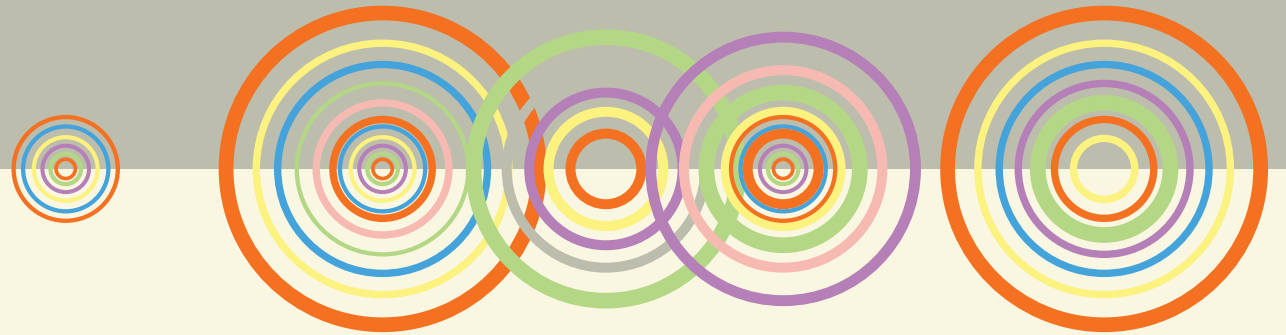


2026 EXCESS EXPENDITURES REQUEST

➤ 10.13.26 ➤



Brad Underwood
Vice President and Chief Financial Officer



EXECUTIVE SUMMARY

- **Additional expenditures requested for capital expenditures and purchased power**
 - Requesting excess expenditures of \$228.7 million for an adjusted total of \$3,083.9 million
 - Purchased power: \$114.1M over budget primarily due to higher purchase volume coupled with elevated market prices
 - Non-Fuel Operations and Maintenance: \$74.1M over budget due to additional fees to the Southwest Power pool and due to expense recognition from multiple storms as a result of the Federal Emergency Management Agency's (FEMA) obligation of storm projects. These additional costs are offset in the Noncapital Subsidies section of the financials
 - Debt service: \$37.3M over budget due to interest expense, no impact to debt service coverage
- **2026 year-end financial outlook**
 - The District anticipates meeting the 2.0 debt service coverage goal
 - Off-system sales: \$114.8M over budget largely due to elevated congestion hedging revenues
 - Retail revenue: \$69.6M over budget largely due to additional usage by Industrial class customers
 - Additional non-fuel operations and maintenance partially offset by the recognition of income of \$53 million that offsets the extra expense from the obligation of storm projects by FEMA

2026 EXPENDITURE SUMMARY

YEAR END PROJECTION VS. COP (DOLLARS IN MILLIONS)

Expenditure	Current Projection	COP	Variance
Capital Expenditures*	\$1,206.2	\$1,190.0	\$16.2
Non-Fuel Operations & Maintenance	718.9	644.8	74.1
Fuel and Purchased Power	741.3	627.2	114.1
Total Debt Service and Other Expenses	265.9	228.6	37.3
Decommissioning Expenditures**	61.7	63.0	(1.3)
Payments in Lieu of Taxes and Noncapital Subsidies	(0.3)	57.1	(57.5)
Reserves	44.5	44.5	0
TOTAL EXPENDITURES	\$3,038.2	\$2,855.2	\$183.0

Items of Note

- Current projection results in an estimated excess expenditure need of \$183.0 million
- Requesting \$228.7 million of additional expenditure authority (inclusive of 25% general contingency)
- Current projection shows OPPD exceeding Board approved expenditures in December

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

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding

HISTORICAL EXCESS EXPENDITURES

YEAR END PROJECTION VS. COP (DOLLARS IN MILLIONS)

Expenditure	2025	2024	2023	2023
Capital Expenditures*	\$788,000	\$727,000	\$640,000	\$670,000
Non-Fuel Operations & Maintenance	582,729	528,335	481,800	426,660
Fuel and Purchased Power	567,138	492,691	462,867	376,734
Total Debt Service and Other Expenses	216,317	189,242	164,149	144,429
Decommissioning Expenditures**	102,596	112,918	115,301	150,870
Payments in Lieu of Taxes	53,532	45,599	42,065	38,709
Regulatory Amortization	0	0	13,602	14,838
Reserves	13,269	11,939	0	0
TOTAL BUDGETED EXPENDITURES	2,323,581	2,107,724	1,919,784	1,822,240
Projected Expenditures	2,560,368	2,213,230	1,998,974	1,882,433
Shortfall	(\$236,787)	(\$105,506)	(\$79,190)	(\$60,193)

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

**Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding