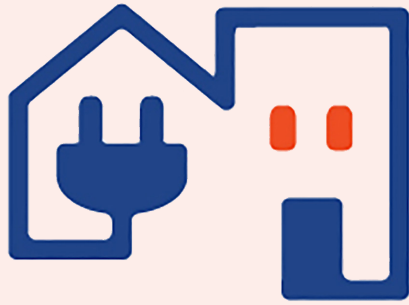
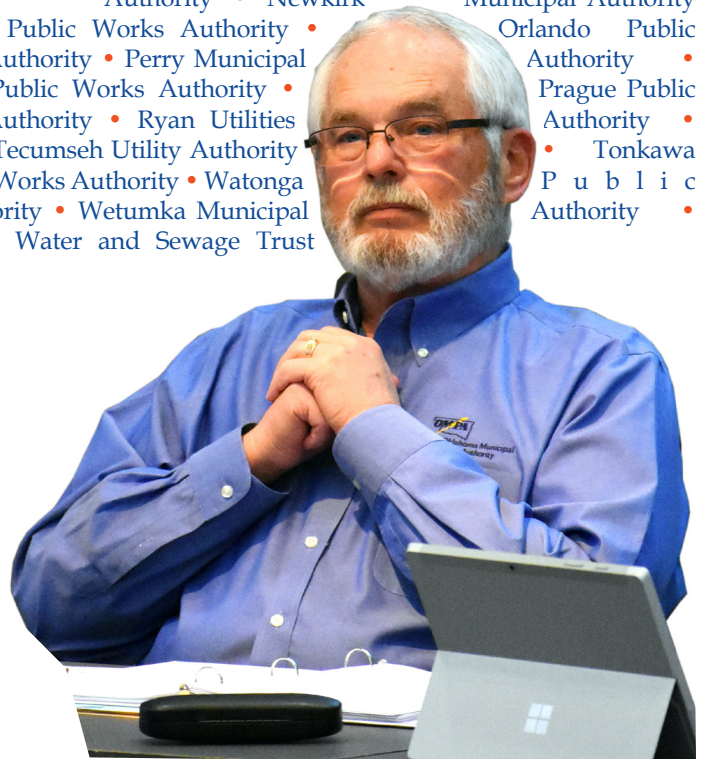
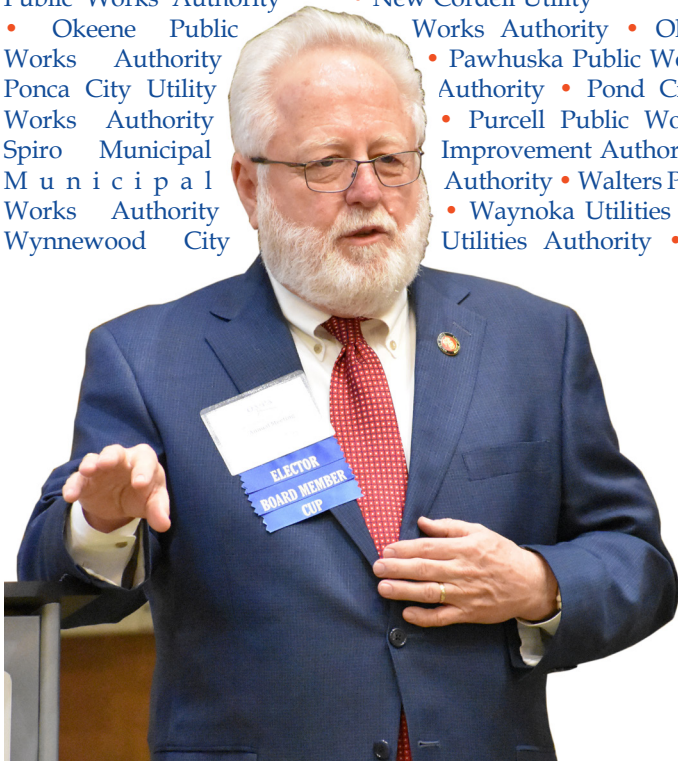


Altus Municipal Authority • Blackwell Municipal Authority • Comanche Public Works Authority • Copan Public Works Authority • Duncan Public Utilities Authority • Edmond Public Works Authority • Eldorado Public Works Authority • Fairview Utilities Authority • Fort Supply Public Works Authority • Frederick Public Works Authority • Geary Utilities Authority • Goltry Public Works Authority • Granite Public Works Authority • Hominy, Oklahoma Public Works Authority • Kingfisher Works Authority • Lexington Public Works Authority • Manitou Public Works Authority • Marlow Public Works Authority • New Cordell Municipal Authority • Okeene Public Works Authority • Orlando Pawhuska Public Works Authority • Ponca City Utility Public Works Authority • Purcell Public Utilities Authority • Spiro Authority • Tecumseh Tonkawa Municipal Public Works Authority • Waynoka Wetumka Municipal City Utilities Authority • Trust • Altus Municipal Municipal Authority • Authority • Copan Public Public Utilities Authority • Eldorado Fairview Utilities Authority • Frederick Public Authority • Goltry Public Works Authority • Hominy, Oklahoma Public Works Authority • Laverne Works Authority • Mangum Utilities • Marlow Municipal Authority • Mooreland Authority • New Cordell Utility Works Authority • Olustee Public Works Authority • Pawhuska Public Works Authority • Perry Municipal Authority • Pond Creek Public Works Authority • Purcell Public Works Authority • Ryan Utilities Improvement Authority • Tecumseh Utility Authority • Walters Public Works Authority • Watonga • Waynoka Utilities Authority • Wetumka Municipal Utilities Authority • Yale Water and Sewage Trust

Our Power



Is Local



The City of Ponca City
celebrated Public Power
week with the Our Local
Power banner.



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2018 Highlights

March, 2018

OMPA creates employee Safety Incentive Program to encourage safe practices and improve awareness on the job

April 12, 2018

Strategic Issues Team report presented to the Board of Directors at Annual Retreat, leading to an increased interest in technology

June 20, 2018

OMPA General Manager Dave Osburn named to the American Public Power Association's Board of Directors

July 1, 2018

OMPA transfers regional entities from the Southwest Power Pool to the Midwest Reliability Organization

August 30, 2018

OMPA long-time Director of Member Services Drake Rice retires

September 6, 2018

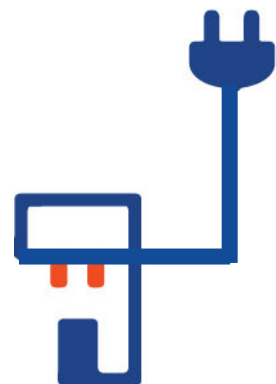
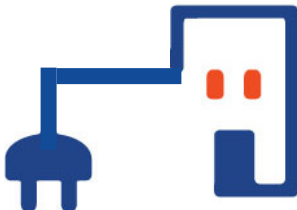
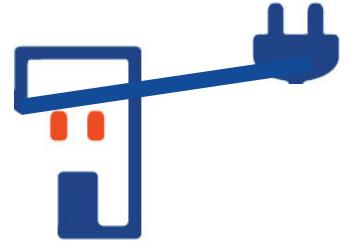
Electors vote to move date of Annual Meeting to the spring, allowing for expanded format

September 18, 2018

Our Local Power campaign officially launched to the public

December 18, 2018

Board approves authorization to extend Power Purchase Agreement with Nextera Energy for the Oklahoma Wind Project





From the Board Chairman and General Manager

When looking back at 2018, the term bitter-sweet comes to mind. While OMPA had a very successful year pertaining to our operations, we finished on a very sad note with the loss of our long-time board member and chairman, Charles Lamb. OMPA and its member cities were very fortunate to have a leader like Charles at the helm for so many years. He left OMPA in great shape and on a good trajectory towards meeting the challenges of tomorrow. We have more on Charles later in this report. We decided to proceed with the theme of this year's report to highlight the value of public power and the Our Local Power campaign. This was important to Charles, as he understood the value of local control and public power as much as anyone.

The Our Local Power campaign was officially launched in September, culminating over a year of planning. The idea was germinated at the 2017 board planning retreat and included in the 2018 budget. In late 2017 and 2018, a committee of member city representatives worked with OMPA staff and our marketing consultant to finalize the campaign plans. We are very pleased with the outcome and have high

expectations for its success. This is a multi-year campaign designed to raise the awareness of the public to the value of owning a municipal power utility.

2018 also saw the retirement of one of OMPA's original leaders, Drake Rice. Drake was involved in the creation of OMPA and then joined the staff shortly after. He was instrumental in establishing one of the best Member Services departments in the country. Under his leadership, OMPA developed numerous programs benefiting our member cities.

Operationally, 2018 was a very good year for OMPA. The new wholesale rate structure implemented a couple of years ago has stabilized our revenues. This, combined with major expense categories coming in under budget, has resulted in a strong financial performance. This has allowed the Board to increase our reserves for future needs, some of which we will discuss later. The OMPA generation fleet performed well during the year. Low gas prices and accompanying low energy prices in the Southwest Power Pool markets helped to keep our total energy costs low to member cities.

The year wasn't without some challenges.

Coal-fired generating plants have been economically challenged with today's low market prices. In September, a majority of the co-owners in the Oklaunion plant voted to retire the unit in late 2020. OMPA would have preferred to keep it open, but the contractual requirement was met. In addition, the Dolet Hills lignite plant has been experiencing significant issues with its operations, calling into question its long-term viability. The OMPA Board has acted to plan for the retirement costs of these plants by establishing a Decommissioning Fund and funding it from available funds. The goal is to meet these future obligations without having a significant impact on rates.

2018 also saw the implementation of an emerging technologies program within OMPA. This stemmed from the Board's annual planning retreat in which they tasked staff with helping the member cities and OMPA to prepare for new technologies impacting our industry. The rise of electric vehicles was the first issue to be researched in-depth, but there will be many more to focus on in the coming years.

In an effort to show that safety is a top priority,

a program was created that rewards employees for safe practices, and a Safety and Compliance Specialist was added to the staff. We hope that this will keep employees aware while on the job.

Customer surveys have again shown that reliability is among the most important characteristics for member utilities, and there were a number of projects completed in 2018 designed to improve or maintain reliability. Improving reliability through 5-year plans was an objective when the maintenance line crew was created in 2015, and we're pleased to see the work being done.

We hope you find this report informative and it is our honor to lead such a valuable organization staffed by a talented, dedicated group of employees.

Robert B. Johnston *David W. Osburn*

Robert Johnston,
Board Chairman

David W. Osburn,
General Manager



BOARD OF DIRECTORS



Robert Johnston
Frederick
Chairman



Homer Nicholson
Ponca City
Vice Chairman



Dale Bunn
Purcell
Secretary



Jim Greff
Prague
Treasurer



Janice Cain
Altus
Member



Kimberly Meek
Duncan
Member



Dixie Johnson
Perry
Member



Jason McPherson
Marlow
Member



Chuck Ralls
Comanche
Member



Dave Slezigkey
Kingfisher
Member



Warren Porter
Edmond
Member

**Others who served during
2018 were:**

Charles Lamb, Edmond
Chuck Hall, Perry
David Yeager, Duncan

**The Oklahoma Municipal
Power Authority's 11-person
Board of Directors is chosen
entirely by representatives of
the membership. Board
members serve staggered,
three-year terms.**

BOARD/KEY PERSONNEL



This publication is issued by the Oklahoma Municipal Power Authority as authorized by the OMPA General Manager. 200 copies have been prepared and distributed at a cost of \$780 [74 O.S. § 3105 (B)]



Dave Osburn
*General
Manager*



Randy Elliott
*General
Counsel*



Jim McAvoy
*Director of
Engineering*



Melie Vincent
*Director of
Operations*



Jennifer Rogers
*Manager of Member
Services*



John Vansant
*Director of Corporate
Services & CFO*

MEMBERS

The Oklahoma Municipal Power Authority (OMPA) is a wholesale power company owned by 42 municipal electric utilities located in 29 Oklahoma counties.

In 2018, OMPA provided power to 116,981 customers in its member cities, including 101,457 residential customers and 15,524 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

Members

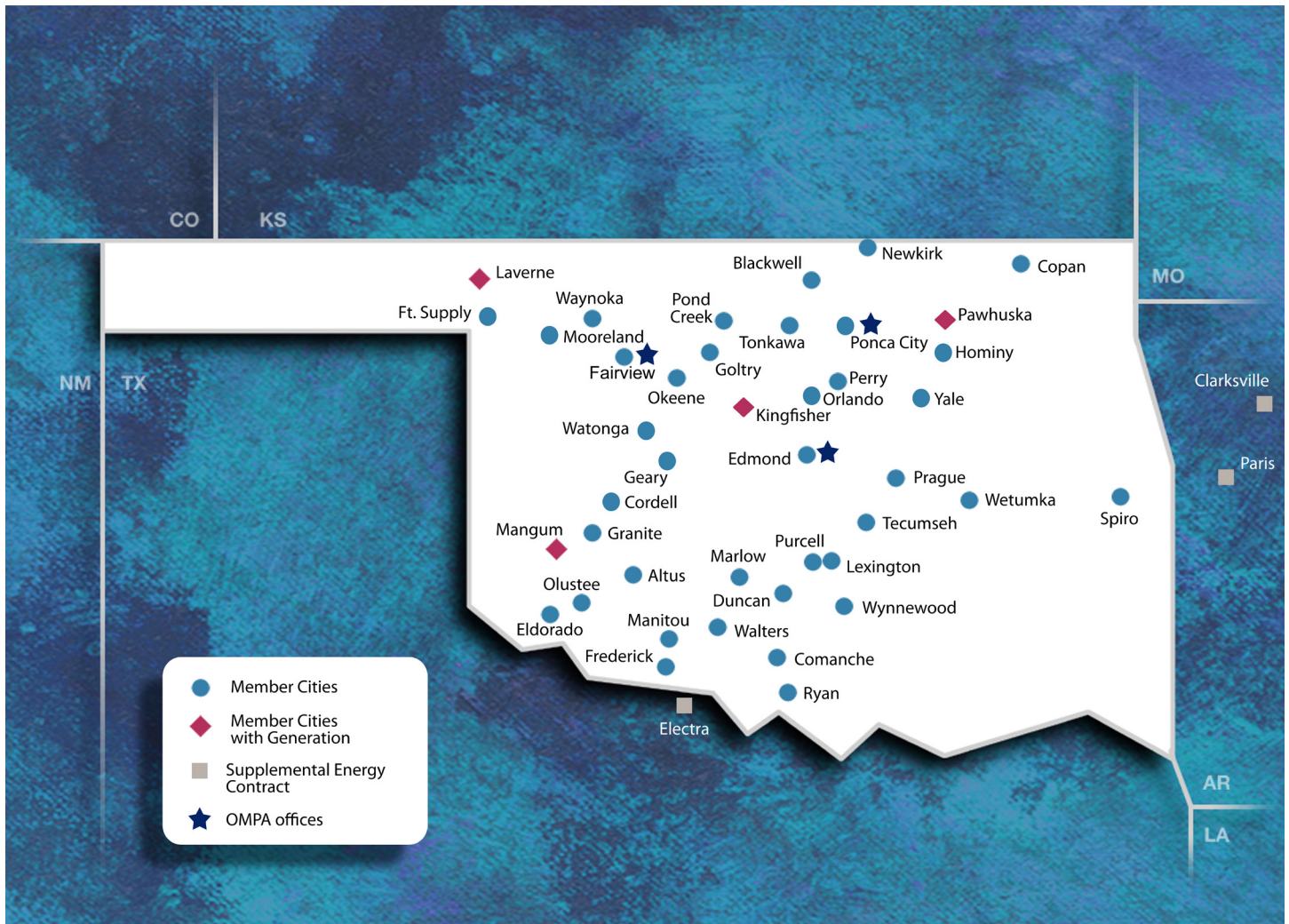
Altus Municipal Authority
Blackwell Municipal Authority
*Comanche Public Works Authority**
*Copan Public Works Authority**
*Duncan Public Utilities Authority**
Edmond Public Works Authority
*Eldorado Public Works Authority**

Fairview Utilities Authority
Fort Supply Public Works Authority
Frederick Public Works Authority
Geary Utilities Authority
*Goltry Public Works Authority**
*Granite Public Works Authority**
*Hominy, Oklahoma Public Works Authority**
Kingfisher Public Works Authority
Laverne Public Works Authority
*Lexington Public Works Authority**
Mangum Utilities Authority
*Manitou Public Works Authority**
Marlow Municipal Authority
Mooreland Public Works Authority
New Cordell Utility Authority
Newkirk Municipal Authority
Okeene Public Works Authority
*Olustee Public Works Authority**
Orlando Public Works Authority
Pawhuska Public Works Authority
Perry Municipal Authority
Ponca City Utility Authority

Pond Creek Public Works Authority
Prague Public Works Authority
*Purcell Public Works Authority**
*Ryan Utilities Authority**
*Spiro Municipal Improvement Authority**
Tecumseh Utility Authority
Tonkawa Municipal Authority
*Walters Public Works Authority**
Watonga Public Works Authority
Waynoka Utilities Authority
*Wetumka Municipal Authority**
Wynnewood City Utilities Authority
*Yale Water and Sewage Trust**
** Also has SWPA Allocation*

Others Served

Clarksville Light & Water Company
Electra Utility Authority
Paris Municipal Light & Water



GENERATION

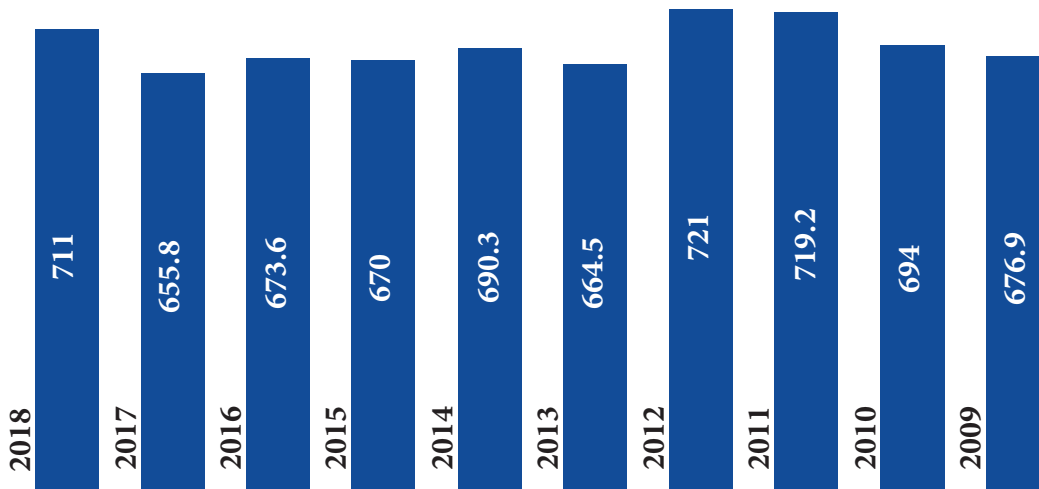
Resource Mix

Natural gas continued in 2018 to be the primary power resource for OMPA at 49 percent of the portfolio.

Coal grew as part of the resources, up to 24 percent, surpassing the previous year's 18 percent.



Energy is listed in megawatts



System-Wide Peak

OMPA's coincident peak for utilities served in Oklahoma only was 711.02 megawatts in 2017.

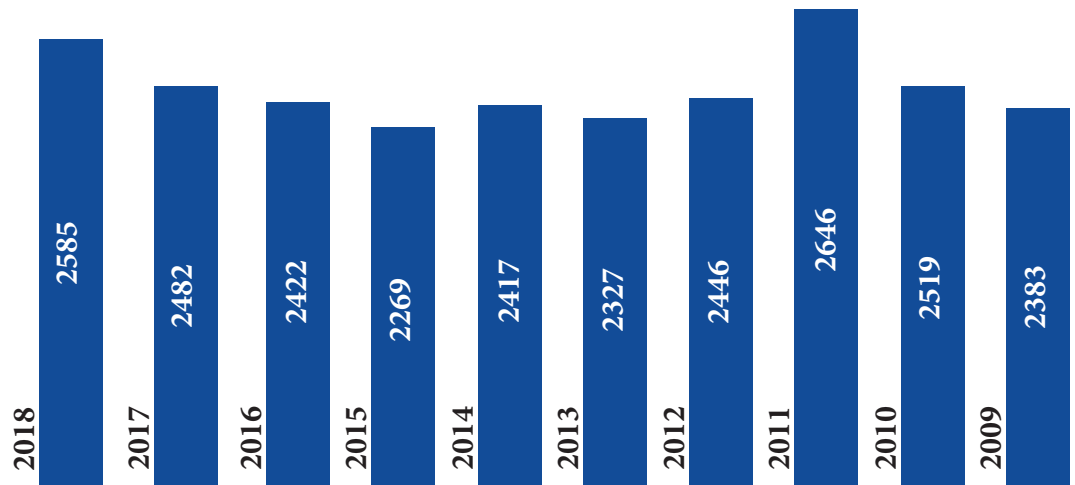
This was the highest peak since the peak of 721 megawatts in 2012.

The Authority did not add any members in 2018.

Power Delivered

OMPA's total power delivered in 2018 was 2,585 gigawatts, which was an increase over 2017, but still 164 gigawatts below the 10-year high of 2,646 in 2011.

In all, 24,496 gigawatts of power have been delivered in the last 10 years.



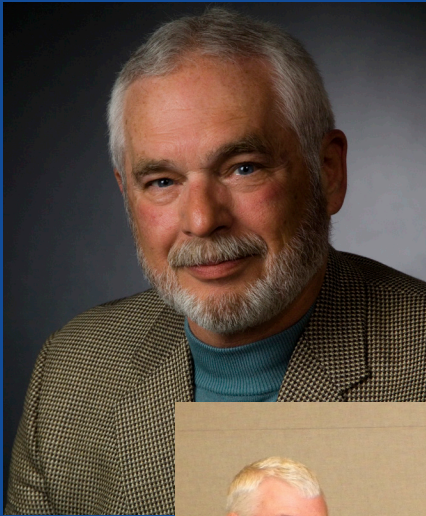
Energy is listed in gigawatts

FINANCIALS

2018 Highlights

	2018	2017	2016	2015
Operating Revenues	\$190,822,265	\$187,610,105	\$184,783,987	\$183,950,481
Operating Expenses	\$159,499,596	\$156,192,297	\$156,618,344	\$154,296,176
Operating Income	\$31,322,669	\$31,417,808	\$28,165,643	\$29,654,305
Net Interest Expense	\$27,587,845	\$28,881,200	\$28,169,959	\$27,776,343
Other Income and Expenses (net)	(\$2,063,897)	(\$1,609,394)	\$306,652	\$78,860
Increase/Decrease in Net Position	\$1,670,927	\$927,214	\$302,336	\$1,956,822

Charles D. Lamb



OMPA's Longest-Serving Chairman

The Oklahoma Municipal Power Authority mourned the passing of Chairman Charles Lamb in December, 2018.

Lamb, who was the Edmond Mayor and the city's OMPA elector, had served on the Authority's Board of Directors since 1993 and had been its Chairman since 2001. That not only made him the longest-serving Chairman in OMPA's 33-year history, but the second-longest-serving member of the board in its history, behind only Buddy Veltema.

Lamb was not only an advocate of OMPA, but for Public Power in general. He was instrumental in the development of the Competitive Utility Program (CUP), served on the American Public Power Association's (APPA) Policy Maker's Committee, and was a recipient of the Spencer Vanderlinden Public Official Award, which recognizes elected or appointed local officials who have contributed to the goals of APPA and Public Power.

In 2013, Lamb became the first ever two-time recipient of the Municipal of Electric Systems of Oklahoma's (MESO) Ray Duffy Personal Service Award, honoring his efforts to lead Oklahoma's efforts in promoting the value public power brings to individual communities.

On July 12, 2012, the OMPA Board of Directors unanimously voted to approve designating the name sake of OMPA's 103-megawatt natural gas generation plant in Kay County the Charles D. Lamb Energy Center. The plant was formally dedicated in 2015 and is currently operational as part of OMPA's portfolio.

His most distinguished honor came in 2006 when he was inducted into the Oklahoma Municipal League's Hall of Fame for Town and City Officials. Created in 1999, the Oklahoma Hall of Fame for City and Town Officials Foundation annually recognizes up to six individuals for outstanding achievement in the field of city and town management.

OUR LOCAL POWER

Purcell Electric
Superintendent Trey
Phillips is interviewed
about the value of Public
Power.



Public Power has been an integral part of many cities and towns in Oklahoma since the early days of statehood. In 2018, it was finally branded.

The “Our Local Power” campaign to promote the value Oklahoma municipal utilities bring to the communities they serve officially rolled out on Sept. 18. The event was the culmination of a year-long planning effort by OMPA staff and representatives from Public Power cities and towns.

There are more than 2,000 Public Power communities across the United States, and 62 in Oklahoma. They serve more than 49 million people nationally, and approximately 410,000 in the state.

Especially in Oklahoma, where municipals are limited in the way in which they can raise revenue, these locally-owned and operated utilities are of great value to their communities. However, biannual survey results showed that Public Power customers across the state were not being educated on those values.

As part of the Our Local Power campaign, materials were created and distributed to OMPA member utilities, allowing them to market themselves

with banners, stickers for their utility vehicles, window clings and more. These materials adorned municipal utilities across the state, bringing Public Power together in a unified front. The City of Tonkawa even put the Our Local Power logo on its water tower.

A website – ourlocalpower.org – was created to help educate the public on the benefits of municipal-owned utilities. It focused on four main values, which were local control, reinvestment, reliability/accessibility, and community service. Working with a marketing consultant, representatives from member cities pitched in to help record video interviews on the website. Edmond Mayor and OMPA Chairman Charles Lamb discussed local control, Wynnewood mayor Tabitha Hayes discussed reinvestment, Purcell

Electric Superintendent Trey Phillips talked about reliability and Comanche business owner Nick Reed discussed community service.

The campaign had a heavy online presence early on, using social media and websites to direct customers in targeted areas to the Our Local Power website. Outdoor advertising was also placed in



OUR LOCAL POWER

OMPA member cities around the state.

The campaign was organized with the intention of it being a multi-year effort. The success of it will be tracked through online analytics and continued customer surveys.

Education among elected officials also continued to be a significant part of Public Power promotion. Regional events were held by OMPA staff in certain parts of the state for elected officials from local governing utilities, and many representatives from member cities and towns participated in educating state policy makers at the annual Legislative Luncheon in Oklahoma City.

Pawhuska, Perry, Tonkawa, Frederick, Waynoka, Blackwell and Okeene also worked with OMPA staff to compile Value of Municipal Utility reports, which were used to show their communities the many ways in which their utility benefits the city and the local economy.

19

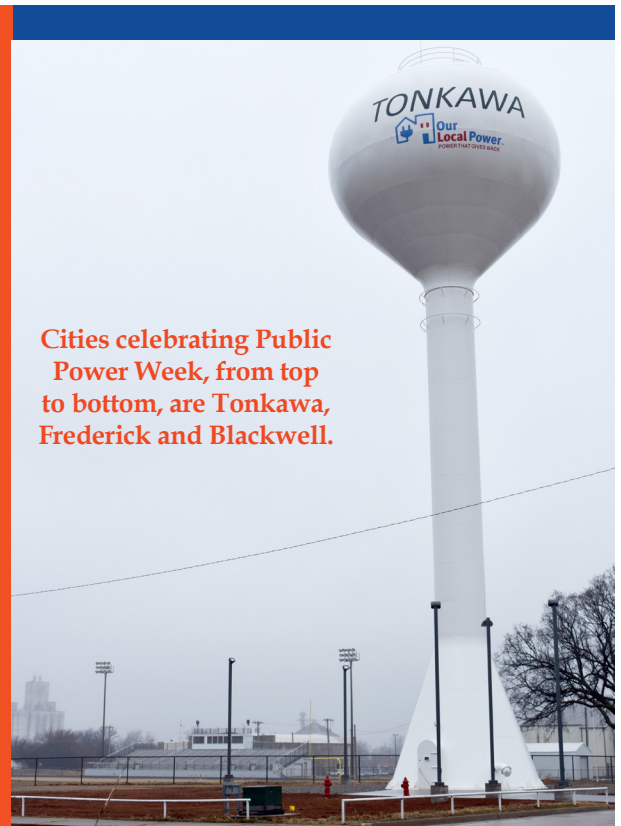
Percent
Average
Reinvestment

100

Percent
Local
Control

100

Percent
Community
Owned



Cities celebrating Public Power Week, from top to bottom, are Tonkawa, Frederick and Blackwell.



EMERGING TECHNOLOGIES

Some wanted to meet their customer demands. Others hoped to increase the efficiency of their distribution systems. And there were some who were simply swept into trends.

Whatever the reason, investing in technology became more popular for OMPA member utilities in 2018. The Authority also began a new effort of its own to assist the members in that regard.

Electric vehicles certainly became a much-discussed topic. In preparation for their increasing popularity, utilities began looking into how they could serve their customers with public charging stations. The City of Edmond installed stations in its service territory, and both the City of Ponca City and Pawhuska applied for grants that would enable them to install stations, as well.

The City of Comanche also was approved for a grant from the American Public Power Association's Demonstration of Energy & Efficiency Developments (DEED) program for an electric-vehicle in their city's police department fleet.

The emergence of electric vehicles in member cities and towns was the motivation behind a publication produced by OMPA during the year: "OMPA Electric Vehicle Guidebook". The publication's purpose is to provide an update on the newest trends in electric vehicles and their many types, as well as charging-station options cities and towns can analyze. In addition, it contains thoughts on municipal rate structures for those charging stations, codes, fees, layouts, network management and examples of permits and other requirements.

Utilities continued to prepare for the development of solar power in their territories. By the end of 2018, there were 27 OMPA members who had passed amendments to their power sales contracts, allowing them to implement a distributed generation policy. Many of these members saw the first solar panels installed in their communities, including both smaller residential loads and larger commercial ones. As part of those policies, specific rates were implemented to handle distributed generation customers and ensure that the utility fixed costs were accounted for. Permits to account for safety were also a part of city and town policies.

In an effort to improve efficiency and prepare to meet the demands of customer choice, multiple OMPA members installed Automated Metering Infrastructure (AMI) and several more began making plans to do so. AMI can be used to better monitor the interactions between the customers and their utility, giving utilities expanded opportunity to customize their services.

To keep ahead of the technology curve, OMPA also created an Energy Services & Innovation Specialist

Personnel with the City of Marlow inspect a meter used as part of the city's recently-installed Automated Metering Infrastructure (AMI).



EMERGING TECHNOLOGIES

position on its staff. The first topic to be tackled was electric vehicles.

The increased focused on technology emerged from discussions at the 2018 Board Retreat. There, a presentation was provided by a “Strategic Issues Team”, which included a group of OMPA staff tasked with analyzing upcoming challenges in the industry. Some of the items detailed include electric vehicles, distributed generation, microgrids,

energy storage, transmission expansion and costs, and a need for lawmakers and elected officials to be educated on the industry and the role OMPA plays in it.

The annual state-wide survey conducted by OMPA also showed that customers had an increasing interest in utility-related technologies, including time-of-use rates, purchasing an electric vehicle at some point in the future and distributed generation.

53

Percent
Interest In
Utility
Technology

26

Percent
Interest In
Generating
Solar Energy

10

Percent
Interest In
Electric
Vehicles

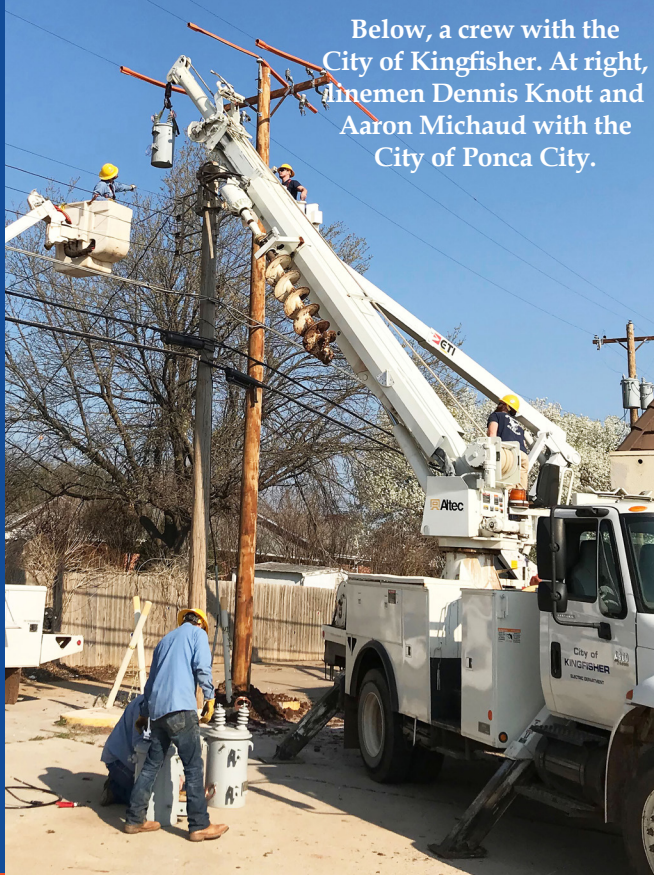
52

Percent
Interest In
Variable Rate
Structures

Results from annual OMPA state-wide customer survey



RELIABILITY



Below, a crew with the City of Kingfisher. At right, linemen Dennis Knott and Aaron Michaud with the City of Ponca City.



When a maintenance line crew was formed among OMPA member cities in the northwest part of the state in 2015, it was designed to serve five utilities. As word spread of its existence and availability, by the end of 2018, a total of 12 member cities and towns had signed on to use the crew on a regular basis and its reach had extended 250 miles to the southern part of the state.

The purpose of the crew is to complete tasks that are part of each utility's 5-year maintenance plan, as well as any other projects aimed at improving the reliability and efficiency of local distribution systems. The crew, which consists of two journeyman linemen and two apprentice linemen, has also proved beneficial during unexpected outages.

Based out of Fairview, the linecrew also assists OMPA with maintenance on inspections on the substations the Authority owns.

These efforts are just part of an overall goal of

improving reliability, which continues to be one of the primary concerns of retail customers. Oklahoma municipal utilities also continue to fare well at these efforts, when compared to nearby competitors, as reliability numbers tracked through a variety of means show. Two of those are the System Average Interruption

Duration Index (SAIDI), which divides the total number of outages by the number of customers served, and the Customer Average Interruption Index (CAIDI), which measures total customer interruption durations by the number of customers interrupted.

The City of Perry and the City of Marlow were the first-place winners for smaller utilities in the Municipal Electric

System's of Oklahoma's (MESO) annual Electric Reliability Competition, while the City of Edmond was first for larger utilities. The Town of Olustee was also recognized for Outstanding Achievement in the Reliability Competition.

Cities In Maintenance Linecrew Program

Waynoka
Fairview
Goltry
Laverne
Mooreland
Fort Supply

Pond Creek
Cordell
Geary
Comanche
Frederick
Marlow

RELIABILITY

OMPA staff stayed busy assisting these utilities with keeping the lights on, as four key substation projects were completed in 2018. In Purcell, a new south transformer and circuit was added, while a new breaker was installed in Prague. Low-side bushings were replaced and transformer relays upgraded in Perry, and a transformer was replaced in Wynnewood, along with a 69kV breaker and relays work.

Looking outside the distribution systems, a series of transmission poles were also upgraded to steel at various locations, with an emphasis on lines feeding Waynoka and Wetumka.



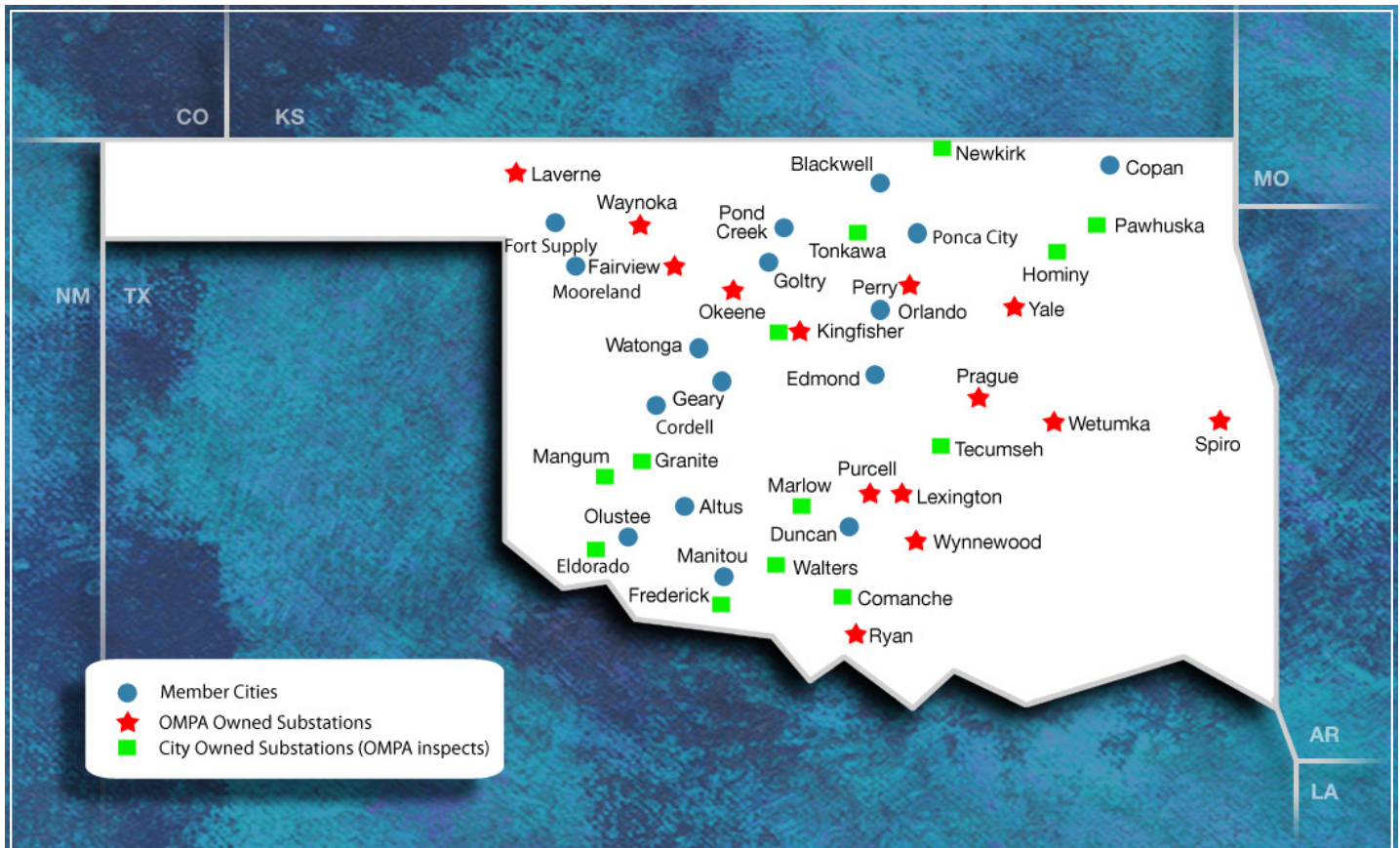
113.7

**Average
SAIDI Score**

88.85

**Average
CAIDI Score**

*Based on self-tracked results
by 18 OMPA utilities in 2017*



REBATE PROGRAMS

OMPA member cities and towns continued to encourage energy efficiency in their communities in 2018, handing out rebates as part of the Demand & Energy Efficiency Program (DEEP) and the Ways I Save Electricity (WISE) program.

The Demand and Energy Efficiency Program (DEEP) awarded rebates to commercial and industrial customers of OMPA members who improve their energy efficiency through LED lighting conversion projects, HVAC replacement, machine and motor replacement and more.

WISE was intended for residential customers of OMPA members who choose to participate in the program, since rebate totals are based on a 50-50 split from the Authority and the member utility. Rebates can be provided for newly installed energy-efficient HVAC systems, including ground-source heat pumps and air-source heat pumps, as well as ceiling insulation.

Both programs are designed to delay the time at which the Authority needs to purchase expensive generation.

In 2018, there were 79 projects to receive a DEEP rebate. The rebate awards were for \$279,723, with a kilowatt reduction of 2,201.69. The largest rebate of the year was to Tecumseh Public Schools for \$40,691, followed by the Albertson's in Ponca City for \$35,482 and Newkirk Public Schools for \$17,110.

Also in 2018, there were 73 projects that received a WISE rebate. Those awards were for \$41,620.

Residential energy audits continued to be offered to customers of OMPA members, with 140 of them completed throughout the year.

