



2023 ANNUAL REPORT



**POWERING
WHAT'S
IMPORTANT**



OUR CORE PURPOSE

To **enrich** the **quality of life** for our customers and the community.

Our Mission

To provide reliable and economical services to our customers while partnering with the community and the environment.

Our Vision

To be the right utility, providing the right services, at the right time.

Key Result Areas

Customer Experience

Improving the customer experience



Employees

Cultivating a great work environment



Financial Strength

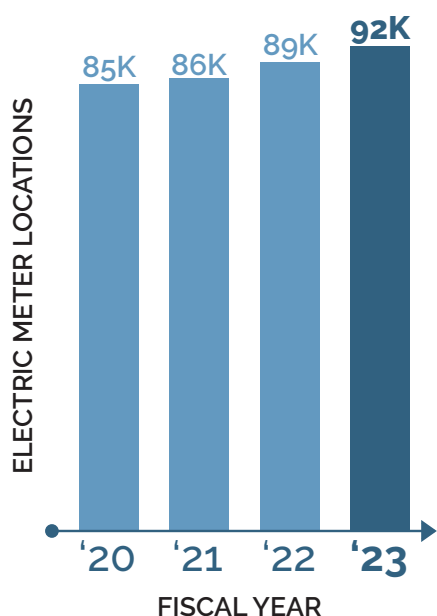
Maintaining excellent financial strength



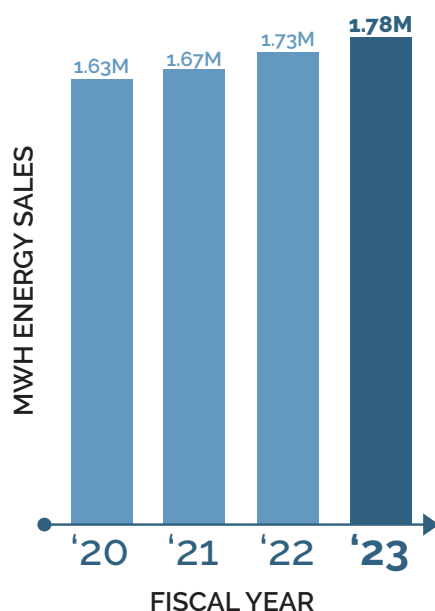
ABOUT US



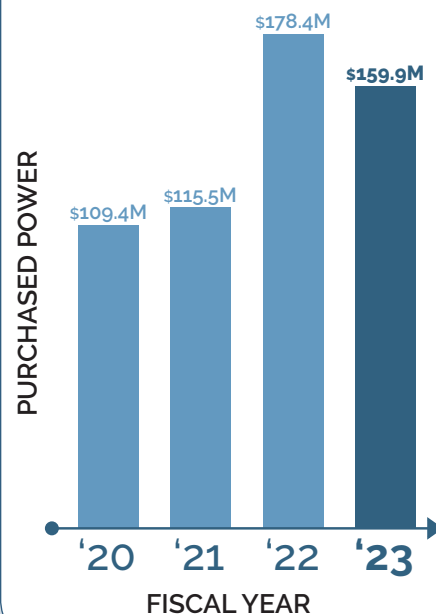
Customer Count



Energy Sales



Purchased Power



TRANSMISSION

TOTAL OVERHEAD **73.26 MILES**
TOTAL UNDERGROUND **0.04 MILES**

DISTRIBUTION

TOTAL OVERHEAD **336.72 MILES**
TOTAL UNDERGROUND **804.75 MILES**



MESSAGE FROM THE CEO

Each member of our KUA team can be proud of the work we accomplished together in 2023, marking another exceptional year serving our community.

The year was full of collaboration, innovation and community outreach, as our devoted workforce meticulously executed our strategic objectives, while ensuring reliable and affordable services, supporting the quality of life of residents and businesses.

Many of the challenges we encountered during the last several years persisted in 2023 including supply chain constraints, rising cost of materials/equipment, labor shortages and regulatory uncertainty. While these issues have continued to challenge our industry and the nation as a whole, KUA viewed them as an opportunity to exercise continued prudent

business practices and apply innovation to fulfill our commitment to our customers.

The volatility in the natural gas markets in 2022 made it more difficult to provide stability in wholesale power cost. Our team took major steps in 2023 to mitigate some of the uncertainty by engaging our wholesale provider and negotiating an extension of the capacity credits for KUA's ownership interest in Cane Island Units 1, 2 and 3 for an additional 10 years. This action, coupled with prepaid gas agreements and sales from excess capacity at the agency, will aid in providing a more stable and predictable environment.

"KUA's **solid financial standing** allows us to make the necessary capital investments to maintain our **reliable electric system**."

As our community continues to grow, so does the electric demand and infrastructure requirements to serve them. In 2023, KUA added over 3,600 new meters and installed nearly 33 miles of new distribution facilities

while setting a new system peak record of 445.8 megawatts in August 2023. We will continue with significant capital improvements on the delivery side of our business in the coming years as we support new developments and replace aging underground distribution facilities installed in the 1990s.

With the last installment of commercial paper debt satisfied in October 2023, KUA has no new debt issuance needs identified within its five-year capital budget-planning horizon. Continued strong fiscal management together with sound investment strategies will allow us to maintain KUA's strong credit worthiness and ability to provide dependable, competitively priced power for our community.

We are always exploring new service offerings and improvements for our customers. In 2023, teams of employees from across the organization evaluated the feasibility of surge protection, home EV charging, and other home services beyond the meter. While not all of the options evaluated by the teams will result in new offerings, it is essential that we remain diligent in reviewing and understanding emerging technologies and assess their potential value to our customers now or in the future.

Engaging our community has always been something that we take extraordinary pride in while bringing people together. Last year was no different as we increased our presence in the community by participating in 23 events, providing the opportunity to educate our customers on topics like energy efficiency, community solar, safety and more. We also celebrated the 10-year anniversaries of our Good Neighbor Fund program and Movie in the Park series.

“Fostering an environment in which **employees can learn and develop** has always been a critical component of our success.”

Our workforce is one of the most knowledgeable and respected in all of Public Power. Employees throughout the year are asked to assist fellow utilities on a variety of technical issues, participate in our trade associations and speak at industry conferences as subject matter experts. Therefore, it comes as no surprise the organization was honored by being recognized as one of the top workplaces in Central Florida by the Orlando Sentinel in 2023.

We look forward to the year ahead and the opportunities it presents. Whatever may come our way; our dedication to our customers will always remain our top priority. We thank you for your confidence in us and it is a privilege to serve our community.

Respectfully,

Brian Horton,
President & General Manager

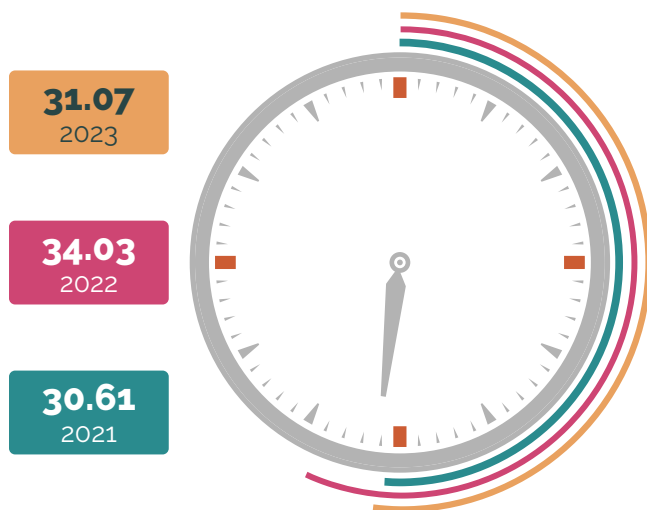
RELIABILITY

Kissimmee Utility Authority has received national recognition for achieving exceptional electric reliability. The recognition comes from the American Public Power Association (APPA), a trade group that represents more than 2,000 not-for-profit, community-owned electric utilities.

On average, KUA customers were out of service for 31 minutes in 2023 and experienced 0.55 service interruptions. Our Cane Island Power Plant's Units 3 and 4 combined availabilities reached 89.19%.

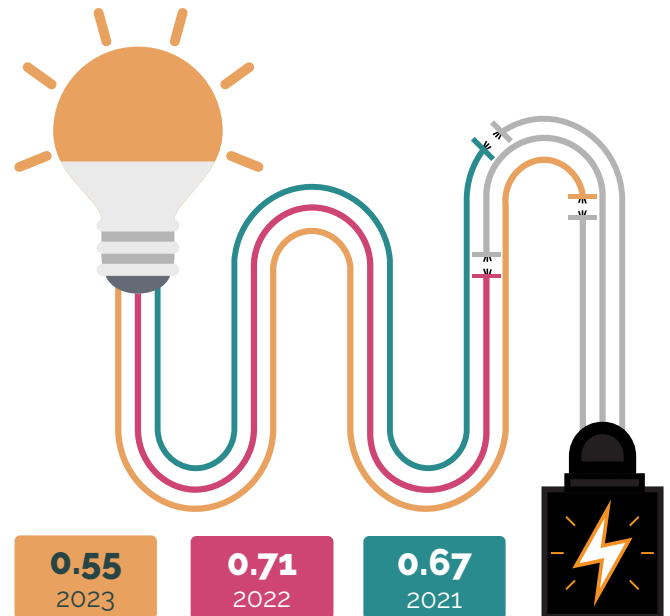
SAIDI

System Average Interruption Duration Index (Minutes per year)



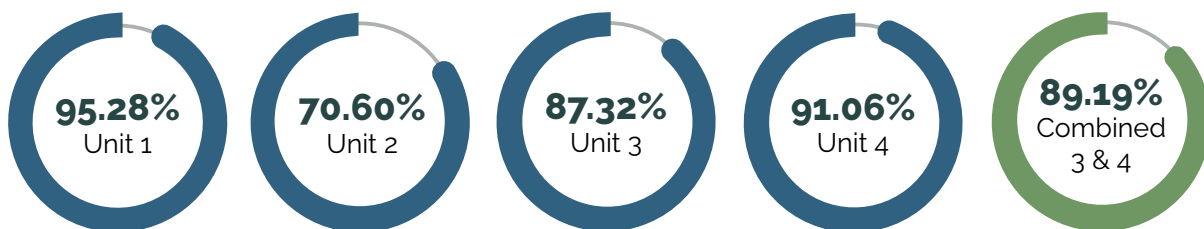
SAIFI

System Average Interruption Frequency Index



Cane Island

Equivalent Availability Factor (EAF)*



*Equivalent Availability Factor (EAF) - The fraction of a given operating period in which a generating unit is available without any outages or equipment deratings

INFRASTRUCTURE INVESTMENT

Infrastructure investment is of paramount importance for KUA, as it forms the core of operations and service delivery. Investing in modern and sustainable infrastructure enables the utility to evolve, improving the overall efficiency of operations and reducing environmental impact.

With Osceola County being the fastest-growing county in Metro Orlando, KUA continues to lay the groundwork to support that growth.

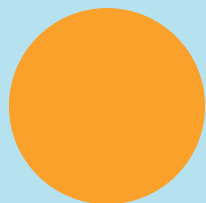
In 2023, the utility extended two feeders at our Lake Cecile substation and a third

at our Domingo Toro substation for a combined 3.5 miles. Additionally we installed nearly 33 circuit miles of overhead and underground power lines and replaced 10.9 miles of aged underground cable.

2023 Capital Expenditures

	FY 2021	FY 2022	FY 2023	Total
Infrastructure Capital Expenditures*	\$ 21.4 M	\$ 20.1 M	\$ 19.8 M	\$ 61.3 M
Line Extension Contributed Capital	(\$ 2.4M)	(\$ 3.4 M)	(\$ 4.4 M)	(\$ 10.2 M)
FMPA/Duke/APPA Funded Contracts	(\$ 5.4 M)	(\$ 0.4M)	(\$ 0.0 M)	(\$ 5.8 M)
Net Infrastructure Capital Expenditures*	\$13.6 M	\$ 16.3 M	\$15.4 M	\$ 45.3 M

* excludes expenses in Cane Island paid directly by FMPA



Modern & Sustainable Infrastructure

New Cables

2023
32.56 Miles



Aged Underground Cable Replacement

2023 10.9 Miles \$ 386 K
2022 10.4 Miles \$ 472 K
2021 9.8 miles \$ 396 K



AFFORDABILITY

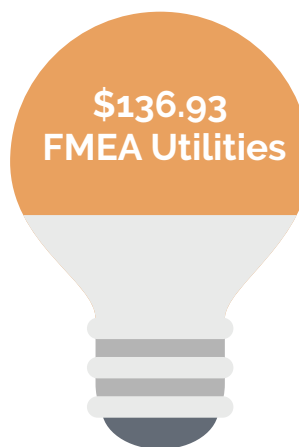
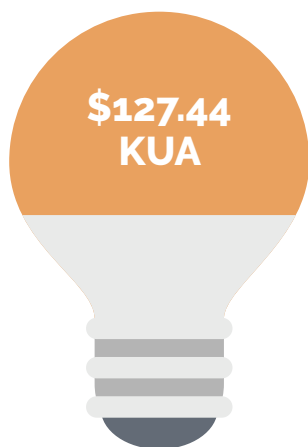
KUA understands that access to affordable electricity enhances the quality of life for our customers by providing comfort and convenience while minimizing the economic burden on families. Competitive rates also play a pivotal role in economic development by allowing businesses to allocate resources more effectively, leading to increased productivity and job creation. Moreover, affordable electricity fosters innovation and the adoption of new technologies, supporting the growth of industries and contributing to the overall prosperity of communities.

KUA has maintained a competitive 1,000 kWh residential rate in 2023. The utility had the 13th lowest average out of 37 utilities across the state in 2023. KUA is able to use rate stabilization funds to ensure that utilities rates remain below the state average.



Comparison of Residential Electric Rates

1,000 Kwh - 2023 Average



CUSTOMER EXPERIENCE

Customer Satisfaction Award

Kissimmee Utility Authority earned a Public Power Customer Satisfaction Award from the American Public Power Association, presented at APPA's Customer Connections Conference in San Antonio.

The utility received the Customer Satisfaction Award as a result of receiving high marks from customers in the areas of: customer service, field personnel, communication, reliability, value, outage response, innovation, and overall satisfaction.

Winners of Public Power Customer Satisfaction Awards are chosen at gold, silver, and bronze levels based on responses to customer surveys. KUA received a bronze-level award for an average rating greater than 80% across the eight categories.

Portal Enhancement

To provide customers with more transparency regarding their utility bills, KUA rolled out a handy feature in our customer portal in the fall of 2023. Customers can see their consumption in dollar amounts in addition to kWh in as low as 15-minute increments. In addition, customers can receive alerts via text or email based on a threshold they can set in the portal.

Surge Protection

As customers gear up for storm season in the spring, they now have the option to add an extra layer of protection for their appliances. In December 2023, KUA launched its meter-based Surge Protection Program, which gives customers the ability to divert surges away from sensitive electric circuits through a surge suppression device that KUA will install on the meter for a monthly fee. When passing through the meter-based surge protector, even the most powerful surges and spikes are reduced to levels that a plug-in surge strip can easily handle.





Good Neighbor Fund

In 2023 KUA celebrated the 10th anniversary of the Good Neighbor Round Up Program. Over the past decade, our Customer Service department has signed up approximately 15,000 customers. There are nearly 7,800 customers who are actively participating in the program which helps KUA customers experiencing financial difficulty pay their KUA utility bills in emergency situations. In 2023, 466 customers received \$125,995 in assistance.

Cane Island

The utility's Cane Island Power Plant continues to be a model plant, now in the 90th percentile of all generating plants according to FM Global which conducts our annual risk rating. Our phenomenal plant staff has also overcome various maintenance issues on three separate units, all of which they were able to successfully handle with no impact on our customers.

We extended important capacity credit payments for our ownership interest in the operation of units 1, 2, and 3, which was a huge win for the future of those units and their return on investment.

The SunCatcher

Our new and improved SunCatcher Solar Energy Trailer has been out and about at local events and schools for customer service and to display the power of solar energy. The new trailer features 1600 watts of solar, 1100 amp hours of batteries and a 2000 watt generator, allowing it to run for more than eight hours. Inside the trailer there are two 75 inch TV's and one 50 inch TV, two phone charging stations, and two computer docking stations. The trailer now serves as a mobile location for energy audits, account questions, and other customer information. It also helps to teach students and community members about solar.



The Green Team



COMMUNITY INVOLVEMENT

In the Community



4 Community Blood Drives



5 City of Kissimmee Events



6 Movie in the Parks



7 Scholarships



12 Community expos, fairs and festivals



29 Big Grill Reservations



104 Community Sponsorships

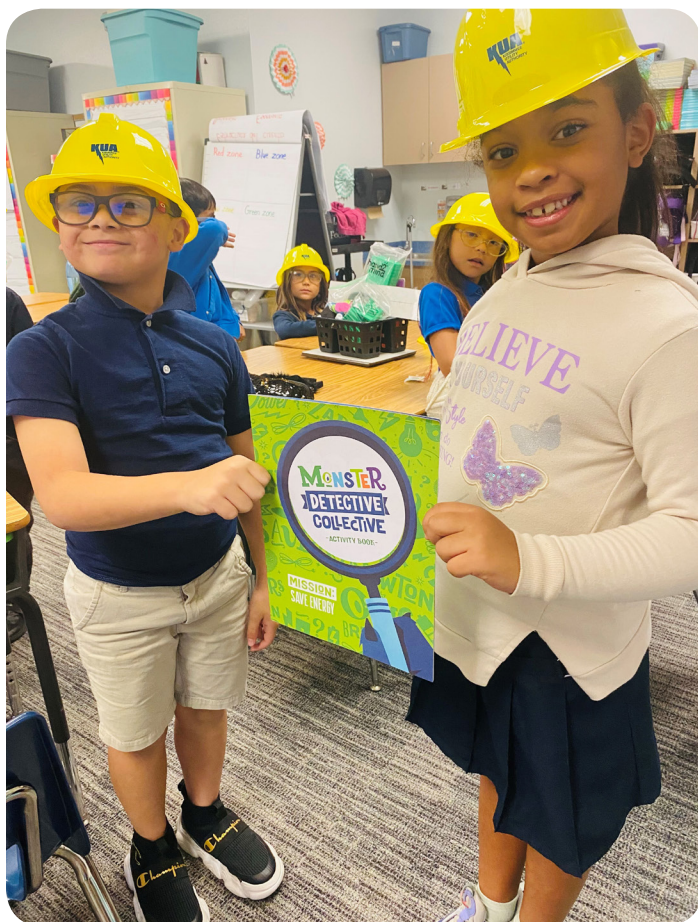


Day of Giving

Our annual Public Power Day of Giving was a huge success, as employees assisted the City of Kissimmee with a two-day beautification landscaping project to further enhance Kissimmee Lakefront Park. Employees also had the opportunity to donate canned food items to benefit Second Harvest Food Bank.

Monster Detective Energy Learning Lab

KUA kicked off Public Power Week 2023 by bringing an energizing educational lesson to local schools with the help of the Monster Detective Collective Learning Lab. During this one-hour Learning Lab, students learned how energy is made, how it's used, and how they can reduce their energy use. Students completed the lesson feeling empowered to lead their families in making wise energy use choices, and also received a free and engaging activity book to continue their learning at home.





KUA's Official Mascot

What began as a suggestion from KUA's board chairman has transformed into a fun and exciting way to engage with our customers, especially the little ones! Sparky made his debut at our December 2023 board meeting and has been making his rounds in the community. As the official mascot of KUA, Sparky is visible at various KUA-sponsored events and has become an innovative way for KUA to connect with customers.

The Big Grill

KUA's Big Grill has served the community since 2002 and is used by churches, non-profits and other organizations in KUA's service territory. On average the big grill is used about 25 times per calendar year. In 2023, staff replaced the big grill with a new enhanced grill featuring a 12-foot long, 40-inch wide stainless steel trailer-mounted gas grill with enhanced safety features.

Movie in the Park Celebrates 10 years

For 10 years KUA has been bringing the community free movies, popcorn and family fun during the utility's annual six-month Movie in the Park series in partnership with the City of Kissimmee. Over the years the event has become much anticipated among Osceola County families and continues to attract thousands of people to each movie.



OUR WORKFORCE



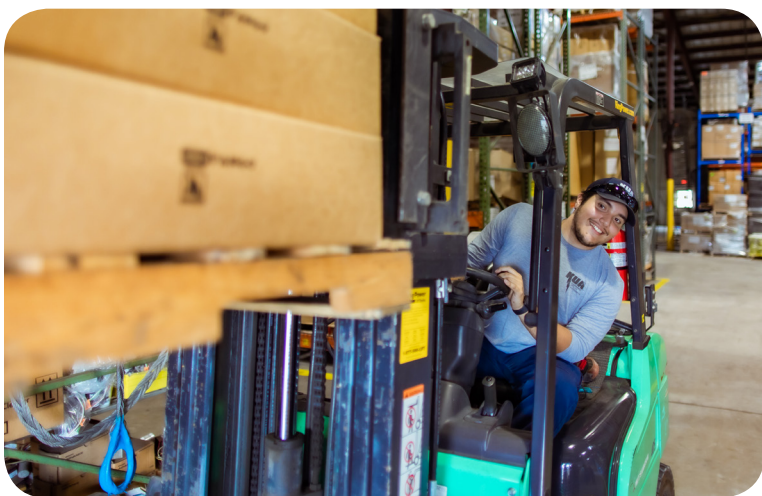
Orlando Sentinel

Kissimmee Utility Authority is a
2023 Top Workplace!

Top Workplace

Kissimmee Utility Authority received a 2023 Top Workplaces award by the Orlando Sentinel's Top Workplaces program. The list includes companies from ten Central Florida counties and is based solely on employee feedback gathered through a third-party survey administered by employee engagement technology partner Energage, LLC.

The confidential survey measured 15 culture drivers that are critical to the success of any organization; including engagement, empowerment, value, respect and support. KUA staff members were officially recognized during an awards luncheon in September in Orlando. KUA joined the area's top 116 dynamic companies that made the list based on achieving high employee satisfaction and being committed to making their company a great place to work.



Employee Engagement

October of 2023 marked a year of the new format for KUA's Employee Satisfaction Survey, which is now referred to as our Employee Engagement Series. The quarterly meeting with department heads continue to receive great staff participation and provide an open forum for employee feedback along with creating an environment to address concerns and provide suggestions. The meetings serve as an opportunity to improve KUA and service to our community.

Safety

In 2023, KUA had the lowest Incidence Rate in the utility's 25-year history of tracking recordable injuries. The incidence rate is measured by recordable injuries, meaning any work-related injury or illness resulting in loss of days away from work, restricted duty or medical treatment beyond first aid. Our most frequent type of recordable injury this past year was a sprain/strain caused by a slip, trip or fall.



288

FTE

8.3%

Employee
Turnover

1.83%

Workplace
Injury Rate

FINANCIAL STRENGTH

2023 Financial Highlights

- KUA's **Net Position** increased by **\$9.5 million** or **2.9%**
- KUA's **Capital Assets - Net Utility Plant** increased by **\$8 million** or **3.1%**
- During the year, the Authority's **Operating Revenues** decreased by **7.28%** to **\$240.3 million**, while **Operating Expenses** decreased by **5.3%** to **\$236.2 million**
- KUA's total **long-term Commercial Paper Notes liability** was reduced to **\$0**

Operating Highlights

09/30/2023

9/30/2022

CHANGE

TOTAL OPERATING REVENUE
\$240.3 M

TOTAL OPERATING REVENUES
\$259.2 M

TOTAL OPERATING REVENUE
(\$18.9 M) (7.3%)

TOTAL OPERATING EXPENSES
\$236.2 M

TOTAL OPERATING EXPENSES
\$249.5 M

TOTAL OPERATING EXPENSES
(\$13.3 M) (5.3%)

COMMERCIAL PAPER NOTES*
\$0.0 M

COMMERCIAL PAPER NOTES*
\$13.2 M

COMMERCIAL PAPER NOTES*
(\$13.2 M) (100%)
(* Long-Term Notes Liability)

Grant Utilization

KUA submitted applications for three federal and state grants in 2023, providing funds for cybersecurity, expansion of EV charging within the community and grid resiliency. In June KUA was awarded a cybersecurity grant from the state of Florida that provides a security operations platform for our IT systems. The grant, valued at \$76,173, was implemented in November. This platform will provide tremendous value to our customers along with adding yet another layer of cybersecurity to KUA.

UTILITY MANAGEMENT



KUA Board of Directors

Reginald Hardee, Brian Horton, Grant Lacerte Jr., Manuel Ortega, Ethel Urbina, Olga Gonzalez, Jeanne Van Meter, Rae Hemphill



KUA Executive Staff

Jef Gray, Tiffany Henderson, Kevin Crawford, Susan Postans, Larry Mattern, Leticia Rivera, Grant Lacerte, Jr., Cindy Herrera, Brian Horton

NOTES

2023 SNAPSHOTS



20 ANNUAL 23 REPORT



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