

Aaron Zahn Remarks – April 19, 2018 to
Special Committee on Potential Sale of JEA

Discord in any form can be paralyzing. Discord without common purpose is not only paralyzing but demoralizing and capable of instilling fear. Whether it be an argument among parents in front of children or a public debate around the fate of a company in front of its employees. The impact on the witnessing party is similar and no less poignant. The employees of JEA take pride in the work they do on behalf of JEA's customers and for the community. And they should... in many respects, financially and operationally, JEA is one of the best managed electric, water and wastewater utilities in the country.

The public discord of the last 4 months has felt personal to many JEA employees. One need look no further than the red shirts in the audience that say "JEA is ours". I don't know a CEO in the world that would consider that level of employee loyalty to a company as anything short of a blessing.

It is true, on November 28, our organization started a conversation for which we were wholly unprepared. As the CEO, I own that matter. I stand here today with humility and an open ear. As the adage goes, you can view the glass half empty or half full and your viewpoint will guide your path. So as an optimist, I view the past four months to be a journey of enlightenment. It has shed light on important facts about JEA, it has elevated important questions and it has mainly demonstrated that the market landscape and changes in JEA's industry require a new lens upon which to view a "utility for the future of Jacksonville."

In fact, this committee, by its very nature, actions and questions pays testament to the importance of JEA's role in this community and the lens upon which policy makers of our City should begin to consider a path forward for JEA. Over the next 6-12 months, our Board and leadership, plan to engage our employees and all our stakeholders to map a strategic plan for the future of JEA. And it very well may be that we need this policy body's assistance in considering modifications to our charter to enable JEA to continue to prosper as it has in the past.

With the consensus of JEA's board of directors, the Mayor, and the entire Senior Leadership Team of JEA, I offer a constructive path forward. My plan is to meet individually with each of the City Council members and then again as a collective whole to come to agreement on this path forward. Yesterday, I started with President Brosche, Vice President Bowman, Chairman Crescimbeni and JEA's Council Liason Shellenberg. My interpretation is that everyone agrees the path forward needs to be deliberate and constructive. By end of next week, I hope to have completed a 1:1 meeting with each of you so that you may provide your insights as well.

Starting at 5pm this past Tuesday, with consensus of the Board of JEA and the entire Senior Leadership of JEA, I instructed the entire organization of JEA to focus on only the following priorities

JEA's Priorities:

1. **Focus on core business** – Under Ms. Dykes capable leadership, stabilize the environment to assure stakeholders that JEA is committed to its core business of providing customers electric, water, and sewer services as well as taking care of the employees who serve them. Continue execution of our 2013 Strategic Plan as further updated and cascaded through 2018.
2. **Look forward** - Implement and execute on a smooth and effective transition of leadership by introducing JEA's interim CEO and his vision. I plan on working with Paul McElroy to make sure the operational and financial performance trends he led while at JEA continue.
3. **Listen and align our purpose with Shareholder Trustees** - Establish consensus with JEA's Board of Directors, City Council and the Mayor around a "framework" upon which to measure a strategic plan for the future of JEA. I will speak to each of you in depth about this concept in our 1:1 meetings then bring back to the collective.
4. **Question the possibilities of greatness and innovate** - Initiate a strategic planning process and set a vision for JEA as a "utility for the future of Jacksonville." JEA has the potential and is in the position to lead the nation

on innovation around electric, water, wastewater and other essential services.

5. **Be stewards of a united Community and lead with Integrity** - Establish unity, trust and open communications with employees and all of JEA's stakeholders.

- a. Say what we're going to do, do what we say, confirm we did exactly what we said we were going to do.

Pledge of CEO

1. Immediately advocate to all policy makers that the conversation around JEA be focused on JEA's Priorities (outlined above)
2. Be the point person to proactively build bridges with stakeholders of JEA by reaching out to and listening
3. Guide a deliberate conversation to build consensus around the purpose, role and value of JEA in our community
4. Listen, understand, speak and act - Communicate in a concise and deliberate manner the strategy and strategic decisions of JEA prior to action. You will see this materialize in our corporate governance, in our communications to you as Shareholder Trustees and in our engagement of employees and community stakeholders.

JEA Annual Revenue and Expense Projection

Telecom Infrastructure & Facilities (Fiber, Wireless Colocation, Pole Attachments)

April 3, 2018



NOTE: This revenue projection assumes status quo for Dark Fiber line of business; resolution to expand offering not approved.

Annual Revenue Forecast	2017	2018	2019	2020	2021	2022
Total Telecom Facilities Revenues	\$ 8,616,024	\$ 8,790,934	\$ 9,502,470	\$ 10,082,258	\$ 10,447,534	\$ 10,834,353
Pole Attachment Revenues _{1,2}	\$ 4,830,156	\$ 4,819,820	\$ 5,079,915	\$ 5,347,812	\$ 5,508,246	\$ 5,673,494
Wireless Colocation Leasing Revenues ₃	\$ 1,922,505	\$ 1,996,213	\$ 2,302,533	\$ 2,408,306	\$ 2,568,710	\$ 2,733,930
Dark Fiber Leasing Revenues ₄	\$ 1,863,363	\$ 1,974,901	\$ 2,120,023	\$ 2,326,139	\$ 2,370,578	\$ 2,426,929

Expenses	2017	2018	2019	2020	2021	2022
Total Telecom Facilities Operating Expenses	\$ 1,037,407	\$ 1,051,735	\$ 1,066,369	\$ 1,081,315	\$ 1,096,579	\$ 1,112,167
Operations:						
Salaries, OT, and Benefits ₅	\$ 605,270	\$ 617,376	\$ 629,723	\$ 642,318	\$ 655,164	\$ 668,267
Depreciation ₆	\$ 279,137	\$ 278,300	\$ 277,465	\$ 276,632	\$ 275,803	\$ 274,975
Maintenance Agreements ₇	\$ 153,000	\$ 156,060	\$ 159,181	\$ 162,365	\$ 165,612	\$ 168,924
Capital Construction Costs ₈	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes and Assumptions - Telecom Facilities Infrastructure

- 1: Pole attachment revenue increases due to standard agreement with 3% escalator and new attachers; standard agreement in place across 10 attaching entities.
- 2: JEA Pole attachment rent rates calculated via APPA cost-based formula.
- 3: Wireless colocation revenues include both annual rents and construction & maintenance revenues for macro-site towers and small cells.
- 4: This revenue projection assumes status quo for Dark Fiber line of business; no approval of resolution to expand dark fiber business offering.
- 5: O&M: 2% annual growth of Allocated Salaries, OT, and Benefits is based on cost center B0011 Management and cost center 30904 Management (35%) & Dedicated staff (100%)
- 6: Depreciation: From Project Accounting's Power Plan assets labeled Fiber Optics. Actuals are allocated based on approx. Strand Miles assumed available for lease (38.7%)
- 7: Maintenance agreements and inspection expenses for tower and site maintenance.
- 8: There are no capital costs for pole attachment, wireless colocation, or Dark Fiber business offering (status quo). If approved to expand, Dark Fiber would incur capital costs.

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JEA Annual Revenue and Expense Projection
 Dark Fiber Utility Services (Current State Program Offering)
 April 3, 2018



NOTE: This revenue projection assumes status quo for Dark Fiber line of business; resolution to expand offering not approved.

Annual Revenue Forecast	2017	2018	2019	2020	2021	2022
Dark Fiber Leasing Revenues ₁	\$ 1,863,363	\$ 1,974,901	\$ 2,120,023	\$ 2,326,139	\$ 2,370,578	\$ 2,426,929
Expenses	2017	2018	2019	2020	2021	2022
Total Dark Fiber Operating Expenses	\$ 761,272	\$ 770,077	\$ 779,078	\$ 788,278	\$ 797,681	\$ 807,291
O&M ₂	\$ 482,135	\$ 491,778	\$ 501,613	\$ 511,646	\$ 521,878	\$ 532,316
Depreciation ₃	\$ 279,137	\$ 278,300	\$ 277,465	\$ 276,632	\$ 275,803	\$ 274,975
Projected Capital Expenses ₄	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

All current capital expenses are part of Fiber R&R budget for utility services only.

Future capital expenses will be customer project-driven, ensuring financial viability and rate of return targets.

Notes and Assumptions - Dark Fiber

- 1: Dark Fiber revenue growth based on current book of business; 3% escalator on Verizon ring; acquisition of westside ring mid-2019 due to joint-use expiration.
- 2: O&M: 2% annual growth of Allocated Salaries, OT, and Benefits is based on cost center B0011 - Management(50%) and 30904 Management (35%) & Dedicated staff (100%)
- 3: Depreciation: From Project Accounting's Power Plan assets labeled Fiber Optics. Actuals are allocated based on approx. Strand Miles assumed available for lease (38.7%)
- 4: Without approval of JEA Board Resolution #2018-01 by Jacksonville City Council, JEA is not authorized to spend capital funds on Dark Fiber line of business.

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JEA Annual Revenue and Expense Projection

Dark Fiber Utility Services (Expanded Program Offering)

April 3, 2018

NOTE: This revenue projection assumes expansion of Dark Fiber line of business; resolution to expand offering is approved at Council.

Annual Revenue Forecast	2017	2018	2019	2020	2021	2022
Dark Fiber Leasing Revenues ₁	\$ 1,863,363	\$ 1,974,901	\$ 2,516,381	\$ 3,369,714	\$ 4,043,992	\$ 4,115,864

Expenses	2017	2018	2019	2020	2021	2022
Total Dark Fiber Operating Expenses	\$ 761,272	\$ 870,077	\$ 1,129,078	\$ 1,088,278	\$ 1,147,681	\$ 1,107,291
O&M ₂	\$ 482,135	\$ 491,778	\$ 501,613	\$ 511,646	\$ 521,878	\$ 532,316
Depreciation ₃	\$ 279,137	\$ 278,300	\$ 277,465	\$ 276,632	\$ 275,803	\$ 274,975
Projected Capital Expenses	\$ -	\$ 100,000	\$ 350,000	\$ 300,000	\$ 350,000	\$ 300,000

Future capital expenses will be customer project-driven, ensuring financial viability and rate of return targets.

Notes and Assumptions - Dark Fiber

- 1: Dark Fiber revenues increase based upon rate escalation in contracts, new contract opportunities, and expiration of joint-use agreements leading to new revenue.
- 2: O&M: 2% annual growth of Allocated Salaries, OT, and Benefits is based on cost center B0011 - Management(50%) and 30904 Management (35%) & Dedicated staff (100%)
- 3: Depreciation: From Project Accounting's Power Plan assets labeled Fiber Optics. Actuals are allocated based on approx. Strand Miles assumed available for lease (38.7%)

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JEA Annual Revenue and Expense Projection
 Wireless Colocation Utility Services (Including Small Cell Facilities)
 April 3, 2018

Annual Revenue Forecast	2017	2018	2019	2020	2021	2022
Wireless Colocation Leasing Revenues ₁	\$ 1,922,505	\$ 1,996,213	\$ 2,302,533	\$ 2,408,306	\$ 2,568,710	\$ 2,733,930

Future Sensitivities:

JEA may consider changing the escalator in tower rent structures (currently @ 4% annually).
 Our rent prices continue to increase in a relatively competitive environment.

Expenses	2017	2018	2019	2020	2021	2022
Total Wireless Colocation Operating Expenses	\$ 214,568	\$ 218,859	\$ 223,236	\$ 227,701	\$ 232,255	\$ 236,900
Operations:						
Salaries, OT, and Benefits ₂	\$ 61,568	\$ 62,799	\$ 64,055	\$ 65,336	\$ 66,643	\$ 67,976
Maintenance Agreements ₃	\$ 153,000	\$ 156,060	\$ 159,181	\$ 162,365	\$ 165,612	\$ 168,924
Capital Construction Costs ₄	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes and Assumptions - Wireless Colocation

- 1: Wireless Colocation revenues include macro-site (tower) rent and maintenance revenues, small cell rent and construction revenues, and site application fees.
- 2: O&M: 2% annual growth of Allocated Salaries, OT, and Benefits is based on cost center B0011 - Management(50%)
- 3: Maintenance agreements and inspections for tower and site maintenance.
- 4: Wireless colocation line of business does not incur capital costs; lessees pay all costs of construction.

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JEA Annual Revenue and Expense Projection

Utility Pole Attachment Facilities

April 3, 2018



Annual Revenue Forecast	2017	2018	2019	2020	2021	2022
Utility Pole Attachment Revenues ^{1,2}	\$ 4,830,156	\$ 4,819,820	\$ 5,079,915	\$ 5,347,812	\$ 5,508,246	\$ 5,673,494

Expenses	2017	2018	2019	2020	2021	2022
Total Pole Attachment Operating Expenses	\$ 61,568	\$ 62,799	\$ 64,055	\$ 65,336	\$ 66,643	\$ 67,976
Operations:						
Salaries, OT, and Benefits ³	\$ 61,568	\$ 62,799	\$ 64,055	\$ 65,336	\$ 66,643	\$ 67,976
Capital Construction Costs ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes and Assumptions - Utility Pole Attachments

- 1: Pole attachment revenue increases due to standard agreement with 3% escalator and new attachers; standard agreement in place across 10 attaching entities.
- 2: JEA Pole attachment rent rates calculated via APPA cost-based formula.
- 3: O&M: 2% annual growth of Allocated Salaries, OT, and Benefits is based on cost center B0011 - Management(50%)
- 4: Pole attachment line of business does not incur capital costs.

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JEA Timber

	Revenues	Reforestation Expenses
FY15	\$4,610,667.16	
FY16	\$2,089,653.35	\$584,630.00
FY17		\$1,030,076.38
FY18	\$733,408.65	
FY19		\$120,000.00
Total	\$7,433,729.16	\$1,734,706.38

JEA does not expect any timber revenue beyond 2018 for at least 10 years.

JEA Natural Gas

	Revenues
FY18	\$105,375
FY19	\$173,737
FY20	\$217,143
FY21	\$228,043
FY22	\$272,237
Total	\$996,535

JEA - GRU Coordinated Dispatch

Latest Study Dated 3.2018		
Term:	FY 2019	October 2018 - September 2019
Assumptions:	Assumes 120 MW of transmission available at all times. No restrictions on flow between the utilities. GRU purchased GREC	
<hr/>		
JEA Net Benefit:	\$ 2,746,416	
Flow JEA - GRU:	318	GWh
Flow GRU - JEA:	149	GWh
Budget Study Dated 8.2017		
Term:	Calendar Year 2018	
Assumptions:	Restriction of flows between utility based on historical behavior. 80 MW of transmission JEA to GRU Peak, 120 MW Off Peak 50 MW of transmission GRU to JEA Peak, 0 MW Off Peak GREC is a PPA for GRU	
<hr/>		
JEA Net Benefit:	\$ 2,064,958	
Flow JEA - GRU:	195	GWh
Flow GRU - JEA:	66	GWh
Current Year to Date Activity Annualized		
Term:	October 2017 - October 2018 - September 2019	
Current Net Benefit:	\$ 5,582	
Annualized for FY2018:	\$ 11,164.36	

Possible Example of New JEA Business Lines

(\$ millions)	Revenue		Estimated 5 year CAPEX	
	Minimum	Maximum	Minimum	Maximum
Natural Gas Sales to Commercial and Industrial Customers	\$13	> \$16	\$0	\$0
Retail Natural Gas Sales	\$150	> \$200	\$140	\$180
Dark Fiber Leasing	\$11	> \$16	\$0	\$1
Transmission Operator (TOP)	\$0.9	> \$1	\$0	\$0
Security Services: Physical Compliance (CIP), Consulting, Maintenance	\$1	> \$2.5	\$0	\$0
Transmission and Distribution Services	\$2	> \$7	\$0	\$0
Distributed Generation (DG) - Various Project Ideas:				
Solar Panel Leasing	\$7	> \$8	\$0	\$0.4
Fuel Cells	\$8	> \$10	\$0	\$0.8
Micro-Turbines	\$17	> \$20	\$0	\$0.5

**Based on current estimates and data without strategic planning*



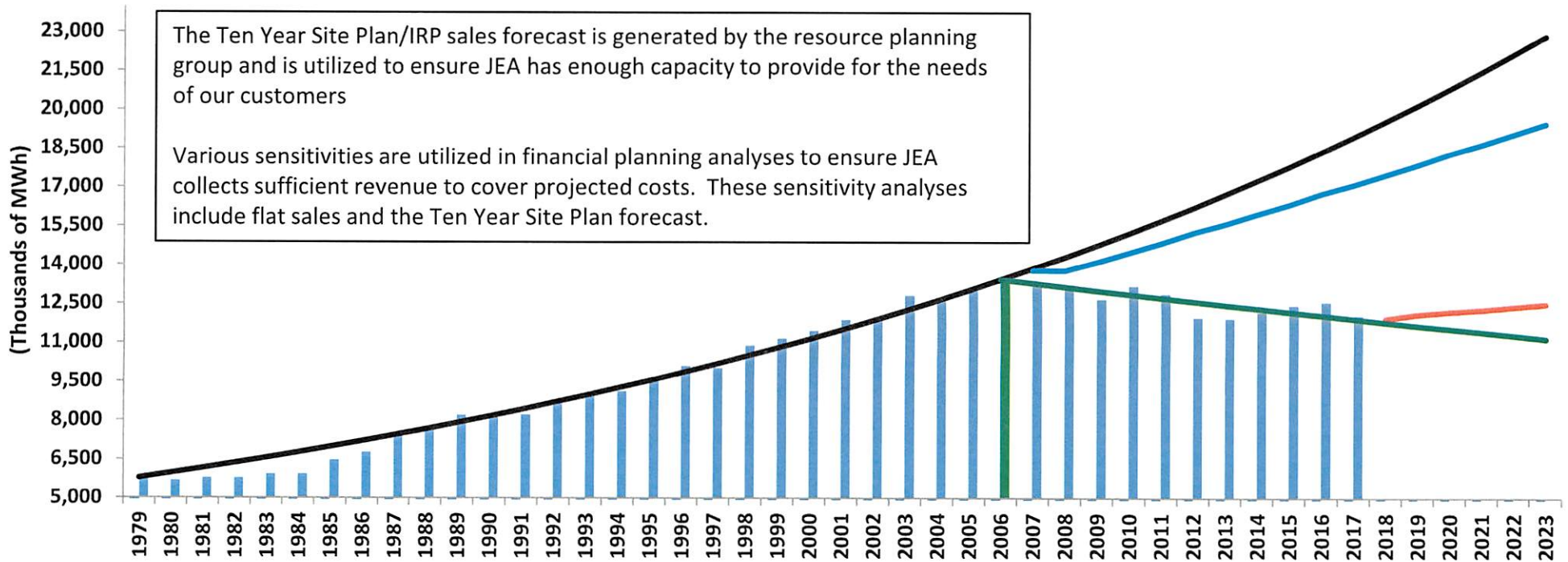
PROJECTED
CALENDAR YEAR 2018

JEA Generating Sources and Capacities

Energy - MWh			IN THOUSANDS
Unit			2018
Kennedy	7		146
Kennedy	8		86
Northside	1		1,627
Northside	2		1,570
Northside	3		2,029
Northside	33		1
Brandy Branch	1		63
Brandy Branch Combined Cycle	2,3 & 4		4,238
Greenland Energy Center	1		68
Greenland Energy Center	2		35
St. Johns River Power Park	1		0
St. Johns River Power Park	2		0
Scherer	4		958
		All Purchases	1,776
		Total	12,597 000

Summer Capacity - MW			2018
Kennedy	7		150
Kennedy	8		150
Northside	1		293
Northside	2		293
Northside	3		524
Northside	33		212
Brandy Branch	1		150
Brandy Branch Combined Cycle	2,3 & 4		501
Greenland Energy Center	1		150
Greenland Energy Center	2		150
St. Johns River Power Park	1		
St. Johns River Power Park	2		
Scherer	4		194
Purchase – Wansley	7		200
Purchase – Summer Seasonal	--		25
Purchase – Trail Ridge	--		15
		Total	3,007

JEA Electric Sales

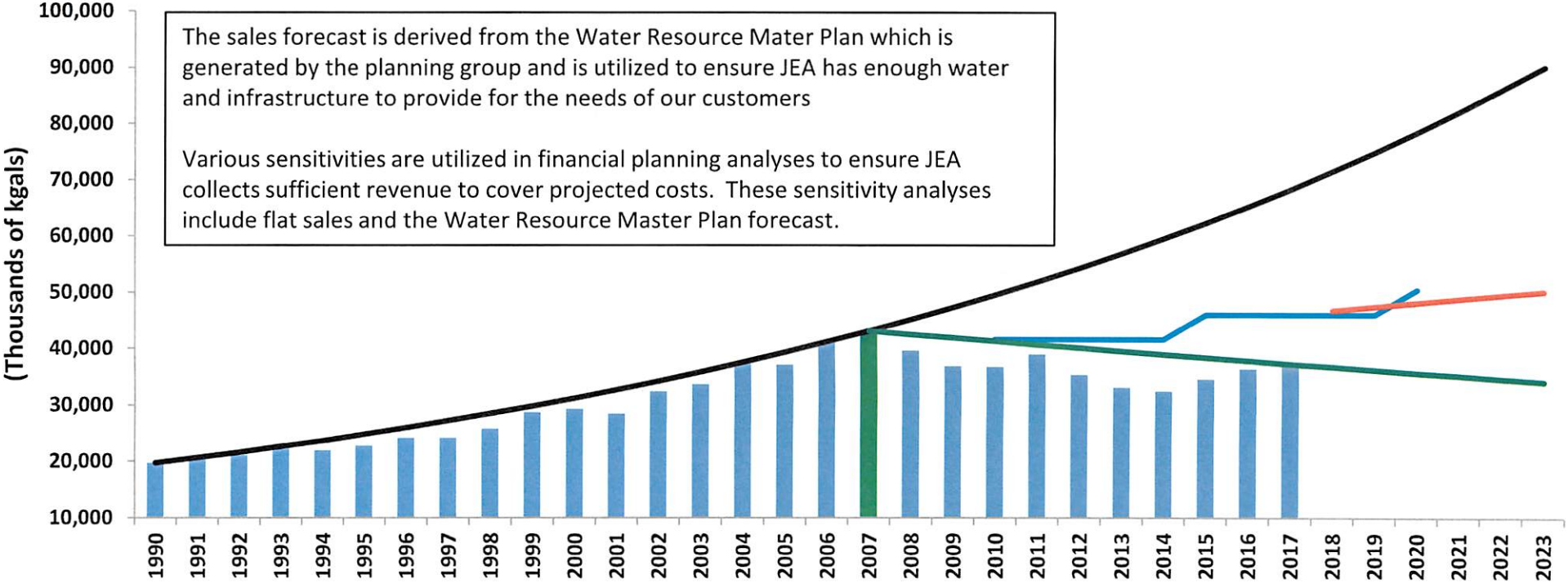


- Projection based on Annual Growth Rate 1979-2006
- 2006 Sales Projection (IRP-Based)
- 2017 Sales Projection (TSP-Based)
- Projection Based on Annual Growth Rate 2006-2017



IRP = Integrated Resource Plan
 TSP = Ten Year Site Plan

JEA Water Sales



- Projection based on Annual Growth Rate 1990-2007
- 2008 Sales Projection based on Water Resource Master Plan
- 2017 Sales Projection based on Water Resource Master Plan
- Projection based on Annual Growth Rate 2007-2017



JEA Awards and Recognitions

Year	Award	Recipient	Awarding Organization
2014	Fir-friendly Worksite Platinum & Gold Awards	JEA	American Heart Association
2012	Reliable Public Power Provider Platinum Award	JEA	American Public Power Association (APPA)
2017	Top Honors	JEA Reuse Delivery & Collection and Customer Field & Meter Services	American Water Works Association (AWWA)
2014	Reliable Public Power Provider Diamond Award	JEA	APPA
2016	E.F. Scattergood System Achivement Award	JEA	APPA
2008	Lineman Rodeo National Champions	JEA Linemen	APPA
2016	Lineman Rodeo National Champions	JEA Linemen - Robert Hess, Clay Cook & Brian Gregg	APPA
2014-2016	Honorable Mention Safety Awards of Excellence	JEA	APPA
2017	2nd Place Safety Awards of Excellence	JEA	APPA
2014	Second Place Overall Journeyman Team	JEA	APPA National Lineworker Rodeo
2014	Third Place Overall Apprentice	JEA	APPA National Lineworker Rodeo
2012-2018	Treeline USA Award	JEA	Arbor Day Foundation
2013	Platinum Award	Brian Roche - JEA	Association of Metropolitan Water Agency
2006,08,10,12,14,18	Region II - Florida Section - Best Tasting Drinking Water Contest	JEA	AWWA
2016-2017	Region II - Florida Section - Operator Challenge - Tapping Contest State Winner	JEA	AWWA
2016	Region II - Florida Section - Operator Challenge - Meter Madness 2nd and 3rd place	JEA	AWWA
2017	Region II - Florida Section - Operator Challenge - Meter Madness State Winner	JEA	AWWA
2017	Cyber Security and Innovation Award	JEA	Center for Digital Government
2012-2018	Lineman Appreciation Day	JEA Linemen	City of Jacksonville and State of Florida
2014	#2 National Ranking E-Source Award of Excellence for Top Large Utilities in Key Account Customers Satisfaction	JEA	E Source
2016-2017	Top 20 Solar Cities by Total Installed Solar PV Capacity	JEA - Jacksonville	Environment America Research & Policy Center and Frontier Group's Shining Cities
2016	President's Award for Special Recognition	JEA MyWay Program	Exceleron

Year	Award	Recipient	Awarding Organization
2013	Marketing Excellence	JEA	Exceleron
2014	Prepaid Program Award of Excellence	JEA	Exceleron
2015	Wi\$e Money Corporate Award	JEA	Family Foundations
2013	Excellence in Worksite Wellness Gold Award	JEA	First Coast Healthiest Companies
2015	Crane Award	JEA	First Coast Manufacturers Association
2014	Excellence in Workforce Development	JEA	First Coast Manufacturers Association
2013-2015	Healthiest Companies Award Platinum	JEA	First Coast Worksite Wellness Council
2018	Restoring Communities Award	JEA	Florida Municipal Electric Association (FMEA)
2015	David W. York Reuse Award	JEA	Florida Water Environmental Association (FWEA)
2015	Earl B. Phelps Award - Advanced Secondary Wastewater Treatment Plant	Southwest WRF	Florida Water Resources Conference
2015	Earl B. Phelps Award - Secondary Wastewater Treatment Plant	District II WRF	Florida Water Resources Conference
2008, 2010-2018	Safety Award	JEA	FMEA
2013	Community Service Award	JEA	FMEA
2016	Member of the Year	JEA	FMEA
2013	Lineman Rodeo State Champions	JEA Linemen	FMEA
2016	First Place Hurtman Rescue	Cody Stokes - JEA	FMEA
2016	First Place Overall Journeyman Team	JEA Lineman - Robert Hess, Clay Cook & Brian Gregg	FMEA
2018	Lineman Rodeo State Champions	JEA Lineman - Robert Hess, Brian Gregg & Greg Johnson	FMEA
2015	First Place Hurtman Rescue	J.J. Sabo, D. Poncher, G. Johnson, Brandenburg	FMEA
2015	First Place Mystery Event	J.J. Sabo, D. Poncher, G. Johnson, Brandenburg	FMEA
2015	Third Place Transformer Change Out	J.J. Sabo, D. Poncher, G. Johnson, Brandenburg	FMEA
2015	Second Place Overall Journeyman Team	J.J. Sabo, D. Poncher, G. Johnson, Brandenburg	FMEA
2014	Second Place Overall Journeyman Team	JEA	FMEA Lineman Competition

Year	Award	Recipient	Awarding Organization
2014	Second Place Overall Apprentice	JEA	FMEA Lineman Competition
2015	Albert B. Herndon Award	Gary Christiansen - JEA	FWEA
2015-2017	Florida Water Resources Conference (FWRC) - Collections Event (pipe repairs) 2nd place	JEA	FWEA
2017	FWRC Safety Event (confined space rescue) - 2nd place	JEA	FWEA
2017	FWRC Maintenance (pump maintenance) 1st place	JEA	FWEA
2017	FWRC Operations Challenge Overall Event - Runner-up	JEA	FWEA
2017	Environmental Stewardship Award for Odor Control	JEA	FWEA
2012	Canopy Award	Mike Robinson - JEA	Greenscape of Jacksonville
2014	Outstanding Service in Leadership Development and Community Partnership Award	JEA	INROADS
2013	Partner of the Year	JEA	INROADS
2013	Overall International World Champions	Mike Corbett, Robert Hess and Brian Gregg	International Lineman Rodeo Championships
2013	Municipal Overall 2nd Place	J.J. Sabo, Greg Johnson and Dan Prescott	International Lineman Rodeo Championships
2013	Apprentice Mystery Event	David Poncher	International Lineman Rodeo Championships
2016	Highest Customer Satisfaction with Business Electric Utilities in the South among Midsize Utilities	JEA	J.D. Power
2015	First Quartile Residential Customer Satisfaction	JEA	J.D. Power
2015	J.D. Power Wave 3 Record Score of 709	JEA	J.D. Power
2014	J.D. Power Wave 1 - #2 Ranking in the State of Florida and top quartile nationally	JEA	J.D. Power
2014	#2 Ranking South Midsize Region & Top Quartile Nationally	JEA	J.D. Power
2014	Top Quartile and Top Rated Utility in Florida J.D. Power Business Customer Satisfaction	JEA	J.D. Power
2016	Ultimate CFO	Melissa Dykes - JEA	Jacksonville Business Journal
2014	40 Under 40	Melissa Dykes - JEA	Jacksonville Business Journal

Year	Award	Recipient	Awarding Organization
2015-2016	Silver Awards	JEA	JASMYN
2014	5 years of support	JEA	JASMYN
2014-2016	Industrial Pretreatment Award	Northside Generating Station	JEA Environmental
2013-2017	Industrial Pretreatment Award	Kennedy Generating Station	JEA Environmental
2015-2017	Industrial Pretreatment Award	Brandy Branch Generating Station	JEA Environmental
2010	Largest Public Utility PV Project in US	JEA	Juwi
2017	Inspiring Energy Award	JEA	KUBRA
2016	Mayor's Environmental Award	JEA Reclaimed Water System	Mayor, City of Jacksonville
2015, 2017-2018	Clean Coal Technology Recognition	JEA	Multiple International Visitors - South Africa, South Korea, Mexico, Japan, Iraq
2012	Line Maintainers Recognition	JEA Linemen	Mutual Aid to Northeast Utilities following Hurricane Sandy
2012	Gold Award	Julington Creek WRF	NACWA
2013	Silver Award	Julington Creek WRF	NACWA
2013	Peak Performance Award	Cedar Bay & Southwest WWRT	NACWA
2014	Silver Award	Blacksford & Julington Creek WRF	NACWA
2011	Silver Award	San Jose & Royal Lakes WWTP	National Association of Clean Water Agencies (NACWA)
2015	Innovative Partner Award	JEA Senior Day Initiative	NE Florida Community Action Agency
2012	Top Plant	Northside Generating Station	Power Magazine
2014	Top Volunteer Group Award	JEA	Salvation Army of NE Florida
2014	Lifetime Achievement Award for being a true pioneer in the field of meter data management	JEA	Siemens Business
2010	#7 Nationally Annual Solar Watts per Customer	JEA	Solar Electric Power Association
2013	Energy Pro3 Award	Bruce Doueck - JEA	Southeast Energy Efficiency Alliance
2017	Sunriser - One of top 7 utilities with the highest forecast solar watts per customer growth	JEA	Southern Alliance for Clean Energy
2016-2017	Top Performer	JEA Fleet Services	Transportation and Logistics Magazine
2015	Leader in Program Design	JEA Learning & Development	UNF Continuing Education
2013	Green Hero - sustainability impact	Bruce Doueck - JEA	US Green Building Council
2013	Green Initiative Award	David Reed - JEA	US Green Building Council
2016	Ultimate CEO	Paul McElroy - JEA	Jacksonville Business Journal

Market & Regulatory Changes

- Clean Air Act 1970
- Energy Crisis 1973
- Fuel Use Act 1978 (prohibited new oil or gas fire base load generation)
- PURPA 1978 (QFs, Fuel Adjustment, Energy Conservation)

1970

1980

- 1977 Northside 3 (Oil fired)
- SJRPP 1987 & 1988 (Coal fired)
- Scherer 1989 (Coal fired)

CC – Combined Cycle (natural gas)
 CFB – Circulating Fluidized Bed (Coal & Petcoke)
 CT – Combustion Turbine (natural gas)
 PPA – Purchase Power Agreement
 PURPA – Public Utilities Regulatory Policy Act
 QF – Qualifying Facility
 SCR – Selective Catalytic Reduction

- Repeal Fuel Use Act 1987

1990

- Kennedy CT U7 2000
- Brandy Branch CT 1-3 2001
- Brandy Branch CC4 2005
- Kennedy CT U8 2009
- Greenland CT 1&2 2011

- National Energy Policy Act 1992 (Initiated Deregulation)

2000

- Clean Air Rules 2003-2016 (CAIR/CSAPR, CAMR/NESHAP)
- 2006 Sense of the Senate Resolution (GHG Reduction)
- Natural Gas peak pricing 2005 & 2008

2010

- Southside Gen Decomm 2001
- Northside CFBs 1 & 2 2003
- Vogtle PPA 2008 (Nuclear)
- Trail Ridge 2008 (Landfill Gas)
- SCR equipment SJRPP \$222 million 2010
- SCR equipment Scherer Unit 4 \$141 million 2012
- Trail Ridge 2014 (Landfill Gas)

- 21st century Electric Gen Discharge Rules 2009-2016 (CCR, 316b, ELG)
- Hydraulic Fracturing Substantial Use 2010 (in deep rock formations)
- Clean Power Plan 2015

2020

- JAX Solar PPA 2010
- Small solar PPAs 2017-18
- SJRPP Decomm 2018
- Large solar PPAs 2018-19

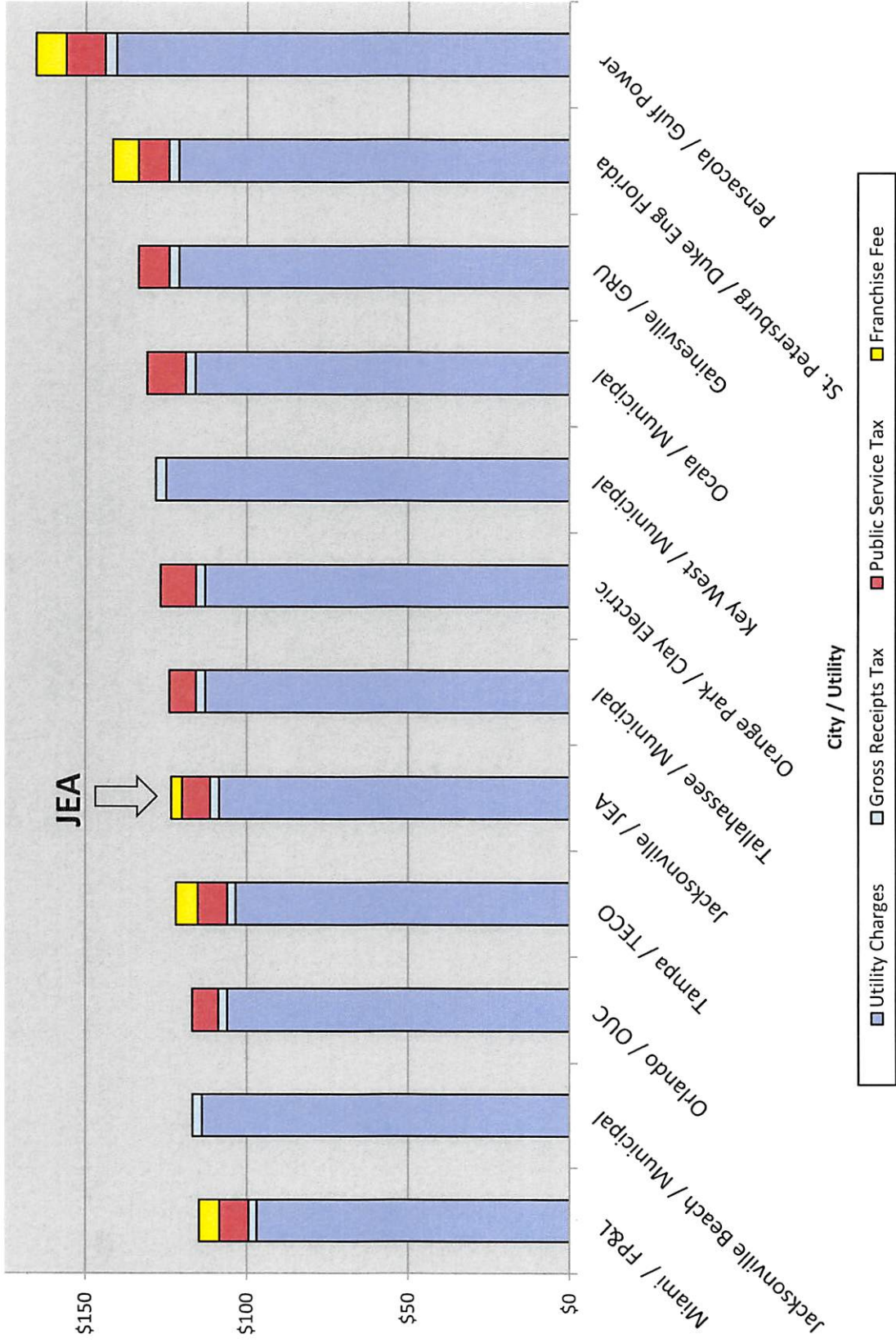
- Vogtle energy expected 2021-22



Florida Utilities Monthly Residential Electric Bill Comparison

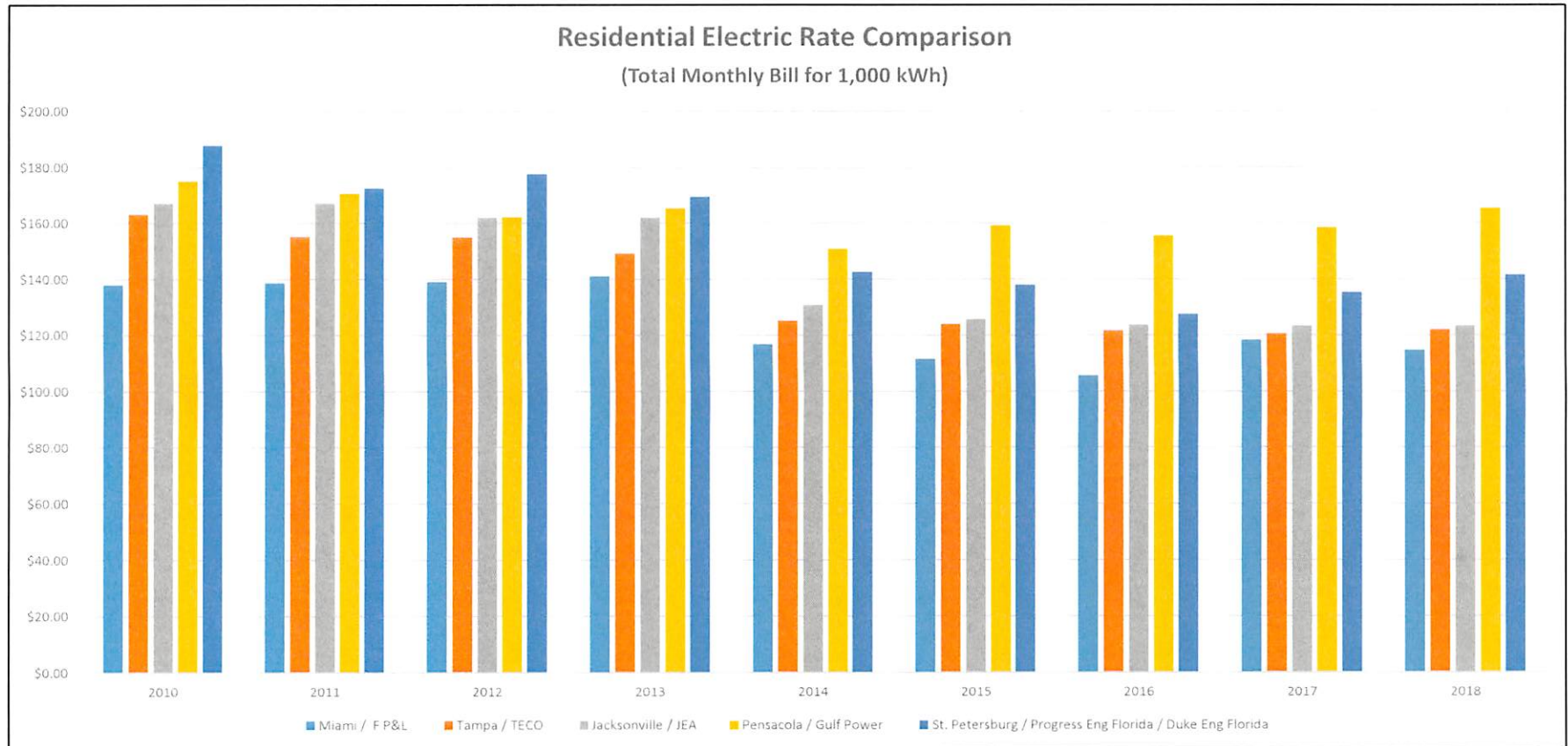
(Consumption @ 1,000 kWh)

Residential Rates as of April 2018



*FPL bill includes \$1.38/MWh storm charge and Duke bill includes a \$2.54/MWh storm charge in this comparison. The other utilities in this comparison do not currently assess storm charge in their bills. (1MWh=1000kWh)

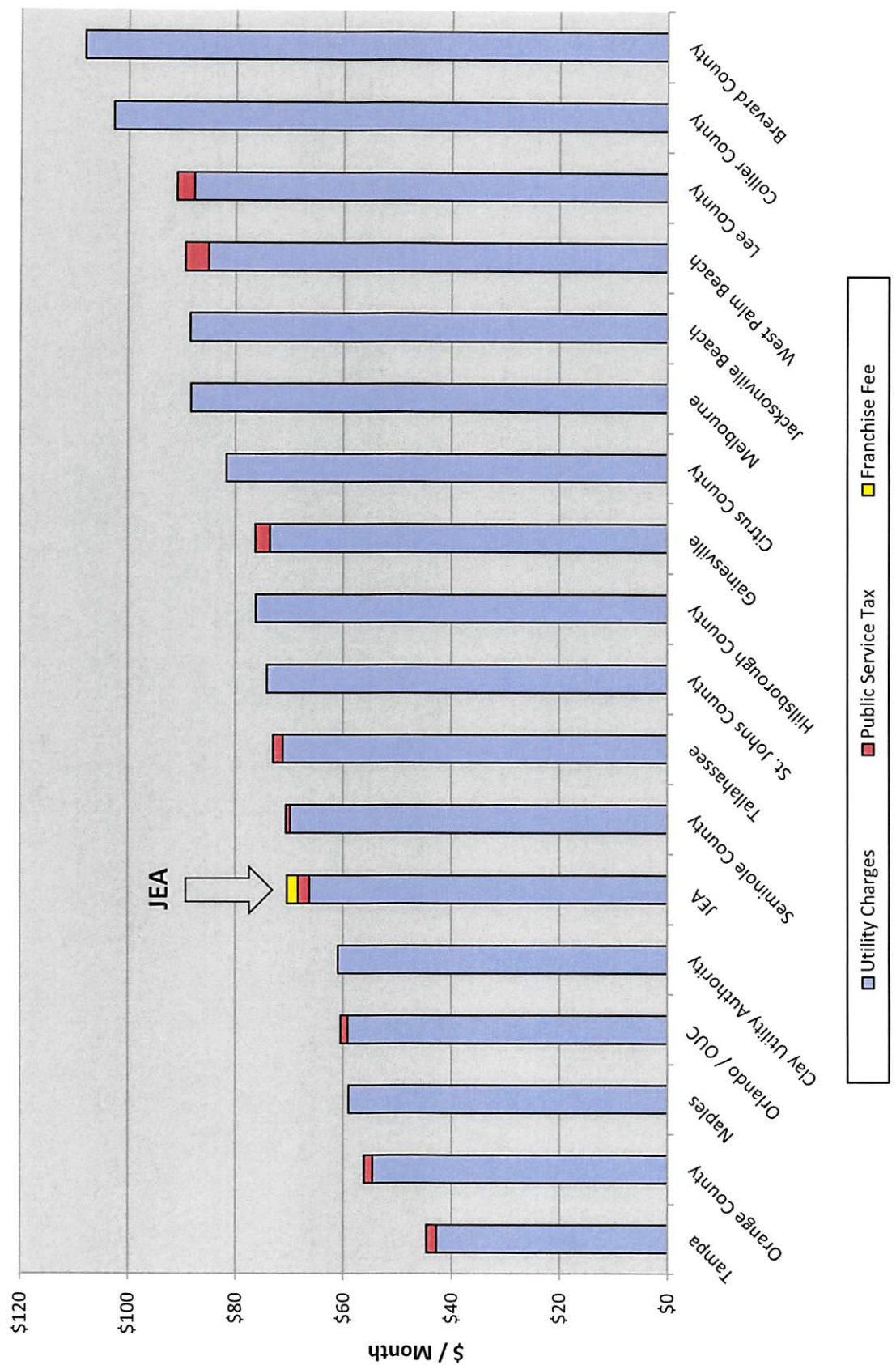
	2010	2011	2012	2013	2014	2015	2016	2017	2018	'10 - '18 Variance
Miami / F P&L	\$138.12	\$138.85	\$139.29	\$141.20	\$116.85	\$111.70	\$105.72	\$118.34	\$114.77	-17%
Tampa / TECO	\$163.23	\$155.23	\$155.11	\$149.39	\$125.41	\$124.13	\$121.68	\$120.60	\$121.98	-25%
Jacksonville / JEA	\$167.16	\$167.16	\$162.03	\$162.03	\$130.90	\$125.91	\$123.63	\$123.34	\$123.34	-26%
Pensacola / Gulf Power	\$175.20	\$170.85	\$162.30	\$165.44	\$150.93	\$159.30	\$155.65	\$158.56	\$165.37	-6%
St. Petersburg / Progress Eng Florida / Duke Eng Florida	\$187.80	\$172.63	\$177.76	\$169.60	\$142.74	\$138.16	\$127.71	\$135.38	\$141.65	-25%



Includes all charges, taxes and fees, including storm charges as applicable

Water & Sewer Rates in Florida

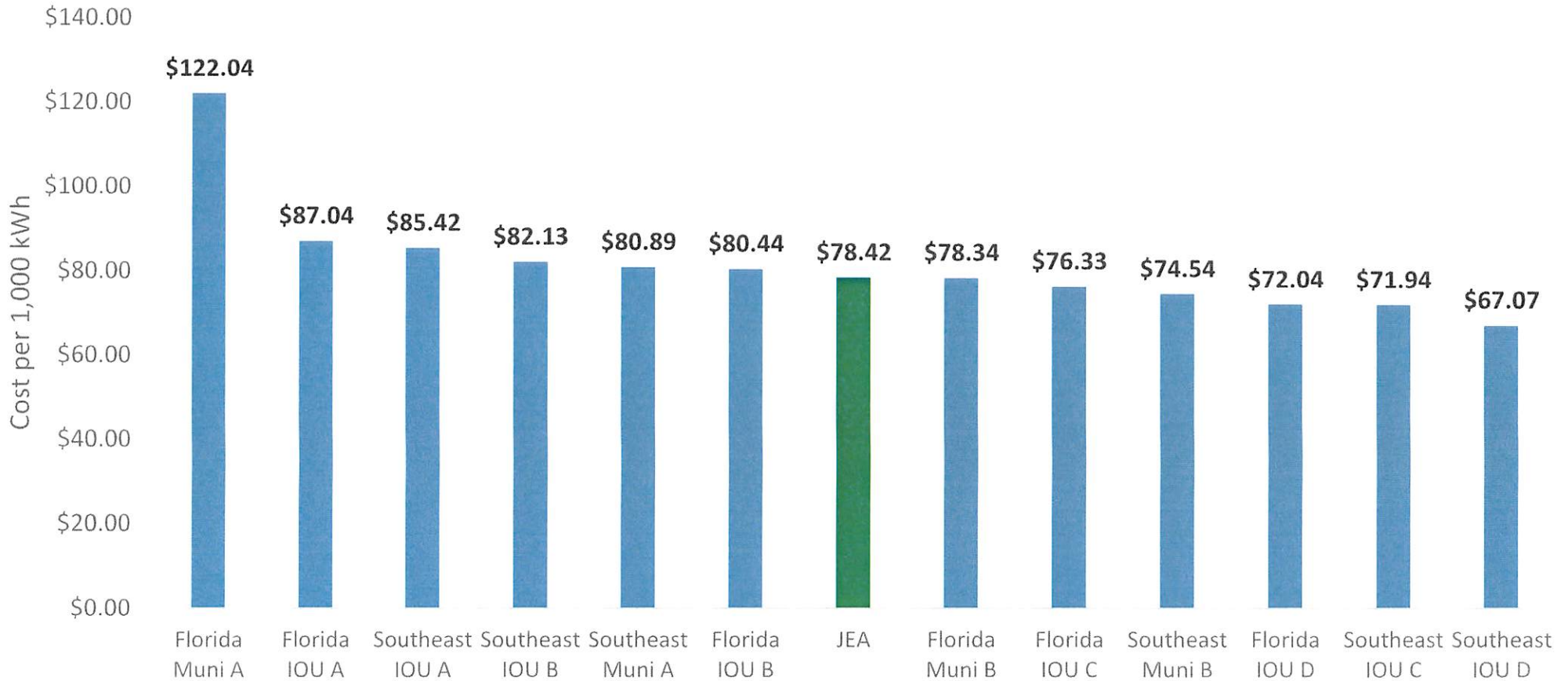
Residential Service with a 5/8" meter and 6 kgal of Consumption
Residential Rates as of April 2018



Electric Industrial Rate Comparison of Southeastern Utilities

GSLD primary service (73% load factor)

1,500 kW; 800,000 kWh - January 2018



- To maintain the integrity of the survey, the respondents are identified with general descriptions instead of specific names
- Amounts shown **exclude** location-specific charges such as gross receipts tax, public service tax, state sales tax, and franchise fees as these vary by state and are not assessed uniformly to customers across utilities' own service territories. These amounts can greatly impact the monthly costs.
- JEA offers two economic development programs to attract new business to Jacksonville, the Economic Development Program and the Economic Stimulus Rider
 - Currently the following are taking advantage of the EDP: Sysco International Food Group Inc., Dresser Equipment Group Inc., Hans Mill Corporation and IKEA
 - Jinko Solar plans to take advantage of the EDP once operational

RIDER EDP
 ECONOMIC DEVELOPMENT PROGRAM RIDER

(Experimental)

Available To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2018.

Applicable To new or existing Customers who have executed an Economic Development Program Electric Service Agreement with JEA on or after October 1, 2013 and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider.

Character of Service JEA's standard voltage levels.

Rate Per Month Customers executing an Economic Development Program Electric Service Agreement on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand, energy, and environmental charges. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Discount	Discount in Load Density Improvement Areas
Year 1*	30%	35%
Year 2	25%	30%
Year 3	20%	25%
Year 4	15%	20%
Year 5	10%	15%
Year 6	5%	10%
Year 7	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued to Sheet No. 17.1)

(Continued from Sheet No. 17.0)

**Definition of
Incremental
Metered Demand**

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction.

**Definition of
Baseline**

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12 month period immediately preceding the Customer's application for service.

**General
Provisions**

- a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement and start service hereunder.
- b) The application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start. The application must also specify the total number of full time employees employed in JEA's service territory by the Customer at the time of the application for this Rider.
- c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.
- d) Additionally, the Customer must provide evidence annually that the number of full time employees in JEA's service territory reported at the time of application has increased by at least 15 and continues at such level.
- e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement.
- f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement.
- g) Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount for an additional 24 months to accommodate site construction.
- h) Customer adding service in areas designated for Load Density Improvement (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued to Sheet No. 17.2)

(Continued from Sheet No. 17.1)

Term of
Service

- a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement. If JEA elects to terminate the Economic Development Program Rider Service Agreement for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and
Conditions

- a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- b) Service under this Rider shall not be available where the service is provided solely or predominately for:
 - 1) Multi-tenant residential or commercial properties
 - 2) Any service deemed "Temporary"
- c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement.
- g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders, for new metered demand.
- h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "High Risk Customer" as defined in JEA Procedure MBC 302 Credit & Collections

Revenue Codes ES

RIDER ES
ECONOMIC STIMULUS RIDER

(Experimental)

AVAILABLE:

Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2021.

APPLICABLE:

Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

- 1) Customer would not be served by JEA but for this Rider; and
- 2) Customer qualifies for such service under the terms and conditions set forth within this Rider.
- 3) Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

1. Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
2. Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement.

(Continued to Sheet No. 18.1)

(Continued from Sheet No. 18.0)

CHARACTER OF SERVICE:

This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

LIMITATION OF SERVICE:

Standby and sale for resale are not permitted under this Rider.

RATE PER MONTH:

Unless specifically noted in this Rider or within the Service Agreement, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

ADDITIONAL BASIC MONTHLY CHARGE:

\$250.00 per month

DEMAND/ENERGY/ENVIRONMENTAL CHARGES:

The charges under this Rider may include the Demand and/or Energy and/or Environmental Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

TERMS AND CONDITIONS:

- 1) Negotiated charges are to be determined by the consistent application of the following factors:
(a) customers' load characteristics; (b) alternative power supply; (c) customer credit quality;
(d) economic impact; (e) length of term of the Service Agreement; and (f) JEA's excess electric system capacity.
- 2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement and may be applied during all or a portion of the term of the Service Agreement.
- 3) Service hereunder shall be subject to the Rules and Regulations of JEA.