



Building Community®

## **Management's Discussion and Analysis of Financial Performance for the Quarter Ended December 31, 2014**

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

### **Financial Highlights**

#### **Operating Revenues**

Electric Enterprise Fund operating revenues for the quarter ended December 2014 increased 1.8 percent over operating revenues for the quarter ended December 2013. The increase was attributable to increased sales, mainly in the residential sector due to weather. Residential consumption increased 7.3 percent over the prior year. Territorial MWh sales increased 3.8 percent and total sales increased 3.6 percent when off-system sales are included. Total sales for the quarter increased from 2,748,682 MWh to 2,846,277 MWh. Other revenues decreased \$1.3 million due to decreased transmission revenues.

Total Water and Sewer Enterprise Fund operating revenues increased 5.0 percent for the quarter ended December 2014 compared to the quarter ended December 2013. Water revenues increased 4.9 percent, mainly due to a 6.6 percent increase in consumption and a 1.9 percent increase in customer accounts. Water sales measured in thousands of gallons (kgals) increased 519.4 kgals from 7,836.9 kgals to 8,356.2 kgals. Sewer revenues increased 4.7 percent primarily related to a 6.1 percent increase in sewer sales volume and a 2.3 percent increase in sewer accounts. Sewer sales increased 354.4 kgals from 5,811.4 kgals to 6,165.8 kgals.

Operating revenues for DES decreased 1.1 percent for the quarter ended December 2014 compared to operating revenues for the similar period last year due to decreased usage by customers.

#### **Operating Expenses**

Total operating expenses for the Electric Enterprise Fund decreased 2.4 percent for the quarter ended December 2014 as compared to the quarter ended December 2013. Fuel and purchased power expense increased \$8.6 million, as discussed below. Operating and maintenance expenses increased \$6.3 million (10.9 percent). The major factors impacting the increase in operating and maintenance expenses were a termination payment made for a maintenance contract related to combustive turbine units and increased maintenance expenses at Northside generating station due to planned outages. Taxes and franchise fees increased \$0.5 million (3.4 percent) due to the increase in revenues. Recognition of deferred costs decreased in the amount of \$19.9 million primarily due to a regulatory assets adjustment resulting from timing differences between principal payments and depreciation expense at SJRPP. Depreciation expense decreased \$2.1 million due to fewer assets in service.

Total fuel and purchased power expense for the quarter ended December 2014 increased \$8.6 million (6.9 percent) over the similar period in the prior year. The increase in fuel and purchased power expense was primarily driven an increase in generation of 9.7 percent. However, total cost per MWh decreased 11.4 percent. Fuel mix, commodity prices and purchased power costs were the drivers. As the price for gas and solid fuels have fluctuated over these periods, the

components of fuel and purchased power have shifted as JEA has taken advantage of the most economical source of power.

Total production of megawatt hours generated and purchased for the quarter ended December 2014 increased 2.9 percent from 2,846,749 MWh to 2,930,059 MWh. Generated megawatt hours increased 9.7 percent and purchased power decreased 3.2 percent. JEA's power supply mix for the current quarter was 64.9 percent coal, 25.4 percent natural gas, 4.1 percent petroleum coke, and 5.6 percent other purchases. JEA's power supply mix for the quarter ended December 2013 was 57.4 percent coal, 29.0 percent natural gas, 8.9 percent petroleum coke, and 4.7 percent other purchases.

Northside's availability factors for the quarter ended December 2014 were 59.1 percent for Unit 1, 58.7 percent for Unit 2 and 58.8 percent combined. Northside's availability factors were affected by the planned outages.

SJRPP's availability factors for the quarter ended December 2014 were 98.7 percent for Unit 1, 99.8 percent for Unit 2 and 99.3 percent combined.

Plant Scherer Unit 4 availability factor for the quarter ended December 2014 was 94.8 percent.

Water and Sewer System total operating expenses for the quarter ended December 2014 decreased \$0.8 million (1.2 percent) when compared to the prior year. The principal driver of the decrease was depreciation expense. There was a decrease in depreciation expense of \$1.0 million due to certain assets becoming fully depreciated. There was a slight increase in salaries and related benefit expenses.

DES operating expenses increased 1.1 percent for the quarter ended December 2014 over the similar period in the prior year. Depreciation expense increase \$35 thousand due to assets being placed in service. Operations and maintenance expenses declined due to decreased utility expenses.

#### **Nonoperating Revenues (Expenses)**

There was a net decrease of \$5.6 million (11.4 percent) in total nonoperating expenses for the quarter ended December 2014. The primary reason for the change is a decrease in interest expense. Interest expense decreased \$5.0 million primarily due to a lower debt balances as a result of increased debt repayments. Investment income increased \$0.5 million due to favorable fair market value adjustments in investments and increased returns on investments. Allowance for funds used during construction increase \$0.3 million due to increased capital spending.

#### **Debt Administration**

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

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

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

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

The Electric System senior debt service coverage ratio was 5.14x and 4.98x for the quarters ended December 2014 and December 2013. The debt service coverage ratio for the Electric System's combined senior and subordinated debt was 2.34x and 2.23x for the quarters ended December 2014 and December 2013. The increases were due to increased net revenues offset in part by increased debt service requirements.

The Water and Sewer System senior debt service coverage ratio was 3.34x and 2.64x for the quarters ended December 2014 and December 2013. The debt service coverage ratio for the Water and Sewer System's combined senior and subordinated debt was 2.93x and 2.40x for the quarters ended December 2014 and December 2013. The increases were due to increased net revenues and decreased debt service requirements.

### **Capital Assets**

JEA's investment in capital assets at December 2014 was \$6.16 billion (net of accumulated depreciation). This included \$3.44 billion in the Electric Enterprise assets, \$2.68 billion in the Water & Sewer assets and \$37.8 million in DES assets. For the three months ended December 2014, capital expenditures were \$31.37 million consisting of \$19.04 million for the Electric Enterprise Fund and \$12.31 million for the Water & Sewer Fund and \$ 0.02 million for DES. JEA has ongoing capital improvement programs for the Electric Enterprise Fund and the Water and Sewer Fund. The cost of the capital improvement program is planned to be provided from revenues generated from operations and existing fund balances.



Paul G. McElroy

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Paul McElroy, Managing Director

## **FINANCIAL STATEMENTS**

**STATEMENTS OF NET POSITION**  
**(in thousands - unaudited)**

	December	
<b>ASSETS AND DEFERRED OUTFLOWS</b>	<b>2014</b>	<b>2013 restated</b>
Current assets:		
Cash and cash equivalents	\$ 104,319	\$ 178,292
Investments	369,291	281,069
Customer accounts receivable, less allowance for doubtful accounts - \$4,580 in 2014 and \$4,774 in 2013	203,535	205,800
Inventories, less reserve of \$1,275 in 2014 and \$2,608 in 2013		
Fuel inventory	57,864	72,017
Materials and supplies	69,068	70,867
Total current assets	804,077	808,045
Restricted assets:		
Cash and cash equivalents	42,103	56,833
Investments	798,135	759,778
Accounts and interest receivable	4,074	4,203
Total restricted assets	844,312	820,814
Noncurrent assets:		
Other	21,115	23,461
Investment in The Energy Authority	8,226	6,271
Total noncurrent assets	29,341	29,732
Capital assets:		
Land and easements	160,293	133,734
Plant in service	10,581,891	10,527,855
Less accumulated depreciation	(4,694,941)	(4,432,009)
Plant in service, net	6,047,243	6,229,580
Construction work in progress	117,643	135,132
Capital assets, net	6,164,886	6,364,712
Total assets	7,842,616	8,023,303
Deferred outflows of resources:		
Costs to be recovered from future revenues	19,426	18,824
Unamortized losses on refundings	164,990	169,004
Accumulated decrease in fair value of interest swaps derivatives	134,539	67,666
Total deferred outflows of resources	318,955	255,494
Total assets and deferred outflows of resources	\$ 8,161,571	\$ 8,278,797
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 104,918	\$ 122,154
Customer deposits	55,718	56,418
Total current liabilities	160,636	178,572
Liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	188,510	258,572
Interest payable	47,781	52,594
Construction contracts and accounts payable	7,019	11,153
Renewal and replacement reserve	89,515	87,832
Total liabilities payable from restricted assets	332,825	410,151
Other noncurrent liabilities:		
OPEB liability	1,725	4,125
Other	41,276	38,408
Total other noncurrent liabilities	43,001	42,533
Long-term debt:		
Bonds and commercial paper	4,824,225	5,138,731
Unamortized original issue premium (discount)	185,827	171,338
Fair value of debt management strategy instruments	134,539	67,666
Total long-term debt	5,144,591	5,377,735
Total liabilities	5,681,053	6,008,991
Deferred inflows of resources:		
Revenues to be used for future costs	229,083	200,803
Total deferred inflows of resources	229,083	200,803
Net position:		
Net investment in capital assets	1,206,866	1,085,290
Restricted	414,788	367,041
Unrestricted	629,781	616,672
Total net position	2,251,435	2,069,003
Total liabilities, deferred inflows of resources and net position	\$ 8,161,571	\$ 8,278,797

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

	Quarter and Year-To-Date	
	December	
	2014	2013 restated
Operating revenues (net of allowances and discounts):		
Electric	\$ 335,814	\$ 328,366
Water and sewer	98,883	94,033
District Energy	2,250	2,275
Other, net	8,220	9,554
Total operating revenues	445,167	434,228
Operating expenses:		
Operations:		
Fuel	122,109	116,172
Purchased power	11,313	8,663
Other	59,692	61,903
Maintenance	30,592	22,018
Depreciation	92,592	95,731
State utility taxes and franchise fees	17,826	17,241
Recognition of deferred costs and revenues, net	(2,654)	17,240
Total operating expenses	331,470	338,968
Operating income	113,697	95,260
Nonoperating revenues (expenses):		
Earnings from The Energy Authority	35	(9)
Investment income, fair market value adjustments	3,506	3,049
Other nonoperating income	1,814	1,820
Interest on debt	(49,765)	(54,734)
Other interest, net	(16)	12
Allowance for funds used during construction	1,141	870
(Loss) on sale of asset	(123)	-
Total nonoperating revenues (expenses), net	(43,408)	(48,992)
Income before contributions	70,289	46,268
Contributions (to) from:		
General Fund, City of Jacksonville	(27,922)	(27,297)
Developers and others	13,062	10,295
Total contributions	(14,860)	(17,002)
Change in net position	55,429	29,266
Net position, beginning of period	2,196,006	2,039,737
Net position, end of period	\$ 2,251,435	\$ 2,069,003

**Statements of Cash Flows**  
**(in thousands - unaudited)**

	Quarter and Year-To-Date	
	2014	2013 restated
<b>Operations:</b>		
Receipts from customers	\$ 482,440	\$ 475,830
Other receipts	8,537	11,747
Payments to suppliers	(223,207)	(241,199)
Payments to employees	(51,477)	(50,814)
Net cash provided by (used in) operating activities	216,293	195,564
<b>Noncapital and related financing activities:</b>		
Contribution to General Fund, City of Jacksonville, FL.	(27,710)	(17,980)
Build America Bonds subsidies	-	-
Net cash provided by (used in) noncapital financing activities	(27,710)	(17,980)
<b>Capital and related financing activities:</b>		
Acquisition and construction of capital assets	(46,433)	(43,007)
Loss on disposal of fixed assets	(123)	-
Debt issue costs and discounts	(140)	(88)
Defeasance of debt	3	-
Repayment of debt principal	(256,630)	(238,686)
Interest paid on debt	(98,887)	(104,598)
Contribution from developers and others	4,694	3,977
Proceeds from sales of property	114	292
Net cash provided by (used in) capital and related financing activities	(397,402)	(382,110)
<b>Investing activities:</b>		
Purchase of investments	(521,443)	(479,321)
Proceeds from sale and maturities of investments	284,827	330,920
Investment income	2,355	2,155
Distributions from The Energy Authority	(120)	9
Net cash provided by (used in) investing activities	(234,381)	(146,237)
Net increase (decrease) in cash and cash equivalents	(443,200)	(350,763)
Cash and cash equivalents at beginning of the period	589,622	585,888
Cash and cash equivalents at end of the period	\$ 146,422	\$ 235,125
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating Income:	\$ 113,697	\$ 95,260
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	92,973	96,189
Recognition of deferred costs and revenues, net	(2,654)	17,240
<b>Changes in noncash assets and noncash liabilities:</b>		
Decrease (increase) accounts receivable	36,556	33,949
Decrease (increase) accounts receivable, restricted	250	2,193
Decrease (increase) in inventories	9,956	(862)
Increase (decrease) in other assets	(1,684)	(10,469)
Increase (decrease) in accounts payable	(26,952)	(29,795)
Increase (decrease) in accounts payable, restricted	(4,394)	(4,081)
Increase (decrease) in other liabilities	(1,455)	(4,060)
Net cash provided by (used in ) operating activities	\$ 216,293	\$ 195,564
<b>Non-cash activity:</b>		
Contribution of capital assets from developers	\$ 8,368	\$ 6,317

**Combining Statement of Net Position  
(in thousands - unaudited) December 31, 2014**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
Current assets:								
Cash and cash equivalents	\$ 53,669	\$ 19,250	\$ -	\$ 72,919	\$ 27,343	\$ 4,057	\$ -	\$ 104,319
Investments	288,728	64,238	-	352,966	16,325	-	-	369,291
Customer accounts receivable, less allowance for doubtful accounts of \$4,580	160,887	15,924	(11,625)	165,186	37,911	438	-	203,535
Inventories, less reserve of \$1,275								
Fuel inventory	39,530	18,334	-	57,864	-	-	-	57,864
Materials and supplies	2,101	20,014	-	22,115	46,953	-	-	69,068
Total current assets	544,915	137,760	(11,625)	671,050	128,532	4,495	-	804,077
Restricted assets:								
Cash and cash equivalents	134	37,682	-	37,816	855	3,432	-	42,103
Investments	273,286	218,283	-	491,569	306,566	-	-	798,135
Accounts and interest receivable	1,318	764	-	2,082	1,992	-	-	4,074
Total restricted assets	274,738	256,729	-	531,467	309,413	3,432	-	844,312
Noncurrent assets:								
Other	9,833	-	-	9,833	11,282	-	-	21,115
Investment in The Energy Authority	8,226	-	-	8,226	-	-	-	8,226
Total noncurrent assets	18,059	-	-	18,059	11,282	-	-	29,341
Capital assets:								
Land and easements	88,310	6,660	-	94,970	62,272	3,051	-	160,293
Plant in service	5,050,479	1,387,296	-	6,437,775	4,091,700	52,416	-	10,581,891
Less accumulated depreciation	(2,361,268)	(797,812)	-	(3,159,080)	(1,518,054)	(17,807)	-	(4,694,941)
Plant in service, net	2,777,521	596,144	-	3,373,665	2,635,918	37,660	-	6,047,243
Construction work in progress	51,263	15,848	-	67,111	50,332	200	-	117,643
Capital assets, net	2,828,784	611,992	-	3,440,776	2,686,250	37,860	-	6,164,886
Total assets	3,666,496	1,006,481	(11,625)	4,661,352	3,135,477	45,787	-	7,842,616
Deferred outflows of resources:								
Costs to be recovered from future revenues	14,417	5,009	-	19,426	-	-	-	19,426
Unamortized losses on refundings	89,426	24,420	-	113,846	50,919	225	-	164,990
Accumulated decrease in fair value of interest swaps derivatives	109,616	-	-	109,616	24,923	-	-	134,539
Total deferred outflows of resources	213,459	29,429	-	242,888	75,842	225	-	318,955
Total assets and deferred outflows of resources	\$ 3,879,955	\$ 1,035,910	\$ (11,625)	\$ 4,904,240	\$ 3,211,319	\$ 46,012	\$ -	\$ 8,161,571
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>								
Current liabilities:								
Accounts and accrued expenses payable	\$ 80,100	\$ 13,864	\$ (1,854)	\$ 92,110	\$ 12,791	\$ 17	\$ -	\$ 104,918
Customer deposits	42,899	-	-	42,899	12,819	-	-	55,718
Total current liabilities	122,999	13,864	(1,854)	135,009	25,610	17	-	160,636
Liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	99,905	50,815	-	150,720	36,180	1,610	-	188,510
Interest payable	23,908	6,331	-	30,239	17,189	353	-	47,781
Construction contracts and accounts payable	2,283	10,769	(9,771)	3,281	3,738	-	-	7,019
Renewal and replacement reserve	-	89,515	-	89,515	-	-	-	89,515
Total liabilities payable from restricted assets	126,096	157,430	(9,771)	273,755	57,107	1,963	-	332,825
Other noncurrent liabilities:								
OPEB liability	1,088	-	-	1,088	637	-	-	1,725
Other	31,174	1,166	-	32,340	8,883	53	-	41,276
Total other noncurrent liabilities	32,262	1,166	-	33,428	9,520	53	-	43,001
Long-term debt:								
Bonds and commercial paper	2,539,300	528,295	-	3,067,595	1,716,880	39,750	-	4,824,225
Unamortized original issue premium (discount)	94,043	23,581	-	117,624	68,255	(52)	-	185,827
Fair value of debt management strategy instruments	109,616	-	-	109,616	24,923	-	-	134,539
Total long-term debt	2,742,959	551,876	-	3,294,835	1,810,058	39,698	-	5,144,591
Total liabilities	3,024,316	724,336	(11,625)	3,737,027	1,902,295	41,731	-	5,681,053
Deferred inflows of resources:								
Revenues to be used for future costs	52,102	176,981	-	229,083	-	-	-	229,083
Total deferred inflows of resources	52,102	176,981	-	229,083	-	-	-	229,083
Net position:								
Net investment in capital assets	214,440	(17,814)	-	196,626	1,013,463	(3,223)	-	1,206,866
Restricted	181,384	29,678	9,771	220,833	190,876	3,079	-	414,788
Unrestricted	407,713	122,729	(9,771)	520,671	104,685	4,425	-	629,781
Total net position	803,537	134,593	-	938,130	1,309,024	4,281	-	2,251,435
Total liabilities, deferred inflows of resources and net position	\$ 3,879,955	\$ 1,035,910	\$ (11,625)	\$ 4,904,240	\$ 3,211,319	\$ 46,012	\$ -	\$ 8,161,571



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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
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:								
Other	10,483	-	-	10,483	12,978	-	-	23,461
Investment in The Energy Authority	6,271	-	-	6,271	-	-	-	6,271
Total noncurrent assets	16,754	-	-	16,754	12,978	-	-	29,732
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	3,764,385	1,081,673	(17,809)	4,828,249	3,147,908	47,146	-	8,023,303
Deferred outflows of resources:								
Costs to be recovered from future revenues	13,346	5,478	-	18,824	-	-	-	18,824
Unamortized losses on refundings	91,968	27,595	-	119,563	49,208	233	-	169,004
Accumulated decrease in fair value of interest swaps derivatives	58,907	-	-	58,907	8,759	-	-	67,666
Total deferred outflows of resources	164,221	33,073	-	197,294	57,967	233	-	255,494
Total assets and deferred outflows of resources	\$ 3,928,606	\$ 1,114,746	\$ (17,809)	\$ 5,025,543	\$ 3,205,875	\$ 47,379	\$ -	\$ 8,278,797
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>								
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
Other	31,311	1,313	-	32,624	5,742	42	-	38,408
Total other noncurrent liabilities	33,911	1,313	-	35,224	7,267	42	-	42,533
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
Fair value of debt management strategy instruments	58,907	-	-	58,907	8,759	-	-	67,666
Total long-term debt	2,841,042	610,131	-	3,451,173	1,885,258	41,304	-	5,377,735
Total liabilities	3,122,594	870,562	(17,809)	3,975,347	1,990,308	43,336	-	6,008,991
Deferred inflows of resources:								
Revenues to be used for future costs	55,980	144,823	-	200,803	-	-	-	200,803
Total deferred inflows of resources	55,980	144,823	-	200,803	-	-	-	200,803
Net position:								
Net investment in capital assets	200,786	(53,574)	-	147,212	941,225	(3,147)	-	1,085,290
Restricted	154,924	25,213	14,538	194,675	169,633	2,733	-	367,041
Unrestricted	394,322	127,722	(14,538)	507,506	104,709	4,457	-	616,672
Total net position	750,032	99,361	-	849,393	1,215,567	4,043	-	2,069,003
Total liabilities, deferred inflows of resources and net position	\$ 3,928,606	\$ 1,114,746	\$ (17,809)	\$ 5,025,543	\$ 3,205,875	\$ 47,379	\$ -	\$ 8,278,797

**Combining Statement of Revenue, Expenses and Changes in Net Assets**  
**(in thousands - unaudited) for the Quarter and Year-To-Date ended December 31, 2014**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):								
Electric	\$ 305,354	\$ 82,175	\$ (47,516)	\$ 340,013	\$ -	\$ -	\$ (4,199)	\$ 335,814
Water and sewer	-	-	-	-	99,015	-	(132)	98,883
District Energy	-	-	-	-	-	2,250	-	2,250
Other, net	6,700	-	-	6,700	2,148	-	(628)	8,220
<b>Total operating revenues</b>	<b>312,054</b>	<b>82,175</b>	<b>(47,516)</b>	<b>346,713</b>	<b>101,163</b>	<b>2,250</b>	<b>(4,959)</b>	<b>445,167</b>
Operating expenses:								
Operations:								
Fuel	68,167	53,942	-	122,109	-	-	-	122,109
Purchased power	58,829	-	(47,516)	11,313	-	-	-	11,313
Other	30,982	6,259	-	37,241	26,440	970	(4,959)	59,692
Maintenance	23,308	3,954	-	27,262	3,096	234	-	30,592
Depreciation	48,585	10,689	-	59,274	32,749	569	-	92,592
State utility taxes and franchise fees	15,364	-	-	15,364	2,462	-	-	17,826
Recognition of deferred costs and revenues, net	(937)	(1,717)	-	(2,654)	-	-	-	(2,654)
<b>Total operating expenses</b>	<b>244,298</b>	<b>73,127</b>	<b>(47,516)</b>	<b>269,909</b>	<b>64,747</b>	<b>1,773</b>	<b>(4,959)</b>	<b>331,470</b>
<b>Operating income</b>	<b>67,756</b>	<b>9,048</b>	<b>-</b>	<b>76,804</b>	<b>36,416</b>	<b>477</b>	<b>-</b>	<b>113,697</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	35	-	-	35	-	-	-	35
Investment income, fair market value adjustments	1,536	733	-	2,269	1,236	1	-	3,506
Other nonoperating income	1,090	102	-	1,192	622	-	-	1,814
Interest on debt	(24,658)	(8,008)	-	(32,666)	(16,743)	(356)	-	(49,765)
Other interest, net	(16)	-	-	(16)	-	-	-	(16)
Allowance for funds used during construction	463	-	-	463	675	3	-	1,141
(Loss) on sale of asset	(123)	-	-	(123)	-	-	-	(123)
<b>Total nonoperating revenues (expenses), net</b>	<b>(21,673)</b>	<b>(7,173)</b>	<b>-</b>	<b>(28,846)</b>	<b>(14,210)</b>	<b>(352)</b>	<b>-</b>	<b>(43,408)</b>
<b>Income before contributions</b>	<b>46,083</b>	<b>1,875</b>	<b>-</b>	<b>47,958</b>	<b>22,206</b>	<b>125</b>	<b>-</b>	<b>70,289</b>
Contributions (to) from:								
General Fund, City of Jacksonville	(22,527)	-	-	(22,527)	(5,395)	-	-	(27,922)
Developers and others	-	-	-	-	13,062	-	-	13,062
<b>Total contributions</b>	<b>(22,527)</b>	<b>-</b>	<b>-</b>	<b>(22,527)</b>	<b>7,667</b>	<b>-</b>	<b>-</b>	<b>(14,860)</b>
<b>Change in net position</b>	<b>23,556</b>	<b>1,875</b>	<b>-</b>	<b>25,431</b>	<b>29,873</b>	<b>125</b>	<b>-</b>	<b>55,429</b>
<b>Net position, beginning of period</b>	<b>779,981</b>	<b>132,718</b>	<b>-</b>	<b>912,699</b>	<b>1,279,151</b>	<b>4,156</b>	<b>-</b>	<b>2,196,006</b>
<b>Net position, end of period</b>	<b>\$ 803,537</b>	<b>\$ 134,593</b>	<b>\$ -</b>	<b>\$ 938,130</b>	<b>\$ 1,309,024</b>	<b>\$ 4,281</b>	<b>\$ -</b>	<b>\$ 2,251,435</b>

**Combining Statement of Revenue, Expenses and Changes in Net Assets  
(in thousands - unaudited) for the Quarter and Year-To-Date ended 2013 restated**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):								
Electric	\$ 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
<b>Total operating revenues</b>	<b>302,111</b>	<b>100,847</b>	<b>(62,497)</b>	<b>340,461</b>	<b>96,329</b>	<b>2,277</b>	<b>(4,839)</b>	<b>434,228</b>
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
<b>Total operating expenses</b>	<b>249,582</b>	<b>89,434</b>	<b>(62,497)</b>	<b>276,519</b>	<b>65,535</b>	<b>1,753</b>	<b>(4,839)</b>	<b>338,968</b>
<b>Operating income</b>	<b>52,529</b>	<b>11,413</b>	<b>-</b>	<b>63,942</b>	<b>30,794</b>	<b>524</b>	<b>-</b>	<b>95,260</b>
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	(26,282)	(9,650)	-	(35,932)	(18,444)	(358)	-	(54,734)
Other interest, net	4	-	-	4	8	-	-	12
Allowance for funds used during construction	307	-	-	307	558	5	-	870
(Loss) on sale of asset	-	-	-	-	-	-	-	-
<b>Total nonoperating revenues (expenses), net</b>	<b>(23,667)</b>	<b>(7,712)</b>	<b>-</b>	<b>(31,379)</b>	<b>(17,262)</b>	<b>(351)</b>	<b>-</b>	<b>(48,992)</b>
<b>Income before contributions</b>	<b>28,862</b>	<b>3,701</b>	<b>-</b>	<b>32,563</b>	<b>13,532</b>	<b>173</b>	<b>-</b>	<b>46,268</b>
Contributions (to) from:								
General Fund, City of Jacksonville	(21,830)	-	-	(21,830)	(5,467)	-	-	(27,297)
Developers and others	-	-	-	-	10,295	-	-	10,295
<b>Total contributions</b>	<b>(21,830)</b>	<b>-</b>	<b>-</b>	<b>(21,830)</b>	<b>4,828</b>	<b>-</b>	<b>-</b>	<b>(17,002)</b>
<b>Change in net position</b>	<b>7,032</b>	<b>3,701</b>	<b>-</b>	<b>10,733</b>	<b>18,360</b>	<b>173</b>	<b>-</b>	<b>29,266</b>
<b>Net position, beginning of period</b>	<b>743,000</b>	<b>95,660</b>	<b>-</b>	<b>838,660</b>	<b>1,197,207</b>	<b>3,870</b>	<b>-</b>	<b>2,039,737</b>
<b>Net position, end of period</b>	<b>\$ 750,032</b>	<b>\$ 99,361</b>	<b>\$ -</b>	<b>\$ 849,393</b>	<b>\$ 1,215,567</b>	<b>\$ 4,043</b>	<b>\$ -</b>	<b>\$ 2,069,003</b>

## Combining Statement of Cash Flows

(in thousands - unaudited) for the Quarter and Year-To-Date ended December 31, 2014

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operations:</b>								
Receipts from customers	\$ 344,882	\$ 82,175	\$ (42,599)	\$ 384,458	\$ 99,601	\$ 2,712	\$ (4,331)	\$ 482,440
Other receipts	6,593	-	-	6,593	2,572	-	(628)	8,537
Payments to suppliers	(177,119)	(71,898)	42,599	(206,418)	(20,663)	(1,085)	4,959	(223,207)
Payments to employees	(33,417)	(5,807)	-	(39,224)	(12,129)	(124)	-	(51,477)
Net cash provided by (used in) operating activities	140,939	4,470	-	145,409	69,381	1,503	-	216,293
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(22,295)	-	-	(22,295)	(5,415)	-	-	(27,710)
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(22,295)	-	-	(22,295)	(5,415)	-	-	(27,710)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(24,432)	-	-	(24,432)	(21,969)	(32)	-	(46,433)
Loss on disposal of fixed assets	(123)	-	-	(123)	-	-	-	(123)
Debt issue costs and discounts	-	(3)	-	(3)	(137)	-	-	(140)
Defeasance of debt	-	1	-	1	2	-	-	3
Repayment of debt principal	(78,615)	(132,085)	-	(210,700)	(44,325)	(1,605)	-	(256,630)
Interest paid on debt	(51,381)	(14,583)	-	(65,964)	(32,215)	(708)	-	(98,887)
Contribution from developers and others	-	-	-	-	4,694	-	-	4,694
Proceeds from sales of property	101	-	-	101	13	-	-	114
Net cash provided by (used in) capital and related financing activities	(154,450)	(146,670)	-	(301,120)	(93,937)	(2,345)	-	(397,402)
<b>Investing activities:</b>								
Purchase of investments	(211,091)	(180,054)	-	(391,145)	(130,298)	-	-	(521,443)
Proceeds from sale and maturities of investments	122,494	110,184	-	232,678	52,149	-	-	284,827
Investment income	894	1,062	-	1,956	398	1	-	2,355
Distributions from The Energy Authority	(120)	-	-	(120)	-	-	-	(120)
Net cash provided by (used in) investing activities	(87,823)	(68,808)	-	(156,631)	(77,751)	1	-	(234,381)
Net increase (decrease) in cash and cash equivalents	(123,629)	(211,008)	-	(334,637)	(107,722)	(841)	-	(443,200)
Cash and cash equivalents at beginning of the period	177,432	267,940	-	445,372	135,920	8,330	-	589,622
Cash and cash equivalents at end of the period	\$ 53,803	\$ 56,932	\$ -	\$ 110,735	\$ 28,198	\$ 7,489	\$ -	\$ 146,422

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

Operating Income:	\$ 67,756	\$ 9,048	-	76,804	\$ 36,416	\$ 477	\$ -	\$ 113,697
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	48,585	10,689	-	59,274	33,130	569	-	92,973
Recognition of deferred costs and revenues, net	(937)	(1,717)	-	(2,654)	-	-	-	(2,654)
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	39,528	(4,020)	-	35,508	586	462	-	36,556
Decrease (increase) accounts receivable, restricted	(116)	-	-	(116)	366	-	-	250
Decrease (increase) in inventories	(456)	11,594	-	11,138	(1,182)	-	-	9,956
Increase (decrease) in other assets	(1,255)	-	-	(1,255)	(429)	-	-	(1,684)
Increase (decrease) in accounts payable	(10,138)	(16,570)	-	(26,708)	(234)	(10)	-	(26,952)
Increase (decrease) in accounts payable, restricted	-	(4,394)	-	(4,394)	-	-	-	(4,394)
Increase (decrease) in other liabilities	(2,028)	(160)	-	(2,188)	728	5	-	(1,455)
Net cash provided by (used in) operating activities	\$ 140,939	\$ 4,470	\$ -	\$ 145,409	\$ 69,381	\$ 1,503	\$ -	\$ 216,293

## Non-cash activity:

Contribution of capital assets from developers					\$ 8,368			
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**Combining Statement of Cash Flows**  
**(in thousands - unaudited) for the Quarter and Year-To-Date ended 2013 restated**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operations:</b>								
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	(189,593)	(90,488)	59,479	(220,602)	(24,326)	(1,110)	4,839	(241,199)
Payments to employees	(33,018)	(6,362)	-	(39,380)	(11,317)	(117)	-	(50,814)
Net cash provided by (used in) operating activities	124,228	3,997	-	128,225	66,061	1,278	-	195,564
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, FL.	(14,274)	-	-	(14,274)	(3,706)	-	-	(17,980)
Build America Bonds subsidies	-	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(14,274)	-	-	(14,274)	(3,706)	-	-	(17,980)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(18,311)	-	-	(18,311)	(24,118)	(578)	-	(43,007)
Debt issue costs and discounts	(85)	-	-	(85)	(3)	-	-	(88)
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	(131,499)	(147,088)	-	(278,587)	(102,179)	(1,344)	-	(382,110)
<b>Investing activities:</b>								
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)	(98,858)	(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
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
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
<b>Changes in noncash assets and noncash liabilities:</b>								
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 assets	(9,880)	-	-	(9,880)	(589)	-	-	(10,469)
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	(2,021)	(1,563)	-	(3,584)	(481)	5	-	(4,060)
Net cash provided by (used in) operating activities	\$ 124,228	\$ 3,997	\$ -	\$ 128,225	\$ 66,061	\$ 1,278	\$ -	\$ 195,564

Non-cash activity:

Contribution of capital assets from developers	\$ 6,317
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**Electric System**  
**Schedules of Debt Service Coverage**  
(in thousands - unaudited)

	Quarter and Year-To-Date December	
	2014	2013
<b>Revenues:</b>		
Electric	\$ 305,354	\$ 294,081
Investment income (1)	628	603
Earnings from The Energy Authority	35	(9)
Other, net (2)	6,700	8,030
Plus: amount paid from the rate stabilization fund into the revenue fund	1,499	1,367
Less: amount paid from the revenue fund into the rate stabilization fund	(12,098)	(12,058)
<b>Total revenues</b>	<b>302,118</b>	<b>292,014</b>
<b>Operating expenses (3):</b>		
Fuel	60,122	57,405
Purchased power (4)	72,659	87,743
Other operation and maintenance	50,982	42,069
State utility taxes and franchise fees	15,146	14,629
<b>Total expenses</b>	<b>198,909</b>	<b>201,846</b>
<b>Net revenues</b>	<b>\$ 103,209</b>	<b>\$ 90,168</b>
<b>Debt service:</b>	<b>\$ 20,845</b>	<b>\$ 18,892</b>
Less: investment income on sinking fund	(395)	(395)
Less: Build America Bonds subsidy	(377)	(378)
<b>Debt service requirement</b>	<b>\$ 20,073</b>	<b>\$ 18,119</b>
<b>Senior debt service coverage (5) (min 1.20x)</b>	<b>5.14 x</b>	<b>4.98 x</b>
<b>Net revenues (from above):</b>	<b>\$ 103,209</b>	<b>\$ 90,168</b>
<b>Debt service requirement (from above):</b>	<b>20,073</b>	<b>18,119</b>
Plus: aggregate subordinated debt service on outstanding subordinated bonds	24,578	22,898
Less: Build America Bonds subsidy	(521)	(523)
<b>Total debt service requirement and aggregate subordinated debt service</b>	<b>44,130</b>	<b>40,494</b>
<b>Senior and subordinated debt service coverage (6) (min 1.15x)</b>	<b>2.34 x</b>	<b>2.23 x</b>

(1) Excludes investment income on sinking funds.

(2) Excludes Build America Bonds subsidy.

(3) Excludes depreciation.

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

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

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

	Quarter and Year-To-Date	
	December	
	2014	2013
<b>Revenues:</b>		
JEA	\$ 13,830	\$ 16,583
Investment income	26	7
Other, net (1)	-	194
Total revenues	13,856	16,784
<b>Operating expenses (2):</b>		
Fuel	8,045	10,834
Other operations and maintenance	3,178	2,942
Total operating expenses	11,223	13,776
<b>Net revenues</b>	\$ 2,633	\$ 3,008
<b>Aggregate debt service</b>	\$ 2,450	\$ 2,242
Less: Build America Bonds subsidy	(191)	-
Aggregate debt service (3)	\$ 2,259	\$ 2,242
<b>Debt service coverage (4), (5), (6)</b>	1.07 x	1.34 x

(1) Effective March 26, 2014, the Bulk Power Supply System Resolution was amended to exclude from revenues the subsidy related to Build America Bonds.

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

(3) Effective March 26, 2014, the Bulk Power Supply System Resolution was amended to exclude from interest in aggregate debt service the subsidy related to Build America Bonds.

(4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

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

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

	Quarter and Year-To-Date December	
	2014	2013
<b>Revenues:</b>		
JEA	\$ 43,494	\$ 65,279
FPL	34,660	38,351
Investment income	912	950
Total revenues	79,066	104,580
<b>Operating expenses (1):</b>		
Fuel	53,942	47,933
Other operations and maintenance	8,556	8,245
Total operating expenses	62,498	56,178
<b>Net revenues</b>	\$ 16,568	\$ 48,402
<b>Aggregate debt service</b>	\$ 13,256	\$ 35,144
<b>Debt service coverage (2)</b>	1.25 x	1.38 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	
	2014	2013
<b>Revenues:</b>		
JEA	\$ 6,543	\$ 7,010
Investment income	-	-
Other, net (1)	-	102
Total revenues	6,543	7,112
<b>Operating expenses (2):</b>		
Fuel	-	-
Other operations and maintenance	-	-
Total operating expenses	-	-
<b>Net revenues</b>	\$ 6,543	\$ 7,112
<b>Aggregate debt service</b>	\$ 5,778	\$ 6,184
Less: Build America Bonds subsidy	(102)	-
Aggregate debt service (3)	\$ 5,676	\$ 6,184
<b>Debt service coverage (4), (5)</b>	1.15 x	1.15 x

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

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

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

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

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



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

	Quarter and Year-To-Date December	
	2014	2013
<b>Revenues:</b>		
Water, net of allowances and discounts	\$ 39,852	\$ 37,995
Water capacity fees (1)	1,633	1,427
Sewer, net of allowances and discounts	59,163	56,187
Sewer capacity fees (1)	2,874	2,372
Investment income	747	616
Other (2)	2,148	2,147
Plus: amount paid from the rate stabilization fund into the revenue fund	5,292	5,023
Less: amounts paid from the revenue fund into the rate stabilization fund	(5,292)	(5,023)
<b>Total revenues</b>	<b>106,417</b>	<b>100,744</b>
<b>Operating &amp; maintenance expenses:</b>		
Operations and maintenance (3)	31,997	31,745
<b>Total operating expenses</b>	<b>31,997</b>	<b>31,745</b>
<b>Net revenues</b>	<b>\$ 74,420</b>	<b>\$ 68,999</b>
<b>Aggregate debt service:</b>		
	\$ 22,927	\$ 26,723
Less: Build America Bonds subsidy	(622)	(623)
<b>Aggregate debt service:</b>	<b>\$ 22,305</b>	<b>\$ 26,100</b>
<b>Senior debt service coverage (4), (min 1.25x)</b>	<b>3.34 x</b>	<b>2.64 x</b>
<b>Net revenues (from above)</b>	<b>\$ 74,420</b>	<b>\$ 68,999</b>
<b>Aggregate debt service (from above):</b>		
	\$ 22,305	\$ 26,100
Plus: aggregate subordinated debt service on outstanding subordinated debt	3,053	2,621
<b>Total aggregate and aggregate subordinated debt service</b>	<b>\$ 25,358</b>	<b>\$ 28,721</b>
<b>Senior and subordinated debt service coverage (5)</b>	<b>2.93 x</b>	<b>2.40 x</b>

(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 2014 and 2013,

(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 2.76x and 2.26x. Based on the second requirement, net revenues must exceed 100% of aggregate debt 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$25,969 and \$29,245 for the year-to-date period ending December 2014 and 2013.

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

	Quarter and Year-To-Date	
	December	
	2014	2013
<b>Revenues:</b>		
Service revenues	\$ 2,250	\$ 2,275
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	-	-
<b>Total revenues</b>	<b>2,251</b>	<b>2,278</b>
Operating expenses: (1)		
Operations and maintenance	1,205	1,219
<b>Total operating expenses</b>	<b>1,205</b>	<b>1,219</b>
<b>Net revenues</b>	<b>1,046</b>	<b>1,059</b>
<b>Aggregate debt service (2)</b>	<b>755</b>	<b>755</b>
<b>Debt service coverage (3) (min 1.15x)</b>	<b>1.39 x</b>	<b>1.40 x</b>

(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 and amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013A Series Bond, 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	
	2014	2013
Electric revenue sales (000's omitted):		
Residential	\$ 137,092	\$ 128,332
Commercial and industrial	157,747	154,921
Public street lighting	3,122	3,615
Sales for resale - territorial	6,746	6,451
Electric revenues - territorial	304,707	293,319
Saleback to Florida Power & Light	34,659	38,350
Sales for resale - off system	1,080	1,209
Electric revenues	340,446	332,878
Less: allowance for doubtful accounts	(433)	(447)
Net electric revenues	340,013	332,431
kWh sales (000's omitted):		
Residential	1,115,267	1,039,901
Commercial and industrial	1,600,915	1,570,182
Public street lighting	22,926	29,249
Sales for resale - territorial	71,857	69,946
Total kWh sales - territorial	2,810,965	2,709,278
Saleback to Florida Power & Light	559,862	452,315
Sales for resale - off system	35,312	39,404
Total kWh sales	3,406,139	3,200,997
Average number of accounts:		
Residential	386,072	379,835
Commercial and industrial	50,562	48,245
Public street lighting	3,509	3,476
Sales for resale	3	3
Total average accounts	440,146	431,559
Residential averages:		
Revenue per account - \$	355.09	337.86
kWh per account	2,889	2,738
Revenue per kWh - ¢	12.29	12.34
Degree days:		
	<b>December</b>	
	<b>2014</b>	<b>2013</b>
Heating degree days	512	358
Cooling degree days	224	310
Total degree days	736	668
Degree days - 30 year average	775	

**Water and Sewer Enterprise Fund  
Operating Statistics**

	Quarter and Year-To-Date December	
	2014	2013
Water		
Revenues (000's omitted):		
Residential	\$ 21,035	\$ 20,173
Commercial and industrial	11,139	10,831
Irrigation	7,742	7,059
Total water revenues	39,916	38,063
Less: allowance for doubtful accounts	(64)	(68)
Net water revenues	\$ 39,852	\$ 37,995
Water Sales (kgals*):		
Residential	3,962,041	3,743,856
Commercial and industrial	3,132,792	2,992,666
Irrigation	1,261,384	1,100,341
Total kgals sales	8,356,217	7,836,863
Number of accounts (1):		
Residential	262,788	256,934
Commercial and industrial	23,846	23,658
Irrigation	35,895	35,798
Total average accounts	322,529	316,390
Residential averages:		
Revenue per account - \$	80.05	78.51
kgals per account	15.08	14.57
Revenue per kgals - \$	5.31	5.39
Reuse		
Revenues (000's omitted):		
Reuse revenues	\$ 1,585	\$ 1,178
Reuse Sales (kgals*):		
Reuse sales (kgals*)	406,490	253,844
Number of accounts:		
Reuse accounts	5,408	3,920
Sewer		
Revenues (000's omitted):		
Residential	\$ 32,105	\$ 30,674
Commercial and industrial	25,569	24,436
Total sewer revenues	57,674	55,110
Less: allowance for doubtful accounts	(96)	(101)
Net sewer revenues	\$ 57,578	\$ 55,009
Sewer Sales (kgals*):		
Residential	3,418,868	3,216,631
Commercial and industrial	2,746,984	2,594,773
Total kgals sales	6,165,852	5,811,404
Number of accounts (1):		
Residential	230,660	225,105
Commercial and industrial	17,696	17,594
Total average accounts	248,356	242,699
Residential averages:		
Revenue per account - \$	139.19	136.27
kgals per account	14.82	14.29
Revenue per kgals - \$	9.39	9.54
*kgals = 1000 gallons		
Rainfall		
Normal	8.84	8.84
Actual	9.57	5.28
Rain Days	15	22