



Quarterly Analysis of
Financial Performance
December 2016



**Management's Discussion and Analysis of Financial Performance
for the Quarter Ended December 31, 2016**

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

Operating Revenues

Total Electric Enterprise operating revenues increased approximately \$16 million, or 5.4 percent, over the prior year comparable quarter. Revenues increased by \$40 million due to a reduction in fuel stabilization fund transfers, as a result of a prior year fuel credit not repeated in the current year, and a reduction in the fuel rate effective February 1, 2016. The increase was partially offset by a \$24 million decrease in sales. Territorial MWh sales were down 79,293 megawatt hours (MWh), or 2.8 percent, this quarter compared to the prior year comparable quarter. An additional decrease of 77,363 MWh in SJRPP sales to Florida Power and Light and an increase of 33,288 MWh in off-system sales brought the total decrease in MWh sales to 123,368 MWh, or 3.7 percent.

Total W&S operating revenues increased approximately \$9 million, or 9.5 percent, over the prior year comparable quarter. Water revenues increased approximately \$2 million, or 6.3 percent, primarily related to a 7.0 percent increase in sales and a 2.5 percent increase in water accounts. Water sales increased 599,610 thousands of gallons (kgals) to 9,119,592 kgals. Sewer revenues increased approximately \$6 million, or 11.3 percent, primarily related to a 4.5 percent increase in sales and a 2.6 percent increase in sewer accounts. Sewer sales increased 283,015 kgals to 6,522,841 kgals. Reuse revenues increased approximately \$1 million, or 45.9 percent, primarily related to a 60.0 percent increase in sales and a 27.2 percent increase in reuse accounts. Reuse sales increased 294,078 kgals to 784,051 kgals.

DES operating revenues remained flat when compared to prior year quarter at \$2 million.

Operating Expenses

Total Electric Enterprise operating expenses increased approximately \$11 million, or 4.9 percent, over the prior year comparable quarter. The increase was mainly due to an increase in fuel and purchased power expense.

Fuel and purchased power expense increased \$11 million over the prior year comparable quarter. The increase was attributable to a \$14 million increase in cost, partially offset by a \$3 million decrease in MWh generated and purchased. The increase in cost was due to higher solid fuels and natural gas prices. As commodity prices have fluctuated over these periods, the mix between generation and purchased power has shifted as JEA has taken advantage of the most economical source of power. Total MWh volumes decreased 3.0 percent over the prior year comparable quarter to 2,816,630 MWh. JEA's power supply mix is detailed below.

	Quarter Ended December 31	
	FY 2017	FY 2016
Coal	46.3%	44.2%
Natural gas	36.4%	38.0%
Petroleum coke	7.4%	9.8%
Other purchases	9.9%	8.0%
Total	100.0%	100.0%

Electric Enterprise operations and maintenance expenses, other than fuel and purchased power, decreased approximately \$1 million due to a decrease in maintenance expense at the generating facilities. Gross receipts and franchise fee taxes increased \$1 million due to the increase in revenues discussed above.

W&S operating expenses increased \$6 million, or 8.5 percent, over the prior year comparable quarter, due to a \$3 million increase in amortization of deferred costs and revenues, a \$2 million increase in depreciation, and a \$1 million increase in interfund utility expenses.

DES operating expenses remained flat when compared to prior year quarter at \$2 million, respectively.

Nonoperating Expenses, Net

There was an increase of approximately \$4 million, or 10.7 percent, in total nonoperating expenses, net over the prior year comparable quarter. The drivers are detailed below.

Changes in nonoperating expenses, net	
Investment income - fair market value losses	\$ 6
Other nonoperating income - timber	1
Interest on debt	(1)
Allowance for funds used during construction	(1)
Earnings from The Energy Authority	(1)
Total change in nonoperating expenses, net	\$ 4

Debt Administration

Debt outstanding at December 31, 2016, was \$4,470 million, a decrease of approximately \$182 million from the prior fiscal year.

The ratings for all JEA bonds, as detailed below, remained the same through December 31, 2016.

	<u>Fitch</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
JEA Electric System			
Senior	AA	Aa2	AA-
Subordinated	AA	Aa3	A+
SJRPP	AA	Aa2	AA-
Scherer	AA	Aa2	AA-
W&S			
Senior	AA	Aa2	AAA
Subordinated	AA	Aa2	AA+
DES	AA	Aa3	AA+

At the end of the quarter, there were \$3 million in outstanding bank draws under the revolving credit facility.

The JEA Electric System senior debt service coverage ratio was 6.71x and 5.74x for the quarter ended December 31, 2016 and 2015, respectively. The debt service coverage ratio for the JEA Electric System's combined senior and subordinated debt was 2.78x and 2.52x for the quarter ended December 31, 2016 and 2015, respectively. The change in the coverage amounts was due to increased net revenues and decreased debt service requirements.

The W&S senior debt service coverage ratio was 3.28x and 3.41x for the quarter ended December 31, 2016 and 2015, respectively. The debt service coverage ratio for W&S combined senior and subordinated debt was 2.77x and 2.97x for the quarter ended December 31, 2016 and 2015, respectively. The decreases were due to increased net revenues and increased debt service requirements.

Capital Assets

JEA's investment in capital assets was \$5,830 million (net of accumulated depreciation). This included \$3,242 million in Electric Enterprise assets, \$2,552 million in W&S assets, and \$36 million in DES assets. This quarter's capital expenditures were \$79 million, made up primarily of approximately \$36 million in Electric Enterprise and \$43 million in W&S. The cost of the capital improvement program is planned to be provided from revenues generated from operations and existing fund balances.

Hurricane Matthew

Hurricane Matthew, a Category 2 storm which tracked parallel along the coast of Florida on October 7, 2016, caused extensive damage within the JEA service territory. Damage to JEA property was primarily to the transmission and distribution systems. It is estimated that total costs related to Hurricane Matthew will be approximately \$17 million. JEA intends to seek recovery of its hurricane costs through the Federal Emergency Management Agency (FEMA) for those costs not covered by insurance, with the remaining being funded from JEA's self-insurance fund.

A handwritten signature in cursive script that reads "Paul E. McElroy". The signature is written in black ink and is positioned above a horizontal line.

Paul McElroy, Managing Director

JEA
Statements of Net Position
(in thousands - unaudited)

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	December	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 344,698	\$ 212,017
Investments	240,308	285,880
Accounts and interest receivable, less allowance for doubtful accounts of \$525 and \$4,656, respectively	183,370	195,122
Inventories:		
Fuel	56,914	73,654
Materials and supplies	71,372	65,810
Total current assets	<u>896,662</u>	<u>832,483</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	71,369	54,825
Investments	819,192	758,626
Accounts and interest receivable	2,874	4,401
Total restricted assets	<u>893,435</u>	<u>817,852</u>
Costs to be recovered from future revenues	461,165	458,799
Investment in The Energy Authority	6,365	6,713
Other assets	20,729	19,747
Total noncurrent assets	<u>1,381,694</u>	<u>1,303,111</u>
Capital assets:		
Land and easements	190,660	164,063
Plant in service	10,844,197	10,721,223
Less accumulated depreciation	<u>(5,514,441)</u>	<u>(5,169,736)</u>
Plant in service, net	5,520,416	5,715,550
Construction work in progress	310,072	185,058
Net capital assets	<u>5,830,488</u>	<u>5,900,608</u>
Total assets	<u>8,108,844</u>	<u>8,036,202</u>
Deferred outflows of resources		
Unamortized deferred losses on refundings	138,620	151,281
Accumulated decrease in fair value of hedging derivatives	125,151	146,979
Unrealized pension contributions and losses	137,010	83,970
Total deferred outflows of resources	<u>400,781</u>	<u>382,230</u>
Total assets and deferred outflows of resources	<u>\$ 8,509,625</u>	<u>\$ 8,418,432</u>
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 97,458	\$ 89,373
Customer deposits	55,894	55,680
Total current liabilities	<u>153,352</u>	<u>145,053</u>
Current liabilities payable from restricted assets:		
Debt due within one year	189,150	181,525
Renewal and replacement reserve	81,711	81,738
Interest payable	42,615	44,177
Construction contracts and accounts payable	13,007	8,204
Total current liabilities payable from restricted assets	<u>326,483</u>	<u>315,644</u>
Noncurrent liabilities:		
Net pension liability	493,346	408,629
Other liabilities	44,402	50,685
Total other noncurrent liabilities	<u>537,748</u>	<u>459,314</u>
Long-term debt:		
Bonds payable and commercial paper payable, less current portion	4,281,045	4,470,195
Unamortized premium, net	131,822	162,641
Fair value of debt management strategy instruments	125,149	141,958
Total long-term debt	<u>4,538,016</u>	<u>4,774,794</u>
Total liabilities	<u>5,555,599</u>	<u>5,694,805</u>
Deferred inflows of resources		
Revenues to be used for future costs	523,004	489,456
Unrealized pension gains	12,683	29,795
Total deferred inflows of resources	<u>535,687</u>	<u>519,251</u>
Net position		
Net investment in capital assets	1,600,137	1,464,651
Restricted	474,423	398,442
Unrestricted	343,779	341,283
Total net position	<u>2,418,339</u>	<u>2,204,376</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,509,625</u>	<u>\$ 8,418,432</u>

Statements of Revenues, Expenses and Changes in Net Position

(in thousands - unaudited)

	Quarter and Year-to-Date	
	December	
	2016	2015
Operating revenues		
Electric	\$ 306,522	\$ 291,362
Water and sewer	104,818	95,184
District energy system	2,213	2,137
Other	8,452	8,494
Total operating revenues	422,005	397,177
Operating expenses		
Operations and maintenance:		
Fuel	102,103	95,637
Purchased power	14,751	10,112
Maintenance and other operating expenses	86,133	86,594
Depreciation	93,687	91,932
State utility and franchise taxes	16,616	14,985
Recognition of deferred costs and revenues, net	(1,487)	(3,632)
Total operating expenses	311,803	295,628
Operating income	110,202	101,549
Nonoperating expenses, net		
Interest on debt	(45,353)	(45,871)
Investment income	(4,788)	1,079
Other nonoperating income, net	1,484	2,616
Allowance for funds used during construction	2,937	2,138
Earnings from The Energy Authority	1,482	133
Other interest, net	(178)	(214)
Total nonoperating expenses, net	(44,416)	(40,119)
Income before contributions and special item	65,786	61,430
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(28,956)	(28,547)
Developers and other	15,589	13,054
Reduction of plant cost through contributions	(11,005)	(8,470)
Total contributions	(24,372)	(23,963)
Change in net position	41,414	37,467
Net position, beginning of year (restated)	2,376,925	2,166,909
Net position, end of period	\$ 2,418,339	\$ 2,204,376

Statements of Cash Flows
(in thousands - unaudited)

	Quarter and Year-to-Date	
	December	
	2016	2015
Operating activities		
Receipts from customers	\$ 480,146	\$ 436,580
Payments to suppliers	(192,836)	(197,832)
Payments to employees	(64,706)	(62,378)
Other receipts	8,768	10,816
Net cash provided by operating activities	231,372	187,186
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(28,786)	(28,328)
Build America Bonds subsidies	1	-
Payment from the City of Jacksonville, Florida	(13)	(21)
Other nonoperating activities	(283)	-
Net cash used in noncapital and related financing activities	(29,081)	(28,349)
Capital and related financing activities		
Acquisition and construction of capital assets	(78,803)	(63,107)
Repayment of debt principal	(181,525)	(187,500)
Interest paid on debt	(91,815)	(93,787)
Developer and other contributions	4,584	4,583
Proceeds from issuance of debt, net	-	3,000
Proceeds from disposal of assets	42	157
Other financing activities	-	(17)
Net cash used in capital and related financing activities	(347,517)	(336,671)
Investing activities		
Purchase of investments	(436,627)	(557,330)
Proceeds from sale and maturity of investments	396,703	362,063
Investment income	3,035	2,957
Distributions from The Energy Authority	1,259	912
Net cash used in investing activities	(35,630)	(191,398)
Net increase (decrease) in cash and cash equivalents	(180,856)	(369,232)
Cash and cash equivalents at beginning of year	596,923	636,074
Cash and cash equivalents at end of period	\$ 416,067	\$ 266,842
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 110,202	\$ 101,549
Adjustments:		
Depreciation and amortization	94,034	92,296
Recognition of deferred costs and revenues, net	(1,487)	(3,632)
Gain on sale of noncore assets	-	830
Changes in noncash assets and noncash liabilities:		
Accounts receivable	57,489	56,501
Accounts receivable, restricted	316	1,493
Inventories	(10,480)	(9,889)
Other assets	(3,498)	(2,145)
Accounts and accrued expenses payable	(12,283)	(28,758)
Liabilities payable from restricted assets	(5,480)	(6,976)
Deferred credits and other liabilities	2,559	(14,083)
Net cash provided by operating activities	\$ 231,372	\$ 187,186
Noncash activity		
Contribution of capital assets from developers	\$ 11,005	\$ 8,470
Unrealized gains (losses) on fair value of investments, net	\$ (8,113)	\$ (2,125)

Combining Statement of Net Position
(in thousands - unaudited) December 31, 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 232,515	\$ 32,319	\$ -	\$ 264,834	\$ 75,390	\$ 4,474	\$ 344,698
Investments	230,125	10,183	-	240,308	-	-	240,308
Accounts and interest receivable, less allowance for doubtful accounts of \$525	147,334	16,590	(17,847)	146,077	37,229	64	183,370
Inventories:							
Fuel	35,516	21,398	-	56,914	-	-	56,914
Materials and supplies	2,136	21,174	-	23,310	48,062	-	71,372
Total current assets	647,626	101,664	(17,847)	731,443	160,681	4,538	896,662
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	37,773	-	37,773	31,117	2,479	71,369
Investments	313,473	212,194	-	525,667	293,525	-	819,192
Accounts and interest receivable	1,164	574	-	1,738	1,136	-	2,874
Total restricted assets	314,637	250,541	-	565,178	325,778	2,479	893,435
Costs to be recovered from future revenues	240,224	6,939	-	247,163	214,002	-	461,165
Investment in The Energy Authority	6,365	-	-	6,365	-	-	6,365
Other assets	13,239	-	-	13,239	7,480	10	20,729
Total noncurrent assets	574,465	257,480	-	831,945	547,260	2,489	1,381,694
Capital assets:							
Land and easements	121,235	6,660	-	127,895	59,714	3,051	190,660
Plant in service	5,162,457	1,343,592	-	6,506,049	4,282,820	55,328	10,844,197
Less accumulated depreciation	(2,732,695)	(850,138)	-	(3,582,833)	(1,909,211)	(22,397)	(5,514,441)
Plant in service, net	2,550,997	500,114	-	3,051,111	2,433,323	35,982	5,520,416
Construction work in progress	180,342	10,552	-	190,894	119,150	28	310,072
Net capital assets	2,731,339	510,666	-	3,242,005	2,552,473	36,010	5,830,488
Total assets	3,953,430	869,810	(17,847)	4,805,393	3,260,414	43,037	8,108,844
Deferred outflows of resources							
Unamortized deferred losses on refundings	78,437	14,221	-	92,658	45,753	209	138,620
Accumulated decrease in fair value of hedging derivatives	102,075	-	-	102,075	23,076	-	125,151
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Total deferred outflows of resources	258,185	25,952	-	284,137	116,435	209	400,781
Total assets and deferred outflows of resources	\$ 4,211,615	\$ 895,762	\$ (17,847)	\$ 5,089,530	\$ 3,376,849	\$ 43,246	\$ 8,509,625

Combining Statement of Net Position
(in thousands - unaudited) December 31, 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 68,924	\$ 17,403	\$ (3,274)	\$ 83,053	\$ 14,365	\$ 40	\$ 97,458
Customer deposits	41,983	-	-	41,983	13,911	-	55,894
Total current liabilities	110,907	17,403	(3,274)	125,036	28,276	40	153,352
Current liabilities payable from restricted assets:							
Debt due within one year	95,160	41,330	-	136,490	51,020	1,640	189,150
Renewal and replacement reserve	-	81,711	-	81,711	-	-	81,711
Interest payable	21,502	4,786	-	26,288	15,981	346	42,615
Construction contracts and accounts payable	3,945	15,287	(14,573)	4,659	8,334	14	13,007
Total current liabilities payable from restricted assets	120,607	143,114	(14,573)	249,148	75,335	2,000	326,483
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Other liabilities	35,146	1,723	-	36,869	7,514	19	44,402
Total other noncurrent liabilities	332,965	14,716	-	347,681	190,048	19	537,748
Long-term debt:							
Bonds payable, less current portion	2,274,055	408,885	-	2,682,940	1,561,620	36,485	4,281,045
Unamortized premium, net	64,697	15,427	-	80,124	51,740	(42)	131,822
Fair value of debt management strategy instruments	102,073	-	-	102,073	23,076	-	125,149
Total long-term debt	2,440,825	424,312	-	2,865,137	1,636,436	36,443	4,538,016
Total liabilities	3,005,304	599,545	(17,847)	3,587,002	1,930,095	38,502	5,555,599
Deferred inflows of resources							
Revenues to be used for future costs	343,105	156,637	-	499,742	23,262	-	523,004
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	349,650	158,763	-	508,413	27,274	-	535,687
Net position							
Net investment in capital assets	406,537	33,352	-	439,889	1,162,125	(1,877)	1,600,137
Restricted	227,703	21,564	14,573	263,840	208,450	2,133	474,423
Unrestricted	222,421	82,538	(14,573)	290,386	48,905	4,488	343,779
Total net position	856,661	137,454	-	994,115	1,419,480	4,744	2,418,339
Total liabilities, deferred inflows of resources, and net position	\$ 4,211,615	\$ 895,762	\$ (17,847)	\$ 5,089,530	\$ 3,376,849	\$ 43,246	\$ 8,509,625

Combining Statement of Net Position
(in thousands - unaudited) December 31, 2015

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 137,622	\$ 24,945	\$ -	\$ 162,567	\$ 45,351	\$ 4,099	\$ 212,017
Investments	254,754	14,410	-	269,164	16,716	-	285,880
Accounts and interest receivable, less allowance for doubtful accounts of \$4,656	156,604	14,696	(12,107)	159,193	35,447	482	195,122
Inventories:							
Fuel	42,569	31,085	-	73,654	-	-	73,654
Materials and supplies	2,118	20,146	-	22,264	43,546	-	65,810
Total current assets	593,667	105,282	(12,107)	686,842	141,060	4,581	832,483
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	139	50,654	-	50,793	734	3,298	54,825
Investments	266,098	195,072	-	461,170	297,456	-	758,626
Accounts and interest receivable	1,214	736	-	1,950	2,451	-	4,401
Total restricted assets	267,451	246,462	-	513,913	300,641	3,298	817,852
Cost to be recovered from future revenues	229,118	7,015	-	236,133	222,666	-	458,799
Investment in The Energy Authority	6,713	-	-	6,713	-	-	6,713
Other assets	10,153	-	-	10,153	9,594	-	19,747
Total noncurrent assets	513,435	253,477	-	766,912	532,901	3,298	1,303,111
Capital assets:							
Land and easements	95,177	6,660	-	101,837	59,175	3,051	164,063
Plant in service	5,132,085	1,360,359	-	6,492,444	4,175,162	53,617	10,721,223
Less accumulated depreciation	(2,545,797)	(821,773)	-	(3,367,570)	(1,782,070)	(20,096)	(5,169,736)
Plant in service, net	2,681,465	545,246	-	3,226,711	2,452,267	36,572	5,715,550
Construction work in progress	79,156	14,635	-	93,791	91,267	-	185,058
Net capital assets	2,760,621	559,881	-	3,320,502	2,543,534	36,572	5,900,608
Total assets	3,867,723	918,640	(12,107)	4,774,256	3,217,495	44,451	8,036,202
Deferred outflows of resources							
Unamortized deferred losses on refundings	83,930	18,798	-	102,728	48,336	217	151,281
Accumulated decrease in fair value of hedging derivatives	120,013	-	-	120,013	26,966	-	146,979
Unrealized pension contributions and losses	48,712	4,115	-	52,827	31,143	-	83,970
Total deferred outflows of resources	252,655	22,913	-	275,568	106,445	217	382,230
Total assets and deferred outflows of resources	\$ 4,120,378	\$ 941,553	\$ (12,107)	\$ 5,049,824	\$ 3,323,940	\$ 44,668	\$ 8,418,432

**Combining Statement of Net Position
(in thousands - unaudited) December 31, 2015**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 64,839	\$ 12,560	\$ (260)	\$ 77,139	\$ 12,211	\$ 23	\$ 89,373
Customer deposits	41,887	-	-	41,887	13,793	-	55,680
Total current liabilities	106,726	12,560	(260)	119,026	26,004	23	145,053
Current liabilities payable from restricted assets:							
Debt due within one year	102,240	43,785	-	146,025	33,875	1,625	181,525
Renewal and replacement reserve	-	81,738	-	81,738	-	-	81,738
Interest payable	22,363	5,329	-	27,692	16,136	349	44,177
Construction contracts and accounts payable	2,285	14,030	(11,847)	4,468	3,729	7	8,204
Total current liabilities payable from restricted assets	126,888	144,882	(11,847)	259,923	53,740	1,981	315,644
Noncurrent liabilities:							
Net pension liability	246,724	4,163	-	250,887	157,742	-	408,629
Other liabilities	39,669	1,038	-	40,707	9,925	53	50,685
Total noncurrent liabilities	286,393	5,201	-	291,594	167,667	53	459,314
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,369,215	450,215	-	2,819,430	1,612,640	38,125	4,470,195
Unamortized premium (discount), net	80,177	22,426	-	102,603	60,085	(47)	162,641
Fair value of debt management strategy instruments	114,992	-	-	114,992	26,966	-	141,958
Total long-term debt	2,564,384	472,641	-	3,037,025	1,699,691	38,078	4,774,794
Total liabilities	3,084,391	635,284	(12,107)	3,707,568	1,947,102	40,135	5,694,805
Deferred inflows of resources							
Revenues to be used for future costs	295,742	168,486	-	464,228	25,228	-	489,456
Unrealized pension gains	16,446	2,835	-	19,281	10,514	-	29,795
Total deferred inflows of resources	312,188	171,321	-	483,509	35,742	-	519,251
Net position							
Net investment in capital assets	322,828	22,430	-	345,258	1,122,314	(2,921)	1,464,651
Restricted	179,655	20,833	11,847	212,335	183,158	2,949	398,442
Unrestricted	221,316	91,685	(11,847)	301,154	35,624	4,505	341,283
Total net position	723,799	134,948	-	858,747	1,341,096	4,533	2,204,376
Total liabilities, deferred inflows of resources, and net position	\$ 4,120,378	\$ 941,553	\$ (12,107)	\$ 5,049,824	\$ 3,323,940	\$ 44,668	\$ 8,418,432

Combining Statement of Revenue, Expenses and Changes in Net Position
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric	\$ 280,483	\$ 62,942	\$ (32,805)	\$ 310,620	\$ -	\$ -	\$ (4,098)	\$ 306,522
Water and sewer	-	-	-	-	104,929	-	(111)	104,818
District energy system	-	-	-	-	-	2,213	-	2,213
Other	6,730	-	-	6,730	2,293	-	(571)	8,452
Total operating revenues	287,213	62,942	(32,805)	317,350	107,222	2,213	(4,780)	422,005
Operating expenses								
Operations and maintenance:								
Fuel	63,199	38,904	-	102,103	-	-	-	102,103
Purchased power	47,556	-	(32,805)	14,751	-	-	-	14,751
Maintenance and other operating expenses	47,545	9,876	-	57,421	32,374	1,118	(4,780)	86,133
Depreciation	47,457	10,689	-	58,146	34,960	581	-	93,687
State utility and franchise taxes	14,058	-	-	14,058	2,558	-	-	16,616
Recognition of deferred costs and revenues, net	(836)	(3,012)	-	(3,848)	2,361	-	-	(1,487)
Total operating expenses	218,979	56,457	(32,805)	242,631	72,253	1,699	(4,780)	311,803
Operating income	68,234	6,485	-	74,719	34,969	514	-	110,202
Nonoperating expenses, net								
Interest on debt	(23,262)	(6,024)	-	(29,286)	(15,718)	(349)	-	(45,353)
Investment income	(1,800)	(1,906)	-	(3,706)	(1,088)	6	-	(4,788)
Other nonoperating income, net	1,044	97	-	1,141	343	-	-	1,484
Allowance for funds used during construction	1,675	-	-	1,675	1,257	5	-	2,937
Earnings from The Energy Authority	1,482	-	-	1,482	-	-	-	1,482
Other interest, net	(152)	-	-	(152)	(26)	-	-	(178)
Total nonoperating expenses, net	(21,013)	(7,833)	-	(28,846)	(15,232)	(338)	-	(44,416)
Income before contributions	47,221	(1,348)	-	45,873	19,737	176	-	65,786
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(23,068)	-	-	(23,068)	(5,888)	-	-	(28,956)
Developers and other	410	-	-	410	15,179	-	-	15,589
Reduction of plant cost through contributions	(410)	-	-	(410)	(10,595)	-	-	(11,005)
Total contributions	(23,068)	-	-	(23,068)	(1,304)	-	-	(24,372)
Change in net position	24,153	(1,348)	-	22,805	18,433	176	-	41,414
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 856,661	\$ 137,454	\$ -	\$ 994,115	\$ 1,419,480	\$ 4,744	\$ -	\$ 2,418,339

Combining Statement of Revenue, Expenses and Changes in Net Position
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2015

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric	\$ 261,874	\$ 63,204	\$ (30,461)	\$ 294,617	\$ -	\$ -	\$ (3,255)	\$ 291,362
Water and sewer	-	-	-	-	95,326	-	(142)	95,184
District energy system	-	-	-	-	-	2,137	-	2,137
Other	6,423	-	-	6,423	2,612	-	(541)	8,494
Total operating revenues	268,297	63,204	(30,461)	301,040	97,938	2,137	(3,938)	397,177
Operating expenses								
Operations and maintenance:								
Fuel	56,870	38,767	-	95,637	-	-	-	95,637
Purchased power	40,573	-	(30,461)	10,112	-	-	-	10,112
Maintenance and other operating expenses	49,038	9,240	-	58,278	31,245	1,009	(3,938)	86,594
Depreciation	47,736	10,689	-	58,425	32,935	572	-	91,932
State utility and franchise taxes	12,481	-	-	12,481	2,504	-	-	14,985
Recognition of deferred costs and revenues, net	(654)	(2,909)	-	(3,563)	(69)	-	-	(3,632)
Total operating expenses	206,044	55,787	(30,461)	231,370	66,615	1,581	(3,938)	295,628
Operating income	62,253	7,417	-	69,670	31,323	556	-	101,549
Nonoperating expenses, net								
Interest on debt	(23,297)	(6,634)	-	(29,931)	(15,587)	(353)	-	(45,871)
Investment income	397	67	-	464	609	6	-	1,079
Other nonoperating income, net	1,057	103	-	1,160	1,456	-	-	2,616
Allowance for funds used during construction	1,120	-	-	1,120	1,011	7	-	2,138
Earnings from The Energy Authority	133	-	-	133	-	-	-	133
Other interest, net	(169)	-	-	(169)	(45)	-	-	(214)
Total nonoperating expenses, net	(20,759)	(6,464)	-	(27,223)	(12,556)	(340)	-	(40,119)
Income before contributions and special item	41,494	953	-	42,447	18,767	216	-	61,430
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(22,930)	-	-	(22,930)	(5,617)	-	-	(28,547)
Developers and other	-	-	-	-	13,054	-	-	13,054
Reduction of plant cost through contributions	-	-	-	-	(8,470)	-	-	(8,470)
Total contributions	(22,930)	-	-	(22,930)	(1,033)	-	-	(23,963)
Change in net position	18,564	953	-	19,517	17,734	216	-	37,467
Net position, beginning of year	705,235	133,995	-	839,230	1,323,362	4,317	-	2,166,909
Net position, end of period	\$ 723,799	\$ 134,948	\$ -	\$ 858,747	\$ 1,341,096	\$ 4,533	\$ -	\$ 2,204,376

Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	\$ 331,600	\$ 64,028	\$ (27,068)	\$ 368,560	\$ 113,505	\$ 2,290	\$ (4,209)	\$ 480,146
Payments to suppliers	(147,167)	(50,338)	27,068	(170,437)	(26,070)	(1,109)	4,780	(192,836)
Payments to employees	(40,420)	(8,069)	-	(48,489)	(16,061)	(156)	-	(64,706)
Other receipts	7,334	-	-	7,334	2,005	-	(571)	8,768
Net cash provided by (used in) operating activities	151,347	5,621	-	156,968	73,379	1,025	-	231,372
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(23,022)	-	-	(23,022)	(5,764)	-	-	(28,786)
Build America Bonds subsidies	1	-	-	1	-	-	-	1
Payment from City of Jacksonville, Florida	(13)	-	-	(13)	-	-	-	(13)
Other nonoperating activities	(1)	-	-	(1)	(282)	-	-	(283)
Net cash used in noncapital and related financing activities	(23,035)	-	-	(23,035)	(6,046)	-	-	(29,081)
Capital and related financing activities								
Acquisition and construction of capital assets	(35,308)	-	-	(35,308)	(43,200)	(295)	-	(78,803)
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Interest paid on debt	(47,274)	(10,656)	-	(57,930)	(33,186)	(699)	-	(91,815)
Developer and other contributions	-	-	-	-	4,584	-	-	4,584
Proceeds from disposal of assets	41	-	-	41	1	-	-	42
Net cash used in capital and related financing activities	(184,781)	(54,441)	-	(239,222)	(105,676)	(2,619)	-	(347,517)
Investing activities								
Purchase of investments	(135,898)	(163,213)	-	(299,111)	(137,516)	-	-	(436,627)
Proceeds from sale and maturity of investments	127,232	151,112	-	278,344	118,359	-	-	396,703
Investment income	1,168	992	-	2,160	869	6	-	3,035
Distributions from The Energy Authority	1,259	-	-	1,259	-	-	-	1,259
Net cash provided by (used in) investing activities	(6,239)	(11,109)	-	(17,348)	(18,288)	6	-	(35,630)
Net change in cash and cash equivalents	(62,708)	(59,929)	-	(122,637)	(56,631)	(1,588)	-	(180,856)
Cash and cash equivalents at beginning of year	295,223	130,021	-	425,244	163,138	8,541	-	596,923
Cash and cash equivalents at end of period	\$ 232,515	\$ 70,092	\$ -	\$ 302,607	\$ 106,507	\$ 6,953	\$ -	\$ 416,067
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 68,234	\$ 6,485	-	\$ 74,719	\$ 34,969	\$ 514	\$ -	\$ 110,202
Adjustments:								
Depreciation and amortization	47,457	10,689	-	58,146	35,307	581	-	94,034
Recognition of deferred costs and revenues, net	(836)	(3,012)	-	(3,848)	2,361	-	-	(1,487)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	53,559	1,184	-	54,743	2,669	77	-	57,489
Accounts receivable, restricted	604	-	-	604	(288)	-	-	316
Inventories	950	(8,197)	-	(7,247)	(3,233)	-	-	(10,480)
Other assets	(3,094)	-	-	(3,094)	(394)	(10)	-	(3,498)
Accounts and accrued expenses payable	(12,115)	3,350	-	(8,765)	(3,401)	(117)	-	(12,283)
Current liabilities payable from restricted liabilities	-	(5,480)	-	(5,480)	-	-	-	(5,480)
Other noncurrent liabilities and deferred inflows	(3,412)	602	-	(2,810)	5,389	(20)	-	2,559
Net cash provided by (used in) operating activities	\$ 151,347	\$ 5,621	\$ -	\$ 156,968	\$ 73,379	\$ 1,025	\$ -	\$ 231,372
Non-cash activity								
Contribution of capital assets from developers	\$ 410	\$ -	\$ -	\$ 410	\$ 10,595	\$ -	\$ -	\$ 11,005
Unrealized gains (losses) on fair value of investments, net	\$ (3,135)	\$ (2,765)	\$ -	\$ (5,900)	\$ (2,213)	\$ -	\$ -	\$ (8,113)

Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2015

	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 activities								
Receipts from customers	\$ 291,566	\$ 69,096	\$ (25,206)	\$ 335,456	\$ 101,902	\$ 2,619	\$ (3,397)	\$ 436,580
Payments to suppliers	(143,347)	(62,140)	25,206	(180,281)	(20,603)	(886)	3,938	(197,832)
Payments to employees	(40,638)	(7,018)	-	(47,656)	(14,587)	(135)	-	(62,378)
Other receipts	7,955	-	-	7,955	3,402	-	(541)	10,816
Net cash provided by operating activities	115,536	(62)	-	115,474	70,114	1,598	-	187,186
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(22,796)	-	-	(22,796)	(5,532)	-	-	(28,328)
Payment from the City of Jacksonville, Florida	(21)	-	-	(21)	-	-	-	(21)
Net cash used in noncapital and related financing activities	(22,817)	-	-	(22,817)	(5,532)	-	-	(28,349)
Capital and related financing activities								
Acquisition and construction of capital assets	(35,168)	-	-	(35,168)	(27,773)	(166)	-	(63,107)
Repayment of debt principal	(98,765)	(50,945)	-	(149,710)	(36,180)	(1,610)	-	(187,500)
Interest paid on debt	(48,309)	(11,438)	-	(59,747)	(33,335)	(705)	-	(93,787)
Developer and other contributions	-	-	-	-	4,583	-	-	4,583
Proceeds from issuance of debt, net	-	-	-	-	3,000	-	-	3,000
Proceeds from disposal of assets	109	-	-	109	48	-	-	157
Other financing activities	(17)	-	-	(17)	-	-	-	(17)
Net cash used in capital and related financing activities	(182,150)	(62,383)	-	(244,533)	(89,657)	(2,481)	-	(336,671)
Investing activities								
Purchase of investments	(311,273)	(103,529)	-	(414,802)	(142,528)	-	-	(557,330)
Proceeds from sale and maturity of investments	220,283	100,446	-	320,729	41,334	-	-	362,063
Investment income	1,191	1,209	-	2,400	551	6	-	2,957
Distributions from The Energy Authority	912	-	-	912	-	-	-	912
Net cash provided by (used in) investing activities	(88,887)	(1,874)	-	(90,761)	(100,643)	6	-	(191,398)
Net change in cash and cash equivalents	(178,318)	(64,319)	-	(242,637)	(125,718)	(877)	-	(369,232)
Cash and cash equivalents at beginning of year	316,079	139,918	-	455,997	171,803	8,274	-	636,074
Cash and cash equivalents at end of period	\$ 137,761	\$ 75,599	\$ -	\$ 213,360	\$ 46,085	\$ 7,397	\$ -	\$ 266,842
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 62,253	\$ 7,417	\$ -	\$ 69,670	\$ 31,323	\$ 556	\$ -	\$ 101,549
Adjustments:								
Depreciation and amortization	47,736	10,689	-	58,425	33,299	572	-	92,296
Recognition of deferred costs and revenues, net	(654)	(2,909)	-	(3,563)	(69)	-	-	(3,632)
Gain on sale of noncore assets	-	-	-	-	830	-	-	830
Changes in noncash assets and noncash liabilities:								
Accounts receivable	48,937	5,995	-	54,932	1,086	483	-	56,501
Accounts receivable, restricted	1,533	-	-	1,533	(40)	-	-	1,493
Inventories	(6,283)	(2,826)	-	(9,109)	(780)	-	-	(9,889)
Other assets	(1,760)	-	-	(1,760)	(385)	-	-	(2,145)
Accounts and accrued expenses payable	(16,686)	(11,161)	-	(27,847)	(902)	(9)	-	(28,758)
Current liabilities payable from restricted liabilities	-	(6,976)	-	(6,976)	-	-	-	(6,976)
Other noncurrent liabilities and deferred inflows	(19,540)	(291)	-	(19,831)	5,752	(4)	-	(14,083)
Net cash provided by (used in) operating activities	\$ 115,536	\$ (62)	\$ -	\$ 115,474	\$ 70,114	\$ 1,598	\$ -	\$ 187,186
Non-cash activity								
Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ 8,470	\$ -	\$ -	\$ 8,470
Unrealized gains (losses) on fair value of investments, net	\$ (1,068)	\$ (907)	\$ -	\$ (1,975)	\$ (150)	\$ -	\$ -	\$ (2,125)

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

	Quarter and Year-to-Date December	
	2016	2015
Revenues:		
Electric	\$ 278,041	\$ 242,628
Investment income (1)	986	1,085
Earnings from The Energy Authority	1,482	133
Other, net (2)	6,703	6,395
Plus: amount paid from the rate stabilization fund into the revenue fund	2,805	57,772
Less: amount paid from the revenue fund into the rate stabilization fund	(363)	(38,526)
Total revenues	289,654	269,487
Operating expenses (3):		
Fuel	53,733	49,809
Purchased power (4)	62,705	55,882
Other operation and maintenance	44,286	43,540
State utility taxes and franchise fees	13,879	12,236
Total expenses	174,603	161,467
Net revenues	\$ 115,051	\$ 108,020
Debt service:	\$ 17,884	\$ 19,584
Less: investment income on sinking fund	(349)	(380)
Less: Build America Bonds subsidy	(379)	(379)
Debt service requirement	\$ 17,156	\$ 18,825
Senior debt service coverage (5) (min 1.20x)	6.71 x	5.74 x
Net revenues (from above):	\$ 115,051	\$ 108,020
Debt service requirement (from above):	17,156	18,825
Plus: aggregate subordinated debt service on outstanding subordinated bonds	24,687	24,532
Less: Build America Bonds subsidy	(517)	(521)
Total debt service requirement and aggregate subordinated debt service	41,326	42,836
Senior and subordinated debt service coverage (6) (min 1.15x)	2.78 x	2.52 x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

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

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

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

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

(7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted

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

	Quarter and Year-to-Date December	
	2016	2015
Revenues:		
JEA	\$ 15,149	\$ 15,310
Investment income	31	31
Total revenues	15,180	15,341
Operating expenses (1):		
Fuel	9,466	7,061
Other operations and maintenance	3,122	2,968
Total operating expenses	12,588	10,029
Net revenues	\$ 2,592	\$ 5,312
Aggregate debt service	\$ 2,420	\$ 2,690
Less: Build America Bonds subsidy	(175)	(184)
Aggregate debt service	\$ 2,245	\$ 2,506
Debt service coverage (2)	1.15 x	2.12 x

(1) Excludes the Build America Bonds subsidy.

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

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

	Quarter and Year-to-Date December	
	2016	2015
Revenues:		
JEA	\$ 31,270	\$ 28,950
FPL	30,137	32,743
Investment income	814	930
Total revenues	<u>62,221</u>	<u>62,623</u>
Operating expenses (1):		
Fuel	38,904	38,767
Other operations and maintenance	8,391	7,611
Total operating expenses	<u>47,295</u>	<u>46,378</u>
Net revenues	<u>\$ 14,926</u>	<u>\$ 16,245</u>
Aggregate debt service	<u>11,880</u>	<u>13,031</u>
Debt service coverage (2)	<u>1.26 x</u>	<u>1.25 x</u>

(1) Excludes depreciation.

(2) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

JEA

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

	Quarter and Year-to-Date December	
	2016	2015
Revenues:		
JEA	\$ 3,642	\$ 3,628
Investment income	45	44
Total revenues	<u>3,687</u>	<u>3,672</u>
Operating expenses (2)	-	-
Net revenues	<u>\$ 3,687</u>	<u>\$ 3,672</u>
Aggregate debt service	<u>\$ 3,238</u>	<u>\$ 3,243</u>
Less: Build America Bonds subsidy	(97)	(103)
Aggregate debt service (3)	<u>\$ 3,141</u>	<u>\$ 3,140</u>
Debt service coverage (4), (5)	<u>1.17 x</u>	<u>1.17 x</u>

(1) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from revenues the subsidy related to Build America Bonds.

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

(3) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from interest in aggregate debt service the subsidy related to Build America Bonds.

(4) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

(5) Had the Build America Bonds subsidy not been excluded from revenues and not been excluded from interest in aggregate debt service, current year-to-date debt service coverage would have been 1.15x.

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

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	Quarter and Year-to-Date December	
	2016	2015
Revenues		
Water	\$ 43,120	\$ 40,494
Water capacity fees (1)	1,606	1,650
Sewer	63,082	60,322
Sewer capacity fees (1)	2,973	2,918
Investment income	1,125	759
Other (2)	2,293	3,443
Plus: amounts paid from the rate stabilization fund into the revenue fund	4,560	-
Less: amounts paid from the revenue fund into the rate stabilization fund	(5,833)	(5,490)
Total revenues	112,926	104,096
Operating expenses:		
Operations and maintenance (3)	34,932	33,749
Total operating expenses	34,932	33,749
Net revenues	\$ 77,994	\$ 70,347
Aggregate debt service	\$ 24,396	\$ 21,249
Less: Build America Bonds subsidy	(625)	(626)
Aggregate debt service	\$ 23,771	\$ 20,623
Senior debt service coverage (4), (min 1.25x)	3.28 x	3.41 x
Net revenues (from above)	\$ 77,994	\$ 70,347
Aggregate debt service (from above)	\$ 23,771	\$ 20,623
Plus: aggregate subordinated debt service on outstanding subordinated debt	4,379	3,085
Total aggregate and aggregate subordinated debt service	\$ 28,150	\$ 23,708
Senior and subordinated debt service coverage (5)	2.77 x	2.97 x

- (1) Effective October 1, 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 2016 and 2015, then the debt service coverage would have been 2.61x and 2.77x.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation and recognition of deferred costs and revenues, net.
- (4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.
- (5) Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.61x and 2.77x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$29,026 and \$24,325 for the year-to-date periods ending December 2016 and 2015.

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

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	Quarter and Year-to-Date December	
	2016	2015
Revenues:		
Service revenues	\$ 2,213	\$ 2,137
Investment income	6	6
Total revenues	2,219	2,143
Operating expenses: (1)		
Operations and maintenance	1,118	1,009
Total operating expenses	1,118	1,009
Net revenues	1,101	1,134
Aggregate debt service (2)	756	756
Debt service coverage (3) (min 1.15x)	1.46 x	1.50 x

- (1) Excludes depreciation.
- (2) On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last business day of the then current month.
- (3) Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
Electric Enterprise Fund
Operating Statistics

	Quarter and Year-to-Date	
	December	
	2016	2015
Electric revenue sales (000's omitted)		
Residential	\$ 127,093	\$ 108,689
Commercial and industrial	141,087	125,810
Public street lighting	3,308	3,168
Sales for resale - territorial	5,083	5,019
Electric revenues - territorial	276,571	242,686
Saleback to Florida Power & Light	30,137	32,743
Sales for resale - off system	1,470	339
Electric revenues	308,178	275,768
Less: rate stabilization and recovery	2,442	19,245
Less: allowance for doubtful accounts	-	(396)
Net electric revenues	310,620	294,617
MWh sales		
Residential	1,092,017	1,069,450
Commercial and industrial	1,561,296	1,640,007
Public street lighting	17,114	20,094
Sales for resale - territorial	49,456	69,625
Total MWh sales - territorial	2,719,883	2,799,176
Saleback to Florida Power & Light	403,881	481,244
Sales for resale - off system	45,222	11,934
Total MWh sales	3,168,986	3,292,354
Number of accounts (1)		
Residential	400,691	393,799
Commercial and industrial	51,892	51,208
Public street lighting	3,703	3,615
Sales for resale	2	2
Total average accounts	456,288	448,624
Residential averages		
Revenue per account - \$	317.18	276.00
kWh per account	2,725	2,716
Revenue per kWh - ¢	11.64	10.16
Degree days		
Heating degree days	310	141
Cooling degree days	329	503
Total degree days	639	644
Degree days - 30 year average	775	

(1) The quarter column represents a quarterly average.

**Water and Sewer Enterprise Fund
Operating Statistics**

	Quarter and Year-to-Date December	
	2016	2015
Water		
<i>Revenues (000's omitted):</i>		
Residential	\$ 22,517	\$ 21,432
Commercial and industrial	11,534	11,445
Irrigation	9,069	7,684
Total water revenues	43,120	40,561
Less: rate stabilization environmental	(3,535)	(3,245)
Less: allowance for doubtful accounts	-	(67)
Net water revenues	\$ 39,585	\$ 37,249
<i>Kgal sales (000's omitted):</i>		
Residential	4,245,876	3,991,585
Commercial and industrial	3,303,012	3,291,059
Irrigation	1,570,704	1,237,338
Total kgals sales	9,119,592	8,519,982
<i>Number of accounts (1):</i>		
Residential	276,172	269,410
Commercial and industrial	25,327	24,240
Irrigation	36,556	36,164
Total average accounts	338,055	329,814
<i>Residential averages:</i>		
Revenue per account - \$	81.53	79.55
Kgals per account	15.37	14.82
Revenue per kgals - \$	5.30	5.37
Sewer		
<i>Revenues (000's omitted):</i>		
Residential	\$ 34,061	\$ 32,395
Commercial and industrial	26,031	25,977
Total sewer revenues	60,092	58,372
Less: rate stabilization environmental	2,262	(2,245)
Less: allowance for doubtful accounts	-	(100)
Net sewer revenues	\$ 62,354	\$ 56,027
<i>Kgal sales (000's omitted):</i>		
Residential	3,665,014	3,412,732
Commercial and industrial	2,857,827	2,827,094
Total kgals sales	6,522,841	6,239,826
<i>Number of accounts (1):</i>		
Residential	243,629	237,129
Commercial and industrial	18,100	17,888
Total average accounts	261,729	255,017
<i>Residential averages:</i>		
Revenue per account - \$	139.81	136.61
kgals per account	15.04	14.39
Revenue per kgals - \$	9.29	9.49
Reuse		
<i>Revenues (000's omitted):</i>		
Reuse revenues	\$ 2,990	\$ 2,050
<i>Kgal sales (000's omitted):</i>		
Reuse sales (kgals)	784,051	489,973
<i>Number of accounts (1):</i>		
Reuse accounts	8,675	6,822
Rainfall		
Normal	8.84	8.84
Actual	11.82	4.68
Rain Days	15	19

(1) The quarter column represents a fiscal quarter average and the year-to-date column represents a fiscal year-to-date average.