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# OPPD ANNUAL REPORT

Omaha Public Power District

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**OMAHA PUBLIC POWER DISTRICT****OPPD SERVICE AREA:  
5,000 SQUARE MILES****EXECUTIVE OFFICES**

Electric Building  
1623 Harney Street  
Omaha, Nebraska 68102-2247

**TRUSTEE**

Morgan Guaranty Trust Company of New York,  
New York, New York (1956, 1958, 1961,  
1966, 1968, and 1969 Bonds)  
The First National Bank of Chicago, Chicago,  
Illinois (1972, 1973, 1975 Series B, 1976  
Series A and B, 1977 Series A, B, and C,  
and 1985 Series A Bonds)

**PAYING AGENTS**

Morgan Guaranty Trust Company of New York,  
New York, New York (1956, 1958, 1961,  
1966, 1968, 1969, 1972, 1973, 1975 Series B,  
1976 Series A and B, 1977 Series A, B,  
and C, and 1985 Series A Bonds)  
Continental Illinois National Bank and Trust  
Company of Chicago, Chicago, Illinois (1956,  
1958, 1961, 1966, 1968, and 1969 Bonds)  
The First National Bank of Chicago, Chicago,  
Illinois (1972, 1973, 1975 Series B, 1976  
Series A and B, 1977 Series A, B, and C,  
and 1985 Series A Bonds)  
Norwest Bank Nebraska, N.A., Omaha, Nebraska

**GENERAL COUNSEL**

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

OPPD serves 560,000 people in all or part of  
13 counties in eastern Nebraska. Electric service  
is provided to the following 49 incorporated  
communities at retail:

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

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



1990

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## 1985 HIGHLIGHTS

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### Operating Revenues

Operating revenues for 1985 were \$303,036,000, a decrease of \$2,963,000, or 1.0%, under 1984 operating revenues of \$305,999,000.

### Operation and Maintenance Expenses

Operation and maintenance expenses for 1985 were \$172,438,000, a decrease of \$4,563,000, or 2.6%, under 1984 operation and maintenance expenses of \$177,001,000.

### Net Operating Revenues

Net operating revenues, before depreciation and decommissioning, were \$120,491,000, an increase of \$1,785,000, or 1.5%, over 1984 net operating revenues of \$118,706,000.

### Net Earnings Reinvested in the Business

Net earnings reinvested in the business totaled \$40,256,000, an increase of \$249,000, or 0.6%, over 1984 net earnings reinvested in the business of \$40,007,000.

### General Business Sales

General business sales to District customers were 5,465,386,000 kilowatt-hours in 1985, a decrease of 62,844,000, or 1.1%, under 1984 sales of 5,528,230,000 kilowatt-hours.

### Average Number of Customers

The District served an average total of 229,100 customers in 1985, an increase of 4,599, or 2.0%, over the 1984 average total of 224,501 customers.

### Average Residential Use

Average annual use per residential customer in 1985 was 9,750 kilowatt-hours, a decrease of 573, or 5.6%, under the 1984 average of 10,323 kilowatt-hours.

### Average Residential Cost

The District's residential customers paid an average of 5.70¢ per kilowatt-hour during 1985 compared to 3.39¢ per kilowatt-hour in 1946, OPPD's initial year of operation.

### 1985 Construction Expenditures

Expansion and improvement of system facilities during 1985 required construction expenditures of \$71,612,200.





**Morris F. Miller**  
 Chairman of the Board  
 Omaha Public Power District  
 Retired Chairman,  
 Omaha National Bank, Omaha

## CHAIRMAN'S REPORT

Coming off a decade or more of either slow or no economic growth, many utilities throughout the nation are now working to restore financial stability. I am especially pleased, therefore, to report that Omaha Public Power District has achieved, and is sustaining, its financial recovery and enters the latter half of the eighties well prepared to cope with the dynamics of the electric utility industry.

In 1985, OPPD's net earnings reached a new high of \$40.3 million compared to \$40.0 million in 1984. The 1985 performance is strong evidence that OPPD's financial recovery program, initiated in 1982, is providing this utility with a solid foundation for continued success. This is further evidenced by the fact that, for the second straight year, the average cost per kilowatt-hour for our residential customers remained at 5.7 cents, more than 20 percent lower than the national average. Commercial and industrial customers also fared well.

It's worth noting that the outstanding financial performance in 1985 was accomplished even though total energy sales decreased by 3.6 percent. The lower energy sales, which were largely due to cooler summer weather, resulted in a 1.0 percent decrease in operating revenues. This was more than offset, however, by a 2.6 percent decline in operation and maintenance expenses.

Total operating revenues in 1985 were \$303 million, compared to \$306 million in 1984. Operation and maintenance expenses, meanwhile, were \$172.4 million, compared to \$177 million in the previous year.

Early in 1985, OPPD took advantage of a favorable bond market to issue and sell \$60 million in long-term revenue

bonds. With the proceeds, we reduced the outstanding debt under our Tax Exempt Commercial Paper (TECP) program by \$50 million. The remaining \$10 million was used for the utility's general construction fund, for the reserve fund required by the bond indenture, and for paying costs of the bond issue. In a related action, we reduced the authorized level of the TECP program from \$105 million to \$75 million.

In another important development, we are moving forward with a formal review of OPPD's rate-making philosophies and rate structures. This review will address underlying cost changes that may have occurred for OPPD and help us maintain a competitive position in the energy market.

This review has been supported by a special Citizens Advisory Committee which was created by OPPD and completed a lengthy study in May 1985. We are grateful to this citizens group for the many months of study devoted to the three subjects assigned — electric rates, management compensation, and corporate communications. Committee viewpoints have been, and continue to be, helpful in shaping the direction of this utility.

Also in 1985, OPPD initiated a plan to redistrict the utility's eastern Nebraska service area and ensure equitable representation for all customer-owners. The plan, which created a fourth subdivision and added an eighth member to the Board of Directors, was approved by the Nebraska Power Review Board in January of 1986. Fred J. Ulrich, a Louisville, Nebraska, farmer and cattleman, was appointed to the OPPD Board in early 1986 by Nebraska Governor Robert Kerrey. We are pleased to have Mr. Ulrich with us.

## BOARD OF DIRECTORS

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At this point, I want to recognize the tremendous contributions to this utility made by Richard P. Jeffries, who preceded me as Chairman of the Board. Mr. Jeffries' articulate leadership the past two years is fully reflected in the success of this utility during that period. He continues as a director, and I shall count on his assistance in 1986. Other directors, Keith B. Edquist, Dennis D. Jorgensen, Gene P. Spence, Warren R. Swigart, and Frank J. Wear, also served the utility well and are commended for that service.

I also commend OPPD management for the financial planning which has returned net earnings and return on equity to acceptable levels and for developing programs which enhance our service to customers. All OPPD employees have contributed to the successful implementation of these plans and programs, and we are grateful for their contributions.

A year ago, as we entered 1985, we were committed to maintaining the financial integrity of this utility, to operating it in a professional and businesslike manner, to remaining attentive to the interests of our customer-owners, and to ensuring them a reliable and plentiful supply of electricity at an affordable cost. We are meeting those commitments today and striving to enhance our performance further in all areas.

*Morris F. Miller*

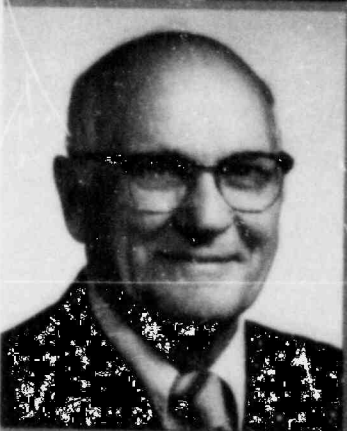
**Morris F. Miller**  
Chairman of the Board



**Dennis D. Jorgensen (L)**  
Vice Chairman  
Senior Vice President,  
Applied Communications,  
Inc., Omaha



**Gene P. Spence (R)**  
Treasurer  
President,  
Thompson Creek  
Co., Omaha



**Warren R. Swigart (L)**  
Secretary  
Real Estate Broker,  
Oscar Manger  
Company, Omaha



**Keith B. Edquist (R)**  
Board Member  
President,  
Huster-Hawkeye  
Distributing Co., Inc.  
Omaha/Bellevue



**Richard P. Jeffries (L)**  
Board Member  
Attorney at Law  
Omaha



**Fred J. Ulrich (R)**  
Board Member  
Farmer/Cattle Feeder

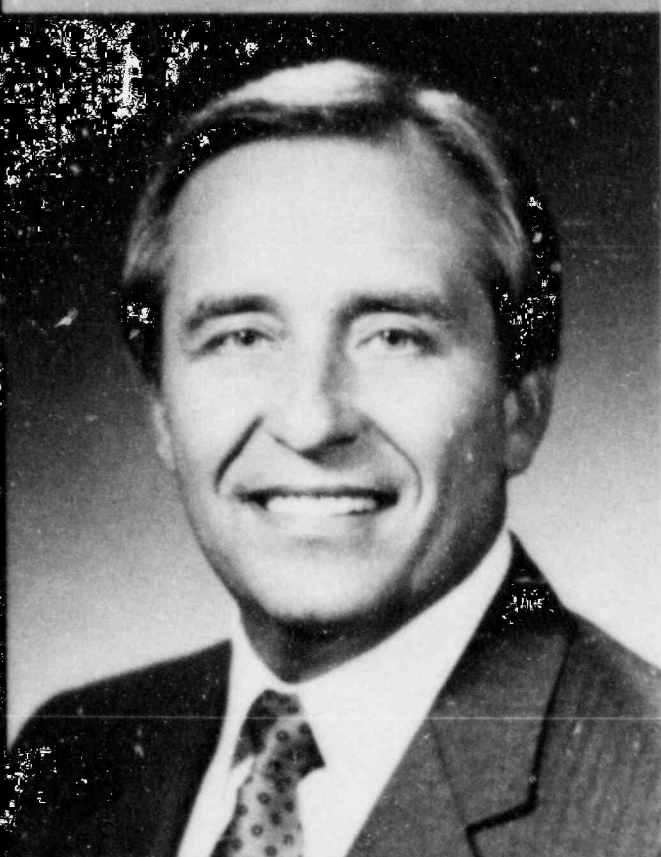


**Frank J. Wear**  
Board Member  
President,  
Wear Company,  
and President,  
Wear Construction,  
Omaha





## PRESIDENT'S REPORT



**Bernard W. Reznicek**  
 President  
 Chief Executive Officer  
 Omaha Public Power District

In sustaining the operational and financial excellence of the corporation in 1985, OPPD moved aggressively in several areas. We cut costs, improved productivity, upgraded our general plant facilities, and initiated programs to improve the quality of service to our customers and the quality of worklife for our employees.

Our three major generating facilities, the Nebraska City, North Omaha, and Fort Calhoun Stations, all performed extremely well in 1985, contributing greatly to an overall reduction in fuel and production costs. Before going off line in late September for scheduled refueling, modification, and maintenance, Fort Calhoun Station set a plant production record. The nuclear unit generated nearly 22 percent more electricity than during any previous fuel cycle, producing at 93.5 percent of its design capacity over the 14-month operating period. For 1985, the Fort Calhoun unit accounted for 45 percent of OPPD's total generation. Nebraska City Station produced 34 percent and North Omaha Station, 21 percent.

Prudent management of resources and attention to market conditions resulted in significant cost savings in 1985. In the fuels area, for example, we took advantage of a highly favorable spot coal market and a competitive rail situation to acquire 600,000 tons of coal for the North Omaha Station last May. In so doing, we achieved a delivered cost savings of approximately \$4.5 million over comparable long-term coal supply and transportation contracts. Also in 1985, we experienced a cash flow savings of approximately \$8.8 million by diverting 356,700 tons of coal from our Nebraska City

Station to North Omaha Station.

Also in 1985, we continued to study ways to meet future energy needs of our customer-owners in the most economical manner possible. Our most major efforts concentrated in two areas — lifetime extension studies of the five generating units at North Omaha Station and development of a pilot program of residential peak load management.

Our engineering studies determined that it is technically feasible to extend the lifetimes of the units at North Omaha by as much as 20 years. Economic studies are now proceeding to determine if it would be less expensive to extend the lives of these units or to replace them.

The pilot peak load management program will involve control of 200 residential central air conditioners. It's the final step in preparation for an expanded peak load control program for future implementation to defer construction of costly new power supply facilities.

Peak load management is an important part of OPPD's long-term Energy Management Program, which also provides for off-peak load building through promotion of the electric heat pump for space conditioning. There were more than 1,300 verified heat pump installations on OPPD's system in 1985, the most since the Energy Management Program began in 1982.

Work also accelerated in 1985 on our program to update OPPD's general plant. A new \$3 million service center was completed in Omaha. Construction of the Elkhorn Center, a \$21 million service facility on the western edge of an


## VICE PRESIDENTS

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expanding metro area, is well underway. A new \$6.6 million Energy Control Center is also under construction, and Energy Plaza, the expansion of our corporate headquarters, is in the final design stage, with groundbreaking expected in the fall of 1986.

We welcomed two new members to our senior management team during the year. In August, William D. Dermeyer and Dr. Dayton D. Wittke were appointed vice presidents, replacing Gerhardt P. Bahle and Lloyd C. Shalla, both of whom retired after more than 36 years of service. Mr. Dermeyer now oversees the Electric Operations and Material Management Divisions. Dr. Wittke is responsible for the Engineering and General Services Divisions.

Finally, special recognition must go to the many OPPD employees who were both aggressive and innovative in developing programs to control costs, increase productivity, and enhance service excellence for our customers. These employees deserve a great deal of credit for the successes of this utility during 1985. They exhibited a high level of competency and professionalism which will benefit OPPD and its customers for many years.



**Bernard W. Reznicek**  
President  
Chief Executive Officer



**Eldon C. Pape (L)**  
Senior Vice President



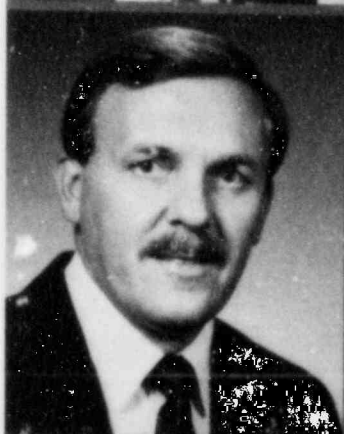
**William D. Dermeyer (R)**  
Vice President



**Kenneth S. Fielding (L)**  
Vice President



**William C. Jones (R)**  
Vice President



**Fred M. Petersen (L)**  
Vice President



**Dayton D. Wittke (R)**  
Vice President



## 1985 OPERATIONS REVIEW

OPPD's long record of success in producing and delivering a safe and reliable product at a reasonable cost continued undiminished in 1985. Consumers today, however, are expecting and demanding new levels of service beyond receipt of a quality product.

To maintain and build its share of the energy marketplace, OPPD must launch new initiatives to compete even more effectively for the energy dollar. The thrust of these initiatives must be to make OPPD even more responsive to the individual service needs of customer-owners.

To meet this challenge, OPPD began to develop a network of programs in 1985 designed to enhance service to customers on a number of fronts — over the counter, on the phone, through the mail, and in the field. This network of programs, which has come to be known as "Performance 100%," has two primary goals — to make it easy and pleasant to do business with OPPD and to improve employees' quality of worklife.

The key to providing customers with the best possible service rests with the company's ability to establish a committed, supportive, and productive workforce. Therefore, a number of Performance 100% programs are aimed at increasing employee development and involvement. These programs not only help increase employee satisfaction and motivation, but they are successful in an operations sense as well.

One program in particular, Resources Management, has proved so successful and has been so well received by employees involved, it will be expanded to many areas of the company. The focus of Resources Management, begun as a trial program in OPPD's

Electric Operations Division, was to create an environment where employees are encouraged to develop and implement their own ideas. Those ideas are varied in their direction, from operational improvements to increase productivity or save money, to those that are customer service oriented.

During the three-month trial run, the first group of 17 participants each had an idea go full cycle, clear through to implementation. Those 17 ideas alone are estimated to save the company in excess of \$400,000 annually in the years ahead.

New facility construction also played an exciting role in Electric Operations activities during 1985. The Omaha Service Center officially opened for business in April 1985. Located about two blocks northwest of Electric Operations Headquarters in central Omaha, the new center allows OPPD to consolidate personnel from a number of areas — overhead line, underground construction, cable splicing, and Customer Services Operations — in an attractive, functional, and energy-efficient facility. Groundbreaking for the new Elkhorn Service Center took place in early 1985. The \$21 million facility will serve customers on the westernmost edge of the metropolitan area and rural communities to the west of Omaha. Completion of the center is scheduled for early 1987.

When the new Energy Control Center is completed in mid-1987, the facility will house OPPD's Energy Management System computer, System Operations Headquarters, and the Line Dispatching area. Constructed directly behind Electric Operations Headquarters, the facility will serve as the control center for OPPD's power system operations, from production to distribution.



(top) OPPD used a helicopter to deposit four large sectionalizing switches onto the top of the Unit No. 5 precipitator at the North Omaha Station. The switches, each weighing a ton, are used to isolate part of the precipitator in the event of equipment failure.

(bottom) New identification signs installed at all OPPD offices, service centers, generating plants, and substations give company facilities a consistent and attractive appearance.



Plans are also moving forward for a new multi-story office building and parking garage adjacent to the current Electric Building. The two-building complex will be called Energy Plaza. Major features will include expanded and more accessible customer service areas, ample customer parking, and a state-of-the-art off-peak thermal storage heating and air conditioning system.

Attention was also focused in 1985 on upgrading other facilities. Offices throughout the service area were remodeled, including those in the Electric Building and in the rural areas. In addition, new identification signs were placed at all OPPD facilities, giving each a fresh and consistent appearance that makes it easy for public identification.

Employee training was a key concern in OPPD's Electric Operations Division during 1985. A new four-year cable splicing apprenticeship program was established, and apprenticeship programs for linemen and metering services personnel were expanded. OPPD stepped up efforts to cross-train linemen on the installation and repair of underground lines. Linemen and foremen are undergoing intensive four-week training programs which combine classroom experience with simulated field work at a new underground training facility at the Irvington Service Center.

Communications throughout OPPD's 5,000-square-mile service territory have been enhanced with the installation of a new 800-MHz mobile radio system. New radios have been installed in all required vehicles, and all but one of seven base operating stations, including transmission towers and maintenance buildings, have been constructed.

The new communications system is also an important link in OPPD's Buddy Alert program. Children in the OPPD service territory have been informed through an advertising campaign and by posters placed in elementary schools that the presence of an OPPD uniform or vehicle means a "buddy" is nearby. With radio connections throughout the 13-county area, OPPD personnel can readily summon emergency assistance, or just get word home that a youngster is safe.

Another community service program, Child Watch, was launched last summer. Through OPPD's monthly customer newsletter, "Outlets," photographs and information about missing children are seen by over 200,000 customer-owners in eastern Nebraska each month.

Electric Operations continued its efforts during 1985 to replace overhead lines with new underground equipment. A total of 44 miles of underground line was laid in Kenard and Weeping Water vicinities. The lines will be energized by mid-1986.

OPPD's major generating facilities produced more than 6.8 million kilowatt-hours in 1985, a two percent increase over 1984. Of that total, OPPD's nuclear plant, the Fort Calhoun Station, produced more than 3.0 million kilowatt-hours. Coal-fired units at the Nebraska City Station and the North Omaha Station produced a combined total of approximately 3.8 million kilowatt-hours. All generating units were available to meet OPPD's heaviest summer requirements. The 1985 summer peak, established on September 6 between 4 and 5 p.m., was in excess of 1.3 million kilowatts.

The Fort Calhoun Station was taken out of service in late



*(top) Customers can expect the very best from employees Osa Payne, an OPPD cashier, and Account Services Representative Bob Lee, as their Performance 100% buttons and ribbons proclaim.*

*(bottom) OPPD's new Omaha Service Center provides an attractive, functional, and energy-efficient facility for more than 100 overhead line, underground construction, cable splicing, and customer service personnel who serve customers in the major metropolitan area.*

## 1985 OPERATIONS REVIEW (CONTINUED)

September for a scheduled refueling and maintenance outage, the ninth since the plant went on line in 1973. During the three-and-a-half-month outage, 44 of the reactor's 133 fuel assemblies were replaced. Major maintenance and modification projects completed during the outage included a comprehensive inspection and cleaning of both steam generators, installation of new feed-water heaters, and the upgrading of the plant's internal electrical distribution system.

In coordination with lifetime extension studies at the 629,600-kilowatt North Omaha Station, a major maintenance outage was completed on Unit No. 5 in 1985. During the outage, major portions of the boiler and precipitator were rebuilt, a new data acquisition computer system was installed, and the turbine was modified to better accommodate frequent load changes.

At the 585,000-kilowatt Nebraska City Station, a computerized maintenance order processing system was installed. The system is used to help OPPD track and schedule plant maintenance tasks during modification outages, as well as during normal operations. It is similar to the one in use at the Fort Calhoun Station since 1983.

Major steps were taken throughout the company to upgrade computer operations, most notable was the installation of a new central processing unit, an IBM 3081. The new, larger computer system was needed to accommodate the growing number of computer programs and applications being developed for a wide variety of uses throughout the company. Among the new computer programs worked on during 1985 was the Customer Information System

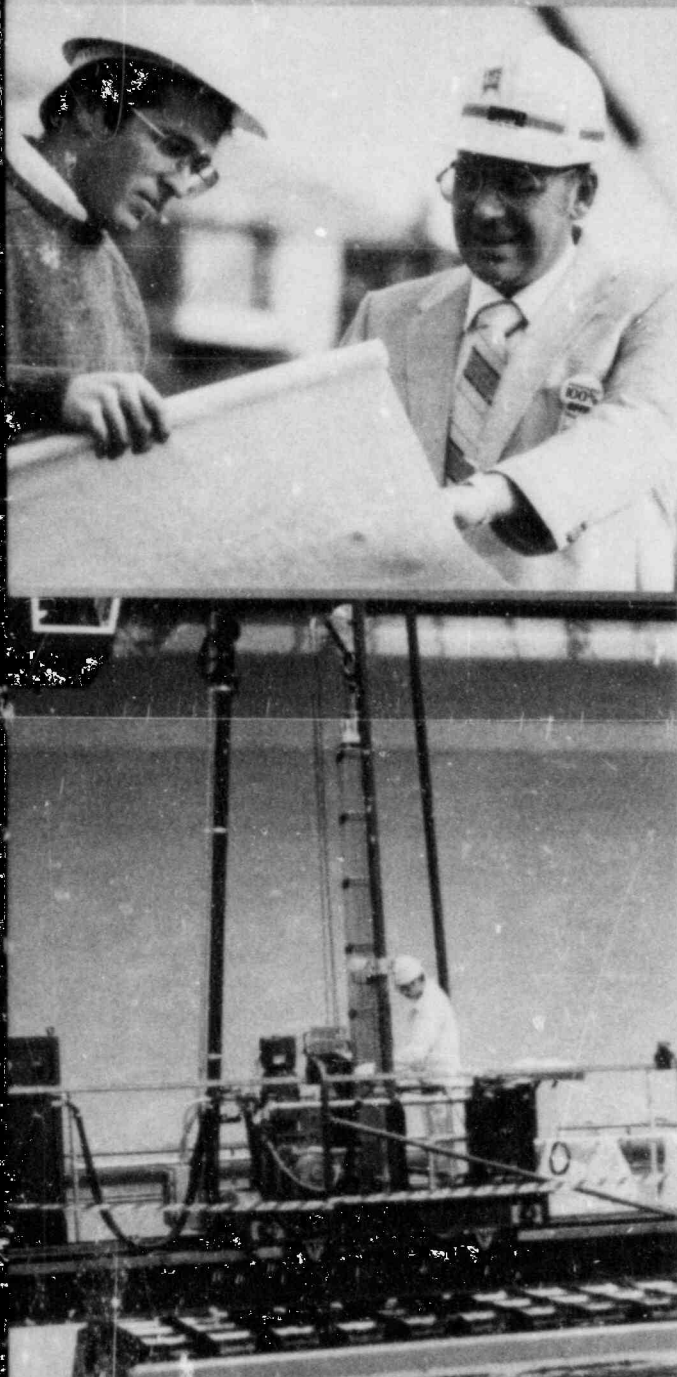
(CIS), scheduled to come on line in 1986. CIS will allow employees greater flexibility and speed in storing and retrieving customer information.

A new computerized purchasing and inventory control system became operational in September. The Material Management Information System automatically tracks parts and supplies and provides greater centralized control for all company purchasing activities.

The Corporate Planning System also became operational during 1985. This computer model assists in developing financial planning scenarios of OPPD's operations for up to 20 years in the future. The system will be used extensively to determine the effects of various power supply options and operating strategies on the utility's future operations.

OPPD's commitment to safety paid high returns in 1985 as the number of disabling on-the-job injuries was reduced 23% compared to the year before. For its excellent record, OPPD received an honorable mention in the American Public Power Association's annual safety competition. Locally, the Omaha Safety Council presented OPPD with its Industrial Safety Award of Honor — the first-place award in its annual safety contest.

OPPD has high expectations for 1986 and beyond. The companywide efforts to put customers first, combined with an improved work environment for employees, should help build a solid foundation of service excellence and satisfaction for both of these important constituencies.



*(top) OPPD Customer Service Representative Steve Miner, right, meets on site with architect Ralph Gladbach of the Beggs Development Co., to discuss plans for Applewood Pointe, an all-electric apartment complex under construction in southwest Omaha.*

*(bottom) Equipment Operator Gene Parrish-Mistovich carefully inserts a nuclear fuel assembly into the new fuel storage rack at Fort Calhoun Station. The assembly is one of 44 later inserted in the plant nuclear reactor.*

## FINANCING

In December 1946, Omaha Public Power District funded the purchase of The Nebraska Power Company with a bank loan for \$42,000,000. Revenue bonds were issued in February 1947 to pay off this loan. Since then, \$1,417,200,000 of additional revenue bonds have been sold.

In January 1985, the District sold \$60,000,000 of Electric System Revenue Bonds (the 1985 Series A Bonds) at an effective interest rate of 9.29%. The proceeds of the issue primarily were used to retire \$50,000,000 of Tax Exempt Commercial Paper. Remaining proceeds were used for a reserve required by the bond indenture, bond issuance costs, and for general construction projects.

The District retired \$13,295,000 of revenue bonds in 1985. These retirements bring the total of bonds redeemed and refunded through 1985 to \$579,145,000, leaving outstanding bonds of \$880,055,000 at December 31, 1985. During 1985, \$51,071,000 of interest expense was charged to operations on outstanding bonds, representing an average annual rate of 5.8%.

In 1985, the District reduced the authorized level of Tax Exempt Commercial Paper from \$105,000,000 to \$75,000,000. As of December 31, 1985, \$47,500,000 of commercial paper was outstanding and \$7,500,000 was drawn against the supporting revolving line of credit agreement. During 1985, \$3,452,000 of interest expense was charged to operations on outstanding commercial paper, representing an average annual rate of 5.3%. Outstanding notes and subordinated obligations at December 31, 1985, totalled \$5,434,000. During 1985, \$479,000 of interest expense was charged to operations on outstanding notes and subordinated obligations, representing an average annual rate of 8.8%.

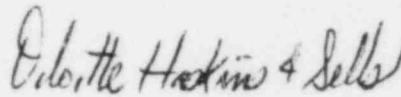
Gross Electric Plant amounted to \$1,325,902,000 and Nuclear Fuel (at amortized cost) amounted to \$169,352,000 at December 31, 1985. Accumulated earnings reinvested in the business increased \$40,256,000 to a total of \$434,600,000 during 1985 while total assets increased \$17,158,000 to a total of \$1,447,166,000.

## AUDITORS' OPINION

Omaha Public Power District:

We have examined the balance sheets of Omaha Public Power District as of December 31, 1985 and 1984 and the related statements of net earnings and accumulated earnings reinvested in the business and of sources of funds for construction for each of the three years in the period ended December 31, 1985. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the District at December 31, 1985 and 1984, and the results of its operations and the sources of funds for construction for each of the three years in the period ended December 31, 1985, in conformity with generally accepted accounting principles applied on a consistent basis.



DELOITTE HASKINS & SELLS  
Omaha, Nebraska  
February 21, 1986



**OMAHA PUBLIC POWER DISTRICT  
BALANCE SHEETS, DECEMBER 31, 1985 AND 1984**

ASSETS	NOTES	1985	1984
		(thousands)	
<b>UTILITY PLANT — At cost:</b>	2,7		
Electric plant (includes construction work in progress of \$63,253,000 and \$56,233,000, respectively) .....		<b>\$1,325,902</b>	\$1,262,803
Less accumulated depreciation .....		<b>369,358</b>	336,776
Electric plant — net .....		<b>956,544</b>	926,027
Nuclear fuel — at amortized cost .....		<b>169,352</b>	162,658
Utility plant — net .....		<b>1,125,896</b>	1,088,685
<b>SPECIAL PURPOSE FUNDS:</b>	3		
Construction fund .....		<b>3,836</b>	22,340
Electric system revenue bond fund (net of current portion) .....		<b>48,880</b>	43,554
Debt service fund .....		<b>9,908</b>	9,934
Segregated fund (see contra) .....		<b>4,146</b>	4,280
Revenue fund — decommissioning .....		<b>9,903</b>	5,671
Total special purpose funds .....		<b>76,673</b>	85,779
<b>CURRENT ASSETS:</b>			
Revenue fund — cash .....		<b>30</b>	28
Revenue fund — U. S. Government Securities (at amortized cost which approximates market) .....		<b>64,240</b>	76,515
Electric system revenue bond fund — current portion .....	3	<b>26,502</b>	24,100
Accounts receivable — net .....		<b>18,933</b>	27,558
Unbilled revenues .....		<b>14,200</b>	8,700
Fossil fuels — at average cost .....		<b>20,033</b>	22,076
Materials and supplies — at average cost .....		<b>21,572</b>	19,576
Deferred production costs .....		<b>5,607</b>	5,946
Other .....		<b>4,117</b>	4,394
Total current assets .....		<b>175,234</b>	188,893
<b>DEFERRED CHARGES</b> .....	4	<b>69,363</b>	66,651
<b>TOTAL</b> .....		<b>\$1,447,166</b>	<b>\$1,430,008</b>

See notes to financial statements.

LIABILITIES	NOTES	1985	1984
		(thousands)	
<b>LONG-TERM DEBT:</b>			
Electric system revenue bonds — net of current portion:	2		
Serial bonds, 3.5% to 9.2% due annually from 1987 to 2005 .....		\$ 233,005	\$ 225,945
Term bonds, 5¾% to 9.3% due at various dates from 1995 to 2017 .....		<u>633,210</u>	<u>594,110</u>
Total electric system revenue bonds .....		<u>866,215</u>	<u>820,055</u>
Electric revenue notes — commercial paper series .....	5	55,000	
Subordinated notes due December 1990, 6¾% .....		520	520
Subordinated obligations .....		<u>4,874</u>	<u>4,914</u>
Total .....		<u>926,609</u>	<u>825,489</u>
Less unamortized discounts .....		<u>9,514</u>	<u>9,106</u>
Long-term debt — net .....		<u>917,095</u>	<u>816,383</u>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>			
	7,8,9		
<b>LIABILITIES PAYABLE FROM SEGREGATED FUND</b>			
(see contra) .....	3	<u>4,146</u>	<u>4,280</u>
<b>CURRENT LIABILITIES:</b>			
Current portion of electric system revenue bonds .....	2	13,840	13,295
Current portion of other long-term debt .....		40	36
Electric revenue notes — commercial paper series .....	5		105,000
Accounts payable .....		<u>22,954</u>	<u>23,194</u>
Nuclear fuel disposal costs .....			<u>22,841</u>
Accrued payments in lieu of taxes .....		9,199	9,387
Accrued interest .....		<u>22,616</u>	<u>21,113</u>
Other .....		<u>6,787</u>	<u>5,001</u>
Total current liabilities .....		<u>75,436</u>	<u>199,867</u>
<b>OTHER LIABILITIES:</b>			
Nuclear fuel disposal costs .....			4,418
Decommissioning costs .....		9,903	5,671
Other .....		<u>5,986</u>	<u>5,045</u>
Total other liabilities .....		<u>15,889</u>	<u>15,134</u>
<b>ACCUMULATED EARNINGS</b>			
REINVESTED IN THE BUSINESS .....		<u>434,600</u>	<u>394,344</u>
<b>TOTAL</b> .....		<u>\$1,447,166</u>	<u>\$1,430,008</u>

**STATEMENTS OF NET EARNINGS AND ACCUMULATED EARNINGS  
REINVESTED IN THE BUSINESS  
FOR THE THREE YEARS ENDED DECEMBER 31, 1985**

	<u>1985</u>	<u>1984</u>	<u>1983</u>
<b>OPERATING REVENUES</b> .....	<b>\$303,036</b>	(thousands) <b>\$305,999</b>	<b>\$272,847</b>
<b>OPERATING EXPENSES:</b>			
Operation:			
Fuel .....	74,775	90,456	69,392
Other production .....	28,831	18,751	23,826
Transmission .....	1,756	1,572	1,658
Distribution .....	9,684	9,002	8,358
Customer accounts .....	6,950	6,516	5,751
Customer service and information .....	2,396	2,265	2,319
Administrative and general .....	22,474	20,698	20,013
Maintenance .....	25,572	27,741	25,633
Total operation and maintenance .....	<b>172,438</b>	177,001	156,950
Depreciation .....	38,515	37,279	36,038
Decommissioning .....	3,602	3,531	1,781
Payments in lieu of taxes .....	10,107	10,292	9,034
Total operating expenses .....	<b>224,662</b>	228,103	203,803
<b>OPERATING INCOME</b> .....	<b>78,374</b>	77,896	69,044
<b>OTHER INCOME CREDITS (CHARGES):</b>			
Interest income .....	15,332	14,791	11,853
Allowance for funds used during construction .....	2,850	2,382	2,178
Allowance for funds used for nuclear fuel .....	5,391	5,321	5,693
Amortization of cancelled project costs .....	(5,181)	(5,181)	(5,181)
Other — net .....	(894)	(390)	(266)
Total other income credits — net .....	<b>17,498</b>	16,923	14,277
<b>EARNINGS BEFORE INTEREST EXPENSE</b> .....	<b>95,872</b>	94,819	83,321
<b>INTEREST EXPENSE</b> .....	<b>55,616</b>	54,812	55,392
<b>NET EARNINGS</b> .....	<b>40,256</b>	40,007	27,929
<b>ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS, BEGINNING OF THE YEAR</b> .....			
	<b>394,344</b>	354,337	326,408
<b>ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS, END OF THE YEAR</b> .....			
	<b>\$434,600</b>	\$394,344	\$354,337

See notes to financial statements.



**STATEMENTS OF SOURCES OF FUNDS FOR CONSTRUCTION  
FOR THE THREE YEARS ENDED DECEMBER 31, 1985**

	<u>1985</u>	<u>1984</u>	<u>1983</u>
		(thousands)	
<b>SOURCES OF FUNDS:</b>			
From operations:			
Net earnings .....	\$ 40,256	\$ 40,007	\$ 27,929
Charges (credits) to operations not affecting funds:			
Depreciation .....	38,515	37,279	36,038
Amortization of nuclear fuel .....	21,634	14,340	14,770
Allowances for funds used .....	(8,241)	(7,703)	(7,871)
Amortization of cancelled project costs .....	5,181	5,181	5,181
Funds from operations .....	<u>97,345</u>	<u>89,104</u>	<u>76,047</u>
From financings:			
Long-term borrowings .....	114,077	4,950	75,000
Increase (decrease) in short-term borrowings .....	(104,451)	75,176	30,525
Long-term debt reduction .....	(13,880)	(88,331)	(98,155)
Funds from (applied to) financings .....	<u>(4,254)</u>	<u>(8,205)</u>	<u>7,370</u>
Funds applied:			
(Increase) in net current assets			
(excluding short-term borrowings and			
current portion of long-term debt) .....			
	(6,320)	(3,047)	(12,131)
Decrease (increase) in special purpose funds .....	8,972	14,892	(16,789)
Decrease (increase) in deferred charges .....	(7,893)	196	3,427
Increase (decrease) in other liabilities .....	1,270	(23,095)	(6,810)
Funds applied .....	<u>(3,971)</u>	<u>(11,054)</u>	<u>(32,303)</u>
Allowances for funds used .....	8,241	7,703	7,871
TOTAL .....	<u>\$ 97,361</u>	<u>\$ 77,548</u>	<u>\$ 58,985</u>
<b>USES OF FUNDS FOR CONSTRUCTION:</b>			
Electric plant .....	\$ 69,032	\$ 57,426	\$ 33,997
Nuclear fuel .....	28,329	20,122	24,988
TOTAL .....	<u>\$ 97,361</u>	<u>\$ 77,548</u>	<u>\$ 58,985</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE YEARS ENDED DECEMBER 31, 1985

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**Accounting for Revenues** — Meters are read and bills are rendered on a cycle basis. Revenues earned after meters are read are estimated and accrued as unbilled revenues at the end of each accounting period.

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

An allowance for funds used, approximating the District's current cost of financing electric plant construction and the purchase of nuclear fuel, is capitalized as a component of the cost of the utility plant. This allowance was computed at 6.0%, 6.3% and 6.7% for both construction work in progress and nuclear fuel for the years ended in 1985, 1984 and 1983, respectively.

**Depreciation and Amortization** — Depreciation is computed on the straight-line basis at rates based on the estimated useful lives of the various classes of property. Depreciation expense has averaged approximately 3.4% of depreciable property in each of the three years ended December 31, 1985.

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

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

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

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

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

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

### 2. LONG-TERM DEBT

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

**Electric System Revenue Bonds** — Maturities of electric system revenue bonds outstanding at December 31, 1985, due 1986 through 1990 are as follows (in thousands):

1986	\$13,840
1987	\$14,775
1988	\$15,470
1989	\$16,200
1990	\$16,990

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

Additional bonds may not be issued unless estimated net receipts (as defined) for each future year will equal or exceed 1.4 times the debt service on all bonds outstanding including the additional bonds being issued or to be issued in the case of a power plant (as defined) being financed in increments.

An amount at least equivalent to 12½% of gross operating revenue (as defined) must be spent annually for maintenance, replacements, or additions to the electric system, or if not so spent is to be placed in a special fund to be used for such purposes or for retirements of original bonds (as defined) in advance of maturity.

In any three-year period, at least 7½% 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.

**Subordinated Obligations** — In 1984, the District purchased the assets of the City of Blair, Nebraska Electric System for \$5,950,000. The District incurred an obligation of \$4,950,000 payable in annual installments of \$481,815 (including interest at 9%) through 2014 in connection with this acquisition.

### 3. SPECIAL PURPOSE FUNDS

The assets of the special purpose funds of the District (Construction Fund, Electric System Revenue Bond Fund, Debt Service Fund, Segregated Fund and Revenue Fund — Decommissioning) consist primarily of securities of the U.S. Government and related agencies, stated at amortized cost which approximates market.

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

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

The Segregated Fund represents customer deposits and refundable advances.

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

#### 4. DEFERRED CHARGES

The composition of deferred charges at December 31, 1985 and 1984 was as follows:

	1985	1984
	(thousands)	
Deferred financing costs .....	\$32,007	\$33,293
Deferred cancelled project costs — Fort Calhoun Station —		
Unit No. 2 .....	16,836	22,017
Other .....	20,520	11,341
Total .....	<u>\$69,363</u>	<u>\$66,651</u>

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

The District has authorized the issuance of tax-exempt commercial paper of up to \$75,000,000 which is supported by a revolving credit agreement, expiring in May 1987, with four financial institutions. At December 31, 1985, the District had \$47,500,000 of commercial paper issued and outstanding with \$7,500,000 drawn against the revolving credit agreement. At December 31, 1984, the authorized level of borrowing under the commercial paper program was \$105,000,000 and \$94,500,000 of commercial paper was issued and outstanding with \$10,500,000 drawn against the revolving credit agreement. The average borrowing rates at December 31, 1985 and 1984 were 5.8% and 6.2%.

#### 6. PENSION PLAN

Substantially all District employees are members of its contributory pension plan and are not covered by Social Security. Generally, the plan provides for benefits at age 65 with reduced benefits for earlier retirements. Provision is made annually for actuarially computed current costs, which were \$4,829,000, \$4,811,000 and \$5,078,000 for 1985, 1984 and 1983, respectively. The District's policy is to fund pension costs accrued. Accumulated plan benefits and net assets at January 1, 1985 and 1984 were as follows:

	1985	1984
	(thousands)	
Actuarial present value of accumulated plan benefits:		
Vested .....	\$ 70,862	\$ 63,094
Non-vested .....	6,696	6,169
Total .....	<u>\$ 77,558</u>	<u>\$ 69,263</u>
Net assets available for benefits	<u>\$116,646</u>	<u>\$104,662</u>

The assumed rates of return used in computing the actuarial present value of plan benefits were 10.0% for retired members and 9.3% for all other members of the plan at January 1, 1985 and 1984.

#### 7. COMMITMENTS

The District's Construction Budget provides for expenditures of approximately \$76,568,000 during 1986 and \$63,138,000 during later years, of which approximately \$36,000,000 was under contract at December 31, 1985.

The District has a coal supply contract which extends through 1998. Minimum future payments amount to \$125,075,000. The coal contract price is subject to escalation based upon the supplier's costs. See Note 8 for transportation agreement.

Contracts with estimated future payments of \$34,666,000 are in effect for nuclear fuel. In addition, contracts with estimated future payments of \$243,897,000 for the furnishing of uranium enrichment services extend to the year 2008.

The District has established a deferred compensation plan for all eligible employees. All contributions to the plan are made by the employees. By agreement, contributions under the plan remain the property of the District until an employee leaves the District. Funds on deposit and related liabilities at December 31, 1985 and 1984 of approximately \$5,400,000 and \$3,400,000, respectively, are not recorded in the accompanying financial statements.

#### 8. SUBSEQUENT EVENT — TRANSPORTATION CONTRACT

On February 19, 1986, the Board of Directors approved an agreement to provide for transportation of coal to the District's facilities. The agreement, retroactive to January 1, 1986, runs through 1998 with minimum future payments under the contract expected to be approximately \$185,000,000.

#### 9. CONTINGENT LIABILITIES

Under the provisions of the Federal Price-Anderson Act, the District and all other licensed nuclear power plant operators could each be assessed for claims in the event of a nuclear incident in amounts not to exceed \$5,000,000 per incident to a maximum of \$10,000,000 in any one calendar year.

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



**SUPPLEMENTARY STATEMENT OF EARNINGS FROM  
CONTINUING OPERATIONS ADJUSTED FOR CHANGING PRICES  
FOR THE YEAR ENDED DECEMBER 31, 1985 (UNAUDITED)**

	Conventional Historical Cost	Current Cost Average 1985 Dollars
	(thousands)	
Operating revenues .....	\$303,036	\$303,036
Total operation and maintenance expenses .....	172,438	175,512
Depreciation .....	38,515	80,405
Decommissioning .....	3,602	3,602
Payments in lieu of taxes .....	10,107	10,107
Total operating expenses .....	224,662	269,626
Operating income .....	78,374	33,410
Other income credits .....	17,498	17,498
Earnings before interest expense .....	95,872	50,908
Interest expense .....	55,616	55,616
Earnings (loss) from continuing operations .....	<u>\$ 40,256</u>	<u>\$ (4,708)</u>
Increase in specific prices (current cost) of utility plant held during the year .....		\$ 55,130
Increase to net recoverable cost .....		28,694
Effect of increase in general price level .....		(75,264)
Excess of increase in specific prices after increase to net recoverable cost over increase in general price level .....		8,560
Gain from decline in purchasing power of net amounts owed .....		25,636
Net .....		<u>\$ 34,196</u>

**SUPPLEMENTARY FIVE-YEAR COMPARISON OF SELECTED FINANCIAL  
DATA ADJUSTED FOR THE EFFECTS OF CHANGING PRICES (UNAUDITED)**

	Year Ended December 31,				
	1985	1984	1983	1982	1981
	(Average 1985 dollars, in thousands)				
<b>HISTORICAL COST INFORMATION ADJUSTED FOR GENERAL INFLATION</b>					
Operating revenues .....	<u>\$303,036</u>	<u>\$316,917</u>	<u>\$294,609</u>	<u>\$260,032</u>	<u>\$263,328</u>
<b>CURRENT COST INFORMATION</b>					
Loss from continuing operations .....	<u>\$ (4,708)</u>	<u>\$ (3,451)</u>	<u>\$ (15,556)</u>	<u>\$ (44,433)</u>	<u>\$ (38,936)</u>
Excess of increase in specific prices after change to net recoverable cost over increase in general price level .....	<u>\$ 8,560</u>	<u>\$ 5,779</u>	<u>\$ 6,876</u>	<u>\$ 5,272</u>	<u>\$ (59,443)</u>
Net assets at year-end at net recoverable cost .....	<u>\$427,698</u>	<u>\$402,719</u>	<u>\$376,170</u>	<u>\$359,674</u>	<u>\$371,449</u>
<b>GENERAL INFORMATION</b>					
Gain from decline in purchasing power of net amounts owed .....	<u>\$ 25,636</u>	<u>\$ 28,322</u>	<u>\$ 28,907</u>	<u>\$ 30,892</u>	<u>\$ 72,577</u>
Average consumer price index .....	322.2	311.1	298.4	289.1	272.3

See notes to supplementary financial data.

**NOTES TO SUPPLEMENTARY FINANCIAL DATA  
ADJUSTED FOR THE EFFECTS OF CHANGING PRICES  
FOR THE YEAR ENDED DECEMBER 31, 1985 (UNAUDITED)**

The supplementary information is supplied in accordance with the requirements of FAS Statement No. 33, Financial Reporting and Changing Prices, for the purpose of providing certain information about the effects of changing prices. It should be viewed as an estimate of the approximate effect of inflation, rather than as a precise measure.

**Utility Plant, Depreciation and Amortization —** Current cost amounts reflect the changes in specific prices of the utility plant from the date the plant was acquired to the present. The current cost of the utility plant represents the estimated cost of replacing existing plant assets. The current cost of the electric plant was determined by indexing the surviving plant by the Handy-Whitman Index of Public Utility Construction Costs. The electric plant was aged on the basis of clearings from construction work in process to electric plant in service. The current cost of nuclear fuel in the reactor was based upon the actual cost of the most recent assemblies to be placed in the reactor. The cost of nuclear fuel was not adjusted from historical amounts. The current year's provision for depreciation and nuclear fuel amortization was determined by applying the District's effective depreciation and amortization rates to current cost amounts of the utility plant.

**Inventories —** Fossil fuel inventories and the cost of fuel used in generation have not been restated

from their historical cost in nominal dollars. The District's rate structure limits the recovery of fuel through the operations of adjustment clauses or adjustments in basic rate schedules to actual costs. For this reason fuel inventories are effectively monetary assets.

**Effect of the District's Rate Structure —** Under the rate making structure adopted by the District, only the historical cost of utility plant is recoverable in revenues as depreciation or amortization.

To properly reflect the economics of the District's rate structure in the Statement of Earnings from Continuing Operations Adjusted for Changing Prices, the reduction of the utility plant should be offset by the gain from the decline in purchasing power of net amounts owed. During a period of inflation, holders of monetary assets suffer a loss of general purchasing power while holders of monetary liabilities experience a gain. The gain from the decline in purchasing power of net amounts owed is primarily attributable to the substantial amount of debt which has been used to finance the utility plant. Since the depreciation and amortization on this plant is limited to the recovery of historical costs, the District does not have the opportunity to realize a holding gain on debt and is limited to recovery only of the embedded cost of debt capital.

**NET RECEIPTS AND DEBT SERVICE COVERAGE  
FOR THE FIVE YEARS ENDED DECEMBER 31, 1985 (UNAUDITED)**

	1985	1984	1983	1982	1981
			(thousands)		
Operating revenues .....	\$303,036	\$305,999	\$272,847	\$233,319	\$222,546
Operation and maintenance expenses .....	172,438	177,001	156,950	145,666	136,135
Payments in lieu of taxes .....	10,107	10,292	9,034	7,565	6,400
Net operating revenues .....	120,491	118,706	106,863	80,088	80,011
Investment income (1) .....	5,780	5,012	5,058	5,307	4,798
Net receipts .....	\$126,271	\$123,718	\$111,921	\$ 85,395	\$ 84,809
Total debt service (2) .....	\$ 65,060	\$ 60,162	\$ 60,528	\$ 60,470	\$ 59,826
Debt service coverage .....	1.94	2.05	1.84	1.41	1.41

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

(2) Total Debt Service for both Resolution No. 19 and Resolution No. 1788 Bonds is accrued on a calendar-year basis similar to the computation of Net Receipts. Interest funded from bond proceeds is not included in Total Debt Service.

## 20 ELECTRIC SYSTEM REVENUE BONDS OUTSTANDING

(In Thousands) as of December 31, 1985

Maturity Date February 1	1956 ISSUE		1958 ISSUE		1961 ISSUE		1966 ISSUE		1968 ISSUE		1969 ISSUE		1972 ISSUE		1973 ISSUE		1977 ISSUE SERIES A**		1977 ISSUE SERIES B		1977 ISSUE SERIES C***		1985 ISSUE SERIES A		TWELVE MONTHS ENDED FEBRUARY 1				
	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Int. Rate	Amt.	Total Principal Maturities	Accruing Interest	Total Debt Service		
1986	3	1,400	3 3/4	500	3 1/2	1,000	4 1/4	1,040	4 1/4	2,200	4 1/4	990	4.80	3,705	5	680									13,840	51,669	65,509		
1987			3 3/4	500	3 1/2	1,000	4 1/4	1,150	4 1/4	2,200	4.80	850	4.90	3,910	5.10	710	4.80	1,300							4,800	2,580	65,844		
1988			3 3/4	500	3 1/2	1,000	4 1/4	1,250	4 1/4	2,200	4.90	990	5	4,125	5.15	745	4.90	1,500							4,850	2,650	65,857		
1989			3 3/4	1,000	4 1/4	1,400	4 1/4	2,200	4.90	1,000	5	1,000	5	4,350	5.20	790	5	2,000								4,950	2,925	65,860	
1990			3 3/4	1,000	4 1/4	1,425	4 1/4	2,300	5	1,000	5.10	1,000	5.10	4,590	5 1/4	820	5.15	2,250								5	3,015	65,874	
1991				3 3/4	1,000	4 1/4	1,500	4 1/4	2,300	5	1,000	5.10	4,845	5.30	860	5.30	2,600										5,050	3,100	65,896
1992				4 1/4	1,500	4 1/4	2,300	5	1,000	5.20	5,110	5.30	905	5.40	3,850												5,100	3,380	65,907
1993				4 1/4	1,500	4 1/4	2,300	5	1,000	5.20	5,390	5.40	950	5 1/2	4,150												5,200	3,620	65,877
1994				4 1/4	1,500	4 1/4	2,400	5.10	1,100	5.20	5,685	5.40	1,000	5.60	4,500												5 1/4	3,720	65,922
1995				4 1/4	1,500	4 1/4	2,400	5.10	1,100	5 1/2	6,000	5 1/4	1,050	5.70	4,900												5.30	3,970	65,922
1996				4	1,500	4 1/4	2,400	5.10	1,100	5 1/2	6,330	5 3/4	1,110	5 1/4	5,350												5.40	4,170	65,875
1997				4 1/4	2,400	5.10	1,100	5 1/2	6,680	5 3/4	1,170	5.80	7,300														5.45	4,485	65,896
1998				4	2,500	4 1/4	1,100	5 1/2	7,045	5 3/4	1,235	5.85	7,900														5 1/2	4,590	65,886
1999						4 1/4	1,100	5 1/2	7,430	5 3/4	1,300	5.90	10,900														5 1/2	4,960	65,900
2000						5 1/2	7,840	5 3/4	1,370	6*	12,600																5 1/2	5,335	65,927
2001						5 1/2	8,275	5 3/4	1,450	6*	13,450																5 1/2	5,470	65,877
2002						5 1/2	8,725	5 3/4	1,525	6*	14,350																5 1/2	5,710	65,907
2003						5 1/2	9,205	5 3/4	1,610	6*	15,250																5 1/2	5,955	65,886
2004						5 1/2	9,715			6*	17,300																5 1/4	6,820	65,875
2005						5 1/2	10,250			6*	18,550																5 1/2	6,970	65,873
2006										5 1/2	10,810			6*	19,900												5 1/2	7,140	65,910
2007														6*	30,100												5 1/2	9,885	65,878
2008														6 1/4	12,900												5 1/4	10,780	47,226
2009														6 1/4	13,670												5.90	11,200	47,027
2010														6 1/4	14,490												5.90	11,730	46,908
2011														6 1/4	15,360												5.90	12,345	46,845
2012														6 1/4	16,285												5.90	13,005	46,793
2013														6 1/4	17,260												5.90	13,715	46,749
2014														6 1/4	18,295												5.90	14,435	46,677
2015														6 1/4	19,395												5.90	15,215	46,629
2016														6 1/4	20,555												5.90	16,775	40,913
2017														6 1/4	21,790														23,125
Total Outstanding		1,400		1,500		6,000		15,265		30,100		14,490		140,015		19,270		200,000		170,000		222,015		60,000	880,055	1,007,995	1,888,050		
Bonds Redeemed to 12/31/85		13,600		5,500		11,000		9,735		14,900		5,510		29,985		5,130							7,185		103,145				
Original Issue		15,000		7,000		17,000		25,000		45,000		20,000		170,000		25,000		200,000		170,000		229,200		60,000	983,200				

\*Term Bonds

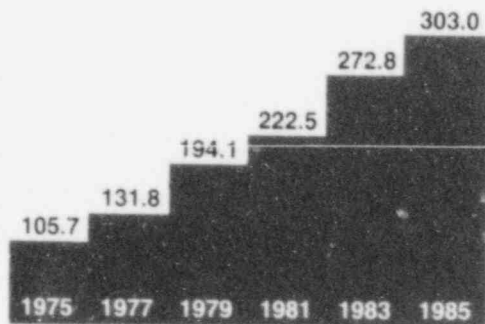
\*\*The 1975 Series B Bond Issue was refunded by the 1977 Series A Issue

\*\*\*The 1976 Series A and B Bond Issues were refunded by the 1977 Series C Issue

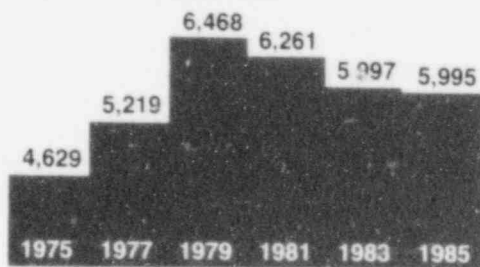


## 1985-1984 COMPARISONS

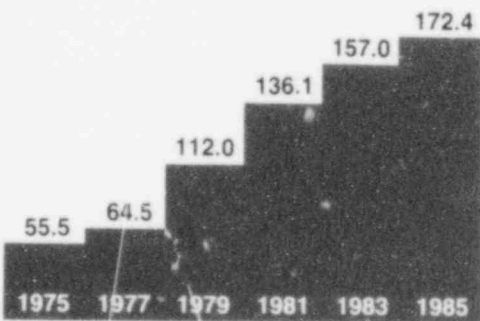
millions of dollars



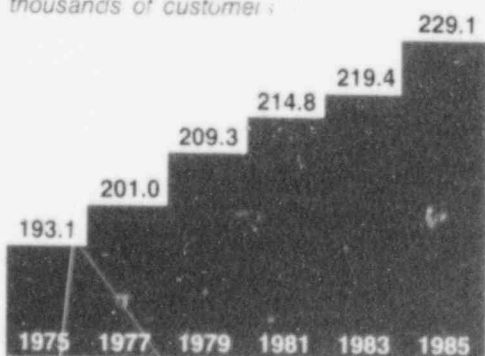
millions of kilowatt-hours



millions of dollars



thousands of customers



### OPERATING REVENUES (thousands)

Classification	Year 1985	Percent of Total	Year 1984	Percent of Increase (Decrease)
Residential	\$111,975	37.0	\$116,368	(3.8)
General Service — Small	97,321	32.1	98,300	(1.0)
General Service — Large	55,360	18.3	55,444	(2)
Government and Municipal	7,388	2.4	7,099	4.1
Other Electric Utilities	21,451	7.1	25,129	(14.6)
Accrued Unbilled Revenues	5,500	1.8	(600)	1,016.7
<b>Total Electric Revenues</b>	<b>\$298,995</b>	<b>98.7</b>	<b>\$301,740</b>	<b>(.9)</b>
Miscellaneous Revenues	4,041	1.3	4,259	(5.1)
<b>Total Operating Revenues</b>	<b>\$303,036</b>	<b>100.0</b>	<b>\$305,999</b>	<b>(1.0)</b>

### KILOWATT-HOUR SALES (thousands)

Classification	1985	Percent	1984	Percent of Increase (Decrease)
Residential	1,966,119	32.8	2,041,395	(3.7)
General Service — Small	1,926,936	32.1	1,940,767	(.7)
General Service — Large	1,497,052	25.0	1,471,372	1.7
Government and Municipal	75,279	1.3	74,696	.8
Other Electric Utilities	529,759	8.8	691,792	(23.4)
<b>Total Energy Sales</b>	<b>5,995,145</b>	<b>100.0</b>	<b>6,220,022</b>	<b>(3.6)</b>

### OPERATION AND MAINTENANCE EXPENSES (thousands)

Classification	1985	Percent	1984	Percent of Increase (Decrease)
Generating Expense	\$124,458	72.2	\$136,118	(8.6)
Purchased and Interchanged Power	(5,263)	(3.0)	(9,021)	41.7
Transmission and Distribution	21,061	12.2	20,114	4.7
Customer Accounts and Customer Service and Information	6,950	4.0	6,516	6.7
Administrative and General	2,396	1.4	2,265	5.8
	22,836	13.2	21,009	8.7
<b>Total Operation and Maintenance Expenses</b>	<b>\$172,438</b>	<b>100.0</b>	<b>\$177,001</b>	<b>(2.6)</b>

### AVERAGE NUMBER OF CUSTOMERS\*

Classification	1985	Percent	1984	Percent of Increase (Decrease)
Residential	201,662	88.0	197,750	2.0
General Service — Small	26,966	11.8	26,271	2.6
General Service — Large	75	—	73	2.7
Other	397	.2	407	(2.5)
<b>Average Customers</b>	<b>229,100</b>	<b>100.0</b>	<b>224,501</b>	<b>2.0</b>

\*Average Total Twelve Months Ended December

## 22 ELECTRIC STATISTICS

	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976
<b>Total Utility Plant, including Nuclear Fuel (at year end)</b> (in thousands of dollars) .....	1,495,254	1,425,461	1,365,553	1,323,435	1,286,174	1,223,659	1,167,444	1,072,189	946,864	825,597
<b>Bonded Indebtedness (at year end)</b> (in thousands of dollars) .....	880,055	833,350	846,505	859,135	870,725	881,015	890,930	900,480	890,480	699,344
<b>Operating Revenues</b> (in thousands of dollars)										
Residential .....	111,975	116,368	108,722	89,949	77,500	78,708	65,388	60,819	54,392	51,684
General Service — Small .....	97,321	98,300	82,880	72,495	60,992	57,515	49,581	44,277	41,197	38,592
General Service — Large .....	55,360	55,444	46,226	41,293	36,345	34,291	29,249	24,916	22,217	21,162
Government and Municipal .....	7,388	7,099	6,519	5,570	4,516	3,983	3,462	2,541	3,282	3,250
Other Electric Utilities .....	21,451	25,129	22,958	21,867	40,003	49,931	44,008	12,926	9,081	4,285
Accrued Unbilled Revenues .....	5,500	(600)	1,900	(800)	1,000	600	500			
Miscellaneous .....	4,041	4,259	3,642	2,945	2,190	1,986	1,899	1,637	1,636	1,593
<b>Total</b> .....	<b>303,036</b>	<b>305,999</b>	<b>272,847</b>	<b>233,319</b>	<b>222,546</b>	<b>227,014</b>	<b>194,087</b>	<b>147,116</b>	<b>131,805</b>	<b>120,576</b>
<b>Operation &amp; Maintenance Expenses Charged to Operations</b> (in thousands of dollars) .....	172,438	177,001	156,950	145,666	136,135	135,629	112,045	86,237	64,461	66,688
<b>Payments in Lieu of Taxes</b> (in thousands of dollars) .....	10,107	10,292	9,034	7,565	6,400	6,191	5,252	4,836	4,428	4,224
<b>Net Operating Revenues before Depreciation and Decommissioning</b> (in thousands of dollars) .....	120,491	118,706	106,863	80,088	80,011	85,194	76,790	56,043	62,916	49,664
<b>Net Earnings Reinvested in the Business</b> (in thousands of dollars) .....	40,256	40,007	27,929	1,880	6,323	9,162	25,452	19,043	25,015	18,068
<b>Kilowatt-Hour Sales (in thousands)</b>										
Residential .....	1,966,119	2,041,395	2,115,696	1,898,606	1,824,285	1,952,851	1,835,250	1,881,529	1,717,117	1,665,518
General Service — Small .....	1,926,936	1,940,767	1,830,190	1,743,804	1,691,815	1,684,631	1,666,849	1,649,361	1,580,095	1,500,223
General Service — Large .....	1,497,052	1,471,372	1,384,986	1,334,043	1,411,394	1,431,067	1,438,732	1,382,366	1,302,821	1,270,736
Government and Municipal .....	75,279	74,696	74,781	74,388	74,444	75,325	74,653	77,675	127,367	144,932
Other Electric Utilities .....	529,759	691,792	590,987	501,704	1,258,803	1,275,171	1,452,337	642,399	491,884	229,073
<b>Total</b> .....	<b>5,995,145</b>	<b>6,220,022</b>	<b>5,996,640</b>	<b>5,552,545</b>	<b>6,260,741</b>	<b>6,419,045</b>	<b>6,467,821</b>	<b>5,633,330</b>	<b>5,219,284</b>	<b>4,810,482</b>
<b>Number of Customers (average per year)</b>										
Residential .....	201,662	197,750	193,638	191,808	190,451	187,802	185,358	182,156	178,259	174,331
General Service — Small .....	26,966	26,271	25,245	24,264	23,833	23,541	23,484	22,919	22,250	21,824
General Service — Large .....	75	73	73	73	75	89	88	85	80	84
Government and Municipal .....	391	400	392	403	418	403	386	363	363	351
Other Electric Utilities .....	6	7	7	8	10	12	15	16	12	10
<b>Total</b> .....	<b>229,100</b>	<b>224,501</b>	<b>219,355</b>	<b>216,556</b>	<b>214,787</b>	<b>211,847</b>	<b>209,331</b>	<b>205,539</b>	<b>200,964</b>	<b>196,600</b>
<b>Residential Statistics (average)</b>										
kWh/ Customer .....	9,750	10,323	10,926	9,898	9,579	10,398	9,901	10,329	9,633	9,554
Dollar Revenue/ Customer .....	555.26	588.46	561.47	468.95	406.93	419.10	352.76	333.89	305.13	296.47
Cents/kWh .....	5.70	5.70	5.14	4.74	4.25	4.03	3.56	3.23	3.17	3.10
<b>Generating Capability (at year end)</b> (in kilowatts) .....	1,896,200	1,994,500	1,997,500	1,997,500	1,992,100	1,979,800	1,960,000	1,382,000	1,373,700	1,371,700
<b>System Peak Loads (in kilowatts)</b> ..	1,331,200	1,383,900	1,411,500	1,330,200	1,382,400	1,348,400	1,265,200	1,257,300	1,222,900	1,188,100
<b>Net System Requirements</b> (kilowatt-hours in thousands)										
Generated .....	6,850,069	6,712,772	6,302,725	6,255,287	6,667,831	6,581,819	6,823,834	5,538,844	5,631,403	5,092,064
Purchased and Net Interchanged ..	(915,987)	(860,382)	(483,636)	(868,271)	(1,335,512)	(1,084,095)	(1,413,746)	(163,599)	(586,776)	(165,542)
<b>Net</b> .....	<b>5,934,082</b>	<b>5,852,390</b>	<b>5,819,089</b>	<b>5,387,016</b>	<b>5,332,319</b>	<b>5,497,724</b>	<b>5,410,088</b>	<b>5,375,245</b>	<b>5,044,627</b>	<b>4,926,522</b>

( ) Denotes Negative

## OPPD CORPORATE OFFICERS

23

**Morris F. Miller**  
Chairman of the Board

**Dennis D. Jorgensen**  
Vice Chairman of the Board

**Gene P. Spence**  
Treasurer

**Warren R. Swigart**  
Secretary

**Bernard W. Reznicek**  
President  
Chief Executive Officer

**Eldon C. Pape**  
Senior Vice President  
Assistant Treasurer  
Assistant Secretary

**William D. Dermeyer**  
Vice President

**Kenneth S. Fielding**  
Vice President

**William C. Jones**  
Vice President

**Fred M. Petersen**  
Vice President

**Dayton D. Wittke**  
Vice President

**Martin L. Champion**  
Assistant Treasurer  
Assistant Secretary

**John W. Marcil**  
Assistant Treasurer  
Assistant Secretary

**Herbert H. Voss**  
Assistant Treasurer  
Assistant Secretary

**Carol J. Kelley**  
Assistant Secretary

**Robert C. Learch**  
Assistant Secretary

**Charles P. Moriarty**  
Assistant Treasurer

**Ronald W. Short**  
Assistant Treasurer



**Omaha Public Power District**

A business-managed, publicly owned electric utility  
An equal opportunity employer without regard to race, sex, age or impairment.

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

April 14, 1986  
LIC-86-158

Mr. H. R. Denton, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

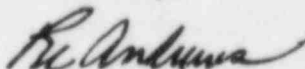
Reference: Docket No. 50-285

Dear Mr. Denton:

Annual Financial Report

Attached is one (1) copy of Omaha Public Power District's 1985 annual financial report, as required by 10 CFR 50.71(b)

Sincerely,



R. L. Andrews  
Division Manager  
Nuclear Production

RLA/JRG/me

cc: LeBoeuf, Lamb, Leiby & MacRae  
1333 New Hampshire Ave., N.W.  
Washington, DC 20036

E. G. Tourigny, NRC Project Manager  
P. H. Harrell, NRC Senior Resident Inspector

*M 004*  
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