

2023 FINANCIAL AND STATISTICAL REPORT



OUC100
A Century of Reliability

Orlando Utilities Commission 2023 Financial and Statistical Report

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Years Ended September 30, 2023 - 2019

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



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General Information

OUC—the Reliable One is the second largest municipal utility in Florida, providing a portfolio of utility services to more than 278,826 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 eight generation units, a transmission station with 38 substations and approximately 398 miles of transmission lines and cables. The combined system encompasses 419 square miles and has 276,751 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. On October 1, 2021, OUC's groundwater allocation was reduced to 100.1 mgd as a result of complexities associated with the execution of the required mitigation project included as a provision of the first 20-year CUP. In addition, the District's preliminary current groundwater modeling indicates that OUC's use of groundwater over 82.2 mgd may have negative impacts on certain sensitive lakes and springs in central Florida. These new results will require OUC to develop mitigation initiatives for pumping over the 82.2 mgd levels needed to serve its water customers. OUC currently pumps an average of 88.7 mgd. To address the potential reduction in water supply, the evaluation of securing resources from the lower-lower aquifer continues along with a variety of additional conservation measures including water price increases implemented in April 2021 and October 1, 2023 focused on increasing tier pricing for high usage customers.

OUC also provides ancillary services including chilled water, lighting, back-up generation, electric vehicle charging and solar services and solutions that serve the City and surrounding counties. Chilled water provides air conditioning for large commercial customers through a network of ten chilled water plants in five districts with a total capacity of 61,310 tons with two additional customer-sited facilities operated through contractual custodial agreements expanding capacity to 81,310 tons. Lighting services are provided to both municipalities and commercial partners for the installation and maintenance of indoor and outdoor lighting resources.

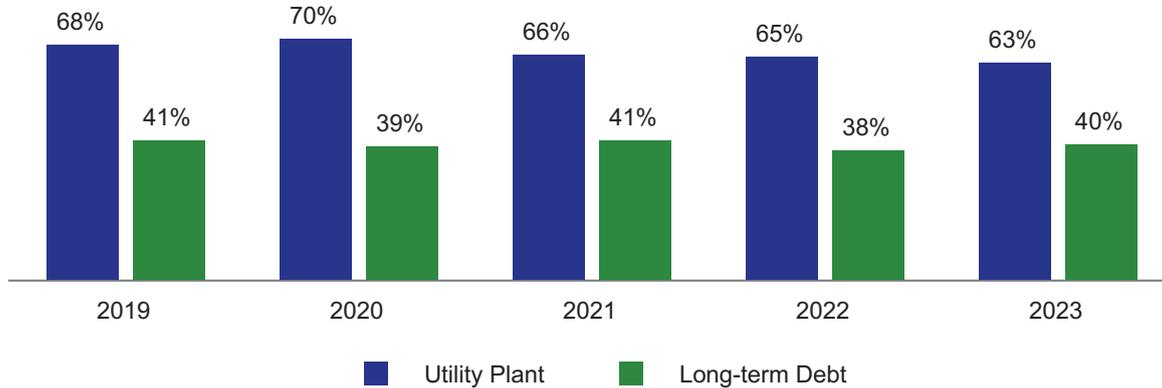
The information presented in the following pages represents OUC's financial and operational information for the periods of 2019-2023 and, where appropriate, amounts have been reclassified to conform to the 2023 presentation. Generally, narratives have been provided for changes greater than 20.0 percent when comparing 2023 to 2022 and 2019.



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Combined Business Operations

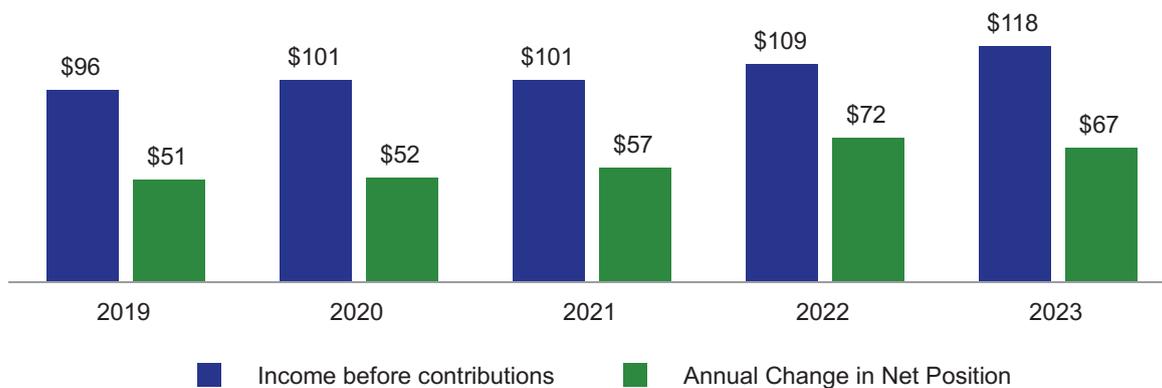
Statement of Net Assets Highlights



Utility Plant and Long-term Debt:

- As an infrastructure intensive industry, Utility Plant 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 and monthly affirmative Board agenda actions.
- Beginning in 2020, and in conjunction with the adoption of the Electric Integrated Resource Plan, utility plant has decreased in alignment with our Path to Clean Energy strategic initiative developed to achieve our net zero CO₂ emission goals by 2050 with interim 2030 and 2040 goals of 50 percent and 75 percent reductions in emissions, respectively. Beyond revising the remaining useful life of the SEC Unit 1 coal-fired generation facility in advance of its planned retirement in 2025, utility plant has decreased as a result of the retirement of the McIntosh Unit 3 coal-fired generation facility and the impact of diversifying utility plant assets through the execution of utility-scale solar purchase power agreements.
- Funding for a portion of Utility Plant is secured through the issuance of long-term debt which is presented for Board approval subsequent to review by the Audit-Finance Committee. In 2023, OUC issued long-term debt to support the 2024 Capital Plan and also implemented a 1.0 percent customer price increase to support the Path to Clean Energy, the strategic initiative designed to enable achieving our Net Zero Carbon Emission goals in alignment with the Board adopted Electric Integrated Resource Plan.

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



Income Before Contributions and Annual Change in Net Position:

- Income before contributions has increased consistent with the Board approved return on equity within the approved target range of 8.5 percent and 10.5 percent.
- Beyond income before contributions, annual dividend payments are paid and contributions in aid of construction are received. The increases in 2022 and 2023 are primarily driven by increased developed contributions in aid of construction reflecting the strong community growth in the Central Florida area.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2023	2022	2021	2020	2019
Assets					
Utility plant, net					
Utility plant in service	\$ 4,775,253	\$ 4,691,091	\$ 4,510,530	\$ 4,536,258	\$ 4,471,769
Allowances for depreciation and amortization	(2,591,218)	(2,436,483)	(2,278,083)	(2,294,973)	(2,194,918)
Utility plant in service, net	2,184,035	2,254,608	2,232,447	2,241,285	2,276,851
Land and other non-depreciable assets ¹	146,407	115,456	141,714	84,313	83,171
Construction work in progress ^{1,2}	430,310	279,255	252,300	265,678	156,227
Total utility plant, net	2,760,752	2,649,319	2,626,461	2,591,276	2,516,249
Restricted and internally designated assets					
Restricted assets	225,038	134,521	253,877	47,199	70,490
Internally designated assets	636,500	566,631	576,473	496,404	541,458
Total restricted and internally designated assets ³	861,538	701,152	830,350	543,603	611,948
Current assets					
Cash and investments	31,501	4,506	52,526	36,528	40,158
Customer receivables, net	94,166	104,606	81,018	66,121	80,679
Miscellaneous receivables, net	15,574	23,137	14,606	25,709	8,003
Accrued utility revenue	45,287	46,605	38,990	37,961	37,515
Fuel for generation	26,660	30,121	15,486	23,037	26,787
Materials and supplies inventory, net ⁴	62,527	54,037	47,670	43,711	40,736
Accrued interest receivable	2,330	1,840	716	1,307	3,094
Prepaid and other expenses ⁵	21,903	7,365	6,866	10,744	26,141
Hedging derivative instruments maturing within one year ⁶	3,708	20,136	18,903	2,343	—
Total current assets	303,656	292,353	276,781	247,461	263,113
Other assets					
Regulatory assets ⁷	83,836	135,583	91,642	119,884	162,337
Other long-term assets ^{5,9}	125,757	152,752	55,761	29,857	28,303
Hedging derivative instruments ⁶	38,810	58,205	20,209	2,406	—
Right of use assets, net	14,827	19,766	19,398	20,181	—
Lease receivable	15,970	14,444	14,790	15,365	—
Total other assets	279,200	380,750	201,800	187,693	190,640
Total assets	4,205,146	4,023,574	3,935,392	3,570,033	3,581,950
Deferred outflows of resources					
Accumulative decrease in fair value of hedging derivatives ⁶	6,148	1,205	4,385	25,230	12,508
Fair value retirement obligation asset ⁹	—	—	—	5,805	6,062
Unrealized pension and postretirement benefits contributions and losses ¹⁰	125,695	32,018	27,668	37,970	46,752
Unamortized loss on refunded bonds	24,352	32,084	41,558	51,195	34,050
Total deferred outflows of resources	156,195	65,307	73,611	120,200	99,372
Total assets and deferred outflows of resources	\$ 4,361,341	\$ 4,088,881	\$ 4,009,003	\$ 3,690,233	\$ 3,681,322

¹ OGS Units 1 and 3 continue to be included in non-depreciable assets with Unit 1 being energized in December 2023 and Unit 3 planned for commercial operations by 2025.

² Higher than average construction work in progress was the result of several large transmission projects and development of the new St. Cloud Joint Use Facility coupled with impacts from labor and material resource constraints.

³ Restricted and internally designated assets increased due to the issuance of Series 2023A Bonds offset by the spend down of funding to support the 2023 Capital Plan and the replenishment of fuel reserves.

⁴ In 2023 and 2022, materials and supply inventory increased due to a ramp up in transmission projects coupled with the impacts of inflation.

⁵ In 2023, prepaid and other expenses increased as a result of the reclassification of long-term service agreement costs in alignment with the planned outage scheduled for SEC Unit A in 2024.

⁶ In 2023, there was a decrease in the value of unrealized fuel hedge derivatives as a result of lower fuel commodity prices.

⁷ In 2023, regulatory assets decreased due to the recovery of \$53.3 million of advanced customer funds and the recognition of MC3 decommissioning costs in the amount of \$13.6 million offset by the establishment of a regulatory asset in the amount of \$34.1 million associated with the closure and post-closure costs of the SEC landfill.

⁸ Other long-term assets increased \$55.0 million and \$45.3 million in 2023 and 2022, respectively, for the recognition of two customer-sited chilled water facilities and a back-up generation system for which OUC maintains custodial responsibilities offset by benefit plan investment valuation changes offset by the reclassification of long-term service agreement costs.

⁹ 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.

¹⁰ Deferred unrealized pension and postretirement benefits losses increased due to unfavorable, market-driven benefit trust valuations.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2023	2022	2021	2020	2019
Liabilities					
Current liabilities - payable from restricted and designated assets					
Current portion of long-term debt	\$ 74,875	\$ 79,915	\$ 82,050	\$ 73,930	\$ 60,340
Accrued interest payable on notes and bonds	29,378	27,462	28,756	24,892	29,283
Customer meter deposits	63,445	62,054	60,019	57,925	57,164
Total payable from restricted and designated assets	167,698	169,431	170,825	156,747	146,787
Current liabilities - payable from current assets					
Account payable and accrued expenses ¹	91,496	197,628	116,636	67,856	62,832
Billings on behalf of state and local governments	25,260	23,858	21,731	19,748	20,563
Compensated absences and accrued wages	20,231	19,972	17,477	17,758	15,362
Accrued governmental payments	3,766	3,090	2,946	2,985	2,937
Hedging derivative instruments maturing within one year	1,894	1,205	—	96	4,063
Total payable from current assets	142,647	245,753	158,790	108,443	105,757
Total current liabilities	310,345	415,184	329,615	265,190	252,544
Other liabilities and credits					
Pension and net postretirement benefits liability ²	108,964	—	48,023	88,054	89,068
Asset retirement obligation and other liabilities ³	171,281	120,980	96,900	97,466	87,042
Lease liability ⁴	12,329	16,971	16,173	16,727	—
Hedging derivative instruments	4,254	—	—	1,722	3,503
Total other liabilities and credits	296,828	137,951	161,096	203,969	179,613
Total long-term debt, net					
Bond and note principal ⁵	1,612,185	1,441,930	1,521,845	1,312,005	1,389,180
Unamortized premium	113,715	99,850	118,967	103,903	92,866
Fair value of derivative instruments	—	—	4,385	23,412	22,633
Total long-term debt, net	1,725,900	1,541,780	1,645,197	1,439,320	1,504,679
Total liabilities	2,333,073	2,094,915	2,135,908	1,908,479	1,936,836
Deferred inflows of resources					
Unrealized pension and postretirement benefits gains ²	34,103	117,113	60,679	28,704	54,072
Accumulated increase in fair value of hedging derivatives ⁶	42,519	78,341	39,112	4,749	—
Regulatory credits ⁷	239,252	155,042	201,064	233,003	243,238
Unamortized gain on refunded bonds	581	853	1,125	855	1,034
Lease revenue ⁴	16,781	14,900	15,474	16,025	—
Total deferred inflows of resources	333,236	366,249	317,454	283,336	298,344
Net position					
Net invested in capital assets	1,247,173	1,239,258	1,236,483	1,236,286	1,102,332
Unrestricted	447,859	388,459	319,158	262,132	343,810
Total net position	1,695,032	1,627,717	1,555,641	1,498,418	1,446,142
Total liabilities and deferred inflows of resources and net position	\$ 4,361,341	\$ 4,088,881	\$ 4,009,003	\$ 3,690,233	\$ 3,681,322

¹ In 2023, accounts payable decreased due to lower fuel commodity prices, a decrease in counter-party fuel hedge derivative margin advances and the settlement of prior year emergency response expenses from Hurricane Ian.

² In 2023, the pension and net postretirement benefits (OPEB) liability increased while the deferred inflows of resources decreased as a result of unfavorable market results.

³ In 2023, asset retirement obligations and unapplied contributions in aid of construction increased in conjunction with updated fossil-fuel landfill closure costs and increased construction commitments, respectively.

⁴ GASB Statement 96, "Subscription-Based Information Technology Arrangements" (SBITA) was implemented in 2023 which included a restatement in 2022 and GASB Statement No. 87, "Leases" was implemented in 2021, which included a restatement of 2020.

⁵ Bond and note principal increased due to the issuance of the 2023A Bonds.

⁶ In 2023, there was a decrease in unrealized gains related to fuel hedge derivatives as a result of lower fuel commodity prices.

⁷ In 2023, the increase resulted from the recovery of customer advanced funds and the replenishment of the fuel reserves.

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

Years Ended September 30	2023	2022	2021	2020	2019
Operating revenues					
Electric revenues ¹	\$ 921,611	\$ 1,014,592	\$ 813,191	\$ 740,764	\$ 766,862
Water revenues ²	93,697	91,793	86,050	80,342	77,556
Lighting revenues	18,242	17,823	17,496	16,241	15,364
Chilled water revenues ³	42,918	35,304	31,321	29,107	31,544
Operating revenues before regulatory action	1,076,468	1,159,512	948,058	866,454	891,326
Regulatory action ¹	(4,000)	(25,000)	(1,669)	150	5,954
Total operating revenues	1,072,468	1,134,512	946,389	866,604	897,280
Operating expenses					
Fuel for generation and purchased power ⁴	364,429	467,974	294,988	257,111	288,552
Electric and water production	94,971	92,680	94,285	95,050	102,551
Transmission and distribution ⁵	59,197	49,992	51,232	51,417	53,094
Lighting	5,117	4,904	4,356	4,281	4,320
Chilled water ³	23,559	17,084	15,512	15,113	17,097
Customer service ⁶	31,738	39,484	43,240	41,167	42,933
General and administrative ⁶	90,387	71,935	76,374	60,942	64,241
Emergency response expenses ⁷	825	4,540	327	7,622	2,725
Depreciation and amortization ⁸	179,404	166,994	161,113	153,877	144,801
Utility/property tax ⁹	23,668	18,798	17,192	17,298	17,372
Revenue based payments to the City of Orlando ⁹	36,931	30,107	29,269	29,762	29,347
Revenue based payments to Orange County ⁹	2,088	1,727	1,564	1,524	1,547
Revenue based and system use payments to the City of St. Cloud ⁹	8,866	8,467	8,020	7,580	7,009
Total operating expenses	921,180	974,686	797,472	742,744	775,589
Operating income	151,288	159,826	148,917	123,860	121,691
Non-operating income and (expense)					
Interest income ¹⁰	24,962	6,268	6,588	12,653	12,628
Other income, net	7,468	6,805	7,142	10,576	10,698
Amortization of gain on sale of assets ¹¹	—	—	—	5,749	5,040
Interest expense, net	(51,413)	(45,917)	(47,450)	(51,598)	(54,217)
Generation decommissioning ¹²	(14,615)	(18,375)	(13,946)	—	—
Total non-operating expenses, net	(33,598)	(51,219)	(47,666)	(22,620)	(25,851)
Income before contributions	117,690	108,607	101,251	101,240	95,840
Contributions in aid of construction (CIAC)	19,832	26,967	17,803	16,764	18,818
Annual dividend	(70,207)	(63,498)	(61,831)	(65,728)	(63,362)
Increase in net position	67,315	72,076	57,223	52,276	51,296
Net position - beginning of year	1,627,717	1,555,641	1,498,418	1,446,142	1,394,846
Net position - end of year	\$ 1,695,032	\$ 1,627,717	\$ 1,555,641	\$ 1,498,418	\$ 1,446,142

¹ Electric operating revenues decreased due to declining fuel commodity costs offset by customer growth and unplanned wholesale revenue opportunities allowing for the Board approved regulatory action to defer \$4.0 million of electric revenues.

² Water revenues have continued to increase as a result of focused pricing initiatives over the past several years including conservation focused increases for high usage customers.

³ Chilled water revenues and expenses increased primarily due to the commencement of operations at one of the customer-sited chilled water facilities.

⁴ Fuel for generation and purchased power decreased as a result of easing lower natural gas costs.

⁵ In 2023, transmission and distribution increased due to resuming scheduled line clearing cycles which were paused during the pandemic and the impacts of inflation.

⁶ In 2023, a change in methodology was implemented in the allocation of benefit expenses from each of the business segments to the general and administrative segment coupled with an increase in employee benefit costs from market valuation changes.

⁷ In 2023 and 2022, OUC incurred emergency response expenses, net of anticipated FEMA reimbursements, as a result of the damages suffered from Hurricane Idalia and Ian, respectively. In 2020, expenses, net of anticipated FEMA reimbursements, were incurred to protect its employees during the pandemic. Hurricane Dorian costs were also recognized in 2020.

⁸ In 2023, depreciation expense increased due to the acceleration of depreciation for certain electric assets to align with the Path to Clean Energy and the disposal of water assets to support advancing technologies increasing water production capabilities.

⁹ In 2023, revenue based payments to the City of Orlando and utility tax payments increased consistent with the increase in retail electric fuel price increases implemented in the prior and current fiscal years.

¹⁰ Interest income increased due to the recognition of revenues from the new customer-sited chilled water plant and back-up generation operated through long-term custodial contractual agreements and interest income from rising interest rates in the amount of \$7.9 million and \$10.8 million, respectively.

¹¹ Beginning in 2021, the amortization of gains on sale of assets was deferred in anticipation of aligning with the Path to Clean Energy.

¹² In April 2021, the McIntosh 3 generation facility was retired and a Board approved regulatory action was approved to allow for the recognition of its net book value through 2024, the original asset life.

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

	2023	2022	2021	2020	2019
Cash flows from operating activities					
Cash received from customers	\$ 1,235,406	\$ 993,021	\$ 898,750	\$ 870,129	\$ 909,512
Cash paid for fuel and purchased power	(445,118)	(419,867)	(247,423)	(255,158)	(301,941)
Cash paid for unit/department expenses excluding salaries and benefits	(107,273)	(92,798)	(62,381)	(73,325)	(99,431)
Cash paid for salaries and benefits	(197,113)	(173,117)	(185,062)	(175,405)	(175,679)
Cash (paid)/received for emergency response expenses	(6,749)	(2,733)	12,492	(9,091)	(2,102)
Cash paid to other governments and taxes	(70,877)	(58,956)	(56,083)	(56,115)	(55,310)
Net cash provided by operating activities ¹	408,276	245,550	360,293	301,035	275,049
Cash flows from non-capital related financing activities					
Dividend payment	(70,207)	(63,498)	(61,831)	(65,728)	(63,362)
Pension bond principal and interest payments	—	—	—	—	(5,143)
Build America Bond interest subsidy received	1,882	3,737	5,620	1,865	3,043
Net cash used in non-capital related financing activities	(68,325)	(59,761)	(56,211)	(63,863)	(65,462)
Cash flows from capital related financing activities					
Utility plant net of contributions in aid of construction	(272,879)	(210,326)	(223,910)	(201,750)	(168,711)
Debt interest payments	(61,180)	(58,736)	(52,765)	(62,501)	(64,317)
Collateral deposits received/(paid)	—	—	15,146	(7,000)	(8,146)
Principal payments and refunding costs on long-term debt	(79,915)	(82,050)	(96,251)	(182,562)	(129,769)
Debt issuances	276,670	—	349,101	122,222	65,944
Debt issuances expenses	(2,563)	(1,023)	(3,132)	(848)	(1,109)
Net cash used in capital related financing activities ²	(139,867)	(352,135)	(11,811)	(332,439)	(306,108)
Cash flows from investing activities					
Proceeds from sales and maturities of investment securities	270,223	325,311	238,780	407,336	379,206
(Loss)/Gain on sale of investments	(1,963)	(1,847)	1,803	4,058	—
Purchases of investment securities	(414,156)	(391,699)	(349,887)	(317,757)	(293,287)
Investments and other income (paid)/received	(17,453)	17,329	14,868	16,872	35,275
Net cash (used in)/provided by investing activities ³	(163,349)	(50,906)	(94,436)	110,509	121,194
Net (decrease)/increase in cash and cash equivalents	36,735	(217,252)	197,835	15,242	24,673
Cash and cash equivalents - beginning of year	229,940	447,192	249,357	234,115	209,440
Cash and cash equivalents - end of year	\$ 266,675	\$ 229,940	\$ 447,192	\$ 249,357	\$ 234,113
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 151,288	\$ 159,826	\$ 148,917	\$ 123,860	\$ 121,691
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization of plant charged to operations	179,404	166,994	161,113	153,877	144,801
Depreciation and amortization charged to fuel for generation and purchased power	2,501	3,690	2,602	3,490	2,953
Depreciation of vehicles and equipment charged to unit/department expenses	2,097	2,153	2,106	2,371	2,651
Changes in assets and liabilities					
Decrease/(Increase) in receivables and accrued revenue	22,108	(39,035)	(22,928)	7,609	20,082
(Increase)/Decrease in fuel and materials and supplies inventories	(431)	(13,513)	16,459	9,685	(3,594)
(Decrease)/Increase in accounts payable	(93,391)	85,238	38,733	(2,545)	(1,275)
Increase/(Decrease) in deposits payable and liabilities	2,633	(7,791)	19,772	(545)	(5,759)
Increase/(Decrease) in stabilization and deferred credits	142,067	(112,012)	(6,481)	3,233	(6,501)
Net cash provided by operating activities	\$ 408,276	\$ 245,550	\$ 360,293	\$ 301,035	\$ 275,049
Reconciliation of cash and cash equivalents					
Restricted and internally designated cash and cash equivalents	\$ 221,089	\$ 199,381	\$ 418,031	\$ 248,842	\$ 229,834
Cash and investments	45,485	30,559	29,161	515	4,279
Cash and cash equivalents - end of year	\$ 266,574	\$ 229,940	\$ 447,192	\$ 249,357	\$ 234,113
Non-cash investing, capital and financing activities					
Increase in donated utility plant assets ⁴	\$ 2,748	\$ 9,097	\$ 2,341	\$ 4,215	\$ 4,141
Increase/(Decrease) in fair value of investments	\$ 6,491	\$ (26,367)	\$ (6,316)	\$ 6,762	\$ 4,451
(Decrease)/Increase in accounts payable related to utility plant purchases	\$ (10,221)	\$ 2,888	\$ 4,231	\$ 3,127	\$ 89
Decrease in fair value of retirement obligation asset	\$ —	\$ —	\$ (5,548)	\$ —	\$ —

¹ Net cash provided by operating activities increased \$162.8 million due to increased fuel revenues driven by higher pass-through fuel expenses offset by an increase in salaries and benefits expenses, unit department expenses from rising supply cost due to inflation, and payments to other governments and taxes resulting from higher retail electric prices.

² Net cash used in capital related financing activities decreased \$212.3 million primarily due to the issuance of the Series 2023A in the amount of \$276.7 million.

³ Net cash used in investing activities increased \$112.4 million as a portion of the proceeds from the Series 2023A bonds were used to support capital activities.

⁴ Donated assets decreased from prior year due to one-time water asset contributions stemming from two major expansion projects in 2022.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2023	2022	2021	2020	2019
Current ratio					
Current assets/current liabilities ¹	3.03	2.07	2.59	2.79	3.11
Days cash on hand ²	246	180	264	234	252
Leverage ratio					
Total debt/total assets	0.41	0.40	0.43	0.41	0.43
Return on total position					
Income before contributions/total assets	2.71 %	2.67 %	2.53 %	2.74 %	2.60 %
Return on net position					
Income before contributions/average net position	7.24 %	6.82 %	6.63 %	6.88 %	6.75 %
Debt/net position	50%/50%	48%/52%	51%/49%	49%/51%	51%/49%
City of Orlando revenue based payments and dividend ³	\$ 107,138	\$ 93,605	\$ 91,100	\$ 95,490	\$ 92,708
As a percentage of retail revenues	10.17 %	10.50 %	11.70 %	11.87 %	12.74 %
Retail receivables/retail billed revenues	8.37 %	9.67 %	9.16 %	9.88 %	9.94 %
Bad debt expense/retail billed revenues (OUC) ⁴	0.21 %	0.77 %	(0.64)%	1.43 %	0.22 %
Bad debt expense/retail revenues (Interlocal sales) ⁴	0.21 %	0.68 %	(0.84)%	1.42 %	0.11 %
Day sales uncollected (OUC) ⁴	30	35	34	37	37
Day sales uncollected (Interlocal sales) ⁴	31	36	29	29	32
Materials inventory as a percentage of total plant ⁵	2.26 %	2.04 %	1.81 %	1.69 %	1.62 %
Total metered services per meter reader (OUC)	46,125	45,117	43,799	42,422	41,433

¹ In 2023, the ratio increased due to lower fuel and emergency response payables coupled with increased fuel reserves.

² In 2023, the increase was driven by the recovery of customer advanced funds and the replenishment of fuel reserves.

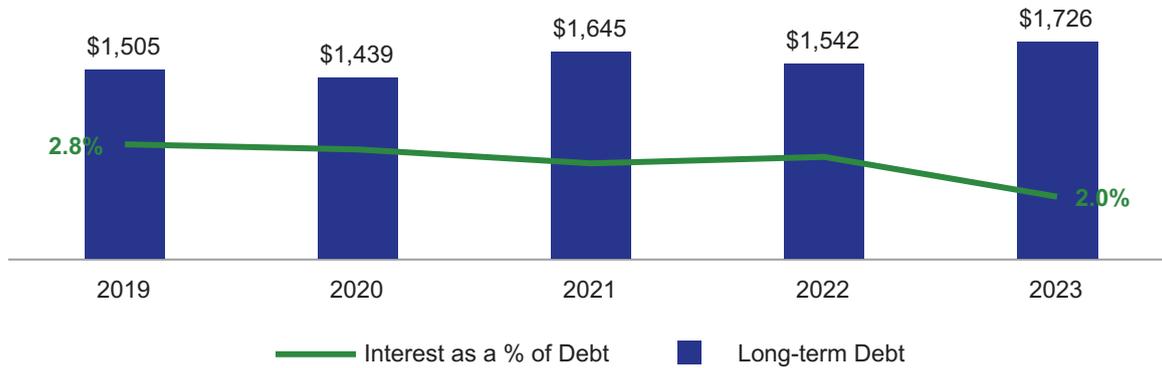
³ In 2023, the increase was driven by an increase in retail electric revenues coupled with the return on equity adjusting back to the target range.

⁴ In 2020, additional reserves in response to the anticipated COVID-19 economic impacts were recognized and beginning in 2021, and through 2023, reserves were reduced to reflect the steady progress of collections including the leveraging of funds designated from the Customer Relief Program.

⁵ Beginning in 2022, material inventories increased due to the impacts of inflation coupled with the increasing demand to meet new service growth requirements.

Debt Service Information

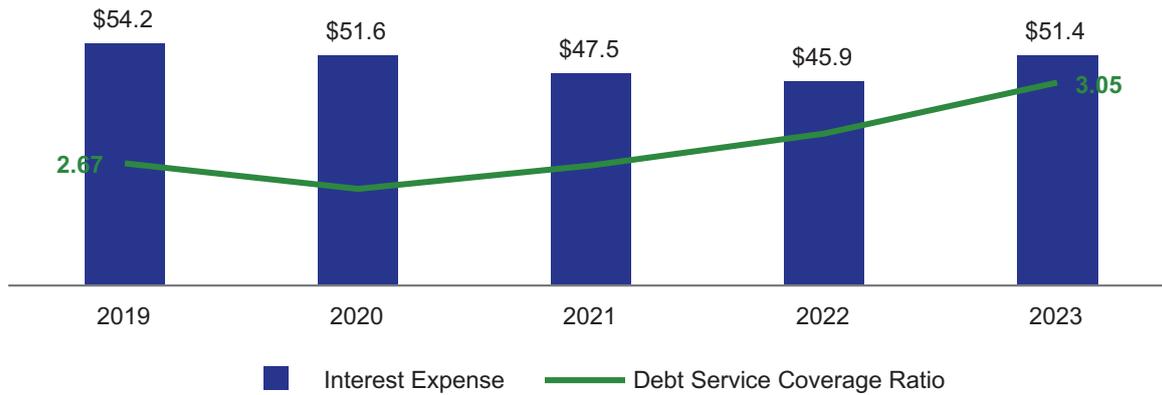
**Total Long-Term Debt & Annual Interest Expense
(millions)**



Long-term Debt & Annual Interest Expense:

- Total interest expense as a percentage of debt has declined steadily from 2.8 percent to 2.0 percent over the past five years reflecting OUC's efforts to capture market opportunities and deliver customer value.

**Debt Service Coverage Ratio and Interest Expense
(millions)**



Debt Service Coverage Ratio and Annual Interest Expense:

- OUC's annual debt service coverage ratio has increased from 2.67x to 3.05x over the past five years as a result of strong customer growth, increased investment income and ancillary revenue growth.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

PRINCIPAL AND INTEREST PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

Bond Series	Current														
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
2008															
Principal	\$ —	\$ —	\$ —	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ —	\$ —	
Interest	6,168	6,000	6,000	6,000	5,250	4,500	3,750	3,000	2,250	1,500	750	—	—	—	
2010A															
Principal	—	—	—	—	—	—	—	—	—	—	—	—	23,030	23,880	24,755
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	10,020	8,668
BAB	(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)	(3,307)	(2,861)
2012A															
Principal	15,135	15,155	15,175	495	515	—	—	—	—	—	—	—	—	—	—
Interest	2,314	1,557	799	40	21	—	—	—	—	—	—	—	—	—	—
2013A															
Principal	27,750	51,980	51,765	—	—	—	—	—	—	—	—	—	—	—	—
Interest	6,575	5,187	2,588	—	—	—	—	—	—	—	—	—	—	—	—
2015A															
Principal	—	—	—	—	—	7,250	8,050	8,890	9,770	10,700	11,670	18,595	19,980	—	—
Interest	4,745	4,745	4,745	4,745	4,745	4,745	4,383	3,980	3,536	3,047	2,512	1,929	999	—	—
2015B ²															
Principal	—	—	—	—	—	—	—	—	—	—	—	—	18,200	18,580	18,970
Interest	3,530	3,549	3,249	3,453	3,453	3,453	3,453	2,049	2,049	2,049	2,049	2,049	2,049	1,725	1,394
Swap interest	(1,533)	(1,500)	(1,200)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—	—	—	—	—	—
2016A															
Principal	9,605	—	—	—	—	5,415	5,680	5,965	6,265	6,515	6,770	—	—	—	—
Interest	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	10,860	11,405	11,975	
Interest	7,511	7,194	6,860	6,510	6,143	5,757	5,352	4,926	4,479	4,010	3,518	3,001	2,458	1,887	
2019A															
Principal	10,140	—	—	—	—	6,555	6,885	7,225	7,590	7,970	8,370	—	—	—	—
Interest	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	4,756	4,756	4,756	4,756	2,383	—	—	—	—	—	—	—	—	—	—
2021A ²															
Principal	—	—	—	—	—	4,900	5,145	5,405	5,675	5,955	6,255	165	—	2,825	
Interest	5,378	5,378	5,378	5,378	5,378	5,378	5,133	4,876	4,605	4,322	4,024	3,711	3,703	3,703	
2021B ²															
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest	1,886	1,886	1,886	1,886	1,886	1,886	3,772	3,772	3,772	3,772	3,772	3,772	3,772	3,772	
2021C ²															
Principal	5,895	1,780	1,865	1,965	2,065	—	—	—	—	—	—	—	—	—	—
Interest	679	281	192	98	202	—	—	—	—	—	—	—	—	—	—
2023A															
Principal	—	—	—	—	—	6,865	7,205	7,565	7,945	8,340	8,760	9,195	9,655	10,140	
Interest	—	15,627	12,257	12,257	12,257	12,257	11,913	11,553	11,175	10,778	10,361	9,923	9,463	8,980	
Total long-term debt	\$ 129,321	\$ 141,690	\$ 134,766	\$ 137,430	\$ 134,729	\$ 112,113	\$ 113,679	\$ 113,365	\$ 113,056	\$ 112,742	\$ 112,431	\$ 112,015	\$ 112,331	\$ 94,208	
Total principal	\$ 74,875	\$ 75,580	\$ 75,805	\$ 82,260	\$ 82,965	\$ 64,090	\$ 66,475	\$ 68,985	\$ 71,625	\$ 74,330	\$ 77,170	\$ 80,045	\$ 83,500	\$ 68,665	
Total interest	\$ 54,446	\$ 66,110	\$ 58,960	\$ 55,170	\$ 51,763	\$ 48,022	\$ 47,203	\$ 44,380	\$ 41,430	\$ 38,412	\$ 35,260	\$ 31,970	\$ 28,831	\$ 25,543	

TOTAL PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total principal	\$ 74,875	\$ 75,580	\$ 75,805	\$ 82,260	\$ 82,965	\$ 64,090	\$ 66,475	\$ 68,985	\$ 71,625	\$ 74,330	\$ 77,170	\$ 80,045	\$ 83,500	\$ 68,665
Total interest	59,716	71,347	63,898	60,311	56,905	53,164	52,345	48,117	45,168	42,149	38,998	35,707	32,138	28,404
Build America Bond	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,737)	(3,307)	(2,861)
Total swap interest	(1,533)	(1,500)	(1,200)	(1,404)	(1,404)	(1,404)	(1,404)	—	—	—	—	—	—	—
Total long-term debt	\$ 129,321	\$ 141,690	\$ 134,766	\$ 137,430	\$ 134,729	\$ 112,113	\$ 113,679	\$ 113,365	\$ 113,056	\$ 112,742	\$ 112,431	\$ 112,015	\$ 112,331	\$ 94,208

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 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	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	Total
2008													
Principal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 200,000
Interest	—	—	—	—	—	—	—	—	—	—	—	—	45,168
2010A													
Principal	25,665	26,615	27,590	48,465	—	—	—	—	—	—	—	—	200,000
Interest	7,266	5,813	4,306	2,744	—	—	—	—	—	—	—	—	174,706
BAB	(2,398)	(1,919)	(1,421)	(906)	—	—	—	—	—	—	—	—	(57,662)
2012A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	46,475
Interest	—	—	—	—	—	—	—	—	—	—	—	—	4,731
2013A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	131,495
Interest	—	—	—	—	—	—	—	—	—	—	—	—	14,350
2015A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	94,905
Interest	—	—	—	—	—	—	—	—	—	—	—	—	48,858
2015B²													
Principal	19,370	19,775	20,195	—	—	—	—	—	—	—	—	—	115,090
Interest	1,056	711	359	—	—	—	—	—	—	—	—	—	39,626
Swap interest	—	—	—	—	—	—	—	—	—	—	—	—	(9,849)
2016A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	46,215
Interest	—	—	—	—	—	—	—	—	—	—	—	—	14,319
2018A													
Principal	12,570	13,200	—	—	—	—	—	—	—	—	—	—	150,220
Interest	1,289	660	—	—	—	—	—	—	—	—	—	—	71,553
2019A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	54,735
Interest	—	—	—	—	—	—	—	—	—	—	—	—	19,777
2020A													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	95,115
Interest	—	—	—	—	—	—	—	—	—	—	—	—	21,406
2021A²													
Principal	3,215	3,680	18,060	19,785	9,575	10,055	10,270	10,510	10,760	11,015	—	—	143,250
Interest	3,562	3,401	3,217	2,495	1,703	1,224	1,011	767	517	262	—	—	84,501
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	3,181	2,576	1,956	1,320	668	—	—	70,045
2021C²													
Principal	—	—	—	—	—	—	—	—	—	—	—	—	13,570
Interest	—	—	—	—	—	—	—	—	—	—	—	—	1,450
2023A													
Principal	10,645	11,180	11,740	12,325	12,940	13,590	14,265	14,980	15,730	16,515	17,340	18,210	245,130
Interest	8,473	7,941	7,382	6,795	6,179	5,532	4,852	4,139	3,390	2,603	1,778	911	208,769
Total long-term debt	\$ 94,484	\$ 94,829	\$ 95,200	\$ 95,474	\$ 57,783	\$ 57,787	\$ 57,789	\$ 57,786	\$ 57,787	\$ 57,783	\$ 19,118	\$ 19,121	\$ 2,438,809
Total principal	\$ 71,465	\$ 74,450	\$ 77,585	\$ 80,575	\$ 46,130	\$ 47,850	\$ 49,350	\$ 50,925	\$ 52,560	\$ 54,250	\$ 17,340	\$ 18,210	\$ 1,687,060
Total interest	\$ 23,019	\$ 20,379	\$ 17,615	\$ 14,899	\$ 11,653	\$ 9,937	\$ 8,439	\$ 6,861	\$ 5,227	\$ 3,533	\$ 1,778	\$ 911	\$ 751,749
	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	Total
Total principal	\$ 71,465	\$ 74,450	\$ 77,585	\$ 80,575	\$ 46,130	\$ 47,850	\$ 49,350	\$ 50,925	\$ 52,560	\$ 54,250	\$ 17,340	\$ 18,210	\$ 1,687,060
Total interest	25,417	22,298	19,036	15,805	11,653	9,937	8,439	6,861	5,227	3,533	1,778	911	819,259
Build America Bond	(2,398)	(1,919)	(1,421)	(906)	—	—	—	—	—	—	—	—	(57,662)
Total swap interest	—	—	—	—	—	—	—	—	—	—	—	—	(9,849)
Total long-term debt	\$ 94,484	\$ 94,829	\$ 95,200	\$ 95,474	\$ 57,783	\$ 57,787	\$ 57,789	\$ 57,786	\$ 57,787	\$ 57,783	\$ 19,118	\$ 19,121	\$ 2,438,808



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DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2023	2022	2021	2020	2019
Gross revenue and income before contributions					
Operating revenues					
Electric operating revenues ¹	\$ 917,612	\$ 989,592	\$ 813,472	\$ 740,914	\$ 769,534
Water operating revenues	93,697	91,793	84,100	80,342	80,838
Lighting operating revenues	18,243	17,823	17,495	16,241	15,364
Chilled water operating revenues	42,919	35,304	31,322	29,107	31,544
Total operating revenues	<u>1,072,471</u>	<u>1,134,512</u>	<u>946,389</u>	<u>866,604</u>	<u>897,280</u>
Interest and other income	32,430	13,073	13,730	28,978	28,365
Gross revenue and income before contributions	<u>1,104,901</u>	<u>1,147,585</u>	<u>960,119</u>	<u>895,582</u>	<u>925,645</u>
Expenses					
Operating expenses					
Electric operating expenses ¹	620,963	703,796	534,805	492,661	528,247
Water operating expenses	46,710	43,467	43,976	43,296	43,606
Lighting operating expenses	5,961	5,477	5,079	4,990	4,833
Chilled water operating expenses	25,499	18,450	17,121	16,629	18,466
Total operating expenses	<u>699,133</u>	<u>771,190</u>	<u>600,981</u>	<u>557,576</u>	<u>595,152</u>
Other expenses	1,305	1,350	1,165	1,266	1,087
Total expenses	<u>700,438</u>	<u>772,540</u>	<u>602,146</u>	<u>558,842</u>	<u>596,239</u>
Net revenue and income available for debt service ¹	<u>\$ 404,463</u>	<u>\$ 375,045</u>	<u>\$ 357,973</u>	<u>\$ 336,740</u>	<u>\$ 329,406</u>
Current debt service	\$ 132,678	\$ 133,464	\$ 134,885	\$ 132,165	\$ 123,167
Current debt service coverage	3.05	2.81	2.66	2.55	2.67
Adjusted debt service coverage					
Net revenue and income available for debt service	\$ 404,463	\$ 375,045	\$ 357,973	\$ 336,740	\$ 329,406
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	109,226	95,332	92,664	97,014	94,255
Net revenue and income available after payments	<u>\$ 295,237</u>	<u>\$ 279,713</u>	<u>\$ 265,309</u>	<u>\$ 239,726</u>	<u>\$ 235,151</u>
Adjusted debt service coverage	2.23	2.09	1.97	1.81	1.91
Fixed or full charge coverage					
Net revenue and income available after payments	\$ 295,237	\$ 279,713	\$ 265,309	\$ 239,726	\$ 235,151
Fixed demand payments/purchased power	25,801	24,951	29,343	29,343	30,899
Net revenue and income available after payments and fixed charge coverage	<u>\$ 321,038</u>	<u>\$ 304,664</u>	<u>\$ 294,652</u>	<u>\$ 269,069</u>	<u>\$ 266,050</u>
Fixed and full charge coverage	2.03	1.92	1.81	1.67	1.73
Debt ratio					
Gross funded debt/Net fixed assets and net working capital	53.15 %	53.08 %	52.77 %	49.02 %	52.37 %
Net funded debt/Net fixed assets and net working capital	56.41 %	56.36 %	56.77 %	53.78 %	56.73 %
Operating ratio					
Total expenses/Total operating revenues ¹	65.31 %	68.09 %	63.63 %	64.34 %	66.45 %
Net take-down (%)					
Net revenue and income available for debt service/ Gross revenue and income before contributions	36.61 %	32.68 %	37.28 %	37.74 %	35.59 %
Debt service safety margin					
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	24.60 %	21.05 %	23.24 %	37.73 %	22.28 %

¹ In 2023, the decrease in electric operating revenues was primarily driven by lower fuel costs as fuel commodity prices decline throughout the year. The increase in net revenue and income available for debt service resulted from favorable customer growth and strong post-pandemic recovery of retail electric commercial sales. Included in this amount is the deferral of \$4.0 million and \$25.0 million in revenue in years 2023 and 2022, respectively.

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

Years Ended September 30	2023	2022	2021	2020	2019
Pension Plan					
Total pension liability					
Service cost	\$ 7,158	\$ 6,820	\$ 5,814	\$ 5,867	\$ 5,754
Interest on the total pension liability	35,753	35,816	36,079	35,407	34,492
Benefit changes	—	—	—	68	—
Difference between expected and actual experience	(600)	(640)	(2,073)	2,106	4,904
Assumption changes ¹	10,628	10,398	(9,708)	—	—
Benefit payments, including refunds of plan member contributions	(37,174)	(34,810)	(34,671)	(33,576)	(31,726)
Net change in total pension liability	15,765	17,584	(4,559)	9,872	13,424
Total pension liability - beginning of year	522,186	504,602	509,161	499,289	485,865
Total pension liability - end of year	\$ 537,951	\$ 522,186	\$ 504,602	\$ 509,161	\$ 499,289
Plan fiduciary net position					
Contributions - employer	\$ 17,678	\$ 19,173	\$ 22,405	\$ 22,491	\$ 22,614
Contributions - plan members	310	369	423	475	555
Total investment income, net of investment expense ²	(89,101)	95,240	46,228	17,599	37,039
Benefit payments, including refunds of plan member contributions	(37,174)	(34,810)	(34,671)	(33,576)	(31,726)
Administrative expense	(254)	(323)	(242)	(240)	(320)
Net change in plan fiduciary net position	(108,541)	79,649	34,143	6,749	28,162
Plan fiduciary net position - beginning of year	539,558	459,909	425,766	419,017	390,855
Plan fiduciary net position - end of year	\$ 431,017	\$ 539,558	\$ 459,909	\$ 425,766	\$ 419,017
Net pension liability - beginning of year	\$ (17,372)	\$ 44,693	\$ 83,395	\$ 80,272	\$ 95,010
Net pension liability/(asset) - end of year	\$ 106,934	\$ (17,372)	\$ 44,693	\$ 83,395	\$ 80,272
Plan fiduciary net position as a percentage of total pension liability	80.1%	103.3%	91.1%	83.6%	83.9%
Covered payroll	\$ 100,135	\$ 100,621	\$ 97,896	\$ 90,907	\$ 86,573
Net pension liability/(asset) as a percentage of covered payroll	106.8%	(17.3)%	45.7%	91.7%	92.7%
415(m) Plan ³					
(Dollars in thousands)					
	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 85	\$ 75	\$ 57	\$ 40	\$ 36
Interest on the total pension liability	71	80	82	99	91
Benefit changes	—	—	—	—	—
Difference between expected and actual experience	(585)	(190)	27	64	82
Assumption changes ¹	(603)	87	320	350	(96)
Benefit payments, including refunds of plan member contributions	(152)	(168)	(160)	(157)	(118)
Net change in total pension liability	(1,184)	(116)	326	396	(5)
Total pension liability - beginning of year	3,214	3,330	3,004	2,608	2,613
Total pension liability - end of year	\$ 2,030	\$ 3,214	\$ 3,330	\$ 3,004	\$ 2,608
Covered payroll	\$ 1,041	\$ 937	\$ 905	\$ 905	\$ 1,114
Total pension liability as a percentage of covered payroll ⁴	195.0 %	343.1 %	367.9 %	331.9 %	234.1 %

¹ For 2023, the actuarial annual investment return assumption was lowered from 7.0 percent to 6.75 percent and in 2022 from 7.25 percent to 7.0 percent, compounded annually and net of investment expenses. For 2021, actuarial assumption changes were made to salary increases and retirement, separation and mortality rates, based on an actuarial assumption study and experience review for the seven-year period ended September 30, 2019.

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.

⁴ Pension liability as a percentage of covered payroll reflects the limited number of plan participants in this legacy program.

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

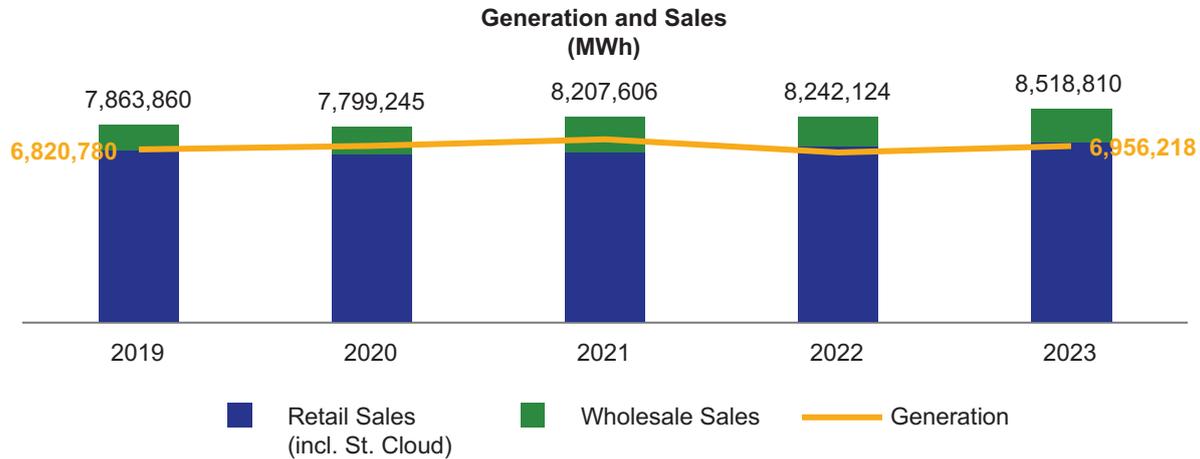
Years Ended September 30	2023	2022	2021	2020	2019
OPEB plan					
Total OPEB liability					
Service cost	\$ 889	\$ 1,039	\$ 1,174	\$ 1,186	\$ 1,308
Interest on the total OPEB liability	7,579	8,620	9,936	9,906	10,385
Change in benefit terms	—	—	(438)	—	—
Difference between expected and actual experience	(2,476)	(5,592)	2,899	(2,192)	(2,987)
Assumption changes ¹	12,716	(8,028)	(24,688)	(1,029)	(7,658)
Benefit payments, including refunds	(6,731)	(6,291)	(7,511)	(7,371)	(7,702)
Net change in total OPEB liability	11,977	(10,252)	(18,628)	500	(6,654)
Total OPEB liability - beginning of year	110,754	121,006	139,634	139,134	145,788
Total OPEB liability - end of year	\$ 122,731	\$ 110,754	\$ 121,006	\$ 139,634	\$ 139,134
Plan fiduciary net position					
Contributions - employer ⁵	\$ 1,133	\$ 1,185	\$ 3,682	\$ 7,022	\$ 9,068
Net investment income ²	(31,344)	31,313	14,953	5,399	10,956
Benefit payments, including refunds	(6,731)	(6,291)	(7,511)	(7,371)	(7,702)
Administrative expense	(3)	(17)	(17)	(17)	(18)
Net increase in plan fiduciary net position	(36,945)	26,190	11,107	5,033	12,304
Plan fiduciary net position - beginning of year	175,276	149,086	137,979	132,946	120,642
Plan fiduciary net position - end of year	\$ 138,331	\$ 175,276	\$ 149,086	\$ 137,979	\$ 132,946
Net OPEB liability/(asset) - beginning of year	\$ (64,522)	\$ (28,080)	\$ 1,655	\$ 6,188	\$ 25,146
Net OPEB liability/(asset) - end of year	\$ (15,600)	\$ (64,522)	\$ (28,080)	\$ 1,655	\$ 6,188
Plan fiduciary net position as a percentage of total OPEB liability	112.7 %	158.3 %	123.2 %	98.8 %	95.6 %
Covered payroll	\$ 100,061	\$ 100,721	\$ 98,058	\$ 91,035	\$ 86,892
Net OPEB liability/(asset) as a percentage of covered payroll	(15.6)%	(64.1)%	(28.6)%	1.8 %	7.1 %

⁵ Actuarially determined contribution amounts were calculated as of October 1 of the year preceding the contribution year. Since 2020, employer contributions decreased as a result of several variables, including favorable retiree medical claims experience, 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.



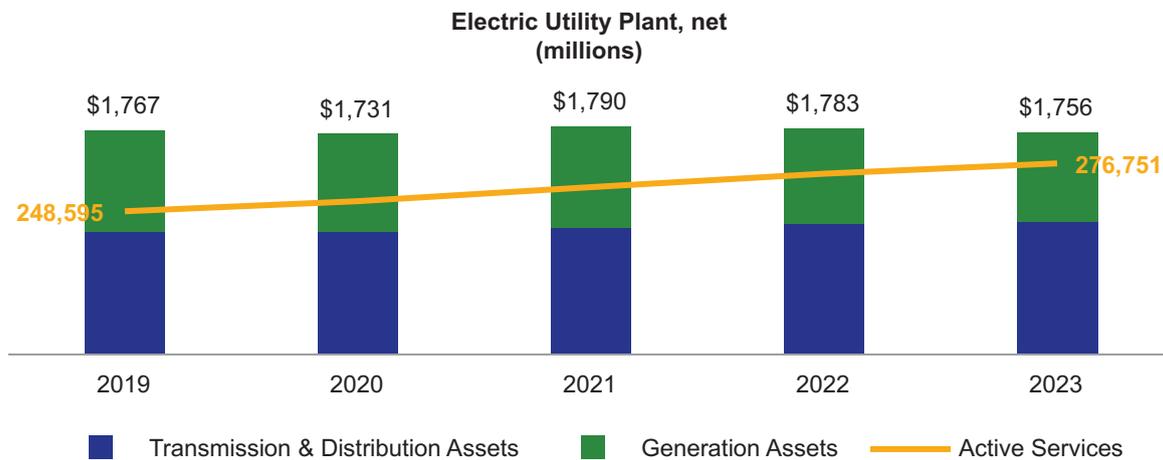
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Electric Business Operations



Generation and Sales:

- Energy generation and purchased power collectively satisfy the wholesale and retail demand.



Electric Utility Plant, net:

- The expansion of generation resources through the execution of renewable energy power purchase agreements has moderated the growth in generation facility assets. Offsetting this modified growth is the continued expansion of energy delivery and transmission utility plant to meet customer resiliency and reliability expectations and deliver customer value.

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

Years Ended September 30	2023	2022	2021	2020	2019
Operating Revenues					
Residential	\$ 272,981	\$ 323,307	\$ 267,921	\$ 247,115	\$ 241,157
Commercial - non-demand	52,282	60,323	49,225	44,910	47,318
Commercial - demand-secondary	299,324	333,943	264,702	243,027	265,792
Commercial - demand-primary	45,642	50,793	41,497	37,497	42,303
Non-metered lighting	3,235	5,269	4,483	4,323	4,465
Interlocal sales	133,300	105,673	95,082	88,134	84,137
Service fees and other	29,282	29,706	26,761	23,714	24,923
Operating revenues (excluding wholesale sales)	836,046	909,014	749,671	688,720	710,095
Wholesale sales	85,565	105,578	63,520	52,046	56,766
Regulatory action	(4,000)	(25,000)	281	150	2,673
Total operating revenues ¹	917,611	989,592	813,472	740,916	769,534
Operations and maintenance expenses					
Fuel and fixed demand payments ²	282,313	381,306	248,124	208,851	237,008
Purchased power and other power supply expenses ²	82,116	86,668	46,864	48,261	51,545
Production	77,881	76,834	80,223	80,600	87,418
Transmission	18,723	21,532	18,969	17,631	15,288
Distribution - OUC ³	28,261	18,729	22,641	22,875	26,269
Distribution - St. Cloud ³	3,906	2,650	1,942	2,591	2,444
Emergency response expenses ⁴	825	4,540	327	7,622	2,512
Customer Service ⁵	26,559	33,765	35,299	32,499	33,488
General & administrative ⁵	70,857	55,664	58,928	46,928	51,749
Total operations and maintenance expenses	591,441	681,688	513,317	467,858	507,721
Other expenses					
Utility/property tax ⁶	23,564	18,723	17,124	17,228	17,304
Revenue based payments to the City of Orlando ⁶	33,383	26,655	25,903	26,478	26,270
Revenue based payments to Orange County ⁶	1,889	1,548	1,403	1,368	1,379
Revenue based and system use payments to the City of St. Cloud	8,866	8,467	8,020	7,580	7,009
Depreciation and amortization ⁷	143,999	132,583	129,558	121,542	115,590
Total other expenses	211,701	187,976	182,008	174,196	167,552
Total operating expenses	803,142	869,664	695,325	642,054	675,273
Operating Income	114,469	119,928	118,147	98,862	94,261
Non-operating income and expenses					
Interest income ⁸	15,191	4,650	5,536	10,097	9,613
Other income, net	5,908	5,211	5,563	8,234	8,480
Amortization of deferred gain on sale of assets	—	—	—	5,749	5,024
Interest expense, net ⁹	(42,167)	(37,263)	(38,448)	(41,709)	(43,904)
Generation decommissioning	(14,615)	(18,375)	(13,946)	—	—
Total non-operating expense, net	(35,683)	(45,777)	(41,295)	(17,629)	(20,787)
Electric income before contributions	78,786	74,151	76,852	81,233	73,474
Contributions in aid of construction (CIAC)	3,926	4,313	5,255	2,997	5,590
Annual dividend	(46,998)	(46,267)	(46,930)	(52,738)	(48,577)
Increase to net position	\$ 35,714	\$ 32,197	\$ 35,177	\$ 31,492	\$ 30,487

¹ In 2023, the decrease was the result of lower fuel commodity costs offset by a combination of customer growth and unplanned short-term wholesale revenues allowing for the deferral of \$4.0 million of wholesale revenues. In 2022 and 2021, the revenues began to increase driven by a correlating increase in fuel commodity costs, a pass-through charge to the customer. Additionally in 2022, an increase in retail and resale non-fuel electric revenues resulting from warmer than normal weather and favorable customer growth allowed for the deferral of revenue of \$25.0 million.

² Fuel, fixed demand payment and purchased power decreased due to continued easing of natural gas commodity prices.

³ In 2023, transmission and distribution increased due to resuming scheduled line clearing cycles which were paused during the pandemic coupled with the impacts of inflation.

⁴ In 2023 and 2022, OUC incurred emergency response expenses, net of anticipated FEMA reimbursements, as a result of the damages suffered from Hurricane Idalia and Ian, respectively.

⁵ In 2023, a change in methodology was implemented in the allocation of benefit expenses from the various business segments to general and administrative segment coupled with an increase in employee benefit costs.

⁶ In 2023, revenue based payments to the City of Orlando and utility tax payments increased consistent with the increase in retail electric revenues coupled with the return on equity adjusting back to the target range.

⁷ 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 its Path to Clean Energy strategic initiative.

⁸ Interest income increased due to accounting guidance requiring the recognition of revenues from the new back-up generation facility operated through long-term custodial contractual agreements and interest income from rising interest rates.

⁹ In 2023, interest expense, net increased from the issuance of the 2023A Bonds.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2023	2022	2021	2020	2019
Profile of consumption & revenue by type of customer					
Residential service ¹					
kWh sales per customer	11,383	11,312	11,534	11,727	11,696
Revenue per customer	\$ 1,410	\$ 1,701	\$ 1,444	\$ 1,362	\$ 1,354
Revenue per kWh	\$ 0.1239	\$ 0.1504	\$ 0.1252	\$ 0.1161	\$ 0.1157
Commercial service - non-demand ¹					
kWh sales per customer	18,685	17,960	17,804	17,879	19,264
Revenue per customer	\$ 2,190	\$ 2,565	\$ 2,132	\$ 1,988	\$ 2,145
Revenue per kWh	\$ 0.1172	\$ 0.1428	\$ 0.1198	\$ 0.1112	\$ 0.1114
Commercial service - demand secondary ¹					
kWh sales per customer	666,944	643,646	608,151	586,018	588,293
Revenue per customer	\$ 63,808	\$ 70,193	\$ 54,730	\$ 48,840	\$ 50,982
Revenue per kWh	\$ 0.0957	\$ 0.1091	\$ 0.0900	\$ 0.0833	\$ 0.0867
Commercial service - demand primary ¹					
kWh sales per customer	17,839,748	17,959,462	18,273,655	17,741,556	18,642,382
Revenue per customer	\$ 1,722,343	\$ 1,953,568	\$ 1,627,318	\$ 1,470,462	\$ 1,596,358
Revenue per kWh	\$ 0.0965	\$ 0.1088	\$ 0.0891	\$ 0.0829	\$ 0.0856
Non-Metered lighting ²					
kWh sales per customer	502	712	720	729	740
Revenue per customer	\$ 37	\$ 60	\$ 52	\$ 51	\$ 54
Revenue per kWh	\$ 0.0728	\$ 0.0842	\$ 0.0721	\$ 0.0701	\$ 0.0731
Interlocal service					
kWh sales per customer	17,431	17,381	17,896	18,222	18,459
Revenue per customer	\$ 2,585	\$ 2,183	\$ 2,106	\$ 2,072	\$ 2,086
Revenue per kWh	\$ 0.1483	\$ 0.1256	\$ 0.1177	\$ 0.1137	\$ 0.1130
Selected financial expense statistics					
Total fuel and purchased power expense per kWh ³	\$ 0.0428	\$ 0.0568	\$ 0.0359	\$ 0.0330	\$ 0.0367
Total operations and maintenance expense (excluding fuel and purchased power) per kWh	0.0266	0.0259	0.0266	0.0270	0.0279
Total operations and maintenance expense per kWh	<u>\$ 0.0694</u>	<u>\$ 0.0827</u>	<u>\$ 0.0625</u>	<u>\$ 0.0600</u>	<u>\$ 0.0646</u>
Operations and maintenance expense per metered service ⁴					
Fuel, fixed demand, purchased power and other power supply expense	\$ 1,331	\$ 1,754	\$ 1,140	\$ 1,022	\$ 1,174
Production, transmission and distribution costs	470	449	479	492	535
Customer service expense	97	127	136	129	136
General and administrative expense	259	209	228	187	211
Total operations and maintenance expense	<u>\$ 2,157</u>	<u>\$ 2,539</u>	<u>\$ 1,983</u>	<u>\$ 1,830</u>	<u>\$ 2,056</u>

¹ In 2023, revenue per customer and revenue per kWh decreased due to retail electric fuel price decreases, a pass-through customer charge.

² In 2023, wiring configuration issues were identified and resulted in billing adjustments spanning multiple years. Excluding these adjustments, kWh sales per customer were 657, revenues per customer were \$48 and revenue per kWh was \$0.0724.

³ In 2023, total fuel expense per kWh decreased as natural gas commodity costs have decreased from prior year.

⁴ In 2023, total operations and maintenance expenses were lower due to decreased fuel and purchased power related to lower natural gas commodity costs offset by increased overall labor and benefit costs. Additionally, a change in methodology was implemented in the allocation of benefit expenses from the various business segments to general and administrative segment.

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2023	2022	2021	2020	2019
Electric operating ratio					
Electric operation and maintenance expenses/total operating revenues ¹	\$ 0.64	\$ 0.69	\$ 0.63	\$ 0.63	\$ 0.66
Electric expense ratio					
Total operating expenses/total electric sales (MWh) ¹	\$ 10.15	\$ 11.34	\$ 8.88	\$ 8.91	\$ 9.20
Total operating expenses, less fuel/total electric sales (MWh)	\$ 6.18	\$ 5.96	\$ 5.60	\$ 5.99	\$ 5.93
Electric income before contributions per revenue dollar					
Electric income before contributions/total operating revenues	\$ 0.09	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.10
ACTIVE SERVICES					
OUC retail metered services					
Residential	195,077	192,058	188,019	183,096	179,769
Commercial - non-demand	24,000	23,738	23,291	22,881	22,304
Commercial - demand - secondary	4,696	4,686	4,829	4,844	5,108
Commercial - demand - primary	27	26	26	25	26
Total OUC retail metered services	223,800	220,508	216,165	210,846	207,207
Interlocal services	52,951	50,194	46,629	43,686	41,388
Total OUC retail and interlocal metered services	276,751	270,702	262,794	254,532	248,595
Unmetered lighting fixtures					
Conventional	53,203	55,040	54,499	53,858	53,186
Convenient	32,482	30,742	29,813	28,768	27,580
St. Cloud	2,868	2,868	2,851	2,851	2,848
Total unmetered lighting fixtures	88,553	88,650	87,163	85,477	83,614
Total OUC retail, unmetered lighting and interlocal services	365,304	359,352	349,957	340,009	332,209
CONSUMPTION (MWh)					
OUC retail sales					
Residential	2,203,440	2,149,655	2,140,235	2,127,644	2,083,653
Commercial - non-demand	446,000	422,316	411,020	403,926	424,885
Commercial - demand - secondary	3,128,636	3,062,145	2,941,321	2,916,023	3,067,064
Commercial - demand - primary	472,753	466,946	465,978	452,410	494,023
Total OUC retail sales	6,250,829	6,101,062	5,958,554	5,900,003	6,069,625
Nonmetered lighting sales					
Conventional ²	21,205	35,161	34,797	34,456	33,699
Convenient ²	20,319	24,476	24,469	24,301	24,466
St. Cloud	2,927	2,936	2,905	2,913	2,903
Total nonmetered lighting sales	44,451	62,573	62,171	61,670	61,068
Interlocal sales	898,947	841,440	808,153	775,092	744,466
Total retail sales	7,194,227	7,005,075	6,828,878	6,736,765	6,875,159
Wholesale sales	1,324,584	1,237,049	1,378,728	1,062,480	988,701
Total electric sales	8,518,811	8,242,124	8,207,606	7,799,245	7,863,860

¹ In 2023, the electric operating and expense ratios decreased due to the decrease in fuel and purchased power costs resulting from lower natural gas commodity costs.

² In 2023, both conventional and convenient lighting issued billing adjustments related to billing errors spanning multiple years.

ELECTRIC GENERATION (MWh)

Years Ended September 30

	2023	2022	2021	2020	2019
Stanton Energy Center (SEC)					
Generation - steam	3,091,653	2,689,031	3,792,481	3,271,619	3,323,973
Generation - combined cycle	3,281,356	3,446,851	2,542,612	2,964,352	2,579,573
Total generation	6,373,009	6,135,882	6,335,093	6,235,971	5,903,546
Plant use - less participants' loss factor	313,110	279,252	304,876	297,837	289,148
Participants' reserve power	12,800	19,034	15,491	18,488	27,689
Delivered	6,047,099	5,837,596	6,014,726	5,919,646	5,586,709
McIntosh (MC3) ¹					
Generation - steam	—	—	377,290	225,074	420,753
Delivered	—	—	377,290	225,074	420,753
St. Lucie (SL2)					
Generation - nuclear	505,932	499,068	478,962	485,721	477,723
Plant use	12,091	11,928	11,447	11,609	11,418
Delivered	493,841	487,140	467,515	474,112	466,305
Osceola Generation Station (OGS)					
Generation - combustion turbines	11,304	12,598	—	—	—
Plant use	4,929	1,318	—	—	—
Delivered	6,375	11,280	—	—	—
Indian River					
Generation - combustion turbines	65,973	52,092	30,521	15,630	18,758
Plant use - less participants' loss factor	97	71	62	41	44
Participants' reserve power	5,090	5,059	5,348	5,408	5,612
Delivered	60,786	46,962	25,111	10,181	13,102
Generation					
Steam	3,091,653	2,689,031	4,169,771	3,496,693	3,744,726
Combined cycle	3,281,356	3,446,851	2,542,612	2,964,352	2,579,573
Nuclear	505,932	499,068	478,962	485,721	477,723
Combustion turbines	77,277	64,690	30,521	15,630	18,758
Total generation	6,956,218	6,699,640	7,221,866	6,962,396	6,820,780
Total plant use - less participants loss factor	330,227	292,568	316,385	309,487	300,610
Participants' reserve power	17,890	24,093	20,839	23,896	33,301
Total delivered	6,608,101	6,382,979	6,884,642	6,629,013	6,486,869
Purchases received ²	2,092,109	2,077,867	1,465,689	1,354,122	1,547,668
Available	8,700,210	8,460,846	8,350,331	7,983,135	8,034,537
Sales	8,518,810	8,242,124	8,207,606	7,799,245	7,863,860
Unsold generation	181,400	218,722	142,725	183,890	170,677
Unsold as a percentage of generation	2.61 %	3.26 %	1.98 %	2.64 %	2.50 %

¹ In January 2021, the City of Lakeland announced the shuttering of MC3 effective April 2021, three years in advance of the originally planned date of 2024.

² In 2023 and 2022, there was an increase in purchased power due to a combination of an increase in demand and fuel economies.

NET GENERATING CAPABILITY (Including major power purchase agreements)

Generating Facility (MW) Years Ended September 30

Name Plate Capacity	2023		2022		2021		2020		2019		
	Summer MW	Winter MW									
Stanton Energy Center (SEC)											
Unit 1 FS	425	311	311	312	312	312	312	305	305	302	304
Unit 2 FS	425	352	352	334	334	350	350	340	340	340	340
Unit A CC	633	184	189	187	188	184	188	184	188	184	188
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	88	83	88	83	89	83	89	83	88
Unit D CT	224	83	88	83	88	83	89	83	89	83	88
C.D. McIntosh, Jr. Plant (MC3)											
Unit 3 FS	364	—	—	—	—	—	—	133	136	133	136
Osceola Generation Station											
Unit 2 CT	170	157	157	—	—	—	—	—	—	—	—
St. Lucie Plant											
Unit 2 N	850	60	62	60	62	60	62	60	62	60	62
Total capability		1,554	1,590	1,541	1,573	1,396	1,433	1,511	1,551	1,509	1,549
Power purchase agreements		349	349	349	349	349	349	349	349	342	342
Total available		1,903	1,939	1,890	1,922	1,745	1,782	1,860	1,900	1,851	1,891
Firm commitments to other utilities ¹		(241)	(193)	(246)	(187)	(247)	(484)	(225)	(169)	(237)	(161)
Net available to OUC		1,662	1,746	1,644	1,735	1,498	1,298	1,635	1,731	1,614	1,730

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

PEAK DEMAND

Years Ended September 30

	2023		2022		2021		2020		2019	
	Summer MW	Winter MW								
Net peak demand (Net 60 minute integrated MW demand)	1,300	1,010	1,201	978	1,190	924	1,170	1,000	1,224	902
Gross peak demand (MW) (Instantaneous)	1,349	1,062	1,268	1,068	1,256	958	1,203	1,061	1,294	938
System load factor	2023 56		2022 60		2021 59		2020 60		2019 59	

GENERATION AVAILABILITY DATA

Years Ended September 30

	2023			2022			2021			2020			2019		
	CF	EAF	EFOR												
SEC															
Unit 1	44.0	88.0	3.0	46.0	89.0	1.0	59.1	89.1	6.0	41.1	78.1	0.9	57.9	82.0	6.3
Unit 2	54.0	95.0	1.0	40.0	85.0	3.0	62.6	86.4	2.4	66.3	95.5	0.6	55.8	74.6	4.0
Unit A	59.0	91.0	—	73.0	93.0	—	38.7	92.3	—	33.1	82.2	—	42.4	94.3	—
Unit B	72.0	85.0	1.0	77.0	93.0	1.0	57.1	83.3	0.1	73.2	88.2	0.1	60.8	86.7	5.6
IRP															
Unit A ²	—	96.0	56.0	—	82.0	90.0	—	97.2	—	—	94.3	—	0.1	96.1	—
Unit B ²	—	97.0	—	—	84.0	—	—	97.2	—	—	94.7	67.7	0.1	96.0	18.5
Unit C ²	5.0	79.0	3.0	2.0	65.0	—	2.2	95.1	0.6	0.7	95.9	—	1.7	96.2	—
Unit D ²	4.0	96.0	—	5.0	97.0	8.0	1.8	88.6	—	1.3	96.0	—	0.7	89.6	33.2
McIntosh															
Unit 3	—	—	—	—	—	—	32.1	93.0	3.8	19.1	52.9	49.3	35.8	60.9	11.2
Osceola Generation Station															
Unit 2	1.0	98.0	—	1.82	100	—	—	—	—	—	—	—	—	—	—
St. Lucie Plant															
Unit 2	95.0	98.0	2.0	98.0	96.0	4.0	91.6	89.6	1.2	93.3	0.9	0.7	99.9	97.5	2.3

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 agreements executed in 2021.

² Combustion turbines A-D are intended for limited reserve capacity usage which results in higher fluctuations in activity.

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2023	2022	2021	2020	2019
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	49.3	44.1	49.6	52.4	43.3
Average customer interruption duration index in minutes (CAIDI) ¹	78.3	63.2	57.8	65.5	59.1
Average length of service interruption in minutes (L-Bar) ¹	96.5	86.5	77.9	82.0	70.9
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) ¹	86.8	52.1	42.5	98.4	48.3
Average customer interruption duration index in minutes (CAIDI) ¹	112.3	84.1	78.3	67.4	70.3
Average length of service interruption in minutes (L-Bar) ¹	115.4	87.2	88.1	86.3	75.0
ELECTRIC PHYSICAL STATISTICS					
Transmission system (circuit miles)					
69KV	36.6	36.6	36.6	36.6	36.6
115KV	128.2	128.2	128.2	129.3	129.3
230KV	233.6	236.6	227.4	227.4	227.4
Total transmission circuit miles	398.4	401.4	392.2	393.3	393.3
Number of substations					
OUC substations	31	31	31	31	31
STC substations	7	6	5	5	4
Total Substations	38	37	36	36	35
Orlando distribution system (circuit miles)					
Overhead	726.5	725.3	731.6	736.7	725.7
Underground	1,526.8	1,497.7	1,460.5	1,381.5	1,360.0
Total Orlando circuit miles	2,253.3	2,223.0	2,192.1	2,118.2	2,085.7
St. Cloud distribution system (circuit miles)					
Overhead	270.7	270.2	269.1	265.2	263.0
Underground	350.2	326.2	289.2	251.5	247.3
Total St. Cloud circuit miles	620.9	596.4	558.3	516.7	510.3
Total OUC & St. Cloud circuit miles	2,874.2	2,819.4	2,750.4	2,634.9	2,596.0
Distribution expenses per circuit mile²	\$ 11,192	\$ 7,583	\$ 8,938	\$ 9,665	\$ 11,060
Percentages of Orlando distribution system (circuit miles)					
Overhead	32.2 %	32.6 %	33.4 %	34.8 %	34.8 %
Underground	67.8 %	67.4 %	66.6 %	65.2 %	65.2 %
Percentages of St. Cloud distribution system (circuit miles)					
Overhead	43.6 %	45.3 %	48.2 %	51.3 %	51.5 %
Underground	56.4 %	54.7 %	51.8 %	48.7 %	48.5 %

¹ In 2023, these distribution operating metrics increased due to overhead and underground equipment failure, public incidents and extreme weather in the spring. In 2022, increased storm activity and public incidents led the rise in outage and service interruption times. In 2021, mild weather, strategic initiatives and lessened COVID-19 safety protocols resulted in less circuit lockouts. In 2020, COVID-19 safety protocols negatively affected the length of time of power outages.

² In 2023, transmission and distribution increased due to resuming scheduled line clearing cycles which were paused during the pandemic coupled with the impacts of inflation.

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2023	2022	2021	2020	2019
Electric plant, net					
Generating plant					
Stanton Energy Center Unit 1	\$ 36,463	\$ 54,808	\$ 72,455	\$ 76,294	\$ 80,509
Stanton Energy Center Unit 2	141,824	154,402	165,136	166,295	177,365
Stanton Energy Center Common	83,966	95,761	105,386	87,205	97,279
Stanton Energy Center Unit A	22,704	27,325	31,935	36,607	34,429
Stanton Energy Center Unit B	166,222	178,686	183,160	187,830	199,200
McIntosh Unit 3	—	—	987	37,857	45,481
St. Lucie Unit 2	112,818	109,487	111,325	108,966	106,053
Indian River Plant	2,592	3,784	5,864	7,728	9,648
Osceola Generation Station ¹	85,209	68,167	57,565	—	—
Total generating plant, net	651,798	692,420	733,813	708,782	749,964
Distribution plant	641,115	630,648	599,282	592,660	581,242
Transmission plant	412,136	406,964	403,096	373,562	379,628
Other Electric plant	50,957	52,949	53,998	55,232	56,338
Total electric plant, net	1,756,006	1,782,981	1,790,189	1,730,236	1,767,172
Common plant, net	64,484	70,907	73,955	77,565	83,984
Total Plant, net ¹	\$ 1,820,490	\$ 1,853,888	\$ 1,864,144	\$ 1,807,801	\$ 1,851,156
FUEL MIX STATISTICS					
Cost of fuel					
Coal ²	\$ 128,281	\$ 113,249	\$ 123,067	\$ 102,054	\$ 124,825
Natural gas ²	190,595	306,619	123,681	110,838	120,570
Nuclear	1,418	3,938	1,833	2,468	2,090
Renewable ³	18,335	19,217	20,233	12,408	10,169
Total cost of fuel	\$ 338,629	\$ 443,023	\$ 268,814	\$ 227,768	\$ 257,654
Fuel cost per MWh					
Coal ²	\$ 52.94	\$ 56.11	\$ 33.51	\$ 33.64	\$ 35.54
Natural gas ²	\$ 35.40	\$ 55.49	\$ 30.63	\$ 26.20	\$ 31.03
Nuclear	\$ 2.87	\$ 8.08	\$ 3.92	\$ 5.21	\$ 4.48
Renewable ³	\$ 45.79	\$ 44.59	\$ 44.81	\$ 49.13	\$ 58.56
System average fuel cost	\$ 38.92	\$ 52.36	\$ 31.15	\$ 28.50	\$ 32.06
System fuel mix for total generation (based on MWh)					
Coal ²	27.9 %	23.9 %	42.6 %	38.0 %	43.7 %
Natural Gas ²	61.9 %	65.3 %	46.8 %	52.9 %	48.3 %
Nuclear	5.7 %	5.8 %	5.4 %	5.9 %	5.8 %
Renewable ³	4.5 %	5.0 %	5.2 %	3.2 %	2.2 %
Total system fuel mix for total generation (based on MWh)	100.0 %				

¹ Beginning in 2022, total plant decreased due to accelerated depreciation associated with the Board approved Path to Clean Energy strategic initiative and the diversification of utility plant assets through purchase power agreements. 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 2020, planned and unplanned outages contributed to a decrease in coal due to favorable natural gas commodity costs and, in 2021, coal consumption increased due to generation facility availability and rising natural gas costs. In 2022, coal transportation constraints contributed to a decrease in coal consumption with a corresponding shift to natural gas while the costs for both coal and natural gas increased due to industry wide fuel constraints. In 2023, this shift to natural gas continued as declining natural gas commodity costs outpaced coal costs and production was lowered at SEC1.

³ To support achieving our Path to Clean Energy strategic initiative with 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 fiscal year 2024. Beyond the two energized utility scale solar farms, OUC has nine 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) ⁵	2023	2022	2021	2020	2019
Solar PPA's¹						
Taylor Creek Solar	74.5	178,965	187,317	178,090	58,447	—
Harmony Florida Solar	34.0	82,020	85,101	81,553	27,379	—
Stanton Solar	5.1	8,842	9,178	9,118	8,554	9,026
SEC Solar Landfill Site C	4.8	8,862	9,294	9,421	9,510	8,064
SEC Solar Site A	4.1	7,549	8,041	7,992	7,957	9,707
Fleet Community Solar	0.4	437	503	516	461	521
Gardenia Community Solar	0.3	509	497	512	482	424
Landfill Gas PPA's¹						
Holopaw Landfill	9.0	40,837	45,567	45,270	32,754	49,883
Monarch Hills Landfill	8.3	37,671	40,274	43,482	48,460	46,424
Port Charlotte Landfill	3.0	1,309	3,867	6,144	11,414	9,974
Collier Landfill	1.0	23,294	24,260	23,426	—	—
Stanton Landfill Gas¹						
SEC 1	N/A	5,675	14,682	24,133	13,683	21,264
SEC 2	N/A	4,355	3,407	20,676	33,506	18,358
	144.5	400,325	431,988	450,333	252,607	173,645

ACTIVE SERVICES - SOLAR STATISTICAL INFORMATION²

Photovoltaic credit meters

Retail photovoltaic credit meters	188	205	217	231	248
Interlocal services photovoltaic credit meters	71	84	92	100	108
Total photovoltaic credit meters³	259	289	309	331	356

Solar farm participants

Gardenia	22	25	27	31	33
Stanton	434	449	282	202	199
Total solar farm participants⁴	456	474	309	233	232

OUC retail solar metered services

Residential	4,367	3,393	2,674	1,748	1,108
Commercial - non-demand	50	46	42	35	31
Commercial - demand - secondary	57	49	42	27	27
Total OUC retail metered services	4,474	3,488	2,758	1,810	1,166

Interlocal services

Total OUC retail and interlocal solar net-meters	8,969	6,793	4,891	2,904	1,854
Solar net-meters as a percentage of retail meters	3.24 %	2.51 %	1.86 %	1.14 %	0.75 %

¹ To support achieving our Path to Clean Energy, renewable energy MWh have increased since 2021 as a result of the annualized impact of two 74.5 megawatt utility scale solar farms energized in June 2020. Beginning in 2022, utilization of landfill gas was lower due to the reduced utilization of both SEC units.

² The Central Florida community is steadily embracing rooftop solar with an average year over year increase of 49.0 percent in retail and interlocal solar net-metering customers.

³ The photovoltaic credit meters were part of an incentive program which ended as a result of revised pricing program changes contributing to the decline as meters are removed over time.

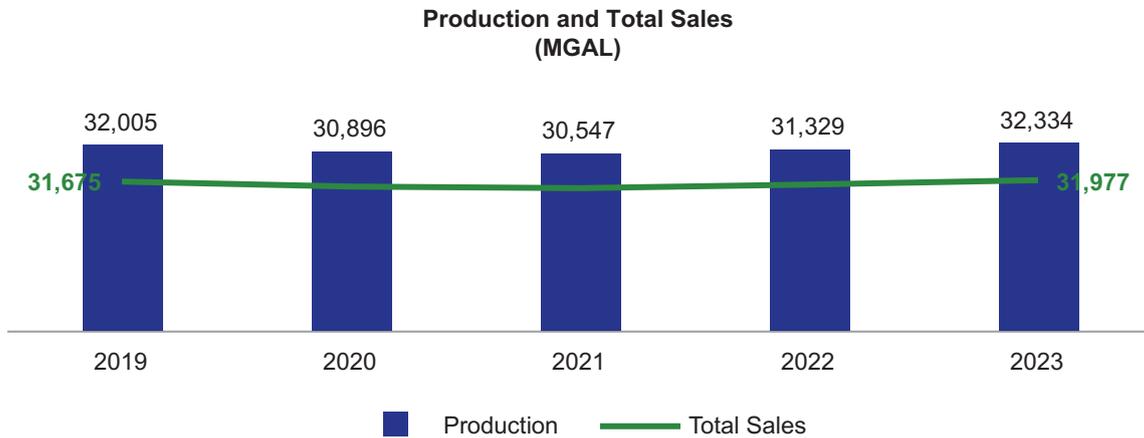
⁴ Solar farm participants reflect those customers that have subscribed to the Community Solar program. While subscriptions increased in 2022, the program was paused in June as a result of continued rising traditional fuel pricing to provide the value of these assets to all customers.

⁵ 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.



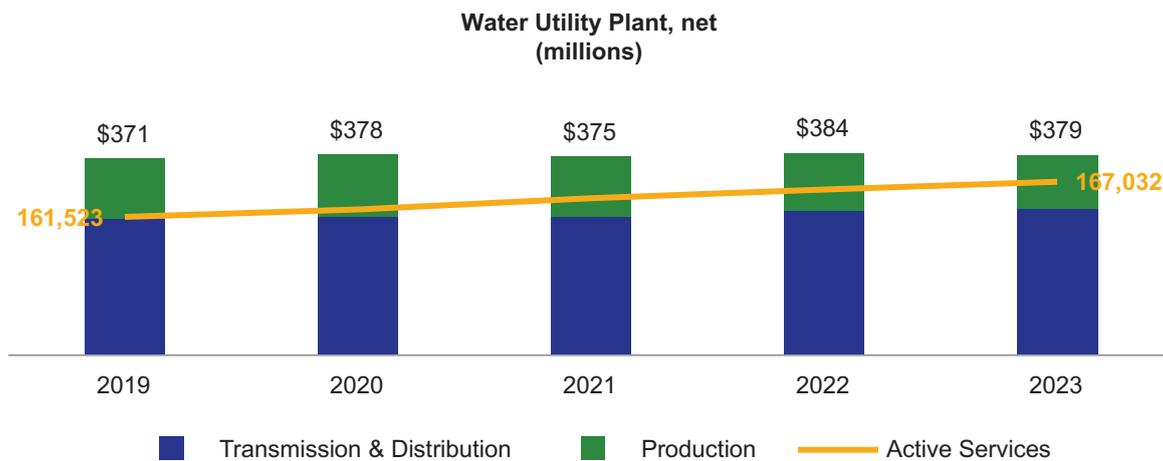
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Water Business Operations



Production and Total Sales:

- While active service growth reflects a cumulative increase of 3.4 percent, production and sales over the same period have increased 1.0 percent as a result of pricing design changes implemented to enhance conservation efforts.



Water Utility Plant.net:

- Plant additions have increased to support customer growth, ensure high quality water resources are maintained and customer value is delivered. In addition, 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	2023	2022	2021	2020	2019
Operating Revenues					
Residential	\$ 31,557	\$ 30,553	\$ 29,978	\$ 27,513	\$ 25,285
Commercial	37,101	36,199	32,992	30,687	31,631
Irrigation	19,667	19,568	17,568	15,926	14,484
Fire protection	3,259	3,244	3,113	2,888	2,737
Service fees and other	1,318	1,606	1,810	2,758	2,831
Resale and other	795	624	589	570	589
Regulatory action ¹	—	—	(1,950)	—	3,281
Total operating revenues ¹	<u>93,697</u>	<u>91,794</u>	<u>84,100</u>	<u>80,342</u>	<u>80,838</u>
Operations and maintenance expenses					
Production	17,090	15,846	14,062	14,450	15,133
Distribution	8,307	7,081	7,680	8,320	9,093
Emergency response expenses	—	—	—	—	179
Customer service ²	5,097	7,304	7,772	8,505	9,246
General and administrative ²	16,635	14,042	15,007	11,955	10,557
Total operations and maintenance expenses	<u>47,129</u>	<u>44,273</u>	<u>44,521</u>	<u>43,230</u>	<u>44,208</u>
Other expenses					
Utility/property tax	100	72	65	67	65
Revenue based payments to the City of Orlando	2,831	2,771	2,690	2,622	2,415
Revenue based payments to Orange County	4	4	4	3	4
Depreciation and amortization ³	25,744	22,925	21,645	22,401	20,384
Total other expenses	<u>28,679</u>	<u>25,772</u>	<u>24,404</u>	<u>25,093</u>	<u>22,868</u>
Total operating expenses	<u>75,808</u>	<u>70,045</u>	<u>68,925</u>	<u>68,323</u>	<u>67,076</u>
Operating income	17,889	21,749	15,175	12,019	13,762
Non-operating income and expense					
Interest income ⁴	3,454	848	926	2,094	2,225
Other income, net	1,489	1,537	1,510	2,134	1,995
Amortization of deferred gain on sale of assets	—	—	—	—	15
Interest expense, net	(6,002)	(5,371)	(5,568)	(6,112)	(6,414)
Total non-operating expenses, net	<u>(1,059)</u>	<u>(2,986)</u>	<u>(3,132)</u>	<u>(1,884)</u>	<u>(2,179)</u>
Water income before contributions	16,830	18,763	12,043	10,135	11,583
Contributions in aid of construction (CIAC) ⁵	13,249	20,381	11,079	12,052	12,291
Annual dividend	(10,040)	(9,382)	(7,355)	(6,580)	(7,658)
Increase in net position	<u>\$ 20,039</u>	<u>\$ 29,762</u>	<u>\$ 15,767</u>	<u>\$ 15,607</u>	<u>\$ 16,216</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 Audit-Finance Charter guidelines.

² In 2023, a change in methodology was implemented in the allocation of benefit expenses from the various business segments to general and administrative segment coupled with an increase in employee benefit costs.

³ In 2023, depreciation increased due to a one-time asset disposal in conjunction with the implementation of a large scale multi-year water capital improvement project designed to advance production technologies.

⁴ In 2023, interest income increased due to rising interest rates.

⁵ In 2023, the decrease was driven by the prior year increase as a result of strong community growth as the economy rebounded post pandemic.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2023	2022	2021	2020	2019
Profile of consumption and revenue by type of customer					
Residential service					
KGAL sales per customer	76	75	78	80	78
Revenue per customer	\$ 273	\$ 267	\$ 263	\$ 245	\$ 228
Revenue per KGAL	\$ 3.6102	\$ 3.5785	\$ 3.3829	\$ 3.0799	\$ 2.9178
Commercial service					
KGAL sales per customer	1,078	1,051	974	971	1,076
Revenue per customer	\$ 2,428	\$ 2,377	\$ 2,171	\$ 2,039	\$ 2,107
Revenue per KGAL	\$ 2.2525	\$ 2.2614	\$ 2.2284	\$ 2.0998	\$ 1.9577
Irrigation service ¹					
KGAL sales per customer	211	215	222	235	235
Revenue per customer	\$ 1,164	\$ 1,159	\$ 1,042	\$ 949	\$ 867
Revenue per KGAL	\$ 5.5235	\$ 5.4022	\$ 4.6951	\$ 4.0407	\$ 3.6859
Selected financial expense statistics					
Total operations and maintenance expenses per KGAL	\$ 1.6351	\$ 1.5698	\$ 1.6222	\$ 1.5704	\$ 1.5355
Operations and maintenance expense per metered service					
Production and distribution costs	\$ 172	\$ 156	\$ 149	\$ 158	\$ 170
Customer service expense	34	50	53	59	65
General and administrative expense	113	96	103	83	74
Total operations and maintenance expense ²	<u>\$ 319</u>	<u>\$ 302</u>	<u>\$ 305</u>	<u>\$ 300</u>	<u>\$ 309</u>
SELECTED FINANCIAL RATIOS					
Water operating ratio					
Water operations and maintenance expenses/operating revenues	\$ 0.50	\$ 0.48	\$ 0.53	\$ 0.54	\$ 0.55
Water income before contributions per revenue dollar					
Water income before contributions/operating revenues ³	\$ 0.18	\$ 0.20	\$ 0.14	\$ 0.13	\$ 0.14
ACTIVE SERVICES					
Residential	116,086	115,007	114,009	112,612	111,617
Commercial	15,298	15,265	15,198	15,047	15,054
Irrigation	16,891	16,912	16,859	16,800	16,761
Total metered services	<u>148,275</u>	<u>147,184</u>	<u>146,066</u>	<u>144,459</u>	<u>143,432</u>
FIRE PROTECTION					
Fire protection services	7,835	7,756	7,640	7,561	7,523
Fire hydrants	10,922	10,872	10,745	10,672	10,568
Total fire protection	<u>18,757</u>	<u>18,628</u>	<u>18,385</u>	<u>18,233</u>	<u>18,091</u>
CONSUMPTION (MGAL)					
Residential	8,741	8,538	8,862	8,933	8,666
Commercial	16,471	16,007	14,805	14,615	16,157
Irrigation	3,561	3,622	3,742	3,941	3,930
Resale	50	35	37	39	38
Total consumption ⁴	<u>28,823</u>	<u>28,202</u>	<u>27,446</u>	<u>27,528</u>	<u>28,791</u>

¹ Irrigation consumption, which is more price elastic than residential, has decreased since 2019 as conservation focused price increases have been implemented.

² In 2023, production and distribution costs per metered service increased due to inflationary drivers affecting materials used in the production of water.

³ Beginning in 2022, income before contributions per revenue dollar has increased driven by the conservation-focused 6.2% price increase on April 1, 2021.

⁴ In 2022, commercial water consumption returned to business as usual practices leading to an increase in total consumption. 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. 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.

WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2023	2022	2021	2020	2019
Water plant, net					
Production	\$ 101,040	\$ 109,124	\$ 110,766	\$ 116,396	\$ 112,006
Transmission and distribution	277,515	274,585	263,977	261,414	258,947
General	316	215	209	213	105
Total water plant, net	<u>378,871</u>	<u>383,924</u>	<u>374,952</u>	<u>378,023</u>	<u>371,058</u>
Common plant, net	21,495	23,636	24,652	25,855	27,992
Total plant, net	<u>\$ 400,366</u>	<u>\$ 407,560</u>	<u>\$ 399,604</u>	<u>\$ 403,878</u>	<u>\$ 399,050</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,900	1,888	1,879	1,871	1,858
Number of public hydrants	10,922	10,872	10,745	10,672	10,568
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)	279	276.5	276.5	276.5	273
Raw water capacity (MGAL per day)	166.5	166.5	166.5	166.5	177.5
Peak day (MGAL) ¹	108.1	106.3	109.8	108.5	111.3
Per capita, gallons pumped per day total system ²	190.8	186.6	183.5	187.9	196.4
Per capita, gallons consumed per day residential only	52	51	53	53	53

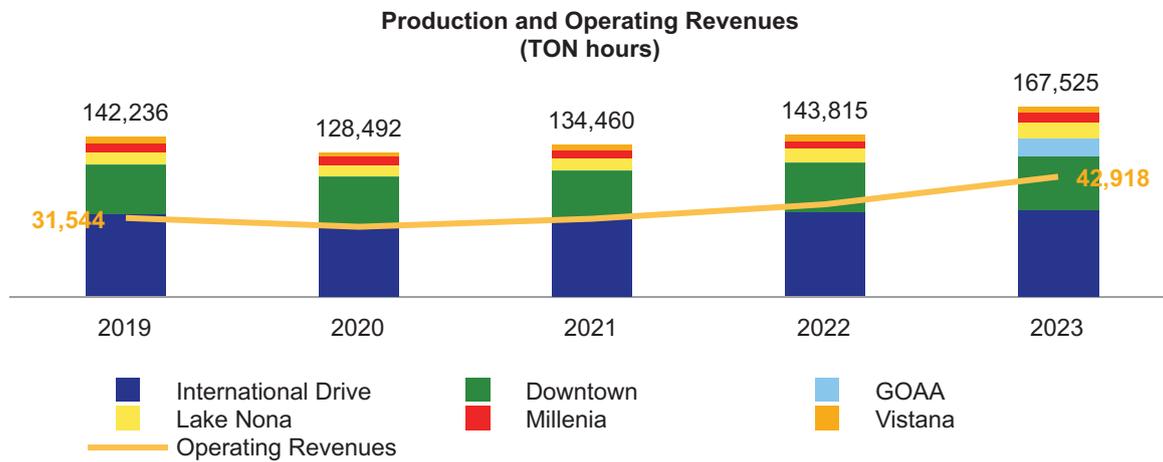
WATER PRODUCTION (KGAL) ²

Water treated for sale					
Treated	32,334,119	31,328,534	30,546,995	30,896,403	32,004,564
Used by water department	5,267	5,840	5,840	5,852	5,840
Total water treated for sale	<u>32,328,852</u>	<u>31,322,694</u>	<u>30,541,155</u>	<u>30,890,551</u>	<u>31,998,724</u>
Sales					
Retail customers	28,421,844	27,890,178	27,148,428	27,215,227	28,428,610
Inter-department use	351,767	277,194	261,549	272,559	324,568
Wholesale customers	49,388	34,628	36,024	40,214	37,538
Total sales	<u>28,822,999</u>	<u>28,202,000</u>	<u>27,446,001</u>	<u>27,528,000</u>	<u>28,790,716</u>
Unbilled	<u>3,505,852</u>	<u>3,120,694</u>	<u>3,095,155</u>	<u>3,362,551</u>	<u>3,208,007</u>
Unbilled as a percentage of water treated for sale	10.84 %	9.96 %	10.13 %	10.89 %	10.03 %

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

² The final of four annual price increases was implemented in April 2021 to promote water conservation coupled with improved water efficiency hardware has contributed to consistent KGAL sales despite continual customer growth further evident by decreased per capita, gallons pumped and consumed per day. In 2022, no price changes were approved and, in 2023, retail water prices increased to promote conservation, replenish reserves and phase-out jurisdictional pricing. While these price changes were primarily focused on high consumption users, changes also resulted in the average inside city residential monthly bill based on 10,000 gallons increasing \$0.95 to \$23.25. Initial meter connection charges and system development charges to support water resource initiatives defined through our Path to Alternative Water Sources strategic initiative were also increased 19.0% and 12.0%, respectively, effective October 1, 2023.

Chilled Water Business Operations



Production and Operating Revenues:

- Operating revenues have recently increased as the economy rebounded from the pandemic and business as usual practices resumed. In 2019, OUC executed agreements with two of its largest customers, Greater Orlando Aviation Authority (GOAA) and Universal City Development Partners, LLC (UCDP), whereby OUC will operate and retain custodial responsibilities for customer-sited chilled water facilities; the GOAA facility started operations during 2023 while the UCDP facility will be operational in 2024.
- Operating revenues have grown on average 8.6 percent per year over the five year period.

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

Years Ended September 30	2023	2022	2021	2020	2019
Operating revenues by plant					
Downtown	\$ 16,329	\$ 14,254	\$ 12,782	\$ 11,361	\$ 12,046
Vistana	2,217	2,071	1,946	1,883	2,038
International Drive	14,809	13,141	11,260	10,777	12,101
Millenia	1,945	2,017	1,845	1,722	1,875
Lake Nona	4,141	3,675	3,352	3,297	3,377
GOAA	3,306	—	—	—	—
Service fees and other	171	147	137	67	107
Total operating revenues ¹	42,918	35,305	31,322	29,107	31,544
Operations and maintenance expenses by plant					
Downtown	6,720	5,479	5,087	5,328	5,500
Vistana	875	912	887	855	1,014
International Drive	10,613	7,862	6,923	6,372	7,718
Millenia	1,340	1,159	1,200	1,141	1,352
Lake Nona	1,927	1,672	1,415	1,418	1,513
GOAA	2,085	—	—	—	—
Emergency response expenses	—	—	—	—	23
Customer service	81	87	169	163	199
General and administrative	1,937	1,437	1,558	1,350	1,275
Total operations and maintenance expenses ²	25,578	18,608	17,239	16,627	18,594
Other expenses					
Utility/property tax	2	2	2	2	2
Revenue based payments to the City of Orlando	717	682	676	662	662
Revenue based payments to Orange County	168	150	130	126	138
Depreciation and amortization	4,013	4,182	4,256	4,309	3,985
Total other expenses	4,900	5,016	5,064	5,099	4,787
Total operating expenses	30,478	23,624	22,303	21,726	23,381
Operating Income	12,440	11,681	9,019	7,381	8,163
Non-operating income and expenses					
Interest income ³	6,141	752	58	262	495
Other income, net	52	40	50	105	114
Amortization of deferred gain on sale of assets	—	—	—	—	1
Interest expense, net	(1,984)	(2,065)	(2,269)	(2,508)	(2,493)
Total non-operating expenses, net	4,209	(1,273)	(2,161)	(2,141)	(1,883)
Chilled water income before contributions	16,649	10,408	6,858	5,240	6,280
Contributions in aid of construction (CIAC)	—	—	—	250	—
Annual dividend	(9,932)	(5,203)	(4,188)	(3,403)	(4,152)
Increase in net position	\$ 6,717	\$ 5,205	\$ 2,670	\$ 2,087	\$ 2,128

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. Beginning in 2021, operating revenues increased due to the return to normal business operations from pre-pandemic levels while 2022 experienced accelerated growth due to the expanding commercial economy. Growth continued into 2023 along with the addition of the new GOAA chilled water plant further increasing revenues.

² Operations and maintenance expenses increased due to the new GOAA plant beginning operations and increased electric utility expenses for each plant.

³ Interest income increased due to accounting guidance requiring the recognition of revenues from the new customer-sited chilled water plants operated through a long-term custodial contractual agreements in the amount of \$5.0 million coupled with interest income from rising interest rates.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2023	2022	2021	2020	2019
Chilled water operating ratio ¹					
Chilled water operation and maintenance expenses/operating revenues	\$ 0.60	\$ 0.53	\$ 0.55	\$ 0.57	\$ 0.59
Chilled water income before contributions per revenue dollar ¹					
Chilled water income before contributions/operating revenues	\$ 0.39	\$ 0.29	\$ 0.22	\$ 0.18	\$ 0.20
Revenue per TON-hour produced	\$ 0.2562	\$ 0.2455	\$ 0.2329	\$ 0.2265	\$ 0.2218

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net	2023	2022	2021	2020	2019
Downtown	\$ 26,417	\$ 27,326	\$ 28,512	\$ 29,802	\$ 30,040
Vistana	1,851	2,018	2,185	2,369	2,587
International Drive	13,464	14,088	15,218	16,371	17,515
Millenia	1,025	1,150	1,320	1,492	1,665
Lake Nona	6,865	7,379	7,893	8,408	8,842
Total plant, net	\$ 49,622	\$ 51,961	\$ 55,128	\$ 58,442	\$ 60,649

ACTIVE SERVICES

Retail residential	2,495	2,490	2,485	2,482	2,483
Wholesale commercial	210	211	208	206	205
Total metered services	2,705	2,701	2,693	2,688	2,688

CHILLED WATER PHYSICAL STATISTICS

Pipe miles

Downtown	8.43	8.43	8.43	8.43	8.43
Vistana	3.72	3.72	3.72	3.72	3.72
International Drive	3.79	3.79	3.79	3.79	3.79
Millenia	0.26	0.26	0.26	0.26	0.26
Lake Nona	1.62	1.62	1.62	1.62	1.62
Total pipe miles	17.82	17.82	17.82	17.82	17.82

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
GOAA plant	10,395	—	—	—	—
Total generation capacity, ton	61,310	50,915	50,915	50,915	50,915

TON-HOURS PRODUCED (in thousands)

Downtown	46,982	44,286	42,218	41,203	43,321
Vistana	5,126	4,988	4,367	3,704	5,181
International Drive	77,694	74,609	69,131	64,696	73,463
Millenia	8,147	7,614	7,497	7,341	9,325
Lake Nona	13,380	12,318	11,247	11,548	10,946
GOAA	16,197	—	—	—	—
Total TON hours produced ³	167,526	143,815	134,460	128,492	142,236

¹ In 2023, operating revenues and expenses increased due to the addition of a new custodial agreement beginning during the year and growth in the commercial segment.

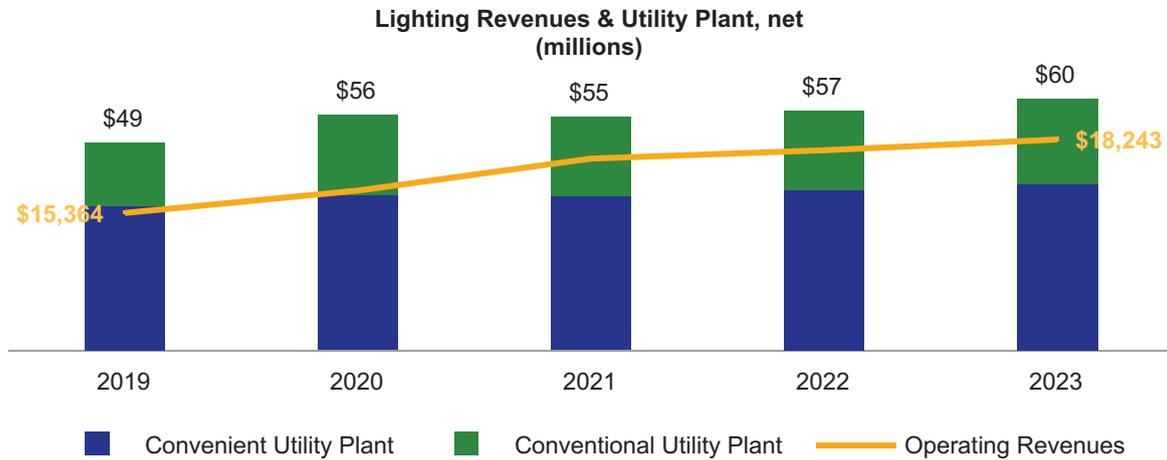
² In 2023, the GOAA chilled water plant began operations through a long-term custodial rights agreement.

³ 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 the pandemic. In 2022, ton hours produced increased as commercial business experienced significant growth as the economy expanded and increased again in 2023 with the GOAA plant becoming operational.



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Lighting Business Operations



Lighting Revenues and Utility Plant, net:

- Conventional Utility Plant represents lighting infrastructure that is provided to municipalities for streetlights and other right of way lighting requirements. Conventional Utility Plant increased in 2019 and 2020 as traditional streetlights were replaced with LED streetlight technology to enhance community safety and promote energy efficiency. In 2022, a nine-year project to convert public roadway streetlights from high-pressure sodium cobra head lights to LED fixtures was completed. As a result of this transition, revenues recovered through tariff based pricing have remained relatively consistent reflecting the 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 4.4 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	2023	2022	2021	2020	2019
Operating Revenues					
Conventional	\$ 4,657	\$ 4,711	\$ 4,608	\$ 4,491	\$ 4,522
Convenient	13,393	12,939	12,682	11,625	10,698
Service fees and other	192	173	205	125	144
Total operating revenues	<u>18,242</u>	<u>17,823</u>	<u>17,495</u>	<u>16,241</u>	<u>15,364</u>
Operations and maintenance expenses					
Conventional	3,589	3,244	3,390	3,213	3,240
Convenient ¹	1,529	1,660	966	1,068	1,080
Emergency response expenses	—	—	—	—	11
General and administrative ²	957	791	881	708	660
Total operations and maintenance expenses	<u>6,075</u>	<u>5,695</u>	<u>5,237</u>	<u>4,989</u>	<u>4,991</u>
Other expenses					
Utility/property tax	1	1	1	1	1
Revenue based payments to Orange County	26	25	27	27	26
Depreciation and amortization	5,648	5,715	5,654	5,625	4,842
Total other expenses	<u>5,675</u>	<u>5,741</u>	<u>5,682</u>	<u>5,653</u>	<u>4,869</u>
Total operating expenses	<u>11,750</u>	<u>11,436</u>	<u>10,919</u>	<u>10,642</u>	<u>9,860</u>
Operating income	6,492	6,387	6,576	5,599	5,504
Non-operating income and expense					
Interest income ³	176	17	68	200	295
Other income, net	19	18	19	103	107
Amortization of deferred gain on sale of assets	—	—	—	—	1
Interest expense, net	(1,260)	(1,133)	(1,165)	(1,269)	(1,406)
Total non-operating expenses, net	<u>(1,065)</u>	<u>(1,098)</u>	<u>(1,078)</u>	<u>(966)</u>	<u>(1,003)</u>
Lighting income before contributions	5,427	5,289	5,498	4,633	4,501
Contributions in aid of construction (CIAC)	2,656	2,273	1,469	1,464	937
Annual dividend	<u>(3,237)</u>	<u>(2,645)</u>	<u>(3,358)</u>	<u>(3,007)</u>	<u>(2,976)</u>
Increase in net position	<u>\$ 4,846</u>	<u>\$ 4,917</u>	<u>\$ 3,609</u>	<u>\$ 3,090</u>	<u>\$ 2,462</u>

¹ Beginning in 2022, there was an increase in operations and maintenance expenses for convenient lighting due to an increase in materials expenses and the impacts of inflation.

² In 2023, a change in methodology was implemented in the allocation of benefit expenses from the various business segments to general and administrative segment coupled with an increase in employee benefit costs.

³ In 2023, interest income increased due to rising interest rates.

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2023	2022	2021	2020	2019
Lighting operating ratio					
Lighting operation and maintenance expenses/operating revenues	\$ 0.33	\$ 0.32	\$ 0.30	\$ 0.32	\$ 0.32
Lighting income before contributions per revenue dollar					
Lighting income before contributions/operating revenues	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.30	\$ 0.29

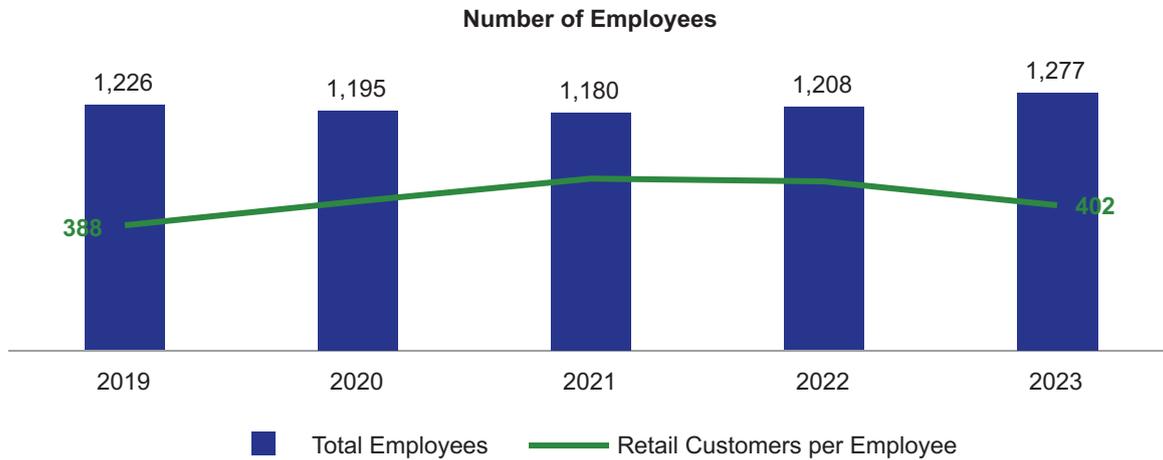
LIGHTING UTILITY PLANT (Dollars in thousands)**Lighting plant, net**

Conventional	\$ 20,288	\$ 18,764	\$ 18,591	\$ 18,710	\$ 14,927
Convenient	39,290	37,891	36,692	36,850	34,239
Total lighting plant, net	<u>\$ 59,578</u>	<u>\$ 56,655</u>	<u>\$ 55,283</u>	<u>\$ 55,560</u>	<u>\$ 49,166</u>



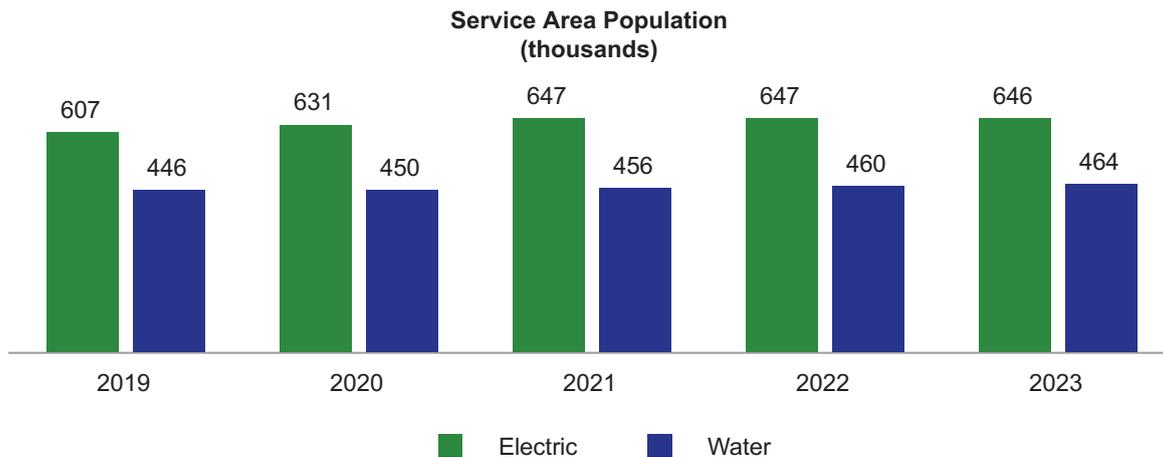
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Statistical Information



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. In 2023, electric operations increased its employee headcount in alignment with OGS unit 2 becoming operational, efforts to energize OGS Units 1 and 3 and achieve our Path to Clean Energy strategic initiatives.



The Electric System Service Territory:

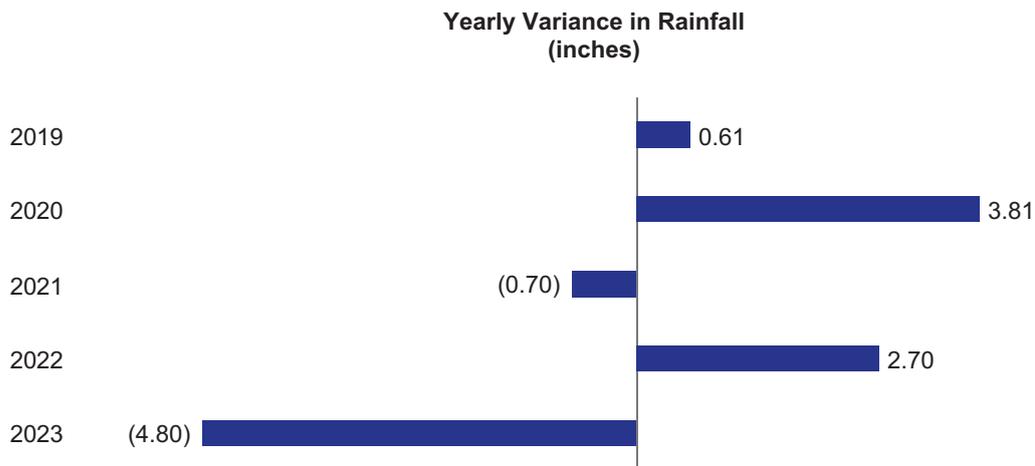
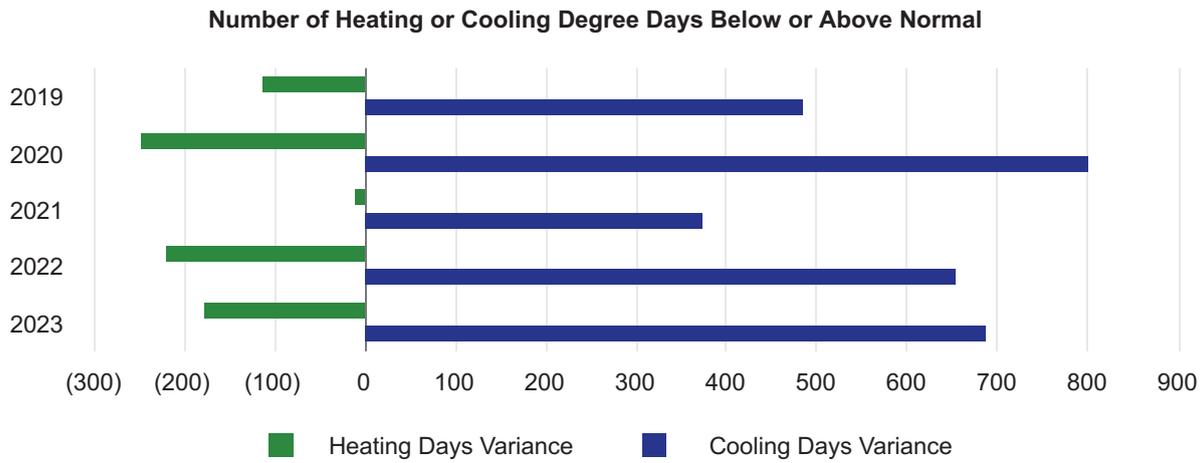
- The Electric System provides energy to customers within the City of Orlando, certain contiguous portions of Orange County, the City of St. Cloud and certain contiguous portions of Osceola County. OUC's service territory and its right to serve Electric System customers are generally established by the 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, 2023

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 \$0.3 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	10-01-2022 / 09-30-2023
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-2022 / 09-30-2023
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	10-01-2022 / 09-30-2023
Factory Mutual	All risk property/boiler and machinery	\$2.7 billion insurable values \$250 thousand base retentions, various retentions depending on machinery	10-01-2022 / 09-30-2023
Florida Municipal Insurance Trust (FMIT)	Excess worker's compensation	Statutory limit of liability above a \$500 thousand per occurrence retention	10-01-2022 / 09-30-2023
Zurich Insurance Group	Dishonesty, disappearance & destruction (crime)	\$10.0 million	10-01-2022 / 09-30-2023

*All coverages are renewed on an annual basis and policies listed above with an expiration date of 09-30-2023 have been renewed through 09-30-2024.



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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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