

# **Gainesville Regional Utilities**

## **Quarterly Financial Statements**

**1<sup>st</sup> Quarter Ended December 31<sup>st</sup>, 2013**



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**Gainesville Regional Utilities  
Quarterly Financial Statements  
Quarter Ended December 31<sup>st</sup>, 2013**

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# **Management Overview**

## **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. The systems are reported as a combined utility system for external financial reporting purposes.

We offer readers these abbreviated utility system unaudited financial statements for the quarter ended December 31<sup>st</sup>, 2013.

## **Basis of Accounting**

The unaudited statement of financial position and the unaudited statement of revenues, expenses, and changes in net position are presented on the accrual basis of accounting, utilizing Generally Accepted Accounting Principles (GAAP). Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred. In accordance with the Utilities System Revenue Bond Resolution as Supplemented and Amended (Bond Resolution), rates are designed to cover operating and maintenance expense, debt service and other uses, which exclude depreciation expense and other non-cash expense items. This method of reporting is presented in the unaudited schedules of net revenues in accordance with the bond resolution. The schedules of net revenues in accordance with the bond resolution also include the rate impact for the period presented.

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 with Discussion**

**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
SCHEDULES OF COMBINED NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
				<b>REVENUES:</b>				
29,405	30,336	(931)	(3.1)	Total Native Load Sales of Electricity	29,405	143,326	143,326	-
260	(94)	354	(375.8)	Interchange Sales	260	200	200	-
21,300	24,010	(2,710)	(11.3)	Fuel Adjustment	21,300	153,351	153,351	-
2,303	1,759	544	30.9	Other Revenues	2,303	6,172	6,172	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(7,380)	(7,380)	-
91	226	(135)	(59.8)	Interest Income - Electric	91	868	868	-
<b>53,359</b>	<b>56,238</b>	<b>(2,879)</b>	<b>(5.1)</b>	<b>Total Electric Revenues</b>	<b>53,359</b>	<b>296,537</b>	<b>296,537</b>	<b>-</b>
				<b>Total Water Revenues</b>				
7,646	7,333	313	4.3	Sales of Water	7,646	31,112	31,112	-
622	233	389	166.6	Other Water Revenues	622	3,315	3,315	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(605)	(605)	-
15	26	(11)	(41.8)	Interest Income - Water	15	93	93	-
<b>8,283</b>	<b>7,592</b>	<b>690</b>	<b>9.1</b>	<b>Total Water Revenues</b>	<b>8,283</b>	<b>33,915</b>	<b>33,915</b>	<b>-</b>
				<b>Total Wastewater Revenues</b>				
8,794	8,669	125	1.4	Wastewater Billings	8,794	35,485	35,485	-
579	140	439	314.4	Other Wastewater Revenues	579	4,404	4,404	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(1,512)	(1,512)	-
22	42	(20)	(47.9)	Interest Income - Wastewater	22	144	144	-
<b>9,395</b>	<b>8,851</b>	<b>544</b>	<b>6.1</b>	<b>Total Wastewater Revenues</b>	<b>9,395</b>	<b>38,521</b>	<b>38,521</b>	<b>-</b>
				<b>Total Gas Revenues</b>				
3,195	2,981	215	7.2	Sales of Gas and Service	3,195	12,638	12,638	-
2,739	2,169	570	26.3	Purchased Gas Adjustment	2,739	10,382	10,382	-
230	48	182	380.0	Other Gas Revenues	230	1,868	1,868	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(365)	(365)	-
18	48	(30)	(62.2)	Interest Income - Gas	18	155	155	-
<b>6,182</b>	<b>5,246</b>	<b>937</b>	<b>17.9</b>	<b>Total Gas Revenues</b>	<b>6,182</b>	<b>24,678</b>	<b>24,678</b>	<b>-</b>
				<b>Total GRUCom Revenues</b>				
3,114	2,825	289	10.2	Sales of GRUCom Services	3,114	11,381	11,381	-
-	-	-	-	Other GRUCom Revenues	-	-	-	-
-	-	-	-	Rate Stabilization Fund Transfer	-	952	952	-
10	32	(22)	(68.8)	Interest Income - GRUCom	10	94	94	-
<b>3,124</b>	<b>2,857</b>	<b>267</b>	<b>9.4</b>	<b>Total GRUCom Revenues</b>	<b>3,124</b>	<b>12,427</b>	<b>12,427</b>	<b>-</b>
<b>80,344</b>	<b>80,784</b>	<b>(440)</b>	<b>(0.5)</b>	<b>TOTAL REVENUES</b>	<b>80,344</b>	<b>406,078</b>	<b>406,078</b>	<b>-</b>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
				Electric Fund:				
				Fuel Expense:				
21,196	22,572	(1,376)	(6.1)	Retail and Purchased Power	21,196	153,351	153,351	-
104	9	95	1,077.3	Interchange	104	1,200	1,200	-
<b>21,300</b>	<b>22,581</b>	<b>(1,281)</b>	<b>(5.7)</b>	<b>Total Fuel Expenses</b>	<b>21,300</b>	<b>154,551</b>	<b>154,551</b>	<b>-</b>
				<b>Total Electric Fund Expenses</b>				
8,438	9,225	(787)	(8.5)	Operation & Maintenance Expense	8,438	41,636	41,636	-
6,677	6,695	(18)	(0.3)	Administrative & General Expense	6,677	23,173	23,173	-
<b>36,415</b>	<b>38,501</b>	<b>(2,087)</b>	<b>(5.4)</b>	<b>Total Electric Fund Expenses</b>	<b>36,415</b>	<b>219,360</b>	<b>219,360</b>	<b>-</b>

(Dollar Amounts in Thousands)



**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
SCHEDULES OF COMBINED NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

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This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
1,860	1,685	176	10.4	Water Fund:	1,860	8,869	8,869	-
1,353	1,132	221	19.5	Operation & Maintenance Expense	1,353	6,075	6,075	-
<b>3,213</b>	<b>2,817</b>	<b>397</b>	<b>14.1</b>	Administrative & General Expense	<b>3,213</b>	<b>14,944</b>	<b>14,944</b>	-
				<b>Total Water Fund Expenses</b>				
				Wastewater Fund:				-
1,790	1,708	83	4.9	Operation & Maintenance Expense	1,790	8,745	8,745	-
1,440	1,185	254	21.4	Administrative & General Expense	1,440	6,684	6,684	-
<b>3,230</b>	<b>2,893</b>	<b>337</b>	<b>11.7</b>	<b>Total Wastewater Fund Expenses</b>	<b>3,230</b>	<b>15,429</b>	<b>15,429</b>	-
				Gas Fund:				-
2,739	2,390	349	14.6	Fuel Expense - Purchased Gas	2,739	10,382	10,382	-
276	292	(16)	(5.5)	Operation & Maintenance Expense	276	1,494	1,494	-
965	938	27	2.9	Administrative & General Expense	965	3,791	3,791	-
<b>3,981</b>	<b>3,620</b>	<b>361</b>	<b>12.1</b>	<b>Total Gas Fund Expenses</b>	<b>3,981</b>	<b>15,667</b>	<b>15,667</b>	-
				GRUCom Fund:				-
877	731	146	20.0	Operation & Maintenance Expense	877	4,635	4,635	-
620	515	105	20.4	Administrative & General Expense	620	2,760	2,760	-
<b>1,497</b>	<b>1,246</b>	<b>251</b>	<b>20.1</b>	<b>Total GRUCom Fund Expenses</b>	<b>1,497</b>	<b>7,395</b>	<b>7,395</b>	-
<b>48,336</b>	<b>49,077</b>	<b>1,345</b>	<b>2.7</b>	<b>TOTAL EXPENSES</b>	<b>48,336</b>	<b>272,795</b>	<b>272,795</b>	-
				<b>NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:</b>				
16,788	17,840	(1,051)	(5.9)	Electric - Retail & Wholesale	16,788	78,177	78,177	-
156	(103)	259	(251.3)	Electric - Interchange	156	(1,000)	(1,000)	-
16,944	17,737	(792)	(4.5)	Total Electric Fund	16,944	77,177	77,177	-
5,069	4,775	294	6.2	Total Water Fund	5,069	18,971	18,971	-
6,165	5,958	207	3.5	Total Wastewater Fund	6,165	23,092	23,092	-
2,202	1,625	576	35.5	Total Gas Fund	2,202	9,011	9,011	-
1,628	1,611	16	1.0	Total GRUCom Fund	1,628	5,032	5,032	-
<b>32,008</b>	<b>31,707</b>	<b>301</b>	<b>1.0</b>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION</b>	<b>32,008</b>	<b>133,283</b>	<b>133,283</b>	-
				<b>LESS:</b>				
12,484	14,637	(2,153)	(14.7)	DEBT SERVICE	12,484	51,943	51,943	-
10,720	9,231	1,488	16.1	UPIF CONTRIBUTIONS	10,720	42,880	42,880	-
9,528	9,167	361	3.9	TRANSFER TO GENERAL FUND	9,528	38,101	38,101	-
-	2	(2)	(100.0)	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	-	359	359	-
<b>(724)</b>	<b>(1,331)</b>	<b>607</b>	<b>(45.6)</b>	<b>NET IMPACT TO RATE STABILIZATION</b>	<b>(724)</b>	<b>-</b>	<b>-</b>	-

(Dollar Amounts in Thousands)

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

Overall expenses have decreased 5.4% from the prior period which is in line with the revenue decrease of 5.1%.

Total electric sales revenues for the first quarter of FY14, exclusive of fuel adjustment, have decreased slightly by 1.9% from the first quarter of FY13. Residential sales and general service and large power sales decreased by 1.0% and 3.6%, respectively. This is mostly due to the mild October through December weather experienced in our service area over last year the same quarter.

Fuel adjustment revenue and retail and purchased power fuel expense have decreased by 11.3% and 6.1% respectively from the prior year results due to milder December weather. In addition, GRU paid only the variable cost of the newly online biomass plant in the first quarter of FY14 which was a less expensive fuel mix than experienced in FY13 during the same period. GRU began payment of the fixed portion of the Gainesville Renewable Energy Center (GREC) purchase power agreement in January 2014.

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 sales have improved although it is too early to project whether net gains will be greater than budgeted for the year. Interchange fuel expense has increased greatly due to improved sales. 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 of FY14 are 10.1% lower than the same period of FY13. This difference is related to the discontinuation of wholesale sales revenues from Seminole Electric. Other revenues in first quarter FY14 are 30.9% higher than sales in the same period of FY13. This difference is due to increased Southeast Energy Center (SEC) revenues.

Interest income decreased in the electric revenue fund by 59.8%. This is due primarily to overall lower cash and investment balances in restricted assets attributable to debt payments and capital project outlay.

**Electric Revenue Fund**  
**Financial Performance Discussion (continued)**

Steam power generation expenses are comparable to those at this time last year. Nuclear power generation expenses have decreased considerably as the Crystal River 3 (CR3) plant is now offline and GRU is no longer incurring monthly expenses associated with the plant. The plant was decommissioned as of 9/30/2013. Other power generation expenses decreased in FY14 as the Kelly Plant underwent significant repairs to the combustion turbine in the first quarter of FY13. System control and load dispatching cost increased due to additional staffing. Transmission costs are down 8.4% due to the timing of a lease payment on relay testing equipment not yet paid in 2014. Distribution expenses are down 16.0% due to the reduction of overtime labor charges and the reduction of tree trimming costs.

Debt service expenses for the first quarter in FY14 are 3.7% lower than compared to first quarter FY13. This is due to final payment of the 1992B, 2003B and 2003C bond series in FY 13.

**GAINESVILLE REGIONAL UTILITIES  
ELECTRIC REVENUE FUND  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
11,182	11,291	(109)	(1.0)	<b>REVENUES:</b>	11,182	54,906	54,906	-
15,753	16,346	(593)	(3.6)	Residential Sales	15,753	70,394	70,394	-
260	(94)	354	(375.8)	General Service and Large Power Sales	260	200	200	-
725	758	(34)	(4.4)	Interchange Sales	725	3,736	3,736	-
1,745	1,942	(196)	(10.1)	Utility Surcharge	1,745	14,290	14,290	-
<b>29,665</b>	<b>30,242</b>	<b>(577)</b>	<b>(1.9)</b>	Other Electric Sales	<b>29,665</b>	<b>143,526</b>	<b>143,526</b>	-
				<b>Total Sales of Electricity prior to Fuel Adjustment</b>				
21,300	24,010	(2,710)	(11.3)	Fuel Adjustment	21,300	153,351	153,351	-
<b>50,965</b>	<b>54,253</b>	<b>(3,287)</b>	<b>(6.1)</b>	<b>Total Sales of Electricity</b>	<b>50,965</b>	<b>296,877</b>	<b>296,877</b>	-
2,303	1,759	544	30.9	Other Revenues	2,303	6,172	6,172	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(7,380)	(7,380)	-
91	226	(135)	(59.8)	Interest Income	91	868	868	-
<b>53,359</b>	<b>56,238</b>	<b>(2,879)</b>	<b>(5.1)</b>	<b>Total Revenues</b>	<b>53,359</b>	<b>296,537</b>	<b>296,537</b>	-
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
21,196	22,572	(1,376)	(6.1)	Power Production Expenses:				
104	9	95	1,077.3	Fuel Expenses:				
<b>21,300</b>	<b>22,581</b>	<b>(1,281)</b>	<b>(5.7)</b>	Retail and Purchased Power	21,196	153,351	153,351	-
				Interchange	104	1,200	1,200	-
5,679	5,653	26	0.5	<b>Total Fuel Expenses</b>	<b>21,300</b>	<b>154,551</b>	<b>154,551</b>	-
4	373	(369)	(99.0)	Steam Power Generation Expense	5,679	27,152	27,152	-
76	159	(83)	(52.4)	Nuclear Power Generation Expense	4	1,369	1,369	-
299	242	57	23.7	Other Power Generation Expense	76	256	256	-
<b>6,057</b>	<b>6,426</b>	<b>(369)</b>	<b>(5.7)</b>	System Control & Load Dispatching	299	1,116	1,116	-
				<b>Total Power Production Expenses</b>	<b>6,057</b>	<b>29,893</b>	<b>29,893</b>	-
358	391	(33)	(8.4)	Transmission & Distribution Expenses:				
2,023	2,408	(386)	(16.0)	Transmission Expenses	358	2,126	2,126	-
<b>2,381</b>	<b>2,799</b>	<b>(418)</b>	<b>(14.9)</b>	Distribution Expenses	2,023	9,617	9,617	-
				<b>Total Transmission &amp; Distribution Expenses:</b>	<b>2,381</b>	<b>11,743</b>	<b>11,743</b>	-
923	956	(33)	(3.4)	Administrative & General Expenses:				
5,754	5,739	15	0.3	Customer Accounts & Sales Expense	923	3,977	3,977	-
<b>6,677</b>	<b>6,695</b>	<b>(18)</b>	<b>(0.3)</b>	Administrative & General Expense	5,754	19,196	19,196	-
				<b>Total Administrative &amp; General Expenses:</b>	<b>6,677</b>	<b>23,173</b>	<b>23,173</b>	-
<b>36,415</b>	<b>38,501</b>	<b>(2,087)</b>	<b>(5.4)</b>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<b>36,415</b>	<b>219,360</b>	<b>219,360</b>	-

(Dollar Amounts in Thousands)

(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  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

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This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
<b>16,944</b>	<b>17,737</b>	<b>(792)</b>	<b>(4.5)</b>	<b>TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>16,944</b>	<b>77,177</b>	<b>77,177</b>	<b>-</b>
				<b>LESS:</b>				
8,197	8,516	(319)	(3.7)	DEBT SERVICE	8,197	30,740	30,740	-
6,196	5,519	677	12.3	UPIF CONTRIBUTIONS	6,196	24,785	24,785	-
5,324	5,036	288	5.7	TRANSFER TO GENERAL FUND	5,324	21,293	21,293	-
-	2	(2)	(100.0)	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	-	359	359	-
<b>(2,773)</b>	<b>(1,336)</b>	<b>(1,437)</b>	<b>107.5</b>	<b>NET IMPACT TO RATE STABILIZATION</b>	<b>(2,773)</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Dollar Amounts in Thousands)

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

Overall expenses have increased by 14.1% compared to the prior year and revenues increased by 9.1%.

The water system implemented a 4.1% increase in rates for FY14 to offset declining sales which is reflective in the 4.0% overall increase in revenues.

Utility surcharge is up as well mirroring the increase in overall revenues. Other revenues, which include connection fees, are up significantly in first quarter FY14 compared to FY13.

Interest income decreased in the water revenue fund by 41.8%. This is due primarily to overall lower cash and investment balances in restricted assets attributable to debt payments and capital project outlay.

Water treatment expense increased by 7.2%. This is due to several factors including the need for a new vacuum filter for sludge disposal, timing differences in billings for softening agents and the need to maintain adequate inventory for sterilizing agents. Water transmission & distribution costs increased by 18.3% due primarily to a reclassification of capital projects to O&M.

Customer accounts and sales expenses increased by 15.5%. The 20.7% increase in FY14 administrative and general expense is due to a timing difference related to allocations for fleet operation costs. .

Debt service expenses for the first quarter of FY14 are 35.6% lower than the first quarter of FY13. This is due to final payment of the 1992B, 2003B and 2003C bond series in FY 13

**GAINESVILLE REGIONAL UTILITIES  
WATER REVENUE FUND  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
6,632	6,379	253	4.0	<b>REVENUES:</b>	6,632	27,026	27,026	-
447	425	22	5.2	General Customers	447	1,860	1,860	-
566	529	38	7.1	University of Florida	566	2,226	2,226	-
<b>7,646</b>	<b>7,333</b>	<b>313</b>	<b>4.3</b>	Utility Surcharge	<b>7,646</b>	<b>31,112</b>	<b>31,112</b>	-
				<b>Total Sales</b>				
622	233	389	166.6	Other Revenues	622	3,315	3,315	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(605)	(605)	-
15	26	(11)	(41.8)	Interest Income	15	93	93	-
<b>8,283</b>	<b>7,592</b>	<b>690</b>	<b>9.1</b>	<b>Total Revenues</b>	<b>8,283</b>	<b>33,915</b>	<b>33,915</b>	-
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
1,285	1,199	87	7.2	Water Treatment Expense	1,285	6,359	6,359	-
575	486	89	18.3	Water Trans. & Dist. Expense	575	2,510	2,510	-
302	261	41	15.5	Customer Accounts & Sales Expense	302	1,474	1,474	-
1,051	871	180	20.7	Administrative & General Expenses	1,051	4,601	4,601	-
<b>3,213</b>	<b>2,817</b>	<b>397</b>	<b>14.1</b>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<b>3,213</b>	<b>14,944</b>	<b>14,944</b>	-
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>5,069</b>	<b>18,971</b>	<b>18,971</b>	
<b>5,069</b>	<b>4,775</b>	<b>294</b>	<b>6.2</b>	<b>LESS:</b>				
1,086	1,687	(600)	(35.6)	DEBT SERVICE	1,086	6,121	6,121	-
1,609	1,264	345	27.3	UPIF CONTRIBUTIONS	1,609	6,435	6,435	-
1,604	1,456	148	10.2	TRANSFER TO GENERAL FUND	1,604	6,415	6,415	-
<b>770</b>	<b>368</b>	<b>402</b>	<b>109.0</b>	<b>NET IMPACT TO RATE STABILIZATION</b>	<b>770</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Dollar Amounts in Thousands)

(1) Other Revenue - Connection fees and miscellaneous.

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

Overall expenses have increased by 11.7% compared to the prior year and the revenues have increased by 6.1%.

Wastewater rates were increased 1.7% for FY14 and is reflected in the increase in revenues for the first quarter of FY14.

Utility surcharge is up slightly and other revenues, which include connection fees, are up significantly in first quarter FY14 compared to FY13.

Interest income decreased in the wastewater revenue fund by 47.9%. This is due primarily to overall lower cash and investment balances in restricted assets attributable to debt payments and capital project outlay.

Wastewater collection expense is up 25.5%. This increase was necessary to properly maintain odor control issues present at some lift stations and also the fulfillment of several critical labor vacancies. Wastewater treatment expense is lower by 5.1%. The slight decrease is due to timing differences of variable chemical costs.

Administrative and general expenses are up 24.2%. This is mainly due to a timing difference related to allocations for fleet operation costs.

Debt service expenses for the first quarter of FY14 are 35.5% lower than the first quarter of FY13. This is due to final payment of the 1992B, 2003B and 2003C bond series in FY 13.



**GAINESVILLE REGIONAL UTILITIES  
WASTEWATER REVENUE FUND  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION-UNAUDITED  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
8,163	8,066	97	1.2	<b>REVENUES:</b>	8,163	33,068	33,068	-
631	604	28	4.6	Wastewater Billings	631	2,417	2,417	-
579	140	439	314.4	Surcharge	579	4,404	4,404	-
-	-	-	-	Other Revenues	-	(1,512)	(1,512)	-
22	42	(20)	(47.9)	Rate Stabilization Fund Transfer	22	144	144	-
<b>9,395</b>	<b>8,851</b>	<b>544</b>	<b>6.1</b>	Interest Income	<b>9,395</b>	<b>38,521</b>	<b>38,521</b>	-
				<b>Total Revenue</b>				
699	557	142	25.5	<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>	699	3,164	3,164	-
1,092	1,151	(59)	(5.1)	Wastewater Collection Expense	1,092	5,581	5,581	-
257	233	24	10.2	Wastewater Treatment Expense	257	1,150	1,150	-
1,183	952	230	24.2	Customer Accounts & Sales Expense	1,183	5,534	5,534	-
<b>3,230</b>	<b>2,893</b>	<b>337</b>	<b>11.7</b>	Administrative & General Expenses	<b>3,230</b>	<b>15,429</b>	<b>15,429</b>	-
				<b>Total Operation, Maintenance and Administrative Expenses</b>				
<b>6,165</b>	<b>5,958</b>	<b>207</b>	<b>3.5</b>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>6,165</b>	<b>23,092</b>	<b>23,092</b>	-
1,371	2,125	(754)	(35.5)	<b>LESS:</b>	1,371	7,505	7,505	-
2,008	1,548	460	29.7	DEBT SERVICE	2,008	8,033	8,033	-
1,889	1,943	(54)	(2.8)	UPIF CONTRIBUTIONS	1,889	7,554	7,554	-
<b>897</b>	<b>343</b>	<b>554</b>	<b>161.4</b>	TRANSFER TO GENERAL FUND	<b>897</b>	-	-	-
				<b>NET IMPACT TO RATE STABILIZATION</b>				

(Dollar Amounts in Thousands)

(1) Other Revenue - Connection fees and miscellaneous.

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

Overall expenses have increased by 10.0% compared to the prior year and the revenues have increased by 17.9%.

Residential gas sales were 5.6% lower for first quarter FY14 compared to the same period of FY13. This is the result of less heating degree days in FY14 than FY13 thus far. Commercial gas sales are 2.2% higher than the same quarter last 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 due to a timing difference in recording MGP recovery in FY13.

Purchased gas adjustment projections are based on projected sales, and increase or decrease proportionately.

Interest income decreased in the gas revenue fund by 62.2%. This is due primarily to overall lower cash and investment balances in restricted assets attributable to debt payments and capital project outlay.

Administrative and general expenses are up 15.6% due to higher spending on software maintenance fees and risk management claims over last year.

Debt service expenses for the first quarter of FY14 are 20.4% lower than the first quarter of FY13. This is due to final payment of the 1992B, 2003B and 2003C bond series in FY13.

**GAINESVILLE REGIONAL UTILITIES  
GAS REVENUE FUND  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
				<b>REVENUES:</b>				
				Sales of Gas and Service:				
1,498	1,586	(88)	(5.6)	Residential	1,498	7,581	7,581	-
1,082	1,058	24	2.2	Commercial & Interruptible	1,082	3,477	3,477	-
2,739	2,169	570	26.3	Purchased Gas Adjustment	2,739	10,382	10,382	-
87	91	(4)	(4.0)	Surcharge	87	422	422	-
528	245	283	115.8	Other Gas Sales and MGP	528	1,158	1,158	-
<b>5,934</b>	<b>5,150</b>	<b>784</b>	<b>15.2</b>	<b>Total Sales</b>	<b>5,934</b>	<b>23,020</b>	<b>23,020</b>	<b>-</b>
				Miscellaneous Revenue:				
230	48	182	380.0	Other Revenue	230	1,868	1,868	-
-	-	-	-	Rate Stabilization Fund Transfer	-	(365)	(365)	-
18	48	(30)	(62.2)	Interest Income	18	155	155	-
<b>6,182</b>	<b>5,246</b>	<b>937</b>	<b>17.9</b>	<b>Total Revenues</b>	<b>6,182</b>	<b>24,678</b>	<b>24,678</b>	<b>-</b>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
2,739	2,390	349	14.6	Fuel Expense - Purchased Gas	2,739	10,382	10,382	-
276	292	(16)	(5.5)	Operation & Maintenance Expenses	276	1,494	1,494	-
444	487	(43)	(8.9)	Customer Accounts & Sales Expense	444	1,839	1,839	-
521	451	70	15.6	Administrative & General Expense	521	1,952	1,952	-
<b>3,981</b>	<b>3,620</b>	<b>361</b>	<b>10.0</b>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<b>3,981</b>	<b>15,667</b>	<b>15,667</b>	<b>-</b>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>2,202</b>	<b>9,011</b>	<b>9,011</b>	<b>-</b>
				<b>LESS:</b>				
805	1,012	(207)	(20.4)	DEBT SERVICE	805	3,778	3,778	-
698	617	81	13.2	UPIF CONTRIBUTIONS	698	2,793	2,793	-
611	635	(24)	(3.8)	TRANSFER TO GENERAL FUND	611	2,440	2,440	-
<b>88</b>	<b>(638)</b>	<b>725</b>	<b>(113.7)</b>	<b>NET IMPACT TO RATE STABILIZATION</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Dollar Amounts in Thousands)

(1) Other Revenue - Connection fees and miscellaneous.

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

Overall expenses have increased by 20.1% compared to the prior year and the revenues have increased by 9.4%.

Revenues increased primarily in the tower lease revenues.

Interest income decreased in the GRUCom revenue fund by 68.8% This is due primarily to overall lower cash and investment balances in restricted assets attributable to debt payments and capital project outlay.

Administrative and general expenses for the system are higher than in FY13 due to a change in the GRUCom allocation in IT and customer service cost centers. The FY14 allocation was revised to better align utilization of IT and customer service resources.

Debt service expenses for the first quarter of FY14 are 21.0% lower than the first quarter of FY13. This is due to final payment of the 1992B, 2003B and 2003C bond series in FY13.

**GAINESVILLE REGIONAL UTILITIES  
TELECOMMUNICATIONS REVENUE FUND  
SCHEDULES OF NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION  
FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Last Year	Change	Change (%)		Year to Date	FY 14 Budget	FY 14 Projected	Change (%)
				<b>REVENUES:</b>				
				Sales:				
1,251	1,539	(288)	(18.7)	Telecommunication	1,251	6,078	6,078	-
477	457	20	4.4	Trunking Radio	477	1,841	1,841	-
912	420	492	117.1	Tower Lease Rental	912	1,505	1,505	-
474	409	65	16.0	Internet Access	474	1,957	1,957	-
<b>3,114</b>	<b>2,825</b>	<b>289</b>	<b>10.2</b>	<b>Total Sales</b>	<b>3,114</b>	<b>11,381</b>	<b>11,381</b>	<b>-</b>
				Miscellaneous Revenue:				
-	-	-	-	Rate Stabilization Fund Transfer	-	952	952	-
-	-	-	-	Other Revenue	-	-	-	-
10	32	(22)	(68.8)	Interest Income	10	94	94	-
<b>3,124</b>	<b>2,857</b>	<b>267</b>	<b>9.4</b>	<b>Total Revenues</b>	<b>3,124</b>	<b>12,427</b>	<b>12,427</b>	<b>-</b>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
877	731	146	20.0	Operation & Maintenance Expenses	877	4,635	4,635	-
62	46	16	34.4	Customer Accounts & Sales Expense	62	390	390	-
558	469	89	19.0	Administrative & General Expenses	558	2,370	2,370	-
<b>1,497</b>	<b>1,246</b>	<b>251</b>	<b>20.1</b>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<b>1,497</b>	<b>7,395</b>	<b>7,395</b>	<b>-</b>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>1,628</b>	<b>5,032</b>	<b>5,032</b>	<b>-</b>
				<b>LESS:</b>				
1,025	1,298	(273)	(21.0)	DEBT SERVICE	1,025	3,799	3,799	-
208	284	(76)	(26.6)	UPIF CONTRIBUTIONS	208	834	834	-
100	97	3	3.1	TRANSFER TO GENERAL FUND	100	399	399	-
<b>294</b>	<b>(69)</b>	<b>363</b>	<b>(527.3)</b>	<b>NET IMPACT TO RATE STABILIZATION</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Dollar Amounts in Thousands)

(1) Other Revenue - Connection fees and miscellaneous.

**Statement of Financial Position – Combined Funds  
As of December 31, 2013**

Overall, the reduction in total assets is driven by a decrease in the debt service fund and the construction fund. Both the debt service fund and construction fund decreased due to the normal scheduled semi-annual principal and interest payments made as due in October 2013 and normal capital outlay, respectively.

Non-current assets decreased due to the fuel adjustment for the electric system.

Current liabilities decreased due to normal fluctuations in payments to vendors, including fuel related payments.

Other payables decreased primarily due to the effect of making our semi-annual debt interest payment on October 1 in addition to the reclassification of short term debt to long term due to the reacquisition of liquidity facilities. In conjunction with the decrease in short term debt, long term utilities system revenue bonds increased accordingly.

Overall, the utility's net position remained relatively stable.

**GAINESVILLE REGIONAL UTILITIES  
COMBINED FUNDS  
STATEMENT OF FINANCIAL POSITION - UNAUDITED  
DECEMBER 31, 2013**

<u>ASSETS</u>	<u>Dec 31, 2013</u>	<u>Sep 30, 2013</u>	<u>\$ Difference</u>	<u>% Difference</u>
<b>CURRENT ASSETS:</b>				
Cash, Investments & Accounts Receivable	98,627	94,129	4,498	4.6%
Other Current Assets	23,290	26,646	(3,356)	-14.4%
<b>TOTAL CURRENT ASSETS</b>	<b>121,917</b>	<b>120,775</b>	<b>1,141</b>	<b>0.9%</b>
<b>RESTRICTED ASSETS:</b>				
Debt Service Fund	12,190	45,852	(33,662)	-276.1%
Rate Stabilization Fund	56,568	56,155	413	0.7%
Construction Fund	40,228	53,605	(13,377)	-33.3%
Utility Plant Improvement Fund	53,017	49,244	3,773	7.1%
Other Restricted Assets	20,671	20,580	91	0.4%
<b>TOTAL RESTRICTED ASSETS</b>	<b>182,674</b>	<b>225,436</b>	<b>(42,762)</b>	<b>-23.4%</b>
<b>NON-CURRENT ASSETS</b>	<b>25,628</b>	<b>30,298</b>	<b>(4,670)</b>	<b>-18.2%</b>
<b>NET CAPITAL ASSETS</b>	<b>1,205,124</b>	<b>1,207,643</b>	<b>(2,519)</b>	<b>-0.2%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>39,943</b>	<b>39,943</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL ASSETS</b>	<b>1,575,286</b>	<b>1,624,095</b>	<b>(48,809)</b>	<b>-3.1%</b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>	<b>37,927</b>	<b>41,596</b>	<b>(3,669)</b>	<b>-9.7%</b>
<b>PAYABLE FROM RESTRICTED ASSETS:</b>				
Rate Stabilization Deferred Credit	56,400	56,400	0	0.0%
Other Payables From Restricted Assets	38,450	153,422	(114,972)	-299.0%
<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<b>94,850</b>	<b>209,822</b>	<b>(114,972)</b>	<b>-121.2%</b>
<b>LONG TERM-DEBT:</b>				
Utilities System Revenue Bonds				
Payable-Senior Lien Debt	864,470	795,950	68,520	7.9%
Commercial Paper Notes Payable	62,000	62,000	0	0.0%
Unamortized Bond Financing Costs	(21,820)	(22,470)	651	-3.0%
Fair Value of Derivative Instruments	43,750	43,750	(0)	0.0%
<b>TOTAL LONG-TERM DEBT</b>	<b>948,400</b>	<b>879,230</b>	<b>69,171</b>	<b>7.3%</b>
<b>OTHER NON-CURRENT LIABILITIES</b>	<b>15,693</b>	<b>15,603</b>	<b>90</b>	<b>0.6%</b>
<b>TOTAL LIABILITIES</b>	<b>1,096,870</b>	<b>1,146,251</b>	<b>(49,381)</b>	<b>-4.5%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>0.0%</b>
<b>NET POSITION</b>	<b>478,387</b>	<b>477,815</b>	<b>572</b>	<b>0.1%</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,575,286</b>	<b>1,624,095</b>	<b>(48,809)</b>	<b>-3.1%</b>

(Dollar Amount in Thousands)

**GAINESVILLE REGIONAL UTILITIES  
COMBINED FUNDS  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - UNAUDITED  
FOR THE PERIODS ENDED DECEMBER 31 AND SEPTEMBER 30, 2013**

	<b>Quarter Ending Dec 31, 2013</b>	<b>Fiscal Year Ending Sep 30, 2013</b>
<b>OPERATING REVENUE:</b>		
Sales and service charges	\$ 76,391,478	\$ 325,905,629
Transfers from (to) rate stabilization	-	5,366,661
Other operating revenue	3,793,101	17,503,963
<b>TOTAL OPERATING REVENUE</b>	<b>80,184,579</b>	<b>348,776,253</b>
<b>OPERATING EXPENSES:</b>		
Operation and maintenance	37,643,455	168,406,263
Administrative and general	10,704,144	46,059,743
Depreciation and amortization	14,836,610	59,135,363
<b>TOTAL OPERATING EXPENSES</b>	<b>63,184,209</b>	<b>273,601,369</b>
<b>OPERATING INCOME</b>	<b>17,000,370</b>	<b>75,174,884</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>		
Interest income	159,814	2,117,935
Interest expense, net of AFUDC	(7,059,524)	(41,028,880)
Other interest related income, BABs	-	5,515,262
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>(6,899,710)</b>	<b>(33,395,683)</b>
<b>INCOME BEFORE CONTRIBUTIONS, TRANSFERS AND SPECIAL ITEMS</b>	<b>10,100,660</b>	<b>41,779,201</b>
<b>CAPITAL CONTRIBUTIONS:</b>		
Contributions from developers	-	639,381
<b>NET CAPITAL CONTRIBUTIONS</b>	<b>-</b>	<b>639,381</b>
<b>OPERATING TRANSFER TO CITY OF GAINESVILLE GENERAL FUND</b>	<b>(9,528,288)</b>	<b>(36,656,458)</b>
<b>CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM</b>	<b>572,372</b>	<b>5,762,124</b>
<b>EXTRAORDINARY ITEM: LOSS ON DISPOSAL OF PLANT ASSETS</b>	<b>-</b>	<b>(17,891,152)</b>
<b>CHANGE IN NET POSITION</b>	<b>572,372</b>	<b>(12,129,028)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>477,815,181</b>	<b>489,944,209</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 478,387,553</b>	<b>\$ 477,815,181</b>



# **Supplemental Data**

**Gainesville Regional Utilities**  
**ELECTRIC RESALE**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

This Year	Per KWh	Month December		Change		Three Months That Ended December 31		
		Last Year	Per KWh			This Year	Last Year	Change
530,835	0.0670	540,755	0.0670	(9,920)	Resale Revenue			
-		367,606	0.0654	(367,606)	Alachua	1,830,322	1,782,995	47,327
					Seminole	-	1,231,454	(1,231,454)
<u>530,835</u>	0.0670	<u>908,361</u>	0.0664	<u>(377,526)</u>	<b>Total Resale Revenue</b>	<u>1,830,322</u>	<u>3,014,449</u>	<u>(1,184,127)</u>
7,921,278		8,066,664		(145,386)	Resale KWh			
-		5,619,744		(5,619,744)	Alachua	28,258,796	28,098,910	159,886
					Seminole	-	19,402,744	(19,402,744)
<u>7,921,278</u>		<u>13,686,408</u>		<u>(5,765,130)</u>	<b>Total Resale KWh</b>	<u>28,258,796</u>	<u>47,501,654</u>	<u>(19,242,858)</u>

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

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
92,881	91,761	1,120	<b>Total Customers</b>	92,784	91,879	905
4,372	4,516	(144)	Outdoor Lights Customers*	4,599	4,522	77
31,828	31,738	90	Outdoor Lights in Service	31,828	31,738	90
566.43	567.61	(1.18)	Miles of Overhead Distribution Line	566.43	567.61	(1.18)
850.59	846.56	4.03	Miles of Underground Distribution Line	850.59	846.56	4.03
<u>1,417.02</u>	<u>1,414.17</u>	<u>2.85</u>	<b>Total Miles of Distribution Line</b>	<u>1,417.02</u>	<u>1,414.17</u>	<u>2.85</u>
265	280	(15)	Maximum Peak Load Net (MW)	330	340	(10)
136,915	143,880	(6,965)	Net Energy for Load (MWh)	425,924	441,805	(15,881)
69.44%	69.07%	0.00	Load Factor - Percent	58.45%	58.85%	(0.00)
55	19	36	Cooling Degree - Actual Days	379	284	95
26	24	2	Cooling Degree - Normal Days	314	312	2
29	(5)	34	Difference from Normal	65	(28)	93
0.0710	0.0510	0	<b>Fuel Adjustment</b>	0.0597	0.0510	0.0087

\* City Streetlights, County Streetlights, Rental Lights and Traffic Signals

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

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
69,796	69,009	787	<b>Total Customers</b>	69,585	69,382	203
			<b>Pumpage - Mega-gallons</b>			
23,185	24,103	(918)	Raw Water - Max	25,890	25,834	57
16,020	16,264	(244)	Raw Water - Min	16,020	16,264	(244)
19,937	19,957	(20)	Raw Water - Avg	21,823	21,730	93
618,042	618,665	(623)	<b>Total</b>	2,007,743	1,999,176	8,567
	-			-	-	
22,670	23,909	(1,240)	Distribution System - Max	25,485	25,175	310
16,743	16,760	(18)	Distribution System - Min	16,743	16,760	(18)
19,519	19,759	(240)	Distribution System - Avg	21,556	21,563	(7)
605,103	612,529	(7,427)	<b>Total</b>	1,983,146	1,983,832	(686)
	-			-	-	
30.19	28.86	1.33	Maximum Daily Pumpage	32.00	31.87	0.13
24.21	24.43	(0.22)	Average Max. Daily Pumpage	26.22	26.85	(0.64)
5.99	12.34	(6.35)	Minimum Daily Pumpage	5.99	13.53	(7.54)
14.23	15.32	(1.08)	Average Min. Daily Pumpage	16.50	16.52	(0.02)
1,130.4	1,127.9	2.5	Miles of Potable Water Main	1,130.4	1,127.9	2.5
16.2	13.3	2.9	Miles of Potable Water Fire Mains	16.2	13.3	2.9
5,655	5,634	21	Fire Hydrants	5,655	5,634	21
3.79	6.93	(3.14)	Precipitation - Actual Inches	7.18	7.87	(0.69)
2.46	2.42	0.04	Precipitation - Normal Inches	7.25	7.26	(0.01)
1.33	4.51	(3.18)	Difference from Normal	(0.07)	0.61	(0.68)

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

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
62,980	62,262	718	<b>Total Customers</b>	62,722	62,382	340
27.7	27.3	0.4	Miles of Reclaimed Water Mains	27.7	27.3	0.4
15,021	14,956	65	Manholes	15,021	14,956	65
165	165	0	Active Lift Stations	165	165	0
			<b>Miles of Main</b>			
139.1	139.3	(0.2)	Force Main	139.1	139.3	(0.2)
629.5	628.5	1.0	Gravity Main	629.5	628.5	1.0
768.6	767.8	0.8	<b>Total Miles of Main</b>	768.6	767.8	0.8

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

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
33,606	33,262	344	<b>Total NG Customers</b>	33,468	33,218	250
191	188	3	<b>Total LP Gas Customers</b>	190	187	3
			<b>Distribution Mains</b>			
751.96	745.43	6.53	NG System	751.96	745.43	6.53
7.17	7.17	0.00	LP System	7.17	7.17	0.00
759.13	752.60	6.53	<b>Total Distribution Mains</b>	759.13	752.60	6.53
172	199	(27)	Heating Degree - Actual Days	265	392	(127)
277	281	(4)	Heating Degree - Normal Days	425	431	(6)
(105)	(82)	(23)	Difference from Normal	(160)	(39)	(121)
61.0	59.0	2.0	Average Temperature	66.0	63.6	2.4
			<b>FUEL ADJUSTMENTS</b>			
0.4000	0.4000	-	Natural Gas Firm PGA	0.4000	0.4000	-
1.5800	1.3700	0.2100	LP PGA	1.4433	1.1733	0.2700
1.0150	1.0250	(0.0100)	Calorific Value	1.0150	1.0250	(0.0100)

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

Month December				Three Months That Ended December 31		
This Year	Last Year	Change		This Year	Last Year	Change
<b>Customers</b>						
20	21	(1)	GRU Equipment Lease	21	23	(2)
252	240	12	GRU EtherLink	239	247	(8)
99	88	11	GRU Internet Access	98	90	8
5	2	3	GRU Backup Conduit	3	2	1
83	54	29	GRU Broadband Internet Access	77	53	24
51	60	(9)	GRU Colocation Lease	52	61	(9)
90	83	7	GRU DS0 Transport	90	90	0
62	70	(8)	GRU DS1 Transport	59	71	(12)
264	366	(102)	GRU DS1Transport - Carrier	290	374	(84)
0	2	(2)	GRU DS3 Transport	2	2	0
59	72	(13)	GRU DS3 Transport - Carrier	61	86	(25)
10	3	7	GRU EtherLink Carrier	27	44	(17)
1	1	0	GRU Fiber Drivers	1	1	0
0	1	(1)	GRU OC3 Transport	1	1	0
5	5	0	GRU OC3 Transport Carrier	5	5	0
2	2	0	GRU OC48 Transport Carrier	2	2	0
2	2	0	GRU SAN Fiber Channel	2	2	0
8	8	0	GRU SCADA Transport	8	8	0
2	2	0	GRU Switched Transport	2	2	0
0	3	(3)	GRU Telephone Internet Access	0	3	(3)
7	10	(3)	GRU Telephone Line Leases	7	10	(3)
3	4	(1)	GRU Telephone Set Leases	3	4	(1)
110	167	(57)	GRU Tower Lease	138	176	(38)
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	18	0	GRU TRS Digital Radio	17	19	(2)
1	1	0	GRU Trunk Termination	1	1	0
358	429	(71)	Telecomm - GRUnet	369	444	(75)

**Gainesville Regional Utilities**  
**DEERHAVEN FUEL INVENTORIES**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

Month December			
This Year		Last Year	
BBLs	Value	BBLs	Value
19,288.07	395,708.04	67,795.30	2,624,543.90
19,288.07	395,708.04	67,787.00	2,623,968.23
GALS		GALS	
170,538.00	112,276.55	195,077.00	192,760.71
167,134.00	100,941.50	193,094.00	186,286.19
TONS		TONS	
136,380.23	10,773,635.68	287,721.51	24,677,792.87
127,628.86	9,989,948.11	287,765.38	24,681,949.13
%	Days	%	Days
18.55	6.92	65.19	26.32
18.55	6.92	65.18	26.31
19.83	23.93	22.68	27.44
19.43	23.45	22.45	27.16
	68.09		147.75
	63.49		147.77

Month December			
This Year	Last Year	Change	Percentage
20.5157	38.7128	(18.1971)	(47.01)
20.5157	38.7090	(18.1933)	(47.00)
0.6584	0.9881	(0.3298)	(33.37)
0.6040	0.9647	(0.3608)	(37.40)
78.9970	85.7697	(6.7727)	(7.90)
78.2734	85.7711	(7.4977)	(8.74)

**#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

Three Months That Ended December 31			
This Year		Last Year	
BBLs	Value	BBLs	Value
19,288.07	395,708.04	67,795.30	2,624,543.90
19,288.07	395,708.04	67,787.00	2,623,968.23
GALS		GALS	
171,962.00	117,018.36	208,289.00	235,898.02
167,134.00	100,941.50	193,094.00	186,286.19
TONS		TONS	
140,090.05	11,105,851.07	236,892.50	19,898,225.20
127,628.86	9,989,948.11	287,765.38	24,681,949.13
%	Days	%	Days
18.55	6.92	65.19	26.32
18.55	6.92	65.18	26.31
20.00	24.14	24.22	29.33
19.43	23.45	22.45	27.16
	70.05		121.00
	63.49		147.77

Three Months That Ended December 31			
This Year	Last Year	Change	Percentage
20.5157	38.7128	(18.1971)	(47.01)
20.5157	38.7090	(18.1933)	(47.00)
0.6805	1.1326	(0.4521)	(39.92)
0.6040	0.9647	(0.3608)	(37.40)
79.2765	83.9969	(4.7203)	(5.62)
78.2734	85.7711	(7.4977)	(8.74)



**Gainesville Regional Utilities**  
**JR KELLY FUEL INVENTORIES**  
**FOR FIRST QUARTER ENDED DECEMBER 31, 2013**

Month December			
This Year		Last Year	
BCLS	Value	BCLS	Value
-	-	8,493.00	339,466.27
-	-	8,493.00	339,466.27
GALS		GALS	
Value	Value	Value	Value
453,820.00	783,844.55	469,447.88	820,687.43
453,820.00	783,844.55	469,246.37	820,212.37
%		%	
Days	Days	Days	Days
0.00	(0.80)	8.17	2.60
0.00	(0.80)	8.17	2.60
52.77	64.40	54.59	66.64
52.77	64.40	54.56	66.61

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

Beginning  
Ending

Three Months That Ended December 31			
This Year		Last Year	
BCLS	Value	BCLS	Value
8,493.00	339,466.27	8,493.00	339,466.27
-	-	8,493.00	339,466.27
GALS		GALS	
Value	Value	Value	Value
456,961.50	791,250.66	474,127.39	831,719.42
453,820.00	783,844.55	469,246.37	820,212.37
%		%	
Days	Days	Days	Days
8.17	2.60	8.17	2.60
0.00	(0.80)	8.17	2.60
53.14	64.85	55.13	67.30
52.77	64.40	54.56	66.61

**#2 Oil (Diesel) Inventory**

Beginning  
Ending

**Oil Levels**

#6 Oil  
Beginning  
Ending

#2 Oil  
Beginning  
Ending

Month December			
This Year	Last Year	Change	Percentage
-	39.9701	(39.9701)	(100.00)
-	39.9701	(39.9701)	(100.00)
1.7272	1.7482	(0.0210)	(1.20)
1.7272	1.7479	(0.0207)	(1.19)

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

Beginning  
Ending

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

Beginning  
Ending

Three Months That Ended December 31			
This Year	Last Year	Change	Percentage
39.9701	39.9701	-	-
-	39.9701	(39.9701)	(100.00)
1.7315	1.7542	(0.0227)	(1.29)
1.7272	1.7479	(0.0207)	(1.19)

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

Month December			Three Months That Ended December 31			
This Year	Last Year	Change		This Year	Last Year	Change
			<b>Fuel Cost for Native Load (\$)</b>			
986,710	2,417,228	(1,430,518)	Coal	1,431,536	4,582,576	(3,151,040)
2,892,485	2,548,442	344,043	Natural Gas	7,560,298	9,813,256	(2,252,958)
11,335	24,227	(12,891)	#2 Oil	23,483	78,396	(54,913)
-	-	-	#6 Oil	-	-	-
36,973	41,239	(4,266)	Nuclear (CR3 Replacement)	36,973	83,900	(46,927)
181,937	154,264	27,673	Methane (MCLF)	558,314	496,655	61,659
415,886	320,491	95,395	Feed-In-Tariff	1,105,995	1,170,836	(64,841)
3,272,876	1,864,629	1,408,247	Purchased Power	10,479,184	6,533,161	3,946,023
64,179	(3,695)	67,874	Interchange Sales	103,868	(8,834)	112,702
<u>7,862,381</u>	<u>7,366,825</u>	<u>495,555</u>	<b>Total</b>	<u>21,299,650</u>	<u>22,749,946</u>	<u>(1,450,296)</u>
			<b>Energy Sources (MWh) for Native Load</b>			
17,048	51,006	(33,958)	Coal	21,610	86,080	(64,470)
68,481	63,439	5,042	Natural Gas	174,162	242,672	(68,509)
20	156	(136)	#2 Oil	39	249	(210)
-	-	-	#6 Oil	-	-	-
-	9,165	(9,165)	Nuclear (CR3 Replacement)	16,569	26,703	(10,134)
2,278	2,153	125	Methane (MCLF)	7,347	6,925	422
1,103	1,157	(54)	Feed-In-Tariff	4,323	4,128	195
51,196	17,312	33,884	Purchased Power	209,767	75,927	133,840
(3,211)	(549)	(2,662)	Interchange Sales*	(7,894)	(1,025)	(6,869)
<u>136,915</u>	<u>143,840</u>	<u>(6,925)</u>	<b>Total</b>	<u>425,924</u>	<u>441,659</u>	<u>(15,735)</u>
			<b>Average Fuel and Purchased Power Cost per MWh (\$/MWh)</b>			
57.88	47.39	10.49	Coal	66.24	53.24	13.01
42.24	40.17	2.07	Natural Gas	43.41	40.44	2.97
555.64	154.90	400.74	#2 Oil	599.06	314.72	284.34
-	-	-	#6 Oil	-	-	-
-	4.50	(4.50)	Nuclear (CR3 replacement)	2.23	3.14	(0.91)
79.87	71.65	8.22	Methane (MCLF)	75.99	71.72	4.27
376.99	276.91	100.09	Feed-In-Tariff	255.82	283.62	(27.80)
63.93	107.71	(43.78)	Purchased Power	49.96	86.05	(36.09)
19.99	6.73	13.26	Interchange Sales	13.16	8.62	4.54
<u>57.43</u>	<u>51.22</u>	<u>6.21</u>	<b>Total</b>	<u>50.01</u>	<u>51.51</u>	<u>(1.50)</u>

\* Interchange sales are reduced from generation and purchased power to yield native load fuel cost and native load

**Gainesville Regional Utilities**  
**CLEAN AIR ALLOWANCES**  
**CALENDAR YEAR 2013**

**SO<sub>2</sub> 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	1,131	4	1,135
<b>Left Over</b>	<b>28,496</b>	<b>124</b>	<b>28,620</b>

**SO<sub>2</sub> 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	0.1	606.8	0.3	607.2	1.1	1.1	608.3
3	0.0	254.7	0.2	254.9	0.5	0.5	255.4
4	0.2	98.1	0.1	98.4	0.3	0.3	98.7
<b>Year</b>	<b>0.4</b>	<b>1,129.3</b>	<b>1.2</b>	<b>1,130.9</b>	<b>2.2</b>	<b>2.2</b>	<b>1,133.1</b>

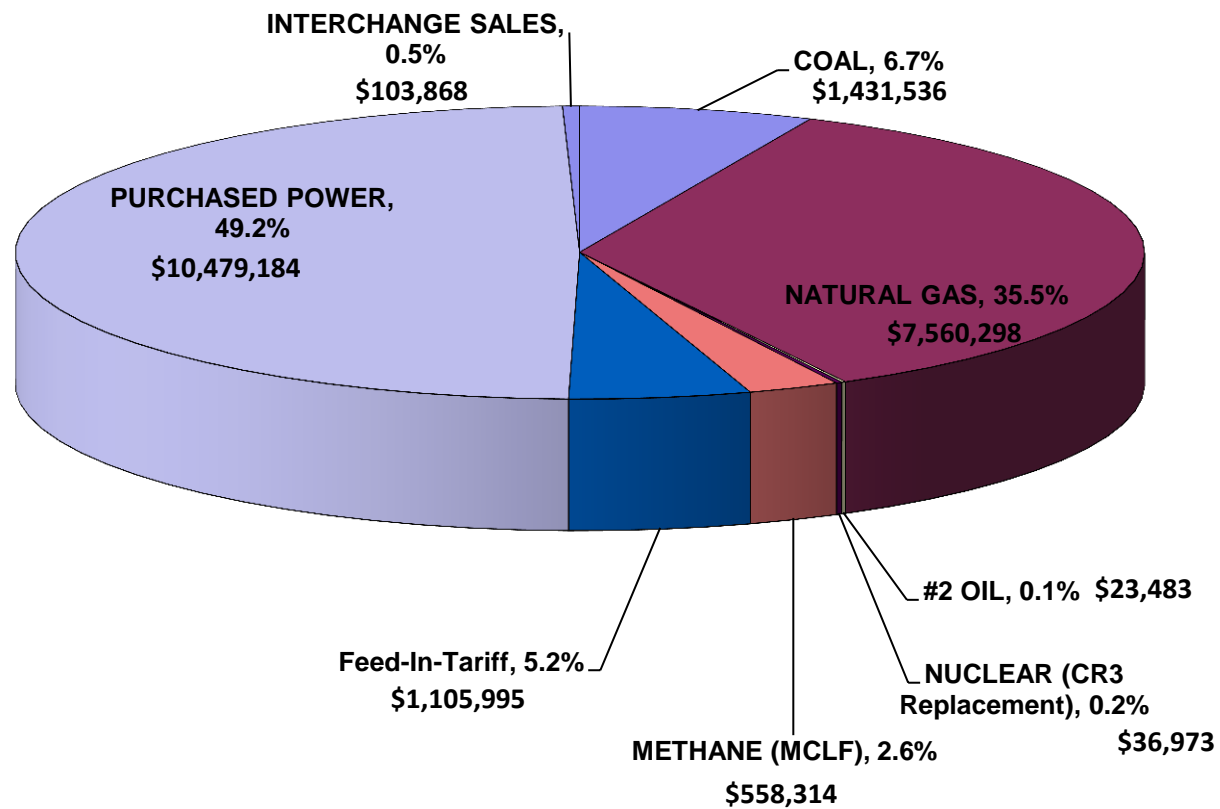
**NO<sub>x</sub> Allowances (tons)**

	DH		JRK		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS
Carryover	2,199	1,171	169	110	2,368	1,281
Annual Alloc.	1,194				1,194	0
Total Available	3,393	1,171	169	110	3,562	1,281
Used	586	338	59	29	645	367
Sold	0	0	0	0	0	0
<b>Left Over</b>	<b>2,807</b>	<b>833</b>	<b>110</b>	<b>81</b>	<b>2,917</b>	<b>914</b>

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

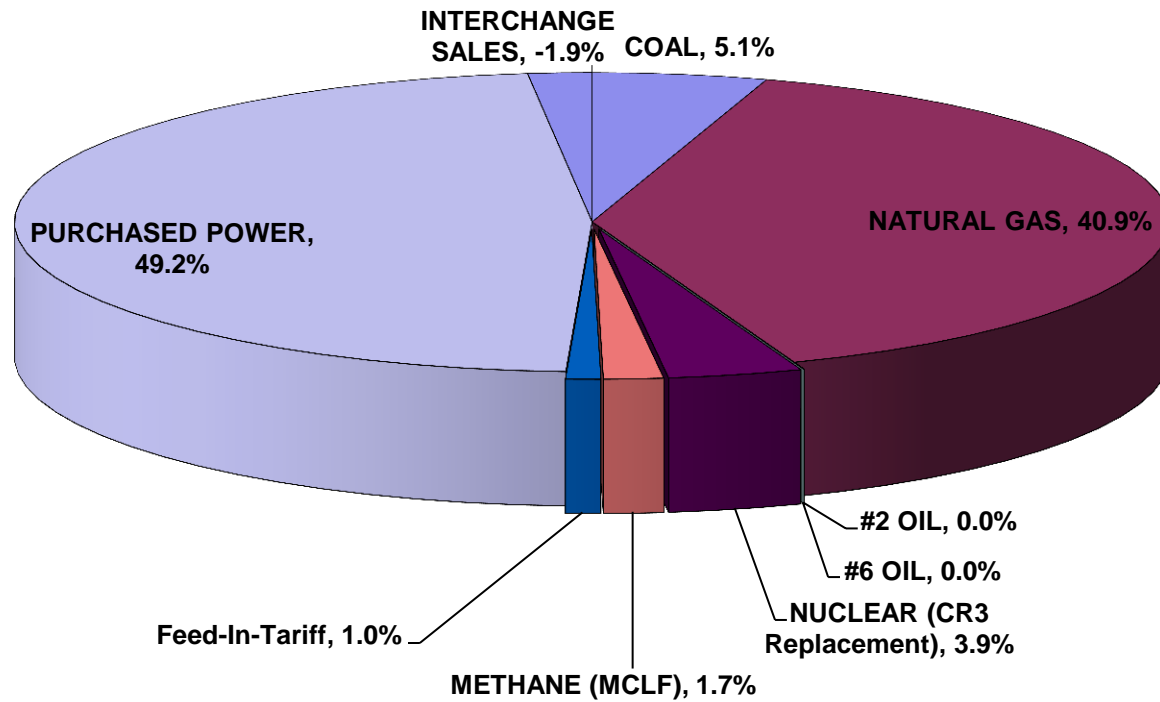
Quarter	B1		B2		CT3		DH Total		CC1		JRK Total		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS
1	33.5	0.0	68.5	0.0	0.5	0.0	102.5	0.0	12.7	0.0	12.7	0.0	115.2	0.0
2	11.8	5.6	194.6	136.1	0.6	0.2	207.0	141.9	10.9	10.2	10.9	10.2	217.9	152.1
3	4.9	4.9	190.1	190.1	0.7	0.7	195.7	195.7	18.6	18.6	18.6	18.6	214.3	214.3
4	50.0	0.0	30.7	0.0	0.4	0.0	81.1	0.0	16.3	0.0	16.3	0.0	97.4	0.0
<b>Year</b>	<b>100.2</b>	<b>10.5</b>	<b>483.9</b>	<b>326.2</b>	<b>2.2</b>	<b>0.9</b>	<b>586.3</b>	<b>337.6</b>	<b>58.5</b>	<b>28.8</b>	<b>58.5</b>	<b>28.8</b>	<b>644.8</b>	<b>366.4</b>

**Total Cost & Percentage by Fuel Type  
3 months ended Through December 2013**



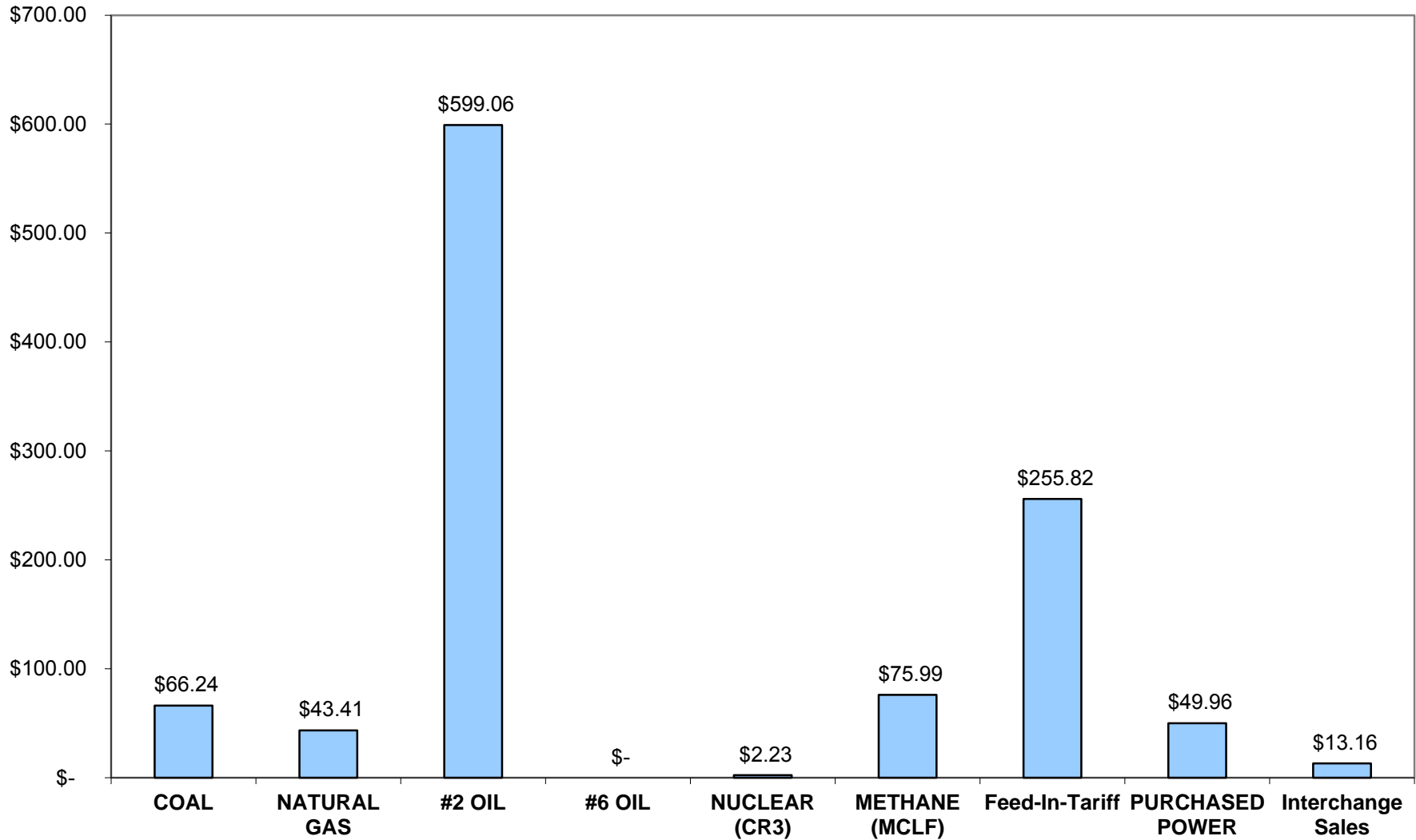
■ COAL 
 ■ NATURAL GAS 
 ■ #2 OIL 
 ■ #6 OIL 
 ■ NUCLEAR (CR3 Replacement) 
 ■ METHANE (MCLF) 
 ■ Feed-In-Tariff 
 ■ PURCHASED POWER 
 ■ INTERCHANGE SALES

## Sources of Electric Energy for Load by Fuel Type (MWh) FY2014- Through December 2013



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

### Total Fuel Cost per MWh by Fuel Type FY2014 - Through December 2013



# **Glossary of Terms**

## Glossary of Terms

### All Systems

**Construction fund** – provides for funds to be utilized for the cost of acquisition and construction of the utility system.

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

**Rate stabilization fund transfer** – reserves for unplanned events, revenue changes or unexpected losses and to stabilize rates over future periods through the transfer of funds to and from operations as necessary.

**Utility Plant Improvement Fund (UPIF)** - provides 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.

**Interest income** – represents interest earnings on utility investments.

**Operation & maintenance expense – non-fuel** – 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.

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



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

**Other electric sales** – includes wholesales sales (sales for resale) to City of Alachua, traffic signal and streetlight sales to the City and County.

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

**Native load** – amount of energy required to serve retail and wholesale sales (sales for resale).

## **Gas System**

**Cleanup cost recovery factor (MGP)** – revenue collected, at a rate of \$.0505/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** – 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. Also included 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** - 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** – includes connection fee charges for water service to new service locations plus miscellaneous revenue receipts not specified in other categories.

**Wastewater System**

**Other revenues** – 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.

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