



2014  
FINANCIAL & STATISTICAL  
ANNUAL REPORT

# ORLANDO UTILITIES COMMISSION 2014 FINANCIAL & STATISTICAL INFORMATION REPORT

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Certain information provided in this document is being provided to meet OUC's current continuing disclosure obligations under various continuing disclosure agreements entered into in connection with certain of its outstanding debt obligations, as required under Securities Exchange Commission Rule 15c2-12.



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# COMBINED INFORMATION

# GENERAL INFORMATION

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OUC—the Reliable One is the second largest municipal utility in Florida providing electric and water services to more than 237,530 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola Counties.

Created by a special act of the Florida Legislature in 1923 as a statutory commission of the State of Florida, the Orlando Utilities Commission (OUC) has full authority over the management and control of the electric and water systems of the City of Orlando. The charter, as amended, allows OUC to undertake the construction, operation and maintenance of electric, water, lighting and chilled water systems, in Orange County and portions of Osceola County.

OUC is governed by a five member board (the Board) which includes the Mayor of the City of Orlando as an ex-officio member. Board members must be OUC customers, and at least one member must reside in unincorporated Orange County. Members serve without pay and may hold two consecutive four-year terms.

OUC's electric system provides service to customers within the City of Orlando and certain contiguous areas of Orange County. The boundaries of OUC's 248 square mile electric service area are set pursuant to a ten year territorial agreement with Duke Energy. The agreement, which expires February 1, 2016, has been approved by the Florida Public Service Commission, which has full authority to resolve all disputes related to service territory.

In 1997, OUC entered into an inter-local agreement with the City of St. Cloud in Osceola County to assume responsibility for providing retail electric energy service to its customers. The agreement with St. Cloud expires September 30, 2032. OUC also operates and maintains St. Cloud's electric transmission and distribution system in its 171-square-mile service territory, granted to St. Cloud through an electric territorial agreement with Duke Energy through November 4, 2019.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth by a territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2019 with automatic ten year extension periods. In accordance with OUC's Consumptive Use Permit (CUP) from the St. Johns River Water Management District, water is obtained from deep wells that tap the Floridian Aquifer, a natural source of high quality water hundreds of feet below the surface. State-of-the-art water plants ozonate the water for disinfection and remove hydrogen sulfide. OUC's CUP agreement expires in 2023.

OUC operates two related businesses — OUConvenient Lighting and Chilled Water — that serve Orlando and surrounding counties. OUConvenient Lighting works with municipalities and commercial partners to plan, install and maintain indoor and outdoor lighting. Chilled Water provides chilled water service for air conditioning systems through a network of seven chilled water plants in five districts with a total capacity of 47,950 tons.

The information presented in the following pages represents OUC's financial and operational information for the fiscal periods of 2004-2014 and where appropriate, amounts have been reclassified to conform to the 2014 presentation.

## STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Assets</b>				
Utility plant, net				
In-service depreciated cost	\$2,133,614	\$ 2,108,165	\$ 2,144,052	\$ 2,160,121
Land and other non-depreciable assets	69,455	69,214	70,022	62,882
Construction work in progress	151,557	135,465	84,125	65,041
<b>Total utility plant, net (1)</b>	<u>2,354,626</u>	<u>2,312,844</u>	<u>2,298,199</u>	<u>2,288,044</u>
Restricted and internally designated assets				
Debt service and related funds	83,026	82,868	82,707	122,714
Decommissioning, construction bond proceeds and other funds	195,343	186,543	208,323	258,940
Liability reduction fund (2) (4)	-	-	-	20,268
Stabilization and self insurance funds (3)	153,926	169,275	183,649	197,414
Capital reserve fund (4)	118,968	118,968	118,968	14,700
<b>Total restricted and internally designated assets</b>	<u>551,263</u>	<u>557,654</u>	<u>593,647</u>	<u>614,036</u>
Current assets				
Cash and investments (5)	38,081	60,333	85,404	131,368
Customer accounts receivable, less allowance for doubtful accounts	76,034	67,697	71,245	74,711
Fuel for generation	24,821	30,168	19,348	24,319
Materials and supplies inventory, net	42,226	42,561	40,303	36,698
Other current assets	71,424	80,447	90,187	109,477
Hedging derivative instruments maturing within one year (6)	448	213	2,595	5
<b>Total current assets</b>	<u>253,034</u>	<u>281,419</u>	<u>309,082</u>	<u>376,578</u>
Other assets				
Net pension and other post-employment benefits asset	31,368	30,265	31,954	30,800
Regulatory assets (1)	34,900	42,096	20,084	20,873
Other long-term assets	18,140	17,118	17,349	18,212
Hedging derivative instruments (6)	226	88	2,052	-
<b>Total other assets</b>	<u>84,634</u>	<u>89,567</u>	<u>71,440</u>	<u>69,885</u>
<b>Total assets</b>	<u>3,243,557</u>	<u>3,241,484</u>	<u>3,272,368</u>	<u>3,348,543</u>
Deferred outflows of resources				
Unamortized loss on refunded bond (7)	51,922	58,439	51,265	53,638
Accumulated decrease in fair value of hedging derivatives (6)	23,808	25,622	43,559	50,165
<b>Total deferred outflows of resources</b>	<u>75,730</u>	<u>84,061</u>	<u>94,824</u>	<u>103,803</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 3,319,287</u>	<u>\$ 3,325,545</u>	<u>\$ 3,367,192</u>	<u>\$ 3,452,346</u>

(1) In 2013, OUC began implementing an advanced Metering Infrastructure (AMI) for both electric and water. As a result, the existing electric and water meters of \$1.8 million and \$4.4 million, respectively, were reclassified as regulatory assets. Through September 30, 2014, OUC has incurred \$38.6 million for the implementation of the AMI meter project. In 2013, Duke Energy closed the Crystal River Unit 3 (CR 3) nuclear generation facility and, as such, the net book value of \$17.6 million was reclassified as a regulatory asset. OUC also completed a depreciation study in 2013. The study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life study in late 2013 which resulted in a decrease in depreciation expense of \$22.7 million and \$11.6 million for 2014 and 2013, respectively. In 2012, Land and other non-depreciable assets increased primarily due to the reacquisition of the Indian River plant site (IRP) for \$11.5 million.

(2) In 2000, OUC sold the steam units at the IRP. A portion of the proceeds from this sale were internally designated to fund future debt maturities. In November 2006, \$113.4 million was used to defease portions of the Series 2001, 2001A & 2003A bonds.

(3) The fluctuation over the past ten years was primarily due to the changes in fuel stabilization funds, as these funds are designated to match the change in regulatory credits.

(4) In 2006, OUC established the capital reserve to fund the construction of capital projects. Funding for the capital reserve continued through 2008 with a reclassification of funds in 2010. In 2012, OUC designated an additional \$84.0 million to the capital reserve fund. Additionally, the Audit Committee approved, as part of the IRP re-purchase, the reclassification of \$20.3 million from the Liability reduction fund to the Capital reserve fund.



2010	2009	2008	2007	2006	2005	2004
\$ 2,134,963	\$ 1,800,510	\$ 1,748,769	\$ 1,726,375	\$ 1,681,186	\$ 1,652,730	\$ 1,644,680
62,868	59,501	59,196	31,632	31,632	29,667	31,670
<u>107,333</u>	<u>421,685</u>	<u>343,959</u>	<u>176,216</u>	<u>100,909</u>	<u>83,279</u>	<u>69,992</u>
<u>2,305,164</u>	<u>2,281,696</u>	<u>2,151,924</u>	<u>1,934,223</u>	<u>1,813,727</u>	<u>1,765,676</u>	<u>1,746,342</u>
133,981	121,526	118,406	118,471	117,812	112,837	109,264
314,346	179,005	224,233	211,336	217,311	141,533	107,785
20,386	20,384	20,380	30,593	143,446	151,096	190,491
174,676	141,604	110,013	143,154	111,085	56,173	66,377
<u>14,700</u>	<u>-</u>	<u>32,140</u>	<u>32,618</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
<u>658,089</u>	<u>462,519</u>	<u>505,172</u>	<u>536,172</u>	<u>595,154</u>	<u>461,639</u>	<u>473,917</u>
54,715	33,622	43,520	36,148	55,666	73,535	83,077
84,000	81,482	78,801	89,749	68,715	87,697	65,619
19,863	19,950	5,972	14,752	9,626	8,642	6,512
37,827	36,727	37,926	35,927	33,669	31,300	29,231
118,278	106,405	90,730	71,862	66,366	56,197	47,405
<u>31</u>	<u>314</u>	<u>114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>314,714</u>	<u>278,500</u>	<u>257,063</u>	<u>248,438</u>	<u>234,042</u>	<u>257,371</u>	<u>231,844</u>
30,100	34,268	36,801	40,048	43,182	46,216	49,167
22,076	20,989	27,124	23,490	10,155	10,197	12,391
22,911	21,000	16,067	12,094	11,588	6,035	31,535
<u>17</u>	<u>202</u>	<u>826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>75,104</u>	<u>76,459</u>	<u>80,817</u>	<u>75,632</u>	<u>64,925</u>	<u>62,448</u>	<u>93,093</u>
<u>3,353,071</u>	<u>3,099,174</u>	<u>2,994,976</u>	<u>2,794,465</u>	<u>2,707,848</u>	<u>2,547,134</u>	<u>2,545,196</u>
57,653	46,461	53,720	61,864	75,784	83,170	91,339
<u>75,660</u>	<u>84,159</u>	<u>43,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>133,313</u>	<u>130,620</u>	<u>97,140</u>	<u>61,864</u>	<u>75,784</u>	<u>83,170</u>	<u>91,339</u>
<u>\$ 3,486,384</u>	<u>\$ 3,229,794</u>	<u>\$ 3,092,116</u>	<u>\$ 2,856,329</u>	<u>\$ 2,783,632</u>	<u>\$ 2,630,304</u>	<u>\$ 2,636,535</u>

- (5) In 2014 and 2013, Cash and investments decreased due to the use of additional cash from operations to fund capital projects. The increase in 2011 was due to the release of \$41.4 million previously restricted as Debt service reserve for the Series 1992 Bonds that matured on October 1, 2010.
- (6) In conjunction with the implementation of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", all effective derivative instruments were included on the Statements of Net Position as either an asset or liability measured at fair market value. Related changes in the fair value of derivative instruments are deferred, under the headings Accumulated increase or decrease, respectively, in fair value of hedging derivatives, and recognized in the period in which the derivative is settled.
- (7) In 2014, OUC adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" which required the reclassification of losses associated with bond refundings as a Deferred outflows of resources. The Statements of Net Position were restated for this change.

## STATEMENTS OF NET POSITION (Dollars in thousands)

### Years Ended September 30

	2014	2013	2012	2011
<b>Liabilities</b>				
Current liabilities - payable from restricted and designated assets				
Accrued interest payable on notes and bonds	\$ 29,826	\$ 31,031	\$ 32,211	\$ 34,448
Bonds payable within one year	53,310	51,950	50,610	88,450
Customer meter deposits (1)	52,784	49,892	45,942	43,079
<b>Total payable from restricted and designated assets</b>	<u>135,920</u>	<u>132,873</u>	<u>128,763</u>	<u>165,977</u>
Current liabilities - payable from current assets				
Accounts payable and accrued expenses (2)	95,549	78,971	74,499	84,963
Other bonds payable (3)	98,360	98,360	98,360	98,360
Other current liabilities	20,338	19,708	19,245	18,604
Hedging derivative instruments maturing within one year (4)	512	3,459	7,815	11,519
<b>Total payable from current assets</b>	<u>214,759</u>	<u>200,498</u>	<u>199,919</u>	<u>213,446</u>
<b>Total current liabilities</b>	<u>350,679</u>	<u>333,371</u>	<u>328,682</u>	<u>379,423</u>
Other liabilities and deferred credits				
Asset retirement obligation and other liabilities	85,438	84,263	76,732	79,688
Hedging derivative instruments (4)	289	242	2,996	7,530
<b>Total other liabilities</b>	<u>85,727</u>	<u>84,505</u>	<u>79,728</u>	<u>87,218</u>
Long-term debt, net	<u>1,481,003</u>	<u>1,548,109</u>	<u>1,612,662</u>	<u>1,666,567</u>
<b>Total liabilities</b>	<u>1,917,409</u>	<u>1,965,985</u>	<u>2,021,072</u>	<u>2,133,208</u>
Deferred inflows of resources				
Unamortized gain on refunded debt	1,926	2,104	2,283	3,194
Regulatory credits (5)	233,029	252,936	272,224	283,106
Accumulated increase in fair value of hedging derivatives (4)	674	301	4,647	5
<b>Total deferred inflows of resources</b>	<u>235,629</u>	<u>255,341</u>	<u>279,152</u>	<u>286,305</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>\$ 2,153,038</u>	<u>\$ 2,221,326</u>	<u>\$ 2,300,224</u>	<u>\$ 2,419,513</u>
<b>Net position</b>				
Net investment in capital assets (6)	\$ 884,604	\$ 789,341	\$ 744,184	\$ 745,117
Restricted	265	329	1,543	1,570
Unrestricted	281,380	314,549	321,241	286,146
<b>Total net position</b>	<u>\$ 1,166,249</u>	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>	<u>\$ 1,032,833</u>

- (1) In 2013, OUC transitioned the St. Cloud electric customer deposits of \$2.6 million from the City of St. Cloud to OUC in preparation for the conversion of these customers to OUC's customer billing system.
- (2) The increase in Accounts payable and accrued expense during 2014 resulted from higher fuel and purchased power payables of \$9.5 million as a result of increased generation. Additionally in 2014, OUC recorded accruals of \$6.0 million for an environmental restoration, a FEMA de-obligation loss contingency and a tax liability with the Florida Department of Revenue.
- (3) In 2008, the Series 2004 Bonds were reclassified to Other bonds payable as the bonds were set to mature in July 2009. OUC intended to remarket these bonds with long-term variable rate debt; however, due to changing market conditions, only a portion of the debt was refunded on a long-term basis. In 2010, OUC refunded the remaining portion in the windows mode without an underlying liquidity facility; therefore, the debt remains classified as Current liabilities payable from current assets.
- (4) In conjunction with the implementation of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", all effective derivative instruments were included on the Statements of Net Position as either an asset or liability measured at fair market value. Related changes in the fair value of derivative instruments are deferred, under the headings Accumulated increase or decrease, respectively, in fair value hedging derivatives, and recognized in the period in which the derivative is settled.
- (5) The fluctuation over the past ten years was primarily due to the changes in fuel stabilization funds, as these funds are designated to match the change in regulatory credits.
- (6) The fluctuation in Net investment in capital assets, since 2012, was the result of OUC's use of cash from operations to fund capital projects.

2010	2009	2008	2007	2006	2005	2004
\$ 37,284	\$ 27,552	\$ 28,093	\$ 28,524	\$ 30,810	\$ 28,744	\$ 27,744
51,080	48,350	46,045	44,440	41,420	38,560	35,575
<u>39,062</u>	<u>33,485</u>	<u>33,575</u>	<u>31,481</u>	<u>29,012</u>	<u>26,099</u>	<u>24,846</u>
<u>127,426</u>	<u>109,387</u>	<u>107,713</u>	<u>104,445</u>	<u>101,242</u>	<u>93,403</u>	<u>88,165</u>
84,089	68,080	93,162	68,222	62,189	97,779	90,055
98,522	199,266	218,799	-	-	-	-
22,927	24,266	17,876	13,546	13,102	14,317	12,039
8,022	3,552	5,482	-	-	-	-
<u>213,560</u>	<u>295,164</u>	<u>335,319</u>	<u>81,768</u>	<u>75,291</u>	<u>112,096</u>	<u>102,094</u>
<u>340,986</u>	<u>404,551</u>	<u>443,032</u>	<u>186,213</u>	<u>176,533</u>	<u>205,499</u>	<u>190,259</u>
77,974	81,022	84,037	79,507	80,916	71,378	68,595
13,050	12,020	1,766	-	-	-	-
<u>91,024</u>	<u>93,042</u>	<u>85,803</u>	<u>79,507</u>	<u>80,916</u>	<u>71,378</u>	<u>68,595</u>
<u>1,789,258</u>	<u>1,541,539</u>	<u>1,446,100</u>	<u>1,481,868</u>	<u>1,511,674</u>	<u>1,434,951</u>	<u>1,478,762</u>
<u>2,221,268</u>	<u>2,039,132</u>	<u>1,974,935</u>	<u>1,747,588</u>	<u>1,769,123</u>	<u>1,711,828</u>	<u>1,737,616</u>
3,422	3,650	-	-	-	-	-
267,236	229,039	198,136	243,299	212,742	155,976	173,716
48	1,688	940	-	-	-	-
<u>270,706</u>	<u>234,377</u>	<u>199,076</u>	<u>243,299</u>	<u>212,742</u>	<u>155,976</u>	<u>173,716</u>
<u>\$ 2,491,974</u>	<u>\$ 2,273,509</u>	<u>\$ 2,174,011</u>	<u>\$ 1,990,887</u>	<u>\$ 1,981,865</u>	<u>\$ 1,867,804</u>	<u>\$ 1,911,332</u>
\$ 740,393	\$ 778,476	\$ 754,793	\$ 661,230	\$ 530,940	\$ 513,025	\$ 461,418
425	827	2,515	8,342	5,863	4	4
<u>253,592</u>	<u>176,982</u>	<u>160,797</u>	<u>195,870</u>	<u>264,964</u>	<u>249,471</u>	<u>263,781</u>
<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Operating revenues</b>				
Electric operating revenues (1)	\$ 771,323	\$ 718,551	\$ 747,605	\$ 769,776
Water operating revenues	64,080	62,812	63,454	64,142
Lighting operating revenues	12,990	12,626	12,449	12,316
Chilled water operating revenues	<u>31,592</u>	<u>31,369</u>	<u>30,875</u>	<u>29,775</u>
<b>Total operating revenues</b>	<u>879,985</u>	<u>825,358</u>	<u>854,383</u>	<u>876,009</u>
<b>Operating expenses</b>				
Fuel for generation, purchased power and fixed demand payments (2)	347,896	315,867	326,071	332,198
Production	88,060	84,538	95,108	96,229
Transmission and distribution (3)	38,258	34,246	34,206	37,553
Lighting	3,128	3,450	3,272	3,161
Chilled water	15,733	15,090	15,165	14,829
Storm recovery cost (4)	2,000	-	-	-
Depreciation and amortization (5)	113,601	118,964	120,699	119,361
Customer service (6)	32,495	33,525	38,289	35,074
General and administrative (7)	51,517	48,608	47,480	46,750
Utility/property tax (8)	18,130	14,800	15,481	16,473
Revenue based payments to the City of Orlando	27,784	29,406	29,623	28,809
Revenue based payments to Orange County	1,457	1,397	1,477	1,461
Revenue based payments to the City of St. Cloud	6,372	6,752	6,927	6,372
System use payments to the City of St. Cloud	<u>1,497</u>	<u>1,920</u>	<u>1,915</u>	<u>1,915</u>
<b>Total operating expenses</b>	<u>747,928</u>	<u>708,563</u>	<u>735,713</u>	<u>740,185</u>
<b>Operating income</b>	132,057	116,795	118,670	135,824
<b>Non-operating income and (expense)</b>				
Interest income (9)	4,848	4,512	6,691	4,560
Other income, net	9,375	10,289	13,318	12,155
Amortization of gain on sale of assets (10)	2,888	4,692	4,233	3,971
Bond interest and related expenses (11)	<u>(59,887)</u>	<u>(62,355)</u>	<u>(70,235)</u>	<u>(78,530)</u>
<b>Total non-operating expenses, net</b>	<u>(42,776)</u>	<u>(42,862)</u>	<u>(45,993)</u>	<u>(57,844)</u>
<b>Income before contributions</b>	89,281	73,933	72,677	77,980
<b>Contributions in aid of construction (CIAC) (12)</b>	21,371	10,318	8,619	8,419
<b>Annual dividend (13)</b>	<u>(48,622)</u>	<u>(47,000)</u>	<u>(47,161)</u>	<u>(47,976)</u>
<b>Increase in net position</b>	62,030	37,251	34,135	38,423
<b>Net position - beginning of year</b>	<u>1,104,219</u>	<u>1,066,968</u>	<u>1,032,833</u>	<u>994,410</u>
<b>Net position - end of year</b>	<u>\$ 1,166,249</u>	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>	<u>\$ 1,032,833</u>

(1) In 2014, Electric operating revenues increase was driven by a 3.4% increase in retail consumption, higher fuel revenues as a result of rising natural gas costs, wholesale market opportunities and new demand contracts with the Cities of Winter Park and Lake Worth. As a result of the unexpected increase in wholesale sales, the Board approved the deferral of \$8.0 million which will be used to mitigate future costs associated with expected Environmental Protection Agency (EAP) rulings. In 2013, the \$29.0 million decrease in Electric operating revenues was due to a rate decrease approved by the Board in October 2012. The decrease in 2012 was driven by a 34.8% decrease in megawatt hours sold in conjunction with the decreased utilization of OUC's coal generation facilities.

(2) In 2014, Fuel for generation, purchased power and fixed demand payments was increased from that of 2013 due to an increase in native load requirements and an extended outage at the Lakeland McIntosh Unit 3 facility. Additionally, fuel costs have risen since 2013, particularly for natural gas. In 2013, the decrease was due to lower coal commodity costs.

(3) Higher 2011 and 2010 Transmission and distribution costs resulted from the recognition of consumptive use permit spending of \$2.3 million and a write down of a deferred water regulatory project of \$2.3 million, respectively.

(4) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of unrecoverable storm restoration costs, net of grant reimbursements. In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay. In 2014 as a result of a potential de-obligation of funds related to the hurricanes experienced in 2004, OUC recorded a loss contingency of \$2.0 million.

(5) In 2013 a study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life changes in late 2013 which resulted in a depreciation expense decrease of \$11.6 million. The annualized impact of the study implementation was \$22.7 million in 2014. These decreases were offset by incremental year-over-year systematic depreciation related to the capitalization of new assets.

(6) In 2014, with the implementation of the Advanced Metering Infrastructure (AMI) upgrades, the Customer service costs were lower due to staffing reductions. The increase in 2012 was primarily due to the recognition of costs associated with the write-down of the non-AMI meters.

(7) In 2014 and 2013, General and administrative costs increased due to higher pension and medical costs. The increase in 2012 was driven by higher information technology costs. In 2010, lower than projected investment returns and the inclusion of previously approved cost-of-living adjustments (COLA) contributed to the increase.

2010	2009	2008	2007	2006	2005	2004
\$ 759,754	\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465	\$ 605,653
62,619	62,675	62,224	65,428	56,032	54,361	50,460
12,155	12,036	11,283	10,437	8,885	7,696	6,651
<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>
<u>863,814</u>	<u>803,415</u>	<u>844,182</u>	<u>765,825</u>	<u>746,255</u>	<u>754,260</u>	<u>673,107</u>
330,738	312,377	372,423	323,245	346,417	373,880	318,558
94,089	80,363	81,359	73,401	69,685	68,053	62,978
37,687	32,725	31,483	28,523	25,064	21,195	19,260
3,494	3,688	3,853	2,909	2,771	2,569	1,954
14,489	13,015	11,067	10,428	9,726	8,069	5,730
-	162	624	-	-	-	6,003
117,105	110,068	98,312	92,282	86,433	85,570	79,768
31,448	29,361	29,245	29,979	27,234	20,897	20,011
45,810	37,634	37,898	34,716	28,936	27,022	26,400
16,535	15,142	13,533	12,908	12,895	11,461	10,071
28,804	27,301	25,148	24,130	23,658	20,187	18,058
1,821	1,687	1,054	1,056	1,062	871	816
5,582	5,316	5,064	4,079	3,519	3,349	3,240
<u>1,911</u>	<u>1,910</u>	<u>1,914</u>	<u>1,915</u>	<u>1,907</u>	<u>1,911</u>	<u>1,925</u>
<u>729,513</u>	<u>670,749</u>	<u>712,977</u>	<u>639,571</u>	<u>639,307</u>	<u>645,034</u>	<u>574,772</u>
134,301	132,666	131,205	126,254	106,948	109,226	98,335
8,569	10,649	16,683	23,228	22,724	9,239	9,354
7,832	2,263	2,189	3,325	1,853	2,840	2,077
3,971	3,971	3,971	3,970	3,970	3,970	14,006
<u>(85,051)</u>	<u>(77,048)</u>	<u>(74,167)</u>	<u>(71,764)</u>	<u>(73,721)</u>	<u>(68,551)</u>	<u>(71,005)</u>
<u>(64,679)</u>	<u>(60,165)</u>	<u>(51,324)</u>	<u>(41,241)</u>	<u>(45,174)</u>	<u>(52,502)</u>	<u>(45,568)</u>
69,622	72,501	79,881	85,013	61,774	56,724	52,767
14,099	11,579	18,734	24,362	25,293	14,607	13,955
<u>(45,596)</u>	<u>(45,900)</u>	<u>(45,952)</u>	<u>(45,700)</u>	<u>(47,800)</u>	<u>(34,034)</u>	<u>(31,660)</u>
38,125	38,180	52,663	63,675	39,267	37,297	35,062
<u>956,285</u>	<u>918,105</u>	<u>865,442</u>	<u>801,767</u>	<u>762,500</u>	<u>725,203</u>	<u>690,141</u>
<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>

- (8) Utility/property tax costs increased \$2.9 million in 2014 as a result of an unexpected customer classification change for two large customers related to gross receipts tax.
- (9) Since 2008, interest rates have been lower due to the market downturn. However, interest income increased slightly in 2012 as a result of the inclusion of gains earned on investments sold prior to maturity along with increased investment valuation adjustments resulting from continued market volatility. Higher cash reserves positively impacted earnings in 2006 and 2007.
- (10) Proceeds from the sale of the steam units at the Indian River Plant (IRP) were internally designated and the gain was deferred in accordance with GASB Statement No. 62 as it is applied to regulated operations. A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for Stanton Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with the original gain on sale amount. In 2014, the life of SEC A was extended resulting in a decrease in the gain on the sale of assets.
- (11) Since 2012, OUC's Bond interest and related expenses have declined as a result of favorable refunding activity and lower outstanding debt as a result of maturities. Lower interest rate swap costs and various series refunding activities decreased interest and other expense in 2011 by \$6.5 million. In 2010, Interest and other expense increased primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.
- (12) In 2014, CIAC increased due to a large St. Cloud transmission project.
- (13) In 2008 through 2014, the dividend originally based on 60% of Income before contributions was fixed. In 2005, the Board approved a change for 2006 and 2007 to increase the dividend calculation from 60% to 85% and 80%, respectively, of budgeted Income before contributions. Prior to 2005, the dividend payments to the City of Orlando were calculated at 60% of Income before contributions for all operating units except Chilled Water. Dividends for Chilled Water were calculated based on 50% of Income before contributions up to \$625 thousand through 2003 and 60% thereafter.

## STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 857,969	\$ 808,235	\$ 846,553	\$ 903,066
Cash paid for fuel and purchased power	(326,155)	(318,861)	(318,394)	(327,267)
Cash paid for unit/department expenses excluding salaries and benefits	(57,821)	(60,574)	(82,410)	(86,131)
Cash paid for salaries and benefits	(148,339)	(137,864)	(137,749)	(138,637)
Cash paid to other governments and taxes	(55,739)	(54,317)	(54,968)	(54,999)
Cash (paid to)/received from storm recovery expenses (1)	-	-	-	-
<b>Net (paid)/cash provided by operating activities</b>	<u>269,915</u>	<u>236,619</u>	<u>253,032</u>	<u>296,032</u>
<b>Cash flows from non-capital related financing activities</b>				
Dividend payment	(48,622)	(47,000)	(47,161)	(47,976)
Build America bond interest received	5,487	1,982	3,973	3,963
<b>Net cash used in non-capital related financing activities</b>	<u>(43,135)</u>	<u>(45,018)</u>	<u>(43,188)</u>	<u>(44,013)</u>
<b>Cash flows from capital related financing activities</b>				
Utility plant net of contributions in aid of construction (2)	(144,399)	(149,974)	(122,737)	(103,432)
Debt interest payments	(65,904)	(68,942)	(73,766)	(89,517)
Collateral deposits	(1,600)	11,100	(2,400)	16,400
Principal payments & refunding costs on long-term debt (3)	(51,950)	(358,766)	(250,890)	(231,095)
Debt issuances (3)	-	308,305	163,913	178,834
Debt issuance expenses	(1,435)	(2,896)	(1,502)	(2,892)
Advance pension payments (4)	-	-	-	-
<b>Net cash used in capital related financing activities</b>	<u>(265,288)</u>	<u>(261,173)</u>	<u>(287,382)</u>	<u>(231,704)</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales and maturities of investment securities	403,529	398,949	718,924	1,005,222
Gain on sale of investments	338	421	648	2,064
Purchases of investment securities	(301,646)	(487,028)	(591,305)	(1,009,564)
Investments and other income received	9,608	10,904	8,816	12,170
<b>Net cash provided by/(used in) investing activities</b>	<u>111,829</u>	<u>(76,754)</u>	<u>137,082</u>	<u>9,892</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>73,321</u>	<u>(146,326)</u>	<u>59,544</u>	<u>30,207</u>
<b>Cash and cash equivalents - beginning of year</b>	<u>150,545</u>	<u>296,871</u>	<u>237,327</u>	<u>207,120</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 223,866</u>	<u>\$ 150,545</u>	<u>\$ 296,871</u>	<u>\$ 237,327</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
<b>Operating income</b>	\$ 132,057	\$ 116,795	\$ 118,670	\$ 135,824
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>				
Depreciation and amortization of plant charged to operations	113,601	118,964	120,699	119,361
Depreciation and amortization charged to fuel for generation and purchased power	2,804	2,017	3,360	4,472
Depreciation of vehicles and equipment charged to unit/department expenses	3,636	3,960	3,679	4,892
Changes in assets and liabilities				
Decrease/(increase) in receivables and accrued revenue	3,483	(544)	1,059	10,245
Decrease/(increase) in fuel and materials and supplies inventories	11,987	(8,261)	3,473	4,271
Increase/(decrease) in accounts payable	17,257	11,108	(395)	557
Increase/(decrease) in deposits payable and deferred costs	2,392	2,062	6,097	(5,811)
(Decrease)/increase in stabilization and deferred revenue	(17,302)	(9,482)	(3,610)	22,221
<b>Net cash provided by operating activities</b>	<u>\$ 269,915</u>	<u>\$ 236,619</u>	<u>\$ 253,032</u>	<u>\$ 296,032</u>
<b>Reconciliation of cash and cash equivalents</b>				
Restricted and internally designated equivalents	\$ 137,210	\$ 61,919	\$ 176,950	\$ 144,401
Cash and investments	3,629	5,758	5,137	3,960
Construction and related funds	-	-	32,077	7,637
Debt service and related funds	83,027	82,868	82,707	81,329
<b>Cash and cash equivalents - end of the year</b>	<u>\$ 223,866</u>	<u>\$ 150,545</u>	<u>\$ 296,871</u>	<u>\$ 237,327</u>

(1) In August and September 2004, OUC was impacted by hurricanes Charley, Frances and Jeanne and subsequently received grant funds from Federal Emergency Management Agency (FEMA) and the State of Florida Department of Community Affairs (DCA).

(2) In 2013 and 2014, OUC implemented the Advanced Metering Infrastructure project spending \$23.8 million and \$14.8 million, respectively. Additionally in 2013, OUC funded Information Technology projects of \$28.5 million, which included several customer focused web initiatives.

(3) During 2014, OUC did not issue or refund debt.

2010	2009	2008	2007	2006	2005	2004
\$ 899,241 (328,583)	\$ 827,231 (347,691)	\$ 839,152 (378,343)	\$ 763,456 (326,874)	\$ 819,265 (374,365)	\$ 710,245 (364,435)	\$ 631,648 (313,039)
(61,220) (136,480) (54,429) -	(75,027) (115,283) (50,993) -	(74,058) (113,564) (46,923) (624)	(95,116) (63,880) (45,400) -	(129,066) (56,081) (41,714) 530	(76,834) (54,437) (37,404) 16,482	(75,041) (48,499) (33,862) (22,485)
<u>318,529</u>	<u>238,237</u>	<u>225,640</u>	<u>232,186</u>	<u>218,569</u>	<u>193,617</u>	<u>138,722</u>
(45,596) 2,675 <u>(42,921)</u>	(45,900) - <u>(45,900)</u>	(45,952) - <u>(45,952)</u>	(45,700) - <u>(45,700)</u>	(49,135) - <u>(49,135)</u>	(32,700) - <u>(32,700)</u>	(35,495) - <u>(35,495)</u>
(141,230) (97,153) (6,600) (366,000) 541,050 (5,086) -	(237,983) (78,236) - (362,945) 419,875 (3,955) -	(302,678) (81,091) - (44,440) 200,000 (1,623) -	(191,427) (74,448) - (289,337) 260,620 (2,429) -	(93,236) (70,443) - (75,898) 160,525 (857) -	(91,956) (66,742) - (35,575) - (640) -	(100,723) (66,084) - (261,980) 288,735 (543) (54,600)
<u>(75,019)</u>	<u>(263,244)</u>	<u>(229,832)</u>	<u>(297,021)</u>	<u>(79,909)</u>	<u>(194,913)</u>	<u>(195,195)</u>
700,558 3,314 (864,933) 11,927 <u>(149,134)</u> 51,455 155,665 <u>\$ 207,120</u>	598,096 2,230 (497,435) 13,921 <u>116,812</u> 45,905 109,760 <u>\$ 155,665</u>	594,525 7,791 (634,030) 22,507 <u>(9,207)</u> (59,351) 169,111 <u>\$ 109,760</u>	592,967 - (538,523) 33,219 <u>87,663</u> (22,872) 191,983 <u>\$ 169,111</u>	621,734 - (673,304) 19,399 <u>(32,171)</u> 57,354 134,629 <u>\$ 191,983</u>	232,197 - (203,529) 14,590 <u>43,258</u> 9,262 125,367 <u>\$ 134,629</u>	544,702 12,950 (548,278) 18,027 <u>27,401</u> (64,567) 189,934 <u>\$ 125,367</u>
\$ 134,301	\$ 132,666	\$ 131,205	\$ 126,254	\$ 106,948	\$ 109,226	\$ 98,335
117,105	110,068	98,312	92,282	86,433	85,570	79,768
3,985	4,051	3,498	3,471	3,367	1,833	2,258
10,425	6,126	3,233	2,538	1,671	1,604	1,573
(3,179) 2,733 19,602 (11,599) 45,156 <u>\$ 318,529</u>	(1,267) (7,407) (20,786) (14,322) 29,108 <u>\$ 238,237</u>	8,166 12,744 24,112 (12,986) (42,644) <u>\$ 225,640</u>	(24,617) (6,956) 8,905 13,334 16,975 <u>\$ 232,186</u>	15,189 (31,101) (15,794) (5,077) 56,933 <u>\$ 218,569</u>	(27,407) (11,244) 25,954 24,755 (16,674) <u>\$ 193,617</u>	(6,062) 1,169 17,342 (20,910) (34,751) <u>\$ 138,722</u>
\$ 89,181 1,261 35,182 81,496 <u>\$ 207,120</u>	\$ 88,474 4,362 33,042 29,787 <u>\$ 155,665</u>	\$ 42,206 2,472 40,057 25,025 <u>\$ 109,760</u>	\$ 87,049 9,907 1,048 71,107 <u>\$ 169,111</u>	\$ 105,521 17,600 20,440 48,422 <u>\$ 191,983</u>	\$ 64,552 25,855 11,945 32,277 <u>\$ 134,629</u>	\$ 91,219 25,695 7,030 1,423 <u>\$ 125,367</u>

(4) In 2004, OUC advance funded \$54.6 million to the pension trust.

## SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Current ratio</b>				
Current assets/current liabilities (1)	2.98	3.35	3.55	3.12
<b>Days cash on hand (1)</b>	308	350	353	354
<b>Leverage ratio</b>				
Total debt/total assets	0.49	0.51	0.52	0.54
<b>Return on total position</b>				
Income before contributions/total assets (2)	2.69%	2.22%	2.16%	2.26%
<b>Return on net position</b>				
Income before contributions/average net position (2)(3)	7.86%	6.81%	6.92%	7.69%
<b>Debt/net position (4)</b>	55%/45%	58%/42%	60%/40%	62%/38%
<b>City of Orlando revenue based payments and dividend</b>	\$76,406	\$76,406	\$76,785	\$76,785
As a percentage of retail revenue	10.92%	11.33%	10.97%	10.47%
<b>Retail receivables/retail billed revenue (5)</b>	7.27%	6.56%	6.96%	7.00%
<b>Bad debt expense/retail billed revenue (OUC) (6)</b>	0.44%	0.42%	0.54%	0.68%
<b>Bad debt expense/retail revenue (Interlocal sales) (6)</b>	0.64%	0.43%	0.67%	0.66%
<b>Days sales uncollected (OUC)</b>	27	26	28	27
<b>Days sales uncollected (Interlocal sales) (7)</b>	29	35	28	32
<b>Materials inventory as a percentage of total plant</b>	1.79%	1.84%	1.75%	1.60%
<b>Total metered services per meter reader (OUC) (8)</b>	16,971	15,827	15,156	12,174

(1) The decrease in 2014 stems from the use of cash to fund capital related activities.

(2) In 2014, the increase is a result of increased electric and water revenues due to higher native load consumption and unexpected wholesale revenue. In 2010, the return changed as a result of the issuance of the Series 2010A Construction Bonds of \$200.0 million. The change in 2007 and 2008 was driven by increased revenue as a result of rate modification in January 2007 that included a reserve for future capital spending.

(3) The 2012 and 2013 decrease in Return on net position is due to lower electric revenue as a result of an approved electric energy rate decrease beginning October 1, 2012 and decreased consumption since 2012.

(4) The change in the Debt/net position ratio was due to the utilization of operating cash to fund capital projects, continued Net position growth and the maturity of \$210.9 million of Long-term debt since 2011.

(5) In 2014, both Retail receivables and Retail billed revenue increased due to increased consumption. The decline in percentage from 2010 to 2013 was due to lower retail receivables as a result of mild weather. In 2007, the increase was due to delayed collection efforts as a result of staffing resources dedicated to the PSERM implementation.

(6) Beginning in 2007, the percentage of bad debt expense to retail revenue increased as a result of billing issues with the implementation of PSERM and the delay in collection efforts. This was followed by the downturn in the economy beginning in 2008. Since 2012, Bad debt expense has moved back toward historic levels.

(7) During 2013, the St. Cloud electric customers were transitioned into OUC's PSERM system. This transition resulted in the delay of St. Cloud cut-offs during September 2013 and the increase in Days sales uncollected.

(8) With the implementation of the Advanced Metering Infrastructure (AMI), the number of meter readers were substantially reduced and repurposed to other areas in the commission. This metric will not be tracked in the future. The change since 2012 is a result of a decrease in the number of meter readers due to the implementation of mobile data and the installation of AMI. The AMI project is expected to be fully implemented by December 2014 and the collection of the meter reading data will be fully automated.



2010	2009	2008	2007	2006	2005	2004
3.21	3.20	2.90	3.66	4.13	3.33	3.54
276	243	230	282	333	296	353
0.56	0.55	0.55	0.53	0.56	0.56	0.57
2.00%	2.24%	2.58%	2.98%	2.22%	2.16%	2.00%
7.14%	7.74%	8.96%	10.20%	7.90%	7.63%	7.46%
64%/36%	63%/37%	64%/36%	63%/37%	65%/35%	65%/35%	66%/34%
\$74,400	\$73,201	\$71,099	\$69,829	\$71,458	\$54,221	\$49,718
10.24%	10.72%	11.45%	11.58%	12.01%	10.69%	10.94%
8.24%	8.92%	8.59%	10.51%	7.64%	6.36%	8.22%
0.97%	0.90%	0.88%	0.73%	0.41%	0.41%	0.43%
0.70%	1.22%	0.62%	0.45%	0.35%	0.37%	0.23%
30	33	31	30	29	24	31
32	33	32	35	28	30	27
1.64%	1.61%	1.76%	1.86%	1.86%	1.77%	1.67%
11,696	12,949	12,527	11,211	11,647	11,034	9,941



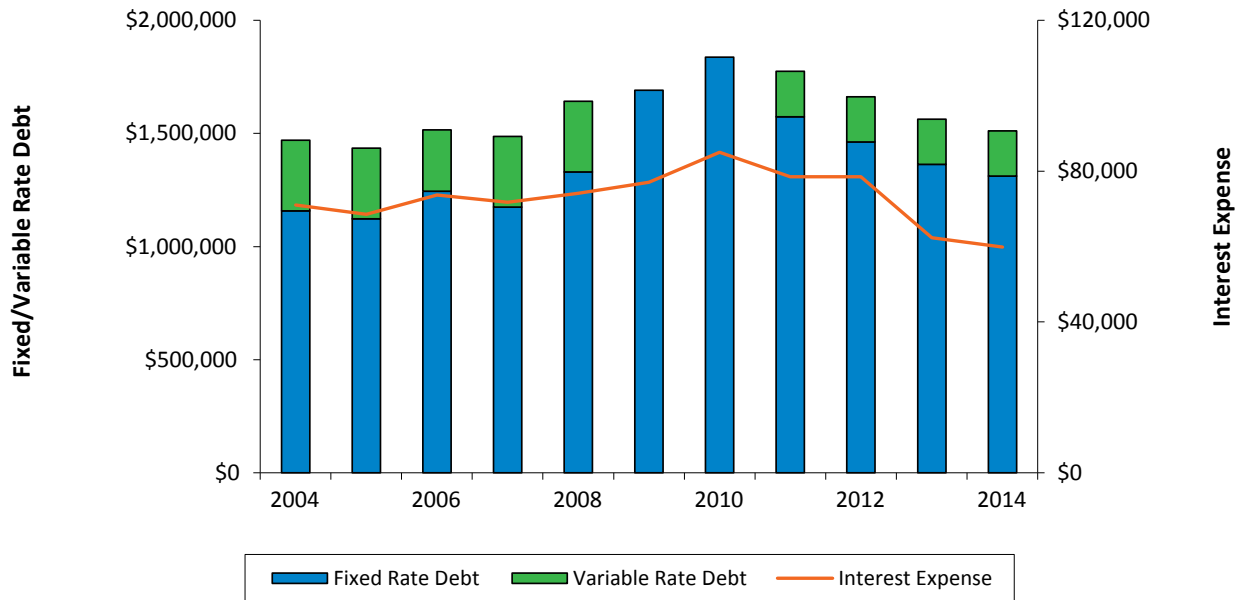
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# DEBT SERVICE INFORMATION

# DEBT SERVICE INFORMATION

**Fixed and Variable Rate Debt vs. Interest Expense**  
(Dollars in thousands)



Total interest costs have declined through scheduled maturities and a series of debt refundings since 2010.

## DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Gross revenue and income before contributions</b>				
<b>Operating revenues</b>				
Electric operating revenues	\$ 771,323	\$ 718,551	\$ 747,605	\$ 769,776
Water operating revenues	64,080	62,812	63,454	64,142
Lighting operating revenues	12,990	12,626	12,449	12,316
Chilled water operating revenues	31,592	31,369	30,875	29,775
<b>Total operating revenues</b>	<u>879,985</u>	<u>825,358</u>	<u>854,383</u>	<u>876,009</u>
Interest and other income	16,900	19,191	23,219	20,656
<b>Gross revenues and income before contributions</b>	<u>896,885</u>	<u>844,549</u>	<u>877,602</u>	<u>896,665</u>
<b>Expenses</b>				
<b>Operating expenses</b>				
Electric operating expenses	541,681	500,385	519,944	521,083
Water operating expenses	36,392	33,658	37,642	40,644
Lighting operating expenses	3,493	3,795	3,593	4,753
Chilled water operating expenses	16,496	15,807	15,811	16,390
<b>Total operating expenses</b>	<u>598,062</u>	<u>553,645</u>	<u>576,990</u>	<u>582,870</u>
Other expenses (1)	1,133	1,134	494	1,277
<b>Total expenses</b>	<u>599,195</u>	<u>554,779</u>	<u>577,484</u>	<u>584,147</u>
<b>Net revenue and income available for debt service</b>	<u>\$ 297,690</u>	<u>\$ 289,770</u>	<u>\$ 300,118</u>	<u>\$ 312,518</u>
Current debt service (2)	\$ 118,010	\$ 119,698	\$ 122,205	\$ 128,102
Current debt service coverage (2)	2.52x	2.42x	2.46x	2.44x
<b>Adjusted debt service coverage</b>				
Net revenue and income available for debt service	\$ 297,690	\$ 289,770	\$ 300,118	\$ 312,518
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	77,863	77,803	78,261	78,246
Net revenue and income available after payments	<u>\$ 219,827</u>	<u>\$ 211,967</u>	<u>\$ 221,857</u>	<u>\$ 234,272</u>
Adjusted debt service coverage	1.86x	1.77x	1.82x	1.83x
<b>Fixed or full charge coverage</b>				
Net revenue and income available after payments	\$ 219,827	\$ 211,967	\$ 221,857	\$ 234,272
Fixed demand payments/purchased power	31,608	33,389	34,120	33,415
Net revenue and income available after payments and fixed charge coverage	<u>\$ 251,435</u>	<u>\$ 245,356</u>	<u>\$ 255,977</u>	<u>\$ 267,687</u>
Fixed and full charge coverage	1.68x	1.60x	1.64x	1.66x
<b>Debt ratio</b>				
Gross funded debt/Net fixed assets & net working capital	61.68%	63.76%	66.64%	67.99%
Net funded debt/Net fixed assets & net working capital	66.82%	69.46%	70.73%	68.90%
<b>Operating ratio</b>				
Total expenses/Total operating revenues	68.09%	67.22%	67.59%	66.68%
<b>Net take-down (%)</b>				
Net revenue and income available for debt service/ Gross revenue and income before contributions	33.19%	34.31%	34.20%	34.85%
<b>Debt service safety margin</b>				
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	20.03%	20.14%	20.27%	20.57%

(1) In accordance with the debt coverage computation, payments to the City of Orlando and Orange County and depreciation and amortization were excluded. Additionally, other expenses were adjusted to add the effect of the swap agreements.

(2) The Series 2011A Bonds, classified as Current liabilities - payable from current assets, were included as Long-term debt as it is OUC's intention to hold the series until its final maturity date on October 1, 2027.

2010	2009	2008	2007	2006	2005	2004
\$ 759,754	\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465	\$ 605,653
62,619	62,675	62,224	65,428	56,032	54,361	50,460
12,155	12,036	11,283	10,437	8,885	7,696	6,651
<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>
863,814	803,415	844,182	765,825	746,255	754,260	673,107
<u>20,350</u>	<u>18,430</u>	<u>23,099</u>	<u>30,979</u>	<u>28,547</u>	<u>16,049</u>	<u>25,436</u>
<u>884,164</u>	<u>821,845</u>	<u>867,281</u>	<u>796,804</u>	<u>774,802</u>	<u>770,309</u>	<u>698,543</u>
515,960	470,404	529,843	467,375	475,802	492,794	435,619
36,590	33,320	32,967	31,687	29,804	26,769	24,513
5,108	5,147	5,101	5,081	4,175	3,784	3,177
<u>16,348</u>	<u>14,713</u>	<u>12,220</u>	<u>10,269</u>	<u>11,065</u>	<u>9,225</u>	<u>6,898</u>
574,006	523,584	580,131	514,412	520,846	532,572	470,207
<u>1,088</u>	<u>1,220</u>	<u>887</u>	<u>705</u>	<u>658</u>	<u>597</u>	<u>994</u>
<u>575,094</u>	<u>524,804</u>	<u>581,018</u>	<u>515,117</u>	<u>521,504</u>	<u>533,169</u>	<u>471,201</u>
<u>\$ 309,070</u>	<u>\$ 297,041</u>	<u>\$ 286,263</u>	<u>\$ 281,687</u>	<u>\$ 253,298</u>	<u>\$ 237,140</u>	<u>\$ 227,342</u>
\$ 134,877	\$ 122,469	\$ 116,220	\$ 115,151	\$ 113,022	\$ 105,134	\$ 101,327
2.29x	2.43x	2.46x	2.45x	2.24x	2.26x	2.24x
\$ 309,070	\$ 297,041	\$ 286,263	\$ 281,687	\$ 253,298	\$ 237,140	\$ 227,342
<u>76,221</u>	<u>74,887</u>	<u>72,154</u>	<u>70,886</u>	<u>72,520</u>	<u>55,161</u>	<u>50,534</u>
<u>\$ 232,849</u>	<u>\$ 222,154</u>	<u>\$ 214,109</u>	<u>\$ 210,801</u>	<u>\$ 180,778</u>	<u>\$ 181,979</u>	<u>\$ 176,808</u>
1.73x	1.81x	1.84x	1.83x	1.60x	1.73x	1.74x
\$ 232,849	\$ 222,154	\$ 214,109	\$ 210,801	\$ 180,778	\$ 181,979	\$ 176,808
<u>32,483</u>	<u>32,833</u>	<u>30,261</u>	<u>33,608</u>	<u>30,061</u>	<u>47,388</u>	<u>57,843</u>
<u>\$ 265,322</u>	<u>\$ 254,987</u>	<u>\$ 244,370</u>	<u>\$ 244,409</u>	<u>\$ 210,839</u>	<u>\$ 229,367</u>	<u>\$ 234,651</u>
1.59x	1.64x	1.67x	1.64x	1.47x	1.50x	1.47x
68.84%	70.26%	72.51%	64.71%	70.19%	70.45%	74.70%
68.26%	68.26%	71.28%	63.51%	68.27%	68.15%	72.17%
66.79%	65.53%	68.95%	67.26%	69.88%	70.69%	70.00%
34.75%	35.94%	32.89%	35.35%	32.69%	30.79%	32.55%
19.50%	21.04%	19.48%	20.90%	18.10%	17.14%	18.04%

**ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)**

Years ending 9/30 (1)	Series 2003T principal payments	Series 2003T interest payments	Series 2006 principal payments	Series 2006 interest payments	Series 2007 principal payments	Series 2007 interest payments
2015	\$ 4,300	\$ 973	\$ 1,870	\$ 5,979	\$ 22,615	\$ 869
2016	4,515	756	11,785	5,886	13,400	323
2017	4,755	517	17,540	5,322	-	-
2018	5,010	265	35,840	4,444	-	-
2019	-	-	15,910	2,652	-	-
2020	-	-	16,705	1,857	-	-
2021	-	-	15,905	1,063	-	-
2022	-	-	3,005	308	-	-
2023	-	-	3,155	158	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Subtotal long-term debt	18,580	2,511	121,715	27,669	36,015	1,192
Current portion (3)	4,095	1,177	1,800	6,051	21,410	2,012
Federal interest subsidy	-	-	-	-	-	-
Total long-term debt	<u>\$ 22,675</u>	<u>\$ 3,688</u>	<u>\$ 123,515</u>	<u>\$ 33,720</u>	<u>\$ 57,425</u>	<u>\$ 3,204</u>

- (1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.
- (2) The Series 2008 Variable Rate Demand Obligation Bonds of \$200.0 million are supported by a Stand By Bond Purchase Agreement (SBPA), which will expire on April 7, 2017. It is OUC's intention to either extend the current agreement, enter into a new agreement with a different liquidity provider or refund the debt and issue in a different mode.
- (3) The amounts presented here are the interest payments due April 2014 and October 2014, and the principal maturities due October 2014.

2007 swap interest payments	Series 2008 principal payments (2)	Series 2008 interest payments	Series 2009A principal payments	Series 2009A interest payments	Series 2009B principal payments	Series 2009B interest payments	Series 2009C principal payments	Series 2009C interest payments
\$ 445	\$ -	\$ 400	\$ -	\$ 5,250	\$ -	\$ 5,707	\$ 17,560	\$ 2,600
168	-	600	-	5,250	-	5,706	18,190	1,762
-	-	1,200	-	5,250	-	5,706	19,040	877
-	-	2,000	-	5,250	-	5,706	-	-
-	-	2,000	-	5,250	-	5,707	-	-
-	-	2,000	-	5,250	-	5,706	-	-
-	-	2,000	-	5,250	-	5,706	-	-
-	-	2,000	-	5,250	-	5,706	-	-
-	-	2,000	-	5,250	20,000	5,707	-	-
-	-	2,000	-	5,250	-	4,706	-	-
-	-	2,000	-	5,250	-	4,707	-	-
-	25,000	2,000	-	5,250	-	4,706	-	-
-	25,000	1,750	-	5,250	-	4,706	-	-
-	25,000	1,500	-	5,250	13,840	4,707	-	-
-	25,000	1,250	-	5,250	14,530	4,014	-	-
-	25,000	1,000	-	5,250	15,255	3,288	-	-
-	25,000	750	-	5,250	16,020	2,525	-	-
-	25,000	500	-	5,250	16,820	1,724	-	-
-	25,000	250	-	5,250	17,660	883	-	-
-	-	-	14,610	5,250	-	-	-	-
-	-	-	15,375	4,483	-	-	-	-
-	-	-	16,185	3,676	-	-	-	-
-	-	-	17,035	2,826	-	-	-	-
-	-	-	17,925	1,932	-	-	-	-
-	-	-	18,870	990	-	-	-	-
-	-	-	-	-	-	-	-	-
613	200,000	27,200	100,000	118,907	114,125	87,323	54,790	5,239
372	-	115	-	5,250	-	5,706	16,880	3,414
-	-	-	-	-	-	-	-	-
<u>\$ 985</u>	<u>\$ 200,000</u>	<u>\$ 27,315</u>	<u>\$ 100,000</u>	<u>\$ 124,157</u>	<u>\$ 114,125</u>	<u>\$ 93,029</u>	<u>\$ 71,670</u>	<u>\$ 8,653</u>



## ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2010A principal payments	Series 2010A interest payments (2)	Series 2010C principal payments	Series 2010C interest payments
2015	\$ -	\$ 11,324	\$ 7,415	\$ 3,404
2016	-	11,324	7,745	3,069
2017	-	11,324	8,095	2,721
2018	-	11,324	8,480	2,337
2019	-	11,324	8,895	1,923
2020	-	11,324	9,320	1,498
2021	-	11,324	9,765	1,052
2022	-	11,324	10,275	539
2023	-	11,324	-	-
2024	-	11,324	-	-
2025	-	11,324	-	-
2026	-	11,324	-	-
2027	-	11,324	-	-
2028	-	11,324	-	-
2029	-	11,324	-	-
2030	-	11,324	-	-
2031	-	11,324	-	-
2032	-	11,324	-	-
2033	-	11,324	-	-
2034	23,030	11,324	-	-
2035	23,880	10,020	-	-
2036	24,755	8,668	-	-
2037	25,665	7,267	-	-
2038	26,615	5,813	-	-
2039	27,590	4,306	-	-
2040	48,465	2,744	-	-
Subtotal long-term debt	200,000	265,298	69,990	16,543
Current portion (5)	-	11,324	7,075	3,742
Federal interest subsidy (2)	-	(92,562)	-	-
Total long-term debt	<u>\$ 200,000</u>	<u>\$ 184,060</u>	<u>\$ 77,065</u>	<u>\$ 20,285</u>

(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

(2) The total annual interest payments for the Series 2010A Bonds have been presented excluding the federal subsidy through maturity. A reduction to reflect the impact of the 35% federal interest subsidy has been reported separately.

(3) The Series 2011A Bonds have been designated by OUC as "Designated Maturity Obligations" for the purposes of the General Bond Resolution. For the purposes of this table, OUC has assumed that the Series 2011A Bonds will bear interest at a fixed swap rate of 3.78% under the interest rate exchange agreement with the swap counterparty until maturity on October 1, 2027. Additionally as these bonds were issued in the windows mode without an underlying liquidity facility, they were classified on the Statements of Net Position as a Current liability - payable from current assets.

(4) The 2005 forward swap, currently hedging the Series 2011A Bonds, contains the difference between the \$100.0 million notional amount of the swap and the lower outstanding principal of the Series 2011A Bonds.

(5) The amounts presented here are the interest payments due April 2014 and October 2014, net of current year Federal interest subsidy of \$3.8 million and the principal maturities due October 2014.

Series 2011A principal payments (3)	Series 2011A interest payments	2005 forward swap interest payments (4)	Series 2011B principal payments	Series 2011B interest payments	Series 2011C principal payments	Series 2011C interest payments
\$ -	\$ 310	\$ 3,470	\$ -	\$ 3,392	\$ -	\$ 4,093
-	402	3,378	1,575	3,392	-	4,092
-	696	3,084	5,425	3,345	-	4,093
-	1,100	2,680	13,325	3,097	-	4,092
-	1,100	2,680	13,985	2,449	12,820	4,093
-	1,100	2,680	14,670	1,768	13,430	3,481
-	1,100	2,680	8,015	1,035	24,925	2,840
-	1,100	2,680	6,440	634	26,050	1,714
-	1,100	2,680	6,240	312	-	461
-	1,100	2,680	-	-	2,140	461
-	1,100	2,680	-	-	2,245	354
49,180	1,100	2,680	-	-	2,360	242
49,180	550	1,340	-	-	2,480	124
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
98,360	11,858	35,392	69,675	19,424	86,450	30,140
-	165	3,673	-	3,392	-	4,093
-	-	-	-	-	-	-
<u>\$ 98,360</u>	<u>\$ 12,023</u>	<u>\$ 39,065</u>	<u>\$ 69,675</u>	<u>\$ 22,816</u>	<u>\$ 86,450</u>	<u>\$ 34,233</u>

## ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2012A principal payments	Series 2012A interest payments	Series 2013A principal payment	Series 2013A interest payment	Total principal	Total interest	Total swap interest
2015	\$ -	\$ 2,560	\$ 2,120	\$ 11,592	\$ 55,880	\$ 58,453	\$ 3,915
2016	1,265	2,559	2,290	11,508	60,765	56,629	3,546
2017	2,155	2,522	2,500	11,416	59,510	54,989	3,084
2018	2,235	2,435	5,370	11,316	70,260	53,366	2,680
2019	-	2,346	10,140	11,155	61,750	49,999	2,680
2020	-	2,346	21,290	10,648	75,415	46,978	2,680
2021	395	2,346	24,560	9,583	83,565	43,299	2,680
2022	410	2,330	35,610	8,355	81,790	39,260	2,680
2023	15,135	2,314	27,750	6,575	72,280	35,201	2,680
2024	15,155	1,557	51,980	5,187	69,275	31,585	2,680
2025	15,175	799	51,765	2,588	69,185	28,122	2,680
2026	495	40	-	-	77,035	24,662	2,680
2027	515	21	-	-	77,175	23,725	1,340
2028	-	-	-	-	38,840	22,781	-
2029	-	-	-	-	39,530	21,838	-
2030	-	-	-	-	40,255	20,862	-
2031	-	-	-	-	41,020	19,849	-
2032	-	-	-	-	41,820	18,798	-
2033	-	-	-	-	42,660	17,707	-
2034	-	-	-	-	37,640	16,574	-
2035	-	-	-	-	39,255	14,503	-
2036	-	-	-	-	40,940	12,344	-
2037	-	-	-	-	42,700	10,093	-
2038	-	-	-	-	44,540	7,745	-
2039	-	-	-	-	46,460	5,296	-
2040	-	-	-	-	48,465	2,744	-
Subtotal long-term debt	52,935	24,175	235,375	99,923	1,458,010	737,402	36,005
Current portion (2)	-	2,559	2,050	11,654	53,310	60,655	4,045
Federal interest subsidy (3)	-	-	-	-	-	(92,562)	-
Total long-term debt	<u>\$ 52,935</u>	<u>\$ 26,734</u>	<u>\$ 237,425</u>	<u>111,577</u>	<u>\$ 1,511,320</u>	<u>\$ 705,495</u>	<u>\$ 40,050</u>

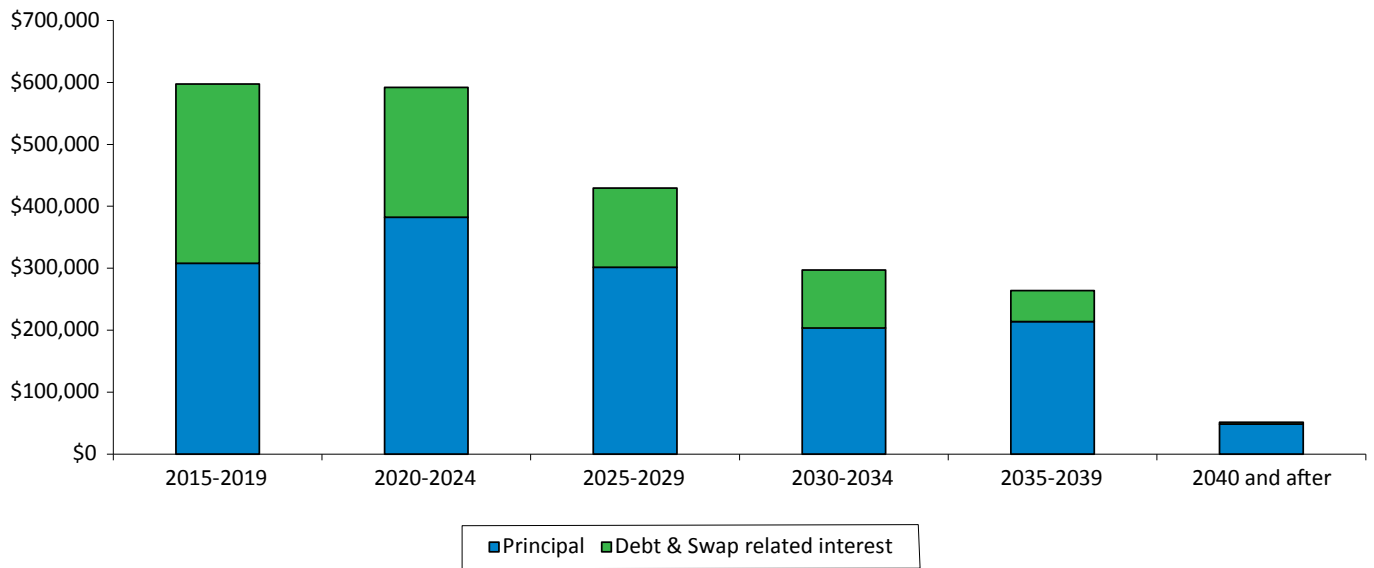
(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

(2) The amounts presented here are the interest payments due April 2014 and October 2014, and the principal maturities due October 2014.

(3) The Series 2011A Bonds have been designated by OUC as "Designated Maturity Obligations" for the purposes of the General Bond Resolution. For the purposes of this table, OUC has assumed that the Series 2011A Bonds will bear interest at a fixed swap rate of 3.78% under the interest rate exchange agreement with the swap counterparty until maturity on October 1, 2027. Additionally as these bonds were issued in the windows mode without an underlying liquidity facility, they were classified on the Statements of Net Position as a Current liability - payable from current assets.

## ESTIMATED DEBT SERVICE RECAP FOR OUTSTANDING BONDS

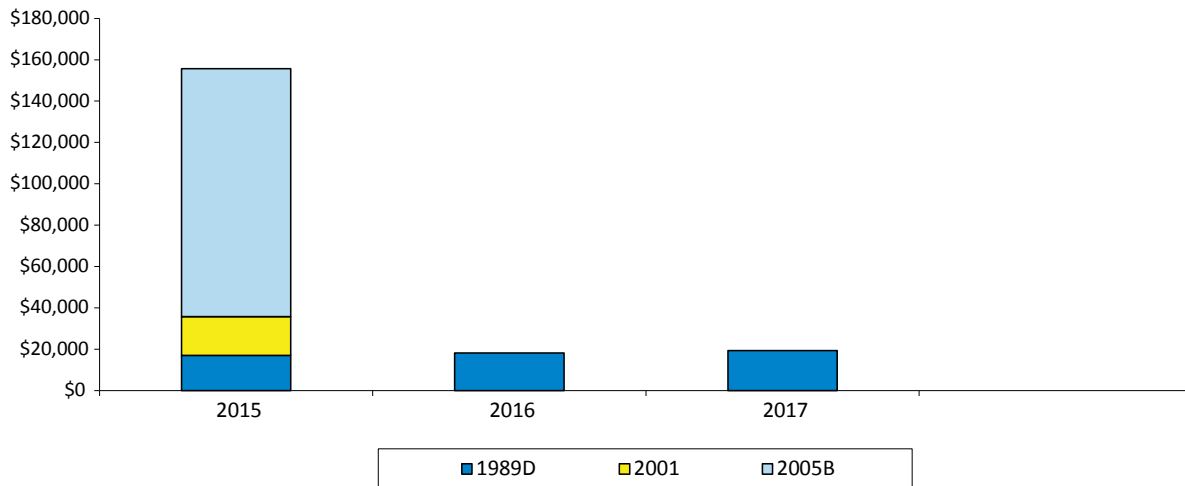
**Estimated Debt Service Recap for Outstanding Bonds**  
(Dollars in thousands)



## MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

Years ending 9/30	1989D (1)	2001 (1)	2005B (2)	Total
2015	\$ 16,965	\$ 18,710	\$ 120,000	\$ 155,675
2016	18,110	-	-	18,110
2017	19,330	-	-	19,330
Total defeased debt	<u>\$ 54,405</u>	<u>\$ 18,710</u>	<u>\$ 120,000</u>	<u>\$ 193,115</u>

### Defeased Debt Maturity Schedule Recap (Dollars in thousands)



(1) Defeased with cash proceeds from the Liability Reduction Fund.

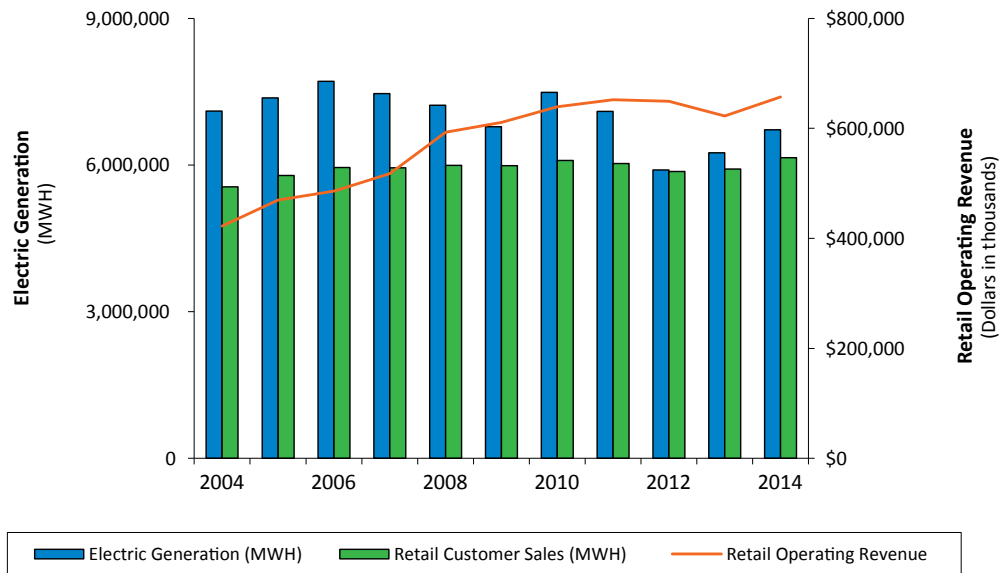
(2) Defeased by Series 2013A Utility System Revenue Refunding Bonds.



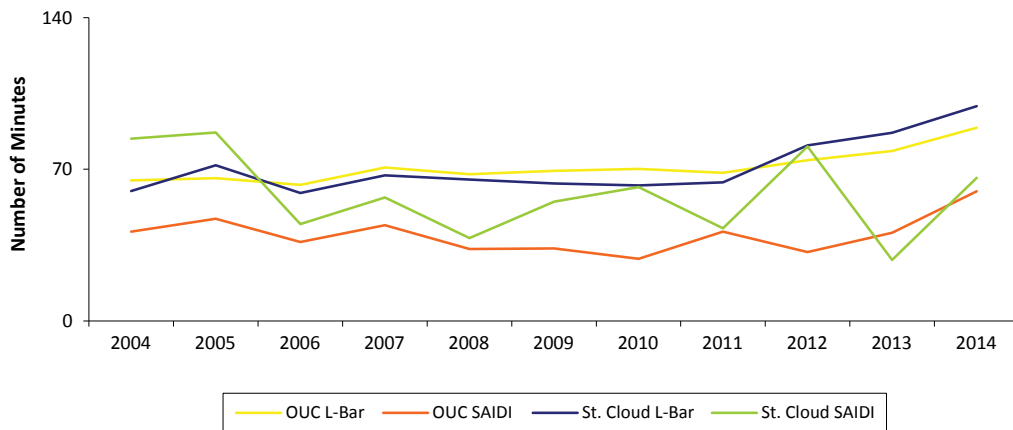
# ELECTRIC OPERATIONS

# ELECTRIC BUSINESS OPERATIONS

## Electric Generation, Retail Customer Sales and Retail Revenue



## Distribution Reliability



In 2014, the OUC Pershing substation experienced a significant event resulting in a large number of customers without power. In addition, both OUC and the City of St. Cloud had an active summer storm season.

## ELECTRIC REVENUES, EXPENSES AND CHANGES IN NET POSITION (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Operating revenues</b>				
Residential	\$ 224,284	\$ 209,253	\$ 220,775	\$ 228,372
Commercial - non-demand	40,691	35,757	36,607	34,675
Commercial - demand-secondary	279,134	271,608	282,627	275,531
Commercial - demand-primary	40,608	38,837	39,209	38,509
Non-metered lighting	4,121	4,173	4,077	3,865
Interlocal sales	68,395	63,182	67,045	71,148
Service fees and other	25,496	24,350	24,152	24,382
Operating revenues (excluding wholesale sales) (1)	682,729	647,160	674,492	676,482
Wholesale sales (2)	88,594	71,391	73,113	93,294
<b>Total operating revenues</b>	<b>771,323</b>	<b>718,551</b>	<b>747,605</b>	<b>769,776</b>
<b>Operation and maintenance expenses</b>				
Fuel and fixed demand payments (3)	293,008	261,077	237,704	281,741
Purchased power and other power supply expenses	54,888	54,790	88,367	50,457
Production (3)	74,384	71,592	81,553	81,824
Transmission	13,160	13,735	13,353	13,684
Distribution - OUC	16,556	13,668	13,611	13,275
Distribution - St. Cloud	1,185	999	1,426	1,445
Storm recovery costs (4)	2,000	-	-	-
Customer service	26,338	26,327	29,282	26,201
General & administrative	40,197	37,170	36,179	35,186
<b>Total operations and maintenance expenses</b>	<b>521,716</b>	<b>479,358</b>	<b>501,475</b>	<b>503,813</b>
<b>Other expenses</b>				
Utility/property tax	18,065	14,735	15,413	16,406
Revenue based payments to the City of Orlando	25,218	26,820	26,922	26,191
Revenue based payments to Orange County	1,301	1,249	1,322	1,352
Revenue based payments to the City of St. Cloud	6,372	6,752	6,927	6,372
System use payments to the City of St. Cloud	1,497	1,920	1,915	1,915
Depreciation and amortization (5)	88,367	91,005	96,817	94,590
<b>Total other expenses</b>	<b>140,820</b>	<b>142,481</b>	<b>149,316</b>	<b>146,826</b>
<b>Total operating expenses</b>	<b>662,536</b>	<b>621,839</b>	<b>650,791</b>	<b>650,639</b>
<b>Operating income</b>	<b>108,787</b>	<b>96,712</b>	<b>96,814</b>	<b>119,137</b>
<b>Non-operating income and expenses</b>				
Interest income (6)	4,072	3,758	5,716	3,783
Other income, net (7)	7,470	8,475	10,003	9,695
Amortization of deferred gain on sale of assets (8)	2,888	4,692	4,233	3,971
Bond interest and other related expenses (9)	(47,407)	(48,942)	(54,568)	(60,995)
<b>Total non-operating expense, net</b>	<b>(32,977)</b>	<b>(32,017)</b>	<b>(34,616)</b>	<b>(43,546)</b>
<b>Electric income before contributions</b>	<b>75,810</b>	<b>64,695</b>	<b>62,198</b>	<b>75,591</b>
<b>Contributions in aid of construction (CIAC) (10)</b>	<b>11,267</b>	<b>399</b>	<b>(19)</b>	<b>3,383</b>
<b>Annual dividend</b>	<b>(41,286)</b>	<b>(41,127)</b>	<b>(40,363)</b>	<b>(46,506)</b>
<b>Increase to net position</b>	<b>\$ 45,791</b>	<b>\$ 23,967</b>	<b>\$ 21,816</b>	<b>\$ 32,468</b>

(1) In 2014, the Operating revenues increase was driven by a 3.4% increase in retail and inter-local sales consumption. In 2013, Operating revenues were lower due to a Board approved rate decrease starting on October 1, 2012 and the annualized impact of the fuel rate decrease approved in March 2012.

(2) Wholesale sales increased in 2014 as a result of new agreements with the City of Winter Park and City of Lake Worth as of January 2014. In addition, extreme weather conditions and an unexpected outage at Lakeland's McIntosh Unit 3 plant increased sales. In 2013 and 2012, Wholesale sales decreased as a result of lower demand on coal generation utilization. In 2010, OUC secured wholesale agreements with the City of Bartow and City of Vero Beach.

(3) OUC completed a study that analyzed the classification of costs associated with material handling, procurement and movement of fuel. Based upon this study and supporting FERC guidance, \$4.1 million was reclassified from Production to Fuel and fixed demand payments each year since the study's implementation in 2013. In late February 2010, operations at the Stanton Energy Center Unit B commenced. As such, Production costs and Depreciation and amortization costs increased.

(4) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of unrecoverable storm restoration costs, net of grant reimbursements. In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay. In 2014 as a result of a potential de-obligation of funds related to the hurricanes experienced in 2004, OUC recorded a loss contingency of \$2.0 million.

(5) In 2013 a study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life changes in late 2013 which resulted in a depreciation expense decrease of \$8.3 million. The annualized impact of the study implementation was a decrease of \$17.3 million in 2014. These decreases were offset by incremental year-over-year systematic depreciation related to the capitalization of new assets.

(6) The fluctuation in Interest income in 2012 was primarily due to gains earned on investments sold prior to maturity along with investment valuation adjustments.

(7) As part of the Build America Bonds' stimulus program, OUC was granted a federal subsidy of which \$3.8 million was recognized in 2013, \$3.9 million was recognized in both 2012 and 2011 and \$2.7 million was recognized during 2010. Additionally, in 2012, OUC reversed an unrecognized regulatory compliance cost of \$0.9 million and in 2011, \$1.8 million was recognized for previously deferred storm recovery costs.



2010	2009	2008	2007	2006	2005	2004
\$ 225,361	\$ 210,641	\$ 207,894	\$ 197,510	\$ 175,774	\$ 174,071	\$ 157,105
33,420	31,230	38,633	28,427	27,055	26,122	23,457
268,808	264,875	252,791	208,240	204,311	197,128	179,467
34,171	32,751	31,045	24,918	23,721	28,245	25,245
3,866	4,147	3,877	2,655	2,025	2,193	1,806
73,570	67,247	58,941	58,413	54,843	44,068	37,028
<u>23,810</u>	<u>23,887</u>	<u>24,610</u>	<u>21,856</u>	<u>17,779</u>	<u>19,789</u>	<u>18,572</u>
663,006	634,778	617,791	542,019	505,508	491,616	442,680
96,748	69,705	133,145	131,298	160,240	187,849	162,973
<u>759,754</u>	<u>704,483</u>	<u>750,936</u>	<u>673,317</u>	<u>665,748</u>	<u>679,465</u>	<u>605,653</u>
280,898	249,034	292,677	247,832	257,090	251,500	220,155
49,840	63,343	79,746	75,413	89,327	122,380	98,403
79,731	65,366	67,621	59,870	56,679	56,223	52,950
12,484	10,486	10,285	9,628	7,719	5,465	5,593
15,429	15,068	12,546	11,352	11,567	10,096	8,202
1,483	1,611	1,803	2,017	1,752	1,436	1,473
-	158	616	-	-	-	5,618
23,491	21,933	21,846	22,394	20,344	15,610	14,948
<u>34,830</u>	<u>28,871</u>	<u>28,971</u>	<u>26,670</u>	<u>21,534</u>	<u>20,151</u>	<u>20,151</u>
<u>498,186</u>	<u>455,870</u>	<u>516,111</u>	<u>455,176</u>	<u>466,012</u>	<u>482,861</u>	<u>427,493</u>
16,464	15,072	13,466	12,836	12,828	11,405	10,004
26,217	24,861	22,917	22,006	21,828	18,491	16,544
1,821	1,687	1,054	1,056	1,062	871	816
5,582	5,316	5,064	4,079	3,519	3,349	3,240
1,911	1,910	1,914	1,915	1,907	1,911	1,925
<u>91,416</u>	<u>82,296</u>	<u>73,316</u>	<u>69,879</u>	<u>67,145</u>	<u>66,375</u>	<u>63,801</u>
<u>143,411</u>	<u>131,142</u>	<u>117,731</u>	<u>111,771</u>	<u>108,289</u>	<u>102,402</u>	<u>96,330</u>
<u>641,597</u>	<u>587,012</u>	<u>633,842</u>	<u>566,947</u>	<u>574,301</u>	<u>585,263</u>	<u>523,823</u>
118,157	117,471	117,094	106,370	91,447	94,202	81,830
7,071	9,001	13,471	18,563	19,118	7,689	8,691
6,026	1,274	1,553	2,578	1,309	2,273	1,515
3,971	3,971	3,971	3,970	3,970	3,970	14,006
<u>(66,060)</u>	<u>(59,237)</u>	<u>(56,568)</u>	<u>( 53,852)</u>	<u>(56,036)</u>	<u>(52,111)</u>	<u>(54,514)</u>
<u>(48,992)</u>	<u>(44,991)</u>	<u>(37,573)</u>	<u>(28,741)</u>	<u>(31,639)</u>	<u>(38,179)</u>	<u>(30,302)</u>
69,165	72,480	79,521	77,629	59,808	56,023	51,528
7,447	5,466	3,895	6,891	9,978	1,155	1,388
<u>(45,297)</u>	<u>(45,888)</u>	<u>(45,745)</u>	<u>(41,730)</u>	<u>(46,279)</u>	<u>(33,614)</u>	<u>(30,917)</u>
<u>\$ 31,315</u>	<u>\$ 32,058</u>	<u>\$ 37,671</u>	<u>\$ 42,790</u>	<u>\$ 23,507</u>	<u>\$ 23,564</u>	<u>\$ 21,999</u>

(8) Proceeds from the sale of the steam units at the Indian River Plant (IRP) were internally designated and the gain deferred in accordance with OUC's application of Financial Accounting Standards No. 71, "Accounting for the Effect of Certain Types of Regulation". A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for Stanton Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with original gain on sale amount. In 2014, the life of SEC A was extended resulting in a decrease in the gain on the sale of assets.

(9) Since 2012, OUC's Bond interest and related expenses have declined as a result of favorable refunding activity and lower outstanding debt as a result of maturities. Lower interest rate swap costs and various series refunding activities decreased interest and other expense in 2011 by \$6.5 million. In 2010, Interest and other expense increased primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.

(10) In 2014, CIAC increased due to a large transmission project. In 2012, the decrease in CIAC was due to the write-down of deferred customer retention assets for expired customer agreements.

## ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2014 2013 2012 2011

### Profile of consumption & revenue by type of customer

#### Residential service (1) (2)

KWH sales per customer	11,488	11,134	11,192	12,200
Revenue per customer	\$ 1,402	\$ 1,333	\$ 1,423	\$ 1,492
Revenue per KWH	\$ 0.1220	\$ 0.1197	\$ 0.1271	\$ 0.1223

#### Commercial service - non-demand (1) (2)

KWH sales per customer	16,371	14,321	13,848	14,385
Revenue per customer	\$ 1,999	\$ 1,730	\$ 1,773	\$ 1,763
Revenue per KWH	\$ 0.1221	\$ 0.1208	\$ 0.1280	\$ 0.1225

#### Commercial service - demand secondary

KWH sales per customer	562,671	460,796	398,785	408,001
Revenue per customer	\$ 52,952	\$ 42,871	\$ 38,820	\$ 38,630
Revenue per KWH	\$ 0.0941	\$ 0.0930	\$ 0.0973	\$ 0.0947

#### Commercial service - demand primary

KWH sales per customer	17,320,857	18,396,222	18,563,256	19,726,810
Revenue per customer	\$ 1,657,484	\$ 1,726,091	\$ 1,823,657	\$ 1,833,759
Revenue per KWH	\$ 0.0957	\$ 0.0938	\$ 0.0982	\$ 0.0930

#### Non-Metered Lighting (3)

KWH sales per customer	1,001	1,082	4,478	4,464
Revenue per customer	\$ 69	\$ 76	\$ 307	\$ 293
Revenue per KWH	\$ 0.0686	\$ 0.0703	\$ 0.0686	\$ 0.0656

#### Interlocal service (1) (4)

KWH sales per customer	18,337	17,574	18,085	18,925
Revenue per customer	\$ 2,145	\$ 2,062	\$ 2,237	\$ 2,414
Revenue per KWH	\$ 0.1170	\$ 0.1173	\$ 0.1237	\$ 0.1276

#### Selected financial expense statistics

Total fuel and purchased power expense per KWH	\$ 0.0461	\$ 0.0450	\$ 0.0469	\$ 0.0435
Total operations & maintenance expense (excluding fuel and purchased power) per KWH	0.0228	0.0236	0.0252	0.0225
Total operations & maintenance expense per KWH	<u>\$ 0.0689</u>	<u>\$ 0.0686</u>	<u>\$ 0.0721</u>	<u>\$ 0.0660</u>
Fuel, fixed demand, purchased power and other power supply expense per metered service	\$ 1,599	\$ 1,427	\$ 1,441	\$ 1,492
Production, transmission and distribution costs per metered service	484	452	486	495
Customer service expense per metered service	121	119	129	118
General & administrative expense per metered service	185	168	160	158
Total operations & maintenance expense per metered service	<u>\$ 2,389</u>	<u>\$ 2,166</u>	<u>\$ 2,216</u>	<u>\$ 2,263</u>

(1) In 2014, revenues increased over 2013.

(2) In 2013, Revenue per customer was lower due to the Board approved electric energy rate reduction on October 1, 2012. In addition, there was a slight decrease in active services and consumption increased from 2012.

(3) In 2013, a change was made in the methodology for reporting metered services, including unmetered lighting fixtures. KWH sales per customer, Revenue per customer, and Revenue per KWH reflect the change in services and vary slightly from previous years. Information was not available to restate the prior years.

	2010	2009	2008	2007	2006	2005	2004
	12,748	12,143	12,052	12,301	12,908	13,058	12,767
\$	1,492	\$ 1,399	\$ 1,380	\$ 1,325	\$ 1,202	\$ 1,229	\$ 1,148
\$	0.1170	\$ 0.1152	\$ 0.1145	\$ 0.1077	\$ 0.0931	\$ 0.0941	\$ 0.0899
	14,914	14,401	18,681	16,712	16,793	16,344	16,041
\$	1,765	\$ 1,692	\$ 2,111	\$ 1,585	\$ 1,543	\$ 1,525	\$ 1,422
\$	0.1184	\$ 0.1175	\$ 0.1130	\$ 0.0948	\$ 0.0919	\$ 0.0933	\$ 0.0887
	431,118	478,909	509,412	517,637	529,420	523,001	518,285
\$	39,446	\$ 42,985	\$ 44,529	\$ 37,731	\$ 37,863	\$ 37,226	\$ 34,191
\$	0.0915	\$ 0.0898	\$ 0.0874	\$ 0.0729	\$ 0.0715	\$ 0.0712	\$ 0.0660
	17,605,182	15,949,125	14,795,132	16,681,917	19,476,600	20,963,179	20,921,838
\$	1,553,206	\$ 1,364,616	\$ 1,171,513	\$ 1,038,255	\$ 1,186,065	\$ 1,448,479	\$ 1,364,599
\$	0.0882	\$ 0.0856	\$ 0.0792	\$ 0.0622	\$ 0.0609	\$ 0.0691	\$ 0.0652
	4,426	4,429	4,344	4,567	4,695	4,464	4,100
\$	293	\$ 311	\$ 286	\$ 216	\$ 186	\$ 202	\$ 164
\$	0.0662	\$ 0.0703	\$ 0.0659	\$ 0.0473	\$ 0.0396	\$ 0.0453	\$ 0.0400
	19,450	19,420	19,146	19,602	19,920	20,212	19,576
\$	2,543	\$ 2,347	\$ 2,052	\$ 2,083	\$ 2,104	\$ 1,851	\$ 1,680
\$	0.1307	\$ 0.1208	\$ 0.1072	\$ 0.1063	\$ 0.1056	\$ 0.0916	\$ 0.0858
\$	0.0429	\$ 0.0430	\$ 0.0478	\$ 0.0402	\$ 0.0414	\$ 0.0430	\$ 0.0373
	0.0217	0.0197	0.0183	0.0164	0.0143	0.0125	0.0121
\$	<u>0.0646</u>	\$ <u>0.0627</u>	\$ <u>0.0661</u>	\$ <u>0.0566</u>	\$ <u>0.0557</u>	\$ <u>0.0555</u>	\$ <u>0.0494</u>
\$	1,510	\$ 1,438	\$ 1,717	\$ 1,518	\$ 1,680	\$ 1,882	\$ 1,662
	498	426	425	389	377	368	356
	107	101	101	105	99	79	78
	<u>159</u>	<u>133</u>	<u>134</u>	<u>125</u>	<u>104</u>	<u>101</u>	<u>105</u>
\$	<u>2,274</u>	\$ <u>2,098</u>	\$ <u>2,377</u>	\$ <u>2,137</u>	\$ <u>2,260</u>	\$ <u>2,430</u>	\$ <u>2,201</u>

(4) Inter-local service includes the KWH and metered services for the St. Cloud customer base.

## SELECTED FINANCIAL RATIOS

Years ended September 30	2014	2013	2012	2011
<b>Electric operating ratio</b>				
Operation & maintenance expenses/total operating revenues (1)	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.65
<b>Electric income before contributions per revenue dollar</b>				
Electric income before contributions/total operating revenues (1)(2)(3)	\$ 0.10	\$ 0.09	\$ 0.08	\$ 0.10

## ACTIVE SERVICES

### OUC retail metered services

Residential	162,065	157,927	156,106	154,212
Commercial - non-demand	20,598	20,113	21,233	20,069
Commercial - demand - secondary	5,234	5,309	7,362	7,199
Commercial - demand - primary	26	23	22	21
<b>Total OUC retail metered services</b>	<u>187,923</u>	<u>183,372</u>	<u>184,723</u>	<u>181,501</u>
Interlocal services (4)	<u>32,705</u>	<u>31,052</u>	<u>30,222</u>	<u>29,715</u>
<b>Total OUC retail metered and inter-local services</b>	<u><u>220,628</u></u>	<u><u>214,424</u></u>	<u><u>214,945</u></u>	<u><u>211,216</u></u>

### Unmetered lighting fixtures (5)

Conventional	43,845	37,705	13,168	13,089
Convenient	18,627	14,418	142	138
St. Cloud	2,744	2,709	-	-
<b>Total unmetered lighting fixtures</b>	<u>65,216</u>	<u>54,832</u>	<u>13,310</u>	<u>13,227</u>
<b>Total OUC retail, unmetered lighting and interlocal services</b>	<u><u>285,844</u></u>	<u><u>269,256</u></u>	<u><u>228,255</u></u>	<u><u>224,443</u></u>

## CONSUMPTION (MWH)

### OUC retail sales

Residential	1,838,003	1,748,182	1,736,537	1,867,879
Commercial - non-demand	333,249	296,058	285,967	282,958
Commercial - demand - secondary	2,966,118	2,919,375	2,903,352	2,910,069
Commercial - demand - primary	424,361	413,915	399,110	414,263
<b>Total OUC retail sales</b>	<u>5,561,731</u>	<u>5,377,530</u>	<u>5,324,966</u>	<u>5,475,169</u>

### Nonmetered lighting sales

Conventional	30,553	30,486	30,521	29,965
Convenient	26,741	26,061	26,115	26,218
St. Cloud	2,804	2,783	2,777	2,763
<b>Total nonmetered lighting sales</b>	<u>60,098</u>	<u>59,330</u>	<u>59,413</u>	<u>58,946</u>

### Interlocal sales (4)

	<u>584,557</u>	<u>538,413</u>	<u>541,987</u>	<u>557,743</u>
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<b>Total retail sales</b>	<u>6,206,386</u>	<u>5,975,273</u>	<u>5,926,366</u>	<u>6,091,858</u>
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### Wholesale sales (6)

	1,344,764	1,036,486	1,032,099	1,536,840
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Pre-Commercial Adjustment	-	-	-	-
<b>Total electric sales</b>	<u><u>7,551,150</u></u>	<u><u>7,011,759</u></u>	<u><u>6,958,465</u></u>	<u><u>7,628,698</u></u>

(1) In 2013 and 2012, mild weather accentuated by electric rate reductions drove the decrease in retail energy revenues. Operating expense savings were consistent with the revenue decreases.

(2) In 2014, 2008, and 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.

(3) A rate modification was implemented in January 2007 that included a reserve for future capital spending. The reserve for capital spending was curtailed in 2009.

2010	2009	2008	2007	2006	2005	2004
\$ 0.66	\$ 0.65	\$ 0.69	\$ 0.68	\$ 0.70	\$ 0.71	\$ 0.70
\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.09	\$ 0.08	\$ 0.09
151,995	150,123	151,025	150,254	147,978	144,547	138,642
19,272	18,595	18,325	18,268	17,609	17,454	16,794
7,066	6,563	5,761	5,593	5,445	5,347	5,244
21	23	25	28	20	20	19
<u>178,354</u>	<u>175,304</u>	<u>175,136</u>	<u>174,143</u>	<u>171,052</u>	<u>167,368</u>	<u>160,699</u>
<u>29,229</u>	<u>28,640</u>	<u>28,667</u>	<u>28,785</u>	<u>27,294</u>	<u>24,826</u>	<u>22,793</u>
<u>207,583</u>	<u>203,944</u>	<u>203,803</u>	<u>202,928</u>	<u>198,346</u>	<u>192,194</u>	<u>183,492</u>
13,050	13,093	13,282	13,546	10,781	10,741	10,713
132	133	132	129	121	118	116
-	-	-	-	-	-	-
<u>13,182</u>	<u>13,226</u>	<u>13,414</u>	<u>13,675</u>	<u>10,902</u>	<u>10,859</u>	<u>10,829</u>
<u>220,765</u>	<u>217,170</u>	<u>217,217</u>	<u>216,603</u>	<u>209,248</u>	<u>203,053</u>	<u>194,321</u>
1,925,770	1,828,354	1,815,446	1,834,301	1,887,949	1,848,946	1,747,518
282,375	265,840	341,806	299,786	294,401	279,881	264,510
2,937,853	2,951,040	2,891,934	2,856,841	2,856,749	2,769,553	2,720,477
387,314	382,779	392,071	400,366	389,532	408,782	387,054
<u>5,533,312</u>	<u>5,428,013</u>	<u>5,441,257</u>	<u>5,391,294</u>	<u>5,428,631</u>	<u>5,307,162</u>	<u>5,119,559</u>
29,750	29,422	27,298	24,154	19,901	18,492	14,682
25,923	26,814	28,742	29,195	28,607	27,243	27,782
2,762	2,758	2,797	2,775	2,574	2,670	2,655
<u>58,435</u>	<u>58,994</u>	<u>58,837</u>	<u>56,124</u>	<u>51,082</u>	<u>48,405</u>	<u>45,119</u>
<u>562,777</u>	<u>556,461</u>	<u>550,001</u>	<u>549,634</u>	<u>519,117</u>	<u>481,243</u>	<u>431,444</u>
6,154,524	6,043,468	6,050,095	5,997,052	5,998,830	5,836,810	5,596,122
1,608,248	1,215,600	1,743,680	2,039,338	2,371,843	2,866,241	2,942,758
(48,685)	-	-	-	-	-	-
<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>	<u>8,370,673</u>	<u>8,703,051</u>	<u>8,538,880</u>

(4) Inter-local service represents the customer base for the City of St. Cloud.

(5) In 2013 a change was made in the methodology for reporting unmetered lighting services. Previously, this was reported at the service level rather than in billed fixtures.

(6) In 2014, Wholesale sales increased as a result of new contracts with the Cities of Winter Park and Lake Worth along with unplanned weather related sales. Wholesale sales decreased in 2013 and 2012 as a result of economic dispatching impacts.

## ELECTRIC GENERATION (MWH)

### Years Ended September 30

	2014	2013	2012	2011
<b>Stanton Energy Center (SEC)</b>				
Generation - steam (1)	3,368,472	2,557,737	2,683,426	3,727,184
Generation - combined cycle (2)	<u>2,589,656</u>	<u>2,621,239</u>	<u>2,346,132</u>	<u>2,189,279</u>
Total generation	5,958,128	5,178,976	5,029,558	5,916,463
Plant use - less participants loss factor	281,671	210,679	205,302	282,013
Participants' reserve power	<u>5,779</u>	<u>12,616</u>	<u>10,394</u>	<u>4,103</u>
Delivered	<u><u>5,670,678</u></u>	<u><u>4,955,681</u></u>	<u><u>4,813,862</u></u>	<u><u>5,630,347</u></u>
<b>Indian River Plant</b>				
Generation - combustion turbines	11,037	6,186	12,947	17,814
Plant use - less participants loss factor	64	29	56	78
Participants' reserve power	<u>4,045</u>	<u>753</u>	<u>759</u>	<u>841</u>
Delivered	<u><u>6,928</u></u>	<u><u>5,404</u></u>	<u><u>12,132</u></u>	<u><u>16,895</u></u>
<b>Crystal River Plant (CR 3) (3)</b>				
Generation - nuclear	18,647	101,076	115,337	113,410
Plant use	-	-	-	-
Delivered	<u><u>18,647</u></u>	<u><u>101,076</u></u>	<u><u>115,337</u></u>	<u><u>113,410</u></u>
<b>McIntosh Plant (4)</b>				
Generation - steam	<u>272,265</u>	<u>494,897</u>	<u>439,888</u>	<u>678,916</u>
Plant use	-	-	-	-
Delivered	<u><u>272,265</u></u>	<u><u>494,897</u></u>	<u><u>439,888</u></u>	<u><u>678,916</u></u>
<b>St. Lucie Plant</b>				
Generation - nuclear	460,799	470,890	302,751	370,845
Plant use	<u>11,013</u>	<u>11,254</u>	<u>7,236</u>	<u>8,863</u>
Delivered	<u><u>449,786</u></u>	<u><u>459,636</u></u>	<u><u>295,515</u></u>	<u><u>361,982</u></u>
<b>St. Cloud Plant (5)</b>				
Generation - diesel	-	-	-	-
Plant use	-	-	-	-
Delivered	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Generation</b>				
Steam	3,640,737	3,052,634	3,123,314	4,406,100
Combined cycle	2,589,656	2,621,239	2,346,132	2,189,279
Nuclear	479,446	571,966	418,088	484,255
Combustion turbines	11,037	6,186	12,947	17,814
Diesel	-	-	-	-
<b>Total generation</b>	<u>6,720,876</u>	<u>6,252,025</u>	<u>5,900,481</u>	<u>7,097,448</u>
Total plant use - less participants loss factor	292,748	221,962	212,594	290,954
Participants' reserve power	<u>9,824</u>	<u>13,369</u>	<u>11,153</u>	<u>4,944</u>
<b>Total delivered</b>	<u>6,418,304</u>	<u>6,016,694</u>	<u>5,676,734</u>	<u>6,801,550</u>
Inadvertent/wheeling retained	(424)	(530)	(98)	(118)
Purchases received	<u>1,389,224</u>	<u>1,250,574</u>	<u>1,426,791</u>	<u>1,003,127</u>
<b>Available</b>	<u>7,807,104</u>	<u>7,266,738</u>	<u>7,103,427</u>	<u>7,804,559</u>
<b>Sales</b>	<u>7,551,150</u>	<u>7,011,759</u>	<u>6,958,465</u>	<u>7,628,698</u>
<b>Line losses</b>	<u>255,954</u>	<u>254,978</u>	<u>144,962</u>	<u>175,861</u>
<b>Line losses as a percentage of generation</b>	3.81%	4.08%	2.46%	2.48%

(1) As with 2012, the SEC coal units were run at reduced loads in 2013 due to the result of low natural gas prices.

(2) In late February 2010, OUC commenced commercial operations at SEC B.

(3) In 2009, an outage at the CR 3 facility required it to be off-line through fiscal year 2011. In February 2013, Duke Energy closed the CR 3 plant due to significant delamination within the core. Generation noted represents reliability exchange power received to meet load and contractual requirements and therefore does not include plant use.

(4) Since 2009, there have been several periods where the McIntosh plant was off-line. Planned outages in 2011 and 2009 and unplanned outages in 2014 and 2010 lowered generation in those respective years. In 2012 and 2013, lower natural gas prices impacted generation.

2010	2009	2008	2007	2006	2005	2004
4,362,451	4,429,154	4,454,325	4,708,038	5,000,919	4,471,764	4,605,225
<u>2,010,119</u>	<u>1,185,894</u>	<u>1,197,723</u>	<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>	<u>1,191,046</u>
6,372,570	5,615,048	5,652,048	5,950,688	6,234,178	5,797,972	5,796,271
300,351	277,943	271,331	282,180	298,490	270,912	278,325
<u>1,890</u>	<u>7,174</u>	<u>6,049</u>	<u>4,471</u>	<u>2,194</u>	<u>6,299</u>	<u>4,961</u>
<u>6,070,329</u>	<u>5,329,931</u>	<u>5,374,668</u>	<u>5,664,037</u>	<u>5,933,494</u>	<u>5,520,761</u>	<u>5,512,985</u>
31,389	14,735	25,222	17,701	20,285	12,811	6,379
138	68	111	71	82	66	24
<u>766</u>	<u>743</u>	<u>777</u>	<u>691</u>	<u>715</u>	<u>698</u>	<u>736</u>
<u>30,485</u>	<u>13,924</u>	<u>24,334</u>	<u>16,939</u>	<u>19,488</u>	<u>12,047</u>	<u>5,619</u>
79,754	120,008	103,783	123,034	98,972	122,627	111,246
-	3,547	3,050	3,607	2,890	3,587	3,170
<u>79,754</u>	<u>116,461</u>	<u>100,733</u>	<u>119,427</u>	<u>96,082</u>	<u>119,040</u>	<u>108,076</u>
620,000	656,636	1,059,302	965,401	989,279	1,027,428	787,131
-	-	-	-	-	-	-
<u>620,000</u>	<u>656,636</u>	<u>1,059,302</u>	<u>965,401</u>	<u>989,279</u>	<u>1,027,428</u>	<u>787,131</u>
384,006	378,376	383,095	402,666	368,876	412,983	401,427
<u>9,178</u>	<u>9,043</u>	<u>9,156</u>	<u>9,624</u>	<u>8,816</u>	<u>9,870</u>	<u>9,594</u>
<u>374,828</u>	<u>369,333</u>	<u>373,939</u>	<u>393,042</u>	<u>360,060</u>	<u>403,113</u>	<u>391,833</u>
-	-	-	236	108	184	390
-	-	190	521	538	430	528
-	-	<u>(190)</u>	<u>(285)</u>	<u>(430)</u>	<u>(246)</u>	<u>(138)</u>
4,982,451	5,085,790	5,513,627	5,673,439	5,990,198	5,499,192	5,392,356
<u>2,010,119</u>	<u>1,185,894</u>	<u>1,197,723</u>	<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>	<u>1,191,046</u>
463,760	498,384	486,878	525,700	467,848	535,610	512,673
31,389	14,735	25,222	17,701	20,285	12,811	6,379
-	-	-	236	108	184	390
<u>7,487,719</u>	<u>6,784,803</u>	<u>7,223,450</u>	<u>7,459,726</u>	<u>7,711,698</u>	<u>7,374,005</u>	<u>7,102,844</u>
309,667	290,601	283,838	296,003	310,816	284,865	291,641
<u>2,656</u>	<u>7,917</u>	<u>6,826</u>	<u>5,162</u>	<u>2,909</u>	<u>6,997</u>	<u>5,697</u>
7,175,396	6,486,285	6,932,786	7,158,561	7,397,973	7,082,143	6,805,506
(15)	(192)	278	274	777	292	137
<u>833,210</u>	<u>881,022</u>	<u>1,082,008</u>	<u>1,127,939</u>	<u>1,125,358</u>	<u>1,813,804</u>	<u>1,935,961</u>
8,008,591	7,367,115	8,015,072	8,286,774	8,524,108	8,896,239	8,741,604
<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>	<u>8,370,673</u>	<u>8,703,051</u>	<u>8,538,880</u>
<u>294,504</u>	<u>108,047</u>	<u>221,297</u>	<u>250,384</u>	<u>153,435</u>	<u>193,188</u>	<u>202,724</u>
3.93%	1.59%	3.06%	3.36%	1.99%	2.62%	2.85%

(5) In 2009, the St. Cloud generation plant was permanently shut down.

## NET GENERATING CAPABILITY (Including major purchased power agreements)

Generating Facility (MW) Years ended September 30		Name Plate Capacity	2014		2013		2012		2011	
			Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Stanton Energy Center (SEC)	Unit 1 FS	425	302	304	302	304	302	304	302	304
	Unit 2 FS	425	340	340	334	334	334	334	334	334
	Unit A CC (1)	633	174	184	174	184	174	184	174	184
	Unit B CC (1)	300	298	312	298	312	295	300	295	300
Indian River Plant	Unit A CT	38	18	23	18	23	18	23	18	23
	Unit B CT	38	18	23	18	23	18	23	18	23
	Unit C CT	112	85	100	85	100	85	100	85	100
	Unit D CT	112	85	100	85	100	85	100	85	100
St. Cloud Plant	Units 1-7 CT	21	-	-	-	-	-	-	-	-
Crystal River Plant (CR 3) (2)	Unit 3 N	890	-	-	13	13	13	13	13	13
C.D. McIntosh, Jr. Plant	Unit 3 FS	364	133	136	133	136	136	136	136	136
St. Lucie Plant	Unit 2 N	850	60	60	60	62	51	52	51	52
Total capability			1,513	1,582	1,520	1,591	1,511	1,569	1,511	1,569
Purchased power agreements			330	330	330	330	337	358	337	358
Total available			1,843	1,912	1,850	1,921	1,848	1,927	1,848	1,927
Firm commitments to other utilities (3)			207	205	166	178	168	168	165	165
Net available to OUC			1,636	1,707	1,684	1,743	1,680	1,759	1,683	1,762

NOTE: FS - Fossil Steam, N - Nuclear, CT - Combustion Turbine, CC - Combined Cycle

## PEAK DEMAND

### Years ended September 30

	2014		2013		2012		2011	
	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
<b>Net peak demand</b> (Net 60 minute integrated MW demand)	1,139	959	1,070	846	1,070	907	1,064	1,094
<b>Gross peak demand (MW)</b> (Instantaneous)	1,198		1,158		1,123		1,127	
<b>System load factor</b>	58.8		78.2		77.5		79.6	

## GENERATION AVAILABILITY DATA

### Years ended September 30

	CF	2014			2013			2012			2011			2010		
		EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	
SEC	Unit 1 (4)	53.3	89.0	3.6	29.8	83.1	0.9	36.3	84.9	3.2	62.5	86.0	0.7	72.0	82.6	1.2
	Unit 2 (4)	58.5	85.2	2.8	55.3	86.9	0.3	57.9	92.2	0.6	69.4	86.6	0.3	81.1	90.3	0.8
	Unit A (1)	44.9	94.3	0.1	29.3	90.7	-	33.6	80.9	0.0	38.0	90.9	0.9	38.5	84.6	7.7
	Unit B (1)	74.8	89.9	0.0	58.9	91.4	0.1	50.4	87.1	4.7	58.0	86.9	1.0	60.9	86.8	5.5
IRP	Unit A	0.2	98.0	0.0	0.1	96.5	28.4	-	93.3	-	-	84.6	89.2	0.1	96.4	78.1
	Unit B (5)	0.2	96.5	0.0	0.1	97.1	89.6	-	94.7	-	-	94.0	5.3	-	79.9	-
	Unit C	1.0	85.6	88.0	0.4	95.0	-	-	91.8	-	1.2	99.9	6.2	2.8	95.0	13.8
	Unit D (5)	0.3	95.1	48.6	0.3	79.9	97.0	-	73.1	-	2.0	100.0	0.9	2.7	87.8	7.5
Crystal River	Unit 3 (2)	-	-	-	-	-	100.0	-	-	100.0	-	-	100.0	-	-	80.0
McIntosh	Unit 3	24.0	37.3	9.3	43.0	80.0	12.1	38.1	86.3	85.7	57.8	85.5	2.1	66.8	60.5	38.9
St. Lucie Plant	Unit 2	82.9	81.5	3.3	85.1	81.7	2.8	86.4	83.9	0.8	65.2	63.1	10.5	99.8	97.5	2.3

EAF - Equivalent Availability Factor

EFOR - Equivalent Forced Outage Rate

CF - Capacity Factor

(1) In late February 2010, OUC commenced commercial operations at SEC B.

(2) Effective February 2013, Duke Energy announced the closing of the CR 3 Plant as a result of discovering multiple delaminations within the core.

(3) In January 2014, OUC secured a three year wholesale agreement with the City of Lake Worth that has an option for two one-year extensions. In addition, OUC entered into a six year agreement with the City of Winter Park. In January 2010, OUC secured a twenty year wholesale agreement with the City of Vero Beach. Additionally, in January 2011, OUC executed a seven year interlocal agreement with the City of Bartow whereby OUC provides generation.

(4) The SEC 1&2 capacity factors were lower in 2013 and 2012 compared to 2011 and 2010 as a result of lowering production to accommodate more cost effective generation at the natural gas units.



2010		2009		2008		2007		2006		2005		2004	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
302	304	302	304	302	304	302	304	302	304	302	304	302	304
334	334	334	334	334	334	334	334	334	334	319	319	318	318
174	184	174	184	174	184	174	184	174	184	174	184	168	168
295	300	-	-	-	-	-	-	-	-	-	-	-	-
18	23	18	23	18	23	18	23	18	23	18	23	18	23
18	23	18	23	18	23	18	23	18	23	18	23	18	23
85	100	85	100	85	100	85	100	85	100	85	100	85	100
85	100	85	100	85	100	85	100	85	100	85	100	85	100
-	-	-	-	21	21	21	21	21	21	21	21	17	17
13	13	13	13	13	13	13	13	13	13	13	13	13	13
136	136	136	136	136	136	136	136	136	136	133	136	133	136
<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>
1,511	1,569	1,216	1,269	1,237	1,290	1,237	1,290	1,237	1,290	1,219	1,275	1,208	1,254
<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>637</u>	<u>656</u>	<u>827</u>	<u>827</u>
1,848	1,927	1,553	1,627	1,574	1,648	1,574	1,648	1,574	1,648	1,856	1,931	2,035	2,081
<u>95</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>147</u>	<u>148</u>	<u>261</u>	<u>261</u>
<u>1,753</u>	<u>1,832</u>	<u>1,553</u>	<u>1,627</u>	<u>1,552</u>	<u>1,626</u>	<u>1,552</u>	<u>1,626</u>	<u>1,552</u>	<u>1,626</u>	<u>1,709</u>	<u>1,783</u>	<u>1,774</u>	<u>1,820</u>

2010		2009		2008		2007		2006		2005		2004	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
1,081	1,134	1,102	1,033	1,080	973	1,085	893	1,074	970	1,076	965	1,041	834
	1,191	1,176		1,147		1,182		1,135		1,141		1,100	
<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>		<b>2006</b>		<b>2005</b>		<b>2004</b>	
75.7		71.0		60.5		59.6		60.2		57.7		57.5	

2009			2008			2007			2006			2005			2004		
CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
70.1	87.2	0.6	77.6	85.6	4.6	82.3	90.1	1.3	85.1	93.7	0.1	73.6	81.0	4.3	80.5	90.7	0.9
85.2	96.6	1.0	78.4	82.1	1.4	80.8	84.8	6.3	88.4	93.7	0.6	83.4	89.0	2.8	81.0	87.9	4.1
41.2	88.7	1.6	57.8	87.7	0.2	60.2	92.2	0.2	66.2	92.1	0.4	53.1	92.7	0.4	46.5	92.2	0.6
0.2	92.8	85.7	-	97.3	80.3	-	96.8	80.8	1.1	97.7	81.6	0.1	94.4	-	0.1	99.4	74.9
0.2	98.0	52.9	-	95.6	58.7	-	78.5	93.9	-	95.7	96.4	0.1	92.7	83.5	0.1	99.4	74.8
0.8	70.4	93.2	-	97.3	51.8	-	92.6	73.0	3.4	98.6	-	0.5	98.7	43.7	0.3	78.0	96.9
0.8	92.6	70.2	-	97.8	31.7	-	92.6	63.0	5.2	98.6	-	0.9	98.6	58.5	0.4	96.7	-
102.0	95.7	1.3	85.1	82.8	0.2	100.9	98.7	0.7	83.1	78.4	8.5	99.3	100.0	-	88.9	86.5	3.0
55.9	67.1	9.3	88.2	89.7	7.5	80.8	84.1	6.7	84.3	84.1	8.7	87.5	89.3	6.0	66.9	73.8	9.2
83.1	74.9	13.9	70.2	69.3	10.3	95.0	95.9	3.9	80.8	82.3	4.3	83.0	84.2	4.6	92.6	92.0	7.9

(5) IRP EAF and EFOR fluctuate from year to year as a result of forced and/or planned outages in any given year.

## ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2014	2013	2012	2011
<b>Orlando/Orange County</b>				
Average service availability index (ASAI) (2)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI)	59.80	40.70	31.70	41.20
Average customer interruption duration index in minutes (CAIDI) (2)	68.00	54.50	50.30	57.70
Average length of service interruption in minutes (L-Bar)	89.20	78.50	74.20	68.30
<b>St. Cloud/Osceola County</b>				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (3)	66.00	28.10	80.50	42.80
Average customer interruption duration index in minutes (CAIDI)	59.70	53.10	64.20	45.80
Average length of service interruption in minutes (L-Bar) (4)	99.20	86.80	81.00	63.90

## ELECTRIC PHYSICAL STATISTICS

<b>Transmission system (circuit miles)</b>				
69KV	20.6	20.6	20.6	20.6
115KV (5)	126.7	126.7	126.7	131.5
230KV	190.9	190.9	190.9	190.9
<b>Total (6)</b>	<u>338.2</u>	<u>338.2</u>	<u>338.2</u>	<u>343.0</u>
<b>Number of substations (5)</b>	28	28	28	29
<b>Orlando distribution system (circuit miles)</b>				
Overhead	741.5	738.6	749.3	746.0
Underground	1,248.9	1,214.6	1,202.2	1,181.4
<b>Total Orlando circuit miles</b>	<u>1,990.4</u>	<u>1,953.2</u>	<u>1,951.5</u>	<u>1,927.4</u>
<b>St. Cloud distribution system (circuit miles)</b>				
Overhead	250.7	248.2	250.7	244.2
Underground	183.5	177.1	167.0	158.3
<b>Total St. Cloud circuit miles</b>	<u>434.2</u>	<u>425.3</u>	<u>417.7</u>	<u>402.5</u>
<b>Total OUC &amp; St. Cloud circuit miles</b>	<u>2,424.6</u>	<u>2,378.5</u>	<u>2,369.2</u>	<u>2,329.9</u>
<b>Distribution expenses per circuit mile</b>	\$ 7,516	\$ 6,167	\$ 6,347	\$ 6,318
<b>Percentages of Orlando distribution system (circuit miles)</b>				
Overhead	37.3%	37.8%	38.4%	38.7%
Underground	62.7%	62.2%	61.6%	61.3%
<b>Percentages of St. Cloud distribution system (circuit miles)</b>				
Overhead	57.7%	58.4%	60.0%	60.7%
Underground	42.3%	41.6%	40.0%	39.3%

(1) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances, and Jeanne. Consistent with industry standards, these events were excluded from this calculation.

(2) In addition to an active 2014 summer storm season, OUC's Pershing substation experienced a significant event resulting in a large number of customers without power.

(3) During 2014, St. Cloud/Osceola County experienced an active summer storm season. In 2012, there were three separate outage incidents during the month of June for unusually long durations.

(4) In 2014, 2013, and 2012, there were outage incidents for unusually long durations.

(5) In 2012, the Lockheed Substation was removed from OUC's operations which lowered the number of substations reported and reduced the amount of transmission line miles.

(6) Although OUC began operating the City of St. Cloud electric system in 1997, St. Cloud transmission statistics are not included.

2010	2009	2008	2007	2006	2005	2004 (1)
0.9999	0.9999	0.9999	0.9999	0.9993	0.9999	0.9999
28.70	33.40	33.20	44.13	36.40	47.09	41.22
52.90	52.70	43.50	52.03	50.82	49.20	51.03
70.20	69.30	67.70	70.79	62.86	65.91	64.85
0.9999	0.9999	0.9999	0.9998	0.9999	0.9998	0.9998
61.80	55.00	38.20	56.97	44.69	86.94	84.08
34.90	42.20	40.50	39.16	42.00	40.48	48.97
62.50	63.40	65.30	67.23	59.03	71.86	60.00
20.6	20.6	20.6	20.6	20.6	20.6	20.6
131.5	131.5	131.5	131.5	131.5	131.5	131.5
<u>190.9</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>
<u>343.0</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>
29	29	29	29	29	28	28
746.8	738.8	747.9	738.3	738.5	746.5	738.3
<u>1,158.7</u>	<u>1,145.2</u>	<u>1,104.6</u>	<u>1,065.9</u>	<u>1,025.3</u>	<u>978.3</u>	<u>924.6</u>
<u>1,905.5</u>	<u>1,884.0</u>	<u>1,852.5</u>	<u>1,804.2</u>	<u>1,763.8</u>	<u>1,724.8</u>	<u>1,662.9</u>
242.6	241.8	240.2	236.5	236.9	234.7	227.6
<u>154.7</u>	<u>153.9</u>	<u>150.8</u>	<u>142.0</u>	<u>118.4</u>	<u>102.4</u>	<u>80.2</u>
<u>397.3</u>	<u>395.7</u>	<u>391.0</u>	<u>378.5</u>	<u>355.3</u>	<u>337.1</u>	<u>307.8</u>
<u>2,302.8</u>	<u>2,279.7</u>	<u>2,243.5</u>	<u>2,182.7</u>	<u>2,119.1</u>	<u>2,061.9</u>	<u>1,970.7</u>
\$ 7,344	\$ 7,316	\$ 6,396	\$ 6,125	\$ 6,285	\$ 5,593	\$ 4,909
39.2%	39.2%	40.4%	40.9%	41.9%	43.3%	44.4%
60.8%	60.8%	59.6%	59.1%	58.1%	56.7%	55.6%
61.1%	61.1%	61.4%	62.5%	66.7%	69.6%	73.9%
38.9%	38.9%	38.6%	37.5%	33.3%	30.4%	26.1%

## ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Electric plant, net</b>				
Generating plant, net				
Stanton Energy Center Units #1 & #2	\$ 416,352	\$ 407,215	\$ 418,115	\$ 433,256
Stanton Energy Center Unit A (1)	48,885	53,102	56,595	50,554
Stanton Energy Center Unit B (SEC B) (1)	232,435	236,914	246,046	253,020
McIntosh #3	61,761	62,287	64,222	66,769
St. Lucie #2	101,988	100,359	96,741	86,166
Indian River Plant	11,182	12,210	13,732	15,539
Crystal River #3 (2)	-	-	6,882	6,908
St. Cloud Diesel Plant (CR 3) (3)	-	-	-	-
<b>Total generating plant, net</b>	<u>872,603</u>	<u>872,087</u>	<u>902,333</u>	<u>912,212</u>
Distribution plant, net	491,554	475,951	470,030	469,274
Transmission plant, net	241,402	230,324	239,299	243,011
Other Electric plant, net (4)	48,682	48,354	49,150	42,544
<b>Total electric plant, net</b>	<u>1,654,241</u>	<u>1,626,716</u>	<u>1,660,812</u>	<u>1,667,041</u>
<b>Common plant, net (5)</b>	<u>68,963</u>	<u>72,301</u>	<u>73,345</u>	<u>73,409</u>
<b>Total plant, net</b>	<u>\$ 1,723,204</u>	<u>\$ 1,699,017</u>	<u>\$ 1,734,157</u>	<u>\$ 1,740,450</u>

## FUEL MIX STATISTICS (Dollars in thousands)

<b>Cost of fuel</b>				
Coal (7)	\$ 149,395	\$ 132,125	\$ 136,958	\$ 153,891
Natural gas (7)	157,641	142,152	139,233	129,227
Nuclear	469	3,404	3,133	5,165
Renewable	2,827	1,749	1,943	1,045
Oil	1,739	327	1,765	2,863
<b>Total cost of fuel (6)</b>	<u>\$ 312,071</u>	<u>\$ 279,757</u>	<u>\$ 283,032</u>	<u>\$ 292,191</u>
<b>Fuel cost per million BTU</b>				
Coal (7)	\$ 4.53	\$ 4.78	\$ 4.60	\$ 3.72
Natural gas (7)	\$ 6.18	\$ 5.99	\$ 6.25	\$ 6.27
Nuclear (2)	\$ 0.56	\$ 0.66	\$ 0.94	\$ 1.27
Renewable	\$ 3.05	\$ 3.43	\$ 4.42	\$ 2.66
Oil	\$ 17.36	\$ 23.49	\$ 20.04	\$ 19.46
System average fuel cost	\$ 4.87	\$ 4.90	\$ 5.07	\$ 4.39
<b>System fuel mix percentage (based on generation)</b>				
Coal (7)	51.5%	48.5%	53.2%	62.1%
Natural gas (7)	39.7%	41.6%	39.9%	31.0%
Nuclear	7.9%	9.0%	5.9%	6.1%
Renewable (8)	0.9%	0.9%	0.8%	0.6%
Oil	-	-	0.2%	0.2%
<b>Total system fuel mix percentage</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

- (1) The SEC B facility began commercial operations in 2010. All power generated prior to the start dates of these facilities was excluded from operations and capitalized along with the revenue earned during the pre-commercial operations.
- (2) Effective February 2013, Duke Energy announced the closing of the CR 3 plant as a result of discovering multiple delaminations within the core. As a result of this notice, OUC reclassified the impaired assets under the heading of Regulatory assets.
- (3) The original St. Cloud Diesel Plant was constructed by St. Cloud. As OUC was assigned the task to operate the plant, costs to improve the plant were incurred. In 2009, operations at the St. Cloud plant were permanently discontinued.
- (4) In November 2007, OUC and Southern Power terminated the construction of the gasification facilities at SEC B. The settlement agreement provided for liquidating damages in the form of land valued at \$27.5 million.
- (5) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its administrative offices. In 2009, the new administration building was completed and placed into service. The former administration building was sold.

	2010	2009	2008	2007	2006	2005	2004
\$	425,660	\$ 432,484	\$ 448,549	\$ 462,050	\$ 481,653	\$ 496,681	\$ 511,101
	52,490	56,543	61,410	56,971	59,789	61,169	64,191
	260,562	-	-	-	-	-	-
	69,676	41,928	46,867	47,251	51,700	55,948	55,381
	70,487	67,266	61,186	58,317	52,665	48,520	46,455
	16,623	17,764	19,892	22,266	24,818	28,176	34,646
	6,295	5,542	4,174	5,642	5,794	6,233	6,171
	-	-	-	-	-	-	118
	<u>901,793</u>	<u>621,527</u>	<u>642,078</u>	<u>652,497</u>	<u>676,419</u>	<u>696,727</u>	<u>718,063</u>
	466,964	456,878	451,604	438,367	406,461	374,450	368,022
	234,941	195,766	173,332	166,739	164,753	147,808	131,995
	<u>31,294</u>	<u>34,371</u>	<u>35,105</u>	<u>7,707</u>	<u>3,810</u>	<u>8,323</u>	<u>10,852</u>
	<u>1,634,992</u>	<u>1,308,542</u>	<u>1,302,119</u>	<u>1,265,310</u>	<u>1,251,443</u>	<u>1,227,308</u>	<u>1,228,932</u>
	<u>77,381</u>	<u>73,972</u>	<u>42,477</u>	<u>46,329</u>	<u>37,104</u>	<u>43,127</u>	<u>47,595</u>
\$	<u>1,712,373</u>	<u>1,382,514</u>	<u>1,344,596</u>	<u>1,311,639</u>	<u>1,288,547</u>	<u>1,270,435</u>	<u>1,276,527</u>
\$	159,160	\$ 165,904	\$ 162,790	\$ 139,169	\$ 145,048	\$ 120,496	\$ 101,887
	128,117	103,334	164,696	140,780	163,545	166,929	117,455
	3,360	3,298	3,015	2,636	1,971	2,357	2,351
	845	1,475	1,175	791	-	-	-
	<u>2,309</u>	<u>1,335</u>	<u>1,320</u>	<u>736</u>	<u>255</u>	<u>33,243</u>	<u>35,088</u>
\$	<u>293,791</u>	<u>275,346</u>	<u>332,996</u>	<u>284,112</u>	<u>310,819</u>	<u>323,025</u>	<u>256,781</u>
\$	3.37	\$ 3.44	\$ 3.10	\$ 2.58	\$ 2.56	\$ 2.31	\$ 1.98
\$	6.49	\$ 7.58	\$ 10.83	\$ 8.96	\$ 10.42	\$ 8.78	\$ 6.55
\$	0.80	\$ 0.62	\$ 0.58	\$ 0.47	\$ 0.39	\$ 0.41	\$ 0.43
\$	2.19	\$ 2.25	\$ 2.13	\$ 1.42	\$ -	\$ -	\$ -
\$	13.51	\$ 13.84	\$ 17.85	\$ 12.39	\$ 4.28	\$ 7.88	\$ 5.39
\$	4.10	\$ 4.05	\$ 4.52	\$ 3.75	\$ 4.02	\$ 3.98	\$ 3.16
	65.8%	71.0%	71.3%	71.1%	73.1%	64.3%	63.2%
	27.5%	20.1%	20.7%	20.7%	20.3%	23.4%	22.1%
	5.9%	7.9%	7.1%	7.4%	6.5%	7.1%	6.7%
	0.6%	0.9%	0.8%	0.7%	-	-	-
	<u>0.2%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>5.2%</u>	<u>8.0%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(6) The Cost of fuel is presented as gross plant operating costs as it does not include participant ownership adjustments.

(7) In 2013 and 2012, Cost of fuel for coal decreased as a result of the utilization of natural gas generation facilities to leverage favorable market rates. Offsetting these changes was an increase in the commodity cost for coal contributing to the increase in the Fuel cost per million BTU. Additionally in 2013, OUC completed a study that analyzed the classification of costs associated with material handling, procurement and movement of fuels. Based upon this study and supporting FERC guidance, \$4.0 million was included in Fuel for generation during both 2014 and 2013.

(8) Prior to 2007 amounts were not tracked.



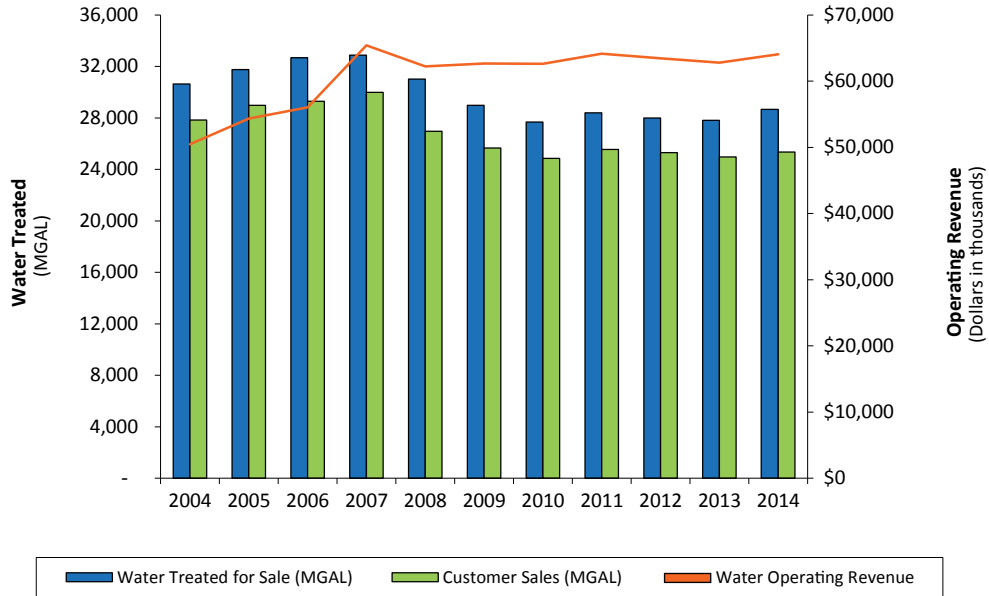
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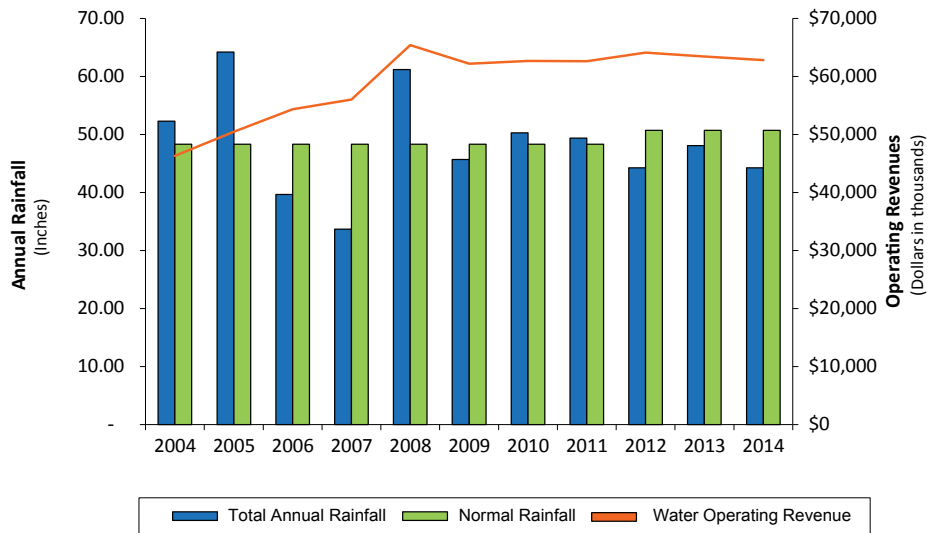
# WATER OPERATIONS

# WATER BUSINESS OPERATIONS

## Water Treated, Customer Sales & Operating Revenue



## Total Annual Rainfall and Operating Revenue





## WATER REVENUES, EXPENSES AND CHANGES IN NET POSITION (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Operating revenues</b>				
Residential	\$ 31,764	\$ 31,280	\$ 31,832	\$ 32,480
Commercial	16,081	15,836	16,115	16,444
Irrigation	11,135	10,965	11,158	11,386
Fire protection	2,266	2,231	2,193	2,158
Service fees and other	2,271	1,967	1,622	1,248
Resale and other	563	533	534	426
<b>Total operating revenues (1)</b>	<u>64,080</u>	<u>62,812</u>	<u>63,454</u>	<u>64,142</u>
<b>Operations and maintenance expenses</b>				
Production	13,676	12,946	13,555	14,405
Distribution (2)	7,357	5,844	5,816	9,149
Storm recovery costs	-	-	-	-
Customer service (3)	6,003	7,040	8,865	8,733
General & administrative (4)	10,018	10,207	10,110	10,007
<b>Total operations and maintenance expenses</b>	<u>37,054</u>	<u>36,037</u>	<u>38,346</u>	<u>42,294</u>
<b>Other expenses</b>				
Utility/property tax	63	63	65	63
Revenue based payments to the City of Orlando	1,921	1,961	2,033	1,919
Revenue based payments to Orange County	5	4	5	6
Depreciation and amortization (5)	17,098	19,953	15,708	16,266
<b>Total other expenses</b>	<u>19,087</u>	<u>21,981</u>	<u>17,811</u>	<u>18,254</u>
<b>Total operating expenses</b>	<u>56,141</u>	<u>58,018</u>	<u>56,157</u>	<u>60,548</u>
<b>Operating income</b>	7,939	4,794	7,297	3,594
<b>Non-operating income and expense</b>				
Interest income	557	459	708	593
Other income, net (6)	1,701	1,667	3,053	2,024
Bond interest and other related expenses	(7,396)	(7,740)	(8,906)	(10,055)
<b>Total non-operating expenses, net</b>	<u>(5,138)</u>	<u>(5,614)</u>	<u>(5,145)</u>	<u>(7,438)</u>
<b>Water income/(loss) before contributions</b>	2,801	(820)	2,152	(3,844)
<b>Contributions in aid of construction (CIAC) (7)</b>	9,584	9,704	7,990	4,571
<b>Annual dividend</b>	<u>(1,526)</u>	<u>521</u>	<u>(1,396)</u>	<u>2,365</u>
<b>Increase in net position</b>	<u>\$ 10,859</u>	<u>\$ 9,405</u>	<u>\$ 8,746</u>	<u>\$ 3,092</u>

(1) In 2013, mild weather and rainfall drove lower revenues. In 2009 and 2010, rate increases of 7.8% and 13.1%, respectively, were implemented. However since 2008, the weakened economy, increased rainfall and consumer usage changes offset these rate changes. In 2008, rate stabilization funds of \$2.0 million were used to offset these changes.

(2) In 2011 and 2010, costs associated with the write down of deferred regulatory projects, including alternative water supply and consumptive use permit spending, increased Operations and maintenance expenses.

(3) With the implementation of the Advanced Metering Infrastructure upgrades in 2013 and 2014, the customer service costs were lower as a result of staffing reductions.

(4) Increased pension and other post-employment actuarial costs were the key drivers of the increase since 2008.

(5) In 2013 as OUC began the implementation of water AMI meters, a portion of the existing non-AMI meters were written off resulting in additional depreciation expense of \$3.3 million. During 2009, OUC recognized impairment for the change in usage of the Southeast water treatment plant of \$2.9 million. In 2008, Depreciation and amortization expense increased due to a change in the useful life for in-service water mains and meters and ozone generators of \$2.2 million and \$2.7 million, respectively. In 2005, OUC wrote down water plant assets of \$1.4 million.

2010	2009	2008	2007	2006	2005	2004
\$ 31,561	\$ 31,599	\$ 31,291	\$ 33,173	\$ 27,336	\$ 26,676	\$ 25,173
15,978	15,997	15,841	16,794	13,311	13,442	12,950
11,063	11,077	10,969	11,628	11,546	10,090	9,131
2,169	2,132	2,035	1,755	1,564	1,554	1,306
1,345	1,234	1,562	1,756	1,810	1,764	1,416
503	636	526	322	465	835	484
<u>62,619</u>	<u>62,675</u>	<u>62,224</u>	<u>65,428</u>	<u>56,032</u>	<u>54,361</u>	<u>50,460</u>
14,358	14,997	13,738	13,531	13,006	11,830	10,028
8,291	5,560	6,849	5,526	4,026	4,198	3,992
-	4	8	-	-	-	147
7,831	7,311	7,282	7,465	6,781	5,203	4,983
9,120	7,542	7,737	6,984	6,349	5,894	5,283
<u>39,600</u>	<u>35,414</u>	<u>35,614</u>	<u>33,506</u>	<u>30,162</u>	<u>27,125</u>	<u>24,433</u>
65	64	61	64	62	52	60
1,922	1,989	1,855	1,893	1,599	1,510	1,362
-	-	-	-	-	-	-
<u>16,991</u>	<u>20,554</u>	<u>19,064</u>	<u>16,071</u>	<u>13,808</u>	<u>14,220</u>	<u>11,944</u>
<u>18,978</u>	<u>22,607</u>	<u>20,980</u>	<u>18,028</u>	<u>15,469</u>	<u>15,782</u>	<u>13,366</u>
<u>58,578</u>	<u>58,021</u>	<u>56,594</u>	<u>51,534</u>	<u>45,631</u>	<u>42,907</u>	<u>37,799</u>
4,041	4,654	5,630	13,894	10,401	11,454	12,661
1,151	1,329	2,657	3,959	3,106	1,435	665
1,443	838	582	682	484	508	498
<u>(11,161)</u>	<u>(10,663)</u>	<u>(10,831)</u>	<u>(12,200)</u>	<u>(12,440)</u>	<u>(11,761)</u>	<u>(11,836)</u>
<u>(8,567)</u>	<u>(8,496)</u>	<u>(7,592)</u>	<u>(7,559)</u>	<u>(8,850)</u>	<u>(9,818)</u>	<u>(10,673)</u>
(4,526)	(3,842)	(1,962)	6,335	1,551	1,636	1,988
6,080	5,736	13,655	17,155	14,816	13,409	12,022
2,964	2,432	1,129	(3,406)	(1,201)	(982)	(1,192)
<u>\$ 4,518</u>	<u>\$ 4,326</u>	<u>\$ 12,822</u>	<u>\$ 20,084</u>	<u>\$ 15,166</u>	<u>\$ 14,063</u>	<u>\$ 12,818</u>

(6) A one-time legal settlement in 2012 resulted in the recognition of \$0.7 million.

(7) In 2014 and 2013, CIAC increased as a result of improvement in the economy. In 2010 and 2009, the decrease in CIAC was due to a weakening economy and the slow down in growth within the Central Florida area.

## WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2014	2013	2012	2011
<b>Profile of consumption &amp; revenue by type of customer</b>				
<b>Residential service</b>				
KGAL sales per customer	123	120	120	121
Revenue per customer	\$ 307	\$ 300	\$ 301	\$ 306
Revenue per KGAL	\$ 2.4899	\$ 2.4898	\$ 2.5019	\$ 2.5268
<b>Commercial service</b>				
KGAL sales per customer	564	590	655	694
Revenue per customer	\$ 1,060	\$ 1,109	\$ 1,236	\$ 1,323
Revenue per KGAL	\$ 1.8793	\$ 1.8792	\$ 1.8882	\$ 1.9070
<b>Irrigation service</b>				
KGAL sales per customer	252	248	250	246
Revenue per customer	\$ 699	\$ 686	\$ 697	\$ 691
Revenue per KGAL	\$ 2.7712	\$ 2.7711	\$ 2.7845	\$ 2.8122
<b>Selected financial expense statistics</b>				
Total operations and maintenance expenses per KGAL (1)	\$ 1.4612	\$ 1.4428	\$ 1.5155	\$ 1.6403
Production and distribution costs per metered service (2)	\$ 156	\$ 140	\$ 144	\$ 175
Customer service expense per metered service (3)	45	53	66	65
General & administrative expense per metered service (1)	<u>75</u>	<u>76</u>	<u>75</u>	<u>74</u>
<b>Total operations &amp; maintenance expense per metered service</b>	<u>\$ 276</u>	<u>\$ 269</u>	<u>\$ 285</u>	<u>\$ 314</u>

- 
- (1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. Additionally since 2010, actuarial pension costs increased as a result of lower investment returns and the inclusion of approved past and future cost of living adjustments into the plan.
- (2) In 2011 and 2010, costs associated with the write down of deferred regulatory projects, including alternative water supply and consumptive use permit spending, increased Operations and maintenance expenses.
- (3) With the implementation of the Advanced Metering Infrastructure upgrades in 2013 and 2014, the customer service costs were lower as a result of staffing reductions.

2010	2009	2008	2007	2006	2005	2004
117	119	126	143	140	141	141
\$ 296	\$ 294	\$ 292	\$ 316	\$ 265	\$ 263	\$ 255
\$ 2.5239	\$ 2.4623	\$ 2.3156	\$ 2.2071	\$ 1.8933	\$ 1.8720	\$ 1.8072
709	728	678	740	780	805	792
\$ 1,350	\$ 1,353	\$ 1,186	\$ 1,233	\$ 1,084	\$ 1,110	\$ 1,091
\$ 1.9049	\$ 1.8584	\$ 1.7477	\$ 1.6658	\$ 1.3893	\$ 1.3782	\$ 1.3772
232	239	254	288	319	295	304
\$ 652	\$ 656	\$ 655	\$ 707	\$ 719	\$ 660	\$ 642
\$ 2.8093	\$ 2.7405	\$ 2.5773	\$ 2.4565	\$ 2.2565	\$ 2.2359	\$ 2.1103
\$ 1.5927	\$ 1.3796	\$ 1.3201	\$ 1.1175	\$ 1.0294	\$ 0.9360	\$ 0.8727
\$ 167	\$ 151	\$ 150	\$ 141	\$ 129	\$ 125	\$ 112
58	54	53	55	52	40	40
<u>67</u>	<u>55</u>	<u>56</u>	<u>52</u>	<u>48</u>	<u>46</u>	<u>42</u>
<u>\$ 292</u>	<u>\$ 260</u>	<u>\$ 259</u>	<u>\$ 248</u>	<u>\$ 229</u>	<u>\$ 211</u>	<u>\$ 194</u>

## SELECTED FINANCIAL RATIOS

Years Ended September 30	2014	2013	2012	2011
<b>Water operating ratio</b>				
Water operations & maintenance expenses/operating revenues (1)	\$ 0.58	\$ 0.57	\$ 0.60	\$ 0.66
<b>Water income/(loss) before contributions per revenue dollar</b>				
Water income/(loss) before contributions/total water operating revenues	\$ 0.04	\$ (0.01)	\$ 0.03	\$ (0.06)

## ACTIVE SERVICES

Residential	104,237	102,417	106,207	105,053
Commercial	14,866	15,476	13,095	12,976
Irrigation	16,003	15,878	16,088	15,938
<b>Total metered services</b>	<u>135,106</u>	<u>133,771</u>	<u>135,390</u>	<u>133,967</u>

## FIRE PROTECTION

Fire protection services	4,524	4,428	4,346	4,294
Fire hydrants	10,091	9,973	9,933	9,828
<b>Total fire protection</b>	<u>14,615</u>	<u>14,401</u>	<u>14,279</u>	<u>14,122</u>

## CONSUMPTION (MGAL)

Residential	12,757	12,562	12,722	12,854
Commercial	8,557	8,427	8,535	8,623
Irrigation	4,018	3,957	4,007	4,049
Resale	25	34	38	35
<b>Total consumption</b>	<u>25,357</u>	<u>24,980</u>	<u>25,302</u>	<u>25,561</u>

(1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. Additionally since 2010, actuarial pension costs increased as a result of lower investment returns and the inclusion of the accrual of previously approved cost of living adjustment. In 2008, water consumption decreased due to weakening economic conditions, increased rainfall, and continued conservation efforts. The impact of the decrease in consumption resulted in higher Operations and maintenance expenses per MGAL.

2010	2009	2008	2007	2006	2005	2004
\$ 0.63	\$ 0.56	\$ 0.57	\$ 0.51	\$ 0.54	\$ 0.50	\$ 0.48
\$ (0.07)	\$ (0.06)	\$ (0.03)	\$ 0.10	\$ 0.03	\$ 0.03	\$ 0.04
107,030	106,495	108,437	105,819	103,866	102,674	99,942
11,883	11,795	11,845	14,879	12,358	12,210	12,014
17,025	16,899	16,860	16,608	16,288	15,835	14,756
<u>135,938</u>	<u>135,189</u>	<u>137,142</u>	<u>137,306</u>	<u>132,512</u>	<u>130,719</u>	<u>126,712</u>
4,248	4,192	4,124	3,596	4,186	3,987	3,749
9,753	9,630	9,578	9,451	9,118	8,891	8,822
<u>14,001</u>	<u>13,822</u>	<u>13,702</u>	<u>13,047</u>	<u>13,304</u>	<u>12,878</u>	<u>12,571</u>
12,505	12,833	13,513	15,030	14,438	14,250	13,929
8,388	8,608	9,065	10,081	9,581	9,753	9,403
3,938	4,042	4,256	4,734	5,117	4,513	4,327
34	184	140	139	165	464	172
<u>24,865</u>	<u>25,667</u>	<u>26,974</u>	<u>29,984</u>	<u>29,301</u>	<u>28,980</u>	<u>27,831</u>

## WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Water plant, net</b>				
Production (1)	\$ 121,852	\$ 124,499	\$ 129,840	\$ 134,343
Transmission and distribution	214,122	199,259	193,735	190,413
General	1,468	4,176	3,751	3,490
<b>Total water plant, net</b>	<u>337,442</u>	<u>327,934</u>	<u>327,326</u>	<u>328,246</u>
<b>Common plant, net (2)</b>	<u>22,988</u>	<u>24,100</u>	<u>24,448</u>	<u>24,470</u>
<b>Total plant, net</b>	<u>\$ 360,430</u>	<u>\$ 352,034</u>	<u>\$ 351,774</u>	<u>\$ 352,716</u>

## WATER PHYSICAL STATISTICS

Pipe miles	1,801	1,788	1,784	1,766
Number of public hydrants	10,091	9,973	9,933	9,828
Number of wells	31	31	31	31
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	273	273	273	273
Raw water capacity (MGAL per day)	177.5	177.5	177.5	177.5
Peak day (MGAL)	96.4	94.3	94.3	97.4
Per capita, gallons pumped per day total system	178	175	183	184
Per capita, gallons consumed per day residential only	79	79	83	83

## WATER PRODUCTION (KGAL)

<b>Water treated for sale</b>				
Treated	28,673,892	27,830,306	28,004,849	28,393,238
Used by water department (3)	5,840	5,840	5,856	5,840
<b>Total water treated for sale</b>	<u>28,668,052</u>	<u>27,824,466</u>	<u>27,998,993</u>	<u>28,387,398</u>
<b>Sales</b>				
Retail customers	24,986,010	24,596,536	24,946,151	25,185,446
Inter-department use	345,357	351,617	318,305	341,103
Wholesale customers	25,522	31,380	37,718	34,853
<b>Total sales</b>	<u>25,356,889</u>	<u>24,979,533</u>	<u>25,302,174</u>	<u>25,561,402</u>
Unbilled	<u>3,311,163</u>	<u>2,844,933</u>	<u>2,696,819</u>	<u>2,825,996</u>
Unbilled as a percentage of water treated for sale	11.55%	10.22%	9.63%	9.96%

(1) In 2013, OUC began installing the water Advanced Metering Infrastructure (AMI). The reduction in water production plant was due to the reclassification of the non-AMI meters as a regulatory asset as approved by the Board.

(2) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its' Administrative offices. In 2009, the new Administration building was completed and placed into service and in 2012 the former Administration building was sold.

(3) In 2008, the Water production division revised their calculations to exclude water that was tested but still sold to end consumers. In 2009, the testing process was further refined as gauges, which measure the amount of water tested, were installed. The standards established in 2009 were maintained for all future periods.

2010	2009	2008	2007	2006	2005	2004
\$ 139,082	\$ 144,802	\$ 158,635	\$ 162,259	\$ 156,382	\$ 162,574	\$ 161,540
183,912	181,163	177,709	170,969	158,109	151,389	149,360
<u>3,486</u>	<u>4,181</u>	<u>113</u>	<u>685</u>	<u>5,626</u>	<u>3,695</u>	<u>6,961</u>
326,480	330,146	336,457	333,913	320,117	317,658	317,861
<u>25,794</u>	<u>24,657</u>	<u>14,159</u>	<u>15,443</u>	<u>12,368</u>	<u>14,376</u>	<u>15,865</u>
<u>\$ 352,274</u>	<u>\$ 354,803</u>	<u>\$ 350,616</u>	<u>\$ 349,356</u>	<u>\$ 332,485</u>	<u>\$ 332,034</u>	<u>\$ 333,726</u>
1,763	1,750	1,755	1,729	1,714	1,695	1,679
9,753	9,630	9,578	9,451	9,118	7,235	7,154
32	32	34	34	34	34	34
28.5	28.5	28.5	28.5	28.5	28.5	28.5
273	274	274	274	274	274	271
182.5	182.5	184.0	184.0	184.0	184.0	182.0
95.7	103.8	111.2	111.4	114.6	108.3	118.0
179	187	203	216	216	211	208
81	83	88	98	95	94	95
27,681,382	28,980,391	31,047,104	32,950,881	32,739,861	31,784,278	30,656,166
<u>5,840</u>	<u>5,840</u>	<u>29,040</u>	<u>72,995</u>	<u>73,000</u>	<u>27,290</u>	<u>19,919</u>
27,675,542	28,974,551	31,018,064	32,877,886	32,666,861	31,756,988	30,636,247
24,574,646	25,257,125	26,599,439	29,768,879	28,933,432	28,309,265	27,466,944
256,286	225,955	234,186	76,107	203,177	206,787	191,545
<u>33,895</u>	<u>184,282</u>	<u>140,145</u>	<u>139,441</u>	<u>165,176</u>	<u>464,299</u>	<u>172,320</u>
24,864,827	25,667,362	26,973,770	29,984,427	29,301,785	28,980,351	27,830,809
<u>2,810,715</u>	<u>3,307,189</u>	<u>4,044,294</u>	<u>2,893,459</u>	<u>3,365,076</u>	<u>2,776,637</u>	<u>2,805,438</u>
10.16%	11.41%	13.04%	8.80%	10.30%	8.74%	9.16%





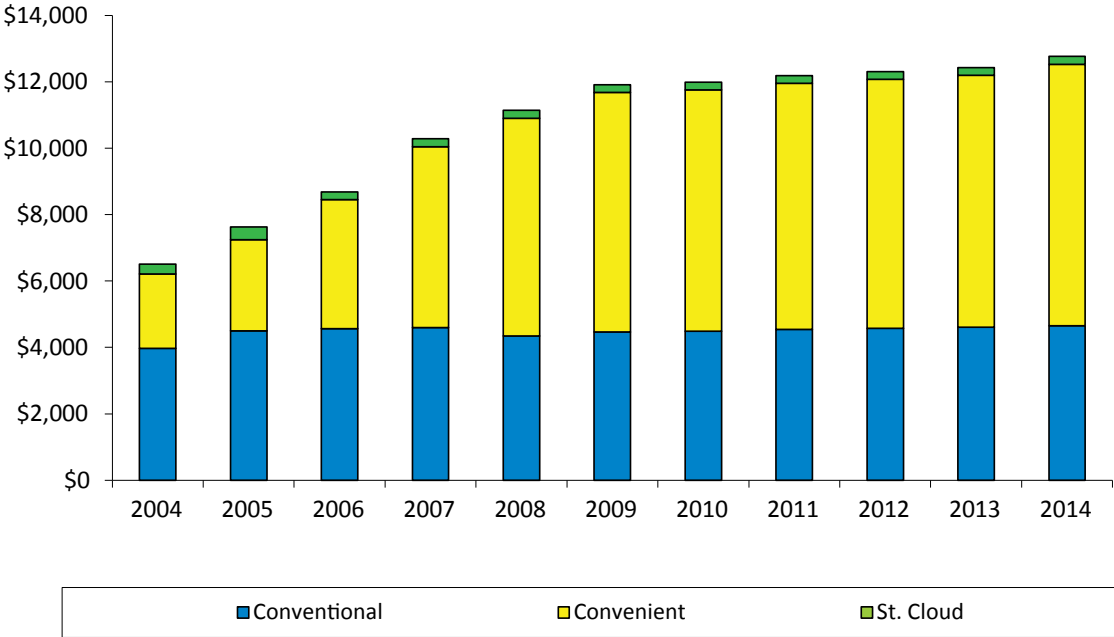
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# LIGHTING OPERATIONS

# LIGHTING BUSINESS OPERATIONS

**Lighting Operating Revenue**  
(Dollars in thousands)



## LIGHTING REVENUES, EXPENSES AND CHANGES IN NET POSITION (Dollars in thousands)

Years Ended September 30

	2014	2013	2012	2011
<b>Operating revenues</b>				
Conventional	\$ 4,656	\$ 4,606	\$ 4,574	\$ 4,544
Convenient	7,865	7,592	7,498	7,411
St. Cloud	243	234	234	232
Service fees and other	226	194	143	129
<b>Total operating revenues</b>	<u>12,990</u>	<u>12,626</u>	<u>12,449</u>	<u>12,316</u>
<b>Operations and maintenance expenses</b>				
Conventional	1,990	2,208	2,150	2,144
Convenient	1,048	1,150	1,008	887
St. Cloud	90	92	114	130
Storm recovery costs (1)	-	-	-	-
General and administrative	515	486	476	520
<b>Total operations and maintenance expenses</b>	<u>3,643</u>	<u>3,936</u>	<u>3,748</u>	<u>3,681</u>
<b>Other expenses</b>				
Utility/property tax	1	1	1	2
Revenue based payments to Orange County	24	23	23	23
Depreciation and amortization	3,617	3,198	3,283	3,490
<b>Total other expenses</b>	<u>3,642</u>	<u>3,222</u>	<u>3,307</u>	<u>3,515</u>
<b>Total operating expenses</b>	<u>7,285</u>	<u>7,158</u>	<u>7,055</u>	<u>7,196</u>
<b>Operating income/(loss)</b>	5,705	5,468	5,394	5,120
<b>Non-operating income and expense</b>				
Interest income	102	224	138	102
Other income, net	94	22	127	213
Bond interest and other related expenses	(1,462)	(1,539)	(1,711)	(1,996)
<b>Total non-operating expenses, net</b>	<u>(1,266)</u>	<u>(1,293)</u>	<u>(1,446)</u>	<u>(1,681)</u>
<b>Lighting income / (loss) before contributions</b>	4,439	4,175	3,948	3,439
<b>Contributions in aid of construction (CIAC)</b>	53	215	648	457
<b>Annual dividend</b>	<u>(2,417)</u>	<u>(2,652)</u>	<u>(2,561)</u>	<u>(2,116)</u>
<b>Increase in net position</b>	<u>\$ 2,075</u>	<u>\$ 1,738</u>	<u>\$ 2,035</u>	<u>\$ 1,780</u>

(1) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$0.2 million of Storm recovery costs in Lighting. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.

2010	2009	2008	2007	2006	2005	2004
\$ 4,489	\$ 4,469	\$ 4,350	\$ 4,599	\$ 4,564	\$ 4,498	\$ 3,972
7,264	7,209	6,554	5,448	3,891	2,751	2,241
234	234	236	244	233	378	298
168	124	143	146	197	69	140
<u>12,155</u>	<u>12,036</u>	<u>11,283</u>	<u>10,437</u>	<u>8,885</u>	<u>7,696</u>	<u>6,651</u>
2,350	2,425	2,457	1,944	1,788	1,913	1,457
1,000	1,131	1,259	868	874	535	418
144	132	137	97	109	121	79
-	-	-	-	-	-	176
586	541	528	455	511	471	484
<u>4,080</u>	<u>4,229</u>	<u>4,381</u>	<u>3,364</u>	<u>3,282</u>	<u>3,040</u>	<u>2,614</u>
3	2	2	2	2	2	3
-	-	-	-	-	-	-
3,408	3,261	2,815	3,266	2,579	2,327	2,174
3,411	3,263	2,817	3,268	2,581	2,329	2,177
<u>7,491</u>	<u>7,492</u>	<u>7,198</u>	<u>6,632</u>	<u>5,863</u>	<u>5,369</u>	<u>4,791</u>
4,664	4,544	4,085	3,805	3,022	2,327	1,860
168	180	453	620	201	84	6
184	78	28	30	29	31	30
(2,224)	(2,084)	(2,038)	(1,925)	(1,365)	(1,100)	(1,059)
<u>(1,872)</u>	<u>(1,826)</u>	<u>(1,557)</u>	<u>(1,275)</u>	<u>(1,135)</u>	<u>(985)</u>	<u>(1,023)</u>
2,792	2,718	2,528	2,530	1,887	1,342	837
565	373	106	316	499	43	545
<u>(1,828)</u>	<u>(1,720)</u>	<u>(1,455)</u>	<u>(1,360)</u>	<u>(1,460)</u>	<u>(804)</u>	<u>(503)</u>
<u>\$ 1,529</u>	<u>\$ 1,371</u>	<u>\$ 1,179</u>	<u>\$ 1,486</u>	<u>\$ 926</u>	<u>\$ 581</u>	<u>\$ 879</u>

## SELECTED FINANCIAL RATIOS

### Years Ended September 30

	2014	2013	2012	2011
<b>Lighting operating ratio</b>				
Lighting operation & maintenance expenses/ operating revenues	\$ 0.28	\$ 0.31	\$ 0.30	\$ 0.30
<b>Lighting income before contributions per revenue dollar</b>				
Lighting income before contributions/ operating revenues	\$ 0.34	\$ 0.33	\$ 0.32	\$ 0.28

### LIGHTING UTILITY PLANT (Dollars in thousands)

<b>Lighting plant, net</b>				
Conventional	\$ 8,271	\$ 8,927	\$ 8,891	\$ 8,871
Convenient	32,236	33,534	34,236	35,937
<b>Total lighting plant, net</b>	40,507	42,461	43,127	44,808
St. Cloud	605	665	718	754
<b>Total plant, net</b>	<u>\$ 41,112</u>	<u>\$ 43,126</u>	<u>\$ 43,845</u>	<u>\$ 45,562</u>

2010	2009	2008	2007	2006	2005	2004
\$ 0.34	\$ 0.35	\$ 0.39	\$ 0.32	\$ 0.37	\$ 0.39	\$ 0.37
\$ 0.23	\$ 0.23	\$ 0.22	\$ 0.24	\$ 0.21	\$ 0.17	\$ 0.15
\$ 9,117	\$ 8,658	\$ 8,442	\$ 8,237	\$ 9,125	\$ 9,933	\$ 10,815
35,867	36,142	36,282	30,080	22,894	15,931	12,441
44,984	44,800	44,724	38,317	32,019	25,864	23,256
773	814	756	793	762	636	436
<u>\$ 45,757</u>	<u>\$ 45,614</u>	<u>\$ 45,480</u>	<u>\$ 39,110</u>	<u>\$ 32,781</u>	<u>\$ 26,500</u>	<u>\$ 23,692</u>



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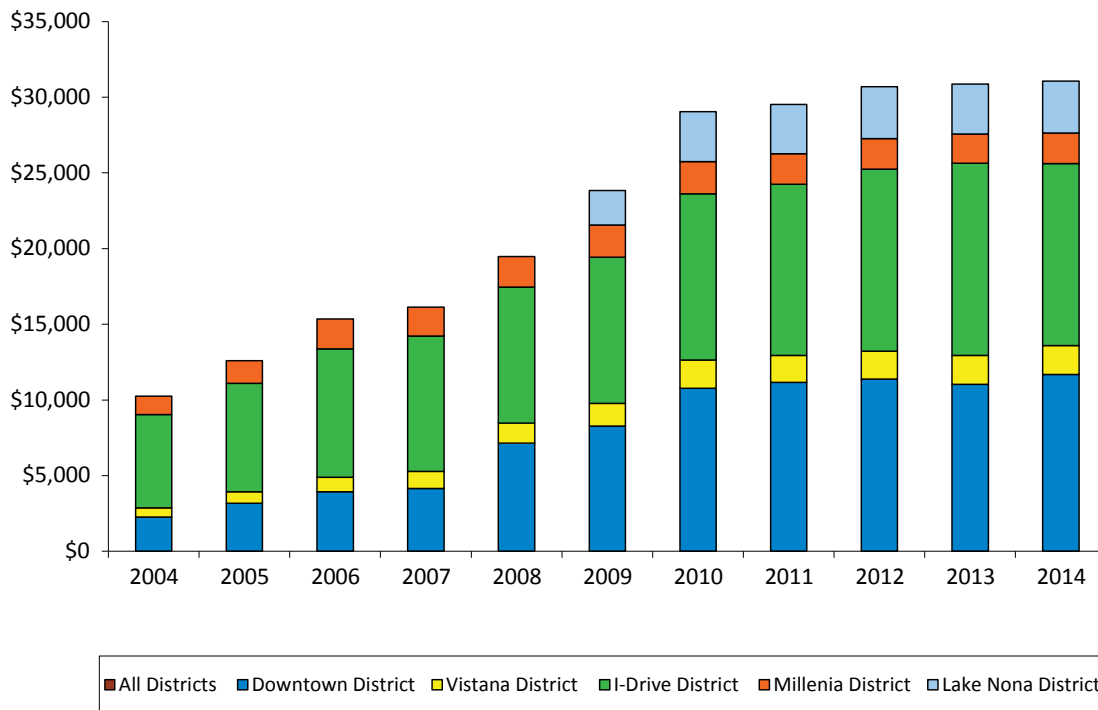




# CHILLED WATER

# CHILLED WATER BUSINESS OPERATIONS

**Chilled Water Operating Revenue**  
(Dollars in thousands)



OUC began providing Chilled Water services in 1999. As of 2014, five Chilled Water loops were operational with a total capacity of 47,950 tons.

## CHILLED WATER REVENUES, EXPENSES AND CHANGES IN NET POSITION (Dollars in thousands)

Years Ended September 30	2014	2013	2012	2011
<b>Operating revenues</b>				
Downtown Plant	\$ 11,692	\$ 11,039	\$ 11,371	\$ 11,163
Vistana plant	1,894	1,910	1,848	1,768
International Drive plant	12,043	12,697	12,023	11,314
Millenia plant	2,012	1,919	2,016	2,032
Lake Nona Plant	3,430	3,307	3,431	3,243
Service fees and other	521	497	186	255
<b>Total operating revenues</b>	<u>31,592</u>	<u>31,369</u>	<u>30,875</u>	<u>29,775</u>
<b>Operations and maintenance expenses</b>				
Downtown plant	4,947	4,523	4,384	3,884
Vistana plant	846	862	901	1,173
International Drive plant	7,152	7,094	7,276	7,062
Millenia plant	1,357	1,306	1,232	1,214
Lake Nona plant	1,431	1,305	1,372	1,496
Storm recovery costs (1)	-	-	-	-
Customer service	154	158	142	140
General & administrative	787	745	715	1,037
<b>Total operations and maintenance expenses</b>	<u>16,674</u>	<u>15,993</u>	<u>16,022</u>	<u>16,006</u>
<b>Other expenses</b>				
Utility/property tax	1	1	2	2
Revenue based payments to the City of Orlando	645	625	668	699
Revenue based payments to Orange County	127	121	127	80
Depreciation and amortization (2)	4,519	4,808	4,891	5,015
<b>Total other expenses</b>	<u>5,292</u>	<u>5,555</u>	<u>5,688</u>	<u>5,796</u>
<b>Total operating expenses</b>	<u>21,966</u>	<u>21,548</u>	<u>21,710</u>	<u>21,802</u>
<b>Operating income</b>	9,626	9,821	9,165	7,973
<b>Non-operating income and expense</b>				
Interest income	117	71	129	82
Other income / (loss), net	110	125	135	223
Bond interest and other related expenses	(3,622)	(4,134)	(5,050)	(5,484)
<b>Total non-operating expenses, net</b>	<u>(3,395)</u>	<u>(3,938)</u>	<u>(4,786)</u>	<u>(5,179)</u>
<b>Chilled water income / (loss) before contributions (3)</b>	6,231	5,883	4,379	2,794
<b>Contributions in aid of construction (CIAC)(4)</b>	467	-	-	8
<b>Annual dividend</b>	<u>(3,393)</u>	<u>(3,742)</u>	<u>(2,841)</u>	<u>(1,719)</u>
<b>Increase/(decrease) in net position</b>	<u>\$ 3,305</u>	<u>\$ 2,141</u>	<u>\$ 1,538</u>	<u>\$ 1,083</u>

(1) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne.

(2) In 2013 and 2014, OUC implemented the results from a completed depreciation study, lowering depreciation expense \$0.5 million for each year, to properly reflect its level of maintenance and comparability with industry norms.

(3) Income before contributions was higher in 2014 due to increased consumption in the Downtown district.

(4) In 2014, OUC received contributions for projects in the Downtown district. In 2008, in conjunction with the Florida Department of Transportation (FDOT) completion of the I-4/S.R. 408 Interchange Improvement Project to relocate the Chilled water pipelines, OUC received \$1.1 million from the FDOT.

2010	2009	2008	2007	2006	2005	2004
\$ 10,773	\$ 8,272	\$ 7,148	\$ 4,142	\$ 3,926	\$ 3,162	\$ 2,268
1,870	1,510	1,323	1,128	964	781	602
10,980	9,659	8,992	8,945	8,496	7,159	6,176
2,133	2,114	2,016	1,920	1,961	1,489	1,205
3,282	2,286	-	-	-	-	-
248	380	260	508	243	147	92
<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>
4,032	3,683	3,227	2,767	2,407	1,706	1,063
835	785	688	590	441	320	214
6,954	6,334	6,057	5,977	5,847	5,107	3,743
1,291	1,214	1,095	1,094	1,031	936	710
1,377	999	-	-	-	-	-
-	-	-	-	-	-	62
126	117	117	120	109	84	80
1,274	680	662	607	542	506	482
<u>15,889</u>	<u>13,812</u>	<u>11,846</u>	<u>11,155</u>	<u>10,377</u>	<u>8,659</u>	<u>6,354</u>
3	4	4	6	3	2	4
665	451	376	231	231	186	152
-	-	-	-	-	-	-
5,290	3,957	3,117	3,066	2,901	2,648	1,849
5,958	4,412	3,497	3,303	3,135	2,836	2,005
<u>21,847</u>	<u>18,224</u>	<u>15,343</u>	<u>14,458</u>	<u>13,512</u>	<u>11,495</u>	<u>8,359</u>
7,439	5,997	4,396	2,185	2,078	1,243	1,984
179	139	102	86	299	31	(8)
179	73	26	35	31	28	34
(5,606)	(5,064)	(4,730)	(3,787)	(3,880)	(3,579)	(3,596)
<u>(5,248)</u>	<u>(4,852)</u>	<u>(4,602)</u>	<u>(3,666)</u>	<u>(3,550)</u>	<u>(3,520)</u>	<u>(3,570)</u>
2,191	1,145	(206)	(1,481)	(1,472)	(2,277)	(1,586)
7	4	1,078	-	-	-	-
(1,435)	(724)	119	796	1,140	1,366	952
<u>\$ 763</u>	<u>\$ 425</u>	<u>\$ 991</u>	<u>\$ (685)</u>	<u>\$ (332)</u>	<u>\$ (911)</u>	<u>\$ (634)</u>

## SELECTED FINANCIAL RATIOS

### Years Ended September 30

	2014	2013	2012	2011
<b>Chilled water operating ratio</b>				
Chilled water operation & maintenance expenses/ operating revenues (1)	\$ 0.53	\$ 0.51	\$ 0.52	\$ 0.54
<b>Chilled water income/(loss) before contributions per revenue dollar</b>				
Chilled water income/(loss) before contributions/ operating revenues (1)(4)	\$ 0.20	\$ 0.19	\$ 0.14	\$ 0.09
<b>Revenue per TON-hour produced (2)</b>	\$ 0.2298	\$ 0.2387	\$ 0.2420	\$ 0.2349

### CHILLED WATER UTILITY PLANT (Dollars in thousands)

<b>Chilled water plant, net</b>				
Downtown plant	\$ 36,840	\$ 37,196	\$ 38,684	\$ 37,842
Vistana plant	3,663	3,855	4,089	4,323
International Drive plant	24,035	25,277	26,541	27,340
Millenia plant	2,427	2,552	2,709	2,929
Lake Nona plant	11,357	11,748	12,273	12,821
<b>Total plant, net</b>	<u>\$ 78,322</u>	<u>\$ 80,628</u>	<u>\$ 84,296</u>	<u>\$ 85,255</u>

### CHILLED WATER STATISTICS (2)

#### Pipe miles

Downtown plant	8.31	8.31	7.65	7.65
Vistana plant	2.44	2.44	2.44	2.44
International Drive plant	3.79	3.79	3.79	3.79
Millenia plant	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.62	1.62
<b>Total pipe miles</b>	<u>16.42</u>	<u>16.42</u>	<u>15.76</u>	<u>15.76</u>

#### Generation capacity, TON

Downtown plant	14,250	14,250	14,250	14,250
Vistana plant	2,400	2,400	2,400	2,400
International Drive plant	21,200	21,200	21,200	21,200
Millenia plant	4,800	4,800	4,800	4,800
Lake Nona plant	5,300	5,300	5,300	5,300
<b>Total generation capacity, TON</b>	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>

### TON-HOURS PRODUCED (in thousands) (2)

Downtown plant	40,561	38,925	36,673	37,970
Vistana plant	5,322	5,150	5,109	5,354
International Drive plant (3)	67,581	64,159	63,520	61,432
Millenia plant	9,136	9,206	8,970	8,834
Lake Nona plant	12,603	11,850	12,523	12,082
<b>Total TON-hours produced</b>	<u>135,203</u>	<u>129,290</u>	<u>126,795</u>	<u>125,672</u>

### ACTIVE SERVICES (2)

Residential	2,365	2,365	2,365	2,365
Commercial	203	203	201	195
<b>Total metered services (4)</b>	<u>2,568</u>	<u>2,568</u>	<u>2,566</u>	<u>2,560</u>

(1) In 2004, Storm recovery costs related to hurricanes Charley, Frances and Jeanne are excluded from these computations.

(2) Prior to 2006, data was not available for these statistics.

	2010	2009	2008	2007	2006	2005	2004 (1)
\$	0.54	\$ 0.57	\$ 0.60	\$ 0.67	\$ 0.67	\$ 0.68	\$ 0.61
\$	0.07	\$ 0.05	\$ (0.01)	\$ (0.09)	\$ (0.09)	\$ (0.18)	\$ (0.15)
\$	0.2511	\$ 0.2344	\$ 0.1985	\$ 0.1753	\$ 0.1759	\$ -	\$ -
\$	38,351	\$ 29,842	\$ 30,394	\$ 26,097	\$ 26,106	\$ 22,137	\$ 10,082
	4,557	4,791	4,423	4,642	4,444	2,384	2,479
	28,018	25,174	26,288	23,371	24,404	24,623	25,398
	3,133	3,353	3,572	3,792	4,053	4,285	4,446
	13,369	13,920	5	-	-	-	-
\$	<u>87,428</u>	<u>77,080</u>	<u>64,682</u>	<u>57,902</u>	<u>59,007</u>	<u>53,429</u>	<u>42,405</u>
	7.65	7.65	7.30	7.10	7.10	-	-
	2.44	2.44	2.44	1.24	1.24	-	-
	3.79	3.79	3.32	3.32	3.32	-	-
	0.26	0.26	0.26	0.26	0.26	-	-
	1.62	1.62	1.51	-	-	-	-
	<u>15.76</u>	<u>15.76</u>	<u>14.83</u>	<u>11.92</u>	<u>11.92</u>	<u>-</u>	<u>-</u>
	14,250	11,250	11,250	9,850	9,850	-	-
	2,400	2,400	2,400	2,400	2,400	-	-
	21,200	21,200	21,200	21,200	20,900	-	-
	4,800	4,800	4,800	4,800	4,800	-	-
	5,300	5,300	-	-	-	-	-
	<u>47,950</u>	<u>44,950</u>	<u>39,650</u>	<u>38,250</u>	<u>37,950</u>	<u>-</u>	<u>-</u>
	33,473	29,486	27,561	21,804	18,954	-	-
	5,431	4,504	4,063	3,857	4,512	-	-
	56,030	51,278	57,262	57,780	50,422	-	-
	8,991	9,093	9,253	8,603	13,375	-	-
	11,697	7,371	-	-	-	-	-
	<u>115,622</u>	<u>101,732</u>	<u>98,139</u>	<u>92,044</u>	<u>87,263</u>	<u>-</u>	<u>-</u>
	2,365	2,365	1,724	708	627	-	-
	194	198	231	171	174	-	-
	<u>2,559</u>	<u>2,563</u>	<u>1,955</u>	<u>879</u>	<u>801</u>	<u>-</u>	<u>-</u>

(3) The increase in the I-Drive usage is primarily driven by the number of events that are scheduled in the Orange County Convention Center (OCCC) .

(4) In 2008, the number of residential customers increased as a result of growth in the downtown area. In 2009, the number of commercial services decreased as a result of the economic downturn.



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# STATISTICAL INFORMATION



# STATISTICAL INFORMATION

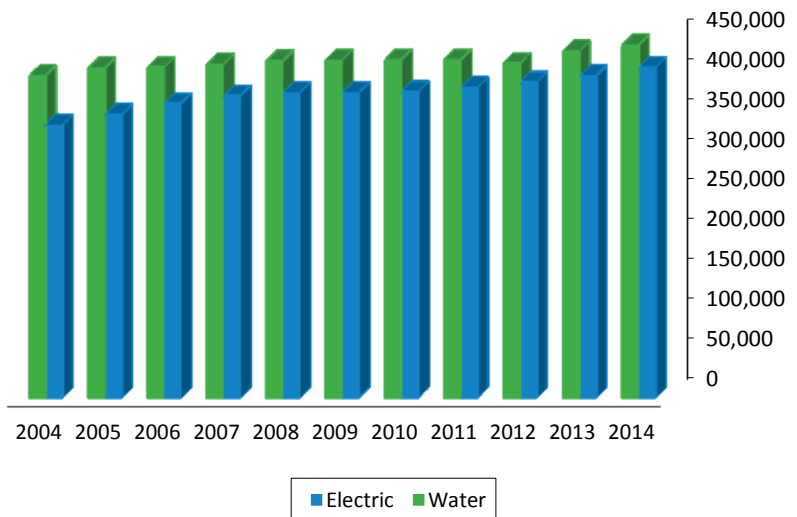
## NUMBER OF EMPLOYEES

Year	Electric operations	Lighting operations	Chilled water operations	Water operations	Budgeted total	Actual total	Retail customers to employees
2014	854	11	15	246	1,126	1,051	401
2013	887	11	16	244	1,158	1,086	371
2012	938	11	18	254	1,221	1,090	334
2011	917	11	16	255	1,199	1,179	304
2010	882	11	16	248	1,157	1,127	317
2009	937	13	18	259	1,227	1,116	316
2008	886	12	19	253	1,170	1,154	307
2007	858	12	17	242	1,129	1,097	323
2006	848	12	16	242	1,118	1,062	322
2005	847	13	16	242	1,118	1,070	312
2004	840	16	16	240	1,112	1,073	299

The customer service and administration employees were proportionately allocated to each of the operating segments.  
 The calculation of Retail customers to employees includes total electric and water metered services/Actual total number of employees.  
 Actual total employees were lower than Budgeted total employees due to vacant positions in Electric operations and administration.

## SERVICE AREA POPULATION

Year	Electric	Water
2014	414,245	442,317
2013	403,668	434,594
2012	395,500	419,353
2011	389,000	423,900
2010	383,700	423,900
2009	382,500	423,500
2008	382,600	422,200
2007	378,400	418,200
2006	369,000	414,500
2005	355,000	413,680
2004	342,200	403,470



## CLIMATOLOGICAL DATA

### Average Annual Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30

Fiscal Year	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal *
2014	43.97	(6.38)	73.9	1.0
2013	48.10	(2.63)	73.0	0.2
2012	44.28	(6.45)	73.6	0.8
2011	49.36	1.01	72.8	-
2010	50.27	1.92	72.0	(0.8)
2009	45.70	2.65	72.3	(0.5)
2008	61.22	12.87	73.6	0.8
2007	33.66	(14.69)	73.0	0.2
2006	39.68	(8.67)	73.0	0.2
2005	64.20	15.85	72.8	-
2004	52.28	3.93	72.5	(0.3)

\* Normal was based on the average annual temperature as published by the National Weather Service.

### Monthly Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30, 2014

Month*	Rain (Inches)		Temperature (°F)	
	Total	Above (Below) Normal	Average Daily	Above (Below) Normal
September	2.9	(3.2)	81.2	0.1
October	2.3	(1.2)	74.5	(1.0)
November	0.9	(1.1)	70.8	2.3
December	0.3	(2.0)	68.2	5.6
January	2.8	0.3	58.6	(1.6)
February	2.1	0.1	65.8	2.8
March	4.5	0.9	67.0	0.1
April	4.2	1.6	73.6	2.4
May	3.6	0.1	78.1	0.8
June	4.6	(3.0)	81.6	0.2
July	8.8	1.5	83.1	0.4
August	7.0	(0.3)	83.8	1.0
Total	44.0	(6.3)	-	-
Month Average	3.7	(0.5)	73.9	1.1

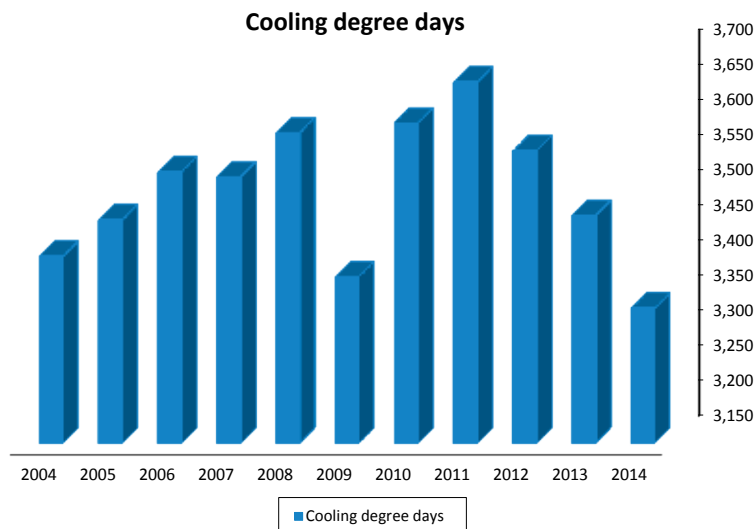
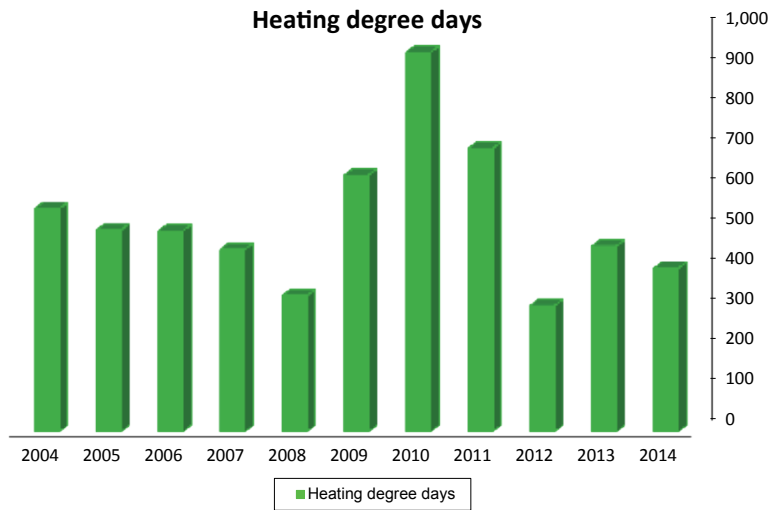
\* Data for the year lags one month behind because the relevant weather occurs approximately one month prior to the billing period.

## CLIMATOLOGICAL DATA (continued)

### Orlando Metro Area Fiscal Year Ended September 30

Year	Heating Degree Days	Cooling Degree Days
2014	406	3,342
2013	461	3,474
2012	313	3,566
2011	703	3,664
2010	942	3,606
2009	637	3,387
2008	338	3,592
2007	453	3,529
2006	499	3,536
2005	501	3,468
2004	554	3,416

Source: US Department of Commerce, National Weather Service



## INSURANCE COVERAGES

### September 30, 2014

Carrier	Type of coverage	Limits	Period
Self insured	General liability	\$2.0 million per occurrence retention	Continuous
Self insured	Automobile liability	\$2.0 million per occurrence retention	Continuous
Self insured	Worker's compensation	\$0.5 million per occurrence retention	Continuous
Florida Municipal Insurance Trust (FMIT)	Excess worker's compensation	\$25.0 million statutory limit of liability above a \$0.5 million per occurrence retention	10-01-13/10-01-14
AEGIS	Excess automobile and general liability	\$35.0 million above the \$2.0 million retention for general liability and automobile liability	10-01-13/10-01-14
Energy Insurance Mutual	Excess automobile and general liability	\$15.0 million above the \$35.0 million limit for excess automobile and general liability with AEGIS	10-01-13/10-01-14
Factory Mutual	All risk property/boiler and machinery	\$2.0 billion insurable values, \$0.25 million base retentions, various retentions depending on machinery	10-01-13/10-01-14
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-13/10-01-14
CHUBB	Fiduciary Liability	\$10.0 million	10-01-13/10-01-14
Great American Insurance	Dishonesty, disappearance & destruction (Crime)	\$10.0 million	10-01-13/10-01-14
Self insured	Health and medical benefits individual stop-loss	Amounts in excess of \$0.25 million per insured per year net of applicable deductible	Continuous
Aetna	Health and medical benefits aggregate stop-loss	Amounts in excess of 125% of expected annual claims with a maximum policy payment limit of \$2.0 million	Continuous



# GLOSSARY OF TERMS

## GLOSSARY OF TERMS

**Active Services:** Services are provided to residential and commercial customers by OUC through service agreements. The service agreement is deemed active only if the service is current and not interrupted by suspension and/or closure.

**Amortize:** To reduce an original amount or an account balance systematically over a period of time.

**Average Length of Service Interruption in Minutes (L-Bar):** Measures the average length of time of a single service interruption.

**Average Service Availability Index (ASAI):** The ratio of the total number of hours that service was available to the total customer hours demanded.

**Build America Bonds (BABs):** Taxable municipal bonds created under the American Recovery and Reinvestment Act of 2009 that carry special federal subsidies for either the bondholder or the bond issuer.

**Capacity Factor (CF):** A measure of the performance of a power source over time as a percentage of its full power potential.

**Cash and Cash Equivalents:** The value of assets that can be converted into cash immediately. Usually includes bank accounts and marketable securities, such as government bonds. Cash equivalents on the Statements of Net Position include securities with an original maturity of 90 days or less.

**Circuit-Mile:** The total length in miles of separate circuits regardless of the number of conductors used per circuit.

**Combined Cycle (CC):** Characteristic of a power producing engine or plant that employs more than one thermodynamic cycle.

**Combustion Turbine (CT):** Turbine that converts the chemical energy of a liquid fuel into mechanical energy by internal combustion; gaseous products of the fuel, which are burned in compressed air, are expanded through a turbine.

**Contribution in Aid of Construction (CIAC):** Any amount of money or other property contributed to a regulated public utility to the extent that the purpose of the contribution is to provide for the expansion, improvement, or replacement of the utility's facilities.

**Cooling-Degree Day:** The measure of how high the average daily temperature is relative to a reference temperature of 72.8 degrees Fahrenheit. For example, if the average temperature for the day is 78 degrees, then the cooling-degree days are equal to 5.2.

**Cost of Living Adjustment (COLA):** An annual adjustment in wages to offset a change in purchasing power, as measured by the Consumer Price Index.

**Customer Average Interruption Duration Index (CAIDI):** The average repair time that any given customer may experience.

**Debt Service Coverage Ratio:** A ratio of cash available for debt service to interest, principal and lease payments, excluding payments to the City of Orlando.

**Debt Service Requirement:** Amount required to service all debts during a period, usually one year.

**Decommissioning:** The process related to permanently taking a nuclear plant out of service, including decontaminating and removing buildings or other structures.

**Defeasance:** A provision that legally discharges a borrower for debt incurred when the borrower sets aside cash or bonds sufficient to service the outstanding debt.

**Depreciation:** Amount allocated during the period to expense the cost of acquiring a capital asset over the useful life of the asset.

**Derivative:** A security for which price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Examples of derivatives include futures and options.

**Equivalent Availability Factor (EAF):** The amount of time a generation plant is able to produce electricity over a certain period, divided by the amount of the time in the period.

**Equivalent Forced Outage Rate (EFOR):** A measure of reliability during the time the generation plant was actually required to generate.

**Federal Emergency Management Agency (FEMA):** An agency of the United States Department of Homeland Security with a primary purpose of coordinating the response to a disaster that has occurred in the United States that overwhelms the resources of local and state authorities.

**Federal Energy Regulatory Commission (FERC):** Independent federal agency created within the U.S. Department of Energy. FERC is vested with broad regulatory authority over wholesale electric, natural gas and oil production, and the licensing of hydroelectric facilities.

**Fossil Steam (FS):** The steam created from burning fossil fuel such as coal.

**General and Administrative Expenses (G&A):** The expenses of operating a business that are not directly linked to the company's products or services. They include salaries, rent and payments to utilities generally known as overhead.

**Governmental Accounting Standards Board (GASB):** The authoritative standard-setting body that establishes accounting and financial reporting principles for governmental entities in the United States.

**Heating-Degree Day:** The measure of how low the average daily temperature is relative to a reference temperature of 65 degrees Fahrenheit. For example, if the average temperature for the day is 60 degrees, then the heating-degree days are equal to 5.

**Hedging:** The process of buying and selling fuel oil, natural gas and electric energy futures, options or similar contracts to protect against loss due to price fluctuations.

**Interlocal Sales:** Agreement between OUC and the City of St. Cloud (STC) to provide retail electric service to all STC customers.

**Kilowatt (KW):** A measure of electric power. A kilowatt equals 1,000 watts. It produces enough energy to light up ten 100-watt light bulbs.

**Kilowatt-hour (KWh):** A measure of electric power consumption. A kilowatt-hour equals 1,000 watts of energy flowing for a one hour period.

**MMBtu:** 1,000,000 British Thermal Units (BTU). A BTU is the standard unit for measuring the quantity of heat energy, such as the heat content of fuel. It is the amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit at sea level pressure.

**Megawatt (MW):** A measure of electric power. A megawatt equals 1,000 kilowatts or 1,000,000 watts.

**Megawatt-hour (MWh):** A measure of electric power consumption. A megawatt-hour equals one megawatt of power flowing for one hour.

**Metropolitan Statistical Area (MSA):** A Core Based Statistical Area having at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

**Millions of Gallons (MGAL):** A unit of measurement usually used to measure water in utility plants.

**Other Post-employment Benefits (OPEB):** Post-employment benefits other than pension benefits. OPEBs include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination benefits.

**Peak Demand-Gross (Instantaneous):** The demand at the instant of greatest load, usually determined from the readings of indicating or graphic meters.

**Peak Demand-Net (Net 60-min integrated MW demand):** The greatest rate at which electrical energy has been used during any on-peak period of 15 consecutive minutes in the billing month.

**Peoplesoft Environment Management (PSERM):** The customer billing system used at OUC.

**Refunding:** Retiring an outstanding bond issue after the first call date by using money from the sale of a new offering.

**Statement of Cash Flows:** A statement that shows actual cash inflows and outflows by operating, investing, and financing activities for the reporting period.

**Statement of Net Position:** A statement of financial position as of a specific date, listing assets, liabilities and fund net assets.

**Statement of Revenues, Expenses and Changes in Net Position:** A statement that summarizes the revenues, expenses, and net income for the reporting period.

**System Average Interruption Duration Index (SAIDI):** The average outage duration for any given customer.

**System Load factor:** The ratio of the average load in kilowatts supplied during a designated period to the peak or maximum load in kilowatts occurring in that period.

**Utility Plant in-service:** An asset with a life of two or more years and a value of greater than \$1,000.

