

## History

Electric cooperatives are consumer-owned membership corporations originally formed in the 1930s and '40s to provide electric service to rural sections of the country. Today, there are over 900 electric cooperatives throughout 47 states that serve over 40 million people.

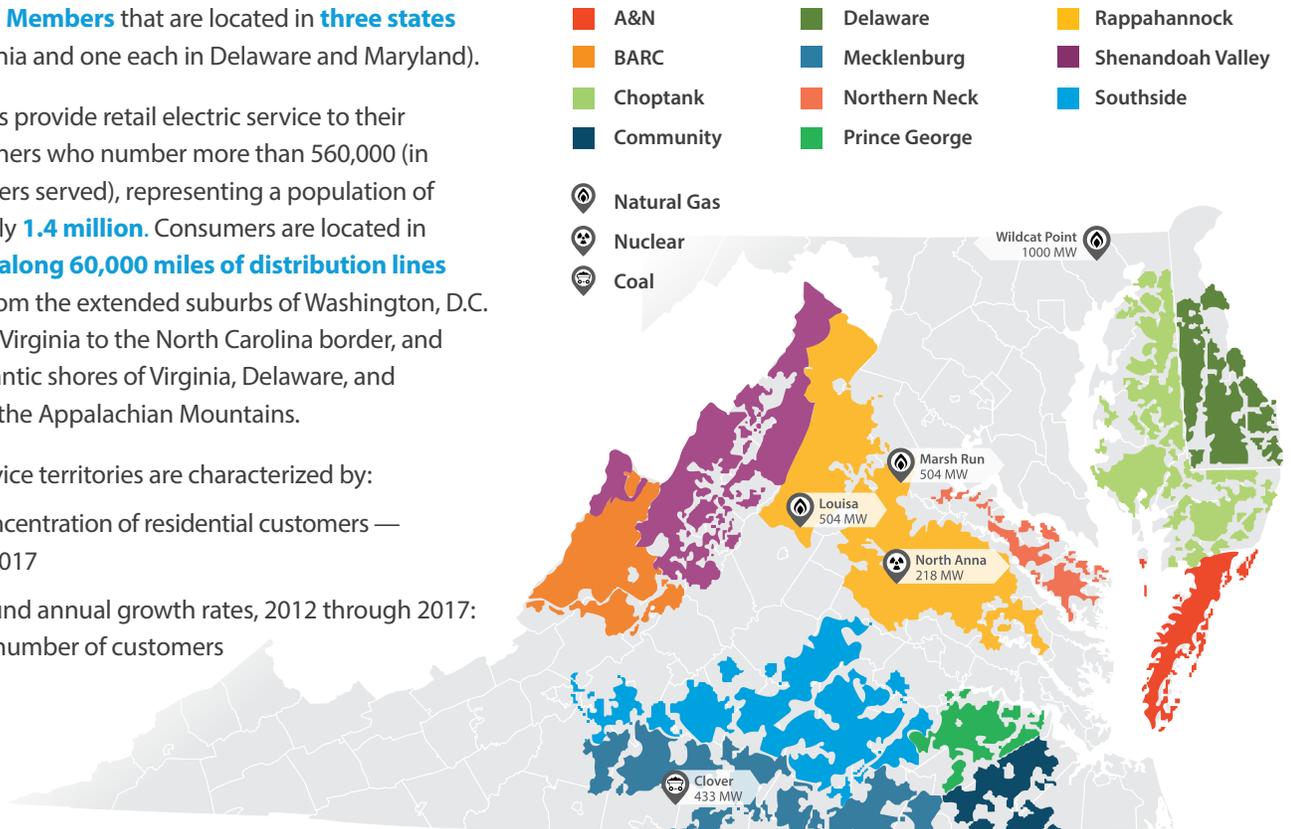
Incorporated in 1948, Old Dominion Electric Cooperative (ODEC) provides reliable, cost-effective, environmentally balanced wholesale electric service to its member distribution cooperatives (Members) in Virginia, Delaware, and Maryland. ODEC is a not-for-profit, tax-exempt generation and transmission cooperative that operates for the benefit of its Members that are its owners. ODEC and the Members are each governed by a Board of Directors comprised of representatives elected from and by the respective entity's total membership. There are no outside shareholders; retained earnings constitute patronage capital of the Members.

## Service Area

- ODEC has **11 Members** that are located in **three states** (nine in Virginia and one each in Delaware and Maryland).
- The Members provide retail electric service to their member-owners who number more than 560,000 (in terms of meters served), representing a population of approximately **1.4 million**. Consumers are located in **70 counties along 60,000 miles of distribution lines** that range from the extended suburbs of Washington, D.C. south across Virginia to the North Carolina border, and from the Atlantic shores of Virginia, Delaware, and Maryland to the Appalachian Mountains.
- Member service territories are characterized by:
  - » High concentration of residential customers — 90% in 2017
  - » Compound annual growth rates, 2012 through 2017: 0.9% in number of customers

## Regulation

- ODEC is rate regulated by the Federal Energy Regulatory Commission (FERC) in accordance with a rate formula that permits adjustments in rates without the filing of individual rate cases, with minor exceptions.
  - » Rate formula allows recovery of all costs including a coverage for interest charges; additional equity may be collected when approved by ODEC's Board.
  - » Actual rates charged are a function of ODEC's budgeted cost, and may be changed as approved by ODEC's Board without FERC approval.
- ODEC's Delaware Member is not rate regulated by its state commission.
- Distribution rates of ODEC's Virginia and Maryland Members are regulated by their respective state commissions; ODEC's costs to these Members are considered a "passthrough" for which approval is not needed.



# ODEC at a Glance (continued)

## Power Supply

- All-requirements wholesale power contracts with Members (WPCs) extend through 2053.
  - WPCs obligate ODEC to generate and/or acquire, and the Members to purchase, power to accommodate the needs of the system's ultimate customers, with minor exceptions.
  - ODEC projects long-term power needs and plans for necessary additions to its power supply portfolio.
  - All costs of providing power are pooled to generate an average "postage stamp" rate paid by all Members.
- ODEC owns 11.6% of the North Anna Nuclear Power Station and 50% of the coal-fired Clover Power Station. ODEC is the sole owner of Louisa and Marsh Run Power Stations, which are also CTs.
- ODEC is the sole owner of the Wildcat Point Generation Facility – a 1,000 MW natural gas-fired combined cycle plant and the largest asset in the cooperative's portfolio.
- ODEC has power purchase contracts with both wind power projects and landfill gas-to-energy projects. Renewable energy credits related to these contracts are sold to Members and non-members.

## Financial Profile

- Through consistently strong operating results, ODEC has established a solid financial position and maintains high-quality credit ratings.
- ODEC files periodic financial reports with the Securities and Exchange Commission (Forms 10-K, 10-Q and 8-K) and with FERC (Forms 1 and 3-Q).

	2017	2016	2015
Operating Revenues	\$753.1 MM	\$877.9 MM	\$1,020.0 MM
Net Margin*	\$26.6 MM	\$17.6 MM	\$11.9 MM
Total Assets	\$2,209.2 MM	\$2,130.1 MM	\$2,001.6 MM
Total Debt	\$1,282.6 MM	\$1,170.4 MM	\$1,046.2 MM
Margins for Interest Ratio	2.13 X	1.67 X	1.27 X
Equity Ratio	24.5%	25.6%	27.2%

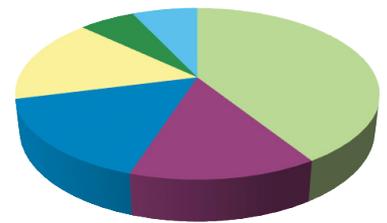
\* Net Margin=Net Margin attributable to ODEC MM=millions



\*Related to our contracts from renewable facilities from which we purchase renewable energy credits. We sell these renewable energy credits to our member distribution cooperatives and non-members.

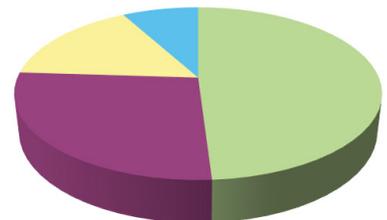
## 2017 Generation Profile

Energy Resources (11,879 GWH sold)



- 41% Long- and Short-term Purchases
- 16% North Anna (nuclear)
- 16% Spot Market Purchases
- 14% Clover (coal)
- 7% CTs (natural gas)
- 6% Renewable Purchases\*

Capacity Resources (2,911 MW peak)



- 49% CTs (natural gas)
- 27% Purchases
- 16% Clover (coal)
- 8% North Anna (nuclear)

For additional information about ODEC, please visit our website at [odec.com](http://odec.com).

