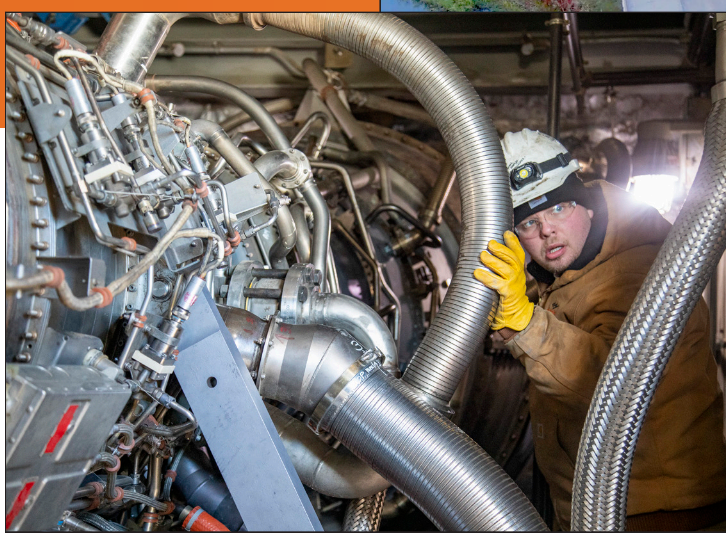
2025 CORPORATE OPERATING PLAN



Omaha Public Power District

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MANAGEMENT LETTER

Management Letter

Every day in 2024, Omaha Public Power District (OPPD) worked tirelessly to overcome challenges and prepare for a bright future.

We diversified our portfolio with energy sources that will enhance our reliability during extreme weather, reduce our carbon output and help us meet fast-growing customer demand for electricity.

We're forging ahead with plans for advanced metering infrastructure (AMI) technology, which will help us assess and restore outages with greater speed and precision.

We also powered through major challenges this year, including extreme cold and low river levels in January that affected generation plants on the Missouri River, an April tornado that devastated Elkhorn and Bennington, major flooding near our Fort Calhoun Station site and a July 31 storm with hurricane-force winds that caused the biggest outage in OPPD history.

Above all, our public power mission kept us focused on reliability, affordability and environmental sustainability. Our locally elected Board of Directors continued to guide us with forward-looking directives to serve the community.

Our 2025 Corporate Operating Plan recommends a 6.3% rate increase, composed of a 4.9% average general rate increase and a 1.4% increase from the Fuel and Purchased Power Adjustment (FPPA) factor and replenishment of the Rate Stabilization Account (RSA). The general rate increase is driven by rising net power costs from increasing load and a growing capital portfolio, leading to additional debt issuances. The FPPA and RSA impact is driven by outages and storm restoration costs. FPPA is the mechanism OPPD uses to collect price fluctuations from year to year.

For context, OPPD's rates are still far lower, on average, than other utilities. Residential rates are 25.2% below the national average, according to the U.S. Energy Information Administration's final 2023 report, the most recent data available.

As the energy landscape changes, OPPD is working on multiple fronts to adapt and thrive – and our future is bright.

L. Javier Fernandez
President and Chief Executive Officer

STRATEGIC PLANNING AND ENTERPRISE RISK

Strategic Direction

To provide clear and transparent direction on behalf of OPPD’s customer owners OPPD’s publicly elected Board of Directors established fifteen strategic direction (SD) policies in 2015 to which OPPD is accountable. The policies guide OPPD’s planning efforts to address current and future trends, mitigate risks, pursue strategic opportunities, and prioritize resources to efficiently and effectively provide energy services to our customer owners. The SD policies leverage industry benchmarks to drive performance as a top utility and provide the basis for a scorecard to which the organization manages its performance. The Board monitors OPPD's compliance with these policies and updates the policies, when determined appropriate, to clarify strategic direction.

Our Strategic Foundation (SD-1)

Mission: To provide affordable, reliable and environmentally sensitive energy services to our customers.

Vision: "Leading the Way We Power the Future"

In implementing this vision, OPPD shall adhere to these principles:

- Strengthen the public power advantage of affordable and reliable electricity;
- Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners;
- Proactively engage and communicate with our stakeholders;
- Act transparently and with accountability for the best interest of our customer-owners;
- Collaborate, when appropriate, with partners; and
- Leverage OPPD's leadership to achieve these goals

Core Values

- We have a PASSION to serve
- We HONOR our community
- We CARE about each other

Board Strategic Direction Policies & Strategic Goals

Policy	Measure	Definition	Strategic Goal
Rates (SD-2)	% Below Regional Retail Average	Retail rate target of North Central Regional average published rates on a system average basis.	10%
Access to Credit Markets (SD-3)	Debt Coverage Ratio	Revenues less expenses divided by total annual senior and subordinate lien debt interest and principal payments.	2.0
Reliability (SD-4)	SAIDI	System Average Interruption Duration Index	< 90 mins
	SAIFI	System Average interruption Frequency Index	< 0.9 incidents
	EFOR	Equivalent Forced Outage Rate	< or = 8.0%
Customer Satisfaction (SD-5)	Absolute Satisfaction Score	Customer satisfaction for similar-sized utilities in the region across residential and business customers.	Top quartile
Safety (SD-6)	DART	Days Away, Restricted or Transferred	< or = 0.50
	PVIR	Preventable Vehicle Incident Rate	< or = 4.00
Environmental Stewardship (SD-7)	% Net reduction in CO2e	Strive to achieve net zero carbon equivalent (CO2e) emissions by 2050 relative to OPPD's 2013 benchmark with the following interim targets, 2027-41-51% net reduction. Future interim targets to be informed by and determined following the completion of the 2026 integrated resource plan.	Achieve net zero CO2e by 2050
Employee Relations (SD-8)	Employee Engagement	Composite score of employee engagement	Top quartile

For a full listing of the 15 Strategic Directives, which includes Integrated System Planning (SD-9), Ethics (SD-10), Economic Development (SD-11), Information Management & Security (SD-12), Stakeholder Outreach & Engagement (SD-13), Retirement Plan Funding (SD-14), Enterprise Risk Management (SD-15), please access the following link to the OPPD Board Policy document https://www.oppd.com/media/317205/oppd-board-policy-binder.pdf

Powering the Future to 2050

At OPPD, we've imagined the future. Powering the Future to 2050 (PF2050) is a strategic vision to make OPPD cleaner, more sustainable, and more innovative than you can believe. While others have been wondering about what's next, we've been hard at work, nights and weekends, planning out what the future of power looks like and how to bring it to life. The vision is clear – **Perfect Power**, **Customer Freedom**, and a **Cleaner World** enabled through a **Digitally Driven**, **Purpose-Driven Culture**, and **Future-Ready Posture** mindset.

In November of 2019, the Board of Directors revised SD-7 (Environmental Stewardship) and established the goal to conduct all operations in a manner that strives for the goal of net-zero-carbon production by 2050. In consideration of this revision, other SD policies, and transformational changes within and outside the industry, the Executive Leadership Team (ELT) created PF2050, which provides a strategic vision for the organization through the year 2050. PF2050 outlines a transformational journey and was developed with the expressed intent to meet or exceed the fifteen SD policies. This vision will transform OPPD to a digital utility with two-way and multi-directional power and communication flows, build a proactive grid, give customer-owners multiple options, minimize environmental impact, and reduce carbon emissions. The future is coming, and we want to make sure it is illuminated.

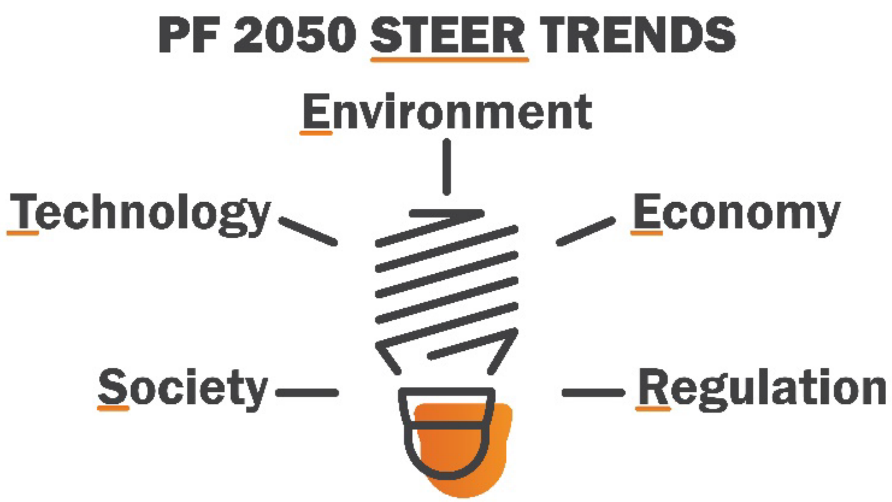
Acknowledging the rapidly evolving and increasingly complex environment we operate in, OPPD adopted a future-ready posture mindset. This means we are taking a thoughtful approach to investing in both core work ('keeping the lights on today') and in the efforts to power our next generation. This deliberate and agile approach resulted in the establishment of the enterprise-level resourcing priorities. These enterprise priorities are aligned under PF2050 and influence the current year's budget. The process ensures OPPD's finite resources are being used to facilitate the right work to get us closer to our objectives of Perfect Power, Customer Freedom, and a Cleaner World by 2050.

The 2025-2030 enterprise priorities (listed in priority order below) were established to provide this life essential energy service to our customer-owners and employees. Their requirements and aspirational futures are woven into the very DNA of these priorities and are the underpinnings of everything we do.

1. Resource Adequacy
2. Technology Transformation
3. Next Generation Grid
4. Master Facilities Plan

Powering the Future to 2050

OPPD leveraged PF2050 and the enterprise priorities to guide planning, prioritization, and resourcing decisions for this Corporate Operating Plan. The vision to meet the growing demands of the service territory is becoming a reality as we transition from strategic planning to resourcing the execution in service of our customer-owner requirements in 2030 and beyond. We will continue to build upon our resource prioritization & capacity management framework and strategic STEER trends and risk scanning capabilities that will result in new and better ways to deliver affordable, reliable, and environmentally sensitive energy services to our customers. Additional information regarding PF2050 can be found on https://www.oppdcommunityconnect.com/pf2050.



Enterprise Risk Management (SD-15)

Fundamental to effective planning is an understanding of the District's enterprise level risks and the development and implementation of initiatives and mitigation plans to respond to those risks. The District's Enterprise Risk Management (ERM) 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. An increased focus on emerging risks, such as disruptive technology, was launched in 2023. This process will continue to strengthen executive leadership's understanding of these risks to ensure an optimal future-ready posture for the organization. In support of its 2025 corporate planning efforts, OPPD leveraged risk assessments and mitigation plans to help prioritize resource allocation. The ELT will continue to expand this effort by incorporating those critical trends identified and associated with PF 2050.

Theme	OPPD's Risk Management Focus
Retail Revenues & Wholesale Revenues	Persistently pursue customer and economic development to achieve economies of scale and strengthen the affordability of our rates. Optimize wholesale revenues and purchases to further benefit our customer-owners.
Resource Adequacy and Reliability	Acquire and maintain a high availability and diverse generation portfolio to serve a significantly growing customer demand.
Environmental Sensitivity	Ensure the District is compliant with all environmental regulations, well-positioned to respond to new regulations, and able to minimize our environmental impact.
Fuel Costs	Effectively manage the District's fuel portfolio through numerous mitigation strategies to continue to ensure low cost and resilient generation.
AMI & Tech Transformation Execution	Deliver world-class execution of priority initiatives that will create a future-ready posture to deliver increased value to our customer-owners.
Cyber & Physical Security	Vigorously defend customer information and District assets from all potential cyber and physical security threats inherent with national critical infrastructure.
Infrastructure Investment	Optimally invest in transmission, distribution, substation, facility, and technology assets to ensure reliable and resilient energy services and supporting functions will meet the demands of our customer-owners.
Workplace Safety	Continue promoting safety as a top priority to ensure every employee and contractor goes home as healthy as they came into work.
Community Partnership	Honor and support the communities in which we operate and fulfill the promise of public power.

ASSUMPTIONS

Assumptions

2025 Proposed Rate Action

Effective January 1, 2025, OPPD's 2025 Corporate Operating Plan assumes an average total rate increase of 6.3% across all customer classes, composed of a 4.9% average general rate increase and a 1.4% increase from the FPPA factor and replenishment of the RSA. The general rate increase is largely driven by rising net power costs and a growing capital portfolio which leads to additional debt issuances. The FPPA and replenishment of the RSA is driven by outages and storm restoration costs.

General

2024 Projected

Revenues, operations and maintenance (O&M), capital and deferred expenditures reflect the 2024 actual values and forecast submitted through September 30, 2024.

Financing/Investing

Financing

Revenue bonds with net proceeds of $460.0 million are included in the 2025 budget. The proceeds of these bonds are expected to be used for capital expenditures.

Average Earnings Rates on Funds

The average earnings rate used for all funds (including special purpose) for 2025 is 3.6% which is a decrease of 0.5% from the prior year's rate of 4.1%.

Energy Sales/Revenues

Load Forecast

The plan assumes a 12.5% increase in retail energy sales (MWh) and a 2.1% increase in the number of customers in 2025, as compared to the 2024 budget.

Assumptions

Generation and Purchased Power

Outages have been scheduled for the following base-load units in 2025:

1. Nebraska City Station Unit Number 2
2. North Omaha Station Units 4 & 5

Additionally, there are several shorter outages scheduled for other units. The purchased power budget includes generation supplied from 1,272 megawatts of wind capability, 80 megawatts of hydropower from the Western Area Power Administration, as well as 86 megawatts of solar capability.

Department Operations and Maintenance Budget

Department and division level budgets were proposed, and these plans were reviewed with the ELT for alignment with the strategic and operational objectives before submitting them in the 2025 Corporate Operating Plan for Board final approval.

Capital Budget Expenditures

The capital portfolio prioritization and allocation process continues to improve capital planning. The process enables better alignment with the strategic directives and provides more transparency of capital spending through improved project review and approval processes. The size of the capital budget continues to grow as the District undergoes system expansion to provide reliable electric service to a growing community.

Total 2025 Budget

The total 2025 Budget is $2.3 billion.

BUDGET SUMMARY
(DOLLARS IN THOUSANDS)

Total Budget	BUDGET 2024	BUDGET 2025	INCREASE / (DECREASE)	% CHANGE
Capital Expenditures*	$ 727,000	$ 788,000	$ 61,000	8.4
Non-Fuel Operations & Maintenance	528,335	582,729	54,394	10.3
Fuel and Purchased Power	492,691	567,138	74,447	15.1
Total Debt Service and Other Expenses	189,242	216,317	27,075	14.3
Decommissioning Expenditures**	112,918	102,596	(10,322)	(9.1)
Payments in Lieu of Taxes	45,599	53,532	7,933	17.4
Reserves	11,939	13,269	1,330	11.1
TOTAL BUDGET	**$ 2,107,724**	**$ 2,323,581**	**$ 215,857**	**10.2**

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

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding ($10.7 million) which is an expense and is reflected on the income statement.

Budget Component Comparison	BUDGET 2024	BUDGET 2025	CHANGE
Capital Expenditures*	34.5%	33.9%	(0.6)
Non-Fuel Operations & Maintenance	25.1%	25.1%	0.0
Fuel and Purchased Power	23.4%	24.4%	1.0
Total Debt Service and Other Expenses	9.0%	9.3%	0.3
Decommissioning Expenditures**	5.4%	4.4%	(1.0)
Payments in Lieu of Taxes	2.2%	2.3%	0.1
Reserves	0.6%	0.6%	0.0
TOTAL BUDGET	**100.0%**	**100.0%**	**-**

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

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Income Statement

The District uses a 2.0 debt service coverage ratio as the basis of annual budgets, which is based on SD-3 Access to Credit Markets. It should be noted that OPPD does not set budgets or other forward-looking plans on the basis of net income. Net income for 2025 is budgeted to be $203.1 million, which is $41.7 million or 25.9% higher than the 2024 budget.

Major Factors Contributing to the Change in Budgeted Operating and Net Income:

Operating revenues are $1,671.2 million, which is $238.8 million or 16.7% higher than the 2024 budget. As the District anticipates load growth across all customer classes, retail revenues are expected to increase $208.7 million or 17.0% from the 2024 budget. The increase in operating revenue was also impacted by higher wholesale revenue of $25.6 million or 15.6%. The wholesale revenue increase is largely driven by higher congestion hedging revenue. The 2024 budget took a very conservative approach to congestion hedging revenues, leading to an increase in 2025 to more closely reflect actual performance.

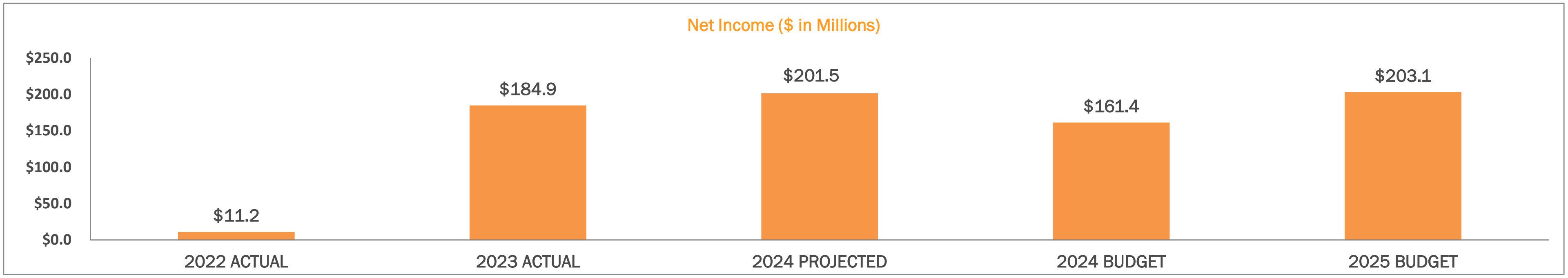
Operations and maintenance expenses are $1,149.9 million, which is $128.8 million or 12.6% higher than the 2024 budget. Fuel and purchased power account for an increase of $74.4 million, or 15.1%, when compared to 2024 budget. Other O&M increases are driven by costs and headcount growth associated with the District's strategic priorities as well as additional investment in vegetation management.

Other income is $88.8 million, which is $2.8 million or 3.2% higher than the 2024 budget amount due to largely offsetting impacts. Allowance for funds used during construction (AFUDC) is budgeted to increase by $13.1 million due to a growing capital portfolio, offset by decreased interest income of $11.9 million due to a lower earnings rate for funds on deposit.

Interest expense is $174.3 million in 2025 which is $22.6 million or 14.9% higher than the 2024 budget due to additional planned debt issuances required to execute a large capital portfolio.

INCOME STATEMENT
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
OPERATING REVENUES	$ 1,400,784	$ 1,428,905	$ 1,516,446	$ 1,432,358	$ 84,088	$ 1,671,191	$ 238,833	16.7
OPERATING EXPENSES								
O&M EXPENSE	962,458	1,036,164	1,090,192	1,021,028	69,163	1,149,867	128,839	12.6
DEPRECIATION EXPENSE	150,074	124,980	143,871	138,448	5,423	183,433	44,985	32.5
PAYMENTS IN LIEU OF TAXES	40,462	42,498	45,827	45,599	228	53,532	7,934	17.4
DECOMMISSIONING EXPENSE	141,918	33,320	16,148	15,298	850	10,694	(4,604)	(30.1)
REGULATORY AMORTIZATION	14,835	13,600	-	-	-	-	-	-
TOTAL OPERATING EXPENSE	$ 1,309,747	$ 1,250,562	$ 1,296,037	$ 1,220,373	$ 75,664	$ 1,397,526	$ 177,154	14.5
OPERATING INCOME	$ 91,037	$ 178,343	$ 220,409	$ 211,985	$ 8,423	$ 273,665	$ 61,680	29.1
INTEREST INCOME	20,481	35,412	61,646	54,211	7,434	42,355	(11,856)	(21.9)
ALLOWANCE FOR FUNDS USED	16,427	33,079	39,504	26,332	13,173	39,481	13,149	49.9
PRODUCTS AND SERVICES - NET	2,868	2,092	1,772	2,484	(712)	3,952	1,469	59.1
MISC. NON OPERATING INCOME	25,917	4,718	1,008	3,000	(1,992)	3,000	-	-
MARK TO MARKET	(60,693)	38,747	11,204	-	11,204	-	-	-
TOTAL OTHER INCOME	$ 5,000	$ 114,048	$ 115,134	$ 86,027	$ 29,108	$ 88,788	$ 2,761	3.2
TOTAL INCOME LESS OPERATING EXPENSE	$ 96,037	$ 292,391	$ 335,543	$ 298,012	$ 37,531	$ 362,453	$ 64,441	21.6
INCOME DEDUCT. & INT. CHARGES								
INTEREST EXPENSE	97,739	120,168	147,203	151,720	(4,517)	174,319	22,599	14.9
OTHER INCOME DEDUCTIONS	1,787	3,091	3,917	1,205	2,712	1,205	-	-
AMORTIZATION	(14,694)	(15,767)	(17,030)	(16,271)	(759)	(16,157)	114	(0.7)
TOTAL INCOME DEDUCT. & INT. CHARGES	$ 84,832	$ 107,491	$ 134,090	$ 136,654	$ (2,564)	$ 159,367	$ 22,713	16.6
NET INCOME	$ 11,205	$ 184,900	$ 201,453	$ 161,358	$ 40,095	$ 203,086	$ 41,728	25.9



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Coverage Ratios

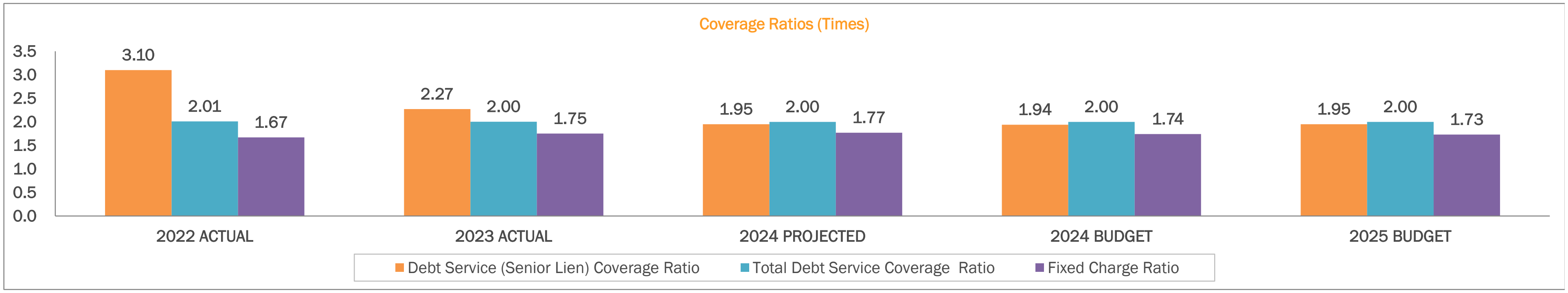
The Total Debt Service Coverage ratio, which is the key metric viewed by credit rating agencies, is budgeted to be 2.00 times in 2025, as directed by SD-3 Access to Credit Markets.

The Fixed Charge ratio is budgeted at 1.73 times in 2025, as compared to the budgeted 2024 value of 1.74 times.

The Senior Lien Debt Service Coverage ratio is budgeted to slightly increase to 1.95 compared to the 2024 metric of 1.94 times as increases in net receipts are offset by additional debt service requirements from additional borrowings. The additional debt issuances for senior lien revenue bonds are expected to be used to support a growing capital portfolio. Senior lien debt service requirements are expected to increase by $36.2 million or 19.6% from the 2024 budget amount.

COVERAGE RATIOS
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
OPERATING REVENUES (EXCL. NC2)	$ 1,331,698	$ 1,354,221	$ 1,448,671	$ 1,368,804	$ 79,867	$ 1,600,681	$ 231,877	16.9
INTEREST INCOME - BONDS RESERVE ACCOUNT	1,357	3,229	5,354	3,491	1,863	4,383	892	25.6
PAYMENTS IN LIEU OF TAXES	(40,462)	(42,498)	(45,827)	(45,599)	(228)	(53,532)	(7,934)	17.4
O&M EXPENSE (EXCL. NC2 PARTICIPANT SHARE)	(930,054)	(1,000,481)	(1,055,662)	(966,215)	(89,447)	(1,118,677)	(152,462)	15.8
NET RECEIPTS	$ 362,539	$ 314,471	$ 352,536	$ 360,481	$ (7,945)	$ 432,854	$ 72,373	20.1
TOTAL DEBT SERVICE COVERAGE RATIO (DSC)	2.01	2.00	2.00	2.00	-	2.00	$0	-
DEBT SERVICE REQUIREMENTS (SENIOR LIEN)	$ 116,947	$ 138,251	$ 180,755	$ 185,183	$ (4,428)	$ 221,392	$36,209	19.6
DEBT SERVICE (SENIOR LIEN) COVERAGE RATIO	3.10	2.27	1.95	1.94		1.95		
FIXED CHARGE RATIO	1.67	1.75	1.77	1.74		1.73		



NOTE: Some columns may not foot exactly due to the method used for individual line item rounding. Total DSC as defined in OPPD's published Strategic Directive-3: Access to Credit Markets.

Financial Statements

Debt and Financing Data

Total senior lien revenue bonds outstanding at year-end 2025 are budgeted to equal $3,480 million. The 2025 budget anticipates the issuance of approximately $460.0 million of new senior lien revenue bonds and also includes senior lien revenue bond maturities and retirements of $52.5 million.

The 2025 budget does not anticipate the issuance of new subordinated bonds as all will mature or be retired during 2024.

Total commercial paper outstanding at year-end 2025 is budgeted to remain at the 2024 level of $250.0 million. The 2025 budget does anticipate the net impact of both an issuance and retirement of $100.0 million in new commercial paper.

Total separate system (Nebraska City Unit 2 (NC2)) revenue bonds outstanding at year-end 2025 are budgeted to equal $185.1 million. The 2025 budget does not anticipate the issuance of new NC2 revenue bonds but does have NC2 revenue bond maturities and retirements of $4.4 million.

The total average interest rate on existing debt is budgeted at 4.45% at the end of 2025 and the debt to capitalization ratio is budgeted to be 65.6% for 2025.

DEBT AND FINANCING DATA
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
SENIOR LIEN REVENUE BONDS								
BALANCE - BEGINNING OF YEAR	$ 1,524,630	$ 1,935,320	$ 2,439,775	$ 2,439,775	$ -	$ 3,072,490	$ 632,715	25.9
NEW ISSUES	420,565	549,760	906,755	448,657	458,098	460,000	11,343	2.5
MATURITIES / RETIREMENTS	(9,875)	(45,305)	(274,040)	(45,895)	(228,145)	(52,535)	(6,640)	14.5
BALANCE - END OF YEAR	$ 1,935,320	$ 2,439,775	$ 3,072,490	$ 2,842,537	$ 229,953	$ 3,479,955	$ 637,418	22.4
AVERAGE INTEREST RATE (END OF YEAR)	3.85%	3.79%	4.13%	4.47%		4.44%		
SUBORDINATED								
BALANCE - BEGINNING OF YEAR	229,775	227,225	134,745	134,745	-	-	(134,745)	(100.0)
NEW ISSUES	-	-	-	-	-	-	-	-
MATURITIES / RETIREMENTS	(2,550)	(92,480)	(134,745)	(2,560)	(132,185)	-	2,560	(100.0)
BALANCE - END OF YEAR	$ 227,225	$ 134,745	$ -	$ 132,185	$ (132,185)	$ -	$ (132,185)	(100.0)
AVERAGE INTEREST RATE (END OF YEAR)	4.23%	6.54%		4.01%				
COMMERCIAL PAPER								
BALANCE - BEGINNING OF YEAR	325,000	250,000	250,000	250,000	-	250,000	-	-
NEW ISSUES	-	100,000	100,000	-	100,000	100,000	100,000	-
MATURITIES / RETIREMENTS	(75,000)	(100,000)	(100,000)	-	(100,000)	(100,000)	(100,000)	-
BALANCE - END OF YEAR	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ -	$ 250,000	$ -	-
AVERAGE INTEREST RATE (END OF YEAR)	1.50%	3.72%	4.00%	4.00%		4.27%		
SEPARATE SYSTEM REVENUE BONDS (NC2)								
BALANCE - BEGINNING OF YEAR	201,495	197,680	193,680	193,680	-	189,480	(4,200)	(2.2)
NEW ISSUES	-	-	-	-	-	-	-	-
MATURITIES / RETIREMENTS	(3,815)	(4,000)	(4,200)	(4,200)	-	(4,415)	(215)	5.1
BALANCE - END OF YEAR	$ 197,680	$ 193,680	$ 189,480	$ 189,480	$ -	$ 185,065	$ (4,415)	(2.3)
AVERAGE INTEREST RATE (END OF YEAR)	4.95%	4.95%	4.95%	4.95%		4.95%		
TOTAL AVERAGE INTEREST RATE (END OF YEAR)	3.74%	3.98%	4.32%	4.44%		4.45%		
TOTAL INTEREST EXPENSE (ON DEBT)	$ 84,832	$ 107,491	$ 134,090	$ 136,654	$ (2,564)	$ 159,367	$ 25,277	18.9
DEBT TO CAPITALIZATION RATIO	64.00%	64.00%	65.60%	66.00%		65.60%		

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

Financial Statements

Cash Flow Analysis

2025 Budget Compared to 2024 Budget

Cash Receipts

2025 cash receipts are budgeted to increase by $221.5 million to $1,714.3 million, a 14.8% change. This increase is primarily due to increased retail revenue from projected load growth and the general rate increase to customers.

Cash Disbursements

2025 cash disbursements are budgeted to increase by $221.5 million to $2,251.4 million, a 10.9% shift. Increases in cash disbursements relate to capital expenditures from a growing capital portfolio that also impacts increased debt service to support the capital portfolio. In addition, purchased power is expected to increase by $66.6 million due to higher purchase volumes to support customer load growth.

The budgeted values of cash receipts and disbursements result in a year-end cash balance of $688.3 million in 2025, a 30.1% or $159.4 million increase over 2024 budget.

CASH FLOW ANALYSIS
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
CASH BEGINNING OF PERIOD	$ 636,681	$ 667,880	$ 693,066	$ 642,041	$ 51,025	$ 765,405	$ 123,364	19.2
RECEIPTS								
RETAIL REVENUES	1,126,285	1,109,853	1,266,898	1,222,054	44,844	1,423,890	201,836	16.5
WHOLESALE REVENUES (INCL. NC2)	248,490	239,797	229,419	168,881	60,538	194,677	25,796	15.3
INTEREST INCOME	50,004	53,081	59,235	57,211	2,024	45,034	(12,177)	(21.3)
OTHER ELECTRIC REVENUES	42,940	46,205	46,437	42,234	4,203	46,776	4,542	10.8
PRODUCTS & SERVICES	2,086	2,978	2,696	2,484	212	3,953	1,469	59.1
USE OF RESERVE ACCOUNTS	-	-	13,269	-	13,269	-	-	-
TOTAL RECEIPTS	$ 1,469,805	$ 1,451,914	$ 1,617,954	$ 1,492,864	$ 125,090	$ 1,714,329	$ 221,465	14.8
DISBURSEMENTS								
CAPITAL EXPENDITURES	551,032	574,608	762,355	727,000	35,355	788,000	61,000	8.4
O&M EXPENSE (W/O FUEL & PURCHASED POWER)	409,119	497,369	523,309	540,396	(17,087)	581,882	41,486	7.7
PURCHASED POWER	357,276	337,969	406,935	310,416	96,519	377,052	66,636	21.5
DEBT SERVICE	146,457	272,569	209,453	215,568	(6,115)	244,632	29,064	13.5
FUEL	188,414	157,894	147,135	178,358	(31,223)	187,841	9,483	5.3
PAYMENTS IN LIEU OF TAXES	38,605	40,494	42,281	42,882	(601)	48,044	5,162	12.0
CONTRIBUTIONS TO RESERVE ACCOUNTS	-	-	-	-	-	13,269	13,269	-
DECOMMISSIONING EXPENSE	141,918	33,320	16,303	15,298	1,005	10,694	(4,604)	(30.1)
CHANGES IN OTHER NET ASSETS	(17,420)	(36,663)	40	-	40	-	-	-
TOTAL DISBURSEMENTS	$ 1,815,401	$ 1,877,560	$ 2,107,810	$ 2,029,918	$ 77,892	$ 2,251,415	$ 221,497	10.9
NET OPERATING CASH FLOW	$ (345,596)	$ (425,646)	$ (489,856)	$ (537,054)	$ 47,198	$ (537,086)	$ (32)	0.0
FINANCING	474,385	477,870	968,651	448,657	519,994	483,000	34,343	7.7
FINANCING COST / RESERVE AMOUNT	(22,590)	(27,038)	(46,126)	(24,676)	(21,450)	(23,000)	1,676	(6.8)
COMMERCIAL PAPER - NET	(75,000)	-	-	-	-	-	-	-
OTHER	-	-	(360,330)	-	(360,330)	-	-	-
TOTAL FINANCING	$ 376,795	$ 450,832	$ 562,195	$ 423,981	$ 138,214	$ 460,000	$ 36,019	8.5
TOTAL CHANGE IN CASH	31,199	25,186	72,339	(113,073)	185,412	(77,086)	35,987	(31.8)
CASH END OF PERIOD	$667,880	$693,066	$765,405	$528,968	$236,437	$688,319	$159,351	30.1
DECOMMISSIONING FUND	$534,901	$479,964	$406,731	$346,768	$59,963	$288,684	($58,084)	(16.8)

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

ENERGY SALES

Energy Sales

Electric Energy Sales & Electric Customers

Total electric energy sales are budgeted to be 18,878,664 MWh, which is 8.5% or 1,479,981 MWh more than the 2024 budget. Retail energy sales are budgeted to be 15,355,048 MWh, or 12.5%, greater when compared to 2024 budget. This increase is driven by load growth across all customer classes. Wholesale energy sales (including NC2 participation sales) are budgeted to decrease by 226,624 MWh or 6.0% from 2024 budget as volumes are expected to decrease due to load growth consuming owned generation and leaving less energy available to sell into the marketplace.

In 2025, the average number of retail customers is budgeted to increase by 8,762, a 2.1% increase from 2024 budget.

ELECTRIC ENERGY SALES AND CUSTOMERS

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET. MWh CHANGE	% CHANGE
ELECTRIC ENERGY SALES (MWh)								
RESIDENTIAL	3,937,046	3,947,870	3,857,951	3,995,295	(137,344)	4,044,941	49,646	1.2
COMMERCIAL	3,763,330	3,796,608	3,800,810	3,891,422	(90,613)	3,927,174	35,752	0.9
INDUSTRIAL	4,293,784	4,683,632	5,812,465	5,703,474	108,990	7,318,775	1,615,301	28.3
UNBILLED SALES	111,815	(56,155)	83,552	58,252	25,301	64,158	5,906	10.1
RETAIL ENERGY SALES	12,105,976	12,371,955	13,554,778	13,648,443	(93,666)	15,355,048	1,706,604	12.5
NC2 PARTICIPANT	1,867,157	1,355,808	2,168,480	2,096,963	71,517	1,894,840	(202,123)	(9.6)
OTHER	2,543,536	1,969,829	1,397,202	1,653,278	(256,076)	1,628,777	(24,501)	(1.5)
WHOLESALE ENERGY SALES	4,410,693	3,325,638	3,565,682	3,750,240	(184,559)	3,523,617	(226,624)	(6.0)
TOTAL MWh SALES	16,516,668	15,697,593	17,120,459	17,398,684	(278,224)	18,878,664	1,479,981	8.5
ELECTRIC CUSTOMERS (12 MONTH AVG.)								
RESIDENTIAL	351,712	357,528	363,042	361,464	1,578	369,548	8,084	2.2
COMMERCIAL	49,550	49,782	50,320	49,987	333	50,665	678	1.4
INDUSTRIAL	135	133	135	149	(14)	149	-	-
TOTAL RETAIL CUSTOMERS	401,397	407,443	413,497	411,600	1,897	420,362	8,762	2.1
kWh / CUSTOMER								
RESIDENTIAL	11,194	11,042	10,627	11,053	(426)	10,946	(107)	(1.0)
COMMERCIAL	75,950	76,265	75,533	77,849	(2,316)	77,513	(336)	(0.4)
INDUSTRIAL	31,805,809	35,215,275	43,055,293	38,278,351	4,776,942	49,119,296	10,840,944	28.3
AVERAGE kWh / CUSTOMER	29,881	30,503	32,579	33,018	(439)	36,376	3,358	10.2

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

Energy Sales

Operating Revenues

Total electric operating revenues for 2025 are budgeted to be $1,671.2 million, which is $238.8 million or 16.7% above the 2024 budgeted operating revenues. Retail revenues are $208.7 million or 17.0% greater than 2024 budget due to load growth across all customer classes. Wholesale revenues are $25.6 million or 15.6% higher when compared to the 2024 budget primarily due to increased congestion hedging revenue.

OPERATING REVENUES
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
ELECTRIC OPERATING REVENUES								
RESIDENTIAL	$ 460,848	$ 472,633	$ 479,045	$ 490,025	$ (10,980)	$ 539,712	$ 49,687	10.1
COMMERCIAL	336,360	350,956	371,319	378,580	(7,261)	402,565	23,985	6.3
INDUSTRIAL	291,343	317,828	378,704	363,789	14,915	504,432	140,642	38.7
UNBILLED REVENUES/ADJUSTMENTS	10,556	(2,354)	4,267	5,185	(918)	5,677	492	9.5
FPPA RECEIVABLE AMORTIZATION	7,400	(7,400)	4,766	-	4,766	(4,766)	(4,766)	-
USE OF (CONTRIBUTION TO) RESERVE	(6,000)	7,000	13,269	(11,939)	25,208	(13,269)	(1,330)	11.1
TOTAL RETAIL SALES	$ 1,100,507	$ 1,138,663	$ 1,251,370	$ 1,225,640	$ 25,730	$ 1,434,351	$ 208,711	17.0
NC2 PARTICIPANTS	69,086	74,684	67,775	63,554	4,221	70,511	6,956	10.9
OTHER	187,392	168,896	150,753	100,930	49,823	119,554	18,624	18.5
TOTAL WHOLESALE REVENUES	$ 256,478	$ 243,580	$ 218,528	$ 164,484	$ 54,044	$ 190,065	$ 25,580	15.6
TOTAL SALES OF ELECTRIC ENERGY	$ 1,356,985	$ 1,382,243	$ 1,469,899	$ 1,390,125	$ 79,774	$ 1,624,416	$ 234,291	16.9
OTHER ELECTRIC REVENUES	43,799	46,662	46,547	42,233	4,314	46,776	4,542	10.8
TOTAL ELECTRIC OPERATING REVENUES	$1,400,784	$1,428,905	$1,516,446	$1,432,358	$84,088	$1,671,191	$238,833	16.7

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

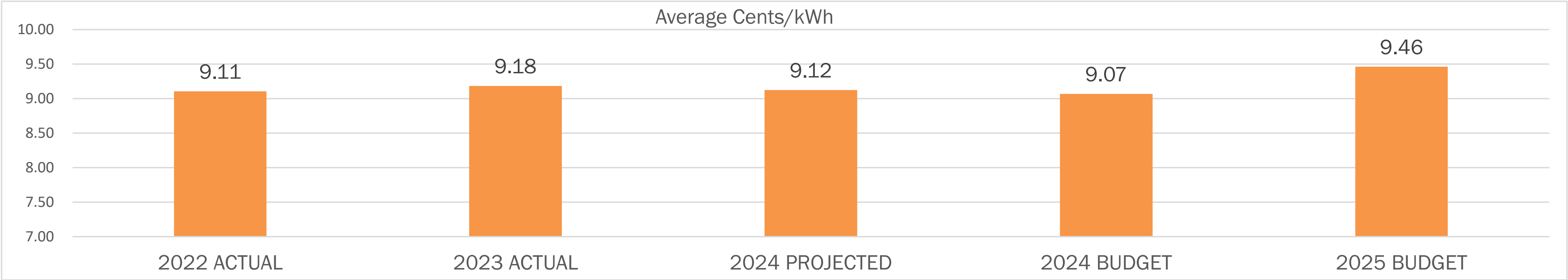
Energy Sales

Average Cents/kWh

The 2025 average price per kWh for retail customers is budgeted to be 9.46 cents. This is 0.39 cents, or a 4.3% increase, from the 2024 budget. A Cost-of-Service Study was performed to determine the cost of providing electric service to each rate class. The study was used as a baseline to determine the appropriate rate increase for each class. Individual customer impacts will vary based on their specific rate class and usage patterns.

AVERAGE CENTS/kWh

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	% CHANGE
RESIDENTIAL	11.73	11.97	12.42	12.27	0.15	13.34	1.07	8.7
COMMERCIAL	8.95	9.24	9.77	9.73	0.04	10.25	0.52	5.4
INDUSTRIAL	6.88	6.79	6.52	6.38	0.14	6.89	0.51	8.0
RETAIL AVERAGE *	**9.11**	**9.18**	**9.12**	**9.07**	**0.06**	**9.46**	**0.39**	**4.3**



NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.
* Average rates are from the revenue recognized on the Income Statement and do not incorporate accrued unbilled. These rates differ from customer billed rates and are calculated for benchmarking and illustrative purposes only.

NET SYSTEM REQUIREMENTS

Net System Requirements

Net system requirements (total retail sales as shown on the next page) for 2025 are budgeted to be 16,096,875 MWh, an increase of 1,731,308 MWh or 12.1% from the 2024 budget. The major components of net system requirements are below by sales and supply components.

Total sales are budgeted to increase 1,479,981 MWh or 8.5% from the 2024 budget, an increase largely driven by retail sales with an increase of 1,706,605 or 12.5% when compared to the 2024 budget.

For supply components, firm/participation purchases are the largest change with a budgeted increase of 1,143,962 MWh or 27.5% from the 2024 budget due to Platteview Solar and Milligan Wind being in service for the entirety of 2025.

Net System Requirements
Sales and Supply Components (MWh)

	BUDGET 2024	BUDGET 2025	INCREASE / (DECREASE)	% CHANGE
Sales Components				
Retail Sales	13,648,443	15,355,048	1,706,604	12.5
NC2 Participation Sales	2,096,963	1,894,840	(202,123)	(9.6)
Wholesale Energy Sales	1,653,278	1,628,777	(24,501)	(1.5)
Total	**17,398,684**	**18,878,664**	**1,479,981**	**8.5**
Supply Components				
Generation	10,147,180	10,252,594	105,414	1.0
Purchased Power Agreements	4,158,744	5,302,706	1,143,962	27.5
Wholesale Purchases	3,809,884	4,065,192	255,308	6.7
Lost or Unaccounted For	(717,124)	(741,828)	(24,703)	3.4
Total	**17,398,684**	**18,878,664**	**1,479,981**	**8.5**

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

NET SYSTEM REQUIREMENTS

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET MWh CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
GENERATION (MWh)								
GENERATION	9,335,878	7,959,596	7,595,771	10,147,180	(2,551,408)	10,252,594	105,414	1.0
FIRM/PARTICIPATION PURCHASES	4,473,672	3,514,769	4,484,291	4,158,744	325,547	5,302,706	1,143,962	27.5
WHOLESALE PURCHASES	3,198,414	4,655,118	5,544,605	3,809,884	1,734,721	4,065,192	255,308	6.7
TOTAL PURCHASES	7,672,086	8,169,888	10,028,896	7,968,628	2,060,268	9,367,898	1,399,270	17.6
TOTAL INPUT	17,007,963	16,129,483	17,624,668	18,115,808	(491,140)	19,620,492	1,504,684	8.3
WHOLESALE ENERGY SALES								
NC2 PARTICIPANT	1,867,157	1,355,808	2,168,480	2,096,963	71,517	1,894,840	(202,123)	(9.6)
OTHER	2,543,536	1,969,829	1,397,202	1,653,278	(256,076)	1,628,777	(24,501)	(1.5)
TOTAL WHOLESALE ENERGY SALES	4,410,693	3,325,638	3,565,682	3,750,240	(184,559)	3,523,617	(226,624)	(6.0)
NET SYSTEM REQUIREMENTS	12,597,271	12,803,845	14,058,986	14,365,568	(306,582)	16,096,875	1,731,308	12.1
TOTAL RETAIL SALES	12,105,976	12,371,955	13,554,778	13,648,443	(93,666)	15,355,048	1,706,604	12.5
ENERGY LOST OR UNACCOUNTED FOR	491,295	431,890	504,208	717,124	(212,916)	741,828	24,703	3.4
TOTAL RETAIL SALES	12,597,271	12,803,845	14,058,986	14,365,568	(306,582)	16,096,875	1,731,308	12.1

PEAK LOAD (MW)								
PEAK LOAD EXCLUDING DEMAND RESPONSE	2,680	2,928	2,959	3,009	(50)	3,164	155	5.2
DEMAND RESPONSE*	126	129	140	140	(0)	128	(12)	(8.6)
PEAK LOAD INCLUDING DEMAND RESPONSE	2,554	2,799	2,819	2,869	(50)	3,036	167	5.8
LOAD FACTOR (%) - REFLECTS DEMAND RESPONSE	56.3	52.2	56.9	57.2	(0.2)	60.5	3.4	5.9

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.
* Does not include voluntary demand response

OPERATIONS AND MAINTENANCE EXPENSE

Operations and Maintenance Expense

The District's 2025 total budgeted O&M expense is $1,149.9 million, which is $128.8 million or 12.6% higher than the 2024 budget.

2025 Budget Compared to 2024 Budget

Purchased power, including wind purchases, represents 33.0% of total O&M expense and is budgeted at $379.7 million. This represents an increase of $67.2 million or 21.5% above the 2024 budget amount. The increase from the 2024 budget is primarily due to higher purchase volumes to serve anticipated customer load growth. As load growth outpaces owned generation, purchased power volumes are expected to increase.

Fuel expense is budgeted at $187.4 million, an increase of $7.3 million or 4.0% more than the 2024 budgeted amount primarily due to a full year of generation from Standing Bear Lake and Turtle Creek stations.

Transmission and distribution expense is budgeted at $192.7 million, which is $26.2 million or 15.7% more than the 2024 budgeted amount. The increase over the budget amount is attributable to additional external services, including tree trimming and cable locating, as well as increased headcount supporting growth at the utility.

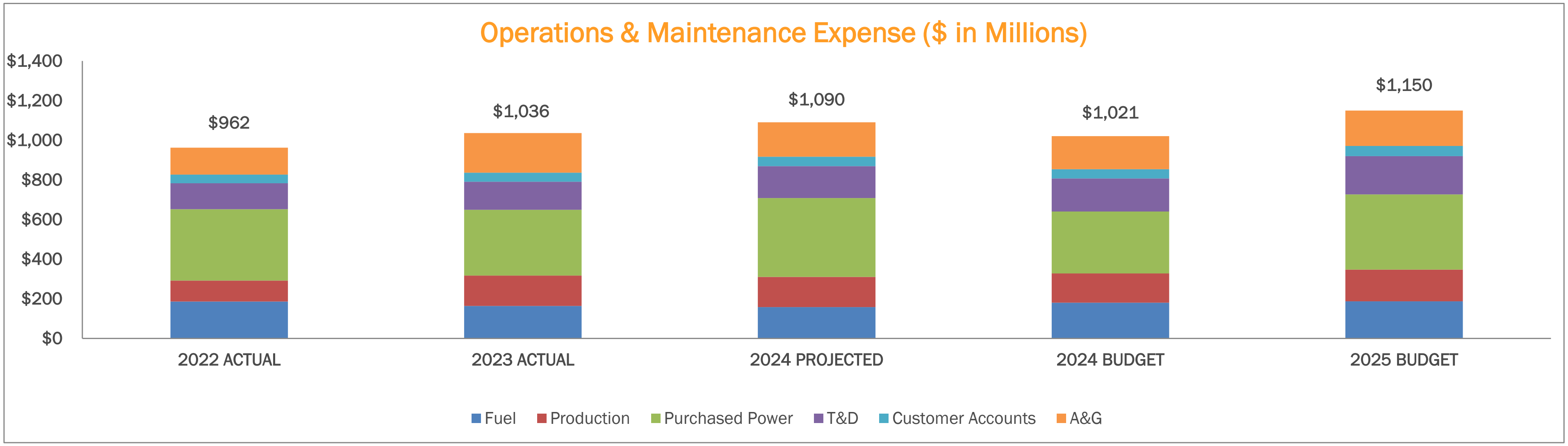
Administrative and general expense is budgeted at $178.9 million. This category reflects an increase of $12.0 million or 7.2% more than the 2024 budget. The increase in 2025 is primarily related to rising costs associated with salary and benefits driven by both higher rates and an increase in the number of covered employees.

Production expense is budgeted to be $159.7 million, which is $12.0 million or 8.1% above the 2024 budgeted amount and is also impacted by a full year of operation at two new generating facilities, Standing Bear Lake and Turtle Creek as well as headcount growth.

Decommissioning expense represents the annual funding of the decommissioning liability. Decommissioning funding for 2025 is budgeted to be $10.7 million, which is $4.6 million or 30.1% less than the 2024 budget. Contributions to decommissioning represent investment earnings on balances in the decommissioning trust.

OPERATIONS AND MAINTENANCE EXPENSE
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	25 BUDGET VS. 24 BUDGET % CHANGE
PURCHASED POWER	$ 360,420	$ 332,382	$ 397,566	$ 312,527	$ 85,039	$ 379,716	$ 67,189	21.5
FUEL	186,359	164,240	157,857	180,164	(22,307)	187,422	7,258	4.0
SUBTOTAL	546,779	496,622	555,423	492,691	62,732	567,138	74,447	15.1
TRANSMISSION AND DISTRIBUTION	130,856	141,390	160,558	166,553	(5,995)	192,708	26,155	15.7
ADMINISTRATIVE AND GENERAL	135,402	199,820	173,038	166,938	6,100	178,926	11,988	7.2
PRODUCTION	105,534	152,812	152,976	147,748	5,228	159,699	11,951	8.1
CUSTOMER	43,887	45,520	48,196	47,096	1,100	51,396	4,300	9.1
TOTAL O&M EXPENSE	$ 962,458	$ 1,036,164	$ 1,090,192	$ 1,021,028	$ 69,166	$ 1,149,867	$ 128,841	12.6
DECOMMISSIONING EXPENSE	$ 141,918	$ 33,320	$ 16,148	$ 15,298	$ 850	$ 10,694	$ (4,604)	(30.1)



NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.

CAPITAL EXPENDITURE PLAN

Capital Expenditure Plan

Capital Expenditures

The 2025 capital budget was derived by breaking investments into three categories, sustain, enterprise priority and expand. This categorization ensures the District invests at appropriate levels to maintain existing assets but also invests in the continuing expansion of the utility.

Sustain - capital projects aimed at maintaining and improving existing assets

Expand - new assets, increasing the District's asset base

Enterprise Priority - projects directly related to Resource Adequacy, Technology Transformation, Next Generation Grid and the Master Facilities Plan

Capital expenditures represent 33.9% of the total 2025 budget. Capital expenditures are budgeted at $788.0 million, which is $61.0 million or 8.4% more than the 2024 budget.

The year over year growth is primarily related to investments in District expansion and enterprise priorities. Enterprise priority projects are budgeted at $474.1 million, which is a $70.6 million increase over the 2024 budget of $403.5 million, primarily related to investments in new generation. Expand, which includes projects related to load growth and economic development, are budgeted at $120.7 million, an increase of $15.4 million from the 2024 budget. Partially offsetting the budget growth in expand and enterprise priority is a decrease in sustain assets, which have a 2025 budget of $193.3 million, a decrease of $24.9 million from the 2024 budget of $218.2 million. While the District invests a larger percentage of the capital portfolio on enterprise priority and expand projects, the level of investment in sustain assets is decreasing but is still approximately $7.4 million greater than the historical investment rate.

Transmission and Distribution is budgeted at $338.6 million, a decrease of $17.6 million or 4.9% from the 2024 budget. The decrease is largely due to 2024 budgeted investments in owned solar generation that did not materialize, partially offset by additional investment in enterprise priorities, particularly Resource Adequacy and Master Facilities Plan as the District builds out transmission and distribution infrastructure to support new generation and invests in improved facilities.

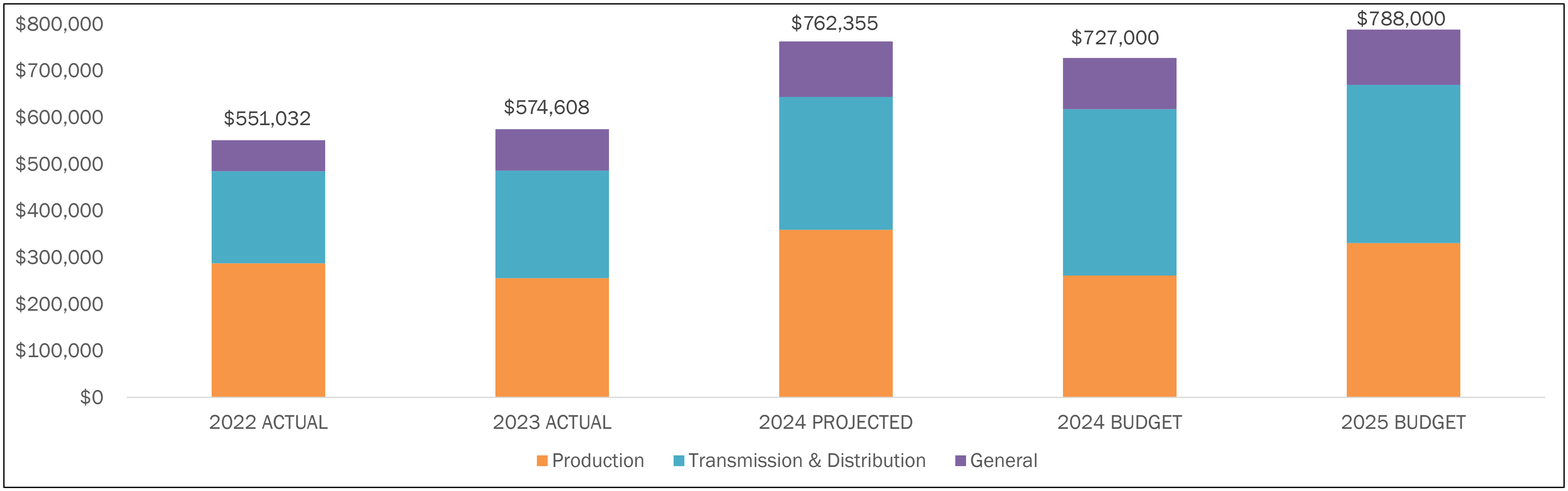
Production increased to $330.6 million from the 2024 budget spend of $261.3 million. The change of $69.3 million or 26.5% is primarily related to the net impact of decreased spending on Power with Purpose projects as those units are expected to come online in 2024, offset by investments in new combustion turbines that is ramping up in 2025.

General for 2024 is budgeted to be $118.8 million, which is $9.2 million or 8.4% higher than the 2024 budget. The increase is the result of investment in Next Generation Grid as the District prepares to implement advanced metering infrastructure technology.

CAPITAL EXPENDITURES
(DOLLARS IN THOUSANDS)

	ACTUAL 2022	ACTUAL 2023	PROJECTED 2024	BUDGET 2024	VARIANCE 2024	BUDGET 2025	25 BUDGET VS. 24 BUDGET $ CHANGE	% CHANGE
TRANSMISSION AND DISTRIBUTION	$ 197,344	$ 230,381	$ 284,302	$ 356,176	$ (71,874)	$ 338,625	$ (17,551)	(4.9)
PRODUCTION	287,260	255,580	359,190	261,259	97,931	330,586	69,327	26.5
GENERAL	66,428	88,647	118,862	109,565	9,297	118,789	9,224	8.4
TOTAL	$ 551,032	$ 574,608	$ 762,355	$ 727,000	$ 35,355	$ 788,000	$ 61,000	8.4

NOTE: Some columns may not foot exactly due to the method used for individual line item rounding.



CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2024 Projection	2025 Budget
Near Term Generation Support generation and transmission & distribution for Board Resolution No. 6582 approved on August 15, 2023	$ 149,360	$ 269,671
Master Facilities Plan Investment and upgrades to various OPPD facilities, which are all over 30 years old with only minor enhancements throughout their life	45,785	107,150
Circuit and Substation Upgrades Upgrade and replace multiple circuits and substations due to the expansion of our transmission and distribution infrastructure	61,951	82,076
AMI - Smart Grid Technology to support AMI	34,830	66,265
Transformer Purchases and Replacements Procure transformers to replace aging equipment and support load growth	31,522	30,777
Power with Purpose Support generation and transmission & distribution for Board Resolution No. 6351 approved on November 14, 2019	147,228	21,816

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2024 Projection	2025 Budget
Customer Service Residential Project Purchase and installation of underground or overhead infrastructure to new residential developments	$ 18,934	$ 18,432
Transportation Fleet Replacement Routine replacement of OPPD-owned transportation equipment, including light, medium and heavy duty trucks and construction equipment	16,383	18,007
Transmission Distribution Improvement Program-Cable Replacement Replace the worst performing underground distribution cable on a performance driven basis	16,548	15,645
North Omaha Extension Supports continued operation of North Omaha Station	10,690	13,292
Customer Service Commercial and Industrial Project Purchase and installation of underground or overhead infrastructure for commercial and industrial customers	13,182	13,157
Ground Line Inspection and Treatment Pole Replacement Replace degraded wood poles and structures used for transmission and distribution	7,945	11,019

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2024 Projection	2025 Budget
Subscription Software Renewals Renew subscription based software used by the district to conduct business	$ 4,767	$ 10,631
Transmission Distribution Improvement Program-Conductors Replace junk conductors on a performance driven basis	6,893	10,088
Transmission and Distribution Street & Highway Project Relocation of OPPD transmission and distribution facilities that are located in public road right-of-way	10,501	10,000
Coal Handling Upgrade Update Nebraska City coal handling system to reduce single point failure possibility	1,258	7,149
Expansion of Computing Storage Allows for real time expansion of computing capacity to allow for growth and support OPPD strategic initiatives	-	5,859
Energy Marketing Trade System OPPD will migrate the Energy Marketing and Trading processes to an industry standard	-	5,075
Substations and Control Centers Security Upgrades Security modifications required to address identified threats and vulnerabilities at various substation and control centers	12,887	4,946

CAPITAL EXPENDITURES (DIRECT)
SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2024 Projection	2025 Budget
Arbor Railroad Line Improvements Repair and replace bridges, ties, ballast, rail, and crossings along the OPPD owned Arbor Rail line	$ 18,021	$ 4,832
Transmission and Distribution Street Light Project Relocation of OPPD street lights facilities that are located in public road right-of-way	3,500	3,500
Nebraska City Common Intake Vacuum Lift System Supports continued operation of Nebraska City at low river levels	-	3,150
Cass County Combustion Inspection Perform manufacturer recommended inpsection and repairs	-	2,950
Bellevue Transmission Redesign Improve the reliability and resiliency of the Bellevue transmission system	876	2,860
Large Motor Capital Repairs Support planned and emergent motor rewinds and replacements	-	2,800
Generation Station Intake Structure Environmental Upgrade Replace existing traveling screens (circulating water intake structure) at North Omaha and Nebraska City Fossil locations for renewal of the environmental permit	2,462	2,405

Board of Directors
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Ladies and Gentlemen:

As requested by the Board of Directors and Management of the Omaha Public Power District (the District), The Brattle Group has reviewed the 2025 Corporate Operating Plan (COP) prepared by the District and is providing this letter report to comply with this request. This review aims to provide an independent, high-level assessment of the District's operating and financial projections for 2025.

In performing our review, we evaluated the 2025 COP for consistency with prudent utility practices and the reasonableness of the budget estimates established. In addition, we reviewed the 2025 Corporate Operating Plan and associated presentations, which provided further details on many of the Operating Plan's major components. The primary presentation topics included energy production and delivery, load forecasting, nuclear decommissioning, fuel planning, technology and security, safety and facilities, employee benefits, and system transformation, which we will first discuss individually, followed by a summary of the entire Operating Plan:

Production Cost Modeling. OPPD team undertakes production cost modeling to forecast future generation capacity and dispatch through 2034. Updated with generation unit parameters fuel and commodity forecasts, the model incorporates the 2023 Near Term Generation study's resource expansion plan to meet the District's forecasted demand and energy requirements. It also incorporates SPP's regional transmission plans and develops dispatch on an hourly resolution with all SPP and MISO units. The model uses higher SPP energy and peak demand forecasts based on the near-term adjusted 2023 SPP FERC 714 submission. SPP's ITP Future 1 and ITP Future 2 were compared against other recent SPP portfolio projections and the accredited capacity required for regional resource adequacy based on future seasonal planning reserve margins in determining the model's SPP regional resource portfolio. Based on this information, the recommended portfolio implies a conservative retirement of conventional resources and the addition of renewable resources compared to the ITP scenarios.

In OPPD's modeling, Net Service Requirements ramped up significantly compared to 2023 levels due to data center and other new large loads. OPPD team provided forecasts of gas and coal commodities and delivered fuel forecasts through 2029. It also provided power price forecasts over the same period, which is in the range of $16/MWh to $45/MWh, and represent gradual increases in the next five years, tracking increases in gas prices. The District continues its commitment to retiring its coal-fired North Omaha Station. It plans to preserve system reliability by pursuing natural gas conversions at North Omaha and bringing new thermal assets (Turtle Creek and Standing Bear Lake) online. Based on the plan, the District will also add around 1600 MW of carbon-free capacity by 2030, 300 MW of battery storage capacity, and 900 MW of new natural gas capacity by 2029. Overall, near-term generation capacity is planned to grow by roughly 3 GW by 2030 relative to 2024.

The OPPD team's assumptions in developing the production cost modeling reflect a thoughtful and reasonable approach considering the transitioning electricity utility industry. Similar to many other regions across the US, the District is seeing a sharp increase in load forecasts due to demand from data centers and other large loads. We observed that the OPPD team has carefully incorporated these new trends in loads as well as fuel prices in their modeling efforts. Over the next five years, the District forecasts that coal generation will decrease, natural gas generation will increase, and renewable generation will continue to increase. The District also added more storage capacity, which will help reduce the curtailment of the renewable assets it is constructing. The Brattle team also finds the District's forecast fuel and power prices in their 2025 Corporate Operating Plan reasonable.

Fuel and Variable O&M Expenses – The fuel plan projects the District's coal, natural gas, and oil fuel costs from 2024 through 2034. These projections are based on fuel usage at individual units from 2024 through 2034 and estimated fuel costs during the same time frame. Fuel costs increase in 2025 and 2026 due to North Omaha 4-5 coal expenses before the fuel conversion is completed in 2027, at which point it starts to ramp down again and stabilizes to a large extent through 2034. Variable O&M is projected to be relatively stable through 2024, with a slight increase expected around 2030. 2024 O&M expenses were materially lower than projections due to increased outages driven by severe weather events.

Overall, the fuel plan budgeting process reflects acceptable methods currently used in the electric utility industry. The resulting expenditures for fossil fuels appear to be reasonable and necessary for the ongoing operation of the District's generating resources. While The Brattle Group was not provided with historical fuel cost information, the District's overall fuel costs are comparable with other regional utilities due to the District's purchase of low-cost wind and low fuel cost thermal resources.

Load Forecast – The District's load forecast projects the District's residential, industrial, and commercial energy consumption (load) and system peak demand from 2025 through 2034. The load forecast's uses include estimating revenues, dispatch modeling, energy trading/hedging, and future system planning. To assess model accuracy, the District's load forecasting staff compares their models' retrocasts of energy sales and peak demands against historical data. Based on the most recent forecast, net system load is forecasted to increase from 14,169 GWh in 2024 to 15,890 GWh in 2025, and peak demand is forecasted to increase from 2,843 MW to 3,036 MW.

The methods used to forecast future customer loads and system peak demand and energy requirements reflect current acceptable and defensible practices in the electric utility industry. As a result, the load forecast developed by the District's staff appears reasonable. In addition, the District's load forecast seems reasonable compared to national and regional load forecasts, given the anticipated growth in industrial loads (specifically from data centers). It is important to note that while all customer classes are expected to grow through 2028 and contribute to the growing load forecasts, data centers remain the single largest industrial customer group driving the OPPD load growth. The District's staff made some adjustments to the forecasting methodology for new large-load customers in the 2025 COP. This adjustment resulted in increased forecasts through 2029 and decreased forecasts between 2029 and 2034 relative to the forecasts prepared for the 2024 COP. We reviewed the new approach used for forecasting large loads and found it to be more objective and reliable.

The District must continue to track external economic factors such as employment growth, inflation, and interest rates, as well as the implications of these factors for the local economy. Projected rate increases based on the District's assumed economic conditions may not be sufficient to fund future programs if the actual factors deviate substantially from forecasts.

Energy Delivery (O&M and Capital Budgets) – The O&M budget is allocated across the following divisions: Transmission & Distribution Engineering, Asset Management, Grid Operations, Construction & Management and Operations Support. The last two categories make up roughly 80% of the overall Energy Delivery O&M budget, which is projected to be $102.8 million in 2025, up from $84 million in 2024. It is important to note that the actual energy delivery O&M expenses have been consistently above projections over the last five years.

The capital budget is divided into Core, Mandatory, Critical, Value-Add, and Enterprise Priority categories. The first two categories make up roughly 80% of the Energy Delivery Capital Budget, which is projected to be $239.8 million in 2025, an increase of $50.2 million from 2024.

The plans outlined in the Energy Delivery O&M and Capital Budgets appear reasonable given the District's near- and long-term goals.

Energy Production (O&M and Capital Budgets) – The District's energy production forecast projects O&M (excluding fuel) expenses, consumables, and employee headcount for 2025 and 2026. Projected planned outage costs are also provided. Direct O&M expenses for 2025 are forecasted to be roughly the same as 2024 (projected) costs, roughly $108 million. The 2025 Consumables budget is a little over $12 million, roughly $2 million higher than that projected for 2024. The full-time headcount of employees is anticipated to increase from 416 in 2024 to 456 in 2025. Additionally, we note that the total planned outage costs are $16.6 million in 2025, down from $28.8 million in 2024.

The Energy Production Capital Budget has two components: a S*ustain* budget and an *Expansion* budget. Projects under the Sustain budget aim to maintain or improve existing assets, while the Expansion budget projects support increased capacity or further economic development. The Energy Production Capital Budget is $365 million, up by $28 million relative to the 2024 budget. Continuing the historical trend of the past several years, the driver of this increase is the observed and expected load growth in the District. Expansion projects are budgeted at $299 million, while Sustain projects represent $66 million of the budget. Out of the total capital budget, new generation projects represent 78%.

The Brattle Group finds that the 2025 Energy Production (Production Operations) forecasted O&M expenses and employee headcount values are reasonable. The plans outlined in the Energy Production Capital Budget appear reasonable given the District's near- and long-term goals.

Fort Calhoun Decommissioning – The decommissioning deck outlines the timeline and path toward decommissioning, focusing on 2024 accomplishments. The timeline forecasts substantial work to be done in 2025 and 2026, bringing the project to completion. The 2025 goals are to complete the removal of components and structures within the containment structure, the removal of remaining ancillary structures, the demolition of the containment structure, and the continuation of site radiological surveys. In 2026, the goal is to achieve "Substantial Completion" of the physical work necessary to achieve the acceptable radioactivity levels mandated by the NRC and submission of the license termination package to the NRC for approval.

While Brattle's review of the decommissioning is high-level and performed without a detailed analysis, the decommissioning timeline and process appear on target. Based on the reported metrics, the District met the majority of its 2024 goals.

Technology & Security – Capital projections for 2025 are $107 million, a $19 million increase over the 2024 budget. Out of the overall budget, 73% is allocated to Enterprise Priority, which involves delivering on a large body of AMI program work, including OMS, GIS, FSM, EAM, Customer Platform, AMI (HES, MDMS and meters), CC&B Integrations and middleware modernization. The Core work represents 24% of the budget. It will be spent on Subscription-Based Information Technology Arrangements (SBITAs) renewals, the replacement of infrastructure, and the TS Strategic Asset Management Plan, which will enable funding for the replacement of existing like-for-like assets. The remaining 3% is for mandatory projects.

On the O&M side, the budget request for 2025 is $72 million, up by $7 million compared to the 2024 budget. The personnel count is projected to increase by 10, commensurate with delivering a significant body of AMI work.

The Brattle Group finds that the 2025 Technology and Security Capital and O&M budgets are reasonable given the list of "large efforts" in the 2023-2027 time frame, which was presented to our team.

AMI Program Update. Given that many of the Technology and Security investments are related to AMI deployments and functionality, we also requested an additional meeting this year to hear about AMI program updates. The District is planning to deploy advanced metering infrastructure (AMI) meters to all its customers starting in 2025 and complete the deployment by the end of 2028. We understand that the AMI minimum viable product (MVP) entails the following functions: meter-to-cash, remote connect/disconnect, meter asset monitoring, outage &OMS integration, customer portal, tamper detection, voltage monitoring, storm analysis, and reliability analysis. The projected CapEx budget for the AMI MVP is $203 million, of which $54.5 million is forecasted to be spent through the end of 2024.

We were pleased to hear that the AMI meters the District has selected for deployment have the latest technology embedded in them, which will allow customers to access disaggregated end-use information. We also understand that the District is building the broader ecosystem of AMI to maximize AMI's potential capabilities. We strongly encourage the District to accelerate investments associated with managing big data to coincide with the timing of AMI meter deployment. Accelerating these investments will enable the District to utilize data for customer analytics and rate design implementation without further delays.

Safety & Facilities – The Master Facilities Plan outlines plans to optimize its space utilization and facility location while pursuing net zero carbon production by 2050, increasing customer satisfaction and employee retention. The total requested capital budget for safety and facility projects in 2025 is $113 million. The most significant component of this budget request is for the "integrated operations center (IOC)," at $107 million. Given that a significant portion of the District's workforce continues to work from home fully or partially, we would encourage the District to analyze these trends for its employees before making decisions about sizing and designing office buildings and facilities.

Summary- The Brattle Group, in its review, finds the District's 2025 Corporate Operating Plan to be sound and well-supported. The expenditures anticipated by the District are reasonable and of the type that a utility following prudent utility practices would expect. In addition, the projected financial results reflected in the 2025 Corporate Operating Plan provide for accomplishing the District's minimum performance objective for debt service coverage.

We understand that the District's senior management has already reviewed and approved the 2025 Corporate Operating Plan. However, we would like to raise additional caution about the expected impact of hyperscalers and other large loads. The District's budgeting process substantially relies on the expected load growth from these data centers and other large loads. While these loads are likely to materialize as projected in the near term, the District's financial reliance on these loads requires it to carefully consider the hyperscalers' key priorities for their location decisions in order of importance: speed-to-capacity, reliability, cost, and access to green power. These expectations imply that hyperscalers will move to regions that can meet more of their prioritized requirements. Therefore, OPPD should not take such load growth for granted and should continue to innovate to meet these expectations.

The Brattle Group has used all of the information the District provided to us in our recommendations and considerations put forth to the District. Although we believe the sources used to support our analysis are reliable, we have not independently verified them. The District's assumptions have been reasonably drawn for this annual review and were developed in a manner consistent with industry practice. However, actual future conditions may diverge from those assumed, and we cannot offer any assurances about the District's assumptions. As a result, observed results may vary from those projected due to differences between actual future conditions and the information the District provided to The Brattle Group to reach its recommendations and conclusions.

We appreciate the opportunity to serve the District. We are happy to discuss any questions concerning this review at your convenience.

Respectfully yours,

Philip Q. Hanser	Sanem Sergici, Ph.D.
The Brattle Group	The Brattle Group
Principal Emeritus	Principal