



Building Community®

## **Management's Discussion and Analysis of Financial Performance for the Quarter Ended December 31 2011**

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, the Water and Sewer Enterprise Fund and the District Energy System (DES). The Electric Enterprise Fund is comprised of the JEA Electric System, Bulk Power Supply System (Scherer), and St. Johns River Power Park System (SJRPP). The Electric Enterprise Fund, Water and Sewer Enterprise Fund, and DES are presented on a combined basis in the balance sheets, statements of revenue, expenses and changes in net assets, and statements of cash flows.

### **Financial Highlights**

#### **Operating Revenues**

Electric Enterprise Fund operating revenues for the quarter ended December 2011 decreased (11.1%) over operating revenues for the quarter ended December 2010. The decrease was primarily caused by a decline in demand resulting from unseasonably mild weather conditions as shown in an approximately 63 percent decline in degree days year over year. Territorial sales decreased 10.4 percent and total sales decreased 17.7 percent when off-system sales are included. Total sales for the quarter decreased from 3,812,482 MWh to 3,138,265 MWh.

Water and Sewer Enterprise Fund operating revenues increased 7.9 percent for the quarter ended December 2011 compared to the quarter ended December 2010. The increase in operating revenues was due primarily to an increase in water and sewer rates of approximately 9.0 percent, however; was offset in part by a decrease in consumption as a result of an increase in rainfall. There was a 9.4 percent decrease in consumption related to water services. Consumption, measured in thousands of gallons (kgals), decreased 885.1 kgals from 9,444.3 kgals to 8,559.2 kgals. There was a 6.3 percent decrease related to sewer services. Sewer sales volume decreased 398.9 kgals from 6,363.1 kgals to 5,964.2 kgals.

Revenues for DES increased 12.7 percent for the quarter ended December 2011 over operating revenues for the similar periods last year. The increases were due to increased sales volume.

#### **Operating Expenses**

Total operating expenses for the Electric Enterprise Fund decreased 3.2 percent for the quarter ended December 2011 as compared to the quarter ended December 2010. Factors contributing to the decrease were primarily a decrease in fuel and purchased power expense, as discussed below, and a decrease in taxes as a result of decreased revenues. The decrease was offset by increase in other operating expense due to increase in renewal and replacement expenses at Scherer and increase in the recognition of deferred costs related to SJRPP.

Total fuel and purchased power for the quarter ended December 2011 decreased 12.2 percent over the similar period in the prior year. The decrease in fuel and purchased power expense was primarily driven by the change in product mix; decreased commodity costs, notably natural gas; and decrease in energy produced and purchased. As the price for gas and solid fuels have fluctuated over these periods, the components of fuel and purchased power have shifted as JEA has taken advantage of the most economical source of power.

Total production of megawatts generated and purchased for the quarter ended December 2011 decreased 11.1 percent from 3,159,045 MWh to 2,803,589 MWh. Generated megawatts increased 15.4 percent and purchased power decreased 29.3 percent. JEA's power supply mix for the current quarter was 47.2 percent coal, 34.6 percent natural gas, 10.2 percent petroleum coke, and 8.0 percent other purchases. JEA's power supply mix for the prior quarter ended

December 2010 was 48.0 percent coal, 26.6 percent natural gas, 12.9 percent other purchases, 12.1 percent petroleum coke, and 0.4 percent oil.

Northside's capacity factors for Units 1 and 2 for the quarter ended December 2011 were 33.0 percent and 24.5 percent and 28.8 percent combined. For the quarter ended December 2010, Northside's Units 1 and 2 capacity factors were 27.3 percent and 37.6 percent and 27.3 percent combined. Northside's capacity factors for both quarters were affected by management's decision to change the generating mix to rely more on natural gas generation.

SJRPP's capacity factors for Units 1 and 2 for the quarter ended December 2011 were 54.9 percent and 42.9 percent, and 48.9 percent combined. SJRPP's capacity factors for Units 1 and 2 for the quarter ended December 2010 were 77.6 percent and 75.8 percent, and 76.7 percent combined. SJRPP's capacity factors for the quarter ended December 2011 were affected by management's decision to change the generating mix to rely more on natural gas generation.

Plant Scherer Unit 4 capacity factor for the quarter ended December 2011 was 88.2 percent. Plant Scherer Unit 4 capacity factor for the quarter ended December 2010 was 90.3 percent.

Water and Sewer System total operating expenses for the quarter ended December 2011 increased 7.8 percent when compared to the prior year. The increase was primarily due to increased depreciation expense and other operating expenses primarily due to an increase in intercompany charges and increased salaries and related benefits. Maintenance expense decreased primarily as a result of the termination of the United Water contract.

DES operating expenses increased 11.1 percent for the quarter ended December 2011 over the similar period in the prior year. The increases were primarily due to increased utility charges.

#### **Non-operating Revenues (Expenses)**

There was a net decrease of \$8.9 million (13.1 percent) in total non-operating expenses for the quarter ended December 2011. There was a positive fair market value adjustment on investments of \$5.7 million. Interest expense decreased \$7.8 million due to the lower debt balances as a result of increased debt repayments and debt refunding savings. Earnings from The Energy Authority (TEA), a municipal power marketing joint venture in which JEA is a member, decreased \$3.4 million due to lower margins on purchases and sales transactions by TEA and decreased megawatt purchases by JEA during the current period. Allowance for Funds used during Construction (AFUDC) decreased \$1.5 million due to lower capitalized interest related to construction projects.

#### **Debt Administration**

During the quarter, the ratings for the Electric System, SJRPP System and Bulk Power Supply System (BPS) bonds remained the same. Fitch, Moody's and Standard & Poor's ratings for the Electric System senior bonds were AA-, Aa2 and AA-; for the Electric System subordinated bonds, AA-, Aa3 and A+; for the SJRPP bonds, AA-, Aa2 and AA-; and for the BPS bonds, AA-, Aa2 and AA-.

In January 2012, Fitch revised the rating outlook on the previously mentioned long-term bonds from stable to positive.

During the quarter, the ratings for the Water and Sewer System senior and subordinated bond ratings remained the same. The senior bond ratings by Fitch, Moody's and Standard & Poor's were AA, Aa2, and AA- and the subordinated bond ratings were AA, Aa2 and AA-. In January 2012, the Water and Sewer System senior and subordinated bonds were upgraded by Standard and Poor's from AA- to AA.

In January 2012, the Water and Sewer System senior and subordinated bonds were upgraded by Standard and Poor's to AA from AA-.

At the end of the quarter, the Electric System had \$61.2 million and the District Energy System had \$3.5 million in outstanding bank draws under the revolving lines of credit. Proceeds from these draws were used to finance or re-finance debt issued for capital projects and to acquire inventory.

The debt service coverage ratio for the Electric System's senior debt was 4.81x and 6.66x for the quarters ended December 2011 and December 2010. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.34x and 3.10x for the quarters ended December 2011 and December 2010. The decrease in senior debt service coverage ratio for the quarter was caused primarily by decreased net revenues from the unseasonably warm weather conditions discussed above. The decrease in combined senior and subordinated debt service coverage ratio for the quarter was due to decreased net revenues.

The Water and Sewer senior debt service coverage ratio was 2.41x and 2.37x for the quarters ended December 2011 and 2010. The Water and Sewer combined senior and subordinated debt service coverage ratio was 2.20x and 2.11x for the quarters ended December 2011 and 2010. The increase in debt service coverage ratios for the quarter was due to increased net revenues from the rate increase discussed above.

### **Capital Assets**

JEA's investment in capital assets at December 2011 was \$6.63 billion (net of accumulated depreciation). This included \$3.85 billion in the Electric Enterprise System, \$2.74 billion in the Water & Sewer System and \$.04 billion in DES. For the quarter ended December 2011, capital expenditures were \$44.75 million consisting of \$33.28 million for the Electric Enterprise System, \$11.45 million for the Water & Sewer System and \$0.02 million for DES. The capital items of the Electric Enterprise fund include the continuing environmental projects at Scherer and the cooling tower projects at SJRPP. For the quarter ended December 2011, the major capital items of the Water and Sewer System include capacity upgrades and transmission improvements.



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Jim Dickenson, Chief Executive Officer

## **FINANCIAL STATEMENTS**

**Balance Sheets**  
**(in thousands - unaudited)**

	December	
	2011	2010
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current assets:		
Cash and cash equivalents (1)	\$ 351,854	\$ 274,716
Investments	11,033	54,039
Customer accounts receivable, less allowance for doubtful accounts - \$5054 in 2011 and \$5422 in 2010	213,719	252,970
Inventories, less reserve of \$1104 in 2011 and \$1747 in 2010		
Fuel inventory	94,860	55,549
Materials and supplies	70,901	67,521
<b>Total current assets</b>	<b>742,367</b>	<b>704,795</b>
Restricted assets:		
Cash and cash equivalents	353,619	162,913
Investments	452,947	687,480
Accounts and interest receivable	3,880	6,310
<b>Total restricted assets</b>	<b>810,446</b>	<b>856,703</b>
Noncurrent assets:		
Unamortized debt issue costs and other	54,630	49,932
Investment in The Energy Authority	8,873	9,834
Costs to be recovered from future revenues	26,993	82,578
<b>Total noncurrent assets</b>	<b>90,496</b>	<b>142,344</b>
Capital assets:		
Land and easements	119,290	118,829
Plant in service	10,143,122	9,931,422
Less accumulated depreciation	(3,795,715)	(3,541,343)
Plant in service, net	6,466,697	6,508,908
Construction work in progress	163,937	168,690
<b>Capital assets, net</b>	<b>6,630,634</b>	<b>6,677,598</b>
<b>Total assets</b>	<b>8,273,943</b>	<b>8,381,440</b>
Deferred outflows of resources	179,777	83,477
<b>Total assets and deferred outflows of resources</b>	<b>\$ 8,453,720</b>	<b>\$ 8,464,917</b>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 119,700	\$ 147,674
Customer deposits	53,819	48,834
<b>Total current liabilities</b>	<b>173,519</b>	<b>196,508</b>
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	314,624	277,995
Interest payable	54,210	60,486
Construction contracts and accounts payable	22,114	19,238
Renewal and replacement reserve	90,235	88,857
<b>Total liabilities payable from restricted assets</b>	<b>481,183</b>	<b>446,576</b>
Other noncurrent liabilities:		
OPEB liability	4,125	7,406
Deferred credits and other	42,932	40,486
Revenues to be used for future costs	63,736	67,614
<b>Total other noncurrent liabilities</b>	<b>110,793</b>	<b>115,506</b>
Long-term debt:		
Bonds and commercial paper	5,741,171	6,062,749
Unamortized original issue premium (discount)	72,414	52,673
Unamortized deferred losses on refundings	(139,769)	(152,370)
Fair value of debt management strategy instruments	184,218	81,811
<b>Total long-term debt</b>	<b>5,858,034</b>	<b>6,044,863</b>
<b>Total liabilities</b>	<b>6,623,529</b>	<b>6,803,453</b>
Net position:		
Net investment in capital assets	612,671	453,929
Restricted	678,445	730,791
Unrestricted	539,075	476,744
<b>Total net position</b>	<b>1,830,191</b>	<b>1,661,464</b>
<b>Total liabilities and net position</b>	<b>\$ 8,453,720</b>	<b>\$ 8,464,917</b>

(1) Includes General Reserve of \$17146 and \$15569 for 2011 and 2010, Debt Management Reserve of \$18715 for 2011 and 2010, Self Insurance Reserve of \$22718 and \$13804 for 2011 and 2010, Rate Stabilization of \$107071 and \$114517 for 2011 and 2010, Environmental Reserve of \$20899 for 2011 and \$16946 for 2010, and Customer Deposits of \$54589 and \$48662 for 2011 and 2010.

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

	Quarter and Year-To-Date	
	December	
	2011	2010
Operating revenues (net of allowances and discounts):		
Electric	\$ 338,554	\$ 381,984
Water and sewer	94,728	87,740
District Energy	2,218	1,968
Other, net	9,700	10,310
Total operating revenues	445,200	482,002
Operating expenses:		
Operations:		
Fuel	123,739	130,604
Purchased power	13,967	26,191
Other	56,864	52,104
Maintenance	22,318	23,481
Depreciation	91,704	87,953
State utility taxes and franchise fees	17,518	18,625
Recognition of deferred costs and revenues, net	14,525	6,514
Total operating expenses	340,635	345,472
Operating income	104,565	136,530
Nonoperating revenues (expenses):		
Earnings from The Energy Authority	634	3,985
Investment income, fair market value adjustments and other	3,184	(2,526)
Interest on debt	(63,172)	(70,969)
Other interest, net	20	(45)
Water & Sewer Expansion Authority	-	(114)
Allowance for funds used during construction	557	2,026
Total nonoperating revenues (expenses), net	(58,777)	(67,643)
Income before contributions	45,788	68,887
Contributions (to) from:		
General Fund, City of Jacksonville	(26,046)	(25,421)
Developers and others	1,890	4,563
Total contributions	(24,156)	(20,858)
Change in net position	21,632	48,029
Net position, beginning of period	1,808,559	1,613,435
Net position, end of period	\$ 1,830,191	\$ 1,661,464

**JEA**  
**Statement of Cash Flows**  
**(in thousands - unaudited)**

	Quarter and Year-To-Date	
	December	
	2011	2010
<b>Operations:</b>		
Receipts from customers	\$ 494,565	\$ 479,362
Other receipts	14,157	16,864
Payments to suppliers	(255,038)	(276,096)
Payments to employees	(46,929)	(46,750)
<b>Net cash provided by (used in) operating activities</b>	<b>206,755</b>	<b>173,380</b>
<b>Noncapital and related financing activities:</b>		
Contribution to General Fund, City of Jacksonville, FL.	(17,156)	(16,739)
Contribution to Water and Sewer Expansion Authority	-	(114)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(17,156)</b>	<b>(16,853)</b>
<b>Capital and related financing activities:</b>		
Acquisition and construction of capital assets	(77,025)	(91,601)
Proceeds from issuance of debt	365,410	462,944
Debt issue costs and discounts	38,584	12,945
Defeasance of debt	(415,339)	(331,324)
Repayment of debt principal	(230,423)	(188,606)
Interest paid on debt	(137,188)	(128,858)
Contribution from developers and others	1,815	2,754
Proceeds from sales of property	137	283
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(454,029)</b>	<b>(261,463)</b>
<b>Investing activities:</b>		
Purchase of investments	(404,755)	(1,104,204)
Proceeds from sale and maturities of investments	348,102	683,432
Investment income	3,579	2,104
Distributions from The Energy Authority	770	3,770
<b>Net cash provided by (used in) investing activities</b>	<b>(52,304)</b>	<b>(414,898)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(316,734)</b>	<b>(519,834)</b>
Cash and cash equivalents at beginning of the period	1,022,207	957,463
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 705,473</b>	<b>\$ 437,629</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
<b>Operating Income:</b>	<b>\$ 104,565</b>	<b>\$ 136,530</b>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	91,908	88,134
Recognition of deferred costs and revenues, net	14,525	6,514
<b>Changes in noncash assets and noncash liabilities:</b>		
Decrease (increase) accounts receivable	44,371	(7,106)
Decrease (increase) accounts receivable, restricted	4,457	6,554
Decrease (increase) in inventories	(19,440)	(8,130)
Increase (decrease) in other	(1,090)	(1,148)
Increase (decrease) in accounts payable	(27,667)	(43,133)
Increase (decrease) in accounts payable, restricted	(1,299)	(3,175)
Increase (decrease) in other liabilities and deferred credits	(3,575)	(1,660)
<b>Net cash provided by (used in ) operating activities</b>	<b>\$ 206,755</b>	<b>\$ 173,380</b>
<b>Non-cash activity:</b>		
Contribution of capital assets from developers	\$ 75	\$ 1,809

**Combining Balance Sheet**  
**(in thousands - unaudited) December 31, 2011**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter-company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Current assets:								
Cash and cash equivalents (1)	\$ 235,390	\$ 62,380	\$ -	\$ 297,770	\$ 48,305	\$ 5,779	\$ -	\$ 351,854
Investments	-	10,992	-	10,992	-	41	-	11,033
Customer accounts receivable, less allowance for doubtful accounts of \$5054	167,007	19,490	(12,721)	173,776	39,326	617	-	213,719
Inventories, less reserve of \$1104								
Fuel inventory	49,589	45,271	-	94,860	-	-	-	94,860
Materials and supplies	1,992	22,806	-	24,798	46,103	-	-	70,901
<b>Total current assets</b>	<b>453,978</b>	<b>160,939</b>	<b>(12,721)</b>	<b>602,196</b>	<b>133,734</b>	<b>6,437</b>	<b>-</b>	<b>742,367</b>
Restricted assets:								
Cash and cash equivalents	149,872	92,448	-	242,320	108,296	3,003	-	353,619
Investments	103,455	201,092	-	304,547	148,400	-	-	452,947
Accounts and interest receivable	925	622	-	1,547	2,333	-	-	3,880
<b>Total restricted assets</b>	<b>254,252</b>	<b>294,162</b>	<b>-</b>	<b>548,414</b>	<b>259,029</b>	<b>3,003</b>	<b>-</b>	<b>810,446</b>
Noncurrent assets:								
Unamortized debt issue costs and other	29,652	6,281	-	35,933	18,444	253	-	54,630
Investment in The Energy Authority	8,873	-	-	8,873	-	-	-	8,873
Costs to be recovered from future revenues	11,211	15,782	-	26,993	-	-	-	26,993
<b>Total noncurrent assets</b>	<b>49,736</b>	<b>22,063</b>	<b>-</b>	<b>71,799</b>	<b>18,444</b>	<b>253</b>	<b>-</b>	<b>90,496</b>
Capital assets:								
Land and easements	64,595	6,660	-	71,255	44,984	3,051	-	119,290
Plant in service	4,827,307	1,394,686	-	6,221,993	3,871,085	50,044	-	10,143,122
Less accumulated depreciation	(1,887,748)	(698,918)	-	(2,586,666)	(1,197,447)	(11,602)	-	(3,795,715)
Plant in service, net	3,004,154	702,428	-	3,706,582	2,718,622	41,493	-	6,466,697
Construction work in progress	112,126	31,310	-	143,436	20,401	100	-	163,937
<b>Capital assets, net</b>	<b>3,116,280</b>	<b>733,738</b>	<b>-</b>	<b>3,850,018</b>	<b>2,739,023</b>	<b>41,593</b>	<b>-</b>	<b>6,630,634</b>
<b>Total assets</b>	<b>3,874,246</b>	<b>1,210,902</b>	<b>(12,721)</b>	<b>5,072,427</b>	<b>3,150,230</b>	<b>51,286</b>	<b>-</b>	<b>8,273,943</b>
Deferred outflows of resources	154,771	-	-	154,771	25,006	-	-	179,777
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,029,017</b>	<b>\$ 1,210,902</b>	<b>\$ (12,721)</b>	<b>\$ 5,227,198</b>	<b>\$ 3,175,236</b>	<b>\$ 51,286</b>	<b>\$ -</b>	<b>\$ 8,453,720</b>
<b>LIABILITIES AND NET POSITION</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 80,341	\$ 24,739	\$ (277)	\$ 104,803	\$ 14,855	\$ 42	\$ -	\$ 119,700
Customer deposits	42,927	-	-	42,927	10,892	-	-	53,819
<b>Total current liabilities</b>	<b>123,268</b>	<b>24,739</b>	<b>(277)</b>	<b>147,730</b>	<b>25,747</b>	<b>42</b>	<b>-</b>	<b>173,519</b>
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	139,387	123,255	-	262,642	47,107	4,875	-	314,624
Interest payable	23,743	10,946	-	34,689	19,502	19	-	54,210
Construction contracts and accounts payable	11,318	17,945	(12,444)	16,819	5,285	10	-	22,114
Renewal and replacement reserve	235	90,000	-	90,235	-	-	-	90,235
<b>Total liabilities payable from restricted assets</b>	<b>174,683</b>	<b>242,146</b>	<b>(12,444)</b>	<b>404,385</b>	<b>71,894</b>	<b>4,904</b>	<b>-</b>	<b>481,183</b>
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Deferred credits and other	34,797	2,889	-	37,686	5,230	16	-	42,932
Revenues to be used for future costs	63,736	-	-	63,736	-	-	-	63,736
<b>Total other noncurrent liabilities</b>	<b>101,133</b>	<b>2,889</b>	<b>-</b>	<b>104,022</b>	<b>6,755</b>	<b>16</b>	<b>-</b>	<b>110,793</b>
Long-term debt:								
Bonds and commercial paper	2,881,710	857,105	-	3,738,815	1,958,606	43,750	-	5,741,171
Unamortized original issue premium (discount)	20,086	38,306	-	58,392	14,022	-	-	72,414
Unamortized deferred losses on refundings	(60,292)	(39,349)	-	(99,641)	(40,128)	-	-	(139,769)
Fair value of debt management strategy instruments	159,212	-	-	159,212	25,006	-	-	184,218
<b>Total long-term debt</b>	<b>3,000,716</b>	<b>856,062</b>	<b>-</b>	<b>3,856,778</b>	<b>1,957,506</b>	<b>43,750</b>	<b>-</b>	<b>5,858,034</b>
<b>Total liabilities</b>	<b>3,399,800</b>	<b>1,125,836</b>	<b>(12,721)</b>	<b>4,512,915</b>	<b>2,061,902</b>	<b>48,712</b>	<b>-</b>	<b>6,623,529</b>
Net position:								
Net investment in capital assets	89,506	(241,461)	-	(151,955)	771,415	(6,789)	-	612,671
Restricted	230,274	193,216	12,444	435,934	239,527	2,984	-	678,445
Unrestricted	309,437	133,311	(12,444)	430,304	102,392	6,379	-	539,075
<b>Total net position</b>	<b>629,217</b>	<b>85,066</b>	<b>-</b>	<b>714,283</b>	<b>1,113,334</b>	<b>2,574</b>	<b>-</b>	<b>1,830,191</b>
<b>Total liabilities and net position</b>	<b>\$ 4,029,017</b>	<b>\$ 1,210,902</b>	<b>\$ (12,721)</b>	<b>\$ 5,227,198</b>	<b>\$ 3,175,236</b>	<b>\$ 51,286</b>	<b>\$ -</b>	<b>\$ 8,453,720</b>

(1) Includes General Reserve of \$17146, Debt Management Reserve of \$18715, Self Insurance Reserve of \$22718, Rate Stabilization of \$107071, Environmental Reserve of \$20899, and Customer Deposits of \$54589.



**Combining Balance Sheet**  
(in thousands - unaudited) December 31, 2010

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Current assets:								
Cash and cash equivalents (1)	\$ 214,169	\$ 19,421	\$ -	\$ 233,590	\$ 36,565	\$ 4,561	\$ -	\$ 274,716
Investments	-	53,992	-	53,992	-	47	-	54,039
Customer accounts receivable, less allowance for doubtful accounts of \$5422	218,290	23,220	(24,693)	216,817	36,022	131	-	252,970
Inventories, less reserve of \$1747								
Fuel inventory	27,869	27,680	-	55,549	-	-	-	55,549
Materials and supplies	1,910	22,459	-	24,369	43,152	-	-	67,521
Total current assets	462,238	146,772	(24,693)	584,317	115,739	4,739	-	704,795
Restricted assets:								
Cash and cash equivalents	37,913	66,244	-	104,157	55,596	3,160	-	162,913
Investments	238,472	248,935	-	487,407	200,073	-	-	687,480
Accounts and interest receivable	2,982	1,475	-	4,457	1,853	-	-	6,310
Total restricted assets	279,367	316,654	-	596,021	257,522	3,160	-	856,703
Noncurrent assets:								
Unamortized debt issue costs and other	21,837	7,782	-	29,619	20,049	264	-	49,932
Investment in The Energy Authority	9,834	-	-	9,834	-	-	-	9,834
Costs to be recovered from future revenues	9,001	73,577	-	82,578	-	-	-	82,578
Total noncurrent assets	40,672	81,359	-	122,031	20,049	264	-	142,344
Capital assets:								
Land and easements	64,302	6,660	-	70,962	44,816	3,051	-	118,829
Plant in service	4,722,954	1,396,453	-	6,119,407	3,762,463	49,552	-	9,931,422
Less accumulated depreciation	(1,790,810)	(662,436)	-	(2,453,246)	(1,078,377)	(9,720)	-	(3,541,343)
Plant in service, net	2,996,446	740,677	-	3,737,123	2,728,902	42,883	-	6,508,908
Construction work in progress	131,761	17,138	-	148,899	19,569	222	-	168,690
Capital assets, net	3,128,207	757,815	-	3,886,022	2,748,471	43,105	-	6,677,598
Total assets	3,910,484	1,302,600	(24,693)	5,188,391	3,141,781	51,268	-	8,381,440
Deferred outflows of resources	76,128	-	-	76,128	7,349	-	-	83,477
Total assets and deferred outflows of resources	\$ 3,986,612	\$ 1,302,600	\$ (24,693)	\$ 5,264,519	\$ 3,149,130	\$ 51,268	\$ -	\$ 8,464,917
<b>LIABILITIES AND NET POSITION</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 121,422	\$ 13,609	\$ (1,262)	\$ 133,769	\$ 13,886	\$ 19	\$ -	\$ 147,674
Customer deposits	39,832	-	-	39,832	9,002	-	-	48,834
Total current liabilities	161,254	13,609	(1,262)	173,601	22,888	19	-	196,508
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	116,561	114,422	-	230,983	41,877	5,135	-	277,995
Interest payable	23,842	17,338	-	41,180	19,288	18	-	60,486
Construction contracts and accounts payable	11,200	27,112	(23,431)	14,881	4,344	13	-	19,238
Renewal and replacement reserve	-	88,857	-	88,857	-	-	-	88,857
Total liabilities payable from restricted assets	151,603	247,729	(23,431)	375,901	65,509	5,166	-	446,576
Other noncurrent liabilities:								
OPEB liability	4,831	-	-	4,831	2,575	-	-	7,406
Deferred credits and other	32,738	2,905	-	35,643	4,792	51	-	40,486
Revenues to be used for future costs	67,614	-	-	67,614	-	-	-	67,614
Total other noncurrent liabilities	105,183	2,905	-	108,088	7,367	51	-	115,506
Long-term debt:								
Bonds and commercial paper	2,989,460	1,010,906	-	4,000,366	2,017,243	45,140	-	6,062,749
Unamortized original issue premium (discount)	26,889	7,599	-	34,488	18,185	-	-	52,673
Unamortized deferred losses on refundings	(63,423)	(46,977)	-	(110,400)	(41,970)	-	-	(152,370)
Fair value of debt management strategy instruments	74,462	-	-	74,462	7,349	-	-	81,811
Total long-term debt	3,027,388	971,528	-	3,998,916	2,000,807	45,140	-	6,044,863
Total liabilities	3,445,428	1,235,771	(24,693)	4,656,506	2,096,571	50,376	-	6,803,453
Net position:								
Net investment in capital assets	7,804	(273,888)	-	(266,084)	726,932	(6,919)	-	453,929
Restricted	255,525	210,459	23,431	489,415	238,234	3,142	-	730,791
Unrestricted	277,855	130,258	(23,431)	384,682	87,393	4,669	-	476,744
Total net position	541,184	66,829	-	608,013	1,052,559	892	-	1,661,464
Total liabilities and net position	\$ 3,986,612	\$ 1,302,600	\$ (24,693)	\$ 5,264,519	\$ 3,149,130	\$ 51,268	\$ -	\$ 8,464,917

(1) Includes General Reserve of \$15569, Debt Management Reserve of \$18715, Self Insurance Reserve of \$13804, Rate Stabilization of \$114517, Environmental Reserve of \$16946, and Customer Deposits of \$48662.

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the quarter and year-to date ended December 31, 2011**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):								
Electric	\$ 302,957	\$ 104,084	\$ (64,183)	\$ 342,858	\$ -	\$ -	(4,304)	\$ 338,554
Water and sewer	-	-	-	-	94,777	-	(49)	94,728
District Energy	-	-	-	-	-	2,218	-	2,218
Other, net	8,576	-	-	8,576	2,029	-	(905)	9,700
<b>Total operating revenues</b>	<b>311,533</b>	<b>104,084</b>	<b>(64,183)</b>	<b>351,434</b>	<b>96,806</b>	<b>2,218</b>	<b>(5,258)</b>	<b>445,200</b>
Operating expenses:								
Operations:								
Fuel	73,787	49,952	-	123,739	-	-	-	123,739
Purchased power	78,150	-	(64,183)	13,967	-	-	-	13,967
Other	32,426	5,725	-	38,151	23,036	935	(5,258)	56,864
Maintenance	12,927	4,738	-	17,665	4,538	115	-	22,318
Depreciation	47,392	10,133	-	57,525	33,672	507	-	91,704
State utility taxes and franchise fees	15,160	-	-	15,160	2,358	-	-	17,518
Recognition of deferred costs and revenues, net	(1,265)	15,790	-	14,525	-	-	-	14,525
<b>Total operating expenses</b>	<b>258,577</b>	<b>86,338</b>	<b>(64,183)</b>	<b>280,732</b>	<b>63,604</b>	<b>1,557</b>	<b>(5,258)</b>	<b>340,635</b>
<b>Operating income</b>	<b>52,956</b>	<b>17,746</b>	<b>-</b>	<b>70,702</b>	<b>33,202</b>	<b>661</b>	<b>-</b>	<b>104,565</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	634	-	-	634	-	-	-	634
Investment income, fair market value adjustments and other	1,197	1,018	-	2,215	970	(1)	-	3,184
Interest on debt	(29,013)	(12,846)	-	(41,859)	(21,273)	(40)	-	(63,172)
Other interest, net	15	-	-	15	5	-	-	20
Water & Sewer Expansion Authority	-	-	-	-	-	-	-	-
Allowance for funds used during construction	295	-	-	295	261	1	-	557
<b>Total nonoperating revenues (expenses), net</b>	<b>(26,872)</b>	<b>(11,828)</b>	<b>-</b>	<b>(38,700)</b>	<b>(20,037)</b>	<b>(40)</b>	<b>-</b>	<b>(58,777)</b>
<b>Income before contributions</b>	<b>26,084</b>	<b>5,918</b>	<b>-</b>	<b>32,002</b>	<b>13,165</b>	<b>621</b>	<b>-</b>	<b>45,788</b>
Contributions (to) from:								
General Fund, City of Jacksonville	(20,759)	-	-	(20,759)	(5,287)	-	-	(26,046)
Developers and others	-	-	-	-	1,890	-	-	1,890
<b>Total contributions</b>	<b>(20,759)</b>	<b>-</b>	<b>-</b>	<b>(20,759)</b>	<b>(3,397)</b>	<b>-</b>	<b>-</b>	<b>(24,156)</b>
<b>Change in net position</b>	<b>5,325</b>	<b>5,918</b>	<b>-</b>	<b>11,243</b>	<b>9,768</b>	<b>621</b>	<b>-</b>	<b>21,632</b>
<b>Net position, beginning of period</b>	<b>623,892</b>	<b>79,148</b>	<b>-</b>	<b>703,040</b>	<b>1,103,566</b>	<b>1,953</b>	<b>-</b>	<b>1,808,559</b>
<b>Net position, end of period</b>	<b>\$ 629,217</b>	<b>\$ 85,066</b>	<b>\$ -</b>	<b>\$ 714,283</b>	<b>\$ 1,113,334</b>	<b>\$ 2,574</b>	<b>\$ -</b>	<b>\$ 1,830,191</b>

**Combining Statement of Revenue, Expenses and Changes in Net Assets**  
**(in thousands - unaudited) for the quarter and year-to date ended December 31, 2010**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):								
Electric	\$ 338,472	\$ 112,920	\$ (65,532)	\$ 385,860	\$ -	\$ -	(3,876)	\$ 381,984
Water and sewer	-	-	-	-	87,803	-	(63)	87,740
District Energy	-	-	-	-	-	1,968	-	1,968
Other, net	9,016	-	-	9,016	2,157	-	(863)	10,310
<b>Total operating revenues</b>	<b>347,488</b>	<b>112,920</b>	<b>(65,532)</b>	<b>394,876</b>	<b>89,960</b>	<b>1,968</b>	<b>(4,802)</b>	<b>482,002</b>
Operating expenses:								
Operations:								
Fuel	71,687	58,917	-	130,604	-	-	-	130,604
Purchased power	91,723	-	(65,532)	26,191	-	-	-	26,191
Other	26,935	9,060	-	35,995	20,145	766	(4,802)	52,104
Maintenance	12,970	4,399	-	17,369	5,979	133	-	23,481
Depreciation	46,740	10,048	-	56,788	30,663	502	-	87,953
State utility taxes and franchise fees	16,429	-	-	16,429	2,196	-	-	18,625
Recognition of deferred costs and revenues, net	(1,485)	7,999	-	6,514	-	-	-	6,514
<b>Total operating expenses</b>	<b>264,999</b>	<b>90,423</b>	<b>(65,532)</b>	<b>289,890</b>	<b>58,983</b>	<b>1,401</b>	<b>(4,802)</b>	<b>345,472</b>
<b>Operating income</b>	<b>82,489</b>	<b>22,497</b>	<b>-</b>	<b>104,986</b>	<b>30,977</b>	<b>567</b>	<b>-</b>	<b>136,530</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	3,985	-	-	3,985	-	-	-	3,985
Investment income, fair market value adjustments and other	448	(2,341)	-	(1,893)	(640)	7	-	(2,526)
Interest on debt	(30,581)	(19,259)	-	(49,840)	(21,044)	(85)	-	(70,969)
Other interest, net	(43)	-	-	(43)	(2)	-	-	(45)
Water & Sewer Expansion Authority	-	-	-	-	(114)	-	-	(114)
Allowance for funds used during construction	1,267	-	-	1,267	747	12	-	2,026
<b>Total nonoperating revenues (expenses), net</b>	<b>(24,924)</b>	<b>(21,600)</b>	<b>-</b>	<b>(46,524)</b>	<b>(21,053)</b>	<b>(66)</b>	<b>-</b>	<b>(67,643)</b>
<b>Income before contributions</b>	<b>57,565</b>	<b>897</b>	<b>-</b>	<b>58,462</b>	<b>9,924</b>	<b>501</b>	<b>-</b>	<b>68,887</b>
Contributions (to) from:								
General Fund, City of Jacksonville	(20,480)	-	-	(20,480)	(4,941)	-	-	(25,421)
Developers and others	-	-	-	-	4,563	-	-	4,563
<b>Total contributions</b>	<b>(20,480)</b>	<b>-</b>	<b>-</b>	<b>(20,480)</b>	<b>(378)</b>	<b>-</b>	<b>-</b>	<b>(20,858)</b>
<b>Change in net position</b>	<b>37,085</b>	<b>897</b>	<b>-</b>	<b>37,982</b>	<b>9,546</b>	<b>501</b>	<b>-</b>	<b>48,029</b>
<b>Net position, beginning of period</b>	<b>504,099</b>	<b>65,932</b>	<b>-</b>	<b>570,031</b>	<b>1,043,013</b>	<b>391</b>	<b>-</b>	<b>1,613,435</b>
<b>Net position, end of period</b>	<b>\$ 541,184</b>	<b>\$ 66,829</b>	<b>\$ -</b>	<b>\$ 608,013</b>	<b>\$ 1,052,559</b>	<b>\$ 892</b>	<b>-</b>	<b>\$ 1,661,464</b>

## Combining Statement of Cash Flows

(in thousands - unaudited) for the quarter and year-to date ended December 31, 2011

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 355,591	\$ 104,084	\$ (59,389)	\$ 400,286	\$ 96,156	\$ 2,476	\$ (4,353)	\$ 494,565
Other receipts	13,023	-	-	13,023	2,039	-	(905)	14,157
Payments to suppliers	(219,392)	(79,502)	59,389	(239,505)	(19,822)	(969)	5,258	(255,038)
Payments to employees	(29,743)	(7,827)	-	(37,570)	(9,265)	(94)	-	(46,929)
Net cash provided by (used in) operating activities	119,479	16,755	-	136,234	69,108	1,413	-	206,755
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(13,746)	-	-	(13,746)	(3,410)	-	-	(17,156)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(13,746)	-	-	(13,746)	(3,410)	-	-	(17,156)
Capital and related financing activities:								
Acquisition and construction of capital assets	(46,387)	(5,833)	-	(52,220)	(24,758)	(47)	-	(77,025)
Proceeds from issuance of debt	-	365,410	-	365,410	-	-	-	365,410
Debt issue costs and discounts	-	38,584	-	38,584	-	-	-	38,584
Defeasance of debt	-	(398,889)	-	(398,889)	(16,450)	-	-	(415,339)
Repayment of debt principal	(86,115)	(101,121)	-	(187,236)	(41,837)	(1,350)	-	(230,423)
Interest paid on debt	(52,209)	(43,541)	-	(95,750)	(41,411)	(27)	-	(137,188)
Contribution from developers and others	-	-	-	-	1,815	-	-	1,815
Proceeds from sales of property	159	-	-	159	(22)	-	-	137
Net cash provided by (used in) capital and related financing activities	(184,552)	(145,390)	-	(329,942)	(122,663)	(1,424)	-	(454,029)
Investing activities:								
Purchase of investments	(92,079)	(266,669)	-	(358,748)	(46,007)	-	-	(404,755)
Proceeds from sale and maturities of investments	87,562	241,443	-	329,005	19,095	2	-	348,102
Investment income	729	1,731	-	2,460	1,119	-	-	3,579
Distributions from The Energy Authority	770	-	-	770	-	-	-	770
Net cash provided by (used in) investing activities	(3,018)	(23,495)	-	(26,513)	(25,793)	2	-	(52,304)
Net increase (decrease) in cash and cash equivalents	(81,837)	(152,130)	-	(233,967)	(82,758)	(9)	-	(316,734)
Cash and cash equivalents at beginning of the period	467,099	306,958	-	774,057	239,359	8,791	-	1,022,207
Cash and cash equivalents at end of the period	\$ 385,262	\$ 154,828	\$ -	\$ 540,090	\$ 156,601	\$ 8,782	\$ -	\$ 705,473

## Reconciliation of operating income to net cash provided by operating activities:

Operating Income:	\$ 52,956	\$ 17,746	-	70,702	\$ 33,202	\$ 661	\$ -	\$ 104,565
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	47,392	10,133	-	57,525	33,876	507	-	91,908
Recognition of deferred costs and revenues, net	(1,265)	15,790	-	14,525	-	-	-	14,525
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	52,634	(9,901)	-	42,733	1,379	259	-	44,371
Decrease (increase) accounts receivable, restricted	4,447	-	-	4,447	10	-	-	4,457
Decrease (increase) in inventories	(4,560)	(14,929)	-	(19,489)	49	-	-	(19,440)
Increase (decrease) in other	(601)	-	-	(601)	(489)	-	-	(1,090)
Increase (decrease) in accounts payable	(28,834)	(217)	-	(29,051)	1,398	(14)	-	(27,667)
Increase (decrease) in accounts payable, restricted	235	(1,534)	-	(1,299)	-	-	-	(1,299)
Increase (decrease) in other liabilities and deferred credits	(2,925)	(333)	-	(3,258)	(317)	-	-	(3,575)
Net cash provided by (used in) operating activities	\$ 119,479	\$ 16,755	\$ -	\$ 136,234	\$ 69,108	\$ 1,413	\$ -	\$ 206,755

## Non-cash activity:

Contribution of capital assets from developers	\$	75
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## Combining Statement of Cash Flows

(in thousands - unaudited) for the quarter and year-to date ended December 31, 2010

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 345,860	\$ 112,920	\$ (62,619)	\$ 396,161	\$ 85,103	\$ 2,037	\$ (3,939)	\$ 479,362
Other receipts	12,831	-	-	12,831	4,896	-	(863)	16,864
Payments to suppliers	(226,522)	(92,054)	62,619	(255,957)	(24,082)	(859)	4,802	(276,096)
Payments to employees	(31,014)	(7,173)	-	(38,187)	(8,468)	(95)	-	(46,750)
Net cash provided by (used in) operating activities	101,155	13,693	-	114,848	57,449	1,083	-	173,380
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(13,410)	-	-	(13,410)	(3,329)	-	-	(16,739)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	(114)	-	-	(114)
Net cash provided by (used in) noncapital financing activities	(13,410)	-	-	(13,410)	(3,443)	-	-	(16,853)
Capital and related financing activities:								
Acquisition and construction of capital assets	(71,839)	(1,464)	-	(73,303)	(18,209)	(89)	-	(91,601)
Proceeds from issuance of debt	337,101	-	-	337,101	125,843	-	-	462,944
Debt issue costs and discounts	8,378	(2)	-	8,376	4,569	-	-	12,945
Defeasance of debt	(244,869)	-	-	(244,869)	(86,455)	-	-	(331,324)
Repayment of debt principal	(50,705)	(99,823)	-	(150,528)	(36,768)	(1,310)	-	(188,606)
Interest paid on debt	(49,662)	(41,880)	-	(91,542)	(37,236)	(80)	-	(128,858)
Contribution from developers and others	-	-	-	-	2,754	-	-	2,754
Proceeds from sales of property	283	-	-	283	-	-	-	283
Net cash provided by (used in) capital and related financing activities	(71,313)	(143,169)	-	(214,482)	(45,502)	(1,479)	-	(261,463)
Investing activities:								
Purchase of investments	(368,456)	(354,891)	-	(723,347)	(380,857)	-	-	(1,104,204)
Proceeds from sale and maturities of investments	204,606	234,064	-	438,670	244,755	7	-	683,432
Investment income	269	1,496	-	1,765	336	3	-	2,104
Distributions from The Energy Authority	3,770	-	-	3,770	-	-	-	3,770
Net cash provided by (used in) investing activities	(159,811)	(119,331)	-	(279,142)	(135,766)	10	-	(414,898)
Net increase (decrease) in cash and cash equivalents	(143,379)	(248,807)	-	(392,186)	(127,262)	(386)	-	(519,834)
Cash and cash equivalents at beginning of the period	395,461	334,472	-	729,933	219,423	8,107	-	957,463
Cash and cash equivalents at end of the period	\$ 252,082	\$ 85,665	\$ -	\$ 337,748	\$ 92,161	\$ 7,721	\$ -	\$ 437,629

## Reconciliation of operating income to net cash provided by operating activities:

Operating Income: \$ 82,489 \$ 22,497 \$ - \$ 104,986 \$ 30,977 \$ 567 \$ - \$ 136,530

## Adjustments to reconcile operating income

to net cash provided by operating activities:

Depreciation and amortization	46,740	10,048	-	56,788	30,844	502	-	88,134
Recognition of deferred costs and revenues, net	(1,485)	7,999	-	6,514	-	-	-	6,514
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	7,388	(11,863)	-	(4,475)	(2,700)	69	-	(7,106)
Decrease (increase) accounts receivable, restricted	3,815	-	-	3,815	2,739	-	-	6,554
Decrease (increase) in inventories	591	(8,698)	-	(8,107)	(23)	-	-	(8,130)
Increase (decrease) in other	(741)	-	-	(741)	(407)	-	-	(1,148)
Increase (decrease) in accounts payable	(36,581)	(2,819)	-	(39,400)	(3,678)	(55)	-	(43,133)
Increase (decrease) in accounts payable, restricted	-	(3,175)	-	(3,175)	-	-	-	(3,175)
Increase (decrease) in other liabilities and deferred credits	(1,061)	(296)	-	(1,357)	(303)	-	-	(1,660)
Net cash provided by (used in) operating activities	\$ 101,155	\$ 13,693	\$ -	\$ 114,848	\$ 57,449	\$ 1,083	\$ -	\$ 173,380

## Non-cash activity:

Contribution of capital assets from developers \$ 1,809

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

	Quarter and Year-To-Date December	
	2011	2010
Revenues:		
Electric	\$ 302,957	\$ 338,472
Investment income (1)	111	105
Earnings from The Energy Authority	634	3,985
Other, net	9,763	10,121
Plus: amount paid from the rate stabilization fund into the revenue fund	8,932	9,332
Less: amount paid from the revenue fund into the rate stabilization fund	(16,229)	(20,665)
<b>Total revenues</b>	<b>306,168</b>	<b>341,350</b>
Operating expenses (2):		
Fuel	64,368	62,052
Purchased power (3)	95,229	105,491
Other operation and maintenance	39,467	37,168
State utility taxes and franchise fees	14,943	16,226
<b>Total expenses</b>	<b>214,007</b>	<b>220,937</b>
<b>Net revenues</b>	<b>\$ 92,161</b>	<b>\$ 120,413</b>
Debt service	\$ 19,504	\$ 18,279
Less: investment income on sinking fund	(355)	(193)
<b>Debt service requirement</b>	<b>\$ 19,149</b>	<b>\$ 18,086</b>
<b>Senior debt service coverage (4)</b>	<b>4.81x</b>	<b>6.66x</b>
<b>Net revenues (from above)</b>	<b>\$ 92,161</b>	<b>\$ 120,413</b>
Debt service requirement (from above)	\$ 19,149	\$ 18,086
Plus: aggregate subordinated debt service on outstanding subordinated bonds	20,168	20,721
<b>Adjusted debt service requirement</b>	<b>\$ 39,317</b>	<b>\$ 38,807</b>
<b>Senior and subordinated debt service coverage (5)</b>	<b>2.34x</b>	<b>3.10x</b>

(1) Excludes investment income on sinking funds.

(2) Excludes depreciation.

(3) 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 Supply System 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 Resolutions.

(4) Net revenues divided by debt service requirement. Annual minimum coverage is 1.20x.

(5) Net revenues divided by adjusted debt service requirement. Annual minimum coverage is 1.15x.

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

	Quarter and Year-To-Date	
	December	
	2011	2010
Revenues:		
JEA	\$ 17,079	\$ 13,768
Investment income	22	24
Other, net	212	212
Total revenues	17,313	14,004
Operating expenses (1):		
Fuel	9,419	9,635
Other operations and maintenance	2,547	2,602
Total operating expenses	11,966	12,237
Net revenues	\$ 5,347	\$ 1,767
Aggregate debt service	\$ 1,767	\$ 1,399
Debt service coverage (2), (3)	3.03x	1.26x

(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.

(3) Minimum coverage requirement is 1.15x.

**St. Johns River Power Park System**  
**Schedules of Debt Service Coverage - 1st Resolution**  
**(in thousands - unaudited)**

	Quarter and Year-To-Date December	
	2011	2010
Revenues:		
JEA	\$ 62,823	\$ 65,516
FPL	39,901	47,388
Investment income	1,095	1,260
Total revenues	103,819	114,164
Operating expenses: (1)		
Fuel	49,952	58,917
Other operations and maintenance	9,099	8,956
Total operating expenses	59,051	67,873
Net revenues	\$ 44,768	\$ 46,291
Aggregate debt service	\$ 35,814	\$ 37,034
Debt service coverage (2)	1.25x	1.25x

(1) Excludes depreciation.

(2) Net revenues divided by debt service requirement.

## JEA

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

	Quarter and Year-To-Date December	
	2011	2010
Revenues:		
JEA	\$ 6,727	\$ 5,359
Investment income	-	-
Other, net	110	110
Total revenues	6,837	5,469
Operating expenses: (1)		
Fuel	-	-
Other operations and maintenance	-	-
Total operating expenses	-	-
Net revenues	\$ 6,837	\$ 5,469
Aggregate debt service	\$ 5,944	\$ 4,756
Debt service coverage (2), (3)	1.15x	1.15x

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

(2) Net revenues divided by debt service requirement.

(3) Minimum coverage requirement is 1.15x.



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

	Quarter and Year-To-Date December	
	2011	2010
Revenues:		
Water, net of allowances and discounts	\$ 40,048	\$ 38,414
Water capacity fees (1)	751	685
Sewer, net of allowances and discounts	54,729	49,389
Sewer capacity fees (1)	1,064	2,069
Investment income	693	336
Other	2,700	2,735
Plus: amount paid from the rate stabilization fund into the revenue fund	5,002	3,274
Less: amounts paid from the revenue fund into the rate stabilization fund	(7,042)	(5,244)
<b>Total revenues</b>	<b>97,945</b>	<b>91,658</b>
Operating & maintenance expenses:		
Operations and maintenance (2)	29,932	28,320
<b>Total expenses</b>	<b>29,932</b>	<b>28,320</b>
<b>Net revenues</b>	<b>\$ 68,013</b>	<b>\$ 63,338</b>
<b>Aggregate debt service</b>	<b>\$ 28,210</b>	<b>\$ 26,775</b>
<b>Senior debt service coverage (3)</b>	<b>2.41x</b>	<b>2.37x</b>
<b>Net revenues from above</b>	<b>\$ 68,013</b>	<b>\$ 63,338</b>
Debt service requirement (from above)	28,210	26,775
Plus: aggregate subordinated debt service on outstanding subordinated debt	2,731	3,276
<b>Adjusted debt service requirement</b>	<b>30,941</b>	<b>30,051</b>
<b>Senior and subordinated debt service coverage (4)</b>	<b>2.20x</b>	<b>2.11x</b>

(1) Effective October 01, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the three month period ending December 2011 and 2010, then the debt service coverage would have been 2.14x and 2.02x.

(2) Excludes depreciation.

(3) Net revenues divided by aggregate debt service. Annual minimum coverage is 1.25X

(4) Net revenues must be greater than or equal to the sum of 100% of the senior debt service and 120% of the subordinated debt service. The sum of such debt service amounts for the three month period ending December 2011 is \$31,487 and \$30,706 for the three month period ending December 2010.

**Electric Enterprise Fund**  
**Operating Statistics**

	Quarter and Year-To-Date	
	December	
	2011	2010
Electric revenue sales (000's omitted):		
Residential	\$ 126,836	\$ 152,416
Commercial and industrial	164,089	174,068
Public street lighting	3,814	3,760
Sales for resale - territorial	7,415	8,559
Electric revenues - territorial	302,154	338,803
Saleback to Florida Power & Light	39,902	47,387
Sales for resale - off system	1,263	533
Electric revenues	343,319	386,723
Less: allowance for doubtful accounts	(460)	(864)
Net electric revenues	342,859	385,859
kWh sales (000's omitted):		
Residential	991,504	1,199,633
Commercial and industrial	1,596,997	1,689,042
Public street lighting	30,306	30,073
Sales for resale - territorial	76,295	89,850
Total kWh sales - territorial	2,695,102	3,008,598
Saleback to Florida Power & Light	407,131	787,285
Sales for resale - off system	36,034	16,599
Total kWh sales	3,138,267	3,812,482
Average number of accounts:		
Residential	369,843	369,063
Commercial and industrial	46,979	46,537
Public street lighting	3,401	3,449
Sales for resale	3	3
Total average accounts	420,226	419,052
Residential averages:		
Revenue per account - \$	342.95	412.98
kWh per account	2,681	3,250
Revenue per kWh - ¢	12.79	12.71
Degree days:		
	December	
	2011	2010
Heating degree days	381	742
Cooling degree days	185	185
Total degree days	566	927
Degree days - 30 year average	775	

**Water and Sewer Enterprise Fund  
Operating Statistics**

	Quarter and Year-To-Date December	
	2011	2010
Water		
Revenues (000's omitted):		
Residential	\$ 20,608	\$ 19,972
Commercial and industrial	10,974	10,064
Irrigation	8,558	8,464
Total water revenues	40,140	38,500
Less: allowance for doubtful accounts	(92)	(86)
Net water revenues	\$ 40,048	\$ 38,414
Water Sales (kgals*):		
Residential	3,965,327	4,444,262
Commercial and industrial	3,022,070	3,067,628
Irrigation	1,571,817	1,932,415
Total kgals sales	8,559,214	9,444,305
Number of accounts (1):		
Residential	248,982	248,127
Commercial and industrial	23,318	23,056
Irrigation	35,562	35,489
Total average accounts	307,863	306,672
Residential averages:		
Revenue per account - \$	82.77	80.49
kgals per account	15.93	17.91
Revenue per kgals - \$	5.20	4.49
Reuse		
Revenues (000's omitted):		
Reuse revenues	\$ 879	\$ 1,013
Reuse Sales (kgals*):		
Reuse sales (kgals*)	325,426	415,173
Number of accounts:		
Reuse accounts	1,990	1,511
Sewer		
Revenues (000's omitted):		
Residential	\$ 30,678	\$ 28,041
Commercial and industrial	23,310	20,465
Total sewer revenues	53,988	48,506
Less: allowance for doubtful accounts	(138)	(130)
Net sewer revenues	\$ 53,850	\$ 48,376
Sewer Sales (kgals*):		
Residential	3,391,384	3,757,139
Commercial and industrial	2,572,782	2,605,925
Total kgals sales	5,964,166	6,363,064
Number of accounts (1):		
Residential	217,044	215,616
Commercial and industrial	17,325	17,243
Total average accounts	234,369	232,859
Residential averages:		
Revenue per account - \$	141.34	130.05
kgals per account	15.63	17.43
Revenue per kgals - \$	9.05	7.46
*kgals = 1000 gallons		
Rainfall		
Normal	8.84	8.84
Actual	7.42	1.64