on an interruptible basis for power station fuel at SBLS, NOS, and SCS. Firm natural gas contracts were negotiated for the start-up process at NOS, and to generate electricity at NO1, NO2, and NO3 for the summers of 2019 through 2023, when market or grid conditions warrant. A seasonal (October through April) firm natural gas contract was negotiated with MUD for primary delivery at SBLS with best efforts delivery at SCS and NOS through April 2028. CCS, TCS, and NCS are located outside of MUD's service territory and therefore do not receive natural gas services from MUD. CCS is connected to two natural gas transportation pipeline systems, Northern Natural Gas Company and Natural Gas Pipeline Company of America adjacent to the CCS site. These interconnections enhance competitive pricing between the two pipeline systems. The District has firm natural gas transportation for CCS during the summer months, and interruptible transportation available year round. TCS is connected to the Northern Natural Gas Company pipeline system. A natural gas pipeline was constructed and placed in operation from Nebraska City Utilities to NCS to provide fuel for start-up in lieu of oil. In addition, the District contracts natural gas storage for hedging purposes.

Nuclear. Due to the decommissioning of FCS, the District has terminated the remaining nuclear fuel contracts and sold the remaining nuclear fuel inventory.

In June 1983, the District and the DOE entered into a contract for the disposal of the District's spent nuclear fuel. Under the adjusted terms of the contract, the District was subject to a fee of one mill per kWh on net electricity generated and sold from FCS. This one mill ($0.001) fee was paid on a quarterly basis to the DOE. On November 19, 2013, the United States Court of Appeals for the District of Columbia Circuit entered an order requiring the Secretary of Energy to submit to Congress a proposal to reduce the nuclear waste fund fee levy to zero until such a time as either (1) the Secretary completes a fee adequacy study that complies with the Nuclear Waste Policy Act or (2) Congress enacts an alternative waste management plan. The DOE temporarily ceased collection of the one mill per net kWh fee effective May 16, 2014. The total amount paid over the life of the facility to the DOE is $113,990,000.

The District remains responsible for the safe storage of spent nuclear fuel, and greater than Class C waste, until the federal government takes delivery. It is unclear, at this time, when a DOE spent fuel disposal facility will be operational. The District completed construction of a dry cask storage facility on-site to meet long-term storage needs for the spent fuel bundles. As part of the decommissioning of FCS, an analysis was conducted to determine the best alternative for interim fuel storage. In February 2018, the District entered into a contract with TN Americas, an Orano USA subsidiary in charge of logistics and storage systems, for used nuclear fuel, radioactive waste management and nuclear transportation. The contract with TN Americas is for materials and services to build the necessary structures for dry fuel storage and complete moves of all fuel into the ISFSI. This work was completed in May 2020. Ongoing dry storage fuel costs, subsequent to 2020, will continue to be incurred and the District will continue to submit claims to DOE for reimbursement. For additional information regarding spent nuclear fuel, see "FACTORS AFFECTING THE DISTRICT AND THE ELECTRIC UTILITY INDUSTRY GENERALLY—High-Level Nuclear Waste Repository."

Transmission and Distribution System

The District maintains a network of transmission lines that interconnect its generating stations and adjacent utilities to the various transmission and distribution substations serving the load of the District. In general, this network provides at least two alternate sources of supply to each load point on the system. A summary of the various transmission lines, as of December 31, 2022 making up this network follows.

Voltage	Number of Circuit Miles
345 kV	422
161 kV	449
69 kV	470
Total	1,341

The District's distribution system includes approximately 6,705 miles of overhead primary distribution lines, 832 miles of streetlight overhead circuits, 5,486 miles of underground cable and 2,029 miles of streetlight underground circuits. The distribution system includes overhead and underground lines, low voltage transformers, meters and service facilities for operating and maintaining the system.

The distribution system support facilities include service centers located in Papillion, Elkhorn, Syracuse and Omaha. These service centers are supported by area offices throughout the District's service territory and include office, garage, storeroom and service facilities.

The District is subject to oversight by the North American Electric Reliability Corporation ("NERC") which ensures the reliability and security of the District's Transmission system. The District's

Regional Entity, the Midwest Reliability Organization ("MRO"), has not conveyed upon the District any enforceable NERC standard violations in the foregoing year.

General Facilities

Among the general property of the District are general office and local office buildings, transportation and special mechanized equipment, furniture, office, technology, laboratory, shop equipment and tools, a communication system, and other items necessary for conduct of the District's business and operation and maintenance of its system.

Other Power Supply and Interconnections

Purchased Power. As a result of the Board decision to cease operations at FCS (see "GENERATING FACILITIES—Fort Calhoun Station") and growing customer load, the District executed varying levels of capacity contracts to fulfill its accredited capacity obligations to SPP and to mitigate the risk of potential delays in the interconnection of the District's new Power with Purpose resources. These contracts currently extend until 2028 and reach a maximum of 410 MW in 2023. The District also plans to continue to pursue additional contracts through at least 2028 to manage uncertainty as the SPP Generation Interconnection study for TCS, SBLS and Platteview Solar progresses. In addition to the capacity contracts that have been executed, the District has multiple power purchase agreements for wind generation, see "RENEWABLE & OTHER POWER SUPPLY—Wind Generation" and solar generation, see "RENEWABLE & OTHER POWER SUPPLY—Solar Generation". The District developed and filed its 2021 Integrated Resource Plan ("IRP") with WAPA in February of 2022. The IRP included the District's Power with Purpose initiative as part of its near-term actions in its 2021 IRP. As part of the District's Power with Purpose project, the District is in the process of procuring an additional 400-600 MW of accredited solar generation.

Western Area Power Administration ("WAPA"). The District has a power supply contract with WAPA through December 31, 2050. The contract obligates WAPA to provide firm power and energy to the District up to defined maximums. This formula currently provides for a maximum of 17.2 MW of capacity and energy for the peak load month during the winter season of November through April and a maximum of 47.8 MW of capacity and energy for the peak load month during the summer season of May through October. The contract also provides for delivery of a maximum of 20.9 MW of capacity and energy for the peak load month to Offutt Air Force Base during the winter season of November through April and a maximum of 29.5 MW of capacity and energy for the peak load month during the summer season of May through October. The District has the option to purchase other types of energy from WAPA, when available. WAPA may also, at its discretion, reduce summer amounts of power by up to 5% by giving a minimum of five years written notice in advance of such action.

Southwest Power Pool. The District is a member of the SPP which provides the District with multiple services which include: Reliability Coordination, Tariff Administration, Regional Scheduling, Transmission Expansion Planning, Market Operations, Training, and Generation Reserves Sharing. SPP is the Balancing Authority of the Integrated Marketplace ("IM"), which incorporates the Real Time Energy Imbalance Market with Day Ahead Energy and Ancillary Services and Transmission Congestion Rights Markets.

Enabling Agreements. The District is a party to three enabling agreements: the Western Systems Power Pool ("WSPP") enabling agreement which has more than 300 participants; the North American Energy Markets Association ("NAEMA") enabling agreement with more than 100 participants; and the Omaha Public Power District Power Purchase and Sale Agreement ("PPSA") for entities that are not WSPP or NAEMA members. More than 20 entities have executed the District's PPSA.

Transmission Facilities

Open Access Transmission Tariff. On April 1, 2009, the District became a transmission owning member of SPP and all of the District's networked transmission facilities were placed under the SPP Open Access Transmission Tariff. The District no longer grants new transmission service requests under its own transmission tariff. Transmission services granted prior to becoming a member of SPP remain on the District's tariff as 'Grandfathered Agreements' for the original term of service. Any extension of service will be under the SPP Tariff. New generation interconnection requests to connect to the District's transmission facilities must be submitted to SPP for evaluation and execution of SPP generation interconnection agreements. SPP's generation interconnection studies are currently backlogged due to an unprecedented volume of interconnection requests, therefore, transmission expansion costs are still being determined and may impact the feasibility of future generation projects.

Interconnection Agreements. The District is part of a network of transmission lines known as the Eastern Interconnection. The District's transmission facilities are physically interconnected to the transmission facilities of the neighboring utilities. These connections are managed under interconnection agreements with each utility. These interconnections are capable of supplying capacity under emergency conditions in excess of the capacity of District generation. In addition to emergency energy service, the District can utilize these interconnections to provide for firm and participation power purchases and sales, short term power and interchange of energy, and transmission and ancillary services. These services can be purchased under an Open Access Transmission Tariff or under an enabling agreement. The tariff or enabling agreement specifies the terms and conditions of purchases or sales and allows transactions to take place at market based prices.

SPP Transmission Planning. The SPP transmission planning process identifies transmission projects across the SPP footprint that are expected to relieve congestion on the region's transmission system and improve reliability on the electrical grid. This process identified the need for the construction by the District of a new 345/161kV double circuit transmission line between two substations in the Papillion, Nebraska area which was energized in early 2020. This six-mile transmission line was titled the Sarpy Transmission Project and was required to provide the necessary capacity and reliability to support new and expanding businesses and residential growth in the area including multiple large data centers. An additional supporting project included the 2.5 mile rebuild of an existing 161kV transmission line to higher capacity. The District will receive reimbursement for a portion of these projects over a 32-year period under the FERC approved SPP tariff.

Other Transmission Projects. The District has completed a four-year project to upgrade communications circuits now leased from local telecommunications providers. The project involved replacing leased telecommunications lines used mostly to ensure reliability and the ability to monitor and control energy delivery facilities with fiber optic facilities added to transmission lines in combination with underground installations across District territory. The telecommunications providers plan to discontinue support of these leased facilities provided to the District. The facilities, used mostly to ensure reliability and the ability to monitor and control energy delivery facilities, will be replaced primarily with fiber optic facilities added to transmission lines in combination with underground installations across District territory. Transmission related work was completed in early 2021 and followed by commissioning of the new network in June of 2021. The District's efforts are now focused on the release of the telecommunications leases, which are planned to be terminated by the year's end.

Three new transmission lines will be constructed in Sarpy County to support increasing load growth in the region, connect the new TCS to the existing transmission grid, and enhance the reliability of the region. These new 161kV and 345kV transmission lines, each approximately 3.5 miles in length, are collectively known as the Sarpy Southwest Transmission Project ("SSWTP") and are expected to be

energized in 2023. Additional transmission projects associated with Power with Purpose include a cut-in of an existing 161kV transmission line to serve the new SBLS as well as the uprate of three additional 161kV lines in Douglas and Sarpy County to higher capacity.

In October 2022, the SPP Board approved issuing the District a notice to construct a new 345kV transmission line that will run from the District's Cass County Power Station to Substation 3454 near 180th & Giles in Sarpy County and will be integrated into the District's SSWTP, which is currently under construction. This new line is intended to address transmission reliability issues and will help bolster the grid for future load growth and new generation expansion. The cost estimate for the project is approximately $69.1 million which the District will pay for the upfront capital costs; however, these costs will be allocated regionally to the SPP footprint through reimbursements to the District over the life of the facility. Engineering and right-of-way acquisition processes will take place in 2024 and 2025, respectively, with an estimated in-service date of late 2026.

Insurance

The District maintains an insurance program designed to furnish protection against losses having an adverse effect on its financial position or operational capabilities. The District continually reviews its risks of loss and modifies the insurance program as warranted.

A $750 million property insurance policy is maintained by the District insuring physical damage on real and personal property (with the exception of FCS which is covered under a separate policy) subject to varying deductibles with a minimum deductible of $250,000 and a maximum deductible of $5 million. The District self-insures transmission and distribution lines and District owned vehicles.

The District has primary nuclear liability insurance satisfying the NRC's financial protection requirements under the Price Anderson Act for any third party personal injury or property damage claims resulting from a nuclear incident. Effective August 3, 2022, each reactor licensee may be assessed up to $137.6 million per reactor for claims and legal costs (but not more than $20.5 million per year) for a nuclear incident at any commercial power reactor facility in the United States when the primary commercial insurance has been exhausted.

On April 7, 2018, the District also received an exemption from the NRC to reduce nuclear property damage and decontamination insurance limits below the previously required $1.06 billion. The District currently maintains $120 million nuclear property damage and decontamination insurance covering FCS, subject to a deductible of $250,000 per occurrence. However, the deductible increases to $10 million if damages are a result of a water, wind or earth movement event. Under the Nebraska Political Subdivisions Tort Claims Act, the total amount recoverable for claims is $1 million for any one person and $5 million for all claims arising out of a single occurrence. The District maintains a $65 million excess liability policy providing coverage beyond the District's self-insured retained limits for occurrences arising outside the parameters of the Nebraska Political Subdivisions Tort Claims Act or for situations subject to federal jurisdiction.

The District maintains a cyber-insurance policy with limits of $30 million. The policy indemnifies the District for all damages and claim expenses the District is legally obligated to pay as a result of any cyber incident. In addition, the District maintains a $35 million fiduciary and employee benefit policy which protects District employees having fiduciary responsibilities in connection with the defined benefit retirement plan or the defined contribution plans. The policy is subject to a $250,000 deductible. Other types of insurance in force include excess workers' compensation, directors and officers, faithful performance, crime, and a bond on the District's Treasurer.

Enterprise Risk Management

The District maintains an Enterprise Risk Management ("ERM") program to help ensure strategic objectives are achieved. The program specifies risk management standards, management responsibilities, and controls to help ensure risk exposures are properly identified and managed within agreed upon risk tolerance levels. Specific risk mitigation plans and procedures are maintained and reviewed periodically to provide focused and consistent efforts to mitigate various risk exposures.

Several cross-functional risk committees and an Executive ERM Committee, which includes the executive leadership team and legal counsel, are utilized to discuss and analyze the potential risks that could hinder the achievement of the District's strategic objectives. Additionally, the District has established criteria for risk escalation and oversight. The District's risks are evaluated periodically and will be escalated to the appropriate oversight levels, up to and including the Board of Directors, when applicable. An overview of the ERM program is provided to the Board of Directors annually.

Security

The District's Board of Directors established a strategic directive in 2015 that governs information management and security. This directive states that the District will establish "Robust information management and security practices" critical to effective risk management, regulatory compliance, business resiliency and customer-owner satisfaction. These practices will continue to safeguard and protect data, information and assets from inappropriate use, improper disclosure and unauthorized release by formalizing efforts around information security, customer privacy, records management, and compliance.

The District's Technology & Security Business Unit has built a cyber and physical security program to meet the objectives provided by the directive through the development, implementation and management of security best practices and controls (the "Security Program").

The Security Program addresses security across the organization and its critical operational objectives, assets, functions, personnel, facilities, services and products whether physical, cyber, information, human or financial. The Security Program focusses on alignment with the District's strategic directives and obligations both internal and external, including legal responsibilities. The overall goal of the Security Program is to enhance the security and safety of the District, and support preparedness and response. To accomplish these goals, processes have been implemented to identify and communicate security risks and develop mitigations for risk scenarios that could adversely affect the District's critical operations, functions or safety of employees or visitors.

Cyber Security. The District's Chief Executive Officer, Vice President - Chief Information Officer, Director, Corporate Security and Director, Information Security actively participate in industry groups and work with government representatives to address best practices to protect cyber and physical infrastructure and ensure reliability of the electric system. These affiliations support continually improving information sharing, expanded tools, and cooperation in developing solutions to achieve higher levels of resilience. The District is also an active participant in several governmental information sharing programs designed to enhance the energy sector's commitment to collective defense. There have been no known material breaches against the District's Security Program that have resulted in a material financial cost.

To enhance cyber security awareness efforts, the District trains employees to recognize and report suspicious cyber activities and to adopt best practices for computer use and information protection and privacy.

The Safety & Facilities Business Unit includes an Emergency Preparedness team responsible for readying the District for the response, business continuity and recovery missions to significant incidents. The District, through its Emergency Preparedness programs, disaster recovery and business resiliency functions, focuses on issues pertaining to cooperative planning, preparedness, resilience, and recovery related to events of regional and national significance that may affect the delivery of electricity.

Emergency Preparedness utilizes an emergency management model that incorporates the Incident Command System and National Incident Management System as part of the Federal Emergency Management Agency's emergency response structure.

Rate Stabilization Fund

This fund is used to stabilize rates through the transfer of funds to operations as necessary. Since there is no funding requirement, this fund also may be used to provide additional liquidity for operations as necessary. The fund balance was increased to $50 million in December 2017 and remains at that level as of August 31, 2023.

Decommissioning and Benefits Reserve

This reserve (which is a Deferred Inflow of Resources on the Statement of Net Position) is intended to be utilized to assist in funding future decommissioning expenses beyond what was established in the current decommissioning funding plan in any given year and future Retirement Plan liabilities above the ADC. Since there is no funding requirement, the District has decided not to fund the reserve in a separate account with cash. At the end of 2021, the District contributed an additional $12.0 million and at the end of 2022, the District contributed an additional $6.0 million to the reserve resulting in a current balance of $38.0 million as of August 31, 2023. For additional information regarding decommissioning expenses, see "THE ELECTRIC SYSTEM—Generating Facilities—Fort Calhoun Station—*Decommissioning Trust Funds*." For additional information regarding Retirement Plan liabilities, see "THE DISTRICT—Defined Benefit Retirement Plan."

Liquidity

The District employs a probabilistic model that assists in determining a minimum level of liquidity to be maintained. The model employs a two-step process. The first step calculates the base level of liquidity needed to meet operational needs. The second step calculates the risk impacted level of liquidity needed based on material risks affecting the District. The sum of the base and risk-impacted liquidity levels determines the minimum total liquidity level. The District's minimum total liquidity level is $260 million, or 100-days cash on hand. As of August 31, 2023, the District had 194 days cash on hand. If the District's undrawn lines of credit in excess of the outstanding amount of commercial paper and outstanding letters of credit are considered, the days cash and liquidity on hand is 219 days.

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FACTORS AFFECTING THE DISTRICT AND THE ELECTRIC UTILITY INDUSTRY GENERALLY

General

The electric utility industry in general has been affected by regulatory changes, market developments, and other factors which have impacted, and will continue to impact, the financial condition and competitiveness of electric utilities, such as the District. Such factors discussed in more detail in the following sections, include: (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory, and legislative requirements; (b) changes resulting from energy efficiency and demand-side management programs on the timing and use of electric energy; and (c) nuclear waste disposal.

Additional factors affecting the utility industry include: (a) other federal and state legislative and regulatory changes; (b) increased competition from independent power producers; (c) "self-generation" by certain industrial and commercial customers; (d) issues relating to the ability to issue tax-exempt obligations; (e) severe restrictions on the ability to sell electricity from generation projects financed with outstanding tax-exempt obligations to nongovernmental entities; (f) changes in projected future load requirements; (g) increases in costs; (h) shifts in the availability and relative costs of different fuels; (i) climate change and the potential contributions made to climate change by coal-fired and other fossil-fueled generating units; and (j) issues relating to internet and data security. Any of these general factors and the factors discussed below could have an effect on the financial condition of the District.

General Economic Conditions

The District's costs are affected by numerous factors, many of which are macroeconomic industry variables that are beyond its control. Some of the recent factors include rising inflation, supply chain disruptions and delays, labor shortages and rising labor costs, and rising interest rates. More specifically, the rate of inflation has increased at the fastest rate since the 1980s, increasing the price of fuel and commodities integral to the District's operations. In response to rising inflation, the United States Federal Reserve has increased interest rates, which will result in an increase to the District's future cost of capital. The global economy has faced supply chain shortages and delays. These issues may be further exacerbated by rising labor costs in the United States and global economic crises, including the Russian invasion of Ukraine. The occurrence and impact of these global events and macroeconomic factors are difficult to predict but may have a material adverse effect on the District's results of operations and financial condition.

Inflation Reduction Act and the Infrastructure Investment and Jobs Act

The Inflation Reduction Act (the "IRA") and the Infrastructure Investment and Jobs Act (the "IIJA") allow not-for-profit public power utilities like the District to potentially receive federal payments for a variety of generation and infrastructure projects. The District established an internal team to research and analyze the potential impacts of the IRA and IIJA. Multiple statutory provisions are subject to the issuance of pending regulatory guidance. No assurance can be given as to the potential benefits of the IRA or IIJA to the District.

Climate Risks

In the ordinary course of business, the District can experience weather-related risks. These risks can result in both operational and financial impacts. In response to the operational risks, the District looks for various areas for improvement including hardening the underground and overhead distribution grid, identifying and replacing aging infrastructure and equipment, and continuing its robust investment in tree trimming. In response to financial risks, the District maintains a robust amount of financial liquidity, load

curtailment contracts, and employs energy hedging contracts to help to offset the financial risks related to weather-related events. The District experienced three significant weather-related events during 2021 that are summarized below.

February 2021 Winter Weather Event. During February 2021, the SPP service territory experienced extreme cold weather. SPP declared several unprecedented emergency alerts including directing member utilities to implement controlled, temporary interruptions of service to maintain the integrity of the transmission system.

The February 2021 winter weather event combined with plant outages resulted in an approximate negative $65 million cash impact. The District's strong cash balances and available lines of credit provided support to the District to mitigate the negative cash impact. Due to other positive financial outcomes during 2021, the District was able to mitigate the impact of the weather event on the 2021 year-end financials.

July 2021 Storm Event. During July 2021, a 25-mile wide storm with winds that reached hurricane-force strength of 96 miles per hour, impacted the District's service territory. The wind event resulted in 188,000 customers in the District's service territory being without power. The number of outages caused by the storm was the largest number of outages in the history of the District. All customer outages were fully restored within seven days. The financial outlays from the storm were $17.3 million. The District received $13.5 million in reimbursements from the Federal Emergency Management Agency (FEMA) in 2022 and an additional $1.5 million reimbursement was received in early 2023. The District expects to receive another $1.0 million reimbursement for this storm.

December 2021 Storm Event. In December 2021, a severe storm with straight line winds and tornados impacted central and most of eastern Nebraska causing approximately 24,000 customers to be without power for several days. The financial outlays from the storm were $8.9 million. The District received approximately $300,000 in reimbursement from FEMA and expects to receive another $6.1 million reimbursement for this storm.

The District has not experienced a significant weather event since 2021, but future weather events are uncertain.

Reliability

The District is a member of MRO and NERC as an owner, an operator, and a user of transmission and generation facilities. Both the MRO and NERC are reliability organizations responsible for the development of and compliance with reliability standards for applicable interconnected utilities. The District is required to follow and adhere to the reliability standards to ensure safe operation of the Bulk Electric System. The District has programs dedicated to maintaining reliability of the transmission and distribution facilities including vegetation management, inspections, and identification and proactive replacement of poor condition equipment.

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the District's ability to conduct its business. A prolonged disruption in the District's operations could have an adverse effect on the District's financial condition and results of operations. No assurances can be given that the District's efforts to mitigate the effects of an emergency or other event will be successful in preventing disruptions to its operations in the event of an emergency.

Environmental Issues - Air Quality Issues and the Clean Air Act Amendments of 1990

The following includes Environmental Protection Agency rules that recently have been finalized or proposed and their projected impact on the District:

Greenhouse Gas Regulation. On May 11, 2023 the EPA announced proposed CO2 performance standards for coal and natural gas-fired power plants. The proposed standards include requirements for new and existing fossil fuel-fired stationary combustion turbine units that are based on highly efficient generation, hydrogen co-firing, and carbon capture and sequestration ("CCS"). EPA is also proposing to establish new emission guidelines for existing coal units that reflect the application of CCS and the availability of natural gas co-firing. Under the proposal, the compliance date for existing units would be January 1, 2030. Initial review of the proposed language indicates limited applicability to the District's combustion turbine fleet, with potential significant new requirements long-term for NCS. The District will continue to engage with industry partners, including the American Public Power Association, Large Public Power Council, and the Electric Power Research Institute to monitor potential timing or impacts to the District. The rule is still in the process of being finalized.

Regional Haze. The District received a Regional Haze information request from the Nebraska Department of Environment and Energy ("NDEE") on June 5, 2020 with a revision dated August 4, 2020 and a supplement dated September 29, 2020 for use in their preparation of a State Implementation Plan ("SIP") submittal for the Regional Haze second implementation period. The information request asked for a regional haze analysis for NC1. The District provided NDEE with an initial response to the information request on November 4, 2020 and a second response on February 17, 2021. In November 2022, NDEE distributed the Nebraska Regional Haze SIP to Federal Land Managers ("FLM") for formal consultation. NDEE has now reviewed and incorporated comments from FLM. The executive summary of this draft Regional Haze SIP concludes that, "no additional controls are necessary to include in the long-term strategy for the second implementation period." The draft SIP was published for a public comment period on September 6, 2023, with written comments accepted through November 8th, and a public hearing scheduled for November 9th. NDEE continues the process of finalizing the Nebraska Regional Haze SIP for submittal to the EPA.

Mercury and Air Toxics Standards (MATS) Rule. On April 3, 2023, the EPA proposed a rule to revise the MATS for coal and oil-fired steam Electric Generating Unit ("EGUs"). The rule is the result of EPA's residual risk and technology review which is mandated by the Clean Air Act. Filterable particulate matter ("FPM") is a surrogate standard that EPA uses for controlling non-mercury metals emitted from coal units. The proposed rule would lower the FPM limit from 0.030 lbs/MMBtu to 0.010 lb/MMBtu. As part of the proposed rulemaking, the EPA requested comments on lowering the standard to 0.006 lbs./MMBtu. The rule would require all coal-fired EGUs to demonstrate compliance with the FPM limit by using PM continuous emission monitoring systems, thereby eliminating the option to use quarterly stack tests. The CAA requires compliance with the standards within 3 years; EPA requested comment on shortening the compliance period to 1 year. The rule is still in the process of being finalized.

Environmental Issues - Hazardous and Toxic Materials Regulations

Chemical Reporting. The electric utility industry is subject to the Emergency Planning and Community Right to Know Act ("EPCRA"), the Toxic Substances Control Act regulations ("TSCA") and the Resource Conservation & Recovery Act ("RCRA"), including applicable programs delegated to the NDEE by the EPA. The District conducts environmental audits to monitor compliance with these regulations in conjunction with the proper management and disposal of applicable hazardous, toxic, and low-level radioactive wastes.

The four major provisions of the EPCRA are emergency planning, emergency release notification, hazardous chemical storage reporting requirements, and toxic chemical release inventory. The emergency planning section of the law is designed to help communities prepare for and respond to emergencies involving hazardous substances. Specifically, the District annually reports the presence, location, and amount of hazardous substances at its facilities to local emergency responders and to local and state emergency planning committees. The District also annually reports the amounts of EPCRA chemicals that it releases to the environment at its coal-fired electric generating facilities to the State Emergency Response Commission and the EPA via the Toxics Release Inventory ("TRI"). The TRI is a publicly available EPA database that contains information on toxic chemical releases and other waste management activities reported annually by certain covered industry groups as well as federal facilities. Accidental or emergency releases of EPCRA chemicals above threshold amounts are reported to local agencies as well as the National Response Center.

The District manages TSCA waste (mainly asbestos and polychlorinated biphenyls from electrical transmission and distribution equipment) through a process involving reporting, sampling and analysis, and appropriate waste management to ensure compliance. RCRA waste is managed by characterizing, packaging and shipping radioactive and solid wastes to the District's approved waste vendors to ensure compliance and minimize liability associated with waste disposal. In order to ensure compliance, the District remains active in reviewing applicable regulatory changes and modifying facility environmental management plans accordingly. Pollution prevention efforts have been effective in reducing environmental liabilities and reducing operating costs.

Environmental Issues - Clean Water Act

316(b) Fish Protection Regulations. On May 19, 2014, the EPA issued the final rule under Section 316(b) of the Clean Water Act. Facilities are required to choose one of seven options to reduce fish impingement. The District received new National Pollutant Discharge Elimination System ("NPDES") permits effective January 1, 2016 which dictated the compliance schedule and studies necessary to comply with the rule. All required studies were submitted to the NDEE in June 2019 for review. On June 8, 2020, the NDEE responded by stating, "…that the risk to endangered and threatened species and cost to benefit of entrainment reduction do not outweigh the cost of implementing the proposed technologies, including fine-meshed screens. The NDEE agrees that the facility's existing cooling water intake structure ("CWIS") technology is "best technology available ("BTA") for entrainment." The District submitted the proposed BTA determination for impingement in December of 2020. This submittal stated that the District intends to install and operate Coarse Mesh Modified Traveling Screens with a Fish Return at NCS and at those NOS intake structures providing flow for NOS Units 4 and 5. As of July 31, 2023, the cost of compliance is expected to be $18,675,000 for NOS and NCS combined.

The BTA determination for entrainment and the implementation timeline for impingement is included in the recently renewed NCS and NOS NPDES permits for those facilities. The District is currently working towards implementation of the above described compliance methods per the permit timeline, with ultimate installation complete at both facilities expected by 2025.

Effluent Limitations Guidelines ("ELGs"). ELGs are national standards developed under the Clean Water Act that apply to industrial wastewater discharges. On August 31, 2020, the EPA finalized a rule revising the regulations for the Steam Electric Power Generating category of the ELGs. The 2020 rule eliminates the ability of operators to discharge Bottom Ash Transport Water. The District plans to eliminate these discharges by installing a high efficiency recycle system, to be installed no later than December 31, 2025. Although the 2020 rules were originally not applicable to NOS due to the planned cessation of coal generation at that facility, the extension of coal operations at NOS approved in August 2022 requires the District to develop a compliance plan to meet this regulation. A compliance schedule is included in the

NOS NPDES permit described above. The cost of compliance at NOS is expected to be $13,874,000. The District is currently working towards installation of this high recycle system to be installed per the compliance timeline. NCS already meets the requirements of the 2020 rule.

On March 8, 2023, EPA released an additional proposed rule that establishes tougher ELGs for two categories of wastewater (effluent) from existing coal-fired EGUs: flue gas desulfurization (“FGD”) wastewater and bottom ash (“BA”) transport water. The technology bases for both FGD wastewater and BA transport water are zero-emission discharge technologies. The proposal also establishes a new ELG for combustion residual leachate. The largest potential impact to the District would be at NOS due to the ash transport system at the facility, however the rule is not expected to be applicable until after the planned cessation of coal at NOS. The rule is still in the process of being finalized.

Environmental Issues - Solid Waste

Coal Combustion Residuals (“CCR”) Regulations. On April 17, 2015, the EPA promulgated technical requirements for CCR landfills and surface impoundments for the safe disposal of coal combustion residuals under Subtitle D of the RCRA. The regulations provide design criteria, operating criteria, groundwater monitoring requirements, closure requirements, and recordkeeping and notification requirements associated with CCR landfills and surface impoundments. The regulation became effective on October 19, 2015, and the District is in compliance with the requirements.

On May 17, 2023, the EPA issued a proposal that would establish two new classes of regulated CCR units under the federal CCR rule. The first class would be “legacy CCR surface impoundment.” The second class of units proposed for regulation under the proposal would be CCR management units, defined as “any area of land on which any non-containerized accumulations of CCR are received, placed, or otherwise managed, that is not a CCR unit.” District staff are evaluating the potential impact of this proposed rulemaking, which may require a thorough prescriptive site assessment and additional review of historic site activities with potentially new groundwater monitoring requirements. The District will continue to engage with industry partners, including the Utility Solid Waste Activities Group and the Large Public Power Council to monitor potential timing or impacts to the District. The rule is still in the process of being finalized.

Landfill-Specific Updates. On May 30, 2019, the District notified the NDEE that it had initiated Assessment of Corrective Measures (“ACM”) for the NOS landfill. Following hydrogeological modeling, groundwater monitoring, and engineering evaluations, the District proposed long-term groundwater monitoring and post-closure capping as a final remedy. After a public meeting and comment period, the District published a final Selection of Remedy report on December 13, 2021. The District is currently in the process of a phased landfill closure, with final closure expected to be accomplished by April of 2024. The NC1 landfill completed final closure activities in the fall of 2020 and has proceeded to post closure sampling. In December 2020, the District also entered ACM for the NC2 landfill. Following hydrogeological modeling, groundwater monitoring, and engineering evaluations, the District has proposed source control through the application of a surface binder on the ash in the landfill, as well as operational changes in landfill construction (reduce the active area of the landfill to minimize dust) as a final remedy. After a public meeting and comment period, the District published a final Selection of Remedy report on November 15, 2021. The District has recently completed the associated permitting and corrective measures. The cost of compliance with the requirements of the CCR rule at this time are minimal.

Environmental Issues – Natural Resources

On March 22, 2022, the U.S. Fish and Wildlife Service ("USFWS") issued a proposal to reclassify the northern long-eared bat ("NLEB") from a threatened species to an endangered species under the Endangered Species Act of 1973, as amended. On March 31, 2023, the final rule went into effect. Reclassifying the NLEB has implications for development projects throughout the U.S. USFWS is considering 2023 an interim year while guidance is developed. Projects occurring after April 2024 will follow the guidelines being developed. The District will continue to evaluate the impact as guidance documents are released.

Coal Supply in National Emergency

The District closely monitors national events and trends in order to plan for adequate coal inventories and continued reliable generating capacity in the event of a national emergency. Should such a national emergency occur without warning, normal operations and inventories of the District have built in contingencies to provide electric service for extended periods of time. Such contingencies include targeting a 42-day supply of coal inventories and maintaining electrical grid interconnections with other utilities. Additionally, the District utilizes Powder River Basin coal, where reserves are extensive.

Nuclear Regulation

The District is subject to continuing regulation by the NRC in connection with the decommissioning of FCS. NRC regulations require extensive review of both the radiological and environmental aspects of this facility. The District has incurred and expects to continue to incur expenditures as a result of these requirements. For additional information regarding the nuclear industry, see "THE ELECTRIC SYSTEM—Generating Facilities—*Fort Calhoun Station*."

Low-Level Nuclear Waste

FCS generated three classes of low-level radioactive waste. Waste classified as Class A is the least radioactive and Classes B and C have successively higher levels of radioactivity. The District utilizes Energy Solutions near Clive, Utah for the disposal of Class A waste. The District is shipping the Class B and C waste to Waste Control Specialists in Andrews County, Texas. Radioactive waste shipments have increased as expected with the conduct of decommissioning activities and are expected to continue throughout the decommissioning period.

High-Level Nuclear Waste Repository

Under the federal Nuclear Waste Disposal Act of 1982, the federal government assumed responsibility for the permanent disposal of spent nuclear fuel and greater than Class C waste. Under the terms of a contract with the District, whereby the District was to pay a fee of one mill per net kWh on net electricity generated and sold, the DOE was to begin accepting spent nuclear fuel and greater than Class C waste by January 1998. The U.S. Court of Appeals for the D.C. Circuit ruled in November 2013 that the DOE could not continue to collect the one mill per net kWh fee in light of the DOE's termination of the Yucca Mountain repository program. The DOE temporarily ceased collection of the fee effective May 16, 2014, until the DOE complies with the Nuclear Waste Policy Act of 1982 or Congress enacts an alternative used fuel management plan. At this time, it is unclear when a DOE facility will be operational.

The District remains responsible for the safe storage of spent nuclear fuel and greater than Class C waste until the federal government takes delivery. The District previously completed construction of a dry cask storage facility ("ISFSI") on site to meet long term storage needs for the spent fuel bundles. The total

cost of the construction and the initial loading of ten storage casks was approximately $23 million. As part of the decommissioning of FCS, an analysis was conducted to determine the best alternative for interim fuel storage. The District entered into a contract with TN Americas in February 2018 for materials and services to build the necessary structures for dry fuel storage and complete moves of all fuel into the ISFSI. Transfer of spent fuel to the ISFSI was completed in May 2020. For additional information regarding nuclear fuel, see "THE ELECTRIC SYSTEM—Fuel Supply—*Nuclear*."

In June 2006, the District entered into a settlement agreement with the DOE under which the DOE is to reimburse the District for expenses associated with the storage of spent fuel at the District's nuclear power station pending the DOE fulfilling its contractual obligation to accept such fuel for permanent storage. The settlement agreement provides for a defined procedure for determining future reimbursable costs. From 1998 through 2010, the District received $28 million in reimbursements which covered allowed costs incurred for cask loading and transfer as well as necessary facility upgrades. Additional costs have been incurred annually due to DOE's failure to perform since decommissioning commenced. In total, DOE has reimbursed the District approximately $90.6 million for allowable and reasonable spent fuel storage related costs since decommissioning began in 2017. This includes the most recent reimbursement in July 2023 of approximately $6.7 million for expenses incurred in 2022. The DOE also reimbursed the District for the $5.5 million associated with the 2021 claim in January 2023. The District is expected to continue annual submittals under the settlement agreement as long as spent fuel continues to be stored on-site.

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OPERATING RESULTS

The following table lists the District's operating results for the six months ended June 30, 2023 and 2022, along with the years ended December 31, 2022 and 2021. The operating results for the six months ended June 30, 2023 and 2022 was derived from the unaudited condensed financial statements. The operating results for the years ended December 31, 2022 and 2021 was derived from the audited financial statements contained in Appendix A of this Official Statement. In the opinion of management, the unaudited condensed financial statements as of June 30, 2023 and for the six months ended June 30, 2023 and 2022 include all adjustments (consisting of only normal and recurring accruals) necessary for a fair presentation of the financial position, results of operations and cash flows for these periods.

Total Operating Revenues were higher in the first six months of 2023 ("2023 period") than the first six months of 2022 ("2022 period") primarily due to an increase in Retail Sales Revenues. Total Operations and Maintenance Expenses increased in the 2023 period compared to the 2022 period primarily due to an increase in Production Expense and Administrative and General Expense.

	Six Months Ended June 30,		**Year Ended December 31,**	
	2023	**2022**	**2022**	**2021**
	(millions)			
Operating Revenues	$657.5	$636.1	$1,400.8	$1,496.9
Operations and Maintenance Expenses	(469.2)	(433.2)	(962.5)	(1,093.6)
Depreciation and Amortization	(67.1)	(82.0)	(164.9)	(157.0)
Decommissioning	(25.9)	(70.2)	(141.9)	(132.5)
Payments in Lieu of Taxes	(19.1)	(17.8)	(40.5)	(38.6)
Operating Income	$76.2	$32.9	$91.0	$75.2
Other Income (Expenses) - net	(2.3)	(52.5)	(79.8)	(47.3)
Net Income	73.9	(19.6)	11.2	27.9
Net Position	$1,433.5	$1,328.7	$1,359.6	$1,348.3

NET RECEIPTS FOR THE ELECTRIC SYSTEM

The following table lists the District's net receipts for the electric system and debt service information for the six months ended June 30, 2023 and 2022, along with the years ended December 31, 2022 and 2021. The net receipts for the six months ended June 30, 2023 and 2022 was derived from the unaudited condensed financial statements. The net receipts for the years ended December 31, 2022 and 2021 was derived from the audited financial statements contained in Appendix A of this Official Statement.

	Six Months Ended June 30,		**Year Ended December 31,**	
	2023	**2022**	**2022**	**2021**
	(millions)			
Operating Revenues [1]	$622.4	$602.4	$1,333.2	$1,428.0
Operations and Maintenance Expenses[1]	(446.6)	(410.6)	(917.3)	(1,040.9)
Payments in Lieu of Taxes	(19.1)	(17.8)	(40.5)	(38.6)
Net Operating Revenues	156.7	174.0	375.4	348.5
FCS Reg Asset Recovery Amortization	(7.4)	(7.4)	(14.8)	(14.8)
Investment Income of Related Reserve Fund[2]	1.5	0.5	1.3	1.1
Net Receipts for Electric System[3]	$150.8	$167.1	$361.9	$334.8
Total Debt Service on Electric System Revenue Bonds[4]	$129.5	$89.2	$116.9	$70.6
Debt Service Coverage on Electric System Revenue Bonds[5]	N/A	N/A	3.09	4.74
Debt Ratio[6]	62.3%	60.9%	64.0%	60.7%

[1]Electric System Revenue Bonds are not secured by Separate Electric System revenues. Accordingly, revenues and expenses for the Separate Electric System were excluded from this calculation.
[2] Investment Income was income derived from investments in reserve accounts under the District's bond resolutions.
[3] Net Receipts as defined in Resolution No. 1788.
[4] Total Debt Service on Electric System Revenue Bonds is accrued on a calendar year basis. Interest funded from bond proceeds, when applicable, is not included in Total Debt Service.
[5]Debt Service Coverage on Electric System Revenue Bonds is equal to Net Receipts divided by Total Debt Service on Electric System Revenue Bonds and is not calculated for periods of less than one year.
[6]Debt Ratio is equal to all Debt divided by the sum of Debt plus Net Position. This ratio does not include Separate System Bonds as these bonds are secured by revenues of the Separate System.

OPERATING REVENUES AND ENERGY SALES

The following table lists a breakdown of the District's Operating Revenues and energy sales for the six months ended June 30, 2023 and 2022, along with the years ended December 31, 2022 and 2021. The Operating Revenues for the six months ended June 30, 2023 and 2022 was derived from the unaudited condensed financial statements. The Operating Revenues for the years ended December 31, 2022 and 2021 was derived from the audited financial statements contained in Appendix A of this Official Statement.

Total Operating Revenues were $657.5 million for the 2023 period, which was $21.4 million or 3.4% more than the Operating Revenues in the 2022 period, primarily due to increased Retail Revenues. The increase in Retail Revenues was primarily due to higher usage across all customer categories.

	Six Months Ended June 30,		**Year Ended December 31,**	
	2023	**2022**	**2022**	**2021**
	(millions)			
Operating Revenues				
Residential	$207.5	$196.6	$460.8	$439.6
Commercial	161.4	152.9	336.4	324.8
Industrial	146.1	133.8	291.3	276.3
Unbilled Revenues	7.9	17.8	10.6	(0.4)
Fuel and Purchase Power Adjustment	(3.5)	-	7.4	7.6
Provision for Decommissioning and Benefits Reserve	-	-	(6.0)	83.0
Total Retail Revenues	519.4	501.1	1,100.5	1,130.9
Off-System Sales	115.5	114.5	256.5	328.4
Other Electric Revenues	22.6	20.5	43.8	37.6
Total Operating Revenues	$657.5	$636.1	$1,400.8	$1,496.9
Retail Sales (GWh):				
Residential	1,881	1,806	3,937	3,868
Commercial	1,819	1,773	3,763	3,669
Industrial	2,211	2,051	4,294	4,014
Unbilled Sales	(6)	100	112	(43)
Total Retail Sales	5,905	5,730	12,106	11,508
Annual Percentage Change	N/A	N/A	5.2%	3.8%
Off-System Sales (GWh)	1,488	2,249	4,411	4,223
System Peak Load (MW)	N/A	N/A	2,546	2,509
Annual Percentage Change	N/A	N/A	1.5%	5.2%

OPERATIONS AND MAINTENANCE EXPENSES

The following table lists a breakdown of the District's Operations and Maintenance Expenses for the six months ended June 30, 2023 and 2022, along with the years ended December 31, 2022 and 2021. The Operations and Maintenance Expenses for the six months ended June 30, 2023 and 2022 was derived from the unaudited condensed financial statements. The Operations and Maintenance Expenses for the years ended December 31, 2022 and 2021 was derived from the audited financial statements contained in Appendix A of this Official Statement.

Total Operations and Maintenance Expenses were $469.2 million for the 2023 period which was $36.0 million or 8.3% over the Operations and Maintenance Expenses during the 2022 period. The most significant variances were Production Expense and Administrative and General Expense, which increased from 2022 primarily due to higher outage costs and higher salary and benefit costs, respectively.

	Six Months Ended June 30,		**Year Ended December 31,**	
	2023	**2022**	**2022**	**2021**
		(millions)		
Operations and Maintenance				
Fuel	$75.8	$73.1	$186.4	$204.0
Purchased Power	151.7	160.5	360.4	404.4
Production	73.8	52.9	105.5	111.3
Transmission and Distribution	68.9	61.0	130.9	125.3
Customer	20.3	19.2	43.9	41.2
Administrative and General	78.7	66.5	135.4	207.4
Total Operations and Maintenance	$469.2	$433.2	$962.5	$1,093.6

FORVIS, LLP, the District's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document.

DEBT SERVICE ON THE DISTRICT'S BONDS

The following table shows by calendar year the future required debt service payments for the District's outstanding debt, excluding the Separate System Bonds, the CP Notes and debt that has been defeased by the District (including debt being defeased with proceeds of the 2023 Bonds). With respect to the Electric System Revenue Bonds and Subordinated Bonds, the District is required to make monthly deposits into the interest and principal accounts of their respective Bond Funds. All other subordinated debt service requirements are paid by the District on the dates due to holders. The District's CP Notes bear a variable interest rate with no scheduled amortization and therefore no CP Notes debt service is included in the table.

The debt service related to the 2023 Bonds will require monthly deposits into the interest and principal accounts of the Bond Fund related to the 2023 Bonds. To determine the debt service amount for each year, one-twelfth of the current year's February 1 principal payment is combined with eleven-twelfths of following year's February 1 principal payment. Similarly, one-sixth of the current year's February 1 interest payment is combined with the current year's August 1 interest payment and five-sixths of the following year's February 1 interest payment. The resulting calculation of debt service is used herein for purposes of computing debt service coverage.

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Calendar Year	Electric System Revenue Bonds Debt Service Before Issuance of the 2023 Bonds[1]	Plus Debt Service on the 2023 Bonds	Total Electric System Revenue Bonds Debt Service After Issuance of the 2023 Bonds	Plus Debt Service on the Subordinated Bonds[1,2]	Total Debt Service[3]
			(in thousands)		
2023	$134,030	$4,212	$138,242	$11,438	$149,679
2024	130,569	41,527	172,097	5,511	177,608
2025	129,619	43,361	172,980	5,287	178,267
2026	128,301	44,706	173,007	5,287	178,294
2027	139,686	35,038	174,725	5,287	180,012
2028	140,730	34,153	174,883	5,287	180,170
2029	140,730	34,151	174,880	5,287	180,168
2030	136,485	38,120	174,605	5,287	179,892
2031	122,378	52,203	174,582	5,287	179,869
2032	122,296	52,288	174,584	5,287	179,871
2033	123,229	51,362	174,590	5,287	179,878
2034	106,114	32,724	138,839	40,955	179,794
2035	106,125	31,037	137,161	42,624	179,785
2036	108,039	31,033	139,072	40,707	179,779
2037	129,962	31,031	160,993	18,785	179,778
2038	147,345	31,037	178,382	1,401	179,782
2039	121,284	31,033	152,317		152,317
2040	118,789	31,037	149,827		149,827
2041	118,789	31,034	149,824		149,824
2042	118,787	31,035	149,823		149,823
2043	118,786	31,034	149,820		149,820
2044	118,789	31,033	149,822		149,822
2045	118,788	31,034	149,823		149,823
2046	66,712	31,033	97,745		97,745
2047	61,976	31,034	93,010		93,010
2048	61,977	31,031	93,008		93,008
2049	61,976	31,034	93,010		93,010
2050	61,977	31,032	93,009		93,009
2051	61,977	31,034	93,010		93,010
2052	5,165	31,038	36,203		36,203
2053		2,587	2,587		2,587

[1] Accrual based by fiscal year.
[2] Subordinated Lien Debt includes 2014 Series AA and 2014 Series CC.
[3] Totals may not add due to rounding.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of financial activities prepared for the District's 2022 Annual Report can be found in Appendix A to this Official Statement and is adopted as if fully set forth herein.

BOOK-ENTRY SYSTEM

Portions of the information relating to the Book-Entry System under this heading have been furnished by The Depository Trust Company and have not been independently verified by the District or the Underwriters. Neither the Underwriters nor the District makes any representation whatsoever as to the accuracy, adequacy or completeness of such information.

General

The DTC, New York, New York, will act as securities depository for the 2023 Bonds. The 2023 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond Certificate will be issued for each maturity of the 2023 Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC and Its Direct and Indirect Participants

DTC, the world's largest depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests

Purchases of the 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2023 Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

Transfers and Exchanges of Beneficial Ownership Interests

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices and Consents

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2023 Bonds documents. For example, Beneficial Owners of 2023 Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Interest and Redemption Price

Principal, redemption proceeds and interest payments on the 2023 Bonds will be made to Cede & Co, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Fund Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants on the payable date to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (or its nominee), the Bond Fund Trustee or the District, subject to any statutory

or regulatory requirements as may be in effect from time to time. Payment of principal, redemption proceeds (if applicable) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Fund Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

The Beneficial Owners of the 2023 Bonds will rely on DTC's Direct or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owner the rights of a Bondholder. No assurances can be provided that in the event of bankruptcy or insolvency of DTC or a Direct or Indirect Participant through which a Beneficial Owner holds beneficial interests in the 2023 Bonds, payment will be made by DTC or the Direct or Indirect Participant on a timely basis.

Discontinuance of DTC Services

DTC may discontinue providing its services as depository with respect to the 2023 Bonds at any time by giving reasonable notice to the District or the Bond Fund Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2023 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, 2023 Bond certificates will be printed and delivered.

The District, the Bond Fund Trustee and the Paying Agent will not have any responsibility or obligation to Direct or Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (ii) the payment by DTC or any Direct or Indirect Participant of any amount with respect to the principal or redemption price of, or interest on, the 2023 Bonds; (iii) any notice which is permitted or required to be given to Bondholders under the Resolution; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the 2023 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information included under this heading "BOOK-ENTRY SYSTEM," other than in this paragraph and the preceding bold face paragraphs, has been provided by DTC. No representation is made by the District, the Bond Fund Trustee or the Underwriters as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date thereof.

SUMMARY OF CERTAIN PROVISIONS OF RESOLUTION NO. 1788

The following is a brief summary of certain provisions of Resolution No. 1788 and is not to be considered as a full statement of the provisions thereof. The summary is qualified by reference to and is subject to the complete Resolution No. 1788, copies of which may be examined at the offices of the District and the Bond Fund Trustee.

Electric System

The term "Electric System" means the electric utility properties and assets, real and personal, tangible and intangible, of the District used or useful in the generation, transmission, distribution and sale of electric energy and business incidental thereto, including all additions and betterments to, and extensions of said properties, and shall not include any facilities for the generation, transmission and distribution of

electric power and energy constructed or acquired by the District as a Separate Electric System with the proceeds of sale of bonds or other evidences of indebtedness (other than Bonds) which shall be payable solely from the revenues or other income derived from the ownership or operation of such Separate Electric System.

Revenue Fund

The District shall pay into the Revenue Fund, when and as collected, all revenues, income, receipts and profits received by the District from the sale, furnishing or supplying of electric energy and all other commodities, services and facilities sold, furnished or supplied by the District from or through the properties and facilities constituting the Electric System of the District, including all additions and betterments to, and extensions of, all such properties and facilities ("Revenues of the Electric System") and the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any such properties or facilities. Moneys in the Revenue Fund may be used by the District for any lawful purpose of the District.

Bond Fund

The Bond Fund has been established for the payment of the Bonds and will be held by the Bond Fund Trustee. In each month, after providing for the expenses of operating and maintaining the Electric System in such month, the District will pay, out of the Revenues of the Electric System, into the Bond Fund for credit to the Interest Account, Principal Account and Bond Retirement Account therein, proportionate amounts of the next due interest, principal and sinking fund installments on each series of Bonds, respectively, which in the aggregate shall be sufficient to meet the principal and interest payments on the Bonds when due. The District may deliver in lieu of such cash deposits, noncallable Investment Securities (limited as described in the paragraph "Investment of Funds" herein maturing on or prior to the next occurring payment from the applicable account of the Bond Fund. Such Investment Securities delivered to the Bond Fund Trustee pursuant to this paragraph shall be valued at an amount equal to the principal plus interest payable at maturity with respect to the Investment Security.

Reserve Account in the Bond Fund

The Reserve Account Requirement is an amount equal to the maximum amount required to be paid into the Interest Account in the Bond Fund in any calendar year to provide for the payment of interest on the Bonds then outstanding.

The Reserve Account Requirement may be funded in whole or in part through Reserve Account Cash Equivalents. "Reserve Account Cash Equivalent" means a letter of credit, insurance policy, surety, guarantee or other security arrangement which Reserve Account Cash Equivalent shall have such terms necessary to maintain the rating assigned to the Bonds and able to be drawn upon at any time that cash could be withdrawn from the Reserve Account. Each Reserve Account Cash Equivalent will be accompanied by an opinion of Bond Counsel that acceptance of and any payment of funds from such Reserve Account Cash Equivalent will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Upon the issuance of Additional Bonds, the amount in the Reserve Account will be increased to the amount of the new Reserve Account Requirement either from the proceeds of such Additional Bonds or by making payments to such Account within the next ensuing five-year period. Amounts in excess of the Reserve Account Requirement may be transferred to the District's Revenue Fund.

Covenants

The District has covenanted in Resolution No. 1788, among other things:

(1) That the District will fix, establish and collect or cause to be fixed, established and collected adequate rates, tolls, rents and other charges for electric energy and all other commodities, services and facilities sold, furnished or supplied through the properties of the Electric System or any part thereof, which rates, tolls, rents and charges shall be fair, reasonable and adequate to provide Revenues of the Electric System sufficient to pay the principal of and interest on all Bonds and the operations and maintenance expenses of the Electric System and to pay any other indebtedness payable from the revenues, income, receipts and profits of the Electric System.

(2) That the District will not at any time create or permit to accrue or to exist any lien or other encumbrance upon the Revenues of the Electric System or upon the properties of the Electric System unless adequate provision is made in the agreement or other instrument creating such lien so that the Bonds shall constitute a lien upon all such revenues, moneys, funds and other property prior to any such lien or other encumbrance.

(3) That the District will not sell, lease or otherwise dispose of all or any part of the properties of the Electric System for a consideration other than money, and, if payment thereof be deferred, the District shall retain a prior lien or charge on the income and revenues from the property sold, leased or otherwise disposed of until payment of such consideration, plus the costs and expenses of the District in servicing such deferred payment sales, is made in full.

(4) That the District will keep, or cause to be kept, the works, generating stations and facilities comprising the properties of the Electric System insured and will carry such other insurance, with responsible insurers with policies payable to the District, against fire and other risks, accidents or casualties at least to the extent and of the kinds that is usually carried by corporations operating like properties in the same area.

Additional Bonds

(1) The District may issue Additional Bonds, including refunding Bonds, for any of its corporate purposes, provided that an Authorized District Officer shall file with the Bond Fund Trustee a certificate stating that the Net Receipts of the Electric System in each calendar year thereafter will be at least equal to 1.40 times the amounts to be paid in such year into the Bond Fund to pay principal and interest on (a) the Bonds to be outstanding after the issuance of such Additional Bonds and (b) any Additional Bonds which in the opinion of an Authorized District Officer will be required to be issued in the future to complete any generating facility for which Additional Bonds have been or are then being issued. Debt service on any such Bonds to be issued in the future shall be estimated by an Authorized District Officer on a level debt service basis over a period ending not later than the final maturity date of the Additional Bonds theretofore or then being issued for such generating facility and on the basis of an interest rate equal to the average interest rate for the Bonds then being issued.

The "Net Receipts" for any year are the operating revenues of the Electric System less (i) operations and maintenance expenses, exclusive of depreciation or amortization of property values or property losses and (ii) taxes, or payments in lieu of taxes, plus the income from the investment of the Reserve Account for the Bonds.

To compute the Net Receipts for each year, an Authorized District Officer shall use as a basis the Net Receipts of the Electric System during the last year for which an independent audit has been prepared and shall adjust such Net Receipts as follows:

(A) To reflect changes in rates which have gone into effect since the beginning of the year for which the audit was made.

(B) To reflect such Authorized District Officer's estimate of the net increase over, or net decrease under, the Net Receipts of the Electric System for the year for which the audit was made by reason of (i) changes in the amounts payable under existing power sales contracts, (ii) additional general operating income from sales to customers (other than other electric utilities and public authorities) under existing rate schedules for the various classes of customers or as such schedules may be revised under a program of changes which has been adopted by the Board of Directors of the District, (iii) projected revisions in labor, wages, salary, fuel, machinery, equipment and supply costs, (iv) projected revisions in production, transmission and distribution and administration costs associated with increases in sales of power and energy and the acquisition of new facilities, (v) the projected cost of purchasing power and (vi) such other projections of revenues and expenses as the Authorized District Officer deems reasonable and proper.

(2) The District may also issue Additional Bonds to refund Bonds, provided that principal and interest payments are not increased in any year in which any Bonds not refunded are to be outstanding.

(3) The District also reserves the right to issue junior lien indebtedness.

Separate System Bonds

The District may issue evidences of indebtedness, other than Bonds, to acquire or construct facilities for the generation, transmission or distribution of electric power and energy, which facilities shall be a Separate Electric System and which evidences of indebtedness shall not be a charge upon or payable from the Revenues of the Electric System but shall be payable solely from the revenues or other income derived from the ownership or operation of such Separate Electric System.

Investment of Funds

The District may invest moneys in the Revenue Fund and the Bond Fund in Investment Securities, which are defined in Resolution No. 1788 as any of the following which at the time are legal investments under the laws of the State of Nebraska for the funds proposed to be invested: (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; (ii) senior debt obligations rated in the Highest Rating Category issued by (A) a federally chartered corporation or entity (for example, Fannie Mae, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation or the Federal Home Loan Banks) or (B) the World Bank; (iii) any written repurchase agreement ("Repurchase Agreement") entered into with a qualified financial institution, provided that the unsecured short-term obligations of the qualified financial institution are rated no lower than the Highest Rating Category and the obligations of the qualified financial institution under the Repurchase Agreement must be collateralized by Government Obligations; (iv) investments in a money market fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets, comprised solely of the type of securities described in (i) or (ii) above, of at least $100 million, and having a rating of

"Aaa-mf," AAAm" or "AAAm-G" by a nationally recognized rating agency; and (v) commercial paper and other corporate debt obligations, each rated no lower than the Second Highest Rating Category.

"Highest Rating Category" means, with respect to an Investment Security, that the Investment Security is, at the time it is acquired, rated by at least one Rating Agency rating the Investment Security in the highest rating category given by that Rating Agency for that general category of security. By way of example, the Highest Rating Category for debt established by S&P and Fitch, Inc. Fitch is "AAA" for a term greater than one year, with corresponding ratings by Moody's of "Aaa."

"Second Highest Rating Category" means, with respect to an Investment Security, that the Investment Security is, at the time it is acquired, rated by at least one Rating Agency rating such Investment Security in the second-highest rating category given by that Rating Agency for that general category of security. By way of example, the Second Highest Rating Category for debt established by S&P and Fitch is "AA" for a term greater than one year, with corresponding ratings by Moody's of "Aa."

Moneys in the Bond Fund may be invested in Investment Securities described in (i), (ii), (iii) and (iv).

Events of Default; Remedies

The happening of one or more of the following events constitutes an Event of Default: (i) default in the performance of any obligations with respect to payments into the Revenue Fund; (ii) default in the payment of the principal of, and premium, if any, on any Bonds either at maturity or when called for redemption; (iii) default for 30 days in the payment of interest or any sinking fund installment on any Bonds; (iv) default for 90 days in the observance and performance of any other of the covenants, conditions and agreements of the District contained in Resolution No. 1788; (v) the sale or conveyance of any properties of the Electric System except as permitted by Resolution No. 1788 or the voluntary forfeiture of any license, franchise or other privilege necessary or desirable in the operation of the Electric System; and (vi) certain events in connection with the bankruptcy, insolvency or reorganization of the District.

After the occurrence of an Event of Default and prior to the curing of such Event of Default, the Bondholders may elect a Bondholders' Committee. The Bondholders' Committee or the Bond Fund Trustee may take possession and control of the business and property of the Electric System and proceed to operate the same and to collect and receive the income therefrom so long as necessary to restore all payments of interest and principal to a current status. The Bondholders' Committee or the Bond Fund Trustee also shall be entitled to have appointed a receiver of the business and property of the Electric System, including all tolls, rents, revenues, income, receipts, profits and benefits.

No Bondholder has any right to institute suit to enforce any provision of Resolution No. 1788 or the execution of any trust thereunder (except to enforce the payment of principal or interest installments as they mature), unless the Bond Fund Trustee has been requested by the holders of not less than 20% aggregate principal amount of the Bonds then outstanding to exercise the powers granted it by Resolution No. 1788 or to institute such suit and, unless the Bond Fund Trustee has refused or failed, within 60 days after the receipt of such request and after having been offered adequate security and indemnity, to comply with such request.

Amendments; Supplemental Resolutions

Resolution No. 1788 may be amended by the District with the consent of the holders of at least 66⅔% of the Bonds then outstanding. However, without the consent of the holder of each Bond affected thereby, no amendment may be made to Resolution No. 1788 which will permit the creation by the District

of a lien on the Revenues of the Electric System prior to or on a parity with the lien of the Bonds, extend the time of payment of the principal of or the interest on any Bond or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof or advance the redemption date, give any Bond any preference over any other Bond or reduce the percentage of Bonds required to amend Resolution No. 1788.

Without the consent of any holder of Bonds, the District may adopt supplemental resolutions for the following purposes: to authorize the issuance of Additional Bonds; to add to the covenants of the District contained in, or to surrender any rights reserved to or conferred upon the District by Resolution No. 1788; to add to the restrictions contained in Resolution No. 1788 upon the issuance of additional indebtedness; to confirm as further assurance any pledge under Resolution No. 1788 of the Revenues of the Electric System; to qualify Resolution No. 1788 under the United States Trust Indenture Act of 1939; otherwise to modify any of the provisions of Resolution No. 1788 (but no such modification may become effective while any Bonds outstanding at the time of adoption of the supplemental resolution remain outstanding); or, with the consent of the Bond Fund Trustee, to cure any ambiguity or defect or inconsistent provision in Resolution No. 1788.

Defeasance

The obligations of the District under Resolution No. 1788 shall be fully discharged and satisfied as to any Bond, and such Bond shall no longer be deemed to be outstanding thereunder, when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest to the due date thereof, (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Bond Fund Trustee in trust exclusively for such payment (i) moneys sufficient to make such payments or (ii) noncallable Investment Securities or noncallable full faith and credit direct and general obligations of any state, or noncallable unlimited tax full faith and credit direct and general obligations of any political subdivision of any state, provided that such obligations of such state or political subdivision are rated in either of the two highest rating categories by two nationally recognized bond rating agencies and are legal investments for fiduciaries in the State of Nebraska, maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and, except for the purposes of such payment from such moneys or Investment Securities, such Bond shall no longer be secured by or entitled to the benefits of Resolution No. 1788, provided that, with respect to Bonds which by their terms may be redeemed or otherwise prepaid prior to the stated maturities thereof, no deposit under (b) above shall constitute such discharge and satisfaction unless such Bond shall have been irrevocably called or designated for redemption on the first date thereafter, such Bond may be redeemed in accordance with the provisions thereof, and notice of such redemption shall have been given or irrevocable provision shall have been made for the giving of such notice.

The Series Resolution relating to the 2023 Bonds provides that the District may defease the 2023 Bonds as provided in Resolution No. 1788; provided, however, that the District surrenders the right, power and privilege to deposit for that purpose Permitted Investments as defined in Resolution No. 1788 other than noncallable direct obligations of, or noncallable obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America. Such obligations may include, but are not limited to, interest-only or principal-only obligations to the extent the interest or principal of such obligations is a direct obligation of, or unconditionally guaranteed by, the United States of America.

LEGAL PROCEEDINGS

There is not now pending or threatened litigation of any nature seeking to restrain or enjoin, or in any manner questioning, the issuance and delivery of the 2023 Bonds, the proceedings and authority under

which the 2023 Bonds are issued or affecting the validity of the 2023 Bonds thereunder, the power and authority of the District to fix and establish and collect adequate rates, tolls, rents or other charges for electric energy and all other commodities, services and facilities sold, furnished or supplied by the District, the proceedings and authority under which the District's present rates, tolls and other charges are made and the right and authority of the District to conduct its electrical business or operate any of its properties now constructed or contemplated to be constructed; and neither the corporate existence nor the boundaries of the District nor the title of its present officers to their respective offices is being contested.

RATINGS

Moody's has given the rating of "Aa2" with a stable outlook and S&P has given the rating of "AA" with a stable outlook to the 2023 Bonds. Such ratings reflect only the views of such organizations, and explanations of the significance of such ratings may be obtained only from the credit rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such credit rating agencies if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

CONTINUING DISCLOSURE

The Series Resolution authorizing the 2023 Bonds includes the District's undertaking ("Undertaking") for the benefit of the holders of the 2023 Bonds to send certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board or certain other repositories of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) ("Rule"). See "APPENDIX C—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

A failure by the District to comply with the Undertaking will not constitute an event of default with respect to the 2023 Bonds, although any holder would have any available remedy at law or in equity, including seeking specific performance by court order, to cause the District to comply with its obligations under the Undertaking. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2023 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2023 Bonds and their market price. The District has not, in the past five years, failed to comply in any material respect with its prior continuing disclosure undertakings pursuant to the Rule. The District notes, however, the District's Audited Financial Statement for the fiscal year ending December 31, 2020, while timely filed, was inadvertently not linked to all applicable CUSIP numbers. The District has subsequently remedied the filing. The District has previously included certain of the Annual Financial Information it is obligated to provide pursuant to its Undertakings in its Audited Financial Statements along with a supplemental filing containing additional operating data. Beginning with its fiscal year ending December 31, 2019, the District has incorporated such Annual Financial Information into the supplemental filing.

UNDERWRITING

The 2023 Bonds are being purchased by the underwriters shown on the cover page hereof, for which Goldman Sachs & Co. LLC and Wells Fargo Bank, N.A. are acting as Senior Managers (collectively, the "Underwriters"). The Underwriters have agreed to purchase the 2023 Bonds from the District at a price of $576,499,269.50, which is the principal amount of $549,760,000.00 plus original issue premium of $28,637,365.10 less Underwriters' discount of $1,898,095.60. The 2023 Bonds may be offered and sold to

certain dealers (including underwriters and other dealers depositing such 2023 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers for the distribution of the 2023 Bonds at the initial public offering prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

BofA Securities, Inc. is an affiliate of Bank of America, N.A. which has extended credit in other transactions to the District. Wells Fargo Bank, National Association has also extended credit in other transactions to the District.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

TAX MATTERS

In General. In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered at the time of original issuance of the 2023 Bonds, under existing laws, regulations, rulings and judicial decisions, interest on the 2023 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described in the preceding sentence assumes the accuracy of certain representations and continuing compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the 2023 Bonds. Failure to comply with such requirements could cause interest on the 2023 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2023 Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the 2023 Bonds. For tax years beginning after December 31, 2022, interest on the 2023 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the 2023 Bonds may otherwise affect the federal income tax liability of the owners of the 2023 Bonds. The extent of these other tax consequences will depend upon

such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the 2023 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States, and certain corporations subject to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the 2023 Bonds.

Tax Treatment of Original Issue Premium. Certain of the 2023 Bonds may be sold at a premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Tax Treatment of Original Issue Discount. Some of the 2023 Bonds may have an original yield above their interest rate (collectively, the "Discount Bonds"), and may be sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each· accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding

period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the 2023 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. This reporting requirement does not in and of itself affect or alter the excludability of interest on the 2023 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Exemption Under State Tax Law

In Bond Counsel's further opinion, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2023 Bonds is exempt from all present State of Nebraska income taxes.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2023 Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2023 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2023 Bonds or the market value thereof would be impacted thereby. Purchasers of the 2023 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2023 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LEGAL APPROVALS

All of the legal proceedings in connection with the authorization and issuance of the 2023 Bonds are subject to the approval of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Certain legal matters in connection with the 2023 Bonds are subject to the approval of Fraser Stryker PC LLO, Omaha, Nebraska, General Counsel to the District and Nixon Peabody LLC, Counsel to the Underwriters. Certain fees of Bond Counsel and Counsel to the Underwriters are contingent upon the issuance and sale of the 2023 Bonds.

OFFICIAL STATEMENT

The information contained in this Official Statement has been obtained from records of the District and from other sources believed to be reliable, but the accuracy and completeness of the information are

not guaranteed. All references to and explanations and summaries of statutes, resolutions, contracts, and other documents contained herein are qualified in their entirety by reference to said statutes and documents for a full and complete description of their respective provisions. Any statements contained herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution, delivery, and distribution of this Official Statement have been duly authorized by the Board of Directors of the District.

MISCELLANEOUS

The references herein to the laws of the State of Nebraska and Resolution No. 1788, the Series Resolution and the Supplemental Resolution and other resolutions and contracts are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and reference is made to the laws of the State of Nebraska, to Resolution No. 1788, to the Series Resolution and to the Supplemental Resolution and to such other resolutions and contracts for full and complete statements of such provisions.

Any statements made in this Official Statement involving matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Certain capitalized terms not otherwise defined herein will have the meanings assigned thereto in Resolution No. 1788, as applicable.

BOARD OF DIRECTORS
OMAHA PUBLIC POWER DISTRICT

By /s/ Jeffrey M. Bishop
Chief Financial Officer

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APPENDIX A

FINANCIAL REPORT FROM DECEMBER 31, 2022

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Report of Management

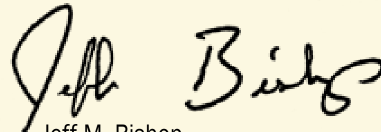
The management of Omaha Public Power District (OPPD) is responsible for the preparation of the following financial statements and for their integrity and objectivity. These financial statements conform to generally accepted accounting principles and, where required, include amounts which represent management's best judgments and estimates. OPPD's management also prepared the other information in this Annual Report and is responsible for its accuracy and consistency with the financial statements.

To fulfill its responsibility, management maintains strong internal controls, supported by formal policies and procedures that are communicated throughout the company. Management also maintains a staff of internal auditors who evaluate the adequacy of and investigate the adherence to these controls, policies and procedures. OPPD is committed to conducting business with integrity, in accordance with the highest ethical standards, and in compliance with all applicable laws, rules and regulations. A Code of Ethics has been adopted for the Executive Leadership Team and certain financial managers, stating their responsibilities and standards for professional and ethical conduct.

Our independent auditors have audited the financial statements and have rendered an unmodified opinion as to the financial statements' fairness of presentation, in all material respects, in accordance with accounting principles generally accepted in the United States of America. During the audit, they considered internal controls over financial reporting as required by generally accepted auditing standards.

The Board of Directors pursues its oversight with respect to OPPD's financial statements through the Finance Committee, which is comprised solely of non-management directors. The committee meets periodically with the independent auditors, internal auditors and management to ensure that all are properly discharging their responsibilities. The committee reviews the annual audit plan and any recommendations the independent auditors have related to the internal control structure. The Board of Directors, on the recommendation of the Finance Committee, engages the independent auditors who have unrestricted access to the Finance Committee.

L. Javier Fernandez
President and Chief Executive Officer



Jeff M. Bishop
Vice President and Chief Financial Officer

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Independent Auditor's Report

Board of Directors
Omaha Public Power District
Omaha, Nebraska

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of Omaha Public Power District (OPPD), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise OPPD's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of OPPD, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of OPPD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OPPD's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a materialmisstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

FORVIS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OPPD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OPPD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report.18F The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and thee basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Omaha, Nebraska

March 16, 2023

Management's Discussion and Analysis (Unaudited)

USING THIS FINANCIAL REPORT

The Financial Report for the Omaha Public Power District (OPPD or Company) includes the Management's Discussion and Analysis, Financial Statements, Notes to Financial Statements, Required Supplementary Information and Notes to Required Supplementary Information. The Financial Statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. The Financial Statements have been prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities. Questions concerning any of the information provided in this report should be directed to Investor Relations at *finfo@oppd.com.*

Management's Discussion and Analysis (MD&A) – This unaudited information provides an objective and easily readable analysis of OPPD's financial activities based on currently known facts, decisions or conditions. In the MD&A, financial managers present both short-term and long-term analyses of the Company's activities. The MD&A should be read in conjunction with the Financial Statements, Required Supplementary Information and related Notes. This document contains forward-looking statements based on current plans.

Statement of Net Position – This statement reports resources with service capacity (assets) and obligations to sacrifice resources (liabilities). Deferrals result from outflows and inflows of resources that have already taken place but are not recognized in the financial statements as expenses and revenues because they relate to future periods. Net Position is the residual interest in the Company. On the Statement of Net Position, the sum of assets and deferred outflows equals the sum of liabilities, deferred inflows and net position. This statement facilitates the assessment and evaluation of liquidity, financial flexibility and capital structure.

Statement of Revenues, Expenses and Changes in Net Position – All revenues and expenses are accounted for in this statement. This statement measures the activities for the year and can be used to determine whether the revenues, rates, fees and other charges are adequate to recover expenses.

Statement of Cash Flows – This statement reports all cash receipts and payments summarized by net changes in cash from operating, noncapital financing, capital and related financing, and investing activities.

Statement of Fiduciary Net Position – This statement reports the financial resources available for pensions and other postemployment benefits (OPEB).

Statement of Changes in Fiduciary Net Position – This statement reflects the additions, deductions and changes in net position restricted for pensions and OPEB.

Notes to Financial Statements (Notes) – These Notes provide additional detailed information to support the financial statements.

Required Supplementary Information and Notes to Required Supplementary Information – This information provides additional detailed disclosures as required by the Governmental Accounting Standards Board.

ORGANIZATION

OPPD is a fully integrated, publicly owned electric utility governed by an elected board of eight directors. The Company serves an estimated population of 878,000 in a 13-county, 5,000-square-mile service area in southeast Nebraska.

FINANCIAL POSITION

The following table summarizes the financial position as of December 31 (in thousands).

Condensed Statements of Net Position	2022	2021	2020
Current Assets	$ 1,212,506	$ 1,274,531	$ 828,170
Other Long-Term Assets and Special Purpose Funds	1,676,783	1,512,437	1,951,864
Electric Utility Plant	3,218,417	2,821,549	2,654,227
Total Assets	6,107,706	5,608,517	5,434,261
Deferred Outflows of Resources	226,902	282,026	216,438
Total Assets and Deferred Outflows	$ 6,334,608	$ 5,890,543	$ 5,650,699
Current Liabilities	$ 532,158	$ 410,408	$ 404,704
Long-Term Liabilities	4,072,890	3,859,296	3,623,490
Total Liabilities	4,605,048	4,269,704	4,028,194
Deferred Inflows of Resources	369,982	272,466	302,080
Net Position	1,359,578	1,348,373	1,320,425
Total Liabilities, Deferred Inflows and Net Position	$ 6,334,608	$ 5,890,543	$ 5,650,699

2022 Compared to 2021

Total Assets and Deferred Outflows

Total Assets in 2022 increased $499.2 million or 8.9% over 2021, primarily due to an increase in Electric Utility Plant from additional capital spending. There was also an increase in Other Long-Term Assets primarily due to the reestablishment of an asset for future spent fuel recoveries related to Fort Calhoun Station (FCS) decommissioning. This was partially offset by a decrease in both Other Long-Term Assets and Current Assets for the transition of the FCS decommissioning regulatory asset into a regulatory liability.

Deferred Outflows of Resources in 2022 decreased $55.1 million or 19.5% from 2021, primarily due to decreases in the pension and OPEB contributions, which was partially offset by an increase for the changes in actuarial assumptions.

Total Liabilities, Deferred Inflows and Net Position

Total Liabilities in 2022 increased $335.3 million or 7.9% over 2021, primarily due to the issuance of new Electric System Revenue Bonds and an increase in Accounts Payable due to additional capital and other operating expenditures. This was partially offset by a decrease in the Decommissioning Liability as a result of work completed and decreases in the Pension and OPEB Liabilities based on the most recent actuarial results.

Deferred Inflows of Resources in 2022 increased $97.5 million or 35.8% over 2021, primarily due to the transition of the FCS decommissioning regulatory asset into a regulatory liability, which was partially offset by decreases in the unrealized pension and OPEB gains due to lower investment returns as a result of unfavorable market conditions.

Net Position in 2022 increased $11.2 million or 0.8% over 2021 based on results of operations.

2021 Compared to 2020

Total Assets and Deferred Outflows

Total Assets in 2021 increased $174.3 million or 3.2% over 2020, primarily due to an increase in Current Assets from more Investments held as short-term, particularly from the proceeds of the 2021 bond issuance and an increase in Accounts Receivable primarily from a spent fuel cost reimbursement. There were also increases in Electric Utility Plant from additional capital spending. This was partially offset by a decrease in the Special Purpose Funds from fewer Investments held as long-term and a decrease in Other Long-Term Assets for the FCS decommissioning regulatory asset primarily as a result of additional funding and the pension and OPEB regulatory assets based on the most recent actuarial results.

Deferred Outflows of Resources in 2021 increased $65.6 million or 30.3% over 2020, primarily due to increases in the unrealized pension contributions. This was partially offset by unrealized OPEB losses.

Total Liabilities, Deferred Inflows and Net Position

Total Liabilities in 2021 increased $241.5 million or 6.0% over 2020, primarily due to the issuance of new Electric System Revenue Bonds and an increase in Commercial Paper. This was partially offset by a decrease in the Decommissioning Liability as a result of work completed and decreases in the Pension and OPEB Liabilities based on the most recent actuarial results.

Deferred Inflows of Resources in 2021 decreased $29.6 million or 9.8% from 2020, primarily due to a reduction in the Decommissioning and Benefits Reserve, which was partially offset by increases in the unrealized pension and OPEB gains.

Net Position in 2021 increased $27.9 million or 2.1% over 2020 based on results of operations.

RESULTS OF OPERATIONS

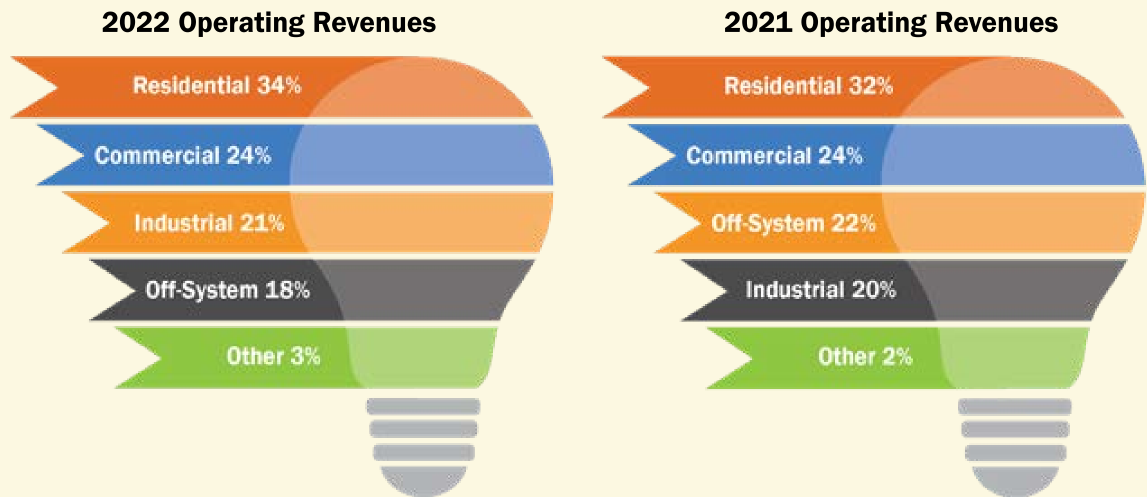
The following table summarizes the operating results for the years ended December 31 (in thousands).

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2022	2021	2020
Operating Revenues	$ 1,400,784	$ 1,496,920	$ 1,083,901
Operating Expenses	(1,309,747)	(1,421,682)	(1,002,569)
Operating Income	91,037	75,238	81,332
Other Income (Expenses)	(79,832)	(47,290)	(7,329)
Net Income	$ 11,205	$ 27,948	$ 74,003

Operating Revenues

The following charts illustrate 2022 and 2021 operating revenues by category and percentage of the total.



2022 Compared to 2021 – Total operating revenues were $1,400.8 million for 2022, a decrease of $96.1 million or 6.4% from 2021 operating revenues of $1,496.9 million.

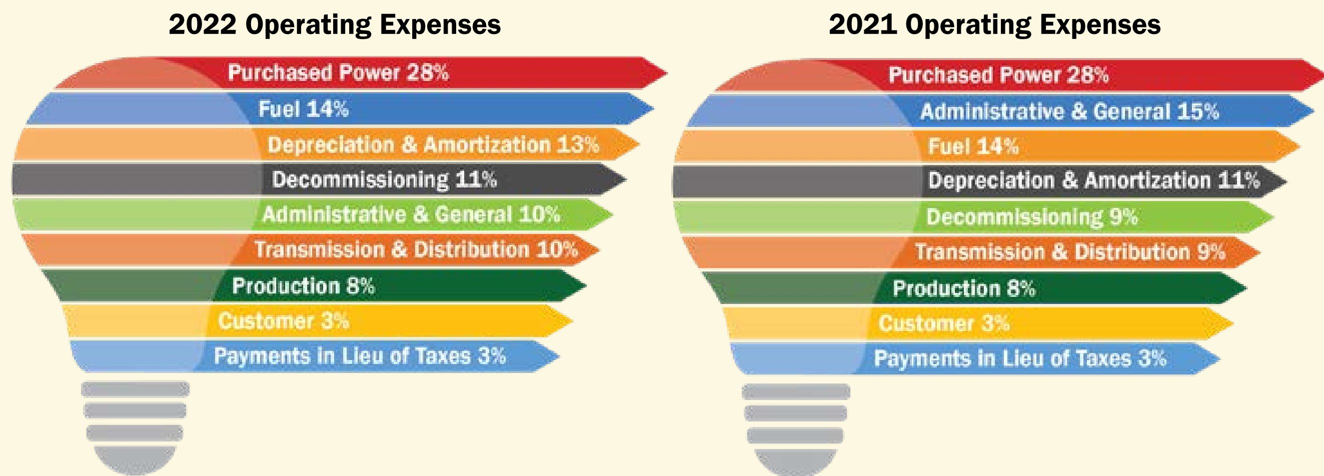
- Revenues from retail sales decreased $30.4 million or 2.7% from 2021, primarily due to a decrease in the revenue from the utilization of the Decommissioning and Benefits Reserve in 2021, which was partially offset by increased revenue across all customer classes due to higher usage.
- Revenues from off-system sales decreased $71.9 million or 21.9% from 2021, primarily due to higher revenue from the 2021 Polar Vortex weather event.
- Other Electric Revenues include connection charges, late payment charges, leases, wheeling fees and miscellaneous revenues. These revenues increased $6.2 million or 16.4% over 2021, primarily due to increases in transmission revenues.

2021 Compared to 2020 – Total operating revenues were $1,496.9 million for 2021, an increase of $413.0 million or 38.1% over 2020 operating revenues of $1,083.9 million.

- Revenues from retail sales increased $221.1 million or 24.3% over 2020, primarily due to an increase in the revenue related to Industrial customers, the Fuel and Purchased Power Adjustment (FPPA), and an increase from the utilization of $95.0 million of the Decommissioning and Benefits Reserve, which was partially offset by a contribution of $12.0 million to the Decommissioning and Benefits Reserve.
- Revenues from off-system sales increased $191.1 million or 139.2% over 2020, primarily due to increased energy prices in the marketplace, particularly during the Polar Vortex weather event in February 2021.
- Other Electric Revenues increased $0.8 million or 2.1% over 2020, primarily due to an increase in transmission revenues and late payment charges as these charges were temporarily suspended for part of 2020 to address customers' financial hardship resulting from the COVID-19 pandemic. This was partially offset by a decrease in revenue from rental income.

Operating Expenses

The following charts illustrate 2022 and 2021 operating expenses by expense classification and percentage of the total.



2022 Compared to 2021 – Total operating expenses were $1,309.7 million for 2022, a decrease of $112.0 million or 7.9% from 2021 operating expenses of $1,421.7 million.

- Fuel expense decreased $17.6 million or 8.6% from 2021, primarily due to higher fuel costs during the 2021 Polar Vortex weather event.
- Purchased Power expense decreased $44.0 million or 10.9% from 2021, primarily due to higher purchased power costs during the 2021 Polar Vortex weather event.
- Production expense decreased $5.8 million or 5.2% from 2021, primarily due to lower maintenance expenses as a result of fewer maintenance outages.
- Transmission and Distribution expense increased $5.5 million or 4.4% over 2021, primarily due to increased fees to the Southwest Power Pool (SPP).
- Customer expense increased $2.7 million or 6.6% over 2021, primarily due to increased professional service costs, customer rebates, and an increase to the uncollectible accounts accrual.
- Administrative and General expense decreased $72.0 million or 34.7% from 2021, primarily due to decreased employee benefit costs compared to the 2021 utilization of the Decommissioning and Benefits Reserve for additional pension contributions.
- Depreciation and Amortization expense increased $7.9 million or 5.0% over 2021, primarily due to an increase in electric utility plant assets.

- Decommissioning expense increased $9.4 million or 7.1% over 2021, primarily due to increased funding of the Decommissioning Trust.
- Payments in Lieu of Taxes expense increased $1.9 million or 4.9% over 2021, due to higher retail revenues in incorporated areas of the service territory.

2021 Compared to 2020 – Total operating expenses were $1,421.7 million for 2021, an increase of $419.1 million or 41.8% over 2020 operating expenses of $1,002.6 million.

- Fuel expense increased $58.9 million, or 40.6% over 2020, primarily due to an increase in fuel costs, particularly during the Polar Vortex weather event in February 2021.
- Purchased Power expense increased $214.6 million or 113.0% over 2020, primarily due to higher energy prices in the marketplace, particularly during the Polar Vortex weather event in February 2021.
- Production expense increased $22.7 million or 25.7% over 2020, primarily due to higher maintenance expenses as a result of additional scheduled maintenance outages.
- Transmission and Distribution expense increased $28.3 million or 29.1% over 2020, primarily due to increased outside services and payroll costs associated with storm events.
- Customer expense increased $3.9 million or 10.6% over 2020, primarily due to increased outside services, customer rebates, and the installation of electric vehicle charging stations.
- Administrative and General expense increased $79.1 million or 61.7% over 2020, primarily due to increased employee benefit costs from the utilization of the Decommissioning and Benefits Reserve for additional pension contributions of $95.0 million. This resulted in an increase to Administrative and General expense of approximately $72.5 million while the remaining additional pension contribution was allocated to capital and decommissioning costs.
- Depreciation and Amortization expense increased $6.0 million or 4.0% over 2020, primarily due to an increase in electric utility plant assets.
- Decommissioning expense increased $2.5 million or 1.9% over 2020, primarily due to increased funding of the Decommissioning Trust.
- Payments in Lieu of Taxes expense increased $3.1 million or 8.8% over 2020, due to higher retail revenues in incorporated areas of the service territory.

Other Income (Expenses)

2022 Compared to 2021 – Other income (expenses) totaled ($79.8) million in 2022, an increase of $32.5 million over 2021 income (expenses) of ($47.3) million.

- Interest Expense increased $16.3 million or 23.8% over 2021, primarily due to higher interest rates and higher outstanding long-term debt.
- Investment Income, including Decommissioning Funds, decreased $37.1 million or 807.9% from 2021, due to lower fair market value adjustments. OPPD typically holds investments to maturity and, therefore, will rarely realize fair market gains or losses.
- Allowances for Funds Used During Construction (AFUDC) increased $6.7 million or 68.1% over 2021, due to higher construction balances subject to AFUDC.
- Products and Services – Net increased $1.0 million or 56.7% over 2021, due to more completed projects.
- Other – Net increased $13.2 million or 92.4% over 2021, primarily due to an increase in revenue from grants from the Federal Emergency Management Agency (FEMA) related to the 2021 storm events.

2021 Compared to 2020 – Other income (expenses) totaled ($47.3) million in 2021, an increase of $40.0 million over 2020 income (expenses) of ($7.3) million.

- Interest Expense decreased $2.3 million or 3.2% from 2020, primarily due to lower interest rates.
- Investment Income, including Decommissioning Funds, decreased $48.5 million or 110.5% from 2020,

due to lower fair market value adjustments. OPPD also realized less interest income during 2021 primarily due to the historically low short-term rates.
- AFUDC increased $1.4 million or 16.8% over 2020, due to higher construction balances subject to AFUDC.
- Products and Services – Net decreased $0.7 million or 27.1% from 2020, due to fewer completed projects.
- Other – Net increased $5.5 million or 63.9% over 2020, primarily due to an increase in revenue from insurance proceeds and grants from FEMA related to the 2019 flood event.

Net Income

Net income was $11.2 million for 2022 compared to $27.9 million in 2021, primarily due to results of operations and adjustments to the Decommissioning and Benefits Reserve.

Net income was $27.9 million for 2021 compared to $74.0 million in 2020, primarily due to results of operations and adjustments to the Decommissioning and Benefits Reserve.

CAPITAL PROGRAM

The Company's electric utility plant includes production, transmission and distribution, and general plant facilities. The following table summarizes the balance of electric utility plant as of December 31 (in thousands).

	2022	2021
Electric utility plant	$ 5,546,856	$ 5,011,756
Accumulated depreciation and amortization	(2,328,439)	(2,190,207)
Total electric utility plant – net	$ 3,218,417	$ 2,821,549

Electric system requirements, including the identification of future capital investments, are reviewed annually to ensure current and future load requirements are serviced by a reliable and diverse power supply. Capital investments are financed with revenues from operations, bond proceeds, investment income and cash on hand.

The following table shows actual capital program expenditures for the last two years and budgeted expenditures for 2023 (in thousands).

	Budget	Actual	
Capital Program	2023	2022	2021
Production	$ 256,347	$ 287,260	$ 139,240
Transmission and distribution	286,871	197,344	139,475
General	96,782	66,428	34,846
Total	$ 640,000	$ 551,032	$ 313,561

Actual and budgeted expenditures for 2021 through 2023 include the following:

- Production expenditures include equipment to maintain reliability, enhance efficiency, comply with environmental regulations and maintain a safe work environment. Actual and budgeted expenditures included costs for the Power with Purpose initiative that was approved by the Board of Directors in 2019 to add new generation that will be required to maintain energy generation and capacity requirements. Power with Purpose projects accounted for the increases in this category primarily for new natural gas generation facilities.

- Transmission and distribution expenditures include various substation and transmission projects to facilitate load growth and reliability and improve substation security, as well as the Transmission Distribution Improvement Program, which focuses on cable, conductor, and pole replacements. Budgeted expenditures have increased primarily due to the expansion of our transmission and distribution infrastructure to provide reliable electric service to a growing community.

- General plant expenditures include facilities, fleet vehicles, construction equipment, technology equipment and software applications. Budgeted expenditures include telecommunications equipment and facility and technology upgrades.

Details of the Company's electric utility plant asset balances and activity are included in Note 5 in the Notes to Financial Statements.

CASH AND LIQUIDITY

Financing

Sufficient liquidity is maintained to ensure working capital is available for normal operational needs and unexpected, but predictable, risk events. OPPD's liquidity includes cash, marketable securities and lines of credit. Debt offerings also provide a significant source of liquidity for capital investments not funded by revenues from operations.

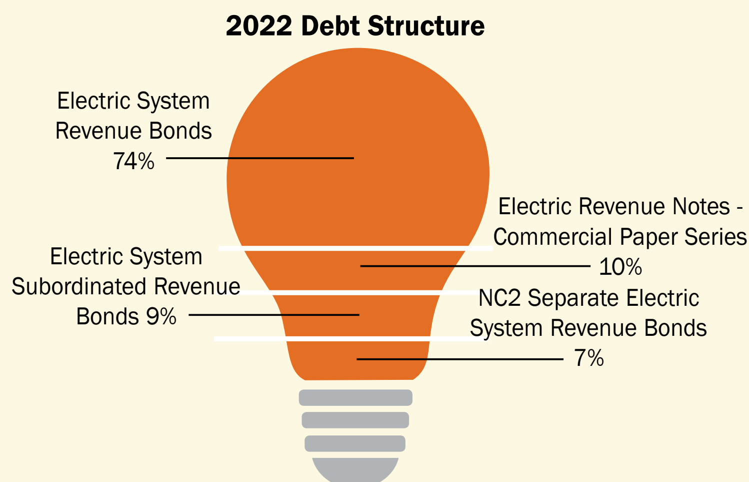
The financing plan optimizes the debt structure to ensure capital needs are financed, liquidity needs are achieved and the Company's strong financial position is maintained. The 2023 financing plan anticipates the issuance of approximately $504.0 million of new Electric System Revenue Bonds to support capital projects.

OPPD issued $351.5 million of Electric System Revenue Bonds during 2022. The proceeds were used for future and reimbursable capital expenditures. OPPD also issued $69.0 million of Electric System Revenue Bonds during 2022 to refund $75.0 million of its Commercial Paper Notes, resulting in a decrease of its outstanding Commercial Paper from $325.0 million to $250.0 million in 2022. Repayments of $9.9 million of Electric System Revenue Bonds, $2.6 million of Electric System Subordinated Revenue Bonds, and $3.8 million of Nebraska City Station Unit 2 (NC2) Separate Electric System Revenue Bonds were made in 2022.

The Company has two Credit Agreements in place. The first Credit Agreement for $250.0 million was executed on July 22, 2019, with an expiration date of January 1, 2023. OPPD extended the Credit Agreement for $250.0 million on October 31, 2022 with a new expiration date of January 1, 2026. The second Credit Agreement for $200.0 million was executed on June 1, 2021, with an expiration date of May 31, 2024. Both Credit Agreements support the Commercial Paper Program, and both Credit Agreements provide additional sources of working capital, if needed. There were no amounts outstanding under either Credit Agreement as of December 31, 2022 or 2021.

The following chart illustrates the debt structure and percentage of the total as of December 31, 2022.

2022 Debt Structure



Details of the Company's debt balances and activity are included in Note 7 in the Notes to Financial Statements.

Debt Service Coverage for Electric System Revenue Bonds

Debt service coverage for the Electric System Revenue Bonds was 3.09 times and 4.74 times in 2022 and 2021, respectively. OPPD's senior lien bond indenture provides that additional bonds may not be issued unless estimated net receipts for each future year shall equal or exceed 1.4 times the debt service on all Electric System Revenue Bonds outstanding, including the additional bonds being issued. Transactions in 2022 and

2021 for the NC2 Separate Electric System were not included in the calculation because the Electric System Revenue Bonds are not secured by the revenues from the NC2 Separate Electric System. The Company is in compliance with all debt covenants.

Debt Ratio

The debt ratio is a measure of financial solvency and represents the share of debt to total capitalization (debt and net position). This ratio does not include the NC2 Separate Electric System Revenue Bonds since this debt is secured by revenues of the NC2 Separate Electric System. The debt ratio was 64.0% and 60.7% at December 31, 2022 and 2021, respectively.

Credit Ratings

High credit ratings allow the Company to borrow funds at more favorable interest rates. Both quantitative (financial strength) and qualitative (business and operating characteristics) factors are considered by the credit rating agencies in establishing a company's credit rating. The credit ratings received from S&P Global Ratings (S&P) and Moody's Investors Service (Moody's), independent bond rating agencies for the latest bond issues, were among the highest ratings granted to electric utilities and confirm the agencies' assessment of the Company's strong ability to meet its debt service requirements. S&P and Moody's affirmed OPPD's senior lien debt and subordinated ratings, and both have stable outlooks for OPPD's credit ratings.

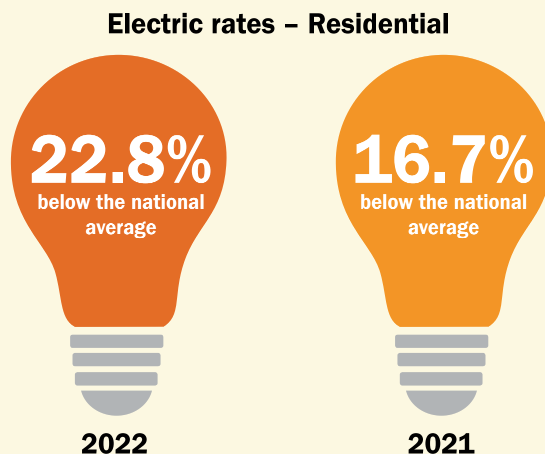
The following table summarizes credit ratings in effect on December 31, 2022.

	S&P	Moody's
Electric System Revenue Bonds	AA	Aa2
Electric System Subordinated Revenue Bonds	AA–	Aa3
Electric Revenue Notes – Commercial Paper Series	A–1+	P–1
NC2 Separate Electric System Revenue Bonds	A+	A1

COMPETITIVE AND REGULATORY ENVIRONMENT

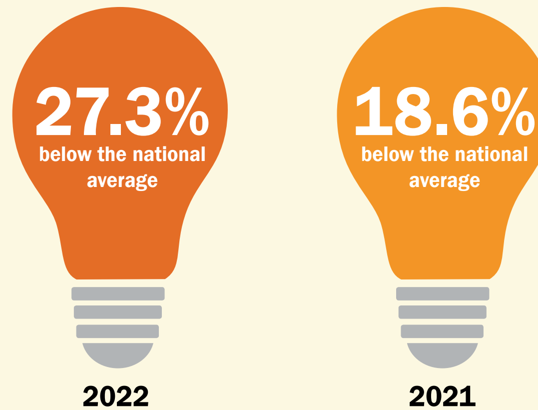
Electric Rates

Electric rates – Residential



The Company strives to manage costs to align with the mission of providing affordable, reliable and environmentally sensitive energy services to our customers. Residential customers paid an average of 11.68 and 11.38 cents per kilowatt-hour (kWh) in 2022 and 2021, respectively. The national average residential cents per kWh according to the Energy Information Administration (EIA), U.S. Department of Energy, was 15.12 for 2022 (preliminary year-to-date December 2022) and 13.66 cents per kWh for 2021. Based on the EIA data, OPPD residential rates were 22.8% and 16.7% below the national average for 2022 and 2021, respectively.

Electric rates – Retail



Retail customers paid an average of 9.08 and 9.04 cents per kWh in 2022 and 2021, respectively. The national average retail cents per kWh according to the EIA, was 12.49 for 2022 (preliminary year-to-date December 2022) and 11.10 cents per kWh for 2021. Based on the EIA data, OPPD retail rates were 27.3% and 18.6% below the national average for 2022 and 2021, respectively.

In 2022, OPPD implemented a 2.5% average general rate increase for retail customers while the FPPA factor remained unchanged. There were no general rate or FPPA factor adjustments in 2021. There was no general rate increase for 2023 but there was a 2.9% average increase due to a change in the FPPA factor that was implemented in January 2023 as a result of higher energy prices.

Energy Risk Management

OPPD participates in the wholesale marketplace with other electric utilities and power marketers. The Company must be able to offer energy at competitive prices and maintain reliability to successfully compete in this market. Energy market prices may fluctuate substantially in a short period of time due to changes in the supply and demand of electricity, fuel and environmental-related commodities. Policies provide requirements for transacting in the marketplace with the intent to mitigate and monitor market risk. A cross-functional risk committee is responsible for identifying, measuring and mitigating various risk exposures related to power marketing and fuel purchase activities.

Fuel expense represents a significant cost and affects the ability to generate and market competitively priced power. To maintain a diverse portfolio of power supply, OPPD uses various fuel types for generation. Fuel policies mitigate volumetric and price risk associated with the forecasted use of fuel for OPPD's generation.

Environmental Matters

Environmental matters can have a significant impact on operations and financial results. OPPD complies with all applicable local, state and federal environmental rules and regulations. The items mentioned below include proposed, enacted or enforceable laws, rules and regulations.

Coal Combustion Residuals (CCR) – In April 2015, the Environmental Protection Agency (EPA) promulgated technical requirements for the CCR rule that impacted landfills and surface impoundments for the safe disposal of coal combustion residuals under Subtitle D of the Resource Conservation and Recovery Act. The regulations provide design criteria, operating criteria, groundwater monitoring requirements, closure requirements, and recordkeeping and notification requirements associated with CCR landfills and surface impoundments. The regulation became effective in October 2015, and OPPD is in compliance with the requirements. The cost of compliance with the requirements of the CCR rule is expected to be minimal at this time.

Regional Haze Rule (RHR) – The RHR requires the states, in coordination with the EPA, the National Park Service, U.S. Fish and Wildlife Service (USFWS), the U.S. Forest Service, and other interested parties, to develop and implement air quality protection plans to reduce the pollution that causes visibility impairment. The first state plans for regional haze were due in December 2007. Comprehensive periodic revisions to these initial plans were due in 2021, and then in 2028 and every 10 years thereafter. In November 2022, the Nebraska

Department of Environment and Energy (NDEE) distributed the Nebraska Regional Haze State Implementation Plan (SIP) to Federal Land Managers (FLM) for formal consultation. After addressing comments from the FLM review, the draft SIP will go on 30-day public notice with a possible public meeting included as part of the public notice process. NDEE continues the process of finalizing the Nebraska Regional Haze SIP for submittal to the EPA. The cost of compliance is not expected to be material at this time.

316(b) Fish Protection Regulations (316(b)) – In May 2014, the EPA issued the final rule under Section 316(b) Rule of the Clean Water Act. The final rule went into effect in October 2014. Facilities are required to choose one of seven options to reduce fish impingement. Facilities were also required to study the effects of entrainment and develop compliance strategies. All required studies were submitted to the NDEE in June 2019 for review. In June 2020, the NDEE agreed that the risk to endangered and threatened species and cost to benefit of entrainment reduction do not outweigh the cost of implementing the proposed technologies, including fine-meshed screens. The NDEE further agreed that the existing Cooling Water Intake Structure technology is the Best Technology Available (BTA) for entrainment. In December 2020, OPPD submitted to the NDEE the BTA determination for impingement as required under the 316(b) rule. This submittal stated that OPPD intends to install and operate Coarse Mesh Modified Traveling Screens with a Fish Return at Nebraska City Station (NCS) and North Omaha Station (NOS) Units 4 and 5 intake structures. The BTA determination for entrainment and the implementation timeline for impingement is included in both the NCS and NOS renewed National Pollution Discharge Elimination System (NPDES) permits for those facilities. Following a public comment period, the renewed NPDES permit for NCS was issued with an effective date of July 1, 2022. The Company recently provided comments back to NDEE on the NOS draft NPDES permit prior to the public comment period held in December 2022. OPPD anticipates the renewed NPDES permit for NOS to be issued in the first quarter of 2023. The cost of compliance is expected to be $18.8 million for NOS and NCS combined.

Effluent Limitations Guidelines (ELG) - ELGs are national standards developed under the Clean Water Act that apply to industrial wastewater discharges. On August 31, 2020, the EPA finalized a rule revising the regulations for the Steam Electric Power Generating category of the ELGs. The 2020 rule eliminates the ability of operators to discharge Bottom Ash Transport Water. The Company plans to eliminate these discharges by installing a high efficiency recycle system no later than December 31, 2025. Although the 2020 rule was initially not applicable to NOS due to the planned cessation of coal generation at that facility, the extension of coal operations at NOS approved by the Board of Directors in August 2022 requires the Company to develop a compliance plan to meet this regulation. A compliance schedule is included in the draft NOS NPDES permit described above. The cost of compliance at NOS is expected to be $13.9 million. NCS already meets the requirements of the 2020 ELG rule.

Northern Long-Eared Bat (NLEB) - On November 30, 2022, the USFWS published a final rule to the Federal Register to change the listing status of the northern long-eared bat from threatened to an endangered species under the Endangered Species Act of 1973, as amended. Reclassification of the NLEB will have implications for development projects throughout the U.S., particularly in wind energy. The Company is evaluating the impact of this reclassification on vegetation management and forestry activities. The USFWS is currently developing guidance documents to help understand impacts. These guidance documents are expected to be finalized in early 2023.

Legislative Update

H.R. 3684, the Infrastructure Investment and Jobs Act (IIJA), was passed by Congress late in 2021. The IIJA includes provisions for significant investments in energy infrastructure, including investments in electric vehicle supply equipment, transmission and distribution systems, cybersecurity, and new energy technology. The IIJA also contains provisions to fund programs to prevent outages and increase grid resiliency, deploy innovative smart grid technology, and increase appropriations for both the Weatherization Assistance Program and the Low Income Home Energy Assistance Program to assist low-income families with their energy needs. OPPD will continue to monitor for opportunities to utilize funds made available to Nebraska from the IIJA.

H.R. 5376, the Inflation Reduction Act (IRA), was passed by Congress in August 2022. The IRA made significant updates to Federal Tax Code to allow tax exempt entities, including OPPD, to receive direct payments and

production tax credits from the Internal Revenue Service. Similar to the IIJA passed in 2021, the IRA provides significant investment in key priority areas including clean energy manufacturing, electric transmission, rural development, and energy security. Additionally, the IRA bolsters funding for programs available to our customers such as residential efficiency and electrification rebates. Federal agencies have been tasked with creating new rules and guidance for the implementation of the IRA, which is expected to continue into early 2023. OPPD will continue to monitor for opportunities to utilize programs and incentives made available to public power from the IRA.

In late December 2022, the Senate and House passed H.R. 2617, the 2023 Consolidated Appropriations Act. Included in the package is $7.8 million available from the Department of Energy (DOE) to OPPD for grid resiliency and modernization. The funding will be used to acquire reclosers, replace overhead conductors, and identify equipment that can be installed underground. OPPD will coordinate with the DOE on acquisition and implementation of this equipment early in 2023.

RESOURCE PLANNING AND GENERATION UPDATE

Southwest Power Pool Integrated Marketplace and Transmission Planning

OPPD is a transmission-owning member of SPP, and all of OPPD's transmission facilities are under the jurisdiction of the SPP Open Access Transmission Tariff. In addition to tariff administration services, SPP also provides reliability coordination services, generation reserve sharing, energy market services, balancing authority services and planning authority services.

OPPD actively participates in the SPP energy markets. The market mechanism rewards low-cost, flexible and reliable providers of electricity. OPPD is in competition with other generation owners to serve load across the SPP footprint.

As the regional transmission expansion planning authority, SPP works with its members and stakeholders to develop transmission projects needed in the footprint to meet the reliability, economic, and public policy needs. In the OPPD service territory, transmission expansion has recently been focused in the Sarpy County area and will continue to occur in Sarpy County for the next few years. This is part of a comprehensive expansion plan to reliably serve increasing electricity demand for the growing customer base in that area, along with accommodating the interconnection for OPPD's new Turtle Creek Station, which is part of OPPD's Power with Purpose generation expansion project further described in the Generation Update section below. A new high-voltage transmission line, known as the Sarpy Transmission Project (STP), and associated new interconnection high-voltage substation facilities were flagship components of the initial phase of the expansion plan and were energized in 2020. The next phases of the expansion plan began in 2021 and involve three new high-voltage transmission lines to be built in Sarpy County along with two new high-voltage substations and other area substation expansions to interconnect the three new transmission lines. This transmission expansion plan, known as the Sarpy Southwest Transmission Project (SSWTP), is an extension of the initial STP plan. It is anticipated the SSWTP will be completed in 2023 with remaining ancillary expansion being completed in 2024.

In the fall of 2022, the SPP Board issued OPPD a notice to construct a new extra high-voltage transmission line that will run from OPPD's Cass County Power Station to an OPPD Substation in Sarpy County and will be integrated into OPPD's SSWTP expansion. This new line is intended to maintain grid reliability and enhance the grid for future load growth and generation expansion. It is anticipated that this line will be completed by the end of 2026.

OPPD will fund the upfront capital costs for all of these transmission projects, however, since significant portions of these transmission projects also provide benefit to the SPP region, those portions are cost allocated to SPP members for which OPPD will receive cost reimbursement over the life of these facilities.

Generation Update

In 2019, OPPD announced the Power with Purpose initiative to add new generation that supports anticipated load growth, the retirement of NOS units 1, 2, and 3 and the conversion of NOS units 4 and 5 to natural gas. The new generation solution includes utility-scale solar of 400-600 megawatts (MW) with up to 600 MW of

modernized natural gas generation.

The sourcing for the utility scale solar generation began in November 2019. In 2021, OPPD executed its first utility-scale solar Power Purchase Agreement (PPA) for Platteview Solar, which is an 81-MW solar facility in Saunders County, Nebraska. The Platteview Solar project will begin construction in 2023 and is expected to be online by spring 2024. OPPD intends to utilize multiple solar sites in Eastern Nebraska for the remaining solar generation.

In September 2020, OPPD announced the locations and capacity of two natural gas generation facilities with onsite secondary fuel storage capability. The Standing Bear Lake Station in Douglas County is co-located with a Metropolitan Utilities District facility. This site will produce approximately 150 MW using reciprocating internal combustion engine assets. The Turtle Creek Station is located in Sarpy County. This second site will produce approximately 450 MW using two simple-cycle combustion turbine assets. The sourcing for these natural gas generation assets began in September 2020. In October 2020, the Nebraska Power Review Board unanimously approved the applications for these new natural gas generation facilities finding that they serve public convenience and necessity, are economical and feasible, and are without unnecessary duplication of facilities. Major equipment contracts were executed in May and June of 2021. In September 2021, OPPD selected Zachry Group as the engineer, procure, and construct vendor for both Standing Bear Lake and Turtle Creek Stations and their associated onsite substations. Preliminary grading commenced at both sites in the fall of 2021 and was completed in mid-2022. Zachry Group mobilized to both new generation sites mid-2022 and final grading and construction activities began. Construction is in progress with expected completion of both new natural gas generation sites, including the supporting substations, in 2024.

In August 2022, the Board of Directors approved a resolution to extend NOS operations thus delaying the retirement of NOS Units 1, 2, and 3 and the refueling of Units 4 and 5 from coal to natural gas until both Turtle Creek and Standing Bear Lake Stations are able to generate electricity, have executed the required generation interconnection and transmission service agreements along with fulfilling the conditions and obligations set forth in those agreements and are able to operate in an unconditional, fully accredited capability. This decision was made in order to maintain compliance with applicable federal reliability standards and regional transmission tariff requirements and assure the continued reliability and resiliency of the OPPD electric system.

Renewable Capability including Purchased Power Contracts

Renewable portfolio standards are currently mandated in several states, but not in Nebraska. In 2019, the Company established a goal to conduct all of its operations in a manner that strives for net zero carbon production by 2050. OPPD completed its directional Pathways to Decarbonization Strategic Initiative in 2022, studying pathways to meet the 2050 goal and providing a foundation for resource planning into the future. OPPD’s renewable generation resources includes a mix of wind, solar, hydro, and methane gas. As of December 31, 2022, the Company had 1,062.8 MW of renewable generation capacity primarily through purchase power agreements.

Fort Calhoun Station Decommissioning

In 2016, the OPPD Board of Directors approved a recommendation by management to cease operations at FCS. The station ceased operations on October 24, 2016 and began the decommissioning process. FCS is being decommissioned using the DECON process, which provides for the immediate decontamination and dismantling of the nuclear systems and structures. OPPD contracted with EnergySolutions LLC (ES) to provide technical support during the completion of the DECON process. OPPD retains the license and management responsibility for the facility, while benefitting from the advisory services provided by ES.

Progress was made on the key activities underway in 2022, including the segmentation of the reactor vessel internals, the demolition of buildings containing radioactive systems, and the shipment of associated materials for disposal. The key focus for 2023 will shift to segmentation of the reactor vessel.

Omaha Public Power District
Statements of Net Position

as of December 31, 2022 and 2021

ASSETS	2022 (thousands)	2021
CURRENT ASSETS		
Cash and cash equivalents	**$ 5,704**	$ 37,424
Investments	**764,799**	654,565
Investments – separate electric system	**37,290**	36,899
Accounts receivable – net	**163,059**	193,402
Fossil fuels – at average cost	**31,680**	33,735
Materials and supplies – at average cost	**121,201**	100,626
Regulatory asset – FCS decommissioning	**-**	138,923
Regulatory assets – other	**21,757**	15,428
Other	**67,016**	63,529
Total current assets	**1,212,506**	1,274,531
SPECIAL PURPOSE FUNDS – at fair value		
Investments – net of current	**66,621**	58,173
Segregated funds	**166,523**	127,092
Decommissioning funds	**534,901**	519,701
Total special purpose funds	**768,045**	704,966
ELECTRIC UTILITY PLANT – at cost		
Electric utility plant	**5,546,856**	5,011,756
Less accumulated depreciation and amortization	**2,328,439**	2,190,207
Total electric utility plant – net	**3,218,417**	2,821,549
OTHER LONG-TERM ASSETS		
Regulatory assets – pension	**334,201**	347,539
Regulatory assets – other postemployment benefits	**192,908**	211,600
Regulatory asset – FCS decommissioning – net of current	**-**	92,530
Regulatory assets – other	**96,302**	91,427
Other	**285,327**	64,375
Total other long-term assets	**908,738**	807,471
TOTAL ASSETS	**6,107,706**	5,608,517
DEFERRED OUTFLOWS OF RESOURCES		
Unrealized pension contributions and losses	**141,269**	182,067
Unrealized OPEB contributions and losses	**23,565**	31,598
Unamortized loss on refunded debt	**52,711**	55,860
Other	**9,357**	12,501
Total deferred outflows of resources	**226,902**	282,026
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$6,334,608**	$5,890,543

See notes to financial statements

Omaha Public Power District
Statements of Net Position
as of December 31, 2022 and 2021

LIABILITIES	2022	2021
	(thousands)	
CURRENT LIABILITIES		
Current maturities of long-term debt	**$ 47,860**	$ 12,425
Current maturities of long-term debt – separate electric system	**4,000**	3,815
Accounts payable and other current liabilities	**323,055**	235,263
Accrued interest payable	**44,226**	34,317
Decommissioning	**113,017**	124,588
Total current liabilities	**532,158**	410,408
LIABILITIES PAYABLE FROM SEGREGATED FUNDS	**107,508**	70,960
LONG-TERM DEBT		
Long-term debt – net of current	**2,364,685**	2,066,980
Long-term debt – net of current – separate electric system	**193,680**	197,680
Unamortized premiums	**233,804**	220,928
Total long-term debt – net	**2,792,169**	2,485,588
OTHER LIABILITIES		
Decommissioning – net of current	**534,515**	629,574
Pension liability	**431,123**	451,145
Net OPEB liability	**153,387**	173,668
Other	**54,188**	48,361
Total other liabilities	**1,173,213**	1,302,748
TOTAL LIABILITIES	**4,605,048**	4,269,704
DEFERRED INFLOWS OF RESOURCES		
Regulatory liability – FCS decommissioning	**131,004**	-
Rate stabilization reserve	**50,000**	50,000
Decommissioning and benefits reserve	**38,000**	32,000
Unrealized pension gains	**43,274**	77,199
Unrealized OPEB gains	**62,810**	69,255
Leases	**41,336**	40,302
Other	**3,558**	3,710
Total deferred inflows of resources	**369,982**	272,466
NET POSITION		
Net investment in capital assets	**478,791**	430,403
Restricted	**162,283**	206,890
Unrestricted	**718,504**	711,080
Total net position	**1,359,578**	1,348,373
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$6,334,608**	$5,890,543

See notes to financial statements

Omaha Public Power District
Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended December 31, 2022 and 2021

	2022	2021
	(thousands)	
OPERATING REVENUES		
Retail	**$ 1,100,507**	$1,130,907
Off-system	**256,478**	328,376
Other electric	**43,799**	37,637
Total operating revenues	**1,400,784**	1,496,920
OPERATING EXPENSES		
Operations and maintenance		
Fuel	**186,359**	203,944
Purchased power	**360,420**	404,426
Production	**105,534**	111,332
Transmission and distribution	**130,856**	125,305
Customer	**43,887**	41,175
Administrative and general	**135,402**	207,410
Total operations and maintenance	**962,458**	1,093,592
Depreciation and amortization	**164,909**	156,992
Decommissioning	**141,918**	132,543
Payments in lieu of taxes	**40,462**	38,555
Total operating expenses	**1,309,747**	1,421,682
OPERATING INCOME	**91,037**	75,238
OTHER INCOME (EXPENSES)		
Interest expense	**(84,832)**	(68,537)
Contributions in aid of construction	**21,046**	19,056
Reduction of plant costs recovered through contributions in aid of construction	**(21,046)**	(19,056)
Decommissioning funds – investment loss	**(44,607)**	(4,629)
Investment income	**2,925**	38
Allowances for funds used during construction	**16,427**	9,772
Products and services – net	**2,868**	1,830
Other – net	**27,387**	14,236
Total other income (expenses) – net	**(79,832)**	(47,290)
NET INCOME	**11,205**	27,948
NET POSITION, BEGINNING OF YEAR	**1,348,373**	1,320,425
NET POSITION, END OF YEAR	**$ 1,359,578**	$1,348,373

See notes to financial statements

Omaha Public Power District
Statements of Cash Flows

for the Years Ended December 31, 2022 and 2021

	2022	2021
	(thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from retail customers	**$ 1,118,907**	$ 1,064,313
Receipts from collection of sales tax	**55,541**	52,721
Receipts from off-system counterparties	**126,341**	179,769
Receipts from other sources	**82,954**	4,759
Payments for sales tax	**(55,190)**	(52,536)
Payments to operations and maintenance suppliers	**(595,806)**	(710,654)
Payments to off-system counterparties	**(208,868)**	(244,353)
Payments to employees	**(146,994)**	(146,280)
Payments for in lieu of taxes and other taxes	**(38,605)**	(35,507)
Net cash provided from operating activities	**338,280**	112,232
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from federal and state agencies	**15,012**	487
Net cash provided from noncapital financing activities	**15,012**	487
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from debt issuances	**375,334**	514,349
Principal reduction of debt	**(16,240)**	(83,968)
Interest paid on debt	**(89,237)**	(90,225)
Acquisition and construction of capital assets	**(489,705)**	(326,354)
Contributions in aid of construction and other reimbursements	**28,348**	16,159
Net cash provided from (used for) capital and related financing activities	**(191,500)**	29,961
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	**(3,665,265)**	(2,033,494)
Maturities and sales of investments	**3,526,167**	1,876,026
Purchases of investments for decommissioning funds	**(557,167)**	(451,721)
Maturities and sales of investments in decommissioning funds	**486,211**	457,896
Investment income	**16,542**	19,880
Net cash used for investing activities	**(193,512)**	(131,413)
CHANGE IN CASH AND CASH EQUIVALENTS	**(31,720)**	11,267
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**37,424**	26,157
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 5,704**	$ 37,424

See notes to financial statements

Omaha Public Power District
Statements of Cash Flows

for the Years Ended December 31, 2022 and 2021

The following table provides a reconciliation of the statements of cash flows from operating activities to operating income as of December 31.

	2022	2021
	(thousands)	
Operating income	**$ 91,037**	$ 75,238
Adjustments to reconcile operating income to net cash provided from operating activities:		
Depreciation and amortization	**150,074**	142,057
Changes in assets and liabilities:		
Accounts receivable	**35,203**	(64,879)
Fossil fuels	**2,055**	942
Materials and supplies	**(20,575)**	(11,840)
Accounts payable	**23,431**	8,429
Accrued payments in lieu of taxes and other taxes	**1,857**	3,048
Accrued payroll	**2,983**	2,984
Special deposits (SPP and others)	**(1,185)**	(4,854)
Regulatory assets	**143,793**	2,142
Regulatory liabilities	**137,004**	(83,000)
Other	**(227,397)**	41,965
Net cash provided from operating activities	**$ 338,280**	$ 112,232

The following table summarizes the supplemental disclosure of noncash capital, financing and investing activities as of December 31.

	2022	2021
	(thousands)	
NONCASH CAPITAL, FINANCING AND INVESTING ACTIVITIES		
Bond proceeds transferred directly to irrevocable trust to defease outstanding debt	**$ 75,000**	$ 65,079
Electric utility plant additions from outstanding liabilities	**77,525**	39,348
Net amortization of debt-related expenses and premiums	**14,696**	12,210
Allowances for funds used during construction	**16,427**	9,772
Changes in fair value of investments	**(60,693)**	(22,725)

See notes to financial statements

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Omaha Public Power District
Statements of Fiduciary Net Position
as of December 31, 2022 and 2021

	2022	2021
ASSETS	*(thousands)*	
Investments, at fair value	**$ 1,259,912**	$ 1,505,566
Receivables		
Accrued interest and dividend receivables	**1,049**	564
Receivable from broker	**336**	521
Other receivables	**783**	668
Total receivables	**2,168**	1,753
TOTAL ASSETS	**1,262,080**	1,507,319
LIABILITIES		
Payables		
Accrued management fees and administrative expenses	**510**	637
Payable to broker	**20,633**	12,287
Other liabilities	**339**	230
TOTAL LIABILITIES	**21,482**	13,154
NET POSITION RESTRICTED FOR PENSIONS AND OPEB	**$ 1,240,598**	$ 1,494,165

See notes to financial statements

Omaha Public Power District
Statements of Changes in Fiduciary Net Position

for the Years Ended December 31, 2022 and 2021

	2022	2021
ADDITIONS	*(thousands)*	
Contributions		
Employer	**$ 69,351**	$ 165,900
Employee	**17,573**	15,645
Total contributions	**86,924**	181,545
Investment income		
Interest and dividend income	**17,230**	15,457
Net appreciation/(depreciation) in fair value of investments	**(220,085)**	82,207
Total investment income/(loss)	**(202,855)**	97,664
Less: Investment expenses	**(6,736)**	(8,000)
Net investment income/(loss)	**(209,591)**	89,664
Total additions/(deductions)	**(122,667)**	271,209
DEDUCTIONS		
Benefits paid to participants	**110,604**	105,821
Healthcare and life insurance benefits (net of member premiums)	**19,970**	19,231
Administrative and other expenses	**326**	279
Total deductions	**130,900**	125,331
NET CHANGE	**(253,567)**	145,878
NET POSITION RESTRICTED FOR PENSIONS AND OPEB		
Beginning of year	**1,494,165**	1,348,287
End of year	**$1,240,598**	$ 1,494,165

See notes to financial statements

Notes to Financial Statements

as of and for the Years Ended December 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business – The Omaha Public Power District (OPPD or Company), a political subdivision of the state of Nebraska, is a public utility engaged in the generation, transmission and distribution of electric power and energy and other related activities. The Board of Directors is authorized to establish rates. OPPD is generally not liable for federal and state income or ad valorem taxes on property; however, payments in lieu of taxes are made to various local governments.

Reporting Entity – These financial statements present OPPD and its component units. The following component units are presented as fiduciary funds of OPPD: the Retirement Plan and the Other Postemployment Benefit Plans. OPPD's Board of Directors performs the duties of a governing board for each of these defined benefit plans, and OPPD has a financial burden to make contributions to each plan. Detailed financial statements and note disclosures for these fiduciary funds can be found in separately issued financial reports. These financial reports can be obtained by contacting Investor Relations at *finfo@oppd.com* or by visiting *oppd.com*. Additional information on these plans can also be found in Note 8.

OPPD has one component unit that is wholly-owned, funded and governed by OPPD. The component unit is used to purchase land for future use, which will eventually be transferred to OPPD. Although the component unit is legally separate from OPPD, it is blended into and reported as part of OPPD because of the nature and extent of its operational and financial relationship with OPPD. The only asset of the component unit is land of $5.0 million as of December 31, 2022 and 2021, which is reported on OPPD's financial statements with Electric Utility Plant. The land was transferred to OPPD in early 2023.

Basis of Accounting – The financial statements are presented in accordance with generally accepted accounting principles (GAAP) for proprietary funds of governmental entities. Accounting records are maintained generally in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) and all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

OPPD applies the accounting policies established in the GASB Codification Section Re10, *Regulated Operations*. This guidance permits an entity with cost-based rates to include costs in a period other than the period in which the costs would be charged to expense by an unregulated entity if it is probable that these costs will be recovered through rates charged to customers. This guidance also permits an entity to defer revenues by recognizing liabilities to cover future expenditures. The guidance applies to OPPD because the rates of the Company's regulated operations are established and approved by the governing board.

If, as a result of changes in regulation or competition, the ability to recover these assets and to satisfy these liabilities would not be assured, OPPD would be required to write off or write down such regulatory assets and liabilities unless some form of transition cost-recovery continues through established rates. In addition, any impairment to the carrying costs of deregulated plant and inventory assets would be determined. The Board of Directors approved the write-off of the Fuel and Purchased Power Adjustment (FPPA) under-recoveries of $27.7 million and $188.7 million for the years ended December 31, 2022 and 2021, respectively (Note 9). There were no other write-downs of regulatory assets for the years ended December 31, 2022 and 2021.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues and Expenses – Revenues and expenses related to providing energy services in connection with the Company's principal ongoing operations are classified as operating. All other revenues and expenses are classified as non-operating and reported as other income (expenses) on the Statements of Revenues, Expenses and Changes in Net Position.

Revenue Recognition – Electric operating revenues are recognized as earned. Meters are read and bills are rendered on a cycle basis. Revenues earned after meters are read are estimated and accrued as unbilled revenues at the end of each accounting period.

Cash and Cash Equivalents – The operating fund account is called the Electric System Revenue Fund (Note 2). Highly liquid investments for the Electric System Revenue Fund with an original maturity of three months or less are considered cash equivalents.

Investments – Investments are reported at fair value. Realized and unrealized gains and losses for all investments are included in Investment Income on the Statements of Revenues, Expenses and Changes in Net Position.

Hedging and Other Derivative Instruments – OPPD is exposed to market price fluctuations on its sales and purchases of energy. The Company may enter into energy financial futures contracts to buy or sell energy in order to manage the risk of volatility in the market price of anticipated energy transactions. The Company does not enter into derivative instruments for speculative purposes. Fair value is estimated by comparing contract prices to forward market prices quoted by independent third-party pricing services. In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53) and GASB Statement No. 99, *Omnibus 2022* (GASB 99), outstanding derivatives are evaluated and classified as either hedging derivative instruments (effective) or other derivative instruments (ineffective), with the accumulated change in fair market value recognized as deferred inflows/outflows of resources on the Statements of Net Position or other income/expense on the Statements of Revenues, Expenses and Changes in Net Position, respectively (Note 4).

Accounts Receivable – Accounts Receivable includes outstanding amounts from customers and an estimate for unbilled revenues. An estimate is made for the Reserve for Uncollectible Accounts for retail customers based on an analysis of Accounts Receivable, economic conditions affecting customers and historical write-offs net of recoveries. Additional amounts may be included based on the credit risks of significant parties. Accounts Receivable includes $63.3 million and $52.7 million in unbilled revenues as of December 31, 2022 and 2021, respectively. Accounts Receivable was reported net of the Reserve for Uncollectible Accounts of $2.4 million and $2.2 million as of December 31, 2022 and 2021, respectively.

Materials and Supplies – The Company maintains inventories that are valued at average cost. Fort Calhoun Station (FCS) materials and supplies are valued at the lower of cost or fair value.

Electric Utility Plant – Electric utility plant is stated at cost, which includes property additions, replacements of property units and betterments. Maintenance and replacement of minor items are charged to operating expenses. Costs of depreciable units of electric utility plant retirements are eliminated from electric utility plant accounts by charges, less salvage plus removal expenses, to the accumulated depreciation account. Electric utility plant includes both tangible and intangible assets. Intangible assets include costs related to regulatory licenses, software licenses and other rights to use property (Note 5).

Long-lived assets, such as property, plant and equipment, are periodically reviewed for impairment or whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When the magnitude of the decline in service utility is significant and not part of the asset's normal life cycle, the asset is considered impaired. There were no impairments to utility plant for the years ended December 31, 2022 and 2021.

Leases – Leases are contracts that convey control of the right to use another entity's nonfinancial asset as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. The lease term is the period of time where there is a noncancellable right to use the underlying asset (Note 5).

For lessor contracts, lease receivables and deferred inflows of resources are reported at present value using

OPPD's incremental borrowing rate unless otherwise noted in the contract terms. Lease receivables are reported in Accounts Receivable – Net for the current portion and Other Long-term Assets – Other for the long-term portion on the Statements of Net Position. The amortization of the discount for lessor contracts is recorded as interest receivable in Current Assets - Other on the Statements of Net Position with the offset to interest income in Other – Net on the Statements of Revenues, Expenses and Changes in Net Position.

For lessee contracts, lease assets and liabilities are reported at present value using OPPD's incremental borrowing rate unless otherwise noted in the contract terms. Lease assets are reported in Electric Utility Plant and lease liabilities are reported in Accounts Payable and Other Current Liabilities for the current portion and Other Liabilities – Other for the long-term portion on the Statements of Net Position. The amortization of the discount for lessee contracts is reported as Accrued Interest Payable on the Statements of Net Position with the offset to Interest Expense on the Statements of Revenues, Expenses and Changes in Net Position.

Subscription Based Information Technology Arrangements (SBITA) – SBITAs are contracts that convey the control of the right to use software, alone or in combination with tangible assets, as specified in a contract for the subscription term in an exchange or exchange-like transaction. The subscription term is the period of time that OPPD has a noncancellable right to use the underlying asset (Note 5). SBITA assets and liabilities are reported at present value using OPPD's incremental borrowing rate unless otherwise noted in the contract terms. SBITA assets are reported in Electric Utility Plant, and SBITA liabilities are reported in Accounts Payable and Other Current Liabilities for the current portion and Other Liabilities – Other for the long-term portion on the Statements of Net Position. The amortization of the discount is recorded as Accrued Interest Payable on the Statements of Net Position with the offset to Interest Expense on the Statements of Revenues, Expenses and Changes in Net Position.

Contributions in Aid of Construction (CIAC) – Payments are received from customers for construction costs, primarily relating to the expansion of the electric system. CIAC primarily includes payments for transmission, distribution and generating station assets. FERC guidelines are followed in recording CIAC. These guidelines direct the reduction of electric utility plant assets by the amount of contributions received toward the construction of electric utility plant. CIAC is recorded as other income and offset by an expense in the same amount representing the recovery of plant costs. This allows for compliance with GASB Codification Section N50, *Nonexchange Transactions*, while continuing to follow FERC guidelines.

Depreciation and Amortization – Depreciation for assets is computed on the straight-line basis at rates based on the estimated useful lives of the various classes of tangible property. Intangible assets are amortized over their expected useful life. Leased assets are amortized over the term of the contract. SBITA assets are amortized over the subscription term of the related contract. Depreciation expense for depreciable property averaged approximately 4.3% and 4.2% for the years ended December 31, 2022 and 2021, respectively. Depreciation is generally calculated using the following estimated lives:

- Generation — 40 to 70 years
- Transmission and Distribution — 15 to 75 years
- General — 6 to 25 years

The FCS recovery costs incurred in 2012 and 2013 were deferred as a regulatory asset based on Board of Directors approval. These recovery costs continue to be amortized (and collected through retail rates) through 2023 as these costs benefit current and future ratepayers. This amortization was $14.8 million for both of the years ended December 31, 2022 and 2021.

Asset Retirement Obligations (AROs) – AROs represent the best estimate of the current value of cash outlays expected to be incurred for legally enforceable retirement obligations of tangible capital assets, which is offset with a deferred outflow of resources. The cost is amortized over the asset's useful life, reducing the deferred outflow and increasing the depreciation and amortization expense. AROs are reported in current year dollars as Deferred Outflows – Other and Other Liabilities – Other on the Statements of Net Position (Note 6).

Nuclear Decommissioning – Based on the decommissioning plan established in 1983, the Board of Directors approved the collection of nuclear decommissioning costs using an independent engineering study of the costs to decommission FCS. The Company established a Decommissioning Funding Plan for FCS in 1990 in compliance with Nuclear Regulatory Commission (NRC) regulations. Its purpose is to accumulate funds to decommission the radiated portions of FCS as defined by the NRC. OPPD is no longer required to calculate a minimum funding amount. OPPD's annual financial submittal to the NRC must show that the Company has adequate funds to meet its decommissioning cost estimate. The Company established a Supplemental Decommissioning Funding Plan for FCS in 1992 to accumulate funds to fully decommission FCS. This includes funds for additional costs beyond the previously calculated NRC minimum that are needed to decommission the radiated plant, the fuel facility and the non-radiated plant. Decommissioning trust funds are reported at fair value.

The decommissioning liability is the estimated current cost to decommission the plant for the NRC-required obligations, which is based upon a third-party, site-specific cost study (Note 11). The decommissioning cost liability, which includes a current and long-term portion on the Statements of Net Position, is adjusted annually for inflation and any significant changes in the cost estimate.

The Board of Directors authorized the use of regulatory accounting to match decommissioning expense to the amount funded from both retail rates and realized decommissioning trust fund investment income.

Nuclear Fuel Disposal Costs – Permanent disposal of spent nuclear fuel is the responsibility of the federal government under an agreement entered into with the Department of Energy (DOE). The agreement required the federal government to begin accepting high-level nuclear waste by January 1998; however, the DOE does not have a storage facility. In May 1998, the United States Court of Appeals confirmed the DOE's statutory obligation to accept spent fuel by 1998, but rejected the request that a move-fuel order be issued. In March 2001, OPPD, along with a number of other utilities, filed suit against the DOE in the United States Court of Federal Claims, alleging breach of contract. In 2006, the DOE agreed to reimburse OPPD for allowable costs for managing and storing spent nuclear fuel and high-level waste incurred due to the DOE's delay in accepting waste. Applications are submitted periodically to the DOE for reimbursement of costs incurred for the storage of high-level nuclear waste. Spent fuel management costs are recorded as Other Long-Term Assets – Other on the Statements of Net Position, as incurred (Note 11).

Compensated Absences – OPPD accrues vacation leave when employees earn the benefit. OPPD does not accrue a liability for sick leave since there is no cash payment made for sick leave when an employee terminates or retires.

Pension – Information about the fiduciary net position of the OPPD Retirement Plan and changes to the fiduciary net position have been determined on the same basis as they are reported for purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. Benefit payments are recognized when distributed in accordance with the benefit terms. Investments are reported at fair value (Note 8).

Other Postemployment Benefits (OPEB) – Information about the fiduciary net position of the OPPD OPEB Plans and changes to the fiduciary net positions have been determined on the same basis as they are reported for purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense. Benefit payments are recognized when distributed in accordance with the benefit terms. Investments are reported at fair value (Note 8).

Regulatory Assets and Liabilities – Rates for regulated operations are established and approved by the Board of Directors. The provisions of GASB Codification Section Re10, *Regulated Operations*, are applied. This guidance provides that regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer rates over some future period. Regulatory liabilities are reductions in earnings (or costs recovered) to cover future expenditures (Note 9).

Ash Landfills – There is no current or proposed GASB statement providing accounting treatment for closure and postclosure care costs of ash landfills. The Company applies GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (GASB 18), as analogous authoritative literature since the accounting treatment for this situation is not specified in authoritative GAAP.

Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting ash, OPPD reports a portion of these closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used as of each period end. The remaining amount to be amortized over the remaining capacity of the landfills is reported as a Deferred Outflow - Other. The landfill closure and postclosure care liability represents the estimated liability to perform the required closure and postclosure care at the related landfills based on the regulatory requirements. The ash landfill liability is reported in current year dollars in Current Liabilities – Accounts Payable and Other Current Liabilities and Other Liabilities – Other on the Statements of Net Position. Actual closure and postclosure care costs may be higher or lower than the estimated amounts due to inflation, changes in technology, or changes in regulations (Note 6).

Net Position – Net position is reported in three separate components on the Statements of Net Position. Net Investment in Capital Assets is the net position share attributable to net electric utility plant assets reduced by outstanding related debt. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in this component of net position. Restricted is the share of net position that has usage restraints imposed by law or by debt covenants, such as certain revenue bond funds and segregated funds, net of related liabilities and deferred inflows of resources related to those assets. Unrestricted is the share of net position that is neither restricted nor invested in capital assets.

Comparative Data – Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year presentation. These reclassifications had no effect on net income or net position.

Recent Accounting Pronouncements, adopted – GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. The objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics, but only a few pertain to OPPD. First, this statement clarifies that derivative instruments that do not meet the definition of an investment derivative instrument or the definition of a hedging derivative instrument are considered other derivative instruments. This guidance is effective for years beginning after June 15, 2023 (Note 4). Secondly, this statement clarifies the components of lease or SBITA contracts, including the term, recognition and measurement issues, and incentives. This guidance is effective for years beginning after June 15, 2022 (Note 5). The remaining topics do not impact OPPD at this time. OPPD elected to early adopt the applicable topics of this statement in 2022. This statement had no impact on OPPD's financial position, results of operations or cash flows.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, in June 2022. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement is effective for years beginning after June 15, 2023. OPPD elected to early adopt this statement in 2022. This statement had no impact on OPPD's financial position, results of operations or cash flows.

Recent Accounting Pronouncements, not yet adopted – GASB issued Statement No. 101, *Compensated Absences*, in June 2022, effective for reporting periods beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The impact to OPPD's financial statements is being evaluated.

2. FUNDS AND INVESTMENTS

Funds and investments of OPPD were as follows:

	2022	2021
	(thousands)	
CURRENT ASSETS		
Investments		
Electric system revenue fund	**$ 112,084**	$ 65,384
Electric system revenue bond fund	**100,106**	63,730
Electric system subordinated revenue bond fund	**6,325**	6,399
Electric system construction fund	**546,284**	519,052
Total investments	**764,799**	654,565
Investments – separate electric system		
NC2 separate electric system revenue fund	**17,136**	16,741
NC2 separate electric system revenue bond fund	**17,442**	17,473
NC2 separate electric system capital costs fund	**2,712**	2,685
Total investments – separate electric system	**37,290**	36,899
SPECIAL PURPOSE FUNDS		
Investments		
Electric system revenue fund – net of current	**3,864**	14,890
Electric system revenue bond fund – net of current	**62,757**	43,283
Total investments	**66,621**	58,173
Segregated funds		
Segregated fund – rate stabilization	**50,000**	50,000
Segregated fund – other	**116,523**	77,092
Total segregated funds	**166,523**	127,092
Decommissioning funds		
Decommissioning trust – 1990 plan	**154,387**	265,007
Decommissioning trust – 1992 plan	**380,514**	254,694
Total decommissioning funds	**534,901**	519,701
Total funds and investments	**$ 1,570,134**	$ 1,396,430

The above table includes interest receivables for the Decommissioning Trusts of $1.2 million and $1.0 million for December 31, 2022 and 2021, respectively.

Electric System Revenue Fund and Nebraska City Station Unit 2 (NC2) Separate Electric System Revenue Fund – These funds are used for operating activities for their respective electric system. Cash and cash equivalents in the Electric System Revenue Fund are shown separately from Investments on the Statements of Net Position.

Electric System Revenue Bond Fund, Electric System Subordinated Revenue Bond Fund and NC2 Separate Electric System Revenue Bond Fund – These funds are used for the retirement of their respective revenue bonds and the payment of the related interest and reserves as required. Investments with maturity dates within the next year are designated as current.

Electric System Construction Fund and NC2 Separate Electric System Capital Costs Fund – These funds are used for capital improvements, additions and betterments to and extensions of their respective electric system.

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Segregated Fund – Rate Stabilization – This fund is used to help stabilize rates through the transfer of funds to operations as necessary. Since there is no funding requirement for the Rate Stabilization Reserve, this fund also may be used to provide additional liquidity for operations as necessary.

Segregated Fund – Other – This fund represents assets held for payment of customer deposits, refundable advances, OPPD's self-insured health insurance plans (Note 8), and certain other liabilities.

The following table summarizes the balances of the Segregated Fund - Other as of December 31 (in thousands).

	2022	2021
Customer deposits and advances	$ 104,461	$ 66,136
Self-insurance	6,085	6,005
Other	5,977	4,951
Total	$ 116,523	$ 77,092

Decommissioning Trust Funds – These funds are used for the costs to decommission FCS. The Decommissioning Trust Funds are held by an outside trustee in compliance with the decommissioning funding plans approved by the Board of Directors.

Fair Value of Investments – Fair values in most cases are externally provided by the trustees that manage the funds. The trustees frequently utilize third-party pricing services to assist in their valuations (Note 3). The fair value of investments was as follows as of December 31 (in thousands).

	2022		2021	
Investment Type	**Fair Value**	**Weighted Average Maturity (Years)**	**Fair Value**	**Weighted Average Maturity (Years)**
Money market funds	$ 74,376	-	$ 251,842	-
U.S. government securities	990,003	1.1	650,446	0.8
Mutual funds	238,295	-	251,113	-
Commercial paper	40,866	0.7	44,945	0.5
Corporate bonds and other debentures	225,400	1.1	197,062	1.5
Total	$ 1,568,940		$ 1,395,408	
Portfolio weighted average maturity		0.8		0.6

The above table excludes interest receivables related to the Decommissioning Trusts of $1.2 million and $1.0 million for December 31, 2022 and 2021, respectively.

Interest Rate Risk – The investments in relatively short-term securities reduce interest rate risk, as evidenced by its portfolio weighted average maturity of 0.8 and 0.6 years as of December 31, 2022 and 2021, respectively. In addition, OPPD is generally a buy-and-hold investor, which further reduces interest rate risk.

Credit Risk – OPPD's investment policy complies with bond covenants and state statutes for governmental entities, which limit investments to investment-grade fixed income obligations. The Company was in full compliance with bond covenants and state statutes as of December 31, 2022 and 2021.

At December 31, 2022 and 2021, the Company's investments in money market funds were rated Aaa-mf and AAAm by Moody's Investors Service (Moody's) and S&P Global Ratings (S&P), respectively. At December 31, 2022 and 2021, the U.S. government securities were rated Aaa and AA+ by Moody's and S&P, respectively. The mutual fund investments are not rated. The commercial paper investments were rated P-1 and A-1+ at December 31, 2022 and P-1 and A-1 at December 31, 2021 by Moody's and S&P, respectively.

The following tables summarize the ratings on the Company's investments in corporate bonds and other debentures as of December 31 (in thousands).

	Moody's		
	2022	2021	
	Amount	Amount	Rating
	$ 169,986	$ 130,031	Aaa
	14,541	2,507	Aa1
	9,848	3,467	Aa2
	23,755	26,343	Aa3
	4,998	25,110	A1
	2,272	9,604	A2
Total	$ 225,400	$ 197,062	

	S&P		
	2022	2021	
	Amount	Amount	Rating
	$ 165,542	$ 118,298	AAA
	24,215	13,139	AA+
	2,458	2,507	AA
	25,915	27,156	AA-
	4,998	25,110	A+
	2,272	9,604	A
	-	1,248	N/A
Total	$ 225,400	$ 197,062	

Custodial Credit Risk – Bank deposits were entirely insured or collateralized with securities held by OPPD or by its agent in OPPD's name at December 31, 2022 and 2021. All investment securities are delivered under contractual trust agreements.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Company's investment with a single issuer. OPPD did not have any investments greater than five percent from a single issuer as of December 31, 2022 and 2021.

3. FAIR VALUE MEASUREMENTS

OPPD accounts for fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which defines fair value, establishes methods for measuring fair value by applying one of three observable valuation approaches (market approach, income approach and cost approach) and establishes required disclosures about fair measurements.

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

GASB 72 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities and the lowest priority to unobservable inputs. Financial assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement. The three levels of fair value hierarchy defined in GASB 72 are as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs are other than quoted market prices in the active markets included in Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

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- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Pricing inputs include significant inputs that are unobservable and cannot be corroborated by market data. Level 3 assets and liabilities are valued based on internally developed models and assumptions or methodologies using significant unobservable inputs.

The fair value of investments in most cases is externally provided by the trustees that manage the funds. The trustees frequently utilize third-party pricing services to assist in their valuations.

The following tables summarize, in accordance with the fair value hierarchy, the Company's assets and liabilities that are accounted for and reported at fair value on a recurring basis by level as of December 31 (in thousands):

		2022		
Investment Type	**Total**	**Level 1**	**Level 2**	**Level 3**
Mutual funds	$ 122,700	$ 122,700	$ -	$ -
Money market funds	74,376	74,376	-	-
U.S. government securities	990,003	-	990,003	-
Corporate bonds and other debentures	225,400	-	225,400	-
Commercial paper	40,866	-	40,866	-
Total fair value measurement by level	**1,453,345**	**$ 197,076**	**$1,256,269**	**$ -**
Investments measured at net asset value (NAV)				
Mutual funds	115,595			
Total investments measured at fair value	**$ 1,568,940**			
Derivative instruments				
Hedging derivatives – futures contracts – liability	$ 513	$ -	$ 513	$ -
Total derivative instruments measured at fair value	**$ 513**	**$ -**	**$ 513**	**$ -**

		2021		
Investment Type	**Total**	**Level 1**	**Level 2**	**Level 3**
Mutual funds	$ 133,162	$ 133,162	$ -	$ -
Money market funds	251,842	251,842	-	-
U.S. government securities	650,446	-	650,446	-
Corporate bonds and other debentures	197,062	-	197,062	-
Commercial paper	44,945	-	44,945	-
Total fair value measurement by level	**1,277,457**	**$ 385,004**	**$ 892,453**	**$ -**
Investments measured at NAV				
Mutual funds	117,951			
Total investments measured at fair value	**$1,395,408**			

There were no outstanding derivative instruments as of December 31, 2021.

VALUATION METHODOLOGIES

Mutual Funds Measured at Fair Value: Mutual funds are priced using active market exchanges, and sources include Interactive Data Pricing and Reference Data LLC. The fair values of shares in mutual funds are based on inputs that are quoted prices in active markets for identical assets and; therefore, have been categorized as Level 1 assets.

Money Market Funds: The fair value of shares in money market funds is valued with a NAV of $1, which approximates fair value. They are priced on inputs obtained from Bloomberg, a pricing service whose prices are obtained from direct feeds from exchanges that are either directly or indirectly observable. Money Market Funds are included as Level 1 assets.

U.S. Government Securities: The fair value of U.S. government securities is derived from quoted prices on similar assets in active or non-active markets, from other observable inputs such as interest rates, yield curves, or credit spreads, and inputs that are derived from or corroborated by observable market data. U.S. treasury and other federal agency securities are included as Level 2 assets.

Corporate Bonds and Other Debentures: For fixed-income securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validation in addition to checks for unusual daily movements. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. Corporate bonds are included as Level 2 assets.

Commercial Paper: The fair value of commercial paper is priced according to recent transactions, as the carrying value of the commercial paper approximated its fair value due to the short maturity. Commercial Paper is included as a Level 2 asset.

Hedging and Other Derivative Instruments: Energy financial futures contracts uses the market approach based on monthly quoted prices from an independent external pricing service using market quotes. The market is not active to the point where identical contracts are available on a regular basis. These derivative instruments are included as Level 2 assets.

Investments Measured at NAV – The following tables summarize the fair value measurement of investments calculated at NAV per share (or its equivalent) as of December 31 (in thousands).

2022

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	$ 114,996	none	daily	N/A
Mutual funds	599	none	daily	1 day
Total investments measured at NAV	**$115,595**			

2021

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	$ 117,462	none	daily	N/A
Mutual funds	489	none	daily	1 day
Total investments measured at NAV	**$ 117,951**			

Mutual Funds Measured at NAV: These mutual funds invest in fixed income securities including treasuries, agencies, corporate debt, mortgage-backed securities and some non-U.S. debt. The fair value of these investments has been determined using the NAV per share (or its equivalent) of the investment.

4. DERIVATIVES AND FINANCIAL INSTRUMENTS

Energy Futures Contracts – OPPD enters into financial futures contracts to hedge the volatility of the market price risk of electricity for anticipated off-system sales revenue or purchased power expense transactions. These transactions must comply with the risk management policy in place to control the volume of energy that can be hedged and the length of the contracts. The Company does not enter into derivative instruments for speculative purposes.

OPPD entered into energy financial future contracts with the Intercontinental Exchange (ICE) to hedge the expected cash flows associated with purchases and sales of energy due to market price volatility. By entering into these arrangements, OPPD will receive and make payments based on market prices without actually entering into the related commodity transactions. In accordance with GASB 53 and GASB 99, outstanding derivatives are evaluated and classified as either hedging derivative instruments, or cash flow hedges (effective), or other derivative instruments (ineffective), with the accumulated change in fair market value recognized as deferred inflows/outflows of resources on the Statements of Net Position or other income/expense on the Statements of Revenues, Expenses and Changes in Net Position, respectively. The fair value and deferred cash flows, if any, for these contracts are determined by comparing the contract price to the forward market prices quoted by an independent external pricing service.

Realized gains or losses from hedging derivative instruments are recognized as either off-system sales revenue or purchased power expense on the Statements of Revenues, Expenses and Changes in Net Position in the month the contract expires. Gains or losses from other derivative instruments are recognized immediately as other income/expense. All derivative contracts are cash settled in the month subsequent to the period in which the contract expires.

The following table summarizes the outstanding contracts and related volumes as of December 31, 2022.

	Effective Date	Maturity Date	Notional Amount
Energy futures contract	Aug. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Aug. 2022	Aug. 2023	9,200 MWh
Energy futures contract	Oct. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Oct. 2022	Aug. 2023	9,200 MWh
Energy futures contract	Nov. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Nov. 2022	Aug. 2023	9,200 MWh
Total MWh hedged			**51,600** MWh

The following table summarizes the fair value, changes in fair value and notional amounts of energy financial future contracts, classified by type, outstanding as of December 31, 2022.

	Changes in Fair Value		Fair Value at December 31, 2022		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Hedging derivative intruments:					
Commodity futures	Deferred outflow – other	$513,000	Accounts payable and other current liabilities	$513,000	51,600 MWh

There were no outstanding derivative instruments as of December 31, 2021.

As a result of engaging in hedging activities, OPPD is subject to the following key risks:

- **Basis Risk** – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. OPPD is exposed to this risk due to a difference in commodity value between different generating sites and delivery points or between cash market prices and the pricing points used in the SPP financial market.
- **Credit Risk** – Credit risk is the risk that results when counterparties or the clearing agent are unable or unwilling to fulfill their obligations. OPPD addresses this risk with the counterparties by executing these contracts using an independent clearing agent, which requires collateral and will spread any unfilled obligations across all participants utilizing their services. The risk of default by the clearing agent is mitigated by their membership in the commodities clearing house, which requires collateral and guaranty funds by each clearing agent to be used to offset any socialized unfilled obligations between member clearing agents.

Auction Revenue Rights (ARRs) – ARRs are financial instruments that entitle the owner to a share of the revenues generated in the applicable Transmission Congestion Rights (TCR) auctions. ARRs are allocated during annual and/or incremental monthly auctions and have the option of being converted into a TCR. OPPD is entitled to these financial payments as a substitute for firm (physical) transmission service. ARRs are accounted for at cost as they are not readily convertible to cash and therefore do not meet the definition of a derivative. The balance of ARRs, reported in Current Liabilities – Accounts Payable and Other Current Liabilities, was $18.5 million and $8.3 million as of December 31, 2022, and 2021, respectively, on the Statements of Net Position.

Transmission Congestion Rights – TCRs are financial instruments that entitle the holder to an offset to congestion charges on the transmission grid that take place in the day-ahead market. The Company utilizes TCRs to hedge against congestion differentials between OPPD generators and OPPD load in the SPP Integrated Marketplace.

TCRs qualify for the normal purchases and sales exception under GASB guidance and are reported on a cost basis on the Statements of Net Position. The total notional amount of TCRs outstanding as of December 31, 2022 and 2021, was 5,739,745 MWh and 4,800,398 MWh, respectively. The balance of TCRs reported in Current Assets - Other was $11.9 million and $2.3 million as of December 31, 2022 and 2021, respectively.

5. ELECTRIC UTILITY PLANT

The following table summarizes electric utility plant balances as of December 31, 2021, activity for 2022 and balances as of December 31, 2022 (in thousands).

	2021	Increases	Decreases	2022
Nondepreciable electric utility plant:				
Land and improvements	$ 42,466	$ 1,034	$ (356)	$ 43,144
Construction work in progress	287,706	552,378	(140,622)	699,462
Electric utility plant held for future use	2,413	-	-	2,413
Total nondepreciable electric utility plant	332,585	553,412	(140,978)	745,019
Depreciable electric utility plant:				
Generation	2,020,506	19,341	(10,125)	2,029,722
Transmission and distribution	2,386,622	93,218	(6,073)	2,473,767
General plant	220,847	6,629	(13,168)	214,308
Intangible plant	40,795	12,520	(2,436)	50,879
Leases	154	10,923	-	11,077
SBITA	10,247	12,557	(720)	22,084
Total depreciable electric utility plant	4,679,171	155,188	(32,522)	4,801,837
Less accumulated depreciation and amortization	(2,190,207)	(155,490)	17,258	(2,328,439)
Depreciable electric utility plant, net	2,488,964	(302)	(15,264)	2,473,398
Net electric utility plant	$ 2,821,549	$ 553,110	$ (156,242)	$ 3,218,417

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The following table summarizes electric utility plant balances as of December 31, 2020, activity for 2021 and balances as of December 31, 2021 (in thousands).

	2020	Increases	Decreases	2021
Nondepreciable electric utility plant:				
Land and improvements	$ 42,032	$ 450	$ (16)	$ 42,466
Construction work in progress	122,239	314,993	(149,526)	287,706
Electric utility plant held for future use	2,413	-	-	2,413
Total nondepreciable electric utility plant	166,684	315,443	(149,542)	332,585
Depreciable electric utility plant:				
Generation	1,981,565	40,088	(1,147)	2,020,506
Transmission and distribution	2,307,603	103,208	(24,189)	2,386,622
General plant	220,919	7,653	(7,725)	220,847
Intangible plant	42,213	6,097	(7,515)	40,795
Leases	154	-	-	154
SBITA	7,664	2,583	-	10,247
Total depreciable electric utility plant	4,560,118	159,629	(40,576)	4,679,171
Less accumulated depreciation and amortization	(2,072,575)	(148,516)	30,884	(2,190,207)
Depreciable electric utility plant, net	2,487,543	11,113	(9,692)	2,488,964
Net electric utility plant	$ 2,654,227	$326,556	$(159,234)	$ 2,821,549

OPPD engages in lease contracts, either as the lessor or the lessee, in the normal course of doing business.

Lessor – OPPD leases land, pole space and other assets to third parties. The leases have contract terms that expire between 2025 and 2053. Several leases have an option to extend the lease term after completion of the contracted term. The lease receivable balance as of December 31, 2022 was $44.6 million, of which $1.6 million is current and $43.0 million is long-term on the Statements of Net Position. The lease receivable balance as of December 31, 2021 was $42.4 million, of which $1.4 million is current and $41.0 million is long-term on the Statements of Net Position. OPPD recognized revenue of $2.5 million and $2.4 million for the years ended December 31, 2022 and 2021, respectively, which is reported as Other Electric Revenues on the Statements of Revenues, Expenses and Changes in Net Position. There were no variable lease payments received in 2022 or 2021.

Lessee – OPPD leases antenna tower space and office space from third parties. Those contracts terminate in 2027 and 2028, respectively. OPPD reported lease assets totaling $11.1 million and $0.2 million as of December 31, 2022 and 2021, respectively. The associated accumulated amortization was $1.6 million and $42.0 thousand as of December 31, 2022 and 2021, respectively, which was included in Electric Utility Plant and Accumulated Depreciation and Amortization on the Statements of Net Position. There were no payments recorded in the current period that were not included in the measurement of the lease liability and no lease impairments as of December 31, 2022 and 2021.

The following table summarizes the lease principal and interest payments as of December 31, 2022 (in thousands).

	Principal	Interest	Total
2023	$ 1,702	$ 299	$ 2,001
2024	1,874	211	2,085
2025	1,988	158	2,146
2026	2,108	102	2,210
2027	2,216	42	2,258
2028	576	1	577
Total	$10,464	$ 813	$11,277

SBITA – OPPD reported SBITA assets totaling $22.1 million and $10.2 million as of December 31, 2022 and 2021, respectively. The associated accumulated amortization was $9.2 million and $4.8 million as of December 31, 2022 and 2021, respectively, which is included in Electric Utility Plant and Accumulated Depreciation and Amortization on the Statements of Net Position. OPPD has SBITAs for software-related assets with contract terms that expire between 2023 and 2027, when including applicable extensions. There were no payments recorded in the current period that were not included in the measurement of the SBITA liability and no SBITA impairments as of December 31, 2022 and 2021.

The following table summarizes the SBITA principal and interest payments as of December 31, 2022 (in thousands).

	Principal	Interest	Total
2023	$ 2,191	$ 123	$ 2,314
2024	1,618	70	1,688
2025	566	29	595
2026	560	13	573
Total	$ 4,935	$ 235	$ 5,170

6. ENVIRONMENTAL AND REGULATORY OBLIGATIONS

The following table summarizes the total balance as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands) for the Environmental and Regulatory Obligations included in Other Liabilities – Other and Current Liabilities – Accounts Payable and Other Current Liabilities:

	2021	Increases	Decreases	2022	Amounts due within one year
Ash landfill	$ 19,023	$ 335	$ (2,055)	$ 17,303	$ 3,330
Asset retirement obligation	4,331	38	-	4,369	-
Total	$ 23,354	$ 373	$ (2,055)	$ 21,672	$ 3,330

The following table summarizes the total balance as of December 31, 2020, activity for 2021, balances as of December 31, 2021, and the amounts due within one year (in thousands) for the Environmental and Regulatory Obligations included in Other Liabilities – Other and Current Liabilities – Accounts Payable and Other Current Liabilities:

	2020	Increases	Decreases	2021	Amounts due within one year
Ash landfill	$ 19,026	$ 467	$ (470)	$ 19,023	$ 87
Asset retirement obligation	4,171	160	-	4,331	-
Total	$ 23,197	$ 627	$ (470)	$ 23,354	$ 87

Ash Landfills – OPPD operates ash landfills at the North Omaha Station (NOS) and the Nebraska City Station (NCS) locations. State and federal laws and regulations require OPPD to place a final cover on its landfills at the NOS and NCS locations when they no longer receive ash and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Closure and postclosure care financial assurance information is provided to the Nebraska Department of Environment and Energy (NDEE) on an annual basis as required by law. OPPD is not required to restrict any funds for closure and postclosure care costs. At December 31, 2022, the total ash landfill liability in current-year dollars was $17.3 million and recorded as $3.3 million in Current

Liabilities – Accounts Payable and Other Current Liabilities and $14.0 million in Other Liabilities – Other on the Statements of Net Position. At December 31, 2021, the total ash landfill liability in current-year dollars was $19.0 million and recorded as $0.1 million in Current Liabilities – Accounts Payable and Other Current Liabilities and $18.9 million in Other Liabilities – Other on the Statements of Net Position.

The following table summarizes the current estimated landfill closure date and the percentage of capacity used for each landfill as of December 31. Actual closure dates may be earlier or later than estimated.

Location	Estimated landfill closure date	Estimated percentage of capacity as of December 31, 2022	Estimated percentage of capacity as of December 31, 2021
NOS	2023	99%	62%
NCS unit 1	Closed	100%	100%
NCS unit 2 cell 1	Closed	100%	100%
NCS cells 2 & 3	2028	33%	27%

Asset Retirement Obligations – OPPD has several AROs related to certain generation, transmission, distribution and general building facilities. There are no legally required funding provisions, assurance provisions or restricted assets related to these items unless otherwise stated below.

Underground Fuel Storage Tanks – OPPD has underground fuel tanks housing fuel for vehicles at various locations. The Company is required by the NDEE to decommission the underground fuel storage tanks, consistent with its regulations. There is not adequate information to be able to estimate the costs to decommission the storage tanks; however, OPPD has provided guarantees and financial assurance to the NDEE in the amount of $1.0 million associated with the storage tanks. The remaining lives of the storage tanks cannot be reasonably estimated and therefore the deferred outflow will not be amortized.

Nebraska City Station Sanitary Lagoons (NCS Lagoons) – OPPD uses sanitary lagoons as an integral part of the sewer system at NCS, supporting NCS Unit 1 (NC1) and NC2. When the use of the sanitary lagoons is discontinued, the Company is required by the NDEE to close the system, consistent with its regulations. The estimated remaining useful life as of December 31, 2022 is 47 years and is based on the estimated remaining useful life of NC2, as this unit is expected to have a longer life than NC1. The estimated initial liability was determined by environmental subject matter experts. The liability is evaluated annually for the effects of general inflation and potential changes in relevant factors used in the initial calculation.

Elk City Station – OPPD owns equipment at this landfill site. The contract for the site states that OPPD is responsible for the costs to remove, dispose or restore the property to a similar condition in which the property was in prior to the contract commencing. The contract was initiated in 2005 and is a 20 year agreement with an automatic five year extension unless either party opts to not pursue the extension. OPPD personnel do not expect to opt out of the automatic extension and have no reason to believe the other party will opt out. Based on these contract terms, the estimated remaining useful life as of December 31, 2022 is 8 years. The estimated initial liability was determined by engineering subject matter experts. The liability is evaluated annually for the effects of general inflation and potential changes in relevant factors used in the initial calculation.

Easements – OPPD has identified potential retirement obligations related to certain generation, transmission and distribution facilities. OPPD's non-perpetual land rights are renewed continuously because OPPD intends to utilize these facilities indefinitely. Since the timing and extent of any potential asset retirements are unknown, the value of any obligations associated with these facilities cannot be reasonably estimated. Accordingly, a liability has not been recorded.

The following table summarizes the ARO Liability recorded as Other Liabilities – Other on the Statements of Net Position as of December 31, 2022 and 2021 (in thousands):

	2022	2021
NCS lagoons	$ 2,870	$ 2,864
Underground fuel storage tanks	1,000	1,000
Elk City Station	499	467
Total	$ 4,369	$ 4,331

7. DEBT

The proceeds of debt issued are utilized primarily to finance the construction program. The following table summarizes the debt balances as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands).

	2021	Additions	Retirements	2022	Amounts due within one year
Electric system revenue bonds	$ 1,524,630	$ 420,565	$ (9,875)	$ 1,935,320	$ 45,305
Electric system subordinated revenue bonds	229,775	-	(2,550)	227,225	2,555
Electric revenue notes – commercial paper series	325,000	-	(75,000)	250,000	-
NC2 separate electric system revenue bonds	201,495	-	(3,815)	197,680	4,000
Total	**$ 2,280,900**	**$ 420,565**	**$ (91,240)**	**$ 2,610,225**	**$ 51,860**

The following table summarizes the debt balances as of December 31, 2020, activity for 2021, balances as of December 31, 2021, and the amounts due within one year (in thousands).

	2020	Additions	Retirements	2021	Amounts due within one year
Electric system revenue bonds	$ 1,208,640	$438,935	$(122,945)	$ 1,524,630	$ 9,875
Electric system subordinated revenue bonds	229,775	-	-	229,775	2,550
Electric revenue notes – commercial paper series	250,000	75,000	-	325,000	-
Minibonds	31,737	607	(32,344)	-	-
NC2 separate electric system revenue bonds	205,150	-	(3,655)	201,495	3,815
Total	**$ 1,925,302**	**$514,542**	**$(158,944)**	**$ 2,280,900**	**$ 16,240**

Electric System Revenue Bonds – These bonds are payable from and secured by a pledge of and lien upon the revenues of the Electric System, subject to the prior payment therefrom of the operations and maintenance expenses of the Electric System. The Electric System Revenue Bonds are Senior Bonds.

Electric System Subordinated Revenue Bonds – These bonds are payable from and secured by a pledge of revenues of the Electric System, subject to the prior payment of the operations and maintenance expenses of the Electric System and the prior payment of the Electric System Revenue Bonds.

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Electric Revenue Notes - Commercial Paper Series – The Commercial Paper Notes mature at various dates, but not more than 270 days after the date of issuance. The average borrowing rate was 1.23% and 0.12% for the years ended December 31, 2022 and 2021, respectively. An OPPD Board of Directors' Resolution includes a covenant to retain drawing capacity under its Credit Agreements at least equal to the issued and outstanding amount of Commercial Paper Notes. Commercial Paper is classified as long-term debt due to the existence of these Credit Agreements, and OPPD's intent and ability to refinance Commercial Paper on a long-term basis.

Minibonds – Minibonds consisted of current interest-bearing and capital appreciation Minibonds. All Minibonds matured and were paid in full on October 1, 2021.

NC2 Separate Electric System Revenue Bonds – These bonds are payable from and secured by a pledge of and lien upon the revenues of the NC2 Separate Electric System, subject to the prior payment therefrom of the operations and maintenance expenses of the NC2 Separate Electric System. The general revenues of OPPD's electric system are not pledged for the payment of these bonds. Participation Power Agreements were executed with seven public power and municipal utilities for half of the output of NC2. The participants' rights to receive, and obligations to pay costs related to, half of the output is the "Separate System."

Credit Agreements – OPPD has two Credit Agreements. The first credit agreement is with the Bank of America, N.A. It originally was executed on July 22, 2019 for $250.0 million and was scheduled to expire on January 1, 2023. OPPD extended the Credit Agreement with Bank of America, N.A. for $250.0 million on October 31, 2022, with a new expiration date of January 1, 2026. The second Credit Agreement is with Well Fargo Bank, N.A., for $200.0 million which was executed on June 1, 2021, and will expire on May 31, 2024. There were no amounts outstanding under either Credit Agreement as of December 31, 2022 and 2021 leaving an unused amount of $450.0 million.

Lien Structure – In the event of a default, subject to the terms and conditions of debt covenants, OPPD is required to satisfy all Electric System Revenue Bond obligations before paying second-tier bonds and notes, which are Electric System Subordinated Revenue Bonds, and Electric Revenue Notes – Commercial Paper Series.

Bond Restrictions – OPPD's bond indenture for the Electric System Revenue Bonds, amended effective February 6, 2015, provides for certain restrictions. The most significant of these is that additional bonds may not be issued unless estimated net receipts (as defined) for each future year equal or exceed 1.4 times the debt service on all Electric System Revenue Bonds outstanding, including the additional bonds being issued or to be issued in the case of a power plant (as defined) being financed in increments. The Electric System is required to be maintained by the Company in good condition. The Company is in compliance with all debt covenants.

The following tables summarize the outstanding Electric System Revenue Bonds, Electric System Subordinated Revenue Bonds, and NC2 Separate Electric System Revenue Bonds as of December 31, 2022 and 2021 (in thousands) and interest rates as of December 31, 2022.

Electric System Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2022	2021
2010 Series A	2041	5.431%	$ 119,390	$ 120,000
2015 Series A	2045	2.85% - 5.0%	90,775	93,005
2015 Series B	2039	2.0% - 5.0%	84,890	91,925
2015 Series C	2043	3.5% - 5.0%	94,145	94,145
2016 Series A	2039	3.0% - 5.0%	183,340	183,340
2017 Series A	2042	4.0% - 5.0%	220,195	220,195
2018 Series A	2039	3.25% - 5.0%	145,330	145,330
2019 Series A	2034	3.0% - 5.0%	137,755	137,755
2021 Series A	2051	3.0% - 5.0%	381,580	381,580
2021 Series B	2046	4.0% - 5.0%	57,355	57,355
2022 Series A	2052	4.0% - 5.25%	351,540	-
2022 Series B	2035	5.0%	69,025	-
Total			$ 1,935,320	$ 1,524,630

Electric System Subordinated Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2022	2021
2014 Series AA	2036	4.0% - 5.0%	$ 118,830	$ 121,380
2014 Series CC	2038	4.0%	108,395	108,395
Total			$ 227,225	$ 229,775

NC2 Separate Electric System Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2022	2021
2015 Series A	2046	3.25% - 5.25%	$ 99,755	$ 102,305
2016 Series A	2049	3.25% - 5.0%	97,925	99,190
Total			$ 197,680	$ 201,495

The following table summarizes the bond payments as of December 31, 2022 for the Electric System Revenue Bonds, Electric System Subordinated Revenue Bonds, and NC2 Separate Electric System Revenue Bonds (in thousands).

	Electric System Revenue Bonds and Subordinated Revenue Bonds		NC2 Separate Electric System Revenue Bonds	
	Principal	**Interest**	**Principal**	**Interest**
2023	$ 47,860	$ 95,046	$ 4,000	$ 9,674
2024	48,455	96,252	4,200	9,469
2025	52,150	93,718	4,415	9,253
2026	54,735	91,053	4,630	9,027
2027	57,470	88,353	4,860	8,790
2028 - 2032	340,645	394,717	28,200	40,005
2033 - 2037	429,020	305,189	35,310	32,769
2038 - 2042	440,870	203,306	40,670	23,321
2043 - 2047	420,775	106,663	49,595	12,050
2048 - 2052	270,565	33,102	21,800	1,045
Total	$2,162,545	$1,507,399	$ 197,680	$155,403

Debt Issuances – OPPD issued $351.5 million of 2022 Series A Electric System Revenue Bonds during 2022 and $381.6 million of 2021 Series A Electric System Revenue Bonds during 2021. The bond proceeds were used for future and reimbursable capital expenditures. OPPD increased its outstanding Commercial Paper from $250.0 million to $325.0 million in 2021. The proceeds of $75.0 million were used to reimburse capital expenditures.

Debt Payments – Repayments of $9.9 million of Electric System Revenue Bonds, $2.6 million of Electric System Subordinated Revenue Bonds, and $3.8 million of NC2 Separate Electric System Revenue Bonds were made in 2022. Repayments of $50.4 million of Electric System Revenue Bonds, $3.7 million of NC2 Separate Electric System Revenue Bonds, and $32.3 million of Minibonds were made in 2021. All Minibonds matured and were paid in full on October 1, 2021. There were no repayments on Electric System Subordinated Revenue Bonds in 2021.

Debt Refunding – OPPD issued $69.0 million of 2022 Series B Electric System Revenue Bonds during 2022 to refund $75.0 million of its Commercial Paper Notes resulting in a decrease of its outstanding Commercial Paper from $325.0 million to $250.0 million.

OPPD issued $57.4 million of 2021 Series B Electric System Revenue Bonds during 2021 for the purpose of fully refunding the remaining $64.4 million of the 2012 Series B Electric System Revenue Bonds. The refunding reduced the total debt service payments over the life of the bonds by $12.0 million and resulted in an economic gain (difference between the present value of the old and new debt service payments) of $7.8 million.

Debt Defeasances – OPPD had no new defeasances during 2022. OPPD defeased all future maturities of the 2011 Series A and 2011 Series C Electric System Revenue Bonds totaling $8.2 million on February 1, 2021 utilizing existing resources.

Electric System Revenue Bonds from the 2015 Series B issue, with the aggregate outstanding principal of $46.0 million as of December 31, 2022, were legally defeased. Electric System Revenue Bonds from the following series, with the aggregate outstanding principal of $513.1 million as of December 31, 2021, were legally defeased: 2012 Series A, 2012 Series B and 2015 Series B. Defeased bonds are funded by government securities in irrevocable escrow accounts. Accordingly, the bonds and the related government securities escrow accounts are not included on the Statements of Net Position. As of December 31, 2022 and 2021, OPPD had no outstanding defeased Electric System Subordinated Revenue Bonds or NC2 Separate Electric System Revenue Bonds.

8. BENEFIT PLANS FOR EMPLOYEES AND RETIREES

RETIREMENT PLAN AND SUPPLEMENTAL RETIREMENT PLAN

Plan Descriptions and Benefits Provided – The Omaha Public Power District Retirement Plan (Retirement Plan) is a single-employer, defined benefit plan, which provides retirement and death benefits to Plan members and their beneficiaries. The Retirement Plan covers all full-time employees as they are not covered by Social Security. The Retirement Plan was established and may be amended at the direction of OPPD's Board of Directors and is administered by the Company. Ad-hoc cost-of-living adjustments may be provided to retirees and beneficiaries at the discretion of the Board of Directors.

Generally, employees at the normal retirement age of 65 are entitled to annual pension benefits equal to 2.25% of their average compensation (as defined by the Plan document) times years of credited service (as defined by the Plan document) under the Traditional provision (as defined by the Plan document). Employees have the option to retire before the age of 65 if they meet eligibility requirements based on age and years of service. The Retirement Plan was amended as of January 1, 2008 to add a Cash Balance provision (as defined by the Plan document). Under the Cash Balance provision, members can receive the total vested value of their Cash Balance Account at separation from employment with OPPD. Effective January 1, 2013, all new employees are only eligible for the Cash Balance provision.

The Non-Qualified Plan is a single-employer, non-qualified defined benefit pension plan. The purpose of this plan is to allow certain current and former employees to retain the benefits to which they would have been entitled under the Retirement Plan, except for federally mandated limits. The benefits are derived from the Retirement Plan formula noted herein less amounts paid from the qualified Retirement Plan. The assets of this plan are held in an irrevocable trust but are not legally protected from creditors. Accordingly, the trust does not meet the criteria for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68). Typically, annuities are purchased in the participant's name at the time of retirement. The Non-Qualified Plan was established and may be amended at the direction of OPPD's Board of Directors and is administered by the Company. The Non-Qualified Plan was amended as of January 1, 2018 to address the compensation limits in Internal Revenue Code 401(a)(17).

The following table summarizes the employees covered by the benefit terms of the Retirement Plan as of January 1, the actuarial valuation date and measurement date.

	2022	2021
Retirees and beneficiaries receiving benefits	2,316	2,296
Terminated Retirement Plan members entitled to, but not receiving, benefits	504	527
Active Retirement Plan members*	1,808	1,788
Total	4,628	4,611

** There were 734 and 659 members with the Cash Balance provision at January 1, 2022 and 2021, respectively.*

The following table summarizes the employees covered by the benefit terms of the Non-Qualified Plan as of January 1.

	2022	2021
Terminated Non-Qualified Plan members entitled to, but not receiving benefits	1	-
Active Non-Qualified Plan members	5	6
Total	6	6

Contributions – Employees contributed 9.0% and 8.3% of their covered payroll to the Retirement Plan for the years ended December 31, 2022 and 2021, respectively. The contribution rate for employees will remain at 9.0% going forward. Employee contributions are immediately 100% vested. An employee's deferred retirement allowance is 100% vested after five years of continuous service (as defined by the Plan document). The Company is obligated to contribute the balance of the funds needed on an actuarially determined basis and has met this funding requirement. The employer contribution was $55.8 million and $151.5 million for the years ended December 31, 2022 and 2021, respectively. The employer contribution for the year ended December 31, 2021 included $95.0 million from the utilization of the Decommissioning and Benefits Reserve.

Employees do not contribute to the Non-Qualified Plan. The Company contributes the funds needed on an actuarially determined basis and has met this funding requirement. The employer contribution was $0.2 million and $3.3 million for the years ended December 31, 2022 and 2021, respectively. According to GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73), assets accumulated for non-qualified pension plan benefit payments are reported in OPPD's financial statements.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total pension liabilities in the January 1, 2022 and 2021 actuarial valuation were determined using the following actuarial assumptions applied to all periods included in the measurement.

The total pension liabilities must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB 68 and 73. Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee's career as a level percentage of pay. The actuarial value of the Retirement Plan assets was determined using a method which smooths the effect of short-term volatility in the market value of investments over five years. Ad-hoc cost-of-living adjustments are provided to retirees and beneficiaries of both plans at the discretion of the Board of Directors and are amortized in the year for which the increase is authorized. Except for the liability associated with cost-of-living adjustments, if any, the unfunded actuarial accrued liability was amortized on a level basis (closed group) over 20 years. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for 2022 and the PUB-2010 General table projected using Scale MP-2019 with generational projection for 2021.

The other actuarial assumptions for the valuations of both plans as of January 1, 2022 and 2021, were as follows:

- The average rate of compensation increase varies by age.
- There were no ad-hoc cost-of-living adjustments.
- The average rate of inflation was 2.5%.
- The investment rate of return for the Retirement Plan was 6.5% for 2022 and 7.0% for 2021, net of pension plan investment expenses, including inflation.

The other actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total pension liability for the Retirement Plan was 6.5% for 2022 and 7.0% for 2021. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation and additional yields due to active investment management. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that OPPD contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with the provisions of GASB 73, OPPD elected to use the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the discount rate used to measure the total pension liability of the Non-Qualified Plan. The discount rate was 2.06% and 2.12% for 2022 and 2021, respectively.

The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in the Retirement Plan.

Asset Class	**Target Allocation**	**Long-term Expected Real Rate of Return***
Domestic equity	28.0%	6.1%
Domestic fixed income	23.0	0.4
International developed equity	14.0	6.5
Emerging markets equity	10.0	8.1
Private credit	7.5	5.1
Private real estate	7.5	3.7
Emerging markets fixed income	5.0	2.7
High yield fixed income	3.0	2.5
Treasury inflation protected securities	2.0	0.3
Total	100%	

** Based on 2022 forward-looking capital market assumptions.*

Total Pension Liability, Plan Fiduciary Net Position and Net Pension Liability – The total pension liabilities, plan fiduciary net position and net pension liability are determined in accordance with GASB 68 and 73, accordingly. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2022.

The following table shows the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Retirement Plan for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position** (b)	**Net Pension Liability** (a-b)
Balance at 12/31/2021	**$ 1,602,932**	**$ 1,157,753**	**$ 445,179**
(Based on 1/1/2021 measurement date)			
Changes recognized for the fiscal year:			
Service cost	22,973		22,973
Interest on total pension liability	110,172		110,172
Difference between expected and actual experience	2,737		2,737
Changes of assumptions	86,548		86,548
Contributions from employer		151,500	(151,500)
Contributions from employee		15,645	(15,645)
Net investment income		70,247	(70,247)
Benefit payments, including refunds of employee contributions	(105,821)	(105,821)	-
Administrative expense		(188)	188
Net changes	116,609	131,383	(14,774)
Balance at 12/31/2022	**$ 1,719,541**	**$ 1,289,136**	**$ 430,405**
(Based on 1/1/2022 measurement date)			

The following table shows the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Retirement Plan for the Measurement Period from January 1, 2020, to January 1, 2021, and the changes for the year ended December 31, 2021 (in thousands).

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
	(a)	(b)	(a-b)
Balance at 12/31/2020	**$ 1,572,753**	**$ 1,055,344**	**$ 517,409**
(Based on 1/1/2020 measurement date)			
Changes recognized for the fiscal year:			
Service cost	22,717		22,717
Interest on total pension liability	108,155		108,155
Difference between expected and actual experience	7,823		7,823
Changes of assumptions	(6,001)		(6,001)
Contributions from employer		59,093	(59,093)
Contributions from employee		13,971	(13,971)
Net investment income		132,006	(132,006)
Benefit payments, including refunds of employee contributions	(102,515)	(102,515)	-
Administrative expense		(146)	146
Net changes	30,179	102,409	(72,230)
Balance at 12/31/2021	**$ 1,602,932**	**$ 1,157,753**	**$ 445,179**
(Based on 1/1/2021 measurement date)			

	2022	**2021**
Plan fiduciary net position as a percentage of the total pension liability	74.97%	72.23%
Actuarially determined contributions	$55,798	$56,547

The following table shows the Total Pension Liability for the Non-Qualified Plan for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease) Total Pension Liability
Balance at 12/31/2021	**$ 5,966**
(Based on 1/1/2021 measurement date)	
Changes recognized for the fiscal year:	
Service cost	430
Interest on total pension liability	69
Difference between expected and actual experience	574
Changes of assumptions	35
Benefit Payments	(6,356)
Net changes	(5,248)
Balance at 12/31/2022	**$ 718**
(Based on 1/1/2022 measurement date)	

The following table shows the Total Pension Liability for the Non-Qualified Plan for the Measurement Period from January 1, 2020, to January 1, 2021, and the changes for the year ended December 31, 2021 (in thousands).

	Increase (Decrease) Total Pension Liability
Balance at 12/31/2020	**$ 5,333**
(Based on 1/1/2020 measurement date)	
Changes recognized for the fiscal year:	
Service cost	366
Interest on total pension liability	156
Difference between expected and actual experience	92
Changes of assumptions	19
Net changes	633
Balance at 12/31/2021	**$ 5,966**
(Based on 1/1/2021 measurement date)	

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plan financial report and can be reviewed by contacting Investor Relations at *finfo@oppd.com* or by visiting *oppd.com*.

Pension Liability – The following table shows the Pension Liability as reported on the Statements of Net Position as of December 31 (in thousands).

	2022	2021
Retirement Plan		
Total pension liability	$ 1,719,541	$ 1,602,932
Plan fiduciary net position	1,289,136	1,157,753
Net pension liability	430,405	445,179
Non-Qualified Plan		
Total pension liability	718	5,966
Pension Liability	**$ 431,123**	**$ 451,145**

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total Pension Liability and Net Pension Liability as of December 31, 2022, (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

	1% Decrease	Discount Rate	1% Increase
Retirement Plan	**5.5%**	**6.5%**	**7.5%**
Total pension liability	$ 1,912,772	$ 1,719,541	$ 1,556,294
Plan fiduciary net position	1,289,136	1,289,136	1,289,136
Net pension liability	$ 623,636	$ 430,405	$ 267,158
Non-Qualified Plan	**1.06%**	**2.06%**	**3.06%**
Total pension liability	$ 790	$ 718	$ 655

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The following table illustrates the impact of interest rate sensitivity on the Total Pension Liability and Net Pension Liability as of December 31, 2021 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2021).

	1% Decrease	Discount Rate	1% Increase
Retirement Plan	**6.0%**	**7.0%**	**8.0%**
Total pension liability	$1,779,596	$1,602,932	$1,453,683
Plan fiduciary net position	1,157,753	1,157,753	1,157,753
Net pension liability	$ 621,843	$ 445,179	$ 295,930
Non-Qualified Plan	**1.12%**	**2.12%**	**3.12%**
Total pension liability	$ 6,786	$ 5,966	$ 5,281

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2022, OPPD recognized pension expense of $55.8 million and non-qualified pension expense of $0.2 million. For the year ended December 31, 2021, OPPD recognized pension expense of $151.5 million and non-qualified pension expense of $3.3 million.

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of December 31, 2022 (in thousands).

	Deferred Outflows	Deferred Inflows
Retirement Plan		
Difference between expected and actual experience	$ 8,276	$ -
Changes of assumptions	75,732	3,216
Net difference between expected and actual earnings on pension plan investments	-	39,973
Contribution made in fiscal year ending December 31, 2022	55,798	-
Total	$139,806	$ 43,189
Non-Qualified Plan		
Difference between expected and actual experience	$ 930	$ 42
Changes of assumptions	533	43
Total	$ 1,463	$ 85
Total deferred outflows/inflows of resources	**$141,269**	**$ 43,274**

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of December 31, 2021 (in thousands).

	Deferred Outflows	Deferred Inflows
Retirement Plan		
Difference between expected and actual experience	$ 11,044	$ -
Changes of assumptions	18,168	8,240
Net difference between expected and actual earnings on pension plan investments	-	68,847
Contribution made in fiscal year ending December 31, 2021	151,500	-
Total	$180,712	$ 77,087
Non-Qualified Plan		
Difference between expected and actual experience	$ 750	$ 54
Changes of assumptions	605	58
Total	$ 1,355	$ 112
Total deferred outflows/inflows of resources	**$182,067**	**$ 77,199**

As of December 31, 2022, the Company reported $55.8 million as deferred outflows of resources related to pensions resulting from the contributions made to the Retirement Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net Pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year	Qualified Plan	Non-Qualified Plan
2023	$29,646	$ 474
2024	(8,578)	177
2025	11,053	154
2026	8,698	167
2027	-	157
Thereafter	-	249

DEFINED CONTRIBUTION RETIREMENT SAVINGS PLANS – 401(k)/457(b)

OPPD sponsors a Defined Contribution Retirement Savings Plan – 401(k) (401k Plan) and a Defined Contribution Retirement Savings Plan – 457(b) (457b Plan). Both the 401k Plan and 457b Plan cover all full-time employees and certain part-time employees and allow contributions by employees that are partially matched by the Company. The Defined Contribution plans were established and may be amended at the direction of OPPD's Board of Directors and are administered by the Company. The 401k Plan's and 457b Plan's assets and income are held in an external trust account in each employee's name. The matching share of contributions was $6.0 million and $5.9 million for the years ended December 31, 2022 and 2021, respectively. The employer maximum annual match on employee contributions was $4,000 per employee for the years ended December 31, 2022 and 2021.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

There are two separate plans for OPEB. OPEB Plan A provides postemployment healthcare and life insurance benefits to qualifying members. OPEB Plan B provides postemployment healthcare premium coverage for the Company's share to qualifying members who were hired after December 31, 2007. The OPEB Plans were established and may be amended at the direction of OPPD's Board of Directors and are administered by the Company.

OPEB Plan A

Plan Description and Benefits Provided – OPEB Plan A (Plan A) is a single-employer defined benefit OPEB plan administered by the Company. Plan A provides postemployment healthcare benefits to retirees, surviving spouses, and employees on long-term disability and their dependents and life insurance benefits to retirees and employees on long-term disability. The requirements for retirement eligibility under OPPD's Retirement Plan determines when Plan A members are eligible for medical benefits. OPPD is self-insured for healthcare benefits. Healthcare benefits are based on the coverage elected by Plan A members. Plan members are required to pay a premium based on the elected coverage and their respective premium cost share. When members are retired and eligible for Medicare benefits, coverage moves from OPPD's Medical Plans to OPPD's Medicare Advantage plan, which includes a Part D drug plan.

Life insurance coverage is purchased from a third-party and benefits are based on one and one-half times the participant's salary at the time of retirement until age 65. At age 65, the benefits are reduced to $20,000 if retired on or after June 1, 1996 or $15,000 if retired prior to June 1, 1996.

The following table summarizes the employees covered by the benefit terms of Plan A as of January 1.

	2022	2021
Inactive plan members currently receiving benefits	2,033	2,029
Active Plan A members	1,808	1,788
Total	3,841	3,817

Contributions – Plan A members are required to pay a monthly premium based on the elected coverage and the respective premium cost share. The Company contributes the balance of the funds needed on an actuarially determined basis. The employer contribution was $12.6 million and $13.4 million for the years ended December 31, 2022 and 2021, respectively.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total Plan A liability in the January 1, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

The total Plan A liability must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee's career as a level percentage of pay. The actuarial value of the Plan A assets was determined using a method which smooths the effect of short-term volatility in the market value of investments over five years. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for 2022 and the PUB-2010 General table projected using Scale MP-2019 with generational projection for 2021.

The other actuarial assumptions for the valuations as of January 1, 2022 and 2021, were as follows:

- The average rate of compensation increase varies by age.
- The average rate of inflation was 2.5%.
- The investment rate of return was 7.0%, net of OPEB plan investment expenses, including inflation.
- The pre-Medicare healthcare trend rates ranged from 6.2% immediate to 4.5% in 2022, and 6.3% immediate to 4.5% in 2021.
- The post-Medicare healthcare trend rates ranged from 8.0% immediate to 4.5% ultimate for 2022 and 8.3% immediate to 4.5% ultimate for 2021.

- Amortization for the initial unfunded actuarial accrued liability and OPEB Plan changes was determined using a period of 30 years and the increasing method at a rate of 3.0% per year.
- Amortization for all changes (including gains/losses, assumption and plan provisions) after the initial year were determined using a closed period of 15 years and the level-dollar method.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total Plan A liability was 7.0% for both 2022 and 2021. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation and additional yields due to active investment management. The projection of cash flows used to determine the discount rate assumed that OPPD contributions will be equal to the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan A investments was applied to all periods of projected benefit payments to determine the total OPEB Plan A liability.

The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in the OPEB Plan A.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Global equity	50.0%	6.1%
Domestic fixed income	20.0	0.4
Real return	20.0	4.6
Private real estate	10.0	3.7
Total	100%	

**Based on 2022 forward-looking capital market assumptions.*

Total OPEB Plan A Liability, Plan Fiduciary Net Position and Net OPEB Plan A Liability – The total OPEB Plan A liability, plan fiduciary net position and net OPEB Plan A liability are determined in accordance with GASB 75. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2022.

The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan A for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total OPEB A Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB A Liability (a-b)
Balance at 12/31/2021 (Based on 1/1/2021 measurement date)	**$ 357,794**	**$ 184,336**	**$ 173,458**
Changes recognized for the fiscal year:			
Service cost	3,075		3,075
Interest on total OPEB liability	24,599		24,599
Difference between expected and actual experience	(1,066)		(1,066)
Changes of assumptions	(14,961)		(14,961)
Contributions from employer		13,400	(13,400)
Net investment income		19,105	(19,105)
Benefit payments	(19,219)	(19,219)	-
Administrative expense		(55)	55
Net changes	(7,572)	13,231	(20,803)
Balance at 12/31/2022 (Based on 1/1/2022 measurement date)	**$ 350,222**	**$ 197,567**	**$ 152,655**

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The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan A for the Measurement Period from January 1, 2020, to January 1, 2021, and the changes for the year ended December 31, 2021 (in thousands).

	Increase (Decrease)		
	Total OPEB A Liability (a)	**Plan Fiduciary Net Position** (b)	**Net OPEB A Liability** (a-b)
Balance at 12/31/2020 (Based on 1/1/2020 measurement date)	**$ 378,799**	**$ 164,519**	**$ 214,280**
Changes recognized for the fiscal year:			
Service cost	3,417		3,417
Interest on total OPEB liability	26,112		26,112
Difference between expected and actual experience	(22,453)		(22,453)
Changes of assumptions	(9,396)		(9,396)
Contributions from employer		14,836	(14,836)
Net investment income		23,733	(23,733)
Benefit payments	(18,685)	(18,685)	-
Administrative expense		(67)	67
Net changes	(21,005)	19,817	(40,822)
Balance at 12/31/2021 (Based on 1/1/2021 measurement date)	**$ 357,794**	**$ 184,336**	**$ 173,458**

	2022	**2021**
Plan fiduciary net position as a percentage of the total OPEB Plan A liability	56.41%	51.52%
Actuarially determined contributions	$ 12,553	$ 13,417

OPEB Plan A Fiduciary Net Position – Detailed information about OPEB Plan A's fiduciary net position is available in the separately issued Plan A financial report and can be reviewed by contacting Investor Relations at *finfo@oppd.com* or by visiting *oppd.com*.

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

	1% Decrease	**Discount Rate**	**1% Increase**
OPEB Plan A	**6.0%**	**7.0%**	**8.0%**
Total OPEB liability	$ 392,760	$350,222	$314,740
Plan fiduciary net position	197,567	197,567	197,567
Net OPEB liability	$ 195,193	$ 152,655	$ 117,173

The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2021 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2021).

OPEB Plan A	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
Total OPEB liability	$ 401,605	$ 357,794	$ 321,395
Plan fiduciary net position	184,336	184,336	184,336
Net OPEB liability	$ 217,269	$ 173,458	$ 137,059

The following table illustrates the impact of healthcare cost trend rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the healthcare cost trend rates as of the measurement date (1/1/2022).

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Pre-Medicare	5.2%-3.5%	6.2%-4.5%	7.2%-5.5%
Post-Medicare	7.0%-3.5%	8.0%-4.5%	9.0%-5.5%
Total OPEB liability	$ 315,539	$ 350,222	$ 391,842
Plan fiduciary net position	197,567	197,567	197,567
Net OPEB liability	$ 117,972	$ 152,655	$ 194,275

The following table illustrates the impact of healthcare cost trend rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2021 (in thousands) if it were calculated using a 1% change in the healthcare cost trend rates as of the measurement date (1/1/2021).

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Pre-Medicare	5.3%-3.5%	6.3%-4.5%	7.3%-5.5%
Post-Medicare	7.3%-3.5%	8.3%-4.5%	9.3%-5.5%
Total OPEB liability	$ 322,290	$ 357,794	$ 400,538
Plan fiduciary net position	184,336	184,336	184,336
Net OPEB liability	$ 137,954	$ 173,458	$ 216,202

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Plan A – For the years ended December 31, 2022 and 2021, OPPD recognized OPEB expense of $12.6 million and $13.4 million, respectively.

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan A from the following sources as of December 31, 2022 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan A		
Difference between expected and actual experience	$ 4,279	$30,248
Changes of assumptions	4,416	17,943
Net difference between expected and actual earnings on OPEB plan investments	-	13,961
Contribution made in fiscal year ending December 31, 2022	12,553	-
Total deferred outflows/inflows of resources	$21,248	$62,152

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The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan A from the following sources as of December 31, 2021 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan A		
Difference between expected and actual experience	$ 9,434	$48,650
Changes of assumptions	6,998	8,015
Net difference between expected and actual earnings on OPEB plan investments	-	11,787
Contribution made in fiscal year ending December 31, 2021	13,400	-
Total deferred outflows/inflows of resources	$29,832	$68,452

As of December 31, 2022, the Company reported $12.6 million as deferred outflows of resources related to Plan A resulting from the contributions made to the OPEB Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Plan A will be recognized in OPEB expense as follows (in thousands):

Year	Amount
2023	$(14,270)
2024	(20,867)
2025	(13,151)
2026	(4,763)
2027	(406)

OPEB Plan B

Plan Description and Benefits Provided – OPEB Plan B (Plan B) is a single-employer defined benefit OPEB plan administered by the Company. Plan B provides postemployment healthcare premium coverage for the Company's share for retirees and surviving spouses and their dependents to qualifying members who were hired after December 31, 2007. Benefits are based on the coverage elected by the Plan B members and the balance in the member's hypothetical account, which is a bookkeeping account. The hypothetical accounts are credited with $10,000 upon commencement of full-time employment, $1,000 annually on the member's anniversary date and interest income at 5.0% annually. Plan B benefits are for the payment of OPPD's share of the members' healthcare premiums. Plan benefits will continue until the member and eligible spouse cease to be covered under the Company's medical plan, the member's hypothetical account is depleted or Plan B terminates, whichever occurs first. Benefits are forfeited for any member who fails to retire or who retires but does not immediately commence payments.

The following table summarizes the employees covered by the benefit terms of Plan B as of January 1.

	2022	2021
Inactive plan members currently receiving benefits	12	8
Active Plan B members	1,015	952
Total	1,027	960

Contributions – Funds are contributed, as needed, on an actuarially determined basis. Members do not contribute to Plan B. The employer contribution was $1.0 million for both the years ended December 31, 2022 and 2021.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total Plan B liability in the January 1, 2022 and 2021, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

The total Plan B liability must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB 75. Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee's career as a level percentage of pay. The actuarial value of the Plan B assets was determined using market value. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for 2022 and the PUB-2010 General table projected using Scale MP-2019 with generational projection for 2021.

The other actuarial assumptions for the valuations as of January 1, 2022 and 2021, were as follows:

- The average rate of inflation was 2.5%.
- The investment rate of return was 5.25%, net of OPEB plan investment expenses, including inflation.
- Amortization for all changes (including gains/losses, assumption and plan provisions) after the initial year were determined using a closed period of 15 years and the level-dollar method.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total Plan B liability was 5.25% for both 2022 and 2021. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation. The projection of cash flows used to determine the discount rate assumed that OPPD contributions will be made equal to the actuarially determined contribution rates. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan B investments was applied to all periods of projected benefit payments to determine the total OPEB Plan B liability.

The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in Plan B.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic fixed income	70.0%	0.4%
Global equity	30.0	6.1
Total	100%	

** Based on 2022 forward-looking capital market assumptions.*

Total OPEB Plan B Liability, Plan Fiduciary Net Position and Net OPEB Plan B Liability – The total OPEB Plan B liability, plan fiduciary net position and net OPEB Plan B liability are determined in accordance with GASB 75. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2022.

The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan B for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total OPEB B Liability (a)	**Plan Fiduciary Net Position** (b)	**Net OPEB B Liability** (a-b)
Balance at 12/31/2021 (Based on 1/1/2021 measurement date)	**$ 6,407**	**$ 6,197**	**$ 210**
Changes recognized for the fiscal year:			
Service cost	780		780
Interest on total OPEB liability	377		377
Difference between expected and actual experience	10		10
Changes of assumptions	632		632
Contributions from employer		1,000	(1,000)
Net investment income		313	(313)
Benefit payments	(12)	(12)	-
Administrative expense		(36)	36
Net changes	1,787	1,265	522
Balance at 12/31/2022 (Based on 1/1/2022 measurement date)	**$ 8,194**	**$ 7,462**	**$ 732**

The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan B for the Measurement Period from January 1, 2020, to January 1, 2021, and the changes for the year ended December 31, 2021 (in thousands).

	Increase (Decrease)		
	Total OPEB B Liability (a)	**Plan Fiduciary Net Position** (b)	**Net OPEB B Liability** (a-b)
Balance at 12/31/2020 (Based on 1/1/2020 measurement date)	**$ 5,421**	**$ 4,993**	**$ 428**
Changes recognized for the fiscal year:			
Service cost	706		706
Interest on total OPEB liability	321		321
Difference between expected and actual experience	115		115
Changes of assumptions	(112)		(112)
Contributions from employer		746	(746)
Net investment income		541	(541)
Benefit payments	(44)	(44)	-
Administrative expense		(39)	39
Net changes	986	1,204	(218)
Balance at 12/31/2021 (Based on 1/1/2021 measurement date)	**$ 6,407**	**$ 6,197**	**$ 210**

	2022	**2021**
Plan fiduciary net position as a percentage of the total OPEB Plan B liability	91.08%	96.72%
Actuarially determined contributions	$ 1,000	$ 987

OPEB Plan B Fiduciary Net Position – Detailed information about OPEB Plan B's fiduciary net position is available in the separately issued Plan B financial report and can be reviewed by contacting Investor Relations at *finfo@oppd.com* or by visiting *oppd.com*.

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

OPEB Plan B	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total OPEB liability	$ 8,903	$ 8,194	$ 7,531
Plan fiduciary net position	7,462	7,462	7,462
Net OPEB liability	$ 1,441	$ 732	$ 69

The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2021 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2021).

OPEB Plan B	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total OPEB liability	$ 6,984	$ 6,407	$ 5,873
Plan fiduciary net position	6,197	6,197	6,197
Net OPEB liability	$ 787	$ 210	$ (324)

The Net OPEB Liability is not affected by the healthcare cost trend rates as the Plan only covers the monthly cost of OPPD's share of the premium. Increases or decreases in the healthcare trend rates do not impact the member's hypothetical account.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plan B – For the years ended December 31, 2022 and 2021, OPPD recognized OPEB expense of $1.0 million.

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan B from the following sources as of December 31, 2022 (in thousands).

OPEB Plan B	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 663	$ -
Changes of assumptions	654	461
Net difference between expected and actual earnings on OPEB plan investments	-	197
Contribution made in fiscal year ending December 31, 2022	1,000	-
Total deferred outflows/inflows of resources	$ 2,317	$ 658

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan B from the following sources as of December 31, 2021 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan B		
Difference between expected and actual experience	$ 694	$ -
Changes of assumptions	72	489
Net difference between expected and actual earnings on OPEB plan investments	-	314
Contribution made in fiscal year ending December 31, 2021	1,000	-
Total deferred outflows/inflows of resources	$ 1,766	$ 803

As of December 31, 2022, the Company reported $1.0 million as deferred outflows of resources related to Plan B resulting from the contributions made to the OPEB Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Plan B will be recognized in OPEB expense as follows (in thousands):

Year	Amount
2023	$ 16
2024	(53)
2025	18
2026	70
2027	62
Thereafter	546

SELF-INSURANCE HEALTH PROGRAM

Employee healthcare and life insurance benefits are provided to substantially all employees. There were 1,672 and 1,623 employees with medical coverage as of December 31, 2022 and 2021, respectively. An Administrative Services Only (ASO) Health Insurance Program is used to account for the health insurance claims. With respect to the ASO program, reserves sufficient to satisfy both statutory and OPPD-directed requirements have been established to provide risk protection in the Segregated Fund – Other (Note 2). Additionally, private insurance has been purchased to cover claims in excess of 120% of expected aggregate levels and $450,000 per member.

Healthcare expenses for employees were $28.6 million and $27.3 million for the years ended December 31, 2022 and 2021, respectively.

The total cost of life and long-term disability insurance for full-time employees was $1.4 million for both the years ended December 31, 2022 and 2021.

The balance of the Incurred but Not Presented Reserve is reported in Liabilities Payable from Segregated Funds on the Statements of Net Position and was $3.2 million and $3.3 million as of December 31, 2022 and 2021, respectively.

9. REGULATORY ASSETS AND LIABILITIES

Rates for regulated operations are established and approved by the Board of Directors. The provisions of GASB Codification Section Re10, *Regulated Operations*, are applied. This guidance provides that regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer

rates over some future period. Regulatory liabilities are reductions in earnings (or costs recovered) to cover future expenditures.

REGULATORY ASSETS

The following table summarizes the balances of regulatory assets as of December 31, 2022 and 2021 (in thousands).

	2022	2021
Pension	$ 333,795	$ 341,560
Other postemployment benefits	192,908	211,600
NC2	53,886	53,175
AFUDC	34,656	18,239
FCS recovery costs	13,599	28,435
Financing costs	8,518	7,006
FPPA	7,400	-
Supplemental pension	406	5,979
FCS decommissioning	-	231,453
Total	$ 645,168	$ 897,447

Pension Plan – The Company adopted the GASB accounting standards for the financial accounting and reporting of pension plans in 2015. These standards required the Company to recognize a liability for the net pension liability on the Statements of Net Position. In 2014, the Board of Directors authorized the use of regulatory accounting for pension costs to establish a regulatory asset to match the pension expense to the amounts funded and the cost recovery through rates (Note 8).

Other Postemployment Benefits – The Company adopted the GASB accounting standards for the financial accounting and reporting of other postemployment benefit plans in 2018. These standards required the Company to recognize a liability for the net other postemployment benefit liability on the Statements of Net Position. In 2017, the Board of Directors authorized the use of regulatory accounting for other postemployment costs to establish a regulatory asset to match the other postemployment benefit expense to the amounts funded and the cost recovery through rates (Note 8).

NC2 – The station was placed in commercial operation in 2009. Half of the unit's output is sold under 40-year Participation Power Agreements (PPAs). Certain participants funded their share of construction costs with NC2 Separate Electric System Revenue Bonds. These participants are billed for the debt service related to these bonds. The amounts recovered for debt service for the electric utility plant construction and other costs are included in off-system sales revenues. The revenues related to principal repayment will equal related depreciation and other deferred NC2 expenses over the 40-year term of the PPAs. A regulatory asset was established to equate expenses and the amount included in off-system sales revenues for principal repayment in order to maintain revenue neutrality in the interim years. This regulatory asset will increase annually until 2026 when principal repayments begin exceeding depreciation and other deferred expenses. After 2026, the regulatory asset will be reduced annually by recognizing deferred depreciation and other deferred expenses until its elimination in 2049, which is the end of the initial term of the PPAs.

Allowances for Funds Used During Construction – In 2020, the Company adopted the GASB accounting standard that eliminated capitalized interest for governmental entities, except for those entities with regulated operations. As an entity with regulated operations, OPPD continues to record AFUDC as a regulatory asset, as allowed by GASB. Prior to January 1, 2020, AFUDC was capitalized as a component of the cost of electric utility plant. AFUDC approximates OPPD's current weighted average cost of debt and was computed at 2.8% for both the years ended December 31, 2022 and 2021.

FCS Recovery Costs – The Board of Directors authorized the use of regulatory accounting in 2012 for significant,

unplanned operations and maintenance costs at FCS incurred to address concerns from the NRC and enhance operations. These recovery costs are being amortized over a 10-year period that commenced in 2013, as they continue to benefit future ratepayers and are being collected through retail rates.

Financing Costs – The Board of Directors authorized the use of regulatory accounting for debt issuance costs in 2012 because of new accounting standards that would have required these costs to be expensed in the period incurred. These costs are amortized over the life of the associated bond issues consistent with the rate methodology.

FPPA – The FPPA was implemented in the retail rate structure in 2010. The Board of Directors authorized the use of regulatory accounting to maintain revenue neutrality by matching retail revenues attributed to fuel and purchased power costs with the actual costs incurred. This regulatory asset represents the rights to additional revenues based on incurred expenses due to under-recoveries of fuel and purchased power costs. The Board of Directors approved a partial write-off of the FPPA under-recoveries of $27.7 million, for the year ended December 31, 2022. The Board of Directors approved the write-off of all FPPA under-recoveries of $188.7 million, for the year ended December 31, 2021, resulting in no FPPA regulatory asset.

Supplemental Pension Plan – The Company adopted the GASB accounting standards for the financial accounting and reporting of supplemental pension plans in 2017. These standards required the Company to recognize a liability for the total supplemental pension obligation on the Statements of Net Position. In 2017, the Board of Directors authorized the use of regulatory accounting for supplemental pension costs to establish a regulatory asset to match the supplemental pension expense to the amounts funded and the cost recovery through rates (Note 8).

FCS Decommissioning – The Board of Directors authorized the use of regulatory accounting to match decommissioning expense to the amounts funded from retail rates and realized decommissioning trust fund investment income. This regulatory asset represents costs that will be collected in the future through retail rates and realized decommissioning trust fund investment income (Note 11).

REGULATORY LIABILITIES

The following table summarizes the balances of the regulatory liabilities reported as deferred inflows as of December 31, 2022 and 2021, (in thousands).

	2022	2021
FCS decommissioning	$ 131,004	$ -
Rate stabilization reserve	50,000	50,000
Decommissioning and benefits reserve	38,000	32,000
Total	$ 219,004	$ 82,000

FCS Decommissioning – The Board of Directors authorized the use of regulatory accounting to match decommissioning expense to the amounts funded from retail rates and realized decommissioning trust fund investment income. This regulatory liability represents the advanced funding of decommissioning costs through retail rates and realized decommissioning trust fund investment income (Note 11).

Rate Stabilization Reserve – This reserve was established to help maintain stability in OPPD's long-term rate structure. There were no transfers to the reserve in 2022 or 2021.

Decommissioning and Benefits Reserve – This reserve was established in 2016 to assist in funding future decommissioning expenses beyond what was established in the current funding plan in any given year and future pension liabilities above the actuarially determined contribution. The Company added $6.0 million and $12.0 million to the reserve in 2022 and 2021, respectively. The Company also decreased the reserve by $95.0 million in 2021 to increase employer funding in the pension plan.

10. RISK MITIGATION AND RECOVERIES

OPPD is exposed to various risks of loss related to general liability and property damage. The Company procures property and liability insurance, subject to certain limits and deductibles, to reduce the adverse effect on its financial position or operational capabilities from claims caused by such matters. There have been no significant changes to the Company's insurance portfolio. Claims have not exceeded the limits of property or liability insurance in any of the three preceding years.

The following table summarizes the total claims liability, comprising claims received and medical claims incurred but not presented, at December 31, 2022 and 2021 (in thousands).

	2022	2021
IBNP reserve	$ 3,218	$ 3,259
Workers' compensation reserve	4,854	5,595
Public liability reserve	684	1,001
Total	$ 8,756	$ 9,855

The following table summarizes the changes in the total claims liability during 2022 and 2021 (in thousands).

	2022	2021
Claims liability, beginning of year	$ 9,855	$ 9,538
Payments on claims	(38,032)	(35,268)
Claims and adjustments	36,933	35,585
Claims liability, end of year	$ 8,756	$ 9,855

OPPD is eligible for disaster assistance from the Federal Emergency Management Agency (FEMA) when a disaster is declared for damage in the Company's service area. FEMA declared disasters for events during 2021 (July and December storms), 2020 (COVID-19 Pandemic), and 2019 (flood). The receivable for these events was $15.2 million and $10.0 million at December 31, 2022 and 2021, respectively.

The 2019 flood event included flood prevention and repair activities that are also covered by OPPD's property insurance. OPPD filed a claim and received notification from the insurance carrier of a final settlement for the 2019 flood event in December 2021. A payment in the amount of $1.1 million was received in early 2022 which eliminated the remaining receivable.

11. FORT CALHOUN STATION DECOMMISSIONING

In 2016, the OPPD Board of Directors approved a recommendation by management to cease operations at FCS. As a result of the Board decision to cease operations, the FCS assets were impaired in 2016. The station ceased operations on October 24, 2016, and began the decommissioning process. FCS is being decommissioned using the DECON process, which provides for the immediate decontamination and dismantling of the nuclear systems and structures. OPPD contracted with EnergySolutions LLC (ES) to provide technical support during the completion of the DECON process. OPPD retains the license and management responsibility for the facility, while benefitting from the advisory services provided by ES.

The total estimated cost in current-year dollars to decommission FCS using the DECON methodology was $670.2 million and $789.7 million as of December 31, 2022 and 2021, respectively. The estimated cost to decommission the station in current-year dollars for the NRC-required obligations using the DECON methodology was $647.5 million and $754.2 million as of December 31, 2022 and 2021, respectively. This included $113.0 million in Current Liabilities and $534.5 million in Other Liabilities as of December 31, 2022 and $124.6 million in Current Liabilities and $629.6 million in Other Liabilities as of December 31, 2021, on the Statements of Net Position. The estimated costs were based on a third-party, site-specific cost study.

The major assumptions used in the cost estimate as the basis for the decommissioning liability for December 31, 2022 and 2021 were as follows:

- Costs are provided in current-year dollars.
- Costs based on Prompt DECON Decommissioning model.
- Overhead costs are for site and corporate support.
- Site facilities and systems data are based on current existing site drawings and data provided by OPPD combined with experience from ES to establish station systems and buildings inventories. These were used to generate labor hours, cost, and waste volumes and classifications.
- Personnel costs for 2022 based on a single average salary for plant staff, plant security, spent fuel staff, and spent fuel security, adjusted for headcount reductions.
- Personnel costs for 2021 based on a single average salary for security and non-security staff, adjusted for headcount reductions.

The Board of Directors authorized the use of regulatory accounting for decommissioning expense to match the expense to the amounts funded from both retail rates and realized decommissioning trust fund investment income (Note 9). The balance of the regulatory asset was $0 and $231.4 million as of December 31, 2022 and 2021, respectively. This included $138.9 million in Current Assets and $92.5 million in Other Long-Term Assets as of December 31, 2021, on the Statements of Net Position. In 2022, the regulatory asset was removed and a new regulatory liability was established as a result of the DOE reimbursements for spent fuel costs, as noted below. The balance of the regulatory liability was $131.0 million and $0 as of December 31, 2022 and 2021, respectively.

OPPD continues to pursue reimbursement of spent fuel costs from the DOE after decommissioning and has submitted claims for 2017 through 2021. During 2022, OPPD received reimbursements from the DOE of $45.4 million for the 2017 through 2019 claims and $31.8 million for the 2020 claim, which were added to the decommissioning trust fund. OPPD was also notified in 2022 that the DOE would provide reimbursement of $5.5 million for the 2021 claim, which was received in early 2023. The balance of the receivable for the reimbursement from the DOE for spent fuel costs incurred by OPPD was $5.5 million and $45.4 million for the years ended December 31, 2022 and 2021, respectively. A long-term asset of $212.3 million and $0 as of December 31, 2022 and 2021, respectively, was recorded for the future estimated recovery from the DOE for costs related to spent fuel management activities. The DOE recovery amount was based on conservative estimates of the potential reimbursement based on recent claim settlements with the DOE and in accordance with accounting standards. OPPD incurred $8.0 million in spent fuel management costs in 2022 that are included in Other Long-Term Assets and will be submitted to the DOE for reimbursement.

The balance of the decommissioning trust assets was $534.9 million and $519.7 million as of December 31, 2022 and 2021, respectively, and includes interest receivables of $1.2 million and $1.0 million as of December 31, 2022 and 2021, respectively. Investment income was $11.3 million and $11.4 million for the years ended December 31, 2022 and 2021, respectively. The fair value of the Decommissioning Trust Funds decreased $55.9 million and $16.0 million for the years ended December 31, 2022 and 2021, respectively.

The annual funding amount was $130.6 million and $121.1 million for the years ended December 31, 2022 and 2021, respectively. The Decommissioning Trust Funds were reduced by $147.7 million and $138.9 million for the years ended December 31, 2022 and 2021, respectively, for expenditures incurred during the decommissioning process at FCS.

Employees located at FCS or other locations, and terminated as a result of the decision to cease operations, are eligible for an employee severance package. The package includes a lump-sum payment to eligible employees with a base of 12 weeks of pay based on current salary, plus an additional week of pay for each year of service up to a maximum of 52 weeks. Employees enrolled in the Company's medical benefit plans are also eligible for a lump-sum payment of medical, dental and vision insurance coverage costs based on the number of weeks used in the severance calculation (as noted above). Retiring employees are only eligible for payment related to

dental coverage. There were 15 employees that received severance payments totaling $1.3 million in 2022. Employees did not receive severance payments in 2021.

Severance costs are accrued as the benefits are earned and recognized ratably over the future service period. Future severance costs beyond December 31, 2022, are estimated to be paid to approximately 68 employees in various waves of reductions through 2026. Severance costs were $0.3 million and $0.9 million as of December 31, 2022 and 2021.

In 2016, OPPD established a Key Employee Performance Plan (KEPP) to help ensure that key positions remained staffed for continued safe operations. As part of the KEPP, certain key positions are eligible for a performance incentive. Performance incentives are paid to employees based on attainment of certain milestone dates. In 2022, 15 employees received performance incentive payments totaling $0.5 million. There were no KEPP performance incentives paid in 2021. Future performance incentive costs beyond December 31, 2022, are estimated to be paid to approximately 15 employees. Performance incentive costs were $1.1 million and $0.2 million as of December 31, 2022 and 2021, respectively.

12. COMMITMENTS AND CONTINGENCIES

Commitments for the uncompleted portion of construction contracts were approximately $375.6 million at December 31, 2022.

Power sales commitments that extend through 2027 were $7.9 million as of December 31, 2022. Power purchase commitments, including capacity contracts were $284.0 million as of December 31, 2022. These commitments extend through 2050 and do not include the PPAs for OPPD's commitments for wind energy purchases or NC2, which are separately disclosed below.

The following table summarizes OPPD's commitments for wind purchase agreements as of December 31, 2022.

	Total Capacity (in MW)	OPPD Share (in MW)	Commitment Through	Amount (in thousands)
Ainsworth*	59.4	10.0	2025	$ 7,104
Elkhorn Ridge**	80.0	25.0	2029	7,500
Total	139.4	35.0		$ 14,604

* *This PPA is on a "take-or-pay" basis and the Company is obligated to make payments for purchased power even if the power is not available, delivered or taken by OPPD. In addition, the Company is obligated, through a step-up provision, to pay a share of any deficit in funds resulting from a default at the Ainsworth facility. Included in this amount is OPPD's expected share of decommissioning costs.*

** *This PPA is on a "take-and-pay" basis and requires payments when the power is made available to OPPD. The commitment amount includes monthly fixed demand charges.*

There were no commitments for the solar or other wind PPAs.

There are 40-year PPAs with seven public power and municipal utilities (the Participants) for the sale of half of the net capacity of NC2. The Participants have agreed to purchase their respective shares of the output on a "take-or-pay" basis even if the power is not available, delivered to or taken by the Participants. The Participants are subject to a step-up provision, whereby in the event of a Participant default, the remaining Participants are obligated to pay a share of any deficit in funds resulting from the default. There is an NC2 Transmission Facilities Cost Agreement with the Participants that addresses the cost allocation, payment and cost recovery for delivery of their respective power.

OPPD has coal supply contracts with minimum future payments of $134.9 million at December 31, 2022. The Company also has coal-transportation contracts with minimum future payments of $202.6 million as of December 31, 2022. These contracts are subject to price adjustments.

The Company is engaged in routine litigation incidental to the conduct of its business and, in the opinion of Management, based upon the advice of General Counsel, the aggregate amounts recoverable or payable, taking into account amounts provided in the financial statements, are not significant.

Required Supplementary Information (Unaudited)

Schedule of Changes in Total Pension Liability, Net Pension Liability and Related Ratios

The following schedules show the history of changes in Total Pension Liability and Net Pension Liability as of December 31 using a January 1 measurement date (*in thousands*).

Retirement Plan	**2022**	**2021**
Total Pension Liability		
Service cost	$ 22,973	$ 22,717
Interest on total pension liability	110,172	108,155
Changes of benefit terms	-	-
Difference between expected and actual experience	2,737	7,823
Changes of assumptions	86,548	(6,001)
Benefit payments, including refunds of employee contributions	(105,821)	(102,515)
Net change in total pension liability	**116,609**	**30,179**
Total pension liability (beginning)	**1,602,932**	**1,572,753**
Total pension liability (ending) (a)	**$ 1,719,541**	**$ 1,602,932**
Plan Fiduciary Net Position		
Contributions from employer	$ 151,500	$ 59,093
Contributions from employee	15,645	13,971
Net investment income	70,247	132,006
Benefit payments, including refunds of employee contributions	(105,821)	(102,515)
Administrative expense	(188)	(146)
Net change in plan fiduciary net position	**131,383**	**102,409**
Plan fiduciary net position (beginning)	**1,157,753**	**1,055,344**
Plan fiduciary net position (ending) (b)	**$ 1,289,136**	**$ 1,157,753**
Net pension liability (ending) (a)-(b)	**$ 430,405**	**$ 445,179**
Plan fiduciary net position as a percentage of total pension liability	74.97%	72.23%
Covered payroll	$ 199,012	$ 192,252
Net pension liability as a percentage of covered payroll	216.27%	231.56%

Non-Qualified Plan **Total Pension Liability**	**2022**	**2021**
Service cost	$ 430	$ 366
Interest on total pension liability	69	156
Changes of benefit terms	-	-
Difference between expected and actual experience	574	92
Changes of assumptions	35	19
Benefit payments	(6,356)	-
Net change in total pension liability	**(5,248)**	**633**
Total pension liability (beginning)	**5,966**	**5,333**
Total pension liability (ending)	**$ 718**	**$ 5,966**
Covered payroll	$ 2,398	$ 2,908
Total pension liability as a percentage of covered payroll	29.55%	205.20%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

2020	2019	2018	2017	2016	2015
$ 21,502	$ 21,156	$ 21,135	$ 23,406	$ 23,224	$ 22,492
103,374	102,466	99,501	103,695	100,285	93,643
-	-	909	-	1,268	-
7,747	2,867	16,421	4,667	2,593	(5,328)
36,067	(14,834)	(1,306)	42,537	-	54,712
(100,724)	(97,375)	(91,372)	(85,752)	(81,441)	(79,681)
67,966	**14,280**	**45,288**	**88,553**	**45,929**	**85,838**
1,504,787	**1,490,507**	**1,445,219**	**1,356,666**	**1,310,737**	**1,224,899**
$ 1,572,753	**$ 1,504,787**	**$ 1,490,507**	**$ 1,445,219**	**$ 1,356,666**	**$ 1,310,737**
$ 59,201	$ 53,563	$ 53,073	$ 50,711	$ 46,568	$ 53,008
12,506	11,417	10,890	11,957	12,375	11,720
164,636	(68,088)	143,070	58,549	(11,465)	32,020
(100,724)	(97,375)	(91,372)	(85,752)	(81,441)	(79,681)
(80)	(98)	(95)	(134)	(111)	(193)
135,539	**(100,581)**	**115,566**	**35,331**	**(34,074)**	**16,874**
919,805	**1,020,386**	**904,820**	**869,489**	**903,563**	**886,689**
$ 1,055,344	**$ 919,805**	**$ 1,020,386**	**$ 904,820**	**$ 869,489**	**$ 903,563**
$ 517,409	**$ 584,982**	**$ 470,121**	**$ 540,399**	**$ 487,177**	**$ 407,174**
67.10%	61.13%	68.46%	62.61%	64.09%	68.94%
$ 187,099	$ 179,364	$ 179,607	$ 187,605	$ 200,905	$ 196,344
276.54%	326.14%	261.75%	288.05%	242.49%	207.38%

2020	2019	2018	2017
$ 239	$ 237	$ 275	$ 252
179	183	223	211
-	-	144	-
(3)	(87)	1,966	765
792	(82)	(28)	461
-	(2,399)	(3,852)	-
1,207	**(2,148)**	**(1,272)**	**1,689**
4,126	**6,274**	**7,546**	**5,857**
$ 5,333	**$ 4,126**	**$ 6,274**	**$ 7,546**
$ 2,726	$ 2,292	$ 2,561	$ 1,305
195.63%	180.02%	244.99%	578.24%

Required Supplementary Information (Unaudited)

Schedule of Retirement Plan Contributions

The following table shows the history of Contributions for the Retirement Plan as of December 31, using a January 1 measurement date (*in thousands*).

	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2022	$ 55,798	$ 55,798	$ -	$ 199,012	28.04%
2021	56,547	151,500	(94,953)	192,252	78.80%
2020	59,093	59,093	-	187,099	31.58%
2019	59,201	59,201	-	179,364	33.01%
2018	53,563	53,563	-	179,607	29.82%
2017	53,073	53,073	-	187,605	28.29%
2016	50,711	50,711	-	200,905	25.24%
2015	46,568	46,568	-	196,344	23.72%
2014	53,008	53,008	-	194,100	27.31%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

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Required Supplementary Information (Unaudited)

Schedule of Changes in Total OPEB Liability, Net OPEB Liability and Related Ratios

The following schedules show the history of changes in Total OPEB Liability and Net OPEB Liability as of December 31 using a January 1 measurement date (*in thousands*).

Plan A	**2022**	**2021**	**2020**
Total OPEB Liability			
Service cost	$ 3,075	$ 3,417	$ 4,064
Interest on total OPEB liability	24,599	26,112	27,514
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,066)	(22,453)	(43,551)
Changes of assumptions	(14,961)	(9,396)	12,163
Benefit payments	(19,219)	(18,685)	(20,409)
Net change in total OPEB liability	**(7,572)**	**(21,005)**	**(20,219)**
Total OPEB liability (beginning)	**357,794**	**378,799**	**399,018**
Total OPEB liability (ending) (a)	**$ 350,222**	**$ 357,794**	**$ 378,799**
Plan Fiduciary Net Position			
Contributions from employer	$ 13,400	$ 14,836	$ 20,621
Net investment income	19,105	23,733	24,706
Benefit payments	(19,219)	(18,685)	(20,409)
Administrative expense	(55)	(67)	(49)
Net change in plan fiduciary net position	**13,231**	**19,817**	**24,869**
Plan fiduciary net position (beginning)	**184,336**	**164,519**	**139,650**
Plan fiduciary net position (ending) (b)	**$ 197,567**	**$ 184,336**	**$ 164,519**
Net OPEB liability (ending) (a)-(b)	**$ 152,655**	**$ 173,458**	**$ 214,280**
Plan fiduciary net position as a percentage of total OPEB liability	56.41%	51.52%	43.43%
Covered payroll	$ 199,012	$ 192,252	$ 187,099
Net OPEB liability as a percentage of covered payroll	76.71%	90.22%	114.53%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

2019	2018
$ 4,171	$ 4,459
27,717	29,015
(37,614)	-
24,899	(31,210)
(1,255)	-
(21,028)	(20,017)
(3,110)	**(17,753)**
402,128	**419,881**
$ 399,018	**$ 402,128**
$ 19,973	$ 22,568
(11,695)	18,705
(21,028)	(20,017)
(168)	(121)
(12,918)	**21,135**
152,568	**131,433**
$ 139,650	**$ 152,568**
$ 259,368	**$ 249,560**
35.00%	37.94%
$ 179,364	$ 179,607
144.60%	138.95%

Required Supplementary Information (Unaudited)

Schedule of Changes in Total OPEB Liability, Net OPEB Liability and Related Ratios

The following schedules show the history of changes in Total OPEB Liability and Net OPEB Liability as of December 31 using a January 1 measurement date (*in thousands*).

Plan B	2022	2021	2020
Total OPEB Liability			
Service cost	$ 780	$ 706	$ 565
Interest on total OPEB liability	377	321	243
Difference between expected and actual experience	10	115	462
Changes of assumptions	632	(112)	81
Benefit payments	(12)	(44)	(9)
Net change in total OPEB liability	**1,787**	**986**	**1,342**
Total OPEB liability (beginning)	**6,407**	**5,421**	**4,079**
Total OPEB liability (ending) (a)	**$ 8,194**	**$ 6,407**	**$ 5,421**
Plan Fiduciary Net Position			
Contributions from employer	$ 1,000	$ 746	$ 625
Net investment income	313	541	568
Benefit payments	(12)	(44)	(9)
Administrative expense	(36)	(39)	(48)
Net change in plan fiduciary net position	**1,265**	**1,204**	**1,136**
Plan fiduciary net position (beginning)	**6,197**	**4,993**	**3,857**
Plan fiduciary net position (ending) (b)	**$ 7,462**	**$ 6,197**	**$ 4,993**
Net OPEB liability/(asset) (ending) (a)-(b)	**$ 732**	**$ 210**	**$ 428**
Plan fiduciary net position as a percentage of total OPEB liability	91.08%	96.72%	92.10%
Covered-employee payroll	$ 106,312	$ 108,669	$ 85,679
Net OPEB liability/(asset) as a percentage of covered-employee payroll	0.69%	0.19%	0.50%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

2019	2018
$ 492	$ 459
219	182
145	57
(451)	-
(17)	(13)
388	**685**
3,691	**3,006**
$ 4,079	**$ 3,691**
$ -	$ -
(133)	356
(17)	(13)
(35)	(36)
(185)	**307**
4,042	**3,735**
$ 3,857	**$ 4,042**
$ 222	**$ (351)**
94.57%	109.52%
$ 73,931	$ 55,747
0.30%	(0.63%)

Required Supplementary Information (Unaudited)

Schedule of OPEB Contributions

The following table shows the history of Contributions for the OPEB Plans as of December 31 using a January 1 measurement date (*in thousands*).

Plan A	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2022	$12,553	$12,553	$ -	$ 199,012	6.31%
2021	13,417	13,400	17	192,252	6.97%
2020	14,836	14,836	-	187,099	7.93%
2019	20,621	20,621	-	179,364	11.50%
2018	19,973	19,973	-	179,607	11.12%

Plan B	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as Percentage of Covered-Employee Payroll
2022	$ 1,000	$ 1,000	$ -	$106,312	0.94%
2021	987	1,000	(13)	108,669	0.92%
2020	746	746	-	85,679	0.87%
2019	625	625	-	73,931	0.85%
2018*	323	-	-	55,747	0.00%

* *Plan B was overfunded as of December 31, 2018, so no employer contribution was required, despite the actuarially determined contribution.*

Schedules are intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

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Notes to Required Supplementary Information (Unaudited)

Retirement Plan

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determined Contribution Rates

Actuarial Cost Method: Entry Age Normal with 20-year closed amortization period for unfunded liability

Asset Valuation Method: 5-year smoothing

Salary Increases: Varies by age

Investment Rate of Return: 6.5% for 2022, 7.00% for 2021 through 2016, 7.75% for 2015 and 2014

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table projected using the most recent mortality improvement scale available for 2022 through 2020, RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for 2019 through 2014.

Non-Qualified Plan

OPPD contributes to a fund for the Non-Qualified Plan on an actuarially determined basis. The fund will be used to pay related benefits; however, it does not meet the criteria for GASB 68 as the assets are not legally protected from creditors. As such, assets were reported in the Company's financial statements and were not netted against the total pension liability.

Valuation Date: Actuarially determined calculations are as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determined Contribution Rates

Actuarial Cost Method: Aggregate

Salary Increases: Varies by age

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table projected using the most recent mortality improvement scale available for 2022 through 2020, RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for 2019 through 2017.

Notes to Required Supplementary Information (Unaudited)

OPEB Plan A

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determined Contribution Rates

Actuarial Cost Method: Entry Age Normal with 15-year closed amortization period for unfunded liability

Asset Valuation Method: 5-year smoothing

Salary Increases: Varies by age

Investment Rate of Return: 7.0% for 2022 through 2017

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table with generational projection using the most recent mortality improvement scale available for 2022 through 2020. RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for years 2019 through 2017.

Healthcare Cost Trend Rates: The following table shows the pre-Medicare and post-Medicare healthcare trend rates (immediate to ultimate).

	Pre-Medicare	Post-Medicare
2022	6.2% to 4.5%	8.0% to 4.5%
2021	6.3% to 4.5%	8.3% to 4.5%
2020	6.8% to 4.5%	11.6% to 4.5%
2019	7.1% to 4.5%	11.6% to 4.5%
2018	7.1% to 4.5%	8.0% to 4.5%
2017	7.4% to 4.5%	8.6% to 4.5%

OPEB Plan B

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determined Contribution Rates

Actuarial Cost Method: Entry Age Normal with 15-year closed amortization period for unfunded liability

Asset Valuation Method: Market Value

Investment Rate of Return: 5.25% for 2022 through 2017

Mortality Rates: PUB-2010 General table with generational projection using the most recent mortality improvement scale available for 2022 through 2020. RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and is updated annually as new actuarial tables are published for years 2019 through 2017.

Statistics (Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Electric Utility Plant										
(at year end)										
(in thousands of dollars)	**5,546,856**	5,011,756	4,726,802	4,586,990	4,429,791	4,350,603	4,305,055	5,574,941	5,395,489	5,288,168
Total Indebtedness										
(at year end)										
(in thousands of dollars)	**2,610,225**	2,280,900	1,925,302	1,980,651	2,049,020	2,132,253	2,193,921	2,256,348	2,224,843	2,267,277
Operating Revenues										
(in thousands of dollars)										
Residential	**460,848**	439,609	431,965	423,574	431,199	409,272	410,957	383,051	379,986	385,171
Commercial	**336,360**	324,790	315,788	329,616	331,773	324,723	324,545	315,079	311,917	306,719
Industrial	**291,343**	276,264	225,078	215,765	213,606	214,580	210,912	201,805	207,649	213,742
Off-System Sales	**256,478**	328,376	137,282	147,509	183,714	163,761	175,506	195,512	223,055	118,268
FPPA Revenue	**7,400**	7,616	(45,917)	20,896	8,579	6,708	(6,115)	(19,166)	(20,147)	15,169
Unbilled Revenues	**10,556**	(372)	3,847	2,956	(2,532)	(1,049)	6,753	(976)	(1,800)	4,490
Provision for Rate Stabilization	**–**	–	–	–	(8,000)	(26,000)	25,000	(4,000)	–	–
Provision for Debt Retirement	**–**	–	–	–	–	–	–	–	–	17,000
Provision for Decommissioning & Benefits Reserve	**(6,000)**	83,000	(21,000)	(17,000)	(42,500)	(34,500)	–	–	–	–
Other Electric Revenues	**43,799**	37,637	36,858	37,403	33,094	28,806	29,918	30,930	29,798	29,654
Total	**1,400,784**	1,496,920	1,083,901	1,160,719	1,156,933	1,104,301	1,126,476	1,131,235	1,126,458	1,090,213
Operations & Maintenance Expenses										
(in thousands of dollars)	**962,458**	1,093,592	686,086	724,890	699,944	653,293	823,857	841,939	832,519	796,104
Payments in Lieu of Taxes										
(in thousands of dollars)	**40,462**	38,555	35,437	35,030	34,915	33,989	34,138	32,241	31,651	31,827
Net Operating Revenues before Depreciation, Amortization and Decommissioning										
(in thousands of dollars)	**397,864**	364,773	362,378	400,799	422,074	417,019	268,481	257,055	262,288	262,282
Net Income Before Special Item										
(in thousands of dollars)	**11,205**	27,948	74,003	86,949	68,734	79,168	25,750	32,322	51,925	55,276
Special Item										
(in thousands of dollars)	**–**	–	–	–	–	(1,972)	(959,575)	–	–	–
Net Income (Loss)										
(in thousands of dollars)	**11,205**	27,948	74,003	86,949	68,734	77,196	(933,825)	32,322	51,925	55,276
Energy Sales										
(in megawatt-hours)										
Residential	**3,937,046**	3,868,322	3,792,482	3,751,130	3,841,043	3,568,164	3,588,933	3,470,523	3,559,978	3,607,439
Commercial	**3,763,330**	3,668,742	3,529,531	3,735,317	3,765,727	3,675,829	3,683,821	3,630,557	3,638,193	3,561,707
Industrial	**4,293,784**	4,014,243	3,683,609	3,389,005	3,371,856	3,394,003	3,328,290	3,301,175	3,500,977	3,606,611
Off-System Sales	**4,410,693**	4,222,712	4,950,477	4,427,468	5,658,707	5,701,008	7,238,266	7,840,683	7,694,203	3,925,574
Unbilled Sales	**111,815**	(43,517)	83,316	44,351	(28,596)	(19,868)	63,638	(26,640)	(39,493)	26,221
Total	**16,516,668**	15,730,502	16,039,415	15,347,271	16,608,737	16,319,136	17,902,948	18,216,298	18,353,858	14,727,552
Number of Customers										
(average per year)										
Residential	**351,712**	346,503	342,716	337,517	333,567	328,576	323,784	319,501	315,705	311,921
Commercial	**49,550**	48,780	47,461	46,837	46,589	46,084	45,537	45,104	44,785	44,221
Industrial	**135**	141	144	147	151	157	164	174	177	193
Off-System	**13**	13	13	14	15	14	15	11	15	33
Total	**401,410**	395,437	390,334	384,515	380,322	374,831	369,500	364,790	360,682	356,368
Cents Per kWh (average)										
Residential	**11.68**	11.38	11.40	11.30	11.21	11.49	11.47	11.07	10.68	10.68
Commercial	**8.93**	8.86	8.95	8.82	8.81	8.83	8.81	8.69	8.57	8.61
Industrial	**6.81**	6.97	6.02	6.37	6.33	6.32	6.35	6.12	5.94	5.96
Retail	**9.08**	9.04	8.84	8.90	8.90	8.92	8.94	8.66	8.42	8.43
Generating Capability										
(at year end)										
(in megawatts)	**2,671.4**	2,692.1	2,691.5	2,690.8	2,691.4	2,645.7	2,490.1	3,080.3	3,232.1	3,237.0
System Peak Load										
(in megawatts)	**2,545.8**	2,509.0	2,384.0	2,436.1	2,363.7	2,426.9	2,354.4	2,315.1	2,291.1	2,339.4
Net System Requirements										
(in megawatt-hours)										
Generated	**9,335,876**	8,977,573	9,703,434	9,022,252	11,116,129	10,760,108	14,689,524	15,399,002	16,212,801	13,209,542
Purchased and Net Interchanged	**3,376,444**	3,130,597	1,950,971	2,414,090	367,609	395,288	(3,502,796)	(4,488,016)	(5,026,318)	(1,819,871)
Net	**12,712,320**	12,108,170	11,654,405	11,436,342	11,483,738	11,155,396	11,186,728	10,910,986	11,186,483	11,389,671

Investor Relations and Corporate Information

Corporate Headquarters
Energy Plaza
444 South 16th Street Mall
Omaha, Nebraska
68102-2247
oppd.com

General Counsel
Fraser Stryker PC LLO
Omaha, Nebraska

Financial Advisor
Barclays Capital Inc.
New York, New York

Consulting Engineer
Brattle Group Inc.
Boston, Massachusetts

Independent Auditors
FORVIS LLP
Omaha, Nebraska

Bond Counsel
Kutak Rock LLP
Omaha, Nebraska

Commercial Paper Holders
Issuing and Paying Agent
The Bank of New York Mellon Trust Company, N.A.
New York, New York

Senior, Subordinate and Separate System Bondholders
You may contact OPPD with questions about OPPD debt at:

Treasury & Financial Operations
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247
Email: finfo@oppd.com
800-428-5584

The Trustee and Paying Agent on OPPD's Senior Lien Debt, Subordinated Revenue Bonds and Separate System Revenue Bonds is The Bank of New York Mellon Trust Company, N.A. You may contact The Bank of New York Mellon Trust Company, N.A. directly at:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Email: *corporate.bond.research@bnymellon.com*
Bondholder Communications:
800-254-2826

Available Financial Information
In compliance with Securities and Exchange Commission Rule 15c2-12, information regarding OPPD is available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. Copies of its most recent annual reports and official statements also are available upon request at *finfo@oppd.com* or at the following address:

Treasury & Financial Operations Division
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Financial information in the annual report also is available at *oppd.com*

Energy Plaza
444 South 16th Street Mall
Omaha, Nebraska 68102

oppd.com

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APPENDIX B

PROPOSED FORM OF LEGAL OPINION OF KUTAK ROCK LLP, BOND COUNSEL

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Kutak Rock LLP
The Omaha Building | 1650 Farnam Street, Omaha, NE 68102-2103
office 402.346.6000

November 7, 2023

Omaha Public Power District
444 South 16th Street Mall
Omaha, NE 68102-2247

OMAHA PUBLIC POWER DISTRICT (NEBRASKA)
$360,820,000 Electric System Revenue Bonds, 2023 Series A
$188,940,000 Electric System Revenue Bonds, 2023 Series B

Ladies and Gentlemen:

We have examined proceedings relating to the issuance by the Omaha Public Power District (the "District") of its $360,820,000 Electric System Revenue Bonds, 2023 Series A and its $188,940,000 Electric System Revenue Bonds, 2023 Series B (the "2023 Bonds"). The 2023 Bonds are issued under the provisions of the hereinafter-described Authorizing Resolution.

The 2023 Bonds recite that they are issued for valid corporate purposes of the District under the authority of and in full compliance with the Constitution and laws of the State of Nebraska, including Chapter 70, Article 6 of the Nebraska Reissue Revised Statutes, as amended, and the Authorizing Resolution.

We have examined the Constitution and statutes of the State of Nebraska and a certified transcript of the proceedings of the Board of Directors of the District authorizing or relating to the issuance of the 2023 Bonds, including the following resolutions adopted by the Board of Directors of the District:

1. Resolution No. 1788 adopted on January 20, 1972, as amended by Resolution No. 5432 adopted by the District on April 14, 2005 and Resolution No. 5882 adopted by the District on October 13, 2011 (Resolution No. 1788, Resolution No. 5432 and Resolution No. 5882 are herein collectively referred to as the "General Resolution") pursuant to which, along with certain series resolutions, the District has issued its Electric System Revenue Bonds (the "Electric System Revenue Bonds"); and

2. Resolution No. 6559, adopted on April 20, 2023, pursuant to which, along with the General Resolution, the District has issued the 2023 Bonds (Resolution No. 6559 and the General Resolution are herein collectively referred to as the "Authorizing Resolution").

We have also reviewed such other documentation and certificates as we deem relevant and necessary in rendering this opinion.

Based on such examination, we are of the opinion that:

1. Pursuant to the Constitution and statutes of the State of Nebraska, the District is empowered to issue the 2023 Bonds. The 2023 Bonds (a) constitute valid and legally binding obligations of the District in accordance with their terms; (b) are issued on a parity with all other Electric System Revenue Bonds outstanding as of the date hereof and any bonds of the District which, pursuant to the Authorizing Resolution, may be hereafter issued on a parity with the 2023 Bonds and are payable solely from and secured by a pledge of and lien upon the Revenues of the District, as defined in the General Resolution, and the prior payment therefrom of the Operating Expenses of the Electric System, as defined in the General Resolution; and (c) are entitled to the benefits and security provided by the agreements and covenants contained in the Authorizing Resolution, which are valid, legally binding and enforceable upon the District according to their terms.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the 2023 Bonds is not includable in gross income for federal income tax purposes. Interest on the 2023 Bonds does not constitute an item of tax preference for purposes of the alternative minimum tax imposed on individuals by the Internal Revenue Code of 1986, as amended (the "Code"). For tax years beginning after December 31, 2022, interest on the 2023 Bonds may affect the federal alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to continuing compliance by the District with covenants regarding federal tax law contained in the Authorizing Resolution. Failure to comply with such covenants could cause interest on the 2023 Bonds to be included in gross income retroactive to the date of issue of the 2023 Bonds. Although we are of the opinion that interest on the 2023 Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2023 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deduction. We express no opinion regarding any such consequences.

3. Under existing laws, regulations and judicial decisions, interest on the 2023 Bonds is exempt from all present Nebraska state income taxes.

The obligations of the District contained in the 2023 Bonds and the Authorizing Resolution, and the enforceability thereof, are subject to general principles of equity which may permit the exercise of judicial discretion, the reasonable exercise in the future by the State of Nebraska and its governmental bodies of the police power inherent in the sovereignty of the State, applicable bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally and the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressees may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We have not assumed any responsibility with respect to the creditworthiness of the security for the 2023 Bonds, and our engagement as bond counsel with respect to the transaction referred to herein terminates upon the date of this letter. We assume no obligation to review or supplement this letter

subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,

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APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

Following is substantially the text of a Section of the Omaha Public Power District Series Resolution comprising the District's continuing disclosure undertaking pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i).

Undertaking To Provide Ongoing Disclosure.

This Section constitutes the written undertaking for the benefit of the holders of the Authorized Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12) (the "Rule"). Capitalized terms used in this Section and not otherwise defined in the Series Resolution shall have the meanings assigned such terms in subsection (d) hereof. It being the intention of the District that there be full and complete compliance with the Rule, this Section shall be construed in accordance with the written interpretative guidance and no action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule and in accordance with amendments to the Rule adopted or effective after the date hereof. The provisions of this Section may be modified in a Pricing Certificate as necessary or appropriate to reflect different or additional provisions of the Rule applicable to all or a portion of the Authorized Bonds.

The District, as an "obligated person" within the meaning of the Rule, undertakes to provide the following information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as presented by the MSRB, as provided in this Section:

Annual Financial Information;

Audited Financial Statements, if any; and

Required Event Notices.

1. The District shall, while any Authorized Bonds are Outstanding, provide the Annual Financial Information on or before the date which is 180 days after the end of each fiscal year of the District (the "Report Date"), beginning with the fiscal year in which the applicable Series of Authorized Bonds is issued. If the District changes its fiscal year, it shall provide written notice of the change of fiscal year to the MSRB. It shall be sufficient if the District provides to the MSRB any or all of the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the Annual Financial Information, the District shall provide the Audited Financial Statements to the MSRB, when and if available, while any Authorized Bonds are Outstanding.

If a Notice Event occurs while any Authorized Bonds are Outstanding, the District shall provide a Required Event Notice in a timely manner (not in excess of 10 business days after the occurrence of such Notice Event) to the MSRB. Each Required Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Authorized Bonds.

The District shall provide in a timely manner to the MSRB notice of any failure by the District while any Authorized Bonds are Outstanding to provide to the MSRB Annual Financial Information on or before the Report Date.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB and shall be in an electronic format as prescribed by the MSRB.

The following are the definitions of the capitalized terms used in this Section and not otherwise defined in the Series Resolution:

"Annual Financial Information" means the financial information or operating data with respect to the District, provided at least annually, of the type included in the final official statement with respect to the Authorized Bonds under the headings "CAPITAL EXPENDITURES"; "ELECTRIC RATES AND RATE REGULATION"; "THE ELECTRIC SYSTEM"; "OPERATING RESULTS"; "NET RECEIPTS FOR THE ELECTRIC SYSTEM"; "OPERATING REVENUES AND ENERGY SALES"; "OPERATIONS AND MAINTENANCE EXPENSES"; "DEBT SERVICE ON THE DISTRICT'S BONDS"; and also "APPENDIX A—MANAGEMENT'S DISCUSSION AND ANALYSIS—FINANCIAL POSITION AND RESULTS OF OPERATIONS"; "—CAPITAL PROGRAMS"; and "—CASH AND LIQUIDITY." The financial statements included in the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"). Such financial statements may, but are not required to be, Audited Financial Statements.

"Audited Financial Statements" means the District's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

"Notice Event" means any of the following events with respect to the Authorized Bonds:

Principal and interest payment delinquencies;

Non-payment related defaults, if material;

Unscheduled draws on debt service reserves reflecting financial difficulties;

Unscheduled draws on credit enhancements reflecting financial difficulties;

Substitution of credit or liquidity providers, or their failure to perform;

Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Authorized Bonds or other material events affecting the tax-exempt status of the Authorized Bonds;

Modifications to rights of holders of the Authorized Bonds, if material;

Authorized Bond calls, if material, and tender offers;

Defeasances;

Release, substitution, or sale of property securing repayment of the Authorized Bonds, if material;

Rating changes;

Bankruptcy, insolvency, receivership or similar events relating to the District;

The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

Appointment of a successor or additional trustee or the change of name of a trustee, if material;

Incurrence of a financial obligation (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation (as defined in the Rule) of the District, any of which affect holders of the Authorized Bonds, if material; and

Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as defined in the Rule) of the District, any of which reflect financial difficulties.

“Required Event Notice” means written or electronic notice of a Notice Event.

2. The continuing obligation hereunder of the District to provide Annual Financial Information, Audited Financial Statements, if any, and Required Event Notices shall terminate immediately once the Authorized Bonds no longer are Outstanding. This Section, or any provision hereof, shall be null and void in the event that the District obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Authorized Bonds, provided that the District shall have provided notice of such delivery and the cancellation of this Section to the MSRB.

This Section may be amended without the consent of the holders of the Authorized Bonds, but only upon the delivery to the District of an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the District’s compliance with this Section and with the Rule, provided that the District shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:

The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person or type of business conducted;

This Section, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

The amendment does not materially impair the interests of holders of the Authorized Bonds, as determined either by parties unaffiliated with the District (such as nationally recognized bond counsel), or by approving vote of holders of the Authorized Bonds pursuant to the terms of the General Resolution at the time of the amendment.

The initial Annual Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of operating data or financial information being provided.

Any failure by the District to perform in accordance with this Section shall not constitute an "Event of Default" under the General Resolution, and the rights and remedies provided by the General Resolution upon the occurrence of an "Event of Default" shall not apply to any such failure. In the event of a breach by the District of any of its obligations under this Section, any owner of any interest in the Authorized Bonds may bring an action against the District for specific performance to cause the District to perform its obligations hereunder, but shall have no other remedy for such breach.

APPENDIX D

SCHEDULE OF REFUNDED BONDS

Series	Maturity Date	Amount to be Refunded	Interest Rate	CUSIP Numbers
2014 AA	February 1, 2025	$7,565,000	5.00%	682001BV3
2014 AA	February 1, 2026	8,610,000	5.00	682001BW1
2014 AA	February 1, 2027	10,445,000	5.00	682001BX9
2014 AA	February 1, 2032	19,785,000	5.00	682001BZ4
2014 AA	February 1, 2034*	38,890,000	4.00	682001CA8
2014 CC	February 1, 2031	4,630,000	4.00	682001CF7

*Term Bond

OMAHA PUBLIC POWER DISTRICT (NEBRASKA) • ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A AND ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES B

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