



BUILDING ON A STRONG FOUNDATION

2008 Financial and Statistical Report



2008 FINANCIAL & STATISTICAL INFORMATION REPORT

ORLANDO UTILITIES COMMISSION

Years Ended September 30, 2008 - 1998



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



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GENERAL INFORMATION

OUC—The *Reliable One* is the second largest municipal utility in Florida and provides electric and water services to more than 254,000 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 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 miles electric service area are set pursuant to a 10-year territorial agreement with Progress Energy of Florida. The agreement, which expires February 1, 2016, has been approved by the Florida Public Service Commission, which has full authority to resolve all disputes related to service territory.

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

OUC provides water service to customers throughout Orlando and a 200-square-mile service area as set forth by a territorial agreement with Orange County. Water is obtained from 34 deep wells that tap the Floridan Aquifer, a natural source of high quality water hundreds of feet below the surface. Eight state-of-the-art water plants treat the water with ozone for disinfection and hydrogen sulfide removal. In May 2004, OUC obtained a 20-year Consumptive Use Permit (CUP) from the St. Johns River Water Management District. This CUP preserves OUC's authority to withdraw sufficient quantities of high quality, low-cost ground water to serve customers through 2023.

OUC operates two related businesses — OUConvenient Lighting and OUCooling — that serve Orlando and surrounding counties. OUConvenient Lighting works with municipalities and commercial partners to plan, install and maintain indoor and outdoor lighting. OUCooling provides chilled water service for air conditioning systems through a network of six chilled water plants in four districts with a total capacity of 39,650 tons. A fifth district will be operational in 2009.

The information presented in the following pages represents OUC's financial and operations information for the periods of 1998-2008 and where appropriate, amounts have been reclassified to conform to the 2008 presentation.

STATEMENTS OF NET ASSETS (Dollars In thousands)

Years Ended September 30	2008	2007	2006	2005
Assets				
Utility plant, net				
In-service depreciated cost	\$1,746,178	\$1,726,375	\$1,681,186	\$1,652,730
Land and other non-depreciable assets	59,196	31,632	31,632	29,667
Construction work in progress	<u>343,958</u>	<u>176,216</u>	<u>100,909</u>	<u>84,756</u>
	2,149,332	1,934,223	1,813,727	1,767,153
Restricted and internally designated assets				
Debt service and related fund	118,406	118,471	117,812	112,837
Construction, bond proceeds, decommissioning and other funds	224,233	211,336	217,311	141,533
Liability reduction fund (1)	20,380	30,593	143,446	151,096
Stabilization and self-insurance funds	110,013	143,154	111,085	56,173
Capital reserve fund (2)	<u>32,140</u>	<u>32,618</u>	<u>5,500</u>	<u>-</u>
	505,172	536,172	595,154	461,639
Current assets				
Cash and investments	49,607	36,148	55,666	75,535
Customer accounts receivable, less allowance for doubtful accounts (3)	78,801	89,749	68,715	81,954
Fuel for generation	5,972	14,752	9,626	8,642
Materials and supplies inventory	37,926	35,927	33,669	31,300
Other current assets	<u>94,574</u>	<u>71,862</u>	<u>66,366</u>	<u>54,197</u>
	266,880	248,438	234,042	251,628
Other assets and deferred charges (4)	<u>74,928</u>	<u>71,421</u>	<u>64,924</u>	<u>62,448</u>
Total assets	<u>\$2,996,312</u>	<u>\$2,790,254</u>	<u>\$2,707,847</u>	<u>\$2,542,868</u>
Liabilities				
Current liabilities - payable from restricted and internally designated assets				
Accrued interest payable on notes and bonds	\$ 28,093	\$ 28,524	\$ 30,810	\$ 28,744
Current portion of long-term debt (5)	264,844	44,440	41,420	38,560
Customer meter deposits	<u>33,575</u>	<u>31,481</u>	<u>29,012</u>	<u>26,099</u>
	326,512	104,445	101,242	93,403
Current liabilities - payable from current assets				
Accounts payable and accrued expenses	93,162	68,222	62,189	93,513
Other current liabilities	<u>17,876</u>	<u>13,546</u>	<u>13,102</u>	<u>14,317</u>
	111,038	81,768	75,291	107,830
Other liabilities and deferred credits				
Regulatory liabilities	198,135	243,299	212,742	155,976
Deferred revenue	30,300	24,953	25,179	22,839
Asset retirement obligation and other liabilities	<u>59,825</u>	<u>54,554</u>	<u>55,737</u>	<u>48,539</u>
	288,260	322,806	293,658	227,354
Long-term debt, net	<u>1,352,397</u>	<u>1,415,793</u>	<u>1,435,889</u>	<u>1,351,781</u>
Total liabilities	<u>\$2,078,207</u>	<u>\$1,924,812</u>	<u>\$1,906,080</u>	<u>\$1,780,368</u>
Net assets				
Invested in capital assets, net of related debt	\$ 760,049	\$ 674,949	\$ 530,988	\$ 520,403
Restricted	1,468	8,335	5,213	-
Unrestricted	<u>156,588</u>	<u>182,158</u>	<u>265,566</u>	<u>242,097</u>
Total net assets (2)	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>

(1) In November 2006, \$113 million of Liability reduction funds were used to defease portions of Series 2001, 2001A and 2003A bonds.

(2) In 2006, OUC established the Capital reserve fund with Income before contributions in excess of budget (\$5.5 million). The reserve was established to fund capital projects. Beginning in 2007, OUC modified its rates to fund this reserve. This increase was reported both in the Capital reserve fund and Net assets for both 2008 and 2007 in the amounts of \$27.1 million and \$21.0 million, respectively. In 2008, OUC used \$21.5 million of the Capital reserve for various capital projects.

(3) The increase in customer receivables during 2007 stems from the start-up of the new Customer Information System (PSERM) and the delay in the commencement of collection activities. Collection activities began full operations at the close of September 2007 and as anticipated subsequent to year-end OUC has seen a decrease in aged receivables within the 31-60 day aging period as a result of the commencement of collection efforts.

2004	2003	2002	2001	2000	1999	1998
\$1,644,680	\$1,599,651	\$1,474,956	\$1,447,357	\$1,441,743	\$1,478,901	\$1,416,737
31,670	29,267	28,652	27,605	27,614	26,149	26,013
<u>69,992</u>	<u>76,069</u>	<u>103,140</u>	<u>71,437</u>	<u>43,306</u>	<u>45,433</u>	<u>96,246</u>
1,746,342	1,704,987	1,606,748	1,546,399	1,512,663	1,550,483	1,538,996
109,264	101,718	164,883	177,379	176,603	176,754	175,720
107,785	157,307	114,622	87,087	123,201	136,015	70,441
190,491	191,382	189,122	328,917	307,422	84,745	32,612
66,377	94,759	100,151	77,551	48,346	59,116	55,956
-	-	-	-	-	-	-
<u>473,917</u>	<u>545,166</u>	<u>568,778</u>	<u>670,934</u>	<u>655,572</u>	<u>456,630</u>	<u>334,729</u>
83,077	72,633	55,324	55,294	39,097	37,510	36,371
65,619	60,960	59,225	58,243	70,497	54,599	69,211
6,512	9,105	10,404	4,716	3,650	13,792	14,757
29,231	26,852	28,567	26,342	26,603	29,014	27,998
<u>47,405</u>	<u>41,829</u>	<u>45,332</u>	<u>45,510</u>	<u>47,264</u>	<u>32,625</u>	<u>33,524</u>
231,844	211,379	198,852	190,105	187,111	167,540	181,861
93,093	26,539	24,849	12,132	10,865	11,416	12,000
<u>\$2,545,196</u>	<u>\$2,488,071</u>	<u>\$2,399,227</u>	<u>\$2,419,570</u>	<u>\$2,366,211</u>	<u>\$2,186,069</u>	<u>\$2,067,586</u>
\$ 27,744	\$ 26,567	\$ 31,048	\$ 34,254	\$ 36,520	\$ 36,538	\$ 37,506
35,575	129,250	91,155	54,190	38,336	40,719	24,245
<u>24,846</u>	<u>21,141</u>	<u>19,161</u>	<u>15,008</u>	<u>13,420</u>	<u>14,339</u>	<u>15,015</u>
88,165	176,958	141,364	103,452	88,276	91,596	76,766
90,055	54,147	57,130	55,294	45,820	37,200	37,617
<u>12,039</u>	<u>16,539</u>	<u>11,593</u>	<u>18,447</u>	<u>18,310</u>	<u>18,544</u>	<u>19,009</u>
102,094	70,686	68,723	73,741	64,130	55,744	56,626
173,716	111,009	110,000	123,437	135,319	-	-
23,224	134,170	138,783	121,043	90,089	57,081	54,534
<u>45,371</u>	<u>43,224</u>	<u>1,257</u>	<u>1,922</u>	<u>1,739</u>	<u>3,939</u>	<u>8,529</u>
242,311	288,403	250,040	246,402	227,147	61,020	63,063
<u>1,387,423</u>	<u>1,261,883</u>	<u>1,281,333</u>	<u>1,367,949</u>	<u>1,388,343</u>	<u>1,411,849</u>	<u>1,339,539</u>
<u>\$1,819,993</u>	<u>\$1,797,930</u>	<u>\$1,741,460</u>	<u>\$1,791,544</u>	<u>\$1,767,896</u>	<u>\$1,620,209</u>	<u>\$1,535,994</u>
\$ 460,349	\$ 454,637	\$ 432,324	\$ 299,089	\$ 298,197	\$ 341,435	\$ 353,296
-	51,665	51,289	49,335	47,883	43,724	40,668
<u>264,854</u>	<u>183,839</u>	<u>174,154</u>	<u>279,602</u>	<u>252,235</u>	<u>180,701</u>	<u>137,628</u>
<u>\$ 725,203</u>	<u>\$ 690,141</u>	<u>\$ 657,767</u>	<u>\$ 628,026</u>	<u>\$ 598,315</u>	<u>\$ 565,860</u>	<u>\$ 531,592</u>

(4) In 2004, Other assets and deferred charges included the advanced funding of the actuarial pension liability of \$49.2 million. This amount is being amortized systematically over the life of the bonds. Additionally, in 2004 this amount included the deferral of storm restoration costs of \$25.2 million. In 2005, these funds were recovered from the Federal Emergency Management Agency (FEMA) and the State of Florida Department of Community Affairs (DCA). The change in 2007 was related to the Board's action to defer \$9.7 million for the loss on extinguishment of bonds.

(5) In 2008, the current portion of long-term debt included the Series 2004 Bonds inclusive of unamortized discounts scheduled to mature in July 2009. It is OUC's intent to remarket these bonds at maturity.

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

Years Ended September 30	2008	2007	2006	2005
Operating revenues				
Electric operating revenues (1)	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465
Water operating revenues	62,224	65,428	56,032	54,361
Lighting operating revenues (1)	11,283	10,437	8,885	7,696
Chilled water operating revenues	19,739	16,643	15,590	12,738
Total operating revenues (2)	<u>844,182</u>	<u>765,825</u>	<u>746,255</u>	<u>754,260</u>
Operating expenses				
Fuel for generation, purchased power, fixed demand payments (3)	372,423	323,245	346,417	373,880
Production	81,359	73,401	69,685	68,053
Transmission and distribution (1)	31,483	28,523	25,064	21,195
Lighting (1)	3,853	2,909	2,771	2,569
Chilled water (4)	11,067	10,428	9,726	8,069
Storm recovery expenses (5)	624	-	-	-
Depreciation and amortization (6)	98,312	92,282	86,433	85,570
Customer service (7)	29,245	29,979	27,234	20,897
General and administrative (8)	37,898	34,716	28,936	27,022
Utility/Property Tax	13,533	12,908	12,895	11,461
Revenue based payments to the City of Orlando	25,148	24,130	23,658	20,187
Revenue based payments to Orange County	1,054	1,056	1,062	871
Revenue based payments to the City of St. Cloud	5,064	4,079	3,519	3,349
System use payments to the City of St. Cloud	1,914	1,915	1,907	1,911
Total operating expenses	<u>712,977</u>	<u>639,571</u>	<u>639,307</u>	<u>645,034</u>
Operating income	131,205	126,254	106,948	109,226
Interest and other income, net (9)	18,872	26,553	24,577	12,079
Amortization of deferred gain on sale of assets (10)	3,971	3,970	3,970	3,970
Interest and other expenses	(74,167)	(71,764)	(73,721)	(68,551)
Income before contributions	79,881	85,013	61,774	56,724
Contributions in aid of construction (11)	18,734	24,362	25,293	14,607
Annual dividend (12)	(45,952)	(45,700)	(47,800)	(34,034)
Increase in net assets	52,663	63,675	39,267	37,297
Net assets - beginning of year	<u>865,442</u>	<u>801,767</u>	<u>762,500</u>	<u>725,203</u>
Net assets - end of year	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>

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- (1) Prior to 2002, conventional lighting revenue was classified as Electric operating revenue, an integrated part of Electric distribution. In 2002, OUC began separately reporting the lighting business operations.
- (2) In 2008, operating revenue increased primarily due to a change in fuel revenue (\$49.1 million), resulting from the volatility in the fuel markets, and changes in retail electric energy (\$10.4 million) resulting from rate modification in January 2007. Additionally, SFAS No. 71 was applied and OUC recognized \$18.8 million of base rate stabilization and liability reduction funds (LRF).
- (3) In 2000, OUC sold the steam units at the Indian River Power Plant (IRP) and entered into a purchased power agreement (PPA) which expired in 2005. In 2004, OUC secured a second PPA in association with the commencement of Stanton Energy Unit A (SECA).
- (4) In March 2004, OUC's governing board authorized the dissolution of the OUC agreement with Trigen Cinery Solutions (TCS) and as such, acquired TCS' 51% rights in the Chilled Water operations.
- (5) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6 million of storm recovery expenses. 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.
- (6) OUC placed the new customer information system (PSERM) into service in April 2007 (\$13.6 million). The depreciation of this asset along with the systematic depreciation of other capital assets resulted in an increase in depreciation expense.
- (7) In 2007 and 2006, the costs increased due to the implementation of PSERM and higher payroll related expenses.
- (8) In 2007, OUC early adopted Statement of Governmental Accounting Standard (SGAS) No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefit Plans Other Than Pensions" (OPEB) incurring \$9.1 million of actuarially determined employee benefit costs.

2004	2003	2002	2001	2000	1999	1998
\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457	\$ 449,124	\$ 427,683	\$ 411,928
50,460	46,307	41,854	38,813	46,389	43,146	34,002
6,651	4,815	2,393	-	-	-	-
10,343	6,015	4,403	4,074	2,773	1,368	20
<u>673,107</u>	<u>559,713</u>	<u>495,741</u>	<u>534,344</u>	<u>498,286</u>	<u>472,197</u>	<u>445,950</u>
318,558	221,193	189,967	231,128	204,656	154,633	156,556
62,978	53,119	48,284	44,748	47,385	54,466	51,935
19,260	18,643	17,309	19,277	19,858	16,518	17,566
1,954	1,529	1,560	-	-	-	-
5,730	3,118	2,179	1,403	879	666	59
6,003	-	-	-	-	-	-
79,768	70,747	74,157	77,248	68,558	64,365	53,919
20,011	17,918	16,847	16,693	18,786	15,919	12,564
26,400	24,222	25,416	24,339	17,414	16,735	15,758
10,071	9,665	9,097	8,387	8,276	7,693	7,896
18,058	17,319	16,294	15,955	14,332	13,821	13,062
816	786	731	733	705	664	687
3,240	2,821	2,491	2,377	2,361	2,361	2,382
1,925	1,927	1,883	2,026	1,924	2,120	2,094
<u>574,772</u>	<u>443,007</u>	<u>406,215</u>	<u>444,314</u>	<u>405,134</u>	<u>349,961</u>	<u>334,478</u>
98,335	116,706	89,526	90,030	93,152	122,236	111,472
11,431	12,906	19,506	44,202	36,039	14,957	21,428
14,006	-	13,433	11,178	9,717	-	-
<u>(71,005)</u>	<u>(74,595)</u>	<u>(75,440)</u>	<u>(91,925)</u>	<u>(87,601)</u>	<u>(85,213)</u>	<u>(86,225)</u>
52,767	55,017	47,025	53,485	51,307	51,980	46,675
13,955	10,348	10,916	8,317	11,932	13,476	8,151
<u>(31,660)</u>	<u>(32,991)</u>	<u>(28,200)</u>	<u>(32,091)</u>	<u>(30,784)</u>	<u>(31,188)</u>	<u>(28,005)</u>
35,062	32,374	29,741	29,711	32,455	34,268	26,821
<u>690,141</u>	<u>657,767</u>	<u>628,026</u>	<u>598,315</u>	<u>565,860</u>	<u>531,592</u>	<u>504,771</u>
<u>\$ 725,203</u>	<u>\$ 690,141</u>	<u>\$ 657,767</u>	<u>\$ 628,026</u>	<u>\$ 598,315</u>	<u>\$ 565,860</u>	<u>\$ 531,592</u>

- (9) Amount includes gains and losses on the valuation of investments with the exception of investments held in the Debt service funds. The Debt service reserve fund investments are recorded at amortized cost, as OUC intends to retain these investments until they have reached maturity or the series has been refunded. In 2008, interest income decreased as a result of lower market interest rates and lower cash balances on hand inclusive of funds available from construction proceeds. In 2006 and 2007, interest income increased due to higher market interest rates, interest earnings on unspent 2005B and 2007 Bond Series funds and fluctuations in the investment valuations.
- (10) 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 SFAS No. 71. The designated proceeds from the sale are reported under the caption of Liability reduction fund and the gain is included under the heading Regulatory liabilities. A portion of the deferred gain amount, \$72 million inclusive of interest earnings, was recognized to mitigate additional generation and purchased power costs from 2000 to 2004. Beginning in 2004, the remaining gain is being recognized to offset depreciation costs for SECA.
- (11) In 2008, the decrease in CIAC was due to the weakening economy and the slower growth in the Central Florida area. In 2006, CIAC increased due to the recognition of contributions for underground distribution lines that were exchanged for long-term service agreements and a one-time contribution from the City of St. Cloud for distribution and transmission system improvements.
- (12) 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 and 60% thereafter through 2003. In 2005, OUC's governing 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, the basis for the dividend payment was fixed based on budgeted Income before contributions.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
Cash flows from operating activities				
Cash received from customers	\$ 829,866	\$ 763,456	\$ 819,265	\$ 710,245
Cash paid for fuel and purchased power	(372,256)	(326,874)	(374,365)	(364,435)
Cash paid for unit/department expenses excluding salaries & benefits	(107,939)	(95,116)	(129,066)	(76,834)
Cash paid for salaries and benefits	(70,397)	(63,880)	(56,081)	(54,437)
Cash received/(paid) from storm recovery expenses (2)	(624)	-	530	16,482
Cash paid to other governments and taxes	(46,923)	(45,400)	(41,714)	(37,404)
Net cash provided by operating activities	<u>231,727</u>	<u>232,186</u>	<u>218,569</u>	<u>193,617</u>
Cash flows from non-capital related financing activities				
Dividend payment	(45,952)	(45,700)	(49,135)	(32,700)
Net cash used in non-capital related financing activities	<u>(45,952)</u>	<u>(45,700)</u>	<u>(49,135)</u>	<u>(32,700)</u>
Cash flows from capital related financing activities				
Debt interest payments	(81,091)	(74,448)	(70,443)	(66,742)
Principal payments on long-term debt (3)	(44,440)	(289,337)	(75,898)	(35,575)
Debt issuances	200,000	260,620	160,525	-
Debt issuances expenses	(1,623)	(2,429)	(857)	(640)
Advance pension payments (4)	-	-	-	-
Capital asset settlement funds received/(paid) and proceeds from utility plant (3) (5)	-	-	-	13,338
Contributed capital	-	-	-	-
Construction and acquisition of utility plant net of contributions	(302,678)	(191,427)	(93,236)	(105,294)
Net cash used in capital related financing activities	<u>(229,832)</u>	<u>(297,021)</u>	<u>(79,909)</u>	<u>(194,913)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investment securities	594,525	592,967	621,734	232,197
Proceeds from gain on sale of investments	7,791	-	-	-
Purchases of investment securities	(634,030)	(538,523)	(673,304)	(203,529)
Investments and other income received	22,507	33,219	19,399	14,590
Net cash provided/(used) by investing activities (3)	<u>(9,207)</u>	<u>87,663</u>	<u>(32,171)</u>	<u>43,258</u>
Net increase/(decrease) in cash and cash equivalents	(53,264)	(22,872)	57,354	9,262
Cash and cash equivalents - beginning of year (6)	169,111	191,983	134,629	125,367
Cash and cash equivalents - end of year	<u>\$ 115,847</u>	<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 131,205	\$ 126,254	\$ 106,948	\$ 109,226
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization of plant charged to operation	98,312	92,282	86,433	85,570
Depreciation and amortization charged to fuel for generation and purchased power	3,498	3,471	3,367	1,833
Depreciation of vehicles and equipment charged to unit/department expenses	7,069	2,538	1,671	1,604
Changes in assets and liabilities				
Decrease/(Increase) in receivables and accrued revenue	8,166	(24,617)	15,189	(27,407)
(Increase)/decrease in fuel and materials and supplies inventories	12,744	(6,956)	(31,101)	(11,244)
Increase/(decrease) in accounts payable	24,112	8,905	(15,794)	25,954
Increase/(decrease) in deposits payable and deferred costs	(10,734)	13,334	(5,077)	24,755
Increase/(decrease) in stabilization and deferred revenue	(42,645)	16,975	56,933	(16,674)
Net cash provided by operating activities	<u>\$ 231,727</u>	<u>\$ 232,186</u>	<u>\$ 218,569</u>	<u>\$ 193,617</u>
Reconciliation of cash and cash equivalents				
Restricted and internally designated equivalents	\$ 46,578	\$ 87,049	\$ 105,521	\$ 64,552
Cash and investments	8,559	9,907	17,600	25,855
Construction and related funds	40,057	1,048	20,440	11,945
Debt service and related funds	20,653	71,107	48,422	32,277
Cash and cash equivalents end of the year	<u>\$ 115,847</u>	<u>\$ 169,111</u>	<u>\$ 191,983</u>	<u>\$ 134,629</u>

(1) In conjunction with OUC's implementation of GASB34, the Statement of cash flows was prepared using the direct method.

(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 incurred storm recovery expenses of \$22 million. Of this amount, \$17 million was reimbursed in subsequent fiscal years through grant funds from Federal Emergency Management Agency (FEMA) and the State of Florida Department of Community Affairs (DCA).

(3) On October 5, 1999 (year 2000), OUC sold the steam units at the Indian River Power Plant (IRP) and entered into a purchased power agreement which expired in 2005. The funds received from this transaction were reserved as the Liability reduction funds (LRF) when invested. In 2007, \$113 million of the LRF was used to defease portions of the 2001, 2001A, and 2003A Bond Series.

2004	2003	2002	2001	2000 (1)	1999 (1)	1998 (1)
\$ 631,648 (313,039)	\$ 555,745 (214,226)	\$ 507,020 (192,805)	\$ 570,813 (228,895)			
(75,041) (48,499) (22,485) <u>(33,862)</u>	(79,841) (43,635) - <u>(32,468)</u>	(67,748) (42,489) - <u>(31,506)</u>	(55,788) (40,059) - <u>(32,055)</u>			
<u>138,722</u>	<u>185,575</u>	<u>172,472</u>	<u>214,016</u>	\$ 192,465	\$ 215,594	\$ 160,163
(35,495) (35,495)	(29,156) (29,156)	(35,091) (35,091)	(31,984) (31,984)	(32,088) (32,088)	(30,250) (30,250)	(23,446) (23,446)
(66,084) (261,980) 288,735 (543) (54,600)	(71,647) (459,569) 472,697 (4,261) -	(74,483) (432,089) 394,813 (19,266) -	(76,198) (61,735) 50,290 (2,795) -	(78,486) (41,088) 6,400 (467) -	(81,631) (24,305) 104,000 (513) -	(77,347) (23,553) 60,500 (122) -
- -	- -	- -	- -	187,995 -	- 5,106	555 7,294
<u>(100,723)</u> <u>(195,195)</u>	<u>(119,300)</u> <u>(182,080)</u>	<u>(145,149)</u> <u>(276,174)</u>	<u>(103,664)</u> <u>(194,102)</u>	<u>(76,482)</u> <u>(2,128)</u>	<u>(87,868)</u> <u>(85,211)</u>	<u>(121,400)</u> <u>(154,073)</u>
544,702 12,950 (548,278) <u>18,027</u> 27,401 (64,567) <u>189,934</u>	584,420 1,418 (610,284) <u>17,982</u> (6,464) (32,125) <u>220,979</u>	476,076 2,488 (312,354) <u>34,526</u> 200,736 61,943 <u>159,036</u>	677,945 - (607,209) <u>46,065</u> 116,801 104,731 <u>54,305</u>	323,146 - (603,858) <u>35,047</u> (245,665) (87,416) <u>141,721</u>	188,918 - (284,625) <u>20,457</u> (75,250) 24,883 <u>116,838</u>	102,000 - (96,802) <u>20,371</u> 25,569 8,213 <u>108,625</u>
<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>	<u>\$ 54,305</u>	<u>\$ 141,721</u>	<u>\$ 116,838</u>
\$ 98,335	\$ 116,706	\$ 89,526	\$ 90,030	\$ 93,152	\$ 122,236	\$ 111,472
79,768	70,747	74,157	77,248	68,558	64,365	53,919
2,258	2,083	1,941	3,299	3,330	1,173	2,434
1,573	3,140	1,902	1,453	1,090	1,859	1,507
(6,062) 1,169 17,342 (20,910) <u>(34,751)</u>	3,103 2,598 1,942 (2,977) <u>(11,767)</u>	(2,890) (7,979) 2,166 247 <u>13,402</u>	10,412 (805) 8,930 (2,608) <u>26,057</u>	(11,719) 8,174 9,852 (4,389) <u>24,417</u>	15,689 (52) 7,356 1,509 <u>1,459</u>	(26,655) (4,419) (295) 805 <u>21,395</u>
<u>\$ 138,722</u>	<u>\$ 185,575</u>	<u>\$ 172,472</u>	<u>\$ 214,016</u>	<u>\$ 192,465</u>	<u>\$ 215,594</u>	<u>\$ 160,163</u>
\$ 91,219 25,695 7,030 <u>1,423</u>	\$ 124,523 29,061 19,759 <u>15,511</u>	\$ 159,823 29,311 22,598 <u>9,247</u>	\$ 139,075 18,919 1,038 <u>4</u>	\$ 54,305	\$ 141,721	\$ 116,838
<u>\$ 125,367</u>	<u>\$ 188,854</u>	<u>\$ 220,979</u>	<u>\$ 159,036</u>	<u>\$ 54,305</u>	<u>\$ 141,721</u>	<u>\$ 116,838</u>

- (4) In 2004, OUC advance funded \$54.6 million of the actuarial pension liability. These costs were deferred and will be amortized to unit department expense through 2018.
(5) In 2005, OUC received \$13.4 million from the Florida Department of Transportation (FDOT) in exchange for land to be used for the I-4 and 408 expansion project.
(6) In 2004, the Cash and cash equivalents computation was changed such that only funds with maturities of less than 3 months was included. Previously, the computation included any Cash and cash equivalent with a maturity of less than one year. This required a change of approximately \$1.1 million in the Cash and cash equivalent beginning balance.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
Current ratio				
Current assets/current liabilities	2.40	3.04	3.11	2.33
Leverage ratio				
Total debt/total assets	0.54	0.52	0.55	0.55
Return on total assets				
Income before contributions/total assets (1)	2.67%	3.05%	2.28%	2.23%
Return on net assets				
Income before contributions/average net assets (1)	8.96%	10.20%	7.90%	7.63%
Debt/net assets (2)	63%/37%	62%/38%	64%/36%	64%/36%
Total revenue based payments and dividend to the City of Orlando				
	\$71,100	\$69,830	\$71,458	\$54,221
As a percentage of retail revenue	10.70%	11.88%	12.49%	11.25%
Retail receivables/retail revenue (3) (4)	7.85%	10.47%	7.64%	6.36%
Bad debt expense/retail revenue (OUC) (3) (5)	0.80%	0.73%	0.41%	0.41%
Bad debt expense/retail revenue (Inter-local sales) (3) (5)	0.62%	0.45%	0.35%	0.37%
Day sales uncollected (OUC) (4)	30	30	29	24
Day sales uncollected (Inter-local sales) (6)	32	35	28	30
Materials inventory				
As a percentage of total plant	1.76%	1.86%	1.86%	1.77%
Total metered services per meter reader	13,113	11,732	12,254	11,533

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- (1) In 2007, the change was due primarily to higher electric and water revenues resulting from rate modifications in January 2007. The funds generated from the rate modification were reserved for future capital spending needs in accordance with the Capital reserve board action. Additionally, non-operating expenses decreased as a result of bond refundings and market rate changes.
- (2) In 2008, the current portion of the long-term debt includes the maturity of the 2004 Bond Series in the amount of \$216.9 million. As it is OUC's intention to remarket these bonds at their maturity date in July 2009, the amount has been included in the debt/net assets calculation.
- (3) Retail revenue excluded accrued unbilled revenue for this computation. Also, wholesale receivables and revenues were excluded from this calculation.

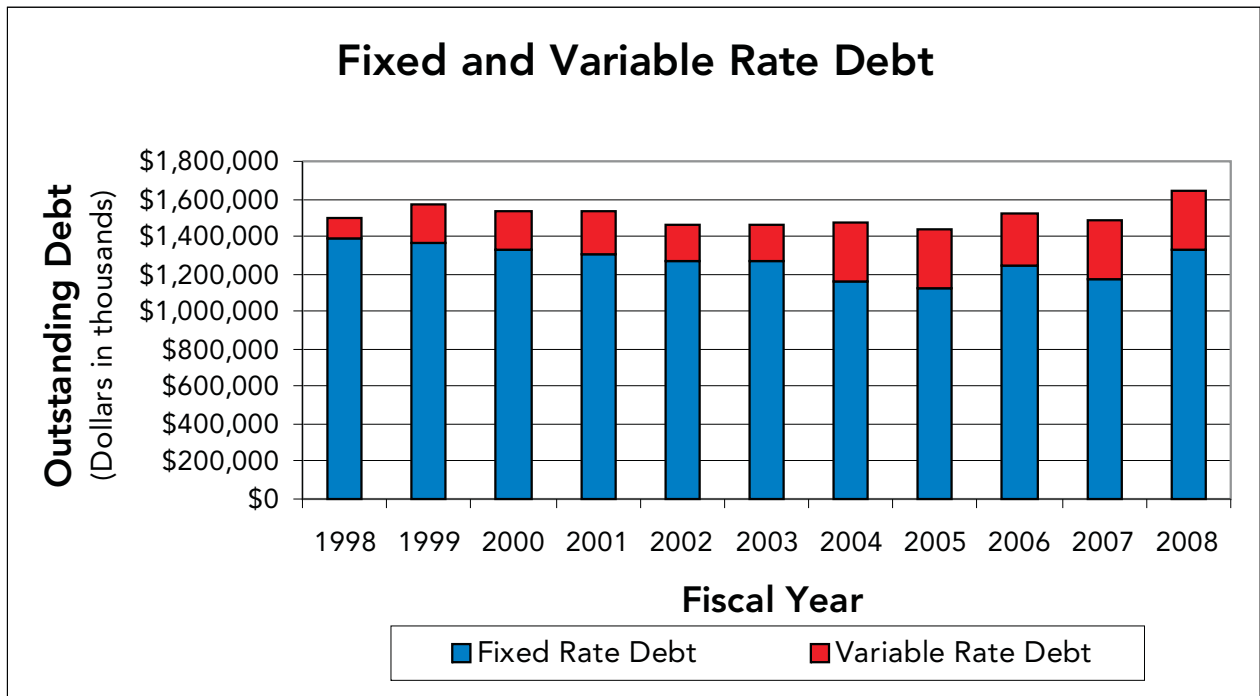
2004	2003	2002	2001	2000	1999	1998
2.27	2.99	2.89	2.58	2.92	3.01	3.21
0.56	0.56	0.57	0.59	0.60	0.66	0.66
2.07%	2.21%	1.96%	2.21%	2.17%	2.38%	2.26%
7.46%	8.16%	7.31%	8.72%	8.81%	9.47%	9.01%
66%/34%	65%/35%	66%/34%	69%/31%	70%/30%	71%/29%	72%/28%
\$49,718	\$50,310	\$44,494	\$48,046	\$45,116	\$45,009	\$41,067
11.54%	12.62%	11.62%	12.52%	12.81%	13.93%	13.25%
8.22%	9.03%	9.55%	9.42%	8.77%	8.49%	15.98%
0.43%	0.43%	0.63%	0.54%	0.79%	0.76%	0.66%
0.23%	0.33%	0.37%	-	-	-	-
32	34	36	35	33	32	60
27	24	32	26	29	20	20
1.67%	1.57%	1.78%	1.70%	1.76%	1.87%	1.82%
10,340	10,367	10,126	10,472	10,180	11,180	10,384

- (4) Billing and collection delays caused by the implementation of the new Customer Information Systems in 2007 (PSERM) and 1998 (Banner) resulted in an increase in retail receivables. In 2008, retail receivables were lower as compared to 2007, due to the economic downturn coupled with milder weather and higher rainfall.
- (5) In 2008, the change was due to increased bad debt expense impacted by current economic conditions. In 2007, the provision rates were increased due to billing issues with the implementation of PSERM and the delay in collection efforts.
- (6) In 2007, the increase was due to the change in demographics from single-family residence to a higher percentage of apartment dwellers coupled with delays in collections and cut-offs as a result of staffing resources dedicated to the new Customer Information Systems implementation.



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DEBT SERVICE INFORMATION



DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
Sources of revenue				
Electric operating revenue	\$ 750,936	\$ 671,388	\$ 665,748	\$ 679,465
Water operating revenue	62,224	65,428	56,032	54,361
Lighting operating revenue	11,283	10,437	8,885	7,696
Chilled water operating revenue	19,739	16,643	15,590	12,738
Total operating revenue	<u>844,182</u>	<u>763,896</u>	<u>746,255</u>	<u>754,260</u>
Interest and other income (1)	23,099	30,979	28,547	16,049
Gross revenue and income	<u>867,281</u>	<u>794,875</u>	<u>774,802</u>	<u>770,309</u>
Expenditures (2)				
Electric operating expenses	530,899	467,375	475,802	492,794
Water operating expenses	32,967	31,687	29,804	26,769
Lighting operating expenses	5,101	5,081	4,175	3,784
Chilled water operating expenses	12,220	10,269	11,065	9,225
Total operating expenses	<u>581,187</u>	<u>514,412</u>	<u>520,846</u>	<u>532,572</u>
Other expenses (3)	887	705	658	597
Total expenses	<u>582,074</u>	<u>515,117</u>	<u>521,504</u>	<u>533,169</u>
Net revenue and income available for debt service	<u>\$ 285,207</u>	<u>\$ 281,687</u>	<u>\$ 253,298</u>	<u>\$ 237,140</u>
Current debt service (4)	\$ 116,220	\$ 115,151	\$ 113,022	\$ 105,134
Current debt service coverage	2.45x	2.45x	2.24x	2.26x
Fixed or full charge coverage				
Net revenue and income available for debt service	\$ 285,207	\$ 281,687	\$ 253,298	\$ 237,140
Fixed demand payments/purchased power (5)	30,261	33,608	30,061	47,388
Net revenue and income available for payments and fixed charge coverage	315,468	315,295	283,359	284,528
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	72,154	70,886	72,520	55,161
Net revenue and income available after payments	<u>\$ 243,314</u>	<u>\$ 244,409</u>	<u>\$ 210,839</u>	<u>\$ 229,367</u>
Fixed and full charge coverage (6)	1.66x	1.64x	1.47x	1.50x
Debt ratio				
Gross funded debt/net fixed assets & net working capital	62.69%	61.73%	66.87%	67.18%
Net funded debt/net fixed assets & net working capital	61.62%	60.58%	65.04%	64.98%
Operating ratio				
Total expenses/total operating revenues	68.95%	67.26%	69.88%	70.69%
Net take-down (%)				
Net revenue available for debt service/gross revenue and income before contributions	32.89%	35.35%	32.69%	30.79%
Debt service safety margin				
Net revenue available for debt service less debt service for the year/gross revenue and income before contributions	19.48%	20.90%	18.10%	17.14%

(1) In years 1998 through 2003, this amount excluded interest earned and market valuation adjustments on investments in the Construction funds and the Debt service account, established pursuant to the Senior Bond Resolution and the Junior Bond Resolution.

(2) Excluded payments to the City of Orlando and Orange County, Florida, and depreciation and amortization. Other expenses have been adjusted to add the effect of the swap agreements.

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

2004	2003	2002	2001	2000	1999	1998
\$ 605,653	\$ 502,576	\$ 447,091	\$ 491,457	\$ 449,124	\$ 427,683	\$ 411,928
50,460	46,307	41,854	38,813	46,389	43,146	34,002
6,651	4,815	2,393	-	-	-	-
<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>	<u>2,773</u>	<u>1,368</u>	<u>20</u>
673,107	559,713	495,741	534,344	498,286	472,197	445,950
<u>25,436</u>	<u>8,265</u>	<u>25,762</u>	<u>35,122</u>	<u>32,912</u>	<u>14,536</u>	<u>14,880</u>
<u>698,543</u>	<u>567,978</u>	<u>521,503</u>	<u>569,466</u>	<u>531,198</u>	<u>486,733</u>	<u>460,830</u>
435,619	323,671	284,711	323,743	295,794	245,916	246,980
24,513	22,059	21,081	19,959	19,389	17,682	15,830
3,177	2,412	2,225	-	-	-	-
<u>6,898</u>	<u>3,984</u>	<u>2,824</u>	<u>2,029</u>	<u>1,210</u>	<u>666</u>	<u>59</u>
470,207	352,126	310,841	345,731	316,393	264,264	262,869
994	581	5,255	5,712	6,285	4,314	2,466
<u>471,201</u>	<u>352,707</u>	<u>316,096</u>	<u>351,443</u>	<u>322,678</u>	<u>268,578</u>	<u>265,335</u>
<u>\$ 227,342</u>	<u>\$ 215,271</u>	<u>\$ 205,407</u>	<u>\$ 218,023</u>	<u>\$ 208,520</u>	<u>\$ 218,155</u>	<u>\$ 195,495</u>
\$ 101,327	\$ 101,028	\$ 98,580	\$ 100,494	\$ 100,769	\$ 97,856	\$ 92,249
2.24x	2.13x	2.08x	2.17x	2.07x	2.23x	2.12x
\$ 227,342	\$ 215,271	\$ 205,407	\$ 218,023	\$ 208,520	\$ 218,155	\$ 195,495
<u>57,843</u>	<u>35,493</u>	<u>30,290</u>	<u>30,968</u>	<u>33,012</u>	<u>-</u>	<u>-</u>
285,185	250,764	235,697	248,991	241,532	218,155	195,495
50,534	51,096	45,225	48,779	45,821	45,673	41,754
<u>\$ 234,651</u>	<u>\$ 199,668</u>	<u>\$ 190,472</u>	<u>\$ 200,212</u>	<u>\$ 195,711</u>	<u>\$ 172,482</u>	<u>\$ 153,741</u>
1.47x	1.46x	1.48x	1.52x	1.46x	1.76x	1.67x
71.31%	59.70%	67.19%	71.14%	74.09%	75.73%	90.11%
68.90%	56.31%	62.14%	64.97%	67.52%	68.81%	82.39%
70.00%	63.02%	63.76%	65.77%	64.76%	56.88%	59.50%
32.55%	37.90%	39.39%	38.29%	39.25%	44.82%	42.42%
18.04%	20.11%	20.48%	20.64%	20.28%	24.72%	22.40%

- (4) On October 9, 2001 (year 2002), OUC adopted the General Bond Resolution. On November 12, 2003, the provisions of the resolution became effective and as such all debt obligations became equal in priority. In 2004, modifications were made to the Debt service coverage computation which no longer requires OUC to rank its debt.
- (5) Amounts do not include fixed gas transmission charges. Fixed gas transmission charges were included as part of Net revenue and income available for debt service.
- (6) The fixed and full charge coverage computes the coverage of the current debt service and fixed demand payments by the Net revenue and income available after payments.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years Ended September 30 (1)	Series 1992 Principal Payment (2)	Series 1992 Interest Payments	Series 1996A Principal Payment (3)	Series 1996A Interest Payment (4)	Series 2001 Principal Payment	Series 2001 Interest Payment	Series 2001A Principal Payment	Series 2001A Interest Payment
2009	\$37,270	\$ 4,607	\$ -	\$ 2,250	\$ 6,725	\$ 3,863	\$ -	\$ 820
2010	39,505	2,371	-	2,250	2,635	3,535	-	820
2011	-	-	-	2,250	-	3,403	-	820
2012	-	-	-	2,250	-	3,403	-	820
2013	-	-	-	2,250	-	3,404	-	819
2014	-	-	-	2,250	-	3,403	-	820
2015	-	-	-	2,250	-	3,403	-	820
2016	-	-	-	2,250	1,160	3,403	-	820
2017	-	-	-	2,250	1,220	3,342	3,800	819
2018	-	-	-	2,250	8,925	3,278	3,995	630
2019	-	-	-	2,250	9,395	2,810	4,195	430
2020	-	-	14,500	2,250	9,885	2,317	4,405	220
2021	-	-	-	1,706	7,635	1,798	-	-
2022	-	-	13,750	1,706	21,695	1,397	-	-
2023	-	-	31,750	1,191	6,240	312	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Total long-term debt	<u>\$76,775</u>	<u>\$ 6,978</u>	<u>\$ 60,000</u>	<u>\$ 31,603</u>	<u>\$ 75,515</u>	<u>\$ 43,071</u>	<u>\$ 16,395</u>	<u>\$ 8,658</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) Series 1992 Bonds mature in 2010 and the debt service reserve fund for the Series 1992 Bonds is expected to be used to pay the series 2005A Bonds upon their maturity.

(3) The Series 1996A Bonds mature in 2023 with a mandatory purchase date of October 1, 2013 and OUC intends to remarket the Series 1996A Bonds at that time. OUC also intends to exercise its right to redeem these portions of the Series 1996A Bonds in 2021. Additionally, the Series 2003 Bonds mature in 2025 with a mandatory purchase date of October 1, 2012 and OUC intends to remarket the Series 2003 Bonds at that time.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS - continued (Dollars in thousands)

Years Ended September 30 (1)	Series 2003B Principal Payment	Series 2003B Interest Payment	Series 2003T Principal Payment	Series 2003T Interest Payment	Series 2004 Principal Payment (2)	Series 2004 Interest Payment (2)	Series 2005A Principal Payment	Series 2005A Interest Payment	Series 2005B Principal Payment
2009	\$ 920	\$ 4,599	\$ 3,290	\$ 1,979	\$ 216,900	\$10,554	\$ -	\$ 494	\$ -
2010	955	4,562	3,420	1,850	-	-	-	694	-
2011	4,715	4,524	3,565	1,704	-	-	40,525	794	-
2012	4,955	4,288	3,725	1,544	-	-	-	-	-
2013	5,200	4,041	3,905	1,367	-	-	-	-	-
2014	3,760	3,781	4,095	1,177	-	-	-	-	-
2015	3,950	3,592	4,300	973	-	-	-	-	-
2016	4,150	3,394	4,515	755	-	-	-	-	-
2017	4,360	3,187	4,755	517	-	-	-	-	-
2018	4,580	2,970	5,010	265	-	-	-	-	-
2019	6,970	2,740	-	-	-	-	-	-	-
2020	7,315	2,392	-	-	-	-	-	-	-
2021	20,470	2,045	-	-	-	-	-	-	-
2022	21,445	1,072	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	60,000
2024	-	-	-	-	-	-	-	-	60,000
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
Subtotal long-term debt	\$93,745	\$47,187	\$40,580	\$12,131	\$ 216,900	\$10,554	\$40,525	\$ 1,982	\$120,000
Series 2004 Principal	-	-	-	-	(216,000)	-	-	-	-
Total long-term debt	<u>\$93,745</u>	<u>\$47,187</u>	<u>\$40,580</u>	<u>\$12,131</u>	<u>\$ -</u>	<u>\$10,554</u>	<u>\$40,525</u>	<u>\$ 1,982</u>	<u>\$120,000</u>

(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount is fully funded by September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year. The Series 2004 Bonds are an exception with interest payment dates on January 1 and July 1 of each year.

Series 2005B Interest Payment	Series 2006 Principal Payment	Series 2006 Interest Payment	Series 2007 Principal Payment	Series 2007 Interest Payment	Series 2008 Principal Payment	Series 2008 Interest Payment (3)	Total	Total Principal	Total Interest, Net
\$ 5,815	\$ -	\$ 6,051	\$ -	\$ 5,433	\$ -	\$ 9,118	\$ 337,420	\$ 265,250	\$ 72,170
5,815	-	6,051	4,565	5,432	-	9,118	110,163	51,080	59,083
5,815	-	6,051	18,610	5,250	-	9,118	145,700	89,385	56,315
5,815	-	6,051	19,535	4,389	-	9,118	104,511	51,030	53,481
5,815	-	6,051	20,570	3,412	-	9,118	104,628	53,370	51,258
5,815	1,800	6,051	21,410	2,384	-	9,118	104,606	55,670	48,936
5,815	1,870	5,979	22,615 (2)	1,314	-	9,118	104,817	58,295	46,522
5,815	11,785	5,886	13,400 (2)	490	-	9,118	107,205	62,930	44,275
5,815	17,540	5,321	-	-	-	9,118	103,340	61,650	41,690
5,815	35,840	4,445	-	-	-	9,118	111,375	72,390	38,985
5,815	15,910	2,653	-	-	-	9,118	100,444	64,995	35,449
5,815	16,705	1,857	-	-	-	9,118	114,971	82,660	32,311
5,815	15,905	1,064	-	-	-	9,118	115,718	87,185	28,533
5,815	3,005	308	-	-	-	9,118	129,502	105,115	24,387
5,815	3,155	158	-	-	-	9,118	139,428	119,975	19,453
5,815	-	-	-	-	-	9,118	99,613	82,490	17,123
3,000	-	-	-	-	-	9,118	36,152	22,695	13,457
-	-	-	-	-	25,000	9,118	39,261	29,665	9,596
-	-	-	-	-	25,000	7,978	38,123	29,900	8,223
-	-	-	-	-	25,000	6,839	31,839	25,000	6,839
-	-	-	-	-	25,000	5,699	30,699	25,000	5,699
-	-	-	-	-	25,000	4,559	29,559	25,000	4,559
-	-	-	-	-	25,000	3,419	28,419	25,000	3,419
-	-	-	-	-	25,000	2,280	27,280	25,000	2,280
-	-	-	-	-	25,000	1,140	26,140	25,000	1,140
\$96,040	\$123,515	\$ 63,977	\$120,705	\$ 28,104	\$200,000	\$196,038	\$2,320,913	\$1,595,730	\$ 725,183
-	-	-	-	-	-	-	(216,900)	(216,900)	-
<u>\$96,040</u>	<u>\$123,515</u>	<u>\$ 63,977</u>	<u>\$120,705</u>	<u>\$ 28,104</u>	<u>\$200,000</u>	<u>\$196,038</u>	<u>\$2,104,013</u>	<u>\$1,378,830</u>	<u>\$ 725,183</u>

- (2) The Series 2004 Bonds have been designed by OUC as "Designated Maturity Obligations" for purposes of the General Bond Resolution. Although the entire principal will mature on the date set forth in this table, it is the intent of OUC to refund all or a portion of the Series 2004 Bonds on their maturity date of July 1, 2009. For certain purposes of the General Bond Resolution, OUC will assume that the Series 2004 Bonds will mature in the years 2010 through 2025 determined in accordance with the definition of "Debt Service Requirement" provided in the General Bond Resolution. In conjunction with OUC's intent, a forward starting fixed-payer swap was secured with a notional amount of \$100 million and a fixed-payer rate of 4.442% on November 10, 2005. On October 24, 2008, at OUC's request, the 2004 Bond Series swap agreements, scheduled to mature in July 2009, were terminated.
- (3) Annual interest due reflects the impact of associated interest rate swaps. Forward year impact on the fixed to floating rate swaps was determined by the SIFMA municipal swap index rate at September 30, 2007 for budget purposes.

MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

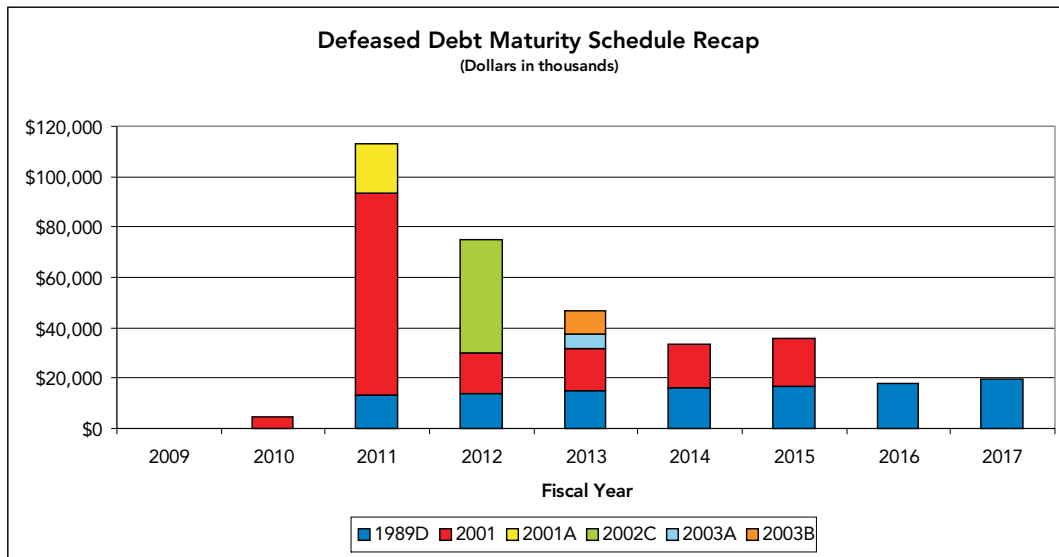
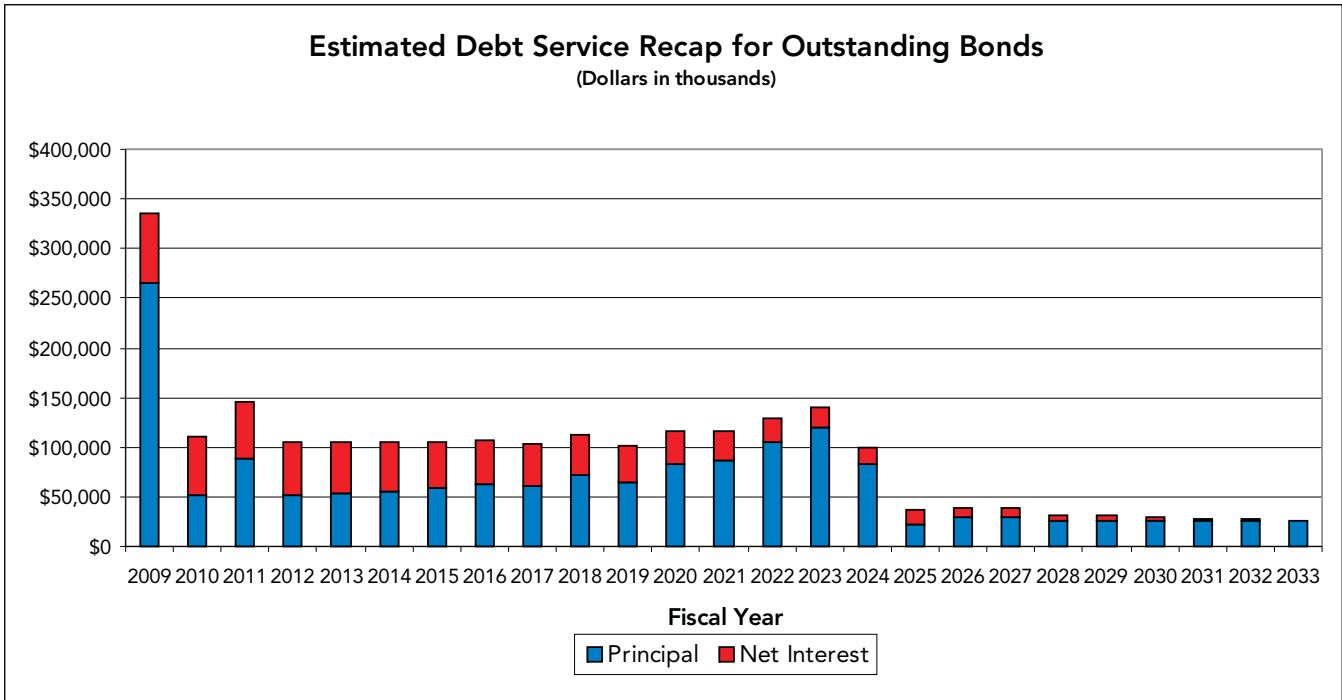
Years Ended September 30	(1) 1989D 12/1/1989 5.0-6.75%	(2) 2001 10/30/2001 4.50-5.25%	(2)(3) 2001A 07/01/2001 4.00-5.25%	(3) 2002C 11/14/2002 5.25%	(2)(3) 2003A 04/25/2003 5.00%	(3) 2003B 05/15/2003 5.00%	Total
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010	-	4,475	-	-	-	-	4,475
2011	13,065	80,175	19,635	-	-	-	112,875
2012	13,945	16,040	-	45,270	-	-	75,255
2013	14,885	16,945	-	-	5,600	9,365	46,795
2014	15,890	17,645	-	-	-	-	33,535
2015	16,965	18,710	-	-	-	-	35,675
2016	18,110	-	-	-	-	-	18,110
2017	<u>19,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,330</u>
Total long-term debt	<u>\$ 112,190</u>	<u>\$ 153,990</u>	<u>\$ 19,635</u>	<u>\$ 45,270</u>	<u>\$ 5,600</u>	<u>\$ 9,365</u>	<u>\$346,050</u>

(1) Series 1989D 6.75% 2017 maturities defeased with cash proceeds from the Liability Reduction fund.

(2) Defeased with cash proceeds from the Liability Reduction fund.

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

DEBT SERVICE AND MATURITY OF DEFEASED DEBT

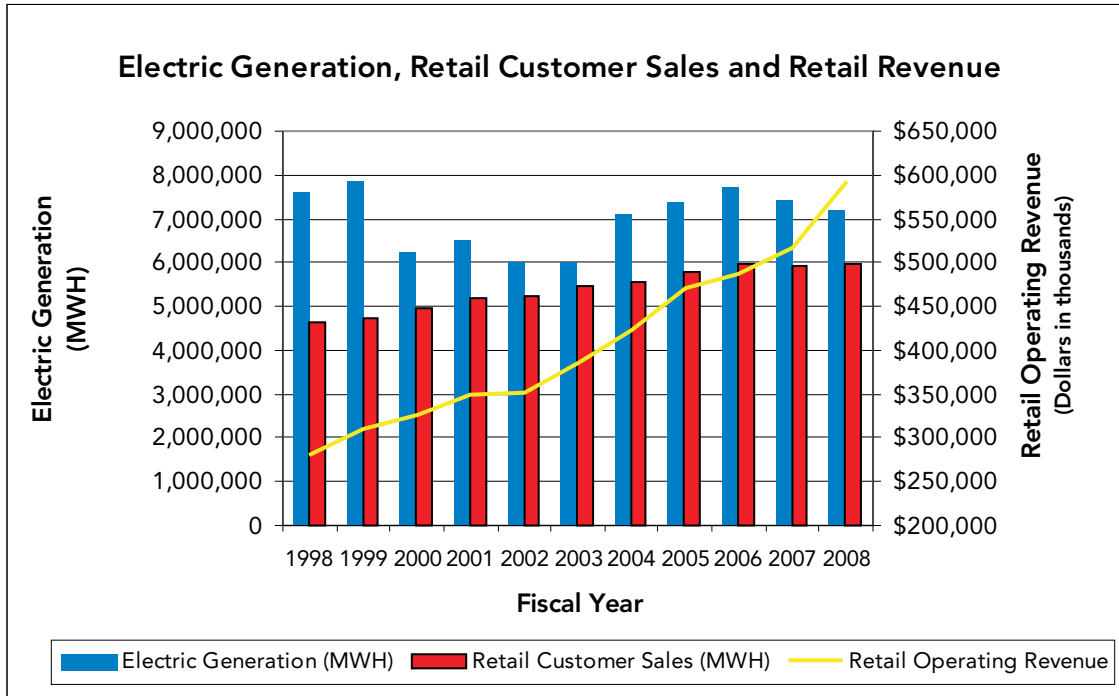


The Series 2004 Bonds have been designed by OUC as "Designated Maturity Obligations" for purposes of the General Bond Resolution. Although the entire principal will mature on the date set forth in this table, it is the intent of OUC to refund all or a portion of the Series 2004 Bonds on their maturity date of July 1, 2009. For certain purposes of the General Bond Resolution, OUC will assume that the Series 2004 Bonds will mature in the years 2010 through 2025 determined in accordance with the definition of "Debt Service Requirement" provided in the General Bond Resolution. In conjunction with OUC's intent, a forward starting fixed-payer swap was secured with a notional amount of \$100 million and a fixed-payer rate of 4.442% on November 10, 2005. On October 24, 2008, at OUC's request, the 2004 Bond series swap agreements, scheduled to mature in July 2009, were terminated.

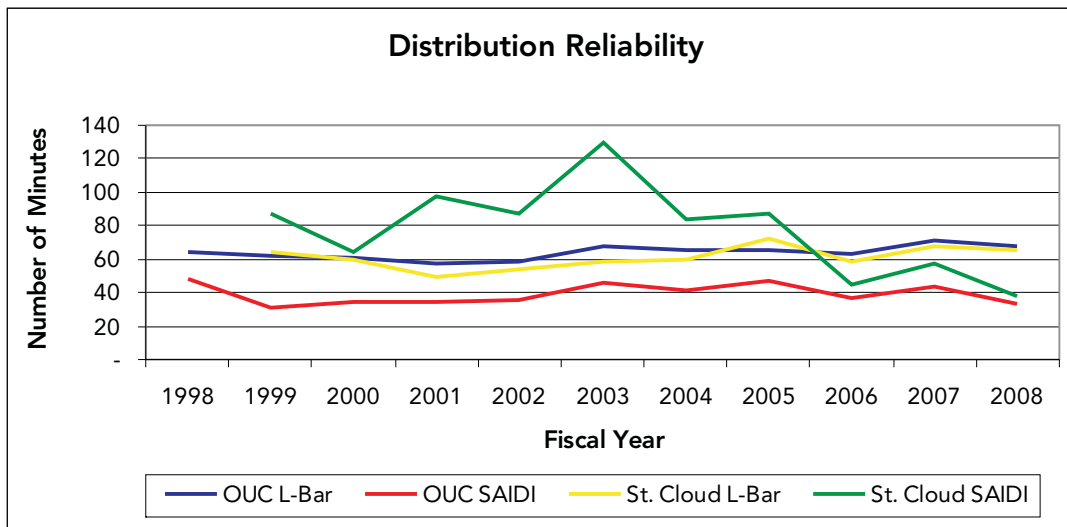


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ELECTRIC BUSINESS OPERATIONS



On October 5, 1999 (year 2000), OUC sold the steam units at the Indian River Plant. As a result of this sale, OUC's generation declined.



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	2008	2007	2006	2005
Operating revenues				
Residential	\$207,894	\$197,510	\$175,774	\$174,071
Commercial — non-demand	38,633	28,427	27,055	26,122
Commercial — demand-secondary	252,791	208,240	204,311	197,128
Commercial — demand-primary	31,045	24,918	23,721	28,245
Lighting (1)	4,322	2,959	2,296	2,477
Wholesale sales	133,145	131,298	160,240	187,849
Inter-local sales	58,941	58,413	54,843	44,068
Service fees and other	24,165	21,552	17,508	19,505
Total operating revenues (2)	<u>750,936</u>	<u>673,317</u>	<u>665,748</u>	<u>679,465</u>
Operations and maintenance expenses				
Fuel/fixed demand payments/purchased power	292,677	247,832	257,090	251,500
Other power supply expenses (3)	79,746	75,413	89,327	122,380
Production	67,621	59,870	56,679	56,223
Transmission (4)	10,285	9,628	7,719	5,465
Distribution - OUC (4)	12,546	11,352	11,567	10,096
Distribution - St. Cloud	1,803	2,017	1,752	1,436
Lighting (1)	-	-	-	-
Storm recovery expenses (5)	616	-	-	-
Customer service (6)	21,038	21,532	19,318	14,830
General & administrative	28,823	26,563	21,404	20,033
Total operations and maintenance expenses	<u>515,155</u>	<u>454,207</u>	<u>464,856</u>	<u>481,963</u>
Other expenses				
Utility/property tax	13,466	12,836	12,828	11,405
Revenue based payments to the City of Orlando	22,917	22,006	21,828	18,491
Revenue based payments to Orange County	1,054	1,056	1,062	871
Revenue based payments to the City of St. Cloud	5,064	4,079	3,519	3,349
System use payments to the City of St. Cloud	1,914	1,915	1,907	1,911
Depreciation & amortization	73,316	69,879	67,145	66,375
Total other expenses	<u>117,731</u>	<u>111,771</u>	<u>108,289</u>	<u>102,402</u>
Total operating expenses	<u>632,886</u>	<u>565,978</u>	<u>573,145</u>	<u>584,365</u>
Non-operating income				
Interest income	15,429	16,410	15,787	10,015
Gain/(loss) on investments (7)	(1,958)	2,153	3,331	(2,325)
Non-operating income, net	1,553	2,578	1,309	2,272
Amortization of deferred gain on sale of assets (8)	3,971	3,970	3,970	3,970
Total non-operating income	<u>18,995</u>	<u>25,111</u>	<u>24,397</u>	<u>13,932</u>
Non-operating expenses				
Bond interest and other related expenses	60,085	57,373	59,560	55,368
Intercompany net interest (income)/expense (9)	(3,492)	(3,497)	(3,502)	(3,238)
Total non-operating expenses	<u>56,593</u>	<u>53,876</u>	<u>56,058</u>	<u>52,130</u>
Electric income before contributions	80,452	78,574	60,942	56,902
Contributions in aid of construction (CIAC) (10)	3,895	6,891	9,978	1,155
Annual dividend	<u>46,282</u>	<u>42,240</u>	<u>47,157</u>	<u>34,142</u>
Increase in net assets	<u>\$ 38,065</u>	<u>\$ 43,225</u>	<u>\$ 23,763</u>	<u>\$ 23,915</u>

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

(2) In 2008, overall electric revenue increased. This increase was related to changes in the fuel markets and a rate modification in January 2007 that reallocated rates to electric energy from fuel. Additionally, SFAS No. 71 was applied and OUC recognized revenue of \$16.8 million to mitigate its budgetary revenue shortfalls.

(3) In 2000, OUC sold the steam units at the Indian River Power Plant (IRP) and entered into a purchased power agreement (PPA) which expired in 2006. Additionally, in 2004, OUC's PPA with Southern Company became effective as a result of Stanton Energy Unit A (SECA) commencing commercial operations.

(4) In 2001, OUC reorganized operations and maintenance costs for Distribution and Transmission transferring low-side transmission costs from Transmission to Distribution.

(5) In August and September 2004, the Central Florida area was impacted by hurricanes Charley, Frances and Jeanne. As a result of these storms, OUC recorded \$6 million of storm recovery expenses. 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.

(6) Customer service expense increased in 2006 as a result of implementing PSERM.

2004	2003	2002	2001	2000	1999	1998
\$157,105	\$144,056	\$131,734	\$133,404	\$125,048	\$115,673	\$121,296
23,457	22,548	23,029	22,994	23,373	24,532	23,284
179,467	162,264	142,909	141,073	130,452	123,403	118,614
25,245	22,903	21,793	22,756	21,490	20,912	18,853
2,024	1,877	2,949	4,421	3,954	3,964	3,580
162,973	103,543	82,809	129,633	111,493	106,937	94,920
37,028	35,163	32,977	29,954	27,047	26,240	25,371
18,354	10,222	8,891	7,222	6,267	6,022	6,010
<u>605,653</u>	<u>502,576</u>	<u>447,091</u>	<u>491,457</u>	<u>449,124</u>	<u>427,683</u>	<u>411,928</u>
220,155	134,718	127,637	135,793	136,652	144,249	140,778
98,403	86,475	62,330	95,335	68,004	10,384	15,778
52,950	43,865	39,632	36,378	38,967	46,324	44,728
5,593	5,371	5,048	5,670	7,514	6,855	7,246
8,202	8,826	8,146	8,730	7,384	5,472	6,092
1,473	1,014	1,032	798	686	524	460
-	-	-	1,572	1,514	1,482	1,467
5,618	-	-	-	-	-	-
13,828	12,543	12,129	12,270	13,996	11,939	9,423
20,151	18,527	19,533	19,093	13,692	13,386	12,604
<u>426,373</u>	<u>311,339</u>	<u>275,487</u>	<u>315,639</u>	<u>288,409</u>	<u>240,615</u>	<u>238,576</u>
10,004	9,613	9,041	8,348	8,246	7,667	7,869
16,544	15,908	15,103	14,711	13,060	12,750	12,157
816	786	731	733	705	664	687
3,240	2,821	2,491	2,377	2,361	2,361	2,382
1,925	1,927	1,883	2,026	1,924	2,120	2,094
63,801	57,060	61,828	65,119	55,602	55,170	47,088
96,330	88,115	91,077	93,314	81,898	80,732	72,277
<u>522,703</u>	<u>399,454</u>	<u>366,564</u>	<u>408,953</u>	<u>370,307</u>	<u>321,347</u>	<u>310,853</u>
9,857	10,103	12,137	36,400	28,080	14,080	16,024
(1,166)	(530)	(126)	1,153	860	(631)	2,403
1,515	1,643	3,796	2,171	2,074	392	476
14,006	-	13,433	11,178	9,717	-	-
<u>24,212</u>	<u>11,216</u>	<u>29,240</u>	<u>50,902</u>	<u>40,731</u>	<u>13,841</u>	<u>18,903</u>
57,428	60,815	60,965	77,492	74,418	73,491	75,541
(2,838)	(537)	(790)	(640)	(306)	(124)	-
<u>54,590</u>	<u>60,278</u>	<u>60,175</u>	<u>76,852</u>	<u>74,112</u>	<u>73,367</u>	<u>75,541</u>
52,572	54,060	49,592	56,554	45,436	46,810	44,437
1,388	1,862	1,349	1,932	4,252	6,336	2,227
<u>31,543</u>	<u>32,433</u>	<u>29,710</u>	<u>33,973</u>	<u>27,300</u>	<u>28,083</u>	<u>26,659</u>
<u>\$ 22,417</u>	<u>\$ 23,489</u>	<u>\$ 21,231</u>	<u>\$ 24,513</u>	<u>\$ 22,388</u>	<u>\$ 25,063</u>	<u>\$ 20,005</u>

- (7) Amounts include gains and losses on the valuation of the investments with the exception of investments held in the Debt Service fund. The Debt service reserve fund investments are recorded at amortized cost, as OUC intends to retain these investments until they have reached maturity or the series has been refunded.
- (8) Proceeds from the sale of the steam units at the IRP were internally designated and the gain deferred in accordance with OUC's application of SFAS No. 71. The designated proceeds from the sale are reported under the caption of Liability reduction fund and the gain is included under the heading Regulatory liabilities. A portion of the deferred gain amount, \$72 million inclusive of interest earnings, has been recognized to mitigate additional generation and purchased power costs from 2000 to 2004. Beginning in 2004, the remaining gain is being recognized to offset depreciation costs incurred in conjunction with the construction of SECA. Gains recognized are included on the Statement of Revenues, Expenses, and Changes in Net Assets.
- (9) The amount represents the internal loan interest income related to intercompany borrowings for Chilled water capital projects.
- (10) In 2008 and 2007, the decrease in CIAC is due to a weakening economy and the slow down in growth within the Central Florida area. In 2006, CIAC increased due to the recognition of contributions for underground distribution lines that were exchanged for long-term service agreements and a one-time contribution from the City of St. Cloud for distribution and transmission system improvements.

ELECTRIC CONSUMPTION AND FINANCIAL EXPENSE RATIOS

Years Ended September 30	2008	2007	2006	2005
Profile of consumption & revenue by type of customer				
Residential service				
KWH sales per customer	12,052	12,301	12,908	13,058
Revenue per customer (1)	\$ 1,380	\$ 1,325	\$ 1,202	\$ 1,229
Revenue per KWH (1)	\$ 0.1145	\$ 0.1077	\$ 0.0931	\$ 0.0941
Commercial service – non-demand				
KWH sales per customer	18,675	16,708	16,793	16,344
Revenue per customer (1)	\$ 2,111	\$ 1,584	\$ 1,543	\$ 1,525
Revenue per KWH (1)	\$ 0.1130	\$ 0.0948	\$ 0.0919	\$ 0.0933
Commercial service – demand secondary				
KWH sales per customer	509,412	517,637	529,420	523,001
Revenue per customer (1)	\$ 44,529	\$ 37,731	\$ 37,863	\$ 37,226
Revenue per KWH (1)	\$ 0.0874	\$ 0.0729	\$ 0.0715	\$ 0.0712
Commercial service – demand primary				
KWH sales per customer	19,603,550	20,018,300	19,476,600	20,963,179
Revenue per customer (1)	\$1,552,255	\$1,245,906	\$1,186,065	\$1,448,479
Revenue per KWH (1)	\$ 0.0792	\$ 0.0622	\$ 0.0609	\$ 0.0691
Inter-local service (2)				
KWH sales per customer	19,146	19,602	19,920	20,212
Revenue per customer (1)	\$ 2,052	\$ 2,083	\$ 2,104	\$ 1,851
Revenue per KWH (1)	\$ 0.1072	\$ 0.1063	\$ 0.1056	\$ 0.0916
Selected financial expense ratios				
Total operations & maintenance expense per KWH	\$ 0.0665	\$ 0.0569	\$ 0.0559	\$ 0.0557
Total operations & maintenance expense (excluding fuel and purchased power) per KWH	0.0184	0.0164	0.0142	0.0125
Total fuel and purchased power expense per KWH	0.0481	0.0405	0.0416	0.0432
Total operations & maintenance expense per metered service	2,530	2,264	2,381	2,566
Total operations & maintenance expense (excluding power production) per metered service (3) (4)	366	354	316	276
Customer service expense per metered service (4)	103	107	99	79
General & administrative expense per metered service (4)	142	132	110	107

(1) In 2007, overall electric operating revenue increased due primarily to higher electric energy revenue which resulted from a rate modification to electric retail rates in January 2007 to fund capital projects.

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

	2004	2003	2002	2001	2000	1999	1998
	12,767	13,109	12,464	12,860	12,657	12,467	13,433
\$	1,148	\$ 1,078	\$ 1,007	\$ 1,042	\$ 1,007	\$ 966	\$ 1,042
\$	0.0899	\$ 0.0822	\$ 0.0808	\$ 0.0810	\$ 0.0795	\$ 0.0775	\$ 0.0776
	16,041	16,771	18,336	18,466	19,572	21,426	20,505
\$	1,422	\$ 1,405	\$ 1,454	\$ 1,473	\$ 1,505	\$ 1,590	\$ 1,541
\$	0.0887	\$ 0.0838	\$ 0.0793	\$ 0.0798	\$ 0.0769	\$ 0.0742	\$ 0.0752
	518,285	526,880	536,779	537,974	554,907	572,525	567,180
\$	34,191	\$ 32,262	\$ 30,413	\$ 30,913	\$ 30,913	\$ 32,032	\$ 32,114
\$	0.0660	\$ 0.0612	\$ 0.0567	\$ 0.0575	\$ 0.0557	\$ 0.0559	\$ 0.0566
	20,921,838	20,209,368	19,301,805	19,241,045	14,906,250	12,409,774	12,868,929
\$	1,364,599	\$1,205,408	\$1,063,071	\$1,034,373	\$ 767,512	\$ 674,567	\$ 673,312
\$	0.0652	\$ 0.0596	\$ 0.0551	\$ 0.0538	\$ 0.0515	\$ 0.0544	\$ 0.0523
	19,576	19,968	19,896	19,547	19,001	18,488	18,362
\$	1,680	\$ 1,692	\$ 1,677	\$ 1,619	\$ 1,530	\$ 1,530	\$ 1,525
\$	0.0858	\$ 0.0848	\$ 0.0843	\$ 0.0828	\$ 0.0805	\$ 0.0828	\$ 0.0831
\$	0.0495	\$ 0.0424	\$ 0.0394	\$ 0.0415	\$ 0.0398	\$ 0.0326	\$ 0.0307
	0.0120	0.0123	0.0122	0.0111	0.0116	0.0116	0.0106
	0.0375	0.0301	0.0272	0.0304	0.0282	0.0210	0.0201
	2,329	1,774	1,611	1,893	1,784	1,540	1,571
	273	264	268	289	277	254	246
	77	71	71	74	87	76	62
	112	106	114	115	85	86	83

- (3) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.
- (4) In 2007, OUC early adopted Statement of Governmental Accounting Standard (SGAS) No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefit Plans Other Than Pensions" (OPEB) incurring additional employee benefit costs based on the actuarial valuation report obtained from OUC's actuaries.

SELECTED FINANCIAL RATIOS

Years Ended September 30	2008	2007	2006	2005
Electric operating ratio				
Electric operation & maintenance expenses/operating revenues (1) (2) (3)	0.69	0.67	0.70	0.71
Electric income before contributions per revenue dollar				
Electric income before contributions/total electric operating revenues (1)	0.11	0.12	0.09	0.08

ACTIVE SERVICES

Electric				
Residential	151,025	150,254	147,978	144,547
Commercial – non-demand	18,330	18,276	17,609	17,454
Commercial – demand - secondary	5,761	5,593	5,445	5,347
Commercial – demand - primary	20	20	20	20
Total OUC metered services	175,136	174,143	171,052	167,368
Inter-local services (4)	28,667	28,785	27,294	24,826
Total retail and inter-local services	<u>203,803</u>	<u>202,928</u>	<u>198,346</u>	<u>192,194</u>

CONSUMPTION (MWH)

Electric				
Residential	1,815,446	1,834,301	1,887,949	1,848,946
Commercial – non-demand	341,806	299,786	294,401	279,881
Commercial – demand - secondary	2,891,934	2,856,841	2,856,749	2,769,553
Commercial – demand - primary	392,071	400,366	389,532	408,782
Total OUC retail sales	5,441,257	5,391,294	5,428,631	5,307,162
Wholesale sales	1,743,680	2,039,338	2,371,843	2,866,241
Inter-local sales (4)	550,001	549,634	519,117	481,243
Total electric sales	<u>7,734,938</u>	<u>7,980,266</u>	<u>8,319,591</u>	<u>8,654,646</u>

- (1) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.
- (2) In 2008, OUC recognized \$16.8 million of base rate and LRF funds. Had this transaction not occurred, the Electric operating ratio would have been .70. The change in 2007 was due to lower fuel/purchased power costs and increased retail revenues. Had OUC not implemented the rate modification (\$27 million increase to revenue), the electric operating ratio would have been .70.

2004	2003	2002	2001	2000	1999	1998
0.69	0.62	0.62	0.64	0.64	0.56	0.58
0.10	0.11	0.11	0.12	0.10	0.11	0.11
138,642	135,116	132,186	129,342	126,776	121,628	117,857
16,794	16,186	15,903	15,779	15,432	15,635	15,222
5,244	5,254	4,805	4,593	4,534	3,906	3,799
19	18	20	21	23	33	29
<u>160,699</u>	<u>156,574</u>	<u>152,914</u>	<u>149,735</u>	<u>146,765</u>	<u>141,202</u>	<u>136,907</u>
<u>22,793</u>	<u>21,286</u>	<u>20,267</u>	<u>19,055</u>	<u>17,945</u>	<u>17,407</u>	<u>16,885</u>
<u>183,492</u>	<u>177,860</u>	<u>173,181</u>	<u>168,790</u>	<u>164,710</u>	<u>158,609</u>	<u>153,792</u>
1,747,518	1,751,982	1,629,783	1,646,895	1,572,045	1,492,777	1,563,253
264,510	269,085	290,463	288,173	304,023	330,576	309,744
2,720,477	2,649,945	2,522,323	2,455,045	2,341,708	2,205,652	2,094,878
<u>387,054</u>	<u>383,978</u>	<u>395,687</u>	<u>423,303</u>	<u>417,375</u>	<u>384,703</u>	<u>360,330</u>
<u>5,119,559</u>	<u>5,054,990</u>	<u>4,838,256</u>	<u>4,813,416</u>	<u>4,635,151</u>	<u>4,413,708</u>	<u>4,328,205</u>
2,942,758	1,874,933	1,756,604	2,422,082	2,278,155	2,657,203	3,136,467
<u>431,444</u>	<u>414,855</u>	<u>391,167</u>	<u>361,615</u>	<u>335,868</u>	<u>317,002</u>	<u>305,390</u>
<u>8,493,761</u>	<u>7,344,778</u>	<u>6,986,027</u>	<u>7,597,113</u>	<u>7,249,174</u>	<u>7,387,913</u>	<u>7,770,062</u>

- (3) Excluding the recognition of base rate and LRF funds noted in (2), the Electric income before contributions per revenue dollar would have been 0.09. In 2007, electric income before contributions per revenue dollars increased as a result of the retail rate modification. A portion of these monies were reserved for future capital projects. Had OUC not implemented the rate modification, electric income before contributions per revenue dollar would have been 0.08 in 2007.
- (4) 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.

ELECTRIC GENERATION (MWH)

Years Ended September 30

	2008	2007	2006	2005
Stanton Energy Center				
Generation – steam (1)	4,454,325	4,708,038	5,000,919	4,471,764
Generation – combined cycle (2)	<u>1,197,723</u>	<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>
Total generation	5,652,048	5,950,688	6,234,178	5,797,972
Plant use – less participants loss factor	271,331	282,180	298,490	270,912
Participants' reserve power	<u>6,049</u>	<u>4,471</u>	<u>2,194</u>	<u>6,299</u>
Delivered	5,374,668	5,664,037	5,933,494	5,520,761
Indian River Plant				
Generation – steam (3)	-	-	-	-
Generation – combustion turbines	<u>25,222</u>	<u>17,701</u>	<u>20,285</u>	<u>12,811</u>
Total generation	25,222	17,701	20,285	12,811
Plant use – less participants loss factor	111	71	82	66
Participants' reserve power	<u>777</u>	<u>691</u>	<u>715</u>	<u>698</u>
Delivered	24,334	16,939	19,488	12,047
Crystal River Plant				
Generation – nuclear	103,783	123,034	98,972	122,627
Plant use	<u>3,050</u>	<u>3,607</u>	<u>2,890</u>	<u>3,587</u>
Delivered	100,733	119,427	96,082	119,040
McIntosh Plant				
Generation – steam – net of plant use/delivered	1,059,302	965,401	989,279	1,027,428
St. Lucie Plant				
Generation – nuclear	383,095	402,666	368,876	412,983
Plant use	<u>9,156</u>	<u>9,624</u>	<u>8,816</u>	<u>9,870</u>
Delivered	373,939	393,042	360,060	403,113
St. Cloud Plant				
Generation – diesel	-	236	108	184
Plant use	<u>190</u>	<u>521</u>	<u>538</u>	<u>430</u>
Delivered	(190)	(285)	(430)	(246)
Total All Sources				
Generation – steam	5,513,627	5,673,439	5,990,198	5,499,192
Generation – combined cycle	1,197,723	1,242,650	1,233,259	1,326,208
Generation – nuclear	486,878	525,700	467,848	535,610
Generation – combustion turbines	25,222	17,701	20,285	12,811
Generation – diesel	-	236	108	184
Total Generation	<u>7,223,450</u>	<u>7,459,726</u>	<u>7,711,698</u>	<u>7,374,005</u>
Total plant use – less participants loss factor	283,838	296,003	310,816	284,865
Participants' reserve power	<u>6,826</u>	<u>5,162</u>	<u>2,909</u>	<u>6,997</u>
Total delivered	6,932,786	7,158,561	7,397,973	7,082,143
Inadvertent/wheeling retained	278	274	777	292
Purchases received	<u>1,082,008</u>	<u>1,127,939</u>	<u>1,125,358</u>	<u>1,813,804</u>
Available	8,015,072	8,286,774	8,524,108	8,896,239
Sales	<u>7,793,775</u>	<u>8,036,390</u>	<u>8,370,673</u>	<u>8,703,051</u>
Line losses	<u>221,297</u>	<u>250,384</u>	<u>153,435</u>	<u>193,188</u>
Line losses as a percentage of generation (4)	3.06%	3.36%	1.99%	2.62%

(1) In 2008 and 2007, Stanton Unit 1 and Stanton Unit 2, respectively, were down due to extended outages.

(2) On October 1, 2003 (year 2004), OUC began commercial operation of Stanton Energy Unit A.

2004	2003	2002	2001	2000	1999	1998
4,605,225	4,527,532	4,466,492	4,822,964	4,604,898	4,235,697	4,728,664
<u>1,191,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,796,271	4,527,532	4,466,492	4,822,964	4,604,898	4,235,697	4,728,664
278,325	263,547	259,446	275,334	262,968	249,070	257,778
<u>4,961</u>	<u>3,086</u>	<u>5,806</u>	<u>2,331</u>	<u>4,438</u>	<u>4,218</u>	<u>3,209</u>
5,512,985	4,260,899	4,201,240	4,545,299	4,337,492	3,982,409	4,467,677
-	-	-	-	-	1,947,460	1,621,855
<u>6,379</u>	<u>34,382</u>	<u>52,914</u>	<u>59,111</u>	<u>113,982</u>	<u>190,669</u>	<u>171,211</u>
6,379	34,382	52,914	59,111	113,982	2,138,129	1,793,066
24	129	163	213	353	74,661	76,262
<u>736</u>	<u>757</u>	<u>744</u>	<u>653</u>	<u>751</u>	<u>770</u>	<u>719</u>
5,619	33,496	52,007	58,245	112,878	2,062,698	1,716,085
111,246	125,531	117,000	121,455	109,744	121,455	73,213
<u>3,170</u>	<u>3,570</u>	<u>3,342</u>	<u>3,434</u>	<u>3,024</u>	<u>3,582</u>	<u>-</u>
108,076	121,961	113,658	118,021	106,720	117,873	73,213
787,131	938,216	932,132	1,069,624	989,949	890,982	708,839
401,427	399,999	430,677	432,306	426,868	450,821	338,986
<u>9,594</u>	<u>9,560</u>	<u>10,293</u>	<u>10,332</u>	<u>10,202</u>	<u>10,775</u>	<u>8,102</u>
391,833	390,439	420,384	421,974	416,666	440,046	330,884
390	1,750	2,486	3,529	-	-	-
<u>528</u>	<u>459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(138)	1,291	2,486	3,529	-	-	-
5,392,356	5,465,748	5,398,624	5,892,588	5,594,847	7,074,139	7,059,358
1,191,046	-	-	-	-	-	-
512,673	525,530	547,677	553,761	536,612	572,276	412,199
6,379	34,382	52,914	59,111	113,982	190,669	171,211
<u>390</u>	<u>1,750</u>	<u>2,486</u>	<u>3,529</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,102,844	6,027,410	6,001,701	6,508,989	6,245,441	7,837,084	7,642,768
291,641	277,265	273,244	289,313	276,547	338,088	342,142
<u>5,697</u>	<u>3,843</u>	<u>6,550</u>	<u>2,984</u>	<u>5,189</u>	<u>4,988</u>	<u>3,928</u>
6,805,506	5,746,302	5,721,907	6,216,692	5,963,705	7,494,008	7,296,698
137	184	520	528	112	448	6,160
<u>1,935,961</u>	<u>1,797,213</u>	<u>1,505,373</u>	<u>1,631,297</u>	<u>1,450,397</u>	<u>90,023</u>	<u>587,610</u>
8,741,604	7,543,699	7,227,800	7,848,517	7,414,214	7,584,479	7,890,468
<u>8,538,880</u>	<u>7,387,945</u>	<u>7,030,393</u>	<u>7,633,910</u>	<u>7,282,270</u>	<u>7,418,902</u>	<u>7,799,233</u>
<u>202,724</u>	<u>155,754</u>	<u>197,407</u>	<u>214,607</u>	<u>131,944</u>	<u>165,577</u>	<u>91,235</u>
2.85%	2.58%	3.29%	3.30%	2.11%	2.11%	1.19%

(3) On October 5, 1999 (year 2000), OUC sold the steam units at the Indian River Power Plant (IRP) and entered into a purchased power agreement. As a result of this agreement, OUC has replaced the IRP steam generation MWH with purchased power MWH.

(4) Beginning in 2007, the Polk/Osceola transmission line incurred constraints and outages. Due to these items, power in the transmission line had to be diverted around the line instead of having a direct tie line to Lakeland. This diversion resulted in increased line losses in 2007 and 2008.

NET GENERATING CAPABILITY (Including major purchased power agreements)

Years Ended September 30 Generating Facility (MW)		Name Plate Capacity	2008		2007		2006		2005	
			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	319	319
	Unit A CC (1)	633	174	184	174	184	174	184	174	184
Indian River Plant	Unit 1 FS (2)	87	-	-	-	-	-	-	-	-
	Unit 2 FS (2)	208	-	-	-	-	-	-	-	-
	Unit 3 FS (2)	345	-	-	-	-	-	-	-	-
	Unit A CT	38	18	23	18	23	18	23	18	23
	Unit B CT	38	18	23	18	23	18	23	18	23
St. Cloud Plant	Unit C CT	112	85	100	85	100	85	100	85	100
	Unit D CT	112	85	100	85	100	85	100	85	100
	Units 1-7 CT	21	21	21	21	21	21	21	21	21
	Unit 3 N	890	13	13	13	13	13	13	13	13
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	133	136
St. Lucie Plant	Unit 2 N	850	51	52	51	52	51	52	51	52
Total capability			1,237	1,290	1,237	1,290	1,237	1,290	1,219	1,275
Purchased Power Agreements			337	338	337	358	337	358	637	656
Total available			1,574	1,648	1,574	1,648	1,574	1,648	1,856	1,931
Less: Firms commitments to other utilities			22	22	22	22	22	22	147	148
Net available to OUC			1,552	1,626	1,552	1,626	1,552	1,626	1,709	1,783

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

PEAK DEMAND

Years Ended September 30	2008		2007		2006		2005	
	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)	1,080	973	1,085	893	1,074	970	1,076	965
Gross Peak Demand (MW) (Instantaneous)	1,147		1,182		1,135	-	1,141	-
System Load Factor	60.5		59.6		60.2		57.7	

GENERATION AVAILABILITY DATA

Years Ended September 30		2008			2007			2006			2005			2004		
		CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
SEC	Unit 1	77.6	85.6	4.6	82.3	90.1	1.3	85.1	93.7	0.1	73.6	81.0	4.3	80.5	90.7	0.9
	Unit 2	78.4	82.1	1.4	80.8	84.8	6.3	88.4	93.1	0.6	83.4	89.0	2.8	81.0	87.9	4.1
	Unit A (1)	57.8	87.7	0.2	60.2	92.2	0.2	83.8	92.1	0.4	80.8	92.7	0.4	46.5	92.2	0.6
IRP	Unit 1 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unit 2 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unit 3 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unit A	-	97.3	80.3	-	96.8	80.8	1.1	97.7	81.6	0.1	99.4	-	0.1	99.4	74.9
	Unit B	-	95.6	58.7	-	78.5	93.9	-	95.7	96.4	0.1	92.7	83.5	0.1	99.4	74.8
Crystal River	Unit 3	85.1	82.8	0.2	100.9	98.7	0.7	83.1	78.4	8.5	99.3	100.0	-	88.9	86.5	3.0
	Unit 3	88.2	89.7	7.5	80.8	84.1	6.7	84.3	84.1	8.7	87.5	89.3	6.0	66.9	73.8	9.2
St. Lucie Plant	Unit 2	70.2	69.3	10.3	95.0	95.9	3.9	80.8	82.3	4.3	83.0	84.2	4.6	92.6	92.0	7.9

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

(1) On October 1, 2003 (year 2004), OUC began commercial operations of SECA.

(2) On October 5, 1999 (year 2000), OUC sold the steam units at the Indian River Plant. As a result of this sale, OUC entered into a purchased power agreement to purchase 593 megawatts (MW) which represents approximately 95% of the capacity from the steam units.

2004		2003		2002		2001		2000		1999		1998	
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
318	318	318	318	318	318	318	318	318	318	318	318	318	318
168	168	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	88	90	88	90
-	-	-	-	-	-	-	-	-	-	201	205	201	205
-	-	-	-	-	-	-	-	-	-	319	324	319	324
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
17	17	17	17	17	17	17	17	17	17	17	17	17	17
13	13	13	13	13	13	13	13	13	13	13	13	13	13
133	136	133	136	133	136	133	136	133	136	133	136	133	136
<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>
1,208	1,254	1,040	1,086	1,040	1,086	1,040	1,086	1,040	1,086	1,648	1,705	1,648	1,705
<u>827</u>	<u>827</u>	<u>578</u>	<u>550</u>	<u>578</u>	<u>550</u>	<u>575</u>	<u>575</u>	<u>593</u>	<u>593</u>	-	-	-	-
2,035	2,081	1,618	1,636	1,618	1,636	1,615	1,661	1,633	1,679	1,648	1,705	1,648	1,705
<u>261</u>	<u>261</u>	<u>316</u>	<u>316</u>	<u>335</u>	<u>335</u>	<u>341</u>	<u>341</u>	<u>488</u>	<u>519</u>	<u>488</u>	<u>519</u>	<u>488</u>	<u>519</u>
<u>1,774</u>	<u>1,820</u>	<u>1,302</u>	<u>1,320</u>	<u>1,283</u>	<u>1,301</u>	<u>1,274</u>	<u>1,320</u>	<u>1,145</u>	<u>1,160</u>	<u>1,160</u>	<u>1,186</u>	<u>1,160</u>	<u>1,186</u>

2004		2003		2002		2001		2000		1999		1998	
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
1,041	834	969	1,019	986	939	952	962	941	882	969	873	896	746
1,100	-	-	1,079	1,058	-	1,030	-	1,028	-	1,020	-	975	-
2004		2003		2002		2001		2000		1999		1998	
57.5		57.2		58.3		58.5		56.4		54.9		57.2	

2003			2002			2001			2000			1999			1998		
CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
82.1	90.0	1.9	78.1	88.27	3.63	84.5	92.5	0.2	76.5	82.8	2.5	77.7	87.7	2.5	80.7	88.6	2.2
77.2	81.4	3.2	78.9	86.99	5.17	85.1	92.2	0.2	85.2	91.8	1.1	69.4	78.0	3.0	84.3	92.6	0.8
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	35.3	96.6	0.2	23.2	92.8	1.5
-	-	-	-	-	-	-	-	-	-	-	-	23.7	81.7	4.2	26.2	91.3	4.0
-	-	-	-	-	-	-	-	-	-	-	-	42.2	93.8	0.1	55.4	95.0	2.2
0.7	100.0	-	1.1	88.7	25.5	2.3	100.0	0.0	2.9	100.0	0.0	3.7	99.9	0.2	0.5	98.4	6.0
0.7	92.8	20.1	1.2	99.7	14.7	2.6	100.0	0.0	2.6	99.6	11.2	3.0	95.4	54.5	1.7	96.2	0.8
2.0	90.7	11.5	2.8	100.0	-	1.6	54.4	0.9	7.5	98.1	1.2	9.2	99.8	1.3	10.8	77.1	66.9
1.9	99.7	8.7	3.5	99.6	-	4.7	87.3	0.3	6.1	93.0	44.7	8.3	95.7	2.4	12.8	94.1	18.7
99.5	97.0	0.6	93.6	91.2	0.1	96.5	94.7	1.3	84.0	83.0	2.0	102.7	100.0	-	-	63.8	36.0
93.1	82.3	11.7	79.2	61.5	7.4	91.3	92.2	3.9	92.4	85.9	5.2	96.1	99.7	4.1	60.4	62.7	16.4
82.8	82.4	3.4	94.7	90.9	1.5	100.0	98.9	1.1	92.4	91.1	0.2	88.1	87.0	3.6	74.5	99.4	0.2

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2008	2007	2006	2005
Orlando/Orange County				
Average service availability index (ASAI)	0.99994	0.99992	0.99930	0.99991
Average customer outage in minutes (SAIDI)	33.20	44.13	36.40	47.09
Average customer interruption duration index in minutes (CAIDI)	43.50	52.03	50.82	49.20
Average length of service interruption in minutes (L-Bar)	67.70	70.79	62.86	65.91
St. Cloud/Osceola County				
Average service availability index (ASAI)	0.99993	0.99989	0.99991	0.99983
Average customer outage in minutes (SAIDI) (4)	38.20	56.97	44.69	86.94
Average customer interruption duration index in minutes (CAIDI)	40.50	39.16	42.00	40.48
Average length of service interruption in minutes (L-Bar)	65.30	67.23	59.03	71.86

ELECTRICAL 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 (5)	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>	<u>186.4</u>
Total (5)	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>	<u>338.5</u>
Number of substations	29	29	29	28
Orlando distribution system (circuit miles)				
Overhead	747.9	738.3	738.5	746.5
Underground	<u>1,104.6</u>	<u>1,065.9</u>	<u>1,025.3</u>	<u>978.3</u>
Total Orlando circuit miles	<u>1,852.5</u>	<u>1,804.2</u>	<u>1,763.8</u>	<u>1,724.8</u>
St. Cloud distribution system (circuit miles)				
Overhead	240.2	236.5	236.9	234.7
Underground	<u>150.8</u>	<u>142.0</u>	<u>118.4</u>	<u>102.4</u>
Total St. Cloud circuit miles	<u>391.0</u>	<u>378.5</u>	<u>355.3</u>	<u>337.1</u>
Total OUC & St. Cloud circuit miles	<u>2,243.5</u>	<u>2,182.7</u>	<u>2,119.1</u>	<u>2,061.9</u>
Distribution expenses per circuit mile (6)	\$ 6,396	\$ 6,125	\$ 6,285	\$ 5,593
Percentages of Orlando distribution system (circuit lines)				
Overhead	40.4%	40.9%	41.9%	43.3%
Underground	59.6%	59.1%	58.1%	56.7%
Percentages of St. Cloud distribution system (circuit lines)				
Overhead	61.4%	62.5%	66.7%	69.6%
Underground	38.6%	37.5%	33.3%	30.4%

(1) This data does not reflect the interruption of service caused by hurricanes Charley, Frances and Jeanne in 2004.

(2) In 1998, the computation excludes the St. Cloud service area.

(3) 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. Since these events occurred during a period when storms occur frequently, the year to date calculation was lower than the prior year. If more normalized weather had occurred, the SAIDI for 2004 would be comparable to 2003.

2004 (1)	2003	2002	2001	2000	1999	1998 (2)
0.99992 41.22 (3)	0.99991 45.44	0.99993 35.56	0.99991 34.63	0.99993 34.56	0.99993 31.00	0.99991 47.66
51.03	41.83	30.77	32.42	35.09	43.90	43.40
64.85	68.12	59.00	57.00	61.00	62.00	64.00
0.99984 84.08	0.99975 129.51	0.99983 87.14	0.99988 98.08	0.99988 64.82	0.99982 86.96	- -
48.97	41.19	36.54	33.04	54.04	38.30	-
60.00	58.83	54.00	49.00	60.00	64.00	-
20.6	20.6	20.6	19.0	19.0	19.0	-
131.5	131.5	123.9	123.9	123.9	123.9	123.2
<u>186.4</u>	<u>186.4</u>	<u>185.6</u>	<u>181.2</u>	<u>181.2</u>	<u>181.2</u>	<u>156.7</u>
<u>338.5</u>	<u>338.5</u>	<u>330.1</u>	<u>324.1</u>	<u>324.1</u>	<u>324.1</u>	<u>279.9</u>
28	28	27	26	26	26	26
738.3	733.5	729.4	866.3	917.6	908.5	904.6
<u>924.6</u>	<u>872.8</u>	<u>796.6</u>	<u>874.3</u>	<u>762.4</u>	<u>701.9</u>	<u>690.7</u>
1,662.9	1,606.3	1,526.0	1,740.6	1,680.0	1,610.4	1,595.3
227.6	225.5	132.8	124.4	116.7	113.1	109.6
<u>80.2</u>	<u>66.4</u>	<u>38.4</u>	<u>36.0</u>	<u>33.8</u>	<u>32.8</u>	<u>31.8</u>
<u>307.8</u>	<u>291.9</u>	<u>171.2</u>	<u>160.4</u>	<u>150.5</u>	<u>145.9</u>	<u>141.4</u>
<u>1,970.7</u>	<u>1,898.2</u>	<u>1,697.2</u>	<u>1,901.0</u>	<u>1,830.5</u>	<u>1,756.3</u>	<u>1,736.7</u>
\$ 4,909	\$ 5,184	\$ 5,408	\$ 5,839	\$ 5,236	\$ 4,257	\$ 4,617
44.4%	45.7%	47.8%	49.8%	54.6%	56.4%	56.7%
55.6%	54.3%	52.2%	50.2%	45.4%	43.6%	43.3%
73.9%	77.3%	77.6%	77.6%	77.5%	77.5%	77.5%
26.1%	22.7%	22.4%	22.4%	22.5%	22.5%	22.5%

(4) 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 trimmings.

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

(6) In 2001, OUC reorganized operations and maintenance costs for Distribution and Transmission transferring low-side transmission related costs from Transmission to Distribution.

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
ELECTRIC PLANT, net				
Generating Plant				
Stanton Energy Center Units #1 & #2	\$ 448,549	\$ 462,050	\$ 481,651	\$ 496,681
Stanton Energy Center Unit A (1)	61,410	56,971	59,789	61,169
McIntosh #3	46,867	47,251	51,700	55,948
St. Lucie #2 (2)	66,579	58,317	52,665	48,520
Indian River Plant (3)	19,892	22,266	24,818	28,176
Crystal River #3 (2)	6,121	5,642	5,794	6,233
St. Cloud Diesel Plant (4)	-	-	-	-
Allowance for Decommissioning (2)	-	-	-	-
Total Generating Plant	649,418	652,497	676,417	696,727
Distribution Plant (5)	451,604	438,367	406,461	374,450
Transmission Plant (5)	173,332	166,739	164,753	147,808
Other Electric Plant (6)	27,765	7,707	3,810	8,322
	1,302,119	1,265,310	1,251,441	1,227,307
COMMON PLANT, net (7)	42,477	46,329	37,104	43,127
TOTAL ELECTRIC PLANT, net	<u>\$1,344,596</u>	<u>\$1,311,639</u>	<u>\$1,288,545</u>	<u>\$1,270,434</u>

FUEL MIX STATISTICS (Dollars in thousands)

Cost of fuel				
Coal	\$ 163,964	\$ 139,960	\$ 145,048	\$ 120,496
Gas	164,696	140,780	163,545	166,929 (8)
Oil (9)	1,320	736	255	33,243 (8)
Nuclear	3,015	2,636	1,971	2,357
Total system	<u>\$ 332,995</u>	<u>\$ 284,112</u>	<u>\$ 310,819</u>	<u>\$ 323,025</u>
Fuel cost per million BTU				
Coal	\$ 3.09	\$ 2.57	\$ 2.56	\$ 2.31
Gas	\$ 10.83	\$ 8.96	\$ 10.42	\$ 8.78 (8)
Oil (9)	\$ 17.85	\$ 12.39	\$ 4.28	\$ 7.88 (8)
Nuclear	\$ 0.58	\$ 0.47	\$ 0.39	\$ 0.41
System average fuel cost	\$ 4.52	\$ 3.75	\$ 4.02	\$ 3.98
System Fuel Mix Percentage (Based on generation) (10)				
Coal	72.1%	71.8%	73.1%	64.3%
Natural gas	20.7%	20.7%	20.3%	23.4% (8)
Oil	0.1%	0.1%	0.1%	5.2% (8)
Nuclear	7.1%	7.4%	6.5%	7.1%
Total system	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Stanton A - Combined Cycle Plant began commercial operations on October 1, 2003 (year 2004). The power generated prior to the commercial operations date is excluded from operations and capitalized along with revenue earned during 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 million for the differential of the net present value retirement obligation of OUC's interest in the St. Lucie Unit 2 and Crystal River 3 nuclear power plants and the existing amount of accrued retirement obligations, previously recorded as allowance for decommissioning.

(3) On October 5, 1999 (year 2000), OUC sold its ownership interest in the steam units at the Indian River Plant (IRP) site.

(4) Actual plant was constructed by St. Cloud. As part of the interlocal agreement, OUC is the operator and, as such, has incurred costs to improve the plant.

(5) In fiscal year 2001, OUC reorganized operations and maintenance costs for Distribution and Transmission transferring low-side transmission related costs from Transmission to Distribution.

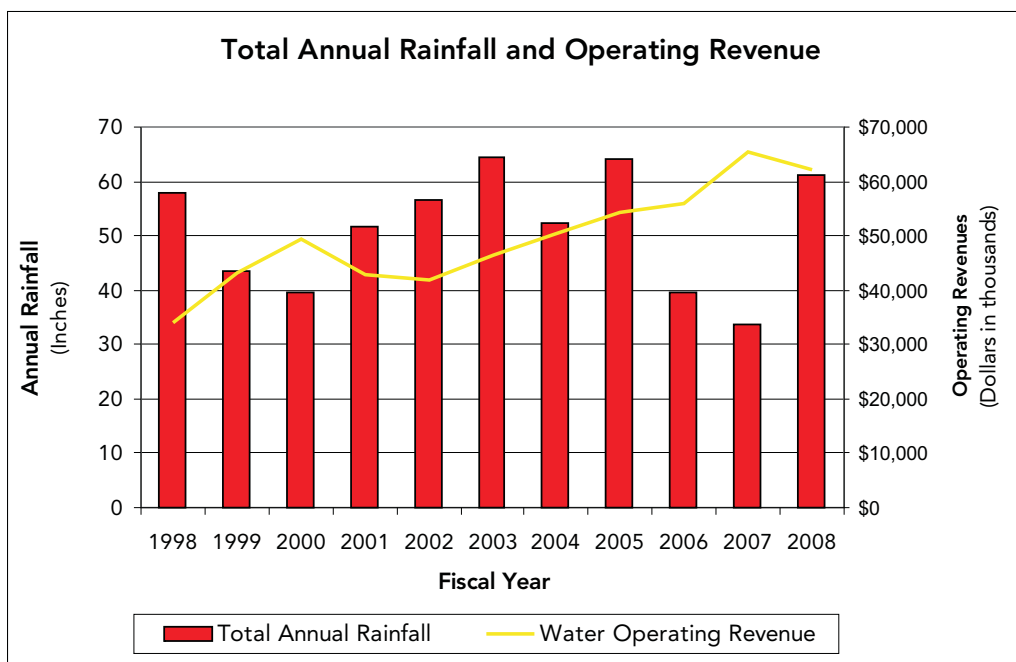
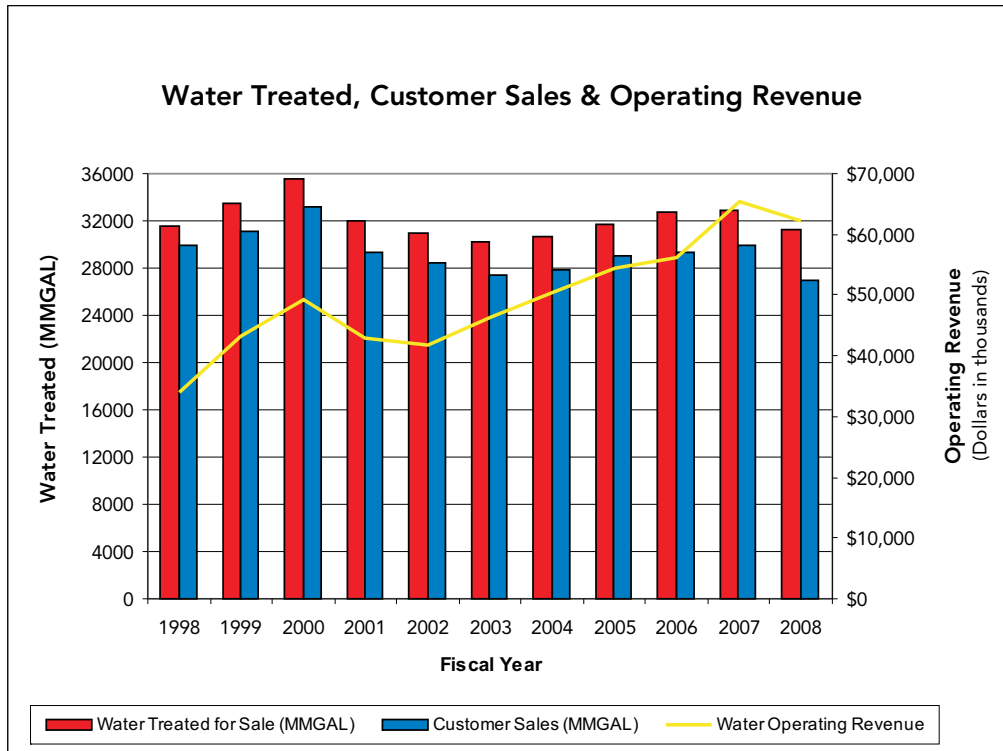
2004	2003	2002	2001	2000	1999	1998
\$ 511,101	\$ 503,279	\$ 519,021	\$ 533,193	\$ 552,237	\$ 565,667	\$ 580,070
64,191	70,889	-	-	-	-	-
55,381	56,199	60,451	62,207	65,723	67,568	65,533
46,455	45,223	33,864	40,234	47,443	51,945	63,629
34,646	34,588	37,355	41,713	36,477	71,649	75,054
6,171	6,815	3,629	3,602	3,381	2,770	3,093
118	128	139	-	-	-	-
-	-	(25,382)	(22,745)	(19,284)	(16,251)	(13,766)
718,063	717,121	629,077	658,204	685,977	743,348	773,613
368,022	363,112	343,767	316,507	260,399	257,005	258,324
131,995	131,121	129,536	117,261	162,256	153,295	155,221
10,852	11,036	8,386	8,487	5,970	10,193	6,630
1,228,932	1,222,390	1,110,766	1,100,459	1,114,602	1,163,841	1,193,788
47,595	48,551	48,956	50,647	45,138	49,556	34,990
<u>\$ 1,276,527</u>	<u>\$ 1,270,941</u>	<u>\$ 1,159,722</u>	<u>\$ 1,151,106</u>	<u>\$ 1,159,740</u>	<u>\$ 1,213,397</u>	<u>\$ 1,228,778</u>
\$ 101,887	\$ 92,254	\$ 89,576	\$ 95,270	\$ 89,070	\$ 84,282	\$ 89,468
117,455 (8)	25,466 (8)	18,867 (8)	29,522 (8)	39,335 (8)	39,442	28,604
35,088 (8)	49,983 (8)	30,314 (8)	47,761 (8)	28,523 (8)	17,574	20,638
2,351	1,813	1,786	2,268	2,185	2,951	2,068
<u>\$ 256,781</u>	<u>\$ 169,516</u>	<u>\$ 140,543</u>	<u>\$ 174,821</u>	<u>\$ 159,113</u>	<u>\$ 144,249</u>	<u>\$ 140,778</u>
\$ 1.98	\$ 1.77	\$ 1.75	\$ 1.73	\$ 1.68	\$ 1.79	\$ 1.80
\$ 6.55 (8)	\$ 5.46 (8)	\$ 4.24 (8)	\$ 5.31 (8)	\$ 4.92 (8)	\$ 2.67	\$ 3.03
\$ 5.39 (8)	\$ 4.75 (8)	\$ 3.47 (8)	\$ 4.24 (8)	\$ 4.42 (8)	\$ 2.20	\$ 2.26
\$ 0.43	\$ 0.33	\$ 0.31	\$ 0.38	\$ 0.38	\$ 0.50	\$ 0.48
\$ 3.16	\$ 2.33	\$ 2.01	\$ 2.25	\$ 2.18	\$ 1.90	\$ 1.94
63.2%	71.4%	72.8%	70.8%	72.0%	62.2%	68.3%
22.1% (8)	6.4% (8)	6.4% (8)	7.1% (8)	11.3% (8)	19.5%	13.1%
8.0% (8)	14.5% (8)	12.5% (8)	14.5% (8)	8.9% (8)	10.6%	12.6%
6.7%	7.7%	8.3%	7.6%	7.8%	7.7%	6.0%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

- (6) In November 2007, OUC and Southern Power terminated the construction of the gasified portion of the new generation facility. The settlement agreement provided for an exchange of land estimated to be valued at \$27.5 million for liquidating damage.
- (7) In 2008, OUC accelerated the hires on PSERM and the Pershing and Gardenia office buildings. In 2005, OUC negotiated a settlement with the Florida Department of Transportation (FDOT) as a result of an eminent domain action to secure a portion of land which the OUC's Administration building's parking garage resides for the expansion of the I-4/SR 408 Interchange. In respect to the capital assets associated with this transaction, OUC recognized an impairment expense to write-down the Administration building to lower of cost or market in the amount of \$7.3 million in 2005.
- (8) Natural gas and oil costs and their associated percentages include the nominated fuel-mix ratio from energy purchased under the purchased power agreement at the IRP. All energy purchased under this agreement was indexed to natural gas and No. 6 fuel oil markets. The agreement expired in 2005.
- (9) In 2006, oil costs were offset by a \$542 thousand refund from the Department of Energy for crude oil. Had this transaction not occurred, oil costs per BTU in 2007 would be slightly lower than 2006 (\$13.37 per BTU). This is due to a reduction in actual oil costs.
- (10) This percentage includes fuel used for retail transactions.



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WATER BUSINESS OPERATIONS



In 2000 and 2001, operating revenues have been adjusted to include the SFAS No. 71 deferral of revenue of \$3 million and \$4 million, respectively.

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

Years Ended September 30	2008	2007	2006	2005
Operating revenues				
Residential (1)	\$ 31,291	\$ 33,173	\$ 27,336	\$ 26,676
Commercial (1)	14,048	14,893	11,942	11,962
Industrial (1)	1,793	1,901	1,369	1,480
Irrigation (1)	10,969	11,628	11,546	10,090
Fire protection	2,035	1,755	1,564	1,554
Service fees	1,562	1,756	1,810	1,764
Resale and other	526	322	465	835
Total operating revenues (2)	<u>62,224</u>	<u>65,428</u>	<u>56,032</u>	<u>54,361</u>
Operations and maintenance expenses				
Production	13,738	13,531	13,006	11,830
Distribution	6,849	5,526	4,026	4,198
Storm recovery costs (3)	8	-	-	-
Customer service	6,794	7,016	6,405	4,834
General & administrative	7,688	6,948	6,305	5,855
Total operations and maintenance expenses	<u>35,077</u>	<u>33,021</u>	<u>29,742</u>	<u>26,717</u>
Other expenses				
Property tax	61	64	62	52
Revenue based payments to the City of Orlando	1,855	1,893	1,599	1,510
Depreciation & amortization (4)	19,064	16,071	13,808	14,220
Total other expenses	<u>20,980</u>	<u>18,028</u>	<u>15,469</u>	<u>15,782</u>
Total operating expenses	<u>56,057</u>	<u>51,049</u>	<u>45,211</u>	<u>42,499</u>
Non-operating income				
Interest income	2,950	3,655	2,921	1,450
Gain/(loss) on investments (5)	(293)	304	185	(15)
Non-operating income/(loss), net	582	682	484	508
Total non-operating income	<u>3,239</u>	<u>4,641</u>	<u>3,590</u>	<u>1,943</u>
Non-operating expenses				
Bond interest and other related expenses	11,101	12,466	12,790	12,072
Intercompany net interest (income)/expense (6)	(270)	(266)	(350)	(311)
Total non-operating expenses	<u>10,831</u>	<u>12,200</u>	<u>12,440</u>	<u>11,761</u>
Water income/(loss) before contributions	(1,425)	6,820	1,971	2,044
Contributions in aid of construction (7)	13,655	17,155	14,816	13,409
Annual dividend	<u>(821)</u>	<u>3,665</u>	<u>1,525</u>	<u>1,226</u>
Increase in net assets	<u>\$ 13,051</u>	<u>\$ 20,310</u>	<u>\$ 15,262</u>	<u>\$ 14,227</u>

(1) In conjunction with the implementation of PSERM in 2007, OUC continues to refine its process for the classification of revenue, consumption and active service statistics.

(2) In 2008, water revenues decreased due to weakening 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 revenue was primarily due to a 13.1% rate change in January 2007 coupled with more graduated irrigation rates.

(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 million of storm recovery expenses. 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.

2004	2003	2002	2001	2000	1999	1998
\$ 25,173	\$ 23,063	\$ 22,658	\$ 21,119	\$ 24,850	\$ 23,263	\$ 18,524
11,497	10,970	9,708	9,028	10,248	9,420	7,421
1,453	1,489	1,327	1,191	1,567	1,804	1,392
9,131	7,815	5,861	5,755	7,812	6,933	4,947
1,306	1,229	1,076	950	1,055	915	784
1,416	1,019	548	542	504	582	698
484	722	676	228	353	229	236
<u>50,460</u>	<u>46,307</u>	<u>41,854</u>	<u>38,813</u>	<u>46,389</u>	<u>43,146</u>	<u>34,002</u>
10,028	9,254	8,652	8,370	8,418	8,142	7,207
3,992	3,432	3,083	2,507	2,760	2,185	2,301
147	-	-	-	-	-	-
5,003	4,479	4,212	4,173	4,696	3,980	3,141
5,283	4,848	5,086	4,871	3,485	3,349	3,154
<u>24,453</u>	<u>22,013</u>	<u>21,033</u>	<u>19,921</u>	<u>19,359</u>	<u>17,656</u>	<u>15,803</u>
60	46	48	38	30	26	27
1,362	1,280	1,130	1,168	1,226	1,057	905
11,944	10,740	9,897	11,264	12,152	8,595	6,831
13,366	12,066	11,075	12,470	13,408	9,678	7,763
<u>37,819</u>	<u>34,079</u>	<u>32,108</u>	<u>32,391</u>	<u>32,767</u>	<u>27,334</u>	<u>23,566</u>
676	1,218	2,485	3,462	4,141	1,244	2,150
(11)	(65)	42	26	195	(399)	195
498	624	1,053	998	692	263	180
<u>1,163</u>	<u>1,777</u>	<u>3,580</u>	<u>4,486</u>	<u>5,028</u>	<u>1,108</u>	<u>2,525</u>
12,449	13,011	13,668	14,385	13,166	11,722	10,684
(613)	-	-	-	-	-	-
<u>11,836</u>	<u>13,011</u>	<u>13,668</u>	<u>14,385</u>	<u>13,166</u>	<u>11,722</u>	<u>10,684</u>
1,968	994	(342)	(3,477)	5,484	5,198	2,277
12,022	8,301	8,177	6,385	7,680	7,140	5,924
1,181	596	(205)	(2,086)	3,290	3,119	1,366
<u>\$ 12,809</u>	<u>\$ 8,699</u>	<u>\$ 8,040</u>	<u>\$ 4,994</u>	<u>\$ 9,874</u>	<u>\$ 9,219</u>	<u>\$ 6,835</u>

- (4) In 2008, depreciation and amortization expense increased due to a change in useful life for in-service water meters. The increase in 2007 was due to increased depreciation costs for the ozone generators due to a change in depreciable life. In 2005, OUC commenced depreciation for various new capital additions. During years 1999 through 2001 depreciation and amortization costs increased due to the inclusion of abandonment/demolition costs for several water plans in conjunction with OUC's Water Project 2000 initiative.
- (5) Amounts include gains and losses on the valuation of the investments with the exception of investments held in the Debt Service fund. The Debt service reserve fund investments are recorded at amortized cost, as OUC intends to retain these investments until they have reached maturity or the series has been refunded.
- (6) The amount represents the internal loan interest income related to intercompany borrowings for Chilled water capital projects.
- (7) In 2008, the decrease in CIAC was due to a weakening economy and the slow down in growth within the Central Florida area.

WATER CONSUMPTION AND FINANCIAL EXPENSE RATIOS

Years Ended September 30	2008 (1)	2007 (1)	2006	2005
Profile of consumption & revenue by type of customer				
Residential service				
MGAL sales per customer	125	141	140	141
Revenue per customer	\$ 289	\$ 312	\$ 265	\$ 263
Revenue per MGAL	\$2.3155	\$2.2071	\$1.8933	\$1.8720
Commercial service				
MGAL sales per customer	623	709	703	718
Revenue per customer	\$ 1,101	\$ 1,194	\$ 988	\$ 1,004
Revenue per MGAL	\$1.7666	\$1.6839	\$1.4051	\$1.3972
Industrial service				
MGAL sales per customer	5,343	6,167	5,606	6,160
Revenue per customer	\$ 8,611	\$ 9,474	\$ 7,092	\$ 7,646
Revenue per MGAL	\$1.6116	\$1.5362	\$1.2650	\$1.2412
Irrigation service				
MGAL sales per customer	267	294	319	295
Revenue per customer	\$ 688	\$ 721	\$ 719	\$ 660
Revenue per MGAL	\$2.5771	\$2.4565	\$2.2565	\$2.2359
Selected financial expense ratios				
Total operations & maintenance expense per MGAL (2) (3)	\$1.3024	\$1.1035	\$1.0172	\$0.9237
Total operation & maintenance expense per metered service (2)	256	245	226	208
Customer service expense per metered service	50	52	49	38
General & administrative expense per metered service	56	52	48	45

(1) In conjunction with the implementation of PSERM in 2007, OUC continues to refine its process for the classification of revenue, consumption and active service statistics.

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

2004	2003	2002	2001	2000	1999	1998
141 \$ 255 \$1.8072	141 \$ 239 \$1.6985	151 \$ 237 \$1.5669	159 \$ 222 \$1.3965	180 \$ 264 \$1.4646	173 \$ 250 \$1.4457	168 \$ 202 \$1.1991
706 \$ 984 \$1.3943	724 \$ 959 \$1.3246	710 \$ 863 \$1.2165	729 \$ 815 \$1.1173	775 \$ 935 \$1.2073	729 \$ 870 \$1.1930	721 \$ 696 \$0.9657
6,010 \$ 7,546 \$1.2554	6,395 \$ 7,837 \$1.2255	6,197 \$ 7,059 \$1.1391	5,953 \$ 6,268 \$1.0530	6,772 \$ 8,120 \$1.1991	7,169 \$ 9,369 \$1.3069	9,160 \$ 7,307 \$0.7977
304 \$ 642 \$2.1103	292 \$ 583 \$1.9956	344 \$ 456 \$1.3266	390 \$ 466 \$1.1962	533 \$ 671 \$1.2598	520 \$ 651 \$1.2539	500 \$ 505 \$1.0101
\$0.8755	\$0.8061	\$0.7401	\$0.6811	\$0.5843	\$0.5695	\$0.5286
195	181	176	168	166	154	141
40	37	35	35	40	35	28
42	40	42	41	30	29	28

(3) 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.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
Water operating ratio				
Water operation & maintenance expenses/ operating revenues (1) (2)	0.55	0.50	0.53	0.49
Water income/(loss) before contributions per revenue dollar				
Water income/(loss) before contributions/total water operating revenue (1) (2)	(0.01)	0.10	0.04	0.04

ACTIVE SERVICES (3)

Residential	108,245	108,374	103,866	102,674
Commercial	12,757	12,772	12,165	12,017
Industrial	208	208	193	193
Irrigation	15,932	15,952	16,288	15,835
Total metered services	<u>137,142</u>	<u>137,306</u>	<u>132,512</u>	<u>130,719</u>

FIRE PROTECTION (3)

Fire protection services	4,124	3,596	4,186	3,987
Hydrants	9,578	9,451	9,118	8,891
Total fire protection	<u>13,702</u>	<u>13,047</u>	<u>13,304</u>	<u>12,878</u>

CONSUMPTION (MMGAL) (3)

Residential	13,513	15,030	14,439	14,250
Commercial	7,952	8,844	8,499	8,561
Industrial	1,113	1,237	1,082	1,192
Irrigation	4,256	4,734	5,117	4,513
Resale	140	139	165	464
Totals	<u>26,974</u>	<u>29,984</u>	<u>29,302</u>	<u>28,980</u>

- (1) In 2008 and in 2004, storm recovery expenses related to FEMA declared storms were excluded from these computations.
- (2) Excluding the recognition of water stabilization funds, the water operating ratio would have been 0.57 and the water income/(loss) before contributions per revenue dollar would have been (0.04). In 2007, the water operating ratio decreased as a result of both increased operating revenue and increased O&M expenses. Operating revenue increased at a higher percentage (17%) as compared to the increase in O&M expenses (11%).

2004	2003	2002	2001	2000	1999	1998
0.48	0.48	0.50	0.51	0.42	0.41	0.46
0.04	0.02	(0.01)	(0.09)	0.12	0.12	0.07
99,942	97,354	95,829	95,254	94,643	93,678	92,285
11,820	11,543	11,330	11,164	10,997	10,918	10,745
194	191	189	187	193	193	192
<u>14,756</u>	<u>13,686</u>	<u>13,118</u>	<u>12,592</u>	<u>12,102</u>	<u>11,168</u>	<u>10,116</u>
<u>126,712</u>	<u>122,774</u>	<u>120,466</u>	<u>119,197</u>	<u>117,935</u>	<u>115,957</u>	<u>113,338</u>
3,749	3,551	3,428	3,295	3,128	2,571	2,141
<u>8,822</u>	<u>6,908</u>	<u>6,736</u>	<u>6,646</u>	<u>6,544</u>	<u>6,439</u>	<u>6,360</u>
<u>12,571</u>	<u>10,459</u>	<u>10,164</u>	<u>9,941</u>	<u>9,672</u>	<u>9,010</u>	<u>8,501</u>
13,929	13,579	14,461	15,124	16,967	16,093	15,448
8,246	8,282	7,980	8,080	8,488	7,896	7,685
1,157	1,215	1,165	1,131	1,307	1,380	1,745
4,327	3,916	4,418	4,811	6,201	5,529	4,898
<u>172</u>	<u>375</u>	<u>459</u>	<u>160</u>	<u>223</u>	<u>150</u>	<u>169</u>
<u>27,831</u>	<u>27,367</u>	<u>28,483</u>	<u>29,306</u>	<u>33,186</u>	<u>31,048</u>	<u>29,945</u>

(3) In conjunction with the implementation of PSERM in 2007, OUC continues to refine its process for the classification of revenue, consumption and active service statistics.

WATER UTILITY PLANT, net (Dollars in thousands)

Years Ended September 30	2008	2007	2006	2005
Production	\$ 158,635	\$ 162,259	\$ 156,382	\$ 162,574
Transmission & Distribution	177,709	170,969	158,109	151,389
General	<u>113</u>	<u>685</u>	<u>5,626</u>	<u>3,695</u>
	336,457	333,913	320,117	317,658
Common Plant, net	<u>14,159</u>	<u>15,443</u>	<u>12,368</u>	<u>14,376</u>
Total Water Plant, net	<u>\$ 350,616</u>	<u>\$ 349,356</u>	<u>\$ 332,485</u>	<u>\$ 332,034</u>

WATER PHYSICAL STATISTICS

Miles of pipe	1,755	1,729	1,714	1,695
Number of public hydrants	9,578	9,451	9,118	7,235
Number of wells (1)	34	34	34	34
Reservoir capacity (MGAL) (1)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day) (1)	274	274	274	274
Raw water capacity (MGAL per day) (1)	184.0	184.0	184.0	184.0
Peak day (MGAL)	111.2	111.4	114.6	108.3
Per capita, gallons pumped per day total system	203	216	216	211
Per capita, gallons consumed per day residential only (2)	88	98	95	94

WATER PRODUCTION (MGAL)

Water treated (2)	31,047,104	32,950,881	32,739,861	31,784,278
Amount used by OUC's Water Production facilities	<u>29,040</u>	<u>72,995</u>	<u>73,000</u>	<u>27,290</u>
Water treated for sale	<u>31,018,064</u>	<u>32,877,886</u>	<u>32,666,861</u>	<u>31,756,988</u>
Sales				
Retail customers	26,599,439	29,768,879	28,933,432	28,309,265
Inter-department use (3)	234,186	76,107	203,177	206,787
Wholesale customers (3)	<u>140,145</u>	<u>139,441</u>	<u>165,176</u>	<u>464,299</u>
Total sales	<u>26,973,770</u>	<u>29,984,427</u>	<u>29,301,785</u>	<u>28,980,351</u>
Unbilled	<u>4,044,294</u>	<u>2,893,459</u>	<u>3,365,076</u>	<u>2,776,637</u>
Unbilled as a percent of water treated for sale	13.04%	8.80%	10.30%	8.74%

(1) In 2000, the reservoir capacity decreased as a result of the demolition of the Kuhl, Primrose and Dr. Phillips water plants. In conjunction with the demolition of these plants, the wells were fully retired from service.

(2) This amount represents the raw water pumped.

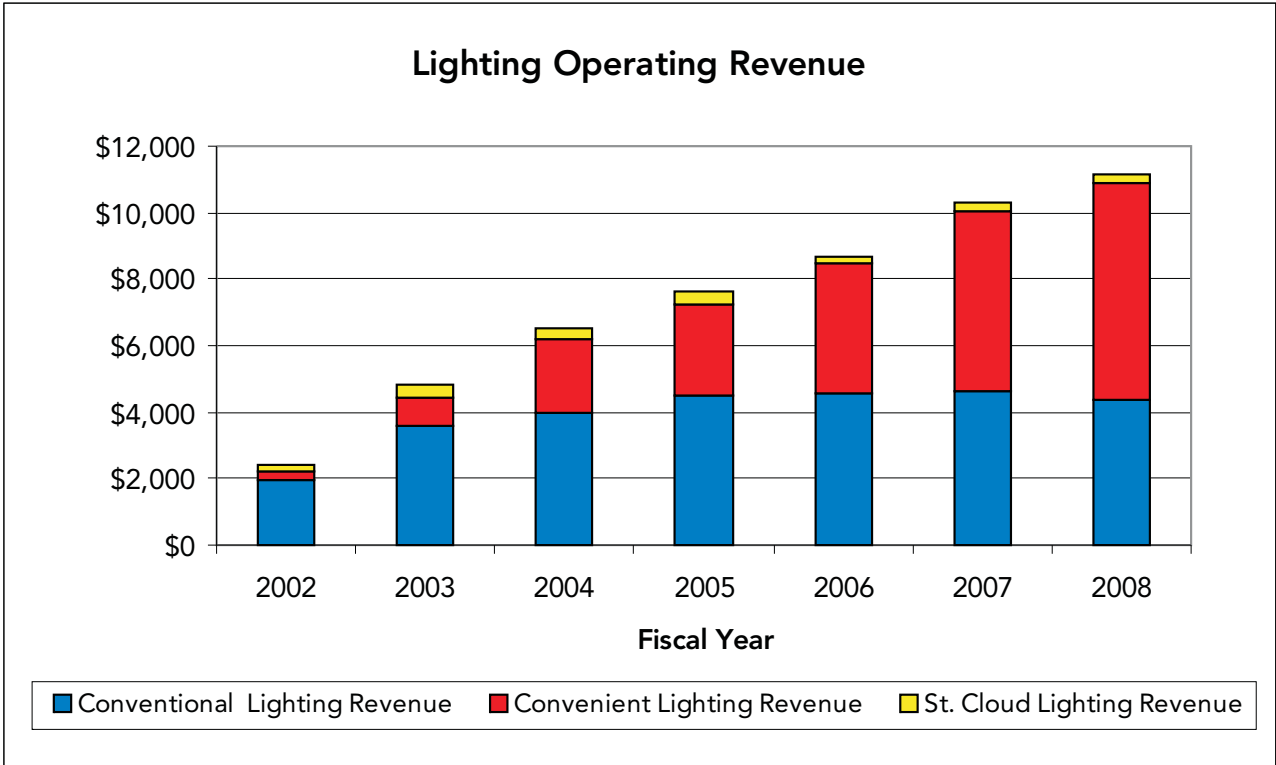
(3) In conjunction with the implementation of PSERM, OUC continues to refine its process for the classification of revenue, consumption and active service statistics.

2004	2003	2002	2001	2000	1999	1998
\$ 161,540	\$ 149,860	\$ 154,158	\$ 141,063	\$ 140,885	\$ 131,856	\$ 66,415
149,360	139,517	133,356	126,305	116,876	107,170	102,210
<u>6,961</u>	<u>5,084</u>	<u>4,994</u>	<u>4,738</u>	<u>3,532</u>	<u>3,913</u>	<u>19,088</u>
317,861	294,461	292,508	272,106	261,293	242,939	187,713
15,865	16,183	16,318	16,882	15,046	16,519	11,663
<u>\$ 333,726</u>	<u>\$ 310,644</u>	<u>\$ 308,826</u>	<u>\$ 288,988</u>	<u>\$ 276,339</u>	<u>\$ 259,458</u>	<u>\$ 199,376</u>
1,679	1,644	1,616	1,593	1,563	1,533	1,503
7,154	6,908	6,736	6,646	6,544	6,439	6,027
34	34	33	35	33	42	42
28.5	28.5	30.5	28.5	28.5	32	32
271	262	262	252	252	308	308
182.0	182.0	182.0	182.0	174.0	204.1	204.1
118.0	107.5	109.7	112.0	132.6	114.0	127.9
208	210	216	225	252	247	234
95	94	104	106	120	118	114
30,656,166	30,290,165	30,920,794	31,949,544	35,607,175	33,826,251	31,577,654
19,919	20,471	21,481	18,119	21,024	337,101	34,317
<u>30,636,247</u>	<u>30,269,694</u>	<u>30,899,313</u>	<u>31,931,425</u>	<u>35,586,151</u>	<u>33,489,150</u>	<u>31,543,337</u>
27,466,944	26,792,398	27,815,255	29,075,981	32,875,594	30,819,144	29,737,183
191,545	199,009	209,182	69,208	87,388	78,951	38,437
<u>172,320</u>	<u>375,302</u>	<u>458,774</u>	<u>160,622</u>	<u>222,948</u>	<u>150,434</u>	<u>169,191</u>
27,830,809	27,366,709	28,483,211	29,305,811	33,185,930	31,048,529	29,944,811
<u>2,805,438</u>	<u>2,902,985</u>	<u>2,416,102</u>	<u>2,625,614</u>	<u>2,400,221</u>	<u>2,440,621</u>	<u>1,598,526</u>
9.16%	9.59%	7.82%	8.22%	6.74%	7.29%	5.07%



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LIGHTING BUSINESS OPERATIONS



Prior to 2002, OUC's Conventional lighting was an integrated part of Electric Distribution. 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	2008	2007	2006	2005
Operating revenues				
Lighting - Conventional	\$ 4,350	\$ 4,599	\$ 4,564	\$ 4,498
Lighting - Convenient	6,554	5,448	3,891	2,751
Lighting - St. Cloud (2)	236	244	233	378
Service fees and other	143	146	197	69
Total Lighting operating revenues	<u>11,283</u>	<u>10,437</u>	<u>8,885</u>	<u>7,696</u>
Operations and maintenance expenses				
Lighting - Conventional	2,457	1,944	1,788	1,913
Lighting - Convenient	1,259	868	874	535
Lighting - St. Cloud	137	97	109	121
Storm recovery costs (3)	-	-	-	-
Customer service	734	645	717	585
General & administrative	726	598	685	628
Total operations and maintenance expenses	<u>5,313</u>	<u>4,152</u>	<u>4,173</u>	<u>3,782</u>
Other expenses				
Utility/property tax	2	2	2	2
Depreciation & amortization	2,815	3,266	2,579	2,327
Total other expenses	<u>2,817</u>	<u>3,268</u>	<u>2,581</u>	<u>2,329</u>
Total operating expenses	<u>8,130</u>	<u>7,420</u>	<u>6,754</u>	<u>6,111</u>
Non-operating income				
Interest income (4)	475	582	181	88
Gain/(loss) on investments	(22)	38	20	(4)
Non-operating income, net	28	30	29	31
Total non-operating income	<u>481</u>	<u>650</u>	<u>230</u>	<u>115</u>
Non-operating expenses				
Bond interest and other related expenses	2,038	1,925	1,285	1,034
Intercompany net interest (income)/expense (5)	(25)	(24)	58	47
Total non-operating expenses	<u>2,013</u>	<u>1,901</u>	<u>1,343</u>	<u>1,081</u>
Lighting income before contributions	1,621	1,766	1,018	619
Contributions in aid of construction	106	316	499	43
Annual dividend	<u>932</u>	<u>949</u>	<u>788</u>	<u>371</u>
Increase in net assets	<u>\$ 795</u>	<u>\$ 1,133</u>	<u>\$ 729</u>	<u>\$ 291</u>

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

(2) Beginning in 2003, St. Cloud's convenient lighting was reported as Lighting - Convenient. Prior to this the St. Cloud convenient lighting was reported along with the St. Cloud conventional lighting as Lighting - St. Cloud.

(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 million of storm recovery expenses. 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.

2004	2003	2002 (1)	2001	2000	1999	1998
\$ 3,972	\$ 3,617	\$ 1,925	\$ -	\$ -	\$ -	\$ -
2,241	840	311	-	-	-	-
298	358	157	-	-	-	-
140	-	-	-	-	-	-
<u>6,651</u>	<u>4,815</u>	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,457	1,241	1,431	-	-	-	-
418	179	14	-	-	-	-
79	109	115	-	-	-	-
176	-	-	-	-	-	-
560	448	253	-	-	-	-
484	431	406	-	-	-	-
<u>3,174</u>	<u>2,408</u>	<u>2,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3	4	6	-	-	-	-
2,174	1,744	1,432	-	-	-	-
2,177	1,748	1,438	-	-	-	-
<u>5,351</u>	<u>4,156</u>	<u>3,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
12	(165)	120	-	-	-	-
(6)	(15)	(39)	-	-	-	-
30	30	12	-	-	-	-
<u>36</u>	<u>(150)</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,059	708	754	-	-	-	-
(76)	-	-	-	-	-	-
<u>983</u>	<u>708</u>	<u>754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
353	(199)	(1,925)	-	-	-	-
545	185	1,390	-	-	-	-
212	(119)	(1,155)	-	-	-	-
<u>\$ 686</u>	<u>\$ 105</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

SELECTED FINANCIAL RATIOS

Years Ended September 30	2008	2007	2006	2005
Lighting operating ratio				
Lighting operation & maintenance expenses/operating revenues (1)	0.47	0.40	0.47	0.49
Lighting income before contributions per revenue dollar				
Lighting income before contributions/total Lighting operating revenues (1)	0.14	0.17	0.11	0.08

LIGHTING UTILITY PLANT, net (Dollars in thousands)

Conventional	\$ 8,442	\$ 8,237	\$ 9,125	\$ 9,933
Convenient	<u>36,282</u>	<u>30,080</u>	<u>22,894</u>	<u>15,931</u>
Total OUC Lighting	44,724	38,317	32,019	25,864
St. Cloud	<u>756</u>	<u>793</u>	<u>762</u>	<u>636</u>
Total Lighting, net	<u>\$ 45,480</u>	<u>\$ 39,110</u>	<u>\$ 32,781</u>	<u>\$ 26,500</u>

ACTIVE SERVICES (2)

Lighting – private	13,282	13,546	10,781	10,741
Lighting – public	<u>132</u>	<u>129</u>	<u>121</u>	<u>118</u>
Total OUC Lighting services	<u>13,414</u>	<u>13,675</u>	<u>10,902</u>	<u>10,859</u>

CONSUMPTION (MWH) (2)

Lighting – private	27,298	24,154	19,901	18,492
Lighting – public	<u>28,742</u>	<u>29,195</u>	<u>28,607</u>	<u>27,243</u>
Total OUC Lighting sales	56,040	53,349	48,508	45,735
Lighting - St. Cloud	<u>2,797</u>	<u>2,775</u>	<u>2,574</u>	<u>2,670</u>
Total Lighting services	<u>58,837</u>	<u>56,124</u>	<u>51,082</u>	<u>48,405</u>

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

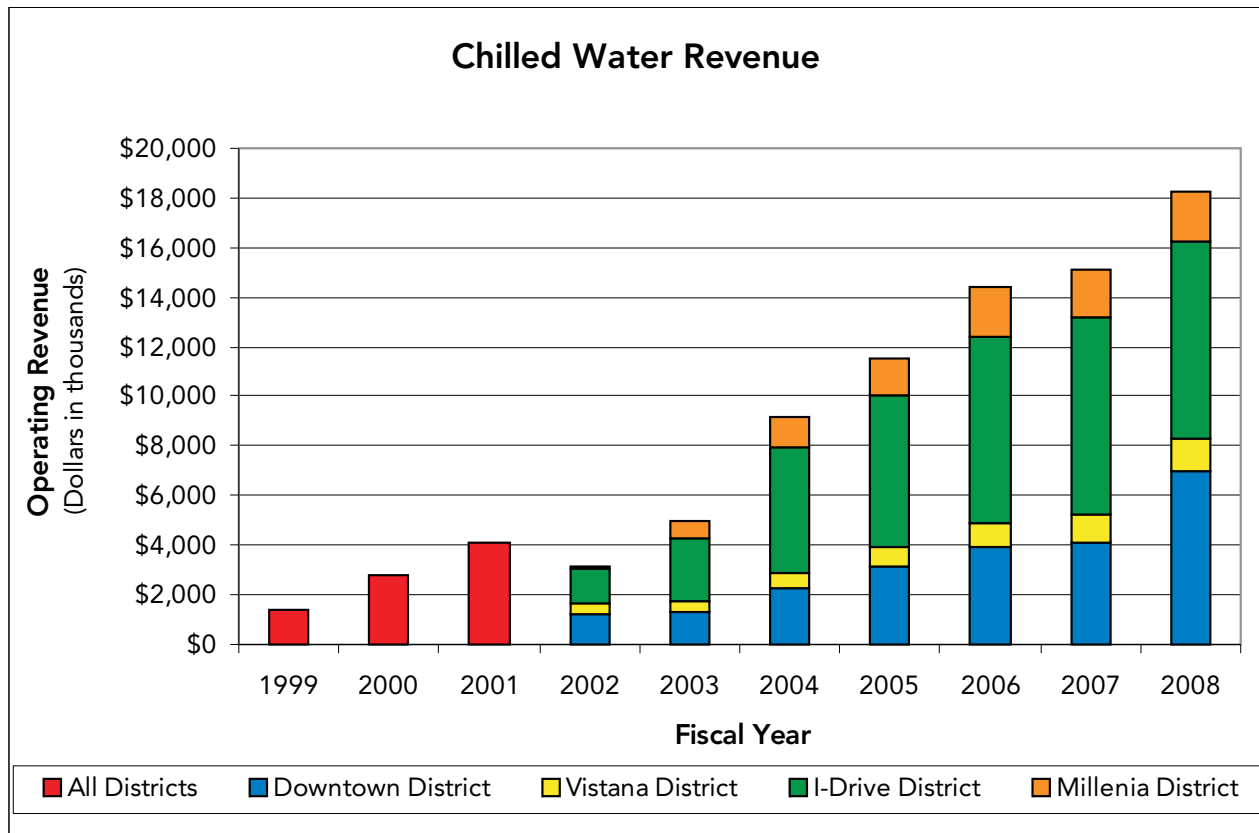
(2) In conjunction with the implementation of PSERM, OUC continues to refine its process for the classification of revenue, consumption and active service statistics.

2004	2003	2002	2001	2000	1999	1998
0.45	0.50	0.93	-	-	-	-
0.08	(0.04)	(0.81)	-	-	-	-
\$ 10,815 12,441 <u>23,256</u> 436 <u>\$ 23,692</u>	\$ 11,313 10,225 <u>21,538</u> 396 <u>\$ 21,934</u>	\$ 11,463 3,046 <u>14,509</u> 308 <u>\$ 14,817</u>	\$ 9,342 199 <u>9,541</u> - <u>\$ 9,541</u>	\$ 9,932 212 <u>10,144</u> - <u>\$ 10,144</u>	\$ 14,327 306 <u>14,633</u> - <u>\$ 14,633</u>	\$ 14,291 305 <u>14,596</u> - <u>\$ 14,596</u>
10,713 116 <u>10,829</u>	11,069 112 <u>11,181</u>	11,597 98 <u>11,695</u>	12,116 63 <u>12,179</u>	12,059 53 <u>12,112</u>	12,146 52 <u>12,198</u>	12,284 25 <u>12,309</u>
14,682 27,782 42,464 2,655 <u>45,119</u>	12,749 27,798 40,547 2,620 <u>43,167</u>	14,656 26,706 41,362 3,004 <u>44,366</u>	7,513 25,965 33,478 3,319 <u>36,797</u>	6,232 24,727 30,959 2,137 <u>33,096</u>	5,478 23,918 29,396 1,593 <u>30,989</u>	5,057 22,579 27,636 1,535 <u>29,171</u>



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CHILLED WATER BUSINESS OPERATIONS



In 1999, OUC began providing chilled water services in the Orlando and surrounding areas. As of 2008, four Chilled water loops are operational with a total capacity of 39,650 tons. A fifth Chilled water loop will be operational in 2009.

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

Years Ended September 30	2008	2007	2006	2005
Operating revenues				
Downtown Plant	\$ 7,148	\$ 4,142	\$ 3,926	\$ 3,162
Vistana Plant	1,323	1,128	964	781
International Drive Plant	7,976	7,929	7,517	6,085
Millenia Plant	2,016	1,920	1,961	1,489
Service fees and other	<u>1,276</u>	<u>1,524</u>	<u>1,222</u>	<u>1,221</u>
Total operating revenues	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>
Operations and maintenance expenses				
Downtown Plant	3,227	2,767	2,407	1,706
Vistana Plant	688	590	441	320
International Drive Plant	6,057	5,977	5,847	5,107
Millenia Plant	1,095	1,094	1,031	936
Storm recovery costs (2)	-	-	-	-
Customer service	679	786	794	648
General & administrative	<u>661</u>	<u>607</u>	<u>542</u>	<u>506</u>
Total operations and maintenance expenses	<u>12,407</u>	<u>11,821</u>	<u>11,062</u>	<u>9,223</u>
Other expenses				
Utility/Property tax	4	6	3	2
Revenue based payments to the City of Orlando	376	231	231	186
Depreciation & amortization	<u>3,117</u>	<u>3,066</u>	<u>2,901</u>	<u>2,648</u>
Total other expenses	<u>3,497</u>	<u>3,303</u>	<u>3,135</u>	<u>2,836</u>
Total operating expenses	<u>15,904</u>	<u>15,124</u>	<u>14,197</u>	<u>12,059</u>
Non-operating income				
Interest income	141	39	270	39
Gain/(loss) on investments	(39)	47	29	(8)
Non-operating income/(loss), net	<u>26</u>	<u>35</u>	<u>31</u>	<u>28</u>
Total non-operating income	<u>128</u>	<u>121</u>	<u>330</u>	<u>59</u>
Non-operating expenses				
Bond interest and other related expenses (3)	943	-	86	77
Intercompany net interest (income)/expense (4)	<u>3,787</u>	<u>3,787</u>	<u>3,794</u>	<u>3,502</u>
Total non-operating expenses	<u>4,730</u>	<u>3,787</u>	<u>3,880</u>	<u>3,579</u>
Chilled water income/(loss) before contributions	(767)	(2,147)	(2,157)	(2,841)
Contributions in aid of construction (5)	1,078	-	-	-
Annual dividend	<u>(441)</u>	<u>(1,154)</u>	<u>(1,670)</u>	<u>(1,705)</u>
Increase/(decrease) in net assets	<u>\$ 752</u>	<u>\$ (993)</u>	<u>\$ (487)</u>	<u>\$ (1,136)</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 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 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 recognized costs net of grant reimbursements for tropical storm Fay.

2004 (1)	2003	2002	2001	2000	1999	1998
\$ 2,268	\$ 1,299	\$ 1,227	\$ -	\$ -	\$ -	\$ -
602	418	403	-	-	-	-
5,102	2,575	1,457	-	-	-	-
1,205	649	81	-	-	-	-
<u>1,166</u>	<u>1,074</u>	<u>1,235</u>	<u>4,074</u>	<u>2,773</u>	<u>1,368</u>	<u>20</u>
<u>10,343</u>	<u>6,015</u>	<u>4,403</u>	<u>4,074</u>	<u>2,773</u>	<u>1,368</u>	<u>20</u>
1,063	300	374	819	386	154	-
214	125	93	290	65	-	-
3,743	2,243	1,618	294	428	512	59
710	450	94	-	-	-	-
62	-	-	-	-	-	-
620	448	253	250	94	-	-
<u>482</u>	<u>416</u>	<u>391</u>	<u>375</u>	<u>237</u>	<u>-</u>	<u>-</u>
<u>6,894</u>	<u>3,982</u>	<u>2,823</u>	<u>2,028</u>	<u>1,210</u>	<u>666</u>	<u>59</u>
4	2	2	1	-	-	-
152	131	61	76	46	14	-
<u>1,849</u>	<u>1,203</u>	<u>1,000</u>	<u>865</u>	<u>804</u>	<u>600</u>	<u>-</u>
<u>2,005</u>	<u>1,336</u>	<u>1,063</u>	<u>942</u>	<u>850</u>	<u>614</u>	<u>-</u>
<u>8,899</u>	<u>5,318</u>	<u>3,886</u>	<u>2,970</u>	<u>2,060</u>	<u>1,280</u>	<u>59</u>
3	71	61	4	(11)	8	-
(11)	(6)	(23)	-	-	-	-
<u>34</u>	<u>(2)</u>	<u>(12)</u>	<u>(12)</u>	<u>8</u>	<u>-</u>	<u>-</u>
<u>26</u>	<u>63</u>	<u>26</u>	<u>(8)</u>	<u>(3)</u>	<u>8</u>	<u>-</u>
69	61	53	48	17	-	-
<u>3,527</u>	<u>537</u>	<u>790</u>	<u>640</u>	<u>306</u>	<u>124</u>	<u>-</u>
<u>3,596</u>	<u>598</u>	<u>843</u>	<u>688</u>	<u>323</u>	<u>124</u>	<u>-</u>
(2,126)	162	(300)	408	387	(28)	(39)
-	-	-	-	-	-	-
<u>(1,276)</u>	<u>81</u>	<u>(150)</u>	<u>204</u>	<u>194</u>	<u>(14)</u>	<u>(20)</u>
<u>\$ (850)</u>	<u>\$ 81</u>	<u>\$ (150)</u>	<u>\$ 204</u>	<u>\$ 193</u>	<u>\$ (14)</u>	<u>\$ (19)</u>

(3) In 2008, Series 2008 Bond proceeds were transferred to Chilled water to fund capital project needs.

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

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

SELECTED FINANCIAL RATIOS

Years Ended September 30	2008	2007	2006	2005
Chilled water operating ratio				
Chilled Water operation & maintenance expenses/operating revenues (2)	0.63	0.71	0.71	0.72
Chilled water income/loss before contributions per revenue dollar				
Chilled Water income/(loss) before contributions/total Chilled Water operating revenues (2)	(0.04)	(0.13)	(0.14)	(0.22)
Revenue per ton-hour produced (3)				
Downtown Plant	\$ 0.2532	\$ 0.1899	\$ 0.2072	-
Vistana Plant	\$ 0.3256	\$ 0.2924	\$ 0.2137	-
International Drive Plant	\$ 0.1393	\$ 0.1372	\$ 0.1491	-
Millenia Plant	\$ 0.2179	\$ 0.2232	\$ 0.1466	-

CHILLED WATER UTILITY PLANT, net (Dollars in thousands)

Downtown Plant	\$ 30,394	\$ 26,097	\$ 26,106	\$22,137
Vistana Plant	4,423	4,642	4,444	2,384
International Drive Plant	26,288	23,371	24,404	24,623
Millenia Plant	3,572	3,792	4,053	4,285
Lake Nona Plant	5	-	-	-
	<u>64,682</u>	<u>57,902</u>	<u>59,007</u>	<u>53,429</u>
TCS Capital Contributions (1) (4)	-	-	-	-
Total Chilled Water Plant, net	<u>\$ 64,682</u>	<u>\$ 57,902</u>	<u>\$ 59,007</u>	<u>\$53,429</u>

CHILLED WATER STATISTICS (3)

Pipe miles	11.4	11.4	11.4	-
Generation capacity, TONS				
Downtown Plant	11,250	9,850	9,850	-
Vistana Plant	2,400	2,400	2,400	-
International Drive Plant	21,200	21,200	20,900	-
Millenia Plant	4,800	4,800	4,800	-
Total generation plant capacity, TONS	<u>39,650</u>	<u>38,250</u>	<u>37,950</u>	<u>-</u>

TON-HOURS PRODUCED (3)

Downtown Plant	27,561,068	21,804,307	18,954,307	-
Vistana Plant	4,062,851	3,856,786	4,511,760	-
International Drive Plant	57,262,093	57,779,986	50,422,319	-
Millenia Plant	<u>9,252,539</u>	<u>8,603,019</u>	<u>13,374,403</u>	-
Total TON Hours combined	<u>98,138,551</u>	<u>92,044,098</u>	<u>87,262,789</u>	<u>-</u>

ACTIVE SERVICES (3)

Residential (5)	1,724	708	627	-
Commercial	<u>231</u>	<u>171</u>	<u>174</u>	-
Total	<u>1,955</u>	<u>879</u>	<u>801</u>	<u>-</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's 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.

2004 (1)	2003	2002	2001	2000	1999	1998
0.66	0.66	0.64	0.50	0.44	0.49	-
(0.20)	(0.03)	(0.07)	0.10	0.14	(0.02)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 10,082	\$ 10,006	\$ 10,310	\$ 10,362	\$ 10,513	\$ 4,262	\$ -
2,479	2,578	2,746	2,822	-	-	-
25,398	26,301	19,834	12,143	12,621	13,300	-
4,446	4,652	4,334	-	-	-	-
-	-	-	-	-	-	-
<u>42,405</u>	<u>43,537</u>	<u>37,224</u>	<u>25,327</u>	<u>23,134</u>	<u>17,562</u>	-
-	(18,138)	(16,981)	-	-	-	-
<u>\$ 42,405</u>	<u>\$ 25,399</u>	<u>\$ 20,243</u>	<u>\$ 25,327</u>	<u>\$ 23,134</u>	<u>\$ 17,562</u>	<u>\$ -</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (3) Prior to 2006, data was not available for these statistics.
- (4) Prior to 2002, TCS' contributions toward the expansion of the Chilled water business operations were not recorded as utility plant.
- (5) In 2008, the number of residential customers increased as a result of growth in the downtown area.



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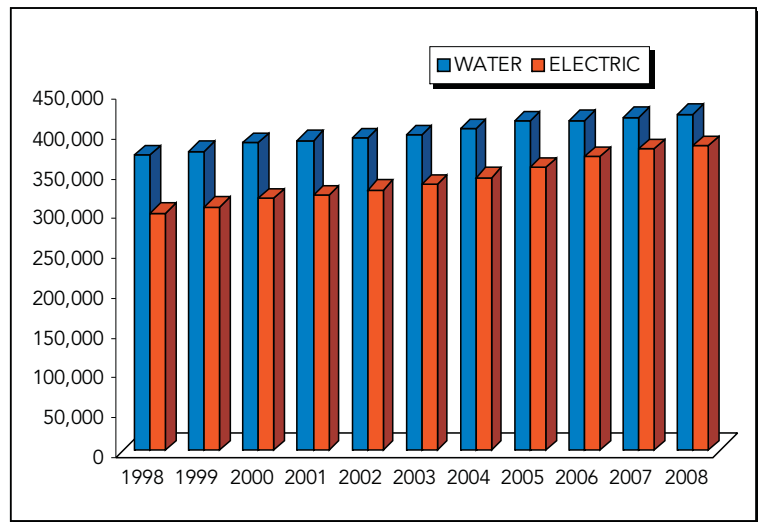
NUMBER OF EMPLOYEES

Years	Electric Operations	Water Operations	Customer Service & Administrative	Budgeted Total	Actual Total	Retail Customers To Employees (1)
2008	494	129	547	1,170	1,154	295
2007	481	123	525	1,129	1,097	310
2006	472	124	522	1,118	1,062	311
2005	473	124	521	1,118	1,070	302
2004	471	121	520	1,112	1,073	289
2003	476	122	510	1,108	1,024	294
2002	478 (2)	122	504 (2)	1,104	1,025	286
2001	498	122	471	1,091	1,012	285
2000	507	124	446	1,077	998	283
1999	540	124	446	1,110	1,010	272
1998	545	126	451	1,122	1,017	263

- (1) The calculation of Customers to Employees includes total electric and water metered services and excludes streetlights. This calculation is based on the actual number of employees at year end and includes St. Cloud employees and St. Cloud metered services beginning in fiscal year 1997.
- (2) As a result of an organizational change in 2002, meter and communications personnel were transferred from Electric Operations to Customer Service and Administration.

OUC SERVICE AREA POPULATION DATA (3)

Years	Electric	Water
2008	382,600	422,200
2007	378,400	418,200
2006	369,000	414,500
2005	355,000	413,680
2004	342,200	403,470
2003	333,870	395,420
2002	326,910	391,730
2001	320,150	389,300
2000	316,700	385,900
1999	305,300	375,400
1998	298,000	370,500



- (3) Developed from the in-house economic model. Revised due to 1990 Census information and traffic zone data.

CLIMATOLOGICAL DATA

Monthly Rainfall and Temperature Orlando Metro Area (MSA) Years Ended September 30, 2008

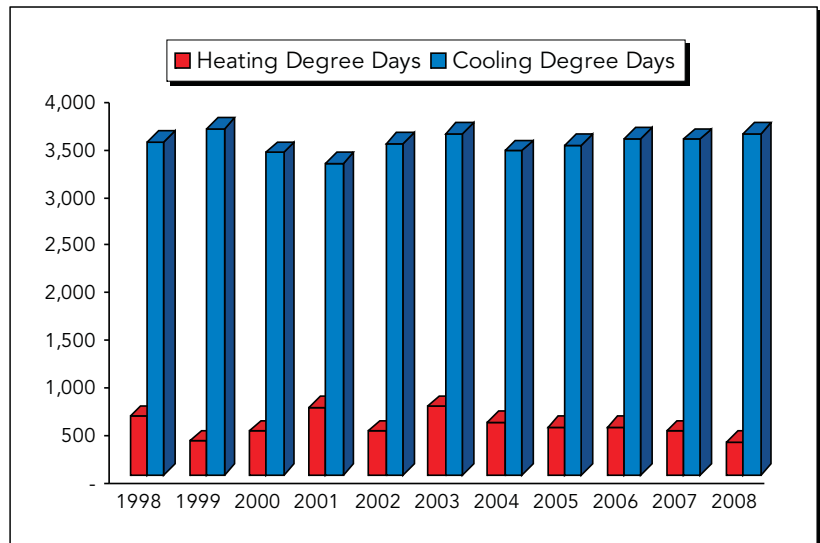
Month	RAIN (Inches)		TEMPERATURE (°F)	
	Total	Above (Below) Normal	Average Daily	Above (Below) Normal *
September 2007	8.96	3.07	82.0	0.95
October 2007	5.41	1.88	78.5	3.25
November 2007	0.42	(1.91)	67.7	(0.35)
December 2007	1.05	(1.59)	67.5	5.40
January 2008	4.10	1.46	61.6	1.90
February 2008	1.65	(0.13)	66.2	4.95
March 2008	5.15	1.52	67.2	0.55
April 2008	3.21	1.17	71.0	(0.20)
May 2008	3.48	(0.15)	78.1	1.20
June 2008	9.73	1.59	81.0	(0.20)
July 2008	7.35	0.31	81.4	(0.95)
August 2008	10.71	4.82	81.6	(0.85)
Total	61.22	12.04	-	-
Month Average	5.10	1.00	73.6	1.30

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

* Normals are based on National Weather Service data 1961-90. In 2002, the base years for the normals were updated to 1971-2000.

Climatic Energy Demands

Years	Heating Degree Days (1)	Cooling Degree Days (1)
2008	338	3,592
2007	453	3,527
2006	499	3,536
2005	501	3,468
2004	554	3,416
2003	714	3,586
2002	457	3,487
2001	706	3,282
2000	452	3,385
1999	350	3,651
1998	610	3,496



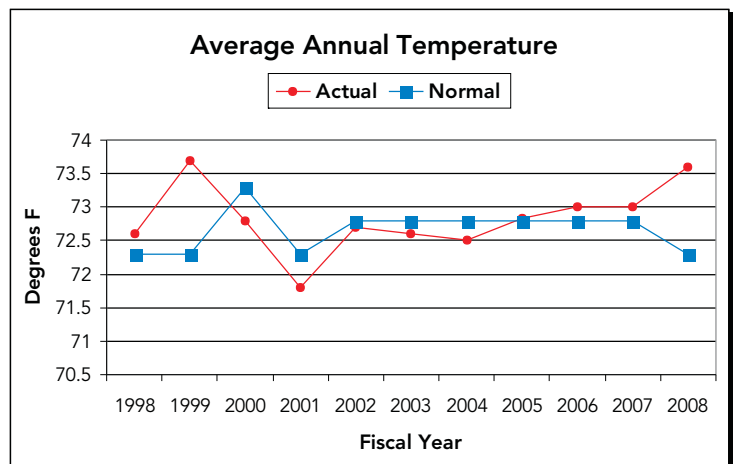
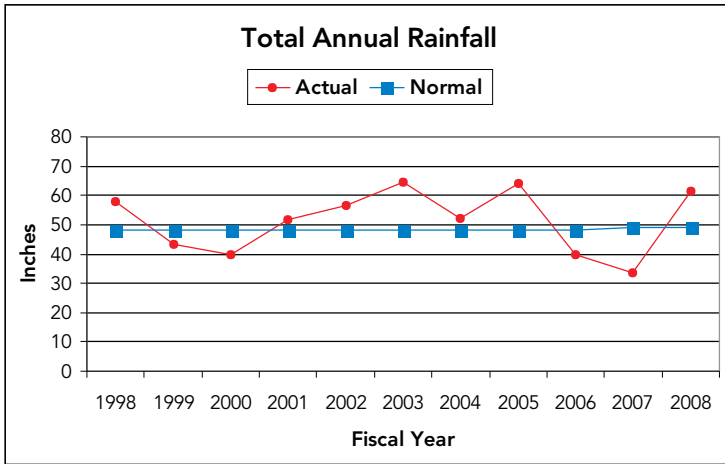
Source: U.S. Department of Commerce, National Weather Service.

(1) Degree Days is a unit measuring the heating or cooling requirements based on the difference between the average daily temperature and a standard temperature of 65 degrees Fahrenheit.

Average Annual Rainfall and Temperature Orlando Metro Area (MSA)

Years	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal*
2008	61.22	12.04	73.6	1.3
2007	33.66	(15.52)	73.0	0.2
2006	39.68	(8.67)	73.0	0.2
2005	64.20	15.85	72.8	-
2004	52.28	3.93	72.5	(0.3)
2003	64.56	16.21	72.6	(0.2)
2002	56.60	8.49	72.7	(0.1)
2001	51.66	3.55	71.8	(0.5)
2000	39.58	(8.53)	72.8	0.5
1999	43.51	(4.60)	73.7	1.4
1998	58.05	9.94	72.6	0.3

* Normals for 1995 through 2001 are based on National Weather Service data 1961-90. The average annual normal temperature was 72.3. In 2002, the base years for the normals were updated to 1971-2000 which yielded an average annual normal temperature of 72.8.



INSURANCE COVERAGES
September 30, 2008

Company	Type Of Coverage	Limits	Period
Self-insured	General Liability	\$1,000,000 per occurrence retention	Continuous
Self-insured	Automobile Liability	\$1,000,000 per occurrence retention	Continuous
Self-insured	Worker's Compensation	\$500,000 per occurrence retention	Continuous
AEGIS	Excess Worker's Compensation	\$25,000,000 limit of liability above a \$500,000 per occurrence retention	11-01-07/11-01-08
AEGIS	Excess Automobile & General Liability	\$35,000,000 above the \$1,000,000 retention for the General Liability and Automobile Liability	01-01-08/01-01-09
Energy Insurance Mutual	Excess Automobile & General Liability	\$15,000,000 above the \$35,000,000 limit for Excess Automobile and General Liability with AEGIS	01-01-08/01-01-09
Factory Mutual	All Risk Property/ Boiler and Machinery	\$1.8 billion insurable values \$250,000 base retentions, various retentions depending on machinery	11-01-07/11-01-08
AEGIS	Directors & Officers/ Public Officials Liability	\$10,000,000	11-01-07/11-01-08
Great American Insurance	Dishonesty, Disappearance & Destruction (Crime)	\$10,000,000	11-01-07/11-01-08
Self insured	Health and Medical Benefits Individual Stop-Loss	Amounts in excess of \$300,000 per insured per year net of applicable deductibles	Continuous
Aetna	Health and Medical Benefits Aggregate Stop-Loss	Amounts in excess of 125% of projected annual claims with no maximum lifetime limits.	Continuous



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