

# **Gainesville Regional Utilities**

## **Quarterly Financial Statements**

**1<sup>st</sup> Quarter Ended December 31<sup>th</sup>, 2012**



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**Gainesville Regional Utilities  
Quarterly Financial Statements  
Quarter Ended December 31<sup>st</sup>, 2012**

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# **Management Overview and Analysis**

## **Overview**

The City of Gainesville, Florida owns and operates a combined utility system doing business as Gainesville Regional Utilities (GRU) which provides five separate utility functions. The utility functions consist of an electric generation, transmission and distribution system (Electric System), water production and distribution system (Water System), wastewater collection and treatment systems (Wastewater System), natural gas distribution system (Gas System) and a telecommunication system (GRUCom). Each of these systems is accounted for internally as a separate enterprise fund but reported as a combined utility system for external financial reporting purposes.

We offer readers this management discussion and analysis of the utility system's financial statements for the quarter ended December 31<sup>st</sup>, 2012. It should be read in conjunction with the financial statements that follow this section.

## **Basis of Accounting**

The financial statements are presented on the accrual basis of accounting, under Generally Accepted Accounting Principles (GAAP). Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred. Additionally, separate financial statements are presented in accordance with the amended and restated Utilities System Revenue Bond Resolution (Bond Resolution). In the Bond Resolution statements, rates are designed to cover operating and maintenance expense, debt service and other uses, which exclude depreciation expense and other non-cash expense items.

The Bond Resolution financial statement method of reporting is utilized for the determination of rates. It results in costs being included in different periods than when these costs are recognized for GAAP financial statement purposes.

Gainesville Regional Utilities has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC).

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# **Financial Statements**

**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Year Last Year	Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
30,336	29,729	607	2.0	<b>REVENUES:</b>	30,336	140,194	135,046	(3.7)
(94)	(422)	328	(77.7)	Total Native Load Sales of Electricity	(94)	200	200	-
24,010	24,727	(717)	(2.9)	Interchange Sales	24,010	104,370	103,181	(1.1)
1,759	2,080	(321)	(15.4)	Fuel Adjustment	1,759	17,299	17,344	0.3
-	-	-	-	Other Revenues	-	-	-	-
226	314	(88)	(28.0)	Rate Stabilization Fund Transfer	226	1,114	1,114	-
<b>56,238</b>	<b>56,429</b>	<b>(191)</b>	<b>(0.3)</b>	Interest Income - Electric	<b>56,238</b>	<b>263,177</b>	<b>256,885</b>	<b>(2.4)</b>
				<b>Total Electric Revenues</b>				
7,333	7,698	(364)	(4.7)	Sales of Water	7,333	30,619	30,160	(1.5)
233	363	(130)	(35.7)	Other Water Revenues	233	3,080	3,156	2.5
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
26	36	(10)	(28.2)	Interest Income - Water	26	128	128	-
<b>7,592</b>	<b>8,097</b>	<b>(504)</b>	<b>(6.2)</b>	<b>Total Water Revenues</b>	<b>7,592</b>	<b>33,826</b>	<b>33,444</b>	<b>(1.1)</b>
8,669	8,242	427	5.2	Wastewater Billings	8,669	34,817	34,878	0.2
140	289	(149)	(51.6)	Other Wastewater Revenues	140	3,032	3,524	16.2
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
42	67	(25)	(36.9)	Interest Income - Wastewater	42	224	224	-
<b>8,851</b>	<b>8,598</b>	<b>253</b>	<b>2.9</b>	<b>Total Wastewater Revenues</b>	<b>8,851</b>	<b>38,072</b>	<b>38,626</b>	<b>1.5</b>
2,981	2,867	114	4.0	Sales of Gas and Service	2,981	13,075	12,107	(7.4)
2,169	2,747	(578)	(21.0)	Purchased Gas Adjustment	2,169	8,268	9,326	12.8
48	230	(182)	(79.2)	Other Gas Revenues	48	1,845	1,878	1.8
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
48	67	(19)	(28.4)	Interest Income - Gas	48	213	213	-
<b>5,246</b>	<b>5,910</b>	<b>(665)</b>	<b>(11.2)</b>	<b>Total Gas Revenues</b>	<b>5,246</b>	<b>23,401</b>	<b>23,524</b>	<b>0.5</b>
2,824	2,841	(17)	(0.6)	Sales of GRUCom Services	2,824	11,305	11,305	-
0	-	0	-	Other GRUCom Revenues	0	-	-	-
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
32	44	(12)	(28.1)	Interest Income - GRUCom	32	130	130	-
<b>2,856</b>	<b>2,885</b>	<b>(29)</b>	<b>(1.0)</b>	<b>Total GRUCom Revenues</b>	<b>2,856</b>	<b>11,436</b>	<b>11,436</b>	<b>-</b>
<b>80,783</b>	<b>81,920</b>	<b>(1,137)</b>	<b>(1.4)</b>	<b>TOTAL REVENUES</b>	<b>80,783</b>	<b>369,912</b>	<b>363,915</b>	<b>(1.6)</b>
22,572	22,283	289	1.3	<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>				
9	56	(47)	(84.1)	Electric Fund:				
<b>22,581</b>	<b>22,339</b>	<b>242</b>	<b>1.1</b>	Fuel Expense:				
				Retail & Purchased Power	22,572	104,369	103,181	(1.1)
9,225	8,682	543	6.3	Interchange	9	1,200	1,200	-
6,695	6,942	(247)	(3.6)	<b>Total Fuel Expenses</b>	<b>22,581</b>	<b>105,569</b>	<b>104,381</b>	<b>(1.1)</b>
<b>38,501</b>	<b>37,963</b>	<b>538</b>	<b>1.4</b>	Operation & Maintenance Expense	9,225	43,124	43,040	(0.2)
				Administrative & General Expense	6,695	26,699	26,699	-
				<b>Total Electric Fund Expenses</b>	<b>38,501</b>	<b>175,392</b>	<b>174,120</b>	<b>(0.7)</b>



**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

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This Year	Year Last Year	Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
1,685	1,863	(178)	(9.6)	Water Fund:	1,685	8,353	8,353	-
1,132	1,134	(2)	(0.1)	Operation & Maintenance Expense	1,132	6,303	6,303	-
<b>2,817</b>	<b>2,996</b>	<b>(180)</b>	<b>(6.0)</b>	Administrative & General Expense	<b>2,817</b>	<b>14,656</b>	<b>14,656</b>	-
				<b>Total Water Fund Expenses</b>				
1,708	1,688	19	1.1	Wastewater Fund:	1,708	8,442	8,442	-
1,185	1,303	(117)	(9.0)	Operation & Maintenance Expense	1,185	6,995	6,995	-
<b>2,893</b>	<b>2,991</b>	<b>(98)</b>	<b>(3.3)</b>	Administrative & General Expense	<b>2,893</b>	<b>15,438</b>	<b>15,438</b>	-
				<b>Total Wastewater Fund Expenses</b>				
2,390	2,964	(574)	(19.4)	Gas Fund:	2,390	8,881	9,326	5.0
292	318	(26)	(8.1)	Fuel Expense - Purchased Gas	292	1,536	1,537	0.1
938	975	(36)	(3.7)	Operation & Maintenance Expense	938	4,422	4,424	0.0
<b>3,620</b>	<b>4,257</b>	<b>(636)</b>	<b>(31.2)</b>	Administrative & General Expense	<b>3,620</b>	<b>14,839</b>	<b>15,287</b>	<b>3.0</b>
				<b>Total Gas Fund Expenses</b>				
731	774	(43)	(5.6)	GRUCom Fund:	731	4,211	4,211	-
515	630	(115)	(18.2)	Operation & Maintenance Expense	515	2,388	2,388	-
<b>1,246</b>	<b>1,404</b>	<b>(158)</b>	<b>(11.2)</b>	Administrative & General Expense	<b>1,246</b>	<b>6,599</b>	<b>6,599</b>	-
				<b>Total GRUCom Fund Expenses</b>				
<b>49,077</b>	<b>49,611</b>	<b>(1,072)</b>	<b>(2.2)</b>	<b>TOTAL OPERATION &amp; MAINTENANCE EXPENSES</b>	<b>49,077</b>	<b>226,924</b>	<b>226,100</b>	<b>(0.4)</b>
				<b>NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:</b>				
17,840	18,944	(1,104)	(5.8)	Electric - Retail & Wholesale	17,840	88,785	83,766	(5.7)
(103)	(478)	374	(78.4)	Electric - Interchange	(103)	(1,000)	(1,000)	-
17,737	18,467	(730)	(4.0)	Total Electric Fund	17,737	87,785	82,766	(5.7)
4,775	5,100	(325)	(6.4)	Water Fund	4,775	19,170	18,788	(2.0)
5,958	5,607	351	6.3	Wastewater Fund	5,958	22,634	23,188	2.4
1,625	1,654	(29)	(1.7)	Gas Fund	1,625	8,562	8,238	(3.8)
1,610	1,481	129	8.7	GRUCom Fund	1,610	4,837	4,837	-
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION</b>	<b>31,706</b>	<b>142,988</b>	<b>137,815</b>	<b>(3.6)</b>
14,637	15,247	(610)	(4.0)	DEBT SERVICE	14,637	69,193	68,256	(1.4)
9,232	9,319	(87)	(0.9)	UPIF CONTRIBUTIONS	9,232	36,927	36,904	(0.1)
9,167	6,072	3,094	51.0	TRANSFER TO GENERAL FUND	7,224	36,666	36,666	-
2	1	1	113.1	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	2	359	359	-
-	2,500	(2,500)	(100.0)	WORKING CAPITAL	-	-	-	-
<b>(1,332)</b>	<b>(830)</b>	<b>(3,002)</b>	<b>361.6</b>	<b>NET INCOME/(DEFICIT)</b>	<b>611</b>	<b>(157)</b>	<b>(4,370)</b>	<b>2,686.5</b>

	142,988	137,815
(1) Projected Aggregate Debt Service Coverage Ratio	68,039	68,039
	2.10	2.03
(2) Projected Total Debt Service Coverage Ratio	142,988	137,815
	69,193	68,256
	2.07	2.02

## **Electric Revenue Fund Financial Performance Discussion**

Total electric sales revenues for FY13, exclusive of fuel adjustment, have increased slightly by 3.2% from FY12. Residential Sales and General Service and Large Power Sales increased slightly by 2.1% and 4.7%, respectively.

Fuel Adjustment Revenue has decreased by 2.9% from the prior year results, which is comparable to the increase in total sales of electricity.

Retail and Purchased Power Expense for the first three months is 1.3% higher than for the first three months of the prior fiscal year.

Interchange sales show a negative value for the first quarter in FY13, due to certain capacity fixed costs being netted against revenues in that account. Interchange fuel expense has decreased by 84.1% in first quarter FY13 as compared to the first quarter of FY12. Interchange sales are subject to multiple variables including the availability of excess marketable generation from our plants and economic pricing conditions within the interchange market.

Other Electric Sales in the first quarter FY13 have decreased by 16.1% compared to FY12. This difference is largely related to streetlight bill timing adjustment in October 2011. This gives the appearance of a decrease in the current fiscal year, although actual consumption is very similar. Other Revenues in first quarter FY13 are 15.4% lower comparable to sales in the same period of FY12, although the absolute difference in dollars is relatively small.

Interest income for FY13, as compared to FY12, decreased in the Electric Revenue Fund by 28.0%. This is due largely to an overall lower return on the investment portfolio due to market conditions. Investment returns are significantly less for all systems given the current economic climate of low interest rates.

Steam Power Generation expenses are on track compared to last year this time. Nuclear Power Generation expenses are up 24.7% over FY12 as 1<sup>st</sup> quarter expenses rose from activity dealing with ongoing repair assessments on damaged Crystal River 3 (CR3) plant. Other Power Generation expenses are up considerably over the same quarter last year due to significant repairs to combustion turbine 4 at Kelly Plant.

**Electric Revenue Fund**  
**Financial Performance Discussion cont.**

Transmission costs are up 50.1% compared to last year same quarter due to increased O&M labor costs related to NERC compliance as well as network costs re-classed from distribution to transmission.

Electric System Customer Accounts and Sales expenses are down 25.8% mainly due to a drop in conservation rebates compared to last year. This is due to timing differences where FY12 rebates expenditures were high in first quarter while FY13 rebates are coming in low comparatively. Rebates are projected to come in as planned for FY13. Administrative and General expenses are on track for FY13.

Debt Service expenses for the first quarter in FY13 are 7.3% lower than compared to first quarter FY12. This is due to the issuance of the 2012 Series B Bonds which were used to refund portions of the 2005 Series B Bonds, 2005 Series C Bonds, and 2006 Series A Bonds, which were heavily allocated to the Electric System.

We had originally budgeted \$4.5m net income for the year. However, based on the most recent sales forecast we are projected to end the year with a net deficit of nearly \$86k for the current year, assuming that expenses remain on budget.

**GAINESVILLE REGIONAL UTILITIES  
ELECTRIC REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
11,291	11,058	233	2.1	<b>REVENUES:</b>	11,291	57,634	55,147	(4.3)
16,346	15,610	736	4.7	Residential Sales	16,346	68,844	67,845	(1.5)
(94)	(422)	328	(77.7)	General Service and Large Power Sales	(94)	200	200	-
758	748	10	1.4	Interchange Sales	758	3,735	3,573	(4.3)
1,942	2,313	(372)	(16.1)	Utility Surcharge	1,942	9,980	8,481	(15.0)
<b>30,242</b>	<b>29,308</b>	<b>934</b>	<b>3.2</b>	Other Electric Sales	<b>30,242</b>	<b>140,394</b>	<b>135,246</b>	<b>(3.7)</b>
				<b>Total Sales of Elec. Before Fuel Adj.</b>				
24,010	24,727	(717)	(2.9)	Fuel Adjustment	24,010	104,370	103,181	(1.1)
<b>54,253</b>	<b>54,035</b>	<b>218</b>	<b>0.4</b>	<b>Total Sales of Electricity</b>	<b>54,253</b>	<b>244,763</b>	<b>238,427</b>	<b>(2.6)</b>
				Other Revenues	1,759	17,299	17,344	0.3
1,759	2,080	(321)	(15.4)	Rate Stabilization Fund Transfer	-	-	-	-
-	-	-	-	Interest Income	226	1,114	1,114	-
226	314	(88)	(28.0)	<b>Total Revenues</b>	<b>56,238</b>	<b>263,177</b>	<b>256,885</b>	<b>(2.4)</b>
<b>56,238</b>	<b>56,429</b>	<b>(191)</b>	<b>(0.3)</b>					
				<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>				
				Power Production Expenses:				
				Fuel Expenses:				
22,572	22,283	289	1.3	Retail & Purchased Power	22,572	104,369	103,181	(1.1)
9	56	(47)	(84.1)	Interchange	9	1,200	1,200	-
<b>22,581</b>	<b>22,339</b>	<b>242</b>	<b>1.1</b>	<b>Total Fuel Expenses</b>	<b>22,581</b>	<b>105,569</b>	<b>104,381</b>	<b>(1.1)</b>
				Steam Power Generation Expense	5,653	27,899	27,815	(0.3)
5,653	5,573	79	1.4	Nuclear Power Generation Expense	373	2,449	2,449	-
373	299	74	24.7	Other Power Generation Expense	159	93	93	-
159	51	108	212.4	System Control & Load Dispatching	242	1,154	1,154	-
242	230	11	5.0	<b>Total Power Production Expenses</b>	<b>6,426</b>	<b>31,595</b>	<b>31,511</b>	<b>(0.3)</b>
<b>6,426</b>	<b>6,153</b>	<b>272</b>	<b>4.4</b>	Transmission & Distribution Expenses:				
				Transmission Expenses	391	1,279	1,279	-
391	260	130	50.1	Distribution Expenses	2,408	10,250	10,250	-
2,408	2,268	140	6.2	<b>Total Transmission &amp; Distribution Expenses:</b>	<b>2,799</b>	<b>11,528</b>	<b>11,528</b>	<b>-</b>
<b>2,799</b>	<b>2,529</b>	<b>270</b>	<b>10.7</b>	Administrative & General Expenses:				
				Customer Accounts & Sales Expense	956	6,048	6,048	-
956	1,288	(332)	(25.8)	Administrative & General Expense	5,739	20,651	20,651	-
5,739	5,654	85	1.5	<b>Total Administrative &amp; General Expenses:</b>	<b>6,695</b>	<b>26,699</b>	<b>26,699</b>	<b>-</b>
<b>6,695</b>	<b>6,942</b>	<b>(247)</b>	<b>(3.6)</b>	<b>Total Operating &amp; Maintenance Expenses</b>	<b>38,501</b>	<b>175,392</b>	<b>174,120</b>	<b>(0.7)</b>
<b>38,501</b>	<b>37,963</b>	<b>538</b>	<b>1.4</b>					

(1) Other Electric Sales - Wholesale sales, traffic signals, streetlights and rental lights.

(2) Other Revenues - Shands SEC, Innovation Square, BABs Rebate

**GAINESVILLE REGIONAL UTILITIES  
ELECTRIC REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

Page 2

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
				<b>NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION</b>				
17,822	18,944	(1,122)	(5.9)	Retail & Wholesale	17,822	88,785	83,766	(5.7)
(85)	(478)	392	(82.1)	Interchange	(85)	(1,000)	(1,000)	-
<hr/>				<b>TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION</b>	<hr/>			
<b>17,737</b>	<b>18,467</b>	<b>(730)</b>	<b>(4.0)</b>		<b>17,737</b>	<b>87,785</b>	<b>82,766</b>	<b>(5.7)</b>
<hr/>				<b>DEBT SERVICE</b>	<hr/>			
8,516	9,182	(666)	(7.3)	UPIF CONTRIBUTIONS	8,516	40,663	40,277	(0.9)
5,519	5,861	(342)	(5.8)	TRANSFER TO GENERAL FUND (Includes incentive)	5,519	22,077	22,072	(0.0)
5,036	3,425	1,611	47.0	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	5,036	20,144	20,144	-
2	1	1	113.1	WORKING CAPITAL	2	359	359	-
-	2,125	(2,125)	(100.0)		-	-	-	-
<hr/>				<b>NET INCOME/(DEFICIT)</b>	<hr/>			
<b>(1,336)</b>	<b>(2,128)</b>	<b>791</b>	<b>(37.2)</b>		<b>(1,336)</b>	<b>4,542</b>	<b>(86)</b>	<b>(101.9)</b>

## **Water Revenue Fund Financial Performance Discussion**

The decrease in FY13 General Customer revenue of 5.0% is despite an increase to the base rate for the Water System implemented as of October 1, 2012. While total kgal sales are down in first quarter FY13 compared to FY12, the largest decrease is within irrigation revenue and likely reflects the significant increase of rainfall received in FY13 over FY12.

Utility Surcharge is down slightly and Other Revenues, which include connection fees, are down significantly 35.7% in first quarter FY13 compared to FY12. This revenue decrease is likely the result of developers and construction firms prepaying connection fees in FY12 to avoid price increases effective October 1, 2012 for FY13.

Interest income for FY13, as compared to FY12, decreased in the Water Revenue Fund by 28.2%. This is due largely to an overall lower return on the investment portfolio due to market changes. Investment returns are significantly less for all systems given the current economic climate of low interest rates.

The 6.4% decrease in FY13 Water Treatment expenses reflects the reduction in amount of water needing treatment in FY13 over FY12. The reduced water volume treatment has decreased variable costs such as chemicals. Water Transmission & Distribution costs for FY13, as compared to FY12, decreased by 16.5% due to labor and non-labor expenditures shifting to capital projects versus O&M.

Customer Accounts and Sales expense for FY13, as compared to FY12, increased by 20.8%. During first quarter of FY12, GRU received a 34k reimbursement for in-kind labor associated with the Soil Moisture Sensor (SMS) pilot which has been completed. The 5.1% decrease in FY13 Administrative and General expense is due to a timing difference related to the journal entry allocations for fleet operation costs. However, expenses are projected to be on target for the remainder of FY13.

Debt Service expenses for the first quarter in FY13 are comparable to first quarter FY12, notwithstanding the issuance of the 2012 Series A and B Bonds that were used to refund certain series allocated to the Water System. The savings associated with this refunding was offset by the depletion of capitalized interest associated with the 2010 Series B Bonds, which required the Water System to begin contributing to regular debt service for this series.

We had originally budgeted net income of \$98k for FY13. However, our latest sales projections indicate a net deficit of nearly \$494k for the current year, assuming expense levels stay on budget.

**GAINESVILLE REGIONAL UTILITIES  
WATER REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
6,379	6,712	(333)	(5.0)	<b>REVENUES:</b>	6,379	26,497	26,212	(1.1)
425	417	8	1.9	General Customers	425	1,860	1,794	(3.6)
529	568	(39)	(6.9)	University of Florida	529	2,261	2,154	(4.7)
<b>7,333</b>	<b>7,698</b>	<b>(364)</b>	<b>(4.7)</b>	Utility Surcharge	<b>7,333</b>	<b>30,619</b>	<b>30,160</b>	<b>(1.5)</b>
233	363	(130)	(35.7)	<b>Total Sales</b>	233	3,080	3,156	2.5
-	-	-	-	Other Revenues	-	-	-	-
26	36	(10)	(28.2)	Rate Stabilization Fund Transfer	26	128	128	-
<b>7,592</b>	<b>8,097</b>	<b>(504)</b>	<b>(6.2)</b>	Interest Income	<b>7,592</b>	<b>33,826</b>	<b>33,444</b>	<b>(1.1)</b>
1,199	1,281	(82)	(6.4)	<b>Total Revenues</b>	1,199	5,848	5,848	-
486	582	(96)	(16.5)	<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>	486	2,505	2,505	-
261	216	45	20.8	Water Treatment Expense	261	1,311	1,311	-
871	917	(47)	(5.1)	Water Trans. & Dist. Expense	871	4,992	4,992	-
<b>2,817</b>	<b>2,996</b>	<b>(180)</b>	<b>(6.0)</b>	Customer Accounts & Sales Expense	<b>2,817</b>	<b>14,656</b>	<b>14,656</b>	<b>-</b>
4,775	5,100	(325)	(6.4)	Administrative & General Expenses	4,775	19,170	18,788	-
1,687	1,687	0	0.0	<b>Total Operating &amp; Maintenance Expenses</b>	1,687	8,192	8,342	1.8
1,264	1,039	225	21.6	<b>TOTAL NET REVENUES IN ACCORDANCE WITH</b>	1,264	5,056	5,116	1.2
1,456	856	600	70.1	<b>BOND RESOLUTION</b>	1,456	5,824	5,824	-
-	-	-	-	DEBT SERVICE	-	-	-	-
<b>368</b>	<b>1,518</b>	<b>(1,150)</b>	<b>(75.7)</b>	UPIF CONTRIBUTIONS	<b>368</b>	<b>98</b>	<b>(494)</b>	<b>(603.9)</b>
				TRANSFER TO GENERAL FUND				
				WORKING CAPITAL				
				<b>NET INCOME/(DEFICIT)</b>				

(1) Other Revenue - Connection fees and miscellaneous, BABs Rebate.

## **Wastewater Revenue Fund Financial Performance Discussion**

Wastewater billings for the first quarter of FY13 increased by 5.0% over FY12. While Wastewater revenues increases and decreases typically correspond to Water revenues increases and decreases, this is not always the case. This increase is likely attributable to the base rate increase for the Wastewater System implemented as of October 1, 2012, as actual billings are down nearly 1.0% in first quarter FY13 from first quarter FY12.

Utility Surcharge is up slightly and Other Revenues, which include connection fees, are down significantly 51.6% in first quarter FY13 compared to FY12. This revenue decrease is likely the result of developers and construction firms prepaying connection fees in FY12 to avoid price increases effective October 1, 2012 for FY13.

Interest income for FY13, as compared to FY12, decreased in the Wastewater Revenue Fund by 36.9%. This is due largely to an overall lower return on the investment portfolio due to market changes. Investment returns are less for all systems given the current economic climate of low interest rates.

The 3.9% decrease in Collection expense for FY13, as compared to FY12, is due to labor expenditures shifting to capital versus O&M. Treatment expense has increased this quarter from the same quarter in FY12 by 3.8%. This increase was necessary to properly maintain odor control issues present at lift stations.

Customer Accounts and Sales expense for first quarter FY13 is comparable to first quarter FY12. Administrative and General expense is down 11.4% for the first quarter of FY13 This is mainly due to a timing difference related to the journal entry allocations for fleet operation costs. Expenses are on target to come in at budget for FY13.

Debt Service expenses for the first quarter in FY13 are only slightly higher as compared to first quarter FY12, notwithstanding the issuance of the 2012 Series A and B Bonds that were used to refund certain series allocated to the Wastewater System. The savings associated with this refunding was offset by the depletion of capitalized interest associated with the 2010 Series B Bonds, which required the Wastewater System to begin contributing to regular debt service for this series.

We had originally budgeted a net deficit of \$1.3m for FY13. However, our latest sales projections indicate a net deficit of nearly \$956k for the current year, assuming expenses remain true to budget.



**GAINESVILLE REGIONAL UTILITIES  
WASTEWATER REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Last Year	Year Change	Change (%)
8,066	7,680	385	5.0
604	562	41	7.4
140	289	(149)	(51.6)
-	-	-	-
42	67	(25)	(36.9)
<b>8,851</b>	<b>8,598</b>	<b>253</b>	<b>2.9</b>
557	579	(23)	(3.9)
1,151	1,109	42	3.8
233	228	6	2.5
952	1,075	(123)	(11.4)
<b>2,893</b>	<b>2,991</b>	<b>(98)</b>	<b>(3.3)</b>
<b>5,958</b>	<b>5,607</b>	<b>351</b>	<b>6.3</b>
2,125	2,087	37	1.8
1,548	1,382	166	12.0
1,943	1,041	902	86.7
-	-	-	-
<b>343</b>	<b>1,097</b>	<b>(754)</b>	<b>(68.7)</b>

**REVENUES:**

Wastewater Billings	8,066
Surcharge	604
Other Revenues	140
Rate Stabilization Fund Transfer	-
Interest Income	42

**Total Revenue**

**OPERATION & MAINTENANCE EXPENSES:**

Wastewater Collection Expense	557
Wastewater Treatment Expense	1,151
Customer Accounts & Sales Expense	233
Administrative & General Expenses	952

**Total Operation & Maintenance Expenses**

**TOTAL NET REVENUES IN ACCORDANCE WITH  
BOND RESOLUTION**

DEBT SERVICE	2,125
UPIF CONTRIBUTIONS	1,548
TRANSFER TO GENERAL FUND	1,943
WORKING CAPITAL	-

**NET INCOME/(DEFICIT)**

Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
8,066	32,314	32,493	0.6
604	2,502	2,385	(4.7)
140	3,032	3,524	16.2
-	-	-	-
42	224	224	-
<b>8,851</b>	<b>38,072</b>	<b>38,626</b>	<b>1.5</b>
557	2,890	2,890	-
1,151	5,552	5,552	-
233	1,015	1,015	-
952	5,980	5,980	-
<b>2,893</b>	<b>15,438</b>	<b>15,438</b>	<b>-</b>
<b>5,958</b>	<b>22,634</b>	<b>23,188</b>	<b>2.4</b>
2,125	10,011	10,176	1.6
1,548	6,191	6,198	0.1
1,943	7,770	7,770	-
-	-	-	-
<b>343</b>	<b>(1,338)</b>	<b>(956)</b>	<b>(28.5)</b>

(1) Other Revenue - Connection fees and miscellaneous, BABs Rebate.

## **Gas Revenue Fund Financial Performance Discussion**

Residential gas sales were slightly higher for first quarter FY13 compared to FY12 by 1.2%. This is the result of more heating degree days in FY13 than FY12 thus far. Commercial gas sales are also up 8.3% comparable to this same quarter last year. Other Gas Sales and MGP includes Liquid Propane Gas Sales, and the Manufactured Gas Plant (MGP) Cleanup Cost Recovery Factor. The increase in this category is likely due to higher propane sales associated with the aforementioned cooler than average weather, as well as higher MGP revenue which is driven by therm sales.

Purchased Gas Adjustment projections are based on projected sales, and increase or decrease proportionately.

Interest income for FY13, as compared to FY12, decreased in the Gas Revenue Fund by 28.4%. This is due largely to an overall lower return on the investment portfolio due to market changes. Investment returns are significantly less for all systems given the current economic climate of low interest rates.

Operation and Maintenance expenses are down 8.1% due to timing of annual gas association fees paid in 1<sup>st</sup> quarter FY12, but paid in 2<sup>nd</sup> quarter FY13. Operation expenses are projected to be in line with budget.

Administrative and General expenses are down 11.2% due to modification of EOC allocation to the Gas system to more accurately match the square space occupied by the Gas system. Expenses are projected to come in around FY13 budget.

Debt Service expenses for the first quarter in FY13 are only slightly higher as compared to first quarter FY12, notwithstanding the issuance of the 2012 Series A and B Bonds that were used to refund certain series allocated to the Gas System. The savings associated with this refunding was offset by the depletion of capitalized interest associated with the 2010 Series B Bonds, which required the Gas System to begin contributing to regular debt service for this series.

We had originally budgeted a net deficit of \$939k for FY13. However, our latest sales projections indicate a net deficit of nearly \$1.2m for the current year, assuming that expenses stay on budget.

**GAINESVILLE REGIONAL UTILITIES  
GAS REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Last Year	Year Change	Change (%)
1,586	1,568	19	1.2
1,058	977	81	8.3
2,169	2,747	(578)	(21.0)
91	88	3	3.4
245	234	11	4.7
<b>5,150</b>	<b>5,614</b>	<b>(464)</b>	<b>(8.3)</b>
48	230	(182)	(79.2)
-	-	-	-
48	67	(19)	(28.4)
<b>5,246</b>	<b>5,910</b>	<b>(665)</b>	<b>(11.2)</b>
2,390	2,964	(574)	(19.4)
292	318	(26)	(8.1)
487	467	21	4.4
451	508	(57)	(11.2)
<b>3,620</b>	<b>4,257</b>	<b>(636)</b>	<b>(14.9)</b>
<b>1,625</b>	<b>1,654</b>	<b>(29)</b>	<b>(1.7)</b>
1,012	971	40	4.2
617	804	(187)	(23.3)
635	355	280	79.0
-	375	(375)	(100.0)
<b>(638)</b>	<b>(851)</b>	<b>213</b>	<b>(25.1)</b>

**REVENUES:**

Sales of Gas and Service:  
Residential  
Commercial & Interruptible  
Purchased Gas Adjustment  
Surcharge  
Other Gas Sales and MGP

**Total Sales**

Miscellaneous Revenue:

Other Revenue  
Rate Stabilization Fund Transfer  
Interest Income

**Total Revenues**

**OPERATION & MAINTENANCE EXPENSES:**

Fuel Expense - Purchased Gas  
Operation & Maintenance Expenses  
Customer Accounts & Sales Expense  
Administrative & General Expense

**Total Operation & Maintenance Expenses**

**TOTAL NET REVENUES IN ACCORDANCE WITH**

**BOND RESOLUTION**

DEBT SERVICE  
UPIF CONTRIBUTIONS  
TRANSFER TO GENERAL FUND  
WORKING CAPITAL

**NET INCOME/(DEFICIT)**

Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
1,586	7,404	7,011	(5.3)
1,058	4,019	3,666	(8.8)
2,169	8,268	9,326	12.8
91	418	396	(5.2)
245	1,234	1,034	(16.2)
-	-	-	-
<b>5,150</b>	<b>21,343</b>	<b>21,433</b>	<b>0.4</b>
48	1,845	1,878	1.8
-	-	-	-
48	213	213	-
<b>5,246</b>	<b>23,401</b>	<b>23,524</b>	<b>0.5</b>
2,390	8,881	9,326	5.0
292	1,536	1,537	0.1
487	2,350	2,351	0.1
451	2,073	2,073	-
<b>3,620</b>	<b>14,839</b>	<b>15,287</b>	<b>3.0</b>
<b>1,625</b>	<b>8,562</b>	<b>8,238</b>	<b>(3.8)</b>
1,012	4,495	4,535	0.9
617	2,466	2,404	(2.5)
635	2,540	2,540	-
-	-	-	-
<b>(638)</b>	<b>(939)</b>	<b>(1,241)</b>	<b>32.2</b>

(1) Other Revenue - Liquid propane sales, service charges, BABs Rebate, and miscellaneous.

## **Telecommunications Revenue Fund Financial Performance Discussion**

Telecommunication revenues increased by 4.5% in the first quarter of FY13, as compared to the first quarter of FY12. Trunking Radio revenues decreased by 14.3% as compared to the same period in the previous fiscal year. This is largely attributable to rate reductions offered in the current fiscal year as contract renewal incentives to TRS customers. Tower Lease Rental revenue in first quarter FY13 is comparable to first quarter FY12. Internet Access revenues decreased only slightly by 1.2% compared to this same period in FY12.

Interest income for FY13, as compared to FY12, decreased in the Telecommunications Revenue Fund by 28.1%. This is due largely to an overall lower return on the investment portfolio due to market changes. Investment returns are significantly less for all systems given the current economic climate of low interest rates.

Administrative and General expenses for the Telecom system are lower than in FY12 due to a change in the GRUCom allocation at the EOC. The FY13 allocation was revised to better align Telecom EOC space utilization and resources. Expenses for the year are projected to come in around budget for FY13.

Debt Service expenses for the first quarter in FY13 are 1.6% lower than compared to first quarter FY12. This is due to the issuance of the 2012 Series B Bonds which, among other things, were used to refund portions of the 2005 Series B Bonds, which were heavily allocated to the Telecommunication System.

We had originally budgeted a net deficit of \$2.5m for FY13. However, our latest sales projections indicate a net deficit of nearly \$1.6m for the current year, assuming that expenses stay on budget.

**GAINESVILLE REGIONAL UTILITIES  
TELECOMMUNICATIONS REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Year Last Year	Change	Change (%)
1,539	1,473	66	4.5
457	533	(76)	(14.3)
420	422	(2)	(0.6)
409	413	(5)	(1.2)
<b>2,824</b>	<b>2,841</b>	<b>(17)</b>	<b>(0.6)</b>
-	-	-	-
0	-	0	-
32	44	(12)	(28.1)
<b>2,856</b>	<b>2,885</b>	<b>(29)</b>	<b>(1.0)</b>
731	774	(43)	(5.6)
46	42	4	10.8
469	588	(119)	(20.3)
<b>1,246</b>	<b>1,404</b>	<b>(158)</b>	<b>(11.2)</b>
<b>1,610</b>	<b>1,481</b>	<b>129</b>	<b>8.7</b>
1,298	1,320	(22)	(1.6)
284	232	52	22.3
97	396	(299)	(75.5)
-	-	-	-
<b>(69)</b>	<b>(467)</b>	<b>397</b>	<b>(85.1)</b>

**REVENUES:**

Sales:

Telecommunication  
Trunking Radio  
Tower Lease Rental  
Internet Access

**Total Sales**

Miscellaneous Revenue:

Rate Stabilization Fund Transfer  
Other Revenue  
Interest Income

**Total Revenues**

**OPERATION & MAINTENANCE EXPENSES:**

Operation & Maintenance Expenses  
Customer Accounts & Sales Expense  
Administrative & General Expenses

**Total Operating & Maintenance Expenses**

**TOTAL NET REVENUES IN ACCORDANCE WITH  
BOND RESOLUTION**

DEBT SERVICE

UPIF CONTRIBUTIONS  
TRANSFER TO GENERAL FUND  
WORKING CAPITAL

NET INCOME/(DEFICIT)

Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
1,539	6,185	6,185	-
457	1,814	1,814	-
420	1,470	1,470	-
409	1,836	1,836	-
<b>2,824</b>	<b>11,305</b>	<b>11,305</b>	-
-	-	-	-
0	-	-	-
32	130	130	-
<b>2,856</b>	<b>11,436</b>	<b>11,436</b>	-
731	4,211	4,211	-
46	204	204	-
469	2,184	2,184	-
<b>1,246</b>	<b>6,599</b>	<b>6,599</b>	-
<b>1,610</b>	<b>4,837</b>	<b>4,837</b>	-
1,298	5,832	4,926	(15.5)
284	1,137	1,114	(2.0)
97	388	388	-
-	-	-	-
<b>(69)</b>	<b>(2,520)</b>	<b>(1,591)</b>	<b>(36.9)</b>

**Balance Sheet – Combined Funds  
As of December 31, 2012**

Operating cash and Accounts receivable have both declined as a result of lower revenues during the first quarter. The remaining difference in cash is a result of the timing of settlements at December 31, 2012. Other Current Assets are increased due to higher fuel inventory.

In the Restricted Asset section, debt service cash is lower as of December 2012 due to the net affect of our semi-annual payment of debt interest and annual pay down of debt principal, which was offset by deposits to the debt service fund to begin building towards our fiscal 2013 debt obligation. The construction fund balance is lower due to normal spend down of funds on capital projects.

Current Liabilities is reduced due to the reversal of year-end accruals which increased the payable accounts at September 30, 2012, accompanied by a reduction in outstanding payable due to normal fluctuations in payments to vendors, including fuel related payments.

Other Payables from Restricted Assets decreased, primarily due to the net affect of making our semi-annual debt interest payment on October 1, offset by the accrual of our fiscal 2012 first quarter debt interest obligation.

**GAINESVILLE REGIONAL UTILITIES  
COMBINED FUNDS  
UNAUDITED BALANCE SHEET  
DEC 31, 2012**

(000's)	<u>ASSETS</u>	Dec 31, 2012	Sep 30, 2012	\$ Difference	% Difference
<b>CURRENT ASSETS:</b>					
	Cash, Investments & Accounts Receivable	68,831	77,088	(8,258)	-12.0%
	Other Current Assets	43,456	40,689	2,768	6.4%
	<b>TOTAL CURRENT ASSETS</b>	<b>112,287</b>	<b>117,777</b>	<b>(5,490)</b>	<b>-4.9%</b>
<b>RESTRICTED ASSETS:</b>					
	Debt Service Fund	14,123	52,496	(38,373)	-271.7%
	Rate Stabilization Fund	61,986	62,735	(750)	-1.2%
	Construction Fund	91,032	106,705	(15,673)	-17.2%
	Utility Plant Improvement Fund	41,816	39,096	2,720	6.5%
	Other Restricted Assets	17,913	17,823	90	0.5%
	<b>TOTAL RESTRICTED ASSETS</b>	<b>226,869</b>	<b>278,855</b>	<b>(51,986)</b>	<b>-22.9%</b>
	<b>NON-CURRENT ASSETS</b>	<b>30,313</b>	<b>28,813</b>	<b>1,500</b>	<b>4.9%</b>
	<b>NET CAPITAL ASSETS</b>	<b>1,197,667</b>	<b>1,201,109</b>	<b>(3,442)</b>	<b>-0.3%</b>
	<b>TOTAL ASSETS</b>	<b>1,567,136</b>	<b>1,626,555</b>	<b>(59,418)</b>	<b>-3.8%</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
	<b>CURRENT LIABILITIES</b>	<b>35,753</b>	<b>45,609</b>	<b>(9,855)</b>	<b>-27.6%</b>
<b>PAYABLE FROM RESTRICTED ASSETS:</b>					
	Rate Stabilization Deferred Credit	61,767	61,767	(0)	0.0%
	Other Payables From Restricted Assets	48,773	64,997	(16,223)	-33.3%
	<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<b>110,540</b>	<b>126,763</b>	<b>(16,223)</b>	<b>-14.7%</b>
<b>LONG TERM-DEBT:</b>					
	Utilities System Revenue Bonds				
	Payable-Senior Lien Debt	885,950	912,795	(26,845)	-3.0%
	Commercial Paper Notes Payable	62,000	62,000	0	0.0%
	Unamortized Bond Financing Costs	(25,090)	(25,963)	873	-3.5%
	<b>TOTAL LONG-TERM DEBT</b>	<b>922,860</b>	<b>948,832</b>	<b>(25,972)</b>	<b>-2.8%</b>
	<b>OTHER NON-CURRENT LIABILITIES</b>	<b>15,505</b>	<b>15,505</b>	<b>0</b>	<b>0.0%</b>
	<b>TOTAL LIABILITIES</b>	<b>1,084,658</b>	<b>1,136,709</b>	<b>(52,050)</b>	<b>-4.8%</b>
	<b>TOTAL NET ASSETS</b>	<b>482,478</b>	<b>489,846</b>	<b>(7,368)</b>	<b>-1.5%</b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,567,136</b>	<b>1,626,555</b>	<b>(59,418)</b>	<b>-3.8%</b>

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# **Supplemental Data**

**ELECTRIC RESALE**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

This Year	Per KWh	Month December				Three Months That Ended December 31		
		Last Year	Per KWh	Change		This Year	Last Year	Change
557,628	0.0666	561,409	0.0644	(3,781)	Resale Revenue			
508,935	0.0815	463,385	0.0781	45,550	Alachua	579,804	560,230	19,574
					Seminole	480,587	418,267	62,321
<u>1,066,562</u>	0.0730	<u>1,024,794</u>	0.0699	<u>41,768</u>	<b>Total Resale Revenue</b>	<u>1,060,391</u>	<u>978,497</u>	<u>81,894</u>
8,367,967		8,722,531		(354,564)	Resale KWh			
6,242,821		5,936,305		306,516	Alachua	8,623,173	8,620,576	2,596
					Seminole	6,060,203	5,674,477	385,726
<u>14,610,788</u>		<u>14,658,836</u>		<u>(48,048)</u>	<b>Total Resale KWh</b>	<u>14,683,375</u>	<u>14,295,053</u>	<u>388,322</u>

**ELECTRIC STATISTICS**  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
<u>91,761</u>	<u>91,655</u>	<u>106</u>	<b>Total Customers</b>	<u>91,879</u>	<u>91,501</u>	<u>378</u>
4,516	4,499	17	Street Lights Customers	4,516	4,499	17
31,738	31,631	107	Street Lights in Service	31,738	31,631	107
567.61	573.06	(5.45)	Miles of Overhead Distribution Line	567.61	573.06	(5.45)
846.56	849.07	(2.51)	Miles of Underground Distribution Line	846.56	849.07	(2.51)
<u>1,414.17</u>	<u>1,422.13</u>	<u>(7.96)</u>	<b>Total Miles of Distribution Line</b>	<u>1,414.17</u>	<u>1,422.13</u>	<u>(7.96)</u>
280	270	10	Maximum Peak Load Generated/Net (MW)	300	285	15
140,690	140,386	304	Net Energy for Load (MWh)	146,205	141,829	4,376
67.54	69.89	(2.35)	Load Factor - Percent	66.25	67.72	(1.47)
19	20	(1)	Cooling Degree DBFs - Actual Days	284	250	34
24	25	(1)	Cooling Degree DBFs - Normal Days	312	315	(3)
(5)	(5)	-	Difference from Normal	(28)	(65)	37
0.0510	0.0510	-	<b>Fuel Adjustment</b>	0.0510	0.0510	-

**WATER STATISTICS**  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
69,009	68,742	267	<b>Total Customers</b>	69,382	68,713	669
			<b>Pumpage - Mega-gallons</b>			
24,103	24,917	(814)	Raw Water - Max	25,834	29,500	(3,666)
16,264	17,668	(1,404)	Raw Water - Min	16,264	17,668	(1,404)
19,957	21,173	(1,216)	Raw Water - Avg	21,730	23,059	(1,329)
618,665	656,348	(37,683)	<b>Total</b>	1,999,176	2,121,467	(122,291)
			Distribution System - Max	25,175	27,911	(2,736)
23,909	23,077	832	Distribution System - Min	16,760	18,323	(1,563)
16,760	18,323	(1,563)	Distribution System - Avg	21,563	22,425	(862)
19,759	20,506	(747)	<b>Total</b>	1,983,832	2,063,111	(79,279)
612,529	635,690	(23,161)	Maximum Daily Pumpage	31.87	33.52	(1.65)
			Average Max. Daily Pumpage	26.85	26.72	0.13
28.86	28.89	(0.03)	Minimum Daily Pumpage	12.11	11.26	0.85
24.43	25.03	(0.59)	Average Min. Daily Pumpage	16.52	17.32	(0.80)
12.34	11.26	1.08	Miles of Potable Water Main	1,127.9	1,115.3	12.6
15.32	16.48	(1.16)	Miles of Potable Water Fire Mains	13.3	13.1	0.2
			Fire Hydrants	5,634	5,564	70
1,127.9	1,115.3	12.6	Precipitation - Actual Inches	7.87	4.84	3.03
13.3	13.1	0.2	Precipitation - Normal Inches	7.26	7.32	(0.06)
5,634	5,564	70	Difference from Normal	0.61	(2.48)	3.09
6.93	0.49	6.44				
2.42	2.32	0.10				
4.51	(1.83)	6.34				

**WASTEWATER STATISTICS**  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
<u>62,262</u>	<u>61,978</u>	<u>284</u>	<b>Total Customers</b>	<u>62,382</u>	<u>61,935</u>	<u>447</u>
27.3	27.1	0.2	Miles of Reclaimed Water Mains	27.3	27.1	0.2
14,956	14,940	16	Manholes	14,956	14,940	16
165	165	0	Active Lift Stations	165	165	0
			<b>Miles of Main</b>			
139.3	138.8	0.5	Force Main	139.3	138.8	0.5
628.5	617.2	11.3	Gravity Main	628.5	617.2	11.3
<u>767.8</u>	<u>756.0</u>	<u>11.8</u>	<b>Total Miles of Main</b>	<u>767.8</u>	<u>756.0</u>	<u>11.8</u>

**GAS STATISTICS**  
FOR FIRST QUARTER ENDED DECEMBER 31, 2012

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
33,262	33,186	76	<b>Total NG Customers</b>	33,218	33,102	116
188	183	5	<b>Total LP Gas Customers</b>	187	185	3
745.43	739.55	5.88	<b>Distribution Mains</b>			
7.17	7.17	0.00	NG System	745.43	739.55	5.88
752.60	746.72	5.88	LP System	7.17	7.17	0.00
			<b>Total Distribution Mains</b>	752.60	746.72	5.88
199	153	46	Heating Degree DBFs - Actual Days	392	273	119
281	288	(7)	Heating Degree DBFs - Normal Days	431	437	(6)
(82)	(135)	53	Difference from Normal	(39)	(164)	125
59.0	60.5	(1.5)	Average Temperature	63.6	64.6	(1.0)
			<b>FUEL ADJUSTMENTS</b>			
0.4000	0.5500	(0.1500)	Natural Gas Firm PGA	0.4000	0.5500	(0.1500)
0.3838	0.5338	(0.1500)	Natural Gas Int PGA	0.3838	0.5338	(0.1500)
1.3700	1.9600	(0.5900)	LP PGA	1.1733	1.9700	(0.7967)
1.0250	1.0270	(0.0020)	Calorific Value	1.0250	1.0270	(0.0020)

**GRUCOM STATISTICS**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
			<b>Customers</b>			
21	32	(11)	GRU Equipment Lease	23	35	(12)
240	236	4	GRU EtherLink	247	237	10
88	80	8	GRU Internet Access	90	80	10
2	2	0	GRU Backup Conduit	2	2	0
54	45	9	GRU Broadband Internet Access	53	45	8
60	61	(1)	GRU Colocation Lease	61	62	(1)
83	88	(5)	GRU DS0 Transport	90	88	2
70	81	(11)	GRU DS1 Transport	71	84	(13)
366	267	99	GRU DS1Transport - Carrier	374	476	(102)
2	2	0	GRU DS3 Transport	2	2	0
72	74	(2)	GRU DS3 Transport - Carrier	86	80	6
3	32	(29)	GRU EtherLink Carrier	44	32	12
1	1	0	GRU Fiber Drivers	1	1	0
1	2	(1)	GRU OC3 Transport	1	2	(1)
5	3	2	GRU OC3 Transport Carrier	5	4	1
2	2	0	GRU OC48 Transport Carrier	2	2	0
2	2	0	GRU SAN Fiber Channel	2	2	0
8	10	(2)	GRU SCADA Transport	8	10	(2)
2	2	0	GRU Switched Transport	2	2	0
3	3	0	GRU Telephone Internet Access	3	4	(1)
10	10	0	GRU Telephone Line Leases	10	10	0
4	5	(1)	GRU Telephone Set Leases	4	5	(1)
167	171	(4)	GRU Tower Lease	176	172	4
5	5	0	GRU TRS Analog Consol	5	5	0
38	38	0	GRU TRS Analog Radio	38	38	0
3	3	0	GRU TRS Digital Console	3	3	0
18	19	(1)	GRU TRS Digital Radio	19	19	0
1	1	0	GRU Trunk Termination	1	1	0
429	560	(131)	Telecomm - GRUnet	444	573	(129)

**DEERHAVEN FUELS INVENTORIES**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

Month December			
This Year		Last Year	
BBLs	Value	BBLs	Value
67,795.30	2,624,543.90	67,795.30	2,624,543.90
67,787.00	2,623,968.23	67,795.30	2,624,543.90
GALS		GALS	
195,077.00	192,760.71	197,719.00	202,570.88
193,094.00	186,286.19	188,699.00	172,706.57
TONS		TONS	
287,721.51	24,677,792.87	161,012.30	12,979,444.26
287,765.38	24,681,949.13	164,555.90	13,295,020.65
%	Days	%	Days
65.19	26.32	65.19	26.32
65.18	26.31	65.19	26.32
22.68	27.44	22.99	27.82
22.45	27.16	21.94	26.53
	147.75		81.06
	147.77		82.92

Month December			
This Year	Last Year	Change	Percentage
38.7128	38.7128	-	-
38.7090	38.7128	(0.0038)	(0.01)
0.9881	1.0245	(0.0364)	(3.55)
0.9647	0.9152	0.0495	5.41
85.7697	80.6115	5.1582	6.40
85.7711	80.7933	4.9777	6.16

**#6 Oil (Bunker C) Inventory**

Beginning  
Ending

**#2 Oil (Diesel) Inventory**

Beginning  
Ending

**Coal Fuel Inventory**

Beginning  
Ending

**Oil Levels**

**#6 Oil**

Beginning  
Ending

**#2 Oil**

Beginning  
Ending

**Coal**

Beginning  
Ending

**Bunker C (\$/BBL)**

Beginning  
Ending

**Diesel Fuel (\$/Gal)**

Beginning  
Ending

**Coal (\$/Ton)**

Beginning  
Ending

Quarter That Ended March 31			
This Year		Last Year	
BBLs	Value	BBLs	Value
67,795.30	2,624,543.90	67,795.30	2,624,543.90
67,787.00	2,623,968.23	67,795.30	2,624,543.90
GALS		GALS	
208,289.00	235,898.02	206,088.00	230,279.81
193,094.00	186,286.19	188,699.00	172,706.57
TONS		TONS	
236,892.50	19,898,225.20	81,859.24	5,879,863.71
287,765.38	24,681,949.13	164,555.90	13,295,020.65
%	Days	%	Days
65.19	26.32	65.19	26.32
65.18	26.31	65.19	26.32
24.22	29.33	23.96	29.01
22.45	27.16	21.94	26.53
	121.00		39.40
	147.77		82.92

Quarter That Ended March 31			
This Year	Last Year	Change	Percentage
38.7128	38.7128	-	-
38.7090	38.7128	(0.0038)	(0.01)
1.1326	1.1174	0.0152	1.36
0.9647	0.9152	0.0495	5.41
83.9969	71.8290	12.1679	16.94
85.7711	80.7933	4.9777	6.16



**JR KELLY FUELS INVENTORIES**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

Month December			
This Year		Last Year	
BBLs	Value	BBLs	Value
8,493.00	339,466.27	8,509.10	340,140.21
8,493.00	339,466.27	8,493.00	339,466.27
GALS	Value	GALS	Value
469,447.88	820,687.43	474,307.39	832,143.77
469,246.37	820,212.37	474,307.39	832,143.77
%	Days	%	Days
8.17	2.60	8.18	2.60
8.17	2.60	8.17	2.60
54.59	66.64	55.15	67.33
54.56	66.61	55.15	67.33

**#6 Oil (Bunker C) Inventory**

Beginning  
Ending

**#2 Oil (Diesel) Inventory**

Beginning  
Ending

**Oil Levels**

#6 Oil  
Beginning  
Ending

#2 Oil  
Beginning  
Ending

Quarter That Ended March 31			
This Year		Last Year	
BBLs	Value	BBLs	Value
8,493.00	339,466.27	8,509.10	340,140.21
8,493.00	339,466.27	8,493.00	339,466.27
GALS	Value	GALS	Value
474,127.39	831,719.42	476,849.00	838,135.64
469,246.37	820,212.37	474,307.39	832,143.77
%	Days	%	Days
8.17	2.60	8.18	2.60
8.17	2.60	8.17	2.60
55.13	67.30	55.45	67.69
54.56	66.61	55.15	67.33

Month December			
This Year	Last Year	Change	Percentage
39.9701	39.9737	(0.0036)	(0.01)
39.9701	39.9701	-	-
1.7482	1.7544	(0.0062)	(0.36)
1.7479	1.7544	(0.0065)	(0.37)

**Bunker C (\$/BBL)**

Beginning  
Ending

**Diesel Fuel (\$/Gal)**

Beginning  
Ending

Quarter That Ended March 31			
This Year	Last Year	Change	Percentage
39.9701	39.9737	(0.0036)	(0.01)
39.9701	39.9701	-	-
1.7542	1.7577	(0.0034)	(0.20)
1.7479	1.7544	(0.0065)	(0.37)

**GENERATION BY FUEL**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2012**

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
			<b>Cost By Fuel (\$)</b>			
2,417,228	4,309,795	(1,892,566)	Coal	4,582,576	6,179,242	(1,596,665)
2,548,442	735,256	1,813,186	Natural Gas	9,813,256	5,902,957	3,910,299
24,227	29,864	(5,638)	#2 Oil	78,396	63,565	14,831
-	674	(674)	#6 Oil	-	674	(674)
41,239	64,861	(23,622)	Nuclear (CR3)	83,900	195,146	(111,246)
154,264	156,520	(2,256)	Methane (MCLF)	496,655	478,660	17,995
320,491	196,416	124,075	Feed-In-Tariff	1,170,836	658,646	512,189
1,864,629	1,609,935	254,694	Purchased Power	6,533,161	9,112,969	(2,579,808)
<u>7,370,520</u>	<u>7,103,321</u>	<u>267,199</u>	<b>Total</b>	<u>22,758,780</u>	<u>22,591,859</u>	<u>166,921</u>
			<b>Generation By Fuel (MWH)</b>			
51,006	56,595	(5,589)	Coal	86,080	182,175	(96,094)
63,439	85,013	(21,574)	Natural Gas	242,672	214,767	27,904
156	51	106	#2 Oil	249	128	121
-	-	-	#6 Oil	-	-	-
9,165	9,125	40	Nuclear (CR3)	26,703	25,978	725
2,153	2,190	(37)	Methane (MCLF)	6,925	6,192	733
1,157	1,775	(618)	Feed-In-Tariff	4,128	4,739	(611)
17,312	27,299	(9,987)	Purchased Power	75,927	79,946	(4,019)
<u>144,389</u>	<u>182,048</u>	<u>(37,659)</u>	<b>Total</b>	<u>442,684</u>	<u>513,925</u>	<u>(71,241)</u>
			<b>Average Fuel Cost per MWH (\$/MWH)</b>			
47.39	76.15	338.62	Coal	53.24	33.92	16.62
40.17	8.65	(84.05)	Natural Gas	40.44	27.49	140.13
154.90	589.04	(53.34)	#2 Oil	314.72	495.83	122.67
-	-	-	#6 Oil	-	-	-
4.50	7.11	(590.54)	Nuclear (CR3)	3.14	7.51	(153.44)
71.65	71.47	60.97	Methane (MCLF)	71.72	77.30	24.55
276.91	110.64	(200.80)	Feed-In-Tariff	283.62	138.98	(838.17)
107.71	58.97	(25.50)	Purchased Power	86.05	113.99	641.90
<u>51.05</u>	<u>39.02</u>	<u>(7.10)</u>	<b>Total</b>	<u>51.41</u>	<u>43.96</u>	<u>(2.34)</u>

**CLEAN AIR ALLOWANCES  
CALENDAR YEAR 2012**

**SO<sub>2</sub> Allowances (tons)**

	DH	JRK	GRU Total
Carryover	12,163.0	414.0	12,577.0
Annual Alloc.	8,400.0	67.0	8,467.0
Total Available	20,563.0	481.0	21,044.0
Used	2,362.0	2.0	2,364.0
<b>Left Over</b>	<b>18,201.0</b>	<b>479.0</b>	<b>18,680.0</b>

**SO<sub>2</sub> Emissions (tons)**

Quarter	B1	B2	CT3	DH Total	CC1	JRK Total	GRU Total
1	0.0	241.3	0.4	241.7	0.1	0.1	241.8
2	0.1	248.0	0.8	248.9	0.3	0.3	249.2
3	0.1	258.7	0.9	259.7	0.5	0.5	260.2
4	1.0	428.6	0.6	430.2	0.4	0.4	430.6
<b>Year</b>	<b>1.0</b>	<b>1,177.0</b>	<b>3.0</b>	<b>1,181.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1,182.0</b>

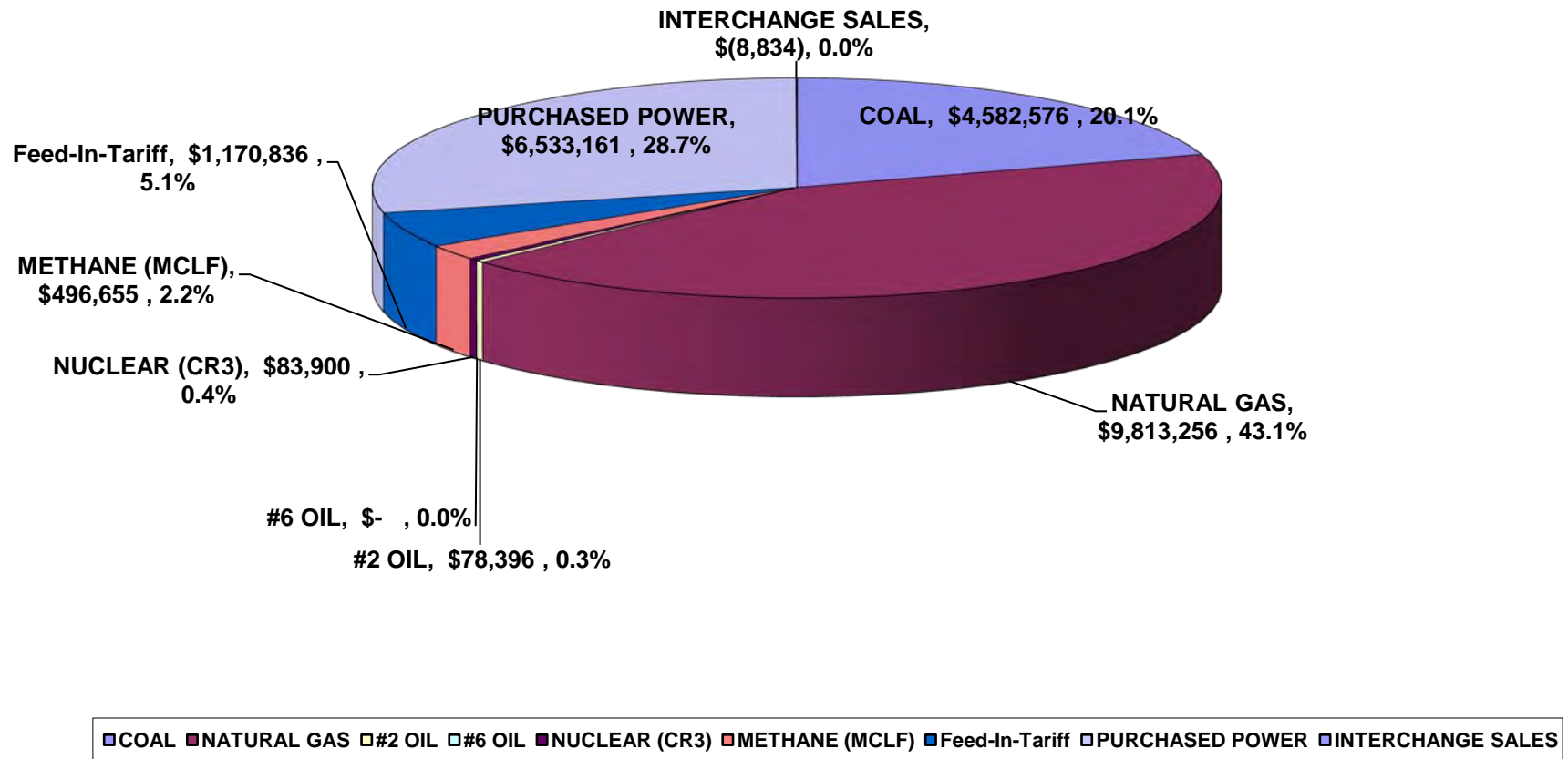
**NO<sub>x</sub> Allowances (tons)**

	DH		JRK		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS
Purch/Trans					0	0
Annual Alloc.	1,142	632	86	44	1,228	676
Total Available	1,142	632	86	44	1,228	676
Used	383	182	57	27	440	209
Sold	0	0	0	0	0	0
<b>Left Over</b>	<b>759</b>	<b>450</b>	<b>29</b>	<b>17</b>	<b>788</b>	<b>467</b>

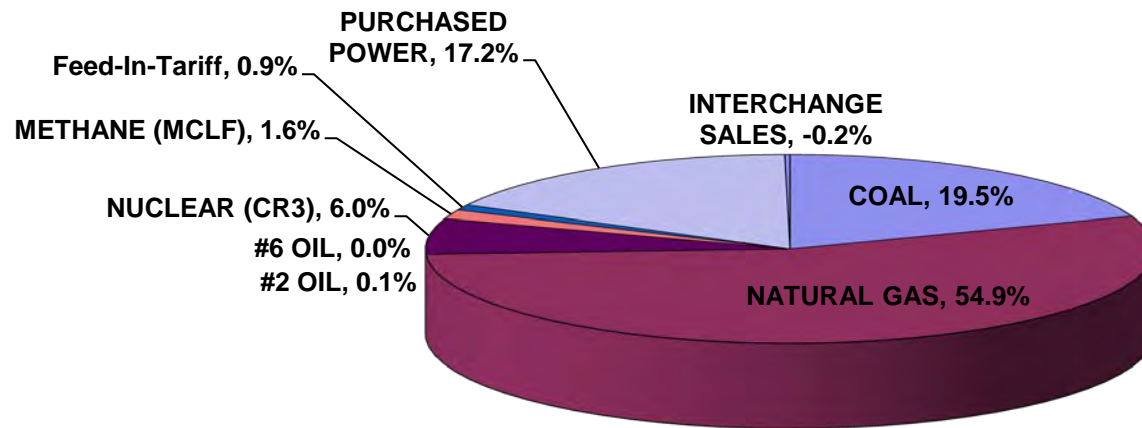
**NO<sub>x</sub> Emissions (tons)**

Quarter	B1		B2		CT3		DH Total		CC1		JRK Total		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS
1	10.7	0.0	70.9	0.0	0.5	0.0	82.1	0.0	6.9	0.0	6.9	0.0	89.0	0.0
2	22.9	22.9	63.6	46.3	1.5	1.0	88.0	70.2	15.4	9.7	15.4	9.7	103.4	79.9
3	19.3	19.3	91.6	91.6	0.8	0.8	111.7	111.7	16.9	16.9	16.9	16.9	128.6	128.6
4	46.6	0.0	53.3	0.0	0.8	0.0	100.7	0.0	18.0	0.0	18.0	0.0	118.7	0.0
<b>Year</b>	<b>99.5</b>	<b>42.2</b>	<b>279.4</b>	<b>137.9</b>	<b>3.6</b>	<b>1.8</b>	<b>382.5</b>	<b>181.9</b>	<b>57.2</b>	<b>26.6</b>	<b>57.2</b>	<b>26.6</b>	<b>439.7</b>	<b>208.5</b>

**Total Cost & Percentage by Fuel Type  
3 months ended Through December 2012**

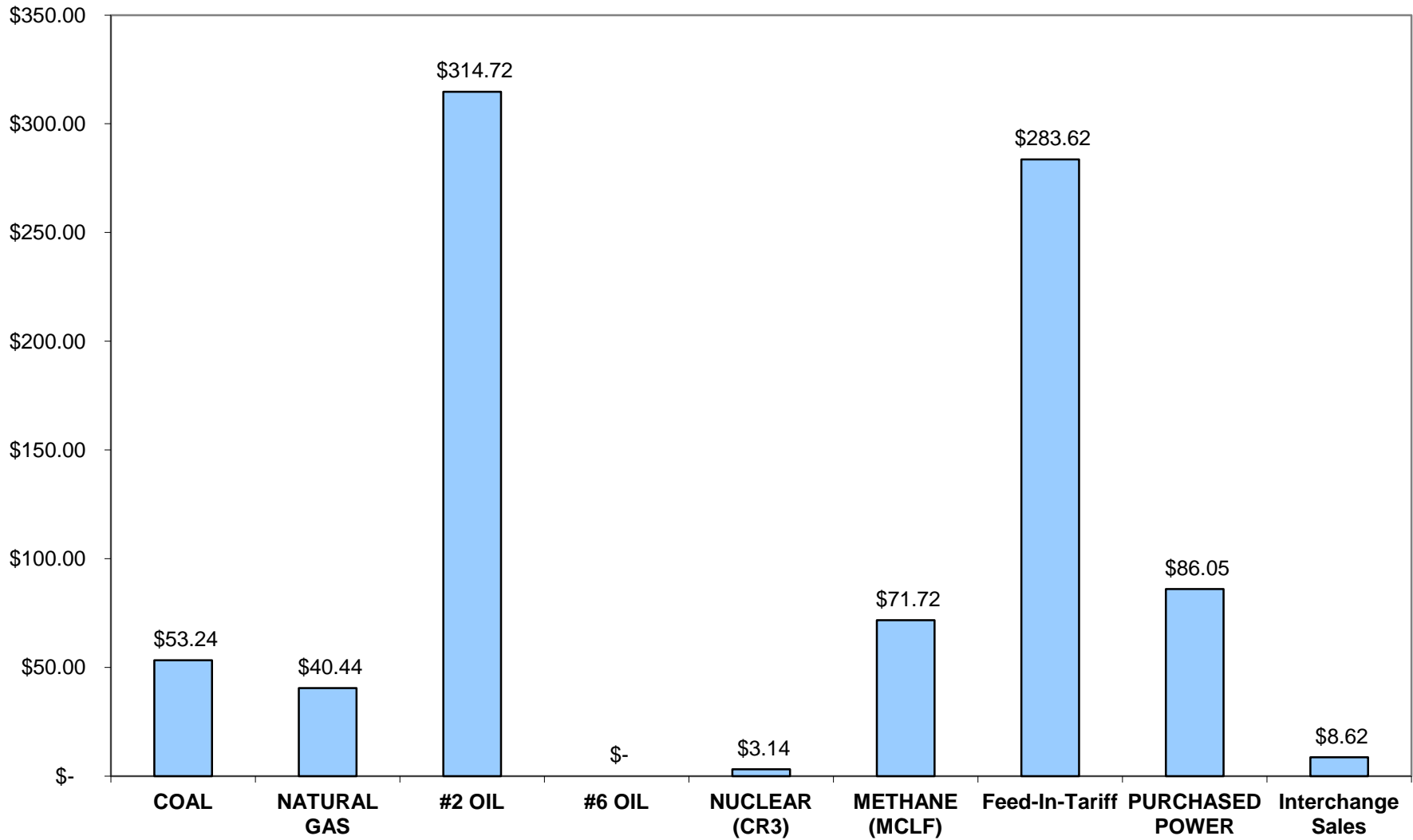


## Sources of Electric Energy for Load by Fuel Type (MWh) FY2013- Through Dec 12



■ COAL	■ NATURAL GAS	■ #2 OIL	■ #6 OIL	■ NUCLEAR (CR3)
■ METHANE (MCLF)	■ Feed-In-Tariff	■ PURCHASED POWER	■ INTERCHANGE SALES	■

### Total Fuel Cost per MWh by Fuel Type FY2013 - Through Dec 31, 2012



# **Definitions and Supplemental Information**

## **Glossary of Terms Flow of Funds Statements**

### **All Systems**

**Debt Service** – Accounts for funds accumulated to provide payment of principal and interest on, or to redeem, outstanding debt.

**Interest Income** – As presented on our Flow of Funds Statement of Operating Income, it represents interest earnings on utility investments.

**Operation & Maintenance Expense – Non-Fuel** – This represents all operating, maintenance and administrative costs needed to support electric power generation, transmission and distribution, water treatment and distribution, wastewater collection and treatment, and telecommunication services provided by the utility.

**Rate Stabilization Fund Transfer** – This fund accounts for monies accumulated as a reserve for unplanned events, revenue changes, forecasting errors or unexpected losses and to stabilize rates over future periods through the transfer of funds to and from operations as necessary.

**Surcharge** – Additional charge to customers in the unincorporated service area, i.e. Electric – 10%, equal to the electric use tax; Gas – 10%; Water – 25% and Wastewater – 25% both per F.S Chapter 180.

**UPIF Contributions** – The Utility Plant Improvement Fund (UPIF) accounts for funds used to pay for certain capital projects or debt service, the purchase or redemption of bonds, or otherwise provide for the repayment of bonds. The contribution level is established under a formula set forth in the Utilities System Revenue Bond Resolution. It represents the equity that the utility puts back into the system.



## **Electric System**

**Fuel Adjustment** – Revenue from fuel cost recovered from customers beyond the amount that is recovered in the base energy charge. GRU’s cost of fuel for the electric system is passed directly through to its customers. The base energy charge includes a portion of the fuel cost, 6.5 mils, or \$6.50 per 1,000 kWh. Fuel cost beyond this amount is applied to customer bills as calculated monthly, via a fuel adjustment rate.

**Interchange Sales** – Large blocks of energy sold to other utilities on a firm or non-firm basis. These sales are controlled through GRU’s Control Area Services, which monitors excess availability of power generated.

**Nuclear Decommissioning\Fuel Disposal** – As a partial owner of the Crystal River Unit 3 (CR3) nuclear power plant operated by Progress Energy, GRU is responsible for its share of future decommissioning costs. These costs are expensed annually and recovered through rates charged to customers. The fuel disposal cost represents GRU’s share of costs associated with safely disposing of CR3’s spent nuclear fuel assembly units.

**Fuel Expense** – This represents the cost of the fuel supply needed to generate electric power, i.e. coal, oil and natural gas, as well as the fuel distributed directly to service accounts, i.e. natural gas.

**Other Electric Sales** – This includes wholesales sales (sales for resale) to City of Alachua and Seminole Electric Co-op, traffic signal and streetlight sales to the City and County.

**Other Revenue** – This includes miscellaneous revenue receipts not specified in other categories, such as commercial lighting and service charges.

## **Gas System**

**Cleanup Cost Recovery Factor (MGP)** – Revenue collected, at a rate of \$.0321/therm, for the cleanup and renovation of the former manufactured gas plant site into the Depot Avenue Stormwater Park.

**Commercial & Industrial (General Service)** – Natural gas and liquefied propane service provided on a firm, non-interruptible basis for any purpose except for residential purposes.

**Fuel Expense – Purchased Gas** – The purchase of natural gas, through long-term contractual agreements, for direct distribution to our gas utility services.

**Interruptible & Transportation** – Natural gas service provided on a non-firm basis to nonresidential customers. This service is subject to interruption pursuant to the policies and conditions stipulated to by the customer and the System. Included also is revenue for gas transportation to the University of Florida.

**Other Gas Sales** – Includes other miscellaneous sales not specifically identified in other categories, such as Liquid Propane (LP) sales.

**Other Revenue** - This includes miscellaneous revenue receipts not specified in other categories, such as service charges.

**Residential Gas Sales** – Natural gas and liquefied propane service provided on a firm, non-interruptible basis to households and other nonprofit living units.

### **Water System**

**Other Revenues** – This includes connection fee charges for water service to new service locations plus miscellaneous revenue receipts not specified in other categories.

### **Wastewater System**

**Other Revenues** – This includes connection fee charges for wastewater service to new service locations plus miscellaneous revenue receipts not specified in other categories

## **GRUCom System**

**Internet Access** – Revenue generated from the sale of retail Internet access. GRUCom provides dial-up Internet access services under the domain names GRU.Net and Gator.Net. High speed Internet access is also provided to commercial customers, government entities and to residents at several apartment complexes in the Gainesville area. High speed Internet access services are typically delivered to the customer location utilizing the GRUCom fiber optic network. Revenue from periphery services such as Web Site Hosting and e-mail only accounts are also included in this category.

**Telecommunications Revenue**– Includes revenue for sales of point to point and carrier access circuits delivered in whole, or in part, on the GRUCom fiber optic network. These sales are primarily to other telecommunications carriers, commercial customers and government entities requiring high bandwidth connections for delivery of data, voice and video signals. Also includes revenues from switched services provided by GRUCom. Currently GRUCom utilizes its voice switch to provide call in lines for dial-up access to Internet Service Providers including GRU.Net/Gator.Net.

**Tower Lease Rental** – Revenue generated in conjunction with the lease of space on the City’s communication and water towers for the location of antennas and related equipment. These leases are primarily with Cellular and Personal Communications Services (PCS) companies offering wireless communications in the Gainesville area. Also includes revenue from the rental of interface equipment to customers (Routers, Channel Service Units/Data Service Units, etc.) necessary for them to connect to GRUCom services delivered over the fiber optic network.

**Trunking Radio** – Revenue generated by the 800 MHz radio system, delivering switched voice and data services for public safety and other government entities. Revenues are collected through monthly subscriber unit charges.

## **Glossary of Terms Balance Sheet**

**Other Current Assets** – Includes fuel and stores inventories and other miscellaneous current assets.

**Restricted Assets** – Those moneys or other resources that are restricted as to use by legal or contractual requirements.

**Other Restricted Assets** – GRU's investment in The Energy Authority (TEA) and our funded obligation for the decommissioning of our share of Crystal River #3 nuclear facility.

**Other Non-Current Assets** – Includes long-term portion of Lease In\Lease Out (LILO) of Deerhaven generation plant, plus other miscellaneous non-current assets.

**Net Capital Assets** – System plant assets net of accumulated depreciation.

**Current Liabilities** – Includes fuels, vendor and miscellaneous payables.

**Payable from Restricted Assets** – Obligations that are payable from GRU's restricted assets.

**Other Payables from Restricted Assets** – Includes the current year's portion of debt principal due and Construction Fund vendor payables.

**Long-Term Debt** – Bonds and commercial paper debt obligations.

**Other Non-Current Liabilities** – Includes deferred revenue due from LILO transaction.

**Total Liabilities** – The combination of Current Liabilities, Payable from Restricted Assets, Long-Term Debt and Other Non-Current Liabilities.

**Net Assets** – The net value or net worth of the system after deducting total liabilities from system assets.

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