



2020

FINANCIAL & STATISTICAL REPORT



The *Reliable One*®

ORLANDO UTILITIES COMMISSION 2020 FINANCIAL AND 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.



GENERAL INFORMATION

OUC—the Reliable One is the second largest municipal utility in Florida, providing a portfolio of utility services to more than 259,700 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola Counties.

OUC was created in 1923 by a Special Act of the Florida Legislature as a statutory commission of the State of Florida and is governed by a Board (the Board) consisting of five members and includes the Mayor of the City of Orlando (the City) as an ex-officio member. The Act confers upon OUC the rights and powers to set prices for electric and water services. OUC is responsible for the operation and maintenance of a portfolio of energy services including the acquisition, generation, transmission and distribution of electric and water services, as well as chilled water, lighting, back-up generation, electric vehicle charging and renewable energy solutions in a manner which is sustainable and delivers value to its customers and the community.

The electric system provides power to customers within the City and certain contiguous portions of Orange County. Beginning in 1997, through the execution of an interlocal agreement, the electric system was expanded to include providing power to the City of St. Cloud, their customers and certain portions of Osceola County. The combined electric system is the largest component of OUC's operations and consists of seven generation units, a transmission station with 37 substations and approximately 393 miles of transmission lines and cables. The combined system encompasses 419 square miles and has 254,532 active metered services. The service territory boundaries within the City and certain contiguous portions of Orange County are established by charter and a territorial agreement with Duke Energy, which expired in August 2017. OUC retains the authority to provide utility services stated in the expired agreement and will jointly file a newly negotiated agreement with the Florida Public Service Commission when the agreement is finalized. The St. Cloud Agreement expires on September 30, 2032.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth in the territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2029 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 Floridan 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. In October 2020, in advance of the CUP reduction trigger date of October 1, 2022, OUC submitted a request to renew the CUP at a withdrawal rate of 109.2 mgd for a second 20-year period. While alternative water supply options continue to be pursued including the evaluation of the water supply resources from the lower-lower aquifer the completion of these options are still in process. OUC's renewal application includes a variety of additional conservation measures to demonstrate OUC's commitment to water conservation including planned water price increases focused on increasing tier pricing for high usage customers in April 2021.

OUC operates two related businesses – OUCooling and OUConvenient Lighting – that serve the City and surrounding counties. OUCooling provides chilled water services for air conditioning systems through a network of nine chilled water plants in five districts with a total capacity of 50,915 tons. OUConvenient Lighting works with municipalities and commercial partners to plan, install, and maintain indoor and outdoor lighting.

Expanded energy services are also provided for back-up generation, electric vehicle charging and renewable energy solutions.

The information presented in the following pages represents OUC's financial and operational information for the periods of 2016-2020 and, where appropriate, amounts have been reclassified to conform to the 2020 presentation. Generally, narratives have been provided for changes greater than 20.0 percent when comparing 2020 to 2019 and 2016, respectively.



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CORONAVIRUS PANDEMIC

OUC continues to closely monitor the Coronavirus pandemic (COVID-19 or pandemic) and has implemented practices to mitigate the overall risk and financial impact of this pandemic to its customers, employees and community.

Employee

In response to the pandemic and in alignment with our strategic driver to "Keep Safety First", expanded on-site safety protocols and remote connectivity were strengthened. Expanded on-site protocols included increased cleaning, sanitization and disinfectant services, medical screenings and 24-hour on-call human resources to support OUC's commitment to reliable and essential energy services. Additional employee safety and system security costs of \$5.5 million have been incurred of which approximately 20 percent are anticipated to be eligible for cost reimbursement through the Federal Emergency Management Agency process.

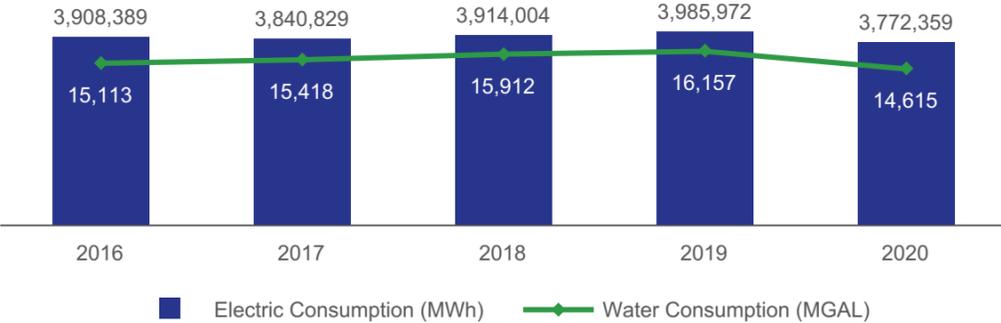
Customer

At the onset of the pandemic in March 2020, OUC waived disconnect and late fees for non-payment to provide customers with immediate financial relief. In April 2020, the Board approved a \$12.1 million customer relief package which included a planned \$7.5 million one-time fuel price reduction and customer bill payment assistance of \$4.6 million through the Project Care program administered by United Way, an internally administered small business economic development program and initial account funding for newly enrolled Power Pass prepaid meter program customers. Beyond these programs, customers were provided with information to access the expanded federal grant assistance programs of the Low Income Housing and Energy Assistance Program (LIHEAP) and the Coronavirus Relief Fund (CRF) along with the opportunity to initiate extended bill payment terms up to 12 months. To mitigate the risk associated with extended payment terms and the continued pandemic impacts on the Central Florida economy, incremental allowance for doubtful accounts were accrued at an amount of 1.25% of retail electric and water revenues.



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Commercial Consumption



OUC

As a result of the pandemic, electric and water revenues were \$22.5 million lower than budgeted in 2020. To offset the impact of this revenue shortfall, cost reduction initiatives, including the modification to operating plan initiatives and reduced labor and benefit costs, were implemented through the establishment of a Commission-wide Budget Recovery Task Force (Task Force). As a result of the Task Force's efforts, operating costs were reduced by \$18.3 million and income before contributions was consistent with the approved 2020 Operating Budget.

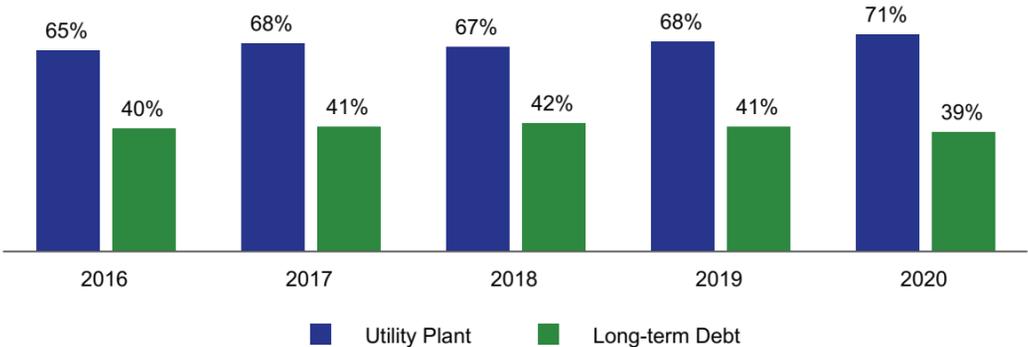


COMBINED BUSINESS OPERATIONS



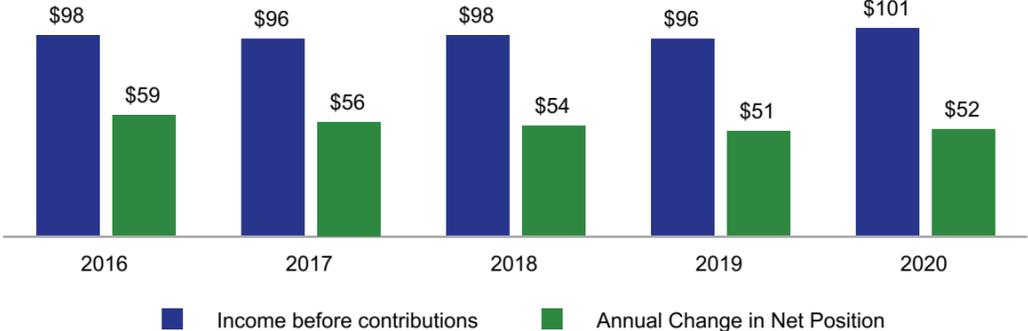
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Statement of Net Assets Highlights



Utility Plant and Long-term Debt: As an infrastructure intensive industry, Utility Plant, net continues to represent the majority of OUC's assets at an amount of 71% of total assets in 2020. Oversight for the acquisition of these assets is approved by the Board in conjunction with their annual approval of the Five-Year Capital Plan as well as monthly affirmative Board agenda actions. Financing for a portion of Utility Plant is secured through the issuance of long-term debt which is brought forward for Board approval through the Finance Committee in accordance with the Finance Charter guidelines. Over the past five year period historic low interest rates have provided opportunities that have lowered the percent of outstanding long-term debt and enabled customer savings.

Income Before Contributions and Annual Change in Net Positions (millions)



Income Before Contributions and Annual Change in Net Position: Total operating revenues have grown on average 1.1 percent over the past five years as a result of customer growth and price changes offset by changing industry dynamics and energy efficiency and water conservation initiatives. Beyond the changes, OUC has continued expanding ancillary revenue opportunities including piloting commercial electrification and dark fiber connectivity programs. As a municipal utility designed based on a cost recovery financial model, historic low interest rates have reduced the cost of capital and as such income before contributions has declined over the five years.

STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Assets					
Utility plant, net					
Utility plant in service	\$ 4,536,813	\$ 4,471,769	\$ 4,313,625	\$ 4,159,316	\$ 4,013,013
Allowances for depreciation and amortization	(2,295,445)	(2,194,918)	(2,061,635)	(1,940,364)	(1,829,443)
Utility plant in service, net	2,241,368	2,276,851	2,251,990	2,218,952	2,183,570
Land	84,313	83,171	73,253	73,091	72,569
Construction work in progress ¹	265,678	156,227	164,213	159,025	154,216
Total utility plant, net	2,591,359	2,516,249	2,489,456	2,451,068	2,410,355
Restricted and internally designated assets					
Restricted assets	47,199	70,490	131,796	42,176	42,044
Internally designated assets	496,404	541,458	525,693	497,119	583,226
Total restricted and internally designated assets²	543,603	611,948	657,489	539,295	625,270
Current assets					
Cash and investments	36,528	40,158	47,099	39,407	48,026
Customer receivables, net ³	66,121	80,679	97,287	111,731	75,551
Miscellaneous receivables, net ⁴	25,157	8,003	9,889	5,729	2,098
Accrued utility revenue	37,961	37,515	38,002	35,880	36,880
Fuel for generation	23,037	26,787	18,223	24,829	15,440
Materials and supplies inventory, net	43,711	40,736	38,480	37,499	35,425
Accrued interest receivable	1,307	3,094	2,127	2,049	1,747
Prepaid and other expenses ⁵	10,744	26,141	9,698	10,772	32,660
Hedging derivative instruments maturing within one year	2,343	—	345	649	2,040
Total current assets	246,909	263,113	261,150	268,545	249,867
Other assets					
Regulatory assets ⁶	119,884	162,337	178,987	194,863	179,910
Other long-term assets	29,857	28,303	30,154	46,692	42,593
Hedging derivative instruments	2,406	—	—	—	—
Total other assets	152,147	190,640	209,141	241,555	222,503
Total assets	3,534,018	3,581,950	3,617,236	3,500,463	3,507,995
Deferred outflows of resources					
Accumulative decrease in fair value of hedging derivatives ⁷	25,230	12,508	2,536	2,098	39,144
Fair value retirement obligation asset	5,805	6,062	6,687	7,677	8,668
Unrealized pension and postretirement benefits contributions and losses	37,970	46,752	51,262	64,090	76,808
Unamortized loss on refunded bonds ⁸	51,195	34,050	40,781	46,874	54,368
Total deferred outflows of resources	120,200	99,372	101,266	120,739	178,988
Total assets and deferred outflows of resources	\$ 3,654,218	\$ 3,681,322	\$ 3,718,502	\$ 3,621,202	\$ 3,686,983

¹ As a result of the COVID-19 pandemic, the completion of self-constructed assets were delayed and, as such, construction work in progress was higher than average over the most recent 5-year period.

² In 2020, restricted and internally designated assets decreased due to the net reimbursement of construction funds and the use of capital reserves to fund the current year Capital Plan.

³ In 2020, Customer receivables, net decreased as a result of a decline in commercial customer consumption and an increase in the provision for bad debt as a result of the pandemic.

⁴ In 2020, miscellaneous receivables increased due to the timing of the receipt of released collateral deposits in conjunction with the refunded Series 2017A Bonds and the underlying interest rate swap.

⁵ In 2020, prepaid and other expenses decreased due to lower fuel and interest rate margin and collateral deposits requirements including the impact of the termination of the 2017A interest rate swap.

⁶ In 2020, the change in regulatory assets is due to the planned recognition of past service costs for long-term employee benefits coupled with the reclassification of the unrealized loss on the 2017A interest rate swap to Unamortized loss on refunded bonds.

⁷ In 2020, OUC entered into a forward interest rate swap to lock in a 1.3% rate on \$150.0 million in notional value. OUC intends to cash settle this swap simultaneous with the issuance of fixed rate debt in 2021. At September 30, 2020, the derivative had a fair value decrease of \$12.6 million. In 2019, collateral deposits associated with fuel and interest rate hedges are the primary driver for the changes in prepaid and other expenses compared to previous years.

⁸ On September 30, 2020, OUC issued the Series 2020A fixed rate bonds to refund the 2017A bonds. The proceeds were used for the refunding of the Series 2017A Bonds of \$98.4 million and the termination of the associated interest rate swap in the amount of \$23.2 million, which was the primary driver of the increase in the unamortized loss on refunded bonds in 2020.

STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Liabilities					
Current liabilities - payable from restricted and designated assets					
Current portion of long-term debt	\$ 73,930	\$ 60,340	\$ 68,915	\$ 58,385	\$ 60,765
Accrued interest payable on notes and bonds	24,892	29,283	30,883	28,790	24,905
Customer meter deposits	57,925	57,164	58,156	56,991	56,522
Total payable from restricted and designated assets	156,747	146,787	157,954	144,166	142,192
Current liabilities - payable from current assets					
Account payable and accrued expenses	64,404	62,832	62,386	78,985	53,163
Billings on behalf of state and local governments	19,748	20,563	19,693	19,032	19,394
Compensated absences and accrued wages	17,758	15,362	14,298	14,004	14,813
Accrued governmental payments	2,985	2,937	2,973	2,901	2,903
Other bonds payable ¹	—	—	—	—	98,360
Hedging derivative instruments maturing within one year	96	4,063	1,035	1,395	3,111
Total payable from current assets	104,991	105,757	100,385	116,317	191,744
Total current liabilities	261,738	252,544	258,339	260,483	333,936
Other liabilities and credits					
Pension and net postretirement benefits liability	88,054	89,068	122,769	169,602	215,106
Asset retirement obligation and other liabilities ²	97,655	87,042	83,446	80,108	81,224
Hedging derivative instruments	1,722	3,503	1,502	703	2,886
Total other liabilities and credits	187,431	179,613	207,717	250,413	299,216
Total long-term debt, net					
Bond and note principal	1,312,005	1,389,180	1,459,945	1,378,640	1,338,665
Unamortized premium	103,903	92,866	99,868	86,858	104,279
Fair value of derivative instruments	23,412	22,633	4,824	11,865	33,147
Total long-term debt, net	1,439,320	1,504,679	1,564,637	1,477,363	1,476,091
Total liabilities	1,888,489	1,936,836	2,030,693	1,988,259	2,109,243
Deferred inflows of resources					
Unrealized pension and postretirement benefits gains	28,704	54,072	48,415	32,446	13,655
Accumulated increase in fair value of hedging derivatives	4,749	—	5,519	1,713	2,581
Regulatory credits	233,003	243,238	237,817	256,271	274,553
Unamortized gain on refunded bonds	855	1,034	1,212	1,390	1,569
Total deferred inflows of resources	267,311	298,344	292,963	291,820	292,358
Net position					
Net invested in capital assets	1,236,368	1,102,332	1,071,359	1,048,799	945,883
Unrestricted	262,050	343,810	323,487	292,324	339,499
Total net position	1,498,418	1,446,142	1,394,846	1,341,123	1,285,382
Total liabilities and deferred inflows of resources and net position	\$ 3,654,218	\$ 3,681,322	\$ 3,718,502	\$ 3,621,202	\$ 3,686,983

¹ In 2017, the Series 2011A Windows Bonds with a seven-month call option, were refunded in conjunction with the issuance of the Series 2017A Bonds and included under the heading of Long-term Debt.

² In response to the implementation of increased safety protocols and the overall impact of the pandemic, the completion of several self-constructed assets were delayed resulting in an increase in unapplied contributions in aid of construction.

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

Years Ended September 30	2020	2019	2018	2017	2016
Operating revenues					
Electric operating revenues ¹	\$ 740,874	\$ 766,862	\$ 767,032	\$ 755,204	\$ 763,530
Water revenues ²	80,342	77,556	74,889	72,743	69,638
Lighting revenues	16,241	15,364	14,799	13,184	13,311
Chilled water revenues ³	28,856	31,544	32,103	31,718	31,670
Operating revenues before regulatory action	866,313	891,326	888,823	872,849	878,149
Regulatory action	150	5,954	13,848	5,800	(13,000)
Total operating revenues	866,463	897,280	902,671	878,649	865,149
Operating expenses					
Fuel for generation and purchased power ⁴	257,111	288,552	306,255	308,844	301,483
Electric and water production ⁵	95,050	102,551	96,072	93,688	95,563
Transmission and distribution	51,417	53,094	49,326	45,784	42,537
Lighting	4,281	4,320	4,253	4,032	4,529
Chilled water	15,702	17,097	16,397	16,225	16,650
Customer service	41,167	42,933	43,585	38,991	36,660
General and administrative	63,884	64,241	62,926	56,801	56,794
Emergency response expenses ⁶	7,622	2,725	—	8,617	—
Depreciation and amortization	150,469	144,801	141,101	128,944	121,019
Utility/property tax	17,298	17,372	17,103	15,718	17,057
Revenue based payments to the City of Orlando ⁷	29,762	29,347	29,392	28,339	28,681
Revenue based payments to Orange County	1,524	1,547	1,503	1,473	1,538
Revenue based and system use payments to the City of St. Cloud	7,580	7,009	7,286	6,858	6,467
Total operating expenses	742,867	775,589	775,199	754,314	728,978
Operating income	123,596	121,691	127,472	124,335	136,171
Non-operating income and (expense)					
Interest income	12,251	12,628	8,318	4,551	5,265
Other income, net	10,872	10,698	10,726	10,784	10,453
Amortization of gain on sale of assets	5,749	5,040	6,072	8,386	3,628
Interest expense, net ⁸	(51,228)	(54,217)	(54,813)	(51,896)	(57,361)
Total non-operating expenses, net	(22,356)	(25,851)	(29,697)	(28,175)	(38,015)
Income before contributions	101,240	95,840	97,775	96,160	98,156
Contributions in aid of construction (CIAC)	16,764	18,818	16,564	18,642	16,584
Annual dividend ⁷	(65,728)	(63,362)	(60,616)	(59,061)	(55,719)
Increase in net position	52,276	51,296	53,723	55,741	59,021
Net position - beginning of year	1,446,142	1,394,846	1,341,123	1,285,382	1,226,361
Net position - end of year	\$ 1,498,418	\$ 1,446,142	\$ 1,394,846	\$ 1,341,123	\$ 1,285,382

¹ Electric operating revenues decreased due to impacts from COVID-19. The decrease was due lower consumption from the shut-down of commercial and wholesale operations, coupled with elevated allowance for doubtful accounts from the impacts on the travel and tourism industry and the associated increased rates of unemployment. These decreases were partially offset by \$11.5 million from customer price changes which were implemented in October 2019 and \$3.9 million associated with continued customer growth. Residential consumption in the Orlando and St. Cloud territories also helped offset the commercial and wholesale shortfall.

² In 2017, a four-year water price plan was approved and effective October 1, 2019, the third scheduled price change was implemented that increased the average residential and commercial customer water bill 6.2 percent. The prior two price changes were effective April 2018 and January 2019 and increased the average residential and commercial customer water bill 4.0 and 3.4 percent, respectively.

³ Chilled water revenues decreased as a result of COVID-19 and the shut-down of commercial operations.

⁴ Fuel for generation and purchased power decreased from 2019 as a result of decreasing commodity prices and consumption impacts caused by the state and local stay-at-home orders implemented in March in response to COVID-19.

⁵ Electric and water production expenses are fairly consistent year-over year however in 2019, expenses related to the now dismissed Stanton Energy Center legal claim coupled with higher than projected outage costs increased electric production expenses.

⁶ OUC has incurred additional costs to protect its employees in the amount of \$5.5 million of which approximately 20 percent is anticipated to be eligible for cost reimbursement through the FEMA process. During the year, OUC also recognized previously deferred Hurricane Dorian costs that were deemed ineligible for FEMA reimbursement.

⁷ Beginning in 2018, the annual dividend and revenue-based payments to the City of Orlando were fixed at a 3% annual escalation rate. Prior to 2018, the payment to the City of Orlando was fixed based on the approved Operating Budget. In 2021, a fixed payment of \$91.1 million is due to the City with future payments aligned with the bi-lateral agreement.

⁸ Interest expense decreased as a result of the overall market impact on variable rate debt.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Cash flows from operating activities					
Cash received from customers	\$ 870,020	\$ 909,512	\$ 908,504	\$ 834,122	\$ 894,085
Cash paid for fuel and purchased power	(255,441)	(301,941)	(299,910)	(308,101)	(290,858)
Cash paid for unit/departments expenses excluding salaries and benefits	(76,605)	(99,431)	(67,009)	(62,124)	(74,936)
Cash paid for salaries and benefits	(175,405)	(175,679)	(173,994)	(174,890)	(171,864)
Cash paid for emergency response expenses	(9,091)	(2,102)	(17,479)	(14,365)	—
Cash paid to other governments and taxes	(56,115)	(55,310)	(55,213)	(52,390)	(53,709)
Net cash provided by operating activities ¹	297,363	275,049	294,899	222,252	302,718
Cash flows from non-capital related financing activities					
Dividend payment	(65,728)	(63,362)	(60,616)	(59,061)	(55,719)
Pension bond principal and interest payments	—	(5,143)	(5,146)	(5,151)	(5,165)
Build America bond interest subsidy received	1,865	3,043	3,708	3,732	3,694
Net cash used in non-capital related financing activities ²	(63,863)	(65,462)	(62,054)	(60,480)	(57,190)
Cash flows from capital related financing activities					
Utility plant net of contributions in aid of construction	(198,159)	(168,711)	(160,391)	(164,715)	(134,841)
Debt interest payments	(62,501)	(64,317)	(61,264)	(55,917)	(69,798)
Collateral deposits	(7,000)	(8,146)	2,900	16,800	(3,200)
Principal payments and refunding costs on long-term debt	(182,562)	(129,769)	(53,630)	(164,913)	(327,760)
Debt issuances	122,222	65,944	180,000	108,663	279,134
Debt issuances expenses	(848)	(1,109)	(1,039)	(1,376)	(1,170)
Net cash used in capital related financing activities ³	(328,848)	(306,108)	(93,424)	(261,458)	(257,635)
Cash flows from investing activities					
Proceeds from sales and maturities of investment securities	407,336	379,206	334,838	570,050	558,788
Gain on sale of investments	4,058	—	—	—	—
Purchases of investment securities	(317,757)	(293,287)	(436,079)	(413,663)	(608,727)
Investments and other income received	16,955	35,275	(8,519)	7,345	20,731
Net cash provided by/(used in) by investing activities ⁴	110,592	121,194	(109,760)	163,732	(29,208)
Net increase/(decrease) in cash and cash equivalents	15,244	24,673	29,661	64,046	(41,315)
Cash and cash equivalents - beginning of year	234,113	209,440	179,779	115,733	157,048
Cash and cash equivalents - end of year	\$ 249,357	\$ 234,113	\$ 209,440	\$ 179,779	\$ 115,733
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 123,596	\$ 121,691	\$ 127,472	\$ 124,335	\$ 136,171
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization of plant charged to operations	150,469	144,801	141,101	128,944	121,019
Depreciation and amortization charged to fuel for generation and purchased power	3,490	2,953	4,219	4,711	3,856
Depreciation of vehicles and equipment charged to unit/departments expenses	2,372	2,651	2,575	1,755	1,388
Changes in assets and liabilities					
Decrease/(increase) in receivables and accrued revenue	7,609	20,082	1,722	(45,655)	9,813
Decrease/(increase) in fuel and materials and supplies inventories	9,685	(3,594)	14,018	(3,745)	19,214
(Decrease)/increase in accounts payable	(2,545)	(1,275)	(18,609)	13,445	(7,556)
(Decrease)/increase in deposits payable and liabilities	(546)	(5,759)	17,200	3,045	(1,771)
Increase/(decrease) in reserves and deferred credits	3,233	(6,501)	5,201	(4,583)	20,584
Net cash provided by operating activities	\$ 297,363	\$ 275,049	\$ 294,899	\$ 222,252	\$ 302,718
Reconciliation of cash and cash equivalents					
Restricted and internally designated cash and cash equivalents	\$ 248,842	\$ 229,834	\$ 173,645	\$ 134,419	\$ 113,644
Cash and investments	515	4,279	35,795	45,360	2,089
Cash and cash equivalents - end of year	\$ 249,357	\$ 234,113	\$ 209,440	\$ 179,779	\$ 115,733
Non-cash investing, capital and financing activities					
Increase in donated utility plant assets	\$ 4,215	\$ 4,141	\$ 4,839	\$ 4,019	\$ 5,942
Increase/(decrease) in fair value of investments	\$ 6,762	\$ 4,451	\$ (4,677)	\$ (2,298)	\$ (36)
Decrease in accounts payable related to utility plant purchases	\$ 3,127	\$ 89	\$ 770	\$ 6,580	\$ (88)
Increase in fair value of retirement obligation asset	\$ —	\$ —	\$ —	\$ —	\$ 4,202

¹ Net cash provided by operating activities increased \$22.3 million due to decreased fuel and purchased power expenses and cost saving initiatives, offset by slower customer collection activities and the extended support provided through the customer payment plans in response to COVID-19.

² Net cash used in non-capital related financing activities decreased \$1.6 million due to the delayed receipt of the Build America Bonds interest subsidy payments offset by the maturity of the pension bond principal and interest payments.

³ Net cash used in capital related financing activities increased \$22.7 million primarily due to an increase in capital spending concentrated in the early portion of the fiscal year and slightly offset by a decrease in the net scheduled bond principal payments in 2020 compared to 2019.

⁴ Net cash provided by investing activities decreased \$10.6 million primarily due to the final spend down of the construction funds and the low interest rate market purchases and lower investment and other income received, partially offset by an increase in investment sale proceeds and realized gains.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Current ratio					
Current assets/current liabilities ¹	2.83	3.11	3.02	2.93	3.43
Days cash on hand ¹	327	337	330	313	379
Leverage ratio					
Total debt/total assets	0.41	0.43	0.44	0.42	0.45
Return on total position					
Income before contributions/total assets	2.77 %	2.60 %	2.63 %	2.66 %	2.66 %
Return on net position					
Income before contributions/average net position	6.88 %	6.75 %	7.15 %	7.32 %	7.82 %
Debt/net position	49%/51%	51%/49%	53%/47%	52%/48%	53%/47%
City of Orlando revenue based payments and dividend	\$ 95,490	\$ 92,708	\$ 90,008	\$ 87,400	\$ 84,400
As a percentage of retail revenues	12.89 %	12.09 %	12.39 %	12.33 %	11.41 %
Retail receivables/retail billed revenues	9.88 %	9.94 %	11.56 %	13.05 %	8.35 %
Bad debt expense/retail billed revenues (OUC) ²	1.43 %	0.22 %	0.09 %	0.42 %	0.22 %
Bad debt expense/retail revenues (Interlocal sales) ²	1.42 %	0.11 %	0.24 %	0.40 %	0.29 %
Day sales uncollected (OUC) ²	37	37	43	49	31
Day sales uncollected (Interlocal sales) ²	29	32	36	39	27
Materials inventory as a percentage of total plant ³	1.69 %	1.62 %	1.55 %	1.53 %	1.47 %
Total metered services per meter reader (OUC) ⁴	42,422	41,433	40,495	39,675	38,902

¹ In 2020, the decrease was due to the use of capital reserves pending the bond issuance in 2021 and an increase in scheduled current year bond maturities. In 2017, the decrease was due to the planned release of \$69.5 million and \$14.5 million from the capital reserve and the renewal and replacement to fund utility plant additions and unanticipated storm restoration costs resulting from Hurricanes Matthew and Irma, respectively.

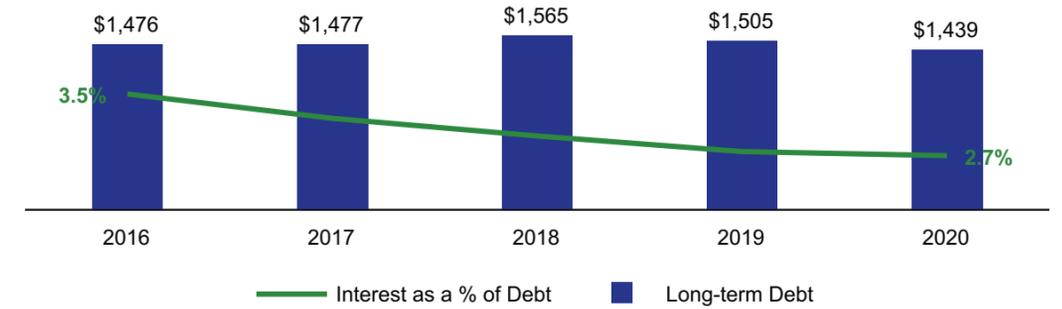
² In 2017, additional reserves for allowance for doubtful accounts were recorded in conjunction with the CC&B implementation and was the driver for the increased percentages. As the risk associated with uncollectible funds was not anticipated, the bad debt expense remained consistent with earlier years. In 2020 and in response to COVID-19, OUC recorded an elevated level of bad debt expense/retail revenues allowing for a consistent level of retail receivables/retail billed revenues.

³ In 2020, material inventories increased due to the delay in the completion of capital projects as a result of COVID-19.

⁴ Cost optimization initiatives coupled with the continued growth in the multi-family home sector continues to influence this ratio.

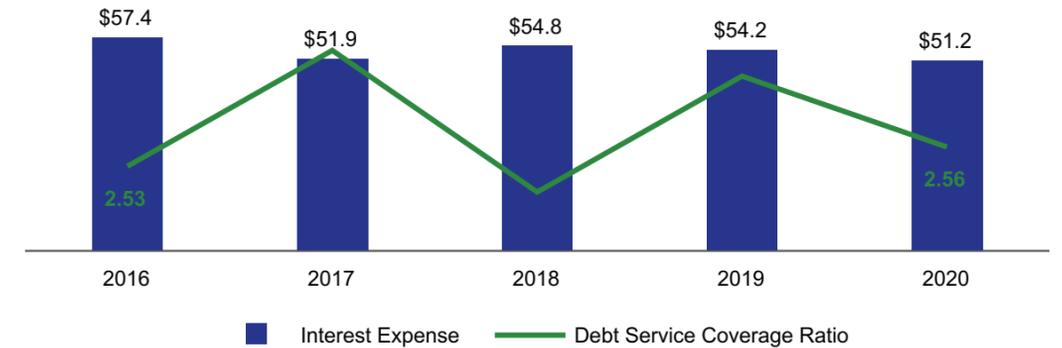
DEBT SERVICE INFORMATION

Total Long-Term Debt & Annual Interest Expense (millions)



Long-term Debt & Interest as a Percentage of Debt: Total interest expense as a percentage of debt has declined steadily from 3.5 percent to 2.7 percent over the past five years reflecting OUC's efforts to capture market opportunities while also ensuring rate stability for its customers.

Debt Service Coverage Ratio and Interest Expense (millions)



Debt Service Coverage Ratio and Annual Interest Expense: OUC's annual debt service coverage ratio has increased from 2.53x to 2.56x over the past five years as OUC continues to implement cost saving measures and capitalize on market opportunities to deliver more income available to service debt.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

PRINCIPAL AND INTEREST PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

Bond Series	Current												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
2008													
Principal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest	1,050	2,100	2,200	2,400	3,000	3,000	3,000	2,625	2,250	1,875	1,500		
2010A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324
Build America interest subsidy	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)
2010C													
Principal	9,320	9,765	10,275	—	—	—	—	—	—	—	—	—	—
Interest	1,275	1,052	539	—	—	—	—	—	—	—	—	—	—
2011B													
Principal	14,670	8,015	6,440	6,240	—	—	—	—	—	—	—	—	—
Interest	1,402	1,035	634	312	—	—	—	—	—	—	—	—	—
2011C													
Principal	13,430	24,925	26,050	—	2,140	2,245	2,360	2,480	—	—	—	—	—
Interest	3,161	2,840	1,714	461	461	354	242	124	—	—	—	—	—
2012A													
Principal	—	395	410	15,135	15,155	15,175	495	515	—	—	—	—	—
Interest	2,346	2,346	2,330	2,314	1,557	799	40	21	—	—	—	—	—
2013A													
Principal	21,290	24,560	35,610	27,750	51,980	51,765	—	—	—	—	—	—	—
Interest	10,116	9,583	8,355	6,575	5,187	2,588	—	—	—	—	—	—	—
2015A													
Principal	—	—	—	—	—	—	—	—	7,250	8,050	8,890	—	—
Interest	4,746	4,745	4,745	4,745	4,746	4,745	4,745	4,745	4,746	4,383	3,980	—	—
2015B													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	1,854	3,165	3,453	3,453	3,453	3,453	3,453	3,453	2,049	2,049	2,049	—	—
Swap interest	(829)	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—	—	—
2016A													
Principal	15,220	14,390	1,455	9,605	—	—	—	—	5,415	5,680	5,965	—	—
Interest	3,288	2,908	2,188	2,115	1,635	1,635	1,635	1,635	1,635	1,364	1,080	—	—
2018A													
Principal	—	—	—	6,350	6,665	7,000	7,350	7,720	8,105	8,510	8,935	—	—
Interest	7,511	7,511	7,511	7,511	7,194	6,860	6,510	6,143	5,757	5,351	4,926	—	—
2019A													
Principal	—	—	—	10,140	—	—	—	—	6,555	6,885	7,225	—	—
Interest	2,736	2,737	2,737	2,737	2,230	2,230	2,230	2,230	2,230	1,902	1,558	—	—
2020A ²													
Principal	—	—	—	—	—	—	47,450	47,665	—	—	—	—	—
Interest	2,385	4,769	4,755	4,756	4,755	4,756	4,756	2,384	—	—	—	—	—
Total long-term debt	\$ 122,565	\$ 133,319	\$ 127,591	\$ 118,789	\$ 116,348	\$ 112,795	\$ 115,456	\$ 112,930	\$ 78,586	\$ 78,643	\$ 78,702		
Total principal	\$ 73,930	\$ 82,050	\$ 80,240	\$ 75,220	\$ 75,940	\$ 76,185	\$ 82,655	\$ 83,380	\$ 52,325	\$ 54,125	\$ 56,015		
Total interest	\$ 48,635	\$ 51,269	\$ 47,351	\$ 43,569	\$ 40,408	\$ 36,610	\$ 32,801	\$ 29,550	\$ 26,261	\$ 24,518	\$ 22,687		

TOTAL PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total principal	\$ 73,930	\$ 82,050	\$ 80,240	\$ 75,220	\$ 75,940	\$ 76,185	\$ 82,655	\$ 83,380	\$ 52,325	\$ 54,125	\$ 56,015
Total interest	53,191	56,115	52,485	48,703	45,542	41,744	37,935	34,684	29,991	28,248	26,417
Build America Bond ³	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)
Total swap interest	(829)	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—
Total long-term debt	\$ 122,562	\$ 133,319	\$ 127,591	\$ 118,789	\$ 116,348	\$ 112,795	\$ 115,456	\$ 112,930	\$ 78,586	\$ 78,643	\$ 78,702

Bond Series	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Total
	2008											
Principal	\$ 25,000	\$ 25,000	\$ 25,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 200
Interest	1,125	750	375	—	—	—	—	—	—	—	—	27
2010A												
Principal	—	—	—	23,030	23,880	24,755	25,665	26,615	27,590	48,465	—	200
Interest	11,324	11,324	11,324	11,324	10,020	8,668	7,267	5,813	4,306	2,744	—	209
Build America interest subsidy	(3,730)	(3,730)	(3,730)	(3,730)	(3,300)	(2,855)	(2,393)	(1,914)	(1,418)	(904)	—	(69)
2010C												
Principal	—	—	—	—	—	—	—	—	—	—	—	29
Interest	—	—	—	—	—	—	—	—	—	—	—	3
2011B												
Principal	—	—	—	—	—	—	—	—	—	—	—	35
Interest	—	—	—	—	—	—	—	—	—	—	—	3
2011C												
Principal	—	—	—	—	—	—	—	—	—	—	—	74
Interest	—	—	—	—	—	—	—	—	—	—	—	9
2012A												
Principal	—	—	—	—	—	—	—	—	—	—	—	47
Interest	—	—	—	—	—	—	—	—	—	—	—	12
2013A												
Principal	—	—	—	—	—	—	—	—	—	—	—	213
Interest	—	—	—	—	—	—	—	—	—	—	—	42
2015A												
Principal	9,770	10,700	11,670	18,595	19,980	—	—	—	—	—	—	95
Interest	3,536	3,047	2,512	1,929	999	—	—	—	—	—	—	63
2015B												
Principal	—	—	—	18,200	18,580	18,970	19,370	19,775	20,195	—	—	115
Interest	2,049	2,049	2,049	2,049	1,725	1,394	1,056	711	359	—	—	45
Swap interest	—	—	—	—	—	—	—	—	—	—	—	(10)
2016A												
Principal	6,265	6,515	6,770	—	—	—	—	—	—	—	—	77
Interest	782	531	271	—	—	—	—	—	—	—	—	23
2018A												
Principal	9,380	9,850	10,345	10,860	11,405	11,975	12,570	13,200	—	—	—	150
Interest	4,479	4,010	3,518	3,000	2,458	1,887	1,289	660	—	—	—	94
2019A												
Principal	7,590	7,970	8,370	—	—	—	—	—	—	—	—	55
Interest	1,196	817	418	—	—	—	—	—	—	—	—	28
2020A ²												
Principal	—	—	—	—	—	—	—	—	—	—	—	95
Interest	—	—	—	—	—	—	—	—	—	—	—	33
Total long-term debt	\$ 78,766	\$ 78,833	\$ 78,892	\$ 85,257	\$ 85,747	\$ 64,794	\$ 64,824	\$ 64,860	\$ 51,032	\$ 50,305	\$ —	\$ 1,899
Total principal	\$ 58,005	\$ 60,035	\$ 62,155	\$ 70,685	\$ 73,845	\$ 55,700	\$ 57,605	\$ 59,590	\$ 47,785	\$ 48,465	\$ —	\$ 1,386
Total interest	\$ 20,761	\$ 18,798	\$ 16,737	\$ 14,572	\$ 11,902	\$ 9,094	\$ 7,219	\$ 5,270	\$ 3,247	\$ 1,840	\$ —	\$ 513

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, based on the maturity schedule, is fully funded and included as a component of the Internally Designated funds at September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

² OUC issued the Series 2020A fixed rate bonds with a par amount of \$95.1 million and a premium of \$27.1 million. The proceeds were used for the refunding of the Series 2017A Bonds of \$98.4 million and the termination of the associated interest rate swap in the amount of \$23.2 million.

³ Amounts represent the total federal subsidy projected through maturity at the current sequester rebate percentage of 32.69% and are subject to change based on regulations of the Build America Bond program.



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DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Gross revenue and income before contributions					
Operating revenues					
Electric operating revenues	\$ 741,024	\$ 769,534	\$ 780,880	\$ 761,004	\$ 750,530
Water operating revenues	80,342	80,838	74,889	72,743	69,638
Lighting operating revenues	16,241	15,364	14,799	13,184	13,311
Chilled water operating revenues	28,856	31,544	32,103	31,718	31,670
Total operating revenues	866,463	897,280	902,671	878,649	865,149
Interest and other income	28,872	28,365	24,891	23,466	19,051
Gross revenue and income before contributions	895,335	925,645	927,562	902,115	884,200
Expenses					
Operating expenses					
Electric operating expenses	490,452	528,247	529,704	519,539	508,701
Water operating expenses	43,080	43,606	44,134	39,105	41,131
Lighting operating expenses	4,816	4,833	4,764	5,517	4,921
Chilled water operating expenses	17,148	18,466	17,723	16,440	17,489
Total operating expenses	555,496	595,153	596,325	580,601	572,242
Other expenses	1,266	1,087	1,069	1,165	1,101
Total expenses	556,762	596,239	597,394	581,766	573,343
Net revenue and income available for debt service ¹	\$ 338,573	\$ 329,406	\$ 330,168	\$ 320,349	\$ 310,857
Current debt service	\$ 132,165	\$ 123,167	\$ 132,598	\$ 118,260	\$ 122,956
Current debt service coverage	2.56x	2.67x	2.49x	2.71x	2.53x
Adjusted debt service coverage					
Net revenue and income available for debt service	\$ 338,573	\$ 329,406	\$ 330,168	\$ 320,349	\$ 310,857
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	95,103	94,255	91,543	88,874	85,938
Net revenue and income available after payments	\$ 243,470	\$ 235,151	\$ 238,625	\$ 231,475	\$ 224,919
Adjusted debt service coverage	1.84x	1.91x	1.80x	1.96x	1.83x
Fixed or full charge coverage					
Net revenue and income available after payments	\$ 243,470	\$ 235,151	\$ 238,625	\$ 231,475	\$ 224,919
Fixed demand payments/purchased power	29,343	30,899	32,991	32,723	32,812
Net revenue and income available after payments and fixed charge coverage	\$ 272,814	\$ 266,050	\$ 271,616	\$ 264,198	\$ 257,731
Fixed and full charge coverage	1.69x	1.73x	1.64x	1.75x	1.65x
Debt ratio					
Gross funded debt/Net fixed assets and net working capital	48.97 %	52.37 %	54.54 %	53.93 %	58.98 %
Net funded debt/Net fixed assets and net working capital	53.72 %	56.73 %	58.45 %	57.79 %	64.62 %
Operating ratio					
Total expenses/Total operating revenues	64.26 %	66.45 %	66.18 %	66.21 %	66.27 %
Net take-down (%)					
Net revenue and income available for debt service/ Gross revenue and income before contributions	37.82 %	35.59 %	35.60 %	35.51 %	35.16 %
Debt service safety margin					
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	23.05 %	22.28 %	21.30 %	22.40 %	21.25 %

¹ This increase was primarily driven by focused cost saving initiatives identified at the onset of the pandemic by a quickly assembled Budget Recovery Task Force. The identification of these cost saving initiatives delivered lower energy delivery and production costs including savings from reduced employee benefit costs along with other short-term cost cutting measures to deliver customer value. A portion of these savings were offset by increased emergency response expenses related to COVID-19 and the recognition of Hurricane Dorian storm preparation costs.

LONG-TERM EMPLOYEE BENEFIT PLANS LIABILITY

Pension Plan (Dollars in thousands)	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 5,867	\$ 5,754	\$ 5,748	\$ 5,539	\$ 5,570
Interest on the total pension liability	35,407	34,492	33,535	32,767	32,104
Benefit changes	68	—	408	—	—
Difference between expected and actual experience	2,106	4,904	3,706	(106)	(2,501)
Assumption changes ¹	—	—	—	171	29,125
Benefit payments, including refunds of plan member contributions	(33,576)	(31,726)	(28,663)	(27,324)	(25,773)
Net change in total pension liability	9,872	13,424	14,734	11,047	38,525
Total pension liability - beginning of year	499,289	485,865	471,131	460,084	421,559
Total pension liability - end of year	\$ 509,161	\$ 499,289	\$ 485,865	\$ 471,131	\$ 460,084
Plan fiduciary net position					
Contributions - employer	\$ 22,491	\$ 22,614	\$ 21,876	\$ 17,803	\$ 18,573
Contributions - plan members	475	555	660	748	821
Total investment income, net of investment expense ²	17,599	37,039	48,761	29,872	4,783
Benefit payments, including refunds of plan member contributions	(33,576)	(31,726)	(28,663)	(27,324)	(25,773)
Administrative expense	(240)	(320)	(115)	(36)	(122)
Net change in plan fiduciary net position	6,749	28,162	42,519	21,063	(1,718)
Plan fiduciary net position - beginning of year	419,017	390,855	348,336	327,273	328,991
Plan fiduciary net position - end of year	\$ 425,766	\$ 419,017	\$ 390,855	\$ 348,336	\$ 327,273
Net pension liability - beginning of year	\$ 80,272	\$ 95,010	\$ 122,795	\$ 132,811	\$ 92,568
Net pension liability - end of year	\$ 83,395	\$ 80,272	\$ 95,010	\$ 122,795	\$ 132,811
Plan fiduciary net position as a percentage of total pension liability	83.6%	83.9%	80.5%	73.9%	71.1%
Covered payroll	\$ 90,907	\$ 86,573	\$ 78,314	\$ 75,405	\$ 72,479
Net pension liability as a percentage of covered payroll	91.7%	92.7%	121.3%	162.8%	183.2%

415 Trust³

(Dollars in thousands)	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 40	\$ 36	\$ 28	\$ 22	\$ 21
Interest on the total pension liability	99	91	38	41	40
Benefit changes	—	—	1,124	—	—
Difference between expected and actual experience	64	82	373	47	—
Assumption changes ¹	350	(96)	(132)	97	—
Benefit payments, including refunds of plan member contributions	(157)	(118)	(80)	(51)	(56)
Net change in total pension liability	396	(5)	1,351	156	5
Total pension liability - beginning of year	2,608	2,613	1,262	1,106	1,101
Total pension liability - end of year	\$ 3,004	\$ 2,608	\$ 2,613	\$ 1,262	\$ 1,106
Covered payroll	\$ 905	\$ 1,114	\$ 1,458	\$ 920	\$ 804
Total pension liability as a percentage of covered payroll	331.9 %	234.1 %	179.2 %	137.2 %	137.6 %

¹ In August 2015, an assumption study and experience review for the six-year period ended September 30, 2014 was completed, and changes were implemented effective September 30, 2015 to the salary, retirement, termination, and mortality assumptions.

² Net investment income is recognized based on market performance noting that while investment returns vary on an annual basis, the composition of the portfolio is maintained in accordance with the Investment Policy and is reviewed regularly with the board approved Trustees and an independent investment advisor.

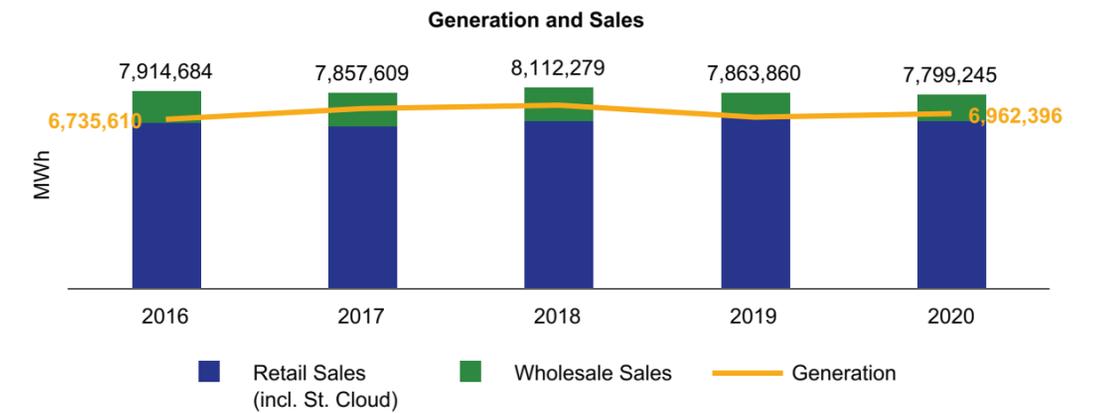
³ For the non-qualified plan, there were no assets accumulated in a trust that meet the criteria in GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," to pay related benefits. As such, assets were reported in OUC's financial statements and were not netted against the total pension liability.

LONG-TERM EMPLOYEE BENEFIT PLANS LIABILITY

OPEB plan (Dollars in thousands)	2020	2019	2018	2017	2016
Total OPEB liability					
Service cost	\$ 1,186	\$ 1,308	\$ 1,331	\$ 1,346	\$ 1,480
Interest on the total OPEB liability	9,906	10,385	10,434	11,882	12,134
Difference between expected and actual experience	(2,192)	(2,987)	(3,285)	(23,970)	3,536
Assumption changes ¹	(1,029)	(7,658)	(2,093)	(2,670)	(452)
Benefit payments, including refunds	(7,371)	(7,702)	(6,374)	(8,063)	(9,067)
Net change in total OPEB liability	500	(6,654)	13	(21,475)	7,631
Total OPEB liability - beginning of year	139,134	145,788	145,775	167,250	159,619
Total OPEB liability - end of year	\$ 139,634	\$ 139,134	\$ 145,788	\$ 145,775	\$ 167,250
Plan fiduciary net position					
Contributions - employer ⁴	\$ 7,022	\$ 9,068	\$ 13,384	\$ 12,628	\$ 14,117
Net investment income/(loss) ²	5,399	10,956	13,420	9,621	(1,195)
Benefit payments, including refunds	(7,371)	(7,702)	(6,374)	(8,062)	(9,067)
Administrative expense	(17)	(18)	(18)	(18)	(32)
Net increase in plan fiduciary net position	5,033	12,304	20,412	14,169	3,823
Plan fiduciary net position - beginning of year	132,946	120,642	100,230	86,061	82,238
Plan fiduciary net position - end of year	\$ 137,979	\$ 132,946	\$ 120,642	\$ 100,230	\$ 86,061
Net OPEB liability - beginning of year	\$ 6,188	\$ 25,146	\$ 45,545	\$ 81,189	\$ 77,381
Net OPEB liability - end of year	\$ 1,655	\$ 6,188	\$ 25,146	\$ 45,545	\$ 81,189
Plan fiduciary net position as a percentage of total OPEB liability	98.8 %	95.6 %	82.8 %	68.8 %	51.5 %
Covered payroll	\$ 91,035	\$ 86,892	\$ 78,447	\$ 71,856	\$ 72,990
Net OPEB liability as a percentage of covered payroll	1.8 %	7.1 %	32.1 %	63.4 %	111.2 %

⁴ Actuarially determined contribution amounts were calculated as of October 1 of the year preceding the contribution year. In 2020, employer contributions decreased \$2.0 million primarily due to continued migration of participants to a fully-insured Medicare Advantage Plan and a change in the dental subsidy assumption.

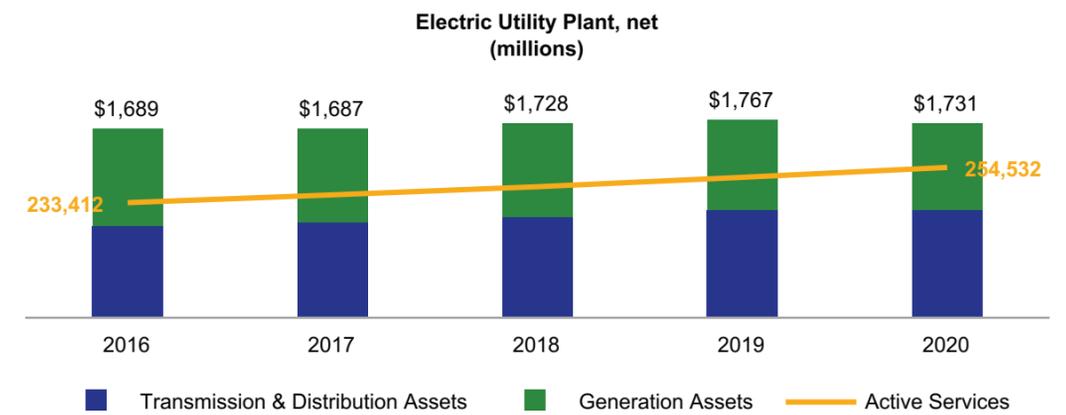
ELECTRIC BUSINESS OPERATIONS



Generation and Retail Sales: Energy generation has been consistent with native load and contracted wholesale sales requirements and commitments.



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Electric Utility Plant: The expansion of generation resources through the execution of power purchase agreements has modified the growth in generation facility assets. Offsetting this growth is the continued expansion of energy delivery utility plant to meet customer resiliency and reliability expectations.

The recently announced Clean Energy Roadmap recommendation is anticipated to change the Electric Utility Plant, net asset composition as investments in solar and energy storage are planned within the upcoming 10-year period and beyond.

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

Years Ended September 30	2020	2019	2018	2017	2016
Operating Revenues					
Residential	\$ 247,115	\$ 241,157	\$ 229,750	\$ 224,685	\$ 231,054
Commercial - non-demand	44,910	47,318	45,048	42,157	40,706
Commercial - demand-secondary	243,028	265,792	259,835	261,664	265,943
Commercial - demand-primary	37,497	42,303	41,759	41,312	41,307
Non-metered lighting	4,323	4,465	4,790	3,836	3,969
Interlocal sales	88,134	84,137	79,918	76,146	76,766
Service fees and other	23,821	24,923	24,400	22,992	25,766
Operating revenues (excluding wholesale sales)	688,828	710,095	685,500	672,792	685,511
Wholesale sales	52,046	56,766	81,532	82,412	78,019
Regulatory action	150	2,673	9,043	6,712	(13,000)
Total operating revenues ¹	741,024	769,534	776,075	761,916	750,530
Operations and maintenance expenses					
Fuel and fixed demand payments ²	208,850	237,008	257,979	260,581	233,977
Purchased power and other power supply expenses ²	48,261	51,545	48,276	48,263	67,506
Production	80,600	87,418	80,907	79,051	80,583
Transmission	17,631	15,288	14,344	14,229	14,246
Distribution - OUC	22,875	26,269	24,162	21,860	18,283
Distribution - St. Cloud	2,591	2,444	2,226	2,029	1,410
Emergency response expenses ³	7,622	2,512	—	7,622	—
Customer Service	32,499	33,488	33,953	30,642	29,386
General & administrative	49,194	51,749	49,525	44,286	44,206
Total operations and maintenance expenses	470,123	507,721	511,372	508,563	489,597
Other expenses					
Utility/property tax	17,228	17,304	17,034	15,651	16,989
Revenue based payments to the City of Orlando	26,478	26,270	26,557	25,610	25,970
Revenue based payments to Orange County	1,368	1,379	1,339	1,317	1,382
Revenue based and system use payments to the City of St. Cloud	7,580	7,009	7,286	6,858	6,467
Depreciation and amortization ⁴	119,976	115,590	112,355	101,621	95,075
Total other expenses	172,630	167,552	164,571	151,057	145,883
Total operating expenses	642,753	675,273	675,943	659,620	635,480
Operating Income	98,271	94,261	100,132	102,296	115,050
Non-operating income and expenses					
Interest income	9,697	9,613	6,358	3,469	4,305
Other income, net	8,527	8,480	8,461	8,531	8,201
Amortization of deferred gain on sale of assets	5,749	5,024	6,054	8,366	3,610
Interest expense, net ⁵	(41,626)	(43,904)	(44,028)	(41,354)	(45,672)
Total non-operating expense, net	(17,653)	(20,787)	(23,155)	(20,988)	(29,556)
Electric income before contributions	80,618	73,474	76,977	81,308	85,494
Contributions in aid of construction (CIAC)	2,998	5,590	4,509	6,673	2,797
Annual dividend	(52,339)	(48,577)	(47,723)	(49,938)	(48,531)
Increase to net position	\$ 31,277	\$ 30,487	\$ 33,763	\$ 38,043	\$ 39,760

¹ Electric operating revenues decreased due to impacts from COVID-19. The decrease was due lower consumption from the shut-down of commercial operations coupled with elevated allowance for doubtful accounts from the impacts on the travel and tourism industry and the associated increased rates of unemployment. These decreases were partially offset by \$11.5 million from customer price changes which were implemented in October 2019 and \$3.9 million associated with continued customer growth. Residential consumption in the Orlando and St. Cloud territories also helped offset the commercial and wholesale shortfall.

² In 2020, fuel and purchased power decreased due to continued low commodity pricing, the leveraging of long-term discounted gas supply agreements, and renegotiated power supply agreements.

³ OUC has incurred additional costs to protect its employees in the amount of \$5.5 million of which approximately 20 percent is anticipated to be eligible for cost reimbursement through the FEMA process. During the year, OUC also recognized previously deferred Hurricane Dorian costs that were deemed ineligible for FEMA reimbursement.

⁴ Depreciation and amortization expenses have increased over the years due to the capitalization of new assets and the acceleration of existing generation facility assets to align with OUC's operational and clean energy initiatives.

⁵ Interest expense decreased as a result of the overall market impact on variable rate debt.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2020	2019	2018	2017	2016
Profile of consumption & revenue by type of customer					
Residential service ¹					
kWh sales per customer	11,727	11,696	11,570	11,378	11,999
Revenue per customer	\$ 1,362	\$ 1,354	\$ 1,312	\$ 1,304	\$ 1,372
Revenue per kWh	\$ 0.1161	\$ 0.1157	\$ 0.1134	\$ 0.1146	\$ 0.1143
Commercial service - non-demand ¹					
kWh sales per customer	17,879	19,264	19,127	17,597	17,387
Revenue per customer	\$ 1,988	\$ 2,145	\$ 2,091	\$ 1,992	\$ 1,951
Revenue per kWh	\$ 0.1112	\$ 0.1114	\$ 0.1093	\$ 0.1132	\$ 0.1122
Commercial service - demand secondary ¹					
kWh sales per customer	586,018	588,293	561,903	551,107	563,130
Revenue per customer	\$ 48,840	\$ 50,982	\$ 48,382	\$ 48,162	\$ 48,815
Revenue per kWh	\$ 0.0833	\$ 0.0867	\$ 0.0861	\$ 0.0874	\$ 0.0867
Commercial service - demand primary ¹					
kWh sales per customer	17,741,556	18,642,382	18,274,302	18,594,588	19,106,440
Revenue per customer	\$ 1,470,466	\$ 1,596,358	\$ 1,575,811	\$ 1,620,078	\$ 1,652,280
Revenue per kWh	\$ 0.0829	\$ 0.0856	\$ 0.0862	\$ 0.0871	\$ 0.0865
Non-Metered Lighting					
kWh sales per customer	729	740	768	823	917
Revenue per customer	\$ 51	\$ 54	\$ 61	\$ 54	\$ 59
Revenue per kWh	\$ 0.0701	\$ 0.0731	\$ 0.0794	\$ 0.0656	\$ 0.0643
Interlocal service					
kWh sales per customer	18,222	18,459	18,393	18,259	18,801
Revenue per customer	\$ 2,072	\$ 2,086	\$ 2,080	\$ 2,071	\$ 2,188
Revenue per kWh	\$ 0.1137	\$ 0.1130	\$ 0.1131	\$ 0.1134	\$ 0.1164
Selected financial expense statistics					
Total fuel and purchased power expense per kWh ²	\$ 0.0330	\$ 0.0367	\$ 0.0378	\$ 0.0393	\$ 0.0381
Total operations and maintenance expense (excluding fuel and purchased power) per kWh	0.0273	0.0279	0.0253	0.0244	0.0238
Total operations and maintenance expense per kWh	\$ 0.0603	\$ 0.0646	\$ 0.0631	\$ 0.0637	\$ 0.0619
Operations and maintenance expense per metered service ³					
Fuel, fixed demand, purchased power and other power supply expense	\$ 1,022	\$ 1,174	\$ 1,273	\$ 1,310	\$ 1,312
Production, transmission and distribution costs	492	535	506	497	498
Customer service expense	129	136	141	130	128
General and administrative expense	196	211	206	188	192
Total operations and maintenance expense	\$ 1,839	\$ 2,056	\$ 2,126	\$ 2,125	\$ 2,130

¹ In 2020, the commercial sector experienced a decrease in sales as a result of COVID-19 and its impact on travel and tourism in the Central Florida area. This decrease was offset by an increase in residential service as a result of the COVID-19 mandatory stay-at-home executive orders.

² Total fuel expense per kWh has decreased due to declining commodity prices and the fuel hedge program which have enabled fuel price reductions and customer savings.

³ In 2020 and 2019, total operations and maintenance expense decreased primarily due to continued savings in fuel, fixed demand, purchased power and other power supply expenses. Addition, in 2020, operating expenses, excluding fuel and purchased power, decreased primarily due to focused cost saving initiatives identified at the onset of the pandemic by a quickly assembled Budget Recovery Task Force.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2020	2019	2018	2017	2016
Electric operating ratio					
Electric operation and maintenance expenses/total operating revenues ¹	\$ 0.63	\$ 0.66	\$ 0.67	\$ 0.66	\$ 0.65
Electric income before contributions per revenue dollar					
Electric income before contributions/total operating revenues ¹	\$ 0.11	\$ 0.10	\$ 0.09	\$ 0.11	\$ 0.11
ACTIVE SERVICES					
OUC retail metered services					
Residential	183,096	179,769	176,543	173,805	170,885
Commercial - non-demand	22,881	22,304	21,807	21,279	21,059
Commercial - demand - secondary	4,844	5,108	5,319	5,422	5,445
Commercial - demand - primary	25	26	27	26	25
Total OUC retail metered services	210,846	207,207	203,696	200,532	197,414
Interlocal services	43,686	41,388	39,275	37,555	35,998
Total OUC retail and interlocal metered services	254,532	248,595	242,971	238,087	233,412
Unmetered lighting fixtures					
Conventional	53,858	53,186	53,372	50,712	42,974
Convenient	28,768	27,580	25,256	21,890	21,557
St. Cloud	2,851	2,848	2,895	2,838	2,842
Total unmetered lighting fixtures	85,477	83,614	81,523	75,440	67,373
Total OUC retail, unmetered lighting and interlocal services	340,009	332,209	324,494	313,527	300,785
CONSUMPTION (MWh)					
OUC retail sales					
Residential	2,127,644	2,083,653	2,026,608	1,960,736	2,020,927
Commercial - non-demand	403,926	424,885	412,036	372,501	362,796
Commercial - demand - secondary	2,916,023	3,067,064	3,017,699	2,994,166	3,067,932
Commercial - demand - primary	452,410	494,023	484,269	474,162	477,661
Total OUC retail sales	5,900,003	6,069,625	5,940,612	5,801,565	5,929,316
Nonmetered lighting sales					
Conventional	34,456	33,699	32,781	31,675	31,434
Convenient	24,301	24,466	24,675	24,305	26,938
St. Cloud	2,913	2,903	2,848	2,789	2,797
Total nonmetered lighting sales	61,670	61,068	60,304	58,769	61,169
Interlocal sales	775,092	744,466	706,543	671,510	659,695
Total retail sales	6,736,765	6,875,159	6,707,459	6,531,844	6,650,180
Wholesale sales ²	1,062,480	988,701	1,404,820	1,325,765	1,264,504
Total electric sales	7,799,245	7,863,860	8,112,279	7,857,609	7,914,684

¹ In 2020, OUC maintained pace with historical ratio as a result of cost savings derived from the Budget Recovery Task Force to offset impacts from COVID-19 shutdown.

² Terminated and matured wholesale agreements were the drivers for the decrease in wholesale sales in 2020 and 2019 in comparison to sales in 2016 - 2018.

ELECTRIC GENERATION (MWh)

Years Ended September 30	2020	2019	2018	2017	2016
Stanton Energy Center (SEC)					
Generation - steam	3,271,619	3,323,973	3,652,214	3,603,131	3,035,305
Generation - combined cycle	2,964,352	2,579,573	2,519,657	2,499,981	2,651,213
Total generation	6,235,971	5,903,546	6,171,871	6,103,112	5,686,518
Plant use - less participants' loss factor	297,837	289,148	304,295	290,049	235,078
Participants' reserve power	18,488	27,689	3,149	5,340	13,063
Delivered	5,919,646	5,586,709	5,864,427	5,807,723	5,438,377
McIntosh (MAC 3) ¹					
Generation - steam	225,074	420,753	627,727	574,593	538,755
Delivered	225,074	420,753	627,727	574,593	538,755
St. Lucie (SL 2)					
Generation - nuclear	485,721	477,723	481,150	467,747	491,994
Plant use	11,609	11,418	11,499	11,179	11,759
Delivered	474,112	466,305	469,651	456,568	480,235
Indian River					
Generation - combustion turbines	15,630	18,758	17,989	18,966	18,343
Plant use - less participants' loss factor	41	44	83	102	89
Participants' reserve power	5,408	5,612	4,362	4,346	4,301
Delivered	10,181	13,102	13,544	14,518	13,953
Generation					
Steam	3,496,693	3,744,726	4,279,941	4,177,724	3,574,060
Combined Cycle	2,964,352	2,579,573	2,519,657	2,499,981	2,651,213
Nuclear	485,721	477,723	481,150	467,747	491,994
Combustion turbines	15,630	18,758	17,989	18,966	18,343
Total generation	6,962,396	6,820,780	7,298,737	7,164,418	6,735,610
Total plant use - less participants loss factor	309,487	300,610	315,877	301,330	246,926
Participants' reserve power	23,896	33,301	7,511	9,686	17,364
Total delivered	6,629,013	6,486,869	6,975,349	6,853,402	6,471,320
Inadvertent/wheeling retained	—	—	—	—	210
Purchases received	1,354,122	1,547,668	1,318,792	1,325,628	1,731,079
Available	7,983,135	8,034,537	8,294,141	8,179,030	8,202,609
Sales	7,799,245	7,863,860	8,112,279	7,857,609	7,914,684
Line losses	183,890	170,677	181,862	321,421	287,925
Line losses as a percentage of generation	2.64 %	2.50 %	2.49 %	4.49 %	4.27 %

¹ Since 2015, there were several periods where the MAC 3 plant was off-line for both planned and unplanned outages. In November 2018, the City of Lakeland announced the shuttering of MAC 3, effective in 2024. MAC 3 continues to experience higher than anticipated repairs and maintenance through 2020 and the evaluation of shuttering date of 2024 is being assessed.

NET GENERATING CAPABILITY (Including major purchased power agreements)

Generating Facility (MW) Years Ended September 30	Name Plate Capacity	2020		2019		2018		2017		2016	
		Summer	Winter								
		MW									
Stanton Energy Center (SEC)											
Unit 1 FS	425	305	305	302	304	302	304	302	304	302	304
Unit 2 FS	425	340	340	340	340	340	340	340	340	340	340
Unit A CC	633	184	188	184	188	184	188	174	184	174	184
Unit B CC	300	292	307	292	307	292	307	292	307	292	307
Indian River Plant (IRP)											
Unit A CT	38	16	18	16	18	16	18	16	18	16	18
Unit B CT	38	16	18	16	18	16	18	16	18	16	18
Unit C CT	112	83	89	83	88	83	88	83	88	83	88
Unit D CT	112	83	89	83	88	83	88	83	88	83	88
C.D. McIntosh, Jr. Plant (MC3)											
Unit 3 FS	364	133	136	133	136	133	136	133	136	133	136
St. Lucie Plant											
Unit 2 N	850	60	62	60	62	60	60	60	60	60	60
Total capability		1,511	1,551	1,509	1,549	1,509	1,547	1,499	1,543	1,499	1,543
Purchased power agreements		349	349	342	342	342	342	330	330	330	330
Total available		1,860	1,900	1,851	1,891	1,851	1,889	1,829	1,873	1,829	1,873
Firm commitments to other utilities ¹		(225)	(169)	(237)	(161)	(267)	(267)	(254)	(252)	(251)	(249)
Net available to OUC		1,635	1,731	1,614	1,730	1,584	1,622	1,575	1,621	1,578	1,624

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

PEAK DEMAND

Years Ended September 30	2020		2019		2018		2017		2016	
	Summer	Winter								
	MW									
Net peak demand (Net 60 minute integrated MW demand)	1,170	1,000	1,224	902	1,136	1,069	1,175	885	1,189	944
Gross peak demand (MW) (Instantaneous)	1,203	1,061	1,294	938	1,210	—	1,188	—	1,230	—
System load factor	60	59	62	59	60	60	59	60	60	60

GENERATION AVAILABILITY DATA

Years Ended September 30	2020			2019			2018			2017			2016		
	CF	EAF	EFOR												
SEC															
Unit 1	41.1	78.1	0.9	57.9	82.0	6.3	56.9	85.7	5.7	56.0	90.4	1.2	31.1	61.8	2.6
Unit 2	66.3	95.5	0.6	55.8	74.6	4.0	64.5	87.3	1.1	64.0	84.8	2.3	68.2	87.6	1.8
Unit A	33.1	82.2	—	42.4	94.3	—	36.1	84.0	3.4	33.7	91.6	0.1	42.3	92.7	0.2
Unit B	73.2	88.2	0.1	60.8	86.7	5.6	60.2	86.7	—	60.1	82.8	1.0	62.9	94.5	0.9
IRP															
Unit A ²	—	94.3	—	0.1	96.1	—	—	91.4	93.7	0.2	98.5	14.3	0.3	93.6	—
Unit B ²	—	94.7	67.7	0.1	96.0	18.5	0.1	92.7	10.5	0.3	97.9	60.6	0.1	96.9	—
Unit C ²	0.7	95.9	—	1.7	96.2	—	1.0	95.9	—	1.3	96.5	14.5	0.9	95.6	10.0
Unit D ²	1.3	96.0	—	0.7	89.6	33.2	1.2	97.3	13.7	1.0	96.9	54.1	1.3	95.4	13.1
McIntosh															
Unit 3	19.1	52.9	49.3	35.8	60.9	11.2	53.5	85.1	1.3	49.0	82.3	6.0	47.0	82.8	2.2
St. Lucie Plant															
Unit 2	93.3	91.2	0.7	99.9	97.5	2.3	90.2	89.5	1.3	90.2	88.4	—	94.8	92.8	0.1

NOTE: CF = Capacity Factor, EAF = Equivalent Availability Factor, EFOR = Equivalent Forced Outage Rate

¹ The interlocal agreement with the City of Bartow to provide 40 MW of capacity in, both, Summer and Winter is set to expire on January 1, 2021.

² OUC's combustion turbines located at IRP are intended for limited reserve capacity usage, which results in higher fluctuations in activity.

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2020	2019	2018	2017	2016
Orlando/Orange County					
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) ¹	52.4	43.3	51.8	45.6	52.6
Average customer interruption duration index in minutes (CAIDI) ¹	65.5	59.1	76.1	70.8	79.7
Average length of service interruption in minutes (L-Bar) ¹	82.0	70.9	75.9	77.4	98.8

Years Ended September 30	2020	2019	2018	2017	2016
St. Cloud/Osceola County					
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) ²	98.4	48.3	77.2	45.1	30.8
Average customer interruption duration index in minutes (CAIDI) ²	67.4	70.3	71.3	58.4	64.2
Average length of service interruption in minutes (L-Bar) ²	86.3	75.0	76.9	80.0	91.6

ELECTRIC PHYSICAL STATISTICS

Transmission system (circuit miles)	2020	2019	2018	2017	2016
69KV	36.6	36.6	36.6	36.6	36.5
115KV	129.3	129.3	129.3	129.3	126.9
230KV	227.4	227.4	227.4	227.4	227.4
Total transmission circuit miles	393.3	393.3	393.3	393.3	390.8

Number of substations	2020	2019	2018	2017	2016
OUC substations	32.0	31.0	31.0	31.0	31.0
STC substations	5.0	4.0	4.0	4.0	4.0
Total Substations	37.0	35.0	35.0	35.0	35.0

Orlando distribution system (circuit miles)	2020	2019	2018	2017	2016
Overhead	736.7	725.7	735.4	738.7	739.6
Underground	1,381.5	1,360.0	1,341.4	1,316.9	1,292.2
Total Orlando circuit miles	2,118.2	2,085.7	2,076.8	2,055.6	2,031.8

St. Cloud distribution system (circuit miles)	2020	2019	2018	2017	2016
Overhead	265.2	263.0	260.4	260.3	260.9
Underground	251.5	247.3	229.1	221.3	210.3
Total St. Cloud circuit miles	516.7	510.3	489.5	481.6	471.2
Total OUC & St. Cloud circuit miles	2,634.9	2,596.0	2,566.3	2,537.2	2,503.0

Distribution expenses per circuit mile ³	2020	2019	2018	2017	2016
	\$ 9,665	\$ 11,060	\$ 10,283	\$ 9,415	\$ 7,868

Percentages of Orlando distribution system (circuit miles)	2020	2019	2018	2017	2016
Overhead	34.8 %	34.8 %	35.4 %	35.9 %	36.4 %
Underground	65.2 %	65.2 %	64.6 %	64.1 %	63.6 %

Percentages of St. Cloud distribution system (circuit miles)	2020	2019	2018	2017	2016
Overhead	51.3 %	51.5 %	53.2 %	54.0 %	55.4 %
Underground	48.7 %	48.5 %	46.8 %	46.0 %	44.6 %

¹ In 2020, increased outage and service interruption times are the result of increased weather activity, impacts from heightened safety protocols and the quarantining of staff to protect employees along with increased mutual aid support to peer utilities impacted by hurricanes. Increases in 2018 and 2016 were the result of one-time weather events beyond named hurricane events.

² The L-Bar, CAIDI and SAIDI statistics are highly variable due to the small volume of events in this area. The St. Cloud/Osceola system was not significantly impacted by some of the summer storm activity seen in Orlando in 2018. During 2019, St. Cloud/Osceola County experienced an active summer storm season. In 2020, COVID-19 safety protocols negatively affected the length of time of power outages.

³ From 2017 through 2019, distribution expenses increased primarily due to increased staffing levels to support maintenance projects.

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Electric plant, net					
Generating plant					
Stanton Energy Center Unit 1 and Unit 2	\$ 329,794	\$ 355,153	\$ 361,420	\$ 371,978	\$ 384,450
Stanton Energy Center Unit A	36,607	34,429	39,817	33,919	40,510
Stanton Energy Center Unit B	187,830	199,200	209,795	209,681	220,310
McIntosh Unit 3	37,857	45,481	49,959	58,920	61,362
St. Lucie Unit 2	108,966	106,053	105,680	105,831	104,950
Indian River Plant	7,728	9,648	10,864	11,866	13,635
Total generating plant, net	708,782	749,964	777,535	792,195	825,217
Distribution plant	592,660	581,242	549,584	529,514	500,330
Transmission plant	373,562	379,628	347,200	317,098	315,567
Other Electric plant	55,232	56,338	53,844	47,873	47,714
Total electric plant, net	1,730,236	1,767,172	1,728,163	1,686,680	1,688,828
Common plant, net	77,565	83,984	86,644	94,641	70,489
Total Plant, net ¹	\$ 1,807,801	\$ 1,851,156	\$ 1,814,807	\$ 1,781,321	\$ 1,759,317
FUEL MIX STATISTICS					
Cost of fuel					
Coal ²	\$ 102,054	\$ 124,825	\$ 144,715	\$ 148,303	\$ 124,152
Natural gas	110,838	120,570	114,480	115,783	134,909
Nuclear	2,468	2,090	3,655	3,344	3,848
Renewable ³	12,408	10,169	10,414	8,691	5,762
Total cost of fuel	\$ 227,768	\$ 257,654	\$ 273,264	\$ 276,121	\$ 268,671
Fuel cost per MWh					
Coal ²	\$ 33.64	\$ 35.54	\$ 34.39	\$ 36.39	\$ 38.77
Natural gas	\$ 26.20	\$ 31.03	\$ 33.47	\$ 33.79	\$ 30.83
Nuclear	\$ 5.21	\$ 4.48	\$ 7.78	\$ 7.32	\$ 8.01
Renewable ³	\$ 49.13	\$ 58.56	\$ 56.32	\$ 56.88	\$ 46.69
System average fuel cost	\$ 28.50	\$ 32.06	\$ 32.99	\$ 34.04	\$ 32.84
System fuel mix for total generation (based on MWh)					
Coal ²	38.0 %	43.7 %	50.7 %	50.3 %	39.1 %
Natural Gas	52.9 %	48.3 %	41.3 %	42.2 %	53.5 %
Nuclear	5.9 %	5.8 %	5.7 %	5.6 %	5.9 %
Renewable ³	3.2 %	2.2 %	2.3 %	1.9 %	1.5 %
Total system fuel mix for total generation (based on MWh)	100.0 %				

¹ In response to the implementation of increased safety protocols and cost saving initiatives, the completion of self-constructed assets was delayed. This resulted in lower than expected assets being completed and placed into service in 2020.

² Coal consumption fluctuates based on economics and system availability. In 2017 and 2018 coal consumption increased in conjunction with efficiency upgrades. Conversely, planned and unplanned outages offset these increases in 2019. The continued decrease in 2020 was a result of favorable commodity pricing in combination with decreased coal consumption.

³ To support sustainability initiatives, OUC has entered into agreements with the planned installation of 149.0 MW of utility scale solar in 2021 through 2023 including the installation of battery storage. In 2020, two of these solar power projects were completed giving OUC an additional 108.5 MW of solar power capacity. In total, OUC has 11 renewable power purchase agreements comprising of both solar power and landfill gas. In addition to the growth in available renewable energy resources, the cost for these resources is also decreasing as technology advances and the cost per MWh is declining.

RENEWABLE ENERGY

Renewable Generation (MWh)

Years Ended September 30	2020	2019	2018	2017	2016
Solar PPA's ¹					
Stanton Solar	5.1	8,554	9,026	9,166	9,557
SEC Solar Site A	4.1	7,957	9,707	8,480	788
SEC Solar Landfill Site C	4.8	9,510	8,064	9,804	522
Gardenia Community Solar	0.3	482	424	517	557
Fleet Community Solar	0.4	461	521	526	469
Taylor Creek Solar	74.5	58,447	—	—	—
Harmony Florida Solar	34.0	27,379	—	—	—
Landfill Gas PPA's ¹					
Port Charlotte Landfill	3.6	11,414	9,974	13,643	15,118
Holopaw Landfill	9.6	32,754	49,883	40,625	36,620
Monarch Hills Landfill	8.3	48,460	46,424	58,324	49,551
Stanton Landfill Gas ¹					
SEC 1	N/A	13,683	21,264	15,837	12,402
SEC 2	N/A	33,506	18,358	27,968	27,143
	144.7	252,607	173,645	184,890	152,783
					123,423

ACTIVE SERVICES - SOLAR STATISTICAL INFORMATION ²

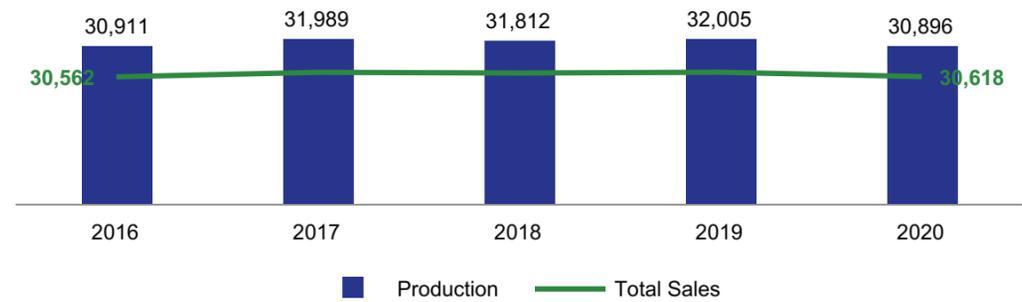
Photovoltaic credit meters					
Retail photovoltaic credit meters	231	248	262	276	238
Interlocal services photovoltaic credit meters	100	108	113	119	99
Total photovoltaic credit meters	331	356	375	395	337
Solar farm participants					
Gardenia	31	33	36	—	—
Stanton	202	199	200	—	—
Total solar farm participants	233	232	236	—	—
OUC retail solar metered services					
Residential	1,748	1,108	689	418	206
Commercial - non-demand	35	31	29	8	6
Commercial - demand - secondary	27	27	23	23	17
Total OUC retail metered services	1,810	1,166	741	449	229
Interlocal services	1,094	688	385	196	96
Total OUC retail and interlocal solar net-meters	2,904	1,854	1,126	645	325

¹ To support sustainability initiatives, OUC has entered into agreements with the planned installation of 149.0 MW of utility scale solar in 2021 through 2023 including the installation of battery storage. In 2020, two of these solar power projects were completed giving OUC an additional 108.5 MW of solar power capacity. In total, OUC has 11 renewable power purchase agreements comprising of both solar power and landfill gas.

² Represents the solar commitments of OUC's electric metered customers.

WATER BUSINESS OPERATIONS

Production and Total Sales
(MGAL)

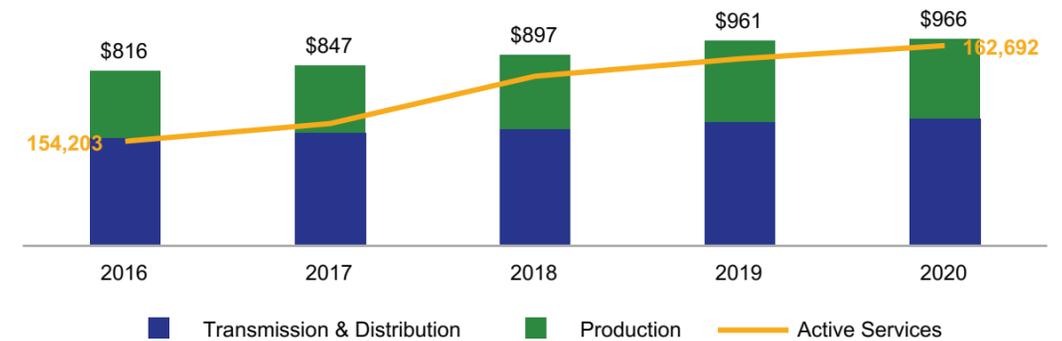


Production and Total Sales: Production and sales in 2020 returned to levels consistent with 2016 as a result of the COVID-19 closures. Unlike electric sales requiring idle commercial operations to maintain base load energy requirements, water requirements can be completely curtailed.



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Water Utility Plant, net
(millions)



Water Utility Plant: Recent plant additions have focused on transmission and distribution assets in order to service continued customer growth and maintain customer quality.

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

Years Ended September 30	2020	2019	2018	2017	2016
Operating Revenues					
Residential	\$ 27,513	\$ 25,285	\$ 24,654	\$ 23,975	\$ 22,989
Commercial	30,687	31,631	29,992	28,259	27,736
Irrigation	15,926	14,484	14,695	15,307	13,797
Fire protection	2,888	2,737	2,566	2,429	2,330
Service fees and other	2,758	2,831	2,424	2,184	2,196
Resale and other	570	589	558	589	590
Regulatory action ¹	—	3,281	4,805	(912)	—
Total operating revenues ¹	80,342	80,838	79,694	71,831	69,638
Operations and maintenance expenses					
Production	14,450	15,133	15,165	14,637	14,980
Distribution	8,320	9,093	8,594	7,666	8,598
Emergency response expenses	—	179	—	793	—
Customer service	8,505	9,246	9,412	8,212	7,109
General and administrative	12,535	10,557	11,844	10,964	11,151
Total operations and maintenance expenses	43,810	44,208	45,015	42,272	41,838
Other expenses					
Utility/property tax	67	65	66	64	65
Revenue based payments to the City of Orlando	2,622	2,415	2,151	2,108	2,058
Revenue based payments to Orange County	3	4	4	3	4
Depreciation and amortization	21,354	20,384	19,550	18,171	17,328
Total other expenses	24,046	22,868	21,771	20,346	19,455
Total operating expenses	67,856	67,076	66,786	62,618	61,293
Operating income	12,486	13,762	12,908	9,213	8,345
Non-operating income and expense					
Interest income	2,092	2,225	1,468	705	655
Other income, net	2,137	1,995	2,024	2,003	2,047
Amortization of deferred gain on sale of assets	—	15	16	16	16
Interest expense, net	(6,086)	(6,414)	(6,645)	(6,382)	(7,104)
Total non-operating expenses, net	(1,857)	(2,179)	(3,137)	(3,658)	(4,386)
Water income before contributions	10,629	11,583	9,771	5,555	3,959
Contributions in aid of construction (CIAC)	12,053	12,291	11,372	10,803	12,687
Annual dividend	(6,900)	(7,658)	(6,057)	(3,412)	(2,247)
Increase in net position	\$ 15,782	\$ 16,216	\$ 15,086	\$ 12,946	\$ 14,399

¹ In 2018, a four-year water price plan was implemented to increase water prices. As a result, the average residential and commercial customer water bill increased by 3.4% and 4.0% in January 2019 and April 2018, respectively. In conjunction with this change, the Board approved the use of reserves to facilitate customer rate stability.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2020	2019	2018	2017	2016
Profile of consumption and revenue by type of customer					
Residential service					
KGAL sales per customer	80	78	80	82	79
Revenue per customer	\$ 245	\$ 228	\$ 224	\$ 221	\$ 215
Revenue per KGAL	\$ 3.0799	\$ 2.9178	\$ 2.8112	\$ 2.7005	\$ 2.7052
Commercial service					
KGAL sales per customer	971	1,076	1,067	1,031	1,007
Revenue per customer	\$ 2,039	\$ 2,107	\$ 2,011	\$ 1,890	\$ 1,847
Revenue per KGAL	\$ 2.0998	\$ 1.9577	\$ 1.8849	\$ 1.8329	\$ 1.8352
Irrigation service					
KGAL sales per customer	235	235	249	266	242
Revenue per customer	\$ 949	\$ 867	\$ 886	\$ 932	\$ 848
Revenue per KGAL	\$ 4.0407	\$ 3.6859	\$ 3.5573	\$ 3.4995	\$ 3.5098
Selected financial expense statistics					
Total operations and maintenance expenses per KGAL	\$ 1.5915	\$ 1.5355	\$ 1.5605	\$ 1.4447	\$ 1.5170
Operations and maintenance expense per metered service					
Production and distribution costs	\$ 158	\$ 170	\$ 168	\$ 159	\$ 171
Customer service expense	59	65	67	59	51
General and administrative expense	87	74	84	78	81
Total operations and maintenance expense	\$ 304	\$ 309	\$ 319	\$ 296	\$ 303
SELECTED FINANCIAL RATIOS					
Water operating ratio					
Water operations and maintenance expenses/operating revenues	\$ 0.55	\$ 0.55	\$ 0.60	\$ 0.57	\$ 0.60
Water income before contributions per revenue dollar					
Water income before contributions/operating revenues	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.10	\$ 0.06
ACTIVE SERVICES					
Residential	112,612	111,617	110,433	109,215	107,816
Commercial	15,047	15,054	14,972	14,854	15,048
Irrigation	16,800	16,761	16,639	16,523	16,337
Total metered services	144,459	143,432	142,044	140,592	139,201
FIRE PROTECTION					
Fire protection services	7,561	7,523	7,412	4,758	4,676
Fire hydrants	10,672	10,568	10,520	10,423	10,326
Total fire protection	18,233	18,091	17,932	15,181	15,002
CONSUMPTION (MGAL)					
Residential	8,933	8,666	8,770	8,878	8,498
Commercial ¹	14,615	16,157	15,912	15,418	15,113
Irrigation	3,941	3,930	4,131	4,374	3,931
Resale	39	38	34	41	37
Total consumption	27,528	28,791	28,847	28,711	27,579

¹ Commercial consumption decreased ~9.0% due to lower water demand as a result of the mandated shutdowns as well as the overall impacts from COVID-19.

WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30

	2020	2019	2018	2017	2016
Water plant, net					
Production	\$ 116,396	\$ 112,006	\$ 115,886	\$ 120,107	\$ 124,281
Transmission and distribution	261,414	258,947	256,601	249,914	236,450
General	213	105	135	161	186
Total water plant, net	378,023	371,058	372,622	370,182	360,917
Common plant, net	25,855	27,992	28,881	26,693	23,496
Total plant, net	\$ 403,878	\$ 399,050	\$ 401,503	\$ 396,875	\$ 384,413

WATER PHYSICAL STATISTICS

Pipe miles	1,882	1,869	1,851	1,839	1,827
Number of public hydrants	10,672	10,568	10,520	10,423	10,326
Number of wells	31	31	31	31	31
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	277	273	273	273	273
Raw water capacity (MGAL per day)	166.5	177.5	177.5	177.5	177.5
Peak day (MGAL) ¹	108.5	111.3	104.0	112.2	104.8
Per capita, gallons pumped per day total system ²	187.9	196.4	210.0	201.0	193.0
Per capita, gallons consumed per day residential only	53	53	58	56	53

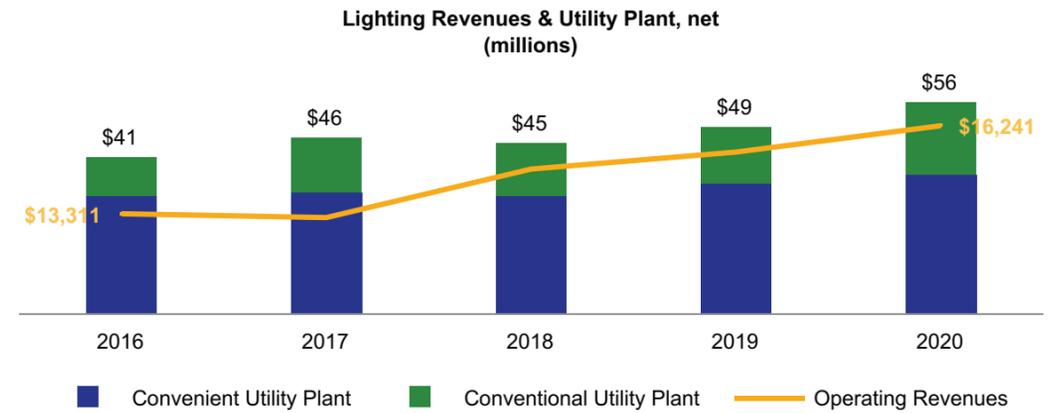
WATER PRODUCTION (KGAL) ²

Water treated for sale					
Treated	30,896,403	32,004,564	31,812,084	31,989,054	30,910,762
Used by water department	5,852	5,840	5,840	5,840	5,856
Total water treated for sale	30,890,551	31,998,724	31,806,244	31,983,214	30,904,906
Sales					
Retail customers	27,215,227	28,428,610	28,492,063	28,337,704	27,196,973
Inter-department use	272,559	324,568	320,796	333,133	343,527
Wholesale customers	40,214	37,538	32,861	39,615	37,899
Total sales	27,528,000	28,790,716	28,845,720	28,710,452	27,578,399
Unbilled	3,362,551	3,208,007	2,960,523	3,272,762	3,326,507
Unbilled as a percentage of water treated for sale	10.89 %	10.03 %	9.31 %	10.23 %	10.76 %

¹ Rainfall and warmer than normal weather coupled with service growth are the key drivers for peak day annual variances.

² In 2020, the commercial sector experienced a decrease in sales as a result of COVID-19 and its impact on travel and tourism in the Central Florida area.

LIGHTING BUSINESS OPERATIONS



Utility Plant and Operating Revenues: Conventional Utility Plant represents lighting infrastructure that is provided to municipalities for streetlights and other right of way lighting requirements. Revenues for these services are recovered through tariff based pricing and over the past several years have grown as municipalities have proactively pursued the installation of LED streetlight technology to enhance community safety and promote energy efficiency and sustainability goals.

Convenient Utility Plant represents lighting infrastructure that is provided to commercial customers and is billed through contractually determined pricing that is, on average, recovered over a 20 year period. The increase in utility plant for this business segment is driven by the expansion of new commercial customers as well as technology upgrades.

Operating revenues for both business segments have grown on average 5.2 percent per year over the five year period.

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

Years Ended September 30	2020	2019	2018	2017	2016
Operating Revenues					
Conventional	\$ 4,491	\$ 4,522	\$ 4,384	\$ 4,228	\$ 4,737
Convenient ¹	11,625	10,698	10,057	8,749	8,439
Service fees and other	125	144	358	207	135
Total operating revenues	<u>16,241</u>	<u>15,364</u>	<u>14,799</u>	<u>13,184</u>	<u>13,311</u>
Operations and maintenance expenses					
Conventional	3,213	3,240	3,040	2,804	2,758
Convenient	1,068	1,080	1,213	1,228	1,771
Emergency response expenses	—	11	—	133	—
General & administrative	743	660	732	770	568
Total operations and maintenance expenses	<u>5,024</u>	<u>4,991</u>	<u>4,985</u>	<u>4,935</u>	<u>5,097</u>
Other expenses					
Utility/property tax	1	1	1	1	1
Revenue based payments to Orange County	27	26	27	25	24
Depreciation and amortization ¹	5,590	4,842	4,615	4,720	4,039
Total other expenses	<u>5,618</u>	<u>4,869</u>	<u>4,643</u>	<u>4,746</u>	<u>4,064</u>
Total operating expenses	<u>10,642</u>	<u>9,860</u>	<u>9,628</u>	<u>9,681</u>	<u>9,161</u>
Operating income	5,599	5,504	5,171	3,503	4,150
Non-operating income and expense					
Interest income	200	295	208	187	144
Other income, net	103	107	110	110	94
Amortization of deferred gain on sale of assets	—	1	1	4	1
Interest expense, net	(1,268)	(1,406)	(1,430)	(1,292)	(1,412)
Total non-operating expenses, net	<u>(965)</u>	<u>(1,003)</u>	<u>(1,111)</u>	<u>(991)</u>	<u>(1,173)</u>
Lighting income before contributions	4,634	4,501	4,060	2,512	2,977
Contributions in aid of construction (CIAC)	1,464	937	683	1,057	1,100
Annual dividend	<u>(3,009)</u>	<u>(2,976)</u>	<u>(2,516)</u>	<u>(1,543)</u>	<u>(1,689)</u>
Increase in net position	<u>\$ 3,089</u>	<u>\$ 2,462</u>	<u>\$ 2,227</u>	<u>\$ 2,026</u>	<u>\$ 2,388</u>

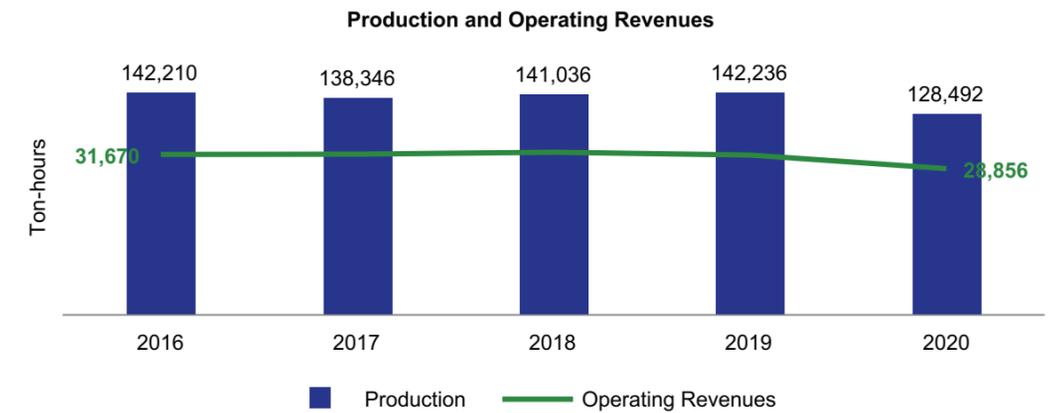
¹ The increase is due to the continued growth of new commercial customers which correlates to the installation and depreciation of new lighting assets.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2020	2019	2018	2017	2016
Lighting operating ratio					
Lighting operation & maintenance expenses/operating revenues	\$ 0.33	\$ 0.32	\$ 0.34	\$ 0.37	\$ 0.38
Lighting income before contributions per revenue dollar					
Lighting income before contributions/operating revenues ¹	\$ 0.30	\$ 0.29	\$ 0.27	\$ 0.15	\$ 0.22
LIGHTING UTILITY PLANT (Dollars in thousands)					
Lighting plant, net					
Conventional ¹	\$ 18,710	\$ 14,927	\$ 13,881	\$ 14,359	\$ 10,563
Convenient	36,850	34,239	31,071	31,988	30,894
Total lighting plant, net	<u>\$ 55,560</u>	<u>\$ 49,166</u>	<u>\$ 44,952</u>	<u>\$ 46,347</u>	<u>\$ 41,457</u>

¹ The expansion of LED street lighting is the primary driver of conventional lighting plant increases.

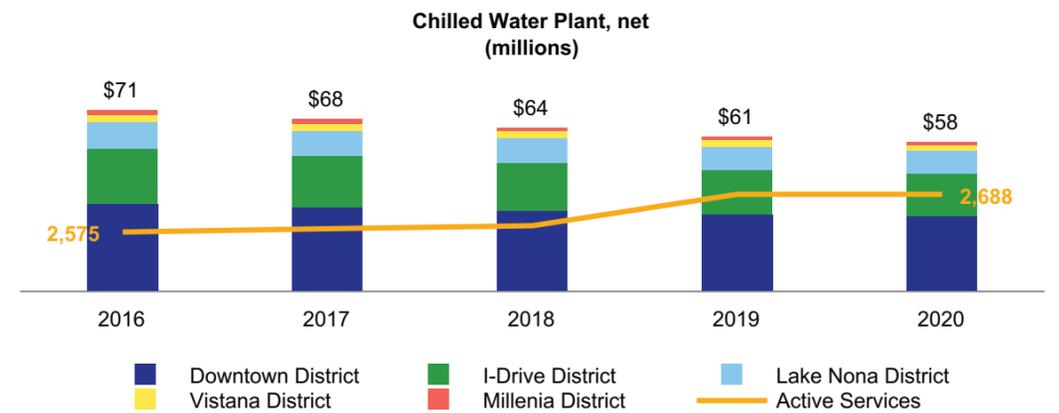
CHILLED WATER BUSINESS OPERATIONS



Production and Operating Revenues: Operating revenues have recently declined due to the decrease in cooling demand from the shut-down of commercial operations impacted by COVID-19. In 2019, OUC executed agreements with its largest customers to own and operate chilled water facilities on their sites. The facility at the Orlando International Airport is anticipated to be operational in 2021.



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Chilled Water Plant, net: OUC operates five chilled water plants with a total capacity of approximately 51,000 tons and an average contractual life of 20 years. OUC maintains the plants at peak operating performance through the term of each contract and, as each contract is renewed, planned capital upgrades are agreed upon in relation to expansion to support new customers. In 2019, OUC entered into chilled water agreements with its top two customers with targeted completion dates of 2021 and 2022.

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

Years Ended September 30	2020	2019	2018	2017	2016
Operating revenues by plant					
Downtown	\$ 11,110	\$ 12,046	\$ 12,079	\$ 11,763	\$ 11,867
Vistana	1,883	2,038	1,972	2,000	1,892
International Drive	10,777	12,101	12,443	12,165	12,040
Millenia	1,722	1,875	1,951	1,927	1,952
Lake Nona	3,297	3,377	3,499	3,417	3,388
Service fees and other	67	107	159	446	531
Total operating revenues ¹	28,856	31,544	32,103	31,718	31,670
Operations and maintenance expenses by plant					
Downtown	5,328	5,500	5,443	5,386	5,704
Vistana	903	1,014	945	901	893
International Drive	6,872	7,718	7,316	7,165	7,263
Millenia	1,182	1,352	1,353	1,376	1,338
Lake Nona	1,418	1,513	1,340	1,397	1,452
Emergency response expenses	—	23	—	69	—
Customer service	163	199	220	137	165
General & administrative	1,413	1,275	825	781	869
Total operations and maintenance expenses	17,279	18,594	17,442	17,212	17,684
Other expenses					
Utility/property tax	2	2	2	2	2
Revenue based payments to the City of Orlando	662	662	684	621	653
Revenue based payments to Orange County	126	138	133	128	128
Depreciation and amortization	3,548	3,985	4,581	4,432	4,577
Total other expenses	4,338	4,787	5,400	5,183	5,360
Total operating expenses	21,617	23,381	22,842	22,395	23,044
Operating Income	7,239	8,163	9,261	9,323	8,626
Non-operating income and expenses					
Interest income	262	495	284	190	161
Other income, net	105	114	131	140	111
Amortization of deferred gain on sale of assets	—	1	1	—	1
Interest expense, net	(2,248)	(2,493)	(2,710)	(2,868)	(3,173)
Total non-operating expenses, net	(1,881)	(1,883)	(2,294)	(2,538)	(2,900)
Chilled water income before contributions	5,358	6,280	6,967	6,785	5,726
Contributions in aid of construction (CIAC)	250	—	—	109	—
Annual dividend	(3,479)	(4,152)	(4,320)	(4,169)	(3,252)
Increase in net position	\$ 2,129	\$ 2,128	\$ 2,647	\$ 2,725	\$ 2,474

¹ In 2020, operating revenues declined due to the decrease in cooling demand from the shut-down of commercial operations impacted by COVID-19 particularly those assets used to support the travel and tourism industry including the Orange County Convention Center included in the International Drive revenues.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2020	2019	2018	2017	2016
Chilled water operating ratio					
Chilled water operation and maintenance expenses/operating revenues	\$ 0.60	\$ 0.59	\$ 0.54	\$ 0.54	\$ 0.56
Chilled water income before contributions per revenue dollar					
Chilled water income before contributions/operating revenues	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.22	\$ 0.18
Revenue per TON-hour produced	\$ 0.2246	\$ 0.2218	\$ 0.2276	\$ 0.2293	\$ 0.2227

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2020	2019	2018	2017	2016
Chilled water plant, net					
Downtown	\$ 29,802	\$ 30,040	\$ 31,366	\$ 32,679	\$ 33,989
Vistana	2,369	2,587	2,800	3,022	3,246
International Drive	16,371	17,515	18,630	19,942	21,300
Millenia	1,492	1,665	1,837	2,010	2,066
Lake Nona	8,408	8,842	9,345	9,848	10,351
Total plant, net	\$ 58,442	\$ 60,649	\$ 63,978	\$ 67,501	\$ 70,952

ACTIVE SERVICES

Retail residential	2,482	2,483	2,386	2,376	2,365
Wholesale commercial	206	205	208	209	210
Total metered services	2,688	2,688	2,594	2,585	2,575

CHILLED WATER PHYSICAL STATISTICS

Years Ended September 30	2020	2019	2018	2017	2016
Pipe miles					
Downtown	8.43	8.43	8.38	8.38	8.38
Vistana	3.72	3.72	3.72	3.72	3.72
International Drive	3.79	3.79	3.79	3.79	3.79
Millenia	0.26	0.26	0.26	0.26	0.26
Lake Nona	1.62	1.62	1.62	1.62	1.62
Total pipe miles	17.82	17.82	17.77	17.77	17.77

Generation capacity, TON (in thousands)

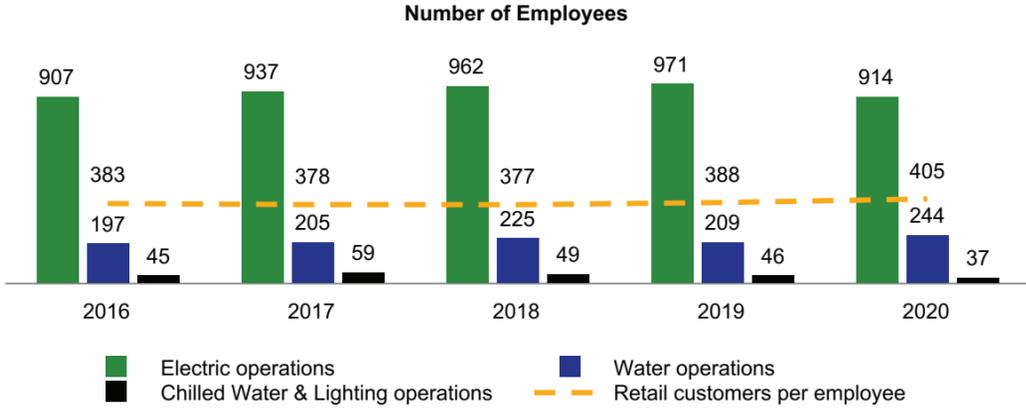
Downtown	16,315	16,315	16,315	16,315	16,315
Vistana	2,400	2,400	2,400	2,400	2,400
International Drive	22,100	22,100	22,100	22,100	22,100
Millenia	4,800	4,800	4,800	4,800	4,800
Lake Nona	5,300	5,300	5,300	5,300	5,300
Total generation capacity, TON	50,915	50,915	50,915	50,915	50,915

TON-HOURS PRODUCED (in thousands)

Downtown	41,203	43,321	42,270	43,622	45,633
Vistana	3,704	5,181	5,181	5,333	5,294
International Drive	64,696	73,463	73,750	69,854	70,705
Millenia	7,341	9,325	8,970	8,893	9,128
Lake Nona	11,548	10,946	10,865	10,644	11,450
Total Ton hours produced ¹	128,492	142,236	141,036	138,346	142,210

¹ In 2020, the reduction of total ton hours produced is due to the decrease in cooling demand from the shut-down of commercial operations impacted by COVID-19.

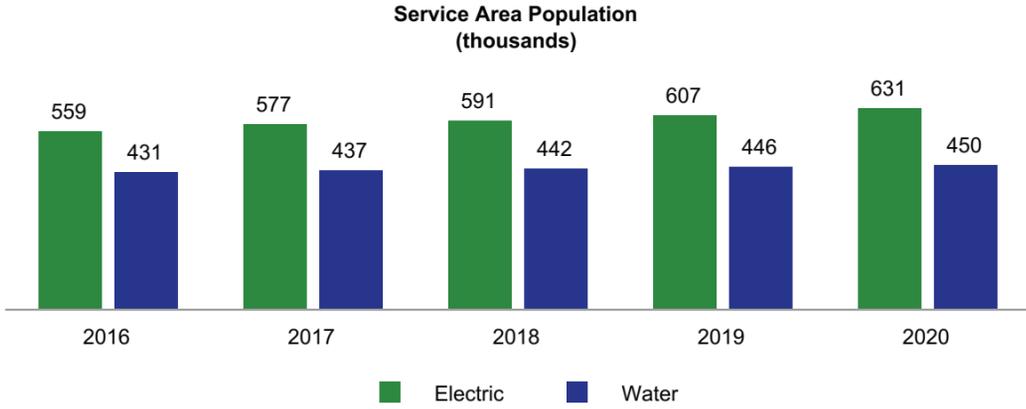
STATISTICAL INFORMATION



Number of Employees: An allocation is performed for all shared service employees that are not assigned to support a single operating area as defined above. In 2020, significant shifts in alignment occurred based on organizational changes related to shared services employees.



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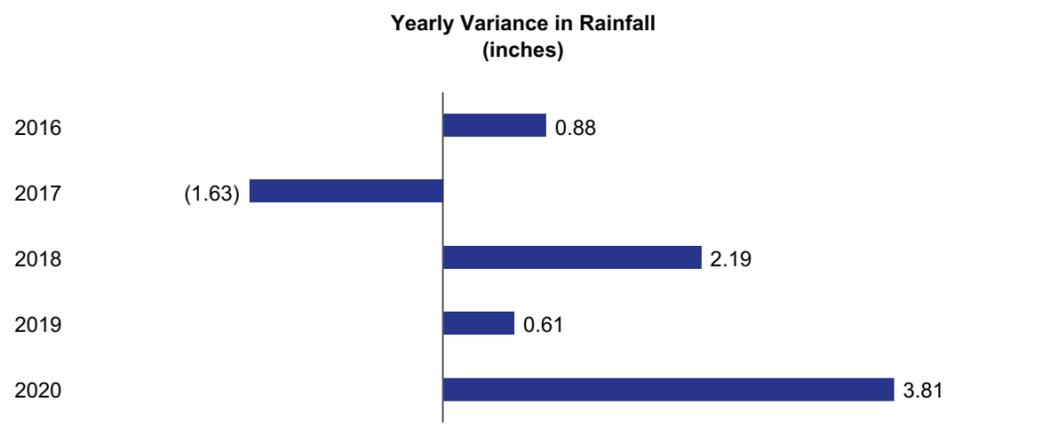
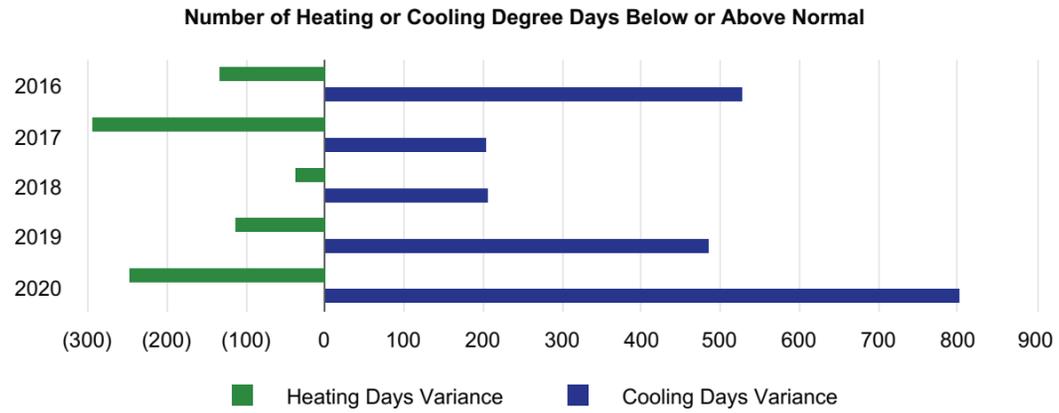


The Electric System Service Territory: The Electric System provides power to customers within the City of Orlando and certain contiguous portions of Orange County and the City of St. Cloud, which is located in Osceola County, and certain contiguous portions of Osceola County. OUC's service territory and its right to serve Electric System customers are generally established by the Special Acts of 1923, however, electric utilities in the State may negotiate and enter into territorial agreements with other utilities.

The Water System Service Territory: The Water System provides water service to customers throughout a 200-square-mile service area including service provided through a territorial agreement with Orange County that, based on agreement provisions, renewed for a succeeding 10-year period beginning in May 2019. The service area encompasses the cities of Orlando, Edgewood and Belle Isle, plus large portions of the unincorporated area of Orange County

Climatological Data

Orlando Metro Area Fiscal Year Ended September 30



A multi-regression model is used to determine the relationship between rainfall and water sales based on the dependent variable of daily treated water. In this model, daily rainfall is also capped at ½ inch as excess daily rainfall had no meaningful impact on water sales.

INSURANCE COVERAGES

September 30, 2020

Carrier	Type of coverage	Limits	Periods
OUC	General liability	\$2.0 million per occurrence retention	Continuous
OUC	Automobile liability	\$2.0 million per occurrence retention	Continuous
OUC	Worker's compensation	\$500 thousand per occurrence retention	Continuous
OUC	Health and medical benefits individual stop-loss	Amounts in excess of \$0.25 million per insured per year net of applicable deductible	Continuous
AEGIS	Excess automobile and general liability	\$50 M million above the \$2.0 million retention for the general liability and automobile liability	10-01-2019 / 09-30-2020
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-2019 / 09-30-2020
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
CHUBB	Fiduciary Liability	\$10.0 million	10-01-2019 / 09-30-2020
Factory Mutual	All risk property/boiler and machinery	\$2.0 billion insurable values \$250 thousand base retentions, various retentions depending on machinery	10-01-2019 / 09-30-2020
Florida Municipal Insurance Trust (FMIT)	Excess worker's compensation	Statutory limit of liability above a \$500 thousand per occurrence retention	10-01-2019 / 09-30-2020
Zurich Insurance Group	Dishonesty, disappearance & destruction (crime)	\$10.0 million	10-01-2019 / 09-30-2020

*All coverages with an expiration date of 09-30-2020 have been renewed through 09-30-2021.

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.

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.

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

Debt Service Coverage: 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.

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 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.

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.

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 with a population of 50,000 or more, 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.



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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.

Photovoltaic Credit Meters: Solar system owners receive credit on their energy bill for sending electricity into the grid which is outlined in their utility net metering policy.

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

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.



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