

## **Management's Discussion and Analysis of Financial Performance for the Quarter Ended June 30, 2007**

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). Effective October 1, 2004, JEA established a separate system, the District Energy System, to provide chilled water services.

### **Financial Highlights**

#### **Operating Revenues**

Total Electric Enterprise Fund operating revenues (operating revenues) for the three months ended June 2007 decreased \$5.0 million, a decrease of 1.6 percent, over operating revenues for the three months period ended June 2006. For the twelve months ended June 2007, operating revenues increased \$29.6 million, a 2.5 percent increase over the similar period in June 2006. The decrease in operating revenues for the three months period ended June 2007 was primarily due to milder temperatures offset in part by a slight increase in GWh sales and a 2.6 percent increase in customer growth. For the twelve months ended June 2007, the increase in operating revenues was mainly due to an increase in electric system revenues driven by an 11.5 percent fuel rate increase in October 2005 offset by the \$.82 fuel rate decrease effective October 1, 2006 and 2.4 percent increase in sales. Total sales for the twelve months increased from 16,609.6 GWh to 16,969.2 GWh and number of customers increased 2.7 percent.

Total Water and Sewer Enterprise Fund operating revenues increased \$4.9 million, an 8.0 percent increase, for the three months ended June 2007 and increased \$28.9 million, a 13.3 percent increase, during the twelve month period ended June 2007. The increase in revenues for the three months ended June 2007 was mainly due to an increase in the water and sewer rates, effective October 2006, and increased volumes of water and sewer sales. The volume of water and sewer sales increased 4.1 percent for the three months ended June 2007. The number of water and sewer customers increased approximately 3.1 percent during the three month period. The increase in operating revenues for the twelve months period was due to water and sewer rates increases and increased volumes of water and sewer sales. In addition to a water and sewer rate increase in October 2006, the members of JEA's Board approved various rates and fees related to water and sewer services and water and sewer capacity fees which became effective in October 2005. The volume of water and sewer sales increased 9.6 percent during the twelve month period ended June 2007. The increase was primarily driven by 4.2 percent increase in customer growth and more usage due to lack of rainfall.

Revenues for DES increased \$874 thousand for the three month period ended June 2007 and \$3.2 million for the twelve month period ending June 2007. The increase in revenues for the three and twelve months ended June 2007 was due to an increase in customer growth as a result of the addition of two new plants placed in service.

## **Operating Expenses**

Total operating expenses for the Electric Enterprise Fund decreased \$12.4 million (4.4 percent) for the three months ended June 2007 as compared to the three months ended June 2006. For the twelve month period ended June 2007, operating expenses for the Electric System decreased \$31.5 million (2.9 percent) compared to the twelve month period ending June 2006. The decrease for the three months was mainly due to a \$10.0 million decrease in fuel and purchased power expense, as discussed below and \$1.5 million decrease in other operating and maintenance expenses. The \$1.5 million decrease in operating and maintenance expenses was due to a decrease in SJRPP outage expenses which was ten days in 2007 as compared with six weeks in 2006 offset by increased salaries and benefits. For the twelve month period ended June 2007, the majority of the decrease was due to fuel and purchased power expense in the amount of \$30.7 million, as discussed below.

Water and Sewer System operating expenses for the three months ended June 2007 increased \$5.1 million, an increase of 10.8 percent and \$20.0 million (11.1 percent increase) for the twelve month period ended March 2007. The increases were mainly due to depreciation expense in the amount of \$2.2 million for the quarter and \$8.6 million for the twelve month period. Additionally, there was an increase in expenses which are allocated from the Electric System to the Water and Sewer System for the three and twelve months ended June 2007; decreased capitalized overhead for the three and twelve months ended June 2007; and increased salaries and related benefits.

Total fuel and purchased power for the quarter ended June 2007 decreased \$10.0 million over the similar period in the prior year. Fuel expense increased \$7.0 million and purchased power expense decreased \$17.0 million. The decrease in fuel and purchased power for the quarter was mainly driven by the production and purchase of less GWh due to milder temperatures offset by increased cost of solid fuels. For the twelve month period ended June 2007, fuel and purchased power decreased \$30.7 million. Fuel expense increased \$5.7 million and purchased power decreased \$36.4 million. The decrease in fuel expense and purchased power for the twelve month period was the same as discussed above. As the prices for oil, gas, solid fuels and purchased power 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.

JEA's power supply mix for the current quarter was 61.2 percent coal, 17.9 percent petroleum coke, 10.2 percent gas, 8.2 percent coal-fired purchases, 2.2 percent other purchases, and .3 percent oil. For the twelve month period ended March 2007, the power supply mix was 52.3 percent coal, 23.7 percent petroleum coke, 9.6 percent coal-fired purchases, 9.0 percent gas, 3.2 percent other purchases and 2.2 percent oil.

SJRPP's capacity factors for Units 1 and 2 for the quarter ended June 2007 were 89.9 percent and 85.7 percent, and 87.8 percent combined. For the twelve months ended June 2007, Unit 1's capacity factor was 86.4 percent, Unit 2's capacity factor was 90.2 percent, and the combined capacity factor was 88.3 percent.

Northside's capacity factors for Units 1 and 2 for the quarter ended June 2007 were 60.6 percent and 77.2 percent, and 68.5 percent combined. For the twelve months ended June 2007, Unit 1's capacity factor was 83.0 percent, Unit 2's capacity factors was 74.7 percent, and the combined capacity factor was 78.9 percent. Northside's capacity factor for Unit 1 was impacted by scheduled maintenance outages during the spring of 2007.

Plant Scherer Unit 4 capacity factors for the quarter ended June 2007 was 88.2 percent, while the twelve months ended June 2007 was 82.5 percent. The capacity factor for the twelve month period was impacted by a scheduled outage during the spring of 2006.

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

The net change in non-operating revenues and expenses was \$1.4 million for the quarter ended June 2007 and \$37.8 million for twelve months ended June 2007. The net change for the three month period was primarily due to positive non-cash fair market value adjustments of debt management strategy investments; increased investment income; offset by increased interest expense. The net change for the twelve months was mainly due to positive non-cash fair market value adjustments of investments; increased investment income; negative non-cash fair market value adjustments relating to the debt management strategy; and increased interest expense.

### **Debt Administration**

During the quarter, the ratings for the Electric System and SJRPP 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+; and for the SJRPP bonds, AA-, Aa2 and AA-. In April, JEA issued \$150 million of SJRPP Issue Three Bonds to fund capital expenditures and retire outstanding SJRPP bank draws under the revolving line of credit with a commercial bank. At the end of the quarter, the Electric System had \$32 million in outstanding bank draws under the revolving line of credit. These funds were used to finance capital expenditures and will be replaced with permanent debt financing during fiscal years 2007 and 2008.

During the quarter, the ratings for the Water and Sewer System's bond remained the same. The senior bond ratings given by Fitch, Moody's and Standard & Poor's were AA, Aa3 and AA- and the subordinated bond ratings by Fitch, Moody's and Standard & Poor's were AA, Aa3 and AA-.

At the end of the quarter, the District Energy System had \$5.45 million in outstanding bank draws under the revolving line of credit. These funds were used to finance or refinance capital expenditures and will be replaced with permanent debt financing during fiscal year 2008.

The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.23x and 1.78x for the quarters ended June 2007 and June 2006. For the twelve months ended June 2007 and 2006, the Electric System's debt service coverage ratio was 2.45x and 2.20x. The increase in the coverage ratio was caused by an increase in net revenues.

The Water and Sewer debt service coverage ratio was 2.20x and 2.07x for the quarters ended June 2007 and 2006. For the twelve month periods ended June 2007 and 2006, the Water and Sewer debt service coverage was 1.91x and 1.95x. The change was caused by lower capacity fees and higher operating expenses.

### **Capital Assets**

JEA's investment in capital assets as of June 2007 was \$6.2 billion (net of accumulated depreciation). The increase in investment in capital assets for the twelve month period ended June 2007 was \$717 million consisting of \$385 million for the Electric Enterprise System, \$328 million for the Water and Sewer System and \$4 million for DES. The increase is reflective of the ongoing work to provide comprehensive renovation and capacity expansion of the Electric, Water and Sewer, and District Energy systems for the continued growth in JEA service territory. The major capital items of SJRPP include installation of SCR technology, improved pulverized components and air quality equipment components and the opening of a landfill cell and closure of another cell.

JEA's on-going capital improvement programs consist of: 1) the Electric System capital requirements for additional generating facilities, as well as improvements to existing generating facilities that are determined to be necessary as a result of JEA's annual resource planning process; 2) capital requirements for additional generating capacity 3) the Electric System's remaining capital requirements for transmission and distribution facilities and other capital items; and 3) the Water and Sewer System capital requirements necessary to develop adequate water and sewer capabilities for the City's projected substantial growth. The cost of the capital improvement program will be provided from revenues generated from operations, issuance of revenues bonds, Commercial Paper notes and other short-term obligations as determined by JEA.

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Jim Dickenson, Chief Executive Officer

# **FINANCIAL STATEMENTS**

**Balance Sheets****(in thousands - unaudited) June 2007 and 2006**

<b>ASSETS</b>	<b>2007</b>	<b>2006</b>
<b>Current assets:</b>		
Cash and cash equivalents (1)	\$ 127,517	\$ 31,131
Customer accounts receivable, less allowance for doubtful accounts of \$2062 in 2007 and \$3423 in 2006	212,375	228,348
Inventories, less reserve of \$372 in 2007 and \$1264 in 2006		
Fuel inventory	55,604	59,804
Materials and supplies	74,822	76,117
Total current assets	470,318	395,400
<b>Restricted assets:</b>		
Cash and cash equivalents	328,880	269,871
Investments	210,158	334,480
Accounts and interest receivable	6,651	5,640
Total restricted assets	545,689	609,991
<b>Other noncurrent assets:</b>		
Investment in The Energy Authority	6,652	6,661
Other	50,534	51,000
Costs to be recovered from future revenues	230,939	281,045
Total other noncurrent assets	288,125	338,706
<b>Capital assets:</b>		
Land and easements	84,748	82,055
Plant in service	8,315,305	7,642,406
Less accumulated depreciation	(2,814,345)	(2,591,529)
Plant in service, net	5,585,708	5,132,932
Construction work in progress	615,921	797,278
Capital assets, net	6,201,629	5,930,210
Total assets	\$ 7,505,761	\$ 7,274,307
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses payable	\$ 118,562	\$ 89,679
Customers deposits	33,939	28,519
Total current liabilities	152,501	118,198
<b>Liabilities payable from restricted assets:</b>		
Revenue bonds and line of credit due within one year	155,593	127,763
Interest payable	48,070	50,069
Construction contracts and accounts payable	44,648	38,729
Renewal and replacement reserve	90,000	78,826
Total liabilities payable from restricted assets	338,311	295,387
<b>Other noncurrent liabilities:</b>		
Deferred credits and other	40,830	51,086
Revenues to be used for future costs	81,186	85,064
Total other liabilities	122,016	136,150
<b>Long-term debt:</b>		
Bonds and commercial paper	5,542,324	5,440,888
Unamortized original issue premium (discount)	17,404	25,720
Unamortized deferred losses on refundings	(139,003)	(139,183)
Fair value of debt management strategy instruments	(22,869)	(10,799)
Total long-term debt	5,397,856	5,316,626
Total liabilities	6,010,684	5,866,361
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	870,217	775,420
Restricted	336,264	394,633
Unrestricted	288,596	237,894
Total net assets	1,495,077	1,407,946
Total liabilities and net assets	\$ 7,505,761	\$ 7,274,307

\* Electric System includes the Bulk Power Supply System

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

	Three months ended		Twelve months ended	
	June		June	
	2007	2006	2007	2006
<b>Operating revenues (net of allowances and discounts) :</b>				
Electric	\$ 290,833	\$ 294,618	\$ 1,155,251	\$ 1,131,479
Water and Sewer	62,740	58,178	235,423	205,934
District Energy	1,357	483	5,318	2,059
Other, net of allowances	11,250	12,892	48,288	47,509
Total operating revenues	366,180	366,172	1,444,280	1,386,982
<b>Operating expenses:</b>				
Operations:				
Fuel	124,901	117,851	465,511	459,846
Purchased power	25,191	42,208	103,542	139,940
Other	44,459	51,304	206,968	189,431
Maintenance	21,059	20,409	78,674	86,535
Depreciation	76,143	74,500	299,014	299,061
State utility and franchise taxes	6,233	6,426	26,618	25,725
Recognition of deferred costs and revenues, net	11,914	12,226	46,228	39,579
Total operating expenses	317,465	324,924	1,226,555	1,240,117
Operating income	48,715	41,248	217,725	146,865
<b>Nonoperating revenues (expenses):</b>				
Earnings from The Energy Authority	4,006	5,636	15,353	23,861
Investment income and fair value adjustments	454	9,673	32,478	12,716
Interest on debt	(33,300)	(48,283)	(235,904)	(190,163)
Other interest, net	(1,206)	(271)	(2,078)	(1,216)
Allowance for funds used during construction	6,098	7,859	30,613	32,437
Gain (loss) on sale of asset	13	-	616	-
Water & Sewer Expansion Authority	(297)	(245)	(1,820)	(579)
Total nonoperating revenues (expenses)	(24,232)	(25,631)	(160,742)	(122,944)
Income before contributions	24,483	15,617	56,983	23,921
<b>Contributions (to) from:</b>				
General fund, City of Jacksonville	(22,859)	(22,505)	(91,000)	(88,749)
Water & Sewer Expansion Authority - capital	-	-	-	(254)
Developers and other	39,559	26,334	95,010	98,207
City of Jacksonville	6,792	2,435	26,139	5,020
Total contributions	23,492	6,264	30,149	14,224
Change in net assets	47,975	21,881	87,132	38,145
<b>Net assets - beginning of period</b>	1,447,102	1,386,065	1,407,945	1,369,801
<b>Net assets - end of period</b>	\$ 1,495,077	\$ 1,407,946	\$ 1,495,077	\$ 1,407,946

**Combining Balance Sheet**  
**(in thousands - unaudited) June 2007**

ASSETS	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>Current assets:</b>								
Cash and cash equivalents (1)	\$ 86,855	\$ 11,238	\$ -	\$ 98,093	\$ 28,656	\$ 768	\$ -	\$ 127,517
Customer accounts receivable, less allowance for doubtful accounts of \$2,062	165,514	36,702	(20,406)	181,810	30,799	298	(532)	212,375
Inventories, less reserve of \$372								
Fuel inventory	27,539	28,065	-	55,604	-	-	-	55,604
Materials and supplies	1,713	21,742	-	23,455	51,367	-	-	74,822
Total current assets	281,621	97,747	(20,406)	358,962	110,822	1,066	(532)	470,318
<b>Restricted assets:</b>								
Cash and cash equivalents	48,872	197,151	-	246,023	82,391	466	-	328,880
Investments	(560)	210,713	-	210,153	5	-	-	210,158
Accounts and interest receivable	600	1,509	-	2,109	4,542	-	-	6,651
Total restricted assets	48,912	409,373	-	458,285	86,938	466	-	545,689
<b>Other noncurrent assets:</b>								
Investment in The Energy Authority	6,652	-	-	6,652	-	-	-	6,652
Other	18,866	9,245	-	28,111	22,120	303	-	50,534
Costs to be recovered from future revenues	-	230,939	-	230,939	-	-	-	230,939
Total other noncurrent assets	25,518	240,184	-	265,702	22,120	303	-	288,125
<b>Capital assets:</b>								
Land and easements	51,082	6,660	-	57,742	27,006	-	-	84,748
Plant in service	3,941,478	1,158,264	-	5,099,742	3,164,521	51,042	-	8,315,305
Less accumulated depreciation	(1,423,920)	(580,804)	-	(2,004,724)	(807,005)	(2,616)	-	(2,814,345)
Plant in service, net	2,568,640	584,120	-	3,152,760	2,384,522	48,426	-	5,585,708
Construction work in progress	252,778	83,314	-	336,092	278,505	1,324	-	615,921
Capital assets, net	2,821,418	667,434	-	3,488,852	2,663,027	49,750	-	6,201,629
Total assets	\$ 3,177,469	\$ 1,414,738	\$ (20,406)	\$ 4,571,801	\$ 2,882,907	\$ 51,585	\$ (532)	\$ 7,505,761
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities:</b>								
Accounts payable and accrued expenses payable	\$ 86,940	\$ 22,324	\$ (88)	\$ 109,176	\$ 9,339	\$ 579	\$ (532)	\$ 118,562
Customers deposits	33,939	-	-	33,939	-	-	-	33,939
Total current liabilities	120,879	22,324	(88)	143,115	9,339	579	(532)	152,501
<b>Liabilities payable from restricted assets:</b>								
Revenue bonds and line of credit due within one year	51,943	86,415	-	138,358	17,235	-	-	155,593
Interest payable	15,906	14,726	-	30,632	17,279	159	-	48,070
Construction contracts and accounts payable	6,288	44,025	(20,318)	29,995	14,649	4	-	44,648
Renewal and replacement reserve	-	90,000	-	90,000	-	-	-	90,000
Total liabilities payable from restricted assets	74,137	235,166	(20,318)	288,985	49,163	163	-	338,311
<b>Other noncurrent liabilities:</b>								
Deferred credits and other	30,125	2,625	-	32,750	8,080	-	-	40,830
Revenues to be used for future costs	81,186	-	-	81,186	-	-	-	81,186
Total other liabilities	111,311	2,625	-	113,936	8,080	-	-	122,016
<b>Long-term debt:</b>								
Bonds and commercial paper	2,502,714	1,209,784	-	3,712,498	1,776,576	53,250	-	5,542,324
Unamortized original issue premium (discount)	(5,208)	25,744	-	20,536	(3,132)	-	-	17,404
Unamortized deferred losses on refundings	(35,339)	(74,191)	-	(109,530)	(29,473)	-	-	(139,003)
Fair value of debt management strategy instruments	(16,133)	-	-	(16,133)	(6,736)	-	-	(22,869)
Total long-term debt	2,446,034	1,161,337	-	3,607,371	1,737,235	53,250	-	5,397,856
Total liabilities	2,752,361	1,421,452	(20,406)	4,153,407	1,803,817	53,992	(532)	6,010,684
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	272,192	(340,134)	-	(67,942)	941,221	(3,062)	-	870,217
Restricted	14,696	260,622	20,318	295,636	40,460	168	-	336,264
Unrestricted	138,220	72,798	(20,318)	190,700	97,409	487	-	288,596
Total net assets	425,108	(6,714)	-	418,394	1,079,090	(2,407)	-	1,495,077
Total liabilities and net assets	\$ 3,177,469	\$ 1,414,738	\$ (20,406)	\$ 4,571,801	\$ 2,882,907	\$ 51,585	\$ (532)	\$ 7,505,761

**Combining Balance Sheet**  
**(in thousands - unaudited) June 2006**

	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</b>								
<b>Current assets:</b>								
Cash and cash equivalents (1)	\$ 19,336	\$ 2,333	\$ -	\$ 21,669	\$ 9,117	\$ 345	\$ -	\$ 31,131
Customer accounts receivable, less allowance for doubtful accounts of \$3,423	175,773	37,612	(20,726)	192,659	35,411	278	-	228,348
Inventories, less reserve of \$1,264								
Fuel inventory	37,042	22,762	-	59,804	-	-	-	59,804
Materials and supplies	1,537	20,143	-	21,680	54,437	-	-	76,117
Total current assets	233,688	82,850	(20,726)	295,812	98,965	623	-	395,400
<b>Restricted assets:</b>								
Cash and cash equivalents	87,656	104,767	-	192,423	75,957	1,491	-	269,871
Investments	(1,185)	204,536	-	203,351	131,129	-	-	334,480
Accounts and interest receivable	655	1,446	-	2,101	3,539	-	-	5,640
Total restricted assets	87,126	310,749	-	397,875	210,625	1,491	-	609,991
<b>Other noncurrent assets:</b>								
Investment in The Energy Authority	6,661	-	-	6,661	-	-	-	6,661
Other	18,550	8,355	-	26,905	23,781	314	-	51,000
Costs to be recovered from future revenues	-	281,045	-	281,045	-	-	-	281,045
Total other noncurrent assets	25,211	289,400	-	314,611	23,781	314	-	338,706
<b>Capital assets:</b>								
Land and easements	51,009	6,660	-	57,669	24,386	-	-	82,055
Plant in service	3,653,239	1,153,730	-	4,806,969	2,805,735	29,702	-	7,642,406
Less accumulated depreciation	(1,307,748)	(560,726)	-	(1,868,474)	(721,239)	(1,816)	-	(2,591,529)
Plant in service, net	2,396,500	599,664	-	2,996,164	2,108,882	27,886	-	5,132,932
Construction work in progress	346,802	33,040	-	379,842	398,195	19,241	-	797,278
Capital assets, net	2,743,302	632,704	-	3,376,006	2,507,077	47,127	-	5,930,210
Total assets	\$ 3,089,327	\$ 1,315,703	\$ (20,726)	\$ 4,384,304	\$ 2,840,448	\$ 49,555	\$ -	\$ 7,274,307
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities:</b>								
Accounts payable and accrued expenses payable	\$ 63,669	\$ 17,468	\$ (558)	\$ 80,579	\$ 9,100	\$ -	\$ -	\$ 89,679
Customers deposits	28,518	-	-	28,518	1	-	-	28,519
Total current liabilities	92,187	17,468	(558)	109,097	9,101	-	-	118,198
<b>Liabilities payable from restricted assets:</b>								
Revenue bonds and line of credit due within one year	27,383	83,560	-	110,943	13,820	3,000	-	127,763
Interest payable	16,774	14,482	-	31,256	18,669	144	-	50,069
Construction contracts and accounts payable	11,119	33,197	(20,168)	24,148	14,490	91	-	38,729
Renewal and replacement reserve	-	78,826	-	78,826	-	-	-	78,826
Total liabilities payable from restricted assets	55,276	210,065	(20,168)	245,173	46,979	3,235	-	295,387
<b>Other noncurrent liabilities:</b>								
Deferred credits and other	38,800	2,507	-	41,307	9,779	-	-	51,086
Revenues to be used for future costs	85,064	-	-	85,064	-	-	-	85,064
Total other liabilities	123,864	2,507	-	126,371	9,779	-	-	136,150
<b>Long-term debt:</b>								
Bonds and commercial paper	2,434,638	1,141,245	-	3,575,883	1,817,205	47,800	-	5,440,888
Unamortized original issue premium (discount)	(5,267)	32,975	-	27,708	(1,988)	-	-	25,720
Unamortized deferred losses on refundings	(36,721)	(78,969)	-	(115,690)	(23,493)	-	-	(139,183)
Fair value of debt management strategy instruments	(10,796)	-	-	(10,796)	(3)	-	-	(10,799)
Total long-term debt	2,381,854	1,095,251	-	3,477,105	1,791,721	47,800	-	5,316,626
Total liabilities	2,653,181	1,325,291	(20,726)	3,957,746	1,857,580	51,035	-	5,866,361
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	283,464	(256,707)	-	26,757	751,829	(3,166)	-	775,420
Restricted	42,767	184,244	20,168	247,179	146,392	1,062	-	394,633
Unrestricted	109,915	62,875	(20,168)	152,622	84,648	624	-	237,894
Total net assets	436,146	(9,588)	-	426,558	982,868	(1,480)	-	1,407,946
Total liabilities and net assets	\$ 3,089,327	\$ 1,315,703	\$ (20,726)	\$ 4,384,304	\$ 2,840,448	\$ 49,555	\$ -	\$ 7,274,307

\* Electric System includes the Bulk Power Supply System

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for three months ended June 2007**

	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	\$ 257,615	\$ 88,471	\$ (53,105)	\$ 292,981	\$ -	\$ -	\$ (2,148)	\$ 290,833
Water and Sewer	-	-	-	-	62,749	-	(9)	62,740
District Energy	-	-	-	-	-	1,357	-	1,357
Other, net of allowances	9,274	-	-	9,274	2,923	-	(947)	11,250
Total operating revenues	266,889	88,471	(53,105)	302,255	65,672	1,357	(3,104)	366,180
<b>Operating expenses:</b>								
Operations:								
Fuel	80,317	44,584	-	124,901	-	-	-	124,901
Purchased power	78,296	-	(53,105)	25,191	-	-	-	25,191
Other	26,254	8,655	-	34,909	19,676	543	(3,104)	52,024
Maintenance	11,266	4,099	-	15,365	5,444	250	-	21,059
Depreciation	41,765	7,053	-	48,818	26,986	339	-	76,143
State utility and franchise taxes	6,233	-	-	6,233	-	-	-	6,233
Recognition of deferred costs and revenues, net	(969)	12,883	-	11,914	-	-	-	11,914
Total operating expenses	243,162	77,274	(53,105)	267,331	52,106	1,132	(3,104)	317,465
Operating income	23,727	11,197	-	34,924	13,566	225	-	48,715
<b>Nonoperating revenues (expenses):</b>								
Earnings from The Energy Authority	4,006	-	-	4,006	-	-	-	4,006
Investment income and fair value adjustments	1,331	1,935	-	3,266	(2,832)	20	-	454
Interest on debt	(4,307)	(15,353)	-	(19,660)	(13,640)	-	-	(33,300)
Other interest, net	(670)	-	-	(670)	-	(536)	-	(1,206)
Allowance for funds used during construction	2,691	-	-	2,691	3,285	122	-	6,098
Gain (loss) on sale of asset	13	-	-	13	-	-	-	13
Water & Sewer Expansion Authority	-	-	-	-	(297)	-	-	(297)
Total nonoperating revenues (expenses)	3,064	(13,418)	-	(10,354)	(13,484)	(394)	-	(24,232)
Income before contributions	26,791	(2,221)	-	24,570	82	(169)	-	24,483
<b>Contributions (to) from:</b>								
General fund, City of Jacksonville	(18,275)	-	-	(18,275)	(4,584)	-	-	(22,859)
Water & Sewer Expansion Authority - capital	-	-	-	-	-	-	-	-
Developers and other	-	-	-	-	39,559	-	-	39,559
City of Jacksonville	-	-	-	-	6,792	-	-	6,792
Total contributions	(18,275)	-	-	(18,275)	41,767	-	-	23,492
Change in net assets	8,516	(2,221)	-	6,295	41,849	(169)	-	47,975
<b>Net assets - beginning of period</b>	416,592	(4,493)	-	412,099	1,037,241	(2,238)	-	1,447,102
<b>Net assets - end of period</b>	\$ 425,108	\$ (6,714)	\$ -	\$ 418,394	\$ 1,079,090	\$ (2,407)	\$ -	\$ 1,495,077

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for three months ended June 2006**

	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	\$ 265,255	\$ 82,804	\$ (51,663)	\$ 296,396	\$ -	\$ -	\$ (1,778)	\$ 294,618
Water and Sewer	-	-	-	-	57,985	-	193	58,178
District Energy	-	-	-	-	-	483	-	483
Other, net of allowances	10,901	-	-	10,901	2,801	-	(810)	12,892
<b>Total operating revenues</b>	<b>276,156</b>	<b>82,804</b>	<b>(51,663)</b>	<b>307,297</b>	<b>60,786</b>	<b>483</b>	<b>(2,394)</b>	<b>366,172</b>
<b>Operating expenses:</b>								
Operations:								
Fuel	80,392	37,459	-	117,851	-	-	-	117,851
Purchased power	93,871	-	(51,663)	42,208	-	-	-	42,208
Other	25,503	10,446	-	35,949	17,647	102	(2,394)	51,304
Maintenance	9,790	5,884	-	15,674	4,575	160	-	20,409
Depreciation	42,173	7,232	-	49,405	24,807	288	-	74,500
State utility and franchise taxes	6,426	-	-	6,426	-	-	-	6,426
Recognition of deferred costs and revenues, net	(969)	13,195	-	12,226	-	-	-	12,226
<b>Total operating expenses</b>	<b>257,186</b>	<b>74,216</b>	<b>(51,663)</b>	<b>279,739</b>	<b>47,029</b>	<b>550</b>	<b>(2,394)</b>	<b>324,924</b>
<b>Operating income</b>	<b>18,970</b>	<b>8,588</b>	<b>-</b>	<b>27,558</b>	<b>13,757</b>	<b>(67)</b>	<b>-</b>	<b>41,248</b>
<b>Nonoperating revenues (expenses):</b>								
Earnings from The Energy Authority	5,636	-	-	5,636	-	-	-	5,636
Investment income and fair value adjustments	496	1,232	-	1,728	7,923	22	-	9,673
Interest on debt	(15,370)	(14,945)	-	(30,315)	(17,469)	(499)	-	(48,283)
Other interest, net	(271)	-	-	(271)	-	-	-	(271)
Allowance for funds used during construction	3,363	-	-	3,363	4,411	85	-	7,859
Gain (loss) on sale of asset	-	-	-	-	-	-	-	-
Water & Sewer Expansion Authority	-	-	-	-	(245)	-	-	(245)
<b>Total nonoperating revenues (expenses)</b>	<b>(6,146)</b>	<b>(13,713)</b>	<b>-</b>	<b>(19,859)</b>	<b>(5,380)</b>	<b>(392)</b>	<b>-</b>	<b>(25,631)</b>
<b>Income before contributions</b>	<b>12,824</b>	<b>(5,125)</b>	<b>-</b>	<b>7,699</b>	<b>8,377</b>	<b>(459)</b>	<b>-</b>	<b>15,617</b>
<b>Contributions (to) from:</b>								
General fund, City of Jacksonville	(18,091)	-	-	(18,091)	(4,414)	-	-	(22,505)
Water & Sewer Expansion Authority - capital	-	-	-	-	-	-	-	-
Developers and other	-	-	-	-	26,334	-	-	26,334
City of Jacksonville	-	-	-	-	2,435	-	-	2,435
<b>Total contributions</b>	<b>(18,091)</b>	<b>-</b>	<b>-</b>	<b>(18,091)</b>	<b>24,355</b>	<b>-</b>	<b>-</b>	<b>6,264</b>
<b>Change in net assets</b>	<b>(5,267)</b>	<b>(5,125)</b>	<b>-</b>	<b>(10,392)</b>	<b>32,732</b>	<b>(459)</b>	<b>-</b>	<b>21,881</b>
<b>Net assets - beginning of period</b>	<b>441,413</b>	<b>(4,463)</b>	<b>-</b>	<b>436,950</b>	<b>950,136</b>	<b>(1,021)</b>	<b>-</b>	<b>1,386,065</b>
<b>Net assets - end of period</b>	<b>\$ 436,146</b>	<b>\$ (9,588)</b>	<b>\$ -</b>	<b>\$ 426,558</b>	<b>\$ 982,868</b>	<b>\$ (1,480)</b>	<b>\$ -</b>	<b>\$ 1,407,946</b>

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for twelve months ended June 2007**

	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	\$ 1,032,943	\$ 340,905	\$ (208,996)	\$ 1,164,852	\$ -	\$ -	\$ (9,601)	\$ 1,155,251
Water and Sewer	-	-	-	-	235,451	-	(28)	235,423
District Energy	-	-	-	-	-	5,318	-	5,318
Other, net of allowances	40,506	-	-	40,506	11,559	-	(3,777)	48,288
Total operating revenues	1,073,449	340,905	(201,433)	1,205,358	247,010	5,318	(13,406)	1,444,280
<b>Operating expenses:</b>								
Operations:								
Fuel	293,146	172,365	-	465,511	-	-	-	465,511
Purchased power	312,538	-	(208,996)	103,542	-	-	-	103,542
Other	107,817	31,541	-	139,358	78,267	2,749	(13,406)	206,968
Maintenance	42,210	16,412	-	58,622	19,246	806	-	78,674
Depreciation	166,009	28,394	-	194,403	103,393	1,218	-	299,014
State utility and franchise taxes	26,618	-	-	26,618	-	-	-	26,618
Recognition of deferred costs and revenues, net	(3,878)	50,106	-	46,228	-	-	-	46,228
Total operating expenses	944,460	291,253	(201,433)	1,034,280	200,906	4,773	(13,406)	1,226,555
Operating income	128,989	42,087	-	171,076	46,104	545	-	217,725
<b>Nonoperating revenues (expenses):</b>								
Earnings from The Energy Authority	15,353	-	-	15,353	-	-	-	15,353
Investment income and fair value adjustments	5,421	18,094	-	23,515	8,895	68	-	32,478
Interest on debt	(99,367)	(57,306)	-	(156,673)	(77,137)	(2,094)	-	(235,904)
Other interest, net	(2,078)	-	-	(2,078)	-	-	-	(2,078)
Allowance for funds used during construction	13,268	-	-	13,268	16,791	554	-	30,613
Gain (loss) on sale of asset	209	-	-	209	407	-	-	616
Water & Sewer Expansion Authority	-	-	-	-	(1,820)	-	-	(1,820)
Total nonoperating revenues (expenses)	(67,194)	(39,212)	-	(106,406)	(52,864)	(1,472)	-	(160,742)
Income before contributions	61,795	2,875	-	64,670	(6,760)	(927)	-	56,983
<b>Contributions (to) from:</b>								
General fund, City of Jacksonville	(72,833)	-	-	(72,833)	(18,167)	-	-	(91,000)
Water & Sewer Expansion Authority - capital	-	-	-	-	-	-	-	-
Developers and other	-	-	-	-	95,010	-	-	95,010
City of Jacksonville	-	-	-	-	26,139	-	-	26,139
Total contributions	(72,833)	-	-	(72,833)	102,982	-	-	30,149
Change in net assets	(11,038)	2,875	-	(8,163)	96,222	(927)	-	87,132
<b>Net assets - beginning of period</b>	436,146	(9,589)	-	426,557	982,868	(1,480)	-	1,407,945
<b>Net assets - end of period</b>	\$ 425,108	\$ (6,714)	\$ -	\$ 418,394	\$ 1,079,090	\$ (2,407)	\$ -	\$ 1,495,077

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for twelve months ended June 2006**

	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	\$ 1,014,729	\$ 316,889	\$ (194,405)	\$ 1,137,213	\$ -	\$ -	\$ (5,734)	\$ 1,131,479
Water and Sewer	-	-	-	-	205,977	-	(43)	205,934
District Energy	-	-	-	-	-	2,059	-	2,059
Other, net of allowances	38,568	-	-	38,568	12,063	-	(3,122)	47,509
<b>Total operating revenues</b>	<b>1,053,297</b>	<b>316,889</b>	<b>(194,405)</b>	<b>1,175,781</b>	<b>218,040</b>	<b>2,059</b>	<b>(8,898)</b>	<b>1,386,982</b>
<b>Operating expenses:</b>								
Operations:								
Fuel	318,574	141,272	-	459,846	-	-	-	459,846
Purchased power	334,345	-	(194,405)	139,940	-	-	-	139,940
Other	96,666	33,667	-	130,333	67,732	264	(8,898)	189,431
Maintenance	47,513	19,589	-	67,102	18,351	1,082	-	86,535
Depreciation	174,305	28,971	-	203,276	94,823	962	-	299,061
State utility and franchise taxes	25,725	-	-	25,725	-	-	-	25,725
Recognition of deferred costs and revenues, net	(3,878)	43,457	-	39,579	-	-	-	39,579
<b>Total operating expenses</b>	<b>993,250</b>	<b>266,956</b>	<b>(194,405)</b>	<b>1,065,801</b>	<b>180,906</b>	<b>2,308</b>	<b>(8,898)</b>	<b>1,240,117</b>
<b>Operating income</b>	<b>60,047</b>	<b>49,933</b>	<b>-</b>	<b>109,980</b>	<b>37,134</b>	<b>(249)</b>	<b>-</b>	<b>146,865</b>
<b>Nonoperating revenues (expenses):</b>								
Earnings from The Energy Authority	23,861	-	-	23,861	-	-	-	23,861
Investment income and fair value adjustments	469	7,645	-	8,114	4,514	88	-	12,716
Interest on debt	(49,686)	(60,421)	-	(110,107)	(78,403)	(1,653)	-	(190,163)
Other interest, net	(1,216)	-	-	(1,216)	-	-	-	(1,216)
Allowance for funds used during construction	12,543	-	-	12,543	19,587	307	-	32,437
Gain (loss) on sale of asset	-	-	-	-	-	-	-	-
Water & Sewer Expansion Authority	-	-	-	-	(579)	-	-	(579)
<b>Total nonoperating revenues (expenses)</b>	<b>(14,029)</b>	<b>(52,776)</b>	<b>-</b>	<b>(66,805)</b>	<b>(54,881)</b>	<b>(1,258)</b>	<b>-</b>	<b>(122,944)</b>
<b>Income before contributions</b>	<b>46,018</b>	<b>(2,843)</b>	<b>-</b>	<b>43,175</b>	<b>(17,747)</b>	<b>(1,507)</b>	<b>-</b>	<b>23,921</b>
<b>Contributions (to) from:</b>								
General fund, City of Jacksonville	(71,192)	-	-	(71,192)	(17,557)	-	-	(88,749)
Water & Sewer Expansion Authority - capital	-	-	-	-	(254)	-	-	(254)
Developers and other	-	-	-	-	98,207	-	-	98,207
City of Jacksonville	-	-	-	-	5,020	-	-	5,020
<b>Total contributions</b>	<b>(71,192)</b>	<b>-</b>	<b>-</b>	<b>(71,192)</b>	<b>85,416</b>	<b>-</b>	<b>-</b>	<b>14,224</b>
<b>Change in net assets</b>	<b>(25,174)</b>	<b>(2,843)</b>	<b>-</b>	<b>(28,017)</b>	<b>67,669</b>	<b>(1,507)</b>	<b>-</b>	<b>38,145</b>
<b>Net assets - beginning of period</b>	<b>461,320</b>	<b>(6,745)</b>	<b>-</b>	<b>454,575</b>	<b>915,199</b>	<b>27</b>	<b>-</b>	<b>1,369,801</b>
<b>Net assets - end of period</b>	<b>\$ 436,146</b>	<b>\$ (9,588)</b>	<b>\$ -</b>	<b>\$ 426,558</b>	<b>\$ 982,868</b>	<b>\$ (1,480)</b>	<b>\$ -</b>	<b>\$ 1,407,946</b>

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

	Three months ended		Twelve months ended	
	June		June	
	2007	2006	2007	2006
<b>Revenues:</b>				
Electric	\$ 257,615	\$ 265,255	\$ 1,032,943	\$ 1,014,729
Investment income (1)	1,116	395	4,055	1,190
Earnings from The Energy Authority	4,006	5,636	15,353	23,861
Other, net	9,274	10,901	40,506	38,568
Plus: amount paid from the rate stabilization fund into the revenue fund	9,455	6,550	31,084	48,820
Less: amount paid from the revenue fund into the rate stabilization fund	(9,886)	(17,144)	(42,708)	(59,708)
<b>Total</b>	<b>271,580</b>	<b>271,593</b>	<b>1,081,233</b>	<b>1,067,460</b>
<b>Operating expenses (2):</b>				
Fuel	71,738	76,087	263,092	296,493
Purchased power (3)	90,438	104,169	354,805	370,660
Other operation and maintenance	34,196	29,506	139,005	130,767
Utility and franchise taxes	5,994	6,221	25,426	24,905
<b>Total</b>	<b>202,366</b>	<b>215,983</b>	<b>782,328</b>	<b>822,825</b>
<b>Net revenues</b>	<b>\$ 69,214</b>	<b>\$ 55,610</b>	<b>\$ 298,905</b>	<b>\$ 244,635</b>
<b>Debt service</b>	<b>\$ 16,518</b>	<b>\$ 15,500</b>	<b>\$ 63,451</b>	<b>\$ 54,047</b>
Less: investment income on sinking fund	(154)	(142)	(741)	(461)
<b>Debt service requirement</b>	<b>\$ 16,364</b>	<b>\$ 15,358</b>	<b>\$ 62,710</b>	<b>\$ 53,586</b>
<b>Senior debt service coverage (4)</b>	<b>4.23x</b>	<b>3.62x</b>	<b>4.77x</b>	<b>4.57x</b>
<b>Net revenues (from above)</b>	<b>\$ 69,214</b>	<b>\$ 55,610</b>	<b>\$ 298,905</b>	<b>\$ 244,635</b>
Plus: amount paid from the subordinated bond rate stabilization fund into the subordinated bond fund	-	-	-	-
<b>Adjusted net revenues</b>	<b>\$ 69,214</b>	<b>\$ 55,610</b>	<b>\$ 298,905</b>	<b>\$ 244,635</b>
<b>Debt service requirement (from above)</b>	<b>\$ 16,364</b>	<b>\$ 15,358</b>	<b>\$ 62,710</b>	<b>\$ 53,586</b>
Plus: aggregate subordinated debt service on outstanding subordinated bonds	14,634	15,909	59,398	57,817
<b>Adjusted debt service requirement</b>	<b>\$ 30,998</b>	<b>\$ 31,267</b>	<b>\$ 122,108</b>	<b>\$ 111,403</b>
<b>Senior and subordinated debt service coverage (5)</b>	<b>2.23x</b>	<b>1.78x</b>	<b>2.45x</b>	<b>2.20x</b>

(1) Excludes investment income on sinking funds.

(2) Excludes depreciation.

(3) In accordance with the requirements of the Electric System Resolution, all the Contract Debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of 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 1.25x.

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

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

	Three months ended		Twelve months ended	
	June		June	
	2007	2006	2007	2006
<b>Revenues:</b>				
JEA Electric System	\$ 55,822	\$ 54,457	\$ 222,623	\$ 207,277
Florida Power & Light Company	35,365	32,841	136,879	122,534
Investment income	4,484	3,562	16,116	13,132
Total	95,671	90,860	375,618	342,943
<b>Operating expenses: (1)</b>				
Fuel	44,585	37,459	172,366	141,272
Other operation and maintenance	7,101	9,114	29,945	33,328
Total	51,686	46,573	202,311	174,600
<b>Net revenues</b>	\$ 43,985	\$ 44,287	\$ 173,307	\$ 168,343
<b>Debt service requirement</b>	\$ 34,765	\$ 35,372	\$ 138,155	\$ 132,847
<b>Debt Service Coverage (2)</b>	1.27x	1.25x	1.25x	1.27x

(1) Excludes depreciation.

(2) Net revenues divided by debt service requirement.

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

	Three months ended June		Twelve months ended June	
	2007	2006	2007	2006
<b>Operating Revenues:</b>				
Water, net of allowances and discounts	\$ 27,955	25,227	102,394	86,504
Water Capacity Fees (1)	3,354	2,801	9,514	8,466
Sewer, net of allowances and discounts	34,794	32,758	133,057	119,473
Sewer Capacity Fees (1)	5,033	4,296	11,695	25,801
Investment Income	1,546	502	3,565	1,438
Other	2,795	2,801	12,999	12,705
Total	75,477	68,385	273,224	254,387
<b>Operating &amp; Maintenance Expenses:</b>				
Operations and Maintenance (2)	25,120	22,222	97,513	86,083
Total	25,120	22,222	97,513	86,083
<b>Net Revenues</b>	<b>\$ 50,357</b>	<b>\$ 46,163</b>	<b>\$ 175,711</b>	<b>\$ 168,304</b>
<b>Debt service requirement</b>	<b>\$ 18,379</b>	<b>\$ 18,233</b>	<b>\$ 74,382</b>	<b>\$ 71,029</b>
<b>Senior debt service coverage (3)</b>	<b>2.74x</b>	<b>2.53x</b>	<b>2.36x</b>	<b>2.37x</b>
<b>Net revenues from above</b>	<b>\$ 50,357</b>	<b>\$ 46,163</b>	<b>\$ 175,711</b>	<b>\$ 168,304</b>
<b>Debt service requirement (from above)</b>	<b>18,379</b>	<b>18,233</b>	<b>74,382</b>	<b>71,029</b>
Plus: aggregate subordinated debt service on outstanding subordinated debt	4,537	4,084	17,662	15,266
<b>Adjusted debt service requirement</b>	<b>22,916</b>	<b>22,317</b>	<b>92,044</b>	<b>86,295</b>
<b>Senior and subordinated debt service coverage (4)</b>	<b>2.20x</b>	<b>2.07x</b>	<b>1.91x</b>	<b>1.95x</b>

(1) Calculated in conformity with the Water and Sewer Resolution.

Had capacity fees not been included in the calculation for the periods ending June 2007 and 2006, then the debt service coverage would have been 1.68x and 1.55x.

(2) Excludes depreciation.

(3) Net revenues divided by debt service requirement.

(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 current quarter is \$23,823 and \$ 95,576 for the 12 months ending June 2007.

**Electric Enterprise Fund  
Operating Statistics**

	Three months ended		Twelve months ended	
	June		June	
	2007	2006	2007	2006
<b>Electric revenue sales (000's omitted):</b>				
Residential	\$ 112,556	\$ 120,162	\$ 469,741	\$ 470,846
Commercial and industrial	119,091	122,163	462,515	443,057
Public street lighting	2,464	2,397	9,812	9,304
Sales for resale	12,775	9,621	46,504	48,670
Saleback to Florida Power & Light	35,365	31,141	131,907	122,484
Total electric revenues	282,251	285,484	1,120,479	1,094,361
Add: rate stabilization and recovery	11,948	12,544	48,014	49,108
Less: allowance for doubtful accounts	(1,219)	(1,632)	(3,643)	(6,256)
Net electric revenues	\$ 292,980	\$ 296,396	\$ 1,164,850	\$ 1,137,213
<b>KWH sales (000's omitted):</b>				
Residential	1,306,404	1,387,831	5,460,835	5,643,570
Commercial and industrial	1,838,161	1,877,166	7,123,410	7,124,422
Public street lighting	28,229	27,272	112,180	109,420
Sales for resale	292,181	254,034	1,199,902	1,111,958
Saleback to Florida Power & Light	793,438	696,594	3,072,842	2,620,284
Total KWH sales	4,258,413	4,242,897	16,969,169	16,609,654
<b>Average number of accounts:</b>				
Residential	365,539	358,039	362,554	355,276
Commercial and industrial	44,631	41,780	44,065	40,403
Public street lighting	3,574	3,585	3,561	3,552
Sales for resale	5	7	7	6
Total average accounts	413,749	403,411	410,186	399,237
<b>Residential averages:</b>				
Revenue per account - \$	307.92	335.61	1,295.65	1,325.29
KWH per account	3,574	3,876	15,062	15,885
Revenue per KWH - ¢	8.62	8.66	8.60	8.34
<b>Degree days:</b>				
	June		June	
	2007	2006	2007	2006
Heating degree days	83	18	1,201	1,277
Cooling degree days	737	913	2,578	2,877
Total degree days	820	931	3,779	4,154
Degree Days - 30 year average		890		3,946

**Water and Sewer Enterprise Fund  
Operating Statistics**

	Three months ended June		Twelve months ended June	
	2007	2006	2007	2006
<b>Water</b>				
<b>Revenues (000's omitted):</b>				
Residential	\$ 15,663	\$ 14,467	\$ 57,373	\$ 49,498
Commercial and industrial	6,061	5,291	24,135	21,131
Irrigation	6,294	5,537	21,140	16,123
Total water revenues	28,018	25,295	102,648	86,752
Less: allowance for doubtful accounts	(63)	(68)	(252)	(250)
Net water revenues	\$ 27,955	\$ 25,227	\$ 102,396	\$ 86,502
<b>Water Sales (ccf*):</b>				
Residential	8,001,169	7,865,573	27,966,706	25,358,161
Commercial and industrial	4,239,824	3,501,732	17,500,259	16,934,487
Irrigation	4,043,779	3,712,245	13,175,141	10,149,464
Total ccf sales	16,284,772	15,079,550	58,642,106	52,442,112
<b>Average Number of accounts:</b>				
Residential	246,120	239,687	244,160	235,260
Commercial and industrial	23,336	22,442	23,116	22,221
Irrigation	34,714	33,373	34,217	32,605
Total average accounts	304,171	295,502	301,493	290,087
<b>Residential averages:</b>				
Revenue per account - \$	63.64	60.35	234.98	210.40
ccf per account	32.51	32.82	114.54	107.79
Revenue per ccf - \$	1.96	1.84	2.05	1.95
<b>Reuse</b>				
<b>Revenues (000's omitted):</b>				
Reuse revenues	176	71	391	128
<b>Reuse Sales (ccf*):</b>				
Reuse sales (ccafs)	261,003	320,057	755,378	419,944
<b>Number of accounts:</b>				
Reuse accounts	99	16	43	16
<b>Sewer</b>				
<b>Revenues (000's omitted):</b>				
Residential	\$ 21,698	\$ 20,268	\$ 79,714	\$ 69,295
Commercial and industrial	13,015	12,522	53,330	50,428
Total sewer revenues	34,713	32,790	133,044	119,723
Less: allowance for doubtful accounts	(95)	(103)	(380)	(376)
Net sewer revenues	\$ 34,618	\$ 32,687	\$ 132,664	\$ 119,347
<b>Sewer Sales (ccf*):</b>				
Residential	6,147,064	6,148,659	22,326,321	20,199,050
Commercial and industrial	3,532,487	3,656,448	14,820,384	15,058,179
Total ccf sales	9,679,551	9,805,107	37,146,705	35,257,229
<b>Average number of accounts:</b>				
Residential	211,262	204,680	209,324	200,034
Commercial and industrial	17,447	16,976	17,322	16,778
Total average accounts	228,709	221,656	226,646	216,812
<b>Residential averages:</b>				
Revenue per account - \$	102.71	99.02	380.82	346.42
ccf per account	29.10	30.04	106.66	100.98
Revenue per ccf - \$	3.53	3.30	3.57	3.43
* ccf = 100 cubic feet				
<b>Rainfall</b>				
Normal	11.99	11.99	52.34	52.34
Actual	8.82	10.48	36.46	49.85