

2022

FINANCIAL AND
STATISTICAL REPORT

Orlando Utilities Commission 2022 Financial and Statistical Report

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Years Ended September 30, 2022 - 2018

Table of Contents

| | | |
|------------|--|----|
| I | COMBINED INFORMATION | |
| | Combined Business Operations | 1 |
| | Statements of Net Position | 2 |
| | Statements of Revenues, Expenses and Changes in Net Position | 4 |
| | Statements of Cash Flows | 5 |
| | Selected Financial Ratios | 6 |
| II | DEBT SERVICE INFORMATION | |
| | Debt Service Information | 7 |
| | Estimated Debt Service for Outstanding Bonds | 8 |
| | Debt Service Coverage and Ratios | 11 |
| | Long-Term Employee Benefit Plans Liability | 12 |
| III | ELECTRIC BUSINESS OPERATIONS | |
| | Electric Business Operations | 15 |
| | Electric Revenues, Expenses and Changes in Net Position | 16 |
| | Electric Consumption and Financial Ratios | 17 |
| | Selected Financial Ratios | 18 |
| | Active Services and Consumption | 18 |
| | Electric Generation | 19 |
| | Net Generating Capability | 20 |
| | Peak Demand | 20 |
| | Generation Availability Data | 20 |
| | Electric Distribution Reliability Data | 21 |
| | Electric Physical Statistics | 21 |
| | Electric Utility Plant | 22 |
| | Fuel Mix Statistics | 22 |
| | Renewable Energy and Active Services Solar Statistical Information | 23 |
| IV | WATER BUSINESS OPERATIONS | |
| | Water Business Operations | 25 |
| | Water Revenues, Expenses and Changes in Net Position | 26 |
| | Water Consumption and Financial Ratios | 27 |
| | Selected Financial Ratios | 27 |
| | Active Services, Fire Protection, and Consumption | 27 |
| | Water Utility Plant | 28 |
| | Water Physical Statistics | 28 |
| | Water Production | 28 |
| V | LIGHTING BUSINESS OPERATIONS | |
| | Lighting Business Operations | 29 |
| | Lighting Revenues, Expenses and Changes in Net Position | 30 |
| | Selected Financial Ratios | 31 |
| | Lighting Utility Plant | 31 |

| | | |
|-------------|--|----|
| VI | CHILLED WATER BUSINESS OPERATIONS | |
| | Chilled Water Business Operations | 33 |
| | Chilled Water Revenues, Expenses and Changes in Net Position | 34 |
| | Selected Financial Ratios | 35 |
| | Chilled Water Utility Plant | 35 |
| | Active Services | 35 |
| | Chilled Water Physical Statistics | 35 |
| | Ton-Hours Produced | 35 |
| VII | STATISTICAL INFORMATION | |
| | Number of Employees | 37 |
| | Service Area Population | 37 |
| | Climatological Data | 38 |
| | Insurance Coverages | 39 |
| VIII | GLOSSARY OF TERMS | |
| | Glossary of Terms | 41 |

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



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General Information

OUC—the Reliable One is the second largest municipal utility in Florida, providing a portfolio of utility services to more than 274,082 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola counties.

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

The electric system provides power to customers within the City and certain contiguous portions of Orange County. Beginning in 1997, through the execution of an interlocal agreement, the electric system was expanded to provide power to the City of St. Cloud, their customers and certain portions of Osceola County. The combined electric system is the largest component of OUC's operations and consists of eight generation units, a transmission station with 38 substations and approximately 401 miles of transmission lines and cables. The combined system encompasses 419 square miles and has 270,702 active metered services. The service territory boundaries within the City and certain contiguous portions of Orange County are established by OUC's charter as modified by a territorial agreement with Duke Energy which expired in August 2017. OUC retains the authority to provide utility services in the locations agreed in the expired agreement and will jointly file a newly negotiated agreement with the Florida Public Service Commission when the agreement is finalized. The St. Cloud Agreement expires on September 30, 2042.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth in the territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2029 with automatic ten year extension periods. In accordance with OUC's Consumptive Use Permit (CUP) from the St. Johns River Water Management District, water is obtained from deep wells that tap the lower Floridan Aquifer, a natural source of high quality water hundreds of feet below the surface. State-of-the-art water plants ozonate the water for disinfection and remove hydrogen sulfide. In October 2020, in advance of the CUP reduction trigger date of October 1, 2023, OUC submitted a request to renew the CUP at a withdrawal rate of 109.2 mgd for a second 20-year period. While alternative water supply options continue to be pursued including the evaluation of the water supply resources from the lower-lower aquifer, the completion of these options are still in process. OUC's renewal application includes a variety of additional conservation measures to demonstrate OUC's commitment to water conservation including water price increases implemented in April 2021 focused on increasing tier pricing for high usage customers.

OUC also provides ancillary services including chilled water, lighting, back-up generation, electric vehicle charging and solar services and solutions that serve the City and surrounding counties. Chilled water provides air conditioning for large commercial customers through a network of nine chilled water plants in five districts with a total capacity of 50,915 tons with two additional customer-sited facilities being added to the fleet through contractual custodial operational agreements expanding capacity to 81,310 tons. Lighting services are provided to both municipalities and commercial partners for the installation and maintenance of indoor and outdoor lighting resources.

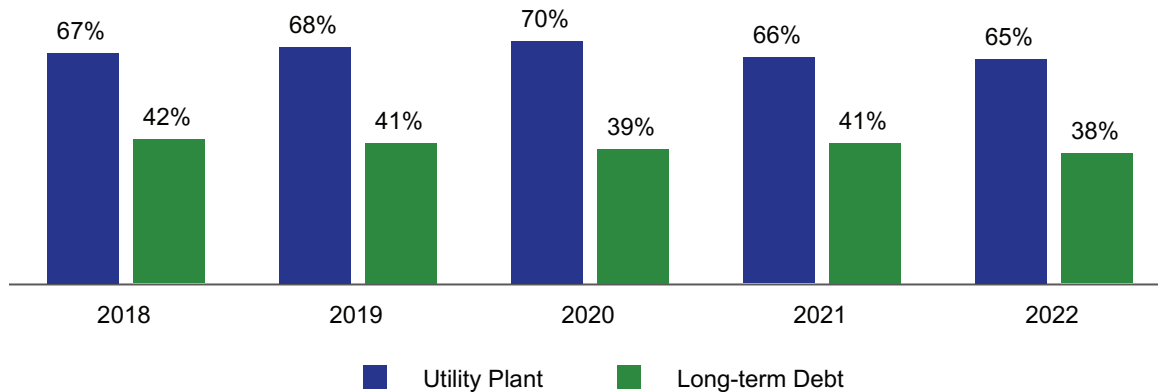
The information presented in the following pages represents OUC's financial and operational information for the periods of 2018-2022 and, where appropriate, amounts have been reclassified to conform to the 2022 presentation. Generally, narratives have been provided for changes greater than 20.0 percent when comparing 2022 to 2021 and 2018.



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Combined Business Operations

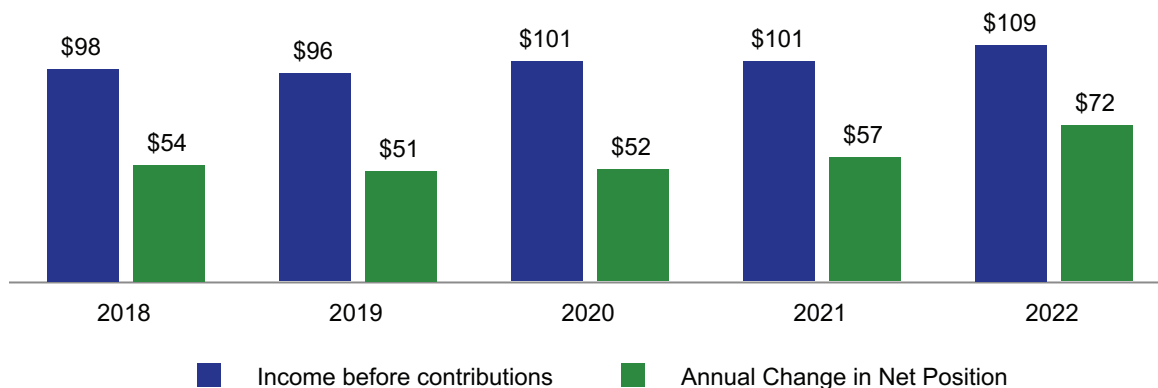
Statement of Net Assets Highlights



Utility Plant and Long-term Debt:

- As an infrastructure intensive industry, Utility Plant, net continues to represent the majority of OUC's assets. Oversight for the acquisition of these assets is approved by the Board in conjunction with their annual approval of the Five-Year Capital Plan and monthly affirmative Board agenda actions. In 2021, utility plant decreased in conjunction with the retirement of the McIntosh Unit 3 coal-fired generation facility and systematic depreciation charges and remained relatively unchanged in 2022.
- Funding for a portion of Utility Plant is secured through the issuance of long-term debt which is brought forward for Board approval through the Audit-Finance Committee in accordance with the Audit-Finance Charter guidelines. Long-term debt decreased in alignment with scheduled annual debt principal payments.

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



Income Before Contributions and Annual Change in Net Position:

- Total operating revenues have grown over the past five years as a result of customer growth offset by changing industry dynamics, energy efficiency and water conservation initiatives. Beyond these changes, OUC has continued expanding ancillary revenue opportunities including partnering with its two largest customers to provide on-site chilled water and back-up generation services as well as advancing commercial electrification programs.
- Income before contributions has increased consistent with the Board approved return on equity within the approved target range of 8.5 percent and 10.5 percent.
- Annual change in net position increased in contributions in aid of construction as a result of strong community growth.

STATEMENTS OF NET POSITION (Dollars in thousands)

| As of September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Utility plant, net | | | | | |
| Utility plant in service ¹ | \$ 4,691,091 | \$ 4,510,530 | \$ 4,536,258 | \$ 4,471,769 | \$ 4,313,625 |
| Allowances for depreciation and amortization | (2,436,483) | (2,278,083) | (2,294,973) | (2,194,918) | (2,061,635) |
| Utility plant in service, net | 2,254,608 | 2,232,447 | 2,241,285 | 2,276,851 | 2,251,990 |
| Land and other non-depreciable assets ¹ | 115,456 | 141,714 | 84,313 | 83,171 | 73,253 |
| Construction work in progress ^{1,2} | 279,255 | 252,300 | 265,678 | 156,227 | 164,213 |
| Total utility plant, net | 2,649,319 | 2,626,461 | 2,591,276 | 2,516,249 | 2,489,456 |
| Restricted and internally designated assets | | | | | |
| Restricted assets | 134,521 | 253,877 | 47,199 | 70,490 | 131,796 |
| Internally designated assets | 566,631 | 576,473 | 496,404 | 541,458 | 525,693 |
| Total restricted and internally designated assets ³ | 701,152 | 830,350 | 543,603 | 611,948 | 657,489 |
| Current assets | | | | | |
| Cash and investments ⁴ | 4,506 | 52,526 | 36,528 | 40,158 | 47,099 |
| Customer receivables, net ⁵ | 104,606 | 81,018 | 66,121 | 80,679 | 97,287 |
| Miscellaneous receivables, net ⁶ | 23,137 | 14,606 | 25,709 | 8,003 | 9,889 |
| Accrued utility revenue | 46,605 | 38,990 | 37,961 | 37,515 | 38,002 |
| Fuel for generation ⁷ | 30,121 | 15,486 | 23,037 | 26,787 | 18,223 |
| Materials and supplies inventory, net | 54,037 | 47,670 | 43,711 | 40,736 | 38,480 |
| Accrued interest receivable | 1,840 | 716 | 1,307 | 3,094 | 2,127 |
| Prepaid and other expenses | 7,365 | 6,866 | 10,744 | 26,141 | 9,698 |
| Hedging derivative instruments maturing within one year ⁸ | 20,136 | 18,903 | 2,343 | — | 345 |
| Total current assets | 292,353 | 276,781 | 247,461 | 263,113 | 261,150 |
| Other assets | | | | | |
| Regulatory assets ⁹ | 135,583 | 91,642 | 119,884 | 162,337 | 178,987 |
| Other long-term assets ¹⁰ | 152,752 | 55,761 | 29,857 | 28,303 | 30,154 |
| Hedging derivative instruments ⁸ | 58,205 | 20,209 | 2,406 | — | — |
| Right of use assets, net | 16,100 | 19,398 | 20,181 | — | — |
| Lease receivable | 14,444 | 14,790 | 15,365 | — | — |
| Total other assets | 377,084 | 201,800 | 187,693 | 190,640 | 209,141 |
| Total assets | 4,019,908 | 3,935,392 | 3,570,033 | 3,581,950 | 3,617,236 |
| Deferred outflows of resources | | | | | |
| Accumulative decrease in fair value of hedging derivatives ⁸ | 1,205 | 4,385 | 25,230 | 12,508 | 2,536 |
| Fair value retirement obligation asset ¹¹ | — | — | 5,805 | 6,062 | 6,687 |
| Unrealized pension and postretirement benefits contributions and losses | 32,018 | 27,668 | 37,970 | 46,752 | 51,262 |
| Unamortized loss on refunded bonds | 32,084 | 41,558 | 51,195 | 34,050 | 40,781 |
| Total deferred outflows of resources | 65,307 | 73,611 | 120,200 | 99,372 | 101,266 |
| Total assets and deferred outflows of resources | \$ 4,085,215 | \$ 4,009,003 | \$ 3,690,233 | \$ 3,681,322 | \$ 3,718,502 |

¹ In 2022, OUC reclassified \$26.6 million from non-depreciable assets to utility plant for the commencement of commercial operation for OGS Unit 2. OGS Units 1 & 3 continue to be included in non-depreciable assets with re-energizing initiatives planned through 2025. In addition \$38.9 million of construction work in progress funds were reclassified to other assets for customer-sited chilled water facilities in which OUC retains operational oversight for a 25-year contractual term.

² As a result of the construction of several large transmission projects, the new St. Cloud Joint Use Facility and continued industry related supply constraints, construction work in progress was higher than the most recent 5-year average.

³ Restricted and internally designated assets decreased primarily due to the exhausting of fuel reserves to offset rapidly rising fuel costs as well as the draw down of constructions funds.

⁴ Cash and investments decreased due to market valuations as a result of volatile market conditions.

⁵ In 2022, customer receivables, net increased as a result of fuel price increases.

⁶ In 2022, miscellaneous receivables, net increased due to an increase in participant billing driven by rising fuel prices and the one-time billing related to a 12kV line installation.

⁷ Fuel inventory has increased due to rising fuel costs.

⁸ In 2022, there was an increase in the value of unrealized fuel hedge derivatives as a result of rising fuel commodity prices which has reduced accumulated losses and increased both short-term and long-term hedging derivative instruments.

⁹ In 2022, regulatory assets increased due to the accumulation of \$70.7 million of advanced customer funds to offset the impact of pass-through electric fuel cost.

¹⁰ In 2022, other long-term assets increased \$45.3 million for the recognition of the customer-sited chilled water facility for which OUC maintains custodial responsibilities and the recognition of net benefit and fiduciary investment valuation changes of \$39.4 million.

¹¹ In 2021, revised estimates for the retirement obligation of the St. Lucie nuclear generation facility were provided from the owner-operator resulting in a decreased liability and a corresponding offset to the fair value retirement obligation asset.

STATEMENTS OF NET POSITION (Dollars in thousands)

| As of September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Liabilities | | | | | |
| Current liabilities - payable from restricted and designated assets | | | | | |
| Current portion of long-term debt | \$ 79,915 | \$ 82,050 | \$ 73,930 | \$ 60,340 | \$ 68,915 |
| Accrued interest payable on notes and bonds | 27,462 | 28,756 | 24,892 | 29,283 | 30,883 |
| Customer meter deposits | 62,054 | 60,019 | 57,925 | 57,164 | 58,156 |
| Total payable from restricted and designated assets | 169,431 | 170,825 | 156,747 | 146,787 | 157,954 |
| Current liabilities - payable from current assets | | | | | |
| Account payable and accrued expenses ¹ | 197,628 | 116,636 | 67,856 | 62,832 | 62,386 |
| Billings on behalf of state and local governments | 23,858 | 21,731 | 19,748 | 20,563 | 19,693 |
| Compensated absences and accrued wages | 19,972 | 17,477 | 17,758 | 15,362 | 14,298 |
| Accrued governmental payments | 3,090 | 2,946 | 2,985 | 2,937 | 2,973 |
| Hedging derivative instruments maturing within one year | 1,205 | — | 96 | 4,063 | 1,035 |
| Total payable from current assets | 245,753 | 158,790 | 108,443 | 105,757 | 100,385 |
| Total current liabilities | 415,184 | 329,615 | 265,190 | 252,544 | 258,339 |
| Other liabilities and credits | | | | | |
| Pension and net postretirement benefits liability ² | — | 48,023 | 88,054 | 89,068 | 122,769 |
| Asset retirement obligation and other liabilities ³ | 120,980 | 96,900 | 97,466 | 87,042 | 83,446 |
| Lease liability ⁴ | 13,305 | 16,173 | 16,727 | — | — |
| Hedging derivative instruments | — | — | 1,722 | 3,503 | 1,502 |
| Total other liabilities and credits | 134,285 | 161,096 | 203,969 | 179,613 | 207,717 |
| Total long-term debt, net | | | | | |
| Bond and note principal | 1,441,930 | 1,521,845 | 1,312,005 | 1,389,180 | 1,459,945 |
| Unamortized premium | 99,850 | 118,967 | 103,903 | 92,866 | 99,868 |
| Fair value of derivative instruments | — | 4,385 | 23,412 | 22,633 | 4,824 |
| Total long-term debt, net | 1,541,780 | 1,645,197 | 1,439,320 | 1,504,679 | 1,564,637 |
| Total liabilities | 2,091,249 | 2,135,908 | 1,908,479 | 1,936,836 | 2,030,693 |
| Deferred inflows of resources | | | | | |
| Unrealized pension and postretirement benefits gains ² | 117,113 | 60,679 | 28,704 | 54,072 | 48,415 |
| Accumulated increase in fair value of hedging derivatives ⁵ | 78,341 | 39,112 | 4,749 | — | 5,519 |
| Regulatory credits ⁶ | 155,042 | 201,064 | 233,003 | 243,238 | 237,817 |
| Unamortized gain on refunded bonds | 853 | 1,125 | 855 | 1,034 | 1,212 |
| Lease revenue ⁴ | 14,900 | 15,474 | 16,025 | — | — |
| Total deferred inflows of resources | 366,249 | 317,454 | 283,336 | 298,344 | 292,963 |
| Net position | | | | | |
| Net invested in capital assets | 1,239,258 | 1,236,483 | 1,236,286 | 1,102,332 | 1,071,359 |
| Unrestricted | 388,459 | 319,158 | 262,132 | 343,810 | 323,487 |
| Total net position | 1,627,717 | 1,555,641 | 1,498,418 | 1,446,142 | 1,394,846 |
| Total liabilities and deferred inflows of resources and net position | \$ 4,085,215 | \$ 4,009,003 | \$ 3,690,233 | \$ 3,681,322 | \$ 3,718,502 |

¹ In 2022, accounts payable increased due to rising fuel commodity prices, margin advances received from fuel hedge derivative counter-parties and emergency response expenses related to Hurricane Ian.

² Since 2020, the pension and net postretirement benefits (OPEB) liability decreased while the unrealized pension and OPEB benefits gains increased as a result of favorable market results and the continued commitment to funding the pension obligation. The liability amount decreased such that in 2022 and 2021, the actuarial valuation recognized pension and OPEB assets, respectively, as a result of favorable market valuations and commitment to funding. Assumption changes were also a primary driver for the increase in the unrealized postretirement benefits gains.

³ In 2022, asset retirement obligations increased in conjunction with updated fossil-fuel landfill closure costs.

⁴ GASB Statement No. 87, "Leases" was implemented in 2021, which included a restatement of 2020, where a lease liability was established for lease contracts previously considered operational leases and deferred lease revenue was recorded for assets leased to third parties.

⁵ In 2022, there was an increase in unrealized gains related to fuel hedge derivatives and the interest rate swap as a result of rising fuel commodity prices and interest rates, respectively.

⁶ In 2022, the decrease resulted from the utilization of fuel reserves offset by the deferral of \$25.0 million to base rate reserves to mitigate the impact of retail electric price increases commencing on October 1, 2022.

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

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | |
| Electric revenues ¹ | \$ 1,014,592 | \$ 813,191 | \$ 740,764 | \$ 766,862 | \$ 767,032 |
| Water revenues ² | 91,793 | 86,050 | 80,342 | 77,556 | 74,889 |
| Lighting revenues | 17,823 | 17,496 | 16,241 | 15,364 | 14,799 |
| Chilled water revenues ³ | 35,304 | 31,321 | 29,107 | 31,544 | 32,103 |
| Operating revenues before regulatory action | 1,159,512 | 948,058 | 866,454 | 891,326 | 888,823 |
| Regulatory action ¹ | (25,000) | (1,669) | 150 | 5,954 | 13,848 |
| Total operating revenues | 1,134,512 | 946,389 | 866,604 | 897,280 | 902,671 |
| Operating expenses | | | | | |
| Fuel for generation and purchased power ⁴ | 467,974 | 294,988 | 257,111 | 288,552 | 306,255 |
| Electric and water production | 92,680 | 94,285 | 95,050 | 102,551 | 96,072 |
| Transmission and distribution | 49,992 | 51,232 | 51,417 | 53,094 | 49,326 |
| Lighting | 4,904 | 4,356 | 4,281 | 4,320 | 4,253 |
| Chilled water | 17,084 | 15,512 | 15,113 | 17,097 | 16,397 |
| Customer service | 41,157 | 43,240 | 41,167 | 42,933 | 43,585 |
| General and administrative | 71,935 | 76,374 | 60,942 | 64,241 | 62,926 |
| Emergency response expenses ⁵ | 4,540 | 327 | 7,622 | 2,725 | — |
| Depreciation and amortization | 165,405 | 161,113 | 153,877 | 144,801 | 141,101 |
| Utility/property tax | 18,798 | 17,192 | 17,298 | 17,372 | 17,103 |
| Revenue based payments to the City of Orlando | 30,107 | 29,269 | 29,762 | 29,347 | 29,392 |
| Revenue based payments to Orange County | 1,727 | 1,564 | 1,524 | 1,547 | 1,503 |
| Revenue based and system use payments to the City of St. Cloud | 8,467 | 8,020 | 7,580 | 7,009 | 7,286 |
| Total operating expenses | 974,770 | 797,472 | 742,744 | 775,589 | 775,199 |
| Operating income | 159,742 | 148,917 | 123,860 | 121,691 | 127,472 |
| Non-operating income and (expense) | | | | | |
| Interest income | 6,268 | 6,588 | 12,653 | 12,628 | 8,318 |
| Other income, net | 6,805 | 7,142 | 10,576 | 10,698 | 10,726 |
| Amortization of gain on sale of assets ⁶ | — | — | 5,749 | 5,040 | 6,072 |
| Interest expense, net | (45,833) | (47,450) | (51,598) | (54,217) | (54,813) |
| Total non-operating expenses, net | (32,760) | (33,720) | (22,620) | (25,851) | (29,697) |
| Special Items | | | | | |
| Generation decommissioning ⁷ | (18,375) | (13,946) | — | — | — |
| Income before contributions | 108,607 | 101,251 | 101,240 | 95,840 | 97,775 |
| Contributions in aid of construction (CIAC) | 26,967 | 17,803 | 16,764 | 18,818 | 16,564 |
| Annual dividend | (63,498) | (61,831) | (65,728) | (63,362) | (60,616) |
| Increase in net position | 72,076 | 57,223 | 52,276 | 51,296 | 53,723 |
| Net position - beginning of year | 1,555,641 | 1,498,418 | 1,446,142 | 1,394,846 | 1,341,123 |
| Net position - end of year | \$ 1,627,717 | \$ 1,555,641 | \$ 1,498,418 | \$ 1,446,142 | \$ 1,394,846 |

¹ Electric operating revenues increased due to the recognition of fuel reserves coupled with favorable customer growth and strong post-pandemic recovery of retail electric commercial sales allowing for the deferral of \$25.0 million to help mitigate retail electric prices effective October 1, 2022.

² Water revenues have continued to increase as a result of focused pricing initiatives over the past several years including conservation focused increases for high usage customers.

³ Chilled water revenues increased primarily due to the return to normal business operations.

⁴ Fuel for generation and purchased power increased from 2021 as a result of rising fuel commodity costs stemming from pandemic and industry related supply constraints coupled with the impacts of geopolitical challenges.

⁵ In 2022, OUC incurred emergency response expenses as a result of the damages suffered from Hurricane Ian, net of anticipated FEMA reimbursements. Additionally in 2020, OUC incurred costs to protect its employees during the pandemic of which the majority of the costs are also anticipated to be reimbursed through the FEMA eligibility process. Hurricane Dorian costs were also recognized in 2020.

⁶ Beginning in 2021, the amortization of gains on sale of assets was deferred in alignment with the Clean Energy Plan.

⁷ In April 2021, the McIntosh 3 generation facility was retired and a Board approved regulatory action was approved to allow for the recognition of its net book value through 2024, the original asset life.

STATEMENTS OF CASH FLOWS (Dollars in thousands)
Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Cash received from customers | \$ 993,021 | \$ 898,750 | \$ 870,129 | \$ 909,512 | \$ 908,504 |
| Cash paid for fuel and purchased power | (419,867) | (247,423) | (255,158) | (301,941) | (299,910) |
| Cash paid for unit/department expenses excluding salaries and benefits | (94,469) | (62,381) | (73,325) | (99,431) | (67,009) |
| Cash paid for salaries and benefits | (173,117) | (185,062) | (175,405) | (175,679) | (173,994) |
| Cash (paid)/received for emergency response expenses | (2,733) | 12,492 | (9,091) | (2,102) | (17,479) |
| Cash paid to other governments and taxes | (58,956) | (56,083) | (56,115) | (55,310) | (55,213) |
| Net cash provided by operating activities ¹ | 243,879 | 360,293 | 301,035 | 275,049 | 294,899 |
| Cash flows from non-capital related financing activities | | | | | |
| Dividend payment | (63,498) | (61,831) | (65,728) | (63,362) | (60,616) |
| Pension bond principal and interest payments | — | — | — | (5,143) | (5,146) |
| Build America Bond interest subsidy received | 3,737 | 5,620 | 1,865 | 3,043 | 3,708 |
| Net cash used in non-capital related financing activities | (59,761) | (56,211) | (63,863) | (65,462) | (62,054) |
| Cash flows from capital related financing activities | | | | | |
| Utility plant net of contributions in aid of construction | (208,717) | (223,910) | (201,750) | (168,711) | (160,391) |
| Debt interest payments | (58,736) | (52,765) | (62,501) | (64,317) | (61,264) |
| Collateral deposits | — | 15,146 | (7,000) | (8,146) | 2,900 |
| Principal payments and refunding costs on long-term debt | (82,050) | (96,251) | (182,562) | (129,769) | (53,630) |
| Debt issuances | — | 349,101 | 122,222 | 65,944 | 180,000 |
| Debt issuances expenses | (1,023) | (3,132) | (848) | (1,109) | (1,039) |
| Net cash used in capital related financing activities ² | (350,526) | (11,811) | (332,439) | (306,108) | (93,424) |
| Cash flows from investing activities | | | | | |
| Proceeds from sales and maturities of investment securities | 325,208 | 238,780 | 407,336 | 379,206 | 334,838 |
| (Loss)/Gain on sale of investments | (1,847) | 1,803 | 4,058 | — | — |
| Purchases of investment securities | (391,699) | (349,887) | (317,757) | (293,287) | (436,079) |
| Investments and other income received/(paid) | 17,393 | 14,868 | 16,872 | 35,275 | (8,519) |
| Net cash (used in)/provided by investing activities ³ | (50,945) | (94,436) | 110,509 | 121,194 | (109,760) |
| Net (decrease)/increase in cash and cash equivalents | (217,353) | 197,835 | 15,242 | 24,673 | 29,661 |
| Cash and cash equivalents - beginning of year | 447,192 | 249,357 | 234,115 | 209,440 | 179,779 |
| Cash and cash equivalents - end of year | \$ 229,839 | \$ 447,192 | \$ 249,357 | \$ 234,113 | \$ 209,440 |
| Reconciliation of operating income to net cash provided by operating activities | | | | | |
| Operating income | \$ 159,742 | \$ 148,917 | \$ 123,860 | \$ 121,691 | \$ 127,472 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | |
| Depreciation and amortization of plant charged to operations | 165,405 | 161,113 | 153,877 | 144,801 | 141,101 |
| Depreciation and amortization charged to fuel for generation and purchased power | 3,690 | 2,602 | 3,490 | 2,953 | 4,219 |
| Depreciation of vehicles and equipment charged to unit/department expenses | 2,153 | 2,106 | 2,371 | 2,651 | 2,575 |
| Changes in assets and liabilities | | | | | |
| (Increase)/Decrease in receivables and accrued revenue | (39,035) | (22,928) | 7,609 | 20,082 | 1,722 |
| (Increase)/Decrease in fuel and materials and supplies inventories | (13,513) | 16,459 | 9,685 | (3,594) | 14,018 |
| Increase/(Decrease) in accounts payable | 85,240 | 38,733 | (2,545) | (1,275) | (18,609) |
| (Decrease)/Increase in deposits payable and liabilities | (7,791) | 19,772 | (545) | (5,759) | 17,200 |
| (Decrease)/Increase in reserves and deferred credits | (112,012) | (6,481) | 3,233 | (6,501) | 5,201 |
| Net cash provided by operating activities | \$ 243,879 | \$ 360,293 | \$ 301,035 | \$ 275,049 | \$ 294,899 |
| Reconciliation of cash and cash equivalents | | | | | |
| Restricted and internally designated cash and cash equivalents | \$ 199,280 | \$ 418,031 | \$ 248,842 | \$ 229,834 | \$ 173,645 |
| Cash and investments | 30,559 | 29,161 | 515 | 4,279 | 35,795 |
| Cash and cash equivalents - end of year | \$ 229,839 | \$ 447,192 | \$ 249,357 | \$ 234,113 | \$ 209,440 |
| Non-cash investing, capital and financing activities | | | | | |
| Increase in donated utility plant assets | \$ 9,097 | \$ 2,341 | \$ 4,215 | \$ 4,141 | \$ 4,839 |
| (Decrease)/Increase in fair value of investments | \$ (26,367) | \$ (6,316) | \$ 6,762 | \$ 4,451 | \$ (4,677) |
| Decrease in accounts payable related to utility plant purchases | \$ 2,888 | \$ 4,231 | \$ 3,127 | \$ 89 | \$ 770 |
| Decrease in fair value of retirement obligation asset | \$ — | \$ (5,548) | \$ — | \$ — | \$ — |

¹ Net cash provided by operating activities decreased \$116.4 million due to the steep rise in fuel and purchased power costs and the utilization of cash and cash equivalents to advance fund customers \$70.7 million, excluding unbilled revenue, beyond the designated fuel reserve funds of \$61.5 million which were exhausted in May 2022 and decreased an additional \$38.5 million as a result of increased generation and transmission expenses. These decreases were offset by lower salary and benefit expenses and an increase in the collection of retail customer receivables in the amount of \$94.3 million in conjunction with continued residential and commercial sales growth as the Central Florida economy recovered from the pandemic.

² Net cash used in capital related financing activities increased \$338.7 million primarily due to the issuance of the Series 2021A and 2021B Bonds in the amount of \$326.8 million in the prior year.

³ Net cash used in investing activities decreased \$43.5 million as proceeds from investment securities matured and were used to support operating and capital activities.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Current ratio | | | | | |
| Current assets/current liabilities ¹ | 2.07 | 2.59 | 2.79 | 3.11 | 3.02 |
| Days cash on hand ² | 180 | 264 | 234 | 252 | 239 |
| Leverage ratio | | | | | |
| Total debt/total assets | 0.40 | 0.43 | 0.41 | 0.43 | 0.44 |
| Return on total position | | | | | |
| Income before contributions/total assets | 2.67 % | 2.53 % | 2.74 % | 2.60 % | 2.63 % |
| Return on net position | | | | | |
| Income before contributions/average net position | 6.82 % | 6.63 % | 6.88 % | 6.75 % | 7.15 % |
| Debt/net position | 48%/52% | 51%/49% | 49%/51% | 51%/49% | 53%/47% |
| City of Orlando revenue based payments and dividend | \$ 93,605 | \$ 91,100 | \$ 95,490 | \$ 92,708 | \$ 90,008 |
| As a percentage of retail revenues | 10.50 % | 11.70 % | 11.87 % | 12.74 % | 11.75 % |
| Retail receivables/retail billed revenues | 9.67 % | 9.16 % | 9.88 % | 9.94 % | 11.56 % |
| Bad debt expense/retail billed revenues (OUC) ³ | 0.77 % | (0.64)% | 1.43 % | 0.22 % | 0.09 % |
| Bad debt expense/retail revenues (Interlocal sales) ³ | 0.68 % | (0.84)% | 1.42 % | 0.11 % | 0.24 % |
| Day sales uncollected (OUC) ³ | 35 | 34 | 37 | 37 | 43 |
| Day sales uncollected (Interlocal sales) ³ | 36 | 29 | 29 | 32 | 36 |
| Materials inventory as a percentage of total plant ⁴ | 2.04 % | 1.81 % | 1.69 % | 1.62 % | 1.55 % |
| Total metered services per meter reader (OUC) | 45,117 | 43,799 | 42,422 | 41,433 | 40,495 |

¹ In late 2021, increased fuel payables along with margin advances received from fuel hedge derivative counter-parties combined with a decrease in fuel reserves was the driver for the decreased current ratio which continued into 2022 and resulted in the utilization of all fuel reserves. Additionally in 2022, construction funds from the 2021 bond issuance were used to support the Board approved Capital Plan along with the increased current liabilities for Hurricane Ian restoration activities.

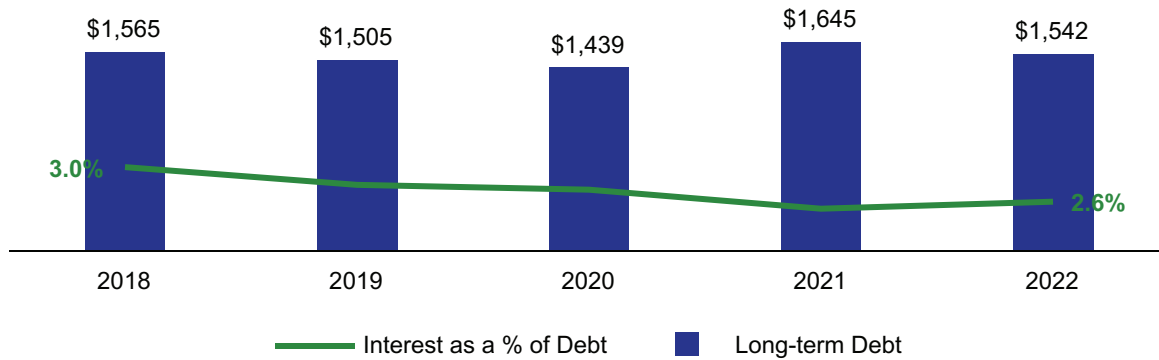
² Days cash on hand was restated to exclude certain restricted cash including the debt service sinking fund and customer deposits. In 2022, the decrease was driven by the use of fuel reserves coupled with advancing an additional \$70.7 million of funds on behalf of the customers to offset the impact of pass-through fuel costs.

³ In 2020, additional reserves in response to the anticipated COVID-19 economic impacts were recognized and in 2021 reserves were reduced to reflect the steady progress of collections including the leveraging of funds designated from the Customer Relief Program and other COVID-19 federal relief programs. In 2022, reserves were increased ahead of the anticipated 2023 economic impacts.

⁴ In 2022, material inventories increased due rising material pricing resulting from supply chain constraints coupled with the increasing demand to meet new service growth requirements.

Debt Service Information

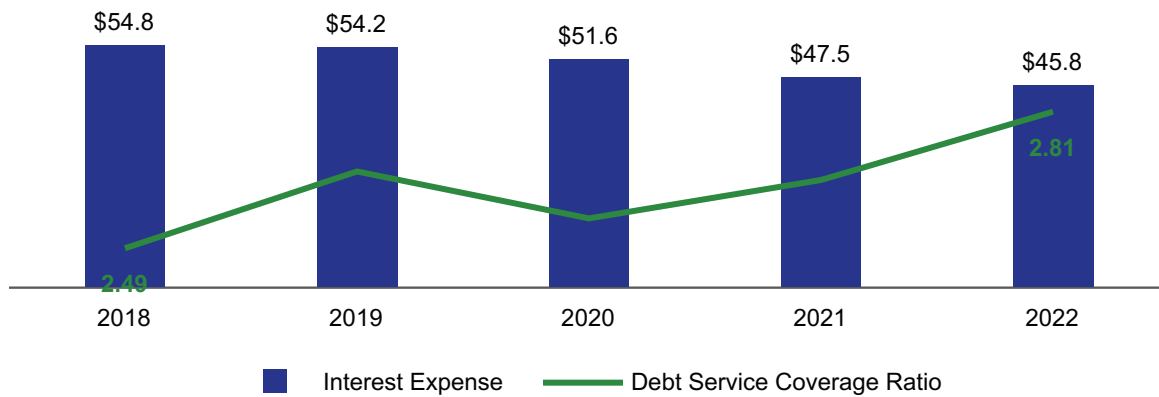
**Total Long-Term Debt & Annual Interest Expense
(millions)**



Long-term Debt & Annual Interest Expense:

- Total interest expense as a percentage of debt has declined steadily from 3.0 percent to 2.6 percent over the past five years reflecting OUC's efforts to capture market opportunities and deliver customer value.

**Debt Service Coverage Ratio and Interest Expense
(millions)**



Debt Service Coverage Ratio and Annual Interest Expense:

- OUC's annual debt service coverage ratio has increased from 2.49x to 2.81x over the past five years as a result of declining interest expenses on long-term debt coupled with annual debt service commitments.

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

PRINCIPAL AND INTEREST PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

| Bond Series | Current | | | | | | | | | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | |
| 2008 | | | | | | | | | | | | | | |
| Principal | \$ — | \$ — | \$ — | \$ — | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ — |
| Interest | — | 2,400 | 3,000 | 3,000 | 3,000 | 2,625 | 2,250 | 1,875 | 1,500 | 1,125 | 750 | 375 | — | — |
| 2010A | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | — | 23,030 |
| Interest | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 | 11,324 |
| BAB | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) |
| 2010C | | | | | | | | | | | | | | |
| Principal | 10,275 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | 539 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 2011B | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 2011C | | | | | | | | | | | | | | |
| Principal | 26,050 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | 1,253 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 2012A | | | | | | | | | | | | | | |
| Principal | 410 | 15,135 | 15,155 | 15,175 | 495 | 515 | — | — | — | — | — | — | — | — |
| Interest | 2,330 | 2,314 | 1,557 | 799 | 40 | 21 | — | — | — | — | — | — | — | — |
| 2013A | | | | | | | | | | | | | | |
| Principal | 35,610 | 27,750 | 51,980 | 51,765 | — | — | — | — | — | — | — | — | — | — |
| Interest | 8,355 | 6,575 | 5,187 | 2,588 | — | — | — | — | — | — | — | — | — | — |
| 2015A | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | 7,250 | 8,050 | 8,890 | 9,770 | 10,700 | 11,670 | 18,595 | — |
| Interest | 4,745 | 4,745 | 4,745 | 4,745 | 4,745 | 4,745 | 4,745 | 4,383 | 3,980 | 3,536 | 3,047 | 2,512 | 1,929 | — |
| 2015B (2) | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | — | 18,200 |
| Interest | — | 3,453 | 3,453 | 3,453 | 3,453 | 3,453 | 3,453 | 2,049 | 2,049 | 2,049 | 2,049 | 2,049 | 2,049 | 2,049 |
| Swap interest | (1,116) | (1,404) | (1,404) | (1,404) | (1,404) | (1,404) | (1,404) | — | — | — | — | — | — | — |
| 2016A | | | | | | | | | | | | | | |
| Principal | 1,455 | 9,605 | — | — | — | — | 5,415 | 5,680 | 5,965 | 6,265 | 6,515 | 6,770 | — | — |
| Interest | 2,188 | 2,115 | 1,635 | 1,635 | 1,635 | 1,635 | 1,635 | 1,364 | 1,080 | 782 | 531 | 271 | — | — |
| 2018A | | | | | | | | | | | | | | |
| Principal | — | 6,350 | 6,665 | 7,000 | 7,350 | 7,720 | 8,105 | 8,510 | 8,935 | 9,380 | 9,850 | 10,345 | 10,860 | — |
| Interest | 7,511 | 7,511 | 7,194 | 6,860 | 6,510 | 6,143 | 5,757 | 5,352 | 4,926 | 4,479 | 4,010 | 3,518 | 3,001 | — |
| 2019A | | | | | | | | | | | | | | |
| Principal | — | 10,140 | — | — | — | — | 6,555 | 6,885 | 7,225 | 7,590 | 7,970 | 8,370 | — | — |
| Interest | 2,737 | 2,737 | 2,230 | 2,230 | 2,230 | 2,230 | 2,230 | 1,902 | 1,558 | 1,197 | 817 | 419 | — | — |
| 2020A | | | | | | | | | | | | | | |
| Principal | — | — | — | — | 47,450 | 47,665 | — | — | — | — | — | — | — | — |
| Interest | 4,756 | 4,756 | 4,756 | 4,756 | 4,756 | 2,383 | — | — | — | — | — | — | — | — |
| 2021A ² | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | 4,900 | 5,145 | 5,405 | 5,675 | 5,955 | 6,255 | 165 | — |
| Interest | 5,378 | 5,378 | 5,378 | 5,378 | 5,378 | 5,378 | 5,378 | 5,133 | 4,876 | 4,605 | 4,322 | 4,024 | 3,711 | — |
| 2021B ² | | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | 1,886 | 1,886 | 1,886 | 1,886 | 1,886 | 1,886 | 1,886 | 3,772 | 3,772 | 3,772 | 3,772 | 3,772 | 3,772 | — |
| 2021C ² | | | | | | | | | | | | | | |
| Principal | 6,115 | 5,895 | 1,780 | 1,865 | 1,965 | 2,065 | — | — | — | — | — | — | — | — |
| Interest | 984 | 575 | 281 | 192 | 98 | 202 | — | — | — | — | — | — | — | — |
| Total long-term debt | \$ 129,048 | \$ 125,503 | \$ 123,065 | \$ 119,510 | \$ 122,174 | \$ 119,849 | \$ 90,742 | \$ 92,687 | \$ 92,748 | \$ 92,812 | \$ 92,875 | \$ 92,937 | \$ 92,899 | \$ — |
| Total principal | \$ 79,915 | \$ 74,875 | \$ 75,580 | \$ 75,805 | \$ 82,260 | \$ 82,965 | \$ 57,225 | \$ 59,270 | \$ 61,420 | \$ 63,680 | \$ 65,990 | \$ 68,410 | \$ 70,850 | \$ — |
| Total interest | \$ 49,133 | \$ 50,628 | \$ 47,485 | \$ 43,705 | \$ 39,914 | \$ 36,884 | \$ 33,517 | \$ 33,417 | \$ 31,328 | \$ 29,132 | \$ 26,885 | \$ 24,527 | \$ 22,049 | \$ — |

TOTAL PAYMENT SCHEDULE FOR OUTSTANDING BONDS ¹

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total principal | \$ 79,915 | \$ 74,875 | \$ 75,580 | \$ 75,805 | \$ 82,260 | \$ 82,965 | \$ 57,225 | \$ 59,270 | \$ 61,420 | \$ 63,680 | \$ 65,990 | \$ 68,410 | \$ 70,850 |
| Total interest | 53,986 | 55,768 | 52,624 | 48,845 | 45,055 | 42,023 | 38,657 | 37,153 | 35,064 | 32,868 | 30,622 | 28,262 | 25,785 |
| Build America Bond | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,737) | (3,736) | (3,736) | (3,736) | (3,737) | (3,735) | (3,736) |
| Total swap interest | (1,116) | (1,403) | (1,402) | (1,403) | (1,404) | (1,402) | (1,403) | — | — | — | — | — | — |
| Total long-term debt | \$ 129,048 | \$ 125,503 | \$ 123,065 | \$ 119,510 | \$ 122,174 | \$ 119,849 | \$ 90,742 | \$ 92,687 | \$ 92,748 | \$ 92,812 | \$ 92,875 | \$ 92,937 | \$ 92,899 |

¹ The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount, based on the maturity schedule, is fully funded and included as a component on the internally designated assets at September 30 of each fiscal year and paid on October 1, the first day of the following fiscal year.

² Amounts represent the total federal subsidy projected through maturity at the current sequester rebate percentage of 32.69% and are subject to change based on regulations of the Build America Bond (BAB) program.

| Bond Series | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | Total |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 2008 | | | | | | | | | | | | | |
| Principal | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 200,000 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 21,900 |
| 2010A | | | | | | | | | | | | | |
| Principal | 23,880 | 24,755 | 25,665 | 26,615 | 27,590 | 48,465 | — | — | — | — | — | — | 200,000 |
| Interest | 10,020 | 8,668 | 7,266 | 5,813 | 4,306 | 2,744 | — | — | — | — | — | — | 186,030 |
| BAB | (3,307) | (2,861) | (2,398) | (1,919) | (1,421) | (906) | — | — | — | — | — | — | (61,399) |
| 2010C | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 10,275 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 539 |
| 2011B | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 2011C | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 26,050 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 1,253 |
| 2012A | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 46,885 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 7,061 |
| 2013A | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 167,105 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 22,706 |
| 2015A | | | | | | | | | | | | | |
| Principal | 19,980 | — | — | — | — | — | — | — | — | — | — | — | 94,905 |
| Interest | 999 | — | — | — | — | — | — | — | — | — | — | — | 53,603 |
| 2015B (2) | | | | | | | | | | | | | |
| Principal | 18,580 | 18,970 | 19,370 | 19,775 | 20,195 | — | — | — | — | — | — | — | 115,090 |
| Interest | 1,725 | 1,394 | 1,056 | 711 | 359 | — | — | — | — | — | — | — | 38,253 |
| Swap interest | — | — | — | — | — | — | — | — | — | — | — | — | (9,540) |
| 2016A | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 47,670 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 16,507 |
| 2018A | | | | | | | | | | | | | |
| Principal | 11,405 | 11,975 | 12,570 | 13,200 | — | — | — | — | — | — | — | — | 150,220 |
| Interest | 2,458 | 1,887 | 1,289 | 660 | — | — | — | — | — | — | — | — | 79,064 |
| 2019A | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 54,735 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 22,514 |
| 2020A | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 95,115 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 26,162 |
| 2021A² | | | | | | | | | | | | | |
| Principal | — | 2,825 | 3,215 | 3,680 | 18,060 | 19,785 | 9,575 | 10,055 | 10,270 | 10,510 | 10,760 | 11,015 | 143,250 |
| Interest | 3,703 | 3,703 | 3,562 | 3,401 | 3,217 | 2,495 | 1,703 | 1,224 | 1,011 | 767 | 517 | 262 | 89,879 |
| 2021B² | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | 23,615 | 24,205 | 24,815 | 25,435 | 26,070 | 26,720 | 150,860 |
| Interest | 3,772 | 3,772 | 3,772 | 3,772 | 3,772 | 3,772 | 3,772 | 3,181 | 2,576 | 1,956 | 1,320 | 668 | 71,930 |
| 2021C² | | | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | — | — | — | — | — | — | 19,685 |
| Interest | — | — | — | — | — | — | — | — | — | — | — | — | 2,331 |
| Total long-term debt | \$ 93,215 | \$ 75,088 | \$ 75,367 | \$ 75,708 | \$ 76,078 | \$ 76,355 | \$ 38,665 | \$ 38,665 | \$ 38,672 | \$ 38,668 | \$ 38,667 | \$ 38,665 | \$ 2,090,638 |
| Total principal | \$ 73,845 | \$ 58,525 | \$ 60,820 | \$ 63,270 | \$ 65,845 | \$ 68,250 | \$ 33,190 | \$ 34,260 | \$ 35,085 | \$ 35,945 | \$ 36,830 | \$ 37,735 | \$ 1,521,845 |
| Total interest | \$ 19,368 | \$ 16,563 | \$ 14,546 | \$ 12,438 | \$ 10,233 | \$ 8,104 | \$ 5,475 | \$ 4,405 | \$ 3,587 | \$ 2,722 | \$ 1,837 | \$ 930 | \$ 568,792 |
| | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | Total |
| Total principal | \$ 73,845 | \$ 58,525 | \$ 60,820 | \$ 63,270 | \$ 65,845 | \$ 68,250 | \$ 33,190 | \$ 34,260 | \$ 35,085 | \$ 35,945 | \$ 36,830 | \$ 37,735 | \$ 1,521,845 |
| Total interest | 22,676 | 19,424 | 16,944 | 14,357 | 11,654 | 9,010 | 5,475 | 4,405 | 3,587 | 2,722 | 1,837 | 930 | 639,732 |
| Build America Bond | (3,307) | (2,861) | (2,398) | (1,919) | (1,421) | (906) | — | — | — | — | — | — | (61,399) |
| Total swap interest | — | — | — | — | — | — | — | — | — | — | — | — | (9,540) |
| Total long-term debt | \$ 93,214 | \$ 75,088 | \$ 75,366 | \$ 75,708 | \$ 76,078 | \$ 76,354 | \$ 38,665 | \$ 38,665 | \$ 38,672 | \$ 38,667 | \$ 38,667 | \$ 38,665 | \$ 2,090,638 |



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DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gross revenue and income before contributions | | | | | |
| Operating revenues | | | | | |
| Electric operating revenues ¹ | \$ 989,592 | \$ 813,472 | \$ 740,914 | \$ 769,534 | \$ 780,880 |
| Water operating revenues | 91,793 | 84,100 | 80,342 | 80,838 | 74,889 |
| Lighting operating revenues | 17,823 | 17,495 | 16,241 | 15,364 | 14,799 |
| Chilled water operating revenues | 35,304 | 31,322 | 29,107 | 31,544 | 32,103 |
| Total operating revenues | <u>1,134,512</u> | <u>946,389</u> | <u>866,604</u> | <u>897,280</u> | <u>902,671</u> |
| Interest and other income | 13,073 | 13,730 | 28,978 | 28,365 | 24,891 |
| Gross revenue and income before contributions | <u>1,147,585</u> | <u>960,119</u> | <u>895,584</u> | <u>925,645</u> | <u>927,562</u> |
| Expenses | | | | | |
| Operating expenses | | | | | |
| Electric operating expenses ¹ | 703,796 | 534,805 | 492,661 | 528,247 | 529,704 |
| Water operating expenses | 43,467 | 43,976 | 43,296 | 43,606 | 44,134 |
| Lighting operating expenses | 5,477 | 5,079 | 4,990 | 4,833 | 4,764 |
| Chilled water operating expenses | 18,450 | 17,121 | 16,629 | 18,466 | 17,723 |
| Total operating expenses | <u>771,190</u> | <u>600,980</u> | <u>557,576</u> | <u>595,153</u> | <u>596,325</u> |
| Other expenses | 1,350 | 1,165 | 1,266 | 1,087 | 1,069 |
| Total expenses | <u>772,540</u> | <u>602,145</u> | <u>558,842</u> | <u>596,239</u> | <u>597,394</u> |
| Net revenue and income available for debt service ¹ | <u>\$ 375,045</u> | <u>\$ 357,974</u> | <u>\$ 336,742</u> | <u>\$ 329,406</u> | <u>\$ 330,168</u> |
| Current debt service | \$ 133,464 | \$ 134,885 | \$ 132,165 | \$ 123,167 | \$ 132,598 |
| Current debt service coverage | 2.81x | 2.66x | 2.55x | 2.67x | 2.49x |
| Adjusted debt service coverage | | | | | |
| Net revenue and income available for debt service | \$ 375,045 | \$ 357,974 | \$ 336,742 | \$ 329,406 | \$ 330,168 |
| Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County | 95,332 | 92,664 | 97,014 | 94,255 | 91,543 |
| Net revenue and income available after payments | <u>\$ 279,713</u> | <u>\$ 265,310</u> | <u>\$ 239,728</u> | <u>\$ 235,151</u> | <u>\$ 238,625</u> |
| Adjusted debt service coverage | 2.09x | 1.97x | 1.81x | 1.910x | 1.8x |
| Fixed or full charge coverage | | | | | |
| Net revenue and income available after payments | \$ 279,713 | \$ 265,310 | \$ 239,728 | \$ 235,151 | \$ 238,625 |
| Fixed demand payments/purchased power | 24,951 | 29,343 | 29,343 | 30,899 | 32,991 |
| Net revenue and income available after payments and fixed charge coverage | <u>\$ 304,664</u> | <u>\$ 291,483</u> | <u>\$ 269,071</u> | <u>\$ 266,050</u> | <u>\$ 271,616</u> |
| Fixed and full charge coverage | 1.92x | 1.79x | 1.67x | 1.73x | 1.64x |
| Debt ratio | | | | | |
| Gross funded debt/Net fixed assets and net working capital | 53.08 % | 52.77 % | 49.02 % | 52.37 % | 54.54 % |
| Net funded debt/Net fixed assets and net working capital | 56.36 % | 56.77 % | 53.78 % | 56.73 % | 58.45 % |
| Operating ratio | | | | | |
| Total expenses/Total operating revenues ¹ | 68.09 % | 63.63 % | 64.34 % | 66.45 % | 66.18 % |
| Net take-down (%) | | | | | |
| Net revenue and income available for debt service/ Gross revenue and income before contributions | 32.68 % | 37.28 % | 37.74 % | 35.59 % | 35.60 % |
| Debt service safety margin | | | | | |
| Net revenue and income available for debt service less current service/Gross revenue and income before contributions | 21.05 % | 23.24 % | 37.73 % | 22.28 % | 21.30 % |

¹ This increase in electric operating revenues was primarily driven by the use of fuel reserves as a result of rising fuel costs while the increase in net revenue and income available for debt service resulted from favorable customer growth and strong post-pandemic recovery of retail electric commercial sales. Included in this amount is a deferral of \$25.0 million to help mitigate retail electric prices effective October 1, 2022.

LONG-TERM EMPLOYEE BENEFIT PLANS LIABILITY (Dollars in thousands)

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
| Pension Plan | | | | | |
| Total pension liability | | | | | |
| Service cost | \$ 6,820 | \$ 5,814 | \$ 5,867 | \$ 5,754 | \$ 5,748 |
| Interest on the total pension liability | 35,816 | 36,079 | 35,407 | 34,492 | 33,535 |
| Benefit changes | — | — | 68 | — | 408 |
| Difference between expected and actual experience | (640) | (2,073) | 2,106 | 4,904 | 3,706 |
| Assumption changes ¹ | 10,398 | (9,708) | — | — | — |
| Benefit payments, including refunds of plan member contributions | (34,810) | (34,671) | (33,576) | (31,726) | (28,663) |
| Net change in total pension liability | 17,584 | (4,559) | 9,872 | 13,424 | 14,734 |
| Total pension liability - beginning of year | 504,602 | 509,161 | 499,289 | 485,865 | 471,131 |
| Total pension liability - end of year | \$ 522,186 | \$ 504,602 | \$ 509,161 | \$ 499,289 | \$ 485,865 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 19,173 | \$ 22,405 | \$ 22,491 | \$ 22,614 | \$ 21,876 |
| Contributions - plan members | 369 | 423 | 475 | 555 | 660 |
| Total investment income, net of investment expense ² | 95,240 | 46,228 | 17,599 | 37,039 | 48,761 |
| Benefit payments, including refunds of plan member contributions | (34,810) | (34,671) | (33,576) | (31,726) | (28,663) |
| Administrative expense | (323) | (242) | (240) | (320) | (115) |
| Net change in plan fiduciary net position | 79,649 | 34,143 | 6,749 | 28,162 | 42,519 |
| Plan fiduciary net position - beginning of year | 459,909 | 425,766 | 419,017 | 390,855 | 348,336 |
| Plan fiduciary net position - end of year | \$ 539,558 | \$ 459,909 | \$ 425,766 | \$ 419,017 | \$ 390,855 |
| Net pension liability - beginning of year | \$ 44,693 | \$ 83,395 | \$ 80,272 | \$ 95,010 | \$ 122,795 |
| Net pension liability/(asset) - end of year | \$ (17,372) | \$ 44,693 | \$ 83,395 | \$ 80,272 | \$ 95,010 |
| Plan fiduciary net position as a percentage of total pension liability | 103.3% | 91.1% | 83.6% | 83.9% | 80.5% |
| Covered payroll | \$ 100,621 | \$ 97,896 | \$ 90,907 | \$ 86,573 | \$ 78,314 |
| Net pension liability/(asset) as a percentage of covered payroll | (17.3)% | 45.7% | 91.7% | 92.7% | 121.3% |
| 415 Trust ³ | | | | | |
| (Dollars in thousands) | 2022 | 2021 | 2020 | 2019 | 2018 |
| Total pension liability | | | | | |
| Service cost | \$ 75 | \$ 57 | \$ 40 | \$ 36 | \$ 28 |
| Interest on the total pension liability | 80 | 82 | 99 | 91 | 38 |
| Benefit changes | — | — | — | — | 1,124 |
| Difference between expected and actual experience | (190) | 27 | 64 | 82 | 373 |
| Assumption changes ¹ | 87 | 320 | 350 | (96) | (132) |
| Benefit payments, including refunds of plan member contributions | (168) | (160) | (157) | (118) | (80) |
| Net change in total pension liability | (116) | 326 | 396 | (5) | 1,351 |
| Total pension liability - beginning of year | 3,330 | 3,004 | 2,608 | 2,613 | 1,262 |
| Total pension liability - end of year | \$ 3,214 | \$ 3,330 | \$ 3,004 | \$ 2,608 | \$ 2,613 |
| Covered payroll | \$ 937 | \$ 905 | \$ 905 | \$ 1,114 | \$ 1,458 |
| Total pension liability as a percentage of covered payroll ⁴ | 343.1 % | 367.9 % | 331.9 % | 234.1 % | 179.2 % |

¹ For 2022, the investment return assumption was lowered from 7.25 percent to 7.0 percent per year, compounded annually and net of investment expenses. For 2021, assumption changes were made to salary increases and retirement, separation and mortality rates, based on an actuarial assumption study and experience review for the seven-year period ended September 30, 2019.

² Net investment income is recognized based on market performance noting that while investment returns vary on an annual basis, the composition of the portfolio is maintained in accordance with the Investment Policy and is reviewed regularly with the board approved Trustees and an independent investment advisor.

³ For the non-qualified plan, there were no assets accumulated in a trust that meet the criteria in GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," to pay related benefits. As such, assets were reported in OUC's financial statements and were not netted against the total pension liability.

⁴ Pension liability as a percentage of covered payroll reflects the limited number of plan participants in this legacy program.

LONG-TERM EMPLOYEE BENEFIT PLANS LIABILITY (Dollars in thousands)

Years Ended September 30

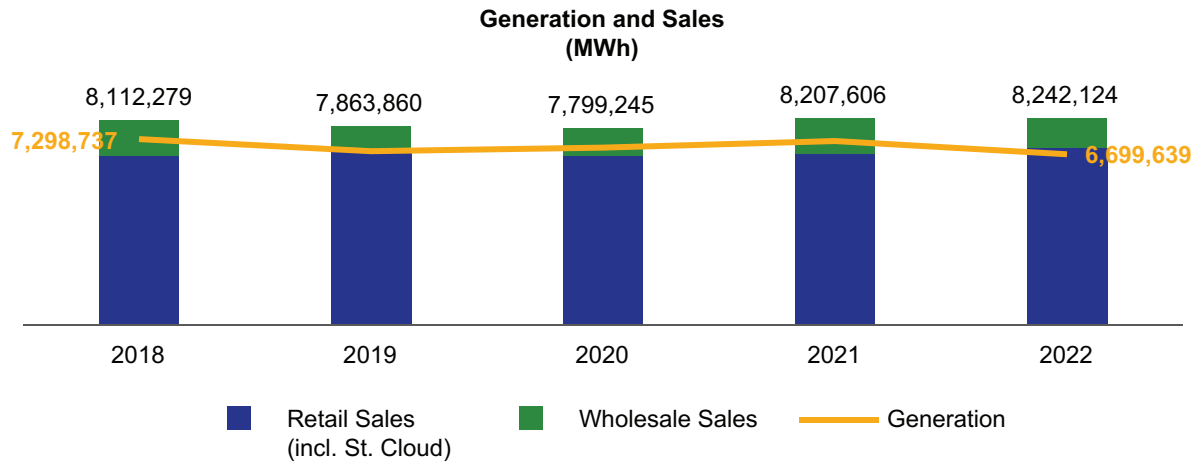
| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| OPEB plan | | | | | |
| Total OPEB liability | | | | | |
| Service cost | \$ 1,039 | \$ 1,174 | \$ 1,186 | \$ 1,308 | \$ 1,331 |
| Interest on the total OPEB liability | 8,620 | 9,936 | 9,906 | 10,385 | 10,434 |
| Change in benefit terms | — | (438) | — | — | — |
| Difference between expected and actual experience | (5,592) | 2,899 | (2,192) | (2,987) | (3,285) |
| Assumption changes ¹ | (8,028) | (24,688) | (1,029) | (7,658) | (2,093) |
| Benefit payments, including refunds | (6,291) | (7,511) | (7,371) | (7,702) | (6,374) |
| Net change in total OPEB liability | (10,252) | (18,628) | 500 | (6,654) | 13 |
| Total OPEB liability - beginning of year | 121,006 | 139,634 | 139,134 | 145,788 | 145,775 |
| Total OPEB liability - end of year | \$ 110,754 | \$ 121,006 | \$ 139,634 | \$ 139,134 | \$ 145,788 |
| Plan fiduciary net position | | | | | |
| Contributions - employer ⁵ | \$ 1,185 | \$ 3,682 | \$ 7,022 | \$ 9,068 | \$ 13,384 |
| Net investment income ² | 31,313 | 14,953 | 5,399 | 10,956 | 13,420 |
| Benefit payments, including refunds | (6,291) | (7,511) | (7,371) | (7,702) | (6,374) |
| Administrative expense | (17) | (17) | (17) | (18) | (18) |
| Net increase in plan fiduciary net position | 26,190 | 11,107 | 5,033 | 12,304 | 20,412 |
| Plan fiduciary net position - beginning of year | 149,086 | 137,979 | 132,946 | 120,642 | 100,230 |
| Plan fiduciary net position - end of year | \$ 175,276 | \$ 149,086 | \$ 137,979 | \$ 132,946 | \$ 120,642 |
| Net OPEB liability/(asset) - beginning of year | \$ (28,080) | \$ 1,655 | \$ 6,188 | \$ 25,146 | \$ 45,545 |
| Net OPEB liability/(asset) - end of year | \$ (64,522) | \$ (28,080) | \$ 1,655 | \$ 6,188 | \$ 25,146 |
| Plan fiduciary net position as a percentage of total OPEB liability | 158.3 % | 123.2 % | 98.8 % | 95.6 % | 82.8 % |
| Covered payroll | \$ 100,721 | \$ 98,058 | \$ 91,035 | \$ 86,892 | \$ 78,447 |
| Net OPEB liability/(asset) as a percentage of covered payroll | (64.1)% | (28.6)% | 1.8 % | 7.1 % | 32.1 % |

⁵ Actuarially determined contribution amounts were calculated as of October 1 of the year preceding the contribution year. Since 2020, employer contributions decreased as a result of several variables, including favorable retiree medical claims experience, modifications to the health and wellness plan options and premium structures along with reduced utility discount maximums to support energy and water conservation initiatives for the limited number of participants vested in the program which was closed in 1985.



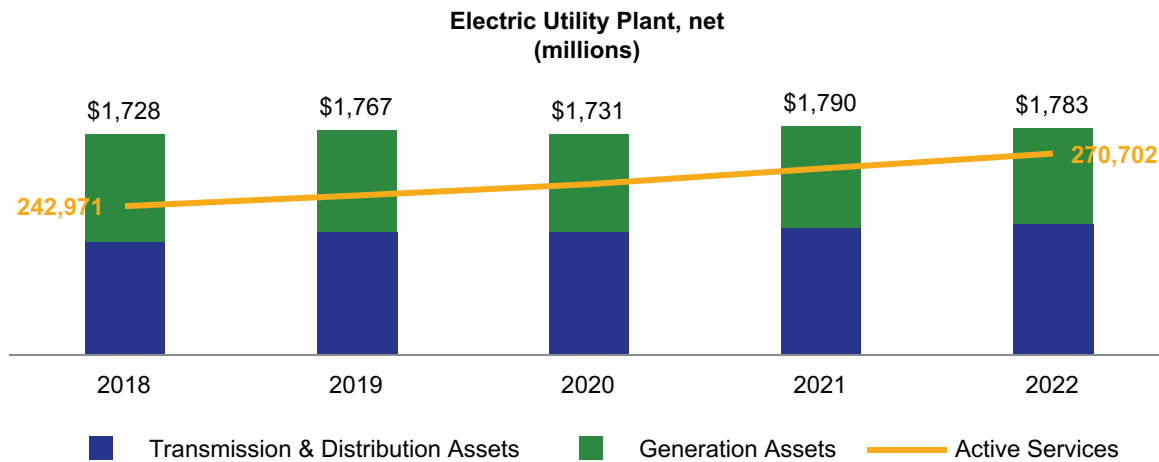
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Electric Business Operations



Generation and Sales:

- Energy generation and purchased power collectively satisfy the wholesale and retail demand. In 2022, while there was a decrease in electric generation due to coal supply constraints, the increased demand was met by an increase in purchased power.



Electric Utility Plant, net:

- The expansion of generation resources through the execution of power purchase agreements utilizing renewable energy sources, such as solar power and energy storage, has modified the growth in generation facility assets. Offsetting this growth is the continued expansion of energy delivery utility plant to meet customer resiliency and reliability expectations.

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

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| Operating Revenues | | | | | |
| Residential | \$ 323,307 | \$ 267,921 | \$ 247,115 | \$ 241,157 | \$ 229,750 |
| Commercial - non-demand | 60,323 | 49,225 | 44,910 | 47,318 | 45,048 |
| Commercial - demand-secondary | 333,943 | 264,702 | 243,027 | 265,792 | 259,835 |
| Commercial - demand-primary | 50,793 | 41,497 | 37,497 | 42,303 | 41,759 |
| Non-metered lighting | 5,269 | 4,483 | 4,323 | 4,465 | 4,790 |
| Interlocal sales | 105,673 | 95,082 | 88,134 | 84,137 | 79,918 |
| Service fees and other | 29,706 | 26,761 | 23,714 | 24,923 | 24,400 |
| Operating revenues (excluding wholesale sales) | 909,014 | 749,671 | 688,720 | 710,095 | 685,500 |
| Wholesale sales | 105,578 | 63,520 | 52,046 | 56,766 | 81,532 |
| Regulatory action | (25,000) | 281 | 150 | 2,673 | 9,043 |
| Total operating revenues ¹ | 989,592 | 813,472 | 740,916 | 769,534 | 776,075 |
| Operations and maintenance expenses | | | | | |
| Fuel and fixed demand payments ² | 381,306 | 248,124 | 208,851 | 237,008 | 257,979 |
| Purchased power and other power supply expenses ² | 86,668 | 46,864 | 48,261 | 51,545 | 48,276 |
| Production | 76,834 | 80,223 | 80,600 | 87,418 | 80,907 |
| Transmission | 21,532 | 18,969 | 17,631 | 15,288 | 14,344 |
| Distribution - OUC | 18,729 | 22,641 | 22,875 | 26,269 | 24,162 |
| Distribution - St. Cloud | 2,650 | 1,942 | 2,591 | 2,444 | 2,226 |
| Emergency response expenses ³ | 4,540 | 327 | 7,622 | 2,512 | — |
| Customer Service | 33,765 | 35,299 | 32,499 | 33,488 | 33,953 |
| General & administrative | 55,664 | 58,928 | 46,928 | 51,749 | 49,525 |
| Total operations and maintenance expenses | 681,688 | 513,317 | 467,858 | 507,721 | 511,372 |
| Other expenses | | | | | |
| Utility/property tax | 18,723 | 17,124 | 17,228 | 17,304 | 17,034 |
| Revenue based payments to the City of Orlando | 26,655 | 25,903 | 26,478 | 26,270 | 26,557 |
| Revenue based payments to Orange County | 1,548 | 1,403 | 1,368 | 1,379 | 1,339 |
| Revenue based and system use payments to the City of St. Cloud | 8,467 | 8,020 | 7,580 | 7,009 | 7,286 |
| Depreciation and amortization ⁴ | 132,583 | 129,558 | 121,542 | 115,590 | 112,355 |
| Total other expenses | 187,976 | 182,008 | 174,196 | 167,552 | 164,571 |
| Total operating expenses | 869,664 | 695,325 | 642,054 | 675,273 | 675,943 |
| Operating Income | 119,928 | 118,147 | 98,862 | 94,261 | 100,132 |
| Non-operating income and expenses | | | | | |
| Interest income ⁵ | 4,650 | 5,536 | 10,097 | 9,613 | 6,358 |
| Other income, net ⁵ | 5,211 | 5,563 | 8,234 | 8,480 | 8,461 |
| Amortization of deferred gain on sale of assets ⁶ | — | — | 5,749 | 5,024 | 6,054 |
| Interest expense, net ⁷ | (37,263) | (38,448) | (41,709) | (43,904) | (44,028) |
| Total non-operating expense, net | (27,402) | (27,349) | (17,629) | (20,787) | (23,155) |
| Special Items | | | | | |
| Generation decommissioning ⁸ | (18,375) | (13,946) | — | — | — |
| Electric income before contributions | 74,151 | 76,852 | 81,233 | 73,474 | 76,977 |
| Contributions in aid of construction (CIAC) | 4,313 | 5,255 | 2,997 | 5,590 | 4,509 |
| Annual dividend | (46,267) | (46,930) | (52,738) | (48,577) | (47,723) |
| Increase to net position | \$ 32,197 | \$ 35,177 | \$ 31,492 | \$ 30,487 | \$ 33,763 |

¹ In 2022, the increase is primarily due to the rise in pass-through retail and wholesale electric fuel revenues coupled with an increase in retail and resale non-fuel electric revenues resulting from warmer than normal weather, favorable customer growth and the post-pandemic recovery of electric commercial sales allowing for the deferral of \$25.0 million of non-fuel electric revenues to mitigate the October 1, 2022 fuel revenue price increase. In 2021, electric operating revenues increased due to a rebound from the effects of the pandemic coupled with rising fuel costs that were offset with the increased use of fuel reserves included in retail electric revenues.

² Fuel, fixed demand payment and purchased power increased due to rising fuel commodity costs, pandemic and industry related supply chain constraints coupled with the impacts of geopolitical challenges.

³ Emergency response expenses in 2022 reflect the estimated costs from Hurricane Ian, net of funds expected to be recovered through the FEMA reimbursement. In 2020, OUC incurred additional costs to protect its employees in the amount of \$7.7 million of which the majority of the costs are anticipated to be reimbursed through the FEMA process in alignment with the eligibility period through March 2022. Ineligible FEMA costs for Hurricane Dorian costs were also recognized in 2020.

⁴ Depreciation and amortization expenses have increased over the years due to the capitalization of new assets and financial actions to align the depreciable life of generation facility assets with OUC's operational and clean energy initiatives.

⁵ In 2022, interest and other income remained lower due to the change in the interest rate environment at year-end and actions taken to rebalance the investment portfolio in light of rising rates. In 2021, the decrease is a result of prior year one-time investment opportunities.

⁶ Beginning in 2021, the amortization of gains on sale of assets was deferred in alignment with the Clean Energy Plan.

⁷ Interest expense decreased as a result of the overall market impact on variable rate debt.

⁸ In April 2021, the McIntosh 3 generation facility was retired and a Board approved regulatory action was taken to recognize the asset retirement expenses through 2024 which was the original life of the asset.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| Profile of consumption & revenue by type of customer | | | | | |
| Residential service ¹ | | | | | |
| kWh sales per customer | 11,312 | 11,534 | 11,727 | 11,696 | 11,570 |
| Revenue per customer | \$ 1,701 | \$ 1,444 | \$ 1,362 | \$ 1,354 | \$ 1,312 |
| Revenue per kWh | \$ 0.1504 | \$ 0.1252 | \$ 0.1161 | \$ 0.1157 | \$ 0.1134 |
| Commercial service - non-demand ¹ | | | | | |
| kWh sales per customer | 17,960 | 17,804 | 17,879 | 19,264 | 19,127 |
| Revenue per customer | \$ 2,565 | \$ 2,132 | \$ 1,988 | \$ 2,145 | \$ 2,091 |
| Revenue per kWh | \$ 0.1428 | \$ 0.1198 | \$ 0.1112 | \$ 0.1114 | \$ 0.1093 |
| Commercial service - demand secondary ¹ | | | | | |
| kWh sales per customer | 643,646 | 608,151 | 586,018 | 588,293 | 561,903 |
| Revenue per customer | \$ 70,193 | \$ 54,730 | \$ 48,840 | \$ 50,982 | \$ 48,382 |
| Revenue per kWh | \$ 0.1091 | \$ 0.0900 | \$ 0.0833 | \$ 0.0867 | \$ 0.0861 |
| Commercial service - demand primary ¹ | | | | | |
| kWh sales per customer | 17,959,462 | 18,273,655 | 17,741,556 | 18,642,382 | 18,274,302 |
| Revenue per customer | \$ 1,953,568 | \$ 1,627,318 | \$ 1,470,462 | \$ 1,596,358 | \$ 1,575,811 |
| Revenue per kWh | \$ 0.1088 | \$ 0.0891 | \$ 0.0829 | \$ 0.0856 | \$ 0.0862 |
| Non-Metered lighting | | | | | |
| kWh sales per customer | 712 | 720 | 729 | 740 | 768 |
| Revenue per customer | \$ 60 | \$ 52 | \$ 51 | \$ 54 | \$ 61 |
| Revenue per kWh | \$ 0.0842 | \$ 0.0721 | \$ 0.0701 | \$ 0.0731 | \$ 0.0794 |
| Interlocal service | | | | | |
| kWh sales per customer | 17,381 | 17,896 | 18,222 | 18,459 | 18,393 |
| Revenue per customer | \$ 2,183 | \$ 2,106 | \$ 2,072 | \$ 2,086 | \$ 2,080 |
| Revenue per kWh | \$ 0.1256 | \$ 0.1177 | \$ 0.1137 | \$ 0.1130 | \$ 0.1131 |
| Selected financial expense statistics | | | | | |
| Total fuel and purchased power expense per kWh ² | \$ 0.0568 | \$ 0.0359 | \$ 0.0330 | \$ 0.0367 | \$ 0.0378 |
| Total operations and maintenance expense (excluding fuel and purchased power) per kWh | 0.0259 | 0.0266 | 0.0270 | 0.0279 | 0.0253 |
| Total operations and maintenance expense per kWh | <u>\$ 0.0827</u> | <u>\$ 0.0625</u> | <u>\$ 0.0600</u> | <u>\$ 0.0646</u> | <u>\$ 0.0631</u> |
| Operations and maintenance expense per metered service ³ | | | | | |
| Fuel, fixed demand, purchased power and other power supply expense | \$ 1,754 | \$ 1,140 | \$ 1,022 | \$ 1,174 | \$ 1,273 |
| Production, transmission and distribution costs | 449 | 479 | 492 | 535 | 506 |
| Customer service expense | 127 | 136 | 129 | 136 | 141 |
| General and administrative expense | 209 | 228 | 187 | 211 | 206 |
| Total operations and maintenance expense | <u>\$ 2,539</u> | <u>\$ 1,983</u> | <u>\$ 1,830</u> | <u>\$ 2,056</u> | <u>\$ 2,126</u> |

¹ In 2022, revenue per customer and revenue per kWh increased due to retail electric fuel price increases and the use of fuel reserves to offset rising fuel costs.

² In 2022, total fuel expense per kWh has increased significantly as fuel commodity costs have increased due to industry and global supply constraints.

³ In 2022, total operations and maintenance expenses increased due to increased fuel and purchased power related to rising commodity costs which began in late 2021.

SELECTED FINANCIAL RATIOS

Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|
| Electric operating ratio | | | | | |
| Electric operation and maintenance expenses/total operating revenues ¹ | \$ 0.69 | \$ 0.63 | \$ 0.63 | \$ 0.66 | \$ 0.67 |
| Electric expense ratio | | | | | |
| Total operating expenses/total electric sales (MWh) ¹ | \$ 11.11 | \$ 9.04 | \$ 8.91 | \$ 9.20 | \$ 8.92 |
| Total operating expenses, less fuel/total electric sales (MWh) | \$ 5.73 | \$ 5.77 | \$ 5.99 | \$ 5.93 | \$ 5.55 |
| Electric income before contributions per revenue dollar | | | | | |
| Electric income before contributions/total operating revenues | \$ 0.07 | \$ 0.09 | \$ 0.11 | \$ 0.10 | \$ 0.09 |
| ACTIVE SERVICES | | | | | |
| OUC retail metered services | | | | | |
| Residential | 192,058 | 188,019 | 183,096 | 179,769 | 176,543 |
| Commercial - non-demand | 23,738 | 23,291 | 22,881 | 22,304 | 21,807 |
| Commercial - demand - secondary | 4,686 | 4,829 | 4,844 | 5,108 | 5,319 |
| Commercial - demand - primary | 26 | 26 | 25 | 26 | 27 |
| Total OUC retail metered services | 220,508 | 216,165 | 210,846 | 207,207 | 203,696 |
| Interlocal services | 50,194 | 46,629 | 43,686 | 41,388 | 39,275 |
| Total OUC retail and interlocal metered services | 270,702 | 262,794 | 254,532 | 248,595 | 242,971 |
| Unmetered lighting fixtures | | | | | |
| Conventional | 55,040 | 54,499 | 53,858 | 53,186 | 53,372 |
| Convenient | 30,742 | 29,813 | 28,768 | 27,580 | 25,256 |
| St. Cloud | 2,868 | 2,851 | 2,851 | 2,848 | 2,895 |
| Total unmetered lighting fixtures | 88,650 | 87,163 | 85,477 | 83,614 | 81,523 |
| Total OUC retail, unmetered lighting and interlocal services | 359,352 | 349,957 | 340,009 | 332,209 | 324,494 |
| CONSUMPTION (MWh) | | | | | |
| OUC retail sales | | | | | |
| Residential | 2,149,655 | 2,140,235 | 2,127,644 | 2,083,653 | 2,026,608 |
| Commercial - non-demand | 422,316 | 411,020 | 403,926 | 424,885 | 412,036 |
| Commercial - demand - secondary | 3,062,145 | 2,941,321 | 2,916,023 | 3,067,064 | 3,017,699 |
| Commercial - demand - primary | 466,946 | 465,978 | 452,410 | 494,023 | 484,269 |
| Total OUC retail sales | 6,101,062 | 5,958,554 | 5,900,003 | 6,069,625 | 5,940,612 |
| Nonmetered lighting sales | | | | | |
| Conventional | 35,161 | 34,797 | 34,456 | 33,699 | 32,781 |
| Convenient | 24,476 | 24,469 | 24,301 | 24,466 | 24,675 |
| St. Cloud | 2,936 | 2,905 | 2,913 | 2,903 | 2,848 |
| Total nonmetered lighting sales | 62,573 | 62,171 | 61,670 | 61,068 | 60,304 |
| Interlocal sales | 841,440 | 808,153 | 775,092 | 744,466 | 706,543 |
| Total retail sales | 7,005,075 | 6,828,878 | 6,736,765 | 6,875,159 | 6,707,459 |
| Wholesale sales | 1,237,049 | 1,378,728 | 1,062,480 | 988,701 | 1,404,820 |
| Total electric sales | 8,242,124 | 8,207,606 | 7,799,245 | 7,863,860 | 8,112,279 |

¹ In 2022, the electric operating and expense ratios increased due to the rise in fuel and purchased power costs resulting from industry and global supply constraints.

ELECTRIC GENERATION (MWh)

Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|-----------|
| Stanton Energy Center (SEC) | | | | | |
| Generation - steam | 2,689,031 | 3,792,481 | 3,271,619 | 3,323,973 | 3,652,214 |
| Generation - combined cycle | 3,446,851 | 2,542,612 | 2,964,352 | 2,579,573 | 2,519,657 |
| Total generation | 6,135,882 | 6,335,093 | 6,235,971 | 5,903,546 | 6,171,871 |
| Plant use - less participants' loss factor | 279,252 | 304,876 | 297,837 | 289,148 | 304,295 |
| Participants' reserve power | 19,034 | 15,491 | 18,488 | 27,689 | 3,149 |
| Delivered | 5,837,596 | 6,014,726 | 5,919,646 | 5,586,709 | 5,864,427 |
| McIntosh (MC3) ¹ | | | | | |
| Generation - steam | — | 377,290 | 225,074 | 420,753 | 627,727 |
| Delivered | — | 377,290 | 225,074 | 420,753 | 627,727 |
| St. Lucie (SL2) | | | | | |
| Generation - nuclear | 499,068 | 478,962 | 485,721 | 477,723 | 481,150 |
| Plant use | 11,928 | 11,447 | 11,609 | 11,418 | 11,499 |
| Delivered | 487,140 | 467,515 | 474,112 | 466,305 | 469,651 |
| Osceola Generation Station (OGS) | | | | | |
| Generation - combustion turbines | 12,598 | — | — | — | — |
| Plant use | 1,318 | — | — | — | — |
| Delivered | 11,280 | — | — | — | — |
| Indian River | | | | | |
| Generation - combustion turbines | 52,092 | 30,521 | 15,630 | 18,758 | 17,989 |
| Plant use - less participants' loss factor | 71 | 62 | 41 | 44 | 83 |
| Participants' reserve power | 5,059 | 5,348 | 5,408 | 5,612 | 4,362 |
| Delivered | 46,962 | 25,111 | 10,181 | 13,102 | 13,544 |
| Generation | | | | | |
| Steam | 2,689,031 | 4,169,771 | 3,496,693 | 3,744,726 | 4,279,941 |
| Combined cycle | 3,446,851 | 2,542,612 | 2,964,352 | 2,579,573 | 2,519,657 |
| Nuclear | 499,068 | 478,962 | 485,721 | 477,723 | 481,150 |
| Combustion turbines | 64,690 | 30,521 | 15,630 | 18,758 | 17,989 |
| Total generation | 6,699,640 | 7,221,866 | 6,962,396 | 6,820,780 | 7,298,737 |
| Total plant use - less participants loss factor | 292,568 | 316,385 | 309,487 | 300,610 | 315,877 |
| Participants' reserve power | 24,093 | 20,839 | 23,896 | 33,301 | 7,511 |
| Total delivered | 6,382,979 | 6,884,642 | 6,629,013 | 6,486,869 | 6,975,349 |
| Purchases received ² | 2,077,867 | 1,465,689 | 1,354,122 | 1,547,668 | 1,318,792 |
| Available | 8,460,846 | 8,350,331 | 7,983,135 | 8,034,537 | 8,294,141 |
| Sales | 8,242,124 | 8,207,606 | 7,799,245 | 7,863,860 | 8,112,279 |
| Unsold generation | 218,722 | 142,725 | 183,890 | 170,677 | 181,862 |
| Unsold as a percentage of generation | 3.26 % | 1.98 % | 2.64 % | 2.50 % | 2.49 % |

¹ Since 2018, generation at the MC3 facility has declined and in January 2021 the City of Lakeland announced the shuttering of MC3 effective April 2021, three years in advance of the originally planned date of 2024.

² In 2022, there was an increase in purchased power due to a decrease in coal generation at SEC Units 1 and 2 resulting from coal supply constraints.

NET GENERATING CAPABILITY (Including major power purchase agreements)

Generating Facility (MW) Years Ended September 30

| Name Plate Capacity | 2022 | | 2021 | | 2020 | | 2019 | | 2018 | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW | |
| Stanton Energy Center (SEC) | | | | | | | | | | | |
| Unit 1 FS | 425 | 312 | 312 | 312 | 305 | 305 | 302 | 304 | 302 | 304 | |
| Unit 2 FS | 425 | 334 | 334 | 350 | 340 | 340 | 340 | 340 | 340 | 340 | |
| Unit A CC | 633 | 187 | 188 | 184 | 184 | 188 | 184 | 188 | 184 | 188 | |
| Unit B CC | 300 | 292 | 307 | 292 | 292 | 307 | 292 | 307 | 292 | 307 | |
| Indian River Plant (IRP) | | | | | | | | | | | |
| Unit A CT | 76 | 16 | 18 | 16 | 16 | 18 | 16 | 18 | 16 | 18 | |
| Unit B CT | 76 | 16 | 18 | 16 | 16 | 18 | 16 | 18 | 16 | 18 | |
| Unit C CT | 224 | 83 | 88 | 83 | 83 | 89 | 83 | 88 | 83 | 88 | |
| Unit D CT | 224 | 83 | 88 | 83 | 83 | 89 | 83 | 88 | 83 | 88 | |
| C.D. McIntosh, Jr. Plant (MC3) | | | | | | | | | | | |
| Unit 3 FS | 364 | — | — | — | 133 | 136 | 133 | 136 | 133 | 136 | |
| Osceola Generation Station | | | | | | | | | | | |
| Unit 2 CT | 170 | 157 | 157 | — | — | — | — | — | — | — | |
| St. Lucie Plant | | | | | | | | | | | |
| Unit 2 N | 850 | 60 | 62 | 60 | 62 | 60 | 62 | 60 | 62 | 60 | |
| Total capability | 1,541 | 1,573 | 1,396 | 1,433 | 1,511 | 1,551 | 1,509 | 1,549 | 1,509 | 1,547 | |
| Power purchase agreements | 349 | 349 | 349 | 349 | 349 | 349 | 342 | 342 | 342 | 342 | |
| Total available | 1,890 | 1,922 | 1,745 | 1,782 | 1,860 | 1,900 | 1,851 | 1,891 | 1,851 | 1,889 | |
| Firm commitments to other utilities ¹ | (246) | (187) | (247) | (484) | (225) | (169) | (237) | (161) | (267) | (267) | |
| Net available to OUC | 1,644 | 1,735 | 1,498 | 1,298 | 1,635 | 1,731 | 1,614 | 1,730 | 1,584 | 1,622 | |

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

PEAK DEMAND

Years Ended September 30

| | 2022 | | 2021 | | 2020 | | 2019 | | 2018 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW | Summer MW | Winter MW |
| Net peak demand (Net 60 minute integrated MW demand) | 1,201 | 897 | 1,190 | 924 | 1,170 | 1,000 | 1,224 | 902 | 1,136 | 1,069 |
| Gross peak demand (MW) (Instantaneous) | 1,268 | 929 | 1,256 | 958 | 1,203 | 1,061 | 1,294 | 938 | 1,210 | — |
| System load factor | 60 | | 59 | | 60 | | 59 | | 62 | |

GENERATION AVAILABILITY DATA

Years Ended September 30

| | 2022 | | | 2021 | | | 2020 | | | 2019 | | | 2018 | | |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | CF | EAF | EFOR | CF | EAF | EFOR | CF | EAF | EFOR | CF | EAF | EFOR | CF | EAF | EFOR |
| SEC | | | | | | | | | | | | | | | |
| Unit 1 | 46.0 | 89.0 | 1.0 | 59.1 | 89.1 | 6.0 | 41.1 | 78.1 | 0.9 | 57.9 | 82.0 | 6.3 | 56.9 | 85.7 | 5.7 |
| Unit 2 | 40.0 | 85.0 | 3.0 | 62.6 | 86.4 | 2.4 | 66.3 | 95.5 | 0.6 | 55.8 | 74.6 | 4.0 | 64.5 | 87.3 | 1.1 |
| Unit A | 73.0 | 93.0 | — | 38.7 | 92.3 | — | 33.1 | 82.2 | — | 42.4 | 94.3 | — | 36.1 | 84.0 | 3.4 |
| Unit B | 77.0 | 93.0 | 1.0 | 57.1 | 83.3 | 0.1 | 73.2 | 88.2 | 0.1 | 60.8 | 86.7 | 5.6 | 60.2 | 86.7 | — |
| IRP | | | | | | | | | | | | | | | |
| Unit A ² | — | 82.0 | 90.0 | — | 97.2 | — | — | 94.3 | — | 0.1 | 96.1 | — | — | 91.4 | 93.7 |
| Unit B ² | — | 84.0 | — | — | 97.2 | — | — | 94.7 | 67.7 | 0.1 | 96.0 | 18.5 | 0.1 | 92.7 | 10.5 |
| Unit C ² | 2.0 | 65.0 | — | 2.2 | 95.1 | 0.6 | 0.7 | 95.9 | — | 1.7 | 96.2 | — | 1.0 | 95.9 | — |
| Unit D ² | 5.0 | 97.0 | 8.0 | 1.8 | 88.6 | — | 1.3 | 96.0 | — | 0.7 | 89.6 | 33.2 | 1.2 | 97.3 | 13.7 |
| McIntosh | | | | | | | | | | | | | | | |
| Unit 3 | — | — | — | 32.1 | 93.0 | 3.8 | 19.1 | 52.9 | 49.3 | 35.8 | 60.9 | 11.2 | 53.5 | 85.1 | 1.3 |
| Osceola Generation Station | | | | | | | | | | | | | | | |
| Unit 2 | 1.82 | 100 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| St. Lucie Plant | | | | | | | | | | | | | | | |
| Unit 2 | 98.0 | 96.0 | 4.0 | 91.6 | 89.6 | 1.2 | 93.3 | 91.2 | 0.7 | 99.9 | 97.5 | 2.3 | 90.2 | 89.5 | 1.3 |

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

¹ New agreements with Mt. Dora, Chattahoochee, Lakeland and additional short-term agreements executed in 2021.

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

ELECTRIC DISTRIBUTION RELIABILITY DATA

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| Orlando/Orange County | | | | | |
| Average service availability index (ASAI) | 0.9999 | 0.9999 | 0.9999 | 0.9999 | 0.9999 |
| Average customer outage in minutes (SAIDI) ¹ | 44.1 | 49.6 | 52.4 | 43.3 | 51.8 |
| Average customer interruption duration index in minutes (CAIDI) ¹ | 63.2 | 57.8 | 65.5 | 59.1 | 76.1 |
| Average length of service interruption in minutes (L-Bar) ¹ | 86.5 | 77.9 | 82.0 | 70.9 | 75.9 |
| St. Cloud/Osceola County | | | | | |
| Average service availability index (ASAI) | 0.9999 | 0.9999 | 0.9999 | 0.9999 | 0.9999 |
| Average customer outage in minutes (SAIDI) ² | 52.1 | 42.5 | 98.4 | 48.3 | 77.2 |
| Average customer interruption duration index in minutes (CAIDI) ² | 84.1 | 78.3 | 67.4 | 70.3 | 71.3 |
| Average length of service interruption in minutes (L-Bar) ² | 87.2 | 88.1 | 86.3 | 75.0 | 76.9 |
| ELECTRIC PHYSICAL STATISTICS | | | | | |
| Transmission system (circuit miles) | | | | | |
| 69KV | 36.6 | 36.6 | 36.6 | 36.6 | 36.6 |
| 115KV | 128.2 | 128.2 | 129.3 | 129.3 | 129.3 |
| 230KV | 236.6 | 227.4 | 227.4 | 227.4 | 227.4 |
| Total transmission circuit miles | 401.4 | 392.2 | 393.3 | 393.3 | 393.3 |
| Number of substations | | | | | |
| OUC substations | 32.0 | 32.0 | 32.0 | 31.0 | 31.0 |
| STC substations | 6.0 | 5.0 | 5.0 | 4.0 | 4.0 |
| Total Substations | 38.0 | 37.0 | 37.0 | 35.0 | 35.0 |
| Orlando distribution system (circuit miles) | | | | | |
| Overhead | 725.3 | 731.6 | 736.7 | 725.7 | 735.4 |
| Underground | 1,497.7 | 1,460.5 | 1,381.5 | 1,360.0 | 1,341.4 |
| Total Orlando circuit miles | 2,223.0 | 2,192.1 | 2,118.2 | 2,085.7 | 2,076.8 |
| St. Cloud distribution system (circuit miles) | | | | | |
| Overhead | 270.2 | 269.1 | 265.2 | 263.0 | 260.4 |
| Underground | 326.2 | 289.2 | 251.5 | 247.3 | 229.1 |
| Total St. Cloud circuit miles | 596.4 | 558.3 | 516.7 | 510.3 | 489.5 |
| Total OUC & St. Cloud circuit miles | 2,819.4 | 2,750.4 | 2,634.9 | 2,596.0 | 2,566.3 |
| Distribution expenses per circuit mile³ | \$ 7,583 | \$ 8,938 | \$ 9,665 | \$ 11,060 | \$ 10,283 |
| Percentages of Orlando distribution system (circuit miles) | | | | | |
| Overhead | 32.6 % | 33.4 % | 34.8 % | 34.8 % | 35.4 % |
| Underground | 67.4 % | 66.6 % | 65.2 % | 65.2 % | 64.6 % |
| Percentages of St. Cloud distribution system (circuit miles) | | | | | |
| Overhead | 45.3 % | 48.2 % | 51.3 % | 51.5 % | 53.2 % |
| Underground | 54.7 % | 51.8 % | 48.7 % | 48.5 % | 46.8 % |

¹ In 2022, an overall increase in minutes was due to increased storm activity in the Orlando area. In 2021, outage and service interruption times decreased from 2020 levels as there was milder weather, lessened COVID-19 safety protocols and a decrease in mutual aid support to peer utilities. One-time weather events excluding named hurricane events impacted 2018.

² The L-Bar, CAIDI and SAIDI statistics are highly variable due to the small volume of events in this area. In 2022, increased public incidents led the rise in outage and service interruption times. In 2021, mild weather, strategic initiatives and lessened COVID-19 safety protocols resulted in less circuit lockouts. In 2020, COVID-19 safety protocols negatively affected the length of time of power outages. The St. Cloud/Osceola system was not significantly impacted by some of the summer storm activity seen in Orlando in 2018.

³ From 2018 through 2019, distribution expenses increased primarily due to increased staffing levels to support maintenance projects.

ELECTRIC UTILITY PLANT (Dollars in thousands)

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Electric plant, net | | | | | |
| Generating plant | | | | | |
| Stanton Energy Center Unit 1 and Unit 2 | \$ 304,971 | \$ 342,977 | \$ 329,794 | \$ 355,153 | \$ 361,420 |
| Stanton Energy Center Unit A | 27,325 | 31,935 | 36,607 | 34,429 | 39,817 |
| Stanton Energy Center Unit B | 178,686 | 183,160 | 187,830 | 199,200 | 209,795 |
| McIntosh Unit 3 | — | 987 | 37,857 | 45,481 | 49,959 |
| St. Lucie Unit 2 | 109,487 | 111,325 | 108,966 | 106,053 | 105,680 |
| Indian River Plant | 3,784 | 5,864 | 7,728 | 9,648 | 10,864 |
| Osceola Generation Station ¹ | 68,167 | 57,565 | — | — | — |
| Total generating plant, net | 692,420 | 733,813 | 708,782 | 749,964 | 777,535 |
| Distribution plant | 630,648 | 599,282 | 592,660 | 581,242 | 549,584 |
| Transmission plant | 406,964 | 403,096 | 373,562 | 379,628 | 347,200 |
| Other Electric plant | 52,949 | 53,998 | 55,232 | 56,338 | 53,844 |
| Total electric plant, net | 1,782,981 | 1,790,189 | 1,730,236 | 1,767,172 | 1,728,163 |
| Common plant, net | 70,907 | 73,955 | 77,565 | 83,984 | 86,644 |
| Total Plant, net ¹ | \$ 1,853,888 | \$ 1,864,144 | \$ 1,807,801 | \$ 1,851,156 | \$ 1,814,807 |

FUEL MIX STATISTICS

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cost of fuel | | | | | |
| Coal ² | \$ 113,249 | \$ 123,067 | \$ 102,054 | \$ 124,825 | \$ 144,715 |
| Natural gas ² | 306,619 | 123,681 | 110,838 | 120,570 | 114,480 |
| Nuclear | 3,938 | 1,833 | 2,468 | 2,090 | 3,655 |
| Renewable ³ | 19,217 | 20,233 | 12,408 | 10,169 | 10,414 |
| Total cost of fuel | \$ 443,023 | \$ 268,814 | \$ 227,768 | \$ 257,654 | \$ 273,264 |
| Fuel cost per MWh | | | | | |
| Coal ² | \$ 56.11 | \$ 33.51 | \$ 33.64 | \$ 35.54 | \$ 34.39 |
| Natural gas ² | \$ 55.49 | \$ 30.63 | \$ 26.20 | \$ 31.03 | \$ 33.47 |
| Nuclear | \$ 8.08 | \$ 3.92 | \$ 5.21 | \$ 4.48 | \$ 7.78 |
| Renewable ³ | \$ 44.59 | \$ 44.81 | \$ 49.13 | \$ 58.56 | \$ 56.32 |
| System average fuel cost | \$ 52.36 | \$ 31.15 | \$ 28.50 | \$ 32.06 | \$ 32.99 |
| System fuel mix for total generation (based on MWh) | | | | | |
| Coal ² | 23.9 % | 42.6 % | 38.0 % | 43.7 % | 50.7 % |
| Natural Gas ² | 65.3 % | 46.8 % | 52.9 % | 48.3 % | 41.3 % |
| Nuclear | 5.8 % | 5.4 % | 5.9 % | 5.8 % | 5.7 % |
| Renewable ³ | 5.0 % | 5.2 % | 3.2 % | 2.2 % | 2.3 % |
| Total system fuel mix for total generation (based on MWh) | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

¹ In 2022, total plant decreased due to accelerated depreciation associated with the Board approved Clean Energy Plan. In 2021, total plant increased due to major transmission and distribution upgrade projects and the acquisition of the Osceola Generating Station offset by the shuttering of the MC3 generation facility in April 2021.

² Coal consumption fluctuates based on economics and generation facility availability. In 2022, coal transportation constraints contributed to a decrease in coal consumption with a corresponding shift to natural gas while the costs for both coal and natural gas increased due to industry wide fuel constraints. In 2021, coal consumption increased due to generation facility availability and rising natural gas costs. In 2020 and 2019, planned and unplanned outages contributed to a decrease in coal due to favorable natural gas commodity costs. In 2018 coal consumption increased in conjunction with coal generation facility efficiency upgrades.

³ To support achieving our net zero CO₂ emission goals by 2050 with interim 2030 and 2040 goals of 50 percent and 75 percent reductions in emissions, respectively, OUC continues to execute solar energy power purchase agreements. The increase in 2021 is the result of the annualized impact of the two 74.5 megawatt utility scale solar farms energized in June 2020. Beyond energizing these two utility scale solar farms, OUC has committed to two more 74.5 megawatt utility scale solar farms projected to be energized in fiscal year 2023. The combined amount of these four 74.5 utility scale solar farms provides for a financial commitment of \$523.0 million and allows for OUC to achieve its strategic goal of securing \$400 million of solar energy by 2030. Beyond the two energized utility scale solar farms, OUC has nine renewable power purchase agreements comprised of both solar power and landfill gas. In alignment with the expansion of these resources, the cost is also decreasing as technology advances and accessibility increases.

RENEWABLE ENERGY

Renewable Generation (MWh)

Years Ended September 30

| | Name Plate Capacity (MW) ⁵ | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Solar PPA's¹ | | | | | | |
| Stanton Solar | 5.1 | 9,178 | 9,118 | 8,554 | 9,026 | 9,166 |
| SEC Solar Site A | 4.1 | 8,041 | 7,992 | 7,957 | 9,707 | 8,480 |
| SEC Solar Landfill Site C | 4.8 | 9,294 | 9,421 | 9,510 | 8,064 | 9,804 |
| Gardenia Community Solar | 0.3 | 497 | 512 | 482 | 424 | 517 |
| Fleet Community Solar | 0.4 | 503 | 516 | 461 | 521 | 526 |
| Taylor Creek Solar | 74.5 | 187,317 | 178,090 | 58,447 | — | — |
| Harmony Florida Solar | 34.0 | 85,101 | 81,553 | 27,379 | — | — |
| Landfill Gas PPA's¹ | | | | | | |
| Port Charlotte Landfill | 3.0 | 3,867 | 6,144 | 11,414 | 9,974 | 13,643 |
| Collier Landfill | 1.0 | 24,260 | 23,426 | — | — | — |
| Holopaw Landfill | 9.0 | 45,567 | 45,270 | 32,754 | 49,883 | 40,625 |
| Monarch Hills Landfill | 8.3 | 40,274 | 43,482 | 48,460 | 46,424 | 58,324 |
| Stanton Landfill Gas¹ | | | | | | |
| SEC 1 | N/A | 14,682 | 24,133 | 13,683 | 21,264 | 15,837 |
| SEC 2 | N/A | 3,407 | 20,676 | 33,506 | 18,358 | 27,968 |
| | 144.5 | 431,988 | 450,333 | 252,607 | 173,645 | 184,890 |

ACTIVE SERVICES - SOLAR STATISTICAL INFORMATION²

Photovoltaic credit meters

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Retail photovoltaic credit meters | 205 | 217 | 231 | 248 | 262 |
| Interlocal services photovoltaic credit meters | 84 | 92 | 100 | 108 | 113 |
| Total photovoltaic credit meters³ | 289 | 309 | 331 | 356 | 375 |

Solar farm participants

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Gardenia | 25 | 27 | 31 | 33 | 36 |
| Stanton | 449 | 282 | 202 | 199 | 200 |
| Total solar farm participants⁴ | 474 | 309 | 233 | 232 | 236 |

OUC retail solar metered services

| | | | | | |
|--|--------------|--------------|--------------|--------------|------------|
| Residential | 3,393 | 2,674 | 1,748 | 1,108 | 689 |
| Commercial - non-demand | 46 | 42 | 35 | 31 | 29 |
| Commercial - demand - secondary | 49 | 42 | 27 | 27 | 23 |
| Total OUC retail metered services | 3,488 | 2,758 | 1,810 | 1,166 | 741 |

Interlocal services

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Total OUC retail and interlocal solar net-meters | 6,793 | 4,891 | 2,904 | 1,854 | 1,126 |
|---|--------------|--------------|--------------|--------------|--------------|

¹ To support achieving our net zero CO₂ emission goals by 2050 with interim 2030 and 2040 goals of 50 percent and 75 percent reductions in emissions, renewable energy MWh have increased since 2021 as a result of the annualized impact of two 74.5 megawatt utility scale solar farms energized in June 2020. In 2022, utilization of landfill gas was lower due to the reduced utilization of both SEC units.

² The Central Florida community is steadily embracing rooftop solar with an average year over year increase of 57.1 percent in retail and interlocal solar net-metering customers.

³ The photovoltaic credit meters were part of an incentive program which ended as a result of revised pricing program changes contributing to the decline as meters are removed over time.

⁴ Solar farm participants reflect those customers that have subscribed to the Community Solar program. While subscriptions increased in 2022, the program was paused in June as a result of continued rising traditional fuel pricing to provide the value of these assets to all customers. The program is currently being re-evaluated for a relaunch in 2023.

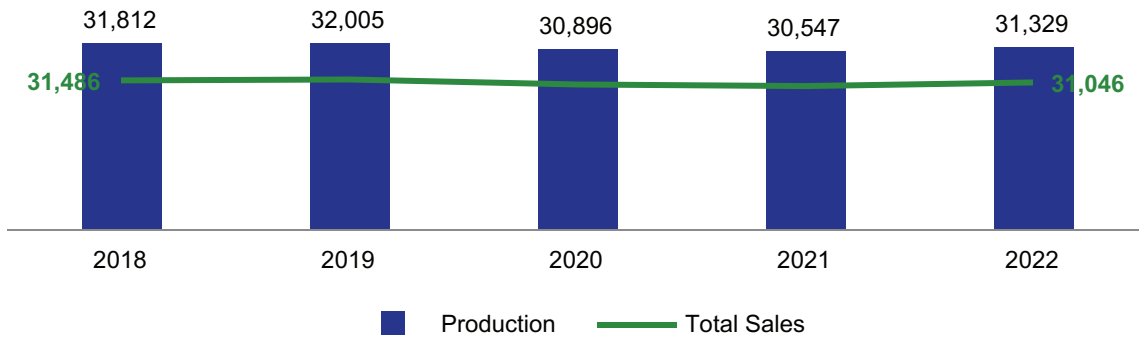
⁵ Power purchase agreements (PPA's) are based on contracted terms related to individual generation or expected availability of generation under each agreement and nameplate capacity and undivided interest are not applicable.



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Water Business Operations

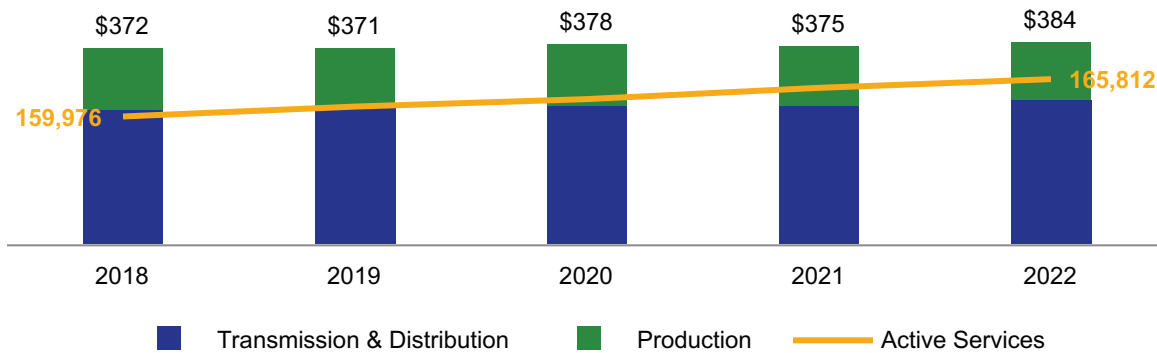
**Production and Total Sales
(MGAL)**



Production and Total Sales:

- While active service growth reflects a cumulative increase of 3.6 percent, production and sales over the same period have decreased 1.4 percent as a result of pricing design changes implemented to enhance conservation efforts.

**Water Utility Plant, net
(millions)**



Water Utility Plant.net:

- Recent plant additions have focused on transmission and distribution assets to service continued customer growth and maintain customer quality. In 2021, OUC embarked on a large-scale multi-year water capital improvement project designed to upgrade the system's existing underground cast iron pipes to enhance resiliency and ensure the safe and reliable delivery of water resources.

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

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|
| Operating Revenues | | | | | |
| Residential | \$ 30,553 | \$ 29,978 | \$ 27,513 | \$ 25,285 | \$ 24,654 |
| Commercial | 36,199 | 32,992 | 30,687 | 31,631 | 29,992 |
| Irrigation | 19,568 | 17,568 | 15,926 | 14,484 | 14,695 |
| Fire protection | 3,244 | 3,113 | 2,888 | 2,737 | 2,566 |
| Service fees and other | 1,606 | 1,810 | 2,758 | 2,831 | 2,424 |
| Resale and other | 624 | 589 | 570 | 589 | 558 |
| Regulatory action ¹ | — | (1,950) | — | 3,281 | 4,805 |
| Total operating revenues ¹ | 91,794 | 84,100 | 80,342 | 80,838 | 79,694 |
| Operations and maintenance expenses | | | | | |
| Production | 15,846 | 14,062 | 14,450 | 15,133 | 15,165 |
| Distribution | 7,081 | 7,680 | 8,320 | 9,093 | 8,594 |
| Emergency response expenses | — | — | — | 179 | — |
| Customer service | 7,304 | 7,772 | 8,505 | 9,246 | 9,412 |
| General and administrative | 14,042 | 15,007 | 11,955 | 10,557 | 11,844 |
| Total operations and maintenance expenses | 44,273 | 44,521 | 43,230 | 44,208 | 45,015 |
| Other expenses | | | | | |
| Utility/property tax | 72 | 65 | 67 | 65 | 66 |
| Revenue based payments to the City of Orlando | 2,771 | 2,690 | 2,622 | 2,415 | 2,151 |
| Revenue based payments to Orange County | 4 | 4 | 3 | 4 | 4 |
| Depreciation and amortization | 22,925 | 21,645 | 22,401 | 20,384 | 19,550 |
| Total other expenses | 25,772 | 24,404 | 25,093 | 22,868 | 21,771 |
| Total operating expenses | 70,045 | 68,925 | 68,323 | 67,076 | 66,786 |
| Operating income | 21,749 | 15,175 | 12,019 | 13,762 | 12,908 |
| Non-operating income and expense | | | | | |
| Interest income | 848 | 926 | 2,094 | 2,225 | 1,468 |
| Other income, net | 1,537 | 1,510 | 2,134 | 1,995 | 2,024 |
| Amortization of deferred gain on sale of assets | — | — | — | 15 | 16 |
| Interest expense, net | (5,371) | (5,568) | (6,112) | (6,414) | (6,645) |
| Total non-operating expenses, net | (2,986) | (3,132) | (1,884) | (2,179) | (3,137) |
| Water income before contributions | 18,763 | 12,043 | 10,135 | 11,583 | 9,771 |
| Contributions in aid of construction (CIAC) ² | 20,381 | 11,079 | 12,052 | 12,291 | 11,372 |
| Annual dividend | (9,382) | (7,355) | (6,580) | (7,658) | (6,057) |
| Increase in net position | \$ 29,762 | \$ 15,767 | \$ 15,607 | \$ 16,216 | \$ 15,086 |

¹ In 2017, a four-year water price plan was approved and effective April 1, 2021, the fourth scheduled price change was implemented increasing the average residential and commercial customer water bill 6.2 percent. The prior three price changes were effective October 2019, January 2019 and April 2018 increasing the average residential and commercial customer water bill 6.2 percent, 3.4 percent and 4.0 percent, respectively. In conjunction with this change, the Board approved the use of reserves to facilitate customer rate stability, and beginning in 2021, planned revenues were deferred to rebuild these reserves in accordance with Finance Charter guidelines.

² In 2022, the increase was driven by an increase in contributions in aid of construction as a result of strong community growth as the economy rebounded post pandemic.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2022 2021 2020 2019 2018

Profile of consumption and revenue by type of customer

Residential service

| | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| KGAL sales per customer | 75 | 78 | 80 | 78 | 80 |
| Revenue per customer | \$ 267 | \$ 263 | \$ 245 | \$ 228 | \$ 224 |
| Revenue per KGAL | \$ 3.5785 | \$ 3.3829 | \$ 3.0799 | \$ 2.9178 | \$ 2.8112 |

Commercial service

| | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| KGAL sales per customer | 1,051 | 974 | 971 | 1,076 | 1,067 |
| Revenue per customer | \$ 2,377 | \$ 2,171 | \$ 2,039 | \$ 2,107 | \$ 2,011 |
| Revenue per KGAL | \$ 2.2614 | \$ 2.2284 | \$ 2.0998 | \$ 1.9577 | \$ 1.8849 |

Irrigation service

| | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| KGAL sales per customer | 215 | 222 | 235 | 235 | 249 |
| Revenue per customer | \$ 1,159 | \$ 1,042 | \$ 949 | \$ 867 | \$ 886 |
| Revenue per KGAL | \$ 5.4022 | \$ 4.6951 | \$ 4.0407 | \$ 3.6859 | \$ 3.5573 |

Selected financial expense statistics

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Total operations and maintenance expenses per KGAL | \$ 1.5698 | \$ 1.6222 | \$ 1.5704 | \$ 1.5355 | \$ 1.5605 |
|--|-----------|-----------|-----------|-----------|-----------|

Operations and maintenance expense per metered service

| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Production and distribution costs | \$ 156 | \$ 149 | \$ 158 | \$ 170 | \$ 168 |
| Customer service expense | 50 | 53 | 59 | 65 | 67 |
| General and administrative expense | 96 | 103 | 83 | 74 | 84 |
| Total operations and maintenance expense | <u>\$ 302</u> | <u>\$ 305</u> | <u>\$ 300</u> | <u>\$ 309</u> | <u>\$ 319</u> |

SELECTED FINANCIAL RATIOS

Water operating ratio

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Water operations and maintenance expenses/operating revenues | \$ 0.48 | \$ 0.53 | \$ 0.54 | \$ 0.55 | \$ 0.60 |
|--|---------|---------|---------|---------|---------|

Water income before contributions per revenue dollar

| | | | | | |
|---|---------|---------|---------|---------|---------|
| Water income before contributions/operating revenues ¹ | \$ 0.20 | \$ 0.14 | \$ 0.13 | \$ 0.14 | \$ 0.13 |
|---|---------|---------|---------|---------|---------|

ACTIVE SERVICES

| | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Residential | 115,007 | 114,009 | 112,612 | 111,617 | 110,433 |
| Commercial | 15,265 | 15,198 | 15,047 | 15,054 | 14,972 |
| Irrigation | 16,912 | 16,859 | 16,800 | 16,761 | 16,639 |
| Total metered services | <u>147,184</u> | <u>146,066</u> | <u>144,459</u> | <u>143,432</u> | <u>142,044</u> |

FIRE PROTECTION

| | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Fire protection services | 7,756 | 7,640 | 7,561 | 7,523 | 7,412 |
| Fire hydrants | 10,872 | 10,745 | 10,672 | 10,568 | 10,520 |
| Total fire protection | <u>18,628</u> | <u>18,385</u> | <u>18,233</u> | <u>18,091</u> | <u>17,932</u> |

CONSUMPTION (MGAL)

| | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Residential | 8,538 | 8,862 | 8,933 | 8,666 | 8,770 |
| Commercial | 16,007 | 14,805 | 14,615 | 16,157 | 15,912 |
| Irrigation | 3,622 | 3,742 | 3,941 | 3,930 | 4,131 |
| Resale | 35 | 37 | 39 | 38 | 34 |
| Total consumption ² | <u>28,202</u> | <u>27,446</u> | <u>27,528</u> | <u>28,791</u> | <u>28,847</u> |

¹ In 2022, income before contributions per revenue dollar increased driven by the conservation-focused 6.2% price increase on April 1, 2021 coupled with a board approved revenue deferral in the prior year focused on increasing the water reserve for price stability.

² In 2022, commercial water consumption returned to business as usual practices leading to an increase in total consumption. In 2021, OUC and the City called upon its citizens to conserve water as liquid oxygen, a critical input in water purification, was in high demand and became constrained as a result of the pandemic. In 2020, commercial consumption decreased ~9.0 percent due to lower water demand as a result of the mandated shutdowns as well as the overall impacts from COVID-19.

WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water plant, net | | | | | |
| Production | \$ 109,124 | \$ 110,766 | \$ 116,396 | \$ 112,006 | \$ 115,886 |
| Transmission and distribution | 274,585 | 263,977 | 261,414 | 258,947 | 256,601 |
| General | 215 | 209 | 213 | 105 | 135 |
| Total water plant, net | <u>383,924</u> | <u>374,952</u> | <u>378,023</u> | <u>371,058</u> | <u>372,622</u> |
| Common plant, net | 23,636 | 24,652 | 25,855 | 27,992 | 28,881 |
| Total plant, net | <u>\$ 407,560</u> | <u>\$ 399,604</u> | <u>\$ 403,878</u> | <u>\$ 399,050</u> | <u>\$ 401,503</u> |

WATER PHYSICAL STATISTICS

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Pipe miles | 1,888 | 1,879 | 1,871 | 1,858 | 1,851 |
| Number of public hydrants | 10,872 | 10,745 | 10,672 | 10,568 | 10,520 |
| Number of wells | 31 | 31 | 31 | 31 | 31 |
| Reservoir capacity (MGAL) | 28.5 | 28.5 | 28.5 | 28.5 | 28.5 |
| High service pumping capacity (MGAL per day) | 277 | 276.5 | 276.5 | 273 | 273 |
| Raw water capacity (MGAL per day) | 166.5 | 166.5 | 166.5 | 177.5 | 177.5 |
| Peak day (MGAL) ¹ | 106.3 | 109.8 | 108.5 | 111.3 | 104.0 |
| Per capita, gallons pumped per day total system ² | 186.6 | 183.5 | 187.9 | 196.4 | 210.0 |
| Per capita, gallons consumed per day residential only | 51 | 53 | 53 | 53 | 58 |

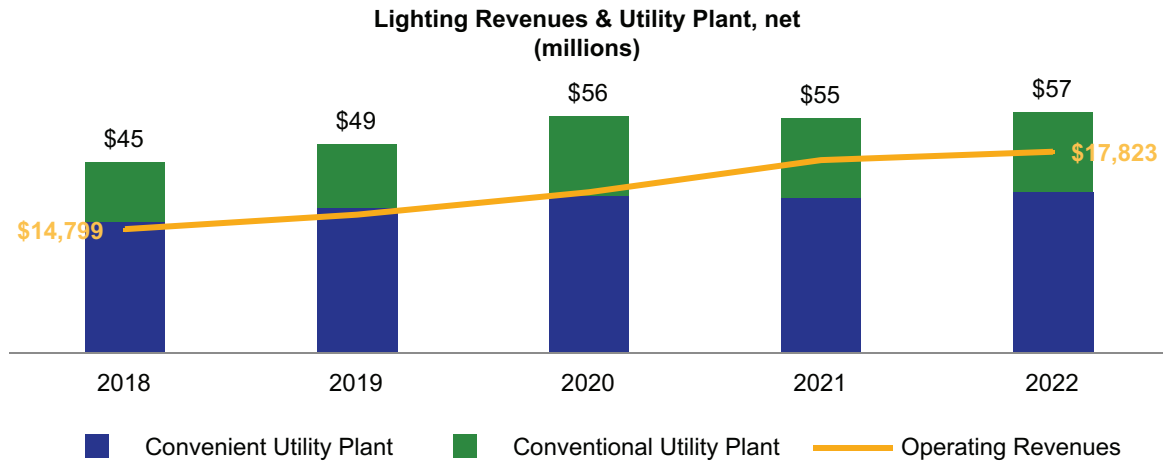
WATER PRODUCTION (KGAL) ²

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water treated for sale | | | | | |
| Treated | 31,328,534 | 30,546,995 | 30,896,403 | 32,004,564 | 31,812,084 |
| Used by water department | 5,840 | 5,840 | 5,852 | 5,840 | 5,840 |
| Total water treated for sale | <u>31,322,694</u> | <u>30,541,155</u> | <u>30,890,551</u> | <u>31,998,724</u> | <u>31,806,244</u> |
| Sales | | | | | |
| Retail customers | 27,890,178 | 27,148,428 | 27,215,227 | 28,428,610 | 28,492,063 |
| Inter-department use | 277,194 | 261,549 | 272,559 | 324,568 | 320,796 |
| Wholesale customers | 34,628 | 36,024 | 40,214 | 37,538 | 32,861 |
| Total sales | <u>28,202,000</u> | <u>27,446,001</u> | <u>27,528,000</u> | <u>28,790,716</u> | <u>28,845,720</u> |
| Unbilled | <u>3,120,694</u> | <u>3,095,155</u> | <u>3,362,551</u> | <u>3,208,007</u> | <u>2,960,523</u> |
| Unbilled as a percentage of water treated for sale | 9.96 % | 10.13 % | 10.89 % | 10.03 % | 9.31 % |

¹ Rainfall and warmer than normal weather coupled with service growth are the key drivers for peak day annual variances.

² The final of four annual price increases was implemented in April 2021 to promote water conservation coupled with improved water efficiency hardware has contributed to consistent KGAL sales despite continual customer growth further evident by decreased per capita, gallons pumped and consumed per day. During 2022, no price changes were approved.

Lighting Business Operations



Lighting Revenues and Utility Plant, net:

- Conventional Utility Plant represents lighting infrastructure that is provided to municipalities for streetlights and other right of way lighting requirements. Conventional Utility Plant increased in 2019 and 2020 as traditional streetlights were replaced with LED streetlight technology to enhance community safety and promote energy efficiency. In 2022, a nine-year project to convert public roadway streetlights from high-pressure sodium cobra head lights to LED fixtures was completed. As a result of this transition, revenues recovered through tariff based pricing have remained relatively consistent reflecting the financial value provided from the installation of LED technology.
- Convenient Utility Plant represents lighting infrastructure that is provided to commercial customers and is billed through contractually determined pricing that is, on average, recovered over a 20 year period. The increase in utility plant for this business segment over the five year period is driven by the expansion of new commercial customers as well as technology upgrades.
- Operating revenues for both business segments have grown on average 4.8 percent per year over the five year period primarily from the Convenient Lighting sector.

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

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating Revenues | | | | | |
| Conventional | \$ 4,711 | \$ 4,608 | \$ 4,491 | \$ 4,522 | \$ 4,384 |
| Convenient | 12,939 | 12,682 | 11,625 | 10,698 | 10,057 |
| Service fees and other | 173 | 205 | 125 | 144 | 358 |
| Total operating revenues | <u>17,823</u> | <u>17,495</u> | <u>16,241</u> | <u>15,364</u> | <u>14,799</u> |
| Operations and maintenance expenses | | | | | |
| Conventional | 3,244 | 3,390 | 3,213 | 3,240 | 3,040 |
| Convenient ¹ | 1,660 | 966 | 1,068 | 1,080 | 1,213 |
| Emergency response expenses | — | — | — | 11 | — |
| General and administrative | 791 | 881 | 708 | 660 | 732 |
| Total operations and maintenance expenses | <u>5,695</u> | <u>5,237</u> | <u>4,989</u> | <u>4,991</u> | <u>4,985</u> |
| Other expenses | | | | | |
| Utility/property tax | 1 | 1 | 1 | 1 | 1 |
| Revenue based payments to Orange County | 25 | 27 | 27 | 26 | 27 |
| Depreciation and amortization | 5,715 | 5,654 | 5,625 | 4,842 | 4,615 |
| Total other expenses | <u>5,741</u> | <u>5,682</u> | <u>5,653</u> | <u>4,869</u> | <u>4,643</u> |
| Total operating expenses | <u>11,436</u> | <u>10,919</u> | <u>10,642</u> | <u>9,860</u> | <u>9,628</u> |
| Operating income | 6,387 | 6,576 | 5,599 | 5,504 | 5,171 |
| Non-operating income and expense | | | | | |
| Interest income | 17 | 68 | 200 | 295 | 208 |
| Other income, net | 18 | 19 | 103 | 107 | 110 |
| Amortization of deferred gain on sale of assets | — | — | — | 1 | 1 |
| Interest expense, net | (1,133) | (1,165) | (1,269) | (1,406) | (1,430) |
| Total non-operating expenses, net | <u>(1,098)</u> | <u>(1,078)</u> | <u>(966)</u> | <u>(1,003)</u> | <u>(1,111)</u> |
| Lighting income before contributions | 5,289 | 5,498 | 4,633 | 4,501 | 4,060 |
| Contributions in aid of construction (CIAC) | 2,273 | 1,469 | 1,464 | 937 | 683 |
| Annual dividend | <u>(2,645)</u> | <u>(3,358)</u> | <u>(3,007)</u> | <u>(2,976)</u> | <u>(2,516)</u> |
| Increase in net position | <u>\$ 4,917</u> | <u>\$ 3,609</u> | <u>\$ 3,090</u> | <u>\$ 2,462</u> | <u>\$ 2,227</u> |

¹ In 2022, there was an increase in operations and maintenance expenses for convenient lighting due to an increase in materials expenses resulting from supply chain constraints.

SELECTED FINANCIAL RATIOS

Years Ended September 30

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------|---------|---------|---------|---------|
| Lighting operating ratio | | | | | |
| Lighting operation and maintenance expenses/operating revenues | \$ 0.32 | \$ 0.30 | \$ 0.32 | \$ 0.32 | \$ 0.34 |
| Lighting income before contributions per revenue dollar | | | | | |
| Lighting income before contributions/operating revenues ¹ | \$ 0.30 | \$ 0.31 | \$ 0.30 | \$ 0.29 | \$ 0.27 |

LIGHTING UTILITY PLANT (Dollars in thousands)

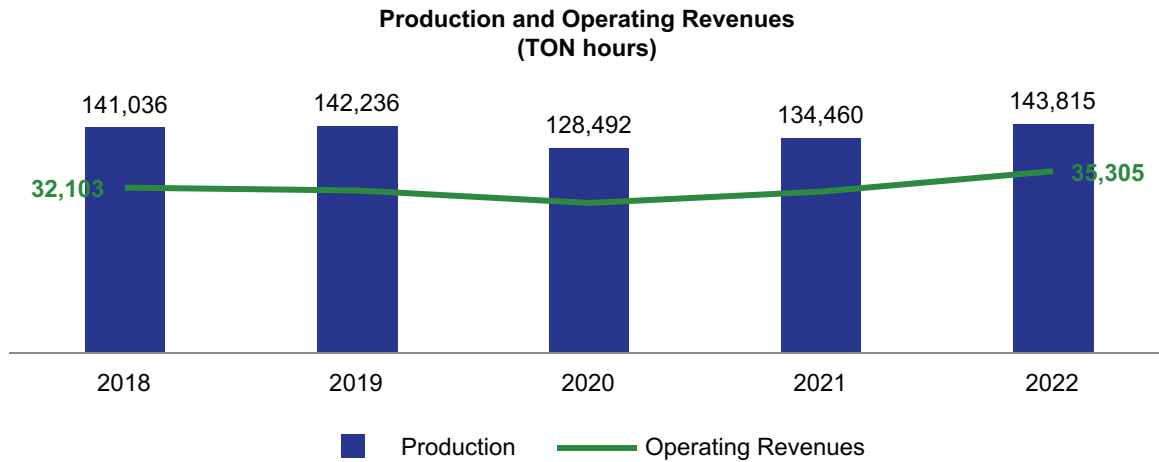
| | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Lighting plant, net | | | | | |
| Conventional ¹ | \$ 18,764 | \$ 18,591 | \$ 18,710 | \$ 14,927 | \$ 13,881 |
| Convenient | 37,891 | 36,692 | 36,850 | 34,239 | 31,071 |
| Total lighting plant, net | <u>\$ 56,655</u> | <u>\$ 55,283</u> | <u>\$ 55,560</u> | <u>\$ 49,166</u> | <u>\$ 44,952</u> |

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



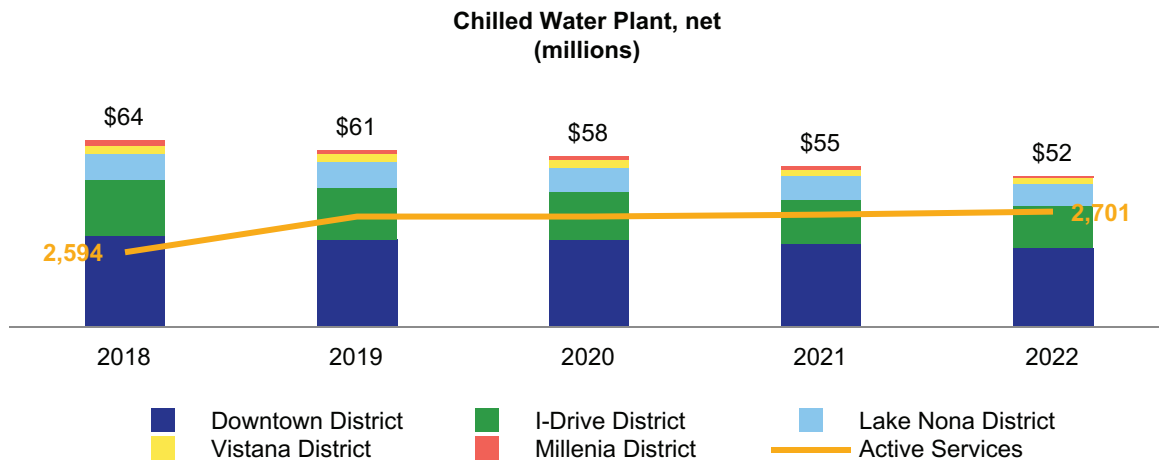
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Chilled Water Business Operations



Production and Operating Revenues:

- Operating revenues have recently increased as the economy rebounded from the pandemic and business as usual practices resumed. In 2019, OUC executed agreements with two of its largest customers whereby OUC will operate and retain custodial responsibilities for customer-sited chilled water facilities; both facilities will be operational in 2023.



Chilled Water Plant, net:

- OUC operates five chilled water plants with a total capacity of approximately 51,000 tons with an average contractual life of 20 years.

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

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating revenues by plant | | | | | |
| Downtown | \$ 14,254 | \$ 12,782 | \$ 11,361 | \$ 12,046 | \$ 12,079 |
| Vistana | 2,071 | 1,946 | 1,883 | 2,038 | 1,972 |
| International Drive | 13,141 | 11,260 | 10,777 | 12,101 | 12,443 |
| Millenia | 2,017 | 1,845 | 1,722 | 1,875 | 1,951 |
| Lake Nona | 3,675 | 3,352 | 3,297 | 3,377 | 3,499 |
| Service fees and other | 147 | 137 | 67 | 107 | 159 |
| Total operating revenues ¹ | 35,305 | 31,322 | 29,107 | 31,544 | 32,103 |
| Operations and maintenance expenses by plant | | | | | |
| Downtown | 5,479 | 5,087 | 5,328 | 5,500 | 5,443 |
| Vistana | 912 | 887 | 855 | 1,014 | 945 |
| International Drive | 7,862 | 6,923 | 6,372 | 7,718 | 7,316 |
| Millenia | 1,159 | 1,200 | 1,141 | 1,352 | 1,353 |
| Lake Nona | 1,672 | 1,415 | 1,418 | 1,512.5593 | 1,340 |
| Emergency response expenses | — | — | — | 23 | — |
| Customer service | 87 | 169 | 163 | 199.05575 | 220 |
| General and administrative | 1,437 | 1,558 | 1,350 | 1,275 | 825 |
| Total operations and maintenance expenses | 18,608 | 17,239 | 16,627 | 18,594 | 17,442 |
| Other expenses | | | | | |
| Utility/property tax | 2 | 2 | 2 | 2 | 2 |
| Revenue based payments to the City of Orlando | 682 | 676 | 662 | 662 | 684 |
| Revenue based payments to Orange County | 150 | 130 | 126 | 138 | 133 |
| Depreciation and amortization | 4,182 | 4,256 | 4,309 | 3,985 | 4,581 |
| Total other expenses | 5,016 | 5,064 | 5,099 | 4,787 | 5,400 |
| Total operating expenses | 23,624 | 22,303 | 21,726 | 23,381 | 22,842 |
| Operating Income | 11,681 | 9,019 | 7,381 | 8,163 | 9,261 |
| Non-operating income and expenses | | | | | |
| Interest income | 752 | 58 | 262 | 495 | 284 |
| Other income, net | 40 | 50 | 105 | 114 | 131 |
| Amortization of deferred gain on sale of assets | — | — | — | 1 | 1 |
| Interest expense, net | (2,065) | (2,269) | (2,508) | (2,493) | (2,710) |
| Total non-operating expenses, net | (1,273) | (2,161) | (2,141) | (1,883) | (2,294) |
| Chilled water income before contributions | 10,408 | 6,858 | 5,240 | 6,280 | 6,967 |
| Contributions in aid of construction (CIAC) | — | — | 250 | — | — |
| Annual dividend | (5,203) | (4,188) | (3,403) | (4,152) | (4,320) |
| Increase in net position | \$ 5,205 | \$ 2,670 | \$ 2,087 | \$ 2,128 | \$ 2,647 |

¹Beginning in 2021, operating revenues increased due to the return to normal business operations from pre-pandemic levels while 2022 experienced accelerated growth due to the expanding commercial economy. In 2020, operating revenues declined due to the decrease in cooling demand from the shut-down of commercial operations and low commercial occupancy rates impacted by COVID-19, particularly the I-Drive District with a high concentration of visitors.

SELECTED FINANCIAL RATIOS

| Years Ended September 30 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------|-----------|-----------|-----------|-----------|
| Chilled water operating ratio | | | | | |
| Chilled water operation and maintenance expenses/operating revenues | \$ 0.53 | \$ 0.55 | \$ 0.57 | \$ 0.59 | \$ 0.54 |
| Chilled water income before contributions per revenue dollar | | | | | |
| Chilled water income before contributions/operating revenues ¹ | \$ 0.29 | \$ 0.22 | \$ 0.18 | \$ 0.20 | \$ 0.22 |
| Revenue per TON-hour produced | \$ 0.2455 | \$ 0.2329 | \$ 0.2265 | \$ 0.2218 | \$ 0.2276 |

CHILLED WATER UTILITY PLANT (Dollars in thousands)

| | | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Chilled water plant, net | | | | | |
| Downtown | \$ 27,326 | \$ 28,512 | \$ 29,802 | \$ 30,040 | \$ 31,366 |
| Vistana | 2,018 | 2,185 | 2,369 | 2,587 | 2,800 |
| International Drive | 14,088 | 15,218 | 16,371 | 17,515 | 18,630 |
| Millenia | 1,150 | 1,320 | 1,492 | 1,665 | 1,837 |
| Lake Nona | 7,379 | 7,893 | 8,408 | 8,842 | 9,345 |
| Total plant, net | <u>\$ 51,961</u> | <u>\$ 55,128</u> | <u>\$ 58,442</u> | <u>\$ 60,649</u> | <u>\$ 63,978</u> |

ACTIVE SERVICES

| | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Retail residential | 2,490 | 2,485 | 2,482 | 2,483 | 2,386 |
| Wholesale commercial | 211 | 208 | 206 | 205 | 208 |
| Total metered services | <u>2,701</u> | <u>2,693</u> | <u>2,688</u> | <u>2,688</u> | <u>2,594</u> |

CHILLED WATER PHYSICAL STATISTICS

Pipe miles

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

Generation capacity, TON (in thousands)

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

TON-HOURS PRODUCED (in thousands)

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Downtown | 44,286 | 42,218 | 41,203 | 43,321 | 42,270 |
| Vistana | 4,988 | 4,367 | 3,704 | 5,181 | 5,181 |
| International Drive | 74,609 | 69,131 | 64,696 | 73,463 | 73,750 |
| Millenia | 7,614 | 7,497 | 7,341 | 9,325 | 8,970 |
| Lake Nona | 12,318 | 11,247 | 11,548 | 10,946 | 10,865 |
| Total TON hours produced ² | <u>143,815</u> | <u>134,460</u> | <u>128,492</u> | <u>142,236</u> | <u>141,036</u> |

¹ In 2022, operating revenues increased due to growth in the commercial segment while operating expenses remained relatively flat resulting in an increase in the ratio.

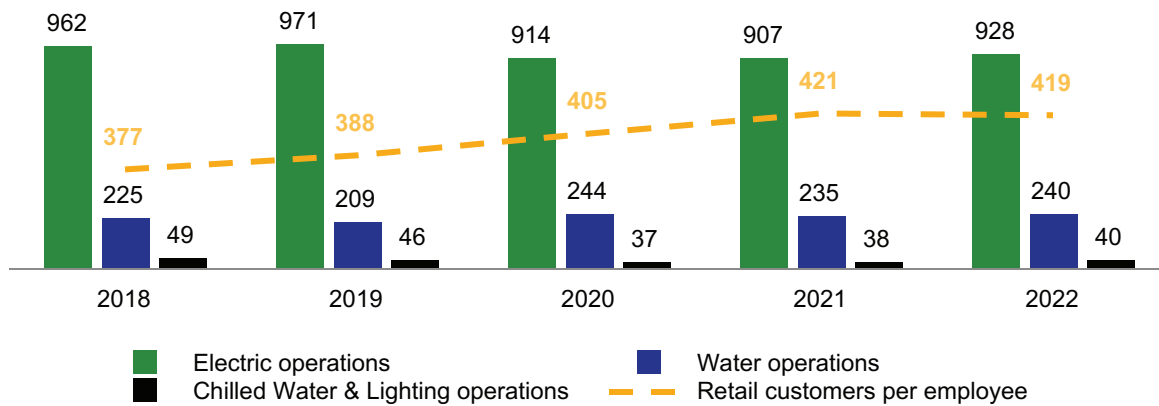
² In 2020 and 2021, the reduction of total TON hours produced is due to the decrease in cooling demand from the shut-down of commercial operations impacted by the pandemic. In 2022, TON hours produced increased as commercial business experienced significant growth as the economy expanded.



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Statistical Information

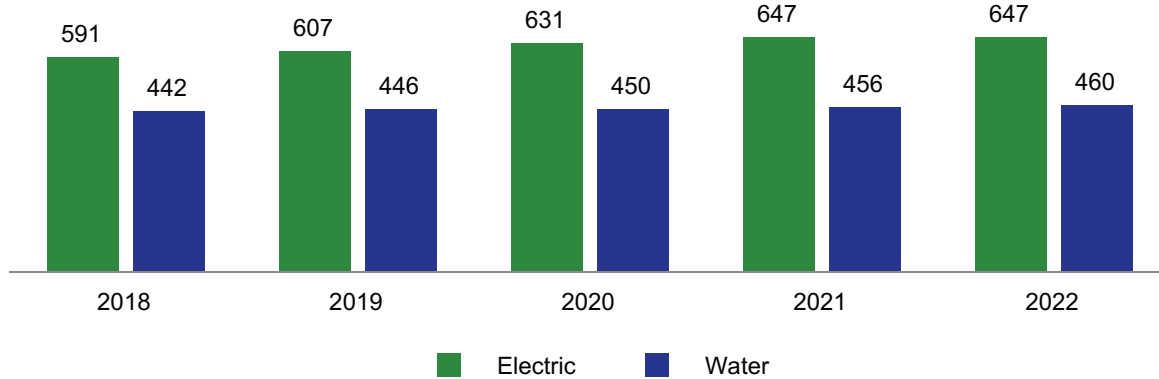
Number of Employees



Number of Employees:

- An allocation is performed for all shared service employees that are not assigned to support a single operating area as defined above. In 2020, significant shifts in alignment occurred based on organizational changes related to shared services employees.

Service Area Population (thousands)



The Electric System Service Territory:

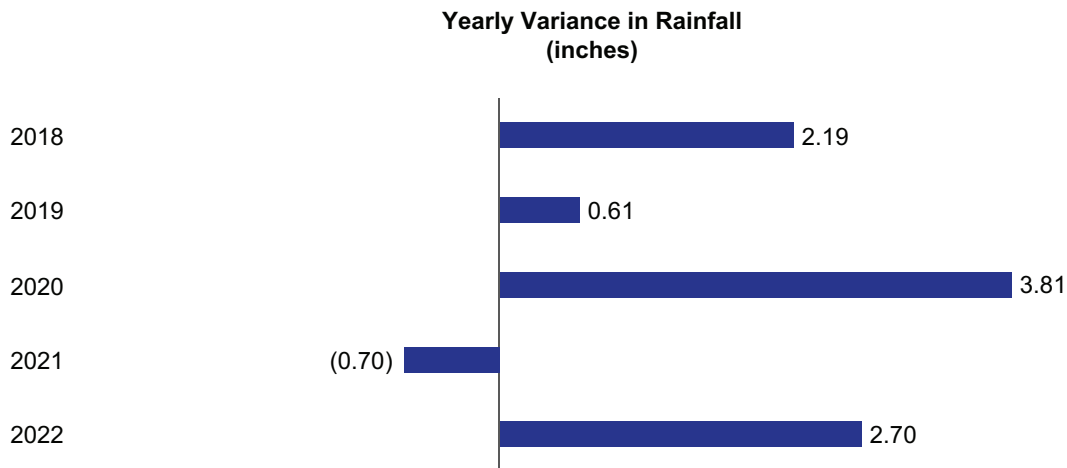
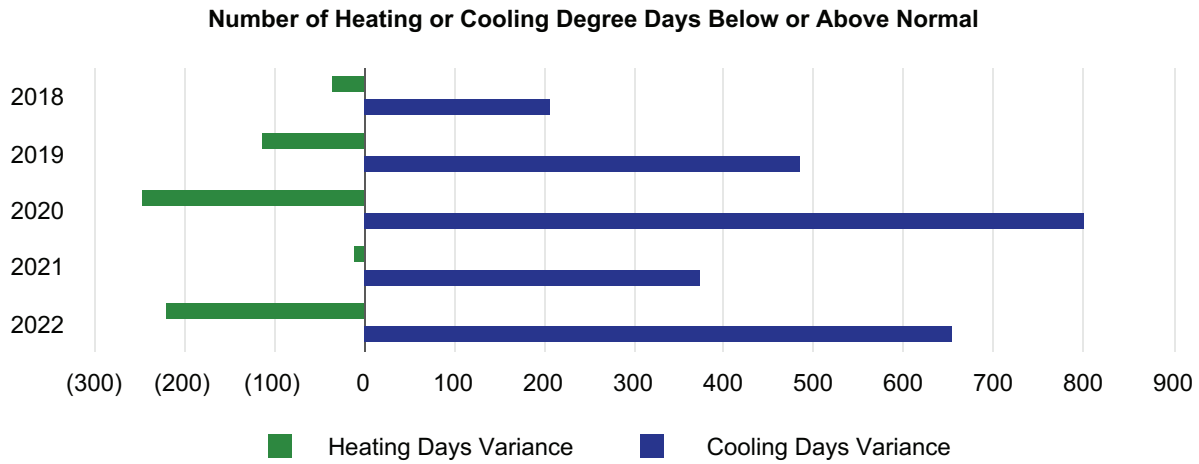
- The Electric System provides energy to customers within the City of Orlando, certain contiguous portions of Orange County, the City of St. Cloud and certain contiguous portions of Osceola County. OUC's service territory and its right to serve Electric System customers are generally established by the Special Acts of 1923, however, electric utilities in the state may negotiate and enter into territorial agreements with other utilities.

The Water System Service Territory:

- The Water System provides water service to customers throughout a 200-square-mile service area including service provided through a territorial agreement with Orange County that, based on agreement provisions, renewed for a succeeding 10-year period beginning in May 2019. The service area encompasses the cities of Orlando, Edgewood and Belle Isle, plus large portions of the unincorporated area of Orange County.

Climatological Data

Orlando Metro Area Fiscal Year Ended September 30



A multi-regression model is used to determine the relationship between rainfall and water sales based on the dependent variable of daily treated water. In this model, daily rainfall is also capped at ½ inch as excess daily rainfall had no meaningful impact on water sales.

INSURANCE COVERAGES

September 30, 2022

| Carrier | Type of coverage | Limits | Periods |
|--|---|--|-------------------------|
| OUC | General liability | \$2.0 million per occurrence retention | Continuous |
| OUC | Automobile liability | \$2.0 million per occurrence retention | Continuous |
| OUC | Worker's compensation | \$500 thousand per occurrence retention | Continuous |
| OUC | Health and medical benefits individual stop-loss | Amounts in excess of \$0.25 million per insured per year net of applicable deductible | Continuous |
| AEGIS | Excess automobile and general liability | \$50.0 million above the \$2.0 million retention for the general liability and automobile liability | 10-01-2021 / 09-30-2022 |
| AEGIS | Directors & officers / public officials liability | \$10.0 million | 10-01-2021 / 09-30-2022 |
| Aetna | Health and medical benefits aggregate stop-loss | Amounts in excess of 125% of expected annual claims with a maximum policy payment limit of \$2.0 million | Continuous |
| CHUBB | Fiduciary Liability | \$10.0 million | 10-01-2021 / 09-30-2022 |
| Factory Mutual | All risk property/boiler and machinery | \$2.7 billion insurable values \$250 thousand base retentions, various retentions depending on machinery | 10-01-2021 / 09-30-2022 |
| Florida Municipal Insurance Trust (FMIT) | Excess worker's compensation | Statutory limit of liability above a \$500 thousand per occurrence retention | 10-01-2021 / 09-30-2022 |
| Zurich Insurance Group | Dishonesty, disappearance & destruction (crime) | \$10.0 million | 10-01-2021 / 09-30-2022 |

*All coverages with an expiration date of 09-30-2022 have been renewed through 09-30-2023.



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GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Post-Employment Benefits (OPEB): Post-employment benefits other than pension benefits. OPEBs include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination benefits.

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

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

Photovoltaic Credit Meters: Solar system owners receive credit on their energy bill for sending electricity into the grid which is outlined in their utility net metering policy.

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

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

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

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



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