

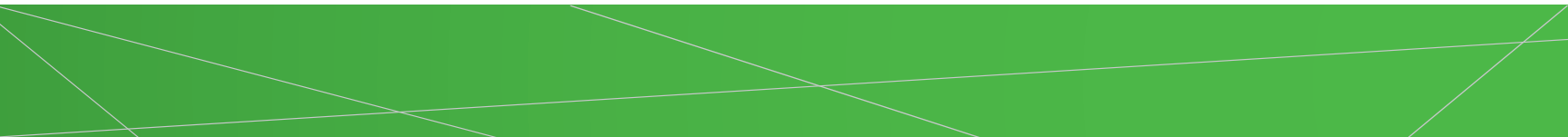
RELIABLE. SUSTAINABLE. RESPONSIBLE.

CONNECTED



2019 FINANCIAL AND STATISTICAL REPORT





ORLANDO UTILITIES COMMISSION 2019 FINANCIAL AND STATISTICAL INFORMATION REPORT

COMMISSION MEMBERS AND OFFICERS

Cesar Calvet
President

Gregory D. Lee
Immediate Past President

Britta Gross
First Vice President

Larry Mills, Th.D.
Second Vice President

Buddy H. Dyer
Mayor - Commissioner

Clint Bullock
Secretary

Mindy Brenay
W. Christopher Browder
Elizabeth M. Mason
Assistant Secretaries

Years Ended September 30, 2019 - 2015

TABLE OF CONTENTS

I COMBINED INFORMATION

Combined Business Operations	1
Statements of Net Position	2
Statements of Revenues, Expenses and Changes in Net Position	4
Statements of Cash Flows	5
Selected Financial Ratios	6

II DEBT SERVICE INFORMATION

Debt Service Information	7
Estimated Debt Service for Outstanding Bonds	8
Estimated Outstanding Bond Payments	8
Debt Service Coverage and Ratios	10

III ELECTRIC BUSINESS OPERATIONS

Electric Business Operations	11
Electric Revenues, Expenses and Changes in Net Position	12
Electric Consumption and Financial Ratios	13
Selected Financial Ratios	14
Active Services and Consumption	14
Electric Generation	15
Net Generating Capability	16
Peak Demand	16
Generation Availability Data	16
Electric Distribution Reliability Data	17
Electric Physical Statistics	17
Electric Utility Plant	18
Fuel Mix Statistics	18
Renewable Energy and Active Services Solar Statistical Information	19

IV WATER BUSINESS OPERATIONS

Water Business Operations	21
Water Revenues, Expenses and Changes in Net Position	22
Water Consumption and Financial Ratios	23
Selected Financial Ratios	23
Active Services, Fire Protection, and Consumption	23
Water Utility Plant	24
Water Physical Statistics	24
Water Production	24

V CHILLED WATER BUSINESS OPERATIONS

Chilled Water Business Operations	25
Chilled Water Revenues, Expenses and Changes in Net Position.	26
Selected Financial Ratios	27
Chilled Water Utility Plant.	27
Active Services	27
Chilled Water Physical Statistics	27
Ton-Hours Produced	27

VI LIGHTING BUSINESS OPERATIONS

Lighting Business Operations	29
Lighting Revenues, Expenses and Changes in Net Position	30
Selected Financial Ratios	31
Lighting Utility Plant	31

VII STATISTICAL INFORMATION

Headcount	33
Service Area Population.	33
Climatological Data.	34
Insurance Coverages	35

VIII GLOSSARY OF TERMS

Glossary	37
--------------------	----

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

GENERAL INFORMATION

OUC—*the Reliable One* is the second largest municipal utility in Florida, providing a portfolio of utility services to more than 304,000 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola Counties.

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

The electric system provides power to customers within the City and certain contiguous portions of Orange County. Beginning in 1997, through the execution of an inter-local agreement, the electric system was expanded to include providing power to the City of St. Cloud, their customers and certain portions of Osceola County. The combined electric system is the largest component of OUC's operations and consists of seven generation units, a transmission station with 39 substations and approximately 449 miles of transmission lines and cables. The combined system encompasses 419 square miles and has 248,595 active metered services. The service territory boundaries within the City and certain contiguous portions of Orange County are established by charter and a territorial agreement with Duke Energy, which expired in August 2017. OUC retains the authority to provide utility services stated in the expired agreement and will jointly file a newly negotiated agreement with the Florida Public Service Commission when the agreement is finalized. The St. Cloud Agreement expires on September 30, 2032.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth in the territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2029 with automatic ten year extension periods. In accordance with OUC's Consumptive Use Permit (CUP) from the St. Johns River Water Management District, water is obtained from deep wells that tap the Floridan Aquifer, a natural source of high quality water hundreds of feet below the surface. State-of-the-art water plants ozonate the water for disinfection and remove hydrogen sulfide. The current CUP agreement expires on October 1, 2021, with an automatic reduction in water allocation to 100.1 million gallons per day (mgd) in October 2020 if no suitable alternate water supply project can be developed by OUC before that date. OUC is currently pursuing an application for renewal of its CUP and is continuing to pursue multiple alternative water supply solutions to preserve the current CUP at 109.2 mgd.

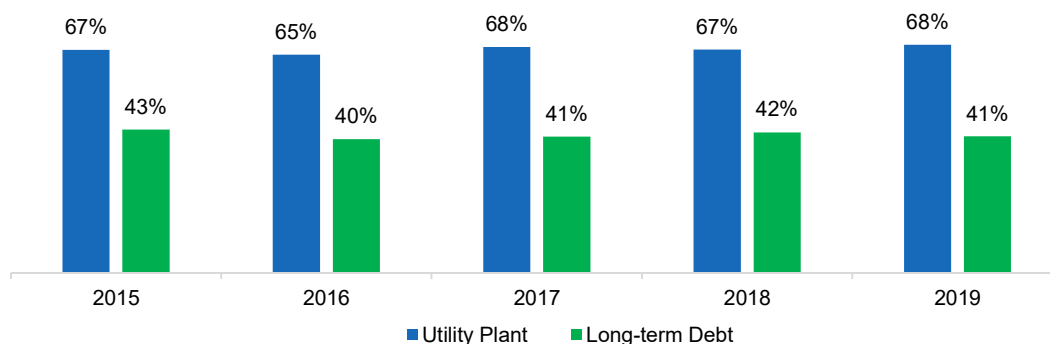
OUC operates two related businesses – OUCooling and OUConvenient Lighting – that serve the City and surrounding counties. OUCooling provides chilled water services for air conditioning systems through a network of nine chilled water plants in five districts with a total capacity of 50,915 tons. OUConvenient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

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

The information presented in the following pages represents OUC's financial and operational information for the periods of 2015-2019 and, where appropriate, amounts have been reclassified to conform to the 2019 presentation. Generally, narratives have been provided for changes greater than 20.0 percent when comparing 2019 to 2018 and 2015, respectively.

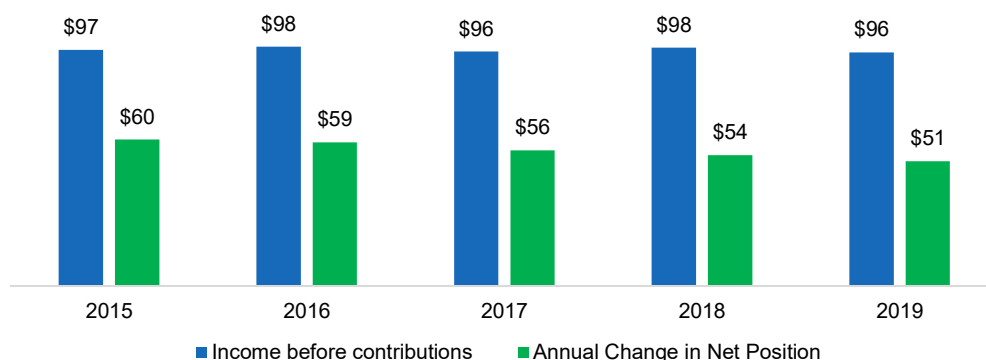
COMBINED BUSINESS OPERATIONS

Statement of Net Assets Highlights



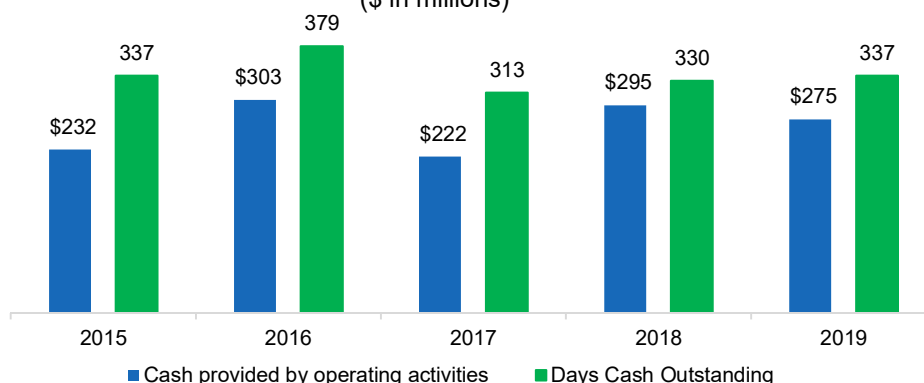
Utility Plant and Long-term Debt: Utility Plant continues to represent the majority of OUC's assets. The financing of these assets, through the issuance of long-term debt, has remained consistent through the five year period with market opportunities that have lowered the percent of outstanding long-term debt and enabled customer savings.

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



Income Before Contributions and Annual Change in Net Position: Total operating revenues have grown on average 1.1 percent over the past five years. Offsetting this growth has been an increase in costs in response to the changing industry dynamics and expanded non-traditional utility services and solutions. Throughout the five year period, income before contribution has remained consistent.

Cash Flows from Operations
(\$ in millions)



Cash Flow: Cash from operations has increased over the five year period driven by lower fuel costs, revenue growth and water price changes. OUC's cash management strategy continues to exceed its target of 250 days of cash on hand.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2019	2018	2017	2016	2015
Assets					
Utility plant, net					
Utility plant in service	\$ 4,471,769	\$ 4,313,625	\$ 4,159,316	\$ 4,013,013	\$ 3,873,053
Allowances for depreciation and amortization	(2,194,918)	(2,061,635)	(1,940,364)	(1,829,443)	(1,714,591)
Utility plant in service, net	2,276,851	2,251,990	2,218,952	2,183,570	2,158,462
Land	83,171	73,253	73,091	72,569	72,651
Construction work in progress	156,227	164,213	159,025	154,216	144,733
Total utility plant, net (1)	<u>2,516,249</u>	<u>2,489,456</u>	<u>2,451,068</u>	<u>2,410,355</u>	<u>2,375,846</u>
Restricted and internally designated assets					
Restricted assets (2)	70,490	131,796	42,176	42,044	99,327
Internally designated assets	541,458	525,693	497,119	583,226	510,964
Total restricted and internally designated assets	<u>611,948</u>	<u>657,489</u>	<u>539,295</u>	<u>625,270</u>	<u>610,291</u>
Current assets					
Cash and investments	40,158	47,099	39,407	48,026	53,627
Customer receivables, net (3)	80,679	97,287	111,731	75,551	74,268
Miscellaneous receivables, net	8,003	9,889	5,729	2,098	11,980
Accrued utility revenue	37,515	38,002	35,880	36,880	39,038
Fuel for generation (4)	26,787	18,223	24,829	15,440	30,012
Materials and supplies inventory, net	40,736	38,480	37,499	35,425	32,491
Accrued interest receivable	3,094	2,127	2,049	1,747	2,330
Prepaid and other expenses (5)	26,141	9,698	10,772	32,660	39,794
Hedging derivative instruments maturing within one year	-	345	649	2,040	-
Total current assets	<u>263,113</u>	<u>261,150</u>	<u>268,545</u>	<u>249,867</u>	<u>283,540</u>
Other assets					
Regulatory assets (6)	162,337	178,987	194,863	179,910	147,516
Other long-term assets	28,303	30,154	46,692	42,593	31,212
Total other assets	<u>190,640</u>	<u>209,141</u>	<u>241,555</u>	<u>222,503</u>	<u>178,728</u>
Total assets	<u>3,581,950</u>	<u>3,617,236</u>	<u>3,500,463</u>	<u>3,507,995</u>	<u>3,448,405</u>
Deferred outflows of resources					
Accumulative decrease in fair value of hedging derivatives (5)	12,508	2,536	2,098	39,144	41,652
Fair value retirement obligation asset	6,062	6,687	7,677	8,668	2,851
Unrealized pension and postretirement benefits contributions and losses (6)	46,752	51,262	64,090	76,808	18,573
Unamortized loss on refunded bonds	34,050	40,781	46,874	54,368	45,407
Total deferred outflows of resources	<u>99,372</u>	<u>101,266</u>	<u>120,739</u>	<u>178,988</u>	<u>108,483</u>
Total assets and deferred outflows of resources	<u>\$ 3,681,322</u>	<u>\$ 3,718,502</u>	<u>\$ 3,621,202</u>	<u>\$ 3,686,983</u>	<u>\$ 3,556,888</u>

(1) In 2019, the increase was due to capital spending for multi-year transmission line upgrades to strengthen system reliability.

(2) In 2019, restricted assets decreased due to the net reimbursement of construction funds associated with the issuance of the Series 2018A Bonds.

(3) In 2017, customer receivables increased as a result of the implementation of the CC&B system, a change in the billing cycle for consolidated accounts and a 90 day suspension in collection activities. Beginning in 2018 and throughout 2019, efforts were focused on successfully reducing receivables and number of days outstanding.

(4) Fuel for generation inventories are managed to leverage favorable market commodity pricing, timing of planned outages and other logistic challenges. As such, fuel for generation inventories ebb and flow to meet operational needs. The rise of fuel for generation inventories in 2017 and 2019 were driven by logistic opportunities as a result of Hurricane Irma and Dorian, respectively.

(5) Collateral deposits associated with fuel and interest rate hedges are the primary driver for the changes in prepaid and other expenses. The change in 2017 was driven by the refunding of the 2011A Windows Bonds with the 2017A Series Bonds and the one-time settlement payment suspending cash flows on the 2017A interest rate swap until October 2020. The accumulated decrease in the fair value of hedging derivatives is due to the unfavorable mark-to-market on the fuel hedges and the 2015B interest rate swap hedge.

(6) The recognition of past service costs for pension and other post-employment benefits in 2016 and 2017 was the driver of the changes in these years. Since this time, other post-employment benefit plan modifications, higher than expected investment returns and the systematic recognition of costs have decreased this amount consistent with the target to recognize these costs through 2025.

STATEMENTS OF NET POSITION (Dollars in thousands)

As of September 30	2019	2018	2017	2016	2015
Liabilities					
Current liabilities - payable from restricted and designated assets					
Current portion of long-term debt	60,340	68,915	58,385	60,765	55,880
Accrued interest payable on notes and bonds	29,283	30,883	28,790	24,905	30,508
Customer meter deposits	57,164	58,156	56,991	56,522	54,931
Total payable from restricted and designated assets	<u>146,787</u>	<u>157,954</u>	<u>144,166</u>	<u>142,192</u>	<u>141,319</u>
Current liabilities - payable from current assets					
Account payable and accrued expenses (7)	62,832	62,386	78,985	53,163	61,468
Billings on behalf of state and local governments	20,563	19,693	19,032	19,394	17,212
Compensated absences and accrued wages	15,362	14,298	14,004	14,813	14,702
Accrued governmental payments	2,937	2,973	2,901	2,903	2,869
Other Bonds Payable (8)	-	-	-	98,360	98,360
Hedging derivative instruments maturing within one year (9)	4,063	1,035	1,395	3,111	8,848
Total payable from current assets	<u>105,757</u>	<u>100,385</u>	<u>116,317</u>	<u>191,744</u>	<u>203,459</u>
Total current liabilities	<u>252,544</u>	<u>258,339</u>	<u>260,483</u>	<u>333,936</u>	<u>344,778</u>
Other liabilities and credits					
Pension and net postretirement benefits liability (6)	89,068	122,769	169,602	215,106	92,568
Asset retirement obligation and other liabilities	87,042	83,446	80,108	81,224	88,083
Hedging derivative instruments (9)	3,503	1,502	703	2,886	5,617
Total other liabilities and credits	<u>179,613</u>	<u>207,717</u>	<u>250,413</u>	<u>299,216</u>	<u>186,268</u>
Total long-term debt, net					
Bond and note principal	1,389,180	1,459,945	1,378,640	1,338,665	1,398,675
Unamortized premium	92,866	99,868	86,858	104,279	101,924
Fair value of derivative instruments (9)	22,633	4,824	11,865	33,147	27,187
Total long-term debt, net	<u>1,504,679</u>	<u>1,564,637</u>	<u>1,477,363</u>	<u>1,476,091</u>	<u>1,527,786</u>
Total liabilities	<u>1,936,836</u>	<u>2,030,693</u>	<u>1,988,259</u>	<u>2,109,243</u>	<u>2,058,832</u>
Deferred inflows of resources					
Unrealized pension and postretirement benefits gains (6)	54,072	48,415	32,446	13,655	18,585
Accumulated increase in fair value of hedging derivatives	-	5,519	1,713	2,581	-
Regulatory credits	243,238	237,817	256,271	274,553	251,363
Unamortized gain on refunded bonds	1,034	1,212	1,390	1,569	1,747
Total deferred inflows of resources	<u>298,344</u>	<u>292,963</u>	<u>291,820</u>	<u>292,358</u>	<u>271,695</u>
Net position					
Net invested in capital assets	1,102,332	1,071,359	1,048,799	945,883	893,645
Unrestricted	343,810	323,487	292,324	339,499	332,716
Total net position	<u>1,446,142</u>	<u>1,394,846</u>	<u>1,341,123</u>	<u>1,285,382</u>	<u>1,226,361</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 3,681,322</u>	<u>\$ 3,718,502</u>	<u>\$ 3,621,202</u>	<u>\$ 3,686,983</u>	<u>\$ 3,556,888</u>

(7) In 2017, the change in accounts payable was due to the impact of Hurricane Irma storm restoration supplier payables of \$15.7 million.

(8) In 2017, the Series 2011A Windows Bonds with a seven-month call option, were refunded and included under the heading of Long-term Debt.

(9) In 2019, unfavorable market conditions resulted in a \$17.8 million increase in the future settlement of the interest rate hedging derivative instrument. In conjunction with the refinancing of the Series 2011A Windows Bonds, the underlying interest rate swap settlement payments were deferred until October 2020 with settlement terms aligned to the term rate period of the Series 2017A Bonds.

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

Years Ended September 30	2019	2018	2017	2016	2015
Operating revenues					
Electric operating revenues	\$ 766,316	\$ 767,032	\$ 755,204	\$ 763,530	\$ 760,960
Water revenues (1)	77,437	74,889	72,743	69,638	66,869
Lighting revenues	16,000	14,799	13,184	13,311	13,273
Chilled water revenues	31,573	32,103	31,718	31,670	32,150
Operating revenues before regulatory action	<u>891,326</u>	<u>888,823</u>	<u>872,849</u>	<u>878,149</u>	<u>873,252</u>
Regulatory action	5,954	13,848	5,800	(13,000)	(13,800)
Total operating revenues	<u>897,280</u>	<u>902,671</u>	<u>878,649</u>	<u>865,149</u>	<u>859,452</u>
Operating expenses					
Fuel for generation and purchased power	288,552	306,255	308,844	301,483	316,875
Electric and water production (2)	102,551	96,072	93,688	95,563	95,032
Transmission and distribution	53,094	49,326	45,784	42,537	40,944
Lighting	4,320	4,253	4,032	4,529	4,181
Chilled water	17,097	16,397	16,225	16,650	16,394
Customer service	42,933	43,585	38,991	36,660	34,375
General and administrative	64,241	62,926	56,801	56,794	52,174
Storm recovery cost (3)	2,725	-	8,617	-	(2,000)
Depreciation and amortization (4)	144,801	141,101	128,944	121,019	115,857
Utility/property tax	17,372	17,103	15,718	17,057	13,489
Revenue based payments to the City of Orlando (5)	29,347	29,392	28,339	28,681	28,189
Revenue based payments to Orange County	1,547	1,503	1,473	1,538	1,515
Revenue based and system use payments to the City of St. Cloud	7,009	7,286	6,858	6,467	6,037
Total operating expenses	<u>775,589</u>	<u>775,199</u>	<u>754,314</u>	<u>728,978</u>	<u>723,062</u>
Operating income	121,691	127,472	124,335	136,171	136,390
Non-operating income and (expense)					
Interest income (6)	12,628	8,318	4,551	5,265	5,675
Other income, net	10,698	10,726	10,783	10,453	9,786
Amortization of gain on sale of assets (7)	5,040	6,072	8,386	3,628	3,628
Interest expense, net	(54,217)	(54,813)	(51,896)	(57,361)	(58,656)
Total non-operating expenses, net	<u>(25,851)</u>	<u>(29,697)</u>	<u>(28,176)</u>	<u>(38,015)</u>	<u>(39,567)</u>
Income before contributions	95,840	97,775	96,159	98,156	96,823
Contributions in aid of construction (CIAC)	18,818	16,564	18,642	16,584	16,501
Annual dividend (5)	<u>(63,362)</u>	<u>(60,616)</u>	<u>(59,061)</u>	<u>(55,719)</u>	<u>(53,211)</u>
Increase in net position	51,296	53,723	55,740	59,021	60,113
Net position - beginning of year	1,394,846	1,341,123	1,285,382	1,226,361	1,166,249
Net position - end of year	<u>\$ 1,446,142</u>	<u>\$ 1,394,846</u>	<u>\$ 1,341,123</u>	<u>\$ 1,285,382</u>	<u>\$ 1,226,361</u>

(1) In 2018, a four-year water price plan was implemented to increase water prices. As a result, the average residential and commercial customer water bill increased by 3.4% and 4.0% in January 2019 and April 2018, respectively.

(2) In 2019, costs related to the Stanton Energy Center coal contamination claim coupled with higher than projected outage costs were the driver for the increase in electric production.

(3) Storm recovery costs were incurred as a result of impacts from Hurricanes Dorian in September 2019, Hurricane Irma in September 2017 and Hurricane Matthew in October 2016. Beyond amounts recognized in the Statement of Revenues, Expenses and Changes in Net Assets, recovery costs of \$23.2 million were deferred for anticipated reimbursement from FEMA.

(4) Depreciation and amortization expenses have increased over the years primarily due to the capitalization of new assets and accelerated depreciation on existing assets to align with OUC's operational and clean energy initiatives.

(5) Beginning in 2018, the annual dividend and revenue-based payments to the City of Orlando were fixed at a 3% annual escalation rate. Prior to 2018, the payment to the City of Orlando was fixed based on the approved Operating Budget.

(6) In 2018 and 2019, interest income increased as a result of the receipt of construction funds and the Board action to defer mark-to-market investment valuation changes.

(7) In 2018, the amortization of the deferred gain on sale was realigned with the SEC Unit A power purchase agreement extension.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2019	2018	2017	2016	2015
Cash flows from operating activities					
Cash received from customers (1)	\$ 909,512	\$ 908,504	\$ 834,122	\$ 894,085	\$ 872,926
Cash paid for fuel and purchased power	(301,941)	(299,910)	(308,101)	(290,858)	(353,320)
Cash paid for unit/department expenses excluding salaries and benefits (2)	(99,431)	(67,009)	(62,124)	(74,936)	(84,527)
Cash paid for salaries and benefits	(175,679)	(173,994)	(174,890)	(171,864)	(154,147)
Cash paid for storm recovery expenses (3)	(2,102)	(17,479)	(14,365)	-	-
Cash paid to other governments and taxes	(55,310)	(55,213)	(52,390)	(53,709)	(48,841)
Net cash provided by operating activities	<u>275,049</u>	<u>294,899</u>	<u>222,252</u>	<u>302,718</u>	<u>232,091</u>
Cash flows from non-capital related financing activities					
Dividend payment	(63,362)	(60,616)	(59,061)	(55,719)	(53,211)
Pension bond principal and interest payments	(5,143)	(5,146)	(5,151)	(5,165)	(5,170)
Build America bond interest subsidy received	3,043	3,708	3,732	3,694	3,674
Net cash used in non-capital related financing activities	<u>(65,462)</u>	<u>(62,054)</u>	<u>(60,480)</u>	<u>(57,190)</u>	<u>(54,707)</u>
Cash flows from capital related financing activities					
Utility plant net of contributions in aid of construction	(168,711)	(160,391)	(164,715)	(134,841)	(122,808)
Debt interest payments	(64,317)	(61,264)	(55,917)	(69,798)	(62,301)
Collateral deposits (4)	(8,146)	2,900	16,800	(3,200)	(4,300)
Principal payments and refunding costs on long-term debt	(129,769)	(53,630)	(164,913)	(327,760)	(49,215)
Debt issuances	65,944	180,000	108,663	279,134	112,100
Debt issuances expenses	(1,109)	(1,039)	(1,376)	(1,170)	(890)
Net cash used in capital related financing activities	<u>(306,108)</u>	<u>(93,424)</u>	<u>(261,458)</u>	<u>(257,635)</u>	<u>(127,414)</u>
Cash flows from investing activities					
Proceeds from sales and maturities of investment securities	379,206	334,838	570,050	558,788	369,848
Purchases of investment securities	(293,287)	(436,079)	(413,663)	(608,727)	(509,317)
Investments and other income received	35,275	(8,519)	7,345	20,731	22,681
Net cash provided by/(used in) by investing activities	<u>121,194</u>	<u>(109,760)</u>	<u>163,732</u>	<u>(29,208)</u>	<u>(116,788)</u>
Net increase/(decrease) in cash and cash equivalents	<u>24,673</u>	<u>29,661</u>	<u>64,046</u>	<u>(41,315)</u>	<u>(66,818)</u>
Cash and cash equivalents - beginning of year	<u>209,440</u>	<u>179,779</u>	<u>115,733</u>	<u>157,048</u>	<u>223,866</u>
Cash and cash equivalents - end of year	<u>\$ 234,113</u>	<u>\$ 209,440</u>	<u>\$ 179,779</u>	<u>\$ 115,733</u>	<u>\$ 157,048</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 121,691	\$ 127,472	\$ 124,335	\$ 136,171	\$ 136,390
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization of plant charged to operations	144,801	141,101	128,944	121,019	115,857
Depreciation and amortization charged to fuel for generation and purchased power	2,953	4,219	4,711	3,856	3,183
Depreciation of vehicles and equipment charged to unit/department expenses	2,651	2,575	1,755	1,388	1,160
Changes in assets and liabilities					
Decrease/(increase) in receivables and accrued revenue (1)	20,082	1,722	(45,655)	9,813	6,205
(Increase)/decrease in fuel and materials and supplies inventories (5)	(3,594)	14,018	(3,745)	19,214	7,611
(Decrease)/increase in accounts payable (3)	(1,275)	(18,609)	13,445	(7,556)	(20,731)
(Decrease)/increase in deposits payable and liabilities (6)	(5,759)	17,200	3,045	(1,771)	(28,491)
(Decrease)/increase in reserves and deferred credits	(6,501)	5,201	(4,583)	20,584	10,907
Net cash provided by operating activities	<u>\$ 275,049</u>	<u>\$ 294,899</u>	<u>\$ 222,252</u>	<u>\$ 302,718</u>	<u>\$ 232,091</u>
Reconciliation of cash and cash equivalents					
Restricted and internally designated cash and cash equivalents	\$ 229,836	\$ 173,645	\$ 134,419	\$ 113,644	\$ 154,855
Cash and investments	4,279	35,795	45,360	2,089	2,193
Cash and cash equivalents - end of year	<u>\$ 234,115</u>	<u>\$ 209,440</u>	<u>\$ 179,779</u>	<u>\$ 115,733</u>	<u>\$ 157,048</u>
Non-cash investing, capital and financing activities					
Increase in donated utility plant assets	\$ 4,141	\$ 4,839	\$ 4,019	\$ 5,942	\$ 4,985
Increase/(decrease) in fair value of investments	4,451	(4,677)	(2,298)	(36)	1,215
Decrease in accounts payable related to utility plant purchases	89	770	6,580	(88)	(1,994)
Increase in fair value of retirement obligation asset	-	-	-	4,202	-

(1) In 2017, cash received from customers decreased as a result of the implementation of the CC&B system, a change in the billing cycle for consolidated accounts and a 90 day suspension in collection activities. Since this date, efforts to strengthen collection activities have returned cash received from customers to pre-implementation levels.

(2) In 2019, cash used in unit department excluding salaries and benefits increased as a result of planned outage costs.

(3) Storm recovery costs were incurred as a result of the impacts from Hurricane Dorian, Hurricane Irma and Hurricane Matthew.

(4) In 2019, collateral deposits of \$8.1 million were paid for based on current market conditions and contractual requirements. In 2017, the return of collateral deposits was driven by the refunding of the 2011A Windows Bonds and the settlement payment to suspend the cash flows for this interest rate swap.

(5) Fuel and materials and supplies inventory vary due to the timing of the receipt and utilization of these inventories, including the impact of planned outages.

(6) In 2019, deposits payable and liabilities decreased due to the change in other post-retirement benefits as a result of changes in assumptions, including expected versus actual experience, and investment performance. The change in 2018 was due to the use of prepaid contractual service agreement funds for the major planned inspection outages at OUC owner operator natural gas generation facilities.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2019	2018	2017	2016	2015
Current ratio					
Current assets/current liabilities (1) (2)	3.12	3.02	2.93	3.43	3.09
Days cash on hand (2)	337	330	313	379	337
Leverage ratio					
Total debt/total assets	0.43	0.44	0.42	0.45	0.47
Return on total position					
Income before contributions/total assets	2.60%	2.63%	2.66%	2.66%	2.72%
Return on net position					
Income before contributions/average net position	6.75%	7.15%	7.32%	7.82%	8.09%
Debt/net position	51%/49%	53%/47%	52%/48%	53%/47%	55%/45%
City of Orlando revenue based payments and dividend	\$92,708	\$90,008	\$87,400	\$84,400	\$81,400
As a percentage of retail revenue	12.10%	12.39%	12.33%	11.41%	11.49%
Retail receivables/retail billed revenue (2) (3)	9.94%	11.56%	13.05%	8.35%	8.55%
Bad debt expense/retail billed revenue (OUC) (2) (3)	0.22%	0.09%	0.42%	0.22%	0.22%
Bad debt expense/retail revenue (Inter-local sales) (3)	0.11%	0.24%	0.40%	0.29%	0.57%
Day sales uncollected (OUC) (3)	37	43	49	31	32
Day sales uncollected (Inter-local sales) (3)	32	36	39	27	28
Materials inventory as a percentage of total plant (4)	1.62%	1.55%	1.53%	1.47%	1.37%
Total metered services per meter reader (OUC) (5)	41,433	40,495	39,675	38,902	32,329

(1) In 2017, the decrease was due to the planned release of \$69.5 million and \$14.5 million from the capital reserve and the renewal and replacement to fund utility plant additions and unanticipated storm restoration costs resulting from Hurricanes Matthew and Irma, respectively.

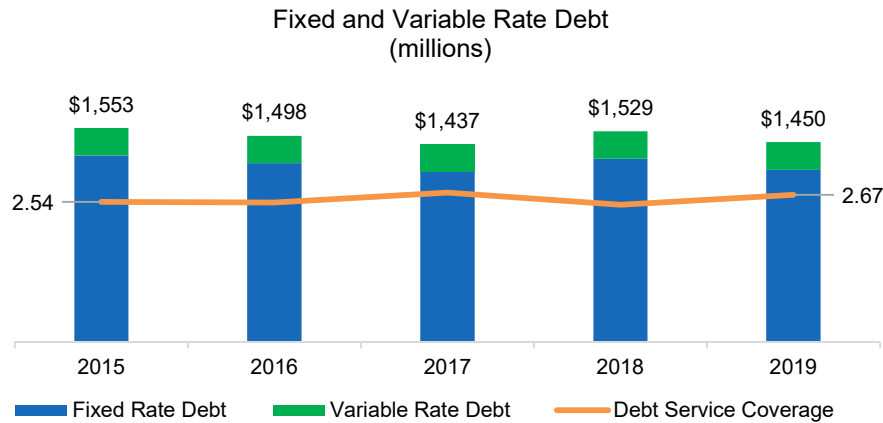
(2) In 2017, customer receivables increased as a result of a change in the billing cycle for consolidated accounts and a 90 day suspension in collection activities during the implementation of the CC&B system. In 2019 and 2018, the return to normal operations and further changes to the billing cycle for consolidated accounts resulted in a decrease in outstanding receivables and a strengthening of several related metrics.

(3) In 2017, additional reserves were recorded in conjunction with the CC&B implementation, causing a lower reserve in 2018. In 2019, reserves returned back to pre-implementation levels.

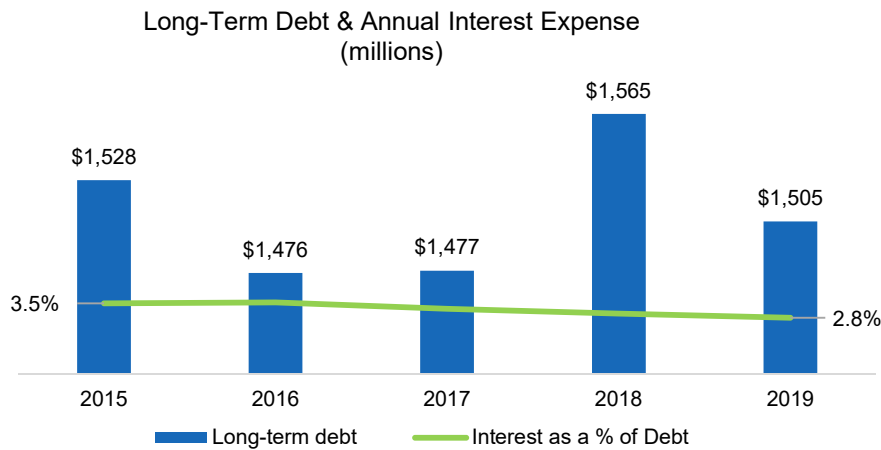
(4) In 2019, material inventories increased due to the growth in services and required system infrastructure upgrades.

(5) Growth in metered services per meter reader in 2016 was driven by the implementation of a digital meter program. Continued growth in the multi-family home sector within OUC's service territory continues to influence this ratio.

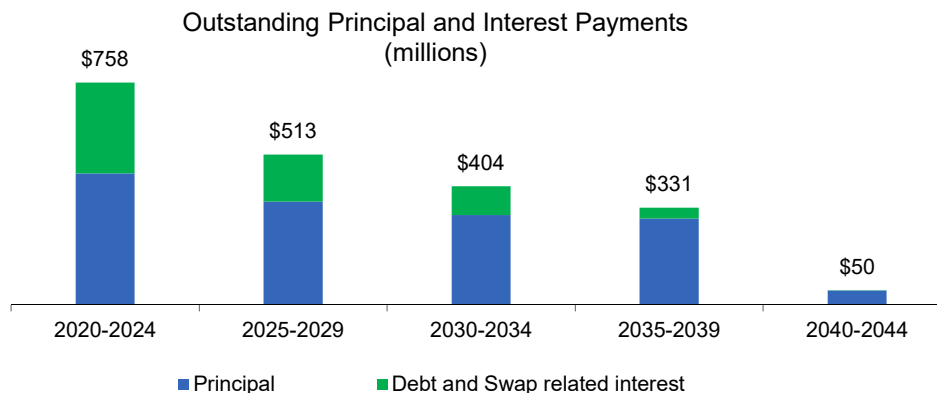
DEBT SERVICE INFORMATION



Fixed and Variable Rate Debt: In accordance with the Finance Committee Charter, OUC's debt portfolio includes both fixed and variable rate debt. Variable debt represents approximately 13.8 percent of the total long-term debt portfolio.



Long-term Debt & Annual Interest Expense: Total interest expense has declined steadily from 3.5 percent to 2.8 percent over the past five years reflecting OUC's efforts to capture market opportunities while also ensuring rate stability for its customers.



Outstanding Principal and Interest Payments: Schedule demonstrates OUC's annual debt service requirements through the current maturity periods.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

PRINCIPAL AND INTEREST PAYMENT SCHEDULE FOR OUTSTANDING BONDS (1)

Bond Series	Current 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2008											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest	4,500	5,000	5,500	6,000	6,000	6,000	6,000	6,000	5,250	4,500	3,750
2010A											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324
Build America interest subsidy	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)
2010C											
Principal	8,895	9,320	9,765	10,275	-	-	-	-	-	-	-
Interest	1,923	1,498	1,052	539	-	-	-	-	-	-	-
2011B											
Principal	13,985	14,670	8,015	6,440	6,240	-	-	-	-	-	-
Interest	2,448	1,768	1,035	634	312	-	-	-	-	-	-
2011C											
Principal	12,820	13,430	24,925	26,050	-	2,140	2,245	2,360	2,480	-	-
Interest	4,093	3,481	2,840	1,714	461	461	354	242	124	-	-
2012A											
Principal	-	-	395	410	15,135	15,155	15,175	495	515	-	-
Interest	2,346	2,346	2,346	2,330	2,314	1,557	799	40	21	-	-
2013A											
Principal	10,140	21,290	24,560	35,610	27,750	51,980	51,765	-	-	-	-
Interest	11,155	10,648	9,583	8,355	6,575	5,187	2,588	-	-	-	-
2015A											
Principal	-	-	-	-	-	-	-	-	-	7,250	8,050
Interest	4,745	4,746	4,745	4,745	4,745	4,746	4,745	4,745	4,745	4,746	4,383
2015B (2)											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	2,590	2,877	3,165	3,453	3,453	3,453	3,453	3,453	3,453	2,049	2,049
Swap interest	(202)	(829)	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	-	-
2016A											
Principal	14,500	15,220	14,390	1,455	9,605	-	-	-	-	5,415	5,680
Interest	4,393	3,669	2,908	2,188	2,115	1,635	1,635	1,635	1,635	1,635	1,364
2017A											
Principal	-	-	-	-	-	-	-	49,180	49,180	-	-
Interest	4,572	4,572	4,111	4,111	4,111	4,111	4,111	4,111	2,056	-	-
2018A											
Principal	-	-	-	-	6,350	6,665	7,000	7,350	7,720	8,105	8,510
Interest	7,511	7,511	7,511	7,511	7,511	7,194	6,860	6,510	6,143	5,757	5,351
2019A											
Principal	-	-	-	-	10,140	-	-	-	-	6,555	6,885
Interest	3,056	2,737	2,737	2,737	2,483	2,230	2,230	2,230	2,230	2,066	1,730
Total long-term debt	\$ 121,092	\$ 131,576	\$ 136,089	\$ 130,775	\$ 121,518	\$ 118,732	\$ 115,178	\$ 119,569	\$ 116,770	\$ 80,700	\$ 80,374
Total principal	\$ 60,340	\$ 73,930	\$ 82,050	\$ 80,240	\$ 75,220	\$ 75,940	\$ 76,185	\$ 84,385	\$ 84,895	\$ 52,325	\$ 54,125
Total interest	\$ 60,752	\$ 57,646	\$ 54,039	\$ 50,535	\$ 46,298	\$ 42,792	\$ 38,993	\$ 35,184	\$ 31,875	\$ 28,375	\$ 26,249

TOTAL PAYMENT SCHEDULE FOR OUTSTANDING BONDS (1)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total principal	\$ 60,340	\$ 73,930	\$ 82,050	\$ 80,240	\$ 75,220	\$ 75,940	\$ 76,185	\$ 84,385	\$ 84,895	\$ 52,325	\$ 54,125
Total interest	64,656	62,177	58,857	55,641	51,404	47,898	44,099	40,290	36,981	32,077	29,951
Build America Bond (3)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)
Total swap interest	(202)	(829)	(1,116)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	(1,404)	-	-
Total long-term debt	\$ 121,092	\$ 131,576	\$ 136,089	\$ 130,775	\$ 121,518	\$ 118,732	\$ 115,178	\$ 119,569	\$ 116,770	\$ 80,700	\$ 80,374

(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 by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

(2) In 2019, OUC and the counterparty of the Series 2015B Bonds interest rate swap entered into an agreement to defer the option to settle the swap at par value in October 2020 to October 2027. In consideration of the extension, OUC received a net present value benefit of \$2.8 million in the form of an interest rate reduction of 29.5 basis points.

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

Bond Series	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
2008												
Principal	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Interest	3,000	2,250	1,500	750	-	-	-	-	-	-	-	66,000
2010A												
Principal	-	-	-	-	23,030	23,880	24,755	25,665	26,615	27,590	48,465	200,000
Interest	11,324	11,324	11,324	11,324	11,324	10,020	8,668	7,267	5,813	4,306	2,745	220,003
Build America interest subsidy	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,276)	(2,834)	(2,375)	(1,900)	(1,408)	(897)	(71,922)
2010C												
Principal	-	-	-	-	-	-	-	-	-	-	-	38,255
Interest	-	-	-	-	-	-	-	-	-	-	-	5,012
2011B												
Principal	-	-	-	-	-	-	-	-	-	-	-	49,350
Interest	-	-	-	-	-	-	-	-	-	-	-	6,197
2011C												
Principal	-	-	-	-	-	-	-	-	-	-	-	86,450
Interest	-	-	-	-	-	-	-	-	-	-	-	13,770
2012A												
Principal	-	-	-	-	-	-	-	-	-	-	-	47,280
Interest	-	-	-	-	-	-	-	-	-	-	-	14,099
2013A												
Principal	-	-	-	-	-	-	-	-	-	-	-	223,095
Interest	-	-	-	-	-	-	-	-	-	-	-	54,091
2015A												
Principal	8,890	9,770	10,700	11,670	18,595	19,980	-	-	-	-	-	94,905
Interest	3,980	3,536	3,047	2,512	1,929	999	-	-	-	-	-	67,839
2015B (2)												
Principal	-	-	-	-	18,200	18,580	18,970	19,370	19,775	20,195	-	115,090
Interest	2,049	2,049	2,049	2,049	2,049	1,724	1,394	1,056	711	360	-	48,938
Swap interest	-	-	-	-	-	-	-	-	-	-	-	(10,571)
2016A												
Principal	5,965	6,265	6,515	6,770	-	-	-	-	-	-	-	91,780
Interest	1,080	782	531	271	-	-	-	-	-	-	-	27,476
2017A												
Principal	-	-	-	-	-	-	-	-	-	-	-	98,360
Interest	-	-	-	-	-	-	-	-	-	-	-	35,866
2018A												
Principal	8,935	9,380	9,850	10,345	10,860	11,405	11,975	12,570	13,200	-	-	150,220
Interest	4,926	4,479	4,010	3,518	3,000	2,458	1,887	1,289	660	-	-	101,597
2019A												
Principal	7,225	7,590	7,970	8,370	-	-	-	-	-	-	-	54,735
Interest	1,377	1,007	618	209	-	-	-	-	-	-	-	29,677
Total long-term debt	\$ 80,049	\$ 79,730	\$ 79,412	\$ 79,086	\$ 85,285	\$ 85,770	\$ 64,815	\$ 64,842	\$ 64,874	\$ 51,043	\$ 50,313	\$ 2,057,592
Total principal	\$ 56,015	\$ 58,005	\$ 60,035	\$ 62,155	\$ 70,685	\$ 73,845	\$ 55,700	\$ 57,605	\$ 59,590	\$ 47,785	\$ 48,465	\$ 1,449,520
Total interest	\$ 24,034	\$ 21,725	\$ 19,377	\$ 16,931	\$ 14,600	\$ 11,925	\$ 9,115	\$ 7,237	\$ 5,284	\$ 3,258	\$ 1,848	\$ 608,072

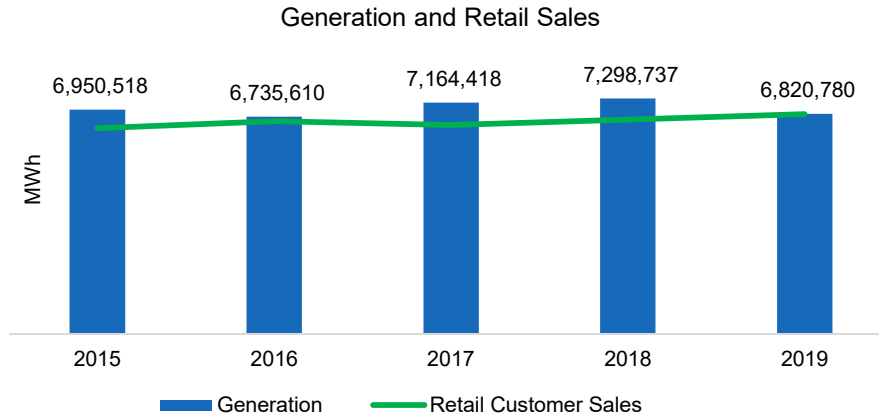
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Total principal	\$ 56,015	\$ 58,005	\$ 60,035	\$ 62,155	\$ 70,685	\$ 73,845	\$ 55,700	\$ 57,605	\$ 59,590	\$ 47,785	\$ 48,465	\$ 1,449,520
Total interest	27,736	25,427	23,079	20,633	18,302	15,201	11,949	9,612	7,184	4,666	2,745	690,565
Build America Bond (3)	(3,702)	(3,702)	(3,702)	(3,702)	(3,702)	(3,276)	(2,834)	(2,375)	(1,900)	(1,408)	(897)	(71,922)
Total swap interest	-	-	-	-	-	-	-	-	-	-	-	(10,571)
Total long-term debt	\$ 80,049	\$ 79,730	\$ 79,412	\$ 79,086	\$ 85,285	\$ 85,770	\$ 64,815	\$ 64,842	\$ 64,874	\$ 51,043	\$ 50,313	\$ 2,057,592

DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

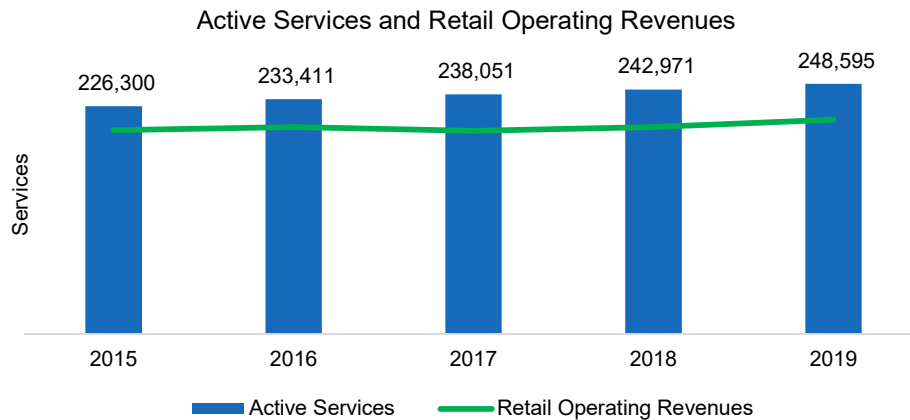
Years Ended September 30	2019	2018	2017	2016	2015
Gross revenue and income before contributions					
Operating revenues					
Electric operating revenues	\$ 772,270	\$ 780,880	\$ 761,004	\$ 750,530	\$ 747,160
Water operating revenues	77,437	74,889	72,743	69,638	66,869
Lighting operating revenues	16,000	14,799	13,184	13,311	13,273
Chilled water operating revenues	31,573	32,103	31,718	31,670	32,150
Total operating revenues	<u>897,280</u>	<u>902,671</u>	<u>878,649</u>	<u>865,149</u>	<u>859,452</u>
Interest and other income	28,366	24,891	23,466	19,051	18,846
Gross revenue and income before contributions	<u>925,646</u>	<u>927,562</u>	<u>902,115</u>	<u>884,200</u>	<u>878,298</u>
Expenses					
Operating expenses					
Electric operating expenses	526,418	529,704	519,539	508,701	512,650
Water operating expenses	42,924	44,134	39,105	41,131	38,006
Lighting operating expenses	4,787	4,764	5,517	4,921	4,502
Chilled water operating expenses	18,306	17,723	16,440	17,489	17,189
Total operating expenses (1)	<u>592,435</u>	<u>596,325</u>	<u>580,601</u>	<u>572,242</u>	<u>572,347</u>
Other expenses (1)	-	1,069	1,165	1,101	696
Total expenses	<u>592,435</u>	<u>597,394</u>	<u>581,766</u>	<u>573,343</u>	<u>573,043</u>
Net revenue and income available for debt service	<u>\$ 333,211</u>	<u>\$ 330,168</u>	<u>\$ 320,349</u>	<u>\$ 310,857</u>	<u>\$ 305,255</u>
Current debt service	\$ 124,794	\$ 132,598	\$ 118,260	\$ 122,956	\$ 119,990
Current debt service coverage	2.67x	2.49x	2.71x	2.53x	2.54x
Adjusted debt service coverage					
Net revenue and income available for debt service	\$ 333,211	\$ 330,168	\$ 320,349	\$ 310,857	\$ 305,255
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	94,256	91,543	88,874	85,938	82,913
Net revenue and income available after payments	<u>\$ 238,955</u>	<u>\$ 238,625</u>	<u>\$ 231,475</u>	<u>\$ 224,919</u>	<u>\$ 222,342</u>
Adjusted debt service coverage	1.91x	1.80x	1.96x	1.83x	1.85x
Fixed or full charge coverage					
Net revenue and income available after payments	\$ 238,955	\$ 238,625	\$ 231,475	\$ 224,919	\$ 222,342
Fixed demand payments/purchased power	30,899	32,991	32,723	32,812	32,613
Net revenue and income available after payments and fixed charge coverage	<u>\$ 269,854</u>	<u>\$ 271,616</u>	<u>\$ 264,198</u>	<u>\$ 257,731</u>	<u>\$ 254,955</u>
Fixed and full charge coverage	1.73x	1.64x	1.75x	1.65x	1.67x
Debt ratio					
Gross funded debt/Net fixed assets and net working capital	53.93%	53.93%	53.93%	58.98%	60.58%
Net funded debt/Net fixed assets and net working capital	57.79%	57.79%	57.79%	64.62%	65.80%
Operating ratio					
Total expenses/Total operating revenues	66.03%	66.18%	66.21%	66.27%	66.68%
Net take-down (%)					
Net revenue and income available for debt service/ Gross revenue and income before contributions	36.00%	35.60%	35.51%	35.16%	34.76%
Debt service safety margin					
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	22.52%	21.30%	22.40%	21.25%	21.09%

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

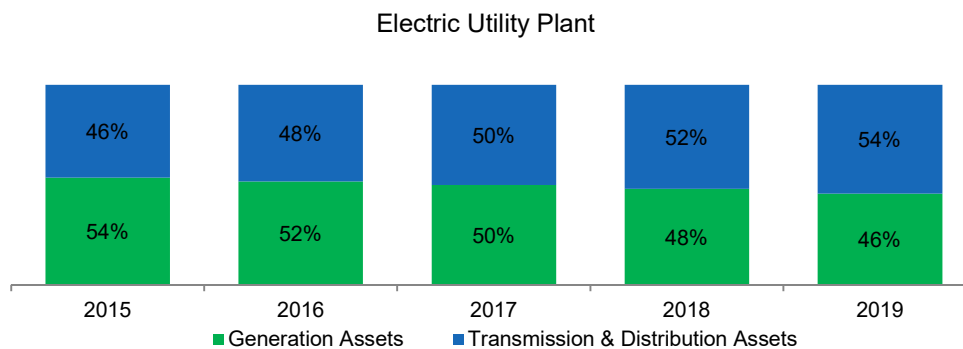
ELECTRIC BUSINESS OPERATIONS



Generation and Retail Sales: Retail customer sales have grown on average 2.1 percent per year over the five year period while OUC system generation has fluctuated over the same period demonstrating the value provided from a diverse portfolio of system generated resources and power purchase agreements to meet native load requirements.



Active Services and Retail Operating Revenue: Active services have increased on average 2.4 percent per year over the five year period. Energy efficiency, a rise in multi-family homes in the Central Florida area and declining pass-through fuel prices have reduced the overall growth in retail electric operating revenues.



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

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

Years Ended September 30	2019	2018	2017	2016	2015
Operating Revenues					
Residential	\$ 241,228	\$ 229,750	\$ 224,685	\$ 231,054	\$ 223,367
Commercial - non-demand	47,308	45,048	42,157	40,706	40,350
Commercial - demand-secondary	265,740	259,835	261,664	265,943	267,836
Commercial - demand-primary	42,295	41,759	41,312	41,307	41,868
Non-metered lighting	4,464	4,790	3,836	3,969	4,028
Inter-local sales	84,137	79,918	76,146	76,766	72,532
Service fees and other	24,378	24,400	22,992	25,766	24,908
Operating revenues (excluding wholesale sales)	709,550	685,500	672,792	685,511	674,889
Wholesale sales (1)	56,766	81,532	82,412	78,019	86,071
Regulatory action	2,673	9,043	6,712	(13,000)	(13,800)
Total operating revenues	768,989	776,075	761,916	750,530	747,160
Operations and maintenance expenses					
Fuel and fixed demand payments	237,007	257,979	260,581	233,977	264,902
Purchased power and other power supply expenses	51,545	48,276	48,263	67,506	51,973
Production	87,418	80,907	79,051	80,583	79,998
Transmission	15,288	14,344	14,229	14,246	13,585
Distribution - OUC	26,269	24,162	21,860	18,283	18,383
Distribution - St. Cloud	2,444	2,226	2,029	1,410	1,321
Storm recovery expenses	2,512	-	7,622	-	(2,000)
Customer Service (2)	33,488	33,953	30,642	29,386	26,622
General & administrative	51,749	49,525	44,286	44,206	40,709
Total operations and maintenance expenses	507,720	511,372	508,563	489,597	495,493
Other expenses					
Utility/property tax	17,304	17,034	15,651	16,989	13,422
Revenue based payments to the City of Orlando	26,270	26,557	25,610	25,970	25,512
Revenue based payments to Orange County	1,379	1,339	1,317	1,382	1,353
Revenue based and system use payments to the City of St. Cloud	7,009	7,286	6,858	6,467	6,037
Depreciation and amortization (3)	115,590	112,355	101,621	95,075	88,747
Total other expenses	167,552	164,571	151,057	145,883	135,071
Total operating expenses	675,272	675,943	659,620	635,480	630,564
Operating Income	93,717	100,132	102,296	115,050	116,596
Non-operating income and expenses					
Interest income (4)	9,613	6,358	3,469	4,305	4,808
Other income, net	8,481	8,461	8,531	8,201	7,726
Amortization of deferred gain on sale of assets (5)	5,023	6,054	8,366	3,610	3,610
Interest expense, net	(43,904)	(44,028)	(41,354)	(45,672)	(46,495)
Total non-operating expense, net	(20,787)	(23,155)	(20,988)	(29,556)	(30,351)
Electric income before contributions	72,930	76,977	81,308	85,494	86,245
Contributions in aid of construction (CIAC)	5,590	4,509	6,673	2,797	5,496
Annual dividend	(48,216)	(47,723)	(49,938)	(48,531)	(47,398)
Increase to net position	\$ 30,304	\$ 33,763	\$ 38,043	\$ 39,760	\$ 44,343

(1) In 2019, wholesale sales decreased due to the termination and modification of two wholesale power supply agreements.

(2) In 2018, customer service costs increased in conjunction with the transition of the new CC&B system and sustainability initiatives.

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

(4) In 2019, interest income increased as a result of earnings derived from unspent Series 2018A Bond funds.

(5) In 2018, the amortization of the deferred gain on sale was realigned with the SEC Unit A power purchase agreement extension.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

	2019	2018	2017	2016	2015
Profile of consumption & revenue by type of customer					
Residential service					
kWh sales per customer	11,696	11,570	11,378	11,999	11,760
Revenue per customer	\$ 1,354	\$ 1,312	\$ 1,304	\$ 1,372	\$ 1,362
Revenue per kWh	\$ 0.1158	\$ 0.1134	\$ 0.1146	\$ 0.1143	\$ 0.1158
Commercial service - non-demand (1) (4)					
kWh sales per customer	19,264	19,127	17,597	17,387	16,999
Revenue per customer	\$ 2,145	\$ 2,091	\$ 1,992	\$ 1,951	\$ 1,955
Revenue per kWh	\$ 0.1113	\$ 0.1093	\$ 0.1132	\$ 0.1122	\$ 0.1150
Commercial service - demand secondary (4)					
kWh sales per customer	588,292	561,903	551,107	563,130	561,918
Revenue per customer	\$ 50,972	\$ 48,382	\$ 48,162	\$ 48,815	\$ 50,128
Revenue per kWh	\$ 0.0866	\$ 0.0861	\$ 0.0874	\$ 0.0867	\$ 0.0892
Commercial service - demand primary (4)					
kWh sales per customer	18,642,377	18,274,302	18,594,588	19,106,440	18,532,314
Revenue per customer	\$ 1,596,038	\$ 1,575,811	\$ 1,620,078	\$ 1,652,280	\$ 1,641,882
Revenue per kWh	\$ 0.0856	\$ 0.0862	\$ 0.0871	\$ 0.0865	\$ 0.0886
Non-Metered Lighting					
kWh sales per customer	740	768	823	917	917
Revenue per customer	\$ 54	\$ 61	\$ 54	\$ 59	\$ 61
Revenue per kWh	\$ 0.0730	\$ 0.0794	\$ 0.0656	\$ 0.0643	\$ 0.0669
Interlocal service					
kWh sales per customer	18,459	18,393	18,259	18,801	18,484
Revenue per customer	\$ 2,086	\$ 2,080	\$ 2,071	\$ 2,188	\$ 2,169
Revenue per kWh	\$ 0.1130	\$ 0.1131	\$ 0.1134	\$ 0.1164	\$ 0.1173
Selected financial expense statistics					
Total fuel and purchased power expense per kWh (2)	\$ 0.0367	\$ 0.0378	\$ 0.0393	\$ 0.0381	\$ 0.0410
Total operations and maintenance expense (excluding fuel and purchased power) per kWh	0.0276	0.0253	0.0244	0.0238	0.0234
Total operations and maintenance expense per kWh	<u>\$ 0.0643</u>	<u>\$ 0.0631</u>	<u>\$ 0.0637</u>	<u>\$ 0.0619</u>	<u>\$ 0.0644</u>
Operations and maintenance expense per metered service (3)					
Fuel, fixed demand, purchased power and other power supply expense	\$ 1,174	\$ 1,273	\$ 1,310	\$ 1,312	\$ 1,418
Production, transmission and distribution costs	535	506	497	498	507
Customer service expense	136	141	130	128	119
General and administrative expense	211	206	188	192	182
Total operations and maintenance expense	<u>\$ 2,056</u>	<u>\$ 2,126</u>	<u>\$ 2,125</u>	<u>\$ 2,130</u>	<u>\$ 2,226</u>

(1) 2019 and 2018 saw increased sales due to an increase in heating degree days. In 2017, commercial demand revenues decreased due to lower cooling and heating degree days and outages as a result of two hurricanes. In 2016, revenue per customer was lower due to the Board approved rate reductions.

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

(3) In 2019, total operations and maintenance expense decreased primarily due to savings in fuel, fixed demand, purchased power and other power supply expenses.

(4) Since the implementation of CC&B in 2017, OUC routinely evaluates the pricing plan of each commercial service customer to best align their pricing structure and usage patterns and accounts for non-price related fluctuations within each of the classes represented.

SELECTED FINANCIAL RATIOS

Year Ended September 30	2019	2018	2017	2016	2015
Electric operating ratio					
Electric operation and maintenance expenses/total operating revenues	\$ 0.66	\$ 0.67	\$ 0.66	\$ 0.65	\$ 0.66
Electric income before contributions per revenue dollar					
Electric income before contributions/total operating revenues (1)	\$ 0.09	\$ 0.09	\$ 0.11	\$ 0.11	\$ 0.12

ACTIVE SERVICES

OUC retail metered services

Residential	179,769	176,543	173,805	170,885	165,972
Commercial - non-demand	22,304	21,807	21,279	21,059	20,674
Commercial - demand - secondary	5,108	5,319	5,422	5,445	5,452
Commercial - demand - primary	26	27	26	25	25
Total OUC retail metered services	<u>207,207</u>	<u>203,696</u>	<u>200,532</u>	<u>197,414</u>	<u>192,123</u>
Interlocal services	<u>41,388</u>	<u>39,275</u>	<u>37,555</u>	<u>35,998</u>	<u>34,177</u>
Total OUC retail and inter-local metered services	<u>248,595</u>	<u>242,971</u>	<u>238,087</u>	<u>233,412</u>	<u>226,300</u>

Unmetered lighting fixtures

Conventional	53,186	53,372	50,712	42,974	42,478
Convenient	27,580	25,256	21,890	21,557	20,803
St. Cloud	2,848	2,895	2,838	2,842	2,800
Total unmetered lighting fixtures	<u>83,614</u>	<u>81,523</u>	<u>75,440</u>	<u>67,373</u>	<u>66,081</u>
Total OUC retail, unmetered lighting and inter-local services	<u>332,209</u>	<u>324,494</u>	<u>313,527</u>	<u>300,785</u>	<u>292,381</u>

CONSUMPTION (MWh)

OUC retail sales

Residential	2,083,655	2,026,608	1,960,736	2,020,927	1,928,839
Commercial - non-demand	424,884	412,036	372,501	362,796	350,785
Commercial - demand - secondary	3,067,062	3,017,699	2,994,166	3,067,932	3,002,329
Commercial - demand - primary	494,023	484,269	474,162	477,661	472,574
Total OUC retail sales	<u>6,069,624</u>	<u>5,940,612</u>	<u>5,801,565</u>	<u>5,929,316</u>	<u>5,754,527</u>

Nonmetered lighting sales

Conventional	33,699	32,781	31,675	31,434	31,251
Convenient	24,466	24,675	24,305	26,938	26,497
St. Cloud	2,903	2,848	2,789	2,797	2,422
Total nonmetered lighting sales	<u>61,068</u>	<u>60,304</u>	<u>58,769</u>	<u>61,169</u>	<u>60,170</u>

Interlocal sales

	<u>744,466</u>	<u>706,543</u>	<u>671,510</u>	<u>659,695</u>	<u>618,132</u>
Total retail sales	<u>6,875,158</u>	<u>6,707,459</u>	<u>6,531,844</u>	<u>6,650,180</u>	<u>6,432,829</u>

Wholesale sales (2)

	<u>988,701</u>	<u>1,404,820</u>	<u>1,325,765</u>	<u>1,264,504</u>	<u>1,299,129</u>
Total electric sales	<u>7,863,859</u>	<u>8,112,279</u>	<u>7,857,609</u>	<u>7,914,684</u>	<u>7,731,958</u>

(1) Since 2018, the decrease was due to the systematic recognition of planned major outages at SEC Unit A and Unit B. In 2019 and 2017, storm recovery expenses related to FEMA declared storms were excluded from these computations.

(2) In 2019, wholesale sales decreased due to the termination and modification of two wholesale power supply agreements.

ELECTRIC GENERATION (MWh)

Years Ended September 30

	2019	2018	2017	2016	2015
Stanton Energy Center (SEC)					
Generation - steam	3,323,973	3,652,214	3,603,131	3,035,305	3,435,354
Generation - combined cycle	2,579,573	2,519,657	2,499,981	2,651,213	2,568,751
Total generation	5,903,546	6,171,871	6,103,112	5,686,518	6,004,105
Plant use - less participants' loss factor	289,148	304,295	290,049	235,078	280,692
Participants' reserve power	27,689	3,149	5,340	13,063	7,017
Delivered	5,586,709	5,864,427	5,807,723	5,438,377	5,716,396
McIntosh (MAC 3) (1)					
Generation - steam	420,753	627,727	574,593	538,755	457,763
Delivered	420,753	627,727	574,593	538,755	457,763
St. Lucie (SL 2)					
Generation - nuclear	477,723	481,150	467,747	491,994	476,047
Plant use	11,418	11,499	11,179	11,759	11,378
Delivered	466,305	469,651	456,568	480,235	464,669
Indian River					
Generation - combustion turbines	18,758	17,989	18,966	18,343	12,603
Plant use - less participants' loss factor	44	83	102	89	75
Participants' reserve power	5,612	4,362	4,346	4,301	4,266
Delivered	13,102	13,544	14,518	13,953	8,262
Generation					
Steam	3,744,726	4,279,941	4,177,724	3,574,060	3,893,117
Combined Cycle	2,579,573	2,519,657	2,499,981	2,651,213	2,568,751
Nuclear	477,723	481,150	467,747	491,994	476,047
Combustion turbines	18,758	17,989	18,966	18,343	12,603
Total generation	6,820,780	7,298,737	7,164,418	6,735,610	6,950,518
Total plant use - less participants loss factor	300,609	315,877	301,330	246,926	292,145
Participants' reserve power	33,301	7,511	9,686	17,364	11,283
Total delivered	6,486,869	6,975,349	6,853,402	6,471,320	6,647,090
Inadvertent/wheeling retained	-	-	-	210	30
Purchases received	1,547,668	1,318,792	1,325,628	1,731,079	1,330,066
Available	8,034,538	8,294,141	8,183,102	8,205,254	7,977,318
Sales	7,863,859	8,112,279	7,857,609	7,914,684	7,731,958
Line losses	170,679	181,862	325,493	290,570	245,360
Line losses as a percentage of generation	2.50%	2.49%	4.54%	4.31%	3.53%

(1) Since 2015, there were several periods where the MAC 3 plant was off-line for both planned and unplanned outages. In November 2018, the City of Lakeland announced the shuttering-in of MAC 3, effective in 2024.

NET GENERATING CAPABILITY (Including major purchased power agreements)

**Generating Facility (MW)
Years Ended September 30**

	Name Plate Capacity	2019		2018		2017		2016		2015	
		Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Stanton Energy Center (SEC)											
Unit 1 FS	425	302	304	302	304	302	304	302	304	302	304
Unit 2 FS	425	340	340	340	340	340	340	340	340	340	340
Unit A CC	633	184	188	184	188	174	184	174	184	174	184
Unit B CC	300	292	307	292	307	292	307	292	307	298	312
Indian River Plant (IRP)											
Unit A CT	38	16	18	16	18	16	18	16	18	18	23
Unit B CT	38	16	18	16	18	16	18	16	18	18	23
Unit C CT	112	83	88	83	88	83	88	83	88	85	100
Unit D CT	112	83	88	83	88	83	88	83	88	85	100
C.D. McIntosh, Jr. Plant (MC3)											
Unit 3 FS	364	133	136	133	136	133	136	133	136	133	136
St. Lucie Plant											
Unit 2 N	850	60	62	60	60	60	60	60	60	60	60
Total capability		<u>1,509</u>	<u>1,549</u>	<u>1,509</u>	<u>1,547</u>	<u>1,499</u>	<u>1,543</u>	<u>1,499</u>	<u>1,543</u>	<u>1,513</u>	<u>1,582</u>
Purchased power agreements		<u>342</u>	<u>342</u>	<u>342</u>	<u>342</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>
Total available		<u>1,851</u>	<u>1,891</u>	<u>1,851</u>	<u>1,889</u>	<u>1,829</u>	<u>1,873</u>	<u>1,829</u>	<u>1,873</u>	<u>1,843</u>	<u>1,912</u>
Firm commitments to other utilities (1)		<u>(237)</u>	<u>(161)</u>	<u>(267)</u>	<u>(267)</u>	<u>(254)</u>	<u>(252)</u>	<u>(251)</u>	<u>(249)</u>	<u>(207)</u>	<u>(205)</u>
Net available to OUC		<u>1,614</u>	<u>1,730</u>	<u>1,584</u>	<u>1,622</u>	<u>1,575</u>	<u>1,621</u>	<u>1,578</u>	<u>1,624</u>	<u>1,636</u>	<u>1,707</u>

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

PEAK DEMAND

Years Ended September 30

	2019		2018		2017		2016		2015	
	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Net peak demand (Net 60 minute integrated MW demand)	1,224	902	1,136	1,069	1,175	885	1,189	944	1,171	1,025
Gross peak demand (MW) (Instantaneous)	1,294	938	1,210	-	1,188	-	1,230	-	1,206	-
System load factor	<u>2019</u> 58.6		<u>2018</u> 61.8		<u>2017</u> 59.1		<u>2016</u> 60.1		<u>2015</u> 57.4	

GENERATION AVAILABILITY DATA

Years Ended September 30

	2019			2018			2017			2016			2015		
	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
SEC															
Unit 1	57.9	82.0	6.3	56.9	85.7	5.7	56.0	90.4	1.2	31.1	61.8	2.6	47.2	90.5	1.0
Unit 2	55.8	74.6	4.0	64.5	87.3	1.1	64.0	84.8	2.3	68.2	87.6	1.8	66.5	89.9	3.1
Unit A	42.4	94.3	0.02	36.1	84.0	3.4	33.7	91.6	0.1	42.3	92.7	0.2	38.1	92.2	0.8
Unit B	60.8	86.7	5.6	60.2	86.7	-	60.1	82.8	1.0	62.9	94.5	0.9	61.6	89.7	0.4
IRP															
Unit A (2)	0.1	96.1	-	-	91.4	93.7	0.2	98.5	14.3	0.3	93.6	-	0.1	98.0	30.3
Unit B (2)	0.1	96.0	18.5	0.1	92.7	10.5	0.3	97.9	60.6	0.1	96.9	-	0.1	96.0	0.6
Unit C (2)	1.7	96.2	-	1.0	95.9	-	1.3	96.5	14.5	0.9	95.6	10.0	1.0	96.4	4.1
Unit D (2)	0.7	89.6	33.2	1.2	97.3	13.7	1.0	96.9	54.1	1.3	95.4	13.1	0.5	94.5	-
McIntosh															
Unit 3	35.8	60.9	11.2	53.5	85.1	1.3	49.0	82.3	6.0	47.0	82.8	2.2	35.3	66.8	10.9
St. Lucie Plant															
Unit 2	99.9	97.5	2.3	90.2	89.5	1.3	90.2	88.4	-	94.8	92.8	0.1	89.6	87.7	6.1

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

(1) In 2019, the interlocal agreement with the City of Winter Park was extended through 2039 and the wholesale agreement with the City of Lake Worth was extended through 2025.

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

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2019	2018	2017	2016	2015
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)	43.3	51.8	45.6	52.6	29.9
Average customer interruption duration index in minutes (CAIDI) (1)	59.1	76.1	70.8	79.7	58.4
Average length of service interruption in minutes (L-Bar) (1)	70.9	75.9	77.4	98.8	74.6
St. Cloud/Osceola County					
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (2)	42.9	77.2	45.1	30.8	40.6
Average customer interruption duration index in minutes (CAIDI) (2)	63.4	71.3	58.4	64.2	66.9
Average length of service interruption in minutes (L-Bar) (2)	75.2	76.9	80.0	91.6	83.7
ELECTRIC PHYSICAL STATISTICS					
Transmission system (circuit miles)					
69KV	36.6	36.6	36.6	36.5	36.5
115KV	129.3	129.3	129.3	126.9	126.9
230KV	227.4	227.4	227.4	227.4	227.4
Total transmission circuit miles	393.3	393.3	393.3	390.8	390.8
Number of substations					
OUC substations	31	31	31	31	31
STC substations	4	4	4	4	4
Total Substations	35	35	35	35	35
Orlando distribution system (circuit miles)					
Overhead	725.7	735.4	738.7	739.6	737.8
Underground	1,360.0	1,341.4	1,316.9	1,292.2	1,270.0
Total Orlando circuit miles	2,085.7	2,076.8	2,055.6	2,031.8	2,007.8
St. Cloud distribution system (circuit miles)					
Overhead	263.0	260.4	260.3	260.9	247.4
Underground	247.3	229.1	221.3	210.3	188.5
Total St. Cloud circuit miles	510.3	489.5	481.6	471.2	435.9
Total OUC & St. Cloud circuit miles	2,595.9	2,566.3	2,537.2	2,503.0	2,443.7
Distribution expenses per circuit mile (3)	\$ 11,061	\$ 10,283	\$ 9,415	\$ 7,868	\$ 8,063
Percentages of Orlando distribution system (circuit miles)					
Overhead	34.8%	35.4%	35.9%	36.4%	36.8%
Underground	65.2%	64.6%	64.1%	63.6%	63.2%
Percentages of St. Cloud distribution system (circuit miles)					
Overhead	51.5%	53.2%	54.0%	55.4%	56.8%
Underground	48.5%	46.8%	46.0%	44.6%	43.2%

(1) One-time weather events beyond named hurricane events impacted 2018 and 2016.

(2) The L-Bar, CAIDI and SAIDI statistics are highly variable due to the small volume of events in this area. The St. Cloud/Osceola system was not significantly impacted by some of the summer storm activity seen in Orlando in 2018. During 2019, St. Cloud/Osceola County experienced an active summer storm season.

(3) In 2019, 2018 and 2017, distribution expenses increased primarily due to increased staffing levels to support maintenance projects, including the I-4 Ultimate project.

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30

	2019	2018	2017	2016	2015
Electric plant, net					
Generating plant, net					
Stanton Energy Center Unit 1 and Unit 2	\$ 355,153	\$ 361,420	\$ 371,978	\$ 384,450	\$ 394,994
Stanton Energy Center Unit A	34,429	39,817	33,919	40,510	44,387
Stanton Energy Center Unit B	199,200	209,795	209,681	220,310	231,193
McIntosh Unit 3	45,481	49,959	58,920	61,362	60,695
St. Lucie Unit 2	106,053	105,680	105,831	104,950	102,535
Indian River Plant	9,648	10,864	11,866	13,635	9,887
Total generating plant	<u>749,964</u>	<u>777,535</u>	<u>792,195</u>	<u>825,217</u>	<u>843,691</u>
Distribution plant, net	581,242	549,584	529,514	500,330	493,376
Transmission plant, net	379,628	347,200	317,098	315,567	279,200
Other Electric plant	56,338	53,844	47,873	47,714	46,008
Total electric plant, net	<u>1,767,172</u>	<u>1,728,163</u>	<u>1,686,680</u>	<u>1,688,828</u>	<u>1,662,275</u>
Common plant, net (1)	83,984	86,644	94,641	70,489	71,499
Total Plant, net	<u>\$ 1,851,156</u>	<u>\$ 1,814,807</u>	<u>\$ 1,781,321</u>	<u>\$ 1,759,317</u>	<u>\$ 1,733,774</u>

FUEL MIX STATISTICS

Cost of fuel					
Coal (2)	\$ 124,825	\$ 144,715	\$ 148,303	\$ 124,152	\$ 139,611
Natural gas	120,570	114,480	115,783	134,909	137,123
Nuclear	2,090	3,655	3,344	3,848	2,177
Renewable (3)	10,169	10,414	8,691	5,762	5,352
Total cost of fuel	<u>\$ 257,653</u>	<u>\$ 273,264</u>	<u>\$ 276,121</u>	<u>\$ 268,671</u>	<u>\$ 284,263</u>
Fuel cost per MWh					
Coal (2)	\$ 35.54	\$ 34.39	\$ 36.39	\$ 38.77	\$ 40.20
Natural gas	\$ 31.03	\$ 33.47	\$ 33.79	\$ 30.83	\$ 34.78
Nuclear	\$ 4.48	\$ 7.78	\$ 7.32	\$ 8.01	\$ 4.68
Renewable (3)	\$ 58.56	\$ 56.32	\$ 56.88	\$ 46.69	\$ 61.71
System average fuel cost	\$ 32.06	\$ 32.99	\$ 34.04	\$ 32.84	\$ 35.68
System fuel mix for total generation (based on MWh)					
Coal (2)	43.7%	50.8%	50.2%	39.1%	43.6%
Natural Gas	48.3%	41.3%	42.2%	53.5%	49.5%
Nuclear	5.8%	5.7%	5.6%	5.9%	5.8%
Renewable (3)	2.2%	2.3%	1.9%	1.5%	1.1%
Total system fuel mix for total generation (based on MWh)	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Common plant increased in conjunction with the implementation of CC&B.

(2) Coal consumption fluctuates based on economics and system availability. In 2017 and 2018 coal consumption increased in conjunction with efficiency upgrades. Conversely, planned and unplanned outages offset these increases in 2019.

(3) To support sustainability initiatives, OUC has entered into eight renewable power purchase agreements. While these are primarily comprised of resources generated from landfill gas facilities, OUC has entered into agreements with the planned installation of 257.5 MW of utility scale solar in 2020 through 2023 including the installation of battery storage.

RENEWABLE ENERGY

Renewable Generation (MWh) Years Ended September 30

	Name Plate Capacity (MW)	2019	2018	2017	2016	2015
Solar PPA's (1)						
	Stanton Solar	5.1	9,026	9,166	9,557	9,566
	SEC Solar Site A	4.1	9,707	8,480	788	-
	SEC Solar Landfill Site C	4.8	8,064	9,804	522	-
	Gardenia Community Solar	0.3	424	517	557	599
	Fleet Community Solar	0.4	521	526	525	469
Landfill Gas PPA's (1)						
	Port Charlotte Landfill	2.6	9,974	13,643	15,118	13,744
	Holopaw Landfill	9.0	49,883	40,625	36,620	21,391
	Monarch Hills Landfill	6.0	46,424	58,324	49,551	25,180
Stanton Landfill Gas (1)						
	SEC 1	N/A	21,264	15,837	12,402	14,244
	SEC 2	N/A	18,358	27,968	27,143	38,230
		32	173,645	184,890	152,784	123,423
						86,722

ACTIVE SERVICES - SOLAR STATISTICAL INFORMATION (2)

Photovoltaic credit meters						
	Retail photovoltaic credit meters	248	262	276	238	131
	Inter-local services photovoltaic credit meters	108	113	119	99	66
	Total photovoltaic credit meters	356	375	395	337	197
Solar farm participants						
	Gardenia	33	36	-	-	-
	Stanton	199	200	-	-	-
	Total solar farm participants	232	236	-	-	-
OUC retail solar metered services						
	Residential	1,108	689	418	206	102
	Commercial - non-demand	31	29	8	6	5
	Commercial - demand - secondary	27	23	23	17	16
	Total OUC retail metered services	1,166	741	449	229	123
	Inter-local services	688	385	196	96	63
	Total OUC retail and inter-local solar net-meters	1,854	1,126	645	325	186

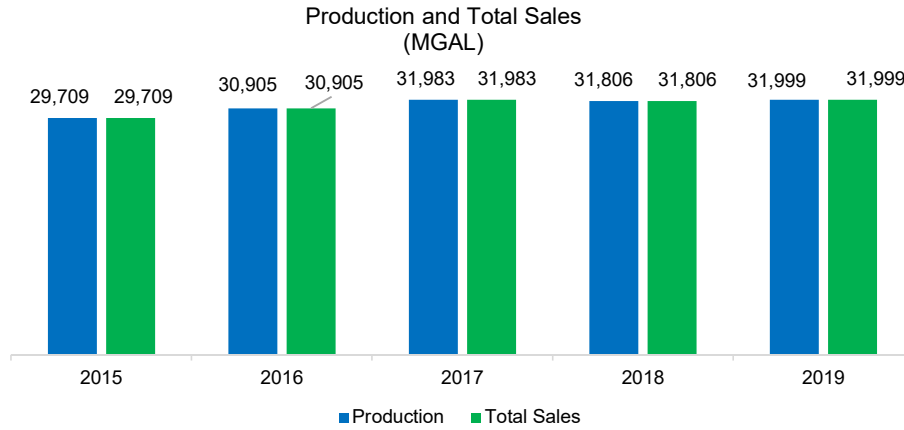
(1) To support sustainability initiatives, OUC has entered into eight renewable power purchase agreements. While these are primarily comprised of resources generated from landfill gas facilities, OUC has entered into agreements with the planned installation of 257.5 MW of utility scale solar in 2020 through 2023 including the installation of battery storage.

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

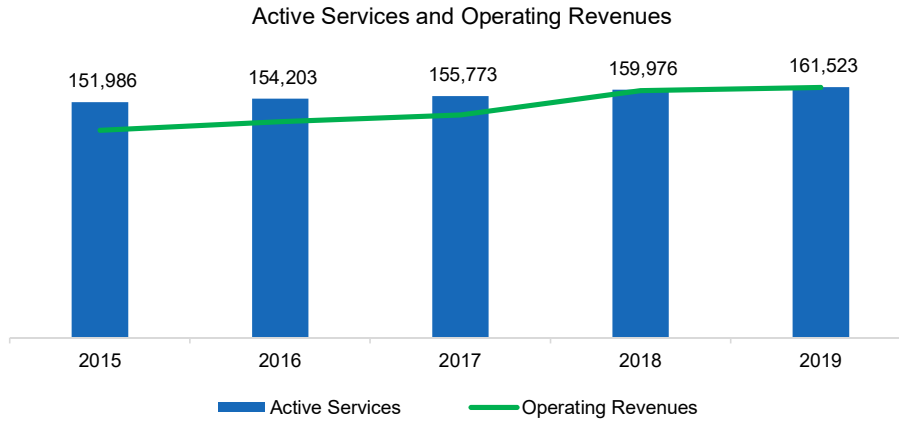


This page intentionally left blank.

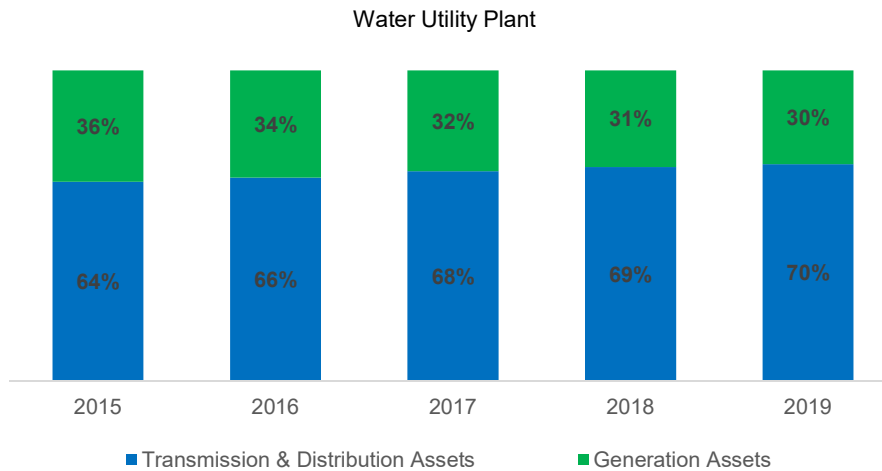
WATER BUSINESS OPERATIONS



Production and Total Sales: Total customer sales have grown on average 1.2 percent per year over the five year period.



Active Services and Operating Revenues: Active services have increased on average 1.5 percent per year over the five year period. Beyond this amount, water revenues increased over the five year period as a result of the Board approved four-year phased in price change beginning in 2018.



Water Utility Plant: The composition of water utility assets over the past five years has realigned to reflect recent initiatives to expand and replace water distribution and transmission assets to meet customer quality and service requirement needs.

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

Years Ended September 30	2019	2018	2017	2016	2015
Operating Revenues					
Residential	\$ 25,285	\$ 24,654	\$ 23,975	\$ 22,989	\$ 22,541
Commercial	31,631	29,992	28,259	27,736	26,484
Irrigation	14,484	14,695	15,307	13,797	12,856
Fire protection	2,736	2,566	2,429	2,330	2,314
Service fees and other	2,712	2,424	2,184	2,196	2,123
Resale and other	589	558	589	590	551
Regulatory action (1)	3,281	4,805	(912)	-	-
Total operating revenues (1)	<u>80,718</u>	<u>79,694</u>	<u>71,831</u>	<u>69,638</u>	<u>66,869</u>
Operations and maintenance expenses					
Production	15,133	15,165	14,637	14,980	15,034
Distribution	9,093	8,594	7,666	8,598	7,655
Storm recovery costs	179	-	793	-	-
Customer service (2)	9,246	9,412	8,212	7,109	7,441
General and administrative	10,557	11,844	10,964	11,151	10,146
Total operations and maintenance expenses	<u>44,208</u>	<u>45,015</u>	<u>42,272</u>	<u>41,838</u>	<u>40,276</u>
Other expenses					
Utility/property tax	65	66	64	65	65
Revenue based payments to the City of Orlando	2,415	2,151	2,108	2,058	2,021
Revenue based payments to Orange County	4	4	3	4	5
Depreciation and amortization	20,384	19,550	18,171	17,328	18,685
Total other expenses	<u>22,868</u>	<u>21,771</u>	<u>20,346</u>	<u>19,455</u>	<u>20,776</u>
Total operating expenses	<u>67,076</u>	<u>66,786</u>	<u>62,618</u>	<u>61,293</u>	<u>61,052</u>
Operating income	13,642	12,908	9,213	8,345	5,817
Non-operating income and expense					
Interest income (3)	2,225	1,468	705	655	606
Other income, net	1,996	2,024	2,003	2,047	1,836
Amortization of deferred gain on sale of assets	15	16	16	16	16
Interest expense, net	(6,414)	(6,645)	(6,382)	(7,104)	(7,326)
Total non-operating expenses, net	<u>(2,178)</u>	<u>(3,137)</u>	<u>(3,658)</u>	<u>(4,386)</u>	<u>(4,868)</u>
Water income before contributions	11,464	9,771	5,555	3,959	949
Contributions in aid of construction (CIAC)	12,291	11,372	10,803	12,687	10,724
Annual dividend	(7,579)	(6,057)	(3,412)	(2,247)	(521)
Increase in net position	<u>\$ 16,176</u>	<u>\$ 15,086</u>	<u>\$ 12,946</u>	<u>\$ 14,399</u>	<u>\$ 11,152</u>

(1) In 2018, a four-year water price plan was implemented to increase water prices. As a result, the average residential and commercial customer water bill increased by 3.4% and 4.0% in January 2019 and April 2018, respectively. In conjunction with this change, the Board approved the use of reserves to facilitate customer rate stability. In preparation for the price plan the Board approved the deferral of reserves of \$1.5 million offset by the use of \$0.6 million for the CC&B implementation.

(2) In 2018, customer service costs increased in conjunction with the transition of the new CC&B system and sustainability initiatives.

(3) In 2019, interest income increased as a result of earnings derived from unspent Series 2018A Bond funds.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

	2019	2018	2017	2016	2015
Profile of consumption and revenue by type of customer					
Residential service					
KGAL sales per customer	78	80	82	79	80
Revenue per customer	\$ 228	\$ 224	\$ 221	\$ 215	\$ 214
Revenue per KGAL	\$ 2.9285	\$ 2.8112	\$ 2.7005	\$ 2.7052	\$ 2.6962
Commercial service					
KGAL sales per customer	1,076	1,067	1,031	1,007	959
Revenue per customer	\$ 2,107	\$ 2,011	\$ 1,890	\$ 1,847	\$ 1,775
Revenue per KGAL	\$ 1.9577	\$ 1.8849	\$ 1.8329	\$ 1.8352	\$ 1.8501
Irrigation service					
KGAL sales per customer	238	249	266	242	231
Revenue per customer	\$ 867	\$ 886	\$ 932	\$ 848	\$ 799
Revenue per KGAL	\$ 3.6502	\$ 3.5573	\$ 3.4995	\$ 3.5098	\$ 3.4606
Selected financial expense statistics					
Total operations and maintenance expenses per KGAL	\$ 1.5372	\$ 1.5605	\$ 1.4447	\$ 1.5170	\$ 1.5242
Operations and maintenance expense per metered service					
Production and distribution costs	\$ 170	\$ 168	\$ 159	\$ 171	\$ 167
Customer service expense (1)	65	67	59	51	55
General and administrative expense	74	84	78	81	75
Total operations and maintenance expense	<u>\$ 309</u>	<u>\$ 319</u>	<u>\$ 296</u>	<u>\$ 303</u>	<u>\$ 297</u>
SELECTED FINANCIAL RATIOS					
Water operating ratio					
Water operations and maintenance expenses/operating revenues	\$ 0.57	\$ 0.60	\$ 0.57	\$ 0.60	\$ 0.60
Water income before contributions per revenue dollar					
Water income before contributions/operating revenues	\$ 0.15	\$ 0.13	\$ 0.10	\$ 0.06	\$ 0.01
ACTIVE SERVICES					
Residential	111,617	110,433	109,215	107,816	106,002
Commercial	15,054	14,972	14,854	15,048	14,980
Irrigation	16,761	16,639	16,523	16,337	16,194
Total metered services	<u>143,432</u>	<u>142,044</u>	<u>140,592</u>	<u>139,201</u>	<u>137,176</u>
FIRE PROTECTION					
Fire protection services	7,523	7,412	4,758	4,676	4,609
Fire hydrants	10,568	10,520	10,423	10,326	10,201
Total fire protection	<u>18,091</u>	<u>17,932</u>	<u>15,181</u>	<u>15,002</u>	<u>14,810</u>
CONSUMPTION (MGAL)					
Residential	8,666	8,770	8,878	8,498	8,360
Commercial	16,157	15,912	15,418	15,113	14,315
Irrigation	3,929	4,131	4,374	3,931	3,715
Resale	39	34	41	37	34
Total consumption	<u>28,791</u>	<u>28,847</u>	<u>28,711</u>	<u>27,579</u>	<u>26,424</u>

(1) In 2018, customer service costs increased in conjunction with the transition of the CC&B system.

WATER UTILITY PLANT (Dollars in Thousands)

Years Ended September 30

	2019	2018	2017	2016	2015
Water plant, net					
Production	\$ 112,006	\$ 115,886	\$ 120,107	\$ 124,281	\$ 128,488
Transmission and distribution	258,947	256,601	249,914	236,450	230,220
General	105	135	161	186	157
Total water plant, net	<u>371,058</u>	<u>372,622</u>	<u>370,182</u>	<u>360,917</u>	<u>358,865</u>
Common plant, net (1)	<u>27,995</u>	<u>28,881</u>	<u>26,693</u>	<u>23,496</u>	<u>23,833</u>
Total plant, net	<u>\$ 399,053</u>	<u>\$ 401,503</u>	<u>\$ 396,875</u>	<u>\$ 384,413</u>	<u>\$ 382,698</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,869	1,851	1,839	1,827	1,814
Number of public hydrants	10,568	10,520	10,423	10,326	10,201
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)	273	273	273	273	273
Raw water capacity (MGAL per day)	177.5	177.5	177.5	177.5	177.5
Peak day (MGAL) (2)	111.3	104.0	112.2	104.8	102.8
Per capita, gallons pumped per day total system	195	210	201	193	190
Per capita, gallons consumed per day residential only	53	58	56	53	54

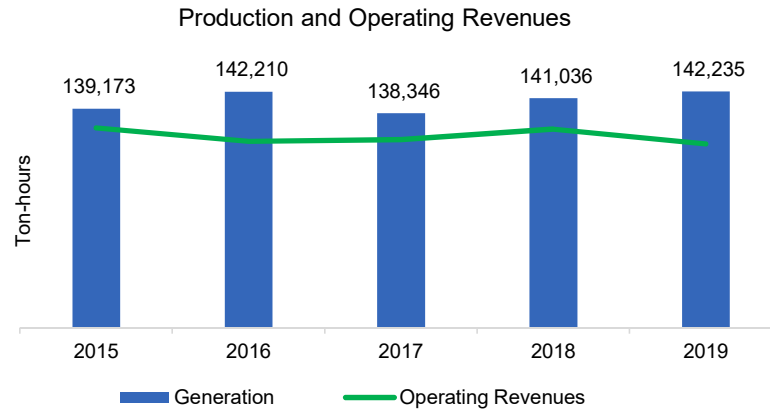
WATER PRODUCTION (KGAL)

Water treated for sale					
Treated	32,004,564	31,812,084	31,989,054	30,910,762	29,715,255
Used by water department	5,840	5,840	5,840	5,856	5,848
Total water treated for sale	<u>31,998,724</u>	<u>31,806,244</u>	<u>31,983,214</u>	<u>30,904,906</u>	<u>29,709,407</u>
Sales					
Retail customers	28,428,610	28,492,063	28,337,704	27,196,973	26,025,777
Inter-department use	324,568	320,796	333,133	343,527	360,487
Wholesale customers	37,538	32,861	39,615	37,899	33,837
Total sales	<u>28,790,717</u>	<u>28,845,721</u>	<u>28,710,452</u>	<u>27,578,399</u>	<u>26,420,101</u>
Unbilled	3,208,007	2,960,523	3,272,762	3,326,507	3,289,306
Unbilled as a percentage of water treated for sale	10.03%	9.31%	10.23%	10.76%	11.07%

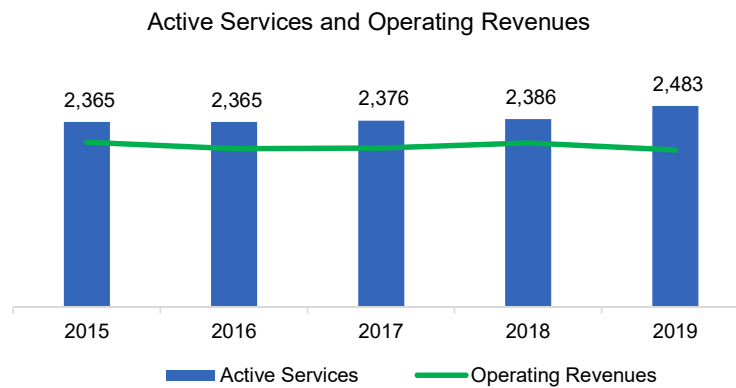
(1) Common plant increased in conjunction with the implementation of CC&B.

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

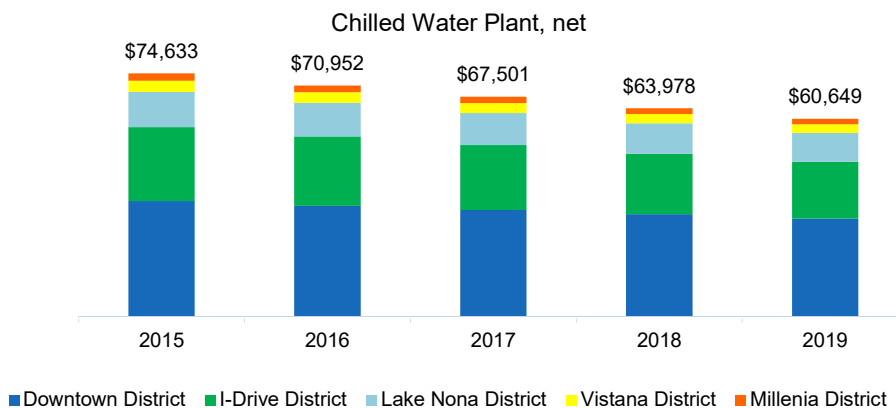
CHILLED WATER BUSINESS OPERATIONS



Production and Operating Revenues: Operating revenues have remained consistent over the five years as a result of customer capacity reductions offset by periods of warmer than normal weather. In 2019, OUC executed agreements with its largest customers to own and operate chilled water facilities on their sites. These facilities are anticipated to be operational in 2021.



Active Services and Operating Revenue: Active services have increased on average 1.2 percent per year over the five year period.



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

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

Years Ended September 30	2019	2018	2017	2016	2015
Operating revenues					
Downtown plant	\$ 12,046	\$ 12,079	\$ 11,763	\$ 11,867	\$ 11,712
Vistana plant	2,038	1,972	2,000	1,892	1,920
International Drive plant	12,101	12,443	12,165	12,040	12,540
Millenia plant	1,875	1,951	1,927	1,952	2,001
Lake Nona plant	3,377	3,499	3,417	3,388	3,404
Service fees and other	136	159	446	531	573
Total operating revenues	<u>31,573</u>	<u>32,103</u>	<u>31,718</u>	<u>31,670</u>	<u>32,150</u>
Operations and maintenance expenses					
Downtown plant	5,500	5,443	5,386	5,704	5,227
Vistana plant	1,014	945	901	893	888
International Drive plant	7,718	7,316	7,165	7,263	7,527
Millenia plant	1,352	1,353	1,376	1,338	1,320
Lake Nona plant	1,513	1,340	1,397	1,452	1,432
Storm recovery costs	23	-	69	-	-
Customer service	199	220	137	165	312
General & administrative	1,275	825	781	869	797
Total operations and maintenance expenses	<u>18,594</u>	<u>17,442</u>	<u>17,212</u>	<u>17,684</u>	<u>17,503</u>
Other expenses					
Utility/property tax	2	2	2	2	1
Revenue based payments to the City of Orlando	662	684	621	653	656
Revenue based payments to Orange County	138	133	128	128	133
Depreciation and amortization	3,985	4,581	4,432	4,577	4,547
Total other expenses	<u>4,787</u>	<u>5,400</u>	<u>5,183</u>	<u>5,360</u>	<u>5,337</u>
Total operating expenses	<u>23,381</u>	<u>22,842</u>	<u>22,395</u>	<u>23,044</u>	<u>22,840</u>
Operating Income	8,192	9,261	9,323	8,626	9,310
Non-operating income and expenses					
Interest income	495	284	190	161	155
Other income, net	114	131	140	111	129
Amortization of deferred gain on sale of assets	1	1	-	1	1
Interest expense, net	(2,493)	(2,710)	(2,868)	(3,173)	(3,415)
Total non-operating expenses, net	<u>(1,883)</u>	<u>(2,294)</u>	<u>(2,538)</u>	<u>(2,900)</u>	<u>(3,130)</u>
Chilled water income before contributions	6,309	6,967	6,785	5,726	6,180
Contributions in aid of construction (CIAC)	-	-	109	-	-
Annual dividend	(4,171)	(4,320)	(4,169)	(3,252)	(3,397)
Increase in net position	<u>\$ 2,138</u>	<u>\$ 2,647</u>	<u>\$ 2,725</u>	<u>\$ 2,474</u>	<u>\$ 2,783</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2019	2018	2017	2016	2015
Chilled water operating ratio					
Chilled water operation and maintenance expenses/ operating revenues	\$ 0.59	\$ 0.54	\$ 0.54	\$ 0.56	\$ 0.54
Chilled water income before contributions per revenue dollar					
Chilled water income before contributions/ operating revenues	\$ 0.20	\$ 0.22	\$ 0.22	\$ 0.18	\$ 0.19
Revenue per TON-hour produced	\$ 0.6201	\$ 0.6305	\$ 0.6230	\$ 0.6220	\$ 0.6314

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net					
Downtown plant	\$ 30,040	\$ 31,366	\$ 32,679	\$ 33,989	\$ 35,424
Vistana plant	2,587	2,800	3,022	3,246	3,441
International Drive plant	17,515	18,630	19,942	21,300	22,668
Millenia plant	1,665	1,837	2,010	2,066	2,246
Lake Nona plant	8,842	9,345	9,848	10,351	10,854
Total plant, net	<u>\$ 60,649</u>	<u>\$ 63,978</u>	<u>\$ 67,501</u>	<u>\$ 70,952</u>	<u>\$ 74,633</u>

ACTIVE SERVICES

Retail residential	2,483	2,386	2,376	2,365	2,365
Wholesale commercial	205	208	209	210	203
Total metered services	<u>2,688</u>	<u>2,594</u>	<u>2,585</u>	<u>2,575</u>	<u>2,568</u>

CHILLED WATER PHYSICAL STATISTICS

Pipe miles

Downtown plant	8.43	8.38	8.38	8.38	8.38
Vistana plant	3.72	3.72	3.72	3.72	3.72
International Drive plant	3.79	3.79	3.79	3.79	3.79
Millenia plant	0.26	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.62	1.62	1.62
Total pipe miles	<u>17.82</u>	<u>17.77</u>	<u>17.77</u>	<u>17.77</u>	<u>17.77</u>

Generation capacity, TON (in thousands)

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

TON-HOURS PRODUCED (in thousands)

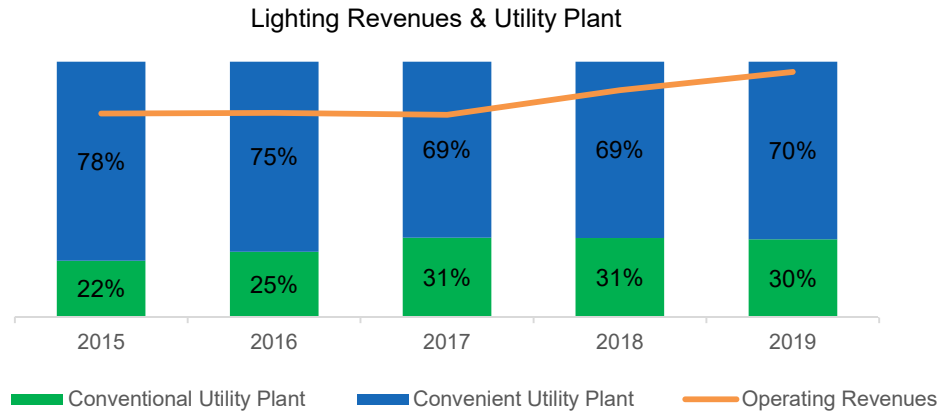
Downtown plant	43,321	42,270	43,622	45,633	42,620
Vistana plant	5,181	5,181	5,333	5,294	5,375
International Drive plant	73,463	73,749	69,854	70,705	70,464
Millenia plant	9,325	8,970	8,893	9,128	8,830
Lake Nona plant	10,946	10,865	10,644	11,450	11,884
Total Ton hours produced (1)	<u>142,235</u>	<u>141,036</u>	<u>138,346</u>	<u>142,210</u>	<u>139,173</u>

(1) In 2017, total ton hours produced decreased due to fewer cooling degree days than other comparable years.



This page intentionally left blank.

LIGHTING BUSINESS OPERATIONS



Utility Plant and Operating Revenues: Operating revenues have grown 8.1 percent and 12.2 percent in 2019 and 2018, respectively. A portion of this increase is driven by growth in the Conventional Lighting sector as municipal partners have proactively pursued the installation of LED streetlight technology to enhance community safety and promote sustainability goals. The remaining portion of this increase is due to growth in the Convenient Lighting sector with the expansion of new commercial customers for an average term of 20 years.

OUC Lighting, as a stand-alone segment of operations, started in the early 2000's and as such initial Convenient Lighting customers are eligible for term renewals. OUC is actively working with these customers to upgrade facilities and continue its commitment to the City's goal to be the "Greenest City in the Southeast" with the installation of energy-efficient LED lighting.

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

Years Ended September 30	2019	2018	2017	2016	2015
Operating Revenues					
Conventional	\$ 4,523	\$ 4,384	\$ 4,228	\$ 4,737	\$ 4,806
Convenient (1)	10,697	10,057	8,749	8,439	8,163
Service fees and other	780	358	207	135	304
Total operating revenues	<u>16,000</u>	<u>14,799</u>	<u>13,184</u>	<u>13,311</u>	<u>13,273</u>
Operations and maintenance expenses					
Conventional	3,240	3,040	2,804	2,758	2,724
Convenient	1,080	1,213	1,228	1,771	1,457
Storm recovery costs	11	-	133	-	-
General & administrative	660	732	770	568	522
Total operations and maintenance expenses	<u>4,991</u>	<u>4,985</u>	<u>4,935</u>	<u>5,097</u>	<u>4,703</u>
Other expenses					
Utility/property tax	1	1	1	1	1
Revenue based payments to Orange County	26	27	25	24	24
Depreciation and amortization	4,842	4,615	4,720	4,039	3,878
Total other expenses	<u>4,869</u>	<u>4,643</u>	<u>4,746</u>	<u>4,064</u>	<u>3,903</u>
Total operating expenses	<u>9,860</u>	<u>9,628</u>	<u>9,681</u>	<u>9,161</u>	<u>8,606</u>
Operating income	6,140	5,171	3,503	4,150	4,667
Non-operating income and expense					
Interest income	295	208	187	144	106
Other income, net	107	110	110	94	94
Amortization of deferred gain on sale of assets	1	1	4	1	1
Interest expense, net	(1,406)	(1,430)	(1,292)	(1,412)	(1,420)
Total non-operating expenses, net	<u>(1,003)</u>	<u>(1,111)</u>	<u>(991)</u>	<u>(1,173)</u>	<u>(1,219)</u>
Lighting income before contributions	5,137	4,060	2,512	2,977	3,448
Contributions in aid of construction (CIAC)	937	683	1,057	1,100	281
Annual dividend	<u>(3,396)</u>	<u>(2,516)</u>	<u>(1,543)</u>	<u>(1,689)</u>	<u>(1,895)</u>
Increase in net position	<u>\$ 2,678</u>	<u>\$ 2,227</u>	<u>\$ 2,026</u>	<u>\$ 2,388</u>	<u>\$ 1,834</u>

(1) The increase in 2018 was primarily due to the addition of two large customers.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2019	2018	2017	2016	2015
Lighting operating ratio					
Lighting operation & maintenance expenses/operating revenues	\$ 0.31	\$ 0.34	\$ 0.37	\$ 0.38	\$ 0.35
Lighting income before contributions per revenue dollar					
Lighting income before contributions/operating revenues (1)	\$ 0.32	\$ 0.27	\$ 0.15	\$ 0.22	\$ 0.26
LIGHTING UTILITY PLANT (Dollars in thousands)					
Lighting plant, net					
Conventional (1)	\$ 14,927	\$ 13,881	\$ 14,359	\$ 10,563	\$ 8,760
Convenient	34,239	31,071	31,988	30,894	31,250
Total lighting plant, net	<u>\$ 49,166</u>	<u>\$ 44,952</u>	<u>\$ 46,347</u>	<u>\$ 41,457</u>	<u>\$ 40,010</u>

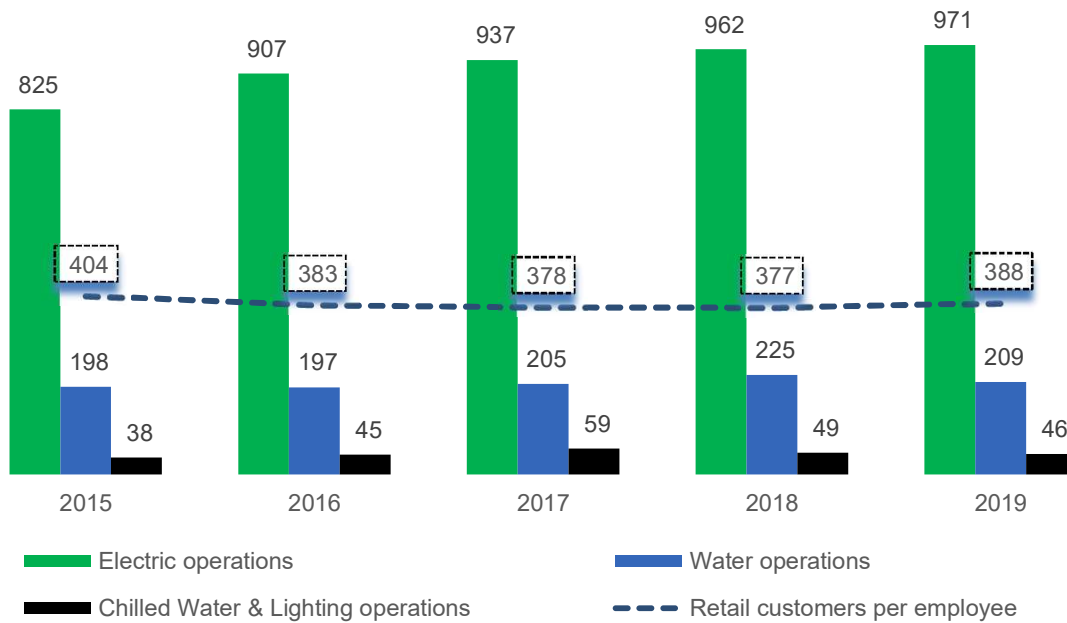
(1) The expansion of LED street lighting is the primary driver of conventional lighting plant increases.



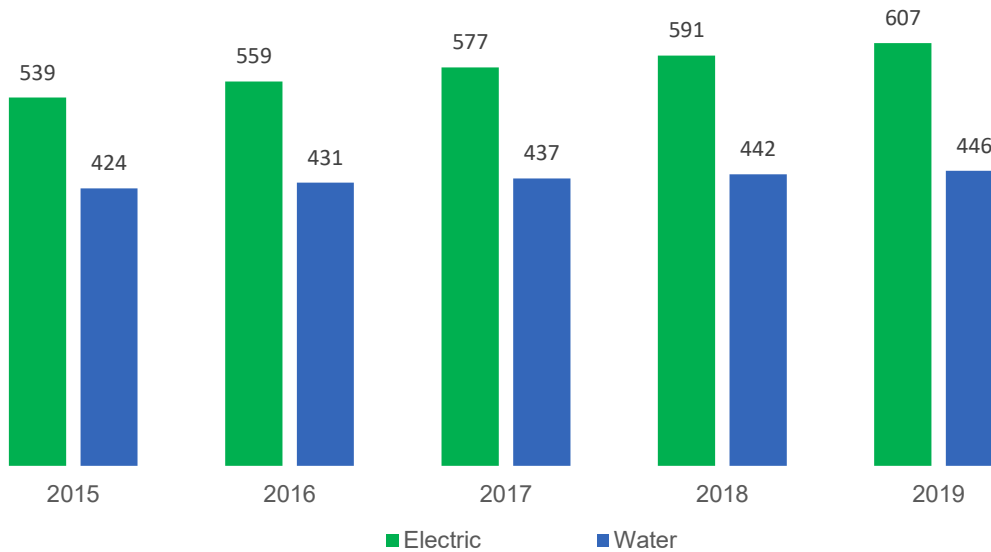
This page intentionally left blank.

STATISTICAL INFORMATION

Number of Employees



Service Area Population (In thousands)

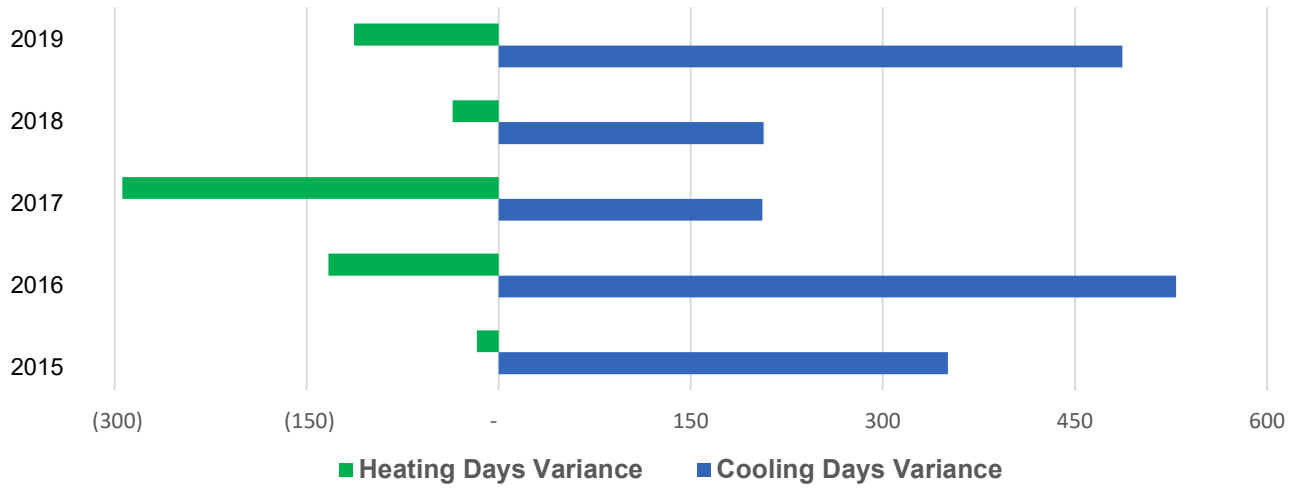


The source of OUC's electric service area population is IHS Markit's average annual persons per household multiplied by the fiscal year-ending active services. The IHS Markit recognizes the more urban nature of OUC's service territory and is used to estimate the water service area population by multiplying OUC's fiscal year-ending active residential services by a factor of four. This was based on changing policies for installing master meters for multi-family units, rather than individually metering.

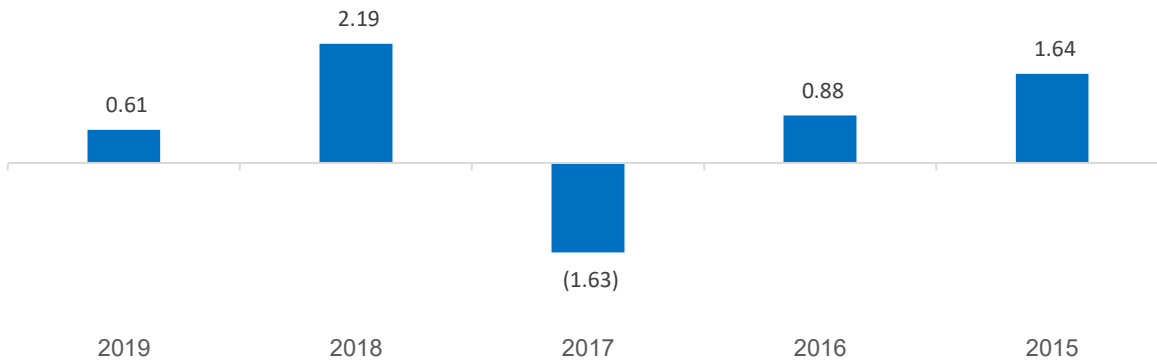
Climatological Data

Orlando Metro Area
Fiscal Year Ended September 30

Number of Heating or Cooling Degree Days Below or Above Normal



Yearly Variance in Rainfall (inches)



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 $\frac{1}{2}$ inch as excess daily rainfall had no meaningful impact on water sales.

INSURANCE COVERAGES

September 30, 2019

Carrier	Type of coverage	Limits	Period
OUC	General liability	\$2.0 million per occurrence retention	Continuous
OUC	Automobile liability	\$2.0 million per occurrence retention	Continuous
OUC	Worker's compensation	\$500 thousand per occurrence retention	Continuous
OUC	Health and medical benefits individual stop-loss	Amounts in excess of \$0.25 million per insured per year net of applicable deductible	Continuous
AEGIS	Excess automobile and general liability	\$50.0 million above the \$2.0 million retention for general liability and automobile liability	10-01-18/9-30-19
AEGIS	Directors and officers / public officials liability	\$10.0 million	10-01-18/9-30-19
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	10-01-18/9-30-19
Factory Mutual	All risk property/boiler and machinery	\$2.7 billion insurable values \$250 thousand base retentions, various retentions depending on machinery	10-01-18/9-30-19
Florida Municipal Insurance Trust (FMIT)	Excess worker's compensation	Statutory limit of liability above a \$500 thousand per occurrence retention	10-01-18/9-30-19
Great American Insurance	Dishonesty, disappearance, and destruction (Crime)	\$10.0 million	10-01-18/9-30-19

*All coverages with an expiration date of 09-30-19 have been renewed through 09-30-20.



This page intentionally left blank.

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Florida Municipal Power Pool (FMPP): The Florida Municipal Power Pool was created to bring multiple utilities together and create a more efficient and economical way to serve their customers' needs. FMPP consists of three pool members: Florida Municipal Power Agency, Lakeland Electric and OUC.

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

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

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

Heating-Degree Day: The measure of how low the average daily temperature is relative to a reference temperature of 65 degrees Fahrenheit. For example, if the average temperature for the day is 60 degrees, then the heating-degree days are equal to 5.0 degrees below normal.

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.

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

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

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

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

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

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

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



This page intentionally left blank.



This page intentionally left blank.



The Reliable One®

**RELIABLE PLAZA
100 WEST ANDERSON STREET
ORLANDO, FL 32801**