

# **Gainesville Regional Utilities**

## **Quarterly Financial Statements**

**3<sup>rd</sup> Quarter Ended June 30<sup>th</sup>, 2013**



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**Gainesville Regional Utilities  
Quarterly Financial Statements  
Quarter Ended June 30<sup>th</sup>, 2013**

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# **Management Overview and Analysis**

## **Overview**

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

We offer readers this management discussion and analysis of the utility system's financial statements for the quarter ended June 30<sup>th</sup>, 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).

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# **Financial Statements**

**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

Year				Year to Date			
This Year	Last Year	Change	Change (%)	Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
<b>REVENUES:</b>							
90,770	90,951	(181)	(0.2)	90,770	140,193	135,214	(3.6)
107	(274)	381	139.0	107	200	200	-
71,336	74,461	(3,124)	(4.2)	71,336	104,370	99,175	(5.0)
9,648	9,616	32	0.3	9,648	17,299	17,043	(1.5)
-	-	-	-	-	-	-	-
667	921	(254)	(27.6)	667	1,114	848	(23.9)
<b>172,528</b>	<b>175,675</b>	<b>(3,147)</b>	<b>(1.8)</b>	<b>172,528</b>	<b>263,176</b>	<b>252,480</b>	<b>(4.1)</b>
<b>Total Electric Revenues</b>							
21,922	22,791	(869)	(3.8)	21,922	30,618	30,279	(1.1)
1,531	1,636	(105)	(6.4)	1,531	3,080	3,038	(1.4)
-	-	-	-	-	-	-	-
82	106	(23)	(22.2)	82	128	105	(18.1)
<b>23,535</b>	<b>24,533</b>	<b>(998)</b>	<b>(4.1)</b>	<b>23,535</b>	<b>33,826</b>	<b>33,422</b>	<b>(1.2)</b>
<b>Total Water Revenues</b>							
26,512	25,806	706	2.7	26,512	34,816	35,469	1.9
1,115	1,146	(32)	(2.8)	1,115	3,032	2,934	(3.2)
-	-	-	-	-	-	-	-
129	189	(60)	(31.8)	129	224	158	(29.4)
<b>27,755</b>	<b>27,140</b>	<b>614</b>	<b>2.3</b>	<b>27,755</b>	<b>38,072</b>	<b>38,561</b>	<b>1.3</b>
<b>Total Wastewater Revenues</b>							
9,963	9,321	642	6.9	9,963	13,075	12,107	(7.4)
7,560	8,945	(1,385)	(15.5)	7,560	8,268	9,239	11.7
959	986	(26)	(2.7)	959	1,845	1,878	1.8
-	-	-	-	-	-	-	-
138	191	(53)	(27.6)	138	213	171	(19.8)
<b>18,621</b>	<b>19,443</b>	<b>(822)</b>	<b>(4.2)</b>	<b>18,621</b>	<b>23,401</b>	<b>23,395</b>	<b>(0.0)</b>
<b>Total Gas Revenues</b>							
7,955	8,223	(268)	(3.3)	7,955	11,305	11,305	0.0
0	-	0	-	0	-	-	-
-	-	-	-	-	-	-	-
93	130	(37)	(28.4)	93	130	118	(9.6)
<b>8,048</b>	<b>8,352</b>	<b>(305)</b>	<b>(3.6)</b>	<b>8,048</b>	<b>11,436</b>	<b>11,423</b>	<b>(0.1)</b>
<b>Total GRUCom Revenues</b>							
<b>250,487</b>	<b>255,144</b>	<b>(4,657)</b>	<b>(1.8)</b>	<b>250,487</b>	<b>369,911</b>	<b>359,281</b>	<b>(2.9)</b>
<b>TOTAL REVENUES</b>							
<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>							
Electric Fund:							
Fuel Expense:							
68,104	67,972	132	0.2	68,104	100,995	95,800	(5.1)
1,384	1,630	(246)	(15.1)	1,384	3,375	3,375	-
90	199	(109)	(54.9)	90	1,200	1,200	-
<b>69,578</b>	<b>69,801</b>	<b>(223)</b>	<b>(0.3)</b>	<b>69,578</b>	<b>105,570</b>	<b>100,375</b>	<b>(4.9)</b>
<b>Total Fuel Expenses</b>							
30,078	27,519	2,559	9.3	30,078	44,399	43,432	(2.2)
17,844	16,430	1,414	8.6	17,844	25,424	25,119	(1.2)
<b>117,499</b>	<b>113,749</b>	<b>3,750</b>	<b>3.3</b>	<b>117,499</b>	<b>175,392</b>	<b>168,926</b>	<b>(3.7)</b>
<b>Total Electric Fund Expenses</b>							



**GAINESVILLE REGIONAL UTILITIES  
COMBINED UTILITIES FUNDS  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

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This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
5,467	5,348	119	2.2	Water Fund:	5,467	8,353	8,374	0.2
4,089	3,807	282	7.4	Operation & Maintenance Expense	4,089	6,303	6,441	2.2
<b>9,555</b>	<b>9,155</b>	<b>401</b>	<b>4.4</b>	Administrative & General Expense	<b>9,555</b>	<b>14,656</b>	<b>14,815</b>	<b>1.1</b>
				<b>Total Water Fund Expenses</b>				
5,490	5,134	356	6.9	Wastewater Fund:	5,490	8,309	8,445	1.6
4,274	4,113	161	3.9	Operation & Maintenance Expense	4,274	7,128	6,812	(4.4)
<b>9,764</b>	<b>9,247</b>	<b>516</b>	<b>5.6</b>	Administrative & General Expense	<b>9,764</b>	<b>15,437</b>	<b>15,257</b>	<b>(1.2)</b>
				<b>Total Wastewater Fund Expenses</b>				
7,449	8,091	(642)	(8)	Gas Fund:	7,449	8,881	9,239	4.0
910	966	-	-	Fuel Expense - Purchased Gas	910	1,536	1,457	(5.1)
3,072	2,807	265	9	Operation & Maintenance Expense	3,072	4,422	4,080	(7.7)
<b>11,431</b>	<b>11,863</b>	<b>(432)</b>	<b>(4)</b>	Administrative & General Expense	<b>11,431</b>	<b>14,839</b>	<b>14,776</b>	<b>(0.4)</b>
				<b>Total Gas Fund Expenses</b>				
2,386	2,589	(203)	(7.9)	GRUCom Fund:	2,386	4,211	3,810	(9.5)
1,461	1,635	(173)	(10.6)	Operation & Maintenance Expense	1,461	2,388	2,364	(1.0)
<b>3,847</b>	<b>4,223</b>	<b>(377)</b>	<b>(8.9)</b>	Administrative & General Expense	<b>3,847</b>	<b>6,599</b>	<b>6,174</b>	<b>(6.4)</b>
				<b>Total GRUCom Fund Expenses</b>				
<b>152,096</b>	<b>148,238</b>	<b>3,858</b>	<b>2.6</b>	<b>TOTAL OPERATION &amp; MAINTENANCE EXPENSES</b>	<b>152,096</b>	<b>226,924</b>	<b>219,948</b>	<b>(3.1)</b>
				<b>NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:</b>				
55,012	62,398	(7,387)	(11.8)	Electric - Retail & Wholesale	55,012	88,784	84,554	(4.8)
17	(472)	490	103.6	Electric - Interchange	17	(1,000)	(1,000)	-
55,029	61,926	(6,897)	(11.1)	Total Electric Fund	55,029	87,784	83,554	(4.8)
13,980	15,378	(1,398)	(9.1)	Water Fund	13,980	19,170	18,607	(2.9)
17,991	17,893	98	0.5	Wastewater Fund	17,991	22,635	23,304	3.0
7,190	7,580	(390)	(5.1)	Gas Fund	7,190	8,562	8,619	0.7
4,201	4,129	72	1.7	GRUCom Fund	4,201	4,836	5,249	8.5
<b>98,391</b>	<b>106,906</b>	<b>(8,515)</b>	<b>(8.0)</b>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION</b>	<b>98,391</b>	<b>142,986</b>	<b>139,333</b>	<b>(2.6)</b>
48,931	50,532	(1,601)	(3.2)	DEBT SERVICE	48,931	69,193	67,648	(2.2)
27,683	29,094	(1,411)	(4.9)	UPIF CONTRIBUTIONS	27,683	36,927	36,904	(0.1)
24,444	24,289	155	0.6	TRANSFER TO GENERAL FUND	24,444	36,666	36,666	-
11	5	6	108.3	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	11	359	359	-
-	-	-	-	WORKING CAPITAL	-	-	-	-
<b>(2,679)</b>	<b>2,986</b>	<b>(5,664)</b>	<b>(189.7)</b>	<b>NET INCOME/(DEFICIT)</b>	<b>(2,679)</b>	<b>(159)</b>	<b>(2,244)</b>	<b>1,314.8</b>
						142,986	137,815	
				(1) Projected Aggregate Debt Service Coverage Ratio		68,039	66,609	
						2.10	2.07	
						142,986	137,815	
				(2) Projected Total Debt Service Coverage Ratio		69,193	67,648	
						2.07	2.04	

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

Total electric sales revenues for FY13, exclusive of fuel adjustment, have increased slightly by .2% from FY12 compared to third quarter FY12. Residential Sales are down slightly by 1.2% and General Service and Large Power Sales increased slightly by 3.2% compared to this same period last year. However, total electric sales, exclusive of fuels, are expected to be under FY13 original budget by 3.5%.

Fuel Adjustment Revenue has decreased by 4.2% compared to the same period in FY12, and is expected to be 5% lower than FY13 original budget.

Retail and Purchased Power Expense through the second quarter of FY13 is .2% higher than the first nine months of the prior fiscal year, but is projected to be 5.1% lower than FY13 original budget.

Interchange sales show a positive value through the third quarter in FY13, and are projected to be on budget for the remainder of FY13. Interchange fuel expense has decreased by 55% through the third 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 third quarter FY13 have decreased by 17.3% compared to the same period in FY12, and are expected to be 66.1% lower than original FY13 budget. 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 third quarter FY13 are very comparable to sales in the same period of FY12 and are expected to be slightly less than original FY13 budget.

Interest income for third quarter FY13, as compared to FY12, decreased in the Electric Revenue Fund by 27.6%, and is projected to be 23.9% lower than original FY13 budget. 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.

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

Steam Power Generation expenses are up 12.0% over last year due to extensive auxiliary maintenance at Deerhaven in the second quarter of FY13. Steam Power expenses are projected to come in near budget. Nuclear Power Generation expenses are down slightly 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.

Transmission costs are up 34.4% 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 16.8% 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 16.7% 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 6.2% 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. Debt Service expenses are expected to be 1.7% lower than original FY13 budget.

We had originally budgeted \$4.5m net income for the year. However, based on lower forecast revenue and fuel adjustment offset by lower projected fuel expense, O&M and debt service, we are projected to end the year with a net income of \$1.0 million, assuming that forecasts remain on target.

**GAINESVILLE REGIONAL UTILITIES  
ELECTRIC REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

Year				Year	Year							
This Year	Last Year	Change	Change (%)	to Date	FY 13 Budget	FY 13 Projected	Change (%)					
<b>REVENUES:</b>												
34,532	34,956	(424)	(1.2)	34,532	57,634	55,147	(4.3)					
48,117	46,646	1,471	3.2	48,117	68,844	73,115	6.2					
107	(274)	381	139.0	107	200	200	-					
2,343	2,361	(18)	(0.8)	2,343	3,735	3,573	(4.3)					
5,777	6,988	(1,211)	(17.3)	5,777	9,980	3,379	(66.1)					
<b>90,877</b>	<b>90,677</b>	<b>199</b>	<b>0.2</b>	<b>90,877</b>	<b>140,393</b>	<b>135,414</b>	<b>(3.5)</b>					
<b>Total Sales of Elec. Before Fuel Adj.</b>												
71,336	74,461	(3,124)	(4.2)	71,336	104,370	99,175	(5.0)					
<b>162,213</b>	<b>165,138</b>	<b>(2,925)</b>	<b>(1.8)</b>	<b>162,213</b>	<b>244,763</b>	<b>234,589</b>	<b>(4.2)</b>					
<b>Total Sales of Electricity</b>												
9,648	9,616	32	0.3	9,648	17,299	17,043	(1.5)					
-	-	-	-	-	-	-	-					
667	921	(254)	(27.6)	667	1,114	848	(23.9)					
<b>172,528</b>	<b>175,675</b>	<b>(3,147)</b>	<b>(1.8)</b>	<b>172,528</b>	<b>263,176</b>	<b>252,480</b>	<b>(4.1)</b>					
<b>Total Revenues</b>												
<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>												
Power Production Expenses:												
Fuel Expenses:												
68,104	67,972	132	0.2	68,104	100,995	95,800	(5.1)					
1,384	1,630	(246)	(15.1)	1,384	3,375	3,375	-					
90	199	(109)	(54.9)	90	1,200	1,200	-					
<b>69,578</b>	<b>69,801</b>	<b>(223)</b>	<b>(0.3)</b>	<b>69,578</b>	<b>105,570</b>	<b>100,375</b>	<b>(4.9)</b>					
<b>Total Fuel Expenses</b>												
-	-	-	-	18,465	27,899	27,757	(0.5)					
18,465	16,492	1,973	12.0	1,219	2,449	1,519	(38.0)					
1,219	1,249	(30)	(2.4)	1,527	1,368	1,332	(2.6)					
1,527	901	625	69.4	896	1,154	1,239	7.4					
896	862	34	4.0	<b>22,107</b>	<b>32,870</b>	<b>31,847</b>	<b>(3.1)</b>					
<b>22,107</b>	<b>19,504</b>	<b>2,602</b>	<b>13.3</b>	<b>Total Power Production Expenses</b>								
Transmission & Distribution Expenses:												
1,259	937	322	34.4	1,259	1,279	1,891	47.9					
6,712	7,078	(366)	(5.2)	6,712	10,250	9,694	(5.4)					
<b>7,971</b>	<b>8,015</b>	<b>(43)</b>	<b>(0.5)</b>	<b>7,971</b>	<b>11,528</b>	<b>11,585</b>	<b>0.5</b>					
<b>Total Transmission &amp; Distribution Expenses:</b>												
Administrative & General Expenses:												
3,303	3,969	(666)	(16.8)	3,303	6,048	5,445	(10.0)					
14,541	12,460	2,080	16.7	14,541	19,376	19,674	1.5					
<b>17,844</b>	<b>16,430</b>	<b>1,414</b>	<b>8.6</b>	<b>17,844</b>	<b>25,424</b>	<b>25,119</b>	<b>(1.2)</b>					
<b>Total Administrative &amp; General Expenses:</b>												
<b>117,499</b>	<b>113,749</b>	<b>3,750</b>	<b>3.3</b>	<b>117,499</b>	<b>175,392</b>	<b>168,926</b>	<b>(3.7)</b>					
<b>Total Operating &amp; Maintenance Expenses</b>												

(1) Other Electric Sales - Wholesale sales, traffic signals, streetlights and rental lights.  
(2) Other Revenues - Shands SEC, Innovation Square, BABs Rebate

**GAINESVILLE REGIONAL UTILITIES  
ELECTRIC REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME**  
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This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
55,012	62,398	(7,387)	(11.8)	<b>NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION</b>	55,012	88,784	83,766	(5.7)
17	(472)	490	103.6	Retail & Wholesale	17	(1,000)	(1,000)	-
				Interchange				
<b>55,029</b>	<b>61,926</b>	<b>(6,897)</b>	<b>(11.1)</b>	<b>TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>55,029</b>	<b>87,784</b>	<b>83,554</b>	<b>(4.8)</b>
28,533	30,410	(1,877)	(6.2)	DEBT SERVICE	28,533	40,663	39,959	(1.7)
16,555	17,906	(1,351)	(7.5)	UPIF CONTRIBUTIONS	16,555	22,077	22,072	(0.0)
13,429	13,700	(271)	(2.0)	TRANSFER TO GENERAL FUND (Includes incentive)	13,429	20,144	20,144	-
11	5	6	108.3	NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	11	359	359	-
-	-	-	-	WORKING CAPITAL	-	-	-	-
<b>(3,499)</b>	<b>(96)</b>	<b>(3,403)</b>	<b>(3,549.9)</b>	<b>NET INCOME/(DEFICIT)</b>	<b>(3,499)</b>	<b>4,541</b>	<b>1,020</b>	<b>(77.5)</b>

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

The decrease in FY13 General Customer revenue of 3.9% 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 third quarter FY13 compared to FY12, the largest decrease is within irrigation revenue and likely reflects the increase of rainfall received in FY13 over FY12. The total FY13 General Customer revenue is projected to be down less than 1% from original budget through the end of the fiscal year.

Utility Surcharge is down 5% and Other Revenues, which include connection fees, are down moderately 6.4% through third quarter FY13 compared to FY12. However, both to these revenues are projected to be 1.3% and 1.4% lower than original FY13 budget, respectively.

Interest income for FY13, as compared to FY12, decreased in the Water Revenue Fund by 22.2% and is projected to be 18.1% lower than original FY13 budget. 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 expense is up 5.2%, as compared to FY12. Expenses appear higher due to a \$132k reimbursement from the St. John's River Management District (SJRWMD) for a conservation grant that was received during third quarter FY12. Water Transmission & Distribution costs for FY13, are higher as compared to FY12, decreased by 4.6% due to labor and non-labor expenditures shifting to capital projects versus O&M.

Customer Accounts and Sales expenses are up 116k through third 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 expense for third quarter FY13 is up 5.5%, as compared to third quarter FY12. Overall, total operating and maintenance expenses are projected to come in 1.1% over FY13 budget.

Debt Service expenses through the third 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. Debt Service expenses for FY13 are projected to be very close to original budget.

We had originally budgeted net income of \$98k for FY13. However, our latest sales and O&M projections indicate a net deficit of \$581k for the current year, assuming forecasts stay on target.

**GAINESVILLE REGIONAL UTILITIES  
WATER REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
19,055	19,821	(766)	(3.9)	<b>REVENUES:</b>	19,055	26,497	26,254	(0.9)
1,241	1,258	(18)	(1.4)	General Customers	1,241	1,860	1,794	(3.6)
1,627	1,712	(85)	(5.0)	University of Florida	1,627	2,261	2,231	(1.3)
<b>21,922</b>	<b>22,791</b>	<b>(869)</b>	<b>(3.8)</b>	Utility Surcharge	<b>21,922</b>	<b>30,618</b>	<b>30,279</b>	<b>(1.1)</b>
1,531	1,636	(105)	(6.4)	<b>Total Sales</b>	1,531	3,080	3,038	(1.4)
-	-	-	-	Other Revenues	-	-	-	-
82	106	(23)	(22.2)	Rate Stabilization Fund Transfer	82	128	105	(18.1)
<b>23,535</b>	<b>24,533</b>	<b>(998)</b>	<b>(4.1)</b>	Interest Income	<b>23,535</b>	<b>33,826</b>	<b>33,422</b>	<b>(1.2)</b>
3,912	3,718	194	5.2	<b>Total Revenues</b>	3,912	5,848	5,716	(2.3)
1,555	1,630	(75)	(4.6)	<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>	1,555	2,505	2,658	6.1
906	791	116	14.6	Water Treatment Expense	906	1,311	1,670	27.4
3,182	3,016	166	5.5	Water Trans. & Dist. Expense	3,182	4,992	4,771	(4.4)
<b>9,555</b>	<b>9,155</b>	<b>401</b>	<b>4.4</b>	Customer Accounts & Sales Expense	<b>9,555</b>	<b>14,656</b>	<b>14,815</b>	<b>1.1</b>
				Administrative & General Expenses				
<b>13,980</b>	<b>15,378</b>	<b>(1,398)</b>	<b>(9.1)</b>	<b>Total Operating &amp; Maintenance Expenses</b>				
5,883	5,883	(0)	(0.0)	<b>TOTAL NET REVENUES IN ACCORDANCE WITH</b>	<b>13,980</b>	<b>19,170</b>	<b>18,607</b>	
3,826	3,940	(113)	(2.9)	<b>BOND RESOLUTION</b>	5,883	8,192	8,248	0.7
3,883	3,424	459	13.4	DEBT SERVICE	3,826	5,056	5,116	1.2
-	-	-	-	UPIF CONTRIBUTIONS	3,883	5,824	5,824	-
<b>388</b>	<b>2,132</b>	<b>(1,744)</b>	<b>(81.8)</b>	TRANSFER TO GENERAL FUND	-	-	-	-
				WORKING CAPITAL				
				<b>NET INCOME/(DEFICIT)</b>	<b>388</b>	<b>98</b>	<b>(581)</b>	<b>(694.3)</b>

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

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

Wastewater billings through the third quarter of FY13 increased by 2.6% 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. These revenues are projected to be 1.9% higher than original FY13 budget for the year.

Utility Surcharge is up slightly by 3.9% and is projected to be 1.5% higher than budget for FY13. Other Revenues, which include connection fees, are down slightly 2.8% in third quarter FY13 compared to FY12 and are projected to be 3.2% less than original FY13 budget.

Interest income for FY13, as compared to FY12, decreased in the Wastewater Revenue Fund by 31.8%. 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. Interest Income is expected to be 29.4% less than original budget for FY13.

Collection expense through third quarter FY13 has increased by 16.9% over FY12. This corresponds to labor and non-labor expenditures shifting to capital projects versus O&M. Treatment expense for third quarter FY13 is projected to come slightly under budget by .6%.

Customer Accounts and Sales expenses are down \$75k through third 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 up 7% for the third quarter of FY13. This is mainly due to a timing difference related to the journal entry allocations for fleet operation costs and software maintenance fees.

Overall, total operating and maintenance expenses are projected to come under budget by 1.2% for FY13.

Debt Service expenses through the third 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. Debt Service expense is expected to be close to original budget for FY13.

We had originally budgeted a net deficit of \$1.3m for FY13. With a slight projected increase in year-end revenues and slight decrease in O&M, we are now forecasting a net deficit of \$708k for the current year.



**GAINESVILLE REGIONAL UTILITIES  
WASTEWATER REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
24,614	23,980	634	2.6	<b>REVENUES:</b>	24,614	32,314	32,930	1.9
1,898	1,826	72	3.9	Wastewater Billings	1,898	2,502	2,539	1.5
1,115	1,146	(32)	(2.8)	Surcharge	1,115	3,032	2,934	(3.2)
-	-	-	-	Other Revenues	-	-	-	-
129	189	(60)	(31.8)	Rate Stabilization Fund Transfer	129	224	158	(29.4)
<b>27,755</b>	<b>27,140</b>	<b>614</b>	<b>2.3</b>	Interest Income	<b>27,755</b>	<b>38,072</b>	<b>38,561</b>	<b>1.3</b>
				<b>Total Revenue</b>				
1,958	1,676	282	16.9	<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>	1,958	2,890	3,059	5.8
3,532	3,458	73	2.1	Wastewater Collection Expense	3,532	5,419	5,386	(0.6)
663	738	(75)	(10.1)	Wastewater Treatment Expense	663	1,015	1,156	13.9
3,610	3,375	235	7.0	Customer Accounts & Sales Expense	3,610	6,113	5,656	(7.5)
<b>9,764</b>	<b>9,247</b>	<b>516</b>	<b>5.6</b>	Administrative & General Expenses	<b>9,764</b>	<b>15,437</b>	<b>15,257</b>	<b>(1.2)</b>
				<b>Total Operation &amp; Maintenance Expenses</b>				
<b>17,991</b>	<b>17,893</b>	<b>98</b>	<b>0.5</b>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>17,991</b>	<b>22,635</b>	<b>23,304</b>	<b>3.0</b>
7,248	7,084	163	2.3	DEBT SERVICE	7,248	10,011	10,044	0.3
4,647	4,141	506	12.2	UPIF CONTRIBUTIONS	4,647	6,191	6,198	0.1
5,180	4,162	1,018	24.5	TRANSFER TO GENERAL FUND	5,180	7,770	7,770	-
-	-	-	-	WORKING CAPITAL	-	-	-	-
<b>916</b>	<b>2,506</b>	<b>(1,590)</b>	<b>(63.4)</b>	<b>NET INCOME/(DEFICIT)</b>	<b>916</b>	<b>(1,337)</b>	<b>(708)</b>	<b>(47.1)</b>

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

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

Residential gas sales were higher through the third quarter FY13 compared to FY12 by 7.2%. This is the result of more heating degree days in FY13 than FY12 thus far. Commercial gas sales are also up 5.2% as compared 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. However, all of these revenues are projected to be less than originally budgeted for FY13 to varying degrees, based on conservative sales estimates.

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 27.6%, and is projected to be 19.8% less than original FY13 budget. 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 \$242k compared to this time last year due to timing differences caused by Field Services adjusting allocation charges for its field service, meter reading and line locating services. Overall, FY13 expenses are expected to be down slightly with budget due to Field Services projecting lower costs in the Gas System. Administrative and General Expenses are on track with this time last year yet are expected to be slightly down as Field Services projects lower costs allocated to the Gas System than budgeted.

Debt Service expenses through the third 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. Debt Service expenses are expected to be close to original budget for FY13.

We had originally budgeted a net deficit of \$939k for FY13. With nominal changes to sales and O&M projections, a net deficit of \$811k for the current year is forecast.

**GAINESVILLE REGIONAL UTILITIES  
GAS REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
				<b>REVENUES:</b>				
				Sales of Gas and Service:				
5,501	5,134	367	7.2	Residential	5,501	7,404	7,011	(5.3)
3,292	3,128	164	5.2	Commercial & Interruptible	3,292	4,019	3,666	(8.8)
7,560	8,945	(1,385)	(15.5)	Purchased Gas Adjustment	7,560	8,268	9,239	11.7
317	288	28	9.8	Surcharge	317	418	396	(5.2)
853	771	82	10.6	Other Gas Sales and MGP	853	1,234	1,034	(16.2)
							-	
<b>17,523</b>	<b>18,266</b>	<b>(743)</b>	<b>(4.1)</b>	<b>Total Sales</b>	<b>17,523</b>	<b>21,343</b>	<b>21,346</b>	<b>0.0</b>
				Miscellaneous Revenue:				
959	986	(26)	(2.7)	Other Revenue	959	1,845	1,878	1.8
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
138	191	(53)	(27.6)	Interest Income	138	213	171	(19.8)
<b>18,621</b>	<b>19,443</b>	<b>(822)</b>	<b>(4.2)</b>	<b>Total Revenues</b>	<b>18,621</b>	<b>23,401</b>	<b>23,395</b>	<b>(0.0)</b>
				<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>				
7,449	8,091	(642)	(7.9)	Fuel Expense - Purchased Gas	7,449	8,881	9,239	4.0
910	966	(56)	(5.7)	Operation & Maintenance Expenses	910	1,536	1,457	(5.1)
1,757	1,515	242	16.0	Customer Accounts & Sales Expense	1,757	2,350	2,187	(6.9)
1,315	1,292	23	1.8	Administrative & General Expense	1,315	2,073	1,893	(8.7)
<b>11,431</b>	<b>11,863</b>	<b>(432)</b>	<b>(3.6)</b>	<b>Total Operation &amp; Maintenance Expenses</b>	<b>11,431</b>	<b>14,839</b>	<b>14,776</b>	<b>(0.4)</b>
<b>7,190</b>	<b>7,580</b>	<b>(390)</b>	<b>(5.1)</b>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>7,190</b>	<b>8,562</b>	<b>8,619</b>	<b>0.7</b>
3,297	3,111	186	6.0	DEBT SERVICE	3,297	4,495	4,486	(0.2)
1,814	2,408	(593)	(24.6)	UPIF CONTRIBUTIONS	1,814	2,466	2,404	(2.5)
1,693	1,418	275	19.4	TRANSFER TO GENERAL FUND	1,693	2,540	2,540	-
-	-	-	-	WORKING CAPITAL	-	-	-	-
<b>385</b>	<b>642</b>	<b>(257)</b>	<b>(40.1)</b>	<b>NET INCOME/(DEFICIT)</b>	<b>385</b>	<b>(939)</b>	<b>(811)</b>	<b>(13.7)</b>

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

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

Telecommunication revenues decreased by 3.1% through the third quarter of FY13, as compared to the same period of FY12. Trunking Radio revenues decreased by 6.5% as compared to the same period in the previous fiscal year. This is largely attributable to price reductions offered in the current fiscal year as contract renewal incentives to TRS customers. Tower Lease Rental revenue through third quarter FY13 is down slightly by 3.6% compared to the same period in FY12. Internet Access revenues were very comparable to this same period in FY12. All of these revenues are projected to be on target with original FY13 budget.

Interest income for FY13, as compared to FY12, decreased in the Telecommunications Revenue Fund by 28.4% and is projected to be down 9.6% for FY13 in total. 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 7.9% 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 third quarter in FY13 are 1.8% 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, forecasted debt service is lowered by \$921k combined with a lower forecast of O&M by \$425k reducing the projected net deficit to be \$1.2m at year-end.

**GAINESVILLE REGIONAL UTILITIES  
TELECOMMUNICATIONS REVENUE FUND  
UNAUDITED STATEMENT OF OPERATING INCOME  
FOR THIRD QUARTER ENDED JUNE 30, 2013**

This Year	Last Year	Year Change	Change (%)		Year to Date	FY 13 Budget	FY 13 Projected	Change (%)
4,125	4,257	(132)	(3.1)	<b>REVENUES:</b>				
1,375	1,470	(95)	(6.5)	Sales:				
1,211	1,256	(45)	(3.6)	Telecommunication	4,125	6,185	6,185	0.0
1,244	1,240	4	0.3	Trunking Radio	1,375	1,814	1,814	-
<u>7,955</u>	<u>8,223</u>	<u>(268)</u>	<u>(3.3)</u>	Tower Lease Rental	1,211	1,470	1,470	-
				Internet Access	1,244	1,836	1,836	-
				<b>Total Sales</b>	<u>7,955</u>	<u>11,305</u>	<u>11,305</u>	<u>0.0</u>
				Miscellaneous Revenue:				
-	-	-	-	Rate Stabilization Fund Transfer	-	-	-	-
0	-	0	-	Other Revenue	0	-	-	-
93	130	(37)	(28.4)	Interest Income	93	130	118	(9.6)
<u>8,048</u>	<u>8,352</u>	<u>(305)</u>	<u>(3.6)</u>	<b>Total Revenues</b>	<u>8,048</u>	<u>11,436</u>	<u>11,423</u>	<u>(0.1)</u>
				<b>OPERATION &amp; MAINTENANCE EXPENSES:</b>				
2,386	2,589	(203)	(7.9)	Operation & Maintenance Expenses	2,386	4,211	3,810	(9.5)
152	175	(23)	(13.1)	Customer Accounts & Sales Expense	152	204	238	16.4
1,309	1,460	(150)	(10.3)	Administrative & General Expenses	1,309	2,184	2,126	(2.7)
<u>3,847</u>	<u>4,223</u>	<u>(377)</u>	<u>(8.9)</u>	<b>Total Operating &amp; Maintenance Expenses</b>	<u>3,847</u>	<u>6,599</u>	<u>6,174</u>	<u>(6.4)</u>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>4,201</u>	<u>4,836</u>	<u>5,249</u>	<u>8.5</u>
<u>4,201</u>	<u>4,129</u>	<u>72</u>	<u>1.7</u>	DEBT SERVICE	3,971	5,832	4,911	(15.8)
3,971	4,043	(73)	(1.8)	UPIF CONTRIBUTIONS	840	1,137	1,114	(2.0)
840	700	140	20.0	TRANSFER TO GENERAL FUND	259	388	388	-
259	1,584	(1,326)	(83.7)	WORKING CAPITAL	-	-	-	-
-	-	-	-	<b>NET INCOME/(DEFICIT)</b>	<u>(868)</u>	<u>(2,521)</u>	<u>(1,164)</u>	<u>(53.8)</u>
<u>(868)</u>	<u>(2,198)</u>	<u>1,330</u>	<u>60.5</u>					

**Balance Sheet – Combined Funds  
As of June 30, 2013**

Operating cash and Accounts receivable have both declined as a result of lower revenues during the year, which have resulted in lower billings to customers and lower collections from customers.

In the Restricted Asset section, debt service cash is lower as of June 2013 due to semi-annual interest payments due on April 1<sup>st</sup>, offset by additional deposits to Debt Service building towards our fiscal 2013 debt obligation. The construction fund balance is lower due to normal spend down of funds on capital projects.

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

Other Payables from Restricted Assets decreased, primarily due to 6-month interest payments on April 1<sup>st</sup>, offset by the accrual of an additional 3 months interest payable. The decrease is tied to the timing of when our semi-annual debt interest payments are made, which is every April 1<sup>st</sup> and October 1<sup>st</sup>

**GAINESVILLE REGIONAL UTILITIES  
COMBINED FUNDS  
BALANCE SHEET  
JUNE 30, 2013**

(000's)	<b>JUNE 30, 2013</b>	<b>Sep 30, 2012</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS:</b>				
Cash, Investments & Accounts Receivable	63,532	76,566	(13,034)	-20.5%
Other Current Assets	39,854	40,781	(927)	-2.3%
<b>TOTAL CURRENT ASSETS</b>	<b>103,386</b>	<b>117,347</b>	<b>(13,961)</b>	<b>-13.5%</b>
<b>RESTRICTED ASSETS:</b>				
Debt Service Fund	27,587	52,496	(24,909)	-90.3%
Rate Stabilization Fund	62,078	62,735	(657)	-1.1%
Construction Fund	61,949	106,705	(44,756)	-72.2%
Utility Plant Improvement Fund	43,943	39,096	4,847	11.0%
Other Restricted Assets	18,092	18,346	(254)	-1.4%
<b>TOTAL RESTRICTED ASSETS</b>	<b>213,650</b>	<b>279,378</b>	<b>(65,728)</b>	<b>-30.8%</b>
<b>NON-CURRENT ASSETS</b>	<b>38,693</b>	<b>37,777</b>	<b>916</b>	<b>2.4%</b>
<b>NET CAPITAL ASSETS</b>	<b>1,211,533</b>	<b>1,202,101</b>	<b>9,432</b>	<b>0.8%</b>
<b>TOTAL ASSETS</b>	<b>1,567,262</b>	<b>1,636,603</b>	<b>(69,341)</b>	<b>-4.4%</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>	<b>33,726</b>	<b>45,609</b>	<b>(11,883)</b>	<b>-35.2%</b>
<b>PAYABLE FROM RESTRICTED ASSETS:</b>				
Rate Stabilization Deferred Credit	61,906	61,767	140	0.2%
Other Payables From Restricted Assets	45,888	64,997	(19,109)	-41.6%
<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<b>107,794</b>	<b>126,763</b>	<b>(18,969)</b>	<b>-17.6%</b>
<b>LONG TERM-DEBT:</b>				
Utilities System Revenue Bonds				
Payable-Senior Lien Debt	885,950	912,795	(26,845)	-3.0%
Commercial Paper Notes Payable	62,000	62,000	0	0.0%
Unamortized Bond Financing Costs	(23,343)	(25,963)	2,620	-11.2%
<b>TOTAL LONG-TERM DEBT</b>	<b>924,607</b>	<b>948,832</b>	<b>(24,225)</b>	<b>-2.6%</b>
<b>OTHER NON-CURRENT LIABILITIES</b>	<b>15,774</b>	<b>15,505</b>	<b>269</b>	<b>1.7%</b>
<b>TOTAL LIABILITIES</b>	<b>1,081,901</b>	<b>1,136,709</b>	<b>(54,808)</b>	<b>-5.1%</b>
<b>TOTAL NET ASSETS</b>	<b>485,361</b>	<b>499,894</b>	<b>(14,533)</b>	<b>-3.0%</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,567,262</b>	<b>1,636,603</b>	<b>(69,341)</b>	<b>-4.4%</b>

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# **Supplemental Data**

**Gainesville Regional Utilities**  
**ELECTRIC RESALE**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June					Nine Months That Ended June 30			
This Year	Per KWh	Last Year	Per KWh	Change		This Year	Last Year	Change
760,517	0.0703	627,681	0.0602	132,836	Resale Revenue			
25,840	-	527,353	0.0706	(501,513)	Alachua	5,411,545	5,084,208	327,337
<u>786,358</u>	0.0726	<u>1,155,034</u>	0.0645	<u>(368,676)</u>	Seminole	1,579,119	4,035,915	(2,456,796)
					<b>Total Resale Revenue</b>	<u>6,990,664</u>	<u>9,120,123</u>	<u>(2,129,459)</u>
10,824,757		10,433,969		390,788	Resale KWh			
-		7,468,313		(7,468,313)	Alachua	78,661,249	81,157,230	(2,495,981)
<u>10,824,757</u>		<u>17,902,282</u>		<u>(7,077,525)</u>	Seminole	18,180,608	54,969,224	(36,788,616)
					<b>Total Resale KWh</b>	<u>96,841,857</u>	<u>136,126,454</u>	<u>(39,284,597)</u>

**Gainesville Regional Utilities**  
**ELECTRIC STATISTICS**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

<b>Month June</b>			<b>Nine Months That Ended June 30</b>			
<b>This Year</b>	<b>Last Year</b>	<b>Change</b>		<b>This Year</b>	<b>Last Year</b>	<b>Change</b>
<u>92,755</u>	<u>92,472</u>	<u>283</u>	<b>Total Customers</b>	<u>92,203</u>	<u>91,849</u>	<u>354</u>
4,506	4,552	(46)	Street Lights Customers	4,506	4,552	(46)
31,786	31,744	42	Street Lights in Service	31,786	31,744	42
566.90	569.40	(2.50)	Miles of Overhead Distribution Line	566.90	569.40	(2.50)
848.68	845.51	3.17	Miles of Underground Distribution Line	848.68	845.51	3.17
<u>1,415.58</u>	<u>1,414.91</u>	<u>0.67</u>	<b>Total Miles of Distribution Line</b>	<u>1,415.58</u>	<u>1,414.91</u>	<u>0.67</u>
388	393	(5)	Maximum Peak Load Generated/Net (MW)	313	339	(26)
181,052	181,084	(32)	Net Energy for Load (MWh)	149,901	151,666	(1,765)
64.81	64.00	0.81	Load Factor - Percent	64.88	61.69	3.19
488	430	58	Cooling Degree DBFs - Actual Days	1,304	1,474	(170)
449	449	-	Cooling Degree DBFs - Normal Days	1,319	1,322	(3)
39	(19)	58	Difference from Normal	(15)	152	(167)
0.0510	0.0510	-	<b>Fuel Adjustment</b>	0.0510	0.0510	-

**Gainesville Regional Utilities**  
**WATER STATISTICS**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June			Nine Months That Ended June 30			
This Year	Last Year	Change		This Year	Last Year	Change
69,722	69,438	284	<b>Total Customers</b>	69,450	68,927	524
			<b>Pumpage - Mega-gallons</b>			
27,153	26,736	417	Raw Water - Max	27,190	31,074	(3,884)
19,913	19,289	624	Raw Water - Min	16,264	17,668	(1,404)
22,409	22,703	(293)	Raw Water - Avg	21,935	23,207	(1,273)
672,281	681,085	(8,805)	<b>Total</b>	5,988,151	6,358,783	(370,631)
			Distribution System - Max	26,185	29,792	(3,607)
25,766	25,792	(26)	Distribution System - Min	16,760	18,323	(1,563)
20,115	19,846	270	Distribution System - Avg	21,677	22,417	(741)
22,193	22,699	(507)	<b>Total</b>	5,917,717	6,142,375	(224,658)
665,781	680,979	(15,198)	Maximum Daily Pumpage	32.23	36.10	(3.87)
			Average Max. Daily Pumpage	26.75	27.44	(0.68)
31.42	32.83	(1.41)	Minimum Daily Pumpage	12.89	11.26	1.63
26.83	27.09	(0.26)	Average Min. Daily Pumpage	19.66	27.44	(7.78)
13.93	13.72	0.21	Miles of Potable Water Main	1,129.5	1,117.9	11.6
16.60	17.22	(0.62)	Miles of Potable Water Fire Mains	16.2	13.1	3.1
			Fire Hydrants	5,644	5,581	63
1,129.5	1,117.9	11.6	Precipitation - Actual Inches	25.12	34.26	(9.14)
16.2	13.1	3.1	Precipitation - Normal Inches	29.78	29.84	(0.06)
5,644	5,581	63	Difference from Normal	(4.66)	4.42	(9.08)
6.25	16.34	(10.09)				
7.03	7.03	-				
(0.78)	9.31	(10.09)				

**Gainesville Regional Utilities**  
**WASTEWATER STATISTICS**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June		
This Year	Last Year	Change
62,898	62,643	255
27.3	27.1	0.2
14,976	14,960	16
165	165	0
139.1	139.2	(0.1)
629.1	618.8	10.3
768.2	758.0	10.2

**Total Customers**

Miles of Reclaimed Water Mains  
 Manholes  
 Active Lift Stations

**Miles of Main**

Force Main  
 Gravity Main

**Total Miles of Main**

Nine Months That Ended June 30		
This Year	Last Year	Change
62,601	62,148	453
27.3	27.1	0.2
14,976	14,960	16
165	165	0
139.1	139.2	(0.1)
629.1	618.8	10.3
768.2	758.0	10.2

**Gainesville Regional Utilities**  
**GAS STATISTICS**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

This Year	Month June	
	Last Year	Change
33,432	33,309	123
190	188	2
749.11	743.76	5.35
7.17	7.17	0.00
<u>756.28</u>	<u>750.93</u>	<u>5.35</u>
0	0	-
0	0	-
0	0	-
81.1	79.1	2.0
0.4000	0.4600	(0.0600)
0.3838	0.4438	(0.0600)
1.2900	1.5000	(0.2100)
1.0150	1.0270	(0.0120)

	Nine Months That Ended June 30		
	This Year	Last Year	Change
<b>Total NG Customers</b>	<u>33,369</u>	<u>33,202</u>	<u>167</u>
<b>Total LP Gas Customers</b>	<u>190</u>	<u>186</u>	<u>4</u>
<b>Distribution Mains</b>			
NG System	749.11	743.76	5.35
LP System	7.17	7.17	0.00
<b>Total Distribution Mains</b>	<u>756.28</u>	<u>750.93</u>	<u>5.35</u>
Heating Degree DBFs - Actual Days	1,040	692	348
Heating Degree DBFs - Normal Days	1,148	1,154	(6)
Difference from Normal	(108)	(462)	354
Average Temperature	65.7	67.6	(1.9)
<b>FUEL ADJUSTMENTS</b>			
Natural Gas Firm PGA	0.4000	0.5500	(0.1500)
Natural Gas Int PGA	0.3838	0.5338	(0.1500)
LP PGA	1.1483	1.8983	(0.7500)
Calorific Value	1.0217	1.0270	(0.0053)

**Gainesville Regional Utilities**  
**GRUCOM STATISTICS**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June			Nine Months That Ended June 30			
This Year	Last Year	Change		This Year	Last Year	Change
			<b>Customers</b>			
21	26	(5)	GRU Equipment Lease	22	36	(14)
247	240	7	GRU EtherLink	244	239	5
88	80	8	GRU Internet Access	89	82	7
2	2	0	GRU Backup Conduit	2	2	0
70	45	25	GRU Broadband Internet Access	64	46	18
55	63	(8)	GRU Colocation Lease	60	63	(3)
88	88	0	GRU DS0 Transport	89	88	1
66	76	(10)	GRU DS1 Transport	67	80	(13)
290	375	(85)	GRU DS1 Transport - Carrier	363	451	(88)
2	2	0	GRU DS3 Transport	2	2	0
69	79	(10)	GRU DS3 Transport - Carrier	77	78	(1)
37	34	3	GRU EtherLink Carrier	36	26	10
1	1	0	GRU Fiber Drivers	1	1	0
1	1	0	GRU OC3 Transport	1	2	(1)
5	4	1	GRU OC3 Transport Carrier	5	4	1
2	2	0	GRU OC48 Transport Carrier	2	2	0
2	2	0	GRU SAN Fiber Channel	2	2	0
8	10	(2)	GRU SCADA Transport	8	10	(2)
2	2	0	GRU Switched Transport	2	2	0
0	3	(3)	GRU Telephone Internet Access	3	3	0
7	10	(3)	GRU Telephone Line Leases	8	10	(2)
3	5	(2)	GRU Telephone Set Leases	3	5	(2)
163	164	(1)	GRU Tower Lease	168	167	1
5	5	0	GRU TRS Analog Consol	5	5	0
37	38	(1)	GRU TRS Analog Radio	38	38	0
3	3	0	GRU TRS Digital Console	3	3	0
18	19	(1)	GRU TRS Digital Radio	18	19	(1)
1	1	0	GRU Trunk Termination	1	1	0
392	478	(86)	Telecomm - GRUnet	423	529	(106)

**Gainesville Regional Utilities**  
**DEERHAVEN FUELS INVENTORIES**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June			
This Year		Last Year	
BBLs	Value	BBLs	Value
67,787.00	2,623,968.23	67,795.30	2,624,543.90
63,462.60	2,415,072.11	67,795.30	2,624,543.90
GALS		GALS	
180,331.00	144,614.87	226,558.00	295,546.49
179,009.00	140,298.53	222,153.00	281,164.12
TONS		TONS	
286,100.10	24,526,190.66	256,358.53	21,740,670.60
244,777.85	20,641,458.00	253,563.38	21,476,111.71
%	Days	%	Days
65.18	26.31	65.19	26.32
61.02	24.59	65.19	26.32
20.97	25.33	26.34	31.94
20.82	25.14	25.83	31.31
	146.89		131.24
	125.15		129.77

Month June			
This Year	Last Year	Change	Percentage
38.7090	38.7128	(0.0038)	(0.01)
38.0550	38.7128	(0.6577)	(1.70)
0.8019	1.3045	(0.5026)	(38.53)
0.7838	1.2656	(0.4819)	(38.07)
85.7259	84.8057	0.9202	1.09
84.3273	84.6972	(0.3699)	(0.44)

	Nine Months That Ended June 30			
	This Year		Last Year	
	BBLs	Value	BBLs	Value
<b>#6 Oil (Bunker C) Inventory</b>				
Beginning	67,787.00	2,623,968.23	67,795.30	2,624,543.90
Ending	63,462.60	2,415,072.11	67,795.30	2,624,543.90
<b>#2 Oil (Diesel) Inventory</b>				
Beginning	184,736.00	158,997.24	180,330.00	144,883.13
Ending	179,009.00	140,298.53	222,153.00	281,164.12
<b>Coal Fuel Inventory</b>				
Beginning	315,294.91	27,265,230.96	233,815.34	19,605,446.18
Ending	244,777.85	20,641,458.00	253,563.38	21,476,111.71
	%	Days	%	Days
<b>Oil Levels</b>				
<b>#6 Oil</b>				
Beginning	65.18	26.31	65.19	26.32
Ending	61.02	24.59	65.19	26.32
<b>#2 Oil</b>				
Beginning	21.48	25.96	20.97	25.33
Ending	20.82	25.14	25.83	31.31
<b>Coal</b>				
Beginning		162.26		119.38
Ending		125.15		129.77

	Nine Months That Ended June 30			
	This Year	Last Year	Change	Percentage
<b>Bunker C (\$/BBL)</b>				
Beginning	38.7090	38.7128	(0.0038)	(0.01)
Ending	38.0550	38.7128	(0.6577)	(1.70)
<b>Diesel Fuel (\$/Gal)</b>				
Beginning	0.8607	0.8034	0.0572	7.12
Ending	0.7838	1.2656	(0.4819)	(38.07)
<b>Coal (\$/Ton)</b>				
Beginning	86.4753	83.8501	2.6252	3.13
Ending	84.3273	84.6972	(0.3699)	(0.44)



**Gainesville Regional Utilities**  
**JR KELLY FUELS INVENTORIES**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June			
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
456,367.45	789,850.19	474,307.39	832,143.77
456,367.45	789,850.19	474,307.39	832,143.77
%		%	
Days	Days	Days	Days
8.17	2.60	8.17	2.60
8.17	2.60	8.17	2.60
53.07	64.77	55.15	67.33
53.07	64.77	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

Nine Months That Ended June 30			
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
456,367.45	789,850.19	474,307.39	832,143.77
%		%	
Days	Days	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
53.07	64.77	55.15	67.33

Month June			
This Year	Last Year	Change	Percentage
39.9701	39.9701	-	-
39.9701	39.9701	-	-
1.7307	1.7544	(0.0237)	(1.35)
1.7307	1.7544	(0.0237)	(1.35)

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

Beginning  
Ending

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

Beginning  
Ending

Nine Months That Ended June 30			
This Year	Last Year	Change	Percentage
39.9701	39.9701	-	-
39.9701	39.9701	-	-
1.7477	1.7544	(0.0067)	(0.38)
1.7307	1.7544	(0.0237)	(1.35)

**Gainesville Regional Utilities**  
**GENERATION BY FUEL**  
**FOR THIRD QUARTER ENDED JUNE 30, 2013**

Month June			Nine Months That Ended June 30			
This Year	Last Year	Change		This Year	Last Year	Change
			<b>Cost By Fuel (\$)</b>			
4,254,198	2,626,701	1,627,497	Coal	12,078,389	7,914,307	4,164,082
3,171,809	3,915,739	(743,931)	Natural Gas	6,056,449	9,765,005	(3,708,556)
4,316	14,382	(10,066)	#2 Oil	48,658	35,090	13,568
-	-	-	#6 Oil	-	-	-
42,661	38,395	4,266	Nuclear (CR3)	123,658	125,080	(1,422)
162,597	157,133	5,464	Methane (MCLF)	479,160	442,994	36,166
583,485	492,290	91,194	Feed-In-Tariff	1,615,213	1,328,481	286,732
1,555,053	2,010,220	(455,167)	Purchased Power	5,882,709	6,078,602	(195,893)
<u>9,774,119</u>	<u>9,254,861</u>	<u>519,258</u>	<b>Total</b>	<u>26,284,237</u>	<u>25,689,560</u>	<u>594,677</u>
			<b>Generation By Fuel (MWH)</b>			
93,223	56,595	36,628	Coal	272,148	182,175	89,974
75,118	85,013	(9,895)	Natural Gas	122,397	214,767	(92,370)
5	51	(46)	#2 Oil	186	128	58
-	-	-	#6 Oil	-	-	-
7,588	9,125	(1,537)	Nuclear (CR3)	25,623	25,978	(355)
2,211	2,190	21	Methane (MCLF)	6,520	6,192	328
2,183	1,775	408	Feed-In-Tariff	6,067	4,739	1,327
8,545	27,299	(18,754)	Purchased Power	52,584	79,946	(27,362)
<u>188,873</u>	<u>182,048</u>	<u>6,825</u>	<b>Total</b>	<u>485,526</u>	<u>513,925</u>	<u>(28,400)</u>
			<b>Average Fuel Cost per MWH (\$/MWH)</b>			
45.63	46.41	(0.78)	Coal	44.38	43.44	0.94
42.22	46.06	(3.84)	Natural Gas	49.48	45.47	4.01
918.37	283.68	634.69	#2 Oil	261.18	273.71	(12.53)
-	-	-	#6 Oil	-	-	-
5.62	4.21	1.41	Nuclear (CR3)	4.83	4.81	0.01
73.54	71.75	1.79	Methane (MCLF)	73.49	71.54	1.95
267.26	277.30	(10.04)	Feed-In-Tariff	266.24	280.31	(14.07)
181.98	73.64	108.35	Purchased Power	111.87	76.03	35.84
<u>51.75</u>	<u>50.84</u>	<u>0.91</u>	<b>Total</b>	<u>54.14</u>	<u>49.99</u>	<u>4.15</u>

**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	778	2	780
<b>Left Over</b>	<b>29,202</b>	<b>126</b>	<b>29,328</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							
4							
<b>Year</b>	<b>0.2</b>	<b>776.5</b>	<b>0.9</b>	<b>777.6</b>	<b>1.4</b>	<b>1.4</b>	<b>779.0</b>

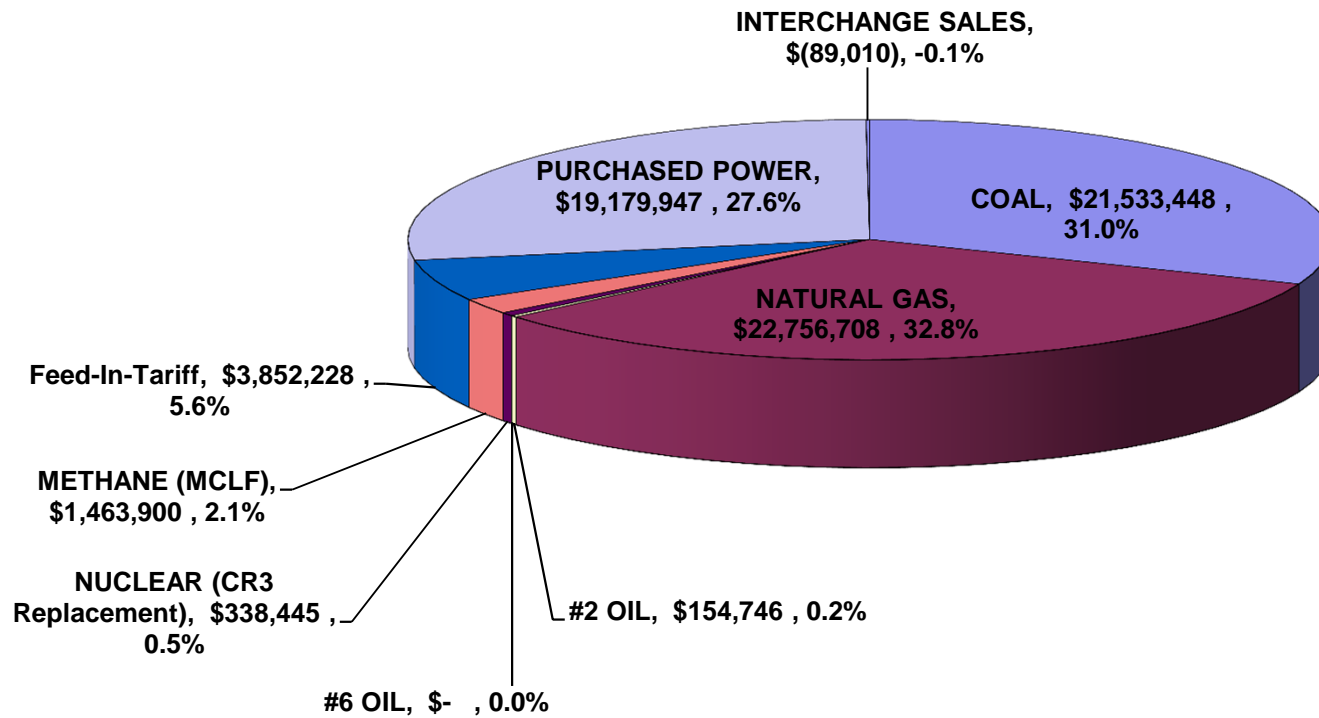
**NO<sub>x</sub> Allowances (tons)**

	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	310	142	24	10	334	152
Sold	0	0	0	0	0	0
<b>Left Over</b>	<b>3,083</b>	<b>1,029</b>	<b>145</b>	<b>100</b>	<b>3,228</b>	<b>1,129</b>

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

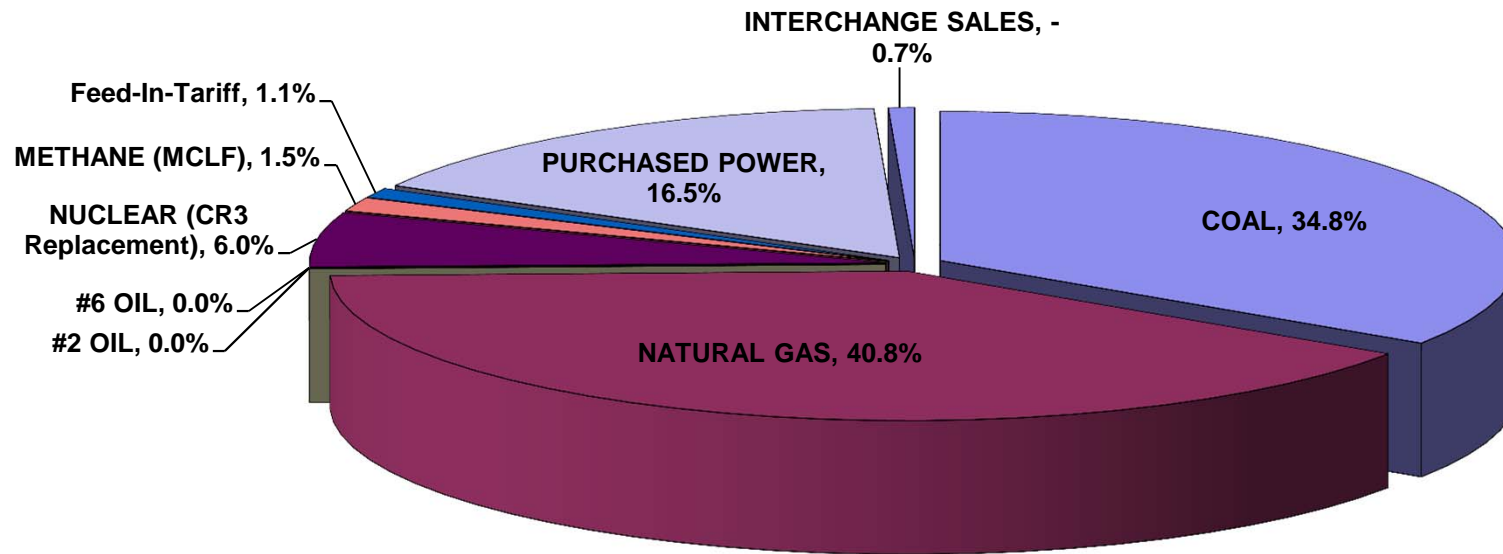
Quarter	B1		B2		CT3		DH Total		CC1		JRK Total		GRU Total	
	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS	Ann.	OS
1	33.5	0.0	68.5	0.0	0.5	0.0	102.5	0.0	12.7	0.0	12.7	0.0	115.2	0.0
2	11.8	5.6	194.6	136.1	0.6	0.2	207.0	141.9	10.9	10.2	10.9	10.2	217.9	152.1
3		0.0		0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
4		0.0		0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
<b>Year</b>	<b>45.3</b>	<b>5.6</b>	<b>263.1</b>	<b>136.1</b>	<b>1.1</b>	<b>0.2</b>	<b>309.5</b>	<b>141.9</b>	<b>23.6</b>	<b>10.2</b>	<b>23.6</b>	<b>10.2</b>	<b>333.1</b>	<b>152.1</b>

**Total Cost & Percentage by Fuel Type  
9 months ended Through June 2013**



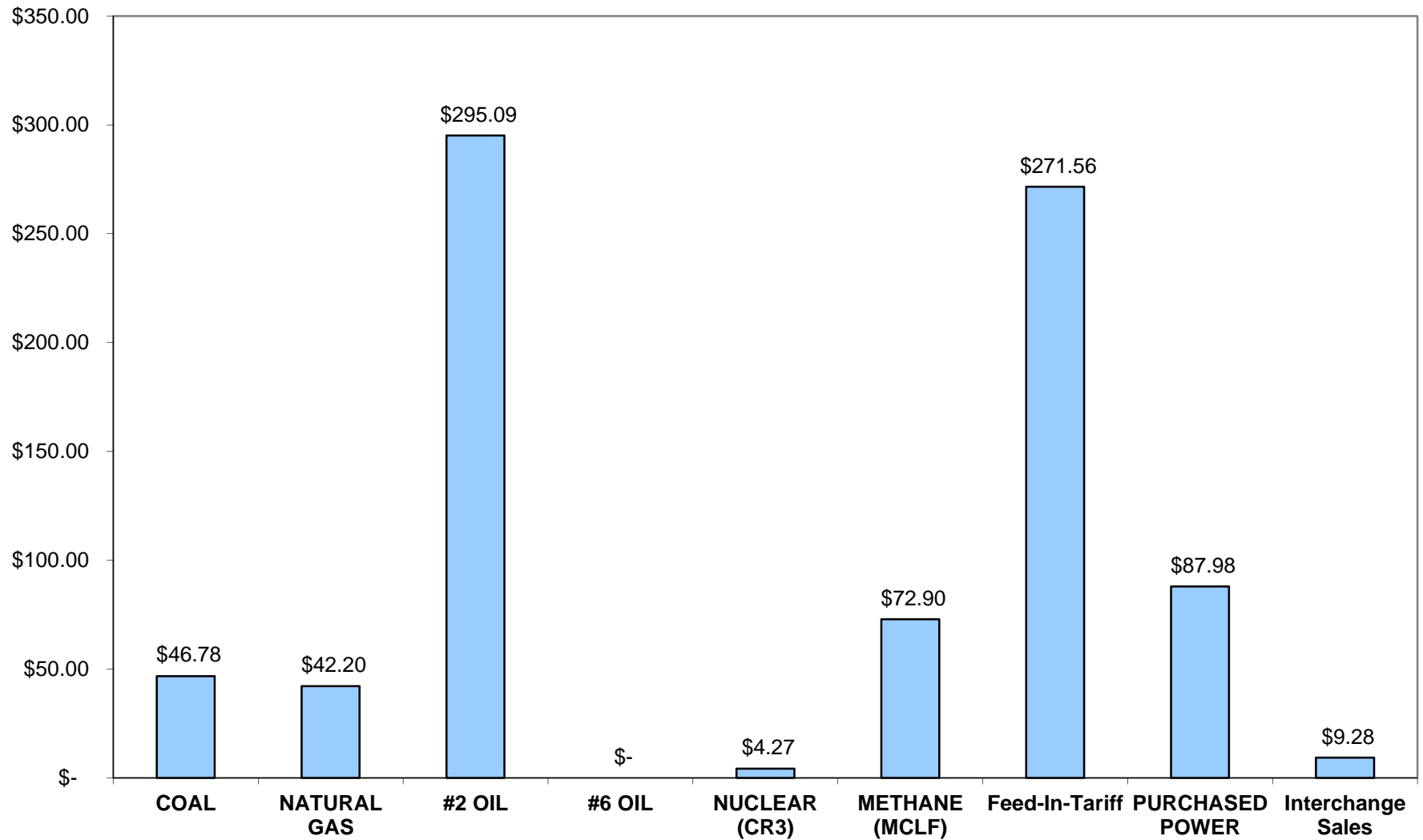
■ COAL	■ NATURAL GAS	□ #2 OIL
□ #6 OIL	■ NUCLEAR (CR3 Replacement)	■ METHANE (MCLF)

### Sources of Electric Energy for Load by Fuel Type (MWh) FY2013- Through June 2013



■ 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 June 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.

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