

SD-3: Access to Credit Markets Monitoring Report

Jeff Bishop
Vice President and Chief Financial Officer
May 14, 2024

SD-3: Access to Credit Markets

In order to achieve a low cost and flexible cost structure, OPPD shall maintain financial ratios and targets to ensure efficient and cost-effective access to the credit markets

Therefore:

- For OPPD's annual budgets, the Board establishes a minimum total debt service coverage* ratio of 2.0 times
- When making resource decisions, OPPD shall take into consideration long-term revenue requirements, debt-to-capitalization ratio, minimum risk-adjusted liquidity* levels, competitive position, financial risk, and financial flexibility
- OPPD's goal is to maintain an AA credit rating with the credit rating agencies consistent with the above expectations

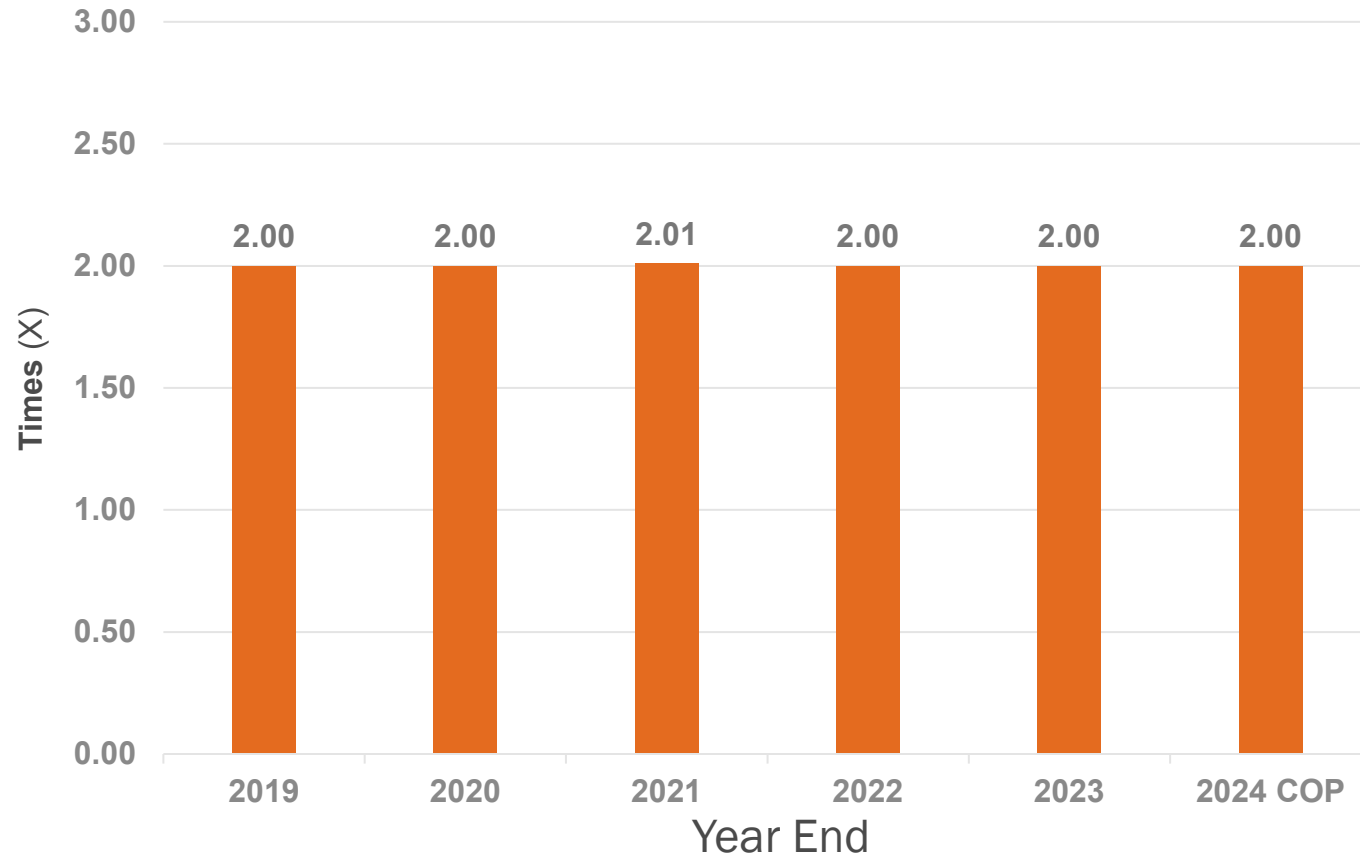
*TERMS AND DEFINITIONS

Total Debt Service Coverage: Revenues less expenses divided by total annual senior and subordinate lien debt interest and principal payments

Liquidity: Total cash (operating and supplemental cash accounts) and unrestricted lines of credit available to meet ongoing daily cash requirements

Total Debt Service Coverage

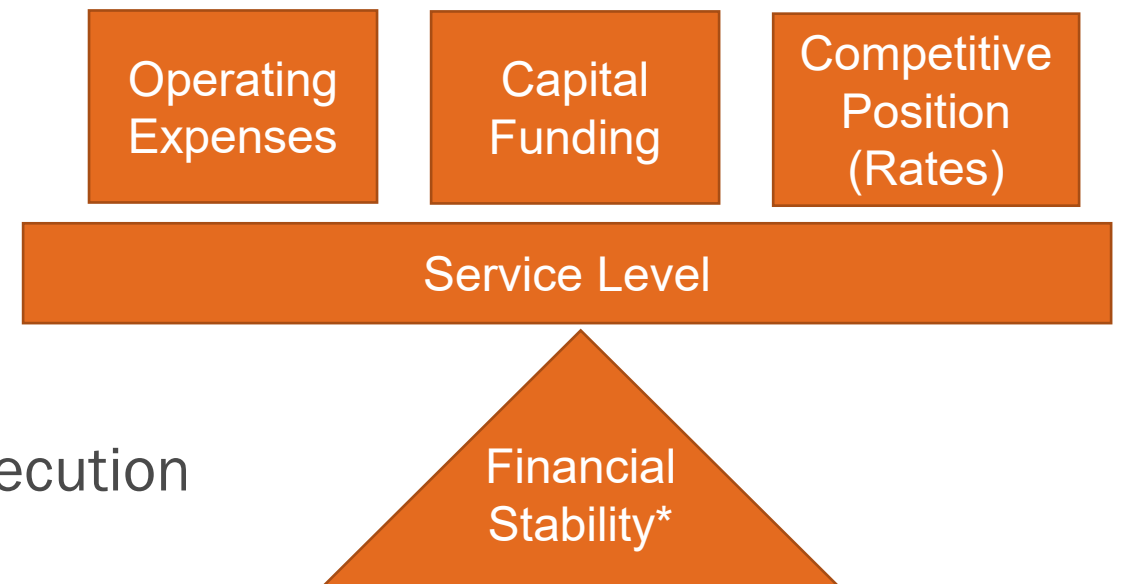
For OPPD's annual budgets, the Board established a minimum total debt service coverage ratio of 2.0 times.



Resource Decisions are made through the Corporate Operating Plan (COP)

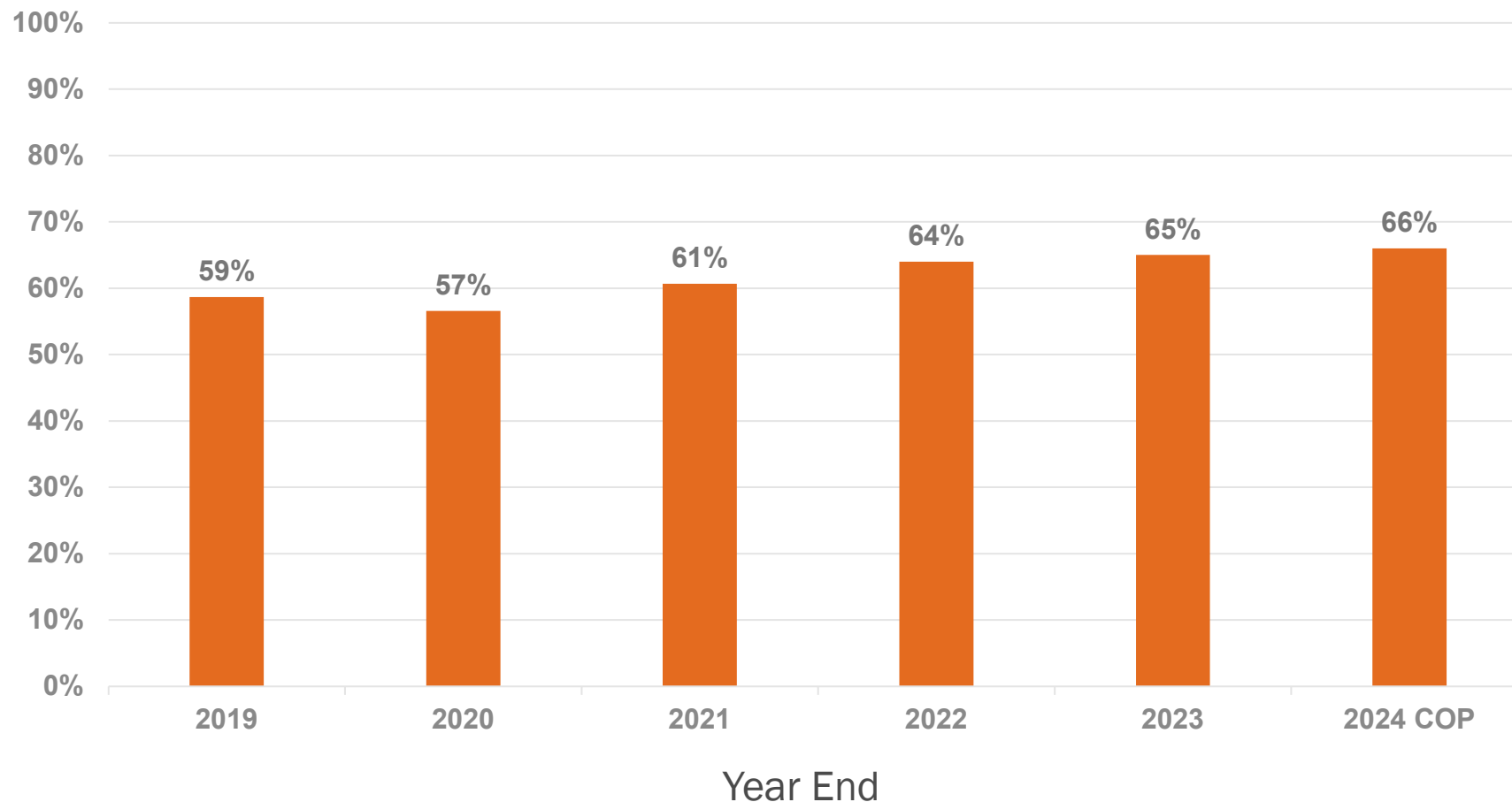
When making resource decisions, OPPD shall take into consideration long-term revenue requirements, debt-to-capitalization ratio, minimum risk-adjusted liquidity levels, competitive position, financial risk, and financial flexibility

- Board of Director's Strategic Directives
 - Competitive position in establishing rates (SD-2)
- Long-term revenue requirements
 - Operational requirements (SD-4)
 - Enterprise and financial risks (SD-15)
- Flexibility of plan to adjust with operational execution



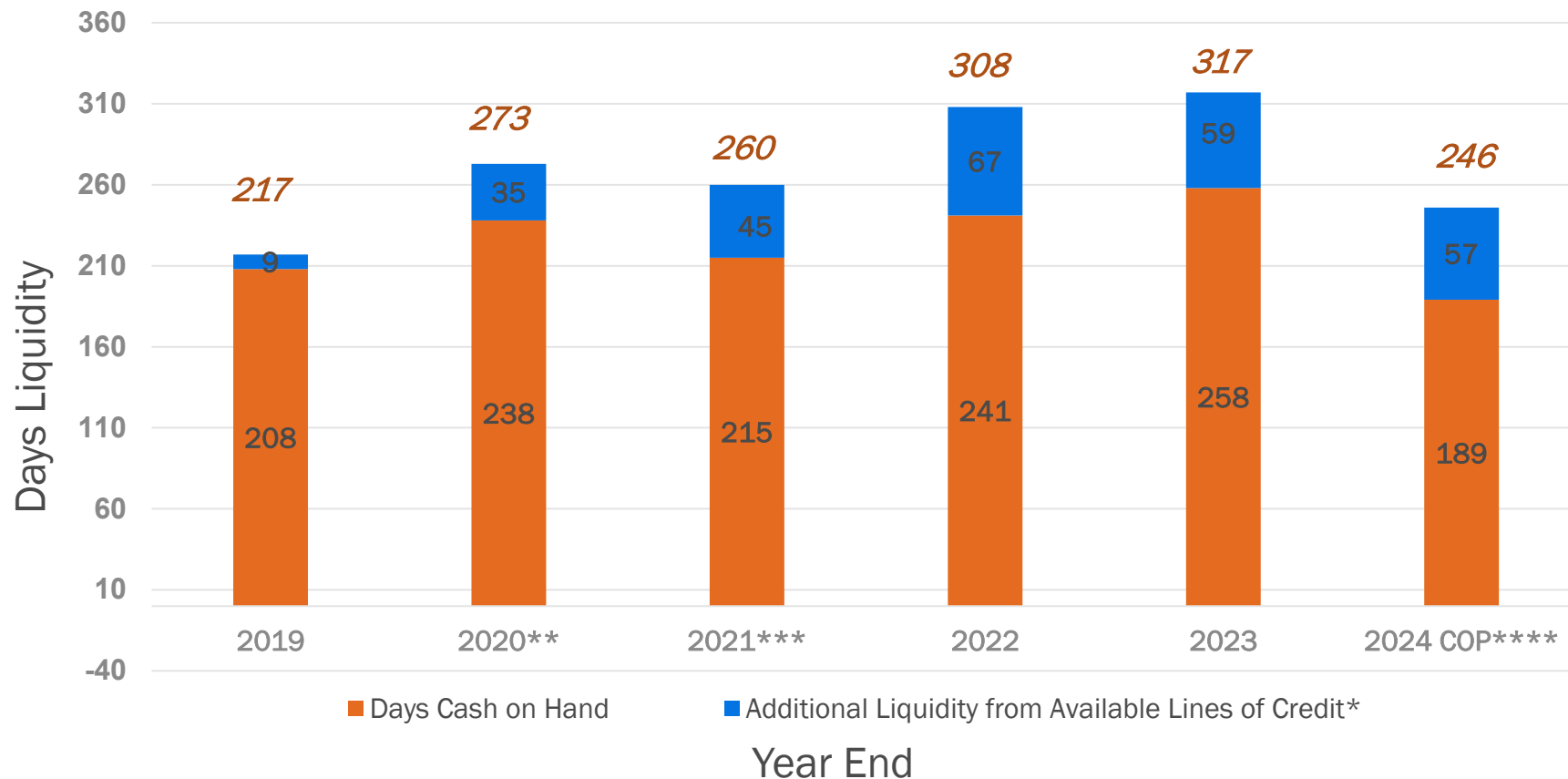
* As measured by Debt Service Coverage, Liquidity and Debt-to-Capitalization Ratios

Debt Ratio*



* Share of debt-to-total capitalization (debt plus net position)

Days Liquidity



* Available lines of credit equal total lines of credit less outstanding commercial paper and letters of credit

** Lines of credit increased from \$250 million to \$325 million

*** Lines of credit increased from \$325 million to \$450 million

**** During April 2024, lines of credit increased from \$450 million to \$600 million (increase not represented in graphic)

Credit Rating

OPPD's goal is to maintain an AA credit rating with the credit rating agencies consistent with the above expectations

	2019	2020	2021	2022	2023
Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Standard & Poor's	AA	AA	AA	AA	AA

Recommendation

- The Finance Committee has reviewed and accepted this Monitoring Report for SD-3 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-3

Any reflections on

**what has been
accomplished, challenges
and/or strategic
implications?**

