



Moody/Underwood

RESOLUTION NO. 6719

WHEREAS, the District incurred significant costs to repair storm damage and restore power to customers from the March 2025 blizzard, which qualifies for reimbursement from FEMA/NEMA; and

WHEREAS, accounting standards would typically require the District to recognize these costs when they are incurred; and

WHEREAS, the Governmental Accounting Standards Board (GASB) requires that grant revenues be recognized after a grant agreement is approved, which is the date the project worksheet is submitted for FEMA/NEMA grants; and

WHEREAS, GASB accounting standards for regulatory accounting permits the District to include revenues or costs in a period other than the period in which these revenues or costs would be recognized by an unregulated entity; and

WHEREAS, utilizing a regulatory asset for storm restoration costs that qualify for FEMA/NEMA reimbursement would allow the recognition of expense to better match the receipt of revenues for FEMA/NEMA reimbursement; and

WHEREAS, Management recommends and seeks approval to utilize a regulatory asset for the March 2025 blizzard restoration costs and any additional 2025 storm events that qualify for FEMA/NEMA reimbursement, which will be recognized as expense when the revenue is recognized for the related FEMA/NEMA reimbursement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Omaha Public Power District hereby approves the use of regulatory accounting for the March 2025 blizzard restoration costs and any additional 2025 storm events that qualify for FEMA/NEMA reimbursement with recognition as expense in the future to match the related grant revenues.



Action Item

August 19, 2025

ITEM

Regulatory Accounting for 2025 Storm Costs

PURPOSE

Approval of the Use of Regulatory Accounting for 2025 Storm Costs


FACTS

- a. The District experienced a blizzard in March 2025 that resulted in a historic amount of damages. As a result, the District incurred significant storm related costs for this event, which would typically be recognized when the costs are incurred in accordance with accounting standards.
- b. The March 2025 blizzard qualifies for reimbursement from the Federal Emergency Management Agency (FEMA)/Nebraska Emergency Management Agency (NEMA). However, before the revenue is recognized for these reimbursements, the Governmental Accounting Standards Board (GASB) requires execution of the grant agreement, which in this case are the approved project worksheets.
- c. GASB allows for the use of regulatory accounting to include revenues or costs in a period other than the period in which the revenues or costs would have been recognized by an unregulated entity, with Board of Directors approval.
- d. To better match the revenue from FEMA/NEMA grants to the expenditures for the March 2025 blizzard restoration costs and any additional FEMA/NEMA declared storms in 2025, Management recommends using regulatory accounting to defer recognition of these expenditures until the revenue is recognized from FEMA/NEMA. The storm restoration costs that are eligible for FEMA/NEMA reimbursement will be recorded as a regulatory asset, which will then be recognized as expense when the revenue is recognized from the FEMA/NEMA reimbursement.

ACTION


Board approval of the use of regulatory accounting for storm restoration costs that are eligible for reimbursement from FEMA/NEMA for the March 2025 blizzard and any additional 2025 storm events.

RECOMMENDED:

A blue ink signature of Bradley R. Underwood.

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Bradley R. Underwood
Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

A blue ink signature of L. Javier Fernandez.

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L. Javier Fernandez
President and Chief Executive Officer

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Attachment: Resolution