



Building Community®

Management's Discussion and Analysis of Financial Performance for the Quarter Ended December 31, 2013

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

Financial Highlights

Operating Revenues

Electric Enterprise Fund operating revenues for the quarter ended December 2013 decreased 1.2 percent over operating revenues for the quarter ended December 2012. The decrease was mainly caused by decreased territorial sales attributable to milder weather conditions. Territorial MWh sales decreased 1.8 percent and total sales decreased 1.4 percent when off-system sales are included. Total sales for the quarter decreased from 3,245,203 MWh to 3,200,997 MWh.

Water and Sewer Enterprise Fund operating revenues decreased slightly (0.1) percent for the quarter ended December 2013 compared to the quarter ended December 2012. There was a 3.4 percent decrease in water sales, mainly due to a decrease in irrigation. The decrease was partially offset by a 0.5 percent increase in sewer sales. Water sales measured in thousands of gallons (kgals) decreased 273.6 kgals from 8,110.4 kgals to 7,836.9 kgals. Sewer sales increased 26.6 kgals from 5,784.8 kgals to 5,811.4 kgals.

Operating revenues for DES increased slightly (1.0) percent for the quarter ended December 2013 over operating revenues for the similar period last year.

Operating Expenses

Total operating expenses for the Electric Enterprise Fund decreased 1.7 percent for the quarter ended December 2013 as compared to the quarter ended December 2012. The decrease was mainly due the decrease in fuel and purchased power expense, as discussed below. Operating and maintenance expenses increased \$0.4 million. The major factors impacting the change in operating and maintenance expenses are: increased renewal and replacement contributions to SJRPP, increased salaries related benefits expense for the Electric System, decreased renewal and replacement contributions to Scherer and decreased maintenance expenses at Northside Generating Station. Taxes and franchise fees decreased 2.2 percent due to the reduction in revenues. Recognition of deferred costs decreased 8.2 percent due to the reduction of regulatory assets related to Scherer and SJRPP.

Total fuel and purchased power expense for the quarter ended December 2013 decreased \$3.4 million (2.6 percent) over the similar period in the prior year. The decrease in fuel and purchased power expense was driven by fuel commodity prices, product mix and a decrease in production. The cost per MWh decreased 3.8 percent from \$38.52 per MWh to \$37.07 per MWh. As the price for gas and solid fuels have fluctuated over these periods, the components of fuel and purchased power have shifted as JEA has taken advantage of the most economical source of power.

Total production of megawatts generated and purchased for the quarter ended December 2013 decreased 0.5 percent from 2,860,384 MWh to 2,846,749 MWh. Generated megawatts increased 2.6 percent and purchased power decreased 3.1 percent. JEA's power supply mix for the current quarter was 57.4 percent coal, 29.0 percent natural gas, 8.9 percent petroleum coke, and 4.7

percent other purchases. JEA's power supply mix for the quarter ended December 2012 was 52.7 percent coal, 38.9 percent natural gas, 7.9 percent other purchases and 0.5 percent petroleum coke.

Northside's availability factors for the quarter ended December 2013 were 99.5 percent for Unit 1, 100.0 percent for Unit 2 and 99.8 percent combined.

SJRPP's availability factors for the quarter ended December 2013 were 83.5 percent for Unit 1, 99.9 percent for Unit 2 and 91.7 percent combined. The availability factor for Unit 1 was impacted by a boiler tube inspection and repair during the quarter.

Plant Scherer Unit 4 availability factor for the quarter ended December 2013 was 97.6 percent.

Water and Sewer System total operating expenses for the quarter ended December 2013 decreased \$1.9 million (2.8 percent) when compared to the prior year. The main factor impacting the decrease was a decrease in depreciation expense of \$1.7 million due to long lived assets no longer in service. Operating and maintenance decreased \$0.1 million. The decrease in other operating expenses was attributable to an increase in salaries related benefits, offset by a decrease in industrial services.

DES operating expenses increased 7.8 percent for the quarter ended December 2013 over the similar period in the prior year. The increase was primarily due to increased utility charges and maintenance work on the Hogan Street Plant.

Nonoperating Revenues (Expenses)

There was a net decrease of \$4.7 million (8.8 percent) in total nonoperating expenses for the quarter ended December 2013. Investment income increased \$1.5 million due to favorable fair market value adjustments in investments and increased returns on investments. Interest expense decreased \$4.0 million primarily due to favorable fair market value adjustments on interest rate swaps and decrease in interest expense 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, decreased \$0.7 million due to lower margins on purchases and sales transactions by TEA.

Debt Administration

During the quarter, the ratings for the Electric Enterprise Fund 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, Aa2 and AA-.

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

The debt service coverage ratio for the Electric System's senior debt was 4.98x and 5.26x for the quarters ended December 2013 and December 2012. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.23x and 2.51x for the quarters ended December 2013 and December 2012. The decrease in senior debt service coverage ratio

for the quarter was caused by decreased net revenues resulting from the decreased operating revenues discussed above. The decrease in combined senior and subordinated debt service coverage ratio for the quarter was due to decreased net revenues, as discussed above, and an increase in interest expense resulting from the subordinated debt refundings of variable to fixed rate debt during the past year.

The Water and Sewer senior debt service coverage ratio was 2.64x and 2.62x for the quarters ended December 2013 and 2012. The increase was primarily related to an increase in net revenues due to an increase in investment income and reduced operating expenses, discussed above. The Water and Sewer combined senior and subordinated debt service coverage ratio was 2.40x and 2.37x for the quarters ended December 2013 and 2012. The increase was related to an increase in net revenues, discussed above and reduced debt service requirements as a result of subordinated debt refundings during the past year.

Capital Assets

JEA's investment in capital assets at December 2013 was \$6.36 billion (net of accumulated depreciation). This included \$3.61 billion in the Electric Enterprise assets, \$2.72 billion in the Water & Sewer assets and \$40.0 million in DES assets. For the three months ended December 2013, capital expenditures were \$28.28 million consisting of \$13.98 million for the Electric Enterprise Fund and \$14.24 million for the Water & Sewer Fund and \$6 thousand 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)

	December	
	2013	2012
ASSETS AND DEFERRED OUTFLOWS		
Current assets:		
Cash and cash equivalents	\$ 178,292	\$ 218,504
Investments	281,069	212,409
Customer accounts receivable, less allowance for doubtful accounts - \$4,774 in 2013 and \$4,647 in 2012	205,800	209,084
Inventories, less reserve of \$3,368 in 2013 and \$2,758 in 2012		
Fuel inventory	72,017	72,993
Materials and supplies	70,867	72,539
Total current assets	808,045	785,529
Restricted assets:		
Cash and cash equivalents	56,833	93,951
Investments	759,778	720,440
Accounts and interest receivable	4,203	4,171
Total restricted assets	820,814	818,562
Noncurrent assets:		
Unamortized debt issue costs and other	61,181	55,396
Investment in The Energy Authority	6,271	7,915
Costs to be recovered from future revenues	12,319	11,550
Total noncurrent assets	79,771	74,861
Capital assets:		
Land and easements	133,734	127,965
Plant in service	10,527,855	10,303,200
Less accumulated depreciation	(4,432,009)	(4,081,693)
Plant in service, net	6,229,580	6,349,472
Construction work in progress	135,132	156,415
Capital assets, net	6,364,712	6,505,887
Total assets	8,073,342	8,184,839
Deferred outflows of resources:		
Accumulated decrease in fair value of interest swaps derivatives	67,666	183,278
Total deferred outflows of resources	67,666	183,278
Total assets and deferred outflows of resources	\$ 8,141,008	\$ 8,368,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts and accrued expenses payable	\$ 122,154	\$ 101,846
Customer deposits	56,418	56,895
Total current liabilities	178,572	158,741
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	258,572	259,460
Interest payable	52,594	50,774
Construction contracts and accounts payable	11,153	16,123
Renewal and replacement reserve	87,832	88,643
Total liabilities payable from restricted assets	410,151	415,000
Other noncurrent liabilities:		
OPEB liability	4,125	4,125
Deferred credits and other	38,408	40,512
Revenues to be used for future costs	200,803	124,722
Total other noncurrent liabilities	243,336	169,359
Long-term debt:		
Bonds and commercial paper	5,138,731	5,456,674
Unamortized original issue premium (discount)	171,338	127,447
Unamortized deferred losses on refundings	(169,004)	(151,969)
Fair value of debt management strategy instruments	67,666	183,278
Total long-term debt	5,208,731	5,615,430
Total liabilities	6,040,790	6,358,530
Deferred inflows of resources:		
Accumulated increase in fair value of fuel derivatives	-	405
Total deferred inflows of resources	-	405
Net position:		
Net investment in capital assets	1,116,544	1,077,297
Restricted	367,041	324,414
Unrestricted	616,633	607,471
Total net position	2,100,218	2,009,182
Total liabilities, deferred inflows of resources and net position	\$ 8,141,008	\$ 8,368,117

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

	Quarter and Year-To-Date	
	December	
	2013	2012
Operating revenues (net of allowances and discounts):		
Electric	\$ 328,366	\$ 332,236
Water and sewer	94,033	94,243
District Energy	2,275	2,253
Other, net	9,554	9,180
Total operating revenues	434,228	437,912
Operating expenses:		
Operations:		
Fuel	116,172	116,151
Purchased power	8,663	12,080
Other	61,903	58,273
Maintenance	22,018	25,288
Depreciation	95,731	97,286
State utility taxes and franchise fees	17,241	17,625
Recognition of deferred costs and revenues, net	17,240	18,784
Total operating expenses	338,968	345,487
Operating income	95,260	92,425
Nonoperating revenues (expenses):		
Earnings from The Energy Authority	(9)	706
Investment income, fair market value adjustments	3,049	1,581
Other nonoperating income	1,820	1,968
Interest on debt	(55,068)	(59,057)
Other interest, net	12	(66)
Allowance for funds used during construction	870	808
Total nonoperating revenues (expenses), net	(49,326)	(54,060)
Income before contributions	45,934	38,365
Contributions (to) from:		
General Fund, City of Jacksonville	(27,297)	(26,672)
Developers and others	10,295	6,178
Total contributions	(17,002)	(20,494)
Change in net position	28,932	17,871
Net position, beginning of period	2,071,286	1,991,311
Net position, end of period	\$ 2,100,218	\$ 2,009,182

Statements of Cash Flows
(in thousands - unaudited)

	Quarter and Year-To-Date December	
	2013	2012
Operations:		
Receipts from customers	\$ 475,830	\$ 486,961
Other receipts	11,747	9,572
Payments to suppliers	(241,161)	(228,382)
Payments to employees	(50,814)	(54,321)
Net cash provided by (used in) operating activities	195,602	213,830
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, FL.	(17,980)	(26,621)
Net cash provided by (used in) noncapital financing activities	(17,980)	(26,621)
Capital and related financing activities:		
Acquisition and construction of capital assets	(43,007)	(56,121)
Debt issue costs and discounts	(126)	(261)
Defeasance of debt	-	(2,691)
Repayment of debt principal	(238,686)	(249,633)
Interest paid on debt	(104,598)	(101,425)
Contribution from developers and others	3,977	3,571
Proceeds from sales of property	292	200
Net cash provided by (used in) capital and related financing activities	(382,148)	(406,360)
Investing activities:		
Purchase of investments	(479,321)	(668,197)
Proceeds from sale and maturities of investments	330,920	482,427
Investment income	2,155	1,741
Distributions from The Energy Authority	9	2,301
Net cash provided by (used in) investing activities	(146,237)	(181,728)
Net increase (decrease) in cash and cash equivalents	(350,763)	(400,879)
Cash and cash equivalents at beginning of the period	585,888	713,334
Cash and cash equivalents at end of the period	\$ 235,125	\$ 312,455
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income:	\$ 95,260	\$ 92,425
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	96,189	97,730
Recognition of deferred costs and revenues, net	17,240	18,784
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable	33,949	42,580
Decrease (increase) accounts receivable, restricted	2,193	392
Decrease (increase) in inventories	(862)	11,411
Increase (decrease) in other	(10,431)	(2,110)
Increase (decrease) in accounts payable	(29,795)	(42,714)
Increase (decrease) in accounts payable, restricted	(4,081)	(3,018)
Increase (decrease) in other liabilities and deferred credits	(4,060)	(1,650)
Net cash provided by (used in) operating activities	\$ 195,602	\$ 213,830
Non-cash activity:		
Contribution of capital assets from developers	\$ 6,317	\$ 2,607

Combining Statement of Net Position
(in thousands - unaudited) December 31, 2013

	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	\$ 84,456	\$ 45,233	\$ -	\$ 129,689	\$ 44,687	\$ 3,916	\$ -	\$ 178,292
Investments	265,053	15,995	-	281,048	-	21	-	281,069
Customer accounts receivable, less allowance for doubtful accounts of \$4,774	162,170	25,067	(17,809)	169,428	35,779	593	-	205,800
Inventories, less reserve of \$2,608								
Fuel inventory	38,725	33,292	-	72,017	-	-	-	72,017
Materials and supplies	2,186	20,944	-	23,130	47,737	-	-	70,867
Total current assets	552,590	140,531	(17,809)	675,312	128,203	4,530	-	808,045
Restricted assets:								
Cash and cash equivalents	4,749	33,802	-	38,551	15,195	3,087	-	56,833
Investments	249,382	237,974	-	487,356	272,422	-	-	759,778
Accounts and interest receivable	1,279	782	-	2,061	2,142	-	-	4,203
Total restricted assets	255,410	272,558	-	527,968	289,759	3,087	-	820,814
Noncurrent assets:								
Unamortized debt issue costs and other	28,604	5,478	-	34,082	26,608	491	-	61,181
Investment in The Energy Authority	6,271	-	-	6,271	-	-	-	6,271
Costs to be recovered from future revenues	12,319	-	-	12,319	-	-	-	12,319
Total noncurrent assets	47,194	5,478	-	52,672	26,608	491	-	79,771
Capital assets:								
Land and easements	70,718	6,660	-	77,378	53,305	3,051	-	133,734
Plant in service	5,078,774	1,361,816	-	6,440,590	4,035,650	51,615	-	10,527,855
Less accumulated depreciation	(2,238,745)	(762,302)	-	(3,001,047)	(1,415,186)	(15,776)	-	(4,432,009)
Plant in service, net	2,910,747	606,174	-	3,516,921	2,673,769	38,890	-	6,229,580
Construction work in progress	28,884	62,410	-	91,294	43,199	639	-	135,132
Capital assets, net	2,939,631	668,584	-	3,608,215	2,716,968	39,529	-	6,364,712
Total assets	3,794,825	1,087,151	(17,809)	4,864,167	3,161,538	47,637	-	8,073,342
Deferred outflows of resources:								
Accumulated decrease in fair value of interest swaps derivatives	58,907	-	-	58,907	8,759	-	-	67,666
Total deferred outflows of resources	58,907	-	-	58,907	8,759	-	-	67,666
Total assets and deferred outflows of resources	\$ 3,853,732	\$ 1,087,151	\$ (17,809)	\$ 4,923,074	\$ 3,170,297	\$ 47,637	\$ -	\$ 8,141,008
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION								
Current liabilities:								
Accounts and accrued expenses payable	\$ 97,907	\$ 11,496	\$ (3,271)	\$ 106,132	\$ 15,991	\$ 31	\$ -	\$ 122,154
Customer deposits	43,204	-	-	43,204	13,214	-	-	56,418
Total current liabilities	141,111	11,496	(3,271)	149,336	29,205	31	-	178,572
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	79,995	131,950	-	211,945	45,022	1,605	-	258,572
Interest payable	25,272	8,341	-	33,613	18,627	354	-	52,594
Construction contracts and accounts payable	1,263	19,499	(14,538)	6,224	4,929	-	-	11,153
Renewal and replacement reserve	-	87,832	-	87,832	-	-	-	87,832
Total liabilities payable from restricted assets	106,530	247,622	(14,538)	339,614	68,578	1,959	-	410,151
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Deferred credits and other	31,311	1,313	-	32,624	5,742	42	-	38,408
Revenues to be used for future costs	55,980	144,823	-	200,803	-	-	-	200,803
Total other noncurrent liabilities	89,891	146,136	-	236,027	7,267	42	-	243,336
Long-term debt:								
Bonds and commercial paper	2,693,035	578,005	-	3,271,040	1,826,331	41,360	-	5,138,731
Unamortized original issue premium (discount)	89,100	32,126	-	121,226	50,168	(56)	-	171,338
Unamortized deferred losses on refundings	(91,968)	(27,595)	-	(119,563)	(49,208)	(233)	-	(169,004)
Fair value of debt management strategy instruments	58,907	-	-	58,907	8,759	-	-	67,666
Total long-term debt	2,749,074	582,536	-	3,331,610	1,836,050	41,071	-	5,208,731
Total liabilities	3,086,606	987,790	(17,809)	4,056,587	1,941,100	43,103	-	6,040,790
Deferred inflows of resources:								
Accumulated increase in fair value of fuel derivatives	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Net position:								
Net investment in capital assets	217,908	(53,574)	-	164,334	954,866	(2,656)	-	1,116,544
Restricted	154,924	25,213	14,538	194,675	169,633	2,733	-	367,041
Unrestricted	394,294	127,722	(14,538)	507,478	104,698	4,457	-	616,633
Total net position	767,126	99,361	-	866,487	1,229,197	4,534	-	2,100,218
Total liabilities, deferred inflows of resources and net position	\$ 3,853,732	\$ 1,087,151	\$ (17,809)	\$ 4,923,074	\$ 3,170,297	\$ 47,637	\$ -	\$ 8,141,008

**Combining Statement of Net Position
(in thousands - unaudited) December 31, 2012**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
ASSETS AND DEFERRED OUTFLOWS								
Current assets:								
Cash and cash equivalents	\$ 102,801	\$ 71,279	\$ -	\$ 174,080	\$ 40,386	\$ 4,038	\$ -	\$ 218,504
Investments	211,047	1,316	-	212,363	-	46	-	212,409
Customer accounts receivable, less allowance for doubtful accounts of \$4,647	164,045	22,595	(15,668)	170,972	37,800	312	-	209,084
Inventories, less reserve of \$2,758	41,067	31,926	-	72,993	-	-	-	72,993
Fuel inventory	2,105	21,991	-	24,096	48,443	-	-	72,539
Materials and supplies								
Total current assets	521,065	149,107	(15,668)	654,504	126,629	4,396	-	785,529
Restricted assets:								
Cash and cash equivalents	24,185	49,437	-	73,622	18,022	2,307	-	93,951
Investments	251,569	224,025	-	475,594	244,846	-	-	720,440
Accounts and interest receivable	1,053	658	-	1,711	2,460	-	-	4,171
Total restricted assets	276,807	274,120	-	550,927	265,328	2,307	-	818,562
Noncurrent assets:								
Unamortized debt issue costs and other	21,253	5,785	-	27,038	28,116	242	-	55,396
Investment in The Energy Authority	7,915	-	-	7,915	-	-	-	7,915
Costs to be recovered from future revenues	11,550	-	-	11,550	-	-	-	11,550
Total noncurrent assets	40,718	5,785	-	46,503	28,116	242	-	74,861
Capital assets:								
Land and easements	69,014	6,660	-	75,674	49,240	3,051	-	127,965
Plant in service	4,939,133	1,378,552	-	6,317,685	3,934,144	51,371	-	10,303,200
Less accumulated depreciation	(2,050,942)	(725,473)	-	(2,776,415)	(1,291,610)	(13,668)	-	(4,081,693)
Plant in service, net	2,957,205	659,739	-	3,616,944	2,691,774	40,754	-	6,349,472
Construction work in progress	66,875	49,975	-	116,850	39,549	16	-	156,415
Capital assets, net	3,024,080	709,714	-	3,733,794	2,731,323	40,770	-	6,505,887
Total assets	3,862,670	1,138,726	(15,668)	4,985,728	3,151,396	47,715	-	8,184,839
Deferred outflows of resources:								
Accumulated decrease in fair value of interest swaps derivatives	158,943	-	-	158,943	24,335	-	-	183,278
Total deferred outflows of resources	158,943	-	-	158,943	24,335	-	-	183,278
Total assets and deferred outflows of resources	\$ 4,021,613	\$ 1,138,726	\$ (15,668)	\$ 5,144,671	\$ 3,175,731	\$ 47,715	\$ -	\$ 8,368,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION								
Current liabilities:								
Accounts and accrued expenses payable	\$ 85,345	\$ 6,381	\$ (2,699)	\$ 89,027	\$ 12,803	\$ 16	\$ -	\$ 101,846
Customer deposits	44,023	-	-	44,023	12,872	-	-	56,895
Total current liabilities	129,368	6,381	(2,699)	133,050	25,675	16	-	158,741
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	83,675	127,390	-	211,065	46,960	1,435	-	259,460
Interest payable	22,593	9,850	-	32,443	18,326	5	-	50,774
Construction contracts and accounts payable	2,544	18,056	(12,969)	7,631	8,492	-	-	16,123
Renewal and replacement reserve	-	88,643	-	88,643	-	-	-	88,643
Total liabilities payable from restricted assets	108,812	243,939	(12,969)	339,782	73,778	1,440	-	415,000
Other noncurrent liabilities:								
OPEB liability	2,600	-	-	2,600	1,525	-	-	4,125
Deferred credits and other	32,320	2,688	-	35,008	5,469	35	-	40,512
Revenues to be used for future costs	59,858	64,864	-	124,722	-	-	-	124,722
Total other noncurrent liabilities	94,778	67,552	-	162,330	6,994	35	-	169,359
Long-term debt:								
Bonds and commercial paper	2,813,515	709,955	-	3,523,470	1,890,889	42,315	-	5,456,674
Unamortized original issue premium (discount)	37,042	47,255	-	84,297	43,150	-	-	127,447
Unamortized deferred losses on refundings	(64,391)	(35,317)	-	(99,708)	(52,261)	-	-	(151,969)
Fair value of debt management strategy instruments	158,943	-	-	158,943	24,335	-	-	183,278
Total long-term debt	2,945,109	721,893	-	3,667,002	1,906,113	42,315	-	5,615,430
Total liabilities	3,278,067	1,039,765	(15,668)	4,302,164	2,012,560	43,806	-	6,358,530
Deferred inflows of resources:								
Accumulated increase in fair value of fuel derivatives	405	-	-	405	-	-	-	405
Total deferred inflows of resources	405	-	-	405	-	-	-	405
Net position:								
Net investment in capital assets	234,706	(66,256)	-	168,450	911,585	(2,738)	-	1,077,297
Restricted	140,358	25,179	12,969	178,506	143,606	2,302	-	324,414
Unrestricted	368,077	140,038	(12,969)	495,146	107,980	4,345	-	607,471
Total net position	743,141	98,961	-	842,102	1,163,171	3,909	-	2,009,182
Total liabilities, deferred inflows of resources and net position	\$ 4,021,613	\$ 1,138,726	\$ (15,668)	\$ 5,144,671	\$ 3,175,731	\$ 47,715	\$ -	\$ 8,368,117

**Combining Statement of Revenue, Expenses and Changes in Net Assets
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2013**

	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	\$ 294,081	\$ 100,847	\$ (62,497)	\$ 332,431	\$ -	\$ -	\$ (4,065)	\$ 328,366
Water and sewer	-	-	-	-	94,182	-	(149)	94,033
District Energy	-	-	-	-	-	2,275	-	2,275
Other, net	8,030	-	-	8,030	2,147	2	(625)	9,554
Total operating revenues	302,111	100,847	(62,497)	340,461	96,329	2,277	(4,839)	434,228
Operating expenses:								
Operations:								
Fuel	68,239	47,933	-	116,172	-	-	-	116,172
Purchased power	71,160	-	(62,497)	8,663	-	-	-	8,663
Other	31,064	8,697	-	39,761	25,994	987	(4,839)	61,903
Maintenance	14,477	3,942	-	18,419	3,367	232	-	22,018
Depreciation	51,209	10,198	-	61,407	33,790	534	-	95,731
State utility taxes and franchise fees	14,857	-	-	14,857	2,384	-	-	17,241
Recognition of deferred costs and revenues, net	(1,424)	18,664	-	17,240	-	-	-	17,240
Total operating expenses	249,582	89,434	(62,497)	276,519	65,535	1,753	(4,839)	338,968
Operating income	52,529	11,413	-	63,942	30,794	524	-	95,260
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	(9)	-	-	(9)	-	-	-	(9)
Investment income, fair market value adjustments	1,218	1,836	-	3,054	(7)	2	-	3,049
Other nonoperating income	1,095	102	-	1,197	623	-	-	1,820
Interest on debt	(26,447)	(9,650)	-	(36,097)	(18,608)	(363)	-	(55,068)
Other interest, net	4	-	-	4	8	-	-	12
Allowance for funds used during construction	307	-	-	307	558	5	-	870
Total nonoperating revenues (expenses), net	(23,832)	(7,712)	-	(31,544)	(17,426)	(356)	-	(49,326)
Income before contributions	28,697	3,701	-	32,398	13,368	168	-	45,934
Contributions (to) from:								
General Fund, City of Jacksonville	(21,830)	-	-	(21,830)	(5,467)	-	-	(27,297)
Developers and others	-	-	-	-	10,295	-	-	10,295
Total contributions	(21,830)	-	-	(21,830)	4,828	-	-	(17,002)
Change in net position	6,867	3,701	-	10,568	18,196	168	-	28,932
Net position, beginning of period	760,259	95,660	-	855,919	1,211,001	4,366	-	2,071,286
Net position, end of period	\$ 767,126	\$ 99,361	\$ -	\$ 866,487	\$ 1,229,197	\$ 4,534	\$ -	\$ 2,100,218

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

	Electric System and Bulk Power Supply System	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	\$ 297,137	\$ 103,848	\$ (64,683)	\$ 336,302	\$ -	\$ -	\$ (4,066)	\$ 332,236
Water and sewer	-	-	-	-	94,297	-	(54)	94,243
District Energy	-	-	-	-	-	2,253	-	2,253
Other, net	7,782	-	-	7,782	2,091	-	(693)	9,180
Total operating revenues	304,919	103,848	(64,683)	344,084	96,388	2,253	(4,813)	437,912
Operating expenses:								
Operations:								
Fuel	63,114	53,037	-	116,151	-	-	-	116,151
Purchased power	76,763	-	(64,683)	12,080	-	-	-	12,080
Other	30,642	6,772	-	37,414	24,752	920	(4,813)	58,273
Maintenance	15,787	4,582	-	20,369	4,739	180	-	25,288
Depreciation	51,094	10,183	-	61,277	35,484	525	-	97,286
State utility taxes and franchise fees	15,184	-	-	15,184	2,441	-	-	17,625
Recognition of deferred costs and revenues, net	(791)	19,575	-	18,784	-	-	-	18,784
Total operating expenses	251,793	94,149	(64,683)	281,259	67,416	1,625	(4,813)	345,487
Operating income	53,126	9,699	-	62,825	28,972	628	-	92,425
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	706	-	-	706	-	-	-	706
Investment income, fair market value adjustments	419	754	-	1,173	404	4	-	1,581
Other nonoperating income	1,187	110	-	1,297	671	-	-	1,968
Interest on debt	(28,512)	(11,386)	-	(39,898)	(19,120)	(39)	-	(59,057)
Other interest, net	(56)	-	-	(56)	(10)	-	-	(66)
Allowance for funds used during construction	204	-	-	204	604	-	-	808
Total nonoperating revenues (expenses), net	(26,052)	(10,522)	-	(36,574)	(17,451)	(35)	-	(54,060)
Income before contributions	27,074	(823)	-	26,251	11,521	593	-	38,365
Contributions (to) from:								
General Fund, City of Jacksonville	(20,992)	-	-	(20,992)	(5,680)	-	-	(26,672)
Developers and others	-	-	-	-	6,178	-	-	6,178
Total contributions	(20,992)	-	-	(20,992)	498	-	-	(20,494)
Change in net position	6,082	(823)	-	5,259	12,019	593	-	17,871
Net position, beginning of period	737,059	99,784	-	836,843	1,151,152	3,316	-	1,991,311
Net position, end of period	\$ 743,141	\$ 98,961	\$ -	\$ 842,102	\$ 1,163,171	\$ 3,909	\$ -	\$ 2,009,182

**Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2013**

	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	\$ 337,706	\$ 100,847	\$ (59,479)	\$ 379,074	\$ 98,467	\$ 2,503	\$ (4,214)	\$ 475,830
Other receipts	9,133	-	-	9,133	3,237	2	(625)	11,747
Payments to suppliers	(189,565)	(90,488)	59,479	(220,574)	(24,316)	(1,110)	4,839	(241,161)
Payments to employees	(33,018)	(6,362)	-	(39,380)	(11,317)	(117)	-	(50,814)
Net cash provided by (used in) operating activities	124,256	3,997	-	128,253	66,071	1,278	-	195,602
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(14,274)	-	-	(14,274)	(3,706)	-	-	(17,980)
Net cash provided by (used in) noncapital financing activities	(14,274)	-	-	(14,274)	(3,706)	-	-	(17,980)
Capital and related financing activities:								
Acquisition and construction of capital assets	(18,311)	-	-	(18,311)	(24,118)	(578)	-	(43,007)
Debt issue costs and discounts	(113)	-	-	(113)	(13)	-	-	(126)
Defeasance of debt	-	-	-	-	-	-	-	-
Repayment of debt principal	(64,785)	(127,390)	-	(192,175)	(46,146)	(365)	-	(238,686)
Interest paid on debt	(48,601)	(19,698)	-	(68,299)	(35,898)	(401)	-	(104,598)
Contribution from developers and others	-	-	-	-	3,977	-	-	3,977
Proceeds from sales of property	283	-	-	283	9	-	-	292
Net cash provided by (used in) capital and related financing activities	(131,527)	(147,088)	-	(278,615)	(102,189)	(1,344)	-	(382,148)
Investing activities:								
Purchase of investments	(186,987)	(156,243)	-	(343,230)	(136,091)	-	-	(479,321)
Proceeds from sale and maturities of investments	135,450	118,631	-	254,081	76,834	5	-	330,920
Investment income	772	1,158	-	1,930	224	1	-	2,155
Distributions from The Energy Authority	9	-	-	9	-	-	-	9
Net cash provided by (used in) investing activities	(50,756)	(36,454)	-	(87,210)	(59,033)	6	-	(146,237)
Net increase (decrease) in cash and cash equivalents	(72,301)	(179,545)	-	(251,846)	(98,857)	(60)	-	(350,763)
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	\$ 89,205	\$ 79,035	\$ -	\$ 168,240	\$ 59,882	\$ 7,003	\$ -	\$ 235,125
Reconciliation of operating income to net cash provided by operating activities:								
Operating Income:	\$ 52,529	\$ 11,413	-	63,942	\$ 30,794	\$ 524	\$ -	\$ 95,260
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	51,209	10,198	-	61,407	34,248	534	-	96,189
Recognition of deferred costs and revenues, net	(1,424)	18,664	-	17,240	-	-	-	17,240
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	43,625	(14,189)	-	29,436	4,285	228	-	33,949
Decrease (increase) accounts receivable, restricted	1,103	-	-	1,103	1,090	-	-	2,193
Decrease (increase) in inventories	1,333	(1,336)	-	(3)	(859)	-	-	(862)
Increase (decrease) in other	(9,852)	-	-	(9,852)	(579)	-	-	(10,431)
Increase (decrease) in accounts payable	(12,246)	(15,109)	-	(27,355)	(2,427)	(13)	-	(29,795)
Increase (decrease) in accounts payable, restricted	-	(4,081)	-	(4,081)	-	-	-	(4,081)
Increase (decrease) in other liabilities and deferred credits	(2,021)	(1,563)	-	(3,584)	(481)	5	-	(4,060)
Net cash provided by (used in) operating activities	\$ 124,256	\$ 3,997	\$ -	\$ 128,253	\$ 66,071	\$ 1,278	\$ -	\$ 195,602
Non-cash activity:								
Contribution of capital assets from developers					\$ 6,317			

Combining Statement of Cash Flows
(in thousands - unaudited) for the quarter and year-to-date ended December 31, 2012

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operations:								
Receipts from customers	\$ 346,724	\$ 103,848	\$ (60,472)	\$ 390,100	\$ 98,376	\$ 2,605	\$ (4,120)	\$ 486,961
Other receipts	8,163	-	-	8,163	2,102	-	(693)	9,572
Payments to suppliers	(200,023)	(65,511)	60,472	(205,062)	(27,041)	(1,092)	4,813	(228,382)
Payments to employees	(35,466)	(7,377)	-	(42,843)	(11,370)	(108)	-	(54,321)
Net cash provided by (used in) operating activities	119,398	30,960	-	150,358	62,067	1,405	-	213,830
Noncapital and related financing activities:								
Contribution to General Fund, City of Jacksonville, FL.	(20,915)	-	-	(20,915)	(5,706)	-	-	(26,621)
Net cash provided by (used in) noncapital financing activities	(20,915)	-	-	(20,915)	(5,706)	-	-	(26,621)
Capital and related financing activities:								
Acquisition and construction of capital assets	(23,943)	(3,417)	-	(27,360)	(28,756)	(5)	-	(56,121)
Debt issue costs and discounts	(105)	(85)	-	(190)	(71)	-	-	(261)
Defeasance of debt	-	(2,691)	-	(2,691)	-	-	-	(2,691)
Repayment of debt principal	(76,095)	(124,655)	-	(200,750)	(47,493)	(1,390)	-	(249,633)
Interest paid on debt	(46,672)	(18,491)	-	(65,163)	(36,226)	(36)	-	(101,425)
Contribution from developers and others	-	-	-	-	3,571	-	-	3,571
Proceeds from sales of property	200	-	-	200	-	-	-	200
Net cash provided by (used in) capital and related financing activities	(146,615)	(149,339)	-	(295,954)	(108,975)	(1,431)	-	(406,360)
Investing activities:								
Purchase of investments	(232,449)	(254,607)	-	(487,056)	(181,141)	-	-	(668,197)
Proceeds from sale and maturities of investments	124,772	252,765	-	377,537	104,890	-	-	482,427
Investment income	381	1,072	-	1,453	287	1	-	1,741
Distributions from The Energy Authority	2,301	-	-	2,301	-	-	-	2,301
Net cash provided by (used in) investing activities	(104,995)	(770)	-	(105,765)	(75,964)	1	-	(181,728)
Net increase (decrease) in cash and cash equivalents	(153,127)	(119,149)	-	(272,276)	(128,578)	(25)	-	(400,880)
Cash and cash equivalents at beginning of the period	280,113	239,865	-	519,978	186,986	6,370	-	713,334
Cash and cash equivalents at end of the period	\$ 126,986	\$ 120,716	\$ -	\$ 247,702	\$ 58,408	\$ 6,345	\$ -	\$ 312,454

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

Operating Income:	\$ 53,126	\$ 9,699	\$ -	\$ 62,825	\$ 28,972	\$ 628	\$ -	\$ 92,425
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	51,094	10,183	-	61,277	35,928	525	-	97,730
Recognition of deferred costs and revenues, net	(791)	19,575	-	18,784	-	-	-	18,784
Changes in noncash assets and noncash liabilities:								
Decrease (increase) accounts receivable	49,587	(11,439)	-	38,148	4,079	353	-	42,580
Decrease (increase) accounts receivable, restricted	381	-	-	381	11	-	-	392
Decrease (increase) in inventories	(800)	12,953	-	12,153	(742)	-	-	11,411
Increase (decrease) in other	(1,595)	-	-	(1,595)	(515)	-	-	(2,110)
Increase (decrease) in accounts payable	(30,759)	(6,571)	-	(37,330)	(5,271)	(113)	-	(42,714)
Increase (decrease) in accounts payable, restricted	-	(3,018)	-	(3,018)	-	-	-	(3,018)
Increase (decrease) in other liabilities and deferred credits	(845)	(422)	-	(1,267)	(395)	12	-	(1,650)
Net cash provided by (used in) operating activities	\$ 119,398	\$ 30,960	\$ -	\$ 150,358	\$ 62,067	\$ 1,405	\$ -	\$ 213,830

Non-cash activity:

Contribution of capital assets from developers	\$ 2,607
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**Electric System
Schedules of Debt Service Coverage
(in thousands - unaudited)**

	Quarter and Year-To-Date December	
	2013	2012
Revenues:		
Electric	\$ 294,081	\$ 297,137
Investment income (1)	603	348
Earnings from The Energy Authority	(9)	706
Other, net (2)	8,030	7,782
Plus: amount paid from the rate stabilization fund into the revenue fund	1,367	1,040
Less: amount paid from the revenue fund into the rate stabilization fund	(12,058)	(6,052)
Total revenues	292,014	300,961
Operating expenses (3):		
Fuel	57,405	52,980
Purchased power (4)	87,743	94,139
Other operation and maintenance	42,069	41,583
State utility taxes and franchise fees	14,629	14,953
Total expenses	201,846	203,655
Net revenues	\$ 90,168	\$ 97,306
Debt service:	\$ 18,892	\$ 19,156
Less: investment income on sinking fund	(395)	(251)
Less: Build America Bonds subsidy	(378)	(407)
Debt service requirement	\$ 18,119	\$ 18,498
Senior debt service coverage (5) (min 1.20x)	4.98 x	5.26 x
Net revenues (from above):	\$ 90,168	\$ 97,306
Debt service requirement (from above):	18,119	18,498
Plus: aggregate subordinated debt service on outstanding subordinated bonds	22,898	20,889
Less: Build America Bonds subsidy	(523)	(568)
Total debt service requirement and aggregate subordinated debt service	40,494	38,819
Senior and subordinated debt service coverage (6) (min 1.15x)	2.23 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.

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

	Quarter and Year-To-Date December	
	2013	2012
Revenues:		
JEA	\$ 16,583	\$ 17,375
Investment income	7	4
Other, net	194	212
Total revenues	16,784	17,591
Operating expenses (1):		
Fuel	10,834	10,134
Other operations and maintenance	2,942	2,818
Total operating expenses	13,776	12,952
Net revenues	\$ 3,008	\$ 4,639
Aggregate debt service	\$ 2,242	\$ 2,376
Debt service coverage (2), (3)	1.34 x	1.95 x

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

(2) Net revenues divided by aggregate debt service.

(3) Minimum coverage requirement is 1.15x.

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

	Quarter and Year-To-Date December	
	2013	2012
Revenues:		
JEA	\$ 65,279	\$ 63,036
FPL	38,351	39,166
Investment income	950	883
Total revenues	104,580	103,085
Operating expenses (1):		
Fuel	47,933	53,037
Other operations and maintenance	8,245	9,005
Total operating expenses	56,178	62,042
Net revenues	\$ 48,402	\$ 41,043
Aggregate debt service	\$ 35,144	\$ 35,500
Debt service coverage (2)	1.38 x	1.16 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 and Year-To-Date December	
	2013	2012
Revenues:		
JEA	\$ 7,010	\$ 7,015
Investment income	-	-
Other, net	102	110
Total revenues	7,112	7,125
Operating expenses (1):		
Fuel	-	-
Other operations and maintenance	-	-
Total operating expenses	-	-
Net revenues	\$ 7,112	\$ 7,125
Aggregate debt service	\$ 6,184	\$ 6,195
Debt service coverage (2)	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.

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

	Quarter and Year-To-Date December	
	2013	2012
Revenues:		
Water, net of allowances and discounts	\$ 37,995	\$ 38,962
Water capacity fees (1)	1,427	1,260
Sewer, net of allowances and discounts	56,187	55,335
Sewer capacity fees (1)	2,372	2,303
Investment income	616	445
Other (2)	2,147	2,091
Plus: amount paid from the rate stabilization fund into the revenue fund	5,023	5,291
Less: amounts paid from the revenue fund into the rate stabilization fund	(5,023)	(5,291)
Total revenues	100,744	100,396
Operating & maintenance expenses:		
Operations and maintenance (3)	31,745	31,932
Total operating expenses	31,745	31,932
Net revenues	\$ 68,999	\$ 68,464
Aggregate debt service:	\$ 26,723	\$ 26,811
Less: Build America Bonds subsidy	(623)	(671)
Aggregate debt service:	\$ 26,100	\$ 26,140
Senior debt service coverage (4), (min 1.25x)	2.64 x	2.62 x
Net revenues (from above)	\$ 68,999	\$ 68,464
Aggregate debt service (from above):	\$ 26,100	\$ 26,140
Plus: aggregate subordinated debt service on outstanding subordinated debt	2,621	2,795
Total aggregate and aggregate subordinated debt service	\$ 28,721	\$ 28,935
Senior and subordinated debt service coverage (5)	2.40 x	2.37 x

(1) Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending December 2013 and 2012, then the debt service coverage would have been 2.26x and 2.24x.

(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 debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.26x and 2.24x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$29,245 and \$29,494 for the year-to-date period ending December 2013 and 2012.

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

	Quarter and Year-To-Date	
	2013	December 2012
Revenues:		
Service revenues	\$ 2,275	\$ 2,252
Investment income	1	1
Other	2	-
Plus: amount paid from the rate stabilization fund into the revenue fund	-	-
Less: amounts paid from the revenue fund into the rate stabilization fund	-	(199)
Total revenues	2,278	2,054
Operating expenses: (1)		
Operations and maintenance	1,219	1,100
Total operating expenses	1,219	1,100
Net revenues	1,059	954
Aggregate debt service (2)	755	-
Debt service coverage (3) (min 1.15x)	1.40 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 and Year-To-Date	
	December	
	2013	2012
Electric revenue sales (000's omitted):		
Residential	\$ 128,332	\$ 131,144
Commercial and industrial	154,921	155,616
Public street lighting	3,615	3,736
Sales for resale - territorial	6,451	6,727
Electric revenues - territorial	293,319	297,223
Saleback to Florida Power & Light	38,350	39,165
Sales for resale - off system	1,209	371
Electric revenues	332,878	336,759
Less: allowance for doubtful accounts	(447)	(457)
Net electric revenues	332,431	336,302
kWh sales (000's omitted):		
Residential	1,039,901	1,064,937
Commercial and industrial	1,570,182	1,587,712
Public street lighting	29,249	30,569
Sales for resale - territorial	69,946	75,958
Total kWh sales - territorial	2,709,278	2,759,176
Saleback to Florida Power & Light	452,315	475,842
Sales for resale - off system	39,404	10,185
Total kWh sales	3,200,997	3,245,203
Average number of accounts:		
Residential	379,835	372,931
Commercial and industrial	48,245	47,439
Public street lighting	3,476	3,437
Sales for resale	3	3
Total average accounts	431,559	423,810
Residential averages:		
Revenue per account - \$	337.86	351.66
kWh per account	2,738	2,856
Revenue per kWh - ¢	12.34	12.31
Degree days:		
	December	
	2013	2012
Heating degree days	358	476
Cooling degree days	310	248
Total degree days	668	724
Degree days - 30 year average	775	

**Water and Sewer Enterprise Fund
Operating Statistics**

	Quarter and Year-To-Date December	
	2013	2012
Water		
Revenues (000's omitted):		
Residential	\$ 20,173	\$ 20,192
Commercial and industrial	10,831	10,473
Irrigation	7,059	8,385
Total water revenues	38,063	39,050
Less: allowance for doubtful accounts	(68)	(88)
Net water revenues	\$ 37,995	\$ 38,962
Water Sales (kgals*):		
Residential	3,743,856	3,844,115
Commercial and industrial	2,992,666	2,818,843
Irrigation	1,100,341	1,447,462
Total kgals sales	7,836,863	8,110,420
Number of accounts (1):		
Residential	256,934	251,510
Commercial and industrial	23,658	23,401
Irrigation	35,798	35,698
Total average accounts	316,390	310,609
Residential averages:		
Revenue per account - \$	78.51	80.28
kgals per account	14.57	15.28
Revenue per kgals - \$	5.39	5.25
Reuse		
Revenues (000's omitted):		
Reuse revenues	\$ 1,178	\$ 1,086
Reuse Sales (kgals*):		
Reuse sales (kgals*)	253,844	295,615
Number of accounts:		
Reuse accounts	3,920	2,760
Sewer		
Revenues (000's omitted):		
Residential	\$ 30,674	\$ 30,671
Commercial and industrial	24,436	23,711
Total sewer revenues	55,110	54,382
Less: allowance for doubtful accounts	(101)	(133)
Net sewer revenues	\$ 55,009	\$ 54,249
Sewer Sales (kgals*):		
Residential	3,216,631	3,290,142
Commercial and industrial	2,594,773	2,494,697
Total kgals sales	5,811,404	5,784,839
Number of accounts (1):		
Residential	225,105	219,698
Commercial and industrial	17,594	17,380
Total average accounts	242,699	237,078
Residential averages:		
Revenue per account - \$	136.27	139.61
kgals per account	14.29	14.98
Revenue per kgals - \$	9.54	9.32
*kgals = 1000 gallons		
Rainfall		
Normal	8.84	8.84
Actual	5.28	5.59