

The Road Ahead



2011 FINANCIAL AND STATISTICAL REPORT

OUC 
The Reliable One®

2011 FINANCIAL & STATISTICAL INFORMATION REPORT

ORLANDO UTILITIES COMMISSION

Years Ended September 30, 2011 - 2001

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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



For decades OUC has been helping customers reduce their energy and water consumption. In the mid-'80s, we started offering free Home Energy Audits to show customers how to make their homes more efficient. This year we upgraded our online energy audit to make it more even more convenient for customers to learn how to save in their homes. We also began sending out Home Energy Reports to show customers how their home compares to their neighbors when it comes to using energy.

GENERAL INFORMATION

OUC—the Reliable One is the second largest municipal utility in Florida and provides electric and water services to more than 225,000 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola counties.

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

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

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

In 1997, OUC entered into an inter-local agreement with the City of St. Cloud in Osceola, County to assume responsibility for providing retail electric energy service to its customers. OUC also operates and maintains St. Cloud's electric transmission and distribution system and certain generation facilities in its 150-square-mile service territory, granted to St. Cloud through an electric territorial agreement with Progress Energy of Florida through November 4, 2019. The agreement expires September 30, 2032.

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 (10) year extension periods. In accordance with OUC's, twenty (20) year 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 2001-2011 and where appropriate, amounts have been reclassified to conform to the 2011 presentation.

STATEMENT OF NET ASSETS (Dollars in thousands)

Years Ended September 30

	2011	2010	2009	2008
Assets				
Utility plant, net (1)				
In-service depreciated cost	\$ 2,160,121	\$ 2,134,963	\$ 1,800,510	\$ 1,748,770
Land and other non-depreciable assets	62,882	62,868	59,501	59,196
Construction work in progress	65,041	107,333	421,685	343,958
	<u>2,288,044</u>	<u>2,305,164</u>	<u>2,281,696</u>	<u>2,151,924</u>
Restricted and internally designated assets				
Debt service and related funds	122,714	133,981	121,526	118,406
Construction, bond proceeds, decommissioning and other funds	258,940	314,346	179,005	224,233
Liability reduction fund (2)	20,268	20,386	20,384	20,380
Stabilization and self-insurance funds (3)	197,414	174,676	141,604	110,013
Capital reserve fund (4)	14,700	14,700	-	32,140
	<u>614,036</u>	<u>658,089</u>	<u>462,519</u>	<u>505,172</u>
Current assets				
Cash and investments (5)	131,368	54,715	33,622	49,607
Customer accounts receivable, less allowance for doubtful accounts	74,711	84,000	81,482	78,801
Fuel for generation	24,319	19,863	19,950	5,972
Materials and supplies inventory	36,698	37,827	36,727	37,926
Other current assets	101,958	105,624	93,747	84,644
	<u>369,054</u>	<u>302,029</u>	<u>265,528</u>	<u>256,950</u>
Other assets and deferred charges				
Regulatory and other deferred assets	63,663	68,758	71,566	76,179
Deferred outflow - hedging derivatives (6)	38,636	67,320	80,589	60,921
	<u>102,299</u>	<u>136,078</u>	<u>152,155</u>	<u>137,100</u>
Total assets	<u>\$ 3,373,433</u>	<u>\$ 3,401,360</u>	<u>\$ 3,161,898</u>	<u>\$ 3,051,146</u>
Liabilities				
Current liabilities - payable from restricted and designated assets				
Accrued interest payable on notes and bonds	\$ 34,448	\$ 37,284	\$ 27,552	\$ 28,093
Bonds payable within one year	88,450	51,080	48,350	46,045
Customer meter deposits	43,079	39,062	33,485	33,575
	<u>165,977</u>	<u>127,426</u>	<u>109,387</u>	<u>107,713</u>
Current liabilities - payable from current assets				
Accounts payable and accrued expenses	84,963	84,089	68,080	93,162
Other bonds payable (7)	98,360	98,522	199,266	218,799
Other current liabilities	18,604	22,927	24,266	17,876
	<u>201,927</u>	<u>205,538</u>	<u>291,612</u>	<u>329,837</u>
Other liabilities and deferred credits				
Regulatory liabilities (3)	283,106	267,236	229,039	198,135
Deferred revenue	21,606	22,226	22,986	24,213
Asset retirement obligation and other liabilities	58,082	55,749	58,036	59,825
Other deferred items (6)	31,117	54,666	69,103	60,921
	<u>393,911</u>	<u>399,877</u>	<u>379,164</u>	<u>343,094</u>
Long-term debt, net	<u>1,578,785</u>	<u>1,674,109</u>	<u>1,425,450</u>	<u>1,352,397</u>
Total liabilities	<u>\$ 2,340,600</u>	<u>\$ 2,406,950</u>	<u>\$ 2,205,613</u>	<u>\$ 2,133,041</u>
Net assets				
Invested in capital assets, net of related debt	\$ 745,117	\$ 740,393	\$ 778,476	\$ 754,793
Restricted	1,570	425	827	2,515
Unrestricted	286,146	253,592	176,982	160,797
Total net assets	<u>\$ 1,032,833</u>	<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>

- (1) In 2011, Utility plant, net decreased \$17.1 million due to the systematic depreciation and the impairment of a Consumptive Use water capital project offset by lower annual capital additions. The increase in 2010 Utility plant was primarily due to the addition of the Stanton B generation facility.
- (2) In 2000, OUC sold the steam units at the Indian River Power Plant. A portion of the proceeds from this sale were internally designated to fund future debt maturities. In 2006, OUC used \$113.0 million of the Liability reduction funds to defease portions of the Series 2001, 2001A and 2003A Bonds.
- (3) The primary reason for the fluctuation over the past ten years is due to the increase in fuel stabilization funds, as these funds are designated to match the change in deferred fuel revenue.
- (4) In 2006, OUC established the Capital reserve to fund the construction of capital projects. Funding of the Capital reserve continued through 2008 with a reclassification of funds in 2010.
- (5) Operating cash and investments increased \$76.7 million 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. Additionally, lower cash outflows for the construction and acquisition of utility plant impacted the increase.
- (6) In conjunction with the implementation of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", all effective derivative instruments are included on the Statements of Net Assets as either an asset or liability measured at fair market value. Related changes in the fair value of derivative instruments are deferred and recognized in the period in which the derivative is settled. In 2011, the change in the derivative asset was due to the termination of an effective interest rate swap in the amount of \$26.6 million.

2007	2006	2005	2004	2003	2002	2001
\$ 1,726,375	\$ 1,681,186	\$ 1,652,730	\$ 1,644,680	\$ 1,599,651	\$ 1,474,956	\$ 1,447,357
31,632	31,632	29,667	31,670	29,267	28,652	27,605
176,216	100,909	84,756	69,992	76,069	103,140	71,437
<u>1,934,223</u>	<u>1,813,727</u>	<u>1,767,153</u>	<u>1,746,342</u>	<u>1,704,987</u>	<u>1,606,748</u>	<u>1,546,399</u>
118,471	117,812	112,837	109,264	101,718	164,883	177,379
211,336	217,311	141,533	107,785	157,307	114,622	87,087
30,593	143,446	151,096	190,491	191,382	189,122	328,917
143,154	111,085	56,173	66,377	94,759	100,151	77,551
32,618	5,500	-	-	-	-	-
<u>536,172</u>	<u>595,154</u>	<u>461,639</u>	<u>473,917</u>	<u>545,166</u>	<u>568,778</u>	<u>670,934</u>
36,148	55,666	75,535	83,077	72,633	55,324	55,294
89,749	68,715	81,954	65,619	60,960	59,225	58,243
14,752	9,626	8,642	6,512	9,105	10,404	4,716
35,927	33,669	31,300	29,231	26,852	28,567	26,342
71,862	66,366	54,197	47,405	41,829	45,332	45,510
<u>248,438</u>	<u>234,042</u>	<u>251,628</u>	<u>231,844</u>	<u>211,379</u>	<u>198,852</u>	<u>190,105</u>
71,421	64,924	62,448	93,093	26,539	24,849	12,132
-	-	-	-	-	-	-
<u>71,421</u>	<u>64,924</u>	<u>62,448</u>	<u>93,093</u>	<u>26,539</u>	<u>24,849</u>	<u>12,132</u>
<u>\$ 2,790,254</u>	<u>\$ 2,707,847</u>	<u>\$ 2,542,868</u>	<u>\$ 2,545,196</u>	<u>\$ 2,488,071</u>	<u>\$ 2,399,227</u>	<u>\$ 2,419,570</u>
\$ 28,524	\$ 30,810	\$ 28,744	\$ 27,744	\$ 26,567	\$ 31,048	\$ 34,254
44,440	41,420	38,560	35,575	129,250	91,155	54,190
31,481	29,012	26,099	24,846	21,141	19,161	15,008
<u>104,445</u>	<u>101,242</u>	<u>93,403</u>	<u>88,165</u>	<u>176,958</u>	<u>141,364</u>	<u>103,452</u>
68,222	62,189	93,513	90,055	54,147	57,130	55,294
-	-	-	-	-	-	-
13,546	13,102	14,317	12,039	16,539	11,593	18,447
<u>81,768</u>	<u>75,291</u>	<u>107,830</u>	<u>102,094</u>	<u>70,686</u>	<u>68,723</u>	<u>73,741</u>
243,299	212,742	155,976	173,716	111,009	110,000	123,437
24,953	25,179	22,839	23,224	134,170	138,783	121,043
54,554	55,737	48,539	45,371	43,224	1,257	1,922
-	-	-	-	-	-	-
<u>322,806</u>	<u>293,658</u>	<u>227,354</u>	<u>242,311</u>	<u>288,403</u>	<u>250,040</u>	<u>246,402</u>
<u>1,415,793</u>	<u>1,435,889</u>	<u>1,351,781</u>	<u>1,387,423</u>	<u>1,261,883</u>	<u>1,281,333</u>	<u>1,367,949</u>
<u>\$ 1,924,812</u>	<u>\$ 1,906,080</u>	<u>\$ 1,780,368</u>	<u>\$ 1,819,993</u>	<u>\$ 1,797,930</u>	<u>\$ 1,741,460</u>	<u>\$ 1,791,544</u>
\$ 661,230	\$ 530,940	\$ 513,025	\$ 461,418	\$ 443,481	\$ 409,758	\$ 288,440
8,342	5,863	4	4	49,968	48,943	46,700
195,870	264,964	249,471	263,781	196,692	199,066	292,886
<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>\$ 628,026</u>

(7) 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, classifying the debt a Current liability - payable from current assets.

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

Years Ended September 30	2011	2010	2009	2008
Operating revenues				
Electric operating revenues (1)	\$ 769,776	\$ 759,754	\$ 704,483	\$ 750,936
Water operating revenues	64,142	62,619	62,675	62,224
Lighting operating revenues (1)	12,316	12,155	12,036	11,283
Chilled water operating revenues	29,775	29,286	24,221	19,739
Total operating revenues	<u>876,009</u>	<u>863,814</u>	<u>803,415</u>	<u>844,182</u>
Operating expenses				
Fuel for generation, purchased power, fixed demand payments	332,198	330,738	312,377	372,423
Production	96,229	94,089	80,363	81,359
Transmission and distribution	37,553	37,687	32,725	31,483
Lighting	3,161	3,494	3,688	3,853
Chilled water (2)	14,829	14,489	13,015	11,067
Storm recovery expenses (3)	-	-	162	624
Depreciation and amortization	119,361	117,105	110,068	98,312
Customer service	35,074	31,448	29,361	29,245
General and administrative (4)	46,750	45,810	37,634	37,898
Utility/property tax	16,473	16,535	15,142	13,533
Revenue based payments to the City of Orlando	28,809	28,804	27,301	25,148
Revenue based payments to Orange County	1,461	1,821	1,687	1,054
Revenue based payments to the City of St. Cloud	6,372	5,582	5,316	5,064
System use payments to the City of St. Cloud	1,915	1,911	1,910	1,914
Total operating expenses	<u>740,185</u>	<u>729,513</u>	<u>670,749</u>	<u>712,977</u>
Operating income	135,824	134,301	132,666	131,205
Interest and other income, net (5)	16,715	16,401	12,912	18,872
Amortization of deferred gain on sale of assets (6)	3,971	3,971	3,971	3,971
Interest and other expenses (7)	(78,530)	(85,051)	(77,048)	(74,167)
Income before contributions	<u>77,980</u>	<u>69,622</u>	<u>72,501</u>	<u>79,881</u>
Contributions in aid of construction (CIAC)(8)	8,419	14,099	11,579	18,734
Annual dividend (9)	<u>(47,976)</u>	<u>(45,596)</u>	<u>(45,900)</u>	<u>(45,952)</u>
Increase in net assets	38,423	38,125	38,180	52,663
Net assets - beginning of year	<u>994,410</u>	<u>956,285</u>	<u>918,105</u>	<u>865,442</u>
Net assets - end of year	<u>\$ 1,032,833</u>	<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>

(1) Prior to 2002, conventional lighting revenue was classified as Electric operating revenue, an integrated part of the Electric business operation. In 2002, OUC began separately reporting the Lighting business operations.

(2) In March 2004, the Board authorized the dissolution of the agreement with Trigen Cinergy Solutions (TCS) and acquired TCS' 51% rights in the Chilled Water operations.

(3) 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.

(4) Increased actuarial pension costs as a result of lower than projected investment returns and the inclusion of previously approved cost of living adjustments drove the increase in General and administrative costs for 2010. 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.

(5) The sale of IRP in 1999 was the driver for higher interest earnings in 2001. While higher cash reserves impacted earnings in 2006 and 2007, lower market rates beginning with the market downturn in 2008 continued to impact interest earnings through 2011.

(6) Proceeds from the sale of the steam units at the IRP were internally designated and the gain deferred in accordance with OUC's application of Financial Accounting Standards No. 71, "Accounting for the Effect of Certain Types of Regulation". The designated proceeds from the sale were reported under the caption of Liability reduction fund and the gain is included under the heading Regulatory liabilities on the Statements of Net Assts. 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).

2007	2006	2005	2004	2003	2002	2001
\$ 673,317	\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457
65,428	56,032	54,361	50,460	46,307	41,854	38,813
10,437	8,885	7,696	6,651	4,815	2,393	-
<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>
<u>765,825</u>	<u>746,255</u>	<u>754,260</u>	<u>673,107</u>	<u>559,713</u>	<u>495,741</u>	<u>534,344</u>
323,245	346,417	373,880	318,558	221,193	189,967	231,128
73,401	69,685	68,053	62,978	53,119	48,284	44,748
28,523	25,064	21,195	19,260	18,643	17,309	19,277
2,909	2,771	2,569	1,954	1,529	1,560	-
10,428	9,726	8,069	5,730	3,118	2,179	1,403
-	-	-	6,003	-	-	-
92,282	86,433	85,570	79,768	70,747	74,157	77,248
29,979	27,234	20,897	20,011	17,918	16,847	16,693
34,716	28,936	27,022	26,400	24,222	25,416	24,339
12,908	12,895	11,461	10,071	9,665	9,097	8,387
24,130	23,658	20,187	18,058	17,319	16,294	15,955
1,056	1,062	871	816	786	731	733
4,079	3,519	3,349	3,240	2,821	2,491	2,377
<u>1,915</u>	<u>1,907</u>	<u>1,911</u>	<u>1,925</u>	<u>1,927</u>	<u>1,883</u>	<u>2,026</u>
<u>639,571</u>	<u>639,307</u>	<u>645,034</u>	<u>574,772</u>	<u>443,007</u>	<u>406,215</u>	<u>444,314</u>
126,254	106,948	109,226	98,335	116,706	89,526	90,030
26,553	24,577	12,079	11,431	12,906	19,506	44,202
3,970	3,970	3,970	14,006	-	13,433	11,178
<u>(71,764)</u>	<u>(73,721)</u>	<u>(68,551)</u>	<u>(71,005)</u>	<u>(74,595)</u>	<u>(75,440)</u>	<u>(91,925)</u>
85,013	61,774	56,724	52,767	55,017	47,025	53,485
24,362	25,293	14,607	13,955	10,348	10,916	8,317
<u>(45,700)</u>	<u>(47,800)</u>	<u>(34,034)</u>	<u>(31,660)</u>	<u>(32,991)</u>	<u>(28,200)</u>	<u>(32,091)</u>
63,675	39,267	37,297	35,062	32,374	29,741	29,711
<u>801,767</u>	<u>762,500</u>	<u>725,203</u>	<u>690,141</u>	<u>657,767</u>	<u>628,026</u>	<u>598,315</u>
<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>\$ 628,026</u>

- (7) 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.
- (8) Growth in Central Florida fueled the increase in CIAC in 2006 and 2007.
- (9) The dividend payments to the City of Orlando were calculated at 60% of Income before contributions for all operating units except Chilled Water. Dividends for Chilled Water were calculated based on 50% of Income before contributions up to \$625 thousand through 2003 and 60% thereafter. In 2005, the Board approved a change for 2006 and 2007 to increase the dividend calculation from 60% to 85% and 80%, respectively, of budgeted Income before contributions. In 2008 through 2011, the dividend was fixed based on budgeted Income before contributions.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2011	2010	2009	2008
Cash flows from operating activities				
Cash received from customers	\$ 903,066	\$ 899,241	\$ 827,231	\$ 839,152
Cash paid for fuel and purchased power	(326,169)	(328,583)	(347,691)	(378,343)
Cash paid for unit/department expenses excluding salaries and benefits	(86,339)	(61,220)	(75,027)	(74,058)
Cash paid for salaries and benefits	(138,429)	(136,480)	(115,283)	(113,564)
Cash received from storm recovery expenses (1)	-	-	-	(624)
Cash paid to other governments and taxes	(54,999)	(54,429)	(50,993)	(46,923)
Net cash provided by operating activities	<u>297,130</u>	<u>318,529</u>	<u>238,237</u>	<u>225,640</u>
Cash flows from non-capital related financing activities				
Dividend payment	(47,976)	(45,596)	(45,900)	(45,952)
Net cash used in non-capital related financing activities	<u>(47,976)</u>	<u>(45,596)</u>	<u>(45,900)</u>	<u>(45,952)</u>
Cash flows from capital related financing activities				
Debt interest payments/collateral deposits	(89,517)	(97,153)	(78,236)	(81,091)
Principal payments on long-term debt	(231,095)	(366,000)	(362,945)	(44,440)
Debt issuances	178,834	541,050	419,875	200,000
Debt issuances expenses	(2,892)	(5,086)	(3,955)	(1,623)
Advance pension payments (2)	-	-	-	-
Collateral deposits	16,400	(6,600)	-	-
Construction and acquisition of utility plant net of contributions and sale of plant proceeds	(104,532)	(141,230)	(237,983)	(302,678)
Net cash used in capital related financing activities	<u>(232,802)</u>	<u>(75,019)</u>	<u>(263,244)</u>	<u>(229,832)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investment securities	1,005,222	700,558	598,096	594,525
Proceeds from gain on sale of investments	2,064	3,314	2,230	7,791
Purchases of investment securities	(1,009,564)	(864,933)	(497,435)	(634,030)
Investments and other income received	16,133	14,602	13,921	22,507
Net cash provided/(used in) by investing activities	<u>13,855</u>	<u>(146,459)</u>	<u>116,812</u>	<u>(9,207)</u>
Net increase/(decrease) in cash and cash equivalents	<u>30,207</u>	<u>51,455</u>	<u>45,905</u>	<u>(59,351)</u>
Cash and cash equivalents - beginning of year	<u>207,120</u>	<u>155,665</u>	<u>109,760</u>	<u>169,111</u>
Cash and cash equivalents - end of year	<u>\$ 237,327</u>	<u>\$ 207,120</u>	<u>\$ 155,665</u>	<u>\$ 109,760</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 135,824	\$ 134,301	\$ 132,666	\$ 131,205
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	119,361	117,105	110,068	98,312
Depreciation and amortization charged to fuel for generation and purchased power	5,570	3,985	4,051	3,498
Depreciation of vehicles and equipment charged to unit/department expenses	4,892	10,425	6,126	3,233
Changes in assets and liabilities				
Decrease/(increase) in receivables and accrued revenue	10,245	(3,179)	(1,267)	8,166
Decrease/(increase) in fuel and materials and supplies inventories	4,271	2,733	(7,407)	12,744
Increase/(Decrease) in accounts payable	557	19,602	(20,786)	24,112
(Decrease)/increase in deposits payable and deferred costs	(5,811)	(11,599)	(14,322)	(12,986)
Increase/(decrease) in stabilization and deferred revenue	22,221	45,156	29,108	(42,644)
Net cash provided by operating activities	<u>297,130</u>	<u>\$ 318,529</u>	<u>\$ 238,237</u>	<u>\$ 225,640</u>
Reconciliation of cash and cash equivalents				
Restricted and internally designated equivalents	\$ 144,401	\$ 89,181	\$ 88,474	\$ 42,206
Cash and investments	3,960	1,261	4,362	2,472
Construction and related funds	7,637	35,182	33,042	40,057
Debt service and related funds	81,329	81,496	29,787	25,025
Cash and cash equivalents - end of the year	<u>\$ 237,327</u>	<u>\$ 207,120</u>	<u>\$ 155,665</u>	<u>\$ 109,760</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 of the actuarial pension liability to the pension trust and continues to systematically recognize these amounts to unit department expense based on actuarial requirements.

2007	2006	2005	2004	2003	2002	2001
\$ 763,456 (326,874)	\$ 819,265 (374,365)	\$ 710,245 (364,435)	\$ 631,648 (313,039)	\$ 555,745 (214,226)	\$ 507,020 (192,805)	\$ 570,813 (228,895)
(95,116) (63,880) - (45,400)	(129,066) (56,081) 530 (41,714)	(76,834) (54,437) 16,482 (37,404)	(75,041) (48,499) (22,485) (33,862)	(79,841) (43,635) - (32,468)	(67,748) (42,489) - (31,506)	(55,788) (40,059) - (32,055)
<u>232,186</u>	<u>218,569</u>	<u>193,617</u>	<u>138,722</u>	<u>185,575</u>	<u>172,472</u>	<u>214,016</u>
(45,700)	(49,135)	(32,700)	(35,495)	(29,156)	(35,091)	(31,984)
<u>(45,700)</u>	<u>(49,135)</u>	<u>(32,700)</u>	<u>(35,495)</u>	<u>(29,156)</u>	<u>(35,091)</u>	<u>(31,984)</u>
(74,448) (289,337) 260,620 (2,429) - -	(70,443) (75,898) 160,525 (857) - -	(66,742) (35,575) - (640) - -	(66,084) (261,980) 288,735 (543) (54,600) -	(71,647) (459,569) 472,697 (4,261) - -	(74,483) (432,089) 394,813 (19,266) - -	(76,198) (61,735) 50,290 (2,795) - -
<u>(191,427)</u>	<u>(93,236)</u>	<u>(91,956)</u>	<u>(100,723)</u>	<u>(119,300)</u>	<u>(145,149)</u>	<u>(103,664)</u>
<u>(297,021)</u>	<u>(79,909)</u>	<u>(194,913)</u>	<u>(195,195)</u>	<u>(182,080)</u>	<u>(276,174)</u>	<u>(194,102)</u>
592,967 - (538,523) 33,219 87,663 (22,872) 191,983	621,734 - (673,304) 19,399 (32,171) 57,354 134,629	232,197 - (203,529) 14,590 43,258 9,262 125,367	544,702 12,950 (548,278) 18,027 27,401 (64,567) 189,934	584,420 1,418 (610,284) 17,982 (6,464) (32,125) 220,979	476,076 2,488 (312,354) 34,526 200,736 61,943 159,036	677,945 - (607,209) 46,065 116,801 104,731 54,305
<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>
\$ 126,254	\$ 106,948	\$ 109,226	\$ 98,335	\$ 116,706	\$ 89,526	\$ 90,030
92,282	86,433	85,570	79,768	70,747	74,157	77,248
3,471	3,367	1,833	2,258	2,083	1,941	3,299
2,538	1,671	1,604	1,573	3,140	1,902	1,453
(24,617) (6,956) 8,905 13,334 16,975	15,189 (31,101) (15,794) (5,077) 56,933	(27,407) (11,244) 25,954 24,755 (16,674)	(6,062) 1,169 17,342 (20,910) (34,751)	3,103 2,599 1,942 (2,977) (11,768)	(2,890) (7,979) 2,166 247 13,402	10,412 (805) 8,930 (2,608) 26,057
<u>\$ 232,186</u>	<u>\$ 218,569</u>	<u>\$ 193,617</u>	<u>\$ 138,722</u>	<u>\$ 185,575</u>	<u>\$ 172,472</u>	<u>\$ 214,016</u>
\$ 87,049 9,907 1,048 71,107	\$ 105,521 17,600 20,440 48,422	\$ 64,552 25,855 11,945 32,277	\$ 91,219 25,695 7,030 1,423	\$ 124,523 29,061 19,759 15,511	\$ 159,823 29,311 22,598 9,247	\$ 139,075 18,919 1,038 4
<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>	<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2011	2010	2009	2008
Current ratio				
Current assets/current liabilities (1)	3.56	2.82	2.88	2.30
Leverage ratio				
Total debt/total assets	0.52	0.54	0.53	0.53
Return on total assets				
Income before contributions/total assets (2)	2.31%	2.05%	2.29%	2.62%
Return on net assets				
Income before contributions/average net assets (2)	7.69%	7.14%	7.74%	8.96%
Debt/net assets	62%/38%	64%/36%	63%/37%	63%/37%
Total revenue based payments and dividend to the City of Orlando				
	\$76,785	\$74,400	\$73,201	\$71,099
As a percentage of retail revenue	10.62%	10.39%	10.93%	11.73%
Retail receivables/retail billed revenue (2)(3)	7.00%	8.24%	8.92%	8.59%
Bad debt expense/retail billed revenue (OUC) (4)	0.68%	0.97%	0.90%	0.88%
Bad debt expense/retail revenue (Inter-local sales) (4)	0.66%	0.70%	1.22%	0.62%
Day sales uncollected (OUC)	27	30	34	30
Day sales uncollected (Inter-local sales)	32	31	33	32
Materials inventory as a percentage of total plant	1.60%	1.64%	1.61%	1.76%
Total metered services per meter reader	12,785	12,269	13,565	13,113

-
- (1) The increase in the current ratio is primarily driven by an increase in cash and investments as a result of the release of previously restricted debt service reserve funds of \$41.4 million.
- (2) In 2010, the return changed as a result of higher Restricted and internally designated assets. The change in 2007 and 2008 was due primarily to higher electric and water revenues resulting from rate modifications in January 2007. The funds generated from the rate modification were recorded to the Capital reserve fund for future capital spending in accordance with Board action.
- (3) In 2011, the percent decreased due to lower retail receivables at September 2011 as a result of mild weather coupled with higher annual retail revenues. In 2007, the increase was due to delayed collections and cut-offs as a result of staffing resources dedicated to the PSERM implementation.
- (4) Beginning in 2007, the percentage of bad debt expense to retail revenue increased as a result of billing issues with the implementation of PSERM and the delay in collection efforts. This was followed by the downturn in the economy in 2008 through 2011.

2007	2006	2005	2004	2003	2002	2001
3.04	3.11	2.33	2.27	2.99	2.89	2.58
0.52	0.55	0.55	0.56	0.56	0.57	0.59
3.05%	2.28%	2.23%	2.07%	2.21%	1.96%	2.21%
10.20%	7.90%	7.63%	7.46%	8.16%	7.31%	8.72%
62%/38%	64%/36%	64%/36%	66%/34%	65%/35%	66%/34%	69%/31%
\$69,829	\$71,458	\$54,221	\$49,718	\$50,310	\$44,494	\$48,046
11.88%	12.25%	11.02%	11.32%	12.41%	11.46%	12.38%
10.51%	7.64%	6.36%	8.22%	9.03%	9.55%	9.42%
0.73%	0.41%	0.41%	0.43%	0.43%	0.63%	0.54%
0.45%	0.35%	0.37%	0.23%	0.33%	0.37%	-
30	29	24	31	34	35	35
35	28	30	27	24	32	26
1.86%	1.86%	1.77%	1.67%	1.57%	1.78%	1.70%
11,732	12,254	11,533	10,340	10,367	10,126	10,472



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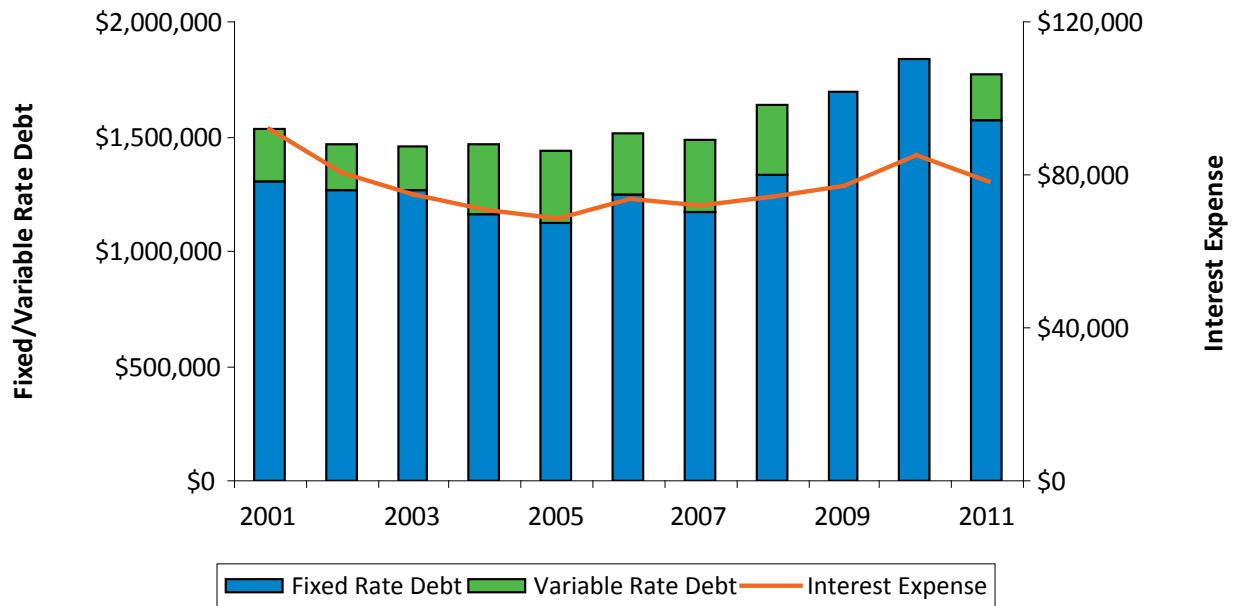
DEBT SERVICE INFORMATION



OUC's solid financial foundation remains strong, even during difficult economic times, thanks to our long-standing tradition of prudent fiscal planning. That financial strength has enabled OUC to maintain affordable rates for our customers while continuing to grow and meet our region's energy and water needs.

DEBT SERVICE INFORMATION

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



In 2010 and 2009, all debt issued in the variable rate mode was synthetically fixed as a result of underlying swap agreements. In 2011, the swap agreement underlying the Series 2008 Bonds was terminated.

DEBT SERVICE COVERAGE AND RATIOS (Dollars in Thousands)

Years Ended September 30	2011	2010	2009	2008
Gross revenue and income before contributions				
Operating revenues				
Electric operating revenue	\$ 769,776	\$ 759,754	\$ 704,483	\$ 750,936
Water operating revenue	64,142	62,619	62,675	62,224
Lighting operating revenue	12,316	12,155	12,036	11,283
Chilled water operating revenue	29,775	29,286	24,221	19,739
Total operating revenue	<u>876,009</u>	<u>863,814</u>	<u>803,415</u>	<u>844,182</u>
Interest and other income, net	20,656	20,350	18,430	23,099
Gross revenue and income before contributions	<u>896,665</u>	<u>884,164</u>	<u>821,845</u>	<u>867,281</u>
Expenses (1)				
Operating expenses				
Electric operating expenses	521,083	515,960	470,404	529,843
Water operating expenses	40,644	36,590	33,320	32,967
Lighting operating expenses	4,753	5,108	5,147	5,101
Chilled water operating expenses	16,390	16,348	14,713	12,220
Total operating expenses	<u>582,870</u>	<u>574,006</u>	<u>523,584</u>	<u>580,131</u>
Other expenses (1)(2)	1,277	1,088	1,220	887
Total expenses	<u>584,147</u>	<u>575,094</u>	<u>524,804</u>	<u>581,018</u>
Net revenue and income available for debt service	<u>\$ 312,518</u>	<u>\$ 309,070</u>	<u>\$ 297,041</u>	<u>\$ 286,263</u>
Current debt service (3) (4)	\$ 128,102	\$ 134,877	\$ 122,469	\$ 116,220
Current debt service coverage (4)	2.44x	2.29x	2.43x	2.46x
Adjusted debt service coverage				
Net revenue and income available for debt service	\$ 312,518	\$ 309,070	\$ 297,041	\$ 286,263
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	78,246	76,221	74,887	72,154
Net revenue and income available after payments	<u>\$ 234,272</u>	<u>\$ 232,849</u>	<u>\$ 222,154</u>	<u>\$ 214,109</u>
Adjusted debt service coverage	1.83x	1.73x	1.81x	1.84x
Fixed or full charge coverage				
Net revenue and income available after payments	\$ 234,272	\$ 232,849	\$ 222,154	\$ 214,109
Fixed demand payments/purchased power	33,415	32,483	32,833	30,261
Net revenue and income available after payments and fixed charge coverage	<u>\$ 267,687</u>	<u>\$ 265,322</u>	<u>\$ 254,987</u>	<u>\$ 244,370</u>
Fixed and full charge coverage	1.66x	1.59x	1.64x	1.67x
Debt ratio				
Gross funded debt/Net fixed assets & net working capital	61.35%	63.20%	61.86%	62.92%
Net funded debt/Net fixed assets & net working capital	61.04%	62.67%	61.12%	61.85%
Operating ratio				
Total expenses/Total operating revenues	66.68%	66.79%	65.53%	68.95%
Net take-down (%)				
Net revenue and income available for debt service/ Gross revenue and income before contributions	34.85%	34.75%	35.94%	32.89%
Debt service safety margin				
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	20.57%	19.50%	21.04%	19.48%

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

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

(4) The Series 2011A Bonds, classified as Current liabilities - payable from current assets, were included as Long-term debt in these calculations even though it is classified as current on the statement of Net Assets as it is OUC's intention to hold the series until its final maturity date on October 1, 2023.

2007	2006	2005	2004	2003	2002	2001
\$ 671,388	\$ 665,748	\$ 679,465	\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457
65,428	56,032	54,361	50,460	46,307	41,854	38,813
10,437	8,885	7,696	6,651	4,815	2,393	-
<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>
763,896	746,255	754,260	673,107	559,713	495,741	534,344
30,979	28,547	16,049	25,436	8,265	25,762	35,122
<u>794,875</u>	<u>774,802</u>	<u>770,309</u>	<u>698,543</u>	<u>567,978</u>	<u>521,503</u>	<u>569,466</u>
466,549	475,802	492,794	435,619	323,671	284,711	323,743
31,687	29,804	26,769	24,513	22,059	21,081	19,959
3,978	4,175	3,784	3,177	2,412	2,225	-
<u>10,269</u>	<u>11,065</u>	<u>9,225</u>	<u>6,898</u>	<u>3,984</u>	<u>2,824</u>	<u>2,029</u>
512,483	520,846	532,572	470,207	352,126	310,841	345,731
705	658	597	994	581	5,255	5,712
<u>513,188</u>	<u>521,504</u>	<u>533,169</u>	<u>471,201</u>	<u>352,707</u>	<u>316,096</u>	<u>351,443</u>
<u>\$ 281,687</u>	<u>\$ 253,298</u>	<u>\$ 237,140</u>	<u>\$ 227,342</u>	<u>\$ 215,271</u>	<u>\$ 205,407</u>	<u>\$ 218,023</u>
\$ 115,151	\$ 113,022	\$ 105,134	\$ 101,327	\$ 101,028	\$ 98,580	\$ 100,494
2.45x	2.24x	2.26x	2.24x	2.13x	2.08x	2.17x
\$ 281,687	\$ 253,298	\$ 237,140	\$ 227,342	\$ 215,271	\$ 205,407	\$ 218,023
70,886	72,520	55,161	50,534	51,096	45,225	48,779
<u>\$ 210,801</u>	<u>\$ 180,778</u>	<u>\$ 181,979</u>	<u>\$ 176,808</u>	<u>\$ 164,175</u>	<u>\$ 160,182</u>	<u>\$ 169,244</u>
1.83x	1.60x	1.73x	1.74x	1.63x	1.62x	1.68x
\$ 210,801	\$ 180,778	\$ 181,979	\$ 176,808	\$ 164,175	\$ 160,182	\$ 169,244
33,608	30,061	47,388	57,843	35,493	30,290	30,968
<u>\$ 244,409</u>	<u>\$ 210,839</u>	<u>\$ 229,367</u>	<u>\$ 234,651</u>	<u>\$ 199,668</u>	<u>\$ 190,472</u>	<u>\$ 200,212</u>
1.64x	1.47x	1.50x	1.47x	1.46x	1.48x	1.52x
61.73%	66.87%	67.18%	71.31%	59.70%	67.19%	71.14%
60.58%	65.04%	64.98%	68.90%	56.31%	62.14%	64.97%
67.26%	69.88%	70.69%	70.00%	63.02%	63.76%	65.77%
35.35%	32.69%	30.79%	32.55%	37.90%	39.39%	38.29%
20.90%	18.10%	17.14%	18.04%	20.11%	20.48%	20.64%

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

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

<u>Years ending 9/30 (1)</u>	<u>Series 1996A principal payments (2)</u>	<u>Series 1996A interest payments (3)</u>	<u>Series 2002C principal payments</u>	<u>Series 2002C interest payments</u>	<u>Series 2003 principal payments (2)</u>	<u>Series 2003 interest payments (3)</u>
2012	\$ -	\$ 2,250	\$ -	\$ 1,303	\$ -	\$ 1,917
2013	-	2,250	-	1,303	-	2,109
2014	-	2,475	-	1,303	-	2,109
2015	-	2,475	-	1,303	-	2,109
2016	-	2,475	1,295	1,303	-	2,109
2017	-	2,475	2,210	1,235	-	2,109
2018	-	2,475	2,320	1,119	-	2,109
2019	-	2,475	-	997	-	2,109
2020	14,500	2,475	-	997	-	2,109
2021	-	1,877	515	997	-	2,109
2022	13,750	1,877	540	970	-	2,109
2023	31,750	1,310	570	942	18,260	2,109
2024	-	-	4,230	912	18,260	1,406
2025	-	-	4,440	700	18,255	703
2026	-	-	4,665	478	-	-
2027	-	-	4,900	245	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Subtotal long-term debt	60,000	26,889	25,685	16,107	54,775	27,225
Current portion	-	1,125	-	651	-	959
Federal interest subsidy	-	-	-	-	-	-
Total long-term debt	<u>\$ 60,000</u>	<u>\$ 28,014</u>	<u>\$ 25,685</u>	<u>\$ 16,758</u>	<u>\$ 54,775</u>	<u>\$ 28,184</u>

- (1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.
- (2) The Series 1996A Bonds mature in 2023 with a mandatory purchase date of October 1, 2013. Additionally, the Series 2003 Bonds mature in 2025 with a mandatory purchase date of October 1, 2012. OUC intends to remarket both the Series 1996A Bonds and the Series 2003 Bonds at their mandatory purchase dates.
- (3) On October 1, 2008, OUC remarketed the Series 1996A Bonds and the Series 2003 Bonds in the term mode at the rate of 3.75% and 3.5%, respectively. The remarketed rates have been assumed until maturity. However after the mandatory tender dates, the interest rates for Series 1996A Bonds have been calculated at the assumed rate of 4.125% and the interest rates for the Series 2003 Bonds have been calculated at the assumed rate of 3.85% in accordance with the definition of "Debt Service Requirements" provided in the General Bond Resolution.

Series 2003A principal payments	Series 2003A interest payments	Series 2003B principal payments	Series 2003B interest payments	Series 2003T principal payments	Series 2003T interest payments	Series 2005A principal payments	Series 2005A interest payments	Series 2005B principal payments	Series 2005B interest payments
\$ -	\$ 5,521	\$ 4,955	\$ 4,288	\$ 3,725	\$ 1,544	\$ -	\$ -	\$ -	\$ 5,815
-	5,520	5,200	4,041	3,905	1,367	-	-	-	5,815
-	5,521	3,760	3,781	4,095	1,177	-	-	-	5,815
-	5,521	3,950	3,592	4,300	973	-	-	-	5,815
80	5,520	4,150	3,394	4,515	755	-	-	-	5,815
200	5,518	4,360	3,187	4,755	517	-	-	-	5,815
2,975	5,510	4,580	2,970	5,010	265	-	-	-	5,815
19,440	5,360	6,970	2,740	-	-	-	-	-	5,815
20,415	4,389	7,315	2,392	-	-	-	-	-	5,815
32,860	3,368	20,470	2,045	-	-	-	-	-	5,815
34,500	1,725	21,445	1,072	-	-	-	-	-	5,815
-	-	-	-	-	-	-	-	-	5,815
-	-	-	-	-	-	-	-	60,000	5,815
-	-	-	-	-	-	-	-	60,000	3,000
-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-
110,470	53,473	87,155	33,502	30,305	6,598	-	-	120,000	78,595
-	2,760	4,715	2,262	3,565	852	40,525	742	-	2,908
-	-	-	-	-	-	-	-	-	-
<u>\$ 110,470</u>	<u>\$ 56,233</u>	<u>\$ 91,870</u>	<u>\$ 35,764</u>	<u>\$ 33,870</u>	<u>\$ 7,450</u>	<u>\$ 40,525</u>	<u>\$ 742</u>	<u>\$ 120,000</u>	<u>\$ 81,503</u>

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2006 principal payments	Series 2006 interest payments	Series 2007 principal payments	Series 2007 interest payments	2007 swap interest payments	Series 2008 principal payments	Series 2008 interest payments
2012	\$ -	\$ 6,051	\$ 19,535	\$ 3,944	\$ 446	\$ -	\$ 1,000
2013	-	6,051	20,570	2,967	445	-	3,000
2014	1,800	6,051	21,410	1,938	446	-	5,000
2015	1,870	5,979	22,615	868	445	-	7,000
2016	11,785	5,886	13,400	323	168	-	7,000
2017	17,540	5,321	-	-	-	-	7,000
2018	35,840	4,445	-	-	-	-	7,000
2019	15,910	2,653	-	-	-	-	7,000
2020	16,705	1,857	-	-	-	-	7,000
2021	15,905	1,064	-	-	-	-	7,000
2022	3,005	308	-	-	-	-	7,000
2023	3,155	158	-	-	-	-	7,000
2024	-	-	-	-	-	-	7,000
2025	-	-	-	-	-	-	7,000
2026	-	-	-	-	-	25,000	7,000
2027	-	-	-	-	-	25,000	6,125
2028	-	-	-	-	-	25,000	5,250
2029	-	-	-	-	-	25,000	4,375
2030	-	-	-	-	-	25,000	3,500
2031	-	-	-	-	-	25,000	2,625
2032	-	-	-	-	-	25,000	1,750
2033	-	-	-	-	-	25,000	875
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
Subtotal long-term debt	<u>123,515</u>	<u>45,824</u>	<u>97,530</u>	<u>10,040</u>	<u>1,950</u>	<u>200,000</u>	<u>117,500</u>
Current portion	-	3,026	18,610	2,108	516	-	21
Federal interest subsidy (2)	-	-	-	-	-	-	-
Total long-term debt	<u>\$ 123,515</u>	<u>\$ 48,850</u>	<u>\$ 116,140</u>	<u>\$ 12,148</u>	<u>\$ 2,466</u>	<u>\$ 200,000</u>	<u>\$ 117,521</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 below.

Series 2009A principal payments	Series 2009A interest payments	Series 2009B principal payments	Series 2009B interest payments	Series 2009C principal payments	Series 2009C interest payments	Series 2010A principal payments	Series 2010A interest payments (2)	Series 2010C principal payments	Series 2010C interest payments
\$ -	\$ 5,250	\$ -	\$ 5,706	\$ 15,940	\$ 4,933	\$ -	\$ 11,324	\$ 6,455	\$ 4,360
-	5,250	-	5,706	16,235	4,196	-	11,324	6,740	4,077
-	5,250	-	5,707	16,880	3,414	-	11,324	7,075	3,742
-	5,250	-	5,706	17,560	2,600	-	11,324	7,415	3,403
-	5,250	-	5,706	18,190	1,762	-	11,324	7,745	3,069
-	5,250	-	5,706	19,040	877	-	11,324	8,095	2,722
-	5,250	-	5,707	-	-	-	11,324	8,480	2,337
-	5,250	-	5,706	-	-	-	11,324	8,895	1,923
-	5,250	-	5,706	-	-	-	11,324	9,320	1,498
-	5,250	-	5,706	-	-	-	11,324	9,765	1,052
-	5,250	-	5,707	-	-	-	11,324	10,275	539
-	5,250	20,000	5,706	-	-	-	11,324	-	-
-	5,250	-	4,706	-	-	-	11,324	-	-
-	5,250	-	4,706	-	-	-	11,324	-	-
-	5,250	-	4,707	-	-	-	11,324	-	-
-	5,250	-	4,706	-	-	-	11,324	-	-
-	5,250	13,840	4,706	-	-	-	11,324	-	-
-	5,250	14,530	4,014	-	-	-	11,324	-	-
-	5,250	15,255	3,288	-	-	-	11,324	-	-
-	5,250	16,020	2,525	-	-	-	11,324	-	-
-	5,250	16,820	1,724	-	-	-	11,324	-	-
-	5,250	17,660	883	-	-	-	11,324	-	-
14,610	5,250	-	-	-	-	23,030	11,324	-	-
15,375	4,483	-	-	-	-	23,880	10,020	-	-
16,185	3,676	-	-	-	-	24,755	8,668	-	-
17,035	2,826	-	-	-	-	25,665	7,267	-	-
17,925	1,932	-	-	-	-	26,615	5,813	-	-
18,870	990	-	-	-	-	27,590	4,306	-	-
-	-	-	-	-	-	48,465	2,744	-	-
<u>100,000</u>	<u>134,657</u>	<u>114,125</u>	<u>104,440</u>	<u>103,845</u>	<u>17,782</u>	<u>200,000</u>	<u>299,270</u>	<u>90,260</u>	<u>28,722</u>
-	2,625	-	2,853	14,765	2,806	-	5,662	6,270	2,274
-	-	-	-	-	-	-	(104,745)	-	-
<u>\$ 100,000</u>	<u>\$ 137,282</u>	<u>\$ 114,125</u>	<u>\$ 107,293</u>	<u>\$ 118,610</u>	<u>\$ 20,588</u>	<u>\$ 200,000</u>	<u>\$ 200,187</u>	<u>\$ 96,530</u>	<u>\$ 30,996</u>

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2011A principal payments (2)	Series 2011A interest payments	2011A swap interest payments (3)	Series 2011B principal payments	Series 2011B interest payments	Total	Total principal	Total interest	Total swap interest
2012	\$ -	\$ 3,718	\$ 62	\$ -	\$ 3,392	\$ 123,434	\$ 50,610	\$ 72,316	\$ 508
2013	-	3,718	62	-	3,392	125,243	52,650	72,086	507
2014	-	3,718	62	-	3,392	127,245	55,020	71,717	508
2015	-	3,718	62	-	3,392	129,245	57,710	71,028	507
2016	-	3,718	62	1,575	3,393	131,765	62,735	68,802	230
2017	-	3,718	62	5,425	3,345	127,806	61,625	66,119	62
2018	-	3,718	62	13,325	3,097	135,733	72,530	63,141	62
2019	-	3,718	62	13,985	2,449	124,781	65,200	59,519	62
2020	-	3,718	62	14,670	1,768	139,285	82,925	56,298	62
2021	-	3,718	62	8,015	1,035	139,952	87,530	52,360	62
2022	-	3,718	62	6,440	634	138,065	89,955	48,048	62
2023	-	3,718	62	6,240	312	123,681	79,975	43,644	62
2024	-	3,718	62	-	-	122,683	82,490	40,131	62
2025	-	3,718	62	-	-	119,158	82,695	36,401	62
2026	49,180	3,718	62	-	-	111,384	78,845	32,477	62
2027	49,180	1,859	31	-	-	108,620	79,080	29,509	31
2028	-	-	-	-	-	65,370	38,840	26,530	-
2029	-	-	-	-	-	64,493	39,530	24,963	-
2030	-	-	-	-	-	63,617	40,255	23,362	-
2031	-	-	-	-	-	62,744	41,020	21,724	-
2032	-	-	-	-	-	61,868	41,820	20,048	-
2033	-	-	-	-	-	60,992	42,660	18,332	-
2034	-	-	-	-	-	54,214	37,640	16,574	-
2035	-	-	-	-	-	53,758	39,255	14,503	-
2036	-	-	-	-	-	53,284	40,940	12,344	-
2037	-	-	-	-	-	52,793	42,700	10,093	-
2038	-	-	-	-	-	52,285	44,540	7,745	-
2039	-	-	-	-	-	51,756	46,460	5,296	-
2040	-	-	-	-	-	51,209	48,465	2,744	-
Subtotal long-term debt	98,360	57,629	961	69,675	29,601	2,776,463	1,685,700	1,087,854	2,911
Current portion	-	22	303	-	792	123,882	88,450	34,448	819
Federal interest subsidy	-	-	-	-	-	(104,745)	-	(104,745)	-
Total long-term debt	\$ 98,360	\$ 57,651	\$ 1,264	\$ 69,675	\$ 30,393	\$ 2,795,600	\$ 1,774,150	\$ 1,017,557	\$ 3,730

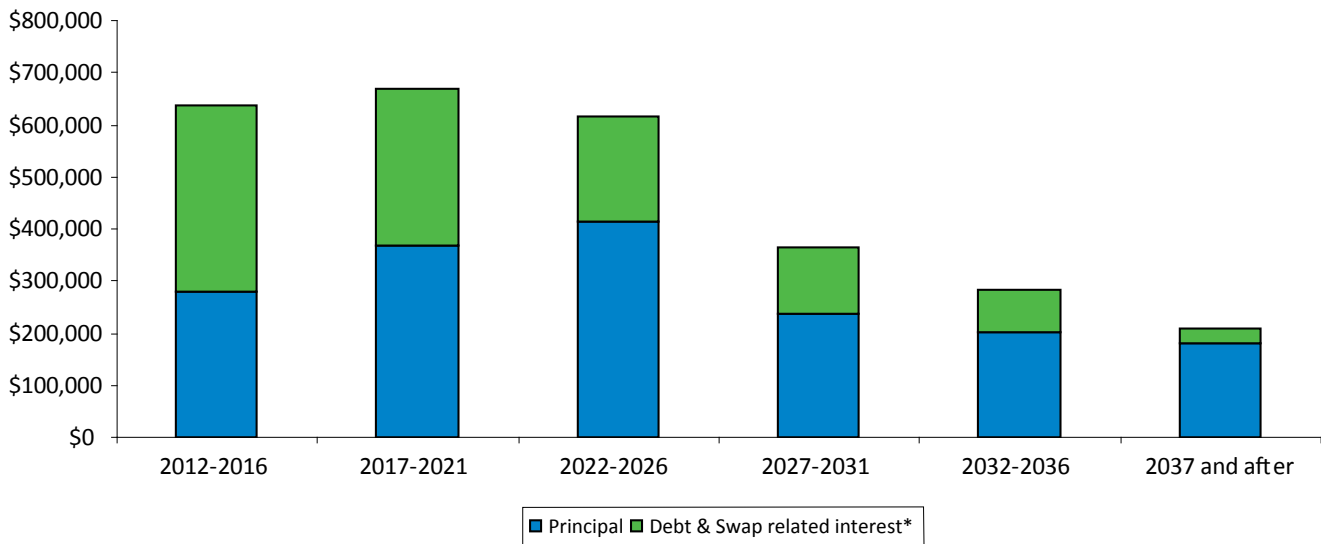
(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the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

(2) The Series 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 counter party 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 Assets as a Current liability - payable from current assets.

(3) 2011A SWAP interest payment represents the difference between the \$100.0 million notional amount of the SWAP and the lower outstanding principal of the Series 2011A Bonds.

ESTIMATED DEBT SERVICE RECAP FOR OUTSTANDING BONDS

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

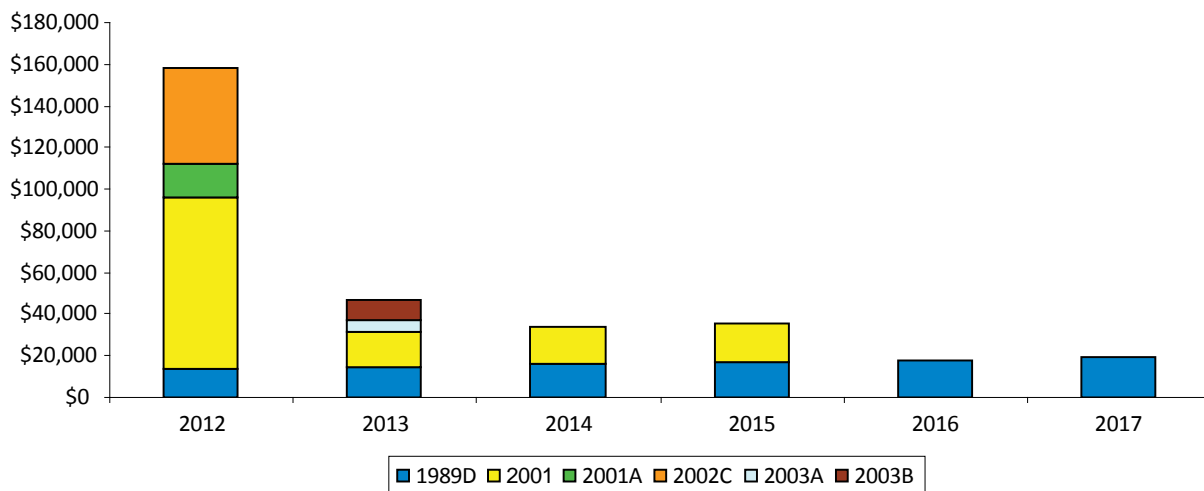


*Note: Swap Interest amount is 0.3% of the total interest

MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

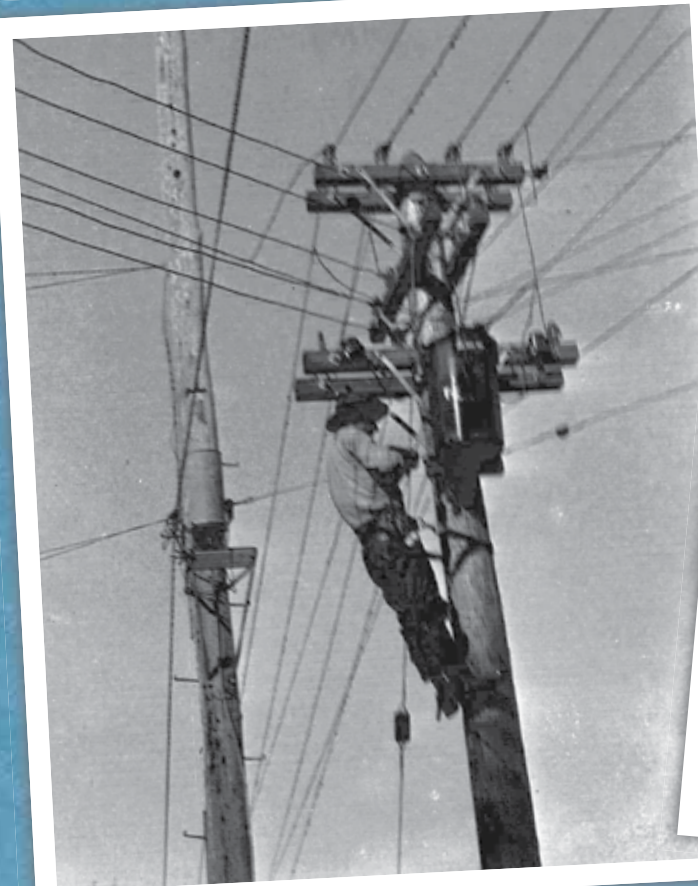
Years Ended Ending 9/30	1989D (1)	2001 (1)(2)	2001A (2)	2002C (3)	2003A (1)(3)	2003B (3)	Total
2012	\$ 13,945	\$ 82,195	\$ 16,395	\$ 45,270	\$ -	\$ -	\$ 75,255
2013	14,885	16,945	-	-	5,600	9,365	46,795
2014	15,890	17,645	-	-	-	-	33,535
2015	16,965	18,710	-	-	-	-	35,675
2016	18,110	1,160	-	-	-	-	19,270
2017	19,330	1,220	3,800	-	-	-	24,350
Total long-term debt	<u>\$ 99,125</u>	<u>\$ 135,495</u>	<u>\$ 16,395</u>	<u>\$ 45,270</u>	<u>\$ 5,600</u>	<u>\$ 9,365</u>	<u>\$ 311,250</u>

Defeased Debt Maturity Schedule Recap
(Dollars in thousands)



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

(2) Defeased by Series 2011B Utility System Revenue Refunding Bonds.



1924



2010



ELECTRIC OPERATIONS



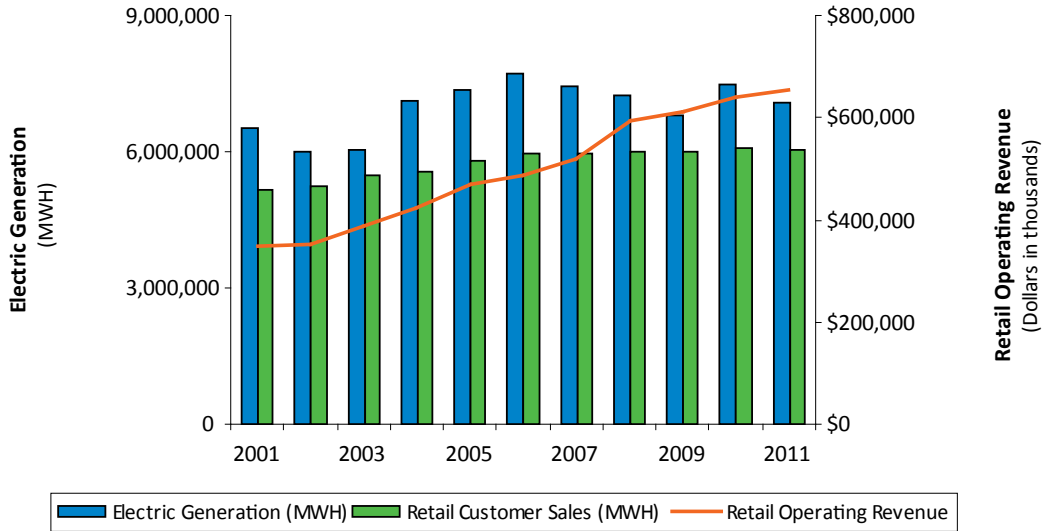
Electric Operations

From serving the City of Orlando's first streetlights to powering today's roller coasters of our largest customer – Universal Orlando Resort®, OUC has been committed to delivering reliable electric service to the citizens of Central Florida for more than 88 years.

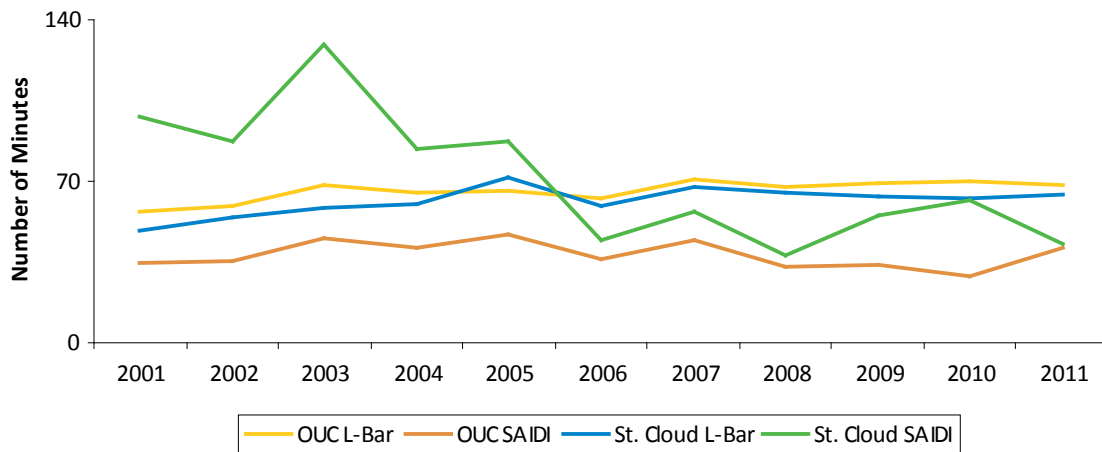


ELECTRIC BUSINESS OPERATIONS

Electric Generation, Retail Customer Sales and Retail Revenue



Distribution Reliability



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

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

Years Ended September 30	2011	2010	2009	2008
Operating revenues				
Residential	\$ 228,372	\$ 225,361	\$ 210,641	\$ 207,894
Commercial - non-demand	34,675	33,420	31,230	38,633
Commercial - demand-secondary	275,531	268,808	264,875	252,791
Commercial - demand-primary	38,509	34,171	32,751	31,045
Metered lighting	4,620	4,447	4,601	4,322
Inter-local sales	71,148	73,570	67,247	58,941
Service fees and other	23,627	23,229	23,433	24,165
Total operating revenues (excluding wholesale sales) (1)	676,482	663,006	634,778	617,791
Wholesale sales (2)	93,294	96,748	69,705	133,145
Total operating revenues	769,776	759,754	704,483	750,936
Operation and maintenance expenses				
Fuel and fixed demand payments	281,741	280,898	249,034	292,677
Purchased power and other power supply expenses	50,457	49,840	63,343	79,746
Production (3)	81,824	79,731	65,366	67,621
Transmission	13,684	12,484	10,486	10,285
Distribution - OUC	13,275	15,429	15,068	12,546
Distribution - St. Cloud	1,445	1,483	1,611	1,803
Storm recovery expenses (4)	-	-	158	616
Customer service	25,217	21,913	20,549	21,038
General & administrative (5)	34,881	34,603	28,724	28,823
Total operations and maintenance expenses	502,524	496,381	454,339	515,155
Other expenses				
Utility/property tax	16,406	16,464	15,072	13,466
Revenue based payments to the City of Orlando	26,191	26,217	24,861	22,917
Revenue based payments to Orange County	1,352	1,821	1,687	1,054
Revenue based payments to the City of St. Cloud	6,372	5,582	5,316	5,064
System use payments to the City of St. Cloud	1,915	1,911	1,910	1,914
Depreciation and amortization (3)	94,590	91,416	82,296	73,316
Total other expenses	146,826	143,411	131,142	117,731
Total operating expenses	649,350	639,792	585,481	632,886
Non-operating income				
Interest income (6)	3,783	7,071	9,001	13,471
Non-operating income, net (7)	9,695	6,026	1,274	1,553
Amortization of deferred gain on sale of assets (8)	3,971	3,971	3,971	3,971
Total non-operating income	17,449	17,068	14,246	18,995
Non-operating expenses				
Bond interest and other related expenses (9)	64,296	69,518	62,754	60,085
Intercompany net interest (income)/expense (10)	(3,301)	(3,458)	(3,517)	(3,517)
Total non-operating expense	60,995	66,060	59,237	56,568
Electric income before contributions	76,880	70,970	74,011	80,477
Contributions in aid of construction (CIAC)	3,383	7,447	5,466	3,895
Annual dividend	47,299	46,478	46,856	46,296
Increase to Net Assets	\$ 32,964	\$ 31,939	\$ 32,621	\$ 38,076

- (1) Operating revenues, excluding wholesale sales, have steadily increased over the past eleven years due to an increase in OUC's active customer base and Board approved rate increases. It should be noted that in 2010, electric retail revenue of \$8.5 million was deferred as a result of Board approval.
- (2) Wholesale sales have fluctuated over the past ten years as a result of market opportunities. In 2011 and 2010, OUC secured wholesale agreements with the City of Bartow and the City of Vero Beach, respectively, enabling OUC to maximize the increased generation capability from SEC B.
- (3) In late February 2010, operations at OUC's SEC B 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 \$6.0 million of unrecoverable storm restoration costs. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement. In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay.
- (5) Increased pension and other post-employment actuarial cost were a key driver of the increase since 2008.
- (6) The decrease of \$3.3 million in Interest income is primarily due to lower market interest rates during 2011.
- (7) As part of the Build America Bonds' stimulus program, OUC was granted a federal subsidy of which \$3.9 million and \$2.7 million was recognized during fiscal years 2011 and 2010, respectively. Additionally in 2011, OUC recognized \$1.8 million for previously deferred storm recovery costs as a result of the completion of the Federal Emergency Management's review of prior period storms.
- (8) This amount represents the portion of the deferred gain amount, \$72.0 million inclusive of interest earnings, which was recognized to mitigate additional generation and purchased power costs from 2000 to 2004 in conjunction with the sale of the steam unit at IRP. Beginning in 2004, the remaining gain is being recognized to offset depreciation costs incurred in conjunction with the construction of SEC A.

2007	2006	2005	2004	2003	2002	2001
\$ 197,510	\$ 175,774	\$ 174,071	\$ 157,105	\$ 144,056	\$ 131,734	\$ 133,404
28,427	27,055	26,122	23,457	22,548	23,029	22,994
208,240	204,311	197,128	179,467	162,264	142,909	141,073
24,918	23,721	28,245	25,245	22,903	21,793	22,756
2,959	2,296	2,477	2,024	1,877	2,949	4,421
58,413	54,843	44,068	37,028	35,163	32,977	29,954
<u>21,552</u>	<u>17,508</u>	<u>19,505</u>	<u>18,354</u>	<u>10,222</u>	<u>8,891</u>	<u>7,222</u>
542,019	505,508	491,616	442,680	399,033	364,282	361,824
<u>131,298</u>	<u>160,240</u>	<u>187,849</u>	<u>162,973</u>	<u>103,543</u>	<u>82,809</u>	<u>129,633</u>
<u>673,317</u>	<u>665,748</u>	<u>679,465</u>	<u>605,653</u>	<u>502,576</u>	<u>447,091</u>	<u>491,457</u>
247,832	257,090	251,500	220,155	134,718	127,637	135,793
75,413	89,327	122,380	98,403	86,475	62,330	95,335
59,870	56,679	56,223	52,950	43,865	39,632	37,519
9,628	7,719	5,465	5,593	5,371	5,048	5,846
11,352	11,567	10,096	8,202	8,826	8,146	8,985
2,017	1,752	1,436	1,473	1,014	1,032	798
-	-	-	5,618	-	-	-
21,532	19,318	14,830	13,828	12,543	12,129	12,270
<u>26,563</u>	<u>21,404</u>	<u>20,033</u>	<u>20,151</u>	<u>18,527</u>	<u>19,533</u>	<u>19,093</u>
<u>454,207</u>	<u>464,856</u>	<u>481,963</u>	<u>426,373</u>	<u>311,339</u>	<u>275,487</u>	<u>315,639</u>
12,836	12,828	11,405	10,004	9,613	9,041	8,348
22,006	21,828	18,491	16,544	15,908	15,103	14,711
1,056	1,062	871	816	786	731	733
4,079	3,519	3,349	3,240	2,821	2,491	2,377
1,915	1,907	1,911	1,925	1,927	1,883	2,026
<u>69,879</u>	<u>67,145</u>	<u>66,375</u>	<u>63,801</u>	<u>57,060</u>	<u>61,828</u>	<u>65,119</u>
<u>111,771</u>	<u>108,289</u>	<u>102,402</u>	<u>96,330</u>	<u>88,115</u>	<u>91,077</u>	<u>93,314</u>
<u>565,978</u>	<u>573,145</u>	<u>584,365</u>	<u>522,703</u>	<u>399,454</u>	<u>366,564</u>	<u>408,953</u>
18,563	19,118	7,689	8,691	9,573	12,011	37,553
2,578	1,309	2,273	1,515	1,643	3,796	2,171
<u>3,970</u>	<u>3,970</u>	<u>3,970</u>	<u>14,006</u>	<u>-</u>	<u>13,433</u>	<u>11,178</u>
<u>25,111</u>	<u>24,397</u>	<u>13,932</u>	<u>24,212</u>	<u>11,216</u>	<u>29,240</u>	<u>50,902</u>
57,373	59,560	55,368	57,428	60,815	60,965	77,492
<u>(3,521)</u>	<u>(3,524)</u>	<u>(3,257)</u>	<u>(2,914)</u>	<u>(537)</u>	<u>(790)</u>	<u>(640)</u>
<u>53,852</u>	<u>56,036</u>	<u>52,111</u>	<u>54,514</u>	<u>60,278</u>	<u>60,175</u>	<u>76,852</u>
78,598	60,964	56,921	52,648	54,060	49,592	56,554
6,891	9,978	1,155	1,388	1,862	1,349	1,932
<u>42,252</u>	<u>47,174</u>	<u>34,154</u>	<u>31,588</u>	<u>32,433</u>	<u>29,710</u>	<u>33,973</u>
<u>\$ 43,237</u>	<u>\$ 23,768</u>	<u>\$ 23,922</u>	<u>\$ 22,448</u>	<u>\$ 23,489</u>	<u>\$ 21,231</u>	<u>\$ 24,513</u>

(9) The change in Interest and other expenses is primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 offset by lower interest expense as result of prior year maturities.

(10) The amount represents the internal loan interest income related to intercompany borrowings for Chiller Water operations.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2011 2010 2009 2008

Profile of consumption & revenue by type of customer

Residential service

KWH sales per customer		12,200		12,748		12,143		12,052
Revenue per customer	\$	1,492	\$	1,492	\$	1,399	\$	1,380
Revenue per KWH	\$	0.1223	\$	0.1170	\$	0.1152	\$	0.1145

Commercial service - non-demand

KWH sales per customer		14,385		14,914		14,401		18,681
Revenue per customer	\$	1,763	\$	1,765	\$	1,692	\$	2,111
Revenue per KWH	\$	0.1225	\$	0.1184	\$	0.1175	\$	0.1130

Commercial service - demand secondary

KWH sales per customer		408,804		431,466		478,909		509,412
Revenue per customer	\$	38,706	\$	39,478	\$	42,985	\$	44,529
Revenue per KWH	\$	0.0947	\$	0.0915	\$	0.0898	\$	0.0874

Commercial service - demand primary

KWH sales per customer		11,836,086		14,084,145		15,949,125		14,795,132
Revenue per customer	\$	1,100,255	\$	1,242,564	\$	1,364,616	\$	1,171,513
Revenue per KWH	\$	0.0930	\$	0.0882	\$	0.0856	\$	0.0792

Metered Lighting

KWH sales per customer		4,464		4,426		4,429		4,344
Revenue per customer	\$	350	\$	337	\$	345	\$	319
Revenue per KWH	\$	0.0784	\$	0.0761	\$	0.0780	\$	0.0735

Inter-local service (1)

KWH sales per customer		18,925		19,450		19,420		19,146
Revenue per customer	\$	2,414	\$	2,543	\$	2,347	\$	2,052
Revenue per KWH	\$	0.1276	\$	0.1307	\$	0.1208	\$	0.1072

Selected financial expense statistics

Total fuel and purchased power expense per KWH	\$	0.0436	\$	0.0429	\$	0.0430	\$	0.0478
Total operations & maintenance expense (excluding fuel and purchased power) per KWH		0.0223		0.0215		0.0195		0.0182
Total operations & maintenance expense per KWH	\$	<u>0.0659</u>	\$	<u>0.0644</u>	\$	<u>0.0625</u>	\$	<u>0.0660</u>
Total fuel and purchased power expense per metered service	\$	1,586	\$	1,607	\$	1,532	\$	1,831
Total operations & maintenance expense (excluding fuel and purchased power) per metered service (2)		526		530		454		454
Customer service expense per metered service		121		107		101		103
General & administrative expense per metered service (3)		<u>167</u>		<u>168</u>		<u>141</u>		<u>142</u>
Total operations & maintenance expense per metered service	\$	<u>2,400</u>	\$	<u>2,412</u>	\$	<u>2,228</u>	\$	<u>2,530</u>

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

(2) The increase since 2010 was related to the commencement of the SEC B operations. In 2008 and in 2004, storm recovery expenses related to the FEMA declared storms were excluded from these computations.

(3) Increased pension and other post-employment actuarial cost were a key driver of the increase since 2008.

	2007	2006	2005	2004	2003	2002	2001
	12,301	12,908	13,058	12,767	13,109	12,464	12,860
\$	1,325	\$ 1,202	\$ 1,229	\$ 1,148	\$ 1,078	\$ 1,007	\$ 1,042
\$	0.1077	\$ 0.0931	\$ 0.0941	\$ 0.0899	\$ 0.0822	\$ 0.0808	\$ 0.0810
	16,712	16,793	16,344	16,041	16,771	18,336	18,466
\$	1,585	\$ 1,543	\$ 1,525	\$ 1,422	\$ 1,405	\$ 1,454	\$ 1,473
\$	0.0948	\$ 0.0919	\$ 0.0933	\$ 0.0887	\$ 0.0838	\$ 0.0793	\$ 0.0798
	517,637	529,420	523,001	518,285	526,880	536,779	537,974
\$	37,731	\$ 37,863	\$ 37,226	\$ 34,191	\$ 32,262	\$ 30,413	\$ 30,913
\$	0.0729	\$ 0.0715	\$ 0.0712	\$ 0.0660	\$ 0.0612	\$ 0.0567	\$ 0.0575
	16,681,917	19,476,600	20,963,179	20,921,838	20,209,368	19,301,805	19,241,045
\$	1,038,255	\$ 1,186,065	\$ 1,448,479	\$ 1,364,599	\$ 1,205,408	\$ 1,063,071	\$ 1,034,373
\$	0.0622	\$ 0.0609	\$ 0.0691	\$ 0.0652	\$ 0.0596	\$ 0.0551	\$ 0.0538
	4,567	4,695	4,464	4,100	3,774	3,717	3,030
\$	241	\$ 211	\$ 228	\$ 184	\$ 164	\$ 247	\$ 364
\$	0.0527	\$ 0.0449	\$ 0.0512	\$ 0.0449	\$ 0.0435	\$ 0.0665	\$ 0.1202
	19,602	19,920	20,212	19,576	19,968	19,896	19,547
\$	2,083	\$ 2,104	\$ 1,851	\$ 1,680	\$ 1,692	\$ 1,677	\$ 1,619
\$	0.1063	\$ 0.1056	\$ 0.0916	\$ 0.0858	\$ 0.0848	\$ 0.0843	\$ 0.0828
\$	0.0402	\$ 0.0414	\$ 0.0430	\$ 0.0373	\$ 0.0299	\$ 0.0270	\$ 0.0303
	0.0163	0.0141	0.0124	0.0120	0.0122	0.0122	0.0111
\$	<u>0.0565</u>	\$ <u>0.0555</u>	\$ <u>0.0554</u>	\$ <u>0.0493</u>	\$ <u>0.0421</u>	\$ <u>0.0392</u>	\$ <u>0.0414</u>
\$	1,611	\$ 1,774	\$ 1,990	\$ 1,763	\$ 1,260	\$ 1,111	\$ 1,386
	413	398	390	378	337	315	319
	107	99	79	77	71	71	74
	132	110	107	112	106	114	115
\$	<u>2,263</u>	\$ <u>2,381</u>	\$ <u>2,566</u>	\$ <u>2,330</u>	\$ <u>1,774</u>	\$ <u>1,611</u>	\$ <u>1,894</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2011	2010	2009	2008
Electric operating ratio				
Electric operation & maintenance expenses/operating revenues (1)	\$ 0.65	\$ 0.65	\$ 0.64	\$ 0.69
Electric income before contributions per revenue dollar				
Electric income before contributions/total electric operating revenues (1)(2)	\$ 0.10	\$ 0.09	\$ 0.11	\$ 0.11

ACTIVE SERVICES

OUC retail metered services

Residential	154,212	151,995	150,123	151,025
Commercial - non-demand	20,069	19,272	18,595	18,325
Commercial - demand - secondary	7,182	7,055	6,563	5,761
Commercial - demand - primary	38	32	23	25
Total OUC retail metered services	<u>181,501</u>	<u>178,354</u>	<u>175,304</u>	<u>175,136</u>

Metered lighting services

Private	13,089	13,050	13,093	13,282
Public	138	132	133	132
Total metered lighting services	<u>13,227</u>	<u>13,182</u>	<u>13,226</u>	<u>13,414</u>

Inter-local services (3)	29,715	29,229	28,640	28,667
Total OUC retail, metered lighting and inter-local services	<u>224,443</u>	<u>220,765</u>	<u>217,170</u>	<u>217,217</u>

CONSUMPTION (MWH)

OUC retail sales

Residential	1,867,879	1,925,770	1,828,354	1,815,446
Commercial - non-demand	282,958	282,375	265,840	341,806
Commercial - demand - secondary	2,910,069	2,937,853	2,951,040	2,891,934
Commercial - demand - primary	414,263	387,314	382,779	392,071
Total OUC retail sales	<u>5,475,169</u>	<u>5,533,312</u>	<u>5,428,013</u>	<u>5,441,257</u>

Metered lighting services

Private	29,965	29,750	29,422	27,298
Public	26,218	25,923	26,814	28,742
St. Cloud	2,763	2,762	2,758	2,797
Total metered lighting sales	<u>58,946</u>	<u>58,435</u>	<u>58,994</u>	<u>58,837</u>

Inter-local sales (3)	557,743	562,776	556,461	550,001
Total retail sales	<u>6,091,858</u>	<u>6,154,523</u>	<u>6,043,468</u>	<u>6,050,095</u>

Wholesale sales	1,536,840	1,608,248	1,215,600	1,743,680
Pre-Commercial Adjustment	-	(48,685)	-	-
Total electric sales	<u>7,628,698</u>	<u>7,714,086</u>	<u>7,259,068</u>	<u>7,793,775</u>

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

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

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

2007	2006	2005	2004	2003	2002	2001
\$ 0.67	\$ 0.70	\$ 0.71	\$ 0.69	\$ 0.62	\$ 0.62	\$ 0.64
\$ 0.12	\$ 0.09	\$ 0.08	\$ 0.10	\$ 0.11	\$ 0.11	\$ 0.12
150,254	147,978	144,547	138,642	135,116	132,186	129,342
18,268	17,609	17,454	16,794	16,186	15,903	15,779
5,593	5,445	5,347	5,244	5,254	4,805	4,593
28	20	20	19	18	20	21
<u>174,143</u>	<u>171,052</u>	<u>167,368</u>	<u>160,699</u>	<u>156,574</u>	<u>152,914</u>	<u>149,735</u>
13,546	10,781	10,741	10,713	11,069	11,597	12,116
129	121	118	116	112	98	63
<u>13,675</u>	<u>10,902</u>	<u>10,859</u>	<u>10,829</u>	<u>11,181</u>	<u>11,695</u>	<u>12,179</u>
28,785	27,294	24,826	22,793	21,286	20,267	19,055
<u>216,603</u>	<u>209,248</u>	<u>203,053</u>	<u>194,321</u>	<u>189,041</u>	<u>184,876</u>	<u>180,969</u>
1,834,301	1,887,949	1,848,946	1,747,518	1,751,982	1,629,783	1,646,895
299,786	294,401	279,881	264,510	269,085	290,463	288,173
2,856,841	2,856,749	2,769,553	2,720,477	2,649,945	2,522,323	2,455,045
400,366	389,532	408,782	387,054	383,978	395,687	423,303
<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>	<u>4,838,256</u>	<u>4,813,416</u>
24,154	19,901	18,492	14,682	12,749	14,656	7,513
29,195	28,607	27,243	27,782	27,798	26,706	25,965
2,775	2,574	2,670	2,655	2,620	3,004	3,319
<u>56,124</u>	<u>51,082</u>	<u>48,405</u>	<u>45,119</u>	<u>43,167</u>	<u>44,366</u>	<u>36,797</u>
549,634	519,117	481,243	431,444	414,855	391,167	361,615
<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>	<u>5,273,789</u>	<u>5,211,828</u>
2,039,338	2,371,843	2,866,241	2,942,758	1,874,933	1,756,604	2,422,082
-	-	-	-	-	-	-
<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>	<u>7,030,393</u>	<u>7,633,910</u>

ELECTRIC GENERATION (MWH)

Years Ended September 30

	2011	2010	2009	2008
Stanton Energy Center				
Generation - steam (1)	3,727,184	4,362,451	4,429,154	4,454,325
Generation - combined cycle (2)	<u>2,189,279</u>	<u>2,010,119</u>	<u>1,185,894</u>	<u>1,197,723</u>
Total generation	5,916,463	6,372,570	5,615,048	5,652,048
Plant use - less participants loss factor	282,013	300,351	277,943	271,331
Participants' reserve power	<u>4,103</u>	<u>1,890</u>	<u>7,174</u>	<u>6,049</u>
Delivered	<u>5,630,347</u>	<u>6,070,329</u>	<u>5,329,931</u>	<u>5,374,668</u>
Indian River Plant				
Generation - combustion turbines	17,814	31,389	14,735	25,222
Plant use - less participants loss factor	78	138	68	111
Participants' reserve power	<u>841</u>	<u>766</u>	<u>743</u>	<u>777</u>
Delivered	<u>16,895</u>	<u>30,485</u>	<u>13,924</u>	<u>24,334</u>
Crystal River Plant (3)				
Generation - nuclear	113,410	79,754	120,008	103,783
Plant use	-	-	3,547	3,050
Delivered	<u>113,410</u>	<u>79,754</u>	<u>116,461</u>	<u>100,733</u>
McIntosh Plant (4)				
Generation - steam	<u>678,916</u>	<u>620,000</u>	<u>656,636</u>	<u>1,059,302</u>
St. Lucie Plant				
Generation - nuclear	370,845	384,006	378,376	383,095
Plant use	<u>8,863</u>	<u>9,178</u>	<u>9,043</u>	<u>9,156</u>
Delivered	<u>361,982</u>	<u>374,828</u>	<u>369,333</u>	<u>373,939</u>
St. Cloud Plant (5)				
Generation - diesel	-	-	-	-
Plant use	-	-	-	190
Delivered	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190)</u>
Generation				
Steam	4,406,100	4,982,451	5,085,790	5,513,627
Combined cycle	2,189,279	2,010,119	1,185,894	1,197,723
Nuclear	484,255	463,760	498,384	486,878
Combustion turbines	17,814	31,389	14,735	25,222
Diesel	-	-	-	-
Total generation	<u>7,097,448</u>	<u>7,487,719</u>	<u>6,784,803</u>	<u>7,223,450</u>
Total plant use - less participants loss factor	290,954	309,667	290,601	283,838
Participants' reserve power	<u>4,944</u>	<u>2,656</u>	<u>7,917</u>	<u>6,826</u>
Total delivered	<u>6,801,550</u>	<u>7,175,396</u>	<u>6,486,285</u>	<u>6,932,786</u>
Inadvertent/wheeling retained	(118)	(15)	(192)	278
Purchases received	<u>1,003,127</u>	<u>833,210</u>	<u>881,022</u>	<u>1,082,008</u>
Available	<u>7,804,559</u>	<u>8,008,591</u>	<u>7,367,115</u>	<u>8,015,072</u>
Electric sales	<u>7,628,699</u>	<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>
Line losses	<u>175,860</u>	<u>294,504</u>	<u>108,047</u>	<u>221,297</u>
Line losses as a percentage of generation	2.48%	3.93%	1.59%	3.06%

(1) In 2011 as a result of reduced natural gas prices, coal generation production was lowered.

(2) In late February 2010, OUC commenced commercial operations at SEC B. In October 2003, OUC began commercial operation at SEC A.

(3) In 2009, an outage at the Crystal River 3 facility required it to be off-line through fiscal year 2011. Generation noted represents reliability exchange power received to meet load and contractual requirements and does not include plant use.

(4) Since 2009, there have been several periods where the McIntosh plant was off-line including planned outages in 2011 and 2009 and an unplanned outage in 2010.

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

2007	2006	2005	2004	2003	2002	2001
4,708,038	5,000,919	4,471,764	4,605,225	4,527,532	4,466,492	4,822,964
<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>	<u>1,191,046</u>	-	-	-
5,950,688	6,234,178	5,797,972	5,796,271	4,527,532	4,466,492	4,822,964
282,180	298,490	270,912	278,325	263,547	259,446	275,334
<u>4,471</u>	<u>2,194</u>	<u>6,299</u>	<u>4,961</u>	<u>3,086</u>	<u>5,806</u>	<u>2,331</u>
<u>5,664,037</u>	<u>5,933,494</u>	<u>5,520,761</u>	<u>5,512,985</u>	<u>4,260,899</u>	<u>4,201,240</u>	<u>4,545,299</u>
17,701	20,285	12,811	6,379	34,382	52,914	59,111
71	82	66	24	129	163	213
<u>691</u>	<u>715</u>	<u>698</u>	<u>736</u>	<u>757</u>	<u>744</u>	<u>653</u>
<u>16,939</u>	<u>19,488</u>	<u>12,047</u>	<u>5,619</u>	<u>33,496</u>	<u>52,007</u>	<u>58,245</u>
123,034	98,972	122,627	111,246	125,531	117,000	121,455
<u>3,607</u>	<u>2,890</u>	<u>3,587</u>	<u>3,170</u>	<u>3,570</u>	<u>3,342</u>	<u>3,434</u>
<u>119,427</u>	<u>96,082</u>	<u>119,040</u>	<u>108,076</u>	<u>121,961</u>	<u>113,658</u>	<u>118,021</u>
<u>965,401</u>	<u>989,279</u>	<u>1,027,428</u>	<u>787,131</u>	<u>938,216</u>	<u>932,132</u>	<u>1,069,624</u>
402,666	368,876	412,983	401,427	399,999	430,677	432,306
<u>9,624</u>	<u>8,816</u>	<u>9,870</u>	<u>9,594</u>	<u>9,560</u>	<u>10,293</u>	<u>10,332</u>
<u>393,042</u>	<u>360,060</u>	<u>403,113</u>	<u>391,833</u>	<u>390,439</u>	<u>420,384</u>	<u>421,974</u>
236	108	184	390	1,750	2,486	3,529
<u>521</u>	<u>538</u>	<u>430</u>	<u>528</u>	<u>459</u>	-	-
<u>(285)</u>	<u>(430)</u>	<u>(246)</u>	<u>(138)</u>	<u>1,291</u>	<u>2,486</u>	<u>3,529</u>
5,673,439	5,990,198	5,499,192	5,392,356	5,465,748	5,398,624	5,892,588
1,242,650	1,233,259	1,326,208	1,191,046	-	-	-
525,700	467,848	535,610	512,673	525,530	547,677	553,761
17,701	20,285	12,811	6,379	34,382	52,914	59,111
<u>236</u>	<u>108</u>	<u>184</u>	<u>390</u>	<u>1,750</u>	<u>2,486</u>	<u>3,529</u>
7,459,726	7,711,698	7,374,005	7,102,844	6,027,410	6,001,701	6,508,989
296,003	310,816	284,865	291,641	277,265	273,244	289,313
<u>5,162</u>	<u>2,909</u>	<u>6,997</u>	<u>5,697</u>	<u>3,843</u>	<u>6,550</u>	<u>2,984</u>
7,158,561	7,397,973	7,082,143	6,805,506	5,746,302	5,721,907	6,216,692
274	777	292	137	184	520	528
<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>	<u>1,505,373</u>	<u>1,631,297</u>
8,286,774	8,524,108	8,896,239	8,741,604	7,543,699	7,227,800	7,848,517
8,036,390	8,370,673	8,703,051	8,538,880	7,387,945	7,030,393	7,633,910
<u>250,384</u>	<u>153,435</u>	<u>193,188</u>	<u>202,724</u>	<u>155,754</u>	<u>197,407</u>	<u>214,607</u>
3.36%	1.99%	2.62%	2.85%	2.58%	3.29%	3.30%

NET GENERATING CAPABILITY (Including major purchased power agreements)

Years Ended September 30 Generating Facility (MW)		Name Plate Capacity	2011		2010		2009		2008	
			Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Stanton Energy Center	Unit 1 FS	425	302	304	302	304	302	304	302	304
	Unit 2 FS	425	334	334	334	334	334	334	334	334
	Unit A CC (1)	633	174	184	174	184	174	184	174	184
	Unit B CC (1)	300	295	300	295	300	-	-	-	-
Indian River Plant	Unit A CT	38	18	23	18	23	18	23	18	23
	Unit B CT	38	18	23	18	23	18	23	18	23
	Unit C CT	112	85	100	85	100	85	100	85	100
	Unit D CT	112	85	100	85	100	85	100	85	100
St. Cloud Plant	Units 1-7 CT	21	-	-	-	-	-	-	21	21
Crystal River Plant	Unit 3 N	890	13	13	13	13	13	13	13	13
C.D.McIntosh, Jr. Plant	Unit 3 FS	364	136	136	136	136	136	136	136	136
St. Lucie Plant	Unit 2 N	850	51	52	51	52	51	52	51	52
Total capability			1,511	1,569	1,511	1,569	1,216	1,269	1,237	1,290
Purchased Power Agreements			337	358	337	358	337	358	337	358
Total available			1,848	1,927	1,848	1,927	1,553	1,627	1,574	1,648
Firm commitments to other utilities (2)			165	165	95	95	-	-	22	22
Net available to OUC			1,683	1,762	1,753	1,832	1,553	1,627	1,552	1,626

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

PEAK DEMAND

Years Ended September 30	2011		2010		2009		2008	
	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)	1,064	1,094	1,081	1,134	1,102	1,033	1,080	973
Gross peak demand (MW) (Instantaneous)	1,127		1,191		1,176		1,147	
System load factor	79.6		75.7		71.0		60.5	

GENERATION AVAILABILITY DATA

Years Ended September 30		2011			2010			2009			2008			2007		
		CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
SEC	Unit 1 (3)	62.5	86.0	0.7	72.0	82.6	1.2	70.1	87.2	0.6	77.6	85.6	4.6	82.3	90.1	1.3
	Unit 2 (3)	69.4	86.6	0.3	81.1	90.3	0.8	85.2	96.6	1.0	78.4	82.1	1.4	80.8	84.8	6.3
	Unit A (1)	38.0	90.9	0.9	38.5	84.6	7.7	41.2	88.7	1.6	57.8	87.7	0.2	60.2	92.2	0.2
	Unit B (1)	58.0	86.9	1.0	60.9	86.8	5.5									
IRP	Unit A	-	84.6	89.2	0.1	96.4	78.1	0.2	92.8	85.7	-	97.3	80.3	-	96.8	80.8
	Unit B (4)	-	94.0	5.3	-	79.9	-	0.2	98.0	52.9	-	95.6	58.7	-	78.5	93.9
	Unit C	1.2	99.9	6.2	2.8	95.0	13.8	0.8	70.4	93.2	-	97.3	51.8	-	92.6	73.0
	Unit D (4)	2.0	100.0	0.9	2.7	87.8	7.5	0.8	92.6	70.2	-	97.8	31.7	-	92.6	63.0
Crystal River	Unit 3 (5)	-	-	100.0	-	-	80.0	102.0	95.7	1.3	85.1	82.8	0.2	100.9	98.7	0.7
McIntosh	Unit 3	57.8	85.5	2.1	66.8	60.5	38.9	55.9	67.1	9.3	88.2	89.7	7.5	80.8	84.1	6.7
St. Lucie Plant	Unit 2	65.2	63.1	10.5	99.8	97.5	2.3	83.1	74.9	13.9	70.2	69.3	10.3	95.0	95.9	3.9

EAF - Equivalent Availability Factor

EFOR - Equivalent Forced Outage Rate

CF - Capacity Factor

- (1) In late February 2010, OUC commenced commercial operations at SEC B. In October 2003, OUC began commercial operation of SEC A.
- (2) In January 2010, OUC secured a twenty-year wholesale agreement with Vero Beach. Additionally, in January 2011, OUC executed a seven-year inter-local agreement with the City of Bartow whereby OUC provides generation.
- (3) The SEC 1&2 capacity factors were lower in 2011 compared to 2010 as a result of lowering production to accommodate more cost effective generation at the natural gas units.

2007		2006		2005		2004		2003		2002		2001	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
302	304	302	304	302	304	302	304	302	304	302	304	302	304
334	334	334	334	319	319	318	318	318	318	318	318	318	318
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	17	17	17	17	17	17	17	17
13	13	13	13	13	13	13	13	13	13	13	13	13	13
136	136	136	136	133	136	133	136	133	136	133	136	133	136
<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>
1,237	1,290	1,237	1,290	1,219	1,275	1,208	1,254	1,040	1,086	1,040	1,086	1,040	1,086
<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>	<u>578</u>	<u>550</u>	<u>575</u>	<u>575</u>
1,574	1,648	1,574	1,648	1,856	1,931	2,035	2,081	1,618	1,636	1,618	1,636	1,615	1,661
<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>147</u>	<u>148</u>	<u>261</u>	<u>261</u>	<u>316</u>	<u>316</u>	<u>335</u>	<u>335</u>	<u>341</u>	<u>341</u>
<u>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>	<u>1,283</u>	<u>1,301</u>	<u>1,274</u>	<u>1,320</u>

2007		2006		2005		2004		2003		2002		2001	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
1,085	893	1,074	970	1,076	965	1,041	834	969	1,019	986	939	952	962
1,182		1,135		1,141		1,100			1,079	1,058		1,030	
2007		2006		2005		2004		2003		2002		2001	
59.6		60.2		57.7		57.5		57.2		58.3		58.5	

CF	2006			2005			2004			2003			2002			2001		
	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	
85.1	93.7	0.1	73.6	81.0	4.3	80.5	90.7	0.9	82.1	90.0	1.9	78.1	88.3	3.6	84.5	92.5	0.2	
88.4	93.7	0.6	83.4	89.0	2.8	81.0	87.9	4.1	77.2	81.4	3.2	78.9	87.0	5.2	85.1	92.2	0.2	
66.2	92.1	0.4	53.1	92.7	0.4	46.5	92.2	0.6	-	-	-	-	-	-	-	-	-	
1.1	97.7	81.6	0.1	94.4	-	0.1	99.4	74.9	0.7	100.0	-	1.1	88.7	25.5	2.3	100.0	-	
-	95.7	96.4	0.1	92.7	83.5	0.1	99.4	74.8	0.7	92.8	20.1	1.2	99.7	14.7	2.6	100.0	-	
3.4	98.6	-	0.5	98.7	43.7	0.3	78.0	96.9	2.0	90.7	11.5	2.8	100.0	-	1.6	54.4	0.9	
5.2	98.6	-	0.9	98.6	58.5	0.4	96.7	-	1.9	99.7	8.7	3.5	99.6	-	4.7	87.3	0.3	
83.1	78.4	8.5	99.3	100.0	-	88.9	86.5	3.0	99.5	97.0	0.6	93.6	91.2	0.1	96.5	94.7	1.3	
84.3	84.1	8.7	87.5	89.3	6.0	66.9	73.8	9.2	93.1	82.3	11.7	79.2	61.5	7.4	91.3	92.2	3.9	
80.8	82.3	4.3	83.0	84.2	4.6	92.6	92.0	7.9	82.8	82.4	3.4	94.7	90.9	1.5	100.0	98.9	1.1	

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

(5) Since 2009, the Crystal River nuclear power plant continues to be in a forced outage.

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2011	2010	2009	2008
Orlando/Orange County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (2)	41.20	28.70	33.40	33.20
Average customer interruption duration index in minutes (CAIDI)	57.70	52.90	52.70	43.50
Average length of service interruption in minutes (L-Bar)	68.30	70.20	69.30	67.70
St. Cloud/Osceola County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI)	42.80	61.80	55.00	38.20
Average customer interruption duration index in minutes (CAIDI)	45.80	34.90	42.20	40.50
Average length of service interruption in minutes (L-Bar)	63.90	62.50	63.40	65.30
ELECTRIC PHYSICAL STATISTICS				
Transmission system (circuit miles)				
69KV	20.6	20.6	20.6	20.6
115KV	131.5	131.5	131.5	131.5
230KV	190.9	190.9	186.4	186.4
Total (3)	<u>343.0</u>	<u>343.0</u>	<u>338.5</u>	<u>338.5</u>
Number of substations	29	29	29	29
Orlando distribution system (circuit miles)				
Overhead	746.0	746.8	738.8	747.9
Underground	1181.4	1,158.7	1,145.2	1,104.6
Total Orlando circuit miles	<u>1927.4</u>	<u>1,905.5</u>	<u>1,884.0</u>	<u>1,852.5</u>
St. Cloud distribution system (circuit miles)				
Overhead	244.2	242.6	241.8	240.2
Underground	158.3	154.7	153.9	150.8
Total St. Cloud circuit miles	<u>402.5</u>	<u>397.3</u>	<u>395.7</u>	<u>391.0</u>
Total OUC & St. Cloud circuit miles	<u>2,329.9</u>	<u>2,302.8</u>	<u>2,279.7</u>	<u>2,243.5</u>
Distribution expenses per circuit mile	\$ 6,318	\$ 7,344	\$ 7,316	\$ 6,396
Percentages of Orlando distribution system (circuit miles)				
Overhead	38.7%	39.2%	39.2%	40.4%
Underground	61.3%	60.8%	60.8%	59.6%
Percentages of St. Cloud distribution system (circuit miles)				
Overhead	60.7%	61.1%	61.1%	61.4%
Underground	39.3%	38.9%	38.9%	38.6%

(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) Due to the impacts of weather.

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

2007	2006	2005	2004 (1)	2003	2002	2001
0.9999	0.9993	0.9999	0.9999	0.9999	0.9999	0.9999
44.13	36.40	47.09	41.22	45.44	35.56	34.63
52.03	50.82	49.20	51.03	41.83	30.77	32.42
70.79	62.86	65.91	64.85	68.12	59.00	57.00
0.9998	0.9999	0.9998	0.9998	0.9997	0.9998	0.9998
56.97	44.69	86.94	84.08	129.51	87.14	98.08
39.16	42.00	40.48	48.97	41.19	36.54	33.04
67.23	59.03	71.86	60.00	58.83	54.00	49.00
20.6	20.6	20.6	20.6	20.6	20.6	19.0
131.5	131.5	131.5	131.5	131.5	123.9	123.9
<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>185.6</u>	<u>181.2</u>
<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>330.1</u>	<u>324.1</u>
29	29	28	28	28	27	26
738.3	738.5	746.5	738.3	733.5	729.4	866.3
<u>1,065.9</u>	<u>1,025.3</u>	<u>978.3</u>	<u>924.6</u>	<u>872.8</u>	<u>796.6</u>	<u>874.3</u>
<u>1,804.2</u>	<u>1,763.8</u>	<u>1,724.8</u>	<u>1,662.9</u>	<u>1,606.3</u>	<u>1,526.0</u>	<u>1,740.6</u>
236.5	236.9	234.7	227.6	225.5	132.8	124.4
<u>142.0</u>	<u>118.4</u>	<u>102.4</u>	<u>80.2</u>	<u>66.4</u>	<u>38.4</u>	<u>36.0</u>
<u>378.5</u>	<u>355.3</u>	<u>337.1</u>	<u>307.8</u>	<u>291.9</u>	<u>171.2</u>	<u>160.4</u>
<u>2,182.7</u>	<u>2,119.1</u>	<u>2,061.9</u>	<u>1,970.7</u>	<u>1,898.2</u>	<u>1,697.2</u>	<u>1,901.0</u>
\$ 6,125	\$ 6,285	\$ 5,593	\$ 4,909	\$ 5,184	\$ 5,408	\$ 5,839
40.9%	41.9%	43.3%	44.4%	45.7%	47.8%	49.8%
59.1%	58.1%	56.7%	55.6%	54.3%	52.2%	50.2%
62.5%	66.7%	69.6%	73.9%	77.3%	77.6%	77.6%
37.5%	33.3%	30.4%	26.1%	22.7%	22.4%	22.4%

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2011	2010	2009	2008
Electric plant, net				
Generating plant, net				
Stanton Energy Center Units #1 & #2	\$ 433,256	\$ 425,660	\$ 432,484	\$ 448,549
Stanton Energy Center Unit A (1)	50,554	52,490	56,543	61,410
Stanton Energy Center Unit B (1)	263,127	260,562	-	-
McIntosh #3	66,769	69,676	41,928	46,867
St. Lucie #2 (2)	86,166	70,487	67,266	61,186
Indian River Plant	15,539	16,623	17,764	19,892
Crystal River #3 (2)	6,908	6,295	5,542	4,174
St. Cloud Diesel Plant (3)	-	-	-	-
Allowance for Decommissioning (2)	-	-	-	-
Total generating plant, net	<u>922,319</u>	<u>901,793</u>	<u>621,527</u>	<u>642,078</u>
Distribution Plant, net	469,274	466,964	456,878	451,604
Transmission Plant, net	243,011	234,941	195,766	173,332
Other Electric Plant, net (4)	32,437	31,294	34,371	35,105
Total electric plant, net	<u>1,667,041</u>	<u>1,634,992</u>	<u>1,308,542</u>	<u>1,302,119</u>
Common plant, net (5)	<u>73,409</u>	<u>77,381</u>	<u>73,972</u>	<u>42,477</u>
Total plant, net	<u>\$ 1,740,450</u>	<u>\$ 1,712,373</u>	<u>\$ 1,382,514</u>	<u>\$ 1,344,596</u>

FUEL MIX STATISTICS (Dollars in thousands)

Cost of fuel				
Coal	\$ 153,891	\$ 159,160	\$ 165,904	\$ 162,790
Natural gas	129,227	128,117	103,334	164,696
Oil	2,863	2,309	1,335	1,320
Nuclear	5,165	3,360	3,298	3,015
Renewable	1,045	845	1,475	1,175
Total cost of fuel (6)	<u>\$ 292,191</u>	<u>\$ 293,791</u>	<u>\$ 275,346</u>	<u>\$ 332,995</u>
Fuel cost per million BTU				
Coal	\$ 3.72	\$ 3.37	\$ 3.44	\$ 3.10
Natural gas	\$ 6.27	\$ 6.49	\$ 7.58	\$ 10.83
Oil	\$ 19.46	\$ 13.51	\$ 13.84	\$ 17.85
Nuclear	\$ 1.27	\$ 0.80	\$ 0.62	\$ 0.58
Renewable	\$ 2.66	\$ 2.19	\$ 2.25	\$ 2.13
System average fuel cost	\$ 4.39	\$ 4.10	\$ 4.05	\$ 4.52
System fuel mix percentage (based on generation)				
Coal	62.1%	65.8%	71.0%	71.3%
Natural gas	31.0%	27.5%	20.1%	20.7%
Oil	0.2%	0.2%	0.1%	0.1%
Nuclear	6.1%	5.9%	7.9%	7.1%
Renewable (7)	0.6%	0.6%	0.9%	0.8%
Total system fuel mix percentage	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

	2007	2006	2005	2004	2003	2002	2001
\$	462,050	\$ 481,653	\$ 496,681	\$ 511,101	\$ 503,279	\$ 519,021	\$ 533,193
	56,971	59,789	61,169	64,191	70,889	-	-
	-	-	-	-	-	-	-
	47,251	51,700	55,948	55,381	56,199	60,451	62,207
	58,317	52,665	48,520	46,455	45,223	33,864	40,234
	22,266	24,818	28,176	34,646	34,588	37,355	41,713
	5,642	5,794	6,233	6,171	6,815	3,629	3,602
	-	-	-	118	128	139	-
	-	-	-	-	-	(25,382)	(22,745)
	<u>652,497</u>	<u>676,419</u>	<u>696,727</u>	<u>718,063</u>	<u>717,121</u>	<u>629,077</u>	<u>658,204</u>
	438,367	406,461	374,450	368,022	363,112	343,767	316,507
	166,739	164,753	147,808	131,995	131,121	129,536	117,261
	<u>7,707</u>	<u>3,810</u>	<u>8,323</u>	<u>10,852</u>	<u>11,036</u>	<u>8,386</u>	<u>8,487</u>
	<u>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>1,110,766</u>	<u>1,100,459</u>
	<u>46,329</u>	<u>37,104</u>	<u>43,127</u>	<u>47,595</u>	<u>48,551</u>	<u>48,956</u>	<u>50,647</u>
\$	<u>1,311,639</u>	<u>1,288,547</u>	<u>1,270,435</u>	<u>1,276,527</u>	<u>1,270,941</u>	<u>1,159,722</u>	<u>1,151,106</u>

\$	139,169	\$ 145,048	\$ 120,496	\$ 101,887	\$ 92,254	\$ 89,576	\$ 95,270
	140,780	163,545	166,929	117,455	25,466	18,867	29,522
	736	255	33,243	35,088	49,983	30,314	47,761
	2,636	1,971	2,357	2,351	1,813	1,786	2,268
	791	-	-	-	-	-	-
\$	<u>284,112</u>	<u>310,819</u>	<u>323,025</u>	<u>256,781</u>	<u>169,516</u>	<u>140,543</u>	<u>174,821</u>

\$	2.58	\$ 2.56	\$ 2.31	\$ 1.98	\$ 1.77	\$ 1.75	\$ 1.73
\$	8.96	\$ 10.42	\$ 8.78	\$ 6.55	\$ 5.46	\$ 4.24	\$ 5.31
\$	12.39	\$ 4.28	\$ 7.88	\$ 5.39	\$ 4.75	\$ 3.47	\$ 4.24
\$	0.47	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.33	\$ 0.31	\$ 0.38
\$	1.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	3.75	\$ 4.02	\$ 3.98	\$ 3.16	\$ 2.33	\$ 2.01	\$ 2.25

	71.1%	73.1%	64.3%	63.2%	71.4%	72.8%	70.8%
	20.7%	20.3%	23.4%	22.1%	6.4%	6.4%	7.1%
	0.1%	0.1%	5.2%	8.0%	14.5%	12.5%	14.5%
	7.4%	6.5%	7.1%	6.7%	7.7%	8.3%	7.6%
	0.7%	-	-	-	-	-	-
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

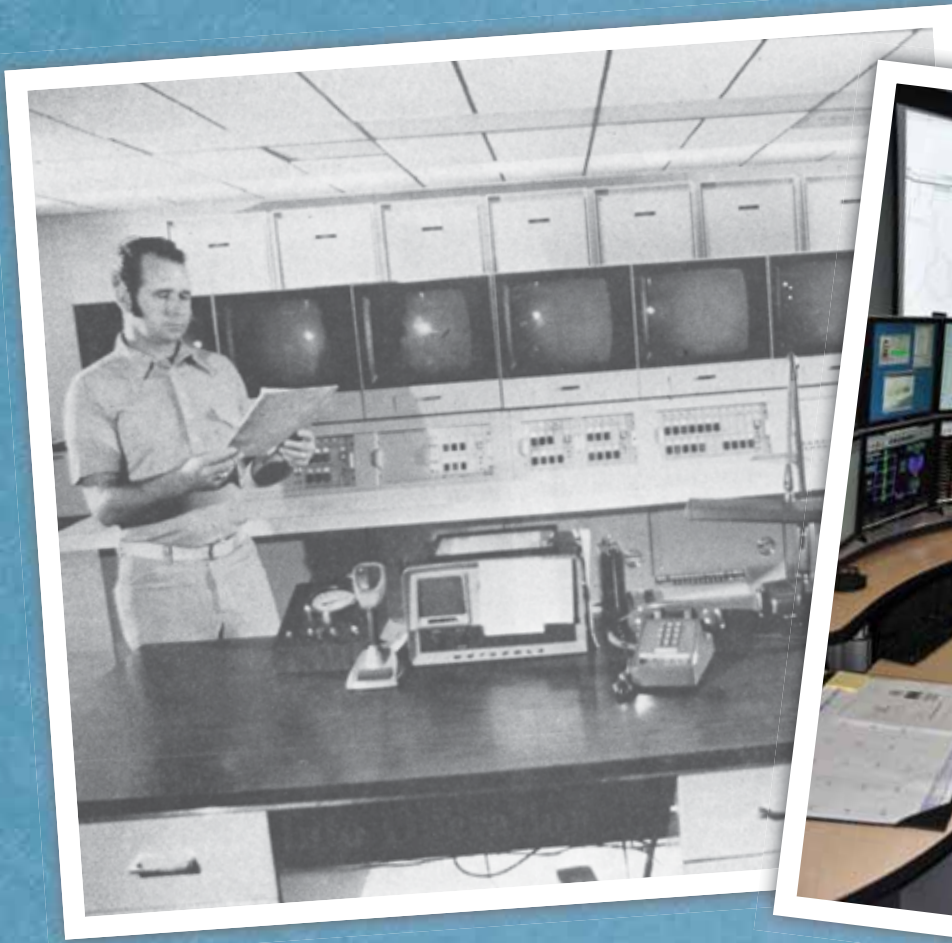
(5) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its administrative offices. In 2009, the new administration building was completed and placed into service. The former administration building was written down to its net realizable value pending the close of the sale on November 30, 2011.

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

(7) Prior to 2007 amounts were not material.



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1974



2010



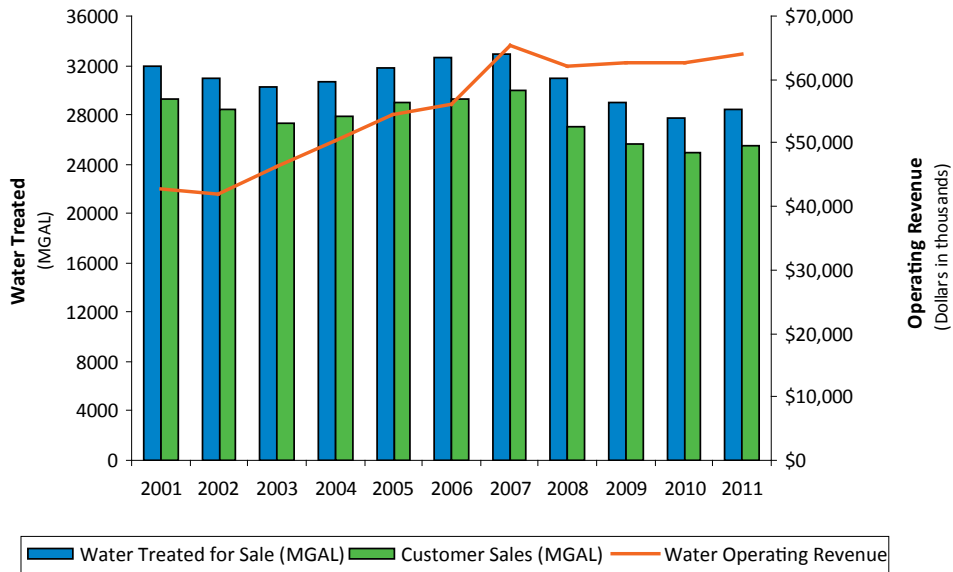
WATER OPERATIONS



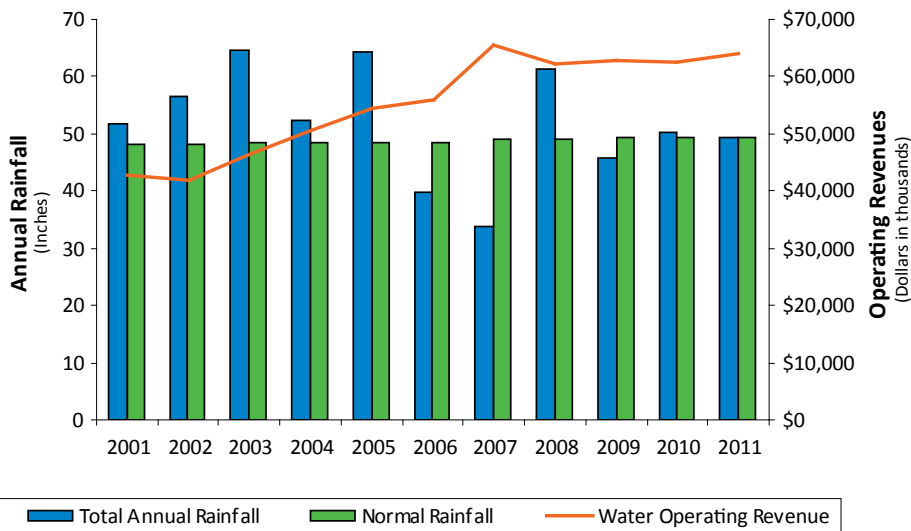
OUC originally drew its water from lakes like Lake Highland before turning to the Floridan Aquifer in the mid-'50s. Located a quarter of a mile below the earth's surface, this vast underground reservoir is as clean today as it was then, according to tests conducted by OUC's Water Quality Laboratory. Today this water is delivered through a highly reliable system of remotely controlled, interconnected water plants.

WATER BUSINESS OPERATIONS

Water Treated, Customer Sales & Operating Revenue



Total Annual Rainfall and Operating Revenue



Operating revenues were adjusted to exclude the impact of regulatory actions that increased revenues \$2.0 million in 2008 and decreased revenues \$4.0 million in 2001 thereby making rainfall and revenue comparable.

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

Years Ended September 30	2011	2010	2009	2008
Operating revenues				
Residential	\$ 32,480	\$ 31,561	\$ 31,599	\$ 31,291
Commercial	14,582	14,169	14,186	14,048
Industrial	1,862	1,809	1,811	1,793
Irrigation	11,386	11,063	11,077	10,969
Fire protection	2,158	2,169	2,132	2,035
Service fees and other	1,248	1,345	1,234	1,562
Resale and other	426	503	636	526
Total operating revenues (1)	<u>64,142</u>	<u>62,619</u>	<u>62,675</u>	<u>62,224</u>
Operations and maintenance expenses				
Production	14,405	14,358	14,997	13,738
Distribution (2)	9,149	8,291	5,560	6,849
Storm recovery costs	-	-	4	8
Customer service	8,160	7,137	6,601	6,794
General & administrative (3)	9,906	9,046	7,493	7,688
Total operations and maintenance expenses	<u>41,620</u>	<u>38,832</u>	<u>34,655</u>	<u>35,077</u>
Other expenses				
Utility/property tax	63	65	64	61
Revenue based payments to the City of Orlando	1,919	1,922	1,989	1,855
Revenue based payments to Orange County	6	-	-	-
Depreciation and amortization (4)	16,266	16,991	20,554	19,064
Total other expenses	<u>18,254</u>	<u>18,978</u>	<u>22,607</u>	<u>20,980</u>
Total operating expenses	<u>59,874</u>	<u>57,810</u>	<u>57,262</u>	<u>56,057</u>
Non-operating income				
Interest income	593	1,151	1,329	2,657
Non-operating income, net (5)	2,024	1,443	838	582
Total non-operating income	<u>2,617</u>	<u>2,594</u>	<u>2,167</u>	<u>3,239</u>
Non-operating expenses				
Bond interest and other related expenses (6)	10,317	11,418	10,937	11,101
Intercompany interest income (7)	(262)	(257)	(274)	(270)
Total non-operating expenses	<u>10,055</u>	<u>11,161</u>	<u>10,663</u>	<u>10,831</u>
Water (loss) / income before contributions	<u>(3,170)</u>	<u>(3,758)</u>	<u>(3,083)</u>	<u>(1,425)</u>
Contributions in aid of construction (8)	4,571	6,080	5,736	13,655
Annual dividend	<u>(1,950)</u>	<u>(2,460)</u>	<u>(1,950)</u>	<u>(821)</u>
Increase in net assets	<u>\$ 3,351</u>	<u>\$ 4,782</u>	<u>\$ 4,603</u>	<u>\$ 13,051</u>

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

(2) In 2011, OUC recognized a one-time cost associated with the deferral of a water regulatory project placed on hold in the amount of \$2.3 million. In 2010, distribution costs rose as a result of additional costs for alternative water supply and consumptive use permit spending.

(3) Increased pension and other post-employment actuarial cost were a key driver of the increase since 2008.

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

2007	2006	2005	2004	2003	2002	2001
\$ 33,173	\$ 27,336	\$ 26,676	\$ 25,173	\$ 23,063	\$ 22,658	\$ 21,119
14,893	11,942	11,962	11,497	10,970	9,708	9,028
1,901	1,369	1,480	1,453	1,489	1,327	1,191
11,628	11,546	10,090	9,131	7,815	5,861	5,755
1,755	1,564	1,554	1,306	1,229	1,076	950
1,756	1,810	1,764	1,416	1,019	548	542
<u>322</u>	<u>465</u>	<u>835</u>	<u>484</u>	<u>722</u>	<u>676</u>	<u>228</u>
<u>65,428</u>	<u>56,032</u>	<u>54,361</u>	<u>50,460</u>	<u>46,307</u>	<u>41,854</u>	<u>38,813</u>
13,531	13,006	11,830	10,028	9,254	8,652	8,370
5,526	4,026	4,198	3,992	3,432	3,083	2,507
-	-	-	147	-	-	-
7,016	6,405	4,834	5,003	4,479	4,212	4,173
6,948	6,305	5,855	5,283	4,848	5,086	4,871
<u>33,021</u>	<u>29,742</u>	<u>26,717</u>	<u>24,453</u>	<u>22,013</u>	<u>21,033</u>	<u>19,921</u>
64	62	52	60	46	48	38
1,893	1,599	1,510	1,362	1,280	1,130	1,168
-	-	-	-	-	-	-
<u>16,071</u>	<u>13,808</u>	<u>14,220</u>	<u>11,944</u>	<u>10,740</u>	<u>9,897</u>	<u>11,264</u>
<u>18,028</u>	<u>15,469</u>	<u>15,782</u>	<u>13,366</u>	<u>12,066</u>	<u>11,075</u>	<u>12,470</u>
<u>51,049</u>	<u>45,211</u>	<u>42,499</u>	<u>37,819</u>	<u>34,079</u>	<u>32,108</u>	<u>32,391</u>
3,959	3,106	1,435	665	1,153	2,527	3,488
682	484	508	498	624	1,053	998
<u>4,641</u>	<u>3,590</u>	<u>1,943</u>	<u>1,163</u>	<u>1,777</u>	<u>3,580</u>	<u>4,486</u>
12,466	12,790	12,072	12,449	13,011	13,668	14,385
(266)	(350)	(311)	(613)	-	-	-
<u>12,200</u>	<u>12,440</u>	<u>11,761</u>	<u>11,836</u>	<u>13,011</u>	<u>13,668</u>	<u>14,385</u>
6,820	1,971	2,044	1,968	994	(342)	(3,477)
17,155	14,816	13,409	12,022	8,301	8,177	6,385
<u>3,665</u>	<u>1,525</u>	<u>1,226</u>	<u>1,181</u>	<u>596</u>	<u>(205)</u>	<u>(2,086)</u>
<u>\$ 20,310</u>	<u>\$ 15,262</u>	<u>\$ 14,227</u>	<u>\$ 12,809</u>	<u>\$ 8,699</u>	<u>\$ 8,040</u>	<u>\$ 4,994</u>

(5) As part of the Build America Bonds' stimulus program, OUC was granted a federal subsidy of which \$3.9 million and \$2.7 million was recognized during fiscal years 2011 and 2010, respectively. Additionally in 2011, OUC recognized \$1.8 million for previously deferred storm recovery costs as a result of the completion of the Federal Emergency Management's review of prior period storms.

(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 offset by lower interest expense as a result of maturities.

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

(8) The decrease in CIAC since 2009 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

2011

2010

2009

2008

Profile of consumption & revenue by type of customer

Residential service

KGAL sales per customer	121	117	119	125
Revenue per customer	\$ 305	\$ 295	\$ 294	\$ 289
Revenue per KGAL	\$ 2.5268	\$ 2.5239	\$ 2.4623	\$ 2.3155

Commercial service

KGAL sales per customer	603	584	596	623
Revenue per customer	\$ 1,162	\$ 1,124	\$ 1,120	\$ 1,101
Revenue per KGAL	\$ 1.9278	\$ 1.9256	\$ 1.8786	\$ 1.7666

Industrial service

KGAL sales per customer	5,168	5,005	5,114	5,343
Revenue per customer	\$ 9,089	\$ 8,792	\$ 8,764	\$ 8,611
Revenue per KGAL	\$ 1.7587	\$ 1.7567	\$ 1.7138	\$ 1.6116

Irrigation service

KGAL sales per customer	258	250	256	267
Revenue per customer	\$ 726	\$ 702	\$ 700	\$ 688
Revenue per KGAL	\$ 2.8122	\$ 2.8090	\$ 2.7405	\$ 2.5771

Selected financial expense statistics

Total operations & maintenance expense per KGAL (1)(2)	\$ 1.6307	\$ 1.5643	\$ 1.3525	\$ 1.3024
Total operations & maintenance expense per metered service (1)	\$ 309	\$ 287	\$ 255	\$ 256
Customer service expense per metered service	\$ 60	\$ 53	\$ 48	\$ 50
General & administrative expense per metered service (2)	\$ 73	\$ 67	\$ 55	\$ 56

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

(2) 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 cost increased as a result of lower investment returns and the inclusion of the accrual of previously approved COLA. 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 KGAL.

2007	2006	2005	2004	2003	2002	2001
141	140	141	141	141	151	159
\$ 312	\$ 265	\$ 263	\$ 255	\$ 239	\$ 237	\$ 222
\$ 2.2071	\$ 1.8933	\$ 1.8720	\$ 1.8072	\$ 1.6985	\$ 1.5669	\$ 1.3965
709	703	718	706	724	710	729
\$ 1,194	\$ 988	\$ 1,004	\$ 984	\$ 959	\$ 863	\$ 815
\$ 1.6839	\$ 1.4051	\$ 1.3972	\$ 1.3943	\$ 1.3246	\$ 1.2165	\$ 1.1173
6,167	5,606	6,160	6,010	6,395	6,197	5,953
\$ 9,474	\$ 7,092	\$ 7,646	\$ 7,546	\$ 7,837	\$ 7,059	\$ 6,268
\$ 1.5362	\$ 1.2650	\$ 1.2412	\$ 1.2554	\$ 1.2255	\$ 1.1391	\$ 1.0530
294	319	295	304	292	344	390
\$ 721	\$ 719	\$ 660	\$ 642	\$ 583	\$ 456	\$ 466
\$ 2.4565	\$ 2.2565	\$ 2.2359	\$ 2.1103	\$ 1.9956	\$ 1.3266	\$ 1.1962
\$ 1.1034	\$ 1.0172	\$ 0.9237	\$ 0.8755	\$ 0.8061	\$ 0.7401	\$ 0.6811
\$ 245	\$ 226	\$ 208	\$ 195	\$ 181	\$ 176	\$ 168
\$ 52	\$ 49	\$ 38	\$ 40	\$ 37	\$ 35	\$ 35
\$ 52	\$ 48	\$ 45	\$ 42	\$ 40	\$ 42	\$ 41

SELECTED FINANCIAL RATIOS

Years Ended September 30	2011	2010	2009	2008
Water operating ratio				
Water operations & maintenance expenses/operating revenues (1)(2)	\$ 0.65	\$ 0.62	\$ 0.55	\$ 0.56
Water (loss)/ income before contributions per revenue dollar				
Water (loss)/ income before contributions/total water operating revenues (1)	\$ (0.05)	\$ (0.06)	\$ (0.05)	\$ (0.02)

ACTIVE SERVICES

Residential	105,739	107,295	106,703	108,245
Commercial	12,461	12,645	12,575	12,757
Industrial	203	206	205	208
Irrigation	15,564	15,793	15,706	15,932
Total metered services	<u>133,967</u>	<u>135,939</u>	<u>135,189</u>	<u>137,142</u>

FIRE PROTECTION

Fire protection services	4,294	4,248	4,192	4,124
Fire hydrants	9,828	9,753	9,630	9,578
Total fire protection	<u>14,122</u>	<u>14,001</u>	<u>13,822</u>	<u>13,702</u>

CONSUMPTION (MGAL)

Residential	12,854	12,505	12,833	13,513
Commercial	7,564	7,358	7,551	7,952
Industrial	1,059	1,030	1,057	1,113
Irrigation	4,049	3,938	4,042	4,256
Resale	35	34	184	140
Total consumption	<u>25,561</u>	<u>24,865</u>	<u>25,667</u>	<u>26,974</u>

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

(2) 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.

2007	2006	2005	2004	2003	2002	2001
\$ 0.50	\$ 0.53	\$ 0.49	\$ 0.48	\$ 0.48	\$ 0.50	\$ 0.51
\$ 0.10	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.02	\$ (0.01)	\$ (0.09)
108,374	103,866	102,674	99,942	97,354	95,829	95,254
12,772	12,165	12,017	11,820	11,543	11,330	11,164
208	193	193	194	191	189	187
<u>15,952</u>	<u>16,288</u>	<u>15,835</u>	<u>14,756</u>	<u>13,686</u>	<u>13,118</u>	<u>12,592</u>
<u>137,306</u>	<u>132,512</u>	<u>130,719</u>	<u>126,712</u>	<u>122,774</u>	<u>120,466</u>	<u>119,197</u>
3,596	4,186	3,987	3,749	3,551	3,428	3,295
<u>9,451</u>	<u>9,118</u>	<u>8,891</u>	<u>8,822</u>	<u>6,908</u>	<u>6,736</u>	<u>6,646</u>
<u>13,047</u>	<u>13,304</u>	<u>12,878</u>	<u>12,571</u>	<u>10,459</u>	<u>10,164</u>	<u>9,941</u>
15,030	14,439	14,250	13,929	13,579	14,461	15,124
8,844	8,499	8,561	8,246	8,282	7,980	8,080
1,237	1,082	1,192	1,157	1,215	1,165	1,131
4,734	5,117	4,513	4,327	3,916	4,418	4,811
<u>139</u>	<u>165</u>	<u>464</u>	<u>172</u>	<u>375</u>	<u>459</u>	<u>160</u>
<u>29,984</u>	<u>29,302</u>	<u>28,980</u>	<u>27,831</u>	<u>27,367</u>	<u>28,483</u>	<u>29,306</u>

WATER UTILITY PLANT (Dollars in Thousands)

Years Ended September 30	2011	2010	2009	2008
Water plant, net				
Production	\$ 134,343	\$ 139,082	\$ 144,802	\$ 158,635
Transmission & Distribution	190,413	183,912	181,163	177,709
General	<u>3,490</u>	<u>3,486</u>	<u>4,181</u>	<u>113</u>
Total water plant, net	<u>328,246</u>	<u>326,480</u>	<u>330,146</u>	<u>336,457</u>
Common plant, net (1)	<u>24,470</u>	<u>25,794</u>	<u>24,657</u>	<u>14,159</u>
Total plant, net	<u>\$ 352,716</u>	<u>\$ 352,274</u>	<u>\$ 354,803</u>	<u>\$ 350,616</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,766	1,763	1,750	1,755
Number of public hydrants	9,828	9,753	9,630	9,578
Number of wells	31	32	32	34
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	273	273	274	274
Raw water capacity (MGAL per day)	177.5	182.5	182.5	184.0
Peak day (MGAL)	97.4	95.7	103.8	111.2
Per capita, gallons pumped per day total system	184	179	187	203
Per capita, gallons consumed per day residential only	83	81	83	88

WATER PRODUCTION (KGAL)

Water treated for sale				
Treated	28,393,238	27,681,382	28,980,391	31,047,104
Used by water department (2)	<u>5,840</u>	<u>5,840</u>	<u>5,840</u>	<u>29,040</u>
Total water treated for sale	<u>28,387,398</u>	<u>27,675,542</u>	<u>28,974,551</u>	<u>31,018,064</u>
Sales				
Retail customers	25,185,446	24,574,646	25,257,125	26,599,439
Inter-department use	341,103	256,286	225,955	234,186
Wholesale customers	<u>34,853</u>	<u>33,895</u>	<u>184,282</u>	<u>140,145</u>
Total sales	<u>25,561,402</u>	<u>24,864,827</u>	<u>25,667,362</u>	<u>26,973,770</u>
Unbilled	<u>2,825,996</u>	<u>2,810,715</u>	<u>3,307,189</u>	<u>4,044,294</u>
Unbilled as a percentage of water treated for sale	9.96%	10.16%	11.41%	13.04%

(1) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its administrative offices. In 2009, the new administration building was completed and placed into service. The former administration building was written down to its net realizable value and is pending the close of the sale on November 30, 2011.

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

2007	2006	2005	2004	2003	2002	2001
\$ 162,259	\$ 156,382	\$ 162,574	\$ 161,540	\$ 149,860	\$ 154,158	\$ 141,063
170,969	158,109	151,389	149,360	139,517	133,356	126,305
<u>685</u>	<u>5,626</u>	<u>3,695</u>	<u>6,961</u>	<u>5,084</u>	<u>4,994</u>	<u>4,738</u>
333,913	320,117	317,658	317,861	294,461	292,508	272,106
<u>15,443</u>	<u>12,368</u>	<u>14,376</u>	<u>15,865</u>	<u>16,183</u>	<u>16,318</u>	<u>16,882</u>
<u>\$ 349,356</u>	<u>\$ 332,485</u>	<u>\$ 332,034</u>	<u>\$ 333,726</u>	<u>\$ 310,644</u>	<u>\$ 308,826</u>	<u>\$ 288,988</u>
1,729	1,714	1,695	1,679	1,644	1,616	1,593
9,451	9,118	7,235	7,154	6,908	6,736	6,646
34	34	34	34	34	33	35
28.5	28.5	28.5	28.5	28.5	30.5	28.5
274	274	274	271	262	262	252
184.0	184.0	184.0	182.0	182.0	182.0	182.0
111.4	114.6	108.3	118.0	107.5	109.7	112.0
216	216	211	208	210	216	225
98	95	94	95	94	104	106
32,950,881	32,739,861	31,784,278	30,656,166	30,290,165	30,920,794	31,949,544
<u>72,995</u>	<u>73,000</u>	<u>27,290</u>	<u>19,919</u>	<u>20,471</u>	<u>21,481</u>	<u>18,119</u>
32,877,886	32,666,861	31,756,988	30,636,247	30,269,694	30,899,313	31,931,425
29,768,879	28,933,432	28,309,265	27,466,944	26,792,398	27,815,255	29,075,981
<u>76,107</u>	<u>203,177</u>	<u>206,787</u>	<u>191,545</u>	<u>199,009</u>	<u>209,182</u>	<u>69,208</u>
139,441	165,176	464,299	172,320	375,302	458,774	160,622
<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>28,483,211</u>	<u>29,305,811</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>	<u>2,416,102</u>	<u>2,625,614</u>
8.80%	10.30%	8.74%	9.16%	9.59%	7.82%	8.22%



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2011



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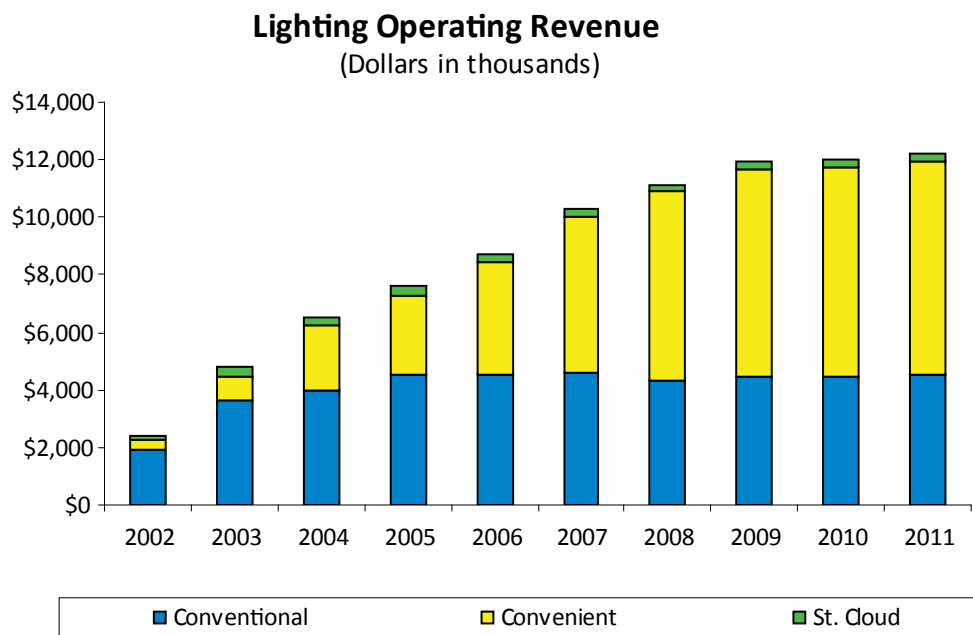


LIGHTING OPERATIONS



In 2000, OUC introduced OUConvenient Lighting to provide complete outdoor lighting services for commercial applications that range from industrial parks and sports complexes to residential developments. We continue to seek increasingly efficient and durable lighting solutions for our customers. In fact, we're currently testing the effectiveness of LED streetlights in the Thornton Park and Lake Nona communities.

LIGHTING BUSINESS OPERATIONS



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

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

Years Ended September 30	2011	2010	2009	2008
Operating revenues				
Conventional	\$ 4,544	\$ 4,489	\$ 4,469	\$ 4,350
Convenient	7,411	7,264	7,209	6,554
St. Cloud	232	234	234	236
Service fees and other	129	168	124	143
Total operating revenues	<u>12,316</u>	<u>12,155</u>	<u>12,036</u>	<u>11,283</u>
Operations and maintenance expenses				
Conventional	2,144	2,350	2,425	2,457
Convenient	887	1,000	1,131	1,259
St. Cloud	130	144	132	137
Storm recovery costs (1)	-	-	-	-
Customer service	881	1,022	949	734
General and administrative	927	888	738	726
Total operations and maintenance expenses	<u>4,969</u>	<u>5,404</u>	<u>5,375</u>	<u>5,313</u>
Other expenses				
Utility/property tax	2	3	2	2
Revenue based payments to Orange County	23	-	-	-
Depreciation and amortization	3,490	3,408	3,261	2,815
Total other expenses	<u>3,515</u>	<u>3,411</u>	<u>3,263</u>	<u>2,817</u>
Total operating expenses	<u>8,484</u>	<u>8,815</u>	<u>8,638</u>	<u>8,130</u>
Non-operating income				
Interest income	102	168	180	453
Non-operating income, net	213	184	78	28
Total non-operating income	<u>315</u>	<u>352</u>	<u>258</u>	<u>481</u>
Non-operating expenses				
Bond interest and other related expenses	1,996	2,224	2,084	2,038
Intercompany interest expense (2)	-	-	-	-
Total non-operating expenses	<u>1,996</u>	<u>2,224</u>	<u>2,084</u>	<u>2,038</u>
Lighting income / (loss) before contributions	2,151	1,468	1,572	1,596
Contributions in aid of construction (CIAC)	457	565	373	106
Annual dividend	<u>1,323</u>	<u>961</u>	<u>994</u>	<u>918</u>
Increase in net assets	<u>\$ 1,285</u>	<u>\$ 1,072</u>	<u>\$ 951</u>	<u>\$ 784</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 \$6.0 million of storm recovery expenses. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.

(2) As OUC continued to expand its Lighting business, the business unit was assessed an interest charge based on the pooled cash earnings rate. Beginning in 2004, intercompany loans were established to ensure that the business segment had sufficient cash balances to provide for operations and capital spending. The intercompany loans were repaid in 2007.

2007	2006	2005	2004	2003	2002	2001
\$ 4,599	\$ 4,564	\$ 4,498	\$ 3,972	\$ 3,617	\$ 1,925	\$ -
5,448	3,891	2,751	2,241	840	311	-
244	233	378	298	358	157	-
146	197	69	140	-	-	-
<u>10,437</u>	<u>8,885</u>	<u>7,696</u>	<u>6,651</u>	<u>4,815</u>	<u>2,393</u>	<u>-</u>
1,944	1,788	1,913	1,457	1,241	1,431	-
868	874	535	418	179	14	-
97	109	121	79	109	115	-
-	-	-	176	-	-	-
645	717	585	560	448	253	-
598	685	628	484	431	406	-
<u>4,152</u>	<u>4,173</u>	<u>3,782</u>	<u>3,174</u>	<u>2,408</u>	<u>2,219</u>	<u>-</u>
2	2	2	3	4	6	-
-	-	-	-	-	-	-
<u>3,266</u>	<u>2,579</u>	<u>2,327</u>	<u>2,174</u>	<u>1,744</u>	<u>1,432</u>	<u>-</u>
<u>3,268</u>	<u>2,581</u>	<u>2,329</u>	<u>2,177</u>	<u>1,748</u>	<u>1,438</u>	<u>-</u>
<u>7,420</u>	<u>6,754</u>	<u>6,111</u>	<u>5,351</u>	<u>4,156</u>	<u>3,657</u>	<u>-</u>
620	201	84	6	(180)	81	-
30	29	31	30	30	12	-
<u>650</u>	<u>230</u>	<u>115</u>	<u>36</u>	<u>(150)</u>	<u>93</u>	<u>-</u>
1,925	1,285	1,034	1,059	708	754	-
-	80	66	-	-	-	-
<u>1,925</u>	<u>1,365</u>	<u>1,100</u>	<u>1,059</u>	<u>708</u>	<u>754</u>	<u>-</u>
1,742	996	600	277	(199)	(1,925)	-
316	499	43	545	185	1,390	-
<u>937</u>	<u>771</u>	<u>359</u>	<u>167</u>	<u>(119)</u>	<u>(1,155)</u>	<u>-</u>
<u>\$ 1,121</u>	<u>\$ 724</u>	<u>\$ 284</u>	<u>\$ 655</u>	<u>\$ 105</u>	<u>\$ 620</u>	<u>\$ -</u>

SELECTED FINANCIAL RATIOS

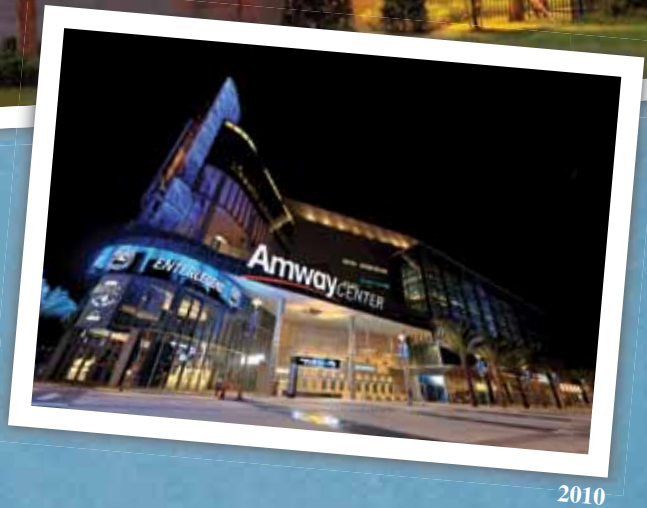
Years Ended September 30	2011	2010	2009	2008
Lighting operating ratio				
Lighting operation & maintenance expenses/ operating revenues (1)	\$ 0.40	\$ 0.44	\$ 0.45	\$ 0.47
Lighting income/(loss) before contributions per revenue dollar				
Lighting income/(loss) before contributions/Total electric lighting operating revenues (1)	\$ 0.17	\$ 0.12	\$ 0.13	\$ 0.14
LIGHTING UTILITY PLANT (Dollars in thousands)				
Lighting plant, net				
Conventional	\$ 8,871	\$ 9,117	\$ 8,658	\$ 8,442
Convenient	35,937	35,867	36,142	36,282
Total lighting plant, net	44,808	44,984	44,800	44,724
St. Cloud	754	773	814	756
Total plant, net	<u>\$ 45,562</u>	<u>\$ 45,757</u>	<u>\$ 45,614</u>	<u>\$ 45,480</u>

(1) In 2011, the fluctuation in the ratio was primarily driven by lower operating expenses. Storm recovery expenses related to hurricanes Charley, Frances, and Jeanne are excluded from these computations.

2007	2006	2005	2004	2003	2002	2001
\$ 0.40	\$ 0.47	\$ 0.49	\$ 0.45	\$ 0.50	\$ 0.93	\$ -
\$ 0.17	\$ 0.11	\$ 0.08	\$ 0.07	\$ (0.04)	\$ (0.80)	\$ -
\$ 8,237	\$ 9,125	\$ 9,933	\$ 10,815	\$ 11,313	\$ 11,463	\$ 9,342
30,080	22,894	15,931	12,441	10,225	3,046	199
38,317	32,019	25,864	23,256	21,538	14,509	9,541
793	762	636	436	396	308	-
<u>\$ 39,110</u>	<u>\$ 32,781</u>	<u>\$ 26,500</u>	<u>\$ 23,692</u>	<u>\$ 21,934</u>	<u>\$ 14,817</u>	<u>\$ 9,541</u>



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Chilled Water



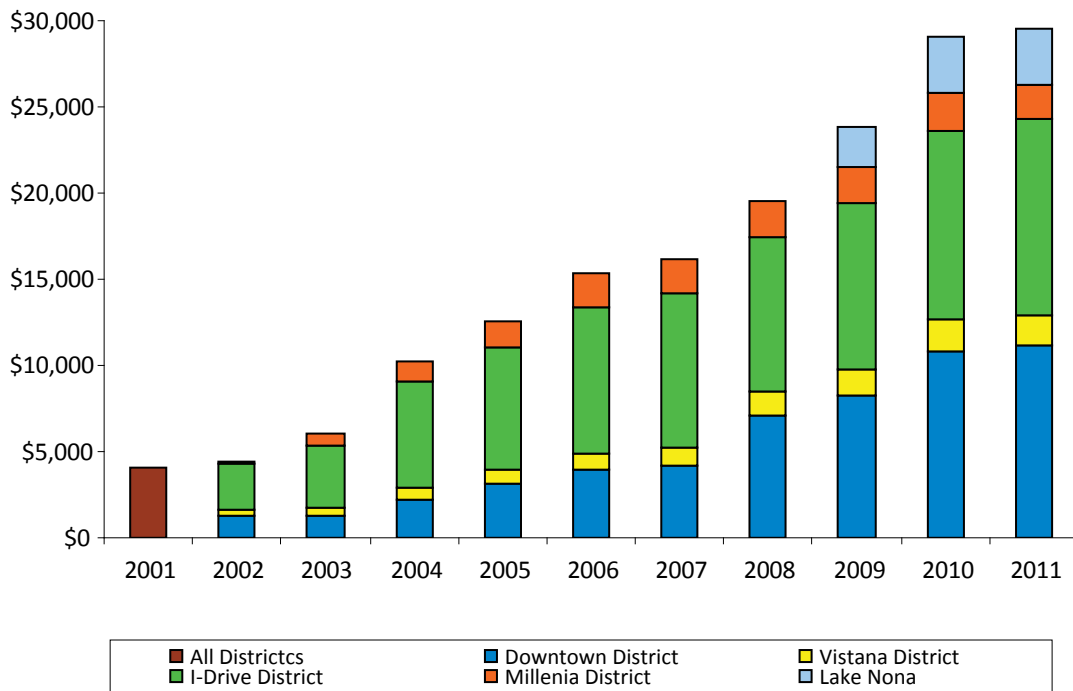
CHILLED WATER



Since building our first downtown chiller facility in 1998, OUC's chilled water service has been providing efficient, reliable air conditioning throughout downtown Orlando and now serves the new green home of the Orlando Magic—the Amway Center. The Gold Leadership in Efficiency and Energy Design (LEED)-certified facility earned its Gold ranking thanks in part to the chilled water service and OUC's efforts to qualify chilled water for additional LEED certification points.

CHILLED WATER BUSINESS OPERATIONS

Chilled Water Operating Revenue
(Dollars in thousands)



In 1999, OUC began providing chilled water services in Orlando and the surrounding areas. As of 2011, five Chilled water loops are operational with a total capacity of 47,950 tons.

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

Years Ended September 30	2011	2010	2009	2008
Operating revenues				
Downtown Plant	\$ 11,163	\$ 10,773	\$ 8,272	\$ 7,148
Vistana plant	1,768	1,870	1,510	1,323
International Drive plant	11,314	10,980	9,659	8,992
Millenia plant	2,032	2,133	2,114	2,016
Lake Nona Plant	3,243	3,282	2,286	-
Service fees and other	255	248	380	260
Total operating revenues (1)	<u>29,775</u>	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>
Operations and maintenance expenses				
Downtown plant	3,884	4,032	3,683	3,227
Vistana plant	1,173	835	785	688
International Drive plant	7,062	6,954	6,334	6,057
Millenia plant	1,214	1,291	1,214	1,095
Lake Nona plant	1,496	1,377	999	-
Storm recovery costs (2)	-	-	-	-
Customer service	816	1,376	1,262	679
General & administrative	1,036	1,273	679	661
Total operations and maintenance expenses	<u>16,681</u>	<u>17,138</u>	<u>14,956</u>	<u>12,407</u>
Other expenses				
Utility/property tax	2	3	4	4
Revenue based payments to the City of Orlando	699	665	451	376
Revenue based payments to Orange County	80	-	-	-
Depreciation and amortization	5,015	5,290	3,957	3,117
Total other expenses	<u>5,796</u>	<u>5,958</u>	<u>4,412</u>	<u>3,497</u>
Total operating expenses	<u>22,477</u>	<u>23,096</u>	<u>19,368</u>	<u>15,904</u>
Non-operating income				
Interest income	82	179	139	102
Non-operating income / (loss), net	223	179	73	26
Total non-operating income	<u>305</u>	<u>358</u>	<u>212</u>	<u>128</u>
Non-operating expenses				
Bond interest and other related expenses (3)	1,921	1,891	1,273	943
Intercompany interest expense (4)	3,563	3,715	3,791	3,787
Total non-operating expenses	<u>5,484</u>	<u>5,606</u>	<u>5,064</u>	<u>4,730</u>
Chilled water income / (loss) before contributions	2,119	942	1	(767)
Contributions in aid of construction (CIAC)(5)	8	7	4	1,078
Annual dividend	<u>1,304</u>	<u>617</u>	<u>-</u>	<u>(441)</u>
Increase/(decrease) in net assets	<u>\$ 823</u>	<u>\$ 332</u>	<u>\$ 5</u>	<u>\$ 752</u>

- (1) Chilled water operating revenues increased in 2010 as a result of expansions in both the I-Drive and Downtown chilled water districts.
- (2) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6.0 million of storm recovery expenses. This amount represents ineligible costs and 5% of total eligible costs not subject to grant reimbursement.
- (3) Beginning in 2008, bond proceeds were allocated to Chilled water to fund capital project needs. In 2001 through 2006, Chilled water was charged an interest expense based on the pool cash earnings rate.
- (4) The amount represents the internal loan interest expense related to intercompany borrowings for Chilled water capital projects.
- (5) In 2008, OUC in conjunction with the Florida Department of Transportation (FDOT) completed the I-4/408 Interchange Improvement Project to relocate the Chilled water pipeline. The FDOT contributed \$1.1 million toward the project.

2007	2006	2005	2004	2003	2002	2001
\$ 4,142	\$ 3,926	\$ 3,162	\$ 2,268	\$ 1,299	\$ 1,227	\$ -
1,128	964	781	602	418	403	-
8,945	8,496	7,159	6,176	3,649	2,692	-
1,920	1,961	1,489	1,205	649	81	-
-	-	-	-	-	-	-
508	243	147	92	-	-	4,074
<u>16,643</u>	<u>15,590</u>	<u>12,738</u>	<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>
2,767	2,407	1,706	1,063	300	374	819
590	441	320	214	125	93	290
5,977	5,847	5,107	3,743	2,243	1,618	294
1,094	1,031	936	710	450	94	-
-	-	-	-	-	-	-
-	-	-	62	-	-	-
786	794	648	620	448	253	250
607	542	506	482	416	391	375
<u>11,821</u>	<u>11,062</u>	<u>9,223</u>	<u>6,894</u>	<u>3,982</u>	<u>2,823</u>	<u>2,028</u>
6	3	2	4	2	2	1
231	231	186	152	131	61	76
-	-	-	-	-	-	-
<u>3,066</u>	<u>2,901</u>	<u>2,648</u>	<u>1,849</u>	<u>1,203</u>	<u>1,000</u>	<u>865</u>
<u>3,304</u>	<u>3,135</u>	<u>2,836</u>	<u>2,005</u>	<u>1,336</u>	<u>1,063</u>	<u>942</u>
<u>15,124</u>	<u>14,197</u>	<u>12,059</u>	<u>8,899</u>	<u>5,318</u>	<u>3,886</u>	<u>2,970</u>
86	299	31	(8)	65	38	4
35	31	28	34	(2)	(12)	(12)
<u>121</u>	<u>330</u>	<u>59</u>	<u>26</u>	<u>63</u>	<u>26</u>	<u>(8)</u>
-	86	77	69	61	53	48
<u>3,787</u>	<u>3,794</u>	<u>3,502</u>	<u>3,527</u>	<u>537</u>	<u>790</u>	<u>640</u>
<u>3,787</u>	<u>3,880</u>	<u>3,579</u>	<u>3,596</u>	<u>598</u>	<u>843</u>	<u>688</u>
(2,147)	(2,157)	(2,841)	(2,126)	162	(300)	408
-	-	-	-	-	-	-
<u>(1,154)</u>	<u>(1,670)</u>	<u>(1,705)</u>	<u>(1,276)</u>	<u>81</u>	<u>(150)</u>	<u>204</u>
<u>\$ (993)</u>	<u>\$ (487)</u>	<u>\$ (1,136)</u>	<u>\$ (850)</u>	<u>\$ 81</u>	<u>\$ (150)</u>	<u>\$ 204</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2011	2010	2009	2008
Chilled water operating ratio				
Chilled water operation & maintenance expenses/ operating revenues (2)	\$ 0.56	\$ 0.59	\$ 0.62	\$ 0.63
Chilled water (loss)/income before contributions per revenue dollar				
Chilled water (loss)/income before contributions/total chilled water operating revenues (2)	\$ 0.07	\$ 0.03	\$ -	\$ (0.04)
Revenue per TON-hour produced (3)	\$ 0.2349	\$ 0.2511	\$ 0.2344	\$ 0.1985

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net				
Downtown plant	\$ 37,842	\$ 38,351	\$ 29,842	\$ 30,394
Vistana plant	4,323	4,557	4,791	4,423
International Drive plant	27,340	28,018	25,174	26,288
Millenia plant	2,929	3,133	3,353	3,572
Lake Nona plant	12,821	13,369	13,920	5
Total chilled water plant, net	85,255	87,428	77,080	64,682
TCS capital contributions (1)(4)	-	-	-	-
Total plant, net	<u>\$ 85,255</u>	<u>\$ 87,428</u>	<u>\$ 77,080</u>	<u>\$ 64,682</u>

CHILLED WATER STATISTICS (3)

Pipe miles				
Downtown plant	7.65	7.65	7.65	7.30
Vistana plant	2.44	2.44	2.44	2.44
International Drive plant	3.79	3.79	3.79	3.32
Millenia plant	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.62	1.51
Total pipe miles	<u>15.76</u>	<u>15.76</u>	<u>15.76</u>	<u>14.83</u>
Generation capacity, TON				
Downtown plant	14,250	14,250	11,250	11,250
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	-
Total generation capacity, TON	<u>47,950</u>	<u>47,950</u>	<u>44,950</u>	<u>39,650</u>

TON-HOURS PRODUCED (3)

Downtown plant	37,970,204	33,472,688	29,485,701	27,561,068
Vistana plant	5,353,882	5,431,057	4,504,214	4,062,851
International Drive plant (5)	61,432,427	56,029,869	51,277,815	57,262,093
Millenia plant	8,833,503	8,991,528	9,092,513	9,252,539
Lake Nona plant	12,082,175	11,697,121	7,371,046	-
Total TON-hours produced	<u>125,672,191</u>	<u>115,622,263</u>	<u>101,731,289</u>	<u>98,138,551</u>

ACTIVE SERVICES (3)

Residential	2,365	2,365	2,365	1,724
Commercial	195	194	198	231
Total metered services (6)	<u>2,560</u>	<u>2,559</u>	<u>2,563</u>	<u>1,955</u>

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

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

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

	2007	2006	2005	2004 (1)	2003	2002	2001
	\$ 0.71	\$ 0.71	\$ 0.72	\$ 0.66	\$ 0.66	\$ 0.64	\$ 0.50
	\$ (0.13)	\$ (0.14)	\$ (0.22)	\$ (0.20)	\$ 0.03	\$ (0.07)	\$ 0.10
	\$ 0.1753	\$ 0.1759	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 26,097	\$ 26,106	\$ 22,137	\$ 10,082	\$ 10,006	\$ 10,310	\$ 10,362
	4,642	4,444	2,384	2,479	2,578	2,746	2,822
	23,371	24,404	24,623	25,398	26,301	19,834	12,143
	3,792	4,053	4,285	4,446	4,652	4,334	-
	-	-	-	-	-	-	-
	57,902	59,007	53,429	42,405	43,537	37,224	25,327
	-	-	-	-	(18,138)	(16,981)	-
	<u>\$ 57,902</u>	<u>\$ 59,007</u>	<u>\$ 53,429</u>	<u>\$ 42,405</u>	<u>\$ 25,399</u>	<u>\$ 20,243</u>	<u>\$ 25,327</u>
	7.10	7.10	-	-	-	-	-
	1.24	1.24	-	-	-	-	-
	3.32	3.32	-	-	-	-	-
	0.26	0.26	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>11.92</u>	<u>11.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	9,850	9,850	-	-	-	-	-
	2,400	2,400	-	-	-	-	-
	21,200	20,900	-	-	-	-	-
	4,800	4,800	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>38,250</u>	<u>37,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	21,804,307	18,954,307	-	-	-	-	-
	3,856,786	4,511,760	-	-	-	-	-
	57,779,986	50,422,319	-	-	-	-	-
	8,603,019	13,374,403	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>92,044,098</u>	<u>87,262,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	708	627	-	-	-	-	-
	171	174	-	-	-	-	-
	<u>879</u>	<u>801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (4) Prior to 2002, TCS' contributions toward the expansion of the Chilled water business operations were not recorded as utility plant.
- (5) The increase in the I-Drive usage is primarily driven by the number of events that were scheduled in the Orange County Convention Center (OCCC) in 2011 as compared to the prior year.
- (6) 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.



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2009



1923



STATISTICAL INFORMATION



When formed by a state charter in 1923, OUC served 2,795 electric and 2,290 water customers and generated 7,000 Megawatt hours and .67 million gallons of water. Today we serve 181,501 electric and 133,967 water customers and produce 7.5 million MW and over 25 billion gallons of water a year.

Statistical Information

NUMBER OF EMPLOYEES

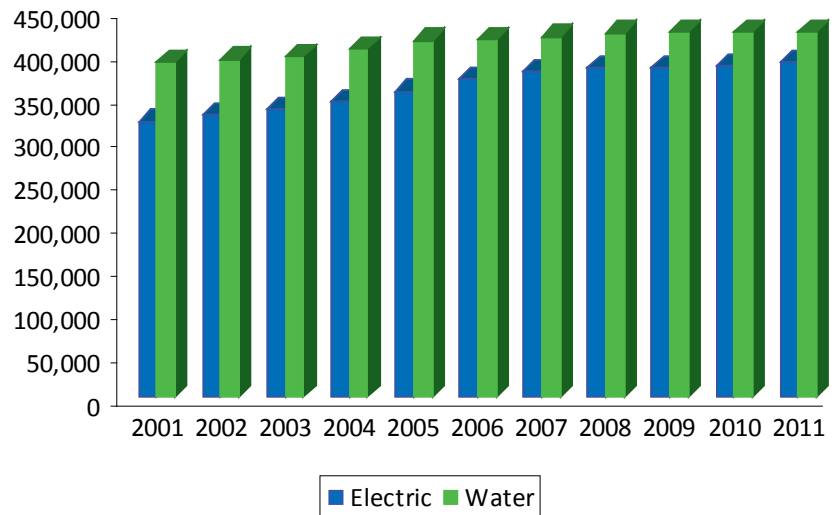
Year	Electric operations	Lighting operations	Chilled water operations	Water operations	Budgeted total	Actual total	Retail customers to employees
2011	903	27	29	240	1,199	1,179	293
2010	868	26	28	234	1,156	1,127	305
2009	923	27	29	247	1,227	1,116	304
2008	873	27	30	241	1,170	1,154	295
2007	846	26	27	230	1,129	1,097	310
2006	834	26	27	230	1,118	1,062	311
2005	834	27	27	230	1,118	1,070	302
2004	828	30	27	227	1,112	1,073	289
2003	827	30	25	226	1,108	1,024	294
2002	826	28	24	225	1,104	1,025	286
2001	822	27	23	218	1,091	1,012	285

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

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

OUC SERVICE AREA POPULATION

Year	Electric	Water
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
2002	326,910	391,730
2001	320,150	389,300



CLIMATOLOGICAL DATA

Average Annual Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30, 2011

Fiscal Year	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal *
2011	49.36	0.05	72.8	-
2010	50.27	0.96	72.0	(0.8)
2009	45.70	(3.61)	72.3	(0.5)
2008	61.22	12.04	73.6	0.8
2007	33.66	(15.52)	73.0	0.2
2006	39.68	(8.67)	73.0	0.2
2005	64.20	15.85	72.8	-
2004	52.28	3.93	72.5	(0.3)
2003	64.56	16.21	72.6	(0.2)
2002	56.60	8.49	72.7	(0.1)
2001	51.66	3.55	71.8	(0.5)

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

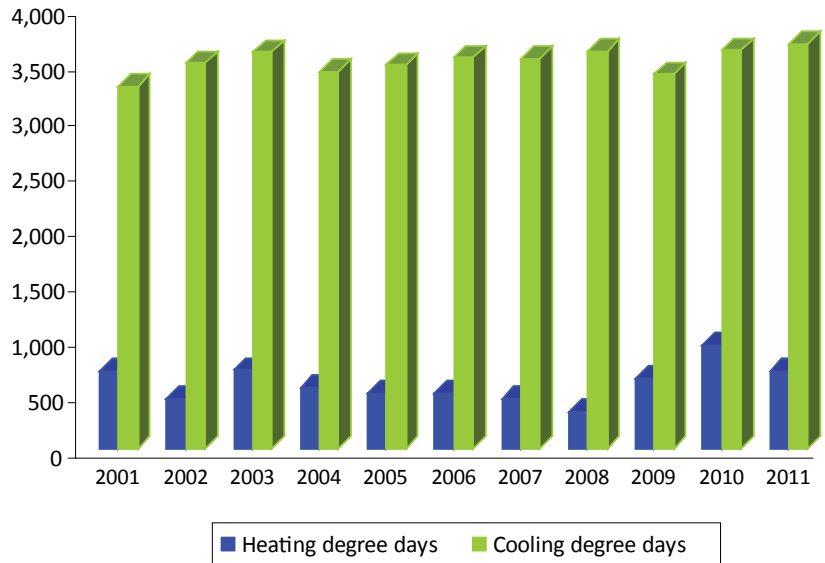
Monthly Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30, 2011

Month	Rain (Inches)		Temperature (°F)	
	Total	Above (Below) Normal*	Average Daily	Above (Below) Normal
September	5.67	(0.94)	81.9	0.75
October	0.00	(3.68)	74.3	(1.04)
November	1.68	0.07	67.7	(1.12)
December	0.78	(1.89)	52.0	(10.98)
January	5.92	4.17	59.4	(1.51)
February	0.25	(1.95)	66.1	3.53
March	5.24	2.86	69.0	1.55
April	0.65	(1.33)	75.7	4.18
May	2.10	(1.03)	78.3	1.21
June	7.34	(1.94)	82.7	1.45
July	10.62	3.46	83.4	0.95
August	9.11	2.25	83.8	1.29
Total	49.36	0.05	-	-
Month Average	4.11	0.00	72.8	0.0

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

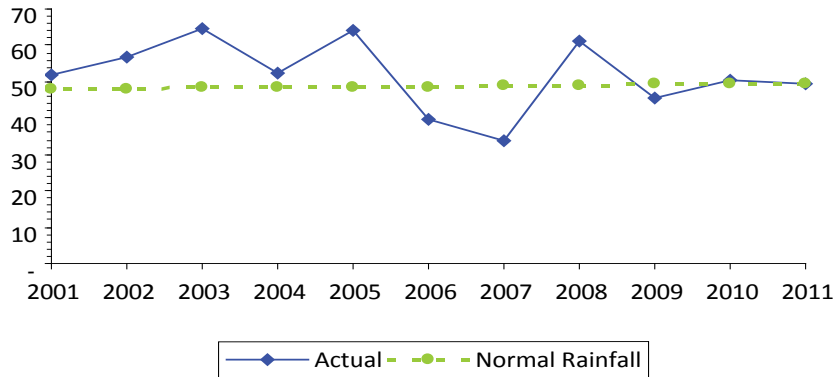
CLIMATOLOGY DATA

Year	Heating Degree Days	Cooling Degree Days
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
2002	457	3,487
2001	706	3,282

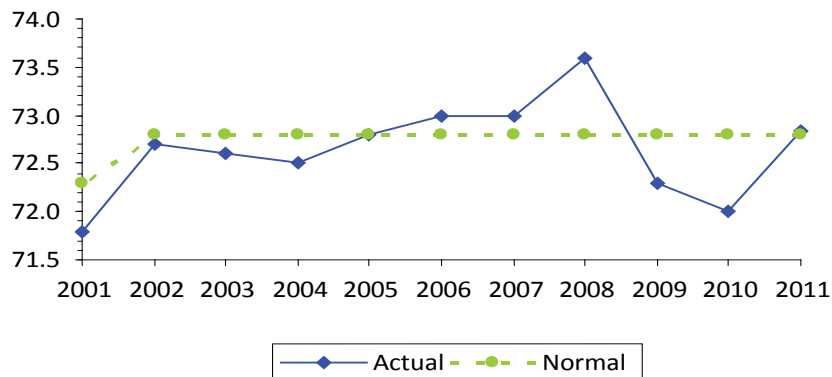


Source: US Department of Commerce, National Weather Service

Total Annual Rainfall (In inches)



Average Annual Temperature (Degree F)



INSURANCE COVERAGES

September 30, 2011

Company	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	\$500 thousand per occurrence retention	Continuous
ACE	Excess worker's compensation	\$25.0 million limit of liability above a \$500 thousand per occurrence retention	10-01-11/10-01-12
AEGIS	Excess automobile and general liability	\$35.0 million above the \$2.0 million retention for the general liability and automobile liability	10-01-11/10-01-12
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	10-01-11/10-01-12
Factory Mutual	All risk property/boiler and machinery	\$2.7 billion insurable values \$250 thousand base retentions, various retentions depending on machinery	10-01-11/10-01-12
AEGIS	Directors & officers / public officials liability	\$10.0 million	10-01-11/10-01-12
CHUBB	Fiduciary Liability	\$10.0 million	10-01-11/10-01-12
Great American Insurance	Dishonesty, disappearance & destruction (Crime)	\$10.0 million	11-01-11/10-01-12
Self insured	Health and medical benefits individual stop-loss	Amounts in excess of \$250 thousand 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

progress ● *n.* / **prɒn** s
movement towards a
development; improve
the progress of civilization
ney or official tour, esp.
1 *intr.* move or be r
ment i



GLOSSARY OF TERMS



Glossary of technical terms used in this Financial and Statistical Report.

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): This index is 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 Balance Sheets include securities with an original maturity of 90 days or less.

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

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

Combustion Turbine (CT): Turbine that converts the chemical energy of a liquid fuel into mechanical energy by internal combustion; gaseous products of the fuel, which 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.

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

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

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

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

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

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

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

Heating-Degree Day: The measure of how low the average daily temperature is relative to a reference temperature of 65 degrees Fahrenheit. For example, if the average temperature for the day is 60 degrees, then the heating-degree days are equal to 5.

Hedging: The process of buying and selling fuel oil; natural gas; and electric energy futures, options or similar contracts to protect against loss due to price fluctuations.

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

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

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

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

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

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

Metropolitan Statistical Area (MSA): A Core Based Statistical Area having at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

Millions of Gallons (MGAL): A unit of measurement usually used to measure water in utility plants.

Other Postemployment Benefits (“OPEBs”): Postemployment benefits other than pension benefits. OPEBs include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination benefits.

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

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

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

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

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

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

Statement of Revenue, Expenses and Changes in Net Assets: A statement that summarizes the revenue, expenses, and net income for the reporting period.

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

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

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

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



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