

# 2010 FINANCIAL & STATISTICAL INFORMATION REPORT

## ORLANDO UTILITIES COMMISSION

Years Ended September 30, 2010 - 2000

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**Katie Porta**  
President

**Maylen Dominguez Arlen**  
First Vice President

**Dan Kirby, AIA, AICP**  
Second Vice President

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Mayor - Commissioner

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**John E. Hearn**  
**Elizabeth M. Mason**  
Assistant Secretaries

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General Manager & Chief Executive Officer

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Vice President Power Resources

**W. Christopher Browder**  
Vice President Legal & General Counsel

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Vice President Energy Delivery

**Alvin C. Frazier**  
Vice President Customer Experience

**Roseann E. Harrington**  
Vice President Marketing, Communications &  
Community Relations

**John E. Hearn**  
Vice President Financial Services &  
Chief Financial Officer

**Byron A. Knibbs**  
Vice President Sustainable Services

**Gregory T. Rodeghier**  
Vice President Information Technology &  
Chief Information Officer

**Denise M. Stalls**  
Vice President Human & Environmental Resources

**Robert D. Teegarden**  
Vice President Water

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The information provided in this document is intended to meet the annual financial information disclosure requirements outlined in Securities Exchange Commission Rule 15c2-12(b)(5)(i)(A).



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# GENERAL INFORMATION

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OUC—the Reliable One is the second largest municipal utility in Florida and provides electric and water services to more than 221,000 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola counties.

Created by a special act of the Florida Legislature in 1923 as a statutory commission of the State of Florida, the Orlando Utilities Commission (OUC) has full authority over the management and control of the electric and water systems of the City of Orlando. The charter, as amended, allows OUC to undertake the construction, operation and maintenance of electric generation, transmission, distribution, lighting and chilled water systems, as well as water production, transmission and distribution systems in Orange County and portions of Osceola County.

OUC is governed by a five member board (the Board) which includes the Mayor of the City of Orlando as an ex-officio member. Board members must be OUC customers, and at least one member must reside in unincorporated Orange County. Members serve without pay and may hold two consecutive four-year terms.

OUC's electric system provides service to customers within the City of Orlando and certain contiguous areas of Orange County. The boundaries of OUC's 244 square mile electric service area are set pursuant to a 10-year territorial agreement with Progress Energy of Florida. The agreement, which expires February 1, 2016, has been approved by the Florida Public Service Commission, which has full authority to resolve all disputes related to service territory.

In 1997, OUC entered into an inter-local agreement with the City of St. Cloud in Osceola, County to assume responsibility for providing retail electric energy services to all St. Cloud customers and to assume control and operation of St. Cloud's electric transmission and distribution system and certain generation facilities in its 150-square-mile service territory. The St. Cloud agreement expires September 30, 2032.

OUC provides water service to customers throughout Orlando and a 200-square-mile service area as set forth by a territorial agreement with Orange County. Water is obtained from 32 deep wells that tap the Floridan Aquifer, a natural source of high quality water hundreds of feet below the surface. Seven state-of-the-art water plants treat the water with ozone for disinfection and hydrogen sulfide removal. In May 2004, OUC obtained a 20-year Consumptive Use Permit (CUP) from the St. Johns River Water Management District. This CUP preserves OUC's authority to withdraw sufficient quantities of high quality, low-cost ground water to serve customers through 2023.

OUC operates two related businesses — OUConvenient Lighting and Chilled Water — that serve Orlando and surrounding counties. OUConvenient Lighting works with municipalities and commercial partners to plan, install and maintain indoor and outdoor lighting. Chilled Water provides chilled water service for air conditioning systems through a network of seven chilled water plants in five districts with a total capacity of 47,950 tons.

The information presented in the following pages represents OUC's financial and operational information for the fiscal periods of 2000-2010 and where appropriate, amounts have been reclassified to conform to the 2010 presentation.

## STATEMENT OF NET ASSETS (Dollars in thousands)

### Years Ended September 30

	2010	2009	2008	2007
<b>Assets</b>				
Utility plant, net				
In-service depreciated cost	\$ 2,134,963	\$ 1,800,510	\$ 1,748,770	\$ 1,726,375
Land and other non-depreciable assets	62,868	59,501	59,196	31,632
Construction work in progress	107,333	421,685	343,958	176,216
	<u>2,305,164</u>	<u>2,281,696</u>	<u>2,151,924</u>	<u>1,934,223</u>
Restricted and internally designated assets				
Debt service and related funds	133,981	121,526	118,406	118,471
Construction, bond proceeds, decommissioning and other funds	314,346	179,005	224,233	211,336
Liability reduction fund (1)	20,386	20,384	20,380	30,593
Stabilization and self-insurance funds (2)	174,676	141,604	110,013	143,154
Capital reserve fund (3)	14,700	-	32,140	32,618
	<u>658,089</u>	<u>462,519</u>	<u>505,172</u>	<u>536,172</u>
Current assets				
Cash and investments	54,715	33,622	49,607	36,148
Customer accounts receivable, less allowance for doubtful accounts	84,000	81,482	78,801	89,749
Fuel for generation	19,863	19,950	5,972	14,752
Materials and supplies inventory	37,827	36,727	37,926	35,927
Other current assets (5)	105,624	93,747	84,644	71,862
	<u>302,029</u>	<u>265,528</u>	<u>256,950</u>	<u>248,438</u>
Other assets and deferred charges				
Regulatory and other deferred assets	69,458	71,566	76,179	71,421
Deferred outflow - hedging derivatives (4)	67,320	80,589	60,921	-
	<u>136,778</u>	<u>152,155</u>	<u>137,100</u>	<u>71,421</u>
<b>Total assets</b>	<b>\$ 3,402,060</b>	<b>\$ 3,161,898</b>	<b>\$ 3,051,146</b>	<b>\$ 2,790,254</b>
<b>Liabilities</b>				
Current liabilities - payable from restricted and internally designated assets				
Accrued interest payable on notes and bonds (6)	\$ 37,284	\$ 27,552	\$ 28,093	\$ 28,524
Current portion of long-term debt (7)	149,602	247,616	264,844	44,440
Customer meter deposits	39,062	33,485	33,575	31,481
	<u>225,948</u>	<u>308,653</u>	<u>326,512</u>	<u>104,445</u>
Current liabilities - payable from current assets				
Accounts payable and accrued expenses	84,289	67,580	93,162	68,222
Other current liabilities	22,927	24,266	17,876	13,546
	<u>107,216</u>	<u>91,846</u>	<u>111,038</u>	<u>81,768</u>
Other liabilities and deferred credits				
Regulatory liabilities (2)	267,736	229,539	198,135	243,299
Deferred revenue	22,226	22,986	24,213	24,953
Asset retirement obligation and other liabilities	55,749	58,036	59,825	54,554
Other deferred items (4)	54,666	69,103	60,921	-
	<u>400,377</u>	<u>379,664</u>	<u>343,094</u>	<u>322,806</u>
Long-term debt, net	1,674,109	1,425,450	1,352,397	1,415,793
<b>Total liabilities</b>	<b>\$ 2,407,650</b>	<b>\$ 2,205,613</b>	<b>\$ 2,133,041</b>	<b>\$ 1,924,812</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	\$ 779,897	\$ 778,475	\$ 754,793	\$ 674,949
Restricted	425	44	1,468	8,335
Unrestricted	214,088	177,766	161,844	182,158
<b>Total net assets</b>	<b>\$ 994,410</b>	<b>\$ 956,285</b>	<b>\$ 918,105</b>	<b>\$ 865,442</b>

- (1) In 2000, OUC sold the steam units at the Indian River Power Plant. A portion of the proceeds from this sale were internally designated to fund future debt maturities. In 2006, OUC used \$113.0 million of the Liability reduction funds to defease portions of the Series 2001, 2001A and 2003A Bonds.
- (2) While the Stabilization and self insurance funds include various restricted and internally designated amounts, the primary reason for the volatility over the past ten years is due to the increase in fuel stabilization funds, as these funds are designated to match the change in deferred fuel revenue.
- (3) In 2006, OUC established the Capital reserve to fund the construction of capital projects with Income before contributions in excess of budget of \$5.5 million. In 2008 and 2007, OUC modified rates to further fund this reserve. However, in 2009 and 2010, this funding was curtailed. In 2010, OUC was able to re-evaluate the usage of the Capital reserve funds and assign a portion of the capital funding from construction funds.
- (4) In conjunction with the implementation of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", all effective derivative instruments are included on the Statements of Net Assets as either an asset or liability measured at fair market value. Related changes in the fair value of derivative instruments are deferred and recognized in the period in which the derivative is settled. The fair valuation for the hedged derivatives was restated for all years reported in OUC's 2010 Audited Financial Statement Report.

2006	2005	2004	2003	2002	2001	2000
\$ 1,681,186	\$ 1,652,730	\$ 1,644,680	\$ 1,599,651	\$ 1,474,956	\$ 1,447,357	\$ 1,441,743
31,632	29,667	31,670	29,267	28,652	27,605	27,614
<u>100,909</u>	<u>84,756</u>	<u>69,992</u>	<u>76,069</u>	<u>103,140</u>	<u>71,437</u>	<u>43,306</u>
<u>1,813,727</u>	<u>1,767,153</u>	<u>1,746,342</u>	<u>1,704,987</u>	<u>1,606,748</u>	<u>1,546,399</u>	<u>1,512,663</u>
117,812	112,837	109,264	101,718	164,883	177,379	176,603
217,311	141,533	107,785	157,307	114,622	87,087	123,201
143,446	151,096	190,491	191,382	189,122	328,917	307,422
111,085	56,173	66,377	94,759	100,151	77,551	48,346
5,500	-	-	-	-	-	-
<u>595,154</u>	<u>461,639</u>	<u>473,917</u>	<u>545,166</u>	<u>568,778</u>	<u>670,934</u>	<u>655,572</u>
55,666	75,535	83,077	72,633	55,324	55,294	39,097
68,715	81,954	65,619	60,960	59,225	58,243	70,497
9,626	8,642	6,512	9,105	10,404	4,716	3,650
33,669	31,300	29,231	26,852	28,567	26,342	26,603
66,366	54,197	47,405	41,829	45,332	45,510	47,264
<u>234,042</u>	<u>251,628</u>	<u>231,844</u>	<u>211,379</u>	<u>198,852</u>	<u>190,105</u>	<u>187,111</u>
64,924	62,448	93,093	26,539	24,849	12,132	10,865
-	-	-	-	-	-	-
<u>64,924</u>	<u>62,448</u>	<u>93,093</u>	<u>26,539</u>	<u>24,849</u>	<u>12,132</u>	<u>10,865</u>
<u>\$ 2,707,847</u>	<u>\$ 2,542,868</u>	<u>\$ 2,545,196</u>	<u>\$ 2,488,071</u>	<u>\$ 2,399,227</u>	<u>\$ 2,419,570</u>	<u>\$ 2,366,211</u>
\$ 30,810	\$ 28,744	\$ 27,744	\$ 26,567	\$ 31,048	\$ 34,254	\$ 36,520
41,420	38,560	35,575	129,250	91,155	54,190	38,336
<u>29,012</u>	<u>26,099</u>	<u>24,846</u>	<u>21,141</u>	<u>19,161</u>	<u>15,008</u>	<u>13,420</u>
<u>101,242</u>	<u>93,403</u>	<u>88,165</u>	<u>176,958</u>	<u>141,364</u>	<u>103,452</u>	<u>88,276</u>
62,189	93,513	90,055	54,147	57,130	55,294	45,820
13,102	14,317	12,039	16,539	11,593	18,447	18,310
<u>75,291</u>	<u>107,830</u>	<u>102,094</u>	<u>70,686</u>	<u>68,723</u>	<u>73,741</u>	<u>64,130</u>
212,742	155,976	173,716	111,009	110,000	123,437	135,319
25,179	22,839	23,224	134,170	138,783	121,043	90,089
55,737	48,539	45,371	43,224	1,257	1,922	1,739
-	-	-	-	-	-	-
<u>293,658</u>	<u>227,354</u>	<u>242,311</u>	<u>288,403</u>	<u>250,040</u>	<u>246,402</u>	<u>227,147</u>
<u>1,435,889</u>	<u>1,351,781</u>	<u>1,387,423</u>	<u>1,261,883</u>	<u>1,281,333</u>	<u>1,367,949</u>	<u>1,388,343</u>
<u>\$ 1,906,080</u>	<u>\$ 1,780,368</u>	<u>\$ 1,819,993</u>	<u>\$ 1,797,930</u>	<u>\$ 1,741,460</u>	<u>\$ 1,791,544</u>	<u>\$ 1,767,896</u>
\$ 530,988	\$ 520,403	\$ 460,349	\$ 454,637	\$ 432,324	\$ 299,089	\$ 298,197
5,213	-	-	51,665	51,289	49,335	47,883
265,566	242,097	264,854	183,839	174,154	279,602	252,235
<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>	<u>\$ 690,141</u>	<u>\$ 657,767</u>	<u>\$ 628,026</u>	<u>\$ 598,315</u>

- (5) The increase in Other current assets was due to the continued volatility in the financial markets that resulted in higher margin deposit requirements for interest rate swap agreements. As of September 2010, 2009, 2008 and 2007, margin deposits were \$35.7 million, \$29.1 million, 16.9 million and \$3.9 million, respectively.
- (6) Accrued interest payable on notes and bonds increased as a result of refunding the Series 2002A variable rate bonds which paid interest monthly with the Series 2009C Bonds and issuing the Series 2010A Bonds which both pay interest semi-annually.
- (7) In 2008, the Series 2004 Bonds were reclassified to Current portion of long-term debt as the bonds were set to mature in July 2009. OUC intended to remarket these bonds with long-term variable rate debt; however, due to changing market conditions, 12-month maturities were issued in 2009 and 2010.

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

Years Ended September 30	2010	2009	2008	2007
<b>Operating revenues</b>				
Electric operating revenues (1)	\$ 759,754	\$ 704,483	\$ 750,936	\$ 673,317
Water operating revenues	62,619	62,675	62,224	65,428
Lighting operating revenues (1)	12,155	12,036	11,283	10,437
Chilled water operating revenues	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>
<b>Total operating revenues (2)</b>	<u><b>863,814</b></u>	<u><b>803,415</b></u>	<u><b>844,182</b></u>	<u><b>765,825</b></u>
<b>Operating expenses</b>				
Fuel for generation, purchased power, fixed demand payments	330,738	312,377	372,423	323,245
Production (3)	94,089	80,363	81,359	73,401
Transmission and distribution	37,687	32,725	31,483	28,523
Lighting	3,494	3,688	3,853	2,909
Chilled water (4)	14,489	13,015	11,067	10,428
Storm recovery expenses (5)	-	162	624	-
Depreciation and amortization (3)	117,105	110,068	98,312	92,282
Customer service	31,448	29,361	29,245	29,979
General and administrative (6)	45,810	37,634	37,898	34,716
Utility/property tax	16,535	15,142	13,533	12,908
Revenue based payments to the City of Orlando	28,804	27,301	25,148	24,130
Revenue based payments to Orange County	1,821	1,687	1,054	1,056
Revenue based payments to the City of St. Cloud	5,582	5,316	5,064	4,079
System use payments to the City of St. Cloud	<u>1,911</u>	<u>1,910</u>	<u>1,914</u>	<u>1,915</u>
<b>Total operating expenses</b>	<u><b>729,513</b></u>	<u><b>670,749</b></u>	<u><b>712,977</b></u>	<u><b>639,571</b></u>
<b>Operating income</b>	<b>134,301</b>	<b>132,666</b>	<b>131,205</b>	<b>126,254</b>
Interest and other income, net (7)	16,401	12,912	18,872	26,553
Amortization of deferred gain on sale of assets (8)	3,971	3,971	3,971	3,970
Interest and other expenses (9)	<u>(85,051)</u>	<u>(77,048)</u>	<u>(74,167)</u>	<u>(71,764)</u>
<b>Income before contributions</b>	<b>69,622</b>	<b>72,501</b>	<b>79,881</b>	<b>85,013</b>
<b>Contributions in aid of construction (CIAC)(10)</b>	<b>14,099</b>	<b>11,579</b>	<b>18,734</b>	<b>24,362</b>
<b>Annual dividend (11)</b>	<u><b>(45,596)</b></u>	<u><b>(45,900)</b></u>	<u><b>(45,952)</b></u>	<u><b>(45,700)</b></u>
<b>Increase in net assets</b>	<b>38,125</b>	<b>38,180</b>	<b>52,663</b>	<b>63,675</b>
<b>Net assets - beginning of year</b>	<u><b>956,285</b></u>	<u><b>918,105</b></u>	<u><b>865,442</b></u>	<u><b>801,767</b></u>
<b>Net assets - end of year</b>	<u><b>\$ 994,410</b></u>	<u><b>\$ 956,285</b></u>	<u><b>\$ 918,105</b></u>	<u><b>\$ 865,442</b></u>

- (1) Prior to 2002, conventional lighting revenue was classified as Electric operating revenue, an integrated part of the Electric business operation. In 2002, OUC began separately reporting the Lighting business operations.
- (2) Over the past several years, Operating revenues have fluctuated as a result of changes within wholesale sales. (See page 22 for details.) Additionally, Chilled water and Lighting revenues have continued to increase as a result of expansions within the business segments.
- (3) Production costs increased as a result of generation facility planned outage expenses including costs associated with environmental compliance. The increase in 2010 costs was primarily due to the performance of extended outage activities to offset cost saving measures taken in 2009. Additionally in late February 2010, operations at OUC's Stanton Unit B (SEC B) commenced operations. As such, Production costs and Depreciation and amortization costs increased \$3.2 million and \$7.0 million, respectively.
- (4) In March 2004, the Board authorized the dissolution of the agreement with Trigen Cinergy Solutions (TCS) and acquired TCS' 51% rights in the Chilled Water operations.
- (5) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of unrecoverable storm restoration costs, net of grant reimbursements. In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay.
- (6) In 2010, actuarial pension costs increased \$3.5 million as a result of lower than projected investment returns and the inclusion of previously approved cost of living adjustment through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010. In 2007, OUC early adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) incurring additional actuarially-determined employee benefit costs in each of the subsequent years.
- (7) The sale of IRP in 1999 was the driver for higher interest earnings in 2000 and 2001. While higher cash reserves impacted earnings in 2006 and 2007, lower market rates beginning with the market downturn in 2008 continued to impact interest earnings through 2010.
- (8) Proceeds from the sale of the steam units at the IRP were internally designated and the gain deferred in accordance with OUC's application of FASB Statement No. 71. The designated proceeds from the sale are reported under the caption of Liability reduction fund and the gain is included under the heading Regulatory liabilities on the Statements of Net Assets. A portion of the deferred gain amount was recognized to mitigate additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for SECA.



2006	2005	2004	2003	2002	2001	2000
\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457	\$ 449,124
56,032	54,361	50,460	46,307	41,854	38,813	46,389
8,885	7,696	6,651	4,815	2,393	-	-
<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>	<u>2,773</u>
<u>746,255</u>	<u>754,260</u>	<u>673,107</u>	<u>559,713</u>	<u>495,741</u>	<u>534,344</u>	<u>498,286</u>
346,417	373,880	318,558	221,193	189,967	231,128	204,656
69,685	68,053	62,978	53,119	48,284	44,748	47,385
25,064	21,195	19,260	18,643	17,309	19,277	19,858
2,771	2,569	1,954	1,529	1,560	-	-
9,726	8,069	5,730	3,118	2,179	1,403	879
-	-	6,003	-	-	-	-
86,433	85,570	79,768	70,747	74,157	77,248	68,558
27,234	20,897	20,011	17,918	16,847	16,693	18,786
28,936	27,022	26,400	24,222	25,416	24,339	17,414
12,895	11,461	10,071	9,665	9,097	8,387	8,276
23,658	20,187	18,058	17,319	16,294	15,955	14,332
1,062	871	816	786	731	733	705
3,519	3,349	3,240	2,821	2,491	2,377	2,361
<u>1,907</u>	<u>1,911</u>	<u>1,925</u>	<u>1,927</u>	<u>1,883</u>	<u>2,026</u>	<u>1,924</u>
<u>639,307</u>	<u>645,034</u>	<u>574,772</u>	<u>443,007</u>	<u>406,215</u>	<u>444,314</u>	<u>405,134</u>
106,948	109,226	98,335	116,706	89,526	90,030	93,152
24,577	12,079	11,431	12,906	19,506	44,202	36,039
3,970	3,970	14,006	-	13,433	11,178	9,717
<u>(73,721)</u>	<u>(68,551)</u>	<u>(71,005)</u>	<u>(74,595)</u>	<u>(75,440)</u>	<u>(91,925)</u>	<u>(87,601)</u>
61,774	56,724	52,767	55,017	47,025	53,485	51,307
25,293	14,607	13,955	10,348	10,916	8,317	11,932
<u>(47,800)</u>	<u>(34,034)</u>	<u>(31,660)</u>	<u>(32,991)</u>	<u>(28,200)</u>	<u>(32,091)</u>	<u>(30,784)</u>
39,267	37,297	35,062	32,374	29,741	29,711	32,455
<u>762,500</u>	<u>725,203</u>	<u>690,141</u>	<u>657,767</u>	<u>628,026</u>	<u>598,315</u>	<u>565,860</u>
<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>	<u>\$ 690,141</u>	<u>\$ 657,767</u>	<u>\$ 628,026</u>	<u>\$ 598,315</u>

(9) The increase in Interest and other expenses is primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.

(10) Growth in Central Florida fueled the increase in CIAC in 2006 and 2007.

(11) The dividend payments to the City of Orlando were calculated at 60% of Income before contributions for all operating units except Chilled Water. Dividends for Chilled Water were calculated based on 50% of Income before contributions up to \$625 thousand through 2003 and 60% thereafter. In 2005, the Board approved a change for 2006 and 2007 to increase the dividend calculation from 60% to 85% and 80%, respectively, of budgeted Income before contributions. In 2008 through 2010, the basis of the dividend was fixed based on budgeted Income before contributions.

## STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2010	2009	2008	2007
<b>Cash flows from operating activities</b>				
Cash received from customers (2)	\$ 899,241	\$ 827,231	\$ 839,152	\$ 763,456
Cash paid for fuel and purchased power	(328,583)	(347,691)	(378,343)	(326,874)
Cash paid for unit/department expenses excluding salaries and benefits	(68,712)	(75,027)	(74,058)	(95,116)
Cash paid for salaries and benefits	(128,988)	(115,283)	(113,564)	(63,880)
Cash received from storm recovery expenses (3)	-	-	(624)	-
Cash paid to other governments and taxes	(54,429)	(50,993)	(46,923)	(45,400)
<b>Net cash provided by operating activities</b>	<u>318,529</u>	<u>238,237</u>	<u>225,640</u>	<u>232,186</u>
<b>Cash flows from non-capital related financing activities</b>				
Dividend payment	(45,596)	(45,900)	(45,952)	(45,700)
<b>Net cash used in non-capital related financing activities</b>	<u>(45,596)</u>	<u>(45,900)</u>	<u>(45,952)</u>	<u>(45,700)</u>
<b>Cash flows from capital related financing activities</b>				
Debt interest payments/collateral deposits	(103,753)	(78,236)	(81,091)	(74,448)
Principal payments on long-term debt	(366,000)	(362,945)	(44,440)	(289,337)
Debt issuances (4)	541,050	419,875	200,000	260,620
Debt issuances expenses	(5,086)	(3,955)	(1,623)	(2,429)
Advance pension payments (5)	-	-	-	-
Construction and acquisition of utility plant net of contributions and sale of plant proceeds	(141,229)	(237,983)	(302,678)	(191,427)
<b>Net cash used in capital related financing activities (4)</b>	<u>(75,018)</u>	<u>(263,244)</u>	<u>(229,832)</u>	<u>(297,021)</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales and maturities of investment securities	700,558	598,096	594,525	592,967
Proceeds from gain on sale of investments	3,314	2,230	7,791	-
Purchases of investment securities	(864,934)	(497,435)	(634,030)	(538,523)
Investments and other income received	14,602	13,921	22,507	33,219
<b>Net cash provided by/(used in) investing activities (4)</b>	<u>(146,460)</u>	<u>116,812</u>	<u>(9,207)</u>	<u>87,663</u>
<b>Net increase in cash and cash equivalents</b>	51,455	45,905	(59,351)	(22,872)
<b>Cash and cash equivalents - beginning of year (6)</b>	155,665	109,760	169,111	191,983
<b>Cash and cash equivalents - end of year</b>	<u>\$ 207,120</u>	<u>\$ 155,665</u>	<u>\$ 109,760</u>	<u>\$ 169,111</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
<b>Operating income</b>	\$ 134,301	\$ 132,666	\$ 131,205	\$ 126,254
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>				
Depreciation and amortization	117,105	110,068	98,312	92,282
Depreciation and amortization charged to fuel for generation and purchased power	3,986	4,051	3,498	3,471
Depreciation of vehicles and equipment charged to unit/department expenses	10,424	6,126	3,233	2,538
Changes in assets and liabilities				
(Increase)/decrease in receivables and accrued revenue	(3,179)	(1,267)	8,166	(24,617)
Decrease/(increase) in fuel and materials and supplies inventories	2,733	(7,407)	12,744	(6,956)
Increase/(Decrease) in accounts payable	19,602	(20,786)	24,112	8,905
(Decrease)/increase in deposits payable and deferred costs	(11,599)	(14,322)	(12,986)	13,334
Increase/(decrease) in stabilization and deferred revenue	45,156	29,108	(42,644)	16,975
<b>Net cash provided by operating activities</b>	<u>\$ 318,529</u>	<u>\$ 238,237</u>	<u>\$ 225,640</u>	<u>\$ 232,186</u>
<b>Reconciliation of cash and cash equivalents</b>				
Restricted and internally designated equivalents	\$ 89,181	\$ 88,474	\$ 42,206	\$ 87,049
Cash and investments	1,261	4,362	2,472	9,907
Construction and related funds	35,182	33,042	40,057	1,048
Debt service and related funds	81,496	29,787	25,025	71,107
<b>Cash and cash equivalents - end of the year</b>	<u>\$ 207,120</u>	<u>\$ 155,665</u>	<u>\$ 109,760</u>	<u>\$ 169,111</u>

(1) In conjunction with OUC's implementation of GASB34, the Statements of Cash Flows were prepared using the direct method.

(2) In 2010, Cash received from customers increased as a result of resale revenue growth including securing the wholesale agreement with Vero Beach and retail customer receipts from weather variances.

(3) In August and September 2004, OUC was impacted by hurricanes Charley, Frances and Jeanne and subsequently received grant funds from Federal Emergency Management Agency (FEMA) and the State of Florida Department of Community Affairs (DCA).

(4) In 2000, cash used in capital related financing was impacted by the sale of IRP. In addition during this eleven year period, OUC constructed both SECA and SECB while issuing \$960.7 million of new debt.

2006	2005	2004	2003	2002	2001	2000 (1)
\$ 819,265 (374,365)	\$ 710,245 (364,435)	\$ 631,648 (313,039)	\$ 555,745 (214,226)	\$ 507,020 (192,805)	\$ 570,813 (228,895)	
(129,066) (56,081) 530 (41,714)	(76,834) (54,437) 16,482 (37,404)	(75,041) (48,499) (22,485) (33,862)	(79,841) (43,635) - (32,468)	(67,748) (42,489) - (31,506)	(55,788) (40,059) - (32,055)	
<u>218,569</u>	<u>193,617</u>	<u>138,722</u>	<u>185,575</u>	<u>172,472</u>	<u>214,016</u>	\$ 192,465
(49,135) (49,135)	(32,700) (32,700)	(35,495) (35,495)	(29,156) (29,156)	(35,091) (35,091)	(31,984) (31,984)	(32,088) (32,088)
(70,443) (75,898) 160,525 (857) -	(66,742) (35,575) - (640) -	(66,084) (261,980) 288,735 (543) (54,600)	(71,647) (459,569) 472,697 (4,261) -	(74,483) (432,089) 394,813 (19,266) -	(76,198) (61,735) 50,290 (2,795) -	(78,486) (41,088) 6,400 (467) -
(93,236) (79,909)	(91,956) (194,913)	(100,723) (195,195)	(119,300) (182,080)	(145,149) (276,174)	(103,664) (194,102)	111,513 (2,128)
621,734 - (673,304) 19,399 (32,171) 57,354 134,629	232,197 - (203,529) 14,590 43,258 9,262 125,367	544,702 12,950 (548,278) 18,027 27,401 (64,567) 189,934	584,420 1,418 (610,284) 17,982 (6,464) (32,125) 220,979	476,076 2,488 (312,354) 34,526 200,736 61,943 159,036	677,945 - (607,209) 46,065 116,801 104,731 54,305	323,146 - (603,858) 35,047 (245,665) (87,416) 141,721
<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>	<u>\$ 54,305</u>
\$ 106,948	\$ 109,226	\$ 98,335	\$ 116,707	\$ 89,526	\$ 90,030	\$ 93,152
86,433	85,570	79,768	70,747	74,157	77,248	68,558
3,367	1,833	2,258	2,083	1,941	3,299	3,330
1,671	1,604	1,573	3,140	1,902	1,453	1,090
15,189 (31,101) (15,794) (5,077) 56,933	(27,407) (11,244) 25,954 24,755 (16,674)	(6,062) 1,169 17,342 (20,910) (34,751)	3,103 2,598 1,942 (2,977) (11,768)	(2,890) (7,979) 2,166 247 13,402	10,412 (805) 8,930 (2,608) 26,057	(11,719) 8,174 9,852 (4,389) 24,417
<u>\$ 218,569</u>	<u>\$ 193,617</u>	<u>\$ 138,722</u>	<u>\$ 185,575</u>	<u>\$ 172,472</u>	<u>\$ 214,016</u>	<u>\$ 192,465</u>
\$ 105,521 17,600 20,440 48,422	\$ 64,552 25,855 11,945 32,277	\$ 91,219 25,695 7,030 1,423	\$ 124,523 29,061 19,759 15,511	\$ 159,823 29,311 22,598 9,247	\$ 139,075 18,919 1,038 4	\$ 54,305
<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>	<u>\$ 54,305</u>

(5) In 2004, OUC advance funded \$54.6 million of the actuarial pension liability to the pension trust and continues to systematically recognize these amounts to unit department expense based on actuarial requirements.

(6) In 2004, the Cash and cash equivalents computation was changed such that only funds with maturities of less than 3 months were included. Previously, the computation included Cash and cash equivalents with maturities of less than 1 year. This required a change of approximately \$1.1 million in the Cash and cash equivalents beginning balance.

## SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2010	2009	2008	2007
<b>Current ratio</b>				
Current assets/current liabilities	2.82	2.89	2.30	3.04
<b>Leverage ratio</b>				
Total debt/total assets	0.54	0.53	0.53	0.52
<b>Return on total assets</b>				
Income before contributions/total assets (1)	2.05%	2.29%	2.62%	3.05%
<b>Return on net assets</b>				
Income before contributions/average net assets (1)	7.14%	7.74%	8.96%	10.20%
<b>Debt/net assets</b>	64%/36%	63%/37%	63%/37%	62%/38%
<b>Total revenue based payments and dividend to the City of Orlando</b>	\$74,400	\$73,201	\$71,099	\$69,829
As a percentage of retail revenue	10.41%	10.93%	11.73%	11.88%
<b>Retail receivables/retail billed revenue (1)(2)</b>	8.26%	8.92%	8.59%	10.51%
<b>Bad debt expense/retail billed revenue (OUC) (3)</b>	0.97%	0.90%	0.88%	0.73%
<b>Bad debt expense/retail revenue (Inter-local sales) (3)</b>	0.70%	1.22%	0.62%	0.45%
<b>Day sales uncollected (OUC)</b>	30	34	30	30
<b>Day sales uncollected (Inter-local sales)</b>	31	33	32	35
<b>Materials inventory as a percentage of total plant</b>	1.64%	1.61%	1.76%	1.86%
<b>Total metered services per meter reader</b>	12,269	13,565	13,113	11,732

(1) In 2010, the change was primarily due to an increase in the cash and investments and their associated lower investment returns. The change in 2007 and 2008 was due primarily to higher electric and water revenues resulting from rate modifications in January 2007. The funds generated from the rate modification were recorded to the Capital reserve fund for future capital spending in accordance with Board action.

(2) In 2007, the increase was due to the change in demographics from single-family residences to a higher percentage of apartment dwellers coupled with delays in collections and cut-offs as a result of staffing resources dedicated to the PSERM implementation.

(3) Beginning in 2007, the percentage of bad debt expense to retail revenue increased as a result of billing issues with the implementation of PSERM and the delay in collection efforts. This was followed by the downturn in the economy in 2008 through 2010.

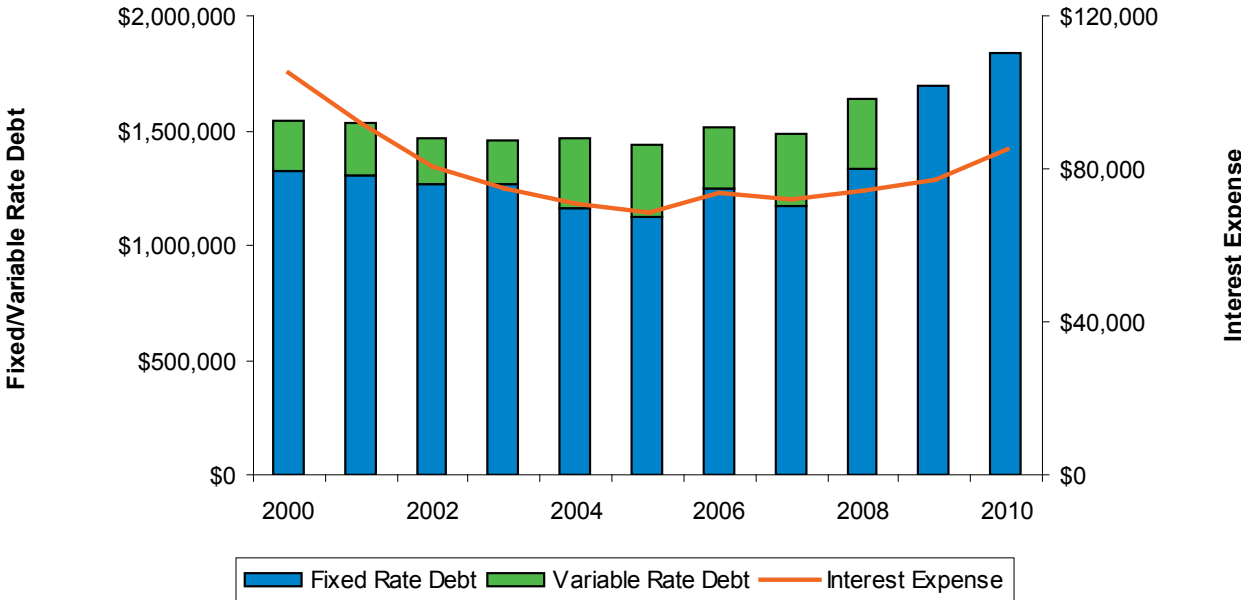
2006	2005	2004	2003	2002	2001	2000
3.11	2.33	2.27	2.99	2.89	2.58	2.92
0.55	0.55	0.56	0.56	0.57	0.59	0.60
2.28%	2.23%	2.07%	2.21%	1.96%	2.21%	2.17%
7.90%	7.63%	7.46%	8.16%	7.31%	8.72%	8.81%
64%/36%	64%/36%	66%/34%	65%/35%	66%/34%	69%/31%	70%/30%
\$71,458	\$54,221	\$49,718	\$50,310	\$44,494	\$48,046	\$45,116
12.25%	11.02%	11.32%	12.41%	11.46%	12.38%	12.53%
7.64%	6.36%	8.22%	9.03%	9.55%	9.42%	8.67%
0.41%	0.41%	0.43%	0.43%	0.63%	0.54%	0.78%
0.35%	0.37%	0.23%	0.33%	0.37%	-	-
29	24	31	34	35	35	32
28	30	27	24	32	26	29
1.86%	1.77%	1.67%	1.57%	1.78%	1.70%	1.76%
12,254	11,533	10,340	10,367	10,126	10,472	10,180



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# DEBT SERVICE INFORMATION

**Fixed and Variable Rate Debt vs. Interest Expense**  
(Dollars in thousands)



## DEBT SERVICE COVERAGE AND RATIOS (Dollars in Thousands)

### Years Ended September 30

	2010	2009	2008	2007
<b>Gross revenue and income before contributions</b>				
<b>Operating revenues</b>				
Electric operating revenue	\$ 759,754	\$ 704,483	\$ 750,936	\$ 671,388
Water operating revenue	62,619	62,675	62,224	65,428
Lighting operating revenue	12,155	12,036	11,283	10,437
Chilled water operating revenue	29,286	24,221	19,739	16,643
<b>Total operating revenue</b>	<u>863,814</u>	<u>803,415</u>	<u>844,182</u>	<u>763,896</u>
Interest and other income, net	20,350	18,430	23,099	30,979
<b>Gross revenue and income before contributions</b>	<u>884,164</u>	<u>821,845</u>	<u>867,281</u>	<u>794,875</u>
<b>Expenses (1)</b>				
<b>Operating expenses</b>				
Electric operating expenses	517,781	472,092	530,899	466,549
Water operating expenses	36,590	33,320	32,967	31,687
Lighting operating expenses	5,108	5,147	5,101	3,978
Chilled water operating expenses	16,348	14,713	12,220	10,269
<b>Total operating expenses</b>	<u>575,827</u>	<u>525,272</u>	<u>581,187</u>	<u>512,483</u>
Other expenses (1)(2)	1,088	1,220	887	705
<b>Total expenses</b>	<u>576,915</u>	<u>526,492</u>	<u>582,074</u>	<u>513,188</u>
<b>Net revenue and income available for debt service</b>	<u>\$ 307,249</u>	<u>\$ 295,353</u>	<u>\$ 285,207</u>	<u>\$ 281,687</u>
Current debt service (3)	\$ 134,877	\$ 122,469	\$ 116,220	\$ 115,151
Current debt service coverage	2.28x	2.41x	2.45x	2.45x
<b>Fixed or full charge coverage</b>				
Net revenue and income available for debt service	\$ 307,249	\$ 295,353	\$ 285,207	\$ 281,687
Fixed demand payments/purchased power (4)	<u>32,483</u>	<u>32,833</u>	<u>30,261</u>	<u>33,608</u>
Net revenue and income available for payments and fixed charge coverage	339,732	328,186	315,468	315,295
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	76,221	74,887	72,154	70,886
Net revenue and income available after payments	<u>\$ 263,511</u>	<u>\$ 253,299</u>	<u>\$ 243,314</u>	<u>\$ 244,409</u>
Fixed and full charge coverage (5)	1.57x	1.63x	1.66x	1.64x
<b>Debt ratio</b>				
Gross funded debt/Net fixed assets & net working capital	63.20%	61.86%	62.92%	61.73%
Net funded debt/Net fixed assets & net working capital	62.67%	61.12%	61.85%	60.58%
<b>Operating ratio</b>				
Total expenses/Total operating revenues	66.79%	65.53%	68.95%	67.26%
<b>Net take-down (%)</b>				
Net revenue and income available for debt service/ Gross revenue and income before contributions	34.75%	35.94%	32.89%	35.35%
<b>Debt service safety margin</b>				
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	19.50%	21.04%	19.48%	20.90%

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

(2) Beginning in 2003, stabilization interest costs are presented net of interest and other income. In prior years, these costs were included in Other expenses.



2006	2005	2004	2003	2002	2001	2000
\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457	\$ 449,124
56,032	54,361	50,460	46,307	41,854	38,813	46,389
8,885	7,696	6,651	4,815	2,393	-	-
<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>	<u>2,773</u>
746,255	754,260	673,107	559,713	495,741	534,344	498,286
<u>28,547</u>	<u>16,049</u>	<u>25,436</u>	<u>8,265</u>	<u>25,762</u>	<u>35,122</u>	<u>32,912</u>
<u>774,802</u>	<u>770,309</u>	<u>698,543</u>	<u>567,978</u>	<u>521,503</u>	<u>569,466</u>	<u>531,198</u>
475,802	492,794	435,619	323,671	284,711	323,743	295,794
29,804	26,769	24,513	22,059	21,081	19,959	19,389
4,175	3,784	3,177	2,412	2,225	-	-
<u>11,065</u>	<u>9,225</u>	<u>6,898</u>	<u>3,984</u>	<u>2,824</u>	<u>2,029</u>	<u>1,210</u>
520,846	532,572	470,207	352,126	310,841	345,731	316,393
658	597	994	581	5,255	5,712	6,285
<u>521,504</u>	<u>533,169</u>	<u>471,201</u>	<u>352,707</u>	<u>316,096</u>	<u>351,443</u>	<u>322,678</u>
<u>\$ 253,298</u>	<u>\$ 237,140</u>	<u>\$ 227,342</u>	<u>\$ 215,271</u>	<u>\$ 205,407</u>	<u>\$ 218,023</u>	<u>\$ 208,520</u>
\$ 113,022	\$ 105,134	\$ 101,327	\$ 101,028	\$ 98,580	\$ 100,494	\$ 100,769
2.24x	2.26x	2.24x	2.13x	2.08x	2.17x	2.07x
\$ 253,298	\$ 237,140	\$ 227,342	\$ 215,271	\$ 205,407	\$ 218,023	\$ 208,520
<u>30,061</u>	<u>47,388</u>	<u>57,843</u>	<u>35,493</u>	<u>30,290</u>	<u>30,968</u>	<u>33,012</u>
283,359	284,528	285,185	250,764	235,697	248,991	241,532
72,520	55,161	50,534	51,096	45,225	48,779	45,821
<u>\$ 210,839</u>	<u>\$ 229,367</u>	<u>\$ 234,651</u>	<u>\$ 199,668</u>	<u>\$ 190,472</u>	<u>\$ 200,212</u>	<u>\$ 195,711</u>
1.47x	1.50x	1.47x	1.46x	1.48x	1.52x	1.46x
66.87%	67.18%	71.31%	59.70%	67.19%	71.14%	74.09%
65.04%	64.98%	68.90%	56.31%	62.14%	64.97%	67.52%
69.88%	70.69%	70.00%	63.02%	63.76%	65.77%	64.76%
32.69%	30.79%	32.55%	37.90%	39.39%	38.29%	39.25%
18.10%	17.14%	18.04%	20.11%	20.48%	20.64%	20.28%

(3) In 2002, OUC adopted the General Bond Resolution. In 2004, the provisions of the resolution became effective and as such all debt obligations became equal in priority. Modifications were made to the debt.

(4) Fixed demand payments / purchased power did not include fixed gas transmission charges. Fixed gas transmission charges were included as part of Net revenue and income available for debt service.

(5) The Fixed and full charge coverage computes the coverage of the current debt service and fixed demand payments by the Net revenue and income available after payments.

**ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)**

Years ending 9/30 (1)	Series 1996A principal payments (2)	Series 1996A interest payments (3)	Series 2001 principal payments	Series 2001 interest payments	Series 2001A principal payments	Series 2001A interest payments	Series 2002C principal payments	Series 2002C interest payments
2011	\$ -	\$ 2,250	\$ -	\$ 3,403	\$ -	\$ 820	\$ -	\$ 1,303
2012	-	2,250	-	3,403	-	820	-	1,303
2013	-	2,250	-	3,404	-	819	-	1,303
2014	-	2,475	-	3,403	-	820	-	1,303
2015	-	2,475	-	3,403	-	820	-	1,303
2016	-	2,475	1,160	3,403	-	820	1,295	1,303
2017	-	2,475	1,220	3,342	3,800	819	2,210	1,235
2018	-	2,475	8,925	3,278	3,995	630	2,320	1,119
2019	-	2,475	9,395	2,810	4,195	430	-	997
2020	14,500	2,475	9,885	2,317	4,405	220	-	997
2021	-	1,877	7,635	1,798	-	-	515	997
2022	13,750	1,877	21,695	1,397	-	-	540	970
2023	31,750	1,310	6,240	312	-	-	570	942
2024	-	-	-	-	-	-	4,230	912
2025	-	-	-	-	-	-	4,440	700
2026	-	-	-	-	-	-	4,665	478
2027	-	-	-	-	-	-	4,900	245
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
Subtotal long-term debt	60,000	29,139	66,155	35,673	16,395	7,018	25,685	17,410
Current debt portion	-	-	-	-	-	-	-	-
Federal interest subsidy	-	-	-	-	-	-	-	-
Total long-term debt	<u>\$ 60,000</u>	<u>\$ 29,139</u>	<u>\$ 66,155</u>	<u>\$ 35,673</u>	<u>\$ 16,395</u>	<u>\$ 7,018</u>	<u>\$ 25,685</u>	<u>\$ 17,410</u>

- (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 is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.
- (2) The Series 1996A Bonds mature in 2023 with a mandatory purchase date of October 1, 2013. Additionally, the Series 2003 Bonds mature in 2025 with a mandatory purchase date of October 1, 2012. OUC intends to remarket both the Series 1996A Bonds and the Series 2003 Bonds as of the mandatory purchase dates.
- (3) On October 1, 2008, OUC remarketed the Series 1996A Bonds and the Series 2003 Bonds in the term mode at the rate of 3.75% and 3.5%, respectively. The remarketed rates have been assumed until maturity. However after the mandatory tender dates, the interest rates for Series 1996A Bonds have been calculated at the assumed rate of 4.125% and the interest rates for the Series 2003 Bonds have been calculated at the assumed rate of 3.85% in accordance with the definition of "Debt Service Requirements" provided in the General Bond Resolution.
- (4) Series 1992 Bonds mature in 2010 and the debt service reserve fund for the Series 1992 Bonds is expected to be used to pay the Series 2005A Bonds upon their maturity.



## ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2005B principal payments	Series 2005B interest payments	Series 2006 principal payments	Series 2006 interest payments	Series 2007 principal payments	Series 2007 interest payments	2007 swap interest payments	Series 2008 principal payments	Series 2008 interest payments
2011	\$ -	\$ 5,815	\$ -	\$ 6,051	\$ 18,610	\$ 4,804	\$ 446	\$ -	\$ 2,000
2012	-	5,815	-	6,051	19,535	3,944	445	-	2,000
2013	-	5,815	-	6,051	20,570	2,967	446	-	2,000
2014	-	5,815	1,800	6,051	21,410	1,938	446	-	2,000
2015	-	5,815	1,870	5,979	22,615	868	446	-	2,000
2016	-	5,815	11,785	5,886	13,400	323	167	-	2,000
2017	-	5,815	17,540	5,321	-	-	-	-	2,000
2018	-	5,815	35,840	4,445	-	-	-	-	2,000
2019	-	5,815	15,910	2,653	-	-	-	-	2,000
2020	-	5,815	16,705	1,857	-	-	-	-	2,000
2021	-	5,815	15,905	1,064	-	-	-	-	2,000
2022	-	5,815	3,005	308	-	-	-	-	2,000
2023	-	5,815	3,155	158	-	-	-	-	2,000
2024	60,000	5,815	-	-	-	-	-	-	2,000
2025	60,000	3,000	-	-	-	-	-	-	2,000
2026	-	-	-	-	-	-	-	25,000	2,000
2027	-	-	-	-	-	-	-	25,000	1,750
2028	-	-	-	-	-	-	-	25,000	1,500
2029	-	-	-	-	-	-	-	25,000	1,250
2030	-	-	-	-	-	-	-	25,000	1,000
2031	-	-	-	-	-	-	-	25,000	750
2032	-	-	-	-	-	-	-	25,000	500
2033	-	-	-	-	-	-	-	25,000	250
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
Subtotal long-term debt	120,000	84,410	123,515	51,875	116,140	14,844	2,396	200,000	39,000
Current debt portion	-	-	-	-	-	-	-	-	-
Federal interest subsidy	-	-	-	-	-	-	-	-	-
Total long-term debt	<u>\$ 120,000</u>	<u>\$ 84,410</u>	<u>\$ 123,515</u>	<u>\$ 51,875</u>	<u>\$ 116,140</u>	<u>\$ 14,844</u>	<u>\$ 2,396</u>	<u>\$ 200,000</u>	<u>\$ 39,000</u>

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

(2) The 2006 forward swap serves as a hedge to the 2008 Bond series.

(3) The interest payments for the Series 2010A Bonds have been presented at the gross amounts with a reduction to reflect the impact of the 35% federal subsidy.

2006 forward swap interest payments (2)	Series 2009A principal payments	Series 2009A interest payments	Series 2009B principal payments	Series 2009B interest payments	Series 2009C principal payments	Series 2009C interest payments	Series 2010A principal payments	Series 2010A interest payments (3)
\$ 5,600	\$ -	\$ 5,250	\$ -	\$ 5,706	\$ 14,765	\$ 5,611	\$ -	\$ 11,324
5,600	-	5,250	-	5,706	15,940	4,933	-	11,324
5,600	-	5,250	-	5,706	16,235	4,196	-	11,324
5,600	-	5,250	-	5,707	16,880	3,414	-	11,324
5,600	-	5,250	-	5,706	17,560	2,600	-	11,324
5,600	-	5,250	-	5,706	18,190	1,762	-	11,324
5,600	-	5,250	-	5,706	19,040	877	-	11,324
5,600	-	5,250	-	5,707	-	-	-	11,324
5,600	-	5,250	-	5,706	-	-	-	11,324
5,600	-	5,250	-	5,706	-	-	-	11,324
5,600	-	5,250	-	5,706	-	-	-	11,324
5,600	-	5,250	-	5,707	-	-	-	11,324
5,600	-	5,250	20,000	5,706	-	-	-	11,324
5,600	-	5,250	-	4,706	-	-	-	11,324
5,600	-	5,250	-	4,706	-	-	-	11,324
5,600	-	5,250	-	4,707	-	-	-	11,324
4,900	-	5,250	-	4,706	-	-	-	11,324
4,200	-	5,250	13,840	4,706	-	-	-	11,324
3,500	-	5,250	14,530	4,014	-	-	-	11,324
2,800	-	5,250	15,255	3,288	-	-	-	11,324
2,100	-	5,250	16,020	2,525	-	-	-	11,324
1,400	-	5,250	16,820	1,724	-	-	-	11,324
700	-	5,250	17,660	883	-	-	-	11,324
	14,610	5,250	-	-	-	-	23,030	11,324
	15,375	4,483	-	-	-	-	23,880	10,020
	16,185	3,676	-	-	-	-	24,755	8,668
	17,035	2,826	-	-	-	-	25,665	7,267
	17,925	1,932	-	-	-	-	26,615	5,813
	18,870	990	-	-	-	-	27,590	4,306
			-	-	-	-	48,465	2,744
<u>109,200</u>	<u>100,000</u>	<u>139,907</u>	<u>114,125</u>	<u>110,146</u>	<u>118,610</u>	<u>23,393</u>	<u>200,000</u>	<u>310,594</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(108,708)
<u>\$ 109,200</u>	<u>\$ 100,000</u>	<u>\$ 139,907</u>	<u>\$ 114,125</u>	<u>\$ 110,146</u>	<u>\$ 118,610</u>	<u>\$ 23,393</u>	<u>\$ 200,000</u>	<u>\$ 201,886</u>

**ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)**

Years ending 9/30 (1)	Series 2010C principal payments	Series 2010C interest payments	Series 2010D principal payments (2)	Series 2010D interest payments	2005 forward swap interest payments (3)	Total	Total principal	Total interest	Total swap interest
2011	\$ 6,270	\$ 4,548	\$ 97,465	\$ 1,421	\$ 2,379	\$ 269,795	\$ 185,915	\$ 75,455	\$ 8,425
2012	6,455	4,360	-	-	3,790	130,875	50,610	70,429	9,835
2013	6,740	4,077	-	-	3,790	130,684	52,650	68,199	9,836
2014	7,075	3,742	-	-	3,790	130,685	55,020	65,830	9,836
2015	7,415	3,403	-	-	3,790	130,686	57,710	63,141	9,836
2016	7,745	3,069	-	-	3,790	132,790	62,320	60,914	9,557
2017	8,095	2,722	-	-	3,790	128,827	61,220	58,217	9,390
2018	8,480	2,337	-	-	3,790	136,748	72,125	55,234	9,390
2019	8,895	1,923	-	-	3,790	125,787	64,805	51,592	9,390
2020	9,320	1,498	-	-	3,790	140,284	82,545	48,349	9,390
2021	9,765	1,052	-	-	3,790	140,945	87,150	44,405	9,390
2022	10,275	539	-	-	3,790	154,692	105,210	40,093	9,390
2023	-	-	-	-	3,790	124,291	79,975	34,926	9,390
2024	-	-	-	-	3,790	123,293	82,490	31,413	9,390
2025	-	-	-	-	3,790	119,768	82,695	27,683	9,390
2026	-	-	-	-	3,790	62,813	29,665	23,759	9,390
2027	-	-	-	-	1,895	59,970	29,900	23,275	6,795
2028	-	-	-	-	-	65,820	38,840	22,780	4,200
2029	-	-	-	-	-	64,868	39,530	21,838	3,500
2030	-	-	-	-	-	63,917	40,255	20,862	2,800
2031	-	-	-	-	-	62,969	41,020	19,849	2,100
2032	-	-	-	-	-	62,018	41,820	18,798	1,400
2033	-	-	-	-	-	61,067	42,660	17,707	700
2034	-	-	-	-	-	54,214	37,640	16,574	-
2035	-	-	-	-	-	53,758	39,255	14,503	-
2036	-	-	-	-	-	53,284	40,940	12,344	-
2037	-	-	-	-	-	52,793	42,700	10,093	-
2038	-	-	-	-	-	52,285	44,540	7,745	-
2039	-	-	-	-	-	51,756	46,460	5,296	-
2040	-	-	-	-	-	51,209	48,465	2,744	-
Subtotal long-term debt	96,530	33,270	97,465	1,421	61,124	2,992,897	1,786,130	1,034,047	172,720
Current debt portion	-	-	(97,465)	-	-	(97,465)	(97,465)	-	-
Federal interest subsidy	-	-	-	-	-	(108,708)	-	(108,708)	-
Total long-term debt	\$ 96,530	\$ 33,270	\$ -	\$ 1,421	\$ 61,124	\$ 2,786,724	\$ 1,688,665	\$ 925,339	\$ 172,720

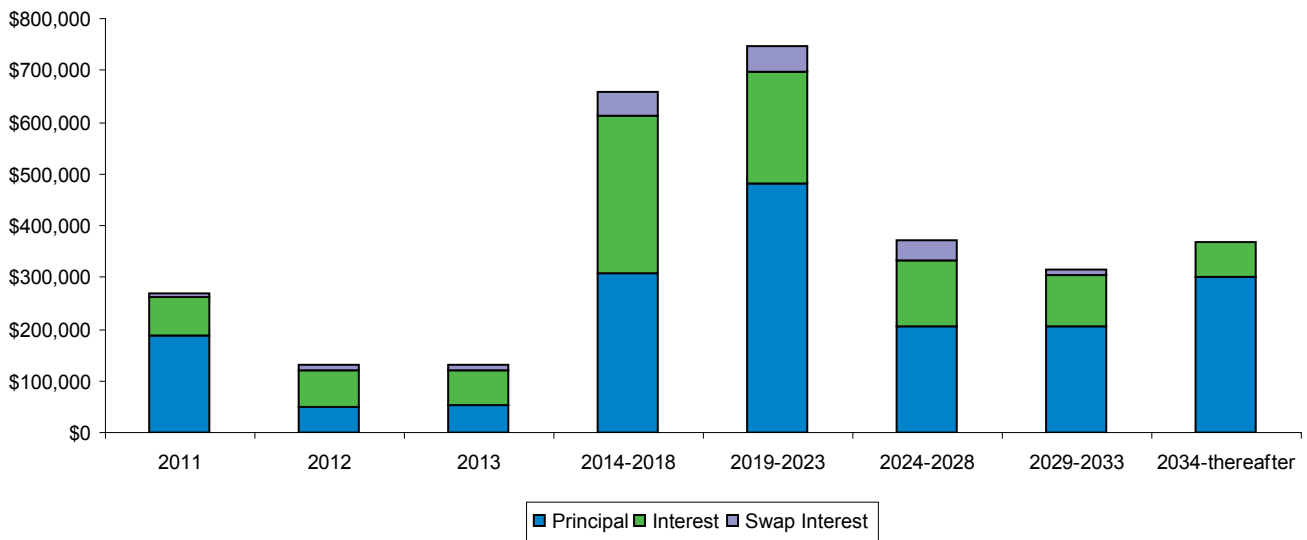
(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

(2) The Series 2010D Bonds have been designated by OUC as Designated Maturity Obligations for purposes of the General Bond Resolution. Although the entire principal will mature as set forth in this table, it is the intent of OUC to refund the Series 2010D Bonds maturing on May 1, 2011. For purposes of the General Bond Resolution, OUC will assume that this portion of the Series 2010D Bonds will mature in years 2011 through 2027 determined in accordance with the definition of Debt Service Requirement provided in the General Bond Resolution.

(3) The 2005 forward swap serves as a hedge on the Series 2010D Bonds.

## ESTIMATED DEBT SERVICE RECAP FOR OUTSTANDING BONDS

**Estimated Debt Service Recap for Outstanding Bonds**  
(Dollars in thousands)

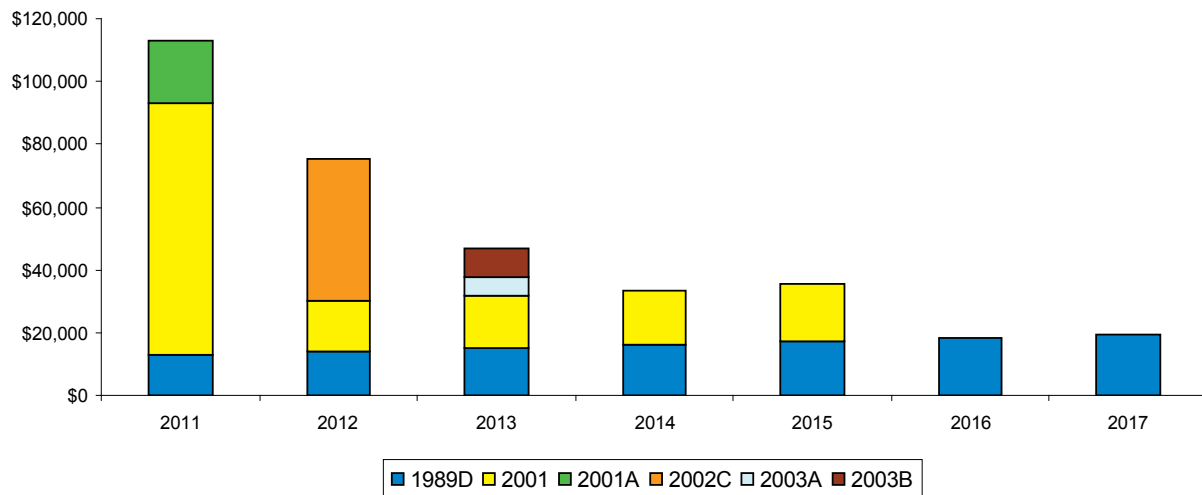


## MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

<u>Years Ended Ending 9/30</u>	<u>1989D (1)</u>	<u>2001 (1)</u>	<u>2001A (1)(2)</u>	<u>2002C (2)</u>	<u>2003A (1)(2)</u>	<u>2003B (2)</u>	<u>Total</u>
2011	\$ 13,065	\$ 80,175	\$ 19,635	\$ -	\$ -	\$ -	\$ 112,875
2012	13,945	16,040	-	45,270	-	-	75,255
2013	14,885	16,945	-	-	5,600	9,365	46,795
2014	15,890	17,645	-	-	-	-	33,535
2015	16,965	18,710	-	-	-	-	35,675
2016	18,110	-	-	-	-	-	18,110
2017	19,330	-	-	-	-	-	19,330
Total long-term debt	<u>\$ 112,190</u>	<u>\$ 149,515</u>	<u>\$ 19,635</u>	<u>\$ 45,270</u>	<u>\$ 5,600</u>	<u>\$ 9,365</u>	<u>\$ 341,575</u>

### Defeased Debt Maturity Schedule Recap

(Dollars in thousands)



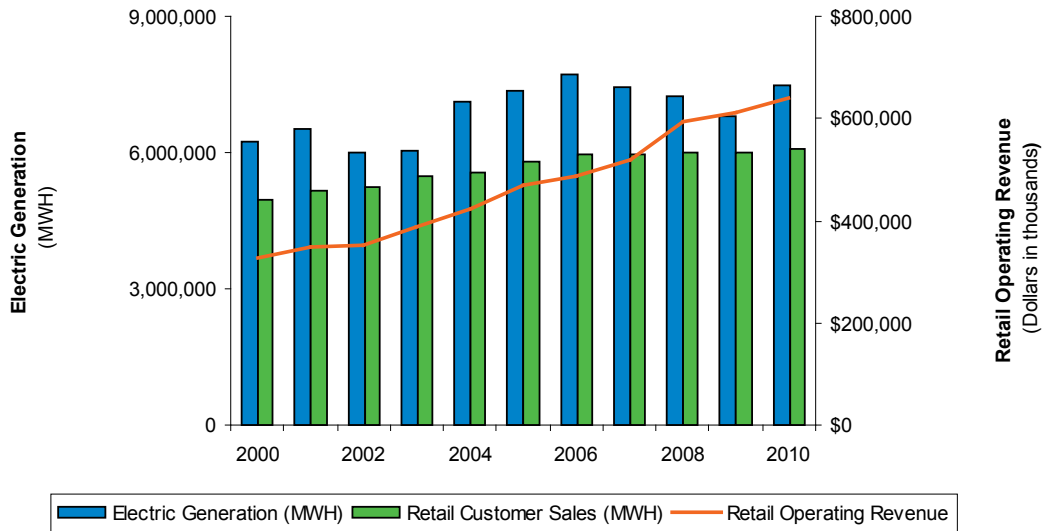
(1) Defeased with cash proceeds from the Liability Reduction Fund.

(2) Defeased by Series 2006 Utility System Revenue Refunding Bonds.

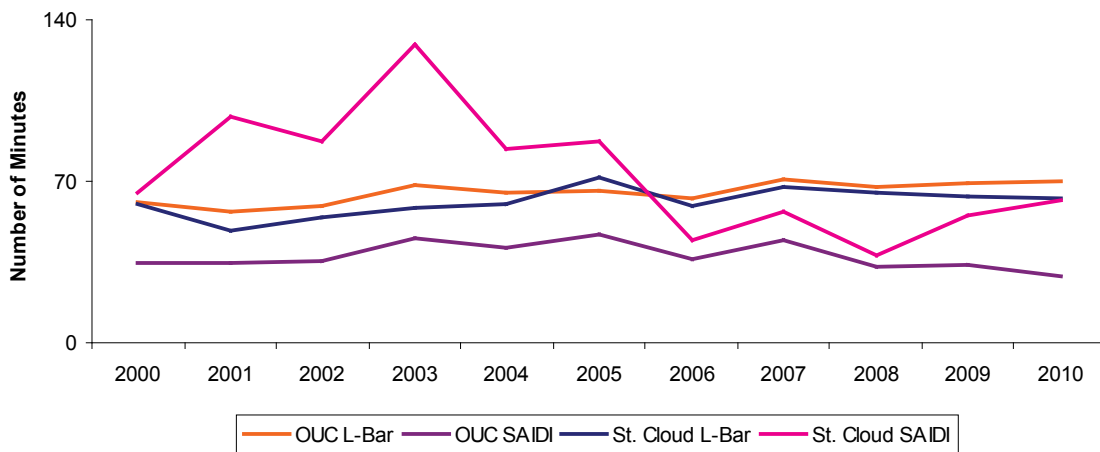


# ELECTRIC BUSINESS OPERATIONS

**Electric Generation, Retail Customer Sales and Retail Revenue**



**Distribution Reliability**



In 2006, the St. Cloud SAIDI index decreased as compared to the prior years due to several contributing factors including the addition of system reclosures, increased underground distribution lines and tree trimming.

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

Years Ended September 30	2010	2009	2008	2007
<b>Operating revenues</b>				
Residential	\$ 225,361	\$ 210,641	\$ 207,894	\$ 197,510
Commercial - non-demand	33,420	31,230	38,633	28,427
Commercial - demand-secondary	268,808	264,875	252,791	208,240
Commercial - demand-primary	34,171	32,751	31,045	24,918
Metered lighting	4,447	4,601	4,322	2,959
Inter-local sales	73,570	67,247	58,941	58,413
Service fees and other	23,229	23,433	24,165	21,552
Total operating revenues (excluding wholesale sales) (1)	<u>663,006</u>	<u>634,778</u>	<u>617,791</u>	<u>542,019</u>
Wholesale sales (2)	96,748	69,705	133,145	131,298
<b>Total operating revenues</b>	<u>759,754</u>	<u>704,483</u>	<u>750,936</u>	<u>673,317</u>
<b>Operation and maintenance expenses</b>				
Fuel/fixd demand payments/purchased power	280,898	249,034	292,677	247,832
Other power supply expenses	49,840	63,343	79,746	75,413
Production (3)(4)	79,731	65,366	67,621	59,870
Transmission (5)	12,484	10,486	10,285	9,628
Distribution - OUC (5)	15,429	15,068	12,546	11,352
Distribution - St. Cloud	1,483	1,611	1,803	2,017
Metered lighting (2)	-	-	-	-
Storm recovery expenses (6)	-	158	616	-
Customer Service	21,913	20,549	21,038	21,532
General & administrative (7)	34,603	28,724	28,823	26,563
<b>Total operations and maintenance expenses</b>	<u>496,381</u>	<u>454,339</u>	<u>515,155</u>	<u>454,207</u>
<b>Other expenses</b>				
Utility/property tax	16,464	15,072	13,466	12,836
Revenue based payments to the City of Orlando	26,217	24,861	22,917	22,006
Revenue based payments to Orange County	1,821	1,687	1,054	1,056
Revenue based payments to the City of St. Cloud	5,582	5,316	5,064	4,079
System use payments to the City of St. Cloud	1,911	1,910	1,914	1,915
Depreciation and amortization (4)	91,416	82,296	73,316	69,879
<b>Total other expenses</b>	<u>143,411</u>	<u>131,142</u>	<u>117,731</u>	<u>111,771</u>
<b>Total operating expenses</b>	<u>639,792</u>	<u>585,481</u>	<u>632,886</u>	<u>565,978</u>
<b>Non-operating income</b>				
Interest income	7,071	9,001	13,471	18,563
Non-operating income, net (8)	6,026	1,274	1,553	2,578
Amortization of deferred gain on sale of assets (9)	3,971	3,971	3,971	3,970
<b>Total non-operating income</b>	<u>17,068</u>	<u>14,246</u>	<u>18,995</u>	<u>25,111</u>
<b>Non-operating expenses</b>				
Bond interest and other related expenses (10)	69,518	62,754	60,085	57,373
Intercompany net interest (income)/expense (11)	(3,458)	(3,517)	(3,517)	(3,521)
<b>Total non-operating expense</b>	<u>66,060</u>	<u>59,237</u>	<u>56,568</u>	<u>53,852</u>
<b>Electric income before contributions</b>	70,970	74,011	80,477	78,598
<b>Contributions in aid of construction (CIAC) (12)</b>	7,447	5,466	3,895	6,891
<b>Annual dividend</b>	<u>46,478</u>	<u>46,856</u>	<u>46,296</u>	<u>42,252</u>
<b>Increase to Net Assets</b>	<u>\$ 31,939</u>	<u>\$ 32,621</u>	<u>\$ 38,076</u>	<u>\$ 43,237</u>

- (1) Operating revenues, excluding wholesale sales, have steadily increased over the past eleven years due to an increase in OUC's active customer base and Board approved rate increases.
- (2) Wholesale sales have fluctuated over the past eleven years as a result of OUC being able to leverage market fluctuations. In 2010, the increase was primarily a result of OUC securing a wholesale agreement with the City of Vero Beach enabling OUC to maximize the increased generation capability from SECB.
- (3) Production costs increased as a result of generation facility planned outage expenses including costs associated with environmental compliance, net of participant ownership allocations. The increase in costs was primarily due to the performance of extended outage activities in 2010 to offset cost saving measures taken in 2009 as a result of deferring certain outage activities.
- (4) In late February 2010, operations at OUC's Stanton Unit B commenced operations. As such, Production costs and Depreciation and amortization costs increased \$3.2 million and \$7.0 million, respectively.
- (5) In 2001, OUC reorganized operations and maintenance costs for Distribution and Transmission transferring low-side transmission costs from Transmission to Distribution.
- (6) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of unrecoverable storm restoration costs. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement. In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay.
- (7) In 2010, OUC changed the actuarial valuation date for valuing the pension assets from October 1, 2008 to October 1, 2009. This change increased pension benefit costs \$3.5 million from that of 2009 inclusive of the accrual of previously approved COLA through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010.

2006	2005	2004	2003	2002	2001	2000
\$ 175,774	\$ 174,071	\$ 157,105	\$ 144,056	\$ 131,734	\$ 133,404	\$ 125,048
27,055	26,122	23,457	22,548	23,029	22,994	23,373
204,311	197,128	179,467	162,264	142,909	141,073	130,452
23,721	28,245	25,245	22,903	21,793	22,756	21,490
2,296	2,477	2,024	1,877	2,949	4,421	3,954
54,843	44,068	37,028	35,163	32,977	29,954	27,047
<u>17,508</u>	<u>19,505</u>	<u>18,354</u>	<u>10,222</u>	<u>8,891</u>	<u>7,222</u>	<u>6,267</u>
505,508	491,616	442,680	399,033	364,282	361,824	337,631
<u>160,240</u>	<u>187,849</u>	<u>162,973</u>	<u>103,543</u>	<u>82,809</u>	<u>129,633</u>	<u>111,493</u>
<u>665,748</u>	<u>679,465</u>	<u>605,653</u>	<u>502,576</u>	<u>447,091</u>	<u>491,457</u>	<u>449,124</u>
257,090	251,500	220,155	134,718	127,637	135,793	136,652
89,327	122,380	98,403	86,475	62,330	95,335	68,004
56,679	56,223	52,950	43,865	39,632	36,378	38,967
7,719	5,465	5,593	5,371	5,048	5,670	7,514
11,567	10,096	8,202	8,826	8,146	8,730	7,384
1,752	1,436	1,473	1,014	1,032	798	686
-	-	-	-	-	1,572	1,514
-	-	5,618	-	-	-	-
19,318	14,830	13,828	12,543	12,129	12,270	13,996
<u>21,404</u>	<u>20,033</u>	<u>20,151</u>	<u>18,527</u>	<u>19,533</u>	<u>19,093</u>	<u>13,692</u>
<u>464,856</u>	<u>481,963</u>	<u>426,373</u>	<u>311,339</u>	<u>275,487</u>	<u>315,639</u>	<u>288,409</u>
12,828	11,405	10,004	9,613	9,041	8,348	8,246
21,828	18,491	16,544	15,908	15,103	14,711	13,060
1,062	871	816	786	731	733	705
3,519	3,349	3,240	2,821	2,491	2,377	2,361
1,907	1,911	1,925	1,927	1,883	2,026	1,924
<u>67,145</u>	<u>66,375</u>	<u>63,801</u>	<u>57,060</u>	<u>61,828</u>	<u>65,119</u>	<u>55,602</u>
<u>108,289</u>	<u>102,402</u>	<u>96,330</u>	<u>88,115</u>	<u>91,077</u>	<u>93,314</u>	<u>81,898</u>
<u>573,145</u>	<u>584,365</u>	<u>522,703</u>	<u>399,454</u>	<u>366,564</u>	<u>408,953</u>	<u>370,307</u>
19,118	7,689	8,691	9,573	12,011	37,553	28,940
1,309	2,273	1,515	1,643	3,796	2,171	2,074
<u>3,970</u>	<u>3,970</u>	<u>14,006</u>	-	<u>13,433</u>	<u>11,178</u>	<u>9,717</u>
<u>24,397</u>	<u>13,932</u>	<u>24,212</u>	<u>11,216</u>	<u>29,240</u>	<u>50,902</u>	<u>40,731</u>
59,560	55,368	57,428	60,815	60,965	77,492	74,418
<u>(3,524)</u>	<u>(3,257)</u>	<u>(2,914)</u>	<u>(537)</u>	<u>(790)</u>	<u>(640)</u>	<u>(306)</u>
<u>56,036</u>	<u>52,111</u>	<u>54,514</u>	<u>60,278</u>	<u>60,175</u>	<u>76,852</u>	<u>74,112</u>
60,964	56,921	52,648	54,060	49,592	56,554	45,436
9,978	1,155	1,388	1,862	1,349	1,932	4,252
<u>47,174</u>	<u>34,154</u>	<u>31,588</u>	<u>32,433</u>	<u>29,710</u>	<u>33,973</u>	<u>27,300</u>
<u>\$ 23,768</u>	<u>\$ 23,922</u>	<u>\$ 22,448</u>	<u>\$ 23,489</u>	<u>\$ 21,231</u>	<u>\$ 24,513</u>	<u>\$ 22,388</u>

- (8) In 2010, OUC issued taxable Build America Bonds. As part of the stimulus program, OUC was granted a federal subsidy of which \$2.7 million was recognized during fiscal year 2010. Additionally, as a result of fee increases associated with third party billing arrangements, OUC recognized an additional \$1.0 million of Other income.
- (9) This amount represents the portion of the deferred gain amount, \$72.0 million inclusive of interest earnings, which was recognized to mitigate additional generation and purchased power costs from 2000 to 2004 in conjunction with the sale of the steam unit at IRP. Beginning in 2004, the remaining gain is being recognized to offset depreciation costs incurred in conjunction with the construction of SECA.
- (10) The increase in Interest and other expenses is primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.
- (11) The amount represents the internal loan interest income related to intercompany borrowings for chilled water operations.
- (12) The increase in CIAC in 2010 as compared to 2009 was due to the impacts of the increased road and utility relocation projects. In 2006, CIAC increased due to the recognition of contributions for underground distribution lines that were exchanged for long-term service agreements and a one-time contribution from the City of St. Cloud for system improvements.

## ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

### Years Ended September 30

2010                      2009                      2008                      2007

#### Profile of consumption & revenue by type of customer

##### Residential service

KWH sales per customer (1)	12,748	12,143	12,052	12,301
Revenue per customer (1)	\$ 1,492	\$ 1,399	\$ 1,380	\$ 1,325
Revenue per KWH (1)	\$ 0.1170	\$ 0.1152	\$ 0.1145	\$ 0.1077

##### Commercial service - non-demand

KWH sales per customer (1)	14,907	14,397	18,675	16,708
Revenue per customer (1)	\$ 1,764	\$ 1,691	\$ 2,111	\$ 1,584
Revenue per KWH (1)	\$ 0.1184	\$ 0.1175	\$ 0.1130	\$ 0.0948

##### Commercial service - demand secondary

KWH sales per customer	431,561	478,948	509,412	517,637
Revenue per customer	\$ 39,487	\$ 42,989	\$ 44,529	\$ 37,731
Revenue per KWH (1)	\$ 0.0915	\$ 0.0898	\$ 0.0874	\$ 0.0729

##### Commercial service - demand primary

KWH sales per customer (1)	19,365,700	19,138,950	19,603,550	20,018,300
Revenue per customer (1)	\$ 1,708,526	\$ 1,637,539	\$ 1,552,255	\$ 1,245,906
Revenue per KWH (1)	\$ 0.0882	\$ 0.0856	\$ 0.0792	\$ 0.0622

##### Metered Lighting

KWH sales per customer	4,373	4,429	4,344	4,567
Revenue per customer	\$ 337	\$ 345	\$ 319	\$ 241
Revenue per KWH	\$ 0.0770	\$ 0.0780	\$ 0.0735	\$ 0.0527

##### Inter-local service (2)

KWH sales per customer(1)	19,474	19,420	19,146	19,602
Revenue per customer (1)	\$ 2,543	\$ 2,347	\$ 2,052	\$ 2,083
Revenue per KWH (1)	\$ 0.1306	\$ 0.1208	\$ 0.1072	\$ 0.1063

##### Selected financial expense statistics

Total fuel and purchased power expense per KWH	\$ 0.0429	\$ 0.0430	\$ 0.0478	\$ 0.0402
Total operations & maintenance expense (excluding fuel and purchased power) per KWH	0.0215	0.0195	0.0182	0.0163
Total operations & maintenance expense per KWH	<u>\$ 0.0644</u>	<u>\$ 0.0625</u>	<u>\$ 0.0660</u>	<u>\$ 0.0565</u>
Total fuel and purchased power expense per metered service	\$ 1,607	\$ 1,532	\$ 1,831	\$ 1,611
Total operations & maintenance expense (excluding fuel and purchased power) per metered service (3)(4)	530	454	454	413
Customer service expense per metered service	107	101	103	107
General & administrative expense per metered service (4)	<u>168</u>	<u>141</u>	<u>142</u>	<u>132</u>
Total operations & maintenance expense per metered service	<u>\$ 2,412</u>	<u>\$ 2,228</u>	<u>\$ 2,530</u>	<u>\$ 2,263</u>

(1) In 2010, overall electric energy revenue increased as a result of an increase in the number of cooling and heating degree days coupled with the impacts of the March 2009 rate modification.

(2) Inter-local service include the KWH and metered services for the St. Cloud customer base.

(3) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.

	2006	2005	2004	2003	2002	2001	2000
	12,908	13,058	12,767	13,109	12,464	12,860	12,657
\$	1,202	\$ 1,229	\$ 1,148	\$ 1,078	\$ 1,007	\$ 1,042	\$ 1,007
\$	0.0931	\$ 0.0941	\$ 0.0899	\$ 0.0822	\$ 0.0808	\$ 0.0810	\$ 0.0795
	16,793	16,344	16,041	16,771	18,336	18,466	19,572
\$	1,543	\$ 1,525	\$ 1,422	\$ 1,405	\$ 1,454	\$ 1,473	\$ 1,505
\$	0.0919	\$ 0.0933	\$ 0.0887	\$ 0.0838	\$ 0.0793	\$ 0.0798	\$ 0.0769
	529,420	523,001	518,285	526,880	536,779	537,974	554,907
\$	37,863	\$ 37,226	\$ 34,191	\$ 32,262	\$ 30,413	\$ 30,913	\$ 30,913
\$	0.0715	\$ 0.0712	\$ 0.0660	\$ 0.0612	\$ 0.0567	\$ 0.0575	\$ 0.0557
	19,476,600	20,963,179	20,921,838	20,209,368	19,301,805	19,241,045	14,906,250
\$	1,186,065	\$ 1,448,479	\$ 1,364,599	\$ 1,205,408	\$ 1,063,071	\$ 1,034,373	\$ 767,512
\$	0.0609	\$ 0.0691	\$ 0.0652	\$ 0.0596	\$ 0.0551	\$ 0.0538	\$ 0.0515
	4,695	4,464	4,100	3,774	3,717	3,030	2,723
\$	211	\$ 228	\$ 184	\$ 164	\$ 247	\$ 364	\$ 325
\$	0.0449	\$ 0.0512	\$ 0.0449	\$ 0.0435	\$ 0.0665	\$ 0.1202	\$ 0.1195
	19,920	20,212	19,576	19,968	19,896	19,547	19,001
\$	2,104	\$ 1,851	\$ 1,680	\$ 1,692	\$ 1,677	\$ 1,619	\$ 1,530
\$	0.1056	\$ 0.0916	\$ 0.0858	\$ 0.0848	\$ 0.0843	\$ 0.0828	\$ 0.0805
\$	0.0414	\$ 0.0430	\$ 0.0373	\$ 0.0299	\$ 0.0270	\$ 0.0303	\$ 0.0281
	0.0141	0.0124	0.0120	0.0122	0.0122	0.0111	0.0115
\$	<u>0.0555</u>	\$ <u>0.0554</u>	\$ <u>0.0493</u>	\$ <u>0.0421</u>	\$ <u>0.0392</u>	\$ <u>0.0414</u>	\$ <u>0.0396</u>
\$	1,774	\$ 1,990	\$ 1,763	\$ 1,260	\$ 1,111	\$ 1,386	\$ 1,266
	398	390	378	337	315	319	347
	99	79	77	71	71	74	87
	110	107	112	106	114	115	85
\$	<u>2,381</u>	\$ <u>2,566</u>	\$ <u>2,330</u>	\$ <u>1,774</u>	\$ <u>1,611</u>	\$ <u>1,894</u>	\$ <u>1,785</u>

(4) In 2010, actuarial pension costs increased \$3.5 million as a result of lower than projected investment returns and the inclusion of previously approved cost of living adjustment through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010. In 2007, OUC early adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) incurring additional actuarially-determined employee benefit costs in each of the subsequent years.

## SELECTED FINANCIAL RATIOS

Years Ended September 30	2010	2009	2008	2007
<b>Electric operating ratio</b>				
Electric operation & maintenance expenses/operating revenues (1)	\$ 0.65	\$ 0.64	\$ 0.69	\$ 0.67
<b>Electric income before contributions per revenue dollar</b>				
Electric income before contributions/total electric operating revenues (1)(2)	\$ 0.09	\$ 0.11	\$ 0.11	\$ 0.12

## ACTIVE SERVICES

### OUC retail metered services

Residential	151,995	150,123	151,025	150,254
Commercial - non-demand	19,279	18,599	18,330	18,276
Commercial - demand - secondary	7,053	6,562	5,761	5,593
Commercial - demand - primary	27	20	20	20
<b>Total OUC retail metered services</b>	<u>178,354</u>	<u>175,304</u>	<u>175,136</u>	<u>174,143</u>

### Metered lighting services

Private	13,050	13,093	13,282	13,546
Public	132	133	132	129
<b>Total metered lighting services</b>	<u>13,182</u>	<u>13,226</u>	<u>13,414</u>	<u>13,675</u>

Inter-local services (3)	29,229	28,640	28,667	28,785
<b>Total OUC, metered lighting and inter-local services</b>	<u>220,765</u>	<u>217,170</u>	<u>217,217</u>	<u>216,603</u>

## CONSUMPTION (MWH)

### OUC retail sales

Residential	1,925,743	1,828,354	1,815,446	1,834,301
Commercial - non-demand	282,371	265,840	341,806	299,786
Commercial - demand - secondary	2,937,889	2,951,040	2,891,934	2,856,841
Commercial - demand - primary	387,310	382,779	392,071	400,366
<b>Total OUC retail sales</b>	<u>5,533,313</u>	<u>5,428,013</u>	<u>5,441,257</u>	<u>5,391,294</u>

### Metered lighting services

Private	29,750	29,422	27,298	24,154
Public	25,923	26,814	28,742	29,195
St. Cloud	2,072	2,758	2,797	2,775
<b>Total metered lighting sales</b>	<u>57,745</u>	<u>58,994</u>	<u>58,837</u>	<u>56,124</u>

Inter-local sales (3)	563,466	556,461	550,001	549,634
<b>Total retail sales</b>	<u>6,154,524</u>	<u>6,043,468</u>	<u>6,050,095</u>	<u>5,997,052</u>

Wholesale sales	1,608,248	1,215,600	1,743,680	2,039,338
Pre-Commercial Adjustment	(48,685)	-	-	-
<b>Total electric sales</b>	<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>

(1) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.

(2) A rate modification was implemented in January 2007 that included a reserve for future capital spending. In 2009, the Board approved a rate modification; however, this change did not provide for recovery of capital reserve funds.

(3) Inter-local service includes the customer base of the City of St. Cloud. The increase in 2007 is related to growth in the St. Cloud customer base.

	2006	2005	2004	2003	2002	2001	2000
	\$ 0.70	\$ 0.71	\$ 0.69	\$ 0.62	\$ 0.62	\$ 0.64	\$ 0.64
	\$ 0.09	\$ 0.08	\$ 0.10	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.10
	147,978	144,547	138,642	135,116	132,186	129,342	126,776
	17,609	17,454	16,794	16,186	15,903	15,779	15,432
	5,445	5,347	5,244	5,254	4,805	4,593	4,534
	20	20	19	18	20	21	23
	<u>171,052</u>	<u>167,368</u>	<u>160,699</u>	<u>156,574</u>	<u>152,914</u>	<u>149,735</u>	<u>146,765</u>
	10,781	10,741	10,713	11,069	11,597	12,116	12,059
	121	118	116	112	98	63	53
	<u>10,902</u>	<u>10,859</u>	<u>10,829</u>	<u>11,181</u>	<u>11,695</u>	<u>12,179</u>	<u>12,112</u>
	27,294	24,826	22,793	21,286	20,267	19,055	17,945
	<u>209,248</u>	<u>203,053</u>	<u>194,321</u>	<u>189,041</u>	<u>184,876</u>	<u>180,969</u>	<u>176,822</u>
	1,887,949	1,848,946	1,747,518	1,751,982	1,629,783	1,646,895	1,572,045
	294,401	279,881	264,510	269,085	290,463	288,173	304,023
	2,856,749	2,769,553	2,720,477	2,649,945	2,522,323	2,455,045	2,341,708
	389,532	408,782	387,054	383,978	395,687	423,303	417,375
	<u>5,428,631</u>	<u>5,307,162</u>	<u>5,119,559</u>	<u>5,054,990</u>	<u>4,838,256</u>	<u>4,813,416</u>	<u>4,635,151</u>
	19,901	18,492	14,682	12,749	14,656	7,513	6,232
	28,607	27,243	27,782	27,798	26,706	25,965	24,727
	2,574	2,670	2,655	2,620	3,004	3,319	2,137
	<u>51,082</u>	<u>48,405</u>	<u>45,119</u>	<u>43,167</u>	<u>44,366</u>	<u>36,797</u>	<u>33,096</u>
	519,117	481,243	431,444	414,855	391,167	361,615	335,868
	<u>5,998,830</u>	<u>5,836,810</u>	<u>5,596,122</u>	<u>5,513,012</u>	<u>5,273,789</u>	<u>5,211,828</u>	<u>5,004,115</u>
	2,371,843	2,866,241	2,942,758	1,874,933	1,756,604	2,422,082	2,278,155
	-	-	-	-	-	-	-
	<u>8,370,673</u>	<u>8,703,051</u>	<u>8,538,880</u>	<u>7,387,945</u>	<u>7,030,393</u>	<u>7,633,910</u>	<u>7,282,270</u>

## ELECTRIC GENERATION (MWH)

### Years Ended September 30

	2010	2009	2008	2007
<b>Stanton Energy Center</b>				
Generation - steam (1)	4,362,451	4,429,154	4,454,325	4,708,038
Generation - combined cycle (2)	<u>2,010,119</u>	<u>1,185,894</u>	<u>1,197,723</u>	<u>1,242,650</u>
Total generation	6,372,570	5,615,048	5,652,048	5,950,688
Plant use - less participants loss factor	300,351	277,943	271,331	282,180
Participants' reserve power	<u>1,890</u>	<u>7,174</u>	<u>6,049</u>	<u>4,471</u>
Delivered	<u>6,070,329</u>	<u>5,329,931</u>	<u>5,374,668</u>	<u>5,664,037</u>
<b>Indian River Plant</b>				
Generation - combustion turbines	31,389	14,735	25,222	17,701
Plant use - less participants loss factor	138	68	111	71
Participants' reserve power	<u>766</u>	<u>743</u>	<u>777</u>	<u>691</u>
Delivered	<u>30,485</u>	<u>13,924</u>	<u>24,334</u>	<u>16,939</u>
<b>Crystal River Plant (3)</b>				
Generation - nuclear	79,754	120,008	103,783	123,034
Plant use	-	3,547	3,050	3,607
Delivered	<u>79,754</u>	<u>116,461</u>	<u>100,733</u>	<u>119,427</u>
<b>McIntosh Plant (4)</b>				
Generation - steam	<u>620,000</u>	<u>656,636</u>	<u>1,059,302</u>	<u>965,401</u>
<b>St. Lucie Plant</b>				
Generation - nuclear	384,006	378,376	383,095	402,666
Plant use	<u>9,178</u>	<u>9,043</u>	<u>9,156</u>	<u>9,624</u>
Delivered	<u>374,828</u>	<u>369,333</u>	<u>373,939</u>	<u>393,042</u>
<b>St. Cloud Plant (5)</b>				
Generation - diesel	-	-	-	236
Plant use	-	-	190	521
Delivered	<u>-</u>	<u>-</u>	<u>(190)</u>	<u>(285)</u>
<b>Generation</b>				
Steam	4,982,451	5,085,790	5,513,627	5,673,439
Combined cycle	2,010,119	1,185,894	1,197,723	1,242,650
Nuclear	463,760	498,384	486,878	525,700
Combustion turbines	31,389	14,735	25,222	17,701
Diesel	-	-	-	236
<b>Total generation</b>	<u>7,487,719</u>	<u>6,784,803</u>	<u>7,223,450</u>	<u>7,459,726</u>
Total plant use - less participants loss factor	309,667	290,601	283,838	296,003
Participants' reserve power	<u>2,656</u>	<u>7,917</u>	<u>6,826</u>	<u>5,162</u>
<b>Total delivered</b>	<u>7,175,396</u>	<u>6,486,285</u>	<u>6,932,786</u>	<u>7,158,561</u>
Inadvertent/wheeling retained	(15)	(192)	278	274
Purchases received	<u>833,210</u>	<u>881,022</u>	<u>1,082,008</u>	<u>1,127,939</u>
<b>Available</b>	<u>8,008,591</u>	<u>7,367,115</u>	<u>8,015,072</u>	<u>8,286,774</u>
<b>Electric sales</b>	<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>
<b>Line losses</b>	<u>294,504</u>	<u>108,047</u>	<u>221,297</u>	<u>250,384</u>
<b>Line losses as a percentage of generation (6)</b>	3.93%	1.59%	3.06%	3.36%

(1) In 2010 replacement auxiliary transformers were installed at Stanton Energy Service Center for units 1 & 2 to reduce the demand for reserve power.

(2) In late February 2010, OUC commenced commercial operations at the SECB. In October 2003, OUC began commercial operation of SECA.

(3) In 2009, an outage at the Crystal River 3 facility required it to be off-line through fiscal year 2010. Generation noted represents reliability exchange power received to meet load and contractual requirements and therefore does not include plant use.



2006	2005	2004	2003	2002	2001	2000
5,000,919	4,471,764	4,605,225	4,527,532	4,466,492	4,822,964	4,604,898
<u>1,233,259</u>	<u>1,326,208</u>	<u>1,191,046</u>	-	-	-	-
6,234,178	5,797,972	5,796,271	4,527,532	4,466,492	4,822,964	4,604,898
298,490	270,912	278,325	263,547	259,446	275,334	262,968
<u>2,194</u>	<u>6,299</u>	<u>4,961</u>	<u>3,086</u>	<u>5,806</u>	<u>2,331</u>	<u>4,438</u>
<u>5,933,494</u>	<u>5,520,761</u>	<u>5,512,985</u>	<u>4,260,899</u>	<u>4,201,240</u>	<u>4,545,299</u>	<u>4,337,492</u>
20,285	12,811	6,379	34,382	52,914	59,111	113,982
82	66	24	129	163	213	353
<u>715</u>	<u>698</u>	<u>736</u>	<u>757</u>	<u>744</u>	<u>653</u>	<u>751</u>
<u>19,488</u>	<u>12,047</u>	<u>5,619</u>	<u>33,496</u>	<u>52,007</u>	<u>58,245</u>	<u>112,878</u>
98,972	122,627	111,246	125,531	117,000	121,455	109,744
<u>2,890</u>	<u>3,587</u>	<u>3,170</u>	<u>3,570</u>	<u>3,342</u>	<u>3,434</u>	<u>3,024</u>
<u>96,082</u>	<u>119,040</u>	<u>108,076</u>	<u>121,961</u>	<u>113,658</u>	<u>118,021</u>	<u>106,720</u>
<u>989,279</u>	<u>1,027,428</u>	<u>787,131</u>	<u>938,216</u>	<u>932,132</u>	<u>1,069,624</u>	<u>989,949</u>
368,876	412,983	401,427	399,999	430,677	432,306	426,868
<u>8,816</u>	<u>9,870</u>	<u>9,594</u>	<u>9,560</u>	<u>10,293</u>	<u>10,332</u>	<u>10,202</u>
<u>360,060</u>	<u>403,113</u>	<u>391,833</u>	<u>390,439</u>	<u>420,384</u>	<u>421,974</u>	<u>416,666</u>
108	184	390	1,750	2,486	3,529	-
<u>538</u>	<u>430</u>	<u>528</u>	<u>459</u>	-	-	-
<u>(430)</u>	<u>(246)</u>	<u>(138)</u>	<u>1,291</u>	<u>2,486</u>	<u>3,529</u>	-
5,990,198	5,499,192	5,392,356	5,465,748	5,398,624	5,892,588	5,594,847
1,233,259	1,326,208	1,191,046	-	-	-	-
467,848	535,610	512,673	525,530	547,677	553,761	536,612
20,285	12,811	6,379	34,382	52,914	59,111	113,982
<u>108</u>	<u>184</u>	<u>390</u>	<u>1,750</u>	<u>2,486</u>	<u>3,529</u>	-
7,711,698	7,374,005	7,102,844	6,027,410	6,001,701	6,508,989	6,245,441
310,816	284,865	291,641	277,265	273,244	289,313	276,547
<u>2,909</u>	<u>6,997</u>	<u>5,697</u>	<u>3,843</u>	<u>6,550</u>	<u>2,984</u>	<u>5,189</u>
7,397,973	7,082,143	6,805,506	5,746,302	5,721,907	6,216,692	5,963,705
<u>777</u>	<u>292</u>	<u>137</u>	<u>184</u>	<u>520</u>	<u>528</u>	<u>112</u>
<u>1,125,358</u>	<u>1,813,804</u>	<u>1,935,961</u>	<u>1,797,213</u>	<u>1,505,373</u>	<u>1,631,297</u>	<u>1,450,397</u>
8,524,108	8,896,239	8,741,604	7,543,699	7,227,800	7,848,517	7,414,214
8,370,673	8,703,051	8,538,880	7,387,945	7,030,393	7,633,910	7,282,270
<u>153,435</u>	<u>193,188</u>	<u>202,724</u>	<u>155,754</u>	<u>197,407</u>	<u>214,607</u>	<u>131,944</u>
1.99%	2.62%	2.85%	2.58%	3.29%	3.30%	2.11%

- (4) In 2010, the McIntosh plant was off-line several months as a result of a bearing failure. In 2009, the plant was off-line from March through May for a planned outage.
- (5) In 2009, the St. Cloud generation plant was permanently shut down.
- (6) Beginning in 2007 the Polk/Osceola transmission line incurred constraints and outages which resulted in the diversion of power and increased line losses in 2007 and 2008. In 2009, the Taft/Lakeland line project was completed and line losses returned to a normal level.

## NET GENERATING CAPABILITY (Including major purchased power agreements)

Years Ended September 30 Generating Facility (MW)		Name Plate Capacity	2010		2009		2008		2007	
			Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Stanton Energy Center	Unit 1 FS	425	302	304	302	304	302	304	302	304
	Unit 2 FS	425	334	334	334	334	334	334	334	334
	Unit A CC (1)	633	174	184	174	184	174	184	174	184
	Unit B CC (1)	300	295	300	-	-	-	-	-	-
Indian River Plant	Unit A CT	38	18	23	18	23	18	23	18	23
	Unit B CT	38	18	23	18	23	18	23	18	23
	Unit C CT	112	85	100	85	100	85	100	85	100
	Unit D CT	112	85	100	85	100	85	100	85	100
St. Cloud Plant	Units 1-7 CT	21	-	-	-	-	21	21	21	21
Crystal River Plant	Unit 3 N	890	13	13	13	13	13	13	13	
C.D.McIntosh, Jr. Plant	Unit 3 FS	364	136	136	136	136	136	136	136	
St. Lucie Plant	Unit 2 N	850	51	52	51	52	51	52	51	52
Total capability			1,511	1,569	1,216	1,269	1,237	1,290	1,237	1,290
Purchased Power Agreements			337	358	337	358	337	358	337	358
Total available			1,848	1,927	1,553	1,627	1,574	1,648	1,574	1,648
Firm commitments to other utilities (2)			95	95	-	-	22	22	22	22
Net available to OUC			1,753	1,832	1,553	1,627	1,552	1,626	1,552	1,626

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

## PEAK DEMAND

Years Ended September 30	2010		2009		2008		2007	
	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
<b>Net peak demand</b> (Net 60 minute integrated MW demand)	1,081	1,134	1,102	1,033	1,080	973	1,085	893
<b>Gross peak demand (MW)</b> (Instantaneous)		1,191	1,176		1,147		1,182	
<b>System load factor</b>	75.7		71.0		60.5		59.6	

## GENERATION AVAILABILITY DATA

Years Ended September 30		2010			2009			2008			2007			2006		
		CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
SEC	Unit 1	72.0	82.6	1.2	70.1	87.2	0.6	77.6	85.6	4.6	82.3	90.1	1.3	85.1	93.7	0.1
	Unit 2	81.1	90.3	0.8	85.2	96.6	1.0	78.4	82.1	1.4	80.8	84.8	6.3	88.4	93.7	0.6
	Unit A (1)	38.5	84.6	7.7	41.2	88.7	1.6	57.8	87.7	0.2	60.2	92.2	0.2	66.2	92.1	0.4
	Unit B (1)	60.9	86.8	5.5												
IRP	Unit A	0.1	96.4	78.1	0.2	92.8	85.7	-	97.3	80.3	-	96.8	80.8	1.1	97.7	81.6
	Unit B	-	79.9	-	0.2	98.0	52.9	-	95.6	58.7	-	78.5	93.9	-	95.7	96.4
	Unit C	2.8	95.0	13.8	0.8	70.4	93.2	-	97.3	51.8	-	92.6	73.0	3.4	98.6	-
	Unit D	2.7	87.8	7.5	0.8	92.6	70.2	-	97.8	31.7	-	92.6	63.0	5.2	98.6	-
Crystal River	Unit 3 (3)	-	-	80.0	102.0	95.7	1.3	85.1	82.8	0.2	100.9	98.7	0.7	83.1	78.4	8.5
McIntosh	Unit 3	66.8	60.5	38.9	55.9	67.1	9.3	88.2	89.7	7.5	80.8	84.1	6.7	84.3	84.1	8.7
St. Lucie Plant	Unit 2	99.8	97.5	2.3	83.1	74.9	13.9	70.2	69.3	10.3	95.0	95.9	3.9	80.8	82.3	4.3

EAF - Equivalent Availability Factor

EFOR - Equivalent Forced Outage Rate

CF - Capacity Factor

(1) In late February 2010, OUC commenced commercial operations at SECB. In October 2003, OUC began commercial operation of SECA.

(2) In January 2010, OUC secured a twenty year wholesale agreement with Vero Beach whereby OUC provides generation.

(3) The Crystal River nuclear power plant was not operational in 2010 due to a major outage for repairs.

2006		2005		2004		2003		2002		2001		2000	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
302	304	302	304	302	304	302	304	302	304	302	304	302	304
334	334	319	319	318	318	318	318	318	318	318	318	318	318
174	184	174	184	168	168	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	23	18	23	18	23	18	23	18	23	18	23	18	23
18	23	18	23	18	23	18	23	18	23	18	23	18	23
85	100	85	100	85	100	85	100	85	100	85	100	85	100
85	100	85	100	85	100	85	100	85	100	85	100	85	100
21	21	21	21	17	17	17	17	17	17	17	17	17	17
13	13	13	13	13	13	13	13	13	13	13	13	13	13
136	136	133	136	133	136	133	136	133	136	133	136	133	136
<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>
1,237	1,290	1,219	1,275	1,208	1,254	1,040	1,086	1,040	1,086	1,040	1,086	1,040	1,086
<u>337</u>	<u>358</u>	<u>637</u>	<u>656</u>	<u>827</u>	<u>827</u>	<u>578</u>	<u>550</u>	<u>578</u>	<u>550</u>	<u>575</u>	<u>575</u>	<u>593</u>	<u>593</u>
1,574	1,648	1,856	1,931	2,035	2,081	1,618	1,636	1,618	1,636	1,615	1,661	1,633	1,679
<u>22</u>	<u>22</u>	<u>147</u>	<u>148</u>	<u>261</u>	<u>261</u>	<u>316</u>	<u>316</u>	<u>335</u>	<u>335</u>	<u>341</u>	<u>341</u>	<u>488</u>	<u>519</u>
<u>1,552</u>	<u>1,626</u>	<u>1,709</u>	<u>1,783</u>	<u>1,774</u>	<u>1,820</u>	<u>1,302</u>	<u>1,320</u>	<u>1,283</u>	<u>1,301</u>	<u>1,274</u>	<u>1,320</u>	<u>1,145</u>	<u>1,160</u>

2006		2005		2004		2003		2002		2001		2000	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
1,074	970	1,076	965	1,041	834	969	1,019	986	939	952	962	941	882
1,135		1,141		1,100			1,079	1,058		1,030		1,028	
<b>2006</b>		<b>2005</b>		<b>2004</b>		<b>2003</b>		<b>2002</b>		<b>2001</b>		<b>2000</b>	
60.2		57.7		57.5		57.2		58.3		58.5		56.4	

CF	2005			2004			2003			2002			2001			2000		
	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	
73.6	81.0	4.3	80.5	90.7	0.9	82.1	90.0	1.9	78.1	88.3	3.6	84.5	92.5	0.2	76.5	82.8	2.5	
83.4	89.0	2.8	81.0	87.9	4.1	77.2	81.4	3.2	78.9	87.0	5.2	85.1	92.2	0.2	85.2	91.8	1.1	
53.1	92.7	0.4	46.5	92.2	0.6	-	-	-	-	-	-	-	-	-	-	-	-	
0.1	94.4	-	0.1	99.4	74.9	0.7	100.0	-	1.1	88.7	25.5	2.3	100.0	-	2.9	100.0	-	
0.1	92.7	83.5	0.1	99.4	74.8	0.7	92.8	20.1	1.2	99.7	14.7	2.6	100.0	-	2.6	99.6	11.2	
0.5	98.7	43.7	0.3	78.0	96.9	2.0	90.7	11.5	2.8	100.0	-	1.6	54.4	0.9	7.5	98.1	1.2	
0.9	98.6	58.5	0.4	96.7	-	1.9	99.7	8.7	3.5	99.6	-	4.7	87.3	0.3	6.1	93.0	44.7	
99.3	100.0	-	88.9	86.5	3.0	99.5	97.0	0.6	93.6	91.2	0.1	96.5	94.7	1.3	84.0	83.0	2.0	
87.5	89.3	6.0	66.9	73.8	9.2	93.1	82.3	11.7	79.2	61.5	7.4	91.3	92.2	3.9	92.4	85.9	5.2	
83.0	84.2	4.6	92.6	92.0	7.9	82.8	82.4	3.4	94.7	90.9	1.5	100.0	98.9	1.1	92.4	91.1	0.2	

## ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2010	2009	2008	2007
<b>Orlando/Orange County</b>				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI)	28.70	33.40	33.20	44.13
Average customer interruption duration index in minutes (CAIDI)	52.90	52.70	43.50	52.03
Average length of service interruption in minutes (L-Bar)	70.20	69.30	67.70	70.79
<b>St. Cloud/Osceola County</b>				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9998
Average customer outage in minutes (SAIDI)	61.80	55.00	38.20	56.97
Average customer interruption duration index in minutes (CAIDI)	34.90	42.20	40.50	39.16
Average length of service interruption in minutes (L-Bar)	62.50	63.40	65.30	67.23

## ELECTRIC PHYSICAL STATISTICS

<b>Transmission system (circuit miles)</b>				
69KV	20.6	20.6	20.6	20.6
115KV	131.5	131.5	131.5	131.5
230KV	<u>190.9</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>
<b>Total (2)</b>	<u><u>343.0</u></u>	<u><u>338.5</u></u>	<u><u>338.5</u></u>	<u><u>338.5</u></u>
<b>Number of substations</b>	29	29	29	29
<b>Orlando distribution system (circuit miles)</b>				
Overhead	746.8	738.8	747.9	738.3
Underground	<u>1,158.7</u>	<u>1,145.2</u>	<u>1,104.6</u>	<u>1,065.9</u>
<b>Total Orlando circuit miles</b>	<u><u>1,905.5</u></u>	<u><u>1,884.0</u></u>	<u><u>1,852.5</u></u>	<u><u>1,804.2</u></u>
<b>St. Cloud distribution system (circuit miles)</b>				
Overhead	242.6	241.8	240.2	236.5
Underground	<u>154.7</u>	<u>153.9</u>	<u>150.8</u>	<u>142.0</u>
<b>Total St. Cloud circuit miles</b>	<u><u>397.3</u></u>	<u><u>395.7</u></u>	<u><u>391.0</u></u>	<u><u>378.5</u></u>
<b>Total OUC &amp; St. Cloud circuit miles</b>	<u><u>2,302.8</u></u>	<u><u>2,279.7</u></u>	<u><u>2,243.5</u></u>	<u><u>2,182.7</u></u>
<b>Distribution expenses per circuit mile</b>	\$ 7,344	\$ 7,316	\$ 6,396	\$ 6,125
<b>Percentages of Orlando distribution system (circuit miles)</b>				
Overhead	39.2%	39.2%	40.4%	40.9%
Underground	60.8%	60.8%	59.6%	59.1%
<b>Percentages of St. Cloud distribution system (circuit miles)</b>				
Overhead	61.1%	61.1%	61.4%	62.5%
Underground	38.9%	38.9%	38.6%	37.5%

(1) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances, and Jeanne. Consistent with industry standards, these events were excluded from this calculation.

(2) Although OUC began operating the St. Cloud's electric system in 1997, St. Cloud transmission statistics are not included.

2006	2005	2004 (1)	2003	2002	2001	2000
0.9993	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999
36.40	47.09	41.22	45.44	35.56	34.63	34.56
50.82	49.20	51.03	41.83	30.77	32.42	35.09
62.86	65.91	64.85	68.12	59.00	57.00	61.00
0.9999	0.9998	0.9998	0.9997	0.9998	0.9998	0.9998
44.69	86.94	84.08	129.51	87.14	98.08	64.82
42.00	40.48	48.97	41.19	36.54	33.04	54.04
59.03	71.86	60.00	58.83	54.00	49.00	60.00
20.6	20.6	20.6	20.6	20.6	19.0	19.0
131.5	131.5	131.5	131.5	123.9	123.9	123.9
<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>185.6</u>	<u>181.2</u>	<u>181.2</u>
<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>330.1</u>	<u>324.1</u>	<u>324.1</u>
29	28	28	28	27	26	26
738.5	746.5	738.3	733.5	729.4	866.3	917.6
<u>1,025.3</u>	<u>978.3</u>	<u>924.6</u>	<u>872.8</u>	<u>796.6</u>	<u>874.3</u>	<u>762.4</u>
<u>1,763.8</u>	<u>1,724.8</u>	<u>1,662.9</u>	<u>1,606.3</u>	<u>1,526.0</u>	<u>1,740.6</u>	<u>1,680.0</u>
236.9	234.7	227.6	225.5	132.8	124.4	116.7
<u>118.4</u>	<u>102.4</u>	<u>80.2</u>	<u>66.4</u>	<u>38.4</u>	<u>36.0</u>	<u>33.8</u>
<u>355.3</u>	<u>337.1</u>	<u>307.8</u>	<u>291.9</u>	<u>171.2</u>	<u>160.4</u>	<u>150.5</u>
<u>2,119.1</u>	<u>2,061.9</u>	<u>1,970.7</u>	<u>1,898.2</u>	<u>1,697.2</u>	<u>1,901.0</u>	<u>1,830.5</u>
\$ 6,285	\$ 5,593	\$ 4,909	\$ 5,184	\$ 5,408	\$ 5,839	\$ 5,236
41.9%	43.3%	44.4%	45.7%	47.8%	49.8%	54.6%
58.1%	56.7%	55.6%	54.3%	52.2%	50.2%	45.4%
66.7%	69.6%	73.9%	77.3%	77.6%	77.6%	77.5%
33.3%	30.4%	26.1%	22.7%	22.4%	22.4%	22.5%

## ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2010	2009	2008	2007
<b>Electric plant, net</b>				
Generating plant, net				
Stanton Energy Center Units #1 & #2	\$ 425,660	\$ 432,484	\$ 448,549	\$ 462,050
Stanton Energy Center Unit A (1)	52,490	56,543	61,410	56,971
Stanton Energy Center Unit B (1)	260,562	-	-	-
McIntosh #3	69,676	41,928	46,867	47,251
St. Lucie #2 (2)	70,487	67,266	61,186	58,317
Indian River Plant	16,623	17,764	19,892	22,266
Crystal River #3 (2)	6,295	5,542	4,174	5,642
St. Cloud Diesel Plant (3)	-	-	-	-
Allowance for Decommissioning (2)	-	-	-	-
<b>Total generating plant, net</b>	<u>901,793</u>	<u>621,527</u>	<u>642,078</u>	<u>652,497</u>
Distribution Plant, net (4)	466,964	456,878	451,604	438,367
Transmission Plant, net (4)	234,941	195,766	173,332	166,739
Other Electric Plant, net (5)	31,294	34,371	35,105	7,707
<b>Total electric plant, net</b>	<u>1,634,992</u>	<u>1,308,542</u>	<u>1,302,119</u>	<u>1,265,310</u>
<b>Common plant, net (6)</b>	<u>77,381</u>	<u>73,972</u>	<u>42,477</u>	<u>46,329</u>
<b>Total plant, net</b>	<u>\$ 1,712,373</u>	<u>\$ 1,382,514</u>	<u>\$ 1,344,596</u>	<u>\$ 1,311,639</u>

## FUEL MIX STATISTICS (Dollars in thousands)

<b>Cost of fuel</b>				
Coal	\$ 160,005	\$ 167,379	\$ 163,964	\$ 139,960
Natural gas	128,117	103,334	164,696	140,780
Oil	2,309	1,335	1,320	736
Nuclear	3,360	3,298	3,015	2,636
<b>Total cost of fuel (7)</b>	<u>\$ 293,791</u>	<u>\$ 275,346</u>	<u>\$ 332,995</u>	<u>\$ 284,112</u>
<b>Fuel cost per million BTU</b>				
Coal	\$ 3.36	\$ 3.42	\$ 3.09	\$ 2.57
Natural gas	\$ 6.49	\$ 7.58	\$ 10.83	\$ 8.96
Oil	\$ 13.51	\$ 13.84	\$ 17.85	\$ 12.39
Nuclear	\$ 0.80	\$ 0.62	\$ 0.58	\$ 0.47
System average fuel cost	\$ 4.10	\$ 4.05	\$ 4.52	\$ 3.75
<b>System fuel mix percentage (based on generation)</b>				
Coal	66.4%	71.9%	72.1%	71.8%
Natural gas	27.5%	20.1%	20.7%	20.7%
Oil	0.2%	0.1%	0.1%	0.1%
Nuclear	5.9%	7.9%	7.1%	7.4%
<b>Total system fuel mix percentage</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

- (1) The SECB facility began commercial operations on February 28, 2010. The SECA facility began commercial operations in 2004. All power generated prior to the start dates of these facilities was excluded from operations and capitalized along with the revenue earned during the pre-commercial operations.
- (2) In January 2003, OUC adopted Federal Energy Regulatory Commission (FERC) document RM02-7-000, Order 631, Accounting for Asset Retirement Obligations (ARO). This order requires the recognition of the net present value of the legal financial requirement related to the dismantlement, restoration and retirement of tangible long-lived assets. The implementation of this order resulted in the recording of a fair value asset of \$16.0 million for the differential of the net present value retirement obligation of OUC's interest in the St. Lucie Unit 2 and Crystal River Unit 3 nuclear plants and the existing amount of accrued retirement obligations, previously recorded as allowance for decommissioning.
- (3) The original St. Cloud Diesel Plant was constructed by St. Cloud. As OUC was assigned the task to operate the plant, costs to improve the plant were incurred. In 2009, operations at the St. Cloud plant were permanently discontinued and as such all assets were written down.
- (4) In fiscal year 2001, OUC reorganized operations and maintenance costs for Distribution and Transmission transferring low-side transmission related costs from Transmission to Distribution.
- (5) In 2010, other electric plant, net decreased \$1.7 million as a result of OUC transferring property to the City of Orlando in exchange for indemnification of associated remediation obligations. In November 2007, OUC and Southern Power terminated the construction of the gasified portion of the new generation facility. The settlement agreement provided for an exchange of land estimated to be valued at \$27.5 million for liquidating damages.

	2006	2005	2004	2003	2002	2001	2000
\$	481,653	\$ 496,681	\$ 511,101	\$ 503,279	\$ 519,021	\$ 533,193	\$ 552,237
	59,789	61,169	64,191	70,889	-	-	-
	-	-	-	-	-	-	-
	51,700	55,948	55,381	56,199	60,451	62,207	65,723
	52,665	48,520	46,455	45,223	33,864	40,234	47,443
	24,818	28,176	34,646	34,588	37,355	41,713	36,477
	5,794	6,233	6,171	6,815	3,629	3,602	3,381
	-	-	118	128	139	-	-
	-	-	-	-	(25,382)	(22,745)	(19,284)
	<u>676,419</u>	<u>696,727</u>	<u>718,063</u>	<u>717,121</u>	<u>629,077</u>	<u>658,204</u>	<u>685,977</u>
	406,461	374,450	368,022	363,112	343,767	316,507	260,399
	164,753	147,808	131,995	131,121	129,536	117,261	162,256
	<u>3,810</u>	<u>8,323</u>	<u>10,852</u>	<u>11,036</u>	<u>8,386</u>	<u>8,487</u>	<u>5,970</u>
	<u>1,251,443</u>	<u>1,227,308</u>	<u>1,228,932</u>	<u>1,222,390</u>	<u>1,110,766</u>	<u>1,100,459</u>	<u>1,114,602</u>
	<u>37,104</u>	<u>43,127</u>	<u>47,595</u>	<u>48,551</u>	<u>48,956</u>	<u>50,647</u>	<u>45,138</u>
\$	<u>1,288,547</u>	<u>1,270,435</u>	<u>1,276,527</u>	<u>1,270,941</u>	<u>1,159,722</u>	<u>1,151,106</u>	<u>1,159,740</u>
\$	145,048	\$ 120,496	\$ 101,887	\$ 92,254	\$ 89,576	\$ 95,270	\$ 89,070
	163,545	166,929	117,455	25,466	18,867	29,522	39,335
	255	33,243	35,088	49,983	30,314	47,761	28,523
	<u>1,971</u>	<u>2,357</u>	<u>2,351</u>	<u>1,813</u>	<u>1,786</u>	<u>2,268</u>	<u>2,185</u>
\$	<u>310,819</u>	<u>323,025</u>	<u>256,781</u>	<u>169,516</u>	<u>140,543</u>	<u>174,821</u>	<u>159,113</u>
\$	2.56	\$ 2.31	\$ 1.98	\$ 1.77	\$ 1.75	\$ 1.73	\$ 1.68
\$	10.42	\$ 8.78	\$ 6.55	\$ 5.46	\$ 4.24	\$ 5.31	\$ 4.92
\$	4.28	\$ 7.88	\$ 5.39	\$ 4.75	\$ 3.47	\$ 4.24	\$ 4.42
\$	0.39	\$ 0.41	\$ 0.43	\$ 0.33	\$ 0.31	\$ 0.38	\$ 0.38
\$	4.02	\$ 3.98	\$ 3.16	\$ 2.33	\$ 2.01	\$ 2.25	\$ 2.18
	73.1%	64.3%	63.2%	71.4%	72.8%	70.8%	72.0%
	20.3%	23.4%	22.1%	6.4%	6.4%	7.1%	11.3%
	0.1%	5.2%	8.0%	14.5%	12.5%	14.5%	8.9%
	<u>6.5%</u>	<u>7.1%</u>	<u>6.7%</u>	<u>7.7%</u>	<u>8.3%</u>	<u>7.6%</u>	<u>7.8%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(6) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its administrative offices. In 2009, the new administration building was completed and placed into service. The former administration building has been written down to its net realizable value pending further action.

(7) The cost of fuel is presented as gross plant operating costs as they do not include participant ownership adjustments.

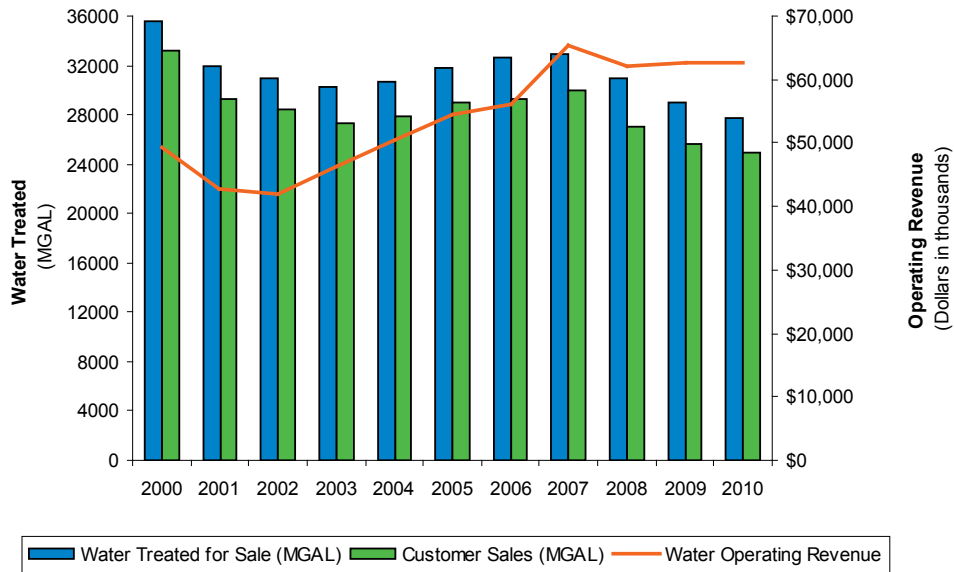


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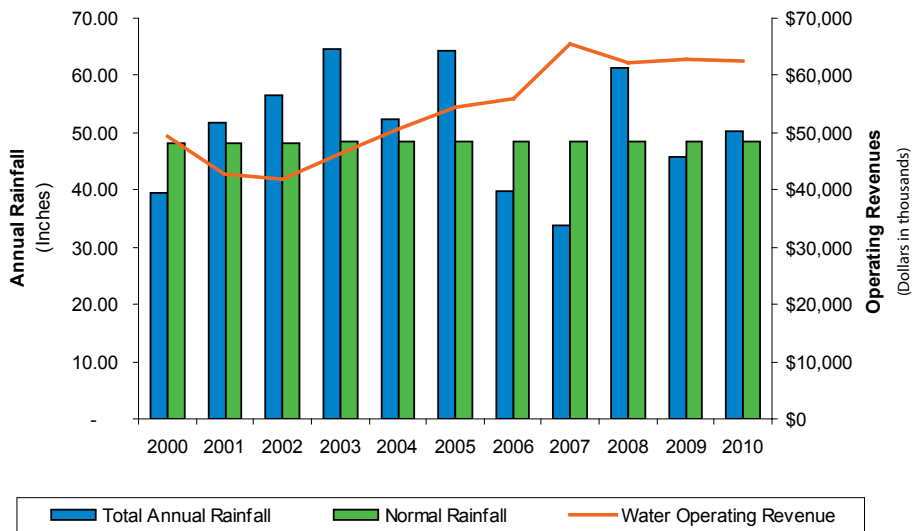


# WATER BUSINESS OPERATIONS

### Water Treated, Customer Sales & Operating Revenue



### Total Annual Rainfall and Operating Revenue



For 2008, 2001 and 2000, operating revenues were adjusted to reflect the impact of SFAS No. 71 in the amounts of \$2.0 million, \$4.0 million and \$3.0 million, respectively.

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

Years Ended September 30	2010	2009	2008	2007
<b>Operating revenues</b>				
Residential	\$ 31,561	\$ 31,599	\$ 31,291	\$ 33,173
Commercial	14,169	14,186	14,048	14,893
Industrial	1,809	1,811	1,793	1,901
Irrigation	11,063	11,077	10,969	11,628
Fire protection	2,169	2,132	2,035	1,755
Service fees and other	1,345	1,234	1,562	1,756
Resale and other	<u>503</u>	<u>636</u>	<u>526</u>	<u>322</u>
<b>Total operating revenues (1)</b>	<u>62,619</u>	<u>62,675</u>	<u>62,224</u>	<u>65,428</u>
<b>Operations and maintenance expenses</b>				
Production	14,358	14,997	13,738	13,531
Distribution (2)	8,291	5,560	6,849	5,526
Storm recovery costs	-	4	8	-
Customer service	7,137	6,601	6,794	7,016
General & administrative (3)	<u>9,046</u>	<u>7,493</u>	<u>7,688</u>	<u>6,948</u>
<b>Total operations and maintenance expenses</b>	<u>38,832</u>	<u>34,655</u>	<u>35,077</u>	<u>33,021</u>
<b>Other expenses</b>				
Utility/property tax	65	64	61	64
Revenue based payments to the City of Orlando	1,922	1,989	1,855	1,893
Depreciation and amortization (4)	<u>16,991</u>	<u>20,554</u>	<u>19,064</u>	<u>16,071</u>
<b>Total other expenses</b>	<u>18,978</u>	<u>22,607</u>	<u>20,980</u>	<u>18,028</u>
<b>Total operating expenses</b>	<u>57,810</u>	<u>57,262</u>	<u>56,057</u>	<u>51,049</u>
<b>Non-operating income</b>				
Interest income	1,151	1,329	2,657	3,959
Non-operating income, net (5)	<u>1,443</u>	<u>838</u>	<u>582</u>	<u>682</u>
<b>Total non-operating income</b>	<u>2,594</u>	<u>2,167</u>	<u>3,239</u>	<u>4,641</u>
<b>Non-operating expenses</b>				
Bond interest and other related expenses (6)	11,418	10,937	11,101	12,466
Intercompany interest income (7)	<u>(257)</u>	<u>(274)</u>	<u>(270)</u>	<u>(266)</u>
<b>Total non-operating expenses</b>	<u>11,161</u>	<u>10,663</u>	<u>10,831</u>	<u>12,200</u>
<b>Water (loss) / income before contributions</b>	(3,758)	(3,083)	(1,425)	6,820
<b>Contributions in aid of construction (8)</b>	6,080	5,736	13,655	17,155
<b>Annual dividend</b>	<u>(2,460)</u>	<u>(1,950)</u>	<u>(821)</u>	<u>3,665</u>
<b>Increase in net assets</b>	<u>\$ 4,782</u>	<u>\$ 4,603</u>	<u>\$ 13,051</u>	<u>\$ 20,310</u>

(1) In March 2009, OUC implemented a 7.8% rate increase. However, due to a weakened economy, decreased consumption mitigated the impact of the rate increase for both 2010 and 2009. In 2008, water revenues decreased due to weakened economic conditions, increased rainfall, and continued conservation efforts. This was partially mitigated by the recognition of \$2.0 million of water stabilization funds. In 2007, increased water operating revenues were primarily due to a 13.1% rate change in January 2007 coupled with more graduated irrigation rates.

(2) Distribution costs rose in 2010 as a result of additional costs for alternative water supply and consumptive use permit spending. Additionally as a result of lower capital spending, capitalized labor and engineering cost decreased and conversely increased expenses.

(3) In 2010, actuarial pension costs increased from that of 2009 as a result of lower investment returns and the inclusion of the accrual of previously approved COLA through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010.

(4) During 2009, OUC recognized impairment for the change in usage of the Southeast water treatment plant of \$2.9 million. In 2008, Depreciation and amortization expense increased due to a change in the useful life for in-service water meters and ozone generators, respectively. In 2005, OUC wrote down water plant assets of \$1.4 million.

2006	2005	2004	2003	2002	2001	2000
\$ 27,336	\$ 26,676	\$ 25,173	\$ 23,063	\$ 22,658	\$ 21,119	\$ 24,850
11,942	11,962	11,497	10,970	9,708	9,028	10,248
1,369	1,480	1,453	1,489	1,327	1,191	1,567
11,546	10,090	9,131	7,815	5,861	5,755	7,812
1,564	1,554	1,306	1,229	1,076	950	1,055
1,810	1,764	1,416	1,019	548	542	504
465	835	484	722	676	228	353
<u>56,032</u>	<u>54,361</u>	<u>50,460</u>	<u>46,307</u>	<u>41,854</u>	<u>38,813</u>	<u>46,389</u>
13,006	11,830	10,028	9,254	8,652	8,370	8,418
4,026	4,198	3,992	3,432	3,083	2,507	2,760
-	-	147	-	-	-	-
6,405	4,834	5,003	4,479	4,212	4,173	4,696
6,305	5,855	5,283	4,848	5,086	4,871	3,485
<u>29,742</u>	<u>26,717</u>	<u>24,453</u>	<u>22,013</u>	<u>21,033</u>	<u>19,921</u>	<u>19,359</u>
62	52	60	46	48	38	30
1,599	1,510	1,362	1,280	1,130	1,168	1,226
13,808	14,220	11,944	10,740	9,897	11,264	12,152
15,469	15,782	13,366	12,066	11,075	12,470	13,408
<u>45,211</u>	<u>42,499</u>	<u>37,819</u>	<u>34,079</u>	<u>32,108</u>	<u>32,391</u>	<u>32,767</u>
3,106	1,435	665	1,153	2,527	3,488	4,336
484	508	498	624	1,053	998	692
<u>3,590</u>	<u>1,943</u>	<u>1,163</u>	<u>1,777</u>	<u>3,580</u>	<u>4,486</u>	<u>5,028</u>
12,790	12,072	12,449	13,011	13,668	14,385	13,166
(350)	(311)	(613)	-	-	-	-
<u>12,440</u>	<u>11,761</u>	<u>11,836</u>	<u>13,011</u>	<u>13,668</u>	<u>14,385</u>	<u>13,166</u>
1,971	2,044	1,968	994	(342)	(3,477)	5,484
14,816	13,409	12,022	8,301	8,177	6,385	7,680
1,525	1,226	1,181	596	(205)	(2,086)	3,290
<u>\$ 15,262</u>	<u>\$ 14,227</u>	<u>\$ 12,809</u>	<u>\$ 8,699</u>	<u>\$ 8,040</u>	<u>\$ 4,994</u>	<u>\$ 9,874</u>

(5) In 2010, OUC issued taxable Build America Bonds. As part of the stimulus program, OUC was granted a federal subsidy of which \$2.7 million was recognized during fiscal year 2010. Additionally, as a result of fee increases associated with third party billing arrangements, OUC recognized an additional \$1.0 million of Other income.

(6) The increase in Interest and other expenses is primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009. See Debt Service section for more information.

(7) The amount represents the internal loan income related to intercompany borrowings for chilled water capital projects.

(8) In 2010 and 2009, the decrease in CIAC was due to a weakening economy and the slow down in growth within the Central Florida area.

## WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2010	2009	2008	2007
<b>Profile of consumption &amp; revenue by type of customer</b>				
<b>Residential service</b>				
MGAL sales per customer	117	119	125	141
Revenue per customer	\$ 295	\$ 294	\$ 289	\$ 312
Revenue per MGAL	\$ 2.5239	\$ 2.4623	\$ 2.3155	\$ 2.2071
<b>Commercial service</b>				
MGAL sales per customer	584	596	623	709
Revenue per customer	\$ 1,124	\$ 1,120	\$ 1,101	\$ 1,194
Revenue per MGAL	\$ 1.9256	\$ 1.8786	\$ 1.7666	\$ 1.6839
<b>Industrial service</b>				
MGAL sales per customer	5,005	5,114	5,343	6,167
Revenue per customer	\$ 8,792	\$ 8,764	\$ 8,611	\$ 9,474
Revenue per MGAL	\$ 1.7567	\$ 1.7138	\$ 1.6116	\$ 1.5362
<b>Irrigation service</b>				
MGAL sales per customer	250	256	267	294
Revenue per customer	\$ 702	\$ 700	\$ 688	\$ 721
Revenue per MGAL	\$ 2.8090	\$ 2.7405	\$ 2.5771	\$ 2.4565
<b>Selected financial expense statistics</b>				
Total operations & maintenance expense per MGAL (1)(2)	\$ 1.5643	\$ 1.3525	\$ 1.3024	\$ 1.1034
Total operations & maintenance expense per metered service (1)	\$ 287	\$ 255	\$ 256	\$ 245
Customer service expense per metered service	\$ 53	\$ 48	\$ 50	\$ 52
General & administrative expense per metered service (2)	\$ 67	\$ 55	\$ 56	\$ 52

(1) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.

(2) In 2010, actuarial pension costs increased from that of 2009 as a result of lower investment returns and the inclusion of the accrual of previously approved COLA through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010. In 2008, water consumption decreased due to weakening economic conditions, increased rainfall, and continued conservation efforts. The impact of the decrease in consumption resulted in higher operations and maintenance expense per MGAL.

2006	2005	2004	2003	2002	2001	2000
140	141	141	141	151	159	180
\$ 265	\$ 263	\$ 255	\$ 239	\$ 237	\$ 222	\$ 264
\$ 1.8933	\$ 1.8720	\$ 1.8072	\$ 1.6985	\$ 1.5669	\$ 1.3965	\$ 1.4646
703	718	706	724	710	729	775
\$ 988	\$ 1,004	\$ 984	\$ 959	\$ 863	\$ 815	\$ 935
\$ 1.4051	\$ 1.3972	\$ 1.3943	\$ 1.3246	\$ 1.2165	\$ 1.1173	\$ 1.2073
5,606	6,160	6,010	6,395	6,197	5,953	6,772
\$ 7,092	\$ 7,646	\$ 7,546	\$ 7,837	\$ 7,059	\$ 6,268	\$ 8,120
\$ 1.2650	\$ 1.2412	\$ 1.2554	\$ 1.2255	\$ 1.1391	\$ 1.0530	\$ 1.1991
319	295	304	292	344	390	533
\$ 719	\$ 660	\$ 642	\$ 583	\$ 456	\$ 466	\$ 671
\$ 2.2565	\$ 2.2359	\$ 2.1103	\$ 1.9956	\$ 1.3266	\$ 1.1962	\$ 1.2598
\$ 1.0172	\$ 0.9237	\$ 0.8755	\$ 0.8061	\$ 0.7401	\$ 0.6811	\$ 0.5843
\$ 226	\$ 208	\$ 195	\$ 181	\$ 176	\$ 168	\$ 166
\$ 49	\$ 38	\$ 40	\$ 37	\$ 35	\$ 35	\$ 40
\$ 48	\$ 45	\$ 42	\$ 40	\$ 42	\$ 41	\$ 30

## SELECTED FINANCIAL RATIOS

Years Ended September 30	2010	2009	2008	2007
<b>Water operating ratio</b>				
Water operations & maintenance expenses/operating revenues (1)(2)	\$ 0.62	\$ 0.55	\$ 0.56	\$ 0.50
<b>Water (loss)/ income before contributions per revenue dollar</b>				
Water (loss)/ income before contributions/total water operating revenues (1)(2)	\$ (0.06)	\$ (0.05)	\$ (0.02)	\$ 0.10

## ACTIVE SERVICES

Residential	107,295	106,703	108,245	108,374
Commercial	12,645	12,575	12,757	12,772
Industrial	206	205	208	208
Irrigation	15,793	15,706	15,932	15,952
<b>Total metered services</b>	<u>135,939</u>	<u>135,189</u>	<u>137,142</u>	<u>137,306</u>

## FIRE PROTECTION

Fire protection services	4,248	4,192	4,124	3,596
Fire hydrants	9,753	9,630	9,578	9,451
<b>Total fire protection</b>	<u>14,001</u>	<u>13,822</u>	<u>13,702</u>	<u>13,047</u>

## CONSUMPTION (MGAL)

Residential	12,505	12,833	13,513	15,030
Commercial	7,358	7,551	7,952	8,844
Industrial	1,030	1,057	1,113	1,237
Irrigation	3,938	4,042	4,256	4,734
Resale	34	184	140	139
<b>Total consumption</b>	<u>24,865</u>	<u>25,667</u>	<u>26,974</u>	<u>29,984</u>

(1) In 2008 and 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.

(2) In 2010, actuarial pension costs increased from that of 2009 as a result of lower investment returns and the inclusion of the accrual of previously approved COLA through September 30, 2010. Additionally, OUC recognized environmental costs, related to several remediation projects, and incurred higher medical costs of \$2.3 million and \$1.7 million, respectively, in 2010. The increase in 2008 resulted from OUC recognizing \$2.0 million of water stabilization funds. In 2010, the water operating ratio increased as a result of increased operations and maintenance expenses.

2006	2005	2004	2003	2002	2001	2000
\$ 0.53	\$ 0.49	\$ 0.48	\$ 0.48	\$ 0.50	\$ 0.51	\$ 0.42
\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.02	\$ (0.01)	\$ (0.09)	\$ 0.12
103,866	102,674	99,942	97,354	95,829	95,254	94,643
12,165	12,017	11,820	11,543	11,330	11,164	10,997
193	193	194	191	189	187	193
16,288	15,835	14,756	13,686	13,118	12,592	12,102
<u>132,512</u>	<u>130,719</u>	<u>126,712</u>	<u>122,774</u>	<u>120,466</u>	<u>119,197</u>	<u>117,935</u>
4,186	3,987	3,749	3,551	3,428	3,295	3,128
9,118	8,891	8,822	6,908	6,736	6,646	6,544
<u>13,304</u>	<u>12,878</u>	<u>12,571</u>	<u>10,459</u>	<u>10,164</u>	<u>9,941</u>	<u>9,672</u>
14,439	14,250	13,929	13,579	14,461	15,124	16,967
8,499	8,561	8,246	8,282	7,980	8,080	8,488
1,082	1,192	1,157	1,215	1,165	1,131	1,307
5,117	4,513	4,327	3,916	4,418	4,811	6,201
165	464	172	375	459	160	223
<u>29,302</u>	<u>28,980</u>	<u>27,831</u>	<u>27,367</u>	<u>28,483</u>	<u>29,306</u>	<u>33,186</u>

## WATER UTILITY PLANT (Dollars in Thousands)

Years Ended September 30	2010	2009	2008	2007
<b>Water plant, net</b>				
Production	\$ 139,082	\$ 144,802	\$ 158,635	\$ 162,259
Transmission & Distribution	183,912	181,163	177,709	170,969
General	<u>3,486</u>	<u>4,181</u>	<u>113</u>	<u>685</u>
<b>Total water plant, net</b>	<u>326,480</u>	<u>330,146</u>	<u>336,457</u>	<u>333,913</u>
<b>Common plant, net (1)</b>	<u>25,794</u>	<u>24,657</u>	<u>14,159</u>	<u>15,443</u>
<b>Total plant, net</b>	<u>\$ 352,274</u>	<u>\$ 354,803</u>	<u>\$ 350,616</u>	<u>\$ 349,356</u>

## WATER PHYSICAL STATISTICS

Pipe miles	1,763	1,750	1,755	1,729
Number of public hydrants	9,753	9,630	9,578	9,451
Number of wells	32	32	34	34
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	273	274	274	274
Raw water capacity (MGAL per day)	182.5	182.5	184.0	184.0
Peak day (MGAL)	95.7	103.8	111.2	111.4
Per capita, gallons pumped per day total system	179	187	203	216
Per capita, gallons consumed per day residential only	81	83	88	98

## WATER PRODUCTION (KGAL)

<b>Water treated for sale</b>				
Treated (2)	27,681,382	28,980,391	31,047,104	32,950,881
Used by water department (3)	<u>5,840</u>	<u>5,840</u>	<u>29,040</u>	<u>72,995</u>
<b>Total water treated for sale</b>	<u>27,675,542</u>	<u>28,974,551</u>	<u>31,018,064</u>	<u>32,877,886</u>
<b>Sales</b>				
Retail customers	24,574,646	25,257,125	26,599,439	29,768,879
Inter-department use	256,286	225,955	234,186	76,107
Wholesale customers	<u>33,895</u>	<u>184,282</u>	<u>140,145</u>	<u>139,441</u>
<b>Total sales</b>	<u>24,864,827</u>	<u>25,667,362</u>	<u>26,973,770</u>	<u>29,984,427</u>
Unbilled	<u>2,810,715</u>	<u>3,307,189</u>	<u>4,044,294</u>	<u>2,893,459</u>
Unbilled as a percentage of water treated for sale	10.16%	11.41%	13.04%	8.80%

(1) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its administrative offices. In 2009, the new administration building was completed and placed into service. The former administration building has been written down to its net realizable value pending further action.

(2) This amount represents the raw water pumped.

(3) In 2008, the Water production division revised calculation to exclude water that was tested but still sold to end consumers. In 2009, the testing process was further refined as gauges, which measure the amount of water tested, were installed. The standards established in 2009 were maintained for 2010.

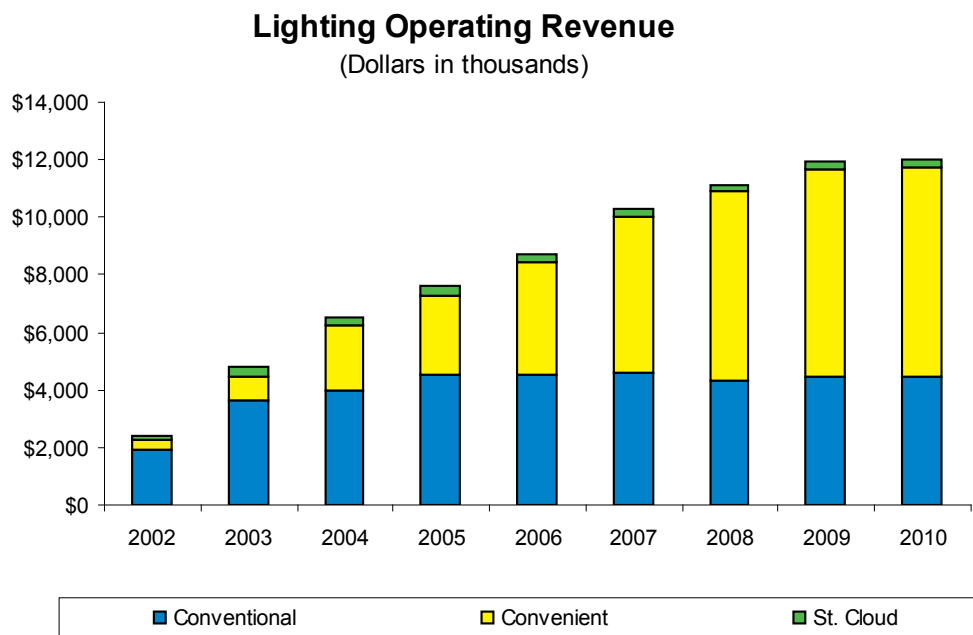


2006	2005	2004	2003	2002	2001	2000
\$ 156,382	\$ 162,574	\$ 161,540	\$ 149,860	\$ 154,158	\$ 141,063	\$ 140,885
158,109	151,389	149,360	139,517	133,356	126,305	116,876
<u>5,626</u>	<u>3,695</u>	<u>6,961</u>	<u>5,084</u>	<u>4,994</u>	<u>4,738</u>	<u>3,532</u>
320,117	317,658	317,861	294,461	292,508	272,106	261,293
<u>12,368</u>	<u>14,376</u>	<u>15,865</u>	<u>16,183</u>	<u>16,318</u>	<u>16,882</u>	<u>15,046</u>
<u>\$ 332,485</u>	<u>\$ 332,034</u>	<u>\$ 333,726</u>	<u>\$ 310,644</u>	<u>\$ 308,826</u>	<u>\$ 288,988</u>	<u>\$ 276,339</u>
1,714	1,695	1,679	1,644	1,616	1,593	1,563
9,118	7,235	7,154	6,908	6,736	6,646	6,544
34	34	34	34	33	35	33
28.5	28.5	28.5	28.5	30.5	28.5	28.5
274	274	271	262	262	252	252
184.0	184.0	182.0	182.0	182.0	182.0	174.0
114.6	108.3	118.0	107.5	109.7	112.0	132.6
216	211	208	210	216	225	252
95	94	95	94	104	106	120
32,739,861	31,784,278	30,656,166	30,290,165	30,920,794	31,949,544	35,607,175
<u>73,000</u>	<u>27,290</u>	<u>19,919</u>	<u>20,471</u>	<u>21,481</u>	<u>18,119</u>	<u>21,024</u>
32,666,861	31,756,988	30,636,247	30,269,694	30,899,313	31,931,425	35,586,151
28,933,432	28,309,265	27,466,944	26,792,398	27,815,255	29,075,981	32,875,594
203,177	206,787	191,545	199,009	209,182	69,208	87,388
<u>165,176</u>	<u>464,299</u>	<u>172,320</u>	<u>375,302</u>	<u>458,774</u>	<u>160,622</u>	<u>222,948</u>
29,301,785	28,980,351	27,830,809	27,366,709	28,483,211	29,305,811	33,185,930
<u>3,365,076</u>	<u>2,776,637</u>	<u>2,805,438</u>	<u>2,902,985</u>	<u>2,416,102</u>	<u>2,625,614</u>	<u>2,400,221</u>
10.30%	8.74%	9.16%	9.59%	7.82%	8.22%	6.74%



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# LIGHTING BUSINESS OPERATIONS



Prior to 2002, OUC's Conventional lighting was an integrated part of the Electric business operations. With the introduction of the Convenient lighting program, the Lighting business segment was reported separately.

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

Years Ended September 30	2010	2009	2008	2007
<b>Operating revenues</b>				
Conventional	\$ 4,489	\$ 4,469	\$ 4,350	\$ 4,599
Convenient	7,264	7,209	6,554	5,448
St. Cloud	234	234	236	244
Service fees and other	168	124	143	146
<b>Total operating revenues</b>	<u>12,155</u>	<u>12,036</u>	<u>11,283</u>	<u>10,437</u>
<b>Operations and maintenance expenses</b>				
Conventional	2,350	2,425	2,457	1,944
Convenient	1,000	1,131	1,259	868
St. Cloud	144	132	137	97
Storm recovery costs (2)	-	-	-	-
Customer service	1,022	949	734	645
General and administrative	888	738	726	598
<b>Total operations and maintenance expenses</b>	<u>5,404</u>	<u>5,375</u>	<u>5,313</u>	<u>4,152</u>
<b>Other expenses</b>				
Utility/property tax	3	2	2	2
Depreciation and amortization	3,408	3,261	2,815	3,266
<b>Total other expenses</b>	<u>3,411</u>	<u>3,263</u>	<u>2,817</u>	<u>3,268</u>
<b>Total operating expenses</b>	<u>8,815</u>	<u>8,638</u>	<u>8,130</u>	<u>7,420</u>
<b>Non-operating income</b>				
Interest income	168	180	453	620
Non-operating income, net	184	78	28	30
<b>Total non-operating income</b>	<u>352</u>	<u>258</u>	<u>481</u>	<u>650</u>
<b>Non-operating expenses</b>				
Bond interest and other related expenses	2,224	2,084	2,038	1,925
Intercompany interest expense (3)	-	-	-	-
<b>Total non-operating expenses</b>	<u>2,224</u>	<u>2,084</u>	<u>2,038</u>	<u>1,925</u>
<b>Lighting income / (loss) before contributions</b>	1,468	1,572	1,596	1,742
<b>Contributions in aid of construction (CIAC)</b>	565	373	106	316
<b>Annual dividend</b>	<u>961</u>	<u>994</u>	<u>918</u>	<u>937</u>
<b>Increase in net assets</b>	<u>\$ 1,072</u>	<u>\$ 951</u>	<u>\$ 784</u>	<u>\$ 1,121</u>

(1) Beginning in 2002, metered lighting revenues and the associated expenses were reported within Electrical business operations. All lighting service type revenues and associated expenses were reported within the Lighting business operations section of this report.

(2) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of storm recovery expenses. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.

2006	2005	2004	2003	2002 (1)	2001	2000
\$ 4,564	\$ 4,498	\$ 3,972	\$ 3,617	\$ 1,925	\$ -	\$ -
3,891	2,751	2,241	840	311	-	-
233	378	298	358	157	-	-
197	69	140	-	-	-	-
<u>8,885</u>	<u>7,696</u>	<u>6,651</u>	<u>4,815</u>	<u>2,393</u>	<u>-</u>	<u>-</u>
1,788	1,913	1,457	1,241	1,431	-	-
874	535	418	179	14	-	-
109	121	79	109	115	-	-
-	-	176	-	-	-	-
717	585	560	448	253	-	-
685	628	484	431	406	-	-
<u>4,173</u>	<u>3,782</u>	<u>3,174</u>	<u>2,408</u>	<u>2,219</u>	<u>-</u>	<u>-</u>
2	2	3	4	6	-	-
<u>2,579</u>	<u>2,327</u>	<u>2,174</u>	<u>1,744</u>	<u>1,432</u>	<u>-</u>	<u>-</u>
<u>2,581</u>	<u>2,329</u>	<u>2,177</u>	<u>1,748</u>	<u>1,438</u>	<u>-</u>	<u>-</u>
<u>6,754</u>	<u>6,111</u>	<u>5,351</u>	<u>4,156</u>	<u>3,657</u>	<u>-</u>	<u>-</u>
201	84	6	(180)	81	-	-
29	31	30	30	12	-	-
<u>230</u>	<u>115</u>	<u>36</u>	<u>(150)</u>	<u>93</u>	<u>-</u>	<u>-</u>
1,285	1,034	1,059	708	754	-	-
80	66	-	-	-	-	-
<u>1,365</u>	<u>1,100</u>	<u>1,059</u>	<u>708</u>	<u>754</u>	<u>-</u>	<u>-</u>
996	600	277	(199)	(1,925)	-	-
499	43	545	185	1,390	-	-
771	359	167	(119)	(1,155)	-	-
<u>\$ 724</u>	<u>\$ 284</u>	<u>\$ 655</u>	<u>\$ 105</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>

(3) As OUC continued to expand its Lighting business, cash from operations was not sufficient to fund capital projects. As such, the business segment's average cash balance warranted a negative income allocation from OUC's pooled cash earnings. Beginning in 2004, intercompany loans were established to ensure that the business segment had sufficient cash balances to provide for operations and capital spending. The intercompany loans were repaid in 2007.

## SELECTED FINANCIAL RATIOS

Years Ended September 30	2010	2009	2008	2007
<b>Lighting operating ratio</b>				
Lighting operation & maintenance expenses/ operating revenues (1)	\$ 0.44	\$ 0.45	\$ 0.47	\$ 0.40
<b>Lighting income/(loss) before contributions per revenue dollar</b>				
Lighting income/(loss) before contributions/Total electric lighting operating revenues (1)	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.17
<b>LIGHTING UTILITY PLANT (Dollars in thousands)</b>				
<b>Lighting plant, net</b>				
Conventional	\$ 9,117	\$ 8,658	\$ 8,442	\$ 8,237
Convenient	35,867	36,142	36,282	30,080
<b>Total lighting plant, net</b>	44,984	44,800	44,724	38,317
St. Cloud	773	814	756	793
<b>Total plant, net</b>	<u>\$ 45,757</u>	<u>\$ 45,614</u>	<u>\$ 45,480</u>	<u>\$ 39,110</u>

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(1) Storm recovery expenses related to hurricanes Charley, Frances, and Jeanne are excluded from these computations.

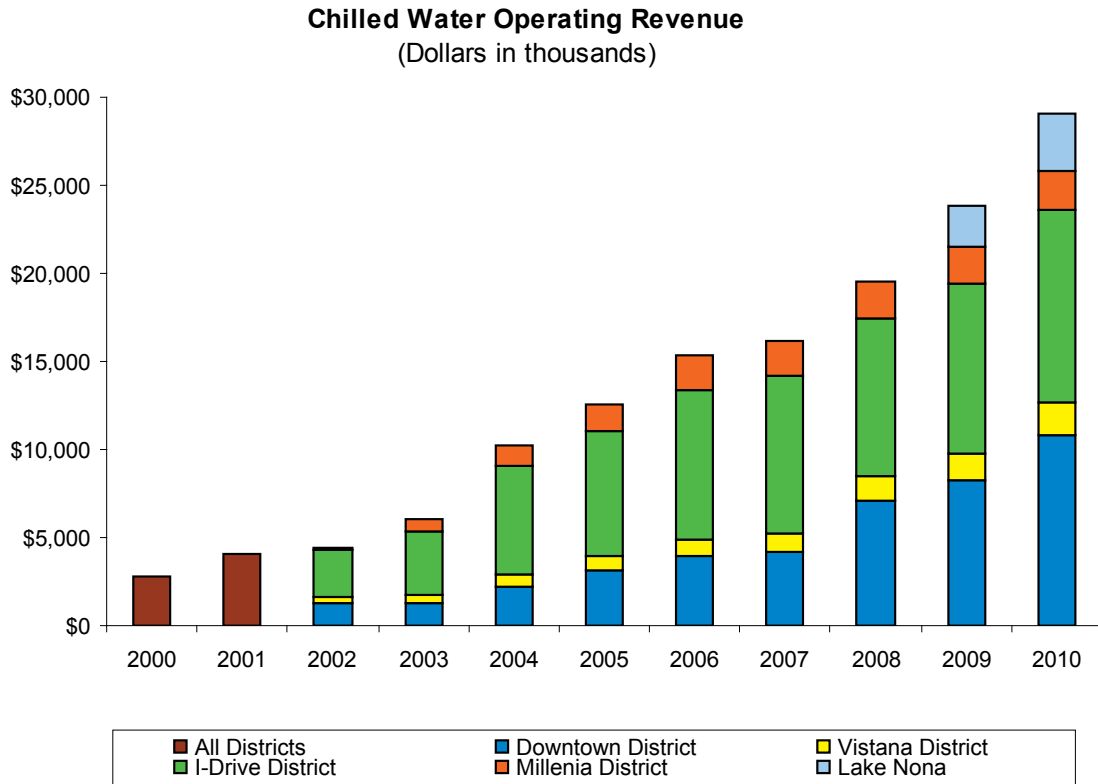
2006	2005	2004	2003	2002	2001	2000
\$ 0.47	\$ 0.49	\$ 0.45	\$ 0.50	\$ 0.93	\$ -	\$ -
\$ 0.11	\$ 0.08	\$ 0.07	\$ (0.04)	\$ (0.80)	\$ -	\$ -
\$ 9,125	\$ 9,933	\$ 10,815	\$ 11,313	\$ 11,463	\$ 9,342	\$ 9,932
22,894	15,931	12,441	10,225	3,046	199	212
32,019	25,864	23,256	21,538	14,509	9,541	10,144
762	636	436	396	308	-	-
<u>\$ 32,781</u>	<u>\$ 26,500</u>	<u>\$ 23,692</u>	<u>\$ 21,934</u>	<u>\$ 14,817</u>	<u>\$ 9,541</u>	<u>\$ 10,144</u>



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# CHILLED WATER BUSINESS OPERATIONS



In 1999, OUC began providing chilled water services in Orlando and the surrounding areas. As of 2010, five Chilled water loops are operational with a total capacity of 47,950 tons.

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

Years Ended September 30	2010	2009	2008	2007
<b>Operating revenues</b>				
Downtown Plant	\$ 10,773	\$ 8,272	\$ 7,148	\$ 4,142
Vistana plant	1,870	1,510	1,323	1,128
International Drive plant	10,980	9,659	8,992	8,945
Millenia plant	2,133	2,114	2,016	1,920
Lake Nona Plant	3,282	2,286	-	-
Service fees and other	248	380	260	508
<b>Total operating revenues (1)</b>	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>
<b>Operations and maintenance expenses</b>				
Downtown plant	4,032	3,683	3,227	2,767
Vistana plant	835	785	688	590
International Drive plant	6,954	6,334	6,057	5,977
Millenia plant	1,291	1,214	1,095	1,094
Lake Nona plant	1,377	999	-	-
Storm recovery costs (2)	-	-	-	-
Customer service	1,376	1,262	679	786
General & administrative	1,273	679	661	607
<b>Total operations and maintenance expenses</b>	<u>17,138</u>	<u>14,956</u>	<u>12,407</u>	<u>11,821</u>
<b>Other expenses</b>				
Utility/property tax	3	4	4	6
Revenue based payments to the City of Orlando	665	451	376	231
Depreciation and amortization	5,290	3,957	3,117	3,066
<b>Total other expenses</b>	<u>5,958</u>	<u>4,412</u>	<u>3,497</u>	<u>3,304</u>
<b>Total operating expenses</b>	<u>23,096</u>	<u>19,368</u>	<u>15,904</u>	<u>15,124</u>
<b>Non-operating income</b>				
Interest income	179	139	102	86
Non-operating income / (loss), net	179	73	26	35
<b>Total non-operating income</b>	<u>358</u>	<u>212</u>	<u>128</u>	<u>121</u>
<b>Non-operating expenses</b>				
Bond interest and other related expenses (3)	1,891	1,273	943	-
Intercompany interest expense (4)	3,715	3,791	3,787	3,787
<b>Total non-operating expenses</b>	<u>5,606</u>	<u>5,064</u>	<u>4,730</u>	<u>3,787</u>
<b>Chilled water income / (loss) before contributions</b>	942	1	(767)	(2,147)
<b>Contributions in aid of construction (CIAC)(5)</b>	7	4	1,078	-
<b>Annual dividend</b>	<u>617</u>	-	<u>(441)</u>	<u>(1,154)</u>
<b>Increase/(decrease) in net assets</b>	<u>\$ 332</u>	<u>\$ 5</u>	<u>\$ 752</u>	<u>\$ (993)</u>

(1) Chilled water operating revenues increased in 2010 as a result of expansions in both the I-Drive and Downtown chilled water districts.

(2) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of storm recovery expenses. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.

(3) Beginning in 2008, bond proceeds were allocated to Chilled water to fund capital project needs. In 2000 through 2006, Chilled water received a portion of Shared and Customer service interest income.

2006	2005	2004	2003	2002	2001	2000
\$ 3,926	\$ 3,162	\$ 2,268	\$ 1,299	\$ 1,227	\$ -	\$ -
964	781	602	418	403	-	-
8,496	7,159	6,176	3,649	2,692	-	-
1,961	1,489	1,205	649	81	-	-
-	-	-	-	-	-	-
<u>243</u>	<u>147</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>4,074</u>	<u>2,773</u>
<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>	<u>2,773</u>
2,407	1,706	1,063	300	374	819	386
441	320	214	125	93	290	65
5,847	5,107	3,743	2,243	1,618	294	428
1,031	936	710	450	94	-	-
-	-	-	-	-	-	-
-	-	62	-	-	-	-
794	648	620	448	253	250	94
<u>542</u>	<u>506</u>	<u>482</u>	<u>416</u>	<u>391</u>	<u>375</u>	<u>237</u>
<u>11,062</u>	<u>9,223</u>	<u>6,894</u>	<u>3,982</u>	<u>2,823</u>	<u>2,028</u>	<u>1,210</u>
3	2	4	2	2	1	-
231	186	152	131	61	76	46
<u>2,901</u>	<u>2,648</u>	<u>1,849</u>	<u>1,203</u>	<u>1,000</u>	<u>865</u>	<u>804</u>
<u>3,135</u>	<u>2,836</u>	<u>2,005</u>	<u>1,336</u>	<u>1,063</u>	<u>942</u>	<u>850</u>
<u>14,197</u>	<u>12,059</u>	<u>8,899</u>	<u>5,318</u>	<u>3,886</u>	<u>2,970</u>	<u>2,060</u>
299	31	(8)	65	38	4	(11)
<u>31</u>	<u>28</u>	<u>34</u>	<u>(2)</u>	<u>(12)</u>	<u>(12)</u>	<u>8</u>
<u>330</u>	<u>59</u>	<u>26</u>	<u>63</u>	<u>26</u>	<u>(8)</u>	<u>(3)</u>
86	77	69	61	53	48	17
<u>3,794</u>	<u>3,502</u>	<u>3,527</u>	<u>537</u>	<u>790</u>	<u>640</u>	<u>306</u>
<u>3,880</u>	<u>3,579</u>	<u>3,596</u>	<u>598</u>	<u>843</u>	<u>688</u>	<u>323</u>
(2,157)	(2,841)	(2,126)	162	(300)	408	387
-	-	-	-	-	-	-
<u>(1,670)</u>	<u>(1,705)</u>	<u>(1,276)</u>	<u>81</u>	<u>(150)</u>	<u>204</u>	<u>194</u>
<u>\$ (487)</u>	<u>\$ (1,136)</u>	<u>\$ (850)</u>	<u>\$ 81</u>	<u>\$ (150)</u>	<u>\$ 204</u>	<u>\$ 193</u>

(4) The amount represents the internal loan interest expense related to intercompany borrowings for Chilled water capital projects.

(5) In 2008, OUC in conjunction with the Florida Department of Transportation (FDOT) completed the I-4/408 Interchange Improvement Project to relocate the Chilled water pipeline. The FDOT contributed \$1.1 million toward the project.

## SELECTED FINANCIAL RATIOS

Years Ended September 30	2010	2009	2008	2007
<b>Chilled water operating ratio</b>				
Chilled water operation & maintenance expenses/ operating revenues (2)	\$ 0.59	\$ 0.62	\$ 0.63	\$ 0.71
<b>Chilled water (loss)/income before contributions per revenue dollar</b>				
Chilled water (loss)/income before contributions/total chilled water operating revenues (2)	\$ 0.03	\$ -	\$ (0.04)	\$ (0.13)
<b>Revenue per TON-hour produced (3)</b>	\$ 0.2511	\$ 0.2344	\$ 0.1985	\$ 0.1753

## CHILLED WATER UTILITY PLANT (Dollars in thousands)

<b>Chilled water plant, net</b>				
Downtown plant	\$ 38,351	\$ 29,842	\$ 30,394	\$ 26,097
Vistana plant	4,557	4,791	4,423	4,642
International Drive plant	28,018	25,174	26,288	23,371
Millenia plant	3,133	3,353	3,572	3,792
Lake Nona plant	13,369	13,920	5	-
<b>Total chilled water plant, net</b>	<u>87,428</u>	<u>77,080</u>	<u>64,682</u>	<u>57,902</u>
TCS capital contributions (1)(4)	-	-	-	-
<b>Total plant, net</b>	<u>\$ 87,428</u>	<u>\$ 77,080</u>	<u>\$ 64,682</u>	<u>\$ 57,902</u>

## CHILLED WATER STATISTICS (3)

<b>Pipe miles</b>				
Downtown plant	7.65	7.65	7.30	7.10
Vistana plant	2.44	2.44	2.44	1.24
International Drive plant	3.79	3.79	3.32	3.32
Millenia plant	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.51	-
<b>Total pipe miles</b>	<u>15.76</u>	<u>15.76</u>	<u>14.83</u>	<u>11.92</u>
<b>Generation capacity, TON</b>				
Downtown plant	14,250	11,250	11,250	9,850
Vistana plant	2,400	2,400	2,400	2,400
International Drive plant	21,200	21,200	21,200	21,200
Millenia plant	4,800	4,800	4,800	4,800
Lake Nona plant	5,300	5,300	-	-
<b>Total generation capacity, TON</b>	<u>47,950</u>	<u>44,950</u>	<u>39,650</u>	<u>38,250</u>

## TON-HOURS PRODUCED (3)

Downtown plant	33,472,688	29,485,701	27,561,068	21,804,307
Vistana plant	5,431,057	4,504,214	4,062,851	3,856,786
International Drive plant	56,029,869	51,277,815	57,262,093	57,779,986
Millenia plant	8,991,528	9,092,513	9,252,539	8,603,019
Lake Nona plant	11,697,121	7,371,046	-	-
<b>Total TON-hours produced</b>	<u>115,622,263</u>	<u>101,731,289</u>	<u>98,138,551</u>	<u>92,044,098</u>

## ACTIVE SERVICES (3)

Residential	2,365	2,365	1,724	708
Commercial	194	198	231	171
<b>Total metered services (5)</b>	<u>2,559</u>	<u>2,563</u>	<u>1,955</u>	<u>879</u>

(1) In March 2004, OUC's governing board authorized the dissolution of the OUC agreement with Trigen Cinergy Solutions (TCS) and as such, acquired TCS' 51% rights in the Chilled water operations. In prior years, TCS's contributions were netted against utility plant to reflect their entitlement share.

(2) In 2004, storm recovery expenses related to hurricanes Charley, Frances and Jeanne are excluded from these computations.

(3) Prior to 2006, data was not available for these statistics.

	2006	2005	2004 (1)	2003	2002	2001	2000
\$	0.71	\$ 0.72	\$ 0.66	\$ 0.66	\$ 0.64	\$ 0.50	\$ 0.44
\$	(0.14)	\$ (0.22)	\$ (0.20)	\$ 0.03	\$ (0.07)	\$ 0.10	\$ 0.14
\$	0.1759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	26,106	\$ 22,137	\$ 10,082	\$ 10,006	\$ 10,310	\$ 10,362	\$ 10,513
	4,444	2,384	2,479	2,578	2,746	2,822	-
	24,404	24,623	25,398	26,301	19,834	12,143	12,621
	4,053	4,285	4,446	4,652	4,334	-	-
	-	-	-	-	-	-	-
	59,007	53,429	42,405	43,537	37,224	25,327	23,134
	-	-	-	(18,138)	(16,981)	-	-
\$	<u>59,007</u>	<u>\$ 53,429</u>	<u>\$ 42,405</u>	<u>\$ 25,399</u>	<u>\$ 20,243</u>	<u>\$ 25,327</u>	<u>\$ 23,134</u>
	7.10	-	-	-	-	-	-
	1.24	-	-	-	-	-	-
	3.32	-	-	-	-	-	-
	0.26	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>11.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	9,850	-	-	-	-	-	-
	2,400	-	-	-	-	-	-
	20,900	-	-	-	-	-	-
	4,800	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>37,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	18,954,307	-	-	-	-	-	-
	4,511,760	-	-	-	-	-	-
	50,422,319	-	-	-	-	-	-
	13,374,403	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>87,262,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	627	-	-	-	-	-	-
	174	-	-	-	-	-	-
	<u>801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(4) Prior to 2002, TCS' contributions toward the expansion of the Chilled water business operations were not recorded as utility plant.

(5) In 2009 and 2008, the number of residential customers increased as a result of growth in the downtown area. At this time, the Lake Nona plant services 2 commercial customers (UCF and Burnham Institute). In 2010 and 2009, the number of commercial services decreased as a result of store closures due to the economic decline.



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## NUMBER OF EMPLOYEES

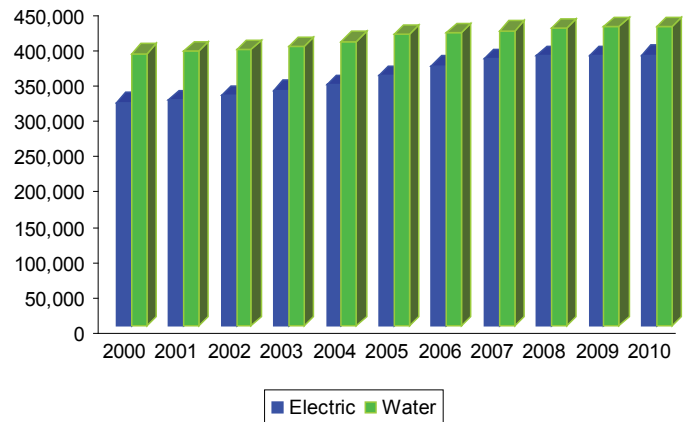
Year	Electric operations	Lighting operations	Chilled water operations	Water operations	Budgeted total	Actual total	Retail customers to employees
2010	868	26	28	234	1,156	1,127	305
2009	923	27	29	247	1,226	1,116	304
2008	873	27	30	241	1,171	1,154	295
2007	846	26	27	230	1,129	1,097	310
2006	834	26	27	230	1,117	1,062	311
2005	834	27	27	230	1,118	1,070	302
2004	828	30	27	227	1,112	1,073	289
2003	827	30	25	226	1,108	1,024	294
2002	826	28	24	225	1,103	1,025	286
2001	822	27	23	218	1,090	1,012	285
2000	822	23	17	215	1,077	998	283

The customer service and administration employees were proportionately allocated to each of the operating segments.

The calculation of retail customers to employees includes total electric and water metered services and excludes lighting and chilled water services. This calculation is based on the actual number of employees at year end and includes St. Cloud employees.

## OUC SERVICE AREA POPULATION

Year	Electric	Water
2010	383,700	423,900
2009	382,500	423,500
2008	382,600	422,200
2007	378,400	418,200
2006	369,000	414,500
2005	355,000	413,680
2004	342,200	403,470
2003	333,870	395,420
2002	326,910	391,730
2001	320,150	389,300
2000	316,700	385,900



## CLIMATOLOGICAL DATA

### Average Annual Rainfall and Temperature Orlando Metro Area (MSA) Fiscal Year Ended September 30, 2010

Fiscal Year	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal *
2010	50.27	0.96	72.0	(0.8)
2009	45.70	(3.61)	72.3	(0.5)
2008	61.22	12.04	73.6	0.8
2007	33.66	(15.52)	73.0	0.2
2006	39.68	(8.67)	73.0	0.2
2005	64.20	15.85	72.8	-
2004	52.28	3.93	72.5	(0.3)
2003	64.56	16.21	72.6	(0.2)
2002	56.60	8.49	72.7	(0.1)
2001	51.66	3.55	71.8	(0.5)
2000	39.58	(8.53)	72.8	0.5

\* Norms for 2000 and 2001 were based on National Weather Service data 1961 through 1990. The average annual normal temperature was 72.3°. Beginning in 2002, the norm was changed to 72.8° based on the average annual temperature for 1971 through 2000.

### Monthly Rainfall and Temperature Orlando Metro Area (MSA) Fiscal Year Ended September 30, 2010

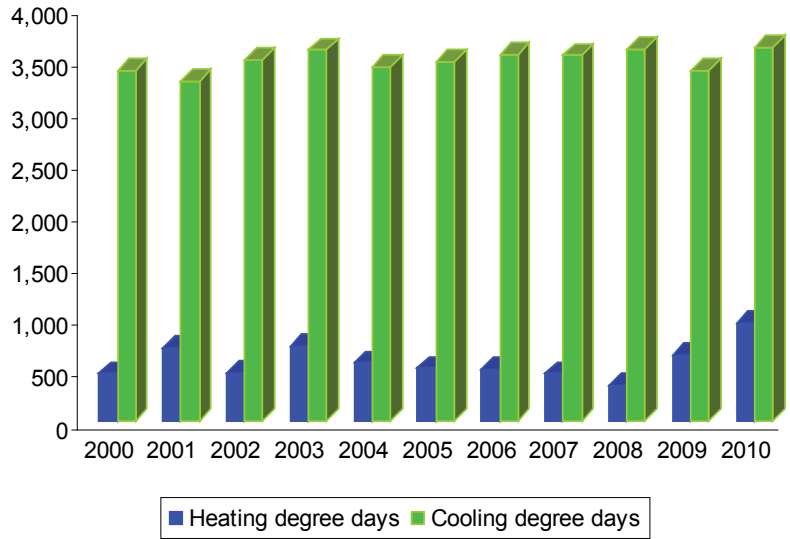
Month	Rain (Inches)		Temperature (°F)	
	Total	Above (Below) Normal*	Average Daily	Above (Below) Normal
September	4.61	(2.00)	81.5	0.40
October	2.85	(0.83)	77.4	2.10
November	1.02	(0.59)	69.4	0.60
December	5.39	2.72	63.8	0.80
January	3.53	1.78	54.4	(6.50)
February	4.35	2.15	54.7	(7.90)
March	7.68	5.30	60.9	(6.50)
April	4.73	2.75	71.1	(0.40)
May	3.00	(0.13)	79.0	1.90
June	3.23	(6.05)	83.5	2.30
July	4.26	(2.90)	84.0	1.60
August	5.62	(1.24)	83.9	1.40
Total	50.27	0.96		
Month Average	4.19	0.08	72.0	(0.8)

Data for the year lags one month behind because the relevant weather occurs approximately one month prior to the billing period.



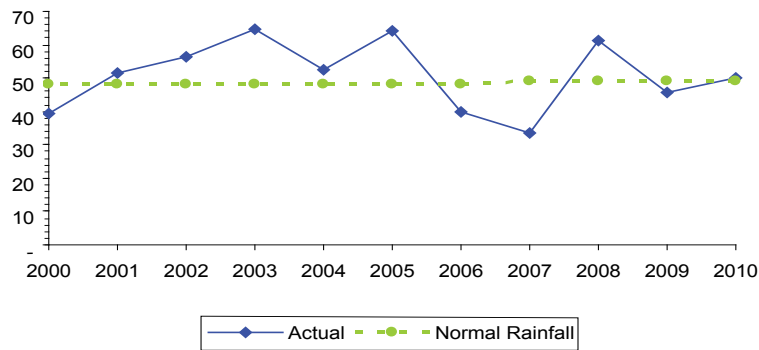
## CLIMATOLOGY DATA

Year	Heating Degree Days	Cooling Degree Days
2010	942	3,606
2009	637	3,387
2008	338	3,592
2007	453	3,529
2006	499	3,536
2005	501	3,468
2004	554	3,416
2003	714	3,586
2002	457	3,487
2001	706	3,282
2000	452	3,385

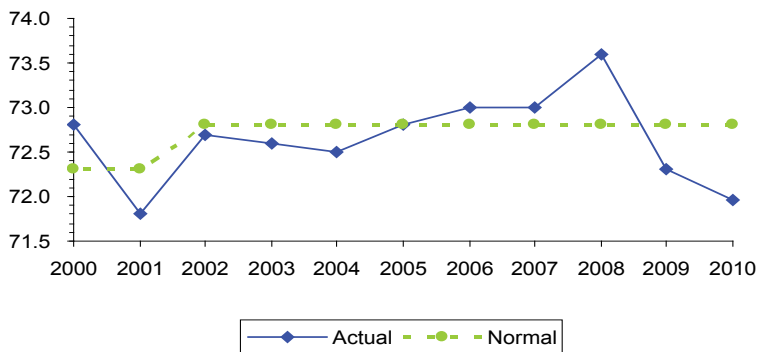


Source: US Department of Commerce, National Weather Service

### Total Annual Rainfall (In inches)



### Average Annual Temperature (Degree F)



## INSURANCE COVERAGES

### September 30, 2010

Company	Type of coverage	Limits	Period
Self insured	General liability	\$2,000,000 per occurrence retention	Continuous
Self insured	Automobile liability	\$2,000,000 per occurrence retention	Continuous
Self insured	Worker's compensation	\$500,000 per occurrence retention	Continuous
ACE	Excess worker's compensation	\$25,000,000 limit of liability above a \$500,000 per occurrence retention	12-01-09/12-01-10
AEGIS	Excess automobile and general liability	\$35,000,000 above the \$2,000,000 retention for the general liability and automobile liability	12-31-09/12-31-10
Energy Insurance Mutual	Excess automobile and general liability	\$15,000,000 above the \$35,000,000 limit for excess automobile and general liability with AEGIS	12-31-09/12-31-10
Factory Mutual	All risk property/boiler and machinery	\$2.6 billion insurable values \$250,000 base retentions, various retentions depending on machinery	11-01-09/11-01-10
AEGIS	Directors & officers / public officials liability	\$10,000,000	11-01-09/11-01-10
Great American Insurance	Dishonesty, disappearance & destruction (Crime)	\$10,000,000	11-01-09/11-01-10
Self insured	Health and medical benefits individual stop-loss	Amounts in excess of \$250,000 per insured per year net of applicable deductible	Continuous
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 million	Continuous

## 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.

**Annual Other Postemployment Benefit ("OPEB") Cost:** An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

**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):** This index is the ratio of total number of hours that service was available to the total customer hours demand.

**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 Balance Sheets 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 is 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.

**Cost of Living Adjustment (COLA):** An annual adjustment in wages to offset a change in purchasing power, as measured by the Consumer Price Index.

**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 servicing 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 that it is able to produce electricity over a certain period, divided by the amount of the time in the period.

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

**Fair Value:** The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**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 and 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.

**Financial Accounting Standards Board (FASB):** The authoritative standard-setting body that establishes accounting and financial reporting principles for public entities in the United States.

**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.

**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.

**Inter-local Sales:** Agreement between OUC and the City of St. Cloud (STC) to provide retail electric service to all STC customers until September 2032.

**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 of 50,000 or more population, 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 Postemployment Benefits ("OPEBs"):** Postemployment benefits other than pension benefits. OPEBs include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment 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 60min 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.

**Peoplesoft Environment Management (PSERM):** The customer billing system used at OUC

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

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

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

**Statement of Revenue, Expenses and Changes in Net Assets:** A statement summarizes the revenue, 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:** An asset with a life of two or more years and a value of greater than \$1,000 that is not bought and sold in the ordinary course of business.

**Variable Rate Demand Obligation ("VRDO"):** A long-term bond with a floating interest rate that varies as it is re-determined periodically (daily, weekly, semi-annually, annually, etc.).