

Current Year Performance-to-Date and Projected Results

Electric

Residential sales revenues were 0.4% below budget through the first quarter. General service sales revenues were 1.2% below budget. Large power sales revenues were 0.3% above budget. Large power sales would have been below budget also, but one customer moved from the general service demand (GSD) rate class to the large power rate class in December 2004, shifting energy sales from GSD into large power. The difference between the two classes is Kwh used. Corresponding to slightly lower retail sales revenues, surcharge revenues are running 1.0% below budget so far this year. Revenues from other electric sales (Clay-Farnsworth; City of Alachua; and street, traffic and rental lights) are tracking 0.7% ahead of budget due to higher than projected sales to the City of Alachua.

Retail and Purchased Power Fuel Adjustment revenue and Fuel Expense are both projected to be higher than budgeted by 11.1%. This is due in part to higher than anticipated fuel costs and one unplanned outage of DH2, necessitating more gas generated power and purchased power than expected.

Interchange Sales and Interchange Fuel Expense are projected to be 4.6% and 5.0% lower than budgeted. This is due to the DH2 outage which decreased our ability to be competitive in the market when our generation mix contained a greater portion of high priced gas.

Although interest rates have increased slightly above budgeted amounts, higher fuel costs and hurricane recovery costs have decreased the amount of investable working capital.

At this time, electric system O&M expenses are expected to remain within budget for the year.

We do not project a variance in debt service at this time.

**GAINESVILLE REGIONAL UTILITIES
ELECTRIC REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2004**

| (\$1,000) | YEAR TO DATE | ANNUAL BUDGET | TWELVE MONTH PROJECTION | DIFFERENCE PROJECTION VS. BUDGET | DIFFERENCE AS A % OF ANNUAL BUDGET |
|---|--------------------|------------------|-------------------------------|--|--|
| REVENUES: | | | | | |
| Residential Sales | 11,000 | 48,874 | 48,697 | (177) | (0.36) |
| General Service Sales | 7,719 | 32,707 | 32,305 | (402) | (1.23) |
| Large Power Sales | 1,370 | 5,296 | 5,309 | 13 | 0.25 |
| Interchange Sales | 661 | 5,699 | 5,437 | (262) | (4.60) |
| Utility Surcharge | 650 | 2,830 | 2,803 | (27) | (0.95) |
| Other Electric Sales | 2,314 | 9,510 | 9,575 | 65 | 0.68 |
| Total Sales of Elec. Before Fuel Adj | 23,714 | 104,916 | 104,126 | (790) | (0.75) |
| Fuel Adjustment | 16,754 | 61,692 | 68,561 | 6,869 | 11.13 |
| Total Sales of Electricity | 40,468 | 166,608 | 172,687 | 6,079 | 3.65 |
| Other Revenues | 474 | 2,295 | 2,295 | - | 0.00 |
| Rate Stabilization Fund Transfer | - | 546 | 3,224 | 2,678 | 490.48 |
| Interest Income | 503 | 2,311 | 1,899 | (412) | (17.83) |
| Total Revenues | 41,445 | 171,760 | 180,105 | 8,345 | 4.86 |
| OPERATION & MAINTENANCE EXPENSES: | | | | | |
| Power Production Expenses: | | | | | |
| Fuel Expense: | | | | | |
| Retail & Purchased Power | 19,843 | 76,319 | 84,769 | 8,450 | 11.07 |
| Interchange | 477 | 3,610 | 3,428 | (182) | (5.04) |
| Total Fuel Expense | 20,320 | 79,929 | 88,197 | 8,268 | 10.34 |
| Other Operation & Maintenance Expenses | 10,871 | 43,069 | 43,069 | - | 0.00 |
| Total Operation & Maintenance Expenses | 31,191 | 122,998 | 131,266 | 8,268 | 6.72 |
| NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION: | | | | | |
| Retail & Wholesale | 10,070 | 46,673 | 46,830 | 157 | 0.34 |
| Interchange | 184 | 2,089 | 2,009 | (80) | (3.83) |
| TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION | 10,254 | 48,762 | 48,839 | 77 | 0.16 |
| DEBT SERVICE | 2,615 | 12,027 | 12,027 | - | 0.00 |
| OTHER DEBT SERVICE RELATED | 54 | 268 | 268 | - | 0.00 |
| UPIF CONTRIBUTIONS | 4,593 | 18,376 | 18,260 | (116) | (0.63) |
| TRANSFER TO GENERAL FUND (Includes incentive) | 4,376 | 17,776 | 17,969 | 193 | 1.09 |
| NUCLEAR DECOMMISSIONING/FUEL DISPOSAL | 99 | 315 | 315 | - | 0.00 |
| NET INCOME/(DEFICIT) | (1,483) | - | - | - | N.A. |

Current Year Performance-to-Date and Projected Results

Gas

Residential sales revenues were 4.2% below budget through the first quarter. Many October bills were estimated as a result of meters being inaccessible during the September storms, and estimates may have been based on usage somewhat lower than typical for October. Weather conditions were also a bit milder than typical for October and November, which carries over into December bills. Revenues from commercial sales were 0.4% above budget. Revenues from interruptible sales were 1.0% above budget, primarily on the strength of sales to transportation customers.

The Purchased Gas Fuel Adjustment Revenue and Purchased Gas Fuel Expense projections are 14.4% and 15.9%, respectively, higher than budgeted due to higher gas prices than anticipated. Since fuel expenses are passed through to the customer, revenues are increased as fuel expenses increase.

Although interest rates have increased slightly above budgeted amounts, higher fuel costs and hurricane recovery costs have decreased the amount of investable working capital.

O&M expenses are projected to be within budgeted figures at this time.

We do not project a variance in debt service at this time.

**GAINESVILLE REGIONAL UTILITIES
GAS REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2004**

| REVENUES: | YEAR TO DATE | ANNUAL BUDGET | TWELVE MONTH PROJECTION | DIFFERENCE PROJECTION VS. BUDGET | DIFFERENCE AS A % OF ANNUAL BUDGET |
|--|--------------------|------------------|-------------------------------|--|--|
| (\$1,000) | | | | | |
| REVENUES: | | | | | |
| Sales of Gas and Service: | | | | | |
| Residential | 1,020 | 6,765 | 6,480 | (285) | (4.21) |
| Commerical & Industrial | 602 | 2,725 | 2,735 | 10 | 0.37 |
| Interruptible | 73 | 872 | 881 | 9 | 1.03 |
| Purchased Gas Adjustment | 4,160 | 12,705 | 14,533 | 1,828 | 14.39 |
| Other Gas Sales | 54 | 748 | 748 | - | 0.00 |
| Total Sales | 5,909 | 23,815 | 25,377 | 1,562 | 6.56 |
| Miscellaneous Revenue: | | | | | |
| Net Income - Jobbing | (12) | 185 | 185 | - | N.A. |
| Rate Stabilization Fund Transfer | - | 508 | 1,273 | 765 | N.A. |
| Interest Income | 62 | 247 | 233 | (14) | (5.67) |
| Total Revenues | 5,959 | 24,755 | 27,068 | 2,313 | 9.34 |
| OPERATION & MAINTENANCE EXPENSES: | | | | | |
| Fuel Expense - Purchased Gas | 4,472 | 14,219 | 16,485 | 2,266 | 15.94 |
| Total Operation & Maintenance Expenses | 1,150 | 4,420 | 4,420 | - | 0.00 |
| Total Operation & Maintenance Expenses | 5,622 | 18,639 | 20,905 | 2,266 | 12.16 |
| TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION | 337 | 6,116 | 6,163 | 47 | 0.77 |
| DEBT SERVICE | 672 | 2,459 | 2,459 | - | 0.00 |
| OTHER DEBT SERVICE RELATED | 51 | 565 | 565 | - | 0.00 |
| JPIF CONTRIBUTIONS | 453 | 1,811 | 1,858 | 47 | 2.60 |
| TRANSFER TO GENERAL FUND | 307 | 1,281 | 1,281 | - | 0.00 |
| NET INCOME/(DEFICIT) | (1,146) | - | - | - | N.A. |

Current Year Performance-to-Date and Projected Results

Water

Revenues from sales to general customers were 2.2% below budget through the first quarter. High levels of rainfall during the September storms may have reduced irrigation requirements by customers during this period. Revenues from sales to UF are 3.9% above budget, due to a rate increase that became effective October 1st.

Although interest rates have increased slightly above budgeted amounts, hurricane recovery costs have decreased the amount of investable working capital.

O&M expenses are projected to be within budgeted figures at this time.

We do not project a variance in debt service at this time.

**GAINESVILLE REGIONAL UTILITIES
WATER REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2004**

(\$1,000)

| | YEAR TO DATE | ANNUAL BUDGET | TWELVE MONTH PROJECTION | DIFFERENCE PROJECTION VS. BUDGET | DIFFERENCE AS A % OF ANNUAL BUDGET |
|--|-----------------------------|--------------------------|--|---|---|
| REVENUES: | | | | | |
| General Customers | 2,665 | 12,051 | 11,791 | (260) | (2.16) |
| University of Florida | 189 | 643 | 668 | 25 | 3.89 |
| Utility Surcharge | 262 | 1,155 | 1,211 | 56 | 4.85 |
| Fire Hydrant Rentals | 270 | 1,177 | 1,149 | (28) | (2.38) |
| Total Sales of Water | 3,386 | 15,026 | 14,819 | (207) | (1.38) |
| Other Revenues | 201 | 989 | 989 | - | 0.00 |
| Rate Stabilization Fund Transfer | - | 1,486 | 1,552 | 66 | 4.44 |
| Interest Income | 46 | 210 | 174 | (36) | (17.14) |
| Total Revenues | 3,633 | 17,711 | 17,534 | (177) | (1.00) |
| OPERATION & MAINTENANCE EXPENSES: | | | | | |
| Total Operation & Maintenance Expenses | 2,191 | 8,380 | 8,380 | - | 0.00 |
| Total Operation & Maintenance Expenses | 2,191 | 8,380 | 8,380 | - | 0.00 |
| TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION | | | | | |
| | 1,442 | 9,331 | 9,154 | (177) | (1.90) |
| DEBT SERVICE | 546 | 2,684 | 2,684 | - | 0.00 |
| OTHER DEBT SERVICE RELATED | 30 | 277 | 277 | - | 0.00 |
| JP CONTRIBUTIONS | 729 | 2,919 | 2,742 | (177) | (6.06) |
| TRANSFER TO GENERAL FUND | 1,075 | 3,451 | 3,451 | - | 0.00 |
| NET INCOME/(DEFICIT) | (938) | - | - | - | N.A. |

Current Year Performance-to-Date and Projected Results

Wastewater

Revenues from wastewater billings were 1.5% below budget, corresponding to lower than projected water sales.

Although interest rates have increased slightly above budgeted amounts, hurricane recovery costs have decreased the amount of investable working capital.

O&M expenses are projected to be within budgeted figures at this time.

We do not project a variance in debt service at this time.

**WASTEWATER REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2004**

(\$1,000)

| | YEAR TO DATE | ANNUAL BUDGET | TWELVE MONTH PROJECTION | DIFFERENCE PROJECTION VS. BUDGET | DIFFERENCE AS A % OF ANNUAL BUDGET |
|--|--------------------|------------------|-------------------------------|--|--|
| REVENUES: | | | | | |
| Wastewater Billings | 3,819 | 16,696 | 16,452 | (244) | (1.46) |
| Surcharge | 316 | 1,408 | 1,393 | (15) | (1.07) |
| Other Revenues | 462 | 1,893 | 1,893 | - | 0.00 |
| Rate Stabilization Fund Transfer | - | 1,747 | 1,973 | 226 | 12.94 |
| Interest Income | 80 | 352 | 309 | (43) | (12.22) |
| Total Revenues | 4,677 | 22,096 | 22,020 | (76) | (0.34) |
| OPERATION & MAINTENANCE EXPENSES: | | | | | |
| Total Operation & Maintenance Expenses | 2,786 | 9,950 | 9,950 | - | 0.00 |
| Total Operation & Maintenance Expenses | 2,786 | 9,950 | 9,950 | - | 0.00 |
| TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION | | | | | |
| | 1,891 | 12,146 | 12,070 | (76) | (0.63) |
| DEBT SERVICE | | | | | |
| | 642 | 3,062 | 3,062 | - | 0.00 |
| OTHER DEBT SERVICE RELATED | | | | | |
| | 69 | 531 | 531 | - | 0.00 |
| JPIF CONTRIBUTIONS | | | | | |
| | 1,038 | 4,154 | 4,078 | (76) | (1.83) |
| TRANSFER TO GENERAL FUND | | | | | |
| | 1,367 | 4,399 | 4,399 | - | 0.00 |
| NET INCOME/(DEFICIT) | (1,225) | - | - | - | N.A. |

Current Year Performance-to-Date and Projected Results

GRUCom

Through the first quarter of FY2005, GRUCom revenues and operating and maintenance expenses are generally in line with the plan. At the present time it is anticipated that budgeted levels will be achieved for the full year.

In December 2004 GRUCom completed construction of the new monopole communications tower at the Gainesville Police Department site and the old tower was removed. The new tower was designed to hold City Public Safety Radio antennas and to provide co-location space for personal wireless communications services companies. Verizon Wireless currently has antennas co-located on the new tower and GRUCom is in the process of marketing the tower to other wireless companies.

Although competitive pressures continue to be significant in the telecommunications and Internet access product lines, GRUCom is seeing increasing interest in high bandwidth Ethernet Services. GRUCom has offered 10 megabit per second (Mbps) Ethernet services delivered on the fiber optic network for some time, however the construction of a Gigabit (1000 Mbps) Ethernet ring last year allows the efficient delivery of higher bandwidth Ethernet circuits. In the first quarter of FY2005, GRUCom received orders for a 100 Mbps circuit for the GRU Energy Delivery Department, a 100 Mbps and a Gigabit circuit for the Veterans Administration Hospital, and a Gigabit circuit for the University of Florida. GRUCom is the only provider of these advanced services in the Gainesville area.

GRUCom's working capital has not incurred the same impact from hurricane related expenditures as the other systems. Interest income is projected to be higher than budget as rates have increased slightly. GRUCom's 2004 performance was also better than expected increasing their investable balance.

**GAINESVILLE REGIONAL UTILITIES
GRUCOM REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2004**

| REVENUES: | YEAR TO DATE | ANNUAL BUDGET | TWELVE MONTH PROJECTION | DIFFERENCE PROJECTION VS. BUDGET | DIFFERENCE AS A % OF ANNUAL BUDGET |
|--|--------------------|------------------|-------------------------------|--|--|
| (\$1,000) | | | | | |
| REVENUES: | | | | | |
| Sales : | | | | | |
| Telecommunications | 1,062 | 4,153 | 4,153 | - | 0.00 |
| Trunking Radio | 450 | 1,809 | 1,809 | - | 0.00 |
| Tower Lease Rental | 278 | 1,196 | 1,196 | - | 0.00 |
| Internet Access | 258 | 1,522 | 1,522 | - | 0.00 |
| Total Sales | 2,048 | 8,680 | 8,680 | - | 0.00 |
| Miscellaneous Revenue: | | | | | |
| Rate Stabilization Fund Transfer/Borrowings | - | 399 | 403 | 4 | N.A. |
| Interest Income | 19 | 63 | 73 | 10 | 15.87 |
| Total Revenues | 2,067 | 9,142 | 9,156 | 14 | 0.15 |
| OPERATION & MAINTENANCE EXPENSES: | | | | | |
| Total Operation & Maintenance Expenses | 1,105 | 5,061 | 5,061 | - | 0.00 |
| Total Operation & Maintenance Expenses | 1,105 | 5,061 | 5,061 | - | 0.00 |
| TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION | 962 | 4,081 | 4,095 | 14 | 0.34 |
| DEBT SERVICE | 525 | 2,565 | 2,565 | - | 0.00 |
| JPIF CONTRIBUTIONS | 303 | 1,210 | 1,224 | 14 | 1.16 |
| TRANSFER TO GENERAL FUND | 77 | 306 | 306 | - | 0.00 |
| NET INCOME/(DEFICIT) | 57 | - | - | - | N.A. |