

Gainesville Regional Utilities

Quarterly Financial Statements

2nd Quarter Ended March 31st, 2013



This page is intentionally left blank

**Gainesville Regional Utilities
Quarterly Financial Statements
Quarter Ended March 31st, 2013**

Contents

Management Overview and Analysis

Overview and Basis of Accounting	2
--	---

Financial Statements with Management Discussion

Combined Statement of Operating Income	5
Electric Revenue Fund - Statement of Operating Income	7
Water Revenue Fund - Statement of Operating Income	11
Wastewater Revenue Fund - Statement of Operating Income	13
Gas Revenue Fund - Statement of Operating Income	15
Telecommunications Revenue Fund - Statement of Operating Income	17
Combined Balance Sheet w/ Discussion	19

Supplemental Data

Electric Fund Statistics	23
Water Fund Statistics	25
Wastewater Fund Statistics	26
Gas Fund Statistics	27
GRUCom Statistics	28
Fuel Inventories	29
Generation by Fuel	31
Clean Air Allowances	32
Fuel Mix Graphs	33

Definitions and Supplemental Information

Glossary of Terms	37
-------------------------	----

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 March 31st, 2013. 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).

This page is intentionally left blank

Financial Statements

**GAINESVILLE REGIONAL UTILITIES
COMBINED UTILITIES FUNDS
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
59,361	58,140	1,221	2.1	REVENUES:	59,361	140,194	135,046	(3.7)
(97)	(515)	418	81.2	Total Native Load Sales of Electricity	(97)	200	200	-
46,769	47,889	(1,120)	(2.3)	Interchange Sales	46,769	104,370	103,181	(1.1)
6,548	6,566	(18)	(0.3)	Fuel Adjustment	6,548	17,299	17,344	0.3
-	-	-	-	Other Revenues	-	-	-	-
261	636	(375)	(58.9)	Rate Stabilization Fund Transfer	261	1,114	1,114	-
112,842	112,716	126	0.1	Interest Income - Electric	112,842	263,177	256,885	(2.4)
14,293	14,637	(344)	(2.4)	Total Electric Revenues	14,293	30,619	30,160	(1.5)
1,083	1,231	(149)	(12.1)	Sales of Water	1,083	3,080	3,156	2.5
-	-	-	-	Other Water Revenues	-	-	-	-
31	73	(42)	(57.8)	Rate Stabilization Fund Transfer	31	128	128	-
15,406	15,941	(535)	(3.4)	Interest Income - Water	15,406	33,826	33,444	(1.1)
17,763	17,094	668	3.9	Total Water Revenues	17,763	34,817	34,878	0.2
830	870	(40)	(4.6)	Other Wastewater Revenues	830	3,032	3,524	16.2
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
56	132	(76)	(57.6)	Interest Income - Wastewater	56	224	224	-
18,649	18,097	552	3.1	Total Wastewater Revenues	18,649	38,072	38,626	1.5
7,032	6,701	331	4.9	Sales of Gas and Service	7,032	13,075	12,107	(7.4)
5,454	6,738	(1,285)	(19.1)	Purchased Gas Adjustment	5,454	8,268	9,326	12.8
734	771	(38)	(4.9)	Other Gas Revenues	734	1,845	1,878	1.8
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
56	132	(75)	(57.2)	Interest Income - Gas	56	213	213	-
13,276	14,343	(1,067)	(7.4)	Total Gas Revenues	13,276	23,401	23,524	0.5
5,346	5,661	(316)	(5.6)	Sales of GRUCom Services	5,346	11,305	11,305	-
-	-	-	-	Other GRUCom Revenues	-	-	-	-
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
35	88	(53)	(60.1)	Interest Income - GRUCom	35	130	130	-
5,381	5,750	(369)	(6.4)	Total GRUCom Revenues	5,381	11,436	11,436	-
165,554	166,847	(1,292)	(0.8)	TOTAL REVENUES	165,554	369,912	363,915	(1.6)
42,571	42,772	(201)	(0.5)	OPERATION & MAINTENANCE EXPENSES:				
615	1,143	(529)	(46.3)	Electric Fund:				
15	100	(85)	(85.0)	Fuel Expense:				
43,201	44,015	(814)	(1.9)	Retail & Purchased Power	42,571	100,995	99,806	(1.2)
20,751	18,678	2,072	11.1	Fuel Related Operating Expense	615	3,375	3,375	-
12,171	10,982	1,189	10.8	Interchange	15	1,200	1,200	-
76,122	73,675	2,447	3.3	Total Fuel Expenses	43,201	105,570	104,381	(1.1)
				Operation & Maintenance Expense	20,751	43,124	43,040	(0.2)
				Administrative & General Expense	12,171	26,699	26,699	-
				Total Electric Fund Expenses	76,122	175,392	174,120	(0.7)

**GAINESVILLE REGIONAL UTILITIES
COMBINED UTILITIES FUNDS
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

Page 2

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
3,694	3,672	22	0.6	Water Fund:	3,694	8,353	8,353	-
2,716	2,581	135	5.2	Operation & Maintenance Expense	2,716	6,303	6,303	-
6,410	6,253	157	2.5	Administrative & General Expense	6,410	14,656	14,656	-
				Total Water Fund Expenses				
3,591	3,486	106	3.0	Wastewater Fund:	3,591	8,442	8,442	-
2,712	2,920	(208)	(7.1)	Operation & Maintenance Expense	2,712	6,995	6,995	-
6,304	6,405	(102)	(1.6)	Administrative & General Expense	6,304	15,438	15,438	-
				Total Wastewater Fund Expenses				
5,775	6,275	(500)	(8)	Gas Fund:	5,775	8,881	9,326	5.0
690	690	-	-	Fuel Expense - Purchased Gas	690	1,536	1,537	0.1
2,084	2,023	62	3	Operation & Maintenance Expense	2,084	4,422	4,424	0.0
8,549	8,988	(439)	(5)	Administrative & General Expense	8,549	14,839	15,287	3.0
				Total Gas Fund Expenses				
1,605	1,718	(113)	(6.6)	GRUCom Fund:	1,605	4,211	4,211	-
1,013	1,154	(142)	(12.3)	Operation & Maintenance Expense	1,013	2,388	2,388	-
2,618	2,872	(254)	(8.9)	Administrative & General Expense	2,618	6,599	6,599	-
				Total GRUCom Fund Expenses				
100,003	98,194	1,809	1.8	TOTAL OPERATION & MAINTENANCE EXPENSES	100,003	226,925	226,100	(0.4)
				NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:				
36,831	39,655	(2,824)	(7.1)	Electric - Retail & Wholesale	36,831	88,784	83,766	(5.7)
(112)	(614)	503	81.8	Electric - Interchange	(112)	(1,000)	(1,000)	-
36,719	39,040	(2,321)	(5.9)	Total Electric Fund	36,719	87,784	82,766	(5.7)
8,996	9,689	(692)	(7.1)	Water Fund	8,996	19,170	18,788	(2.0)
12,345	11,691	654	5.6	Wastewater Fund	12,345	22,634	23,188	2.4
4,727	5,355	(628)	(11.7)	Gas Fund	4,727	8,562	8,238	(3.8)
2,763	2,878	(115)	(4.0)	GRUCom Fund	2,763	4,837	4,837	-
65,551	68,653	(3,102)	(4.5)	TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION	65,551	142,987	137,815	(3.6)
34,336	35,137	(801)	(2.3)	DEBT SERVICE	34,336	69,193	68,256	(1.4)
18,461	19,093	(632)	(3.3)	UPIF CONTRIBUTIONS	18,461	36,927	36,904	(0.1)
15,278	15,181	97	0.6	TRANSFER TO GENERAL FUND	15,278	36,666	36,666	-
7	4	3	75.5	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	7	359	359	-
-	5,000	(5,000)	(100.0)	WORKING CAPITAL	-	-	-	-
(2,530)	(5,762)	3,231	56.1	NET INCOME/(DEFICIT)	(2,530)	(158)	(4,370)	2,672.8

(1) Projected Aggregate Debt Service Coverage Ratio

142,987	137,815
141,833	141,833
1.01	0.97

(2) Projected Total Debt Service Coverage Ratio

142,987	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 2.8% from FY12. Residential Sales and General Service and Large Power Sales increased slightly by 2.5% and 4.6%, respectively.

Fuel Adjustment Revenue has decreased by 2.3% compared to the same period in FY12.

Retail and Purchased Power Expense through the second quarter of FY13 is .5% lower than the first six months of the prior fiscal year.

Interchange sales show a negative value through the second quarter in FY13, due to certain capacity fixed costs being netted against revenues in that account. Interchange fuel expense has decreased by 85% through the second quarter FY13 as compared to the same period 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 through the second quarter FY13 have decreased by 15.7% compared to the same period in FY12. This difference is largely related to a reduction in wholesale sales to Seminole Electric, due to the expiration of that sales contract in December 2012. Other Revenues through the second quarter FY13 are very comparable to sales in the same period of FY12.

Interest income for FY13, as compared to FY12, decreased in the Electric Revenue Fund by 58.9%. 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 up 10.1% over last year due to extensive auxiliary maintenance at Deerhaven in the second quarter of FY13. Nuclear Power Generation expenses are down 20.0% from FY12. The Crystal River (CR3) nuclear plant has been down since September 2009 and in February of this year was decommissioned for further service. Other Power Generation expenses are up considerably over the same quarter last year due to a payment for the reclaimed water line extension to the City of Alachua as required for the Biomass Plant.

Electric Revenue Fund
Financial Performance Discussion cont.

Transmission costs are up 40.1% compared to last year this time 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 11.6% mainly due to a drop in conservation rebates compared to last year. Customized Business rebates are projected to come in \$500k lower than budgeted for FY13. Administrative and General Expenses are up 17.1% due to timing differences related to journal entry allocations for fleet expenses and software maintenance fees.

Debt Service expenses through the second quarter in FY13 are 5.2% lower than compared to the same period in 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 \$86k for the current year, assuming that expenses remain on budget.

**GAINESVILLE REGIONAL UTILITIES
ELECTRIC REVENUE FUND
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
22,338	21,792	546	2.5	REVENUES:	22,338	57,634	55,147	(4.3)
31,548	30,168	1,380	4.6	Residential Sales	31,548	68,844	67,845	(1.5)
(97)	(515)	418	81.2	General Service and Large Power Sales	(97)	200	200	-
1,518	1,487	30	2.0	Interchange Sales	1,518	3,735	3,573	(4.3)
3,957	4,692	(735)	(15.7)	Utility Surcharge	3,957	9,980	8,481	(15.0)
59,264	57,625	1,639	2.8	Other Electric Sales	59,264	140,394	135,246	(3.7)
				Total Sales of Elec. Before Fuel Adj.				
46,769	47,889	(1,120)	(2.3)	Fuel Adjustment	46,769	104,370	103,181	(1.1)
106,033	105,514	519	0.5	Total Sales of Electricity	106,033	244,763	238,427	(2.6)
				Other Revenues	6,548	17,299	17,344	0.3
6,548	6,566	(18)	(0.3)	Rate Stabilization Fund Transfer	-	-	-	-
-	-	-	-	Interest Income	261	1,114	1,114	-
261	636	(375)	(58.9)	Total Revenues	112,842	263,177	256,885	(2.4)
112,842	112,716	126	0.1					
				OPERATION & MAINTENANCE EXPENSES:				
				Power Production Expenses:				
				Fuel Expenses:				
42,571	42,772	(201)	(0.5)	Retail & Purchased Power	42,571	100,995	99,806	(1.2)
615	1,143	(529)	(46.3)	Other Fuel Related Expense	615	3,375	3,375	-
15	100	(85)	(85.0)	Interchange	15	1,200	1,200	-
43,201	44,015	(814)	(1.9)	Total Fuel Expenses	43,201	105,570	104,381	(1.1)
				Steam Power Generation Expense	12,710	27,899	27,815	(0.3)
12,710	11,541	1,169	10.1	Nuclear Power Generation Expense	734	2,449	2,449	-
734	918	(184)	(20.0)	Other Power Generation Expense	1,293	93	93	-
1,293	343	950	277.3	System Control & Load Dispatching	570	1,154	1,154	-
570	546	24	4.3	Total Power Production Expenses	15,307	31,595	31,511	(0.3)
15,307	13,348	1,959	14.7					
				Transmission & Distribution Expenses:				
				Transmission Expenses	842	1,279	1,279	-
842	601	241	40.1	Distribution Expenses	4,601	10,250	10,250	-
4,601	4,729	(127)	(2.7)	Total Transmission & Distribution Expenses:	5,444	11,528	11,528	-
5,444	5,330	114	2.1					
				Administrative & General Expenses:				
				Customer Accounts & Sales Expense	2,124	6,048	6,048	-
2,124	2,402	(278)	(11.6)	Administrative & General Expense	10,047	20,651	20,651	-
10,047	8,580	1,467	17.1	Total Administrative & General Expenses:	12,171	26,699	26,699	-
12,171	10,982	1,189	10.8					
				Total Operating & Maintenance Expenses	76,122	175,392	174,120	(0.7)
76,122	73,675	2,447	3.3					

(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 SECOND QUARTER ENDED MARCH 31, 2013**

Page 2

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
				NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION				
36,801	39,655	(2,854)	(7.2)	Retail & Wholesale	36,801	88,784	83,766	(5.7)
(82)	(614)	533	86.7	Interchange	(82)	(1,000)	(1,000)	-
<hr/>					<hr/>			
36,719	39,040.499	(2,321)	(5.9)	TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION	36,719	87,784	82,766	(5.7)
<hr/>					<hr/>			
20,040	21,146	(1,107)	(5.2)	DEBT SERVICE	20,040	40,663	40,277	(0.9)
11,038	11,851	(813)	(6.9)	UPIF CONTRIBUTIONS	11,038	22,077	22,072	(0.0)
8,393	8,563	(169)	(2.0)	TRANSFER TO GENERAL FUND (Includes incentive)	8,393	20,144	20,144	-
7	4	3	75.5	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	7	359	359	-
-	4,250	(4,250)	(100.0)	WORKING CAPITAL	-	-	-	-
<hr/>					<hr/>			
(2,759)	(6,774)	4,015	59.3	NET INCOME/(DEFICIT)	(2,759)	4,541	(86)	(101.9)
<hr/>					<hr/>			

Water Revenue Fund Financial Performance Discussion

The decrease in FY13 General Customer revenue of 2.4% is despite an increase to the base rate for the Water System implemented as of October 1, 2012. While total kgal sales are down through the second quarter FY13 compared to FY12, the largest decrease is within irrigation revenue and likely reflects the increase of rainfall received in FY13 over FY12.

Utility Surcharge is down slightly and Other Revenues, which include connection fees, are down moderately 12.1% through second quarter FY13 compared to FY12.

Interest income for FY13, as compared to FY12, decreased in the Water Revenue Fund by 57.8%. 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.

Water Treatment expenses through the second quarter FY13, as compared to FY12 are up 4.1%. The difference reflects the slight increase in variable costs such as chemicals. Water Transmission & Distribution costs for FY13, as compared to FY12, decreased by 6.7% due to labor and non-labor expenditures shifting to capital projects versus O&M.

Customer Accounts and Sales expenses are up 79k through second quarter FY13 compared to FY12, the increase is due to Field Services adjusting allocation charges for its field service, meter reading and line locating services. Administrative and General expenses for second quarter FY13 are comparable to second quarter FY12.

Debt Service expenses through the second quarter in FY13 are comparable to the same period in 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 scheduled increases 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 \$494k for the current year, assuming expense levels stay on budget.

**GAINESVILLE REGIONAL UTILITIES
WATER REVENUE FUND
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
12,466	12,777	(311)	(2.4)	REVENUES:	12,466	26,497	26,212	(1.1)
793	787	6	0.8	General Customers	793	1,860	1,794	(3.6)
1,034	1,074	(39)	(3.6)	University of Florida	1,034	2,261	2,154	(4.7)
14,293	14,637	(344)	(2.4)	Utility Surcharge	14,293	30,619	30,160	(1.5)
1,083	1,231	(149)	(12.1)	Total Sales	1,083	3,080	3,156	2.5
-	-	-	-	Other Revenues	-	-	-	-
31	73	(42)	(57.8)	Rate Stabilization Fund Transfer	31	128	128	-
15,406	15,941	(535)	(3.4)	Interest Income	15,406	33,826	33,444	(1.1)
2,587	2,485	102	4.1	Total Revenues	15,406	33,826	33,444	(1.1)
1,107	1,187	(79)	(6.7)	OPERATION & MAINTENANCE EXPENSES:	2,587	5,848	5,848	-
605	526	79	15.0	Water Treatment Expense	1,107	2,505	2,505	-
2,111	2,055	56	2.7	Water Trans. & Dist. Expense	605	1,311	1,311	-
6,410	6,253	157	2.5	Customer Accounts & Sales Expense	2,111	4,992	4,992	-
8,996	9,689	(692)	(7.1)	Administrative & General Expenses	6,410	14,656	14,656	-
4,205	4,177	28	0.7	Total Operating & Maintenance Expenses	8,996	19,170	18,788	-
2,537	2,407	129	5.4	TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	4,205	8,192	8,342	1.8
2,427	2,140	287	13.4	DEBT SERVICE	2,537	5,056	5,116	1.2
-	-	-	-	UPIF CONTRIBUTIONS	2,427	5,824	5,824	-
(172)	964	(1,136)	(117.8)	TRANSFER TO GENERAL FUND	-	-	-	-
				WORKING CAPITAL	(172)	98	(494)	(603.9)
				NET INCOME/(DEFICIT)				

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

Wastewater Revenue Fund Financial Performance Discussion

Wastewater billings through the second quarter of FY13 increased by 3.8% 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 1.4% through second quarter FY13 compared to second quarter FY12.

Utility Surcharge is up slightly by 4.7% and Other Revenues, which include connection fees, are down slightly 4.6% in second quarter FY13 compared to FY12.

Interest income for FY13, as compared to FY12, decreased in the Wastewater Revenue Fund by 57.6%. 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.

Collection expenses through the second quarter FY13 increased by 12.5% over FY12. The expenses appear higher in comparison to FY12 due to the receipt of several reimbursements in FY12. Those receipts include FEMA reimbursement for Tropical Storm Faye and reimbursement for third-party water discharged into our wastewater collection system. Treatment expense for the second quarter FY13 is comparable to second quarter in FY12.

Customer Accounts and Sales expenses are down 34k through second quarter FY13 compared to FY12. The decrease is due to Field Services adjusting allocation charges for its field service, meter reading and line locating services. Administrative and General expense is down 7.2% for the second 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 through the second quarter in FY13 are only slightly higher as compared to the same period in 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 scheduled increases 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 \$956k for the current year, assuming expenses remain true to budget.

**GAINESVILLE REGIONAL UTILITIES
WASTEWATER REVENUE FUND
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)
16,512	15,900	612	3.8
1,251	1,194	57	4.7
830	870	(40)	(4.6)
-	-	-	-
56	132	(76)	(57.6)
18,649	18,097	552	3.1
1,255	1,115	139	12.5
2,337	2,370	(33)	(1.4)
469	503	(34)	(6.7)
2,243	2,417	(174)	(7.2)
6,304	6,405	(102)	(1.6)
12,345	11,691	654	5.6
5,130	4,967	163	3.3
3,097	2,762	335	12.1
3,238	2,601	636	24.5
-	-	-	-
881	1,361	(480)	(35.2)

	Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
REVENUES:				
Wastewater Billings	16,512	32,314	32,493	0.6
Surcharge	1,251	2,502	2,385	(4.7)
Other Revenues	830	3,032	3,524	16.2
Rate Stabilization Fund Transfer	-	-	-	-
Interest Income	56	224	224	-
Total Revenue	18,649	38,072	38,626	1.5
OPERATION & MAINTENANCE EXPENSES:				
Wastewater Collection Expense	1,255	2,890	2,890	-
Wastewater Treatment Expense	2,337	5,552	5,552	-
Customer Accounts & Sales Expense	469	1,015	1,015	-
Administrative & General Expenses	2,243	5,980	5,980	-
Total Operation & Maintenance Expenses	6,304	15,438	15,438	-
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	12,345	22,634	23,188	2.4
DEBT SERVICE	5,130	10,011	10,176	1.6
UPIF CONTRIBUTIONS	3,097	6,191	6,198	0.1
TRANSFER TO GENERAL FUND	3,238	7,770	7,770	-
WORKING CAPITAL	-	-	-	-
NET INCOME/(DEFICIT)	881	(1,338)	(956)	(28.5)

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

Gas Revenue Fund Financial Performance Discussion

Residential gas sales were slightly higher through the second quarter FY13 compared to FY12 by 4.0%. This is the result of more heating degree days in FY13 than FY12 thus far. Commercial gas sales are also up 5.7% comparable to this same period last fiscal year. Other Gas Sales and MGP include 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.

The Purchased Gas Adjustment varies, and is dependent on both usage and price.

Interest income for FY13, as compared to FY12, decreased in the Gas Revenue Fund by 57.2%. 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.

Operation and Maintenance expenses are on track for FY13 compared to same time last year. Operation expenses are projected to be in line with budget as well.

Customer Accounts and Sales Expenses are up \$136k compared to this time last year due to Field Services adjusting allocation charges for its field service, meter reading and line locating services. Overall, FY13 expenses are on track with budget. Administrative and General Expenses are down 7.5% due to modification of the Eastside Operations Center allocation to the Gas system to more accurately match the square footage space occupied by the Gas system. Expenses are projected to come in around FY13 budget.

Debt Service expenses through the second quarter in FY13 are slightly higher as compared to the same period in 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 scheduled increases 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 \$1.2m for the current year, assuming that expenses stay on budget.

**GAINESVILLE REGIONAL UTILITIES
GAS REVENUE FUND
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
3,916	3,765	151	4.0	REVENUES:				
2,276	2,153	123	5.7	Sales of Gas and Service:				
5,454	6,738	(1,285)	(19.1)	Residential	3,916	7,404	7,011	(5.3)
226	210	16	7.6	Commercial & Interruptible	2,276	4,019	3,666	(8.8)
614	573	41	7.2	Purchased Gas Adjustment	5,454	8,268	9,326	12.8
				Surcharge	226	418	396	(5.2)
				Other Gas Sales and MGP	614	1,234	1,034	(16.2)
12,486	13,439	(954)	(7.1)	Total Sales	12,486	21,343	21,433	0.4
				Miscellaneous Revenue:				
734	771	(38)	(4.9)	Other Revenue	734	1,845	1,878	1.8
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
56	132	(75)	(57.2)	Interest Income	56	213	213	-
13,276	14,343	(1,067)	(7.4)	Total Revenues	13,276	23,401	23,524	0.5
				OPERATION & MAINTENANCE EXPENSES:				
5,775	6,275	(500)	(8.0)	Fuel Expense - Purchased Gas	5,775	8,881	9,326	5.0
690	690	0	0.0	Operation & Maintenance Expenses	690	1,536	1,537	0.1
1,170	1,035	136	13.1	Customer Accounts & Sales Expense	1,170	2,350	2,351	0.1
914	988	(74)	(7.5)	Administrative & General Expense	914	2,073	2,073	-
8,549	8,988	(439)	(4.9)	Total Operation & Maintenance Expenses	8,549	14,839	15,287	3.0
				TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	4,727	8,562	8,238	(3.8)
4,727	5,355	(628)	(11.7)	DEBT SERVICE	2,284	4,495	4,535	0.9
2,284	2,124	160	7.5	UPIF CONTRIBUTIONS	1,224	2,466	2,404	(2.5)
1,224	1,606	(382)	(23.8)	TRANSFER TO GENERAL FUND	1,058	2,540	2,540	-
1,058	887	172	19.4	WORKING CAPITAL	-	-	-	-
-	750	(750)	(100.0)					
160	(12)	172	1,461.6	NET INCOME/(DEFICIT)	160	(939)	(1,241)	32.2

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

Telecommunications Revenue Fund Financial Performance Discussion

Telecommunication revenues decreased by 5.6% through the second quarter of FY13, as compared to the same period of FY12. Trunking Radio revenues decreased by 11.4% 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 through second quarter FY13 is down slightly by 2.3% compared to the same period in FY12. Internet Access revenues decreased only slightly by 1.6% compared to this same period in FY12.

Interest income for FY13, as compared to FY12, decreased in the Telecommunications Revenue Fund by 60.1%. 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.

GRUCom Operating Expenses are down 6.6% due to capital to O&M adjustments made in FY12. Systems periodically review Capital Work In Process to return preliminary capital work back to O&M when prospective customer expansion is delayed.

Administrative and General expenses for the Telecom system are lower than in FY12 due to a change in the GRUCom allocation at the Eastside Operations Center for FY12. Adjustments were made in the second half of FY12 causing a timing difference between FY13 and FY12 for the same time period. Expenses for the year are projected to come in around budget for FY13.

Debt Service expenses through the second quarter in FY13 are 1.7% lower than compared to the same period in 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 \$1.6m for the current year, assuming that expenses stay on budget.

**GAINESVILLE REGIONAL UTILITIES
TELECOMMUNICATIONS REVENUE FUND
UNAUDITED STATEMENT OF OPERATING INCOME
FOR SECOND QUARTER ENDED MARCH 31, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
				REVENUES:				
				Sales:				
2,766	2,930	(164)	(5.6)	Telecommunication	2,766	6,185	6,185	-
916	1,034	(118)	(11.4)	Trunking Radio	916	1,814	1,814	-
843	863	(20)	(2.3)	Tower Lease Rental	843	1,470	1,470	-
821	834	(13)	(1.6)	Internet Access	821	1,836	1,836	-
5,346	5,661	(316)	(5.6)	Total Sales	5,346	11,305	11,305	-
				Miscellaneous Revenue:				
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
-	-	-	-	Other Revenue	-	-	-	-
35	88	(53)	(60.1)	Interest Income	35	130	130	-
5,381	5,750	(369)	(6.4)	Total Revenues	5,381	11,436	11,436	-
				OPERATION & MAINTENANCE EXPENSES:				
1,605	1,718	(113)	(6.6)	Operation & Maintenance Expenses	1,605	4,211	4,211	-
94	88	6	7.4	Customer Accounts & Sales Expense	94	204	204	-
919	1,067	(148)	(13.9)	Administrative & General Expenses	919	2,184	2,184	-
2,618	2,872	(254)	(8.9)	Total Operating & Maintenance Expenses	2,618	6,599	6,599	-
				TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	2,763	4,837	4,837	-
2,763	2,878	(115)	(4.0)					
2,677	2,723	(46)	(1.7)	DEBT SERVICE	2,677	5,832	4,926	(15.5)
565	466	100	21.4	UPIF CONTRIBUTIONS	565	1,137	1,114	(2.0)
162	990	(829)	(83.7)	TRANSFER TO GENERAL FUND	162	388	388	-
-	-	-	-	WORKING CAPITAL	-	-	-	-
(641)	(1,302)	660	50.7	NET INCOME/(DEFICIT)	(641)	(2,520)	(1,591)	(36.9)

Balance Sheet – Combined Funds
As of March 31st, 2013

Total cash, investment and accounts receivable are reduced primarily due to a reduction in outstanding customer receivables and a normal fluctuation in cash balances. Customer Billing receipts were down due to reduced consumption.

The Debt Service fund reflects accumulation of approximately half of our annual debt service requirement to meet the annual bond principal payment on October 1st. In the Restricted Asset section, the construction fund balance is lower due to normal spend down of funds on capital projects.

Current Liabilities are down compared to year end due to the higher recognition of vendor invoices at that time of the year, accompanied by a reduction in outstanding payable due to normal fluctuations in payments to vendors.

Other Payables from Restricted Assets decreased, primarily due to the net affect of making our semi-annual debt interest payment, offset by the accrual of our FY13 semi-annual debt interest obligation due on April 1, 2013.

**GAINESVILLE REGIONAL UTILITIES
COMBINED FUNDS
BALANCE SHEET
MAR 31, 2013**

(000's)	Mar 31, 2013	Sep 30, 2012	\$ Difference	% Difference
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash, Investments & Accounts Receivable	58,713	77,088	(18,375)	-31.3%
Other Current Assets	46,250	40,689	5,561	12.0%
TOTAL CURRENT ASSETS	104,962	117,777	(12,815)	-12.2%
RESTRICTED ASSETS:				
Debt Service Fund	28,183	52,496	(24,313)	-86.3%
Rate Stabilization Fund	61,979	62,735	(756)	-1.2%
Construction Fund	75,916	106,705	(30,789)	-40.6%
Utility Plant Improvement Fund	44,543	39,096	5,447	12.2%
Other Restricted Assets	18,002	17,823	179	1.0%
TOTAL RESTRICTED ASSETS	228,624	278,855	(50,232)	-22.0%
NON-CURRENT ASSETS	29,618	28,813	805	2.7%
NET CAPITAL ASSETS	1,204,516	1,201,109	3,407	0.3%
TOTAL ASSETS	1,567,720	1,626,555	(58,834)	-3.8%
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES	32,152	45,609	(13,456)	-41.9%
PAYABLE FROM RESTRICTED ASSETS:				
Rate Stabilization Deferred Credit	61,767	61,767	(0)	0.0%
Other Payables From Restricted Assets	52,929	64,997	(12,068)	-22.8%
TOTAL PAYABLE FROM RESTRICTED ASSETS	114,695	126,763	(12,068)	-10.5%
LONG TERM-DEBT:				
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	(24,217)	(25,963)	1,747	-7.2%
TOTAL LONG-TERM DEBT	923,733	948,832	(25,098)	-2.7%
OTHER NON-CURRENT LIABILITIES	15,685	15,505	179	1.1%
TOTAL LIABILITIES	1,086,265	1,136,709	(50,443)	-4.6%
TOTAL NET ASSETS	481,455	489,846	(8,391)	-1.7%
TOTAL LIABILITIES AND NET ASSETS	1,567,720	1,626,555	(58,834)	-3.8%

This page is intentionally left blank

Supplemental Data

Gainesville Regional Utilities
ELECTRIC RESALE
FOR SECOND QUARTER ENDED MARCH 31, 2013

					Six Months That Ended March 31		
Month March							
This Year	Per KWh	Last Year	Per KWh	Change	This Year	Last Year	Change
589,409	0.0693	504,132	0.0585	85,278	Resale Revenue		
27,497	-	401,084	0.0714	(373,587)	Alachua	3,418,979	3,340,128
					Seminole	1,512,782	2,582,024
<u>616,906</u>	0.0725	<u>905,215</u>	0.0636	<u>(288,309)</u>	Total Resale Revenue	<u>4,931,761</u>	<u>5,922,153</u>
					Resale KWh		
8,505,606		8,610,797		(105,191)	Alachua	50,267,673	51,577,069
-		5,620,663		(5,620,663)	Seminole	18,180,608	34,370,943
<u>8,505,606</u>		<u>14,231,460</u>		<u>(5,725,854)</u>	Total Resale KWh	<u>68,448,281</u>	<u>85,948,012</u>

Gainesville Regional Utilities
ELECTRIC STATISTICS
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			Six Months That Ended March 31			
This Year	Last Year	Change		This Year	Last Year	Change
<u>92,063</u>	<u>91,994</u>	<u>69</u>	Total Customers	<u>91,980</u>	<u>91,654</u>	<u>326</u>
4,556	4,591	(35)	Street Lights Customers	4,556	4,591	(35)
31,713	31,687	26	Street Lights in Service	31,713	31,687	26
567.15	568.38	(1.23)	Miles of Overhead Distribution Line	567.15	568.38	(1.23)
846.60	845.69	0.91	Miles of Underground Distribution Line	846.60	845.69	0.91
<u>1,413.75</u>	<u>1,414.07</u>	<u>(0.32)</u>	Total Miles of Distribution Line	<u>1,413.75</u>	<u>1,414.07</u>	<u>(0.32)</u>
304	351	(47)	Maximum Peak Load Generated/Net (MW)	300	323	(23)
137,510	145,405	(7,895)	Net Energy for Load (MWh)	140,805	142,366	(1,561)
62.82	55.68	7.14	Load Factor - Percent	64.83	61.00	3.83
18	153	(135)	Cooling Degree DBFs - Actual Days	402	477	(75)
65	65	-	Cooling Degree DBFs - Normal Days	418	421	(3)
(47)	88	(135)	Difference from Normal	(16)	56	(72)
0.0510	0.0510	-	Fuel Adjustment	0.0510	0.0510	-

Gainesville Regional Utilities
WATER STATISTICS
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			Six Months That Ended March 31			
This Year	Last Year	Change		This Year	Last Year	Change
<u>69,353</u>	<u>69,061</u>	<u>292</u>	Total Customers	<u>69,342</u>	<u>68,796</u>	<u>546</u>
			Pumpage - Mega-gallons			
25,535	26,101	(566)	Raw Water - Max	25,835	29,500	(3,665)
18,947	18,424	523	Raw Water - Min	16,264	17,668	(1,404)
21,362	22,653	(1,291)	Raw Water - Avg	21,454	22,572	(1,118)
<u>662,229</u>	<u>702,250</u>	<u>(40,021)</u>	Total	<u>3,904,607</u>	<u>4,130,630</u>	<u>(226,023)</u>
24,233	24,975	(742)	Distribution System - Max	25,175	27,911	(2,736)
19,363	18,610	753	Distribution System - Min	16,760	18,323	(1,563)
21,156	21,646	(490)	Distribution System - Avg	21,195	21,664	(469)
<u>655,850</u>	<u>671,030</u>	<u>(15,181)</u>	Total	<u>3,857,416</u>	<u>3,964,452</u>	<u>(107,036)</u>
29.54	32.10	(2.56)	Maximum Daily Pumpage	31.87	33.52	(1.65)
26.16	26.64	(0.48)	Average Max. Daily Pumpage	26.43	26.70	(0.27)
18.55	10.07	8.48	Minimum Daily Pumpage	11.85	10.07	1.78
18.55	15.12	3.43	Average Min. Daily Pumpage	15.78	26.70	(10.91)
1,128.6	1,117.9	10.7	Miles of Potable Water Main	1,128.6	1,117.9	10.7
13.3	13.1	0.2	Miles of Potable Water Fire Mains	13.3	13.1	0.2
5,638	5,577	61	Fire Hydrants	5,638	5,577	61
0.98	3.36	(2.38)	Precipitation - Actual Inches	10.82	10.11	0.71
4.08	4.08	-	Precipitation - Normal Inches	17.75	17.81	(0.06)
(3.10)	(0.72)	(2.38)	Difference from Normal	(6.93)	(7.70)	0.77

Gainesville Regional Utilities
WASTEWATER STATISTICS
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March		
This Year	Last Year	Change
62,607	62,286	321
27.3	27.1	0.2
14,971	14,947	24
165	165	0
139.3	139.2	0.1
628.7	618.8	9.9
768.0	758.0	10.0

Total Customers

Miles of Reclaimed Water Mains
 Manholes
 Active Lift Stations

Miles of Main

Force Main
 Gravity Main

Total Miles of Main

Six Months That Ended March 31		
This Year	Last Year	Change
62,465	62,020	445
27.3	27.1	0.2
14,971	14,947	24
165	165	0
139.3	139.2	0.1
628.7	618.8	9.9
768.0	758.0	10.0

Gainesville Regional Utilities
GAS STATISTICS
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			Six Months That Ended March 31			
This Year	Last Year	Change		This Year	Last Year	Change
33,408	33,256	152	Total NG Customers	33,300	33,162	138
192	185	7	Total LP Gas Customers	189	185	4
748.30	740.97	7.33	Distribution Mains			
7.17	7.17	0.00	NG System	748.30	740.97	7.33
			LP System	7.17	7.17	0.00
755.47	748.14	7.33	Total Distribution Mains	755.47	748.14	7.33
280	21	259	Heating Degree DBFs - Actual Days	1,012	676	336
125	125	-	Heating Degree DBFs - Normal Days	1,105	1,111	(6)
155	(104)	259	Difference from Normal	(93)	(435)	342
56.3	69.0	(12.7)	Average Temperature	61.4	63.7	(2.3)
			FUEL ADJUSTMENTS			
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)
0.9300	1.6800	(0.7500)	LP PGA	1.1483	1.8983	(0.7500)
1.0150	1.0270	(0.0120)	Calorific Value	1.0217	1.0270	(0.0053)

Gainesville Regional Utilities
DEERHAVEN FUELS INVENTORIES
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			
This Year		Last Year	
BBLs	Value	BBLs	Value
67,787.00	2,623,968.23	67,795.30	2,624,543.90
67,787.00	2,623,968.23	67,795.30	2,624,543.90
GALS		GALS	
189,580.00	174,812.95	184,956.00	160,287.34
184,736.00	158,997.24	180,330.00	144,882.13
TONS		TONS	
336,661.26	29,278,958.37	200,029.90	16,464,838.57
315,294.91	27,265,230.96	233,815.34	19,605,446.18
%	Days	%	Days
65.18	26.31	65.19	26.32
65.18	26.31	65.19	26.32
22.04	26.65	21.51	25.99
21.48	25.96	20.97	25.33
	173.51		101.59
	162.26		119.38

Month March			
This Year	Last Year	Change	Percentage
38.7090	38.7128	(0.0038)	(0.01)
38.7090	38.7128	(0.0038)	(0.01)
0.9221	0.8666	0.0555	6.40
0.8607	0.8034	0.0572	7.13
86.9686	82.3119	4.6567	5.66
86.4753	83.8501	2.6252	3.13

	Quarter That Ended March 31			
	This Year		Last Year	
	BBLs	Value	BBLs	Value
#6 Oil (Bunker C) Inventory				
Beginning	67,787.00	2,623,968.23	67,795.30	2,624,543.90
Ending	67,787.00	2,623,968.23	67,795.30	2,624,543.90
#2 Oil (Diesel) Inventory				
Beginning	193,094.00	186,286.19	188,699.00	172,706.57
Ending	184,736.00	158,997.24	180,330.00	144,882.13
Coal Fuel Inventory				
Beginning	287,765.38	24,681,949.13	164,555.90	13,295,020.65
Ending	315,294.91	27,265,230.96	233,815.34	19,605,446.18
Oil Levels				
#6 Oil				
Beginning	65.18	26.31	65.19	26.32
Ending	65.18	26.31	65.19	26.32
#2 Oil				
Beginning	22.45	27.16	21.94	26.53
Ending	21.48	25.96	20.97	25.33
Coal				
Beginning		147.77		82.92
Ending		162.26		119.38

	Quarter That Ended March 31			
	This Year	Last Year	Change	Percentage
Bunker C (\$/BBL)				
Beginning	38.7090	38.7128	(0.0038)	(0.01)
Ending	38.7090	38.7128	(0.0038)	(0.01)
Diesel Fuel (\$/Gal)				
Beginning	0.9647	0.9152	0.0495	5.41
Ending	0.8607	0.8034	0.0572	7.13
Coal (\$/Ton)				
Beginning	85.7711	80.7933	4.9777	6.16
Ending	86.4753	83.8501	2.6252	3.13

Gainesville Regional Utilities
JR KELLY FUELS INVENTORIES
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			
This Year		Last Year	
BBLs	Value	BBLs	Value
8,493.00	339,466.27	8,493.00	339,466.27
8,493.00	339,466.27	8,493.00	339,466.27
GALS		GALS	
Value	Value	Value	Value
469,075.36	819,809.21	474,307.39	832,143.77
469,075.36	819,809.21	474,307.39	832,143.77
%	Days	%	Days
8.17	2.60	8.17	2.60
8.17	2.60	8.17	2.60
54.54	66.58	55.15	67.33
54.54	66.58	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	8,493.00	339,466.27
8,493.00	339,466.27	8,493.00	339,466.27
GALS		GALS	
Value	Value	Value	Value
469,246.37	820,212.37	474,307.39	832,143.77
469,075.36	819,809.21	474,307.39	832,143.77
%	Days	%	Days
8.17	2.60	8.17	2.60
8.17	2.60	8.17	2.60
54.56	66.61	55.15	67.33
54.54	66.58	55.15	67.33

Month March			
This Year	Last Year	Change	Percentage
39.9701	39.9701	-	-
39.9701	39.9701	-	-
1.7477	1.7544	(0.0067)	(0.38)
1.7477	1.7544	(0.0067)	(0.38)

Bunker C (\$/BBL)

Beginning
Ending

Diesel Fuel (\$/Gal)

Beginning
Ending

Quarter That Ended March 31			
This Year	Last Year	Change	Percentage
39.9701	39.9701	-	-
39.9701	39.9701	-	-
1.7479	1.7544	(0.0065)	(0.37)
1.7477	1.7544	(0.0067)	(0.38)

Gainesville Regional Utilities
GENERATION BY FUEL
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			Six Months That Ended March 31			
This Year	Last Year	Change		This Year	Last Year	Change
			Cost By Fuel (\$)			
3,426,840	3,072,507	354,333	Coal	4,872,482	9,315,463	(4,442,981)
1,046,467	2,092,674	(1,046,207)	Natural Gas	6,887,003	5,302,459	1,584,544
15,816	16,243	(428)	#2 Oil	27,692	28,663	(971)
-	-	-	#6 Oil	-	-	-
44,083	41,239	2,844	Nuclear (CR3)	130,887	54,398	76,489
160,391	143,004	17,386	Methane (MCLF)	488,085	432,631	55,454
380,602	272,992	107,610	Feed-In-Tariff	1,066,179	756,440	309,740
2,314,965	2,025,259	289,706	Purchased Power	6,764,077	5,954,083	809,994
<u>7,389,164</u>	<u>7,663,919</u>	<u>(274,754)</u>	Total	<u>20,236,405</u>	<u>21,844,137</u>	<u>(1,607,732)</u>
			Generation By Fuel (MWH)			
76,320	62,336	13,984	Coal	102,083	212,265	(110,182)
18,729	47,128	(28,399)	Natural Gas	174,160	98,937	75,223
43	49	(7)	#2 Oil	89	81	8
-	-	-	#6 Oil	-	-	-
8,574	9,128	(554)	Nuclear (CR3)	26,904	26,295	609
2,181	2,005	176	Methane (MCLF)	6,637	6,055	582
1,436	930	506	Feed-In-Tariff	3,991	2,572	1,419
30,227	24,139	6,088	Purchased Power	89,488	75,538	13,950
<u>137,510</u>	<u>145,715</u>	<u>(8,205)</u>	Total	<u>403,352</u>	<u>421,743</u>	<u>(18,391)</u>
			Average Fuel Cost per MWH (\$/MWH)			
44.90	49.29	25.34	Coal	47.73	43.89	40.32
55.88	44.40	36.84	Natural Gas	39.54	53.59	21.06
369.53	329.48	65.81	#2 Oil	311.15	355.18	(116.94)
-	-	-	#6 Oil	-	-	-
5.14	4.52	(5.14)	Nuclear (CR3)	4.86	2.07	125.56
73.54	71.32	98.79	Methane (MCLF)	73.54	71.45	95.28
264.95	293.44	212.60	Feed-In-Tariff	267.16	294.11	218.31
76.59	83.90	47.59	Purchased Power	75.59	78.82	58.06
<u>53.74</u>	<u>52.60</u>	<u>33.49</u>	Total	<u>50.17</u>	<u>51.79</u>	<u>87.42</u>

Gainesville Regional Utilities
GRUCOM STATISTICS
FOR FIRST QUARTER ENDED MARCH 31, 2013

Month March			Six Months That Ended March 31			
This Year	Last Year	Change		This Year	Last Year	Change
			Customers			
21	37	(16)	GRU Equipment Lease	22	37	(15)
241	239	2	GRU EtherLink	243	238	5
87	83	4	GRU Internet Access	88	81	7
2	2	0	GRU Backup Conduit	2	2	0
74	44	30	GRU Broadband Internet Access	61	46	15
66	62	4	GRU Colocation Lease	60	62	(2)
88	88	0	GRU DS0 Transport	89	89	0
74	78	(4)	GRU DS1 Transport	68	82	(14)
416	343	73	GRU DS1 Transport - Carrier	362	476	(114)
0	2	(2)	GRU DS3 Transport	2	2	0
52	79	(27)	GRU DS3 Transport - Carrier	76	78	(2)
38	34	4	GRU EtherLink Carrier	40	23	17
1	1	0	GRU Fiber Drivers	1	1	0
0	1	(1)	GRU OC3 Transport	1	2	(1)
4	4	0	GRU OC3 Transport Carrier	5	4	1
1	2	(1)	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
0	3	(3)	GRU Telephone Internet Access	3	3	0
7	10	(3)	GRU Telephone Line Leases	9	10	(1)
3	5	(2)	GRU Telephone Set Leases	4	5	(1)
163	167	(4)	GRU Tower Lease	170	168	2
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
17	19	(2)	GRU TRS Digital Radio	18	19	(1)
1	1	0	GRU Trunk Termination	1	1	0
407	512	(105)	Telecomm - GRUnet	433	553	(120)

Gainesville Regional Utilities

CLEAN AIR ALLOWANCES

CALENDAR YEAR 2013

SO₂ Allowances (tons)

	DH	JRK	GRU Total
Carryover	22,358	128	22,486
Annual Alloc.	8,400		8,400
Total Available	30,758	128	30,886
Used	171		171
Left Over	30,416	128	30,544

SO₂ Emissions (tons)

Quarter	B1	B2	CT3	DH Total	CC1	JRK Total	GRU Total
1	0.1	169.7	0.6	170.4	0.3	0.3	170.7
2							
3							
4							
Year	0.0	170.0	1.0	171.0	0.0	0.0	171.0

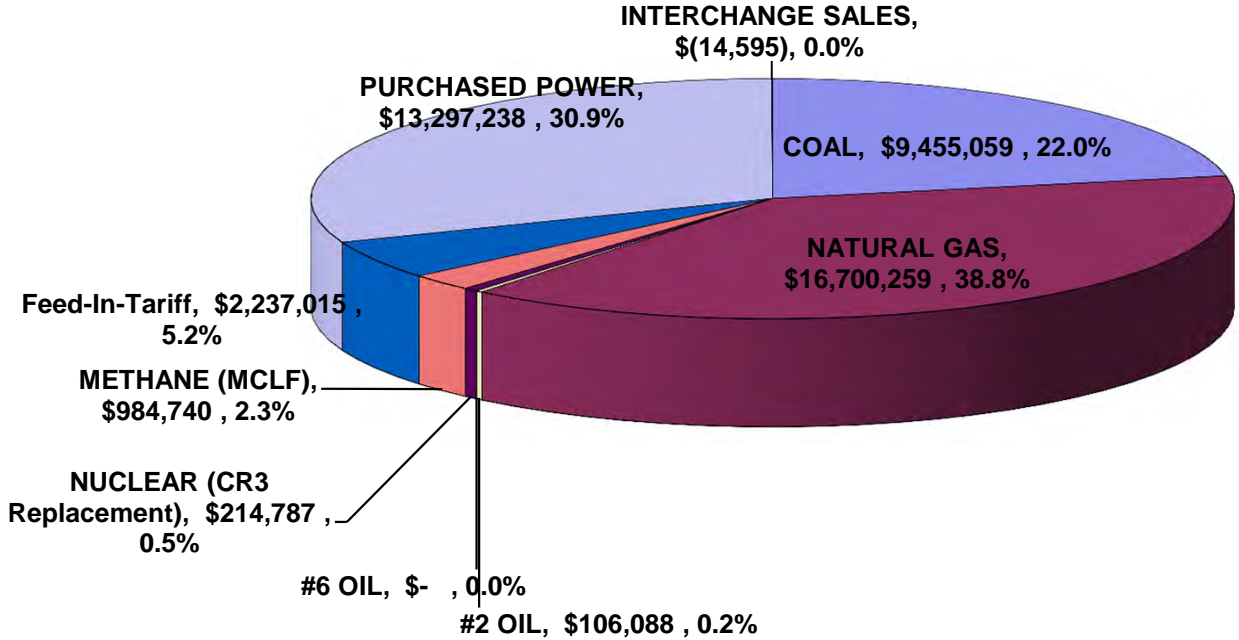
NO_x Allowances (tons)

	DH		JRK		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS
Purch/Trans	0	0	0	0	0	0
Annual Alloc.	1,194				1,194	0
Total Available	3,393	1,171	169	110	3,562	1,281
Used	103	0	13	0	116	0
Sold	0	0	0	0	0	0
Left Over	3,290	1,171	156	110	3,446	1,281

NO_x Emissions (tons)

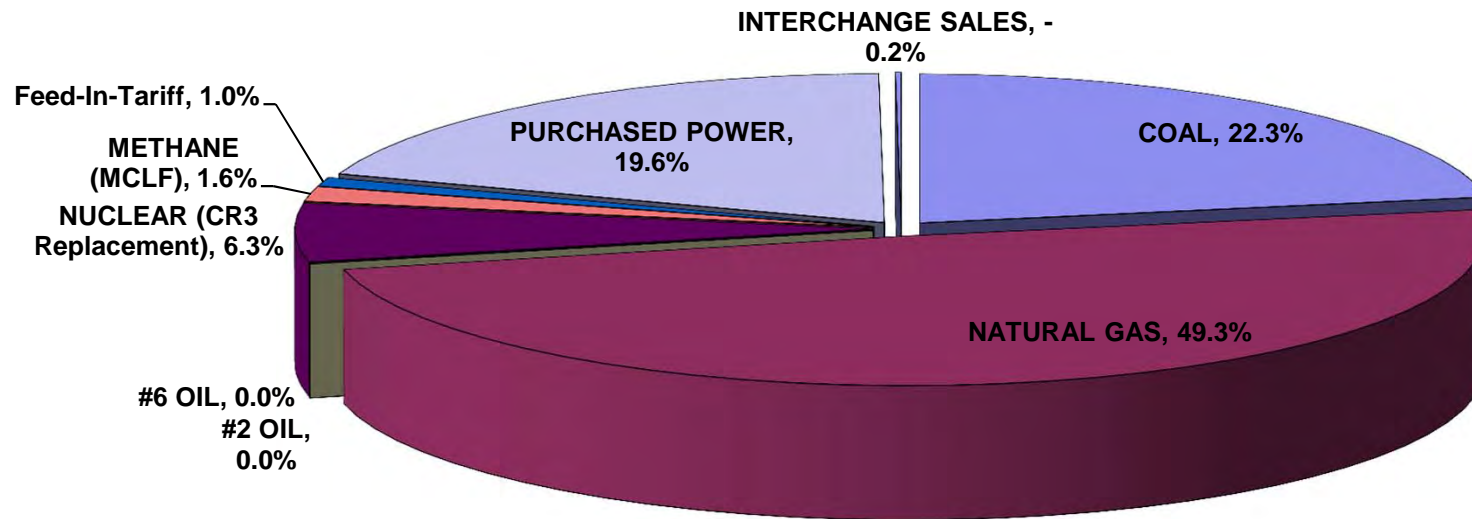
Quarter	B1		B2		CT3		DH Total		CC1		JRK Total		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS
1	33.5	0.0	68.5	0.0	0.5	0.0	102.5	0.0	12.7	0.0	12.7	0.0	115.2	0.0
2														
3														
4														
Year	33.5	0.0	68.5	0.0	0.5	0.0	102.5	0.0	12.7	0.0	12.7	0.0	115.2	0.0

**Total Cost & Percentage by Fuel Type
6 months ended Through March 2013**



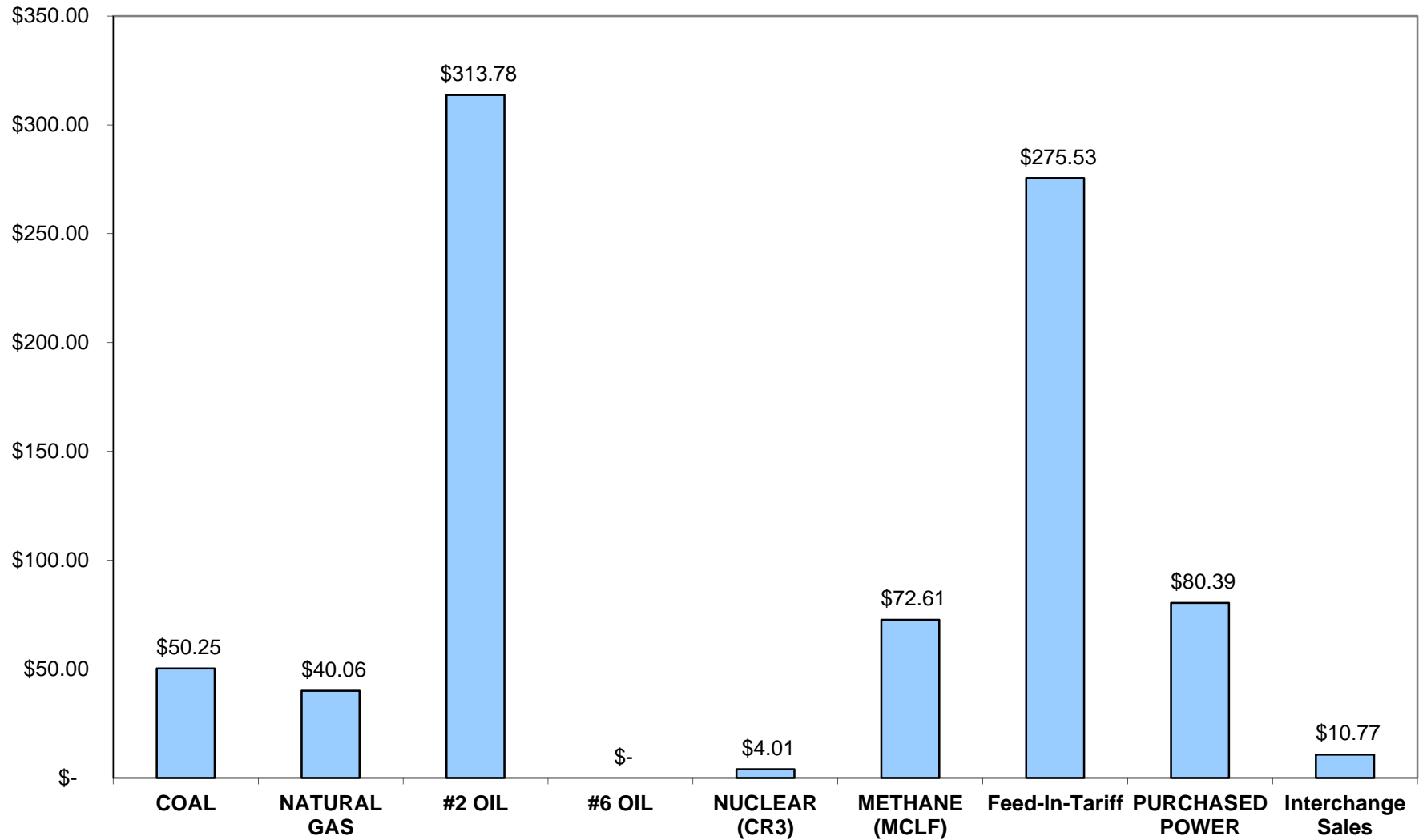
■ COAL	■ NATURAL GAS	□ #2 OIL
□ #6 OIL	■ NUCLEAR (CR3 Replacement)	■ METHANE (MCLF)

Sources of Electric Energy for Load by Fuel Type (MWh) FY2013- Through Mar 13



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

Total Fuel Cost per MWh by Fuel Type FY2013 - Through Mar 31, 2013



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.

This page is intentionally left blank