

2021



FINANCIAL AND STATISTICAL REPORT



The Reliable One®

Orlando Utilities Commission 2021 Financial and Statistical Information Report

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Years Ended September 30, 2021 - 2017

Table of Contents

I	COMBINED INFORMATION	
	Combined Business Operations	1
	Statements of Net Position	2
	Statements of Revenues, Expenses and Changes in Net Position	4
	Statements of Cash Flows	5
	Selected Financial Ratios	6
II	DEBT SERVICE INFORMATION	
	Debt Service Information	7
	Estimated Debt Service for Outstanding Bonds	8
	Debt Service Coverage and Ratios	11
	Long-Term Employee Benefit Liability	12
III	ELECTRIC BUSINESS OPERATIONS	
	Electric Business Operations	15
	Electric Revenues, Expenses and Changes in Net Position	16
	Electric Consumption and Financial Ratios	17
	Selected Financial Ratios	18
	Active Services and Consumption	18
	Electric Generation	19
	Net Generating Capability	20
	Peak Demand	20
	Generation Availability Data	20
	Electric Distribution Reliability Data	21
	Electric Physical Statistics	21
	Electric Utility Plant	22
	Fuel Mix Statistics	22
	Renewable Energy and Active Services Solar Statistical Information	23
IV	WATER BUSINESS OPERATIONS	
	Water Business Operations	25
	Water Revenues, Expenses and Changes in Net Position	26
	Water Consumption and Financial Ratios	27
	Selected Financial Ratios	27
	Active Services, Fire Protection, and Consumption	27
	Water Utility Plant	28
	Water Physical Statistics	28
	Water Production	28
V	LIGHTING BUSINESS OPERATIONS	
	Lighting Business Operations	29
	Lighting Revenues, Expenses and Changes in Net Position	30
	Selected Financial Ratios	31
	Lighting Utility Plant	31

VI	CHILLED WATER BUSINESS OPERATIONS	
	Chilled Water Business Operations	33
	Chilled Water Revenues, Expenses and Changes in Net Position	34
	Selected Financial Ratios	35
	Chilled Water Utility Plant	35
	Active Services	35
	Chilled Water Physical Statistics	35
	Ton-Hours Produced	35
VII	STATISTICAL INFORMATION	
	Number of Employees	37
	Service Area Population	37
	Climatological Data	38
	Insurance Coverages	39
VIII	GLOSSARY OF TERMS	
	Glossary of Terms	41

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



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General Information

OUC—the Reliable One is the second largest municipal utility in Florida, providing a portfolio of utility services to more than 268,100 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 utility commission and is governed by a Board (the Board) consisting of four appointed members and the Mayor of the City of Orlando (the City) as a fifth 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 solar energy services and 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 provide 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 392 miles of transmission lines and cables. The combined system encompasses 419 square miles and has 262,155 active metered services. The service territory boundaries within the City and certain contiguous portions of Orange County are established by OUC's charter as modified by a territorial agreement with Duke Energy which expired in August 2017. OUC retains the authority to provide utility services in the locations agreed 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, 2042.

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 lower 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, 2023, 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 water price increases focused on increasing tier pricing for high usage customers in April 2021.

OUC operates two related non-regulated 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 2017-2021 and, where appropriate, amounts have been reclassified to conform to the 2021 presentation. Generally, narratives have been provided for changes greater than 20.0 percent when comparing 2021 to 2020 and 2017.



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Coronavirus Pandemic

Beginning in March 2020, OUC took swift actions to safeguard its employees and customers in alignment with its strategic value to "Keep Safety First". Beyond implementing safety protocols consistent with Center for Disease Control guidance, enhanced cleaning practices and expanded employee remote connectivity, a \$12.1 million comprehensive Customer Relief Program was implemented with bill payment assistance, waiver of late and disconnection fees for non-payment and expanded bill payment plans and arrangements. While the Customer Relief Program financial assistance was exhausted and the waiver of late and disconnection fees for non-payment were sunsetted in July 2020, payment plans and arrangements continued providing customers with additional flexibility and allowing the reserve for uncollectible charges to decline.

Employee safety protocols have continued to evolve in 2021 with the access to vaccines and increased education, allowing OUC to begin a phased-in hybrid return to work program for employees who transitioned to remote connectivity in 2020. The hybrid program continues to evolve as the Central Florida community moves toward a more steady state.

Eligible emergency response costs associated with employee safety and system security continue to be monitored and tracked for anticipated FEMA cost reimbursement.

Electric and Water Operations

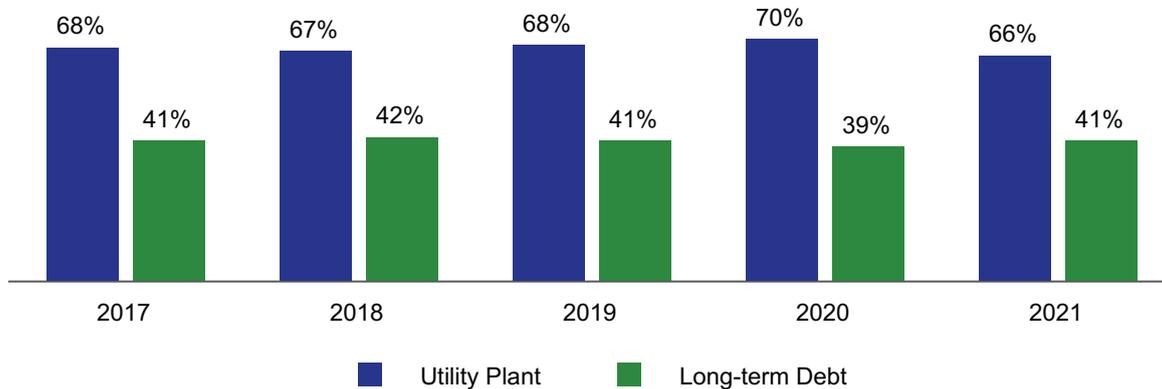
After experiencing a 2.0 percent decline in retail electric consumption in 2020, the gradual return to business as usual has resulted in a 1.4 percent increase in retail electric consumption in 2021. This increase was driven primarily by consumption in the commercial customer segment as the accessibility of the vaccine and an increased understanding of the COVID-19 virus allowed for commercial operations to resume including the reopening of the theme parks and other tourist attractions. In respect to retail water consumption, in 2020 consumption declined 4.4 percent with relatively no change in consumption in 2021. This differing pattern is primarily due to both the continued low commercial building occupancy rates as well as the supply chain challenges experienced at the close of the fiscal year prompting OUC and the City to call upon its citizens to conserve water to avoid boil water alerts as a result of a liquid oxygen supply constraint which is a critical operating supply for ozone generated water.



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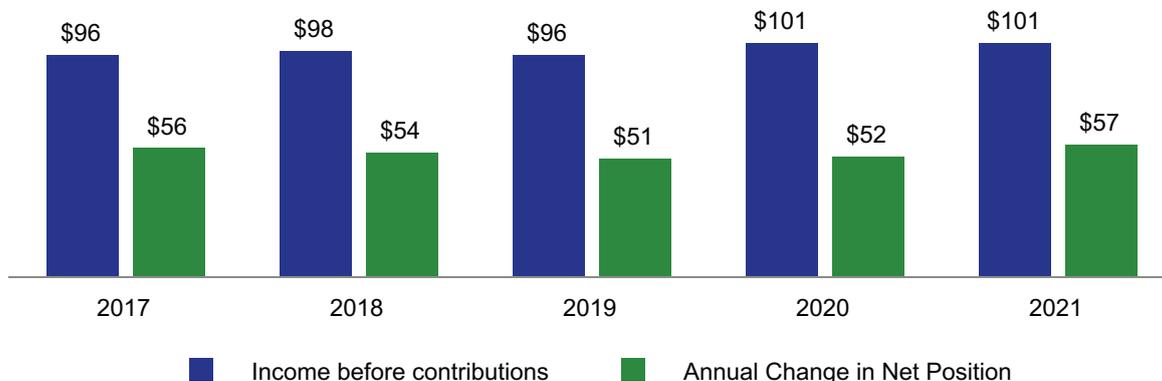
Combined Business Operations

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. 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. In 2021, utility plant decreased in conjunction with systematic depreciation charges and the retirement of the McIntosh Unit 3 coal-fired generation facility. Conversely, long-term debt increased with the issuance of the Series 2021A and 2021B Bonds for planned capital spending in alignment with the Clean Power Plan.

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 1.8 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 these changes, OUC has continued expanding ancillary revenue opportunities including partnering with its two largest customers to provide on-site chilled water and back-up generation services as well as piloting commercial electrification programs. Over the five years, income before contributions has provided a return on equity within the approved target range of 8.5 percent and 10.5 percent.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2021	2020	2019	2018	2017
Assets					
Utility plant, net					
Utility plant in service	\$ 4,510,530	\$ 4,536,258	\$ 4,471,769	\$ 4,313,625	\$ 4,159,316
Allowances for depreciation and amortization	(2,278,083)	(2,294,973)	(2,194,918)	(2,061,635)	(1,940,364)
Utility plant in service, net	2,232,447	2,241,285	2,276,851	2,251,990	2,218,952
Land and other non-depreciable assets ¹	141,714	84,313	83,171	73,253	73,091
Construction work in progress ²	252,300	265,678	156,227	164,213	159,025
Total utility plant, net	2,626,461	2,591,276	2,516,249	2,489,456	2,451,068
Restricted and internally designated assets					
Restricted assets	253,877	47,199	70,490	131,796	42,176
Internally designated assets	576,473	496,404	541,458	525,693	497,119
Total restricted and internally designated assets ³	830,350	543,603	611,948	657,489	539,295
Current assets					
Cash and investments	52,526	36,528	40,158	47,099	39,407
Customer receivables, net ⁴	81,018	66,121	80,679	97,287	111,731
Miscellaneous receivables, net ⁵	14,606	25,709	8,003	9,889	5,729
Accrued utility revenue	38,990	37,961	37,515	38,002	35,880
Fuel for generation ⁶	15,486	23,037	26,787	18,223	24,829
Materials and supplies inventory, net	47,670	43,711	40,736	38,480	37,499
Accrued interest receivable	716	1,307	3,094	2,127	2,049
Prepaid and other expenses ⁷	6,866	10,744	26,141	9,698	10,772
Hedging derivative instruments maturing within one year ⁸	18,903	2,343	—	345	649
Total current assets	276,781	247,461	263,113	261,150	268,545
Other assets					
Regulatory assets ⁹	91,642	119,884	162,337	178,987	194,863
Other long-term assets ¹⁰	55,761	29,857	28,303	30,154	46,511
Hedging derivative instruments ⁸	20,209	2,406	—	—	181
Right of use assets, net ¹¹	19,398	20,181	—	—	—
Lease receivable ¹¹	14,790	15,365	—	—	—
Total other assets	201,800	187,693	190,640	209,141	241,555
Total assets	3,935,392	3,570,033	3,581,950	3,617,236	3,500,463
Deferred outflows of resources					
Accumulative decrease in fair value of hedging derivatives ^{8,12}	4,385	25,230	12,508	2,536	2,098
Fair value retirement obligation asset ¹³	—	5,805	6,062	6,687	7,677
Unrealized pension and postretirement benefits contributions and losses ¹⁴	27,668	37,970	46,752	51,262	64,090
Unamortized loss on refunded bonds	41,558	51,195	34,050	40,781	46,874
Total deferred outflows of resources	73,611	120,200	99,372	101,266	120,739
Total assets and deferred outflows of resources	\$ 4,009,003	\$ 3,690,233	\$ 3,681,322	\$ 3,718,502	\$ 3,621,202

¹ In September 2021, OUC purchased the Osceola Generating Station to support the Clean Energy Plan initiatives.

² As a result of the COVID-19 pandemic, the completion of self-constructed assets were delayed and, as such, construction work in progress continued to be higher than the most recent 5-year average.

³ In 2021, restricted and internally designated assets increased due to the receipt of the Series 2021A and 2021B Bond proceeds and the planned spend down of these funds over a three year period to support the funding of a portion of the 5-Year Capital Plan.

⁴ In 2021, customer receivables, net increased as a result of an increase in customer consumption and a decrease in the provision for uncollectible accounts as a result of a strengthening economy.

⁵ In 2021, miscellaneous receivables, net decreased due to the timing of the receipt of collateral deposits in conjunction with the refunded Series 2017A Bonds and the settlement of the underlying interest rate swap in 2020.

⁶ Fuel inventory has decreased from the prior year as a result of extended pandemic related supply constraints.

⁷ In 2021, prepaid and other expenses decreased due to lower fuel and interest rate margin collateral deposit requirements.

⁸ In 2021, there was an increase in the value of unrealized fuel hedge derivatives as a result of rising fuel commodity prices which has reduced accumulated losses and increased both short-term and long-term hedging derivative instruments.

⁹ In 2021, the decrease in regulatory assets is due to the planned recognition of past service costs for long-term employee benefits offset by the reclassified net book value of the McIntosh Unit 3 (MC3) facility and related inventory due to its retirement in April 2021.

¹⁰ In 2021, other long-term assets increased due to the actuarial valuation of an OPEB asset in the amount \$28.1 million compared to the prior year valuation of a \$1.6 million liability.

¹¹ GASB Statement No. 87, "Leases" was implemented in 2021 where a right of use asset was established for lease contracts previously considered operational leases and a lease receivable was recorded for assets leased to third parties. The implementation included a restatement of 2020 for comparative purposes.

¹² The forward interest rate swap secured in conjunction with the pending issuance of the Series 2021A Bonds with a fair value of \$12.6 million was terminated and settled with the issuance of the bonds in March 2021.

¹³ In 2021, revised estimates for the retirement obligation of the St. Lucie nuclear generation facility were provided from the owner-operator resulting in a decreased liability and a corresponding offset to the fair value retirement obligation asset.

¹⁴ In 2021, deferred outflows of resources for the benefit plans decreased as a result of actuarial assumption changes from the recently completed experience study.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2021	2020	2019	2018	2017
Liabilities					
Current liabilities - payable from restricted and designated assets					
Current portion of long-term debt	\$ 82,050	\$ 73,930	\$ 60,340	\$ 68,915	\$ 58,385
Accrued interest payable on notes and bonds	28,756	24,892	29,283	30,883	28,790
Customer meter deposits	60,019	57,925	57,164	58,156	56,991
Total payable from restricted and designated assets	170,825	156,747	146,787	157,954	144,166
Current liabilities - payable from current assets					
Account payable and accrued expenses ¹	116,636	67,856	62,832	62,386	78,985
Billings on behalf of state and local governments	21,731	19,748	20,563	19,693	19,032
Compensated absences and accrued wages	17,477	17,758	15,362	14,298	14,004
Accrued governmental payments	2,946	2,985	2,937	2,973	2,901
Hedging derivative instruments maturing within one year	—	96	4,063	1,035	1,395
Total payable from current assets	158,790	108,443	105,757	100,385	116,317
Total current liabilities	329,615	265,190	252,544	258,339	260,483
Other liabilities and credits					
Pension and net postretirement benefits liability ²	48,023	88,054	89,068	122,769	169,602
Asset retirement obligation and other liabilities	96,900	97,466	87,042	83,446	80,108
Lease liability ³	16,173	16,727	—	—	—
Hedging derivative instruments	—	1,722	3,503	1,502	703
Total other liabilities and credits	161,096	203,969	179,613	207,717	250,413
Total long-term debt, net					
Bond and note principal	1,521,845	1,312,005	1,389,180	1,459,945	1,378,640
Unamortized premium	118,967	103,903	92,866	99,868	86,858
Fair value of derivative instruments	4,385	23,412	22,633	4,824	11,865
Total long-term debt, net	1,645,197	1,439,320	1,504,679	1,564,637	1,477,363
Total liabilities	2,135,908	1,908,479	1,936,836	2,030,693	1,988,259
Deferred inflows of resources					
Unrealized pension and postretirement benefits gains ²	60,679	28,704	54,072	48,415	32,446
Accumulated increase in fair value of hedging derivatives ⁴	39,112	4,749	—	5,519	1,713
Regulatory credits	201,064	233,003	243,238	237,817	256,271
Unamortized gain on refunded bonds	1,125	855	1,034	1,212	1,390
Lease revenue ³	15,474	16,025	—	—	—
Total deferred inflows of resources	317,454	283,336	298,344	292,963	291,820
Net position					
Net invested in capital assets	1,236,483	1,236,286	1,102,332	1,071,359	1,048,799
Unrestricted	319,158	262,132	343,810	323,487	292,324
Total net position	1,555,641	1,498,418	1,446,142	1,394,846	1,341,123
Total liabilities and deferred inflows of resources and net position	\$ 4,009,003	\$ 3,690,233	\$ 3,681,322	\$ 3,718,502	\$ 3,621,202

¹ In 2021, rising fuel commodity prices resulted in an increase in fuel payables and margin advances received from fuel hedge derivative counter-parties.

² In 2021, the pension liability decreased while the unrealized pension benefit gains increased as a result of favorable market results and the continued commitment to funding the pension obligation. In respect to the post retirement liability, this amount decreased such that in 2021, the actuarial valuation recognized a postretirement asset as a result of favorable market valuations and commitment to funding. Assumption changes were also a primary driver for the increase in the unrealized postretirement benefits gains.

³ GASB Statement No. 87, "Leases" was implemented in 2021 where a lease liability was established for lease contracts previously considered operational leases and deferred lease revenue was recorded for assets leased to third parties. The implementation included a restatement of 2020 for comparative purposes.

⁴ In 2021, there was an increase in unrealized fuel hedge derivative gains resulting from rising fuel commodity prices.

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

Years Ended September 30	2021	2020	2019	2018	2017
Operating revenues					
Electric revenues ¹	\$ 813,191	\$ 740,764	\$ 766,862	\$ 767,032	\$ 755,204
Water revenues ²	86,050	80,342	77,556	74,889	72,743
Lighting revenues	17,496	16,241	15,364	14,799	13,184
Chilled water revenues ³	31,321	29,107	31,544	32,103	31,718
Operating revenues before regulatory action	948,058	866,454	891,326	888,823	872,849
Regulatory action	(1,669)	150	5,954	13,848	5,800
Total operating revenues	946,389	866,604	897,280	902,671	878,649
Operating expenses					
Fuel for generation and purchased power ⁴	294,988	257,111	288,552	306,255	308,844
Electric and water production	94,285	95,050	102,551	96,072	93,688
Transmission and distribution	51,232	51,417	53,094	49,326	45,784
Lighting	4,356	4,281	4,320	4,253	4,032
Chilled water	15,512	15,113	17,097	16,397	16,225
Customer service	43,240	41,167	42,933	43,585	38,991
General and administrative	76,374	60,942	64,241	62,926	56,801
Emergency response expenses ⁵	327	7,622	2,725	—	8,617
Depreciation and amortization	161,113	153,877	144,801	141,101	128,944
Utility/property tax	17,192	17,298	17,372	17,103	15,718
Revenue based payments to the City of Orlando ⁶	29,269	29,762	29,347	29,392	28,339
Revenue based payments to Orange County	1,564	1,524	1,547	1,503	1,473
Revenue based and system use payments to the City of St. Cloud	8,020	7,580	7,009	7,286	6,858
Total operating expenses	797,472	742,744	775,589	775,199	754,314
Operating income	148,917	123,860	121,691	127,472	124,335
Non-operating income and (expense)					
Interest income	6,588	12,653	12,628	8,318	4,551
Other income, net	7,142	10,576	10,698	10,726	10,784
Amortization of gain on sale of assets ⁷	—	5,749	5,040	6,072	8,386
Interest expense, net ⁸	(47,450)	(51,598)	(54,217)	(54,813)	(51,896)
Total non-operating expenses, net	(33,720)	(22,620)	(25,851)	(29,697)	(28,175)
Special Items					
Generation decommissioning ⁹	(13,946)	—	—	—	—
Income before contributions	101,251	101,240	95,840	97,775	96,160
Contributions in aid of construction (CIAC)	17,803	16,764	18,818	16,564	18,642
Annual dividend⁶	(61,831)	(65,728)	(63,362)	(60,616)	(59,061)
Increase in net position	57,223	52,276	51,296	53,723	55,741
Net position - beginning of year	1,498,418	1,446,142	1,394,846	1,341,123	1,285,382
Net position - end of year	\$ 1,555,641	\$ 1,498,418	\$ 1,446,142	\$ 1,394,846	\$ 1,341,123

¹ Electric operating revenues increased due to a rebound from the effects of the pandemic coupled with rising fuel costs which were supplemented with the use of fuel reserves.

² In 2017, a four-year water price plan was approved and effective April 1, 2021, the fourth scheduled price change was implemented increasing the average residential and commercial customer water bill 6.2 percent. The prior three price changes were effective October 2019, January 2019 and April 2018 and increased the average residential and commercial customer water bill 6.2 percent, 3.4 percent and 4.0 percent, respectively.

³ Chilled water revenues increased as a result of COVID-19 and the shut-down of commercial operations in the prior year.

⁴ Fuel for generation and purchased power increased from 2020 as a result of an increase in consumption and rising fuel commodity costs.

⁵ Since March 2020, OUC has incurred additional costs to protect its employees in the amount of \$7.7 million, of which the majority of the costs are anticipated to be reimbursed through the FEMA process in alignment with the eligibility period through March 2022. In 2020, OUC also recognized previously deferred Hurricane Dorian costs that were deemed ineligible for FEMA reimbursement.

⁶ 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 and 2022, the payment is fixed to reflect modified growth targets and the projected impacts of the pandemic. Beginning in 2023, the payment will continue to be based on the underlying bi-lateral agreement.

⁷ In 2021, the amortization of gains on sale of assets was deferred in alignment with the Clean Energy Plan.

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

⁹ In April 2021, the McIntosh 3 generation facility was retired and a Board approved regulatory action was approved to recognize the asset retirement expenses through 2024, the original asset life.

STATEMENTS OF CASH FLOWS (Dollars in thousands)
Years Ended September 30

	2021	2020	2019	2018	2017
Cash flows from operating activities					
Cash received from customers	\$ 898,750	\$ 870,129	\$ 909,512	\$ 908,504	\$ 834,122
Cash paid for fuel and purchased power	(247,423)	(255,158)	(301,941)	(299,910)	(308,101)
Cash paid for unit/department expenses excluding salaries and benefits	(62,381)	(73,325)	(99,431)	(67,009)	(62,124)
Cash paid for salaries and benefits	(185,062)	(175,405)	(175,679)	(173,994)	(174,890)
Cash received/(paid) for emergency response expenses	12,492	(9,091)	(2,102)	(17,479)	(14,365)
Cash paid to other governments and taxes	(56,083)	(56,115)	(55,310)	(55,213)	(52,390)
Net cash provided by operating activities ¹	360,293	301,035	275,049	294,899	222,252
Cash flows from non-capital related financing activities					
Dividend payment	(61,831)	(65,728)	(63,362)	(60,616)	(59,061)
Pension bond principal and interest payments	—	—	(5,143)	(5,146)	(5,151)
Build America bond interest subsidy received	5,620	1,865	3,043	3,708	3,732
Net cash used in non-capital related financing activities ²	(56,211)	(63,863)	(65,462)	(62,054)	(60,480)
Cash flows from capital related financing activities					
Utility plant net of contributions in aid of construction	(223,910)	(201,750)	(168,711)	(160,391)	(164,715)
Debt interest payments	(52,765)	(62,501)	(64,317)	(61,264)	(55,917)
Collateral deposits	15,146	(7,000)	(8,146)	2,900	16,800
Principal payments and refunding costs on long-term debt	(96,251)	(182,562)	(129,769)	(53,630)	(164,913)
Debt issuances	349,101	122,222	65,944	180,000	108,663
Debt issuances expenses	(3,132)	(848)	(1,109)	(1,039)	(1,376)
Net cash used in capital related financing activities ³	(11,811)	(332,439)	(306,108)	(93,424)	(261,458)
Cash flows from investing activities					
Proceeds from sales and maturities of investment securities	238,780	407,336	379,206	334,838	570,050
Gain on sale of investments	1,803	4,058	—	—	—
Purchases of investment securities	(349,887)	(317,757)	(293,287)	(436,079)	(413,663)
Investments and other income received	14,868	16,872	35,275	(8,519)	7,345
Net cash (used in)/provided by investing activities ⁴	(94,436)	110,509	121,194	(109,760)	163,732
Net increase in cash and cash equivalents	197,835	15,242	24,673	29,661	64,046
Cash and cash equivalents - beginning of year	249,357	234,115	209,440	179,779	115,733
Cash and cash equivalents - end of year	\$ 447,192	\$ 249,357	\$ 234,113	\$ 209,440	\$ 179,779
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 148,917	\$ 123,860	\$ 121,691	\$ 127,472	\$ 124,335
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization of plant charged to operations	161,113	153,877	144,801	141,101	128,944
Depreciation and amortization charged to fuel for generation and purchased power	2,602	3,490	2,953	4,219	4,711
Depreciation of vehicles and equipment charged to unit/department expenses	2,106	2,371	2,651	2,575	1,755
Changes in assets and liabilities					
(Increase)/Decrease in receivables and accrued revenue	(22,928)	7,609	20,082	1,722	(45,655)
Decrease/(Increase) in fuel and materials and supplies inventories	16,459	9,685	(3,594)	14,018	(3,745)
Increase/(Decrease) in accounts payable	38,733	(2,545)	(1,275)	(18,609)	13,445
Increase/(Decrease) in deposits payable and liabilities	19,772	(545)	(5,759)	17,200	3,045
(Decrease)/Increase in reserves and deferred credits	(6,481)	3,233	(6,501)	5,201	(4,583)
Net cash provided by operating activities	\$ 360,293	\$ 301,035	\$ 275,049	\$ 294,899	\$ 222,252
Reconciliation of cash and cash equivalents					
Restricted and internally designated cash and cash equivalents	\$ 418,031	\$ 248,842	\$ 229,834	\$ 173,645	\$ 134,419
Cash and investments	29,161	515	4,279	35,795	45,360
Cash and cash equivalents - end of year	\$ 447,192	\$ 249,357	\$ 234,113	\$ 209,440	\$ 179,779
Non-cash investing, capital and financing activities					
Increase in donated utility plant assets	\$ 2,341	\$ 4,215	\$ 4,141	\$ 4,839	\$ 4,019
(Decrease)/Increase in fair value of investments	\$ (6,316)	\$ 6,762	\$ 4,451	\$ (4,677)	\$ (2,298)
Decrease in accounts payable related to utility plant purchases	\$ 4,231	\$ 3,127	\$ 89	\$ 770	\$ 6,580
Decrease in fair value of retirement obligation asset	\$ (5,548)	\$ —	\$ —	\$ —	\$ —

¹ Net cash provided by operating activities increased \$59.3 million due to the collection of retail customer receivables in the amount of \$28.6 million in conjunction with the extended payment terms provided in response to COVID-19 and the receipt of \$15.2 million of emergency response cost reimbursement grant receivables. In addition, unit department expenses were \$10.9 million lower as a result of one-time prior year expanded generation outage costs due to the outage occurring at the onset of the pandemic.

² Net cash used in non-capital related financing activities decreased \$7.7 million due to the delayed receipt of the Build America Bonds interest subsidy payments and the decrease in dividend payments to the City of Orlando.

³ Net cash used in capital related financing activities decreased \$320.6 million primarily due to the issuance of the Series 2021A and 2021B Bonds in the amount of \$326.8 million which offset cash used in capital outlay and debt service payments including the purchase of the Osceola Generating Station in the amount of \$60.5 million.

⁴ Net cash provided by investing activities decreased \$204.9 million primarily due to the Series 2021A and 2021B bond issuance and investment of these proceeds pending their utilization for capital projects.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2021	2020	2019	2018	2017
Current ratio					
Current assets/current liabilities ¹	2.59	2.79	3.11	3.02	2.93
Days cash on hand	360	329	337	330	313
Leverage ratio					
Total debt/total assets	0.43	0.41	0.43	0.44	0.42
Return on total position					
Income before contributions/total assets	2.53 %	2.74 %	2.60 %	2.63 %	2.66 %
Return on net position					
Income before contributions/average net position	6.63 %	6.88 %	6.75 %	7.15 %	7.32 %
Debt/net position	51%/49%	49%/51%	51%/49%	53%/47%	52%/48%
City of Orlando revenue based payments and dividend	\$ 91,100	\$ 95,490	\$ 92,708	\$ 90,008	\$ 87,400
As a percentage of retail revenues	11.70 %	13.04 %	12.30 %	11.75 %	11.66 %
Retail receivables/retail billed revenues	9.16 %	9.88 %	9.94 %	11.56 %	13.05 %
Bad debt expense/retail billed revenues (OUC) ²	(0.64)%	1.43 %	0.22 %	0.09 %	0.42 %
Bad debt expense/retail revenues (Interlocal sales) ²	(0.84)%	1.42 %	0.11 %	0.24 %	0.40 %
Day sales uncollected (OUC) ²	34	37	37	43	49
Day sales uncollected (Interlocal sales) ²	29	29	32	36	39
Materials inventory as a percentage of total plant ³	1.81 %	1.69 %	1.62 %	1.55 %	1.53 %
Total metered services per meter reader (OUC) ⁴	43,799	42,422	41,433	40,495	39,675

¹ In 2021, increased fuel payables along with margin advances received from fuel hedge derivative counter-parties combined with a decrease in fuel reserves was the driver for the decreased current ratio. In 2020, the decrease was driven by the use of capital reserves pending the 2021 bond issuance and an increase in scheduled current year bond maturities.

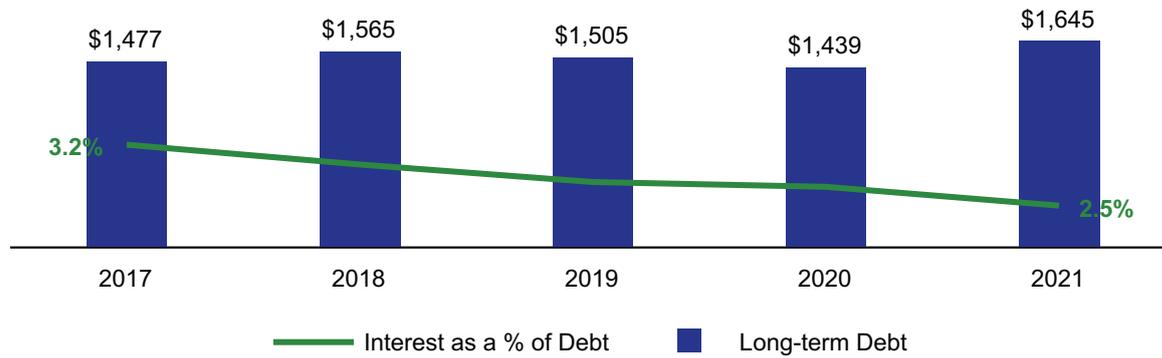
² In 2017, additional reserves for allowance for uncollectible accounts were recorded in conjunction with the CC&B implementation and was the driver for the increased percentages. In 2020, additional reserves in response to the anticipated COVID-19 economic impacts were recognized and in 2021 reserves were reduced to reflect the steady progress of collections including the leveraging of funds designated from the Customer Relief Program and other COVID-19 federal relief programs.

³ In 2021, material inventories increased due to supply chain constraints coupled with the increasing demand to meet new service growth requirements.

⁴ The continued growth in the multi-family home sector is a key driver in this ratio coupled with cost optimization and meter technology advancements initiatives.

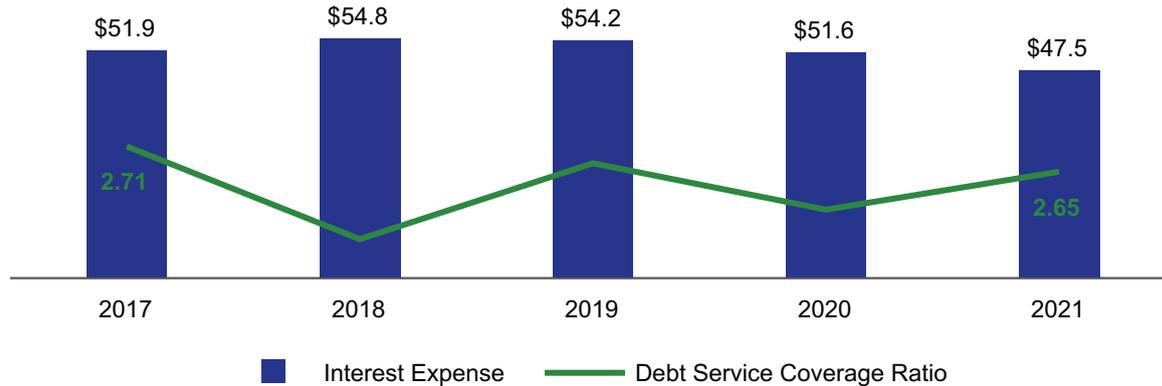
Debt Service Information

**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 3.2 percent to 2.5 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 decreased marginally from 2.71x to 2.65x over the past five years as OUC invests into the future in support of the Clean Energy Plan approved by the Board in December 2020.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

PRINCIPAL AND INTEREST PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

Bond Series	Current													
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
2008														
Principal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest	1,050	2,200	2,400	3,000	3,000	3,000	2,625	2,250	1,875	1,500	1,125	750	375	
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	11,324
BAB ³	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)
2010C														
Principal	9,765	10,275	—	—	—	—	—	—	—	—	—	—	—	—
Interest	1,052	539	—	—	—	—	—	—	—	—	—	—	—	—
2011B														
Principal	8,015	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	889	—	—	—	—	—	—	—	—	—	—	—	—	—
2011C														
Principal	24,925	26,050	—	—	—	—	—	—	—	—	—	—	—	—
Interest	2,734	1,253	—	—	—	—	—	—	—	—	—	—	—	—
2012A														
Principal	395	410	15,135	15,155	15,175	495	515	—	—	—	—	—	—	—
Interest	2,346	2,330	2,314	1,557	799	40	21	—	—	—	—	—	—	—
2013A														
Principal	24,560	35,610	27,750	51,980	51,765	—	—	—	—	—	—	—	—	—
Interest	9,583	8,355	6,575	5,187	2,588	—	—	—	—	—	—	—	—	—
2015A														
Principal	—	—	—	—	—	—	—	7,250	8,050	8,890	9,770	10,700	11,670	—
Interest	4,745	4,745	4,745	4,745	4,745	4,745	4,745	4,745	4,383	3,980	3,536	3,047	2,512	—
2015B														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	2,140	3,453	3,453	3,453	3,453	3,453	3,453	2,049	2,049	2,049	2,049	2,049	2,049	2,049
Swap interest	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—	—	—	—	—
2016A														
Principal	14,390	1,455	9,605	—	—	—	—	5,415	5,680	5,965	6,265	6,515	6,770	—
Interest	2,908	2,188	2,115	1,635	1,635	1,635	1,635	1,635	1,364	1,080	782	531	271	—
2018A														
Principal	—	—	6,350	6,665	7,000	7,350	7,720	8,105	8,510	8,935	9,380	9,850	10,345	—
Interest	7,511	7,511	7,511	7,194	6,860	6,510	6,143	5,757	5,352	4,926	4,479	4,010	3,518	—
2019A														
Principal	—	—	10,140	—	—	—	—	6,555	6,885	7,225	7,590	7,970	8,370	—
Interest	2,737	2,737	2,737	2,230	2,230	2,230	2,230	2,230	1,902	1,558	1,197	817	419	—
2020A														
Principal	—	—	—	—	—	47,450	47,665	—	—	—	—	—	—	—
Interest	4,769	4,756	4,756	4,756	4,756	4,756	2,383	—	—	—	—	—	—	—
2021A ²														
Principal	—	—	—	—	—	—	—	—	4,899	5,144	5,404	5,674	5,955	6,253
Interest	2,704	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,133	4,876	4,605	4,322	4,024	—
2021B ²														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	948	1,886	1,886	1,886	1,886	1,886	1,886	1,886	3,772	3,772	3,772	3,772	3,772	—
2021C ²														
Principal	—	6,115	5,895	1,780	1,865	1,965	2,065	—	—	—	—	—	—	—
Interest	226	880	574	279	191	98	200	—	—	—	—	—	—	—
Total long-term debt	\$ 134,863	\$ 134,309	\$ 125,502	\$ 123,063	\$ 119,509	\$ 122,174	\$ 119,847	\$ 90,741	\$ 92,686	\$ 92,747	\$ 92,811	\$ 92,875	\$ 92,935	\$ 92,935
Total principal	\$ 82,050	\$ 79,915	\$ 74,876	\$ 75,580	\$ 75,805	\$ 82,261	\$ 82,965	\$ 57,225	\$ 59,271	\$ 61,420	\$ 63,680	\$ 65,991	\$ 68,410	\$ 68,410
Total interest	\$ 52,813	\$ 54,394	\$ 50,626	\$ 47,483	\$ 43,704	\$ 39,913	\$ 36,882	\$ 33,516	\$ 33,415	\$ 31,327	\$ 29,131	\$ 26,884	\$ 24,525	\$ 24,525

TOTAL PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total principal	\$ 82,050	\$ 79,915	\$ 74,875	\$ 75,580	\$ 75,805	\$ 82,260	\$ 82,965	\$ 57,225	\$ 59,270	\$ 61,420	\$ 63,680	\$ 65,990	\$ 68,410
Total interest	57,666	59,535	55,768	52,624	48,845	45,055	42,023	37,253	37,153	35,064	32,868	30,622	28,262
Build America Bond ³	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)
Total swap interest	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—	—	—	—
Total long-term debt	\$ 134,863	\$ 134,309	\$ 125,502	\$ 123,063	\$ 119,509	\$ 122,174	\$ 119,847	\$ 90,741	\$ 92,686	\$ 92,747	\$ 92,811	\$ 92,875	\$ 92,935

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 on the internally designated assets 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 2021A and 2021B fixed rate bonds with a combined par amount of \$294.1 million and a premium of \$24.4 million. The proceeds are to fund a portion of the 2021 5-Year Capital Plan in conjunction with the Clean Energy Plan. Additionally, OUC issued the Series 2021C fixed rate bonds with a par value of \$19.7 million and a premium of \$2.6 million and the proceeds were used for the partial refunding of the Series 2011B and 2011C Bonds.

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 (BAB) program.

Bond Series	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
2008														
Principal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	200,000
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	25,150
2010A														
Principal	23,030	23,880	24,755	25,665	26,615	27,590	48,465	—	—	—	—	—	—	200,000
Interest	11,324	10,020	8,668	7,266	5,813	4,306	2,744	—	—	—	—	—	—	197,354
BAB ³	(3,737)	(3,307)	(2,861)	(2,398)	(1,919)	(1,421)	(906)	—	—	—	—	—	—	(65,137)
2010C														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	20,040
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	1,592
2011B														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	8,015
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	889
2011C														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	50,975
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	3,986
2012A														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	47,280
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	9,407
2013A														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	191,665
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	32,289
2015A														
Principal	18,595	19,980	—	—	—	—	—	—	—	—	—	—	—	94,905
Interest	1,929	999	—	—	—	—	—	—	—	—	—	—	—	58,348
2015B														
Principal	18,200	18,580	18,970	19,370	19,775	20,195	—	—	—	—	—	—	—	115,090
Interest	2,049	1,725	1,394	1,056	711	359	—	—	—	—	—	—	—	42,442
Swap interest	—	—	—	—	—	—	—	—	—	—	—	—	—	(9,540)
2016A														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	62,060
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	19,414
2018A														
Principal	10,860	11,405	11,975	12,570	13,200	—	—	—	—	—	—	—	—	150,220
Interest	3,001	2,457	1,887	1,289	660	—	—	—	—	—	—	—	—	86,575
2019A														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	54,735
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	25,251
2020A														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	95,115
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	30,931
2021A²														
Principal	165	—	2,825	3,215	3,680	18,060	19,785	9,575	10,055	10,270	10,510	10,760	11,015	143,250
Interest	3,710	3,703	3,703	3,561	3,401	3,217	2,494	1,703	1,224	1,011	767	517	262	92,583
2021B²														
Principal	—	—	—	—	—	—	—	23,615	24,205	24,815	25,435	26,070	26,720	150,860
Interest	3,772	3,772	3,772	3,772	3,772	3,772	3,772	3,772	3,181	2,576	1,955	1,320	668	72,878
2021C²														
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	19,685
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	2,455
Total long-term debt	\$ 92,898	\$ 93,214	\$ 75,088	\$ 75,366	\$ 75,708	\$ 76,078	\$ 76,354	\$ 38,665	\$ 38,665	\$ 38,672	\$ 38,667	\$ 38,667	\$ 38,665	\$ 2,230,762
Total principal	\$ 70,851	\$ 73,846	\$ 58,525	\$ 60,820	\$ 63,270	\$ 65,845	\$ 68,250	\$ 33,190	\$ 34,260	\$ 35,085	\$ 35,945	\$ 36,830	\$ 37,735	\$ 1,603,895
Total interest	\$ 22,047	\$ 19,368	\$ 16,563	\$ 14,546	\$ 12,438	\$ 10,233	\$ 8,104	\$ 5,475	\$ 4,405	\$ 3,587	\$ 2,722	\$ 1,837	\$ 930	\$ 626,866
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Total principal	\$ 70,850	\$ 73,845	\$ 58,525	\$ 60,820	\$ 63,270	\$ 65,845	\$ 68,250	\$ 33,190	\$ 34,260	\$ 35,085	\$ 35,945	\$ 36,830	\$ 37,735	\$ 1,603,895
Total interest	25,785	22,676	19,424	16,944	14,357	11,654	9,010	5,475	4,405	3,587	2,722	1,837	930	701,543
Build America Bond ³	(3,737)	(3,307)	(2,861)	(2,398)	(1,919)	(1,421)	(906)	—	—	—	—	—	—	(65,137)
Total swap interest	—	—	—	—	—	—	—	—	—	—	—	—	—	(9,540)
Total long-term debt	\$ 92,898	\$ 93,214	\$ 75,088	\$ 75,366	\$ 75,708	\$ 76,078	\$ 76,354	\$ 38,665	\$ 38,665	\$ 38,672	\$ 38,667	\$ 38,667	\$ 38,665	\$ 2,230,761



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DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30

	2021	2020	2019	2018	2017
Gross revenue and income before contributions					
Operating revenues					
Electric operating revenues ¹	\$ 813,472	\$ 740,916	\$ 769,534	\$ 780,880	\$ 761,004
Water operating revenues	84,100	80,342	80,838	74,889	72,743
Lighting operating revenues	17,495	16,241	15,364	14,799	13,184
Chilled water operating revenues	31,322	29,107	31,544	32,103	31,718
Total operating revenues	<u>946,389</u>	<u>866,606</u>	<u>897,280</u>	<u>902,671</u>	<u>878,649</u>
Interest and other income	13,730	28,978	28,365	24,891	23,466
Gross revenue and income before contributions	<u>960,119</u>	<u>895,584</u>	<u>925,645</u>	<u>927,562</u>	<u>902,115</u>
Expenses					
Operating expenses					
Electric operating expenses	534,805	492,661	528,247	529,704	519,539
Water operating expenses	43,976	43,296	43,606	44,134	39,105
Lighting operating expenses	5,079	4,990	4,833	4,764	5,517
Chilled water operating expenses	17,121	16,629	18,466	17,723	16,440
Total operating expenses	<u>600,980</u>	<u>557,576</u>	<u>595,153</u>	<u>596,325</u>	<u>580,601</u>
Other expenses	1,165	1,266	1,087	1,069	1,165
Total expenses	<u>602,145</u>	<u>558,842</u>	<u>596,239</u>	<u>597,394</u>	<u>581,766</u>
Net revenue and income available for debt service ¹	<u>\$ 357,974</u>	<u>\$ 336,742</u>	<u>\$ 329,406</u>	<u>\$ 330,168</u>	<u>\$ 320,349</u>
Current debt service	\$ 134,885	\$ 132,165	\$ 123,167	\$ 132,598	\$ 118,260
Current debt service coverage	2.65x	2.56x	2.67x	2.49x	2.71x
Adjusted debt service coverage					
Net revenue and income available for debt service	\$ 357,974	\$ 336,742	\$ 329,406	\$ 330,168	\$ 320,349
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	92,664	97,014	94,255	91,543	88,874
Net revenue and income available after payments	<u>\$ 265,310</u>	<u>\$ 239,728</u>	<u>\$ 235,151</u>	<u>\$ 238,625</u>	<u>\$ 231,475</u>
Adjusted debt service coverage	1.96x	1.81x	1.91x	1.80x	1.96x
Fixed or full charge coverage					
Net revenue and income available after payments	\$ 265,310	\$ 239,728	\$ 235,151	\$ 238,625	\$ 231,475
Fixed demand payments/purchased power	26,173	29,343	30,899	32,991	32,723
Net revenue and income available after payments and fixed charge coverage	<u>\$ 291,483</u>	<u>\$ 269,071</u>	<u>\$ 266,050</u>	<u>\$ 271,616</u>	<u>\$ 264,198</u>
Fixed and full charge coverage	1.81x	1.67x	1.73x	1.64x	1.75x
Debt ratio					
Gross funded debt/Net fixed assets and net working capital	52.77 %	49.02 %	52.37 %	54.54 %	53.93 %
Net funded debt/Net fixed assets and net working capital	56.77 %	53.78 %	56.73 %	58.45 %	57.79 %
Operating ratio					
Total expenses/Total operating revenues	63.63 %	64.34 %	66.45 %	66.18 %	66.21 %
Net take-down (%)					
Net revenue and income available for debt service/ Gross revenue and income before contributions	37.28 %	37.74 %	35.59 %	35.60 %	35.51 %
Debt service safety margin					
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	23.24 %	37.73 %	22.28 %	21.30 %	22.40 %

¹ This increase was primarily driven by an increase in retail and resale electric energy revenues as a result of a steady return to business as usual in the Central Florida community.

LONG-TERM EMPLOYEE BENEFIT PLANS LIABILITY (Dollars in thousands)

Years Ended September 30	2021	2020	2019	2018	2017
Pension Plan					
Total pension liability					
Service cost	\$ 5,814	\$ 5,867	\$ 5,754	\$ 5,748	\$ 5,539
Interest on the total pension liability	36,079	35,407	34,492	33,535	32,767
Benefit changes	—	68	—	408	—
Difference between expected and actual experience	(2,073)	2,106	4,904	3,706	(106)
Assumption changes ¹	(9,708)	—	—	—	171
Benefit payments, including refunds of plan member contributions	(34,671)	(33,576)	(31,726)	(28,663)	(27,324)
Net change in total pension liability	(4,559)	9,872	13,424	14,734	11,047
Total pension liability - beginning of year	509,161	499,289	485,865	471,131	460,084
Total pension liability - end of year	\$ 504,602	\$ 509,161	\$ 499,289	\$ 485,865	\$ 471,131
Plan fiduciary net position					
Contributions - employer	\$ 22,405	\$ 22,491	\$ 22,614	\$ 21,876	\$ 17,803
Contributions - plan members	423	475	555	660	748
Total investment income, net of investment expense ²	46,228	17,599	37,039	48,761	29,872
Benefit payments, including refunds of plan member contributions	(34,671)	(33,576)	(31,726)	(28,663)	(27,324)
Administrative expense	(242)	(240)	(320)	(115)	(36)
Net change in plan fiduciary net position	34,143	6,749	28,162	42,519	21,063
Plan fiduciary net position - beginning of year	425,766	419,017	390,855	348,336	327,273
Plan fiduciary net position - end of year	\$ 459,909	\$ 425,766	\$ 419,017	\$ 390,855	\$ 348,336
Net pension liability - beginning of year	\$ 83,395	\$ 80,272	\$ 95,010	\$ 122,795	\$ 132,811
Net pension liability - end of year	\$ 44,693	\$ 83,395	\$ 80,272	\$ 95,010	\$ 122,795
Plan fiduciary net position as a percentage of total pension liability	91.1%	83.6%	83.9%	80.5%	73.9%
Covered payroll	\$ 97,896	\$ 90,907	\$ 86,573	\$ 78,314	\$ 75,405
Net pension liability as a percentage of covered payroll	45.7%	91.7%	92.7%	121.3%	162.8%
415 Trust ³					
(Dollars in thousands)	2021	2020	2019	2018	2017
Total pension liability					
Service cost	\$ 57	\$ 40	\$ 36	\$ 28	\$ 22
Interest on the total pension liability	82	99	91	38	41
Benefit changes	—	—	—	1,124	—
Difference between expected and actual experience	27	64	82	373	47
Assumption changes ¹	320	350	(96)	(132)	97
Benefit payments, including refunds of plan member contributions	(160)	(157)	(118)	(80)	(51)
Net change in total pension liability	326	396	(5)	1,351	156
Total pension liability - beginning of year	3,004	2,608	2,613	1,262	1,106
Total pension liability - end of year	\$ 3,330	\$ 3,004	\$ 2,608	\$ 2,613	\$ 1,262
Covered payroll	\$ 905	\$ 905	\$ 1,114	\$ 1,458	\$ 920
Total pension liability as a percentage of covered payroll	367.9 %	331.9 %	234.1 %	179.2 %	137.2 %

¹ In October 2020, assumption studies and experience reviews for the seven-year period ended September 30, 2019 were completed and changes were implemented in the actuarial valuation for September 30, 2020 for key actuarial 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 (Dollars in thousands)

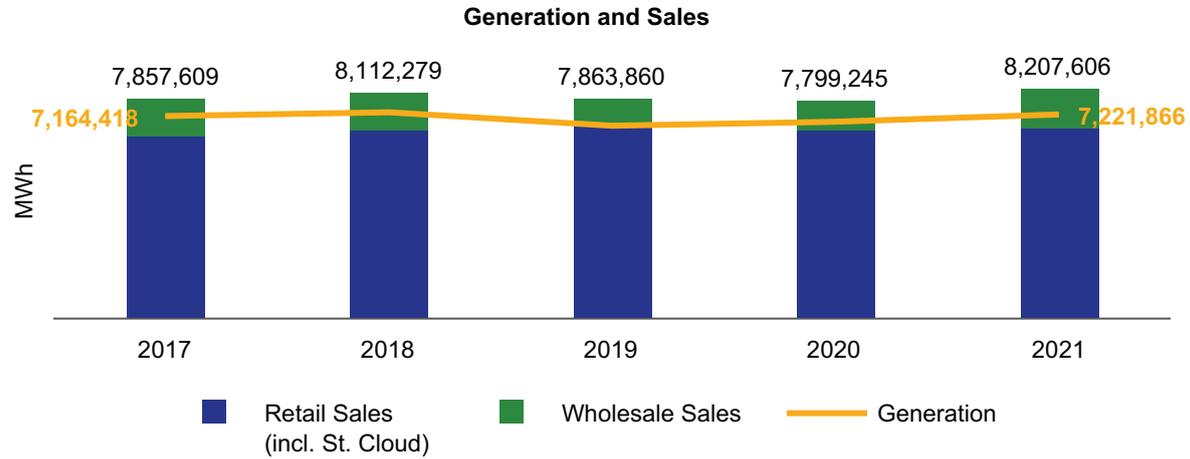
Years Ended September 30	2021	2020	2019	2018	2017
OPEB plan					
Total OPEB liability					
Service cost	\$ 1,174	\$ 1,186	\$ 1,308	\$ 1,331	\$ 1,346
Interest on the total OPEB liability	9,936	9,906	10,385	10,434	11,882
Change in benefit terms	(438)	—	—	—	—
Difference between expected and actual experience	2,899	(2,192)	(2,987)	(3,285)	(23,970)
Assumption changes ¹	(24,688)	(1,029)	(7,658)	(2,093)	(2,670)
Benefit payments, including refunds	(7,511)	(7,371)	(7,702)	(6,374)	(8,063)
Net change in total OPEB liability	(18,628)	500	(6,654)	13	(21,475)
Total OPEB liability - beginning of year	139,634	139,134	145,788	145,775	167,250
Total OPEB liability - end of year	\$ 121,006	\$ 139,634	\$ 139,134	\$ 145,788	\$ 145,775
Plan fiduciary net position					
Contributions - employer ⁴	\$ 3,682	\$ 7,022	\$ 9,068	\$ 13,384	\$ 12,628
Net investment income ²	14,953	5,399	10,956	13,420	9,621
Benefit payments, including refunds	(7,511)	(7,371)	(7,702)	(6,374)	(8,062)
Administrative expense	(17)	(17)	(18)	(18)	(18)
Net increase in plan fiduciary net position	11,107	5,033	12,304	20,412	14,169
Plan fiduciary net position - beginning of year	137,979	132,946	120,642	100,230	86,061
Plan fiduciary net position - end of year	\$ 149,086	\$ 137,979	\$ 132,946	\$ 120,642	\$ 100,230
Net OPEB liability - beginning of year	\$ 1,655	\$ 6,188	\$ 25,146	\$ 45,545	\$ 81,189
Net OPEB liability - end of year	\$ (28,080)	\$ 1,655	\$ 6,188	\$ 25,146	\$ 45,545
Plan fiduciary net position as a percentage of total OPEB liability	123.2 %	98.8 %	95.6 %	82.8 %	68.8 %
Covered payroll	\$ 98,058	\$ 91,035	\$ 86,892	\$ 78,447	\$ 71,856
Net OPEB liability as a percentage of covered payroll	(28.6)%	1.8 %	7.1 %	32.1 %	63.4 %

⁴ Actuarially determined contribution amounts were calculated as of October 1 of the year preceding the contribution year. In 2021 and 2020, employer contributions decreased as a result of several variables, including modifications to the health and wellness plan options and premium structures along with reduced utility discount maximums to support energy and water conservation initiatives for the limited number of participants vested in the program which was closed in 1985.

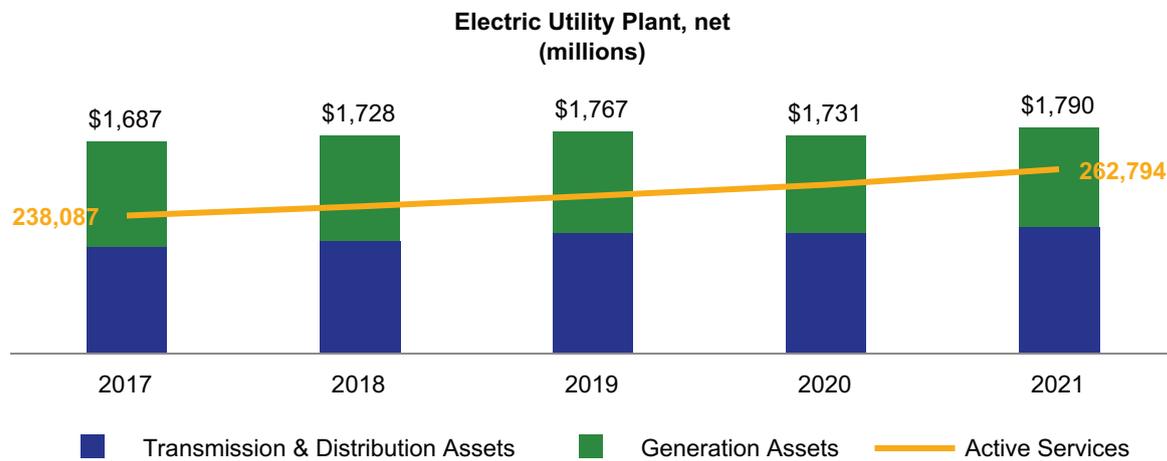


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Electric Business Operations



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



Electric Utility Plant: The expansion of generation resources through the execution of power purchase agreements, including the most recently executed power purchase agreement which incorporates the installation of energy storage, 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.

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

Years Ended September 30	2021	2020	2019	2018	2017
Operating Revenues					
Residential	\$ 267,921	\$ 247,115	\$ 241,157	\$ 229,750	\$ 224,685
Commercial - non-demand	49,225	44,910	47,318	45,048	42,157
Commercial - demand-secondary	264,702	243,027	265,792	259,835	261,664
Commercial - demand-primary	41,497	37,497	42,303	41,759	41,312
Non-metered lighting	4,483	4,323	4,465	4,790	3,836
Interlocal sales	95,082	88,134	84,137	79,918	76,146
Service fees and other	26,761	23,714	24,923	24,400	22,992
Operating revenues (excluding wholesale sales)	749,671	688,720	710,095	685,500	672,792
Wholesale sales	63,520	52,046	56,766	81,532	82,412
Regulatory action	281	150	2,673	9,043	6,712
Total operating revenues ¹	813,472	740,916	769,534	776,075	761,916
Operations and maintenance expenses					
Fuel and fixed demand payments ²	248,124	208,851	237,008	257,979	260,581
Purchased power and other power supply expenses	46,864	48,261	51,545	48,276	48,263
Production	80,223	80,600	87,418	80,907	79,051
Transmission	18,969	17,631	15,288	14,344	14,229
Distribution - OUC	22,641	22,875	26,269	24,162	21,860
Distribution - St. Cloud	1,942	2,591	2,444	2,226	2,029
Emergency response expenses ³	327	7,622	2,512	—	7,622
Customer Service	35,299	32,499	33,488	33,953	30,642
General & administrative	58,928	46,928	51,749	49,525	44,286
Total operations and maintenance expenses	513,317	467,858	507,721	511,372	508,563
Other expenses					
Utility/property tax	17,124	17,228	17,304	17,034	15,651
Revenue based payments to the City of Orlando	25,903	26,478	26,270	26,557	25,610
Revenue based payments to Orange County	1,403	1,368	1,379	1,339	1,317
Revenue based and system use payments to the City of St. Cloud	8,020	7,580	7,009	7,286	6,858
Depreciation and amortization ⁴	129,558	121,542	115,590	112,355	101,621
Total other expenses	182,008	174,196	167,552	164,571	151,057
Total operating expenses	695,325	642,054	675,273	675,943	659,620
Operating Income	118,147	98,862	94,261	100,132	102,296
Non-operating income and expenses					
Interest income ⁵	5,536	10,097	9,613	6,358	3,469
Other income, net ⁵	5,563	8,234	8,480	8,461	8,531
Amortization of deferred gain on sale of assets ⁶	—	5,749	5,024	6,054	8,366
Interest expense, net ⁷	(38,448)	(41,709)	(43,904)	(44,028)	(41,354)
Total non-operating expense, net	(27,349)	(17,629)	(20,787)	(23,155)	(20,988)
Special Items					
Generation decommissioning ⁸	(13,946)	—	—	—	—
Electric income before contributions	76,852	81,233	73,474	76,977	81,308
Contributions in aid of construction (CIAC)	5,255	2,997	5,590	4,509	6,673
Annual dividend	(46,930)	(52,738)	(48,577)	(47,723)	(49,938)
Increase to net position	\$ 35,177	\$ 31,492	\$ 30,487	\$ 33,763	\$ 38,043

¹ In 2021, electric operating revenues increased due to a rebound from the effects of the pandemic coupled with rising fuel costs that were offset with the increased use of fuel reserves included in retail electric revenues. Electric operating revenues decreased in 2020 due to impacts from COVID-19. The decrease was due to lower consumption from the shut-down of commercial operations coupled with elevated allowance for uncollectible 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 and increased residential consumption.

² Fuel and fixed demand payments increased from 2020 as a result of increasing commodity prices from various COVID-19 related supply constraints.

³ Since March 2020, OUC has incurred additional costs to protect its employees in the amount of \$7.7 million of which the majority of the costs are anticipated to be reimbursed through the FEMA process in alignment with the eligibility period through March 2022. In 2020, 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 financial actions to align the depreciable life of generation facility assets with OUC's operational and clean energy initiatives.

⁵ In 2021, the decrease is a result of prior year one-time investment opportunities.

⁶ In 2021, the amortization of gains on sale of assets was deferred in alignment with the Clean Energy Plan.

⁷ Interest expense decreased as a result of the overall market impact on variable rate debt.

⁸ In April 2021, the McIntosh 3 generation facility was retired and a Board approved regulatory action was taken to recognize the asset retirement expenses through 2024 which was the original life of the asset.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

	2021	2020	2019	2018	2017
Profile of consumption & revenue by type of customer					
Residential service ¹					
kWh sales per customer	11,534	11,727	11,696	11,570	11,378
Revenue per customer	\$ 1,444	\$ 1,362	\$ 1,354	\$ 1,312	\$ 1,304
Revenue per kWh	\$ 0.1252	\$ 0.1161	\$ 0.1157	\$ 0.1134	\$ 0.1146
Commercial service - non-demand ¹					
kWh sales per customer	17,804	17,879	19,264	19,127	17,597
Revenue per customer	\$ 2,132	\$ 1,988	\$ 2,145	\$ 2,091	\$ 1,992
Revenue per kWh	\$ 0.1198	\$ 0.1112	\$ 0.1114	\$ 0.1093	\$ 0.1132
Commercial service - demand secondary ¹					
kWh sales per customer	608,151	586,018	588,293	561,903	551,107
Revenue per customer	\$ 54,730	\$ 48,840	\$ 50,982	\$ 48,382	\$ 48,162
Revenue per kWh	\$ 0.0900	\$ 0.0833	\$ 0.0867	\$ 0.0861	\$ 0.0874
Commercial service - demand primary ¹					
kWh sales per customer	18,273,655	17,741,556	18,642,382	18,274,302	18,594,588
Revenue per customer	\$ 1,627,318	\$ 1,470,462	\$ 1,596,358	\$ 1,575,811	\$ 1,620,078
Revenue per kWh	\$ 0.0891	\$ 0.0829	\$ 0.0856	\$ 0.0862	\$ 0.0871
Non-Metered lighting					
kWh sales per customer	720	729	740	768	823
Revenue per customer	\$ 52	\$ 51	\$ 54	\$ 61	\$ 54
Revenue per kWh	\$ 0.0721	\$ 0.0701	\$ 0.0731	\$ 0.0794	\$ 0.0656
Interlocal service					
kWh sales per customer	17,896	18,222	18,459	18,393	18,259
Revenue per customer	\$ 2,106	\$ 2,072	\$ 2,086	\$ 2,080	\$ 2,071
Revenue per kWh	\$ 0.1177	\$ 0.1137	\$ 0.1130	\$ 0.1131	\$ 0.1134
Selected financial expense statistics					
Total fuel and purchased power expense per kWh ²	\$ 0.0359	\$ 0.0330	\$ 0.0367	\$ 0.0378	\$ 0.0393
Total operations and maintenance expense (excluding fuel and purchased power) per kWh	0.0266	0.0270	0.0279	0.0253	0.0244
Total operations and maintenance expense per kWh	<u>\$ 0.0625</u>	<u>\$ 0.0600</u>	<u>\$ 0.0646</u>	<u>\$ 0.0631</u>	<u>\$ 0.0637</u>
Operations and maintenance expense per metered service ³					
Fuel, fixed demand, purchased power and other power supply expense	\$ 1,140	\$ 1,022	\$ 1,174	\$ 1,273	\$ 1,310
Production, transmission and distribution costs	479	492	535	506	497
Customer service expense	136	129	136	141	130
General and administrative expense	228	187	211	206	188
Total operations and maintenance expense	<u>\$ 1,983</u>	<u>\$ 1,830</u>	<u>\$ 2,056</u>	<u>\$ 2,126</u>	<u>\$ 2,125</u>

¹ In 2021, sales per customer and revenue per kWh began normalizing from the effects of the pandemic.

² Total fuel expense per kWh was on a steady decline, however, in 2021 this trend has started to reverse as natural gas and other fuel commodity costs have begun to rise.

³ In 2021, total operations and maintenance expenses increased due to increased fuel and purchased power related to rising commodity costs as well as the rebounding economy and an increase in health and wellness cost as a result of the pandemic related non-emergency medical services.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2021	2020	2019	2018	2017
Electric operating ratio					
Electric operation and maintenance expenses/total operating revenues	\$ 0.63	\$ 0.63	\$ 0.66	\$ 0.67	\$ 0.66
Electric income before contributions per revenue dollar					
Electric income before contributions/total operating revenues	\$ 0.09	\$ 0.11	\$ 0.10	\$ 0.09	\$ 0.11

ACTIVE SERVICES

OUC retail metered services

Residential	188,019	183,096	179,769	176,543	173,805
Commercial - non-demand	23,291	22,881	22,304	21,807	21,279
Commercial - demand - secondary	4,829	4,844	5,108	5,319	5,422
Commercial - demand - primary	26	25	26	27	26
Total OUC retail metered services	216,165	210,846	207,207	203,696	200,532
Interlocal services	46,629	43,686	41,388	39,275	37,555
Total OUC retail and interlocal metered services	262,794	254,532	248,595	242,971	238,087

Unmetered lighting fixtures

Conventional	54,499	53,858	53,186	53,372	50,712
Convenient	29,813	28,768	27,580	25,256	21,890
St. Cloud	2,851	2,851	2,848	2,895	2,838
Total unmetered lighting fixtures	87,163	85,477	83,614	81,523	75,440
Total OUC retail, unmetered lighting and interlocal services	349,957	340,009	332,209	324,494	313,527

CONSUMPTION (MWh)

OUC retail sales

Residential	2,140,235	2,127,644	2,083,653	2,026,608	1,960,736
Commercial - non-demand	411,020	403,926	424,885	412,036	372,501
Commercial - demand - secondary	2,941,321	2,916,023	3,067,064	3,017,699	2,994,166
Commercial - demand - primary	465,978	452,410	494,023	484,269	474,162
Total OUC retail sales	5,958,554	5,900,003	6,069,625	5,940,612	5,801,565

Nonmetered lighting sales

Conventional	34,797	34,456	33,699	32,781	31,675
Convenient	24,469	24,301	24,466	24,675	24,305
St. Cloud	2,905	2,913	2,903	2,848	2,789
Total nonmetered lighting sales	62,171	61,670	61,068	60,304	58,769

Interlocal sales

Interlocal sales	808,153	775,092	744,466	706,543	671,510
Total retail sales	6,828,878	6,736,765	6,875,159	6,707,459	6,531,844

Wholesale sales ¹

Wholesale sales ¹	1,378,728	1,062,480	988,701	1,404,820	1,325,765
Total electric sales	8,207,606	7,799,245	7,863,860	8,112,279	7,857,609

¹ In 2021, wholesale sales increased as a result of a newly executed agreements. Terminated and matured wholesale agreements were the drivers for the decrease in wholesale sales in 2020 and 2019 in comparison to prior years sales.

ELECTRIC GENERATION (MWh)

Years Ended September 30

	2021	2020	2019	2018	2017
Stanton Energy Center (SEC)					
Generation - steam	3,792,481	3,271,619	3,323,973	3,652,214	3,603,131
Generation - combined cycle	2,542,612	2,964,352	2,579,573	2,519,657	2,499,981
Total generation	6,335,093	6,235,971	5,903,546	6,171,871	6,103,112
Plant use - less participants' loss factor	304,876	297,837	289,148	304,295	290,049
Participants' reserve power	15,491	18,488	27,689	3,149	5,340
Delivered	6,014,726	5,919,646	5,586,709	5,864,427	5,807,723
McIntosh (MC3) ¹					
Generation - steam	377,290	225,074	420,753	627,727	574,593
Delivered	377,290	225,074	420,753	627,727	574,593
St. Lucie (SL2)					
Generation - nuclear	478,962	485,721	477,723	481,150	467,747
Plant use	11,447	11,609	11,418	11,499	11,179
Delivered	467,515	474,112	466,305	469,651	456,568
Indian River					
Generation - combustion turbines	30,521	15,630	18,758	17,989	18,966
Plant use - less participants' loss factor	62	41	44	83	102
Participants' reserve power	5,348	5,408	5,612	4,362	4,346
Delivered	25,111	10,181	13,102	13,544	14,518
Generation					
Steam	4,169,771	3,496,693	3,744,726	4,279,941	4,177,724
Combined cycle	2,542,612	2,964,352	2,579,573	2,519,657	2,499,981
Nuclear	478,962	485,721	477,723	481,150	467,747
Combustion turbines	30,521	15,630	18,758	17,989	18,966
Total generation	7,221,866	6,962,396	6,820,780	7,298,737	7,164,418
Total plant use - less participants loss factor	316,385	309,487	300,610	315,877	301,330
Participants' reserve power	20,839	23,896	33,301	7,511	9,686
Total delivered	6,884,642	6,629,013	6,486,869	6,975,349	6,853,402
Purchases received	1,465,689	1,354,122	1,547,668	1,318,792	1,325,628
Available	8,350,331	7,983,135	8,034,537	8,294,141	8,179,030
Sales	8,207,606	7,799,245	7,863,860	8,112,279	7,857,609
Unsold generation	142,725	183,890	170,677	181,862	321,421
Unsold as a percentage of generation	1.98 %	2.64 %	2.50 %	2.49 %	4.49 %

¹ Since 2018, generation at the MC3 facility has declined and in January 2021 the City of Lakeland announced the shuttering of MC3 in April 2021, three years in advance of the originally planned date of 2024.

NET GENERATING CAPABILITY (Including major power purchase agreements)

Generating Facility (MW)

Years Ended September 30

Name Plate Capacity	2021		2020		2019		2018		2017		
	Summer MW	Winter MW									
Stanton Energy Center (SEC)											
Unit 1 FS	425	312	312	305	305	302	304	302	304	302	304
Unit 2 FS	425	350	350	340	340	340	340	340	340	340	340
Unit A CC	633	184	188	184	188	184	188	184	188	174	184
Unit B CC	300	292	307	292	307	292	307	292	307	292	307
Indian River Plant (IRP)											
Unit A CT	76	16	18	16	18	16	18	16	18	16	18
Unit B CT	76	16	18	16	18	16	18	16	18	16	18
Unit C CT	224	83	89	83	89	83	88	83	88	83	88
Unit D CT	224	83	89	83	89	83	88	83	88	83	88
C.D. McIntosh, Jr. Plant (MC3)											
Unit 3 FS	364	—	—	133	136	133	136	133	136	133	136
St. Lucie Plant											
Unit 2 N	850	60	62	60	62	60	62	60	60	60	60
Total capability	1,396	1,433	1,511	1,551	1,509	1,549	1,509	1,547	1,499	1,543	
Power purchase agreements	349	349	349	349	342	342	342	342	330	330	
Total available	1,745	1,782	1,860	1,900	1,851	1,891	1,851	1,889	1,829	1,873	
Firm commitments to other utilities ¹	(247)	(484)	(225)	(169)	(237)	(161)	(267)	(267)	(254)	(252)	
Net available to OUC	1,498	1,298	1,635	1,731	1,614	1,730	1,584	1,622	1,575	1,621	

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

PEAK DEMAND

Years Ended September 30

	2021		2020		2019		2018		2017	
	Summer MW	Winter MW								
Net peak demand (Net 60 minute integrated MW demand)	1,190	924	1,170	1,000	1,224	902	1,136	1,069	1,175	885
Gross peak demand (MW) (Instantaneous)	1,256	958	1,203	1,061	1,294	938	1,210	—	1,188	—
System load factor	<u>2021</u> 59		<u>2020</u> 60		<u>2019</u> 59		<u>2018</u> 62		<u>2017</u> 59	

GENERATION AVAILABILITY DATA

Years Ended September 30

	2021			2020			2019			2018			2017		
	CF	EAF	EFOR												
SEC															
Unit 1	59.1	89.1	6.0	41.1	78.1	0.9	57.9	82.0	6.3	56.9	85.7	5.7	56.0	90.4	1.2
Unit 2	62.6	86.4	2.4	66.3	95.5	0.6	55.8	74.6	4.0	64.5	87.3	1.1	64.0	84.8	2.3
Unit A	38.7	92.3	—	33.1	82.2	—	42.4	94.3	—	36.1	84.0	3.4	33.7	91.6	0.1
Unit B	57.1	83.3	0.1	73.2	88.2	0.1	60.8	86.7	5.6	60.2	86.7	—	60.1	82.8	1.0
IRP															
Unit A ²	—	97.2	—	—	94.3	—	0.1	96.1	—	—	91.4	93.7	0.2	98.5	14.3
Unit B ²	—	97.2	—	—	94.7	67.7	0.1	96.0	18.5	0.1	92.7	10.5	0.3	97.9	60.6
Unit C ²	2.2	95.1	0.6	0.7	95.9	—	1.7	96.2	—	1.0	95.9	—	1.3	96.5	14.5
Unit D ²	1.8	88.6	—	1.3	96.0	—	0.7	89.6	33.2	1.2	97.3	13.7	1.0	96.9	54.1
McIntosh															
Unit 3	32.1	93.0	3.8	19.1	52.9	49.3	35.8	60.9	11.2	53.5	85.1	1.3	49.0	82.3	6.0
St. Lucie Plant															
Unit 2	91.6	89.6	1.2	93.3	91.2	0.7	99.9	97.5	2.3	90.2	89.5	1.3	90.2	88.4	—

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

¹ New agreements with Mt. Dora, Chattahoochee, Lakeland and additional short-term agreement executed in 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	2021	2020	2019	2018	2017
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	49.6	52.4	43.3	51.8	45.6
Average customer interruption duration index in minutes (CAIDI) ¹	57.8	65.5	59.1	76.1	70.8
Average length of service interruption in minutes (L-Bar) ¹	77.9	82.0	70.9	75.9	77.4
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	42.5	98.4	48.3	77.2	45.1
Average customer interruption duration index in minutes (CAIDI) ²	78.3	67.4	70.3	71.3	58.4
Average length of service interruption in minutes (L-Bar) ²	88.1	86.3	75.0	76.9	80.0
ELECTRIC PHYSICAL STATISTICS					
Transmission system (circuit miles)					
69KV	36.6	36.6	36.6	36.6	36.6
115KV	128.2	129.3	129.3	129.3	129.3
230KV	227.4	227.4	227.4	227.4	227.4
Total transmission circuit miles	392.2	393.3	393.3	393.3	393.3
Number of substations					
OUC substations	32.0	32.0	31.0	31.0	31.0
STC substations	5.0	5.0	4.0	4.0	4.0
Total Substations	37.0	37.0	35.0	35.0	35.0
Orlando distribution system (circuit miles)					
Overhead	731.6	736.7	725.7	735.4	738.7
Underground	1,460.5	1,381.5	1,360.0	1,341.4	1,316.9
Total Orlando circuit miles	2,192.1	2,118.2	2,085.7	2,076.8	2,055.6
St. Cloud distribution system (circuit miles)					
Overhead	269.1	265.2	263.0	260.4	260.3
Underground	289.2	251.5	247.3	229.1	221.3
Total St. Cloud circuit miles	558.3	516.7	510.3	489.5	481.6
Total OUC & St. Cloud circuit miles	2,750.4	2,634.9	2,596.0	2,566.3	2,537.2
Distribution expenses per circuit mile³	\$ 8,938	\$ 9,665	\$ 11,060	\$ 10,283	\$ 9,415
Percentages of Orlando distribution system (circuit miles)					
Overhead	33.4 %	34.8 %	34.8 %	35.4 %	35.9 %
Underground	66.6 %	65.2 %	65.2 %	64.6 %	64.1 %
Percentages of St. Cloud distribution system (circuit miles)					
Overhead	48.2 %	51.3 %	51.5 %	53.2 %	54.0 %
Underground	51.8 %	48.7 %	48.5 %	46.8 %	46.0 %

¹In 2021, outage and service interruption times decreased from 2020 levels as there was milder weather, lessened COVID-19 safety protocols and a decrease in mutual aid support to peer utilities. One-time weather events beyond named hurricane events impacted 2018.

²The 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. In 2021, mild weather, strategic initiatives and lessened COVID-19 safety protocols resulted in less circuit lockouts.

³From 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	2021	2020	2019	2018	2017
Electric plant, net					
Generating plant					
Stanton Energy Center Unit 1 and Unit 2	\$ 342,977	\$ 329,794	\$ 355,153	\$ 361,420	\$ 371,978
Stanton Energy Center Unit A	31,935	36,607	34,429	39,817	33,919
Stanton Energy Center Unit B	183,160	187,830	199,200	209,795	209,681
McIntosh Unit 3	987	37,857	45,481	49,959	58,920
St. Lucie Unit 2	111,325	108,966	106,053	105,680	105,831
Indian River Plant	5,864	7,728	9,648	10,864	11,866
Osceola Generation Station ¹	57,565	—	—	—	—
Total generating plant, net	733,813	708,782	749,964	777,535	792,195
Distribution plant	599,282	592,660	581,242	549,584	529,514
Transmission plant	403,096	373,562	379,628	347,200	317,098
Other Electric plant	53,998	55,232	56,338	53,844	47,873
Total electric plant, net	1,790,189	1,730,236	1,767,172	1,728,163	1,686,680
Common plant, net	73,955	77,565	83,984	86,644	94,641
Total Plant, net ¹	\$ 1,864,144	\$ 1,807,801	\$ 1,851,156	\$ 1,814,807	\$ 1,781,321
FUEL MIX STATISTICS					
Cost of fuel					
Coal ²	\$ 123,067	\$ 102,054	\$ 124,825	\$ 144,715	\$ 148,303
Natural gas	123,681	110,838	120,570	114,480	115,783
Nuclear	1,833	2,468	2,090	3,655	3,344
Renewable ³	20,233	12,408	10,169	10,414	8,691
Total cost of fuel	\$ 268,814	\$ 227,768	\$ 257,654	\$ 273,264	\$ 276,121
Fuel cost per MWh					
Coal ²	\$ 33.51	\$ 33.64	\$ 35.54	\$ 34.39	\$ 36.39
Natural gas	\$ 30.63	\$ 26.20	\$ 31.03	\$ 33.47	\$ 33.79
Nuclear	\$ 3.92	\$ 5.21	\$ 4.48	\$ 7.78	\$ 7.32
Renewable ³	\$ 44.81	\$ 49.13	\$ 58.56	\$ 56.32	\$ 56.88
System average fuel cost	\$ 31.15	\$ 28.50	\$ 32.06	\$ 32.99	\$ 34.04
System fuel mix for total generation (based on MWh)					
Coal ²	42.6 %	38.0 %	43.7 %	50.7 %	50.3 %
Natural Gas	46.8 %	52.9 %	48.3 %	41.3 %	42.2 %
Nuclear	5.4 %	5.9 %	5.8 %	5.7 %	5.6 %
Renewable ³	5.2 %	3.2 %	2.2 %	2.3 %	1.9 %
Total system fuel mix for total generation (based on MWh)	100.0 %				

¹ In 2021, total plant increased due to major transmission and distribution upgrade projects and the acquisition of the Osceola Generating Station offset by the shuttering of the MC3 generation facility in April 2021.

² Coal consumption fluctuates based on economics and generation facility availability. In 2017 and 2018 coal consumption increased in conjunction with coal generation facility efficiency upgrades. Conversely, planned and unplanned outages offset these increases in 2019 with continuing impacts in 2020 due to favorable natural gas commodity costs. In 2021, coal consumption increased due to generation facility availability and rising natural gas costs.

³ To support achieving our net zero CO₂ emission goals by 2050 with interim 2030 and 2040 goals of 50 percent and 75 percent reductions in emissions, respectively, OUC continues to execute solar energy power purchase agreements. The increase in 2021 is the result of the annualized impact of the two 74.5 megawatt utility scale solar farms energized in June 2020. Beyond energizing these two utility scale solar farms, OUC has committed to two more 74.5 megawatt utility scale solar farms projected to be energized in December 2023. The combined amount of these four 74.5 utility scale solar farms provides for a financial commitment of \$523.0 million and allows for OUC to achieve its strategic goal of securing \$400 million of solar energy by 2030. Beyond the two energized utility scale solar farms, OUC has 9 renewable power purchase agreements comprised of both solar power and landfill gas. In alignment with the expansion of these resources, the cost is also decreasing as technology advances and accessibility increases.

RENEWABLE ENERGY

Renewable Generation (MWh)

Years Ended September 30	Name Plate Capacity (MW) ³	2021	2020	2019	2018	2017
Solar PPA's¹						
Stanton Solar	5.1	9,118	8,554	9,026	9,166	9,557
SEC Solar Site A	4.1	7,992	7,957	9,707	8,480	788
SEC Solar Landfill Site C	4.8	9,421	9,510	8,064	9,804	522
Gardenia Community Solar	0.3	512	482	424	517	557
Fleet Community Solar	0.4	516	461	521	526	525
Taylor Creek Solar	74.5	178,090	58,447	—	—	—
Harmony Florida Solar	34.0	81,553	27,379	—	—	—
Landfill Gas PPA's¹						
Port Charlotte Landfill	3.0	6,144	11,414	9,974	13,643	15,118
Collier Landfill	1.0	23,426	—	—	—	—
Holopaw Landfill	9.0	45,270	32,754	49,883	40,625	36,620
Monarch Hills Landfill	8.3	43,482	48,460	46,424	58,324	49,551
Stanton Landfill Gas¹						
SEC 1	N/A	24,133	13,683	21,264	15,837	12,402
SEC 2	N/A	20,676	33,506	18,358	27,968	27,143
	144.5	450,333	252,607	173,645	184,890	152,783

ACTIVE SERVICES - SOLAR STATISTICAL INFORMATION²

Photovoltaic credit meters						
Retail photovoltaic credit meters		217	231	248	262	276
Interlocal services photovoltaic credit meters		92	100	108	113	119
Total photovoltaic credit meters		309	331	356	375	395
Solar farm participants						
Gardenia		27	31	33	36	—
Stanton		282	202	199	200	—
Total solar farm participants		309	233	232	236	—
OUC retail solar metered services						
Residential		2,674	1,748	1,108	689	418
Commercial - non-demand		42	35	31	29	8
Commercial - demand - secondary		42	27	27	23	23
Total OUC retail metered services		2,758	1,810	1,166	741	449
Interlocal services		2,133	1,094	688	385	196
Total OUC retail and interlocal solar net-meters		4,891	2,904	1,854	1,126	645

¹ To support achieving our net zero CO₂ emission goals by 2050 with interim 2030 and 2040 goals of 50 percent and 75 percent reductions in emissions, renewable energy MWh have increased in 2021 as a result of the annualized impact of two 74.5 megawatt utility scale solar farms energized in June 2020.

² The Central Florida community is steadily embracing rooftop solar with a 68.4 percentage increase in retail and interlocal solar net-metering customers.

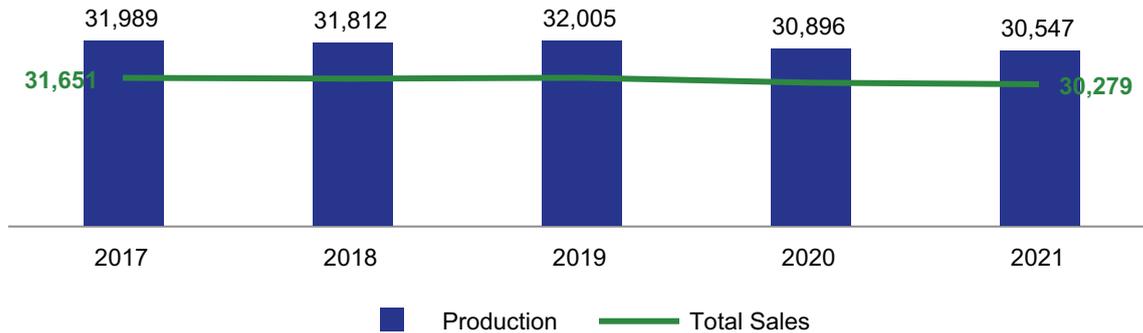
³ Power purchase agreements (PPA's) are based on contracted terms related to individual generation or expected availability of generation under each agreement and nameplate capacity and undivided interest are not applicable.



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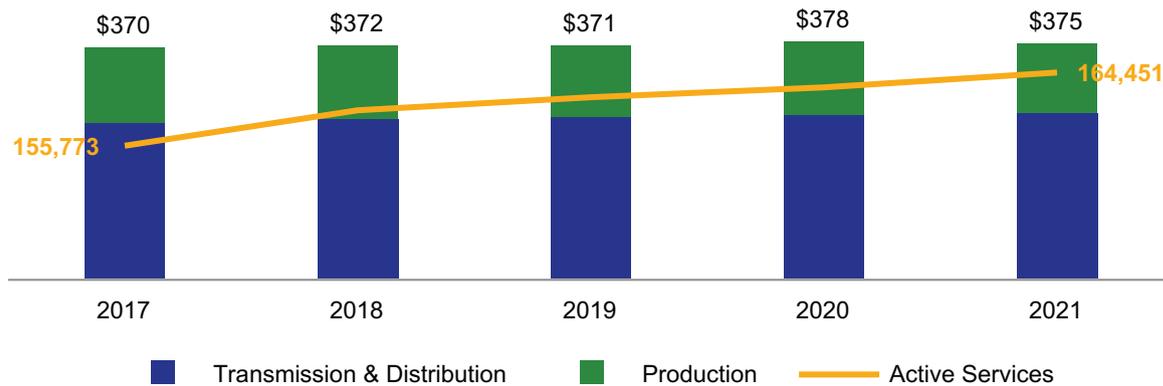
Water Business Operations

**Production and Total Sales
(MGAL)**



Production and Total Sales: While active service growth reflects a cumulative increase of 5.6%, production and sales over the same period have decreased 4.5 percent and 4.3 percent, respectively, as a result of the COVID-19 closures and pricing design changes implemented to enhance conservation efforts.

**Water Utility Plant, net
(millions)**



Water Utility Plant: Recent plant additions have focused on transmission and distribution assets to service continued customer growth and maintain customer quality. In 2021, OUC embarked on a large-scale multi-year water capital improvement project designed to upgrade the system's existing underground cast iron pipes to enhance resiliency and ensure the safe and reliable delivery of water resources.

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

Years Ended September 30	2021	2020	2019	2018	2017
Operating Revenues					
Residential	\$ 29,978	\$ 27,513	\$ 25,285	\$ 24,654	\$ 23,975
Commercial	32,992	30,687	31,631	29,992	28,259
Irrigation	17,568	15,926	14,484	14,695	15,307
Fire protection	3,113	2,888	2,737	2,566	2,429
Service fees and other	1,810	2,758	2,831	2,424	2,184
Resale and other	589	570	589	558	589
Regulatory action ¹	(1,950)	—	3,281	4,805	(912)
Total operating revenues ¹	<u>84,100</u>	<u>80,342</u>	<u>80,838</u>	<u>79,694</u>	<u>71,831</u>
Operations and maintenance expenses					
Production	14,062	14,450	15,133	15,165	14,637
Distribution	7,680	8,320	9,093	8,594	7,666
Emergency response expenses	—	—	179	—	793
Customer service	7,772	8,505	9,246	9,412	8,212
General and administrative	15,007	11,955	10,557	11,844	10,964
Total operations and maintenance expenses	<u>44,521</u>	<u>43,230</u>	<u>44,208</u>	<u>45,015</u>	<u>42,272</u>
Other expenses					
Utility/property tax	65	67	65	66	64
Revenue based payments to the City of Orlando	2,690	2,622	2,415	2,151	2,108
Revenue based payments to Orange County	4	3	4	4	3
Depreciation and amortization	21,645	22,401	20,384	19,550	18,171
Total other expenses	<u>24,404</u>	<u>25,093</u>	<u>22,868</u>	<u>21,771</u>	<u>20,346</u>
Total operating expenses	<u>68,925</u>	<u>68,323</u>	<u>67,076</u>	<u>66,786</u>	<u>62,618</u>
Operating income	15,175	12,019	13,762	12,908	9,213
Non-operating income and expense					
Interest income	926	2,094	2,225	1,468	705
Other income, net	1,510	2,134	1,995	2,024	2,003
Amortization of deferred gain on sale of assets	—	—	15	16	16
Interest expense, net	(5,568)	(6,112)	(6,414)	(6,645)	(6,382)
Total non-operating expenses, net	<u>(3,132)</u>	<u>(1,884)</u>	<u>(2,179)</u>	<u>(3,137)</u>	<u>(3,658)</u>
Water income before contributions	12,043	10,135	11,583	9,771	5,555
Contributions in aid of construction (CIAC)	11,079	12,052	12,291	11,372	10,803
Annual dividend	(7,355)	(6,580)	(7,658)	(6,057)	(3,412)
Increase in net position	<u>\$ 15,767</u>	<u>\$ 15,607</u>	<u>\$ 16,216</u>	<u>\$ 15,086</u>	<u>\$ 12,946</u>

¹ In 2017, a four-year water price plan was approved and effective April 1, 2021, the fourth scheduled price change was implemented increasing the average residential and commercial customer water bill 6.2 percent. The prior three price changes were effective October 2019, January 2019 and April 2018 increasing the average residential and commercial customer water bill 6.2 percent, 3.4 percent and 4.0 percent, respectively. In conjunction with this change, the Board approved the use of reserves to facilitate customer rate stability, and beginning in 2021, planned revenues were deferred to rebuild these reserves in accordance with Finance Charter guidelines.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2021 2020 2019 2018 2017

Profile of consumption and revenue by type of customer

Residential service

KGAL sales per customer	78	80	78	80	82
Revenue per customer	\$ 265	\$ 245	\$ 228	\$ 224	\$ 221
Revenue per KGAL	\$ 3.3829	\$ 3.0799	\$ 2.9178	\$ 2.8112	\$ 2.7005

Commercial service

KGAL sales per customer	979	971	1,076	1,067	1,031
Revenue per customer	\$ 2,182	\$ 2,039	\$ 2,107	\$ 2,011	\$ 1,890
Revenue per KGAL	\$ 2.2284	\$ 2.0998	\$ 1.9577	\$ 1.8849	\$ 1.8329

Irrigation service

KGAL sales per customer	222	235	235	249	266
Revenue per customer	\$ 1,044	\$ 949	\$ 867	\$ 886	\$ 932
Revenue per KGAL	\$ 4.6951	\$ 4.0407	\$ 3.6859	\$ 3.5573	\$ 3.4995

Selected financial expense statistics

Total operations and maintenance expenses per KGAL	\$ 1.6222	\$ 1.5704	\$ 1.5355	\$ 1.5605	\$ 1.4447
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Operations and maintenance expense per metered service

Production and distribution costs	\$ 150	\$ 158	\$ 170	\$ 168	\$ 159
Customer service expense	54	59	65	67	59
General and administrative expense	103	83	74	84	78
Total operations and maintenance expense	<u>\$ 307</u>	<u>\$ 300</u>	<u>\$ 309</u>	<u>\$ 319</u>	<u>\$ 296</u>

SELECTED FINANCIAL RATIOS

Water operating ratio

Water operations and maintenance expenses/operating revenues	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.60	\$ 0.57
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Water income before contributions per revenue dollar

Water income before contributions/operating revenues	\$ 0.14	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.10
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ACTIVE SERVICES

Residential	114,009	112,612	111,617	110,433	109,215
Commercial	15,198	15,047	15,054	14,972	14,854
Irrigation	16,859	16,800	16,761	16,639	16,523
Total metered services	<u>146,066</u>	<u>144,459</u>	<u>143,432</u>	<u>142,044</u>	<u>140,592</u>

FIRE PROTECTION

Fire protection services	7,640	7,561	7,523	7,412	4,758
Fire hydrants	10,745	10,672	10,568	10,520	10,423
Total fire protection	<u>18,385</u>	<u>18,233</u>	<u>18,091</u>	<u>17,932</u>	<u>15,181</u>

CONSUMPTION (MGAL)

Residential	8,862	8,933	8,666	8,770	8,878
Commercial	14,805	14,615	16,157	15,912	15,418
Irrigation	3,742	3,941	3,930	4,131	4,374
Resale	37	39	38	34	41
Total consumption ¹	<u>27,446</u>	<u>27,528</u>	<u>28,791</u>	<u>28,847</u>	<u>28,711</u>

¹ In 2020, commercial consumption decreased ~9.0 percent due to lower water demand as a result of the mandated shutdowns as well as the overall impacts from COVID-19. In 2021, OUC and the City called upon its citizens to conserve water, as liquid oxygen, a critical input in water purification, was in high demand and became constrained as a result of the pandemic.

WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30

	2021	2020	2019	2018	2017
Water plant, net					
Production	\$ 110,766	\$ 116,396	\$ 112,006	\$ 115,886	\$ 120,107
Transmission and distribution	263,977	261,414	258,947	256,601	249,914
General	209	213	105	135	161
Total water plant, net	<u>374,952</u>	<u>378,023</u>	<u>371,058</u>	<u>372,622</u>	<u>370,182</u>
Common plant, net	24,652	25,855	27,992	28,881	26,693
Total plant, net	<u>\$ 399,604</u>	<u>\$ 403,878</u>	<u>\$ 399,050</u>	<u>\$ 401,503</u>	<u>\$ 396,875</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,879	1,871	1,858	1,851	1,839
Number of public hydrants	10,745	10,672	10,568	10,520	10,423
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	276.5	273	273	273
Raw water capacity (MGAL per day)	166.5	166.5	177.5	177.5	177.5
Peak day (MGAL) ¹	109.8	108.5	111.3	104.0	112.2
Per capita, gallons pumped per day total system ²	183.5	187.9	196.4	210.0	201.0
Per capita, gallons consumed per day residential only	52	53	53	58	56

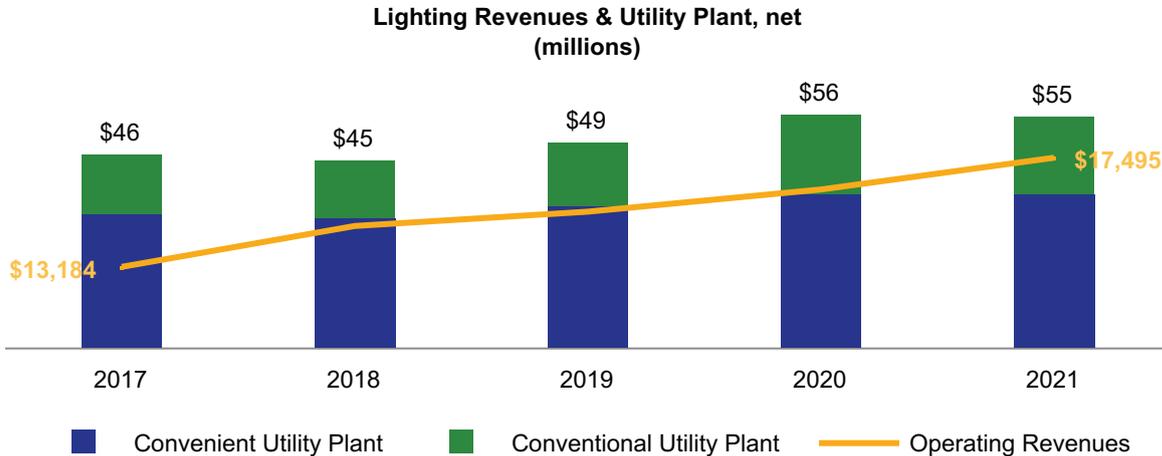
WATER PRODUCTION (KGAL) ²

Water treated for sale					
Treated	30,546,995	30,896,403	32,004,564	31,812,084	31,989,054
Used by water department	5,840	5,852	5,840	5,840	5,840
Total water treated for sale	<u>30,541,155</u>	<u>30,890,551</u>	<u>31,998,724</u>	<u>31,806,244</u>	<u>31,983,214</u>
Sales					
Retail customers	27,148,428	27,215,227	28,428,610	28,492,063	28,337,704
Inter-department use	261,549	272,559	324,568	320,796	333,133
Wholesale customers	36,024	40,214	37,538	32,861	39,615
Total sales	<u>27,446,001</u>	<u>27,528,000</u>	<u>28,790,716</u>	<u>28,845,720</u>	<u>28,710,452</u>
Unbilled	3,095,155	3,362,551	3,208,007	2,960,523	3,272,762
Unbilled as a percentage of water treated for sale	10.13 %	10.89 %	10.03 %	9.31 %	10.23 %

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

² In 2020 and 2021, the commercial sector experienced a decrease in sales as a result of COVID-19 and its impact on travel and tourism as well as office occupancy rates in the Central Florida area. In 2021, supply chain constraints for a critical water production supply, liquid oxygen, also impacted consumption with a community call to action to conserve water and avoid boil water alerts.

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. Utility plant installed for municipalities increased in 2019 and 2020 as traditional streetlights were replaced with LED streetlight technology to enhance community safety and promote energy efficiency. As a result of this transition, revenues recovered through tariff based pricing have remained relatively consistent reflecting the value financial value provided from the installation of LED technology.

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 over the five year period is driven by the expansion of new commercial customers as well as technology upgrades.

Operating revenues for both business segments have grown on average 7.4 percent per year over the five year period primarily from the Convenient Lighting sector.

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

Years Ended September 30	2021	2020	2019	2018	2017
Operating Revenues					
Conventional	\$ 4,608	\$ 4,491	\$ 4,522	\$ 4,384	\$ 4,228
Convenient	12,682	11,625	10,698	10,057	8,749
Service fees and other	205	125	144	358	207
Total operating revenues	<u>17,495</u>	<u>16,241</u>	<u>15,364</u>	<u>14,799</u>	<u>13,184</u>
Operations and maintenance expenses					
Conventional	3,390	3,213	3,240	3,040	2,804
Convenient	966	1,068	1,080	1,213	1,228
Emergency response expenses	—	—	11	—	133
General and administrative	881	708	660	732	770
Total operations and maintenance expenses	<u>5,237</u>	<u>4,989</u>	<u>4,991</u>	<u>4,985</u>	<u>4,935</u>
Other expenses					
Utility/property tax	1	1	1	1	1
Revenue based payments to Orange County	27	27	26	27	25
Depreciation and amortization	5,654	5,625	4,842	4,615	4,720
Total other expenses	<u>5,682</u>	<u>5,653</u>	<u>4,869</u>	<u>4,643</u>	<u>4,746</u>
Total operating expenses	<u>10,919</u>	<u>10,642</u>	<u>9,860</u>	<u>9,628</u>	<u>9,681</u>
Operating income	6,576	5,599	5,504	5,171	3,503
Non-operating income and expense					
Interest income	68	200	295	208	187
Other income, net	19	103	107	110	110
Amortization of deferred gain on sale of assets	—	—	1	1	4
Interest expense, net	(1,165)	(1,269)	(1,406)	(1,430)	(1,292)
Total non-operating expenses, net	<u>(1,078)</u>	<u>(966)</u>	<u>(1,003)</u>	<u>(1,111)</u>	<u>(991)</u>
Lighting income before contributions	5,498	4,633	4,501	4,060	2,512
Contributions in aid of construction (CIAC)	1,469	1,464	937	683	1,057
Annual dividend	<u>(3,358)</u>	<u>(3,007)</u>	<u>(2,976)</u>	<u>(2,516)</u>	<u>(1,543)</u>
Increase in net position	<u>\$ 3,609</u>	<u>\$ 3,090</u>	<u>\$ 2,462</u>	<u>\$ 2,227</u>	<u>\$ 2,026</u>

SELECTED FINANCIAL RATIOS

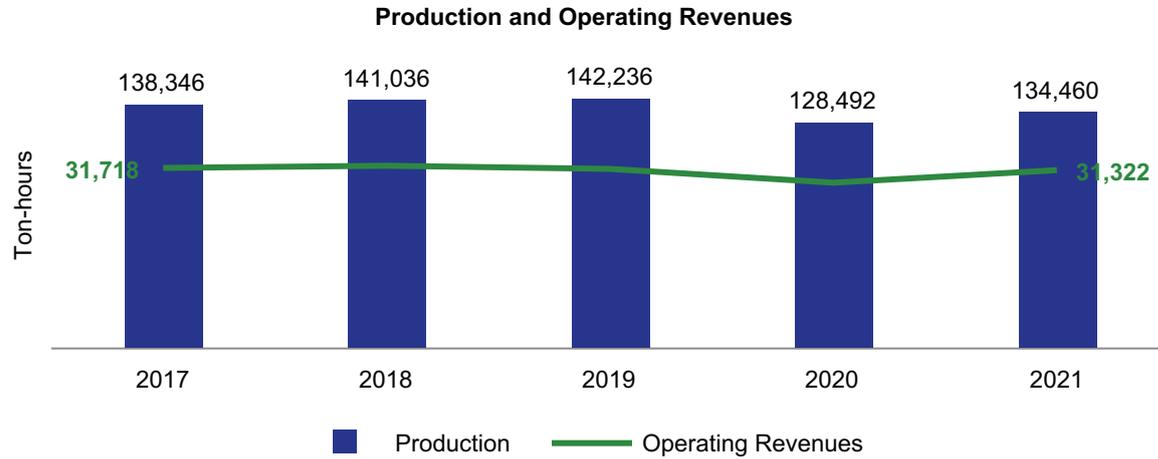
Years Ended September 30	2021	2020	2019	2018	2017
Lighting operating ratio					
Lighting operation and maintenance expenses/operating revenues	\$ 0.30	\$ 0.32	\$ 0.32	\$ 0.34	\$ 0.37
Lighting income before contributions per revenue dollar					
Lighting income before contributions/operating revenues ¹	\$ 0.31	\$ 0.30	\$ 0.29	\$ 0.27	\$ 0.15
LIGHTING UTILITY PLANT (Dollars in thousands)					
Lighting plant, net					
Conventional ¹	\$ 18,591	\$ 18,710	\$ 14,927	\$ 13,881	\$ 14,359
Convenient	36,692	36,850	34,239	31,071	31,988
Total lighting plant, net	\$ 55,283	\$ 55,560	\$ 49,166	\$ 44,952	\$ 46,347

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

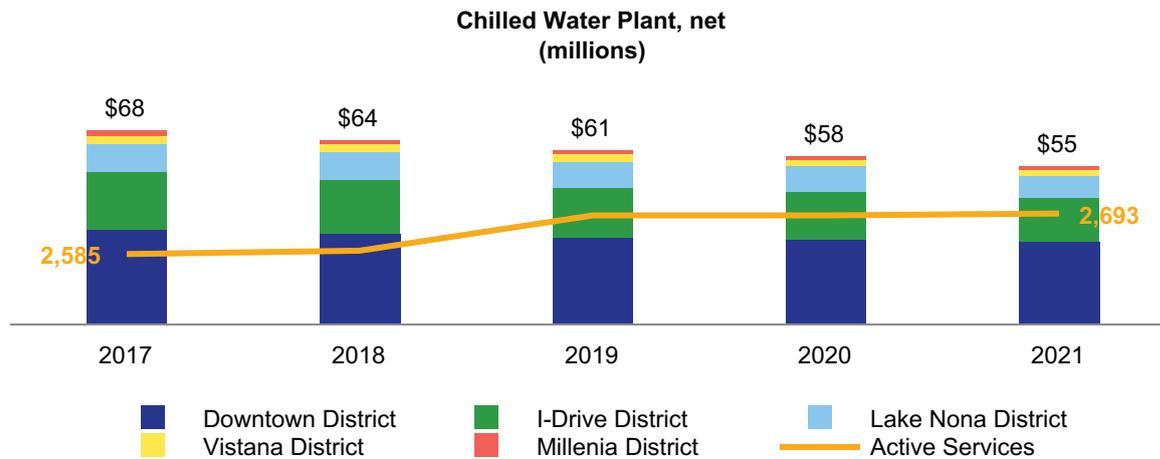


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Chilled Water Business Operations



Production and Operating Revenues: Operating revenues have recently declined due to the decrease in cooling demand from the shut-down of commercial operations and decreased office occupancy rates 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 2022.



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 2022.

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

Years Ended September 30	2021	2020	2019	2018	2017
Operating revenues by plant					
Downtown	\$ 12,782	\$ 11,361	\$ 12,046	\$ 12,079	\$ 11,763
Vistana	1,946	1,883	2,038	1,972	2,000
International Drive	11,260	10,777	12,101	12,443	12,165
Millenia	1,845	1,722	1,875	1,951	1,927
Lake Nona	3,352	3,297	3,377	3,499	3,417
Service fees and other	137	67	107	159	446
Total operating revenues ¹	31,322	29,107	31,544	32,103	31,718
Operations and maintenance expenses by plant					
Downtown	5,087	5,328	5,500	5,443	5,386
Vistana	887	855	1,014	945	901
International Drive	6,923	6,372	7,718	7,316	7,165
Millenia	1,200	1,141	1,352	1,353	1,376
Lake Nona	1,415	1,418	1,513	1,340	1,397
Emergency response expenses	—	—	23	—	69
Customer service	169	163	199	220	137
General and administrative	1,558	1,350	1,275	825	781
Total operations and maintenance expenses	17,239	16,627	18,594	17,442	17,212
Other expenses					
Utility/property tax	2	2	2	2	2
Revenue based payments to the City of Orlando	676	662	662	684	621
Revenue based payments to Orange County	130	126	138	133	128
Depreciation and amortization	4,256	4,309	3,985	4,581	4,432
Total other expenses	5,064	5,099	4,787	5,400	5,183
Total operating expenses	22,303	21,726	23,381	22,842	22,395
Operating Income	9,019	7,381	8,163	9,261	9,323
Non-operating income and expenses					
Interest income	58	262	495	284	190
Other income, net	50	105	114	131	140
Amortization of deferred gain on sale of assets	—	—	1	1	—
Interest expense, net	(2,269)	(2,508)	(2,493)	(2,710)	(2,868)
Total non-operating expenses, net	(2,161)	(2,141)	(1,883)	(2,294)	(2,538)
Chilled water income before contributions	6,858	5,240	6,280	6,967	6,785
Contributions in aid of construction (CIAC)	—	250	—	—	109
Annual dividend	(4,188)	(3,403)	(4,152)	(4,320)	(4,169)
Increase in net position	\$ 2,670	\$ 2,087	\$ 2,128	\$ 2,647	\$ 2,725

¹ In 2020, operating revenues declined due to the decrease in cooling demand from the shut-down of commercial operations and low commercial occupancy rates impacted by COVID-19, particularly the I-Drive District with a high concentration of visitors. In 2021, operating revenues returned to pre-pandemic levels due to a rebound from the effects of the pandemic.

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2021	2020	2019	2018	2017
Chilled water operating ratio					
Chilled water operation and maintenance expenses/operating revenues	\$ 0.55	\$ 0.57	\$ 0.59	\$ 0.54	\$ 0.54
Chilled water income before contributions per revenue dollar					
Chilled water income before contributions/operating revenues	\$ 0.22	\$ 0.18	\$ 0.20	\$ 0.22	\$ 0.22
Revenue per TON-hour produced	\$ 0.2329	\$ 0.2265	\$ 0.2218	\$ 0.2276	\$ 0.2293

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net

Downtown	\$ 28,512	\$ 29,802	\$ 30,040	\$ 31,366	\$ 32,679
Vistana	2,185	2,369	2,587	2,800	3,022
International Drive	15,218	16,371	17,515	18,630	19,942
Millenia	1,320	1,492	1,665	1,837	2,010
Lake Nona	7,893	8,408	8,842	9,345	9,848
Total plant, net	<u>\$ 55,128</u>	<u>\$ 58,442</u>	<u>\$ 60,649</u>	<u>\$ 63,978</u>	<u>\$ 67,501</u>

ACTIVE SERVICES

Retail residential	2,485	2,482	2,483	2,386	2,376
Wholesale commercial	208	206	205	208	209
Total metered services	<u>2,693</u>	<u>2,688</u>	<u>2,688</u>	<u>2,594</u>	<u>2,585</u>

CHILLED WATER PHYSICAL STATISTICS

Pipe miles

Downtown	8.43	8.43	8.43	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	<u>17.82</u>	<u>17.82</u>	<u>17.82</u>	<u>17.77</u>	<u>17.77</u>

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	<u>50,915</u>	<u>50,915</u>	<u>50,915</u>	<u>50,915</u>	<u>50,915</u>

TON-HOURS PRODUCED (in thousands)

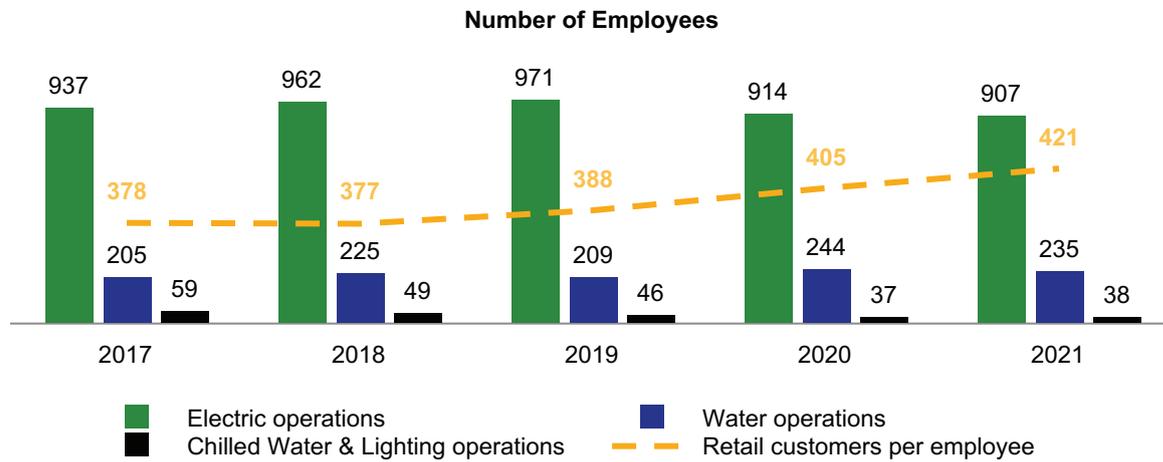
Downtown	42,218	41,203	43,321	42,270	43,622
Vistana	4,367	3,704	5,181	5,181	5,333
International Drive	69,131	64,696	73,463	73,750	69,854
Millenia	7,497	7,341	9,325	8,970	8,893
Lake Nona	11,247	11,548	10,946	10,865	10,644
Total TON hours produced¹	<u>134,460</u>	<u>128,492</u>	<u>142,236</u>	<u>141,036</u>	<u>138,346</u>

¹ In 2020 and 2021, 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.

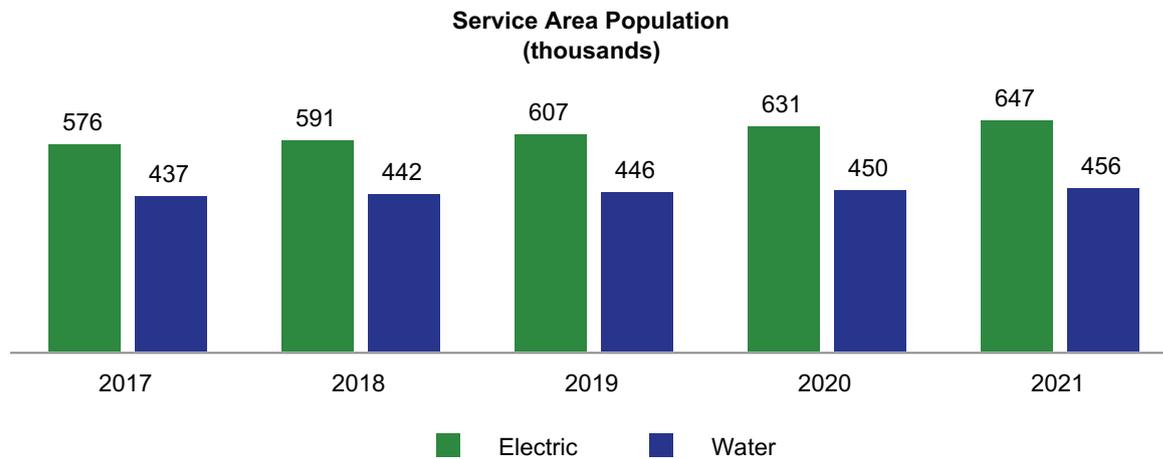


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Statistical Information



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.



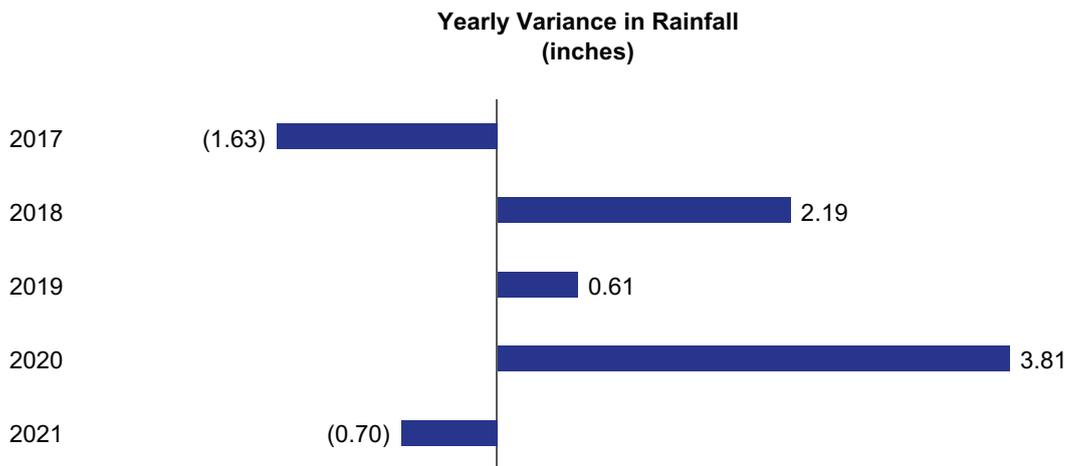
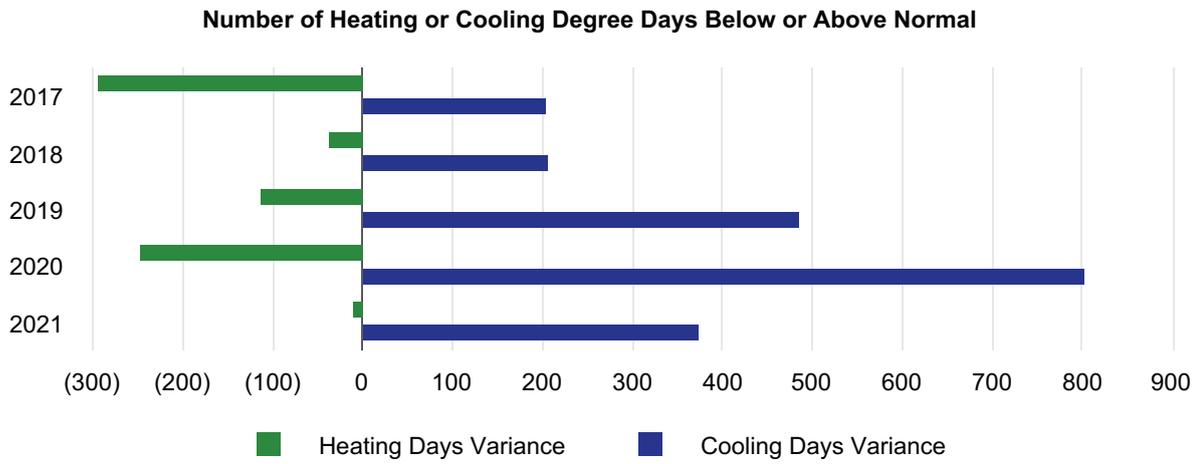
The Electric System Service Territory: The Electric System provides energy to customers within the City of Orlando and certain contiguous portions of Orange County and the City of St. Cloud, which is located in Osceola County, and certain contiguous portions of Osceola County. OUC's service territory 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, 2021

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	\$50.0 million above the \$2.0 million retention for the general liability and automobile liability	10-01-2020 / 09-30-2021
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-2020 / 09-30-2021
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	10-01-2020 / 09-30-2021
Factory Mutual	All risk property/boiler and machinery	\$2.7 billion insurable values \$250 thousand base retentions, various retentions depending on machinery	10-01-2020 / 09-30-2021
Florida Municipal Insurance Trust (FMIT)	Excess worker's compensation	Statutory limit of liability above a \$500 thousand per occurrence retention	10-01-2020 / 09-30-2021
Zurich Insurance Group	Dishonesty, disappearance & destruction (crime)	\$10.0 million	10-01-2020 / 09-30-2021

*All coverages with an expiration date of 09-30-2021 have been renewed through 09-30-2022.



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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.

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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