



2013 FINANCIAL AND STATISTICAL REPORT



ORLANDO UTILITIES COMMISSION 2013 FINANCIAL & STATISTICAL INFORMATION REPORT

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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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Combined Information

OUC is leveraging technology to improve the customer experience by offering the convenient self-service options customers have come to expect from their other service providers.

GENERAL INFORMATION

OUC—the Reliable One is the second largest municipal utility in Florida providing electric and water services to more than 229,500 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, water, lighting and chilled water 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 248 square mile electric service area are set pursuant to a ten year territorial agreement with Duke Energy. 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 interlocal agreement with the City of St. Cloud in Osceola, County to assume responsibility for providing retail electric energy service to its customers. The agreement with St. Cloud expires September 30, 2032. OUC also operates and maintains St. Cloud's electric transmission and distribution system in its 171-square-mile service territory, granted to St. Cloud through an electric territorial agreement with Duke Energy through November 4, 2019.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth by a territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2019 with automatic ten year extension periods. In accordance with OUC's Consumptive Use Permit (CUP) from the St. Johns River Water Management District, water is obtained from deep wells that tap the Floridian Aquifer, a natural source of high quality water hundreds of feet below the surface. State-of-the-art water plants ozonate the water for disinfection and remove hydrogen sulfide. OUC's CUP agreement expires in 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 2003-2013 and where appropriate, amounts have been reclassified to conform to the 2013 presentation.

STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30	2013	2012	2011	2010
Assets				
Utility plant, net				
In-service depreciated cost	\$ 2,108,165	\$ 2,144,052	\$ 2,160,121	\$ 2,134,963
Land and other non-depreciable assets	69,214	70,022	62,882	62,868
Construction work in progress	135,465	84,125	65,041	107,333
Total Utility Plant, net (1)	<u>2,312,844</u>	<u>2,298,199</u>	<u>2,288,044</u>	<u>2,305,164</u>
Restricted and internally designated assets				
Debt service and related funds	82,868	82,707	122,714	133,981
Construction bond proceeds, decommissioning and other funds	186,543	208,323	258,940	314,346
Liability reduction fund (2) (4)	-	-	20,268	20,386
Stabilization and self insurance funds (3)	169,275	183,649	197,414	174,676
Capital reserve fund (4)	118,968	118,968	14,700	14,700
Total restricted and internally designated assets	<u>557,654</u>	<u>593,647</u>	<u>614,036</u>	<u>658,089</u>
Current assets				
Cash and investments (5)	60,333	85,404	131,368	54,715
Customer accounts receivable, less allowance for doubtful accounts	67,696	71,245	74,711	84,000
Fuel for generation	30,168	19,348	24,319	19,863
Materials and supplies inventory, net	40,561	40,303	36,698	37,827
Other current assets	85,933	92,787	109,477	118,278
Hedging derivative instrument maturing within one year (6)	213	2,595	5	31
Total current assets	<u>284,904</u>	<u>311,682</u>	<u>376,578</u>	<u>314,714</u>
Other assets				
Unamortized debt costs	30,277	32,974	34,387	33,623
Regulatory assets (1)	33,373	10,752	11,065	12,224
Other long term assets	17,117	17,349	18,212	22,911
Hedging derivative instruments (6)	88	2,052	-	17
Total Other assets	<u>80,855</u>	<u>63,127</u>	<u>63,664</u>	<u>68,775</u>
Total assets	<u>3,236,257</u>	<u>3,266,655</u>	<u>3,342,322</u>	<u>3,334,040</u>
Accumulated decrease in fair value of hedging derivatives (6)	<u>25,622</u>	<u>43,559</u>	<u>50,165</u>	<u>75,660</u>
Total assets and deferred outflows of resources	<u>\$ 3,261,879</u>	<u>\$ 3,310,214</u>	<u>\$ 3,392,487</u>	<u>\$ 3,422,402</u>
Liabilities				
Current liabilities - payable from restricted and designated assets				
Accrued interest payable on notes and bonds	\$ 31,031	\$ 32,211	\$ 34,448	\$ 37,284
Bonds payable within one year	51,950	50,610	88,450	51,080
Customer meter deposits (7)	49,892	45,942	43,079	39,062
Total payable from restricted and designated assets	<u>132,873</u>	<u>128,763</u>	<u>165,977</u>	<u>127,426</u>
Current liabilities - payable from current assets				
Accounts payable and accrued expenses	78,971	74,497	84,963	84,089
Other Bonds Payable (8)	98,360	98,360	98,360	98,522
Other current liabilities	19,708	19,245	18,604	22,927
Hedging derivative instrument maturing within one year (6)	3,459	7,815	11,519	8,022
Total payable from current assets	<u>200,498</u>	<u>199,917</u>	<u>213,446</u>	<u>213,560</u>
Total current liabilities	<u>333,371</u>	<u>328,680</u>	<u>379,423</u>	<u>340,986</u>
Other liabilities and deferred credits				
Regulatory liabilities (3)	252,936	272,223	283,106	267,236
Asset retirement obligation and other liabilities	84,263	76,732	79,688	77,974
Hedging derivative instruments (6)	242	2,996	7,530	13,050
Total other liabilities	<u>337,441</u>	<u>351,951</u>	<u>370,324</u>	<u>358,260</u>
Long-term debt, net	<u>1,486,547</u>	<u>1,557,968</u>	<u>1,609,902</u>	<u>1,728,698</u>
Total liabilities	<u>2,157,359</u>	<u>2,238,599</u>	<u>2,359,649</u>	<u>2,427,944</u>
Accumulated increase in fair value of hedging derivatives (6)	<u>301</u>	<u>4,647</u>	<u>5</u>	<u>48</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,157,660</u>	<u>\$ 2,232,436</u>	<u>\$ 2,359,654</u>	<u>\$ 2,427,992</u>
Net Position				
Net investment in capital assets	\$ 789,341	\$ 744,184	\$ 745,117	\$ 740,393
Restricted	329	1,543	1,570	425
Unrestricted	314,549	321,241	286,146	253,592
Total Net Position	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>	<u>\$ 1,032,833</u>	<u>\$ 994,410</u>

(1) In 2013, OUC began implementing electric and water AMI meters. As a result, the non-AMI electric and water meters of \$1.8 million and \$4.4 million, respectively, were reclassified as regulatory assets. In addition, Duke Energy closed the Crystal River Unit 3 (CR3) nuclear generation facility and the remaining costs of \$17.6 million were reclassified as a regulatory asset. OUC also completed a depreciation study in 2013. The study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life study in late 2013 which resulted in a decrease in depreciation expense of \$11.6 million. The study is expected to be fully implemented by the end of fiscal year 2014. In 2012, Land and other non-depreciable assets increased primarily due to the reacquisition of the Indian River plant site (IRP) for \$11.5 million.

(2) In 2000, OUC sold the steam units at the IRP. A portion of the proceeds from this sale were internally designated to fund future debt maturities.

(3) The fluctuation over the past ten years was due to the changes in fuel stabilization funds, as these funds are designated to match the change in regulatory liabilities.

(4) In 2006, OUC established the Capital reserve to fund the construction of capital projects. Funding for the Capital reserve continued through 2008 with a reclassification of funds in 2010. In 2012, OUC designated an additional \$84.0 million to the Capital reserve fund. Additionally, the Audit Committee approved, as part of the IRP re-purchase, the reclassification of \$20.3 million from the liability reduction fund to the Capital reserve fund.

2009	2008	2007	2006	2005	2004	2003
\$ 1,800,510	\$ 1,748,769	\$ 1,726,375	\$ 1,681,186	\$ 1,652,730	\$ 1,644,680	\$ 1,599,651
59,501	59,196	31,632	31,632	29,667	31,670	29,267
<u>421,685</u>	<u>343,959</u>	<u>176,216</u>	<u>100,909</u>	<u>83,279</u>	<u>69,992</u>	<u>76,069</u>
<u>2,281,696</u>	<u>2,151,924</u>	<u>1,934,223</u>	<u>1,813,727</u>	<u>1,765,676</u>	<u>1,746,342</u>	<u>1,704,987</u>
121,526	118,406	118,471	117,812	112,837	109,264	101,718
179,005	224,233	211,336	217,311	141,533	107,785	157,307
20,384	20,380	30,593	143,446	151,096	190,491	191,382
141,604	110,013	143,154	111,085	56,173	66,377	94,759
-	32,140	32,618	5,500	-	-	-
<u>462,519</u>	<u>505,172</u>	<u>536,172</u>	<u>595,154</u>	<u>461,639</u>	<u>473,917</u>	<u>545,166</u>
33,622	43,520	36,148	55,666	73,535	83,077	72,633
81,482	78,801	89,749	68,715	87,697	65,619	60,960
19,950	5,972	14,752	9,626	8,642	6,512	9,105
36,727	37,926	35,927	33,669	31,300	29,231	26,852
106,405	90,730	71,862	66,366	56,197	47,405	41,829
314	114	-	-	-	-	-
<u>278,500</u>	<u>257,063</u>	<u>248,438</u>	<u>234,042</u>	<u>257,371</u>	<u>231,844</u>	<u>211,379</u>
37,173	40,271	43,433	46,808	49,476	52,720	3,177
13,393	19,842	15,894	6,529	6,937	8,838	20,869
21,000	16,067	12,094	11,588	6,035	31,535	2,493
202	826	-	-	-	-	-
<u>71,768</u>	<u>77,006</u>	<u>71,421</u>	<u>64,925</u>	<u>62,448</u>	<u>93,093</u>	<u>26,539</u>
3,094,483	2,991,165	2,790,254	2,707,847	2,547,134	2,545,196	2,488,071
84,159	43,420	-	-	-	-	-
<u>\$ 3,178,642</u>	<u>\$ 3,034,585</u>	<u>\$ 2,790,254</u>	<u>\$ 2,707,847</u>	<u>\$ 2,547,134</u>	<u>\$ 2,545,196</u>	<u>\$ 2,488,071</u>
\$ 27,552	\$ 28,093	\$ 28,524	\$ 30,810	\$ 28,744	\$ 27,744	\$ 26,567
48,350	46,045	44,440	41,420	38,560	35,575	129,250
<u>33,485</u>	<u>33,575</u>	<u>31,481</u>	<u>29,012</u>	<u>26,099</u>	<u>24,846</u>	<u>21,141</u>
<u>109,387</u>	<u>107,713</u>	<u>104,445</u>	<u>101,242</u>	<u>93,403</u>	<u>88,165</u>	<u>176,958</u>
68,080	93,162	68,222	62,189	97,779	90,055	54,147
199,266	218,799	-	-	-	-	-
24,266	17,876	13,546	13,102	14,317	12,039	16,539
3,552	5,482	-	-	-	-	-
<u>295,164</u>	<u>353,319</u>	<u>81,768</u>	<u>75,291</u>	<u>112,096</u>	<u>102,094</u>	<u>70,686</u>
<u>404,551</u>	<u>443,032</u>	<u>186,213</u>	<u>176,533</u>	<u>205,499</u>	<u>190,259</u>	<u>247,644</u>
229,039	198,136	243,299	212,742	155,976	173,716	111,009
81,022	84,037	79,507	80,916	71,378	68,595	177,394
12,020	1,766	-	-	-	-	-
<u>322,081</u>	<u>283,939</u>	<u>322,806</u>	<u>293,658</u>	<u>227,354</u>	<u>242,311</u>	<u>288,403</u>
<u>1,494,037</u>	<u>1,388,569</u>	<u>1,415,793</u>	<u>1,435,889</u>	<u>1,351,781</u>	<u>1,387,423</u>	<u>1,261,883</u>
2,220,669	2,115,540	1,924,812	1,906,080	1,784,634	1,819,993	1,797,930
1,688	940	-	-	-	-	-
<u>\$ 2,222,357</u>	<u>\$ 2,116,480</u>	<u>\$ 1,924,812</u>	<u>\$ 1,906,080</u>	<u>\$ 1,784,634</u>	<u>\$ 1,819,993</u>	<u>\$ 1,797,930</u>
\$ 778,476	\$ 754,793	\$ 661,230	\$ 530,940	\$ 513,025	\$ 461,418	\$ 443,481
827	2,515	8,342	5,863	4	4	49,968
<u>176,982</u>	<u>160,797</u>	<u>195,870</u>	<u>264,964</u>	<u>249,471</u>	<u>263,781</u>	<u>196,692</u>
<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>	<u>\$ 690,141</u>

- (5) In 2013, Cash and investments decreased due to the use of additional cash from operations to fund capital projects. The increase in 2011 was due to the release of \$41.4 million previously restricted as Debt service reserve for the Series 1992 Bonds that matured on October 1, 2010.
- (6) In conjunction with the implementation of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", all effective derivative instruments were included on the Statements of Net Position as either an asset or liability measured at fair market value. Related changes in the fair value of derivative instruments are deferred, under the headings Accumulated decrease/(increase) in fair value hedging derivatives, and recognized in the period in which the derivative is settled.
- (7) In 2013, OUC transitioned the St. Cloud electric customer deposits, of \$2.6 million, from the City of St. Cloud to OUC in preparation for the conversion of these customers to OUC's customer billing system.
- (8) In 2008, the Series 2004 Bonds were reclassified to Other bonds payable 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, only a portion of the debt was refunded on a long-term basis. In 2010, OUC refunded the remaining portion in the windows mode without an underlying liquidity facility; therefore, the debt remains reclassified as Current Liabilities payable from current assets.

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

Years Ended September 30	2013	2012	2011	2010
Operating revenues				
Electric operating revenues (1)	\$ 718,551	\$ 747,605	\$ 769,776	\$ 759,754
Water operating revenues	62,812	63,454	64,142	62,619
Lighting operating revenues	12,626	12,449	12,316	12,155
Chilled water operating revenues	<u>31,369</u>	<u>30,875</u>	<u>29,775</u>	<u>29,286</u>
Total operating revenues	<u>825,358</u>	<u>854,383</u>	<u>876,009</u>	<u>863,814</u>
Operating expenses				
Fuel for generation, purchased power and fixed demand payments (2)	315,867	326,071	332,198	330,738
Production	84,538	95,108	96,229	94,089
Transmission and distribution (3)	34,246	34,206	37,553	37,687
Lighting	3,450	3,272	3,161	3,494
Chilled water	15,090	15,165	14,829	14,489
Storm recovery expenses (4)	-	-	-	-
Depreciation and amortization (5)	118,964	120,699	119,361	117,105
Customer service (6)	33,525	38,289	35,074	31,448
General and administrative (7)	48,608	47,480	46,750	45,810
Utility/property tax	14,800	15,481	16,473	16,535
Revenue based payments to the City of Orlando	29,406	29,623	28,809	28,804
Revenue based payments to Orange County	1,397	1,477	1,461	1,821
Revenue based payments to the City of St. Cloud	6,752	6,927	6,372	5,582
System use payments to the City of St. Cloud	<u>1,920</u>	<u>1,915</u>	<u>1,915</u>	<u>1,911</u>
Total operating expenses	<u>708,563</u>	<u>735,713</u>	<u>740,185</u>	<u>729,513</u>
Operating income	116,795	118,670	135,824	134,301
Non-operating income and (expense)				
Interest income (8)	4,512	6,691	4,560	8,569
Other income, net	10,289	13,318	12,155	7,832
Amortization of gain on sale of assets (9)	4,692	4,233	3,971	3,971
Bond interest and related expenses (10)	<u>(62,355)</u>	<u>(70,235)</u>	<u>(78,530)</u>	<u>(85,051)</u>
Total net non-operating expenses	<u>(42,862)</u>	<u>(45,993)</u>	<u>(57,844)</u>	<u>(64,679)</u>
Income before contributions	73,933	72,677	77,980	69,622
Contributions in aid of construction (CIAC)	10,318	8,619	8,419	14,099
Annual dividend (11)	<u>(47,000)</u>	<u>(47,161)</u>	<u>(47,976)</u>	<u>(45,596)</u>
Increase in net position	37,251	34,135	38,423	38,125
Net position - beginning of year	<u>1,066,968</u>	<u>1,032,833</u>	<u>994,410</u>	<u>956,285</u>
Net position - end of year	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>	<u>\$ 1,032,833</u>	<u>\$ 994,410</u>

(1) In 2013, the \$29.0 million decrease in electric operating revenues was primarily due to a 4.6 percent rate decrease in electric base rates, effective October 1, 2012 and the annualized impact of the fuel rate decrease in March 2012. In 2012, resale revenue decreased \$20.2 million primarily due to a 34.8% decrease in megawatt hours sold in conjunction with lower natural gas costs.

(2) In 2013, the decrease in fuel for generation, purchased power and fixed demand payments was due to lower coal commodity costs. This was offset by the completion of a study which analyzed the classification of costs associated with material handling, procurement and movement of fuel. Based upon this study and supporting FERC guidance \$4.1 million was reclassified from production to fuel for generation and fixed demand payments.

(3) Higher 2011 and 2010 Transmission and distribution costs resulted from the recognition of water costs associated with consumptive use permit spending of \$2.3 million and a write down of a deferred water regulatory project of \$2.3 million, respectively.

(4) 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.

(5) In 2013 a study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life changes in late 2013 which resulted in a depreciation expense decrease of \$11.6 million. The study is expected to be fully implemented by the end of fiscal year 2014. The impact of the study results was offset by accelerated depreciation costs associated with the write-down of water meters in preparation for the Advanced Meter Infrastructure (AMI) implementation of \$3.3 million, the recognition of previously deferred remediation costs for the Martin Substation of \$0.8 million and incremental year-over-year systematic depreciation related to the capitalization of new assets.

(6) The increase in the 2012 Customer service operating costs was primarily due to the recognition of costs associated with the write down of the non-Advanced Meter Infrastructure data management project.

(7) The increase in 2013 was due to increased pension and medical costs. In 2012, General and administrative costs increased primarily due to higher information and technology costs. In 2010, lower than projected investment returns and the inclusion of previously approved cost of living adjustments contributed to the increase. In 2007, OUC adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB) incurring actuarially-determined employee benefit costs in each of the subsequent years.

2009	2008	2007	2006	2005	2004	2003
\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576
62,675	62,224	65,428	56,032	54,361	50,460	46,307
12,036	11,283	10,437	8,885	7,696	6,651	4,815
<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>
<u>803,415</u>	<u>844,182</u>	<u>765,825</u>	<u>746,255</u>	<u>754,260</u>	<u>673,107</u>	<u>559,713</u>
312,377	372,423	323,245	346,417	373,880	318,558	221,193
80,363	81,359	73,401	69,685	68,053	62,978	53,119
32,725	31,483	28,523	25,064	21,195	19,260	18,643
3,688	3,853	2,909	2,771	2,569	1,954	1,529
13,015	11,067	10,428	9,726	8,069	5,730	3,118
162	624	-	-	-	6,003	-
110,068	98,312	92,282	86,433	85,570	79,768	70,747
29,361	29,245	29,979	27,234	20,897	20,011	17,918
37,634	37,898	34,716	28,936	27,022	26,400	24,222
15,142	13,533	12,908	12,895	11,461	10,071	9,665
27,301	25,148	24,130	23,658	20,187	18,058	17,319
1,687	1,054	1,056	1,062	871	816	786
5,316	5,064	4,079	3,519	3,349	3,240	2,821
<u>1,910</u>	<u>1,914</u>	<u>1,915</u>	<u>1,907</u>	<u>1,911</u>	<u>1,925</u>	<u>1,927</u>
<u>670,749</u>	<u>712,977</u>	<u>639,571</u>	<u>639,307</u>	<u>645,034</u>	<u>574,772</u>	<u>443,007</u>
132,666	131,205	126,254	106,948	109,226	98,335	116,706
10,649	16,683	23,228	22,724	9,239	9,354	10,611
2,263	2,189	3,325	1,853	2,840	2,077	2,295
3,971	3,971	3,970	3,970	3,970	14,006	-
<u>(77,048)</u>	<u>(74,167)</u>	<u>(71,764)</u>	<u>(73,721)</u>	<u>(68,551)</u>	<u>(71,005)</u>	<u>(74,595)</u>
<u>(60,165)</u>	<u>(51,324)</u>	<u>(41,241)</u>	<u>(45,174)</u>	<u>(52,502)</u>	<u>(45,568)</u>	<u>(61,689)</u>
72,501	79,881	85,013	61,774	56,724	52,767	55,017
11,579	18,734	24,362	25,293	14,607	13,955	10,348
<u>(45,900)</u>	<u>(45,952)</u>	<u>(45,700)</u>	<u>(47,800)</u>	<u>(34,034)</u>	<u>(31,660)</u>	<u>(32,991)</u>
38,180	52,663	63,675	39,267	37,297	35,062	32,374
<u>918,105</u>	<u>865,442</u>	<u>801,767</u>	<u>762,500</u>	<u>725,203</u>	<u>690,141</u>	<u>657,767</u>
<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>	<u>\$ 725,203</u>	<u>\$ 690,141</u>

- (8) Since 2008, interest rates have been lower due to the market downturn. However, interest income increased slightly in 2012 as a result of the inclusion of gains earned on investments sold prior to maturity along with increased investment valuation adjustments resulting from continued market volatility. Higher cash reserves positively impacted earnings in 2006 and 2007.
- (9) Proceeds from the sale of the steam units at the Indian River Plant were internally designated and the gain was deferred in accordance with GASB Statement No. 62 as it is applied to regulated operations. A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for Stanton Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with original gain on sale amount.
- (10) In 2013 and 2012, OUC's Bond interest and related expenses were lower than that of the prior year as result of favorable refunding bond activity. Additionally, interest expense declined due to a decrease in outstanding bonds as a result of maturities that were paid on since 2010. Lower interest rate swap costs and various series refunding activities decreased interest and other expenses in 2011 by \$6.5 million. In 2010, Interest and other expenses increased 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) In 2008 through 2013, the dividend originally based on 60% of Income before contributions was fixed. 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. Prior to 2005, 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.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2013	2012	2011	2010
Cash flows from operating activities				
Cash received from customers	\$ 808,235	\$ 846,553	\$ 903,066	\$ 899,241
Cash paid for fuel and purchased power	(318,861)	(318,394)	(327,267)	(328,583)
Cash paid for unit/department expenses excluding salaries and benefits	(60,574)	(82,410)	(86,131)	(61,220)
Cash paid for salaries and benefits	(137,864)	(137,749)	(138,637)	(136,480)
Cash received from storm recovery expenses (1)	-	-	-	-
Cash paid to other governments and taxes	(54,317)	(54,968)	(54,999)	(54,429)
Net cash provided by operating activities	<u>236,619</u>	<u>253,032</u>	<u>296,032</u>	<u>318,529</u>
Cash flows from non-capital related financing activities				
Dividend payment	(47,000)	(47,161)	(47,976)	(45,596)
Build America Bond interest received	1,982	3,973	3,963	2,675
Net cash used in non-capital related financing activities	<u>(45,018)</u>	<u>(43,188)</u>	<u>(44,013)</u>	<u>(42,921)</u>
Cash flows from capital related financing activities				
Debt interest payments/collateral deposits	(68,942)	(73,766)	(89,517)	(97,153)
Principal payments on long-term debt	(358,766)	(250,890)	(231,095)	(366,000)
Debt issuances	308,305	163,913	178,834	541,050
Debt issuances expenses	(2,896)	(1,502)	(2,894)	(5,086)
Advance pension payments (2)	-	-	-	-
Collateral deposits	11,100	(2,400)	16,400	(6,600)
Utility plant, net of contributions and sale of plant proceeds (3)	(149,974)	(122,737)	(103,432)	(141,230)
Net cash used in capital related financing activities	<u>(261,173)</u>	<u>(287,382)</u>	<u>(231,704)</u>	<u>(75,019)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investment securities	398,949	718,924	1,005,222	700,558
Proceeds from gain on sale of investments	421	648	2,064	3,314
Purchases of investment securities	(487,028)	(591,305)	(1,009,564)	(864,933)
Investments and other income received	10,904	8,815	12,170	11,927
Net cash (used in)/provided by investing activities	<u>(76,754)</u>	<u>137,082</u>	<u>9,892</u>	<u>(149,134)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(146,326)</u>	<u>59,544</u>	<u>30,207</u>	<u>51,455</u>
Cash and cash equivalents - beginning of year	<u>296,871</u>	<u>237,327</u>	<u>207,120</u>	<u>155,665</u>
Cash and cash equivalents - end of year	<u>\$ 150,545</u>	<u>\$ 296,871</u>	<u>\$ 237,327</u>	<u>\$ 207,120</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 116,795	\$ 118,670	\$ 135,824	\$ 134,301
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	118,964	120,699	119,361	117,105
Depreciation and amortization charged to fuel for generation and purchased power	2,017	3,360	4,472	3,985
Depreciation of vehicles and equipment charged to unit/department expenses	3,960	3,679	4,892	10,425
Changes in assets and liabilities				
(Increase)/decrease in receivables and accrued revenue	(2,544)	1,059	10,245	(3,179)
(Increase)/decrease in fuel and materials and supplies inventories	(6,261)	3,473	4,271	2,733
Increase/(decrease) in accounts payable	11,108	(395)	557	19,602
Increase/(decrease) in deposits payable and other liabilities	2,062	6,097	(5,811)	(11,599)
(Decrease)/increase in stabilization and other credits	(9,482)	(3,610)	22,221	45,156
Net cash provided by operating activities	<u>\$ 236,619</u>	<u>\$ 253,032</u>	<u>\$ 296,032</u>	<u>\$ 318,529</u>
Reconciliation of cash and cash equivalents				
Restricted and internally designated equivalents	\$ 61,919	\$ 176,950	\$ 144,401	\$ 89,181
Cash and investments	5,758	5,137	3,960	1,261
Construction and related funds	-	32,077	7,637	35,182
Debt service and related funds	82,868	82,707	81,329	81,496
Cash and cash equivalents - end of the year	<u>\$ 150,545</u>	<u>\$ 296,871</u>	<u>\$ 237,327</u>	<u>\$ 207,120</u>

(1) 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).

(2) In 2004, OUC advance funded \$54.6 million to the pension trust.

(3) In 2013, OUC funded Information Technology projects of \$28.5 million, which included several customer focused web initiatives. Additionally, the Advanced Meter Infrastructure project was initiated with current year spending of \$23.8 million. In 2008 and 2009, OUC constructed the Stanton Unit B (SEC B) generation plant.

2009	2008	2007	2006	2005	2004	2003
\$ 827,231 (347,691)	\$ 839,152 (378,343)	\$ 763,456 (326,874)	\$ 819,265 (374,365)	\$ 710,245 (364,435)	\$ 631,648 (313,039)	\$ 555,745 (214,226)
(75,027) (115,283)	(74,058) (113,564)	(95,116) (63,880)	(129,066) (56,081)	(76,834) (54,437)	(75,041) (48,499)	(79,841) (43,635)
- (50,993)	(624) (46,923)	- (45,400)	530 (41,714)	16,482 (37,404)	(22,485) (33,862)	- (32,468)
<u>238,237</u>	<u>225,640</u>	<u>232,186</u>	<u>218,569</u>	<u>193,617</u>	<u>138,722</u>	<u>185,575</u>
(45,900)	(45,952)	(45,700)	(49,135)	(32,700)	(35,495)	(29,156)
<u>(45,900)</u>	<u>(45,952)</u>	<u>(45,700)</u>	<u>(49,135)</u>	<u>(32,700)</u>	<u>(35,495)</u>	<u>(29,156)</u>
(78,236) (362,945)	(81,091) (44,440)	(74,448) (289,337)	(70,443) (75,898)	(66,742) (35,575)	(66,084) (261,980)	(71,647) (459,569)
419,875 (3,955)	200,000 (1,623)	260,620 (2,429)	160,525 (857)	- (640)	288,735 (543)	472,697 (4,261)
- (237,983)	- (302,678)	- (191,427)	- (93,236)	- (91,956)	(54,600) (100,723)	- (119,300)
<u>(263,244)</u>	<u>(229,832)</u>	<u>(297,021)</u>	<u>(79,909)</u>	<u>(194,913)</u>	<u>(195,195)</u>	<u>(182,080)</u>
598,096 2,230	594,525 7,791	592,967 -	621,734 -	232,197 -	544,702 12,950	584,420 1,418
(497,435) 13,921	(634,030) 22,507	(538,523) 33,219	(673,304) 19,399	(203,529) 14,590	(548,278) 18,027	(610,284) 17,982
<u>116,812</u>	<u>(9,207)</u>	<u>87,663</u>	<u>(32,171)</u>	<u>43,258</u>	<u>27,401</u>	<u>(6,464)</u>
45,905 109,760	(59,351) 169,111	(22,872) 191,983	57,354 134,629	9,262 125,367	(64,567) 189,934	(32,125) 220,979
<u>\$ 155,665</u>	<u>\$ 109,760</u>	<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>
\$ 132,666	\$ 131,205	\$ 126,254	\$ 106,948	\$ 109,226	\$ 98,335	\$ 116,706
110,068	98,312	92,282	86,433	85,570	79,768	70,747
4,051	3,498	3,471	3,367	1,833	2,258	2,083
6,126	3,233	2,538	1,671	1,604	1,573	3,140
(1,267) (7,407)	8,166 12,744	(24,617) (6,956)	15,189 (31,101)	(27,407) (11,244)	(6,062) 1,169	3,103 2,599
(20,786) (14,322)	24,112 (12,986)	8,905 13,334	(15,794) (5,077)	25,954 24,755	17,342 (20,910)	1,942 (2,977)
29,108	(42,644)	16,975	56,933	(16,674)	(34,751)	(11,768)
<u>\$ 238,237</u>	<u>\$ 225,640</u>	<u>\$ 232,186</u>	<u>\$ 218,569</u>	<u>\$ 193,617</u>	<u>\$ 138,722</u>	<u>\$ 185,575</u>
\$ 88,474 4,362	\$ 42,206 2,472	\$ 87,049 9,907	\$ 105,521 17,600	\$ 64,552 25,855	\$ 91,219 25,695	\$ 124,523 29,061
33,042 29,787	40,057 25,025	1,048 71,107	20,440 48,422	11,945 32,277	7,030 1,423	19,759 15,511
<u>\$ 155,665</u>	<u>\$ 109,760</u>	<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2013	2012	2011	2010
Current ratio				
Current assets/current liabilities	3.36	3.65	3.12	3.21
Days cash on hand	350	353	354	276
Leverage ratio				
Total debt/total assets	0.48	0.50	0.52	0.54
Return on total position				
Income before contributions/total assets (1)	2.27%	2.20%	2.31%	2.05%
Return on net position				
Income before contributions/average net position (1)(2)	6.81%	6.92%	7.69%	7.14%
Debt/net position (3)	58%/42%	60%/40%	62%/38%	64%/36%
Total revenue based payments and dividend to the City of Orlando	\$76,406	\$76,785	\$76,785	\$74,400
As a percentage of retail revenue	11.33%	10.97%	10.47%	10.24%
Retail receivables/retail billed revenue (4)	6.56%	6.96%	7.00%	8.24%
Bad debt expense/retail billed revenue (OUC) (5)	0.42%	0.54%	0.68%	0.97%
Bad debt expense/retail revenue (Interlocal sales) (5)	0.43%	0.67%	0.66%	0.70%
Day sales uncollected (OUC)	26	28	27	30
Day sales uncollected (Interlocal sales) (6)	35	28	32	32
Materials inventory as a percentage of total plant	1.75%	1.75%	1.60%	1.64%
Total metered services per meter reader (OUC) (7)	15,827	15,156	12,174	11,696

(1) In 2010, the return changed as a result of the issuance of the Series 2010A Construction Bonds of \$200.0 million. The change in 2007 and 2008 was driven by increased revenue as a result of a rate modification in January 2007 that included a reserve for future capital spending.

(2) The decrease in Return on net position is due to lower electric revenue as a result of an approved electric energy rate decrease beginning October 1, 2012 and decreased consumption since 2012.

(3) The Debt/net position ratio decreased as a result of utilizing operating cash to fund capital projects, continued Net position growth and the maturity of \$210.9 million of Long-term debt since 2011.

(4) The decline in percentage since 2010 was due to lower retail receivables as a result of mild weather. In 2007, the increase was due to delayed collection efforts as a result of staffing resources dedicated to the PSERM implementation.

(5) 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 beginning in 2008. In 2012, Bad debt expense began to return to historic levels.

(6) During 2013, the St. Cloud electric customers were transitioned into OUC's PSERM system. This transition resulted in the delay of St. Cloud cut-offs during September 2013 and the increase in day sales uncollected.

(7) The change in 2012 resulted from a decrease in the number of meter readers as a result of the implementation of mobile data and the installation of Advanced Meter Infrastructure. The AMI project is expected to be fully implemented by December 2014 and the collection of the meter reading data will be fully automated.

2009	2008	2007	2006	2005	2004	2003
3.20	2.90	3.66	4.13	3.33	3.54	2.71
243	230	282	333	296	353	475
0.53	0.53	0.52	0.55	0.55	0.56	0.56
2.29%	2.62%	3.05%	2.28%	2.23%	2.07%	2.21%
7.74%	8.96	10.20%	7.90%	7.63%	7.46%	8.16%
63%/37%	63%/37%	62%/38%	64%/36%	64%/36%	66%/34%	65%/35%
\$73,201	\$71,099	\$69,829	\$71,458	\$54,221	\$49,718	\$50,310
10.72%	11.45%	11.58%	12.01%	10.69%	10.94%	12.20%
8.92%	8.59%	10.51%	7.64%	6.36%	8.22%	9.03%
0.90%	0.88%	0.73%	0.41%	0.41%	0.43%	0.43%
1.22%	0.62%	0.45%	0.35%	0.37%	0.23%	0.33%
33	31	30	29	24	31	34
33	32	35	28	30	27	24
1.61%	1.76%	1.86%	1.86%	1.77%	1.67%	1.57%
12,949	12,527	11,211	11,647	11,034	9,941	10,018



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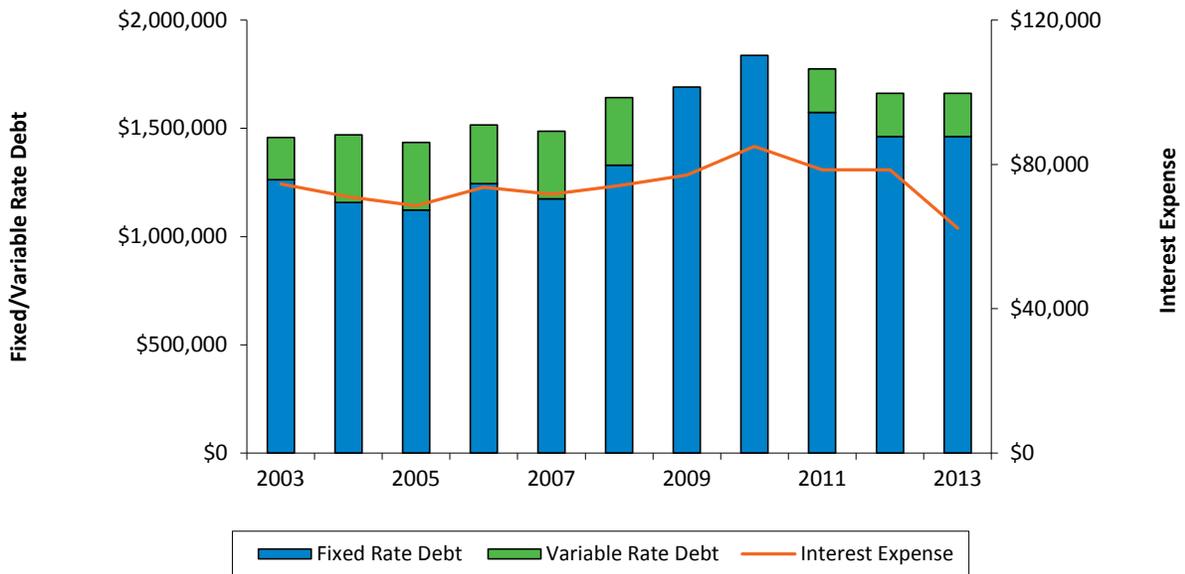


Debt Service Information

We've made it even easier for customers to pay their bills closer to where they live, work and shop – thanks to 500+ new third-party payment locations where payments are credited immediately.

DEBT SERVICE INFORMATION

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



Total interest costs have declined through scheduled maturities and a series of debt refundings since 2011.

DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2013	2012	2011	2010
Gross revenue and income before contributions				
Operating revenues				
Electric operating revenue	\$ 718,583	\$ 747,605	\$ 769,776	\$ 759,754
Water operating revenue	62,811	63,454	64,142	62,619
Lighting operating revenue	12,607	12,449	12,316	12,155
Chilled water operating revenue	31,357	30,875	29,775	29,286
Total operating revenue	<u>825,358</u>	<u>854,383</u>	<u>876,009</u>	<u>863,814</u>
Interest and other income	19,191	23,219	20,656	20,350
Gross revenue and income before contributions	<u>844,549</u>	<u>877,602</u>	<u>896,665</u>	<u>884,164</u>
Expenses				
Operating expenses				
Electric operating expenses	500,385	519,944	521,083	515,960
Water operating expenses	33,658	37,642	40,644	36,590
Lighting operating expenses	3,795	3,593	4,753	5,108
Chilled water operating expenses	15,807	15,811	16,390	16,348
Total operating expenses	<u>553,645</u>	<u>576,990</u>	<u>582,870</u>	<u>574,006</u>
Other expenses (1)	1,134	494	1,277	1,088
Total expenses	<u>554,779</u>	<u>577,484</u>	<u>584,147</u>	<u>575,094</u>
Net revenue and income available for debt service	<u>\$ 289,770</u>	<u>\$ 300,118</u>	<u>\$ 312,518</u>	<u>\$ 309,070</u>
Current debt service (2)	\$ 119,698	\$ 122,205	\$ 128,102	\$ 134,877
Current debt service coverage (2)	2.42x	2.46x	2.44x	2.29x
Adjusted debt service coverage				
Net revenue and income available for debt service	\$ 289,770	\$ 300,118	\$ 312,518	\$ 309,070
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	77,803	78,261	78,246	76,221
Net revenue and income available after payments	<u>\$ 211,967</u>	<u>\$ 221,857</u>	<u>\$ 234,272</u>	<u>\$ 232,849</u>
Adjusted debt service coverage	1.77x	1.82x	1.83x	1.73x
Fixed or full charge coverage				
Net revenue and income available after payments	\$ 245,356	\$ 221,857	\$ 234,272	\$ 232,849
Fixed demand payments/purchased power	33,389	34,120	33,415	32,483
Net revenue and income available after payments and fixed charge coverage	<u>\$ 278,745</u>	<u>\$ 255,977</u>	<u>\$ 267,687</u>	<u>\$ 265,322</u>
Fixed and full charge coverage	1.60x	1.64x	1.66x	1.59x
Debt ratio				
Gross funded debt/Net fixed assets & net working capital	60.38%	63.12%	63.63%	63.20%
Net funded debt/Net fixed assets & net working capital	62.44%	63.57%	63.31%	62.67%
Operating ratio				
Total expenses/Total operating revenues	67.22%	67.59%	66.68%	66.79%
Net take-down (%)				
Net revenue and income available for debt service/ Gross revenue and income before contributions	34.31%	34.20%	34.85%	34.75%
Debt service safety margin				
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	20.14%	20.27%	20.57%	19.50%

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

(2) The Series 2011A Bonds, classified as Current liabilities - payable from current assets, were included as Long-term debt as it is OUC's intention to hold the series until its final maturity date on October 1, 2023.

2009	2008	2007	2006	2005	2004	2003
\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576
62,675	62,224	65,428	56,032	54,361	50,460	46,307
12,036	11,283	10,437	8,885	7,696	6,651	4,815
<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>
803,415	844,182	765,825	746,255	754,260	673,107	559,713
18,430	23,099	30,979	28,547	16,049	25,436	8,265
<u>821,845</u>	<u>867,281</u>	<u>796,804</u>	<u>774,802</u>	<u>770,309</u>	<u>698,543</u>	<u>567,978</u>
470,404	529,843	467,375	475,802	492,794	435,619	323,671
33,320	32,967	31,687	29,804	26,769	24,513	22,059
5,147	5,101	5,081	4,175	3,784	3,177	2,412
<u>14,713</u>	<u>12,220</u>	<u>10,269</u>	<u>11,065</u>	<u>9,225</u>	<u>6,898</u>	<u>3,984</u>
523,584	580,131	514,412	520,846	532,572	470,207	352,126
1,220	887	705	658	597	994	581
<u>524,804</u>	<u>581,018</u>	<u>515,117</u>	<u>521,504</u>	<u>533,169</u>	<u>471,201</u>	<u>352,707</u>
<u>\$ 297,041</u>	<u>\$ 286,263</u>	<u>\$ 281,687</u>	<u>\$ 253,298</u>	<u>\$ 237,140</u>	<u>\$ 227,342</u>	<u>\$ 215,271</u>
\$ 122,469	\$ 116,220	\$ 115,151	\$ 113,022	\$ 105,134	\$ 101,327	\$ 101,028
2.43x	2.46x	2.45x	2.24x	2.26x	2.24x	2.13x
\$ 297,041	\$ 286,263	\$ 281,687	\$ 253,298	\$ 237,140	\$ 227,342	\$ 215,271
74,887	72,154	70,886	72,520	55,161	50,534	51,096
<u>\$ 222,154</u>	<u>\$ 214,109</u>	<u>\$ 210,801</u>	<u>\$ 180,778</u>	<u>\$ 181,979</u>	<u>\$ 176,808</u>	<u>\$ 164,175</u>
1.81x	1.84x	1.83x	1.60x	1.73x	1.74x	1.63x
\$ 222,154	\$ 214,109	\$ 210,801	\$ 180,778	\$ 181,979	\$ 176,808	\$ 164,175
32,833	30,261	33,608	30,061	47,388	57,843	35,493
<u>\$ 254,987</u>	<u>\$ 244,370</u>	<u>\$ 244,409</u>	<u>\$ 210,839</u>	<u>\$ 229,367</u>	<u>\$ 234,651</u>	<u>\$ 199,668</u>
1.64x	1.67x	1.64x	1.47x	1.50x	1.47x	1.46x
61.86%	62.92%	61.73%	66.87%	67.18%	71.31%	59.70%
61.12%	61.85%	60.58%	65.04%	64.98%	68.90%	56.31%
65.53%	68.95%	67.26%	69.88%	70.69%	70.00%	63.02%
35.94%	32.89%	35.35%	32.69%	30.79%	32.55%	37.90%
21.04%	19.48%	20.90%	18.10%	17.14%	18.04%	20.11%

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2003T principal payments	Series 2003T interest payments	Series 2006 principal payments	Series 2006 interest payments	Series 2007 principal payments	Series 2007 interest payments
2014	\$ 4,095	\$ 1,177	\$ 1,800	\$ 6,052	\$ 21,410	\$ 1,938
2015	4,300	973	1,870	5,979	22,615	868
2016	4,515	756	11,785	5,886	13,400	323
2017	4,755	517	17,540	5,322	-	-
2018	5,010	265	35,840	4,444	-	-
2019	-	-	15,910	2,652	-	-
2020	-	-	16,705	1,857	-	-
2021	-	-	15,905	1,063	-	-
2022	-	-	3,005	308	-	-
2023	-	-	3,155	158	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Subtotal long-term debt	22,675	3,688	123,515	33,721	57,425	3,129
Current portion (3)	3,905	1,367	-	6,051	20,570	3,094
Federal Interest subsidy	-	-	-	-	-	-
Total long-term debt	<u>\$ 26,580</u>	<u>\$ 5,055</u>	<u>\$ 123,515</u>	<u>\$ 39,772</u>	<u>\$ 77,995</u>	<u>\$ 6,223</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 2008 variable rate demand obligation Bonds of \$200.0 million, are supported by a Stand By Bond Purchase Agreement (SBPA), which will expire on April 7, 2014. It is OUC's intention to either extend the current agreement, enter into a new agreement with a different liquidity provider or refund the debt and issue in a different mode.
- (3) The amounts presented here are the interest payments due April 2013 and October 2013, and the principal maturities due October 2013.

2007 swap interest payments	Series 2008 principal payments (2)	Series 2008 interest payments	Series 2009A principal payments	Series 2009A interest payments	Series 2009B principal payments	Series 2009B interest payments	Series 2009C principal payments	Series 2009C interest payments
\$ 446	\$ -	\$ 400	\$ -	\$ 5,250	\$ -	\$ 5,706	\$ 16,880	\$ 3,414
445	-	600	-	5,250	-	5,707	17,560	2,600
168	-	1,000	-	5,250	-	5,706	18,190	1,763
-	-	2,200	-	5,250	-	5,706	19,040	877
-	-	2,200	-	5,250	-	5,706	-	-
-	-	2,200	-	5,250	-	5,707	-	-
-	-	2,200	-	5,250	-	5,706	-	-
-	-	2,200	-	5,250	-	5,706	-	-
-	-	2,200	-	5,250	-	5,706	-	-
-	-	2,200	-	5,250	20,000	5,707	-	-
-	-	2,200	-	5,250	-	4,706	-	-
-	-	2,200	-	5,250	-	4,707	-	-
-	25,000	2,200	-	5,250	-	4,706	-	-
-	25,000	1,925	-	5,250	-	4,706	-	-
-	25,000	1,650	-	5,250	13,840	4,707	-	-
-	25,000	1,375	-	5,250	14,530	4,014	-	-
-	25,000	1,100	-	5,250	15,255	3,288	-	-
-	25,000	825	-	5,250	16,020	2,525	-	-
-	25,000	550	-	5,250	16,820	1,724	-	-
-	25,000	275	-	5,250	17,660	883	-	-
-	-	-	14,610	5,250	-	-	-	-
-	-	-	15,375	4,483	-	-	-	-
-	-	-	16,185	3,676	-	-	-	-
-	-	-	17,035	2,826	-	-	-	-
-	-	-	17,925	1,932	-	-	-	-
-	-	-	18,870	990	-	-	-	-
-	-	-	-	-	-	-	-	-
1,059	200,000	31,700	100,000	124,157	114,125	93,029	71,670	8,654
319	-	230	-	5,250	-	5,706	16,235	4,196
-	-	-	-	-	-	-	-	-
<u>\$ 1,378</u>	<u>\$ 200,000</u>	<u>\$ 31,930</u>	<u>\$ 100,000</u>	<u>\$ 129,407</u>	<u>\$ 114,125</u>	<u>\$ 98,735</u>	<u>\$ 87,905</u>	<u>\$ 12,850</u>

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2010A principal payments	Series 2010A interest payments (2)	Series 2010C principal payments	Series 2010C interest payments
2014	\$ -	\$ 11,324	\$ 7,075	\$ 3,742
2015	-	11,324	7,415	3,405
2016	-	11,324	7,745	3,069
2017	-	11,324	8,095	2,721
2018	-	11,324	8,480	2,337
2019	-	11,324	8,895	1,923
2020	-	11,324	9,320	1,498
2021	-	11,324	9,765	1,052
2022	-	11,324	10,275	539
2023	-	11,324	-	-
2024	-	11,324	-	-
2025	-	11,324	-	-
2026	-	11,324	-	-
2027	-	11,324	-	-
2028	-	11,324	-	-
2029	-	11,324	-	-
2030	-	11,324	-	-
2031	-	11,324	-	-
2032	-	11,324	-	-
2033	-	11,324	-	-
2034	23,030	11,324	-	-
2035	23,880	10,020	-	-
2036	24,755	8,668	-	-
2037	25,665	7,267	-	-
2038	26,615	5,813	-	-
2039	27,590	4,306	-	-
2040	48,465	2,744	-	-
Subtotal long-term debt	200,000	276,622	77,065	20,286
Current portion (5)	-	7,532	6,740	4,077
Federal Interest subsidy (2)	-	(96,531)	-	-
Total long-term debt	<u>\$ 200,000</u>	<u>\$ 187,623</u>	<u>\$ 83,805</u>	<u>\$ 24,363</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 total annual interest payments for the Series 2010A Bonds have been presented excluding the federal subsidy through maturity. A reduction to reflect the impact of the 35% federal interest subsidy has been reported separately.

(3) The Series 2011A Bonds have been designated by OUC as "Designated Maturity Obligations" for the purposes of the General Bond Resolution. For the purposes of this table, OUC has assumed that the Series 2011A Bonds will bear interest at a fixed swap rate of 3.78% under the interest rate exchange agreement with the swap counterparty until maturity on October 1, 2027. Additionally as these bonds were issued in the windows mode without an underlying liquidity facility, they were classified on the Statements of Net Position as a Current liability - payable from current assets.

(4) The 2005 forward swap, currently hedging the Series 2011A Bonds, represents the difference between the \$100.0 million notional amount of the swap and the lower outstanding principal of the Series 2011A Bonds.

(5) The amounts presented here are the interest payments due April 2013 and October 2013, net of current year Federal Interest Subsidy of \$3.8 million and the principal maturities due October 2013.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

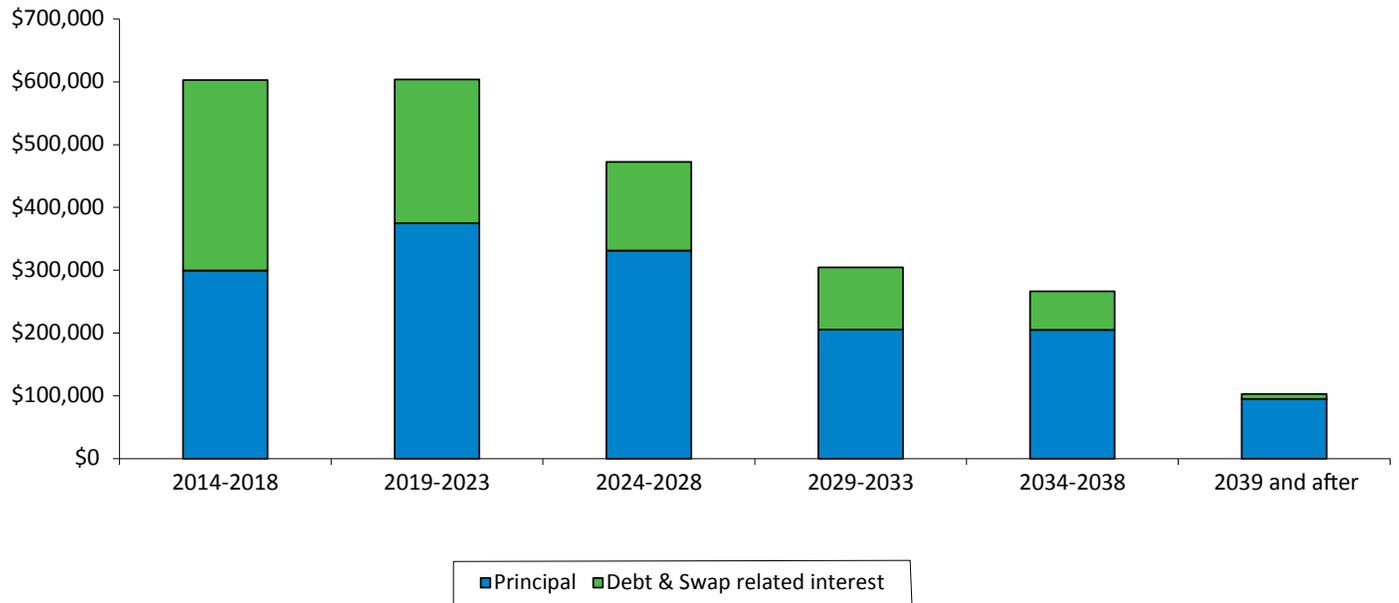
Years ending 9/30 (1)	Series 2012A principal payments	Series 2012A interest payments	Series 2013A principal payment	Series 2013A interest payment	Total principal	Total interest	Total swap interest
2014	\$ -	\$ 2,560	\$ 2,050	\$ 11,654	\$ 53,310	\$ 61,011	\$ 3,916
2015	-	2,560	2,120	11,592	55,880	58,753	3,815
2016	1,265	2,559	2,290	11,507	60,765	57,127	3,448
2017	2,155	2,522	2,500	11,416	59,510	56,393	2,680
2018	2,235	2,435	5,370	11,316	70,260	53,566	2,680
2019	-	2,346	10,140	11,155	61,750	50,199	2,680
2020	-	2,346	21,290	10,648	75,415	47,178	2,680
2021	395	2,346	24,560	9,583	83,565	43,499	2,680
2022	410	2,330	35,610	8,355	81,790	39,460	2,680
2023	15,135	2,314	27,750	6,575	72,280	35,401	2,680
2024	15,155	1,557	51,980	5,187	69,275	31,785	2,680
2025	15,175	799	51,765	2,588	69,185	28,322	2,680
2026	495	41	-	-	77,035	24,863	2,680
2027	515	21	-	-	77,175	23,900	1,340
2028	-	-	-	-	38,840	22,931	-
2029	-	-	-	-	39,530	21,963	-
2030	-	-	-	-	40,255	20,962	-
2031	-	-	-	-	41,020	19,924	-
2032	-	-	-	-	41,820	18,848	-
2033	-	-	-	-	42,660	17,732	-
2034	-	-	-	-	37,640	16,574	-
2035	-	-	-	-	39,255	14,503	-
2036	-	-	-	-	40,940	12,344	-
2037	-	-	-	-	42,700	10,093	-
2038	-	-	-	-	44,540	7,745	-
2039	-	-	-	-	46,460	5,296	-
2040	-	-	-	-	48,465	2,744	-
Subtotal long-term debt	52,935	26,736	237,425	111,576	1,511,320	803,116	39,319
Current portion (2)	-	2,559	4,500	8,530	51,950	56,301	3,964
Federal Interest subsidy	-	-	-	-	-	(96,531)	-
Total long-term debt	<u>\$ 52,935</u>	<u>\$ 29,295</u>	<u>\$ 241,925</u>	<u>120,106</u>	<u>\$ 1,563,270</u>	<u>\$ 762,886</u>	<u>\$ 43,283</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 amounts presented here are the interest payments due April 2013 and October 2013, and the principal maturities due October 2013.

ESTIMATED DEBT SERVICE RECAP FOR OUTSTANDING BONDS

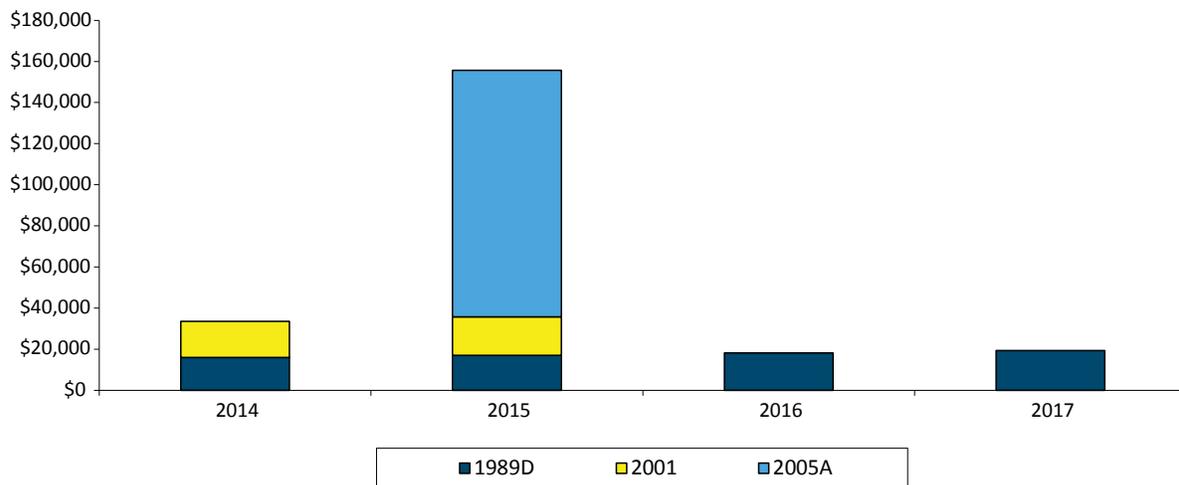
Estimated Debt Service Recap for Outstanding Bonds
(Dollars in thousands)



MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

Years ending 9/30	1989D (1)	2001 (1)	2005B (2)	Total
2014	\$ 15,890	\$ 17,645	\$ -	\$ 33,535
2015	16,965	18,710	120,000	155,675
2016	18,110	-	-	18,110
2017	19,330	-	-	19,330
Total defeased debt	<u>\$ 70,295</u>	<u>\$ 36,355</u>	<u>\$ 120,000</u>	<u>\$ 226,650</u>

Defeased Debt Maturity Schedule Recap (Dollars in thousands)



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

(2) Defeased by Series 2013A Utility System Revenue Refunding Bonds.

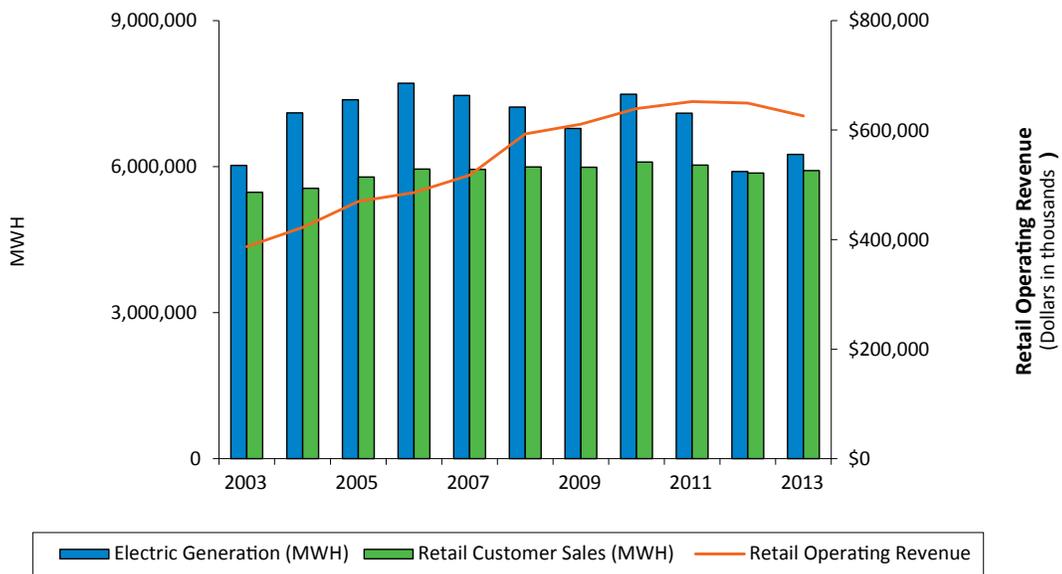


Electric Operations

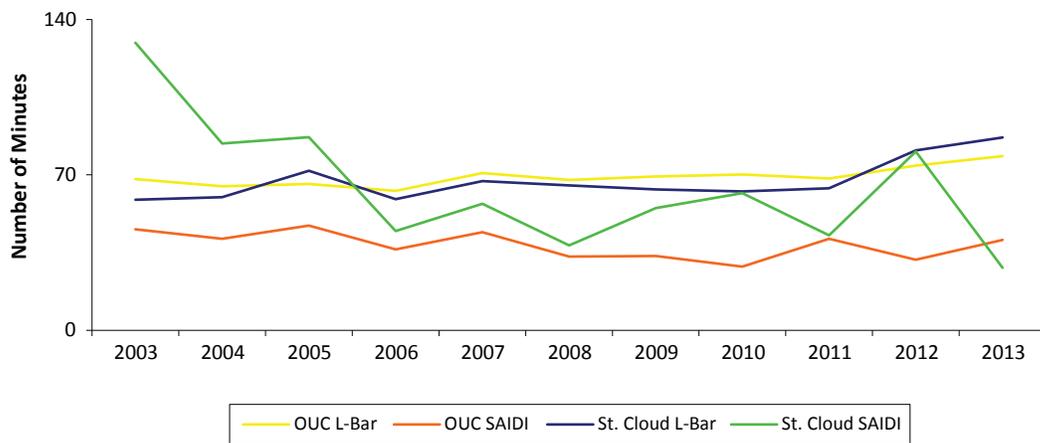
OUC stands behind our name “The *Reliable One*” having delivered the best electric reliability in the State of Florida for the past 15 years.

ELECTRIC BUSINESS OPERATIONS

Electric Generation, Retail Customer Sales and Retail Revenue



Distribution Reliability



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

Years Ended September 30	2013	2012	2011	2010
Operating revenues				
Residential	\$ 209,253	\$ 220,775	\$ 228,372	\$ 225,361
Commercial - non-demand	35,757	36,607	34,675	33,420
Commercial - demand-secondary	271,608	282,627	275,531	268,808
Commercial - demand-primary	38,837	39,209	38,509	34,171
Non-metered lighting	4,173	4,077	3,865	3,866
Interlocal sales	63,182	67,045	71,148	73,570
Service fees and other	24,350	24,152	24,382	23,810
Operating revenues (excluding wholesale sales) (1)	<u>647,160</u>	<u>674,492</u>	<u>676,482</u>	<u>663,006</u>
Wholesale sales (2)	<u>71,391</u>	<u>73,113</u>	<u>93,294</u>	<u>96,748</u>
Total operating revenues	<u>718,551</u>	<u>747,605</u>	<u>769,776</u>	<u>759,754</u>
Operation and maintenance expenses				
Fuel and fixed demand payments (3)	261,077	237,704	281,741	280,898
Purchased power and other power supply expenses	54,790	88,367	50,457	49,840
Production (3)	71,592	81,553	81,824	79,731
Transmission	13,735	13,353	13,684	12,484
Distribution - OUC	13,668	13,611	13,275	15,429
Distribution - St. Cloud	999	1,426	1,445	1,483
Storm recovery expenses (4)	-	-	-	-
Customer service	26,327	29,282	26,201	23,491
General & administrative (5)	<u>37,170</u>	<u>36,179</u>	<u>35,186</u>	<u>34,830</u>
Total operations and maintenance expenses	<u>479,358</u>	<u>501,475</u>	<u>503,813</u>	<u>498,186</u>
Other expenses				
Utility/property tax	14,735	15,413	16,406	16,464
Revenue based payments to the City of Orlando	26,820	26,922	26,191	26,217
Revenue based payments to Orange County	1,249	1,322	1,352	1,821
Revenue based payments to the City of St. Cloud	6,752	6,927	6,372	5,582
System use payments to the City of St. Cloud	1,920	1,915	1,915	1,911
Depreciation and amortization (6)	<u>91,005</u>	<u>96,817</u>	<u>94,590</u>	<u>91,416</u>
Total other expenses	<u>142,481</u>	<u>149,316</u>	<u>146,826</u>	<u>143,411</u>
Total operating expenses	<u>621,839</u>	<u>650,791</u>	<u>650,639</u>	<u>641,597</u>
Operating income	96,712	96,814	119,137	118,157
Non-operating income and expenses				
Interest income (7)	3,758	5,716	3,783	7,071
Other income, net	8,475	10,003	9,695	6,026
Amortization of deferred gain on sale of assets (8)	4,692	4,233	3,971	3,971
Bond interest and other related expenses (9)	<u>(48,942)</u>	<u>(54,568)</u>	<u>(60,995)</u>	<u>(66,060)</u>
Total non-operating expense, net	<u>(32,017)</u>	<u>(34,616)</u>	<u>(43,546)</u>	<u>(48,992)</u>
Electric income before contributions	64,695	62,198	75,591	69,165
Contributions in aid of construction (CIAC) (10)	399	(19)	3,383	7,447
Annual dividend	<u>(41,127)</u>	<u>(40,363)</u>	<u>(46,506)</u>	<u>(45,297)</u>
Increase to net position	<u>\$ 23,967</u>	<u>\$ 21,816</u>	<u>\$ 32,468</u>	<u>\$ 31,315</u>

- (1) In 2013, Operating revenues were lower due to a Board approved electric energy rate decrease beginning October 1, 2012 and the annualized impact of the fuel rate decrease approved March 2012.
- (2) In 2013 and 2012, Wholesale sales decreased as a result of lower demand on coal generation utilization. In 2010, OUC secured wholesale agreements with the City of Bartow and the City of Vero Beach.
- (3) In 2013, OUC completed a study that analyzed the classification of costs associated with material handling, procurement and movement of fuel. Based on this study and supporting FERC guidance \$4.1 million was reclassified from Production to Fuel and fixed demand payments. In late February 2010, operations at SECB commenced. As such, Production costs and Depreciation and amortization costs increased.
- (4) 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 \$5.6 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.
- (5) In 2007, OUC adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB) incurring actuarially-determined employee benefit costs in each of the subsequent years. In 2010, lower than projected investment returns and the inclusion of previously approved cost of living adjustments contributed to the increase.
- (6) In 2013, OUC implemented the results from a completed depreciation study lowering depreciation expense \$8.3 million this change was offset by 2013 capital additions.
- (7) The fluctuation in the interest income in 2012 was primarily due to gains earned on investments sold prior to maturity along with investment valuation adjustments.

2009	2008	2007	2006	2005	2004	2003
\$ 210,641	\$ 207,894	\$ 197,510	\$ 175,774	\$ 174,071	\$ 157,105	\$ 144,056
31,230	38,633	28,427	27,055	26,122	23,457	22,548
264,875	252,791	208,240	204,311	197,128	179,467	162,264
32,751	31,045	24,918	23,721	28,245	25,245	22,903
4,147	3,877	2,655	2,025	2,193	1,806	1,751
67,247	58,941	58,413	54,843	44,068	37,028	35,163
<u>23,887</u>	<u>24,610</u>	<u>21,856</u>	<u>17,779</u>	<u>19,789</u>	<u>18,572</u>	<u>10,348</u>
634,778	617,791	542,019	505,508	491,616	442,680	399,033
69,705	133,145	131,298	160,240	187,849	162,973	103,543
<u>704,483</u>	<u>750,936</u>	<u>673,317</u>	<u>665,748</u>	<u>679,465</u>	<u>605,653</u>	<u>502,576</u>
249,034	292,677	247,832	257,090	251,500	220,155	134,718
63,343	79,746	75,413	89,327	122,380	98,403	86,475
65,366	67,621	59,870	56,679	56,223	52,950	43,865
10,486	10,285	9,628	7,719	5,465	5,593	5,371
15,068	12,546	11,352	11,567	10,096	8,202	8,826
1,611	1,803	2,017	1,752	1,436	1,473	1,014
158	616	-	-	-	5,618	-
21,933	21,846	22,394	20,344	15,610	14,948	13,384
<u>28,871</u>	<u>28,971</u>	<u>26,670</u>	<u>21,534</u>	<u>20,151</u>	<u>20,151</u>	<u>18,527</u>
<u>455,870</u>	<u>516,111</u>	<u>455,176</u>	<u>466,012</u>	<u>482,861</u>	<u>427,493</u>	<u>312,180</u>
15,072	13,466	12,836	12,828	11,405	10,004	9,613
24,861	22,917	22,006	21,828	18,491	16,544	15,908
1,687	1,054	1,056	1,062	871	816	786
5,316	5,064	4,079	3,519	3,349	3,240	2,821
1,910	1,914	1,915	1,907	1,911	1,925	1,927
<u>82,296</u>	<u>73,316</u>	<u>69,879</u>	<u>67,145</u>	<u>66,375</u>	<u>63,801</u>	<u>57,060</u>
<u>131,142</u>	<u>117,731</u>	<u>111,771</u>	<u>108,289</u>	<u>102,402</u>	<u>96,330</u>	<u>88,115</u>
<u>587,012</u>	<u>633,842</u>	<u>566,947</u>	<u>574,301</u>	<u>585,263</u>	<u>523,823</u>	<u>400,295</u>
117,471	117,094	106,370	91,447	94,202	81,830	102,281
9,001	13,471	18,563	19,118	7,689	8,691	9,573
1,274	1,553	2,578	1,309	2,273	1,515	1,643
3,971	3,971	3,970	3,970	3,970	14,006	-
<u>(59,237)</u>	<u>(56,568)</u>	<u>(53,852)</u>	<u>(56,036)</u>	<u>(52,111)</u>	<u>(54,514)</u>	<u>(60,278)</u>
<u>(44,991)</u>	<u>(37,573)</u>	<u>(28,741)</u>	<u>(31,639)</u>	<u>(38,179)</u>	<u>(30,302)</u>	<u>(49,062)</u>
72,480	79,521	77,629	59,808	56,023	51,528	53,219
5,466	3,895	6,891	9,978	1,155	1,388	1,862
<u>(45,888)</u>	<u>(45,745)</u>	<u>(41,730)</u>	<u>(46,279)</u>	<u>(33,614)</u>	<u>(30,917)</u>	<u>(31,966)</u>
<u>\$ 32,058</u>	<u>\$ 37,671</u>	<u>\$ 42,790</u>	<u>\$ 23,507</u>	<u>\$ 23,564</u>	<u>\$ 21,999</u>	<u>\$ 23,115</u>

(8) Proceeds from the sale of the steam units at the Indian River Plant were internally designated and the gain was deferred in accordance with GASB Statement No. 62 as it is applied to regulated operations. A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for Stanton Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with the original gain on sale amount.

(9) In 2013 and 2012, OUC's Bond interest and related expenses were lower than that of the prior year as result of favorable refunding bond activity. Additionally, sinking fund interest declined due to a decrease in outstanding bonds as a result of maturities that were paid since 2010. In 2010, Interest and other expenses increased 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) In 2012, the decrease in CIAC was due to the writedown of deferred customer retention assets for expired customer agreements.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2013 2012 2011 2010

Profile of consumption & revenue by type of customer

Residential service (1)

KWH sales per customer	11,134	11,192	12,200	12,748
Revenue per customer	\$ 1,333	\$ 1,423	\$ 1,492	\$ 1,492
Revenue per KWH	\$ 0.1197	\$ 0.1271	\$ 0.1223	\$ 0.1170

Commercial service - non-demand (1)

KWH sales per customer	14,321	13,848	14,385	14,914
Revenue per customer	\$ 1,730	\$ 1,773	\$ 1,763	\$ 1,765
Revenue per KWH	\$ 0.1208	\$ 0.1280	\$ 0.1225	\$ 0.1184

Commercial service - demand secondary

KWH sales per customer	460,796	398,785	408,001	431,118
Revenue per customer	\$ 42,871	\$ 38,820	\$ 38,630	\$ 39,446
Revenue per KWH	\$ 0.0930	\$ 0.0973	\$ 0.0947	\$ 0.0915

Commercial service - demand primary

KWH sales per customer	18,396,222	18,563,256	19,726,810	17,605,182
Revenue per customer	\$ 1,726,091	\$ 1,823,657	\$ 1,833,759	\$ 1,553,206
Revenue per KWH	\$ 0.0938	\$ 0.0982	\$ 0.0930	\$ 0.0882

Non-Metered Lighting (2)

KWH sales per customer	1,741	4,478	4,464	4,426
Revenue per customer	\$ 122	\$ 307	\$ 293	\$ 293
Revenue per KWH	\$ 0.0703	\$ 0.0686	\$ 0.0656	\$ 0.0662

Interlocal service (3)

KWH sales per customer	17,574	18,085	18,925	19,450
Revenue per customer	\$ 2,062	\$ 2,237	\$ 2,414	\$ 2,543
Revenue per KWH	\$ 0.1173	\$ 0.1237	\$ 0.1276	\$ 0.1307

Selected financial expense statistics

Total fuel and purchased power expense per KWH	\$ 0.0450	\$ 0.0469	\$ 0.0435	\$ 0.0429
Total operations & maintenance expense (excluding fuel and purchased power) per KWH	0.0236	0.0252	0.0225	0.0217
Total operations & maintenance expense per KWH	<u>\$ 0.0686</u>	<u>\$ 0.0721</u>	<u>\$ 0.0660</u>	<u>\$ 0.0646</u>
Fuel, fixed demand, purchased power and other power supply expense per metered service	\$ 1,427	\$ 1,441	\$ 1,492	\$ 1,510
Production, Transmission and Distribution costs per metered service	452	486	495	498
Customer service expense per metered service	119	129	118	107
General & administrative expense per metered service	168	160	158	159
Total operations & maintenance expense per metered service	<u>\$ 2,166</u>	<u>\$ 2,216</u>	<u>\$ 2,263</u>	<u>\$ 2,274</u>

(1) In 2013 Revenue per customer was lower due to the Board approved electric energy rate reduction on October 1, 2012. In addition, there was a slight decrease in active services and consumption was increased from 2012.

(2) In 2013 a change was made in the methodology for reporting metered services, including unmetered lighting fixtures. This change increased the number of lighting services, resulting in a larger number of services. KWH sales per customer, Revenue per customer, and Revenue per KWH reflect the change in services and vary significantly from previous years. Information was not available to restate the prior years.

	2009	2008	2007	2006	2005	2004	2003
	12,143	12,052	12,301	12,908	13,058	12,767	13,109
\$	1,399	\$ 1,380	\$ 1,325	\$ 1,202	\$ 1,229	\$ 1,148	\$ 1,078
\$	0.1152	\$ 0.1145	\$ 0.1077	\$ 0.0931	\$ 0.0941	\$ 0.0899	\$ 0.0822
	14,401	18,681	16,712	16,793	16,344	16,041	16,771
\$	1,692	\$ 2,111	\$ 1,585	\$ 1,543	\$ 1,525	\$ 1,422	\$ 1,405
\$	0.1175	\$ 0.1130	\$ 0.0948	\$ 0.0919	\$ 0.0933	\$ 0.0887	\$ 0.0838
	478,909	509,412	517,637	529,420	523,001	518,285	526,880
\$	42,985	\$ 44,529	\$ 37,731	\$ 37,863	\$ 37,226	\$ 34,191	\$ 32,262
\$	0.0898	\$ 0.0874	\$ 0.0729	\$ 0.0715	\$ 0.0712	\$ 0.0660	\$ 0.0612
	15,949,125	14,795,132	16,681,917	19,476,600	20,963,179	20,921,838	20,209,368
\$	1,364,616	\$ 1,171,513	\$ 1,038,255	\$ 1,186,065	\$ 1,448,479	\$ 1,364,599	\$ 1,205,408
\$	0.0856	\$ 0.0792	\$ 0.0622	\$ 0.0609	\$ 0.0691	\$ 0.0652	\$ 0.0596
	4,429	4,344	4,567	4,695	4,464	4,100	3,774
\$	311	\$ 286	\$ 216	\$ 186	\$ 202	\$ 164	\$ 153
\$	0.0703	\$ 0.0659	\$ 0.0473	\$ 0.0396	\$ 0.0453	\$ 0.0400	\$ 0.0406
	19,420	19,146	19,602	19,920	20,212	19,576	19,968
\$	2,347	\$ 2,052	\$ 2,083	\$ 2,104	\$ 1,851	\$ 1,680	\$ 1,692
\$	0.1208	\$ 0.1072	\$ 0.1063	\$ 0.1056	\$ 0.0916	\$ 0.0858	\$ 0.0848
\$	0.0430	\$ 0.0478	\$ 0.0402	\$ 0.0414	\$ 0.0430	\$ 0.0373	\$ 0.0299
	0.0197	0.0183	0.0164	0.0143	0.0125	0.0121	0.0123
\$	<u>0.0627</u>	\$ <u>0.0661</u>	\$ <u>0.0566</u>	\$ <u>0.0557</u>	\$ <u>0.0555</u>	\$ <u>0.0494</u>	\$ <u>0.0422</u>
\$	1,438	\$ 1,717	\$ 1,518	\$ 1,680	\$ 1,882	\$ 1,662	\$ 1,183
	426	425	389	377	368	356	316
	101	101	105	99	79	78	72
	133	134	125	104	101	105	99
\$	<u>2,098</u>	\$ <u>2,377</u>	\$ <u>2,137</u>	\$ <u>2,260</u>	\$ <u>2,430</u>	\$ <u>2,201</u>	\$ <u>1,670</u>

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

SELECTED FINANCIAL RATIOS

Years ended September 30	2013	2012	2011	2010
Electric operating ratio				
Operation & maintenance expenses/total operating revenues (1)	\$ 0.67	\$ 0.67	\$ 0.65	\$ 0.66
Electric income before contributions per revenue dollar				
Electric income before contributions/total operating revenues (1)(2)(3)	\$ 0.09	\$ 0.08	\$ 0.10	\$ 0.09

ACTIVE SERVICES

OUC retail metered services

Residential	157,927	156,106	154,212	151,995
Commercial - non-demand	20,113	21,233	20,069	19,272
Commercial - demand - secondary	5,309	7,362	7,199	7,066
Commercial - demand - primary	23	22	21	21
Total OUC retail metered services	<u>183,372</u>	<u>184,723</u>	<u>181,501</u>	<u>178,354</u>
Interlocal services (4)	<u>31,052</u>	<u>30,222</u>	<u>29,715</u>	<u>29,229</u>
Total OUC retail metered services and inter-local	<u>214,424</u>	<u>214,945</u>	<u>211,216</u>	<u>207,583</u>

Unmetered lighting fixtures (5)

Conventional	40,354	13,168	13,089	13,050
Convenient	14,418	142	138	132
St. Cloud	60	-	-	-
Total unmetered lighting fixtures	<u>54,832</u>	<u>13,310</u>	<u>13,227</u>	<u>13,182</u>
Total OUC retail, unmetered lighting and interlocal services	<u>269,256</u>	<u>228,255</u>	<u>224,443</u>	<u>220,765</u>

CONSUMPTION (MWH)

OUC retail sales

Residential	1,748,182	1,736,537	1,867,879	1,925,770
Commercial - non-demand	296,058	285,967	282,958	282,375
Commercial - demand - secondary	2,919,375	2,903,352	2,910,069	2,937,853
Commercial - demand - primary	413,915	399,110	414,263	387,314
Total OUC retail sales	<u>5,377,530</u>	<u>5,324,966</u>	<u>5,475,169</u>	<u>5,533,312</u>

Nonmetered lighting sales

Conventional	30,486	30,521	29,965	29,750
Convenient	26,061	26,115	26,218	25,923
St. Cloud	2,783	2,777	2,763	2,762
Total nonmetered lighting sales	<u>59,330</u>	<u>59,413</u>	<u>58,946</u>	<u>58,435</u>

Interlocal sales (5)

	<u>538,413</u>	<u>541,987</u>	<u>557,743</u>	<u>562,777</u>
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Total retail sales	<u>5,975,273</u>	<u>5,926,366</u>	<u>6,091,858</u>	<u>6,154,524</u>
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Wholesale sales (6)

Wholesale sales (6)	1,036,486	1,032,099	1,536,840	1,608,248
Pre-Commercial Adjustment	-	-	-	(48,685)
Total electric sales	<u>7,011,759</u>	<u>6,958,465</u>	<u>7,628,698</u>	<u>7,714,087</u>

(1) In 2013 and 2012, mild weather accentuated by electric rate reductions drove the decrease in retail energy revenues. Operating expense savings were consistent with the revenue decreases.

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

(3) A rate modification was implemented in January 2007 that included a reserve for future capital spending. The reserve for capital spending was curtailed in 2009.

	2009	2008	2007	2006	2005	2004	2003
	\$ 0.65	\$ 0.69	\$ 0.68	\$ 0.70	\$ 0.71	\$ 0.70	\$ 0.62
	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.09	\$ 0.08	\$ 0.09	\$ 0.11
	150,123	151,025	150,254	147,978	144,547	138,642	135,116
	18,595	18,325	18,268	17,609	17,454	16,794	16,186
	6,563	5,761	5,593	5,445	5,347	5,244	5,254
	23	25	28	20	20	19	18
	<u>175,304</u>	<u>175,136</u>	<u>174,143</u>	<u>171,052</u>	<u>167,368</u>	<u>160,699</u>	<u>156,574</u>
	<u>28,640</u>	<u>28,667</u>	<u>28,785</u>	<u>27,294</u>	<u>24,826</u>	<u>22,793</u>	<u>21,286</u>
	<u>203,944</u>	<u>203,803</u>	<u>202,928</u>	<u>198,346</u>	<u>192,194</u>	<u>183,492</u>	<u>177,860</u>
	13,093	13,282	13,546	10,781	10,741	10,713	11,069
	133	132	129	121	118	116	112
	-	-	-	-	-	-	-
	<u>13,226</u>	<u>13,414</u>	<u>13,675</u>	<u>10,902</u>	<u>10,859</u>	<u>10,829</u>	<u>11,181</u>
	<u>217,170</u>	<u>217,217</u>	<u>216,603</u>	<u>209,248</u>	<u>203,053</u>	<u>194,321</u>	<u>189,041</u>
	1,828,354	1,815,446	1,834,301	1,887,949	1,848,946	1,747,518	1,751,982
	265,840	341,806	299,786	294,401	279,881	264,510	269,085
	2,951,040	2,891,934	2,856,841	2,856,749	2,769,553	2,720,477	2,649,945
	382,779	392,071	400,366	389,532	408,782	387,054	383,978
	<u>5,428,013</u>	<u>5,441,257</u>	<u>5,391,294</u>	<u>5,428,631</u>	<u>5,307,162</u>	<u>5,119,559</u>	<u>5,054,990</u>
	29,422	27,298	24,154	19,901	18,492	14,682	12,749
	26,814	28,742	29,195	28,607	27,243	27,782	27,798
	2,758	2,797	2,775	2,574	2,670	2,655	2,620
	<u>58,994</u>	<u>58,837</u>	<u>56,124</u>	<u>51,082</u>	<u>48,405</u>	<u>45,119</u>	<u>43,167</u>
	<u>556,461</u>	<u>550,001</u>	<u>549,634</u>	<u>519,117</u>	<u>481,243</u>	<u>431,444</u>	<u>414,855</u>
	<u>6,043,468</u>	<u>6,050,095</u>	<u>5,997,052</u>	<u>5,998,830</u>	<u>5,836,810</u>	<u>5,596,122</u>	<u>5,513,012</u>
	1,215,600	1,743,680	2,039,338	2,371,843	2,866,241	2,942,758	1,874,933
	-	-	-	-	-	-	-
	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>	<u>8,370,673</u>	<u>8,703,051</u>	<u>8,538,880</u>	<u>7,387,945</u>

(4) Inter-local service represents the customer base for the City of St. Cloud.

(5) In 2013 a change was made in the methodology for reporting unmetered lighting services. Previously, this was reported at the service level rather than in billed fixtures.

(6) Wholesale sales decreased in 2013 and 2012 as a result of economic dispatching impacts.

ELECTRIC GENERATION (MWH)

Years Ended September 30

	2013	2012	2011	2010
Stanton Energy Center (SEC)				
Generation - steam (1)	2,557,737	2,683,426	3,727,184	4,362,451
Generation - combined cycle (2)	<u>2,621,239</u>	<u>2,346,132</u>	<u>2,189,279</u>	<u>2,010,119</u>
Total generation	5,178,976	5,029,558	5,916,463	6,372,570
Plant use - less participants loss factor	210,679	205,302	282,013	300,351
Participants' reserve power	<u>12,616</u>	<u>10,394</u>	<u>4,103</u>	<u>1,890</u>
Delivered	<u>4,955,681</u>	<u>4,813,862</u>	<u>5,630,347</u>	<u>6,070,329</u>
Indian River Plant				
Generation - combustion turbines	6,186	12,947	17,814	31,389
Plant use - less participants loss factor	29	56	78	138
Participants' reserve power	<u>753</u>	<u>759</u>	<u>841</u>	<u>766</u>
Delivered	<u>5,404</u>	<u>12,132</u>	<u>16,895</u>	<u>30,485</u>
Crystal River Plant (3)				
Generation - nuclear	101,076	115,337	113,410	79,754
Plant use	-	-	-	-
Delivered	<u>101,076</u>	<u>115,337</u>	<u>113,410</u>	<u>79,754</u>
McIntosh Plant (4)				
Generation - steam	<u>494,897</u>	<u>439,888</u>	<u>678,916</u>	<u>620,000</u>
St. Lucie Plant				
Generation - nuclear	470,890	302,751	370,845	384,006
Plant use	<u>11,254</u>	<u>7,236</u>	<u>8,863</u>	<u>9,178</u>
Delivered	<u>459,636</u>	<u>295,515</u>	<u>361,982</u>	<u>374,828</u>
St. Cloud Plant (5)				
Generation - diesel	-	-	-	-
Plant use	-	-	-	-
Delivered	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Generation				
Steam	3,052,634	3,123,314	4,406,100	4,982,451
Combined cycle	2,621,239	2,346,132	2,189,279	2,010,119
Nuclear	571,966	418,088	484,255	463,760
Combustion turbines	6,186	12,947	17,814	31,389
Diesel	-	-	-	-
Total generation	6,252,025	5,900,481	7,097,448	7,487,719
Total plant use - less participants loss factor	221,962	212,594	290,954	309,667
Participants' reserve power	<u>13,369</u>	<u>11,153</u>	<u>4,944</u>	<u>2,656</u>
Total delivered	6,016,694	5,676,734	6,801,550	7,175,396
Inadvertent/wheeling retained	(530)	(98)	(118)	(15)
Purchases received	<u>1,250,574</u>	<u>1,426,791</u>	<u>1,003,127</u>	<u>833,210</u>
Available	7,266,738	7,103,427	7,804,559	8,008,591
Sales	<u>7,011,759</u>	<u>6,958,465</u>	<u>7,628,698</u>	<u>7,714,087</u>
Line losses	<u>254,978</u>	<u>144,962</u>	<u>175,861</u>	<u>294,504</u>
Line losses as a percentage of generation	4.08%	2.46%	2.48%	3.93%

(1) As with 2012, the SEC coal units were run at reduced loads in 2013 due to the result of low natural gas prices.

(2) In late February 2010, OUC commenced commercial operations at 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 2011. In February 2013, Duke Energy closed the Crystal River Unit 3 plant due to significant delamination within the core. Generation noted represents reliability exchange power received to meet load and contractual requirements and therefore does not include plant use.

(4) Since 2009, there have been several periods where the McIntosh plant was off-line. Planned outages in 2011 and 2009 and an unplanned outage in 2010 lowered generation in those respective years. In 2012 and 2013, lower natural gas prices impacted generation.

2009	2008	2007	2006	2005	2004	2003
4,429,154	4,454,325	4,708,038	5,000,919	4,471,764	4,605,225	4,527,532
<u>1,185,894</u>	<u>1,197,723</u>	<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>	<u>1,191,046</u>	-
5,615,048	5,652,048	5,950,688	6,234,178	5,797,972	5,796,271	4,527,532
277,943	271,331	282,180	298,490	270,912	278,325	263,547
<u>7,174</u>	<u>6,049</u>	<u>4,471</u>	<u>2,194</u>	<u>6,299</u>	<u>4,961</u>	<u>3,086</u>
<u>5,329,931</u>	<u>5,374,668</u>	<u>5,664,037</u>	<u>5,933,494</u>	<u>5,520,761</u>	<u>5,512,985</u>	<u>4,260,899</u>
14,735	25,222	17,701	20,285	12,811	6,379	34,382
68	111	71	82	66	24	129
<u>743</u>	<u>777</u>	<u>691</u>	<u>715</u>	<u>698</u>	<u>736</u>	<u>757</u>
<u>13,924</u>	<u>24,334</u>	<u>16,939</u>	<u>19,488</u>	<u>12,047</u>	<u>5,619</u>	<u>33,496</u>
120,008	103,783	123,034	98,972	122,627	111,246	125,531
<u>3,547</u>	<u>3,050</u>	<u>3,607</u>	<u>2,890</u>	<u>3,587</u>	<u>3,170</u>	<u>3,570</u>
<u>116,461</u>	<u>100,733</u>	<u>119,427</u>	<u>96,082</u>	<u>119,040</u>	<u>108,076</u>	<u>121,961</u>
656,636	1,059,302	965,401	989,279	1,027,428	787,131	938,216
378,376	383,095	402,666	368,876	412,983	401,427	399,999
<u>9,043</u>	<u>9,156</u>	<u>9,624</u>	<u>8,816</u>	<u>9,870</u>	<u>9,594</u>	<u>9,560</u>
<u>369,333</u>	<u>373,939</u>	<u>393,042</u>	<u>360,060</u>	<u>403,113</u>	<u>391,833</u>	<u>390,439</u>
-	-	236	108	184	390	1,750
-	190	521	538	430	528	459
-	(190)	(285)	(430)	(246)	(138)	1,291
5,085,790	5,513,627	5,673,439	5,990,198	5,499,192	5,392,356	5,465,748
1,185,894	1,197,723	1,242,650	1,233,259	1,326,208	1,191,046	-
498,384	486,878	525,700	467,848	535,610	512,673	525,530
14,735	25,222	17,701	20,285	12,811	6,379	34,382
-	-	236	108	184	390	1,750
<u>6,784,803</u>	<u>7,223,450</u>	<u>7,459,726</u>	<u>7,711,698</u>	<u>7,374,005</u>	<u>7,102,844</u>	<u>6,027,410</u>
290,601	283,838	296,003	310,816	284,865	291,641	277,265
<u>7,917</u>	<u>6,826</u>	<u>5,162</u>	<u>2,909</u>	<u>6,997</u>	<u>5,697</u>	<u>3,843</u>
6,486,285	6,932,786	7,158,561	7,397,973	7,082,143	6,805,506	5,746,302
(192)	278	274	777	292	137	184
<u>881,022</u>	<u>1,082,008</u>	<u>1,127,939</u>	<u>1,125,358</u>	<u>1,813,804</u>	<u>1,935,961</u>	<u>1,797,213</u>
7,367,115	8,015,072	8,286,774	8,524,108	8,896,239	8,741,604	7,543,699
7,259,068	7,793,775	8,036,390	8,370,673	8,703,051	8,538,880	7,387,945
<u>108,047</u>	<u>221,297</u>	<u>250,384</u>	<u>153,435</u>	<u>193,188</u>	<u>202,724</u>	<u>155,754</u>
1.59%	3.06%	3.36%	1.99%	2.62%	2.85%	2.58%

(5) In 2009, the St. Cloud generation plant was permanently shut down.

NET GENERATING CAPABILITY (Including major purchased power agreements)

Generating Facility (MW) Years ended September 30	Type	Name Plate Capacity	2013		2012		2011		2010	
			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	298	312	295	300	295	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	-	-	-	-	-	-	-	-
Crystal River Plant (2)	Unit 3 N	890	13	13	13	13	13	13	13	13
C.D. McIntosh, Jr. Plant	Unit 3 FS	364	133	136	136	136	136	136	136	136
St. Lucie Plant	Unit 2 N	850	60	62	51	52	51	52	51	52
Total capability			1,520	1,591	1,511	1,569	1,511	1,569	1,511	1,569
Purchased Power Agreements			330	330	337	358	337	358	337	358
Total available			1,850	1,921	1,848	1,927	1,848	1,927	1,848	1,927
Firm commitments to other utilities (3)			166	178	168	168	165	165	95	95
Net available to OUC			1,684	1,743	1,680	1,759	1,683	1,762	1,753	1,832

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

PEAK DEMAND

Years ended September 30

	2013		2012		2011		2010	
	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Net peak demand (Net 60 minute integrated MW demand)	1,070	846	1,070	907	1,064	1,094	1,081	1,134
Gross peak demand (MW) (Instantaneous)	1,158	885	1,123		1,127			1,191
System load factor	78.2		77.5		79.6		75.7	

GENERATION AVAILABILITY DATA

Years ended September 30

	CF	2013			2012			2011			2010			2009		
		EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	
SEC	Unit 1 (4)	29.8	83.1	0.9	36.3	84.9	3.2	62.5	86.0	0.7	72.0	82.6	1.2	70.1	87.2	0.6
	Unit 2 (4)	55.3	86.9	0.3	57.9	92.2	0.6	69.4	86.6	0.3	81.1	90.3	0.8	85.2	96.6	1.0
	Unit A (1)	29.3	90.7	-	33.6	80.9	0.0	38.0	90.9	0.9	38.5	84.6	7.7	41.2	88.7	1.6
	Unit B (1)	58.9	91.4	0.1	50.4	87.1	4.7	58.0	86.9	1.0	60.9	86.8	5.5			
IRP	Unit A	0.1	96.5	28.4	-	93.3	-	-	84.6	89.2	0.1	96.4	78.1	0.2	92.8	85.7
	Unit B (5)	0.1	97.1	89.6	-	94.7	-	-	94.0	5.3	-	79.9	-	0.2	98.0	52.9
	Unit C	0.4	95.0	-	-	91.8	-	1.2	99.9	6.2	2.8	95.0	13.8	0.8	70.4	93.2
	Unit D (5)	0.3	79.9	97.0	-	73.1	-	2.0	100.0	0.9	2.7	87.8	7.5	0.8	92.6	70.2
Crystal River	Unit 3 (6)	-	-	100.0	-	-	100.0	-	-	100.0	-	-	80.0	102.0	95.7	1.3
McIntosh	Unit 3	43.0	80.0	12.1	38.1	86.3	85.7	57.8	85.5	2.1	66.8	60.5	38.9	55.9	67.1	9.3
St. Lucie Plant	Unit 2	85.1	81.7	2.8	86.4	83.9	0.8	65.2	63.1	10.5	99.8	97.5	2.3	83.1	74.9	13.9

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) Effective February 2013, Duke Energy announced the closing of the Crystal River 3 Plant as a result of discovering multiple delaminations within the core.

(3) In January 2010, OUC secured a twenty year wholesale agreement with Vero Beach. Additionally, in January 2011, OUC executed a seven year interlocal agreement with the City of Bartow whereby OUC provides generation.

(4) The SEC 1&2 capacity factors were lower in 2013 and 2012 compared to 2011 and 2010 as a result of lowering production to accommodate more cost effective generation at the natural gas units.

2009		2008		2007		2006		2005		2004		2003	
Summer MW	Winter MW												
302	304	302	304	302	304	302	304	302	304	302	304	302	304
334	334	334	334	334	334	334	334	319	319	318	318	318	318
174	184	174	184	174	184	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	21	21	21	21	17	17	17	17
13	13	13	13	13	13	13	13	13	13	13	13	13	13
136	136	136	136	136	136	136	136	133	136	133	136	133	136
<u>51</u>	<u>52</u>												
1,216	1,269	1,237	1,290	1,237	1,290	1,237	1,290	1,219	1,275	1,208	1,254	1,040	1,086
<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>637</u>	<u>656</u>	<u>827</u>	<u>827</u>	<u>578</u>	<u>550</u>
1,553	1,627	1,574	1,648	1,574	1,648	1,574	1,648	1,856	1,931	2,035	2,081	1,618	1,636
-	-	22	22	22	22	22	22	147	148	261	261	316	316
<u>1,553</u>	<u>1,627</u>	<u>1,552</u>	<u>1,626</u>	<u>1,552</u>	<u>1,626</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>

2009		2008		2007		2006		2005		2004		2003	
Summer MW	Winter MW												
1,102	1,033	1,080	973	1,085	893	1,074	970	1,076	965	1,041	834	969	1,019
1,176		1,147		1,182		1,135		1,141		1,100			1,079
2009		2008		2007		2006		2005		2004		2003	
71.0		60.5		59.6		60.2		57.7		57.5		57.2	

2008			2007			2006			2005			2004			2003		
CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
77.6	85.6	4.6	82.3	90.1	1.3	85.1	93.7	0.1	73.6	81.0	4.3	80.5	90.7	0.9	82.1	90.0	1.9
78.4	82.1	1.4	80.8	84.8	6.3	88.4	93.7	0.6	83.4	89.0	2.8	81.0	87.9	4.1	77.2	81.4	3.2
57.8	87.7	0.2	60.2	92.2	0.2	66.2	92.1	0.4	53.1	92.7	0.4	46.5	92.2	0.6	-	-	-
-	97.3	80.3	-	96.8	80.8	1.1	97.7	81.6	0.1	94.4	-	0.1	99.4	74.9	0.7	100.0	-
-	95.6	58.7	-	78.5	93.9	-	95.7	96.4	0.1	92.7	83.5	0.1	99.4	74.8	0.7	92.8	20.1
-	97.3	51.8	-	92.6	73.0	3.4	98.6	-	0.5	98.7	43.7	0.3	78.0	96.9	2.0	90.7	11.5
-	97.8	31.7	-	92.6	63.0	5.2	98.6	-	0.9	98.6	58.5	0.4	96.7	-	1.9	99.7	8.7
85.1	82.8	0.2	100.9	98.7	0.7	83.1	78.4	8.5	99.3	100.0	-	88.9	86.5	3.0	99.5	97.0	0.6
88.2	89.7	7.5	80.8	84.1	6.7	84.3	84.1	8.7	87.5	89.3	6.0	66.9	73.8	9.2	93.1	82.3	11.7
70.2	69.3	10.3	95.0	95.9	3.9	80.8	82.3	4.3	83.0	84.2	4.6	92.6	92.0	7.9	82.8	82.4	3.4

(5) IRP EAF and EFOR fluctuate from year to year as a result of forced and/or planned outages in any given year.

(6) In 2013, Duke Energy closed the Crystal River Unit 3 nuclear power plant.

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2013	2012	2011	2010
Orlando/Orange County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI)	40.70	31.70	41.20	28.70
Average customer interruption duration index in minutes (CAIDI)	54.50	50.30	57.70	52.90
Average length of service interruption in minutes (L-Bar)	78.50	74.20	68.30	70.20
St. Cloud/Osceola County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (2)	28.10	80.50	42.80	61.80
Average customer interruption duration index in minutes (CAIDI)	53.10	64.20	45.80	34.90
Average length of service interruption in minutes (L-Bar) (3)	86.80	81.00	63.90	62.50

ELECTRIC PHYSICAL STATISTICS

Transmission system (circuit miles)				
69KV	20.6	20.6	20.6	20.6
115KV (4)	126.7	126.7	131.5	131.5
230KV	190.9	190.9	190.9	190.9
Total (5)	<u>338.2</u>	<u>338.2</u>	<u>343.0</u>	<u>343.0</u>
Number of substations (4)	28	28	29	29
Orlando distribution system (circuit miles)				
Overhead	738.6	749.3	746.0	746.8
Underground	1,214.6	1,202.2	1,181.4	1,158.7
Total Orlando circuit miles	<u>1,953.2</u>	<u>1,951.5</u>	<u>1,927.4</u>	<u>1,905.5</u>
St. Cloud distribution system (circuit miles)				
Overhead	248.2	250.7	244.2	242.6
Underground	177.1	167.0	158.3	154.7
Total St. Cloud circuit miles	<u>425.3</u>	<u>417.7</u>	<u>402.5</u>	<u>397.3</u>
Total OUC & St. Cloud circuit miles	<u>2,378.5</u>	<u>2,369.2</u>	<u>2,329.9</u>	<u>2,302.8</u>
Distribution expenses per circuit mile	\$ 6,167	\$ 6,347	\$ 6,318	\$ 7,344
Percentages of Orlando distribution system (circuit miles)				
Overhead	37.8%	38.4%	38.7%	39.2%
Underground	62.2%	61.6%	61.3%	60.8%
Percentages of St. Cloud distribution system (circuit miles)				
Overhead	58.4%	60.0%	60.7%	61.1%
Underground	41.6%	40.0%	39.3%	38.9%

(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) In 2013, the decrease was due to an unusually mild season.

(3) In 2013 and 2012, there were outage incidents for unusually long durations.

(4) In 2012, the Lockheed Substation was removed from OUC's operations which impacted the number of substations reported and reduced the amount of transmission line miles.

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

2009	2008	2007	2006	2005	2004 (1)	2003
0.9999	0.9999	0.9999	0.9993	0.9999	0.9999	0.9999
33.40	33.20	44.13	36.40	47.09	41.22	45.44
52.70	43.50	52.03	50.82	49.20	51.03	41.83
69.30	67.70	70.79	62.86	65.91	64.85	68.12
0.9999	0.9999	0.9998	0.9999	0.9998	0.9998	0.9997
55.00	38.20	56.97	44.69	86.94	84.08	129.51
42.20	40.50	39.16	42.00	40.48	48.97	41.19
63.40	65.30	67.23	59.03	71.86	60.00	58.83
20.6	20.6	20.6	20.6	20.6	20.6	20.6
131.5	131.5	131.5	131.5	131.5	131.5	131.5
186.4	186.4	186.4	186.4	186.4	186.4	186.4
<u>338.5</u>						
29	29	29	29	28	28	28
738.8	747.9	738.3	738.5	746.5	738.3	733.5
1,145.2	1,104.6	1,065.9	1,025.3	978.3	924.6	872.8
<u>1,884.0</u>	<u>1,852.5</u>	<u>1,804.2</u>	<u>1,763.8</u>	<u>1,724.8</u>	<u>1,662.9</u>	<u>1,606.3</u>
241.8	240.2	236.5	236.9	234.7	227.6	225.5
153.9	150.8	142.0	118.4	102.4	80.2	66.4
395.7	391.0	378.5	355.3	337.1	307.8	291.9
<u>2,279.7</u>	<u>2,243.5</u>	<u>2,182.7</u>	<u>2,119.1</u>	<u>2,061.9</u>	<u>1,970.7</u>	<u>1,898.2</u>
\$ 7,316	\$ 6,396	\$ 6,125	\$ 6,285	\$ 5,593	\$ 4,909	\$ 5,184
39.2%	40.4%	40.9%	41.9%	43.3%	44.4%	45.7%
60.8%	59.6%	59.1%	58.1%	56.7%	55.6%	54.3%
61.1%	61.4%	62.5%	66.7%	69.6%	73.9%	77.3%
38.9%	38.6%	37.5%	33.3%	30.4%	26.1%	22.7%

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2013	2012	2011	2010
Electric plant, net				
Generating plant, net				
Stanton Energy Center Units #1 & #2	\$ 407,215	\$ 418,115	\$ 433,256	\$ 425,660
Stanton Energy Center Unit A (1)	53,102	56,595	50,554	52,490
Stanton Energy Center Unit B (1)	236,914	246,046	253,020	260,562
McIntosh #3	62,287	64,222	66,769	69,676
St. Lucie #2	100,359	96,741	86,166	70,487
Indian River Plant	12,210	13,732	15,539	16,623
Crystal River #3 (2)	-	6,882	6,908	6,295
St. Cloud Diesel Plant (3)	-	-	-	-
Total generating plant, net	<u>872,087</u>	<u>902,333</u>	<u>912,212</u>	<u>901,793</u>
Distribution plant, net	475,951	470,030	469,274	466,964
Transmission plant, net	230,324	239,299	243,011	234,941
Other Electric plant, net (4)	48,354	49,150	42,544	31,294
Total electric plant, net	<u>1,626,716</u>	<u>1,660,812</u>	<u>1,667,041</u>	<u>1,634,992</u>
Common plant, net (5)	<u>72,301</u>	<u>73,345</u>	<u>73,409</u>	<u>77,381</u>
Total plant, net	<u>\$ 1,699,017</u>	<u>\$ 1,734,157</u>	<u>\$ 1,740,450</u>	<u>\$ 1,712,373</u>

FUEL MIX STATISTICS (Dollars in thousands)

Cost of fuel				
Coal (7)	\$ 132,125	\$ 136,958	\$ 153,891	\$ 159,160
Natural gas (7)	142,152	139,233	129,227	128,117
Nuclear	3,404	3,133	5,165	3,360
Renewable	1,749	1,943	1,045	845
Oil	327	1,765	2,863	2,309
Total cost of fuel (6)	<u>\$ 279,757</u>	<u>\$ 283,032</u>	<u>\$ 292,191</u>	<u>\$ 293,791</u>
Fuel cost per million BTU				
Coal (7)	\$ 4.78	\$ 4.60	\$ 3.72	\$ 3.37
Natural gas	\$ 5.99	\$ 6.25	\$ 6.27	\$ 6.49
Nuclear	\$ 0.66	\$ 0.94	\$ 1.27	\$ 0.80
Renewable	\$ 3.43	\$ 4.42	\$ 2.66	\$ 2.19
Oil	\$ 23.49	\$ 20.04	\$ 19.46	\$ 13.51
System average fuel cost	\$ 4.90	\$ 5.07	\$ 4.39	\$ 4.10
System fuel mix percentage (based on generation)				
Coal (7)	48.5%	53.2%	62.1%	65.8%
Natural gas (7)	41.6%	39.9%	31.0%	27.5%
Nuclear	9.0%	5.9%	6.1%	5.9%
Renewable (8)	0.9%	0.8%	0.6%	0.6%
Oil	0.0%	0.2%	0.2%	0.2%
Total system fuel mix percentage	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

- (1) The SECB facility began commercial operations in 2010. The SECA facility began commercial operations in October 2013. 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) Effective February 2013, Duke Energy announced the closing of the Crystal River 3 plant as a result of discovering multiple delaminations within the core. As a result of this notice, OUC reclassified the impaired assets under the heading of Regulatory assets.
- (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.
- (4) In November 2007, OUC and Southern Power terminated the construction of the gasification facilities at SECB. The settlement agreement provided for liquidating damages in the form of land valued at \$27.5 million.
- (5) 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 was sold.

	2009	2008	2007	2006	2005	2004	2003
\$	432,484	\$ 448,549	\$ 462,050	\$ 481,653	\$ 496,681	\$ 511,101	\$ 503,279
	56,543	61,410	56,971	59,789	61,169	64,191	70,889
	-	-	-	-	-	-	-
	41,928	46,867	47,251	51,700	55,948	55,381	56,199
	67,266	61,186	58,317	52,665	48,520	46,455	45,223
	17,764	19,892	22,266	24,818	28,176	34,646	34,588
	5,542	4,174	5,642	5,794	6,233	6,171	6,815
	-	-	-	-	-	118	128
	<u>621,527</u>	<u>642,078</u>	<u>652,497</u>	<u>676,419</u>	<u>696,727</u>	<u>718,063</u>	<u>717,121</u>
	456,878	451,604	438,367	406,461	374,450	368,022	363,112
	195,766	173,332	166,739	164,753	147,808	131,995	131,121
	<u>34,371</u>	<u>35,105</u>	<u>7,707</u>	<u>3,810</u>	<u>8,323</u>	<u>10,852</u>	<u>11,036</u>
	<u>1,308,542</u>	<u>1,302,119</u>	<u>1,265,310</u>	<u>1,251,443</u>	<u>1,227,308</u>	<u>1,228,932</u>	<u>1,222,390</u>
	<u>73,972</u>	<u>42,477</u>	<u>46,329</u>	<u>37,104</u>	<u>43,127</u>	<u>47,595</u>	<u>48,551</u>
\$	<u>1,382,514</u>	<u>1,344,596</u>	<u>1,311,639</u>	<u>1,288,547</u>	<u>1,270,435</u>	<u>1,276,527</u>	<u>1,270,941</u>
\$	165,904	\$ 162,790	\$ 139,169	\$ 145,048	\$ 120,496	\$ 101,887	\$ 92,254
	103,334	164,696	140,780	163,545	166,929	117,455	25,466
	3,298	3,015	2,636	1,971	2,357	2,351	1,813
	1,475	1,175	791	-	-	-	-
	<u>1,335</u>	<u>1,320</u>	<u>736</u>	<u>255</u>	<u>33,243</u>	<u>35,088</u>	<u>49,983</u>
\$	<u>275,346</u>	<u>332,996</u>	<u>284,112</u>	<u>310,819</u>	<u>323,025</u>	<u>256,781</u>	<u>169,516</u>
\$	3.44	\$ 3.10	\$ 2.58	\$ 2.56	\$ 2.31	\$ 1.98	\$ 1.77
\$	7.58	\$ 10.83	\$ 8.96	\$ 10.42	\$ 8.78	\$ 6.55	\$ 5.46
\$	0.62	\$ 0.58	\$ 0.47	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.33
\$	2.25	\$ 2.13	\$ 1.42	\$ -	\$ -	\$ -	\$ -
\$	13.84	\$ 17.85	\$ 12.39	\$ 4.28	\$ 7.88	\$ 5.39	\$ 4.75
\$	4.05	\$ 4.52	\$ 3.75	\$ 4.02	\$ 3.98	\$ 3.16	\$ 2.33
	71.0%	71.3%	71.1%	73.1%	64.3%	63.2%	71.4%
	20.1%	20.7%	20.7%	20.3%	23.4%	22.1%	6.4%
	7.9%	7.1%	7.4%	6.5%	7.1%	6.7%	7.7%
	0.9%	0.8%	0.7%	-	-	-	-
	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>5.2%</u>	<u>8.0%</u>	<u>14.5%</u>
	<u>100.0%</u>						

(6) The cost of fuel is presented as gross plant operating costs as it does not include participant ownership adjustments.

(7) In 2013 and 2012, cost of fuel for coal decreased as a result of the utilization of natural gas generation facilities to leverage favorable market rates offsetting these changes was an increase in the commodity cost for coal contributing to the increase in the Fuel cost per million BTU. Additionally in 2013, OUC completed a study that analyzed the classification of costs associated with material handling, procurement and movement of fuels. Based upon this study and supporting FERC guidance \$4.1 million was included in Fuel for generation.

(8) Prior to 2007 amounts were not tracked.



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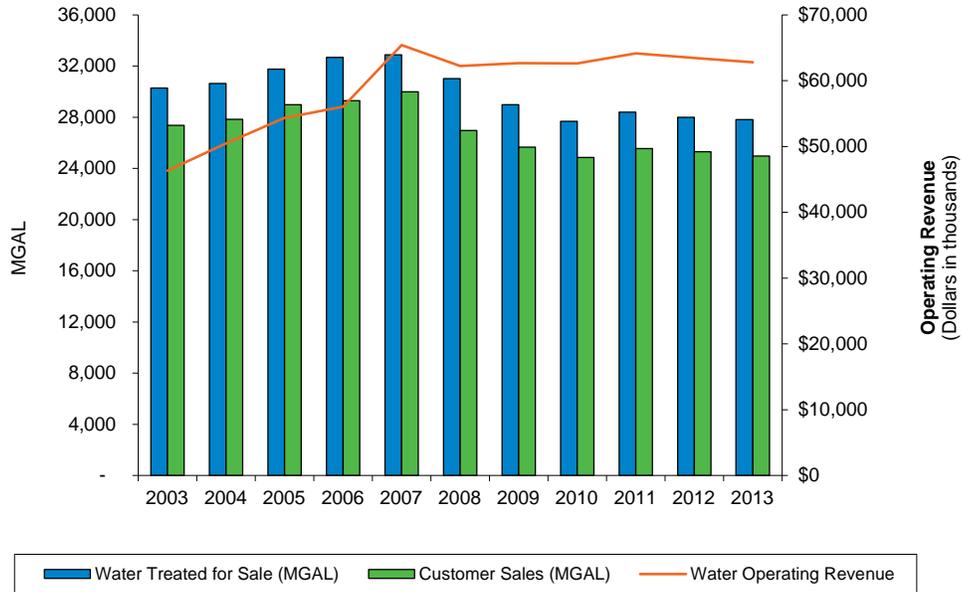


Water Operations

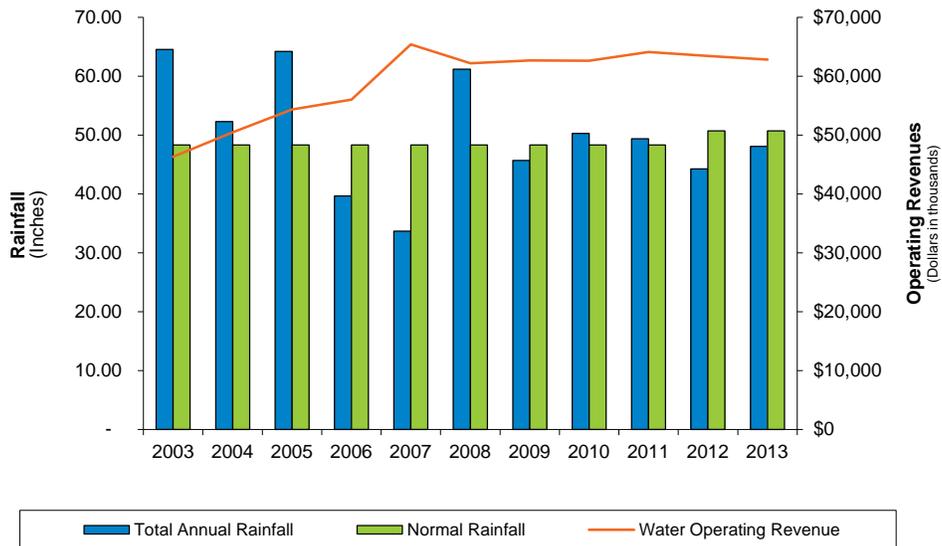
We're upgrading the ozone generation systems that produce our award-winning H2OUC to ensure we can continue to deliver clean, great-tasting water for customers.

WATER BUSINESS OPERATIONS

Water Treated, Customer Sales & Operating Revenue



Total Annual Rainfall and Operating Revenue



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

Years Ended September 30	2013	2012	2011	2010
Operating revenues				
Residential	\$ 31,280	\$ 31,832	\$ 32,480	\$ 31,561
Commercial	15,836	16,115	16,444	15,978
Irrigation	10,965	11,158	11,386	11,063
Fire protection	2,231	2,193	2,158	2,169
Service fees and other	1,967	1,622	1,248	1,345
Resale and other	533	534	426	503
Total operating revenues (1)	<u>62,812</u>	<u>63,454</u>	<u>64,142</u>	<u>62,619</u>
Operations and maintenance expenses				
Production	12,946	13,555	14,405	14,358
Distribution (2)	5,844	5,816	9,149	8,291
Storm recovery costs	-	-	-	-
Customer service	7,040	8,865	8,733	7,831
General & administrative (3)	10,207	10,110	10,007	9,120
Total operations and maintenance expenses	<u>36,037</u>	<u>38,346</u>	<u>42,294</u>	<u>39,600</u>
Other expenses				
Utility/property tax	63	65	63	65
Revenue based payments to the City of Orlando	1,961	2,033	1,919	1,922
Revenue based payments to Orange County	4	5	6	-
Depreciation and amortization (4)	19,953	15,708	16,266	16,991
Total other expenses	<u>21,981</u>	<u>17,811</u>	<u>18,254</u>	<u>18,978</u>
Total operating expenses	<u>58,018</u>	<u>56,157</u>	<u>60,548</u>	<u>58,578</u>
Operating income	4,794	7,297	3,594	4,041
Non-operating income and expense				
Interest income	459	708	593	1,151
Other income, net (5)	1,667	3,053	2,024	1,443
Bond interest and other related expenses (6)	(7,740)	(8,906)	(10,055)	(11,161)
Total non-operating expenses, net	<u>(5,614)</u>	<u>(5,145)</u>	<u>(7,438)</u>	<u>(8,567)</u>
Water (loss)/income before contributions	(820)	2,152	(3,844)	(4,526)
Contributions in aid of construction (CIAC) (7)	9,704	7,990	4,571	6,080
Annual dividend	<u>521</u>	<u>(1,396)</u>	<u>2,365</u>	<u>2,964</u>
Increase in net position	<u>\$ 9,405</u>	<u>\$ 8,746</u>	<u>\$ 3,092</u>	<u>\$ 4,518</u>

(1) In 2013, the mild weather and rainfall drove lower revenues. In 2009 and 2010, rate increases of 7.8% and 13.1%, respectively, were implemented. However, the weakened economy, increased rainfall and consumer usage changes offset these rate changes. In 2008, rate stabilization funds of \$2.0 million were used to offset these changes.

(2) In 2011 and 2010, costs associated with the write down of deferred regulatory projects, including alternative water supply and consumptive use permit spending, increased Operations and maintenance expenses.

(3) Increased pension and other post-employment actuarial costs were the key drivers of the increase since 2008.

(4) In 2013, OUC began the implementation of the water Advanced Meter Infrastructure (AMI), a portion of the existing non-AMI meters were written off resulting in additional depreciation expense of \$5.2 million. Additionally, the increase was driven by the completion of Information Technology upgrades which included the customer focused web initiatives. These changes were reduced by the implementation of the depreciation study completed in 2013 of \$2.2 million. 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 mains and meters and ozone generators of \$2.2 million and \$2.7 million, respectively. In 2005, OUC wrote down water plant assets of \$1.4 million.

2009	2008	2007	2006	2005	2004	2003
\$ 31,599	\$ 31,291	\$ 33,173	\$ 27,336	\$ 26,676	\$ 25,173	\$ 23,063
15,997	15,841	16,794	13,311	13,442	12,950	12,459
11,077	10,969	11,628	11,546	10,090	9,131	7,815
2,132	2,035	1,755	1,564	1,554	1,306	1,229
1,234	1,562	1,756	1,810	1,764	1,416	1,019
636	526	322	465	835	484	722
<u>62,675</u>	<u>62,224</u>	<u>65,428</u>	<u>56,032</u>	<u>54,361</u>	<u>50,460</u>	<u>46,307</u>
14,997	13,738	13,531	13,006	11,830	10,028	9,254
5,560	6,849	5,526	4,026	4,198	3,992	3,432
4	8	-	-	-	147	-
7,311	7,282	7,465	6,781	5,203	4,983	4,462
7,542	7,737	6,984	6,349	5,894	5,283	4,848
<u>35,414</u>	<u>35,614</u>	<u>33,506</u>	<u>30,162</u>	<u>27,125</u>	<u>24,433</u>	<u>21,996</u>
64	61	64	62	52	60	46
1,989	1,855	1,893	1,599	1,510	1,362	1,280
-	-	-	-	-	-	-
<u>20,554</u>	<u>19,064</u>	<u>16,071</u>	<u>13,808</u>	<u>14,220</u>	<u>11,944</u>	<u>10,740</u>
<u>22,607</u>	<u>20,980</u>	<u>18,028</u>	<u>15,469</u>	<u>15,782</u>	<u>13,366</u>	<u>12,066</u>
<u>58,021</u>	<u>56,594</u>	<u>51,534</u>	<u>45,631</u>	<u>42,907</u>	<u>37,799</u>	<u>34,062</u>
4,654	5,630	13,894	10,401	11,454	12,661	12,245
1,329	2,657	3,959	3,106	1,435	665	1,153
838	582	682	484	508	498	624
(10,663)	(10,831)	(12,200)	(12,440)	(11,761)	(11,836)	(13,011)
<u>(8,496)</u>	<u>(7,592)</u>	<u>(7,559)</u>	<u>(8,850)</u>	<u>(9,818)</u>	<u>(10,673)</u>	<u>(11,234)</u>
(3,842)	(1,962)	6,335	1,551	1,636	1,988	1,011
5,736	13,655	17,155	14,816	13,409	12,022	8,301
<u>2,432</u>	<u>1,129</u>	<u>(3,406)</u>	<u>(1,201)</u>	<u>(982)</u>	<u>(1,192)</u>	<u>(607)</u>
<u>\$ 4,326</u>	<u>\$ 12,822</u>	<u>\$ 20,084</u>	<u>\$ 15,166</u>	<u>\$ 14,063</u>	<u>\$ 12,818</u>	<u>\$ 8,705</u>

(5) A one-time legal settlement in 2012 resulted in the recognition of \$0.7 million.

(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) In 2013, CIAC has improved with some growth in the economy. 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	2013	2012	2011	2010
Profile of consumption & revenue by type of customer				
Residential service				
KGAL sales per customer	120	120	121	117
Revenue per customer	\$ 300	\$ 301	\$ 306	\$ 296
Revenue per KGAL	\$ 2.4898	\$ 2.5019	\$ 2.5268	\$ 2.5239
Commercial service				
KGAL sales per customer	590	655	694	709
Revenue per customer	\$ 1,109	\$ 1,236	\$ 1,323	\$ 1,350
Revenue per KGAL	\$ 1.8792	\$ 1.8882	\$ 1.9070	\$ 1.9049
Irrigation service				
KGAL sales per customer	248	250	246	232
Revenue per customer	\$ 686	\$ 697	\$ 691	\$ 652
Revenue per KGAL	\$ 2.7711	\$ 2.7845	\$ 2.8122	\$ 2.8093
Selected financial expense statistics				
Total operations and maintenance expenses per KGAL (1)	\$ 1.4428	\$ 1.5155	\$ 1.6403	\$ 1.5927
Production and Distribution costs per metered service (2)	\$ 140	\$ 144	\$ 175	\$ 167
Customer service expense per metered service	53	66	65	58
General & administrative expense per metered service (1)	<u>76</u>	<u>75</u>	<u>74</u>	<u>67</u>
Total operations & maintenance expense per metered service	<u>\$ 269</u>	<u>\$ 285</u>	<u>\$ 314</u>	<u>\$ 292</u>

(1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. Additionally since 2010, actuarial pension costs increased as a result of lower investment returns and the inclusion of the accrual of previously approved COLA.

(2) In 2011 and 2010, costs associated with the write down of deferred regulatory projects, including alternative water supply and consumptive use permit spending increase Operations and maintenance expenses.

2009	2008	2007	2006	2005	2004	2003
119	126	143	140	141	141	141
\$ 294	\$ 292	\$ 316	\$ 265	\$ 263	\$ 255	\$ 239
\$ 2.4623	\$ 2.3156	\$ 2.2071	\$ 1.8933	\$ 1.8720	\$ 1.8072	\$ 1.6985
728	678	740	780	805	792	817
\$ 1,353	\$ 1,186	\$ 1,233	\$ 1,084	\$ 1,110	\$ 1,091	\$ 1,072
\$ 1.8584	\$ 1.7477	\$ 1.6658	\$ 1.3893	\$ 1.3782	\$ 1.3772	\$ 1.3118
239	254	288	319	295	304	292
\$ 656	\$ 655	\$ 707	\$ 719	\$ 660	\$ 642	\$ 583
\$ 2.7405	\$ 2.5773	\$ 2.4565	\$ 2.2565	\$ 2.2359	\$ 2.1103	\$ 1.9956
\$ 1.3796	\$ 1.3201	\$ 1.1175	\$ 1.0294	\$ 0.9360	\$ 0.8727	\$ 0.8037
\$ 151	\$ 150	\$ 141	\$ 129	\$ 125	\$ 112	\$ 104
54	53	55	52	40	40	37
<u>55</u>	<u>56</u>	<u>52</u>	<u>48</u>	<u>46</u>	<u>42</u>	<u>40</u>
<u>\$ 260</u>	<u>\$ 259</u>	<u>\$ 248</u>	<u>\$ 229</u>	<u>\$ 211</u>	<u>\$ 194</u>	<u>\$ 181</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2013	2012	2011	2010
Water operating ratio				
Water operations & maintenance expenses/operating revenues (1)	\$ 0.57	\$ 0.60	\$ 0.66	\$ 0.63
Water (loss)/income before contributions per revenue dollar				
Water (loss)/income before contributions/total water operating revenues	\$ (0.01)	\$ 0.03	\$ (0.06)	\$ (0.07)

ACTIVE SERVICES

Residential	102,417	106,207	105,053	107,030
Commercial	15,476	13,095	12,976	11,883
Irrigation	15,878	16,088	15,938	17,025
Total metered services	<u>133,771</u>	<u>135,390</u>	<u>133,967</u>	<u>135,938</u>

FIRE PROTECTION

Fire protection services	4,428	4,346	4,294	4,248
Fire hydrants	9,973	9,933	9,828	9,753
Total fire protection	<u>14,401</u>	<u>14,279</u>	<u>14,122</u>	<u>14,001</u>

CONSUMPTION (MGAL)

Residential	12,562	12,722	12,854	12,505
Commercial	8,427	8,535	8,623	8,388
Irrigation	3,957	4,007	4,049	3,938
Resale	34	38	35	34
Total consumption	<u>24,980</u>	<u>25,302</u>	<u>25,561</u>	<u>24,865</u>

(1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. 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.

2009	2008	2007	2006	2005	2004	2003
\$ 0.56	\$ 0.57	\$ 0.51	\$ 0.54	\$ 0.50	\$ 0.48	\$ 0.47
\$ (0.06)	\$ (0.03)	\$ 0.10	\$ 0.03	\$ 0.03	\$ 0.04	\$ (0.02)
106,495	108,437	105,819	103,866	102,674	99,942	97,354
11,795	11,845	14,879	12,358	12,210	12,014	11,734
16,899	16,860	16,608	16,288	15,835	14,756	13,686
<u>135,189</u>	<u>137,142</u>	<u>137,306</u>	<u>132,512</u>	<u>130,719</u>	<u>126,712</u>	<u>122,774</u>
4,192	4,124	3,596	4,186	3,987	3,749	3,551
9,630	9,578	9,451	9,118	8,891	8,822	6,908
<u>13,822</u>	<u>13,702</u>	<u>13,047</u>	<u>13,304</u>	<u>12,878</u>	<u>12,571</u>	<u>10,459</u>
12,833	13,513	15,030	14,438	14,250	13,929	13,579
8,608	9,065	10,081	9,581	9,753	9,403	9,498
4,042	4,256	4,734	5,117	4,513	4,327	3,916
184	140	139	165	464	172	375
<u>25,667</u>	<u>26,974</u>	<u>29,984</u>	<u>29,301</u>	<u>28,980</u>	<u>27,831</u>	<u>27,368</u>

WATER UTILITY PLANT (Dollars in Thousands)

Years Ended September 30	2013	2012	2011	2010
Water plant, net				
Production (1)	\$ 124,499	\$ 129,840	\$ 134,343	\$ 139,082
Transmission and distribution	199,259	193,735	190,413	183,912
General	4,176	3,751	3,490	3,486
Total water plant, net	<u>327,934</u>	<u>327,326</u>	<u>328,246</u>	<u>326,480</u>
Common plant, net (2)	<u>24,100</u>	<u>24,448</u>	<u>24,470</u>	<u>25,794</u>
Total plant, net	<u>\$ 352,034</u>	<u>\$ 351,774</u>	<u>\$ 352,716</u>	<u>\$ 352,274</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,788	1,784	1,766	1,763
Number of public hydrants	9,973	9,933	9,828	9,753
Number of wells	31	31	31	32
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	273	273	273	273
Raw water capacity (MGAL per day)	177.5	177.5	177.5	182.5
Peak day (MGAL)	94.3	94.3	97.4	95.7
Per capita, gallons pumped per day total system	175	183	184	179
Per capita, gallons consumed per day residential only	79	83	83	81

WATER PRODUCTION (KGAL)

Water treated for sale				
Treated	27,830,306	28,004,849	28,393,238	27,681,382
Used by water department (3)	5,840	5,856	5,840	5,840
Total water treated for sale	<u>27,824,466</u>	<u>27,998,993</u>	<u>28,387,398</u>	<u>27,675,542</u>
Sales				
Retail customers	24,596,536	24,946,151	25,185,446	24,574,646
Inter-department use	351,617	318,305	341,103	256,286
Wholesale customers	31,380	37,718	34,853	33,895
Total sales	<u>24,979,533</u>	<u>25,302,174</u>	<u>25,561,402</u>	<u>24,864,827</u>
Unbilled	<u>2,844,933</u>	<u>2,696,819</u>	<u>2,825,996</u>	<u>2,810,715</u>
Unbilled as a percentage of water treated for sale	10.22%	9.63%	9.96%	10.16%

(1) In 2013, OUC began installing the water Advanced Meter Infrastructure (AMI). The reduction in water production plant was due to the reclassification of the non-AMI meters as a regulatory asset as approved by the Board.

(2) 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 and in 2012 the former Administration building was sold.

(3) In 2008, the Water production division revised their calculations 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 all future periods.

2009	2008	2007	2006	2005	2004	2003
\$ 144,802	\$ 158,635	\$ 162,259	\$ 156,382	\$ 162,574	\$ 161,540	\$ 149,860
181,163	177,709	170,969	158,109	151,389	149,360	139,517
<u>4,181</u>	<u>113</u>	<u>685</u>	<u>5,626</u>	<u>3,695</u>	<u>6,961</u>	<u>5,084</u>
330,146	336,457	333,913	320,117	317,658	317,861	294,461
<u>24,657</u>	<u>14,159</u>	<u>15,443</u>	<u>12,368</u>	<u>14,376</u>	<u>15,865</u>	<u>16,183</u>
<u>\$ 354,803</u>	<u>\$ 350,616</u>	<u>\$ 349,356</u>	<u>\$ 332,485</u>	<u>\$ 332,034</u>	<u>\$ 333,726</u>	<u>\$ 310,644</u>
1,750	1,755	1,729	1,714	1,695	1,679	1,644
9,630	9,578	9,451	9,118	7,235	7,154	6,908
32	34	34	34	34	34	34
28.5	28.5	28.5	28.5	28.5	28.5	28.5
274	274	274	274	274	271	262
182.5	184.0	184.0	184.0	184.0	182.0	182.0
103.8	111.2	111.4	114.6	108.3	118.0	107.5
187	203	216	216	211	208	210
83	88	98	95	94	95	94
28,980,391	31,047,104	32,950,881	32,739,861	31,784,278	30,656,166	30,290,165
<u>5,840</u>	<u>29,040</u>	<u>72,995</u>	<u>73,000</u>	<u>27,290</u>	<u>19,919</u>	<u>20,471</u>
<u>28,974,551</u>	<u>31,018,064</u>	<u>32,877,886</u>	<u>32,666,861</u>	<u>31,756,988</u>	<u>30,636,247</u>	<u>30,269,694</u>
25,257,125	26,599,439	29,768,879	28,933,432	28,309,265	27,466,944	26,792,398
225,955	234,186	76,107	203,177	206,787	191,545	199,009
<u>184,282</u>	<u>140,145</u>	<u>139,441</u>	<u>165,176</u>	<u>464,299</u>	<u>172,320</u>	<u>375,302</u>
<u>25,667,362</u>	<u>26,973,770</u>	<u>29,984,427</u>	<u>29,301,785</u>	<u>28,980,351</u>	<u>27,830,809</u>	<u>27,366,709</u>
<u>3,307,189</u>	<u>4,044,294</u>	<u>2,893,459</u>	<u>3,365,076</u>	<u>2,776,637</u>	<u>2,805,438</u>	<u>2,902,985</u>
11.41%	13.04%	8.80%	10.30%	8.74%	9.16%	9.59%



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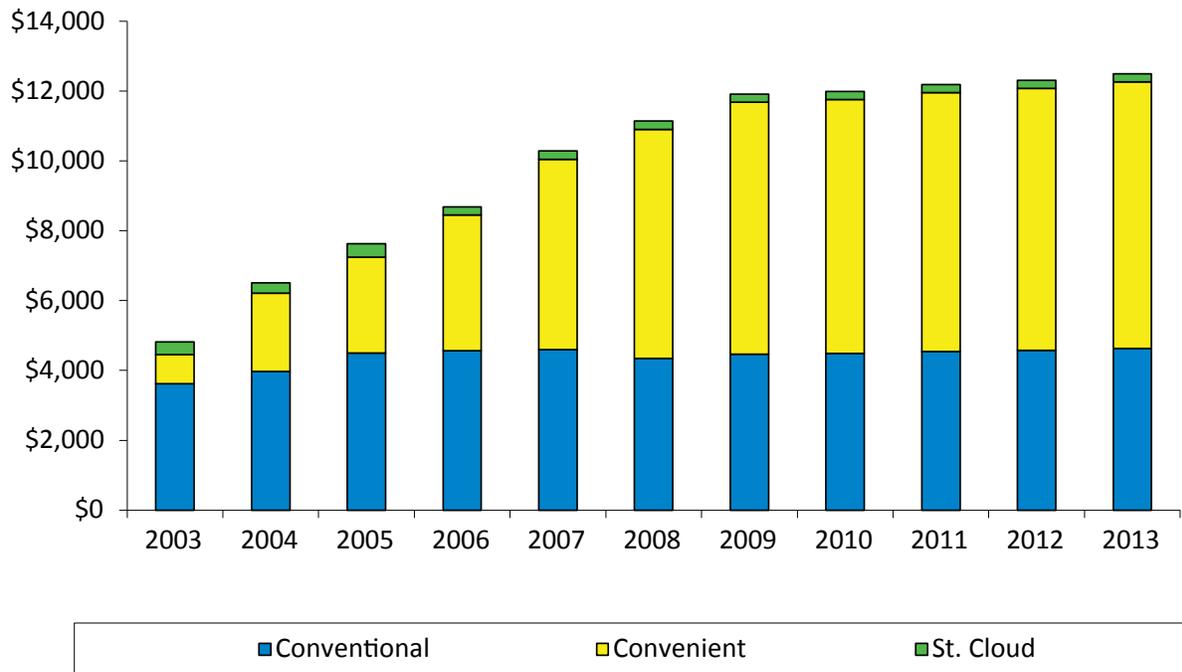


Lighting Operations

OUC is upgrading Orlando's streetlights to energy- and cost-efficient LED technology, enhancing the City Beautiful by controlling light pollution and improving safety.

LIGHTING BUSINESS OPERATIONS

Lighting Operating Revenue
(Dollars in thousands)



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

Years Ended September 30	2013	2012	2011	2010
Operating revenues				
Conventional	\$ 4,606	\$ 4,574	\$ 4,544	\$ 4,489
Convenient	7,592	7,498	7,411	7,264
St. Cloud	234	234	232	234
Service fees and other	194	143	129	168
Total operating revenues	<u>12,626</u>	<u>12,449</u>	<u>12,316</u>	<u>12,155</u>
Operations and maintenance expenses				
Conventional	2,208	2,150	2,144	2,350
Convenient	1,150	1,008	887	1,000
St. Cloud	92	114	130	144
Storm recovery costs (1)	-	-	-	-
General and administrative	486	476	520	586
Total operations and maintenance expenses	<u>3,936</u>	<u>3,748</u>	<u>3,681</u>	<u>4,080</u>
Other expenses				
Utility/property tax	1	1	2	3
Revenue based payments to Orange County	23	23	23	-
Depreciation and amortization	3,198	3,283	3,490	3,408
Total other expenses	<u>3,222</u>	<u>3,307</u>	<u>3,515</u>	<u>3,411</u>
Total operating expenses	<u>7,158</u>	<u>7,055</u>	<u>7,196</u>	<u>7,491</u>
Operating income/(loss)	5,468	5,394	5,120	4,664
Non-operating income and expense				
Interest income	224	138	102	168
Other income, net	22	127	213	184
Bond interest and other related expenses	(1,539)	(1,711)	(1,996)	(2,224)
Total non-operating expenses, net	<u>(1,293)</u>	<u>(1,446)</u>	<u>(1,681)</u>	<u>(1,872)</u>
Lighting income / (loss) before contributions	4,175	3,948	3,439	2,792
Contributions in aid of construction (CIAC)	215	648	457	565
Annual dividend	<u>(2,652)</u>	<u>(2,561)</u>	<u>(2,116)</u>	<u>(1,828)</u>
Increase in net position	<u>\$ 1,738</u>	<u>\$ 2,035</u>	<u>\$ 1,780</u>	<u>\$ 1,529</u>

(1) 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 \$0.2 million of storm recovery expenses in Lighting. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.

2009	2008	2007	2006	2005	2004	2003
\$ 4,469	\$ 4,350	\$ 4,599	\$ 4,564	\$ 4,498	\$ 3,972	\$ 3,617
7,209	6,554	5,448	3,891	2,751	2,241	840
234	236	244	233	378	298	358
124	143	146	197	69	140	-
<u>12,036</u>	<u>11,283</u>	<u>10,437</u>	<u>8,885</u>	<u>7,696</u>	<u>6,651</u>	<u>4,815</u>
2,425	2,457	1,944	1,788	1,913	1,457	1,241
1,131	1,259	868	874	535	418	179
132	137	97	109	121	79	109
-	-	-	-	-	176	-
541	528	455	511	471	484	431
<u>4,229</u>	<u>4,381</u>	<u>3,364</u>	<u>3,282</u>	<u>3,040</u>	<u>2,614</u>	<u>1,960</u>
2	2	2	2	2	3	4
-	-	-	-	-	-	-
<u>3,261</u>	<u>2,815</u>	<u>3,266</u>	<u>2,579</u>	<u>2,327</u>	<u>2,174</u>	<u>1,744</u>
<u>3,263</u>	<u>2,817</u>	<u>3,268</u>	<u>2,581</u>	<u>2,329</u>	<u>2,177</u>	<u>1,748</u>
<u>7,492</u>	<u>7,198</u>	<u>6,632</u>	<u>5,863</u>	<u>5,369</u>	<u>4,791</u>	<u>3,708</u>
4,544	4,085	3,805	3,022	2,327	1,860	(1,107)
180	453	620	201	84	6	(180)
78	28	30	29	31	30	30
<u>(2,084)</u>	<u>(2,038)</u>	<u>(1,925)</u>	<u>(1,365)</u>	<u>(1,100)</u>	<u>(1,059)</u>	<u>(708)</u>
<u>(1,826)</u>	<u>(1,557)</u>	<u>(1,275)</u>	<u>(1,135)</u>	<u>(985)</u>	<u>(1,023)</u>	<u>(858)</u>
2,718	2,528	2,530	1,887	1,342	837	(249)
373	106	316	499	43	545	185
<u>(1,720)</u>	<u>(1,455)</u>	<u>(1,360)</u>	<u>(1,460)</u>	<u>(804)</u>	<u>(503)</u>	<u>(149)</u>
<u>\$ 1,371</u>	<u>\$ 1,179</u>	<u>\$ 1,486</u>	<u>\$ 926</u>	<u>\$ 581</u>	<u>\$ 879</u>	<u>\$ 285</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2013	2012	2011	2010
Lighting operating ratio				
Lighting operation & maintenance expenses/ operating revenues	\$ 0.31	\$ 0.30	\$ 0.30	\$ 0.34
Lighting income/(loss) before contributions per revenue dollar				
Lighting income/(loss) before contributions/ operating revenues	\$ 0.33	\$ 0.32	\$ 0.28	\$ 0.23
LIGHTING UTILITY PLANT (Dollars in thousands)				
Lighting plant, net				
Conventional	\$ 8,927	\$ 8,891	\$ 8,871	\$ 9,117
Convenient	33,534	34,236	35,937	35,867
Total lighting plant, net	42,461	43,127	44,808	44,984
St. Cloud	665	718	754	773
Total plant, net	<u>\$ 43,126</u>	<u>\$ 43,845</u>	<u>\$ 45,562</u>	<u>\$ 45,757</u>

2009	2008	2007	2006	2005	2004	2003
\$ 0.35	\$ 0.39	\$ 0.32	\$ 0.37	\$ 0.39	\$ 0.37	\$ 0.41
\$ 0.23	\$ 0.22	\$ 0.24	\$ 0.21	\$ 0.17	\$ 0.15	\$ 0.05
\$ 8,658	\$ 8,442	\$ 8,237	\$ 9,125	\$ 9,933	\$ 10,815	\$ 11,313
<u>36,142</u>	<u>36,282</u>	<u>30,080</u>	<u>22,894</u>	<u>15,931</u>	<u>12,441</u>	<u>10,225</u>
44,800	44,724	38,317	32,019	25,864	23,256	21,538
814	756	793	762	636	436	396
<u>\$ 45,614</u>	<u>\$ 45,480</u>	<u>\$ 39,110</u>	<u>\$ 32,781</u>	<u>\$ 26,500</u>	<u>\$ 23,692</u>	<u>\$ 21,934</u>



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Chilled Water

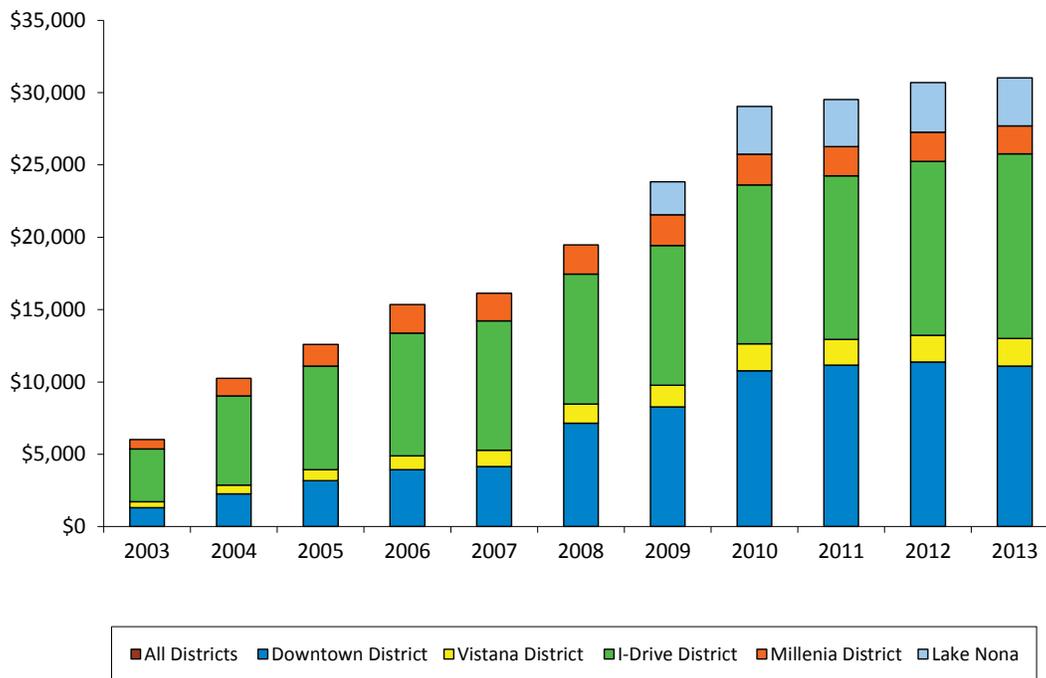


Chilled Water

OUC's efficient Chilled Water service helps make
Downtown Orlando a cool place for business.

CHILLED WATER BUSINESS OPERATIONS

Chilled Water Operating Revenue
(Dollars in thousands)



OUC began providing chilled water services in 1999. As of 2013, five Chilled water loops were operational with a total capacity of 47,950 tons.

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

Years Ended September 30	2013	2012	2011	2010
Operating revenues				
Downtown Plant	\$ 11,039	\$ 11,371	\$ 11,163	\$ 10,773
Vistana plant	1,910	1,848	1,768	1,870
International Drive plant	12,697	12,023	11,314	10,980
Millenia plant	1,919	2,016	2,032	2,133
Lake Nona Plant	3,307	3,431	3,243	3,282
Service fees and other	497	186	255	248
Total operating revenues	<u>31,369</u>	<u>30,875</u>	<u>29,775</u>	<u>29,286</u>
Operations and maintenance expenses				
Downtown plant	4,523	4,384	3,884	4,032
Vistana plant	862	901	1,173	835
International Drive plant	7,094	7,276	7,062	6,954
Millenia plant	1,306	1,232	1,214	1,291
Lake Nona plant	1,305	1,372	1,496	1,377
Storm recovery costs (1)	-	-	-	-
Customer service	158	142	140	126
General & administrative	745	715	1,037	1,274
Total operations and maintenance expenses	<u>15,993</u>	<u>16,022</u>	<u>16,006</u>	<u>15,889</u>
Other expenses				
Utility/property tax	1	2	2	3
Revenue based payments to the City of Orlando	625	668	699	665
Revenue based payments to Orange County	121	127	80	-
Depreciation and amortization (2)	4,808	4,891	5,015	5,290
Total other expenses	<u>5,555</u>	<u>5,688</u>	<u>5,796</u>	<u>5,958</u>
Total operating expenses	<u>21,548</u>	<u>21,710</u>	<u>21,802</u>	<u>21,847</u>
Operating income	9,821	9,165	7,973	7,439
Non-operating income and expense				
Interest income	71	129	82	179
Other income / (loss), net	125	135	223	179
Bond interest and other related expenses	(4,134)	(5,050)	(5,484)	(5,606)
Total non-operating expenses, net	<u>(3,938)</u>	<u>(4,786)</u>	<u>(5,179)</u>	<u>(5,248)</u>
Chilled water income / (loss) before contributions	5,883	4,379	2,794	2,191
Contributions in aid of construction (CIAC)(3)	-	-	8	7
Annual dividend	<u>(3,742)</u>	<u>(2,841)</u>	<u>(1,719)</u>	<u>(1,435)</u>
Increase/(decrease) in net position	<u>\$ 2,141</u>	<u>\$ 1,538</u>	<u>\$ 1,083</u>	<u>\$ 763</u>

(1) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne.

(2) In 2013, OUC implemented the results from a completed depreciation study lowering depreciation expense \$0.5 million which properly reflects its level of maintenance and comparability with industry norms.

(3) In 2008, in conjunction with the Florida Department of Transportation (FDOT) I-4/408 Interchange Improvement Project, OUC relocated the Chilled water pipelines and received contributions of \$1.1 million from the FDOT.

2009	2008	2007	2006	2005	2004	2003
\$ 8,272	\$ 7,148	\$ 4,142	\$ 3,926	\$ 3,162	\$ 2,268	\$ 1,299
1,510	1,323	1,128	964	781	602	418
9,659	8,992	8,945	8,496	7,159	6,176	3,649
2,114	2,016	1,920	1,961	1,489	1,205	649
2,286	-	-	-	-	-	-
380	260	508	243	147	92	-
<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>
3,683	3,227	2,767	2,407	1,706	1,063	300
785	688	590	441	320	214	125
6,334	6,057	5,977	5,847	5,107	3,743	2,243
1,214	1,095	1,094	1,031	936	710	450
999	-	-	-	-	-	-
-	-	-	-	-	62	-
117	117	120	109	84	80	72
680	662	607	542	506	482	416
<u>13,812</u>	<u>11,846</u>	<u>11,155</u>	<u>10,377</u>	<u>8,659</u>	<u>6,354</u>	<u>3,606</u>
4	4	6	3	2	4	2
451	376	231	231	186	152	131
-	-	-	-	-	-	-
<u>3,957</u>	<u>3,117</u>	<u>3,066</u>	<u>2,901</u>	<u>2,648</u>	<u>1,849</u>	<u>1,203</u>
<u>4,412</u>	<u>3,497</u>	<u>3,303</u>	<u>3,135</u>	<u>2,836</u>	<u>2,005</u>	<u>1,336</u>
<u>18,224</u>	<u>15,343</u>	<u>14,458</u>	<u>13,512</u>	<u>11,495</u>	<u>8,359</u>	<u>4,942</u>
5,997	4,396	2,185	2,078	1,243	1,984	1,073
139	102	86	299	31	(8)	65
73	26	35	31	28	34	(2)
<u>(5,064)</u>	<u>(4,730)</u>	<u>(3,787)</u>	<u>(3,880)</u>	<u>(3,579)</u>	<u>(3,596)</u>	<u>(598)</u>
<u>(4,852)</u>	<u>(4,602)</u>	<u>(3,666)</u>	<u>(3,550)</u>	<u>(3,520)</u>	<u>(3,570)</u>	<u>(535)</u>
1,145	(206)	(1,481)	(1,472)	(2,277)	(1,586)	(538)
4	1,078	-	-	-	-	-
<u>(724)</u>	<u>119</u>	<u>796</u>	<u>1,140</u>	<u>1,366</u>	<u>952</u>	<u>(269)</u>
<u>\$ 425</u>	<u>\$ 991</u>	<u>\$ (685)</u>	<u>\$ (332)</u>	<u>\$ (911)</u>	<u>\$ (634)</u>	<u>\$ (269)</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2013	2012	2011	2010
Chilled water operating ratio				
Chilled water operation & maintenance expenses/ operating revenues (2)	\$ 0.51	\$ 0.52	\$ 0.54	\$ 0.54
Chilled water income/(loss) before contributions per revenue dollar				
Chilled water income/(loss) before contributions/ operating revenues (2)(5)	\$ 0.19	\$ 0.14	\$ 0.09	\$ 0.07
Revenue per TON-hour produced (3)	\$ 0.2387	\$ 0.2420	\$ 0.2349	\$ 0.2511

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net				
Downtown plant	\$ 37,196	\$ 38,684	\$ 37,842	\$ 38,351
Vistana plant	3,855	4,089	4,323	4,557
International Drive plant	25,277	26,541	27,340	28,018
Millenia plant	2,552	2,709	2,929	3,133
Lake Nona plant	11,748	12,273	12,821	13,369
Total chilled water plant, net	<u>80,628</u>	<u>84,296</u>	<u>85,255</u>	<u>87,428</u>
TCS capital contributions (1)	-	-	-	-
Total plant, net	<u>80,628</u>	<u>\$ 84,296</u>	<u>\$ 85,255</u>	<u>\$ 87,428</u>

CHILLED WATER STATISTICS (3)

Pipe miles				
Downtown plant	8.31	7.65	7.65	7.65
Vistana plant	2.44	2.44	2.44	2.44
International Drive plant	3.79	3.79	3.79	3.79
Millenia plant	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.62	1.62
Total pipe miles	<u>16.42</u>	<u>15.76</u>	<u>15.76</u>	<u>15.76</u>

Generation capacity, TON

Downtown plant	14,250	14,250	14,250	14,250
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	5,300	5,300
Total generation capacity, TON	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>

TON-HOURS PRODUCED (in thousands) (3)

Downtown plant	38,925	36,673	37,970	33,473
Vistana plant	5,150	5,109	5,354	5,431
International Drive plant (4)	64,159	63,520	61,432	56,030
Millenia plant	9,206	8,970	8,834	8,991
Lake Nona plant	11,850	12,523	12,082	11,697
Total TON-hours produced	<u>129,290</u>	<u>126,795</u>	<u>125,672</u>	<u>115,622</u>

ACTIVE SERVICES (3)

Residential	2,365	2,365	2,365	2,365
Commercial	203	201	195	194
Total metered services (5)	<u>2,568</u>	<u>2,566</u>	<u>2,560</u>	<u>2,559</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 2003, 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.

	2009	2008	2007	2006	2005	2004 (1)	2003
\$	0.57	\$ 0.60	\$ 0.67	\$ 0.67	\$ 0.68	\$ 0.61	\$ 0.60
\$	0.05	\$ (0.01)	\$ (0.09)	\$ (0.09)	\$ (0.18)	\$ (0.15)	\$ (0.09)
\$	0.2344	\$ 0.1985	\$ 0.1753	\$ 0.1759	\$ -	\$ -	\$ -
\$	29,842	\$ 30,394	\$ 26,097	\$ 26,106	\$ 22,137	\$ 10,082	\$ 10,006
	4,791	4,423	4,642	4,444	2,384	2,479	2,578
	25,174	26,288	23,371	24,404	24,623	25,398	26,301
	3,353	3,572	3,792	4,053	4,285	4,446	4,652
	13,920	5	-	-	-	-	-
	<u>77,080</u>	<u>64,682</u>	<u>57,902</u>	<u>59,007</u>	<u>53,429</u>	<u>42,405</u>	<u>43,537</u>
	-	-	-	-	-	-	(18,138)
\$	<u>77,080</u>	<u>64,682</u>	<u>57,902</u>	<u>59,007</u>	<u>53,429</u>	<u>42,405</u>	<u>25,399</u>
	7.65	7.30	7.10	7.10	-	-	-
	2.44	2.44	1.24	1.24	-	-	-
	3.79	3.32	3.32	3.32	-	-	-
	0.26	0.26	0.26	0.26	-	-	-
	1.62	1.51	-	-	-	-	-
	<u>15.76</u>	<u>14.83</u>	<u>11.92</u>	<u>11.92</u>	<u>-</u>	<u>-</u>	<u>-</u>
	11,250	11,250	9,850	9,850	-	-	-
	2,400	2,400	2,400	2,400	-	-	-
	21,200	21,200	21,200	20,900	-	-	-
	4,800	4,800	4,800	4,800	-	-	-
	5,300	-	-	-	-	-	-
	<u>44,950</u>	<u>39,650</u>	<u>38,250</u>	<u>37,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
	29,486	27,561	21,804	18,954	-	-	-
	4,504	4,063	3,857	4,512	-	-	-
	51,278	57,262	57,780	50,422	-	-	-
	9,093	9,253	8,603	13,375	-	-	-
	7,371	-	-	-	-	-	-
	<u>101,732</u>	<u>98,139</u>	<u>92,044</u>	<u>87,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2,365	1,724	708	627	-	-	-
	198	231	171	174	-	-	-
	<u>2,563</u>	<u>1,955</u>	<u>879</u>	<u>801</u>	<u>-</u>	<u>-</u>	<u>-</u>

(4) The increase in the I-Drive usage was primarily driven by the number of events that were scheduled in the Orange County Convention Center (OCCC).

(5) In 2008, the number of residential customers increased as a result of growth in the downtown area. In 2009, the number of commercial services decreased as a result of the economic downturn. Income before contribution was higher in 2012 in part due to increased consumption in the International Drive.



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Statistical Information

We've improved our website and online services to give customers convenient access to the information they need, when they need it, to manage their accounts and save energy, water and money.

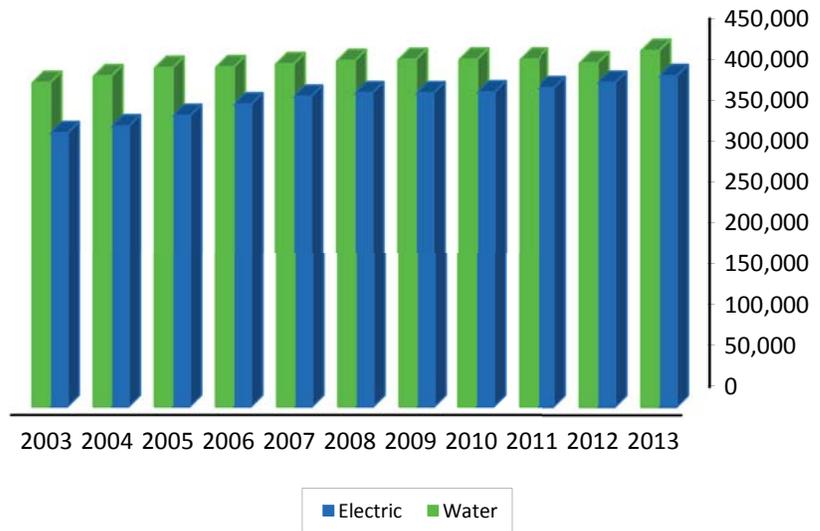
NUMBER OF EMPLOYEES

Year	Electric operations	Lighting operations	Chilled water operations	Water operations	Budgeted total	Actual total	Retail customers to employees
2013	887	11	16	244	1,158	1,086	335
2012	938	11	18	254	1,221	1,090	334
2011	917	11	16	255	1,199	1,179	304
2010	882	11	16	248	1,157	1,127	317
2009	937	13	18	259	1,227	1,116	316
2008	886	12	19	253	1,170	1,154	307
2007	858	12	17	242	1,129	1,097	323
2006	848	12	16	242	1,118	1,062	322
2005	847	13	16	242	1,118	1,070	312
2004	840	16	16	240	1,112	1,073	299
2003	839	16	14	239	1,108	1,024	305

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/Actual total number of employees.
 Actual total employees were lower than Budgeted total employees due to vacant positions in Electric operations and administration.

SERVICE AREA POPULATION

Year	Electric	Water
2013	403,668	434,594
2012	395,500	419,353
2011	389,000	423,900
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



CLIMATOLOGICAL DATA

Average Annual Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30

Fiscal Year	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal *
2013	48.10	(2.63)	73.0	.02
2012	44.28	(6.45)	73.6	0.8
2011	49.36	1.01	72.8	-
2010	50.27	1.92	72.0	(0.8)
2009	45.70	2.65	72.3	(0.5)
2008	61.22	12.87	73.6	0.8
2007	33.66	(14.69)	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)

* Normal was based on the average annual temperature as published by the National Weather Service.

Monthly Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30, 2013

Month*	Rain (Inches)		Temperature (°F)	
	Total	Above (Below) Normal	Average Daily	Above (Below) Normal
September	8.8	2.7	80.9	0.4
October	2.2	(1.1)	75.3	4.0
November	0.2	(1.9)	64.7	(3.2)
December	1.3	(1.3)	65.0	(0.1)
January	0.2	(2.1)	66.2	6.7
February	0.7	(1.7)	65.1	(1.2)
March	1.3	(2.5)	61.6	(9.4)
April	3.6	1.0	74.2	2.2
May	5.1	1.6	75.6	(2.0)
June	10.1	2.5	81.7	(2.8)
July	8.6	1.3	81.8	(0.3)
August	6.1	(1.1)	83.4	1.9
Total	48.1	(2.6)	-	-
Month Average	4.0	(0.2)	73.0	0.2

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

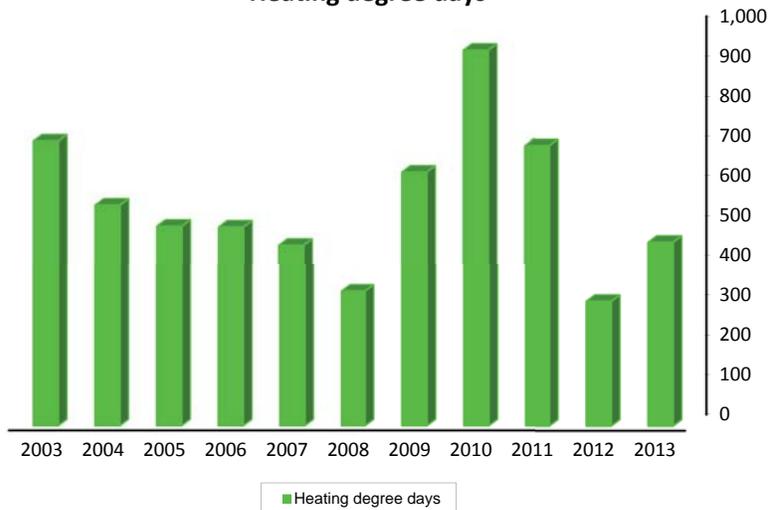
CLIMATOLOGICAL DATA (continued)

Orlando Metro Area Fiscal Year Ended September 30

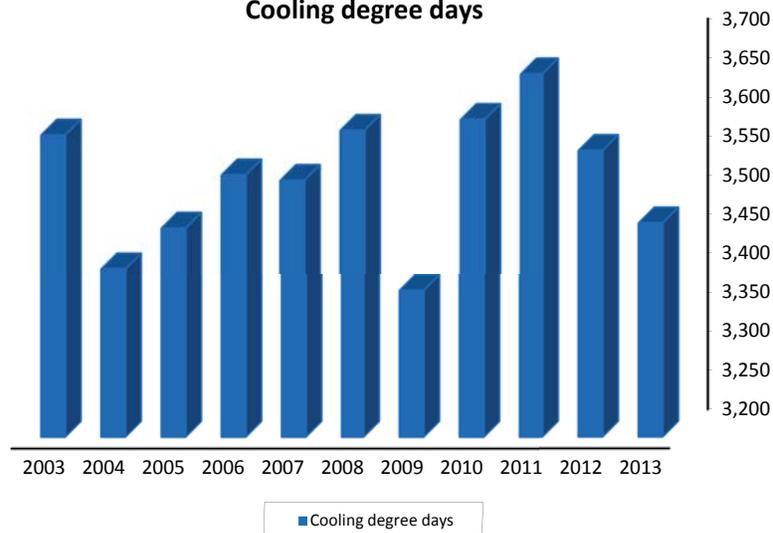
Year	Heating Degree Days	Cooling Degree Days
2013	461	3,474
2012	313	3,566
2011	703	3,664
2010	942	3,606
2009	637	3,387
2008	338	3,592
2007	453	3,529
2006	499	3,536
2005	501	3,468
2004	554	3,416
2003	714	3,586

Source: US Department of Commerce, National Weather Service

Heating degree days



Cooling degree days



INSURANCE COVERAGES

September 30, 2013

Carrier	Type of coverage	Limits	Period
Self insured	General liability	\$2.0 million per occurrence retention	Continuous
Self insured	Automobile liability	\$2.0 million per occurrence retention	Continuous
Self insured	Worker's compensation	\$0.6 million per occurrence retention	Continuous
Starr	Excess worker's compensation	\$25.0 million statutory limit of liability above a \$0.6 million per occurrence retention	10-01-12/10-01-13
AEGIS	Excess automobile and general liability	\$35.0 million above the \$2.0 million retention for general liability and automobile liability	10-01-12/10-01-13
Energy Insurance Mutual	Excess automobile and general liability	\$15.0 million above the \$35.0 million limit for excess automobile and general liability with AEGIS	10-01-12/10-01-13
Factory Mutual	All risk property/boiler and machinery	\$2.7 billion insurable values, \$0.25 million base retentions, various retentions depending on machinery	10-01-12/10-01-13
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-12/10-01-13
CHUBB	Fiduciary Liability	\$10.0 million	10-01-12/10-01-13
Great American Insurance	Dishonesty, disappearance & destruction (Crime)	\$10.0 million	10-01-12/10-01-13
Self insured	Health and medical benefits individual stop-loss	Amounts in excess of \$0.25 million 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 \$2.0 million	Continuous

ac·com·plish·ment

noun \ə'kam-plish-mənt\

1. something that has been achieved successfully
2. something done admirably or creditably

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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 to service all debts during a period, usually one year.

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

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

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

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

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

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

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

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.

Interlocal Sales: Agreement between OUC and the City of St. Cloud (STC) to provide retail electric service to all STC customers.

Kilowatt ("KW"): A measure of electric power. A kilowatt equals 1,000 watts. It produces enough energy to light up ten 100-watt light bulbs.

Kilowatt-hour ("KWh"): A measure of electric power consumption. A kilowatt-hour equals 1,000 watts of energy flowing for a one hour period.

MMBtu: 1,000,000 British Thermal Units ("BTU"). A BTU is the standard unit for measuring the quantity of heat energy, such as the heat content of fuel. It is the amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit at sea level pressure.

Megawatt ("MW"): A measure of electric power. A megawatt equals 1,000 kilowatts or 1,000,000 watts.

Megawatt-hour ("MWh"): A measure of electric power consumption. A megawatt-hour equals one megawatt of power flowing for one hour.

Metropolitan Statistical Area (MSA): A Core Based Statistical Area having at least one urbanized area 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 Post-employment Benefits ("OPEB"): Post-employment benefits other than pension benefits. OPEBs include postemployment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination benefits.

Peak Demand-Gross (Instantaneous): The demand at the instant of greatest load, usually determined from the readings of indicating or graphic meters.

Peak Demand-Net (Net 60-min integrated MW demand): The greatest rate at which electrical energy has been used during any on-peak period of 15 consecutive minutes in the billing month.

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

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

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

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

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



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