



Building Community®

## **Management's Discussion and Analysis of Financial Performance for the Quarter Ended June 30 2011**

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

### **Financial Highlights**

#### **Operating Revenues**

Electric Enterprise Fund operating revenues for the quarter ended June 2011 increased (7.8%) over operating revenues for the quarter ended June 2010. The increase was due to an increase in rates offset by a decline in megawatt sales. The fuel rate increased \$6.48 to \$50.64 per 1000kWh, which represents a 14.7 percent increase over the previous fuel charge. The base rate increase is the final year of a four year increase. Territorial sales decreased 0.3 percent and total sales decreased 6.5 percent when off-system sales are included. Total sales for the quarter decreased from 4,228,359 MWh to 3,953,414 MWh.

Operating revenue for the nine month period ended June 2011 increased 6.0 percent over operating revenues for the nine month period ended June 2010. The increase in operating revenues for the nine month period was due to the rate increases discussed above; however the increase was offset by a 5.2 percent decrease in MWh sales. Total sales decreased from 11,158,634 MWh to 11,769,584 MWh.

Water and Sewer Enterprise Fund operating revenues increased 18.8 percent for the quarter ended June 2011 compared to the quarter ended June 2010. The increase in operating revenues was due primarily to an increase in water and sewer rates of approximately 9.0 percent; and an increase in consumption as a result of a decrease in rainfall. There was a 7.6 percent increase in consumption related to water services. Consumption, measured in thousands of gallons (kgals), increased 780.9 kgals from 10,215.2 kgals to 10,996.1 kgals. There was a 2.6 percent increase related to sewer services. Sewer sales volume increased 171.0 kgals from 6,704.5 kgals to 6,875.8 kgals.

Total Water & Sewer Enterprise Fund operating revenue increased 19.3 percent for the nine month period ended June 2011 compared to the nine month period ended June 2010. The factors contributing to the increase in revenues for the nine month period ended June 2011 were the same as discussed above. There was an 8.1 percent increase in consumption related to water services. Consumption increased 2,123.1 kgals from 26,258.9 kgals to 28,382.0 kgals. There was a 4.7 percent increase related to sewer services. Sewer sales volumes increased 855.9 kgals from 18,370.1 kgals to 19,226.0 kgals.

Revenues for DES increased 17.0 percent for the quarter and 4.1 percent for the nine month period ended June 2011 over operating revenues for the similar periods last year. The increases were due to increased sales volume.

#### **Operating Expenses**

Total operating expenses for the Electric Enterprise Fund increased 7.6 percent for the quarter ended June 2011 as compared to the quarter ended June 2010. Factors contributing to the increase were an increase in fuel and purchased power expense, as discussed below; increased

taxes as a result of additional revenues, increased depreciation expense due to more assets placed in service and increased maintenance expenses at SJRPP due to unplanned outages. The increase was offset by decreases in the recognition of deferred costs related to SJRPP and a decrease in other expense due mainly to a decrease in self-insurance reserve.

Total operating expenses for the Electric Enterprise Fund decreased 0.3 percent for the nine months ended June 2011 as compared to the similar period in the prior year. The decrease was caused mainly due to the decrease in recognition of deferred costs related to SJRPP. However, the decrease was offset by increases in other operating expenses caused by increased renewal and replacement expenses at SJRPP, increased taxes and depreciation which were discussed above. Fuel and purchased power expense remained constant as compared to the similar period as discussed below.

Total fuel and purchased power for the quarter ended June 2011 increased 14.1 percent over the similar period in the prior year. The increase in fuel and purchased power expense was primarily driven by increases in commodity costs, primarily solid fuels. However the increase was offset by decreased natural gas prices and a decrease 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 fuel and purchased power for the nine months ended June 2011 remained constant over the similar period in the prior year; however fuel expense increased 2.2 percent and purchased power expense decreased 11.8 percent. The factors contributing to the increase in fuel expense were the same as discussed above. The decrease in purchased power expense was caused by a decrease in megawatts purchased due to decreased consumption.

Total production of megawatts generated and purchased for the quarter ended June 2011 decreased 3.3 percent from 3,579,083 MWh to 3,459,523 MWh. Generated megawatts increased 5.0 percent and purchased power decreased 10.5 percent. JEA's power supply mix for the current quarter was 47.9 percent coal, 34.0 percent natural gas, 7.2 percent petroleum coke, 10.8 percent other purchases, and 0.1 percent oil. JEA's power supply mix for the prior quarter ended June 2010 was 60.9 percent coal, 18.5 percent petroleum coke, 11.8 percent natural gas, 4.8 percent coal-fired purchases, 3.7 percent other purchases and 0.3 percent oil.

Total production of megawatts generated and purchased for the nine months ended June 2011 decreased 3.7 percent from 10,002,817 MWh to 9,632,251 MWh. Generated megawatts increased 5.3 percent and purchased power decreased 10.1 percent. JEA's power supply mix for the nine months ended June 2011 was 54.5 percent coal, 20.9 percent natural gas, 12.9 percent petroleum coke, 11.1 percent other purchases, and .6 percent oil. JEA's power supply mix for the nine months ended June 2010 was 53.4 percent coal, 15.7 percent natural gas, 16.6 petroleum coke, 8.6 percent coal-fired purchases, 5.1 percent other purchases and .6 percent oil.

Northside's capacity factors for Units 1 and 2 for the quarter ended June 2011 were 33.3 percent and 21.2 percent and 27.3 percent combined. Northside's capacity factors for the quarter were affected by management's decision to change the generating mix to rely more on natural gas generation. For the quarter ended June 2010, Northside's Units 1 and 2 capacity factors were 82.0 percent and 84.7 percent and 82.8 percent combined.

SJRPP's capacity factors for Units 1 and 2 for the quarter ended June 2011 were 72.3 percent and 65.7 percent, and 69.0 percent combined. SJRPP's capacity factors for Units 1 and 2 for the quarter ended June 2010 were 83.7 percent and 76.7 percent, and 80.2 percent combined. SJRPP's capacity factors for the quarter ended June 2011 were affected by an unplanned outage of Unit 2 and management's decision to change the generating mix to rely more on natural gas generation.

Plant Scherer Unit 4 capacity factor for the quarter ended June 2011 was 74.1 percent. Plant Scherer Unit 4 capacity factor for the quarter ended June 2010 was 86.3 percent. Plant Scherer's capacity factor for the quarter ended June 2011 was affected by management's decision to change the generating mix to rely more on natural gas generation and an unplanned outage.

Water and Sewer System total operating expenses for the quarter ended June 2011 decreased 5.5 percent when compared to the prior year. The decrease was primarily due to decreased depreciation expense and maintenance expense as a result of the termination of the United Water contract. Other operating expenses increased primarily due to an increase in intercompany charges and increased sewer pumping expenses.

Water and Sewer System total operating expenses for the nine months ended June 2011 decreased 3.5 percent when compared to the prior year. The factors contributing to the change in operating expenses were the same as discussed above.

DES operating expenses increased 4.6 percent for the quarter and 3.5 percent for the nine months ended June 2011 over the similar periods in the prior year. The increases were primarily due to increased utility charges.

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

There was a net decrease of \$3.4 million in total non-operating expenses for the quarter ended June 2011. The major factors contributing to the change was an increase in earnings from The Energy Authority (TEA), a municipal power marketing joint venture in which JEA is a member, due to higher margins on purchases and sales transactions by TEA and increased megawatt purchases by JEA during the current period. Also contributing to the change was a positive fair market value adjustment on investments. The decreases were offset by an increase in interest expense due to additional borrowings and reduced Allowance for Funds used during Construction (AFUDC) due to lower construction in progress.

There was a net increase of \$7.2 million in total non-operating expenses for the nine months ended June 2011. The major factors contributing to the increase were increased interest expense; negative non-cash fair market value adjustments related to investments and reduced AFUDC. The increase was offset by increased earnings from TEA.

### **Debt Administration**

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

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

At the end of the quarter, the Electric System had \$34.2 million, the BPS had \$19.0 million, and the District Energy System had \$3.8 million in outstanding bank draws under the revolving lines of credit. Proceeds from these draws were used to fund capital projects.

The debt service coverage ratio for the Electric System's senior debt was 3.28x and 6.64x for the quarters ended June 2011 and June 2010. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 1.78x and 3.59x for the quarters ended June 2011 and June 2010. The decrease in senior debt service coverage ratio for the quarter was caused primarily by increased debt service requirements. In March 2011, JEA decided that the Electric System Bonds and the Subordinated Electric System Bonds maturing on October 1, 2011

and originally designated as refundable bonds would no longer be designated as such. It was JEA's original intent that such bonds would be refunded prior to October 1, 2011. The refunding of the bonds would have resulted in the refunding bond's principal amortization extending beyond October 1, 2011. The decrease in combined senior and subordinated debt service coverage ratio for the quarter was due to increased debt service requirements due to increased principal amortization discussed above and an additional borrowing in the fall of 2010.

The debt service coverage ratio for the Electric System's senior debt was 4.72x and 5.45x for the nine months ended June 2011 and June 2010. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.36x and 2.94x for the nine months ended June 2011 and June 2010. The factors contributing to the changes in debt service coverage ratios were the same as discussed above.

The Water and Sewer senior debt service coverage ratio was 2.60x and 2.31x for the quarters ended June 2011 and 2010. The Water and Sewer combined senior and subordinated debt service coverage ratio was 2.32x and 2.05x for the quarters ended June 2011 and 2010. The increase in debt service coverage ratios for the quarter was due to increased net revenues from the rate increase discussed above.

The Water and Sewer senior debt service coverage ratio was 2.33x and 2.07x for the nine months ended June 2011 and 2010. The Water and Sewer combined senior and subordinated debt service coverage ratio was 2.08x and 1.83x for the nine months ended June 2011 and 2010. The increase in debt service coverage ratios for the nine months was the same as discussed above.

#### **Capital Assets**

JEA's investment in capital assets at June 2011 was \$6.6 billion (net of accumulated depreciation). For the quarter ended June 2011, capital expenditures were \$62.6 million consisting of \$37.1 million for the Electric Enterprise System, \$25.4 million for the Water & Sewer System and \$0.1 million for DES. The capital items of the Electric Enterprise fund include the Greenland Energy Center and gas transmission, which consists of two dual-fired gas/diesel combustion turbines ("CT") and recently achieve commercial operation, environmental projects at Scherer and the cooling tower projects at SJRPP. For the quarter ended June 2011, the major capital items of the Water and Sewer System include capacity upgrades and transmission improvements.



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Jim Dickenson, Chief Executive Officer

## **FINANCIAL STATEMENTS**

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

ASSETS AND DEFERRED OUTFLOWS	June	
	2011	2010
Current assets:		
Cash and cash equivalents (1)	\$ 275,945	\$ 247,533
Investments	30,035	26,444
Customer accounts receivable, less allowance for doubtful accounts - \$5254 in 2011 and \$6013 in 2010	297,608	280,121
Inventories, less reserve of \$1250 in 2011 and \$1687 in 2010		
Fuel inventory	78,212	67,567
Materials and supplies	69,908	67,808
<b>Total current assets</b>	<b>751,708</b>	<b>689,473</b>
Restricted assets:		
Cash and cash equivalents	124,179	67,155
Investments	850,758	778,974
Accounts and interest receivable	6,307	9,060
<b>Total restricted assets</b>	<b>981,244</b>	<b>855,189</b>
Noncurrent assets and deferred outflows:		
Deferred outflows	91,207	136,690
Other	49,937	50,545
Investment in The Energy Authority	10,439	9,613
Costs to be recovered from future revenues	57,946	98,344
<b>Total noncurrent assets and deferred outflows</b>	<b>209,529</b>	<b>295,192</b>
Capital assets:		
Land and easements	119,113	118,742
Plant in service	10,012,726	9,709,621
Less accumulated depreciation	(3,693,407)	(3,474,251)
Plant in service, net	6,438,432	6,354,112
Construction work in progress	196,157	321,781
<b>Capital assets, net</b>	<b>6,634,589</b>	<b>6,675,893</b>
<b>Total assets and deferred outflows</b>	<b>\$ 8,577,070</b>	<b>\$ 8,515,747</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 185,953	\$ 146,965
Customer deposits	52,037	48,391
<b>Total current liabilities</b>	<b>237,990</b>	<b>195,356</b>
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	274,431	194,536
Interest payable	70,626	66,610
Construction contracts and accounts payable	20,105	18,305
Renewal and replacement reserve	90,000	90,000
<b>Total liabilities payable from restricted assets</b>	<b>455,162</b>	<b>369,451</b>
Other noncurrent liabilities:		
Deferred inflows	-	-
OPEB liability	4,925	6,547
Deferred credits and other	42,524	42,314
Revenues to be used for future costs	65,675	69,553
<b>Total other liabilities</b>	<b>113,124</b>	<b>118,414</b>
Long-term debt:		
Bonds and commercial paper	6,051,685	6,224,966
Unamortized original issue premium (discount)	45,434	24,848
Unamortized deferred losses on refundings	(146,016)	(126,906)
Fair value of debt management strategy instruments	89,038	135,027
<b>Total long-term debt</b>	<b>6,040,141</b>	<b>6,257,935</b>
<b>Total liabilities</b>	<b>6,846,417</b>	<b>6,941,156</b>
Net assets:		
Invested in capital assets, net of related debt	810,647	718,021
Restricted	346,151	260,335
Unrestricted	573,855	596,235
<b>Total net assets</b>	<b>1,730,653</b>	<b>1,574,591</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,577,070</b>	<b>\$ 8,515,747</b>

(1) Includes General Reserve of \$6544 and \$10496 for 2011 and 2010, Debt Management Reserve of \$18715 for 2011 and 2010, Self Insurance Reserve of \$15289 and \$10705 for 2011 and 2010, Rate Stabilization of \$140216 and \$114111 for 2011 and 2010, Environmental Reserve of \$16946 for 2011 and 2010, and Customer Deposits of \$35793 and \$38788 for 2011 and 2010.

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

	Quarter ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
Operating revenues (net of allowances and discounts):				
Electric	\$ 417,698	\$ 388,175	\$ 1,169,564	\$ 1,104,447
Water and sewer	95,459	80,322	264,596	221,835
District Energy	2,068	1,768	5,515	5,299
Other, net	12,344	13,125	35,576	36,438
Total operating revenues	527,569	483,390	1,475,251	1,368,019
Operating expenses:				
Operations:				
Fuel	180,932	156,737	451,210	441,299
Purchased power	22,923	21,889	74,073	84,024
Other	56,038	57,682	167,276	160,633
Maintenance	25,304	26,698	72,209	77,528
Depreciation	88,015	87,937	262,870	266,004
State utility taxes and franchise fees	18,712	17,029	56,617	52,580
Recognition of deferred costs and revenues, net	7,226	11,304	20,075	33,617
Total operating expenses	399,150	379,276	1,104,330	1,115,685
Operating income	128,419	104,114	370,921	252,334
Nonoperating revenues (expenses):				
Earnings from The Energy Authority	2,713	1,453	9,666	3,457
Investment income, fair market value adjustments and other	7,847	5,818	9,453	10,480
Interest on debt	(69,532)	(71,801)	(214,430)	(206,482)
Other interest, net	(28)	(59)	(88)	(19)
Water & Sewer Expansion Authority	(162)	(173)	(456)	(510)
Allowance for funds used during construction	227	2,476	3,100	7,510
Total nonoperating revenues (expenses), net	(58,935)	(62,286)	(192,755)	(185,564)
Income before contributions	69,484	41,828	178,166	66,770
Contributions (to) from:				
General Fund, City of Jacksonville	(25,421)	(24,797)	(76,265)	(74,390)
Developers and others	5,418	5,817	15,317	15,929
Total contributions	(20,003)	(18,980)	(60,948)	(58,461)
Change in net assets	49,481	22,848	117,218	8,309
Net assets, beginning of period	1,681,172	1,551,743	1,613,435	1,566,282
Net assets, end of period	\$ 1,730,653	\$ 1,574,591	\$ 1,730,653	\$ 1,574,591

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

	Quarter ended June	
	2011	2010
<b>Operations:</b>		
Receipts from customers	\$ 462,363	\$ 423,958
Other receipts	12,654	12,159
Payments to suppliers	(258,606)	(202,979)
Payments to employees	(45,169)	(47,588)
<b>Net cash provided by (used in) operating activities</b>	<b>171,242</b>	<b>185,551</b>
<b>Noncapital and related financing activities:</b>		
Contribution to General Fund, City of Jacksonville, FL.	(25,422)	(24,797)
Contribution to Water and Sewer Expansion Authority	(162)	(173)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(25,584)</b>	<b>(24,970)</b>
<b>Capital and related financing activities:</b>		
Acquisition and construction of capital assets	(64,015)	(66,769)
Face value of debt issued	-	144,215
Debt issue costs and discounts	(58)	1,217
Defeasance of debt	(1,575)	(93,725)
Repayment of debt principal	(13,247)	(44)
Interest paid on debt	(117,709)	(114,133)
Contribution from developers and others	2,824	2,970
Proceeds from sales of property	67	(61)
Build America Bonds	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(193,713)</b>	<b>(126,330)</b>
<b>Investing activities:</b>		
Purchase of investments	(522,062)	(1,034,633)
Proceeds from sale and maturities of investments	500,627	927,694
Investment income	2,069	3,020
Distributions from The Energy Authority	2,427	785
<b>Net cash provided by (used in) investing activities</b>	<b>(16,939)</b>	<b>(103,134)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(64,994)</b>	<b>(68,883)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>465,118</b>	<b>383,571</b>
<b>Cash and cash equivalents at end of the period</b>	<b>\$ 400,124</b>	<b>\$ 314,688</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
<b>Operating Income:</b>	<b>\$ 128,419</b>	<b>\$ 104,114</b>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	88,219	88,120
Recognition of deferred costs and revenues, net	7,225	11,304
<b>Changes in noncash assets and noncash liabilities:</b>		
Decrease (increase) accounts receivable	(68,798)	(62,360)
Decrease (increase) accounts receivable, restricted	309	(966)
Decrease (increase) in inventories	(23,667)	10,416
Increase (decrease) in other	449	1,672
Increase (decrease) in accounts payable	41,525	33,904
Increase (decrease) in accounts payable, restricted	(1,384)	(1,216)
Increase (decrease) in other liabilities and deferred credits	(1,055)	563
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 171,242</b>	<b>\$ 185,551</b>
<b>Non-cash activity:</b>		
<b>Contribution of capital assets from developers</b>	<b>\$ 2,594</b>	<b>\$ 2,847</b>



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

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	Year-To-Date	
	June	
	2011	2010
Operations:		
Receipts from customers	\$ 1,426,013	\$ 1,321,442
Other receipts	42,040	35,289
Payments to suppliers	(744,225)	(696,081)
Payments to employees	(144,638)	(147,909)
Net cash provided by (used in) operating activities	579,190	512,741
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, FL.	(76,057)	(74,182)
Contribution to Water and Sewer Expansion Authority	(456)	(510)
Net cash provided by (used in) noncapital financing activities	(76,513)	(74,692)
Capital and related financing activities:		
Acquisition and construction of capital assets	(219,273)	(252,890)
Face value of debt issued	472,944	477,984
Debt issue costs and discounts	12,669	2,645
Defeasance of debt	(332,882)	(230,224)
Repayment of debt principal	(203,553)	(175,512)
Interest paid on debt	(260,646)	(238,322)
Contribution from developers and others	7,833	8,180
Proceeds from sales of property	401	160
Build America Bonds	3,761	1,130
Net cash provided by (used in) capital and related financing activities	(518,746)	(406,849)
Investing activities:		
Purchase of investments	(2,693,988)	(2,133,608)
Proceeds from sale and maturities of investments	2,137,732	1,648,710
Investment income	6,140	7,530
Distributions from The Energy Authority	8,846	1,922
Net cash provided by (used in) investing activities	(541,270)	(475,446)
Net increase (decrease) in cash and cash equivalents	(557,339)	(444,246)
Cash and cash equivalents at beginning of the period	957,463	758,934
Cash and cash equivalents at end of the period	\$ 400,124	\$ 314,688

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

Operating Income:	\$ 370,921	\$ 252,334
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	263,460	266,536
Recognition of deferred costs and revenues, net	20,075	33,617
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable	(51,978)	(48,938)
Decrease (increase) accounts receivable, restricted	6,464	(1,149)
Decrease (increase) in inventories	(33,180)	22,098
Increase (decrease) in other	(3,210)	(2,877)
Increase (decrease) in accounts payable	5,700	(12,450)
Increase (decrease) in accounts payable, restricted	2,983	2,309
Increase (decrease) in other liabilities and deferred credits	(2,045)	1,261
Net cash provided by (used in ) operating activities	\$ 579,190	\$ 512,741

Non-cash activity:

Contribution of capital assets from developers	\$ 7,485	7,749
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**Combining Balance Sheet**  
(in thousands - unaudited) June 30, 2011

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Current assets:								
Cash and cash equivalents (1)	\$ 193,472	\$ 39,323	\$ -	\$ 232,795	\$ 38,211	\$ 4,939	\$ -	\$ 275,945
Investments	-	29,987	-	29,987	-	48	-	30,035
Customer accounts receivable, less allowance for doubtful accounts of \$5254	232,039	48,508	(25,404)	255,143	42,047	418	-	297,608
Inventories, less reserve of \$1250								
Fuel inventory	54,175	24,037	-	78,212	-	-	-	78,212
Materials and supplies	2,099	22,936	-	25,035	44,873	-	-	69,908
Total current assets	481,785	164,791	(25,404)	621,172	125,131	5,405	-	751,708
Restricted assets:								
Cash and cash equivalents	41,990	48,816	-	90,806	29,505	3,868	-	124,179
Investments	279,460	316,150	-	595,610	255,148	-	-	850,758
Accounts and interest receivable	3,414	1,381	-	4,795	1,512	-	-	6,307
Total restricted assets	324,864	366,347	-	691,211	286,165	3,868	-	981,244
Noncurrent assets and deferred outflows:								
Deferred outflows	83,565	-	-	83,565	7,642	-	-	91,207
Other	23,202	7,376	-	30,578	19,101	258	-	49,937
Investment in The Energy Authority	10,439	-	-	10,439	-	-	-	10,439
Costs to be recovered from future revenues	10,074	47,872	-	57,946	-	-	-	57,946
Total noncurrent assets and deferred outflows	127,280	55,248	-	182,528	26,743	258	-	209,529
Capital assets:								
Land and easements	64,570	6,660	-	71,230	44,832	3,051	-	119,113
Plant in service	4,777,354	1,394,295	-	6,171,649	3,791,423	49,654	-	10,012,726
Less accumulated depreciation	(1,866,889)	(680,199)	-	(2,547,088)	(1,135,728)	(10,591)	-	(3,693,407)
Plant in service, net	2,975,035	720,756	-	3,695,791	2,700,527	42,114	-	6,438,432
Construction work in progress	137,783	22,360	-	160,143	35,872	142	-	196,157
Capital assets, net	3,112,818	743,116	-	3,855,934	2,736,399	42,256	-	6,634,589
Total assets and deferred outflows	\$ 4,046,747	\$ 1,329,502	\$ (25,404)	\$ 5,350,845	\$ 3,174,438	\$ 51,787	\$ -	\$ 8,577,070
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 152,037	\$ 20,481	\$ (223)	\$ 172,295	\$ 13,652	\$ 6	\$ -	\$ 185,953
Customer deposits	42,440	-	-	42,440	9,597	-	-	52,037
Total current liabilities	194,477	20,481	(223)	214,735	23,249	6	-	237,990
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	121,861	105,555	-	227,416	41,880	5,135	-	274,431
Interest payable	24,445	26,205	-	50,650	19,936	40	-	70,626
Construction contracts and accounts payable	6,217	32,127	(25,181)	13,163	6,932	10	-	20,105
Renewal and replacement reserve	-	90,000	-	90,000	-	-	-	90,000
Total liabilities payable from restricted assets	152,523	253,887	(25,181)	381,229	68,748	5,185	-	455,162
Other noncurrent liabilities:								
Deferred inflows	-	-	-	-	-	-	-	-
OPEB liability	3,144	-	-	3,144	1,781	-	-	4,925
Deferred credits and other	33,876	3,168	-	37,044	5,463	17	-	42,524
Revenues to be used for future costs	65,675	-	-	65,675	-	-	-	65,675
Total other liabilities	102,695	3,168	-	105,863	7,244	17	-	113,124
Long-term debt:								
Bonds and commercial paper	2,979,255	1,011,668	-	3,990,923	2,015,622	45,140	-	6,051,685
Unamortized original issue premium (discount)	23,322	6,158	-	29,480	15,954	-	-	45,434
Unamortized deferred losses on refundings	(61,804)	(43,163)	-	(104,967)	(41,049)	-	-	(146,016)
Fair value of debt management strategy instruments	81,396	-	-	81,396	7,642	-	-	89,038
Total long-term debt	3,022,169	974,663	-	3,996,832	1,998,169	45,140	-	6,040,141
Total liabilities	3,471,864	1,252,199	(25,404)	4,698,659	2,097,410	50,348	-	6,846,417
Net assets:								
Invested in capital assets, net of related debt	96,915	(138,918)	-	(42,003)	860,421	(7,771)	-	810,647
Restricted	128,957	75,079	25,181	229,217	113,107	3,827	-	346,151
Unrestricted	349,011	141,142	(25,181)	464,972	103,500	5,383	-	573,855
Total net assets	574,883	77,303	-	652,186	1,077,028	1,439	-	1,730,653
Total liabilities and net assets	\$ 4,046,747	\$ 1,329,502	\$ (25,404)	\$ 5,350,845	\$ 3,174,438	\$ 51,787	\$ -	\$ 8,577,070

(1) Includes General Reserve of \$6544, Debt Management Reserve of \$18715, Self Insurance Reserve of \$15289, Rate Stabilization of \$140216, Environmental Reserve of \$16946, and Customer Deposits of \$35793.

**Combining Balance Sheet**  
**(in thousands - unaudited) June 30, 2010**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Current assets:								
Cash and cash equivalents (1)	\$ 173,951	\$ 24,555	\$ -	\$ 198,506	\$ 45,202	\$ 3,825	\$ -	\$ 247,533
Investments	-	26,394	-	26,394	-	50	-	26,444
Customer accounts receivable, less allowance for doubtful accounts of \$6013	224,132	45,446	(24,625)	244,953	34,813	355	-	280,121
Inventories, less reserve of \$1687								
Fuel inventory	28,081	39,486	-	67,567	-	-	-	67,567
Materials and supplies	1,861	22,952	-	24,813	42,995	-	-	67,808
Total current assets	428,025	158,833	(24,625)	562,233	123,010	4,230	-	689,473
Restricted assets:								
Cash and cash equivalents	18,253	30,712	-	48,965	14,482	3,708	-	67,155
Investments	263,565	336,853	-	600,418	178,556	-	-	778,974
Accounts and interest receivable	3,879	1,341	-	5,220	3,840	-	-	9,060
Total restricted assets	285,697	368,906	-	654,603	196,878	3,708	-	855,189
Noncurrent assets and deferred outflows:								
Deferred outflows	118,691	-	-	118,691	17,999	-	-	136,690
Other	21,602	8,152	-	29,754	20,521	270	-	50,545
Investment in The Energy Authority	9,613	-	-	9,613	-	-	-	9,613
Costs to be recovered from future revenues	-	98,344	-	98,344	-	-	-	98,344
Total noncurrent assets and deferred outflows	149,906	106,496	-	256,402	38,520	270	-	295,192
Capital assets:								
Land and easements	64,302	6,660	-	70,962	44,729	3,051	-	118,742
Plant in service	4,475,394	1,400,866	-	5,876,260	3,783,836	49,525	-	9,709,621
Less accumulated depreciation	(1,733,904)	(647,726)	-	(2,381,630)	(1,083,905)	(8,716)	-	(3,474,251)
Plant in service, net	2,805,792	759,800	-	3,565,592	2,744,660	43,860	-	6,354,112
Construction work in progress	284,363	13,569	-	297,932	23,765	84	-	321,781
Capital assets, net	3,090,155	773,369	-	3,863,524	2,768,425	43,944	-	6,675,893
Total assets and deferred outflows	\$ 3,953,783	\$ 1,407,604	\$ (24,625)	\$ 5,336,762	\$ 3,126,833	\$ 52,152	\$ -	\$ 8,515,747
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 121,285	\$ 13,571	\$ (468)	\$ 134,388	\$ 12,529	\$ 48	\$ -	\$ 146,965
Customer deposits	39,699	-	-	39,699	8,692	-	-	48,391
Total current liabilities	160,984	13,571	(468)	174,087	21,221	48	-	195,356
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	53,735	99,823	-	153,558	36,693	4,285	-	194,536
Interest payable	23,311	24,383	-	47,694	18,900	16	-	66,610
Construction contracts and accounts payable	7,438	28,607	(24,157)	11,888	6,417	-	-	18,305
Renewal and replacement reserve	-	90,000	-	90,000	-	-	-	90,000
Total liabilities payable from restricted assets	84,484	242,813	(24,157)	303,140	62,010	4,301	-	369,451
Other noncurrent liabilities:								
Deferred inflows	-	-	-	-	-	-	-	-
OPEB liability	4,247	-	-	4,247	2,300	-	-	6,547
Deferred credits and other	34,026	3,086	-	37,112	5,152	50	-	42,314
Revenues to be used for future costs	69,553	-	-	69,553	-	-	-	69,553
Total other liabilities	107,826	3,086	-	110,912	7,452	50	-	118,414
Long-term debt:								
Bonds and commercial paper	3,031,735	1,142,870	-	4,174,605	2,002,561	47,800	-	6,224,966
Unamortized original issue premium (discount)	14,216	9,208	-	23,424	1,424	-	-	24,848
Unamortized deferred losses on refundings	(45,061)	(50,792)	-	(95,853)	(31,053)	-	-	(126,906)
Fair value of debt management strategy instruments	117,028	-	-	117,028	17,999	-	-	135,027
Total long-term debt	3,117,918	1,101,286	-	4,219,204	1,990,931	47,800	-	6,257,935
Total liabilities	3,471,212	1,360,756	(24,625)	4,807,343	2,081,614	52,199	-	6,941,156
Net assets:								
Invested in capital assets, net of related debt	21,133	(162,604)	-	(141,471)	867,363	(7,871)	-	718,021
Restricted	101,694	67,276	24,157	193,127	63,516	3,692	-	260,335
Unrestricted	359,744	142,176	(24,157)	477,763	114,340	4,132	-	596,235
Total net assets	482,571	46,848	-	529,419	1,045,219	(7)	-	1,574,591
Total liabilities and net assets	\$ 3,953,783	\$ 1,407,604	\$ (24,625)	\$ 5,336,762	\$ 3,126,833	\$ 52,152	\$ -	\$ 8,515,747

(1) Includes General Reserve of \$10496, Debt Management Reserve of \$18715, Self Insurance Reserve of \$10705, Rate Stabilization of \$114111, Environmental Reserve of \$16946, and Customer Deposits of \$38788.

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the quarter ended June 30, 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	\$ 367,215	\$ 132,373	\$ (77,428)	\$ 422,160	\$ -	\$ -	(4,462)	\$ 417,698
Water and sewer	-	-	-	-	95,517	-	(58)	95,459
District Energy	-	-	-	-	-	2,068	-	2,068
Other, net	10,730	-	-	10,730	2,480	-	(866)	12,344
Total operating revenues	377,945	132,373	(77,428)	432,890	97,997	2,068	(5,386)	527,569
Operating expenses:								
Operations:								
Fuel	106,638	74,294	-	180,932	-	-	-	180,932
Purchased power	100,351	-	(77,428)	22,923	-	-	-	22,923
Other	29,279	9,168	-	38,447	22,033	944	(5,386)	56,038
Maintenance	11,888	8,480	-	20,368	4,807	129	-	25,304
Depreciation	47,620	10,087	-	57,707	29,807	501	-	88,015
State utility taxes and franchise fees	16,271	-	-	16,271	2,441	-	-	18,712
Recognition of deferred costs and revenues, net	(1,486)	8,712	-	7,226	-	-	-	7,226
Total operating expenses	310,561	110,741	(77,428)	343,874	59,088	1,574	(5,386)	399,150
Operating income	67,384	21,632	-	89,016	38,909	494	-	128,419
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	2,713	-	-	2,713	-	-	-	2,713
Investment income, fair market value adjustments and other	2,056	3,571	-	5,627	2,216	4	-	7,847
Interest on debt	(29,595)	(19,260)	-	(48,855)	(20,633)	(44)	-	(69,532)
Other interest, net	(28)	-	-	(28)	-	-	-	(28)
Water & Sewer Expansion Authority	-	-	-	-	(162)	-	-	(162)
Allowance for funds used during construction	110	-	-	110	117	-	-	227
Total nonoperating revenues (expenses), net	(24,744)	(15,689)	-	(40,433)	(18,462)	(40)	-	(58,935)
Income before contributions	42,640	5,943	-	48,583	20,447	454	-	69,484
Contributions (to) from:								
General Fund, City of Jacksonville	(20,480)	-	-	(20,480)	(4,941)	-	-	(25,421)
Developers and others	-	-	-	-	5,418	-	-	5,418
Total contributions	(20,480)	-	-	(20,480)	477	-	-	(20,003)
Change in net assets	22,160	5,943	-	28,103	20,924	454	-	49,481
Net assets, beginning of period	552,723	71,360	-	624,083	1,056,104	985	-	1,681,172
Net assets, end of period	\$ 574,883	\$ 77,303	\$ -	\$ 652,186	\$ 1,077,028	\$ 1,439	\$ -	\$ 1,730,653

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the quarter ended June 30, 2010**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):								
Electric	\$ 342,923	\$ 118,134	\$ (69,399)	\$ 391,658	\$ -	\$ -	(3,483)	\$ 388,175
Water and sewer	-	-	-	-	80,374	-	(52)	80,322
District Energy	-	-	-	-	-	1,768	-	1,768
Other, net	11,696	-	-	11,696	2,257	-	(828)	13,125
<b>Total operating revenues</b>	<b>354,619</b>	<b>118,134</b>	<b>(69,399)</b>	<b>403,354</b>	<b>82,631</b>	<b>1,768</b>	<b>(4,363)</b>	<b>483,390</b>
Operating expenses:								
Operations:								
Fuel	94,485	62,252	-	156,737	-	-	-	156,737
Purchased power	91,288	-	(69,399)	21,889	-	-	-	21,889
Other	31,754	8,402	-	40,156	21,047	842	(4,363)	57,682
Maintenance	12,747	6,991	-	19,738	6,799	161	-	26,698
Depreciation	44,805	10,019	-	54,824	32,611	502	-	87,937
State utility taxes and franchise fees	14,966	-	-	14,966	2,063	-	-	17,029
Recognition of deferred costs and revenues, net	(969)	12,273	-	11,304	-	-	-	11,304
<b>Total operating expenses</b>	<b>289,076</b>	<b>99,937</b>	<b>(69,399)</b>	<b>319,614</b>	<b>62,520</b>	<b>1,505</b>	<b>(4,363)</b>	<b>379,276</b>
<b>Operating income</b>	<b>65,543</b>	<b>18,197</b>	<b>-</b>	<b>83,740</b>	<b>20,111</b>	<b>263</b>	<b>-</b>	<b>104,114</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	1,453	-	-	1,453	-	-	-	1,453
Investment income, fair market value adjustments and other	1,478	3,328	-	4,806	997	15	-	5,818
Interest on debt	(31,606)	(19,214)	-	(50,820)	(20,871)	(110)	-	(71,801)
Other interest, net	(59)	-	-	(59)	-	-	-	(59)
Water & Sewer Expansion Authority	-	-	-	-	(173)	-	-	(173)
Allowance for funds used during construction	1,787	-	-	1,787	681	8	-	2,476
<b>Total nonoperating revenues (expenses), net</b>	<b>(28,947)</b>	<b>(15,886)</b>	<b>-</b>	<b>(42,833)</b>	<b>(19,366)</b>	<b>(87)</b>	<b>-</b>	<b>(62,286)</b>
<b>Income before contributions</b>	<b>38,596</b>	<b>2,311</b>	<b>-</b>	<b>40,907</b>	<b>745</b>	<b>176</b>	<b>-</b>	<b>41,828</b>
Contributions (to) from:								
General Fund, City of Jacksonville	(19,752)	-	-	(19,752)	(5,045)	-	-	(24,797)
Developers and others	-	-	-	-	5,817	-	-	5,817
<b>Total contributions</b>	<b>(19,752)</b>	<b>-</b>	<b>-</b>	<b>(19,752)</b>	<b>772</b>	<b>-</b>	<b>-</b>	<b>(18,980)</b>
<b>Change in net assets</b>	<b>18,844</b>	<b>2,311</b>	<b>-</b>	<b>21,155</b>	<b>1,517</b>	<b>176</b>	<b>-</b>	<b>22,848</b>
<b>Net assets, beginning of period</b>	<b>463,727</b>	<b>44,537</b>	<b>-</b>	<b>508,264</b>	<b>1,043,702</b>	<b>(223)</b>	<b>-</b>	<b>1,551,743</b>
<b>Net assets, end of period</b>	<b>\$ 482,571</b>	<b>\$ 46,848</b>	<b>\$ -</b>	<b>\$ 529,419</b>	<b>\$ 1,045,219</b>	<b>\$ (47)</b>	<b>-</b>	<b>\$ 1,574,591</b>

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the nine months ended June 30, 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	\$ 1,034,322	\$ 351,715	\$ (204,382)	\$ 1,181,655	\$ -	\$ -	(12,091)	\$ 1,169,564
Water and sewer	-	-	-	-	264,773	-	(177)	264,596
District Energy	-	-	-	-	-	5,515	-	5,515
Other, net	31,231	-	-	31,231	6,937	-	(2,592)	35,576
Total operating revenues	1,065,553	351,715	(204,382)	1,212,886	271,710	5,515	(14,860)	1,475,251
Operating expenses:								
Operations:								
Fuel	268,066	183,144	-	451,210	-	-	-	451,210
Purchased power	278,455	-	(204,382)	74,073	-	-	-	74,073
Other	87,450	27,571	-	115,021	64,789	2,326	(14,860)	167,276
Maintenance	35,745	19,741	-	55,486	16,292	431	-	72,209
Depreciation	140,903	30,183	-	171,086	90,280	1,504	-	262,870
State utility taxes and franchise fees	49,866	-	-	49,866	6,751	-	-	56,617
Recognition of deferred costs and revenues, net	(4,460)	24,535	-	20,075	-	-	-	20,075
Total operating expenses	856,025	285,174	(204,382)	936,817	178,112	4,261	(14,860)	1,104,330
Operating income	209,528	66,541	-	276,069	93,598	1,254	-	370,921
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	9,666	-	-	9,666	-	-	-	9,666
Investment income, fair market value adjustments and other	3,997	2,609	-	6,606	2,827	20	-	9,453
Interest on debt	(92,692)	(57,779)	-	(150,471)	(63,721)	(238)	-	(214,430)
Other interest, net	(85)	-	-	(85)	(3)	-	-	(88)
Water & Sewer Expansion Authority	-	-	-	-	(456)	-	-	(456)
Allowance for funds used during construction	1,811	-	-	1,811	1,277	12	-	3,100
Total nonoperating revenues (expenses), net	(77,303)	(55,170)	-	(132,473)	(60,076)	(206)	-	(192,755)
Income before contributions	132,225	11,371	-	143,596	33,522	1,048	-	178,166
Contributions (to) from:								
General Fund, City of Jacksonville	(61,441)	-	-	(61,441)	(14,824)	-	-	(76,265)
Developers and others	-	-	-	-	15,317	-	-	15,317
Total contributions	(61,441)	-	-	(61,441)	493	-	-	(60,948)
Change in net assets	70,784	11,371	-	82,155	34,015	1,048	-	117,218
Net assets, beginning of period	504,099	65,932	-	570,031	1,043,013	391	-	1,613,435
Net assets, end of period	\$ 574,883	\$ 77,303	\$ -	\$ 652,186	\$ 1,077,028	\$ 1,439	\$ -	\$ 1,730,653

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the nine months ended June 30, 2010**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues (net of allowances and discounts):</b>								
Electric	\$ 974,214	\$ 348,101	\$ (207,841)	\$ 1,114,474	\$ -	\$ -	(10,027)	\$ 1,104,447
Water and sewer	-	-	-	-	221,972	-	(137)	221,835
District Energy	-	-	-	-	-	5,299	-	5,299
Other, net	31,535	-	-	31,535	7,403	-	(2,500)	36,438
<b>Total operating revenues</b>	<b>1,005,749</b>	<b>348,101</b>	<b>(207,841)</b>	<b>1,146,009</b>	<b>229,375</b>	<b>5,299</b>	<b>(12,664)</b>	<b>1,368,019</b>
<b>Operating expenses:</b>								
<b>Operations:</b>								
Fuel	258,881	182,418	-	441,299	-	-	-	441,299
Purchased power	291,865	-	(207,841)	84,024	-	-	-	84,024
Other	88,759	24,753	-	113,512	57,612	2,173	(12,664)	160,633
Maintenance	39,889	15,894	-	55,783	21,307	438	-	77,528
Depreciation	134,370	30,207	-	164,577	99,923	1,504	-	266,004
State utility taxes and franchise fees	46,858	-	-	46,858	5,722	-	-	52,580
Recognition of deferred costs and revenues, net	(2,908)	36,525	-	33,617	-	-	-	33,617
<b>Total operating expenses</b>	<b>857,714</b>	<b>289,797</b>	<b>(207,841)</b>	<b>939,670</b>	<b>184,564</b>	<b>4,115</b>	<b>(12,664)</b>	<b>1,115,685</b>
<b>Operating income</b>	<b>148,035</b>	<b>58,304</b>	<b>-</b>	<b>206,339</b>	<b>44,811</b>	<b>1,184</b>	<b>-</b>	<b>252,334</b>
<b>Nonoperating revenues (expenses):</b>								
Earnings from The Energy Authority	3,457	-	-	3,457	-	-	-	3,457
Investment income, fair market value adjustments and other	2,543	6,569	-	9,112	1,343	25	-	10,480
Interest on debt	(88,458)	(57,328)	-	(145,786)	(60,452)	(244)	-	(206,482)
Other interest, net	(32)	-	-	(32)	13	-	-	(19)
Water & Sewer Expansion Authority	-	-	-	-	(510)	-	-	(510)
Allowance for funds used during construction	5,487	-	-	5,487	1,982	41	-	7,510
<b>Total nonoperating revenues (expenses), net</b>	<b>(77,003)</b>	<b>(50,759)</b>	<b>-</b>	<b>(127,762)</b>	<b>(57,624)</b>	<b>(178)</b>	<b>-</b>	<b>(185,564)</b>
<b>Income before contributions</b>	<b>71,032</b>	<b>7,545</b>	<b>-</b>	<b>78,577</b>	<b>(12,813)</b>	<b>1,006</b>	<b>-</b>	<b>66,770</b>
<b>Contributions (to) from:</b>								
General Fund, City of Jacksonville	(59,255)	-	-	(59,255)	(15,135)	-	-	(74,390)
Developers and others	-	-	-	-	15,929	-	-	15,929
<b>Total contributions</b>	<b>(59,255)</b>	<b>-</b>	<b>-</b>	<b>(59,255)</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>(58,461)</b>
<b>Change in net assets</b>	<b>11,777</b>	<b>7,545</b>	<b>-</b>	<b>19,322</b>	<b>(12,019)</b>	<b>1,006</b>	<b>-</b>	<b>8,309</b>
<b>Net assets, beginning of period</b>	<b>470,794</b>	<b>39,303</b>	<b>-</b>	<b>510,097</b>	<b>1,057,238</b>	<b>(1,053)</b>	<b>-</b>	<b>1,566,282</b>
<b>Net assets, end of period</b>	<b>\$ 482,571</b>	<b>\$ 46,848</b>	<b>\$ -</b>	<b>\$ 529,419</b>	<b>\$ 1,045,219</b>	<b>\$ (47)</b>	<b>-</b>	<b>\$ 1,574,591</b>

**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the quarter ended June 30, 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	\$ 315,199	\$ 132,373	\$ (72,926)	\$ 374,646	\$ 90,186	\$ 2,051	\$ (4,520)	\$ 462,363
Other receipts	11,033	-	-	11,033	2,487	-	(866)	12,654
Payments to suppliers	(221,216)	(93,895)	72,926	(242,185)	(20,762)	(1,045)	5,386	(258,606)
Payments to employees	(29,038)	(7,541)	-	(36,579)	(8,495)	(95)	-	(45,169)
Net cash provided by (used in) operating activities	75,978	30,937	-	106,915	63,416	911	-	171,242
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(20,480)	-	-	(20,480)	(4,942)	-	-	(25,422)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	(162)	-	-	(162)
Net cash provided by (used in) noncapital financing activities	(20,480)	-	-	(20,480)	(5,104)	-	-	(25,584)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(37,462)	(3,749)	-	(41,211)	(22,712)	(92)	-	(64,015)
Face value of debt issued	-	-	-	-	-	-	-	-
Debt issue costs and discounts	(43)	-	-	(43)	(15)	-	-	(58)
Defeasance of debt	-	-	-	-	(1,575)	-	-	(1,575)
Repayment of debt principal	(13,205)	-	-	(13,205)	(42)	-	-	(13,247)
Interest paid on debt	(51,802)	(25,810)	-	(77,612)	(40,065)	(32)	-	(117,709)
Contribution from developers and others	-	-	-	-	2,824	-	-	2,824
Proceeds from sales of property	67	-	-	67	-	-	-	67
Build America Bonds	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(102,445)	(29,559)	-	(132,004)	(61,585)	(124)	-	(193,713)
<b>Investing activities:</b>								
Purchase of investments	(133,288)	(189,062)	-	(322,350)	(199,712)	-	-	(522,062)
Proceeds from sale and maturities of investments	133,660	170,427	-	304,087	196,537	3	-	500,627
Investment income	310	1,341	-	1,651	414	4	-	2,069
Distributions from The Energy Authority	2,427	-	-	2,427	-	-	-	2,427
Net cash provided by (used in) investing activities	3,109	(17,294)	-	(14,185)	(2,761)	7	-	(16,939)
Net increase (decrease) in cash and cash equivalents	(43,838)	(15,916)	-	(59,754)	(6,034)	794	-	(64,994)
Cash and cash equivalents at beginning of the period	279,300	104,055	-	383,355	73,750	8,013	-	465,118
Cash and cash equivalents at end of the period	\$ 235,462	\$ 88,139	\$ -	\$ 323,601	\$ 67,716	\$ 8,807	\$ -	\$ 400,124

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

Operating Income:	\$ 67,384	\$ 21,632	-	89,016	\$ 38,909	\$ 494	\$ -	\$ 128,419
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	47,620	10,087	-	57,707	30,011	501	-	88,219
Recognition of deferred costs and revenues, net	(1,486)	8,711	-	7,225	-	-	-	7,225
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	(52,016)	(11,435)	-	(63,451)	(5,330)	(17)	-	(68,798)
Decrease (increase) accounts receivable, restricted	303	-	-	303	6	-	-	309
Decrease (increase) in inventories	(25,564)	3,496	-	(22,068)	(1,599)	-	-	(23,667)
Increase (decrease) in other	308	-	-	308	141	-	-	449
Increase (decrease) in accounts payable	40,438	(225)	-	40,213	1,379	(67)	-	41,525
Increase (decrease) in accounts payable, restricted	-	(1,384)	-	(1,384)	-	-	-	(1,384)
Increase (decrease) in other liabilities and deferred credits	(1,009)	55	-	(954)	(101)	-	-	(1,055)
Net cash provided by (used in) operating activities	\$ 75,978	\$ 30,937	\$ -	\$ 106,915	\$ 63,416	\$ 911	\$ -	\$ 171,242

Non-cash activity:

Contribution of capital assets from developers	\$ 2,594
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**Combining Statement of Cash Flows**  
**(in thousands - unaudited) for the quarter ended June 30, 2010**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operations:</b>								
Receipts from customers	\$ 298,732	\$ 118,134	\$ (66,340)	\$ 350,526	\$ 75,473	\$ 1,494	\$ (3,535)	\$ 423,958
Other receipts	13,022	-	-	13,022	(35)	-	(828)	12,159
Payments to suppliers	(187,656)	(69,597)	66,340	(190,913)	(15,610)	(818)	4,363	(202,979)
Payments to employees	(31,249)	(8,214)	-	(39,463)	(8,025)	(100)	-	(47,588)
Net cash provided by (used in) operating activities	92,849	40,323	-	133,171	51,803	576	-	185,551
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(19,752)	-	-	(19,752)	(5,045)	-	-	(24,797)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	(173)	-	-	(173)
Net cash provided by (used in) noncapital financing activities	(19,752)	-	-	(19,752)	(5,218)	-	-	(24,970)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(54,629)	(362)	-	(54,991)	(11,771)	(7)	-	(66,769)
Face value of debt issued	112,385	31,830	-	144,215	-	-	-	144,215
Debt issue costs and discounts	1,126	122	-	1,248	(31)	-	-	1,217
Defeasance of debt	(87,725)	(6,000)	-	(93,725)	-	-	-	(93,725)
Repayment of debt principal	-	-	-	-	(44)	-	-	(44)
Interest paid on debt	(50,238)	(27,185)	-	(77,423)	(36,604)	(106)	-	(114,133)
Contribution from developers and others	-	-	-	-	2,970	-	-	2,970
Proceeds from sales of property	(172)	-	-	(172)	111	-	-	(61)
Build America Bonds	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(79,253)	(1,595)	-	(80,848)	(45,369)	(113)	-	(126,330)
<b>Investing activities:</b>								
Purchase of investments	(406,375)	(395,306)	-	(801,681)	(232,952)	-	-	(1,034,633)
Proceeds from sale and maturities of investments	379,541	335,915	-	715,456	212,232	6	-	927,694
Investment income	273	2,451	-	2,724	293	3	-	3,020
Distributions from The Energy Authority	785	-	-	785	-	-	-	785
Net cash provided by (used in) investing activities	(25,776)	(56,940)	-	(82,716)	(20,427)	9	-	(103,134)
Net increase (decrease) in cash and cash equivalents	(31,932)	(18,212)	-	(50,145)	(19,211)	472	-	(68,883)
Cash and cash equivalents at beginning of the period	224,136	73,479	-	297,615	78,895	7,061	-	383,571
Cash and cash equivalents at end of the period	\$ 192,204	\$ 55,267	\$ -	\$ 247,471	\$ 59,684	\$ 7,533	\$ -	\$ 314,688

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

Operating Income:	\$ 65,543	\$ 18,197	\$ -	\$ 83,740	\$ 20,111	\$ 263	\$ -	\$ 104,114
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	44,805	10,020	-	54,825	32,793	502	-	88,120
Recognition of deferred costs and revenues, net	(969)	12,273	-	11,304	-	-	-	11,304
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	(44,191)	(12,995)	-	(57,186)	(4,901)	(273)	-	(62,360)
Decrease (increase) accounts receivable, restricted	1,326	-	-	1,326	(2,292)	-	-	(966)
Decrease (increase) in inventories	3,639	6,848	-	10,487	(71)	-	-	10,416
Increase (decrease) in other	1,533	-	-	1,533	139	-	-	1,672
Increase (decrease) in accounts payable	21,236	7,203	-	28,439	5,431	34	-	33,904
Increase (decrease) in accounts payable, restricted	-	(1,216)	-	(1,216)	-	-	-	(1,216)
Increase (decrease) in other liabilities and deferred credits	(73)	(7)	-	(80)	593	50	-	563
Net cash provided by (used in) operating activities	\$ 92,849	\$ 40,323	\$ -	\$ 133,172	\$ 51,803	\$ 576	\$ -	\$ 185,551

Non-cash activity:

Contribution of capital assets from developers	\$ 2,847
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## Combining Statement of Cash Flows

(in thousands - unaudited) for the nine months ended June 30, 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	\$ 1,028,061	\$ 351,715	\$ (203,220)	\$ 1,176,556	\$ 256,428	\$ 5,297	\$ (12,268)	\$ 1,426,013
Other receipts	34,614	-	-	34,614	10,018	-	(2,592)	42,040
Payments to suppliers	(652,632)	(241,951)	203,220	(691,363)	(65,141)	(2,581)	14,860	(744,225)
Payments to employees	(94,098)	(24,189)	-	(118,287)	(26,070)	(281)	-	(144,638)
Net cash provided by (used in) operating activities	315,945	85,575	-	401,520	175,235	2,435	-	579,190
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(61,198)	-	-	(61,198)	(14,859)	-	-	(76,057)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	(456)	-	-	(456)
Net cash provided by (used in) noncapital financing activities	(61,198)	-	-	(61,198)	(15,315)	-	-	(76,513)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(155,231)	(6,898)	-	(162,129)	(56,899)	(245)	-	(219,273)
Face value of debt issued	347,101	-	-	347,101	125,843	-	-	472,944
Debt issue costs and discounts	8,221	(3)	-	8,218	4,451	-	-	12,669
Defeasance of debt	(244,852)	-	-	(244,852)	(88,030)	-	-	(332,882)
Repayment of debt principal	(65,610)	(99,823)	-	(165,433)	(36,810)	(1,310)	-	(203,553)
Interest paid on debt	(112,564)	(67,690)	-	(180,254)	(80,190)	(202)	-	(260,646)
Contribution from developers and others	-	-	-	-	7,833	-	-	7,833
Proceeds from sales of property	465	-	-	465	(64)	-	-	401
Build America Bonds	2,292	220	-	2,512	1,249	-	-	3,761
Net cash provided by (used in) capital and related financing activities	(220,178)	(174,194)	-	(394,372)	(122,617)	(1,757)	-	(518,746)
<b>Investing activities:</b>								
Purchase of investments	(862,464)	(910,804)	-	(1,773,268)	(920,720)	-	-	(2,693,988)
Proceeds from sale and maturities of investments	658,141	748,938	-	1,407,079	730,641	12	-	2,137,732
Investment income	909	4,152	-	5,061	1,069	10	-	6,140
Distributions from The Energy Authority	8,846	-	-	8,846	-	-	-	8,846
Net cash provided by (used in) investing activities	(194,568)	(157,714)	-	(352,282)	(189,010)	22	-	(541,270)
Net increase (decrease) in cash and cash equivalents	(159,999)	(246,333)	-	(406,332)	(151,707)	700	-	(557,339)
Cash and cash equivalents at beginning of the period	395,461	334,472	-	729,933	219,423	8,107	-	957,463
Cash and cash equivalents at end of the period	\$ 235,462	\$ 88,139	\$ -	\$ 323,601	\$ 67,716	\$ 8,807	\$ -	\$ 400,124

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

Operating income:	\$ 209,528	\$ 66,541	-	\$ 276,069	\$ 93,598	\$ 1,254	\$ -	\$ 370,921
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	140,903	30,183	-	171,086	90,870	1,504	-	263,460
Recognition of deferred costs and revenues, net	(4,460)	24,535	-	20,075	-	-	-	20,075
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	(6,261)	(37,155)	-	(43,416)	(8,345)	(217)	-	(51,978)
Decrease (increase) accounts receivable, restricted	3,383	-	-	3,383	3,081	-	-	6,464
Decrease (increase) in inventories	(25,904)	(5,532)	-	(31,436)	(1,744)	-	-	(33,180)
Increase (decrease) in other	(3,084)	-	-	(3,084)	(126)	-	-	(3,210)
Increase (decrease) in accounts payable	3,425	4,053	-	7,478	(1,672)	(106)	-	5,700
Increase (decrease) in accounts payable, restricted	-	2,983	-	2,983	-	-	-	2,983
Increase (decrease) in other liabilities and deferred credits	(1,585)	(33)	-	(1,618)	(427)	-	-	(2,045)
Net cash provided by (used in) operating activities	\$ 315,945	\$ 85,575	\$ -	\$ 401,520	\$ 175,235	\$ 2,435	\$ -	\$ 579,190

## Non-cash activity:

Contribution of capital assets from developers	\$ 7,485
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**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the nine months ended June 30, 2010

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operations:</b>								
Receipts from customers	\$ 971,184	\$ 348,101	\$ (208,341)	\$ 1,110,944	\$ 215,561	\$ 5,101	\$ (10,164)	\$ 1,321,442
Other receipts	32,657	-	-	32,657	5,132	-	(2,500)	35,289
Payments to suppliers	(633,655)	(230,079)	208,341	(655,393)	(51,107)	(2,245)	12,664	(696,081)
Payments to employees	(96,306)	(26,094)	-	(122,400)	(25,197)	(312)	-	(147,909)
Net cash provided by (used in) operating activities	273,880	91,928	-	365,808	144,389	2,544	-	512,741
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(59,012)	-	-	(59,012)	(15,170)	-	-	(74,182)
Contribution to Water and Sewer Expansion Authority	-	-	-	-	(510)	-	-	(510)
Net cash provided by (used in) noncapital financing activities	(59,012)	-	-	(59,012)	(15,680)	-	-	(74,692)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(194,490)	(4,873)	-	(199,363)	(53,493)	(34)	-	(252,890)
Face value of debt issued	276,615	37,830	-	314,445	163,539	-	-	477,984
Debt issue costs and discounts	1,036	74	-	1,110	1,535	-	-	2,645
Defeasance of debt	(124,796)	(6,000)	-	(130,796)	(99,428)	-	-	(230,224)
Repayment of debt principal	(47,821)	(100,205)	-	(148,026)	(27,486)	-	-	(175,512)
Interest paid on debt	(105,360)	(56,581)	-	(161,941)	(76,146)	(235)	-	(238,322)
Contribution from developers and others	-	-	-	-	8,180	-	-	8,180
Proceeds from sales of property	(291)	-	-	(291)	451	-	-	160
Build America Bonds	805	-	-	805	325	-	-	1,130
Net cash provided by (used in) capital and related financing activities	(194,302)	(129,755)	-	(324,057)	(82,523)	(269)	-	(406,849)
<b>Investing activities:</b>								
Purchase of investments	(716,929)	(997,981)	-	(1,714,910)	(418,698)	-	-	(2,133,608)
Proceeds from sale and maturities of investments	524,566	839,039	-	1,363,605	285,088	17	-	1,648,710
Investment income	776	5,930	-	6,706	817	7	-	7,530
Distributions from The Energy Authority	1,922	-	-	1,922	-	-	-	1,922
Net cash provided by (used in) investing activities	(189,665)	(153,012)	-	(342,677)	(132,793)	24	-	(475,446)
Net increase (decrease) in cash and cash equivalents	(169,099)	(190,839)	-	(359,938)	(86,607)	2,299	-	(444,246)
Cash and cash equivalents at beginning of the period	361,303	246,106	-	607,409	146,291	5,234	-	758,934
Cash and cash equivalents at end of the period	\$ 192,204	\$ 55,267	\$ -	\$ 247,471	\$ 59,684	\$ 7,533	\$ -	\$ 314,688

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

Operating Income:	\$ 148,035	\$ 58,304	\$ -	\$ 206,339	\$ 44,811	\$ 1,184	\$ -	\$ 252,334
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	134,370	30,207	-	164,577	100,455	1,504	-	266,536
Recognition of deferred costs and revenues, net	(2,908)	36,525	-	33,617	-	-	-	33,617
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	(3,030)	(39,298)	-	(42,328)	(6,411)	(199)	-	(48,938)
Decrease (increase) accounts receivable, restricted	1,121	-	-	1,121	(2,270)	-	-	(1,149)
Decrease (increase) in inventories	1,392	17,287	-	18,679	3,419	-	-	22,098
Increase (decrease) in other	(2,752)	-	-	(2,752)	(125)	-	-	(2,877)
Increase (decrease) in accounts payable	(3,079)	(13,494)	-	(16,573)	4,118	5	-	(12,450)
Increase (decrease) in accounts payable, restricted	-	2,259	-	2,259	-	50	-	2,309
Increase (decrease) in other liabilities and deferred credits	731	138	-	869	392	-	-	1,261
Net cash provided by (used in) operating activities	\$ 273,880	\$ 91,928	\$ -	\$ 365,808	\$ 144,389	\$ 2,544	\$ -	\$ 512,741

Non-cash activity:

Contribution of capital assets from developers	\$ 7,749
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**Electric System**  
**Schedules of Debt Service Coverage**  
(in thousands - unaudited)

	Quarter ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
Revenues:				
Electric	\$ 367,215	\$ 342,923	\$ 1,034,322	\$ 974,214
Investment income (1)	126	113	373	281
Earnings from The Energy Authority	2,713	1,453	9,666	3,457
Other, net	11,917	12,505	34,710	33,148
Plus: amount paid from the rate stabilization fund into the revenue fund	10,492	25,847	30,361	44,924
Less: amount paid from the revenue fund into the rate stabilization fund	(21,333)	(23,716)	(62,800)	(53,690)
Total revenues	371,130	359,125	1,046,632	1,002,334
Operating expenses (2):				
Fuel	98,095	85,659	240,861	239,731
Purchased power (3)	113,594	104,195	318,675	324,158
Other operation and maintenance	37,938	40,776	114,482	116,221
State utility taxes and franchise fees	16,068	14,762	49,259	46,294
Total expenses	265,695	245,392	723,277	726,404
Net revenues	\$ 105,435	\$ 113,733	\$ 323,355	\$ 275,930
Debt service	\$ 32,302	\$ 17,289	\$ 69,113	\$ 51,105
Less: investment income on sinking fund	(198)	(168)	(580)	(496)
Debt service requirement	\$ 32,104	\$ 17,121	\$ 68,533	\$ 50,609
Senior debt service coverage (4)	3.28x	6.64x	4.72x	5.45x
Net revenues (from above)	\$ 105,435	\$ 113,733	\$ 323,355	\$ 275,930
Debt service requirement (from above)	\$ 32,104	\$ 17,121	\$ 68,533	\$ 50,609
Plus: aggregate subordinated debt service on outstanding subordinated bonds	26,989	14,529	68,549	43,387
Adjusted debt service requirement	\$ 59,093	\$ 31,650	\$ 137,082	\$ 93,996
Senior and subordinated debt service coverage (5)	1.78x	3.59x	2.36x	2.94x

(1) Excludes investment income on sinking funds.

(2) Excludes depreciation.

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

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

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

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

	Quarter ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
Revenues:				
JEA	\$ 13,244	\$ 12,907	\$ 40,219	\$ 32,293
Investment income	27	2	80	7
Other, net	212	200	635	200
Total revenues	13,483	13,109	40,934	32,500
Operating expenses (1):				
Fuel	8,542	8,827	27,206	19,150
Other operations and maintenance	2,963	2,673	8,076	10,685
Total operating expenses	11,505	11,500	35,282	29,835
Net revenues	\$ 1,978	\$ 1,609	\$ 5,652	\$ 2,665
Aggregate debt service	\$ 1,399	\$ 352	\$ 4,197	\$ 352
Debt service coverage (2), (3)	1.41x	4.57x	1.35x	7.57x

(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 ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
Revenues:				
JEA	\$ 76,584	\$ 68,762	\$ 203,508	\$ 206,319
FPL	54,945	48,735	147,333	140,260
Investment income	1,241	1,802	3,897	5,290
Total revenues	132,770	119,299	354,738	351,869
Operating expenses: (1)				
Fuel	74,294	62,252	183,144	182,418
Other operations and maintenance	12,182	10,966	32,714	31,216
Total operating expenses	86,476	73,218	215,858	213,634
Net revenues	\$ 46,294	\$ 46,081	\$ 138,880	\$ 138,235
Aggregate debt service	\$ 37,034	\$ 36,860	\$ 111,102	\$ 110,580
Debt service coverage (2)	1.25x	1.25x	1.25x	1.25x

(1) Excludes depreciation.

(2) Net revenues divided by debt service requirement.

## JEA

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

	Quarter ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
Revenues:				
JEA	\$ 6,311	\$ 5,248	\$ 17,029	\$ 15,352
Investment income	-	-	-	-
Other, net	110	51	330	51
Total revenues	6,421	5,299	17,359	15,403
Operating expenses: (1)				
Fuel	-	-	-	-
Other operations and maintenance	-	-	-	-
Total operating expenses	-	-	-	-
Net revenues	\$ 6,421	\$ 5,299	\$ 17,359	\$ 15,403
Aggregate debt service	\$ 5,584	\$ 4,615	\$ 15,095	\$ 13,401
Debt service coverage (2), (3)	1.15x	1.15x	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.

	Quarter ended		Year-To-Date	
	June		June	
	2011	2010	2011	2010
<b>Revenues:</b>				
Water, net of allowances and discounts	\$ 43,561	\$ 35,347	\$ 115,699	\$ 95,846
Water capacity fees (1)	936	1,137	2,444	3,187
Sewer, net of allowances and discounts	51,956	45,027	149,074	126,126
Sewer capacity fees (1)	1,250	1,734	4,670	4,851
Investment income	654	293	1,360	827
Other	3,151	2,713	8,858	8,184
Plus: amount paid from the rate stabilization fund into the revenue fund	4,092	4,188	10,543	4,188
Less: amounts paid from the revenue fund into the rate stabilization fund	(6,117)	(3,693)	(16,519)	(10,421)
<b>Total revenues</b>	<b>99,483</b>	<b>86,746</b>	<b>276,129</b>	<b>232,788</b>
<b>Operating &amp; maintenance expenses:</b>				
Operations and maintenance (2)	29,281	29,909	87,832	84,641
<b>Total expenses</b>	<b>29,281</b>	<b>29,909</b>	<b>87,832</b>	<b>84,641</b>
<b>Net revenues</b>	<b>\$ 70,202</b>	<b>\$ 56,837</b>	<b>\$ 188,297</b>	<b>\$ 148,147</b>
<b>Aggregate debt service</b>	<b>\$ 27,001</b>	<b>\$ 24,635</b>	<b>\$ 80,800</b>	<b>\$ 71,587</b>
<b>Senior debt service coverage (3)</b>	<b>2.60x</b>	<b>2.31x</b>	<b>2.33x</b>	<b>2.07x</b>
<b>Net revenues from above</b>	<b>\$ 70,202</b>	<b>\$ 56,837</b>	<b>\$ 188,297</b>	<b>\$ 148,147</b>
Debt service requirement (from above)	27,001	24,635	80,800	71,587
Plus: aggregate subordinated debt service on outstanding subordinated debt	3,211	3,154	9,747	9,458
<b>Adjusted debt service requirement</b>	<b>30,212</b>	<b>27,789</b>	<b>90,547</b>	<b>81,045</b>
<b>Senior and subordinated debt service coverage (4)</b>	<b>2.32x</b>	<b>2.05x</b>	<b>2.08x</b>	<b>1.83x</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 nine month period ending June 2011 and 2010, then the debt service coverage would have been 2.00x and 1.73x.

(2) Excludes depreciation.

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

(4) Net revenues must be greater than or equal to the sum of 100% of the senior debt service and 120% of the subordinated debt service. The sum of such debt service amounts for the three month period ending June 2011 is \$92,496 and \$82,937 for the nine month period ending June 2010.

**Electric Enterprise Fund  
Operating Statistics**

	Quarter ended June		Year-To-Date June	
	2011	2010	2011	2010
Electric revenue sales (000's omitted):				
Residential	\$ 166,518	\$ 155,526	\$ 483,113	\$ 462,228
Commercial and industrial	186,635	168,423	512,795	469,067
Public street lighting	3,797	3,512	11,476	10,624
Sales for resale - territorial	9,312	8,769	26,662	25,638
Electric revenues - territorial	366,262	336,230	1,034,046	967,557
Saleback to Florida Power & Light	54,945	48,735	147,331	140,260
Sales for resale - off system	1,584	7,539	2,694	10,667
Electric revenues	422,791	392,504	1,184,071	1,118,484
Less: allowance for doubtful accounts	(631)	(846)	(2,418)	(4,010)
Net electric revenues	422,160	391,658	1,181,653	1,114,474
kWh sales (000's omitted):				
Residential	1,322,619	1,341,441	3,819,740	3,988,752
Commercial and industrial	1,838,325	1,821,780	5,005,027	5,005,271
Public street lighting	30,257	30,072	91,470	90,694
Sales for resale - territorial	98,482	107,221	280,518	298,613
Total kWh sales - territorial	3,289,683	3,300,514	9,196,755	9,383,330
Saleback to Florida Power & Light	629,495	773,721	1,892,921	2,141,290
Sales for resale - off system	34,236	154,124	68,958	244,964
Total kWh sales	3,953,414	4,228,359	11,158,634	11,769,584
Average number of accounts:				
Residential	369,684	369,069	369,357	368,431
Commercial and industrial	46,783	46,392	46,649	46,266
Public street lighting	3,413	3,487	3,428	3,504
Sales for resale	3	3	3	3
Total average accounts	419,883	418,951	419,437	418,203
Residential averages:				
Revenue per account - \$	450.43	421.40	1,307.98	1,254.59
kWh per account	3,578	3,635	10,342	10,826
Revenue per kWh - ¢	12.59	11.59	12.65	11.59
Degree days:				
	2011	2010	2011	2010
Heating degree days	31	25	1,567	1,691
Cooling degree days	979	1,025	1,251	1,394
Total degree days	1,010	1,050	2,818	3,085
Degree days - 30 year average		890		2,545



**Water and Sewer Enterprise Fund  
Operating Statistics**

	Quarter ended June		Year-To-Date June	
	2011	2010	2011	2010
Water				
Revenues (000's omitted):				
Residential	\$ 22,504	\$ 18,736	\$ 60,857	\$ 51,855
Commercial and industrial	9,897	8,526	29,781	25,706
Irrigation	11,275	8,173	25,345	18,602
Total water revenues	43,676	35,435	115,983	96,163
Less: allowance for doubtful accounts	(115)	(88)	(284)	(317)
Net water revenues	\$ 43,561	\$ 35,347	\$ 115,699	\$ 95,846
Water Sales (kgals*):				
Residential	5,354,551	5,020,767	13,748,744	12,828,144
Commercial and industrial	2,946,828	2,917,227	8,938,672	8,721,288
Irrigation	2,694,749	2,277,245	5,694,612	4,709,460
Total kgals sales	10,996,128	10,215,239	28,382,028	26,258,892
Number of accounts (1):				
Residential	248,796	247,989	248,431	247,383
Commercial and industrial	23,348	22,972	23,182	22,982
Irrigation	35,643	35,480	35,525	35,411
Total average accounts	307,788	306,441	307,138	305,776
Residential averages:				
Revenue per account - \$	90.45	75.55	244.97	209.61
kgals per account	21.52	20.25	55.34	51.86
Revenue per kgals - \$	4.20	3.73	4.43	4.04
Reuse				
Revenues (000's omitted):				
Reuse revenues	\$ 1,120	\$ 577	\$ 2,483	\$ 1,318
Reuse Sales (kgals*):				
Reuse sales (kgals*)	514,215	288,207	1,096,403	615,010
Number of accounts:				
Reuse accounts	1,715	1,244	1,608	1,137
Sewer				
Revenues (000's omitted):				
Residential	\$ 31,782	\$ 27,244	\$ 86,645	\$ 73,247
Commercial and industrial	19,227	17,338	60,372	52,036
Total sewer revenues	51,009	44,582	147,017	125,283
Less: allowance for doubtful accounts	(173)	(132)	(426)	(475)
Net sewer revenues	\$ 50,836	\$ 44,450	\$ 146,591	\$ 124,808
Sewer Sales (kgals*):				
Residential	4,491,467	4,215,967	11,619,173	10,833,254
Commercial and industrial	2,384,375	2,488,796	7,606,874	7,536,867
Total kgals sales	6,875,842	6,704,763	19,226,047	18,370,121
Number of accounts (1):				
Residential	216,608	214,921	216,072	214,184
Commercial and industrial	17,278	17,191	17,255	17,225
Total average accounts	233,886	232,112	233,327	231,409
Residential averages:				
Revenue per account - \$	146.73	126.76	401.00	341.98
kgals per account	20.74	19.62	53.77	50.58
Revenue per kgals - \$	7.08	6.46	7.46	6.76
*kgals = 1000 gallons				
Rainfall				
Normal	11.99	11.99	31.60	31.60
Actual	9.29	6.40	23.17	23.70