Oglethorpe Power Corporation, Georgia

First Mortgage Bonds

Full Rating Report

Ratings

Outstanding Debt

$3,550,000,000 First Mortgage Bonds, Various Series	BBB+
$980,770,000 Pollution-Control, Revenue Bonds, issued by the Development Authorities of Appling, Burke, Heard and Monroe Counties, GA	BBB+
$1,000,000,000 CP Notes (Self-Liquidity	F2

Rating Outlook

Negative

Key Utility Statistics

Fiscal Year Ended 12/31/17	
System Type	Wholesale Electric
NERC Region	SERC
No. of Members	38
Annual Revenues ($ Mil.)	1,434
Top Member (% of Revenues)	14.7
Primary Fuel Source	Natural Gas
Member Peak Demand (MW)	8,857
Energy Growth Five-Year (%)	0.7
Debt Service Coverage (x)	1.59
Days Operating Cash	185
Debt/FADS	10.7
Equity/Capitalization (%)	10.8

NERC – North American Electric Reliability Corporation. SERC – Southeastern Electric Reliability Council. FADS – Funds available for debt service.

Related Research

Fitch Places Oglethorpe Power Corp, GA's Bonds on Rating Watch Negative (August 2018)

U.S. Public Power (Peer Review) (June 2018)

2018 Outlook: U.S. Public Power and Electric Cooperative Sector (December 2017)

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Key Rating Drivers

Rating Reflects Nuclear Cost Escalation: The rating reflects higher leverage and ultimately, higher rates to members, that will result from Oglethorpe Power Corporation's (OPC) revised budget for its 30% (660MW) share of Vogtle Units 3 & 4. The $7.5 billion budget, up from $7.0 billion announced less than one year ago, includes an $800 million project level contingency and OPC's financing costs and its own contingency reserve, which provides some protection from further project increases beyond the approximate $27 billion total project cost.

Wholesale Provider; Unconditional Contracts: OPC provides wholesale power supply to 38 members who collectively serve 1.9 million customer meters. Power is supplied pursuant to joint and several, take-or-pay wholesale power contracts that extend to Dec. 31, 2050. Not all members are obligated for each OPC project, including Vogtle 3&4.

Diverse Generation; Vogtle Expansion: OPC has a large and diverse generation portfolio of approximately 8,400MW of generation capacity, member-owned resources and federal hydropower allocations. The portfolio provides a balanced mix of nuclear, natural gas and coal-fired resources to meet a portion of total member load requirements that have grown at an average of 0.7% per year over the past five years. OPC's 30% share of Vogtle Units 3&4 will be used to serve a greater share of member load.

Competitive Rates; Declining Headroom: Rates will increase significantly in 2021 and 2022 to members participating in Vogtle Units 3&4. Average member retail rates are below those of Georgia Power Co. (GPC) but given GPC's announcement in 2018 that it will not seek to recover its share of the most recent cost increase in rates, the headroom between OPC's average member rates and GPC's retail rates will decline. The potential for GPC to make similar decisions regarding any future cost increases is a concern.

Healthy Margins; High Leverage: OPC's financial margins and liquidity position are stable and management has committed to achieve margins for interest coverage of 1.14x through the final year of Vogtle construction. However, the nuclear expansion has resulted in high leverage, which reduces OPC's financial flexibility. Another roughly $4.0 billion in new debt is expected over the next five years, which will elevate leverage further until large rate increase, anticipated in 2021 and 2022, bring the leverage ratio back below 11.0x.

Adequate Credit Quality and Liquidity: The 'F2' on the CP note program reflects OPC's long-term credit rating and adequate internal liquidity sources.

Rating Sensitivities

Delays and Further Cost Increases: A delay in the Vogtle project completion dates beyond November 2022 and project cost increases exceeding the existing project contingency funds would likely result in a downgrade.

Project Cancellation: Project cancellation does not appear likely at this time. However, cancellation prior to completion could prompt a rapid decline in credit quality, potentially more than one notch, given the acceleration of the Department of Energy loans and the potential for political and legal backlash in that scenario.

Rating History

Rating	Action	Outlook/ Watch	Date
BBB+	Downgraded	Negative	10/12/18
A–	RW	RWN	8/10/18
A–	Affirm	Stable	1/19/18
A–	Downgraded	RWN	9/6/17
A	Affirm	Negative	4/11/16
A	Affirm	Negative	6/5/14
A	Affirm	Negative	8/5/13
A	Affirm	Negative	4/5/13
A	Affirm	Stable	11/27/12
A	Affirm	Stable	8/16/11
A	Affirm	Stable	3/15/11
A	Affirm	Stable	11/4/10
A	Affirm	Stable	3/22/10
A	Affirm	Stable	11/20/09
A	Affirm	Stable	10/9/09
A	Affirm	Stable	2/5/09
A	Affirm	Stable	11/24/08
A	Affirm	Stable	8/11/08
A	Affirm	Stable	3/28/08
A	Affirm	Stable	9/7/07
A	Affirm	Stable	9/12/06
A	Affirm	Stable	3/21/06
A	Affirm	Stable	10/18/04
A	Affirm	Stable	10/11/02
A	Affirm	Stable	3/7/00
A	Affirm	Stable	12/21/98
A	Affirm	Stable	3/9/98
A	Affirm	Stable	11/26/97
A	Affirm	Stable	11/24/97
A	Assigned	Stable	3/12/97

OPC Vogtle Budget[a]

	($ Bil.)	In Service Dates
2018	7.5	November 2021–November 2022
2017	7.0	November 2021–November 2022
2016	5.0	December 2019–September 2020
2015	5.0	June 2019–June 2020
2014	4.5	December 2017–December 2018
2013	4.5	December 2017–December 2018
2012	4.5	December 2017–December 2019
2011	4.2	April 2016–April 2017

[a]As disclosed in 10-K filings except 2018 amount.
Source: OPC.

Related Criteria

Rating Criteria for Public Sector Revenue-Supported Debt (February 2018)

U.S. Public Finance Short-Term Debt Rating Criteria (November 2017)

Credit Profile

OPC provides partial wholesale electric service to 38 member cooperatives located throughout Georgia. Collectively, the OPC members serve a vast region covering approximately 38,000 square miles (65% of the state's land area), encompassing 151 of the state's 159 counties. The member service territory exhibits considerable size, breadth and diversity, which Fitch views very favorably. Average load growth in the member service area has averaged 0.7% annually over the last five years.

OPC is participating in the Vogtle nuclear expansion project with current co-owners GPC (45.7%), the Municipal Electric Authority of Georgia (22.7%) and the city of Dalton Utilities (1.6%). OPC's 30% share will provide OPC with 660MW of additional capacity when completed.

Bechtel took over in late 2017 as the general contractor on a time and materials contract basis, following the bankruptcy filing of the Westinghouse Electric Company. GPC, along with Southern Nuclear Operating Company, is acting as the construction manager. Around the time of the change in construction management, the co-owners each adopted sizable budget increases in recognition of the higher cost to complete without a fixed-price contract. OPC adopted a new budget of $7.0 billion for its 30% share, up from its previous $5.0 billion budget.

Vogtle Nuclear Construction Cost Increase

The downgrade reflects higher costs related to Vogtle construction resulting from the unexpected announcement in August 2018 that the cost of the total project increased by approximately $2.3 billion. OPC announced that its budget, in turn, has increased to $7.5 billion. The rapid timing and magnitude of the cost increase is concerning, given that the prior budget was so recently developed and represented a very large cost increase at that time. The continued cost increases reflect the difficulty associated with nuclear construction. Vogtle 3 & 4 are the first new nuclear units to be built in the U.S. in over 30 years. As a minority owner, OPC has limited control over construction and the ultimate cost of the project.

OPC's decision to include additional Oglethorpe-level contingency funds within its $7.5 billion budget estimate, as was done in the prior budget as well, mitigates the potential for future cost increases. Further cost increases that can be absorbed by either the project level or OPC's own contingency reserve are factored into the 'BBB+' rating level. Fitch views OPC's inclusion of contingency funds as prudent and protective against continued cost uncertainty at this stage of construction.

The Negative Outlook reflects the potential for further credit decline if further cost increases are sizable and exceed contingency reserves. The Negative Outlook indicates our skepticism about the resilience of the revised project estimate, the ongoing need to attract and retain sufficient numbers of craft labor to the project site to remain on schedule, and the stage of project completion. Construction was approximately 55% complete and the overall project, including engineering and design, was around 70% complete at the end of July 2018.

Co-Owners Vote to Proceed; Revised Terms

Revisions to the co-owners agreement made in November 2017 required an affirmative vote by 90% of the co-owners to proceed with construction in certain events — two of which were triggered by the approximately $2.3 billion total project cost increase and GPC's announcement that it would not seek rate recovery from the Georgia Public Service Commission for their share of the $1.5 billion construction cost increase.

In late September 2018, all four co-owners voted to continue construction but approved binding term sheets that materially amend the co-owners agreement. The agreed upon changes require GPC to pay for a portion of the other co-owners costs if the total project budget increases from the current budget plus $800 million and a total $2.1 billion cost increase. After a project cost increase of $2.1 billion, each co-owner would have the one-time option to tender a portion of its ownership share in the project in return for GPC paying that co-owner's remaining costs to complete. Any future cost overruns no longer require a co-owner affirmative vote for construction to continue, although a 90% vote is still required if the schedule change exceeds one year. GPC now has the authority to cancel construction at any time. The revised terms include price options at which GPC will purchase the production tax-credits from the owners.

Fitch views the cost-sharing mechanism as favorable for OPC in that it provides some relief in the event of future cost overruns in excess of the current budget and $800 million project level contingency. However, the relief is modest in relation to the additional construction costs OPC will incur in that event. The one-time option for OPC to reduce its project ownership share to fund construction costs that exceed the $2.1 billion cost increase threshold is viewed as neutral. While it favorably provides OPC and its members with some optionality, the only choices are to fund the cost increase with additional debt or freeze its investment, stop further funding of the project and accept a reduced ownership share at commercial operation. The new production tax credit option provides a floor value to the benefit once construction is complete but this term change is viewed as neutral.

Governance and Management Strategy

OPC is governed by a board of directors, typically consisting of 14 directors, 12 member-directors and two independent directors. One independent director position is currently vacant. All of the directors are selected by a nominating committee and elected by the membership. OPC's bylaws ensure equitable and balanced representation among the membership and between officers and directors. The bylaws also require suitable qualifications and the independence of outside directors.

OPC's day-to-day operations are managed by a team of seven executives, led by President and CEO Mike Smith, who joined OPC in 2013 after 12 years at Georgia Transmission Corp. (GTC), most recently as its CEO. The other senior members of the management team also have significant experience and tenure with the organization, which Fitch views favorably, along with a strong and collaborative working relationship between the management team and the OPC membership.

Organizational, Business and Financial Strategy

OPC supplies only a portion of its members' energy requirements, unlike the traditional generation and transmission cooperative model. OPC and its members restructured the organization into three separate companies in 1997: OPC, which generates and supplies power to the members; GTC, which became the owner of the transmission assets and provides transmission service; and Georgia System Operations Corp., which manages the system operations business, including the system control center. OPC and its members amended their wholesale power contracts at the same time to eliminate OPC's obligation to provide all-requirements power supply and allow each of the members to assume responsibility for its own supplemental power supply. Whereas OPC once supplied nearly all member energy requirements, the cooperative supplied only 63% of the retail energy requirements of members in 2017.

The cooperative is expected to provide an increasing portion of member requirements as a result of the membership's election to pursue a number of new resource options — including the Vogtle expansion project — through the cooperative instead of individually. These new resources will help meet the growing demand of the membership. OPC expects to provide around 71% of member energy requirements in 2023. Members will retain the obligation of procuring supplemental power supply.

Wholesale Power Contracts

OPC has substantially similar amended and restated wholesale power contracts with each member that extend through Dec. 31, 2050. The contracts are take-or-pay and require unconditional payment, regardless of project operation, including the explicit circumstances of resource construction suspension. The contracts continue in effect after 2050 unless terminated with three years notice by either OPC or the member. There is no termination option prior to 2050.

The contracts include a fixed initial subscription amount (referred to as the percentage capacity responsibility; PCR) for each member on each generation resource. Not all members participate in each OPC project, including the construction of Vogtle 3 & 4. None of OPC's projects include all 38 members but the projects all enjoy the benefit of participation by most members. No project has fewer than 30 participants. The contracts allow for a discretionary assignment process that allows members to transfer their PCRs in certain projects to other members willing to take an additional share of the project. It is only permitted when there is sufficient interest from other members and it has occurred for certain projects.

In the event of a participant payment default, a shortfall would occur in each of the projects for with the participant has a PCR. The wholesale contracts have a step-up process that allocates defaulted amounts to the remaining nondefaulting members in proportion to their PCR in each resource. In the event there is a payment default by all members of a particular resource, the contracts require the nonparticipating members in that resource to billed for the default.

The contracts are not all-requirements but instead allocate only OPC's existing generation portfolio and Vogtle 3 & 4 that is under construction. Members are responsible for acquiring any supplemental power supply. New resources constructed at OPC must have approval of at least 75% of the board and members representing 75% of patronage capital.

Customer Profile and Service Area

Overall, the member service territory exhibits considerable size, strength, breadth and diversity, which Fitch views favorably. The territory served by OPC members is largely rural, though some members serve suburban regions surrounding the state's largest cities, including Atlanta. There is little concentration among the members, with the two largest, Cobb Electric Membership Corp. (EMC) and Jackson EMC, accounting for approximately 15% and 14%, respectively, of OPC's total revenues in 2017. None of the other members account for more than 10% of revenues on an individual basis.

Member energy sales are heavily weighted toward residential consumers (around 65% of total sales), with small commercial and industrial consumers accounting for much of the remaining of sales. There is no significant customer concentration on a retail basis given the size and diversity of the membership.

OPC Member Sales Information

	2012	2013	2014	2015	2016	2017
Member Peak Demand (MW)	9,353	8,114	9,354	8,964	9,194	8,716
Total Member Electric Requirements (GWh)	36,492	36,421	38,590	38,323	39,668	37,881
Sales Growth (%)	—	(0.2)	6.0	(0.7)	3.5	(4.5)
Member Electric Requirements Supplied by OPC (MWh)	20,859	18,550	20,154	18,372	25,523	23,814
Sales Growth (%)	—	(11.1)	8.6	(8.8)	38.9	(6.7)

Source: OPC.

Member energy requirements fluctuate largely based on weather extremities but on average, member total load requirements increased by 0.7% over the past five years. Member requirements were reduced in 2017, primarily as a result of weather, and appear to be up over 6% in 2018 as weather patterns normalized. OPC's most recent load forecast is predicting long-term growth in energy and demand of approximately 1.7% and 1.8%, respectively. These latest forecast growth rates are below prior-year forecasts — which were closer to or above 2.0% — and OPC and its members have adjusted their power supply resource plan accordingly.

OPC sales to members fluctuate based on weather- and economic-driven demand, as well as the availability of OPC-owned resources and the cost of alternative energy sources. However, sales to members increased materially by 39% in 2016 as production from OPC's Smith Energy Facility was transitioned to meet member needs. Smith production was used primarily for third-party sales prior to 2016.

Members generally have the exclusive right to serve customers within their respective territories. However, since 1973, certain large industrial and commercial customers in Georgia with loads of more than 900kW have been allowed to receive electric service from the provider of their choice. This limited form of retail competition has had no meaningful impact on OPC member sales, nor is it expected to. There is no expectation of broader retail competition in Georgia.

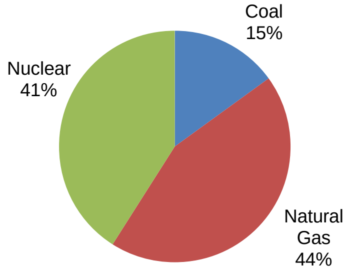
Assets and Operations

OPC has direct ownership interests in 30 individual generating units that provide the cooperative with a well-diversified portfolio of 7,115MW of capacity to supply member needs. OPC also operates two combustion turbine facilities (six units) totaling 728MW owned by Smarr EMC, a cooperative owned by 35 of the 38 members, and manages 562MW of Southeastern Power Administration hydroelectric allocations on behalf of the members.

The cooperative's natural gas-fired and dual-fueled generating units represent the largest segment of generating capacity (3,510MW, 54% of owned capacity), given the cooperative's recent asset acquisitions of the Hawk Road, Hartwell, Smith and Doyle energy facilities. Although OPC's coal-fired and nuclear units have historically accounted for the majority of energy supplied to members, once energy from the Smith and Hawk Road facilities was dispatched to meet member requirements beginning in 2016, natural gas-fired units have supplied over 40% of energy requirements. Nuclear energy is a close second.

To meet its increasing natural gas needs, OPC contracted for capacity in a new pipeline project to serve the Smith facility. The additional capacity allows the base units to operate as needed. Fuel price hedging is conducted and coordinated at each member's option, generally with a view toward hedging an increasing portion of expenditures for up to five years. Sixteen members currently participate.

OPC Power Supply Sources 2017



Source: OPC.

Environmental Considerations

There are currently no specific renewable standards within the state of Georgia. OPC and its members continue to explore cost-effective renewable projects, but capacity and energy production related to these initiatives should remain modest.

OPC's will incur a share of the capital expenses related to the closure of existing coal ash ponds and the conversion to dry ash handling at the Wansley and Scherer coal plants that are co-owned with Georgia Power. The closure timeline deadlines are 2026 and 2031, respectively. Preliminary estimates for OPC's share of both the closure and conversion are less than $500 million.

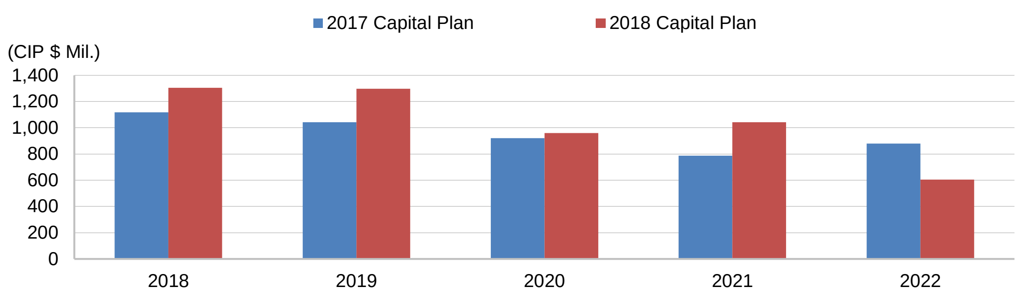
Supplemental Power Supply

OPC's members are responsible for obtaining their power supply requirements in excess of that supplied by the cooperative. The members have pursued a variety of strategies for contracting power supply, both individually and as scheduling groups. A number of the members have entered into full-requirements contracts with notable and experienced counterparties that extend at least through the end of 2022, when the output of Vogtle 3 & 4 is expected to be fully available.

Capital and Financing Plan

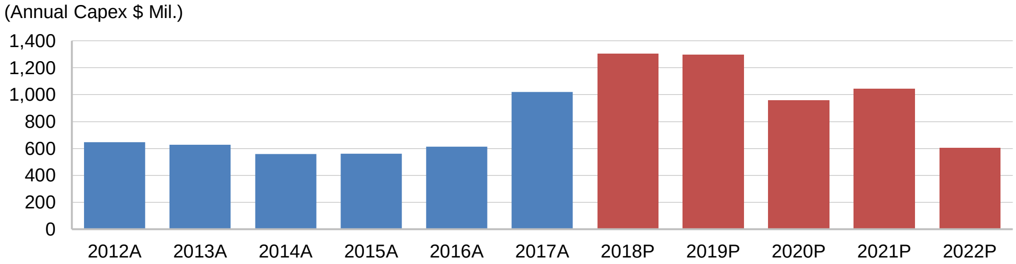
OPC's capital expansion plan is immense, even as compared to the sizable $3.76 billion invested between fiscals 2012 and 2017. Capital spending is estimated at $5.2 billion for fiscals 2018–2022 and will continue to be dominated by Vogtle-related expenditures of $4.4 billion. This is up from the prior amounts forecast for 2018–2022 of $4.7 billion and $3.9 billion, respectively, considered during Fitch's prior review when the Vogtle budget was $7.0 billion. The non-Vogtle expenditures are for environmental projects at the coal-fired Wansley and Scherer units. Although both Wansley and Scherer are compliant with most prevailing regulations, including Mercury and Air Toxics Standards, expenditures related to coal ash disposal and water treatment will be necessary. Spending is expected to decline significantly in 2023, following the projected completion of Vogtle 3 & 4.

Yoy Capex Change



Source: OPC.

Capex Trend



A – Actual. P – Projected.
Source: OPC.

Rates and Cost Structure

Neither OPC's wholesale rates nor member retail rates are subject to regulation or approval of any federal or state authority, including the Federal Energy Regulatory Commission or GPSC. Certain changes to the OPC and member rate schedules may be subject to the U.S. Rural Utilities Service (RUS) and Department of Energy (DOE) approval. However, adjustments to rates to reflect changes in costs are generally excluded.

Wholesale rates are established by OPC's board of directors and must be reviewed at least annually. OPC's rate schedule includes two components. The first, the capacity charge, recovers OPC's fixed costs based on each member's fixed percentage of each OPC project in which the member participates. The second, the energy charge, recovers variable costs related to actual fuel, operating and purchased energy costs. The rate schedule also includes a prior-period adjustment mechanism to ensure OPC achieves its required minimum margin for interest coverage of 1.1x as required by the First Mortgage Indenture.

In 2017, OPC average member retail rate (11.4 cents/kWh; although the range of actual residential rates of all 38 OPC members varies considerably) was competitive with GPC's retail rate (12.4 cents/kWh). This relationship reflects the common ownership of the state's largest generating resources and the high-voltage transmission system. However, GPC's rates include the financing costs of Vogtle, whereas OPC is largely capitalizing all costs, with the exception of some elective rate programs that allow members to smooth in the rate impact of Vogtle by prepaying some amounts.

OPC's forecasted wholesale power costs are an important consideration in its future revenue flexibility. The latest power cost projections indicate that following a period of stability through 2020, wholesale rates will rise meaningfully during fiscals 2021 and 2022, reflecting the higher capacity charges that will be needed at that time to coincide with commercial operation of the new Vogtle units. Member retail rates are also projected to increase, as a result.

Fitch has historically believed OPC member rates would remain in line with the state's other utilities, which should experience similar cost increases related to Vogtle participation. However, GPC's announcement in 2018 that it did not intend to pass the cost increase through to rate payers but instead would fund the increase through equity, will disrupt the commonality of the rate trend among the co-owners. Fitch assumes that potential future cost increases may be treated similarly by GPC, further reducing remaining headroom between OPC member rates and those of GPC retail ratepayers.

Financial Profile

Financial performance improved in fiscal 2016 as a result of increased sales of energy to members, as expected from the Smith and Hawk Road generation resources. Fitch-calculated coverage of full obligations was over 1.6x in fiscals 2016 and 2017, when reducing debt service for amounts paid from capitalized interest. However, debt service costs do not include any costs related to Vogtle construction yet. The strong margins and cash flow are the result of OPC's 1.14x margins for interest (MFI) target being used to set rates during Vogtle 3 & 4 construction, estimated through fiscal 2022. Initial but unaudited indications for fiscal 2018 show performance in line with recent years.

Liquidity ratios also remained strong and relatively stable at YE 2017. Cash on hand was reported at 185 days ($398 million) and available borrowing capacity, including available lines of credit totaled 780 days. These robust ratios reflect OPC's strategy of maintaining borrowing capacity sufficient to complete its planned construction program. Although down from its peak of nearly $2.0 billion in 2014, the cooperative maintains access to $1.61 billion of committed credit facilities, including a $1.21 billion multibank syndicated facility that extends into 2020, and is available to support CP issuance and provide short-term funding. Fitch views capital access as important due to the magnitude of the construction program and the uncertainty of timing associated with approvals and funding under the government-administered loan programs.

High Leverage

OPC's debt portfolio increased substantially after nuclear construction began in earnest in 2012. Debt outstanding at the end of 2017 was approximately $8.2 billion, up from $5.6 billion at the end of 2012. The increase is primarily the result of OPC's investment in Vogtle 3 & 4. Leverage as measured by Fitch's net adjusted debt/adjusted funds available for debt service (FADS) is elevated. The leverage ratio was 10.1x at the end of fiscal 2017.

Total Outstanding Debt

($ 000)	2013	2014	2015	2016	2017
FFB[a] (Guaranteed by RUS)	2,676,813	2,582,346	2,596,912	2,581,281	2,456,864
FFB[a] (Guaranteed by DOE)	—	874,607	1,180,628	1,678,442	1,735,586
First Mortgage Bonds	2,561,114	2,810,103	2,809,093	3,058,083	3,057,072
Pollution Control Bonds[b]	980,770	980,770	980,770	980,770	980,770
CFC First Mortgage Notes	5,892	5,085	4,238	3,347	2,411
CoBank First Mortgage Notes	4,704	4,084	3,386	2,600	—
Total	**6,229,293**	**7,256,995**	**7,575,027**	**8,304,523**	**8,232,703**

[a]Federal Financing Bank (FFB) debt consists of First Mortgage Notes payable to the United States acting through the FFB and guaranteed by either the Rural Utility Service or the Department of Energy. [b]Pollution Control Bonds are issued through the Development Authorities of the Counties of Appling, Burke, Heard and Monroe.
Source: OPC.

Financial Forecast

OPC's long-range financial forecast reflects the completion of the Vogtle project in 2021 and 2022, continued capitalization of financing costs until project completion (notwithstanding two optional customer programs that allow customers to begin paying a portion of their respective interest costs to lower the rate impact in 2021 and 2022) and sizable planned debt offerings. Near-term targets appear achievable in Fitch's view but the sizable rate impacts are delayed until 2021 and 2022 when 660MW of new nuclear capacity is brought into OPC's capacity charge.

OPC has been and plans to continue setting rates to achieve 1.14x MFI, which will result in operating and net margins in line with or higher than those experienced in fiscals 2014–2017 during Vogtle construction. Incremental borrowings will be around $5 billion through 2022. Fitch-calculated debt service coverage should exceed 1.4x over the five-year forecast period, except in 2019, when a $350 million scheduled bullet maturity will push calculated coverage below 1.0x. OPC expects to repay the maturing debt when due from cash reserves.

Leverage, measured as net adjusted debt/adjusted FADS, is forecast to increase to around 13.0x until commercial operation of the Vogtle units and the implementation of rate increases to recover related costs should drive FADS higher, reducing the leverage ratio to a still elevated 10.0x–11.0x in 2022. The ratio may increase in fiscal 2023 when OPC returns to billing for 1.1x MFI, instead of 1.14x that is in place during construction.

Oglethorpe Power Corporation, Georgia

($000, Audited Years Ended Dec. 31)	2013	2014	2015	2016	2017
Debt Service Coverage (x)					
Debt Service Coverage	1.44	1.48	1.44	1.92	1.59
Adjusted DSC (Including Transfer/PILOT/Dividend as O&M Expense)	1.44	1.48	1.44	1.92	1.59
Coverage of Full Obligations (PP as D/S and Transfer/PILOT/Dividend as O&M Expense)	1.42	1.45	1.42	1.88	1.56
Liquidity Metrics					
Days Cash and Investments on Hand	204	100	96	156	185
Days Liquidity on Hand	773	618	640	739	780
Leverage Metrics					
Debt/FADS (x)	12.9	12.6	12.9	11.3	10.7
Adjusted Debt (Including PP Adj.)/Adjusted FADS (Including PP Adj.) (x)	12.8	12.4	12.7	11.2	10.6
Net Debt/Net Capital Assets (%)	95.7	95.6	91.5	91.5	90.6
Equity/Capitalization (%)	9.1	9.5	9.8	9.8	10.8
Other Financial and Operating Metrics					
Operating Margin (%)	18.6	18.4	19.1	17.0	16.7
Wholesale Electric Revenue/MWh ($/MWh)	59.7	63.7	59.9	58.0	59.3
Capex/Depreciation and Amortization (%)	211.8	178.3	178.9	169.0	272.4
Debt Service/Cash Operating Expenses (%)	34.3	30.9	33.1	29.9	36.2
Income Statement					
Total Operating Revenue	1,245,376	1,408,163	1,349,825	1,507,231	1,434,196
Total Operating Expense	1,013,852	1,148,766	1,092,367	1,251,567	1,195,326
Operating Income	231,524	259,397	257,458	255,664	238,870
Adjustment to Operating Income	317,342	316,430	321,264	446,733	467,207
Funds Available for Debt Service	548,866	575,827	578,722	702,397	706,077
Total Annual Debt Service	**381,797**	**389,260**	**401,571**	**365,062**	**445,427**
Balance Sheet					
Unrestricted Funds (Cash & Liquid Investments)	408,193	237,391	213,038	366,290	397,695
Restricted Funds	733,894	816,216	842,830	947,670	1,425,507
Total Net Assets/Member's Equity	713,940	761,592	809,523	859,440	911,087
Total Debt	**7,098,123**	**7,243,132**	**7,451,079**	**7,935,833**	**7,539,165**
Cash Flow Statement					
FCF (FADS - Transfer & PILOT - Total Annual Debt Service)	167,069	186,567	177,151	337,335	260,650
Capex	628,216	558,778	560,381	613,019	1,019,695
FCF Less Capex	(461,147)	(372,211)	(383,230)	(275,684)	(759,045)

FADS – Funds available for debt service. RSF – Rate stabilization fund. D/S – Debt service. PILOT – Payment in lieu of taxes. O&M – Operations and maintenance. PP – Purchased power.
Source: OPC, Fitch Ratings.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.