
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-50039

OLD DOMINION ELECTRIC COOPERATIVE
(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

23-7048405
(I.R.S. employer
identification no.)

4201 Dominion Boulevard, Glen Allen, Virginia
(Address of principal executive offices)

23060
(Zip code)

(804) 747-0592

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No _____

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "larger accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Larger accelerated filer ___ Accelerated filer ___
Non-accelerated filer Smaller reporting company ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ___ No

The Registrant is a membership corporation and has no authorized or outstanding equity securities.

GLOSSARY OF TERMS

The following abbreviations or acronyms used in this Form 10-Q are defined below:

<u>Abbreviation or Acronym</u>	<u>Definition</u>
Clover	Clover Power Station
DOE	U.S. Department of Energy
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States
Indenture	Second Amended and Restated Indenture of Mortgage and Deed of Trust, dated January 1, 2011, of ODEC with Branch Banking and Trust Company, as trustee, as amended and supplemented
MW	Megawatt(s)
MWh	Megawatt hour(s)
NRECA	National Rural Electric Cooperative Association
North Anna	North Anna Nuclear Power Station
ODEC, We, Our	Old Dominion Electric Cooperative
PJM	PJM Interconnection, LLC
TEC	TEC Trading, Inc.
Wildcat Point	Wildcat Point Generation Facility
XBRL	Extensible Business Reporting Language

OLD DOMINION ELECTRIC COOPERATIVE

INDEX

	<u>Page Number</u>
PART I. Financial Information	
Item 1. Financial Statements	
Condensed Consolidated Balance Sheets – September 30, 2013 (unaudited) and December 31, 2012	4
Condensed Consolidated Statements of Revenues, Expenses, and Patronage Capital (unaudited) – Three and Nine Months Ended September 30, 2013 and 2012	5
Condensed Consolidated Statements of Cash Flows (unaudited) – Nine Months Ended September 30, 2013 and 2012	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item 3. Quantitative and Qualitative Disclosures About Market Risk	21
Item 4. Controls and Procedures	21
PART II. Other Information	
Item 1. Legal Proceedings	22
Item 1A. Risk Factors	22
Item 5. Other Information	22
Item 6. Exhibits	23

**OLD DOMINION ELECTRIC COOPERATIVE
PART 1. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2013	December 31, 2012
	(in thousands)	
	(unaudited)	
ASSETS:		
Electric Plant:		
Property, plant, and equipment	\$ 1,658,833	\$ 1,655,705
Less accumulated depreciation	(745,285)	(721,541)
	913,548	934,164
Nuclear fuel, at amortized cost	17,926	20,379
Construction work in progress	34,833	36,797
Net Electric Plant	966,307	991,340
Investments:		
Nuclear decommissioning trust	126,297	113,280
Lease deposits	95,932	94,145
Unrestricted investments and other	52,996	55,599
Total Investments	275,225	263,024
Current Assets:		
Cash and cash equivalents	96,145	37,343
Accounts receivable	3,067	3,564
Accounts receivable—deposits	4,400	4,400
Accounts receivable—members	70,082	86,154
Fuel, materials, and supplies	48,057	59,091
Prepayments and other	1,635	2,556
Total Current Assets	223,386	193,108
Deferred Charges:		
Regulatory assets	89,520	87,006
Other	8,659	9,043
Total Deferred Charges	98,179	96,049
Total Assets	\$ 1,563,097	\$ 1,543,521
CAPITALIZATION AND LIABILITIES:		
Capitalization:		
Patronage capital	\$ 367,604	\$ 360,424
Non-controlling interest	13,426	13,257
Total Patronage capital and Non-controlling interest	381,030	373,681
Long-term debt	777,622	737,836
Total Capitalization	1,158,652	1,111,517
Current Liabilities:		
Long-term debt due within one year	28,292	28,292
Accounts payable	61,248	75,583
Accounts payable—members	32,571	38,585
Accrued expenses	19,273	4,936
Deferred energy	28,056	56,027
Total Current Liabilities	169,440	203,423
Deferred Credits and Other Liabilities:		
Asset retirement obligations	79,865	76,880
Obligations under long-term lease	77,941	74,086
Regulatory liabilities	72,389	71,452
Other	4,810	6,163
Total Deferred Credits and Other Liabilities	235,005	228,581
Commitments and Contingencies	-	-
Total Capitalization and Liabilities	\$ 1,563,097	\$ 1,543,521

The accompanying notes are an integral part of the condensed consolidated financial statements.

OLD DOMINION ELECTRIC COOPERATIVE

**CONDENSED CONSOLIDATED STATEMENTS OF REVENUES,
EXPENSES, AND PATRONAGE CAPITAL (UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
	(in thousands)		(in thousands)	
Operating Revenues	\$ 220,393	\$ 224,244	\$ 628,729	\$ 644,951
Operating Expenses:				
Fuel	39,036	23,608	100,805	70,405
Purchased power	139,227	145,235	405,886	402,433
Deferred energy	(9,941)	8,955	(27,971)	24,368
Operations and maintenance	11,955	8,677	31,815	34,133
Administrative and general	11,364	9,356	32,811	28,344
Depreciation and amortization	10,586	10,568	31,795	31,412
Amortization of regulatory asset/(liability), net	1,110	(1,601)	2,694	116
Accretion of asset retirement obligations	995	941	2,985	2,799
Taxes, other than income taxes	2,051	2,119	6,467	6,342
Total Operating Expenses	206,383	207,858	587,287	600,352
Operating Margin	14,010	16,386	41,442	44,599
Other expense, net	(607)	(514)	(1,908)	(1,649)
Loss on investments, net	-	(2,156)	-	(2,156)
Investment income	1,397	872	3,665	3,203
Interest charges, net	(12,174)	(12,133)	(35,754)	(36,578)
Income taxes	(75)	4	(96)	14
Net Margin including Non-controlling interest	2,551	2,459	7,349	7,433
Non-controlling interest	(103)	16	(169)	56
Net Margin attributable to ODEC	2,448	2,475	7,180	7,489
Patronage Capital - Beginning of Period	365,156	355,499	360,424	350,485
Patronage Capital - End of Period	\$ 367,604	\$ 357,974	\$ 367,604	\$ 357,974

The accompanying notes are an integral part of the condensed consolidated financial statements.

OLD DOMINION ELECTRIC COOPERATIVE

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended	
	September 30,	
	2013	2012
	(in thousands)	
Operating Activities:		
Net Margin including Non-controlling interest	\$ 7,349	\$ 7,433
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization	31,795	31,412
Other non-cash charges	14,183	10,711
Amortization of lease obligations	3,855	3,600
Interest on lease deposits	(2,071)	(2,024)
Change in current assets	28,524	(4,159)
Change in deferred energy	(27,971)	24,368
Change in current liabilities	(6,012)	(16,816)
Change in regulatory assets and liabilities	(10,808)	1,698
Change in deferred charges and credits	565	(3,553)
Net Cash Provided by Operating Activities	<u>39,409</u>	<u>52,670</u>
Financing Activities:		
Issuance of long-term debt	100,000	-
Debt issuance costs	(744)	-
Payment of long-term debt	(60,535)	-
Net Cash Provided by Financing Activities	<u>38,721</u>	<u>-</u>
Investing Activities:		
Purchases of held to maturity securities	(49,997)	(51,037)
Proceeds from sale of held to maturity securities	53,117	41,000
Purchases of available for sale securities	-	(24,290)
Proceeds from sale of available for sale securities	-	24,308
Increase in other investments	(3,676)	(3,532)
Electric plant additions	(18,772)	(18,930)
Net Cash Used for Investing Activities	<u>(19,328)</u>	<u>(32,481)</u>
Net Change in Cash and Cash Equivalents	58,802	20,189
Cash and Cash Equivalents - Beginning of Period	37,343	63,756
Cash and Cash Equivalents - End of Period	<u>\$ 96,145</u>	<u>\$ 83,945</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

OLD DOMINION ELECTRIC COOPERATIVE

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. *General*

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, which include only normal recurring adjustments, necessary for a fair statement of our consolidated financial position as of September 30, 2013, our consolidated results of operations for the three and nine months ended September 30, 2013 and 2012, and cash flows for the nine months ended September 30, 2013 and 2012. The consolidated results of operations for the three and nine months ended September 30, 2013, are not necessarily indicative of the results to be expected for the entire year. These financial statements should be read in conjunction with the financial statements and notes thereto included in our 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The accompanying financial statements reflect the consolidated accounts of Old Dominion Electric Cooperative and TEC. We are a not-for-profit wholesale power supply cooperative, incorporated under the laws of the Commonwealth of Virginia in 1948. We have two classes of members. Our Class A members are eleven customer-owned electric distribution cooperatives engaged in the retail sale of power to member customers located in Virginia, Delaware, and Maryland. Our sole Class B member is TEC, a taxable corporation owned by our member distribution cooperatives. Our board of directors is composed of two representatives from each of the member distribution cooperatives and one representative from TEC. In accordance with Consolidation Accounting, TEC is considered a variable interest entity for which we are the primary beneficiary. We have eliminated all intercompany balances and transactions in consolidation. The assets and liabilities and non-controlling interest of TEC are recorded at carrying value and the consolidated assets were \$16.4 million and \$14.0 million at September 30, 2013 and December 31, 2012, respectively. The income taxes reported on our Condensed Consolidated Statement of Revenues, Expenses, and Patronage Capital relate to the tax provision for TEC. As TEC is wholly-owned by our Class A members, its equity is presented as a non-controlling interest in our consolidated financial statements.

Our rates are set periodically by a formula that was accepted for filing by FERC, but are not regulated by the respective public service commissions of the states in which our member distribution cooperatives operate.

We comply with the Uniform System of Accounts as prescribed by FERC. In conformity with GAAP, the accounting policies and practices applied by us in the determination of rates are also employed for financial reporting purposes.

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported therein. Actual results could differ from those estimates.

We do not have any other comprehensive income for the periods presented.

2. *Fair Value Measurements*

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The following table summarizes our financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2013 and December 31, 2012:

	September 2013	Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)		
Nuclear decommissioning trust ⁽¹⁾⁽²⁾	\$ 126,297	\$ 37,099	\$ 89,198	\$ -
Unrestricted investments and other ⁽³⁾	160	160	-	-
Total Financial Assets	\$ 126,457	\$ 37,259	\$ 89,198	\$ -
Derivatives - gas and power ⁽⁴⁾	\$ 11	\$ 11	-	-
Total Financial Liabilities	\$ 11	\$ 11	\$ -	\$ -
		Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)		
Nuclear decommissioning trust ⁽¹⁾⁽²⁾	\$ 113,280	\$ 38,048	\$ 75,232	\$ -
Unrestricted investments and other ⁽³⁾	122	122	-	-
Total Financial Assets	\$ 113,402	\$ 38,170	\$ 75,232	\$ -
Derivatives - gas and power ⁽⁴⁾	\$ 624	\$ 624	-	-
Total Financial Liabilities	\$ 624	\$ 624	\$ -	\$ -

⁽¹⁾ For additional information about our nuclear decommissioning trust see Note 4 below.

⁽²⁾ Nuclear decommissioning trust includes investments that are available for sale and classified as Level 2. These Level 2 assets consist of an equity fund that attempts to replicate the return of the S&P 500, an equity fund that invests in small capitalization stocks, and an equity fund that invests in international stocks. The fair values of the investments in the nuclear decommissioning trust have been estimated using the net asset value per share.

⁽³⁾ Unrestricted investments and other includes investments that are available for sale related to equity securities.

⁽⁴⁾ Derivatives – gas and power represent natural gas futures contracts and purchased power contracts, which are recorded on our balance sheet in deferred credits and other liabilities–other. As of September 30, 2013 and December 31, 2012, the amounts represent gas contracts, which are indexed against NYMEX. For additional information about our derivative financial instruments, see Notes 1 and 4 of the Notes to Consolidated Financial Statements in our 2012 Annual Report on Form 10-K.

We did not have any financial assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category.

3. Derivatives and Hedging

We are exposed to market purchases of power and natural gas to meet the power supply needs of our member distribution cooperatives that are not met by our owned generation. To manage this exposure, we utilize derivative instruments. See Note 1 of the Notes to Consolidated Financial Statements in our 2012 Annual Report on Form 10-K.

Changes in the fair value of our derivative instruments accounted for at fair value are recorded as a regulatory asset or regulatory liability. The change in these accounts is included in the operating activities section of our Condensed Consolidated Statements of Cash Flows.

Excluding contracts accounted for as normal purchase/normal sale, we had the following outstanding derivative instruments:

<u>Commodity</u>	<u>Unit of Measure</u>	<u>As of September 30, 2013 Quantity</u>	<u>As of December 31, 2012 Quantity</u>
Natural gas	MMBTU	1,440,000	650,000

The fair value of our derivative instruments, excluding contracts accounted for as normal purchase/normal sale, was as follows:

<u>Balance Sheet Location</u>	<u>Fair Value</u>	
	<u>As of September 2013</u>	<u>As of December 2012</u>
	(in thousands)	
Derivatives in a liability position:		
Natural gas futures contracts	\$ 11	\$ 624
Total derivatives in a liability	<u>\$ 11</u>	<u>\$ 624</u>

The Effect of Derivative Instruments on the Condensed Consolidated Statements of Revenues, Expenses, and Patronage Capital for the Three and Nine Months Ended September 30, 2013 and 2012

<u>Derivatives Accounted for Utilizing Regulatory Accounting</u>	<u>Amount of Gain (Loss) Recognized in Regulatory Asset/Liability for Derivatives as of September 30,</u>		<u>Location of Gain (Loss) Reclassified from Regulatory Asset/Liability into Income</u>	<u>Amount of Gain (Loss) Reclassified from Regulatory Asset/Liability into Income for the Three Months Ended September 30,</u>		<u>Amount of Gain (Loss) Reclassified from Regulatory Asset/Liability into Income for the Nine Months Ended September 30,</u>	
	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(in thousands)			(in thousands)		(in thousands)	
Natural gas futures contracts ⁽¹⁾	\$ (11)	\$ (2,087)	Fuel	\$ (2,344)	\$ (4,443)	\$ (3,031)	\$ (6,522)
Purchased power contracts	-	-	Purchased power	-	-	-	(2,736)
Total	<u>\$ (11)</u>	<u>\$ (2,087)</u>		<u>\$ (2,344)</u>	<u>\$ (4,443)</u>	<u>\$ (3,031)</u>	<u>\$ (9,258)</u>

⁽¹⁾ As of September 30, 2012, includes a regulatory asset of \$1.6 million, to be recognized in future periods as the result of the contracts being effectively settled.

Our hedging activities expose us to credit-related risks. We use hedging instruments, including forwards, futures, financial transmission rights, and options, to mitigate our power market price risks. Because we rely substantially on the use of hedging instruments, we are exposed to the risk that counterparties will default in performance of their obligations to us. Although we assess the creditworthiness of counterparties and other credit issues related to these hedging instruments, and we may require our counterparties to post collateral with us, defaults may still occur. Defaults may take the form of failure to physically deliver purchased energy or failure to pay. If this occurs, we may be forced to enter into alternative contractual arrangements or purchase energy in the forward, short-term, or spot markets at then-current market prices that may exceed the prices previously agreed upon with the defaulting counterparty.

4. Investments

Investments were as follows at September 30, 2013 and December 31, 2012:

Description	Designation	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Carrying Value
(in thousands)						
September 30, 2013						
Nuclear decommissioning trust ⁽¹⁾						
Debt securities	Available for sale	\$ 35,071	\$ 1,930	\$ -	\$ 37,001	\$ 37,001
Equity securities	Available for sale	64,192	25,006	-	89,198	89,198
Cash and other	Available for sale	98	-	-	98	98
Total Nuclear Decommissioning Trust		<u>\$ 99,361</u>	<u>\$ 26,936</u>	<u>\$ -</u>	<u>\$ 126,297</u>	<u>\$ 126,297</u>
Lease Deposits ⁽²⁾						
Government obligations	Held to maturity	\$ 95,932	\$ 7,280	\$ -	\$ 103,212	\$ 95,932
Total Lease Deposits		<u>\$ 95,932</u>	<u>\$ 7,280</u>	<u>\$ -</u>	<u>\$ 103,212</u>	<u>\$ 95,932</u>
Unrestricted investments						
Government obligations	Held to maturity	\$ 50,005	\$ 1	\$ -	\$ 50,006	\$ 50,005
Debt securities	Held to maturity	500	-	-	500	500
Total Unrestricted Investments		<u>\$ 50,505</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 50,506</u>	<u>\$ 50,505</u>
Other						
Equity securities	Available for sale	\$ 129	\$ 31	\$ -	\$ 160	\$ 160
Non-marketable equity investments ⁽³⁾	Equity	2,331	-	-	2,331	2,331
Total Other		<u>\$ 2,460</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 2,491</u>	<u>\$ 2,491</u>
						<u>\$ 275,225</u>
December 31, 2012						
Nuclear decommissioning trust ⁽¹⁾						
Debt securities	Available for sale	\$ 34,342	\$ 3,473	\$ -	\$ 37,815	\$ 37,815
Equity securities	Available for sale	61,322	13,910	-	75,232	75,232
Cash and other	Available for sale	233	-	-	233	233
Total Nuclear Decommissioning Trust		<u>\$ 95,897</u>	<u>\$ 17,383</u>	<u>\$ -</u>	<u>\$ 113,280</u>	<u>\$ 113,280</u>
Lease Deposits ⁽²⁾						
Government obligations	Held to maturity	\$ 94,145	\$ 11,063	\$ -	\$ 105,208	\$ 94,145
Total Lease Deposits		<u>\$ 94,145</u>	<u>\$ 11,063</u>	<u>\$ -</u>	<u>\$ 105,208</u>	<u>\$ 94,145</u>
Unrestricted investments						
Government obligations	Held to maturity	\$ 51,900	\$ 8	\$ -	\$ 51,908	\$ 51,900
Debt securities	Held to maturity	1,750	-	-	1,750	1,750
Total Unrestricted Investments		<u>\$ 53,650</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 53,658</u>	<u>\$ 53,650</u>
Other						
Equity securities	Available for sale	\$ 113	\$ 9	\$ -	\$ 122	\$ 122
Non-marketable equity investments ⁽³⁾	Equity	1,827	-	-	1,827	1,827
Total Other		<u>\$ 1,940</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 1,949</u>	<u>\$ 1,949</u>
						<u>\$ 263,024</u>

⁽¹⁾ Investments in the nuclear decommissioning trust are restricted for the use of funding our share of the asset retirement obligations of the future decommissioning of North Anna. See Note 3 of the Notes to Consolidated Financial Statements in our 2012 Annual Report on Form 10-K. Unrealized gains and losses related to assets held in the nuclear decommissioning trust are deferred as a regulatory asset or liability.

⁽²⁾ Investments in lease deposits are restricted for the use of funding our future lease obligations. See Note 8 of the Notes to Consolidated Financial Statements in our 2012 Annual Report on Form 10-K.

⁽³⁾ We believe the carrying value approximates fair value for our equity investments.

Our investments by classification at September 30, 2013 and December 31, 2012, were as follows:

<u>Description</u>	<u>September 30, 2013</u>		<u>December 31, 2012</u>	
	<u>Cost</u>	<u>Carrying Value</u>	<u>Cost</u>	<u>Carrying Value</u>
	(in thousands)			
Available for sale	\$ 99,490	\$ 126,457	\$ 96,010	\$ 113,402
Held to maturity	146,437	146,437	147,795	147,795
Equity	2,331	2,331	1,827	1,827
	<u>\$ 248,258</u>	<u>\$ 275,225</u>	<u>\$ 245,632</u>	<u>\$ 263,024</u>

Contractual maturities of unrestricted debt securities at September 30, 2013, were as follows:

<u>Description</u>	<u>Less than</u>		<u>5-10 years</u>	<u>More than</u>		<u>Total</u>
	<u>1 year</u>	<u>1-5 years</u>		<u>10 years</u>		
	(in thousands)					
Available for sale	\$ -	\$ -	\$ -	\$ -	\$ -	
Held to maturity	50,505	-	-	-	50,505	
	<u>\$ 50,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,505</u>	

The contractual maturities of our restricted debt securities related to our nuclear decommissioning trust have not been disclosed since all maturities are prior to the estimated decommissioning date nor have we disclosed the contractual maturities of our restricted debt securities related to our lease deposits since all maturities are concurrent with the transaction maturity date.

5. *Other*

2002 Series A Bonds

Our 2002 Series A Bonds, with an aggregate principal amount of \$60.2 million outstanding, were subject to optional redemption by ODEC on or after June 1, 2013. We issued a call notice for the 2002 Series A Bonds in the second quarter of 2013 and redeemed these bonds on June 1, 2013. We paid a premium of \$0.3 million and had unamortized debt issuance costs of \$1.5 million related to these bonds, for a total of \$1.8 million. These costs have been deferred as a regulatory asset and will be amortized over the original life of the debt to 2028.

Issuance of 2013 First Mortgage Bonds

On June 28, 2013, we issued \$100.0 million of first mortgage bonds in a private placement. The bonds consist of \$50.0 million of 4.21% First Mortgage Bonds, 2013 Series A due December 1, 2043 and \$50.0 million of 4.36% First Mortgage Bonds, 2013 Series B due December 1, 2053. The bonds were issued under the Indenture. See Note 11 of the Notes to Consolidated Financial Statements in our 2012 Annual Report on Form 10-K.

Seeking Approval to Construct a Natural Gas-fueled Generation Facility

On April 23, 2013, we announced our intention to seek approval to construct a natural gas-fueled generation facility, named the Wildcat Point Generation Facility, in Cecil County, Maryland. We currently anticipate that construction of the facility will begin in late 2014 and it would become operational in mid-2017. On May 20, 2013, we applied to the Maryland Public Service Commission for a Certificate of Public Convenience and Necessity, and we continue to pursue permits and contracts related to the construction of the facility. The development, construction, and operation of Wildcat Point are subject to obtainment of government and regulatory approvals.

Voluntary Prepayment to Defined Benefit Plan

In April 2013, we elected to make a voluntary prepayment of \$7.7 million to the NRECA Retirement Security Plan, a noncontributory, defined benefit multiple employer master pension plan. We recorded this prepayment as a regulatory asset which will be amortized over the next ten years beginning January 1, 2013.

6. *Subsequent Event*

On October 8, 2013, our Board of Directors approved an increase to our energy adjustment rate, resulting in an increase to our total energy rate of approximately 4.7%, effective October 1, 2013. This increase was implemented due to changes in our realized as well as projected energy costs.

OLD DOMINION ELECTRIC COOPERATIVE

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Caution Regarding Forward-looking Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements regarding matters that could have an impact on our business, financial condition, and future operations. These statements, based on our expectations and estimates, are not guarantees of future performance and are subject to risks, uncertainties, and other factors. These risks, uncertainties, and other factors include, but are not limited to, general business conditions, demand for energy, federal and state legislative and regulatory actions and legal and administrative proceedings, changes in and compliance with environmental laws and policies, general credit and capital market conditions, weather conditions, the cost of commodities used in our industry, and unanticipated changes in operating expenses and capital expenditures. Our actual results may vary materially from those discussed in the forward-looking statements as a result of these and other factors. Any forward-looking statement speaks only as of the date on which the statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made even if new information becomes available or other events occur in the future.

Critical Accounting Policies

As of September 30, 2013, there have been no significant changes in our critical accounting policies as disclosed in our 2012 Annual Report on Form 10-K. These policies include the accounting for rate regulation, deferred energy, margin stabilization plan, accounting for asset retirement and environmental obligations, and accounting for derivatives and hedging.

Basis of Presentation

The accompanying financial statements reflect the consolidated accounts of ODEC and TEC. See Note 1—Notes to Condensed Consolidated Financial Statements in Part 1, Item 1.

Overview

We are a not-for-profit power supply cooperative owned entirely by our eleven Class A member distribution cooperatives and a Class B member, TEC. We supply our member distribution cooperatives' energy and demand requirements through a portfolio of resources including generating facilities, long-term and short-term physically-delivered forward power purchase contracts, and spot market purchases. We also supply the transmission services necessary to deliver this power to our member distribution cooperatives.

Weather is one factor that affects the demand for electricity. During the three months ended September 30, 2013, we experienced milder weather as compared to the same period in 2012, which resulted in a decrease in our member distribution cooperatives' customers' requirements for power. We experienced more typical weather during the nine months ended September 30, 2013, as compared to the same period in 2012, when we experienced milder than normal weather. This resulted in an increase in our member distribution cooperatives' customers' requirements for power as compared to the prior period.

Deferred energy expense represents the difference between energy revenues and energy expenses. In the three and nine months ended September 30, 2013, we under-collected energy costs from our member distribution cooperatives; however, our cumulative deferred energy balance remains an over-collection. Over-collected energy costs appear as a liability on our Condensed Consolidated Balance Sheet and will be refunded to our member distribution cooperatives in subsequent periods through our formula rate. For further discussion on deferred energy, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Deferred Energy" in Item 7 of our 2012 Annual Report on Form 10-K.

Fuel expense is affected by the operational availability and dispatch by PJM of our owned generation. Fuel expense increased for the three months ended September 30, 2013, as compared to the same period in 2012, primarily due to increased economic dispatch of Clover. Fuel expense increased for the nine months ended September 30, 2013, as compared to the same period in 2012, primarily due to increased operational availability and economic dispatch of Clover. Additionally, in the third quarter of 2012, we recorded a \$6.0 million reduction to fuel expense as a result of the settlement with the DOE related to spent nuclear fuel.

On June 1, 2013, we redeemed our 2002 Series A Bonds, with an aggregate principal amount of \$60.2 million. On June 28, 2013, we issued \$100.0 million of first mortgage bonds in a private placement. The bonds consist of \$50.0 million of 4.21% First Mortgage Bonds, 2013 Series A due December 1, 2043; and \$50.0 million of 4.36% First Mortgage Bonds, 2013 Series B due December 1, 2053.

Factors Affecting Results

Formulary Rate

Our power sales are comprised of two power products – energy and demand. Energy is the physical electricity delivered through transmission and distribution facilities to customers. We must have sufficient committed energy available to us for delivery to our member distribution cooperatives to meet their maximum energy needs at any time, with limited exceptions. This committed available energy is referred to as demand.

The rates we charge our member distribution cooperatives for sales of energy and demand are determined by a formulary rate accepted by FERC which is intended to permit collection of revenues which will equal the sum of:

- all of our costs and expenses;
- 20% of our total interest charges; and
- additional equity contributions approved by our board of directors.

The formulary rate has three main components: a base energy rate, an energy adjustment rate, and a demand rate. The formulary rate identifies the cost components that we can collect through rates, but not the actual amounts to be collected. With limited minor exceptions, we can change our rates periodically to match the costs we have incurred and expect to incur without seeking FERC approval. For further discussion on our formulary rate, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results—Formulary Rate” in Item 7 of our 2012 Annual Report on Form 10-K.

Weather

Weather is one factor that affects the demand for electricity. Relatively higher or lower temperatures tend to increase the demand for energy to use air conditioning and heating systems, respectively. Mild weather generally reduces the demand because heating and air conditioning systems are operated less. Weather also plays a role in the price of market energy through its effects on the market prices for fuel, particularly natural gas. Heating degree days are a measurement tool used to quantify the need to utilize heat for a building, and cooling degree days are a measurement tool used to quantify the need to utilize cooling for a building. The heating and cooling degree data is compiled utilizing various weather stations. Weather stations can be added or changed during the year, which may result in updates to previously reported data. The heating degree days and cooling degree days for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2013	2012		2013	2012	
Heating degree days	-	-	-	2,274.9	1,671.7	36.1
Cooling degree days	849.2	998.9	(15.0)	1,130.5	1,356.6	(16.7)

Power Supply Resources

We provide power to our members through a combination of our interests in Clover, a coal-fired generating facility; North Anna, a nuclear power station; our three combustion turbine facilities – Louisa, Marsh Run, and Rock Springs; distributed generation facilities; and physically-delivered forward power purchase contracts and spot purchases of energy in the open market. Our energy supply resources for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2013		2012		2013		2012	
	(in MWh and percentages)							
Generated:								
Clover	742,442	22.2%	553,475	16.1%	2,186,994	22.4%	1,634,624	17.2%
North Anna	427,541	12.8	487,580	14.2	1,275,663	13.1	1,316,639	13.8
Louisa	49,027	1.5	36,041	1.0	86,595	0.9	67,987	0.7
Marsh Run	93,564	2.8	56,843	1.7	158,048	1.6	118,353	1.2
Rock Springs	83,799	2.5	46,365	1.3	99,260	1.0	64,939	0.7
Distributed Generation	405	-	410	-	439	-	583	-
Total Generated	<u>1,396,778</u>	<u>41.8</u>	<u>1,180,714</u>	<u>34.3</u>	<u>3,806,999</u>	<u>39.0</u>	<u>3,203,125</u>	<u>33.6</u>
Purchased:								
Other than renewable	1,841,305	55.1	2,197,642	63.8	5,418,367	55.6	6,003,542	63.1
Renewable ⁽¹⁾	<u>102,207</u>	<u>3.1</u>	<u>65,922</u>	<u>1.9</u>	<u>530,291</u>	<u>5.4</u>	<u>314,604</u>	<u>3.3</u>
Total Purchased	<u>1,943,512</u>	<u>58.2</u>	<u>2,263,564</u>	<u>65.7</u>	<u>5,948,658</u>	<u>61.0</u>	<u>6,318,146</u>	<u>66.4</u>
Total Available Energy	<u>3,340,290</u>	<u>100.0%</u>	<u>3,444,278</u>	<u>100.0%</u>	<u>9,755,657</u>	<u>100.0%</u>	<u>9,521,271</u>	<u>100.0%</u>

⁽¹⁾ 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.

Generating Facilities

Our operating expenses, and consequently our rates to our member distribution cooperatives, are significantly affected by the operations of our baseload generating facilities, Clover and North Anna. Baseload generating facilities, particularly nuclear power plants such as North Anna, generally have relatively high fixed costs. Nuclear facilities operate with relatively low variable costs due to lower fuel costs and technological efficiencies. In addition, coal-fired facilities have relatively low variable costs, as compared to combustion turbine facilities such as Louisa, Marsh Run, and Rock Springs. Our combustion turbine facilities have relatively low fixed costs and greater operational flexibility; however, they are more expensive to operate and, as a result, are dispatched only when the market price of energy makes their operation economical or when their operation is required by PJM for system reliability purposes. For further discussion on PJM, see “Business—Power Supply Resources—PJM” in Item 1 of our 2012 Annual Report on Form 10-K. Owners of power plants incur the fixed costs of these facilities whether or not the units operate.

As previously mentioned, our generating facilities are under dispatch control of PJM. Typically, nuclear facilities are almost always dispatched and coal-fired and combustion turbine facilities are dispatched based upon economic factors including the market price of energy. The operational availability of our owned generating resources for the three and nine months ended September 30, 2013 and 2012, was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	Clover	96.5%	98.1%	95.9%
North Anna	87.5	100.0	87.3	90.5
Louisa	94.4	98.1	97.6	99.0
Marsh Run	99.4	96.1	99.2	98.6
Rock Springs	99.9	99.9	98.7	96.2

The output of Clover and North Anna for the three and nine months ended September 30, 2013 and 2012, as a percentage of maximum dependable capacity rating of the facilities, was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	Clover	77.8%	58.5%	77.2%
North Anna	88.0	101.0	88.7	92.0

The scheduled and unscheduled outages for Clover and North Anna for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Clover				North Anna			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in days)				(in days)			
Scheduled	-	-	15.7	62.0	23.0	-	55.5	36.0
Unscheduled	6.5	3.4	6.5	25.4	-	-	14.1	15.9
Total	<u>6.5</u>	<u>3.4</u>	<u>22.2</u>	<u>87.4</u>	<u>23.0</u>	<u>-</u>	<u>69.6</u>	<u>51.9</u>

Sales to Member Distribution Cooperatives

Revenues from sales to our member distribution cooperatives are a function of our formulary rate for sales of power to our member distribution cooperatives and our member distribution cooperatives' customers' requirements for power. Our formulary rate is based on our cost of service in meeting these requirements. See "Factors Affecting Results—Formulary Rate" above.

Sales to TEC

In accordance with Consolidation Accounting, TEC is considered a variable interest entity for which ODEC is the primary beneficiary. The financial statements of TEC are consolidated and the inter-company balances are eliminated in consolidation. TEC's sales to third parties are reflected as non-member revenues; however, in 2013 and 2012, TEC had no sales to third parties.

Sales to Non-members

Sales to non-members consist of sales of excess purchased and generated energy. We primarily sell excess energy to PJM at the prevailing market price at the time of sale. Excess energy is the result of changes in our purchased power portfolio, differences between actual and forecasted needs, as well as changes in market conditions. Sales to non-members also include the sale of renewable energy credits that are not sold to our member distribution cooperatives.

Results of Operations

Operating Revenues

Our operating revenues are derived from power sales to our member distribution cooperatives and non-members. Our operating revenues by type of purchaser for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(in thousands)		(in thousands)	
Revenues from sales to:				
Member distribution cooperatives				
Base energy revenues	\$ 54,874	\$ 58,027	\$162,080	\$158,049
Energy adjustment revenues	69,485	87,629	210,238	246,360
Total energy revenues	124,359	145,656	372,318	404,409
Demand revenues	80,108	74,129	229,070	227,784
Total revenues from sales to member distribution cooperatives	204,467	219,785	601,388	632,193
Non-members	15,926	4,459	27,341	12,758
Total operating revenues	<u>\$ 220,393</u>	<u>\$ 224,244</u>	<u>\$628,729</u>	<u>\$ 644,951</u>
Average cost of energy to member distribution cooperatives (per MWh)	\$ 40.09	\$ 43.89	\$ 40.33	\$ 44.53
Average cost of demand to member distribution cooperatives (per MWh)	25.82	22.33	24.82	25.08
Average total cost to member distribution cooperatives (per MWh)	<u>\$ 65.91</u>	<u>\$ 66.22</u>	<u>\$ 65.15</u>	<u>\$ 69.61</u>

Our energy sales in MWh to our member distribution cooperatives and non-members, and demand sales in MW to our member distribution cooperatives for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(in MWh)		(in MWh)	
Energy sales to:				
Member distribution cooperatives	3,102,068	3,319,100	9,230,740	9,082,023
Non-members	216,928	113,697	483,055	397,188
Total energy sales	<u>3,318,996</u>	<u>3,432,797</u>	<u>9,713,795</u>	<u>9,479,211</u>
	(in MW)		(in MW)	
Demand sales to Member distribution cooperatives	<u>6,413</u>	<u>6,567</u>	<u>18,712</u>	<u>18,655</u>

Our energy sales in MWh and demand sales in MW are driven by our member distribution cooperatives requirements for power. For the three months ended September 30, 2013, MWh and MW sales were 6.5% and 2.3% lower, respectively, as compared to the same period in 2012. For the nine months ended September 30, 2013, MWh and MW sales were 1.6% and 0.3% higher, respectively, as compared to the same period in 2012. We experienced milder weather during the three months ended September 30, 2013, as compared to the same period in 2012.

Our energy sales in MWh to non-members for the three and nine months ended September 30, 2013, were 90.8% and 21.6% higher, respectively, as compared to the same periods in 2012. Sales to non-members consist of sales of excess purchased and generated energy and renewable energy credits.

Total revenues from sales to our member distribution cooperatives for the three and nine months ended September 30, 2013, decreased \$15.3 million, or 7.0%, and \$30.8 million, or 4.9%, respectively, as compared to the same periods in 2012. Our average cost of energy to member distribution cooperatives per MWh decreased 8.7% and 9.4% for the three and nine months ended September 30, 2013, respectively, as compared to the same periods in 2012, primarily due to decreases in our total energy rate.

The average total cost to member distribution cooperatives is affected by changes in our revenues as well as sales volumes. Our average total cost to member distribution cooperatives per MWh was relatively flat for the three months ended September 30, 2013 and decreased \$4.46 per MWh, or 6.4%, for the nine months ended September 30, 2013 as compared to the same period in 2012, primarily as a result of decreases in our total energy rate.

The following table summarizes the changes to our total energy rate as a result of changes to our energy adjustment rate due to the continued reduction in our realized as well as projected energy costs:

<u>Effective Date of Rate Change</u>	<u>% Change</u>
April 1, 2012	(4.6)
October 1, 2012	(6.8)
April 1, 2013	(2.4)

Non-member revenue for the three and nine months ended September 30, 2013, increased \$11.5 million, or 257.2%, and \$14.6 million, or 114.3%, respectively, as compared to the same periods in 2012. For the three and nine months ended September 30, 2013, there was a 90.8% and 21.6% increase, respectively, in the volume of excess energy sales as well as an increase in the average price.

Operating Expenses

The following is a summary of the components of our operating expenses for the three and nine months ended September 30, 2013 and 2012:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>(in thousands)</u>		<u>(in thousands)</u>	
Fuel	\$ 39,036	\$ 23,608	\$ 100,805	\$ 70,405
Purchased power	139,227	145,235	405,886	402,433
Deferred energy	(9,941)	8,955	(27,971)	24,368
Operations and maintenance	11,955	8,677	31,815	34,133
Administrative and general	11,364	9,356	32,811	28,344
Depreciation and amortization	10,586	10,568	31,795	31,412
Amortization of regulatory asset/(liability), net	1,110	(1,601)	2,694	116
Accretion of asset retirement obligations	995	941	2,985	2,799
Taxes, other than income taxes	2,051	2,119	6,467	6,342
Total Operating Expenses	<u>\$ 206,383</u>	<u>\$ 207,858</u>	<u>\$ 587,287</u>	<u>\$ 600,352</u>

Our operating expenses are comprised of the costs that we incur to generate and purchase power to meet the needs of our member distribution cooperatives, and the costs associated with any sales of power to non-members. Our energy costs generally are variable and include fuel expense as well as the energy portion of our purchased power expense. Our demand costs generally are fixed and include operations and maintenance, administrative and general, and depreciation and amortization expenses, as well as the capacity portion of our purchased power expense. Additionally, all non-operating expenses and income items, including interest charges, net and investment income, are components of our demand costs. See “Factors Affecting Results—Formulary Rate” above.

Total operating expenses decreased \$1.5 million, or 0.7%, and \$13.1 million, or 2.2%, for the three and nine months ended September 30, 2013, respectively, as compared to the same periods in 2012, primarily due to the decrease in deferred energy partially offset by the increase in fuel expense. Additionally, for the three months ended September 30, 2013, purchased power expense decreased \$6.0 million, or 4.1%, and was partially offset by a \$3.3 million, or 37.8% increase in operations and maintenance expense as compared to the same period in 2012.

- Deferred energy expense decreased \$18.9 million and \$52.3 million for the three and nine months ended September 30, 2013, respectively, as compared to the same periods in 2012. For the three and nine months ended September 30, 2013, we under-collected \$9.9 million and \$28.0 million, respectively, in energy costs; whereas for the same periods in 2012, we over-collected \$9.0 million and \$24.4 million, respectively, in energy costs. Our deferred energy balance was a net over-collection of energy costs of \$56.0 million at December 31, 2012, as compared to a net over-collection of energy costs of \$28.1 million at September 30, 2013.
- Fuel expense increased \$15.4 million, or 65.4%, and \$30.4 million, or 43.2%, for the three and nine months ended September 30, 2013, respectively, as compared to the same periods in 2012. Fuel expense increased for the three months ended September 30, 2013, as compared to the same period in 2012, primarily due to increased economic dispatch of Clover. Fuel expense increased for the nine months ended September 30, 2013, as compared to the same period in 2012, primarily due to increased operational availability and economic dispatch

of Clover. Additionally, in the third quarter of 2012, we recorded a \$6.0 million reduction to fuel expense as a result of the settlement with the DOE related to spent nuclear fuel.

- Purchased power expense decreased \$6.0 million, or 4.1%, for the three months ended September 30, 2013, as compared to the same period in 2012, primarily as a result of our owned generation meeting a greater portion of our member distribution cooperatives' needs in 2013 as compared to 2012.
- Operations and maintenance expense increased \$3.3 million, or 37.8%, for the three months ended September 30, 2013, as compared to the same period in 2012, primarily due to a refueling outage at North Anna.

Other Items

Investment Income

Investment income increased for the three and nine months ended September 30, 2013, by \$0.5 million, or 60.2% and 14.4%, respectively, as compared to the same periods in 2012, primarily due to higher income earned on our nuclear decommissioning trust.

Interest Charges, Net

The major components of interest charges, net for the three and nine months ended September 30, 2013 and 2012, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(in thousands)		(in thousands)	
Interest expense on long-term debt	\$ (12,015)	\$ (12,146)	\$ (35,259)	\$ (36,438)
Other	(222)	(241)	(641)	(1,007)
Total interest charges	(12,237)	(12,387)	(35,900)	(37,445)
Allowance for borrowed funds used during construction	63	254	146	867
Interest charges, net	<u>\$ (12,174)</u>	<u>\$ (12,133)</u>	<u>\$ (35,754)</u>	<u>\$ (36,578)</u>

Interest expense on long-term debt was relatively flat for the three months ended September 30, 2013, and decreased \$1.2 million, or 3.2%, for the nine months ended September 30, 2013, as compared to the same periods in 2012, due to scheduled principal payments.

Net Margin Attributable to ODEC

Net margin attributable to ODEC, which is a function of our total interest charges plus any additional equity contributions approved by our board of directors, was relatively flat for the three months ended September 30, 2013 and decreased \$0.3 million, or 4.1% for the nine months ended September 30, 2013, as compared to the same periods in 2012.

Financial Condition

The principal changes in our financial condition from December 31, 2012 to September 30, 2013, were caused by increases in long-term debt, accrued expenses, and nuclear decommissioning trust, substantially offset by decreases in deferred energy, accounts receivable—members, accounts payable, and fuel, materials, and supplies.

- Long-term debt increased \$39.8 million as a result of the issuance of \$100.0 million of first mortgage bonds on June 28, 2013, partially offset by the redemption of \$60.2 million 2002 Series A Bonds on June 1, 2013.
- Accrued expenses increased \$14.3 million primarily as a result of accrued interest on long-term debt.
- Nuclear decommissioning trust increased \$13.0 million as a result of an increase in the market value of the fund.
- Deferred energy decreased \$28.0 million as a result of the under-collection of our energy costs in 2013.
- Accounts receivable—members decreased \$16.1 million due to decreases in sales to member distribution cooperatives and member power bill extensions at September 30, 2013 as compared to December 31, 2012.

- Accounts payable decreased \$14.3 million primarily due to the decrease in the amounts due to Virginia Electric and Power Company in connection with our ownership interests in Clover and North Anna.
- Fuel, materials, and supplies decreased \$11.0 million due to the decrease in coal inventory related to a planned coal inventory reduction at Clover.

Liquidity and Capital Resources

Sources

Cash generated by our operations, periodic borrowings under our credit facility, and occasional issuances of long-term indebtedness provide our sources of liquidity and capital.

Operations

During the first nine months of 2013 and 2012, our operating activities provided cash flows of \$39.4 million and \$52.7 million, respectively. Operating activities in 2013 were primarily impacted by the following:

- Current assets changed \$28.5 million primarily due to the \$16.1 million decrease in accounts receivable—members and the \$11.0 million decrease in fuel, materials, and supplies.
- Deferred energy changed \$28.0 million due to the under-collection of energy costs in 2013 following over-collection of energy costs in 2012.
- Regulatory assets and liabilities changed \$10.8 million primarily due to the establishment of a regulatory asset related to the voluntary prepayment of \$7.7 million to the NRECA Retirement Security Plan as well as the amortization of regulatory assets and liabilities. We recorded the \$7.7 million voluntary prepayment as a regulatory asset which is being amortized over the ten years beginning January 1, 2013.

Credit Facility

We currently maintain a \$500.0 million, five-year revolving credit facility to cover our short-term and medium-term funding needs. At September 30, 2013 and December 31, 2012, we did not have any borrowings outstanding under this facility.

Financings

We fund the portion of our capital expenditures that we are not able to fund from operations through financings in the debt capital markets. These capital expenditures consist primarily of the costs related to the development, construction, acquisition, or improvement of our owned generating facilities.

Our 2002 Series A Bonds, with an aggregate principal amount of \$60.2 million outstanding, were subject to optional redemption by ODEC on or after June 1, 2013. We issued a call notice for the 2002 Series A Bonds in the second quarter of 2013, and redeemed these bonds on June 1, 2013.

On June 28, 2013, we issued \$100.0 million of first mortgage bonds in a private placement. The bonds consist of \$50.0 million of 4.21% First Mortgage Bonds, 2013 Series A due December 1, 2043 and \$50.0 million of 4.36% First Mortgage Bonds, 2013 Series B due December 1, 2053.

Uses

Our uses of liquidity and capital relate to funding our working capital needs, investment activities, and financing activities. Substantially all of our investment activities relate to capital expenditures in connection with our generating facilities. We expect that cash flows from our operations, our syndicated credit facility, and potential long-term borrowings will be sufficient to meet our currently anticipated operational and capital requirements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

No material changes occurred in our exposure to market risk during the third quarter of 2013.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, our management, including the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer conducted an evaluation of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer concluded that our disclosure controls and procedures are effective in ensuring that all material information required to be filed in this report has been made known to them in a timely matter. We have established a Disclosure Assessment Committee comprised of members from senior and middle management to assist in this evaluation. There have been no material changes in our internal controls over financial reporting or in other factors that could significantly affect such controls during the past fiscal quarter.

OLD DOMINION ELECTRIC COOPERATIVE

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Other Matters

Other than legal proceedings arising out of the ordinary course of business, which management believes will not have a material adverse impact on our results of operations or financial condition, there is no other litigation pending or threatened against us.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Risk Factors" in Part I, Item 1A of our 2012 Annual Report on Form 10-K, which could affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 5. OTHER INFORMATION

Wildcat Point Generation Facility

On April 23, 2013, we announced our intention to seek approval to construct a natural gas-fueled generation facility, named the Wildcat Point Generation Facility, in Cecil County, Maryland. We currently anticipate that construction of the facility will begin in late 2014 and it would become operational in mid-2017. On May 20, 2013, we applied to the Maryland Public Service Commission for a Certificate of Public Convenience and Necessity, and we continue to pursue permits and contracts related to the construction of the facility. The development, construction, and operation of Wildcat Point are subject to obtainment of government and regulatory approvals.

Senior Vice President of Power Supply

On November 5, 2013, we appointed Mr. D. Richard Beam as Senior Vice President of Power Supply effective November 16, 2013. Mr. Beam joined ODEC in 1987. Mr. Beam has held various power supply positions and held the position of Vice President Power Supply and Transmission Planning from July 2004 to March 2013 and the position of Vice President of Power Supply from April 2013 to the present.

ITEM 6. EXHIBITS

- 31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)
- 31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)
- 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. § 1350
- 32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. § 1350
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. § 1350
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. § 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

CERTIFICATIONS

I, Jackson E. Reasor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Electric Cooperative;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures or caused such disclosure controls to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designated under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ JACKSON E. REASOR
Jackson E. Reasor
President and Chief Executive Officer
(Principal executive officer)

CERTIFICATIONS

I, Robert L. Kees, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Electric Cooperative;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures or caused such disclosure controls to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designated under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ ROBERT L. KEES
Robert L. Kees
Senior Vice President and Chief Financial Officer
(Principal financial officer)

OLD DOMINION ELECTRIC COOPERATIVE
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Old Dominion Electric Cooperative (the “Company”) on Form 10-Q for the period ending September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jackson E. Reasor, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 7, 2013

/s/JACKSON E. REASOR
Jackson E. Reasor
President and Chief Executive Officer
(Principal executive officer)

OLD DOMINION ELECTRIC COOPERATIVE

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Old Dominion Electric Cooperative (the “Company”) on Form 10-Q for the period ending September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert L. Kees, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 7, 2013

/s/ROBERT L. KEES

Robert L. Kees
Senior Vice President and Chief Financial Officer
(Principal financial officer)