

- Municipal utilities, such as JEA, receive state and federal (FEMA) reimbursement funds for eligible storm-related damage costs. Eligible storm costs are considered after any claims are made on JEA property or other insurance policies. JEA has historically received approximately 87.5% reimbursement of eligible storm costs from state and federal agencies.
- Investor-owned utilities, such as FPL, are not eligible for state or federal reimbursement funds and must receive approval from the Florida Public Service Commission for any special assessment storm reimbursement costs which are in turn recovered from customers.
- Investor-owned utilities do not isolate the storm recovery costs to only the segment of affected customers; instead, the costs are spread over the entire customer base.
- For example, if an investor-owned utility with a large geographic service area experienced a storm that only affected South Florida, customers in North Florida will also pay for the damage recovery costs incurred in the southern part of the region.

- The state and federal reimbursement of eligible storm costs of up to 87.5% for municipal utilities translates to direct customer rate relief.
- IOUs Duke and FPL estimated Hurricane Irma’s storm recovery charges could be as high as \$4.00-\$5.00/month over a period of three years; however, tax savings associated with recent federal tax legislation could be applied to offset some recovery costs from customers.

JEA	Eligible Storm Cost <sup>1</sup>	Reimbursement from FEMA <sup>2</sup>	Customer Impact <sup>3</sup>
<b>Irma -2017</b>	\$17.4M	(\$15.2M)	N/A – No increase
<b>Matthew - 2016</b>	\$14.6M	(\$12.8M)	N/A – No increase
FPL	Eligible Storm Cost <sup>1</sup>	Reimbursement from FEMA <sup>2</sup>	Customer Impact <sup>4</sup>
<b>Irma - 2017</b>	\$1.3B	0	Delayed <sup>5</sup>
<b>Matthew -2016</b>	\$293-\$318M	0	\$3.36/mo – 12 months
<b>2004/2005 storms</b>	\$1.7B	0	\$1/mo – <b><u>13 YEARS</u></b>

1 Considered after insurance policy claims

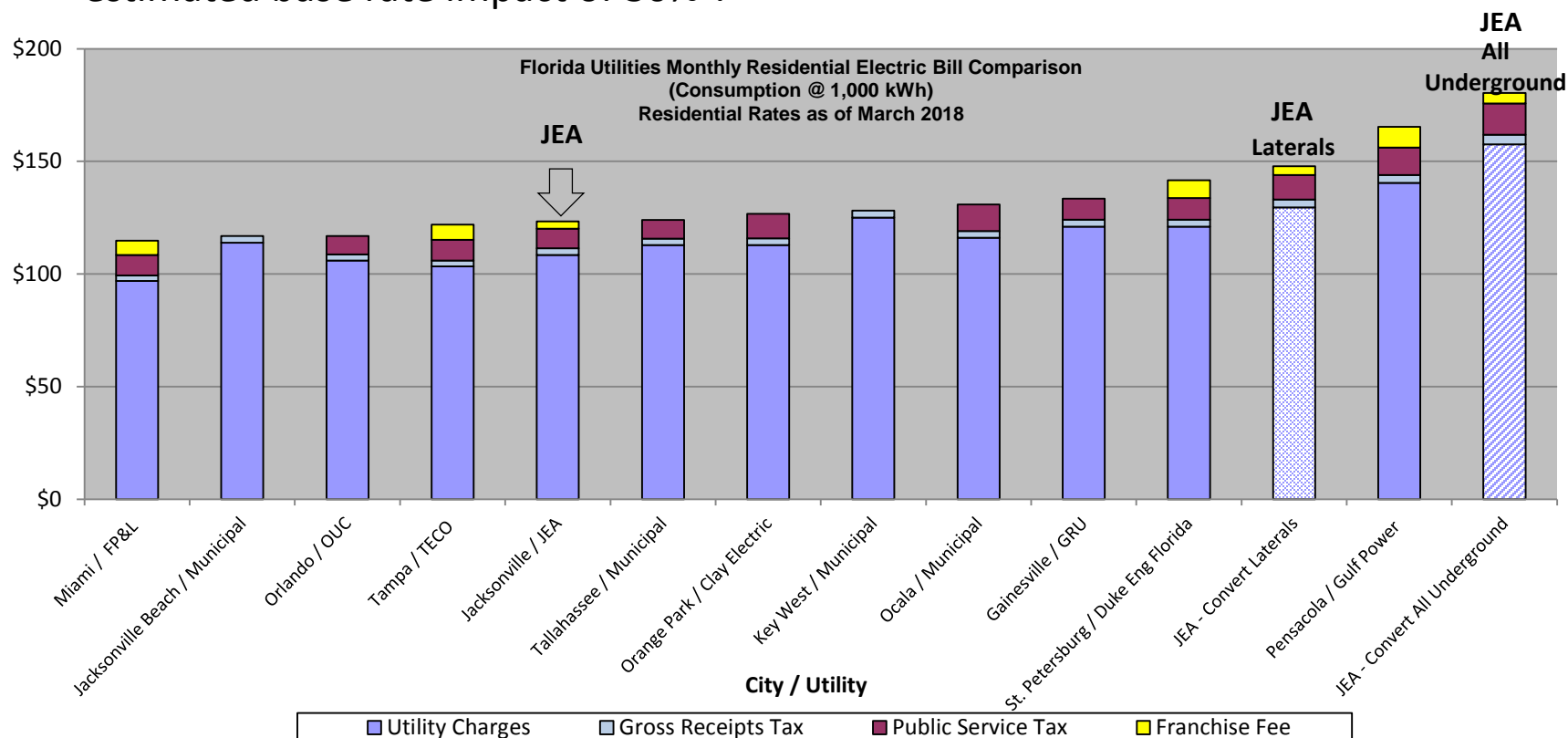
2 Includes FEMA and state reimbursement – assumed 87.5%

3 JEA is not obligated to raise rates for unreimbursed storm costs, instead can use reserve funding

4 Monthly Impact on typical residential customer using 1,000 kWh per month

5 FPL will delay customer recovery impact after considering the benefits of the recent tax legislation

- An estimate of the full cost to the community to convert all of JEA's 3,000 miles of overhead distribution lines to underground is **\$4.5 Billion<sup>1</sup>** with an estimated base rate impact of 70%<sup>2</sup>.
- An estimate of the full cost to the community to convert only the 2,000 miles of overhead laterals (neighborhoods) to underground is **\$1.9 Billion<sup>1</sup>** with an estimated base rate impact of 30%<sup>2</sup>.



1 Estimated figures do not include costs associated with ATT/Comcast pole attachment services and customer costs of meter box equipment and secondary services

2 Assumes cost of undergrounding is financed by JEA at a 3.87% average interest rate over 30 years