your energy partner®
OPPD
Omaha Public Power District

444 South 16th Street Mall
Omaha NE 68102-2247

April 2, 2004
LIC-04-0044

U. S. Nuclear Regulatory Commission
ATTN.: Document Control Desk
Washington, DC 20555

Reference: Docket No. 50-285

SUBJECT: 2003 Annual Financial Report

In accordance with 10 CFR 50.71(b), enclosed please find one copy of the Omaha Public Power District's 2003 Annual Report.

If you should have any questions, please contact Dr. Richard Jaworski at (402) 533-6833. No commitments are made to the NRC in this letter.

Sincerely,

J. B. Herman
Manager - Nuclear Licensing

JBH/rrl

Enclosure: Omaha Public Power District's 2003 Annual Report.

c: B. S. Mallett, NRC Regional Administrator, Region IV
A. B. Wang, NRC Project Manager
J. G. Kramer, NRC Senior Resident Inspector

M004

2003 Annual Report

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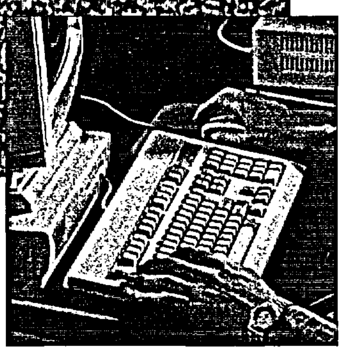
Omaha Public Power District

Power Customer Satisfaction Owner

Service Area Map
Burt
Herman
Washington
Winslow
Hooper
Blair
Colfax
Nickerson
North Bend
Dodge
Rogers
Arlington
Kennard
Fort Calhoun Station
Nuclear plant, 476 megawatts
Fort Calhoun
Morse Bluff
Washington
29
Elk City Station
Landfill-gas plant, 3 megawatts
Cedar Bluffs
Bennington
North Omaha Station
Coal & natural-gas plant, 663 megawatts
Leshara
Douglas
Colon
Valley
Carter Lake
Elkhorn
Jones Street Station
Oil plant, 118 megawatts
80
Yutan
Waterloo
Boys Town
Valley Station
Wind turbine, .66 megawatts
Mead
Omaha
OPPD Headquarters
Ralston
Ithaca
LaVista
Sarpy County Station
Oil & natural-gas plant, 314 megawatts
Sarpy
Papillion
Gretna
Saunders
Memphis
Bellevue
Springfield
Ceresco
Ashland
Cedar Creek
Greenwood
Louisville
South Bend
Cass
Murdock
Manley
80
Cass County Station
Natural-gas plant, 320 megawatts
Served at Retail
Served at Wholesale
Power Station
OPPD Headquarters
Alvo
Weeping Water
Elmwood
Eagle
Avoca
Missouri River
Syracuse
Otoe
Nebraska City Station
Coal plant, 646 megawatts
Nebraska City Station 2
Coal plant, estimated 600 megawatts
(2009 completion date)
Burr
Cook
Peru
29
Johnson
Tecumseh
Nemaha
Elk Creek
Richardson
Pawnee
Salem
Rulo

Customer Power



Electricity is a vital component of modern life. It gives people the power to live, the power to grow, the power to heal and the power to learn.

As a public power utility, OPPD takes measures to ensure its electricity is *reliable* and *affordable.* Strong strategic planning, solid financial management and aggressive maintenance programs remain priorities. OPPD also places great emphasis on understanding customers' wants and needs. It could be determining how much electricity the region will need in 10 years or knowing what a specific customer needs tomorrow. OPPD builds relationships with customer-owners so that the customers can do what they need - in the most efficient manner.

Customer Power - at OPPD, ours is based on customer service and customer satisfaction.

Contents

Chair and CEO Message

President and CEO W. Gary Gates and Board Chair Anne McGuire in Energy Plaza, OPPD's headquarters.

Providing safe, low-cost, reliable electricity for the customer-owners of this publicly owned utility remains the top priority at OPPD. We can proudly say that OPPD continued this tradition during 2003 by working toward the highest standards of customer service and providing other beneficial products and services to our customers. OPPD's accomplishments were significant last year, and we made some major decisions that will serve this utility and its customer-owners very well in the future.

OPPD customers used a record amount of power in 2003, and our power supply and delivery systems kept pace. Exceptional performance by our generating stations – and high reliability from our transmission and distribution systems – enabled OPPD to set annual generation records and achieve record capacity factors at its coal-fired plants in North Omaha and Nebraska City. Elk City Station, OPPD's landfill-gas plant, operated at nearly 100 percent capacity. OPPD's Fort Calhoun Nuclear Power Station marked its 30th anniversary in 2003 with word from the Nuclear Regulatory Commission that its operating license was renewed for an additional 20 years – until 2033. The nuclear station's performance, safety record, maintenance history, planned upgrades and experienced personnel are responsible for the approval. Another high point came in late spring when the new gas-fired Cass County Station came online, adding 320 megawatts of power for the busy summer air-conditioning season, helping OPPD's peaking stations produce a record amount of energy in 2003.

Such performance allowed us to set a record for off-system sales, with 2003 revenues of $124.3 million. These record sales contributed to our increase in operating revenues, which were $588.5 million, an increase of $35.5 million over 2002. Electric energy sales were 13,359 million kilowatt-hours (kWh), up 7.9 percent from 2002, mainly due to the strong off-system sales.

OPPD's solid financial condition resulted in strong ratings from the bond-rating agencies. When OPPD issued $140 million in electric system revenue bonds for various construction projects last year, Standard & Poor's and Moody's Investor Services rated the issue AA and Aa2, respectively, among the highest ratings attainable by a public power district. This issue marked the largest amount of OPPD bonds ever sold at retail and the lowest average interest rate of an OPPD bond offering since the mid-1960s.

Planned construction projects include a second coal-fired unit at Nebraska City Station, which will provide 600 megawatts of additional capacity by 2009, when it becomes operational, to meet increases in customer demand. Seven publicly owned utilities agreed to purchase half the output of the unit, which will be the first baseload plant built by OPPD in more than

20 years. Design, procurement and other preliminary activities also progressed on the $211-million steam-generator replacement project at Fort Calhoun Station. The new steam generators, scheduled for installation in 2006, will enable the plant to operate through its newly extended license period.

In anticipation of these additional capital expenditures, we implemented cost-control efforts across the company to cut $20 million from our operating budget by 2005. We also implemented our first general rate increase in 12 years, a modest 3.1 percent increase, effective January 1, 2004. This necessary action is estimated to generate an additional $15.6 million in annual revenues needed to help fund the capital expenditures program.

While focusing on value and integrity in our financial dealings, we continued our emphasis on safety and customer service. On the work front, safety continues to be an important corporate performance measure, with an emphasis on decreasing the lost-time injury rate. In 2003, one work group – Central Maintenance electricians – marked its 19th year without a lost-time injury.

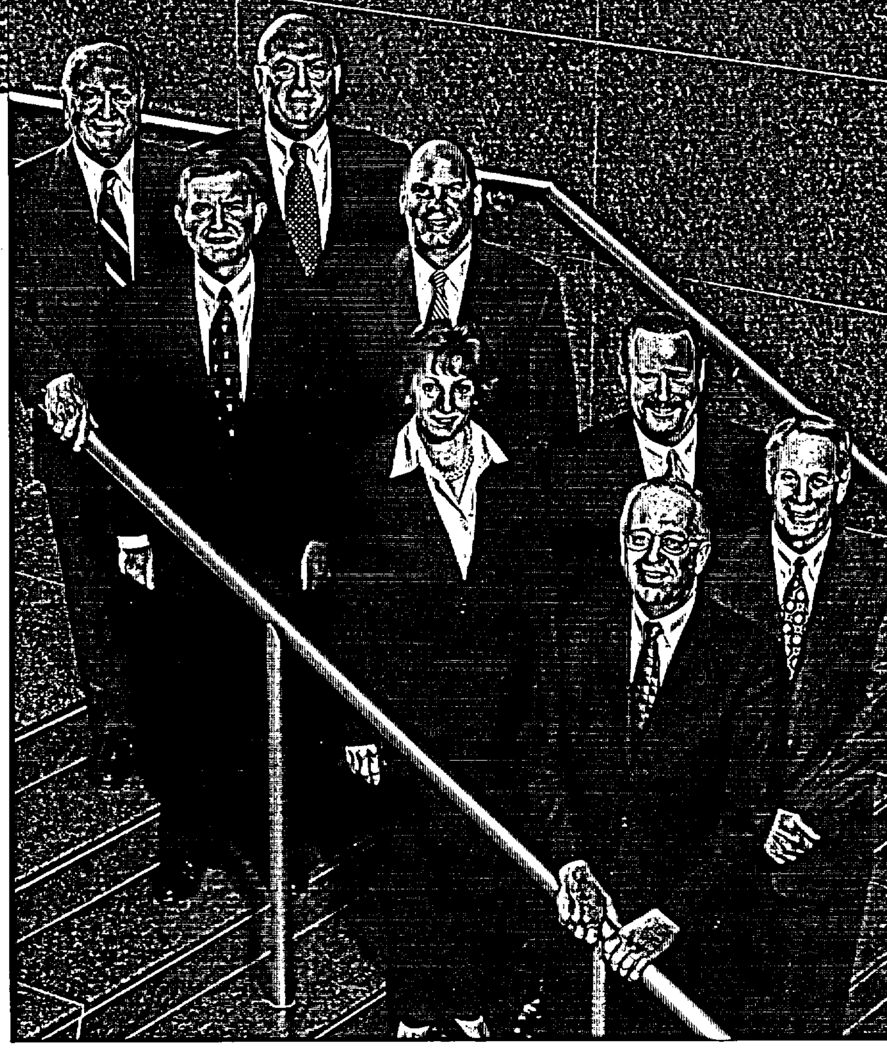
We also received the J.D. Power and Associates award for customer satisfaction for the third consecutive year. OPPD ranked highest in the medium-sized utility class and tied with another utility for the highest residential customer satisfaction index rating in the country. The award is based on customer replies to survey questions related to price and value, billing and payment, power quality and reliability, customer service and the utility's image.

Last year also marked the end of an illustrious 40-year career for Fred Petersen, who spent the last 16 years as president and chief executive officer. Fred oversaw numerous capital improvements, developed a strong management team, prioritized safety and customer service programs, and left the utility in great shape. His legacy, combined with a team of dedicated employees, well-maintained equipment, a solid balance sheet and a strong board of directors, gives us exactly what we need to exceed our customers' expectations. After all, it's their power.

W. Gary Gates
W. Gary Gates
President and Chief Executive Officer

Anne L. McGuire
Anne L. McGuire
Chair of the Board

Board of Directors



Front, from the left:

Del D. Weber
Vice Chair of the Board
President, Omaha Community Foundation;
Chancellor Emeritus, University of Nebraska at Omaha

Kirk E. Brumbaugh
Secretary
Senior Partner and Principal,
Brumbaugh & Quandahl Law Firm

Anne L. McGuire
Chair of the Board
Nurse Educator

Frederick J. Ulrich
Treasurer
Farmer, Cattle Feeder

Back, from the left:

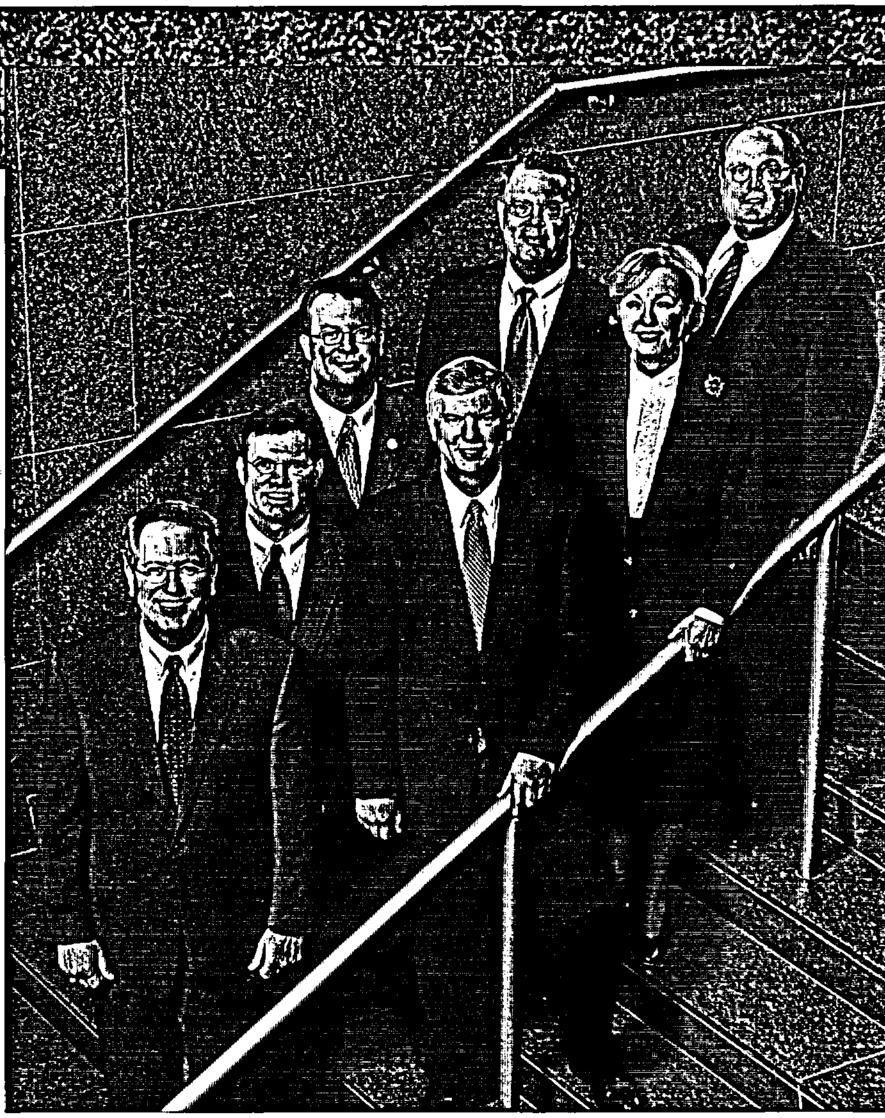
John K. Green
Board Member
Attorney at Law

Geoffrey C. Hall
Board Member
Attorney at Law

Michael J. Cavanaugh
Board Member
Police Lieutenant, City of Omaha (Retired);
Real Estate Investor - Manager

N.P. Dodge Jr.
Board Member
President, N.P. Dodge Company

Senior Management



Front, from the left:

Charles N. Eldred
Vice President,
Chief Financial Officer

W. Gary Gates
President,
Chief Executive Officer

Adrian J. Minks
Vice President

Roger L. Sorenson
Vice President

Back, from the left:

Ross T. Ridenoure
Vice President

Timothy J. Burke
Vice President

Dale F. Widoe
Vice President

Operations Review

Customer Power

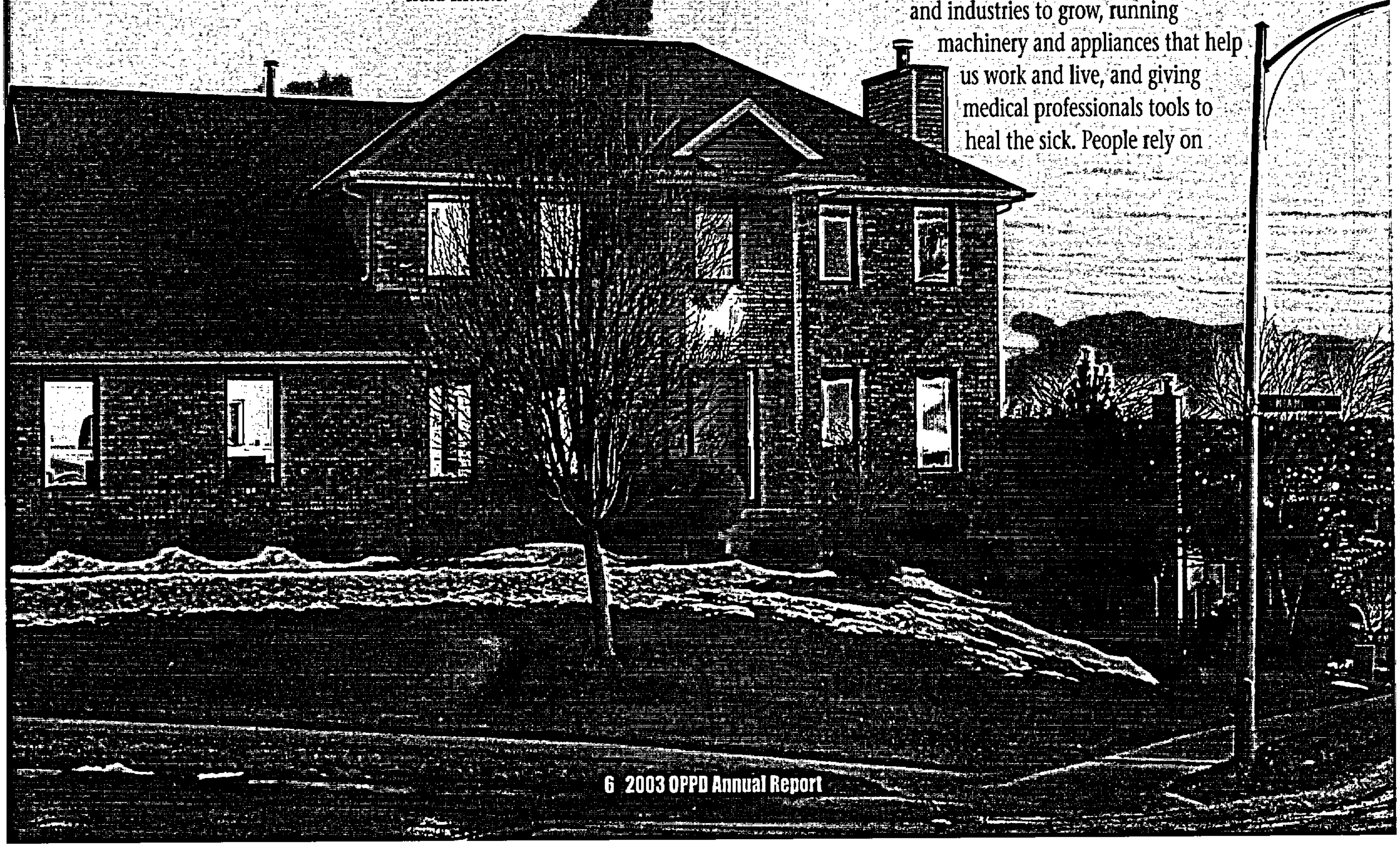
A press operator keeps watch as a large roll of newsprint automatically runs through the fast, complex web press. After both sides of the paper are printed, the machine folds, cuts and assembles the pages. An automated conveyor belt transports the papers to the shipping docks for early-morning delivery.

A farmer in a nearby community looks forward to a good corn harvest and plans to maximize his profit. Grain dryers and grain-conditioning equipment – with powerful electric fans – allow him to dry his own crop and hold it until grain prices become favorable, typically months after harvest.

Miles away in the neonatal unit of a hospital, a nurse tenderly caresses a baby sleeping in a special incubator, while connected to a sophisticated ventilator to prevent trauma to the baby's immature lungs and intravenous pumps to regulate the infant's fluid intake.

Low rates and reliable service give comfort to customers. Below, as the sun sets, a northwest Omaha neighborhoo lights up.

Electricity is critical to all these aspects of life, powering technology that allows students to learn and industries to grow, running machinery and appliances that help us work and live, and giving medical professionals tools to heal the sick. People rely on



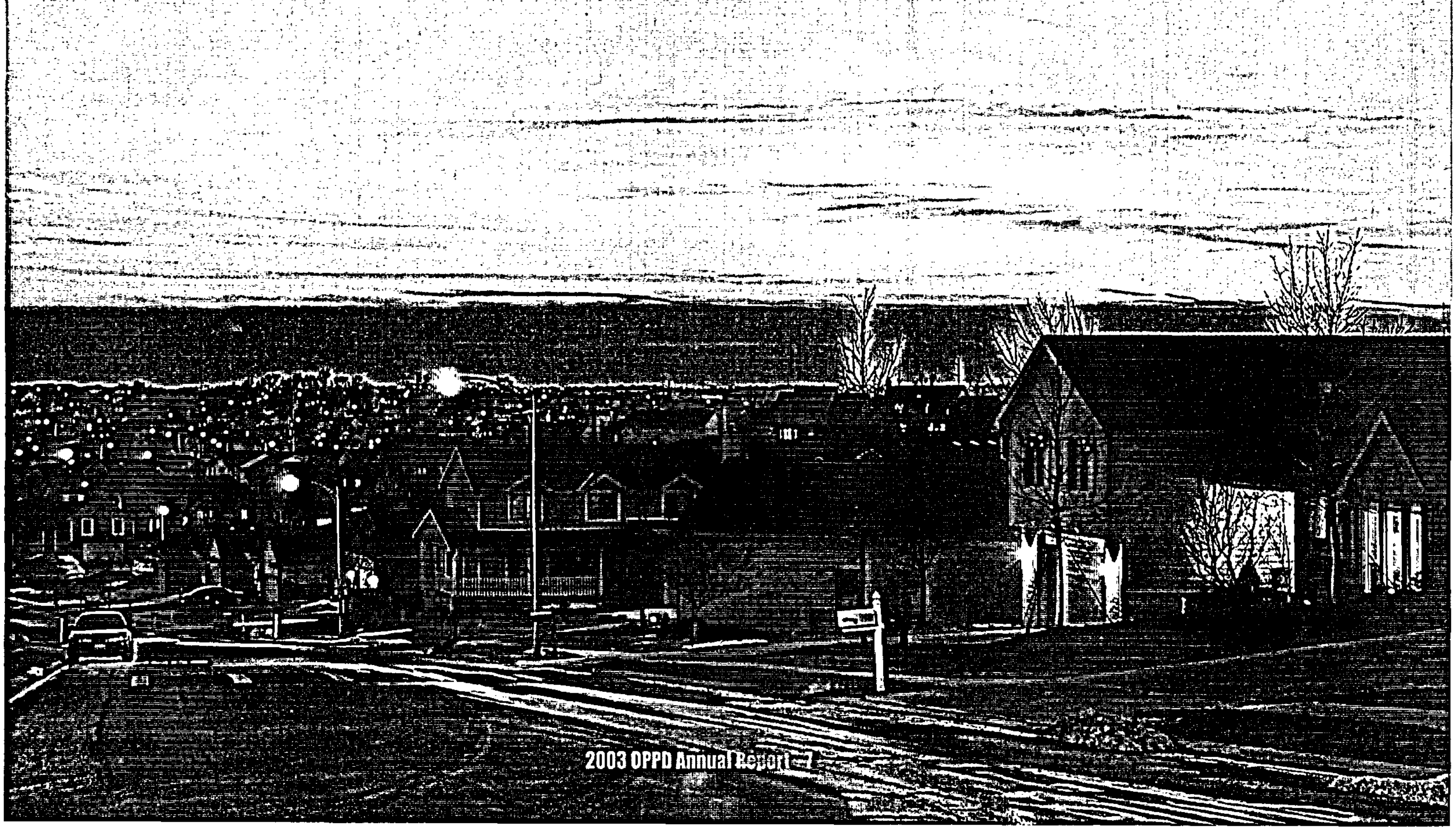
The Power to Live

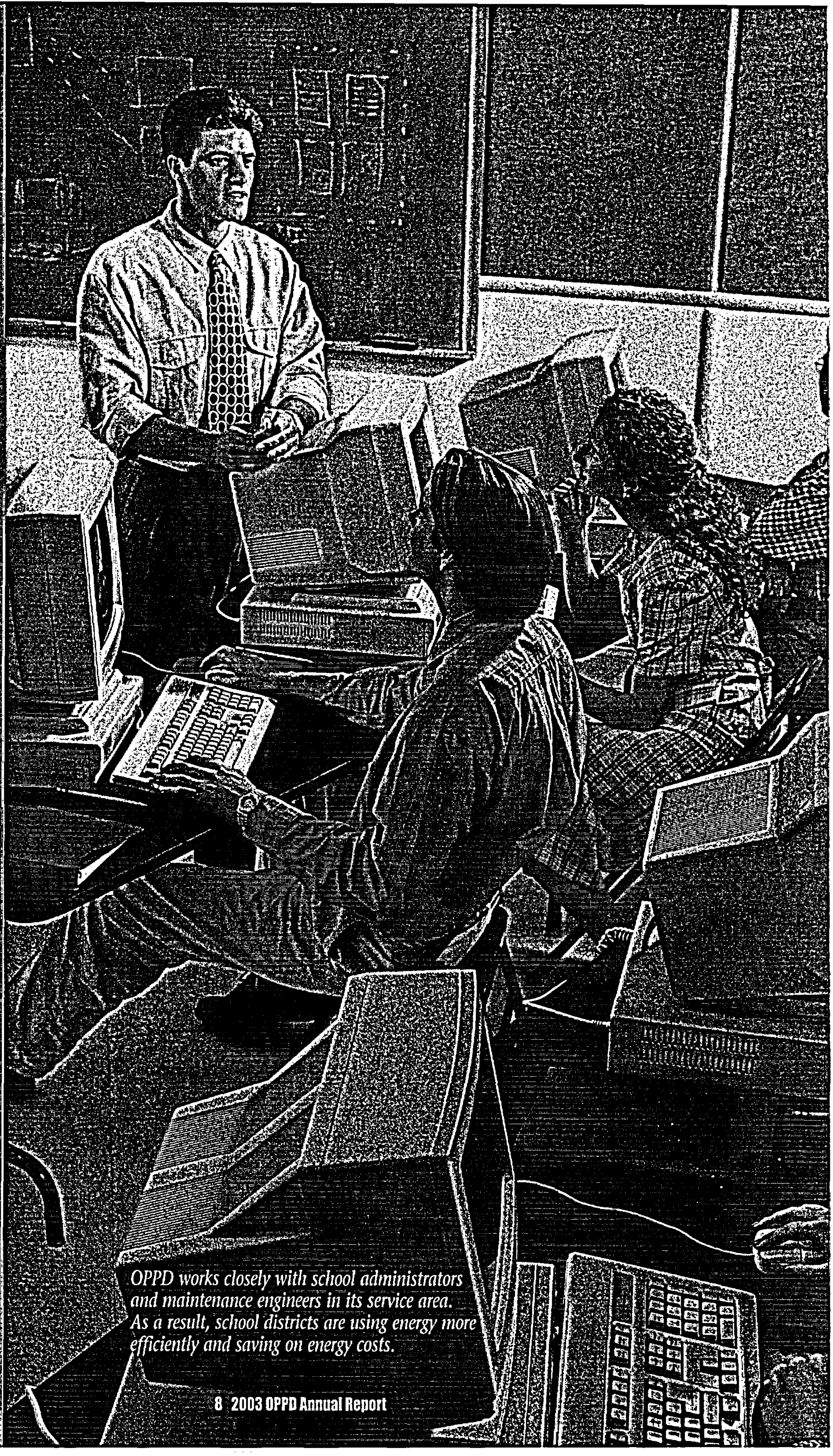
OPPD provides power to more than 270,000 residential customers. That number has grown by an average of 4,000 per year over the last decade, due to new housing developments in the service area. Springfield, Neb., population 1,450, is a quiet community, located 20 minutes from downtown Omaha. City officials there are working with OPPD to prepare for growth. One new Springfield subdivision is nearly full and a second 51-lot subdivision is being developed.

"Springfield is in a growth mode, not only naturally through residents moving here, but also because of being located on Highway 50 – which is going to be widened to four lanes – and its proximity to Highway 370. The writing is on the wall that we are going to have huge upcoming growth. To prepare for this, we need to do some strategic planning and understand what our community wants. We checked into strategic planners to facilitate this process and, of course, they all wanted a great deal of money. We don't have those kinds of resources available to us, so OPPD helped us with planning efforts and with community surveys. Having this information is going to allow us to target our goals for infrastructure growth and set our financial goals so we can meet this extreme surge of growth.

"In addition, we have 17 accounts with OPPD that stretch across seven departments. Our water, wastewater and streetlighting all depend upon electricity. In a city that needs electricity to run its pumps in case of a fire or other emergency, it's very important to have that consistent, constant power to the city. OPPD's commitment to upgrade equipment and maintain efficiency and stability has been a real benefit to us."

– Sandra Powell
Springfield City Administrator
Springfield, Nebraska





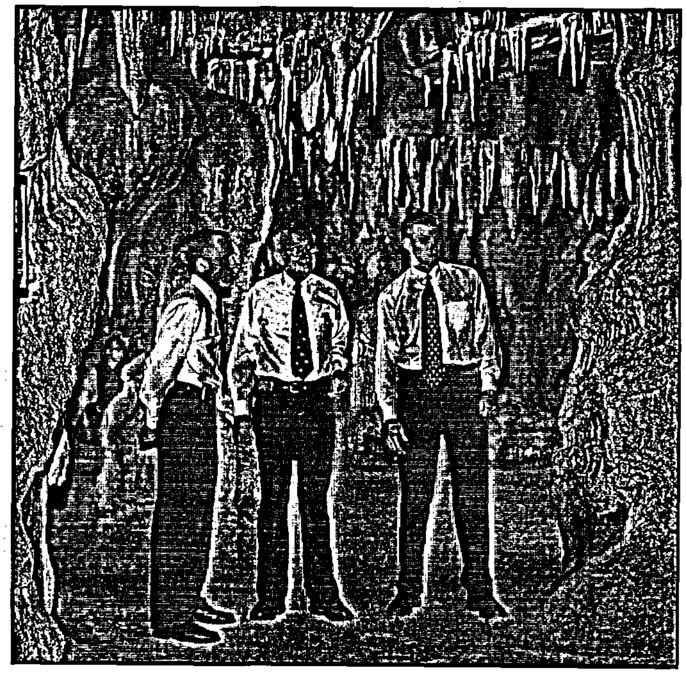
OPPD works closely with school administrators and maintenance engineers in its service area. As a result, school districts are using energy more efficiently and saving on energy costs.

electricity, and customers count on OPPD for safe, low-cost, reliable power. As a steward of public power for 57 years, OPPD knows the power belongs to its customer-owners. Meeting customers' low-cost energy needs and ensuring their satisfaction remain top priorities.

Ensuring Reliability and Affordability

For the third time in the last four operating cycles, Fort Calhoun Nuclear Power Station operated continuously between refueling outages. Excellent maintenance programs at the plant – and at OPPD's coal-fired and peaking units – help ensure the availability of power.

Maintenance and enhancements to the power-delivery systems are just as critical. In 2003, OPPD completed a two-year project to replace circuit-breakers on transmission lines and switching equipment in substations. As that project was completed, the utility began a program to inspect all surface-mounted transformers and other equipment every five years, with all critical equipment inspected every two years.



Every year, about 1.4 million people visit the Henry Doorly Zoo, which received an award from OPPD in 2003 for innovative use of energy. Zoo Director Dr. Lee Simmons, center, shows OPPD Account Executives Jim Krist, left, and Adam Randall a new exhibit.

The Power to Learn

OPPD provides electricity and other specialty services to more than 900 service locations providing educational services. The utility works with schools to improve their learning environments, using energy-efficient applications that leave more money to spend on education. The Bellevue Public Schools is a good example. It serves more than 9,000 students in 19 schools, occupying 1.6 million square feet of school and support facilities.

"OPPD has done a great job of supporting the Bellevue Public Schools' mission. Our job is to champion children and provide the very best learning environment for the students.

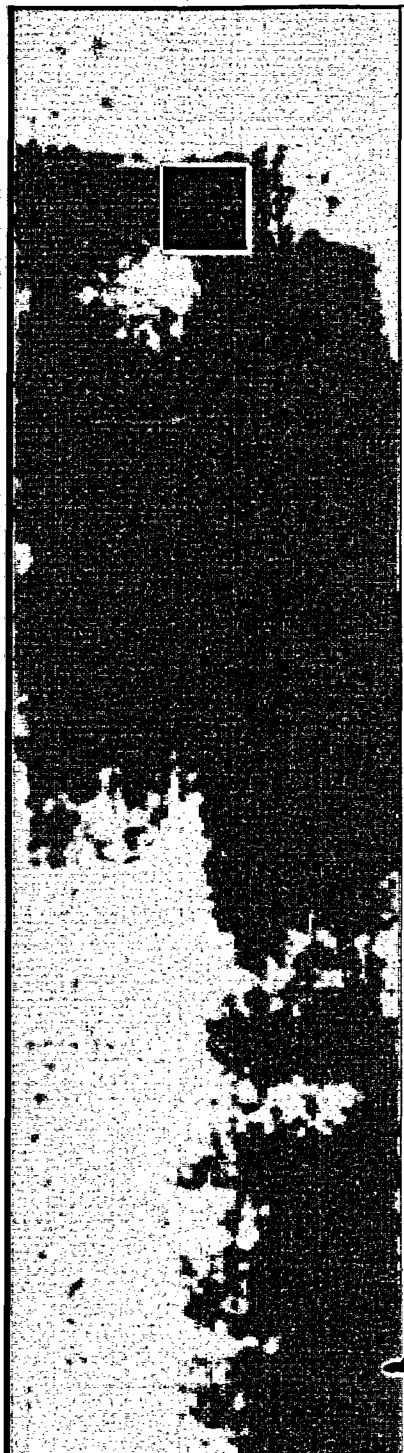
"The level of service that we have received from OPPD has been excellent. On a scale of one to 10, I would say the service that we have received from OPPD is a definite 10. I can't imagine where we could receive a more cost-effective source of power.

"The staff at OPPD has worked tirelessly with the Bellevue Public Schools in looking for innovative ways to become more cost-efficient and in providing classroom information for our students so they can understand their role in energy conservation.

"OPPD has conducted a number of studies for the school district that have assisted us in making more energy-efficient decisions. We have installed energy-efficient lighting, automated flushers and faucets, a geothermal cooling and heating system, all of which have helped provide a more comfortable climate for our students and provided us with a cost savings that can be directed more to the learning program for students.

"We appreciate the commitment to excellence by the staff at OPPD. Electricity is a basic necessity in our business. Because of OPPD's commitment, we are able to provide the children of the Bellevue/Offutt community a quality education."

– Dr. John Deegan
Superintendent, Bellevue Public Schools
Bellevue, Nebraska

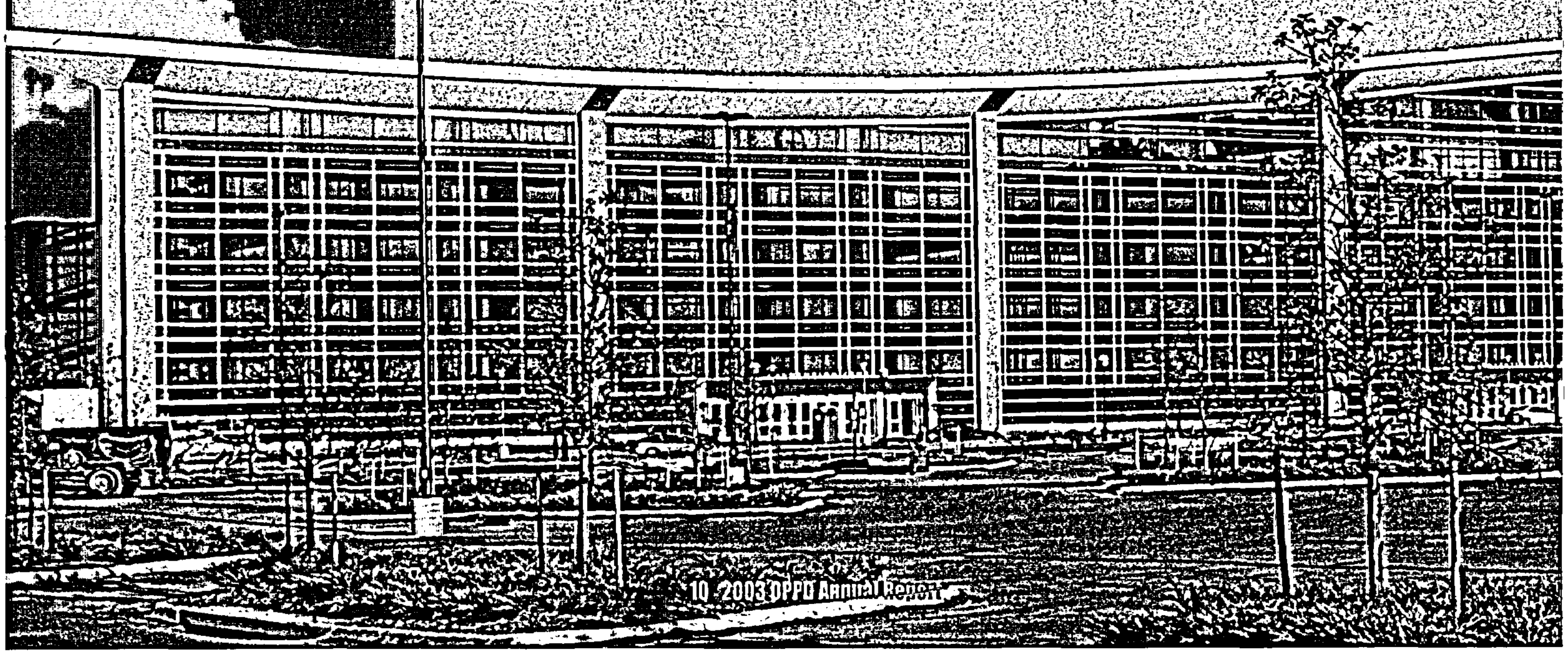


These measures greatly improve reliability, as does OPPD's tree-trimming program, which increased in importance last year. A government report concluded that tree interference played a role in three power-line failures that ultimately led to the blackout that affected 50 million people in eight Upper Midwestern and Eastern states and part of Canada. In a continuing effort to minimize the possibility of such problems, OPPD's tree-trimming program follows a three-year cycle to trim trees along power lines in its 5,000-square-mile service area. OPPD spent $6.2 million on tree-trimming efforts in 2003. OPPD also opened a 27-acre arboretum last year – the first by a utility in the United States – to educate the public about proper tree planting to avoid power-line interference and promote energy-efficiency. The site includes more than 200 species of trees and shrubs.

OPPD's service area boasts a unique mix of industries, ranging from agriculture and food manufacturing, to transportation, insurance and telemarketing.

Customers want their electricity at the touch of a switch, and it must be affordable. OPPD rates for electricity continue to rank among the lowest in the nation, based on the most recent statistics available from the Energy Information Administration. OPPD retail customers paid an average of 5.46 cents per kilowatt-hour (kWh) in 2002, the most recent year for which comprehensive data is available, which is approximately 24 percent below the national average of 7.21 cents per kWh. This figure includes all retail customer categories. In 2003, OPPD rates averaged 5.38 cents per kWh.

OPPD keeps rates affordable through careful planning, cost-control efforts and effective use of competitive bidding. For example, five-year contracts for coal, rail transportation and railway maintenance awarded in 2003 will save millions of dollars through



The Power to Grow

Farming is big business in southeast Nebraska. Approximately 3,300 service locations use electricity for some type of agricultural business. The Wiles brothers are third-generation farmers in Cass County, and they operate a business that serves farmers in a 50-mile radius. Situated on the outskirts of the utility's service territory, OPPD provides service to the Wiles Brothers' expanding operation, which includes a grain-handling facility and a large fertilizer plant.

"Wiles Brothers goes through quite a bit of electricity, and we continue to grow. We have a power company that is willing to grow with us. They provide the expertise on how to put this all together so we can be competitive, without breaking the bank in the process.

"Our business is very seasonal – that's the problem. Everything is on a timeframe. We can't put it off a week or two weeks. Timing is 90 percent of our battle in production agriculture. And, everything – including the commercial blending of various fertilizer grades – is done through a network of computers. Without reliable electricity, we wouldn't get very far. Service has been outstanding, and we appreciate that."

– Marvin Wiles
President, Wiles Brothers Inc.
Plattsmouth, Nebraska

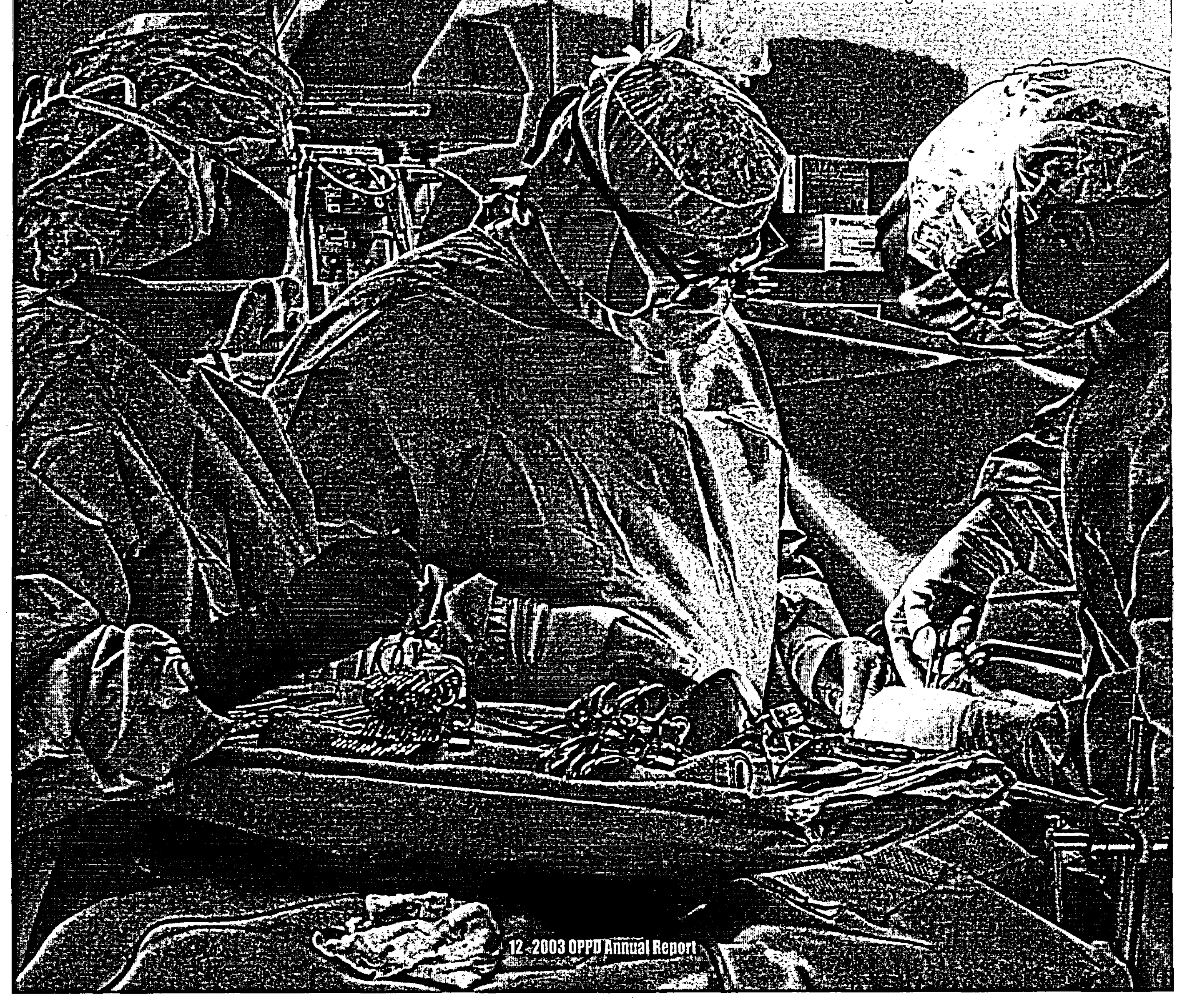
OPPD welcomes customer projects of any size. The new Qwest Center Omaha occupies more than one million square feet of space on the city's riverfront.

2008. The contracts underscore the wisdom of OPPD's purchase of a 56-mile rail line in 1997 for $7 million. The line, which runs from Lincoln, Neb., to OPPD's Nebraska City Station, enabled the utility to seek competitive bids for coal transportation to the station. OPPD estimates customers saved almost $63 million over the course of the last five-year contracts and anticipates similar benefits from the new contracts.

Understanding Customer Needs

In 2003, work continued on more than $1.6 billion of development on the city of Omaha's riverfront and downtown areas, where OPPD plays a supporting role. OPPD personnel worked behind the scenes to make sure all the electrical services were coordinated smoothly, which was a complex job. For example, on a new $291 million convention center and arena, OPPD professionals put in approximately 10,000 hours of labor and the utility invested hundreds of thousands of dollars in materials. That included installing or relocating nearly 400 streetlights, along with more than 20,000 feet of duct line and underground cable.

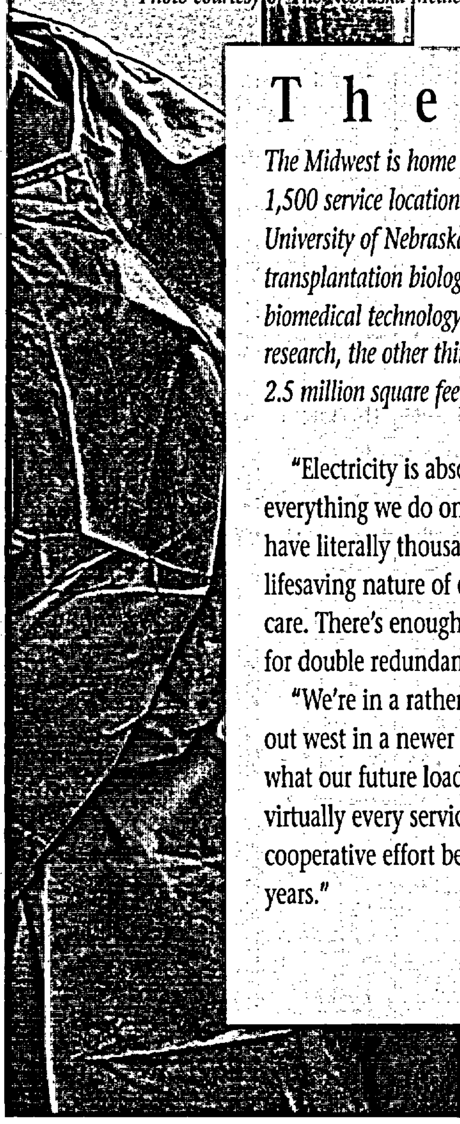
Last year, OPPD also started participating in the Rebuild America Program, a nationwide effort to



promote greater energy efficiency and better comfort in existing commercial buildings. Out of the 27 customer projects OPPD has evaluated, seven have been approved for funding and are moving forward, and others appear likely in the not-too-distant future. This program was initiated with a grant from the U.S. Department of Energy via the Nebraska Energy Office.

While looking for ways to help current customers improve their operations, the utility also helps prospective customers. In 2003, *Site Selection* magazine honored OPPD for being one of the top 10 utilities for economic development nationwide. The American Public Power Association also presented a community service award to OPPD for its Power Drive Program. OPPD began the program in 1998 to help high school students – our future energy consumers – learn more about electro-technologies, while designing and building light electric vehicles. Last year, 68 Nebraska and Iowa high schools participated in the program and showcased their vehicles in a series of rallies across the state. The Nebraska Public Power District partners with OPPD in coordinating the effort statewide.

Though power requirements vary from customer to customer, OPPD places importance on the needs of each one. Whether it's a newborn on life support, a farmer using grain dryers or a press operator running a high-speed press, electricity makes many things possible. Customer Power goes a long way – OPPD makes sure of that. ■



R. Brian Stevens, M.D., Ph.D., center, performs a life-saving kidney transplant at The Nebraska Medical Center.
Photo courtesy of The Nebraska Medical Center.

The Power to Heal

The Midwest is home to some of the best medical professionals in the nation. OPPD provides service to more than 1,500 service locations related to hospital, health care and social-assistance customers. Among the largest is the University of Nebraska Medical Center, which has established itself as one of the country's leading centers in cancer, transplantation biology, bioterrorism preparedness, neurodegenerative diseases, cardiovascular diseases, genetics, biomedical technology and arthritis. It occupies 5 million square feet of space, two-thirds of which is dedicated to research, the other third to teaching. Its hospital partner – The Nebraska Medical Center – covers an additional 2.5 million square feet.

"Electricity is absolutely critical. UNMC has a peak demand approaching nearly 20 megawatts. Virtually everything we do on campus is tied to electricity in one way or another, be it research or medical treatment. We have literally thousands of man-years of research that would be at risk without good, reliable power; and the lifesaving nature of electricity here is phenomenal. For example, we have 36 crib locations in neonatal intensive care. There's enough power in each one to power up a good-size office, just for one infant. Everything is set up for double redundancy – normal power and emergency power.

"We're in a rather old part of the city. The infrastructure is not as robust or as easy to build onto as if we were out west in a newer part of the city. It's critically important to keep OPPD advised of what our plans are and what our future loads may look like. We enjoy a very good working relationship with OPPD. We make use of virtually every service the utility offers, and we may have spearheaded or helped create some of them. The cooperative effort between UNMC and OPPD has saved the taxpayers a significant amount of money over the years."

– Nick Combs
Manager of Maintenance and Utilities, Facilities Management and Planning
University of Nebraska Medical Center

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

OPPD is a fully integrated electric utility serving a 5,000-square-mile, 13-county region in eastern Nebraska. All corporate powers of OPPD are vested in a Board of Directors consisting of eight members representing specific areas of the service territory. OPPD generates revenues from a mix of retail sales, off-system sales and other sales of various products and services. The economy of the service territory is expanding and deregulation in Nebraska does not appear to be imminent at this time. Corporate headquarters is located in Omaha, Nebraska, with generating plants, service centers and customer service locations strategically located throughout our service territory. As OPPD embarks on several major construction projects, effective management of our resources, prudent cost management and maintaining our strong credit ratings will be critical to our future success.

The electric utility industry continues to change in many ways that were unimaginable in the past. Many of these changes present a great opportunity for OPPD and our customer-owners. As we manage through these changes, providing a safe working environment, a reliable source of power and effective customer service at low rates remain the priorities for OPPD.

Exceeding Customer Expectations is our "Main Thing." OPPD's success results from living the simple public power ideals of satisfying our customer-owners with reliable power at low rates. We want our customer-owners and employees to proudly refer to OPPD as "my company."

Strategic planning at OPPD is an ongoing process that is designed to evaluate future long-term opportunities, strengths and threats and develop strategies to manage the business accordingly. Our critical success factors address customer satisfaction, revenue growth, excellence in operations, effective management of financial resources, being the "employer of choice" and developing positive relationships with the customers and communities we serve.

Putting the Strategic Plan into action on an operational basis, OPPD sets specific corporate performance measures and communicates these measures to employees to ensure that they focus on what is critical to our success. In order to maintain the public power advantage of low-cost and reliable energy, management uses a balanced scorecard approach to translate our Strategic Plan into results. Specific performance measures are established to ensure that OPPD stays on course and focuses on the critical success factors of the company. For 2003 and 2004, the corporate performance measures concentrate on the following – Return on the Business, Operating Ratio, Customer Satisfaction Rating and Lost-Time Incident Rate.

- The *Return on the Business* is a measure that reflects the return generated by the company relative to its investment. This measure is set at a rate to ensure the long-term financial strength of OPPD.
- The *Operating Ratio* is a measure that focuses on cost containment and supports OPPD's strategic goal of ensuring cost-effective and efficient business operations.
- The *Customer Satisfaction Rating* is a measure that focuses on the level of overall satisfaction within all customer classes, based on ongoing surveys conducted by an independent organization.
- The *Lost-Time Incident Rate* is a measure that is commonly used in the industry to track safety. This measure focuses on the number of lost-time incidents relative to the number of hours worked.

The following unaudited Management's Discussion and Analysis should be read in conjunction with the financial statements and related notes. This document contains forward-looking statements based largely on OPPD's current plans.

2003 Compared to 2002

Total operating revenues were $588,541,000 for 2003, an increase of $35,517,000 or 6.4% over 2002 operating revenues of $553,024,000.

- Prior to the reductions for the Debt Retirement Account and Rate Stabilization Reserve, revenues from retail sales were $487,738,000 for 2003, an increase of $8,827,000 or 1.8% over 2002 revenues of $478,911,000. The increase in revenues was due mainly to a 3.2% increase in energy sales to retail customers.
- 2003 was a record year for off-system sales. Revenues from off-system sales were $124,262,000 for 2003, an increase of $51,006,000 or 69.6% over 2002 revenues of $73,256,000. Revenues for 2003 increased over 2002 due to a combination of greater energy sales and higher wholesale market prices. We recognize that off-system sales are volatile and OPPD uses conservative estimates of off-system sales for planning purposes. Off-system sales revenues include revenues related to joint marketing and other agreements. OPPD buys and sells power for other public power utilities through joint marketing agreements. Both OPPD and the other utilities benefit from these agreements.

2002 Compared to 2001

Total operating revenues were $553,024,000 for 2002, a decrease of $15,771,000 or 2.8% from 2001 operating revenues of $568,795,000.

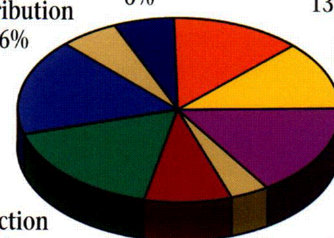
- Prior to the reductions for the Rate Stabilization Reserve, revenues from retail sales were $478,911,000 for 2002, an increase of $10,892,000 or 2.3% over 2001 revenues of $468,019,000. The increase in revenues was due to a 0.5% increase in energy sales to retail customers and more energy sold at summer rates.
- Revenues from off-system sales were $73,256,000 for 2002, a decrease of $17,789,000 or 19.5% from 2001 revenues of $91,045,000. Revenues for 2002 decreased from 2001 due to a combination of lower energy prices and lower sales volume.

Operating Expenses

2003 Compared to 2002

Total operating expenses were $522,507,000 for 2003, an increase of $77,733,000 or 17.5% over 2002 operating expenses of $444,774,000. The chart, shown at right, illustrates the percentage share of operating expenses for 2003 by expense classification.

Operating Expenses - 2003



- Fuel expense increased $11,668,000 over 2002 due to a combination of increased consumption for generation and higher natural gas prices.
- Purchased power expense was $15,466,000 higher than in 2002 due to additional purchases incurred in 2003 related to off-system sales opportunities. Purchased power expense includes expenses related to purchases for joint marketing and other agreements.
- Production expense increased $6,878,000 due mainly to additional costs related to increased generation and the Fort Calhoun Station refueling outage completed in 2003.
- Transmission expense was $2,892,000 higher than in 2002 partly due to a write-off of deferred charges related to OPPD's participation in the formation of a for-profit transmission company which was disbanded in 2003.
- Customer service and information expense was $7,479,000 higher than in 2002 due to the write-off of prior years' costs for the customer energy conservation program and a change in accounting policy in 2003 to expense these costs as they are incurred.
- Administrative and general expense was $19,676,000 higher than in 2002 primarily due to increased employer contributions required for the retirement plan and increased health insurance costs.
- Maintenance expense increased $6,355,000 due to additional production outage costs and changes in the capitalization policy.
- Depreciation and amortization expense increased $5,833,000 over 2002 due to the inclusion of amortization expense for intangible assets and depreciation on the new Cass County Station.

2002 Compared to 2001

Total operating expenses were $444,774,000 for 2002, a decrease of $30,370,000 or 6.4% from 2001 operating expenses of $475,144,000.

- Production expense was $8,625,000 lower than in 2001 because more work was done on construction programs in 2002.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following summarizes OPPD's financial position at December 31, 2003 and 2002 (in thousands).

Condensed Balance Sheets	2003	2002
Current Assets	$ 243,655	$ 200,445
Capital Assets	1,913,721	1,832,300
Other Long-Term Assets	471,163	438,946
Total Assets	$2,628,539	$2,471,691
Current Liabilities	$ 159,792	$ 175,869
Long-Term Liabilities	1,209,613	1,062,566
Total Liabilities	1,369,405	1,238,435
Equity	1,259,134	1,233,256
Total Liabilities and Equity	$2,628,539	$2,471,691

The following summarizes OPPD's operating results (in thousands).

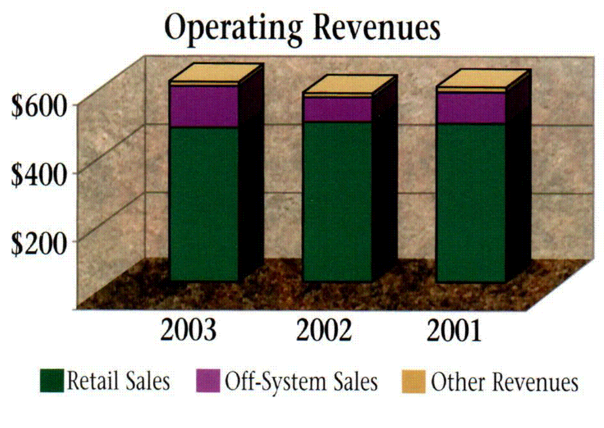
Operating Results	2003	2002	2001
Operating Revenues	$588,541	$553,024	$568,795
Operating Expenses	(522,507)	(444,774)	(475,144)
Operating Income	66,034	108,250	93,651
Other Income	5,230	12,380	15,956
Interest Expense	(45,386)	(40,009)	(39,740)
Net Income	$ 25,878	$ 80,621	$ 69,867

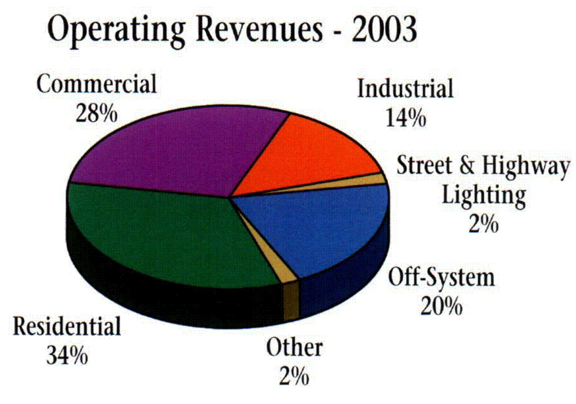
Accounting Policy Changes

In 2002, OPPD completed a depreciation study, which was implemented for 2003. In connection with the implementation of new depreciation rates in 2003, OPPD changed its cost capitalization policies. The primary effect of these changes was to accelerate the recovery of these costs to the period in which they were incurred, rather than to defer recovery to future years. These changes included a reduction in the level of support costs being allocated to utility plant and an increase in the size of property units and the thresholds for capital expenditures. In addition, costs associated with the customer energy conservation program, which were previously deferred and amortized over 15 years, are now being expensed as incurred.

Operating Revenues

The chart, below left, illustrates the mix of OPPD's operating revenues (in millions). The chart, below right, illustrates the percentage share of revenues by customer class for 2003. Other revenues include connection charges, customers' forfeited discounts, rent from electric property and transmission wheeling fees.





- Administrative and general expense was $9,341,000 higher than in 2001 primarily due to increased employer contributions required for the retirement plan and increased costs for the supplemental retirement savings plan and health insurance.
- Depreciation expense was $20,462,000 lower than in 2001 due to the change in the depreciable life estimates of the Fort Calhoun Station as a result of application for license renewal with the Nuclear Regulatory Commission.
- Decommissioning expense was $3,581,000 lower than 2001 expense. Based on cost estimates, inflation rates and fund earnings projections, no funding was necessary for decommissioning expense for the year 2002.

Other Income

Other income was $5,230,000 in 2003, a decrease of $7,150,000 or 57.8% from 2002 other income of $12,380,000. The decrease in 2003 is primarily due to the write-off of $6,225,000 of costs related to the Fort Calhoun Station power uprate project. Due to revised load forecasts and the planned construction of the Nebraska City Station Unit 2, the additional power from this project will not be needed. Since OPPD does not plan to continue this project, costs related to the project were charged to expense in 2003.

OPPD offers a variety of products and services, which provide value both to the customer and OPPD. These offerings include such products as Performance Contracting, Energy Information Services, Energy Solutions, Ground Source Heat Pumps and Residential and Commercial Surge Protection. Offering these products and services is in line with our Strategic Plan and provides opportunities to build strong relationships with our customers by helping them efficiently meet their energy needs.

- Income from products and services was $434,000 for 2003, an increase of $92,000 over 2002 income of $342,000.
- Income from products and services was $342,000 for 2002, a decrease of $923,000 from 2001 income of $1,265,000. This decrease is primarily due to a reduction in revenues earned from a licensing contract agreement.

Interest Expense

Interest expense was $45,386,000 for 2003, an increase of $5,377,000 or 13.4% over 2002 interest expense of $40,009,000, due to a combination of increased long-term debt and the accelerated amortization of losses on extinguished debt. In 2003, OPPD made a decision to accelerate the write-off of certain costs related to losses on extinguished debt by charging these costs to expense over three years rather than over the life of the issues. These costs relate to bonds that have been repaid with operating funds and are no longer on OPPD's Balance Sheet.

Total interest expense was $40,009,000 for 2002, a slight increase over 2001 interest expense of $39,740,000.

Net Income

Net income for 2003, 2002 and 2001 prior to revenue reductions for the Debt Retirement Account and Rate Stabilization Reserve was $60,878,000, $91,121,000 and $74,867,000, respectively. Operating Revenues reported for 2003, 2002 and 2001 were reduced by $35,000,000, $10,500,000 and $5,000,000, respectively, for additions made to the Debt Retirement Account (2003) and the Rate Stabilization Reserve (2002 and 2001).

Number of Customers

OPPD has a stable customer base which continues to grow at a steady rate. The economy of our service territory is expanding, which we believe will support continued growth of our customer base.

- OPPD served an average of 309,715 customers in 2003, an increase of 4,679 or 1.5% over the average number of customers for 2002 of 305,036.
- OPPD served an average of 305,036 customers in 2002, an increase of 6,022 or 2.0% over the average number of customers for 2001 of 299,014.

The following table shows the average number of customers by customer class.

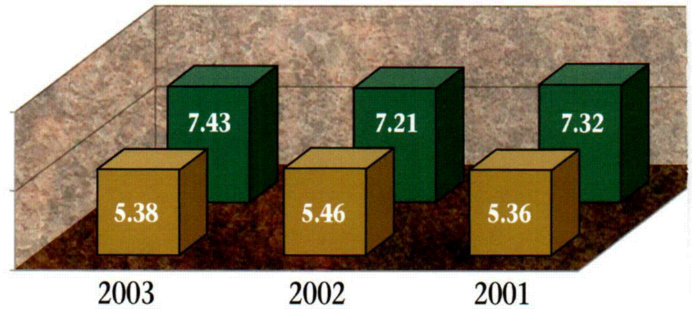
Number of Customers	2003	2002	2001
Residential	270,579	266,464	261,286
Commercial	38,525	37,807	37,008
Industrial	127	117	116
Street and Highway Lighting	436	594	555
Off-System	48	54	49
Total	309,715	305,036	299,014

Cents per kWh

OPPD is sensitive to the rates we charge and strives to maintain the public power advantage for our customers. 2003 was the eleventh consecutive year without a general rate increase.

- Residential customers paid an average of 6.77, 6.80 and 6.62 cents per kWh in 2003, 2002 and 2001, respectively.
- Retail customers paid an average of 5.38, 5.46 and 5.36 cents per kWh in 2003, 2002 and 2001, respectively. The national average retail cents per kWh according to the Energy Information Administration, U.S. Department of Energy was 7.43 (preliminary for 2003 as of November 30) and 7.21 and 7.32 cents per kWh for 2002 and 2001, respectively. The chart on the right shows OPPD's average retail cents per kWh compared to the national average.

Retail Sales - Average Cents per kWh



OPPD implemented a 3.1% general rate increase effective January 1, 2004, to help fund the capital expenditures program. Even with this increase, OPPD rates are expected to remain well below the national average.

CASH AND LIQUIDITY

OPPD has a high degree of liquidity as a result of maintaining strong credit ratings, expanding its Commercial Paper program, implementing cost-containment programs and investing in projects that provide returns in excess of our cost of capital.

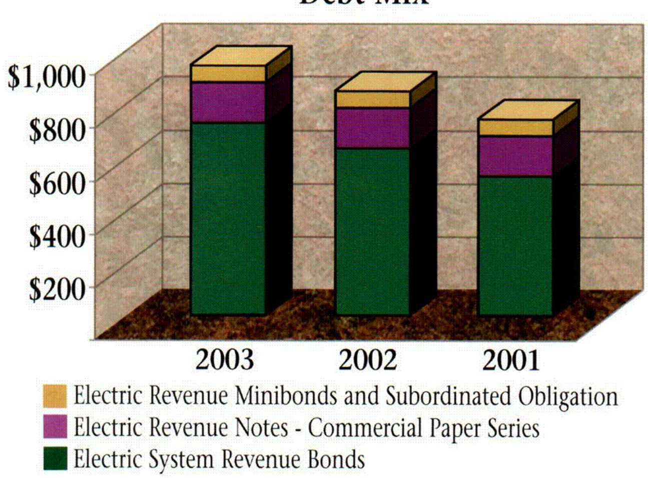
OPPD relies on bond offerings as a significant source of liquidity for capital requirements not provided for by cash from operations. OPPD's ability to obtain required capital at low rates is important to its overall business plan and will be critical in the years to come to support the significant planned capital program expenditures.

Financing

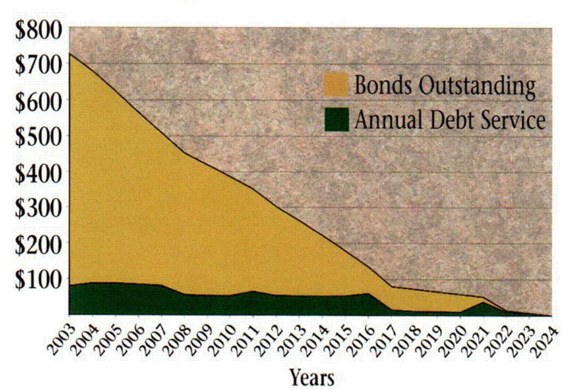
In May 2003, OPPD issued $140,000,000 of bonds, which were sold at interest rates ranging from 1.40% to 4.75%, depending on the term. The proceeds from the sale of the bonds were used for the capital program, which included expenditures for the completion of the Cass County Station.

The chart, below left, illustrates OPPD's debt mix (in millions). The chart, below right, shows OPPD's declining amount of current indebtedness (in millions) and indicates OPPD has sufficient capacity to issue debt to fund the construction of Nebraska City Station Unit 2 and other capital programs.

Debt Mix



Electric System Revenue Bonds Outstanding and Annual Debt Service



Ratings

OPPD's excellent bond ratings allow us to borrow funds at low rates. Both quantitative (financial strength) and qualitative (business and operating characteristics) factors are considered by the bond-rating agencies in establishing a company's credit rating. The ratings given by Standard & Poor's Ratings Group (S&P) and Moody's Investors Service (Moody's), independent bond-rating agencies for the latest Electric System Revenue Bond issue, were among the highest ratings given to public power districts and indicate the agencies' assessment of OPPD's ability to pay interest and principal on its debt.

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The following ratings at December 31, 2003, are indicative of OPPD's strong financial strength.

	Electric System Revenue Bonds	Minibonds*	Commercial Paper
S&P	AA	AAA	A-1+
Moody's	Aa2	Aaa	P-1

** Payment of the principal and interest on the Minibonds when due is insured by a financial guaranty bond insurance policy.*

Cash Flows

OPPD experienced a net increase in cash of $24,531,000 for 2003, a net decrease in cash of $18,780,000 for 2002 and a net increase in cash of $17,238,000 for 2001. The following table illustrates the cash flows by activities (in thousands).

Cash Flows	2003	2002	2001
Cash Flows from Operating Activities	$193,303	$183,361	$239,748
Cash Flows from Capital and Financing Activities	(126,443)	(183,128)	(248,956)
Cash Flows from Investing Activities	(42,329)	(19,013)	26,446
Increase (Decrease) in Cash	$ 24,531	$(18,780)	$ 17,238

Cash flows from operating activities consist of transactions involving changes in current assets, current liabilities and other transactions that affect operating income.

- Cash flows for 2003 increased $9,942,000 over 2002 primarily due to an increase in cash receipts from off-system customers. This change was partially offset by an increase in cash payments to suppliers.
- Cash flows for 2002 decreased $56,387,000 from 2001 primarily due to an increase in cash payments to operations and maintenance suppliers and a decline in cash receipts from off-system customers.

Cash flows from capital and related financing activities consist of transactions involving long-term debt and the acquisition and construction of capital assets.

- Cash flows used for 2003 decreased $56,685,000 from 2002 due mainly to less funds being spent on capital assets.
- Cash flows used for 2002 decreased $65,828,000 from 2001 due to the issuance of the 2002 Series A and B Bonds and additional commercial paper. These additional cash receipts were partially offset by an increase in cash expenditures for capital assets.

Cash flows from investing activities consist of transactions involving purchases and maturities of investment securities and interest income.

- Cash flows used for 2003 increased $23,316,000 over 2002 due to purchases of investment securities for special purpose funds.
- Cash flows used for 2002 increased $45,459,000 over 2001 due to purchases of investment securities and a decrease in interest income.

Debt Service Coverage

OPPD is required by its bond covenants to maintain a debt service coverage of 1.40 times. The following table reflects the calculation of debt service coverage, indicating OPPD's solid ability to make required debt service payments (in thousands).

Debt Service Coverage	2003	2002	2001
Operating revenues	$588,541	$553,024	$568,795
Operation and maintenance expenses	(419,507)	(347,121)	(353,767)
Payments in lieu of taxes	(18,067)	(18,553)	(18,234)
Net operating revenues	150,967	187,350	196,794
Investment income of related reserve fund	1,049	1,411	1,673
Net receipts	$152,016	$188,761	$198,467
Total debt service*	$ 78,839	$ 74,688	$ 73,466
Debt service coverage	1.92	2.52	2.70

** Total debt service for Resolution No. 1788 Bonds is accrued on a calendar-year basis similar to the computation of net receipts. Interest funded from bond proceeds, when applicable, is not included in total debt service.*

Debt Ratio

The debt ratio is a measure of financial solvency and represents the share of OPPD's debt to its total capitalization (debt and equity). OPPD's debt ratio was 42.7% and 40.6% as of December 31, 2003 and 2002, respectively. The 2003 debt ratio increased slightly from 2002 due to the issuance of additional bonds in 2003.

Retirement Plan

Employees contribute 4.0% of their covered pay to OPPD's defined-benefit Retirement Plan (the "Plan"). OPPD is required to contribute the balance of the funds needed by the Plan as determined by our actuary. Due to declining investment returns and increasing liabilities, the funded ratio for the Plan declined to 109.0% as of January 1, 2003, from 128.0% and 138.3%, as of January 1, 2002 and 2001, respectively.

In addition, due to the lower returns experienced in recent years, OPPD lowered the expected rate of return on assets used in computing the actuarial liability to 8.50% for 2003, from 8.75% in 2002 and 9.00% in 2001. The annual required employer contribution to the Plan was $17,505,000 and $5,625,000 for 2003 and 2002, respectively. No contributions were required in 2001. OPPD has budgeted $18,100,000 for employer pension contributions for 2004. Plan assets have significantly increased from $438,965,000 at December 31, 2002, to $509,618,000 at December 31, 2003, due to favorable market conditions.

Risk Management Practices

Negotiating power marketing and fuel purchase activities are within the normal course of OPPD's business. Because of this, OPPD is exposed to certain risks associated with these transactions. Risks associated with power marketing and fuel contracting transactions are identified, quantified and managed within a risk management control framework that is consistent with OPPD's overall tolerance for risk. Fuel expense represents a significant portion of OPPD's generation costs and affects its ability to market competitively priced power. A Risk Management Committee is responsible for identifying, measuring and mitigating various risk exposures. Periodic reports are made to the Board of Directors regarding these activities.

OPPD competes in the wholesale marketplace with other electric utilities and power marketers for off-system sales. To successfully compete, OPPD must be able to offer energy at competitive prices and obtain transmission services. Energy market prices may fluctuate substantially in a short period of time due to changes in the demand and supply of electricity. In the energy trading and marketing business, it is anticipated that these operations will continue to experience competition. In addition, there are other risks, such as counterparty credit risks, which are monitored closely on an ongoing basis.

A Rate Stabilization Reserve was established in 1999 to help OPPD maintain stable customer electric rates. This funded reserve is intended to minimize the impact on rates from significant unforeseen occurrences such as major storm damage or the unscheduled outage of a major generating unit during a period of high replacement power costs. Additions are made to the reserve based on the achievement of specific financial performance measures. Based on operating results, no additions were made in 2003. Additions to the reserve were $10,500,000 and $5,000,000 for 2002 and 2001. This reserve balance was $32,000,000 at December 31, 2003.

A Debt Retirement Account was established in 2003 to help manage the long-term risks associated with the significant additional capital expenditures and related debt issuances planned in future years. OPPD will use this funded reserve to meet future challenges in retiring debt and maintaining adequate debt service coverage ratios. This account balance was $35,000,000 at December 31, 2003.

Other Reserves

OPPD also maintains other reserves to recognize potential liabilities that arise in the normal course of business.

- The *Uncollectible Receivables Reserve* is established for estimated bad debts from both retail and off-system sales. Accounts receivable is reported net of this reserve.
- The *Workers' Compensation and Public Liability Reserves* are established for the estimated liability for current workers' compensation and public liability cases.
- The *Incurred but not Presented Reserve* is a funded insurance reserve that is required by law since OPPD is self-insured. The reserve is based on health insurance claims that have been incurred but not yet presented for payment.

CAPITAL RESOURCES

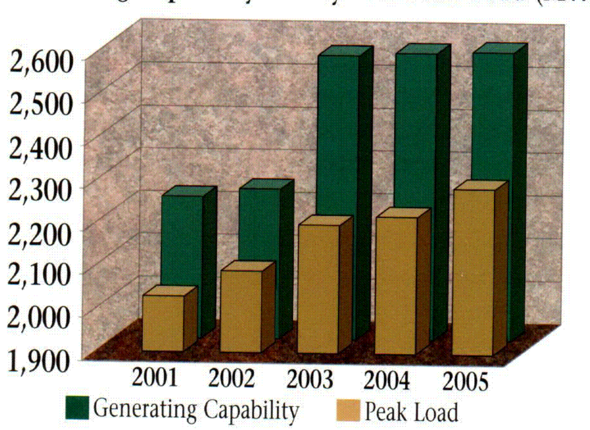
Generating Capability

OPPD owns and operates eight generating stations, seven of which have a maximum summer net capability of 2,540.5 MW. (The net capability of the Valley Station wind turbine is not accredited.) Additionally, OPPD operates leased generation of 6.6 MW for a total capability of 2,547.1 MW. OPPD's power requirements are provided from these generating stations, from leased generation and from purchases of power. The table, at right, illustrates the diverse fuel mix and maximum summer net accredited capability (in MW) of OPPD's generating facilities.

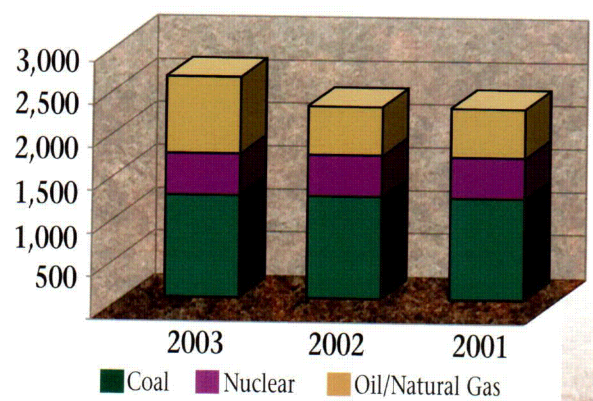
The chart, below left, illustrates OPPD's growing system peak load for the past three years, along with projections for the next two years (in MW), indicating that these increasing loads can be met by current generating capability. The 2003 increase in generation capability was due to the completion of the Cass County Station. The chart, below right, represents the diversity of OPPD's generating capability by fuel type (in MW).

	Capability (MW)	% of Total
Coal		
Nebraska City Station	646.0	
North Omaha Station	534.0	
Subtotal Coal	1,180.0	46.3
Nuclear		
Fort Calhoun Station	476.0	18.7
Oil/Natural Gas		
Cass County Station	320.0	
Jones Street Station	118.4	
North Omaha Station	128.8	
Sarpy County Station	314.3	
Subtotal Oil/Natural Gas	881.5	34.6
Other		
Elk City Station (landfill gas)	3.0	0.1
Leased Generation	6.6	0.3
Total	2,547.1	100.0

Generating Capability and System Peak Load (MW)



Generating Capability (MW)



Capital Program

OPPD continually evaluates electric system requirements and makes long-range recommendations for capital expenditures necessary to serve the growing load requirements with a reliable and economical power supply. The following table shows OPPD's actual capital program and nuclear fuel program expenditures for 2003, 2002 and 2001 and projected expenditures for 2004 and 2005 (in millions). OPPD finances its capital and nuclear fuel programs with revenues from operations, financing proceeds, investment income and cash on hand.

	Projected		Actual		
Capital Program	**2005**	**2004**	**2003**	**2002**	**2001**
Transmission and Distribution Plant	$ 60.7	$ 58.4	$ 57.4	$ 83.2	$ 64.2
General Plant	21.7	25.1	39.6	22.1	21.2
Production Plant	70.4	64.8	56.7	58.0	48.7
Additional Power Supply	63.3	50.1	18.2	70.1	38.8
Total Capital Program	216.1	198.4	171.9	233.4	172.9
Nuclear Fuel Program	19.3	6.4	21.4	18.3	9.2
Total	$235.4	$204.8	$193.3	$251.7	$182.1

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Additional power supply expenditures include the Cass County Station, a second coal-fired power plant at the Nebraska City Station site and capital projects related to the renewal of the operating license for the Fort Calhoun Station.

- The Cass County Station, located near Murray, Nebraska, became operational in May 2003. The plant includes two combustion turbine units with a total capacity of 320 MW. The plant burns natural gas and will be used primarily for peaking purposes.
- OPPD is moving forward with plans for the construction of a 600-MW coal-fired power plant on the site of the Nebraska City Station. The unit is expected to be operational in 2009. OPPD will use 300 MW to meet forecasted requirements for our customers and has secured 40-year contracts with other public power participants for the remaining 300 MW. OPPD will own the entire plant and be responsible to build, operate and maintain the plant. The construction costs for 300 MW will be recovered from the participants. OPPD will issue revenue bonds to finance the 300 MW intended for its customer-owners.
- In November 2003, OPPD received a renewal of its operating license for the Fort Calhoun Station for an additional 20 years until 2033. With this renewal, OPPD has begun work on several major modifications, including the replacement of the current steam generator and several related projects. The major work is planned to be completed in the scheduled 2006 refueling and maintenance outage.

FACTORS AFFECTING OPPD AND THE ELECTRIC UTILITY INDUSTRY GENERALLY

OPPD and the electric industry in general continue to be affected by a number of factors which could impact the competitiveness and financial condition of all electric utilities.

Central Interstate Low-Level Radioactive Waste Compact

Under the federal Low-Level Radioactive Waste Policy Act, the state of Nebraska joined the states of Arkansas, Kansas, Louisiana and Oklahoma to form the Compact for the purpose of providing a low-level radioactive waste (LLRW) disposal facility for member states. The Compact created the Central Interstate LLRW Commission to carry out the goals of the Compact. In 1998, the site-specific license application to the Nebraska Departments of Environmental Quality and Health was denied. Plaintiffs (including OPPD), which are owners and operators of nuclear power generating units within the Compact region, and which have provided funding for the activities of the Commission, filed suit against the state of Nebraska in federal court.

The Commission subsequently, with the court's approval, became a plaintiff with the utilities. In late 2001, OPPD withdrew from this lawsuit but has continued to monitor recovery of its share of expenses through the Commission's claim. In 2002, a federal district court awarded the Commission $151,000,000 in damages, including prejudgment interest. The state of Nebraska appealed this judgment. A three-judge panel of the Eighth Circuit Court of Appeals upheld this judgment in a decision issued in February 2004. OPPD has expended approximately $12,100,000 to fund the activities of the Compact and has notified the Commission of its interest in any funds collected by the Commission.

High-Level Nuclear Waste Repository

Under the federal Nuclear Waste Disposal Act of 1982, the federal government assumed responsibility for the permanent disposal of spent nuclear fuel. The Department of Energy facility is not expected to be operational until at least 2010. OPPD remains responsible for the safe storage of spent nuclear fuel until the federal government takes delivery. In 1994, OPPD completed a re-rack project at the Fort Calhoun Station that will provide spent-fuel storage through 2005. In February 2004, the Board approved the purchase of a dry-cask storage system. This new system will provide adequate spent-fuel storage capacity for continued operation of the Station to the year 2033.

Competitive Environment in Nebraska

During the 2000 session, the Nebraska Legislature enacted Legislative Bill 901 (L.B. 901), which implemented recommendations to determine whether retail competition would be beneficial for Nebraska ratepayers. L.B. 901 directs the preparation of an annual report for the Governor and Legislature which monitors the conditions in the electric industry that may indicate whether retail competition would be beneficial for Nebraska's citizens. These conditions are as follows:

- Whether a viable regional transmission organization and adequate transmission exist in Nebraska or in a region that includes Nebraska.
- Whether a viable wholesale electricity market exists in a region that includes Nebraska.

- To what extent retail rates have been unbundled in Nebraska.
- A comparison of Nebraska's wholesale electricity prices to the prices in the region.
- Any other information the Nebraska Power Review Board believes to be beneficial to the Governor, the Legislature and Nebraska's citizens when considering whether retail electric competition would be beneficial.

The conditions have not been met based on the findings from the latest annual report published in October 2003. Five states have suspended or repealed retail choice since January 2001.

In December 1999, FERC issued Order 2000 requiring public utilities that own, operate or control interstate transmission facilities to provide open and equal access to their transmission facilities. Although OPPD is not subject to FERC jurisdiction, and therefore not required to comply with FERC Order 2000, OPPD is continuing to evaluate the implications of Order 2000 on its transmisson operations, as well as its wholesale energy trading activities.

Environmental Issues

OPPD and other electric utilities are subject to numerous current and proposed environmental regulations in the normal course of their business. OPPD is in compliance with all current regulations and continues to both monitor and influence - to the extent possible - the effects of proposed legislation and regulations, some of which could have a material financial effect on OPPD and most electric utilities.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

These judgments, in and of themselves, could materially impact the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment also may have a significant effect, not only on the operation of the business, but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies have not changed.

The following is a list of accounting policies that are significant to the portrayal of OPPD's financial condition and results of operation, and require management's most difficult, subjective or complex judgments. Each of these has a higher likelihood of resulting in materially different reported amounts under different conditions or using different assumptions.

Accounting Policies	Judgments/Uncertainties Affecting Application
Regulatory Mechanisms and Cost Recovery - (SFAS No. 71)	• External regulatory requirements • Anticipated future regulatory decisions and their impact
Nuclear Plant Decommissioning	• Costs of future decommissioning • Availability of facilities for waste disposal • Approved methods for waste disposal • Useful life of nuclear power plant
Environmental Issues	• Approved methods for cleanup • Governmental regulations and standards
Retirement Plan	• Changes due to assumptions used in computing the actuarial liability, including expected rate of return on Plan assets
Unbilled Revenue	• Estimates for customer energy use
Uncollectible Receivables	• Economic conditions affecting customers, suppliers and market prices

SUMMARY OF THE FINANCIAL STATEMENTS

The financial statements, related notes and management's discussion and analysis provide information about OPPD's financial position and activities. The balance sheets present OPPD's assets, liabilities and equity as of December 31, 2003 and 2002, with current and long-term portions of assets and liabilities separately identified. The Statements of Revenues, Expenses and Changes in Equity present OPPD's operating results and changes in equity for the three years ended December 31, 2003. The Statements of Cash Flows provide information about the flow of cash within OPPD by activities for the three years ended December 31, 2003. The Notes to Financial Statements provide additional detailed information.

Report of Management

The management of 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. The Company'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 a strong internal control structure, supported by formal policies and procedures that are communicated throughout OPPD. 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 deeply committed to conducting business with integrity, in accordance with the highest ethical standards, and in compliance with all applicable laws, rules and regulations. OPPD has adopted a Code of Ethics for the Senior Executive and Financial Officers and the Controller, stating our responsibilities and standards for professional and ethical conduct.

Our independent public accountants have audited the financial statements and have rendered an unqualified opinion as to the statements' fairness of presentation, in all material respects, in conformity with generally accepted accounting principles. During the audit, they obtained an understanding of OPPD's internal control structure and performed tests and other procedures to the extent required by generally accepted auditing standards.

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

W. Gary Gates
President and Chief Executive Officer

Charles N. Eldred
Vice President and Chief Financial Officer

Omaha Public Power District:

We have audited the accompanying balance sheets of the Omaha Public Power District (OPPD) as of December 31, 2003 and 2002, and the related statements of revenues, expenses and changes in equity and of cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of OPPD's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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, 2003 and 2002, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of OPPD's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information, and we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2004, on our consideration of OPPD's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Omaha, Nebraska

February 27, 2004

Balance Sheets
as of December 31, 2003 and 2002

ASSETS	2003	2002
	(thousands)	
UTILITY PLANT - at cost (Notes 2 and 10)		
Electric plant	**$3,196,552**	$3,057,878
Less accumulated depreciation	**1,311,130**	1,248,773
Electric plant - net	**1,885,422**	1,809,105
Nuclear fuel - at amortized cost	**28,299**	23,195
Total utility plant - net	**1,913,721**	1,832,300
SPECIAL PURPOSE FUNDS - primarily at fair value (Notes 3 and 4)		
Construction fund	**117,697**	101,084
Electric system revenue bond fund - net of current portion	**34,291**	31,656
Segregated fund - rate stabilization	**32,000**	21,500
Segregated fund - other	**20,620**	16,975
Decommissioning funds	**240,533**	230,347
Total special purpose funds	**445,141**	401,562
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	**37,348**	12,817
Electric system revenue bond fund - current portion	**56,960**	51,874
Accounts receivable - net	**72,912**	63,491
Fossil fuels - at average cost	**17,804**	13,803
Materials and supplies - at average cost	**52,580**	53,010
Other	**6,051**	5,450
Total current assets	**243,655**	200,445
DEFERRED CHARGES (Note 5)	**26,022**	37,384
TOTAL	**$2,628,539**	$2,471,691

See notes to financial statements

LIABILITIES

	2003	2002
	(thousands)	
LONG-TERM DEBT (Note 2)		
Electric system revenue bonds - net of current portion		
Serial bonds, 1.40% to 5.50% due annually from 2004 to 2024	**$ 589,395**	$ 517,210
Term bonds, 4.25% to 5.50% due annually from 2011 to 2018	**89,920**	68,920
Total electric system revenue bonds	**679,315**	586,130
Electric revenue notes - commercial paper series	**150,000**	150,000
Electric revenue minibonds	**60,563**	59,556
Subordinated obligation - net of currrent portion	**3,092**	3,279
Total	**892,970**	798,965
Unamortized discounts and premiums	**1,407**	1,325
Unamortized loss on refunded debt	**(19,260)**	(22,310)
Total long-term debt - net	**875,117**	777,980
COMMITMENTS AND CONTINGENCIES (Notes 10 and 11)		
LIABILITIES PAYABLE FROM SEGREGATED FUNDS (Notes 3 and 9)	**85,005**	46,156
CURRENT LIABILITIES		
Electric system revenue bonds - current portion (Note 2)	**46,815**	45,005
Subordinated obligation - current portion (Note 2)	**187**	171
Accounts payable	**57,820**	69,875
Accrued payments in lieu of taxes	**17,190**	17,497
Accrued interest	**15,654**	12,031
Accrued payroll	**16,169**	14,653
Accrued production outage costs	**--**	7,146
Other	**5,957**	9,491
Total current liabilities	**159,792**	175,869
OTHER LIABILITIES		
Decommissioning costs	**240,533**	230,347
Other (Note 8)	**8,958**	8,083
Total other liabilities	**249,491**	238,430
EQUITY		
Invested in capital assets, net of related debt	**1,109,299**	1,094,878
Restricted	**45,350**	43,852
Unrestricted	**104,485**	94,526
Total equity	**1,259,134**	1,233,256
TOTAL	**$2,628,539**	$2,471,691

Statements of Revenues, Expenses and Changes in Equity for the Three Years Ended December 31, 2003

	2003	2002 (thousands)	2001
OPERATING REVENUES			
Retail sales	**$ 452,738**	$ 468,411	$ 463,019
Off-system sales	**124,262**	73,256	91,045
Other electric revenues	**11,541**	11,357	14,731
Total operating revenues	**588,541**	553,024	568,795
OPERATING EXPENSES			
Operation			
Fuel	**88,389**	76,721	76,704
Purchased power	**49,218**	33,752	37,247
Production	**87,751**	80,873	89,498
Transmission	**7,100**	4,208	4,916
Distribution	**24,891**	21,935	23,539
Customer accounts	**15,119**	16,103	18,751
Customer service and information	**16,549**	9,070	9,394
Administrative and general	**67,738**	48,062	38,721
Maintenance	**62,752**	56,397	54,997
Total operation and maintenance	**419,507**	347,121	353,767
Depreciation and amortization	**84,933**	79,100	99,562
Decommissioning	**—**	—	3,581
Payments in lieu of taxes	**18,067**	18,553	18,234
Total operating expenses	**522,507**	444,774	475,144
OPERATING INCOME	**66,034**	108,250	93,651
OTHER INCOME (EXPENSES)			
Interest income - all funds	**15,366**	17,756	22,031
Operating funds - net change in fair value	**(957)**	26	881
Decommissioning funds - net change in fair value	**(437)**	50	3,473
Decommissioning interest and change in fair value transfer	**(10,186)**	(12,364)	(16,890)
Allowances for funds used	**6,040**	5,806	4,674
Products and services - net	**434**	342	1,265
Other - net (Note 12)	**(5,030)**	764	522
Total other income - net	**5,230**	12,380	15,956
INTEREST EXPENSE	**45,386**	40,009	39,740
NET INCOME	**25,878**	80,621	69,867
EQUITY, BEGINNING OF YEAR	**1,233,256**	1,152,635	1,082,768
EQUITY, END OF YEAR	**$1,259,134**	$1,233,256	$1,152,635

See notes to financial statements

Statements of Cash Flows for the Three Years Ended December 31, 2003

	2003	2002	2001
		(thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from retail customers	**$504,626**	$497,355	$487,114
Cash received from off-system customers	**117,149**	68,085	92,411
Cash paid to operations and maintenance suppliers	**(262,665)**	(238,626)	(191,667)
Cash paid to off-system suppliers	**(42,346)**	(28,824)	(34,245)
Cash paid to employees	**(105,088)**	(96,390)	(92,668)
Cash paid for in lieu of taxes and other taxes	**(18,373)**	(18,239)	(17,616)
Cash paid for nuclear decommissioning	**—**	—	(3,581)
Net cash provided from operating activities	**193,303**	183,361	239,748
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from long-term borrowings	**140,000**	146,050	25,000
Principal reduction of long-term debt	**(44,590)**	(43,968)	(60,605)
Interest paid on long-term debt	**(34,608)**	(39,043)	(37,017)
Acquisition and construction of capital assets	**(170,681)**	(231,596)	(171,181)
Acquisition of nuclear fuel	**(16,564)**	(14,571)	(5,153)
Net cash used for capital and related financing activities	**(126,443)**	(183,128)	(248,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of special purpose funds - investment securities	**(560,148)**	(556,807)	(437,964)
Maturities and sales of special purpose funds - investment securities	**519,045**	533,836	438,492
Net change in electric system revenue bond fund - current	**(5,086)**	(1,027)	17,970
Interest income on investments	**3,860**	4,985	7,948
Net cash provided from (used for) investing activities	**(42,329)**	(19,013)	26,446
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**24,531**	(18,780)	17,238
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**12,817**	31,597	14,359
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 37,348**	$ 12,817	$ 31,597
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED FROM OPERATING ACTIVITIES			
Operating income	**$ 66,034**	$108,250	$ 93,651
Adjustments to reconcile operating income to net cash provided from operating activities			
Depreciation and amortizaton	**84,933**	79,100	99,562
Amortization of nuclear fuel	**11,582**	13,472	13,411
Change in other liabilities	**37,182**	6,062	2,147
Other	**18,513**	(10,881)	12,960
Changes in current assets and liabilities			
Accounts receivable	**(9,421)**	(2,722)	606
Fossil fuels	**(4,001)**	(3,046)	(2,683)
Materials and supplies	**430**	(5,198)	(489)
Accounts payable	**(1,342)**	(3,088)	18,408
Accrued payments in lieu of taxes	**(307)**	314	619
Accrued payroll	**1,516**	1,623	1,057
Accrued production outage costs	**(7,146)**	(4,645)	(88)
Other	**(4,670)**	4,120	587
Net cash provided from operating activities	**$193,303**	$183,361	$239,748

See notes to financial statements

Notes to Financial Statements for the Three Years Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business – The Omaha Public Power District (OPPD), 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.

Basis of Accounting – The financial statements of OPPD are presented in accordance with generally accepted accounting principles 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). In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, OPPD has elected not to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

OPPD applies the accounting policies established in Statement of Financial Accounting Standards (SFAS) No. 71, *Accounting for the Effects of Certain Types of Regulation* (SFAS No. 71). In general, SFAS No. 71 permits an entity with cost-based rates to defer certain costs if it is probable that these costs will be recovered through the rates charged. SFAS No. 71 also permits an entity to defer revenues by recognizing liabilities to cover future expenditures.

If, as a result of changes in regulation or competition, OPPD's ability to recover these assets and liabilities would not be assured, then pursuant to SFAS No. 101, *Accounting for the Discontinuation of Application of SFAS No. 71* (SFAS No. 101) and SFAS No. 90, *Regulated Enterprises -- Accounting for Abandonments and Disallowances of Plant Costs* (SFAS No. 90), 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, OPPD would be required to determine any impairment to the carrying costs of deregulated plant and inventory assets. To reduce exposure to costs related to potentially stranded assets, OPPD's Board of Directors approved additional depreciation expense of $15,000,000 for the year ended December 31, 2001, based on an asset evaluation study performed by an independent consulting firm. There was no additional depreciation expense for the years ended December 31, 2003 and 2002.

Revenue Recognition – 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. Accounts receivable includes $25,299,000 and $21,213,000 in unbilled revenues as of December 31, 2003 and 2002, respectively.

Cash and Cash Equivalents – OPPD considers highly liquid investments of the Revenue Fund purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – An estimate is made for the provision for uncollectible accounts based on an analysis of the aging of accounts receivable and historical write-offs, net of recoveries for retail customers. Additional amounts may be included based on the credit risks of significant parties. Included in the provision is the greater of $5,000,000 or an estimate based on the previous year's accounts receivable for off-system sales customers. Accounts receivable is reported net of the provision for uncollectible accounts of $5,781,000 and $6,017,000, as of December 31, 2003 and 2002, respectively.

Utility Plant – The costs of property additions, replacements of units of property and betterments are charged to electric plant. Maintenance and replacement 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.

In 2002, OPPD completed a depreciation study, which was implemented for 2003. In connection with the implementation of new depreciation rates in 2003, OPPD revised its capitalization policy. The primary effect of these changes was to accelerate the recovery of these costs to the period in which they were incurred, rather than to defer recovery to future years. Changes to OPPD's capitalization policy include the establishment of larger property units, the implementation of higher dollar thresholds for capitalization and a reduction in the capitalization of support costs.

Electric plant includes both tangible and intangible assets. Intangible assets include the costs of software and licenses. In 2003, the Nuclear Regulatory Commission (NRC) approved OPPD's application for license renewal of an additional 20 years for the Fort Calhoun Station until 2033. Accordingly, costs associated with license renewal of $5,824,000 were included as an intangible asset in electric plant in 2003 and will be amortized over the life of the license.

Electric plant includes construction work in progress of $142,278,000 and $274,790,000, as of December 31, 2003 and 2002, respectively. Electric plant activity for the year ended December 31, 2003, was as follows (in thousands):

	2002	Additions	Retirements	2003
Electric plant	$3,057,878	$158,689	$(20,015)	$3,196,552
Less accumulated depreciation and amortization	1,248,773	82,399	(20,042)	1,311,130
Total	$1,809,105	$ 76,290	$ 27	$1,885,422

Allowances for funds used, approximating OPPD's current weighted average cost of debt, are capitalized as a component of the cost of utility plant. These allowances were computed at 4.1%, 3.2% and 4.1% for both construction work in progress and nuclear fuel for the years ended December 31, 2003, 2002 and 2001, respectively.

Depreciation and Amortization – Depreciation for most assets 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 3.0%, 3.0% and 4.0% of depreciable property for the years ended December 31, 2003, 2002 and 2001, respectively. New depreciation rates were implemented in 2003 in accordance with the recommendations from the depreciation study.

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

Intangible assets are amortized over their expected useful life. Prior to 2003, intangible assets were amortized to various accounts. Amortization of intangible assets was $2,496,000 for the year ended December 31, 2003, and was included with depreciation expense in the financial statements. The amount of amortization to various accounts was $2,825,000 and $8,448,000 for the years ended December 31, 2002 and 2001, respectively.

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, OPPD is subject to a fee of one mill per net kilowatt-hour paid quarterly to the DOE on all nuclear energy generation. The spent nuclear fuel disposal costs are included in OPPD's nuclear fuel amortization and are collected from customers as part of fuel costs. Nuclear fuel disposal costs were $3,748,000, $3,629,000 and $3,051,000 for the years ended December 31, 2003, 2002 and 2001, respectively. OPPD's contract required the Federal Government to begin accepting high-level nuclear waste by January 1998; however, the DOE's facility is not expected to be operational until at least 2010. In May 1998, the U.S. Court of Appeals confirmed 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 February 2004, OPPD's Board of Directors approved the purchase of a dry-cask storage system. This new system will provide adequate spent-fuel storage capacity for continued operation of the Fort Calhoun Station to the year 2033.

Nuclear Decommissioning – OPPD's Board of Directors has approved the collection of nuclear decommissioning costs based on an independent engineering study of the costs to decommission the Fort Calhoun Station. The decommissioning estimates accepted by OPPD's Board of Directors (which exceed the Nuclear Regulatory Commission's minimum funding requirements) totaled $423,257,000, $400,445,000 and $391,257,000 for the fiscal years ending June 30, 2004, 2003 and 2002, respectively. Based on cost estimates, inflation rates and fund earnings projection, no funding was necessary for decommissioning expense for the fiscal years ending June 30, 2004, 2003 and 2002. A study is under way to determine the impact on the liability for nuclear decommissioning as a result of the approval by the NRC of the license renewal for the Fort Calhoun Station. Management believes the results of this study will not adversely impact the liability for decommissioning.

Regulatory Assets and Liabilities – OPPD is regulated by Nebraska State Law and the Nuclear Regulatory Commission (NRC). As a result, OPPD is subject to the provisions of SFAS No. 71. Under this statement, regulatory assets are deferred expenses which are expected to be recovered over some future period, and regulatory liabilities are reductions in earnings (or costs recovered) to cover future expenditures.

Regulatory assets, which are included in deferred charges (Note 5), consist of deferred expenditures for customer energy conservation programs and unamortized loss on extinguished debt. In 2003, OPPD's Board of Directors approved the acceleration of the write-off of these regulatory assets over a three-year period. The balance of deferred expenditures for customer energy conservation programs was $8,557,000 and $12,827,000 as of December 31, 2003 and 2002, respectively. The balance of unamortized loss on extinguished debt was $9,095,000 and $13,643,000 as of December 31, 2003 and 2002, respectively.

Regulatory liabilities consist of reserves for uncollectible accounts from off-system sales, rate stabilization and debt retirement. The reserve for uncollectible accounts from off-system sales was established to recognize a loss contingency for bad debts from off-system sales customers. Accounts receivable is reported net of this reserve. The Rate Stabilization Reserve was established to help maintain stability in OPPD's long-term rate structure. The Debt Retirement Account was established in 2003 to be used for the retirement of outstanding debt and to help maintain debt service coverage ratios at appropriate levels.

Retail sales were reduced for the establishment of and/or addition to regulatory liabilities reserves by $35,000,000, $10,500,000 and $5,000,000 for the years ended December 31, 2003, 2002 and 2001, respectively. The balance of the reserve for uncollectible accounts from off-system sales was $5,000,000 as of December 31, 2003 and 2002. The balance of the Rate Stabilization Reserve was $32,000,000 as of December 31, 2003 and 2002. The balance of the Debt Retirement Account was $35,000,000 as of December 31, 2003.

Accrued Production Outage Costs – For major planned production outages, estimated incremental operation and maintenance expenses of $5,000,000 or more are accrued prior to the outage. The next major planned production outage is scheduled to begin in March 2005 at the Fort Calhoun Station.

Natural Gas Inventories and Contracts – Natural gas is one of the fuels used by OPPD in the generation of electricity. Prior to the placement of the Cass County Station in commercial operation in 2003, natural gas for all of OPPD's generation needs was obtained from a local distribution company (LDC). OPPD is not able to use a LDC to obtain fuel for this Station. As a result, natural gas inventories are maintained for the Cass County Station and the weighted average cost of natural gas consumed is used to expense natural gas from inventories.

OPPD is exposed to market price fluctuations on its purchases of natural gas. To protect itself from increases in market prices of natural gas, OPPD uses natural gas futures contracts. These transactions are hedges of acquisitions and anticipated acquisitions of natural gas and any gains or losses on these contracts are offset against the cost of natural gas. As a result of hedging contracts, there was a reduction in fuel expense of $28,000 and an increase in fuel expense of $375,000 for the years ended December 31, 2003 and 2001, respectively. OPPD did not enter into any natural gas hedging contracts for 2002.

During the months of August and September of 2003, OPPD purchased New York Mercantile Exchange natural gas futures contracts with payments based on the notional amount of 300,000 mmBtu of natural gas. These contracts will expire between the months of May and September of 2004. These futures contracts had an unrealized gain of $117,000 based on quoted market prices at December 31, 2003.

Fair Value of Financial Instruments – Unless otherwise specified, the carrying amount of financial instruments approximates their fair value.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Recent Accounting Pronouncements – In March 2003, GASB issued Statement No. 40, *Deposit and Investment Risk Disclosure*. This statement amends Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, and will require OPPD to disclose credit-risk information, interest rate information, bases for sensitivity of investments that are highly sensitive to changes in interest rates and policies related to disclosed risk. This statement is effective for fiscal years beginning after June 15, 2004.

In June 2003, GASB issued Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*, which requires note disclosure for derivatives outstanding as of the end of the fiscal period that are not reported at fair value on the Balance Sheet. The provisions of this technical bulletin are effective for financial statements for periods ending after June 15, 2003. As a result, additional disclosure for natural gas derivatives is presented in these Notes to Financial Statements.

In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*. This statement requires the effects of capital asset impairments to be recorded in the financial statements when the impairment occurs. Guidance is also provided for the appropriate treatment of insurance recoveries. This statement is effective for fiscal years beginning after December 15, 2004.

Reclassifications – Certain amounts in the prior year's financial statements have been reclassified to conform to the 2003 presentation. These reclassifications had no effect on net income.

2. LONG-TERM DEBT

OPPD utilizes proceeds of debt issues primarily in financing its construction program. Long-term debt activity, including the current portion, for the year ended December 31, 2003, was as follows (in thousands):

	2002	Additions	Reductions	2003
Electric system revenue bonds	$631,135	$140,000	$(45,005)	$726,130
Electric revenue notes - commercial paper series	150,000	—	—	150,000
Electric revenue minibonds	59,556	1,140	(133)	60,563
Subordinated obligation	3,450	—	(171)	3,279
Total	$844,141	$141,140	$(45,309)	$939,972

Electric System Revenue Bonds – Electric System Revenue Bond payments are as follows (in thousands):

	Principal	Interest
2004	$ 46,815	$ 32,582
2005	56,105	30,214
2006	58,200	27,637
2007	57,140	25,004
2008	56,620	22,362
2009-2013	189,780	84,259
2014-2018	189,470	35,989
2019-2024	72,000	11,324
Total	$726,130	$269,371

OPPD's bond indenture provides 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.

In any three-year period, at least 7.5% 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.

The average borrowing rates were 4.6%, 4.9% and 5.2% for the years ended December 31, 2003, 2002 and 2001, respectively.

The 1993 Series C 2017 Term Bonds and the 1993 Series D 2013 and 2016 Term Bonds were refunded with proceeds from the 2002 Series B Bonds. The advance refunding reduced total debt service payments over the next 15 years by $18,813,000 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $13,198,000. The following Electric System Revenue Bonds, with outstanding principal amounts of $336,425,000 and $522,660,000 as of December 31, 2003 and 2002, respectively, were legally defeased: 1973, 1986 Series A, 1992 Series B, 1993 Series B Term, 1993 Series C 2017 Term and 1993 Series D 2013 and 2016 Term Bonds. The 1993 Series C 2017 Term and 1993 Series D 2013 and 2016 Term Bonds were called and the last payment was made on the 1973 Bonds in 2003. Defeased bonds are funded by Government securities deposited by OPPD in irrevocable escrow accounts. Accordingly, the bonds and the related Government securities escrow accounts have been removed from OPPD's balance sheets.

Electric Revenue Notes - Commercial Paper Series – OPPD has a Commercial Paper Program supported by a credit agreement for $150,000,000 which expires on October 1, 2004. OPPD has the intent and the ability to refinance this obligation on a long-term basis. The average borrowing rates were 1.5%, 2.0% and 2.9% for the years ended December 31, 2003, 2002 and 2001, respectively.

Electric Revenue Minibonds – The minibonds consist of current interest-bearing and capital appreciation minibonds, which are payable on a parity with OPPD's Electric Revenue Notes - Commercial Paper Series, both of which are subordinated to the Electric System Revenue Bonds. The outstanding balances at December 31 were as follows (in thousands):

	2003	2002
Principal		
1992 minibonds, due 2007 (6.00%)	$ 9,252	$ 9,314
1993 minibonds, due 2008 (5.35%)	9,353	9,377
1994 minibonds, due 2009 (5.95%)	9,560	9,587
2001 minibonds, due 2021 (5.05%)	24,907	24,928
Subtotal	53,072	53,206
Accreted interest on capital appreciation minibonds	7,491	6,350
Total	$60,563	$59,556

Subordinated Obligation – The subordinated obligation is payable in annual installments of $481,815, including interest at 9.0%, through 2014.

Fair Value Disclosure – The aggregate carrying amount and fair value of OPPD's long-term debt, including current portion, at December 31 were as follows (in thousands):

2003		2002	
Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
$941,379	$990,520	$845,466	$890,626

The estimated fair value amounts were determined using rates that are currently available for issuance of debt with similar credit ratings and maturities. As market interest rates decline in relation to the issuer's outstanding debt, the fair value of outstanding debt financial instruments with fixed interest rates and maturities will tend to rise. Conversely, as market interest rates increase, the fair value of outstanding debt financial instruments will tend to decline. Fair value will normally approximate carrying amount as the debt financial instrument nears its maturity date. The use of different market assumptions may have an effect on the estimated fair value amount. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that bondholders could realize in a current market exchange.

3. SPECIAL PURPOSE FUNDS

Special purpose funds of OPPD are as follows:

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

The Electric System Revenue Bond Fund is to be used for the retirement of term and serial bonds and the payment of the related interest.

Segregated Fund – Rate Stabilization is to be used to help stabilize rates over future periods through the transfer of funds to operations as necessary for significant unforeseen occurrences, such as major storm damage or unscheduled outages. The balance of the Rate Stabilization Fund was $32,000,000 and $21,500,000 as of December 31, 2003 and 2002, respectively.

Segregated Fund – Debt Retirement is to be used for the retirement of outstanding debt and to help maintain debt service coverage ratios at appropriate levels. In February 2004, $35,000,000 was funded based on 2003 operating results.

Segregated Fund – Other represents assets held for payment of customer deposits, refundable advances, certain other liabilities and funds set aside as part of OPPD's self-insured health insurance plans (see Note 9). The balances of the funds at December 31 were as follows (in thousands):

	2003	2002
Segregated Fund - self-insurance	$ 6,363	$ 5,116
Segregated Fund - other	14,257	11,859
Total	$20,620	$16,975

The Decommissioning Funds are for the cost to decommission the Fort Calhoun Station when its operating license expires. The Decommissioning Funds are held by outside trustees in compliance with the decommissioning funding plans approved by OPPD's Board of Directors (see Note 1). The 1990 Plan was established in accordance with NRC regulations, for the purpose of discharging OPPD's obligation to decommission, as defined by the NRC, the Fort Calhoun Station. The 1992 Plan was established to retain funds in excess of NRC minimum funding requirements based on an independent engineering study which indicated that decommissioning costs would exceed the NRC minimum requirements. The balances of the funds at December 31 were as follows (in thousands):

	2003	2002
Decommissioning Trust - 1990 Plan	$184,611	$176,650
Decommissioning Trust - 1992 Plan	55,922	53,697
Total	$240,533	$230,347

4. DEPOSITS AND INVESTMENTS

Bank Deposits – OPPD's bank deposits at December 31, 2003 and 2002, were entirely insured or collateralized with securities held by OPPD or by its agent in OPPD's name.

Investments – OPPD's cash equivalents and investments included in the Construction Fund, Electric System Revenue Bond Fund, Rate Stabilization Fund, Segregated Funds and Decommissioning Funds are held by OPPD's agents in OPPD's name in trust in accordance with OPPD's bond covenants and Nebraska state statutes. OPPD does not invest in securities such as mortgage-backed investments and reverse repurchase agreements. The investments, which are primarily recorded at fair market value, consist of U.S. Government and Agency Securities, Investment Grade Corporate Bonds and Secured Investments collateralized by U.S. Government Securities. Fair values were determined based upon quotes received from the trustee's market valuation service.

5. DEFERRED CHARGES

The composition of deferred charges at December 31 was as follows (in thousands):

	2003	2002
Deferred financing costs	$12,318	$15,920
Customer energy conservation programs	8,557	12,827
Other	5,147	8,637
Total	$26,022	$37,384

6. RETIREMENT PLAN

Substantially all employees are covered by OPPD's Retirement Plan (the "Plan"). It is a single-employer defined benefit plan which provides retirement and death benefits. 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) times years of credited service (as defined). The Plan was established and may be amended under the direction of OPPD's Board of Directors, and is administered by OPPD. Cost-of-living adjustments are provided to retirees and beneficiaries at the discretion of the Board of Directors. The Board of Directors approved ad hoc cost-of-living adjustments of 1.25%, 2.00% and 3.50% as of January 1, 2003, 2002 and 2001, respectively.

The Plan information as of January 1 based on the actuarial valuation was as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Over Funded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Over Funded AAL as a Percentage of Covered Payroll ((a-b)/c)
		(thousands)			(thousands)	
2003	$519,723	$476,951	$ 42,772	109.0%	$136,488	31.3%
2002	$544,184	$425,267	$118,917	128.0%	$126,587	93.9%
2001	$533,668	$385,747	$147,921	138.3%	$121,200	122.0%

Contribution requirements are actuarially determined, using the Frozen Attained Age (level percent of pay) Method. The actuarial accrued liability shown in the table above is based on the present value of accrued plan benefits, since the Frozen Attained Age Method does not compute an AAL each year. Employees contribute 4.0% of their covered pay to the Plan. OPPD is obligated to contribute the balance of the funds needed on an actuarially-determined basis. The annual pension cost and required contribution by OPPD was $17,505,000 and $5,625,000 for the years ended December 31, 2003 and December 31, 2002, respectively. There was no net pension obligation for the years ended December 31, 2003 and December 31, 2002. For the year ended December 31, 2001, there was no annual pension cost, net pension obligation or OPPD contribution made to the Plan. Plan contributions by OPPD employees were $5,704,000, $5,483,000 and $5,063,000 for the years ended December 31, 2003, 2002 and 2001, respectively.

The following was used in computing the actuarial liability for each year:

	2003	2002	2001
Investment return (discount rate)	8.50%	8.75%	9.00%
Average rate of compensation increase	5.20%	5.20%	5.20%
Cost-of-living adjustment	1.25%	2.00%	3.50%

Audited financial statements for the Retirement Plan may be reviewed by contacting the Pension Administrator at OPPD's Corporate Headquarters, Omaha, Nebraska.

OPPD provides for other employee benefit obligations to allow certain current and former employees to retain the benefits to which they would have been entitled under OPPD's Retirement Plan except for federally mandated limits and to provide supplemental pension benefits. The related pension expense, fund balance and employee benefit obligation are not material for the years ended December 31, 2003, 2002 and 2001.

7. SUPPLEMENTAL RETIREMENT SAVINGS PLAN

OPPD sponsors a Defined Contribution Supplemental Retirement Savings Plan – 401(k) and a Defined Contribution Supplemental Retirement Savings Plan – 457. Both plans cover all full-time employees, and allow contributions by employees that are partially matched by OPPD. Each Plan's assets and income are held in an external trust account in the employee's name. OPPD's matching share of contributions was $6,581,000, $6,258,000 and $5,327,000 for the years ended December 31, 2003, 2002 and 2001, respectively.

8. OTHER LIABILITIES

The composition of other liabilities at December 31 was as follows (in thousands):

	2003	2002
Nuclear enrichment fee	$2,997	$4,408
Other insurance reserves	1,573	1,426
Deferred revenues	1,572	1,778
Other	2,816	471
Total	$8,958	$8,083

9. SELF-INSURANCE HEALTH PROGRAM AND POST-RETIREMENT BENEFITS

OPPD provides employee health care and life insurance benefits to substantially all active and retired employees. 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 (see Note 3). Additionally, private insurance covering claims in excess of 120% of expected levels has been purchased. Actual net claim payments, which did not exceed 120% of the expected claims level during 2003, 2002 and 2001, were $26,513,000, $23,080,000 and $18,833,000, respectively. As of December 31, 2003, 2,324 active employees and 1,018 retirees and beneficiaries had health care coverage from OPPD.

10. COMMITMENTS

OPPD's Construction Budget provides for expenditures of $198,396,000 during 2004 and $710,333,000 for 2005 through 2013, of which approximately $72,694,000 was under contract at December 31, 2003.

OPPD has power sales commitments which extend through 2027 of $54,537,000. OPPD has power purchase commitments which extend through 2020 of $45,656,000.

OPPD has coal supply contracts which extend through 2008 with minimum future payments of $110,600,000. OPPD also has coal transportation contracts which extend through 2008 with minimum future payments of $111,700,000. These contracts are subject to price escalation adjustments.

Contracts are in effect through 2005 with estimated future payments of $12,520,000 for the purchase, conversion and enrichment of nuclear fuel. Additionally, OPPD has contracts through 2005 for the fabrication of nuclear fuel assemblies with estimated future payments of $3,415,000.

11. CONTINGENCIES

Under the provisions of the Price-Anderson Act, OPPD and all other licensed nuclear power plant operators could each be assessed for claims and legal costs in the event of a nuclear incident in amounts not to exceed a total of $100,590,000 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.

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

12. OTHER - NET

In 2003, $6,225,000 of expenses was reported in Other – Net for costs to initiate the process to obtain authorization from the NRC for the option to move forward with a major uprate to Fort Calhoun Station's accredited output. These costs were written-off to expense since the uprate will not be pursued because OPPD will be able to meet its energy needs with other sources of generation.

Electric System Revenue Bonds Outstanding as of December 31, 2003 (in thousands)

	1993 ISSUE SERIES A		1993 ISSUE SERIES B		1993 ISSUE SERIES C		1993 ISSUE SERIES D		1993 ISSUE SERIES E	
Maturity Date February 1	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
2004	5.25	18,220	5.00	4,670			4.75	6,960	4.50	9,820
2005	5.30	18,780	5.10	5,710			4.80	7,110	4.50	10,360
2006	5.40	20,150	5.20	5,710			4.90	7,280	4.60	10,930
2007	5.50	21,330	5.30	6,230			5.00	10,080		
2008			5.40	9,340	5.40	13,230	5.10	11,000		
2009					5.40	14,020				
2010					5.50	14,860				
2011					5.50*	15,750				
2012					5.50*	16,700				
2013					5.50*	17,700				
2014					5.50*	18,770				
2015										
2016										
2017										
2018										
2019										
2020										
2021										
2022										
2023										
2024										
Total Outstanding		78,480		31,660		111,030		42,430		31,110
Bonds Redeemed to 12/31/03		106,220		132,540		63,330		159,970		73,990
Original Issue		184,700		164,200		174,360		202,400		105,100

***Term Bonds**

- The 1986 Series A Issue was defeased to maturity with final maturity on February 1, 2015.
- The 1992 Series B Issue was defeased to maturity with final maturity on February 1, 2017.
- The 1993 Series B Term Bonds were defeased to maturity with final maturity on February 1 20 OPPD has expressly and absolutely retained its right to call and redeem these bonds prior to their stated maturity.

1998 ISSUE SERIES A		2002 ISSUE SERIES A		2002 ISSUE SERIES B		2003 ISSUE SERIES A			
Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	Total Principal Maturities February 1	Annualized Debt Service
4.05	7,145							46,815	86,975
4.10	7,145					1.40	7,000	56,105	87,205
4.20	7,130					1.80	7,000	58,200	83,753
		3.45	12,500			2.25	7,000	57,140	80,586
				4.50	16,050	2.65	7,000	56,620	55,707
				4.50	11,430	2.95	7,000	32,450	53,379
				4.50	11,970	3.25	7,000	33,830	53,303
				4.50	12,590	3.55	7,000	35,340	64,708
		4.30	12,500	4.50	13,270	3.70	7,000	49,470	53,745
				5.00	13,990	3.80	7,000	38,690	52,535
				5.00	14,730	3.90	7,000	40,500	52,404
				4.25	35,410	4.00	7,000	42,410	53,314
				4.25	38,200	4.25*	7,000	45,200	60,034
		5.00	25,000	4.25	22,360	4.25*	7,000	54,360	14,934
						4.25*	7,000	7,000	10,506
						4.35	7,000	7,000	10,202
						4.45	7,000	7,000	9,891
						4.55	7,000	7,000	37,074
		5.20	30,000			4.65	7,000	37,000	10,319
						4.70	7,000	7,000	7,360
						4.75	7,000	7,000	611
	21,420		80,000		190,000		140,000	726,130	938,545
	28,580							564,630	
	50,000		80,000		190,000		140,000	1,290,760	

Statistics

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Total Utility Plant										
(at year end)										
(in thousands of dollars)	**3,224,851**	3,081,073	2,876,799	2,735,437	2,621,444	2,455,004	2,360,495	2,309,733	2,235,631	2,188,106
Bonded Indebtedness										
(at year end)										
(in thousands of dollars)	**726,130**	631,135	577,010	637,235	696,040	745,630	813,860	761,020	947,390	974,510
Operating Revenues										
(in thousands of dollars)										
Residential	**208,426**	214,447	202,984	196,923	188,187	192,481	183,178	170,021	171,687	165,813
Commercial	**176,664**	177,063	176,145	166,441	161,901	159,844	157,406	150,388	145,096	147,669
Industrial	**85,406**	75,946	76,197	75,976	76,513	79,359	76,806	75,016	73,395	75,483
Street and Highway Lighting	**13,156**	12,723	12,589	12,270	11,936	11,687	11,356	10,937	8,577	10,626
Off-System Sales	**124,262**	73,256	91,045	110,300	78,741	62,550	44,484	39,908	29,170	4,211
Accrued Unbilled Revenues	**4,086**	(1,268)	104	2,541	1,650	282	1,554	(161)	998	(279)
Provision for Rate Stabilization	**—**	(10,500)	(5,000)	(11,500)	(5,000)	—	—	—	—	—
Provision for Debt Retirement	**(35,000)**	—	—	—	—	—	—	—	—	—
Other Electric Revenues	**11,541**	11,357	14,731	14,238	9,802	8,747	9,169	7,413	6,424	6,173
Total	**588,541**	553,024	568,795	567,189	523,730	514,950	483,953	453,522	435,347	409,696
Operation & Maintenance Expenses										
(in thousands of dollars)	**419,507**	347,121	353,767	345,378	329,323	306,864	283,307	278,251	261,981	229,976
Payments in Lieu of Taxes										
(in thousands of dollars)	**18,067**	18,553	18,234	17,645	16,852	16,638	16,447	15,499	15,263	15,515
Net Operating Revenues before Depreciation and Decommissioning										
(in thousands of dollars)	**150,967**	187,350	196,794	204,166	177,555	191,448	184,199	159,772	158,103	164,205
Net Income										
(in thousands of dollars)	**25,878**	80,621	69,867	70,850	49,014	63,993	47,152	39,339	47,835	52,115
Energy Sales										
(in megawatt-hours)										
Residential	**3,079,589**	3,151,895	3,065,377	2,880,289	2,718,585	2,796,585	2,688,951	2,577,624	2,571,881	2,467,405
Commercial	**3,264,369**	3,272,028	3,279,890	3,097,835	3,014,202	2,971,390	2,894,595	2,787,471	2,657,948	2,580,258
Industrial	**2,561,569**	2,290,368	2,302,311	2,287,966	2,304,441	2,443,625	2,323,253	2,305,328	2,124,023	1,930,664
Street and Highway Lighting	**82,845**	81,593	82,775	81,268	80,868	80,286	79,572	78,710	79,732	80,906
Off-System Sales	**4,309,719**	3,613,340	3,952,632	4,208,943	3,318,409	3,105,942	2,544,508	2,492,385	1,855,154	177,489
Accrued Unbilled MWh	**61,165**	(23,697)	(5,268)	52,739	23,168	9,369	54,222	7,358	23,161	7,707
Total	**13,359,256**	12,385,527	12,677,717	12,609,040	11,459,673	11,407,197	10,585,101	10,248,876	9,311,899	7,244,429
Number of Customers										
(average per year)										
Residential	**270,579**	266,464	261,286	256,541	251,057	245,890	241,626	237,584	233,879	230,391
Commercial	**38,525**	37,807	37,008	36,088	35,553	34,932	34,555	33,993	33,137	32,438
Industrial	**127**	117	116	110	105	103	99	99	97	95
Street and Highway Lighting	**436**	594	555	543	560	567	551	555	542	516
Other Electric Utilities	**48**	54	49	49	45	40	36	34	31	7
Total	**309,715**	305,036	299,014	293,331	287,320	281,532	276,867	272,265	267,686	263,447
Residential Statistics (average)										
kWh/Customer	**11,381**	11,829	11,732	11,227	10,829	11,373	11,129	10,849	10,997	10,710
Dollar Revenue/Customer	**770.30**	804.79	776.87	767.61	749.58	782.79	758.11	715.62	734.08	719.70
Cents/kWh	**6.77**	6.80	6.62	6.84	6.92	6.88	6.81	6.65	6.76	6.72
Generating Capability										
(at year end)										
(in megawatts)	**2,547.1**	2,227.1	2,211.6	2,209.6	2,100.0	2,089.5	2,067.0	2,033.1	1,924.2	1,924.2
System Peak Load										
(in megawatts)	**2,144.8**	2,037.4	1,994.1	1,976.9	1,965.6	1,914.0	1,851.8	1,813.9	1,827.9	1,645.9
Net System Requirements										
(in megawatt-hours)										
Generated	**12,000,873**	11,428,893	11,516,924	11,760,938	10,724,976	10,679,310	9,698,231	9,260,923	9,073,968	8,876,535
Purchased and Net Interchanged	**(2,557,981)**	(2,122,701)	(2,557,704)	(2,833,243)	(2,190,252)	(1,960,844)	(1,281,496)	(1,096,996)	(1,206,817)	(1,418,694)
Net	**9,442,892**	9,306,192	8,959,220	8,927,695	8,534,724	8,718,466	8,416,735	8,163,927	7,867,151	7,457,841

Certain amounts have been reclassified to conform with the 2003 presentation.

OPPD Investor Relations

Corporate Headquarters
Energy Plaza
444 South 16th Street Mall
Omaha, NE 68102-2247

Trustee
JP Morgan Trust Company
Chicago, Illinois

Paying Agents
JP Morgan Trust Company
Chicago, Illinois
New York, New York

Wells Fargo Bank, N.A.
Omaha, Nebraska

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

OPPD Minibonds
OPPD is the Paying Agent, Transfer Agent and Registrar on OPPD's Minibonds. OPPD Minibond Administration provides information and assistance to Minibond holders regarding:

* *Interest Payments*
  Interest on Current Interest-Bearing Minibonds is paid on April 1 and October 1 of each year.
* *Ownership Transfer*
  Minibond Transfer Information Forms can be obtained via www.oppd.com or by contacting the Minibond Administrator, listed below.
* *Optional Early Redemption*
* *Replacement of Lost Minibond Certificate*

Please contact the Minibond Administrator to request a Minibond Transfer Information Form or to change your Minibond holder address. You may contact the Minibond Administrator via e-mail at minibonds@oppd.com, at OPPD's website www.oppd.com (click on *Who We Are, Financial Information* and *Minibonds*) or through the address and telephone numbers listed at right.

Minibond Administrator
Finance & Capital Management
Omaha Public Power District
444 South 16th Street Mall
Omaha, NE 68102-2247

Omaha, Nebraska area 402-636-3286
Outside Nebraska 800-428-5584

Other OPPD Debtholders
You may contact OPPD with questions about other OPPD debt at the following address and telephone number:

Finance & Capital Management
Omaha Public Power District
444 South 16th Street Mall
Omaha, NE 68102-2247
e-mail: finfo@oppd.com
402-636-2000

The Trustee and Paying Agent on OPPD's Senior Lien Debt is JP Morgan Trust Company. You may contact JP Morgan Trust Company directly at the following address and telephone number:

JP Morgan Trust Company
Attn: Corporate Trust Operations
227 West Monroe, 1st Floor - Suite 190
Chicago, IL 60606
Investor Relations 800-275-2048

Available Financial Information
In compliance with Securities and Exchange Commission Rule 15c2-12, information regarding OPPD is available at any nationally recognized municipal security information repository. Copies of its most recent annual reports, quarterly reports and official statement also are available upon request at finfo@oppd.com or through the following address:

Omaha Public Power District
Finance Division
444 South 16th Street Mall
Omaha, NE 68102-2247

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

OPPD Corporate Officers

Anne L. McGuire
Chair of the Board

Del D. Weber
Vice Chair of the Board

Frederick J. Ulrich
Treasurer

Kirk E. Brumbaugh
Secretary

W. Gary Gates
President,
Chief Executive Officer

Charles N. Eldred
Vice President,
Chief Financial Officer
Assistant Treasurer
Assistant Secretary

Timothy J. Burke
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Ross T. Ridenoure
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Adrian J. Minks
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Roger L. Sorenson
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Dale F. Widoe
Vice President

Charles P. Moriarty
Senior Financial Officer
Assistant Treasurer
Assistant Secretary

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Omaha, Nebraska 68102
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