



Building Community®

## **Management's Discussion and Analysis of Financial Performance for the Quarter Ended December 31, 2012**

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 2012 decreased 1.9 percent over operating revenues for the quarter ended December 2011. The decrease was primarily caused by a decrease in the variable fuel rate, offset in part by an increase in sales. Effective July 1, 2012, The Board of Directors of JEA (the Board) voted to reduce the variable fuel rate from \$47.74 to \$43.60 per 1000 kWh, which represents an 8.7 percent decrease over the previous charge. Territorial MWh sales increased 2.4 percent and total sales increased 3.4 percent when off-system sales are included. Total sales for the quarter increased from 3,138,043 MWh to 3,245,203 MWh. Other operating revenues decreased approximately \$0.8 million (9.3 percent). The decrease was primarily due to decreased off-system transmission sales.

Water and Sewer Enterprise Fund operating revenues decreased 0.5 percent for the quarter ended December 2012 compared to the quarter ended December 2011. The decrease in operating revenues was due to a decrease in volumes for water and sewer sales, offset in part by volumetric rate increases for residential and commercial customers in excess of 6,000 gallons per month, effective October 1, 2012. There was a 5.2 percent decrease in consumption related to water services. Consumption, measured in thousands of gallons (kgals), decreased 448.8 kgals from 8,559.2 kgals to 8,110.4 kgals. Sewer sales volume decreased 3.0 percent when compared to the quarter ended December 2011. The decrease was 179.3 kgals from 5,964.2 kgals to 5,784.8 kgals.

Revenues for DES increased 1.6 percent for the quarter ended December 2012 over operating revenues for the similar period last year. The increase was due to increased sales volumes.

#### **Operating Expenses**

Total operating expenses for the Electric Enterprise Fund increased slightly (0.2 percent) for the quarter ended December 2012 as compared to the quarter ended December 2011. The major factors impacting the change in operating expenses are: fuel and purchased power expense decreased \$9.5 million, as discussed below; operating and maintenance expenses increased \$2.0 million mainly due to increased maintenance expenses from planned outages at Northside generating station; recognition of deferred costs related to SJRPP increased \$4.3 million; and depreciation expense increased \$3.8 million due to increased depreciation rates and assets placed in service.

Total fuel and purchased power for the quarter ended December 2012 decreased \$9.5 million (6.9 percent) over the similar period in the prior year. The decrease in fuel and purchased power expense was primarily driven by a change in product mix and a decrease in commodity costs, notably natural gas, offset in part by increases in megawatts generated 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 2012 increased 2.0 percent from 2,803,590 MWh to 2,860,384 MWh. Generated megawatts decreased 10.3 percent and purchased power increased 15.6 percent. JEA's power supply mix for the current quarter was 52.7 percent coal, 38.9 percent natural gas, 7.9 percent other purchases, and 0.5 percent petroleum coke. JEA's power supply mix for the quarter ended December 2011 was 39.6 percent natural gas, 39.6 percent coal, 11.7 percent petroleum coke, and 9.1 percent other purchases.

Northside's availability factors for the quarter ended December 2012 were 46.8 percent for Unit 1, 31.2 percent for Unit 2 and 39.0 percent combined. The availability factors were impacted by planned outages during the quarter.

SJRPP's availability factors for the quarter ended December 2012 were 98.8 percent for Unit 1, 99.6 percent for Unit 2 and 99.2 percent combined.

Plant Scherer Unit 4 availability factor for the quarter ended December 2012 was 96.0 percent.

Water and Sewer System total operating expenses for the quarter ended December 2012 increased \$3.8 million (6.0 percent) when compared to the prior year. The increase was primarily due to increased depreciation expense of \$1.8 million due to increased depreciation rates and assets placed in service and increased other operating and maintenance expenses of \$1.9 million primarily due to increased salaries and related benefits.

DES operating expenses increased 4.4 percent for the quarter ended December 2012 over the similar period in the prior year. The increase was primarily due to increased maintenance expenses.

### **Nonoperating Revenues (Expenses)**

There was a net decrease of \$4.7 million (8.0 percent) in total nonoperating expenses for the quarter ended December 2012. Interest expense decreased \$4.1 million due primarily to lower debt balances as a result of increased debt repayments and debt refunding savings. Other investment income increased \$0.4 million due to a \$0.7 million favorable adjustment in the fair market value related to investments and a \$0.3 million decrease in interest income. Allowance for funds used during construction increased \$0.2 million due to increased construction work in progress primarily in the Water System.

### **Debt Administration**

During the quarter, the ratings for the Electric System, SJRPP System and Bulk Power Supply System (BPS) bonds remained the same from Moody's and Standard & Poor's. Moody's and Standard & Poor's ratings were Aa2 and AA- for the Electric System senior bonds; Aa3 and A+ for the Electric System subordinated bonds; Aa2 and AA- for the SJRPP bonds; and Aa2 and AA for the Bulk Power System bonds. On December 21, 2012, Fitch upgraded its' rating on the Electric System senior, the Electric System subordinated bonds, the SJRPP System bonds and the Bulk Power System bonds to AA from AA-.

During the quarter, the ratings for the Water and Sewer System remained the same. The Water and Sewer System senior bond ratings by Fitch, Moody's and Standard & Poor's were AA, Aa2, and AA; and the Water and Sewer System subordinated bond ratings were AA, Aa2 and AA.

At the end of the quarter, there were no outstanding bank draws under the revolving lines of credit.

The debt service coverage ratio for the Electric System's senior debt was 5.26x and 4.81x for the quarters ended December 2012 and December 2011. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.51x and 2.34x for the quarters ended December 2012 and December 2011. The increase in senior debt service coverage ratio for the quarter was caused by increased net revenues resulting from the decreased fuel and purchased power expenses, discussed above, and a decrease in the debt service requirements primarily related to lower interest expense on fixed rate bonds due to reduced outstanding balances on fixed rate debt and the subtraction of the interest subsidy related to senior Build America Bonds from the debt service requirement calculation for the quarter ended December 31, 2012. The increase in combined senior and subordinated debt service coverage ratio for the quarter was due to increased net revenues, as discussed above and a decrease in the debt service requirement primarily related to the subtraction of the interest subsidy related to Build America Bonds from the debt service requirement calculation for the quarter ended December 31, 2012.

The Water and Sewer senior debt service coverage ratio was 2.62x and 2.41x for the quarters ended December 2012 and 2011. The Water and Sewer combined senior and subordinated debt service coverage ratio was 2.37x and 2.20x for the quarters ended December 2012 and 2011. The increase was caused by decreased contributions to the stabilization fund in the current quarter, and a decrease in the debt service requirement primarily related to lower principal amortization for the current quarter on fixed rate bonds, lower interest expense on fixed rate bonds due to reduced outstanding balances on fixed rate debt and the subtraction of the interest subsidy related to senior Build America Bonds from the debt service requirement calculation for the quarter ended December 31, 2012.

#### **Capital Assets**

JEA's investment in capital assets at December 2012 was \$6.50 billion (net of accumulated depreciation). This included \$3.73 billion in the Electric Enterprise Fund, \$2.73 billion in the Water & Sewer Fund and \$40.8 million in DES. For the quarter ended December 2012, capital expenditures were \$32.0 million consisting of \$15.90 million for the Electric Enterprise Fund and \$16.10 million for the Water & Sewer Fund. JEA has ongoing capital improvement programs for the Electric Enterprise Fund and the Water and Sewer Fund. The cost of the capital improvement program is planned to be provided from revenues generated from operations and existing fund balances.



Paul G. McElroy, Managing Director

## **FINANCIAL STATEMENTS**

## Balance Sheets

(in thousands - unaudited)

	December	
	2012	2011
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current assets:		
Cash and cash equivalents	\$ 218,504	\$ 351,854
Investments	212,409	11,033
Customer accounts receivable, less allowance for doubtful accounts - \$4,647 in 2012 and \$5,054 in 2011	209,084	213,720
Inventories, less reserve of \$2,758 in 2012 and \$1,104 in 2011		
Fuel inventory	72,993	94,859
Materials and supplies	72,539	70,901
Total current assets	785,529	742,367
Restricted assets:		
Cash and cash equivalents	93,951	353,620
Investments	720,440	452,945
Accounts and interest receivable	4,171	3,880
Total restricted assets	818,562	810,445
Noncurrent assets:		
Unamortized debt issue costs and other	55,396	54,630
Investment in The Energy Authority	7,915	8,873
Costs to be recovered from future revenues	11,550	26,993
Total noncurrent assets	74,861	90,496
Capital assets:		
Land and easements	127,965	119,290
Plant in service	10,303,200	10,143,122
Less accumulated depreciation	(4,081,693)	(3,795,715)
Plant in service, net	6,349,472	6,466,697
Construction work in progress	156,415	163,937
Capital assets, net	6,505,887	6,630,634
Total assets	8,184,839	8,273,942
Deferred outflows of resources:		
Accumulated decrease in fair value of fuel hedging derivatives	-	-
Accumulated decrease in fair value of interest swaps derivatives	183,278	184,218
Total deferred outflows of resources	183,278	184,218
Total assets and deferred outflows of resources	\$ 8,368,117	\$ 8,458,160
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 101,849	\$ 119,700
Customer deposits	56,895	53,819
Total current liabilities	158,744	173,519
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	259,460	314,624
Interest payable	50,774	54,210
Construction contracts and accounts payable	16,121	22,114
Renewal and replacement reserve	88,643	90,235
Total liabilities payable from restricted assets	414,998	481,183
Other noncurrent liabilities:		
OPEB liability	4,125	4,125
Deferred credits and other	40,512	42,932
Revenues to be used for future costs	124,722	63,736
Total other noncurrent liabilities	169,359	110,793
Long-term debt:		
Bonds and commercial paper	5,456,674	5,741,171
Unamortized original issue premium (discount)	127,447	72,414
Unamortized deferred losses on refundings	(151,969)	(139,769)
Fair value of debt management strategy instruments	183,278	184,218
Total long-term debt	5,615,430	5,858,034
Total liabilities	6,358,531	6,623,529
Deferred inflows of resources:		
Accumulated increase in fair value of fuel derivatives	405	4,441
Accumulated increase in fair value of interest swaps derivatives	-	-
Total deferred inflows of resources	405	4,441
Net position:		
Net investment in capital assets	1,076,735	1,036,677
Restricted	324,976	254,438
Unrestricted	607,470	539,075
Total net position	2,009,181	1,830,190
Total liabilities, deferred inflows of resources and net position	\$ 8,368,117	\$ 8,458,160

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

	Quarter and Year-To-Date	
	December	
	2012	2011
Operating revenues (net of allowances and discounts):		
Electric	\$ 332,236	\$ 338,554
Water and sewer	94,243	94,728
District Energy	2,253	2,218
Other, net	9,180	9,700
Total operating revenues	437,912	445,200
Operating expenses:		
Operations:		
Fuel	116,151	123,739
Purchased power	12,080	13,967
Other	58,275	56,865
Maintenance	25,288	22,318
Depreciation	97,286	91,704
State utility taxes and franchise fees	17,625	17,518
Recognition of deferred costs and revenues, net	18,784	14,525
Total operating expenses	345,489	340,636
Operating income	92,423	104,564
Nonoperating revenues (expenses):		
Earnings from The Energy Authority	706	634
Investment income, fair market value adjustments	1,581	1,216
Other nonoperating income	1,968	1,968
Interest on debt	(59,057)	(63,172)
Other interest, net	(66)	20
Allowance for funds used during construction	807	557
Total nonoperating revenues (expenses), net	(54,061)	(58,777)
Income before contributions	38,362	45,787
Contributions (to) from:		
General Fund, City of Jacksonville	(26,670)	(26,046)
Developers and others	6,178	1,890
Total contributions	(20,492)	(24,156)
Change in net position	17,870	21,631
Net position, beginning of period	1,991,311	1,808,559
Net position, end of period	\$ 2,009,181	\$ 1,830,190

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

	Quarter and Year-To-Date	
	2012	December 2011
<b>Operations:</b>		
Receipts from customers	\$ 487,020	\$ 494,565
Other receipts	9,572	14,157
Payments to suppliers	(228,443)	(255,038)
Payments to employees	(54,321)	(46,929)
Net cash provided by (used in) operating activities	213,828	206,755
<b>Noncapital and related financing activities:</b>		
Contribution to General Fund, City of Jacksonville, FL.	(26,621)	(17,156)
Payment from City of Jacksonville - FCRS	-	-
Build America Bonds subsidies	-	-
Net cash provided by (used in) noncapital financing activities	(26,621)	(17,156)
<b>Capital and related financing activities:</b>		
Acquisition and construction of capital assets	(56,119)	(77,069)
Proceeds from issuance of debt	-	365,410
Debt issue costs and discounts	(261)	38,584
Defeasance of debt	(2,691)	(415,339)
Repayment of debt principal	(249,633)	(230,423)
Interest paid on debt	(101,425)	(137,188)
Contribution from developers and others	3,571	1,815
Proceeds from sales of property	200	181
Net cash provided by (used in) capital and related financing activities	(406,358)	(454,029)
<b>Investing activities:</b>		
Purchase of investments	(668,197)	(404,755)
Proceeds from sale and maturities of investments	482,427	348,102
Investment income	1,741	3,578
Distributions from The Energy Authority	2,301	770
Net cash provided by (used in) investing activities	(181,728)	(52,305)
Net increase (decrease) in cash and cash equivalents	(400,879)	(316,735)
Cash and cash equivalents at beginning of the period	713,334	1,022,209
Cash and cash equivalents at end of the period	\$ 312,455	\$ 705,474
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating Income:	\$ 92,423	\$ 104,564
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	97,730	91,908
Recognition of deferred costs and revenues, net	18,784	14,525
<b>Changes in noncash assets and noncash liabilities:</b>		
Decrease (increase) accounts receivable	42,580	44,371
Decrease (increase) accounts receivable, restricted	392	4,457
Decrease (increase) in inventories	11,411	(19,440)
Increase (decrease) in other	(2,110)	(1,090)
Increase (decrease) in accounts payable	(42,714)	(27,662)
Increase (decrease) in accounts payable, restricted	(3,018)	(1,299)
Increase (decrease) in other liabilities and deferred credits	(1,650)	(3,579)
Net cash provided by (used in) operating activities	\$ 213,828	\$ 206,755
<b>Non-cash activity:</b>		
Contribution of capital assets from developers	\$ 2,607	\$ 75

**Combining Balance Sheet**  
**(in thousands - unaudited) December 31, 2012**

	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	\$ 102,801	\$ 71,279	\$ -	\$ 174,080	\$ 40,386	\$ 4,038	\$ -	\$ 218,504
Investments	211,047	1,316	-	212,363	-	46	-	212,409
Customer accounts receivable, less allowance for doubtful accounts of \$4,647	164,045	22,595	(15,668)	170,972	37,800	312	-	209,084
Inventories, less reserve of \$2,758								
Fuel inventory	41,067	31,926	-	72,993	-	-	-	72,993
Materials and supplies	2,105	21,991	-	24,096	48,443	-	-	72,539
<b>Total current assets</b>	<b>521,065</b>	<b>149,107</b>	<b>(15,668)</b>	<b>654,504</b>	<b>126,629</b>	<b>4,396</b>	<b>-</b>	<b>785,529</b>
Restricted assets:								
Cash and cash equivalents	24,185	49,437	-	73,622	18,022	2,307	-	93,951
Investments	251,569	224,025	-	475,594	244,846	-	-	720,440
Accounts and interest receivable	1,053	658	-	1,711	2,460	-	-	4,171
<b>Total restricted assets</b>	<b>276,807</b>	<b>274,120</b>	<b>-</b>	<b>550,927</b>	<b>265,328</b>	<b>2,307</b>	<b>-</b>	<b>818,562</b>
Noncurrent assets:								
Unamortized debt issue costs and other	21,253	5,785	-	27,038	28,116	242	-	55,396
Investment in The Energy Authority	7,915	-	-	7,915	-	-	-	7,915
Costs to be recovered from future revenues	11,550	-	-	11,550	-	-	-	11,550
<b>Total noncurrent assets</b>	<b>40,718</b>	<b>5,785</b>	<b>-</b>	<b>46,503</b>	<b>28,116</b>	<b>242</b>	<b>-</b>	<b>74,861</b>
Capital assets:								
Land and easements	69,014	6,660	-	75,674	49,240	3,051	-	127,965
Plant in service	4,939,133	1,378,552	-	6,317,685	3,934,144	51,371	-	10,303,200
Less accumulated depreciation	(2,050,942)	(725,473)	-	(2,776,415)	(1,291,610)	(13,668)	-	(4,081,693)
Plant in service, net	2,957,205	659,739	-	3,616,944	2,691,774	40,754	-	6,349,472
Construction work in progress	66,875	49,975	-	116,850	39,549	16	-	156,415
Capital assets, net	3,024,080	709,714	-	3,733,794	2,731,323	40,770	-	6,505,887
<b>Total assets</b>	<b>3,862,670</b>	<b>1,138,726</b>	<b>(15,668)</b>	<b>4,985,728</b>	<b>3,151,396</b>	<b>47,715</b>	<b>-</b>	<b>8,184,839</b>
Deferred outflows of resources:								
Accumulated decrease in fair value of fuel hedging derivatives	-	-	-	-	-	-	-	-
Accumulated decrease in fair value of interest swaps derivatives	158,943	-	-	158,943	24,335	-	-	183,278
<b>Total deferred outflows of resources</b>	<b>158,943</b>	<b>-</b>	<b>-</b>	<b>158,943</b>	<b>24,335</b>	<b>-</b>	<b>-</b>	<b>183,278</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,021,613</b>	<b>\$ 1,138,726</b>	<b>\$ (15,668)</b>	<b>\$ 5,144,671</b>	<b>\$ 3,175,731</b>	<b>\$ 47,715</b>	<b>\$ -</b>	<b>\$ 8,368,117</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 85,345	\$ 6,381	\$ (2,699)	\$ 89,027	\$ 12,805	\$ 17	\$ -	\$ 101,849
Customer deposits	44,023	-	-	44,023	12,872	-	-	56,895
<b>Total current liabilities</b>	<b>129,368</b>	<b>6,381</b>	<b>(2,699)</b>	<b>133,050</b>	<b>25,677</b>	<b>17</b>	<b>-</b>	<b>158,744</b>
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	83,675	127,390	-	211,065	46,960	1,435	-	259,460
Interest payable	22,593	9,850	-	32,443	18,326	5	-	50,774
Construction contracts and accounts payable	2,544	18,056	(12,969)	7,631	8,490	-	-	16,121
Renewal and replacement reserve	-	88,643	-	88,643	-	-	-	88,643
<b>Total liabilities payable from restricted assets</b>	<b>108,812</b>	<b>243,939</b>	<b>(12,969)</b>	<b>339,782</b>	<b>73,776</b>	<b>1,440</b>	<b>-</b>	<b>414,998</b>
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Deferred credits and other	32,320	2,688	-	35,008	5,469	35	-	40,512
Revenues to be used for future costs	59,858	64,864	-	124,722	-	-	-	124,722
<b>Total other noncurrent liabilities</b>	<b>94,778</b>	<b>67,552</b>	<b>-</b>	<b>162,330</b>	<b>6,994</b>	<b>35</b>	<b>-</b>	<b>169,359</b>
Long-term debt:								
Bonds and commercial paper	2,813,515	709,955	-	3,523,470	1,890,889	42,315	-	5,456,674
Unamortized original issue premium (discount)	37,042	47,255	-	84,297	43,150	-	-	127,447
Unamortized deferred losses on refundings	(64,391)	(35,317)	-	(99,708)	(52,261)	-	-	(151,969)
Fair value of debt management strategy instruments	158,943	-	-	158,943	24,335	-	-	183,278
<b>Total long-term debt</b>	<b>2,945,109</b>	<b>721,893</b>	<b>-</b>	<b>3,667,002</b>	<b>1,906,113</b>	<b>42,315</b>	<b>-</b>	<b>5,615,430</b>
<b>Total liabilities</b>	<b>3,278,067</b>	<b>1,039,765</b>	<b>(15,668)</b>	<b>4,302,164</b>	<b>2,012,560</b>	<b>43,807</b>	<b>-</b>	<b>6,358,531</b>
Deferred inflows of resources:								
Accumulated increase in fair value of fuel derivatives	405	-	-	405	-	-	-	405
Accumulated increase in fair value of interest swaps derivatives	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>405</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405</b>
Net position:								
Net investment in capital assets	234,706	(66,818)	-	167,888	911,585	(2,738)	-	1,076,735
Restricted	140,358	25,741	12,969	179,068	143,606	2,302	-	324,976
Unrestricted	368,077	140,038	(12,969)	495,146	107,980	4,344	-	607,470
<b>Total net position</b>	<b>743,141</b>	<b>98,961</b>	<b>-</b>	<b>842,102</b>	<b>1,163,171</b>	<b>3,908</b>	<b>-</b>	<b>2,009,181</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 4,021,613</b>	<b>\$ 1,138,726</b>	<b>\$ (15,668)</b>	<b>\$ 5,144,671</b>	<b>\$ 3,175,731</b>	<b>\$ 47,715</b>	<b>\$ -</b>	<b>\$ 8,368,117</b>



**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	\$ 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 \$5,054	167,008	19,490	(12,721)	173,777	39,326	617	-	213,720
Inventories, less reserve of \$1,104								
Fuel inventory	49,588	45,271	-	94,859	-	-	-	94,859
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	108,297	3,003	-	353,620
Investments	103,454	201,092	-	304,546	148,399	-	-	452,945
Accounts and interest receivable	925	622	-	1,547	2,333	-	-	3,880
<b>Total restricted assets</b>	<b>254,251</b>	<b>294,162</b>	<b>-</b>	<b>548,413</b>	<b>259,029</b>	<b>3,003</b>	<b>-</b>	<b>810,445</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
Capital assets, net	3,116,280	733,738	-	3,850,018	2,739,023	41,593	-	6,630,634
<b>Total assets</b>	<b>3,874,245</b>	<b>1,210,902</b>	<b>(12,721)</b>	<b>5,072,426</b>	<b>3,150,230</b>	<b>51,286</b>	<b>-</b>	<b>8,273,942</b>
Deferred outflows of resources:								
Accumulated decrease in fair value of fuel hedging derivatives	-	-	-	-	-	-	-	-
Accumulated decrease in fair value of interest swaps derivatives	159,212	-	-	159,212	25,006	-	-	184,218
<b>Total deferred outflows of resources</b>	<b>159,212</b>	<b>-</b>	<b>-</b>	<b>159,212</b>	<b>25,006</b>	<b>-</b>	<b>-</b>	<b>184,218</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,033,457</b>	<b>\$ 1,210,902</b>	<b>\$ (12,721)</b>	<b>\$ 5,231,638</b>	<b>\$ 3,175,236</b>	<b>\$ 51,286</b>	<b>\$ -</b>	<b>\$ 8,458,160</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES 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>
Deferred inflows of resources:								
Accumulated increase in fair value of fuel derivatives	4,441	-	-	4,441	-	-	-	4,441
Accumulated increase in fair value of interest swaps derivatives	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>4,441</b>	<b>-</b>	<b>-</b>	<b>4,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,441</b>
Net position:								
Net investment in capital assets	222,581	(72,793)	-	149,788	893,678	(6,789)	-	1,036,677
Restricted	97,198	24,548	12,444	134,190	117,264	2,984	-	254,438
Unrestricted	309,437	133,311	(12,444)	430,304	102,392	6,379	-	539,075
<b>Total net position</b>	<b>629,216</b>	<b>85,066</b>	<b>-</b>	<b>714,282</b>	<b>1,113,334</b>	<b>2,574</b>	<b>-</b>	<b>1,830,190</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 4,033,457</b>	<b>\$ 1,210,902</b>	<b>\$ (12,721)</b>	<b>\$ 5,231,638</b>	<b>\$ 3,175,236</b>	<b>\$ 51,286</b>	<b>\$ -</b>	<b>\$ 8,458,160</b>

**Combining Statement of Revenue, Expenses and Changes in Net Assets**  
**(in thousands - unaudited) for the quarter and year-to date ended December 31, 2012**

	Electric System and Bulk Power Supply System	SJPPP 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	\$ 297,137	\$ 103,848	\$ (64,683)	\$ 336,302	\$ -	\$ -	\$ (4,066)	\$ 332,236
Water and sewer	-	-	-	-	94,297	-	(54)	94,243
District Energy	-	-	-	-	-	2,253	-	2,253
Other, net	7,782	-	-	7,782	2,091	-	(693)	9,180
Total operating revenues	304,919	103,848	(64,683)	344,084	96,388	2,253	(4,813)	437,912
Operating expenses:								
Operations:								
Fuel	63,114	53,037	-	116,151	-	-	-	116,151
Purchased power	76,763	-	(64,683)	12,080	-	-	-	12,080
Other	30,642	6,772	-	37,414	24,753	921	(4,813)	58,275
Maintenance	15,787	4,582	-	20,369	4,739	180	-	25,288
Depreciation	51,094	10,183	-	61,277	35,484	525	-	97,286
State utility taxes and franchise fees	15,184	-	-	15,184	2,441	-	-	17,625
Recognition of deferred costs and revenues, net	(791)	19,575	-	18,784	-	-	-	18,784
Total operating expenses	251,793	94,149	(64,683)	281,259	67,417	1,626	(4,813)	345,489
Operating income	53,126	9,699	-	62,825	28,971	627	-	92,423
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	706	-	-	706	-	-	-	706
Investment income, fair market value adjustments	419	754	-	1,173	404	4	-	1,581
Other nonoperating income	1,187	110	-	1,297	671	-	-	1,968
Interest on debt	(28,512)	(11,386)	-	(39,898)	(19,120)	(39)	-	(59,057)
Other interest, net	(56)	-	-	(56)	(10)	-	-	(66)
Allowance for funds used during construction	204	-	-	204	603	-	-	807
Total nonoperating revenues (expenses), net	(26,052)	(10,522)	-	(36,574)	(17,452)	(35)	-	(54,061)
Income before contributions	27,074	(823)	-	26,251	11,519	592	-	38,362
Contributions (to) from:								
General Fund, City of Jacksonville	(20,992)	-	-	(20,992)	(5,678)	-	-	(26,670)
Developers and others	-	-	-	-	6,178	-	-	6,178
Total contributions	(20,992)	-	-	(20,992)	500	-	-	(20,492)
Change in net position	6,082	(823)	-	5,259	12,019	592	-	17,870
Net position, beginning of period	737,059	99,784	-	836,843	1,151,152	3,316	-	1,991,311
Net position, end of period	\$ 743,141	\$ 98,961	\$ -	\$ 842,102	\$ 1,163,171	\$ 3,908	\$ -	\$ 2,009,181

**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
Total operating revenues	311,533	104,084	(64,183)	351,434	96,806	2,218	(5,258)	445,200
Operating expenses:								
Operations:								
Fuel	73,787	49,952	-	123,739	-	-	-	123,739
Purchased power	78,150	-	(64,183)	13,967	-	-	-	13,967
Other	32,427	5,725	-	38,152	23,036	935	(5,258)	56,865
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
Total operating expenses	258,578	86,338	(64,183)	280,733	63,604	1,557	(5,258)	340,636
Operating income	52,955	17,746	-	70,701	33,202	661	-	104,564
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	634	-	-	634	-	-	-	634
Investment income, fair market value adjustments	10	908	-	918	299	(1)	-	1,216
Other nonoperating income	1,187	110	-	1,297	671	-	-	1,968
Interest on debt	(29,013)	(12,846)	-	(41,859)	(21,273)	(40)	-	(63,172)
Other interest, net	15	-	-	15	5	-	-	20
Allowance for funds used during construction	295	-	-	295	261	1	-	557
Total nonoperating revenues (expenses), net	(26,872)	(11,828)	-	(38,700)	(20,037)	(40)	-	(58,777)
Income before contributions	26,083	5,918	-	32,001	13,165	621	-	45,787
Contributions (to) from:								
General Fund, City of Jacksonville	(20,759)	-	-	(20,759)	(5,287)	-	-	(26,046)
Developers and others	-	-	-	-	1,890	-	-	1,890
Total contributions	(20,759)	-	-	(20,759)	(3,397)	-	-	(24,156)
Change in net position	5,324	5,918	-	11,242	9,768	621	-	21,631
Net position, beginning of period	623,892	79,148	-	703,040	1,103,566	1,953	-	1,808,559
Net position, end of period	\$ 629,216	\$ 85,066	\$ -	\$ 714,282	\$ 1,113,334	\$ 2,574	\$ -	\$ 1,830,190

## Combining Statement of Cash Flows

(in thousands - unaudited) for the quarter and year-to date ended December 31, 2012

	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>Operations:</b>								
Receipts from customers	\$ 346,724	\$ 103,848	\$ (60,413)	\$ 390,159	\$ 98,376	\$ 2,605	\$ (4,120)	\$ 487,020
Other receipts	8,163	-	-	8,163	2,102	-	(693)	9,572
Payments to suppliers	(200,023)	(65,511)	60,413	(205,121)	(27,043)	(1,092)	4,813	(228,443)
Payments to employees	(35,466)	(7,377)	-	(42,843)	(11,370)	(108)	-	(54,321)
Net cash provided by (used in) operating activities	119,398	30,960	-	150,358	62,065	1,405	-	213,828
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(20,915)	-	-	(20,915)	(5,706)	-	-	(26,621)
Payment from City of Jacksonville - FCRS	-	-	-	-	-	-	-	-
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(20,915)	-	-	(20,915)	(5,706)	-	-	(26,621)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(23,943)	(3,417)	-	(27,360)	(28,754)	(5)	-	(56,119)
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Debt issue costs and discounts	(105)	(85)	-	(190)	(71)	-	-	(261)
Defeasance of debt	-	(2,691)	-	(2,691)	-	-	-	(2,691)
Repayment of debt principal	(76,095)	(124,655)	-	(200,750)	(47,493)	(1,390)	-	(249,633)
Interest paid on debt	(46,672)	(18,491)	-	(65,163)	(36,226)	(36)	-	(101,425)
Contribution from developers and others	-	-	-	-	3,571	-	-	3,571
Proceeds from sales of property	200	-	-	200	-	-	-	200
Net cash provided by (used in) capital and related financing activities	(146,615)	(149,339)	-	(295,954)	(108,973)	(1,431)	-	(406,358)
<b>Investing activities:</b>								
Purchase of investments	(232,449)	(254,607)	-	(487,056)	(181,141)	-	-	(668,197)
Proceeds from sale and maturities of investments	124,772	252,765	-	377,537	104,890	-	-	482,427
Investment income	381	1,072	-	1,453	287	1	-	1,741
Distributions from The Energy Authority	2,301	-	-	2,301	-	-	-	2,301
Net cash provided by (used in) investing activities	(104,995)	(770)	-	(105,765)	(75,964)	1	-	(181,728)
Net increase (decrease) in cash and cash equivalents	(153,127)	(119,149)	-	(272,276)	(128,578)	(25)	-	(400,879)
Cash and cash equivalents at beginning of the period	280,113	239,865	-	519,978	186,986	6,370	-	713,334
Cash and cash equivalents at end of the period	\$ 126,986	\$ 120,716	\$ -	\$ 247,702	\$ 58,408	\$ 6,345	\$ -	\$ 312,455

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

Operating Income:	\$ 53,126	\$ 9,699	-	62,825	\$ 28,971	\$ 627	\$ -	\$ 92,423
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	51,094	10,183	-	61,277	35,928	525	-	97,730
Recognition of deferred costs and revenues, net	(791)	19,575	-	18,784	-	-	-	18,784
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	49,587	(11,439)	-	38,148	4,079	353	-	42,580
Decrease (increase) accounts receivable, restricted	381	-	-	381	11	-	-	392
Decrease (increase) in inventories	(800)	12,953	-	12,153	(742)	-	-	11,411
Increase (decrease) in other	(1,595)	-	-	(1,595)	(515)	-	-	(2,110)
Increase (decrease) in accounts payable	(30,759)	(6,571)	-	(37,330)	(5,272)	(112)	-	(42,714)
Increase (decrease) in accounts payable, restricted	-	(3,018)	-	(3,018)	-	-	-	(3,018)
Increase (decrease) in other liabilities and deferred credits	(845)	(422)	-	(1,267)	(395)	12	-	(1,650)
Net cash provided by (used in) operating activities	\$ 119,398	\$ 30,960	\$ -	\$ 150,358	\$ 62,065	\$ 1,405	\$ -	\$ 213,828

## Non-cash activity:

Contribution of capital assets from developers	\$ 2,607
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**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
<b>Operations:</b>								
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
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(13,746)	-	-	(13,746)	(3,410)	-	-	(17,156)
Payment from City of Jacksonville - FCRS	-	-	-	-	-	-	-	-
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(13,746)	-	-	(13,746)	(3,410)	-	-	(17,156)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(46,387)	(5,833)	-	(52,220)	(24,802)	(47)	-	(77,069)
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	-	-	181
Net cash provided by (used in) capital and related financing activities	(184,552)	(145,390)	-	(329,942)	(122,663)	(1,424)	-	(454,029)
<b>Investing activities:</b>								
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	1,730	-	2,459	1,119	-	-	3,578
Distributions from The Energy Authority	770	-	-	770	-	-	-	770
Net cash provided by (used in) investing activities	(3,018)	(23,496)	-	(26,514)	(25,793)	2	-	(52,305)
Net increase (decrease) in cash and cash equivalents	(81,837)	(152,131)	-	(233,968)	(82,758)	(9)	-	(316,735)
Cash and cash equivalents at beginning of the period	467,099	306,959	-	774,058	239,360	8,791	-	1,022,209
Cash and cash equivalents at end of the period	\$ 385,262	\$ 154,828	\$ -	\$ 540,090	\$ 156,602	\$ 8,782	\$ -	\$ 705,474

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

Operating Income:	\$ 52,955	\$ 17,746	\$ -	\$ 70,701	\$ 33,202	\$ 661	\$ -	\$ 104,564
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
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
<b>Changes in noncash assets and noncash liabilities:</b>								
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	(28,833)	(217)	-	(29,050)	1,398	(10)	-	(27,662)
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)	(4)	-	(3,579)
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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**Electric System  
Schedules of Debt Service Coverage  
(in thousands - unaudited)**

	Quarter and Year-To-Date	
	2012	December 2011
<b>Revenues:</b>		
Electric	\$ 297,137	\$ 302,957
Investment income (1)	348	111
Earnings from The Energy Authority	706	634
Other, net (2)	7,782	9,763
Plus: amount paid from the rate stabilization fund into the revenue fund	1,040	8,932
Less: amount paid from the revenue fund into the rate stabilization fund	(6,052)	(16,229)
<b>Total revenues</b>	<b>300,961</b>	<b>306,168</b>
<b>Operating expenses (3):</b>		
Fuel	52,980	64,368
Purchased power (4)	94,139	95,229
Other operation and maintenance	41,583	39,468
State utility taxes and franchise fees	14,953	14,943
<b>Total expenses</b>	<b>203,655</b>	<b>214,008</b>
<b>Net revenues</b>	<b>\$ 97,306</b>	<b>\$ 92,160</b>
<b>Debt service:</b>	\$ 19,156	\$ 19,504
Less: investment income on sinking fund	(251)	(355)
Less: Build America Bonds subsidy	(407)	-
<b>Debt service requirement</b>	<b>\$ 18,498</b>	<b>\$ 19,149</b>
<b>Senior debt service coverage (5), (6)</b>	<b>5.26x</b>	<b>4.81x</b>
<b>Net revenues (from above):</b>	<b>\$ 97,306</b>	<b>\$ 92,160</b>
<b>Debt service requirement (from above):</b>	<b>\$ 18,498</b>	<b>\$ 19,149</b>
Plus: aggregate subordinated debt service on outstanding subordinated bonds	20,889	20,168
Less: Build America Bonds subsidy	(568)	-
<b>Total debt service requirement and aggregate subordinated debt service</b>	<b>\$ 38,819</b>	<b>\$ 39,317</b>
<b>Senior and subordinated debt service coverage (7), (8)</b>	<b>2.51x</b>	<b>2.34x</b>

(1) Excludes investment income on sinking funds.

(2) Effective May 30, 2012, the Electric System Resolution was amended to exclude from revenues the amount of cash subsidy received related to senior Build America Bonds. Effective November 6, 2012, the Electric System Resolution was amended to exclude from Revenues the subsidy received related to the subordinated Build America Bonds.

(3) Excludes depreciation.

(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 System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power System are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply Systems Resolutions.

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

(6) Effective May 30, 2012, the Electric System Resolution was amended to exclude from interest the amount of cash subsidy received related to senior Build America Bonds in the debt service requirement calculation. Had such Build America Bonds subsidy not been included in the current year-to-date calculation, senior debt service coverage would have been 5.20x.

(7) Net revenues divided by adjusted debt service requirement. Minimum annual coverage is 1.15x.

(8) Effective May 30, 2012, the Electric System Resolution was amended to exclude from interest the amount of cash subsidy received related to senior Build America Bonds in the debt service requirement calculation. Effective November 6, 2012, the Electric System Resolution was amended to exclude from interest the amount of cash subsidy received related to subordinated Build America Bonds in the debt service requirement calculation. Had such Build America Bonds subsidies not been included in the current year-to-date calculation, senior and subordinated debt service coverage would have been 2.47x.

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

	Quarter and Year-To-Date	
	2012	December 2011
<b>Revenues:</b>		
JEA	\$ 17,375	\$ 17,079
Investment income	4	22
Other, net	212	212
<b>Total revenues</b>	<b>17,591</b>	<b>17,313</b>
<b>Operating expenses (1):</b>		
Fuel	10,134	9,419
Other operations and maintenance	2,818	2,547
<b>Total operating expenses</b>	<b>12,952</b>	<b>11,966</b>
<b>Net revenues</b>	<b>\$ 4,639</b>	<b>\$ 5,347</b>
<b>Aggregate debt service</b>	<b>\$ 2,376</b>	<b>\$ 1,767</b>
<b>Debt service coverage (2), (3)</b>	<b>1.95x</b>	<b>3.03x</b>

(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	
	2012	2011
<b>Revenues:</b>		
JEA	\$ 63,036	\$ 62,823
FPL	39,166	39,901
Investment income	883	1,095
Total revenues	103,085	103,819
<b>Operating expenses (1):</b>		
Fuel	53,037	49,952
Other operations and maintenance	9,005	9,099
Total operating expenses	62,042	59,051
<b>Net revenues</b>	\$ 41,043	\$ 44,768
<b>Aggregate debt service</b>	\$ 35,500	\$ 35,814
<b>Debt service coverage (2)</b>	1.16x	1.25x

(1) Excludes depreciation.

(2) Net revenues divided by debt service requirement.

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

	Quarter and Year-To-Date	
	December	
	2012	2011
<b>Revenues:</b>		
JEA	\$ 7,015	\$ 6,727
Investment income	-	-
Other, net	110	110
Total revenues	7,125	6,837
<b>Operating expenses (1):</b>		
Fuel	-	-
Other operations and maintenance	-	-
Total operating expenses	-	-
<b>Net revenues</b>	\$ 7,125	\$ 6,837
<b>Aggregate debt service</b>	\$ 6,196	\$ 5,944
<b>Debt service coverage (2), (3)</b>	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.



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

	Quarter and Year-To-Date	
	2012	December 2011
<b>Revenues:</b>		
Water, net of allowances and discounts	\$ 38,962	\$ 40,048
Water capacity fees (1)	1,361	751
Sewer, net of allowances and discounts	55,335	54,729
Sewer capacity fees (1)	2,203	1,064
Investment income	445	693
Other (2)	2,091	2,700
Plus: amount paid from the rate stabilization fund into the revenue fund	5,291	5,002
Less: amounts paid from the revenue fund into the rate stabilization fund	(5,291)	(7,042)
<b>Total revenues</b>	<b>100,397</b>	<b>97,945</b>
<b>Operating &amp; maintenance expenses:</b>		
Operations and maintenance (3)	31,933	29,932
<b>Total operating expenses</b>	<b>31,933</b>	<b>29,932</b>
<b>Net revenues</b>	<b>\$ 68,464</b>	<b>\$ 68,013</b>
<b>Aggregate debt service:</b>	<b>\$ 26,811</b>	<b>\$ 28,210</b>
Less: Build America Bonds subsidy (5)	(671)	-
<b>Aggregate debt service:</b>	<b>\$ 26,140</b>	<b>\$ 28,210</b>
<b>Senior debt service coverage (4)</b>	<b>2.62x</b>	<b>2.41x</b>
<b>Net revenues (from above)</b>	<b>\$ 68,464</b>	<b>\$ 68,013</b>
<b>Debt service requirement (from above):</b>	<b>\$ 26,140</b>	<b>\$ 28,210</b>
Plus: aggregate subordinated debt service on outstanding subordinated debt	2,795	2,731
<b>Total aggregate debt service and aggregate subordinated debt service</b>	<b>\$ 28,935</b>	<b>\$ 30,941</b>
<b>Senior and subordinated debt service coverage (6), (7)</b>	<b>2.37x</b>	<b>2.20x</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 year-to-date periods ending December 2012 and 2011, then the debt service coverage would have been 2.24x and 2.14x.
- (2) Effective September, 2012, the Water and Sewer System Resolution was amended to exclude from revenues the subsidy received related to senior Build America Bonds.
- (3) Excludes depreciation.
- (4) Net revenues divided by aggregate debt service. Annual minimum coverage is 1.25X.
- (5) Effective September, 2012, the Water and Sewer System Resolution was amended to exclude from interest the amount of cash subsidy received related to senior Build America Bonds in the debt service requirement calculation. Had such Build America Bonds subsidy not been included in the current year-to-date calculation, senior debt service coverage would have been 2.58x.
- (6) 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 year-to-date periods ending December 2012 and 2011 was \$29,494 and \$31,487.
- (7) Effective September, 2012, the Water and Sewer System Resolution was amended to exclude from interest the amount of cash subsidy received related to senior Build America Bonds in the debt service requirement calculation. Had such Build America Bonds subsidy not been included in the current year-to-date calculation, senior and subordinated debt service coverage would have been 2.34x.

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

	Quarter and Year-To-Date	
	December	
	2012	2011
Electric revenue sales (000's omitted):		
Residential	\$ 131,144	\$ 126,836
Commercial and industrial	155,616	164,089
Public street lighting	3,736	3,814
Sales for resale - territorial	6,727	7,415
Electric revenues - territorial	297,223	302,154
Saleback to Florida Power & Light	39,166	39,902
Sales for resale - off system	371	1,263
Electric revenues	336,760	343,319
Less: allowance for doubtful accounts	(457)	(460)
Net electric revenues	336,303	342,859
kWh sales (000's omitted):		
Residential	1,064,937	991,504
Commercial and industrial	1,587,712	1,596,997
Public street lighting	30,569	30,306
Sales for resale - territorial	75,958	76,295
Total kWh sales - territorial	2,759,176	2,695,102
Saleback to Florida Power & Light	475,842	406,912
Sales for resale - off system	10,185	36,034
Total kWh sales	3,245,203	3,138,048
Average number of accounts:		
Residential	372,931	369,843
Commercial and industrial	47,439	46,979
Public street lighting	3,437	3,401
Sales for resale	3	3
Total average accounts	423,810	420,226
Residential averages:		
Revenue per account - \$	351.66	342.95
kWh per account	2,856	2,681
Revenue per kWh - ¢	12.31	12.79
Degree days:		
	December	
	2012	2011
Heating degree days	476	381
Cooling degree days	248	185
Total degree days	724	566
Degree days - 30 year average	775	

**Water and Sewer Enterprise Fund  
Operating Statistics**

	Quarter and Year-To-Date	
	December	
	2012	2011
Water		
Revenues (000's omitted):		
Residential	\$ 20,192	\$ 20,608
Commercial and industrial	10,473	10,974
Irrigation	8,385	8,558
Total water revenues	39,050	40,140
Less: allowance for doubtful accounts	(88)	(92)
Net water revenues	\$ 38,962	\$ 40,048
Water Sales (kgals*):		
Residential	3,844,115	3,965,327
Commercial and industrial	2,818,843	3,022,070
Irrigation	1,447,462	1,571,817
Total kgals sales	8,110,420	8,559,214
Number of accounts (1):		
Residential	251,510	248,982
Commercial and industrial	23,401	23,318
Irrigation	35,698	35,562
Total average accounts	310,610	307,862
Residential averages:		
Revenue per account - \$	80.28	82.77
kgals per account	15.28	15.93
Revenue per kgals - \$	5.25	5.20
Reuse		
Revenues (000's omitted):		
Reuse revenues	\$ 1,086	\$ 879
Reuse Sales (kgals*):		
Reuse sales (kgals*)	295,615	325,426
Number of accounts:		
Reuse accounts	2,760	1,990
Sewer		
Revenues (000's omitted):		
Residential	\$ 30,671	\$ 30,678
Commercial and industrial	23,711	23,310
Total sewer revenues	54,382	53,988
Less: allowance for doubtful accounts	(133)	(138)
Net sewer revenues	\$ 54,249	\$ 53,850
Sewer Sales (kgals*):		
Residential	3,290,142	3,391,384
Commercial and industrial	2,494,697	2,572,782
Total kgals sales	5,784,839	5,964,166
Number of accounts (1):		
Residential	219,698	217,044
Commercial and industrial	17,380	17,325
Total average accounts	237,078	234,369
Residential averages:		
Revenue per account - \$	139.61	141.34
kgals per account	14.98	15.63
Revenue per kgals - \$	9.32	9.05
*kgals = 1000 gallons		
Rainfall		
Normal	8.84	8.84
Actual	5.59	7.42