State of Florida

Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: April 12, 2012

TO: Ann Cole, Commission Clerk, Office of Commission Clerk

FROM: Phillip O. Ellis, Engineering Specialist II, Division of Regulatory Analysis
Traci L. Matthews, Government Analyst I, Division of Regulatory Analysis
Victor Ma, Engineering Specialist I, Division of Regulatory Analysis

RE: 2012 Ten-Year Site Plan from Orlando Utilities Commission

Attached is the Orlando Utilities Commission's 2012 Ten-Year Site Plan, submitted on April 2, 2012, consistent with Rule 25-22.071, Florida Administrative Code (F.A.C.). Please place this item in Docket No. 120000 – Undocketed Filings for 2012, as it relates to the annual undocketed staff Ten-Year Site Plan Review project.

If you have any additional questions, please contact me.

POE

Attachment

OUC

The *Reliable* One®

2012 TEN-YEAR SITE PLAN

PREPARED FOR

Orlando Utilities Commission

APRIL 2012

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1 Executive Summary

This report documents the 2012 Orlando Utilities Commission (OUC) Ten-Year Site Plan pursuant to Section 186.801 Florida Statutes and Section 25-22.070 of Florida Administrative Code. The Ten-Year Site Plan provides information required by this rule, and consists of the following additional sections:

- Utility System Description (Section 2.0)
- Strategic Issues (Section 3.0)
- Forecast of Peak Demand and Energy Consumption (Section 4.0)
- Demand-Side Management (Section 5.0)
- Forecast of Facilities Requirements (Section 6.0)
- Supply-Side Alternatives (Section 7.0)
- Economic Evaluation Criteria and Methodology (Section 8.0)
- Analysis and Results (Section 9.0)
- Environmental and Land Use Information (Section 10.0)
- Conclusions (Section 11.0)
- Ten-Year Site Plan Schedules (Section 12.0)

This Ten-Year Site Plan integrates the power sales, purchases, and loads for the City of St. Cloud (St. Cloud), the partial requirements power sale to the City of Vero Beach (Vero Beach), and the power sale to the City of Bartow (Bartow) into the analyses, as OUC has power supply agreements with these cities. OUC has assumed responsibility for supplying all of St. Cloud's loads through 2032 and supplementing Vero Beach's loads through 2029 (with provisions for further extension upon contract expiration). OUC has a contract to provide power to Bartow during the 2011 through 2017 period. Load forecasts for OUC and St. Cloud have been integrated into one forecast, and details of the aggregated load forecast are provided in Section 4.0. A banded forecast is provided with base case growth, high growth, and low growth scenarios. The power OUC is currently planning on providing to Vero Beach and Bartow is discussed in Section 2.0.

OUC is a member of the Florida Municipal Power Pool (FMPP), which consists of OUC, Lakeland Electric (Lakeland), and the Florida Municipal Power Agency (FMPA) All-Requirements Project. Power for OUC is supplied by units owned entirely by OUC, as well as units in which OUC maintains joint ownership and power purchases. OUC's installed capacity, supplemented by St. Cloud's entitlement to capacity from Stanton Energy Center Unit 2, provides for total net summer capacity of 1,511 MW and total net winter capacity of 1,583 MW[1].

As illustrated in Section 6.0 of this report, OUC is projected to require additional capacity to maintain a 15 percent reserve margin in the summer of 2021. For purposes of this Ten-Year Site Plan, it has been assumed that this need for additional capacity will be met through the addition of a simple cycle combustion turbine at either OUC's existing Stanton Energy Center or Indian River site; however, OUC has made no commitments to such a capacity addition at this time, and continues to evaluate alternatives to satisfy projected capacity requirements. It should be noted that four new nuclear generating units have been proposed to and approved by the FPSC since October 2007, including Florida Power & Light's Turkey Point Units 6 and 7 (Docket No. 070650) and Progress Energy Florida's Levy Units 1 and 2 (Docket No. 080148). OUC is aware of and closely monitoring opportunities to participate in new and/or existing nuclear generating units within the State of Florida and elsewhere in the US, and will continue to work diligently towards approaching the owners of these units to secure allocations if possible and deemed appropriate as OUC continues its planning processes.

2 Utility System Description

At the turn of the 20th century, John M. Cheney, an Orlando, Florida judge, organized the Orlando Water and Light Company and supplied electricity on a part-time basis with a 100 kW generator. Twenty-four hour service began in 1903. The population of the City of Orlando (City) had grown to roughly 10,000 by 1922 and Cheney, realizing the need for wider services than his company was capable of supplying, urged his friends to work and vote for a $975,000 bond issue to enable the citizens of Orlando to purchase and municipally operate his privately owned utility. The bond issue carried almost three to one, as did a subsequent issue for additional improvements. The citizens of Orlando acquired Cheney's company and its 2,795 electricity and 5,000 water customers for a total initial investment of $1.5 million.

In 1923, OUC was created by an act of the state legislature and was granted full authority to operate electric and water municipal utilities. The business was a paying venture from the start. By 1924, the number of customers had more than doubled and OUC had contributed $53,000 to the City. When Orlando citizens took over operation of their utility, the City's population was less than 10,000; by 1925, it had grown to 23,000. In 1925, more than $165,000 was transferred to the City, and an additional $111,000 was transferred in 1926.

Today, OUC operates as a statutory commission created by the legislature of the State of Florida as a separate part of the government of the City. OUC has full authority over the management and control of the electric and waterworks plants in the City and has been approved by the Florida legislature to offer these services in Osceola County as well as Orange County. OUC's charter allows it to undertake, among other things, the construction, operation, and maintenance of electric generation, transmission, and distribution systems, chilled water systems, as well as water production, transmission, and distribution systems to meet the requirements of its customers.

In 1997, OUC entered into an Interlocal Agreement with the City of St. Cloud in which OUC assumed responsibility for supplying all of St. Cloud's loads for the 25 year term of the agreement, which added an additional 150 square miles of service area. OUC also assumed management of St. Cloud's existing generating units and purchase power contracts. This agreement has been extended through 2032.

2.1 EXISTING GENERATION SYSTEM

Presently, OUC has ownership interests in five electric generating plants, which are described further in this section. Table 2-1 summarizes OUC's generating facilities, which include the following:

Stanton Energy Center Units 1 and 2, Stanton A, and Stanton B.

Indian River Plant Combustion Turbine Units A, B, C, and D[2].

Progress Energy Florida (formerly Florida Power Corporation) Crystal River Unit 3 Nuclear Generating Facility.

Lakeland Electric McIntosh Unit 3.

Florida Power & Light Company (FPL) St. Lucie Unit 2 Nuclear Generating Facility.

The Stanton Energy Center is located 12 miles southeast of Orlando, Florida. The 3,280 acre site contains Units 1 and 2, as well as Units A and B, and the necessary supporting facilities. Stanton Unit 1 was placed in commercial operation on July 1, 1987, followed by Stanton Unit 2, which was placed in commercial operation on June 1, 1996. Both units are fueled by pulverized coal and operate at emission levels that are within the Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) requirement standards for sulfur dioxide (SO_2), nitrogen oxides (NO_x), and particulates. Stanton Unit 1 is a 444 MW net coal fired facility. OUC has a 68.6 percent ownership share of this unit, which provides 302 MW of capacity to the OUC system. Stanton Unit 2 is a 446 MW net coal fired generating facility. OUC maintains a 71.6 percent (319 MW) ownership share of this unit.

OUC has entered into an agreement with Kissimmee Utility Authority (KUA), FMPA, and Southern Company - Florida LLC (SCF) governing the ownership of Stanton A, a combined cycle unit at the Stanton Energy Center that began commercial operation on October 1, 2003. OUC, KUA, FMPA, and SCF are joint owners of Stanton A, with OUC maintaining a 28 percent ownership share, KUA and FMPA each maintaining 3.5 percent ownership shares, and SCF maintaining the remaining 65 percent of Stanton A's capacity.

Stanton A is a 2x1 combined cycle utilizing General Electric combustion turbines. Stanton A is dual fueled with natural gas as the primary fuel and No. 2 oil as the backup fuel. OUC maintains a 28 percent equity share of Stanton A, while purchasing 52 percent as described further in Section 2.2.

Stanton B is a 1x1 combined cycle utilizing General Electric combustion turbines. Stanton B is dual fueled with natural gas as the primary fuel and No. 2 oil as the backup fuel. OUC is the sole owner of Stanton B.

Table 2-1 Summary of OUC Generation Facilities
(As of January 1, 2012)

PLANT NAME	UNIT NO.	LOCATION (COUNTY)	UNIT TYPE	FUEL Pri	FUEL Alt	FUEL TRANSPORT Pri	FUEL TRANSPORT Alt	COMMERCIAL IN-SERVICE MONTH/YEAR	EXPECTED RETIREMENT MONTH/YEAR	NET CAPABILITY Summer MW	NET CAPABILITY Winter MW
Indian River	A	Brevard	GT	NG	FO2	PL	TK	06/89	Unknown	18[1]	23.4[1]
Indian River	B	Brevard	GT	NG	FO2	PL	TK	07/89	Unknown	18[1]	23.4[1]
Indian River	C	Brevard	GT	NG	FO2	PL	TK	08/92	Unknown	85.3[2]	100.3[2]
Indian River	D	Brevard	GT	NG	FO2	PL	TK	10/92	Unknown	85.3[2]	100.3[2]
Stanton Energy Center	1	Orange	ST	BIT	--	RR	--	07/87	Unknown	301.6[3]	303.7[3]
Stanton Energy Center	2	Orange	ST	BIT	--	RR	--	06/96	Unknown	334.5[4]	334.5[4]
Stanton Energy Center	A	Orange	CC	NG	FO2	PL	TK	10/03	Unknown	173.6[5]	184.8[5]
Stanton Energy Center	B	Orange	CC	NG	FO2	PL	TK	02/10	Unknown	298	312
McIntosh	3	Polk	ST	BIT	--	RR	--	09/82	Unknown	133[6]	136[6]
Crystal River	3	Citrus	NP	UR	--	TK	--	03/77	Unknown	13	13
St. Lucie[7]	2	St. Lucie	NP	UR	--	TK	--	06/83	Unknown	51	52

[1]Reflects an OUC ownership share of 48.8 percent.
[2]Reflects an OUC ownership share of 79.0 percent.
[3]Reflects an OUC ownership share of 68.6 percent.
[4]Reflects an OUC ownership share of 71.6 percent and St. Cloud entitlement of 3.4 percent.
[5]Reflects an OUC ownership share of 28.0 percent.
[6]Reflects an OUC ownership share of 40.0 percent.
[7]OUC owns approximately 6.1 percent of St. Lucie Unit No. 2. Reliability exchange divides 50 percent power from Unit No. 1 and 50 percent power from Unit No. 2.

The Indian River Plant is located 4 miles south of Titusville on US Highway 1. The 160 acre Indian River Plant site contains three steam electric generating units (No. 1, 2, and 3) and four combustion turbine units (A, B, C, and D). The three steam turbine units were sold to Reliant in 1999, with OUC recently repurchasing the units. The combustion turbine units are primarily fueled by natural gas, with No. 2 fuel oil as an alternative. OUC has a partial ownership share of 48.8 percent, or 36 MW, in Indian River Units A and B as well as a partial ownership share of 79 percent (approximately 171 MW) in Indian River Units C and D. Given their current condition, the Indian River steam units do not provide generating capacity for OUC, but do provide OUC with future options for new generating capacity.

Crystal River Unit 3 is an 835 MW net nuclear generating facility operated by Progress Energy Florida, formerly Florida Power Corporation. OUC has a 1.6015 percent ownership share in this facility, providing approximately 13 MW to the OUC system.

McIntosh Unit 3 is a 340 MW net coal fired unit operated by Lakeland Electric. McIntosh Unit 3 has supplementary oil and refuse-derived fuel burning capability and is capable of burning up to 20 percent petroleum coke. Lakeland Electric has ceased burning refuse-derived fuel at McIntosh Unit 3 for operational and landfill reasons. For purposes of the analyses performed in this application, it was assumed that McIntosh Unit 3 would burn coal priced identically to that used for Stanton Units 1 and 2. OUC has a 40 percent ownership share in McIntosh Unit 3, providing approximately 133 MW of capacity to the OUC system.

St. Lucie Unit 2 is a 853 MW net nuclear generating facility operated by FPL. OUC has a 6.08951 percent ownership share in this facility, providing approximately 51 MW of generating capacity to OUC. A reliability exchange with St. Lucie Unit 1 results in half of the capacity being supplied by St. Lucie Unit 1 and half by St. Lucie Unit 2.

As part of the Interlocal Agreement with St. Cloud, OUC has operating control of the generating units owned by St. Cloud. The St. Cloud internal combustion generating units (totaling 21 MW of grid-connected capacity, and an additional 6 MW that has never been connected to the grid) were retired as of March 2008. St. Cloud also has an entitlement to capacity from Stanton Unit 2 associated with its purchase through FMPA (related to FMPA's participation in the Stanton II Project). FMPA's ownership in Stanton Unit 2 through the Stanton II Project is 23.2 percent and St. Cloud's purchase from FMPA's Stanton Unit 2 ownership is 14.67 percent, entitling St. Cloud to approximately 15.2 MW of capacity from Stanton Unit 2.

2.2 PURCHASE POWER RESOURCES[3]

OUC has a purchase power agreement (PPA) with SCF for 80 percent of SCF's ownership share of Stanton A. Under the original Stanton A PPA OUC, KUA, and FMPA agreed to purchase all of SCF's 65 percent capacity share of Stanton A for 10 years, although the utilities retained the right to reduce the capacity purchased from SCF by 50 MW each year, beginning in the sixth year of the PPA, as long as the total reduction in capacity purchased did not exceed 200 MW. The utilities originally had options to extend the PPA beyond its initial term. OUC, KUA, and FMPA have unilateral options to purchase all of Stanton A's capacity for the estimated 30 year useful life of the unit. Subsequent amendments to the original PPA continue OUC's capacity purchase through the 20th year of the PPA. Beginning with the 16th contract year and ending with the 20th contract year, OUC will maintain the irrevocable right to reduce the amount of capacity purchased by either 20 MW or 40 MW per year, as long as the total reduction in purchased capacity does not exceed 160 MW. Additionally, OUC has the option of terminating the PPA after the 20th contract year, which ends

September 30, 2023. Rather than terminating the PPA, OUC may elect to continue the PPA for an additional 5 years under the Extended Term option beginning October 1, 2023, and ending September 30, 2028. OUC may subsequently continue the PPA for an additional 5 years under the Further Extension option beginning October 1, 2028, and ending September 30, 2033.

St. Cloud has a Partial Requirements (PR) contract with Tampa Electric Company (TECO) for 15 MW, which expires December 31, 2012. As a result of the Interlocal Agreement with St. Cloud, OUC may schedule the TECO PR purchase.

2.3 POWER SALES CONTRACTS

OUC has had a number of power sales contracts with various entities over the past several years. OUC is currently contractually obligated to supply supplementary power to Vero Beach under a partial requirements power sales contract. The duration of the contract is twenty years (the contract went into effect January 1, 2010) with provisions for further extension upon contract expiration. Under the agreement, OUC will be the exclusive power provider and marketer for Vero Beach. OUC also has a contract to provide power to Bartow for the 2011 through 2017 period. Bartow purchases the power from OUC, and then distributes it to its customers through its existing infrastructure. Vero Beach and Bartow will benefit from OUC's large system and generation fuel diversity to keep rates lower.

For purposes of this 10-Year Site Plan, OUC has assumed the winter and summer capacities and annual energy presented in Table 2-2 will be provided to Vero Beach and Bartow. OUC is also contractually obligated to provide an additional 15 percent reserve margin to Vero Beach based on Vero Beach's annual peak demand. These reserves are not reflected in Table 2-2.

Table 2-2 Annual Summer and Winter Peak Capacity (MW) and Annual Net Energy for Load (GWh) to be Provided to Vero Beach and Bartow

CALENDAR YEAR	VERO BEACH			BARTOW		
	Summer Capacity (MW) [1]	Winter Capacity (MW) [1]	Annual Net Energy for Load (GWh)	Summer Capacity (MW) [1]	Winter Capacity (MW) [1]	Annual Net Energy for Load (GWh)
2012	100	100	324	65	74	295
2013	101	101	352	65	75	297
2014	102	102	330	68	76	300
2015	103	103	350	68	77	303
2016	105	105	341	70	79	307
2017	106	106	345	71	80	310
2018	107	107	375	N/A	N/A	N/A
2019	108	108	355	N/A	N/A	N/A
2020	109	109	376	N/A	N/A	N/A
2021	111	111	367	N/A	N/A	N/A

[1]Seasonal peak capacity includes reserves that OUC plans to provide to Vero Beach.

2.4 OUC'S RENEWABLE ENERGY AND SUSTAINABILITY INITIATIVES AND COMMUNITY INVOLVEMENT

OUC is actively incorporating renewable technologies in their generation portfolio and taking other steps to reduce carbon emissions. Technologies such as solar, biomass, and landfill gas allow OUC to provide the necessary power demand to customers while reducing harmful effects on the environment. Renewable energy, energy efficiency, sustainability and community activities are crucial to reducing the total needed demand for power. OUC's recent renewable energy and sustainability initiatives, as well as OUC's recent activities in the community and customer education initiatives, are discussed in the following sub-sections.[4]

2.4.1 Solar

In addition to continuing to promote DSM and conservation, OUC is actively working to promote customer awareness of opportunities to increase the role of renewable energy. One such initiative is OUC's Green Pricing Program. Participation in this program helps add renewable energy to OUC's generation portfolio, improves regional air and water quality, and assists OUC in developing additional renewable energy resources. Program participants may pay an additional $5.00 on their monthly utility bills for each 200 kWh block blend of local bio-energy (75 percent), local solar energy (20 percent) and purchased wind power (5 percent); or $10.00 for each 200 kWh block of 100 percent solar energy. There is no limit to the number of 200 kWh blocks that a participant may acquire to support funding of additional renewable energy to OUC's portfolio. Participation helps OUC develop cleaner alternative energy resources, such as solar, wind, and biomass. The annual per customer participation of 2,400 kWh is equivalent to the environmental benefit of planting 3 acres of forest, taking three cars off the road, preventing the use of 27 barrels of oil, or bicycling more than 30,575 miles instead of driving.

Further examples of OUC's commitment to renewable energy are OUC's environmentally friendly solar programs, which are available to both residential and commercial customers. These programs include the Solar Photovoltaic (PV) Net Metering Program and the Solar PV Credit Program, and the Solar Thermal program, which generates heat for domestic water heating systems. Participating customers can install a solar PV system, a solar thermal system, or both systems, on their homes or business and sign an agreement allowing OUC to retain the rights to the environmental benefits or attributes. For the Net Metering Program, participating customers receive a monthly production credit on their utility bills for energy produced in excess of what the home or business can use. Any excess electricity generated and delivered by the solar PV systems back to OUC's electric grid is credited at the customer's retail electric rate. Customers participating in the Solar PV Credit program receive a monthly credit for the kWh production of the solar systems. The monthly production credit is $0.05 for each kWh produced for solar PV systems. Residential customers may benefit from OUC's partnership with the Orlando Federal Credit Union to provide low interest loan options for solar thermal and PV installations, helping to keep the net monthly cost low, all of which can be included on the OUC bill. Additional federal tax credits may also be available to help minimize costs.

To further facilitate development of solar energy, OUC supported Orange County in its efforts to obtain a $2.5 million grant from the Florida Department of Environmental Protection to install a 1 MW solar array on the Orange County Convention Center. The project "went live" in May 2009 and is currently producing clean, green power. In 2008, Orlando was designated a "Solar American City" by the U.S. Department of Energy (DOE). The ongoing partnership between OUC, City of Orlando and Orange County received $450,000 in funding and technical expertise to help develop solar projects in OUC's service area that can be replicated across the country.

In September 2009, OUC and clean energy company Petra Solar teamed up to launch the first utility pole-mounted solar photovoltaic system in Florida. Ten of Petra Solar's SunWave™ intelligent photovoltaic solar systems have been installed on OUC utility poles along Curry Ford Road. Together the panels can generate up to 2 KW, about enough to power a small home. The innovative solar panel demonstration project is expected to help enhance the Smart Grid capabilities and reliability of the electric distribution grid. Petra Solar worked in collaboration with the University of Central Florida in developing the pole-mounted approach to clean energy generation. The SunWave systems not only turn street light and utility poles into solar generators, they also communicate with the electric grid and can offer smart grid capabilities. The systems can improve grid reliability through real-time communications between solar generators in the field and the utility control center. In addition, the systems enhance electric distribution grid reliability through a host of capabilities such as voltage and frequency monitoring and reactive power compensation.

During 2010, OUC invested $100,000 in an educational partnership with the Orlando Science Center to build a 31.5 kW PV array atop the Science Center's observatory. The system provides about 42,660 kWh of electricity per year, or enough power to serve about four homes. The PV installation not only provides green power to the Science Center but also an educational experience on the science of solar energy for the thousands of children who visit the center each year.

OUC has added solar to its fleet of natural gas, coal, and landfill gas generation already on site at Stanton Energy Center. Duke Energy and Regenesis Power LLC will operate and maintain the Stanton Solar Farm, which produces about 6 MW, or enough power for about 600 homes. Brought on-line in late 2011, the Stanton Solar Farm consists of more than 25,000 modules featuring solar panels with a patented single-axis tracking system design that can withstand Category 4 hurricane winds while increasing electricity output by 30 percent. OUC plans to purchase the output of this installation, which is the first solar farm in Orange County, for the next 20 years.

2.4.2 Harmony Solar-Biomass Project

In partnership with Florida State University, OUC plans to participate in a proposed five-megawatt solar/biomass hybrid power plant to be located in Harmony's Florida Sustainable Energy Research Park in Osceola County. The proposed project, scheduled to come on line in 2014, will use biomass (woodchips and sawdust) gasifiers to generate electricity. Harmony will build, own and operate the project, and OUC plans to purchase renewable energy and receive the environmental attributes. The project consists of a power plant fueled by biomass that will produce syngas to fire a conventional boiler. Thirty acres of solar troughs will be installed to use the sun's energy to increase the efficiency of the project. The FSU Energy and Sustainability Center will conduct research at the plant and provide an educational component.

2.4.3 Landfill Gas

The gas produced by the biological breakdown of organic matter in landfill is known as methane or landfill gas. It is created by the decomposition of wet organic waste under anaerobic, or oxygen-less, conditions in a landfill. This gas is considered a renewable energy source because the anaerobic digestion process continues as waste materials are constantly added to the landfill. In partnership with Orange County, OUC captures methane gas emissions from county landfill cells, and pipes it to the Stanton Energy center where it is co-fired with coal. In addition to helping to reduce greenhouse gas emissions, this project has the potential to displace more than 3 percent of the coal burned at the Stanton Energy Center. It is also capable of producing in excess of 100,000 MWh of reduced-emissions power.

OUC and Orange County recently brought a new LFG facility on line that will recover up to 22 MW of landfill gas capacity from the Orange County Landfill's southern expansion site.

Lining up another potential fuel source for the Stanton Energy Center, OUC plans to work with the City of Orlando and Orange County on the proposed Orlando Municipal Solid Waste Gasification Project. Slated to be located at the Orange County landfill, the facility could process up to 300 tons of waste daily, and convert it into synthetic methane gas (syngas), which OUC plans to purchase from the county and pipe to the Stanton Energy Center.

OUC has signed a 20-year renewable energy purchase power agreement for nearly 4 MW of energy generated from landfill gas in Port Charlotte. Its current capacity is now at 2.5 MW but is expected to increase over time.

2.4.4 Carbon Reduction

With more than 775 vehicles – ranging from plug-in hybrids to bucket trucks – OUC's fleet logs more than 4.7 million miles annually. OUC reduces their carbon footprint by using alternative fuels, purchasing more hybrids and recycling automotive products to help our environment. As part of an overall plan to reduce emissions in fleet, OUC uses"B20" – a blend of 80 percent petroleum diesel and 20 percent biodiesel – a clean-burning alternative fuel made from new or used vegetables oils and animal fats, including recycled cooking grease. Compared to petroleum diesel, biodiesel produces lower emissions, so it is better for the environment. B20 has been integrated seamlessly into the fueling system without any changes to vehicles or fuel storage and distribution equipment. Since 2006, 322,032 gallons of B20 have been purchased, and the reduction in diesel fuel has reduced OUC's carbon footprint by 44 metric tons of CO_2e (carbon dioxide equivalent). OUC uses biodiesel at the Pershing Fleet Center and plans to expand its use to the Gardenia site in the near future. Biodiesel is now available in downtown Orlando. Thanks to a $2.5 million grant from the Florida Department of Environment Protection, Central Florida's LYNX transit system opened a biodiesel blending facility and fueling station at its Orlando Operations Center.

Embracing fuel-efficient technology as a commitment to green initiatives, OUC was the first municipal utility in Florida to acquire a plug-in hybrid that gets up to 99 miles per gallon. In addition to the plug-in, OUC has 11 other traditional hybrids in the fleet. OUC also moved forward with an agreement to develop the charging infrastructure, test, and lease 6 all-electric vehicles with a 100 mile range (the Nissan "Leaf"), and has also leased two Chevy Volts, which can run on gasoline or electricity.

OUC now has four hybrid bucket trucks and one auxiliary battery system to operate the aerial tower hydraulics. Bucket trucks are a promising application for hybrid technology since much of the vehicle's work is done when stationary. The hybrid diesel-electric system allows the main engine to be turned off while crews operate entirely off the battery.

OUC's Fleet Division has incorporated a number of eco-conscious policies, including the use of earth-friendly products and special care taken to dispose contaminated fuels according to environmental standards. Tires, batteries and oil filters are recycled through vendors, while freon, antifreeze and motor oil are handled on site. OUC also has a vehicle idling policy that requires the engine to be turned off after five minutes. Diesel engines use about one gallon of fuel per hour when idling, so this policy saves about $4 per hour per vehicle.

As part of OUC's commitment to alternative fuels and efficient transportation, two of the six electric-vehicle charging stations at Reliable Plaza are powered by the sun. Located in the parking garage, the 16-panel solar array provides a total of 2.8 kW of power to charge the vehicles. The garage has been pre-wired for two more stations that can be connected to OUC power as more electric cars are added to the fleet. OUC can access a special website to track real time info and total system usage for its charging stations. A full charge takes about four hours. Users have a key fob for the charging station and supply their own power cord. Plug-in drivers can go to mychargepoint.net to locate available charging stations nationwide. Users register with Nova Charge to set up an account that links to their credit card. The power is billed by Nova Charge. At night or on a cloudy day when the sun is not shining, the power is drawn from Reliable Plaza. When the sun is shining but no car is charging, the power is fed back into the building.

To help prepare Central Florida to support plug-ins, OUC partnered with the City of Orlando, Orange County, and others as part of a national non-profit initiative called Project Get Ready. OUC and the City of Orlando also hosted the national kickoff of the U.S. Department of Energy ChargePoint America Grant, which will provide nearly 300 public charging stations to Central Florida. More than 100 of these stations will be located in OUC's service territory. OUC is developing an electric vehicle infrastructure solution for Greater Orlando, and as part of this effort is offering businesses the opportunity to participate by allocating space for charging stations. Participating businesses were given the option of owning the equipment or hosting the equipment. Customers that choose to own the equipment are reimbursed for installation costs but cannot resell electricity. Customers that opt to host the equipment have no out of pocket expense. OUC will install, own and operate the equipment at hosted sites. Through December 2011, nearly 70 units have been installed with an additional 35 units expected to come on-line in the first quarter of 2012 Benefits to participating customers/hosts include:

- Customer access to free charging equipment
- Increased customer traffic to the business
- Greater customer retention

2.4.5 Energy Efficiency and Sustainability

OUC's commitment to efficiency and sustainability is further demonstrated by Reliable Plaza, OUC's energy and water efficient center in south downtown that opened in 2008 and replaced OUC's 40-year-old Administration Building on South Orange Avenue. Reliable Plaza has earned Gold Leadership in Energy and Environmental Design (LEED) certification, officially cementing the 10-story administration and customer service center as the "Greenest Building in downtown Orlando." The non-profit U.S. Green Building Council awarded the Gold level certification after completing a review of the building's design and construction. Reliable Plaza also holds a Florida Water Star certification, a voluntary program for new and existing construction that encourages water efficiency in appliances plumbing fixtures, irrigation systems and landscapes. Reliable Plaza showcases a number of environmentally friendly features designed to use 28 percent less energy and 40 percent less water than a similarly sized facility. One of the more innovative offerings at Reliable Plaza is the interactive conservation education center. With a live link to the building's conservation systems, the center's touch screen gives customers real time data on how Reliable Plaza uses – and saves – energy and water. The center provides information on green building ideas and conservation tips customers can use at home.

2.4.6 OUC's Green Team

With the philosophy that changing an organization's culture requires both corporate and individual accountability, OUC has established the Green Team – a dedicated group of employee volunteers who are working to implement practical, sustainable operations in their respective work areas.

In addition to setting benchmarks and establishing metrics, the Green Team identifies ways to improve energy and water efficiency in OUC buildings, reduce waste, use product inventories more efficiently, lower emissions from operations, and create a healthier, happier environment for employees and customers.

With the Gold LEED-certified Reliable Plaza setting the standard, other OUC facilities have followed suit, implementing a number of environmental efforts, including:

- Retrofitting and upgrading light bulbs and ballasts
- Installing light sensors
- Turning up thermostats
- Cutting back on landscape and exterior building lighting
- Purchasing ENERGY STAR® rated appliances when replacements are needed
- Using environmentally friendly cleaning products
- Upgrading HVAC systems
- Installing rain sensors on irrigation systems
- Cutting grass less frequently at water plants, substations and areas not highly visible to the public

Going forward, OUC is planning a number of new green initiatives. In conjunction with the City of Orlando, OUC is moving toward Single Stream Recycling (all recyclables in one bin) and developing internal policies such as electronic document storage, online document review, double-sided printing and using recycled paper and office products.

2.4.7 Community Activities

OUC also continues to play an active role in the local community. OUC conservation support personnel have made hundreds of public appearances related to conservation at schools, business expos, professional associations, and homeowner association meetings. Conservation specialists conducted presentations, provided face-to face consultations, scheduled audits, and disseminated information on conservation programs. Below are some of the largest events OUC participated in during 2011:

- Annual Central Florida Earth Day at Lake Eola (April)
- Orlando Business Hispanic Expo (April)
- Mascot Games (July)
- Oh! Women Event (August)
- Osceola Council on Aging presentation to seniors (September)
- Green is Universal City Walk Green Fest (November)

Other events included:

- FREA Annual Meeting- Climate Change Center- Orange County Convention Center
- S. Summerlin Neighborhood Association
- Oracle Orlando Earth Day Event 2010
- 5th Annual Central Florida Earth Day Event
- Baldwin Park Greenfest
- Neptune Bay Apt. Community Extravaganza
- Get Ready Central Florida Stakeholder Workshop
- 2010 Environmental Exposition- Greater Orlando Aviation Authority and Disney's Magical Express
- 4th of July Bash at Baldwin Park
- National Night Out- Orlando Police Department

- 8th Annual Caribbean Health Fair
- Go Green event- Lockheed Martin
- Green Expo- University of Central Florida

OUC also sponsors energy-related events, such as the Greenovations Event hosted by the Orlando Science Center, which stresses the importance of reducing individual carbon footprints and introduces the general public to entrepreneurs and educators who are working on the challenges of energy independence and global climate change.

Specific examples of community activities in which OUC was involved during 2011 not previously mentioned are outlined below.

2.4.7.1 Water Color Project

OUC has partnered with Orange County Public Schools to help get the word out about the importance of saving water. Since 2006, OUC and Orange County Utilities Water have sponsored the Water Color Project, an education outreach effort designed to encourage water conservation through art.

2.4.7.2 Community Open Houses

OUC held community meetings to talk directly with customers about conservation and rebate programs to help lower their bills, as well as OUC's bill payment options and emergency utility assistance fund, Project Care.

2.4.7.3 City of Orlando Weatherization Programs

OUC also partnered with the City of Orlando on several weatherization programs that target homes in some of the City's least energy-efficient neighborhoods. Based on historical consumption data from OUC, the City developed an energy intensity map to identify the neighborhoods with the highest energy consumption per square foot.

A relatively new program—**P.O.W.E.R.** (Provide Opportunity, Weatherization, Efficiency and Rehabilitation)—weatherizes and renovates the homes of Orlando residents who apply and meet specific income requirements.

2.4.7.4 Green Neighborhood Program

In 2011, the Green Neighborhood Program concluded after helping 1,137 families in some of the least efficient homes lower their utility bills and save energy and water. The program provided an average of $660 in upgrades, such as new caulking, door sweeps, air filters, ceiling duct work and insulation, to homes in six Orlando neighborhoods that had shown some of the highest energy consumption per square foot. In all, 22,902 conservation measures were installed for an average savings of $19 a month on each customer's utility bill – or more than $200,000 in total savings per year for all of the homeowners who participated.

2.4.7.5 Project AWESOME

In 2011, OUC and the Orlando Science Center delivered energy and water conservation workshops to fifth grade classrooms throughout OUC's service territory via Project AWESOME (Alternative Water & Energy Supply; Observation, Methods & Education). It was the third year of the educational program that promotes both water and energy conservation through a hands-on curriculum using content approved by OUC and meeting Sunshine State Standards. Project A.W.E.S.O.M.E., which launched in 2009, delivers two 90-minute classroom workshops—energy in the fall and water in the spring—to students in support of their Science FCAT preparation. In the

2011–2012 school year, 7,500 fifth grade students in 50 schools in Orange and Osceola County participated, and the program received high marks from both teachers and students. According to post-test assessments, more than 60 percent of the students improved their science skills.

2.4.8 Customer Education Initiatives

Small changes can add up to big savings. That's the message OUC is taking to customers as OUC strives to meet the new energy conservation requirements set forth by the Florida Public Service Commission. Through grassroots campaigns and innovative partnerships, OUC has been reaching out to customers and showing them how to reduce their energy and water use and ultimately their utility bills. The following are customer education initiatives implemented from January 2011 through December 2011.

2.4.8.1 Mobile Site

OUC continued to offer a mobile version of its http://www.OUC.com site for handheld devices. Customers have the same online access to http://www.OUC.com but in an easy-to-use mobile format. Through the mobile website, customers can pay their bills, check their account, look up available rebates, find a preferred contractor, and get conservation and safety tips right from their cell phone.

2.4.8.2 Conservation Website

OUC's conservation website (http://www.ReliablyGreen.com), which launched in January 2010, was developed to inform OUC's customers about energy conservation and ways to "Make Your Mark" while showcasing OUC's own green efforts in "How We Make Our Mark." It's a one-stop, 24-hour shop for energy and water conservation and rebate information for OUC customers.

2.4.8.3 Energy Savings Calculator

The second phase of http://www.ReliablyGreen.com features the Energy Savings Calculator. Customers have the ability to enter their address to see an average of their energy consumption level and an interface will allow them to view how simple improvements to their home can reduce their consumption and save them money. The calculator also will include applicable OUC rebate application forms for the suggested improvements. (www.ouccalculator.com).

2.4.8.4 Energy & Water Conservation Ideas for Your Home

OUC continued to offer a conservation video in an interactive DVD format in English or Spanish that walks customers through a "do-it-yourself" energy and water audit for their home that can help lower their utility bill. It is also available online at http://www.ouc.com/waystosave.

2.4.8.5 Media Overview

OUC continued to offer an integrated advertising campaign featuring a mix of print advertising, online advertising, social media, broadcast television, radio, outdoor advertising and other promotions that will drive people to http://www.ReliablyGreen.com and http://www.OUC.com to help educate customers on ways to save energy, water and money.

2.4.8.6 Orlando Magic Partnership

After assisting with the energy and water efficiency features in the design phase of the Orlando Magic's new LEED certified home, OUC has continued its green partnership with the Orlando Magic since the Amway Center opened in October 2010:

- The promotion of the facility's LEED certification and its energy and water efficiency features

- Sponsorship of the NBA Green Week (April 2011)
- An interactive educational booth at home game Fan Fest events
- A public information campaign on www.orlandomagic.com.

With this partnership, OUC reaches many of its customers who attend Magic games or follow them on TV. In addition to the approximately 7,000 season ticket holders who reside in the OUC service territory, 87 corporations hold suites, loge boxes or legends suites at the arena. These include many large and mid-size commercial businesses who can benefit from OUC's commercial products and services.

2.4.8.7 Connections

Connections is a monthly newsletter sent to all OUC customers whether they receive a paper statement or e-bill. The Connections newsletters also are posted on http://www.OUC.com and feature information on OUC's programs, events and energy and water saving tips.

2.4.8.8 Social Media

Twitter allows OUC to spotlight special events and programs in the community and provide a conservation tip of the day, consisting of 365 daily tips on how to save energy, water and money. OUC has expanded its Facebook presence and attracting fans to the page. OUC also utilizes OUC TV via YouTube to promote conservation and renewable initiatives.

2.5 TRANSMISSION SYSTEM

OUC's existing transmission system consists of 32 substations interconnected through approximately 339 miles of 230 kV, 115 kV, and 69 kV lines and cables. OUC is fully integrated into the state transmission grid through its twenty-three 230 kV, one 115 kV, and one 69 kV metered interconnections with other generating utilities that are members of the Florida Reliability Coordinating Council (FRCC), as summarized in Table 2-3. Additionally, OUC is responsible for St. Cloud's four substations, as well as approximately 56 miles of 230 kV and 69 kV lines and cables. As presented in Table 2-4, the St. Cloud transmission system includes three interconnections.

Table 2-3 OUC Transmission Interconnections

UTILITY	KV	NUMBER OF INTERCONNECTIONS
FPL	230	9
Progress Energy Florida (PEF)	230	2
KUA	230	2
KUA/FMPA	230	1
Lakeland Electric	230	2
TECO	230	2
TECO/Reedy Creek Improvement District	230	1
PEF	69	1
Southern Company	230	2
Reliant Energy[1]	230	1
Reliant Energy[1]	115	9

[1] With the repurchase of the Indian River site, OUC obtained all rights to transmission capacity that Reliant had paid for.

Table 2-4 St. Cloud Transmission Interconnections

UTILITY	KV	NUMBER OF INTERCONNECTIONS
OUC	69	1
PEF	230	1
KUA	69	1

The upgrade of the 69 kV tie line from the St. Cloud Central substation to KUA has been delayed because of a road widening project along its path, and is now scheduled for completion by summer 2016. The overhead portion of the existing St. Cloud 69 kV transmission line from the Central to the South substation is scheduled to be upgraded by summer 2018.

The upgrade of the Taft-Lakeland 230 kV transmission line from the existing 954 ACSR conductor to 1272 ACSS/TW conductor is in progress. The conductor will be upgraded to increase the power transfer capability of the 230 kV transmission line sections. To date the Osceola Substation to Lake Agnes Substation, Taft Substation to Cane Island Tap, and Cane Island Tap to Osceola Substation line section conductor upgrades are complete. The Lake Agnes to McIntosh Substation line section conductor upgrade begins construction in late 2012, and is scheduled for completion by summer 2013. Upon completion of this fourth and final segment, the entire 45 miles of 230 kV transmission line from OUC Taft to Lakeland McIntosh substation, which is mainly routed along the Florida Department of Transportation (FDOT) Interstate 4 roadway, will be upgraded to not less than 840 MVA.

A new 115/12.47 kV Stanton North Substation (Sub 35) was built in the area adjacent to the Stanton Energy Center due to an increased distribution load. This center has three distribution transformers that will provide additional distribution capacity. The Stanton North Substation source is from a new 230/115 kV autotransformer that was installed in the 230 kV Stanton Substation and connects to Sub 35 via a short 115 kV transmission line. Sub 35 is interconnected to the 115 kV transmission line system by 115 kV transmission line connections to the Pershing Substation and the Indian River Substation.

A power circuit breaker upgrade at the Stanton Substation was completed, and all of the 230 kV power circuit breakers have substation fault withstand capabilities of not less than 63 kA. This project was completed in 2010. The main project consideration was to analyze critical bus positions to ensure that power circuit breakers from two different manufacturers were installed, in order to mitigate any possible "common mode" factory issues relative to the 230 kV power circuit breaker design or assembly.

A new 230 kV transmission line was added to the 230 kV Stanton Substation that connects to the new 230 kV Stanton Energy Center Generator B Substation (Sub 36) located on the Stanton Energy Center power plant property. Sub 36 is configured as a collector bus for the new Combustion Turbine Generator and Steam Generator installed on the Generator B site. The line was built on its own corridor to minimize common corridor exposure and any associated potential difficulties.

The 115/12.47 kV America Substation protective relaying and station power systems were completely upgraded to increase system reliability and support modifications to the substation that must be completed to allow for the next phase of the FDOT I-4/408 interchange project. The America upgrade project will have coordination activities with the FDOT and the Expressway Authority extending to approximately 2017.

The 230 k V and 115/12.47 kV Southwood Substation Retrofit Project includes power circuit breaker replacement, in addition to protective relaying and station power system upgrades to increase system reliability and support transmission line capacity increases realized from upgrade projects. During site inspections in April 2010, internal damage was detected in a 373 MVA, 230 / 115kV "bus tie" autotransformer. Damage to the unit was extensive, and required the transformer to be rewound or replaced. The autotransformer was replaced and was energized with load mid-May of 2011. Work at the Southwood Substation is scheduled for completion by winter 2012.

A new OUC – Progress Energy 230 kV tie line with terminals located at the OUC Stanton Substation and the Progress Energy Bithlo Substation was jointly coordinated and constructed. Construction of the Stanton Substation line terminal and the Stanton to Bithlo substation line was completed in May of 2010 as scheduled.

OUC's portion of the existing 230 kV Stanton to Progress Energy Curry Ford (to Rio Pinar) transmission line was recently upgraded to 830 MVA, and presently exceeds the Progress Energy line rating of 468 MVA. Progress Energy is expected to upgrade their associated line segments in the near future.

To maintain reliable and economic service and proactively plan for the future at key locations, OUC is evaluating numerous upgrades to its transmission system. While these upgrades vary in scope and timing, the following identifies the higher priority, near-term transmission system upgrades planned by OUC:

- Continued conceptual permitting and design for the future Stanton South 230 kV Substation for future generation needs. The site will address system stability, redundancy, and available fault current issues.
- Replacement and upgrade of aging transmission infrastructure within the corridor from Pershing to Stanton to Indian River. The 115 kV line from Pershing to Stanton will be upgraded from 150 MVA to 400 MVA.
- Various 115 kV transmission projects will be implemented to move power more effectively to the downtown Orlando region. Among lines under consideration are the transmission lines from Pershing to Stanton, Pershing to Michigan, Metro West to Turkey Lake, America to Kaley, and Pine Hills to Country Club Substation. The Pershing to Grant was upgraded by December 2011.
- Addition of several distribution transformer additions to existing substations may be required; load growth will determine when these transformer additions will be required.
- An engineering study of the 230 kV Stanton to Taft corridor is scheduled for completion by fall 2012 to determine future upgrade and increased power transfer options. Upon completion of the study, the best, most fiscally responsible option(s) will be pursued.

3 Strategic Issues

OUC incorporates a number of strategic considerations while planning for the electrical system. This section provides an overview of a number of these strategic considerations.

3.1 STRATEGIC BUSINESS UNITS

OUC is currently organized into two strategic business units: the Power Resources Business Unit (PRBU) and the Energy Delivery Business Unit (EDBU).

3.1.1 Power Resources Business Unit

The PRBU has structured its operations based on a competitive environment that assumes that even OUC's customers are not captive. The PRBU will only be profitable if it can produce electricity that is competitively priced in the open market. In line with this strategy, OUC is continually studying strategic options to improve or reposition its generating assets, such as the sale of the Indian River steam units in 1999 and the addition of new units and power purchase agreements, and the recent repurchase of the Indian River steam units (which provides OUC with full control over the Indian River site, and additional alternatives for future new generating resources, including possible repowering of the units)[5]. In addition, OUC formally instituted its Energy Risk Management Program in 2000.

OUC's generating system has been designed over the years to take advantage of fuel diversity and the resultant system reliability and economic benefits. OUC's longstanding intent to achieve diversity in its fuel mix is evidenced by its participation in other generating facilities in the State of Florida. The first such endeavor occurred in 1977 when OUC secured a share of the Crystal River Unit 3 nuclear plant, followed by the acquisition of an ownership share in Lakeland Electric's McIntosh Unit 3 coal fired unit in 1982. In 1983, OUC also acquired a share of the St. Lucie Unit 2 nuclear unit. OUC's current mix of wholly and jointly owned capacity is summarized in Table 3-1.

As shown in Table 3-1, coal represents approximately 48.4 percent of the winter generating capacity (approximately 50.4 percent summer) and natural gas represents approximately 47.5 percent of the winter generating capacity (approximately 45.4 percent summer) either wholly or jointly owned by OUC. With the inclusion of OUC's purchased power resources, coal represents approximately 39.7 percent of the winter generating capacity (approximately 41.4 percent summer) and natural gas represents approximately 56.9 percent of the winter generating capacity (approximately 55.0 percent summer). The diversity of OUC's fuel supply provides protection against disruption of supply while simultaneously providing economic opportunities to reduce cost to customers. Additional details of OUC's generating facilities are presented in Table 2-1 and Schedule 1 of Section 12.0. Participation in future nuclear units, discussed throughout this Ten-Year Site Plan, would further diversify OUC's fuel supply.

Table 3-1 Generation Capacity (MW) Owned by OUC by Fuel Type
(as of January 1, 2012)

PLANT NAME	WINTER CAPACITY				SUMMER CAPACITY			
	Coal	Nuclear	Gas/Oil	Total	Coal	Nuclear	Gas/Oil	Total
Stanton	623[(1)]		497	1,120	621		472	1,093
Indian River			248	248			207	207
Crystal River		13		13		13		13
C.D. McIntosh Jr.	136			136	133			133
St. Lucie		52		52		51		51
Total (MW)	**759**	**65**	**745**	**1,569**	**754**	**64**	**679**	**1,497**
Total (percent)	**48.4**	**4.1**	**47.5**	**100.0**	**50.4**	**4.3**	**45.4**	**100.0**

(1) Includes OUC's share of the landfill gas burned in Stanton Units 1 and 2.

OUC's use of alternative or renewable fuels is enhanced by the capability to burn a mixture of petroleum coke in McIntosh Unit 3, along with coal. Petroleum coke is a waste by-product of the refining industry and in addition to the benefits of using a waste product, petroleum coke's lower price may result in an economic advantage compared to burning 100 percent coal. Tests have been done that indicate the unit has the ability to use petroleum coke for approximately 20 percent of the fuel input. Permits have been modified and approved for this level of use and petroleum coke is being burned in the unit.

OUC's fuel diversity is further enhanced by the renewable energy technologies that contribute to OUC's generating resources. OUC's renewable resources are discussed in detail in Section 2.4 of this Ten-Year Site Plan.

In 2008 OUC completed a comprehensive Electric Integrated Resource Plan (IRP) performed by the Strategic Planning team. The IRP analyzed OUC's position in the light of current and possible future governmental regulation. The IRP covered all potential resources, including opportunities in energy efficiency, renewable energy, and conventional generation. The report will be a basis for future plans in power production, demand side management, and other business processes.

3.1.2 Energy Delivery Business Unit

OUC's EDBU focuses on providing OUC's customers with the most reliable electric service possible. Formerly called the Electric Distribution Business Unit, the unit was renamed after merging with OUC's Electric Transmission Business Unit, which was being phased out with the anticipated creation of a regional independent transmission organization.

OUC's leadership in providing reliable electric distribution service is demonstrated by its commitment to making initial investments in high quality material and equipment. Additionally, approximately 60 percent of OUC's distribution system is underground, protecting it from trees and high winds. OUC's dependability is also attributable to its proactive maintenance programs to identify and correct potential problems, proactive replacement of old equipment, and a tree trimming program that minimizes tree-related service disruptions. OUC's reliability is demonstrated by the fact that during 2011, OUC once again led the State of Florida in key performance indicators related to power restoration.

3.2 REPOSITION OF ASSETS

As a strategic consideration, OUC has been working on repositioning its assets. One major consideration was the sale of its Indian River power plant steam units to Reliant Energy in 1999[6]. The sale of the Indian River steam units allowed OUC to take positions in Stanton A and B and to update and diversify its generation portfolio. The sale offered OUC the ability to replace the less competitive oil and gas steam units with more competitive combined cycle generation. In 2007 OUC broke ground on the Stanton B project[7] and, as part of the agreement associated with the termination of the gasification portion of Stanton B, acquired a 165 acre tract of land in its service territory situated near it highest growth areas. The land is in an industrial area and is ideal for a new power generation site, having access to important infrastructure including a rail spur, natural gas lines, and OUC-owned and operated transmission lines.

3.3 FLORIDA MUNICIPAL POWER POOL

In 1988, OUC joined with Lakeland Electric and the FMPA's All-Requirements Project members to form the FMPP. Later, KUA joined FMPP. Over time, FMPA's All-Requirements Project has added members as well. FMPP is an operating-type electric pool, which dispatches all the pool members' generating resources in the most economical manner to meet the total load requirements of the pool. The central dispatch is providing savings to all parties because of reduced commitment costs and lower overall fuel costs. OUC serves as the FMPP dispatcher and handles all accounting for the allocation of fuel expenses and savings. The term of the pool agreement is 1 year and automatically renews from year to year until terminated by the consent of all participants.

OUC's participation in FMPP provides significant savings from the joint commitment and dispatch of FMPP's units. Participation in FMPP also provides OUC with a ready market for any excess energy available from OUC's generating units.

3.4 SECURITY OF POWER SUPPLY

OUC currently maintains interchange agreements with other utilities in Florida to provide electrical energy during emergency conditions. The reliability of the power supply is also enhanced by metered interconnections with other Florida utilities including nine interconnections with Progress Energy Florida (formerly Florida Power Corporation), four with KUA, two each with Tampa Electric Company and Reedy Creek Improvement District, two with FPL, and one each with Lakeland Electric and St. Cloud. In addition to enhancing reliability, these interconnections also facilitate the marketing of electric energy by OUC to and from other electric utilities in Florida.

In addition, in 2010 OUC entered into a five-year contract for the storage of natural gas to manage price volatility and provide backup fuel for emergency situations. The fuel will provide up to 30,000 MBtu/day to help ensure power reliability.

3.5 ENVIRONMENTAL PERFORMANCE[8]

As the quality of the environment is important to Florida, and especially important to the tourist-attracted economy in Central Florida, OUC is committed to protecting human health and preserving the quality of life and the environment in Central Florida. To demonstrate this commitment, OUC has chosen to operate their generating units with emission levels below those required by permits and licenses by equipping its power plants with the best available environmental protection systems. As a result, even with a second unit in operation, the Stanton Energy Center is one of the cleanest coal fired generating stations in the nation. Unit 2 is the first of its size and kind in the nation to use selective catalytic reduction (SCR) to remove nitrogen oxides (NO_x). Using SCR and low-NO_x burner technology, Stanton 2 successfully meets the stringent air quality requirements imposed upon it. OUC is considering adding SCR to Stanton Unit 1, as well as taking measures to increase the efficiency of the Stanton Unit 1 and Unit 2 steam turbine generators. Stanton A incorporates environmentally advanced technology and enables OUC to diversify its fuel mix while adding more flexibility to OUC's portfolio of owned generation and purchased power. As its newest generating asset, Stanton B further contributes to OUC's environmentally responsible portfolio of generating resources.

This superior environmental performance not only preserves the environment, but also results in many economic benefits, which help offset the costs associated with the superior environmental performance. For example, the high quality coal burned at Stanton contributes to the high availability of the units as well as their low heat rates.

Further demonstrating its environmental commitment to clean air, OUC has signed a contract to burn the methane gas collected from the Orange County landfill adjacent to Stanton Energy Center. Methane gas, when released into the atmosphere, is considered to be 20 times worse than carbon dioxide in terms of possible global warming effects. Stanton 1 and Stanton 2 both have the capability of burning methane.

In 2006, OUC created two new environmental vice presidential positions – Environmental Affairs and Strategic Planning (who is responsible for renewable energy programs). The title of Vice President Strategic Planning was changed to Vice President-Sustainable Services to more accurately reflect OUC's commitment to renewable energy and conservation efforts, and the title of Vice President Environmental Affairs was changed to Chief Legislative & Regulatory Compliance Officer. These positions will enhance OUC's efforts to increase investments in renewables, conservation, energy efficiency, and other environmental initiatives.

OUC has also voluntarily implemented a product substitution program not only to protect workers' health and safety but also to minimize hazardous waste generation and to prevent environmental impacts. The Environmental Affairs and the Safety Divisions constantly review and replace products to eliminate the use of hazardous substances. To further prevent pollution and reduce waste generation, OUC also reuses and recycles many products.

3.5.1 Emphasis on Sustainability

OUC completed its first greenhouse gas inventory for the entire company in 2008 and updates the inventory annually. This report helps OUC analyze how it impacts the environment, detailing both operating emissions and ways to reduce greenhouse gases. The greenhouse gas inventory was only a part of a larger initiative to perform a comprehensive sustainability audit of every department in the company. The goal of this effort is to understand both short-term and long-term opportunities to reduce the corporate carbon footprint in all departments and business functions. A comprehensive sustainability audit was completed in 2009 and will serve as a guide to help OUC develop new environmental initiatives.

OUC's commitment to efficiency and sustainability is further demonstrated by the completion of Reliable Plaza, OUC's new energy and water efficient center in south downtown which replaces OUC's previous South Orange Avenue home. OUC's Reliable Plaza has earned Gold Leadership in Energy and Environmental Design (LEED) certification, officially cementing the 10-story administration and customer service center as the "Greenest Building in downtown Orlando." The non-profit U.S. Green Building Council awarded the Gold level certification after completing a review of the building's design and construction. Reliable Plaza also holds a Florida Water Star certification, a voluntary program for new and existing construction that encourages water efficiency in appliances plumbing fixtures, irrigation systems and landscapes. Reliable Plaza showcases a number of environmentally friendly features and uses 28 percent less energy and 40 percent less water than a similarly sized facility. One of the more innovative offerings at Reliable Plaza is the interactive conservation education center. With a live link to the building's conservation systems, the center's touch screen gives customers real time data on how Reliable Plaza uses – and saves – energy and water. The center also can give information on green building ideas and conservation tips customers can use at home.

OUC has partnered with the Disney Entrepreneur Center for a pilot efficiency program that will offer conservation credits to small businesses that may be experiencing financial difficulties. OUC also began its "Power to Save" campaign, which allowed customers to view OUC conservation and education videos on demand on Bright House Networks. Viewers could access information around the clock and at no cost. The campaign provided access that customers requested and OUC saved money and resources by offering a waste-free alternative to mailing out conservation DVDs.

3.6 COMMUNITY RELATIONS

Owned by the City of Orlando and its citizens, OUC is especially committed to being a good corporate citizen and neighbor in the areas it serves or impacts.

In Orange, Osceola, and Brevard Counties, where OUC serves customers and/or has generating units, OUC gives its wholehearted support to education, diversity, the arts, and social-service agencies. An active Chamber of Commerce participant in all three counties, OUC also supports area Hispanic Chambers and the Metropolitan Orlando Urban League. As a United Arts trustee, OUC has allowed its historic Lake Ivanhoe Power Plant to be turned into a performing arts center. OUC is also a corporate donor for WMFE public television and has been a co-sponsor of the "Power Station" exhibit at the Orlando Science Center. OUC has also donated $100,000 to the Orlando Science Center to help sponsor the alternative-energy exhibit "Our Energy Future" that includes a permanent exhibit in Orlando and a component that travels to museums throughout the country.

OUC conservation support personnel have made hundreds of public appearances related to conservation at schools, business expos, professional associations, and homeowner association meetings. Conservation specialists conducted presentations, provided face to face consultations, scheduled audits, and disseminated information on conservation programs. OUC also sponsors energy-related events, such as the Florida Renewable Energy Association's Renewable Energy Expo, which stresses the importance of reducing individual carbon footprints and introduces the general public to entrepreneurs and educators who are working on the challenges of energy independence and global climate change.

Long a supporter of Habitat for Humanity Orlando, OUC saw Habitat's first town home project – Staghorn Villas – as an opportunity to provide local families with affordable homes that could also help them keep their utility costs in check. OUC donated $60,000 in energy-efficient features for Staghorn Villas, an $8 million town home community that will provide affordable housing for 58 local families. OUC also provided more than 870 compact florescent light bulbs and upgraded all lighting systems throughout the community. Siemens also partnered on the project, matching OUC's $60,000 donation.

In partnership with the City of Orlando, the P.O.W.E.R. Program targets Carver Shores' homeowners and entails an extensive scope of work. Working with a City crew, the homes will be evaluated not only for energy efficiency but also for health concerns like mold that often accompany home issues like leaky roofs, windows, etc. This program targets about 40 homes, including some that will receive complete upgrades involving new appliances, a new HVAC system, and other major home projects. A home could potentially be completely renovated and rehabilitated while families are moved into temporary housing during the upgrade process. OUC is rebating items related to energy efficiency to the City of Orlando.

OUC has partnered with the Orlando Science Center to deliver an interactive curriculum to Orange county public school classrooms within OUC's service territory. The Orlando Science Center, using content approved by OUC, has developed an electric and water conservation and renewable energy curriculum and designed activities that meet Sunshine State Standards and target fifth graders, who are preparing for their first Science FCAT test. The program includes two 90-minute classroom workshops for students as well as hands-on labs and pre- and post-classroom activities.

4 Forecast of Peak Demand and Energy Consumption

OUC retained Itron, formerly Regional Economic Research, Inc. (RER), to assist in the development of forecasts of peak demand and energy consumption. The project scope was to develop a set of sales, energy, and demand forecast models that could support OUC's budgeting and financial planning process as well as long-term planning requirements. OUC utilized its internal knowledge of the service area with the expertise of Itron in the development of the forecast models.

4.1 FORECAST METHODOLOGY

There are two primary forecasting approaches used in forecasting electricity requirements: econometric-based modeling (such as linear regression) and end-use models. In general, econometric forecast models provide better forecasts in the short-term time frame, and end-use models are better at capturing long-term structural change resulting from competition across fuels, and changes in appliance stock and efficiency.

The difficulty of end-use modeling is that these models are extremely data-intensive and provide relatively poor short-term forecasts. End-use models require detailed information on appliance ownership, efficiency of the existing stock, new purchase behavior, utilization patterns, commercial floor-stock estimates by building type, and commercial end-use saturations and intensities in both new and existing construction. It typically costs several hundred thousand dollars to update and to maintain such a detailed database. Lack of detailed end-use information precluded developing end-use forecasts for the OUC/St. Cloud service territories. Furthermore, since there is virtually no retail natural gas in the OUC service territory, end-use modeling would provide little information on cross-fuel competition - one of the primary benefits of end-use modeling.

Since end-use modeling was not an option, the approach adopted was to develop linear regression sales models. To capture long-term structural changes, end-use concepts are blended into the regression model specification. This approach, known as statistically adjusted end-use (SAE) model, entails specifying end-use variables (heating, cooling, and other use) and utilizing these variables in sales regression models. While the SAE approach loses some end-use detail, it adequately forecasts short-term energy requirements, and it provides a reasonable structure for forecasting long-term energy requirements.

4.1.1 Residential Sector Model

The residential model consists of both an average use per household model and a customer forecast model. Monthly average use models were estimated over the period encompassing 2002 to 2011. This provides at least 9 years of historical data, with more than enough observations to estimate strong regression models. Once models were estimated, the residential energy requirement in month T was calculated as the product of the customer and average use forecast:

$$\text{Residential Sales}_T = \text{Average User Per Household}_T \times \text{Number of Customers}_T$$

4.1.1.1 Residential Customer Forecast

The number of customers was forecasted as a function of population and gross state product (GSP) projections for the Orlando Metropolitan Statistical Area (MSA). Models were estimated using MSA-level data, since county level economic data is only available on an annual basis. Not surprisingly, the historical relationship between OUC customers and population in the Orlando MSA is extremely strong. Use of the GSP variable allows for the changing housing demographic associated with the recession to be reflected in the model. The OUC customer forecast model had an adjusted R^2 of 0.98, with an in-sample Mean Absolute Percent Error (MAPE) of approximately 1.3 percent. For St. Cloud, the model performance was comparable with an adjusted R^2 was 0.98 and an in sample MAPE of approximately 1.2 percent.

4.1.1.2 Average Use Forecast

The SAE modeling framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$), and other equipment ($Other_{y,m}$), depicted as follows:

$$\mathbf{Use}_{y,m} = \mathbf{Heat}_{y,m} + \mathbf{Cool}_{y,m} + \mathbf{Other}_{y,m}$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for end-use elements provides the following econometric equation:

$$\mathrm{Use}_m = a + b_1 \times \mathrm{XHeat}_m + b_2 \times \mathrm{XCool}_m + b_3 \times \mathrm{XOther}_m + \varepsilon_m$$

Here, $XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, dwelling data, weather data, and market data. The estimated model can then be thought of as an SAE model, where the estimated slopes are the adjustment factors.

XHeat captures the factors that affect residential space heating. These variables include the following:

- Heating degree-days.
- Heating equipment saturation levels.
- Heating equipment operating efficiencies.
- Average number of days in the billing cycle for each month.
- Thermal integrity and footage of homes.
- Average household size, household income, and energy price.

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier as follows:

$$\mathbf{XHeat}_{y,m} = \mathbf{HeatIndex}_y \times \mathbf{HeatUse}_{y,m}$$

where:

> $XHeat_{y,m}$ is estimated heating energy use in year (y) and month (m).
> $HeatIndex_y$ is the annual index of heating equipment.
> $HeatUse_{y,m}$ is the monthly usage multiplier.

The heat index is defined as a weighted average energy intensity measured in kWh. Given a set of starting end-use energy intensities (EI), the index will change over time with changes in equipment saturations (*Sat*), operating efficiencies (*Eff*), and building structural index (*StructuralIndex*). Formally, the heating equipment index is defined as follows:

$$\mathbf{HeatIndex}_y = \mathbf{StructuralIndex}_y \times \sum_{\mathbf{Type}} \mathbf{EI}^{\mathbf{Type}} \times \frac{\left(\mathbf{Sat}_y^{\mathbf{Type}} \big/ \mathbf{Eff}_y^{\mathbf{Type}} \right)}{\left(\mathbf{Sat}_{98}^{\mathbf{Type}} \big/ \mathbf{Eff}_{98}^{\mathbf{Type}} \right)}$$

StructuralIndex is based on EIA square footage projections and thermal shell efficiency for the southeast census region. EIA's current projections show average square footage increasing slightly faster than thermal shell integrity improvements.

Electric heating saturation in the OUC service area is relatively high with approximately 85 percent of the homes using electric space heat. Heat pumps account for nearly half the existing stock and are projected to increase as a share of heating equipment over time. Given that heat pumps are significantly more efficient than resistance heat, efficiency gains are expected to outstrip increasing heat saturation, which in turn slows expected residential heating sales growth.

Heating sales are also driven by the factors that impact utilization of the appliance stock. Heating use depends on weather conditions, household size, household income, and prices. The heat use variable is constructed as follows:

$$HeatUse_{y,m} = \left(\frac{HDD_{y,m}}{HDD_{98}}\right) \times \left(\frac{HHSize_y}{HHSize_{98}}\right)^{0.20} \times \left(\frac{Income_y}{Income_{98}}\right)^{0.25} \times \left(\frac{Price_{y,m}}{Price_{98}}\right)^{-0.13}$$

where:

HDD is the number of heating degree days in year (y) and month (m).
HHSize is the average household size in a year (y).
Income is the average real income per household in a year (y).
Price is the average real price of electricity in month (m) and year (y).

By construction, $HeatUse_{y,m}$ has an annual sum that is close to 1.0 in the base year (1998). The index changes over time with changes in HDD, HHSize, Income, and Price. In this form, the coefficients represent end-use elasticity estimates. The elasticity estimates are based on a study performed by OUC's consultants. The elasticities are also validated by evaluating out-of-sample model fit statistics using different elasticity estimates.

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

Cooling degree days.
Cooling equipment saturation levels.
Cooling equipment operating efficiencies.
Thermal integrity and footage of homes.
Average household size, household income, and energy price.

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier as follows:

$$\mathbf{XCool_{y,m} = CoolIndex_y \times CoolUse_{y,m}}$$

where:

$XCool_{y,m}$ is the estimated cooling energy use in year (y) and month (m).
$CoolIndex_y$ is the cooling equipment index.
$CoolUse_{y,m}$ is the monthly usage multiplier.

The cooling equipment index is calculated as follows:

$$\mathbf{CoolIndex}_y = \mathbf{StructuralIndex}_y \times \sum_{\mathbf{Type}} \mathbf{EI}^{\mathbf{Type}} \times \frac{\left(\mathbf{Sat}_y^{\mathbf{Type}} \big/ \mathbf{Eff}_y^{\mathbf{Type}}\right)}{\left(\mathbf{Sat}_{98}^{\mathbf{Type}} \big/ \mathbf{Eff}_{98}^{\mathbf{Type}}\right)}$$

As air conditioning saturation increases, the index increases. As efficiency increases, the index decreases. Again, because of the high current saturation of air conditioning, the index is largely driven by increasing overall air conditioning efficiency. A slight increase in the structural index (as a result of increasing square footage) results in a small increase in the cooling equipment index over time.

The cooling utilization variable is constructed similar to that of the heating use variable. *CoolUse* is defined as follows:

$$\mathrm{CoolUse}_{y,m} = \left(\frac{\mathrm{CDD}_{y,m}}{\mathrm{CDD}_{98}}\right) \times \left(\frac{\mathrm{HHSize}_y}{\mathrm{HHSize}_{98}}\right)^{0.20} \times \left(\frac{\mathrm{Income}_y}{\mathrm{Income}_{98}}\right)^{0.25} \times \left(\frac{\mathrm{Price}_{y,m}}{\mathrm{Price}_{98}}\right)^{-0.07}$$

where:

CDD is the number of cooling degree days in year (y) and month (m).

Monthly estimates of nonweather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by the following:

- Appliance and equipment saturation levels.
- Appliance efficiency levels.
- Average household size, real income, and real prices.

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherEqpIndex_{y,m} \times OtherUse_{y,m}$$

The first term on the right hand side of this expression ($OtherEqpIndex_{y,m}$) embodies information about appliance saturation and efficiency levels and monthly usage multipliers. The second term (*OtherUse*) captures the impact of changes in price, income, and household size on appliance utilization. The appliance index is defined as follows:

$$OtherIndex_{y,m} = EI^{Type} \times \frac{\left(Sat_y^{Type} \Big/ \frac{1}{Eff_y^{Type}} \right)}{\left(Sat_{98}^{Type} \Big/ \frac{1}{Eff_{98}^{Type}} \right)} \times MoMult_m^{Type}$$

where:

EI is the energy intensity for each appliance (annual kWh).
Sat represents the fraction of households who own an appliance type.
$MoMult_m$ is a monthly multiplier for the appliance type in month (m).
Eff is the average operating efficiency for water heaters.

This index combines information about trends in saturation levels and efficiency levels for the main appliance categories with monthly multipliers for lighting, water heating, and refrigeration. Saturation and efficiency trends are based on EIA projections for the southeast census region.

Economic activity is captured through the *OtherUse* variable, where *OtherUse* is defined as follows:

$$OtherUse_{y,m} = \left(\frac{HHSize_y}{HHSize_{98}} \right)^{0.20} \times \left(\frac{Income_y}{Income_{98}} \right)^{0.25} \times \left(\frac{Price_{y,m}}{Price_{98}} \right)^{-0.07}$$

Increase in household income translates into an increase in XOther, while increases in electricity prices result in a decrease in XOther. Decreasing household size (number per household) translates into a decrease in XOther.

4.1.1.3 Estimate Models

To estimate the forecast models, monthly average residential usage is regressed on XCool, XHeat, and XOther. Lagged *Use* values of XCool and Xheat are also included in the specification since these variables are constructed with calendar-month weather data, but the dependent variable (residential average use) is based on revenue-month sales. July residential sales, for example, reflect usage in both calendar months June and July. Despite the "noise" associated with the economic recession over the past couple of years, the end-use variables worked well in the regression models. For OUC, the residential adjusted R^2 is 0.95 with an in-sample MAPE of approximately 3.6 percent. All the model coefficients are highly significant (exhibited by t-statistics greater than 2.0). The St. Cloud model also explains average usage well with an R^2 of 0.93. The model coefficients are highly significant.

4.1.2 Nonresidential Sector Models

The nonresidential sector is segmented into two revenue classes:

- Small General Service (GS Nondemand or GSND)
- Large General Service (GS Demand or GSD)

The GSND class consists of small commercial customers with a measured demand of less than 50 kW. The GSD class consists of those customers with monthly maximum demand exceeding 50 kW.

The SAE approach is also used to develop models to forecast electricity sales for commercial nondemand and demand classes. The commercial SAE model framework begins by defining energy use ($Use_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$), and other equipment ($Other_{y,m}$) as follows:

$$Sales_{y,m} = Heat_{y,m} + Cool_{y,m} + \text{Other}_{y,m}$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation:

$$Sales_m = a + b_1 \times XHeat_m + b_2 \times XCool_m + b_3 \times XOther_m + \varepsilon_m$$

The model parameters are then estimated using linear regression.

The constructed variables XHeat, XCool, and XOther capture structural as well as market condition changes. The end-use variables include the following:

- Heating and cooling degree days
- End-use saturation and efficiency trends
- Real regional output
- Price

The end-use variables are represented as the product of an annual equipment index (Index) and a monthly usage multiplier (Use). The variables are defined as follows:

$$\mathbf{XHeat_{y,m} = HeatIndex_y \times HeatUse_{y,m}}$$

$$\mathbf{XCool_{y,m} = HeatIndex_y \times HeatUse_{y,m}}$$

$$\mathbf{XOther_{y,m} = OtherIndex_{y,m} \times OtherUse_{y,m}}$$

The heating equipment index captures change in end-use saturation and efficiency. The heating index is defined as follows:

$$HeatIndex_y = HeatSales_{98} \times \frac{\left(HeatShare_y \big/ Eff_y \right)}{\left(HeatShare_{98} \big/ Eff_{98} \right)}$$

In this expression, 1998 is defined as the base year. The ratio on the right is equal to 1.0 in 1998. As end-use saturation increases, the index increases; as efficiency increases, the index decreases. The starting heating sales estimate (HeatSales98) is derived from the EIA end-use forecast database for the southeast census region. Similarly, projections of saturation and efficiency changes are based on EIA's long-term outlook for the southeast region.

The heating variable *XHeat* is constructed by interacting the index variable (*HeatIndex*) with a variable that captures short-term stock utilization (*HeatUse*). Temperature data, prices, and regional output are incorporated into the HeatUse variable. The calculated heat utilization variable is computed as follows:

$$HeatUse_{y,m} = \left(\frac{HDD_{y,m}}{HDD_{98}}\right) \times \left(\frac{Output_y}{Output_{98}}\right)^{0.45} \times \left(\frac{\Pr ice_{y,m}}{\Pr ice_{98}}\right)^{-0.10}$$

where:

HDD is the number of heating degree days in year (y) and month (m).

Output is real gross regional product in year (y) and month (m).

Price is the average real price of electricity in year (y) and month (m).

As constructed, *HeatUse* is also an index value with a value of 1.0 in 1998. Furthermore, in this functional form, the coefficients of 0.45 and -0.1 can be interpreted as elasticities. A 1.0 percent change in output will translate into a 0.45 percent increase in the HeatUse index. A 1.0 percent increase in real price will translate into a -0.1 percent change in HeatUse.

The cooling variable (*XCool*) is constructed in a similar manner. Cooling requirements are driven by the following:

- Cooling degree days
- Cooling equipment saturation levels
- Cooling equipment operating efficiencies
- Business activity (as captured by regional output)
- Price

The following cooling variable is the product of an equipment-based index and monthly usage multiplier:

$$\text{CoolIndex}_y = \text{CoolSales}_{98} \times \frac{\left(\text{CoolShare}_y / \text{Eff}_y\right)}{\left(\text{CoolShare}_{98} / \text{Eff}_{98}\right)}$$

where:

CoolIndex$_y$ is an index of the cooling equipment.

As with heating, the cooling equipment index depends on equipment saturation levels (*CoolShare*) normalized by operating efficiency levels (*Eff*). Saturation and efficiency trends are derived from the EIA end-use database for the southeast census region. Given the nearly 100 percent saturation in air conditioning, the index is driven downwards by improving air conditioning efficiency.

The *CoolUse* variable is constructed similar to the *HeatUse* variable. *CoolUse* captures the interaction of temperature (*CDD*), regional output (*Output*), and price. The output and price elasticity are estimated to be 0.45 and -0.1, respectively. The constructed use variable is defined as follows:

$$CoolUse_{y,m} = \left(\frac{CDD_{y,m}}{CDD_{98}}\right) \times \left(\frac{Output_y}{Output_{98}}\right)^{0.45} \times \left(\frac{\Pr ice_{y,m}}{\Pr ice_{98}}\right)^{-0.1}$$

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (1998). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will vary to reflect changes in commercial output and prices.

Monthly estimates of nonweather sensitive sales can be derived in a similar fashion as space heating and cooling. Based on end-use concepts, other sales are driven by the following:

- Equipment saturation levels
- Equipment efficiency levels
- Average number of days in the billing cycle for each month
- Real commercial output and real prices

The explanatory variable for other uses is defined as follows:

$$\mathbf{XOther}_{\mathbf{y,m}} = \mathbf{OtherIndex}_{\mathbf{y,m}} \times \mathbf{OtherUse}_{\mathbf{y,m}}$$

The first term embodies information about equipment saturation levels and efficiency levels. The equipment index for other uses is defined as follows:

$$OtherIndex_{y,m} = \sum_{Type} OtherSales_{98}^{Type} \times \left(\frac{Share_{y}^{Type} / Eff_{y}^{Type}}{Share_{98}^{Type} / Eff_{98}^{Type}} \right)$$

where:

> *OtherSales* represents starting base year non-heating, ventilating, and air conditioning (HVAC) sales.
> *Share* represents saturation of other office equipment.
> *Eff* is the average operating efficiency.

This index combines information about trends in saturation levels and efficiency levels for the primary commercial non-HVAC end-uses. End-uses embedded in *OtherIndex* include lighting, water heating, cooking, refrigeration, office equipment, and miscellaneous equipment. The equipment categories are based on EIA categorizations. Economic drivers interact with the *OtherIndex* through the utilization variable *OtherUse*. *OtherUse* is defined as follows:

$$OtherUse_{y,m} = \left(\frac{Output_{y}}{Output_{98}} \right)^{0.45} \times \left(\frac{Price_{y,m}}{Price_{98}} \right)^{-0.10}$$

4.1.2.1 GSND Sales Forecast

The GSND sales forecast is derived from a total sales forecast model where sales are specified as a function of regional output, (real) price, heating and cooling degree days, and end-use indices to account for changes in commercial sector end-use saturation and efficiency.

4.1.2.2 GSND Sales Models

GSND sales models are estimated for OUC and St. Cloud. GSND, as a class, represents about 5 percent of OUC's residential sales and 5 percent St. Cloud's sales. Both models explain historical monthly sales variations. The adjusted R^2 for the OUC GSND sales model is 0.87 and the adjusted R^2

for St. Cloud is 0.83. The estimated end-use variable coefficients are statistically significant in both models.

4.1.2.3 GSD Models

The GSD class represents the largest nonresidential customer class. Over the past few years, OUC has seen solid sales gains in this customer class. While overall sales growth will slow significantly over the forecast period due to the recessionary conditions, GSD sales are expected to continue at a solid level of sales growth through the forecast horizon when the economic conditions improve.

The GSD models include *XCool* and *XOther*. Low t-statistics on the heating variables indicate that there is relatively little electric space heating in the GSD class. In the OUC model, *XCool* and *XOther* are highly significant with t-statistics over 2.0. The adjusted R^2 is 0.88 with an in-sample MAPE of 3.4 percent. The St. Cloud end-use variables are also statistically significant with t-statistics over 2.0. The St. Cloud model has an adjusted R^2 of 0.96 with an MAPE of 2.7 percent.

The eight largest OUC customers, which represent approximately 10 percent of OUC's sales, are backed out of OUC GSD sales data and forecasted separately. The companies include a defense contractor, the Orlando International Airport (OIA), two regional medical centers, a sewage treatment facility, a plastics manufacturer, and two theme parks. Forecasts are based on discussions with customer support staff and current economic projections. The large customer sales forecast is combined with the other GSD forecast to develop a total GSD forecast.

OUC's own electric use (OUC Use) is also forecasted separately. The forecast is primarily driven by expected demand for OUC's chilled water cooling plants in the metropolitan Orlando area. OUC chiller-related electricity requirements are backed out of the GSD sales forecast since chilled water sales are expected to directly displace GSD air conditioning load.

4.1.2.3.1 Street Lighting Sales

Street lighting sales are forecasted using a simple trend model. The forecast also includes sales from the *OUC Convenient Lighting Program*, which targets outdoor lighting use. Introduction of higher efficiency lighting products over the next 10 years is expected to reduce the growth in lighting sales to about 1 GWH per year over the evaluation period.

4.1.3 Hourly Load and Peak Forecast

To capture the load diversity across the two retail companies, separate system hourly load forecasts are estimated for OUC and St. Cloud. The hourly load forecasts are then combined to generate a total system hourly load forecast. Summer and winter peak demands are then calculated from the combined utility system hourly load forecast.

The system load profiles are based on a set of hourly load models using load data covering the January 1998 to December 2010 period. Historical hourly loads are first expressed as a percentage of the total daily energy as follows:

$$\text{Fraction}_{dh} = \text{Load}_{hd} \div \text{Energy}_{d}$$

where:

$Load_{hd}$ = the system load in hour (h) and day (d).
$Energy_d$ = the system energy in day (d).

Hourly fraction models are then estimated using the Ordinary Least Squares (OLS) regression where the hourly models are specified as a function of daily weather conditions, months, day of the week, and holidays. A second model is estimated for daily energy ($Energy_d$) where daily energy is specified as a function of daily temperatures, day of the week, holidays, seasons, and a trend variable to account for underlying growth over the estimation period.

The hourly fraction and daily energy models are used to simulate hourly fractions and daily energy for normal daily weather conditions. Normal daily temperatures are calculated by first ranking each year from the hottest to coldest day. The ranked data are then averaged to generate the hottest average temperature day to the coolest average temperature day. Daily normal temperatures are then mapped back to a representative calendar day based on a typical daily weather pattern. The hottest normal temperature is mapped to July and the coldest normal temperature to January.

Given weather normal hourly fractions (*WNFraction*) and weather normal daily energy (*WNDailyEnergy*), it is possible to calculate weather normal load for hour (h) in day (d) as follows:

$$WNLoad_{dh} = \mathrm{WNFraction}_{\mathrm{dh}} \times \mathrm{WNDailyEnergyt}_{\mathrm{dh}}$$

The system 8,760 hourly load forecast is generated by combining the weather normal system load shape with the energy forecast using *MetrixLT*. The energy forecast is allocated to each hour based on the weather normal hourly profile. Separate hourly load forecasts are derived for OUC and St. Cloud.

Under normal daily weather conditions OUC is just as likely to experience a winter peak as it is a summer peak. OUC experiences a "needle-like" peak in the winter months on the 1 or 2 days where the low temperature falls below freezing. The needle peak is largely driven by backup resistant heat built into the residential heat pumps.

A separate hourly load forecast is estimated for St. Cloud. Given that St. Cloud is dominated by the residential sector, St. Cloud is even more likely to peak during the winter season.

The hourly OUC and St. Cloud forecasts are aggregated to yield total system hourly load requirements. Forecasted seasonal peaks are then derived by finding the maximum hourly demand in January (for the winter peak) and August (for the summer peak).

4.2 FORECAST ASSUMPTIONS

The forecast is driven by a set of underlying demographic, economic, weather, and price assumptions. Given long-term economic uncertainty, the approach was to develop a set of reasonable, but conservative, set of forecast drivers.

4.2.1 Economics

The economic assumptions are derived from forecasts from Economy.com and the University of Florida. Economy.com's monthly economic forecast for the Orlando MSA is used to drive the forecast.

4.2.1.1 Employment and Regional Output

The nonresidential forecast models are driven by nonmanufacturing and regional output forecasts. Economy.com's employment forecasts were used. Table 4-1 shows the annual employment and gross state product projections.

4.2.1.2 Population, Households, and Income

The primary economic drivers in the residential forecast model are population, the number of households, and real personal income. Economy.com's projections for the Orlando MSA were used, and the projections are presented in Table 4-2.

4.2.2 Price Assumption

An aggregate retail price series was used as a proxy for effective prices in each of the model specifications. Since retail rates (across rate schedules) have generally moved in the same direction, an average retail price variable captures price movement across all the customer classes. The average annual price series is provided in Table 4-3.

The price series is calculated by first deflating historical monthly revenues by the Consumer Price Index. Real revenues are then divided by retail sales to yield a monthly revenue per kWh value. Since revenue is itself a function of sales, it is inappropriate to regress sales directly on revenue per kWh. To generate a price series, a 12 month moving average of the real revenue per kWh series is calculated. This is a more appropriate price variable, as it assumes that households and businesses respond to changes in electricity prices that have occurred over the prior year.

Table 4-1 Employment and Gross Regional Output Projections – Orlando MSA

YEAR	TOTAL EMPLOYMENT (THOUSANDS)	NON-MANUFACTURING EMPLOYMENT (THOUSANDS)	GROSS PRODUCT (BILLION $)
2012	1,043	1,005	101.1
2019	1,234	1,197	119.3
2022	1,445	1,409	135.6
2027	1,661	1,627	151.4
Average Annual Increase			
12-17	3.4%	3.6%	3.4%
17-22	3.3%	3.4%	3.0%
22-27	2.4%	2.4%	2.0%

Table 4-2 Population, Household, and Income Projections – Orlando MSA

YEAR	MEDIAN HOUSEHOLD INCOME	HOUSEHOLDS (THOUSANDS)	POPULATION (THOUSANDS)
2012	$48,335	832	2,219
2017	$54,304	948	2,533
2022	$60,456	1,085	2,903
2027	$68,129	1,223	3,272
Average Annual Increase			
12-17	2.4%	2.6%	2.7%
17-22	2.3%	2.7%	2.7%
22-27	1.7%	1.9%	2.0%

Table 4-3 Historical and Forecasted Price Series Average Annual Price

YEAR	REAL PRICE[1] (CENTS/KWH)
2002	5.0
2007	6.1
2012	6.1
2017	6.1
2027	6.1
Average Annual Increase	
02-07	4.0%
07-12	0.0%
12-17	0.0%
17-22	0.0%
22-27	0.0%
[1]Real prices presented in 1992 $ basis.	

4.2.3 Weather

Weather is a key factor affecting electricity consumption for indoor cooling and heating. Monthly cooling degree days (CDDs) are used to capture cooling requirements while heating degree days (HDDs) account for variation in usage because of electric heating needs. CDDs and HDDs are calculated from the daily average temperatures for Orlando.

CDD is calculated using a 65º F base. First, a daily CDD is calculated as follows:

$$CDD_d = (AvgTemp_d - 65)\ when\ \ AvgTemp_d \rangle = 65$$

CDD_d has a value equal to the average daily temperature minus 65 when the average daily temperature is greater than or equal to 65° F, and equals zero if average daily temperature is less than 65° F. The daily CDD values are then aggregated to yield a monthly CDD as follows:

$$\mathbf{CCD_m = \Sigma CDD_{md}}$$

For each month, a normal CDD estimate is calculated using a 10 year average of the monthly values calculated from 1995 through 2004:

$$\mathbf{CDD_{nm} = \Sigma CDD_m \div 10}$$

Heating degree days are calculated in a similar manner. Daily HDD is first derived using a base temperature of 65° F as follows:

$$HDD_d = (65 - AvgTemp_d)\ when\ AvgTemp_d \langle = 65$$

HDD_d equals 65° F minus the average daily temperature if the average daily temperature is less than or equal to 65° F, and equals zero if the daily temperature is greater than 65° F. Aggregate monthly HDD (HDD_m) is then calculated by summing daily HDD over each month:

$$HDD_m = \sum HDD_{md}$$

The monthly normal HDD is calculated as a 10 year average of the calendar month HDD as follows:

$$\mathbf{HDD_{nm} = \sum HDD_m \div 10}$$

4.3 BASE CASE LOAD FORECAST

A long-term annual budget forecast was developed through 2025. As outlined in the methodology section, the sales forecast is developed from a set of structured regression models that can be used for forecasting both monthly sales and customers for the forecast horizon. Forecast models are estimated for each of the major rate classifications including the following:

- Residential
- GSND (small commercial customers)
- GSD (large commercial and industrial customers)
- Street lighting

Models are estimated using monthly sales data covering the 1998 through 2009 period for the OUC residential model as well as for the OUC nonresidential models. St. Cloud residential, GSD, and GSND sales models are estimated using monthly data from 1998 through 2009.

To support production-costing modeling, an 8,760 hourly load forecast is derived for each of the forecast years. The hourly load forecasts are based on a set of hourly and daily energy statistical models. The models are estimated from hourly system load data over the January 1997 to December 2009 period. A separate set of models is estimated for OUC and St. Cloud. Seasonal peak demand forecasts are derived as the maximum hourly demand forecast occurring in the summer and winter months. Table 4-4 summarizes the annual net energy for load and seasonal peak demand forecasts for the combined OUC and St. Cloud service territories.

4.3.1 Base Case Economic Outlook

Economic projections are based on Economy.com's economic outlook for Orlando and the State of Florida. Projections are in line with economic projections by the University of Florida. The economic downturn has impacted all of the major rate sectors for both OUC and St. Cloud. Growth has slowed or stalled significantly for all areas of employment. Foreclosures in both service areas have affected the growth of residential usage and customers. OUC will continue to closely monitor the economic impact on sales and customer growth.

4.3.2 Forecast Results

Based upon the previously discussed economic assumptions, total retail sales for OUC are expected to increase from 5,587 GWh in 2012 to 6,909 GWh by 2022. St. Cloud sales are projected to increase from 568 GWh to 718 GWh over this same time period.

Table 4-4 Net System Peak (Summer and Winter) and Net Energy for Load (Total of OUC and St. Cloud)[1]

YEAR	SUMMER (MW)	WINTER (MW)	NET ENERGY (GWH)	LOAD FACTOR (%)
2012	1,268	1,215	6,534	58.7%
2017	1,422	1,357	7,227	58.0%
2022	1,576	1,506	7,991	57.9%
2027	1,750	1,670	8,842	57.7%
Average Annual Increase				
12-17	2.3%	2.2%	2.0%	-
17-22	2.1%	2.1%	2.0%	-
22-27	2.1%	2.1%	2.0%	-

(1) Net system peak demand and net energy for load forecasts reflect demand reductions associated with OUC's conservation and energy efficiency programs.

4.3.2.1 Residential Forecast

With high electric end-use saturation and projected appliance efficiency-gains, residential average use is projected to remain about flat over the forecast period. Since OUC average residential use is flat, residential sales growth will be driven largely by the addition of new customers. With slow population projections for the region, residential customers are expected to increase at an average annual rate of 2.3 percent for OUC and at 2.7 percent for St. Cloud for the next several years. The ten year residential sales average annual growth rate is 2.2 percent for OUC and 2.5 percent for St. Cloud. The OUC and St. Cloud residential sales forecasts are shown in Tables 4-5 through 4-8, respectively.

4.3.2.2 Small Commercial Sales Forecast

GSND sales are projected to grow at an average annual rate of 1.7 percent and 2.25 percent for OUC and St. Cloud, respectively, between 2012 and 2022. Projected GSND sales are driven by regional non-manufacturing employment and output growth. Average use growth is partly constrained by size limitation; as customers exceed the 50 kW rate class cutoff, they migrate to the appropriate GSD rate. For OUC and St. Cloud, average GSND use has actually trended downward over the last few years and is expected to trend downward. Small commercial customer growth accounts for most of the GSND sales gains. The GSND customer forecast is driven by regional non-manufacturing employment projections. The number of GSND customers is projected to grow at an average annual growth rate of 1.9 percent and 3.5 percent, respectively, for OUC and St. Cloud from 2012 through 2022. Tables 4-5 through 4-8 show annual GSND forecasts for OUC and St. Cloud.

4.3.2.3 Large Nonresidential Sales Forecast

GSD represents the largest commercial and industrial customers. GSD sales grew 1.4 percent between 2002 and 2011. Sales are projected to continue to show solid gains as a result of new major developments such as the UCF medical school, Burnham institute, VA hospital, and other related medical businesses coming on line. The GSD customer forecast is driven by total employment projections and total sales by projected regional gross output. Tables 4-5 through 4-8 summarize the annual GSD forecasts for OUC and St. Cloud.

Table 4-5 OUC Long-Term Sales Forecast (GWh)

YEAR	RESIDENTIAL	GS NONDEMAND	GS DEMAND	ST. LIGHTING	CONV. ST. LTS.	OUC USE	TOTAL RETAIL
2012	1,883	279	3,437	26	30	30	5,685
2017	2,087	308	3,806	26	31	30	6,288
2022	2,341	330	4,181	27	33	30	6,942
2027	2,631	357	4,593	29	33	30	7,673
Average Annual Increase							
12-17	2.1%	2.0%	2.1%	0.0%	0.7%	0.0%	2.0%
17-22	2.3%	1.4%	1.9%	0.8%	1.3%	0.0%	2.0%
22-27	2.4%	1.6%	1.9%	1.4%	0.0%	0.0%	2.0%

Table 4-6 OUC Average Number of Customers Forecast

YEAR	RESIDENTIAL	GS NONDEMAND	GS DEMAND	TOTAL RETAIL
2012	156,712	20,347	7,496	186,567
2017	175,345	22,123	9,12	208,797
2022	196,673	24,541	11,240	234,476
2027	218,250	27,125	13,223	260,620
Average Annual Increase				
12-17	2.3%	1.7%	4.4%	2.3%
17-22	2.3%	2.1%	3.8%	2.3%
22-27	2.1%	2.0%	3.3%	2.1%

Table 4-7 St. Cloud Long-Term Sales Forecast (GWh)

YEAR	RESIDENTIAL	GS NONDEMAND	GS DEMAND	ST. LIGHTING	TOTAL RETAIL
2012	413	32	129	8	582
2017	462	36	137	8	643
2022	526	40	148	8	722
2027	593	44	160	8	805
Average Annual Increase					
12-17	2.3%	2.4%	1.2%	0.0%	2.0%
17-22	2.6%	2.1%	1.6%	0.0%	2.3%
22-27	2.4%	1.9%	1.6%	0.0%	2.2%

Table 4-8 St. Cloud Average Number of Customers Forecast

YEAR	RESIDENTIAL	GS NONDEMAND	GS DEMAND	TOTAL RETAIL
2012	27,511	2,308	212	30,031
2017	31,470	2,819	207	34,496
2022	35,918	3,255	211	39,384
2027	40,095	3,704	216	44,015
Average Annual Increase				
12-17	2.7%	4.1%	-0.5%	2.8%
17-22	2.7%	2.9%	0.4%	2.7%
22-27	2.2%	2.6%	0.5%	2.2%

4.4 NET PEAK DEMAND AND NET ENERGY FOR LOAD

Hourly load models are used to forecast the 8,760 hours of each of the forecast years. Underlying hourly load growth is driven by the aggregate energy forecast. Thus, forecasted peaks grow at roughly the same rate as the energy forecast. Tables 4-9 and 4-10 show seasonal peak demands and net energy for load forecasts for OUC and St. Cloud, respectively.

4.5 HIGH AND LOW LOAD SCENARIOS

In addition to the base case, two long-term forecast scenarios representing a high range and low range around the peak demand forecast. The high and low case scenarios were based on long-term population trends projected by economy.com. The high and low forecast scenarios are based on bands around the most likely economy.com population forecast for the Orlando MSA. In the high case scenario, the population is forecasted to increase 3.3 percent on a compounded basis between 2006 and 2027. This is in comparison to the base case population projections of 2.3 percent. The high growth scenario results in a forecasted 2012-2027 annual energy growth rate of 2.6 percent, with a system peak demand that is 331 MW higher than the base case by 2027. In the low case scenario, energy increases 1.0 percent on a compounded basis through 2027. The low case peak demand is 259 MW lower than the base case in 2027. Table 4-11 presents a summary of the high, base, and low load scenarios.

Table 4-9 OUC Forecast Net Peak Demand (Summer and Winter) and Net Energy for Load [1]

YEAR	SUMMER (MW)	WINTER (MW)	NET ENERGY (GWH)
2012	1,126	1,067	5,918
2017	1,262	1,191	6,547
2022	1,395	1,316	7,226
2027	1,545	1,453	7,987
Average Annual Increase			
12-17	2.3%	2.2%	2.0%
17-22	2.0%	2.0%	2.0%
22-27	2.1%	2.0%	2.0%

[1] Net system peak demand and net energy for load forecasts reflect demand reductions associated with OUC's conservation and energy efficiency programs.

Table 4-10 St. Cloud Forecast Net Peak Demand (Summer and Winter) and Net Energy for Load

YEAR	SUMMER (MW)	WINTER (MW)	NET ENERGY (GWH)
2012	142	148	616
2017	160	167	681
2022	181	190	765
2027	206	216	854
Average Annual Increase			
12-17	2.4%	2.4%	2.0%
17-22	2.5%	2.6%	2.4%
22-27	2.6%	2.6%	2.2%

Table 4-11 Scenario Peak Forecasts OUC and St. Cloud [1]

HIGH LOAD SCENARIO			
Year	Summer (MW)	Winter (MW)	Net Energy (GWh)
2012	1,382	1,340	7,044
2017	1,577	1,546	7,992
2022	1,808	1,790	9,134
2027	2,081	2,075	10,474
Average Annual Increase			
12-17	2.7%	2.9%	2.6%
17-22	2.8%	3.0%	2.7%
22-27	2.9%	3.0%	2.8%
Base Load Scenario			
Year	Summer (MW)	Winter (MW)	Net Energy (GWh)
2012	1,268	1,215	6,534
2017	1,422	1,357	7,227
2022	1,576	1,506	8,991
2027	1,750	1,670	8,842
Average Annual Increase			
12-17	2.3%	2.2%	2.0%
17-22	2.1%	2.1%	2.0%
22-27	2.1%	2.1%	2.0%
Low Load Scenario			
Year	Summer (MW)	Winter (MW)	Net Energy (GWh)
2012	1,268	1,208	6,514
2017	1,340	1,257	6,827
2022	1,413	1,306	7,187
2027	1,491	1,353	7,567
Average Annual Increase			
12-17	1.1%	0.8%	0.9%
17-22	1.1%	0.8%	1.0%
22-27	1.1%	0.7%	1.0%

[1] Peak demand and net energy forecasts reflect demand reductions associated with OUC's conservation and energy efficiency programs.

5 Demand-Side Management

Sections 366.80 through 366.85, and 403.519, Florida Statutes (F.S.), are known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). Section 366.82(2), F.S., requires the Florida Public Service Commission (PSC) to adopt appropriate goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption and weather-sensitive peak demand. Pursuant to Section 366.82(6), F.S., the PSC must review the conservation goals of each utility subject to FEECA at least every five years. The seven utilities subject to FEECA are Florida Power & Light Company (FPL), Progress Energy Florida, Inc. (PEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), Orlando Utilities Commission (OUC), and JEA (referred to collectively as the FEECA utilities). Goals were last established for the FEECA utilities in August 2004 (Docket Nos. 040029-EG through 040035-EG). OUC's 2005 Demand-Side Management (DSM) Plan was approved by the Florida Public Service Commission (FPSC) on September 1, 2004 (Docket No. 040035-EG). The FPSC determined that there were no cost-effective conservation measures available for use by OUC, and therefore established zero DSM and conservation goals for OUC's residential, commercial, and industrial sectors through 2014. Although OUC's FPSC-approved DSM and conservation goals were zero for the 2005 through 2014 period, OUC recognized the importance of energy efficiency and conservation and voluntarily maintained and continued to offer DSM programs that showed potential for high customer demand and participation.

Given that 5 years had elapsed since the FPSC's August 2004 FEECA dockets, goals for the 2010 through 2019 period were required to be established by January 2010. OUC's residential and commercial/industrial numeric conservation goals for the 2010 through 2019 period were established by the FPSC in the *Final Order Approving Numeric Conservation Goals* (Order No. PSC-09-0855-FOF-EG, issued December 30, 2009). On March 30, 2010, OUC filed a petition requesting FPSC approval of OUC's DSM Plan, which was subsequently approved pursuant to the FPSC Order issued September 3, 2010 (Order No. PSC-10-0554-PAA-EG), with Consummating Order issued September 28, 2010 (Order No. PSC-10-0595-CO-EG). OUC's DSM Plan set forth the programs that OUC anticipated offering to achieve the numeric conservation goals established by the FPSC. These FPSC-established annual goals are presented in Tables 5-1, 5-2 and 5-3.

Table 5-1 Residential DSM Goals Approved by the FPSC

CALENDAR YEAR	SUMMER (MW)	WINTER (MW)	ANNUAL (GWH)
2010	0.50	0.20	1.80
2011	0.50	0.20	1.80
2012	0.50	0.20	1.80
2013	0.50	0.20	1.80
2014	0.50	0.20	1.80
2015	0.50	0.20	1.80
2016	0.50	0.20	1.80
2017	0.50	0.20	1.80
2018	0.50	0.20	1.80
2019	0.50	0.20	1.80
Total	5.00	2.00	18.00

Table 5-2 Commercial/Industrial DSM Goals Approved by the FPSC

CALENDAR YEAR	SUMMER (MW)	WINTER (MW)	ANNUAL (GWH)
2010	0.70	0.70	1.80
2011	0.70	0.70	1.80
2012	0.70	0.70	1.80
2013	0.70	0.70	1.80
2014	0.70	0.70	1.80
2015	0.70	0.70	1.80
2016	0.70	0.70	1.80
2017	0.70	0.70	1.80
2018	0.70	0.70	1.80
2019	0.70	0.70	1.80
Total	7.00	7.00	18.00

Table 5-3 Total Residential and Commercial/Industrial DSM Goals Approved by the FPSC

CALENDAR YEAR	SUMMER (MW)	WINTER (MW)	ANNUAL (GWH)
2010	1.20	0.90	3.60
2011	1.20	0.90	3.60
2012	1.20	0.90	3.60
2013	1.20	0.90	3.60
2014	1.20	0.90	3.60
2015	1.20	0.90	3.60
2016	1.20	0.90	3.60
2017	1.20	0.90	3.60
2018	1.20	0.90	3.60
2019	1.20	0.90	3.60
Total	12.00	9.00	36.00

OUC has been increasingly emphasizing its DSM and conservation programs to increase customer awareness of such programs. This is beneficial to the customers, and also represents one way in which OUC is helping to reduce its emissions of greenhouse gases, better positioning OUC to meet possible future climate regulations.

It should be noted that government mandates have forced manufacturers to increase their efficiency standards, thereby decreasing the incremental amount of energy savings achievable. In addition, the efficiency of new generation has increased. These appliance and generating unit efficiency improvements have to some degree mitigated the effectiveness of DSM and conservation programs, as the incremental benefit of such programs is partially offset by overall efficiency increases in the marketplace as a whole.

The quantifiable DSM and conservation programs offered to OUC's customers in 2011, and planned to be offered during 2012, include the following:

- Residential Energy Survey Program (Walk-Through, DVD, and Online)
- Residential Duct Repair Rebate Program
- Residential Ceiling Insulation Rebate Program
- Residential Window Film/Solar Screen Rebate Program
- Residential High Performance Window Rebate Program
- Residential Caulking and Weather Stripping Rebate Program
- Residential Wall Insulation Rebate Program
- Residential Cool/Reflective Roof Rebate Program
- Residential Heat Pump Rebate Program
- Residential Home Energy Fix-Up Program
- Residential Billed Solution Insulation Program
- Residential Gold Ring Home Program
- Residential Compact Fluorescent Lighting Program
- Residential HVAC Proper Sizing with R-30 Attic Insulation Rebate Program
- Commercial Energy Audit Program
- Commercial Indoor Lighting Retrofit Billed Solution Program
- Commercial Indoor Lighting Retrofit Rebate Program
- Commercial Heat Pump Rebate Program
- Commercial Duct Repair Rebate Program
- Commercial Window Film/Solar Screen Program
- Commercial Ceiling Insulation Program
- Commercial Cool/Reflective Roof Program

During calendar year 2011, OUC continued to offer the following measures that have not been quantified, but aid OUC's customers in reliability, energy conservation, and education:

- Residential Energy Conservation Rate Structure
- Commercial OUConsumption Online
- Commercial OUConvenient Lighting
- OUCooling
- Small Business Efficiency Pilot

The remainder of this section describes each of the quantifiable and non-quantifiable DSM and conservation programs that OUC currently plans to offer to its customers to meet the FPSC-approved DSM goals. In addition to offering such programs, OUC continues to play an active role in promoting conservation through community relations as discussed in Section 2.4 and Section 3.6 of this Ten-Year Site Plan.

5.1 QUANTIFIABLE CONSERVATION PROGRAMS

5.1.1 Residential Energy Survey Program

OUC has been offering home energy surveys dating back to the late 1970's. The home energy walk-through surveys were designed to provide residential customers with recommended energy efficiency measures and practices customers can implement. The Residential Energy Survey Program consists of three measures: the Residential Energy Walk-Through Survey, the Residential Energy Survey DVD, and an interactive Online Energy Survey. These measures are available to both single family and multi-family residential customers.

The Residential Energy Walk-Through Survey includes a complete examination of the attic; heating, ventilation, and air conditioning (HVAC) system; air duct and air returns; window caulking; weather stripping around doors; faucets and toilets; and lawn sprinkler systems. OUC provides participating customers specific tips on conserving electricity and water as well as details on customer rebate programs. OUC Conservation Specialists are using this walk-through type audit as a means of motivating OUC customers to participate in other conservation programs and qualify for appropriate rebates.

A Residential Energy Survey Video was first offered in 2000 by OUC and is now available to OUC customers in an interactive DVD format. The DVD is free and is distributed in English and Spanish to OUC customers by request. The DVD was developed to further assist OUC customers in surveying their homes for potential energy saving opportunities. The DVD walks the customer through a complete visual assessment of energy and water efficiency in his or her home. A checklist brochure to guide the customer through the audit accompanies the DVD. The DVD has several benefits over the walk-through survey, including the convenience of viewing the DVD at any time without a scheduled appointment and the ability to watch the DVD numerous times. In addition to the Energy Walk-Through and the DVD Surveys, OUC offers customers an interactive Online Home Energy Audit. The interactive Online Home Energy Audit is available on OUC's web sites, http://www.OUC.com and http://www.ReliablyGreen.com.

One of the primary benefits of the Residential Energy Survey Program is the education it provides to customers on energy conservation measures and ways their lifestyle can directly affect their energy use. Customers participating in the Energy Survey Program are informed about conservation measures that they can implement. Customers will benefit from the increased efficiency in their homes, and decreased electric and water bills.

Participation in the Walk-Through Energy Survey has been consistently strong over the past several years and interest in the Energy Survey DVD, as well as the interactive Online Home Energy Audit, has been high since the measures were first introduced. Feedback from customers who have taken advantage of the surveys has been very positive.

OUC customers can participate in this program by requesting an appointment for a Walk-Through Energy Survey by calling the OUC Customer Service Call Center or requesting an Energy Survey DVD. OUC customers can also use the Online Home Energy Audit at their convenience by visiting OUC's websites. Participation is tracked through service orders that are produced when appointments are scheduled and completed or the DVD is mailed. Online Surveys are tracked through the service provider (ACLARA), who produces monthly activity reports.

5.1.2 Residential Duct Repair Rebate Program

The Duct Repair Rebate Program originated in 2000 and is designed to encourage customers to repair leaking ducts on existing systems. Qualifying customers must have an existing central air conditioning system of 5.5 tons or less and ducts must be sealed with mastic and fabric tape or Underwriters Laboratory (UL) approved duct tape. Participating customers receive a rebate for 50 percent of the cost of duct repairs on their homes, up to $300.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.3 Residential Ceiling Insulation Rebate Program

The attic is the easiest place to add insulation and lower total energy costs throughout the seasons. The ceiling insulation rebate program has been offered for several years and is designed to encourage customers to upgrade their attic insulation. Participating customers receive a $100 rebate plus $0.10 per square foot, up to a total of $400 for upgrading their attic insulation to R-19 or higher.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com and http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.4 Residential Window Film/Solar Screen Rebate Program

Installing solar window film on pre-existing homes can help reflect the heat during hot summer days and help the efficiency of home cooling units. The window film/solar screen rebate program has been offered for several years and is designed to encourage customers to install solar shading on their windows. Participating customers will receive a rebate in the amount of $1 per square foot, up to a maximum of $200, for installation of solar shading film with a shading coefficient of 0.5 or less.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.5 Residential High Performance Window Rebate Program

Energy-efficient windows can help minimize heating, cooling, and lighting costs. The high performance windows rebate program has been offered for several years and is designed to encourage customers to install windows that improve energy efficiency in their homes. Customers will receive a $2 rebate per square foot (up to $500) for the purchase of ENERGY STAR® rated energy efficient windows.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.6 Residential Caulking and Weather Stripping Rebate Program

Properly sealing cracks and openings in houses can significantly reduce heating and cooling costs, improve building durability, and create a healthier indoor environment. The caulking and weather stripping rebate program has been offered for several years and is designed to encourage customers to caulk and weather strip their homes. Customers will receive a rebate for 50 percent of the cost (up to $100) for the caulking and weather stripping of their homes.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.7 Residential Wall Insulation Rebate Program

Air leakage and improperly installed insulation can waste 20 percent or more of the energy used to heat and cool a house. The wall insulation rebate program is designed to encourage customers to insulate the walls of their homes. Customers will receive a rebate of 50 percent of the cost for wall insulation, up to $300.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.8 Residential Cool/Reflective Roof Rebate Program

A cool/reflective roof reflects the sun's rays to help lower roof surface temperature and increase roof life. It helps lower energy bills during the summer by preventing heat absorption. The cool/reflective roof rebate program, which has been offered in the past couple of years, is designed to encourage customers to install new roofing to help insulate their homes. Customers will receive a rebate of $150 for ENERGY STAR® cool/reflective roofing that has an initial solar reflectance greater than or equal to 0.70.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor or the customer. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to property owner who may have paid for the improvement.

5.1.9 Residential Heat Pump Rebate Program

The residential heat pump rebate program, which has been offered for several years, provides rebates to qualifying customers in existing homes who install heat pumps having a seasonal energy efficiency ratio (SEER) of 14.0 or higher. OUC doubled its rebate amounts in 2011 to encourage greater participation. Customers will obtain a rebate in the form of a credit on their bill of $200, $400 or $600, if they install heat pumps with a SEER rating of 14, 15, or 16 and above, respectively.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application, and work must be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.10 Residential Home Energy Fix-Up Program

The home energy fix-up program which has been offered for several years, is available to residential customers (single family homes) with a total annual family income of $40,000 or less. Each customer must request and complete a free Residential Energy Survey. Ordinarily, Energy Survey recommendations require a customer to spend money replacing or adding energy conservation measures: however, low-income customers may not have the discretionary income to implement these measures. Under this program, OUC will arrange for a licensed, approved contractor to perform the necessary repairs and will pay 85 percent of the total cost, not to exceed $2,000. The remaining 15 percent can be paid directly or over an interest-free 12-month period on the participant's monthly electric bill. To be eligible for this program, the customer's account must be in good credit standing. Some of the improvements covered under this program include ceiling insulation, duct system repair, pipe insulation, window caulk, door caulk, door weather stripping, door sweep, threshold plate, and minor plumbing repairs.

The purpose of the program is to reduce the energy costs for low-income households, particularly those households with elderly persons, disabled persons and children. Through this program, OUC helps to lower the bills of low-income customers who may have difficulty paying their bills, thereby decreasing the potential for costly service disconnect fees and late charges. OUC believes that this program will help customers afford other essential living expenses.

Fix-up contractor(s) are selected through a Request For Proposal (RFP) process on a routine basis. Eligible customers are referred to the Fix-up contractor. The Fix-up contractor inspects the home and creates a proposal to install eligible measures. Once the customer accepts the proposal and signs the agreement the contractor calls the customer and schedules the work. Typically the work is completed within 45 days. Upon receipt of notice of completion and customer acceptance, payment to the contractor is processed and the customer's share of the conservation improvements is billed. Participation is tracked based on completed installations.

5.1.11 Residential Billed Solution Insulation Program

The billed solution insulation, which has been offered for several years, is available to OUC residential customers who utilize some type of electric heat and/or air conditioning. To qualify, customers must request and complete a free Residential Energy Survey. To qualify for financing, customers must have a satisfactory credit rating with OUC. The program allows customers who insulate their attics to a minimum R-19 level to pay for the insulation on their monthly utility bills for up to one year (for amounts less than $500) or up to two years (for any amount above $500) interest-free with no money down. In addition, the customer will receive a $100 rebate to be deducted from the financed amount. OUC directly pays the insulation contractor for the total cost of installation, and the customer makes payments to OUC as part of their monthly utility bill. The maximum amount that can be financed is $1,000. Feedback from customers who have taken advantage of the program has been very positive.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of applications processed.

5.1.12 Residential Gold Ring Home Program

The Residential Gold Ring Home Program has been offered for several years and is closely aligned with ENERGY STAR® Ratings. In developing the program, OUC partnered with local home builders to construct new homes according to ENERGY STAR® standards. Features may include high efficiency heat pumps, solar water heaters, R-30 attic insulation, interior air ducts, double pane windows, window shading, etc.

The home builder is required to qualify its homes to ENERGY STAR® standards by having the homes rated by a certified rater. In return for each ENERGY STAR® home certification, the builder receives a rebate of $700.

Gold Ring Homes use less energy than other homes, allowing Gold Ring homeowners to benefit from lower energy bills and qualification for all FHA, VA, and Energy Efficient Mortgage Programs. This allows the homeowner to increase his or her income-to-debt ratio by 2 percent and makes it easier to qualify for a mortgage. However, due to the past few years' housing crisis, local builder and customer demand for this program has significantly diminished.

5.1.13 Residential Compact Fluorescent Lighting Program

OUC will give away at least one compact fluorescent lamp to customers who participate in any of the eco-friendly program mentioned above, contribute to OUC's customer assistance program Project Care, attend a CFL giveaway event, or sign up for Budget Billing or OUConvenient Billing. OUC will encourage their installation in fixtures that they use the most or at least operate four hours per day. This practice may be eliminated as incandescent lamps are curtailed from the market place due to legislation over the next few years. The loss of the energy savings will be made up through increases from other OUC programs.

5.1.14 Residential HVAC Proper Sizing with R-30 Attic Insulation Program

As contemplated in OUC's FPSC-approved DSM Plan, OUC has expanded its DSM programs to include a program that combines proper sizing of HVAC systems along with installation of R-30 insulation. OUC will provide the customer with a $50 rebate when provided with certified sizing documentation.

5.1.15 Commercial Energy Audit Program

The commercial/industrial energy audit program has been offered for several years and is focused on increasing the energy efficiency and energy conservation of commercial buildings and includes a free survey comprised of a physical walk-through inspection of the commercial facility performed by highly trained and experienced energy experts. The survey will examine heating and air conditioning systems including duct work, refrigeration equipment, lighting, water heating, motors, process equipment, and the thermal characteristics of the building including insulation. Following the inspection the customer receives a written report detailing cost-effective recommendations to make the facility more energy and water efficient. Participating customers are encouraged to participate in other OUC commercial programs and directly benefit from energy conservation, which decreases their electric and water bills. Since 2000, more than 1,800 customers have participated in this program.

OUC customers can participate by calling the OUC Customer Service Call Center and requesting an appointment for a Walk-Through Energy. Participation is tracked through service orders that are produced when appointments are scheduled and completed.

5.1.16 Commercial Indoor Lighting Retrofit Program

The indoor lighting retrofit program has been offered for several years and reduces energy consumption for the commercial customer through the replacement of older fluorescent and incandescent lighting with newer, more efficient lighting technologies. A special alliance between OUC and the lighting contractor enables OUC to offer the customer a discounted project cost. An additional feature of the program allows the customer to pay for the retrofit through the monthly savings that the project generates. Upfront capital funding is not required to participate in this program. The project payment appears on the participating customer's utility bill as a line-item. After the project has been completely paid for, the participating customer's annual energy bill will decrease by the approximate amount of projected energy cost savings.

Lighting contractor(s) are selected through an RFP process. Eligible customers are referred to the lighting contractor typically after an energy survey or through other contacts generated by OUC's Account Representatives. The Lighting contractor inspects the facility and creates a proposal to install eligible measures. Once the customer accepts the proposal and signs the payment agreement, the work is scheduled and completed. Upon receipt of notice of completion, customer acceptance and an OUC inspection, payment to the contractor is processed, and the customer is billed through their OUC bill based on the terms of the payment agreement. Participation is tracked based on completed installations.

As contemplated in OUC's FPSC-approved DSM Plan, OUC has expanded its Indoor Lighting retrofit program by offering the option of receiving a $150/kW rebate instead of the billed solution mentioned above. This expansion provides more options to encourage participation.

5.1.17 Commercial Heat Pump Rebate Program

The commercial heat pump rebate program started in 2009 and the amounts of the rebates were doubled in 2011 to encourage greater participation. OUC will rebate $200 for SEER 14, $400 for SEER 15, and $600 for SEER 16 and above for customers' purchase of an energy-efficient heat pump unit between 18,000 and 66,000 BTU/h.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.18 Commercial Duct Repair Rebate Program

The duct repair rebate program started in 2009. OUC will rebate 50 percent of cost, up to $300. Qualifying customers must have an existing central air conditioning system of 5.5 tons or less and ducts must be sealed with mastic and fabric tape or Underwriters Laboratory (UL) approved duct tape.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.19 Commercial Window Film/Solar Screen Rebate Program

The window film/solar screen rebate program started in 2009 and is designed to help reflect the heat during hot summer days and retain heat on cool winter days. OUC will rebate customers $1 per square foot, up to $15,000 for window tinting and solar screening with a shading coefficient of 0.5 or less.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.20 Commercial Ceiling Insulation Rebate Program

The ceiling insulation rebate program started in 2009 and was designed to increase a building's resistance to heat loss and gain. For ceiling insulation of R-19 or higher, OUC will rebate customers $100 plus $0.10 per square foot up to $10,000 per building.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.1.21 Commercial Cool/Reflective Roof Rebate Program

The cool/reflective roofs rebate program started in 2009 and was designed to reflect the sun's rays and lower roof surface temperature while increasing the lifespan of the roof. OUC will rebate customers at $0.10 per square foot up to $15,000 for ENERGY STAR® cool/reflective roofing that has an initial solar reflectance greater than or equal to 0.70.

Customers can participate by submitting a rebate application form available through OUC's Customer Service Centers or on line at http://www.OUC.com or http://www.ReliablyGreen.com. Proofs of purchase or receipts are required to be attached to the application and repairs can be performed by a contractor. Participation is tracked based on the number of rebates processed. Typically these rebates are credited on the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvement.

5.2 ADDITIONAL CONSERVATION MEASURES

The following measures are offered by OUC to its customers, resulting in energy savings and increased reliability. Although the measures are not directly or easily quantifiable, each program provides a valuable service to OUC's customers.

5.2.1 Residential Energy Conservation Rate Structure

Beginning in October 2002, OUC modified its residential rate structure to a two-tiered block structure to encourage energy conservation. Residential customers using more than 1,000 kWh per month pay a higher rate for the additional energy usage. The purpose of this rate structure is to make OUC customers more energy-conscientious and to encourage conservation of energy resources.

5.2.2 Commercial OUConsumption Online

OUConsumption enables businesses to check their energy usage and demand from a desktop computer and manage their energy load. Customers are able to analyze the metered interval load data for multiple locations, compare energy usage among facilities, and measure the effectiveness of various energy efficiency efforts. The data can also be downloaded for further analysis. Participants must cover a one-time set-up fee of $45, a $45 monthly fee per meter, up to $500 for a load profiling meter and the cost of additional infrastructure to provide connectivity to the meter.

5.2.3 Commercial OUConvenient Lighting

OUConvenient Lighting provides complete outdoor lighting services for commercial applications, including industrial parks, sports complexes, and residential developments. Each lighting package is customized for each participant, allowing the participant to choose among light fixtures and poles. OUC handles all of the upfront financial costs and maintenance. The participant then pays a low monthly fee for each fixture. OUC also retrofits existing fixtures to new light sources or higher output units, increasing efficiency as well as providing preventive and corrective maintenance. New interlocal agreements have allowed this OUConvenient Lighting to expand into neighboring communities like Clermont, Oviedo, and Brevard County.

5.2.4 OUCooling

Originally formed in 1997 as a partnership between OUC and Trigen-Cinergy Solutions, OUCooling helps to lower air conditioning-related electric charges and reduce capital and operating costs. During 2004, OUC bought Trigen-Cinergy's rights and is now the sole owner of OUCooling. OUCooling will fund, install, and maintain a central chiller plant for each business district participating in the program. The main benefits to the businesses are lower electric energy consumption, increased reliability, and the elimination of the environmental risks associated with the handling of chemicals. Other benefits for the businesses include avoided initial capital cost, lower maintenance costs, a smaller mechanical room (therefore more rental space), no insurance requirements, improved property resale value, and availability of maintenance personnel for other duties.

OUC currently has five chilled water districts: downtown Orlando, the Mall at Millenia, the Starwood Resort, Lake Nona, and the Orange County Convention Center including Lockheed Martin and neighboring hotels. OUC envisions building other chiller plants to serve commercial campuses, hotels, retail shopping centers, and tourist attractions. OUC recently added its fifth district at Lake Nona, with the potential to provide up to 50,000 tons of chilled water to the medical complexes and research facilities located in the area. At full build out, this central chilled water system may be one of the largest in the US. In addition, a 17.6 million gallon chilled water thermal storage tank serving the Orange County Convention Center among other facilities and hotels, is one of the largest in the world. The tank works in tandem with 18 water cooled chillers and feeds a chilled water loop that can handle more than 33,000 gallons of 37º F water per minute.

5.2.5 Small Business Efficiency Pilot

OUC's Small Business Efficiency Pilot shows small business owners how to reduce energy and water consumption and improve overall business operations. The pilot focuses on providing essential services to entrepreneurial and small businesses, which include how to write a business plan, how to write contracts, proper accounting methods and other information necessary for a new business to succeed. After completion, small businesses receive a $250 credit on their utility bill.

For participation, customers are required to complete a Commercial Energy Survey or have had one completed in the past 12 months, fill an application form (downloadable from http://www.OUC.com), and attend a one-hour counseling session at the University of Central Florida's Small Business Development Center (SBDC). Validation of the application form by the SBDC is necessary before turning it in to OUC for credit processing.

6 Forecast of Facilities Requirements

6.1 EXISTING CAPACITY RESOURCES AND REQUIREMENTS

6.1.1 Existing and Planned Generating Capacity

Tables 6-1 and 6-2, which are presented at the end of this section, indicate that the combined installed generating capability for OUC and St. Cloud (as of January 1, 2012) is 1,583 MW in the winter and 1,511 MW in the summer. OUC's existing generating capability (described in more detail in Section 2.0) consists of the following:

- A joint ownership share in the Stanton Energy Center (Units 1, 2, and Stanton A)
- Sole ownership of Stanton Energy Center Unit B (Stanton B)
- Joint ownership shares of the Indian River combustion turbine units
- Joint ownership shares of Crystal River Unit 3, McIntosh Unit 3, and St. Lucie Unit 2

Additionally, St. Cloud's entitlement to capacity from Stanton Unit 2 is included as generating capability, consistent with the Interlocal Agreement described in Section 2.0

6.1.2 Power Purchase Agreements

As described in Section 2.2, OUC schedules St. Cloud's power purchase from TECO. Corresponding to the construction of Stanton A, OUC entered into a PPA with SCF to purchase capacity from SCF's 65 percent ownership share of Stanton A. The original Stanton A PPA was for a term of 10 years and allowed OUC, KUA, and FMPA to purchase all of SCF's 65 percent capacity share of Stanton A for 10 years. The utilities retained the right to reduce the capacity purchased from SCF by 50 MW each year, beginning in the sixth year of the PPA, as long as the total reduction in capacity purchased did not exceed 200 MW. The utilities originally had options to extend the PPA beyond its initial term. OUC, KUA, and FMPA have unilateral options to purchase all of Stanton A's capacity for the estimated 30 year useful life of the unit. Subsequent amendments to the original PPA continue OUC's capacity purchase until the 16th year of the PPA. Beginning with the 16th contract year and ending with the 20th contract year, OUC will maintain the irrevocable right to reduce the amount of capacity purchased by either 20 MW or 40 MW per year, as long as the total reduction in purchased capacity does not exceed 160 MW. OUC has the option of terminating the PPA on September 30, 2023, or extending the PPA up to an additional 10 years through two separate 5 year extensions.

6.1.3 Power Sales Agreements

As described in Section 2.3, OUC currently has a contractual power sales contract to supplement Vero Beach's loads, which went into effect on January 1, 2010. The duration of the agreement is 20 years with provisions for further extension upon contract expiration. OUC also has a contract in place to provide power to Bartow for the 2011 through 2017 period, which is also discussed in Section 2.3.

6.1.4 Retirements of Generating Facilities

OUC has not scheduled any unit retirements over the planning horizon, but will continue to evaluate options on an ongoing basis. One factor affecting potential unit modifications and/or retirements is the impact of pending future environmental regulations. OUC will continue to monitor future environmental regulations that may impact their operating fleet and decisions related to generating units, and develop appropriate corresponding compliance plans.

6.2 RESERVE MARGIN CRITERIA

The Florida Public Service Commission (FPSC) has established a minimum planned reserve margin criterion of 15 percent in 25-6.035 (1) Florida Administrative Code for the purposes of sharing responsibility for grid reliability. The 15 percent minimum planned reserve margin criterion is generally consistent with practice throughout much of the industry. OUC has adopted the 15 percent minimum reserve margin requirement as its planning criterion.

6.3 FUTURE RESOURCE NEEDS

6.3.1 Generator Capabilities and Requirements Forecast

OUC has applied a minimum 15 percent reserve margin criterion to its own load, St. Cloud's load, the supplemental power to be supplied to Vero Beach, and the TECO partial requirements purchase. Tables 6-1 and 6-2 (presented at the end of this section) display the forecast reserve margins for the combined OUC and St. Cloud systems for the winter and summer seasons, respectively. OUC's capacity from renewable projects discussed in Section 2.4 that is projected to be available at the time of peak demand is also reflected in Tables 6-1 and 6-2.

Table 6-1 and Table 6-2 indicate that OUC is projected to have adequate generating capacity to maintain the 15 percent reserve margin requirements through the summer of 2020 and throughout the winter seasons considered in this Ten-Year Site Plan. These projections consider OUC's capacity allocations associated with planned upgrades to the existing Crystal River and St. Lucie nuclear generating units, as well as capacity increases associated with planned efficiency improvements for Stanton Units 1 and 2, and capacity decreases associated with planned environmental retrofits for Stanton Unit 1.

6.3.2 Transmission Capability and Requirements Forecast

OUC continuously monitors and upgrades the bulk power transmission system as necessary to provide reliable electric service to its customers. OUC's current transmission system planning criteria are summarized in its annual filing to the Federal Energy Regulatory Commission. Please see OUC's FERC Form 715 for additional information.

Table 6-1 Projected Winter Reserve Requirements – Base Case

YEAR	RETAIL PEAK DEMAND (MW)		VERO BEACH PR POWER SALE (MW)	BARTOW POWER SALE (MW)	TOTAL PEAK DEMAND (MW)	AVAILABLE CAPACITY (MW)					RESERVES (MW)		EXCESS/(DEFICIT) CAPACITY TO MAINTAIN 15% RESERVE MARGIN[6] (MW)
	OUC	STC				Installed[1]	SEC A PPA	TECO P.R.	Renewables[2]	Total[3]	Required[4]	Available[5]	
2011/12	1,067	148	100	74	1,389	1,583	343	15	0	1,942	182	555	372
2012/13	1,082	149	101	75	1,408	1,590	343	0	3	1,936	185	529	344
2013/14	1,105	153	102	76	1,436	1,597	343	0	8	1,949	189	513	324
2014/15	1,135	157	103	77	1,473	1,597	343	0	8	1,949	194	476	282
2015/16	1,165	162	105	79	1,511	1,604	343	0	9	1,956	199	445	246
2016/17	1,191	167	106	80	1,543	1,604	343	0	9	1,956	204	413	209
2017/18	1,215	171	107	0	1,493	1,604	343	0	9	1,956	208	463	256
2018/19	1,239	176	108	0	1,523	1,604	343	0	9	1,956	212	433	221
2019/20	1,264	181	109	0	1,554	1,604	343	0	9	1,956	217	402	185
2020/21	1,290	185	111	0	1,586	1,604	343	0	9	1,956	221	370	149

[1] Includes existing net capability to serve OUC and St. Cloud. Reflects OUC's share of the increased capacity associated with the planned upgrades of the existing Crystal River and St. Lucie nuclear generating units, as well as changes to capacity for Stanton Units 1 and 2 associated with planned efficiency improvements and environmental retrofits.
[2] Capacity of "Renewables" reflects capacity value projected to be available at time of peak demand.
[3] "Totals" may not add due to rounding.
[4] "Required Reserves" include 15 percent reserve margin on OUC retail peak demand and STC retail peak demand. Reserves associated with the Vero Beach contract are included in the column labeled "Vero Beach PR Power Sale (MW)".
[5] "Available Reserves" equals the difference between total available capacity and total peak demand, plus 15 percent of the TECO P.R. purchase.
[6] Calculated as the difference between available reserves and required reserves.

Table 6-2 Projected Summer Reserve Requirements – Base Case

YEAR	RETAIL PEAK DEMAND (MW) OUC	RETAIL PEAK DEMAND (MW) STC	VERO BEACH PR CAPACITY SALE (MW)	BARTOW POWER SALE (MW)	TOTAL PEAK DEMAND (MW)	AVAILABLE CAPACITY (MW) Installed[1]	AVAILABLE CAPACITY (MW) SEC A PPA	AVAILABLE CAPACITY (MW) TECO P.R.	AVAILABLE CAPACITY (MW) Renewables[2]	AVAILABLE CAPACITY (MW) Total[3]	RESERVES (MW) Required[4]	RESERVES (MW) Available[5]	EXCESS/(DEFICIT) CAPACITY TO MAINTAIN 15% RESERVE MARGIN[6] (MW)
2012	1,126	142	100	65	1,433	1,511	322	15	0	1,849	190	418	228
2013	1,144	144	101	65	1,455	1,518	322	0	3	1,843	193	389	195
2014	1,175	148	102	68	1,492	1,523	322	0	8	1,854	198	361	163
2015	1,207	152	103	68	1,530	1,532	322	0	8	1,863	204	333	129
2016	1,237	156	105	70	1,568	1,532	322	0	9	1,863	209	295	86
2017	1,262	160	106	71	1,599	1,532	322	0	9	1,863	213	264	51
2018	1,288	164	107	0	1,558	1,532	322	0	9	1,863	218	305	87
2019	1,314	168	108	0	1,590	1,532	322	0	9	1,863	222	273	50
2020	1,341	173	109	0	1,622	1,532	322	0	9	1,863	227	241	14
2021	1,367	177	111	0	1,655	1,532	322	0	9	1,863	232	208	(23)

[1] Includes existing net capability to serve OUC and St. Cloud. Reflects OUC's share of the increased capacity associated with the planned upgrades of the existing Crystal River and St. Lucie nuclear generating units, as well as changes to capacity for Stanton Units 1 and 2 associated with planned efficiency improvements and environmental retrofits.
[2] Capacity of "Renewables" reflects capacity value projected to be available at time of peak demand.
[3] "Totals" may not add due to rounding.
[4] "Required Reserves" include 15 percent reserve margin on OUC retail peak demand and STC retail peak demand. Reserves associated with the Vero Beach contract are included in the column labeled "Vero Beach PR Power Sale (MW)".
[5] "Available Reserves" equals the difference between total available capacity and total peak demand, plus 15 percent of the TECO P.R. purchase.
[6] Calculated as the difference between available reserves and required reserves.

7 Supply-Side Alternatives

As discussed previously, consideration of OUC's existing generating resources and OUC's current base case load forecast indicates that OUC is expecting to have adequate capacity to satisfy forecast reserve margin requirements through the summer of 2020. In the summer of 2021, OUC is forecast to require 23 MW to maintain reserve margin requirements. Given the magnitude and timing of OUC's projected need for capacity, it has been assumed for purposes of this Ten-Year Site Plan that OUC will add a simple cycle combustion turbine at either its existing Stanton Energy Center or Indian River site. A simple cycle combustion turbine has been characterized in Schedule 9 of this Ten-Year Site Plan. OUC will continue to evaluate alternatives as part of its planning processes, including possible opportunities to participate in new and/or existing nuclear generating units (either located in Florida or out of state) if such participation is deemed appropriate.

8 Economic Evaluation Criteria and Methodology

This section presents the economic evaluation criteria and methodology used for OUC's current planning processes.

8.1 ECONOMIC PARAMETERS

The economic parameters are summarized below and are presented on an annual basis.

8.1.1 Inflation and Escalation Rates

The general inflation rate, construction cost escalation rate, fixed O&M escalation rate, and nonfuel variable O&M escalation rate are each assumed to be 2.5 percent.

8.1.2 Present Worth Discount Rate

The present worth discount rate is assumed to be equal to OUC's embedded rate for new debt of 5.5 percent.

8.1.3 Interest During Construction Rate

The interest during construction (IDC) rate used by OUC for economic evaluations is 5.5 percent.

8.1.4 Fixed Charge Rate

The fixed charge rate (FCR) represents the sum of a project's fixed charges as a percent of the initial investment cost. When the FCR is applied to the initial investment, the product equals the revenue requirements needed to offset the fixed charges during a given year. A separate FCR can be calculated and applied to each year of an economic analysis, but it is common practice to use a single, levelized FCR that has the same present value as the year-by-year FCR. The FCR calculation includes 0.10 percent for property insurance. Bond issuance fees and insurance costs are not included in the calculation of the levelized FCR, since these are already considered in OUC's embedded debt rate. Assuming a 20 year financing term, the resulting levelized FCR is 4.67 percent. Assuming a 30 year financing term, the resulting levelized FCR is 6.98 percent.

8.2 FUEL PRICE FORECASTS

8.2.1 Coal

Low sulfur Central Appalachian coal fuels the existing Stanton Units 1 and 2. OUC developed projections of delivered coal prices to the Stanton Energy Center based on input provided by Energy Ventures Analysis, Inc. (EVA). The delivered annual price projections for low sulfur Central Appalachian coal delivered to the Stanton Energy Center are presented in Table 8-1.

8.2.2 Natural Gas

Natural gas is the primary fuel for Stanton A, Stanton B, and OUC's Indian River combustion turbines. The forecasted price for natural gas delivered to the Indian River and Stanton Energy Center sites is presented in Table 8-1. The gas price includes the Florida Gas Transmission (FGT) Zone 3 basis adder for Henry Hub and fuel loss and usage charges. Firm natural gas transmission costs for existing firm natural gas transportation capacity are not included since such costs are associated with OUC's existing units and would not affect future resource decisions as they are considered to be "sunk costs."

8.2.3 No. 2 Fuel Oil

No. 2 fuel oil is the secondary fuel for Stanton A and B, as well as for OUC's Indian River combustion turbines. Fuel oil is not considered a primary fuel source for OUC's existing units. For informational purposes, OUC's current fuel oil price projections are presented in Table 8-1.

8.2.4 Nuclear

Forecast annual prices for nuclear fuel, which are required for OUC's ownership shares of St. Lucie Units 1 and 2 and Crystal River Unit 3, are presented in Table 8-1.

Table 8-1 Delivered Fuel Price Forecasts (Nominal $/MBtu)

CALENDAR YEAR	STANTON ENERGY CENTER COAL - DELIVERED	DELIVERED NATURAL GAS	ULTRA-LOW SULFUR DIESEL (0.0015% SULFUR)	NUCLEAR
2012	3.99	3.71	21.69	0.67
2013	4.40	4.02	21.24	0.70
2014	4.34	4.47	20.31	0.73
2015	4.43	5.03	19.62	0.77
2016	4.68	5.69	19.72	0.81
2017	4.87	6.27	19.82	0.85
2018	5.02	6.91	19.90	0.89
2019	5.17	7.38	19.97	0.94
2020	5.31	8.01	20.21	0.99
2021	5.47	8.69	20.73	1.05

9 Analysis and Results

As discussed throughout this Ten-Year Site Plan, OUC is projected to require additional capacity in the summer of 2021 to satisfy reserve margin requirements. For purposes of this Ten-Year Site Plan, it has been assumed that this need will be met through the addition of a simple cycle combustion turbine at either OUC's existing Stanton Energy Center or Indian River site. However, in light of the magnitude and timing of this projected need, OUC has made no commitment to any specific resource addition. OUC will continue to evaluate power supply alternatives during the timeframe considered in this Ten-Year Site Plan as well as beyond 2021, and in doing so will evaluate possible participation in new and/or existing nuclear generating units if deemed appropriate.

For informational purposes, Black & Veatch's POWRPRO was used to obtain the annual production costs associated with various expansion plans (i.e. base case and several load, fuel, and other sensitivities). POWRPRO is a computer-based chronological production costing model developed for use in power supply system planning. POWRPRO simulates the hour-by-hour operation of a power supply system over a specified planning period. Required inputs include the performance characteristics of generating units, fuel costs, and the system hourly load profile for each year. POWRPRO has been used in numerous Need for Power Applications approved by the Florida Public Service Commission, including FMPA's Treasure Coast Energy Center Unit 1 Need for Power Application (approved in July 2005) and OUC's Stanton Energy Center Unit B Need for Power Application (approved in May 2006).

POWRPRO summarizes each unit's operating characteristics for every year of the planning horizon. These characteristics include, among others, each unit's annual generation, fuel consumption, fuel cost, average net operating heat rate, the number of hours the unit was on line, the capacity factor, variable O&M costs, and the number of starts and associated costs. Fixed O&M costs and debt service on existing generating units are generally considered sunk costs that will not vary from one expansion plan to another and were therefore not included for existing units. The annual capacity charges for the Stanton A and the TECO Partial Requirements purchase power agreements likewise were not included, as they also represent sunk costs. Similarly, fixed costs for firm natural gas transportation capacity from FGT for existing firm natural gas transportation capacity are considered sunk costs and are not included. Costs associated with OUC's renewable power purchases have not been included, as they would be the same for every expansion plan. The operating costs of each unit are aggregated to determine annual operating costs for each year of the expansion plan.

The cumulative present worth cost (CPWC) calculations presented in this section account for annual system costs (i.e. fuel and energy, non-fuel variable O&M, and startup costs) for each year of the expansion planning period and discounts each back to 2011 at the present worth discount rate of 5.5 percent. These annual present worth costs are then summed over the 2011 through 2020 period to calculate the total CPWC of the expansion plan being considered. Such analysis allows for a comparison of CPWC between various capacity expansion plans across the sensitivities considered

9.1 CPWC ANALYSES

9.1.1 Base Case Analysis

The base case considers the base load forecast presented in Section 4 and the base fuel price forecasts presented in Section 8 of this Ten-Year Site Plan, and reflects the addition of a simple cycle combustion turbine in 2021 to satisfy projected reserve margin requirements. The CPWC for OUC's base case expansion plan is approximately $2.35 billion.

9.1.2 Sensitivity Analyses

As part of its capacity planning process, OUC considers a number of sensitivity analyses to measure the impact of variations to critical assumptions. Among the numerous sensitivities that OUC may consider in its planning processes are high and low fuel prices, high and low load and energy growth projections, a case in which the differential between natural gas and coal price projections is held constant over time, and a high present worth discount rate case. Of these sensitivities only the high and low load and energy growth projection sensitivities would impact the timing of unit additions. For informational purposes, the following subsections describe the high and low load and energy growth, the high and low fuel price, the constant differential fuel price, and the high present worth discount rate sensitivities.

9.1.2.1 High Load Forecast Sensitivity

The high load forecast is presented in Section 4.0, and under the high load forecast OUC will initially require additional capacity to maintain the 15 percent reserve margin in the summer of 2015. The capacity expansion plan under the high load forecast sensitivity scenario includes the addition of a simple cycle combustion turbine for operation in May 2015, followed by the addition of a second simple cycle combustion turbine for operation in May 2021. The CPWC for OUC's high load forecast sensitivity is approximately $2.67 billion.

9.1.2.2 Low Load Forecast Sensitivity

The low load forecast is presented in Section 4.0. Assuming the low load forecast, no capacity additions are required to maintain the 15 percent reserve margin. The CPWC for OUC's low load forecast sensitivity is approximately $2.22 billion.

9.1.2.3 High Natural Gas and Coal Price Forecast Sensitivity

The high natural gas and coal price forecasts for this sensitivity are shown in Table 9-1. It should be noted that OUC's contractual arrangements for coal delivery will mitigate the effects of volatility in coal prices; however, for purposes of this analysis this factor was not considered. The fuel oil and nuclear fuel price forecasts presented in Section 8 have not been changed for this sensitivity.

As in the base case analysis, the capacity expansion plan under the high natural gas and coal price forecast sensitivity includes the addition of a simple cycle combustion turbine in May 2021. The CPWC for OUC's high natural gas and coal price forecast sensitivity is approximately $3.12 billion.

9.1.2.4 Low Natural Gas and Coal Price Forecast Sensitivity

The low natural gas and coal price forecasts for this sensitivity are shown in Table 9-2. It should be noted that OUC's contractual arrangements for coal delivery will mitigate the effects of volatility in coal prices; however, for purposes of this analysis this factor was not considered. The fuel oil and nuclear fuel price forecasts presented in Section 8.0 have not been changed for this sensitivity.

As in the base case analysis, the capacity expansion plan under the high natural gas and coal price forecast sensitivity includes the addition of a simple cycle combustion turbine in May 2021. The CPWC for OUC's low natural gas and coal price forecast sensitivity is approximately $1.97 billion.

9.1.2.5 Constant Differential Natural Gas and Coal Price Forecast Sensitivity

The constant differential natural gas and coal price forecast sensitivity assumes that the delivered natural gas price and delivered coal price forecast for 2012 presented in Section 8.0 would remain constant in real terms. The constant differential price forecasts shown in Table 9-3 were developed by applying the general inflation rate (2.5 percent) to the base case 2012 natural gas and coal price forecasts to convert from real to nominal dollars. The fuel oil and nuclear fuel price forecasts presented in Section 8.0 have not been changed for this sensitivity.

As in the base case analysis, the capacity expansion plan under the constant differential natural gas and coal price forecast sensitivity includes the addition of a simple cycle combustion turbine in May 2021. The CPWC for OUC's constant differential natural gas and coal price forecast sensitivity is approximately $2.27 billion.

Table 9-1 Delivered Fuel Price Forecasts – High Fuel Price Sensitivity
(Nominal $/MBtu)

CALENDAR YEAR	STANTON ENERGY CENTER COAL - DELIVERED	DELIVERED NATURAL GAS	ULTRA-LOW SULFUR DIESEL (0.0015% SULFUR)	NUCLEAR
2012	4.59	4.17	21.69	0.67
2013	5.06	6.32	21.24	0.7
2014	4.99	7.57	20.31	0.73
2015	5.09	8.99	19.62	0.77
2016	5.38	10.64	19.72	0.81
2017	5.60	11.91	19.82	0.85
2018	5.77	12.86	19.90	0.89
2019	5.95	13.42	19.97	0.94
2020	6.11	14.40	20.21	0.99
2021	6.29	15.66	20.73	1.05

Table 9-2 Delivered Fuel Price Forecasts – Low Fuel Price Sensitivity
(Nominal $/MBtu)

CALENDAR YEAR	STANTON ENERGY CENTER COAL - DELIVERED	DELIVERED NATURAL GAS	ULTRA-LOW SULFUR DIESEL (0.0015% SULFUR)	NUCLEAR
2012	3.19	2.72	21.69	0.67
2013	3.52	3.51	21.24	0.70
2014	3.47	4.11	20.31	0.73
2015	3.54	4.64	19.62	0.77
2016	3.74	5.02	19.72	0.81
2017	3.90	5.31	19.82	0.85
2018	4.02	5.58	19.90	0.89
2019	4.14	5.75	19.97	0.94
2020	4.25	6.12	20.21	0.99
2021	4.38	6.59	20.73	1.05

Table 9-3 Delivered Fuel Price Forecasts – Constant Differential Fuel Price Sensitivity (Nominal $/MBtu)

CALENDAR YEAR	STANTON ENERGY CENTER COAL - DELIVERED	DELIVERED NATURAL GAS	ULTRA-LOW SULFUR DIESEL (0.0015% SULFUR)	NUCLEAR
2012	3.99	3.71	21.69	0.67
2013	4.09	3.80	21.24	0.70
2014	4.51	4.12	20.31	0.73
2015	4.45	4.58	19.62	0.77
2016	4.54	5.16	19.72	0.81
2017	4.80	5.83	19.82	0.85
2018	4.99	6.43	19.90	0.89
2019	5.15	7.08	19.97	0.94
2020	5.30	7.56	20.21	0.99
2021	5.44	8.21	20.73	1.05

9.1.2.6 High Present Worth Discount Rate Sensitivity

The high present worth discount rate sensitivity assumes a 10 percent present worth discount rate instead of the 5.5 percent present worth discount rate used in the other economic analyses discussed in this section. As in the base case analysis, the capacity expansion plan under the high present worth discount sensitivity includes the addition of a simple cycle combustion turbine in May 2020. The CPWC for OUC's high present worth discount rate sensitivity is approximately $1.79 billion. .

10 Environmental and Land Use Information

As discussed previously in this Ten-Year Site Plan, OUC's base case load forecast indicates that additional capacity may be necessary to satisfy reserve margin requirements in the summer of 2021. For purposes of this Ten-Year Site Plan, it has been assumed that such a need would be satisfied by the addition of a simple cycle combustion turbine at either OUC's existing Stanton Energy Center or Indian River site. However, OUC has made no commitment to such a unit addition, given the timing and magnitude of this projected need.

11 Conclusions

As discussed throughout this Ten-Year Site Plan, OUC's base case load forecast indicates that additional capacity may be necessary in the summer of 2021 to satisfy projected reserve margin requirements. Given the magnitude and projected timing of this need, it has been assumed that OUC would construct a simple cycle combustion turbine at either the existing Stanton Energy Center or Indian River site to satisfy this need. However, OUC has made no commitments to construction of such a unit.

Various discussions related to unit additions and the potential for participation in new and/or existing nuclear generating additions, if deemed appropriate, have been presented throughout this Ten-Year Site Plan. However, OUC has made no final decisions related to construction of new generation resources, and OUC will continue to evaluate alternative unit additions, including possible participation in new and/or existing nuclear generating units located in Florida or out of state, through its on-going planning efforts. Therefore, the discussion of future generating unit additions presented in this Ten-Year Site Plan is intended for informational purposes only.

12 Ten-Year Site Plan Schedules

This section presents the schedules required by the Ten-Year Site Plan rules for the Florida Public Service Commission (FPSC). The Schedules are presented in the same format in which they will be provided in response to the FPSC's Supplemental Data Request. The information contained within the FPSC Schedules is representative of the combined OUC and City of St. Cloud systems, consistent with all sections of the 2012 OUC Ten-Year Site Plan.

Schedule 1
Existing Generating Facilities
As of December 31, 2011

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Unit		Unit	Fuel		Fuel Transport		Alt. Fuel Days	Commercial In-Service	Expected Retirement	Gen. Max. Nameplate	Net Capability	
Plant Name	No.	Location	Type	Pri	Alt	Pri	Alt	Use	Month/Year	Month/Year	KW [1]	Summer MW	Winter MW
Indian River	A	Brevard	GT	NG	DFO	PL	TK	0.2	06/89	Unknown	41,400	18 [2]	23.4 [2]
Indian River	B	Brevard	GT	NG	DFO	PL	TK	0.2	07/89	Unknown	41,400	18 [2]	23.4 [2]
Indian River	C	Brevard	GT	NG	DFO	PL	TK	0.2	08/92	Unknown	130,000	85.3 [3]	100.3 [3]
Indian River	D	Brevard	GT	NG	DFO	PL	TK	0.2	10/92	Unknown	130,000	85.3 [3]	100.3 [3]
Stanton Energy Center	1	Orange	ST	BIT	NA	RR	UN	UN	07/87	Unknown	464,500	301.6 [4]	303.7 [4]
Stanton Energy Center	2	Orange	ST	BIT	NA	RR	UN	UN	06/96	Unknown	464,500	334.5 [5]	334.5 [5]
Stanton Energy Center	A	Orange	CC	NG	DFO	PL	TK	3	10/01	Unknown		173.6 [6]	184.8 [6]
Stanton Energy Center	B	Orange	CC	NG	DFO	PL	TK	3	02/10	Unknown	333,000	298	312
McIntosh	3	Polk	ST	BIT	NA	REF	UN	UN	09/82	Unknown		133 [7]	136 [7]
Crystal River	3	Citrus	ST	NUC	NA	TK	UN	UN	03/77	Unknown		13	13
St. Lucie [8]	2	St. Lucie	ST	NUC	NA	TK	UN	UN	08/83	Unknown		51	52

NOTES:

(1) Nameplate ratings are reported for units which OUC maintains majority ownership. Values reported are for the entire unit (not just OUC's ownership share).

(2) Reflects an OUC ownership share of 48.8 percent.

(3) Reflects an OUC ownership share of 79.0 percent.

(4) Reflects an OUC ownership share of 68.6 percent.

(5) Reflects an OUC ownership share of 71.6 percent and St. Cloud entitlement of 3.4 percent.

(6) Reflects an OUC ownership share of 28.0 percent.

(7) Reflects an OUC ownership share of 40.0 percent.

(8) OUC owns approximately 6.1 percent of St. Lucie Unit No. 2. Reliability exchange divides 50 percent power from Unit No. 1 and 50 percent power from Unit No. 2.

Schedule 2.1
History and Forecast of Energy Consumption and Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Rural and Residential				Commercial	
Year	Population	Members per Household	GWH	Average No. of Customers	Average KWH Consumption Per Customer	GWH	Average No. of Customers	Average KWH Consumption Per Customer
HISTORY:								
2002	383,200	2.55	1,973	150,194	13,136	315	17,669	17,828
2003	391,500	2.55	2,033	153,708	13,226	299	18,011	16,601
2004	403,900	2.54	2,082	158,755	13,115	300	18,866	15,902
2005	421,100	2.54	2,198	165,545	13,277	320	19,672	16,267
2006	436,000	2.55	2,241	170,765	13,125	340	20,034	16,960
2007	451,696	2.56	2,223	176,435	12,599	363	20,230	17,922
2008	457,897	2.55	2,269	179,785	12,622	395	20,463	19,283
2009	452,220	2.55	2,235	177,163	12,615	317	20,762	15,264
2010	454,300	2.55	2,325	178,197	13,047	311	21,648	14,366
2011	458,940	2.55	2,223	180,072	12,347	311	22,138	14,026
FORECAST:								
2012	468,670	2.54	2,296	184,223	12,462	310	22,681	13,680
2013	479,010	2.55	2,322	187,857	12,361	311	22,964	13,538
2014	490,380	2.55	2,375	192,414	12,344	315	23,407	13,478
2015	502,180	2.55	2,422	197,129	12,288	328	23,908	13,707
2016	514,360	2.55	2,495	201,915	12,355	337	24,422	13,816
2017	527,140	2.55	2,549	206,816	12,326	343	24,942	13,771
2018	540,310	2.55	2,610	211,835	12,321	348	25,476	13,665
2019	553,710	2.55	2,675	216,982	12,326	353	26,036	13,571
2020	567,350	2.55	2,737	222,232	12,314	359	26,620	13,481
2021	580,980	2.55	2,800	227,436	12,313	365	27,208	13,400

Notes:
Represents total of OUC and St. Cloud.

Schedule 2.2
History and Forecast of Energy Consumption and Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	GWH	Industrial Average No. of Customers	Average KWH Consumption Per Customer	Railroads and Railways GWH	Street & Highway Lighting GWH	Other Sales to Public Authorities GWH	Total Sales to Ultimate Consumers GWH
HISTORY:							
2002	3,033	4,980	609,036	0	40	6	5,367
2003	3,138	5,417	579,287	0	37	6	5,513
2004	3,221	5,500	585,636	0	42	6	5,651
2005	3,283	5,561	590,361	0	45	6	5,852
2006	3,347	5,675	589,871	0	49	6	5,984
2007	3,434	5,843	587,637	0	54	6	6,079
2008	3,390	5,961	568,659	0	45	17	6,115
2009	3,418	6,725	508,217	0	46	15	6,031
2010	3,414	7,201	474,101	0	51	31	6,030
2011	3,422	7,428	460,737	0	34	30	6,021
FORECAST:							
2012	3,566	7,708	462,602	0	34	30	6,236
2013	3,622	8,052	449,766	0	34	30	6,319
2014	3,720	8,408	442,469	0	34	31	6,476
2015	3,837	8,773	437,367	0	34	31	6,652
2016	3,863	9,144	422,408	0	34	31	6,760
2017	3,943	9,520	414,194	0	35	31	6,901
2018	4,017	9,899	405,749	0	35	32	7,041
2019	4,093	10,282	398,088	0	35	32	7,188
2020	4,171	10,670	390,884	0	35	32	7,333
2021	4,250	11,060	384,244	0	35	32	7,482

Notes:
Represents total of OUC and St. Cloud.

Schedule 2.3
History and Forecast of Energy Consumption and Number of Customers by Customer Class

(1) Year	(2) Sales for Resale GWH	(3) Utility Use & Losses GWH	(4) Net Energy for Load GWH	(5) Other Customers (Average No.)	(6) Total No. of Customers
HISTORY:					
2002	821	208	6,396	0	172,843
2003	920	249	6,682	0	177,136
2004	714	234	6,599	0	183,121
2005	704	219	6,775	0	190,778
2006	18	248	6,250	0	196,474
2007	0	262	6,341	0	202,508
2008	0	150	6,265	0	206,209
2009	0	223	6,252	0	204,650
2010	469	277	6,767	0	207,046
2011	768	188	6,977	0	209,638
FORECAST:					
2012	619	297	7,152	0	214,612
2013	649	302	7,270	0	218,873
2014	630	307	7,413	0	224,229
2015	653	315	7,620	0	229,810
2016	648	321	7,729	0	235,481
2017	655	327	7,883	0	241,277
2018	375	332	7,748	0	247,210
2019	355	337	7,880	0	253,300
2020	376	344	8,054	0	259,522
2021	367	352	8,201	0	265,704

Notes:
Represents total of OUC and St. Cloud.
2010 "Sales for Resale" represent sales to City of Vero Beach.
Forecast "Sales for Resale" represent projected sales to City of Vero Beach and City of Bartow.

Schedule 3.1
History and Forecast of Summer Peak Demand
Base Case

(1) Year	(2) Total	(3) Wholesale	(4) Retail	(5) Interruptible	(6) Residential Load Management	(7) Residential Conservation	(8) Comm./Ind. Load Management	(9) Comm./Ind. Conservation	(10) Net Firm Demand
HISTORY:									
2002	1,408	319	1,089	1	0	0	0	0	1,407
2003	1,381	303	1,078	1	0	0	0	0	1,380
2004	1,311	231	1,080	1	0	0	0	0	1,310
2005	1,353	147	1,206	0	0	0	0	0	1,353
2006	1,230	22	1,208	0	0	0	0	0	1,230
2007	1,256	0	1,256	0	0	0	0	0	1,256
2008	1,221	0	1,221	0	0	0	0	0	1,221
2009	1,244	0	1,244	0	0	0	0	0	1,244
2010	1,295	74	1,218	0	0	1.0	0	1.7	1,292
2011	1,371	164	1,205	0	0	1.0	0	0.6	1,369
FORECAST:									
2012	1,434	165	1,268	0	0	0.5	0	0.7	1,433
2013	1,456	166	1,288	0	0	1.0	0	1.4	1,454
2014	1,496	170	1,323	0	0	1.5	0	2.1	1,493
2015	1,534	171	1,358	0	0	2.0	0	2.8	1,529
2016	1,574	175	1,393	0	0	2.5	0	3.5	1,568
2017	1,606	177	1,422	0	0	3.0	0	4.2	1,599
2018	1,567	107	1,452	0	0	3.5	0	4.9	1,559
2019	1,600	108	1,483	0	0	4.0	0	5.6	1,591
2020	1,633	109	1,513	0	0	4.5	0	6.3	1,622
2021	1,667	111	1,544	0	0	5.0	0	7.0	1,655

Notes:
Represents total of OUC and St. Cloud.
"Residential Conservation" and "Comm/Ind. Conservation" represent cumulative annual demand reductions.
Forecast "Wholesale" represents projected sales to City of Vero Beach and City of Bartow.
Forecast "Net Firm Demand" may not exactly match up with peak demands presented in Section 6 of the 2011 OUC Ten-Year Site Plan due to rounding.
2010 and 2011 "Conservation" represents OUC's actual conservation achievements. Forecast "Conservation" represents cumulative conservation projections.

Schedule 3.2
History and Forecast of Winter Peak Demand
Base Case

(1) Year	(2) Total	(3) Wholesale	(4) Retail	(5) Interruptible	(6) Residential Load Management	(7) Residential Conservation	(8) Comm./Ind. Load Management	(9) Comm./Ind. Conservation	(10) Net Firm Demand
HISTORY:									
2001/02	1,066	0	1,066	1	0	0	0	0	1,065
2002/03	1,345	302	1,044	1	0	0	0	0	1,345
2003/04	1,414	277	1,137	1	0	0	0	0	1,413
2004/05	1,196	241	955	1	0	0	0	0	1,195
2005/06	1,203	123	1,080	1	0	0	0	0	1,202
2006/07	1,117	22	1,095	0	0	0	0	0	1,117
2007/08	957	0	957	0	0	0	0	0	957
2008/09	1,178	0	1,178	0	0	0	0	0	1,178
2009/10	1,337	36	1,299	0	0	0.8	0	0.9	1,335
2010/11	1,323	174	1,147	0	0	0.8	0	0.6	1,321
FORECAST:									
2011/12	1,390	174	1,215	0	0	0.2	0	0.7	1,389
2012/13	1,409	176	1,231	0	0	0.4	0	1.4	1,407
2013/14	1,439	178	1,258	0	0	0.6	0	2.1	1,436
2014/15	1,477	180	1,293	0	0	0.8	0	2.8	1,473
2015/16	1,516	184	1,328	0	0	1.0	0	3.5	1,512
2016/17	1,549	186	1,357	0	0	1.2	0	4.2	1,543
2017/18	1,499	107	1,386	0	0	1.4	0	4.9	1,493
2018/19	1,531	108	1,415	0	0	1.6	0	5.6	1,523
2019/20	1,562	109	1,445	0	0	1.8	0	6.3	1,554
2020/21	1,595	111	1,475	0	0	2.0	0	7.0	1,586

Notes:
Represents total of OUC and St. Cloud.
"Residential Conservation" and "Comm/Ind. Conservation" represent cumulative annual demand reductions.
Forecast "Wholesale" represents projected sales to City of Vero Beach and City of Bartow.
Forecast "Net Firm Demand" may not exactly match up with peak demands presented in Section 6 of the 2011 OUC Ten-Year Site Plan due to rounding.
2009/10 and 2010/11 "Conservation" represents OUC's actual conservation achievements. Forecast "Conservation" represents cumulative conservation projections.

Schedule 3.3
History and Forecast of Annual Net Energy for Load - GWH
Base Case

(1) Year	(2) Total	(3) Residential Conservation	(4) Comm./Ind. Conservation	(5) Retail	(6) Wholesale	(7) Utility Use & Losses	(8) Net Energy for Load	(9) Load Factor %
HISTORY:								
2002	6,396	0	0	5,367	821	208	6,396	51.9%
2003	6,682	0	0	5,513	920	249	6,682	55.3%
2004	6,599	0	0	5,651	714	234	6,599	53.3%
2005	6,775	0	0	5,852	704	219	6,775	54.5%
2006	6,250	0	0	5,984	18	248	6,250	58.0%
2007	6,341	0	0	6,079	0	262	6,341	57.6%
2008	6,265	0	0	6,115	0	150	6,265	58.6%
2009	6,252	0	0	6,031	0	223	6,252	57.4%
2010	6,986	3.0	5.8	6,030	469	277	6,767	58.2%
2011	6,983	2.7	3.0	6,021	768	188	6,977	58.2%
FORECAST:								
2012	7,155	1.8	1.8	6,236	619	297	7,152	57.0%
2013	7,278	3.6	3.6	6,319	649	302	7,270	57.1%
2014	7,423	5.4	5.4	6,476	630	307	7,413	56.7%
2015	7,635	7.2	7.2	6,652	653	315	7,620	56.9%
2016	7,747	9	9	6,760	648	321	7,729	56.3%
2017	7,905	10.8	10.8	6,901	655	327	7,883	56.3%
2018	7,773	12.6	12.6	7,041	375	332	7,748	56.7%
2019	7,909	14.4	14.4	7,188	355	337	7,880	56.6%
2020	8,086	16.2	16.2	7,333	376	344	8,054	56.7%
2021	8,237	18	18	7,482	367	352	8,201	56.6%

Notes:
Represents total of OUC and St. Cloud.
"Residential Conservation" and "Comm/Ind. Conservation" represent cumulative annual energy reductions.
Forecast "Wholesale" represents projected sales to City of Vero Beach and City of Bartow.
2010 and 2011 "Conservation" represents OUC's actual conservation achievements. Forecast "Conservation" represents cumulative conservation projections.

Schedule 4
Previous Year and 2-Year Forecast of Retail Peak Demand and Net Energy for Load by Month

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2011 Actual		2012 Forecast		2013 Forecast	
Month	Peak Demand MW	NEL GWH	Peak Demand MW	NEL GWH	Peak Demand MW	NEL GWH
January	1,125	467	1,215	500	1,231	507
February	865	410	1,067	452	1,081	443
March	848	452	920	479	930	486
April	1,105	510	980	496	992	505
May	1,111	559	1,132	572	1,146	584
June	1,205	590	1,165	612	1,182	622
July	1,195	628	1,210	656	1,229	669
August	1,205	641	1,268	661	1,288	670
September	1,094	587	1,147	607	1,165	616
October	992	487	1,093	547	1,109	554
November	896	436	935	466	948	470
December	775	442	1,000	485	1,015	494

Notes:
Represents the total of OUC and St. Cloud retail peak demands and net energy for load. Wholesale sales to Vero Beach and Bartow are not included.
Peak demands may not match previous schedules due to non-coincidence of OUC and St. Cloud peaks and/or rounding.

Schedule 5
Fuel Requirements

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Fuel Requirements		Units	Actual 2010	Actual 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
(1)	Nuclear		Trillion BTU	4	4	5	5	5	5	5	5	5	5	5	5
(2)	Coal		1000 Ton	1,822	1,551	650	388	521	618	1,364	1,536	1,798	1,871	1,974	2,031
(3)	Residual	Total	1000 BBL	32	17	0	0	0	0	0	0	0	0	0	0
(4)		Steam	1000 BBL	16	17	0	0	0	0	0	0	0	0	0	0
(5)		CC	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(6)		CT	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(7)		Other	1000 BBL	16	0	0	0	0	0	0	0	0	0	0	0
(8)	Distillate	Total	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(9)		Steam	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(10)		CC	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(11)		CT	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(12)		Other	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(13)	Natural Gas	Total	1000 MCF	15,480	19,732	37,358	39,959	38,073	37,738	25,843	22,842	17,424	16,907	17,428	16,522
(14)		Steam	1000 MCF	0	31	0	0	0	0	0	0	0	0	0	0
(15)		CC	1000 MCF	15,130	19,509	37,209	39,570	37,817	37,335	25,628	22,671	17,314	16,784	17,231	16,275
(16)		CT	1000 MCF	350	192	150	389	256	403	215	171	110	123	197	247
(17)	Other (Specify)		Trillion BTU	0	0	0	8	0	0	0	0	0	0	0	0

Notes:
Represents fuel required to serve OUC and St. Cloud, and sales to City of Vero Beach and City of Bartow.

Schedule 6.1
Energy Sources

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Energy Sources		Units	Actual 2010	Actual 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
(1)	Firm Inter-Region Interchange		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(2)	Nuclear		GWH	385	385	496	490	489	489	489	489	489	489	489	489
(3)	Coal		GWH	4,500	3,850	1,487	928	1,283	1,549	3,464	3,903	4,560	4,771	5,060	5,221
(4)	Residual	Total	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(5)		Steam	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(6)		CC	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(7)		CT	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(8)		Other	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(9)	Distillate	Total	GWH	7	0	0	0	0	0	0	0	0	0	0	0
(10)		Steam	GWH	4	0	0	0	0	0	0	0	0	0	0	0
(11)		CC	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(12)		CT	GWH	4	0	0	0	0	0	0	0	0	0	0	0
(13)		Other	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(14)	Natural Gas	Total	GWH	1,924	2,682	5,077	5,603	5,375	5,314	3,528	3,250	2,460	2,360	2,256	2,241
(15)		Steam	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(16)		CC	GWH	1,896	2,667	5,066	5,574	5,357	5,286	3,513	3,238	2,453	2,352	2,242	2,223
(17)		CT	GWH	28	15	11	28	18	29	15	12	7	8	14	18
(18)	NUG		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(19)	Renewables	Total	GWH	61	60	92	248	266	268	247	240	239	261	248	248
(20)		Biofuels	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(21)		Biomass	GWH	0	0	0	0	32	32	32	32	32	32	32	32
(22)		Hydro	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(23)		Landfill Gas	GWH	61	46	75	229	212	211	188	178	174	193	178	178
(24)		MSW	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(25)		Solar	GWH	0	14	17	20	22	25	28	31	34	36	39	39
(26)		Wind	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(27)		Other	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(28)	Other (Specify) For 2012, other includes TECO PR purchases.		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(29)	Net Energy for Load		GWH	6,878	6,977	7,152	7,269	7,413	7,620	7,729	7,882	7,748	7,881	8,054	8,200
					6,977	7,152	7,270	7,413	7,620	7,729	7,883	7,748	7,880	8,054	8,201

Notes:
Represents energy required to serve OUC and St. Cloud, and sales to City of Vero Beach and City of Bartow.
Total Net Energy for Load may not correspond to other Schedules due to rounding.

Schedule 6.2
Energy Sources

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Energy Sources		Units	Actual 2009	Actual 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
(1)	Firm Inter-Region Interchange		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(2)	Nuclear		%	5.01%	5.52%	6.94%	6.75%	6.60%	6.42%	6.33%	6.20%	6.31%	6.20%	6.07%	5.96%
(3)	Coal		%	76.63%	55.18%	20.79%	12.77%	17.30%	20.32%	44.82%	49.52%	58.85%	60.54%	62.83%	63.68%
(4)	Residual	Total	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(5)		Steam	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(6)		CC	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(7)		CT	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(8)		Other	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(9)	Distillate	Total	%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(10)		Steam	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(11)		CC	%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(12)		CT	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(13)		Other	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(14)	Natural Gas	Total	%	17.31%	38.44%	70.99%	77.07%	72.51%	69.74%	45.65%	41.23%	31.75%	29.95%	28.01%	27.33%
(15)		Steam	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(16)		CC	%	16.99%	38.22%	70.84%	76.68%	72.27%	69.36%	45.46%	41.08%	31.66%	29.84%	27.84%	27.11%
(17)		CT	%	0.32%	0.22%	0.15%	0.39%	0.24%	0.38%	0.20%	0.15%	0.09%	0.10%	0.17%	0.22%
(18)	NUG		%												
(19)	Renewables	Total	%	0.99%	0.86%	1.28%	3.42%	3.59%	3.52%	3.20%	3.05%	3.09%	3.31%	3.09%	3.03%
(20)		Biofuels	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(21)		Biomass	%	0.00%	0.00%	0.00%	0.00%	0.43%	0.41%	0.41%	0.40%	0.41%	0.40%	0.39%	0.38%
(22)		Hydro	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(23)		Landfill Gas	%	0.99%	0.66%	1.05%	3.15%	2.86%	2.77%	2.43%	2.26%	2.25%	2.45%	2.21%	2.17%
(24)		MSW	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(25)		Solar	%	0.00%	0.20%	0.24%	0.27%	0.30%	0.33%	0.36%	0.39%	0.43%	0.46%	0.49%	0.48%
(26)		Wind	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(27)		Other	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(28)	Other (Specify)		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(29)	Net Energy for Load		%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:
Represents total energy requirements of OUC, St. Cloud, and projected (2010 and beyond) energy provided to City of Vero Beach.

Schedule 7.1
Forecast of Capacity, Demand, and Scheduled Maintenance at Time of Summer Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total Installed Capacity	Firm Capacity Import	Firm Capacity Export	QF	Total Capacity Available	System Firm Summer Peak Demand	Reserve Margin before Maintenance		Scheduled Maintenance	Reserve Margin after Maintenance	
Year	MW	MW	MW	MW	MW	MW	MW	% of Peak	MW	MW	% of Peak
FORECAST:											
2012	1,511	337	0	0	1,849	1,433	418	29%	0	418	29%
2013	1,518	326	0	0	1,843	1,455	389	27%	0	389	27%
2014	1,523	331	0	0	1,854	1,492	361	24%	0	361	24%
2015	1,532	331	0	0	1,863	1,530	333	22%	0	333	22%
2016	1,532	331	0	0	1,863	1,568	295	19%	0	295	19%
2017	1,532	331	0	0	1,863	1,599	264	17%	0	264	17%
2018	1,532	331	0	0	1,863	1,558	305	20%	0	305	20%
2019	1,532	331	0	0	1,863	1,590	273	17%	0	273	17%
2020	1,532	331	0	0	1,863	1,622	241	15%	0	241	15%
2021	1,717	331	0	0	2,048	1,655	393	24%	0	393	24%

Notes:
"Firm Capacity Import" includes OUC's and St. Cloud's existing and future power purchase agreements, including renewables.
"System Firm Summer Peak Demand" includes OUC and St. Cloud peak demand, as well as OUC's supplemental power sale to City of Vero Beach and power sale to City of Bartow.
"Reserve Margin (MW)" calculated as available capacity (including installed capacity and purchases, reflecting reserves provided by St. Cloud's TECO purchase) minus "System Firm Summer Peak
"Reserve Margin (% of Peak)" calculated as "Reserve Margin (MW)" divided by "System Firm Summer Peak Demand."
"Scheduled Maintenance (MW)" is zero, as no units are scheduled for maintenance during peak periods.

Schedule 7.2
Forecast of Capacity, Demand, and Scheduled Maintenance at Time of Winter Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total Installed Capacity	Firm Capacity Import	Firm Capacity Export		Total Capacity Available	System Firm Winter Peak Demand	Reserve Margin before Maintenance		Scheduled Maintenance	Reserve Margin after Maintenance	
Year	MW	MW	MW	QF MW	MW	MW	MW	% of Peak	MW	MW	% of Peak
FORECAST:											
2011/12	1,583	358	0	0	1,942	1,389	555	40%	0	555	40%
2012/13	1,590	347	0	0	1,936	1,408	529	38%	0	529	38%
2013/14	1,597	352	0	0	1,949	1,436	513	36%	0	513	36%
2014/15	1,597	352	0	0	1,949	1,473	476	32%	0	476	32%
2015/16	1,604	352	0	0	1,956	1,511	445	29%	0	445	29%
2016/17	1,604	352	0	0	1,956	1,543	413	27%	0	413	27%
2017/18	1,604	352	0	0	1,956	1,493	463	31%	0	463	31%
2018/19	1,604	352	0	0	1,956	1,523	433	28%	0	433	28%
2019/20	1,604	352	0	0	1,956	1,554	402	26%	0	402	26%
2020/21	1,604	352	0	0	1,956	1,586	370	23%	0	370	23%

Notes:
"Firm Capacity Import" includes OUC's and St. Cloud's existing and future power purchase agreements, including renewables.
"System Firm Winter Peak Demand" includes OUC and St. Cloud peak demand, as well as OUC's supplemental power sale to City of Vero Beach and power sale to City of Bartow.
"Reserve Margin (MW)" calculated as available capacity (including installed capacity and purchases, reflecting reserves provided by St. Cloud's TECO purchase) minus "System Firm Winter Peak
"Reserve Margin (% of Peak)" calculated as "Reserve Margin (MW)" divided by "System Firm Winter Peak Demand."
"Scheduled Maintenance (MW)" is zero, as no units are scheduled for maintenance during peak periods.

Schedule 8
Planned and Prospective Generating Facility Additions and Changes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
								Const.	Commercial	Expected	Gen. Max.	Net Capability		
	Unit		Unit	Fuel		Fuel Transport		Start	In-Service	Retirement	Nameplate	Summer	Winter	
Plant Name	No.	Location	Type	Pri	Alt	Pri	Alt	Mo/Yr	Mo/Yr	Mo/Yr	KW	MW	MW	Status
Unknown	CT1	Unknown	GT	NG	DFO	PL	TK	05/20	05/21	Unknown		185	195	P

Notes:
Unknown CT1 is shown for informational purposes in order to satisfy projected reserve margin requirements. Given the magnitude and timing of OUC's projected need for capacity to maintain reserve margin requirements, OUC has not made any commitments to this unit. Please refer to discussion in the Ten-Year Site Plan for additional information. OUC would likely site such a

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1)	Plant Name and Unit Number:	Unknown CT1	
(2)	Capacity		
	a. Summer:		185
	b. Winter:		195
(3)	Technology Type:	GT	
(4)	Anticipated Construction Timing		
	a. Field construction start-date:		May-20
	b. Commercial in-service date:		May-21
(5)	Fuel		
	a. Primary fuel:	NG	
	b. Alternate fuel:	DFO	
(6)	Air Pollution Control Strategy:	Unknown	
(7)	Cooling Method:	Unknown	
(8)	Total Site Area:	Unknown	
(9)	Construction Status:	Not Begun	
(10)	Certification Status:	Not Begun	
(11)	Status with Federal Agencies:	Not Begun	
(12)	Projected Unit Perfomance Data		
	Planned Outage Factor (POF):		2.7%
	Forced Outage Factor (FOF):		2.0%
	Equivalent Availability Factor (EAF):		95%
	Resulting Capacity Factor (%):		< 1%
	Average Net Operating Heat Rate (ANOHR):		10,350
(13)	Projected Unit Financial Data		
	Book Life (Years):		20
	Total Installed Cost (In-Service Year $/kW):		880
	Direct Construction Cost ($/kW):		
	AFUDC Amount ($/kW):		
	Escalation ($/kW):		
	Fixed O&M ($/kW-Yr):		5.77
	Variable O&M ($/MWH):		28.63
	K Factor:		

Notes:

Given the magnitude and timing of OUC's projected need for capacity to maintain reserve margin requirements, OUC has not made any commitments to this unit. Please refer to discussion in the Ten-Year Site Plan for additional information. Therefore, limited information is presented in this schedule. OUC would likely site such a unit at its existing Stanton Energy Center or Indian River site. Please refer to discussion in the Ten-Year Site Plan for additional information.

Schedule 10
Status Report and Specifications of Proposed Directly Associated Transmission Lines

(1)	Point of Origin and Termination:	OUC's 2012 Ten-Year Site Plan does not include any directly proposed transmission lines. Therefore, Schedule 10 is not applicable.
(2)	Number of Lines:	
(3)	Right-of-Way:	
(4)	Line Length:	
(5)	Voltage:	
(6)	Anticipated Construction Timing:	
(7)	Anticipated Capital Investment:	
(8)	Substations:	
(9)	Participation with Other Utilities:	