

# Preliminary 2017 Corporate Operating Plan



# Assumptions

## Alignment with Board Strategic Directives

### No Revenue Adjustments

- General rate increase
- Fuel and Purchased Power Adjustment change

### Retail Energy Sales

- 0.8% increase from 2016 budget
- 0.7% increase from 2016 projected

### Wholesale Revenue

- Reduced energy due to change in the generating portfolio
- 53.1% decrease from 2016 budget
- 43.1% decrease from 2016 projected

# Assumptions

## Expenditures

- Capital and operating and maintenance expenditures are planned to maintain system reliability and future load growth
- Increased funding for Fort Calhoun Station Decommissioning
- Cost and Process Improvement Reductions - \$8.4 million

## Financing

- No new issue of Revenue Bonds

## Rate Stabilization Reserve

- Increase Funding to \$50 million balance

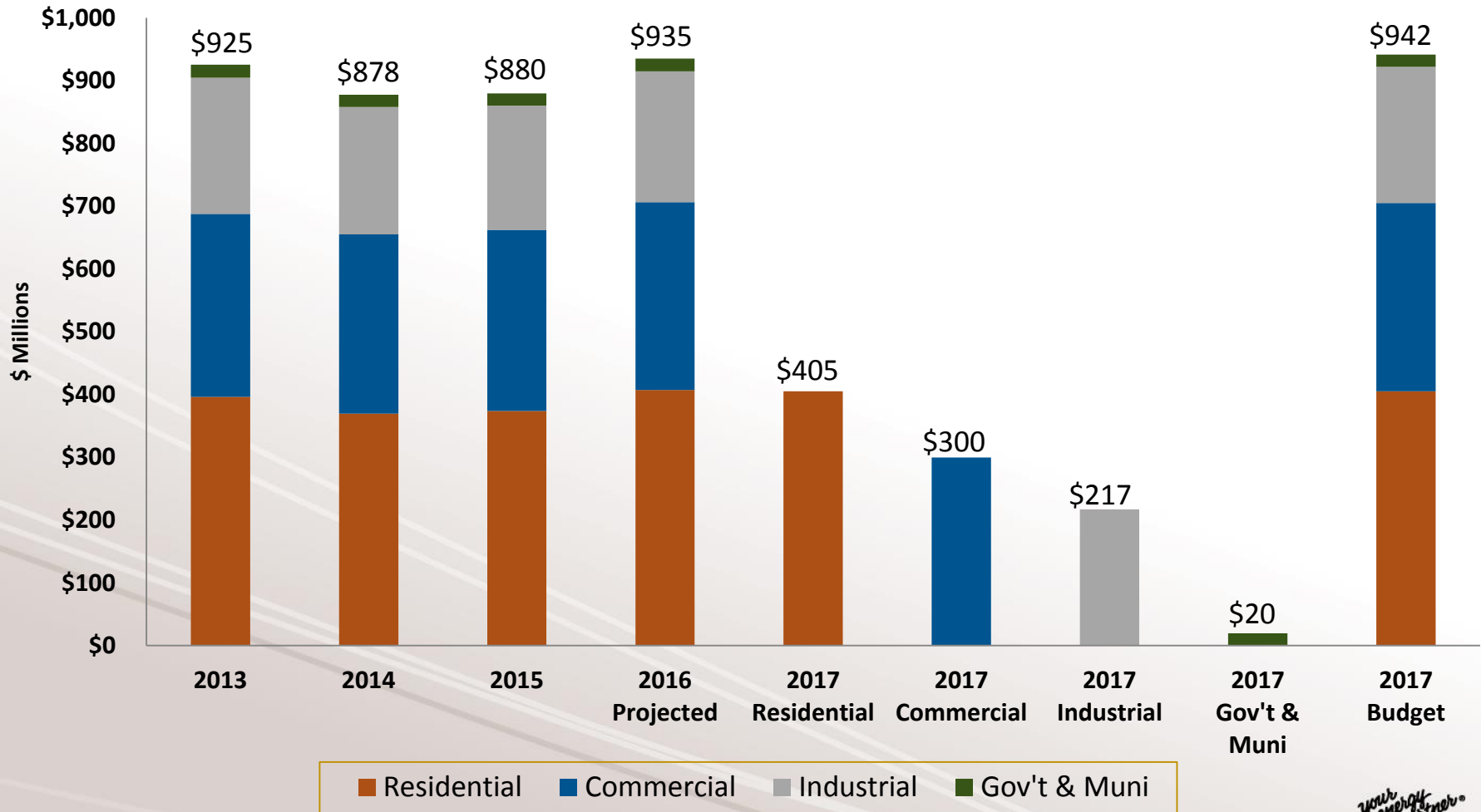
# Assumptions

## Fort Calhoun Station – Safstor implementation

### 2017 Planned Outages

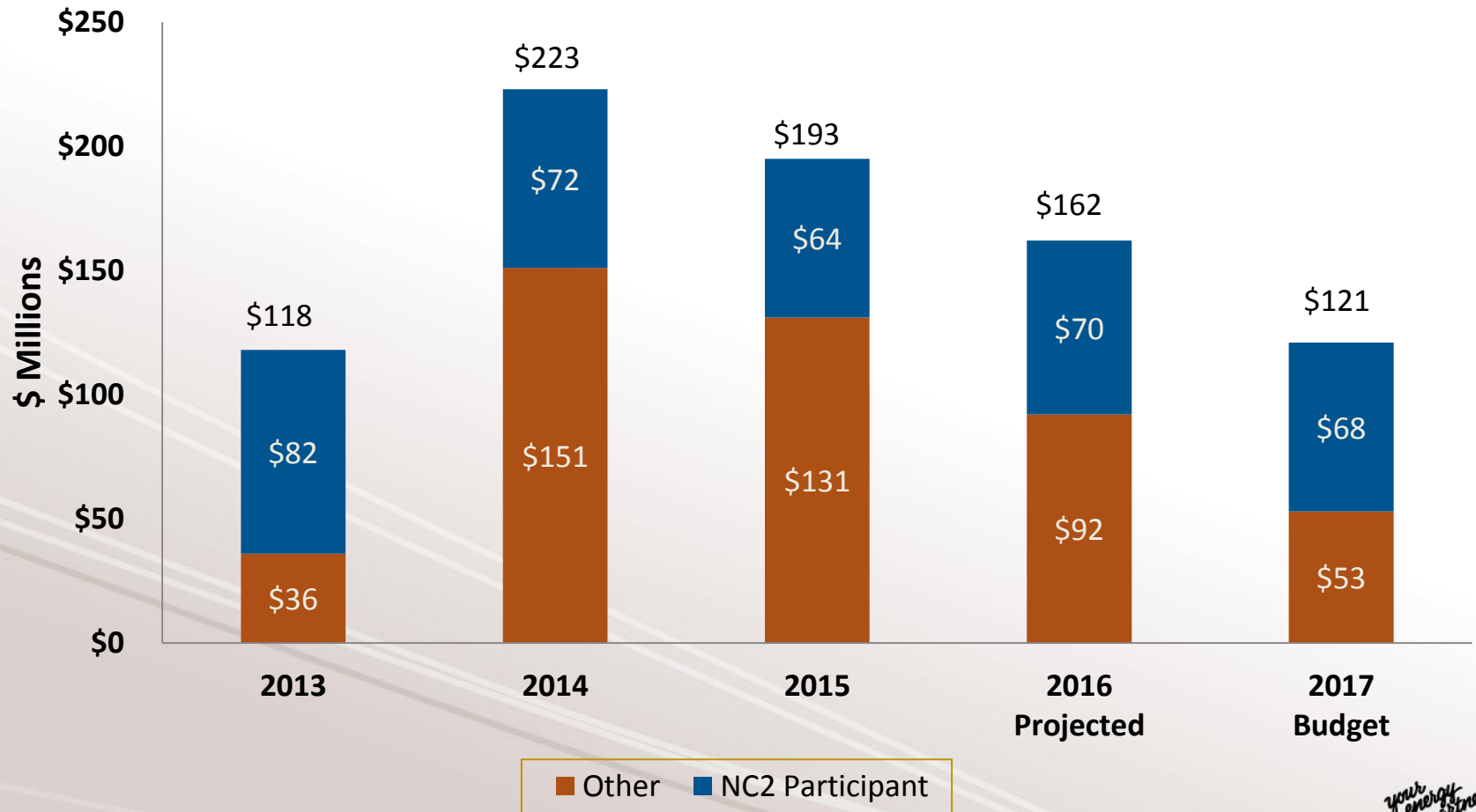
- Nebraska City Station Unit No. 2 Boiler – 45 days
- Sarpy County Station Unit No 1 Repair – 30 days
- Several shorter outages for North Omaha Station and other Peaking Units

# Retail Revenue\*

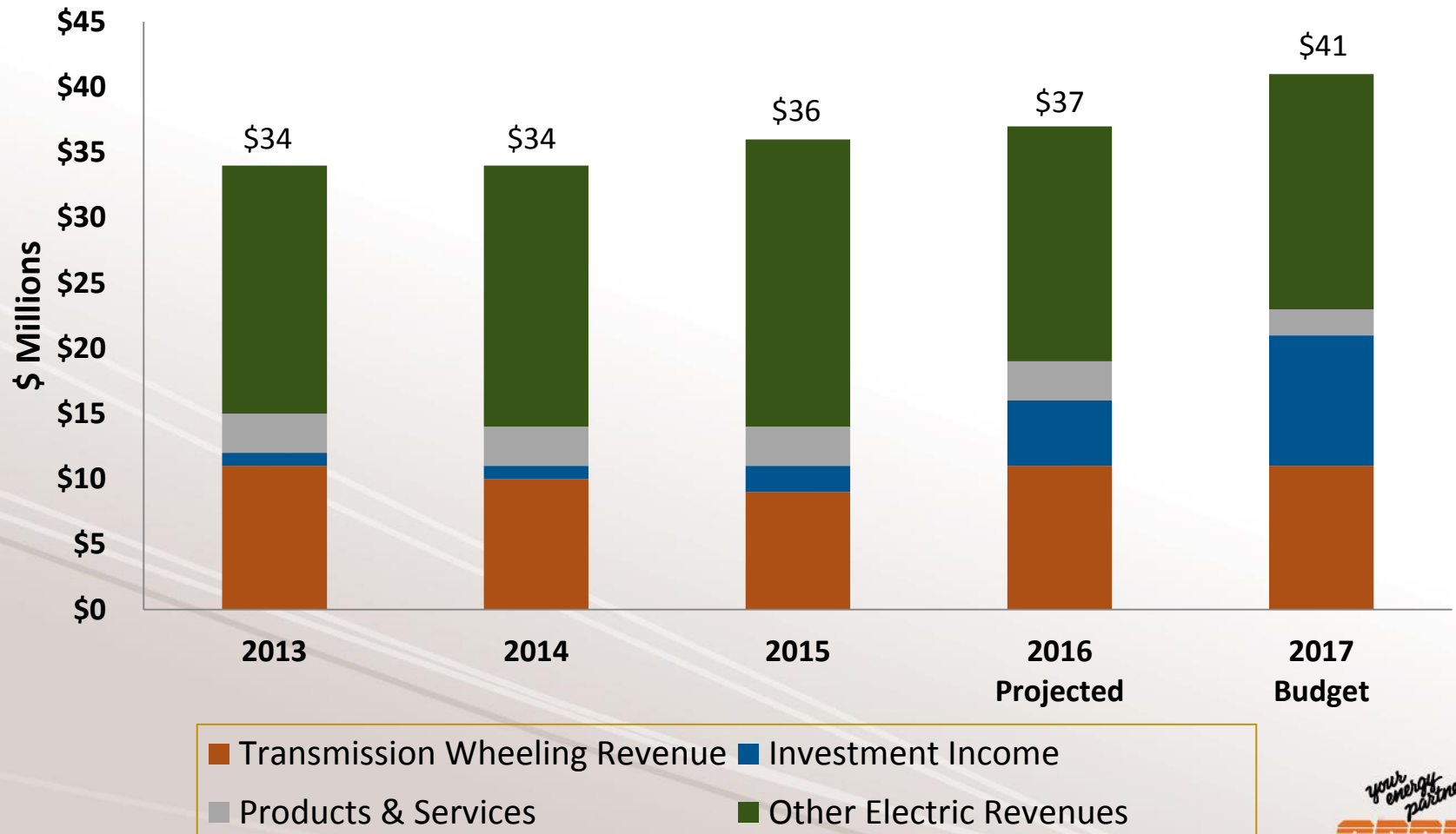


\* Excludes FPPA Receivable Revenue, and Rate Stabilization proceeds

# Wholesale Revenue

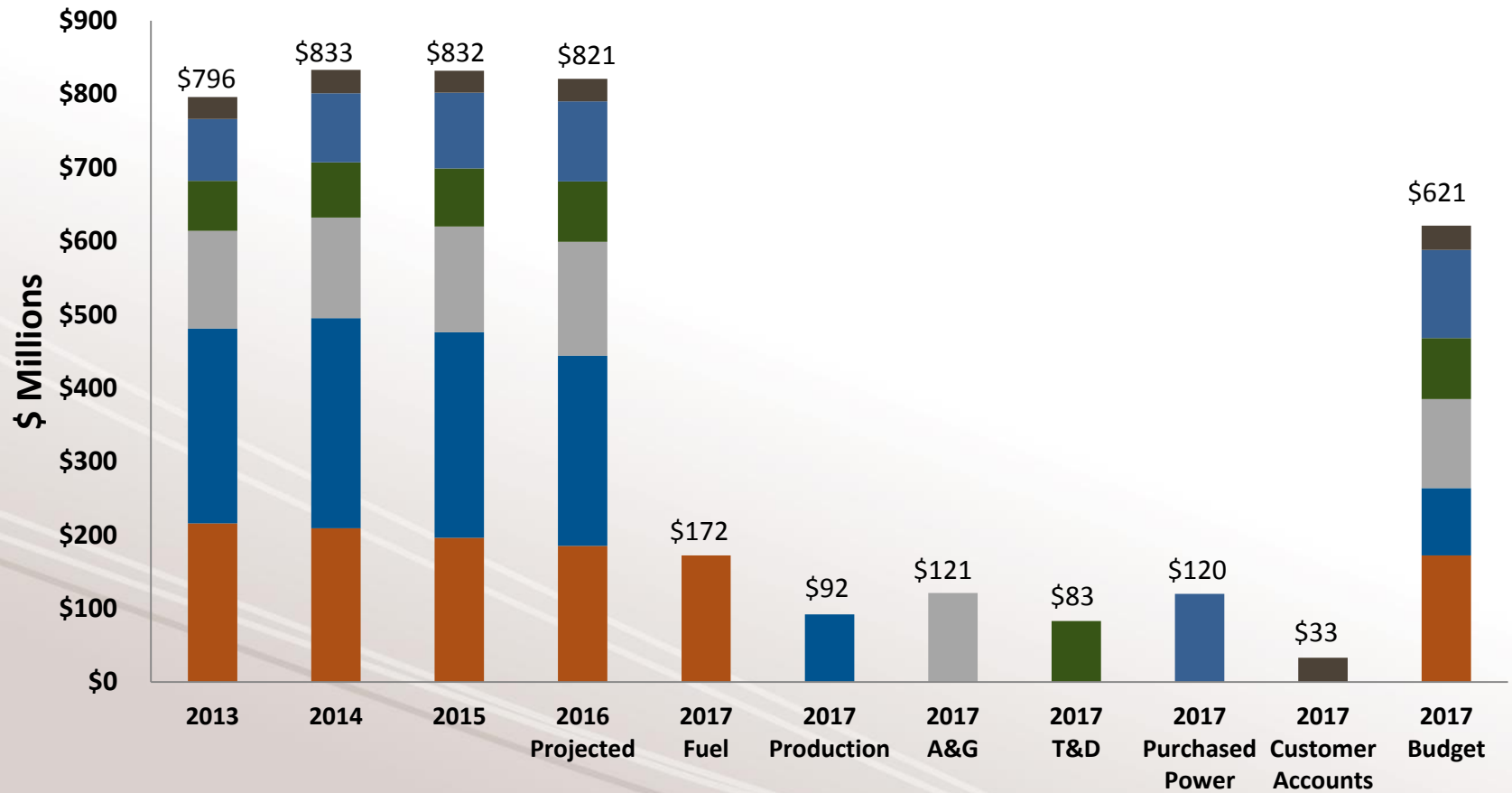


# Other Operating Revenue & Non-Operating Income\*



\* Excludes transfers from Debt Retirement Account, AFUDC, and Misc. Non-Operating Income

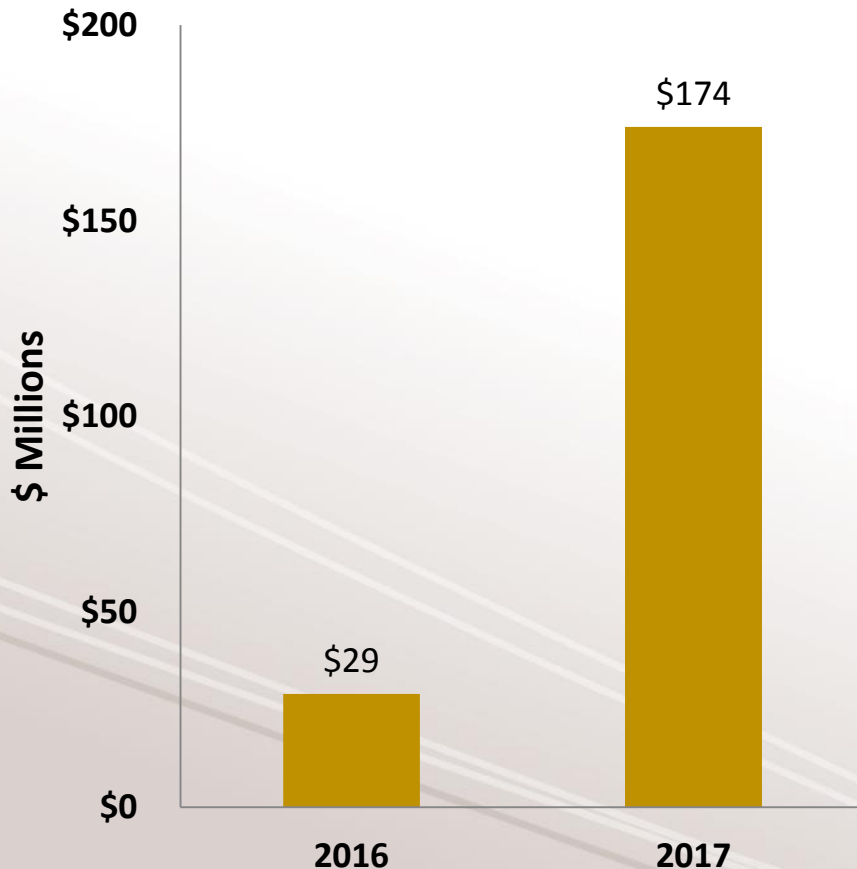
# Operation and Maintenance Expense



■ Fuel   
 ■ Production   
 ■ A&G   
 ■ T&D   
 ■ Purchased Power   
 ■ Customer Accounts



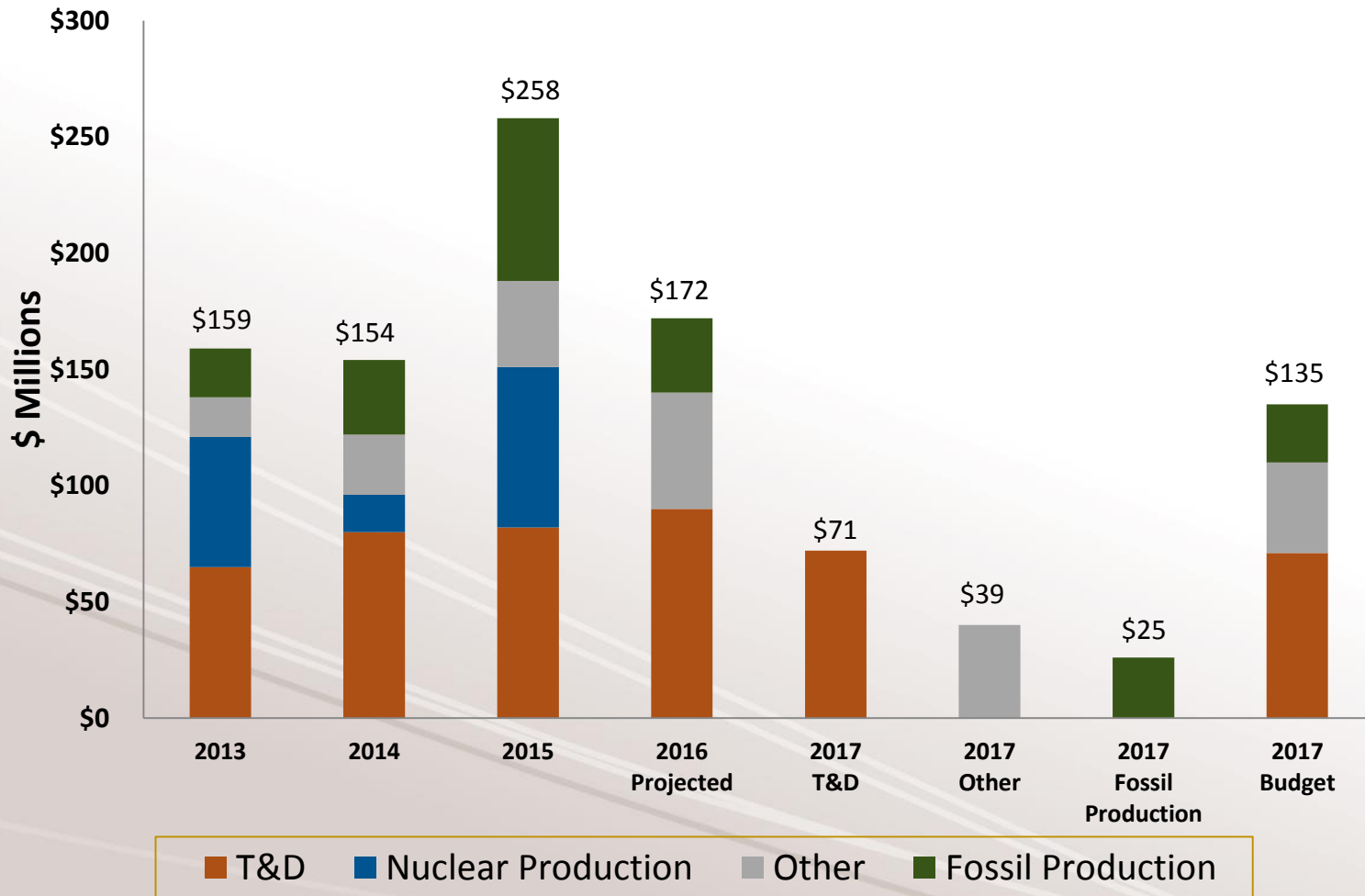
# FCS Decommissioning Expenditures



## Safstor Projects:

- NRC License Termination
- Site Restoration
- Spent Fuel Management

# Capital Expenditures



# 2017 Large Capital Programs/Projects

Millions

## Production

- Nebraska City Station Landfill \$6
- NC2 HPIP Turbine Rotor Replacement \$8
- NC2 Outage projects \$5

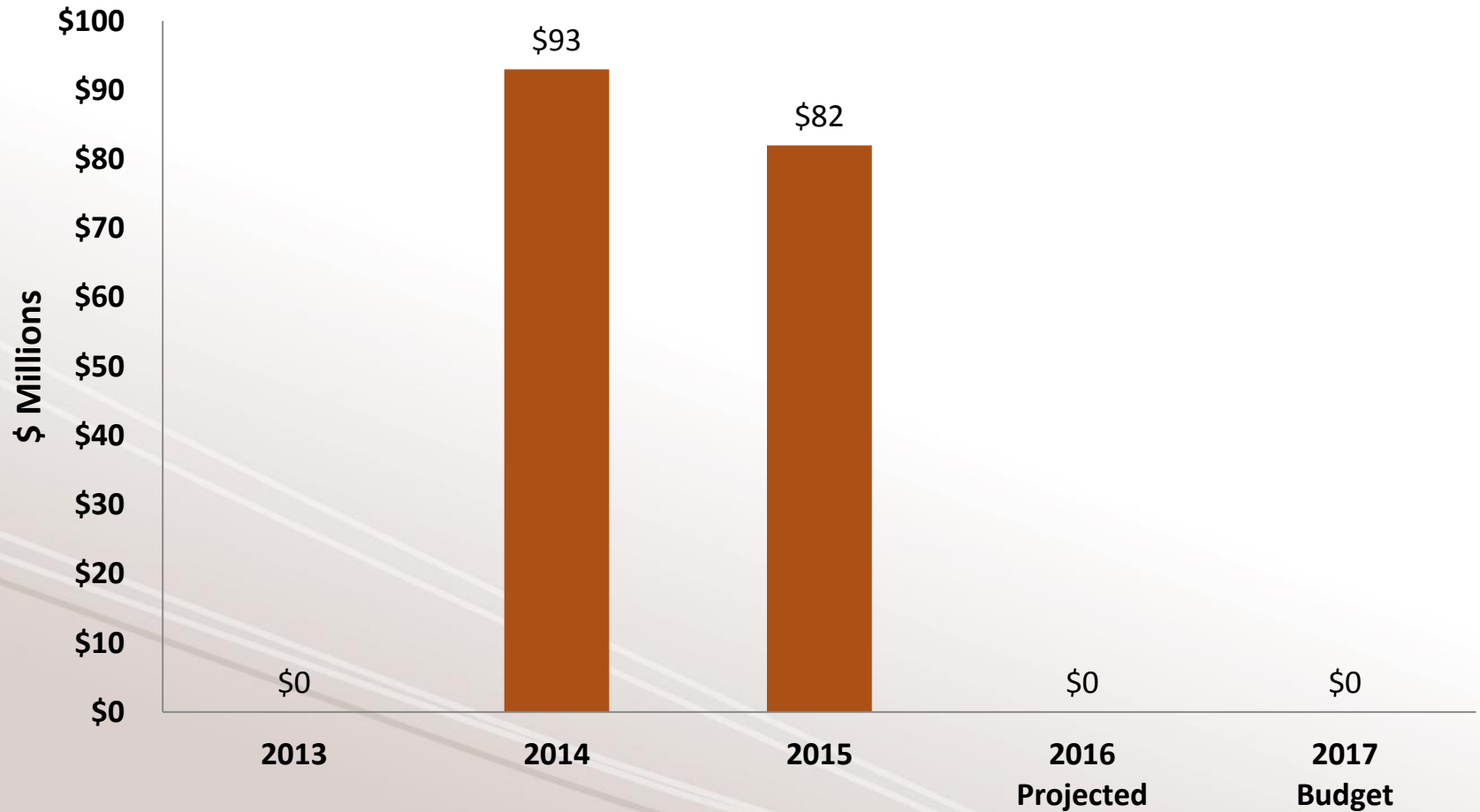
## Transmission & Distribution

- Elkhorn River Valley Transmission Line \$12
- Transmission & Distribution Improvement Program \$10

## Business Technology

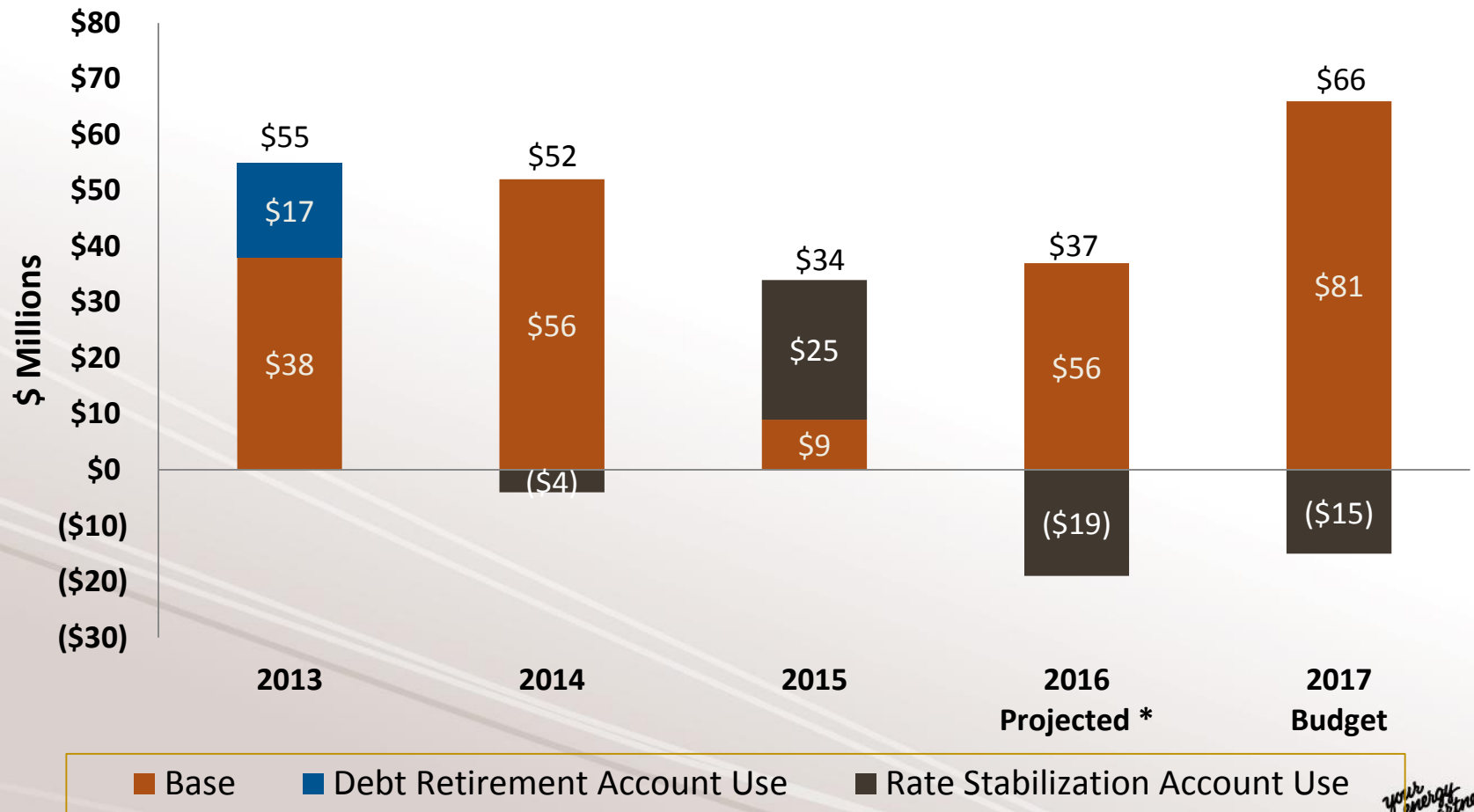
- Enterprise Communication \$2

# Long-Term Debt Financings\*



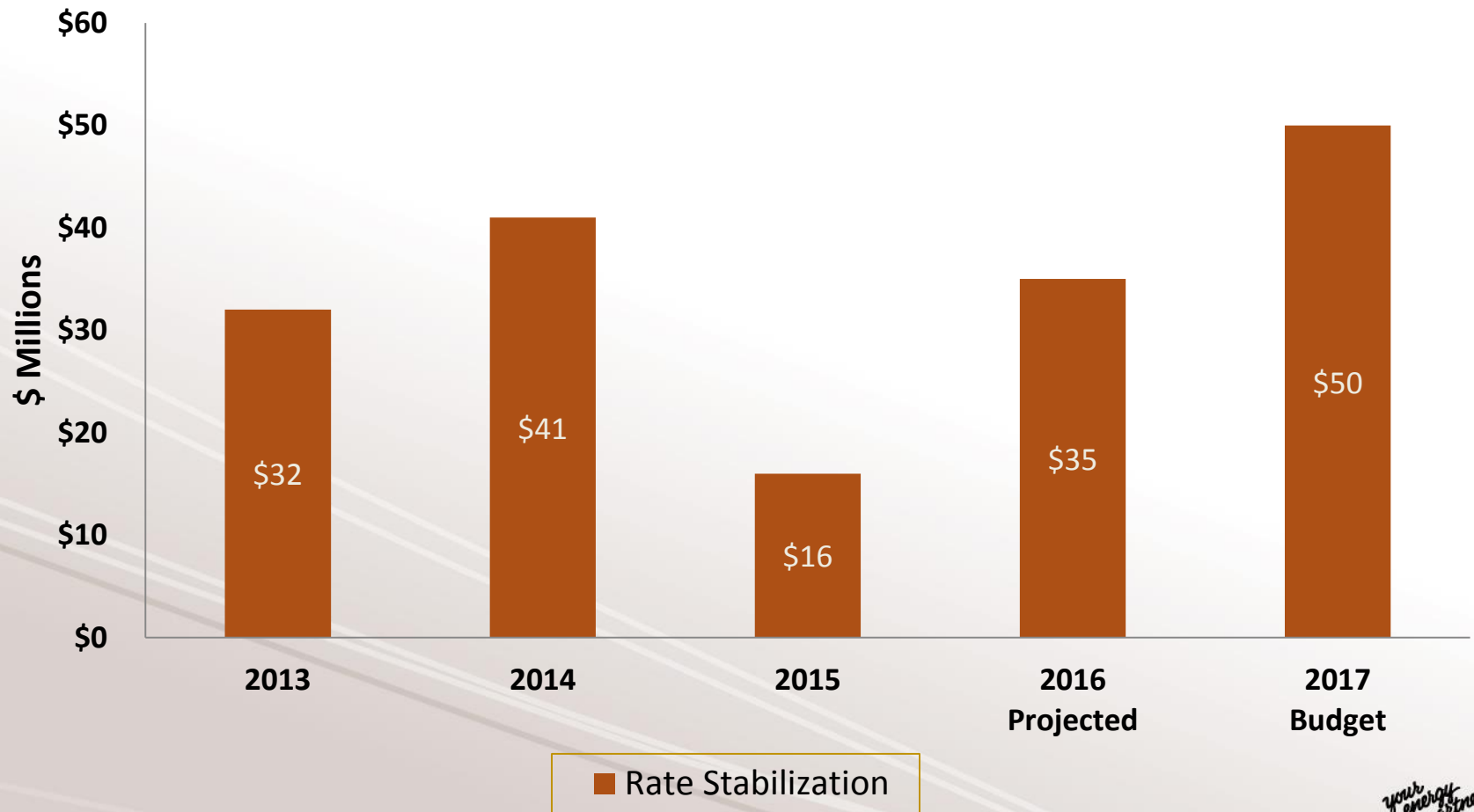
\* Excludes refunding debt issuance

# Net Income



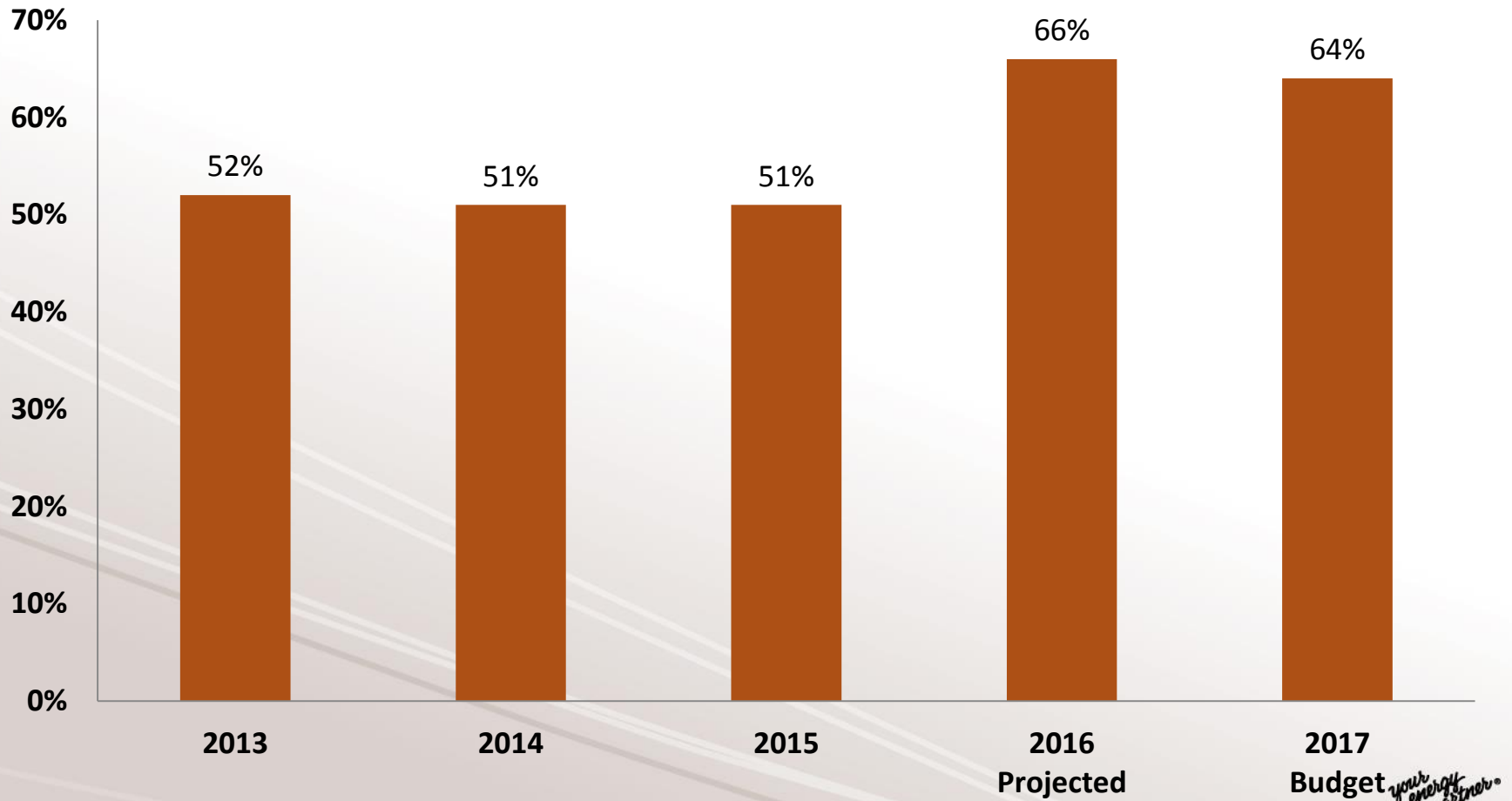
\* Excludes the \$964.9 million write-off from the Fort Calhoun Station decision

# Rate Stabilization Account Balances\*

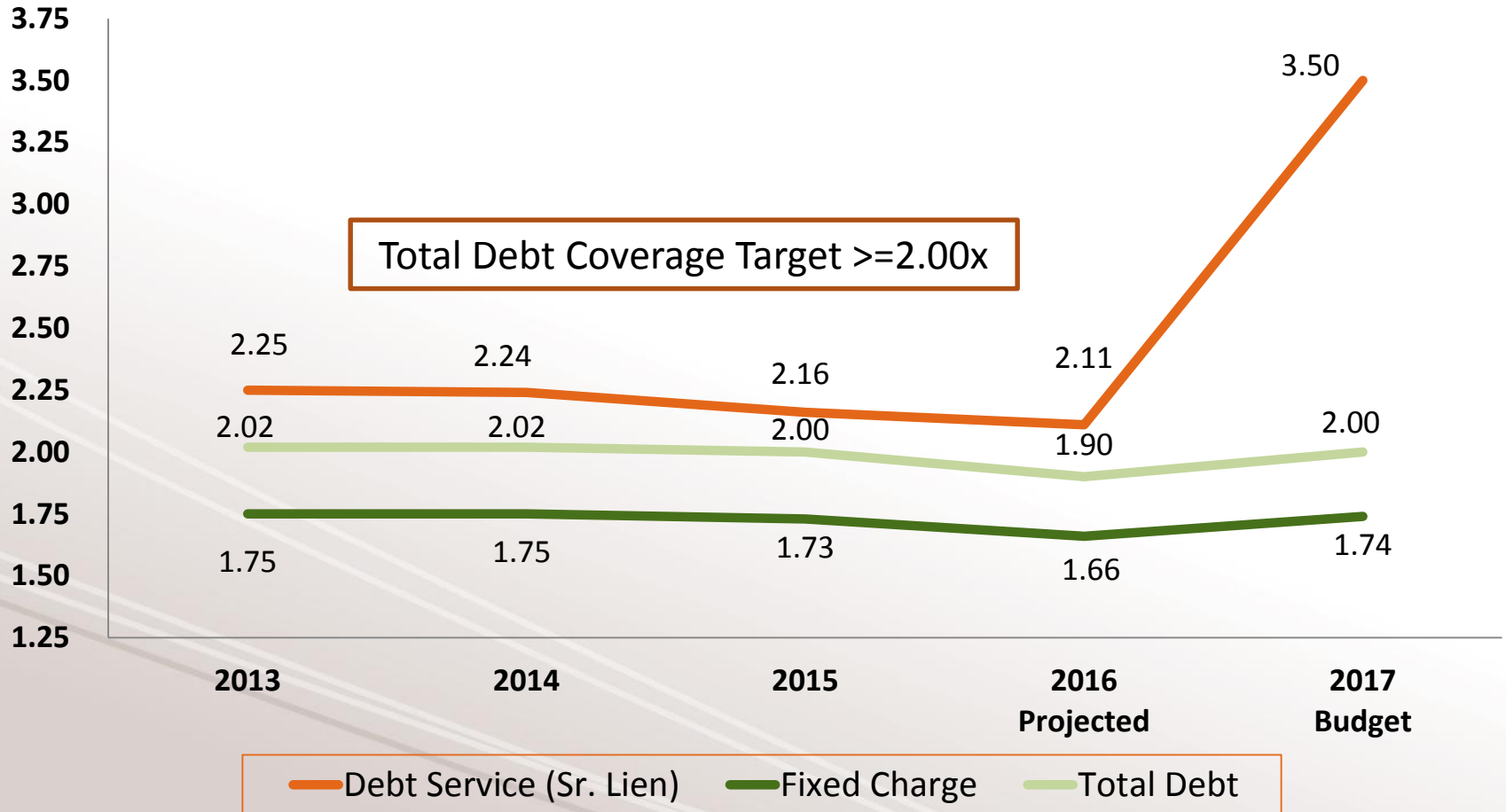


\* At year end

# Debt Ratio



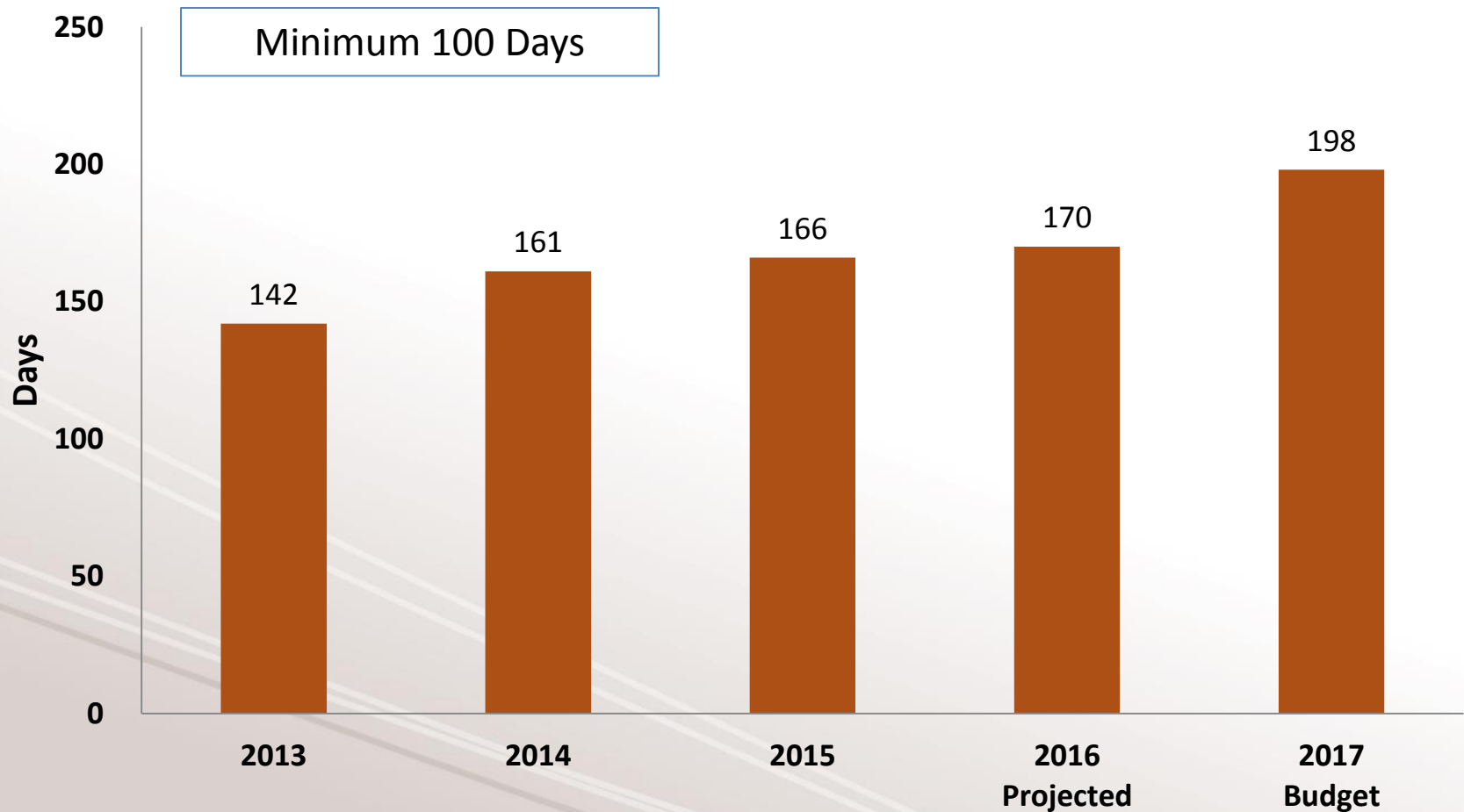
# Coverage Ratios



Supports Board Strategic Directive Policy SD-3: Access to Credit Markets



# Days Cash on Hand\*



\* At year end, excluding liquidity facilities  
Supports Board Strategic Directive Policy SD-3: Access to Credit Markets

# NewGen Strategies and Solutions, LLC Review

- Customer Usage Forecasts / Methodology
- Revenue Forecasts
- Integrated Resource Plan
- Generation Plan / Scheduling
- Fuel Budget
- Operation & Maintenance Expense Budget
- Capital Expenditure Plan
- Preliminary review complete, final report expected in December

# Summary

- **OPPD's Mission**
  - “Provide affordable, reliable and environmentally sensitive energy services to our customers” (SD-1A)
- **The 2017 COP is aligned with the corporate mission**
  - Rates remain below regional and national averages (SD-2)
  - Expenditures sufficient to maintain system reliability (SD-4)
  - Renewable resources generate 25% of retail energy (SD-7)
- **Continuous improvement opportunities**
  - Manage O&M expenditures
  - Manage Fort Calhoun Station decommissioning expenditures
  - Prioritize and manage capital investments
  - Identify and manage risk

**Supports Board Strategic Directive Policies:** SD-1A: Mission Statement; SD-2: Competitive Rates; SD-4: Reliability; SD-7: Environmental Stewardship

# Public Notice and Comment Process

November 17, 2016

- Presentation to the Board of Directors

December 15, 2016

- Request Board of Directors Approval