



The *Reliable* One AND SUSTAINABLE, TOO

OUC Annual Report 2014

Weaving Sustainability

Through Everything We Do

Throughout our 91-year history, OUC has earned the reputation of *The Reliable One* by maintaining the highest quality water and the best record of electric reliability in the state of Florida, as compared by the Florida Public Service Commission. We are proud of these achievements, but strive each and every day to do more and to be better. That said, we need to continually evolve to meet ever-increasing customer expectations and adapt our business processes to keep up with a more rapid pace of change.

OUC's Strategic Initiatives

INITIATIVE 1 Maintain Competitive Electric and Water Rates

INITIATIVE 2 Optimize Quality Customer Experience

INITIATIVE 3 Improve Organizational Effectiveness

INITIATIVE 4 Sustainable Use of Electric & Water Resources

Definition of Success:

OUC has a culture where the protection of our air and water is integrated into everything we do and there is a sense of purpose and passion for sustainability that encourages innovation and engagement in our employees, customers, industry and community.

Cover Credit: Solar Sculpture by Spotlight Solar

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Letter from the Commission President and General Manager/CEO

OUC developed its strategic plan in 2012 to serve as a roadmap for meeting customer needs and navigating the future. In 2014, sensing a change in customer expectations, OUC undertook an effort to reexamine each of the four strategic initiatives. We challenged our assumptions and the way we get things done in order to ensure that we were on the right path to achieve our vision of being the Best Utility in the Nation.

Although our foundational principles of competitive rates, outstanding reliability, environmental stewardship and quality customer service were still important, we realized there was a need for increased focus on sustainability. We could – and should – do more to weave sustainability through all we do. But that required a culture shift.

As a result, OUC has set out to transform ourselves from not just being *Reliable*, but being *Sustainable, Too!* This new definition of success will create a culture where the protection of our air and water is integrated into everything we do. And we want to instill a sense of purpose and passion for sustainability within our employees, customers, industry and community, encouraging both innovation and engagement.

Ensuring Diverse, Sustainable Customer Growth

Being sustainable is more than being green; it also means having the ability to be upheld at a certain rate or level. And despite the increasing pace of change in 2014, OUC has continued to perform at the highest level thanks to our solid financials. Both operating revenues and net income came in ahead of budget, with an increase in electric and water sales. In addition, two new Power Purchase Agreements with the City of Winter Park – up to 20 megawatts (MW) – and the City of Lake Worth – up to 31 MW – helped drive wholesale electric sales to new levels.

Strong customer growth returned as the Orlando region came roaring back with new construction permit requests increasing to levels not seen since 2006. This was good news for OUC, with a year that saw the completion of large-scale projects like the Dr. Phillips Center for the Performing Arts, a renovated Citrus Bowl and the addition of the Wizarding World of Harry Potter – Diagon Alley at Universal Orlando.

Helping Customers Be More Efficient

The growing number of new customers helped drive energy

consumption, and on August 21, OUC reached a new, all-time summer peak electric demand. The last summer peak was set in 2007; at that time, the average residential customer used 1,027 kilowatt hours (kWh) per month. Today, the average OUC customer uses just 907 kWh per month, which means that even though there are more customers, conservation and efficiency are making an impact on demand.

The fact that our customers are more cognizant of their consumption means they are looking for the next level of advice, products and services to help them save. This is great news for OUC on two fronts: first, customers are using energy and water resources prudently, and second, we have an opportunity to develop and nurture new revenue streams, especially in the commercial sector.

A Total Energy and Water Solutions Provider

Since the 1980s, OUC has been educating customers about how to use energy and water wisely. In 2014, thanks to our award-winning technology infrastructure upgrades and self-service channels, we continued to introduce sustainable features like the new online

OUC Commission 2014
front row, left to right:
Mayor Buddy Dyer,
Dan Kirby, AIA, AICP, LEED AP | President,
Linda Ferrone | First Vice President
back row, left to right:
Gregory D. Lee | Commissioner,
Ken Ksionek | General Manager & CEO,
Maylen Dominguez | Second Vice President



consumption dashboard, where customers can see their usage in daily and hourly intervals, as well as PowerPass, a pay-as-you-go program.

In order to be the Best Utility in the Nation, we must continue to provide these types of forward-thinking products and cutting-edge technology. From LED lighting to EV charging stations and innovative solar products, we want our customers to think of us first when it comes to sustainability.

Balancing the Potential Impacts of New EPA Rules

When it comes to environmental stewardship, OUC has always walked the walk, installing the latest technology in our power-generating facilities and exceeding all state and national standards. And we have supported environmental policies

that balance the health and welfare benefits of the environment with the need for affordable rates and reliability.

We are looking at the Clean Power Plan through that same lens. This far-reaching EPA Rule would directly impact rates, so we are working with our trade associations to communicate the rule's significant financial implications and are striving to find a middle ground that ensures a sustainable environment without overburdening our customers.

A Workforce in Transition

At OUC, we are also examining our workforce to ensure we have the training and tools in place to help our employees succeed no matter what the future holds. As our industry evolves, we're taking a holistic, "top-down, bottom-up" look at how our leaders can be more transformational

and how all team members can advance their careers in order for OUC to be positioned to excel.

At the end of the day, we all want the same thing – to ensure a healthy environment for future generations and provide essential services such as water and electricity that are affordable for all.

That's not only being *Reliable*; it's being *Sustainable, Too!*

Dan Kirby
Commission President

Ken Ksionek
General Manager & CEO

Achieving Prudent Growth

7.5 million
megawatt hours
total electric sales

All-Time
Summer
**Electric
Peak**

Per-capita power usage
decreased from
1027 kWh
to **907 kWh**
since 2007

Per capita water
usage among the
**Lowest
in State**

**OUC IS ON
A MISSION**

to make the City of Orlando the Greenest City in the Southeast. And we're making great strides every day.

Visualizing Sustainability, Strategically Driving a Cultural Shift

At OUC, incorporating sustainability into our culture is an ongoing process. So when we, as an organization, take a look 5, 10, 20 years down the road, it's important that we not only have a vision for the future ... but also that we have a well-defined road map to get us there.

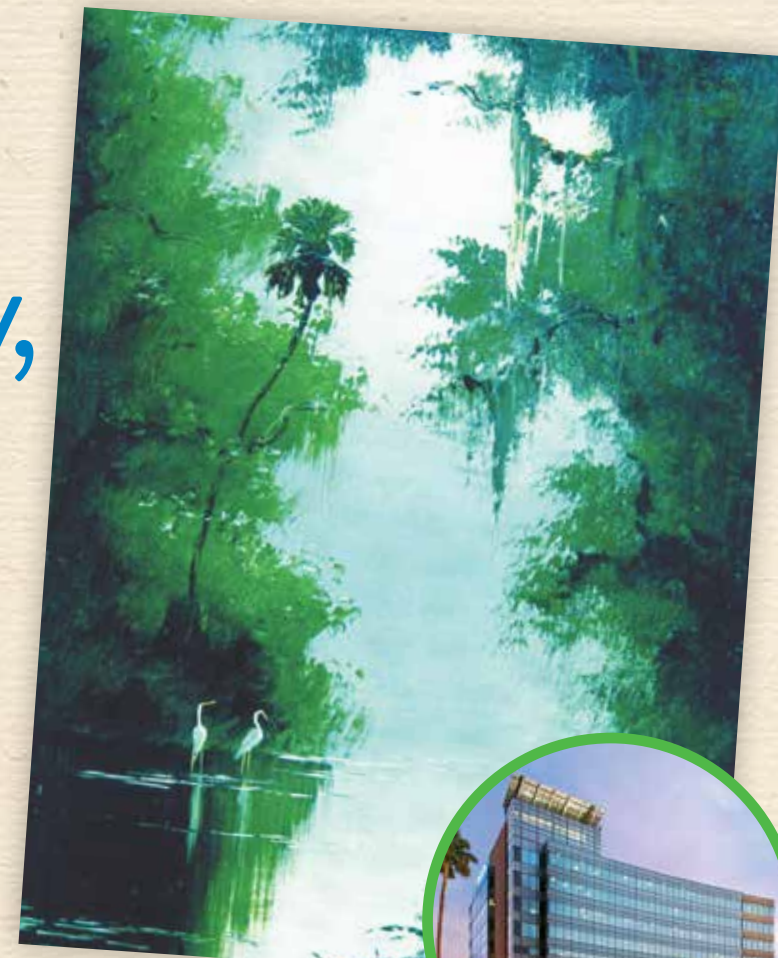
The Cornerstone of Our Strategy

Driven by our goal of powering the "Greenest City in the Southeast," OUC embraces sustainability at every level of our organization. While we have always exceeded compliance requirements regarding the environment, we realized that we still needed to do more. Our goal now goes beyond full compliance to full immersion – developing an internal ecosystem where the protection of our air and water is integrated into everything we do. To that end, we have updated our strategic plan to change the definition of success as it pertains to sustainability. As part of the plan's rollout in the summer of 2014, OUC commissioners participated in a sustainability workshop to provide input for our clean energy strategy. The new strategic plan will drive an organization-wide cultural shift – instilling a sense of purpose and passion for sustainability

and encouraging innovation and engagement among our employees, our customers, our community and the industry at large.

It's a Journey

What began in the 1980s with educating employees and customers about the importance of protecting and conserving vital resources has evolved into real-world innovation and technology that everybody can use. Along the way there were milestones: energy audits, rebates and incentive programs to encourage conservation ... services like OUConvenient Lighting and OUCooling ... electric vehicle readiness ... and our solar farm at Stanton Energy Center.



When you see Reliable Plaza – our Gold LEED-certified building in downtown Orlando – the message is clear: OUC takes sustainability seriously. The mural painted on the side of that building ensures that the pursuit of clean air and clean water is always top of mind.



Last year, after taking a good, hard look at what really matters to sustainably minded customers, employees and business partners, we mapped out a sustainability "journey" for each – as well as a direction for our organization to follow.

Now a thread that's woven throughout our decision-making, sustainability has become the business of everyone at OUC – and as important to us as reliability and affordability. It means we're doing the right things at the right time to pass on a healthy environment to generations that follow.

Providing Sustainable Products and Services

Creatively looking to the future, OUC is envisioning a landscape where our customers are partners in energy services – where we provide the tools and services they need as the market transforms. From mobile device charging stations at SunRail stops and at the airport ... to "hydration stations" delivering H₂OUC at Orlando's parks ... to solar bus shelters ... we're imagining a future where a sustainable OUC is everywhere.



Solar Bus Shelter



Electric Vehicle Charging Station



Solar Sculpture



Hydration Station



Gamification

All Charged Up

About Solar and EVs

As an early adopter of plug-in electric vehicles (EVs), OUC helped Orlando achieved its #9 national ranking for EV readiness. And we've been out in front on solar, too – with installations throughout our service territory. But we're not resting on our laurels ... we are moving forward with more community solar farms and electric vehicle charging stations, along with other innovative green technologies to champion sustainability for all.

Plugging into the Solar Socket

OUC has teamed up with Infinite Invention, a Virginia-based startup, to research and develop Solar Socket – a high-tech gadget that can make residential rooftop solar faster and cheaper, and give utilities more control of the electricity produced. We're currently monitoring 10 installations equipped with ConnectDER (DER stands for Distributed Energy Resources), a device that feeds solar electricity directly into the meter case, eliminating the costly wiring typically used in solar installations. Our team is analyzing performance data to determine the financial and environmental benefits of this product. If successful, OUC will consider equipping another 20 to 30 locations with an even more advanced Solar Socket that will allow us to monitor and control the amount of solar electricity flowing onto the grid via wireless technology embedded in the device.



The new ConnectDER device (inset at right) will make the set-up of rooftop solar arrays faster and cheaper, thanks to a ring that fits between the meter and the electrical panel that eliminates the expensive wiring of typical installations.



THE OUC FLEET: Driving Innovation Every Day

Battery-Powered Bucket Trucks Energize the OUC Fleet

Last year, the OUC fleet introduced three new battery-powered bucket trucks. On the road, these vehicles run on diesel-powered engines, but at the jobsite, everything from the boom to the A/C will be powered by lead acid batteries that recharge overnight. And we continue to test new technologies and seek new ways to support our sustainability goals including lithium batteries and alternative fuels like compressed natural gas and propane.

New Ford Hybrid Plug-in Pool Car at Reliable Plaza

OUC also purchased a Ford C-Max Hybrid for exclusive use as a pool vehicle. About 300 employees work at Reliable Plaza downtown, and some of them need to travel to OUC's other facilities. The C-Max is advertised to get 42 MPG in city driving and 37 MPG on the highway. The vehicle pool also includes Chevy Volts, Ford Fusion hybrids and Nissan Leafs.

Fleet Pushes Sustainability by Testing New Electric Vehicle Technology

Last August, Nissan used OUC as a testing ground for its new state-of-the-art, all-electric van. With a range of about 65 miles, all driven quietly and carbon free, the van delivered OUC inter-office mail during the test. Data collected will help OUC and Nissan decide on the next generation of sustainable vehicles.

OUC is helping Nissan test its new state-of-the-art, all-electric van. The van will be used mainly for local travel and inter-office OUC mail routes.



The Nation's Fastest EV Chargers

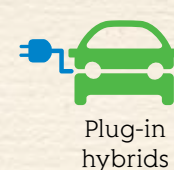
Harnessing the power of solar energy, OUC has installed five of the country's fastest electric vehicle (EV) chargers at Reliable Plaza, Gardenia, Orlando Chamber of Commerce, Rosen Shingle Creek and the UCF College of Medicine. These 40-kW, super-fast chargers (the plug itself weighs several pounds and the cord looks like a fire hose) are capable of charging a Nissan Leaf from nearly zero to 100 percent in 30 minutes or less – exciting news for EV owners accustomed to longer wait times. By comparison, the smaller, 110-volt Level 1 chargers can take all day – and the stepped-up, 220-volt Level 2 devices can take more than four hours.

Sheila Rivera, Conservation Coordinator, helped install 140 EV chargers, now in use, solidifying our 9th-place ranking for EV readiness, as rated by the U.S. Department of Energy.

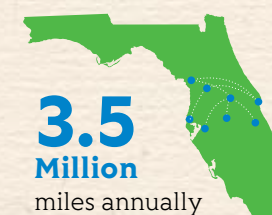


Our fleet of **462** vehicles reduces our carbon footprint and drives innovation.

Includes:



Travels:



Uses:

Alternative fuels such as biodiesel and recycled automotive products



Reduces:

Carbon footprint



Optimizing a Quality Customer Experience

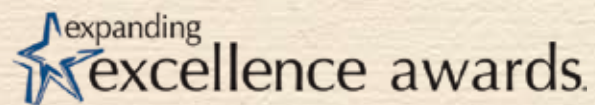
With New Technology



OUC has always been ahead of the curve in providing our customers with reliable, cost-effective and sustainable solutions. That innovative thinking has paid off – and in 2014, we were recognized industry-wide for having the best and most advanced smart-grid infrastructure in the nation. With both digital electric and water meters, customers can now view their consumption in daily and hourly intervals and make usage decisions accordingly. At the same time – by investing in new technology and upgrading existing systems – OUC is making sure that our employees continue to work smarter and more efficiently, too.

Expanding Excellence on the Smart Grid

CS Week and *Electric Light & Power* magazine gave OUC its prestigious “Expanding Excellence Award” for Best Smart Grid Infrastructure in the Large Utility category, which involved North American utilities with more than \$500 million in revenue. The award recognized OUC’s innovative, low-cost and comprehensive Meter Data Management project, the acceleration of digital meter deployment, and the ability for customers to make real-time payments from hundreds of new locations. OUC’s smart grid gives us more information about electric usage and paves the way to providing enhanced consumption information to the customer.



Line Technician William Gay, connects a new digital electric AMI meter for a residential customer.

Fully Deployed Digital Electric Meters

At OUC, we take pride in exceeding customer expectations. We installed 229,000 digital electric meters in just 12 months, well ahead of the planned 24-month schedule. OUC crews then set their sights on installing digital water meters and are at 95% completion. These new digital meters capture data in real time and provide instantaneous feedback to OUC’s dispatch center on the status of a customer’s electric and water connectivity. They also give our customers the information they need to make smart decisions.

Meter Data Management – the Best in the Nation

OUC’s recent Meter Data Management (MDM) project – which provides real-time interval data from the recently installed digital meters – was not only the nation’s most advanced, it was also the least expensive on a cost-per-customer basis. The system enables:

- Real-time connection and disconnection
 - Automatic turn-ons and turn-offs
 - Pre-paid functionality for customers
- MDM data will also support future programs related to time-of-use pricing and demand response.

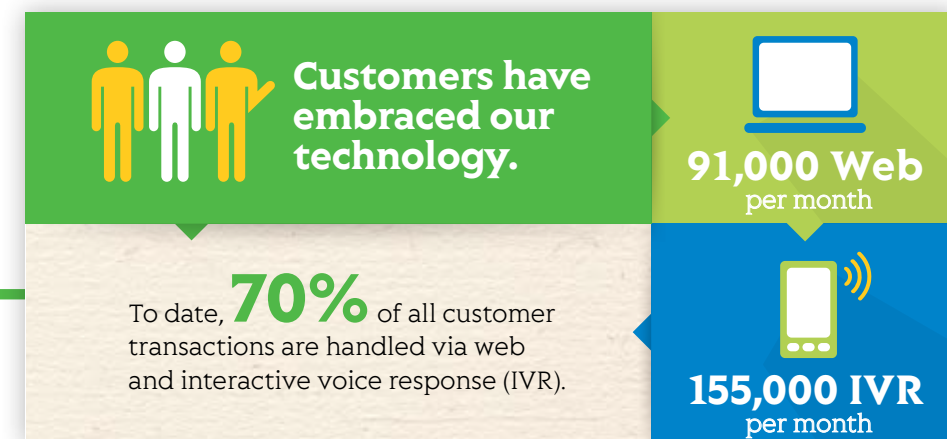
Intelligent and Actionable Data Analysis

Our cloud-based data analytics service, DataRaker, went live in May 2014, providing OUC with a secure, scalable platform that synthesizes digital meter data, voltage levels, outages and alarms. DataRaker also:

- Examines patterns of data that can identify defective or improperly configured meters or even theft
- Improves first-call resolution and customer satisfaction by providing access to the customer’s user interface
- Spans multiple business units including Meter Operations, Revenue, Billing and Customer Service

Commitment to Ensuring Cyber Security

In today’s ultra-connected world, it’s not just hurricanes or summer storms that can cause major disruptions to the power grid or water distribution system. At OUC—The *Reliable One*, we are constantly on guard to protect our resources and our customers from sophisticated cyber-criminals, some of whom have already interfered with other utilities. OUC’s IT experts, led by our Security Administrator, monitor internet activity around the globe, 24 hours a day, while working to harden our defenses against unrelenting cyber-attacks.



Making Change Happen, Generating Business Results

When it comes to sustainability, success can't be measured just by the number of programs and services OUC offers – but, rather, are they truly making a difference? Data indicate that per capita usage has decreased. To continue moving the needle and empowering more informed choices, OUC launched two key customer-focused products in 2014.

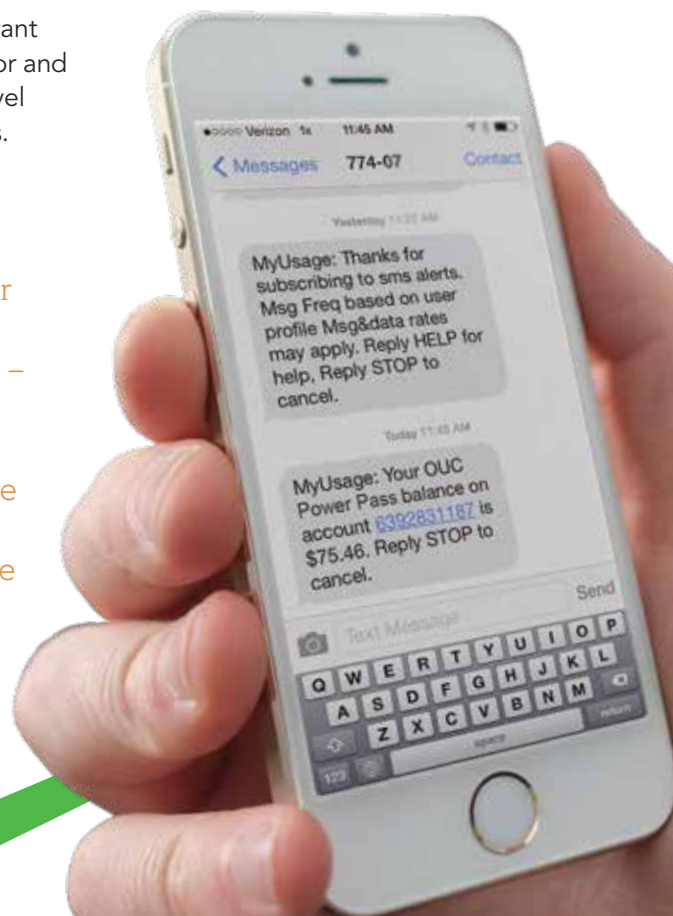
Power Pass: A High-Tech Way for Customers to Control Energy, Water Usage

To make it easier than ever for customers to stay current on their bills, OUC launched Power Pass, a new prepaid pay-as-you-go program for utility services. Instead of getting a monthly bill, Power Pass customers can monitor their electric or water usage daily from a computer, tablet or smartphone – paying when they want, how they want and the amount they want ... online, by phone or in person at over 500 locations around town, including convenience and grocery stores. When consumption is getting high, Power Pass alerts are sent via email.

Power Pass is ideal for a variety of customers, including those who: want to avoid paying deposits and late fees; like the opportunity to monitor and control their utility usage; split their utility bill with roommates; or travel frequently and don't consume electricity and water on a regular basis.

“I work long hours driving a taxi, and I'm the caregiver for my young grandson. Money is often tight for our family, and it's easier for me to pay a little bit at a time – especially during the summer, when the bills are larger. Power Pass has given me breathing room and taken the stress off my shoulders. I get a text message when the account balance is low, and it's easy for me to add funds to tide us over. Power Pass has also made me more mindful of my electric usage, so I've been able to conserve energy. Since joining the program, I've cut my utility bill by about a third.”

— Angela, OUC Power Pass Customer, Orlando



The new usage dashboard is accessible from a range of devices and provides high consumption alerts via email.

OUC Usage Dashboard Encourages Conservation

Digital Meter technology allows customers to monitor consumption on an hourly basis instead of waiting until the end of the month to receive their bills. The ability to see usage patterns and make adjustments to lower energy bills was one of the items most frequently requested by OUC customers. To accommodate their needs, we released the new OUC Usage Dashboard in October 2014 to nearly 20,000 residential customers in an effort to test the program before the full rollout at year-end. Because the new system also provides high-consumption alerts via email, changes in usage can be made immediately, and costs can be kept in check.

“I was experiencing a high water bill, but I didn't know why. Checking the OUC Usage Dashboard revealed that there was clearly a day when my water usage spiked and continued to increase. Without the Dashboard providing daily reads, I would have never noticed the pattern or identified the problem. OUC sent out a representative who inspected my entire home and yard and found that there was, in fact, a break in my water line at the meter. The Dashboard saved me time and helped me avoid costly recurring bills. I'm very pleased with the impressive service and resolution.”

— Bryan, OUC Electric & Water Customer, Lake Nona

1,800+ residential customers have enrolled in Power Pass... **with a goal of...** **5,000** customers enrolled by October 2015.

Committed to Excellence

In Customer Service

As a customer-focused organization, OUC is committed to providing the highest level of service across the spectrum. From apartment dwellers to homeowners and from small businesses to large corporations, we know that “one size does not fit all,” and we tailor our approaches accordingly – fielding teams of experienced professionals equipped to find solutions.

Personal Service for Every Type of Customer

Designed to assist mid-sized and large commercial customers, OUC's new Business Service Center connects customers with dedicated representatives who have in-depth, industry-specific knowledge ranging from hospitality to transportation. Taking a personal, individualized approach to service, this new team advises and assists customers with simple day-to-day issues and bigger, more complex matters, like how to find savings through energy efficiency and water conservation.



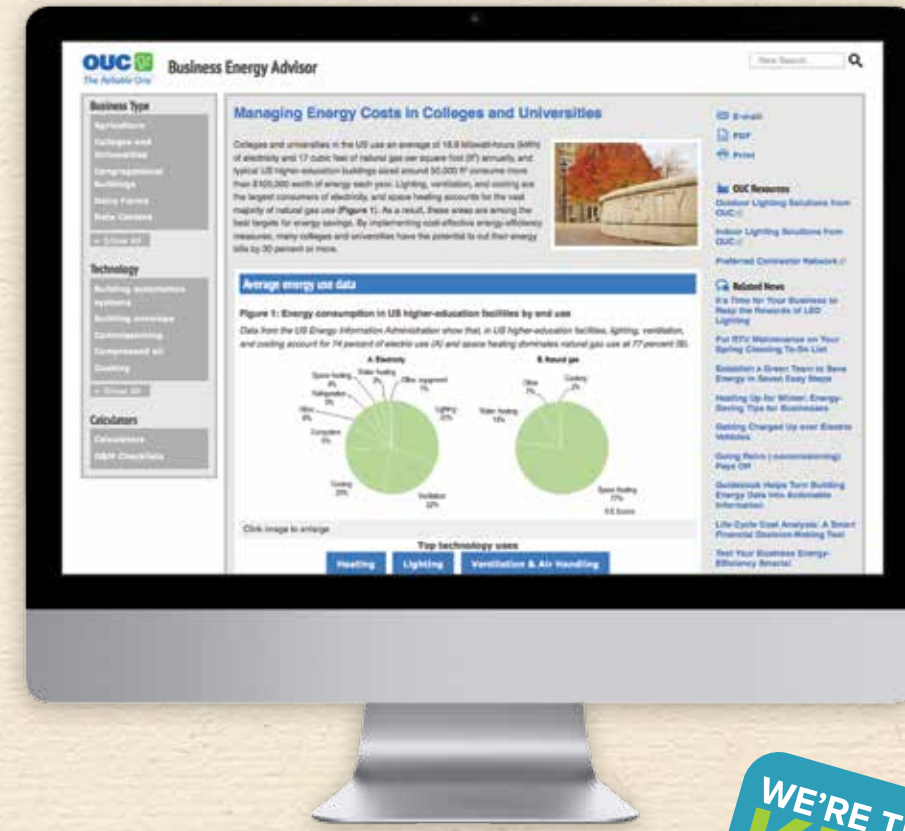
Large Commercial Customer Service

To ensure that our largest commercial customers receive the highest level of personal service, OUC assigns Key Account Representatives and also pairs them with an OUC Vice President, who serves as an ambassador to the companies' chief executives. We also maintain multi-level relationships with our most strategically significant customers through the OUC Ambassador Account program.

Customer Resolution Team

When residential or commercial customers have a problem that can't be solved quickly – or involves more than one department – OUC assigns the right people to the task. Our Customer Resolution Team comprises well-seasoned, specially trained advocates who serve as a single point of contact to effectively resolve even the most complex issues.

Maria Scott, Work Management Administrator, and Alex Rivera, Customer Resolution Advocate, research a customer account as part of the Customer Resolution Team.



A Powerful Strategic Ally

Proactively offering commercial customers energy solutions that enhance efficiency and boost profitability, OUC can be a powerful strategic business ally. We offer a full complement of commercial programs that range from OUCooling and OUConvenient Lighting to indoor lighting, efficiency incentives, energy and EV charging station rebates, small business efficiency, LEED certification assistance and solar.

In terms of customer service, OUC's Business Service Center – designed to assist mid-sized and large commercial customers – features dedicated representatives with in-depth knowledge of industry areas ranging from hospitality to transportation. For builders and developers, we provide a preferred contractor network, as well as guidance and utilities coordination during the development phase.

In addition to a Business Energy Survey, online tools include OUConsumption Online, which enables customers to get personalized insight into energy load.

Business Energy Advisor

To help commercial customers make smart energy-related decisions, OUC launched the Business Energy Advisor (BEA) micro-site in 2014. This online, interactive resource is a one-stop shop for ways to save money on electric bills. BEA features an online library with information on a variety of topics – including equipment-buying, maintenance tips and low-cost solutions.

Customers can tailor their searches to specific industries, ranging from education to manufacturing, hospitals, hotels and more – where they can learn about energy consumption and load profiles for facilities similar to theirs.

The website includes calculators and checklists to help customers determine how much they'll save by upgrading equipment. Links are provided to OUC rebate programs and relevant news articles. And there's even a benchmarking function that enables users to zero-in on the most energy-intensive areas of their business.



OUC's Business Center is “The Key to Success” for businesses big and small. Our personalized service and robust online resources open the door to greater efficiency, bigger savings and better performance.

Helping Our City with Innovative, Sustainable Services

From sports projects and LED streetlights to solar arrays illuminating art installations, OUC is helping customers shine brighter and smarter with industry-leading innovations such as OUCooling and OUConvenient Lighting. We were ahead of the curve when we introduced these services nearly 17 years ago – but we’ve continued to refine and enhance them as customers’ needs changed. Today, these customized solutions not only help businesses enhance efficiency, reduce costs and promote sustainability ... they’ve also become a recurring revenue stream for OUC.

Cooling the Hottest New Places in Town

Our innovative OUCooling central chilled water service operates independent districts with a combined subscribed capacity reaching nearly 50,000 tons and an annual energy production of over 126 million ton-hours. Our newest chilled water customer, the Dr. Phillips Center for the Performing Arts, joins the Amway Center on a growing list of entertainment facilities that rely on OUCooling to enhance air-conditioning efficiency and sustainability. OUCooling Service experienced record revenue in 2014 of \$31.6 million and operates at an average reliability of 99.99%.



OUCooling Director Erick Rocher led the strategic planning and implementation of OUCooling at the Dr. Phillips Center for the Performing Arts, a 330,000-square-foot architectural masterpiece expected to use about 650 tons of chilled water.



Changing the Game in Lighting

For years, OUC has provided and maintained the lighting for Orlando’s legendary Citrus Bowl and UCF’s Bright House Networks Stadium. With the construction of major projects in town, OUConvenient Lighting has an opportunity to lead the way in exterior lighting.



Vernon Ford, OUC Lighting Manager, is committed to finding creative solutions for lighting customers. And nowhere is his creativity and expertise more evident than at Orlando’s Citrus Bowl, which underwent a multi-million dollar renovation to make the new facility more efficient and appealing for the two college bowl games held annually – Russell Athletic Bowl and The Buffalo Wild Wings Citrus Bowl.

LED Lights Lead to Big Savings



OUC is making great strides on the City of Orlando’s Public Safety Light Plan.

- **16,000** street lights to be converted to LED within 5 years
- **\$300,000** annual savings
- **50%** reduction in energy consumption

Phase 1 was completed ahead of schedule, with 4,000 LED streetlights installed to date. We’re also working closely with the city on several roadway/infrastructure improvements that will benefit Orlando City Soccer, the Citrus Bowl, Obama Parkway and the Church Street Streetscape Improvement Project.

A Team Dedicated to Being a Total Energy and Water Solutions Provider

When you stake your reputation on being “The Reliable One,” you better have a team of dedicated experts who are committed to ensuring that customers receive the best service possible and that innovation is happening at every level. The OUCooling and OUConvenient Lighting teams include highly trained experts who help design and deliver optimal solutions for each individual customer. They work tirelessly to deliver innovative ideas for those looking to build or develop in the greater Orlando area. With people like this, it’s no wonder OUC is key to helping our community grow.



Solar Arrays Put Public Art in the Spotlight.

OUC helped the City of Orlando provide lighting solutions for an outdoor public art project known as “See Art,” installing solar arrays at Lake Eola to offset the cost of illuminating the sculptures.

Infusing Sustainability into Economic Development

From tourist destination to hot new business location, Orlando has undergone a radical transformation over the years. With our increasing emphasis on recruiting, retaining and expanding commercial customers, OUC has become a major player in the region's economic development. Working in partnership with Enterprise Florida, the Metro Orlando Economic Development Commission, and city and county governments, we are attracting more companies to Orlando and helping them grow into vital and valuable members of our business community.



In 2014, OUC played an integral role in bringing the United States Tennis Association (USTA) to the region. The USTA is building a \$60-million, 63-acre training complex in Lake Nona, featuring 106 tennis courts. The project will create up to 200 jobs.

New Rate Riders Promote Economic Development

In 2014, OUC adopted two new rate riders – in line with those offered by other utilities in the region – aimed at attracting robust businesses that will enhance the vitality of our community. For large power users who qualify, OUC is able to negotiate our already-affordable rates in order to fit their business needs.

Commercial Industrial Service Rider (CISR)

- Must have minimum load of 2,000 kW or greater, served by a single meter
- Must provide validation of a lower rate offering outside OUC's service territory

Economic Development Rider (EDR)

- Available to new or expanding businesses representing select target industries
- Must add a minimum of 500-kW demand of new electric load
- Must create at least 25 new jobs at or above the 150% median income level

Creative Village and Downtown Expansion

To foster this emerging growth sector, UCF has announced plans to develop a new downtown campus on 68 acres just west of I-4 that will make up Orlando's new Creative Village.



The new modern interior of Canvs' co-working space is inviting technology companies and start-ups to walk through the historic Church Street Exchange doors (inset at right).

Tracy Hougham Photography

Along with Valencia College, UCF wants this \$200 million project to accommodate 13,000 students and 1,900 employees by 2019. According to an economic study, construction alone would create more than 4,000 jobs worth about \$255 million in wages and salaries. OUC will play a vital role from the onset, providing guidance on sustainable energy and water solutions. Other downtown expansion projects benefiting from OUC's services include the new Major



League Soccer stadium, the Citrus Bowl expansion, the Dr. Phillips Center for the Performing Arts, and soon, the Orlando Magic's planned entertainment complex.

Transforming Orlando History into a High-Tech Haven

The Church Street Exchange was built as a boutique shopping mall, food court and game arcade back when busloads of tourists still flocked to downtown Orlando. Fast-forward almost 30 years to its rebirth as Canvs, a high-velocity co-working space populated by aspiring tech entrepreneurs – many of whom weren't even born when the Exchange opened. More than 45 high-tech startups have re-energized the space – working to brand Orlando as a red-hot high-tech hub. OUC—The Reliable One is powering these young visionaries to success.

Conceptual model for the downtown UCF campus



Orlando: A High-Tech Hub in the Making



TECHNOLOGY
Orlando leads the nation in entertainment and simulation technology



1 in 7
downtown employees holds a tech-related position



500,000
college students within 100 miles

Achieving Long-Term Sustainability Through New Sources of Revenue

For any business, long-term sustainability means financial stability – so, at OUC, we are vigilant about developing new sources of revenue to ensure that we remain viable for years to come. This is particularly critical in a changing marketplace, where the dynamics of energy and water usage are constantly evolving. Proactively mitigating against these changes, OUC has negotiated new Power Purchase Agreements with neighboring communities – while implementing new technologies at our plants to enhance efficiency and lower costs.

OUC Now Powering Winter Park

Now in the second year of a six-year Power Purchase Agreement and a 20-year Interconnection Agreement, OUC is providing 20 MW of electricity to the City of Winter Park, our neighbor to the north. This was made possible by a direct distribution connection to the OUC grid, via two distribution feeders extending from the Bennett Substation and utilizing an existing manhole and duct-line system through Baldwin Park.

The agreement was the culmination of a cooperative effort on the part of OUC's Electric & Water Production and Delivery teams, who provided Winter Park – which has operated as a municipal utility since 2005 – with an innovative solution to a portion of its power supply needs.

After Winter Park City Council approved the agreement in August of 2013, OUC engineers and linemen quickly got to work on both underground and overhead lines at the same time, completing

both portions in 16 weeks. The permanent cutover to OUC's feeder off Lakemont Avenue took place on December 31, 2013.

In addition to Winter Park, OUC also has Power Purchase Agreements with three other communities. In 2014, OUC also began providing up to 31 MW of power to Lake Worth. That's in addition to existing agreements with Bartow and Vero Beach, which send up to 149 MW.



OUC employees Rick Taylor, Mike Foley, Richard Ogburn, Ken Zambito, Melvin Liwag and Garry Guwa joined several techs from Winter Park's Electric Utility as the transfer switch was flipped.

Power Purchase Agreements

OUC has new sources of revenue through Power Purchase Agreements with four neighboring communities.



WINTER PARK

Effective 2014

Up to 20 MW of OUC power via two new distribution feeders



LAKE WORTH

Effective 2014

Up to 35 MW down 185 miles of transmission lines from the Stanton Energy Center



VERO BEACH

Effective 2010

92 MW to serve the city's 34,000 customers.



BARTOW

Effective 2011

57 MW to 11,000 residential and commercial customers



OUC's Reliable Generators Create Increased Revenue

OUC has some of the best-maintained coal and natural gas units in the country, with some of the lowest levels of forced outages. The generation at Stanton Energy Center doesn't just power homes and businesses across Orlando and St. Cloud. It also helps keep the lights on in four Florida cities and, in times of extreme need, can keep the heat flowing to locations as far away as New Jersey. To keep Stanton's units operating as efficiently as possible, it takes a dedicated team of technicians, mechanics and engineers, as well as a skilled power marketing group to work with local governments to secure Power Purchase Agreements.

In February 2014, when power demand in New Jersey, Pennsylvania and Maryland spiked due to extreme cold, OUC was able to "wheel" the power through various transmission lines to keep those grids online. In 2014, we also sold power to the other members of the Florida Municipal Power Pool, to which we belong. Stanton Energy Center was able to step in and step up generation to provide the additional power needed. In FY 2014, wholesale profits were \$22.5 million.



Project Engineer Eric Costello (from left) and Plant Operator Richard Zayas monitor the fuel mix inside the Stanton Energy Center Control Room.

Diversifying Our Supply and Expanding Our Reach

ELECTRIC PRODUCTION

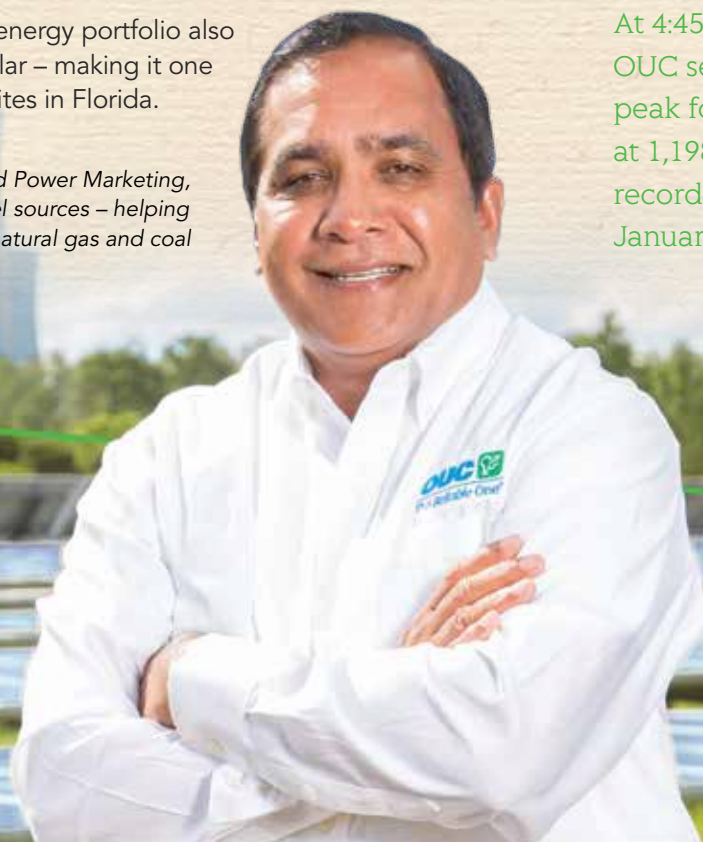
Our customers expect consistent, reliable service from their hometown utility – and for more than nine decades, OUC has produced. And we've been able to do it sustainably ... by diversifying energy resources, being good stewards of the environment and protecting precious natural resources.

Electric Production and Delivery Work Together to Diversify Fuel Supply, Adding More Landfill Gas to the Portfolio

Leveraging the strengths of both Electric Production and Electric Distribution, OUC continued to diversify our portfolio in 2014. We negotiated with a landfill in remote Osceola County to purchase a minimum of 9 additional MW of methane gas energy that could grow up to 25 MW over the life of the project. To connect to this new resource, OUC is building a direct electric distribution line between the landfill and our St. Cloud substation 18 miles away. This will be, by far, the longest feeder line in our distribution system. Combined with our successful landfill gas partnership with Orange County, we will receive up to 22 MW of landfill power from gas at SEC, one of the largest amounts in the state.

In addition to landfill gas, SEC's energy portfolio also includes natural gas, coal and solar – making it one of the most diverse generation sites in Florida.

Claston Sunanon, Director of Fuel and Power Marketing, is dedicated to diversifying OUC's fuel sources – helping us harness solar energy, landfill gas, natural gas and coal to provide reliable, affordable energy.



Enhancing Stanton's Zero Liquid Discharge System

It takes millions of gallons of water to cool a power plant. Unlike many, SEC is not located near a major water supply. So, OUC struck a deal with Orange County to use reclaimed water from a wastewater treatment facility. This water is treated again and recycled during power production – no water is released into the environment.

Also in 2014, OUC completed a large expansion of the coal residual landfill at SEC and enhanced its zero liquid discharge storm water management system. Thoughtful changes allowed us to improve SEC's on-site water discharge through the plant's scrubbers that turn water into steam.

Setting a New Peak.

At 4:45 p.m. on August 21, 2014, OUC set an all-time summer peak for electricity demand at 1,198 MW, surpassing a record set in a cold snap in January 2010 of 1,191 MW.

OUC Water is Tops in Taste

OUC was voted the "Best-Tasting Water in Central Florida" by the Florida Section of the American Water Works Association, beating 12 other water utilities.

How OUC surpasses all federal and state requirements for water quality:

- 20,000 chemical and bacterial water quality tests each year
- 135 regulated and unregulated substances tested for annually
- 100% maintained at allowable levels

Jaritza Pluguez, Chemist, plays a major role in ensuring H₂OUC surpasses all water quality standards.



WATER PRODUCTION

Delivering nearly 28 billion gallons of water annually to customers across a 200-square-mile territory, OUC water service is sustainable, affordable, reliable and unbeatable.

The Science Behind Award-Winning Water

In 1997, OUC was one of the first water utilities in the region to use what was then state-of-the-art ozone generation. The powerful oxidizing capability of ozone helped an already naturally clean water supply become a pristine resource enjoyed by nearly a half million people in our service area. Ozone not only ensures water safety, it also removes the musty odor associated with groundwater that originates as far as 1,500 feet below the surface in the Lower Floridan Aquifer.

Upgrading Ozone Generators to the Latest Technology

Today, neighboring utilities use the process that OUC perfected at our seven water treatment plants. Twenty ozone generators processed nearly 28 billion gallons of water last year. In 2014, we began upgrading our latest water treatment plant – the Southwest plant in the Dr. Phillips area – with the latest ozonation technology. The \$11.3 million worth of upgrades will bring efficiencies that will yield yearly cost savings.



Upgraded ozone generators at the Southwest Water Treatment Plant are the first in a series of improvements to the system.

After 91 Years, Still The *Reliable One*

Over the past century, as Orlando evolved from a small town into a bustling city, OUC has consistently delivered dependable and affordable electric and water services. In fact, when it comes to utility reliability, we've set the industry standard for over 16 years. And as the latest numbers show, we're still number one.

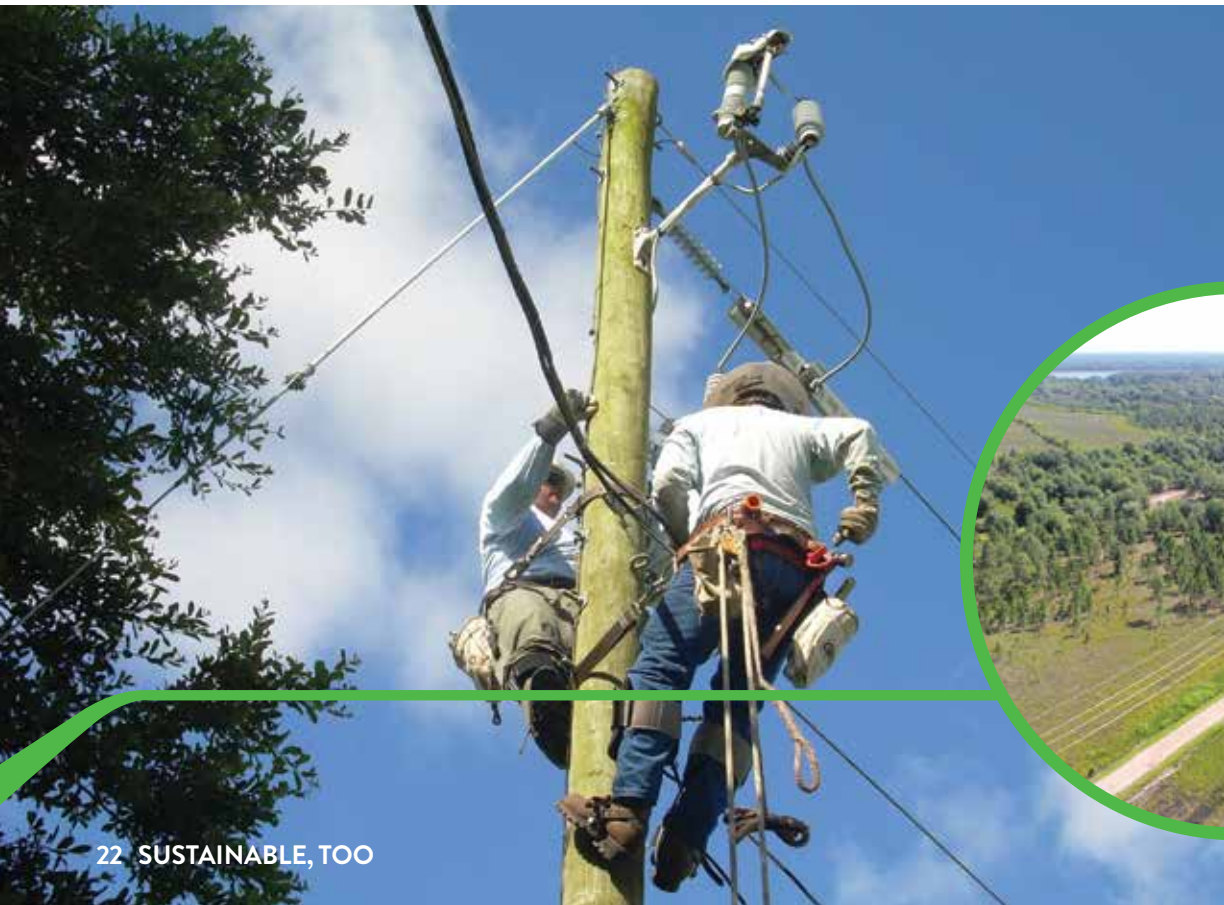
ELECTRIC DELIVERY

OUC/Osceola Partnership Improves Transmission Corridor

Florida's unique landscape can make the transmission of power from source to consumer particularly challenging. A perfect example is in Osceola County just east of St. Cloud, where a mix of lakes, wetlands and swamps is home to several species of birds, snakes and other critters.

In 2005, OUC began working closely with Osceola County on the permitting process to build a new access road to 7.5 miles of a 69,000-volt transmission line built 25 years ago. Before the road was built, OUC could access only about 25 percent of the transmission line with ease. Over the course of about 15 months, the contractor hauled in about 8,400 dump-truck loads of dirt and 950 loads of rock to build the road.

Today, OUC has a clear path to perform vital system maintenance along the entire corridor. As a bonus, the project also created a new floodplain habitat for wading birds and provided additional fire lines for forestry crews. Enhanced reliability for our customers and an improved conservation area for wildlife – that's a win-win for OUC customers and the residents of Osceola County.



An aerial view of the new Osceola County transmission line.



Water Tech Brian Blake prepares a section of distribution pipe for installation as Water Distribution Supervisor Tonney Preston looks on.

WATER DELIVERY

24/7 Water Main Reliability

OUC customers enjoy water distribution reliability – as measured by main breaks per miles of pipe in the system – well below the industry average. OUC has a five-year rolling average of .08 breaks per mile of pipe, a number that continues to trend downward.

To put those statistics in a real-world scenario: When a car collided with a postal truck on Dr. Martin Luther King, Jr. Day and took out a fire hydrant on a busy street, OUC crews headed to the scene. The force of the collision was enough to rip the hydrant away from the 16-inch water main that's more than four feet underground. With the street closed to traffic for several hours, Water Distribution crews, many of whom were called in on their day off, raced to keep residential and commercial customers in the nearby city of Edgewood from losing water service.



RELIABLE WATER

When compared to the national benchmark, OUC water mains rank as better maintained and in better condition than utilities around the country.

(American Water Works Association)

Water Tech Terrance Roberson, Jr. is right in the middle of the action during a large-scale water main break along Orange Avenue. He and the rest of the OUC Water Crew worked quickly to repair damages so that traffic was not delayed.



Expanding Our Power Educating Decision-Makers

When it comes to environmental stewardship, OUC leads by example. From our LEED Gold and Florida WaterStar-certified Reliable Plaza – “The Greenest Building in Downtown Orlando” – to power and water plants that exceed all state and national standards, OUC strives to ensure a sustainable environment without over-burdening customers. OUC subject-matter experts work to educate and encourage policy-makers to effect positive change while preventing legislation that would be detrimental to our customers from becoming law.



OUC's water conservation projects are superior to any other utility in the state and have been noted by the Florida Department of Environmental Protection, as well as the St. Johns River Water Management District.



CUP at Indian River Plant Extended

This year, the state extended the Consumptive Use Permit (CUP) at OUC's Indian River Plant by 20 years. This historically significant 820 million gallons a day (MGD) was once needed to pull water from the Indian River Plant – built by OUC in 1960 – to cool the steam turbines that were used until 2009 by Reliant Energy. OUC repurchased the plant in 2011 for a fraction of what we sold it for in 1999. But protecting the permits for both power and water use preserves OUC's flexibility for the next generation of production technology. OUC was able to self-perform the permitting process in-house, saving ratepayers money and keeping OUC's options open.



New Sunshine Law Requirements Support OUC Due Diligence

In any given year, OUC is approached with ideas for new technology, business advances and growth opportunities. Since almost all information presented to OUC is subject to Florida's Government-in-the-Sunshine Law, our ability to thoroughly vet these proposals in the past was limited.

With support from the First Amendment Society of Florida, the state legislature agreed to amend the law to protect municipal utilities such as OUC from disclosure while conducting due diligence to determine if a proposed concept or business venture benefits ratepayers. Should OUC, or any other Florida municipal utility, agree to move forward with a new idea, all background documents are then subject to Sunshine Law requirements.

OUC Ensures That Our Voices are Heard and Our Needs are Met

A vocal advocate for our industry as well as our customers, OUC continues to foster government relationships in an effort to prevent detrimental legislation from becoming law, while advocating for positive change at the same time.

Pushing for Compromise on EPA's Clean Power Plan

Actively engaged at the national level, OUC is a resource for congressional committees regarding the impact of potential legislation and agency actions. One such example is the proposed Clean Power Plan, an effort by the Environmental Protection Agency that would reduce carbon emissions but lead to big rate increases for OUC customers. By working with our trade association partners, we hope to reach an agreement with those affected and the U. S. Environmental Protection Agency on an approach that meets their goals in a timely manner, promotes sustainable approaches to reduce the output of CO₂, and limits the fiscal impact to OUC ratepayers.

Avian Protection is a Priority

The American Bald Eagle has staged a huge comeback in Central Florida. In 1973, just 88 nests remained in the state, but that number has blossomed to over 1,500 today. OUC's service territory along the shores of Lake Tohopekaliga is home to one of the densest Bald Eagle populations – and the density, along with the population, is rapidly growing. Developing one of only a handful of Avian Protection Plans in Florida, OUC's environmental, engineering and line crews have identified the highest-risk areas and mitigated that risk by putting in place “avian safe” protection applications to further protect this cherished symbol.



Making Drivers “Move Over” for Utility Crews

Florida expanded its “Move Over Law” to include utility vehicles restoring electric or water outages along the roadway. Now, OUC crews will be afforded the same protection as emergency responders, meaning motorists will have to slow down or move over one lane.



Stanton Energy Center (SEC) operates state-of-the-art pollution control equipment to remove pollutants. Air sampling has shown that SEC's emissions are among the lowest of any coal-fired plant in the nation.

Putting a Face on Community Outreach

As Orlando's hometown utility, OUC is committed to helping our community in many ways. Whether through board involvement, support or employee volunteerism, individuals and organizations know they can rely on us when it matters most.

Our Impact at a Glance:



400

Supported 400 Nonprofit and Business-based Organizations

150

Participated in or Organized 150 Community Events

10,000

Volunteered 10,000 Hours through Our Proud Volunteer Program

Sustainable, Reliable and Rideable

As the first corporate sponsor of Orlando Bike Share – a new service that uses mobile technology to let people rent bicycles from various stations across downtown – we like to say that OUC is now sustainable, reliable and rideable, too. At Reliable Plaza on West Anderson Street, bikes are available 24/7 for hourly rental, perfect for a lunch trip to Lake Eola or off-the-beaten-path urban exploration. Tying in with the city's green initiatives while encouraging fitness and fun, Orlando Bike Share is a natural fit for OUC's community outreach efforts.

OUC Commissioners including: Mayor Buddy Dyer, Linda Ferrone, Dan Kirby, Greg Lee and Maylen Dominguez push their support of sustainability and lead riders at Reliable Plaza's Bike Share opening.

Cultivating a Diverse Community

OUC is proud to support a diverse group of business chambers in both Orlando and St. Cloud, including: Hispanic, African-American, Asian, Caribbean, Disability and LGBT. We are also actively involved with economic gardening organizations such as GrowFL, National Entrepreneur Center, Hispanic Business Initiative Fund, Black Business Investment Fund, Athena and iSummit. OUC helped power iSummit Orlando, a collective of tech experts, entrepreneurs, and tech industry leaders fueling the explosion of high-tech startups in the region.



Students are learning about sustainability from a hands-on curriculum that entails projects like constructing a building with a green roof.

OUC Helps Teach Sustainability and Encourages STEM Curriculum

OUC partnered with the Orlando Science Center to develop Project AWESOME, an educational program for fifth grade students to encourage good conservation habits at an early age. Since its inception in 2009, AWESOME (Alternative Water & Energy Supply, Observation, Methods & Education) has reached more than 40,000 students – teaching them respect for the environment and how to incorporate conservation in their daily lives while fostering a love for science and technology. OUC's participation was recognized with the 2014 Best in Class – Large Utility Award from the Florida Section of the American Water Works Association.

OUC had a strong presence at the annual meeting of the Hispanic Chamber of Commerce of Metro Orlando.



Putting a Face with the Name

Any utility can buy the best equipment ... and use the latest technology. But OUC is The *Reliable One* because of the efforts of our hundreds of talented, dedicated employees. In 2014, we made a point to introduce many of them to customers by launching the "Faces Behind The *Reliable One*" campaign. We want our customers to know that, like them, our employees are everyday people who live and work in the very same neighborhoods as they do. As we weave sustainability into everything we do, OUC employees will lead by example, helping spread the word about our sustainability efforts while always remaining committed to reliability and affordability.



The Tools and Training To Transform a Workforce

When you want to be the Best Utility in the Nation, you need an environment that attracts and retains the best and brightest employees. In today's workplace, where technology is driving change at warp speed, OUC is changing with it – creating ample opportunities for training, collaboration and personal development, so that our workforce is well-positioned to compete and excel.

Our Most Important Asset

Any utility can buy the best equipment or use the latest technology. But OUC is The *Reliable One* because of the efforts of our talented, dedicated employees. They are our most important asset – and we are committed to creating an environment where they are motivated to work hard, hone their skills and advance their careers. To that end, we are taking a holistic look at everyone on our team – from linemen to customer service representatives to executives – and developing programs to meet their needs at every step.

As technology continues to transform both the workplace and the workforce, we are also focusing on meeting our needs for skilled labor -- transferring knowledge to the next generation, so that we'll be prepared to deploy the programs and services our customers want.

Coaching Leadership to Manage Change

In order to keep up with an ever-changing industry, our leaders must also become more transformational. Our goal is for managers to be collaborative and empathetic – to help develop people, groom leaders and guide employees toward the future that lies ahead.

OUC is also engaged in "succession planning," to help directors pave the way for the next generation of leaders – ensuring a seamless transition that will ensure ongoing excellence in customer service.

New Talent Management System Empowers Employees To Excel

Employees who are serious about managing and advancing their career path within OUC now have a powerful training resource at their fingertips: OUCareer. A self-service career-planning tool, this integrated talent management system will take employee training and engagement to entirely new levels. Future enhancements will enable individuals to chart a course for the future, identify gaps, build out their resumes, identify appropriate classes and manage performance.

To automate the training process, OUCareer will use online modules that offer more flexibility and a greater diversity of course material. The system will also encourage growth and advancement by allowing employees to monitor their job requirements, performance reviews and training classes. In addition, OUCareer will revamp the performance evaluation process by aligning with company goals and objectives, personal development and a more uniform assessment of core job requirements.



28 SUSTAINABLE, TOO

When OUC converted to digital meter technology, Luis Beltran took advantage of training offered by OUC – exchanging his meter-reading route for a new career path as a facilities maintenance technician at our LEED-certified headquarters.



Again in 2014, OUC received a top 10 ranking in the Orlando Sentinel's Top 100 Companies for Working Families annual list, coming in at #8. OUC received high marks for its comprehensive benefits package, wellness initiatives and involvement in volunteer and community events.



Executive Team



Ken Ksionek
General Manager
& Chief Executive Officer

With more than 300 years of combined experience, the OUC Executive Team has all the right stuff – expert knowledge, leadership ability and a passion for innovation – to lead OUC—The *Reliable One* into a promising, sustainable future.



Jan Aspuru
Vice President, Electric & Water Production



Chris Browder
Vice President & General Counsel



Clint Bullock
Vice President, Electric & Water Delivery



Roseann Harrington
Vice President, Marketing, Communications & Community Relations



John Hearn
Chief Financial Officer & Vice President, Financial & Support Services



Byron Knibbs
Vice President, Customer & Sustainable Services



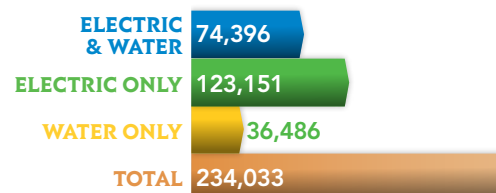
Chip Merriam
Vice President, Legislative, Regulatory & Compliance



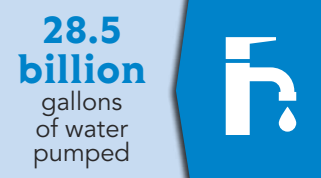
Jerry Sullivan
Chief Information Officer & Vice President, Information Technology

Year in Review

OUC Customers



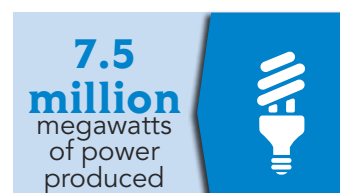
\$ Operating Revenues



Total Electric Sales in Millions of Megawatt Hours



Water Sales in Billions of Gallons





ORLANDO

YOU DON'T KNOW
THE HALF OF IT.

TOP 10
FRIENDLIEST

Orlando is a **TOP 10 CITY**  in the U.S. to Outpace the Nation in Job Growth *Kiplinger, 2014*

Orlando is the **FRIENDLIEST**  Florida City for Small Business *Ewing Marion Kauffman & Thumbtack, 2014*

<p>FIRST</p> <p>In Annual Job Growth at 3.7% (More Than Twice the National Average) <i>Forbes, 2014</i></p>	<p>SECOND</p> <p>Fastest Growing Major Metro in U.S. <i>Census Bureau, 2013</i></p>	<p>THIRD</p> <p>Most Competitive Location in U.S. for Business <i>KPMG, 2014</i></p>	<p>FOURTH</p> <p>U.S. City Most Americans are Moving to <i>CNNMoney.com, 2014</i></p>	<p>FIFTH</p> <p>Best Place to Live and Work as a Moviemaker <i>MovieMaker Magazine, 2015</i></p>
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The Reliable One[®]

Reliable Plaza
100 West Anderson Street
Orlando, FL 32801