

JEA[®]



Quarterly Analysis of Financial Performance

December 2021



**Management's Discussion and Analysis of Financial Performance
for the Quarter Ended December 31, 2021**

JEA is a municipal utility operating in Jacksonville, Florida (Duval County) and parts of three adjacent counties. The operation is comprised of three enterprise funds: the Electric Enterprise Fund (Electric Enterprise), the Water and Sewer Enterprise Fund (W&S), and the District Energy System (DES). Electric Enterprise is comprised of the JEA Electric System, Bulk Power Supply System (Scherer) and St. Johns River Power Park System (SJRPP). Electric Enterprise, W&S, and DES are presented on a combined basis in the statements of net position, statements of revenue, expenses and changes in net position, and statements of cash flows.

Quarter Operating Results

Electric Enterprise Operating Revenues

Total operating revenues increased approximately \$135 million (44.3%) over the prior year comparable quarter. The drivers of the changes are detailed below.

<i>(Dollars in millions)</i>	<u>Quarter</u>
December 2020 operating revenues	\$ 307
Plant Scherer consummation payment	100
Regulatory activity	44
Territorial sales	(7)
Mutual aid	(1)
Allowance for doubtful accounts	1
Interchange sales	(1)
Pole attachments	(1)
December 2021 operating revenues	<u>\$ 442</u>

Regulatory activity increased operating revenues by \$44 million, driven by fuel stabilization withdrawals. Territorial sales revenues decreased \$7 million, comprised of a \$4 million decrease in base revenues and a \$3 million decrease in fuel revenues. The base revenues decrease was driven by lower consumption, partially offset by changes in overall mix. The fuel revenues decrease was also driven by lower consumption, partially offset by an increase in fuel rates. Other operating revenue increased \$98 million, driven by the \$100 million consummation payment from FPL for the retirement of Plant Scherer Unit No. 4, which was partially offset by lower mutual aid and pole attachment revenues. There was a decrease in the allowance for doubtful accounts of \$1 million, resulting in higher operating revenues, due to a prior year increase in the allowance for possible COVID-19 write-offs, which did not repeat in the current quarter. Interchange sales with The Energy Authority also decreased by \$1 million.

Electric Enterprise Operating Expenses

Total operating expenses increased approximately \$63 million (27.8%) over the prior year comparable quarter. The drivers of the changes are detailed below.

<i>(Dollars in millions)</i>	<u>Quarter</u>
December 2020 operating expenses	\$ 227
Depreciation	110
Recognition of deferred costs and revenues	(94)
Fuel	25
Purchased power	18
Maintenance and other operating expense	4
December 2021 operating expenses	\$ 290

Depreciation expense increased \$110 million due to the \$109 million Plant Scherer Unit 4 impairment, as a result of its pending retirement.

Recognition of deferred costs and revenues, net decreased \$94 million due to the regulatory effects of the Plant Scherer Unit 4 impairment.

Fuel expense increased \$25 million (31.8%) due to increased generation costs of \$42 million, partially offset by a \$17 million decrease from lower MWh generated (311,182 MWh, 11.9%).

Purchased power expense increased \$18 million (79.8%) as a result of a \$9 million increase in purchased power unit cost and a \$9 million increase with higher MWh purchased (162,649 MWh, 40.8%).

Maintenance and other operating expenses increased \$4 million (8.8%) as a result of increases in compensation and benefits (\$2 million), overhead (\$1 million), and SJRPP decommissioning expenses (\$1 million).

As commodity prices fluctuate, the mix between generation and purchased power shifts, with JEA taking advantage of the most economical source of power. JEA's power supply mix is detailed below.

	Quarter Ended	
	December 31	
	<u>2021</u>	<u>2020</u>
Natural gas	61%	64%
Purchased power	20%	13%
Coal	14%	14%
Petroleum coke	5%	9%
Total	100%	100%

Water & Sewer Enterprise Operating Revenues

Total operating revenues increased approximately \$14 million (12.9%) over the prior year comparable quarter. The drivers of the changes are detailed below.

<i>(Dollars in millions)</i>	<u>Quarter</u>
December 2020 operating revenues	\$ 111
Environmental stabilization fund	5
Water	3
Sewer	3
Reuse	1
Other	2
December 2021 operating revenues	<u>\$ 125</u>

Environmental stabilization fund revenues increased \$5 million due to higher withdrawals. Water revenues increased \$3 million with the \$4 million increase in consumption being partially offset by a \$1 million decrease due to change in overall mix. Sewer revenues increased \$3 million with the \$4 million increase in consumption being partially offset by a \$1 million decrease due to change in overall mix. Reuse revenues increased \$1 million due to an increase in consumption. Other operating revenue increased approximately \$2 million primarily due to higher sewer service connections and cost reimbursements.

Water & Sewer Enterprise Operating Expenses

Operating expenses increased \$8 million (10.1%) over the prior year comparable quarter. The drivers of the changes are detailed below.

<i>(Dollars in millions)</i>	<u>Quarter</u>
December 2020 operating expenses	\$ 84
Maintenance and other operating expenses	7
Recognition of deferred costs and revenues, net	1
December 2021 operating expenses	<u>\$ 92</u>

Maintenance and other operating expenses increased \$7 million as a result of increases in interlocal expenses (\$4 million), compensation and benefits (\$1 million), overhead (\$1 million), and professional services (\$1 million). Recognition of deferred costs and revenues, net increased due to higher environmental expenditures.

District Energy System

Operating revenues and expenses remained flat when compared to the prior year comparable quarter at \$2 million, respectively.

Nonoperating Revenues (Expenses)

Total nonoperating expenses, net decreased by \$5 million (18.9%) over the prior year comparable quarter. The drivers of the changes are detailed below.

<i>(Dollars in millions)</i>	<u>Quarter</u>
December 2020 nonoperating expenses, net	\$ (25)
Decrease in interest on debt	3
Earnings from The Energy Authority	2
Decrease in realized investment income	(1)
Increase in allowance for funds used during construction	1
December 2021 nonoperating expenses, net	<u><u>\$ (20)</u></u>

Debt Administration

Debt outstanding at December 31, 2021 was \$2,909 million, a decrease of approximately \$91 million from the prior fiscal year end. This decrease was due to \$92 million in scheduled principal payments, offset by a \$1 million draw under its revolving credit agreement.

JEA's debt ratings and outlooks on its long-term debt remained unchanged during the quarter and are detailed below.

	<u>Moody's</u>		<u>Standard & Poor's</u>		<u>Fitch</u>	
	<u>Rating</u>	<u>Outlook</u>	<u>Rating</u>	<u>Outlook</u>	<u>Rating</u>	<u>Outlook</u>
JEA Electric System						
Senior	A2	positive	A+	negative	AA	stable
Subordinated	A3	positive	A	negative	AA	stable
SJRPP	A2	positive	A+	negative	AA	stable
Scherer	A2	positive	A+	negative	AA	stable
W&S						
Senior	Aa3	stable	AA+	stable	AA	positive
Subordinated	Aa3	stable	AA	stable	AA	positive
DES	A1	stable	AA	stable	AA	positive

As of December 31, 2021, there was \$1 million in outstanding bank draws under a revolving credit agreement, which was equal to the withdrawal made during December 2021.

Debt service coverage ratios for JEA Electric System and W&S bonds are as follows:

	<u>Quarter Ended December 31</u>			
	<u>JEA Electric System</u>		<u>Water & Sewer</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Senior	19.36 x	11.67 x	7.63 x	6.85 x
Senior and subordinated	10.51 x	5.10 x	6.63 x	5.99 x

The increase in the senior electric system ratios for the quarter was due to higher net revenues and was partially offset by higher debt service requirements. The increase in all other ratios for the quarter was due to higher net revenues and lower debt service requirements.

Capital Assets

JEA's total investment in capital assets and capital expenditures for the quarter ended December 31, 2021 is detailed below.

	<u>Total Investment</u>	<u>Expenditures</u>
	<u>December 31, 2021</u>	<u>Quarter Ended</u>
<i>(Dollars in millions)</i>	<u>December 31, 2021</u>	<u>December 31, 2021</u>
Electric Enterprise	\$ 2,489	\$ 38
Water and Sewer Enterprise	2,822	59
District Energy System	35	2
Total	<u>\$ 5,346</u>	<u>\$ 99</u>

JEA
Statements of Net Position
(in thousands)

	December 2021	
	(unaudited)	September 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 409,100	\$ 350,495
Investments	4,726	4,140
Customer accounts receivable, net of allowance (\$2,948 and \$3,155, respectively)	188,155	221,348
Inventories:		
Materials and supplies	66,943	62,796
Fuel	48,687	32,911
Other current assets	23,532	24,434
Total current assets	<u>741,143</u>	<u>696,124</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	299,799	362,618
Investments	273,991	269,820
Accounts and interest receivable	350	240
Total restricted assets	<u>574,140</u>	<u>632,678</u>
Costs to be recovered from future revenues	941,401	881,949
Hedging derivative instruments	103,319	150,453
Other assets	23,163	22,939
Total noncurrent assets	<u>1,642,023</u>	<u>1,688,019</u>
Net capital assets	5,345,906	5,476,493
Total assets	<u>7,729,072</u>	<u>7,860,636</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	157,296	157,296
Accumulated decrease in fair value of hedging derivatives	125,006	129,355
Unamortized deferred losses on refundings	87,985	89,729
Unrealized asset retirement obligation	37,823	37,669
Unrealized OPEB contributions and losses	7,302	7,302
Total deferred outflows of resources	<u>415,412</u>	<u>421,351</u>
Total assets and deferred outflows of resources	<u>\$ 8,144,484</u>	<u>\$ 8,281,987</u>

JEA
Statements of Net Position
(in thousands)

	December 2021	September 2021
	(unaudited)	
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 77,209	\$ 76,702
Customer deposits and prepayments	75,046	75,030
Billings on behalf of state and local governments	22,207	26,006
Compensation and benefits payable	13,692	13,361
City of Jacksonville payable	10,301	10,193
Current portion of asset retirement obligations	3,519	3,307
Total current liabilities	201,974	204,599
Current liabilities payable from restricted assets:		
Debt due within one year	78,930	91,535
Interest payable	26,899	51,454
Construction contracts and accounts payable	19,914	45,466
Renewal and replacement reserve	33,311	32,776
Total current liabilities payable from restricted assets	159,054	221,231
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,830,245	2,908,175
Unamortized premium, net	188,319	194,070
Fair value of debt management strategy instruments	123,045	129,355
Total long-term debt	3,141,609	3,231,600
Net pension liability	729,569	729,569
Asset retirement obligation	34,304	34,362
Compensation and benefits payable	31,456	33,433
Net OPEB liability	5,136	5,136
Other liabilities	20,114	18,338
Total noncurrent liabilities	3,962,188	4,052,438
Total liabilities	4,323,216	4,478,268
Deferred inflows of resources		
Revenues to be used for future costs	78,471	156,814
Accumulated increase in fair value of hedging derivatives	103,450	150,453
Unrealized OPEB gains	14,725	14,725
Unrealized pension gains	14,273	14,273
Total deferred inflows of resources	210,919	336,265
Net position		
Net investment in capital assets	2,772,939	2,696,104
Restricted for:		
Capital projects	337,298	296,059
Debt service	18,904	90,423
Other purposes	40,335	44,774
Unrestricted	440,873	340,094
Total net position	3,610,349	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 8,144,484	\$ 8,281,987

Statements of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited)

	Quarter and Year-to-Date December	
	2021	2020
Operating revenues		
Electric	\$ 332,886	\$ 295,706
Water and sewer	120,824	107,988
District energy system	1,926	1,895
Other	109,347	9,419
Total operating revenues	<u>564,983</u>	<u>415,008</u>
Operating expenses		
Operations and maintenance:		
Maintenance and other operating expenses	95,986	84,976
Fuel	104,858	79,559
Purchased power	40,947	22,770
Depreciation	207,087	97,327
State utility and franchise taxes	17,321	17,535
Recognition of deferred costs and revenues, net	(87,144)	5,634
Total operating expenses	<u>379,055</u>	<u>307,801</u>
Operating income	<u>185,928</u>	<u>107,207</u>
Nonoperating revenues (expenses)		
Interest on debt	(27,633)	(30,316)
Earnings from The Energy Authority	3,139	824
Allowance for funds used during construction	2,633	1,943
Other nonoperating income, net	1,622	1,741
Investment income, net	283	1,176
Other interest, net	27	46
Total nonoperating expenses, net	<u>(19,929)</u>	<u>(24,586)</u>
Income before contributions	<u>165,999</u>	<u>82,621</u>
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(30,304)	(30,003)
Developers and other	23,434	20,201
Reduction of plant cost through contributions	(16,234)	(11,468)
Total contributions	<u>(23,104)</u>	<u>(21,270)</u>
Change in net position	142,895	61,351
Net position, beginning of year	3,467,454	3,223,990
Net position, end of period	<u>\$ 3,610,349</u>	<u>\$ 3,285,341</u>

Statements of Cash Flows
(in thousands - unaudited)

	Quarter and Year-to-Date	
	December	
	2021	2020
Operating activities		
Receipts from customers	\$ 439,295	\$ 432,019
Payments to suppliers	(209,692)	(164,576)
Payments for salaries and benefits	(74,778)	(65,945)
Other operating activities	111,508	10,090
Net cash provided by operating activities	<u>266,333</u>	<u>211,588</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(30,204)	(29,903)
Net cash used in noncapital and related financing activities	<u>(30,204)</u>	<u>(29,903)</u>
Capital and related financing activities		
Acquisition and construction of capital assets	(98,942)	(98,537)
Interest paid on debt	(56,117)	(57,825)
Repayment of debt principal	(91,535)	(102,700)
Capital contributions	7,200	8,733
Revolving credit agreement withdrawals	1,000	-
Other capital financing activities	489	3,516
Net cash used in capital and related financing activities	<u>(237,905)</u>	<u>(246,813)</u>
Investing activities		
Proceeds from sale and maturity of investments	82,240	23,797
Purchase of investments	(87,780)	(77,408)
Distributions from The Energy Authority	2,535	-
Investment income	567	1,073
Net cash provided by (used in) investing activities	<u>(2,438)</u>	<u>(52,538)</u>
Net change in cash and cash equivalents	(4,214)	(117,666)
Cash and cash equivalents at beginning of year	713,113	641,132
Cash and cash equivalents at end of period	<u>\$ 708,899</u>	<u>\$ 523,466</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 185,928	\$ 107,207
Adjustments:		
Depreciation and amortization	207,361	97,615
Recognition of deferred costs and revenues, net	(87,144)	5,634
Other nonoperating income, net	15	82
Changes in noncash assets and noncash liabilities:		
Accounts receivable	33,081	26,379
Inventories	(19,922)	1,638
Other assets	3,064	(256)
Accounts and accrued expenses payable	(2,846)	(23,857)
Current liabilities payable from restricted assets	(479)	(2,210)
Other noncurrent liabilities and deferred inflows	(52,725)	(644)
Net cash provided by operating activities	<u>\$ 266,333</u>	<u>\$ 211,588</u>
Noncash activity		
Contribution of capital assets from developers	\$ 16,234	\$ 11,468
Unrealized investment fair market value changes, net	\$ (785)	\$ (522)

JEA
Combining Statement of Net Position
(in thousands - unaudited) December 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 289,182	\$ 51,395	\$ -	\$ 340,577	\$ 67,307	\$ 1,216	\$ 409,100
Investments	-	4,726	-	4,726	-	-	4,726
Customer accounts receivable, net of allowance (\$2,948)	134,898	-	-	134,898	52,724	533	188,155
Inventories:							
Materials and supplies	2,215	-	-	2,215	64,728	-	66,943
Fuel	48,687	-	-	48,687	-	-	48,687
Other current assets	19,820	224	(4,402)	15,642	7,871	19	23,532
Total current assets	494,802	56,345	(4,402)	546,745	192,630	1,768	741,143
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	131,302	68,722	-	200,024	99,094	681	299,799
Investments	170,428	9,082	-	179,510	94,481	-	273,991
Accounts and interest receivable	-	343	-	343	7	-	350
Total restricted assets	301,730	78,147	-	379,877	193,582	681	574,140
Costs to be recovered from future revenues	441,591	216,414	-	658,005	283,366	30	941,401
Hedging derivative instruments	103,319	-	-	103,319	-	-	103,319
Other assets	20,835	7,051	(4,765)	23,121	42	-	23,163
Total noncurrent assets	867,475	301,612	(4,765)	1,164,322	476,990	711	1,642,023
Net capital assets	2,480,565	8,812	-	2,489,377	2,821,713	34,816	5,345,906
Total assets	3,842,842	366,769	(9,167)	4,200,444	3,491,333	37,295	7,729,072
Deferred outflows of resources							
Accumulated decrease in fair value of hedging derivatives	99,387	-	-	99,387	25,619	-	125,006
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Unamortized deferred losses on refundings	49,888	3,048	-	52,936	34,895	154	87,985
Unrealized asset retirement obligation	37,543	280	-	37,823	-	-	37,823
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	281,207	7,944	-	289,151	126,107	154	415,412
Total assets and deferred outflows of resources	\$ 4,124,049	\$ 374,713	\$ (9,167)	\$ 4,489,595	\$ 3,617,440	\$ 37,449	\$ 8,144,484

JEA
Combining Statement of Net Position
(in thousands - unaudited) December 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 69,638	\$ 422	\$ (141)	\$ 69,919	\$ 7,253	\$ 37	\$ 77,209
Customer deposits and prepayments	57,118	-	-	57,118	17,928	-	75,046
Billings on behalf of state and local governments	18,429	-	-	18,429	3,778	-	22,207
Compensation and benefits payable	9,823	-	-	9,823	3,848	21	13,692
City of Jacksonville payable	8,039	-	-	8,039	2,262	-	10,301
Current portion of asset retirement obligation	3,239	280	-	3,519	-	-	3,519
Total current liabilities	166,286	702	(141)	166,847	35,069	58	201,974
Current liabilities payable from restricted assets:							
Debt due within one year	51,980	15,285	-	67,265	9,850	1,815	78,930
Interest payable	12,842	2,328	-	15,170	11,427	302	26,899
Construction contracts and accounts payable	5,491	4,717	(4,261)	5,947	13,853	114	19,914
Renewal and replacement reserve	-	33,311	-	33,311	-	-	33,311
Total current liabilities payable from restricted assets	70,313	55,641	(4,261)	121,693	35,130	2,231	159,054
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,392,060	222,305	-	1,614,365	1,187,055	28,825	2,830,245
Unamortized premium, net	97,013	259	-	97,272	91,065	(18)	188,319
Fair value of debt management strategy instruments	97,557	-	-	97,557	25,488	-	123,045
Total long-term debt	1,586,630	222,564	-	1,809,194	1,303,608	28,807	3,141,609
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	34,304	-	-	34,304	-	-	34,304
Compensation and benefits payable	22,522	-	-	22,522	8,843	91	31,456
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	20,114	4,765	(4,765)	20,114	-	-	20,114
Total noncurrent liabilities	2,097,046	227,329	(4,765)	2,319,610	1,613,680	28,898	3,962,188
Total liabilities	2,333,645	283,672	(9,167)	2,608,150	1,683,879	31,187	4,323,216
Deferred inflows of resources							
Revenues to be used for future costs	44,934	5,094	-	50,028	28,443	-	78,471
Accumulated increase in fair value of hedging derivatives	103,319	-	-	103,319	131	-	103,450
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	164,296	6,901	-	171,197	39,722	-	210,919
Net position							
Net investment in capital assets	1,125,762	(4,743)	-	1,121,019	1,647,657	4,263	2,772,939
Restricted for:							
Capital projects	218,731	-	-	218,731	118,642	(75)	337,298
Debt service	11,727	4,188	-	15,915	2,535	454	18,904
Other purposes	2,586	28,772	4,261	35,619	4,716	-	40,335
Unrestricted	267,302	55,923	(4,261)	318,964	120,289	1,620	440,873
Total net position	1,626,108	84,140	-	1,710,248	1,893,839	6,262	3,610,349
Total liabilities, deferred inflows of resources, and net position	\$ 4,124,049	\$ 374,713	\$ (9,167)	\$ 4,489,595	\$ 3,617,440	\$ 37,449	\$ 8,144,484

JEA
Combining Statement of Net Position
(in thousands) September 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 222,273	\$ 51,335	\$ -	\$ 273,608	\$ 75,668	\$ 1,219	\$ 350,495
Investments	-	4,140	-	4,140	-	-	4,140
Customer accounts receivable, net of allowance (\$3,155)	165,572	-	-	165,572	55,273	503	221,348
Inventories:							
Materials and supplies	2,248	-	-	2,248	60,548	-	62,796
Fuel	32,911	-	-	32,911	-	-	32,911
Other current assets	22,864	125	(4,279)	18,710	5,720	4	24,434
Total current assets	445,868	55,600	(4,279)	497,189	197,209	1,726	696,124
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	164,501	82,618	-	247,119	112,468	3,031	362,618
Investments	168,306	9,677	-	177,983	91,837	-	269,820
Accounts and interest receivable	-	233	-	233	7	-	240
Total restricted assets	332,807	92,528	-	425,335	204,312	3,031	632,678
Cost to be recovered from future revenues	376,214	220,155	-	596,369	285,550	30	881,949
Hedging derivative instruments	150,453	-	-	150,453	-	-	150,453
Other assets	20,335	7,051	(4,765)	22,621	318	-	22,939
Total noncurrent assets	879,809	319,734	(4,765)	1,194,778	490,180	3,061	1,688,019
Net capital assets	2,608,916	8,914	-	2,617,830	2,824,294	34,369	5,476,493
Total assets	3,934,593	384,248	(9,044)	4,309,797	3,511,683	39,156	7,860,636
Deferred outflows of resources							
Accumulated decrease in fair value of hedging derivatives	102,752	-	-	102,752	26,603	-	129,355
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Unamortized deferred losses on refundings	51,043	3,099	-	54,142	35,430	157	89,729
Unamortized asset retirement obligation	37,601	68	-	37,669	-	-	37,669
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	285,785	7,783	-	293,568	127,626	157	421,351
Total assets and deferred outflows of resources	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA
Combining Statement of Net Position
(in thousands) September 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,698	\$ 517	\$ (33)	\$ 68,182	\$ 8,418	\$ 102	\$ 76,702
Customer deposits and prepayments	57,354	-	-	57,354	17,676	-	75,030
Billings on behalf of state and local governments	22,218	-	-	22,218	3,788	-	26,006
Compensation and benefits payable	7,229	-	-	7,229	6,069	63	13,361
City of Jacksonville payable	7,978	-	-	7,978	2,215	-	10,193
Current portion of asset retirement obligation	3,239	68	-	3,307	-	-	3,307
Total current liabilities	165,716	585	(33)	166,268	38,166	165	204,599
Current liabilities payable from restricted assets:							
Debt due within one year	66,220	14,175	-	80,395	9,370	1,770	91,535
Interest payable	24,886	4,947	-	29,833	20,994	627	51,454
Construction contracts and accounts payable	9,226	5,732	(4,246)	10,712	33,924	830	45,466
Renewal and replacement reserve	-	32,776	-	32,776	-	-	32,776
Total current liabilities payable from restricted assets	100,332	57,630	(4,246)	153,716	64,288	3,227	221,231
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,444,040	237,590	-	1,681,630	1,196,905	29,640	2,908,175
Unamortized premium (discount), net	99,631	331	-	99,962	94,127	(19)	194,070
Fair value of debt management strategy instruments	102,752	-	-	102,752	26,603	-	129,355
Total long-term debt	1,646,423	237,921	-	1,884,344	1,317,635	29,621	3,231,600
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligation	34,362	-	-	34,362	-	-	34,362
Compensation and benefits payable	23,915	-	-	23,915	9,441	77	33,433
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	18,338	4,765	(4,765)	18,338	-	-	18,338
Total noncurrent liabilities	2,156,514	242,686	(4,765)	2,394,435	1,628,305	29,698	4,052,438
Total liabilities	2,422,562	300,901	(9,044)	2,714,419	1,730,759	33,090	4,478,268
Deferred inflows of resources							
Revenues to be used for future costs	121,643	5,094	-	126,737	30,077	-	156,814
Accumulated increase in fair value of hedging derivatives	150,453	-	-	150,453	-	-	150,453
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	288,139	6,901	-	295,040	41,225	-	336,265
Net position							
Net investment in capital assets	1,089,669	(15,562)	-	1,074,107	1,619,661	2,336	2,696,104
Restricted for:							
Capital projects	184,086	-	-	184,086	111,339	634	296,059
Debt service	64,931	14,542	-	79,473	9,180	1,770	90,423
Other purposes	3,060	30,166	4,246	37,472	7,302	-	44,774
Unrestricted	167,931	55,083	(4,246)	218,768	119,843	1,483	340,094
Total net position	1,509,677	84,229	-	1,593,906	1,867,325	6,223	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

Combining Statement of Revenue, Expenses and Changes in Net Position
(in thousands - unaudited) for the quarter and year-to-date ended December 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Elimination of intercompany transactions	Total JEA
Operating revenues								
Electric	\$ 336,972	\$ 6,828	\$ (6,828)	\$ 336,972	\$ -	\$ -	\$ (4,086)	\$ 332,886
Water and sewer	-	-	-	-	120,875	-	(51)	120,824
District energy system	-	-	-	-	-	2,006	(80)	1,926
Other	105,246	101	-	105,347	4,573	1	(574)	109,347
Total operating revenues	442,218	6,929	(6,828)	442,319	125,448	2,007	(4,791)	564,983
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	54,479	947	-	55,426	44,337	1,014	(4,791)	95,986
Fuel	104,858	-	-	104,858	-	-	-	104,858
Purchased power	47,775	-	(6,828)	40,947	-	-	-	40,947
Depreciation	163,031	102	-	163,133	43,280	674	-	207,087
State utility and franchise taxes	14,580	-	-	14,580	2,741	-	-	17,321
Recognition of deferred costs and revenues, net	(92,795)	3,706	-	(89,089)	1,945	-	-	(87,144)
Total operating expenses	291,928	4,755	(6,828)	289,855	92,303	1,688	(4,791)	379,055
Operating income	150,290	2,174	-	152,464	33,145	319	-	185,928
Nonoperating revenues (expenses)								
Interest on debt	(15,060)	(2,340)	-	(17,400)	(9,927)	(306)	-	(27,633)
Earnings from The Energy Authority	3,139	-	-	3,139	-	-	-	3,139
Allowance for funds used during construction	642	-	-	642	1,965	26	-	2,633
Other nonoperating income, net	946	65	-	1,011	611	-	-	1,622
Investment income, net	95	12	-	107	176	-	-	283
Other interest, net	16	-	-	16	11	-	-	27
Total nonoperating expenses, net	(10,222)	(2,263)	-	(12,485)	(7,164)	(280)	-	(19,929)
Income before contributions	140,068	(89)	-	139,979	25,981	39	-	165,999
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(23,637)	-	-	(23,637)	(6,667)	-	-	(30,304)
Developers and other	960	-	-	960	22,474	-	-	23,434
Reduction of plant cost through contributions	(960)	-	-	(960)	(15,274)	-	-	(16,234)
Total contributions	(23,637)	-	-	(23,637)	533	-	-	(23,104)
Change in net position	116,431	(89)	-	116,342	26,514	39	-	142,895
Net position, beginning of year	1,509,677	84,229	-	1,593,906	1,867,325	6,223	-	3,467,454
Net position, end of period	\$ 1,626,108	\$ 84,140	\$ -	\$ 1,710,248	\$ 1,893,839	\$ 6,262	\$ -	\$ 3,610,349

Combining Statement of Revenue, Expenses and Changes in Net Position
(in thousands - unaudited) for the quarter and year-to-date ended December 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Elimination of intercompany transactions	Total JEA
Operating revenues								
Electric	\$ 299,714	\$ 6,665	\$ (6,665)	\$ 299,714	\$ -	\$ -	\$ (4,008)	\$ 295,706
Water and sewer	-	-	-	-	108,078	-	(90)	107,988
District energy system	-	-	-	-	-	1,979	(84)	1,895
Other	6,840	62	-	6,902	3,071	-	(554)	9,419
Total operating revenues	306,554	6,727	(6,665)	306,616	111,149	1,979	(4,736)	415,008
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	51,250	(287)	-	50,963	37,574	1,175	(4,736)	84,976
Fuel	79,559	-	-	79,559	-	-	-	79,559
Purchased power	29,435	-	(6,665)	22,770	-	-	-	22,770
Depreciation	53,471	102	-	53,573	43,118	636	-	97,327
State utility and franchise taxes	14,895	-	-	14,895	2,640	-	-	17,535
Recognition of deferred costs and revenues, net	1,642	3,469	-	5,111	523	-	-	5,634
Total operating expenses	230,252	3,284	(6,665)	226,871	83,855	1,811	(4,736)	307,801
Operating income	76,302	3,443	-	79,745	27,294	168	-	107,207
Nonoperating revenues (expenses)								
Interest on debt	(16,446)	(2,446)	-	(18,892)	(11,106)	(318)	-	(30,316)
Earnings from The Energy Authority	824	-	-	824	-	-	-	824
Allowance for funds used during construction	765	-	-	765	1,175	3	-	1,943
Other nonoperating income, net	1,041	74	-	1,115	626	-	-	1,741
Investment income, net	504	32	-	536	639	1	-	1,176
Other interest, net	25	-	-	25	21	-	-	46
Total nonoperating expenses, net	(13,287)	(2,340)	-	(15,627)	(8,645)	(314)	-	(24,586)
Income before contributions	63,015	1,103	-	64,118	18,649	(146)	-	82,621
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(23,402)	-	-	(23,402)	(6,601)	-	-	(30,003)
Developers and other	185	-	-	185	20,016	-	-	20,201
Reduction of plant cost through contributions	(185)	-	-	(185)	(11,283)	-	-	(11,468)
Total contributions	(23,402)	-	-	(23,402)	2,132	-	-	(21,270)
Change in net position	39,613	1,103	-	40,716	20,781	(146)	-	61,351
Net position, beginning of year	1,354,700	86,379	-	1,441,079	1,776,433	6,478	-	3,223,990
Net position, end of period	\$ 1,394,313	\$ 87,482	\$ -	\$ 1,481,795	\$ 1,797,214	\$ 6,332	\$ -	\$ 3,285,341

Combining Statement of Cash Flows

(in thousands - unaudited) for the quarter and year-to-date ended December 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	\$ 319,675	\$ 6,717	\$ (6,908)	\$ 319,484	\$ 122,053	\$ 1,975	\$ (4,217)	\$ 439,295
Payments to suppliers	(183,945)	(1,606)	6,908	(178,643)	(34,911)	(929)	4,791	(209,692)
Payments for salaries and benefits	(53,569)	-	-	(53,569)	(21,015)	(194)	-	(74,778)
Other operating activities	107,511	166	-	107,677	4,404	1	(574)	111,508
Net cash provided by operating activities	189,672	5,277	-	194,949	70,531	853	-	266,333
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(23,559)	-	-	(23,559)	(6,645)	-	-	(30,204)
Net cash used in noncapital and related financing activities	(23,559)	-	-	(23,559)	(6,645)	-	-	(30,204)
Capital and related financing activities								
Acquisition and construction of capital assets	(38,426)	-	-	(38,426)	(58,707)	(1,809)	-	(98,942)
Interest paid on debt	(28,539)	(4,947)	-	(33,486)	(22,004)	(627)	-	(56,117)
Repayment of debt principal	(66,220)	(14,175)	-	(80,395)	(9,370)	(1,770)	-	(91,535)
Capital contributions	-	-	-	-	7,200	-	-	7,200
Revolving credit agreement withdrawals	-	-	-	-	-	1,000	-	1,000
Other capital financing activities	393	-	-	393	96	-	-	489
Net cash used in capital and related financing activities	(132,792)	(19,122)	-	(151,914)	(82,785)	(3,206)	-	(237,905)
Investing activities								
Proceeds from sale and maturity of investments	62,285	554	-	62,839	19,401	-	-	82,240
Purchase of investments	(64,801)	(554)	-	(65,355)	(22,425)	-	-	(87,780)
Distributions from The Energy Authority	2,535	-	-	2,535	-	-	-	2,535
Investment income	370	9	-	379	188	-	-	567
Net cash provided by investing activities	389	9	-	398	(2,836)	-	-	(2,438)
Net change in cash and cash equivalents	33,710	(13,836)	-	19,874	(21,735)	(2,353)	-	(4,214)
Cash and cash equivalents at beginning of year	386,774	133,953	-	520,727	188,136	4,250	-	713,113
Cash and cash equivalents at end of period	\$ 420,484	\$ 120,117	\$ -	\$ 540,601	\$ 166,401	\$ 1,897	\$ -	\$ 708,899
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 150,290	\$ 2,174	-	\$ 152,464	\$ 33,145	\$ 319	\$ -	\$ 185,928
Adjustments:								
Depreciation and amortization	163,031	102	-	163,133	43,554	674	-	207,361
Recognition of deferred costs and revenues, net	(92,795)	3,706	-	(89,089)	1,945	-	-	(87,144)
Other nonoperating income, net	4	-	-	4	11	-	-	15
Changes in noncash assets and noncash liabilities:								
Accounts receivable	30,673	(111)	-	30,562	2,549	(30)	-	33,081
Inventories	(15,742)	-	-	(15,742)	(4,180)	-	-	(19,922)
Other assets	4,240	(20)	-	4,220	(1,141)	(15)	-	3,064
Accounts and accrued expenses payable	477	(95)	-	382	(3,120)	(108)	-	(2,846)
Current liabilities payable from restricted assets	-	(479)	-	(479)	-	-	-	(479)
Other noncurrent liabilities and deferred inflows	(50,506)	-	-	(50,506)	(2,232)	13	-	(52,725)
Net cash provided by operating activities	\$ 189,672	\$ 5,277	\$ -	\$ 194,949	\$ 70,531	\$ 853	\$ -	\$ 266,333
Non-cash activity								
Contribution of capital assets from developers	\$ 960	\$ -	\$ -	\$ 960	\$ 15,274	\$ -	\$ -	\$ 16,234
Unrealized investment fair market value changes, net	\$ (395)	\$ (10)	\$ -	\$ (405)	\$ (380)	\$ -	\$ -	\$ (785)

Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter and year-to-date ended December 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	\$ 319,217	\$ 6,665	\$ (6,598)	\$ 319,284	\$ 115,126	\$ 1,791	\$ (4,182)	\$ 432,019
Payments to suppliers	(145,122)	(1,925)	6,598	(140,449)	(27,744)	(1,119)	4,736	(164,576)
Payments for salaries and benefits	(46,625)	-	-	(46,625)	(19,145)	(175)	-	(65,945)
Other operating activities	6,885	(86)	-	6,799	3,845	-	(554)	10,090
Net cash provided by operating activities	134,355	4,654	-	139,009	72,082	497	-	211,588
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(23,424)	-	-	(23,424)	(6,479)	-	-	(29,903)
Net cash used in noncapital and related financing activities	(23,424)	-	-	(23,424)	(6,479)	-	-	(29,903)
Capital and related financing activities								
Acquisition and construction of capital assets	(47,781)	-	-	(47,781)	(50,526)	(230)	-	(98,537)
Interest paid on debt	(28,779)	(5,222)	-	(34,001)	(23,176)	(648)	-	(57,825)
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Capital contributions	-	-	-	-	8,733	-	-	8,733
Other capital financing activities	2,180	160	-	2,340	1,176	-	-	3,516
Net cash used in capital and related financing activities	(142,145)	(18,402)	-	(160,547)	(83,663)	(2,603)	-	(246,813)
Investing activities								
Proceeds from sale and maturity of investments	17,808	550	-	18,358	5,439	-	-	23,797
Purchase of investments	(74,468)	(2,501)	-	(76,969)	(439)	-	-	(77,408)
Distributions from The Energy Authority	-	-	-	-	-	-	-	-
Investment income	754	25	-	779	293	1	-	1,073
Net cash provided by (used in) investing activities	(55,906)	(1,926)	-	(57,832)	5,293	1	-	(52,538)
Net change in cash and cash equivalents	(87,120)	(15,674)	-	(102,794)	(12,767)	(2,105)	-	(117,666)
Cash and cash equivalents at beginning of year	355,876	141,132	-	497,008	138,268	5,856	-	641,132
Cash and cash equivalents at end of period	\$ 268,756	\$ 125,458	\$ -	\$ 394,214	\$ 125,501	\$ 3,751	\$ -	\$ 523,466
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 76,302	\$ 3,443	\$ -	\$ 79,745	\$ 27,294	\$ 168	\$ -	\$ 107,207
Adjustments:								
Depreciation and amortization	53,471	102	-	53,573	43,406	636	-	97,615
Recognition of deferred costs and revenues, net	1,642	3,469	-	5,111	523	-	-	5,634
Other nonoperating income, net	61	-	-	61	21	-	-	82
Changes in noncash assets and noncash liabilities:								
Accounts receivable	22,954	-	-	22,954	3,614	(189)	-	26,379
Inventories	2,830	-	-	2,830	(1,192)	-	-	1,638
Other assets	(302)	(14)	-	(316)	89	(29)	-	(256)
Accounts and accrued expenses payable	(18,690)	(136)	-	(18,826)	(4,945)	(86)	-	(23,857)
Current liabilities payable from restricted assets	-	(2,210)	-	(2,210)	-	-	-	(2,210)
Other noncurrent liabilities and deferred inflows	(3,913)	-	-	(3,913)	3,272	(3)	-	(644)
Net cash provided by operating activities	\$ 134,355	\$ 4,654	\$ -	\$ 139,009	\$ 72,082	\$ 497	\$ -	\$ 211,588
Non-cash activity								
Contribution of capital assets from developers	\$ 185	\$ -	\$ -	\$ 185	\$ 11,283	\$ -	\$ -	\$ 11,468
Unrealized investment fair market value changes, net	\$ (504)	\$ (6)	\$ -	\$ (510)	\$ (12)	\$ -	\$ -	\$ (522)

JEA
Electric System
Schedules of Debt Service Coverage
(in thousands - unaudited)

	Quarter and Year-to-Date	
	December	
	2021	2020
Revenues		
Electric	\$ 288,733	\$ 295,433
Investment income ⁽¹⁾	199	557
Earnings from The Energy Authority	3,139	824
Other ⁽²⁾	105,219	6,862
Plus: amounts paid from the rate stabilization fund into the revenue fund	51,053	11,071
Less: amounts paid from the revenue fund into the rate stabilization fund	(3,266)	(6,790)
Total revenues	445,077	307,957
Operating expenses ⁽³⁾		
Fuel	95,332	71,569
Purchased power ⁽⁴⁾	64,243	44,326
Maintenance and other operating expenses	50,045	46,852
State utility and franchise taxes	14,580	14,896
Total operating expenses	224,200	177,643
Net revenues	\$ 220,877	\$ 130,314
Senior debt service	\$ 12,083	\$ 11,999
Less: investment income on sinking fund	(291)	(451)
Less: Build America Bonds subsidy	(384)	(384)
Senior debt service requirement	\$ 11,408	\$ 11,164
Senior debt service coverage ⁽⁵⁾	19.36 x	11.67 x
Net revenues (from above)	\$ 220,877	\$ 130,314
Senior debt service requirement (from above)	11,408	11,164
Plus: subordinated debt service on outstanding subordinated bonds	10,063	14,874
Less: Build America Bonds subsidy	(461)	(477)
Total senior and subordinated debt service requirement	21,010	25,561
Senior and subordinated debt service coverage ⁽⁶⁾	10.51 x	5.10 x

⁽¹⁾ Excludes investment income on sinking funds.

⁽²⁾ Excludes the Build America Bonds subsidy.

⁽³⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽⁴⁾ In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System

⁽⁵⁾ Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.

⁽⁶⁾ Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x.

**Bulk Power Supply System
Schedules of Debt Service Coverage
(in thousands - unaudited)**

	Quarter and Year-to-Date December	
	2021	2020
Revenues		
Operating	\$ 16,468	\$ 14,891
Investment income	24	24
Total revenues	16,492	14,915
Operating expenses ⁽¹⁾		
Fuel	9,526	7,990
Maintenance and other operating expenses	3,398	3,845
Total operating expenses	12,924	11,835
Net revenues	\$ 3,568	\$ 3,080
Debt service	\$ 2,636	\$ 2,644
Less: Build America Bonds subsidy	(128)	(137)
Debt service requirement	\$ 2,508	\$ 2,507
Debt service coverage ⁽²⁾	1.42 x	1.23 x

⁽¹⁾ Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

⁽²⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

**St. Johns River Power Park System
Schedules of Debt Service Coverage - 2nd Resolution
(in thousands - unaudited)**

	Quarter and Year-to-Date December	
	2021	2020
Revenues		
Operating	\$ 6,975	\$ 6,802
Investment income	22	38
Total revenues	6,997	6,840
Operating expenses	-	-
Net revenues	\$ 6,997	\$ 6,840
Debt service	\$ 6,149	\$ 6,017
Less: Build America Bonds subsidy	(65)	(72)
Debt service requirement	\$ 6,084	\$ 5,945
Debt service coverage ⁽¹⁾	1.15 x	1.15 x

⁽¹⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
Water and Sewer System
Schedules of Debt Service Coverage
(in thousands - unaudited)

	Quarter and Year-to-Date December	
	2021	2020
Revenues		
Water	\$ 52,219	\$ 47,467
Water capacity fees	2,889	3,492
Sewer	67,022	64,277
Sewer capacity fees	4,311	5,241
Investment income	556	650
Other ⁽¹⁾	4,573	3,071
Plus: amounts paid from the rate stabilization fund into the revenue fund	7,909	2,257
Less: amounts paid from the revenue fund into the rate stabilization fund	(6,275)	(5,923)
Total revenues	<u>133,204</u>	<u>120,532</u>
Operating expenses		
Maintenance and other operating expenses ⁽²⁾	44,337	37,574
State utility and franchise taxes	2,741	2,640
Total operating expenses	<u>47,078</u>	<u>40,214</u>
Net revenues	<u>\$ 86,126</u>	<u>\$ 80,318</u>
Senior debt service	\$ 11,903	\$ 12,330
Less: Build America Bonds subsidy	(611)	(612)
Senior debt service requirement	<u>\$ 11,292</u>	<u>\$ 11,718</u>
Senior debt service coverage⁽³⁾	<u>7.63 x</u>	<u>6.85 x</u>
Net revenues (from above)	<u>\$ 86,126</u>	<u>\$ 80,318</u>
Senior debt service requirement (from above)	\$ 11,292	\$ 11,718
Plus: subordinated debt service on outstanding subordinated debt	1,707	1,687
Total senior and subordinated debt service requirement	<u>\$ 12,999</u>	<u>\$ 13,405</u>
Senior and subordinated debt service coverage excluding capacity fees⁽⁴⁾	<u>6.07 x</u>	<u>5.34 x</u>
Senior and subordinated debt service coverage including capacity fees⁽⁴⁾	<u>6.63 x</u>	<u>5.99 x</u>

⁽¹⁾ Excludes the Build America Bonds subsidy.

⁽²⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽³⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.

⁽⁴⁾ Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity fees) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity fees).

JEA
District Energy System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Quarter and Year-to-Date December	
	2021	2020
Revenues		
Service revenues	\$ 2,006	\$ 1,980
Investment income	-	1
Total revenues	<u>2,006</u>	<u>1,981</u>
Operating expenses ⁽¹⁾		
Maintenance and other operating expenses	<u>1,013</u>	<u>1,175</u>
Total operating expenses	<u>1,013</u>	<u>1,175</u>
Net revenues	<u>993</u>	<u>806</u>
Debt service requirement ⁽²⁾	<u>755</u>	<u>756</u>
Debt service coverage ⁽³⁾	<u>1.32 x</u>	<u>1.07 x</u>

⁽¹⁾ Excludes depreciation.

⁽²⁾ On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last business day of the then current month.

⁽³⁾ Net revenues divided by aggregate debt service.

**Electric Enterprise Fund
Operating Statistics (unaudited)**

	Quarter and Year-to-Date December	
	2021	2020
Electric revenues sales (000s)		
Residential	\$ 143,440	\$ 149,731
Commercial	93,096	93,548
Industrial	48,496	48,838
Public street lighting	3,505	3,414
Electric revenues - territorial	288,537	295,531
Sales for resale - off system	196	705
Electric revenues	288,733	296,236
Less: rate stabilization and recovery	48,239	4,281
Less: allowance for doubtful accounts	-	(803)
Net electric revenues	336,972	299,714
MWh sales		
Residential	1,211,688	1,303,566
Commercial	924,797	956,342
Industrial	646,136	673,253
Public street lighting	13,521	13,838
Total MWh sales - territorial	2,796,142	2,946,999
Sales for resale - off system	2,422	394
Total MWh sales	2,798,564	2,947,393
Average number of accounts		
Residential	441,407	432,726
Commercial	54,651	53,898
Industrial	197	197
Public street lighting	3,982	3,963
Total average accounts	500,237	490,784
Residential averages		
Revenue per account - \$	324.96	346.02
kWh per account	2,745	3,012
Revenue per kWh - ¢	11.84	11.49
Degree days		
Heating degree days	330	446
Cooling degree days	306	454
Total degree days	636	900
Degree days - 30 year average	758	

Water and Sewer Enterprise Fund

Operating Statistics (unaudited)

	Quarter and Year-to-Date					
	Water		Sewer		Reuse	
	2021	2020	2021	2020	2021	2020
Revenues (000s)						
Residential	\$ 25,548	\$ 24,258	\$ 38,238	\$ 36,895	\$ 4,076	\$ 3,216
Commercial and industrial	12,383	11,809	28,784	27,567	1,687	1,191
Irrigation	8,451	7,053	N/A	N/A	74	77
Gross revenues	46,382	43,120	67,022	64,462	5,837	4,484
Rate stabilization	1,515	(1,413)	97	(2,104)	22	(149)
Allowance for doubtful accounts	-	(123)	-	(185)	-	(14)
Net revenues	\$ 47,897	\$ 41,584	\$ 67,119	\$ 62,173	\$ 5,859	\$ 4,321
Kgal sales (000s)						
Residential	4,558,055	4,304,524	3,981,946	3,767,580	648,025	470,133
Commercial and industrial	3,566,832	3,358,181	3,119,388	2,948,536	356,162	245,134
Irrigation	1,387,153	1,046,122	N/A	N/A	256,049	294,169
Total kgals sales	9,512,040	8,708,827	7,101,334	6,716,116	1,260,236	1,009,436
Average number of accounts						
Residential	314,610	305,014	280,805	271,506	20,636	17,921
Commercial and industrial	26,762	26,347	19,030	18,743	785	702
Irrigation	38,172	37,782	N/A	N/A	43	39
Total average accounts	379,544	369,143	299,835	290,249	21,464	18,662
Residential averages						
Revenue per account - \$	81.21	79.53	136.17	135.89	197.52	179.45
Kgals per account	14.49	14.11	14.18	13.88	31.40	26.23
Revenue per kgals - \$	5.61	5.64	9.60	9.79	6.29	6.84

	Quarter and Year-to-Date		
	December		30 Year Avg
	2021	2020	
Rain statistics			
Rainfall	8.95	7.84	8.81
Rain days	16	34	22