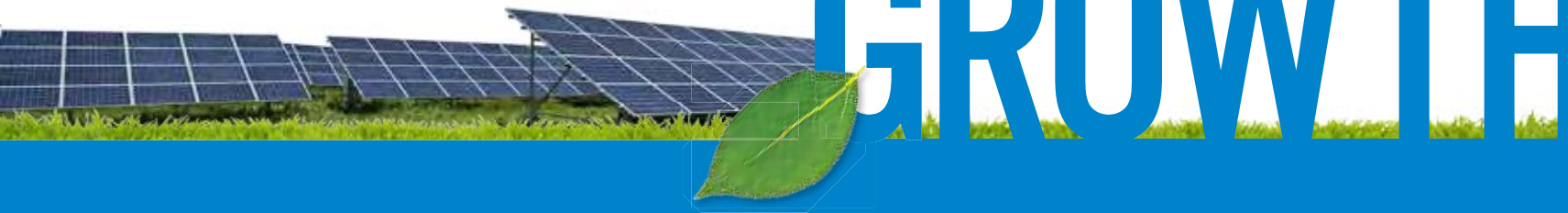


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OUC | 2015
FINANCIAL AND
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REPORT
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ORLANDO UTILITIES COMMISSION 2015 FINANCIAL AND STATISTICAL INFORMATION REPORT

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Years Ended September 30, 2015 - 2005

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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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COMBINED INFORMATION

OUC is committed to being a strategic partner for growing businesses in Central Florida by providing what companies want most in a new location: affordable rates, record reliability, and innovative energy and water solutions with a strong focus on sustainability.

Visit OUCPowersGrowth.com



GENERAL INFORMATION

OUC—the Reliable One is the second largest municipal utility in Florida providing electric and water services to more than 240,000 customers in Orlando, St. Cloud and parts of unincorporated Orange and Osceola Counties.

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

OUC is governed by a five member board (the Board) which includes the Mayor of the City of Orlando as an ex-officio member. Board members must be OUC customers, and at least one member must reside in unincorporated Orange County. Members serve without pay and may hold two consecutive four-year terms. At September 30, 2015, one of the Board positions was vacant.

OUC's electric system provides service to retail customers within the City of Orlando and certain contiguous areas of Orange County. The boundaries of OUC's 248 square mile retail electric service area are set pursuant to Florida statutes, and are currently subject to a ten year territorial agreement negotiated with Duke Energy (formerly known as Florida Power and Progress Energy Florida). The territorial agreement, which expires on or about February 1, 2016, was approved by the Florida Public Service Commission and retains jurisdiction over disputes under the agreement. While OUC retains the authority to provide utility service even if the territorial agreement expires, Duke Energy and OUC have agreed to re-negotiate the territorial agreement and to the extent that it is not completed prior to the expiration date, will likely enter into an extension agreement until such negotiations are completed.

In 1997, OUC entered into an inter-local agreement with the City of St. Cloud in Osceola County to assume responsibility for providing retail electric energy service to its customers. The agreement with St. Cloud expires September 30, 2032. OUC also operates and maintains St. Cloud's electric transmission and distribution system in its 171-square-mile service territory, granted to St. Cloud through an electric territorial agreement with Duke Energy through November 4, 2019.

OUC provides water service to customers throughout Orlando as well as a 200-square-mile service area as set forth by a territorial agreement with Orange County (the County). OUC's agreement with the County has an expiration date of May 4, 2019 with automatic ten year extension periods. In accordance with OUC's Consumptive Use Permit (CUP) from the St. Johns River Water Management District, water is obtained from deep wells that tap the Floridian Aquifer, a natural source of high quality water hundreds of feet below the surface. State-of-the-art water plants ozonate the water for disinfection and remove hydrogen sulfide. OUC's CUP agreement expires in 2023.

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

The information presented in the following pages represents OUC's financial and operational information for the fiscal periods of 2005-2015 and where appropriate, amounts have been reclassified to conform to the 2015 presentation.

STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30

	2015	2014	2013	2012
Assets				
Utility plant, net				
In-service, net	\$ 2,161,313	\$ 2,133,614	\$ 2,108,165	\$ 2,144,052
Land and other non-depreciable assets	72,651	69,455	69,214	70,022
Construction work in progress	144,733	151,557	135,465	84,125
Total utility plant, net (1)	<u>2,378,697</u>	<u>2,354,626</u>	<u>2,312,844</u>	<u>2,298,199</u>
Restricted and internally designated assets				
Debt service and related funds	86,333	83,026	82,868	82,707
Decommissioning, construction bond proceeds and other funds (2)	249,010	195,343	186,543	208,323
Liability reduction fund (3) (5)	-	-	-	-
Stabilization and self insurance funds (4)	175,980	153,926	169,275	183,649
Capital reserve fund (5)	98,968	118,968	118,968	118,968
Total restricted and internally designated assets	<u>610,291</u>	<u>551,263</u>	<u>557,654</u>	<u>593,647</u>
Current assets				
Cash and investments (6)	53,627	38,081	60,333	85,404
Customer receivables, net	74,268	76,034	67,697	71,245
Fuel for generation	30,012	24,821	30,168	19,348
Materials and supplies inventory, net (7)	32,491	42,226	42,561	40,303
Other current assets (8)	93,142	71,424	80,447	90,187
Hedging derivative instruments maturing within one year (9)	-	448	213	2,595
Total current assets	<u>283,540</u>	<u>253,034</u>	<u>281,419</u>	<u>309,082</u>
Other assets				
Net pension asset (10)	-	29,448	28,268	29,883
Net other post-employment benefits asset	628	1,920	1,997	2,071
Regulatory assets (1) (10)	147,516	34,900	42,096	20,084
Other long-term assets (11)	30,584	18,140	17,118	17,349
Hedging derivative instruments (9)	-	226	88	2,052
Total other assets	<u>178,728</u>	<u>84,634</u>	<u>89,567</u>	<u>71,440</u>
Total assets	<u>3,451,256</u>	<u>3,243,557</u>	<u>3,241,484</u>	<u>3,272,368</u>
Deferred outflows of resources				
Unamortized loss on refunded bond	45,408	51,922	58,439	51,265
Unrealized pension contributions and losses (10)	18,573	-	-	-
Accumulated decrease in fair value of hedging derivatives (9)	41,652	23,808	25,622	43,559
Total deferred outflows of resources	<u>105,633</u>	<u>75,730</u>	<u>84,061</u>	<u>94,824</u>
Total assets and deferred outflows of resources	<u>\$ 3,556,889</u>	<u>\$ 3,319,287</u>	<u>\$ 3,325,545</u>	<u>\$ 3,367,192</u>

(1) In 2013, OUC began implementing an Advanced Metering Infrastructure (AMI) for both electric and water. Through September 30, 2015, OUC incurred \$41.4 million for the implementation of the AMI meter project. In 2013, Duke Energy closed the Crystal River Unit 3 (CR 3) nuclear generation facility and, as such, the net book value of \$17.6 million was reclassified as a regulatory asset. OUC also completed a depreciation study in 2013. The study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life study in late 2013 which resulted in a decrease in depreciation expense of \$11.6 million for 2013. The annualized impact of the study is \$22.7 million. In 2012, Land and other non-depreciable assets increased primarily due to the reacquisition of the Indian River Plant for \$11.5 million.

(2) In 2015, OUC issued the Series 2015A Bonds of \$115.1 million. Proceeds were designated to fund capital projects for fiscal years 2015 through 2017.

(3) In 2000, OUC sold the steam units at the IRP. A portion of the proceeds from this sale were internally designated to fund future debt maturities. In November 2006, \$113.4 million was used to defease portions of the Series 2001, 2001A, and 2003A bonds.

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

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

2011	2010	2009	2008	2007	2006	2005
\$ 2,160,121	\$ 2,134,963	\$ 1,800,510	\$ 1,748,769	\$ 1,726,375	\$ 1,681,186	\$ 1,652,730
62,882	62,868	59,501	59,196	31,632	31,632	29,667
<u>65,041</u>	<u>107,333</u>	<u>421,685</u>	<u>343,959</u>	<u>176,216</u>	<u>100,909</u>	<u>83,279</u>
<u>2,288,044</u>	<u>2,305,164</u>	<u>2,281,696</u>	<u>2,151,924</u>	<u>1,934,223</u>	<u>1,813,727</u>	<u>1,765,676</u>
122,714	133,981	121,526	118,406	118,471	117,812	112,837
258,940	314,346	179,005	224,233	211,336	217,311	141,533
20,268	20,386	20,384	20,380	30,593	143,446	151,096
197,414	174,676	141,604	110,013	143,154	111,085	56,173
14,700	14,700	-	32,140	32,618	5,500	-
<u>614,036</u>	<u>658,089</u>	<u>462,519</u>	<u>505,172</u>	<u>536,172</u>	<u>595,154</u>	<u>461,639</u>
131,368	54,715	33,622	43,520	36,148	55,666	73,535
74,711	84,000	81,482	78,801	89,749	68,715	87,697
24,319	19,863	19,950	5,972	14,752	9,626	8,642
36,698	37,827	36,727	37,926	35,927	33,669	31,300
109,477	118,278	106,405	90,730	71,862	66,366	56,197
5	31	314	114	-	-	-
<u>376,578</u>	<u>314,714</u>	<u>278,500</u>	<u>257,063</u>	<u>248,438</u>	<u>234,042</u>	<u>257,371</u>
28,731	30,100	34,268	36,801	40,048	43,182	46,216
2,068	-	-	-	-	-	-
20,873	22,076	20,989	27,124	23,490	10,155	10,197
18,212	22,911	21,000	16,067	12,094	11,588	6,035
-	17	202	826	-	-	-
<u>69,885</u>	<u>75,104</u>	<u>76,459</u>	<u>80,817</u>	<u>75,632</u>	<u>64,925</u>	<u>62,448</u>
<u>3,348,543</u>	<u>3,353,071</u>	<u>3,099,174</u>	<u>2,994,976</u>	<u>2,794,465</u>	<u>2,707,848</u>	<u>2,547,134</u>
53,638	57,653	46,461	53,720	61,864	75,784	83,170
-	-	-	-	-	-	-
<u>50,165</u>	<u>75,660</u>	<u>84,159</u>	<u>43,420</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>103,803</u>	<u>133,313</u>	<u>130,620</u>	<u>97,140</u>	<u>61,864</u>	<u>75,784</u>	<u>83,170</u>
<u>\$ 3,452,346</u>	<u>\$ 3,486,384</u>	<u>\$ 3,229,794</u>	<u>\$ 3,092,116</u>	<u>\$ 2,856,329</u>	<u>\$ 2,783,632</u>	<u>\$ 2,630,304</u>

- (6) The increase in 2011 was primarily due to the release of \$41.4 million previously restricted as Debt service reserve for the Series 1992 Bonds that matured on October 1, 2010.
- (7) In response to changing technologies and evolving industry standards, OUC conducted an internal study during 2015 to evaluate inventory levels in comparison to industry norms. As a result, OUC began implementing strategies in late 2015 which resulted in an increase in the allowance for obsolescence reserve of \$8.5 million.
- (8) During 2015, other current assets increased due to increased collateral deposit requirements for fuel and investment hedges.
- (9) Due to declining fuel prices in 2015, OUC's fuel hedges incurred losses resulting in no positive valued hedges and an increase in hedging liabilities.
- (10) In 2015, OUC adopted GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date", which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expenses related to the government sponsored pension plan. Effects of implementing Statement No. 68 of \$88.3 million were to be applied as an adjustment to Net position. Additionally, as of September 30, 2014, OUC had advanced funded pension plan assets of \$29.4 million. Under the Statement No. 68 guidance, these costs should be recognized as expense in the year of implementation. A Board approved regulatory action of \$117.7 million was reported as permitted under Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA", to account for the net effect of the implementation.
- (11) Other long-term assets increased \$10.6 million in 2015 due to a prepayment for the fall 2017 turbine inspection.

STATEMENTS OF NET POSITION (Dollars in thousands)

Years Ended September 30

	2015	2014	2013	2012
Liabilities				
Current liabilities - payable from restricted and designated assets				
Accrued interest payable on notes and bonds	\$ 30,508	\$ 29,826	\$ 31,031	\$ 32,211
Current portion of long-term debt	55,880	53,310	51,950	50,610
Customer meter deposits (1)	54,930	52,784	49,892	45,942
Total payable from restricted and designated assets	<u>141,318</u>	<u>135,920</u>	<u>132,873</u>	<u>128,763</u>
Current liabilities - payable from current assets				
Accounts payable and accrued expenses (2)	75,246	95,549	78,971	74,499
Other bonds payable (3)	98,360	98,360	98,360	98,360
Other current liabilities	21,005	20,338	19,708	19,245
Hedging derivative instruments maturing within one year (4)	8,848	512	3,459	7,815
Total payable from current assets	<u>203,459</u>	<u>214,759</u>	<u>200,498</u>	<u>199,919</u>
Total current liabilities	<u>344,777</u>	<u>350,679</u>	<u>333,371</u>	<u>328,682</u>
Other liabilities and credits				
Asset retirement obligation and other liabilities	88,084	85,438	84,263	76,732
Net pension liability (5)	92,568	-	-	-
Hedging derivative instruments (4)	5,617	289	242	2,996
Total other liabilities and credits	<u>186,269</u>	<u>85,727</u>	<u>84,505</u>	<u>79,728</u>
Long-term debt, net	<u>1,527,787</u>	<u>1,481,003</u>	<u>1,548,109</u>	<u>1,612,662</u>
Total liabilities	<u>2,058,833</u>	<u>1,917,409</u>	<u>1,965,985</u>	<u>2,021,072</u>
Deferred inflows of resources				
Unamortized gain on refunded bonds	1,747	1,926	2,104	2,283
Regulatory credits (6)	251,363	233,029	252,936	272,224
Unrealized pension gains (5)	18,585	-	-	-
Accumulated increase in fair value of hedging derivatives (4)	-	674	301	4,647
Total deferred inflows of resources	<u>271,695</u>	<u>235,629</u>	<u>255,341</u>	<u>279,152</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,330,528</u>	<u>\$ 2,153,038</u>	<u>\$ 2,221,326</u>	<u>\$ 2,300,224</u>
Net position				
Net investment in capital assets	\$ 896,496	\$ 884,604	\$ 789,341	\$ 744,184
Restricted	270	265	329	1,543
Unrestricted	329,595	281,380	314,549	321,241
Total net position	<u>\$ 1,226,361</u>	<u>\$ 1,166,249</u>	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>

(1) Meter deposits have been rising due to the increase in OUC's customer base and stricter policies.

(2) The increase in Accounts payable and accrued expense during 2014 resulted from higher fuel and purchased power payables of \$9.5 million as a result of increased generation. Additionally in 2014, OUC recorded accruals of \$6.0 million for an environmental restoration, a Federal Emergency Management Agency (FEMA) de-obligation loss contingency, and a tax liability with the Florida Department of Revenue. Due to the resolution of the potential FEMA de-obligation and a waiver of the past tax liabilities, accruals of \$4.9 million were reversed in 2015.

(3) In 2008, the Series 2004 Bonds were reclassified to Other bonds payable as the bonds were set to mature in July 2009. OUC intended to remarket these bonds with long-term variable rate debt. However, due to changing market conditions, only a portion of the debt was refunded on a long-term basis. In 2010, OUC refunded the remaining portion without an underlying liquidity facility. Therefore, the debt remains classified as Current liabilities payable from current assets.

(4) Due to declining fuel prices in 2015, OUC's fuel hedges incurred losses resulting in no positive valued hedges and an increase in hedging liabilities.

(5) In 2015, OUC adopted GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date", which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expenses related to the government sponsored pension plan. Effects of implementing Statement No. 68 were to be applied to the Statement of Net Position in the year of implementation. As a result, OUC reported the actuarially computed Net pension liability in 2015.

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

2011	2010	2009	2008	2007	2006	2005
\$ 34,448	\$ 37,284	\$ 27,552	\$ 28,093	\$ 28,524	\$ 30,810	\$ 28,744
88,450	51,080	48,350	46,045	44,440	41,420	38,560
43,079	39,062	33,485	33,575	31,481	29,012	26,099
<u>165,977</u>	<u>127,426</u>	<u>109,387</u>	<u>107,713</u>	<u>104,445</u>	<u>101,242</u>	<u>93,403</u>
84,963	84,089	68,080	93,162	68,222	62,189	97,779
98,360	98,522	199,266	218,799	-	-	-
18,604	22,927	24,266	17,876	13,546	13,102	14,317
11,519	8,022	3,552	5,482	-	-	-
<u>213,446</u>	<u>213,560</u>	<u>295,164</u>	<u>335,319</u>	<u>81,768</u>	<u>75,291</u>	<u>112,096</u>
<u>379,423</u>	<u>340,986</u>	<u>404,551</u>	<u>443,032</u>	<u>186,213</u>	<u>176,533</u>	<u>205,499</u>
79,688	77,974	81,022	84,037	79,507	80,916	71,378
-	-	-	-	-	-	-
7,530	13,050	12,020	1,766	-	-	-
<u>87,218</u>	<u>91,024</u>	<u>93,042</u>	<u>85,803</u>	<u>79,507</u>	<u>80,916</u>	<u>71,378</u>
<u>1,666,567</u>	<u>1,789,258</u>	<u>1,541,539</u>	<u>1,446,100</u>	<u>1,481,868</u>	<u>1,511,674</u>	<u>1,434,951</u>
<u>2,133,208</u>	<u>2,221,268</u>	<u>2,039,132</u>	<u>1,974,935</u>	<u>1,747,588</u>	<u>1,769,123</u>	<u>1,711,828</u>
3,194	3,422	3,650	-	-	-	-
283,106	267,236	229,039	198,136	243,299	212,742	155,976
-	-	-	-	-	-	-
5	48	1,688	940	-	-	-
<u>286,305</u>	<u>270,706</u>	<u>234,377</u>	<u>199,076</u>	<u>243,299</u>	<u>212,742</u>	<u>155,976</u>
<u>\$ 2,419,513</u>	<u>\$ 2,491,974</u>	<u>\$ 2,273,509</u>	<u>\$ 2,174,011</u>	<u>\$ 1,990,887</u>	<u>\$ 1,981,865</u>	<u>\$ 1,867,804</u>
\$ 745,117	\$ 740,393	\$ 778,476	\$ 754,793	\$ 661,230	\$ 530,940	\$ 513,025
1,570	425	827	2,515	8,342	5,863	4
286,146	253,592	176,982	160,797	195,870	264,964	249,471
<u>\$ 1,032,833</u>	<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>

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

Years Ended September 30	2015	2014	2013	2012
Operating revenues				
Electric operating revenues (1)	\$ 747,160	\$ 771,323	\$ 718,551	\$ 747,605
Water operating revenues	66,869	64,080	62,812	63,454
Lighting operating revenues	13,273	12,990	12,626	12,449
Chilled water operating revenues	32,150	31,592	31,369	30,875
Total operating revenues	<u>859,452</u>	<u>879,985</u>	<u>825,358</u>	<u>854,383</u>
Operating expenses				
Fuel for generation, purchased power and fixed demand payments (2)	316,875	347,896	315,867	326,071
Production (3)	95,032	88,060	84,538	95,108
Transmission and distribution	40,944	38,258	34,246	34,206
Lighting	4,181	3,128	3,450	3,272
Chilled water	16,394	15,733	15,090	15,165
Storm recovery cost (4)	(2,000)	2,000	-	-
Depreciation and amortization (5)	115,857	113,710	119,073	120,781
Customer service (6)	34,375	32,495	33,525	38,289
General and administrative (7)	52,174	51,517	48,608	47,480
Utility/property tax (8)	13,489	18,130	14,800	15,481
Revenue based payments to the City of Orlando	28,189	27,784	29,406	29,623
Revenue based payments to Orange County	1,515	1,457	1,397	1,477
Revenue based payments to the City of St. Cloud	6,037	6,372	6,752	6,927
System use payments to the City of St. Cloud (9)	-	1,497	1,920	1,915
Total operating expenses	<u>723,062</u>	<u>748,037</u>	<u>708,672</u>	<u>735,795</u>
Operating income	136,390	131,948	116,686	118,588
Non-operating income and (expense)				
Interest income (10)	5,675	4,848	4,512	6,691
Other income, net	9,785	9,375	10,289	13,318
Amortization of gain on sale of assets (11)	3,628	2,997	4,801	4,315
Interest expense, net (12)	(58,656)	(59,887)	(62,355)	(70,235)
Total non-operating expenses, net	<u>(39,568)</u>	<u>(42,667)</u>	<u>(42,753)</u>	<u>(45,911)</u>
Income before contributions	96,822	89,281	73,933	72,677
Contributions in aid of construction (CIAC) (13)	16,501	21,371	10,318	8,619
Annual dividend (14)	<u>(53,211)</u>	<u>(48,622)</u>	<u>(47,000)</u>	<u>(47,161)</u>
Increase in net position	60,112	62,030	37,251	34,135
Net position - beginning of year	<u>1,166,249</u>	<u>1,104,219</u>	<u>1,066,968</u>	<u>1,032,833</u>
Net position - end of year	<u>\$ 1,226,361</u>	<u>\$ 1,166,249</u>	<u>\$ 1,104,219</u>	<u>\$ 1,066,968</u>

(1) In 2015, the Electric operating revenues decreased as a result of lower fuel revenues due to declining coal and natural gas pricing. Additionally, the Board approved a regulatory action to defer \$13.8 million due to increased retail energy revenues driven by customer growth and warmer weather. In 2014, the Electric operating revenues increase was driven by retail consumption, wholesale market opportunities and new demand contracts with the Cities of Winter Park and Lake Worth. As a result of the unexpected increase in wholesale sales, the Board approved the deferral of \$8.0 million. In 2013, the \$29.0 million decrease in Electric operating revenues was due to a rate decrease approved by the Board in October 2012.

(2) Fuel for generation decreased in 2015 as a result of lower coal and natural gas commodity costs. In 2014, Fuel for generation, purchased power and fixed demand payments increased from that of 2013 due to a rise in fuel costs, particularly for natural gas, an increase in native load requirements, and an extended outage at the Lakeland McIntosh Unit 3 facility. In 2013, the decrease was due to lower coal commodity costs.

(3) In response to changing technologies and evolving industry standards, OUC conducted an internal study during 2015 to evaluate inventory levels in comparison to industry norms. As a result, OUC began implementing strategies in late 2015 which resulted in an increase in the allowance for obsolescence reserve of \$8.5 million.

(4) In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay. In 2014 as a result of a potential de-obligation of funds related to the hurricanes, OUC recorded a loss contingency of \$2.0 million. In 2015, the de-obligation was resolved and the loss contingency was reversed.

(5) In 2013 a study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life changes in late 2013 which resulted in a depreciation expense decrease of \$11.6 million. The annualized impact of the study implementation was \$22.7 million. These decreases were offset by incremental year-over-year systematic depreciation related to the capitalization of new assets.

(6) In 2015, additional one-time costs of \$1.9 million were incurred related to a system billing correction for the water Advanced Metering Infrastructure (AMI). In 2014, with the implementation of the AMI upgrades, the Customer service costs were lower due to staffing reductions. The increase in 2012 was primarily due to the recognition of costs associated with the write down of the non-AMI meters.

2011	2010	2009	2008	2007	2006	2005
\$ 769,776	\$ 759,754	\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465
64,142	62,619	62,675	62,224	65,428	56,032	54,361
12,316	12,155	12,036	11,283	10,437	8,885	7,696
<u>29,775</u>	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>
<u>876,009</u>	<u>863,814</u>	<u>803,415</u>	<u>844,182</u>	<u>765,825</u>	<u>746,255</u>	<u>754,260</u>
332,198	330,738	312,377	372,423	323,245	346,417	373,880
96,229	94,089	80,363	81,359	73,401	69,685	68,053
37,553	37,687	32,725	31,483	28,523	25,064	21,195
3,161	3,494	3,688	3,853	2,909	2,771	2,569
14,829	14,489	13,015	11,067	10,428	9,726	8,069
-	-	162	624	-	-	-
119,361	117,105	110,068	98,312	92,282	86,433	85,570
35,074	31,448	29,361	29,245	29,979	27,234	20,897
46,750	45,810	37,634	37,898	34,716	28,936	27,022
16,473	16,535	15,142	13,533	12,908	12,895	11,461
28,809	28,804	27,301	25,148	24,130	23,658	20,187
1,461	1,821	1,687	1,054	1,056	1,062	871
6,372	5,582	5,316	5,064	4,079	3,519	3,349
<u>1,915</u>	<u>1,911</u>	<u>1,910</u>	<u>1,914</u>	<u>1,915</u>	<u>1,907</u>	<u>1,911</u>
<u>740,185</u>	<u>729,513</u>	<u>670,749</u>	<u>712,977</u>	<u>639,571</u>	<u>639,307</u>	<u>645,034</u>
135,824	134,301	132,666	131,205	126,254	106,948	109,226
4,560	8,569	10,649	16,683	23,228	22,724	9,239
12,155	7,832	2,263	2,189	3,325	1,853	2,840
3,971	3,971	3,971	3,971	3,970	3,970	3,970
<u>(78,530)</u>	<u>(85,051)</u>	<u>(77,048)</u>	<u>(74,167)</u>	<u>(71,764)</u>	<u>(73,721)</u>	<u>(68,551)</u>
<u>(57,844)</u>	<u>(64,679)</u>	<u>(60,165)</u>	<u>(51,324)</u>	<u>(41,241)</u>	<u>(45,174)</u>	<u>(52,502)</u>
77,980	69,622	72,501	79,881	85,013	61,774	56,724
8,419	14,099	11,579	18,734	24,362	25,293	14,607
<u>(47,976)</u>	<u>(45,596)</u>	<u>(45,900)</u>	<u>(45,952)</u>	<u>(45,700)</u>	<u>(47,800)</u>	<u>(34,034)</u>
38,423	38,125	38,180	52,663	63,675	39,267	37,297
<u>994,410</u>	<u>956,285</u>	<u>918,105</u>	<u>865,442</u>	<u>801,767</u>	<u>762,500</u>	<u>725,203</u>
<u>\$ 1,032,833</u>	<u>\$ 994,410</u>	<u>\$ 956,285</u>	<u>\$ 918,105</u>	<u>\$ 865,442</u>	<u>\$ 801,767</u>	<u>\$ 762,500</u>

- (7) Since 2013, General and administrative costs increased due to higher pension and medical costs. The increase in 2012 was driven by higher information technology costs. In 2010, lower than projected investment returns and the inclusion of previously approved cost-of-living adjustments (COLA) contributed to the increase.
- (8) Utility/property tax costs increased in 2014 for a pending gross receipts assessment of \$2.9 million which was subsequently waived in 2015.
- (9) In 2014, OUC made the final system use payment to the City of St. Cloud.
- (10) Since 2008, interest rates have been lower due to the market downturn. However, in 2015, OUC experienced favorable investment market valuation changes. In 2012, interest income increased slightly as a result of the inclusion of gains earned on investments sold prior to maturity along with increased market volatility.
- (11) Proceeds from the sale of the steam units at the Indian River Plant (IRP) were internally designated and the gain was deferred in accordance with GASB Statement No. 62 as it is applied to regulated operations. A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004, with the remaining gain being recognized to offset depreciation costs for Stanton Energy Center Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with the original gain on sale amount. In 2014, the life of SEC A was extended, resulting in a decrease in the gain on the sale of assets. In 2015, as a result of the depreciation study findings, the life of SEC A was shortened resulting in an increase.
- (12) Since 2011, market interest rates have declined, lowering OUC's interest expense every year. In 2010, Interest and other expenses increased primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.
- (13) In 2015 and 2014, OUC received CIAC contributions for two major transmission projects.
- (14) Since 2008, the annual dividend payment to the City of Orlando was a fixed amount, based on 60% of budgeted income. In 2007 and prior years, this payment was calculated on actual income. In 2005, the Board approved a change for 2006 and 2007 to increase the dividend calculation from 60% to 85% and 80%, respectively, of income before contributions.

STATEMENTS OF CASH FLOWS (Dollars in thousands)

Years Ended September 30	2015	2014	2013	2012
Cash flows from operating activities				
Cash received from customers	\$ 872,926	\$ 857,969	\$ 808,235	\$ 846,553
Cash paid for fuel and purchased power	(353,320)	(326,155)	(318,861)	(318,394)
Cash paid for unit/department expenses excluding salaries and benefits (1)	(84,527)	(57,821)	(60,574)	(82,410)
Cash paid for salaries and benefits	(154,147)	(148,339)	(137,864)	(137,749)
Cash paid to other governments and taxes	(48,841)	(55,739)	(54,317)	(54,968)
Cash (paid to)/received from storm recovery expenses (2)	-	-	-	-
Net cash provided by operating activities	<u>232,091</u>	<u>269,915</u>	<u>236,619</u>	<u>253,032</u>
Cash flows from non-capital related financing activities				
Dividend payment	(53,211)	(48,622)	(47,000)	(47,161)
Build America Bond interest received (3)	3,674	5,487	1,982	3,973
Net cash used in non-capital related financing activities	<u>(49,537)</u>	<u>(43,135)</u>	<u>(45,018)</u>	<u>(43,188)</u>
Cash flows from capital related financing activities				
Utility plant net of contributions in aid of construction (4)	(122,808)	(144,399)	(149,974)	(122,737)
Debt interest payments	(63,376)	(65,904)	(68,942)	(73,766)
Collateral deposits (5)	(4,300)	(1,600)	11,100	(2,400)
Principal payments and refunding costs on long-term debt	(53,310)	(51,950)	(358,766)	(250,890)
Debt issuances (6)	112,100	-	308,305	163,913
Debt issuance expenses	(890)	(1,435)	(2,896)	(1,502)
Net cash used in capital related financing activities	<u>(132,584)</u>	<u>(265,288)</u>	<u>(261,173)</u>	<u>(287,382)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investment securities (7)	369,525	403,529	398,949	718,924
Gain on sale of investments	323	338	421	648
Purchases of investment securities (7)	(509,317)	(301,646)	(487,028)	(591,305)
Investments and other income received	22,681	9,608	10,904	8,816
Net cash (used in)/provided by investing activities	<u>(116,788)</u>	<u>111,829</u>	<u>(76,754)</u>	<u>137,082</u>
Net (decrease)/increase in cash and cash equivalents	<u>(66,818)</u>	<u>73,321</u>	<u>(146,326)</u>	<u>59,544</u>
Cash and cash equivalents - beginning of year	<u>223,866</u>	<u>150,545</u>	<u>296,871</u>	<u>237,327</u>
Cash and cash equivalents - end of year	<u>\$ 157,048</u>	<u>\$ 223,866</u>	<u>\$ 150,545</u>	<u>\$ 296,871</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 136,390	\$ 131,948	\$ 116,686	\$ 118,588
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization of plant charged to operations	115,857	113,710	119,073	120,781
Depreciation and amortization charged to fuel for generation and purchased power	3,183	2,804	2,017	3,360
Depreciation of vehicles and equipment charged to unit/department expenses	1,160	3,636	3,960	3,679
Changes in assets and liabilities				
Decrease/(increase) in receivables and accrued revenue	6,205	3,483	(544)	1,059
Decrease/(increase) in fuel and materials and supplies inventories	7,611	11,987	(8,261)	3,473
(Decrease)/increase in accounts payable	(20,731)	17,257	11,108	(395)
(Decrease)/increase in deposits payable and liabilities	(28,491)	2,392	2,062	6,097
Increase/(decrease) in stabilization and deferred credits	10,907	(17,302)	(9,482)	(3,610)
Net cash provided by operating activities	<u>\$ 232,091</u>	<u>\$ 269,915</u>	<u>\$ 236,619</u>	<u>\$ 253,032</u>
Reconciliation of cash and cash equivalents				
Restricted and internally designated equivalents	\$ 23,805	\$ 137,210	\$ 61,919	\$ 176,950
Cash and investments	2,193	3,629	5,758	5,137
Construction and related funds (8)	44,717	-	-	32,077
Debt service and related funds	86,333	83,027	82,868	82,707
Cash and cash equivalents - end of year	<u>\$ 157,048</u>	<u>\$ 223,866</u>	<u>\$ 150,545</u>	<u>\$ 296,871</u>

(1) The increase in 2006 was driven by annual merit adjustments and the implementation of a consolidated compensation and benefit market based study, as well as higher operating costs at the Stanton Energy Center generation facilities.

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

(3) As part of the Build America Bonds' stimulus program initiated in 2010, OUC was granted a federal subsidy with an estimated annual impact of \$3.8 million.

(4) In 2013, 2014 and 2015, OUC implemented the Advanced Meter Infrastructure project, spending \$23.8 million, \$14.8 million, and \$2.8 million respectively. Additionally in 2013, OUC funded Information Technology projects of \$28.5 million, which included several customer focused web initiatives. Years 2007, 2008, and 2009 were higher than normal due to the new administration building and Stanton Energy Center Unit B construction.

2011	2010	2009	2008	2007	2006	2005
\$ 903,066 (327,267)	\$ 899,241 (328,583)	\$ 827,231 (347,691)	\$ 839,152 (378,343)	\$ 763,456 (326,874)	\$ 819,265 (374,365)	\$ 710,245 (364,435)
(86,131) (138,637) (54,999)	(61,220) (136,480) (54,429)	(75,027) (115,283) (50,993)	(74,058) (113,564) (46,923)	(95,116) (63,880) (45,400)	(129,066) (56,081) (41,714)	(76,834) (54,437) (37,404)
- <u>296,032</u>	- <u>318,529</u>	- <u>238,237</u>	(624) <u>225,640</u>	- <u>232,186</u>	530 <u>218,569</u>	16,482 <u>193,617</u>
(47,976) 3,963 <u>(44,013)</u>	(45,596) 2,675 <u>(42,921)</u>	(45,900) - <u>(45,900)</u>	(45,952) - <u>(45,952)</u>	(45,700) - <u>(45,700)</u>	(49,135) - <u>(49,135)</u>	(32,700) - <u>(32,700)</u>
(103,432) (89,517) 16,400 (231,095) 178,834 (2,892) <u>(231,704)</u>	(141,230) (97,153) (6,600) (366,000) 541,050 (5,086) <u>(75,019)</u>	(237,983) (78,236) - (362,945) 419,875 (3,955) <u>(263,244)</u>	(302,678) (81,091) - (44,440) 200,000 (1,623) <u>(229,832)</u>	(191,427) (74,448) - (289,337) 260,620 (2,429) <u>(297,021)</u>	(93,236) (70,443) - (75,898) 160,525 (857) <u>(79,909)</u>	(91,956) (66,742) - (35,575) - (640) <u>(194,913)</u>
1,005,222 2,064 (1,009,564) <u>12,170</u> <u>9,892</u> 30,207 207,120 <u>\$ 237,327</u>	700,558 3,314 (864,933) <u>11,927</u> <u>(149,134)</u> 51,455 155,665 <u>\$ 207,120</u>	598,096 2,230 (497,435) <u>13,921</u> <u>116,812</u> 45,905 109,760 <u>\$ 155,665</u>	594,525 7,791 (634,030) <u>22,507</u> <u>(9,207)</u> (59,351) 169,111 <u>\$ 109,760</u>	592,967 - (538,523) <u>33,219</u> <u>87,663</u> (22,872) 191,983 <u>\$ 169,111</u>	621,734 - (673,304) <u>19,399</u> <u>(32,171)</u> 57,354 134,629 <u>\$ 191,983</u>	232,197 - (203,529) <u>14,590</u> <u>43,258</u> 9,262 125,367 <u>\$ 134,629</u>
\$ 135,824	\$ 134,301	\$ 132,666	\$ 131,205	\$ 126,254	\$ 106,948	\$ 109,226
119,361	117,105	110,068	98,312	92,282	86,433	85,570
4,472	3,985	4,051	3,498	3,471	3,367	1,833
4,892	10,425	6,126	3,233	2,538	1,671	1,604
10,245 4,271 557 (5,811) <u>22,221</u> <u>\$ 296,032</u>	(3,179) 2,733 19,602 (11,599) <u>45,156</u> <u>\$ 318,529</u>	(1,267) (7,407) (20,786) (14,322) <u>29,108</u> <u>\$ 238,237</u>	8,166 12,744 24,112 (12,986) <u>(42,644)</u> <u>\$ 225,640</u>	(24,617) (6,956) 8,905 13,334 <u>16,975</u> <u>\$ 232,186</u>	15,189 (31,101) (15,794) (5,077) <u>56,933</u> <u>\$ 218,569</u>	(27,407) (11,244) 25,954 24,755 <u>(16,674)</u> <u>\$ 193,617</u>
\$ 144,401 3,960 7,637 <u>81,329</u> <u>\$ 237,327</u>	\$ 89,181 1,261 35,182 <u>81,496</u> <u>\$ 207,120</u>	\$ 88,474 4,362 33,042 <u>29,787</u> <u>\$ 155,665</u>	\$ 42,206 2,472 40,057 <u>25,025</u> <u>\$ 109,760</u>	\$ 87,049 9,907 1,048 <u>71,107</u> <u>\$ 169,111</u>	\$ 105,521 17,600 20,440 <u>48,422</u> <u>\$ 191,983</u>	\$ 64,552 25,855 11,945 <u>32,277</u> <u>\$ 134,629</u>

(5) In 2010, OUC entered into a swap contract for variable debt issuances, which requires collateral to be posted.

(6) During 2015, OUC issued the Series 2015A Bonds in the amount of \$94.9 million with a premium of \$18.0 million. In 2014, OUC did not issue or refund any debt.

(7) The increase in 2011 was due to higher trading volumes.

(8) In 2015, OUC issued new debt to fund construction projects, with \$44.7 million remaining unspent at the end of the fiscal year.

SELECTED FINANCIAL RATIOS (Dollars in thousands)

Years Ended September 30	2015	2014	2013	2012
Current ratio				
Current assets/current liabilities (1)	3.09	2.92	3.28	3.41
Days cash on hand (1)	337	308	350	353
Leverage ratio				
Total debt/total assets	0.47	0.49	0.51	0.52
Return on total position				
Income before contributions/total assets (2)	3.11%	2.69%	2.22%	2.16%
Return on net position				
Income before contributions/average net position (2)(3)	9.25%	7.86%	6.81%	6.92%
Debt/net position (4)	55%/45%	55%/45%	58%/42%	60%/40%
City of Orlando revenue based payments and dividend (5)	\$81,400	\$76,406	\$76,406	\$76,785
As a percentage of retail revenue	11.28%	10.92%	11.33%	10.97%
Retail receivables/retail billed revenue (2) (6)	7.07%	7.27%	6.56%	6.96%
Bad debt expense/retail billed revenue (OUC) (2) (7)	0.33%	0.44%	0.42%	0.54%
Bad debt expense/retail revenue (Inter-local sales) (7)	0.57%	0.64%	0.43%	0.67%
Days sales uncollected (OUC)	26	27	26	28
Days sales uncollected (Inter-local sales) (8)	28	29	35	28
Materials inventory as a percentage of total plant (9)	1.37%	1.79%	1.84%	1.75%
Total metered services per meter reader (OUC) (10)	32,329	16,971	15,827	15,156

(1) In 2014, the decrease was primarily due to the use of cash to fund capital related activities.

(2) To facilitate comparison with prior years, a Board approved regulatory action to defer retail revenues of \$13.8 million in 2015 was excluded from this calculation. In 2014, the increase is a result of increased electric and water revenues due to higher native load consumption and unexpected wholesale revenue. In 2010, the return changed as a result of the issuance of the Series 2010A Construction Bonds of \$200.0 million. The change in 2007 and 2008 was driven by increased revenue as a result of rate modification in January 2007 that included a reserve for future capital spending.

(3) The 2012 and 2013 decrease in Return on net position was due to lower electric revenue as a result of an approved electric energy rate decrease beginning October 1, 2012 and decreased consumption.

(4) As part of OUC's long-term strategic plan, recent capital projects have been smaller in scale and more typically funded through cash in order to prepare for future expansion.

(5) In 2015, the revenue based and dividend payments increased \$0.4 million and \$4.6 million, respectively.

(6) In 2014, both Retail receivables and Retail billed revenue increased due to increased consumption. Since 2010 aged receivables have decreased due to a strengthening economic environment in Central Florida. In 2007, the increase was due to delayed collection efforts as a result of staffing resources dedicated to the PSERM implementation.

(7) In 2015, inter-local sales increased \$4.0 million while bad debt remained relatively constant. The implementation of the Power Pass program also contributed to the decrease in bad debt for both OUC and St. Cloud accounts. Beginning in 2007, the percentage of bad debt expense to retail revenue increased as a result of billing issues with the implementation of PSERM and the delay in collection efforts. This was followed by the downturn in the economy beginning in 2008. Since 2012, bad debt expense has moved back toward historic levels.

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

(9) In response to changing technologies and evolving industry standards, OUC conducted an internal study during 2015 to evaluate inventory levels in comparison to industry norms. As a result, OUC began implementing strategies in late 2015 which resulted in an increase in the allowance for obsolescence reserve of \$8.5 million.

(10) With the implementation of the Advance Metering Infrastructure (AMI), the number of meter readers was substantially reduced and repurposed to other areas in the Commission. The change since 2012 is a result of a decrease in the number of meter readers due to the implementation of mobile data and the installation of AMI.

2011	2010	2009	2008	2007	2006	2005
2.87	3.05	3.03	2.79	3.64	4.13	3.33
354	276	243	230	282	333	296
0.54	0.56	0.55	0.55	0.53	0.56	0.56
2.26%	2.00%	2.24%	2.58%	2.98%	2.22%	2.16%
7.69%	7.14%	7.74%	8.96%	10.20%	7.90%	7.63%
62%/38%	64%/36%	63%/37%	64%/36%	63%/37%	65%/35%	65%/35%
\$76,785	\$74,400	\$73,201	\$71,099	\$69,829	\$71,458	\$54,221
10.47%	10.24%	10.72%	11.45%	11.58%	12.01%	10.69%
7.00%	8.24%	8.92%	8.59%	10.51%	7.64%	6.36%
0.68%	0.97%	0.90%	0.88%	0.73%	0.41%	0.41%
0.66%	0.70%	1.22%	0.62%	0.45%	0.35%	0.37%
27	30	33	31	30	29	24
32	32	33	32	35	28	30
1.60%	1.64%	1.61%	1.76%	1.86%	1.86%	1.77%
12,174	11,696	12,949	12,527	11,211	11,647	11,034



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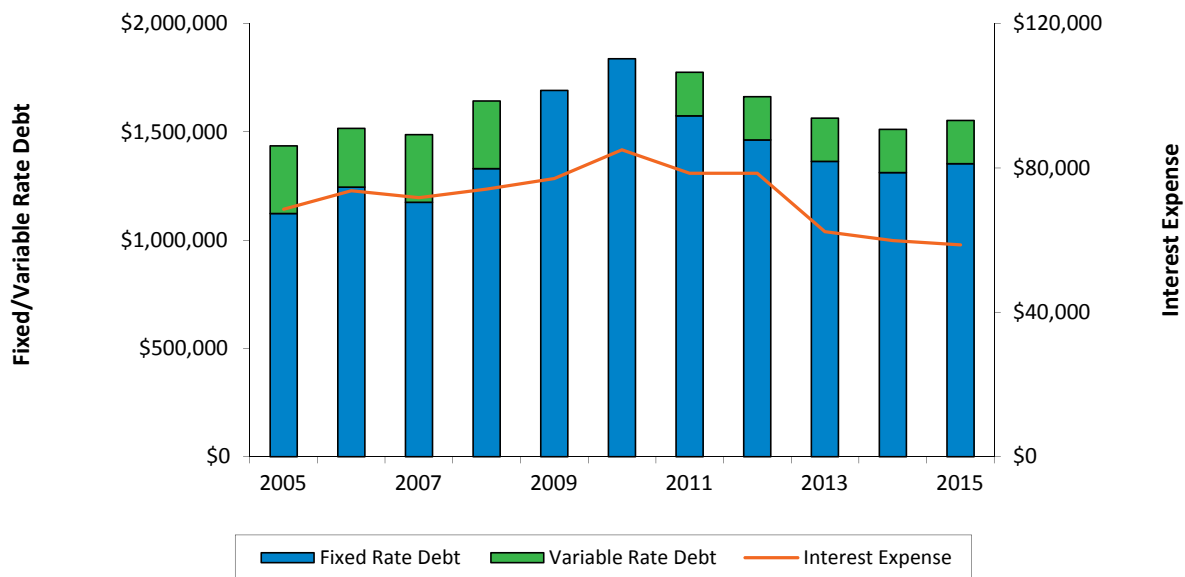
DEBT SERVICE INFORMATION

At OUC, we are focused on cost-effective and innovative electric and water delivery while developing a strategy for increasing electric and water revenues.



DEBT SERVICE INFORMATION

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



Total interest costs have declined through scheduled maturities and a series of debt refundings since 2010.

DEBT SERVICE COVERAGE AND RATIOS (Dollars in thousands)

Years Ended September 30	2015	2014	2013	2012
Gross revenue and income before contributions				
Operating revenues				
Electric operating revenues	\$ 747,160	\$ 771,323	\$ 718,551	\$ 747,605
Water operating revenues	66,869	64,080	62,812	63,454
Lighting operating revenues	13,273	12,990	12,626	12,449
Chilled water operating revenues	32,150	31,592	31,369	30,875
Total operating revenues	<u>859,452</u>	<u>879,985</u>	<u>825,358</u>	<u>854,383</u>
Interest and other income	18,846	16,900	19,191	23,219
Gross revenues and income before contributions	<u>878,298</u>	<u>896,885</u>	<u>844,549</u>	<u>877,602</u>
Expenses				
Operating expenses				
Electric operating expenses	512,650	541,681	500,385	519,944
Water operating expenses	38,006	36,392	33,658	37,642
Lighting operating expenses	4,502	3,493	3,795	3,593
Chilled water operating expenses	17,189	16,496	15,807	15,811
Total operating expenses	<u>572,347</u>	<u>598,062</u>	<u>553,645</u>	<u>576,990</u>
Other expenses (1)	696	1,133	1,134	494
Total expenses	<u>573,043</u>	<u>599,195</u>	<u>554,779</u>	<u>577,484</u>
Net revenue and income available for debt service	<u>\$ 305,255</u>	<u>\$ 297,690</u>	<u>\$ 289,770</u>	<u>\$ 300,118</u>
Current debt service	\$ 119,990	\$ 118,010	\$ 119,698	\$ 122,205
Current debt service coverage (2)	2.54x	2.52x	2.42x	2.46x
Adjusted debt service coverage				
Net revenue and income available for debt service	\$ 305,255	\$ 297,690	\$ 289,770	\$ 300,118
Revenue and dividend payments to the City of Orlando and revenue based payments to Orange County	82,913	77,863	77,803	78,261
Net revenue and income available after payments	<u>\$ 222,342</u>	<u>\$ 219,827</u>	<u>\$ 211,967</u>	<u>\$ 221,857</u>
Adjusted debt service coverage	1.85x	1.86x	1.77x	1.82x
Fixed or full charge coverage				
Net revenue and income available after payments	\$ 222,342	\$ 219,827	\$ 211,967	\$ 221,857
Fixed demand payments/purchased power	32,613	31,608	33,389	34,120
Net revenue and income available after payments and fixed charge coverage	<u>\$ 254,955</u>	<u>\$ 251,435</u>	<u>\$ 245,356</u>	<u>\$ 255,977</u>
Fixed and full charge coverage	1.67x	1.68x	1.60x	1.64x
Debt ratio				
Gross funded debt/Net fixed assets and net working capital	60.58%	61.68%	63.76%	66.64%
Net funded debt/Net fixed assets and net working capital	65.80%	66.82%	69.46%	70.73%
Operating ratio				
Total expenses/Total operating revenues	66.68%	68.09%	67.22%	67.59%
Net take-down (%)				
Net revenue and income available for debt service/ Gross revenue and income before contributions	34.76%	33.19%	34.31%	34.20%
Debt service safety margin				
Net revenue and income available for debt service less current service/Gross revenue and income before contributions	21.09%	20.03%	20.14%	20.27%

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

(2) The Series 2011A Bonds, classified as Current liabilities - payable from current assets, were included as Long-term debt as it is OUC's intention to hold the series until its final maturity date on October 1, 2027.

2011	2010	2009	2008	2007	2006	2005
\$ 769,776	\$ 759,754	\$ 704,483	\$ 750,936	\$ 673,317	\$ 665,748	\$ 679,465
64,142	62,619	62,675	62,224	65,428	56,032	54,361
12,316	12,155	12,036	11,283	10,437	8,885	7,696
<u>29,775</u>	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>
876,009	863,814	803,415	844,182	765,825	746,255	754,260
20,656	20,350	18,430	23,099	30,979	28,547	16,049
<u>896,665</u>	<u>884,164</u>	<u>821,845</u>	<u>867,281</u>	<u>796,804</u>	<u>774,802</u>	<u>770,309</u>
521,083	515,960	470,404	529,843	467,375	475,802	492,794
40,644	36,590	33,320	32,967	31,687	29,804	26,769
4,753	5,108	5,147	5,101	5,081	4,175	3,784
<u>16,390</u>	<u>16,348</u>	<u>14,713</u>	<u>12,220</u>	<u>10,269</u>	<u>11,065</u>	<u>9,225</u>
582,870	574,006	523,584	580,131	514,412	520,846	532,572
1,277	1,088	1,220	887	705	658	597
<u>584,147</u>	<u>575,094</u>	<u>524,804</u>	<u>581,018</u>	<u>515,117</u>	<u>521,504</u>	<u>533,169</u>
<u>\$ 312,518</u>	<u>\$ 309,070</u>	<u>\$ 297,041</u>	<u>\$ 286,263</u>	<u>\$ 281,687</u>	<u>\$ 253,298</u>	<u>\$ 237,140</u>
\$ 128,102	\$ 134,877	\$ 122,469	\$ 116,220	\$ 115,151	\$ 113,022	\$ 105,134
2.44x	2.29x	2.43x	2.46x	2.45x	2.24x	2.26x
\$ 312,518	\$ 309,070	\$ 297,041	\$ 286,263	\$ 281,687	\$ 253,298	\$ 237,140
78,246	76,221	74,887	72,154	70,886	72,520	55,161
<u>\$ 234,272</u>	<u>\$ 232,849</u>	<u>\$ 222,154</u>	<u>\$ 214,109</u>	<u>\$ 210,801</u>	<u>\$ 180,778</u>	<u>\$ 181,979</u>
1.83x	1.73x	1.81x	1.84x	1.83x	1.60x	1.73x
\$ 234,272	\$ 232,849	\$ 222,154	\$ 214,109	\$ 210,801	\$ 180,778	\$ 181,979
33,415	32,483	32,833	30,261	33,608	30,061	47,388
<u>\$ 267,687</u>	<u>\$ 265,322</u>	<u>\$ 254,987</u>	<u>\$ 244,370</u>	<u>\$ 244,409</u>	<u>\$ 210,839</u>	<u>\$ 229,367</u>
1.66x	1.59x	1.64x	1.67x	1.64x	1.47x	1.50x
67.99%	68.84%	70.26%	72.51%	64.71%	70.19%	70.45%
68.90%	68.26%	68.26%	71.28%	63.51%	68.27%	68.15%
66.68%	66.79%	65.53%	68.95%	67.26%	69.88%	70.69%
34.85%	34.75%	35.94%	32.89%	35.35%	32.69%	30.79%
20.57%	19.50%	21.04%	19.48%	20.90%	18.10%	17.14%

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2003T principal payments	Series 2003T interest payments	Series 2006 principal payments	Series 2006 interest payments	Series 2007 principal payments	Series 2007 interest payments
2016	\$ 4,515	\$ 755	\$ 11,785	\$ 5,886	\$ 13,400	\$ 670
2017	4,755	517	17,540	5,322	-	-
2018	5,010	265	35,840	4,444	-	-
2019	-	-	15,910	2,652	-	-
2020	-	-	16,705	1,857	-	-
2021	-	-	15,905	1,063	-	-
2022	-	-	3,005	308	-	-
2023	-	-	3,155	158	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Subtotal long-term debt	14,280	1,537	119,845	21,690	13,400	670
Current portion (3)	4,300	973	1,870	5,979	22,615	587
Build America Bond - Federal Subsidy	-	-	-	-	-	-
Total long-term debt	<u>\$ 18,580</u>	<u>\$ 2,510</u>	<u>\$ 121,715</u>	<u>\$ 27,669</u>	<u>\$ 36,015</u>	<u>\$ 1,257</u>

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

(2) The Series 2008 Variable Rate Demand Obligation Bonds of \$200.0 million are supported by a Standby Bond Purchase Agreement (SBPA), which will expire on April 7, 2017. It is OUC's intention to either extend the current agreement, enter into a new agreement with a different liquidity provider or refund the debt and issue in a different mode.

(3) The amounts presented here are the interest payments due April 2015 and October 2015, and the principal maturities due October 2015.

(4) In October of 2015, OUC refunded the Series 2009A Bonds with the Series 2015B Bonds.

2007 swap interest payments	Series 2008 principal payments (2)	Series 2008 interest payments	Series 2009A principal payments (4)	Series 2009A interest payments (4)	Series 2009B principal payments	Series 2009B interest payments	Series 2009C principal payments	Series 2009C interest payments
\$ (180)	\$ -	\$ 500	\$ -	\$ 5,250	\$ -	\$ 5,706	\$ 18,190	\$ 1,763
-	-	1,000	-	5,250	-	5,706	19,040	877
-	-	1,500	-	5,250	-	5,706	-	-
-	-	2,500	-	5,250	-	5,707	-	-
-	-	2,500	-	5,250	-	5,706	-	-
-	-	2,500	-	5,250	-	5,706	-	-
-	-	2,500	-	5,250	-	5,706	-	-
-	-	2,500	-	5,250	20,000	5,707	-	-
-	-	2,500	-	5,250	-	4,706	-	-
-	-	2,500	-	5,250	-	4,707	-	-
-	25,000	2,500	-	5,250	-	4,706	-	-
-	25,000	2,188	-	5,250	-	4,706	-	-
-	25,000	1,875	-	5,250	13,840	4,707	-	-
-	25,000	1,563	-	5,250	14,530	4,014	-	-
-	25,000	1,250	-	5,250	15,255	3,288	-	-
-	25,000	938	-	5,250	16,020	2,525	-	-
-	25,000	625	-	5,250	16,820	1,724	-	-
-	25,000	312	-	5,250	17,660	883	-	-
-	-	-	14,610	5,250	-	-	-	-
-	-	-	15,375	4,483	-	-	-	-
-	-	-	16,185	3,676	-	-	-	-
-	-	-	17,035	2,826	-	-	-	-
-	-	-	17,925	1,932	-	-	-	-
-	-	-	18,870	990	-	-	-	-
-	-	-	-	-	-	-	-	-
(180)	200,000	31,751	100,000	113,657	114,125	81,616	37,230	2,640
726	-	77	-	5,250	-	5,706	17,560	2,600
-	-	-	-	-	-	-	-	-
<u>\$ 546</u>	<u>\$ 200,000</u>	<u>\$ 31,828</u>	<u>\$ 100,000</u>	<u>\$ 118,907</u>	<u>\$ 114,125</u>	<u>\$ 87,322</u>	<u>\$ 54,790</u>	<u>\$ 5,240</u>

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2010A principal payments	Series 2010A interest payments	Series 2010C principal payments	Series 2010C interest payments
2016	\$ -	\$ 11,324	\$ 7,745	\$ 3,069
2017	-	11,324	8,095	2,721
2018	-	11,324	8,480	2,337
2019	-	11,324	8,895	1,923
2020	-	11,324	9,320	1,498
2021	-	11,324	9,765	1,052
2022	-	11,324	10,275	539
2023	-	11,324	-	-
2024	-	11,324	-	-
2025	-	11,324	-	-
2026	-	11,324	-	-
2027	-	11,324	-	-
2028	-	11,324	-	-
2029	-	11,324	-	-
2030	-	11,324	-	-
2031	-	11,324	-	-
2032	-	11,324	-	-
2033	-	11,324	-	-
2034	23,030	11,324	-	-
2035	23,880	10,020	-	-
2036	24,755	8,668	-	-
2037	25,665	7,267	-	-
2038	26,615	5,813	-	-
2039	27,590	4,306	-	-
2040	48,465	2,744	-	-
Subtotal long-term debt	200,000	253,974	62,575	13,139
Current portion (4)	-	11,324	7,415	3,403
Build America Bond - Federal Subsidy	-	(86,504)	-	-
Total long-term debt	<u>\$ 200,000</u>	<u>\$ 178,794</u>	<u>\$ 69,990</u>	<u>\$ 16,542</u>

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

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

(3) The interest on the 2005 forward swap, currently hedging the Series 2011A Bonds, is calculated on the notional amount of \$100.0 million of the swap versus the outstanding principal of the Series 2011A Bonds.

(4) The amounts presented here are the interest payments due April 2015 and October 2015, net of current year Federal interest subsidy of \$3.8 million and the principal maturities due October 2015.

Series 2011A principal payments (2)	Series 2011A interest payments	2005 forward swap interest payments (3)	Series 2011B principal payments	Series 2011B interest payments	Series 2011C principal payments	Series 2011C interest payments
\$ -	\$ 443	\$ 3,530	\$ 1,575	\$ 3,392	\$ -	\$ 4,092
-	689	3,280	5,425	3,345	-	4,093
-	934	3,030	13,325	3,097	-	4,092
-	1,426	2,530	13,985	2,449	12,820	4,093
-	1,426	2,530	14,670	1,768	13,430	3,481
-	1,426	2,530	8,015	1,035	24,925	2,840
-	1,426	2,530	6,440	634	26,050	1,714
-	1,426	2,530	6,240	312	-	461
-	1,426	2,530	-	-	2,140	461
-	1,426	2,530	-	-	2,245	354
49,180	1,426	2,530	-	-	2,360	242
49,180	713	1,265	-	-	2,480	124
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98,360	14,187	31,345	69,675	16,032	86,450	26,047
-	167	3,663	-	3,392	-	4,093
-	-	-	-	-	-	-
<u>\$ 98,360</u>	<u>\$ 14,354</u>	<u>\$ 35,008</u>	<u>\$ 69,675</u>	<u>\$ 19,424</u>	<u>\$ 86,450</u>	<u>\$ 30,140</u>

ESTIMATED DEBT SERVICE FOR OUTSTANDING BONDS (Dollars in thousands)

Years ending 9/30 (1)	Series 2012A principal payments	Series 2012A interest payments	Series 2013A principal payment	Series 2013A interest payment	Series 2015A principal payment	Series 2015A interest payment
2016	\$ 1,265	\$ 2,559	\$ 2,290	\$ 11,508	\$ -	\$ 4,745
2017	2,155	2,522	2,500	11,416	-	4,745
2018	2,235	2,435	5,370	11,316	-	4,745
2019	-	2,346	10,140	11,155	-	4,746
2020	-	2,346	21,290	10,648	-	4,745
2021	395	2,346	24,560	9,583	-	4,745
2022	410	2,330	35,610	8,355	-	4,745
2023	15,135	2,314	27,750	6,575	-	4,746
2024	15,155	1,557	51,980	5,187	-	4,745
2025	15,175	799	51,765	2,588	-	4,745
2026	495	40	-	-	-	4,745
2027	515	21	-	-	-	4,746
2028	-	-	-	-	7,250	4,745
2029	-	-	-	-	8,050	4,383
2030	-	-	-	-	8,890	3,980
2031	-	-	-	-	9,770	3,536
2032	-	-	-	-	10,700	3,047
2033	-	-	-	-	11,670	2,512
2034	-	-	-	-	18,595	1,929
2035	-	-	-	-	19,980	999
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
Subtotal long-term debt	52,935	21,615	233,255	88,330	94,905	82,074
Current portion (2)	-	2,559	2,120	11,592	-	2,017
Build America Bond - Federal Subsidy	-	-	-	-	-	-
Total long-term debt	<u>\$ 52,935</u>	<u>\$ 24,174</u>	<u>\$ 235,375</u>	<u>\$ 99,922</u>	<u>\$ 94,905</u>	<u>\$ 84,091</u>

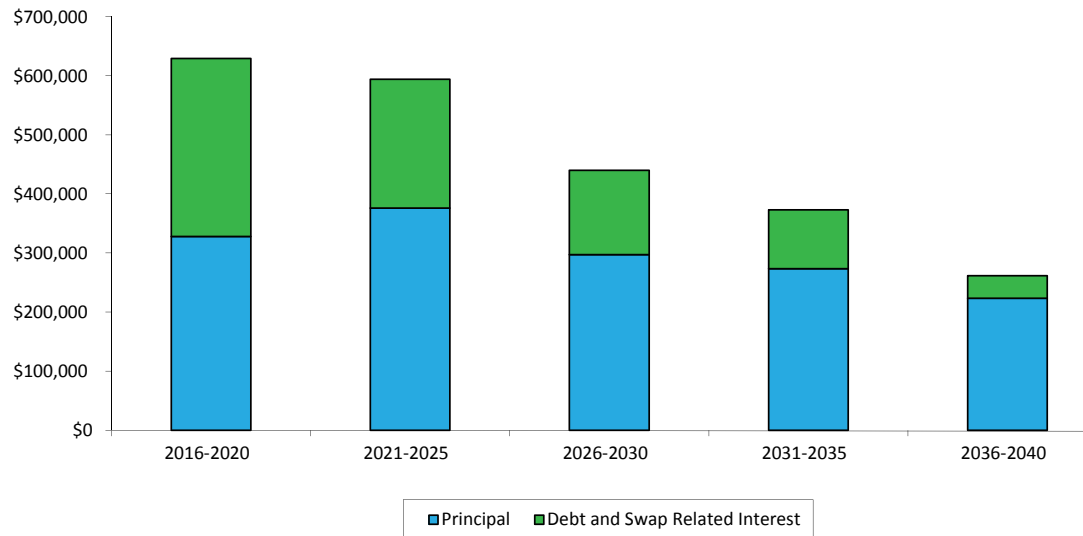
(1) The amounts presented here are the annual funding requirements for the principal and interest for the respective bond issues. The interest is paid semi-annually on April 1 and October 1 of each year. The principal amount, based on the maturity schedule, is fully funded by September 30 of each fiscal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

(2) The amounts presented here are the interest payments due April 2015 and October 2015, and the principal maturities due October 2015.

Total	Total principal	Total interest	Total swap interest
\$ 125,777	\$ 60,765	\$ 61,662	\$ 3,350
122,317	59,510	59,527	3,280
130,735	70,260	57,445	3,030
119,851	61,750	55,571	2,530
130,494	75,415	52,549	2,530
134,965	83,565	48,870	2,530
129,151	81,790	44,831	2,530
115,583	72,280	40,773	2,530
108,961	69,275	37,156	2,530
105,408	69,185	33,693	2,530
109,798	77,035	30,233	2,530
107,512	77,175	29,072	1,265
73,991	46,090	27,901	-
74,114	47,580	26,534	-
74,237	49,145	25,092	-
74,363	50,790	23,573	-
74,490	52,520	21,970	-
74,611	54,330	20,281	-
74,738	56,235	18,503	-
74,737	59,235	15,502	-
53,284	40,940	12,344	-
52,793	42,700	10,093	-
52,285	44,540	7,745	-
51,756	46,460	5,296	-
51,209	48,465	2,744	-
<u>2,297,160</u>	<u>1,497,035</u>	<u>768,960</u>	<u>31,165</u>
119,989	55,880	59,720	4,389
(86,504)	-	(86,504)	-
<u>\$ 2,330,645</u>	<u>\$ 1,552,915</u>	<u>\$ 742,176</u>	<u>\$ 35,554</u>

ESTIMATED OUTSTANDING BOND PAYMENTS

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



MATURITY SCHEDULE OF DEFEASED DEBT (Dollars in thousands)

Years ending 9/30	Series 1989D (1)
2016	\$ 18,110
2017	19,330
Total defeased debt	<u>\$ 37,440</u>

(1) These Bonds were defeased in 2002 and funds were put in escrow to pay principal and interest payments.



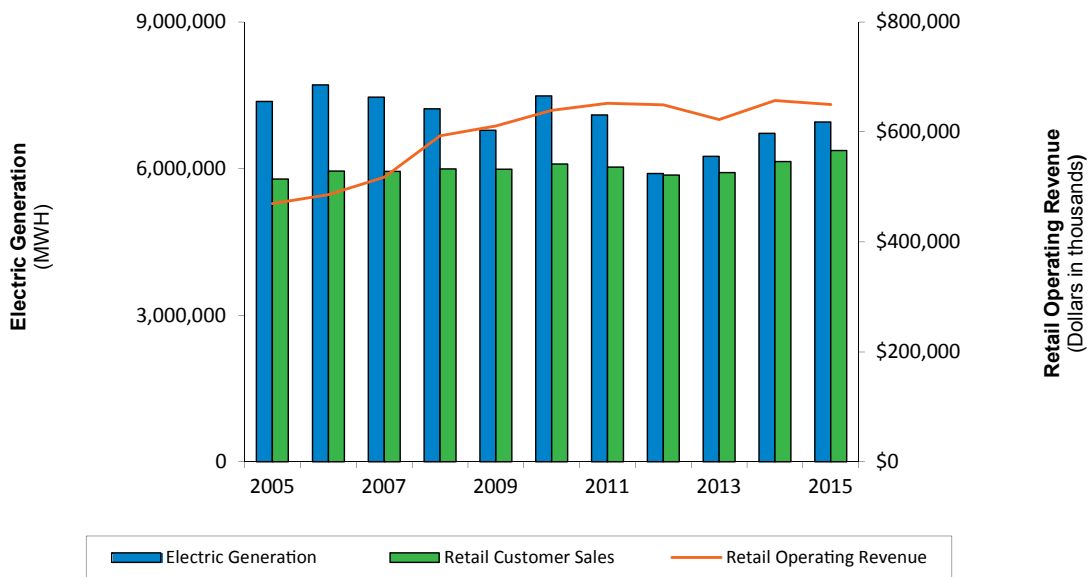
ELECTRIC OPERATIONS

OUC stands behind our name "The *Reliable One*" having delivered the best electric reliability in the state of Florida for the past 17 years.



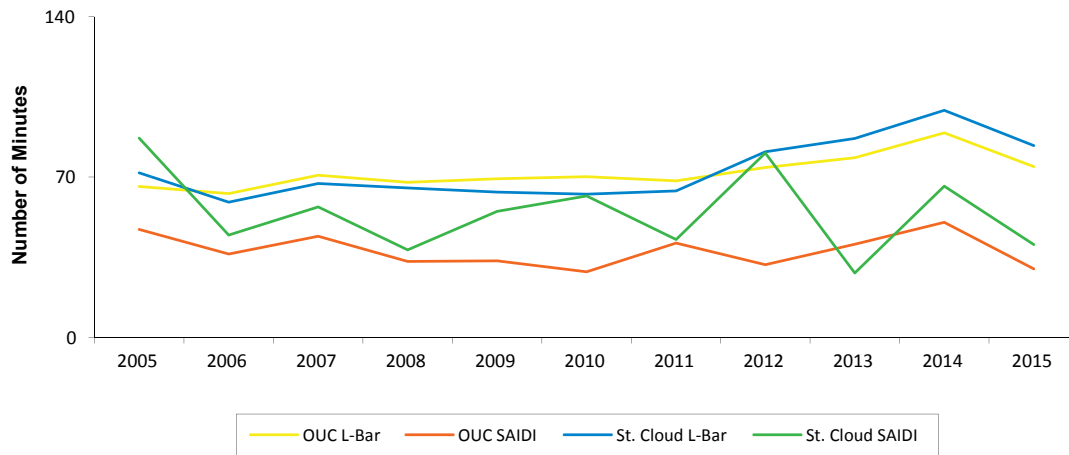
ELECTRIC BUSINESS OPERATIONS

Electric Generation, Retail Customer Sales and Retail Revenue



In 2015, the Board approved a regulatory action to defer retail revenues of \$13.8 million, this deferral is excluded.

Distribution Reliability



In 2014, the OUC Pershing substation experienced a significant event resulting in a large number of customers without power. In addition, both OUC and the City of St. Cloud had an active summer storm season. In 2015, there were no unusual events. SAIDI is defined as average minutes of service interruptions per customer and L-BAR as average length of service restoration in minutes.

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

Years Ended September 30	2015	2014	2013	2012
Operating revenues				
Residential	\$ 209,567	\$ 224,284	\$ 209,253	\$ 220,775
Commercial - non-demand	40,350	40,691	35,757	36,607
Commercial - demand-secondary	267,836	279,134	271,608	282,627
Commercial - demand-primary	41,868	40,608	38,837	39,209
Non-metered lighting	4,028	4,121	4,173	4,077
Inter-local sales	72,532	68,395	63,182	67,045
Service fees and other	24,908	25,496	24,350	24,152
Operating revenues (excluding wholesale sales) (1)	661,089	682,729	647,160	674,492
Wholesale sales (2)	86,071	88,594	71,391	73,113
Total operating revenues	747,160	771,323	718,551	747,605
Operation and maintenance expenses				
Fuel and fixed demand payments (3)	264,902	293,008	261,077	237,704
Purchased power and other power supply expenses	51,973	54,888	54,790	88,367
Production (4)	79,997	74,384	71,592	81,553
Transmission	13,585	13,160	13,735	13,353
Distribution - OUC	18,383	16,556	13,668	13,611
Distribution - St. Cloud	1,321	1,185	999	1,426
Storm recovery costs (5)	(2,000)	2,000	-	-
Customer service	26,622	26,338	26,327	29,282
General and administrative	40,709	40,197	37,170	36,179
Total operations and maintenance expenses	495,492	521,716	479,358	501,475
Other expenses				
Utility/property tax (6)	13,422	18,065	14,735	15,413
Revenue based payments to the City of Orlando	25,512	25,218	26,820	26,922
Revenue based payments to Orange County	1,353	1,301	1,249	1,322
Revenue based payments to the City of St. Cloud	6,037	6,372	6,752	6,927
System use payments to the City of St. Cloud (7)	-	1,497	1,920	1,915
Depreciation and amortization (8)	88,747	88,451	91,089	96,880
Total other expenses	135,071	140,904	142,565	149,379
Total operating expenses	630,563	662,620	621,923	650,854
Operating income	116,597	108,703	96,628	96,751
Non-operating income and expenses				
Interest income (9)	4,808	4,072	3,758	5,716
Other income, net (10)	7,726	7,470	8,475	10,003
Amortization of deferred gain on sale of assets (11)	3,610	2,972	4,776	4,296
Interest expense, net (12)	(46,495)	(47,407)	(48,942)	(54,568)
Total non-operating expense, net	(30,351)	(32,893)	(31,933)	(34,553)
Electric income before contributions	86,246	75,810	64,695	62,198
Contributions in aid of construction (CIAC) (13)	5,496	11,267	399	(19)
Annual dividend	(47,398)	(41,286)	(41,127)	(40,363)
Increase to net position	\$ 44,343	\$ 45,791	\$ 23,967	\$ 21,816

(1) In 2015, Residential revenue was lower due to a Board approved regulatory action to defer revenues of \$13.8 million. In 2014, the Operating revenues increase was driven by a 3.4% increase in retail and inter-local sales consumption. In 2013, Operating revenues were lower due to a Board approved rate decrease starting on October 1, 2012 and the annualized impact of the fuel rate decrease approved in March 2012.

(2) Wholesale sales increased in 2014 as a result of new agreements with the City of Winter Park and City of Lake Worth in January 2014. In addition, favorable weather conditions and an unexpected outage at Lakeland's McIntosh Unit 3 generation facility increased sales. As a result of the unexpected increase in wholesale sales, the Board approved the deferral of \$8.0 million. In 2013 and 2012, Wholesale sales decreased as a result of lower demand on coal generation utilization. In 2010, OUC secured wholesale agreements with the City of Bartow and the City of Vero Beach.

(3) Fuel for generation decreased in 2015 as a result of lower coal and natural gas commodity costs. In 2014, Fuel for generation, purchased power and fixed demand payments increased from that of 2013 due to a rise in native load requirements and an extended outage at the Lakeland McIntosh Unit 3 generation facility.

(4) In response to changing technologies and evolving industry standards, OUC conducted an internal study during 2015 to evaluate inventory levels in comparison to industry norms. As a result, OUC began implementing strategies in late 2015 which resulted in an increase in the allowance for obsolescence reserve of \$8.5 million.

(5) In 2008, OUC incurred costs, net of grant reimbursements, for tropical storm Fay. In 2014 as a result of a potential de-obligation of funds related to the hurricanes experienced in 2004, OUC recorded a loss contingency of \$2.0 million. In 2015, the de-obligation was resolved and the loss contingency was reversed.

(6) Utility/property tax costs increase \$2.9 million in 2014 for a pending gross receipts assessment which was subsequently waived in 2015.

(7) In 2014, OUC made the final system use payment to the City of St. Cloud.

2011	2010	2009	2008	2007	2006	2005
\$ 228,372	\$ 225,361	\$ 210,641	\$ 207,894	\$ 197,510	\$ 175,774	\$ 174,071
34,675	33,420	31,230	38,633	28,427	27,055	26,122
275,531	268,808	264,875	252,791	208,240	204,311	197,128
38,509	34,171	32,751	31,045	24,918	23,721	28,245
3,865	3,866	4,147	3,877	2,655	2,025	2,193
71,148	73,570	67,247	58,941	58,413	54,843	44,068
<u>24,382</u>	<u>23,810</u>	<u>23,887</u>	<u>24,610</u>	<u>21,856</u>	<u>17,779</u>	<u>19,789</u>
676,482	663,006	634,778	617,791	542,019	505,508	491,616
<u>93,294</u>	<u>96,748</u>	<u>69,705</u>	<u>133,145</u>	<u>131,298</u>	<u>160,240</u>	<u>187,849</u>
<u>769,776</u>	<u>759,754</u>	<u>704,483</u>	<u>750,936</u>	<u>673,317</u>	<u>665,748</u>	<u>679,465</u>
281,741	280,898	249,034	292,677	247,832	257,090	251,500
50,457	49,840	63,343	79,746	75,413	89,327	122,380
81,824	79,731	65,366	67,621	59,870	56,679	56,223
13,684	12,484	10,486	10,285	9,628	7,719	5,465
13,275	15,429	15,068	12,546	11,352	11,567	10,096
1,445	1,483	1,611	1,803	2,017	1,752	1,436
-	-	158	616	-	-	-
26,201	23,491	21,933	21,846	22,394	20,344	15,610
<u>35,186</u>	<u>34,830</u>	<u>28,871</u>	<u>28,971</u>	<u>26,670</u>	<u>21,534</u>	<u>20,151</u>
<u>503,813</u>	<u>498,186</u>	<u>455,870</u>	<u>516,111</u>	<u>455,176</u>	<u>466,012</u>	<u>482,861</u>
16,406	16,464	15,072	13,466	12,836	12,828	11,405
26,191	26,217	24,861	22,917	22,006	21,828	18,491
1,352	1,821	1,687	1,054	1,056	1,062	871
6,372	5,582	5,316	5,064	4,079	3,519	3,349
1,915	1,911	1,910	1,914	1,915	1,907	1,911
<u>94,590</u>	<u>91,416</u>	<u>82,296</u>	<u>73,316</u>	<u>69,879</u>	<u>67,145</u>	<u>66,375</u>
<u>146,826</u>	<u>143,411</u>	<u>131,142</u>	<u>117,731</u>	<u>111,771</u>	<u>108,289</u>	<u>102,402</u>
<u>650,639</u>	<u>641,597</u>	<u>587,012</u>	<u>633,842</u>	<u>566,947</u>	<u>574,301</u>	<u>585,263</u>
119,137	118,157	117,471	117,094	106,370	91,447	94,202
3,783	7,071	9,001	13,471	18,563	19,118	7,689
9,695	6,026	1,274	1,553	2,578	1,309	2,273
3,971	3,971	3,971	3,971	3,970	3,970	3,970
<u>(60,995)</u>	<u>(66,060)</u>	<u>(59,237)</u>	<u>(56,568)</u>	<u>(53,852)</u>	<u>(56,036)</u>	<u>(52,111)</u>
<u>(43,546)</u>	<u>(48,992)</u>	<u>(44,991)</u>	<u>(37,573)</u>	<u>(28,741)</u>	<u>(31,639)</u>	<u>(38,179)</u>
75,591	69,165	72,480	79,521	77,629	59,808	56,023
3,383	7,447	5,466	3,895	6,891	9,978	1,155
<u>(46,506)</u>	<u>(45,297)</u>	<u>(45,888)</u>	<u>(45,745)</u>	<u>(41,730)</u>	<u>(46,279)</u>	<u>(33,614)</u>
<u>\$ 32,468</u>	<u>\$ 31,315</u>	<u>\$ 32,058</u>	<u>\$ 37,671</u>	<u>\$ 42,790</u>	<u>\$ 23,507</u>	<u>\$ 23,564</u>

- (8) In 2013 a study was conducted to ensure that OUC's depreciation rates properly reflected its levels of maintenance as well as its comparability with industry norms. OUC initiated the implementation of the useful life changes in late 2013 which resulted in a depreciation expense decrease of \$8.3 million. The annualized impact of the study implementation was a decrease of \$17.3 million. These decreases were offset by incremental year-over year systematic depreciation related to the capitalization of the new assets.
- (9) The fluctuation in interest income in 2012 was primarily due to gains earned on investments sold prior to maturity along with investment valuation adjustments.
- (10) As part of the Build America Bonds' stimulus program initiated in 2010, OUC was granted a federal subsidy estimated at \$3.8 million annually. In 2011, \$1.8 million was recognized for previously deferred storm recovery costs.
- (11) Proceeds from the sale of the steam units at the Indian River Plant (IRP) were internally designated and the gain was deferred in accordance with GASB Statement No. 62 as it is applied to regulated operations. A portion of the deferred gain amount was recognized to mitigate the additional generation and purchased power costs from 2000 to 2004 with the remaining gain being recognized to offset depreciation costs for Stanton Unit A (SEC A). In January 2012, OUC repurchased the IRP. As a result of this transaction, the long-term deferred transmission wheeling revenue was reclassified to deferred gain on sale and was amortized consistent with the original gain on sale amount.
- (12) Since 2011, OUC's Bond interest and related expenses have declined as a result of favorable refunding activity and lower outstanding debt as a result of maturities. In 2010, Interest and other expense increased primarily due to the issuance of the Series 2010A Bonds for \$200.0 million in January 2010 and the impact of a full year of interest expense for the Series 2009A Bonds issued in May 2009.
- (13) In 2015 and 2014, CIAC increases were primarily due to two large transmission projects. In 2012, the decrease in CIAC was due to the write-down of deferred customer retention assets for expired customer agreements.

ELECTRIC CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30

2015

2014

2013

2012

Profile of consumption and revenue by type of customer

Residential service (1)

KWH sales per customer	11,760	11,488	11,134	11,192
Revenue per customer	\$ 1,362	\$ 1,402	\$ 1,333	\$ 1,423
Revenue per KWH	\$ 0.1158	\$ 0.1220	\$ 0.1197	\$ 0.1271

Commercial service - non-demand (1)

KWH sales per customer	16,999	16,371	14,321	13,848
Revenue per customer	\$ 1,955	\$ 1,999	\$ 1,730	\$ 1,773
Revenue per KWH	\$ 0.1150	\$ 0.1221	\$ 0.1208	\$ 0.1280

Commercial service - demand secondary

KWH sales per customer	561,918	562,671	460,796	398,785
Revenue per customer	\$ 50,128	\$ 52,952	\$ 42,871	\$ 38,820
Revenue per KWH	\$ 0.0892	\$ 0.0941	\$ 0.0930	\$ 0.0973

Commercial service - demand primary

KWH sales per customer	18,532,314	17,320,857	18,396,222	18,563,256
Revenue per customer	\$ 1,641,885	\$ 1,657,484	\$ 1,726,091	\$ 1,823,657
Revenue per KWH	\$ 0.0886	\$ 0.0957	\$ 0.0938	\$ 0.0982

Non-Metered Lighting (2)

KWH sales per customer	917	1,001	1,082	4,478
Revenue per customer	\$ 61	\$ 69	\$ 76	\$ 307
Revenue per KWH	\$ 0.0669	\$ 0.0686	\$ 0.0703	\$ 0.0686

Inter-local service (3)

KWH sales per customer	18,484	18,337	17,574	18,085
Revenue per customer	\$ 2,169	\$ 2,145	\$ 2,062	\$ 2,237
Revenue per KWH	\$ 0.1173	\$ 0.1170	\$ 0.1173	\$ 0.1237

Selected financial expense statistics

Total fuel and purchased power expense per KWH	\$ 0.0410	\$ 0.0461	\$ 0.0450	\$ 0.0469
Total operations and maintenance expense (excluding fuel and purchased power) per KWH	0.0234	0.0228	0.0236	0.0252
Total operations and maintenance expense per KWH	<u>\$ 0.0644</u>	<u>\$ 0.0689</u>	<u>\$ 0.0686</u>	<u>\$ 0.0721</u>

Fuel, fixed demand, purchased power and other power supply expense per metered service	\$ 1,418	\$ 1,599	\$ 1,427	\$ 1,441
Production, transmission and distribution costs per metered service	507	484	452	486
Customer service expense per metered service	119	121	119	129
General and administrative expense per metered service	182	185	168	160
Total operations and maintenance expense per metered service	<u>\$ 2,226</u>	<u>\$ 2,389</u>	<u>\$ 2,166</u>	<u>\$ 2,216</u>

(1) In 2014 and 2012, OUC sold bad debt resulting in a favorable adjustment to revenue. In 2013, Revenue per customer was lower due to the Board approved electric energy rate reduction on October 1, 2012.

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

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

	2011	2010	2009	2008	2007	2006	2005
	12,200	12,748	12,143	12,052	12,301	12,908	13,058
\$	1,492	\$ 1,492	\$ 1,399	\$ 1,380	\$ 1,325	\$ 1,202	\$ 1,229
\$	0.1223	\$ 0.1170	\$ 0.1152	\$ 0.1145	\$ 0.1077	\$ 0.0931	\$ 0.0941
	14,385	14,914	14,401	18,681	16,712	16,793	16,344
\$	1,763	\$ 1,765	\$ 1,692	\$ 2,111	\$ 1,585	\$ 1,543	\$ 1,525
\$	0.1225	\$ 0.1184	\$ 0.1175	\$ 0.1130	\$ 0.0948	\$ 0.0919	\$ 0.0933
	408,001	431,118	478,909	509,412	517,637	529,420	523,001
\$	38,630	\$ 39,446	\$ 42,985	\$ 44,529	\$ 37,731	\$ 37,863	\$ 37,226
\$	0.0947	\$ 0.0915	\$ 0.0898	\$ 0.0874	\$ 0.0729	\$ 0.0715	\$ 0.0712
	19,726,810	17,605,182	15,949,125	14,795,132	16,681,917	19,476,600	20,963,179
\$	1,833,759	\$ 1,553,206	\$ 1,364,616	\$ 1,171,513	\$ 1,038,255	\$ 1,186,065	\$ 1,448,479
\$	0.0930	\$ 0.0882	\$ 0.0856	\$ 0.0792	\$ 0.0622	\$ 0.0609	\$ 0.0691
	4,464	4,426	4,429	4,344	4,567	4,695	4,464
\$	293	\$ 293	\$ 311	\$ 286	\$ 216	\$ 186	\$ 202
\$	0.0656	\$ 0.0662	\$ 0.0703	\$ 0.0659	\$ 0.0473	\$ 0.0396	\$ 0.0453
	18,925	19,450	19,420	19,146	19,602	19,920	20,212
\$	2,414	\$ 2,543	\$ 2,347	\$ 2,052	\$ 2,083	\$ 2,104	\$ 1,851
\$	0.1276	\$ 0.1307	\$ 0.1208	\$ 0.1072	\$ 0.1063	\$ 0.1056	\$ 0.0916
\$	0.0435	\$ 0.0429	\$ 0.0430	\$ 0.0478	\$ 0.0402	\$ 0.0414	\$ 0.0430
	0.0225	0.0217	0.0197	0.0183	0.0164	0.0143	0.0125
\$	<u>0.0660</u>	\$ <u>0.0646</u>	\$ <u>0.0627</u>	\$ <u>0.0661</u>	\$ <u>0.0566</u>	\$ <u>0.0557</u>	\$ <u>0.0555</u>
\$	1,492	\$ 1,510	\$ 1,438	\$ 1,717	\$ 1,518	\$ 1,680	\$ 1,882
	495	498	426	425	389	377	368
	118	107	101	101	105	99	79
	158	159	133	134	125	104	101
\$	<u>2,263</u>	\$ <u>2,274</u>	\$ <u>2,098</u>	\$ <u>2,377</u>	\$ <u>2,137</u>	\$ <u>2,260</u>	\$ <u>2,430</u>

SELECTED FINANCIAL RATIOS

Years ended September 30	2015	2014	2013	2012
Electric operating ratio				
Operation and maintenance expenses/total operating revenues (1)	\$ 0.65	\$ 0.67	\$ 0.67	\$ 0.67
Electric income before contributions per revenue dollar				
Electric income before contributions/total operating revenues (1)(2)(3)	\$ 0.13	\$ 0.10	\$ 0.09	\$ 0.08

ACTIVE SERVICES

OUC retail metered services

Residential	165,972	162,065	157,927	156,106
Commercial - non-dema d	20,674	20,598	20,113	21,233
Commercial - dema d - secondary	5,452	5,234	5,309	7,362
Commercial - dema d - prima y	25	26	23	22
Total OUC retail metered services	<u>192,123</u>	<u>187,923</u>	<u>183,372</u>	<u>184,723</u>
Inter-local services (4)	34,177	32,705	31,052	30,222
Total OUC retail and inter-local metered services	<u>226,300</u>	<u>220,628</u>	<u>214,424</u>	<u>214,945</u>

Unmetered lighting fixtures (5)

Conventional	47,439	43,845	37,705	13,168
Convenient	15,913	18,627	14,418	142
St. Cloud	2,728	2,744	2,709	-
Total unmetered lighting fixtures	<u>66,080</u>	<u>65,216</u>	<u>54,832</u>	<u>13,310</u>
Total OUC retail, unmetered lighting and inter-local services	<u>292,380</u>	<u>285,844</u>	<u>269,256</u>	<u>228,255</u>

CONSUMPTION (MWH)

OUC retail sales

Residential	1,928,839	1,838,003	1,748,182	1,736,537
Commercial - non-dema d	350,785	333,249	296,058	285,967
Commercial - dema d - secondary	3,002,329	2,966,118	2,919,375	2,903,352
Commercial - dema d - prima y	472,574	424,361	413,915	399,110
Total OUC retail sales	<u>5,754,527</u>	<u>5,561,731</u>	<u>5,377,530</u>	<u>5,324,966</u>

Nonmetered lighting sales

Conventional	31,251	30,553	30,486	30,521
Convenient	26,497	26,741	26,061	26,115
St. Cloud	2,422	2,804	2,783	2,777
Total nonmetered lighting sales	<u>60,170</u>	<u>60,098</u>	<u>59,330</u>	<u>59,413</u>

Inter-local sales (4)

	<u>618,132</u>	<u>584,557</u>	<u>538,413</u>	<u>541,987</u>
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Total retail sales	<u>6,432,829</u>	<u>6,206,386</u>	<u>5,975,273</u>	<u>5,926,366</u>
Wholesale sales (6)	1,299,129	1,344,764	1,036,486	1,032,099
Pre-Commercial Adjustment	-	-	-	-
Total electric sales	<u>7,731,958</u>	<u>7,551,150</u>	<u>7,011,759</u>	<u>6,958,465</u>

(1) To facilitate comparison with prior years, Board approved regulatory actions to defer revenues were excluded from this calculation.

(2) In 2014 and 2008, storm recovery expenses related to FEMA declared storms were excluded from these computations.

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

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

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

(6) In 2015, unplanned weather related sales were lower than 2014. In 2014, Wholesale sales increased as a result of new contracts with the Cities of Winter Park and Lake Worth along with unplanned weather related sales. Wholesale sales decreased in 2013 and 2012 as a result of economic dispatching impacts.

2011	2010	2009	2008	2007	2006	2005
\$ 0.65	\$ 0.66	\$ 0.65	\$ 0.69	\$ 0.68	\$ 0.70	\$ 0.71
\$ 0.10	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.09	\$ 0.08
154,212	151,995	150,123	151,025	150,254	147,978	144,547
20,069	19,272	18,595	18,325	18,268	17,609	17,454
7,199	7,066	6,563	5,761	5,593	5,445	5,347
<u>21</u>	<u>21</u>	<u>23</u>	<u>25</u>	<u>28</u>	<u>20</u>	<u>20</u>
181,501	178,354	175,304	175,136	174,143	171,052	167,368
29,715	29,229	28,640	28,667	28,785	27,294	24,826
<u>211,216</u>	<u>207,583</u>	<u>203,944</u>	<u>203,803</u>	<u>202,928</u>	<u>198,346</u>	<u>192,194</u>
13,089	13,050	13,093	13,282	13,546	10,781	10,741
138	132	133	132	129	121	118
-	-	-	-	-	-	-
<u>13,227</u>	<u>13,182</u>	<u>13,226</u>	<u>13,414</u>	<u>13,675</u>	<u>10,902</u>	<u>10,859</u>
<u>224,443</u>	<u>220,765</u>	<u>217,170</u>	<u>217,217</u>	<u>216,603</u>	<u>209,248</u>	<u>203,053</u>
1,867,879	1,925,770	1,828,354	1,815,446	1,834,301	1,887,949	1,848,946
282,958	282,375	265,840	341,806	299,786	294,401	279,881
2,910,069	2,937,853	2,951,040	2,891,934	2,856,841	2,856,749	2,769,553
414,263	387,314	382,779	392,071	400,366	389,532	408,782
<u>5,475,169</u>	<u>5,533,312</u>	<u>5,428,013</u>	<u>5,441,257</u>	<u>5,391,294</u>	<u>5,428,631</u>	<u>5,307,162</u>
29,965	29,750	29,422	27,298	24,154	19,901	18,492
26,218	25,923	26,814	28,742	29,195	28,607	27,243
2,763	2,762	2,758	2,797	2,775	2,574	2,670
<u>58,946</u>	<u>58,435</u>	<u>58,994</u>	<u>58,837</u>	<u>56,124</u>	<u>51,082</u>	<u>48,405</u>
557,743	562,777	556,461	550,001	549,634	519,117	481,243
6,091,858	6,154,524	6,043,468	6,050,095	5,997,052	5,998,830	5,836,810
1,536,840	1,608,248	1,215,600	1,743,680	2,039,338	2,371,843	2,866,241
-	(48,685)	-	-	-	-	-
<u>7,628,698</u>	<u>7,714,087</u>	<u>7,259,068</u>	<u>7,793,775</u>	<u>8,036,390</u>	<u>8,370,673</u>	<u>8,703,051</u>

ELECTRIC GENERATION (MWH)

Years Ended September 30	2015	2014	2013	2012
Stanton Energy Center (SEC)				
Generation - steam (1)	3,435,354	3,368,472	2,557,737	2,683,426
Generation - combined cycle (2)	<u>2,568,751</u>	<u>2,589,656</u>	<u>2,621,239</u>	<u>2,346,132</u>
Total generation	6,004,105	5,958,128	5,178,976	5,029,558
Plant use - less participants loss factor	280,692	281,671	210,679	205,302
Participants' reserve power	<u>7,017</u>	<u>5,779</u>	<u>12,616</u>	<u>10,394</u>
Delivered	<u><u>5,716,396</u></u>	<u><u>5,670,678</u></u>	<u><u>4,955,681</u></u>	<u><u>4,813,862</u></u>
Indian River				
Generation - combustion turbines	12,603	11,037	6,186	12,947
Plant use - less participants loss factor	75	64	29	56
Participants' reserve power	<u>4,266</u>	<u>4,045</u>	<u>753</u>	<u>759</u>
Delivered	<u><u>8,262</u></u>	<u><u>6,928</u></u>	<u><u>5,404</u></u>	<u><u>12,132</u></u>
Crystal River (CR 3) (3)				
Generation - nuclear	-	18,647	101,076	115,337
Plant use	-	-	-	-
Delivered	<u>-</u>	<u><u>18,647</u></u>	<u><u>101,076</u></u>	<u><u>115,337</u></u>
McIntosh (MC 3) (4)				
Generation - steam	457,763	272,265	494,897	439,888
Plant use	-	-	-	-
Delivered	<u><u>457,763</u></u>	<u><u>272,265</u></u>	<u><u>494,897</u></u>	<u><u>439,888</u></u>
St. Lucie				
Generation - nuclear	476,047	460,799	470,890	302,751
Plant use	<u>11,378</u>	<u>11,013</u>	<u>11,254</u>	<u>7,236</u>
Delivered	<u><u>457,763</u></u>	<u><u>449,786</u></u>	<u><u>459,636</u></u>	<u><u>295,515</u></u>
Generation				
Steam	3,893,117	3,640,737	3,052,634	3,123,314
Combined cycle	2,568,751	2,589,656	2,621,239	2,346,132
Nuclear	476,047	479,446	571,966	418,088
Combustion turbines	12,603	11,037	6,186	12,947
Diesel (5)	-	-	-	-
Total generation	<u>6,950,518</u>	<u>6,720,876</u>	<u>6,252,025</u>	<u>5,900,481</u>
Total plant use - less participants loss factor	292,145	292,748	221,962	212,594
Participants' reserve power	<u>11,283</u>	<u>9,824</u>	<u>13,369</u>	<u>11,153</u>
Total delivered	<u>6,647,090</u>	<u>6,418,304</u>	<u>6,016,694</u>	<u>5,676,734</u>
Inadvertent/wheeling retained	30	(424)	(530)	(98)
Purchases received	<u>1,330,198</u>	<u>1,389,224</u>	<u>1,250,574</u>	<u>1,426,791</u>
Available	<u>7,977,318</u>	<u>7,807,104</u>	<u>7,266,738</u>	<u>7,103,427</u>
Sales	<u>7,731,958</u>	<u>7,551,150</u>	<u>7,011,759</u>	<u>6,958,465</u>
Line losses	<u><u>245,360</u></u>	<u><u>255,954</u></u>	<u><u>254,978</u></u>	<u><u>144,962</u></u>
Line losses as a percentage of generation	3.53%	3.81%	4.08%	2.46%

(1) The SEC coal units were run at reduced loads in 2012 and 2013 due to low natural gas prices.

(2) In late February 2010, OUC commenced commercial operations at SEC Unit B.

(3) In 2009, an outage at the CR 3 facility required it to be off-line through fiscal year 2011. In February 2013, Duke Energy announced closure of the CR 3 plant due to significant delamination within the core. Generation noted represents reliability exchange power received to meet load and contractual requirements and therefore does not include plant use. On October 30, 2015, full ownership interest of the CR 3 generation facility along with all future liabilities associated with the unit will be transferred from the joint owners to Duke Energy via a specific warranty deed.

(4) Since 2009, there have been several periods where the MC 3 plant was off-line. Planned outages in 2011 and 2009 and unplanned outages in 2015, 2014, and 2010 lowered generation in those respective years. In 2012 and 2013, lower natural gas prices impacted generation.

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

2011	2010	2009	2008	2007	2006	2005
3,727,184	4,362,451	4,429,154	4,454,325	4,708,038	5,000,919	4,471,764
<u>2,189,279</u>	<u>2,010,119</u>	<u>1,185,894</u>	<u>1,197,723</u>	<u>1,242,650</u>	<u>1,233,259</u>	<u>1,326,208</u>
5,916,463	6,372,570	5,615,048	5,652,048	5,950,688	6,234,178	5,797,972
282,013	300,351	277,943	271,331	282,180	298,490	270,912
4,103	1,890	7,174	6,049	4,471	2,194	6,299
<u>5,630,347</u>	<u>6,070,329</u>	<u>5,329,931</u>	<u>5,374,668</u>	<u>5,664,037</u>	<u>5,933,494</u>	<u>5,520,761</u>
17,814	31,389	14,735	25,222	17,701	20,285	12,811
78	138	68	111	71	82	66
841	766	743	777	691	715	698
<u>16,895</u>	<u>30,485</u>	<u>13,924</u>	<u>24,334</u>	<u>16,939</u>	<u>19,488</u>	<u>12,047</u>
113,410	79,754	120,008	103,783	123,034	98,972	122,627
-	-	3,547	3,050	3,607	2,890	3,587
<u>113,410</u>	<u>79,754</u>	<u>116,461</u>	<u>100,733</u>	<u>119,427</u>	<u>96,082</u>	<u>119,040</u>
678,916	620,000	656,636	1,059,302	965,401	989,279	1,027,428
-	-	-	-	-	-	-
<u>678,916</u>	<u>620,000</u>	<u>656,636</u>	<u>1,059,302</u>	<u>965,401</u>	<u>989,279</u>	<u>1,027,428</u>
370,845	384,006	378,376	383,095	402,666	368,876	412,983
8,863	9,178	9,043	9,156	9,624	8,816	9,870
<u>361,982</u>	<u>374,828</u>	<u>369,333</u>	<u>373,939</u>	<u>393,042</u>	<u>360,060</u>	<u>403,113</u>
4,406,100	4,982,451	5,085,790	5,513,627	5,673,439	5,990,198	5,499,192
2,189,279	2,010,119	1,185,894	1,197,723	1,242,650	1,233,259	1,326,208
484,255	463,760	498,384	486,878	525,700	467,848	535,610
17,814	31,389	14,735	25,222	17,701	20,285	12,811
-	-	-	-	236	108	184
7,097,448	7,487,719	6,784,803	7,223,450	7,459,726	7,711,698	7,374,005
290,954	309,667	290,601	283,838	296,003	310,816	284,865
4,944	2,656	7,917	6,826	5,162	2,909	6,997
6,801,550	7,175,396	6,486,285	6,932,786	7,158,561	7,397,973	7,082,143
(118)	(15)	(192)	278	274	777	292
<u>1,003,127</u>	<u>833,210</u>	<u>881,022</u>	<u>1,082,008</u>	<u>1,127,939</u>	<u>1,125,358</u>	<u>1,813,804</u>
7,804,559	8,008,591	7,367,115	8,015,072	8,286,774	8,524,108	8,896,239
7,628,698	7,714,087	7,259,068	7,793,775	8,036,390	8,370,673	8,703,051
<u>175,861</u>	<u>294,504</u>	<u>108,047</u>	<u>221,297</u>	<u>250,384</u>	<u>153,435</u>	<u>193,188</u>
2.48%	3.93%	1.59%	3.06%	3.36%	1.99%	2.62%

NET GENERATING CAPABILITY (Including major purchased power agreements)

Generating Facility (MW) Years ended September 30	Type	Name Plate Capacity	2015		2014		2013		2012	
			Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
Stanton Energy Center (SEC)	Unit 1 FS	425	302	304	302	304	302	304	302	304
	Unit 2 FS	425	340	340	340	340	334	334	334	334
	Unit A CC	633	174	184	174	184	174	184	174	184
	Unit B CC (1)	300	298	312	298	312	298	312	295	300
Indian River Plant (IRP)	Unit A CT	38	18	23	18	23	18	23	18	23
	Unit B CT	38	18	23	18	23	18	23	18	23
	Unit C CT	112	85	100	85	100	85	100	85	100
	Unit D CT	112	85	100	85	100	85	100	85	100
St. Cloud Plant	Units 1-7 CT	21	-	-	-	-	-	-	-	-
Crystal River Plant (CR 3)	Unit 3 N (2)	890	-	-	-	13	13	13	13	13
C.D. McIntosh, Jr. Plant	Unit 3 FS	364	133	136	133	136	133	136	136	136
St. Lucie Plant	Unit 2 N	850	60	60	60	60	60	62	51	52
Total capability			1,513	1,582	1,513	1,582	1,520	1,591	1,511	1,569
Purchased power agreements			330	330	330	330	330	330	337	358
Total available			1,843	1,912	1,843	1,912	1,850	1,921	1,848	1,927
Firm commitments to other utilities (3)			207	205	207	205	166	178	168	168
Net available to OUC			<u>1,636</u>	<u>1,707</u>	<u>1,636</u>	<u>1,707</u>	<u>1,684</u>	<u>1,743</u>	<u>1,680</u>	<u>1,759</u>

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

PEAK DEMAND

Years ended September 30

	2015		2014		2013		2012	
	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)	1,171	1,025	1,139	959	1,070	846	1,070	907
Gross peak demand (MW) (Instantaneous)	1,206		1,198		1,158		1,123	
System load factor	57.4		58.8		60.3		59.8	

GENERATION AVAILABILITY DATA

Years ended September 30

		2015			2014			2013			2012			2011		
		CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
SEC	Unit 1 (4)	47.2	90.5	1.0	53.3	89.0	3.6	29.8	83.1	0.9	36.3	84.9	3.2	62.5	86.0	0.7
	Unit 2 (4)	66.5	89.9	3.1	58.5	85.2	2.8	55.3	86.9	0.3	57.9	92.2	0.6	69.4	86.6	0.3
	Unit A	38.1	92.2	0.8	44.9	94.3	0.1	29.3	90.7	-	33.6	80.9	0.0	38.0	90.9	0.9
	Unit B (1)	61.6	89.7	0.4	74.8	89.9	0.0	58.9	91.4	0.1	50.4	87.1	4.7	58.0	86.9	1.0
IRP	Unit A	0.1	98.0	30.3	0.2	98.0	0.0	0.1	96.5	28.4	-	93.3	-	-	84.6	89.2
	Unit B (5)	0.1	96.0	0.6	0.2	96.5	0.0	0.1	97.1	89.6	-	94.7	-	-	94.0	5.3
	Unit C	1.0	96.4	4.1	1.0	85.6	88.0	0.4	95.0	-	-	91.8	-	1.2	99.9	6.2
	Unit D (5)	0.5	94.5	-	0.3	95.1	48.6	0.3	79.9	97.0	-	73.1	-	2.0	100.0	0.9
Crystal River	Unit 3 (2)	-	-	-	-	-	-	-	-	100.0	-	-	100.0	-	-	100.0
McIntosh	Unit 3	35.3	66.8	10.9	24.0	37.3	9.3	43.0	80.0	12.1	38.1	86.3	85.7	57.8	85.5	2.1
St. Lucie Plant	Unit 2	89.6	87.7	6.1	82.9	81.5	3.3	85.1	81.7	2.8	86.4	83.9	0.8	65.2	63.1	10.5

CF - Capacity Factor

EAF - Equivalent Availability Factor

EFOR - Equivalent Forced Outage Rate

- (1) In late February 2010, OUC commenced commercial operations at SEC Unit B.
- (2) Effective February 2013, Duke Energy announced the closing of the CR 3 Plant as a result of discovering multiple delaminations within the core.
- (3) In January 2014, OUC secured a three year wholesale agreement with the City of Lake Worth that has an option for two one-year extensions. In addition, OUC entered into a six year agreement with the City of Winter Park. Additionally, in January 2011, OUC executed a seven year inter-local agreement with the City of Bartow whereby OUC provides generation. In January 2010, OUC secured a twenty year wholesale agreement with the City of Vero Beach. This agreement was renegotiated in 2015, changing the expiration to 2023 and lowering the rate of energy sold to Vero Beach.
- (4) The SEC 1 and 2 capacity factors were lower in 2015, 2013, and 2012 compared to 2011 and 2010 as a result of lowering production to accommodate more cost effective generation at the natural gas units.

2011		2010		2009		2008		2007		2006		2005	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
302	304	302	304	302	304	302	304	302	304	302	304	302	304
334	334	334	334	334	334	334	334	334	334	334	334	319	319
174	184	174	184	174	184	174	184	174	184	174	184	174	184
295	300	295	300	-	-	-	-	-	-	-	-	-	-
18	23	18	23	18	23	18	23	18	23	18	23	18	23
18	23	18	23	18	23	18	23	18	23	18	23	18	23
85	100	85	100	85	100	85	100	85	100	85	100	85	100
85	100	85	100	85	100	85	100	85	100	85	100	85	100
-	-	-	-	-	-	21	21	21	21	21	21	21	21
13	13	13	13	13	13	13	13	13	13	13	13	13	13
136	136	136	136	136	136	136	136	136	136	136	136	133	136
<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>	<u>51</u>	<u>52</u>
1,511	1,569	1,511	1,569	1,216	1,269	1,237	1,290	1,237	1,290	1,237	1,290	1,219	1,275
<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>337</u>	<u>358</u>	<u>637</u>	<u>656</u>
1,848	1,927	1,848	1,927	1,553	1,627	1,574	1,648	1,574	1,648	1,574	1,648	1,856	1,931
<u>165</u>	<u>165</u>	<u>95</u>	<u>95</u>	-	-	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>147</u>	<u>148</u>
<u>1,683</u>	<u>1,762</u>	<u>1,753</u>	<u>1,832</u>	<u>1,553</u>	<u>1,627</u>	<u>1,552</u>	<u>1,626</u>	<u>1,552</u>	<u>1,626</u>	<u>1,552</u>	<u>1,626</u>	<u>1,709</u>	<u>1,783</u>

2011		2010		2009		2008		2007		2006		2005	
Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW	Summer MW	Winter MW
1,064	1,094	1,081	1,134	1,102	1,033	1,080	973	1,085	893	1,074	970	1,076	965
1,127		1,191		1,176		1,147		1,182		1,135		1,141	
2011		2010		2009		2008		2007		2006		2005	
61.4		58.4		58.4		60.5		59.6		60.2		57.7	

2010			2009			2008			2007			2006			2005		
CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR	CF	EAF	EFOR
72.0	82.6	1.2	70.1	87.2	0.6	77.6	85.6	4.6	82.3	90.1	1.3	85.1	93.7	0.1	73.6	81.0	4.3
81.1	90.3	0.8	85.2	96.6	1.0	78.4	82.1	1.4	80.8	84.8	6.3	88.4	93.7	0.6	83.4	89.0	2.8
38.5	84.6	7.7	41.2	88.7	1.6	57.8	87.7	0.2	60.2	92.2	0.2	66.2	92.1	0.4	53.1	92.7	0.4
60.9	86.8	5.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.1	96.4	78.1	0.2	92.8	85.7	-	97.3	80.3	-	96.8	80.8	1.1	97.7	81.6	0.1	94.4	-
-	79.9	-	0.2	98.0	52.9	-	95.6	58.7	-	78.5	93.9	-	95.7	96.4	0.1	92.7	83.5
2.8	95.0	13.8	0.8	70.4	93.2	-	97.3	51.8	-	92.6	73.0	3.4	98.6	-	0.5	98.7	43.7
2.7	87.8	7.5	0.8	92.6	70.2	-	97.8	31.7	-	92.6	63.0	5.2	98.6	-	0.9	98.6	58.5
-	-	80.0	102.0	95.7	1.3	85.1	82.8	0.2	100.9	98.7	0.7	83.1	78.4	8.5	99.3	100.0	-
66.8	60.5	38.9	55.9	67.1	9.3	88.2	89.7	7.5	80.8	84.1	6.7	84.3	84.1	8.7	87.5	89.3	6.0
99.8	97.5	2.3	83.1	74.9	13.9	70.2	69.3	10.3	95.0	95.9	3.9	80.8	82.3	4.3	83.0	84.2	4.6

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

ELECTRIC DISTRIBUTION RELIABILITY DATA

Years Ended September 30	2015	2014	2013	2012
Orlando/Orange County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (1)	29.90	50.30	40.70	31.70
Average customer interruption duration index in minutes (CAIDI) (1)	58.40	66.40	54.50	50.30
Average length of service interruption in minutes (L-Bar)	74.60	89.30	78.50	74.20
St. Cloud/Osceola County				
Average service availability index (ASAI)	0.9999	0.9999	0.9999	0.9999
Average customer outage in minutes (SAIDI) (2)	40.60	66.00	28.10	80.50
Average customer interruption duration index in minutes (CAIDI) (2)	66.90	59.70	53.10	64.20
Average length of service interruption in minutes (L-Bar)	83.70	99.20	86.80	81.00

ELECTRIC PHYSICAL STATISTICS

Transmission system (circuit miles)				
69KV	36.5	36.5	36.5	36.5
115KV	126.9	125.9	125.9	125.9
230KV	227.4	227.2	227.2	227.2
Total	<u>390.8</u>	<u>389.6</u>	<u>389.6</u>	<u>389.6</u>
OUC substations	31	31	31	31
STC substations	4	4	4	4
Number of substations	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
Orlando distribution system (circuit miles)				
Overhead	737.8	741.5	738.6	749.3
Underground	1,270.0	1,248.9	1,214.6	1,202.2
Total Orlando circuit miles	<u>2,007.8</u>	<u>1,990.4</u>	<u>1,953.2</u>	<u>1,951.5</u>
St. Cloud distribution system (circuit miles)				
Overhead	247.4	250.7	248.2	250.7
Underground	188.5	183.5	177.1	167.0
Total St. Cloud circuit miles	<u>435.9</u>	<u>434.2</u>	<u>425.3</u>	<u>417.7</u>
Total OUC and St. Cloud circuit miles	<u>2,443.7</u>	<u>2,424.6</u>	<u>2,378.5</u>	<u>2,369.2</u>
Distribution expenses per circuit mile	\$ 8,063	\$ 7,516	\$ 6,167	\$ 6,347
Percentages of Orlando distribution system (circuit miles)				
Overhead	36.8%	37.3%	37.8%	38.4%
Underground	63.2%	62.7%	62.2%	61.6%
Percentages of St. Cloud distribution system (circuit miles)				
Overhead	56.8%	57.7%	58.4%	60.0%
Underground	43.2%	42.3%	41.6%	40.0%

(1) In addition to an active 2014 summer storm season, OUC's Pershing substation experienced a significant event resulting in a large number of customers without power.

(2) During 2014, St. Cloud/Osceola County experienced an active summer storm season. In 2012, there were three separate outage incidents during the month of June for unusually long durations.

2011	2010	2009	2008	2007	2006	2005
0.9999	0.9999	0.9999	0.9999	0.9999	0.9993	0.9999
41.20	28.70	33.40	33.20	44.13	36.40	47.09
57.70	52.90	52.70	43.50	52.03	50.82	49.20
68.30	70.20	69.30	67.70	70.79	62.86	65.91
0.9999	0.9999	0.9999	0.9999	0.9998	0.9999	0.9998
42.80	61.80	55.00	38.20	56.97	44.69	86.94
45.80	34.90	42.20	40.50	39.16	42.00	40.48
63.90	62.50	63.40	65.30	67.23	59.03	71.86
36.5	36.5	36.5	36.5	36.5	36.5	36.5
130.7	130.7	130.7	129.1	129.1	129.1	129.1
227.2	227.2	227.2	227.2	226.5	210.5	210.5
<u>394.4</u>	<u>394.4</u>	<u>394.4</u>	<u>392.8</u>	<u>392.1</u>	<u>376.1</u>	<u>376.1</u>
32	32	32	30	30	29	29
4	4	4	4	4	4	4
<u>36</u>	<u>36</u>	<u>36</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>33</u>
746.0	746.8	738.8	747.9	738.3	738.5	746.5
1,181.4	1,158.7	1,145.2	1,104.6	1,065.9	1,025.3	978.3
<u>1,927.4</u>	<u>1,905.5</u>	<u>1,884.0</u>	<u>1,852.5</u>	<u>1,804.2</u>	<u>1,763.8</u>	<u>1,724.8</u>
244.2	242.6	241.8	240.2	236.5	236.9	234.7
158.3	154.7	153.9	150.8	142.0	118.4	102.4
402.5	397.3	395.7	391.0	378.5	355.3	337.1
<u>2,329.9</u>	<u>2,302.8</u>	<u>2,279.7</u>	<u>2,243.5</u>	<u>2,182.7</u>	<u>2,119.1</u>	<u>2,061.9</u>
\$ 6,318	\$ 7,344	\$ 7,316	\$ 6,396	\$ 6,125	\$ 6,285	\$ 5,593
38.7%	39.2%	39.2%	40.4%	40.9%	41.9%	43.3%
61.3%	60.8%	60.8%	59.6%	59.1%	58.1%	56.7%
60.7%	61.1%	61.1%	61.4%	62.5%	66.7%	69.6%
39.3%	38.9%	38.9%	38.6%	37.5%	33.3%	30.4%

ELECTRIC UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2015	2014	2013	2012
Electric plant, net				
Generating plant, net				
Stanton Energy Center Units 1 and 2	\$ 394,994	\$ 416,352	\$ 407,215	\$ 418,115
Stanton Energy Center Unit A	44,387	48,885	53,102	56,595
Stanton Energy Center Unit B (SEC B) (1)	231,193	232,435	236,914	246,046
McIntosh Unit 3	60,695	61,761	62,287	64,222
St. Lucie Unit 2	105,386	101,988	100,359	96,741
India River Plant	9,887	11,182	12,210	13,732
Crystal River Unit 3 (CR 3) (2)	-	-	-	6,882
Total generating plant, net	<u>846,542</u>	<u>872,603</u>	<u>872,087</u>	<u>902,333</u>
Distribution plant, net	493,376	491,554	475,951	470,030
Transmission plant, net	279,200	241,402	230,324	239,299
Other Electric plant, net (3)	46,008	48,682	48,354	49,150
Total electric plant, net	<u>1,665,126</u>	<u>1,654,241</u>	<u>1,626,716</u>	<u>1,660,812</u>
Common plant, net (4)	<u>71,499</u>	<u>68,963</u>	<u>72,301</u>	<u>73,345</u>
Total plant, net	<u>\$ 1,736,625</u>	<u>\$ 1,723,204</u>	<u>\$ 1,699,017</u>	<u>\$ 1,734,157</u>

FUEL MIX STATISTICS

Cost of fuel (Dollars in thousands)				
Coal (5)	\$ 143,806	\$ 149,395	\$ 132,125	\$ 136,958
Natural gas (5)	132,115	157,641	142,152	139,233
Nuclear	928	469	3,404	3,133
Renewable	2,177	2,827	1,749	1,943
Oil	1,906	1,739	327	1,765
Total cost of fuel (6)	<u>\$ 280,931</u>	<u>\$ 312,071</u>	<u>\$ 279,757</u>	<u>\$ 283,032</u>
Fuel cost per million BTU				
Coal (5)	\$ 4.23	\$ 4.53	\$ 4.78	\$ 4.60
Natural gas (5)	\$ 5.23	\$ 6.18	\$ 5.99	\$ 6.25
Nuclear (2)	\$ 0.42	\$ 0.56	\$ 0.66	\$ 0.94
Renewable	\$ 3.07	\$ 3.05	\$ 3.43	\$ 4.42
Oil	\$ 57.62	\$ 17.36	\$ 23.49	\$ 20.04
System average fuel cost	\$ 4.31	\$ 4.87	\$ 4.90	\$ 5.07
System fuel mix percentage (based on generation)				
Coal (5)	52.2%	51.5%	48.5%	53.2%
Natural gas (5)	38.8%	39.7%	41.6%	39.9%
Nuclear	8.0%	7.9%	9.0%	5.9%
Renewable (7)	1.0%	0.9%	0.9%	0.8%
Oil	-	-	-	0.2%
Total system fuel mix percentage	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) The SEC B facility began commercial operations in 2010. All power generated prior to the start date of this facility was excluded from operations and capitalized along with the revenue earned during the pre-commercial operations.

(2) Effective February 2013, Duke Energy announced the closing of the CR 3 plant as a result of discovering multiple delaminations within the core. As a result of this notice, OUC reclassified the impaired assets under the heading of Regulatory assets. On October 30, 2015, full ownership interest of CR 3 along with all future liabilities associated with the unit will be transferred from the joint owners to Duke Energy via a special warranty deed.

(3) In November 2007, OUC and Southern Power terminated the construction of the gasification facilities at SEC B. The settlement agreement provided for liquidating damages in the form of land valued at \$27.5 million.

(4) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action for the expansion of the I-4/S.R. 408 interchange, OUC built a new administrative facility. In 2009, the new administration building was completed and placed into service. The former administration building was sold.

	2011	2010	2009	2008	2007	2006	2005
\$	433,256	\$ 425,660	\$ 432,484	\$ 448,549	\$ 462,050	\$ 481,653	\$ 496,681
	50,554	52,490	56,543	61,410	56,971	59,789	61,169
	253,020	260,562	-	-	-	-	-
	66,769	69,676	41,928	46,867	47,251	51,700	55,948
	86,166	70,487	67,266	61,186	58,317	52,665	48,520
	15,539	16,623	17,764	19,892	22,266	24,818	28,176
	6,908	6,295	5,542	4,174	5,642	5,794	6,233
	<u>912,212</u>	<u>901,793</u>	<u>621,527</u>	<u>642,078</u>	<u>652,497</u>	<u>676,419</u>	<u>696,727</u>
	469,274	466,964	456,878	451,604	438,367	406,461	374,450
	243,011	234,941	195,766	173,332	166,739	164,753	147,808
	42,544	31,294	34,371	35,105	7,707	3,810	8,323
	<u>1,667,041</u>	<u>1,634,992</u>	<u>1,308,542</u>	<u>1,302,119</u>	<u>1,265,310</u>	<u>1,251,443</u>	<u>1,227,308</u>
	<u>73,409</u>	<u>77,381</u>	<u>73,972</u>	<u>42,477</u>	<u>46,329</u>	<u>37,104</u>	<u>43,127</u>
	<u>\$ 1,740,450</u>	<u>\$ 1,712,373</u>	<u>\$ 1,382,514</u>	<u>\$ 1,344,596</u>	<u>\$ 1,311,639</u>	<u>\$ 1,288,547</u>	<u>\$ 1,270,435</u>
\$	153,891	\$ 159,160	\$ 165,904	\$ 162,790	\$ 139,169	\$ 145,048	\$ 120,496
	129,227	128,117	103,334	164,696	140,780	163,545	166,929
	5,165	3,360	3,298	3,015	2,636	1,971	2,357
	1,045	845	1,475	1,175	791	-	-
	2,863	2,309	1,335	1,320	736	255	33,243
	<u>\$ 292,191</u>	<u>\$ 293,791</u>	<u>\$ 275,346</u>	<u>\$ 332,996</u>	<u>\$ 284,112</u>	<u>\$ 310,819</u>	<u>\$ 323,025</u>
\$	3.72	\$ 3.37	\$ 3.44	\$ 3.10	\$ 2.58	\$ 2.56	\$ 2.31
\$	6.27	\$ 6.49	\$ 7.58	\$ 10.83	\$ 8.96	\$ 10.42	\$ 8.78
\$	1.27	\$ 0.80	\$ 0.62	\$ 0.58	\$ 0.47	\$ 0.39	\$ 0.41
\$	2.66	\$ 2.19	\$ 2.25	\$ 2.13	\$ 1.42	\$ -	\$ -
\$	19.46	\$ 13.51	\$ 13.84	\$ 17.85	\$ 12.39	\$ 4.28	\$ 7.88
\$	4.39	\$ 4.10	\$ 4.05	\$ 4.52	\$ 3.75	\$ 4.02	\$ 3.98
	62.1%	65.8%	71.0%	71.3%	71.1%	73.1%	64.3%
	31.0%	27.5%	20.1%	20.7%	20.7%	20.3%	23.4%
	6.1%	5.9%	7.9%	7.1%	7.4%	6.5%	7.1%
	0.6%	0.6%	0.9%	0.8%	0.7%	-	-
	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	5.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(5) In 2013 and 2012, Cost of fuel for coal decreased as a result of the utilization of natural gas generation facilities to leverage favorable market rates. Offsetting these changes was an increase in the commodity cost for coal contributing to the increase in the Fuel cost per million BTU. Additionally in 2013, OUC completed a study that analyzed the classification of costs associated with material handling, procurement and movement of fuels. Based upon this study and supporting FERC guidance, \$4.0 million was included in Fuel for generation since implementation.

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

(7) Prior to 2007 renewable amounts were not tracked.



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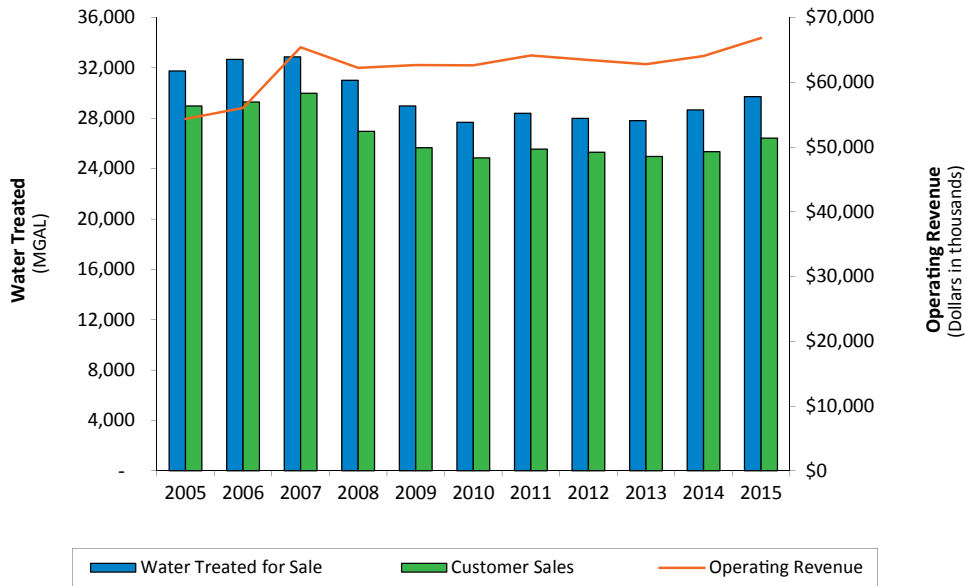
WATER OPERATIONS

As part of our commitment to weave sustainability through everything we do, OUC partnered with the City of Orlando to install H₂OUC hydration stations in more than 25 city parks, along with community and neighborhood centers, providing residents with an easy way to refill water bottles on the go.

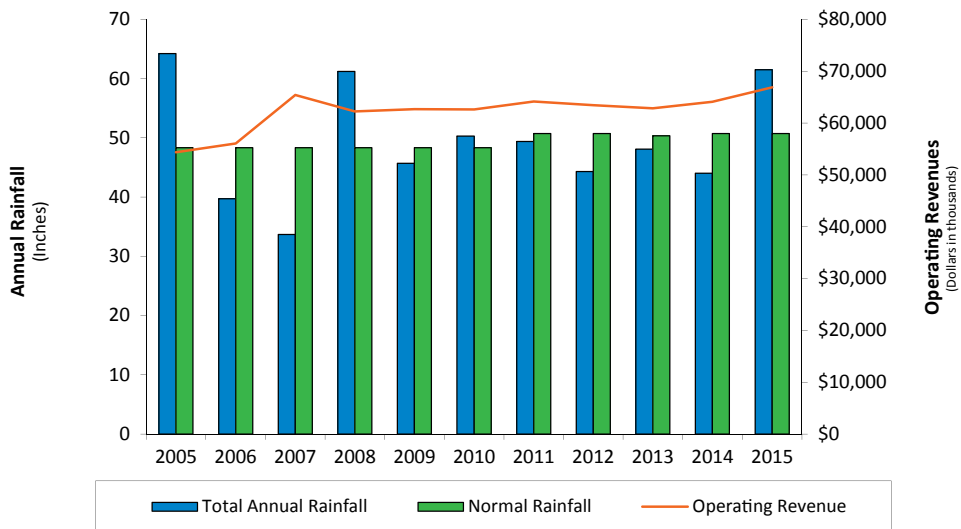


WATER BUSINESS OPERATIONS

Water Treated, Customer Sales and Operating Revenue



Total Annual Rainfall and Operating Revenue



Beginning in 2011, the normal rainfall amount was recalculated.

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

Years Ended September 30	2015	2014	2013	2012
Operating revenues				
Residential	\$ 22,541	\$ 21,753	\$ 21,054	\$ 21,556
Commercial	26,484	25,246	24,777	24,403
Irrigation	12,856	11,981	12,249	13,146
Fire protection	2,314	2,266	2,231	2,193
Service fees and other	2,123	2,271	1,967	1,622
Residual other	551	563	534	534
Total operating revenues (1)	<u>66,869</u>	<u>64,080</u>	<u>62,812</u>	<u>63,454</u>
Operations and maintenance expenses				
Production	15,035	13,676	12,946	13,555
Distribution (2)	7,655	7,357	5,844	5,816
Storm recovery costs	-	-	-	-
Customer service (3)	7,441	6,003	7,040	8,865
General and administrative (4)	10,146	10,018	10,207	10,110
Total operations and maintenance expenses	<u>40,276</u>	<u>37,054</u>	<u>36,037</u>	<u>38,346</u>
Other expenses				
Utility/property tax	65	63	63	65
Revenue based payments to the City of Orlando	2,021	1,921	1,961	2,033
Revenue based payments to Orange County	5	5	4	5
Depreciation and amortization (5)	18,685	17,121	19,976	15,725
Total other expenses	<u>20,776</u>	<u>19,110</u>	<u>22,004</u>	<u>17,828</u>
Total operating expenses	<u>61,052</u>	<u>56,164</u>	<u>58,041</u>	<u>56,174</u>
Operating income	5,817	7,916	4,771	7,280
Non-operating income and expense				
Interest income	606	557	459	708
Other income, net (6)	1,836	1,701	1,667	3,053
Amortization of deferred gain on sale of assets	16	23	23	17
Interest expense, net (6)	(7,326)	(7,396)	(7,740)	(8,906)
Total non-operating expenses, net	<u>(4,868)</u>	<u>(5,115)</u>	<u>(5,591)</u>	<u>(5,128)</u>
Water income/(loss) before contributions (3)	949	2,801	(820)	2,152
Contributions in aid of construction (CIAC) (7)	10,724	9,584	9,704	7,990
Annual dividend	<u>(521)</u>	<u>(1,526)</u>	<u>521</u>	<u>(1,396)</u>
Increase in net position	<u>\$ 11,152</u>	<u>\$ 10,859</u>	<u>\$ 9,405</u>	<u>\$ 8,746</u>

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

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

(3) In 2015, additional one-time costs of \$1.9 million were incurred related to a system billing correction for the water Advanced Metering Infrastructure (AMI). In 2013 and 2014, with the implementation of the AMI upgrades, the customer service costs were lower as a result of staffing reductions.

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

(5) The increase in 2015 was due to the continuation of the water Advanced Metering Infrastructure (AMI) project, which is scheduled to be completed in 2016. In 2013, as OUC began the implementation of water AMI meters, a portion of the existing non-AMI meters were written off resulting in additional depreciation expense of \$3.3 million. During 2009, OUC recognized impairment for the change in usage of the Southeast water treatment plant of \$2.9 million. In 2008, Depreciation and amortization expense increased due to a change in the useful life for in-service water mains and meters and ozone generators of \$2.2 million and \$2.7 million, respectively. In 2005, OUC wrote down water plant assets of \$1.4 million.

2011	2010	2009	2008	2007	2006	2005
\$ 22,320	\$ 21,425	\$ 21,310	\$ 22,309	\$ 33,173	\$ 27,336	\$ 26,677
24,014	23,541	22,672	21,796	16,794	13,311	13,441
13,976	13,636	14,691	13,996	11,628	11,546	10,090
2,158	2,169	2,132	2,035	1,755	1,564	1,554
1,248	1,345	1,234	1,562	1,756	1,810	1,764
426	503	636	526	322	465	835
<u>64,142</u>	<u>62,619</u>	<u>62,675</u>	<u>62,224</u>	<u>65,428</u>	<u>56,032</u>	<u>54,361</u>
14,405	14,358	14,997	13,738	13,531	13,006	11,830
9,149	8,291	5,560	6,849	5,526	4,026	4,198
-	-	4	8	-	-	-
8,733	7,831	7,311	7,282	7,465	6,781	5,203
10,007	9,120	7,542	7,737	6,984	6,349	5,894
<u>42,294</u>	<u>39,600</u>	<u>35,414</u>	<u>35,614</u>	<u>33,506</u>	<u>30,162</u>	<u>27,125</u>
63	65	64	61	64	62	52
1,919	1,922	1,989	1,855	1,893	1,599	1,510
6	-	-	-	-	-	-
<u>16,266</u>	<u>16,991</u>	<u>20,554</u>	<u>19,064</u>	<u>16,071</u>	<u>13,808</u>	<u>14,220</u>
<u>18,254</u>	<u>18,978</u>	<u>22,607</u>	<u>20,980</u>	<u>18,028</u>	<u>15,469</u>	<u>15,782</u>
<u>60,548</u>	<u>58,578</u>	<u>58,021</u>	<u>56,594</u>	<u>51,534</u>	<u>45,631</u>	<u>42,907</u>
3,594	4,041	4,654	5,630	13,894	10,401	11,454
593	1,151	1,329	2,657	3,959	3,106	1,435
2,024	1,443	838	582	682	484	508
-	-	-	-	-	-	-
<u>(10,055)</u>	<u>(11,161)</u>	<u>(10,663)</u>	<u>(10,831)</u>	<u>(12,200)</u>	<u>(12,440)</u>	<u>(11,761)</u>
<u>(7,438)</u>	<u>(8,567)</u>	<u>(8,496)</u>	<u>(7,592)</u>	<u>(7,559)</u>	<u>(8,850)</u>	<u>(9,818)</u>
(3,844)	(4,526)	(3,842)	(1,962)	6,335	1,551	1,636
4,571	6,080	5,736	13,655	17,155	14,816	13,409
2,365	2,964	2,432	1,129	(3,406)	(1,201)	(982)
<u>\$ 3,092</u>	<u>\$ 4,518</u>	<u>\$ 4,326</u>	<u>\$ 12,822</u>	<u>\$ 20,084</u>	<u>\$ 15,166</u>	<u>\$ 14,063</u>

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

(7) In 2009, the Central Florida area experienced a downturn in economic growth with conditions improving since 2012.

WATER CONSUMPTION AND FINANCIAL RATIOS

Years Ended September 30	2015	2014	2013	2012
Profile of consumption and revenue by type of customer				
Residential service				
KGAL shares per customer	80	79	76	78
Revenue per customer	\$ 214	\$ 211	\$ 202	\$ 204
Revenue per KGAL	\$ 2.6962	\$ 2.6608	\$ 2.6396	\$ 2.6243
Commercial service				
KGAL shares per customer	959	899	935	1,011
Revenue per customer	\$ 1,775	\$ 1,664	\$ 1,734	\$ 1,872
Revenue per KGAL	\$ 1.8501	\$ 1.8519	\$ 1.8549	\$ 1.8508
Irrigation service				
KGAL shares per customer	231	221	226	241
Revenue per customer	\$ 799	\$ 752	\$ 766	\$ 821
Revenue per KGAL	\$ 3.4606	\$ 3.3999	\$ 3.3903	\$ 3.4004
Selected financial expense statistics				
Total operations and maintenance expenses per KGAL (1)	\$ 1.5242	\$ 1.4612	\$ 1.4428	\$ 1.5155
Production and distribution costs per metered service (2)	\$ 167	\$ 156	\$ 140	\$ 144
Customer service expense per metered service (3)	55	45	53	66
General and administrative expense per metered service (1)	75	75	76	75
Total operations and maintenance expense per metered service	<u>\$ 297</u>	<u>\$ 276</u>	<u>\$ 269</u>	<u>\$ 285</u>

-
- (1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. Additionally since 2010, actuarial pension costs increased as a result of lower investment returns and the inclusion of approved past and future cost of living adjustments into the plan.
- (2) In 2011 and 2010, costs associated with the write down of deferred regulatory projects, including alternative water supply and consumptive use permit spending, increased Operations and maintenance expenses.
- (3) With the implementation of the Advanced Metering Infrastructure upgrades in 2013 and 2014, the customer service costs were lower as a result of staffing reductions.

	2011	2010	2009	2008	2007	2006	2005
	80	77	79	83	118	140	141
\$	210	\$ 201	\$ 198	\$ 208	\$ 316	\$ 265	\$ 263
\$	2,6458	\$ 2,6093	\$ 2,5215	\$ 2,5178	\$ 2,6897	\$ 1,8932	\$ 1,8720
	1,042	1,064	1,071	991	864	780	805
\$	1,932	\$ 1,988	\$ 1,918	\$ 1,631	\$ 1,233	\$ 1,084	\$ 1,110
\$	1,8537	\$ 1,8685	\$ 1,7916	\$ 1,6454	\$ 1,4272	\$ 1,3893	\$ 1,3782
	251	237	259	282	288	319	295
\$	848	\$ 804	\$ 870	\$ 836	\$ 707	\$ 719	\$ 660
\$	3,3799	\$ 3,3912	\$ 3,3564	\$ 2,9616	\$ 2,4565	\$ 2,2565	\$ 2,2359
\$	1,6403	\$ 1,5927	\$ 1,3796	\$ 1,3201	\$ 1,1175	\$ 1,0294	\$ 0,9360
\$	175	\$ 167	\$ 151	\$ 150	\$ 141	\$ 129	\$ 125
	65	58	54	53	55	52	40
	74	67	55	56	52	48	46
\$	<u>314</u>	\$ <u>292</u>	\$ <u>260</u>	\$ <u>259</u>	\$ <u>248</u>	\$ <u>229</u>	\$ <u>211</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30	2015	2014	2013	2012
Water operating ratio				
Water operations and maintenance expenses/operating revenues (1)	\$ 0.60	\$ 0.58	\$ 0.57	\$ 0.60
Water income/(loss) before contributions per revenue dollar				
Water income/(loss) before contributions/operating revenues	\$ 0.01	\$ 0.04	\$ (0.01)	\$ 0.03

ACTIVE SERVICES

Residential	106,002	104,237	102,417	106,207
Commercial	14,980	14,866	15,476	13,095
Irrigation	16,194	16,003	15,878	16,088
Total metered services	<u>137,176</u>	<u>135,106</u>	<u>133,771</u>	<u>135,390</u>

FIRE PROTECTION

Fire protection services	4,609	4,524	4,428	4,346
Fire hydrants	10,201	10,091	9,973	9,933
Total fire protection	<u>14,810</u>	<u>14,615</u>	<u>14,401</u>	<u>14,279</u>

CONSUMPTION (MGAL)

Residential	8,360	8,175	7,976	8,214
Commercial	14,315	13,633	13,358	13,185
Irrigation	3,715	3,524	3,613	3,866
Reserve	34	25	31	38
Total consumption	<u>26,424</u>	<u>25,357</u>	<u>24,978</u>	<u>25,303</u>

(1) In 2011, a one-time cost associated with a deferred regulatory project was recognized as an Operations and maintenance expense in the amount of \$2.3 million. Additionally since 2010, actuarial pension costs increased as a result of lower investment returns and the inclusion of the accrual of previously approved cost of living adjustments. In 2008, water consumption decreased due to weakening economic conditions, increased rainfall, and continued conservation efforts. The impact of the decrease in consumption resulted in higher Operations and maintenance expenses per MGAL.

2011	2010	2009	2008	2007	2006	2005
\$ 0.66	\$ 0.63	\$ 0.56	\$ 0.57	\$ 0.51	\$ 0.54	\$ 0.50
\$ (0.06)	\$ (0.07)	\$ (0.06)	\$ (0.03)	\$ 0.10	\$ 0.03	\$ 0.03
105,053	107,030	106,495	108,437	105,819	103,866	102,674
12,976	11,883	11,795	11,845	14,879	12,358	12,210
15,938	17,025	16,899	16,860	16,608	16,288	15,835
<u>133,967</u>	<u>135,938</u>	<u>135,189</u>	<u>137,142</u>	<u>137,306</u>	<u>132,512</u>	<u>130,719</u>
4,294	4,248	4,192	4,124	3,596	4,186	3,987
9,828	9,753	9,630	9,578	9,451	9,118	8,891
<u>14,122</u>	<u>14,001</u>	<u>13,822</u>	<u>13,702</u>	<u>13,047</u>	<u>13,304</u>	<u>12,878</u>
8,436	8,211	8,451	8,860	12,333	14,439	14,250
12,955	12,599	12,655	13,247	11,767	9,581	9,753
4,135	4,021	4,377	4,726	5,745	5,117	4,513
35	34	184	140	139	165	464
<u>25,561</u>	<u>24,865</u>	<u>25,667</u>	<u>26,973</u>	<u>29,984</u>	<u>29,302</u>	<u>28,980</u>

WATER UTILITY PLANT (Dollars in thousands)

Years Ended September 30	2015	2014	2013	2012
Water plant, net				
Production (1)	\$ 128,488	\$ 121,852	\$ 124,499	\$ 129,840
Transmission and distribution	230,220	214,122	199,259	193,735
Genera	<u>157</u>	<u>1,468</u>	<u>4,176</u>	<u>3,751</u>
Total water plant, net	<u>358,865</u>	<u>337,442</u>	<u>327,934</u>	<u>327,326</u>
Common plant, net (2)	<u>23,833</u>	<u>22,988</u>	<u>24,100</u>	<u>24,448</u>
Total plant, net	<u>\$ 382,698</u>	<u>\$ 360,430</u>	<u>\$ 352,034</u>	<u>\$ 351,774</u>

WATER PHYSICAL STATISTICS

Pipe miles	1,814	1,801	1,788	1,784
Number of public hydrants	10,201	10,091	9,973	9,933
Number of wells	31	31	31	31
Reservoir capacity (MGAL)	28.5	28.5	28.5	28.5
High service pumping capacity (MGAL per day)	273	273	273	273
Raw water capacity (MGAL per day)	177.5	177.5	177.5	177.5
Peak day (MGAL) (3)	102.8	96.4	94.3	94.3
Per capita gallons pumped per day total system	181	178	175	183
Per capita, gallons consumed per day residential only	51	51	50	54

WATER PRODUCTION (KGAL)

Water treated for sale				
Treated	29,715,255	28,673,892	27,830,306	28,004,849
Used by water department (4)	<u>5,848</u>	<u>5,840</u>	<u>5,840</u>	<u>5,856</u>
Total water treated for sale	<u>29,709,407</u>	<u>28,668,052</u>	<u>27,824,466</u>	<u>27,998,993</u>
Sales				
Retail customers	26,025,777	24,986,010	24,596,536	24,946,151
Inter-department use	360,487	345,357	351,617	318,305
Wholesale customers	<u>33,837</u>	<u>25,522</u>	<u>31,380</u>	<u>37,718</u>
Total sales	<u>26,420,101</u>	<u>25,356,889</u>	<u>24,979,533</u>	<u>25,302,174</u>
Unbilled	<u>3,289,306</u>	<u>3,311,163</u>	<u>2,844,933</u>	<u>2,696,819</u>
Unbilled as a percentage of water treated for sale	11.07%	11.55%	10.22%	9.63%

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

(2) Common plant, net includes shared assets including administrative buildings and information technology infrastructure. As a result of an eminent domain action taken by the Florida Department of Transportation for the expansion of the I-4/S.R. 408 interchange, OUC relocated its Administrative offices. In 2009, the new Administration building was completed and placed into service and in 2012 the former Administration building was sold.

(3) In 2015, the increase in Peak day was primarily due to growth in the Lake Nona area with high volume residential customers.

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

2011	2010	2009	2008	2007	2006	2005
\$ 134,343	\$ 139,082	\$ 144,802	\$ 158,635	\$ 162,259	\$ 156,382	\$ 162,574
190,413	183,912	181,163	177,709	170,969	158,109	151,389
<u>3,490</u>	<u>3,486</u>	<u>4,181</u>	<u>113</u>	<u>685</u>	<u>5,626</u>	<u>3,695</u>
328,246	326,480	330,146	336,457	333,913	320,117	317,658
<u>24,470</u>	<u>25,794</u>	<u>24,657</u>	<u>14,159</u>	<u>15,443</u>	<u>12,368</u>	<u>14,376</u>
<u>\$ 352,716</u>	<u>\$ 352,274</u>	<u>\$ 354,803</u>	<u>\$ 350,616</u>	<u>\$ 349,356</u>	<u>\$ 332,485</u>	<u>\$ 332,034</u>
1,766	1,763	1,750	1,755	1,729	1,714	1,695
9,828	9,753	9,630	9,578	9,451	9,118	7,235
31	32	32	34	34	34	34
28.5	28.5	28.5	28.5	28.5	28.5	28.5
273	273	274	274	274	274	274
177.5	182.5	182.5	184.0	184.0	184.0	184.0
97.4	95.7	103.8	111.2	111.4	114.6	108.3
184	179	187	203	216	216	211
55	53	55	57	81	95	94
28,393,238	27,681,382	28,980,391	31,047,104	32,950,881	32,739,861	31,784,278
<u>5,840</u>	<u>5,840</u>	<u>5,840</u>	<u>29,040</u>	<u>72,995</u>	<u>73,000</u>	<u>27,290</u>
<u>28,387,398</u>	<u>27,675,542</u>	<u>28,974,551</u>	<u>31,018,064</u>	<u>32,877,886</u>	<u>32,666,861</u>	<u>31,756,988</u>
25,185,446	24,574,646	25,257,125	26,599,439	29,768,879	28,933,432	28,309,265
341,103	256,286	225,955	234,186	76,107	203,177	206,787
<u>34,853</u>	<u>33,895</u>	<u>184,282</u>	<u>140,145</u>	<u>139,441</u>	<u>165,176</u>	<u>464,299</u>
<u>25,561,402</u>	<u>24,864,827</u>	<u>25,667,362</u>	<u>26,973,770</u>	<u>29,984,427</u>	<u>29,301,785</u>	<u>28,980,351</u>
<u>2,825,996</u>	<u>2,810,715</u>	<u>3,307,189</u>	<u>4,044,294</u>	<u>2,893,459</u>	<u>3,365,076</u>	<u>2,776,637</u>
9.96%	10.16%	11.41%	13.04%	8.80%	10.30%	8.74%



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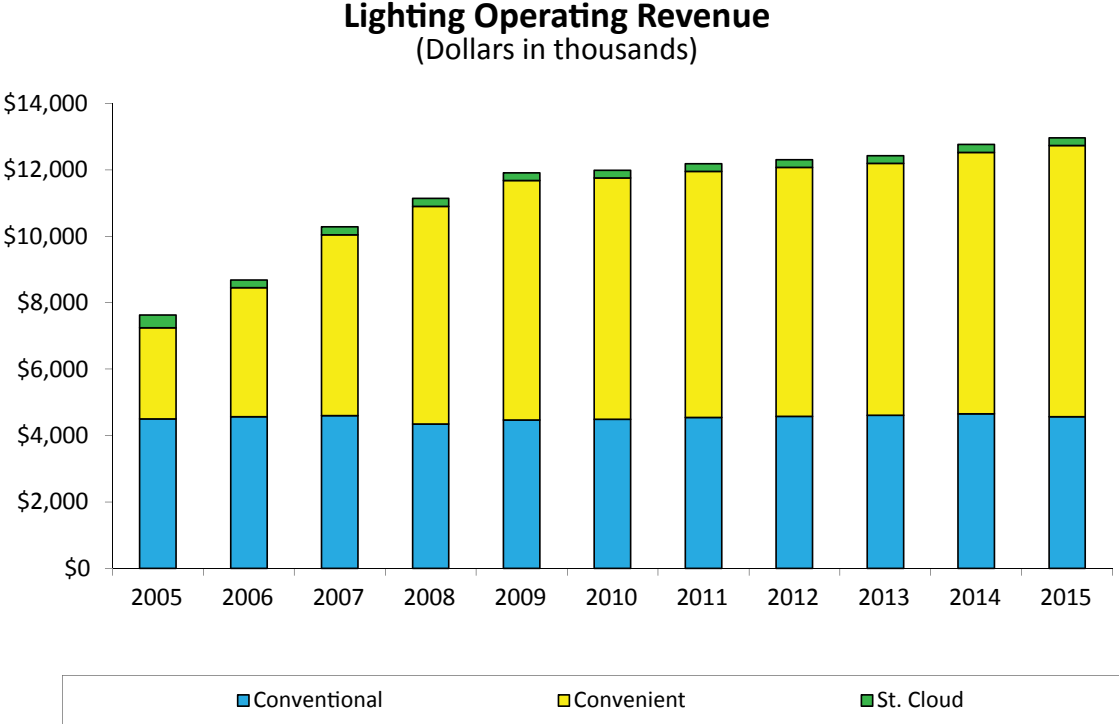


LIGHTING OPERATIONS

OUConvenient Lighting keeps Orlando shining bright by lighting up sports venues like the newly renovated Citrus Bowl stadium and converting streetlights to more efficient LEDs.



LIGHTING BUSINESS OPERATIONS



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

Years Ended September 30	2015	2014	2013	2012
Operating revenues				
Conventional	\$ 4,568	\$ 4,656	\$ 4,606	\$ 4,574
Convenient	8,163	7,865	7,592	7,498
St. Cloud	238	243	234	234
Service fees and other	304	226	194	143
Total operating revenues	<u>13,273</u>	<u>12,990</u>	<u>12,626</u>	<u>12,449</u>
Operations and maintenance expenses				
Conventional (1)	2,573	1,990	2,208	2,150
Convenient (1)	1,457	1,048	1,150	1,008
St. Cloud	151	90	92	114
General and administrative	522	515	486	476
Total operations and maintenance expenses	<u>4,703</u>	<u>3,643</u>	<u>3,936</u>	<u>3,748</u>
Other expenses				
Utility/property tax	1	1	1	1
Revenue based payments to Orange County	24	24	23	23
Depreciation and amortization (1)	3,878	3,618	3,199	3,284
Total other expenses	<u>3,903</u>	<u>3,643</u>	<u>3,223</u>	<u>3,308</u>
Total operating expenses	<u>8,606</u>	<u>7,286</u>	<u>7,159</u>	<u>7,056</u>
Operating income (1)	4,667	5,704	5,467	5,393
Non-operating income and expenses				
Interest income	106	102	224	138
Other income, net	94	94	22	127
Amortization of deferred gain on sale of assets	1	1	1	1
Interest expense, net	(1,420)	(1,462)	(1,539)	(1,711)
Total non-operating expenses, net	<u>(1,219)</u>	<u>(1,265)</u>	<u>(1,292)</u>	<u>(1,445)</u>
Lighting income before contributions	3,448	4,439	4,175	3,948
Contributions in aid of construction (CIAC)	281	53	215	648
Annual dividend	<u>(1,895)</u>	<u>(2,417)</u>	<u>(2,652)</u>	<u>(2,561)</u>
Increase in net position	<u>\$ 1,834</u>	<u>\$ 2,075</u>	<u>\$ 1,738</u>	<u>\$ 2,035</u>

(1) The change in 2015 was due to the replacement of fixtures and maintenance on poles due to an aging infrastructure, as well as increased restoration work due to damage resulting from construction, including the I-4 Ultimate project.

2011	2010	2009	2008	2007	2006	2005
\$ 4,544	\$ 4,489	\$ 4,469	\$ 4,350	\$ 4,599	\$ 4,564	\$ 4,498
7,411	7,264	7,209	6,554	5,448	3,891	2,751
232	234	234	236	244	233	378
129	168	124	143	146	197	69
<u>12,316</u>	<u>12,155</u>	<u>12,036</u>	<u>11,283</u>	<u>10,437</u>	<u>8,885</u>	<u>7,696</u>
2,144	2,350	2,425	2,457	1,944	1,788	1,913
887	1,000	1,131	1,259	868	874	535
130	144	132	137	97	109	121
520	586	541	528	455	511	471
<u>3,681</u>	<u>4,080</u>	<u>4,229</u>	<u>4,381</u>	<u>3,364</u>	<u>3,282</u>	<u>3,040</u>
2	3	2	2	2	2	2
23	-	-	-	-	-	-
3,490	3,408	3,261	2,815	3,266	2,579	2,327
<u>3,515</u>	<u>3,411</u>	<u>3,263</u>	<u>2,817</u>	<u>3,268</u>	<u>2,581</u>	<u>2,329</u>
<u>7,196</u>	<u>7,491</u>	<u>7,492</u>	<u>7,198</u>	<u>6,632</u>	<u>5,863</u>	<u>5,369</u>
5,120	4,664	4,544	4,085	3,805	3,022	2,327
102	168	180	453	620	201	84
213	184	78	28	30	29	31
-	-	-	-	-	-	-
<u>(1,996)</u>	<u>(2,224)</u>	<u>(2,084)</u>	<u>(2,038)</u>	<u>(1,925)</u>	<u>(1,365)</u>	<u>(1,100)</u>
<u>(1,681)</u>	<u>(1,872)</u>	<u>(1,826)</u>	<u>(1,557)</u>	<u>(1,275)</u>	<u>(1,135)</u>	<u>(985)</u>
3,439	2,792	2,718	2,528	2,530	1,887	1,342
457	565	373	106	316	499	43
<u>(2,116)</u>	<u>(1,828)</u>	<u>(1,720)</u>	<u>(1,455)</u>	<u>(1,360)</u>	<u>(1,460)</u>	<u>(804)</u>
<u>\$ 1,780</u>	<u>\$ 1,529</u>	<u>\$ 1,371</u>	<u>\$ 1,179</u>	<u>\$ 1,486</u>	<u>\$ 926</u>	<u>\$ 581</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2015	2014	2013	2012
Lighting operating ratio				
Lighting operation and maintenance expenses/operating revenues	\$ 0.35	\$ 0.28	\$ 0.31	\$ 0.30
Lighting income before contributions per revenue dollar				
Lighting income before contributions/operating revenues	\$ 0.26	\$ 0.34	\$ 0.33	\$ 0.32

LIGHTING UTILITY PLANT (Dollars in thousands)

Lighting plant, net				
Conventional	\$ 8,210	\$ 8,271	\$ 8,927	\$ 8,891
Convenient	31,250	32,236	33,534	34,236
Total lighting plant, net	39,460	40,507	42,461	43,127
St. Cloud	550	605	665	718
Total plant, net	<u>\$ 40,010</u>	<u>\$ 41,112</u>	<u>\$ 43,126</u>	<u>\$ 43,845</u>

2011	2010	2009	2008	2007	2006	2005
\$ 0.30	\$ 0.34	\$ 0.35	\$ 0.39	\$ 0.32	\$ 0.37	\$ 0.39
\$ 0.28	\$ 0.23	\$ 0.23	\$ 0.22	\$ 0.24	\$ 0.21	\$ 0.17
\$ 8,871	\$ 9,117	\$ 8,658	\$ 8,442	\$ 8,237	\$ 9,125	\$ 9,933
<u>35,937</u>	<u>35,867</u>	<u>36,142</u>	<u>36,282</u>	<u>30,080</u>	<u>22,894</u>	<u>15,931</u>
44,808	44,984	44,800	44,724	38,317	32,019	25,864
754	773	814	756	793	762	636
<u>\$ 45,562</u>	<u>\$ 45,757</u>	<u>\$ 45,614</u>	<u>\$ 45,480</u>	<u>\$ 39,110</u>	<u>\$ 32,781</u>	<u>\$ 26,500</u>



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CHILLED WATER

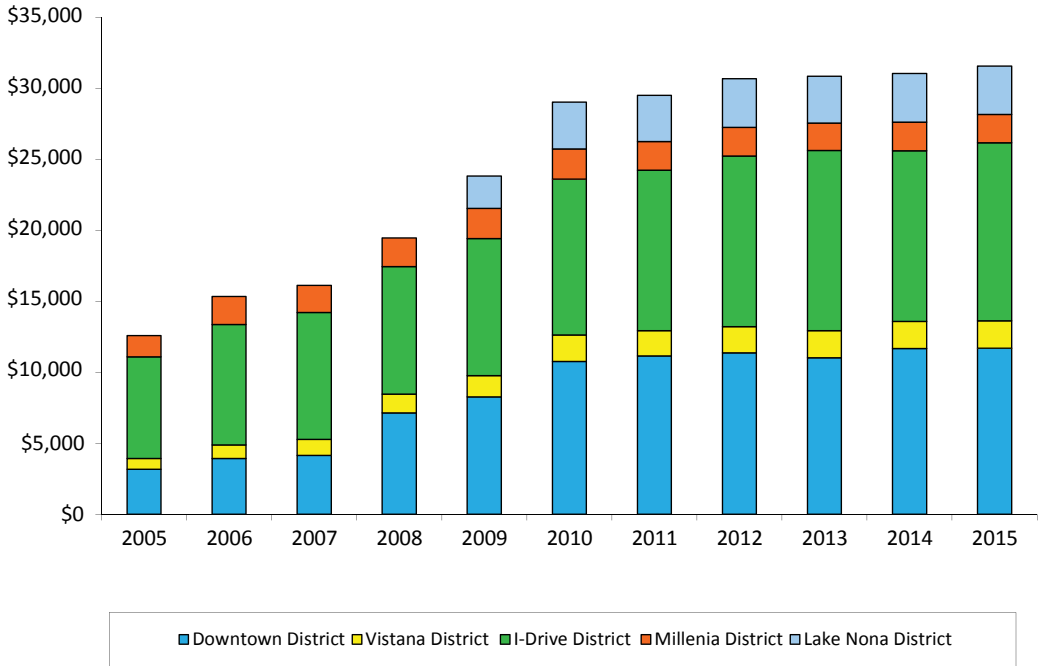
CHILLED WATER

OUCooling is chilling the hottest places in town with five chilled water districts that serve more than 2,000 customers including the Amway Center and Dr. Phillips Performing Arts Center.



CHILLED WATER BUSINESS OPERATIONS

Chilled Water Operating Revenue
(Dollars in thousands)



OUC began providing Chilled Water services in 1999. As of 2015, five Chilled Water loops were operational with a total capacity of 47,950 tons.

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

Years Ended September 30	2015	2014	2013	2012
Operating revenues				
Downtown Plant	\$ 11,712	\$ 11,692	\$ 11,039	\$ 11,371
Vista plant	1,920	1,894	1,910	1,848
International Drive plant	12,540	12,043	12,697	12,023
Millenia plant	2,001	2,012	1,919	2,016
Lee Nona Plant	3,404	3,430	3,307	3,431
Service fees and other	573	521	497	186
Total operating revenues	<u>32,150</u>	<u>31,592</u>	<u>31,369</u>	<u>30,875</u>
Operations and maintenance expenses				
Downtown plant	5,227	4,947	4,523	4,384
Vista plant	888	846	862	901
International Drive plant	7,527	7,152	7,094	7,276
Millenia plant	1,320	1,357	1,306	1,232
Lee Nona plant	1,432	1,431	1,305	1,372
Customer service	312	154	158	142
General and administrative	797	787	745	715
Total operations and maintenance expenses	<u>17,503</u>	<u>16,674</u>	<u>15,993</u>	<u>16,022</u>
Other expenses				
Utility/property tax	1	1	1	2
Revenue based payments to the City of Orlando	656	645	625	668
Revenue based payments to Orange County	133	127	121	127
Depreciation and amortization (1)	4,547	4,520	4,809	4,892
Total other expenses	<u>5,337</u>	<u>5,293</u>	<u>5,556</u>	<u>5,689</u>
Total operating expenses	<u>22,840</u>	<u>21,967</u>	<u>21,549</u>	<u>21,711</u>
Operating income	9,310	9,625	9,820	9,164
Non-operating income and expenses				
Interest income	155	117	71	129
Other income, net	129	110	125	135
Amortization of deferred gain on sale of assets	1	1	1	1
Interest expense, net	(3,415)	(3,622)	(4,134)	(5,050)
Total non-operating expenses, net	<u>(3,130)</u>	<u>(3,394)</u>	<u>(3,937)</u>	<u>(4,785)</u>
Chilled water income / (loss) before contributions	6,180	6,231	5,883	4,379
Contributions in aid of construction (CIAC)(2)	-	467	-	-
Annual dividend	<u>(3,397)</u>	<u>(3,393)</u>	<u>(3,742)</u>	<u>(2,841)</u>
Increase/(decrease) in net position	<u>\$ 2,783</u>	<u>\$ 3,305</u>	<u>\$ 2,141</u>	<u>\$ 1,538</u>

(1) Beginning in 2013, OUC implemented the results from a completed depreciation study, lowering depreciation expense \$0.5 million for each year, to properly reflect its level of maintenance and comparability with industry norms.

(2) In 2014, OUC received contributions for projects in the Downtown area. In 2008, in conjunction with the Florida Department of Transportation (FDOT) completion of the I-4/S.R. 408 Interchange Improvement Project to relocate the Chilled water pipelines, OUC received \$1.1 million from the FDOT.

2011	2010	2009	2008	2007	2006	2005
\$ 11,163	\$ 10,773	\$ 8,272	\$ 7,148	\$ 4,142	\$ 3,926	\$ 3,162
1,768	1,870	1,510	1,323	1,128	964	781
11,314	10,980	9,659	8,992	8,945	8,496	7,159
2,032	2,133	2,114	2,016	1,920	1,961	1,489
3,243	3,282	2,286	-	-	-	-
255	248	380	260	508	243	147
<u>29,775</u>	<u>29,286</u>	<u>24,221</u>	<u>19,739</u>	<u>16,643</u>	<u>15,590</u>	<u>12,738</u>
3,884	4,032	3,683	3,227	2,767	2,407	1,706
1,173	835	785	688	590	441	320
7,062	6,954	6,334	6,057	5,977	5,847	5,107
1,214	1,291	1,214	1,095	1,094	1,031	936
1,496	1,377	999	-	-	-	-
140	126	117	117	120	109	84
1,037	1,274	680	662	607	542	506
<u>16,006</u>	<u>15,889</u>	<u>13,812</u>	<u>11,846</u>	<u>11,155</u>	<u>10,377</u>	<u>8,659</u>
2	3	4	4	6	3	2
699	665	451	376	231	231	186
80	-	-	-	-	-	-
5,015	5,290	3,957	3,117	3,066	2,901	2,648
5,796	5,958	4,412	3,497	3,303	3,135	2,836
<u>21,802</u>	<u>21,847</u>	<u>18,224</u>	<u>15,343</u>	<u>14,458</u>	<u>13,512</u>	<u>11,495</u>
7,973	7,439	5,997	4,396	2,185	2,078	1,243
82	179	139	102	86	299	31
223	179	73	26	35	31	28
-	-	-	-	-	-	-
(5,484)	(5,606)	(5,064)	(4,730)	(3,787)	(3,880)	(3,579)
<u>(5,179)</u>	<u>(5,248)</u>	<u>(4,852)</u>	<u>(4,602)</u>	<u>(3,666)</u>	<u>(3,550)</u>	<u>(3,520)</u>
2,794	2,191	1,145	(206)	(1,481)	(1,472)	(2,277)
8	7	4	1,078	-	-	-
(1,719)	(1,435)	(724)	119	796	1,140	1,366
<u>\$ 1,083</u>	<u>\$ 763</u>	<u>\$ 425</u>	<u>\$ 991</u>	<u>\$ (685)</u>	<u>\$ (332)</u>	<u>\$ (911)</u>

SELECTED FINANCIAL RATIOS

Years Ended September 30

	2015	2014	2013	2012
Chilled water operating ratio				
Chilled water operation and maintenance expenses/ operating revenues	\$ 0.54	\$ 0.53	\$ 0.51	\$ 0.52
Chilled water income/(loss) before contributions per revenue dollar				
Chilled water income/(loss) before contributions/ operating revenues	\$ 0.19	\$ 0.20	\$ 0.19	\$ 0.14
Revenue per TON-hour produced (1)	\$ 0.2269	\$ 0.2298	\$ 0.2387	\$ 0.2420

CHILLED WATER UTILITY PLANT (Dollars in thousands)

Chilled water plant, net				
Downtown plant	\$ 35,424	\$ 36,840	\$ 37,196	\$ 38,684
Vistana plant	3,441	3,663	3,855	4,089
International Drive plant	22,668	24,035	25,277	26,541
Millenia plant	2,246	2,427	2,552	2,709
Lake Nona plant	10,854	11,357	11,748	12,273
Total plant, net	<u>\$ 74,633</u>	<u>\$ 78,322</u>	<u>\$ 80,628</u>	<u>\$ 84,296</u>

CHILLED WATER STATISTICS (1)

Pipe miles				
Downtown plant	8.31	8.31	8.31	7.65
Vistana plant	2.44	2.44	2.44	2.44
International Drive plant	3.79	3.79	3.79	3.79
Millenia plant	0.26	0.26	0.26	0.26
Lake Nona plant	1.62	1.62	1.62	1.62
Total pipe miles	<u>16.42</u>	<u>16.42</u>	<u>16.42</u>	<u>15.76</u>
Generation capacity, TON				
Downtown plant	14,250	14,250	14,250	14,250
Vistana plant	2,400	2,400	2,400	2,400
International Drive plant	21,200	21,200	21,200	21,200
Millenia plant	4,800	4,800	4,800	4,800
Lake Nona plant	5,300	5,300	5,300	5,300
Total generation capacity, TON	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>	<u>47,950</u>

TON-HOURS PRODUCED (in thousands) (1)

Downtown plant	42,620	40,561	38,925	36,673
Vistana plant	5,375	5,322	5,150	5,109
International Drive plant (2)	70,464	67,581	64,159	63,520
Millenia plant	8,830	9,136	9,206	8,970
Lake Nona plant	11,884	12,603	11,850	12,523
Total TON-hours produced	<u>139,173</u>	<u>135,203</u>	<u>129,290</u>	<u>126,795</u>

ACTIVE SERVICES (1)

Residential	2,365	2,365	2,365	2,365
Commercial	203	203	203	201
Total metered services	<u>2,568</u>	<u>2,568</u>	<u>2,568</u>	<u>2,566</u>

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

(2) The increase in the International Drive plant usage was primarily driven by the number of events that were scheduled in the Orange County Convention Center.

	2011	2010	2009	2008	2007	2006	2005
	\$ 0.54	\$ 0.54	\$ 0.57	\$ 0.60	\$ 0.67	\$ 0.67	\$ 0.68
	\$ 0.09	\$ 0.07	\$ 0.05	\$ (0.01)	\$ (0.09)	\$ (0.09)	\$ (0.18)
	\$ 0.2349	\$ 0.2511	\$ 0.2344	\$ 0.1985	\$ 0.1753	\$ 0.1759	\$ -
	\$ 37,842	\$ 38,351	\$ 29,842	\$ 30,394	\$ 26,097	\$ 26,106	\$ 22,137
	4,323	4,557	4,791	4,423	4,642	4,444	2,384
	27,340	28,018	25,174	26,288	23,371	24,404	24,623
	2,929	3,133	3,353	3,572	3,792	4,053	4,285
	<u>12,821</u>	<u>13,369</u>	<u>13,920</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 85,255</u>	<u>\$ 87,428</u>	<u>\$ 77,080</u>	<u>\$ 64,682</u>	<u>\$ 57,902</u>	<u>\$ 59,007</u>	<u>\$ 53,429</u>
	7.65	7.65	7.65	7.30	7.10	7.10	-
	2.44	2.44	2.44	2.44	1.24	1.24	-
	3.79	3.79	3.79	3.32	3.32	3.32	-
	0.26	0.26	0.26	0.26	0.26	0.26	-
	<u>1.62</u>	<u>1.62</u>	<u>1.62</u>	<u>1.51</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15.76</u>	<u>15.76</u>	<u>15.76</u>	<u>14.83</u>	<u>11.92</u>	<u>11.92</u>	<u>-</u>
	14,250	14,250	11,250	11,250	9,850	9,850	-
	2,400	2,400	2,400	2,400	2,400	2,400	-
	21,200	21,200	21,200	21,200	21,200	20,900	-
	4,800	4,800	4,800	4,800	4,800	4,800	-
	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>47,950</u>	<u>47,950</u>	<u>44,950</u>	<u>39,650</u>	<u>38,250</u>	<u>37,950</u>	<u>-</u>
	37,970	33,473	29,486	27,561	21,804	18,954	-
	5,354	5,431	4,504	4,063	3,857	4,512	-
	61,432	56,030	51,278	57,262	57,780	50,422	-
	8,834	8,991	9,093	9,253	8,603	13,375	-
	<u>12,082</u>	<u>11,697</u>	<u>7,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>125,672</u>	<u>115,622</u>	<u>101,732</u>	<u>98,139</u>	<u>92,044</u>	<u>87,263</u>	<u>-</u>
	2,365	2,365	2,365	1,724	708	627	-
	<u>195</u>	<u>194</u>	<u>198</u>	<u>231</u>	<u>171</u>	<u>174</u>	<u>-</u>
	<u>2,560</u>	<u>2,559</u>	<u>2,563</u>	<u>1,955</u>	<u>879</u>	<u>801</u>	<u>-</u>



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STATISTICAL INFORMATION

OUC customers take advantage of our upgraded website through myOUC, allowing for quick access to online tools designed to help them save energy, water and money.



STATISTICAL INFORMATION

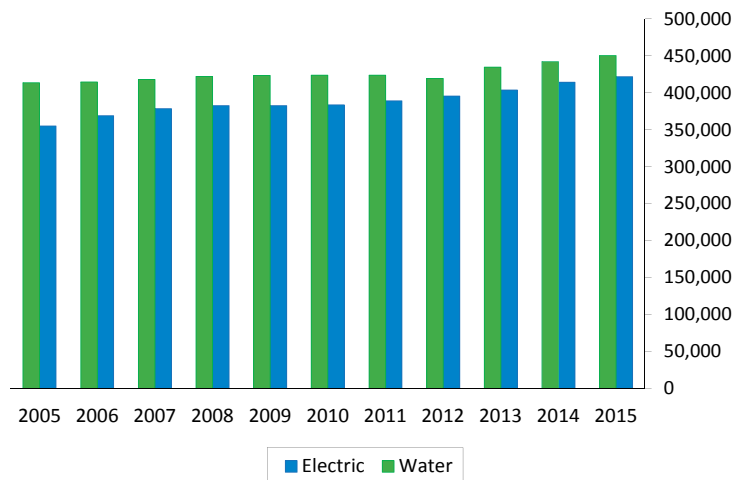
NUMBER OF EMPLOYEES

Yea	Electric Operations	Lighting Operations	Chilled Water Operations	Water Operations	Budgeted Totb	Actub Totb	Retail Customers to Employees
2015	873	12	19	216	1,120	1,062	396
2014	854	11	15	246	1,126	1,051	401
2013	887	11	16	244	1,158	1,086	371
2012	938	11	18	254	1,221	1,090	334
2011	917	11	16	255	1,199	1,179	304
2010	882	11	16	248	1,157	1,127	317
2009	937	13	18	259	1,227	1,116	316
2008	886	12	19	253	1,170	1,154	307
2007	858	12	17	242	1,129	1,097	323
2006	848	12	16	242	1,118	1,062	322
2005	847	13	16	242	1,118	1,070	312

The customer service and administration employees were proportionately allocated to each of the operating segments.
 The calculation of Retail Customers to Employees includes total electric and water metered services/Actual Total number of employees.
 Actual Total employees were lower than Budgeted Total employees due to vacant positions in electric operations and administration.

SERVICE AREA POPULATION

Yea	Electric	Water
2015	421,700	450,300
2014	414,245	442,317
2013	403,668	434,594
2012	395,500	419,353
2011	389,000	423,900
2010	383,700	423,900
2009	382,500	423,500
2008	382,600	422,200
2007	378,400	418,200
2006	369,000	414,500
2005	355,000	413,680



CLIMATOLOGICAL DATA

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

Fiscal Year	Rain (Inches)		Temperature (°F)	
	Annual Total	Above (Below) Normal	Annual Average	Above (Below) Normal *
2015	61.5	10.7	73.8	1.0
2014	44.0	(6.4)	73.9	1.1
2013	48.1	(2.6)	73.0	0.2
2012	44.3	(6.5)	73.6	0.8
2011	49.4	1.0	72.8	-
2010	50.3	1.9	72.0	(0.8)
2009	45.7	2.7	72.3	(0.5)
2008	61.2	12.9	73.6	0.8
2007	33.7	(14.7)	73.0	0.2
2006	39.7	(8.7)	73.0	0.2
2005	64.2	15.9	72.8	-

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

Monthly Rainfall and Temperature Orlando Metro Area Fiscal Year Ended September 30, 2015

Month*	Rain (Inches)		Temperature (°F)	
	Total	Above (Below) Normal	Average Daily	Above (Below) Normal
September	10.5	4.3	80.7	(0.4)
October	0.6	(2.9)	73.2	(2.3)
November	4.8	2.6	65.3	(3.2)
December	1.6	(0.8)	64.9	2.3
January	3.5	1.0	62.0	1.8
February	4.6	2.6	60.1	(2.9)
March	0.8	(3.0)	72.9	6.0
April	4.2	1.7	77.6	6.4
May	0.9	(2.6)	79.4	2.1
June	6.8	(0.8)	83.0	1.6
July	7.4	0.0	83.6	0.9
August	15.9	8.6	82.8	-
Annual Total	61.5	10.7	N/A	N/A
Annual Average	5.1	0.9	73.8	1.0

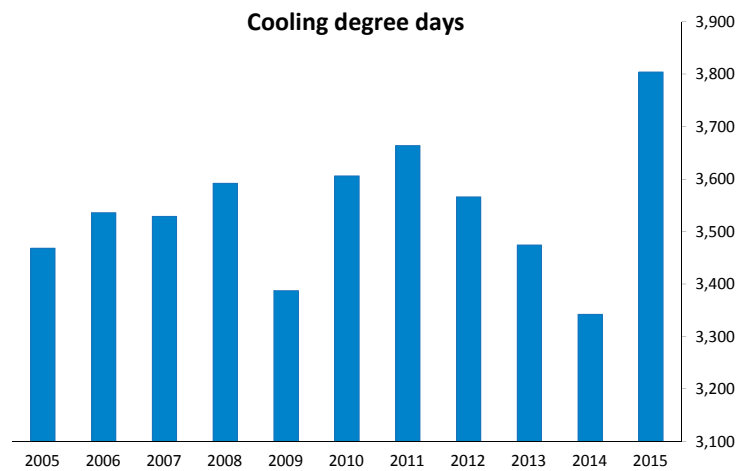
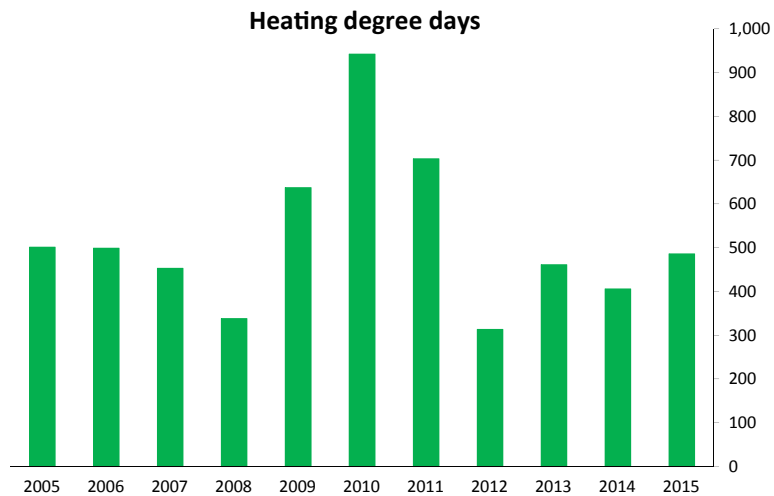
* Data for the year lags one month behind because the relevant weather occurs approximately one month prior to the billing period.

CLIMATOLOGICAL DATA (continued)

Orlando Metro Area Fiscal Year Ended September 30

Year	Heating Degree Days	Cooling Degree Days
2015	486	3,804
2014	406	3,342
2013	461	3,474
2012	313	3,566
2011	703	3,664
2010	942	3,606
2009	637	3,387
2008	338	3,592
2007	453	3,529
2006	499	3,536
2005	501	3,468

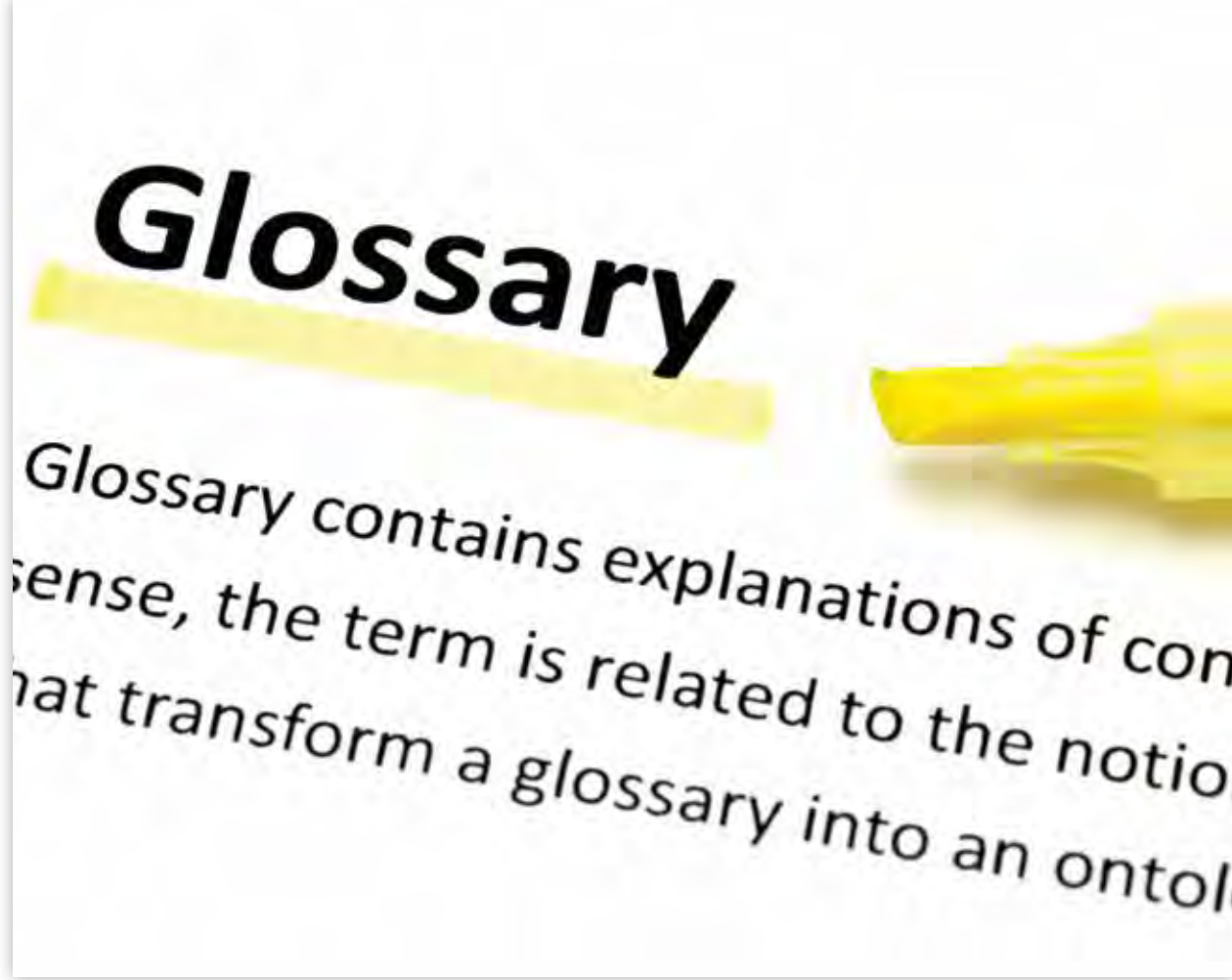
Source: US Department of Commerce, National Weather Service



INSURANCE COVERAGES

September 30, 2015

Carrier	Type of coverage	Limits	Period
Self insured	General liability	\$2.0 million per occurrence retention	Continuous
Self insured	Automobile liability	\$2.0 million per occurrence retention	Continuous
Self insured	Worker's compensation	\$0.5 million per occurrence retention	Continuous
Florida Municipal Insurance Trust	Excess worker's compensation	\$25.0 million statutory limit of liability above a \$0.5 million per occurrence retention	10-01-14/10-01-15
Aegis	Excess automobile and general liability	\$35.0 million above the \$2.0 million retention for general liability and automobile liability	10-01-14/10-01-15
Energy Insurance Mutual	Excess automobile and general liability	\$15.0 million above the \$35.0 million limit for excess automobile and general liability with AEGIS	10-01-14/10-01-15
Factory Mutual	All risk property/boiler and machinery	\$2.0 billion insurable values, \$0.25 million base retentions, various retentions depending on machinery	10-01-14/10-01-15
Aegis	Directors and officers / public officials liability	\$10.0 million	10-01-14/10-01-15
Chubb	Fidelity Liability	\$10.0 million	10-01-14/10-01-15
Great American Insurance	Dishonesty, disappearance, and destruction (Crime)	\$10.0 million	10-01-14/10-01-15
Self insured	Health and medical benefits individual stop-loss	Amounts in excess of \$0.25 million per insured per year net of applicable deductible	Continuous
Aetna	Health and medical benefits aggregate stop-loss	Amounts in excess of 125% of expected annual claims with a maximum policy payment limit of \$2.0 million	Continuous



GLOSSARY OF TERMS

GLOSSARY OF TERMS

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

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

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

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

Build America Bonds (BABs): Taxable municipal bonds created under the American Recovery and Reinvestment Act of 2009 that carry specific 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Heating-Degree Day: The measure of how low the average daily temperature is relative to a reference temperature of 65 degrees Fahrenheit. For example, if the average temperature for the day is 60 degrees, then the heating-degree days are equal to 5.0 degrees below normal.

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 a 15-minute on-peak period of 15 consecutive minutes in the billing month.

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

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

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

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

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

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

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

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



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