



Building Community®

Management's Discussion and Analysis of Financial Performance for the Quarter Ended June 30, 2014

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 2014 increased 14.3 percent over operating revenues for the quarter ended June 2013. The increase was primarily caused by the Fuel Charge Credit given to customers in the spring of 2013. The Fuel Charge Credit was approximately \$36.6 million. A similar Fuel Charge Credit is scheduled for July 2014. Increased territorial sales and off system sales were also contributing factors to the increase. Territorial MWh sales increased 1.6 percent and total sales increased 0.9 percent when off-system sales are included. Total sales for the quarter increased from 3,505,276 MWh to 3,538,463 MWh.

Operating revenues for the nine month period ended June 2014 increased 6.4 percent over operating revenues for the nine month period ended June 2013. The factors contributing to the increase in operating revenues for the nine month period ended June 2014 were the same as discussed above. Territorial MWh sales increased 1.9 percent and total sales increased 3.4 percent when off-system sales are included. Total sales increased from 9,832,927 MWh to 10,163,823 MWh.

Total Water and Sewer Enterprise Fund operating revenues increased 2.1 percent for the quarter ended June 2014 compared to the quarter ended June 2013. Water revenues increased 1.4 percent, mainly due to a 1.8 percent increase in customer accounts and a 1.1 percent increase in sales volume. Water sales measured in thousands of gallons (kgals) increased 95.1 kgals from 8,580.6 kgals to 8,675.8 kgals. Sewer revenues increased 1.7 percent primarily related to a 2.3 percent increase in sewer accounts and a 1.0 percent increase in sewer sales volume. The increase was 54.6 kgals from 6,019.9 kgals to 6,074.5 kgals.

Total Water & Sewer Enterprise Fund operating revenues were flat for the nine month period ended June 2014 compared to the nine month period ended June 2013. Water revenues decreased 1.6 percent. The number of customers increased 1.8 percent; however water consumption decreased 791.9 kgals (3.3 percent) from 24,296.9 kgals to 23,505.1 kgals notably in irrigation sales. Sewer revenues increased 1.3 percent due to a 2.3 percent increase in sewer accounts, which was offset by a slight decrease in sales volume. Sewer sales volume decreased 56.2 kgals (0.3 percent) from 17,466.9 kgals to 17,410.7 kgals.

Operating revenues for DES increased 5.8 percent for the quarter ended June 2014 compared to operating revenues for the similar period last year. The increase was attributable to Fuel Charge Credit passed through to chilled water customers in 2013. For the nine month period ended June 2014 operating revenues increased 4.0 percent, for the same reason as discussed above, in addition to refunds given in 2013 for the Chilled Water Equivalent Full Load Discount.

Operating Expenses

Total operating expenses for the Electric Enterprise Fund increased 4.2 percent for the quarter ended June 2014 as compared to the quarter ended June 2013. The increase was mainly due a \$6.9 million increase in fuel and purchased power expense, as discussed below. Operating and maintenance expenses increased \$3.0 million. The major factor impacting the change in operating and maintenance expenses is increased maintenance expenses at Scherer due to an extended scheduled planned outage. Taxes and franchise fees increased 13.9 percent due to the increase in revenues. Recognition of deferred costs increased in the amount of \$1.1 million due to the Selective Catalytic Reductions (SCR) assets at SJRPP being placed in service in 2014.

Total operating expenses for the Electric Enterprise Fund increased 3.0 percent for the nine months ended June 2014 as compared to the similar period in the prior year. The major factors impacting the change in operating expenses are: fuel and purchased power expense increased \$28.3 million, as discussed below; operating and maintenance expenses increased \$3.9 million; taxes increased \$2.8 million; and recognition of deferred costs and revenues decreased \$8.2 million. The reasons for the changes for the nine months were the same as discussed above with the exception of a debt service release at SJRPP in 2013 which decreased the recognition of deferred costs.

Total fuel and purchased power expense for the quarter ended June 2014 increased \$6.9 million (4.9 percent) over the similar period in the prior year. The increase in fuel and purchased power expense was primarily driven an increase in generation. Fuel mix and fuel commodity prices were additional drivers. The total cost of MWh produced and purchased increased 6.6 percent; generation costs increased 34.6 percent and purchased power decreased 12.9 percent. As the price for gas and solid fuels have fluctuated over these periods, the components of fuel and purchased power have shifted as JEA has taken advantage of the most economical source of power.

Total production of megawatt hours generated and purchased for the quarter ended June 2014 increased 1.8 percent from 3,138,641 MWh to 3,194,734 MWh. Generated megawatt hours increased 35.4 percent and purchased power decreased 29.7 percent. JEA's power supply mix for the current quarter was 46.2 percent coal, 30.0 percent natural gas, 17.9 percent petroleum coke, and 5.9 percent other purchases. JEA's power supply mix for the quarter ended June 2013 was 49.9 percent coal, 22.4 percent petroleum coke, 18.2 percent natural gas, and 9.5 percent other purchases.

Total fuel and purchased power for the nine months ended June 2014 increased \$28.3 million (7.3 percent) over the prior year. The drivers for the increase were the same, as discussed above. The total cost per MWh produced increased 5.9 percent; generation cost increased 27.3 percent and purchased power decreased 10.0 percent.

Total production of megawatt hours generated and purchased for the nine months ended June 2014 increased 2.5 percent from 8,817,624 MWh to 9,041,422 MWh. Generated megawatt hours increased 23.8 percent and purchased power decreased 16.4 percent. JEA's power supply mix for the nine months ended June 2014 was 56.5 percent coal, 26.0 percent natural gas, 12.9 percent petroleum coke, 4.5 percent other purchases, and 0.1 percent oil. JEA's power supply mix for the nine months ended June 2013 was 49.5 percent coal, 38.0 percent natural gas, 10.1 percent other purchases, and 2.4 percent petroleum coke.

Northside's availability factors for the quarter ended June 2014 were 95.1 percent for Unit 1, 97.4 percent for Unit 2 and 96.2 percent combined. Northside's availability factors for the nine months ended June 2014 were 97.1 percent for Unit 1, 99.1 percent for Unit 2 and 98.6 percent combined.

SJRPP's availability factors for the quarter ended June 2014 were 98.9 percent for Unit 1, 33.8 percent for Unit 2 and 66.3 percent combined. The availability factor for Unit 2 was affected by a planned outage. SJRPP's availability factors for the nine months ended June 2014 were 95.8

percent for Unit 1, 75.1 percent for Unit 2 and 98.6 percent combined. The availability factor was affected by a planned outage for Unit 2.

Plant Scherer Unit 4 availability factor for the quarter ended June 2014 was 58.7 percent. Plant Scherer Unit 4 availability factor for the nine months ended June 2014 was 76.1 percent. The availability factors were affected by a planned outage.

Water and Sewer System total operating expenses for the quarter ended June 2014 increased \$2.3 million (3.6 percent) when compared to the prior year. Operating and maintenance expenses increased \$1.3 million, mainly due to an increase of salaries and benefits. Depreciation expense increased due to assets being placed in service.

Water and Sewer System total operating expenses for the nine months ended June 2014 remained constant when compared to the prior year. Operating and maintenance expenses increased mainly to the factor discussed above. Depreciation expense decreased due to the retirement of assets no longer in service.

DES operating expenses increased 10.0 percent for the quarter ended June 2014 over the similar period in the prior year. The increase was primarily due to increased utility charges and increased pension expense.

DES operating expenses increased 6.3 percent for the nine months ended June 2014 over the similar period in the prior year. The increase was mainly due to the items discussed above.

Nonoperating Revenues (Expenses)

There was a net decrease of \$16.1 million (26.7 percent) in total nonoperating expenses for the quarter ended June 2014. Investment income increased \$12.6 million due to favorable fair market value adjustments in investments and increased returns on investments. Interest expense decreased \$3.2 million primarily due to a decrease in interest due to lower debt balances as a result of increased debt repayments. Earnings from The Energy Authority (TEA), a municipal power marketing joint venture in which JEA is a member, increased \$0.3 million due to higher margins on purchases and sales transactions by TEA.

There was a net decrease of \$39.7 million (22.46 percent) in total nonoperating expenses for the nine months ended June 2014. Investment income increased \$30.5 million due to favorable fair market value adjustments in investments and increased returns on investments. Interest expense decreased \$10.3 million due to the recognition of a Swap termination loss of \$8.7M in 2013. TEA earnings decreased \$1.0 million due to lower margins on purchases and sales transactions.

Debt Administration

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

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

During the quarter, the ratings for the District Energy System remained the same. The District Energy System bond ratings by Fitch, Moody's and Standard & Poor's ratings were AA, Aa3 and AA-.

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

The Electric System senior debt service coverage ratio was 5.72x and 5.32x for the quarters ended June 2014 and June 2013. The increase was due to the 2.4 percent decrease in net revenues being proportionately less than the 9.2 percent decrease in the debt service requirement between such periods. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.50x and 2.56x for the quarters ended June 2014 and June 2013. The decrease was due to the 2.4 percent decrease in net revenues being proportionately greater than the 0.2 percent decrease in the debt service requirement between such periods.

The Electric System senior debt service coverage ratio was 5.45x and 5.25x for the nine month period ended June 2014 and June 2013. The increase in senior debt service coverage ratio was due to the 2.3 percent decrease in net revenues being proportionately less than the 5.9 percent decrease in the debt service requirement between such periods. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.45x and 2.51x for the nine month period ended June 2014 and June 2013. The decrease was due to the 2.3 percent decrease in net revenues and a slight increase in the debt service requirement between such periods.

The Water and Sewer System senior debt service coverage ratio was 2.87x and 2.85x for the quarters ended June 2014 and June 2013. The increase was due to the 0.4 percent increase in net revenues and the 0.3 percent decrease in the debt service requirement between such periods. The debt service coverage ratio for the Water and Sewer System's combined senior and subordinated debt was 2.61x and 2.58x for the quarters ended June 2014 and June 2013. The increase was due to the 0.4 percent increase in net revenues and the 0.8 percent decrease in the debt service requirement between such periods.

The Water and Sewer System senior debt service coverage ratio was 2.64x and 2.65x for the nine month period ended June 2014 and June 2013. The decrease was due to the 0.3 percent decrease in net revenues being proportionately greater than the 0.2 percent decrease in the debt service requirement between such periods. The debt service coverage ratio for the Water and Sewer System's combined senior and subordinated debt was 2.40x and 2.39x for the nine month period ended June 2014 and June 2013. The increase was due to the 0.3 percent decrease in net revenues being proportionately less than the 0.7 percent decrease in the debt service requirement between such periods.

Capital Assets

JEA's investment in capital assets at June 2014 was \$6.26 billion (net of accumulated depreciation). This included \$3.52 billion in the Electric Enterprise assets, \$2.69 billion in the Water & Sewer assets and \$48.7 million in DES assets. For the nine months ended June 2014, capital expenditures were \$114.77 million consisting of \$62.65 million for the Electric Enterprise Fund and \$51.84 million for the Water & Sewer Fund and \$ 0.28 million for DES. JEA has ongoing capital improvement programs for the Electric Enterprise Fund and the Water and Sewer Fund. The cost of the capital improvement program is planned to be provided from revenues generated from operations and existing fund balances.



Paul G. McElroy

Paul McElroy, Managing Director

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
(in thousands - unaudited)

	June	
	2014	2013 restated
ASSETS AND DEFERRED OUTFLOWS		
Current assets:		
Cash and cash equivalents	\$ 135,871	\$ 207,386
Investments	256,702	160,138
Customer accounts receivable, less allowance for doubtful accounts - \$4,658 in 2014 and \$4,404 in 2013	270,854	275,161
Inventories, less reserve of \$1,874 in 2014 and \$3,376 in 2013		
Fuel inventory	59,278	59,751
Materials and supplies	69,655	68,106
Total current assets	792,360	770,542
Restricted assets:		
Cash and cash equivalents	115,412	149,855
Investments	911,128	790,953
Accounts and interest receivable	4,107	4,284
Total restricted assets	1,030,647	945,092
Noncurrent assets:		
Prepayments and other	21,076	14,322
Investment in The Energy Authority	8,239	6,394
Costs to be recovered from future revenues	19,389	18,676
Total noncurrent assets	48,704	39,392
Capital assets:		
Land and easements	136,796	131,914
Plant in service	10,461,843	10,384,253
Less accumulated depreciation	(4,536,503)	(4,261,012)
Plant in service, net	6,062,136	6,255,155
Construction work in progress	195,487	198,031
Capital assets, net	6,257,623	6,453,186
Total assets	8,129,334	8,208,212
Deferred outflows of resources:		
Unamortized losses on refundings	166,013	175,582
Accumulated decrease in fair value of interest swaps derivatives	100,391	95,979
Total deferred outflows of resources	266,404	271,561
Total assets and deferred outflows of resources	\$ 8,395,738	\$ 8,479,773
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts and accrued expenses payable	\$ 121,598	\$ 131,724
Customer deposits	55,965	59,023
Total current liabilities	177,563	190,747
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	257,276	248,983
Interest payable	51,395	54,112
Construction contracts and accounts payable	13,515	18,007
Renewal and replacement reserve	84,071	82,096
Total liabilities payable from restricted assets	406,257	403,198
Other noncurrent liabilities:		
OPEB liability	4,125	4,125
Other	39,497	41,330
Total other noncurrent liabilities	43,622	45,455
Long-term debt:		
Bonds and commercial paper	5,119,671	5,441,677
Unamortized original issue premium (discount)	177,229	157,663
Fair value of debt management strategy instruments	100,391	95,979
Total long-term debt	5,397,291	5,695,319
Total liabilities	6,024,733	6,334,719
Deferred inflows of resources:		
Revenues to be used for future costs	226,548	162,126
Total deferred inflows of resources	226,548	162,126
Net position:		
Net investment in capital assets	944,992	945,923
Restricted	598,976	481,948
Unrestricted	600,489	555,057
Total net position	2,144,457	1,982,928
Total liabilities, deferred inflows of resources and net position	\$ 8,395,738	\$ 8,479,773

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

	Quarter		Year-To-Date	
	June		June	
	2014	2013 restated	2014	2013 restated
Operating revenues (net of allowances and discounts):				
Electric	\$ 364,023	\$ 318,609	\$ 1,041,192	\$ 978,422
Water and sewer	98,841	96,953	283,102	282,462
District Energy	2,054	1,942	6,102	5,865
Other, net	9,156	9,575	28,376	28,640
Total operating revenues	474,074	427,079	1,358,772	1,295,389
Operating expenses:				
Operations:				
Fuel	134,691	125,133	384,153	343,892
Purchased power	13,593	16,230	33,527	45,445
Other	66,901	62,058	199,067	184,670
Maintenance	25,429	26,932	70,369	79,943
Depreciation	93,601	92,840	281,888	284,594
State utility taxes and franchise fees	17,154	15,346	52,394	49,632
Recognition of deferred costs and revenues, net	16,416	15,281	40,936	49,143
Total operating expenses	367,785	353,820	1,062,334	1,037,319
Operating income	106,289	73,259	296,438	258,070
Nonoperating revenues (expenses):				
Earnings from The Energy Authority	968	637	3,437	4,430
Investment income, fair market value adjustments	6,212	(6,402)	17,535	(13,011)
Other nonoperating income	1,819	1,796	5,459	5,733
Interest on debt	(54,142)	(57,299)	(165,916)	(176,262)
Other interest, net	(15)	(31)	(23)	(118)
Allowance for funds used during construction	928	1,005	2,518	2,549
Total nonoperating revenues (expenses), net	(44,230)	(60,294)	(136,990)	(176,679)
Income before contributions	62,059	12,965	159,448	81,391
Contributions (to) from:				
General Fund, City of Jacksonville	(27,297)	(26,672)	(81,891)	(80,016)
Developers and others	9,646	9,055	27,165	21,183
Total contributions	(17,651)	(17,617)	(54,726)	(58,833)
Change in net position	44,408	(4,652)	104,722	22,558
Net position, beginning of period	2,100,049	1,987,580	2,039,735	1,991,311
Effect of change in accounting	-	-	-	(30,941)
Net position, beginning of year, as restated	2,100,049	1,987,580	2,039,735	1,960,370
Net position, end of period	\$ 2,144,457	\$ 1,982,928	\$ 2,144,457	\$ 1,982,928

Statements of Cash Flows
(in thousands - unaudited)

	Quarter June	
	2014	2013 restated
Operations:		
Receipts from customers	\$ 433,213	\$ 383,332
Other receipts	9,359	9,570
Payments to suppliers	(222,636)	(180,832)
Payments to employees	(48,808)	(51,635)
Net cash provided by (used in) operating activities	171,128	160,435
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, FL.	(27,451)	(35,580)
Build America Bonds subsidies	-	-
Net cash provided by (used in) noncapital financing activities	(27,451)	(35,580)
Capital and related financing activities:		
Acquisition and construction of capital assets	(35,903)	(86,184)
Proceeds from issuance of debt	88,790	139,555
Debt issue costs and discounts	921	7,188
Defeasance of debt	(88,826)	(145,532)
Repayment of debt principal	(346)	(2,436)
Interest paid on debt	(102,965)	(107,382)
Contribution from developers and others	5,034	4,824
Proceeds from sales of property	(98)	1,485
Net cash provided by (used in) capital and related financing activities	(133,393)	(188,482)
Investing activities:		
Purchase of investments	(466,585)	(510,401)
Proceeds from sale and maturities of investments	432,172	538,768
Investment income	2,344	3,235
Distributions from The Energy Authority	515	688
Net cash provided by (used in) investing activities	(31,554)	32,290
Net increase (decrease) in cash and cash equivalents	(21,270)	(31,337)
Cash and cash equivalents at beginning of the period	272,553	388,578
Cash and cash equivalents at end of the period	\$ 251,283	\$ 357,241
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income:	\$ 106,289	\$ 73,259
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	93,982	93,297
Recognition of deferred costs and revenues, net	16,416	15,281
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable	(39,159)	(46,638)
Decrease (increase) accounts receivable, restricted	202	(5)
Decrease (increase) in inventories	(5,867)	(6,079)
Increase (decrease) in other assets	558	1,141
Increase (decrease) in accounts payable	4,457	33,875
Increase (decrease) in accounts payable, restricted	(6,631)	(4,383)
Increase (decrease) in other liabilities	881	687
Net cash provided by (used in) operating activities	\$ 171,128	\$ 160,435
Non-cash activity:		
Contribution of capital assets from developers	\$ 4,612	\$ 4,231

Statements of Cash Flows
(in thousands - unaudited)

	Year-To-Date	
	2014	2013 restated
Operations:		
Receipts from customers	\$ 1,342,441	\$ 1,281,064
Other receipts	30,608	28,986
Payments to suppliers	(650,232)	(564,543)
Payments to employees	(158,743)	(164,363)
Net cash provided by (used in) operating activities	564,074	581,144
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, FL.	(81,650)	(79,950)
Build America Bonds subsidies	3,639	3,935
Net cash provided by (used in) noncapital financing activities	(78,011)	(76,015)
Capital and related financing activities:		
Acquisition and construction of capital assets	(116,693)	(186,365)
Proceeds from issuance of debt	449,170	402,140
Debt issue costs and discounts	23,330	46,721
Defeasance of debt	(471,089)	(449,893)
Repayment of debt principal	(239,697)	(260,334)
Interest paid on debt	(222,401)	(218,829)
Contribution from developers and others	13,422	12,472
Proceeds from sales of property	939	2,139
Net cash provided by (used in) capital and related financing activities	(563,019)	(651,949)
Investing activities:		
Purchase of investments	(1,379,860)	(1,692,768)
Proceeds from sale and maturities of investments	1,113,512	1,478,109
Investment income	7,212	(2,160)
Distributions from The Energy Authority	1,487	7,546
Net cash provided by (used in) investing activities	(257,649)	(209,273)
Net increase (decrease) in cash and cash equivalents	(334,606)	(356,093)
Cash and cash equivalents at beginning of the period	585,888	713,334
Cash and cash equivalents at end of the period	\$ 251,282	\$ 357,241

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

Operating Income:	\$ 296,438	\$ 258,070
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	283,117	285,952
Recognition of deferred costs and revenues, net	40,936	49,143
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable	(29,770)	(23,390)
Decrease (increase) accounts receivable, restricted	2,232	346
Decrease (increase) in inventories	13,089	29,085
Increase (decrease) in other assets	(8,867)	(84)
Increase (decrease) in accounts payable	(24,810)	(12,748)
Increase (decrease) in accounts payable, restricted	(5,319)	(4,550)
Increase (decrease) in other liabilities	(2,972)	(680)
Net cash provided by (used in) operating activities	\$ 564,074	\$ 581,144

Non-cash activity:

Contribution of capital assets from developers	\$ 13,743	8,711
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**Combining Statement of Net Position
(in thousands - unaudited) June 30, 2014**

	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
ASSETS AND DEFERRED OUTFLOWS								
Current assets:								
Cash and cash equivalents	\$ 54,420	\$ 42,156	\$ -	\$ 96,576	\$ 35,261	\$ 4,034	\$ -	\$ 135,871
Investments	256,692	-	-	256,692	-	10	-	256,702
Customer accounts receivable, less allowance for doubtful accounts of \$4,658	195,345	51,838	(16,926)	230,257	40,067	530	-	270,854
Inventories, less reserve of \$1,874								
Fuel inventory	40,284	18,994	-	59,278	-	-	-	59,278
Materials and supplies	2,143	20,019	-	22,162	47,493	-	-	69,655
Total current assets	548,884	133,007	(16,926)	664,965	122,821	4,574	-	792,360
Restricted assets:								
Cash and cash equivalents	983	62,937	-	63,920	47,531	3,961	-	115,412
Investments	329,773	280,741	-	610,514	300,614	-	-	911,128
Accounts and interest receivable	1,411	726	-	2,137	1,970	-	-	4,107
Total restricted assets	332,167	344,404	-	676,571	350,115	3,961	-	1,030,647
Noncurrent assets:								
Prepayments and other	9,261	-	-	9,261	11,815	-	-	21,076
Investment in The Energy Authority	8,239	-	-	8,239	-	-	-	8,239
Costs to be recovered from future revenues	14,227	5,162	-	19,389	-	-	-	19,389
Total noncurrent assets	31,727	5,162	-	36,889	11,815	-	-	48,704
Capital assets:								
Land and easements	73,603	6,660	-	80,263	53,482	3,051	-	136,796
Plant in service	5,036,645	1,346,718	-	6,383,363	4,026,564	51,916	-	10,461,843
Less accumulated depreciation	(2,282,236)	(781,420)	-	(3,063,656)	(1,456,175)	(16,672)	-	(4,536,503)
Plant in service, net	2,828,012	571,958	-	3,399,970	2,623,871	38,295	-	6,062,136
Construction work in progress	50,380	71,437	-	121,817	73,241	429	-	195,487
Capital assets, net	2,878,392	643,395	-	3,521,787	2,697,112	38,724	-	6,257,623
Total assets	3,791,170	1,125,968	(16,926)	4,900,212	3,181,863	47,259	-	8,129,334
Deferred outflows of resources:								
Unamortized losses on refundings	92,193	25,604	-	117,797	47,987	229	-	166,013
Accumulated decrease in fair value of interest swaps derivatives	84,648	-	-	84,648	15,743	-	-	100,391
Total deferred outflows of resources	176,841	25,604	-	202,445	63,730	229	-	266,404
Total assets and deferred outflows of resources	\$ 3,968,011	\$ 1,151,572	\$ (16,926)	\$ 5,102,657	\$ 3,245,593	\$ 47,488	\$ -	\$ 8,395,738
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION								
Current liabilities:								
Accounts and accrued expenses payable	\$ 89,822	\$ 18,072	\$ (225)	\$ 107,669	\$ 13,905	\$ 24	\$ -	\$ 121,598
Customer deposits	43,305	-	-	43,305	12,660	-	-	55,965
Total current liabilities	133,127	18,072	(225)	150,974	26,565	24	-	177,563
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	78,615	132,025	-	210,640	45,031	1,605	-	257,276
Interest payable	24,885	7,600	-	32,485	18,556	354	-	51,395
Construction contracts and accounts payable	2,671	22,954	(16,701)	8,924	4,441	150	-	13,515
Renewal and replacement reserve	-	84,071	-	84,071	-	-	-	84,071
Total liabilities payable from restricted assets	106,171	246,650	(16,701)	336,120	68,028	2,109	-	406,257
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Other	31,527	1,417	-	32,944	6,512	41	-	39,497
Total other noncurrent liabilities	34,127	1,417	-	35,544	8,037	41	-	43,622
Long-term debt:								
Bonds and commercial paper	2,674,250	578,085	-	3,252,335	1,825,976	41,360	-	5,119,671
Unamortized original issue premium (discount)	103,038	27,825	-	130,863	46,420	(54)	-	177,229
Fair value of debt management strategy instruments	84,648	-	-	84,648	15,743	-	-	100,391
Total long-term debt	2,861,936	605,910	-	3,467,846	1,888,139	41,360	-	5,397,291
Total liabilities	3,135,361	872,049	(16,926)	3,990,484	1,990,769	43,480	-	6,024,733
Deferred inflows of resources:								
Revenues to be used for future costs	54,041	172,507	-	226,548	-	-	-	226,548
Total deferred inflows of resources	54,041	172,507	-	226,548	-	-	-	226,548
Net position:								
Net investment in capital assets	142,492	(118,260)	-	24,232	924,868	(4,108)	-	944,992
Restricted	236,987	111,759	16,701	365,447	229,922	3,607	-	598,976
Unrestricted	399,130	113,517	(16,701)	495,946	100,034	4,509	-	600,489
Total net position	778,609	107,016	-	885,625	1,254,824	4,008	-	2,144,457
Total liabilities, deferred inflows of resources and net position	\$ 3,968,011	\$ 1,151,572	\$ (16,926)	\$ 5,102,657	\$ 3,245,593	\$ 47,488	\$ -	\$ 8,395,738

**Combining Statement of Net Position
(in thousands - unaudited) June 30, 2013 restated**

	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
ASSETS AND DEFERRED OUTFLOWS								
Current assets:								
Cash and cash equivalents	\$ 115,851	\$ 42,742	\$ -	\$ 158,593	\$ 44,745	\$ 4,048	\$ -	\$ 207,386
Investments	148,120	11,991	-	160,111	-	27	-	160,138
Customer accounts receivable, less allowance for doubtful accounts of \$4,404	202,606	46,215	(15,277)	233,544	40,890	727	-	275,161
Inventories, less reserve of \$3,376								
Fuel inventory	42,306	17,445	-	59,751	-	-	-	59,751
Materials and supplies	2,167	21,072	-	23,239	44,867	-	-	68,106
Total current assets	511,050	139,465	(15,277)	635,238	130,502	4,802	-	770,542
Restricted assets:								
Cash and cash equivalents	4,042	82,440	-	86,482	61,041	2,332	-	149,855
Investments	283,560	271,708	-	555,268	235,685	-	-	790,953
Accounts and interest receivable	1,375	726	-	2,101	2,183	-	-	4,284
Total restricted assets	288,977	354,874	-	643,851	298,909	2,332	-	945,092
Noncurrent assets:								
Prepayments and other	1,559	-	-	1,559	12,763	-	-	14,322
Investment in The Energy Authority	6,394	-	-	6,394	-	-	-	6,394
Costs to be recovered from future revenues	12,864	5,812	-	18,676	-	-	-	18,676
Total noncurrent assets	20,817	5,812	-	26,629	12,763	-	-	39,392
Capital assets:								
Land and easements	70,661	6,660	-	77,321	51,542	3,051	-	131,914
Plant in service	4,992,368	1,369,080	-	6,361,448	3,971,445	51,360	-	10,384,253
Less accumulated depreciation	(2,146,581)	(743,094)	-	(2,889,675)	(1,356,625)	(14,712)	-	(4,261,012)
Plant in service, net	2,916,448	632,646	-	3,549,094	2,666,362	39,699	-	6,255,155
Construction work in progress	82,923	56,205	-	139,128	58,649	254	-	198,031
Capital assets, net	2,999,371	688,851	-	3,688,222	2,725,011	39,953	-	6,453,186
Total assets	3,820,215	1,189,002	(15,277)	4,993,940	3,167,185	47,087	-	8,208,212
Deferred outflows of resources:								
Unamortized losses on refundings	92,927	31,322	-	124,249	51,096	237	-	175,582
Accumulated decrease in fair value of interest swaps derivatives	81,000	-	-	81,000	14,979	-	-	95,979
Total deferred outflows of resources	173,927	31,322	-	205,249	66,075	237	-	271,561
Total assets and deferred outflows of resources	\$ 3,994,142	\$ 1,220,324	\$ (15,277)	\$ 5,199,189	\$ 3,233,260	\$ 47,324	\$ -	\$ 8,479,773
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION								
Current liabilities:								
Accounts and accrued expenses payable	\$ 97,645	\$ 20,896	\$ (722)	\$ 117,819	\$ 13,880	\$ 25	\$ -	\$ 131,724
Customer deposits	45,259	-	-	45,259	13,764	-	-	59,023
Total current liabilities	142,904	20,896	(722)	163,078	27,644	25	-	190,747
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	74,255	127,390	-	201,645	46,973	365	-	248,983
Interest payable	25,148	9,850	-	34,998	18,968	146	-	54,112
Construction contracts and accounts payable	2,883	23,071	(14,555)	11,399	6,608	-	-	18,007
Renewal and replacement reserve	-	82,096	-	82,096	-	-	-	82,096
Total liabilities payable from restricted assets	102,286	242,407	(14,555)	330,138	72,549	511	-	403,198
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Other	32,253	2,939	-	35,192	6,101	37	-	41,330
Total other noncurrent liabilities	34,853	2,939	-	37,792	7,626	37	-	45,455
Long-term debt:								
Bonds and commercial paper	2,798,360	709,955	-	3,508,315	1,890,397	42,965	-	5,441,677
Unamortized original issue premium (discount)	78,553	39,155	-	117,708	40,014	(59)	-	157,663
Fair value of debt management strategy instruments	81,000	-	-	81,000	14,979	-	-	95,979
Total long-term debt	2,957,913	749,110	-	3,707,023	1,945,390	42,906	-	5,695,319
Total liabilities	3,237,956	1,015,352	(15,277)	4,238,031	2,053,209	43,479	-	6,334,719
Deferred inflows of resources:								
Revenues to be used for future costs	57,919	104,207	-	162,126	-	-	-	162,126
Total deferred inflows of resources	57,919	104,207	-	162,126	-	-	-	162,126
Net position:								
Net investment in capital assets	177,838	(126,177)	-	51,661	897,116	(2,854)	-	945,923
Restricted	179,183	111,311	14,555	305,049	174,940	1,959	-	481,948
Unrestricted	341,246	115,631	(14,555)	442,322	107,995	4,740	-	555,057
Total net position	698,267	100,765	-	799,032	1,180,051	3,845	-	1,982,928
Total liabilities, deferred inflows of resources and net position	\$ 3,994,142	\$ 1,220,324	\$ (15,277)	\$ 5,199,189	\$ 3,233,260	\$ 47,324	\$ -	\$ 8,479,773

**Combining Statement of Revenue, Expenses and Changes in Net Assets
(in thousands - unaudited) for the quarter ended June 30, 2014**

	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	\$ 326,845	\$ 97,400	\$ (55,992)	\$ 368,253	\$ -	\$ -	\$ (4,230)	\$ 364,023
Water and sewer	-	-	-	-	99,035	-	(194)	98,841
District Energy	-	-	-	-	-	2,054	-	2,054
Other, net	7,284	-	-	7,284	2,496	-	(624)	9,156
Total operating revenues	334,129	97,400	(55,992)	375,537	101,531	2,054	(5,048)	474,074
Operating expenses:								
Operations:								
Fuel	94,396	40,295	-	134,691	-	-	-	134,691
Purchased power	69,585	-	(55,992)	13,593	-	-	-	13,593
Other	36,717	7,736	-	44,453	26,565	931	(5,048)	66,901
Maintenance	13,695	8,576	-	22,271	2,967	191	-	25,429
Depreciation	49,320	10,874	-	60,194	32,853	554	-	93,601
State utility taxes and franchise fees	14,645	-	-	14,645	2,509	-	-	17,154
Recognition of deferred costs and revenues, net	(1,354)	17,770	-	16,416	-	-	-	16,416
Total operating expenses	277,004	85,251	(55,992)	306,263	64,894	1,676	(5,048)	367,785
Operating income	57,125	12,149	-	69,274	36,637	378	-	106,289
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	968	-	-	968	-	-	-	968
Investment income, fair market value adjustments	2,562	1,903	-	4,465	1,745	2	-	6,212
Other nonoperating income	1,094	102	-	1,196	623	-	-	1,819
Interest on debt	(25,317)	(10,150)	-	(35,467)	(18,318)	(357)	-	(54,142)
Other interest, net	(15)	-	-	(15)	-	-	-	(15)
Allowance for funds used during construction	329	-	-	329	597	2	-	928
Total nonoperating revenues (expenses), net	(20,379)	(8,145)	-	(28,524)	(15,353)	(353)	-	(44,230)
Income before contributions	36,746	4,004	-	40,750	21,284	25	-	62,059
Contributions (to) from:								
General Fund, City of Jacksonville	(21,830)	-	-	(21,830)	(5,467)	-	-	(27,297)
Developers and others	-	-	-	-	9,646	-	-	9,646
Total contributions	(21,830)	-	-	(21,830)	4,179	-	-	(17,651)
Change in net position	14,916	4,004	-	18,920	25,463	25	-	44,408
Net position, beginning of period	763,693	103,012	-	866,705	1,229,361	3,983	-	2,100,049
Net position, end of period	\$ 778,609	\$ 107,016	\$ -	\$ 885,625	\$ 1,254,824	\$ 4,008	\$ -	\$ 2,144,457

**Combining Statement of Revenue, Expenses and Changes in Net Assets
(in thousands - unaudited) for the quarter ended June 30, 2013 restated**

	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	\$ 281,135	\$ 109,031	\$ (68,015)	\$ 322,151	\$ -	\$ -	\$ (3,542)	\$ 318,609
Water and sewer	-	-	-	-	97,020	-	(67)	96,953
District Energy	-	-	-	-	-	1,942	-	1,942
Other, net	7,973	-	-	7,973	2,276	-	(674)	9,575
Total operating revenues	289,108	109,031	(68,015)	330,124	99,296	1,942	(4,283)	427,079
Operating expenses:								
Operations:								
Fuel	73,042	52,091	-	125,133	-	-	-	125,133
Purchased power	84,245	-	(68,015)	16,230	-	-	-	16,230
Other	32,387	8,270	-	40,657	24,856	828	(4,283)	62,058
Maintenance	15,128	7,961	-	23,089	3,663	180	-	26,932
Depreciation	50,548	10,173	-	60,721	31,604	515	-	92,840
State utility taxes and franchise fees	12,853	-	-	12,853	2,493	-	-	15,346
Recognition of deferred costs and revenues, net	(981)	16,262	-	15,281	-	-	-	15,281
Total operating expenses	267,222	94,757	(68,015)	293,964	62,616	1,523	(4,283)	353,820
Operating income	21,886	14,274	-	36,160	36,680	419	-	73,259
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	637	-	-	637	-	-	-	637
Investment income, fair market value adjustments	(1,337)	(3,395)	-	(4,732)	(1,673)	3	-	(6,402)
Other nonoperating income	1,083	100	-	1,183	613	-	-	1,796
Interest on debt	(26,945)	(11,389)	-	(38,334)	(18,764)	(201)	-	(57,299)
Other interest, net	(30)	-	-	(30)	(1)	-	-	(31)
Allowance for funds used during construction	475	-	-	475	529	1	-	1,005
Total nonoperating revenues (expenses), net	(26,117)	(14,684)	-	(40,801)	(19,296)	(197)	-	(60,294)
Income before contributions	(4,231)	(410)	-	(4,641)	17,384	222	-	12,965
Contributions (to) from:								
General Fund, City of Jacksonville	(20,992)	-	-	(20,992)	(5,680)	-	-	(26,672)
Developers and others	-	-	-	-	9,055	-	-	9,055
Total contributions	(20,992)	-	-	(20,992)	3,375	-	-	(17,617)
Change in net position	(25,223)	(410)	-	(25,633)	20,759	222	-	(4,652)
Net position, beginning of period	723,490	101,175	-	824,665	1,159,292	3,623	-	1,987,580
Effect of change in accounting	-	-	-	-	-	-	-	-
Net position, beginning of year, as restated	723,490	101,175	-	824,665	1,159,292	3,623	-	1,987,580
Net position, end of period	\$ 698,267	\$ 100,765	\$ -	\$ 799,032	\$ 1,180,051	\$ 3,845	\$ -	\$ 1,982,928

**Combining Statement of Revenue, Expenses and Changes in Net Assets
(in thousands - unaudited) for the year-to-date ended June 30, 2014**

	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	\$ 935,483	\$ 294,885	\$ (176,941)	\$ 1,053,427	\$ -	\$ -	\$ (12,235)	\$ 1,041,192
Water and sewer	-	-	-	-	283,594	-	(492)	283,102
District Energy	-	-	-	-	-	6,102	-	6,102
Other, net	23,523	-	-	23,523	6,718	7	(1,872)	28,376
Total operating revenues	959,006	294,885	(176,941)	1,076,950	290,312	6,109	(14,599)	1,358,772
Operating expenses:								
Operations:								
Fuel	245,500	138,653	-	384,153	-	-	-	384,153
Purchased power	210,468	-	(176,941)	33,527	-	-	-	33,527
Other	104,562	25,019	-	129,581	81,443	2,642	(14,599)	199,067
Maintenance	41,644	18,884	-	60,528	9,189	652	-	70,369
Depreciation	150,196	31,270	-	181,466	98,801	1,621	-	281,888
State utility taxes and franchise fees	45,200	-	-	45,200	7,194	-	-	52,394
Recognition of deferred costs and revenues, net	(4,310)	45,246	-	40,936	-	-	-	40,936
Total operating expenses	793,260	259,072	(176,941)	875,391	196,627	4,915	(14,599)	1,062,334
Operating income	165,746	35,813	-	201,559	93,685	1,194	-	296,438
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	3,437	-	-	3,437	-	-	-	3,437
Investment income, fair market value adjustments	7,186	5,485	-	12,671	4,859	5	-	17,535
Other nonoperating income	3,284	306	-	3,590	1,869	-	-	5,459
Interest on debt	(79,373)	(30,248)	-	(109,621)	(55,223)	(1,072)	-	(165,916)
Other interest, net	(32)	-	-	(32)	9	-	-	(23)
Allowance for funds used during construction	850	-	-	850	1,656	12	-	2,518
Total nonoperating revenues (expenses), net	(64,648)	(24,457)	-	(89,105)	(46,830)	(1,055)	-	(136,990)
Income before contributions	101,098	11,356	-	112,454	46,855	139	-	159,448
Contributions (to) from:								
General Fund, City of Jacksonville	(65,489)	-	-	(65,489)	(16,402)	-	-	(81,891)
Developers and others	-	-	-	-	27,165	-	-	27,165
Total contributions	(65,489)	-	-	(65,489)	10,763	-	-	(54,726)
Change in net position	35,609	11,356	-	46,965	57,618	139	-	104,722
Net position, beginning of period	743,000	95,660	-	838,660	1,197,206	3,869	-	2,039,735
Effect of change in accounting	-	-	-	-	-	-	-	-
Net position, beginning of year, as restated	743,000	95,660	-	838,660	1,197,206	3,869	-	2,039,735
Net position, end of period	\$ 778,609	\$ 107,016	\$ -	\$ 885,625	\$ 1,254,824	\$ 4,008	\$ -	\$ 2,144,457

**Combining Statement of Revenue, Expenses and Changes in Net Assets
(in thousands - unaudited) for the year-to-date ended June 30, 2013 restated**

	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	\$ 871,793	\$ 312,835	\$ (194,788)	\$ 989,840	\$ -	\$ -	\$ (11,418)	\$ 978,422
Water and sewer	-	-	-	-	282,633	-	(171)	282,462
District Energy	-	-	-	-	-	5,865	-	5,865
Other, net	24,206	-	-	24,206	6,489	-	(2,055)	28,640
Total operating revenues	895,999	312,835	(194,788)	1,014,046	289,122	5,865	(13,644)	1,295,389
Operating expenses:								
Operations:								
Fuel	195,979	147,913	-	343,892	-	-	-	343,892
Purchased power	240,233	-	(194,788)	45,445	-	-	-	45,445
Other	95,375	24,135	-	119,510	76,339	2,465	(13,644)	184,670
Maintenance	46,747	19,912	-	66,659	12,695	589	-	79,943
Depreciation	152,302	30,539	-	182,841	100,183	1,570	-	284,594
State utility taxes and franchise fees	42,360	-	-	42,360	7,272	-	-	49,632
Recognition of deferred costs and revenues, net	(2,943)	52,086	-	49,143	-	-	-	49,143
Total operating expenses	770,053	274,585	(194,788)	849,850	196,489	4,624	(13,644)	1,037,319
Operating income	125,946	38,250	-	164,196	92,633	1,241	-	258,070
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	4,430	-	-	4,430	-	-	-	4,430
Investment income, fair market value adjustments	(9,246)	(3,427)	-	(12,673)	(348)	10	-	(13,011)
Other nonoperating income	3,457	321	-	3,778	1,955	-	-	5,733
Interest on debt	(84,674)	(34,163)	-	(118,837)	(56,947)	(478)	-	(176,262)
Other interest, net	(107)	-	-	(107)	(11)	-	-	(118)
Allowance for funds used during construction	901	-	-	901	1,647	1	-	2,549
Total nonoperating revenues (expenses), net	(85,239)	(37,269)	-	(122,508)	(53,704)	(467)	-	(176,679)
Income before contributions	40,707	981	-	41,688	38,929	774	-	81,391
Contributions (to) from:								
General Fund, City of Jacksonville	(62,977)	-	-	(62,977)	(17,039)	-	-	(80,016)
Developers and others	-	-	-	-	21,183	-	-	21,183
Total contributions	(62,977)	-	-	(62,977)	4,144	-	-	(58,833)
Change in net position	(22,270)	981	-	(21,289)	43,073	774	-	22,558
Net position, beginning of period	737,059	99,784	-	836,843	1,151,152	3,316	-	1,991,311
Effect of change in accounting	(16,522)	-	-	(16,522)	(14,174)	(245)	-	(30,941)
Net position, beginning of year, as restated	720,537	99,784	-	820,321	1,136,978	3,071	-	1,960,370
Net position, end of period	\$ 698,267	\$ 100,765	\$ -	\$ 799,032	\$ 1,180,051	\$ 3,845	\$ -	\$ 1,982,928

Combining Statement of Cash Flows

(in thousands - unaudited) for the quarter ended June 30, 2014

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 297,223	\$ 97,400	\$ (53,265)	\$ 341,358	\$ 94,231	\$ 2,048	\$ (4,424)	\$ 433,213
Other receipts	7,372	-	-	7,372	2,611	-	(624)	9,359
Payments to suppliers	(203,266)	(58,111)	53,265	(208,112)	(18,572)	(1,000)	5,048	(222,636)
Payments to employees	(31,214)	(6,331)	-	(37,545)	(11,147)	(116)	-	(48,808)
Net cash provided by (used in) operating activities	70,115	32,958	-	103,073	67,123	932	-	171,128
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(21,830)	-	-	(21,830)	(5,621)	-	-	(27,451)
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(21,830)	-	-	(21,830)	(5,621)	-	-	(27,451)
Capital and related financing activities:								
Acquisition and construction of capital assets	(19,911)	-	-	(19,911)	(15,883)	(109)	-	(35,903)
Proceeds from issuance of debt	-	88,790	-	88,790	-	-	-	88,790
Debt issue costs and discounts	-	921	-	921	-	-	-	921
Defeasance of debt	-	(88,826)	-	(88,826)	-	-	-	(88,826)
Repayment of debt principal	-	-	-	-	(346)	-	-	(346)
Interest paid on debt	(46,435)	(17,916)	-	(64,351)	(37,906)	(708)	-	(102,965)
Contribution from developers and others	-	-	-	-	5,034	-	-	5,034
Proceeds from sales of property	(357)	-	-	(357)	259	-	-	(98)
Net cash provided by (used in) capital and related financing activities	(66,703)	(17,031)	-	(83,734)	(48,842)	(817)	-	(133,393)
Investing activities:								
Purchase of investments	(150,019)	(169,303)	-	(319,322)	(147,263)	-	-	(466,585)
Proceeds from sale and maturities of investments	153,407	154,026	-	307,433	124,729	10	-	432,172
Investment income	889	1,083	-	1,972	371	1	-	2,344
Distributions from The Energy Authority	515	-	-	515	-	-	-	515
Net cash provided by (used in) investing activities	4,792	(14,194)	-	(9,402)	(22,163)	11	-	(31,554)
Net increase (decrease) in cash and cash equivalents	(13,626)	1,733	-	(11,893)	(9,503)	126	-	(21,270)
Cash and cash equivalents at beginning of the period	69,029	103,360	-	172,389	92,295	7,869	-	272,553
Cash and cash equivalents at end of the period	\$ 55,403	\$ 105,093	\$ -	\$ 160,496	\$ 82,792	\$ 7,995	\$ -	\$ 251,283

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

Operating Income:	\$ 57,125	\$ 12,149	-	69,274	\$ 36,637	\$ 378	\$ -	\$ 106,289
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	49,320	10,873	-	60,193	33,235	554	-	93,982
Recognition of deferred costs and revenues, net	(1,354)	17,770	-	16,416	-	-	-	16,416
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	(29,621)	(4,729)	-	(34,350)	(4,803)	(6)	-	(39,159)
Decrease (increase) accounts receivable, restricted	88	-	-	88	114	-	-	202
Decrease (increase) in inventories	(1,777)	(3,745)	-	(5,522)	(345)	-	-	(5,867)
Increase (decrease) in other assets	370	-	-	370	188	-	-	558
Increase (decrease) in accounts payable	(4,655)	7,234	-	2,579	1,868	10	-	4,457
Increase (decrease) in accounts payable, restricted	-	(6,631)	-	(6,631)	-	-	-	(6,631)
Increase (decrease) in other liabilities	619	37	-	656	229	(4)	-	881
Net cash provided by (used in) operating activities	\$ 70,115	\$ 32,958	\$ -	\$ 103,073	\$ 67,123	\$ 932	\$ -	\$ 171,128

Non-cash activity:

Contribution of capital assets from developers					\$ 4,612			
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Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter ended June 30, 2013 restated

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 247,510	\$ 109,031	\$ (63,741)	\$ 292,800	\$ 92,661	\$ 1,480	\$ (3,609)	\$ 383,332
Other receipts	7,987	-	-	7,987	2,257	-	(674)	9,570
Payments to suppliers	(172,628)	(61,727)	63,741	(170,614)	(13,578)	(923)	4,283	(180,832)
Payments to employees	(31,698)	(9,238)	-	(40,936)	(10,589)	(110)	-	(51,635)
Net cash provided by (used in) operating activities	51,171	38,066	-	89,237	70,751	447	-	160,435
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(27,990)	-	-	(27,990)	(7,590)	-	-	(35,580)
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(27,990)	-	-	(27,990)	(7,590)	-	-	(35,580)
Capital and related financing activities:								
Acquisition and construction of capital assets	(55,778)	(611)	-	(56,389)	(29,643)	(152)	-	(86,184)
Proceeds from issuance of debt	96,225	-	-	96,225	-	43,330	-	139,555
Debt issue costs and discounts	7,497	-	-	7,497	(13)	(296)	-	7,188
Defeasance of debt	(102,739)	-	-	(102,739)	-	(42,793)	-	(145,532)
Repayment of debt principal	(1,000)	-	-	(1,000)	(479)	(957)	-	(2,436)
Interest paid on debt	(49,659)	(19,698)	-	(69,357)	(37,858)	(167)	-	(107,382)
Contribution from developers and others	-	-	-	-	4,824	-	-	4,824
Proceeds from sales of property	1,029	-	-	1,029	456	-	-	1,485
Net cash provided by (used in) capital and related financing activities	(104,425)	(20,309)	-	(124,734)	(62,713)	(1,035)	-	(188,482)
Investing activities:								
Purchase of investments	(208,900)	(210,826)	-	(419,726)	(90,675)	-	-	(510,401)
Proceeds from sale and maturities of investments	247,173	179,656	-	426,829	111,919	20	-	538,768
Investment income	491	1,114	-	1,605	1,630	-	-	3,235
Distributions from The Energy Authority	688	-	-	688	-	-	-	688
Net cash provided by (used in) investing activities	39,452	(30,056)	-	9,396	22,874	20	-	32,290
Net increase (decrease) in cash and cash equivalents	(41,792)	(12,299)	-	(54,091)	23,322	(568)	-	(31,337)
Cash and cash equivalents at beginning of the period	161,685	137,481	-	299,166	82,464	6,948	-	388,578
Cash and cash equivalents at end of the period	\$ 119,893	\$ 125,182	\$ -	\$ 245,075	\$ 105,786	\$ 6,380	\$ -	\$ 357,241

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

Operating Income:	\$ 21,886	\$ 14,274	\$ -	\$ 36,160	\$ 36,680	\$ 419	\$ -	\$ 73,259
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	50,548	10,173	-	60,721	32,061	515	-	93,297
Recognition of deferred costs and revenues, net	(981)	16,262	-	15,281	-	-	-	15,281
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	(33,625)	(8,193)	-	(41,818)	(4,359)	(461)	-	(46,638)
Decrease (increase) accounts receivable, restricted	14	-	-	14	(19)	-	-	(5)
Decrease (increase) in inventories	(3,449)	(5,606)	-	(9,055)	2,976	-	-	(6,079)
Increase (decrease) in other assets	953	-	-	953	188	-	-	1,141
Increase (decrease) in accounts payable	15,310	15,403	-	30,713	3,187	(25)	-	33,875
Increase (decrease) in accounts payable, restricted	-	(4,383)	-	(4,383)	-	-	-	(4,383)
Increase (decrease) in other liabilities	515	136	-	651	37	(1)	-	687
Net cash provided by (used in) operating activities	\$ 51,171	\$ 38,066	\$ -	\$ 89,237	\$ 70,751	\$ 447	\$ -	\$ 160,435

Non-cash activity:

Contribution of capital assets from developers	\$ 4,231
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Combining Statement of Cash Flows

(in thousands - unaudited) for the year-to-date ended June 30, 2014

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 946,250	\$ 294,885	\$ (176,085)	\$1,065,050	\$ 283,724	\$ 6,394	\$ (12,727)	\$ 1,342,441
Other receipts	24,493	-	-	24,493	7,980	7	(1,872)	30,608
Payments to suppliers	(568,653)	(204,608)	176,085	(597,176)	(64,714)	(2,941)	14,599	(650,232)
Payments to employees	(102,368)	(20,330)	-	(122,698)	(35,675)	(370)	-	(158,743)
Net cash provided by (used in) operating activities	299,722	69,947	-	369,669	191,315	3,090	-	564,074
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(65,209)	-	-	(65,209)	(16,441)	-	-	(81,650)
Build America Bonds subsidies	2,189	204	-	2,393	1,246	-	-	3,639
Net cash provided by (used in) noncapital financing activities	(63,020)	204	-	(62,816)	(15,195)	-	-	(78,011)
Capital and related financing activities:								
Acquisition and construction of capital assets	(54,463)	-	-	(54,463)	(61,527)	(703)	-	(116,693)
Proceeds from issuance of debt	360,380	88,790	-	449,170	-	-	-	449,170
Debt issue costs and discounts	22,409	921	-	23,330	-	-	-	23,330
Defeasance of debt	(382,263)	(88,826)	-	(471,089)	-	-	-	(471,089)
Repayment of debt principal	(65,450)	(127,390)	-	(192,840)	(46,492)	(365)	-	(239,697)
Interest paid on debt	(108,398)	(37,613)	-	(146,011)	(75,280)	(1,110)	-	(222,401)
Contribution from developers and others	-	-	-	-	13,422	-	-	13,422
Proceeds from sales of property	638	-	-	638	301	-	-	939
Net cash provided by (used in) capital and related financing activities	(227,147)	(164,118)	-	(391,265)	(169,576)	(2,178)	-	(563,019)
Investing activities:								
Purchase of investments	(504,189)	(472,227)	-	(976,416)	(403,444)	-	-	(1,379,860)
Proceeds from sale and maturities of investments	384,455	409,595	-	794,050	319,445	17	-	1,113,512
Investment income	2,589	3,112	-	5,701	1,508	3	-	7,212
Distributions from The Energy Authority	1,487	-	-	1,487	-	-	-	1,487
Net cash provided by (used in) investing activities	(115,658)	(59,520)	-	(175,178)	(82,491)	20	-	(257,649)
Net increase (decrease) in cash and cash equivalents	(106,103)	(153,487)	-	(259,590)	(75,947)	932	-	(334,606)
Cash and cash equivalents at beginning of the period	161,506	258,580	-	420,086	158,739	7,063	-	585,888
Cash and cash equivalents at end of the period	\$ 55,403	\$ 105,093	\$ -	\$ 160,496	\$ 82,792	\$ 7,995	\$ -	\$ 251,282

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

Operating Income:	\$ 165,746	\$ 35,813	-	\$ 201,559	\$ 93,685	\$ 1,194	\$ -	\$ 296,438
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	150,196	31,270	-	181,466	100,030	1,621	-	283,117
Recognition of deferred costs and revenues, net	(4,310)	45,246	-	40,936	-	-	-	40,936
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	10,767	(40,959)	-	(30,192)	130	292	-	(29,770)
Decrease (increase) accounts receivable, restricted	970	-	-	970	1,262	-	-	2,232
Decrease (increase) in inventories	(183)	13,887	-	13,704	(615)	-	-	13,089
Increase (decrease) in other assets	(8,669)	-	-	(8,669)	(198)	-	-	(8,867)
Increase (decrease) in accounts payable	(12,990)	(8,532)	-	(21,522)	(3,268)	(20)	-	(24,810)
Increase (decrease) in accounts payable, restricted	-	(5,319)	-	(5,319)	-	-	-	(5,319)
Increase (decrease) in other liabilities	(1,805)	(1,459)	-	(3,264)	289	3	-	(2,972)
Net cash provided by (used in) operating activities	\$ 299,722	\$ 69,947	\$ -	\$ 369,669	\$ 191,315	\$ 3,090	\$ -	\$ 564,074

Non-cash activity:

Contribution of capital assets from developers	\$ 13,743
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Combining Statement of Cash Flows
(in thousands - unaudited) for the year-to-date ended June 30, 2013 restated

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 882,640	\$ 312,835	\$ (192,154)	\$1,003,321	\$ 283,529	\$ 5,803	\$ (11,589)	\$ 1,281,064
Other receipts	24,265	-	-	24,265	6,776	-	(2,055)	28,986
Payments to suppliers	(536,588)	(169,908)	192,154	(514,342)	(61,041)	(2,804)	13,644	(564,543)
Payments to employees	(104,162)	(25,544)	-	(129,706)	(34,318)	(339)	-	(164,363)
Net cash provided by (used in) operating activities	266,155	117,383	-	383,538	194,946	2,660	-	581,144
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(62,900)	-	-	(62,900)	(17,050)	-	-	(79,950)
Build America Bonds subsidies	2,373	220	-	2,593	1,342	-	-	3,935
Net cash provided by (used in) noncapital financing activities	(60,527)	220	-	(60,307)	(15,708)	-	-	(76,015)
Capital and related financing activities:								
Acquisition and construction of capital assets	(100,745)	(2,910)	-	(103,655)	(82,478)	(232)	-	(186,365)
Proceeds from issuance of debt	358,810	-	-	358,810	-	43,330	-	402,140
Debt issue costs and discounts	47,494	(464)	-	47,030	(13)	(296)	-	46,721
Defeasance of debt	(404,409)	(2,691)	-	(407,100)	-	(42,793)	-	(449,893)
Repayment of debt principal	(85,360)	(124,655)	-	(210,015)	(47,972)	(2,347)	-	(260,334)
Interest paid on debt	(104,773)	(38,189)	-	(142,962)	(75,530)	(337)	-	(218,829)
Contribution from developers and others	-	-	-	-	12,472	-	-	12,472
Proceeds from sales of property	1,539	-	-	1,539	600	-	-	2,139
Net cash provided by (used in) capital and related financing activities	(287,444)	(168,909)	-	(456,353)	(192,921)	(2,675)	-	(651,949)
Investing activities:								
Purchase of investments	(589,713)	(660,628)	-	(1,250,341)	(442,427)	-	-	(1,692,768)
Proceeds from sale and maturities of investments	511,113	594,480	-	1,105,593	372,493	23	-	1,478,109
Investment income	(7,350)	2,771	-	(4,579)	2,417	2	-	(2,160)
Distributions from The Energy Authority	7,546	-	-	7,546	-	-	-	7,546
Net cash provided by (used in) investing activities	(78,404)	(63,377)	-	(141,781)	(67,517)	25	-	(209,273)
Net increase (decrease) in cash and cash equivalents	(160,220)	(114,683)	-	(274,903)	(81,200)	10	-	(356,093)
Cash and cash equivalents at beginning of the period	280,113	239,865	-	519,978	186,986	6,370	-	713,334
Cash and cash equivalents at end of the period	\$ 119,893	\$ 125,182	\$ -	\$ 245,075	\$ 105,786	\$ 6,380	\$ -	\$ 357,241

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

Operating Income:	\$ 125,946	\$ 38,250	\$ -	\$ 164,196	\$ 92,633	\$ 1,241	\$ -	\$ 258,070
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	152,302	30,539	-	182,841	101,541	1,570	-	285,952
Recognition of deferred costs and revenues, net	(2,943)	52,086	-	49,143	-	-	-	49,143
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	10,847	(35,071)	-	(24,224)	896	(62)	-	(23,390)
Decrease (increase) accounts receivable, restricted	59	-	-	59	287	-	-	346
Decrease (increase) in inventories	(2,101)	28,353	-	26,252	2,833	-	-	29,085
Increase (decrease) in other assets	78	-	-	78	(162)	-	-	(84)
Increase (decrease) in accounts payable	(17,274)	7,947	-	(9,327)	(3,318)	(103)	-	(12,748)
Increase (decrease) in accounts payable, restricted	-	(4,550)	-	(4,550)	-	-	-	(4,550)
Increase (decrease) in other liabilities	(759)	(171)	-	(930)	236	14	-	(680)
Net cash provided by (used in) operating activities	\$ 266,155	\$ 117,383	\$ -	\$ 383,538	\$ 194,946	\$ 2,660	\$ -	\$ 581,144

Non-cash activity:

<u>Contribution of capital assets from developers</u>	<u>\$ 8,711</u>
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**Electric System
Schedules of Debt Service Coverage
(in thousands - unaudited)**

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Revenues:				
Electric	\$ 326,845	\$ 281,135	\$ 935,483	\$ 871,793
Investment income (1)	805	286	1,935	762
Earnings from The Energy Authority	968	637	3,437	4,430
Other, net (2)	7,284	7,973	23,523	24,206
Plus: amount paid from the rate stabilization fund into the revenue fund	1,868	39,021	5,014	42,488
Less: amount paid from the revenue fund into the rate stabilization fund	(3,279)	(3,077)	(21,632)	(15,062)
Total revenues	334,491	325,975	947,760	928,617
Operating expenses (3):				
Fuel	87,561	63,675	222,270	167,001
Purchased power (4)	86,151	98,926	259,857	288,536
Other operation and maintenance	42,788	44,612	126,718	129,996
State utility taxes and franchise fees	14,391	12,625	44,358	41,673
Total expenses	230,891	219,838	653,203	627,206
Net revenues	\$ 103,600	\$ 106,137	\$ 294,557	\$ 301,411
Debt service:				
Less: investment income on sinking fund	(392)	(265)	(1,197)	(773)
Less: Build America Bonds subsidy	(378)	(372)	(1,133)	(1,186)
Debt service requirement	\$ 18,112	\$ 19,949	\$ 54,083	\$ 57,455
Senior debt service coverage (5) (min 1.20x)	5.72 x	5.32 x	5.45 x	5.25 x
Net revenues (from above):	\$ 103,600	\$ 106,137	\$ 294,557	\$ 301,411
Debt service requirement (from above):				
Plus: aggregate subordinated debt service on outstanding subordinated bonds	23,790	22,026	67,748	64,408
Less: Build America Bonds subsidy	(523)	(519)	(1,570)	(1,655)
Total debt service requirement and aggregate subordinated debt service	41,379	41,456	120,261	120,208
Senior and subordinated debt service coverage (6) (min 1.15x)	2.50 x	2.56 x	2.45 x	2.51 x

(1) Excludes investment income on sinking funds.

(2) Excludes Build America Bonds subsidy.

(3) Excludes depreciation.

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

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

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

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Revenues:				
JEA	\$ 16,567	\$ 14,680	\$ 49,390	\$ 48,303
Investment income	23	6	60	10
Other, net (1)	-	193	-	616
Total revenues	16,590	14,879	49,450	48,929
Operating expenses (2):				
Fuel	6,835	9,367	23,230	28,978
Other operations and maintenance	3,524	2,954	12,445	9,026
Total operating expenses	10,359	12,321	35,675	38,004
Net revenues	\$ 6,231	\$ 2,558	\$ 13,775	\$ 10,925
Aggregate debt service	\$ 2,047	\$ 2,376	\$ 5,829	\$ 7,128
Debt service coverage (4), (5), (6)	3.04 x	1.08 x	2.36 x	1.53 x

- (1) Effective March 26, 2014, the Bulk Power Supply System 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.
- (3) Effective March 26, 2014, the Bulk Power Supply System 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.
- (5) Minimum coverage requirement is 1.15x.
- (6) 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 2.24x.

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

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Revenues:				
JEA	\$ 54,374	\$ 66,360	\$ 180,888	\$ 193,174
FPL	41,408	41,016	117,944	118,048
Investment income	363	887	2,333	2,648
Total revenues	96,145	108,263	301,165	313,870
Operating expenses (1):				
Fuel	40,295	52,091	138,653	147,913
Other operations and maintenance	11,918	11,793	30,723	32,823
Total operating expenses	52,213	63,884	169,376	180,736
Net revenues	\$ 43,932	\$ 44,379	\$ 131,789	\$ 133,134
Aggregate debt service	\$ 35,144	\$ 35,500	105,432	106,501
Debt service coverage (2)	1.25 x	1.25 x	1.25 x	1.25 x

(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 June		Year-To-Date June	
	2014	2013	2014	2013
Revenues:				
JEA	\$ 6,930	\$ 7,025	\$ 20,949	\$ 21,055
Investment income	-	-	-	-
Other, net	102	100	306	321
Total revenues	7,032	7,125	21,255	21,376
Operating expenses (1):				
Fuel	-	-	-	-
Other operations and maintenance	-	-	-	-
Total operating expenses	-	-	-	-
Net revenues	\$ 7,032	\$ 7,125	\$ 21,255	\$ 21,376
Aggregate debt service	\$ 6,115	\$ 6,196	\$ 18,483	\$ 18,587
Debt service coverage (2)	1.15 x	1.15 x	1.15 x	1.15 x

(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 aggregate debt service. Semiannual minimum coverage is 1.15x.

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Revenues:				
Water, net of allowances and discounts	\$ 40,842	\$ 40,290	\$ 114,279	\$ 116,141
Water capacity fees (1)	1,760	1,682	4,559	4,300
Sewer, net of allowances and discounts	58,193	56,730	169,315	166,492
Sewer capacity fees (1)	2,981	2,935	7,893	7,949
Investment income	717	1,717	2,032	2,537
Other (2)	2,496	2,276	6,718	6,489
Plus: amount paid from the rate stabilization fund into the revenue fund	5,474	5,430	15,205	15,622
Less: amounts paid from the revenue fund into the rate stabilization fund	(5,474)	(5,430)	(15,205)	(15,622)
Total revenues	106,989	105,630	304,796	303,908
Operating & maintenance expenses:				
Operations and maintenance (3)	32,041	31,012	97,826	96,306
Total operating expenses	32,041	31,012	97,826	96,306
Net revenues	\$ 74,948	\$ 74,618	\$ 206,970	\$ 207,602
Aggregate debt service:				
Less: Build America Bonds subsidy	(623)	(613)	(1,869)	(1,955)
Aggregate debt service:	\$ 26,103	\$ 26,183	\$ 78,293	\$ 78,433
Senior debt service coverage (4), (min 1.25x)	2.87 x	2.85 x	2.64 x	2.65 x
Net revenues (from above)	\$ 74,948	\$ 74,618	\$ 206,970	\$ 207,602
Aggregate debt service (from above):				
Plus: aggregate subordinated debt service on outstanding subordinated debt	2,625	2,783	7,860	8,342
Total aggregate and aggregate subordinated debt service	\$ 28,728	\$ 28,966	\$ 86,153	\$ 86,775
Senior and subordinated debt service coverage (5)	2.61 x	2.58 x	2.40 x	2.39 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 June 2014 and 2013, then the debt service

(2) Excludes the Build America Bonds subsidy.

(3) Excludes depreciation.

(4) Net revenues divided by aggregate debt service. Annual minimum 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 annual coverage is 2.26x and 2.25x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$87,725 and \$88,443 for the year-to-date period ending June 2014 and 2013.

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

	Quarter		Year-To-Date	
	2014	June 2013	2014	June 2013
Revenues:				
Service revenues	\$ 2,054	\$ 1,941	\$ 6,102	\$ 5,865
Investment income	1	1	3	2
Other	-	-	7	-
Plus: amount paid from the rate stabilization fund into the revenue fund	-	-	-	-
Less: amounts paid from the revenue fund into the rate stabilization fund	-	(176)	-	(582)
Total revenues	2,055	1,766	6,112	5,285
Operating expenses: (1)				
Operations and maintenance	1,122	1,008	3,294	3,055
Total operating expenses	1,122	1,008	3,294	3,055
Net revenues	933	758	2,818	2,230
Aggregate debt service (2)	755	90	2,266	90
Debt service coverage (3) (min 1.15x)	1.24 x	8.41 x	1.24 x	24.73 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.

**Electric Enterprise Fund
Operating Statistics**

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Electric revenue sales (000's omitted):				
Residential	\$ 148,954	\$ 129,823	\$ 432,239	\$ 397,453
Commercial and industrial	166,310	142,231	468,345	443,882
Public street lighting	3,407	3,317	10,841	10,978
Sales for resale - territorial	7,584	5,948	22,218	19,870
Electric revenues - territorial	326,255	281,319	933,643	872,183
Saleback to Florida Power & Light	41,407	41,016	117,944	118,047
Sales for resale - off system	1,053	220	3,232	916
Electric revenues	368,715	322,555	1,054,819	991,146
Less: allowance for doubtful accounts	(463)	(404)	(1,392)	(1,306)
Net electric revenues	368,252	322,151	1,053,427	989,840
kWh sales (000's omitted):				
Residential	1,218,612	1,184,084	3,529,399	3,363,775
Commercial and industrial	1,725,781	1,713,621	4,791,355	4,799,466
Public street lighting	26,563	30,425	86,630	93,057
Sales for resale - territorial	83,581	78,334	238,156	228,827
Total kWh sales - territorial	3,054,537	3,006,464	8,645,540	8,485,125
Saleback to Florida Power & Light	453,579	491,915	1,419,564	1,320,044
Sales for resale - off system	30,347	6,897	98,719	27,758
Total kWh sales	3,538,463	3,505,276	10,163,823	9,832,927
Average number of accounts:				
Residential	383,408	376,577	381,606	374,704
Commercial and industrial	49,259	47,781	48,646	47,587
Public street lighting	3,472	3,482	3,473	3,457
Sales for resale	3	3	3	3
Total average accounts	436,142	427,843	433,727	425,752
Residential averages:				
Revenue per account - \$	388.50	344.74	1,132.68	1,060.71
kWh per account	3,178	3,144	9,249	8,977
Revenue per kWh - ¢	12.22	10.96	12.25	11.82
Degree days:				
	June		June	
	2014	2013	2014	2013
Heating degree days	33	46	1,309	1,243
Cooling degree days	871	817	1,239	1,157
Total degree days	904	863	2,548	2,400
Degree days - 30 year average	910		2,561	

Water and Sewer Enterprise Fund

Operating Statistics

	Quarter June		Year-To-Date June	
	2014	2013	2014	2013
Water				
Revenues (000's omitted):				
Residential	\$ 21,597	\$ 20,989	\$ 61,276	\$ 60,757
Commercial and industrial	10,764	10,600	32,348	31,607
Irrigation	8,616	8,792	20,933	24,040
Total water revenues	40,977	40,381	114,557	116,404
Less: allowance for doubtful accounts	(135)	(91)	(278)	(263)
Net water revenues	\$ 40,842	\$ 40,290	\$ 114,279	\$ 116,141
Water Sales (kgals*):				
Residential	4,162,208	4,136,222	11,379,081	11,676,708
Commercial and industrial	3,024,890	2,904,574	8,892,102	8,564,603
Irrigation	1,488,673	1,539,838	3,233,835	4,055,609
Total kgals sales	8,675,771	8,580,634	23,505,018	24,296,920
Number of accounts (1):				
Residential	259,911	254,476	258,371	252,961
Commercial and industrial	23,747	23,528	23,691	23,461
Irrigation	35,853	35,817	35,798	35,735
Total average accounts	319,511	313,821	317,860	312,157
Residential averages:				
Revenue per account - \$	83.09	82.48	237.16	240.18
kgals per account	16.01	16.25	44.04	46.16
Revenue per kgals - \$	5.19	5.07	5.38	5.20
Reuse				
Revenues (000's omitted):				
Reuse revenues	\$ 1,724	\$ 1,182	\$ 3,769	\$ 3,118
Reuse Sales (kgals*):				
Reuse sales (kgals*)	388,757	280,493	798,257	772,797
Number of accounts:				
Reuse accounts	4,712	3,253	4,314	3,007
Sewer				
Revenues (000's omitted):				
Residential	\$ 32,809	\$ 32,076	\$ 93,171	\$ 92,836
Commercial and industrial	23,863	23,608	72,792	70,932
Total sewer revenues	56,672	55,684	165,963	163,768
Less: allowance for doubtful accounts	(203)	(136)	(417)	(394)
Net sewer revenues	\$ 56,469	\$ 55,548	\$ 165,546	\$ 163,374
Sewer Sales (kgals*):				
Residential	3,557,822	3,531,891	9,759,917	9,987,509
Commercial and industrial	2,516,650	2,487,978	7,650,797	7,479,416
Total kgals sales	6,074,472	6,019,869	17,410,714	17,466,925
Number of accounts (1):				
Residential	227,939	222,631	226,469	221,116
Commercial and industrial	17,629	17,500	17,603	17,438
Total average accounts	245,568	240,131	244,072	238,554
Residential averages:				
Revenue per account - \$	143.94	144.07	411.41	419.85
kgals per account	15.61	15.86	43.10	45.17
Revenue per kgals - \$	9.22	9.08	9.55	9.30
*kgals = 1000 gallons				
Rainfall				
Normal	11.57	11.57	30.85	30.85
Actual	15.95	12.97	35.59	27.36
Rain Days	29	35	81	79