

# MONITORING REPORT

## SD-3: ACCESS TO CREDIT MARKETS

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*Omaha Public Power District*

# SD-3: Access to Credit Markets

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

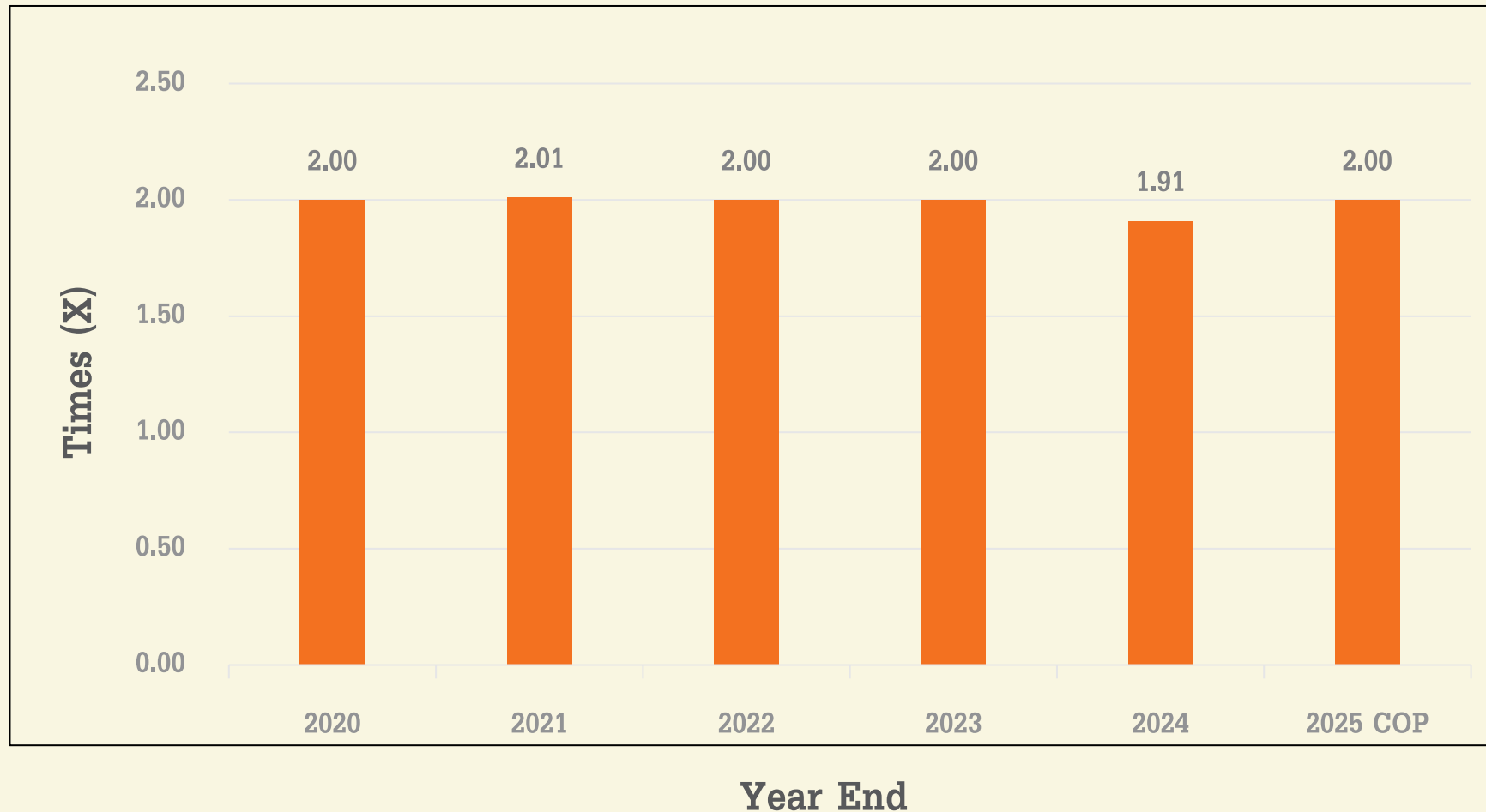
\* TERMS AND DEFINITIONS

*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

## SD-3: ACCESS TO CREDIT MARKETS

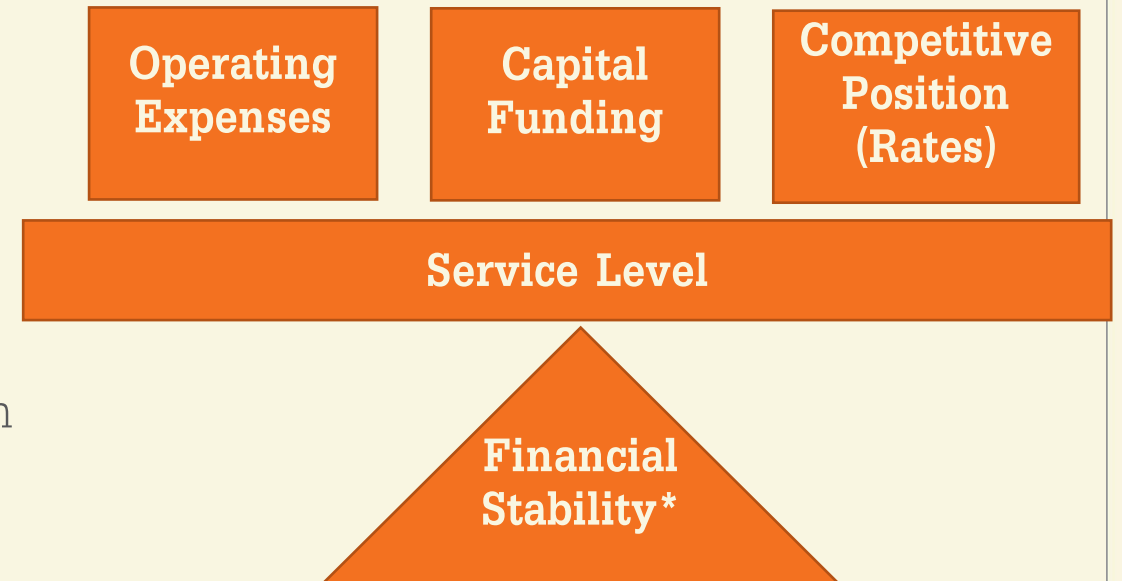
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# RESOURCE DECISIONS ARE MADE THROUGH THE CORPORATE OPERATING PLAN (COP)

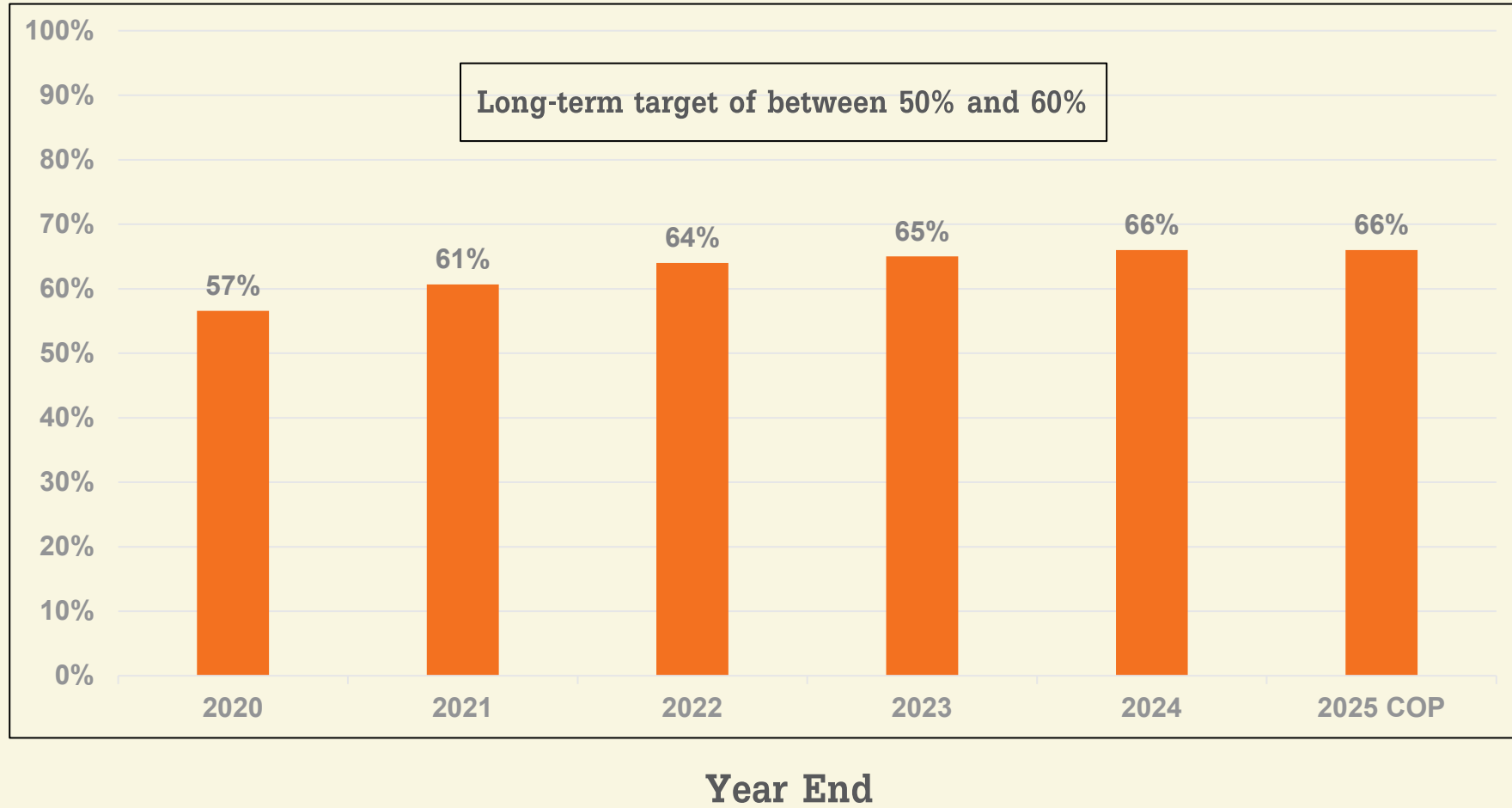
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- Board of Director's Strategic Directives
  - Competitive position in establishing rates (SD-2)
- Long-term revenue requirements
  - Operational requirements (SD-4)
  - Enterprise and financial risks (SD-15)
- Flexibility of plan to adjust with operational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



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

# DEBT RATIO\*



\* Share of debt-to-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

\*\*\*\* Lines of credit increased from \$450 million to \$600 million

# CREDIT RATING

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

	2020	2021	2022	2023	2024
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?

