

Report of Management

The management of Omaha Public Power District (OPPD) is responsible for the preparation of the following financial statements and for their integrity and objectivity. These financial statements conform to generally accepted accounting principles and, where required, include amounts which represent management's best judgments and estimates. OPPD's management also prepared the other information in this Annual Report and is responsible for its accuracy and consistency with the financial statements.

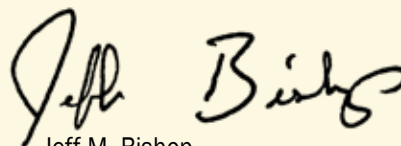
To fulfill its responsibility, management maintains strong internal controls, supported by formal policies and procedures that are communicated throughout the company. Management also maintains a staff of internal auditors who evaluate the adequacy of and investigate the adherence to these controls, policies and procedures. OPPD is committed to conducting business with integrity, in accordance with the highest ethical standards, and in compliance with all applicable laws, rules and regulations. A Code of Ethics has been adopted for the Executive Leadership Team and certain financial managers, stating their responsibilities and standards for professional and ethical conduct.

Our independent auditors have audited the financial statements and have rendered an unmodified opinion as to the financial statements' fairness of presentation, in all material respects, in accordance with accounting principles generally accepted in the United States of America. During the audit, they considered internal controls over financial reporting as required by generally accepted auditing standards.

The Board of Directors pursues its oversight with respect to OPPD's financial statements through the Finance Committee, which is comprised solely of non-management directors. The committee meets periodically with the independent auditors, internal auditors and management to ensure that all are properly discharging their responsibilities. The committee reviews the annual audit plan and any recommendations the independent auditors have related to the internal control structure. The Board of Directors, on the recommendation of the Finance Committee, engages the independent auditors who have unrestricted access to the Finance Committee.



L. Javier Fernandez
President and Chief Executive Officer



Jeff M. Bishop
Vice President and Chief Financial Officer



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Independent Auditor's Report

Board of Directors
Omaha Public Power District
Omaha, Nebraska

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of Omaha Public Power District (OPPD), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise OPPD's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of OPPD, as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of OPPD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OPPD's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OPPD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OPPD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

Omaha, Nebraska
March 21, 2024

Management's Discussion and Analysis (Unaudited)

USING THIS FINANCIAL REPORT

The Financial Report for the Omaha Public Power District (OPPD or Company) includes the Management's Discussion and Analysis, Financial Statements, Notes to Financial Statements, Required Supplementary Information and Notes to Required Supplementary Information. The Financial Statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. The Financial Statements have been prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities. Questions concerning any of the information provided in this report should be directed to Investor Relations at finfo@oppd.com.

Management's Discussion and Analysis (MD&A) – This unaudited information provides an objective and easily readable analysis of OPPD's financial activities based on currently known facts, decisions or conditions. In the MD&A, financial managers present both short-term and long-term analyses of the Company's activities. The MD&A should be read in conjunction with the Financial Statements, Required Supplementary Information and related Notes. This document contains forward-looking statements based on current plans.

Statement of Net Position – This statement reports resources with service capacity (assets) and obligations to sacrifice resources (liabilities). Deferrals result from outflows and inflows of resources that have already taken place but are not recognized in the financial statements as expenses and revenues because they relate to future periods. Net Position is the residual interest in the Company. On the Statement of Net Position, the sum of assets and deferred outflows equals the sum of liabilities, deferred inflows and net position. This statement facilitates the assessment and evaluation of liquidity, financial flexibility and capital structure.

Statement of Revenues, Expenses and Changes in Net Position – All revenues and expenses are accounted for in this statement. This statement measures the activities for the year and can be used to determine whether the revenues, rates, fees and other charges are adequate to recover expenses.

Statement of Cash Flows – This statement reports all cash receipts and payments summarized by net changes in cash from operating, noncapital financing, capital and related financing, and investing activities.

Statement of Fiduciary Net Position – This statement reports the financial resources available for pensions and other postemployment benefits (OPEB).

Statement of Changes in Fiduciary Net Position – This statement reflects the additions, deductions and changes in net position restricted for pensions and OPEB.

Notes to Financial Statements (Notes) – These Notes provide additional detailed information to support the financial statements.

Required Supplementary Information and Notes to Required Supplementary Information – This information provides additional detailed disclosures as required by the Governmental Accounting Standards Board.

ORGANIZATION

OPPD is a fully integrated, publicly owned electric utility governed by an elected board of eight directors. The Company serves an estimated population of 885,000 in a 13-county, 5,000-square-mile service area in southeast Nebraska.

FINANCIAL POSITION

The following table summarizes the financial position as of December 31 (in thousands).

Condensed Statements of Net Position	2023	2022	2021
Current Assets	\$ 1,261,923	\$ 1,212,506	\$ 1,274,531
Other Long-Term Assets and Special Purpose Funds	1,700,430	1,676,783	1,512,437
Electric Utility Plant	3,664,718	3,218,417	2,821,549
Total Assets	6,627,071	6,107,706	5,608,517
Deferred Outflows of Resources	457,246	226,902	282,026
Total Assets and Deferred Outflows	\$ <u>7,084,317</u>	\$ <u>6,334,608</u>	\$ <u>5,890,543</u>
Current Liabilities	\$ 535,571	\$ 532,158	\$ 410,408
Long-Term Liabilities	4,680,013	4,072,890	3,859,296
Total Liabilities	5,215,584	4,605,048	4,269,704
Deferred Inflows of Resources	324,255	369,982	272,466
Net Position	1,544,478	1,359,578	1,348,373
Total Liabilities, Deferred Inflows and Net Position	\$ <u>7,084,317</u>	\$ <u>6,334,608</u>	\$ <u>5,890,543</u>

2023 Compared to 2022

Total Assets and Deferred Outflows

Total Assets in 2023 increased \$519.4 million or 8.5% over 2022, primarily due to an increase in Electric Utility Plant from additional capital investments. There was also an increase in Other Long-Term Assets primarily due to an increase in Regulatory Assets – Other for Allowance for Funds Used During Construction (AFUDC) from increased capital spending. This was partially offset by a decrease in Special Purpose Funds from a reduction in the decommissioning funds balance due to additional decommissioning spending.

Deferred Outflows of Resources in 2023 increased \$230.3 million or 101.5% over 2022, primarily due to increases in the pension and OPEB investment losses.

Total Liabilities, Deferred Inflows and Net Position

Total Liabilities in 2023 increased \$610.5 million or 13.3% over 2022, primarily due to the issuance of new Electric System Revenue Bonds and an increase in the Pension and OPEB Liabilities based on the most recent actuarial results. This was partially offset by a decrease in the Decommissioning Liability as a result of work completed and a decrease in the outstanding Electric System Subordinated Revenue Bonds due to a defeasance.

Deferred Inflows of Resources in 2023 decreased \$45.7 million or 12.4% from 2022, primarily due to decreases in the unrealized pension and OPEB gains due to lower investment returns as a result of unfavorable market conditions, which was partially offset by an increase in the Fort Calhoun Station (FCS) decommissioning regulatory liability.

Net Position in 2023 increased \$184.9 million or 13.6% over 2022 based on results of operations.

2022 Compared to 2021

Total Assets and Deferred Outflows

Total Assets in 2022 increased \$499.2 million or 8.9% over 2021, primarily due to an increase in Electric Utility Plant from additional capital spending. There was also an increase in Other Long-Term Assets primarily due to the reestablishment of an asset for future spent fuel recoveries related to FCS decommissioning. This was partially offset by a decrease in both Other Long-Term Assets and Current Assets for the transition of the FCS decommissioning regulatory asset into a regulatory liability.

Deferred Outflows of Resources in 2022 decreased \$55.1 million or 19.5% from 2021, primarily due to decreases in the pension and OPEB contributions, which was partially offset by an increase for the changes in actuarial assumptions.

Total Liabilities, Deferred Inflows and Net Position

Total Liabilities in 2022 increased \$335.3 million or 7.9% over 2021, primarily due to the issuance of new Electric System Revenue Bonds and an increase in Accounts Payable due to additional capital and other operating expenditures. This was partially offset by a decrease in the Decommissioning Liability as a result of work completed and decreases in the Pension and OPEB Liabilities based on the most recent actuarial results.

Deferred Inflows of Resources in 2022 increased \$97.5 million or 35.8% over 2021, primarily due to the transition of the FCS decommissioning regulatory asset into a regulatory liability, which was partially offset by decreases in the unrealized pension and OPEB gains due to lower investment returns as a result of unfavorable market conditions.

Net Position in 2022 increased \$11.2 million or 0.8% over 2021 based on results of operations.

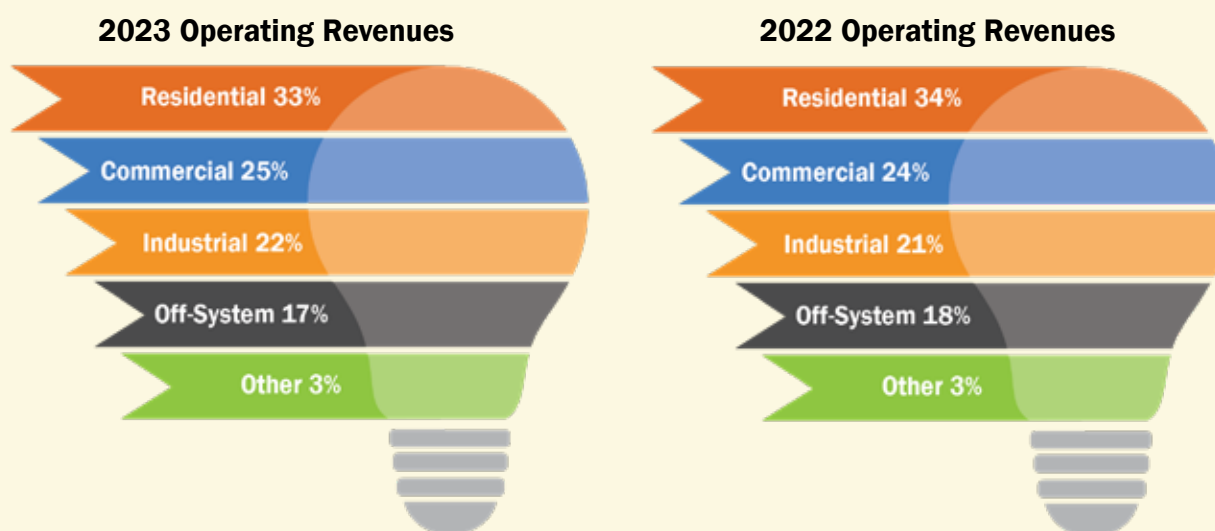
RESULTS OF OPERATIONS

The following table summarizes the operating results for the years ended December 31 (in thousands).

Condensed Statements of Revenues, Expenses and Changes in Net Position			
	2023	2022	2021
Operating Revenues	\$ 1,428,905	\$ 1,400,784	\$ 1,496,920
Operating Expenses	(1,250,562)	(1,309,747)	(1,421,682)
Operating Income	178,343	91,037	75,238
Other Income (Expenses)	6,557	(79,832)	(47,290)
Net Income	\$ 184,900	\$ 11,205	\$ 27,948

Operating Revenues

The following charts illustrate 2023 and 2022 operating revenues by category and percentage of the total.



2023 Compared to 2022 – Total operating revenues were \$1,428.9 million for 2023, an increase of \$28.1 million or 2.0% over 2022 operating revenues of \$1,400.8 million.

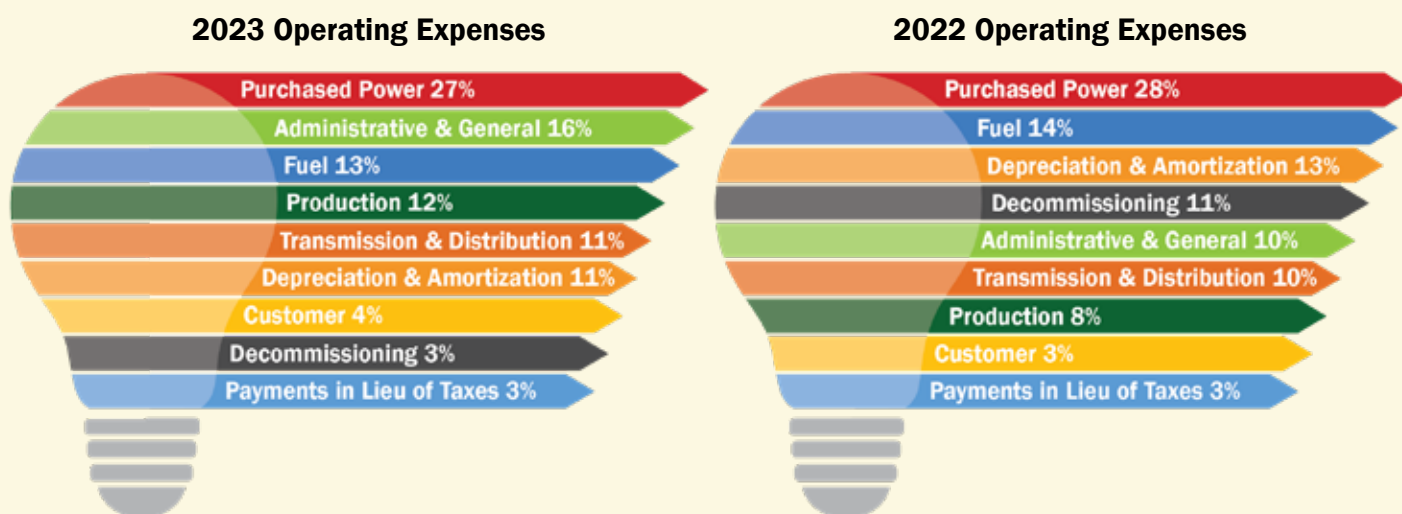
- Revenues from retail sales increased \$38.2 million or 3.5% over 2022, primarily due to an increase in the revenue across all customer classes due to higher usage and from the utilization of the Decommissioning and Benefits Reserve in 2023, which was partially offset by decreased revenue from the Fuel and Purchased Power Adjustment (FPPA) and a transfer to the Rate Stabilization Reserve.
- Revenues from off-system sales decreased \$12.9 million or 5.0% from 2022, primarily due to lower sales volumes.
- Other Electric Revenues include connection charges, late payment charges, leases, wheeling fees and miscellaneous revenues. These revenues increased \$2.8 million or 6.5% over 2022, primarily due to increases in transmission revenues.

2022 Compared to 2021 – Total operating revenues were \$1,400.8 million for 2022, a decrease of \$96.1 million or 6.4% from 2021 operating revenues of \$1,496.9 million.

- Revenues from retail sales decreased \$30.4 million or 2.7% from 2021, primarily due to a decrease in the revenue from the utilization of the Decommissioning and Benefits Reserve in 2021, which was partially offset by increased revenue across all customer classes due to higher usage.
- Revenues from off-system sales decreased \$71.9 million or 21.9% from 2021, primarily due to higher revenue from the 2021 Polar Vortex weather event.
- Other Electric Revenues include connection charges, late payment charges, leases, wheeling fees and miscellaneous revenues. These revenues increased \$6.2 million or 16.4% over 2021, primarily due to increases in transmission revenues.

Operating Expenses

The following charts illustrate 2023 and 2022 operating expenses by expense classification and percentage of the total.



2023 Compared to 2022 – Total operating expenses were \$1,250.6 million for 2023, a decrease of \$59.2 million or 4.5% from 2022 operating expenses of \$1,309.7 million.

- Fuel expense decreased \$22.1 million or 11.9% from 2022, primarily due to lower production volumes from longer maintenance outages.
- Purchased Power expense decreased \$28.0 million or 7.8% from 2022, primarily due to lower energy prices in the marketplace.
- Production expense increased \$47.3 million or 44.8% over 2022, primarily due to higher maintenance costs at Nebraska City Station Unit 2 (NC2) and North Omaha Station (NOS) from longer planned maintenance outages.
- Transmission and Distribution expense increased \$10.5 million or 8.0% over 2022, primarily due to increased fees to the Southwest Power Pool (SPP).
- Customer expense increased \$1.6 million or 3.7% over 2022, primarily due to increased professional service costs.
- Administrative and General expense increased \$64.4 million or 47.6% over 2022, primarily due to increased employee benefit costs from an additional pension contribution of \$50.0 million utilizing \$35.0 million of the Decommissioning and Benefits Reserve.
- Depreciation and Amortization expense decreased \$26.3 million or 16.0% from 2022, due to the implementation of new depreciation rates from a new depreciation study, which was partially offset by an increase in Depreciation and Amortization expense from additional electric utility plant assets.

- Decommissioning expense decreased \$108.6 million or 76.5% from 2022, primarily due to the discontinuation of funding from retail rates to the Decommissioning Trusts in April 2023.
- Payments in Lieu of Taxes expense increased \$2.0 million or 5.0% over 2022, due to higher retail revenues in incorporated areas of the service territory.

2022 Compared to 2021 – Total operating expenses were \$1,309.7 million for 2022, a decrease of \$112.0 million or 7.9% from 2021 operating expenses of \$1,421.7 million.

- Fuel expense decreased \$17.6 million or 8.6% from 2021, primarily due to higher fuel costs during the 2021 Polar Vortex weather event.
- Purchased Power expense decreased \$44.0 million or 10.9% from 2021, primarily due to higher purchased power costs during the 2021 Polar Vortex weather event.
- Production expense decreased \$5.8 million or 5.2% from 2021, primarily due to lower maintenance expenses as a result of fewer maintenance outages.
- Transmission and Distribution expense increased \$5.5 million or 4.4% over 2021, primarily due to increased fees to SPP.
- Customer expense increased \$2.7 million or 6.6% over 2021, primarily due to increased professional service costs, customer rebates, and an increase to the uncollectible accounts accrual.
- Administrative and General expense decreased \$72.0 million or 34.7% from 2021, primarily due to decreased employee benefit costs compared to the 2021 utilization of the Decommissioning and Benefits Reserve for additional pension contributions.
- Depreciation and Amortization expense increased \$7.9 million or 5.0% over 2021, primarily due to an increase in electric utility plant assets.
- Decommissioning expense increased \$9.4 million or 7.1% over 2021, primarily due to increased funding of the Decommissioning Trust.
- Payments in Lieu of Taxes expense increased \$1.9 million or 4.9% over 2021, due to higher retail revenues in incorporated areas of the service territory.

Other Income (Expenses)

2023 Compared to 2022 – Other income (expenses) totaled \$6.6 million in 2023, an increase of \$86.4 million over 2022 income (expenses) of (\$79.8) million.

- Interest Expense increased \$22.7 million or 26.7% over 2022, primarily due to higher interest rates and higher outstanding long-term debt.
- Investment Income, including Decommissioning Funds, increased \$114.6 million or 274.8% over 2022, primarily due to higher fair market value adjustments. OPPD typically holds investments to maturity and, therefore, will rarely realize fair market gains or losses.
- AFUDC increased \$16.7 million or 101.4% over 2022, due to higher construction balances subject to AFUDC.
- Products and Services – Net decreased \$0.8 million or 27.1% from 2022, due to fewer completed projects.
- Other – Net decreased \$21.4 million or 78.0% from 2022, primarily due to a decrease in revenue from grants from the Federal Emergency Management Agency (FEMA) for storm related costs.

2022 Compared to 2021 – Other income (expenses) totaled (\$79.8) million in 2022, an increase of \$32.5 million over 2021 income (expenses) of (\$47.3) million.

- Interest Expense increased \$16.3 million or 23.8% over 2021, primarily due to higher interest rates and higher outstanding long-term debt.
- Investment Income, including Decommissioning Funds, decreased \$37.1 million or 807.9% from 2021, due to lower fair market value adjustments.

- AFUDC increased \$6.7 million or 68.1% over 2021, due to higher construction balances subject to AFUDC.
- Products and Services – Net increased \$1.0 million or 56.7% over 2021, due to more completed projects.
- Other – Net increased \$13.2 million or 92.4% over 2021, primarily due to an increase in revenue from grants from FEMA related to the 2021 storm events.

Net Income

Net income was \$184.9 million for 2023 compared to \$11.2 million in 2022, primarily due to results of operations and adjustments to the Decommissioning and Benefits and Rate Stabilization reserves.

Net income was \$11.2 million for 2022 compared to \$27.9 million in 2021, primarily due to results of operations and adjustments to the Decommissioning and Benefits Reserve.

CAPITAL PROGRAM

The Company's electric utility plant includes production, transmission and distribution, and general plant facilities. The following table summarizes the balance of electric utility plant as of December 31 (in thousands).

	2023	2022
Electric utility plant	\$ 6,045,003	\$ 5,546,856
Accumulated depreciation and amortization	(2,380,285)	(2,328,439)
Total electric utility plant – net	<u>\$ 3,664,718</u>	<u>\$ 3,218,417</u>

Electric system requirements, including the identification of future capital investments, are reviewed annually to ensure current and future load requirements are serviced by a reliable and diverse power supply. Capital investments are financed with revenues from operations, bond proceeds, investment income and cash on hand.

The following table shows actual capital program expenditures for the last two years and budgeted expenditures for 2024 (in thousands).

Capital Program	Budget	Actual	
	2024	2023	2022
Production	\$ 261,259	\$ 255,580	\$ 287,260
Transmission and distribution	356,176	230,381	197,344
General	109,565	88,647	66,428
Total	<u>\$ 727,000</u>	<u>\$ 574,608</u>	<u>\$ 551,032</u>

Actual and budgeted expenditures for 2022 through 2024 include the following:

- Production expenditures include equipment to maintain reliability, enhance efficiency, comply with environmental regulations and maintain a safe work environment. Actual and budgeted expenditures include costs for the Power with Purpose and Near-Term Generation initiatives that were approved by the Board of Directors in 2019 and 2023, respectively, to add new generation that will be required to maintain energy generation and capacity requirements. Budgeted expenditures have remained consistent as the Company continues to support the remaining scope of Power with Purpose projects and new Near-Term Generation projects.
- Transmission and distribution expenditures include various substation and transmission projects to facilitate load growth and reliability and improve substation security, as well as the Transmission Distribution Improvement Program, which focuses on cable, conductor, and pole replacements. Budgeted expenditures have increased primarily due to the expansion of our transmission and distribution infrastructure to provide reliable electric service to a growing community as well as supporting the Company's Near-Term Generation, Power with Purpose, and Two-way Communication or Advanced Metering Infrastructure efforts.

- General plant expenditures include facilities, fleet vehicles, construction equipment, technology equipment and software applications. Budgeted expenditures include business technology and facilities investments and upgrades.

Details of the Company’s electric utility plant asset balances and activity are included in Note 5 in the Notes to Financial Statements.

CASH AND LIQUIDITY

Financing

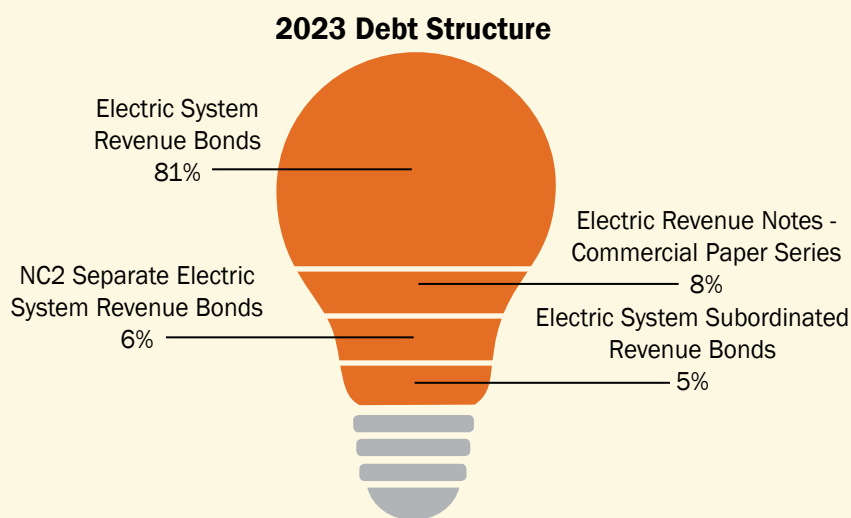
Sufficient liquidity is maintained to ensure working capital is available for normal operational needs and unexpected, but predictable, risk events. OPPD’s liquidity includes cash, marketable securities and lines of credit. Debt offerings also provide a significant source of liquidity for capital investments not funded by revenues from operations.

The financing plan optimizes the debt structure to ensure capital needs are financed, liquidity needs are achieved and the Company’s strong financial position is maintained. The 2024 financing plan anticipates the issuance of approximately \$449.0 million of new Electric System Revenue Bonds to support capital projects.

OPPD issued \$360.8 million of Electric System Revenue Bonds during 2023. The proceeds were used for future and reimbursable capital expenditures. OPPD also issued \$188.9 million of Electric System Revenue Bonds during 2023 to refund \$100.0 million of its Commercial Paper Notes, resulting in a decrease of its outstanding Commercial Paper from \$350.0 million to \$250.0 million, and to defease \$89.9 million of Electric System Subordinated Revenue Bonds. Before the Commercial Paper refunding, OPPD had increased its outstanding Commercial Paper from \$250.0 million to \$350.0 million during 2023 to reimburse capital expenditures. Repayments of \$45.3 million of Electric System Revenue Bonds, \$2.6 million of Electric System Subordinated Revenue Bonds, and \$4.0 million of NC2 Separate Electric System Revenue Bonds were made in 2023.

The Company has two Credit Agreements in place. The first Credit Agreement for \$250.0 million was executed on July 22, 2019 and extended on October 31, 2022, with an expiration date of January 1, 2026. The second Credit Agreement for \$200.0 million was executed on June 1, 2021, with an expiration date of May 31, 2024. Both Credit Agreements can be used to support the Commercial Paper Program, and both Credit Agreements provide additional sources of working capital, if needed. There were letters of credit issued against the Credit Agreements in the amount of \$30.3 million and \$0 as of December 31, 2023 and 2022, respectively. The letters of credit reduced the available Credit Agreement amount by \$30.3 million leaving an unused amount of \$419.7 million as of December 31, 2023. There were no amounts outstanding under either Credit Agreement as of December 31, 2022.

The following chart illustrates the debt structure and percentage of the total as of December 31, 2023.



Details of the Company’s debt balances and activity are included in Note 7 in the Notes to Financial Statements.

Debt Service Coverage for Electric System Revenue Bonds

Debt service coverage for the Electric System Revenue Bonds was 2.27 times and 3.09 times in 2023 and 2022, respectively. OPPD's senior lien bond indenture provides that additional bonds may not be issued unless estimated net receipts for each future year shall equal or exceed 1.4 times the debt service on all Electric System Revenue Bonds outstanding, including the additional bonds being issued. Transactions in 2023 and 2022 for the NC2 Separate Electric System were not included in the calculation because the Electric System Revenue Bonds are not secured by the revenues from the NC2 Separate Electric System. The Company is in compliance with all debt covenants.

Debt Ratio

The debt ratio is a measure of financial solvency and represents the share of debt to total capitalization (debt and net position). This ratio does not include the NC2 Separate Electric System Revenue Bonds since this debt is secured by revenues of the NC2 Separate Electric System. The debt ratio was 64.6% and 64.0% at December 31, 2023 and 2022, respectively.

Credit Ratings

High credit ratings allow the Company to borrow funds at more favorable interest rates. Both quantitative (financial strength) and qualitative (business and operating characteristics) factors are considered by the credit rating agencies in establishing a company's credit rating. The credit ratings received from S&P Global Ratings (S&P) and Moody's Investors Service (Moody's), independent bond rating agencies for the latest bond issues, were among the highest ratings granted to electric utilities and confirm the agencies' assessment of the Company's strong ability to meet its debt service requirements. S&P and Moody's affirmed OPPD's senior lien debt and subordinated ratings, and both have stable outlooks for OPPD's credit ratings.

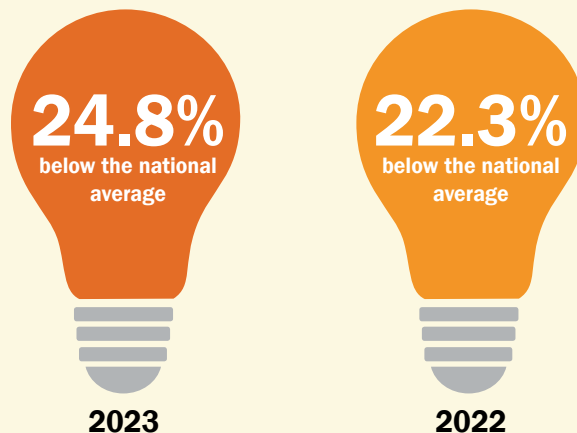
The following table summarizes credit ratings in effect on December 31, 2023.

	S&P	Moody's
Electric System Revenue Bonds	AA	Aa2
Electric System Subordinated Revenue Bonds	AA-	Aa3
Electric Revenue Notes - Commercial Paper Series	A-1+	P-1
NC2 Separate Electric System Revenue Bonds	A+	A1

COMPETITIVE AND REGULATORY ENVIRONMENT

Electric Rates

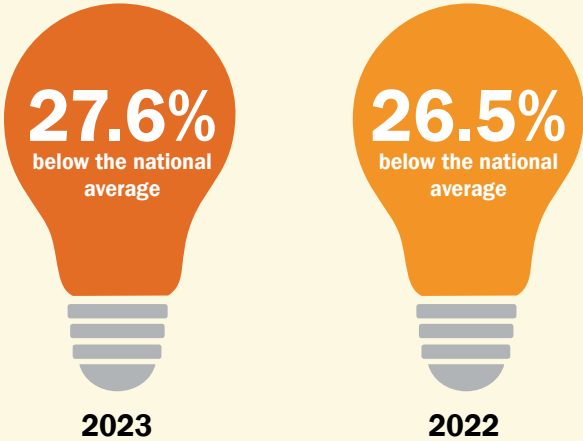
Electric rates - Residential



The Company strives to manage costs to align with the mission of providing affordable, reliable and environmentally sensitive energy services to our customers. Residential customers paid an average of 12.02 and 11.68 cents per kilowatt-hour (kWh) in 2023 and 2022, respectively. The national average residential

cents per kWh according to the Energy Information Administration (EIA), U.S. Department of Energy, was 15.98 for 2023 (preliminary year-to-date December 2023) and 15.04 cents per kWh for 2022. Based on the EIA data, OPPD residential rates were 24.8% and 22.3% below the national average for 2023 and 2022, respectively.

Electric rates – Retail



Retail customers paid an average of 9.21 and 9.08 cents per kWh in 2023 and 2022, respectively. The national average retail cents per kWh according to the EIA, was 12.72 for 2023 (preliminary year-to-date December 2023) and 12.36 cents per kWh for 2022. Based on the EIA data, OPPD retail rates were 27.6% and 26.5% below the national average for 2023 and 2022, respectively.

There was no general rate increase for 2023 but there was a 2.9% average increase due to a change in the FPPA factor that was implemented in January 2023 as a result of higher energy prices. In 2022, OPPD implemented a 2.5% average general rate increase for retail customers while the FPPA factor remained unchanged. In January 2024, OPPD implemented a 3.1% average general rate increase and a (0.6%) average decrease in the FPPA base rate and factor, for a total overall average rate impact of 2.5%.

Energy Risk Management

OPPD participates in the wholesale marketplace with other electric utilities and power marketers. The Company must be able to offer energy at competitive prices and maintain reliability to successfully compete in this market. Energy market prices may fluctuate substantially in a short period of time due to changes in the supply and demand of electricity, fuel and environmental-related commodities. Policies provide requirements for transacting in the marketplace with the intent to mitigate and monitor market risk. A cross-functional risk committee is responsible for identifying, measuring and mitigating various risk exposures related to power marketing and fuel purchase activities.

Fuel expense represents a significant cost and affects the ability to generate and market competitively priced power. To maintain a diverse portfolio of power supply, OPPD uses various fuel types for generation. Fuel policies mitigate volumetric and price risk associated with the forecasted use of fuel for OPPD’s generation.

Environmental Matters

Environmental matters can have a significant impact on operations and financial results. OPPD complies with all applicable local, state and federal environmental rules and regulations. The items mentioned below include proposed, enacted or enforceable laws, rules and regulations.

Carbon Dioxide (CO₂) Performance Standards – On May 23, 2023, the Environmental Protection Agency (EPA) published a new proposed rule which would establish CO₂ emission limits and emission guidelines for existing coal, oil, and natural gas-fired Electric Generating Units (EGUs), certain existing natural gas-fired turbines, and new natural gas turbines. The limits are based on the best system of emission reduction which the EPA considers to be carbon capture and sequestration/storage, low-greenhouse gas hydrogen co-firing, and natural gas co-firing. The final rule is expected to be issued in 2024, and due to its broad industry impact, it is expected

to be challenged in court by multiple stakeholders. OPPD continues to monitor the potential outcomes and impacts of this proposed rule.

Regional Haze Rule (RHR) – The RHR requires the states, in coordination with the EPA, the National Park Service, U.S. Fish and Wildlife Service (USFWS), the U.S. Forest Service, and other interested parties, to develop and implement air quality protection plans to reduce the pollution that causes visibility impairment. The cost of compliance is not expected to be material at this time.

Mercury and Air Toxics Standards (MATS) Rule – On April 3, 2023, the EPA proposed a rule to revise the MATS for coal and oil-fired steam EGUs that would potentially lower the filterable particulate matter limit and require all coal-fired EGUs to demonstrate compliance with the filterable particulate standard limit by using continuous emission monitoring systems, thereby eliminating the option to use quarterly stack tests. The rule is still in the process of being finalized.

Coal Combustion Residuals (CCR) – In April 2015, the EPA promulgated technical requirements for the CCR rule that impacted landfills and surface impoundments for the safe disposal of coal combustion residuals under Subtitle D of the Resource Conservation and Recovery Act. The regulation became effective in October 2015, and OPPD is in compliance with the requirements. The cost of compliance with the requirements of the CCR rule is expected to be minimal at this time.

On May 17, 2023, the EPA issued a proposal that would establish two new classes of regulated CCR units under the federal CCR rule and includes legacy CCR surface impoundments and CCR management units. The Company is evaluating the potential impact of this proposed rule, which may require a thorough prescriptive site assessment and additional review of historic site activities with potentially new groundwater monitoring requirements.

316(b) Fish Protection Regulations (316(b)) – In May 2014, the EPA issued the final rule under Section 316(b) Rule of the Clean Water Act, which went into effect in October 2014. Facilities are required to choose one of seven options to reduce fish impingement and to study the effects of entrainment and develop compliance strategies. All studies were previously completed, and the Company is currently working towards installation of Coarse Mesh Modified Traveling Screens with a Fish Return at the intake structures at both Nebraska City Station (NCS) and NOS Units 4 and 5, which is expected in 2025. The cost of compliance is expected to be \$18.7 million for NOS and NCS combined.

Effluent Limitations Guidelines (ELG) – ELGs are national standards developed under the Clean Water Act that apply to industrial wastewater discharges. In August 2020, the EPA finalized a rule revising the regulations for the Steam Electric Power Generating category of the ELGs, which eliminates the ability of operators to discharge Bottom Ash Transport Water. Although the 2020 rule was initially not applicable to NOS due to the planned cessation of coal generation at that facility, the extension of coal operations at NOS approved by the Board of Directors in August 2022 requires the Company to develop a compliance plan to meet this regulation. The Company is currently working towards installation of a high efficiency recycle system to be installed at NOS no later than December 31, 2025. The cost of compliance at NOS is expected to be \$13.9 million. NCS already meets the requirements of the 2020 ELG rule.

On March 8, 2023, the EPA released an additional proposed rule that establishes tougher ELGs for two categories of wastewater (effluent) from existing coal-fired EGUs: flue gas desulfurization wastewater and bottom ash transport water. The largest potential impact to OPPD would be at NOS due to the ash transport system at the facility, however the rule is not expected to be applicable until after the planned cessation of coal at NOS.

Northern Long-Eared Bat (NLEB) – In November 2022, the USFWS published a final rule to the Federal Register to change the listing status of the northern long-eared bat from threatened to an endangered species under the Endangered Species Act of 1973, as amended. On March 31, 2023, the final rule went into effect, and the USFWS is currently developing guidance documents to help understand impacts. The Company will continue to evaluate the impact as guidance documents are released.

RESOURCE PLANNING AND GENERATION UPDATE

Southwest Power Pool Integrated Marketplace and Transmission Planning

OPPD is a transmission-owning member of SPP, and all of OPPD's transmission facilities are under the jurisdiction of the SPP Open Access Transmission Tariff. In addition to tariff administration services, SPP also provides reliability coordination services, generation reserve sharing, energy market services, balancing authority services and planning authority services.

OPPD actively participates in the SPP energy markets. The market mechanism rewards low-cost, flexible and reliable providers of electricity. OPPD is in competition with other generation owners to serve load across the SPP footprint.

As the regional transmission expansion planning authority, SPP works with its members and stakeholders to develop transmission projects needed in the footprint to meet the reliability, economic, and public policy needs. In the OPPD service territory, transmission expansion has recently been focused in the Sarpy County and Cass County areas and will continue to occur in both counties for the next few years. This is part of a comprehensive expansion plan to reliably serve increasing electricity demand for the growing customer base in that area, along with accommodating the interconnection for OPPD's new Turtle Creek Station, which is part of OPPD's Power with Purpose generation expansion project further described in the Generation Update section below. A new high-voltage transmission line, known as the Sarpy Transmission Project (STP), and associated new interconnection high-voltage substation facilities were flagship components of the initial phase of the expansion plan and were energized in 2020. The next phases of the expansion plan began in 2021 and involve three new high-voltage transmission lines to be built in Sarpy County along with two new high-voltage substations and other area substation expansions to interconnect the three new transmission lines. This transmission expansion plan, known as the Sarpy Southwest Transmission Project (SSWTP), is an extension of the initial STP plan. It is anticipated the SSWTP will be completed in 2024.

In the fall of 2022, the SPP Board issued OPPD a notice to construct a new extra high-voltage transmission line that will run from OPPD's Cass County Station to an OPPD Substation in Sarpy County and will be integrated into OPPD's SSWTP expansion. This new line is intended to maintain grid reliability and enhance the grid for future load growth and generation expansion. It is anticipated that this line will be completed by the end of 2026.

In addition to the expansion in Sarpy County and Cass County, OPPD is also performing some transmission upgrades in Douglas County including rebuilding a high voltage transmission corridor in west-central Omaha to address aging infrastructure and increasing electric demand in the area. This project is anticipated to be complete by summer 2024. OPPD is also building three new high voltage substations and associated transmission line extensions to those new substations in north-central and northwest Omaha to accommodate both load growth and the interconnection of OPPD's new Standing Bear Lake Station, which is part of OPPD's Power with Purpose generation expansion project further described in the Generation Update section below. These projects are anticipated to be completed and phased in over a three-year horizon beginning in 2024.

OPPD will fund the upfront capital costs for all of these transmission projects, however, since significant portions of these transmission projects also provide benefit to the SPP region, those portions are cost allocated to SPP members for which OPPD will receive cost reimbursement over the life of these facilities.

In addition to regional transmission expansion planning, SPP also engages in interregional transmission expansion planning. SPP recently engaged with the Midcontinent Independent System Operator (MISO), a neighboring region to the east, in an interregional transmission expansion planning study called the Joint Targeted Interconnection Queue (JTIQ). Through collaboration between the SPP and MISO Regional Transmission Organizations, the study focused on mitigating transmission limitations restricting the opportunity to interconnect new generating resources near the SPP-MISO border.

The study identified five extra high voltage transmission expansion projects in the recommended JTIQ Portfolio with an estimated cost of \$1.7 billion, and portions of two of the five projects would interconnect and be built in the OPPD area at an estimated cost of \$350.0 million. The JTIQ Portfolio proposal recommends that constructing transmission owners fund the upfront capital costs of these projects with cost recovery from

prospective future generation asset interconnections. In addition, the Department of Energy announced estimated grant funding towards these projects of \$464.0 million. OPPD expects to receive a portion of this grant funding for the projects in the Company's area. Final transmission tariff language for these unique interregional projects is material to the Company and is currently being formulated by SPP and MISO with plans to file with the Federal Energy Regulatory Commission for approval in 2024, if approved by both region's Board of Directors.

Generation Update

In 2019, OPPD announced the Power with Purpose initiative to add new generation that supports anticipated load growth, the retirement of NOS Units 1, 2, and 3 and the conversion of NOS Units 4 and 5 to natural gas. The initiative recommended utility-scale solar of 400-600 megawatts (MW) with up to 600 MW of modernized natural gas generation.

The sourcing for the utility scale solar generation began in November 2019. In 2021, OPPD executed its first utility-scale solar Power Purchase Agreement (PPA) for Platteview Solar, which is an 81-MW solar facility in Saunders County, Nebraska. The Platteview Solar project began construction in 2023 and is expected to be online by spring 2024.

In September 2020, OPPD announced the locations and capacity of two natural gas generation facilities with onsite secondary fuel storage capability. The Standing Bear Lake Station in Douglas County is co-located with a Metropolitan Utilities District facility. This site will produce approximately 150 MW using reciprocating internal combustion engine assets. The Turtle Creek Station is located in Sarpy County. This second site will produce approximately 450 MW using two simple-cycle combustion turbine assets. The sourcing for these natural gas generation assets began in September 2020. In October 2020, the Nebraska Power Review Board unanimously approved the applications for these new natural gas generation facilities finding that they serve public convenience and necessity, are economical and feasible, and are without unnecessary duplication of facilities. Major equipment contracts were executed in May and June of 2021. In September 2021, OPPD selected Zachry Group as the engineer, procure, and construct vendor for both Standing Bear Lake and Turtle Creek Stations and their associated onsite substations. Construction is in progress with expected completion of both new natural gas generation sites in 2024. The supporting substations for both Turtle Creek Station and Standing Bear Lake Station became operational in late 2023.

In August 2022, the Board of Directors approved a resolution to extend NOS operations thus delaying the retirement of NOS Units 1, 2, and 3 and the refueling of Units 4 and 5 from coal to natural gas until both Turtle Creek Station and Standing Bear Lake Station are able to generate electricity, have executed the required generation interconnection and transmission service agreements along with fulfilling the conditions and obligations set forth in those agreements and are able to operate on a non-interim basis, fully accredited capability. This decision was made in order to maintain compliance with applicable federal reliability standards and regional transmission tariff requirements and assure the continued reliability and resiliency of the OPPD electric system.

In August 2023, the Board of Directors approved the Near-Term Generation Resource Plan to address unprecedented growth in energy demand. OPPD remains committed to its Power with Purpose generation expansion projects, which include Turtle Creek Station, Standing Bear Lake Station, and Platteview Solar facility. All new generation incremental to the aforementioned assets will now be added through this plan. This includes 1,000 to 1,500 MW of renewables (wind and solar), which includes Power with Purpose renewable generation that has yet to be sourced, approximately 125 MW of battery storage, 600 to 950 MW of generation from dual-fueled combustion turbines, 32 MW or more of demand response, and approximately 320 MW of added dual fuel capability through the addition of fuel oil storage at existing generation facilities.

In February 2024, OPPD announced the purchase of four combustion turbines (CT) with one CT to be located at Turtle Creek Station and three CTs to be located at Cass County Station. The expected increase in the SPP winter planning reserve margin guided the decision to add the four CTs, which will total 900 MW. The Company filed applications to construct the assets with the Nebraska Power Review Board, which were approved during

a hearing on the applications in March 2024. The CTs will be placed in service before 2030. In addition, various renewable energy and storage asset pursuits and studies are currently underway.

Renewable Capability including Purchased Power Contracts

Renewable portfolio standards are currently mandated in several states, but not in Nebraska. In 2019, the Board of Directors established a goal to conduct all of its operations in a manner that strives for net zero carbon production by 2050. OPPD completed its directional Pathways to Decarbonization Strategic Initiative in 2022, studying pathways to meet the 2050 goal and providing a foundation for resource planning into the future. OPPD's renewable generation resources includes a mix of wind, solar, hydro, and methane gas. As of December 31, 2023, the Company had 1,062.8 MW of renewable generation capacity primarily through purchase power agreements.

Fort Calhoun Station Decommissioning

In 2016, the OPPD Board of Directors approved a recommendation by management to cease operations at FCS. The station ceased operations on October 24, 2016 and began the decommissioning process. FCS is being decommissioned using the DECON process, which provides for the immediate decontamination and dismantling of the nuclear systems and structures. OPPD contracted with EnergySolutions LLC (ES) to provide technical support during the completion of the DECON process. OPPD retains the license and management responsibility for the facility, while benefitting from the advisory services provided by ES.

Progress was made on the key activities underway in 2023, including the segmentation of the reactor vessel, the demolition of buildings containing radioactive systems and buildings which did not contain radioactive materials, and the shipment of associated materials for disposal. In 2023, OPPD stopped contributions from retail rates to the Decommissioning Trust Fund. An analysis of the Decommissioning Trust Fund determined that there was sufficient funding to meet future projected expenditures. The key focus for 2024 will shift to removal of equipment and structures inside the containment shell.



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Omaha Public Power District

Statements of Net Position

as of December 31, 2023 and 2022

ASSETS	2023	2022
	<i>(thousands)</i>	
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,747	\$ 5,704
Investments	804,360	764,799
Investments – separate electric system	36,899	37,290
Accounts receivable – net	176,929	163,059
Fossil fuels – at average cost	38,027	31,680
Materials and supplies – at average cost	131,610	121,201
Regulatory assets	966	21,757
Other	65,385	67,016
Total current assets	<u>1,261,923</u>	<u>1,212,506</u>
SPECIAL PURPOSE FUNDS – at fair value		
Investments – net of current	83,328	66,621
Segregated funds	179,928	166,523
Decommissioning funds	479,964	534,901
Total special purpose funds	<u>743,220</u>	<u>768,045</u>
ELECTRIC UTILITY PLANT – at cost		
Electric utility plant	6,045,003	5,546,856
Less accumulated depreciation and amortization	2,380,285	2,328,439
Total electric utility plant – net	<u>3,664,718</u>	<u>3,218,417</u>
OTHER LONG-TERM ASSETS		
Regulatory assets – pension	346,169	334,201
Regulatory assets – other postemployment benefits	186,245	192,908
Regulatory assets – other	131,159	96,302
Other	293,637	285,327
Total other long-term assets	<u>957,210</u>	<u>908,738</u>
TOTAL ASSETS	<u>6,627,071</u>	<u>6,107,706</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unrealized pension contributions and losses	346,432	141,269
Unrealized OPEB contributions and losses	51,462	23,565
Unamortized loss on refunded debt	49,561	52,711
Other	9,791	9,357
Total deferred outflows of resources	<u>457,246</u>	<u>226,902</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,084,317</u>	<u>\$ 6,334,608</u>

See notes to financial statements

Omaha Public Power District Statements of Net Position

as of December 31, 2023 and 2022

LIABILITIES	2023	2022
	(thousands)	
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 48,455	\$ 47,860
Current maturities of long-term debt – separate electric system	4,200	4,000
Accounts payable and other current liabilities	310,761	323,055
Accrued interest payable	49,623	44,226
Decommissioning	122,532	113,017
Total current liabilities	535,571	532,158
 LIABILITIES PAYABLE FROM SEGREGATED FUNDS	102,196	107,508
 LONG-TERM DEBT		
Long-term debt – net of current	2,776,065	2,364,685
Long-term debt – net of current – separate electric system	189,480	193,680
Unamortized premiums	239,823	233,804
Total long-term debt – net	3,205,368	2,792,169
 OTHER LIABILITIES		
Decommissioning – net of current	419,652	534,515
Pension liability	689,717	431,123
Net OPEB liability	204,848	153,387
Other	58,232	54,188
Total other liabilities	1,372,449	1,173,213
TOTAL LIABILITIES	5,215,584	4,605,048
 DEFERRED INFLOWS OF RESOURCES		
Regulatory liability – FCS decommissioning	163,250	131,004
Regulatory liability – rate stabilization reserve	76,000	50,000
Regulatory liability – decommissioning and benefits reserve	5,000	38,000
Unrealized pension gains	1,962	43,274
Unrealized OPEB gains	32,581	62,810
Leases	38,919	41,336
Other	6,543	3,558
Total deferred inflows of resources	324,255	369,982
 NET POSITION		
Net investment in capital assets	555,918	478,791
Restricted	207,459	162,283
Unrestricted	781,101	718,504
Total net position	1,544,478	1,359,578
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$7,084,317	\$6,334,608

See notes to financial statements

Omaha Public Power District

Statements of Revenues, Expenses and Changes in Net Position

for the Years Ended December 31, 2023 and 2022

	2023	2022
	<i>(thousands)</i>	
OPERATING REVENUES		
Retail	\$ 1,138,663	\$1,100,507
Off-system	243,580	256,478
Other electric	46,662	43,799
Total operating revenues	<u>1,428,905</u>	<u>1,400,784</u>
OPERATING EXPENSES		
Operations and maintenance		
Fuel	164,240	186,359
Purchased power	332,382	360,420
Production	152,812	105,534
Transmission and distribution	141,390	130,856
Customer	45,520	43,887
Administrative and general	199,820	135,402
Total operations and maintenance	<u>1,036,164</u>	<u>962,458</u>
Depreciation and amortization	138,580	164,909
Decommissioning	33,320	141,918
Payments in lieu of taxes	42,498	40,462
Total operating expenses	<u>1,250,562</u>	<u>1,309,747</u>
OPERATING INCOME	<u>178,343</u>	<u>91,037</u>
OTHER INCOME (EXPENSES)		
Interest expense	(107,491)	(84,832)
Contributions in aid of construction	30,990	21,046
Reduction of plant costs recovered through contributions in aid of construction	(30,990)	(21,046)
Decommissioning funds – investment income (loss)	27,119	(44,607)
Investment income	45,731	2,925
Allowances for funds used during construction	33,079	16,427
Products and services – net	2,092	2,868
Other – net	6,027	27,387
Total other income (expenses) – net	<u>6,557</u>	<u>(79,832)</u>
NET INCOME	<u>184,900</u>	<u>11,205</u>
NET POSITION, BEGINNING OF YEAR	<u>1,359,578</u>	<u>1,348,373</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,544,478</u></u>	<u><u>\$1,359,578</u></u>

See notes to financial statements

Omaha Public Power District

Statements of Cash Flows

for the Years Ended December 31, 2023 and 2022

	2023	2022
	<i>(thousands)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from retail customers	\$1,165,791	\$ 1,118,907
Receipts from collection of sales tax	58,749	55,541
Receipts from off-system counterparties	114,831	126,341
Receipts from other sources	16,766	82,954
Payments for sales tax	(58,440)	(55,190)
Payments to operations and maintenance suppliers	(670,204)	(595,806)
Payments to off-system counterparties	(201,162)	(208,868)
Payments to employees	(131,825)	(146,994)
Payments for in lieu of taxes and other taxes	(40,494)	(38,605)
Net cash provided from operating activities	254,012	338,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from federal and state agencies	6,464	15,012
Net cash provided from noncapital financing activities	6,464	15,012
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from debt issuances	486,574	375,334
Principal reduction of debt	(51,860)	(16,240)
Interest paid on debt	(117,179)	(89,237)
Acquisition and construction of capital assets	(637,746)	(489,705)
Contributions in aid of construction and other reimbursements	37,348	28,348
Net cash used for capital and related financing activities	(282,863)	(191,500)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,708,496)	(3,665,265)
Maturities and sales of investments	2,631,999	3,526,167
Purchases of investments for decommissioning funds	(289,784)	(557,167)
Maturities and sales of investments in decommissioning funds	357,426	486,211
Investment income	33,285	16,542
Net cash provide from (used for) investing activities	24,430	(193,512)
CHANGE IN CASH AND CASH EQUIVALENTS	2,043	(31,720)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,704	37,424
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,747	\$ 5,704

See notes to financial statements

Omaha Public Power District

Statements of Cash Flows

for the Years Ended December 31, 2023 and 2022

The following table provides a reconciliation of the statements of cash flows from operating activities to operating income as of December 31.

	2023	2022
	<i>(thousands)</i>	
Operating income	\$ 178,343	\$ 91,037
Adjustments to reconcile operating income to net cash provided from operating activities:		
Depreciation and amortization	124,980	150,074
Changes in assets and liabilities:		
Accounts receivable	(10,518)	35,203
Fossil fuels	(8,933)	2,055
Materials and supplies	(10,409)	(20,575)
Accounts payable	5,027	23,431
Accrued payments in lieu of taxes and other taxes	2,005	1,857
Accrued payroll	40,808	2,983
Special deposits (SPP and others)	1,460	(1,185)
Regulatory assets	(93,904)	143,793
Regulatory liabilities	25,246	137,004
Other	(93)	(227,397)
Net cash provided from operating activities	<u>\$ 254,012</u>	<u>\$ 338,280</u>

The following table summarizes the supplemental disclosure of noncash capital, financing and investing activities as of December 31.

	2023	2022
	<i>(thousands)</i>	
NONCASH CAPITAL, FINANCING AND INVESTING ACTIVITIES		
Bond proceeds transferred directly to		
irrevocable trust to defease or refund outstanding debt	\$ 189,748	\$ 75,000
Electric utility plant additions from outstanding liabilities	79,663	91,962
Net amortization of debt-related expenses and premiums	15,767	14,696
Allowances for funds used during construction	33,079	16,427
Changes in fair value of investments	38,747	(60,693)

See notes to financial statements



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Omaha Public Power District

Statements of Fiduciary Net Position

as of December 31, 2023 and 2022

	2023	2022
	<i>(thousands)</i>	
ASSETS		
Investments, at fair value	\$ 1,425,794	\$ 1,259,912
Receivables		
Accrued interest and dividend receivables	1,085	1,049
Receivable from broker	5,543	336
Other receivables	844	783
Total receivables	<u>7,472</u>	<u>2,168</u>
TOTAL ASSETS	<u>1,433,266</u>	<u>1,262,080</u>
LIABILITIES		
Payables		
Accrued management fees and administrative expenses	575	510
Payable to broker	35,211	20,633
Other liabilities	488	339
TOTAL LIABILITIES	<u>36,274</u>	<u>21,482</u>
NET POSITION RESTRICTED FOR PENSIONS AND OPEB	<u>\$ 1,396,992</u>	<u>\$ 1,240,598</u>

See notes to financial statements

Omaha Public Power District

Statements of Changes in Fiduciary Net Position

for the Years Ended December 31, 2023 and 2022

	2023	2022
	<i>(thousands)</i>	
ADDITIONS		
Contributions		
Employer	\$ 129,338	\$ 69,351
Employee	19,231	17,573
Total contributions	<u>148,569</u>	<u>86,924</u>
Investment income		
Interest and dividend income	17,506	17,230
Net appreciation/(depreciation) in fair value of investments	130,972	(220,085)
Total investment income/(loss)	148,478	(202,855)
Less: Investment expenses	(7,193)	(6,736)
Net investment income/(loss)	<u>141,285</u>	<u>(209,591)</u>
Total additions/(deductions)	<u>289,854</u>	<u>(122,667)</u>
DEDUCTIONS		
Benefits paid to participants	111,411	110,604
Healthcare and life insurance benefits (net of member premiums)	21,721	19,970
Administrative and other expenses	328	326
Total deductions	<u>133,460</u>	<u>130,900</u>
NET CHANGE	<u>156,394</u>	<u>(253,567)</u>
NET POSITION RESTRICTED FOR PENSIONS AND OPEB		
Beginning of year	1,240,598	1,494,165
End of year	<u>\$1,396,992</u>	<u>\$1,240,598</u>

See notes to financial statements

Notes to Financial Statements

as of and for the Years Ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business – The Omaha Public Power District (OPPD or Company), a political subdivision of the state of Nebraska, is a public utility engaged in the generation, transmission and distribution of electric power and energy and other related activities. The Board of Directors is authorized to establish rates. OPPD is generally not liable for federal and state income or ad valorem taxes on property; however, payments in lieu of taxes are made to various local governments.

Reporting Entity – These financial statements present OPPD and its component units. The following component units are presented as fiduciary funds of OPPD: the Retirement Plan and the Other Postemployment Benefit Plans. OPPD’s Board of Directors performs the duties of a governing board for each of these defined benefit plans, and OPPD has a financial burden to make contributions to each plan. Detailed financial statements and note disclosures for these fiduciary funds can be found in separately issued financial reports. These financial reports can be obtained by contacting Investor Relations at info@oppd.com or by visiting oppd.com. Additional information on these plans can also be found in Note 8.

OPPD has one component unit that was acquired in 2023 and is wholly owned, funded, and governed by OPPD. The component unit is used for the development activities of a potential solar facility. Although the component unit is legally separate from OPPD, it is blended into and reported as part of OPPD because of the nature and extent of its operational and financial relationship with OPPD. The only assets of the component unit are development rights and costs of \$13.8 million as of December 31, 2023, which is reported on OPPD’s financial statements with Other Long-Term Assets – Other.

Basis of Accounting – The financial statements are presented in accordance with generally accepted accounting principles (GAAP) for proprietary funds of governmental entities. Accounting records are maintained generally in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) and all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

OPPD applies the accounting policies established in the GASB Codification Section Re10, *Regulated Operations*. This guidance permits an entity with cost-based rates to include costs in a period other than the period in which the costs would be charged to expense by an unregulated entity if it is probable that these costs will be recovered through rates charged to customers. This guidance also permits an entity to defer revenues by recognizing liabilities to cover future expenditures. The guidance applies to OPPD because the rates of the Company’s regulated operations are established and approved by the governing board.

If, as a result of changes in regulation or competition, the ability to recover these assets and to satisfy these liabilities would not be assured, OPPD would be required to write off or write down such regulatory assets and liabilities unless some form of transition cost-recovery continues through established rates. In addition, any impairment to the carrying costs of deregulated plant and inventory assets would be determined. The Board of Directors approved the write-off of the Fuel and Purchased Power Adjustment (FPPA) under-recoveries of \$0.1 million and \$27.7 million for the years ended December 31, 2023 and 2022, respectively (Note 9). There were no other write-downs of regulatory assets for the years ended December 31, 2023 and 2022.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues and Expenses – Revenues and expenses related to providing energy services in connection with the Company’s principal ongoing operations are classified as operating. All other revenues and expenses are classified as non-operating and reported as other income (expenses) on the Statements of Revenues, Expenses and Changes in Net Position.

Revenue Recognition – Electric operating revenues are recognized as earned. Meters are read and bills are rendered on a cycle basis. Revenues earned after meters are read are estimated and accrued as unbilled revenues at the end of each accounting period.

Cash and Cash Equivalents – The operating fund account is called the Electric System Revenue Fund (Note 2). Highly liquid investments for the Electric System Revenue Fund with an original maturity of three months or less are considered cash equivalents.

Investments – Investments are reported at fair value. Realized and unrealized gains and losses for all investments are included in Investment Income on the Statements of Revenues, Expenses and Changes in Net Position.

Hedging and Other Derivative Instruments – OPPD is exposed to market price fluctuations on its sales and purchases of energy. The Company may enter into energy financial futures contracts to buy or sell energy in order to manage the risk of volatility in the market price of anticipated energy transactions. The Company does not enter into derivative instruments for speculative purposes. Fair value is estimated by comparing contract prices to forward market prices quoted by independent third-party pricing services. In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53) and GASB Statement No. 99, *Omnibus 2022* (GASB 99), outstanding derivatives are evaluated and classified as either hedging derivative instruments (effective) or other derivative instruments (ineffective), with the accumulated change in fair market value recognized as deferred inflows/outflows of resources on the Statements of Net Position or other income/expense on the Statements of Revenues, Expenses and Changes in Net Position, respectively (Note 4).

Accounts Receivable – Accounts Receivable includes outstanding amounts from customers and an estimate for unbilled revenues. An estimate is made for the Reserve for Uncollectible Accounts for retail customers based on an analysis of Accounts Receivable, economic conditions affecting customers and historical write-offs net of recoveries. Additional amounts may be included based on the credit risks of significant parties. Accounts Receivable includes \$60.9 million and \$63.3 million in unbilled revenues as of December 31, 2023 and 2022, respectively. Accounts Receivable was reported net of the Reserve for Uncollectible Accounts of \$2.1 million and \$2.4 million as of December 31, 2023 and 2022, respectively.

Materials and Supplies – The Company maintains inventories that are valued at average cost.

Electric Utility Plant – Electric utility plant is stated at cost, which includes property additions, replacements of property units and betterments. Maintenance and replacement of minor items are charged to operating expenses. Costs of depreciable units of electric utility plant retirements are eliminated from electric utility plant accounts by charges, less salvage plus removal expenses, to the accumulated depreciation account. Electric utility plant includes both tangible and intangible assets. Intangible assets include costs related to software licenses, contractual arrangements, and other rights to use property (Note 5).

Long-lived assets, such as property, plant and equipment, are periodically reviewed for impairment or whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When the magnitude of the decline in service utility is significant and not part of the asset's normal life cycle, the asset is considered impaired. There were no impairments to utility plant for the years ended December 31, 2023 and 2022.

Leases – Leases are contracts that convey control of the right to use another entity's nonfinancial asset as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. The lease term is the period of time where there is a noncancellable right to use the underlying asset (Note 5).

For lessor contracts, lease receivables and deferred inflows of resources are reported at present value using OPPD's incremental borrowing rate unless otherwise noted in the contract terms. Lease receivables are

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reported in Accounts Receivable – Net for the current portion and Other Long-term Assets – Other for the long-term portion on the Statements of Net Position. The amortization of the discount for lessor contracts is recorded as interest receivable in Current Assets - Other on the Statements of Net Position with the offset to interest income in Other – Net on the Statements of Revenues, Expenses and Changes in Net Position.

For lessee contracts, lease assets and liabilities are reported at present value using OPPD’s incremental borrowing rate unless otherwise noted in the contract terms. Lease assets are reported in Electric Utility Plant and lease liabilities are reported in Accounts Payable and Other Current Liabilities for the current portion and Other Liabilities – Other for the long-term portion on the Statements of Net Position. The amortization of the discount for lessee contracts is reported as Accrued Interest Payable on the Statements of Net Position with the offset to Interest Expense on the Statements of Revenues, Expenses and Changes in Net Position.

Subscription Based Information Technology Arrangements (SBITA) – SBITAs are contracts that convey the control of the right to use software, alone or in combination with tangible assets, as specified in a contract for the subscription term in an exchange or exchange-like transaction. The subscription term is the period of time that OPPD has a noncancellable right to use the underlying asset (Note 5). SBITA assets and liabilities are reported at present value using OPPD’s incremental borrowing rate unless otherwise noted in the contract terms. SBITA assets are reported in Electric Utility Plant, and SBITA liabilities are reported in Accounts Payable and Other Current Liabilities for the current portion and Other Liabilities – Other for the long-term portion on the Statements of Net Position. The amortization of the discount is recorded as Accrued Interest Payable on the Statements of Net Position with the offset to Interest Expense on the Statements of Revenues, Expenses and Changes in Net Position.

Contributions in Aid of Construction (CIAC) – Payments are received from customers for construction costs, primarily relating to the expansion of the electric system. CIAC primarily includes payments for transmission, distribution and generating station assets. FERC guidelines are followed in recording CIAC. These guidelines direct the reduction of electric utility plant assets by the amount of contributions received toward the construction of electric utility plant. CIAC is recorded as other income and offset by an expense in the same amount representing the recovery of plant costs. This allows for compliance with GASB Codification Section N50, *Nonexchange Transactions*, while continuing to follow FERC guidelines.

Depreciation and Amortization – Depreciation for assets is computed on the straight-line basis at rates based on the estimated useful lives of the various classes of tangible property. Intangible assets are amortized over their expected useful life. Lease assets are amortized over the term of the contract. SBITA assets are amortized over the subscription term of the related contract. Depreciation expense for depreciable property averaged approximately 2.5% and 3.2% for the years ended December 31, 2023 and 2022, respectively. In 2023, OPPD implemented new depreciation rates from a new depreciation study prepared by a depreciation consultant. Depreciation is generally calculated using the following estimated lives:

- Generation 40 to 70 years
- Transmission and Distribution 15 to 75 years
- General 6 to 25 years

The Fort Calhoun Station (FCS) recovery costs incurred in 2012 and 2013 were deferred as a regulatory asset based on Board of Directors approval. These recovery costs were fully amortized in 2023. This amortization was \$13.6 million and \$14.8 million for the years ended December 31, 2023 and 2022, respectively.

Asset Retirement Obligations (AROs) – AROs represent the best estimate of the current value of cash outlays expected to be incurred for legally enforceable retirement obligations of tangible capital assets, which is offset with a deferred outflow of resources. The cost is amortized over the asset’s useful life, reducing the deferred outflow and increasing the depreciation and amortization expense. AROs are reported in current year dollars as Deferred Outflows – Other and Other Liabilities – Other on the Statements of Net Position (Note 6).

Nuclear Decommissioning – Based on the decommissioning plan established in 1983, the Board of Directors approved the collection of nuclear decommissioning costs using an independent engineering study of the costs to decommission FCS. The Company established a Decommissioning Funding Plan for FCS in 1990 in compliance with Nuclear Regulatory Commission (NRC) regulations. Its purpose is to accumulate funds to decommission the radiated portions of FCS as defined by the NRC. OPPD is no longer required to calculate a minimum funding amount. OPPD’s annual financial submittal to the NRC must show that the Company has adequate funds to meet its decommissioning cost estimate. The Company established a Supplemental Decommissioning Funding Plan for FCS in 1992 to accumulate funds to fully decommission FCS. This includes funds for additional costs beyond the previously calculated NRC minimum that are needed to decommission the radiated plant, the fuel facility and the non-radiated plant. Decommissioning trust funds are reported at fair value.

The decommissioning liability is the estimated current cost to decommission the plant for the NRC-required obligations, which is based upon a third-party, site-specific cost study (Note 11). The decommissioning cost liability, which includes a current and long-term portion on the Statements of Net Position, is adjusted annually for inflation and any significant changes in the cost estimate.

The Board of Directors authorized the use of regulatory accounting to match decommissioning expense to the amount funded from both retail rates and realized decommissioning trust fund investment income.

Nuclear Fuel Disposal Costs – Permanent disposal of spent nuclear fuel is the responsibility of the federal government under an agreement entered into with the Department of Energy (DOE). The agreement required the federal government to begin accepting high-level nuclear waste by January 1998; however, the DOE does not have a storage facility. In May 1998, the United States Court of Appeals confirmed the DOE’s statutory obligation to accept spent fuel by 1998, but rejected the request that a move-fuel order be issued. In March 2001, OPPD, along with a number of other utilities, filed suit against the DOE in the United States Court of Federal Claims, alleging breach of contract. In 2006, the DOE agreed to reimburse OPPD for allowable costs for managing and storing spent nuclear fuel and high-level waste incurred due to the DOE’s delay in accepting waste. Applications are submitted periodically to the DOE for reimbursement of costs incurred for the storage of high-level nuclear waste. Spent fuel management costs are recorded as Other Long-Term Assets – Other on the Statements of Net Position, as incurred (Note 11).

Compensated Absences – OPPD accrues vacation leave when employees earn the benefit. OPPD does not accrue a liability for sick leave since there is no cash payment made for sick leave when an employee terminates or retires.

Pension – Information about the fiduciary net position of the OPPD Retirement Plan and changes to the fiduciary net position have been determined on the same basis as they are reported for purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. Benefit payments are recognized when distributed in accordance with the benefit terms. Investments are reported at fair value (Note 8).

Other Postemployment Benefits (OPEB) – Information about the fiduciary net position of the OPPD OPEB Plans and changes to the fiduciary net positions have been determined on the same basis as they are reported for purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense. Benefit payments are recognized when distributed in accordance with the benefit terms. Investments are reported at fair value (Note 8).

Regulatory Assets and Liabilities – Rates for regulated operations are established and approved by the Board of Directors. The provisions of GASB Codification Section Re10, *Regulated Operations*, are applied. This guidance provides that regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer rates over some future period. Regulatory liabilities are reductions in earnings (or costs recovered) to cover future expenditures (Note 9).

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Ash Landfills – There is no current or proposed GASB statement providing accounting treatment for closure and postclosure care costs of ash landfills. The Company applies GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (GASB 18), as analogous authoritative literature since the accounting treatment for this situation is not specified in authoritative GAAP.

Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting ash, OPPD reports a portion of these closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used as of each period end. The remaining amount to be amortized over the remaining capacity of the landfills is reported as a Deferred Outflow - Other. The landfill closure and postclosure care liability represents the estimated liability to perform the required closure and postclosure care at the related landfills based on the regulatory requirements. The ash landfill liability is reported in current year dollars in Accounts Payable and Other Current Liabilities and Other Liabilities – Other on the Statements of Net Position. Actual closure and postclosure care costs may be higher or lower than the estimated amounts due to inflation, changes in technology, or changes in regulations (Note 6).

Net Position – Net position is reported in three separate components on the Statements of Net Position. Net Investment in Capital Assets is the net position share attributable to net electric utility plant assets reduced by outstanding related liabilities. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related liabilities also are included in this component of net position. Restricted is the share of net position that has usage restraints imposed by law or by debt covenants, such as certain revenue bond funds and segregated funds, net of related liabilities and deferred inflows of resources related to those assets. Unrestricted is the share of net position that is neither restricted nor invested in capital assets.

Comparative Data – Certain amounts presented in the prior year data have been revised in order to be consistent with the current year presentation. These revisions had no effect on net income or net position.

Recent Accounting Pronouncements, not yet adopted – GASB issued Statement No. 101, *Compensated Absences*, in June 2022, effective for reporting periods beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. OPPD provides vacation leave which accumulates over time that is currently recorded on the Statement of Net Position. Additionally, OPPD provides sick leave which also accumulates over time. Beginning in 2024, OPPD will recognize a liability for the sick leave amounts, including salary related payments, that are more likely than not to be used for time off. The impact to OPPD's financial statements is still being finalized.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023, effective for reporting periods beginning after June 15, 2024. The objective of this statement is to provide users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The impact to OPPD's financial statements is being evaluated.

2. FUNDS AND INVESTMENTS

Funds and investments of OPPD were as follows:

	2023 (thousands)	2022
CURRENT ASSETS		
Investments		
Electric system revenue fund	\$ 97,000	\$ 112,084
Electric system revenue bond fund	114,742	100,106
Electric system subordinated revenue bond fund	4,590	6,325
Electric system construction fund	588,028	546,284
Total investments	<u>804,360</u>	<u>764,799</u>
Investments – separate electric system		
NC2 separate electric system revenue fund	18,561	17,136
NC2 separate electric system revenue bond fund	17,423	17,442
NC2 separate electric system capital costs fund	915	2,712
Total investments – separate electric system	<u>36,899</u>	<u>37,290</u>
SPECIAL PURPOSE FUNDS		
Investments		
Electric system revenue fund – net of current	-	3,864
Electric system revenue bond fund – net of current	83,328	62,757
Total investments	<u>83,328</u>	<u>66,621</u>
Segregated Funds		
Segregated fund – rate stabilization	50,000	50,000
Segregated fund – other	129,928	116,523
Total segregated funds	<u>179,928</u>	<u>166,523</u>
Decommissioning Funds		
Decommissioning trust – 1990 plan	93,756	154,387
Decommissioning trust – 1992 plan	386,208	380,514
Total decommissioning funds	<u>479,964</u>	<u>534,901</u>
Total funds and investments	<u>\$ 1,584,479</u>	<u>\$ 1,570,134</u>

The above table includes interest receivables for the Decommissioning Trusts of \$1.6 million and \$1.2 million for December 31, 2023 and 2022, respectively.

Electric System Revenue Fund and Nebraska City Station Unit 2 (NC2) Separate Electric System Revenue Fund – These funds are used for operating activities for their respective electric system. Cash and cash equivalents in the Electric System Revenue Fund are shown separately from Investments on the Statements of Net Position.

Electric System Revenue Bond Fund, Electric System Subordinated Revenue Bond Fund and NC2 Separate Electric System Revenue Bond Fund – These funds are used for the retirement of their respective revenue bonds and the payment of the related interest and reserves as required. Investments with maturity dates within the next year are designated as current.

Electric System Construction Fund and NC2 Separate Electric System Capital Costs Fund – These funds are used for capital improvements, additions and betterments to and extensions of their respective electric system.

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Segregated Fund – Rate Stabilization – This fund is used to help stabilize rates through the transfer of funds to operations, as necessary. Since there is no funding requirement for the Rate Stabilization Reserve, this fund also may be used to provide additional liquidity for operations, as necessary.

Segregated Fund – Other – This fund represents assets held for payment of customer deposits, refundable advances, OPPD’s self-insured health insurance plans (Note 8), and certain other liabilities.

Decommissioning Trust Funds – These funds are used for the costs to decommission FCS. The Decommissioning Trust Funds are held by an outside trustee in compliance with the decommissioning funding plans approved by the Board of Directors.

Fair Value of Investments – Fair values in most cases are externally provided by the trustees that manage the funds. The trustees frequently utilize third-party pricing services to assist in their valuations (Note 3). The fair value of investments was as follows as of December 31 (in thousands).

Investment Type	2023		2022	
	Fair Value	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)
Money market funds	\$ 126,452	-	\$ 74,376	-
U.S. government securities	867,886	1.0	990,003	1.1
Mutual funds	223,912	-	238,295	-
Commercial paper	99,891	0.5	40,866	0.7
Corporate bonds and other debentures	264,747	1.6	225,400	1.1
Total	<u>\$ 1,582,888</u>		<u>\$ 1,568,940</u>	
Portfolio weighted average maturity		0.8		0.8

The above table excludes interest receivables related to the Decommissioning Trusts of \$1.6 million and \$1.2 million for December 31, 2023 and 2022, respectively.

Interest Rate Risk – The investments in relatively short-term securities reduce interest rate risk, as evidenced by its portfolio weighted average maturity of 0.8 years as of December 31, 2023 and 2022. In addition, OPPD is generally a buy-and-hold investor, which further reduces interest rate risk.

Credit Risk – OPPD’s investment policy complies with bond covenants and state statutes for governmental entities, which limit investments to investment-grade fixed income obligations. The Company was in full compliance with bond covenants and state statutes as of December 31, 2023 and 2022.

At December 31, 2023 and 2022, the Company’s investments in money market funds were rated Aaa-mf and AAAm by Moody’s Investors Service (Moody’s) and S&P Global Ratings (S&P), respectively. At December 31, 2023 and 2022, the U.S. government securities were rated Aaa and AA+ by Moody’s and S&P, respectively. The mutual fund investments are not rated. At December 31, 2023 and 2022, the commercial paper investments were rated P-1 and A-1+ by Moody’s and S&P, respectively.

The following tables summarize the ratings on the Company's investments in corporate bonds and other debentures as of December 31 (in thousands).

Moody's			S&P		
2023	2022	Rating	2023	2022	Rating
\$ 188,787	\$ 169,986	Aaa	\$ 178,165	\$ 165,542	AAA
15,572	14,541	Aa1	42,873	24,215	AA+
4,794	9,848	Aa2	2,937	2,458	AA
53,257	23,755	Aa3	40,772	25,915	AA-
-	4,998	A1	-	4,998	A+
-	2,272	A2	-	2,272	A
2,337	-	A3			
Total	<u>\$ 264,747</u>		Total	<u>\$ 264,747</u>	
	<u>\$ 225,400</u>			<u>\$ 225,400</u>	

Custodial Credit Risk – Bank deposits were entirely insured or collateralized with securities held by OPPD or by its agent in OPPD's name at December 31, 2023 and 2022. All investment securities are delivered under contractual trust agreements.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Company's investment with a single issuer. OPPD had a concentration of credit risk greater than five percent from a single issuer with the investment in International Bank of Reconstruction and Development corporate bonds at 8.0% as of December 31, 2023. OPPD did not have any investments greater than five percent from a single issuer as of December 31, 2022.

3. FAIR VALUE MEASUREMENTS

OPPD accounts for fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which defines fair value, establishes methods for measuring fair value by applying one of three observable valuation approaches (market approach, income approach and cost approach) and establishes required disclosures about fair measurements.

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

GASB 72 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities and the lowest priority to unobservable inputs. Financial assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement. The three levels of fair value hierarchy defined in GASB 72 are as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs are other than quoted market prices in the active markets included in Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;

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- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Pricing inputs include significant inputs that are unobservable and cannot be corroborated by market data. Level 3 assets and liabilities are valued based on internally developed models and assumptions or methodologies using significant unobservable inputs.

The fair value of investments in most cases is externally provided by the trustees that manage the funds. The trustees frequently utilize third-party pricing services to assist in their valuations.

The following tables summarize, in accordance with the fair value hierarchy, the Company's assets and liabilities that are accounted for and reported at fair value on a recurring basis by level as of December 31 (in thousands):

Investment Type	Total	2023		
		Level 1	Level 2	Level 3
Mutual funds	\$ 115,548	\$ 115,548	\$ -	\$ -
Money market funds	126,452	126,452	-	-
U.S. government securities	867,886	-	867,886	-
Corporate bonds and other debentures	264,747	-	264,747	-
Commercial paper	99,891	-	99,891	-
Total fair value measurement by level	1,474,524	\$ 242,000	\$1,232,524	\$ -
Investments measured at net asset value (NAV)				
Mutual funds	108,364			
Total investments measured at fair value	\$ 1,582,888			

There were no outstanding derivative instruments at December 31, 2023.

Investment Type	Total	2022		
		Level 1	Level 2	Level 3
Mutual funds	\$ 122,700	\$ 122,700	\$ -	\$ -
Money market funds	74,376	74,376	-	-
U.S. government securities	990,003	-	990,003	-
Corporate bonds and other debentures	225,400	-	225,400	-
Commercial paper	40,866	-	40,866	-
Total fair value measurement by level	1,453,345	\$ 197,076	\$1,256,269	\$ -
Investments measured at NAV				
Mutual funds	115,595			
Total investments measured at fair value	\$ 1,568,940			
Derivative instruments				
Hedging derivatives – futures contracts – liability	\$ 513	\$ -	\$ 513	\$ -
Total derivative instruments measured at fair value	\$ 513	\$ -	\$ 513	\$ -

VALUATION METHODOLOGIES

Mutual Funds Measured at Fair Value: Mutual funds are priced using active market exchanges. The fair values of shares in mutual funds are based on inputs that are quoted prices in active markets for identical assets and; therefore, have been categorized as Level 1 assets.

Money Market Funds: The fair value of shares in money market funds is valued with a NAV of \$1, which approximates fair value. They are priced on inputs obtained from pricing services whose prices are obtained from direct feeds from exchanges that are either directly or indirectly observable. Money Market Funds are included as Level 1 assets.

U.S. Government Securities: The fair value of U.S. government securities is derived from quoted prices on similar assets in active or non-active markets, from other observable inputs such as interest rates, yield curves, or credit spreads, and inputs that are derived from or corroborated by observable market data. U.S. treasury and other federal agency securities are included as Level 2 assets.

Corporate Bonds and Other Debentures: For fixed-income securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validation in addition to checks for unusual daily movements. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. Corporate bonds and other debentures are included as Level 2 assets.

Commercial Paper: The fair value of commercial paper is priced according to recent transactions, as the carrying value of the commercial paper approximated its fair value due to the short maturity. Commercial Paper is included as a Level 2 asset.

Hedging and Other Derivative Instruments: Energy financial futures contracts use the market approach based on monthly quoted prices from an independent external pricing service using market quotes. The market is not active to the point where identical contracts are available on a regular basis. These derivative instruments are included as Level 2 liabilities.

Investments Measured at NAV – The following tables summarize the fair value measurement of investments calculated at NAV per share (or its equivalent) as of December 31 (in thousands).

2023

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	\$ 107,511	none	daily	N/A
Mutual funds	<u>853</u>	none	daily	1 day
Total investments measured at NAV	<u>\$108,364</u>			

2022

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	\$ 114,996	none	daily	N/A
Mutual funds	<u>599</u>	none	daily	1 day
Total investments measured at NAV	<u>\$115,595</u>			

Mutual Funds Measured at NAV: These mutual funds invest in fixed income securities including treasuries, agencies, corporate debt, mortgage-backed securities and some non-U.S. debt. The fair value of these investments has been determined using the NAV per share (or its equivalent) of the investment.

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4. DERIVATIVES AND FINANCIAL INSTRUMENTS

Energy Futures Contracts – OPPD enters into financial futures contracts to hedge the volatility of the market price risk of electricity for anticipated off-system sales revenue or purchased power expense transactions. These transactions must comply with the risk management policy in place to control the volume of energy that can be hedged and the length of the contracts. The Company does not enter into derivative instruments for speculative purposes.

OPPD entered into energy financial future contracts with the Intercontinental Exchange (ICE) to hedge the expected cash flows associated with purchases and sales of energy due to market price volatility. By entering into these arrangements, OPPD will receive and make payments based on market prices without actually entering into the related commodity transactions. In accordance with GASB 53 and GASB 99, outstanding derivatives are evaluated and classified as either hedging derivative instruments, or cash flow hedges (effective), or other derivative instruments (ineffective), with the accumulated change in fair market value recognized as deferred inflows/outflows of resources on the Statements of Net Position or other income/expense on the Statements of Revenues, Expenses and Changes in Net Position, respectively. The fair value and deferred cash flows, if any, for these contracts are determined by comparing the contract price to the forward market prices quoted by an independent external pricing service.

Realized gains or losses from hedging derivative instruments are recognized as either off-system sales revenue or purchased power expense on the Statements of Revenues, Expenses and Changes in Net Position in the month the contract expires. Gains or losses from other derivative instruments are recognized immediately as other income/expense. All derivative contracts are cash settled in the month subsequent to the period in which the contract expires.

There were no outstanding derivative instruments as of December 31, 2023.

The following table summarizes the outstanding contracts and related volumes as of December 31, 2022.

	Effective Date	Maturity Date	Notional Amount
Energy futures contract	Aug. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Aug. 2022	Aug. 2023	9,200 MWh
Energy futures contract	Oct. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Oct. 2022	Aug. 2023	9,200 MWh
Energy futures contract	Nov. 2022	Jul. 2023	8,000 MWh
Energy futures contract	Nov. 2022	Aug. 2023	9,200 MWh
Total MWh hedged			<u>51,600</u> MWh

The following table summarizes the fair value, changes in fair value and notional amounts of energy financial future contracts, classified by type, outstanding as of December 31, 2022.

Changes in Fair Value		Fair Value at December 31, 2022		
Classification	Amount	Classification	Amount	Notional
Hedging derivative instruments:		Accounts payable and		
Commodity futures	Deferred outflow – other \$513,000	other current liabilities	\$513,000	51,600 MWh

As a result of engaging in hedging activities, OPPD is subject to the following key risks:

- **Basis Risk** – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. OPPD is exposed to this risk due

to a difference in commodity value between different generating sites and delivery points or between cash market prices and the pricing points used in the SPP financial market.

- **Credit Risk** – Credit risk is the risk that results when counterparties or the clearing agent are unable or unwilling to fulfill their obligations. OPPD addresses this risk with the counterparties by executing these contracts using an independent clearing agent, which requires collateral and will spread any unfilled obligations across all participants utilizing their services. The risk of default by the clearing agent is mitigated by their membership in the commodities clearing house, which requires collateral and guaranty funds by each clearing agent to be used to offset any socialized unfilled obligations between member clearing agents.

Auction Revenue Rights (ARRs) – ARR are financial instruments that entitle the owner to a share of the revenues generated in the applicable Transmission Congestion Rights (TCR) auctions. ARR are allocated during annual and/or incremental monthly auctions and have the option of being converted into a TCR. OPPD is entitled to these financial payments as a substitute for firm (physical) transmission service. ARR are accounted for at cost on the Statements of Net Position as they are not readily convertible to cash and therefore do not meet the definition of a derivative. The balance of ARR, reported in Accounts Payable and Other Current Liabilities, was \$16.9 million and \$18.5 million as of December 31, 2023 and 2022, respectively.

Transmission Congestion Rights – TCRs are financial instruments that entitle the holder to an offset to congestion charges on the transmission grid that take place in the day-ahead market. The Company utilizes TCRs to hedge against congestion differentials between OPPD generators and OPPD load in the SPP Integrated Marketplace.

TCRs qualify for the normal purchases and sales exception under GASB guidance and are reported on a cost basis on the Statements of Net Position. The total notional amount of TCRs outstanding as of December 31, 2023 and 2022, was 5,491,350 MWh and 5,739,745 MWh, respectively. The balance of TCRs reported in Current Assets - Other was \$9.1 million and \$11.9 million as of December 31, 2023 and 2022, respectively.

5. ELECTRIC UTILITY PLANT

The following table summarizes electric utility plant balances as of December 31, 2022, activity for 2023 and balances as of December 31, 2023 (in thousands).

	2022	Increases	Decreases	2023
Nondepreciable electric utility plant:				
Land and improvements	\$ 43,144	\$ -	\$ (5)	\$ 43,139
Construction work in progress	699,462	573,424	(397,689)	875,197
Electric utility plant held for future use	2,413	-	-	2,413
Total nondepreciable electric utility plant	745,019	573,424	(397,694)	920,749
Depreciable electric utility plant:				
Generation	2,029,722	63,761	(10,448)	2,083,035
Transmission and distribution	2,473,767	258,803	(13,036)	2,719,534
General plant	214,308	23,682	(26,052)	211,938
Intangible plant	50,879	16,327	(1,264)	65,942
Leases	11,077	434	-	11,511
SBITA	22,084	18,267	(8,057)	32,294
Total depreciable electric utility plant	4,801,837	381,274	(58,857)	5,124,254
Less accumulated depreciation and amortization	(2,328,439)	(127,144)	75,298	(2,380,285)
Depreciable electric utility plant, net	2,473,398	254,130	16,441	2,743,969
Net electric utility plant	\$ 3,218,417	\$827,554	\$(381,253)	\$ 3,664,718

Notes to Financial Statements

as of and for the Years Ended December 31, 2023 and 2022

The following table summarizes electric utility plant balances as of December 31, 2021, activity for 2022 and balances as of December 31, 2022 (in thousands).

	2021	Increases	Decreases	2022
Nondepreciable electric utility plant:				
Land and improvements	\$ 42,466	\$ 1,034	\$ (356)	\$ 43,144
Construction work in progress	287,706	552,378	(140,622)	699,462
Electric utility plant held for future use	2,413	-	-	2,413
Total nondepreciable electric utility plant	332,585	553,412	(140,978)	745,019
Depreciable electric utility plant:				
Generation	2,020,506	19,341	(10,125)	2,029,722
Transmission and distribution	2,386,622	93,218	(6,073)	2,473,767
General plant	220,847	6,629	(13,168)	214,308
Intangible plant	40,795	12,520	(2,436)	50,879
Leases	154	10,923	-	11,077
SBITA	10,247	12,557	(720)	22,084
Total depreciable electric utility plant	4,679,171	155,188	(32,522)	4,801,837
Less accumulated depreciation and amortization	(2,190,207)	(155,490)	17,258	(2,328,439)
Depreciable electric utility plant, net	2,488,964	(302)	(15,264)	2,473,398
Net electric utility plant	\$ 2,821,549	\$ 553,110	\$ (156,242)	\$ 3,218,417

OPPD engages in lease contracts, either as the lessor or the lessee, in the normal course of doing business.

Lessor – OPPD leases land, pole space and other assets to third parties. The leases have contract terms that expire between 2025 and 2053. Several leases have an option to extend the lease term after completion of the contracted term. The lease receivable balance was \$43.2 million and \$44.6 million as of December 31, 2023 and 2022, respectively. This included \$1.6 million in Accounts Receivable - Net and \$41.6 million in Other Long-Term Assets - Other as of December 31, 2023 and \$1.6 million in Accounts Receivable - Net and \$43.0 million in Other Long-Term Assets - Other as of December 31, 2022. OPPD recognized revenue of \$2.5 million for both the years ended December 31, 2023 and 2022, which is reported as Other Electric Revenues on the Statements of Revenues, Expenses and Changes in Net Position. There were no variable lease payments received in 2023 or 2022.

Lessee – OPPD leases antenna tower space, printers and office space from third parties. The leases have contract terms that expire between 2026 and 2028. OPPD reported lease assets totaling \$11.5 million and \$11.1 million as of December 31, 2023 and 2022, respectively. The associated accumulated amortization was \$3.5 million and \$1.6 million as of December 31, 2023 and 2022, respectively, which was included in Electric Utility Plant and Accumulated Depreciation and Amortization on the Statements of Net Position. There were no payments recorded in the current period that were not included in the measurement of the lease liability and no lease impairments as of December 31, 2023 and 2022.

The following table summarizes the lease principal and interest payments as of December 31, 2023 (in thousands).

	Principal	Interest	Total
2024	\$ 2,017	\$ 220	\$ 2,237
2025	2,136	162	2,298
2026	2,159	102	2,261
2027	2,216	42	2,258
2028	575	2	577
Total	<u>\$ 9,103</u>	<u>\$ 528</u>	<u>\$ 9,631</u>

The following table summarizes the total liability balance as of December 31, 2022, activity for 2023, balances as of December 31, 2023, and the amounts due within one year (in thousands) for the lessee lease liabilities:

	2022	Increases	Decreases	2023	Amounts due within one year
Leases	\$ 10,464	\$ 434	\$ (1,795)	\$ 9,103	\$ 2,017

The following table summarizes the total liability balance as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands) for the lessee lease liabilities:

	2021	Increases	Decreases	2022	Amounts due within one year
Leases	\$ 117	\$ 10,923	\$ (576)	\$ 10,464	\$ 1,702

SBITA – OPPD reported SBITA assets totaling \$32.3 million and \$22.1 million as of December 31, 2023 and 2022, respectively. The associated accumulated amortization was \$10.6 million and \$9.2 million as of December 31, 2023 and 2022, respectively, which is included in Electric Utility Plant and Accumulated Depreciation and Amortization on the Statements of Net Position. OPPD has SBITAs for software-related assets with contract terms that expire between 2024 and 2027, when including applicable extensions. There were no payments recorded in the current period that were not included in the measurement of the SBITA liability and no SBITA impairments as of December 31, 2023 and 2022.

The following table summarizes the SBITA principal and interest payments as of December 31, 2023 (in thousands).

	Principal	Interest	Total
2024	\$ 5,766	\$ 241	\$ 6,007
2025	4,000	86	4,086
2026	656	14	670
Total	<u>\$10,422</u>	<u>\$ 341</u>	<u>\$10,763</u>

The following table summarizes the total liability balance as of December 31, 2022, activity for 2023, balances as of December 31, 2023, and the amounts due within one year (in thousands) for the SBITA liabilities:

	2022	Increases	Decreases	2023	Amounts due within one year
SBITA	\$ 4,935	\$ 18,456	\$ (12,969)	\$ 10,422	\$ 5,766

The following table summarizes the total liability balance as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands) for the SBITA liabilities:

	2021	Increases	Decreases	2022	Amounts due within one year
SBITA	\$ 2,686	\$ 9,105	\$ (6,856)	\$ 4,935	\$ 2,191

Notes to Financial Statements

as of and for the Years Ended December 31, 2023 and 2022

6. ENVIRONMENTAL AND REGULATORY OBLIGATIONS

The following table summarizes the total liability balance as of December 31, 2022, activity for 2023, balances as of December 31, 2023, and the amounts due within one year (in thousands) for the Environmental and Regulatory Obligations included in Other Liabilities – Other and Accounts Payable and Other Current Liabilities:

	2022	Increases	Decreases	2023	Amounts due within one year
Ash landfill	\$ 17,303	\$ 1,794	\$ (980)	\$ 18,177	\$ 2,560
Asset retirement obligation	4,369	689	-	5,058	-
Total	<u>\$ 21,672</u>	<u>\$ 2,483</u>	<u>\$ (980)</u>	<u>\$ 23,175</u>	<u>\$ 2,560</u>

The following table summarizes the total liability balance as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands) for the Environmental and Regulatory Obligations included in Other Liabilities – Other and Accounts Payable and Other Current Liabilities:

	2021	Increases	Decreases	2022	Amounts due within one year
Ash landfill	\$ 19,023	\$ 335	\$ (2,055)	\$ 17,303	\$ 3,330
Asset retirement obligation	4,331	38	-	4,369	-
Total	<u>\$ 23,354</u>	<u>\$ 373</u>	<u>\$ (2,055)</u>	<u>\$ 21,672</u>	<u>\$ 3,330</u>

Ash Landfills – OPPD operates ash landfills at the North Omaha Station (NOS) and the Nebraska City Station (NCS) locations. State and federal laws and regulations require OPPD to place a final cover on its landfills at the NOS and NCS locations when they no longer receive ash and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Closure and postclosure care financial assurance information is provided to the Nebraska Department of Environment and Energy (NDEE) on an annual basis as required by law. OPPD is not required to restrict any funds for closure and postclosure care costs. At December 31, 2023, the total ash landfill liability in current-year dollars was \$18.1 million and recorded as \$2.6 million in Accounts Payable and Other Current Liabilities and \$15.5 million in Other Liabilities – Other on the Statements of Net Position. At December 31, 2022, the total ash landfill liability in current-year dollars was \$17.3 million and recorded as \$3.3 million in Accounts Payable and Other Current Liabilities and \$14.0 million in Other Liabilities – Other on the Statements of Net Position.

The following table summarizes the current estimated landfill closure date and the percentage of capacity used for each landfill as of December 31. Actual closure dates may be earlier or later than estimated.

Location	Estimated landfill closure date	Estimated percentage of capacity as of December 31, 2023	Estimated percentage of capacity as of December 31, 2022
NOS	2024	98%	99%
NCS unit 1	Closed	100%	100%
NCS unit 2 cell 1	Closed	100%	100%
NCS cells 2 & 3	2029	38%	33%

Asset Retirement Obligations – OPPD has several AROs related to certain generation, transmission, distribution and general building facilities. There are no legally required funding provisions, assurance provisions or restricted assets related to these items unless otherwise stated below.

Underground Fuel Storage Tanks – OPPD has underground fuel tanks housing fuel for vehicles at various locations. The Company is required by the NDEE to decommission the underground fuel storage tanks,

consistent with its regulations. There is not adequate information to be able to estimate the costs to decommission the storage tanks; however, OPPD has provided guarantees and financial assurance to the NDEE in the amount of \$1.0 million associated with the storage tanks. The remaining lives of the storage tanks cannot be reasonably estimated and therefore the deferred outflow will not be amortized.

Nebraska City Station Sanitary Lagoons (NCS Lagoons) – OPPD uses sanitary lagoons as an integral part of the sewer system at NCS, supporting NCS Unit 1 (NC1) and NC2. When the use of the sanitary lagoons is discontinued, the Company is required by the NDEE to close the system, consistent with its regulations. The estimated remaining useful life as of December 31, 2023 is 41 years. The estimated initial liability was determined by environmental subject matter experts. The liability is evaluated annually for the effects of general inflation and potential changes in relevant factors used in the initial calculation.

Elk City Station – OPPD owns equipment at this landfill site. The contract for the site states that OPPD is responsible for the costs to remove, dispose or restore the property to a similar condition in which the property was in prior to the contract commencing. The contract was initiated in 2005 and is a 20 year agreement with an automatic five year extension unless either party opts to not pursue the extension. OPPD personnel do not expect to opt out of the automatic extension and have no reason to believe the other party will opt out. Based on these contract terms, the estimated remaining useful life as of December 31, 2023 is 7 years. The estimated initial liability was determined by engineering subject matter experts. The liability is evaluated annually for the effects of general inflation and potential changes in relevant factors used in the initial calculation.

Easements – OPPD has identified potential retirement obligations related to certain generation, transmission and distribution facilities. OPPD’s non-perpetual land rights are renewed continuously because OPPD intends to utilize these facilities indefinitely. Since the timing and extent of any potential asset retirements are unknown, the value of any obligations associated with these facilities cannot be reasonably estimated. Accordingly, a liability has not been recorded.

The following table summarizes the ARO Liability recorded as Other Liabilities – Other on the Statements of Net Position as of December 31, 2023 and 2022 (in thousands):

	2023	2022
NCS lagoons	\$ 3,544	\$ 2,870
Underground fuel storage tanks	1,000	1,000
Elk City Station	514	499
Total	<u>\$ 5,058</u>	<u>\$ 4,369</u>

7. DEBT

The proceeds of debt issued are utilized primarily to finance the construction program. The following table summarizes the debt balances as of December 31, 2022, activity for 2023, balances as of December 31, 2023, and the amounts due within one year (in thousands).

	2022	Additions	Retirements	2023	Amounts due within one year
Electric system revenue bonds	\$ 1,935,320	\$ 549,760	\$ (45,305)	\$ 2,439,775	\$ 45,895
Electric system subordinated revenue bonds	227,225	-	(92,480)	134,745	2,560
Electric revenue notes – commercial paper series	250,000	100,000	(100,000)	250,000	-
NC2 separate electric system revenue bonds	197,680	-	(4,000)	193,680	4,200
Total	<u>\$ 2,610,225</u>	<u>\$ 649,760</u>	<u>\$(241,785)</u>	<u>\$ 3,018,200</u>	<u>\$ 52,655</u>

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as of and for the Years Ended December 31, 2023 and 2022

The following table summarizes the debt balances as of December 31, 2021, activity for 2022, balances as of December 31, 2022, and the amounts due within one year (in thousands).

	2021	Additions	Retirements	2022	Amounts due within one year
Electric system revenue bonds	\$ 1,524,630	\$ 420,565	\$ (9,875)	\$ 1,935,320	\$ 45,305
Electric system subordinated revenue bonds	229,775	-	(2,550)	227,225	2,555
Electric revenue notes – commercial paper series	325,000	-	(75,000)	250,000	-
NC2 separate electric system revenue bonds	201,495	-	(3,815)	197,680	4,000
Total	<u>\$ 2,280,900</u>	<u>\$ 420,565</u>	<u>\$ (91,240)</u>	<u>\$ 2,610,225</u>	<u>\$ 51,860</u>

Electric System Revenue Bonds – These bonds are payable from and secured by a pledge of and lien upon the revenues of the Electric System, subject to the prior payment therefrom of the operations and maintenance expenses of the Electric System. The Electric System Revenue Bonds are Senior Bonds.

Electric System Subordinated Revenue Bonds – These bonds are payable from and secured by a pledge of revenues of the Electric System, subject to the prior payment of the operations and maintenance expenses of the Electric System and the prior payment of the Electric System Revenue Bonds.

Electric Revenue Notes - Commercial Paper Series – The Commercial Paper Notes mature at various dates, but not more than 270 days after the date of issuance. The average borrowing rate was 3.29% and 1.23% for the years ended December 31, 2023 and 2022, respectively. An OPPD Board of Directors’ Resolution includes a covenant to retain drawing capacity under its Credit Agreements at least equal to the issued and outstanding amount of Commercial Paper Notes. Commercial Paper is classified as long-term debt due to the existence of these Credit Agreements, and OPPD’s intent and ability to refinance Commercial Paper on a long-term basis.

NC2 Separate Electric System Revenue Bonds – These bonds are payable from and secured by a pledge of and lien upon the revenues of the NC2 Separate Electric System, subject to the prior payment therefrom of the operations and maintenance expenses of the NC2 Separate Electric System. The general revenues of OPPD’s electric system are not pledged for the payment of these bonds. Participation Power Agreements were executed with seven public power and municipal utilities for half of the output of NC2. The participants’ rights to receive, and obligations to pay costs related to, half of the output is the “Separate System.”

Credit Agreements – OPPD has two Credit Agreements. The first Credit Agreement is with the Bank of America, N.A. It originally was executed on July 22, 2019 and extended on October 31, 2022 for \$250.0 million with an expiration date of January 1, 2026. The second Credit Agreement is with Wells Fargo Bank, N.A., for \$200.0 million which was executed on June 1, 2021, and will expire on May 31, 2024. There were letters of credit issued against the Credit Agreements in the amount of \$30.3 million and \$0 as of December 31, 2023 and 2022, respectively. The letters of credit reduced the available Wells Fargo Bank, N.A. Credit Agreement amount by \$30.3 million leaving an unused amount for both Credit Agreements of \$419.7 million as of December 31, 2023. There were no amounts outstanding under either Credit Agreement as of December 31, 2022.

Lien Structure – In the event of a default, subject to the terms and conditions of debt covenants, OPPD is required to satisfy all Electric System Revenue Bond obligations before paying second-tier bonds and notes, which are Electric System Subordinated Revenue Bonds, and Electric Revenue Notes – Commercial Paper Series.

Bond Restrictions – OPPD’s bond indenture for the Electric System Revenue Bonds, amended effective February 6, 2015, provides for certain restrictions. The most significant of these is that additional bonds may not be issued unless estimated net receipts (as defined) for each future year equal or exceed 1.4 times the debt service on all Electric System Revenue Bonds outstanding, including the additional bonds being issued or to be issued in the case of a power plant (as defined) being financed in increments. The Electric System is required to be maintained by the Company in good condition. The Company is in compliance with all debt covenants.

The following tables summarize the outstanding Electric System Revenue Bonds, Electric System Subordinated Revenue Bonds, and NC2 Separate Electric System Revenue Bonds as of December 31, 2023 and 2022 (in thousands) and interest rates as of December 31, 2023.

Electric System Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2023	2022
2010 Series A	2041	5.431%	\$ 115,590	\$ 119,390
2015 Series A	2045	2.85% - 5.0%	88,460	90,775
2015 Series B	2039	2.75% - 5.0%	81,860	84,890
2015 Series C	2043	3.5% - 5.0%	94,145	94,145
2016 Series A	2039	3.0% - 5.0%	165,220	183,340
2017 Series A	2042	4.0% - 5.0%	220,195	220,195
2018 Series A	2039	3.25% - 5.0%	131,395	145,330
2019 Series A	2034	3.0% - 5.0%	137,755	137,755
2021 Series A	2051	3.0% - 5.0%	381,580	381,580
2021 Series B	2046	4.0% - 5.0%	53,250	57,355
2022 Series A	2052	4.0% - 5.25%	351,540	351,540
2022 Series B	2035	5.0%	69,025	69,025
2023 Series A	2053	5.0% - 5.25%	360,820	-
2023 Series B	2053	5.0% - 5.25%	188,940	-
Total			<u>\$ 2,439,775</u>	<u>\$ 1,935,320</u>

Electric System Subordinated Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2023	2022
2014 Series AA	2036	4.0% - 5.0%	\$ 30,980	\$ 118,830
2014 Series CC	2038	4.0%	103,765	108,395
Total			<u>\$ 134,745</u>	<u>\$ 227,225</u>

NC2 Separate Electric System Revenue Bonds

Issue	Final Maturity Date	Interest Rates	2023	2022
2015 Series A	2046	3.25% - 5.25%	\$ 97,090	\$ 99,755
2016 Series A	2049	3.25% - 5.0%	96,590	97,925
Total			<u>\$ 193,680</u>	<u>\$ 197,680</u>

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as of and for the Years Ended December 31, 2023 and 2022

The following table summarizes the bond payments as of December 31, 2023 for the Electric System Revenue Bonds, Electric System Subordinated Revenue Bonds, and NC2 Separate Electric System Revenue Bonds (in thousands).

	Electric System Revenue Bonds and Subordinated Revenue Bonds		NC2 Separate Electric System Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 48,455	\$ 112,782	\$ 4,200	\$ 9,469
2025	59,255	117,559	4,415	9,253
2026	62,195	114,530	4,630	9,027
2027	65,305	111,448	4,860	8,790
2028	70,265	108,177	5,110	8,541
2029 - 2033	405,995	484,018	29,555	38,624
2034 - 2038	511,105	376,188	36,920	31,104
2039 - 2043	510,830	256,708	41,460	21,220
2044 - 2048	486,660	137,411	52,510	9,451
2049 - 2053	354,455	39,993	10,020	251
Total	<u>\$2,574,520</u>	<u>\$1,858,814</u>	<u>\$ 193,680</u>	<u>\$145,730</u>

Debt Issuances – OPPD issued \$360.8 million of 2023 Series A Electric System Revenue Bonds during 2023 and \$351.5 million of 2022 Series A Electric System Revenue Bonds during 2022. The bond proceeds were used for future and reimbursable capital expenditures. OPPD increased its outstanding Commercial Paper from \$250.0 million to \$350.0 million in 2023. The proceeds of \$100.0 million were used to reimburse capital expenditures.

Debt Payments – Repayments of \$45.3 million of Electric System Revenue Bonds, \$2.6 million of Electric System Subordinated Revenue Bonds, and \$4.0 million of NC2 Separate Electric System Revenue Bonds were made in 2023. Repayments of \$9.9 million of Electric System Revenue Bonds, \$2.6 million of Electric System Subordinated Revenue Bonds, and \$3.8 million of NC2 Separate Electric System Revenue Bonds were made in 2022.

Debt Refunding – OPPD issued \$188.9 million of 2023 Series B Electric System Revenue Bonds during 2023, a portion of which refunded \$100.0 million of its Commercial Paper Notes, resulting in a decrease of its outstanding Commercial Paper from \$350.0 million to \$250.0 million.

OPPD issued \$69.0 million of 2022 Series B Electric System Revenue Bonds during 2022 to refund \$75.0 million of its Commercial Paper Notes resulting in a decrease of its outstanding Commercial Paper from \$325.0 million to \$250.0 million.

Debt Defeasances – OPPD issued \$188.9 million of 2023 Series B Electric System Revenue Bonds during 2023, a portion of which defeased \$89.9 million of the 2014 Series AA and 2014 Series CC Electric System Subordinated Revenue Bonds. The Electric System Subordinated Revenue Bond defeasance increased the total debt service payments over the life of the bonds by \$1.5 million, but due to the release of reserve investments, the defeasance resulted in an economic gain (difference between the present value of the old and new debt service payments and reserve releases) of \$2.9 million. OPPD had no defeasances during 2022.

Electric System Revenue Bonds from the 2015 Series B issue, with an aggregate outstanding principal of \$46.0 million as of December 31, 2023 and 2022, were legally defeased. Electric System Subordinated Revenue Bonds from the 2014 Series AA and 2014 Series CC, with an aggregate outstanding principal of \$89.9 million as of December 31, 2023, were legally defeased. There were no Electric System Subordinated Revenue Bonds legally defeased as of December 31, 2022. As of December 31, 2023 and 2022, OPPD had no outstanding

deceased NC2 Separate Electric System Revenue Bonds. Defeased bonds are funded by government securities in irrevocable escrow accounts. Accordingly, the bonds and related government securities escrow accounts are not included on the Statements of Net Position.

8. BENEFIT PLANS FOR EMPLOYEES AND RETIREES

RETIREMENT PLAN AND SUPPLEMENTAL RETIREMENT PLAN

Plan Descriptions and Benefits Provided – The Omaha Public Power District Retirement Plan (Retirement Plan) is a single-employer, defined benefit plan, which provides retirement and death benefits to Plan members and their beneficiaries. The Retirement Plan covers all full-time employees as they are not covered by Social Security. The Retirement Plan was established and may be amended at the direction of OPPD’s Board of Directors and is administered by the Company. Ad-hoc cost-of-living adjustments may be provided to retirees and beneficiaries at the discretion of the Board of Directors.

Generally, employees at the normal retirement age of 65 are entitled to annual pension benefits equal to 2.25% of their average compensation (as defined by the Plan document) times years of credited service (as defined by the Plan document) under the Traditional provision (as defined by the Plan document). Employees have the option to retire before the age of 65 if they meet eligibility requirements based on age and years of service. The Retirement Plan was amended as of January 1, 2008 to add a Cash Balance provision (as defined by the Plan document). Under the Cash Balance provision, members can receive the total vested value of their Cash Balance Account at separation from employment with OPPD. Effective January 1, 2013, all new employees are only eligible for the Cash Balance provision.

The Non-Qualified Plan is a single-employer, non-qualified defined benefit pension plan. The purpose of this plan is to allow certain current and former employees to retain the benefits to which they would have been entitled under the Retirement Plan, except for federally mandated limits. The benefits are derived from the Retirement Plan formula noted herein less amounts paid from the qualified Retirement Plan. The assets of this plan are held in an irrevocable trust but are not legally protected from creditors. Accordingly, the trust does not meet the criteria for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68). Typically, annuities are purchased in the participant’s name at the time of retirement. The Non-Qualified Plan was established and may be amended at the direction of OPPD’s Board of Directors and is administered by the Company. The Non-Qualified Plan was amended as of January 1, 2018 to address the compensation limits in Internal Revenue Code 401(a)(17).

The following table summarizes the employees covered by the benefit terms of the Retirement Plan as of January 1, the actuarial valuation date and measurement date.

	2023	2022
Retirees and beneficiaries receiving benefits	2,348	2,316
Terminated Retirement Plan members entitled to, but not receiving, benefits	513	504
Active Retirement Plan members*	1,877	1,808
Total	<u>4,738</u>	<u>4,628</u>

* There were 870 and 734 members with the Cash Balance provision at January 1, 2023 and 2022, respectively.

The following table summarizes the employees covered by the benefit terms of the Non-Qualified Plan as of January 1.

	2023	2022
Terminated Non-Qualified Plan members entitled to, but not receiving benefits	-	1
Active Non-Qualified Plan members	7	5
Total	<u>7</u>	<u>6</u>

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Contributions – Employees contributed 9.0% of their covered payroll to the Retirement Plan for the years ended December 31, 2023 and 2022. Employee contributions are immediately 100% vested. An employee's deferred retirement allowance is 100% vested after five years of continuous service (as defined by the Plan document). The Company is obligated to contribute the balance of the funds needed on an actuarially determined basis and has met this funding requirement. The employer contribution was \$111.5 million and \$55.8 million for the years ended December 31, 2023 and 2022, respectively. The employer contribution for the year ended December 31, 2023 included a discretionary additional contribution of \$50.0 million of which \$35.0 million was from the utilization of the Decommissioning and Benefits Reserve.

Employees do not contribute to the Non-Qualified Plan. The Company contributes the funds needed on an actuarially determined basis and has met this funding requirement. The employer contribution was \$0.2 million for both the years ended December 31, 2023 and 2022. According to GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73), assets accumulated for non-qualified pension plan benefit payments are reported in OPPD's financial statements.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total pension liabilities in the January 1, 2023 and 2022 actuarial valuation were determined using the following actuarial assumptions applied to all periods included in the measurement.

The total pension liabilities must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB 68 and 73. Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee's career as a level percentage of pay. The actuarial value of the Retirement Plan assets was determined using a method which smooths the effect of short-term volatility in the market value of investments over five years. Ad-hoc cost-of-living adjustments are provided to retirees and beneficiaries of both plans at the discretion of the Board of Directors and are amortized in the year for which the increase is authorized. Except for the liability associated with cost-of-living adjustments, if any, the unfunded actuarial accrued liability was amortized on a level basis (closed group) over 20 years. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for both 2023 and 2022.

The other actuarial assumptions for the valuations of both plans as of January 1, 2023 and 2022, were as follows:

- The average rate of compensation increase varies by age.
- There were no ad-hoc cost-of-living adjustments.
- The average rate of inflation was 2.5%.
- The investment rate of return for the Retirement Plan was 6.5% for 2023 and 2022, net of pension plan investment expenses, including inflation.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total pension liability for the Retirement Plan was 6.5% for 2023 and 2022. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation and additional yields due to active investment management. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that OPPD contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with the provisions of GASB 73, OPPD elected to use the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the discount rate used to measure the total pension liability of the Non-Qualified Plan. The discount rate was 3.72% and 2.06% for 2023 and 2022, respectively.

The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in the Retirement Plan.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	28.0%	6.6%
Domestic fixed income	23.0	1.5
International developed equity	14.0	6.9
Emerging markets equity	10.0	8.3
Private credit	7.5	6.0
Private real estate	7.5	3.4
Emerging markets fixed income	5.0	3.5
High yield fixed income	3.0	3.5
Treasury inflation protected securities	2.0	1.4
Total	<u>100%</u>	

* Based on 2023 forward-looking capital market assumptions.

Total Pension Liability, Plan Fiduciary Net Position and Net Pension Liability – The total pension liabilities, plan fiduciary net position and net pension liability are determined in accordance with GASB 68 and 73, accordingly. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2023.

The following table shows the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Retirement Plan for the Measurement Period from January 1, 2022, to January 1, 2023, and the changes for the year ended December 31, 2023 (in thousands).

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Balance at 12/31/2022	\$ 1,719,541	\$ 1,289,136	\$ 430,405
(Based on 1/1/2022 measurement date)			
Changes recognized for the fiscal year:			
Service cost	26,666		26,666
Interest on total pension liability	109,966		109,966
Changes in benefit terms	1,522		1,522
Difference between expected and actual experience	4,047		4,047
Contributions from employer		55,798	(55,798)
Contributions from employee		17,573	(17,573)
Net investment income		(189,464)	189,464
Benefit payments, including refunds of employee contributions	(110,604)	(110,604)	-
Administrative expense		(238)	238
Net changes	<u>31,597</u>	<u>(226,935)</u>	<u>258,532</u>
Balance at 12/31/2023	<u>\$ 1,751,138</u>	<u>\$ 1,062,201</u>	<u>\$ 688,937</u>
(Based on 1/1/2023 measurement date)			

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The following table shows the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Retirement Plan for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Balance at 12/31/2021	\$ 1,602,932	\$ 1,157,753	\$ 445,179
(Based on 1/1/2021 measurement date)			
Changes recognized for the fiscal year:			
Service cost	22,973		22,973
Interest on total pension liability	110,172		110,172
Difference between expected and actual experience	2,737		2,737
Changes of assumptions	86,548		86,548
Contributions from employer		151,500	(151,500)
Contributions from employee		15,645	(15,645)
Net investment income		70,247	(70,247)
Benefit payments, including refunds of employee contributions	(105,821)	(105,821)	-
Administrative expense		(188)	188
Net changes	<u>116,609</u>	<u>131,383</u>	<u>(14,774)</u>
Balance at 12/31/2022	\$ 1,719,541	\$ 1,289,136	\$ 430,405
(Based on 1/1/2022 measurement date)			

	2023	2022
Plan fiduciary net position as a percentage of the total pension liability	60.66%	74.97%
Actuarially determined contributions	\$61,502	\$55,798

The following table shows the Total Pension Liability for the Non-Qualified Plan for the Measurement Period from January 1, 2022, to January 1, 2023, and the changes for the year ended December 31, 2023 (in thousands).

	Increase (Decrease)
	Total Pension Liability
Balance at 12/31/2022	\$ 718
(Based on 1/1/2022 measurement date)	
Changes recognized for the fiscal year:	
Service cost	155
Interest on total pension liability	18
Difference between expected and actual experience	(21)
Changes of assumptions	(70)
Benefit payments	(20)
Net changes	<u>62</u>
Balance at 12/31/2023	\$ 780
(Based on 1/1/2023 measurement date)	

The following table shows the Total Pension Liability for the Non-Qualified Plan for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease) Total Pension Liability
Balance at 12/31/2021	\$ 5,966
(Based on 1/1/2021 measurement date)	
Changes recognized for the fiscal year:	
Service cost	430
Interest on total pension liability	69
Difference between expected and actual experience	574
Changes of assumptions	35
Benefit Payments	<u>(6,356)</u>
Net changes	<u>(5,248)</u>
Balance at 12/31/2022	<u>\$ 718</u>
(Based on 1/1/2022 measurement date)	

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Retirement Plan financial report and can be reviewed by contacting Investor Relations at finfo@oppd.com or by visiting oppd.com.

Pension Liability – The following table shows the Pension Liability as reported on the Statements of Net Position as of December 31 (in thousands).

	2023	2022
Retirement Plan		
Total pension liability	\$ 1,751,138	\$ 1,719,541
Plan fiduciary net position	<u>(1,062,201)</u>	<u>(1,289,136)</u>
Net pension liability	688,937	430,405
Non-Qualified Plan		
Total pension liability	<u>780</u>	<u>718</u>
Pension Liability	<u>\$ 689,717</u>	<u>\$ 431,123</u>

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total Pension Liability and Net Pension Liability as of December 31, 2023, (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2023). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

	1% Decrease	Discount Rate	1% Increase
Retirement Plan			
	5.5%	6.5%	7.5%
Total pension liability	\$ 1,946,241	\$ 1,751,138	\$ 1,586,064
Plan fiduciary net position	<u>(1,062,201)</u>	<u>(1,062,201)</u>	<u>(1,062,201)</u>
Net pension liability	<u>\$ 884,040</u>	<u>\$ 688,937</u>	<u>\$ 523,863</u>
Non-Qualified Plan			
	2.72%	3.72%	4.72%
Total pension liability	<u>\$ 858</u>	<u>\$ 780</u>	<u>\$ 712</u>

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The following table illustrates the impact of interest rate sensitivity on the Total Pension Liability and Net Pension Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022).

	1% Decrease	Discount Rate	1% Increase
Retirement Plan	5.5%	6.5%	7.5%
Total pension liability	\$1,912,772	\$1,719,541	\$1,556,294
Plan fiduciary net position	(1,289,136)	(1,289,136)	(1,289,136)
Net pension liability	<u>\$ 623,636</u>	<u>\$ 430,405</u>	<u>\$ 267,158</u>
Non-Qualified Plan	1.06%	2.06%	3.06%
Total pension liability	<u>\$ 790</u>	<u>\$ 718</u>	<u>\$ 655</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –

For the year ended December 31, 2023, OPPD recognized pension expense of \$111.5 million and non-qualified pension expense of \$0.2 million. For the year ended December 31, 2022, OPPD recognized pension expense of \$55.8 million and non-qualified pension expense of \$0.2 million.

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of December 31, 2023 (in thousands).

	Deferred Outflows	Deferred Inflows
Retirement Plan		
Difference between expected and actual experience	\$ 7,088	\$ -
Changes of assumptions	46,747	1,824
Net difference between expected and actual earnings on pension plan investments	<u>180,133</u>	<u>-</u>
Contribution made in fiscal year ending December 31, 2023	<u>111,502</u>	<u>-</u>
Total	<u>\$345,470</u>	<u>\$ 1,824</u>
Non-Qualified Plan		
Difference between expected and actual experience	\$ 537	\$ 48
Changes of assumptions	<u>425</u>	<u>89</u>
Total	<u>\$ 962</u>	<u>\$ 138</u>
Total deferred outflows/inflows of resources	<u>\$346,432</u>	<u>\$ 1,962</u>

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of December 31, 2022 (in thousands).

	Deferred Outflows	Deferred Inflows
Retirement Plan		
Difference between expected and actual experience	\$ 8,276	\$ -
Changes of assumptions	75,732	3,216
Net difference between expected and actual earnings on pension plan investments	-	39,973
Contribution made in fiscal year ending December 31, 2022	55,798	-
Total	<u>\$139,806</u>	<u>\$ 43,189</u>
Non-Qualified Plan		
Difference between expected and actual experience	\$ 930	\$ 42
Changes of assumptions	533	43
Total	<u>\$ 1,463</u>	<u>\$ 85</u>
Total deferred outflows/inflows of resources	<u>\$141,269</u>	<u>\$ 43,274</u>

As of December 31, 2023, the Company reported \$111.5 million as deferred outflows of resources related to pensions resulting from the contributions made to the Retirement Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net Pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

	Qualified Plan	Non-Qualified Plan
2024	\$46,733	\$ 167
2025	66,365	144
2026	64,010	157
2027	55,036	147
2028	-	54
Thereafter	-	155

DEFINED CONTRIBUTION RETIREMENT SAVINGS PLANS – 401(k)/457(b)

OPPD sponsors a Defined Contribution Retirement Savings Plan – 401(k) (401k Plan) and a Defined Contribution Retirement Savings Plan – 457(b) (457b Plan). Both the 401k Plan and 457b Plan cover all full-time employees and certain part-time employees and allow contributions by employees that are partially matched by the Company. The Defined Contribution plans were established and may be amended at the direction of OPPD's Board of Directors and are administered by the Company. The 401k Plan's and 457b Plan's assets and income are held in an external trust account in each employee's name. The matching share of contributions was \$6.2 million and \$6.0 million for the years ended December 31, 2023 and 2022, respectively. The employer maximum annual match on employee contributions was \$4,000 per employee for the years ended December 31, 2023 and 2022.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

There are two separate plans for OPEB. OPEB Plan A provides postemployment healthcare and life insurance benefits to qualifying members. OPEB Plan B provides postemployment healthcare premium coverage for the Company's share to qualifying members who were hired after December 31, 2007. The OPEB Plans were established and may be amended at the direction of OPPD's Board of Directors and are administered by the Company.

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OPEB Plan A

Plan Description and Benefits Provided – OPEB Plan A (Plan A) is a single-employer defined benefit OPEB plan administered by the Company. Plan A provides postemployment healthcare benefits to retirees, surviving spouses, and employees on long-term disability and their dependents and life insurance benefits to retirees and employees on long-term disability. The requirements for retirement eligibility under OPPD’s Retirement Plan determines when Plan A members are eligible for medical benefits. OPPD is self-insured for healthcare benefits. Healthcare benefits are based on the coverage elected by Plan A members. Plan members are required to pay a premium based on the elected coverage and their respective premium cost share. When members are retired and eligible for Medicare benefits, coverage moves from OPPD’s Medical Plans to OPPD’s Medicare Advantage plan, which includes a Part D drug plan.

Life insurance coverage is purchased from a third-party and benefits are based on one and one-half times the participant’s salary at the time of retirement until age 65. At age 65, the benefits are reduced to \$20,000 if retired on or after June 1, 1996 or \$15,000 if retired prior to June 1, 1996.

The following table summarizes the employees covered by the benefit terms of Plan A as of January 1.

	2023	2022
Inactive plan members currently receiving benefits	2,055	2,033
Active Plan A members	1,877	1,808
Total	<u>3,932</u>	<u>3,841</u>

Contributions – Plan A members are required to pay a monthly premium based on the elected coverage and the respective premium cost share. The Company contributes the balance of the funds needed on an actuarially determined basis. The employer contribution was \$16.6 million and \$12.6 million for the years ended December 31, 2023 and 2022, respectively.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total Plan A liability in the January 1, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

The total Plan A liability must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee’s career as a level percentage of pay. The actuarial value of the Plan A assets was determined using a method which smooths the effect of short-term volatility in the market value of investments over five years. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for both 2023 and 2022.

The other actuarial assumptions for the valuations as of January 1, 2023 and 2022, were as follows:

- The average rate of compensation increase varies by age.
- The average rate of inflation was 2.5%.
- The investment rate of return was 7.0%, net of OPEB plan investment expenses, including inflation.
- The pre-Medicare healthcare trend rates ranged from 7.3% immediate to 4.5% ultimate in 2023, and 6.2% immediate to 4.5% ultimate in 2022.
- The post-Medicare healthcare trend rates ranged from 7.7% immediate to 4.5% ultimate for 2023 and 8.0% immediate to 4.5% ultimate for 2022.
- Amortization for the initial unfunded actuarial accrued liability and OPEB Plan changes was determined

using a period of 30 years and the increasing method at a rate of 3.0% per year.

- Amortization for all changes (including gains/losses, assumption and plan provisions) after the initial year were determined using a closed period of 15 years and the level-dollar method.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total Plan A liability was 7.0% for both 2023 and 2022. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation and additional yields due to active investment management. The projection of cash flows used to determine the discount rate assumed that OPPD contributions will be equal to the actuarially determined contribution rates. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan A investments was applied to all periods of projected benefit payments to determine the total OPEB Plan A liability. The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in the OPEB Plan A.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Global equity	50.0%	6.7%
Domestic fixed income	20.0	1.5
Real return	20.0	5.3
Private real estate	10.0	3.4
Total	<u>100%</u>	

*Based on 2023 forward-looking capital market assumptions.

Total OPEB Plan A Liability, Plan Fiduciary Net Position and Net OPEB Plan A Liability – The total OPEB Plan A liability, plan fiduciary net position and net OPEB Plan A liability are determined in accordance with GASB 75. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2023.

The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan A for the Measurement Period from January 1, 2022, to January 1, 2023, and the changes for the year ended December 31, 2023 (in thousands).

	Increase (Decrease)		
	Total OPEB A Liability	Plan Fiduciary Net Position	Net OPEB A Liability
	(a)	(b)	(a-b)
Balance at 12/31/2022	\$ 350,222	\$ 197,567	\$ 152,655
(Based on 1/1/2022 measurement date)			
Changes recognized for the fiscal year:			
Service cost	3,255		3,255
Interest on total OPEB liability	24,060		24,060
Changes in benefit terms	1,043		1,043
Difference between expected and actual experience	(3,057)		(3,057)
Changes of assumptions	18,351	-	18,351
Contributions from employer		12,553	(12,553)
Net investment income		(19,110)	19,110
Benefit payments	(19,860)	(19,860)	-
Administrative expense		(53)	53
Net changes	<u>23,792</u>	<u>(26,470)</u>	<u>50,262</u>
Balance at 12/31/2023	\$ 374,014	\$ 171,097	\$ 202,917
(Based on 1/1/2023 measurement date)			

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The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan A for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total OPEB A Liability	Plan Fiduciary Net Position	Net OPEB A Liability
	(a)	(b)	(a-b)
Balance at 12/31/2021	\$ 357,794	\$ 184,336	\$ 173,458
(Based on 1/1/2021 measurement date)			
Changes recognized for the fiscal year:			
Service cost	3,075		3,075
Interest on total OPEB liability	24,599		24,599
Difference between expected and actual experience	(1,066)		(1,066)
Changes of assumptions	(14,961)		(14,961)
Contributions from employer		13,400	(13,400)
Net investment income		19,105	(19,105)
Benefit payments	(19,219)	(19,219)	-
Administrative expense		(55)	55
Net changes	<u>(7,572)</u>	<u>13,231</u>	<u>(20,803)</u>
Balance at 12/31/2022	<u>\$ 350,222</u>	<u>\$ 197,567</u>	<u>\$ 152,655</u>
(Based on 1/1/2022 measurement date)			

	2023	2022
Plan fiduciary net position as a percentage of the total		
OPEB Plan A liability	45.75%	56.41%
Actuarially determined contributions	\$ 16,575	\$ 12,553

OPEB Plan A Fiduciary Net Position – Detailed information about OPEB Plan A's fiduciary net position is available in the separately issued Plan A financial report and can be reviewed by contacting Investor Relations at finfo@oppd.com or by visiting oppd.com.

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2023 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2023). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

	1% Decrease	Discount Rate	1% Increase
OPEB Plan A	6.0%	7.0%	8.0%
Total OPEB liability	\$ 419,214	\$ 374,014	\$ 336,236
Plan fiduciary net position	<u>(171,097)</u>	<u>(171,097)</u>	<u>(171,097)</u>
Net OPEB liability	<u>\$ 248,117</u>	<u>\$ 202,917</u>	<u>\$ 165,139</u>

The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022).

OPEB Plan A	1% Decrease	Discount Rate	1% Increase
	6.0%	7.0%	8.0%
Total OPEB liability	\$ 392,760	\$ 350,222	\$ 314,740
Plan fiduciary net position	(197,567)	(197,567)	(197,567)
Net OPEB liability	<u>\$ 195,193</u>	<u>\$ 152,655</u>	<u>\$ 117,173</u>

The following table illustrates the impact of healthcare cost trend rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2023 (in thousands) if it were calculated using a 1% change in the healthcare cost trend rates as of the measurement date (1/1/2023).

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Pre-Medicare	6.3%-3.5%	7.3%-4.5%	8.3%-5.5%
Post-Medicare	6.7%-3.5%	7.7%-4.5%	8.7%-5.5%
Total OPEB liability	\$ 337,222	\$ 374,014	\$ 418,010
Plan fiduciary net position	(171,097)	(171,097)	(171,097)
Net OPEB liability	<u>\$ 166,125</u>	<u>\$ 202,917</u>	<u>\$ 246,913</u>

The following table illustrates the impact of healthcare cost trend rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the healthcare cost trend rates as of the measurement date (1/1/2022).

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Pre-Medicare	5.2%-3.5%	6.2%-4.5%	7.2%-5.5%
Post-Medicare	7.0%-3.5%	8.0%-4.5%	9.0%-5.5%
Total OPEB liability	\$ 315,539	\$ 350,222	\$ 391,842
Plan fiduciary net position	(197,567)	(197,567)	(197,567)
Net OPEB liability	<u>\$ 117,972</u>	<u>\$ 152,655</u>	<u>\$ 194,275</u>

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Plan A – For the years ended December 31, 2023 and 2022, OPPD recognized OPEB expense of \$16.6 million and \$12.6 million, respectively.

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan A from the following sources as of December 31, 2023 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan A		
Difference between expected and actual experience	\$ -	\$18,867
Changes of assumptions	16,907	12,954
Net difference between expected and actual earnings on OPEB plan investments	14,496	
Contribution made in fiscal year ending December 31, 2023	16,575	-
Total deferred outflows/inflows of resources	<u>\$47,978</u>	<u>\$31,821</u>

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The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan A from the following sources as of December 31, 2022 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan A		
Difference between expected and actual experience	\$ 4,279	\$30,248
Changes of assumptions	4,416	17,943
Net difference between expected and actual earnings on OPEB plan investments	-	13,961
Contribution made in fiscal year ending December 31, 2022	<u>12,553</u>	-
Total deferred outflows/inflows of resources	<u>\$21,248</u>	<u>\$62,152</u>

As of December 31, 2023, the Company reported \$16.6 million as deferred outflows of resources related to Plan A resulting from the contributions made to the OPEB Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Plan A will be recognized in OPEB expense as follows (in thousands):

	Amount
2024	\$(11,585)
2025	(3,868)
2026	4,519
2027	8,877
2028	1,639

OPEB Plan B

Plan Description and Benefits Provided – OPEB Plan B (Plan B) is a single-employer defined benefit OPEB plan administered by the Company. Plan B provides postemployment healthcare premium coverage for the Company’s share for retirees and surviving spouses and their dependents to qualifying members who were hired after December 31, 2007. Benefits are based on the coverage elected by the Plan B members and the balance in the member’s hypothetical account, which is a bookkeeping account. The hypothetical accounts are credited with \$10,000 upon commencement of full-time employment, \$1,000 annually on the member’s anniversary date and interest income at 5.0% annually. Plan B benefits are for the payment of OPPD’s share of the members’ healthcare premiums. Plan benefits will continue until the member and eligible spouse cease to be covered under the Company’s medical plan, the member’s hypothetical account is depleted or Plan B terminates, whichever occurs first. Benefits are forfeited for any member who fails to retire or who retires but does not immediately commence payments.

The following table summarizes the employees covered by the benefit terms of Plan B as of January 1.

	2023	2022
Inactive plan members currently receiving benefits	22	12
Active Plan B members	<u>1,151</u>	<u>1,015</u>
Total	<u>1,173</u>	<u>1,027</u>

Contributions – Funds are contributed, as needed, on an actuarially determined basis. Members do not contribute to Plan B. The employer contribution was \$1.3 million and \$1.0 million for the years ended December 31, 2023 and 2022, respectively.

Actuarial Assumptions – Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total Plan B liability in the January 1, 2023 and 2022, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

The total Plan B liability must be determined using the Entry Age Normal (Level Percent of Pay) cost method per GASB 75. Under this actuarial method, an allocation to past service and future service is made by spreading the costs over an employee’s career as a level percentage of pay. The actuarial value of the Plan B assets was determined using market value. The mortality table used for healthy participants was the PUB-2010 General table projected using Scale MP-2021 with generational projection for both 2023 and 2022.

The other actuarial assumptions for the valuations as of January 1, 2023 and 2022, were as follows:

- The average rate of inflation was 2.5%.
- The investment rate of return was 5.25%, net of OPEB plan investment expenses, including inflation.
- The pre-Medicare healthcare trend rates ranged from 7.3% immediate to 4.5% ultimate for 2023.
- The post-Medicare healthcare trend rates ranged from 7.7% immediate to 4.5% ultimate for 2023.
- Amortization for all changes (including gains/losses, assumption and plan provisions) after the initial year were determined using a closed period of 15 years and the level-dollar method.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial experience study was performed during 2021.

Discount Rate – The discount rate used to measure the total Plan B liability was 5.25% for both 2023 and 2022. The discount rate is determined using the expected long-term rate of return of each asset class, including inflation. The projection of cash flows used to determine the discount rate assumed that OPPD contributions will be made equal to the actuarially determined contribution rates. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan B investments was applied to all periods of projected benefit payments to determine the total OPEB Plan B liability.

The following table summarizes the Target Allocation and Long-term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in Plan B.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic fixed income	70.0%	1.5%
Global equity	30.0	6.7
Total	<u>100%</u>	

* Based on 2023 forward-looking capital market assumptions.

Total OPEB Plan B Liability, Plan Fiduciary Net Position and Net OPEB Plan B Liability – The total OPEB Plan B liability, plan fiduciary net position and net OPEB Plan B liability are determined in accordance with GASB 75. The amounts are based on the results of an actuarial valuation measurement date of January 1, 2023.

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The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan B for the Measurement Period from January 1, 2022, to January 1, 2023, and the changes for the year ended December 31, 2023 (in thousands).

	Increase (Decrease)		
	Total OPEB B Liability	Plan Fiduciary Net Position	Net OPEB B Liability
	(a)	(b)	(a-b)
Balance at 12/31/2022	\$ 8,194	\$ 7,462	\$ 732
(Based on 1/1/2022 measurement date)			
Changes recognized for the fiscal year:			
Service cost	946		946
Interest on total OPEB liability	477		477
Changes in benefit terms	76		76
Difference between expected and actual experience	(38)		(38)
Changes of assumptions	(314)		(314)
Contributions from employer		1,000	(1,000)
Net investment income		(1,017)	(1,017)
Benefit payments	(109)	(109)	-
Administrative expense		(35)	35
Net changes	<u>1,038</u>	<u>(161)</u>	<u>1,199</u>
Balance at 12/31/2023	<u>\$ 9,232</u>	<u>\$ 7,301</u>	<u>\$ 1,931</u>

(Based on 1/1/2023 measurement date)

The following table shows the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for Plan B for the Measurement Period from January 1, 2021, to January 1, 2022, and the changes for the year ended December 31, 2022 (in thousands).

	Increase (Decrease)		
	Total OPEB B Liability	Plan Fiduciary Net Position	Net OPEB B Liability
	(a)	(b)	(a-b)
Balance at 12/31/2021	\$ 6,407	\$ 6,197	\$ 210
(Based on 1/1/2021 measurement date)			
Changes recognized for the fiscal year:			
Service cost	780		780
Interest on total OPEB liability	377		377
Difference between expected and actual experience	10		10
Changes of assumptions	632		632
Contributions from employer		1,000	(1,000)
Net investment income		313	(313)
Benefit payments	(12)	(12)	-
Administrative expense		(36)	36
Net changes	<u>1,787</u>	<u>1,265</u>	<u>522</u>
Balance at 12/31/2022	<u>\$ 8,194</u>	<u>\$ 7,462</u>	<u>\$ 732</u>

(Based on 1/1/2022 measurement date)

	2023	2022
Plan fiduciary net position as a percentage of the total OPEB Plan B liability	79.08%	91.08%
Actuarially determined contributions	\$ 1,262	\$ 1,000

OPEB Plan B Fiduciary Net Position – Detailed information about OPEB Plan B’s fiduciary net position is available in the separately issued Plan B financial report and can be reviewed by contacting Investor Relations at finfo@oppd.com or by visiting oppd.com.

Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2023 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2023). The information provided below is calculated based on the applicable governmental accounting standards, which require the presentation of the discount rate at the rate in effect as of the measurement date.

OPEB Plan B	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total OPEB liability	\$ 10,131	\$ 9,232	\$ 8,404
Plan fiduciary net position	(7,301)	(7,301)	(7,301)
Net OPEB liability	<u>\$ 2,830</u>	<u>\$ 1,931</u>	<u>\$ 1,103</u>

The following table illustrates the impact of interest rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2022 (in thousands) if it were calculated using a 1% change in the discount rate as of the measurement date (1/1/2022).

OPEB Plan B	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total OPEB liability	\$ 8,903	\$ 8,194	\$ 7,531
Plan fiduciary net position	(7,462)	(7,462)	(7,462)
Net OPEB liability	<u>\$ 1,441</u>	<u>\$ 732</u>	<u>\$ 69</u>

The following table illustrates the impact of healthcare cost trend rate sensitivity on the Total OPEB Liability and Net OPEB Liability as of December 31, 2023 (in thousands) if it were calculated using a 1% change in the healthcare cost trend rates as of the measurement date (1/1/2023).

Pre-Medicare	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	6.3%-3.5%	7.3%-4.5%	8.3%-5.5%
Post-Medicare	6.7%-3.5%	7.7%-4.5%	8.7%-5.5%
Total OPEB liability	\$ 9,135	\$ 9,232	\$ 9,298
Plan fiduciary net position	(7,301)	(7,301)	(7,301)
Net OPEB liability	<u>\$ 1,834</u>	<u>\$ 1,931</u>	<u>\$ 1,997</u>

The Net OPEB Liability for December 31, 2022 was not affected by the healthcare cost trend rates. The account utilization assumption was changed effective January 1, 2023, to use healthcare trend rates to project the premiums necessary for each member, and the utilization of the member’s account. Changes to healthcare trend rates have a small impact on the account balance utilization, but no impact on the account balance earned.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plan B – For the years ended December 31, 2023 and 2022, OPPD recognized OPEB expense of \$1.3 million and \$1.0 million, respectively.

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The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan B from the following sources as of December 31, 2023 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan B		
Difference between expected and actual experience	\$ 623	\$ 35
Changes of assumptions	604	725
Net difference between expected and actual earnings on OPEB plan investments	995	-
Contribution made in fiscal year ending December 31, 2023	1,262	-
Total deferred outflows/inflows of resources	<u>\$ 3,484</u>	<u>\$ 760</u>

The following table summarizes the reported deferred outflows of resources and deferred inflows of resources related to Plan B from the following sources as of December 31, 2022 (in thousands).

	Deferred Outflows	Deferred Inflows
OPEB Plan B		
Difference between expected and actual experience	\$ 663	\$ -
Changes of assumptions	654	461
Net difference between expected and actual earnings on OPEB plan investments	-	197
Contribution made in fiscal year ending December 31, 2022	1,000	-
Total deferred outflows/inflows of resources	<u>\$ 2,317</u>	<u>\$ 658</u>

As of December 31, 2023, the Company reported \$1.3 million as deferred outflows of resources related to Plan B resulting from the contributions made to the OPEB Plan subsequent to the measurement date. This amount will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB Plan B will be recognized in OPEB expense as follows (in thousands):

	Amount
2024	\$ 211
2025	281
2026	333
2027	326
2028	39
Thereafter	272

SELF-INSURANCE HEALTH PROGRAM

Employee healthcare and life insurance benefits are provided to substantially all employees. There were 1,740 and 1,672 employees with medical coverage as of December 31, 2023 and 2022, respectively. An Administrative Services Only (ASO) Health Insurance Program is used to account for the health insurance claims. With respect to the ASO program, reserves sufficient to satisfy both statutory and OPPD-directed requirements have been established to provide risk protection in the Segregated Fund – Other (Note 2). Additionally, private insurance has been purchased to cover claims in excess of 120% of expected aggregate levels and \$400,000 per member.

Healthcare expenses for employees were \$33.1 million and \$28.6 million for the years ended December 31, 2023 and 2022, respectively.

The total cost of life and long-term disability insurance for full-time employees was \$1.7 million and \$1.4 million for the years ended December 31, 2023 and 2022, respectively.

The balance of the Incurred but Not Presented (IBNP) Reserve is reported in Liabilities Payable from Segregated Funds on the Statements of Net Position and was \$3.8 million and \$3.2 million as of December 31, 2023 and 2022, respectively.

9. REGULATORY ASSETS AND LIABILITIES

Rates for regulated operations are established and approved by the Board of Directors. The provisions of GASB Codification Section Re10, *Regulated Operations*, are applied. This guidance provides that regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer rates over some future period. Regulatory liabilities are reductions in earnings (or costs recovered) to cover future expenditures.

REGULATORY ASSETS

The following table summarizes the balances of regulatory assets as of December 31, 2023 and 2022 (in thousands).

	2023	2022
Pension	\$ 345,297	\$ 333,795
Other postemployment benefits	186,245	192,908
AFUDC	67,593	34,656
NC2	54,432	53,886
Financing costs	10,100	8,518
Supplemental pension	872	406
FCS recovery costs	-	13,599
FPPA	-	7,400
Total	<u>\$ 664,539</u>	<u>\$ 645,168</u>

Pension Plan – The Company adopted the GASB accounting standards for the financial accounting and reporting of pension plans in 2015. These standards required the Company to recognize a liability for the net pension liability on the Statements of Net Position. In 2014, the Board of Directors authorized the use of regulatory accounting for pension costs to establish a regulatory asset to match the pension expense to the amounts funded and the cost recovery through rates (Note 8).

Other Postemployment Benefits – The Company adopted the GASB accounting standards for the financial accounting and reporting of other postemployment benefit plans in 2018. These standards required the Company to recognize a liability for the net other postemployment benefit liability on the Statements of Net Position. In 2017, the Board of Directors authorized the use of regulatory accounting for other postemployment costs to establish a regulatory asset to match the other postemployment benefit expense to the amounts funded and the cost recovery through rates (Note 8).

Allowances for Funds Used During Construction – In 2020, the Company adopted the GASB accounting standard that eliminated capitalized interest for governmental entities, except for those entities with regulated operations. As an entity with regulated operations, OPPD continues to record AFUDC as a regulatory asset, as allowed by GASB. Prior to January 1, 2020, AFUDC was capitalized as a component of the cost of electric utility plant. AFUDC approximates OPPD’s current weighted average cost of debt and was computed at 3.4% and 2.8% for the years ended December 31, 2023 and 2022, respectively.

NC2 – The station was placed in commercial operation in 2009. Half of the unit’s output is sold under 40-year Participation Power Agreements (PPAs). Certain participants funded their share of construction costs with NC2 Separate Electric System Revenue Bonds. These participants are billed for the debt service related to these bonds. The amounts recovered for debt service for the electric utility plant construction and other costs are included in off-system

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sales revenues. The revenues related to principal repayment will equal related depreciation and other deferred NC2 expenses over the 40-year term of the PPAs. A regulatory asset was established to equate expenses and the amount included in off-system sales revenues for principal repayment in order to maintain revenue neutrality in the interim years. This regulatory asset will increase annually until 2026 when principal repayments begin exceeding depreciation and other deferred expenses. After 2026, the regulatory asset will be reduced annually by recognizing deferred depreciation and other deferred expenses until its elimination in 2049, which is the end of the initial term of the PPAs.

Financing Costs – The Board of Directors authorized the use of regulatory accounting for debt issuance costs in 2012 because of new accounting standards that would have required these costs to be expensed in the period incurred. These costs are amortized over the life of the associated bond issues consistent with the rate methodology.

Supplemental Pension Plan – The Company adopted the GASB accounting standards for the financial accounting and reporting of supplemental pension plans in 2017. These standards required the Company to recognize a liability for the total supplemental pension obligation on the Statements of Net Position. In 2017, the Board of Directors authorized the use of regulatory accounting for supplemental pension costs to establish a regulatory asset to match the supplemental pension expense to the amounts funded and the cost recovery through rates (Note 8).

FCS Recovery Costs – The Board of Directors authorized the use of regulatory accounting in 2012 for significant, unplanned operations and maintenance costs at FCS incurred to address concerns from the NRC and enhance operations. These recovery costs were amortized over a 10-year period that commenced in 2013, as they continued to benefit future ratepayers and are being collected through retail rates. These costs were fully amortized in 2023.

FPPA – The FPPA was implemented in the retail rate structure in 2010. The Board of Directors authorized the use of regulatory accounting to maintain revenue neutrality by matching retail revenues attributed to fuel costs and net power costs (purchased power and off-system sales) with the actual costs incurred. This regulatory asset represents the rights to additional revenues based on incurred expenses due to under-recoveries of fuel and purchased power costs. The Board of Directors approved the write-off of all FPPA under-recoveries of \$0.1 million, for the year ended December 31, 2023 resulting in no FPPA regulatory asset. The Board of Directors approved a partial write-off of the FPPA under-recoveries of \$27.7 million, for the year ended December 31, 2022.

REGULATORY LIABILITIES

The following table summarizes the balances of the regulatory liabilities reported as deferred inflows as of December 31, 2023 and 2022, (in thousands).

	2023	2022
FCS decommissioning	\$ 163,250	\$ 131,004
Rate stabilization reserve	76,000	50,000
Decommissioning and benefits reserve	5,000	38,000
Total	<u>\$ 244,250</u>	<u>\$ 219,004</u>

FCS Decommissioning – The Board of Directors authorized the use of regulatory accounting to match decommissioning expense to the amounts funded from retail rates and realized decommissioning trust fund investment income. This regulatory liability represents the advanced funding of decommissioning costs through retail rates and realized decommissioning trust fund investment income (Note 11).

Rate Stabilization Reserve – This reserve was established to help maintain stability in OPPD’s long-term rate structure. The Company added \$26.0 million and \$0 to the reserve in 2023 and 2022, respectively.

Decommissioning and Benefits Reserve – This reserve was established in 2016 to assist in funding future decommissioning expenses beyond what was established in the current funding plan in any given year and future

pension liabilities above the actuarially determined contribution. The Company added \$2.0 million and \$6.0 million to the reserve in 2023 and 2022, respectively. The Company also decreased the reserve by \$35.0 million in 2023 to increase employer funding in the pension plan.

10. RISK MITIGATION AND RECOVERIES

OPPD is exposed to various risks of loss related to general liability and property damage. The Company procures property and liability insurance, subject to certain limits and deductibles, to reduce the adverse effect on its financial position or operational capabilities from claims caused by such matters. There have been no significant changes to the Company's insurance portfolio. Claims have not exceeded the limits of property or liability insurance in any of the three preceding years.

The following table summarizes the total claims liability, comprising claims received and medical claims incurred but not presented, at December 31, 2023 and 2022 (in thousands).

	2023	2022
IBNP reserve	\$ 3,765	\$ 3,218
Workers' compensation reserve	4,875	4,854
Public liability reserve	1,329	684
Total	<u>\$ 9,969</u>	<u>\$ 8,756</u>

The following table summarizes the changes in the total claims liability during 2023 and 2022 (in thousands).

	2023	2022
Claims liability, beginning of year	\$ 8,756	\$ 9,855
Payments on claims	(41,613)	(38,032)
Claims and adjustments	42,826	36,933
Claims liability, end of year	<u>\$ 9,969</u>	<u>\$ 8,756</u>

OPPD is eligible for disaster assistance from the Federal Emergency Management Agency (FEMA) when a disaster is declared for damage in the Company's service area. FEMA declared disasters for events during 2021 (July and December storms), 2020 (COVID-19 Pandemic) and 2019 (flood). The receivable for these events was \$6.5 million and \$15.2 million at December 31, 2023 and 2022, respectively.

11. FORT CALHOUN STATION DECOMMISSIONING

In 2016, the OPPD Board of Directors approved a recommendation by management to cease operations at FCS. As a result of the Board decision to cease operations, the FCS assets were impaired in 2016. The station ceased operations on October 24, 2016, and began the decommissioning process. FCS is being decommissioned using the DECON process, which provides for the immediate decontamination and dismantling of the nuclear systems and structures. OPPD contracted with EnergySolutions LLC (ES) to provide technical support during the completion of the DECON process. OPPD retains the license and management responsibility for the facility, while benefitting from the advisory services provided by ES.

The total estimated cost in current-year dollars to decommission FCS using the DECON methodology was \$560.4 million and \$670.2 million as of December 31, 2023 and 2022, respectively. The estimated cost to decommission the station in current-year dollars for the NRC-required obligations using the DECON methodology was \$542.2 million and \$647.5 million as of December 31, 2023 and 2022, respectively. This included \$122.5 million in Current Liabilities and \$419.7 million in Other Liabilities as of December 31, 2023 and \$113.0 million in Current Liabilities and \$534.5 million in Other Liabilities as of December 31, 2022, on the Statements of Net Position. The estimated costs were based on a third-party, site-specific cost study.

The major assumptions used in the cost estimate as the basis for the decommissioning liability for December 31, 2023 and 2022 were as follows:

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- Costs are provided in current-year dollars.
- Costs based on Prompt DECON Decommissioning model.
- Overhead costs are for site and corporate support.
- Site facilities and systems data are based on current existing site drawings and data provided by OPPD combined with experience from ES to establish station systems and buildings inventories. These were used to generate labor hours, cost, and waste volumes and classifications.
- Personnel costs are based on a single average salary for plant staff, plant security, spent fuel staff, and spent fuel security, adjusted for headcount reductions.

The Board of Directors authorized the use of regulatory accounting for decommissioning expense to match the expense to the amounts funded from both retail rates and realized decommissioning trust fund investment income (Note 9). The balance of the regulatory liability was \$163.3 million and \$131.0 million as of December 31, 2023 and 2022, respectively.

The annual funding amount was \$18.5 million and \$130.6 million for the years ended December 31, 2023 and 2022, respectively. The Board of Directors approved the discontinuation of funding from retail rates in April 2023 based on the funded status of the Decommissioning Trust Funds. The Decommissioning Trust Funds were reduced by \$112.7 million and \$147.7 million for the years ended December 31, 2023 and 2022, respectively, for expenditures incurred during the decommissioning process at FCS.

The balance of the decommissioning trust assets was \$480.0 million and \$534.9 million as of December 31, 2023 and 2022, respectively, and includes interest receivables of \$1.6 million and \$1.2 million as of December 31, 2023 and 2022, respectively. Investment income was \$14.8 million and \$11.3 million for the years ended December 31, 2023 and 2022, respectively. The fair value of the Decommissioning Trust Funds increased \$12.3 million and decreased \$55.9 million for the years ended December 31, 2023 and 2022, respectively.

OPPD continues to pursue reimbursement of spent fuel costs from the DOE after decommissioning and has submitted claims for 2017 through 2022, which have been substantially reimbursed by the DOE. The balance of the receivable for the reimbursement from the DOE for spent fuel costs incurred by OPPD was \$0 and \$5.5 million for the years ended December 31, 2023 and 2022, respectively. OPPD incurred \$7.8 million and \$8.0 million in spent fuel management costs in 2023 and 2022, respectively, that were included in Other Long-Term Assets awaiting submission to the DOE for reimbursement. A long-term asset of \$205.9 million and \$212.3 million as of December 31, 2023 and 2022, respectively, was recorded for the future estimated recovery from the DOE for costs related to spent fuel management activities. The DOE recovery amount was based on conservative estimates of the potential reimbursement based on recent claim settlements with the DOE and in accordance with accounting standards.

Employees located at FCS or other locations, and terminated as a result of the decision to cease operations, are eligible for an employee severance package. The package includes a lump-sum payment to eligible employees with a base of 12 weeks of pay based on current salary, plus an additional week of pay for each year of service up to a maximum of 52 weeks. Employees enrolled in the Company's medical benefit plans are also eligible for a lump-sum payment of medical, dental and vision insurance coverage costs based on the number of weeks used in the severance calculation (as noted above). Retiring employees are only eligible for payment related to dental coverage. Employees did not receive severance payments in 2023. There were 15 employees that received severance payments totaling \$1.3 million in 2022.

Severance costs are accrued as the benefits are earned and recognized ratably over the future service period. Future severance costs beyond December 31, 2023, are estimated to be paid to approximately 50 employees in various waves of reductions through 2026. Severance costs were \$0.4 million and \$0.3 million as of December 31, 2023 and 2022, respectively.

In 2016, OPPD established a Key Employee Performance Plan (KEPP) to help ensure that key positions remained

staffed for continued safe operations. As part of the KEPP, certain key positions are eligible for a performance incentive. Performance incentives are paid to employees based on attainment of certain milestone dates. In 2023, 16 employees received performance incentive payments totaling \$0.6 million. In 2022, 15 employees received performance incentive payments totaling \$0.5 million. Future performance incentive costs beyond December 31, 2023, are estimated to be paid to approximately 14 employees. Performance incentive costs were \$0.5 million and \$1.1 million as of December 31, 2023 and 2022, respectively.

12. COMMITMENTS AND CONTINGENCIES

Commitments for the uncompleted portion of construction contracts were approximately \$455.2 million at December 31, 2023.

Power sales commitments that extend through 2027 were \$6.1 million as of December 31, 2023. Power purchase commitments, including capacity contracts were \$355.2 million as of December 31, 2023. These commitments extend through 2050 and do not include the PPAs for OPPD's commitments for wind energy purchases or NC2, which are separately disclosed below.

The following table summarizes OPPD's commitments for wind purchase agreements as of December 31, 2023.

	Total Capacity (in MW)	OPPD Share (in MW)	Commitment Through	Amount (in thousands)
Ainsworth*	59.4	10.0	2025	\$ 2,217
Elkhorn Ridge**	80.0	25.0	2029	6,284
Total	<u>139.4</u>	<u>35.0</u>		<u>\$ 8,501</u>

* This PPA is on a "take-or-pay" basis and the Company is obligated to make payments for purchased power even if the power is not available, delivered or taken by OPPD. In addition, the Company is obligated, through a step-up provision, to pay a share of any deficit in funds resulting from a default at the Ainsworth facility. Included in this amount is OPPD's expected share of decommissioning costs.

**This PPA is on a "take-and-pay" basis and requires payments when the power is made available to OPPD. The commitment amount includes monthly fixed demand charges.

There were no commitments for the solar or other wind PPAs.

There are 40-year PPAs with seven public power and municipal utilities (the Participants) for the sale of half of the net capacity of NC2. The Participants have agreed to purchase their respective shares of the output on a "take-or-pay" basis even if the power is not available, delivered to or taken by the Participants. The Participants are subject to a step-up provision, whereby in the event of a Participant default, the remaining Participants are obligated to pay a share of any deficit in funds resulting from the default. There is an NC2 Transmission Facilities Cost Agreement with the Participants that addresses the cost allocation, payment and cost recovery for delivery of their respective power.

OPPD has coal supply contracts with minimum future payments of \$133.8 million at December 31, 2023. The Company also has coal-transportation contracts with minimum future payments of \$138.7 million as of December 31, 2023. These contracts are subject to price adjustments.

The Company is engaged in routine litigation incidental to the conduct of its business and, in the opinion of Management, based upon the advice of General Counsel, the aggregate amounts recoverable or payable, taking into account amounts provided in the financial statements, are not significant.

13. SUBSEQUENT EVENT

Management evaluated subsequent events through the date the financial statements were available to be issued to identify subsequent events that would require recognition or disclosure as of and for the year ended December 31, 2023.

In February 2024, OPPD announced the purchase of four combustion turbines (CT) with one CT to be located at Turtle Creek Station and three CTs to be located at Cass County Station. The new CTs will total 900 megawatts and will be placed in service before 2030. The Company filed applications to construct the assets with the Nebraska Power Review Board, which were approved during a hearing on the applications in March 2024.

Required Supplementary Information (Unaudited)

Schedule of Changes in Total Pension Liability, Net Pension Liability and Related Ratios

The following schedules show the history of changes in Total Pension Liability and Net Pension Liability as of December 31 using a January 1 measurement date (*in thousands*).

Retirement Plan	2023	2022
Total Pension Liability		
Service cost	\$ 26,666	\$ 22,973
Interest on total pension liability	109,966	110,172
Changes of benefit terms	1,522	-
Difference between expected and actual experience	4,047	2,737
Changes of assumptions	-	86,548
Benefit payments, including refunds of employee contributions	(110,604)	(105,821)
Net change in total pension liability	31,597	116,609
Total pension liability (beginning)	1,719,541	1,602,932
Total pension liability (ending) (a)	<u>\$1,751,138</u>	<u>\$1,719,541</u>
Plan Fiduciary Net Position		
Contributions from employer	\$ 55,798	\$ 151,500
Contributions from employee	17,573	15,645
Net investment income	(189,464)	70,247
Benefit payments, including refunds of employee contributions	(110,604)	(105,821)
Administrative expense	(238)	(188)
Net change in plan fiduciary net position	(226,935)	131,383
Plan fiduciary net position (beginning)	1,289,136	1,157,753
Plan fiduciary net position (ending) (b)	<u>\$1,062,201</u>	<u>\$1,289,136</u>
Net pension liability (ending) (a)-(b)	<u>\$ 688,937</u>	<u>\$ 430,405</u>
Plan fiduciary net position as a percentage of total pension liability	60.66%	74.97%
Covered payroll	\$ 214,340	\$ 199,012
Net pension liability as a percentage of covered payroll	321.42%	216.27%
Non-Qualified Plan		
Total Pension Liability		
Service cost	\$ 155	\$ 430
Interest on total pension liability	18	69
Changes of benefit terms	-	-
Difference between expected and actual experience	(21)	574
Changes of assumptions	(70)	35
Benefit payments	(20)	(6,356)
Net change in total pension liability	62	(5,248)
Total pension liability (beginning)	718	5,966
Total pension liability (ending)	<u>\$ 780</u>	<u>\$ 718</u>
Covered payroll	\$ 3,155	\$ 2,398
Total pension liability as a percentage of covered payroll	24.74%	29.55%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information

2021	2020	2019	2018	2017	2016	2015
\$ 22,717	\$ 21,502	\$ 21,156	\$ 21,135	\$ 23,406	\$ 23,224	\$ 22,492
108,155	103,374	102,466	99,501	103,695	100,285	93,643
-	-	-	909	-	1,268	-
7,823	7,747	2,867	16,421	4,667	2,593	(5,328)
(6,001)	36,067	(14,834)	(1,306)	42,537	-	54,712
(102,515)	(100,724)	(97,375)	(91,372)	(85,752)	(81,441)	(79,681)
30,179	67,966	14,280	45,288	88,553	45,929	85,838
1,572,753	1,504,787	1,490,507	1,445,219	1,356,666	1,310,737	1,224,899
<u>\$1,602,932</u>	<u>\$1,572,753</u>	<u>\$1,504,787</u>	<u>\$1,490,507</u>	<u>\$1,445,219</u>	<u>\$1,356,666</u>	<u>\$1,310,737</u>

\$ 59,093	\$ 59,201	\$ 53,563	\$ 53,073	\$ 50,711	\$ 46,568	\$ 53,008
13,971	12,506	11,417	10,890	11,957	12,375	11,720
132,006	164,636	(68,088)	143,070	58,549	(11,465)	32,020
(102,515)	(100,724)	(97,375)	(91,372)	(85,752)	(81,441)	(79,681)
(146)	(80)	(98)	(95)	(134)	(111)	(193)
102,409	135,539	(100,581)	115,566	35,331	(34,074)	16,874
1,055,344	919,805	1,020,386	904,820	869,489	903,563	886,689
<u>\$1,157,753</u>	<u>\$1,055,344</u>	<u>\$ 919,805</u>	<u>\$1,020,386</u>	<u>\$ 904,820</u>	<u>\$ 869,489</u>	<u>\$ 903,563</u>
<u>\$ 445,179</u>	<u>\$ 517,409</u>	<u>\$ 584,982</u>	<u>\$ 470,121</u>	<u>\$ 540,399</u>	<u>\$ 487,177</u>	<u>\$ 407,174</u>

72.23%	67.10%	61.13%	68.46%	62.61%	64.09%	68.94%
\$ 192,252	\$ 187,099	\$ 179,364	\$ 179,607	\$ 187,605	\$ 200,905	\$ 196,344
231.56%	276.54%	326.14%	261.75%	288.05%	242.49%	207.38%

2021	2020	2019	2018	2017
\$ 366	\$ 239	\$ 237	\$ 275	\$ 252
156	179	183	223	211
-	-	-	144	-
92	(3)	(87)	1,966	765
19	792	(82)	(28)	461
-	-	(2,399)	(3,852)	-
633	1,207	(2,148)	(1,272)	1,689
5,333	4,126	6,274	7,546	5,857
<u>\$ 5,966</u>	<u>\$ 5,333</u>	<u>\$ 4,126</u>	<u>\$ 6,274</u>	<u>\$ 7,546</u>
\$ 2,908	\$ 2,726	\$ 2,292	\$ 2,561	\$ 1,305
205.20%	195.63%	180.02%	244.99%	578.24%

Required Supplementary Information (Unaudited)

Schedule of Retirement Plan Contributions

The following table shows the history of Contributions for the Retirement Plan as of December 31, using a January 1 measurement date (*in thousands*).

	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2023	\$ 61,502	\$ 111,502	\$(50,000)	\$ 214,340	52.02%
2022	55,798	55,798	-	199,012	28.04%
2021	56,547	151,500	(94,953)	192,252	78.80%
2020	59,093	59,093	-	187,099	31.58%
2019	59,201	59,201	-	179,364	33.01%
2018	53,563	53,563	-	179,607	29.82%
2017	53,073	53,073	-	187,605	28.29%
2016	50,711	50,711	-	200,905	25.24%
2015	46,568	46,568	-	196,344	23.72%
2014	53,008	53,008	-	194,100	27.31%

See notes to required supplementary information



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Required Supplementary Information (Unaudited)

Schedule of Changes in Total OPEB Liability, Net OPEB Liability and Related Ratios

The following schedules show the history of changes in Total OPEB Liability and Net OPEB Liability as of December 31 using a January 1 measurement date (*in thousands*).

Plan A	2023	2022	2021
Total OPEB Liability			
Service cost	\$ 3,255	\$ 3,075	\$ 3,417
Interest on total OPEB liability	24,060	24,599	26,112
Changes of benefit terms	1,043	-	-
Difference between expected and actual experience	(3,057)	(1,066)	(22,453)
Changes of assumptions	18,351	(14,961)	(9,396)
Benefit payments	(19,860)	(19,219)	(18,685)
Net change in total OPEB liability	23,792	(7,572)	(21,005)
Total OPEB liability (beginning)	350,222	357,794	378,799
Total OPEB liability (ending) (a)	\$ 374,014	\$ 350,222	\$ 357,794
Plan Fiduciary Net Position			
Contributions from employer	\$ 12,553	\$ 13,400	\$ 14,836
Net investment income	(19,110)	19,105	23,733
Benefit payments	(19,860)	(19,219)	(18,685)
Administrative expense	(53)	(55)	(67)
Net change in plan fiduciary net position	(26,470)	13,231	19,817
Plan fiduciary net position (beginning)	197,567	184,336	164,519
Plan fiduciary net position (ending) (b)	\$ 171,097	\$ 197,567	\$ 184,336
Net OPEB liability (ending) (a)-(b)	\$ 202,917	\$ 152,655	\$ 173,458
Plan fiduciary net position as a percentage of total OPEB liability	45.75%	56.41%	51.52%
Covered payroll	\$ 214,340	\$ 199,012	\$ 192,252
Net OPEB liability as a percentage of covered payroll	94.67%	76.71%	90.22%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

2020	2019	2018
\$ 4,064	\$ 4,171	\$ 4,459
27,514	27,717	29,015
-	(37,614)	-
(43,551)	24,899	(31,210)
12,163	(1,255)	-
(20,409)	(21,028)	(20,017)
(20,219)	(3,110)	(17,753)
399,018	402,128	419,881
<u>\$ 378,799</u>	<u>\$ 399,018</u>	<u>\$ 402,128</u>
\$ 20,621	\$ 19,973	\$ 22,568
24,706	(11,695)	18,705
(20,409)	(21,028)	(20,017)
(49)	(168)	(121)
24,869	(12,918)	21,135
139,650	152,568	131,433
<u>\$ 164,519</u>	<u>\$ 139,650</u>	<u>\$ 152,568</u>
<u>\$ 214,280</u>	<u>\$ 259,368</u>	<u>\$ 249,560</u>
43.43%	35.00%	37.94%
\$ 187,099	\$ 179,364	\$ 179,607
114.53%	144.60%	138.95%

Required Supplementary Information (Unaudited)

Schedule of Changes in Total OPEB Liability, Net OPEB Liability and Related Ratios

The following schedules show the history of changes in Total OPEB Liability and Net OPEB Liability as of December 31 using a January 1 measurement date (*in thousands*).

Plan B	2023	2022	2021
Total OPEB Liability			
Service cost	\$ 946	\$ 780	\$ 706
Interest on total OPEB liability	477	377	321
Changes of benefit terms	76	-	-
Difference between expected and actual experience	(38)	10	115
Changes of assumptions	(314)	632	(112)
Benefit payments	(109)	(12)	(44)
Net change in total OPEB liability	1,038	1,787	986
Total OPEB liability (beginning)	8,194	6,407	5,421
Total OPEB liability (ending) (a)	\$ 9,232	\$ 8,194	\$ 6,407
Plan Fiduciary Net Position			
Contributions from employer	\$ 1,000	\$ 1,000	\$ 746
Net investment income	(1,017)	313	541
Benefit payments	(109)	(12)	(44)
Administrative expense	(35)	(36)	(39)
Net change in plan fiduciary net position	(161)	1,265	1,204
Plan fiduciary net position (beginning)	7,462	6,197	4,993
Plan fiduciary net position (ending) (b)	\$ 7,301	\$ 7,462	\$ 6,197
Net OPEB liability/(asset) (ending) (a)-(b)	\$ 1,931	\$ 732	\$ 210
Plan fiduciary net position as a percentage of total OPEB liability	79.08%	91.08%	96.72%
Covered-employee payroll	\$ 125,568	\$ 106,312	\$ 108,669
Net OPEB liability/(asset) as a percentage of covered-employee payroll	1.54%	0.69%	0.19%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

	2020	2019	2018
\$	565	\$ 492	\$ 459
	243	219	182
	-	-	-
	462	145	57
	81	(451)	-
	(9)	(17)	(13)
	1,342	388	685
	4,079	3,691	3,006
\$	5,421	\$ 4,079	\$ 3,691
\$	625	\$ -	\$ -
	568	(133)	356
	(9)	(17)	(13)
	(48)	(35)	(36)
	1,136	(185)	307
	3,857	4,042	3,735
\$	4,993	\$ 3,857	\$ 4,042
\$	428	\$ 222	\$ (351)
	92.10%	94.57%	109.52%
\$	85,679	\$ 73,931	\$ 55,747
	0.50%	0.30%	(0.63%)

Required Supplementary Information (Unaudited)

Schedule of OPEB Contributions

The following table shows the history of Contributions for the OPEB Plans as of December 31 using a January 1 measurement date (*in thousands*).

Plan A	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2023	\$16,575	\$ 16,575	\$ -	\$ 214,340	7.73%
2022	12,553	12,553	-	199,012	6.31%
2021	13,417	13,400	17	192,252	6.97%
2020	14,836	14,836	-	187,099	7.93%
2019	20,621	20,621	-	179,364	11.50%
2018	19,973	19,973	-	179,607	11.12%

Plan B	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as Percentage of Covered-Employee Payroll
2023	\$ 1,262	\$ 1,262	\$ -	\$125,568	1.00%
2022	1,000	1,000	-	106,312	0.94%
2021	987	1,000	(13)	108,669	0.92%
2020	746	746	-	85,679	0.87%
2019	625	625	-	73,931	0.85%
2018*	323	-	-	55,747	0.00%

* Plan B was overfunded as of December 31, 2018, so no employer contribution was required, despite the actuarially determined contribution.

Schedules are intended to show information for 10 years. Additional years will be displayed when available.

See notes to required supplementary information



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Notes to Required Supplementary Information (Unaudited)

Retirement Plan

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal with 20-year closed amortization period for unfunded liability

Asset Valuation Method: 5-year smoothing

Salary Increases: Varies by age

Investment Rate of Return: 6.5% for 2023 and 2022, 7.0% for 2021 through 2016, 7.75% for 2015 and 2014

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table projected using the most recent mortality improvement scale available for 2023 through 2020, RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for 2019 through 2014.

Non-Qualified Plan

OPPD contributes to a fund for the Non-Qualified Plan on an actuarially determined basis. The fund will be used to pay related benefits; however, it does not meet the criteria for GASB 68 as the assets are not legally protected from creditors. As such, assets were reported in the Company's financial statements and were not netted against the total pension liability.

Valuation Date: Actuarially determined calculations are as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates

Actuarial Cost Method: Aggregate

Salary Increases: Varies by age

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table projected using the most recent mortality improvement scale available for 2023 through 2020, RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for 2019 through 2017.

Notes to Required Supplementary Information (Unaudited)

OPEB Plan A

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal with 15-year closed amortization period for unfunded liability

Asset Valuation Method: 5-year smoothing

Salary Increases: Varies by age

Investment Rate of Return: 7.0% for 2023 through 2017

Retirement Rates: Varies by age and service

Mortality Rates: PUB-2010 General table with generational projection using the most recent mortality improvement scale available for 2023 through 2020. RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and was updated annually as new actuarial tables were published for years 2019 through 2017.

Healthcare Cost Trend Rates: The following table shows the pre-Medicare and post-Medicare healthcare trend rates (immediate to ultimate).

	Pre-Medicare	Post-Medicare
2023	7.3% to 4.5%	7.7% to 4.5%
2022	6.2% to 4.5%	8.0% to 4.5%
2021	6.3% to 4.5%	8.3% to 4.5%
2020	6.8% to 4.5%	11.6% to 4.5%
2019	7.1% to 4.5%	11.6% to 4.5%
2018	7.1% to 4.5%	8.0% to 4.5%
2017	7.4% to 4.5%	8.6% to 4.5%

OPEB Plan B

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal with 15-year closed amortization period for unfunded liability

Asset Valuation Method: Market Value

Investment Rate of Return: 5.25% for 2023 through 2017

Mortality Rates: PUB-2010 General table with generational projection using the most recent mortality improvement scale available for 2023 through 2020. RP-2014 Aggregate mortality table with generational projection using Scale MP-2014, and is updated annually as new actuarial tables are published for years 2019 through 2017.

Healthcare Cost Trend Rates: The following table shows the pre-Medicare and post-Medicare healthcare trend rates (immediate to ultimate). The account utilization assumption was changed effective January 1, 2023, to use healthcare trend rates to project the premiums necessary for each member, and the utilization of the member's account. Changes to healthcare trend rates have a small impact on the account balance utilization, but no impact on the account balance earned. Prior to 2023, healthcare trend rates did not impact the member's hypothetical account utilization.

	Pre-Medicare	Post-Medicare
2023	7.3% to 4.5%	7.7% to 4.5%

Statistics (Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Electric Utility Plant (at year end) (in thousands of dollars)	6,045,003	5,546,856	5,011,756	4,726,802	4,586,990	4,429,791	4,350,603	4,305,055	5,574,941	5,395,489
Total Indebtedness (at year end) (in thousands of dollars)	3,018,200	2,610,225	2,280,900	1,925,302	1,980,651	2,049,020	2,132,253	2,193,921	2,256,348	2,224,843
Operating Revenues (in thousands of dollars)										
Residential	472,633	460,848	439,609	431,965	423,574	431,199	409,272	410,957	383,051	379,986
Commercial	350,956	336,360	324,790	315,788	329,616	331,773	324,723	324,545	315,079	311,917
Industrial	317,828	291,343	276,264	225,078	215,765	213,606	214,580	210,912	201,805	207,649
Off-System Sales	243,580	256,478	328,376	137,282	147,509	183,714	163,761	175,506	195,512	223,055
FPPA Revenue	(7,400)	7,400	7,616	(45,917)	20,896	8,579	6,708	(6,115)	(19,166)	(20,147)
Unbilled Revenues	(2,354)	10,556	(372)	3,847	2,956	(2,532)	(1,049)	6,753	(976)	(1,800)
Provision for Rate Stabilization	(26,000)	—	—	—	—	—	(8,000)	(26,000)	25,000	(4,000)
Provision for Decommissioning & Benefits Reserve	33,000	(6,000)	83,000	(21,000)	(17,000)	(42,500)	(34,500)	—	—	—
Other Electric Revenues	46,662	43,799	37,637	36,858	37,403	33,094	28,806	29,918	30,930	29,798
Total	1,428,905	1,400,784	1,496,920	1,083,901	1,160,719	1,156,933	1,104,301	1,126,476	1,131,235	1,126,458
Operations & Maintenance Expenses (in thousands of dollars)	1,036,164	962,458	1,093,592	686,086	724,890	699,944	653,293	823,857	841,939	832,519
Payments in Lieu of Taxes (in thousands of dollars)	42,498	40,462	38,555	35,437	35,030	34,915	33,989	34,138	32,241	31,651
Net Operating Revenues before Depreciation, Amortization and Decommissioning (in thousands of dollars)	350,243	397,864	364,773	362,378	400,799	422,074	417,019	268,481	257,055	262,288
Net Income Before Special Item (in thousands of dollars)	184,900	11,205	27,948	74,003	86,949	68,734	79,168	25,750	32,322	51,925
Special Item (in thousands of dollars)	—	—	—	—	—	—	(1,972)	(959,575)	—	—
Net Income (Loss) (in thousands of dollars)	184,900	11,205	27,948	74,003	86,949	68,734	77,196	(933,825)	32,322	51,925
Energy Sales (in megawatt-hours)										
Residential	3,947,870	3,937,046	3,868,322	3,792,482	3,751,130	3,841,043	3,568,164	3,588,933	3,470,523	3,559,978
Commercial	3,796,608	3,763,330	3,668,742	3,529,531	3,735,317	3,765,727	3,675,829	3,683,821	3,630,557	3,638,193
Industrial	4,683,632	4,293,784	4,014,243	3,683,609	3,389,005	3,371,856	3,394,003	3,328,290	3,301,175	3,500,977
Off-System Sales	3,325,638	4,410,693	4,222,712	4,950,477	4,427,468	5,658,707	5,701,008	7,238,266	7,840,683	7,694,203
Unbilled Sales	(56,155)	111,815	(43,517)	83,316	44,351	(28,596)	(19,868)	63,638	(26,640)	(39,493)
Total	15,697,593	16,516,668	15,730,502	16,039,415	15,347,271	16,608,737	16,319,136	17,902,948	18,216,298	18,353,858
Number of Customers (average per year)										
Residential	357,528	351,712	346,503	342,716	337,517	333,567	328,576	323,784	319,501	315,705
Commercial	49,782	49,550	48,780	47,461	46,837	46,589	46,084	45,537	45,104	44,785
Industrial	133	135	141	144	147	151	157	164	174	177
Off-System	13	13	13	13	14	15	14	15	11	15
Total	407,456	401,410	395,437	390,334	384,515	380,322	374,831	369,500	364,790	360,682
Cents Per kWh (average)										
Residential	12.02	11.68	11.38	11.40	11.30	11.21	11.49	11.47	11.07	10.68
Commercial	9.27	8.93	8.86	8.95	8.82	8.81	8.83	8.81	8.69	8.57
Industrial	6.81	6.81	6.97	6.02	6.37	6.33	6.32	6.35	6.12	5.94
Retail	9.21	9.08	9.04	8.84	8.90	8.90	8.92	8.94	8.66	8.42
Generating Capability (at year end) (in megawatts)	2,669.9	2,671.4	2,692.1	2,691.5	2,690.8	2,691.4	2,645.7	2,490.1	3,080.3	3,232.1
System Peak Load (in megawatts)	2,789.0	2,545.8	2,509.0	2,384.0	2,436.1	2,363.7	2,426.9	2,354.4	2,315.1	2,291.1
Net System Requirements (in megawatt-hours)										
Generated	7,959,596	9,335,876	8,977,573	9,703,434	9,022,252	11,116,129	10,760,108	14,689,524	15,399,002	16,212,801
Purchased and Net Interchange	4,995,139	3,376,444	3,130,597	1,950,971	2,414,090	367,609	395,288	(3,502,796)	(4,488,016)	(5,026,318)
Net	12,954,735	12,712,320	12,108,170	11,654,405	11,436,342	11,483,738	11,155,396	11,186,728	10,910,986	11,186,483

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OPPD's Senior Lien Debt, Subordi-
nated Revenue Bonds and Separate
System Revenue Bonds is The Bank
of New York Mellon Trust Company,
N.A. You may contact The Bank of
New York Mellon Trust Company, N.A.
directly at:

The Bank of New York Mellon
Trust Company, N.A.
Global Corporate Trust
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Email: [corporate.bond.research@
bnymellon.com](mailto:corporate.bond.research@bnymellon.com)

Bondholder Communications:
800-254-2826

Available Financial Information

In compliance with Securities and
Exchange Commission Rule 15c2-12,
information regarding OPPD is avail-
able through the Municipal Securities
Rulemaking Board's Electronic
Municipal Market Access System.
Copies of its most recent annual reports
and official statements also are available
upon request at finfo@oppd.com or at
the following address:

Treasury & Financial Operations Division
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Financial information in the annual report
also is available at oppd.com



Energy Plaza
444 South 16th Street Mall
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