

**Omaha Public Power District**  
1623 Harney Omaha, Nebraska 68102-2247  
402/536-4000

April 4, 1990  
LIC-90-0313

U. S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Mail Station P1-137  
Washington, DC 20555

Reference: Docket No. 50-285

Gentlemen:

SUBJECT: Annual Financial Report

Please find enclosed one (1) copy of Omaha Public Power District's 1989 Annual Financial Report, as required by 10 CFR 50.71(b).

If you should have any questions, please contact me.

Sincerely,

*W. G. Gates*

W. G. Gates  
Division Manager  
Nuclear Operations

WGG/mc

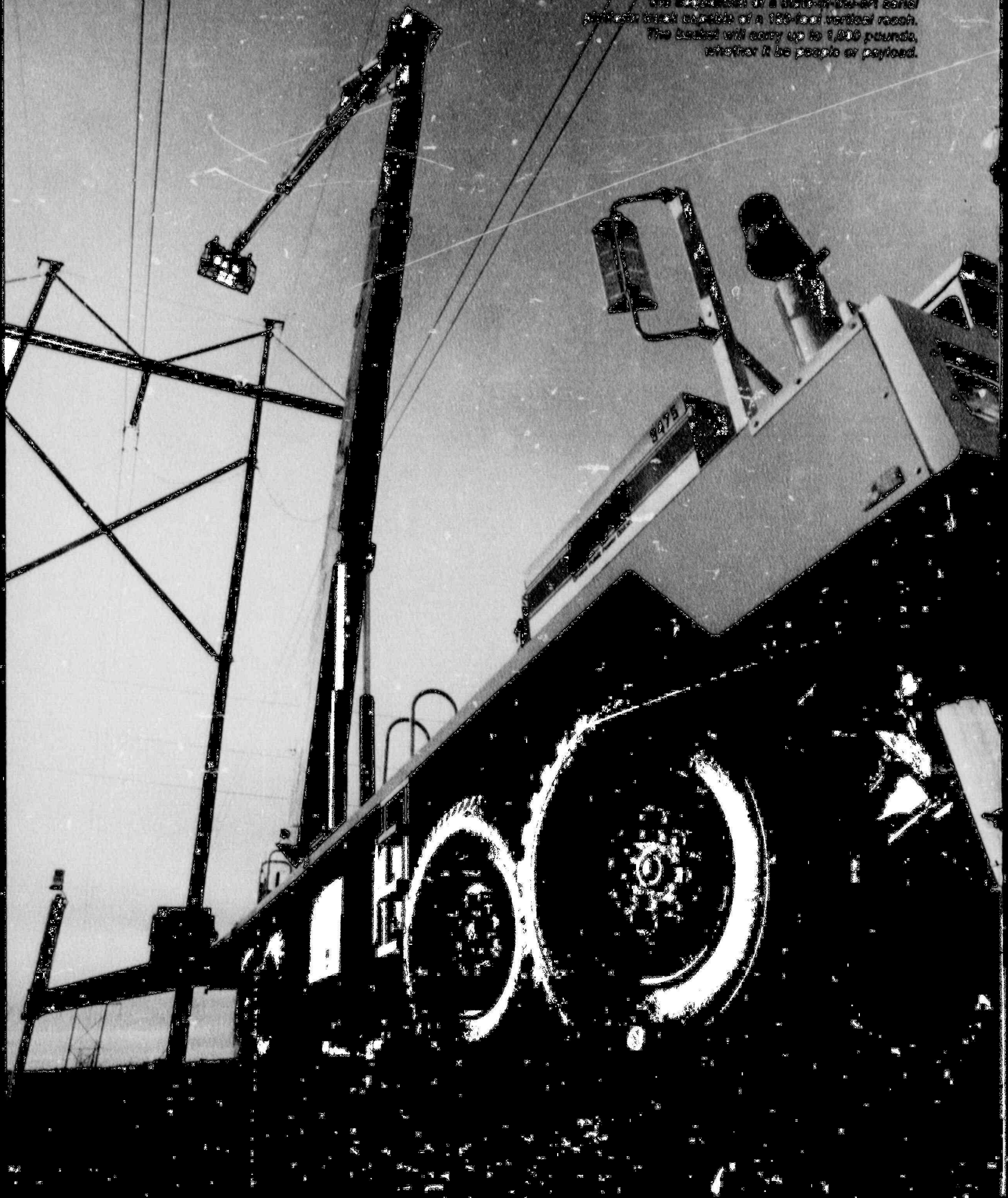
Enclosure

c: LeBoeuf, Lamb, Leiby & MacRae (w/o)  
R. D. Martin, NRC Regional Administrator, Region IV (w/o)  
A. Bournia, NRC Project Manager (w/o)  
P. H. Harrell, NRC Senior Resident Inspector (w/o)

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PP&C crews reached new heights in 1989 with the acquisition of a state-of-the-art aerial platform truck capable of a 120-foot vertical reach. The basket will carry up to 1,000 pounds, whether it be people or payload.



O P P D

1989

ANNUAL  
REPORT





# MAHA PUBLIC POWER DISTRICT

## EXECUTIVE OFFICES

Energy Plaza  
444 South 16th Street Mall  
Omaha, Nebraska 68102-2247

## TRUSTEES

Morgan Guaranty Trust Company of New York,  
New York, New York (1961, 1966, 1968, and 1969  
Bonds)

The First National Bank of Chicago, Chicago, Illinois  
(1972, 1973, 1977 Series A, B, and C, 1985 Series A,  
1986 Series A, and 1989 Series A Bonds)

## PAYING AGENTS

Morgan Guaranty Trust Company of New York, New  
York, New York (1961, 1966, 1968, 1969, 1972, 1973,  
1977 Series A, B, and C, 1985 Series A, 1986 Series A,  
and 1989 Series A Bonds)

Continental Illinois National Bank and Trust Company  
of Chicago, Chicago, Illinois (1961, 1966, 1968, and  
1969 Bonds)

The First National Bank of Chicago, Chicago, Illinois  
(1972, 1973, 1977 Series A, B, and C, 1985 Series A,  
1986 Series A, and 1989 Series A Bonds)

Norwest Bank Nebraska, N.A., Omaha, Nebraska

## GENERAL COUNSEL

Fraser, Stryker, Vaughn, Meusey, Olson, Boyer &  
Bloch, P.C., Omaha, Nebraska

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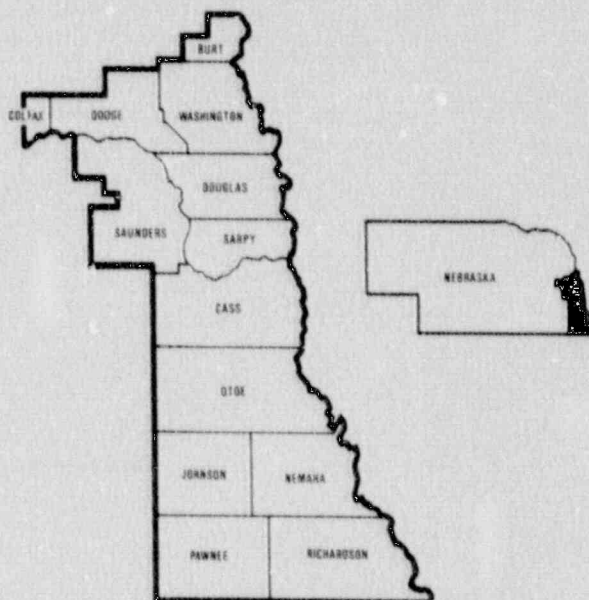
## OPPD SERVICE AREA

### OPPD SERVICE AREA: 5,000 SQUARE MILES


OPPD serves 577,000 people in all or part of  
13 counties in eastern Nebraska. Electric service  
is provided to the following 49 incorporated  
communities at retail:

Alvo	Ceresco	Leshara	Rogers
Arlington	Colon	Louisville	Rulo
Ashland	Cook	Manley	Salem
Avoca	Eagle	Mead	South Bend
Bellevue	Elkhorn	Memphis	Springfield
Bennington	Elmwood	Morse Bluff	Valley
Blair	Fort Calhoun	Murdock	Washington
Boys Town	Gretna	Nickerson	Waterloo
Burr	Herman	North Bend	Weeping
Carter Lake	Hooper	Omaha	Water
(Iowa)	Ithaca	Papillion	Winslow
Cedar Bluffs	Kennard	Peru	Yutan
Cedar Creek	LaVista	Ralston	

OPPD also serves Elk Creek, Greenwood, Syracuse, and  
Tecumseh at wholesale.







More than \$18 million has been budgeted for 1990 to make improvements and maintain equipment at the North Omaha Station. These employees are repairing the magnetic coupling on a fan.

# HIGHLIGHTS

## **OPERATING REVENUES**

Operating revenues for 1989 were \$375,643,000, an increase of \$24,806,000, or 7.1%, from 1988 operating revenues of \$350,837,000.

## **OPERATION AND MAINTENANCE EXPENSES**

Operation and maintenance expenses for 1989 were \$246,204,000, an increase of \$31,501,000, or 14.7%, from 1988 operation and maintenance expenses of \$214,703,000.

## **NET OPERATING REVENUES**

Net operating revenues, before depreciation and decommissioning, were \$115,622,000, a decrease of \$8,154,000, or 6.6%, from 1988 net operating revenues of \$123,776,000.

## **NET EARNINGS REINVESTED IN THE BUSINESS**

Net earnings reinvested in the business totaled \$29,584,000, a decrease of \$7,345,000, or 19.9%, from 1988 net earnings reinvested in the business of \$36,929,000.

## **GENERAL BUSINESS SALES**

General business sales to District customers were 6,371,843,000 kilowatt-hours in 1989, an increase of 65,506,000, or 1.0%, from 1988 sales of 6,306,337,000 kilowatt-hours.

## **AVERAGE NUMBER OF CUSTOMERS**

The District served an average total of 245,169 customers in 1989, an increase of 3,601, or 1.5%, from the 1988 average total of 241,568 customers.

## **AVERAGE RESIDENTIAL USE**

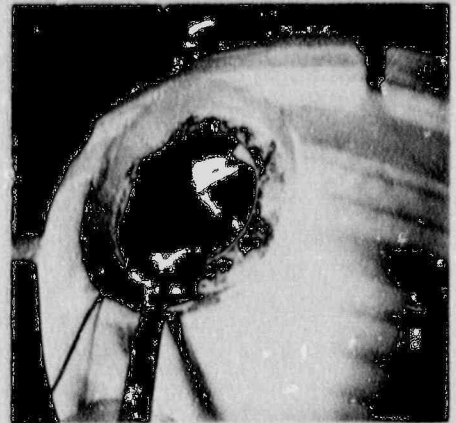
Average annual use per residential customer in 1989 was 10,439 kilowatt-hours, a decrease of 446, or 4.1%, from the 1988 average of 10,885 kilowatt-hours.

## **AVERAGE RESIDENTIAL COST**

The District's residential customers paid an average of 6.52¢ per kilowatt-hour during 1989 compared to 3.39¢ per kilowatt-hour in 1946, OPPD's initial year of operation.

## **1989 CONSTRUCTION EXPENDITURES**

Expansion and improvement of system facilities during 1989 required construction expenditures of \$129,900,000.



Nebraska City Station was out of service for scheduled maintenance and improvements during the first five months of 1989. This steamfitter cleaned the steam drum located at the top of the plant boiler.



Periodic drills and exercises test OPPD's ability to respond to potential emergency situations at the Fort Calhoun nuclear plant. Recovery efforts are directed by key nuclear personnel from OPPD's Emergency Operations Facility on the site of the North Omaha Station.



# C

## CHAIRMAN'S REPORT



**Frederick J. Ulrich**  
Chairman of the Board  
Omaha Public Power District  
Farmer/Cattle Feeder

OPPD made across-the-board progress in 1989 in its efforts to assure quality service for customer-owners, both immediate and for the future, while maintaining the financial integrity which has been the hallmark of this public utility.

The utility continued in a pattern of moderate growth in 1989. Energy sales were a substantial 6.4 billion kilowatt-hours for the year with operating revenues of \$375.6 million. At year-end, net earnings were \$29.6 million, and the return on equity was 5.6 percent.

Assuming normal weather conditions in 1990, we expect to continue in this moderate growth mode. Energy sales and electric operating revenues are expected to increase 0.6 percent and 4.9 percent, respectively. Operation and maintenance expenses are expected to increase 5.2 percent over the \$246.2 million expended in 1989. Net earnings of \$27.7 million are anticipated in 1990, which is 6.3 percent less than realized in 1989. This would represent a return on equity of 5.0 percent.

During the year, we commissioned a long-term power supply study which will provide projections of additional power requirements over the next 25 years. This study will outline the probable options that will be available to meet those requirements in the most reliable, efficient, and economical manner possible.

The study will look at supply-side alternatives of both conventional and emerging generating technologies, including coal, nuclear, gas turbine, solar, wind, refuse, and others. At the same time, it will look at the design and timing of demand-side management programs.

These include increased energy conservation, usage avoidance during times of peak demand, waste-heat recovery, interruptible rates, and other programs which involve changing customer-usage patterns. The study is to be completed in May 1990.

OPPD committed substantial resources in 1989 to resolving regulatory concerns and making overall improvements at our Fort Calhoun Station. Considerable progress was made. In fact, at midyear the Nuclear Regulatory Commission removed the plant from the list of facilities which the Commission felt needed increased regulatory attention. Management and employees are commended for carrying out an aggressive corrective program in the nuclear area. Much remains to be done, and management continues to have the full support of the Board of Directors as OPPD strives to achieve excellence in all phases of its nuclear operations.

The cost of this nuclear improvement program was one of several key financial issues which faced OPPD in 1989 as the utility prepared for the energy challenges of the '90s. For the five preceding years, we successfully held the line on the base rates charged our customer-owners for their electric service. In the process, we absorbed moderate inflation through increased efficiencies, and we recovered fluctuating generating costs through the Fuel and Production Cost Adjustment (FPA).

In early 1989, however, increasing expenditures, particularly in the nuclear area, made additional cost control and revenue enhancement necessary. A first step was to look within the corporate operation for

# B BOARD OF DIRECTORS

ways to achieve increased efficiency. The result was a \$19 million program of cost reductions and deferrals over an 18-month period.

The next step was the adoption in May of a 3.4 percent general rate increase for implementation in January of this year. This adjustment in rates will mean an additional \$12.1 million in revenues during 1990 and will help ensure a continued reliable supply of power for the customers we serve. The average cost of electricity for our residential customers remains well below the national average. No additional rate action is expected in 1990.

At this point, I am pleased to recognize my fellow director Gene P. Spence. As Chairman of the Board the past two years, Mr. Spence provided the leadership that underscores OPPD's overall commitment to provide our customer-owners with the reliable and affordable electric service they expect and deserve. He was ably supported throughout by directors Keith B. Edquist, John K. Green, Dennis D. Jorgensen, Eugene T. Mahoney, Michael J. O'Hara, and Frank J. Wear. All are commended for their service to the utility and its customer-owners.

We enter the '90s with a quality board, quality management, and quality employees, and we remain committed to service excellence, safe operations, and financial stability. We look forward to meeting the challenges of the decade ahead.

*Frederick J. Ulrich*

**Frederick J. Ulrich**  
Chairman of the Board



**Frank J. Wear**  
Vice Chairman  
President,  
Wear Company,  
and President,  
Wear Construction



**John K. Green**  
Treasurer  
Attorney at Law,  
Brashear & Ginn



**Michael J. O'Hara, Ph.D.**  
Secretary  
Attorney at Law  
Associate Professor,  
College of Business  
University of Nebraska  
at Omaha



**Keith B. Edquist**  
Board Member  
President,  
Husker-Hawkeye  
Distributing Co., Inc.



**Dennis D. Jorgensen**  
Board Member  
Chief Executive Officer,  
Transaction Applications  
Group



**Eugene T. Mahoney**  
Board Member  
Executive Director,  
Omaha Zoo Foundation



**Gene P. Spence**  
Board Member  
President,  
Westmark Financial Corp.



# P RESIDENT'S REPORT



**Fred M. Petersen**  
*President  
Chief Executive Officer*

Enhancing and ensuring quality customer service was the motivating force driving both energy-related and service-related activities at OPPD in 1989.

Major capital improvements were made at both our fossil and nuclear plants to increase efficiency, add new levels of safety, and help ensure and extend service lifetimes. In some instances, the work was undertaken in response to, or in anticipation of, increased regulation. In all cases, however, the work is considered critical to OPPD efforts to get the maximum use of its existing assets in order to delay for as long as possible the construction of costly new generating plants.

Further enhancing air quality was a major goal for OPPD in 1989. OPPD's newest and largest generating unit, the 585,000-kilowatt Nebraska City Station, completed 10 years of safe, reliable service in 1989. A major modification to the emission control system of the station was completed in May. The work was successful, and the plant now operates well below all federal and state environmental standards.

Outstanding progress was made at the 476,000-kilowatt Fort Calhoun nuclear plant in 1989. An aggressive and ongoing Safety Enhancement Program was undertaken to improve overall safety at the plant and bring operations to an even higher level of excellence. A new training

center was placed in service, work on several other capital projects was completed, and staffing levels were increased to ensure that adequate facilities and human resources are available for the remaining life of the plant.

In June, the Board of Directors approved the sale of \$100 million of Electric System Revenue Bonds at an effective annual interest rate of 6.849 percent. Proceeds from the sale are being used for various capital improvements to generating plants, transmission and distribution system, and general plant facilities. The bond issue had previously been planned for 1990, but favorable market conditions made it prudent to advance the sale.

Also in 1989, this utility placed increased emphasis on making it easier for our customers to do business with us. Plans were developed for extending OPPD's Level Payment Program to small-business customers as a help to them in managing their monthly outlay for energy. The plan is similar to that offered to our residential customers for a number of years. We now have 67,000, or about 30 percent, of our residential customers participating in the Level Payment Program.

Another program provides emergency help to residential customers who find themselves in need of temporary assistance with their energy bills. The OPPD

# V VICE PRESIDENTS

Energy Assistance Program, funded through customer and employee contributions and administered by the American Red Cross, provided financial help in paying the energy bills of 576 families in 1989. Contributions from all sources exceeded \$73,000.

Omaha Public Power District has long been an equal opportunity employer and has an aggressive Affirmative Action Program. Several programs are under way to further enhance career and development opportunities for females and minorities in all levels of the organization. We are diligently seeking minority and female candidates for openings, and we have designed a structured career and development planning program for minority and female employees. Managers are receiving additional training designed to increase their sensitivity to special problems which minority and female employees experience in the work place.

For OPPD, 1989 was a year filled with challenges, and 1990 promises more of the same. We look forward to meeting those challenges for the ultimate benefit of our customer-owners who want and deserve reliable, convenient, economical, and courteous service. We remain committed to providing it.



**Eldon C. Pape**  
Executive Vice President —  
Chief Financial and  
Planning Officer



**William C. Jones**  
Senior Vice President



**William D. Dermeyer**  
Vice President



**Kenneth S. Fielding**  
Vice President



**Dayton D. Wittke, Ph.D.**  
Vice President

*Fred M. Petersen*

**Fred M. Petersen**  
President





## PERATIONS REVIEW

OPPD's primary mission is to provide electricity as efficiently and safely as possible. That's a complex, challenging task, and the men and women of OPPD again took an aggressive, hard-working approach to getting the job done.

### **FRONT-LINE EMPLOYEES BATTLE NATURE TO ENSURE POWER FOR CUSTOMER-OWNERS**

Weather is frequently an obstacle to providing reliable service, accounting for nearly one-fifth of all power outages in 1989. Severe thunderstorms are often responsible for the most difficult service restoration efforts. But in 1989, winter weather did its part to challenge OPPD's system for generating and delivering electricity.

In early 1989, ice jams on the Missouri River resulted in low river levels which, on two occasions, caused the temporary loss of generating units at North Omaha Station. System Operations personnel had prepared for the possibility of such problems by arranging to purchase power from other utilities. That purchased power helped meet customer needs without interruption until the generating units were returned to service.

OPPD employees responded quickly again on Friday, March 3, when a severe ice-and-wind storm caused widespread outages in urban and rural areas of the OPPD service territory. All available personnel worked throughout the night and all day Saturday answering customer calls, coordinating the restoration effort, and repairing or replacing more than

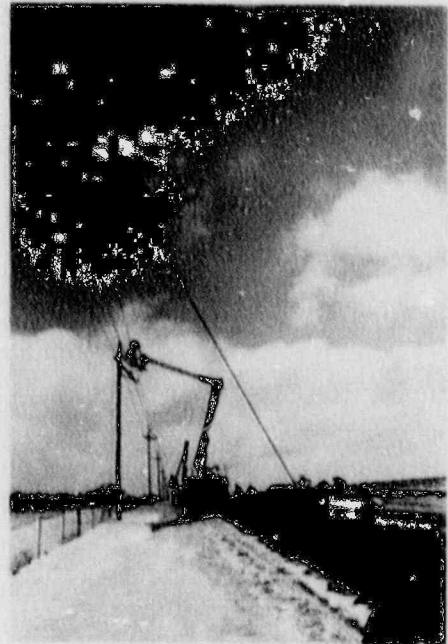


two dozen downed power lines and several dozen power poles and other electrical system components. Despite the extensive damage and poor weather, almost all service was restored by Saturday night.

OPPD employees also demonstrated their commitment to service on the morning of December 22, the coldest day in our area in 77 years. At about 4:30 a.m., with the temperature at about 25 degrees below zero and a much colder windchill, a six-block-long section of high-voltage line fell onto residential power lines. The result was a power outage which affected some 150 customers.

The affected area was relatively small, but the restoration effort was not. More than three dozen OPPD personnel combined their efforts to minimize the cold-weather threat to the residents and their property. Service was completely restored within four hours, thanks to quick, creative planning and a well-coordinated response.

*The area hardest hit by the late winter storm was north of Omaha where structural damage to several transmission towers left 6,600 Blair residents without power.*



*An early March ice storm combined with high winds to severely damage power lines and poles throughout the service territory.*



More than 200 employees received training on the new computerized Work Management System. The system will help personnel throughout the company to plan, track, and record work needed for OPPD construction projects.

### **WORK DONE ABOVE, ON, AND UNDER THE GROUND HELPS ENSURE QUALITY SERVICE**

Ongoing system improvements and maintenance play a major role in ensuring a dependable power supply for customer-owners, and there was considerable work done in these areas in 1989.

For example, OPPD replaced 75,000 feet of aging underground residential distribution cable in the metropolitan area, and another 14 miles of rural underground cable was also replaced.

OPPD completed the upgrade of one substation near downtown Omaha and started construction of another to help meet the steadily increasing load downtown and in the nearby industrial park. Construction also began on a new substation two miles south of Gretna which will help meet the growing service needs in that area.

A transmission line maintenance program continued in 1989, and development of a similar program for distribution line maintenance began. Both programs are designed to increase reliability by helping OPPD to more accurately identify lines which may require additional preventive maintenance or reconstruction. A program was also initiated to help reduce momentary outages (brief power flickers) which are often caused by tree branches, wind, and other influences.

### **PLANT IMPROVEMENTS PLAY SIGNIFICANT ROLE IN MEETING '89 POWER REQUIREMENTS**

Major improvements to Nebraska City, North Omaha, and Fort Calhoun Stations helped produce significant accomplishments at each facility during the year, as well as an adequate supply of power for OPPD customers.

The importance of long-term facility modifications recently completed at North Omaha Station was clearly illustrated in late 1988 and early 1989 when the Fort Calhoun and Nebraska City Stations were off-line for maintenance and modification outages. OPPD relied heavily on North Omaha Station for generation during this time. The improvements at the plant, coupled with an excellent staff, enabled North Omaha Station to provide more than one-third of OPPD's total generation for the 12-month period ending April 30. In doing so, it generated more power than it has in any 12-month period since the 1980 calendar year. Additional long-term improvement work is scheduled at North Omaha Station, ensuring its future availability to serve OPPD customer-owners.

Nebraska City Station returned to service on May 23, a week ahead of schedule, following a nearly five-month-long outage. During that time, OPPD personnel and contractors completed conversion work on the plant emission system and other significant maintenance projects. The result of that work is a plant which requires much less maintenance and which can operate at a higher level while remaining well within environmental regulatory limits.



# OPERATIONS REVIEW

There was also steady progress in all areas of operation at Fort Calhoun Station in 1989. For example, a new training center was completed and occupied early in the year, providing a major boost to plant training efforts and to the overall plant improvement program.

The effectiveness of this facility will be further enhanced when a new plant-specific control room simulator is installed in early 1990. This high-tech, computerized unit will allow training personnel to duplicate a wide variety of normal and abnormal plant operating conditions, providing excellent "hands-on" training experience for plant personnel. An OPPD project team was on-site in Pittsburgh, Pennsylvania, throughout 1989, working hand-in-hand with the supplier in development and testing of the simulator.

Other physical improvements were initiated at Fort Calhoun Station in 1989, including construction of a new processing facility for low-level radioactive waste and expansion of the work area for chemical and radiation protection personnel.

Improved management training and internal communications in our nuclear organization were also emphasized during the past year. In addition, an independent Nuclear Safety Review Group was established, and nuclear staffing levels were increased.

Although ongoing in nature, these efforts and many others produced early results in 1989 in the form of

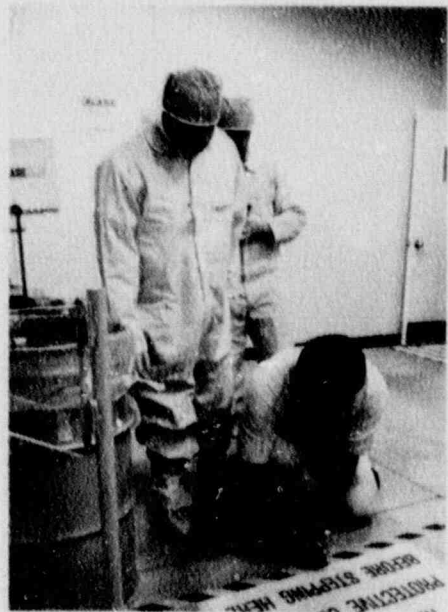


improved performance ratings from the Nuclear Regulatory Commission. And, with a staff committed to achieving excellence, the continuing improvements will help ensure that Fort Calhoun Station remains a valuable resource for OPPD customer-owners.

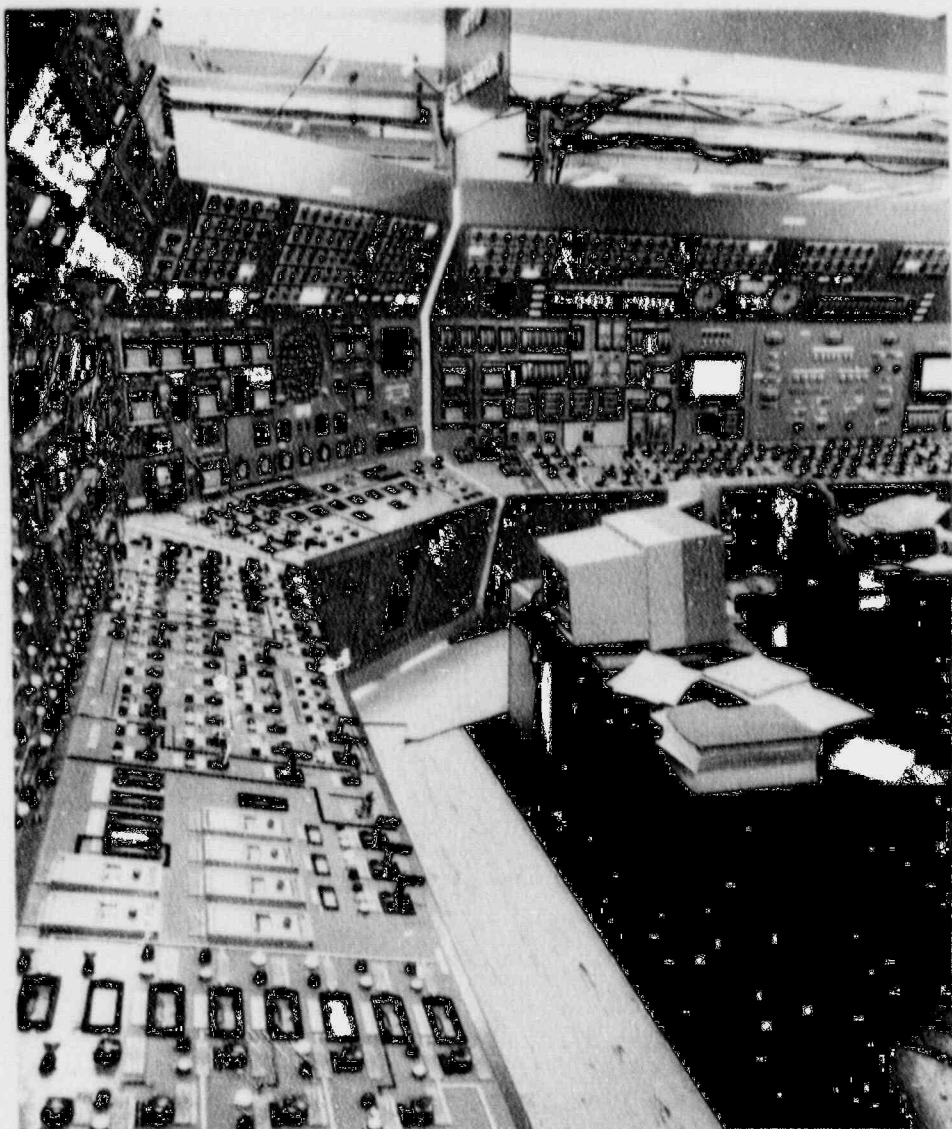
## **FOCUS ON EFFICIENCY AND ECONOMY PRODUCES BOTTOM-LINE RESULTS FOR OPPD AND CUSTOMERS**

OPPD stepped up its efforts to increase efficiency and streamline operations in April 1989 with a program designed to reduce costs by a million dollars a month through the end of 1990. This ongoing effort looked at every aspect of OPPD operations, aiming at, and achieving, cost reductions in the areas of personnel (\$5.9 million), operation and maintenance (\$6.3 million), and capital expenditures (\$6.7 million). The cost-reduction program attained its objectives without sacrificing OPPD's desire to provide quality, convenient customer service.

*The Computer Aided Design and Drafting (CADD) network allows employees to access a new automated map-plotting system. The new system allows employees to create a variety of maps from any computer connected to the CADD network.*



*Radiation protection employees complete the practical portion of their training at the Fort Calhoun nuclear plant.*



An OPPD project team has been on-site in Pittsburgh, Pennsylvania, since mid-1988 working with Westinghouse to develop and test a new plant-specific control room simulator for Fort Calhoun Station. The simulator will be installed at the Training Center in early 1990.

Employees played a significant role in OPPD's success in attaining higher levels of efficiency and economy throughout the organization. The following accomplishments were due in large part to outstanding efforts by members of the OPPD work force:

- A renegotiated price for coal which will save OPPD \$2.7 million over the next three years.
- Timely purchases of coal on the spot market which produced savings of \$330,000 last year

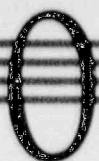
compared to the cost of OPPD's long-term coal contract.

- Refinements in the tree-trimming program which allowed OPPD to reduce the number of contract tree crews, saving nearly \$462,000.
- Completion of the move into Energy Plaza, OPPD's expanded headquarters facility in downtown Omaha, from leased office space in several other downtown buildings. The economics of ownership and increased efficiency produced by consolidating personnel into one facility will save more than \$10 million over the lifetime of Energy Plaza.
- Response to more than 7,700 telephone inquiries made by customers to the Energy Advisor, OPPD's free energy information service.

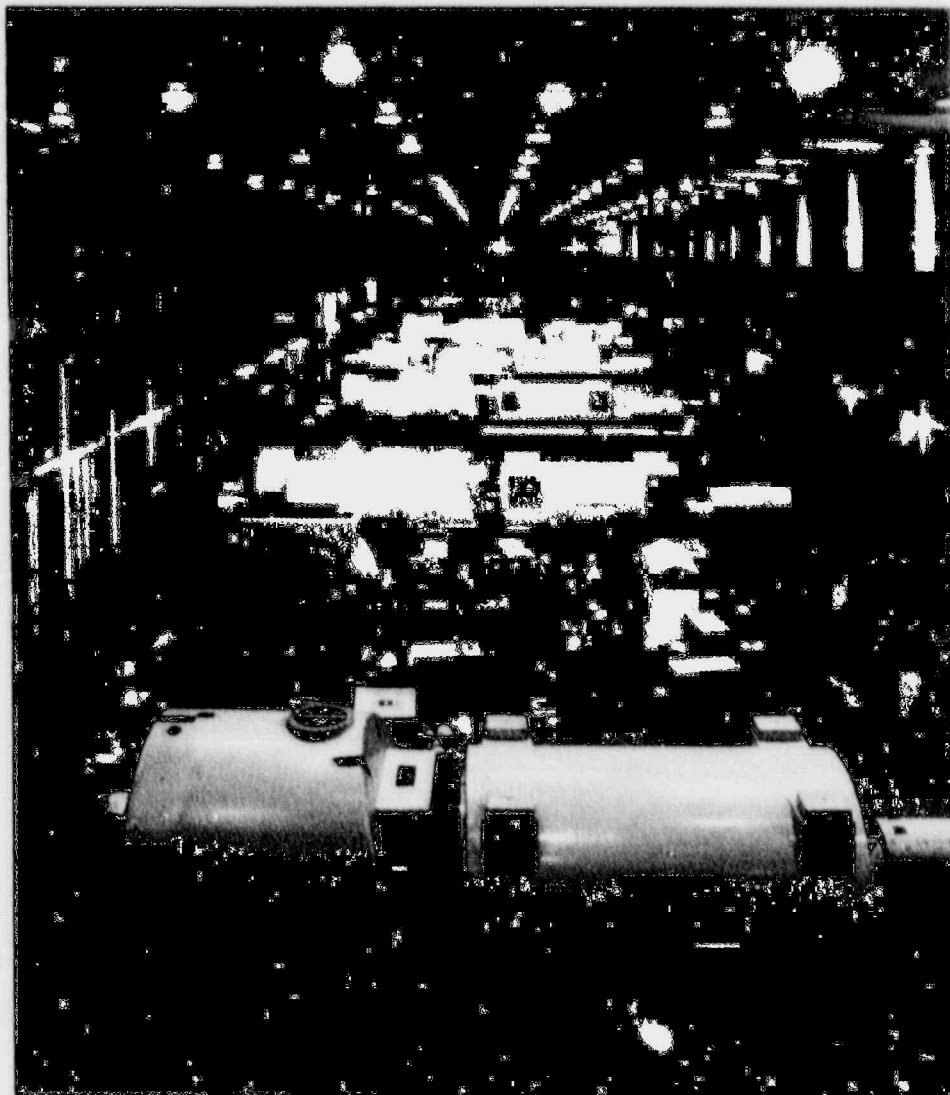
### **MEETING TOMORROW'S NEEDS A 1989 PRIORITY**

A utility can't limit its efforts to simply meeting today's needs. It must also prepare for the short- and long-term future to ensure that a reliable, affordable supply of energy remains the rule and not the exception. Such preparation is ongoing at OPPD, and it resulted in noteworthy progress in 1989.

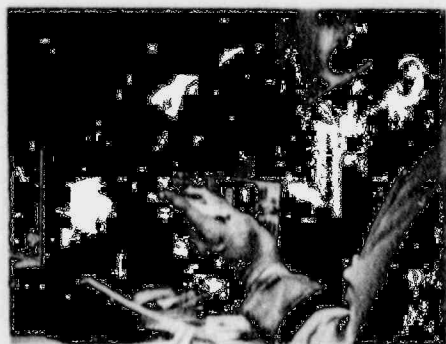
OPPD joined the National Lightning Detection Network, installing a computer terminal which provides detailed, real-time information about the intensity and direction of electrical storms. Such information will play an important role in the advance planning necessary to conduct more efficient storm restoration efforts.



## PERATIONS REVIEW



*OPPD's largest power plant, the five-unit 590,100-kilowatt North Omaha Station, will continue to play an important role in serving customers' needs well into the new century.*



*An instrument and control technician repairs an opacity monitor in the North Omaha Station maintenance shop.*

Another major effort aimed at expediting service restoration work was the design and development of an Automated Trouble Call System. This computerized system will automatically sort and classify outage calls as they're received from customers, a critical but time-consuming step in the service restoration process. Training in the use of the system is under way with implementation scheduled for spring of 1990.

In late 1989, the Board of Directors approved OPPD's participation in the Missouri-Iowa-Nebraska-Transmission (MINT) Project. OPPD will be one of seven utilities involved in construction of the 105-mile-long transmission line, which is scheduled for completion by summer 1992. MINT will increase transmission line reliability and power supply flexibility in the region, and it will provide OPPD with access to other power markets in the middle south.

Critical research into demand-side management strategies continued in 1989, including studies of commercial lighting and of customer use patterns. The groundwork was also laid for a two-year heat-recovery research project at a local hotel in which waste heat from the kitchen will be used to help heat the facility's water. The equipment for this two-year test project will be installed later in 1990. This and other ongoing research will have a significant impact on future power supply and rate decisions.

In general, the year 1989 was one of exceptional challenges in almost every area of OPPD operations. As they have so often in the past, the men and women of OPPD again demonstrated their ingenuity and perseverance in meeting those challenges successfully. Their commitment has played a major role in OPPD's past success. It will continue to play a major role in the future as OPPD works to ensure that its customers will have the power they need at the time it's needed.



# PPD CORPORATE OFFICERS

**FREDERICK J. ULRICH**

Chairman of the Board

**FRANK J. WEAR**

Vice Chairman of the Board

**JOHN K. GREEN**

Treasurer

**MICHAEL J. O'HARA, Ph.D.**

Secretary

**FRED M. PETERSEN**

President

Chief Executive Officer

**ELDON C. PAPE**

Executive Vice President —

Chief Financial and Planning Officer

Assistant Treasurer

Assistant Secretary

**WILLIAM C. JONES**

Senior Vice President

**WILLIAM D. DERMYER**

Vice President

**KENNETH S. FIELDING**

Vice President

**DAYTON D. WITTKE, Ph.D.**

Vice President

**MARTIN L. CHAMPION**

Assistant Treasurer

Assistant Secretary

**JOHN W. MARCIL**

Assistant Treasurer

Assistant Secretary

**CAROL J. KELLEY**

Assistant Secretary

**ROBERT C. LEARCH**

Assistant Secretary

**MICHAEL J. CZERWINSKI**

Assistant Treasurer

**CHARLES P. MORIARTY**

Assistant Treasurer

**RICHARD C. SHANEYFELT**

Assistant Treasurer

## FINANCING

In December 1946, Omaha Public Power District funded the purchase of The Nebraska Power Company with a bank loan for \$42,000,000. Revenue bonds were issued in February 1947 to pay off this loan. Since then, \$1,587,930,000 of additional revenue bonds have been sold.

In June 1989, the District sold \$100,000,000 of Electric System Revenue Bonds (the 1989 Series A Bonds) at an effective interest rate of 6.8%. The proceeds of the issue were used primarily for general construction projects and for valid corporate purposes.

The District retired \$16,760,000 of revenue bonds in 1989. These retirements bring the total of bonds redeemed and refunded through 1989 to \$701,095,000, leaving outstanding bonds of \$928,835,000 at December 31, 1989. During 1989, \$51,817,000 of interest expense was charged to operations on outstanding bonds, representing an average annual rate of 5.9%.

During the year, \$30,000,000 of additional commercial paper was issued. Outstanding commercial paper at December 31, 1989, was \$100,000,000. During 1989, \$5,798,000 of interest expense was charged to operations on outstanding commercial paper, representing an average annual rate of 6.3%. The outstanding subordinated obligation at December 31, 1989, totalled \$4,733,000. During 1989, \$427,000 of interest expense was charged to operations on the outstanding subordinated obligation, representing an average annual rate of 9.0%.

Gross Electric Plant amounted to \$1,668,403,000 and Nuclear Fuel (at amortized cost) amounted to \$156,354,000 at December 31, 1989. Accumulated earnings reinvested in the business increased \$29,584,000 to a total of \$560,149,000 during 1989 while total assets increased \$152,584,000 to a total of \$1,766,625,000.

## INDEPENDENT AUDITORS' REPORT

Omaha Public Power District:

We have audited the accompanying balance sheets of the Omaha Public Power District as of December 31, 1989 and 1988 and the related statements of net earnings and accumulated earnings reinvested in the business and of cash flows for each of the three years in the period ended December 31, 1989. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Omaha Public Power District as of December 31, 1989 and 1988, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1989, in conformity with generally accepted accounting principles.

*Deloitte & Touche*

DELOITTE & TOUCHE  
Omaha, Nebraska  
February 21, 1990

# **OMAHA PUBLIC POWER DISTRICT** **BALANCE SHEETS, DECEMBER 31, 1989 AND 1988**

<b>ASSETS</b>	<b>NOTES</b>	<b>1989</b>	<b>1988</b>
		(thousands)	
<b>UTILITY PLANT</b> — At cost:	2,10		
Electric plant (includes construction work in progress of \$83,604,000 and \$113,464,000, respectively) .....		\$1,668,403	\$1,570,448
Less accumulated depreciation .....		509,230	474,413
Electric plant — net .....		1,159,173	1,096,035
Nuclear fuel — at amortized cost .....		156,354	165,206
Utility plant — net .....		1,315,527	1,261,241
 <b>SPECIAL PURPOSE FUNDS</b> (primarily at amortized cost):	3,4		
Construction fund .....		94,771	16,303
Electric system revenue bond fund (net of current portion) .....		53,292	47,017
Debt service fund .....		7,562	7,685
Segregated fund (see contra) .....		4,537	14,267
Revenue fund — decommissioning .....		32,210	25,430
Deferred compensation fund .....		20,540	14,002
Total special purpose funds .....		212,912	124,704
 <b>CURRENT ASSETS:</b>			
Cash and cash equivalents .....	7	23,386	3,674
Revenue fund — U.S. Government securities (at amortized cost) .....	4	2,994	30,871
Electric system revenue bond fund — current portion .....		34,109	29,786
Accounts receivable — net .....		37,540	31,783
Unbilled revenues .....		15,556	12,803
Fossil fuels — at average cost .....		8,569	8,136
Materials and supplies — at average cost .....		32,432	27,377
Deferred production costs .....		15,358	20,020
Other .....		4,001	4,203
Total current assets .....		174,745	171,653
 <b>DEFERRED CHARGES</b> .....	5,11	63,441	56,443
 <b>TOTAL</b> .....		<u>\$1,766,625</u>	<u>\$1,514,041</u>

See notes to financial statements.



LIABILITIES	NOTES	1989	1988
		(thousands)	
<b>LONG-TERM DEBT:</b>	2		
Electric system revenue bonds — net of current portion:			
Serial bonds, 3½% to 7.4% due annually from 1990 to 2010		\$ 217,215	\$ 187,835
Term bonds, 5½% to 7½% due at various dates from 1995 to 2017		694,050	641,000
Total electric system revenue bonds		911,265	828,835
Electric revenue notes — commercial paper series	6	100,000	70,000
Subordinated obligation		4,677	4,733
Total		1,015,942	903,568
Less unamortized discounts		10,890	10,596
Long-term debt — net		1,005,052	892,972
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	10,12		
<b>LIABILITIES PAYABLE FROM SEGREGATED FUND</b>			
(see contra)	3	4,537	14,267
<b>CURRENT LIABILITIES:</b>			
Current portion of electric system revenue bonds	2	17,570	16,760
Current portion of subordinated obligation		56	51
Accounts payable		48,062	54,496
Accrued payments in lieu of taxes		12,909	11,454
Accrued interest		25,653	21,894
Other		25,511	10,084
Total current liabilities		129,761	114,739
<b>OTHER LIABILITIES:</b>			
Transportation settlement	11	6,517	13,706
Decommissioning costs		32,210	25,430
Deferred compensation	9	20,540	14,002
Other		7,859	8,360
Total other liabilities		67,126	61,498
<b>ACCUMULATED EARNINGS</b>			
<b>REINVESTED IN THE BUSINESS</b>		560,149	530,565
<b>TOTAL</b>		<u>\$1,766,625</u>	<u>\$1,614,041</u>

# STATEMENTS OF NET EARNINGS AND ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS FOR THE THREE YEARS ENDED DECEMBER 31, 1989

	1989	1988 (thousands)	1987
<b>OPERATING REVENUES</b> .....	<u>\$375,643</u>	<u>\$350,837</u>	<u>\$322,113</u>
<b>OPERATING EXPENSES:</b>			
Operation:			
Fuel .....	61,520	61,781	64,025
Other production .....	78,120	59,915	41,534
Transmission .....	2,438	2,080	1,824
Distribution .....	12,308	11,214	10,655
Customer accounts .....	9,746	9,222	9,664
Customer service and information .....	3,397	3,356	3,107
Administrative and general .....	32,245	26,168	22,886
Maintenance .....	46,430	40,967	39,478
Total operation and maintenance .....	246,204	214,703	193,173
Depreciation .....	44,498	43,399	41,655
Decommissioning .....	4,382	4,097	4,051
Payments in lieu of taxes .....	13,817	12,358	11,347
Total operating expenses .....	<u>308,901</u>	<u>274,557</u>	<u>250,226</u>
<b>OPERATING INCOME</b> .....	<u>66,742</u>	<u>76,280</u>	<u>71,887</u>
<b>OTHER INCOME CREDITS (CHARGES):</b>			
Interest income .....	16,560	13,619	12,123
Allowance for funds used during construction .....	5,780	4,743	4,244
Allowance for funds used for nuclear fuel .....	4,467	4,579	5,194
Amortization of cancelled project costs .....	(1,295)	(5,181)	(5,181)
Other — net .....	(1,491)	(738)	(1,256)
Total other income credits — net .....	<u>24,021</u>	<u>17,022</u>	<u>15,124</u>
<b>EARNINGS BEFORE INTEREST EXPENSE</b> .....	<u>90,763</u>	<u>93,302</u>	<u>87,011</u>
<b>INTEREST EXPENSE</b> .....	<u>61,179</u>	<u>56,373</u>	<u>55,991</u>
<b>NET EARNINGS</b> .....	<u>29,584</u>	<u>36,929</u>	<u>31,020</u>
<b>ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS, BEGINNING OF THE YEAR</b> .....	<u>530,565</u>	<u>493,636</u>	<u>462,616</u>
<b>ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS, END OF THE YEAR</b> .....	<u>\$560,149</u>	<u>\$530,565</u>	<u>\$493,636</u>

See notes to financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE THREE YEARS ENDED DECEMBER 31, 1989

	1989	1988 (thousands)	1987
<b>OPERATING ACTIVITIES:</b>			
Net earnings .....	\$ 29,584	\$ 36,929	\$ 31,020
Adjustments to reconcile net earnings to net cash provided from operations:			
Depreciation .....	44,498	43,399	41,655
Amortization of nuclear fuel .....	24,824	17,960	20,103
Allowances for funds used .....	(10,247)	(9,322)	(9,438)
Amortization of cancelled project costs .....	1,295	5,181	5,181
Increase in other liabilities .....	5,628	3,567	29,396
Other .....	(20,925)	(2,584)	(12,870)
Changes in current assets and liabilities:			
Revenue fund — U.S. Government securities .....	27,877	21,720	3,178
Accounts receivable .....	(5,757)	983	(7,550)
Unbilled revenues .....	(2,753)	(874)	(211)
Materials and supplies .....	(5,055)	(3,873)	(920)
Fossil fuels .....	(433)	1,491	619
Accounts payable .....	(6,434)	23,817	8,166
Accrued taxes and interest .....	5,214	949	258
Other .....	15,168	(12,239)	(6,944)
Net cash provided from operations .....	102,484	127,104	101,643
<b>FINANCING ACTIVITIES:</b>			
Long-term borrowings .....	129,020		15,000
Reduction of long-term debt .....	(17,626)	(16,811)	(16,577)
Current portion of long-term debt .....	815	754	674
Change in special purpose funds — financing .....	(84,620)	135	(10,548)
Net cash provided from (used for) financing .....	27,589	(15,922)	(11,451)
<b>INVESTING ACTIVITIES:</b>			
Construction expenditures .....	(107,936)	(102,626)	(92,128)
Nuclear fuel expenditures .....	(13,972)	(14,819)	(16,135)
Allowances for funds used .....	10,247	9,322	9,438
Net cash used for investing .....	(113,361)	(108,123)	(98,825)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>16,712</b>	<b>3,059</b>	<b>(8,633)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR .....</b>	<b>6,674</b>	<b>3,615</b>	<b>12,248</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR .....</b>	<b>\$ 23,386</b>	<b>\$ 6,674</b>	<b>\$ 3,615</b>

See notes to financial statements.



# NOTES TO FINANCIAL STATEMENTS FOR THE THREE YEARS ENDED DECEMBER 31, 1989

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and Business** — The Omaha Public Power District, a political subdivision of the State of Nebraska, is a public utility engaged solely in the generation, transmission, and distribution of electric power and energy and other related activities. The Board of Directors is authorized to establish rates. The District is 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.

**Basis of Accounting** — The accounting records of the District are maintained generally in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

**Accounting for Revenues** — 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.

**Utility Plant** — The costs of property additions, replacements of units of property, and betterments are charged to electric plant. Maintenance and replacements of minor items are charged to operating expenses. Costs of depreciable units of electric plant retired are eliminated from electric plant accounts by charges, less salvage plus removal expenses, to the accumulated depreciation account.

An allowance for funds used, approximating the District's current cost of financing electric plant construction and the purchase of nuclear fuel, is capitalized as a component of the cost of the utility plant. This allowance was computed at 6.1%, 5.7% and 6.0% for both construction work in progress and nuclear fuel for the years ended in 1989, 1988 and 1987, respectively.

**Depreciation and Amortization** — Depreciation is computed on the straight-line basis at rates based on the estimated useful lives of the various classes of property. Depreciation expense has averaged approximately 3.6%, 3.5% and 3.4% of depreciable property for the years ended December 31, 1989, 1988 and 1987, respectively.

Amortization of nuclear fuel is based upon the cost thereof, which is pro-rated by fuel assembly in accordance with the thermal energy that each assembly produces.

**Deferred Production Costs** — Certain production costs are recovered under the Fuel and Production Cost Adjustment (FPA) clause of the District's rate schedules. These costs are deferred until they are collected by FPA billings.

**Deferred Charges** — Certain costs and charges are deferred and amortized over the period that ratepayers are expected to benefit. The most significant items are:

**Deferred Financing Costs** — Debt discount and expense and amortizable charges relating to refunded debt are amortized ratably over the lives of the related issues to which they pertain.

**Safety Enhancement Program (SEP) — Fort Calhoun Station** — Certain costs arising from the District's SEP at the Fort Calhoun Station have been deferred and are being amortized over ten years through 1999.

**Deferred Charge — Coal Transportation Settlement Receivable** — Amount arising from settlement of coal transportation claim (see Note 11).

**Deferred Cancelled Project Costs — Fort Calhoun Station — Unit No. 2** — Costs arising from the termination of contracts relating to Fort Calhoun Station — Unit No. 2 were amortized over ten years through 1989.

**Nuclear Fuel Disposal Costs** — Permanent disposal of spent nuclear fuel is the responsibility of the Federal Government under an agreement entered into with the United States Department of Energy (DOE). Under the agreement, the District is subject to a one mill per net kilowatt-hour fee on all nuclear energy generation, which is paid quarterly to the DOE. The spent nuclear fuel disposal costs are included in the District's nuclear fuel amortization and are collected from customers as part of fuel costs.

## 2. LONG-TERM DEBT

The District utilizes proceeds of debt issues primarily in financing its construction program.

**Electric System Revenue Bonds** — Maturities of Electric System Revenue Bonds outstanding at December 31, 1989, due 1990 through 1994, are as follows (in thousands):

1990	\$17,570
1991	\$19,540
1992	\$20,455
1993	\$21,460
1994	\$22,600

The District's bond indentures provide for certain restrictions, the most significant of which are:

Additional bonds may not be issued unless estimated net receipts (as defined) for each future year will equal or exceed 1.4 times the debt service on all 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.

An amount at least equivalent to 12 1/2% of gross operating revenue (as defined) must be spent annually for maintenance, replacements, or additions to the electric system, or if not so spent is to be placed in a special fund to be used for such purposes or for retirements of original bonds (as defined) in advance of maturity.

In any three-year period, at least 7 1/2% of general business income (as defined) must be spent for replacements, renewals, or additions to the electric system. Any deficiency is to be spent within two years thereafter for such purposes or if not so spent is to be used for bond retirements in advance of maturity.

At December 31, 1989 and 1988, \$58,470,000 and \$59,015,000, respectively, of 6.75% — 9.35% Series 1985 A Electric System Revenue Bonds remained outstanding. Such bonds are funded by Government securities that were deposited by the District in an irrevocable trust in 1986. The bonds and the Government securities were removed from the District's balance sheet at that time.

**Subordinated Obligation** — The subordinated obligation is payable in annual installments of \$481,815, including interest, through 2014.

### 3. SPECIAL PURPOSE FUNDS

Special purpose funds of the District are as follows:

The Construction Fund is to be used for capital improvements, additions and betterments to and extensions of the District's electric system, or for payment of principal and interest on Electric System Revenue Bonds.

The Electric System Revenue Bond Fund and Debt Service Fund are held by Trustees for the retirement of term and serial bonds and the payment of the related interest.

The Segregated Fund represents customer deposits, refundable advances and, in 1988, funds from a settlement held for a construction project.

The Revenue Fund — Decommissioning was established to cover the estimated cost of decommissioning Fort Calhoun Station — Unit No. 1 when its operating license expires in 2008. The fund was created as a result of a decommissioning plan adopted by the District and additions are made to the fund monthly.

The Deferred Compensation Fund is valued at market value and is used to account for employee and District contributions and related earnings pursuant to the District's Supplemental Retirement Savings Plan (see Note 9).

### 4. DEPOSITS AND INVESTMENTS

The District's bank accounts and investments included in the Construction Fund, Electric System Revenue Bond Fund, Debt Service Fund, Segregated Fund, Revenue Fund — Decommissioning and the Revenue Fund are held by the District's agents in the District's name in accordance with the District's bond covenants and State statutes. The investments are comprised primarily of securities of U.S. Government and related agencies and repurchase agreements (collateralized by Government securities). The aggregate market value of the District's investments at December 31, 1989 and 1988 is \$255,326,000 and \$177,420,000, respectively.

### 5. DEFERRED CHARGES

The composition of deferred charges at December 31, 1989 and 1988 was as follows:

	1989	1988
	(thousands)	
Deferred financing costs	\$33,284	\$34,826
Safety Enhancement Program — Fort Calhoun Station	15,868	
Deferred charge — coal transportation settlement receivable		7,200
Deferred cancelled project costs — Fort Calhoun Station — Unit No. 2		1,295
Other	14,289	13,122
Total	\$63,441	\$56,443

### 6. ELECTRIC REVENUE NOTES — COMMERCIAL PAPER SERIES

The District has authorized the issuance of tax-exempt commercial paper of up to \$100,000,000 which is supported by a credit agreement, expiring in May 1990, with four financial institutions. In February 1990, the District extended this program to June 1993 and increased the authorized amount to \$150,000,000. At December 31, 1989 and 1988, the District had \$100,000,000 and \$70,000,000, respectively, of commercial paper issued and outstanding. The average borrowing rate at both December 31, 1989 and 1988 was 6.1%.

### 7. SUPPLEMENTAL CASH FLOW INFORMATION

The District adopted Financial Accounting Standard No. 95, "Statement of Cash Flows", in 1988, and has restated its 1987 financial statements to include a statement of cash flows consistent with the current year's presentation. The District, for purposes of the Statements of Cash Flows, considers highly liquid investments of the Revenue Fund purchased with a maturity of three months or less to be cash equivalents.

The amounts of interest paid, net of amounts capitalized, for the years ended December 31 are as follows:

	1989	1988	1987
		(thousands)	
Interest paid — net	\$44,617	\$44,123	\$43,852

### 8. PENSION PLAN

Substantially all District employees are members of its contributory pension plan and are not covered by Social Security. Generally, the plan provides for benefits at age 65 with reduced benefits for earlier retirements.

The plan's funded status and amounts recognized in the District's balance sheets at December 31, 1989 and 1988 were as follows:

	1989	1988
	(thousands)	
Plan assets, at fair value	\$244,911	\$207,111
Projected benefit obligation:		
Actuarial present value		
of accumulated —		
Vested benefits	146,811	113,534
Nonvested benefits	5,387	9,816
Effect of projected salary		
increases	46,359	41,381
Excess of plan assets over		
projected benefit obligation	46,354	42,380
Unrecognized transitional asset	(11,269)	(12,208)
Unrecognized net gain	(42,247)	(32,074)
Unrecognized prior service cost	4,706	2,321
(Unfunded accrued) prepaid		
pension cost	\$ (2,456)	\$ 419

Plan assets are primarily listed stocks, corporate bonds and U.S. Government securities. The expected long-term rate of return on assets is 7.0%.

The projected benefit obligation was determined using assumed discount rates of 8.0% and 8.5% for 1989, and 1988, respectively.

# NOTES TO FINANCIAL STATEMENTS FOR THE THREE YEARS ENDED DECEMBER 31, 1989 (CONTINUED)

Average annual rates of compensation increase of 6% and 5% for 1989 and 1988, respectively, were also assumed.

The unrecognized transitional asset is being amortized on a straight-line basis over fifteen years by annual credits to net periodic pension cost.

Net periodic pension cost for 1989, 1988 and 1987 included the following components:

	1989	1988	1987
		(thousands)	
Service cost	\$ 4,872	\$ 1,827	\$ 3,206
Interest cost	13,979	12,989	12,010
Actual return on assets	(40,372)	(19,802)	(3,548)
Net amortization and deferral	24,396	5,816	(10,477)
Net periodic pension cost	<u>\$ 2,875</u>	<u>\$ 830</u>	<u>\$ 1,191</u>

## 9. SUPPLEMENTAL RETIREMENT SAVINGS PLAN

The District has established a Deferred Compensation Fund for all eligible employees that allows contributions by employees that are partially matched by the District beginning in 1988. By agreement, contributions and related earnings under the Plan remain the property of the District until an employee leaves the District. The District's matching share of contributions in 1989 and 1988 were \$1,043,000 and \$960,000, respectively.

## 10. COMMITMENTS

The District's Construction Budget provides for expenditures of approximately \$110,767,000 during 1990 and \$34,014,000 during later years, of which approximately \$26,000,000 was under contract at December 31, 1989.

The District has a coal supply contract which extends through 1998

with minimum future payments of \$53,609,000. The District also has a coal transportation contract with minimum future payments of \$102,000,000. These contracts are subject to price escalation adjustments.

Contracts with estimated future payments of \$12,800,000 are in effect for nuclear fuel. In addition, contracts with estimated future payments of \$120,000,000 for the furnishing of uranium enrichment services extend to the year 2008.

## 11. COAL TRANSPORTATION SETTLEMENT

During 1988, the Board of Directors approved a settlement agreement on a claim that the District was overcharged for the transportation of coal from 1982 through 1985. The agreement calls for payments in three successive years beginning in 1988. The amounts recovered are being refunded to the District's customers and participating utilities over a three-year period. Amounts related to the settlement have been recognized in the accompanying financial statements.

## 12. CONTINGENT LIABILITIES

Effective August 22, 1988, the Price-Anderson Act was amended and extended to the year 2002. Under the provisions of the Act, the District and all other licensed nuclear power plant operators could each be assessed for claims in the event of a nuclear incident in amounts not to exceed a total of \$63,000,000 per reactor per incident with a maximum of \$10,000,000 per incident in any one calendar year. These amounts are subject to adjustment every five years in accordance with the Consumer Price Index.

The District is engaged in routine litigation incidental to the conduct of its business and, in the opinion of its General Counsel, the aggregate amounts recoverable from or to the District, taking into account estimated amounts provided in the financial statements and insurance coverage, are not material.

# NET RECEIPTS AND DEBT SERVICE COVERAGE FOR THE FIVE YEARS ENDED DECEMBER 31, 1989 (UNAUDITED)

	1989	1988	1987	1986	1985
			(thousands)		
Operating revenues	\$375,643	\$350,837	\$322,113	\$311,498	\$303,036
Operation and maintenance expenses	246,204	214,703	193,173	188,099	172,438
Payments in lieu of taxes	13,817	12,358	11,347	10,968	10,107
Net operating revenues	115,622	123,776	117,593	112,431	120,491
Investment income (1)	5,166	4,819	5,537	5,851	5,780
Net receipts	<u>\$120,788</u>	<u>\$128,595</u>	<u>\$123,130</u>	<u>\$118,282</u>	<u>\$126,271</u>
Total debt service (2)	\$ 69,320	\$ 65,867	\$ 65,866	\$ 66,188	\$ 65,060
Debt service coverage	1.74	1.95	1.86	1.78	1.94

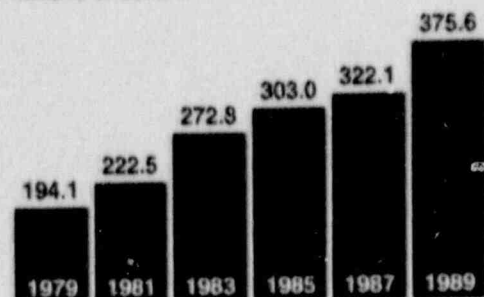
(1) Income derived from the investment of moneys in the Debt Service Fund and the Reserve Account of the Electric System Revenue Bond Fund under the District's bond indentures (Resolution No. 19 and Resolution No. 1788).

(2) Total Debt Service for both Resolution No. 12 and Resolution No. 1788 Bonds is accrued on a calendar-year basis similar to the computation of Net Receipts. Interest funded from bond proceeds is not included in Total Debt Service.



# 1989-1988 COMPARISONS

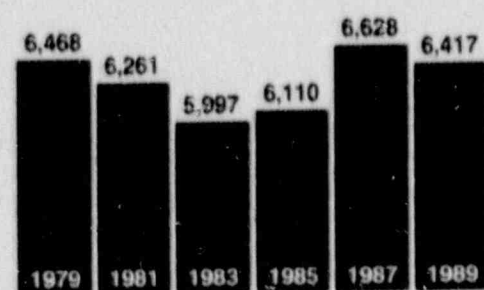
millions of dollars



## OPERATING REVENUES (thousands)

Classification	Year 1989	Percent of Total	Year 1988	Percent of Increase (Decrease)
Residential	\$146,458	39.0	\$137,105	6.8
General Service — Small	134,821	35.9	117,711	14.5
General Service — Large	72,416	19.3	61,637	17.5
Government and Municipal	8,417	2.2	7,961	5.7
Other Electric Utilities	5,825	1.6	20,592	(71.7)
Accrued Unbilled Revenues	2,753	0.7	874	215.0
Total Electric Revenues	\$370,690	98.7	\$345,880	7.2
Miscellaneous Revenues	4,953	1.3	4,957	(0.1)
Total Operating Revenues	\$375,643	100.0	\$350,837	7.1

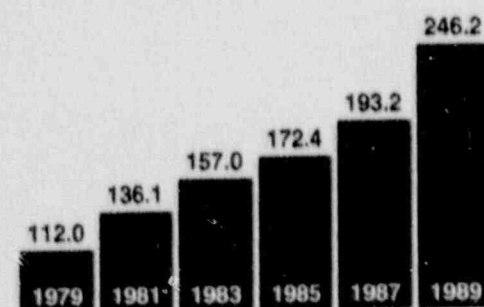
millions of kilowatt-hours



## KILOWATT-HOUR SALES (thousands)

Classification	Year 1989	Percent of Total	Year 1988	Percent of Increase (Decrease)
Residential	2,246,496	35.0	2,311,242	(2.8)
General Service — Small	2,304,856	35.9	2,246,353	2.6
General Service — Large	1,713,362	26.7	1,655,600	3.5
Government and Municipal	77,215	1.2	76,133	1.4
Other Electric Utilities	44,935	0.7	961,298	(95.3)
Accrued Unbilled Kilowatt-Hours	29,914	0.5	17,010	75.9
Total Energy Sales	6,416,778	100.0	7,267,636	(11.7)

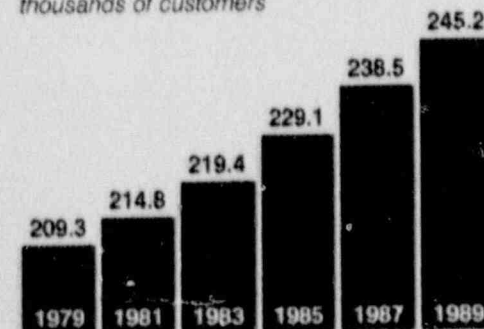
millions of dollars



## OPERATION AND MAINTENANCE EXPENSES (thousands)

Classification	Year 1989	Percent of Total	Year 1988	Percent of Increase (Decrease)
Generating Expense	\$192,237	78.1	\$159,283	20.7
Purchased and Interchanged Power	(18,629)	(7.6)	(8,416)	(121.4)
Transmission and Distribution	26,104	10.6	24,845	5.1
Customer Accounts	9,746	4.0	9,222	5.7
Customer Service and Information	3,397	1.4	3,356	1.2
Administrative and General	33,349	13.5	26,413	26.3
Total Operation and Maintenance Expenses	\$246,204	100.0	\$214,703	14.7

thousands of customers



## AVERAGE NUMBER OF CUSTOMERS\*

Classification	Year 1989	Percent of Total	Year 1988	Percent of Increase (Decrease)
Residential	215,194	87.8	212,324	1.4
General Service — Small	29,439	12.0	28,731	2.5
General Service — Large	75	—	75	—
Other	461	0.2	438	5.3
Average Customers	245,169	100.0	241,568	1.5

\*Average Total Twelve Months Ended December

# ELECTRIC SYSTEM REVENUE BONDS OUTSTANDING

(In Thousands) as of December 31, 1989

Maturity Date February 1	1961 ISSUE		1966 ISSUE		1966 ISSUE		1966 ISSUE		1972 ISSUE		1973 ISSUE	
	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.
1960	3%	1,000	4 1/8	1,425	4 1/8	2,300	5	1,000	5 1/8	4,590	5 1/8	820
1961	3%	1,000	4 1/8	1,500	4 1/8	2,300	5	1,000	5 1/8	4,845	5 3/8	860
1962			4 1/8	1,500	4 1/8	2,300	5	1,000	5 2/8	5,110	5 3/8	905
1963			4 1/8	1,500	4 1/8	2,300	5	1,000	5 2/8	5,390	5 4/8	950
1964			4 1/8	1,500	4 3/8	2,400	5 1/8	1,100	5 2/8	5,685	5 4/8	1,000
1965			4 1/8	1,500	4 3/8	2,400	5 1/8	1,100	5 3/8*	6,000	5 3/8*	1,050
1966			4	1,500	4 3/8	2,400	5 1/8	1,100	5 3/8*	6,330	5 3/8*	1,110
1967					4 3/8	2,400	5 1/8	1,100	5 3/8*	6,680	5 3/8*	1,170
1968					4	2,500	4 3/8	1,100	5 3/8*	7,045	5 3/8*	1,235
1969							4 3/8	1,100	5 3/8*	7,430	5 3/8*	1,300
2000									5 3/8*	7,840	5 3/8*	1,370
2001									5 3/8*	8,275	5 3/8*	1,460
2002									5 3/8*	8,725	5 3/8*	1,525
2003									5 3/8*	9,205	5 3/8*	1,610
2004									5 3/8*	9,715		
2005									5 3/8*	10,260		
2006									5 3/8*	10,810		
2007												
2008												
2009												
2010												
2011												
2012												
2013												
2014												
2015												
2016												
2017												
Total Outstanding		2,000		10,425		21,300		10,600		123,925		16,355
Bonds Redeemed to 12/31/89		15,000		14,575		23,700		9,400		46,075		8,645
Original Issue		17,000		25,000		45,000		20,000		170,000		25,000

\*Term Bonds

\*\*The 1965 Series A Bond Issue was refunded by the 1966 Series A Issue.

1977 ISSUE SERIES A		1977 ISSUE SERIES B		1977 ISSUE SERIES C		1986 ISSUE SERIES A**		1989 ISSUE SERIES A		Total Principal Maturities (Feb. 1)	Annualized Debt Service
Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.		
5.15	2,250			5	3,015	5½	1,170			17,570	73,638
5.30	2,600			5.05	3,100	5¾	1,235	6½	1,100	19,540	73,676
5.40	3,850			5.10	3,380	6	1,310	6½	1,100	20,455	73,627
5½	4,150			5.20	3,620	6¼	1,400	6½	1,150	21,460	73,641
5.60	4,500			5¼	3,720	6½	1,495	6½	1,200	22,600	73,615
5.70	4,900			5.30	3,970	6¾	1,595	6½	1,250	23,765	73,544
5¾	5,350			5.40	4,170	7	1,715	6½	1,300	24,975	73,568
5.80	7,300			5.45	4,485	7.10	1,835	6½	1,400	26,370	73,665
5.85	7,900			5½	4,590	7.20	1,980	6½	1,600	27,950	73,955
5.90	10,900			5½	4,960	7.30	2,130	6½	2,000	29,820	74,545
6*	12,600			5¾*	5,335	7.35	2,300	6.60	2,500	31,945	74,271
6*	13,450			5¾*	5,470	7.40	2,480	6.60	2,600	33,725	74,225
6*	14,350			5¾*	5,710	7½*	2,660	6.70	2,700	35,690	73,412
6*	15,250			5¾*	5,955	7½*	2,815	6.70	2,900	36,935	73,236
6*	17,300			5¾*	6,620	7½*	2,180	6.70	3,000	39,015	73,049
6*	18,550			5¾*	6,970	7½*	2,305	6.70	3,000	41,135	73,061
6*	19,900			5¾*	7,140	7½*	2,560	6¾	3,200	43,610	72,927
6*	30,100			5¾*	9,885	7¾*	2,770	6¾	3,300	46,055	55,981
		6½*	12,900	5¾*	10,780	7¾*	3,010	6¾	3,700	30,390	54,167
		6½*	13,670	5.90*	11,200	7¾*	3,260	6¾	3,850	31,980	54,026
		6½*	14,490	5.90*	11,730	7¾*	3,540	6¾	4,100	33,860	54,065
		6½*	15,360	5.90*	12,345	7¾*	3,835	6.80*	4,500	36,040	54,205
		6½*	16,285	5.90*	13,005	7¾*	4,165	6.80*	5,000	38,455	54,325
		6½*	17,260	5.90*	13,715	6*	4,520	6.80*	5,500	40,995	55,025
		6½*	18,295	5.90*	14,435	6*	4,830	6.80*	6,700	44,260	54,806
		6½*	19,395	5.90*	15,215	6*	5,160	6.80*	6,900	46,670	54,593
		6½*	20,555	5.90*	16,775			6.80*	12,000	45,330	37,934
		6½*	21,790					6.80*	12,450	34,240	3,035
195,200		170,000		211,495		67,535		100,000		928,835	1,783,618
4,800				17,705		3,195				143,095	
200,000		170,000		229,200		70,730		100,000		1,071,930	



# ELECTRIC STATISTICS

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
<b>Total Utility Plant, including Nuclear Fuel (at year end)</b> (in thousands of dollars)	1,824,757	1,735,654	1,646,734	1,561,960	1,495,254	1,425,461	1,365,553	1,323,435	1,286,174	1,223,659
<b>Bonded indebtedness (at year end)</b> (in thousands of dollars)	928,835	845,595	861,605	876,945	880,055	833,350	848,505	859,135	870,725	861,015
<b>Operating Revenues</b> (in thousands of dollars)										
Residential	146,458	137,105	125,095	121,541	111,975	116,368	108,722	89,949	77,500	78,708
General Service — Small	134,821	117,711	108,543	105,445	97,321	98,300	82,880	72,495	60,992	57,515
General Service — Large	72,416	61,637	57,561	57,776	55,360	55,444	46,226	41,293	36,345	34,291
Government and Municipal	6,417	7,961	7,726	7,574	7,388	7,099	6,519	5,570	4,516	3,983
Other Electric Utilities	5,825	20,592	18,623	17,395	21,451	25,129	22,958	21,867	40,003	49,931
Accrued Unbilled Revenues	2,753	874	211	(2,482)	5,500	(600)	1,900	(800)	1,000	600
Miscellaneous	4,953	4,957	4,354	4,249	4,041	4,259	3,642	2,945	2,190	1,986
<b>Total</b>	<b>375,643</b>	<b>350,837</b>	<b>322,113</b>	<b>311,498</b>	<b>303,036</b>	<b>305,999</b>	<b>272,847</b>	<b>233,319</b>	<b>222,546</b>	<b>227,014</b>
<b>Operation &amp; Maintenance Expenses Charged to Operations</b> (in thousands of dollars)	246,204	214,703	193,173	188,099	172,438	177,001	156,950	145,666	136,135	135,629
<b>Payments in Lieu of Taxes</b> (in thousands of dollars)	13,817	12,358	11,347	10,968	10,107	10,292	9,034	7,565	6,400	6,191
<b>Net Operating Revenues before Depreciation and Decommissioning</b> (in thousands of dollars)	115,622	123,776	117,593	112,431	120,491	118,706	106,863	80,088	80,011	85,194
<b>Net Earnings Reinvested in the Business</b> (in thousands of dollars)	29,564	36,929	31,020	28,016	40,256	40,007	27,929	1,880	5,323	9,162
<b>Kilowatt-Hour Sales (in thousands)</b>										
Residential	2,246,496	2,311,242	2,153,661	2,109,493	1,966,119	2,041,395	2,115,696	1,898,606	1,824,265	1,952,851
General Service — Small	2,304,856	2,246,353	2,130,425	2,073,447	1,926,936	1,940,767	1,830,190	1,743,804	1,691,815	1,684,631
General Service — Large	1,713,362	1,655,600	1,562,108	1,535,819	1,497,052	1,471,372	1,384,986	1,334,043	1,411,394	1,431,067
Government and Municipal	77,215	76,133	75,622	75,356	75,279	74,696	74,781	74,388	74,444	75,325
Other Electric Utilities	44,935	961,298	719,807	405,512	529,759	691,792	590,987	501,704	1,258,803	1,275,171
Accrued Unbilled Kilowatt-Hours	29,914	17,010	(13,682)	(56,104)	114,720					
<b>Total</b>	<b>6,416,778</b>	<b>7,267,636</b>	<b>6,627,961</b>	<b>6,143,523</b>	<b>6,109,865</b>	<b>6,220,022</b>	<b>5,996,640</b>	<b>5,552,545</b>	<b>6,260,741</b>	<b>6,419,045</b>
<b>Number of Customers (average per year)</b>										
Residential	215,194	212,324	209,900	205,538	201,662	197,750	193,636	191,808	190,451	187,802
General Service — Small	29,439	26,731	28,109	27,623	26,966	26,271	25,245	24,264	23,833	23,541
General Service — Large	75	75	76	76	75	73	73	73	75	89
Government and Municipal	457	433	417	405	391	400	392	403	418	403
Other Electric Utilities	4	5	6	7	6	7	7	8	10	12
<b>Total</b>	<b>245,169</b>	<b>241,568</b>	<b>238,508</b>	<b>233,649</b>	<b>229,100</b>	<b>224,571</b>	<b>219,355</b>	<b>216,556</b>	<b>214,787</b>	<b>211,847</b>
<b>Residential Statistics (average)</b>										
kWh/Customer	10,439	10,885	10,261	10,263	9,750	10,323	10,926	9,898	9,579	10,398
Dollar Revenue/Customer	680.59	645.73	595.97	591.33	555.26	588.46	561.47	468.95	406.93	419.10
Cents/kWh	6.52	5.93	5.81	5.76	5.70	5.70	5.14	4.74	4.25	4.03
<b>Generating Capability (at year end)</b> (in kilowatts)	1,867,900	1,823,000	1,846,900	1,892,300	1,896,200	1,994,500	1,997,500	1,997,500	1,992,100	1,979,800
<b>System Peak Loads (in kilowatts)</b>	1,597,000	1,600,400	1,532,700	1,435,600	1,331,200	1,383,900	1,411,500	1,330,200	1,382,400	1,348,400
<b>Net System Requirements (kilowatt-hours in thousands)</b>										
Generated	7,202,585	7,756,360	7,511,779	7,322,999	6,850,069	6,712,772	6,302,725	6,255,287	6,667,831	6,581,819
Purchased and Net Interchanged	(426,299)	(1,050,747)	(1,237,120)	(1,167,400)	(915,967)	(560,382)	(483,636)	(868,271)	(1,335,512)	(1,084,095)
<b>Net</b>	<b>6,776,286</b>	<b>6,705,613</b>	<b>6,274,659</b>	<b>6,155,599</b>	<b>5,934,082</b>	<b>6,152,390</b>	<b>5,819,089</b>	<b>5,387,016</b>	<b>5,332,319</b>	<b>5,497,724</b>

( ) Denotes Negative



## PPD CORPORATE OFFICERS

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**FRANK J. WEAR**

Vice Chairman of the Board

**JOHN A. GREEN**

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Secretary

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Chief Executive Officer

**ELDON C. PAPE**

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Assistant Treasurer

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Assistant Treasurer

***Omaha Public Power District  
Energy Plaza***

444 South 16th Street Mall  
Omaha, Nebraska 68102-2247

A business-managed, publicly owned  
electric utility.

An equal opportunity employer.