



INTERIM FINANCIAL REPORT



FOUR-MONTHS ENDED
JANUARY 31, 2025
(UNAUDITED)

Orlando Utilities Commission

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The unaudited statements presented in this interim financial report have been prepared in accordance with generally accepted accounting principles and follow the standards outlined by the Governmental Accounting Standards Board. It is management's assertion that the management discussion and supporting statements do not omit information necessary for a fair presentation nor do they improperly include untrue statements of a material fact or statements of a misleading nature.

Management's Discussion and Analysis

The following discussion and analysis provides an overview of OUC's unaudited and preliminary financial position and results of operations in comparison to the approved budget and prior year equivalent period.

- The Statements of Revenues, Expenses and Changes in Net Position present the financial information for the four-months ended January 31, 2025 in comparison to the approved budget and prior year equivalent period.
 - Income before contributions for the four-months ended January 31, 2025 was \$34.6 million, which is \$5.4 million higher than budget and \$1.7 million lower than prior year.
- The Statements of Net Position present the nature and amount of resources and obligations at January 31, 2025 and September 30, 2024.
- The Statements of Cash Flows present the cash provided and used by operating activities, non-capital financing activities, capital financing activities and investing activities.

Operating Revenues Analysis

(\$ in thousands)	As of January			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Retail energy revenues (OUC and STC)	\$ 168,923	\$ 168,828	\$ 164,415	\$ 95	0.1 %	\$ 4,508	2.7 %
Wholesale energy revenues	7,928	7,858	8,912	70	0.9 %	(984)	(11.0)%
Water revenues	33,680	33,534	31,338	146	0.4 %	2,342	7.5 %
Other revenues	30,972	30,873	30,738	99	0.3 %	234	0.8 %
Operating revenues, net of fuel	241,503	241,093	235,403	410	0.2 %	6,100	2.6 %
Fuel revenues	97,436	89,483	89,455	7,953	8.9 %	7,981	8.9 %
Total operating revenues	\$ 338,939	\$ 330,576	\$ 324,858	\$ 8,363	2.5 %	\$ 14,081	4.3 %

Budget Analysis:

- Operating revenues, net of fuel revenues, were \$0.4 million higher than budget, reflecting the deferral of \$6.0 million in retail energy revenues and \$4.0 million in wholesale energy revenues. These deferrals were driven by increased variability in weather temperatures resulting in higher than expected cooling and heating degree days coupled with a winter cold snap creating opportunities for increased wholesale energy sales.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$8.0 million higher than budget due to higher than expected natural gas prices and increased energy production driven by weather-related demand.

Prior Year Analysis:

- Operating revenues, net of fuel revenues, were \$6.1 million higher than prior year, including the deferral of \$6.0 million in retail energy and \$4.0 million in wholesale energy revenues, due to growth in the customer base and increased consumption per customer in retail electric driven by greater weather variability, a customer charge increase of \$1.00 effective October 1, 2024, and wholesale energy sales opportunities due to a winter cold snap. Additionally, water revenues increased due to a price increase implemented on the same date, along with higher water usage driven by reduced rainfall compared to the previous year.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$8.0 million higher than prior year due to rising natural gas prices and increased energy production driven by weather-related demand.

Operating Expenses Analysis

(\$ in thousands)	As of January			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Unit department expenses	\$ 106,189	\$ 113,885	\$ 104,076	\$ (7,696)	(6.8)%	\$ 2,113	2.0 %
Depreciation and amortization	59,529	59,565	56,648	(36)	(0.1)%	2,881	5.1 %
Payments to other governments and taxes	23,278	22,658	23,284	620	2.7 %	(6)	— %
Capacity payments	8,949	8,568	7,900	381	4.4 %	1,049	13.3 %
Emergency response expenses	3,323	—	—	3,323	100.0 %	3,323	100.0 %
Operating expenses, net of fuel	201,268	204,676	191,908	(3,408)	(1.7)%	9,360	4.9 %
Fuel for generation and purchased power	97,436	89,483	89,455	7,953	8.9 %	7,981	8.9 %
Total operating expenses	\$ 298,704	\$ 294,159	\$ 281,363	\$ 4,545	1.5 %	\$ 17,341	6.2 %

Budget Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$3.4 million lower than budget, including the estimated unreimbursed cost of recovery efforts for Hurricane Milton and OUC's unplanned increased commitment of \$2.3 million to the City of St. Cloud's environmental cleanup associated with the previously decommissioned power plant. These increases were offset by lower than expected outside services.
- Fuel for generation and purchased power expenses were \$8.0 million higher than budget due to higher than expected natural gas prices and increased energy production driven by weather-related demand.

Prior Year Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$9.4 million higher than prior year as a result of increasing OUC's commitment to the City of St. Cloud's environmental clean-up associated with the previously decommissioned power plant in the amount of \$2.3 million, systematic depreciation, and emergency response expenses incurred from Hurricane Milton.
- Fuel for generation and purchased power expenses were \$8.0 million higher than prior year due to rising natural gas prices and increased energy production driven by weather-related demand.

Non-Operating Income and Expense Analysis

(\$ in thousands)	As of January			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Interest and other income	\$ 12,537	\$ 11,789	\$ 14,718	\$ 748	6.3 %	\$ (2,181)	(14.8)%
Generation decommissioning	\$ —	\$ —	\$ (4,029)	\$ —	— %	\$ 4,029	(100.0)%
Interest expense	(18,181)	(19,017)	(17,851)	836	(4.4)%	(330)	1.8 %
Total non-operating income and (expense)	\$ (5,644)	\$ (7,228)	\$ (7,162)	\$ 1,584	(21.9)%	\$ 1,518	(21.2)%

Budget Analysis:

- Non-operating income and expense were \$1.6 million lower than budget primarily due to higher than expected interest income and lower than expected bond issuance costs resulting from the early issuance of debt in the prior year.

Prior Year Analysis:

- Non-operating income and expense were \$1.5 million lower than prior year due to a decrease in generation decommissioning expenses as these costs were fully recognized in the spring of 2024 for McIntosh Unit 3 offset by decreased interest income due to lower interest rates and a reduced level of investable assets.

Net Position Analysis

(\$ in thousands)	As of January			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Income before contributions	\$ 34,591	\$ 29,189	\$ 36,334	\$ 5,402	18.5 %	\$ (1,743)	(4.8)%
Contributions in aid of construction	5,436	7,100	7,944	(1,664)	(23.4)%	(2,508)	(31.6)%
Annual dividend	(25,517)	(25,517)	(25,053)	—	— %	(464)	1.9 %
Increase in net position	\$ 14,510	\$ 10,772	\$ 19,225	\$ 3,738	34.7 %	\$ (4,715)	(24.5)%

Budget and Prior Year Analysis:

- Income before contributions were favorable to budget as a result of lower than anticipated unit department expenses and non-operating expenses and lower than the prior year due to retail and resale revenue deferrals.

Total Assets and Deferred Outflows of Resources

(\$ in thousands)	January 2025	September 2024	Year-to-Date Change	January 2024
Utility plant	\$ 3,036,901	\$ 2,984,630	\$ 52,271	\$ 2,811,169
Restricted and internally designated assets	696,854	812,870	(116,016)	775,007
Current assets	289,653	321,630	(31,977)	290,534
Other assets	238,771	235,352	3,419	231,474
Deferred outflows of resources	122,826	121,418	1,408	168,363
Total assets and deferred outflows of resources	\$ 4,385,005	\$ 4,475,900	\$ (90,895)	\$ 4,276,547

Year-to-Date Analysis:

- Total assets and deferred outflows of resources decreased \$90.9 million from the previous fiscal year-end. This decrease was primarily driven by the annual principal and interest payment of \$99.2 million made on October 1, timing of customer receivables and investment valuation changes.
 - Days cash on hand is currently at 239 days as of January 31, 2025 and in line with target.

Total Liabilities and Deferred Inflows of Resources

(\$ in thousands)	January 2025	September 2024	Year-to-Date Change	January 2024
Current liabilities	\$ 301,761	\$ 347,729	\$ (45,968)	\$ 288,939
Other liabilities	287,927	282,801	5,126	308,488
Long-term debt, net	1,647,467	1,733,416	(85,949)	1,634,088
Deferred inflows of resources	365,751	344,365	21,386	330,775
Total liabilities and deferred inflows of resources	2,602,906	2,708,311	(105,405)	2,562,290
Net position	1,782,099	1,767,589	14,510	1,714,257
Total liabilities, deferred inflows of resources and net position	\$ 4,385,005	\$ 4,475,900	\$ (90,895)	\$ 4,276,547

Year-to-Date Analysis:

- Total liabilities and deferred inflows of resources decreased \$105.4 million due to the annual principal and interest payment of \$99.2 million made on October 1 and timing of current liabilities.

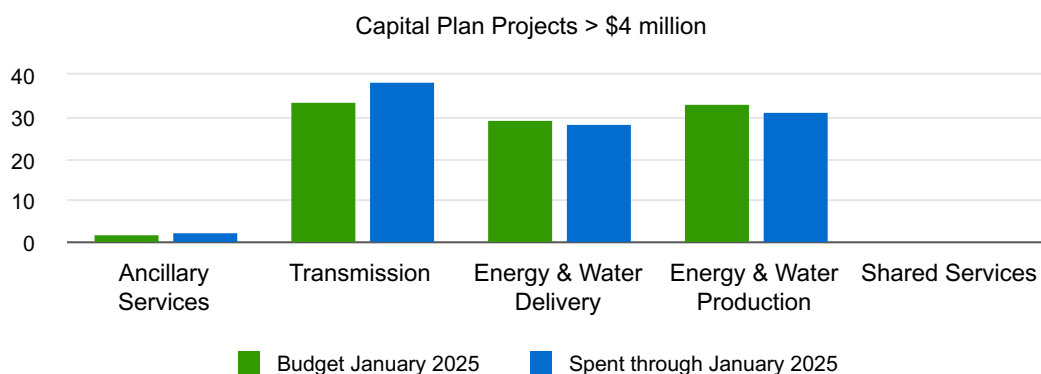
Condensed Statement of Cash Flows and Capital Spend Analysis

(\$ in thousands)	As of January		
	2025	2024	Change
Net cash provided by operating activities	\$ 96,447	\$ 105,569	\$ (9,122)
Net cash used in non-capital related financing activities	(23,630)	(23,170)	(460)
Net cash used in capital related financing activities	(215,675)	(205,889)	(9,786)
Net cash provided by investing activities	46,431	106,349	(59,918)
Net decrease in cash and cash equivalents	(96,427)	(17,141)	(79,286)
Cash and cash equivalents - beginning of year	238,180	266,006	(27,826)
Cash and cash equivalents - current	\$ 141,753	\$ 248,865	\$ (107,112)

Cash provided by operating activities: Cash provided by operations was \$96.4 million, a decrease of \$9.1 million from 2024. This change was primarily driven by an increase in unit department expenses and salaries and benefits related to timing of payables and emergency recovery costs associated with Hurricane Milton. These increases were offset by a decrease in cash paid for fuel and purchased power expenses related to the timing of accounts payables.

- As of January 31, 2025, OUC expects to receive \$2.0 million and \$15.5 million in grant reimbursement funds for pandemic emergency response and preparedness and estimated costs for Hurricanes Ian, Nicole, Idalia and Milton, respectively.

Cash used in capital related financing activities: Cash used in capital related activities was \$215.7 million, a decrease of \$9.8 million from 2024.



Quarterly Report - Capital Project Approval

In conjunction with the Procurement Policy, the Commission has delegated its approval authority to the General Manager & CEO for capital projects between the amounts of \$100,000 and \$500,000.

The following capital projects were approved at the appropriate levels for the period of November 2024 to January 2025.

	<u>Period</u>	<u>Amount</u>
Electric and Water Delivery		
Install transformer and cable to provide power for a new business in St. Cloud	Nov	\$ 100,107
Install transformers and of cable to provide power to Vista Lago - Phase 3, Orlando	Nov	\$ 104,029
Install transformer and cable to provide power to lift station Phase 2 of Poitras N2, Orlando	Nov	\$ 114,614
Install transformer and cable to provide power for lift station in Springhead Lake, St. Cloud	Nov	\$ 123,511
Install transformer and cable to provide power for new Industrial Development, St. Cloud	Nov	\$ 126,345
Install transformer and cable to provide power for Even Staybridge Hotel in Orlando	Nov	\$ 139,736
Install transformer and cable to provide power for new business unit by Amazon in Orlando	Nov	\$ 143,415
Install transformer and cable to provide power for Traffic Signal service and Load Center	Dec	\$ 149,498
Install transformers and of cable to provide power for Center Lake Ranch Sub., St. Cloud	Dec	\$ 150,574
Install transformer and cable to provide power for lift station, Harmony West 2E and 2F	Dec	\$ 163,686
Install transformers and of cable at Universal Blvd, Hollywood Way, and Adventure Way in Orlando	Dec	\$ 193,992
Install transformers and of cable to provide power to Poitras N2 Phase 2-B, Lake Nona	Dec	\$ 211,878
Install transformers and of cable to provide power for BSL Ventures Apt. Complex in St. Cloud	Dec	\$ 214,695
Install transformers and of cable to provide power for McCoy Commerce Project in Orlando	Dec	\$ 284,948
Install transformers and of cable to provide power for Hickory Tree Reserve located in St. Cloud	Dec	\$ 338,433
Install transformers and of cable to provide power to Harmony West Phase 2F, St. Cloud	Dec	\$ 382,707
Install transformers and of cable to provide power to Harmony West Phase 2E, St. Cloud	Dec	\$ 383,903
Install transformers and of cable to provide power for new warehouse and office for Universal	Dec	\$ 416,938
Install transformers and of cable for Road Project Turnpike Widening	Dec	\$ 419,119
Install transformers and of cable to provide power to New Osceola AAA High School, St. Cloud	Dec	\$ 441,076
Install transformers and of cable to provide power to Sunbridge D phase 2B, St. Cloud	Dec	\$ 464,873
Install transformers and of cable to provide power to a new subdivision in Lake Nona	Jan	\$ 115,247
Install transformers and of cable to provide power to Center Lake Ranch N1B phase 2A, St. Cloud	Jan	\$ 134,355
Install transformer and cable for 630 W Amelia St. property, Orlando	Jan	\$ 165,923
Install transformers and of cable to provide power to Springhead Lake Subdivision, St. Cloud	Jan	\$ 250,963
Install transformers and of cable to provide power to Springhead Lake Subdivision, St. Cloud	Jan	\$ 401,424
OUC will replace all the traditional fault indicators on the getaways for all Orlando circuits	Jan	\$ 438,895
Transmission		
SUB21 BF retrofit Leidos	Jan	\$ 175,218
Upgrade all Substation and Power Plant TSWAN switches	Jan	\$ 442,231
Lighting		
Install poles & LED fixtures at Carrier, Dr. Orlando, FL	Dec	\$ 135,075
Install poles & LED fixtures for Center Lake Ranch West Community in St. Cloud	Dec	\$ 142,746
Install poles & LED fixtures for Narcoossee Land Ventures, Twin Lakes Ph 4 in St. Cloud	Dec	\$ 148,735
Install poles & LED fixtures for Hickory Tree Reserve located in St. Cloud	Dec	\$ 197,798
Install poles & LED fixtures for The Meadow at Crossprairie in Osceola County, St. Cloud	Jan	\$ 236,470
Install poles & LED fixtures for Sunbridge C (Weslyn Park) Phase 3 in the St. Cloud	Jan	\$ 266,298
Install poles & LED fixtures for Starwood Phase N-4 in Orlando	Jan	\$ 322,927
Shared Services		
OUC Power Quality DTM - Pershing	Jan	\$ 108,758

Orlando Utilities Commission
Statements of Net Position - Unaudited
Dollars in thousands

	January 2025	September 2024	Variance	
Assets				
Utility plant	\$ 3,036,901	\$ 2,984,630	\$ 52,271	1.8 %
Restricted and internally designated assets	696,854	812,870	(116,016)	(14.3)%
Current assets	289,653	321,630	(31,977)	(9.9)%
Other assets	238,771	235,352	3,419	1.5 %
Deferred outflows of resources	122,826	121,418	1,408	1.2 %
Total assets and deferred outflows of resources	\$ 4,385,005	\$ 4,475,900	\$ (90,895)	(2.0)%
Liabilities				
Payables from restricted assets	\$ 165,405	\$ 166,296	\$ (891)	(0.5)%
Payables from current assets	136,356	181,433	(45,077)	(24.8)%
Current liabilities	301,761	347,729	(45,968)	(13.2)%
Other liabilities	287,927	282,801	5,126	1.8 %
Long-term debt, net	1,647,467	1,733,416	(85,949)	(5.0)%
Total liabilities	2,237,155	2,363,946	(126,791)	(5.4)%
Deferred inflows of resources	365,751	344,365	21,386	6.2 %
Net position	1,782,099	1,767,589	14,510	0.8 %
Total liabilities, deferred inflows of resources and net position	\$ 4,385,005	\$ 4,475,900	\$ (90,895)	(2.0)%

***See page 4 for additional information related to changes in the Statements of Net Position

Orlando Utilities Commission
Statements of Revenues, Expenses and Changes in Net Position - Unaudited
Dollars in thousands

	Actual January 2025	Budget January 2025	Variance to Budget		Actual January 2024	Variance to Prior Year	
Operating revenues							
Retail energy revenues (OUC and STC)	\$ 168,923	\$ 168,828	\$ 95	0.1 %	\$ 164,415	\$ 4,508	2.7 %
Wholesale energy revenues	7,928	7,858	70	0.9 %	8,912	(984)	(11.0)%
Fuel	97,436	89,483	7,953	8.9 %	89,455	7,981	8.9 %
Electric revenues	274,287	266,169	8,118	3.0 %	262,782	11,505	4.4 %
Water revenues	33,680	33,534	146	0.4 %	31,338	2,342	7.5 %
Other revenues							
Lighting service revenues	6,964	6,907	57	0.8 %	6,273	691	11.0 %
Chilled water revenues	12,963	12,859	104	0.8 %	12,450	513	4.1 %
Service fees & other revenues	11,045	11,107	(62)	(0.6)%	12,015	(970)	(8.1)%
Total operating revenues	338,939	330,576	8,363	2.5 %	324,858	14,081	4.3 %
Operating expenses							
Fuel for generation and purchased power	97,436	89,483	7,953	8.9 %	89,455	7,981	8.9 %
Unit/department	106,189	113,885	(7,696)	(6.8)%	104,076	2,113	2.0 %
Depreciation and amortization	59,529	59,565	(36)	(0.1)%	56,648	2,881	5.1 %
Payments to other governments and taxes	23,278	22,658	620	2.7 %	23,284	(6)	— %
Capacity payments	8,949	8,568	381	4.4 %	7,900	1,049	13.3 %
Emergency response costs	3,323	—	3,323	100.0 %	—	3,323	— %
Total operating expenses	298,704	294,159	4,545	1.5 %	281,363	17,341	6.2 %
Non-operating income and (expenses)							
Interest income	9,653	9,137	516	5.6 %	11,891	(2,238)	(18.8)%
Generation decommissioning	—	—	—	— %	(4,029)	4,029	100.0 %
Other income	2,884	2,652	232	8.7 %	2,827	57	2.0 %
Interest expense	(18,181)	(19,017)	836	(4.4)%	(17,851)	(330)	1.8 %
Total non-operating income and (expenses)	(5,644)	(7,228)	1,584	(21.9)%	(7,162)	1,518	(21.2)%
Income before contributions	34,591	29,189	5,402	18.5 %	36,333	(1,742)	(4.8)%
Contributions in aid of construction	5,436	7,100	(1,664)	(23.4)%	7,944	(2,508)	(31.6)%
Dividend payments	(25,517)	(25,517)	—	— %	(25,053)	(464)	1.9 %
Increase in net position	14,510	\$ 10,772	\$ 3,738	34.7 %	19,224	\$ (4,714)	(24.5)%
Net position - beginning of year	1,767,589				1,695,032		
Net position - end of period	\$ 1,782,099				\$ 1,714,256		

***See pages 2 and 3 for additional information related to changes in the Statements of Revenues, Expenses, and Changes in Net Position

Orlando Utilities Commission
Statements of Cash Flows - Unaudited
Dollars in thousands

	January 2025	January 2024
Cash flow from operating activities		
Cash received from customers	\$ 373,908	\$ 377,538
Cash paid for fuel and purchased power	(96,128)	(134,739)
Cash paid for unit department expenses	(76,568)	(45,457)
Cash paid for salaries and benefits	(75,676)	(68,297)
Cash (paid)/received for emergency response expenses	(3,848)	605
Cash paid for other payments and taxes	(25,241)	(24,081)
Net cash provided by operating activities	<u>96,447</u>	<u>105,569</u>
Cash flows from non-capital related financing activities		
Dividend to the City of Orlando	(25,517)	(25,053)
Build America Bonds subsidy received	1,887	1,883
Net cash used in non-capital related financing activities	<u>(23,630)</u>	<u>(23,170)</u>
Cash flows from capital related financing activities		
Utility plant net of contributions in aid of construction	(111,857)	(101,645)
Debt interest payments	(27,029)	(28,898)
Principal payments on long-term debt and use of bond proceeds	(75,580)	(74,875)
Debt issuance expense	(1,209)	(471)
Net used in capital related financing activities	<u>(215,675)</u>	<u>(205,889)</u>
Cash flows from investing activities		
Proceeds from sale and maturities of investment securities	139,560	209,416
Purchases of investment securities	(100,120)	(119,327)
Investments and other income received	6,991	16,359
Net cash provided in investing activities	<u>46,431</u>	<u>106,349</u>
Net decrease in cash and cash equivalents	(96,427)	(17,141)
Cash and cash equivalents - beginning of year	238,180	266,006
Cash and cash equivalents - current	<u>\$ 141,753</u>	<u>\$ 248,865</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 40,235	\$ 43,496
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	59,529	56,648
Depreciation and amortization charged to fuel for generation and purchased power	1,119	863
Depreciation of vehicles and equipment charged to unit department expenses	1,025	916
Changes in assets and liabilities		
Decrease in receivables and accrued revenue	13,090	29,868
Decrease/(Increase) in fuel and materials and supplies inventories	3,720	(18,880)
Decrease in accounts payable	(32,871)	(23,326)
Decrease in deposits payable and deferred items	(7,362)	(7,130)
Increase in stabilization and deferred revenue accounts	7,963	23,114
Net cash provided by operating activities	<u>\$ 86,448</u>	<u>\$ 105,569</u>

***See page 5 for additional information related to changes in the Statements of Cash Flow

**Orlando Utilities Commission
Capital Plan**
Dollars in thousands

	Year to Date January 2025 Approved	Year to Date January 2025 Revised	Year to Date January 2025 Actual	Variance to Revised	
Electric Production ¹	\$ 14,098	\$ 29,922	\$ 29,590	\$ (332)	(1.1)%
Transmission ²	35,180	38,068	42,833	4,765	12.5 %
Transmission contributions	—	—	—	—	— %
Transmission, net	35,180	38,068	42,833	4,765	12.5 %
Electric Delivery	23,467	22,354	24,230	1,876	8.4 %
Electric Delivery contributions	(2,600)	(2,815)	(2,684)	131	(4.7)%
Electric Delivery, net	20,867	19,539	21,546	2,007	10.3 %
Lighting	2,910	2,021	1,116	(905)	(44.8)%
Lighting contributions	(333)	(642)	(622)	20	(3.1)%
Lighting, net	2,577	1,379	494	(885)	(64.2)%
Water ³	31,585	18,102	15,521	(2,581)	(14.3)%
Water contributions	(3,833)	(2,851)	(2,111)	740	(26.0)%
Water, net	27,752	15,251	13,410	(1,841)	(12.1)%
Chilled Water	8,643	184	195	11	6.0 %
Support Services ^{1,4}	16,592	5,043	3,342	(1,701)	(33.7)%
Total OUC	\$ 125,709	\$ 109,386	\$ 111,410	\$ 2,024	1.9 %

¹ Totals are net of participant share.

² Driven by accelerated progress in the Convention Center to Taft 230kV corridor upgrade, the Harmony 2 Solar Interconnect, and the St. Cloud substation projects.

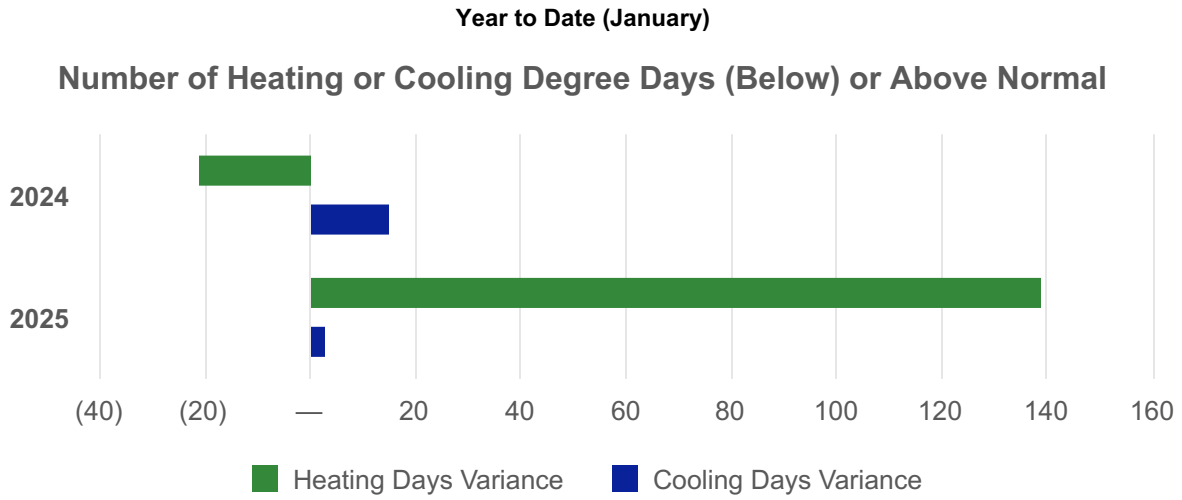
³ Driven by delays in the Engineering R&R & Interagency and the Lift Station 2 projects.

⁴ Driven by delays in the Closure of Landfill Cell 1 and various technology and transformation initiatives.

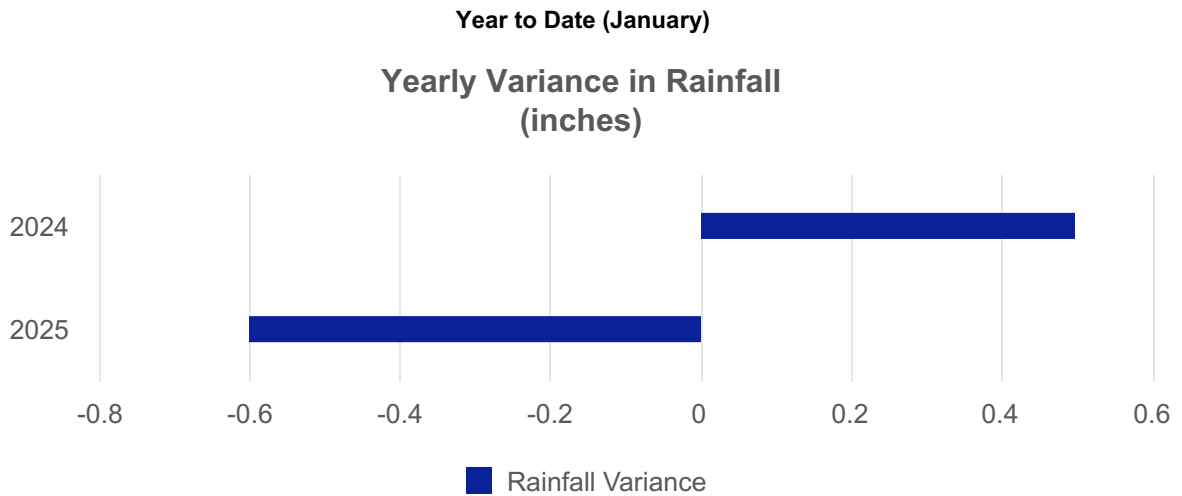
The “Approved” represents the pro-rated annual amount of the Board approved annual Capital Plan. As there are many dynamics that can impact the timing and spend associated with amounts included in the “Approved ” Capital Plan, a “Revised” Capital Plan is included to reflect the most current capital plan estimates.

As of January 31, 2025, the year-to-date capital spend is 1.9 percent greater than the Revised Capital Plan and 11.4 percent lower than the Approved Capital Plan.

**Orlando Utilities Commission
Climatological Data**



Cooling Degree Days (CDD) and Heating Degree Days (HDD) are measures used to estimate energy demand for cooling or heating buildings. CDD measures how much the daily average temperature exceeds the normal temperature indicating cooling needs. HDD Measures how much the daily average temperature falls below the normal temperature indicating heating needs. Normal degree days are calculated as the average of actual degree days over a 40-year period.



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 has no meaningful impact on water sales.