

2011 Annual Report



Demand and Energy
Efficiency Program



Energy Wiser, Energy Smarter

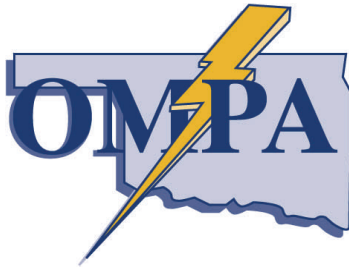


Oklahoma Municipal Power Authority (OMPA)

2701 West I-35 Frontage Road

Edmond, Oklahoma 73013

www.ompacom



The **Oklahoma Municipal Power Authority (OMPA)** celebrates its 30th anniversary as a consumer-owned public power entity in 2011. Authorization for formation of OMPA was granted by the Oklahoma State Legislature under the auspices of the Oklahoma Municipal Power Authority Act. After the legislation was passed, it was signed into law by Governor George Nigh on June 2, 1981. The objective of the Authority was to allow members the financial benefits of a large utility while maintaining control of their electric utility.

At the end of 2011, membership grew to 39 municipally owned electric systems in Oklahoma. In 2011, OMPA served a population of almost 250,000.

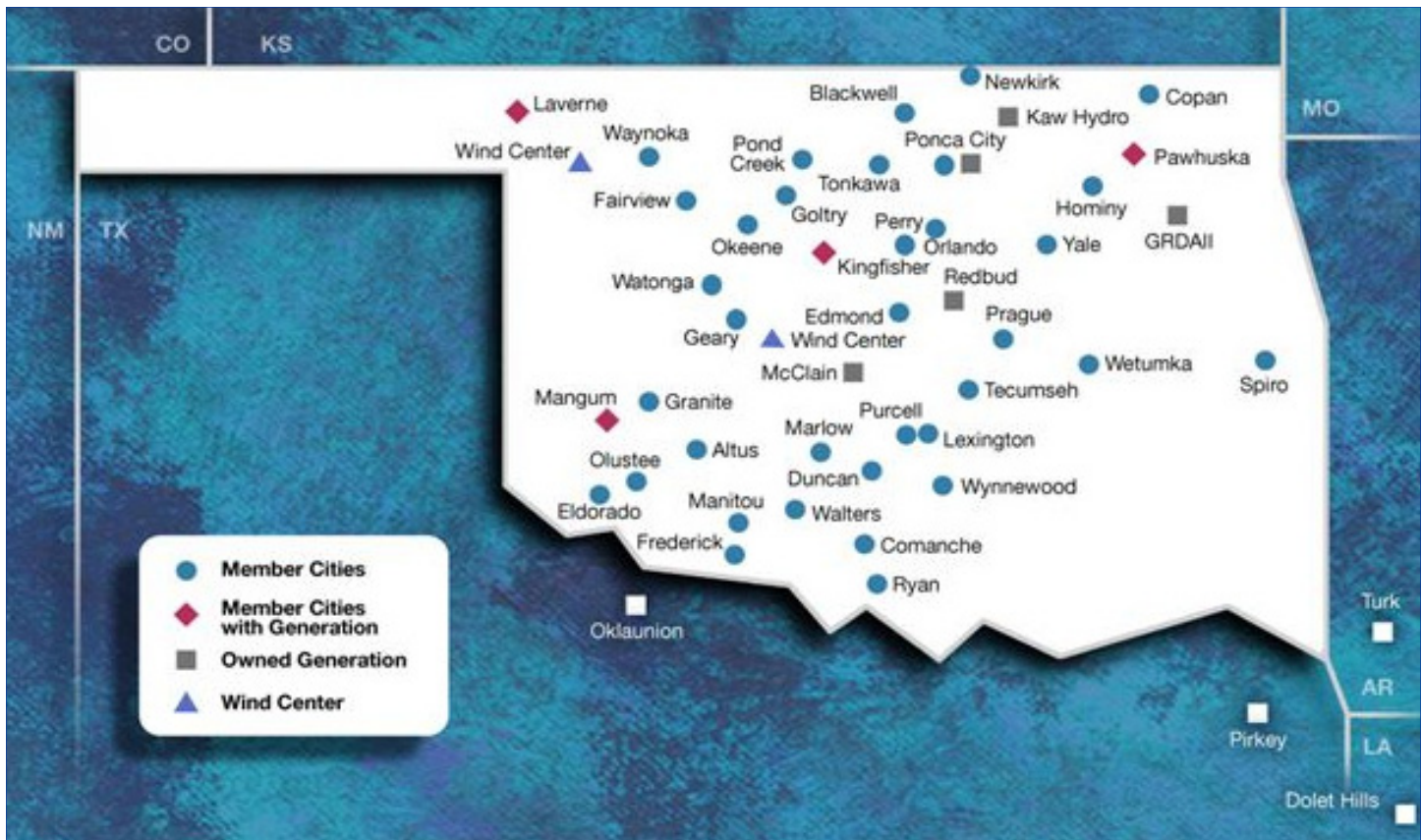
(Front) The theme **OMPA: Energy Wiser, Energy Smarter** emphasizes the various programs the Authority offers to reduce peak load and improve energy efficiency. Two of these programs were started in 2010 and gained momentum in 2011 - the Oklahoma Comfort Program (OCP) and the Demand and Energy Efficiency Program (DEEP). OCP uses funds from the Stimulus State Energy Program (SSEP), as administered by the Oklahoma Department of Commerce, to provide residential energy audits and rebates for the installation of Geothermal Heat Pump (GHP) systems. The intent of DEEP is to provide incentives to commercial and industrial businesses in the member cities that invest in more energy-efficient projects, such as lighting retrofits and more efficient motors.

Two other energy services programs offered by OMPA are the WISE Rebate Program, which started in 1990, and the Competitive Utility Program (CUP), which started in 1995 in response to competitive pressures within the electric utility industry. The objective of the WISE Rebate Program is to assist participating member cities in encouraging residential customers and subdivision homebuilders to purchase and install energy-efficient air conditioners and electric heat pumps. CUP provides members with a way to evaluate and improve the operation of their electric utilities, and make them better able to compete in the electric utility industry.



(Left to Right) DEEP Rebate Check - Charles Lamb, OMPA Board Chair, Edwin Malzahn, President and Founder of The Charles Machine Works, Inc. of Perry, Oklahoma, Tiffany Sewell-Howard, CEO of The Charles Machine Works, Inc., Cindy L. Holman, OMPA General Manager, and Perry Mayor Chuck Hall, who also serves as the OMPA Board Treasurer, stand with a \$121,968 rebate check from OMPA's Demand and Energy Efficiency Program (DEEP) that was presented to the company on behalf of the OMPA Board of Directors. The check presented to The Charles Machine Works, Inc. at the Ditch Witch Training Center was an investment in an upgrade of the company's lighting system at its manufacturing facility located in Perry. The company, one of the largest employers in Oklahoma, is an industry leader in the manufacture and production of premium underground construction equipment, electronic guidance and utility locating tools. This was the largest DEEP rebate check issued to date to a commercial/industrial customer.

OMPA: “Owned By The Members We Serve”



At the end of 2011, OMPA served 39 member cities with the addition of the City of Watonga and the Town of Orlando. Based on U.S. Census Bureau counts and annual estimates of the resident population for incorporated places in Oklahoma for 2010, OMPA's service territory includes 237,456 people.

Altus Municipal Authority
 Blackwell Municipal Authority
 Comanche Public Works Authority *
 Copan Public Works Authority *
 The Duncan Utilities Authority *
 Edmond Public Works Authority
 The Eldorado Public Works Authority *
 Fairview Utilities Authority
 The Frederick Public Works Authority
 Geary Utilities Authority
 Goltry Public Works Authority *
 Granite Public Works Authority *
 Hominy Public Works Authority *
 Kingfisher Public Works Authority
 The Laverne Public Works Authority
 Lexington Public Works Authority *
 Mangum Utilities Authority
 Manitou Public Works Authority *
 Marlow Municipal Authority
 The Newkirk Municipal Authority

Okeene Public Works Authority
 The Olustee Public Works Authority *
 The Orlando Public Works Authority
 Pawhuska Public Works Authority
 Perry Municipal Authority
 Ponca City Utility Authority
 Pond Creek Public Works Authority
 The Prague Public Works Authority
 Purcell Public Works Authority *
 The Ryan Utilities Authority *
 The Spiro Municipal Improvement Authority *
 The Tecumseh Utility Authority
 Tonkawa Municipal Authority
 Walters Public Works Authority *
 Watonga Public Works Authority
 Waynoka Utilities Authority
 Wetumka Municipal Authority *
 The Wynnewood City Utilities Authority
 Yale Water and Sewer Trust *

* Also has SWPA Allocation

“The objective of the Authority was to allow members the financial benefits of a large utility while maintaining control of their local electric utility.”

OMPA: Energy Wiser, Energy Smarter

During the **Oklahoma Municipal Power Authority's (OMPA)** 2011 Annual Electors' Meeting, A.L. “Buddy” Veltema, who serves as Vice Chair on the OMPA Board of Directors, was recognized for his 30 years of consecutive service on the board with the title of Chairman Emeritus. Veltema, one of the original board members and founding fathers of OMPA, was the first board member to hold that position. He was instrumental in not only the creation of OMPA, but in making sure the agency continued to meet its obligations to the membership.

The theme of this report, **OMPA: Energy Wiser, Energy Smarter**, emphasizes the continued focus on load factor improvement programs that shave summer peak in our member cities while adding winter load. The various programs the Authority offers its members also improve energy efficiency, which preclude the need for new power generation and help customers in our member cities manage their power bills.

Two of those programs were started in 2010 and gained momentum this year – the

Oklahoma Comfort Program (OCP) and the Demand and Energy Efficiency Program (DEEP).

OCP uses funds from the Stimulus State Energy Program (SSEP), as administered by the Oklahoma Department of Commerce, to provide energy audits and rebates for the installation of Geothermal Heat Pump (GHP) systems. In 2011, a record was set in the number of rebates and total amount rebated. A total of 690 residential energy audits were completed and 578.29 tons of GHP systems were installed.

We are pleased that 35 of our member cities were involved in marketing GHP systems in 2011. The program was to officially end on March 31, 2012, but OMPA received an extension until August 31, 2012, which will allow us to have more GHP systems installed in our member cities and to conduct more energy audits.

DEEP, which is intended to assist qualified commercial/industrial customers in our member cities to reduce their energy demands and costs, also was a success.

DEEP projects included replacing existing inefficient lighting with higher-efficiency fixtures, which operate at lower demand ratings yet provide equivalent lighting.

This program realized savings of more than one megawatt at the end of 2011. Over 100 commercial/industrial customers in the member cities already have been contacted since this program with the cities began in 2010. There are currently 10 DEEP projects in various stages, from evaluation to completion, underway in the member cities.

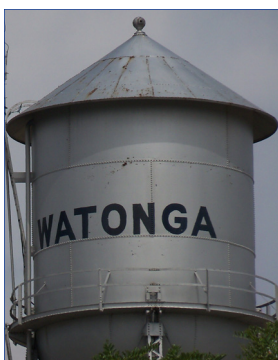
New Cities

OMPA also started serving two new cities in 2011 – the Town of Orlando on January 1st and the City of Watonga on November 1st. Watonga with a population of 5,052 became OMPA's 39th member city. The Authority also will start service in June 2012 to Paris, Arkansas. Clarksville was the first city in Arkansas to sign a short-term contract with OMPA and both Arkansas cities have hydro allocations.

Power Supply

This summer set a heat record and we achieved a new system-wide peak of 727 megawatts compared to 694 megawatts set last year. Despite the high temperatures, we had adequate resources to meet this demand from our member cities and fortunately, gas prices remained relatively low.

AEP's Southwestern Electric Power Company's (SWEPCO) nominal 600-megawatt baseload power plant, the John W. Turk, Jr. Power Plant, being constructed in southwest Arkansas should be operational in October 2012. OMPA's share in this plant, which will be owned and operated by SWEPCO, will be 6.6 percent or 41 megawatts.



**Charles Lamb, Board Chair, and
Cindy L. Holman, General Manager**

Toward the end of the year, SWEPCO, the Audubon Society and the Sierra Club announced a legal settlement bringing to an end a four-year public battle over the construction of the Turk plant. The settlement focused on offsetting the new Turk plant's total emissions. This plant will use an advanced clean coal combustion technology called "ultra-supercritical," which requires less coal and creates fewer emissions, including carbon dioxide, than traditional pulverized coal plants.

OMPA continues to maintain a diversified portfolio that includes renewable resources whenever economically feasible. We moved forward this year on developing additional green power resources with a long-term purchase power contract of a landfill gas to energy project in Sand Springs. The project will be operational in the fall of 2012 and is the first of its kind in the state. We also executed a second contract for 49.2 megawatts of wind power as authorized by the board. Under a long-term contract with FPL Energy, LLC, the Authority purchases 51 megawatts of wind generation from the Oklahoma Wind Energy Center located northeast of Woodward, Oklahoma.

Effective August 1st of 2011, trading and settlements usually conducted through the Electric Reliability Council of Texas (ERCOT) were moved in-house, which means we would reduce costs and no longer share the benefits with a third party, and provide additional benefits to our member cities.

In addition, the Authority has set-up an alternative site where a second Supervisory Control and Data Acquisition (SCADA) system, along with other network facilities, would be installed and connected to our headquarters through a fiber optic network. In the event of a disaster, we would go to the City of Edmond's

service center and Operations would continue to schedule power for our member cities without interruption.

A major new initiative this year was undertaken by the OMPA Board's Legislative Subcommittee. This subcommittee was charged with considering ways for the Authority to address the impacts of rapidly changing State legislation. The decision was made to increase our presence at the State Capitol by retaining the services of a government relations firm. The firm began working on behalf of OMPA and its members this summer in laying the groundwork to ensure the Authority's interests are well represented at the State Capitol.

The board also provided additional member city options with the development of a new high efficiency Capacity Purchase Agreement (CPA) for cities that may want to invest in generation for reliability. With sales tax

being the primary revenue for cities in Oklahoma, the board chose to expand the Authority's Economic Development Rate (EDR), a discounted rate that is phased out over time, to allow our member cities to include retail projects when they meet the same program load requirements.

As we have for 30 years, OMPA remains committed to its mission statement, which continues to guide our actions on behalf of the membership: "To provide reliable, low cost energy and services to municipal entities to enable each municipality to be competitive while maximizing the benefit to our stakeholders."

Charles Lamb
Board Chair

Cindy L. Holman, CMA
General Manager

"This summer set a heat record and we achieved a new system-wide peak of 727 megawatts compared to 694 megawatts set last year."



Under a long-term contract with FPL Energy, LLC, the Authority purchases 51 megawatts of wind generation from the Oklahoma Wind Energy Center located northeast of Woodward, Oklahoma.



(Left) Charles Lamb, Board Chair, presents A.L. "Buddy" Veltema, Board Vice Chair with the OMPA resolution acknowledging him as the first board member to be recognized as Chairman Emeritus during the 2011 Annual Electors' Meeting at the OMPA headquarters in Edmond, Oklahoma.

“By the end of 2011, \$569,000 had been distributed to 88 customers in the member cities who had installed 578.29 tons of geothermal heat pump systems.”



Demand and Energy Efficiency Program



Dr. Lee Manzer, Professor in the Department of Marketing, Spears School of Business, Oklahoma State University, discusses a practical approach to improving customer relationships during an All-Employee Training session held November 15 at the City of Edmond’s Fire Administration Building in Edmond, Oklahoma.

Emphasizing load reduction, energy conservation

Two energy services programs that started in 2010 continued to support OMPA’s load factor improvement efforts, while improving energy efficiency – Oklahoma Comfort Program (OCP) and Demand and Energy Efficiency Program (DEEP). OCP provides rebates of \$1,000 per ton for installation of qualifying geothermal heat pump systems. This program is financed by funds from the Stimulus State Energy Program (SSEP) as administered by the Oklahoma Department of Commerce.

By the end of 2011, \$569,000 had been distributed to 88 customers in the member cities who had installed 578.29 tons of geothermal heat pump systems. Rebate checks for some customers, who had installed systems, had not been processed by the end of the year. These systems help customers by lowering their heating and cooling operating costs, while adding winter load and reducing summer peaks for the member electric utilities. The program also provided training for those involved in the installation of these systems.

Through OCP, OMPA provided free residential energy audits to customers in the member cities. Since the program started, 896 energy audits were conducted. OMPA has staff that can assist with the energy audits, or even conduct the audits. Making a home more energy efficient helps the homeowner save money and in turn helps the municipality on its overall energy costs. The OCP contract, which was to have ended on March 31, 2012, has been extended to August 31, 2012.

Another rebate program offered by OMPA is the WISE Rebate Program that was started in 1990 to assist participating cities in encouraging residential

customers and subdivision homebuilders to purchase and install higher energy-efficient heating and cooling equipment that exceeded Federal minimum requirements. Cities provide rebates to customers who install qualifying energy-efficient heating and cooling equipment and are cost-shared by OMPA.

Under this program, the rebates offered for the installation of geothermal heat pump systems that have an energy efficiency ratio (EER) of a minimum of 16.1 are \$800 per ton also are in addition to the rebates from OCP. For air-source (or dual fuel) heat pumps with a Seasonal Energy Efficiency Ratio (SEER) of a minimum of 15.0, the rebate amount is \$250 per ton and \$100 per ton for air conditioners with a SEER of a minimum of 16.0. The higher-efficiency units are beneficial for both the utility and the customers.

In 2011, a record was set in the number of rebates and the total amount rebated through the WISE Rebate Program. A total of 171 customers received rebates for installing 189 heat pump units – 132 geothermal, 38 air-source and 19 dual-fuel. Also, there were rebates provided for the installation of 62 high efficiency air conditioners. A total of \$484,030 in rebates was provided to customers and close to half of this amount was provided by the member cities themselves.

DEEP provides rebates to commercial/industrial customers who implement retrofits that reduce their demand at peak times during the summer. Reduction in demand helps keep rates as low as possible for the member cities and delays the need for additional generation capacity to the OMPA system. The range of projects includes replacing motors with NEMA premium motors,

replacing inefficient lighting with new fluorescent or LED lights, improving the cooling and heating system with ground source heat pumps, or installing high efficiency chillers.

In 2011, there were DEEP awards of over \$187,524 resulting in a load reduction of 1,360.7 kilowatts at an average cost of \$160 per kilowatt compared to approximately \$1,000 per kilowatt if peaking capacity would have been purchased. There are currently 10 projects in various stages, from evaluation to completion. Over 100 commercial/industrial customers in the member cities already have been contacted since this matching funds program with the cities began in December 2010.

The Charles Machine Works, Inc. in Perry, Oklahoma was presented a \$121,968 DEEP rebate check in December 2011 for upgrading the company’s lighting system at its manufacturing facility. Charles Machine Works was the first commercial/industrial business in Perry to receive a DEEP rebate check and it was the largest check issued to date. The Charles Machine Works, one of the largest employers in Oklahoma, is an industry leader in the manufacture and production of premium underground construction equipment, electronic guidance and utility locating tools.

Henniges in Frederick, Oklahoma that manufactures parts for the auto industry also received a DEEP award that reduced energy cost at the plant and has led to the company expanding production at its Frederick facility. Equipment was being moved in from other plants and it is projected that jobs will be added in 2012.

Another energy services program offered to OMPA member cities is the Competitive Utility Program (CUP) started in 1995 in response to competitive pressures in the electric utility industry. This voluntary program provides members with a way to evaluate and improve the operation of their electric utilities, and make them better able to compete in the electric utility industry. CUP provides two types of rewards – recognition in the form of certification and financial awards. Currently, 18 of OMPA's 39 member cities are CUP certified.

With sales tax being the primary revenue source for cities in Oklahoma, the OMPA Board chose to expand the economic development rate to include retail customers if a member city so desired. This rate assists cities in their economic development efforts by giving a graduated discount on demand costs based on minimum load levels. The OMPA Board approved the economic development rate for Dorado Foods in Ponca City, Oklahoma this year. The company is one of three suppliers of chicken products to McDonald's® in the United States and will ultimately employ approximately 350 employees.

The Authority was awarded a \$25,000 research grant this year by the American Public Power Association's (APPA) Demonstration of Energy-Efficient Development (DEED) program. The grant is to be used to create a weather data database/workbook that can be customized by any utility to help customer service representatives when talking to customers about high-bill complaints. It will generate a report for any billing cycle as opposed to calendar-month periods, and will compare recent actual and long-term average weather data for the billing period. A user's manual and PowerPoint presentation will be developed to train customer

service personnel on the use of weather data when speaking with customers.

APPA is the national organization serving the interests of the nation's more than 2,000 community- and state-owned electric utilities. The association established the DEED program in 1980 to sponsor and conduct activities related to energy innovation that improve efficiency or lower costs in providing energy services to consumers of publicly owned electric utilities. OMPA and all of its members are members of APPA and DEED.

One of the main training events co-sponsored by OMPA, Municipal Electric Systems of Oklahoma (MESO) and Grand River Dam Authority (GRDA) is the annual public power workshop that was held this year at the Western Hills Guest Ranch near Wagoner, Oklahoma. Vern Holder with Holder & Associates in Edmond, Oklahoma was the opening and closing speaker at the workshop. Holder is a humorous motivational speaker who has been speaking professionally since 1971. Workshop participants attended breakout sessions in three areas – customer service, electric distribution and administration. A total of 67 city personnel representing 28 cities from Oklahoma and Arkansas attended the workshop. Of this number, 36 were personnel representing 13 OMPA member cities.

"The purpose of a municipality is to create and keep customers," said Dr. Lee Manzer, Professor in the Department of Marketing, Spears School of Business at Oklahoma State University, who conducted All-Employee Training this year in 11 locations. Dr. Manzer's presentation was on "A Practical and Fun Approach to Excellent Service – How To Create A Service Culture." Overall attendance this year was 778 employees, which was

the second highest in overall attendance. Twenty-four cities sent employees to the training.

OMPA supports its members in their efforts to promote the benefits of ownership of their municipal electric systems. One of the major events each year is Public Power Week, which celebrated its 25th anniversary this year. Public Power Week is a country-wide program that promotes the importance of public power. Several of the member cities held open houses/customer appreciation days during Public Power Week.

The Authority also coordinated the manufacturing of entrance signs to the member communities to reinforce the concept of local ownership of the electric utility. The OMPA logo was included on the signs showing the connection between the cities and the Authority as their wholesale power provider.

In addition to having Facebook and Twitter accounts to reach a broader audience through social media, OMPA introduced a YouTube page to be able to show organizational videos. Member Services staff continued to assist cities with establishing Facebook, Twitter and YouTube accounts and 20 cities now have accounts. The department also arranged for social media training for the cities to be held early next year at the OMPA office.



Competitive Utility Program



of the Oklahoma Municipal Power Authority



Ponca City Energy celebrates Public Power Week 2011 with an Open House on October 5 at the Ponca City City Hall.

“Under the plan, OMPA’s primary and backup Information Technology (IT) and Supervisory Control and Data Acquisition (SCADA) systems would be installed in two different locations.”

Implementing a business continuity plan

One of the major projects for OMPA in 2011 was the implementation of a business continuity plan. This plan would ensure that OMPA would be able to continue the very important function of economical dispatch of power and interfacing with the Southwest Power Pool (SPP) in the event of damage to the headquarters building. SPP is a Regional Transmission Organization, mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure, and competitive wholesale prices of electricity.

Under the plan, OMPA’s primary and backup Information Technology (IT) and Supervisory Control and Data Acquisition (SCADA) systems would be installed in two different locations. A fiber optic link is used to connect the IT and SCADA systems used for gathering and analyzing real time load data from OMPA headquarters to the City of Edmond’s Cross Timbers Municipal Complex, which is located about 3 1/2 miles from the headquarters building.

In the event of a natural disaster damaging OMPA’s headquarters building and making it unusable, Operations Center staff would be able to continue scheduling power to the member cities with minimal interruption. Additional work is ongoing to complete this redundancy plan.

The Electric Reliability Council of Texas (ERCOT) scheduling and settlements transactions were brought in house effective August 1, 2011, which allowed OMPA to save approximately \$200,000 per year. This savings is passed on to the member cities.

OMPA also continued to plan for long-term natural gas procurement targeting least cost and reduced cost volatility, while recognizing that there may be a cost associated with volatility reduction. OMPA executes fixed price hedges for a portion of the anticipated gas burn, which locks in the price for natural gas. Gas-fired generation played a significant role as OMPA had enough reserves to meet its highest system-wide peak ever on August 3, 2011 of 727 megawatts, compared to 694 megawatts in 2010. In 2011, Oklahoma had record heat waves and Operations Center staff used load forecast models to dispatch available generation resources in the most economical manner.

Reliability and Environmental Regulations

One of the main challenges for OMPA is staying informed about electric system reliability and environmental regulations and having the necessary manpower required to comply with these regulations that continue to grow as does the paperwork. This resulted in reassigning some duties within OMPA this year to meet these requirements. As an example, OMPA is subject to 44 North American Reliability Corporation (NERC) standards under which there are 266 auditable requirements to ensure the reliability of the bulk power system. OMPA’s goal is to comply with all reliability and environmental regulations.

Engineering Services staff assisted four member cities with participant generation to prepare for compliance with the RICE (Reciprocating Internal Combustion Engines) rules. The U.S. Environmental Protection Agency (EPA) has implemented requirements on the operation and maintenance of smaller generation units effective as of May 2013.

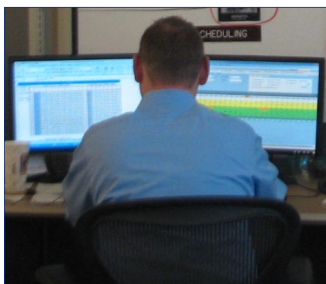
Distributed Generation

In addition, the OMPA Board this year approved a resolution that provides more options to a member system that wishes to install distributed generation that qualifies as dedicated capacity. This is especially beneficial to cities that are exposed to limited transmission service. If a member system has a desire to add local generation that would also serve as dedicated capacity for OMPA, the Authority offers what is referred to as a high efficiency capacity purchase agreement.

This new purchase agreement provides an incentive for the member system to install generation that is more efficient than traditional diesel generators. In order to qualify, the dedicated capacity needs to be fueled by natural gas and have a heat rate of 10,500 BTU/kWh or less. The payment made to the city is greater than that of the existing capacity purchase agreements to recognize the value of the efficiency improvement, or the lower operating costs. However, the payment made by OMPA does not cover the full cost of the generation, requiring the member city to contribute to the cost of the project.

Power Supply

The pressure is on utilities to look for power supply alternatives. OMPA executed a second contract for wind energy in 2011, with the facility expected to be in-service by the end of 2012. This new facility will be located in Canadian County in Oklahoma and will supply 49.2 megawatts to OMPA under a 25-year agreement. Under a long-term contract with FPL Energy LLC, the Authority purchases 51 megawatts of wind generation from the Oklahoma Wind Energy Center located northeast of Woodward, Oklahoma. Wind energy



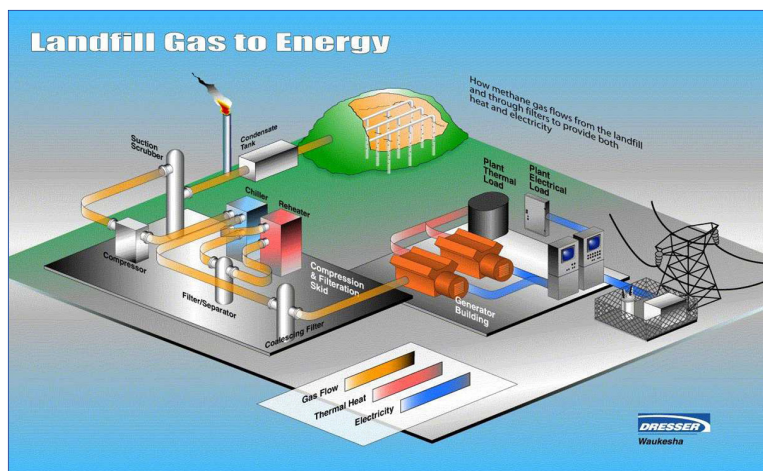
The primary function of the OMPA Operations Center is the forecasting, scheduling and dispatching of power resources on a 24-hour basis.

gives customers in the member cities a choice to support clean, environmentally-friendly power.

OMPA also executed a contract for another renewable energy project - a landfill gas to energy project in Sand Springs, Oklahoma that is expected to start in late 2012. This project uses landfill methane gas as a generation fuel and is expected to run 90 percent of the time with annual kilowatt hour (kWh) generation exceeding 25 million kWh of renewable energy.

Construction continued on AEP's Southwestern Electric Power Company (SWEPCO) nominal 600-megawatt baseload power plant, the John W. Turk Jr. Power Plant in southwest Arkansas that is projected to be operational in October 2012. SWEPCO owns 73 percent of the plant and will be the plant operator. OMPA owns a 6.6 percent share (41 megawatts) in the plant. The plant will use an advanced clean coal combustion technology called "ultra supercritical," which requires 25 percent less coal than conventional coal-fired power plants and creates fewer emissions to produce the same amount of power.

Over the years, OMPA has maintained a diversified portfolio of generation facilities to meet members' load growth needs, while emphasizing conservation and energy efficiency.

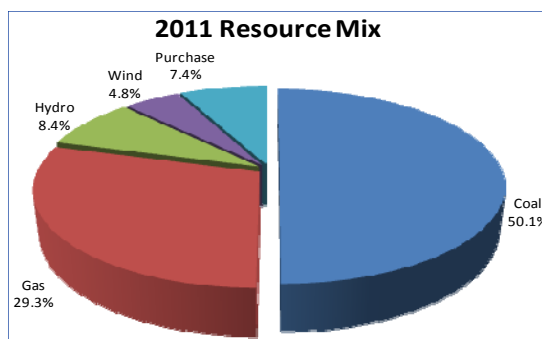


The landfill gas to energy project that will be constructed in Sand Springs, Oklahoma in 2012 is expected to run 90 percent of the time with annual kilowatt hour (kWh) generation exceeding 25 million kWh of renewable energy.

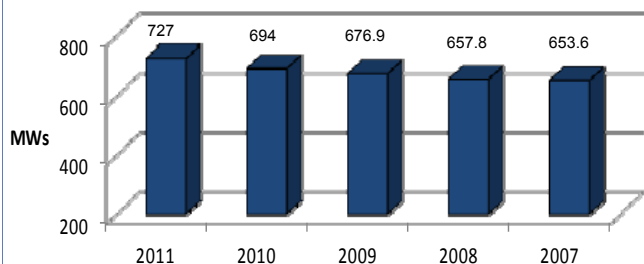
Member Cities

The main projects undertaken by OMPA's Engineering Services staff on behalf of the member cities this year were assisting Comanche in obtaining bids to rebuild its substation at an approximate cost of \$1.7 million, Altus with the rebuilding of its Tamarack Substation after a squirrel caused a fire and Orlando with upgrading its distribution system. The Distribution Planning Engineer coordinated the updating of electrical system maps for the member cities, which assists with restoration efforts in the event of a major system outage due to ice storms and tornados. Engineering Services staff started the process of

building a new substation for Purcell to improve reliability while meeting load growth. Engineering Services staff also assisted Edmond with the building of its C.R. Burgett Substation and Duncan with its new Cherokee Substation.

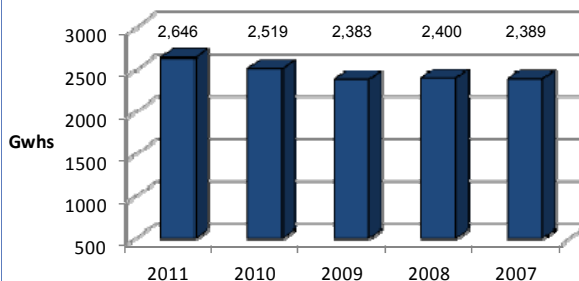


OMPA System-Wide Peak



On August 3, 2011, OMPA recorded a system-wide peak of 727 megawatts. This represents a 4.75 percent increase from the previous system-wide peak of 694 megawatts set in 2010.

OMPA Energy Delivered



Overall delivered energy for 2011 increased 5.04 percent to 2,646 gigawatt-hours.

Net Revenues & Debt Service Coverage Summary

<i>In thousands</i>	2011	2010	2009	2008	2007
Operating revenues					
Operating expenses					
Purchased power					
Generation	44,445	36,928	39,878	44,088	42,230
Transmission	62,735	62,286	54,704	61,855	61,238
Other operating expenses	11,893	11,580	12,408	10,620	9,761
Depreciation	7,114	6,815	6,578	6,265	6,039
	15,487	15,267	15,111	11,484	10,288
	141,674	132,876	128,679	134,312	129,556
	26,435	23,992	18,991	16,741	12,179
Net operating revenues					
Other revenues (expenses)					
Interest income**	2,804	2,276	2,841	4,251	4,534
Net change in fair value of investments **	663	(602)	(1,113)	351	1,618
Other Income					
Gain on Sale of Assets	1	-	48	(129)	5,144
Ponca City fire loss					
Lease Revenue - FPL	2,934	3,024	3,108	3,188	3,263
Amortization of organization costs	(85)	(85)	(85)	(85)	(85)
	6,317	4,613	4,799	7,576	14,474
Interest and debt expense					
Interest expense	(26,918)	(24,340)	(22,708)	(19,086)	(18,760)
Interest expense - Other	(2,934)	(3,024)	(3,108)	(3,237)	(3,263)
Amortization of bond costs	(2,701)	(2,904)	(3,259)	(3,309)	(3,349)
Amortization of Other Costs	(142)	(153)	(106)	(60)	-
	(32,695)	(30,421)	(29,181)	(25,692)	(25,373)
	(26,378)	(25,808)	(24,382)	(18,116)	(10,898)
	1,614	2,578	3,612	1,145	672
Net nonoperating expenses					
Net deferred costs recoverable in future years					
Extraordinary income					
Increase (decrease) in fund equity	1,671	762	(1,779)	(230)	1,952
Fund equity, beginning of year	21,917	21,155	22,934	23,164	21,212
Fund equity, end of year	\$ 23,588	\$ 21,917	\$ 21,155	\$ 22,934	\$ 23,164
Debt Service Coverage					
Net Operating Revenues					
Add:	\$ 26,435	\$ 23,992	\$ 18,991	\$ 16,741	\$ 12,179
Investment income					
Depreciation	2,804	2,276	2,841	4,251	4,534
Gain/Loss on asset sale	15,487	15,267	15,111	11,484	10,288
Amortization of capacity prepayment	1	-	48	(129)	5,144
Credit Obligations *	2,764	2,741	2,741	2,915	2,490
	26,448	23,872	22,706	23,147	19,238
Net revenue available for bond coverage					
	\$ 73,939	\$ 68,148	\$ 62,438	\$ 58,409	\$ 53,872
Principal and interest					
	\$ 44,713	\$ 42,425	\$ 38,888	\$ 34,471	\$ 33,420
Debt service coverage					
	1.65	1.61	1.61	1.69	1.61

* Certain purchase power contracts with terms in excess of five years may be excluded from operating expenses for purposes of debt service coverage.

** Interest income and net change in fair value of investments have been adjusted in order to comply with bond covenant requirements for the purpose of debt service coverage calculation.

Board of Directors

Walter Allen
Lexington, Oklahoma

Janice Cain
Marlow, Oklahoma

Chuck Hall
Treasurer
Perry, Oklahoma

Robert Johnston
Secretary
Frederick, Oklahoma

Charles Lamb
Chair
Edmond, Oklahoma

Homer Nicholson
Ponca City, Oklahoma

John Ramey
Okeene, Oklahoma

Dan Scott
Altus, Oklahoma

Clyde Shaw
Duncan, Oklahoma

Mark Skiles
Blackwell, Oklahoma

A.L. "Buddy" Veltema
Vice Chair
Walters, Oklahoma



(Left to Right) OMPA Board of Directors: Chuck Hall, Treasurer, Walter Allen, Robert Johnston, Secretary, Homer Nicholson, John Ramey, Dan Scott, Charles Lamb, Chair, A.L. "Buddy" Veltema, Vice Chair (Chairman Emeritus), Mark Skiles, Janice Cain, and Clyde Shaw

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Randy Elliott
General Counsel

David W. Osburn
Assistant General Manager

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Director of Member Services

Jim McAvoy, PE
Chief Engineer

Roger Farrer, PhD, CEM, CEA
Manager of Energy Services

Bruce Jackson, CPA
Manager of Accounting Services

Malcolm Booker
Manager of Financial Services

Mike Mushrush
Operations Manager

MaryDoris Casey
Markets Manager

Andrea Simmons
Administrative/HR Supervisor



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